



Monthly Research Update

July 2024

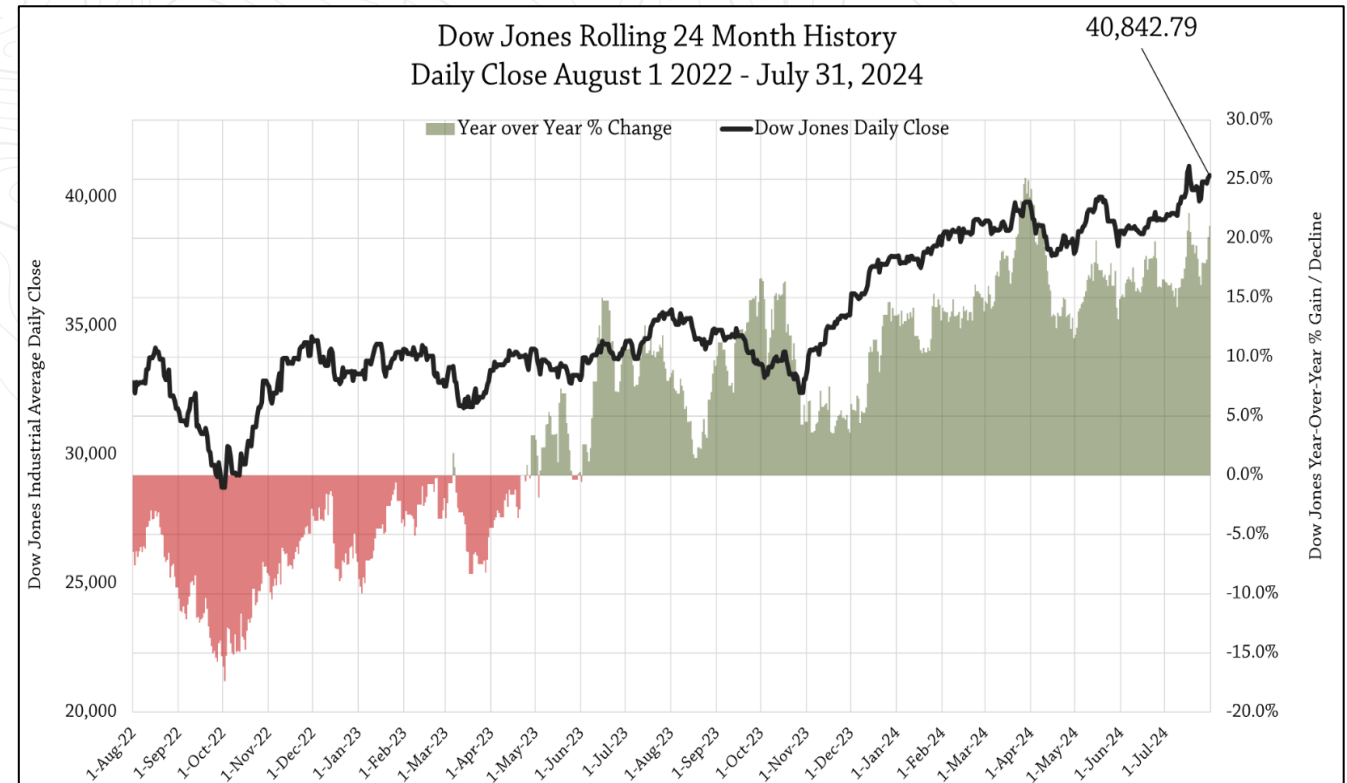
Kalispell Tourism Trends

- 157,030 total passengers traveled through Glacier Park International Airport in July 2024, a 13.8% increase over last year. Calendar-year-to-date, total passengers are pacing 10.7% ahead of 2023.
- Kalispell hotel Occupancy slipped to 80.3% in July 2024, which was just shy of the 80.7% Occupancy recorded in July of last year.
 - ADR continues to pace ahead of 2023 each month this year, with July 2024 rates growing 0.5% YoY to settle at \$248 for the month, compared to \$246 in 2023 and \$241 in 2022.
 - The rise in ADR countered the dip in Occupancy, leaving RevPAR flat YoY at \$199.
- Short-term rental Supply continues to grow each month in Kalispell, with July 2024 adding 10.9% more available room nights compared to July 2023. However, growth in Demand outpaced the new Supply last month, which resulted in a 2.1% rise in average Occupancy – which settled at 75.7% for the month.
 - Total Available Listings grew 3.9% YoY, primarily driven by an increase in 1-Bedroom listings.
 - ADR continues to trail far below levels seen in 2022 and 2023, with rates dropping 20.1% lower YoY in July.
 - Increased Demand was not enough to overcome the large decrease in ADR for the month; Revenue came in 9.6% lower than July 2023 at \$1.3 million.

U.S. Market Review

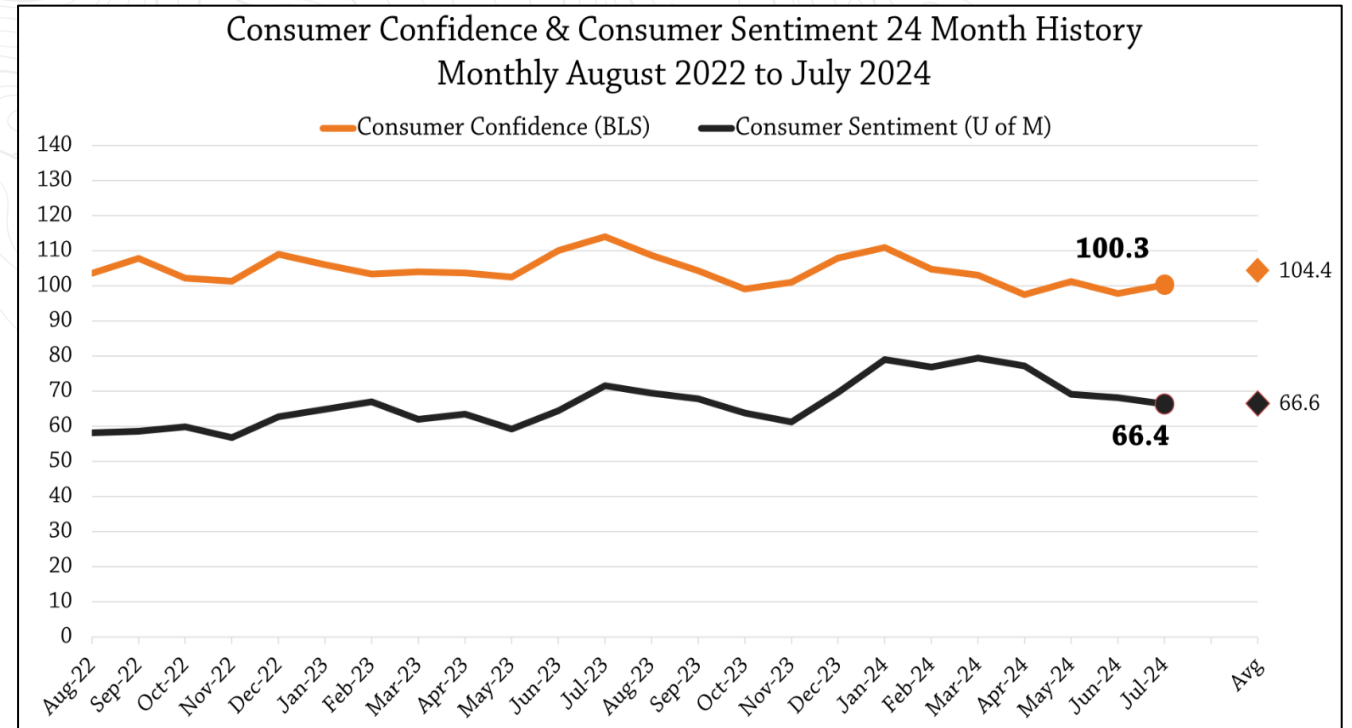
The Dow Jones Industrial Average

- “The Dow Jones Industrial Average (DJIA) picked up strongly in July, adding 4.4 percent, or 1,723.9 points, to finish the month at 40,842.8 points. This is the first monthly close above 40,000 points in the history of the index.”
- “Gains in July were largely a reflection of positive domestic and international inflation data, with Canada and areas of the Eurozone easing interest rates, while inflation at home dropped to a two-year low and consumer prices held steady.”
- “All the indicators...point to consumers remaining price-sensitive for the time being.”



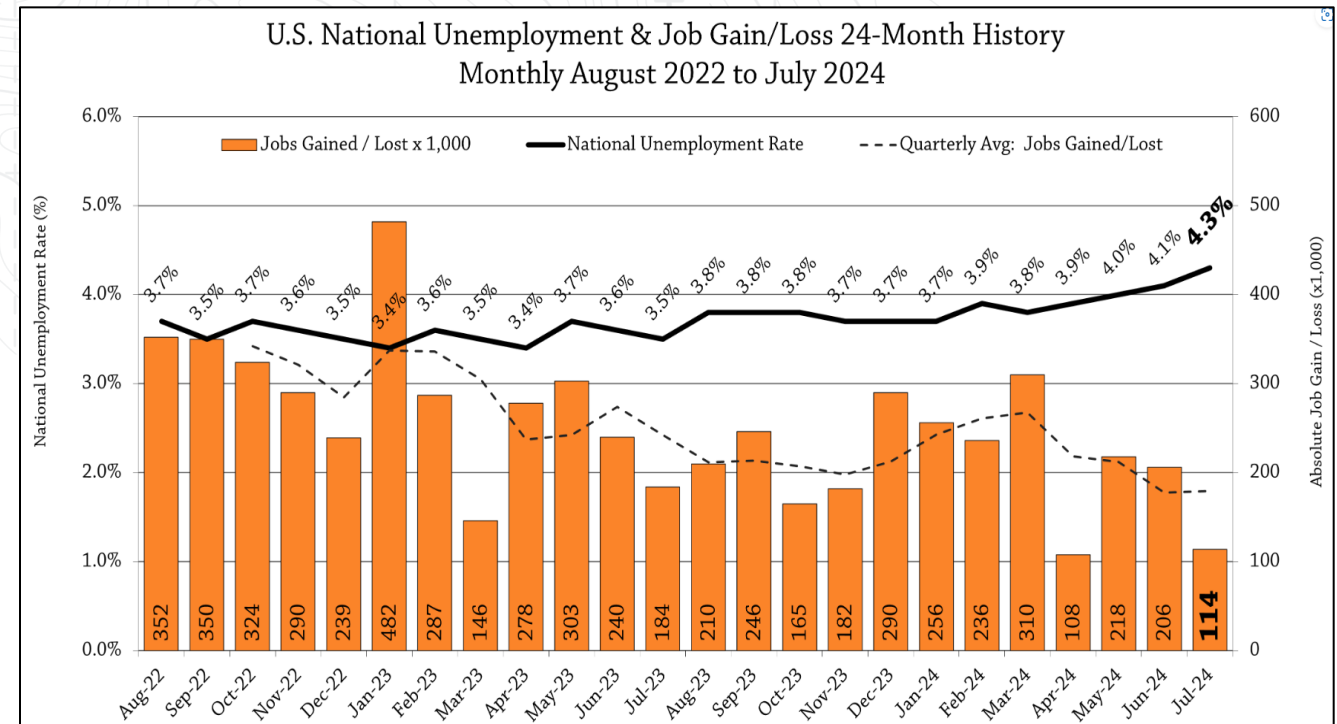
The Consumer Confidence Index & Consumer Sentiment Index

- “The CCI added a slight 2.6 percent to finish the month at 100.3 points, up from June’s downwardly adjusted mark of 97.8 points and still within the narrow range where it has been stuck for much of the past 24 months.”
- “Conversely, the CSI from the University of Michigan moved down in July to 66.4 points, its lowest level since last November. Consumers expressed caution about continued high prices, despite the June decline in the inflation rate and speculation about easing interest rates.”
- “The CSI is statistically flat to its 24-month average of 66.6 points, while the CCI is down from its 24-month average of 104.4 points.”



The National Unemployment Rate

- “July changed the tone of economic outlook considerably, with employers adding just 114,000 new jobs to payrolls while the unemployment rate ticked up to 4.3 percent, its highest level since October 2021.”
- “Adding to concerns is a slowing of wages, which increased just 0.2 percent in July. And while the 3.6 percent year-over-year wage gain remains above the 3.0 percent inflation rate...that gap is considerably narrower than it was earlier in the year.”
- “Jobs gains in the Leisure & Hospitality sector were modest, with just 23,000 new positions added and just 6,100 in the accommodations sector.”



The National Inflation Rate

- Consumer prices rose 2.9% for the 12 months ended in July, slowing from June's 3% annual gain, and the smallest 12-month increase since March 2021. On a monthly basis, prices rose 0.2% after posting a 0.1% decline in June.
- Shelter has been the biggest impediment to inflation's descent, accounting for more than one-third of the overall CPI. On an annual basis, the shelter index is up 5.1% through July, though has been steadily declining since peaking at 8.2% in March 2023. Excluding shelter, the CPI was up 1.7% for last 12 months.
- Energy prices (notably gasoline) were flat for July, while food prices continued to rise modestly with grocery prices up 0.1% and restaurant prices up just 0.2%. Services ticked up 0.3%, while used cars, medical care, airline fares, and apparel were among those that decreased from June.
- The Fed has wanted to see more sustained slowing inflation before loosening monetary policy, but the calculus has changed in recent months, as the labor market is slowing, and unemployment rose sharply in July.

Takeaways from CBRE's National Hotel Outlook

- “CBRE forecasts full-year 2024 revenue per available room (RevPAR) growth of 1.2%, down from 2% previously. Despite the reduction, the current outlook still implies sequentially improving trends from 0.5% growth in H1 2024 to 2.0% growth in 2H 2024. Weaker-than-expected leisure demand and slowing corporate profit growth are resulting in softer U.S. lodging demand; however, election-related events, growth in inbound international travel, and potentially a lower interest rate environment could support demand. Improvements in international travel should contribute to outperformance in airport and urban locations.”
- “CBRE’s baseline forecast anticipates GDP growth of 2.3% and average inflation of 3.1% in 2024, which are roughly in line and down 10 basis points (bps), respectively, compared to our forecast release in May. After stronger-than-expected GDP growth in Q2 2024, CBRE expects GDP growth to slow over the back half of 2024 and into 2025. Over time, the relative strength of the economy directly impacts the performance of the lodging industry; however, in the near term, downside risks are more prominent as softening consumer trends and competitive threats from lodging alternatives encroach on traditional lodging demand.”

Takeaways from CBRE's National Hotel Outlook (continued)

- “Q2 2024 RevPAR increased 2.2% to \$107.91, below our 2.5% expectation. Growth was supported by a shift in Easter and increased leisure travel driven by the solar eclipse. A 1.5% increase in average daily rate (ADR) coupled with a 0.5 percentage point increase in occupancy contributed to the growth in RevPAR.”
- “With the reduced outlook for 2024 RevPAR growth, CBRE currently expects nominal RevPAR of \$100.54, or 114.5% of 2019’s pre-pandemic level. This RevPAR outlook is predicated on 1.1% ADR growth and a 0.1 percentage point increase in occupancy year over year.”
- “Given elevated development and financing costs, CBRE expects supply to increase at a compound annual growth rate (CAGR) of under 1% over the next three years. We expect increasing global wealth and muted supply growth to support solid lodging fundamentals in the longer term.”

Short Term Rentals

- “In July, the U.S. short-term rental (STR) market saw the highest ever number of listings and demand nights, and for the third month in a row increased occupancy on a year-over-year basis. Despite available listings reaching over 1.7 million during the month, the occupancy rate of 68.1% was the highest monthly occupancy since July of 2022, and only slightly lower than the pre-pandemic July 2019 occupancy rate (-0.6%).”
- “After years of declining occupancy since the record highs of 2021, AirDNA predicted that 2023 would mark the bottom of the STR cycle, with unit-level performance starting to improve. A calendar shift in March and April confused the picture somewhat, but with the past three months of YOY occupancy gains combined with an earlier Labor Day weekend and strong pacing for August mean that the 2024 summer travel season will almost assuredly have improvements over 2023.”
- “On the other hand, a trend of shortening lead times has led to existing operators keeping prices level. Hosts of new listings are also slightly undercutting market prices to ensure that rooms stay full. ADR on average was down slightly, -1.3% compared to July 2023, reversing a trend of RevPAR improvements and decreasing RevPAR by -0.9% YOY.”

