



Monthly Research Update

June 2024

Kalispell Tourism Trends

- 117,040 total passengers traveled through Glacier Park International Airport in June 2024, which was a 21.2% increase Year-over-Year (YoY).
- Kalispell hotel Occupancy outpaced 2023 levels for the first time this year in June but remained just shy of June 2022 levels.
 - Occupancy grew 9.0% YoY to reach 73%, well above the 67% Occupancy seen this same month last year.
 - ADR grew 1.9% YoY in June and reached \$188 for the month. ADR has outpaced 2023 levels every single month of this year so far.
- Despite short term rental Demand growing by 17.8% YoY, Supply increased by 18.1% compared to last June, which resulted in a 0.3% decrease in Occupancy for the month.
 - Total available listings grew 9.9%, primarily driven by a rise in 1-Bedroom listings.
 - Average Daily Rate remained below the levels seen in 2022 and 2023, with this June being 11.1% lower same month last year.
 - However, the significant increase in Demand caused total Revenue to grow 4.7% YoY.

U.S. Market Review

The Dow Jones Industrial Average

- “The Dow Jones Industrial Average (DJIA) gained slightly in June, adding 1.1%, or 432.5 points to finish the month at 39,118.86 points. It's the second consecutive monthly gain and the eighth in the past year for the DJIA.”
- “The market was also relatively stable during the month, with small swings (11 days up and eight days down). Investors were relaxed, as relatively calm conditions dominated the economy last month and the relief about positive consumer price/inflation news from May carried forward.”
- “The DJIA is currently down -1.7% from its most recent monthly high of 39,807.4 in May, and 2.2% below the all-time daily close of 40,003.6 points on May 17. However, it is up an impressive 14.6% from June 2023 and an incredible 27.1%, or 8,343 points from two years ago at this time.”
- “While consumers have had, at best, a blase attitude about the economy for the better part of three years, strong financial markets are very likely contributing to consumers' intent to travel in the next six months.”

The Consumer Confidence and Consumer Sentiment Index

- “The Consumer Confidence Index (CCI) and the Consumer Sentiment Index (CSI) both dropped slightly in June. The Conference Board's CCI fell a scant 0.9%, or 0.9 points, from 101.3 points in May to 100.4 in June. It's the fourth dip so far in 2024 and the seventh in the last 12 months, leaving the index below its unremarkable 24-month average of 104.3 points.”
- “Consumers revealed mixed emotions in June, feeling better about their short-term prospects, but not as good about the longer-term job market and wages, with inflation playing a key role—as it has since late 2022. But in the positive column, more consumers intend to travel in the next six months than they did last year at this time, continuing a several-month trend.”
- “Meanwhile, the CSI from the University of Michigan also declined slightly and was also down 0.9 points in June, moving from 69.1 points to 68.2. Survey respondents also noted their concern about inflation, notably the long-term impact on their personal finances. Though down, the CSI is up 2.3 points from its also unremarkable long-term average of 65.9 points.”

The Consumer Confidence and Consumer Sentiment Index (continued)

- “On the cautionary side, while travel intentions remain up for consumers, until the CCI and CSI record consistently higher numbers, pricing power will remain in the hands of the consumer, as indicated by both May and June booking data.”

The National Unemployment Rate

- “The National Unemployment Rate increased for the 3rd consecutive month in June, gaining 0.1%, and is now at 4.1%, its highest level since November 2021 (4.2%). Meanwhile, job creation pulled back slightly from last month, but was still higher than expected, with 206,000 new positions added to payrolls, while April and May jobs were both adjusted down.”
- “This month's report has a few components that are getting analysts' attention. First, the uptick in unemployment was unexpected, although the measure has been inching up since the 3.4% low in mid-2023. The second is a moderate slowdown in wage growth, which increased by 0.3% in June after a 4.1% gain in May. But while wages slowed a bit, when annualized they're up 3.9% YOY, ahead of the 3.0% national inflation rate and gaining on inflation for the 15th consecutive month.”
- “The dynamics of this jobs report support economic positions on both ends of the spectrum: on the one hand, robust job creation supports the argument that the economy is fundamentally strong, and interest rates can come down; on the other hand, three months of increasing unemployment and a softening of wages helps support the pundit position that the economy is not yet beyond recession.”

The National Inflation Rate

- “The National Inflation Rate declined for the third consecutive month in June in the most consequential CPI report this year. Inflation dropped from 3.3% in May to 3.0% in June, exceeding analysts’ expectations.”
- “But, while annual inflation is a key measure of economic health and drives policy decisions, month-over-month prices are the most impactful on consumers. Consumer prices came down over the last month, declining -0.1% from May, the first decline since November 2022.”
- “The 3.0% inflation rate is the lowest since June 2023 and is widespread, including such items as gasoline, electricity, fruits and vegetables, as well as cereals and cereal-based products.”
- “Of particular note is the relationship between inflation and earnings, with the gap between the two widening as wages are now ahead of inflation for the 15th consecutive month.”

The National Inflation Rate (continued)

- “A notable price decline for travel this month is air fares, down -5.0% in June from May, making accessing destinations more affordable. When combined with the moderated Average Daily Rate in many destinations, that will presumably give boost to summer business. Lower CPI and national inflation rate are key to the Federal Reserve Bank lowering interest rates, which will further open consumers’ wallets.”

Economic Flashpoints from Tourism Economics

- “The U.S. economy remains on solid footing. While recent economic data have come in weaker than expected, our leading indicators remain positive. We expect the economy to slow in the coming months but see no signals of a recession.”
- “A slowdown in inflation is back on track according to May readings. This is good news and could help reverse recent consumer sentiment declines driven by delayed interest rate cuts, slowing income growth and sustained higher prices. Still, the correlation between consumer sentiment and consumer spending has not been strong. Rather, spending largely depends on household balance sheets which remain solid for middle- and high-income homes.”

Travel Demand Update

- “Strong travel intentions, growth in outbound and continued recovery of inbound international travel are driving increased U.S. airport traffic. More than 360 million travelers passed through security checkpoints in U.S. airports from January through May—including more than 10 million during Memorial Day weekend. June is pacing 7% ahead of 2019 air passenger volumes.”
- “U.S. outbound travel registered 120% of 2019 levels as of May 2024 YTD (28.2 million persons), compared to inbound travel at 86% of 2019 levels (13.2 million persons YTD). Year-over-year growth in US outbound travel increased to 11% in May from 8% in April.”
- “Overseas inbound arrivals to the U.S. through May registered 14% below the same period in 2019, despite a 20% gain over the same period last year. Recovery has varied by region—the strongest rebound being from Central America with a 16% gain over the first five months of 2019.”

Travel Demand Update (continued)

- “While Asia lags in all major regions, visits to the U.S. from India present a bright spot. Visits from Asia rose 37% YTD through May but still registered 27% below the same period in 2019. Arrivals from India, however, surpassed 2019 levels last year and have risen 37% in 2024.”
- “The on-going recovery in international arrivals contributed to a \$561 million surplus in the travel and tourism balance of trade for April 2024. Total travel and tourism-related exports were 12.5% higher than April 2023 versus an 8.7% increase in imports.”
- “Hotel demand has experienced a modest recovery, most recently posting back-to-back gains with a rise of 2.0% in May after a 1.8% rise in April—an encouraging sign as the industry heads into the summer season.”

Short Term Rentals

- “June 2024 saw a 9.8% increase in Demand for short-term rentals, with Occupancy levels surpassing pre-pandemic 2019 levels for the first time this year.”
- “The number of Total Available Listings for June provided more evidence of slowing Supply. In May, available listings reached their previous peak, although a month later than usual. However, listings declined from 1.69 million in May to 1.68 million in June. This is the first decline since the pandemic outbreak, making May's total the all-time high.”
 - “However, Supply isn’t slowing at an equal rate across all locations. Urban areas are particularly affected by interest rates and increased regulatory scrutiny. As a result, urban locations have seen accelerating declines in Supply for the second month in a row, dropping to -4.6% in June from -2.2% in May.”
 - “On the other hand, small city and rural locations are still experiencing growth, although at a slightly slower rate than in May. These areas had the fastest-growing supply in June at 14.4%, compared to 16.4% in May.”

Short Term Rentals (continued)

- “The combination of slowing Supply and strong Demand led to Occupancy increasing 2.2% over the previous year, up to 63.7% from 62.3% in June 2023. Occupancy was also slightly higher than the same month in 2019 (63.0%), making it the first month this year to surpass pre-pandemic levels.”
- “Although year-to-date Occupancy has been lower than in 2023 for most of the year, June narrowed the gap to less than 0.1%, the smallest margin yet.”
- “ADR growth was initially a bright spot in otherwise lackluster unit-level performance. However, the past two months have seen a sharp drop in rate growth, turning negative (-1.1% year-over-year) in June.”
- “Booking lead times, or the number of days in advance that a reservation is made before a stay date, have been shortening post-pandemic. This suggests that the eventual Demand growth may slightly exceed our prediction by 1-2%, as was the case for June.”

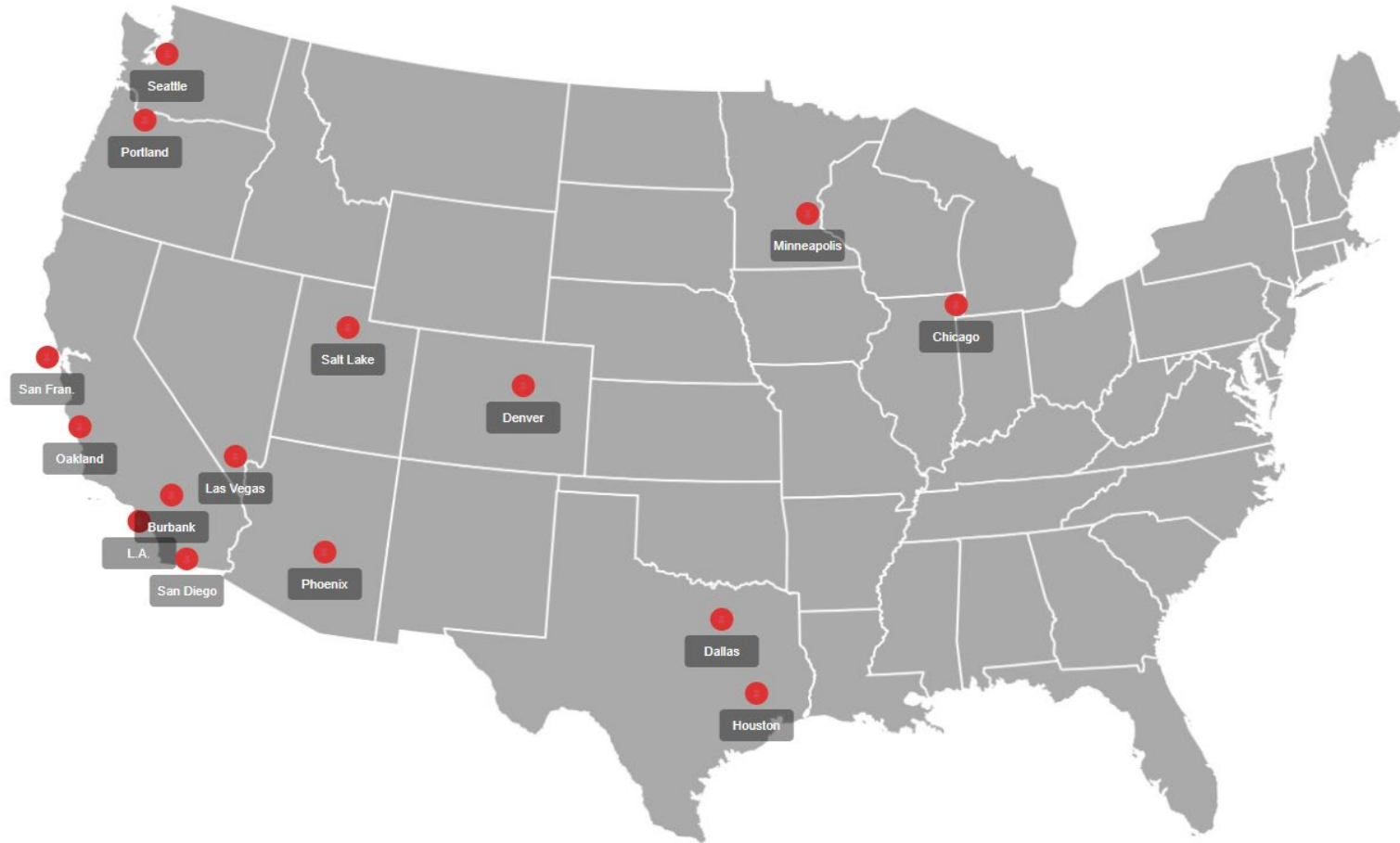
Short Term Rentals (continued)

- “August pacing remains very high due to both a relatively weak August in 2023 and a calendar shift that has moved many extended Labor Day plans from September to August. Labor Day-related demand growth in August may mean weaker demand growth in September. In fact, September’s demand pacing of +9.4% year-over-year (YOY) is considerably smaller than YOY demand growth for October (14.4%).”
- **Key U.S. Short Term Rental Performance Metrics for June 2024**
 - Available listings were 1.68 million, up 5.7% YOY
 - Total Demand (nights) rose 9.8% YOY
 - Occupancy was 2.2% higher YOY at 63.7%
 - Average Daily Rates (ADR) decreased 1.1% YOY to \$318.65
 - Revenue per Available Rental (RevPAR) increased 1.2% year-over-year (YOY) to \$203.05

