



Monthly Research Update

August 2024

Executive Summary



Aspen Tourism Trends

- Aspen's lodging properties saw a strong finish to the summer, with Demand rising 10.0% Year-over-Year in August and Occupancy increasing compared to the same month in both 2022 and 2023.
 - Occupancy averaged 70.3% in August, a 5.0% increase from last year and ahead of the 68.5% recorded in August 2022.
 - Average Daily Rate saw considerable growth YoY as well, growing 6.0% from last year to reach \$769 – nearly \$45 higher than last August and more than \$70 higher than in 2022.
- Aspen Lodging and Sales Tax Results:
 - Tourist Promotion Lodging Tax collections totaled \$459,603 in July 2024, a 13.8% YoY increase and slightly ahead of collections from July 2022.
 - Short Term Rental Tax receipts for July 2024 were \$703,213, a 12.0% increase from last year.
 - Aspen Sales Tax collections grew 4.5% YoY to reach \$3.16 million for the month of July 2024.
 - Aspen received \$1.48 million in June 2024 for its share of Pitkin County Sales Tax, a 2.1% increase compared to June 2023.

Analyst Insights – August 2024

West Region Mountain Market Summary

- “With the peak months of the summer now behind us, the pieces are in place for a predictable, and dare we say, “normal”, finish to the season over the next 60 days. Don’t misunderstand - when we say ‘normal’ we’re talking about stable data, without wild 10-plus point swings; data for making proactive decisions, and that’s where we’ve arrived.”
- “Suppliers have managed to offer reasonable rates, with increases staying just below the national inflation rate. Consumers are responding by gently pushing up occupancy numbers and the combination has established reliable revenue for Summer 2024.”
- “But the current environment in which we’re operating isn’t at all normal. The economy, which received some very good inflation news in August, remains at an inflection point, with job numbers starkly weaker than expected, and consumer still watching and waiting, mostly to see what happens with interest rates, their savings, and the election.”
- “So, it’s no surprise that the early winter season is seeing some rate pushback, but lodgers have become increasingly adept at managing this balancing act over the past 18 months, and rate adjustment that worked for summer has now started to deliver a solid payoff in terms of winter booking volume.”
- “So, with the summer curtain starting to fall and the winter one just rising, the country and indeed much of the world will watch both the Federal Reserve Bank and the lead up to the election over the coming weeks for indicators about what’s next.”