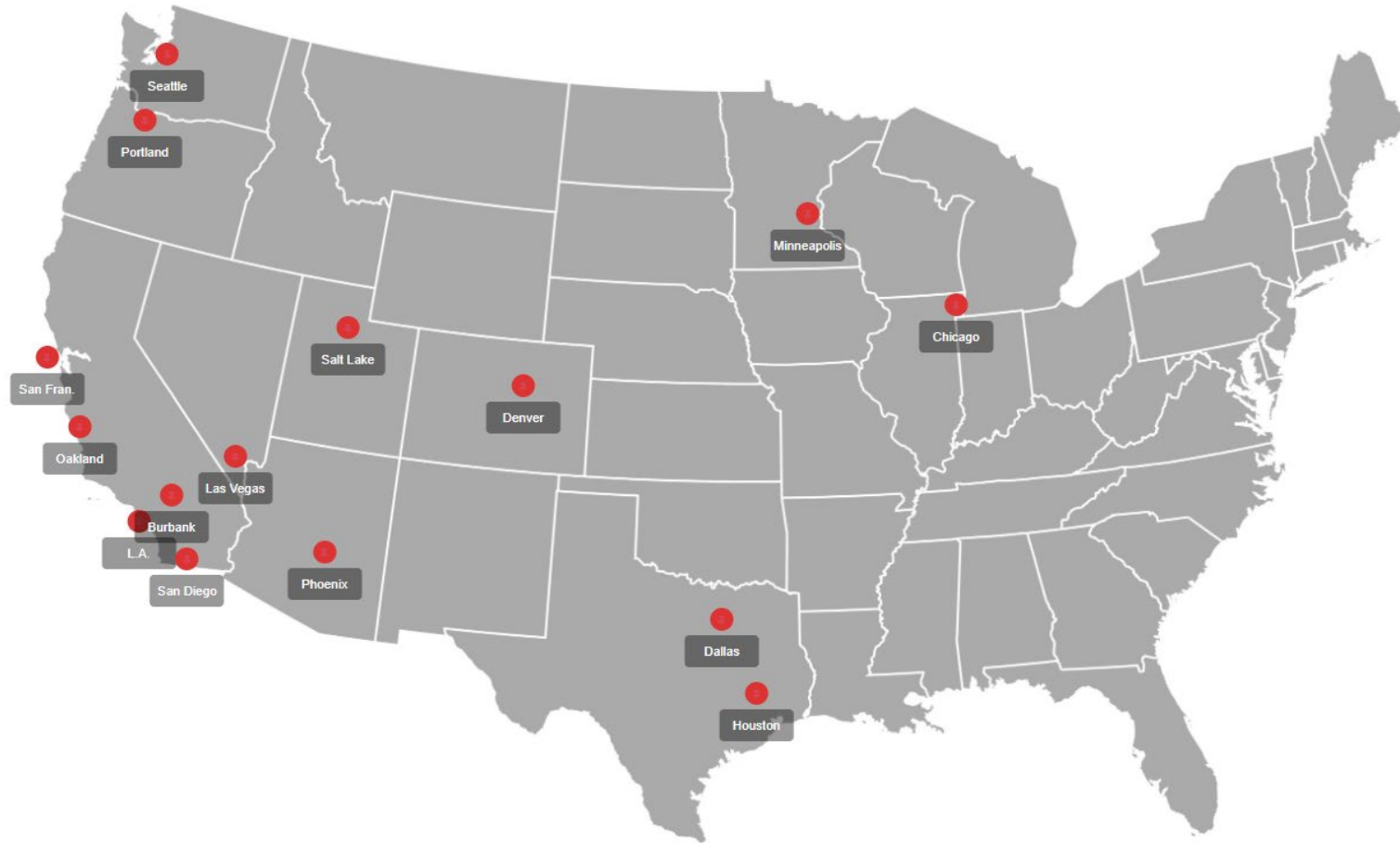
Short Term Rentals (continued)

- Key U.S. Short Term Rental Performance Metrics for July 2024
 - Available listings were 1.71 million, up 6.6% YOY
 - Occupancy was 0.3% higher YOY at 63.7%
 - Average Daily Rates (ADR) decreased 1.3% YOY to \$332.20
 - Revenue per Available Rental (RevPAR) decreased 0.9% year-over-year (YOY) to \$226.38
 - Total demand (nights) rose 8.3% YOY
 - Nights booked increased by 7.7% YOY

Glacier Park International Airport Data

Glacier Park International Airport

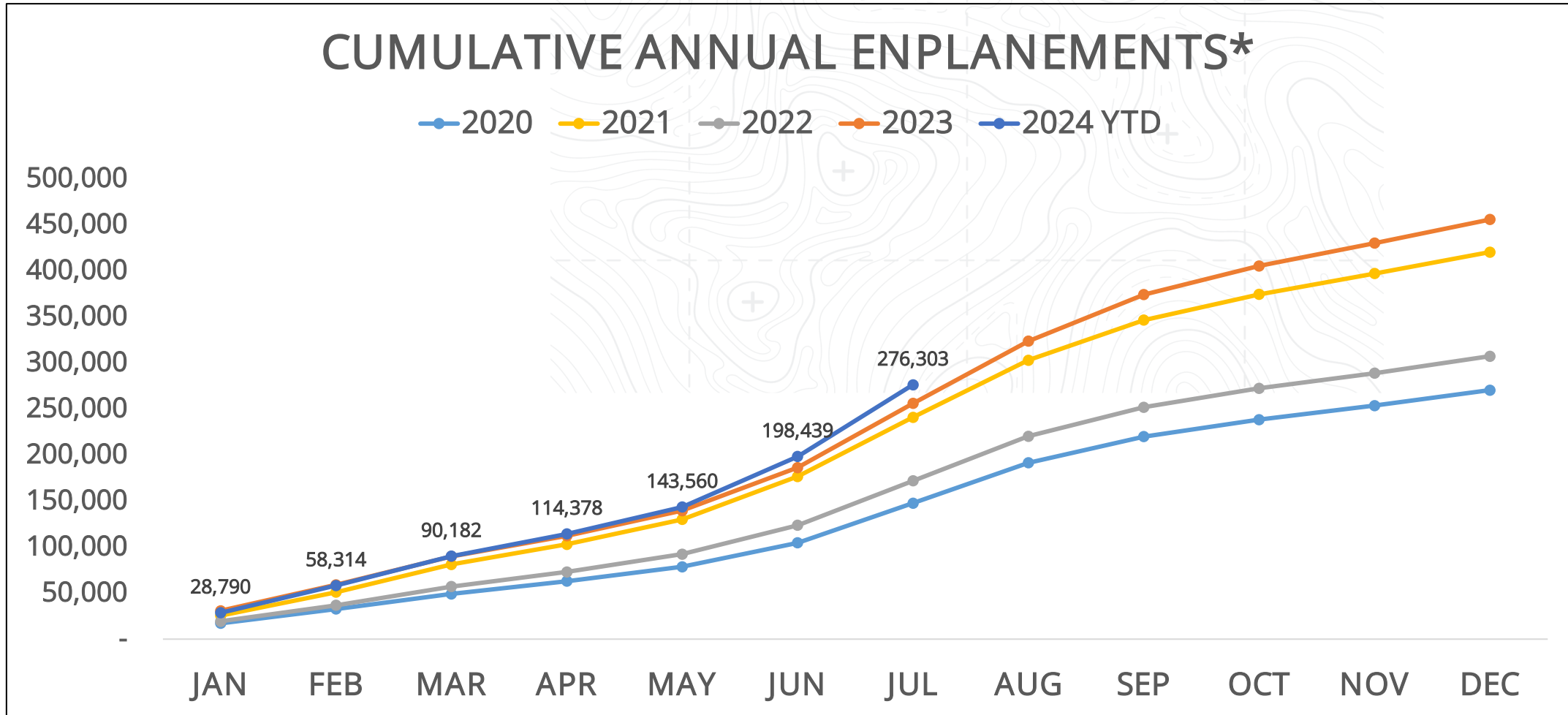
— Direct Flights —
MAJOR CITIES SERVED



Glacier Park International Airport

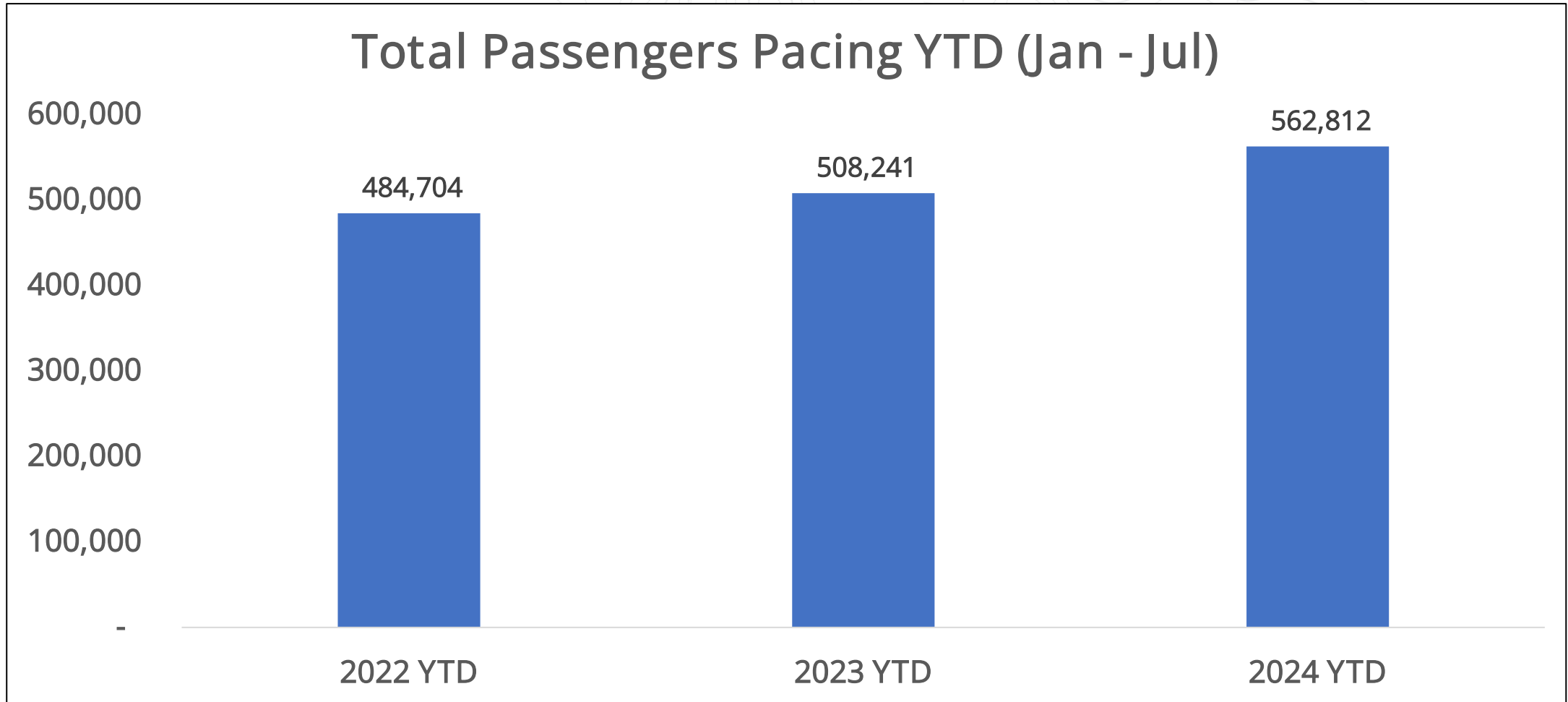
Total Passengers					
Month	2024	2023	% Change 2024 vs. 2023	2022	% Change 2024 vs. 2022
January	54,403	58,161	-6.5%	49,261	10.4%
February	59,344	56,277	5.4%	50,555	17.4%
March	63,846	59,460	7.4%	58,672	8.8%
April	48,426	45,073	7.4%	43,836	10.5%
May	62,723	54,694	14.7%	56,807	10.4%
June	117,040	96,564	21.2%	97,429	20.1%
July	157,030	138,012	13.8%	128,144	22.5%
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	562,812	508,241	10.7%	484,704	16.1%
Total		895,998		832,518	

Glacier Park International Airport

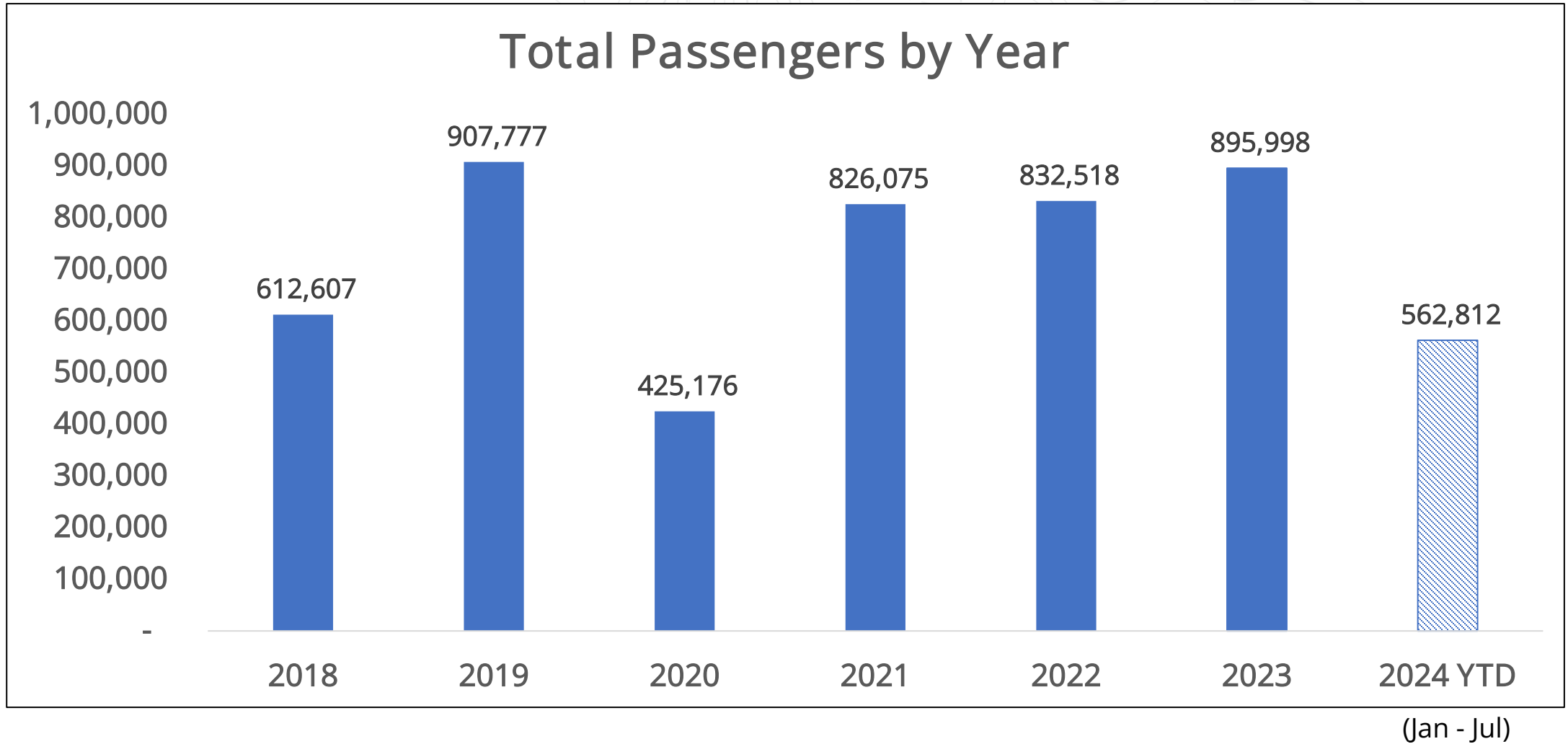


* Enplanements only (not total passengers)