Glacier Park International Airport Data

Glacier Park International Airport

— Direct Flights —
MAJOR CITIES SERVED

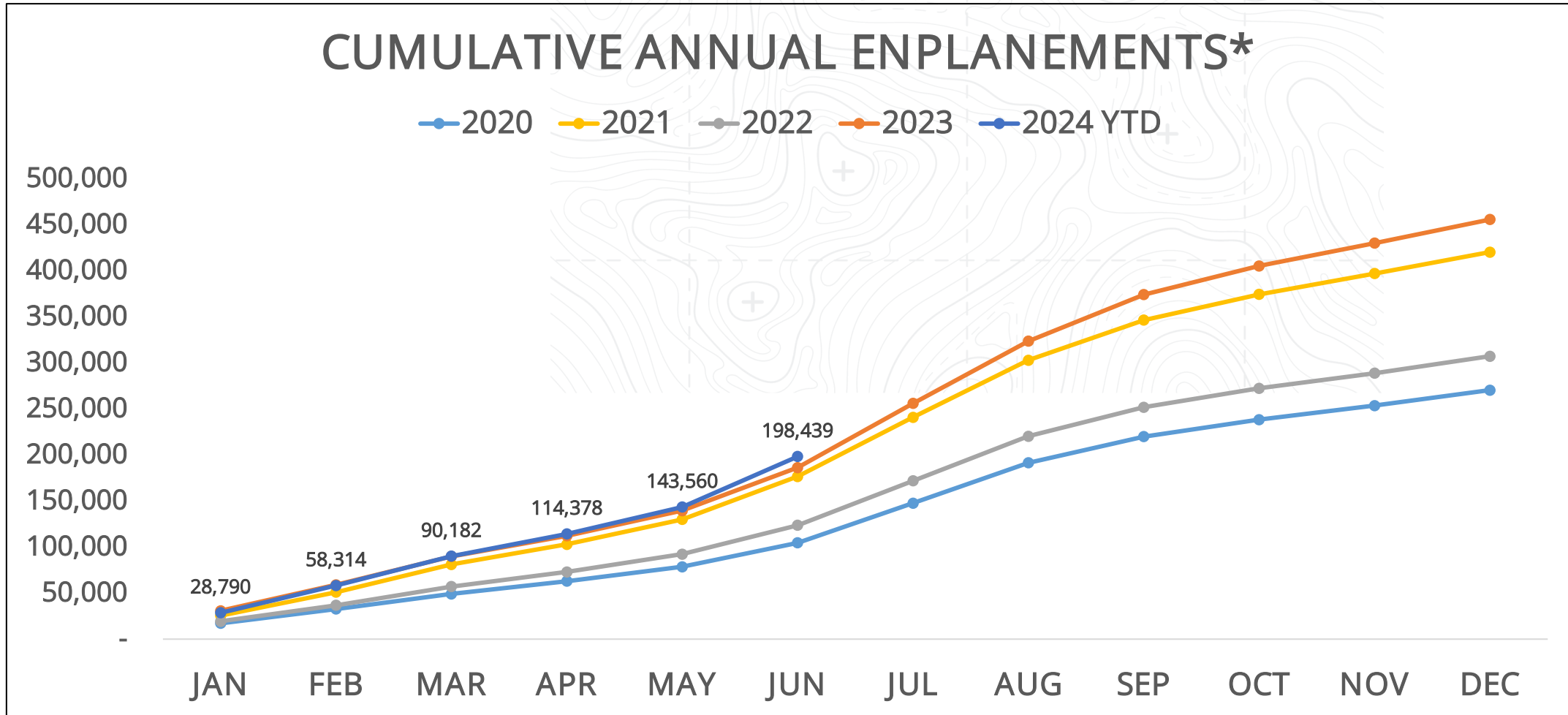




Glacier Park International Airport

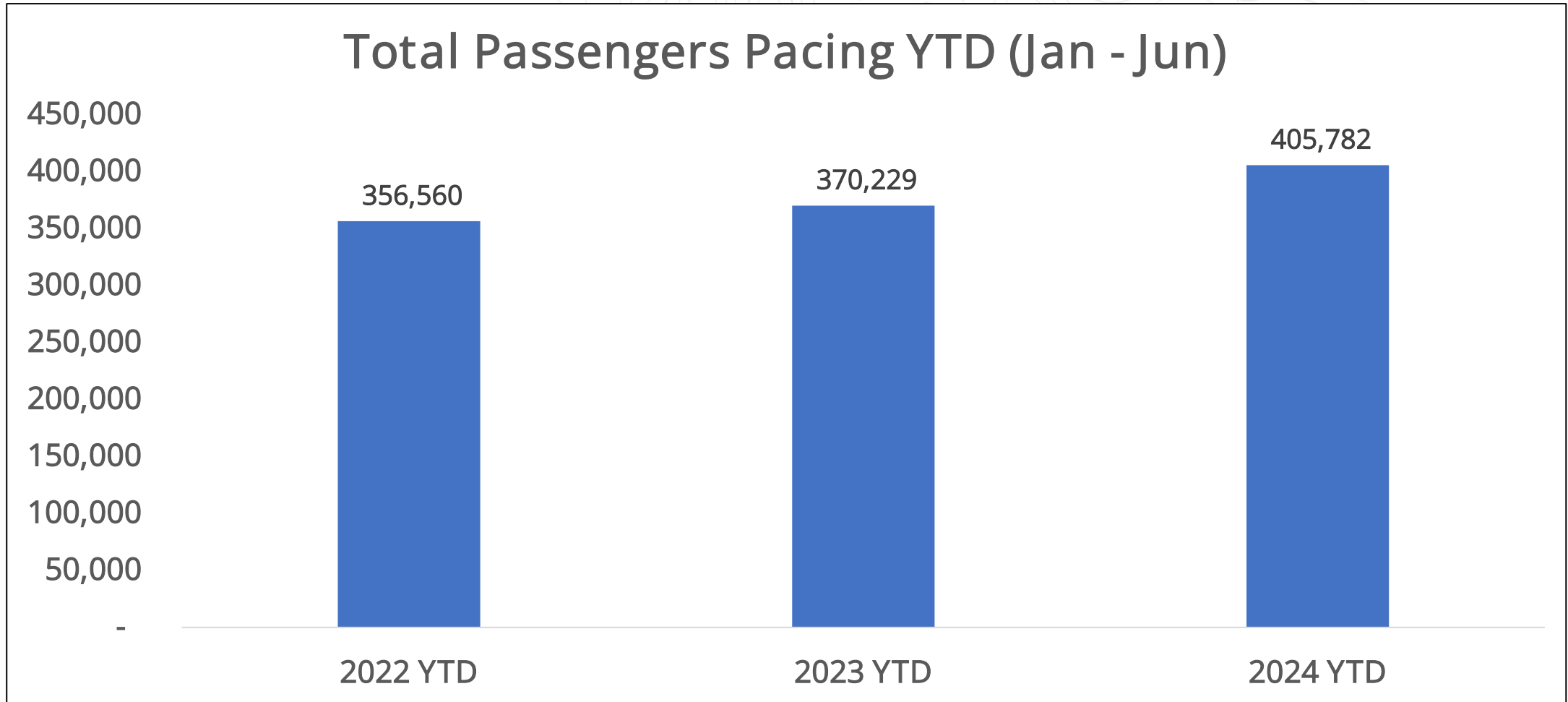
Total Passengers					
Month	2024	2023	% Change 2024 vs. 2023	2022	% Change 2024 vs. 2022
January	54,403	58,161	-6.5%	49,261	10.4%
February	59,344	56,277	5.4%	50,555	17.4%
March	63,846	59,460	7.4%	58,672	8.8%
April	48,426	45,073	7.4%	43,836	10.5%
May	62,723	54,694	14.7%	56,807	10.4%
June	117,040	96,564	21.2%	97,429	20.1%
July		138,012		128,144	
August		129,078		119,508	
September		96,891		82,965	
October		59,071		53,031	
November		48,460		44,681	
December		54,257		47,629	
Year-to-Date	405,782	370,229	9.6%	356,560	13.8%
Total		895,998		832,518	

Glacier Park International Airport

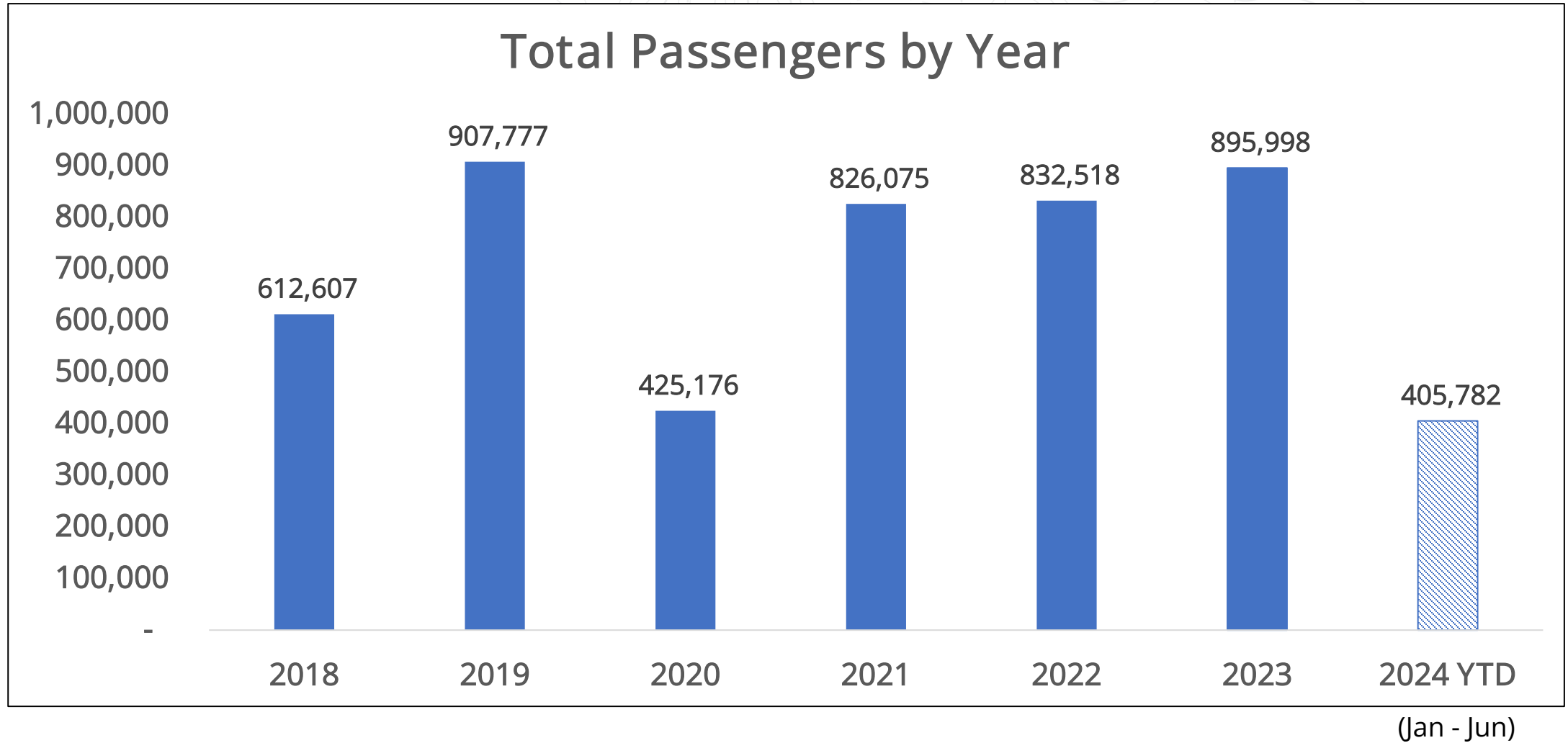


* Enplanements only (not total passengers)

Glacier Park International Airport



Glacier Park International Airport

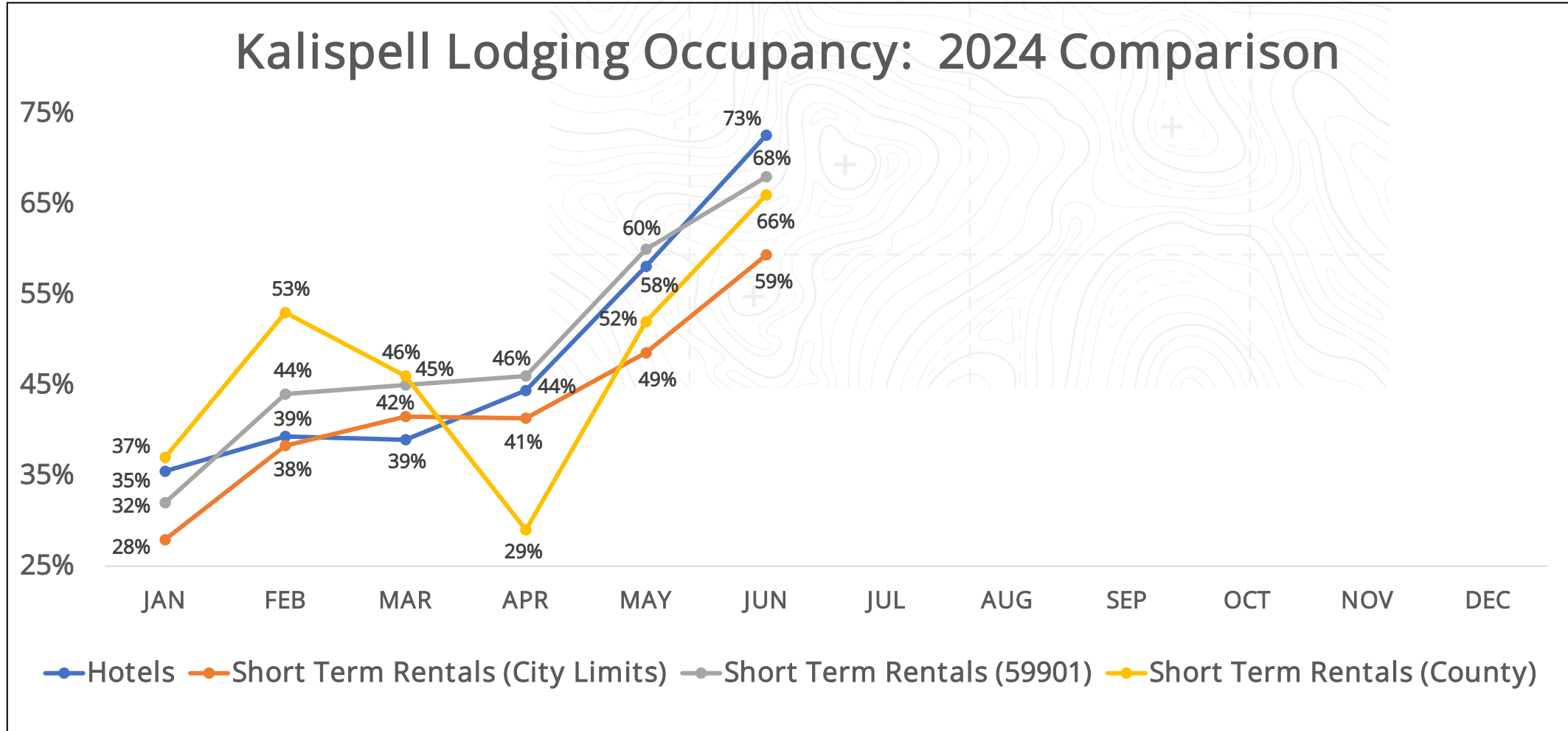


STR Hotel Data

STR Hotel Data - Definitions

- **Average Daily Rate (ADR)** – A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.
 - $ADR = \text{Room Revenue} / \text{Rooms Sold}$
- **Demand** – The number of rooms sold in a specified time period (excludes complementary rooms).
- **Occupancy** – Percentage of available rooms sold during a specific time period. Occupancy is calculated by dividing the number of rooms sold by rooms available.
 - $Occupancy = \text{Rooms Sold} / \text{Rooms Available}$
- **Revenue** – Total room revenue generated from the guestroom rentals or sales.
- **Revenue Per Available Room (RevPAR)** – Total room revenue divided by the total number of available rooms.
 - $RevPAR = \text{Room Revenue} / \text{Rooms Available}$

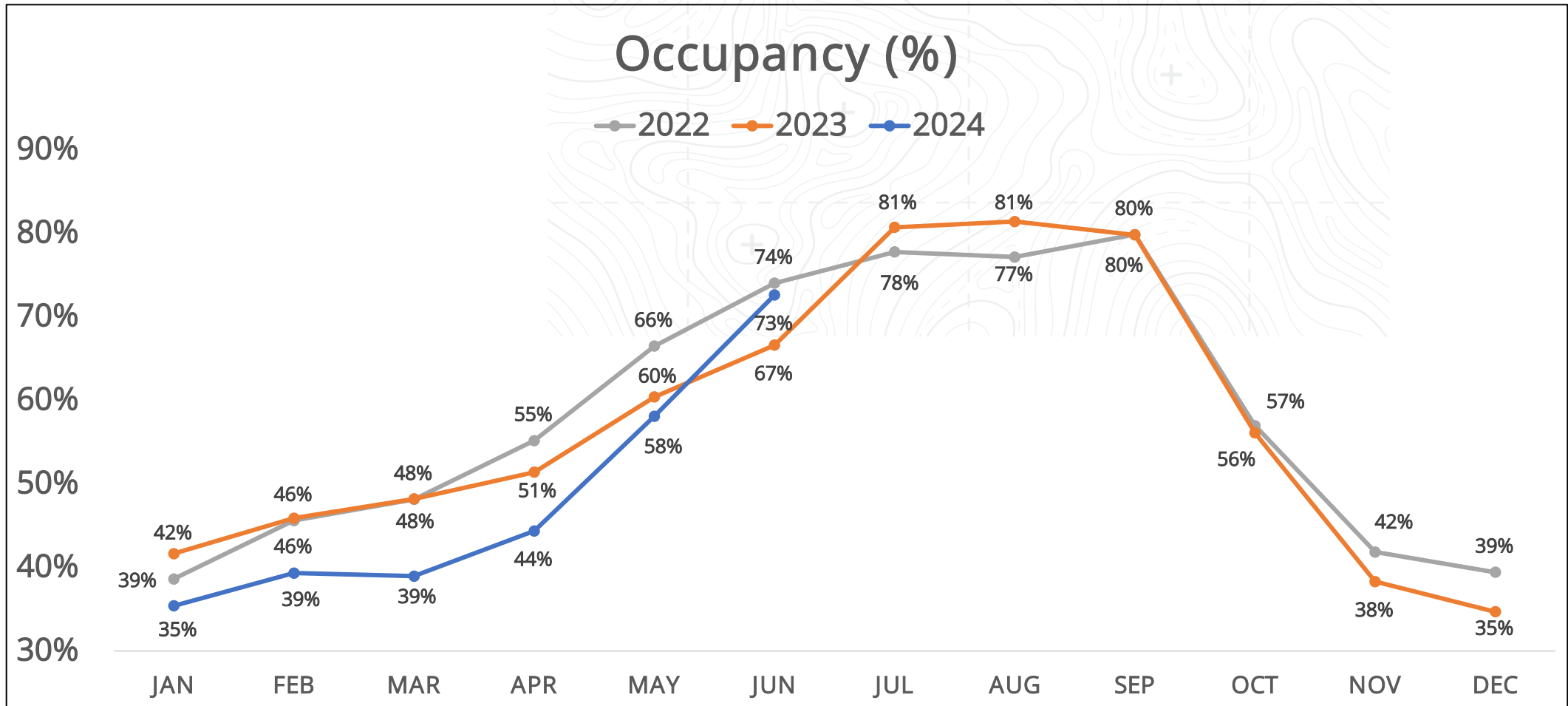
Kalispell 2024 Lodging Comparison





Hotel Occupancy by Month

Kalispell hotel Occupancy increased 9.0%, ADR increased 1.9%, and RevPAR increased 11.0% Year-Over-Year