U.S. Market Review

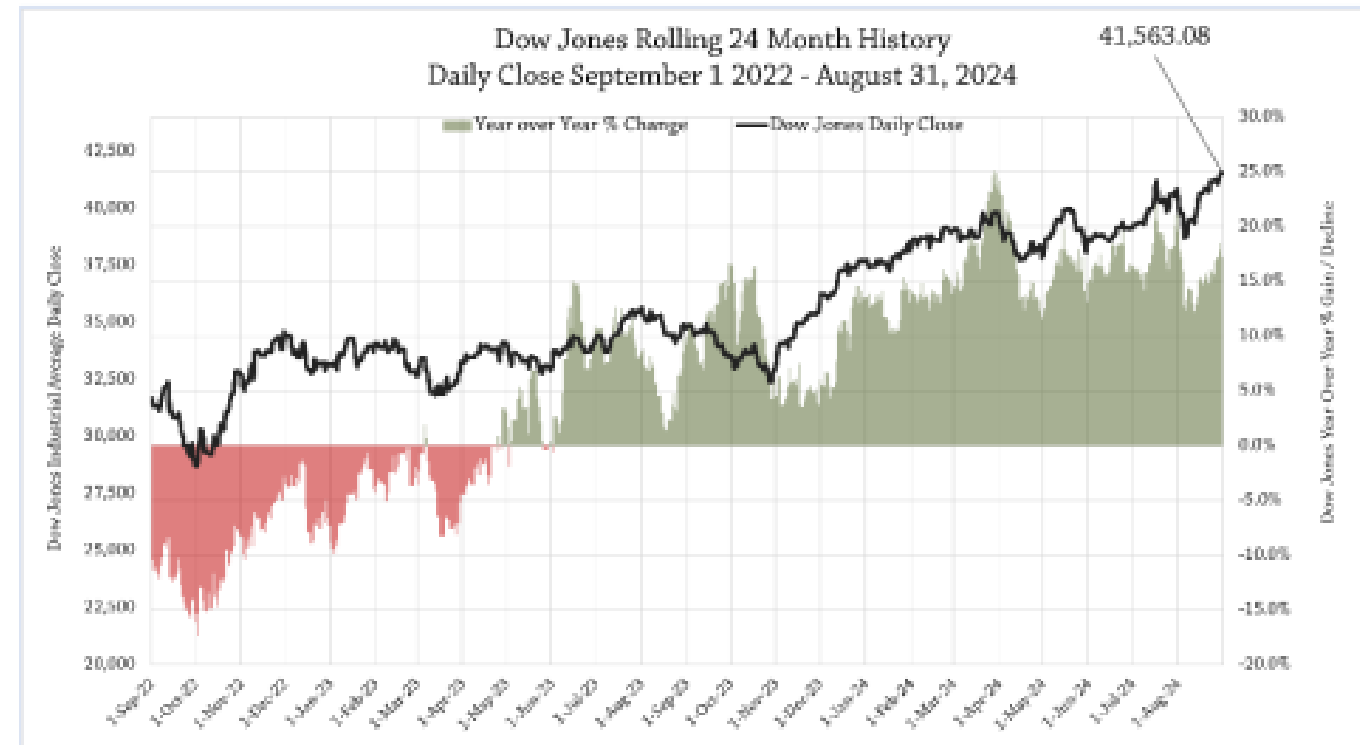


U.S. Market Review



The Dow Jones Industrial Average

- “The Dow Jones Industrial Average (DJIA) fluctuated sharply in August, but ultimately gained somewhat, adding 1.76 percent – or 720.3 points – to finish the month at 41,563.08 points.”
- “Overall, financial markets continue to be on an extended run of gains, with the DJIA currently up a dramatic 19.7 percent, or 6,841.2 points, from last year at this time.”
- “While strength on Wall Street is typically good for consumer spending, that hasn’t really materialized over the past 24 months, and long-term price sensitivity remains an issue and should be expected to persist into 2025.”