Glacier Park International Airport



Glacier Park International Airport

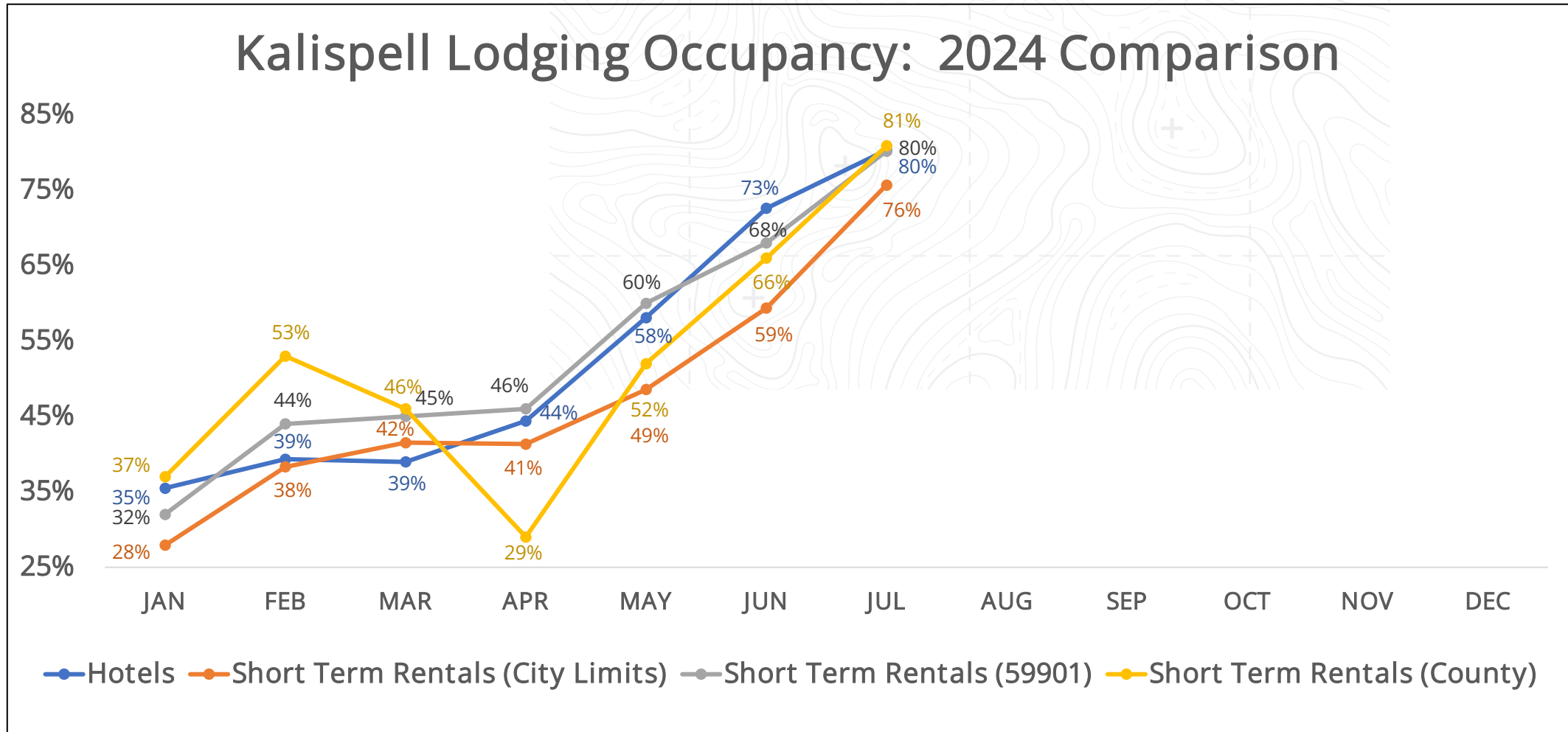


STR Hotel Data

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.
 - $RevPAR = \text{Room Revenue} / \text{Rooms Available}$

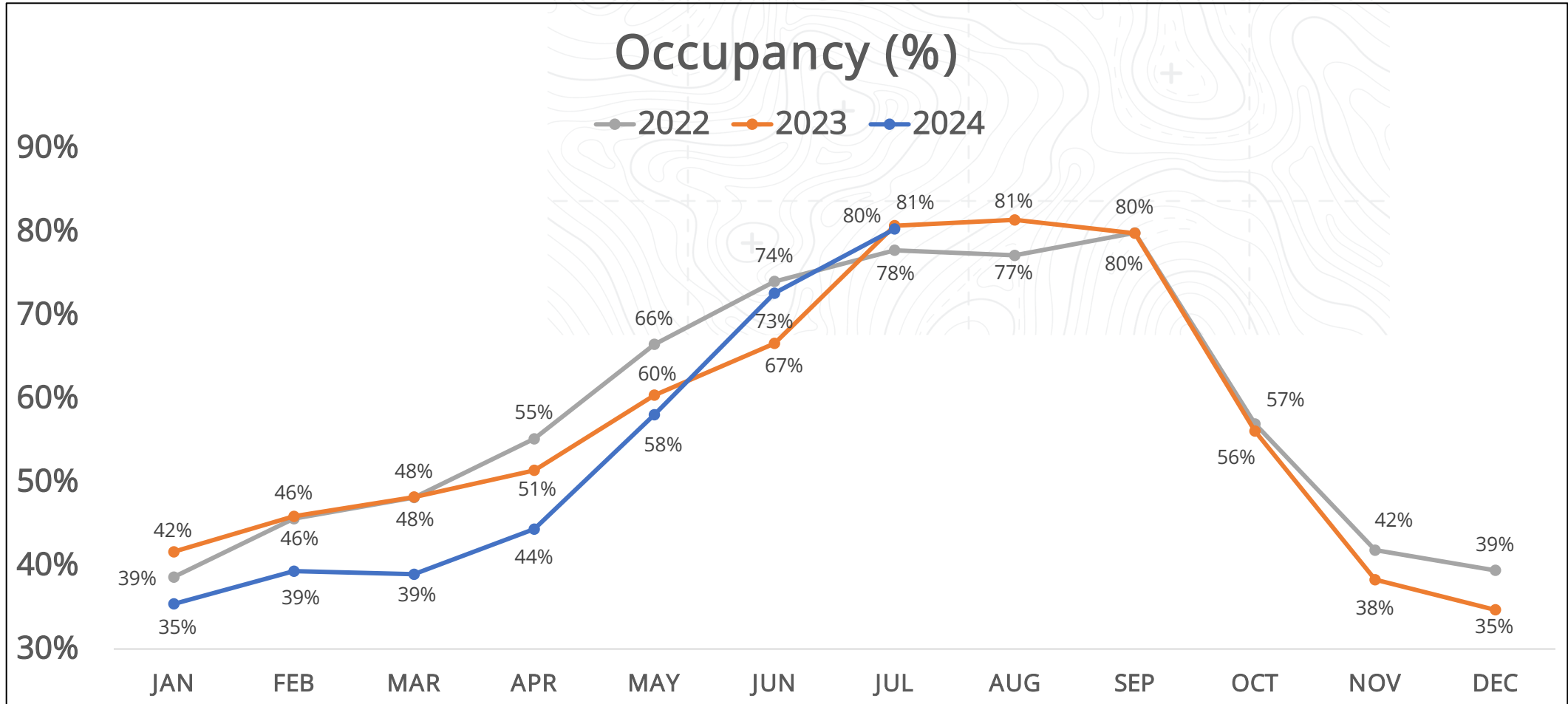
Kalispell 2024 Lodging Comparison





Hotel Occupancy by Month

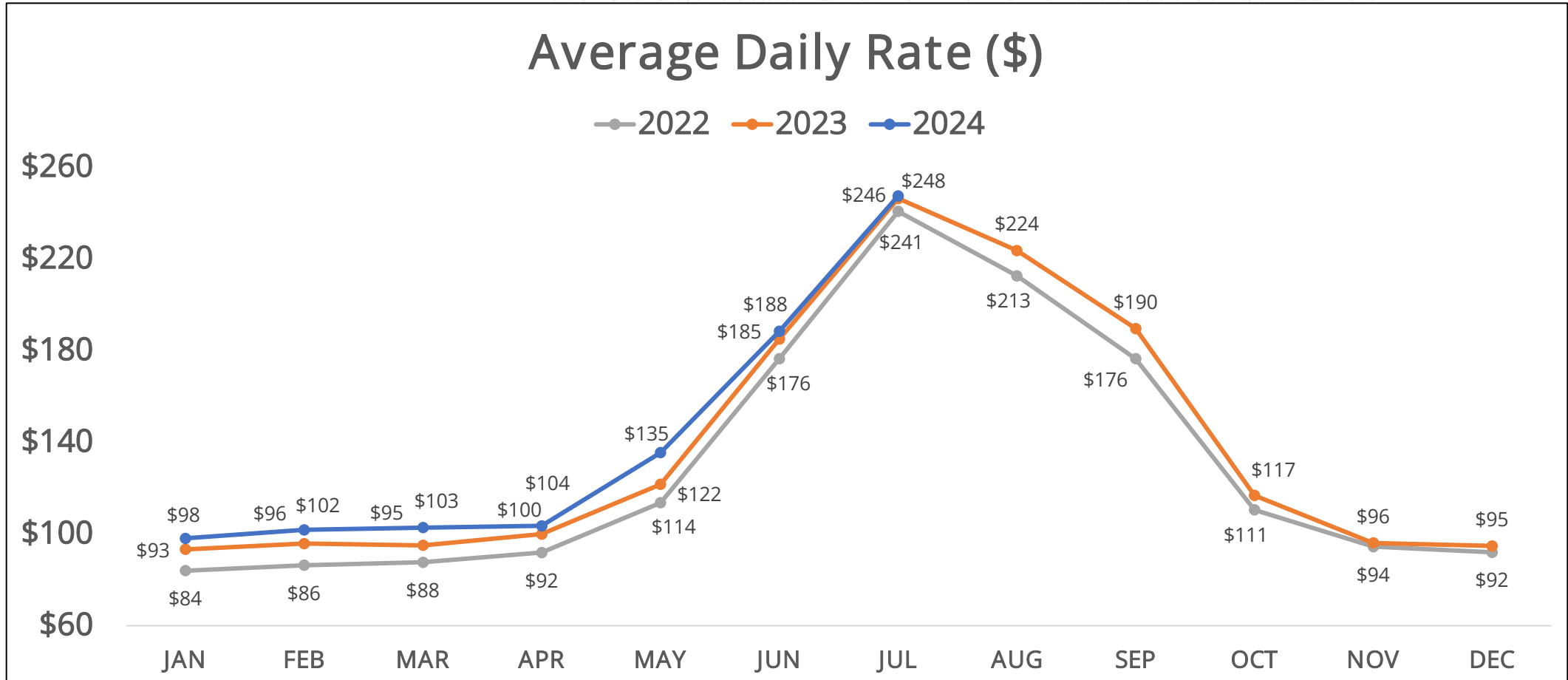
Kalispell hotel Occupancy decreased 0.5%, ADR increased 0.5%, and RevPAR was flat Year-Over-Year





Hotel Average Daily Rate (ADR) by Month

Kalispell hotel Occupancy decreased 0.5%, ADR increased 0.5%, and RevPAR was flat Year-Over-Year



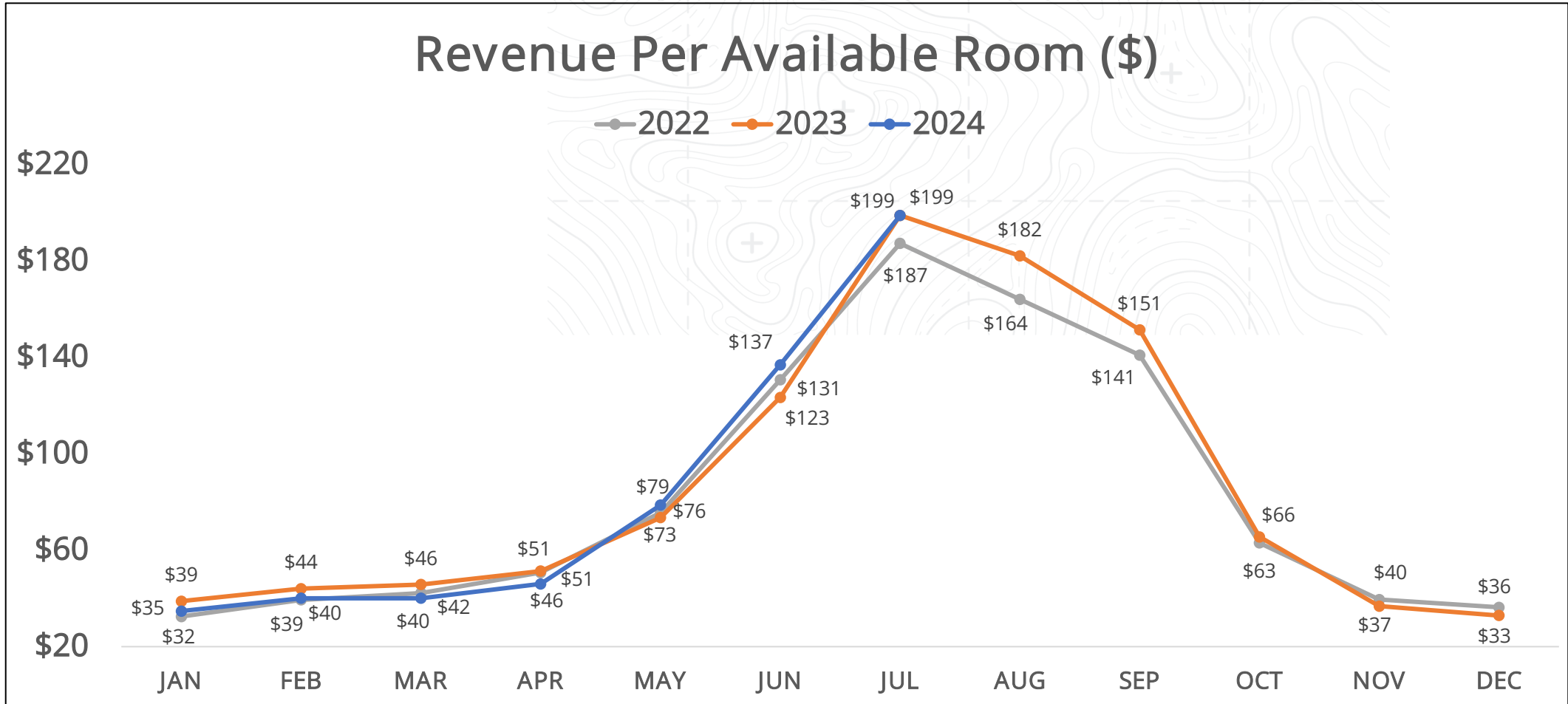
2022 ADR = \$142

2023 ADR = \$153



Hotel Revenue Per Available Room by Month

Kalispell hotel Occupancy decreased 0.5%, ADR increased 0.5%, and RevPAR was flat Year-Over-Year

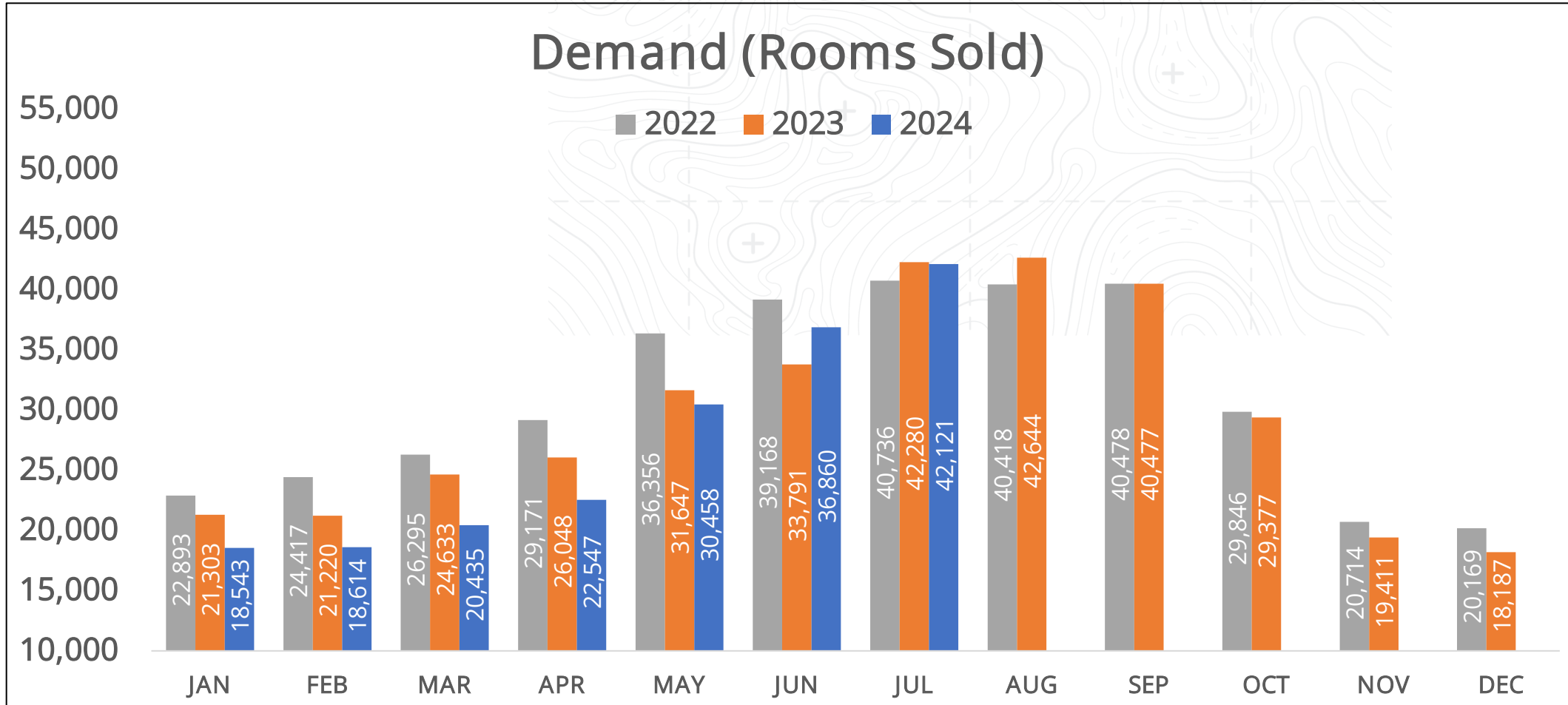


2022 RevPAR = \$83 2023 RevPAR = \$88



Hotel Demand (Rooms Sold) by Month

Kalispell hotel Demand decreased 0.4%, Supply increased 0.1%, and Total Revenue increased 0.1% Year-Over-Year