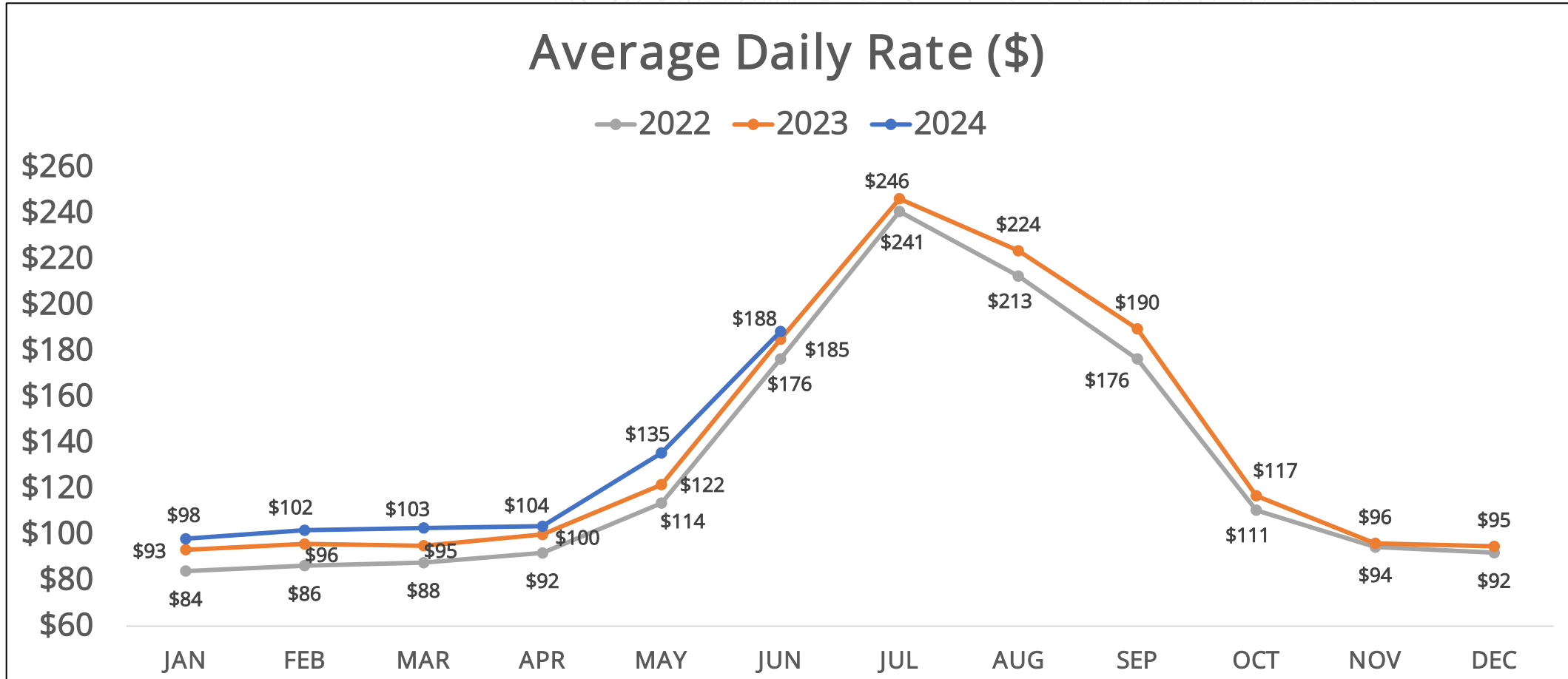
2022 Occupancy = 58.2%

2023 Occupancy = 57.2%



Hotel Average Daily Rate (ADR) by Month

Kalispell hotel Occupancy increased 9.0%, ADR increased 1.9%, and RevPAR increased 11.0% Year-Over-Year



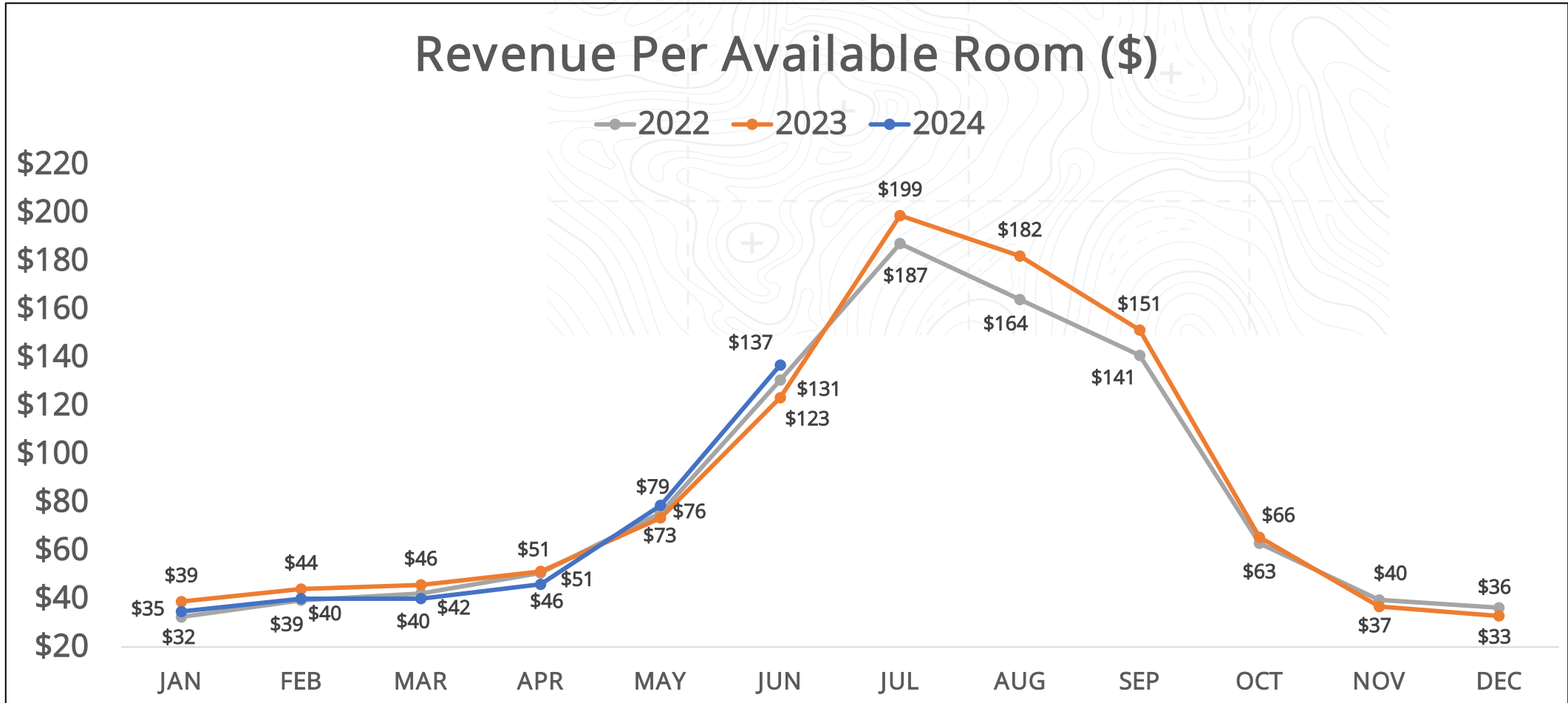
2022 ADR = \$142

2023 ADR = \$153



Hotel Revenue Per Available Room by Month

Kalispell hotel Occupancy increased 9.0%, ADR increased 1.9%, and RevPAR increased 11.0% Year-Over-Year

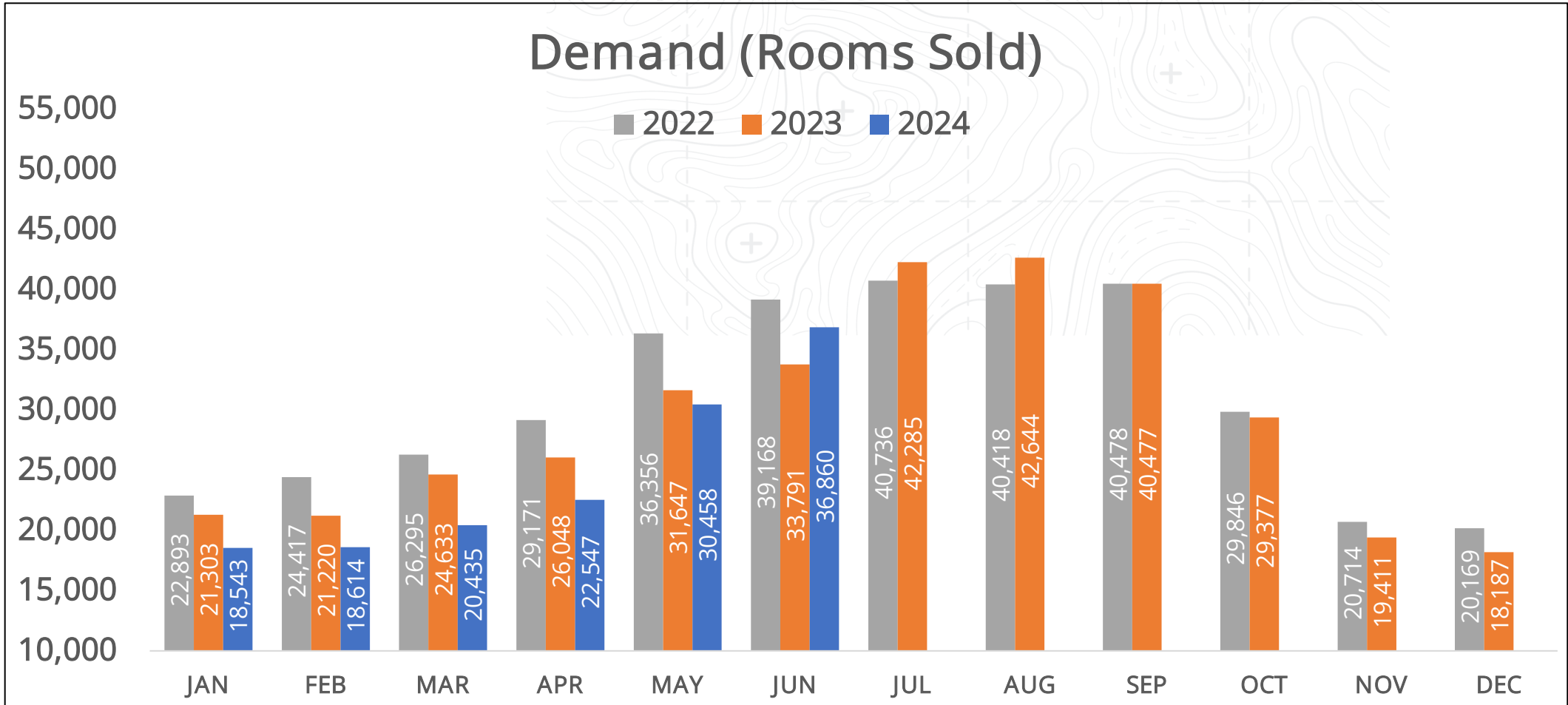


2022 RevPAR = \$83 2023 RevPAR = \$88



Hotel Demand (Rooms Sold) by Month

Kalispell hotel Demand increased 9.1%, Supply increased 0.1%, and Total Revenue increased 11.1% Year-Over-Year

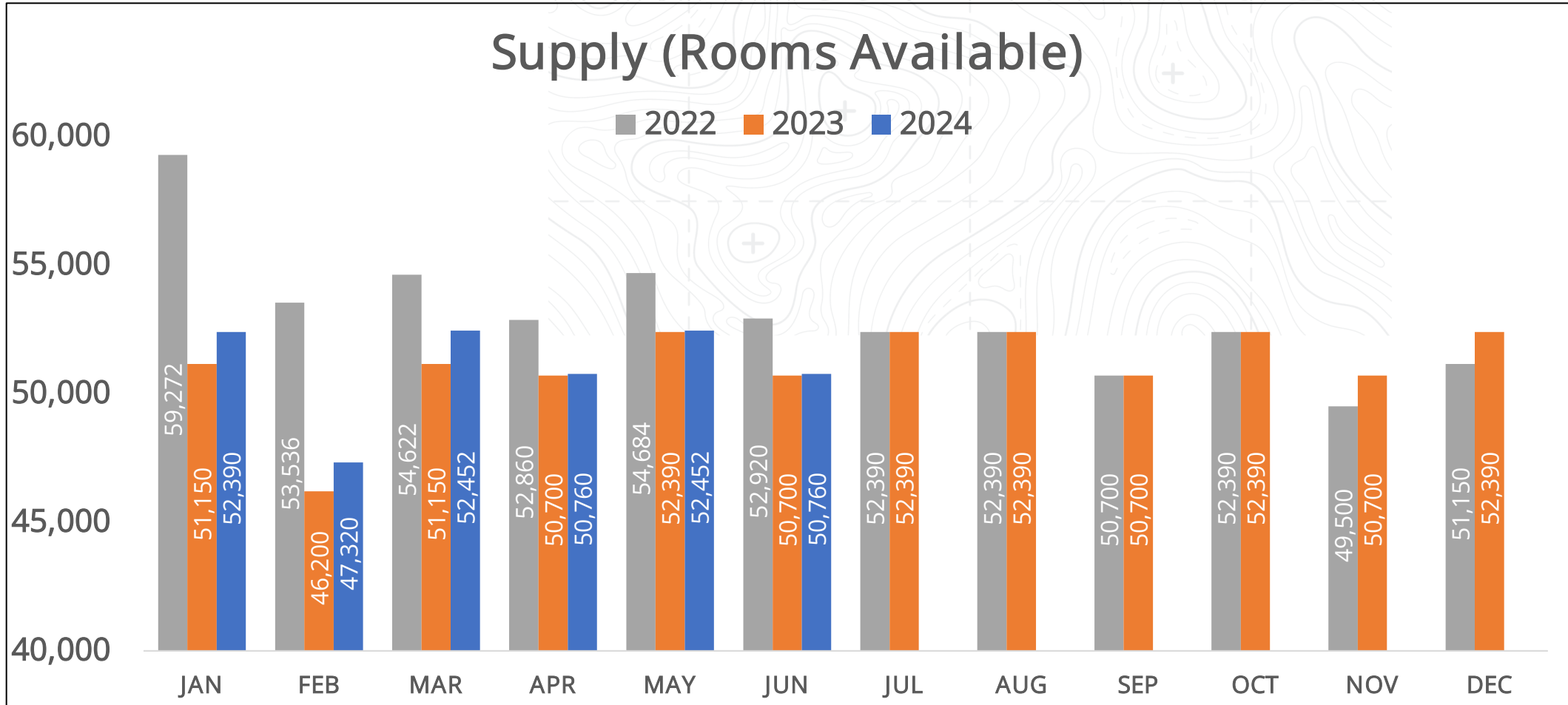


2022 Demand = 370,663

2023 Demand = 351,023

Hotel Supply by Month

Kalispell hotel Demand increased 9.1%, Supply increased 0.1%, and Total Revenue increased 11.1% Year-Over-Year

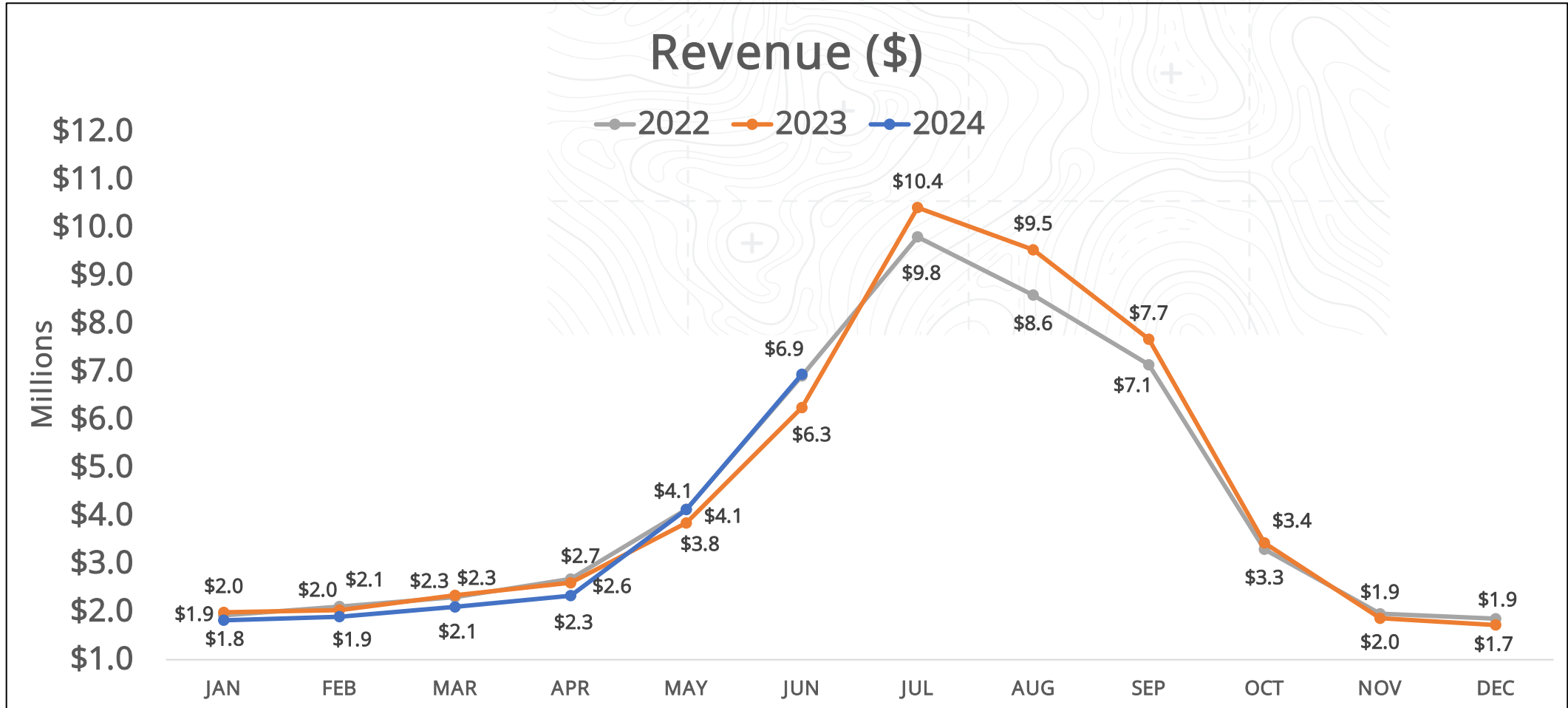


2022 Supply = 636,414 2023 Supply = 613,250



Hotel Revenue by Month

Kalispell hotel Demand increased 9.1%, Supply increased 0.1%, and Total Revenue increased 11.1% Year-Over-Year