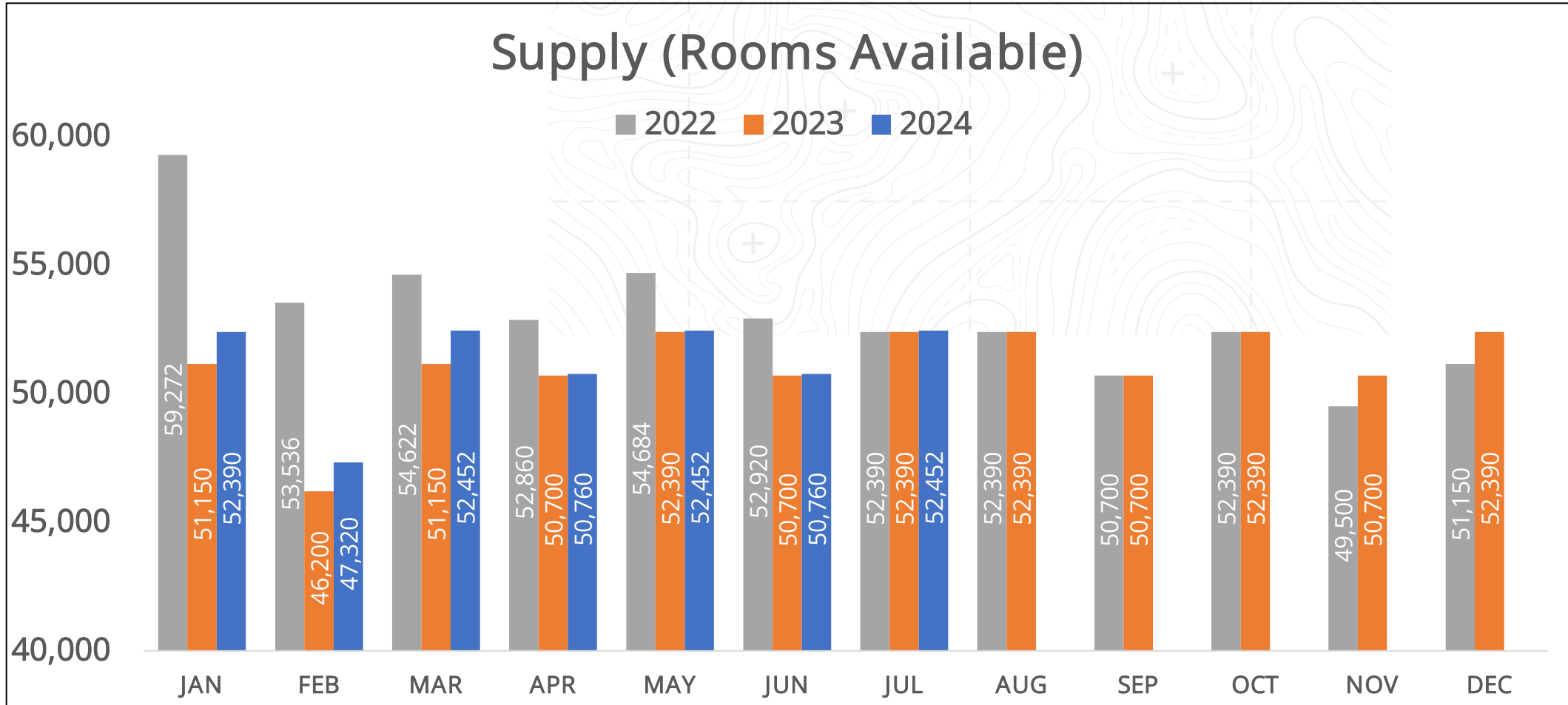


2022 Demand = 370,663

2023 Demand = 351,023

Hotel Supply by Month

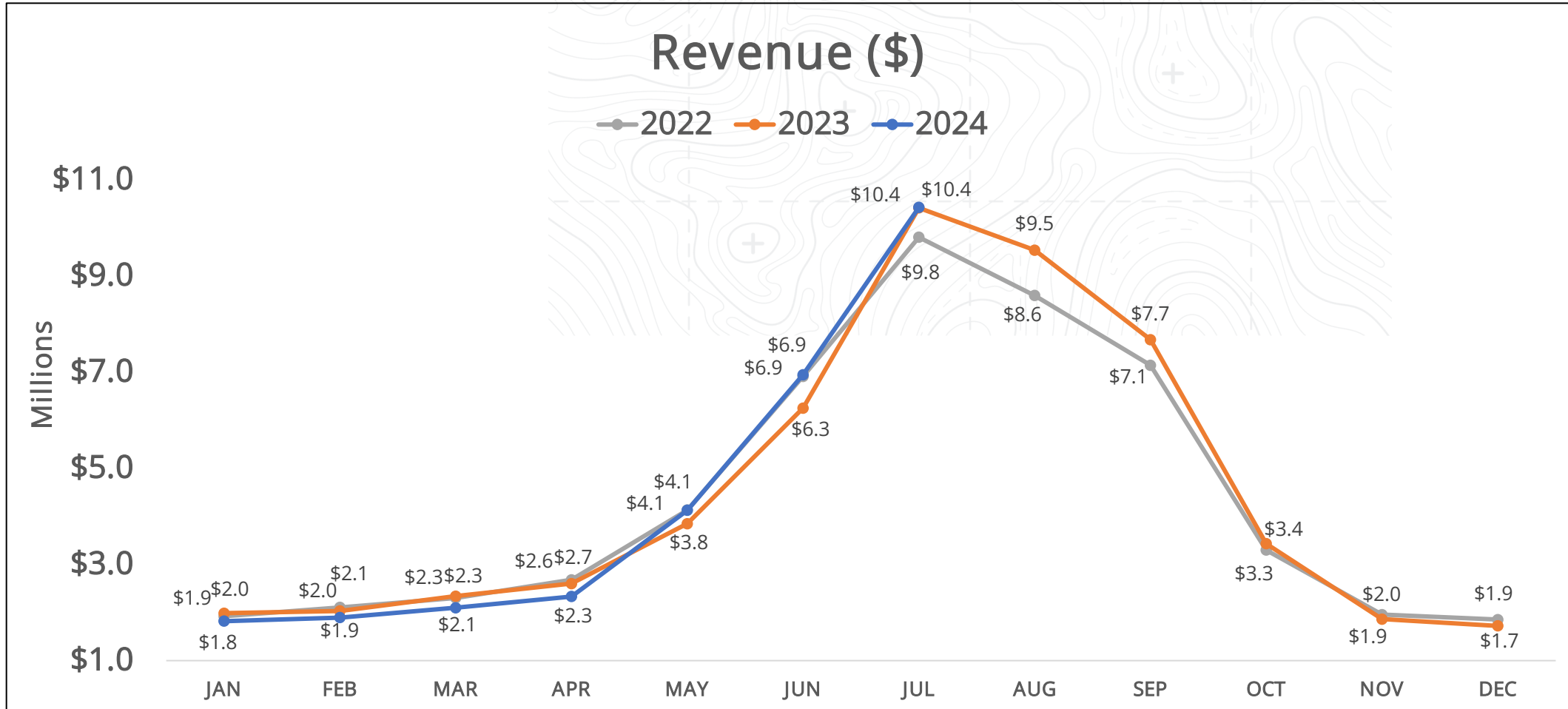
Kalispell hotel Demand decreased 0.4%, Supply increased 0.1%, and Total Revenue increased 0.1% Year-Over-Year



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

Hotel Revenue by Month

Kalispell hotel Demand decreased 0.4%, Supply increased 0.1%, and Total Revenue increased 0.1% Year-Over-Year



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

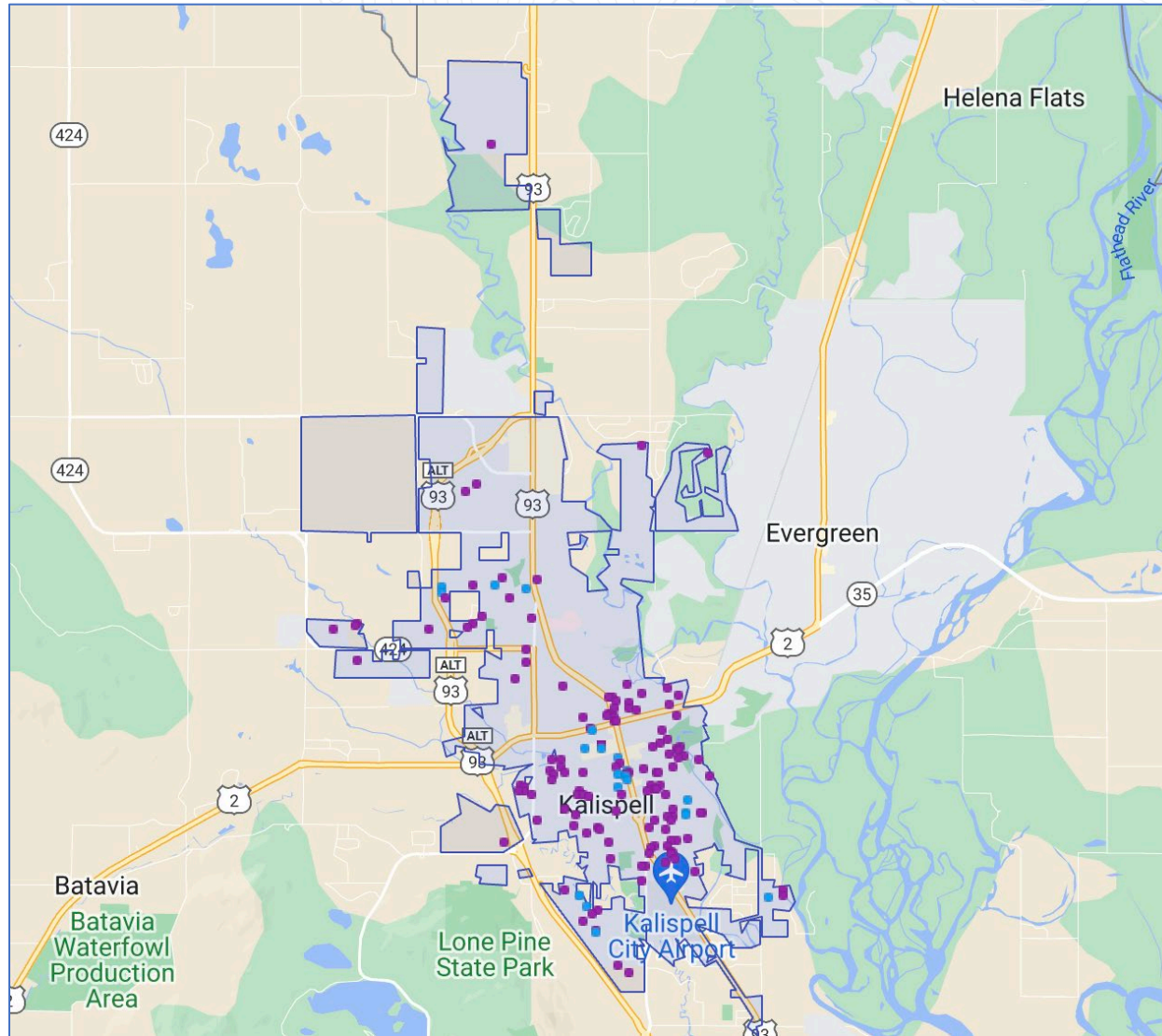
AirDNA Short Term Rental Data (Airbnb & Vrbo listings)

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 *

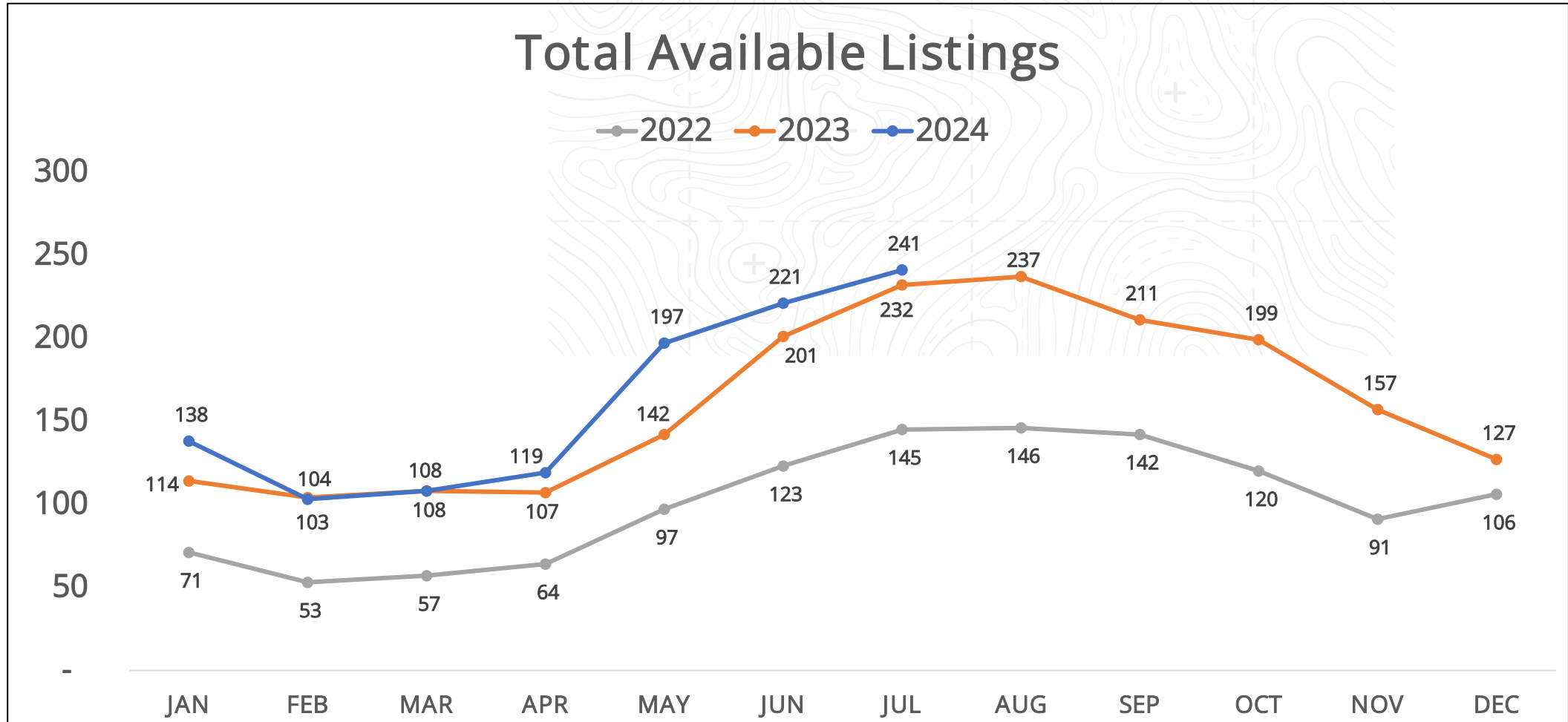


*Kalispell City Limits



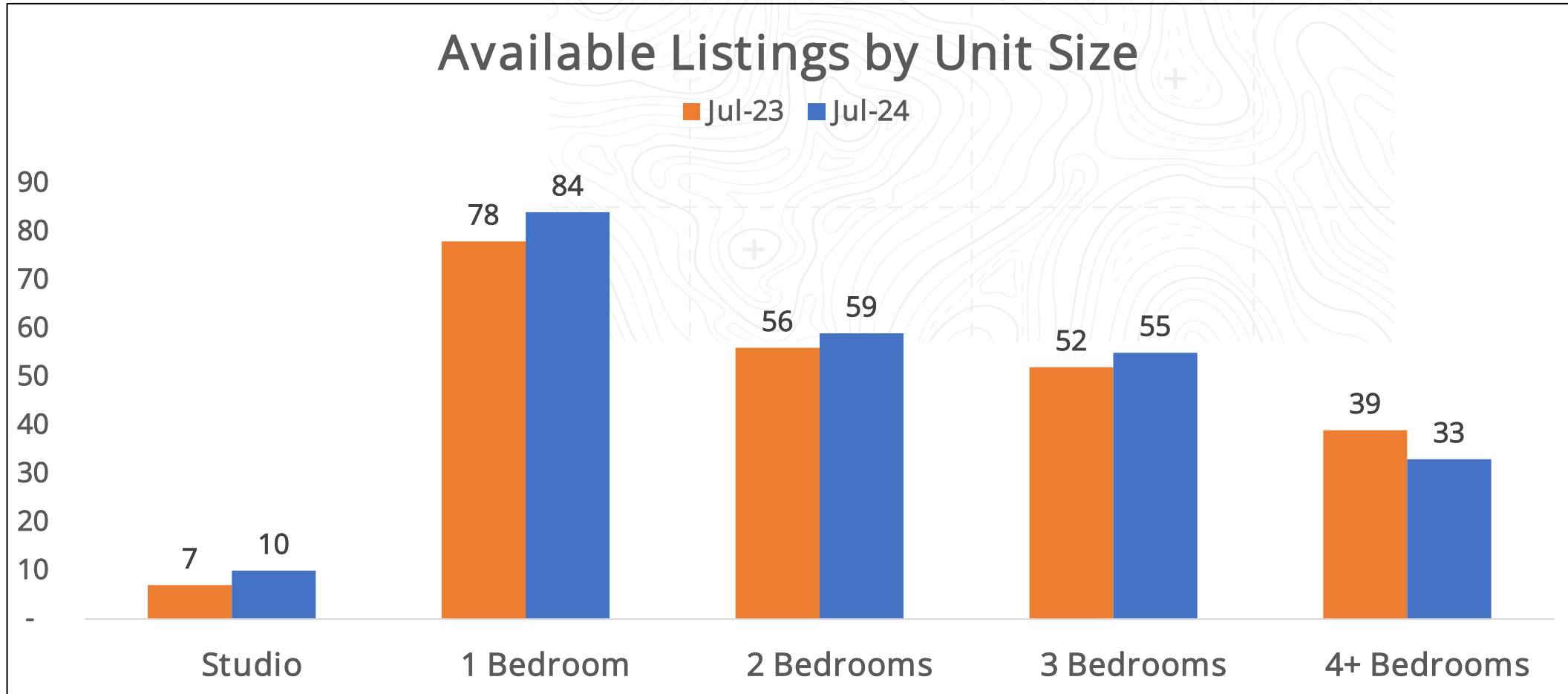
AirDNA Short Term Rentals - Available Listings