2022 Revenue = \$52.7M 2023 Revenue = \$53.7M

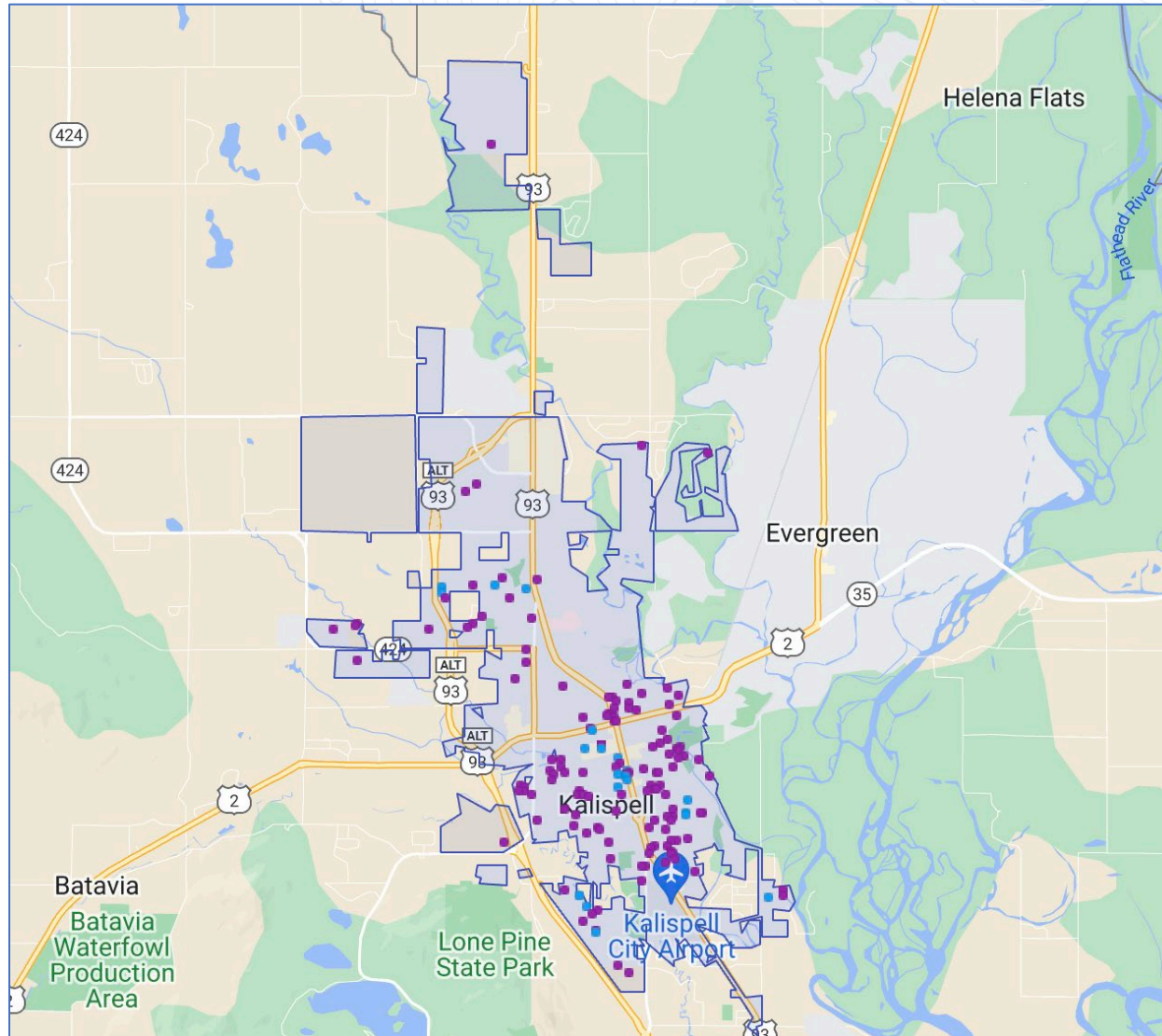
AirDNA Short Term Rental Data (Airbnb & Vrbo listings)

AirDNA Short Term Rentals - Definitions

Note: AirDNA Data is comprised exclusively of Airbnb and Vrbo listing data.

- **Available Listings** – Total number of listings whose calendars had at least one day classified as available or reserved during the reporting period.
- **Average Daily Rate** – Average daily rate (ADR) of booked nights in USD (ADR = Total Revenue / Booked Nights).
- **Demand (Nights)** – Total number of Booked Nights during the reporting period.
- **Occupancy Rate** – Occupancy Rate = Total Booked Days / (Total Booked Days + Total Available Days). Calculation only includes vacation rentals with at least one Booked Night.
- **Revenue (USD)** – Total revenue (in US dollars) earned during the reporting period. Includes the advertised price from the time of booking, as well as cleaning fees.
- **RevPAR** – Revenue Per Available Rental = ADR * Occupancy Rate

AirDNA Short Term Rentals – Geographical Boundary *

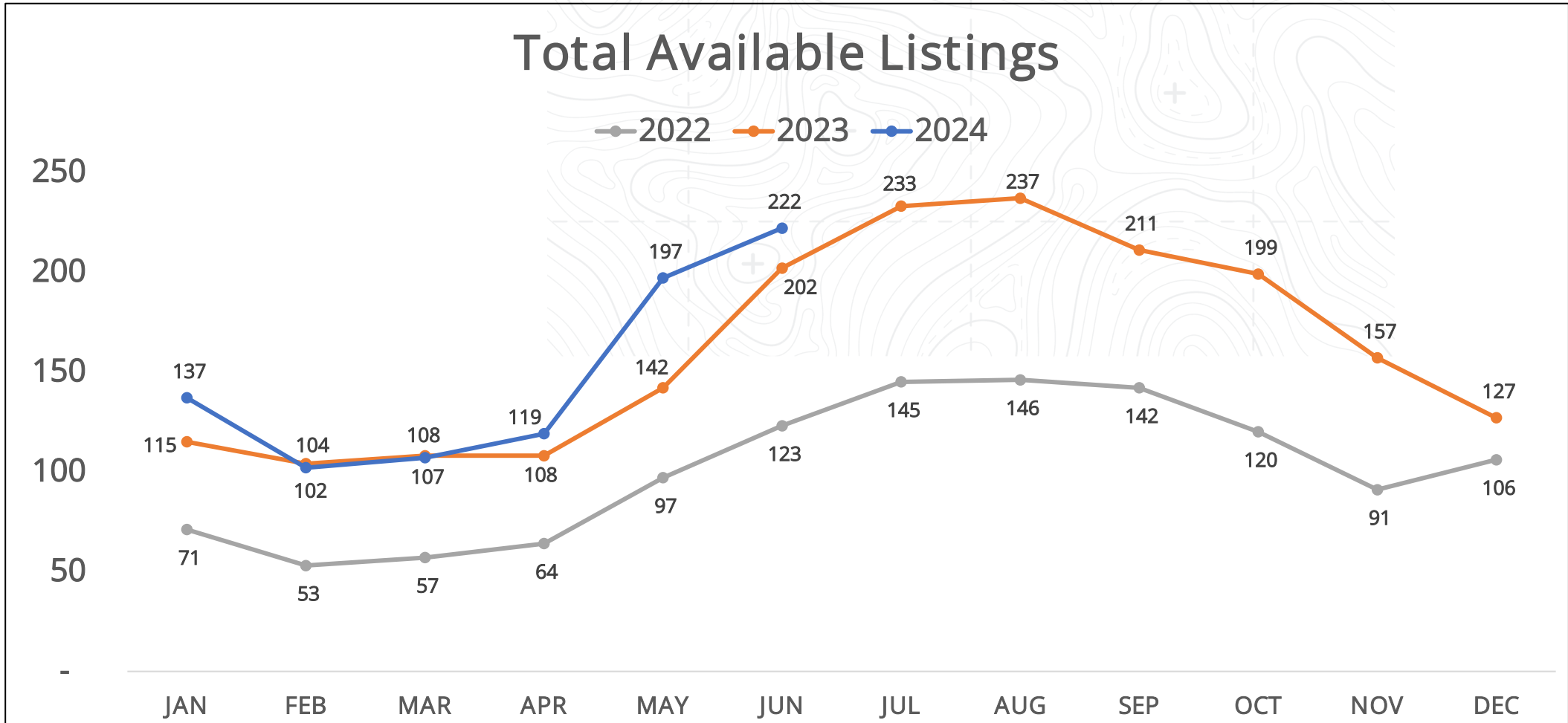


*Kalispell City Limits



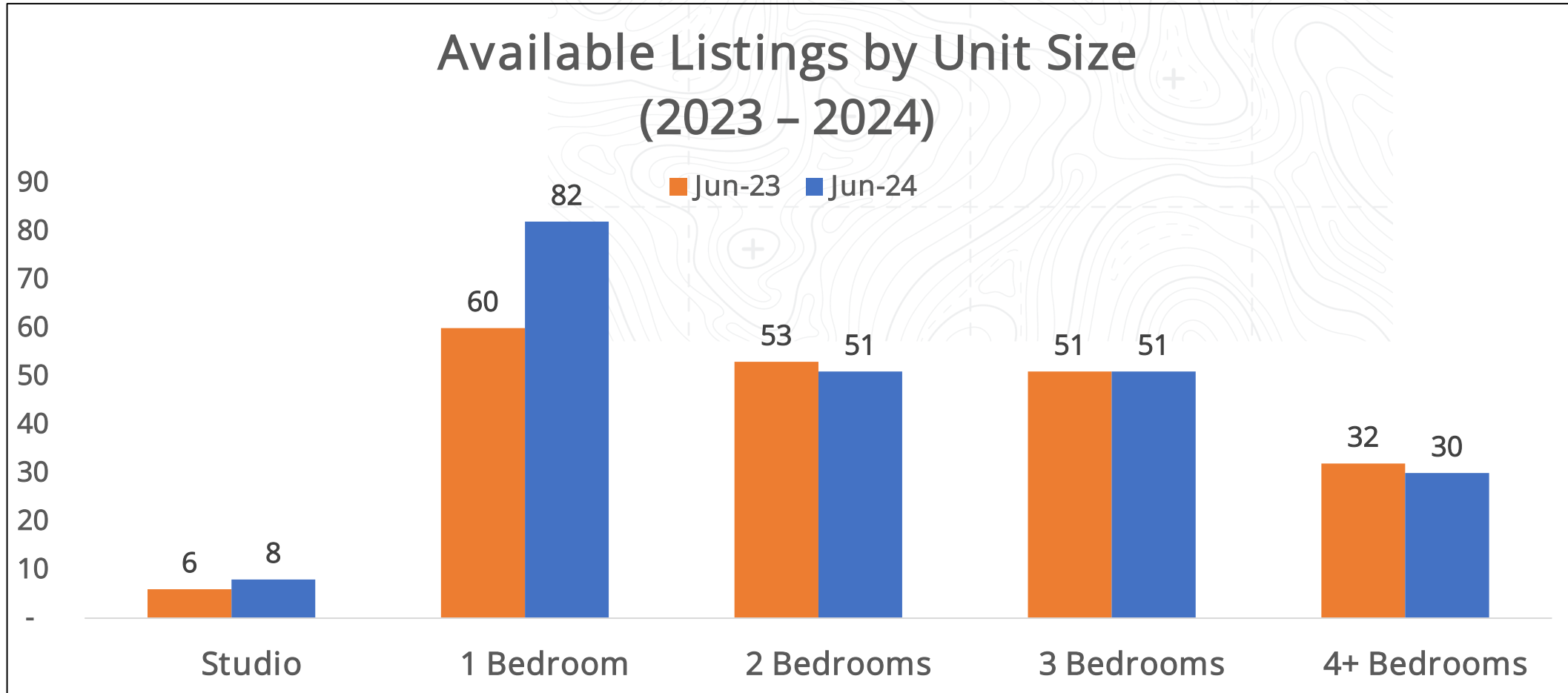
AirDNA Short Term Rentals - Available Listings

Kalispell Short Term Rental Available Listings increased 9.9% Year-Over-Year



AirDNA Short Term Rentals - Unit Size

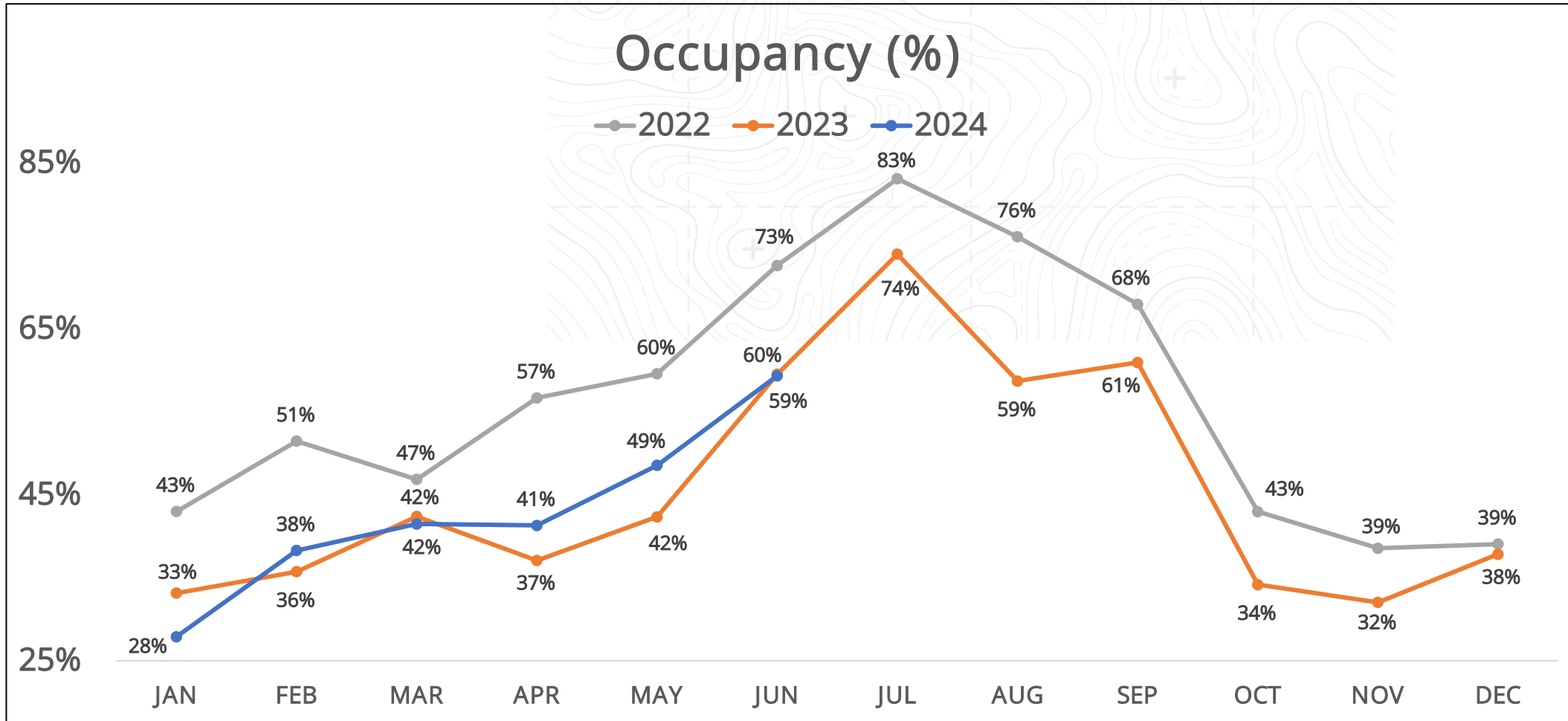
Kalispell Short Term Rental 1-Bedroom Listings increased 36.7% Year-Over-Year





AirDNA Short Term Rentals – Occupancy

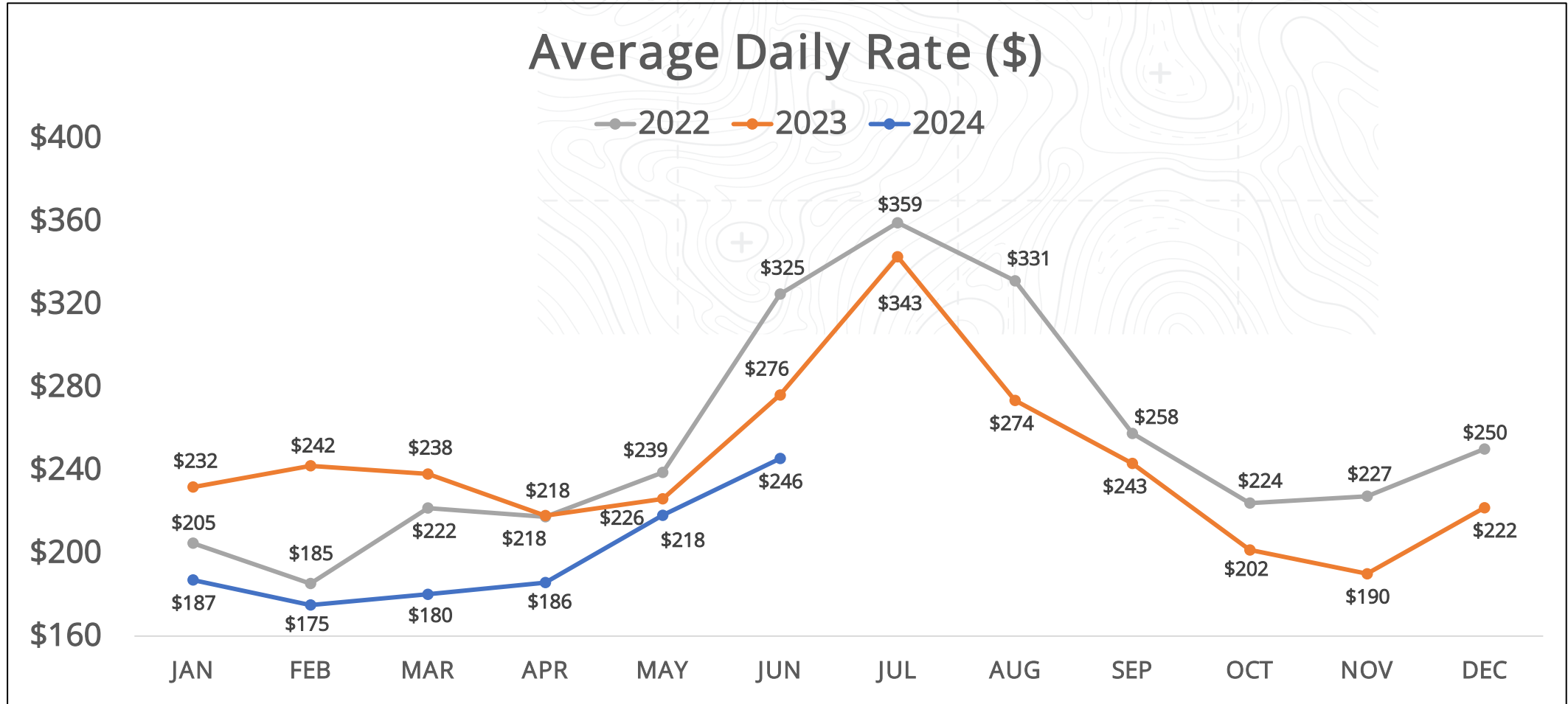
Kalispell Short Term Rental Occupancy decreased 0.3%, ADR decreased 11.1%, and RevPAR decreased 11.4% Year-Over-Year





AirDNA Short Term Rentals - ADR

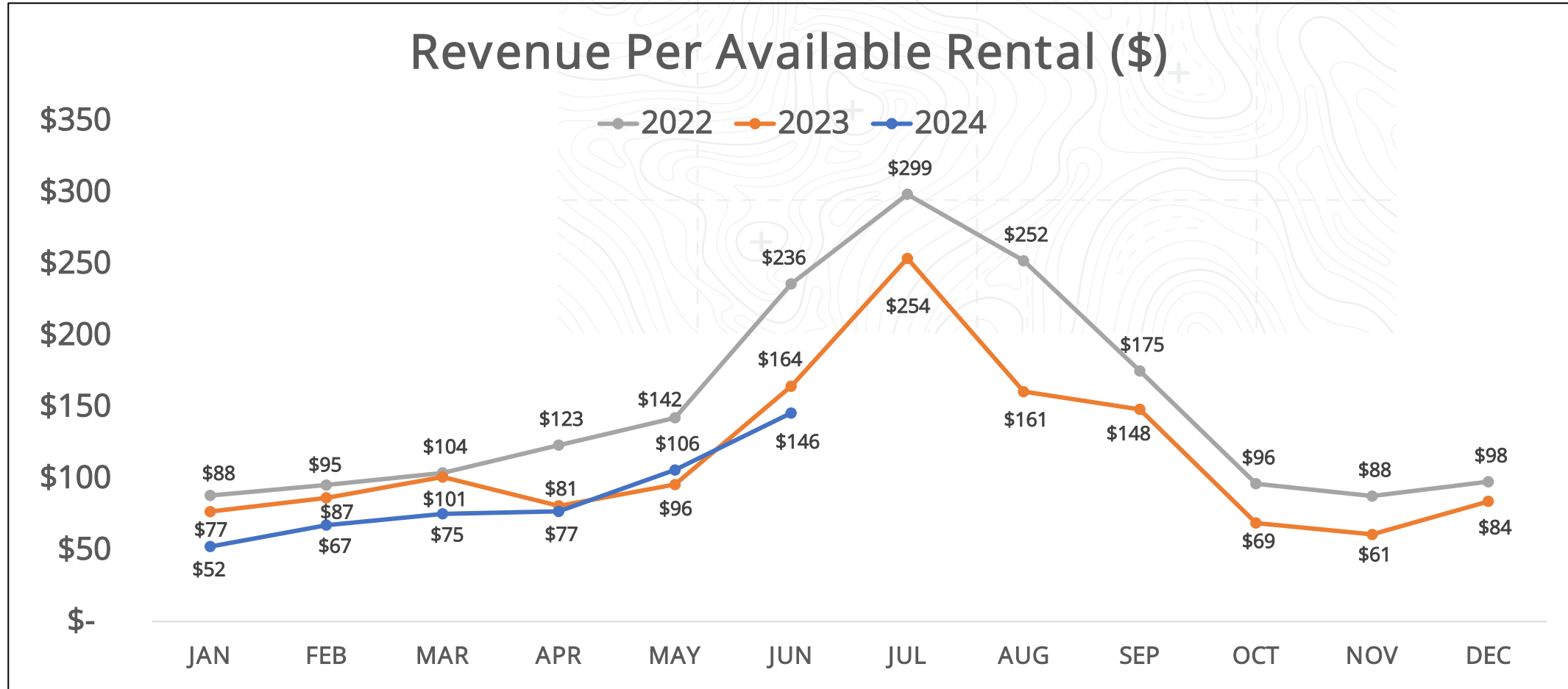
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AirDNA Short Term Rentals - RevPAR

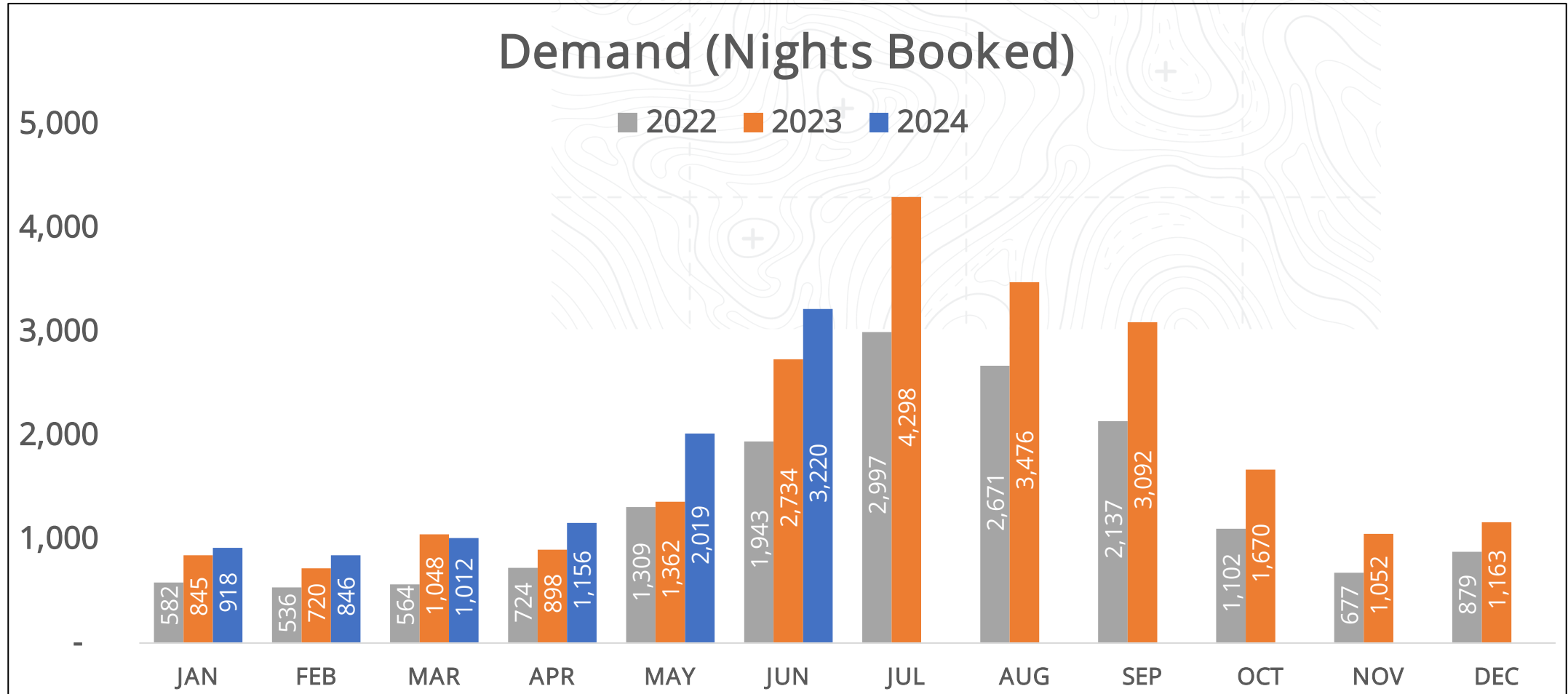
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AirDNA Short Term Rentals – Demand

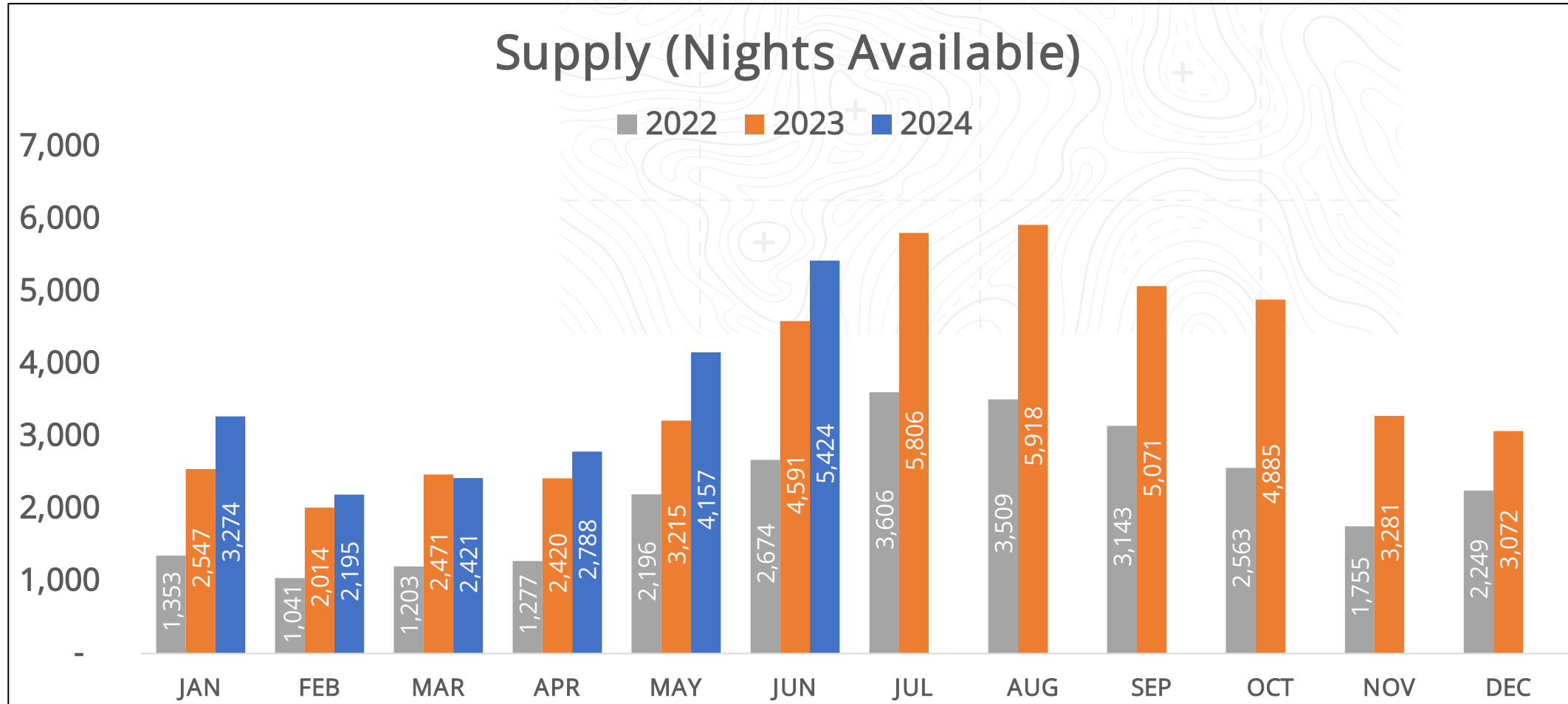
Kalispell Short Term Rental Demand increased 17.8%, Supply increased 18.1%, and Total Revenue increased 4.7% Year-Over-Year





AirDNA Short Term Rentals – Supply

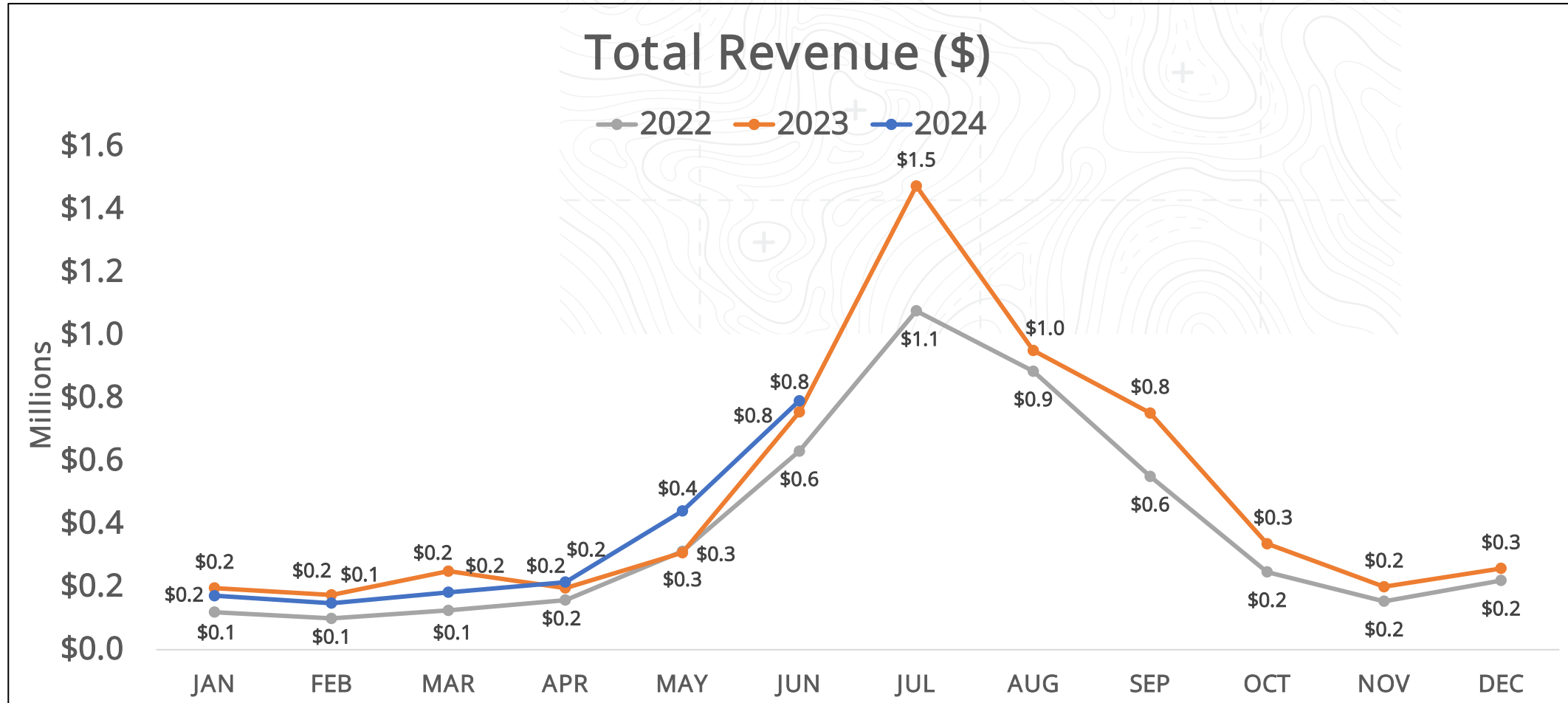
Kalispell Short Term Rental Demand increased 17.8%, Supply increased 18.1%, and Total Revenue increased 4.7% Year-Over-Year