Kalispell Short Term Rental Available Listings increased 3.9% Year-Over-Year



AirDNA Short Term Rentals - Unit Size

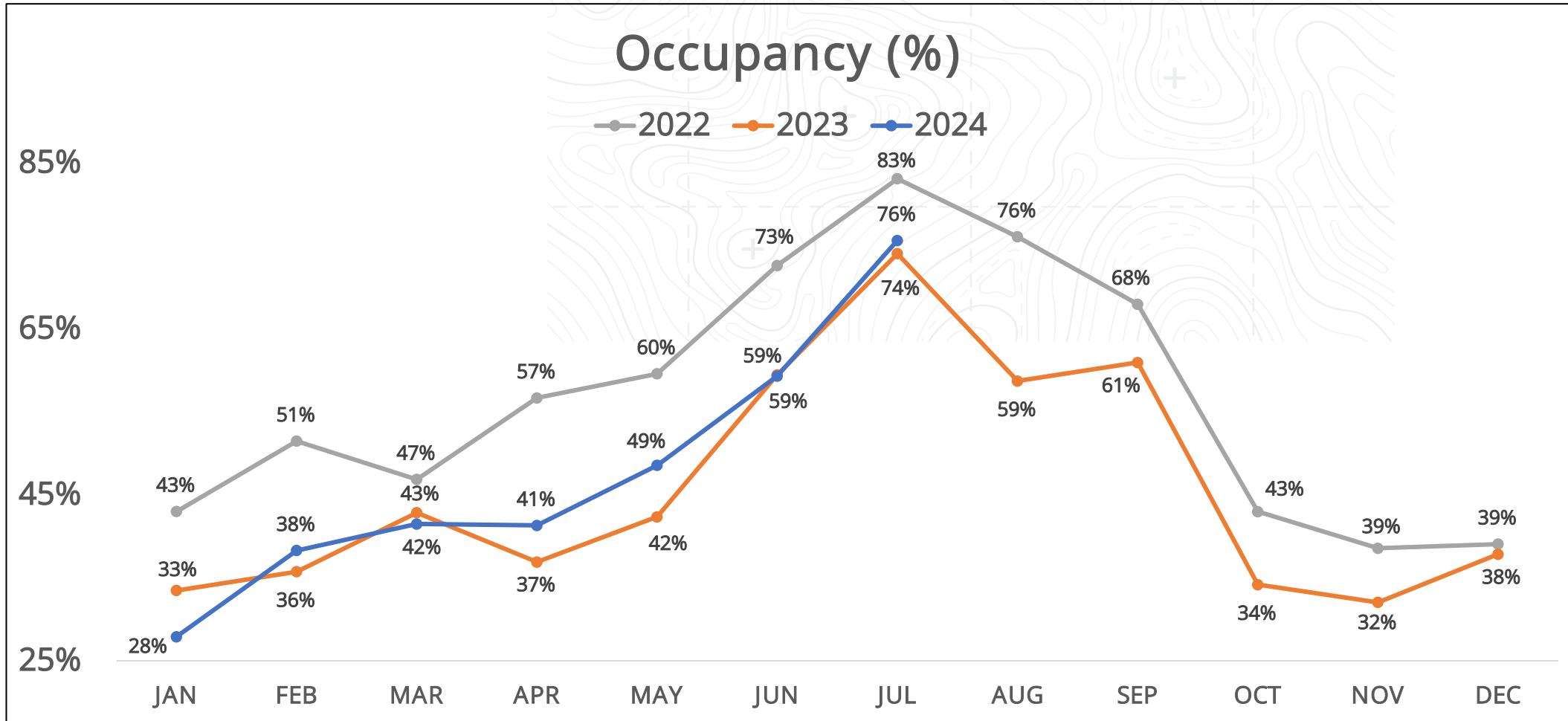
Total Available Listings increased 3.9% and 1-Bedroom Listings grew by 7.7% Year-Over-Year





AirDNA Short Term Rentals – Occupancy

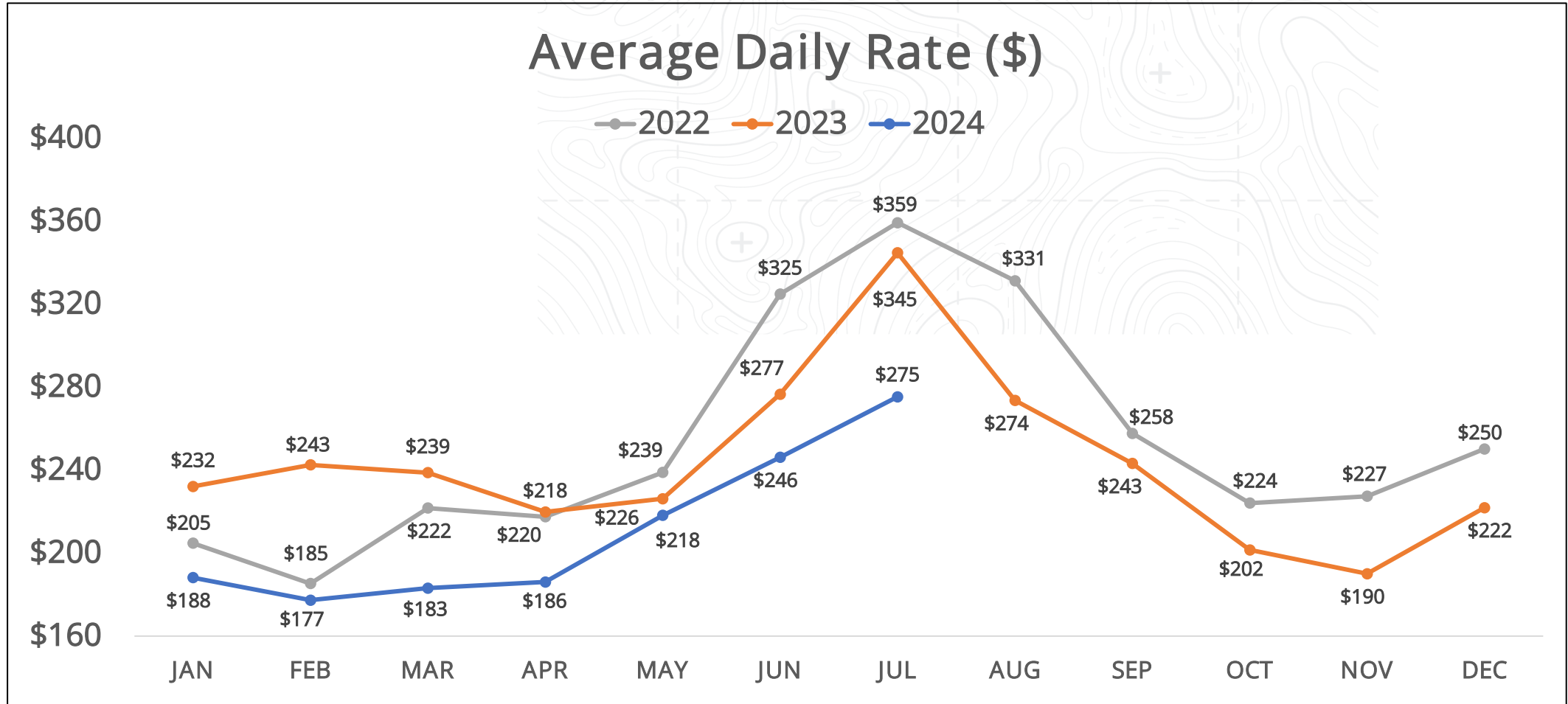
Kalispell Short Term Rental Occupancy increased 2.1%, ADR decreased 20.1%, and RevPAR decreased 18.4% Year-Over-Year





AirDNA Short Term Rentals - ADR

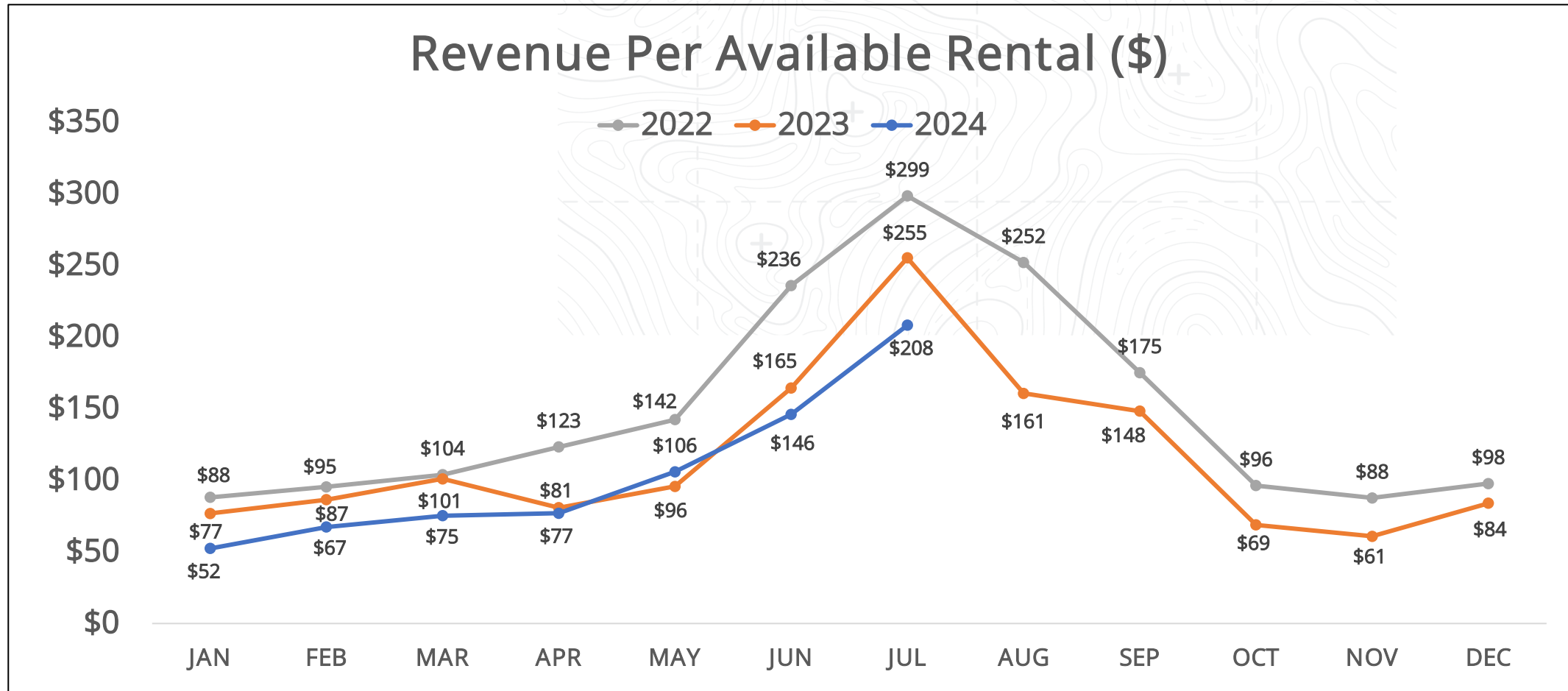
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AirDNA Short Term Rentals - RevPAR

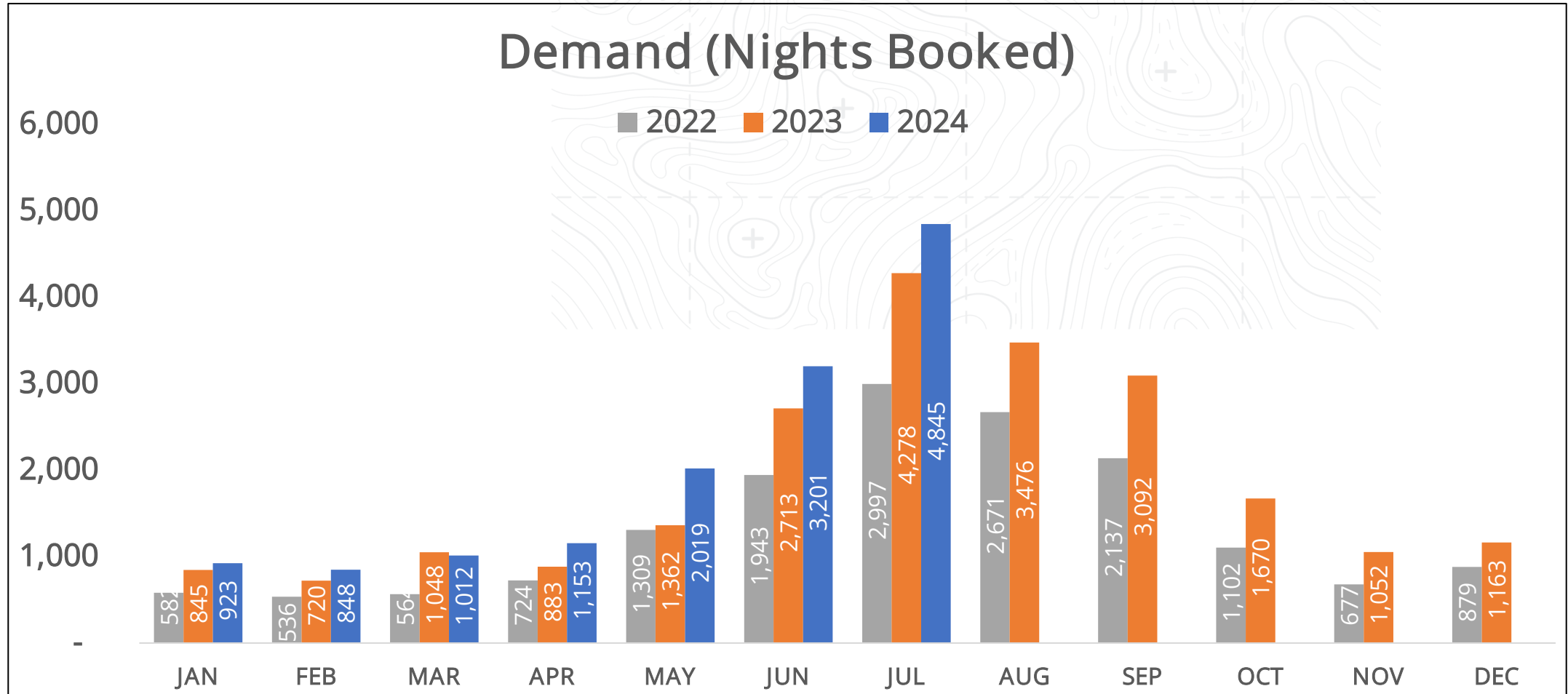
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AirDNA Short Term Rentals – Demand