AirDNA Short Term Rentals – Total Revenue

Kalispell Short Term Rental Demand increased 17.8%, Supply increased 18.1%, and Total Revenue increased 4.7% Year-Over-Year

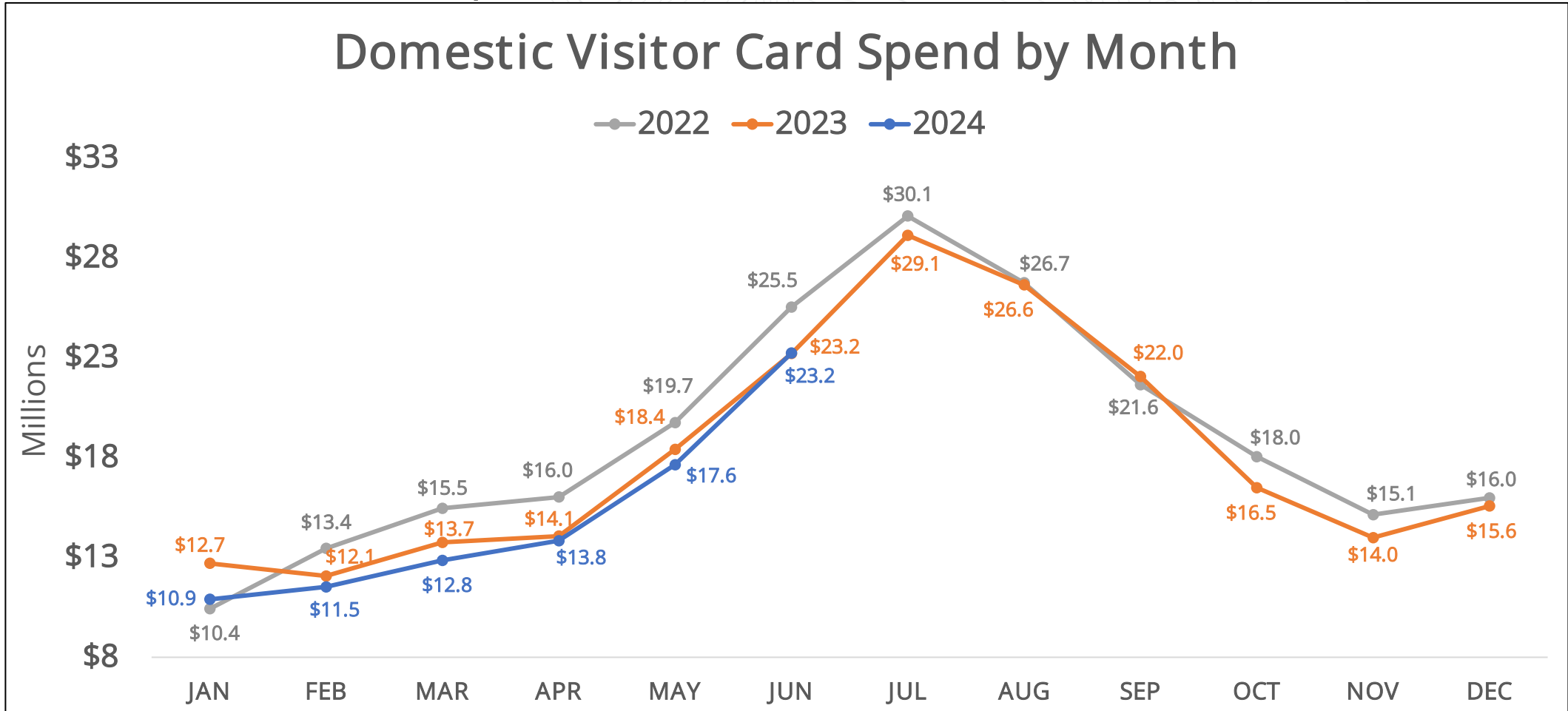


Visa Destination Insights



Visa – Domestic Visitor Spending

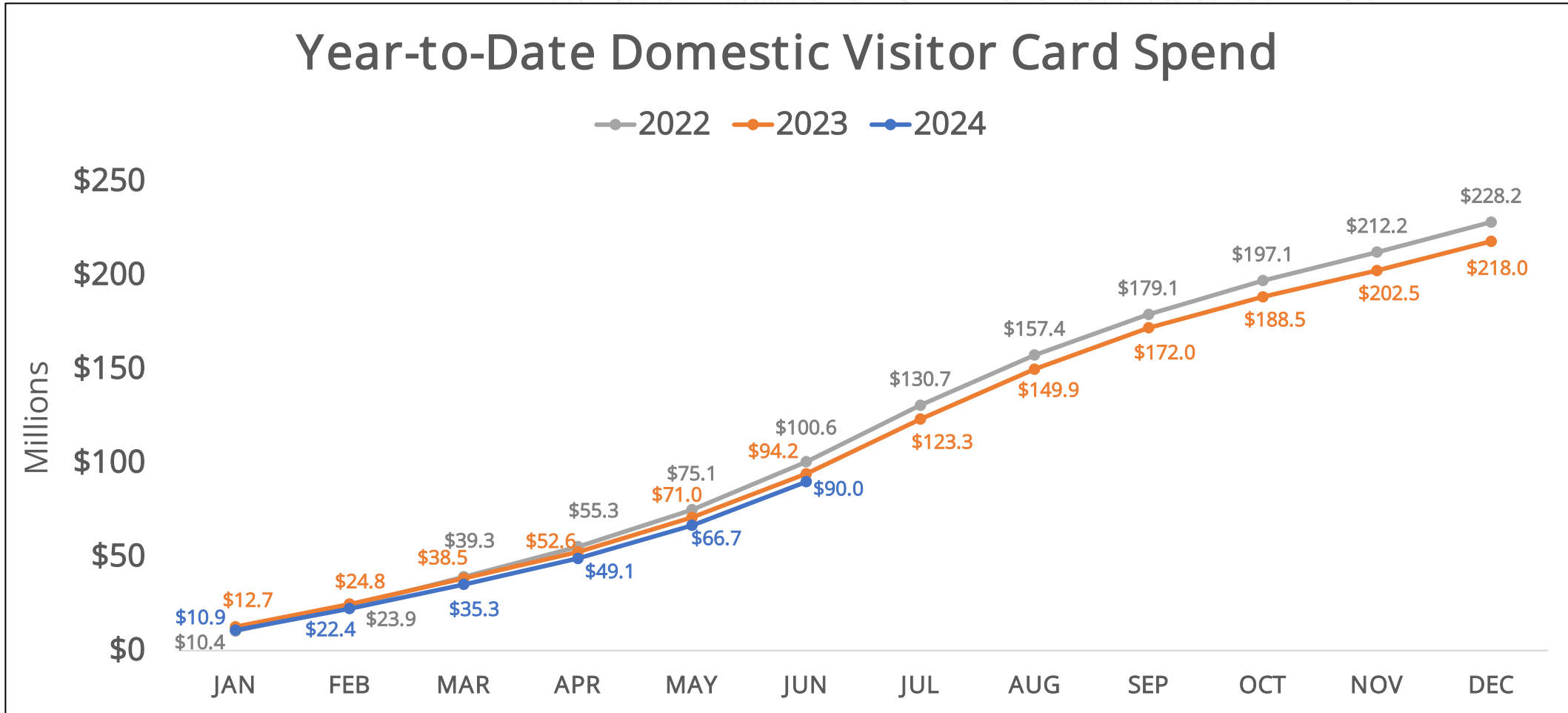
Kalispell Q2 2024 Domestic Visitor Visa Card Spend decreased 1.7% and Year-to-Date Spend decreased 4.5% Year-Over-Year





Visa – Domestic Visitor Spending

Kalispell Q2 2024 Domestic Visitor Visa Card Spend decreased 1.7% and Year-to-Date Spend decreased 4.5% Year-Over-Year





Visa – Domestic Visitor Origin (January – June 2024)

Rank	Origin Market	Spend (\$)	YoY % Change	Card Count	YoY % Change
1	Missoula, MT	\$3,755,664	11%	25,902	36%
2	Seattle-Tacoma-Bellevue, WA	\$1,732,043	-9%	8,208	2%
3	Phoenix-Mesa-Chandler, AZ	\$1,445,860	19%	4,936	15%
4	Los Angeles-Long Beach-Anaheim, CA	\$1,210,868	2%	4,517	-3%
5	Bozeman, MT	\$1,172,405	-5%	6,775	-8%
6	Helena, MT	\$978,058	-1%	6,496	0%
7	Great Falls, MT	\$943,337	-7%	5,862	-10%
8	Spokane-Spokane Valley, WA	\$812,255	-1%	5,288	-3%
9	Billings, MT	\$790,460	1%	3,899	0%
10	Portland-Vancouver-Hillsboro, OR-WA	\$767,410	-17%	4,157	-14%
11	San Diego-Chula Vista-Carlsbad, CA	\$673,771	7%	2,318	5%
12	Coeur d'Alene, ID	\$628,690	-4%	3,993	-3%
13	Las Vegas-Henderson-Paradise, NV	\$596,068	10%	2,023	-7%
14	Dallas-Fort Worth-Arlington, TX	\$557,742	8%	2,589	10%
15	Houston-The Woodlands-Sugar Land, TX	\$557,110	35%	2,012	28%

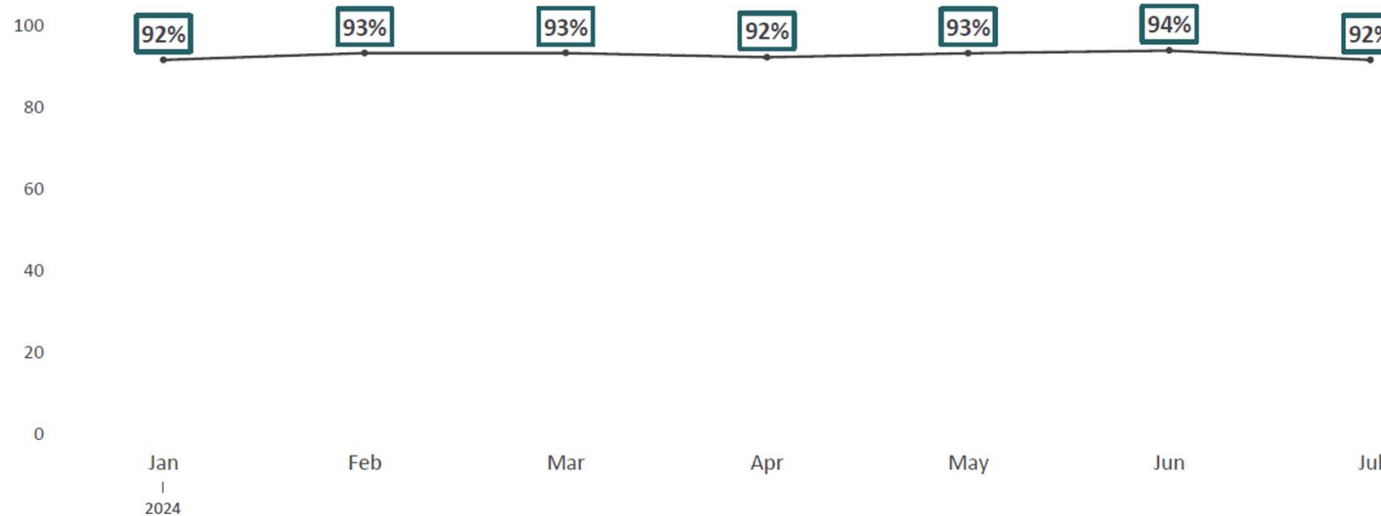
Consumer Sentiment Data

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

*Survey Fielded July 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Travelers with Travel Plans in the Next Six Months Comparison



American Travel Sentiment Study: Wave 87

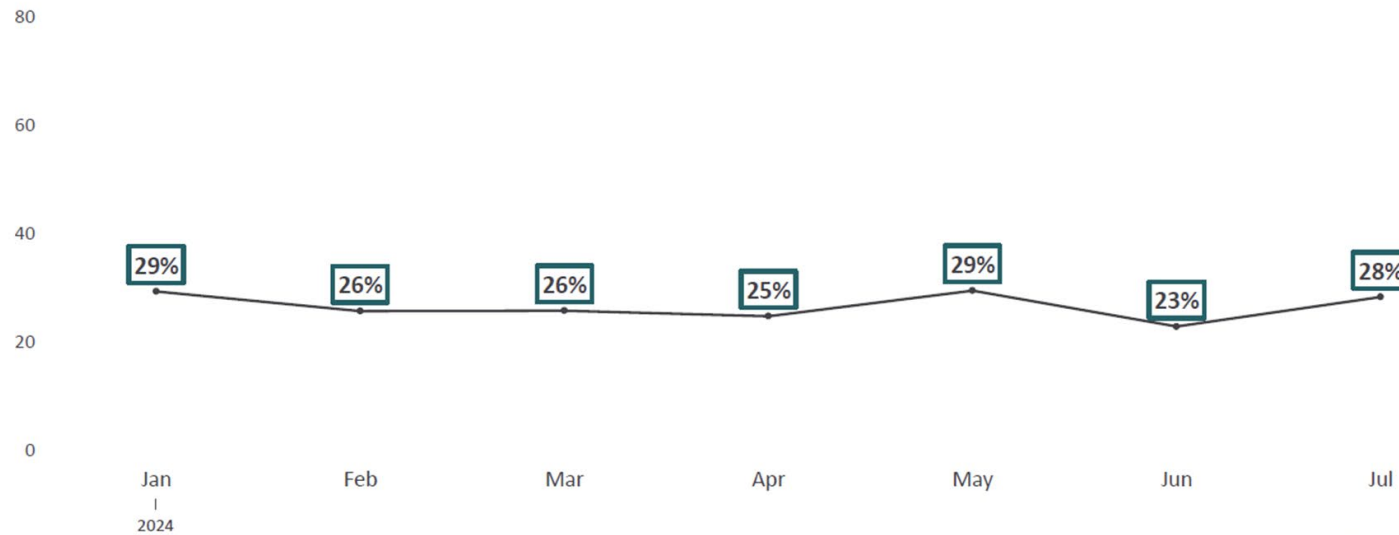
Longwoods INTERNATIONAL | miles PARTNERSHIP

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

*Survey Fielded July 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Indicated that Concerns About Personal Financial Situation Would Greatly Impact their Decision to Travel in the Next Six Months