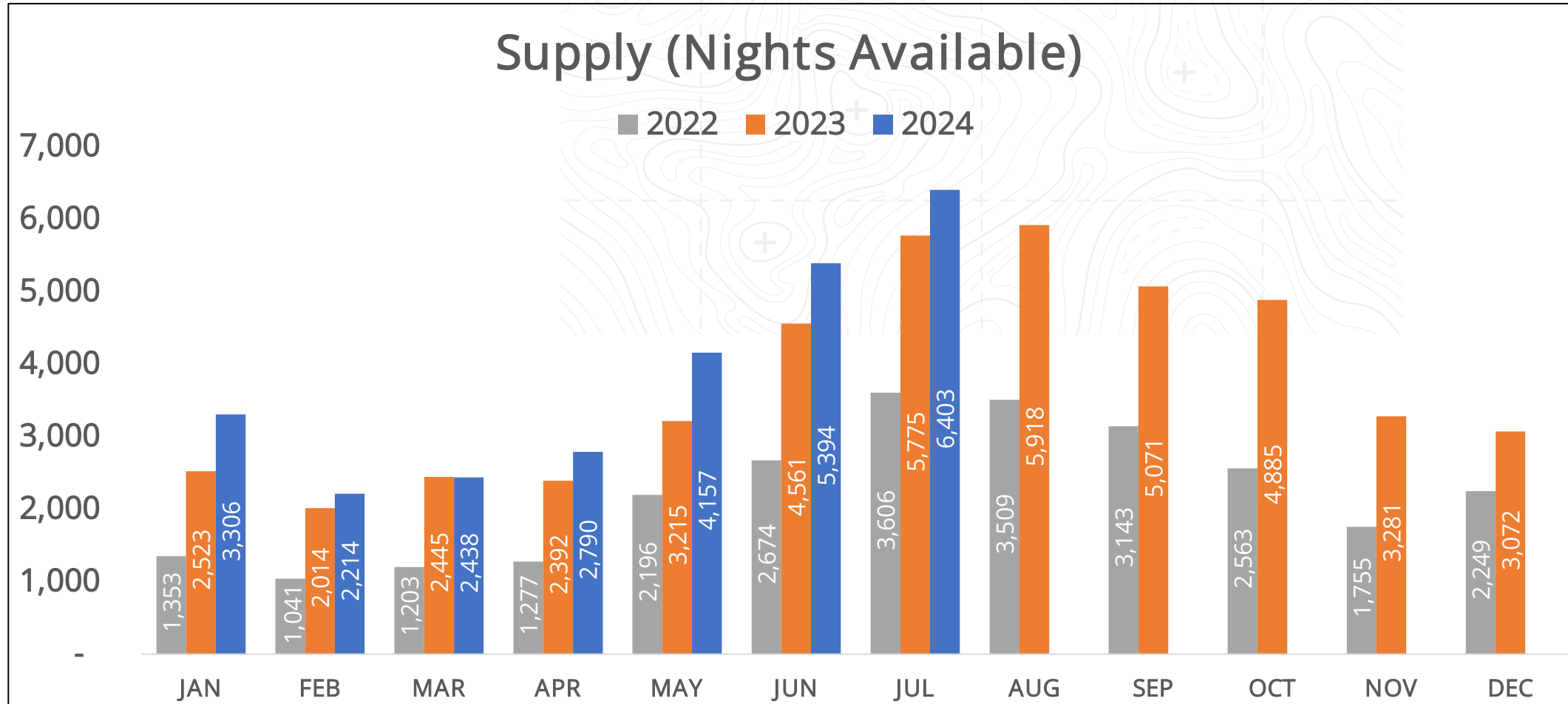
Kalispell Short Term Rental Demand increased 13.3%, Supply increased 10.9%, while Total Revenue decreased 9.6% Year-Over-Year





AirDNA Short Term Rentals – Supply

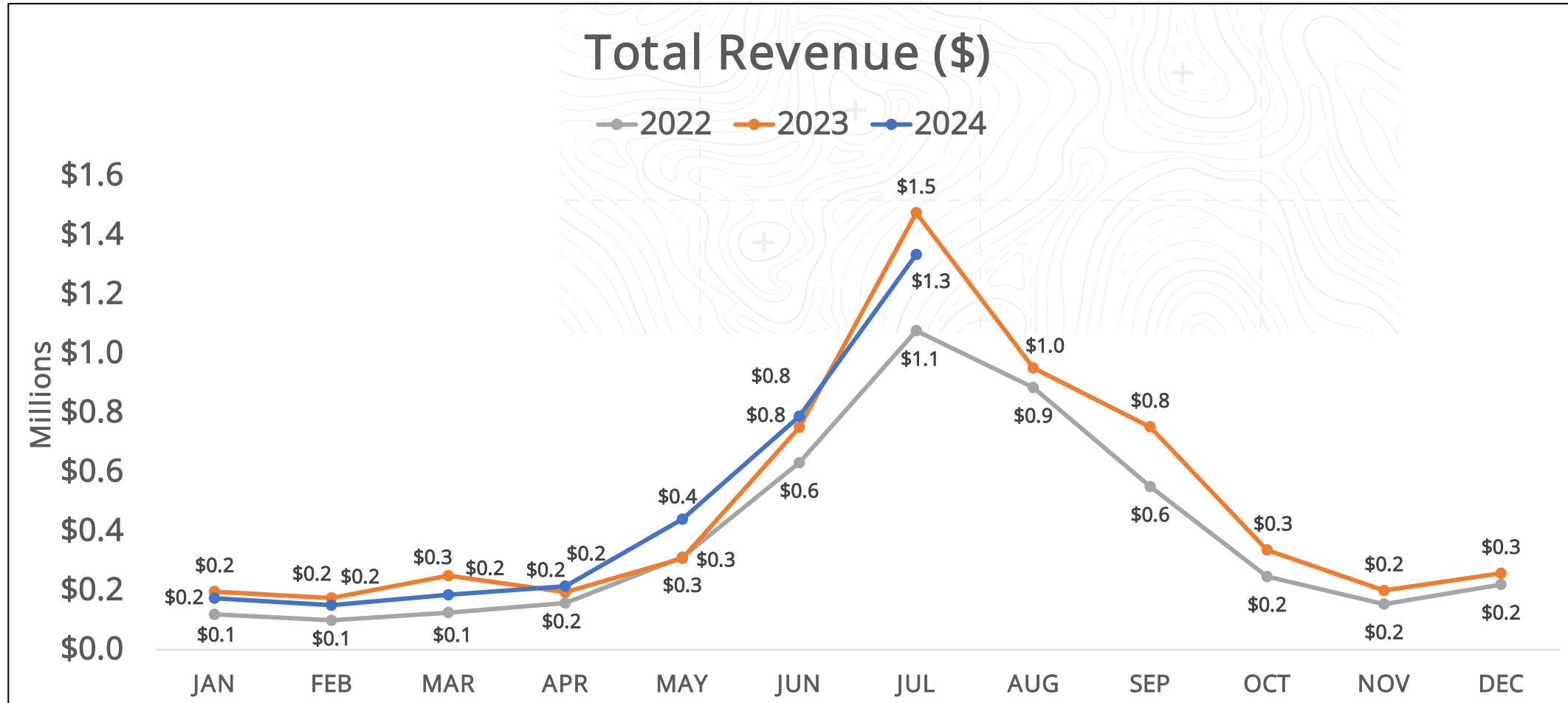
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AirDNA Short Term Rentals – Total Revenue

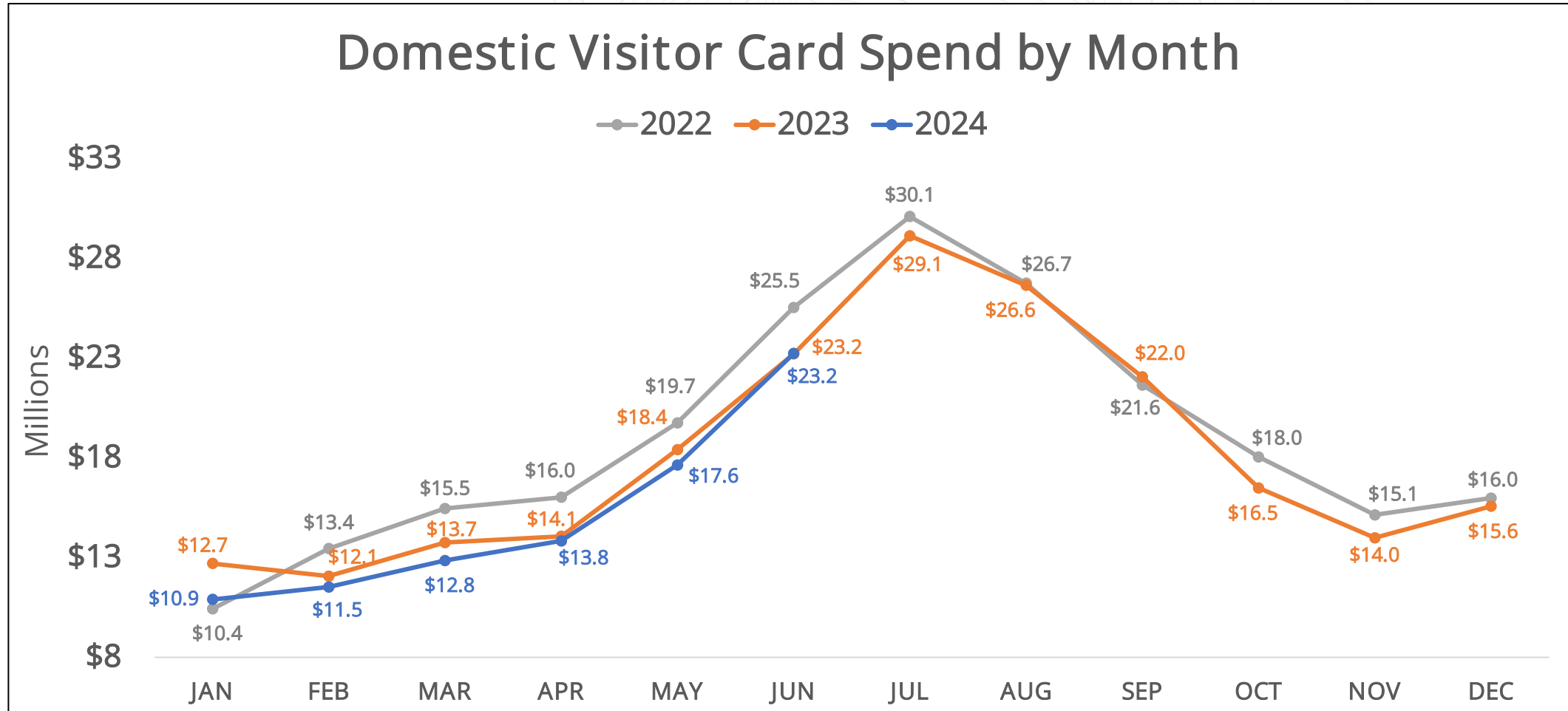
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Visa Destination Insights

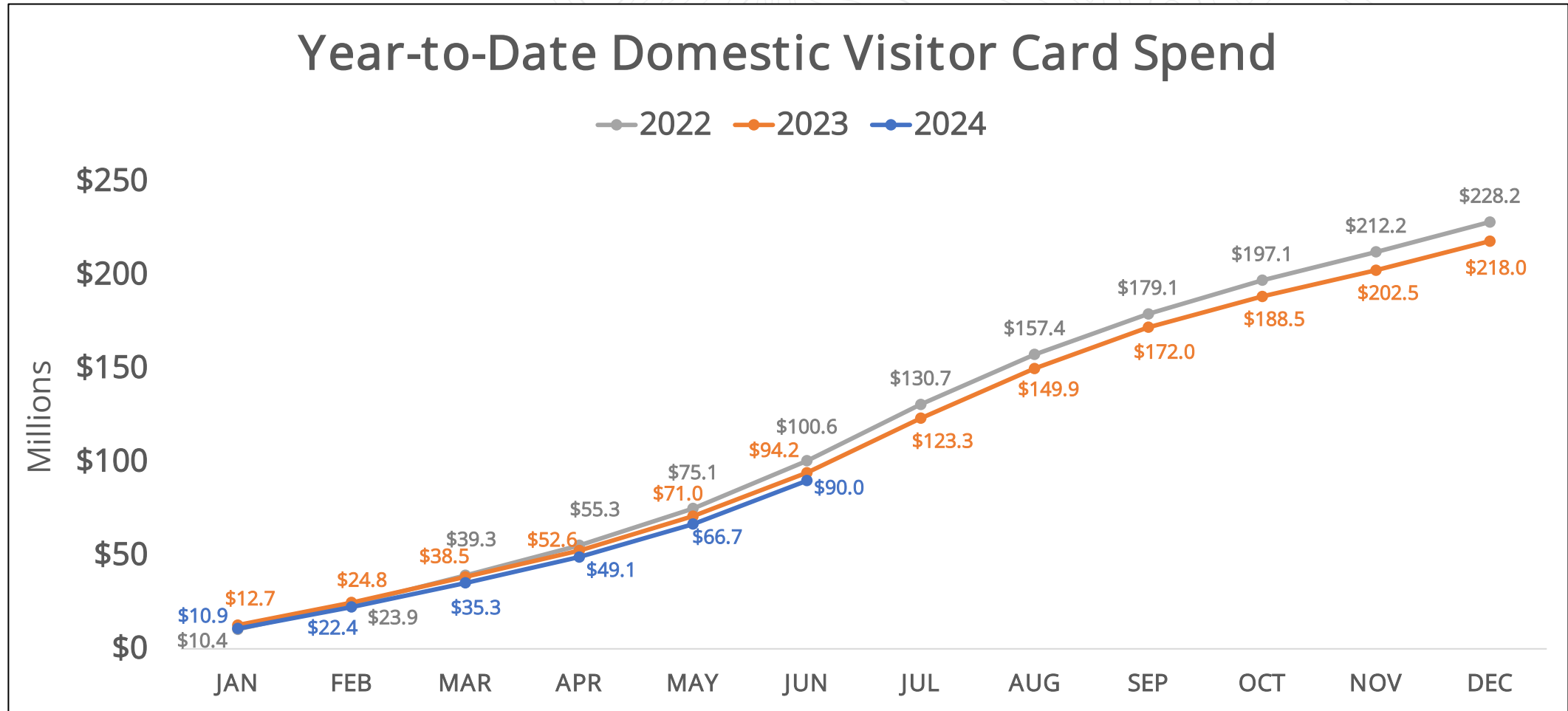
Visa – Domestic Visitor Spending

Q2 Domestic Visitor Visa Card Spend decreased 1.7% and Year-to-Date Spend decreased 6.4% Year-Over-Year



Visa – Domestic Visitor Spending

Q2 Domestic Visitor Visa Card Spend decreased 1.7% and Year-to-Date Spend decreased 6.4% 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%

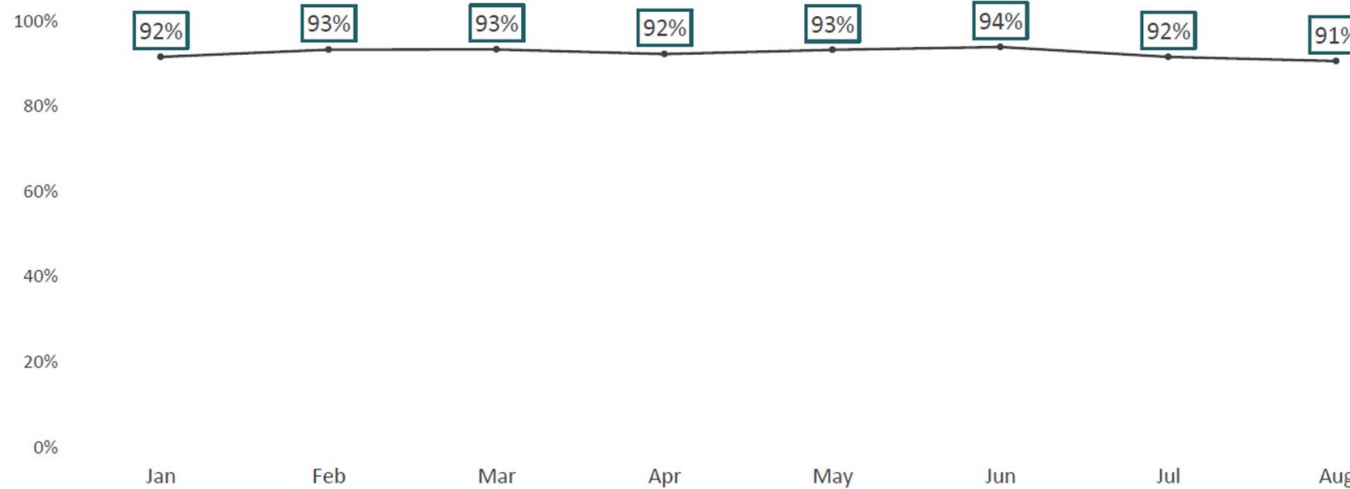
Consumer Sentiment Data

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 88

*Survey Fielded August 6, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Travelers with Travel Plans in the Next Six Months Comparison



U.S. Travel Sentiment Tracker: Wave 88

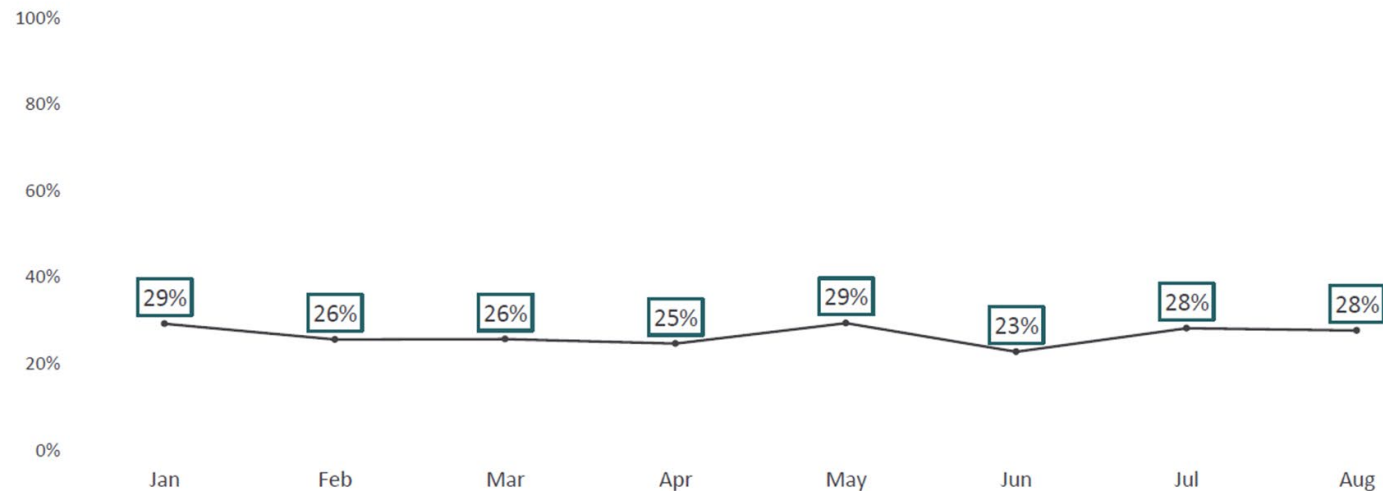
Longwoods INTERNATIONAL | miles PARTNERSHIP