American Travel Sentiment Study: Wave 87

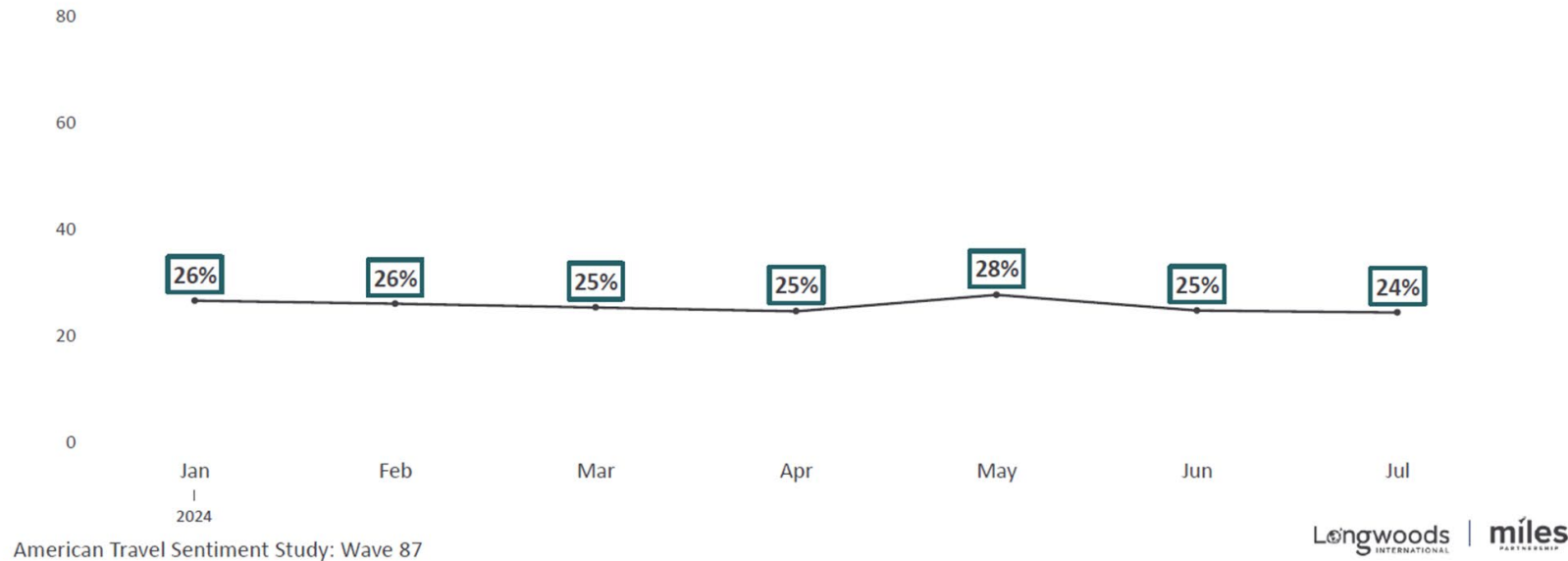
Longwoods | miles
INTERNATIONAL

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

*Survey Fielded July 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Indicated that Inflation Would Greatly Impact their Decision to Travel in the Next Six Months

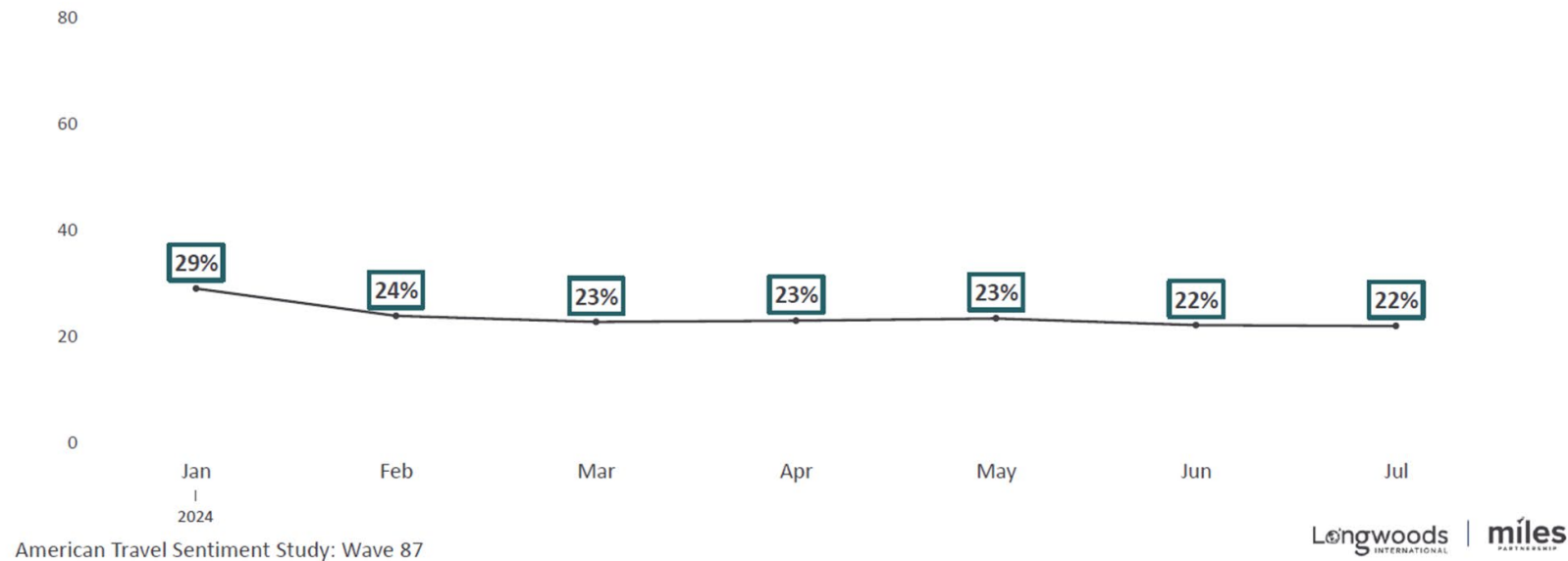


LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

*Survey Fielded July 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Indicated that Transportation Costs Would Greatly Impact their Decision to Travel in the Next Six Months

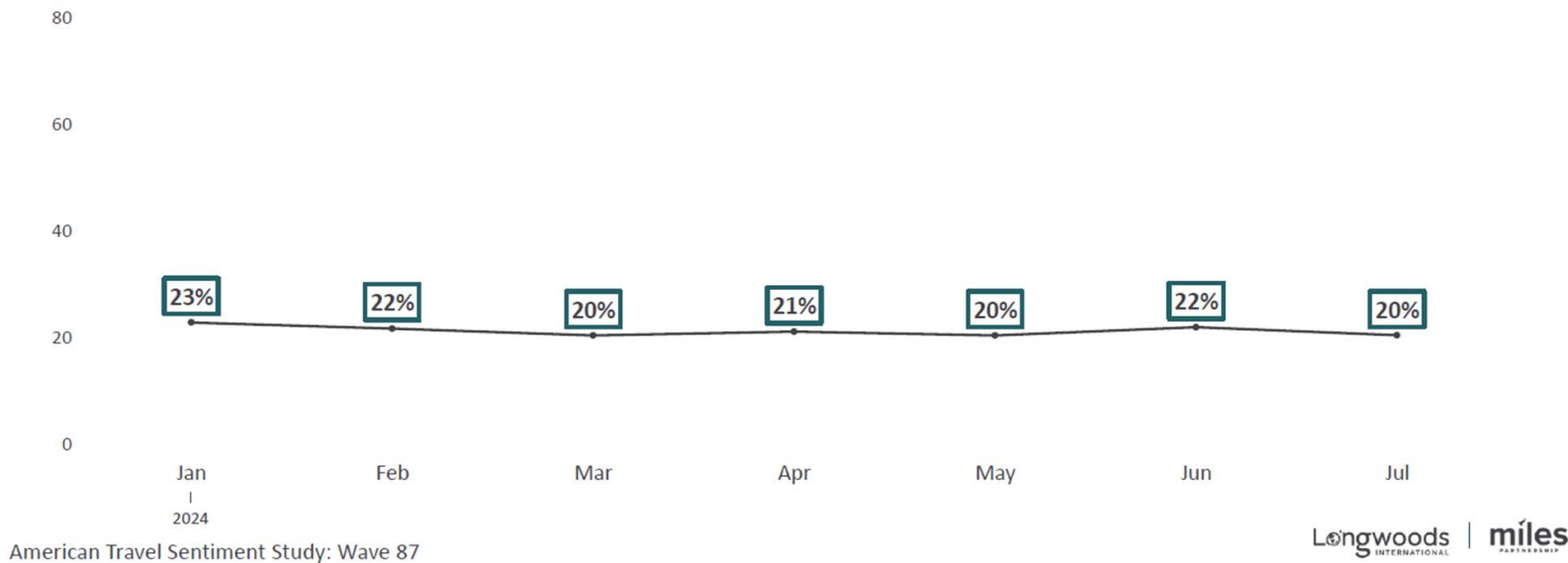


LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

*Survey Fielded July 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Indicated that Gas Prices Would Greatly Impact their Decision to Travel in the Next Six Months

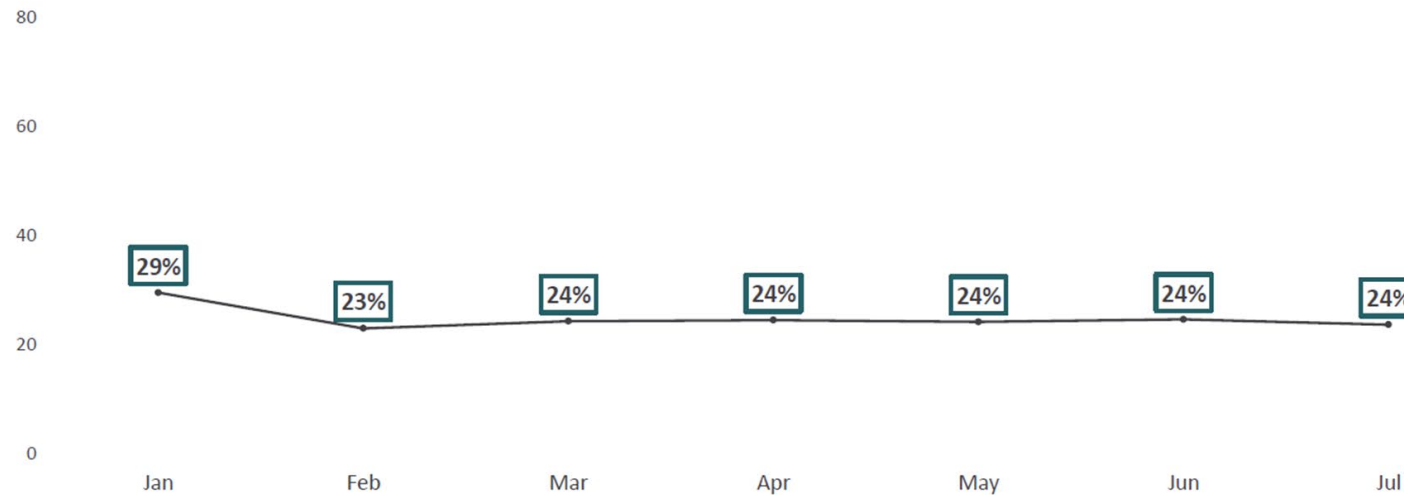


LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

*Survey Fielded July 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Indicated that Airfare Prices Would Greatly Impact their Decision to Travel in the Next Six Months



American Travel Sentiment Study: Wave 87

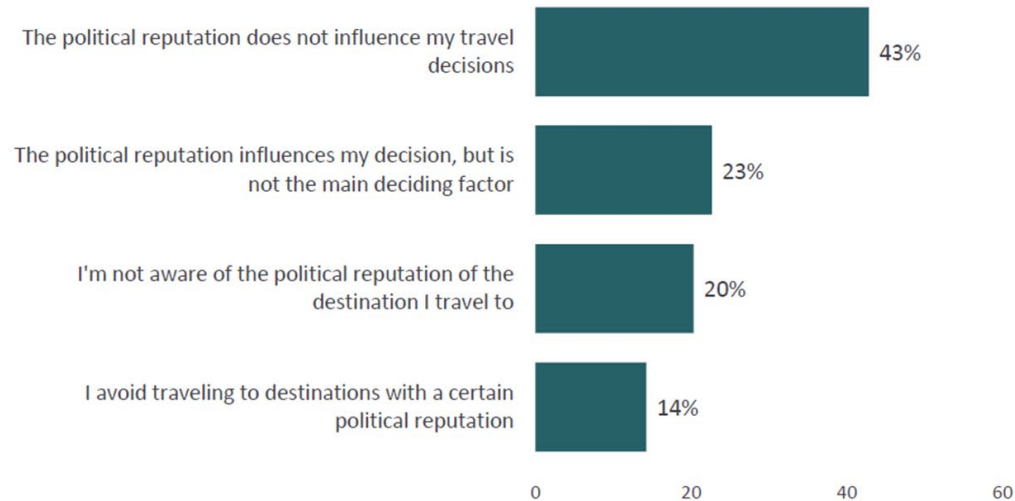
Longwoods INTERNATIONAL | miles
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LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 87

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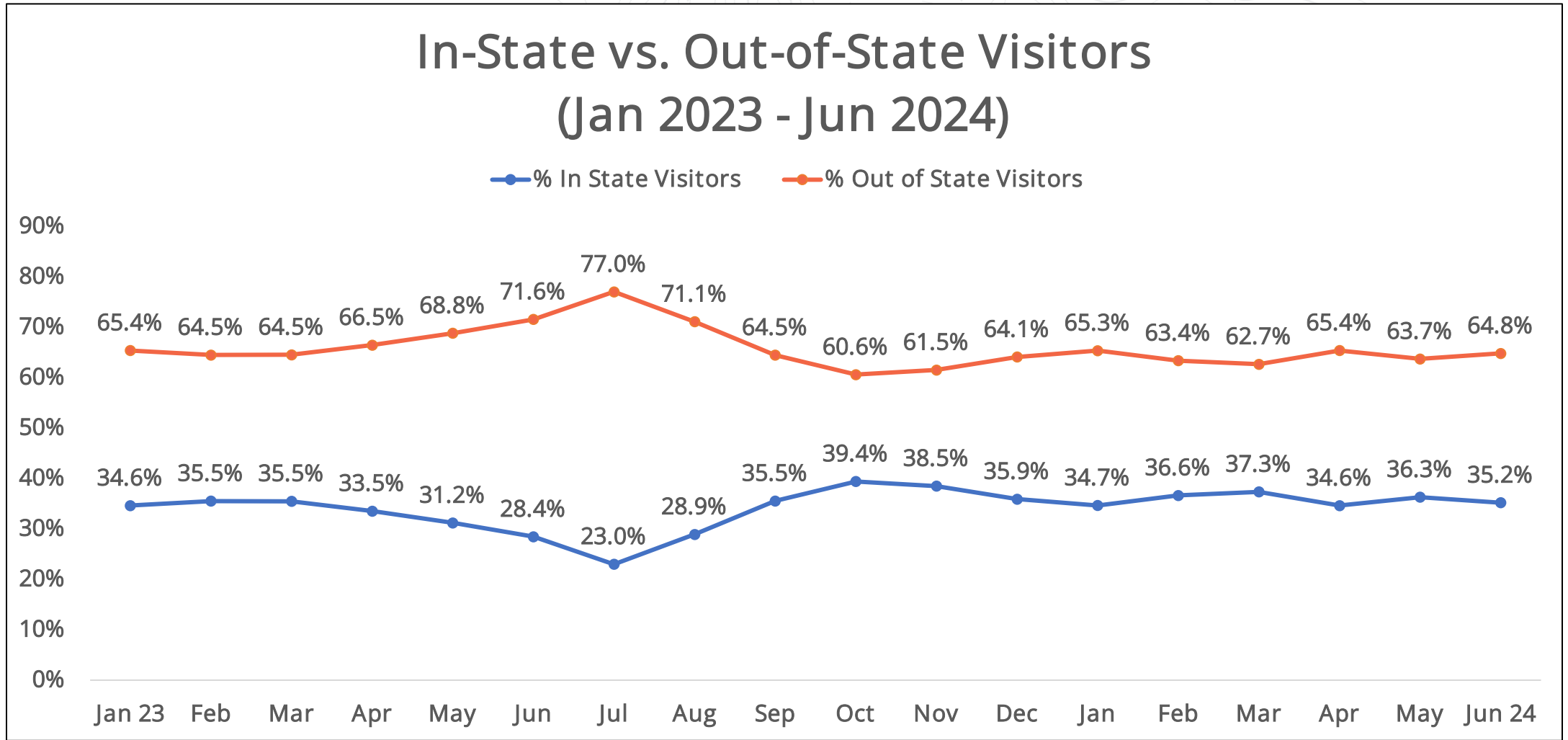
IMPACT ON TRAVEL PLANS