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 88

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IMPACT ON TRAVEL PLANS

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



U.S. Travel Sentiment Tracker: Wave 88

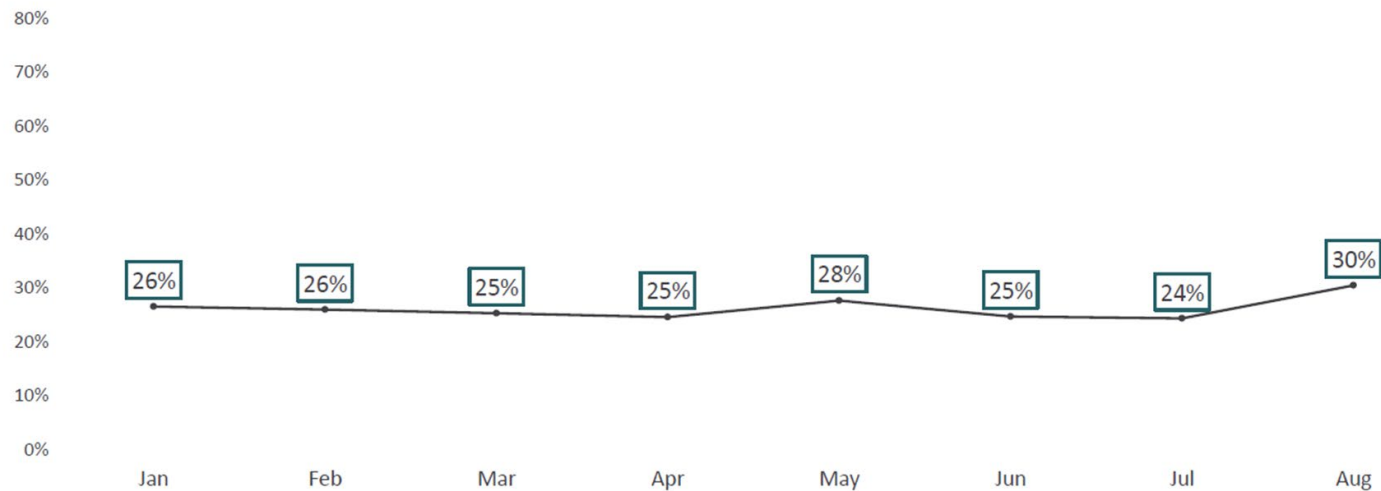
Longwoods INTERNATIONAL | miles

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 88

*Survey Fielded August 6, 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



U.S. Travel Sentiment Tracker: Wave 88

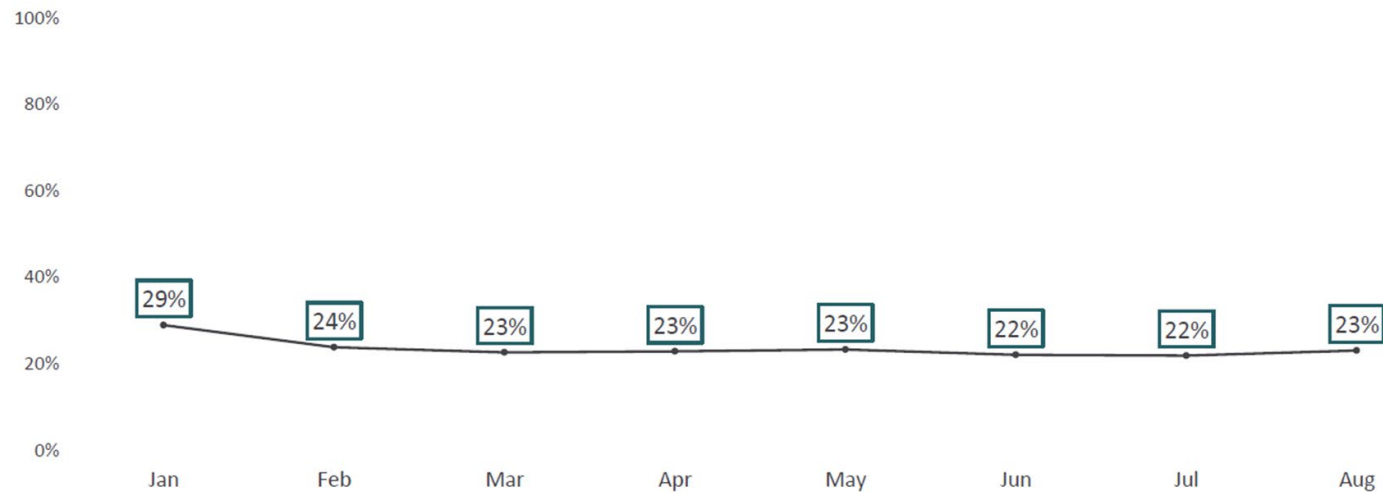
Longwoods INTERNATIONAL | miles PARTNERSHIP

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 88

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IMPACT ON TRAVEL PLANS

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



U.S. Travel Sentiment Tracker: Wave 88

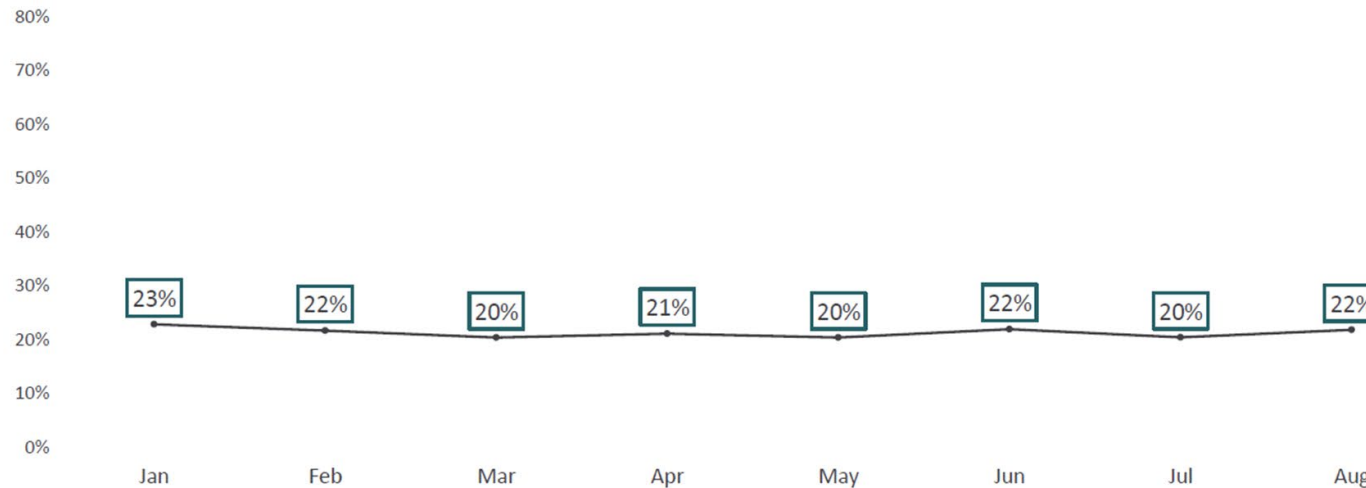
Longwoods INTERNATIONAL | miles

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 88

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IMPACT ON TRAVEL PLANS

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



U.S. Travel Sentiment Tracker: Wave 88

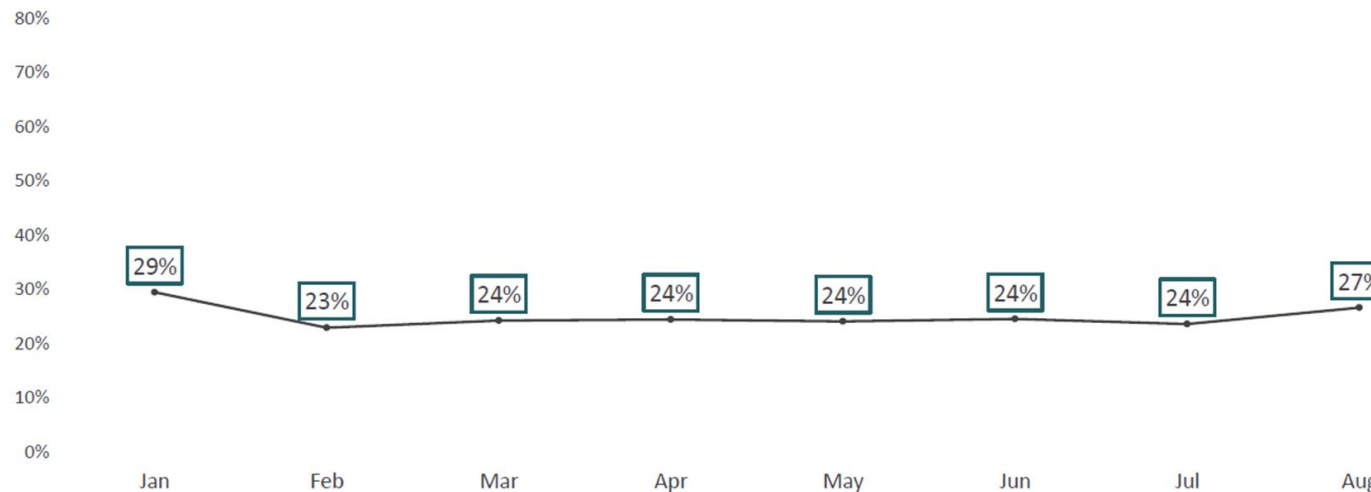
Longwoods INTERNATIONAL | miles

LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 88

*Survey Fielded August 6, 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



U.S. Travel Sentiment Tracker: Wave 88

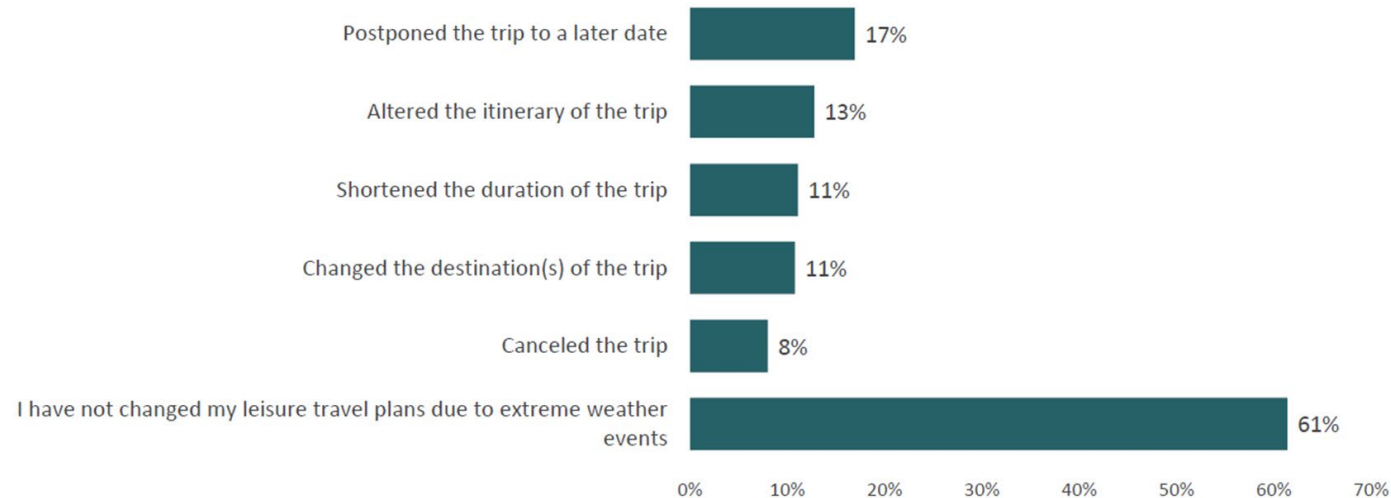
Longwoods INTERNATIONAL | miles

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IMPACT ON TRAVEL PLANS

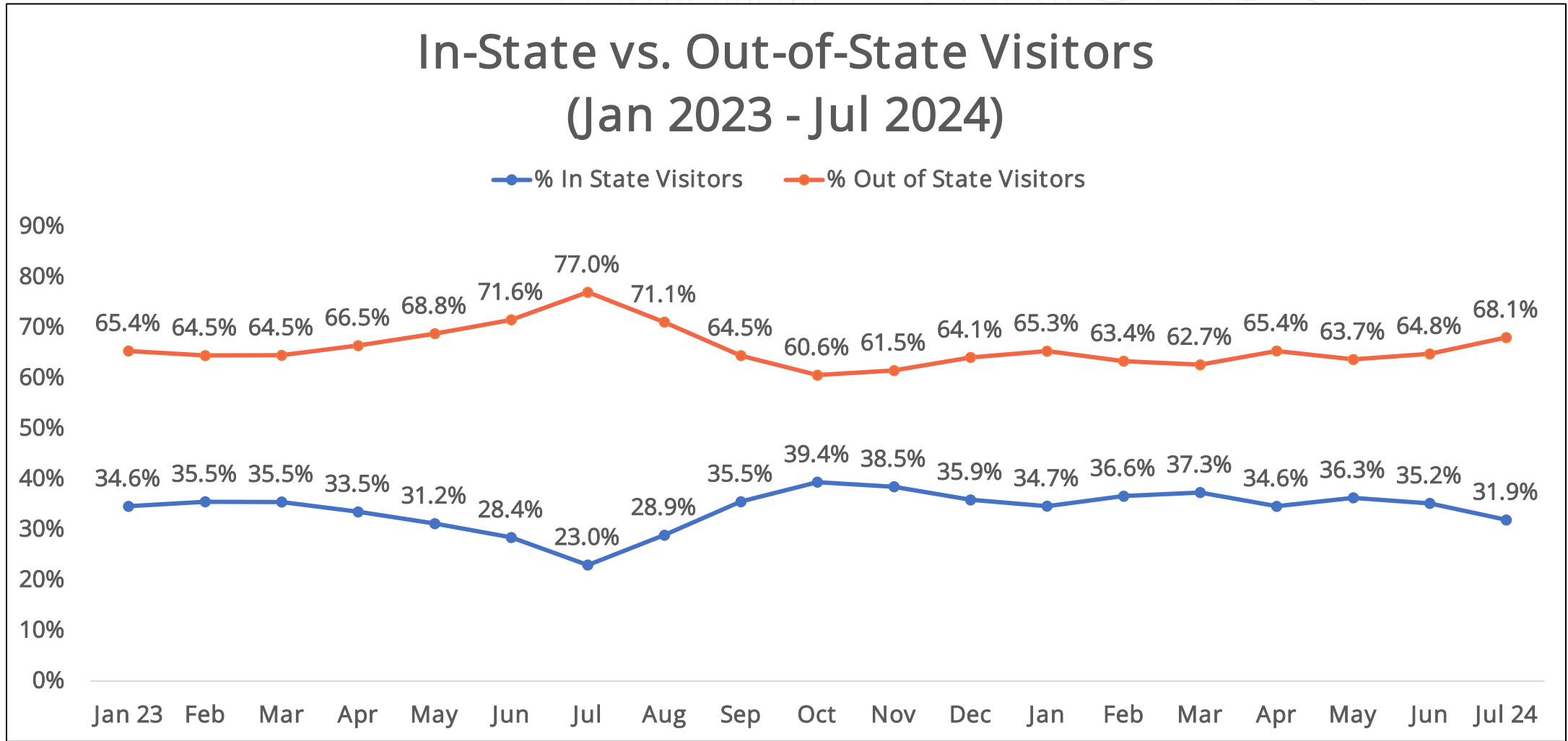
In the past year, have you changed your leisure travel plans due to extreme weather events, such as extreme heat, drought, flooding, hurricanes, etc?