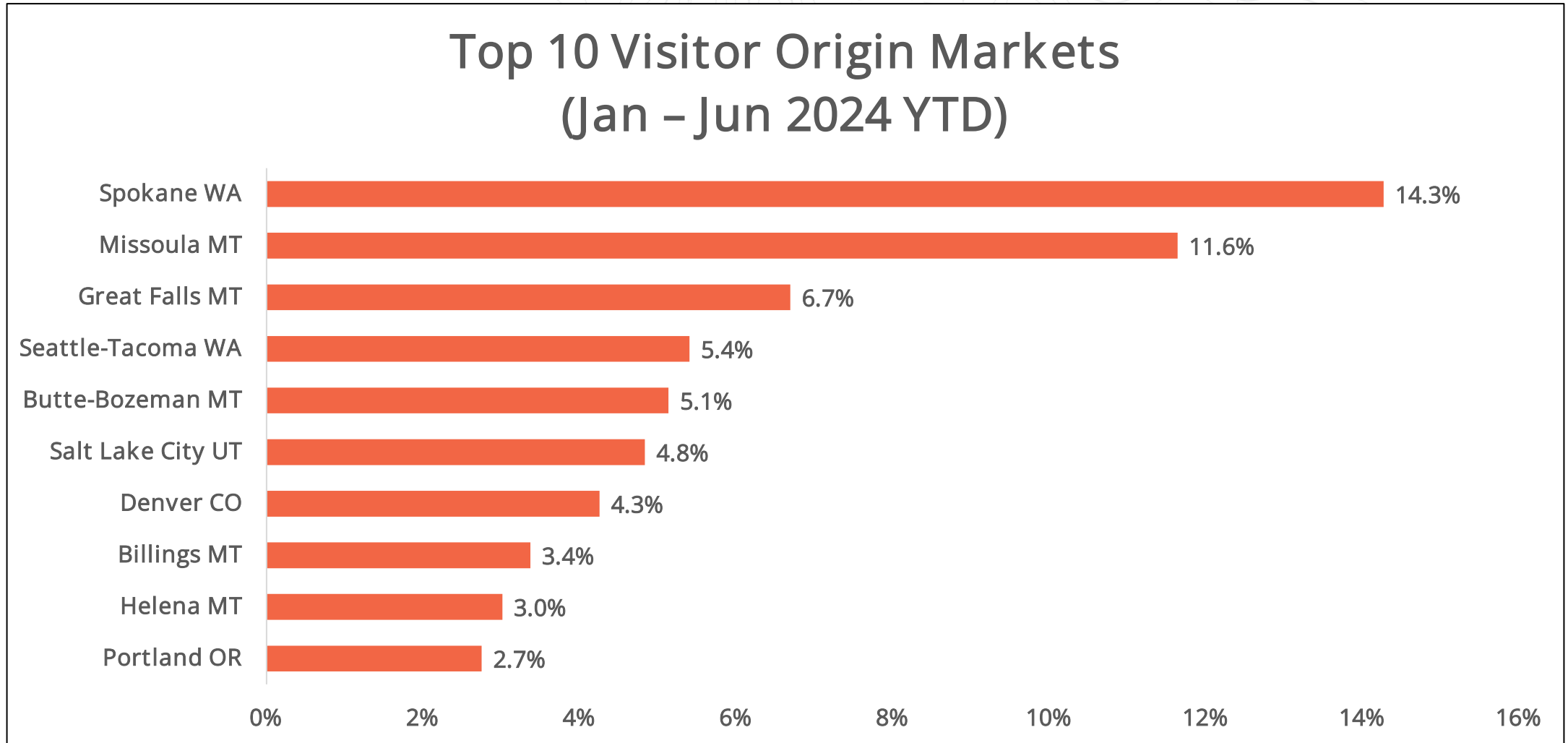
How does the political reputation of a destination (e.g., traditionally a blue/Democratic or red/Republican) influence your decision to travel there?

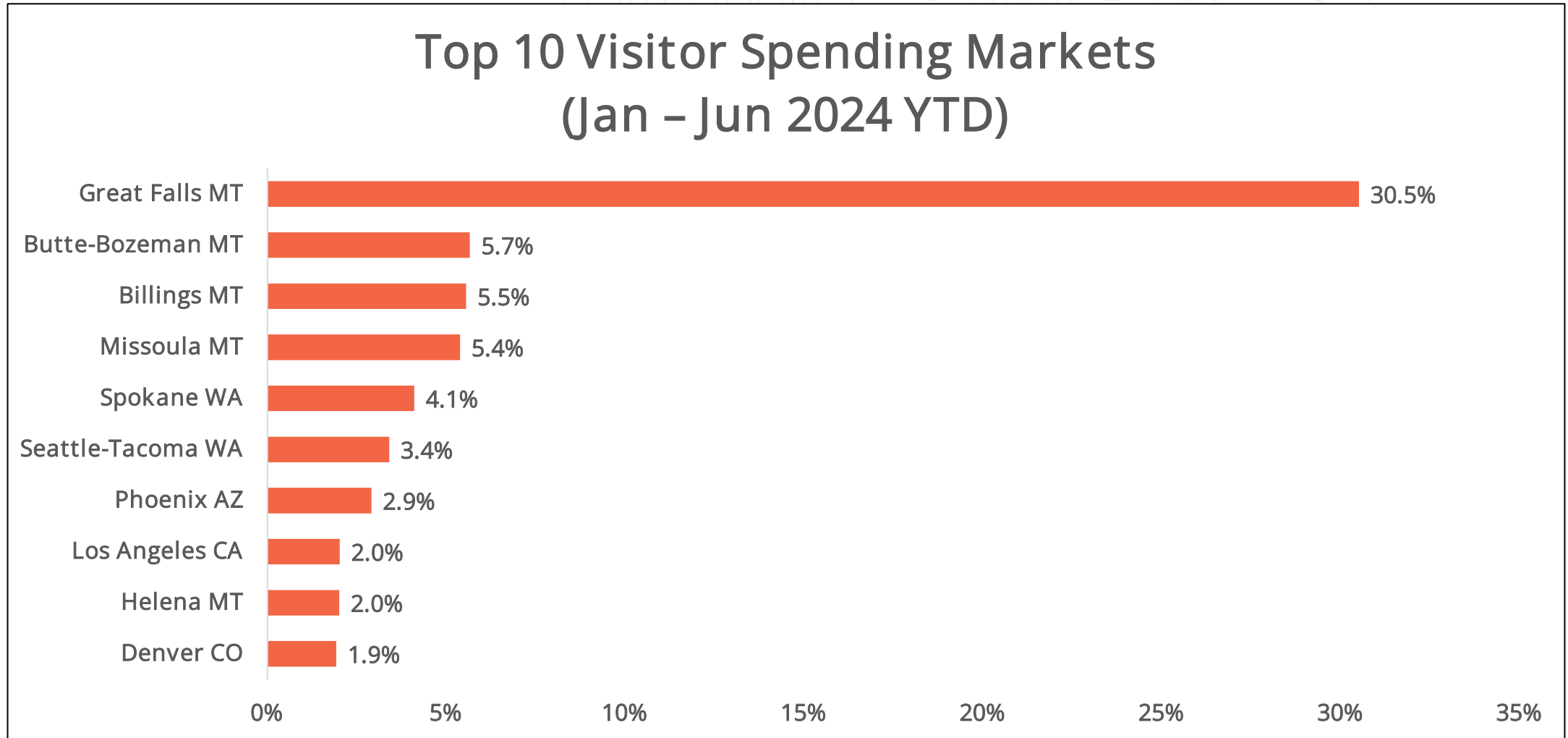


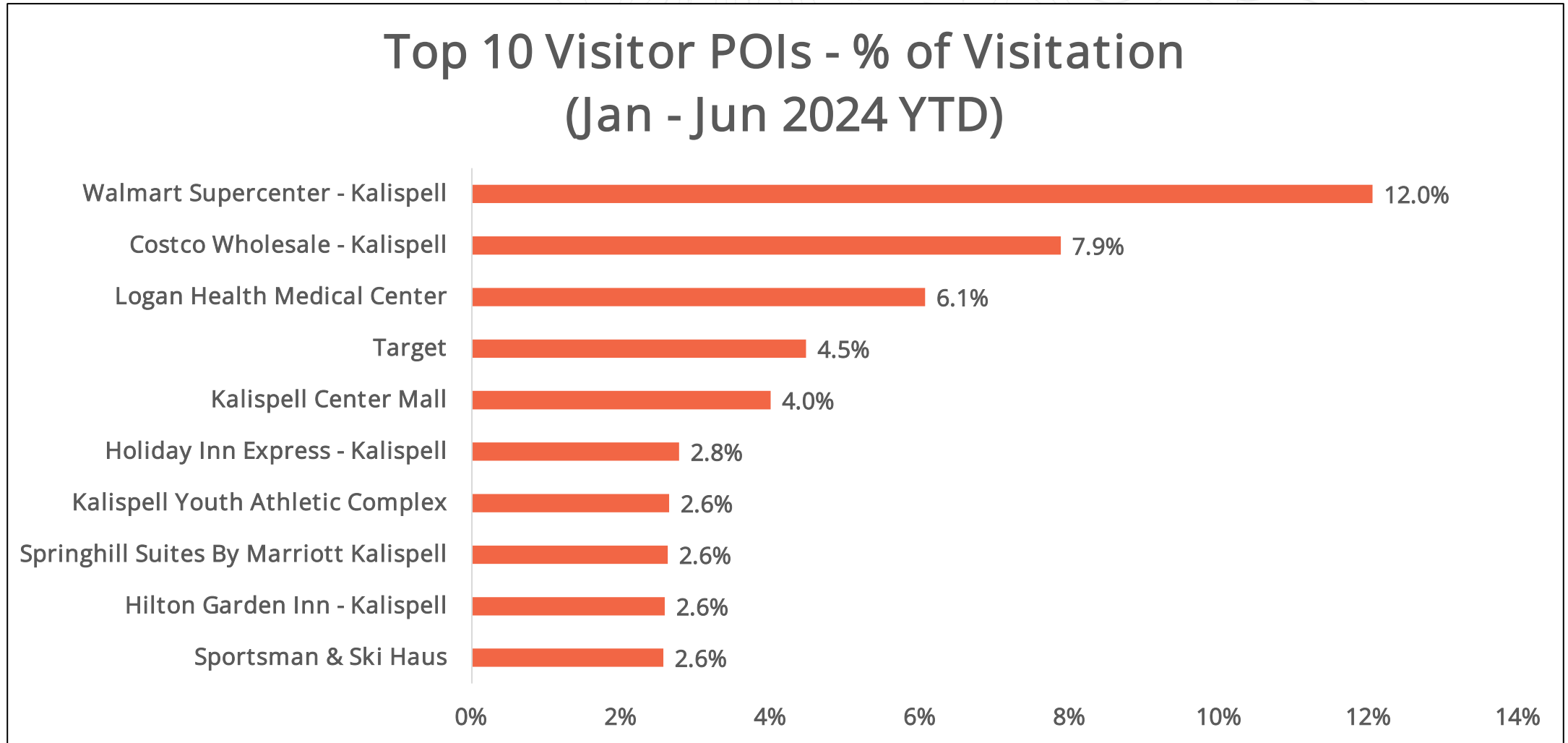
American Travel Sentiment Study: Wave 87

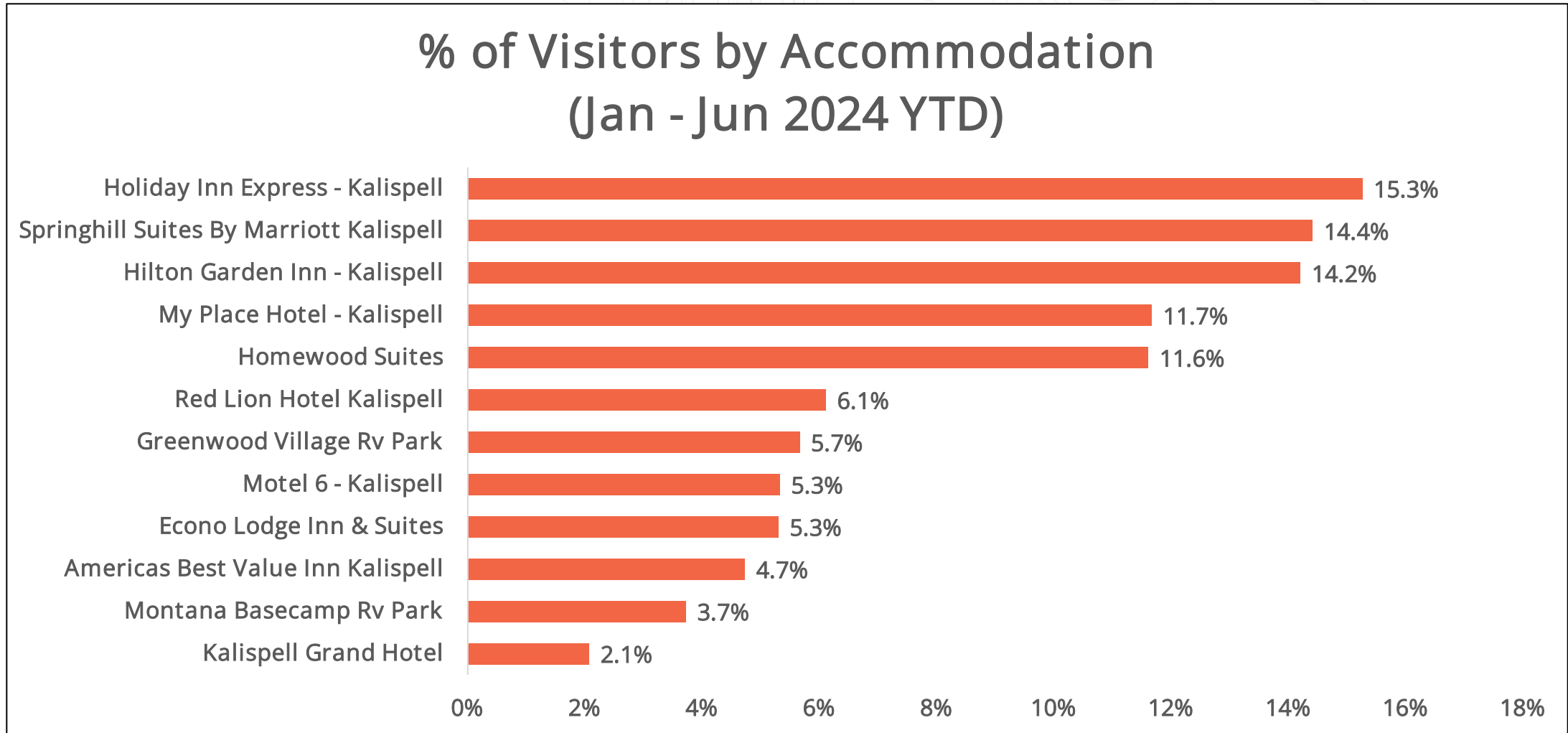
Zartico Geolocation Data



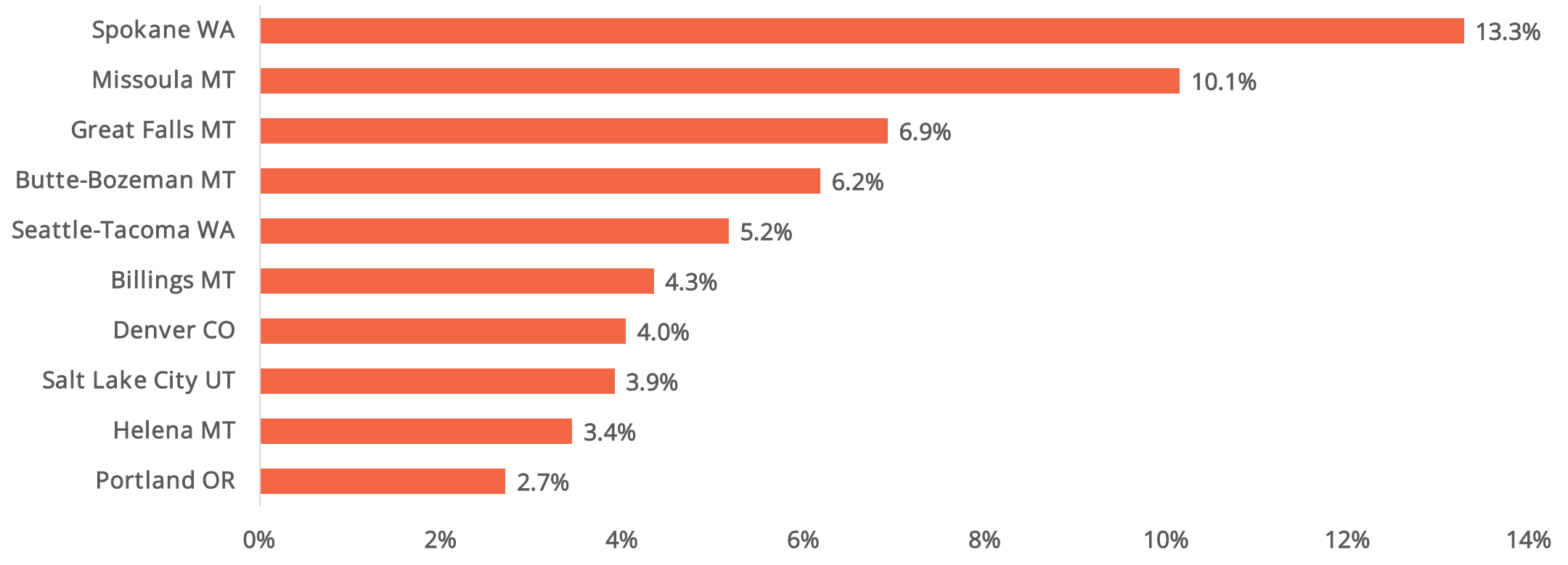








Accommodations - Top 10 Visitor Origin Markets (Jan – Jun 2024 YTD)





Thank You!