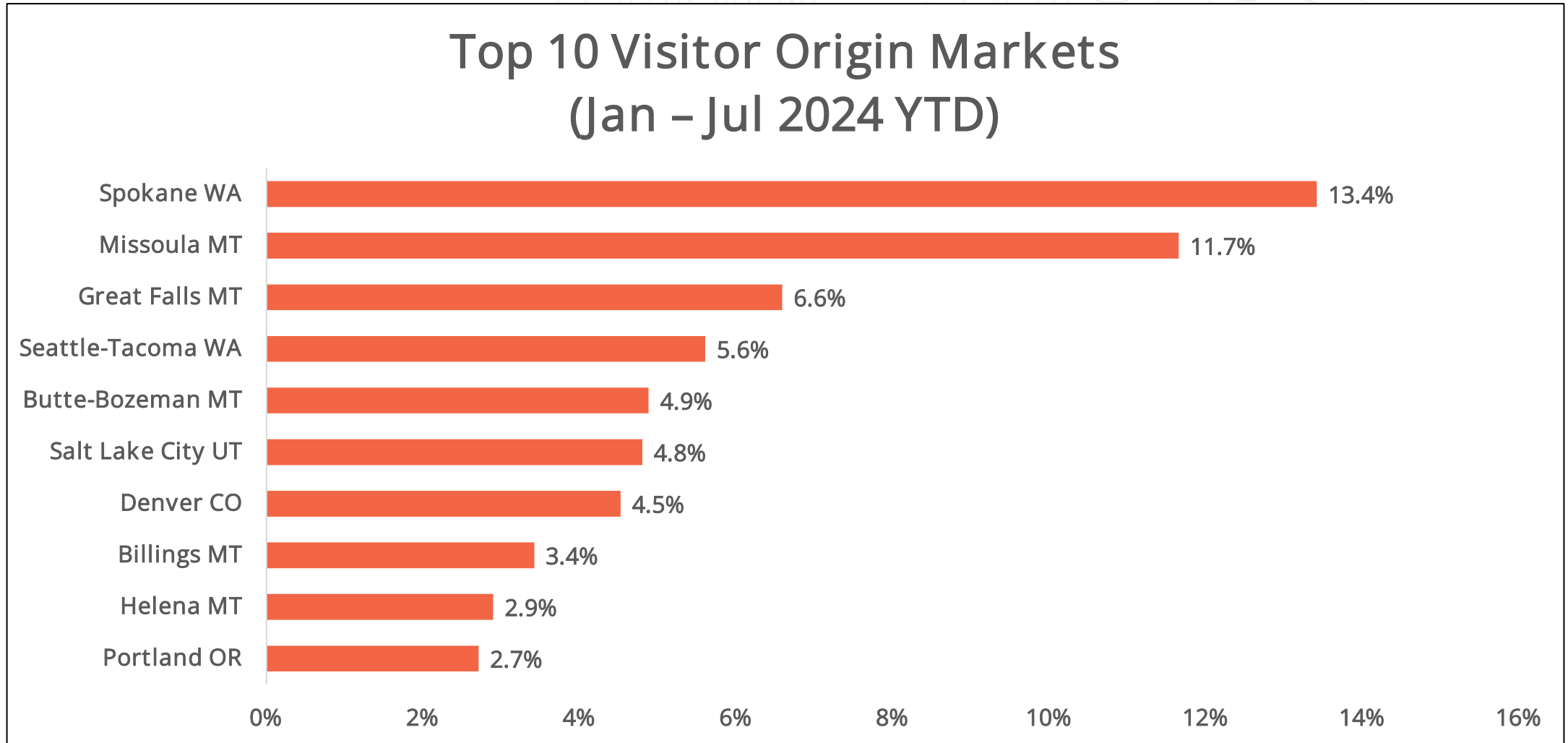


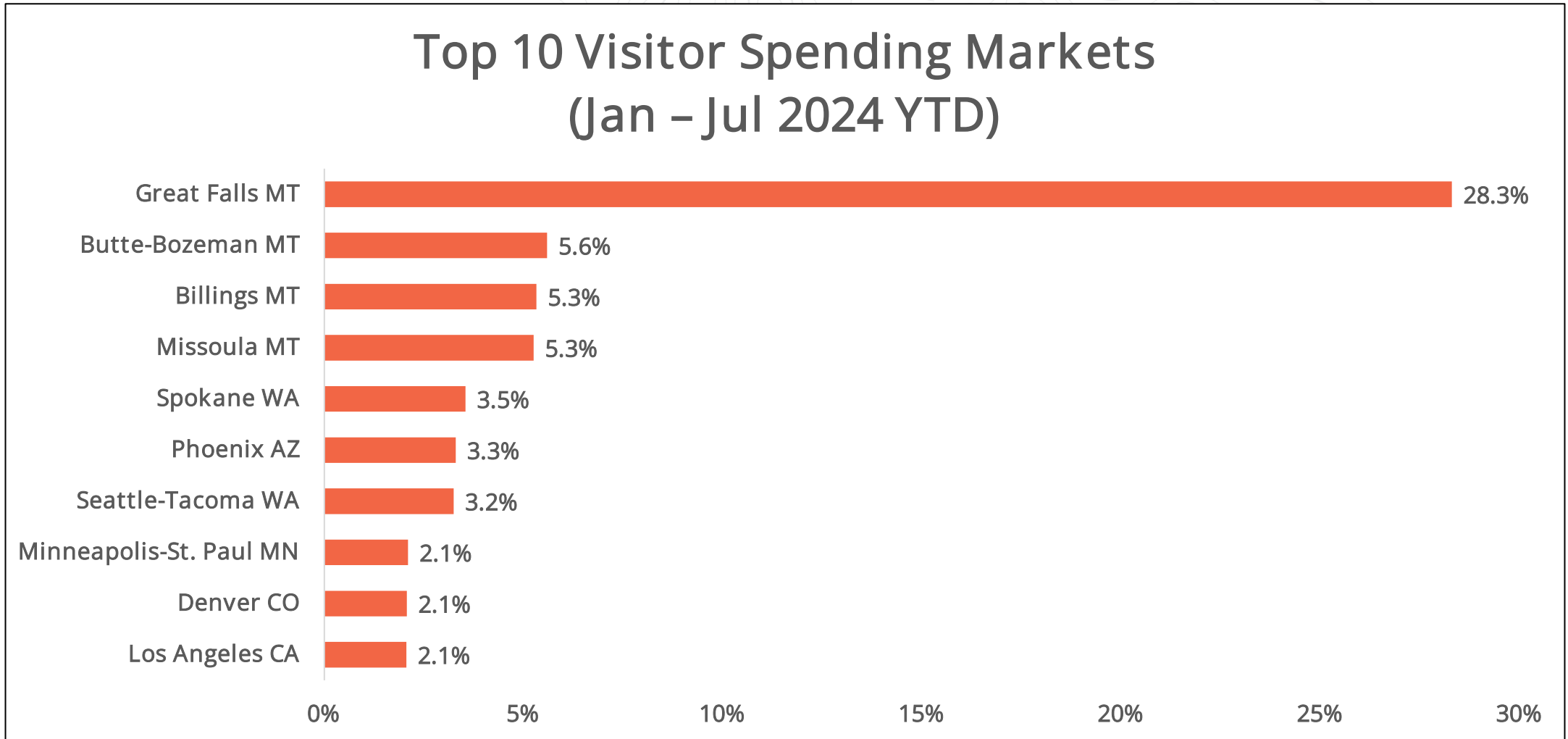
U.S. Travel Sentiment Tracker: Wave 88

Longwoods INTERNATIONAL | miles PARTNERSHIP

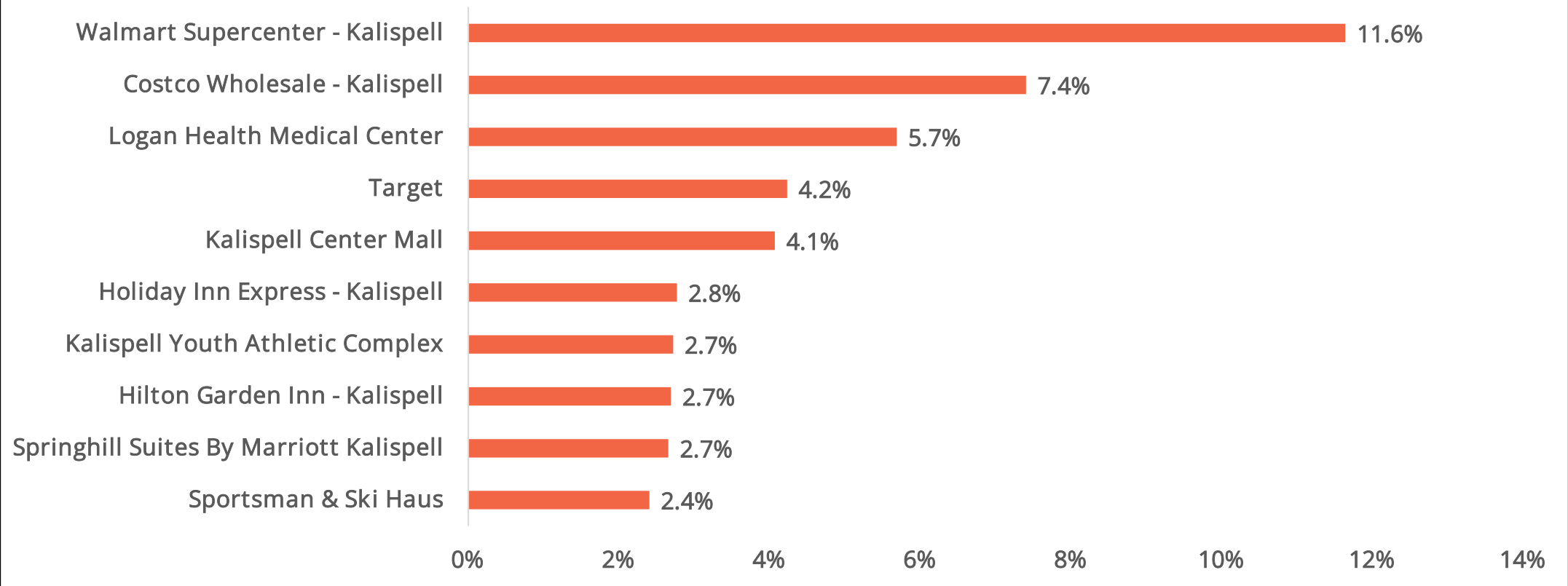
Zartico Geolocation Data

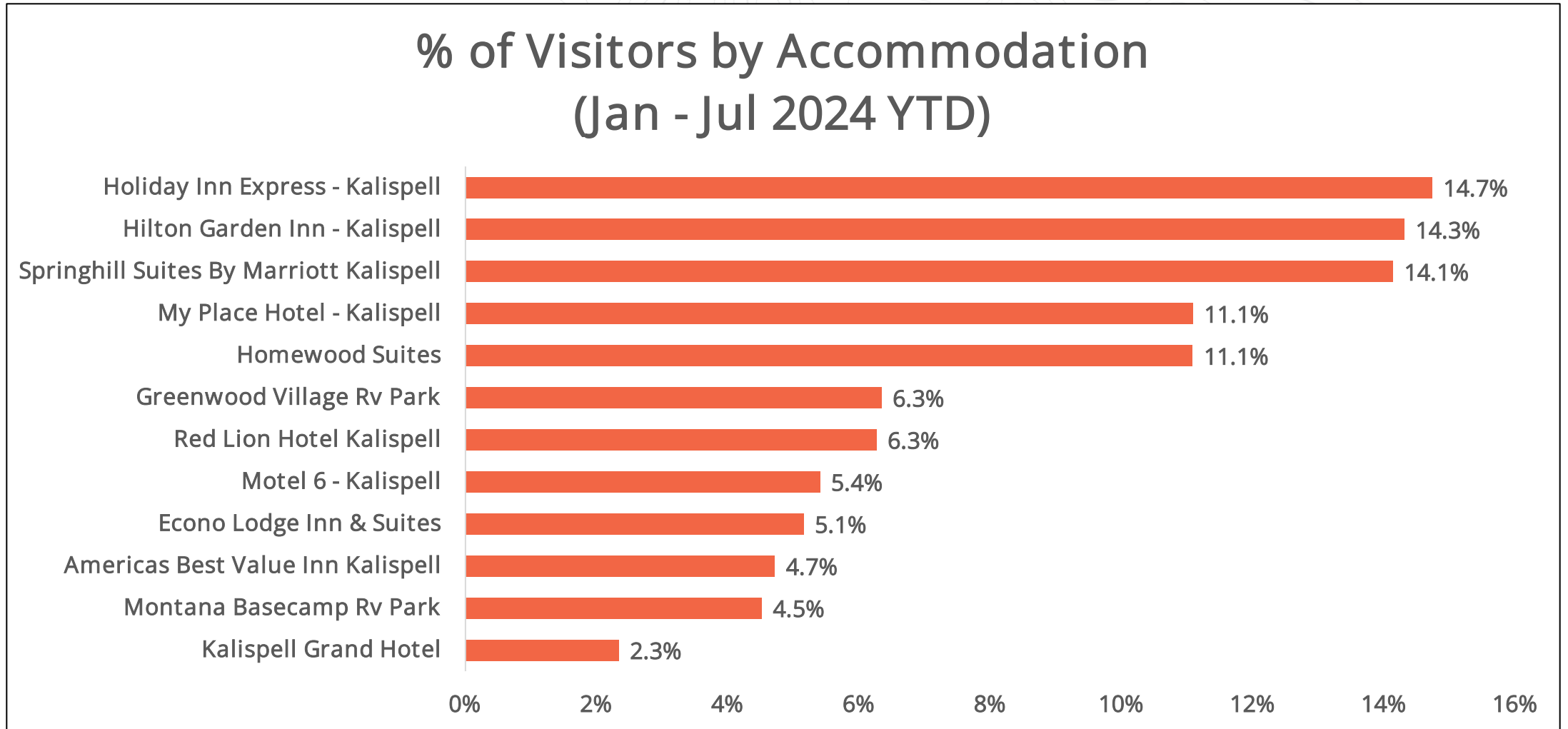


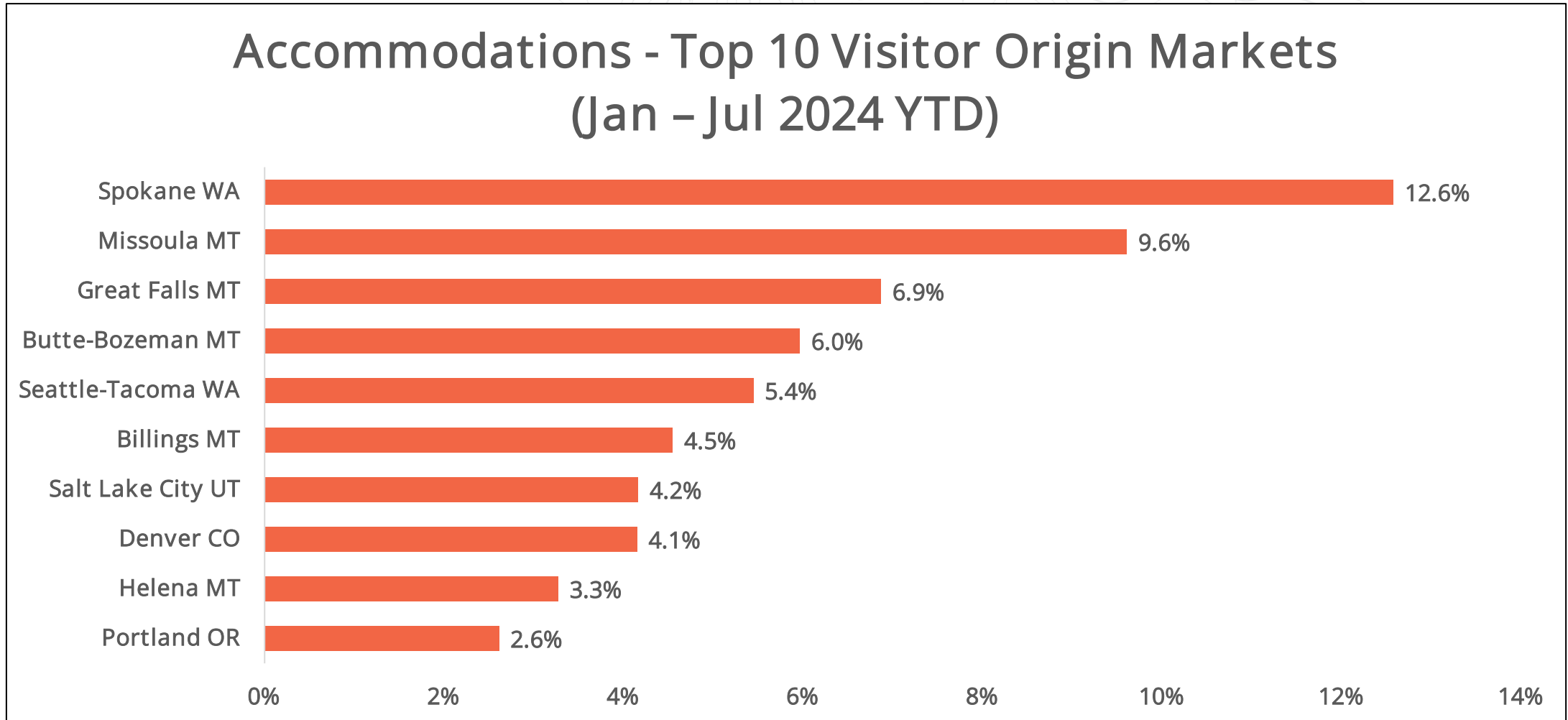




Top 10 Visitor POIs - % of Visitation (Jan - Jul 2024 YTD)









Thank You!