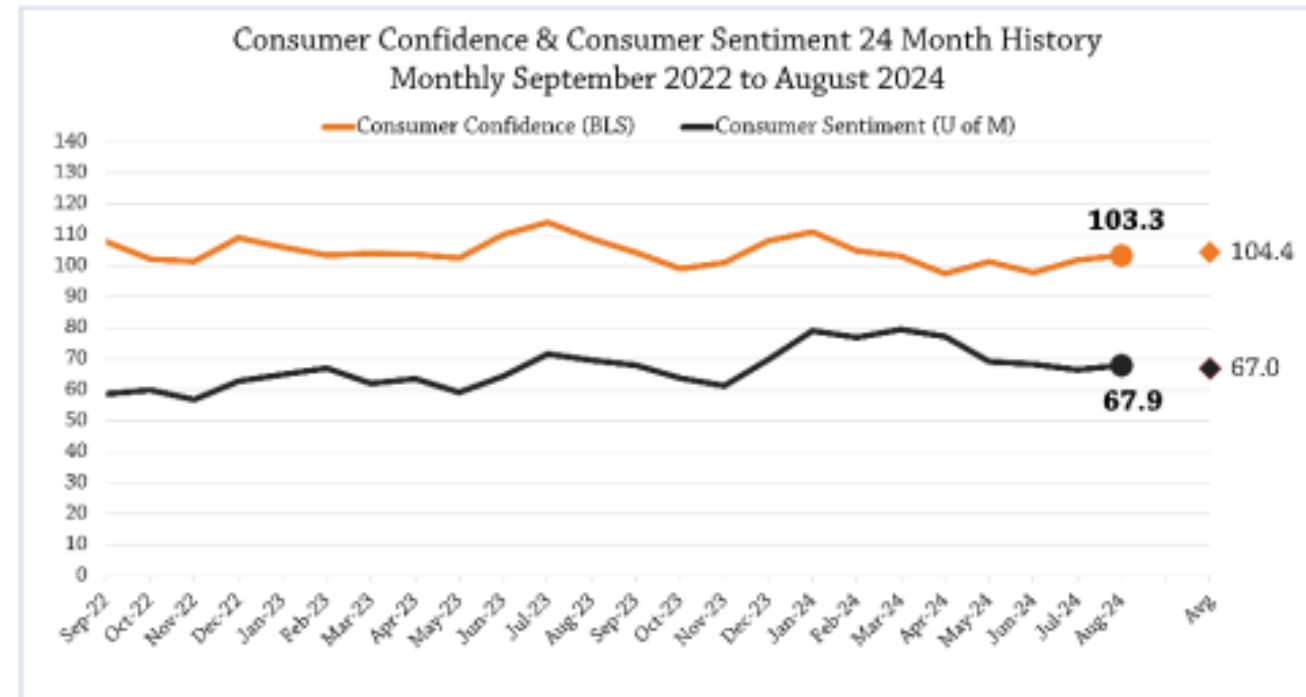


U.S. Market Review



The Consumer Confidence and Consumer Sentiment Index

- “The CCI edged up from a revised July value of 101.9, gaining 1.4 points and finishing August at 103.3 points...the fourth increase in confidence in 2024 and the second consecutive gain.”
- “Consumers’ evaluation of both current and future conditions was largely mixed during the month, though trended towards the positive. Their assessment of business conditions was up and expectations about inflation improved... [but] consumers remain less confident about the labor market and future income...[and] also lost confidence in the stock market.”
- “The CSI from the University of Michigan also increased in August, up a slight 1.5 points to 67.9...the first increase since March.”

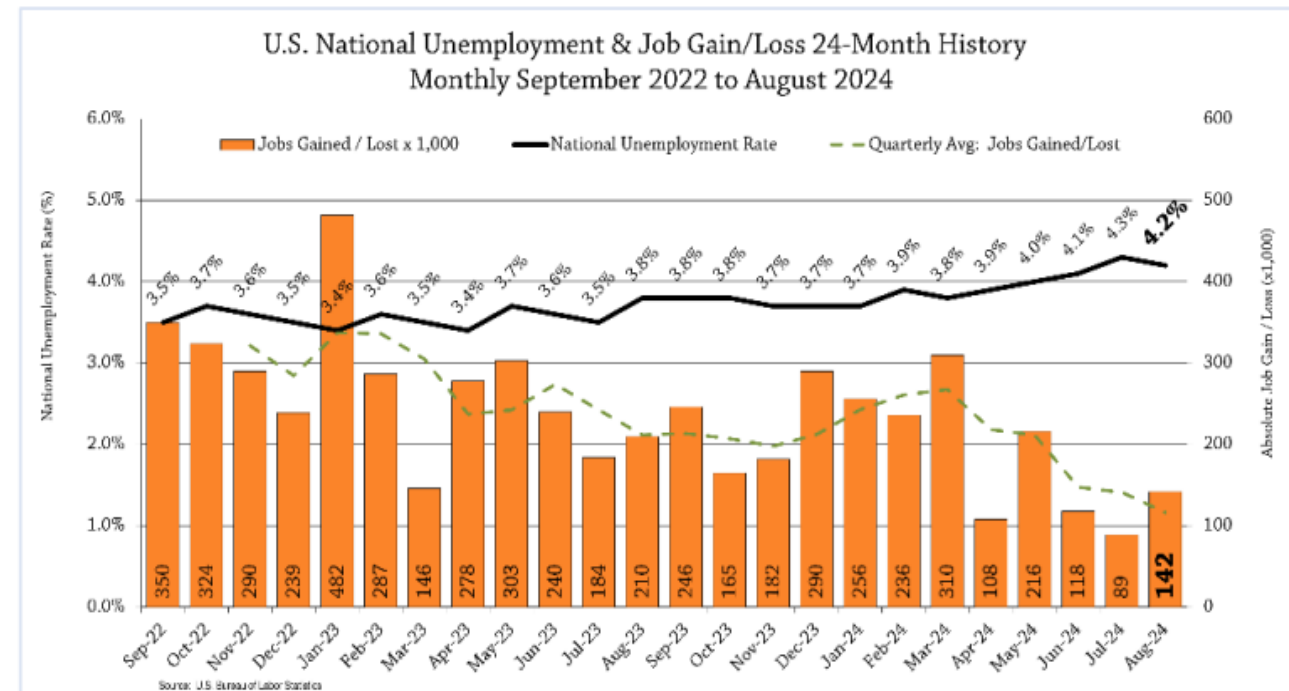


U.S. Market Review



The National Unemployment Rate

- “August has added angst to the economic discussion, with employers significantly missing expectations by adding just 142,000 jobs during the month while the unemployment rate slipped from 4.3 to 4.2 percent.”
- “Average job creation in the past three months was 116,000 per month – down sharply from the 12-month average of 202,000 from June 2023 through May.”
- “Focusing on Leisure and Hospitality, the Accommodations sector added just 1,912 positions during August, while Food Services and Drinking Places added 12,233.”
- “On a more positive note – for employees at least – wages increased more than expected, up 0.4 percent, and year-over-year growth is currently at 3.9 percent, well above the 2.5 percent annual inflation rate.”

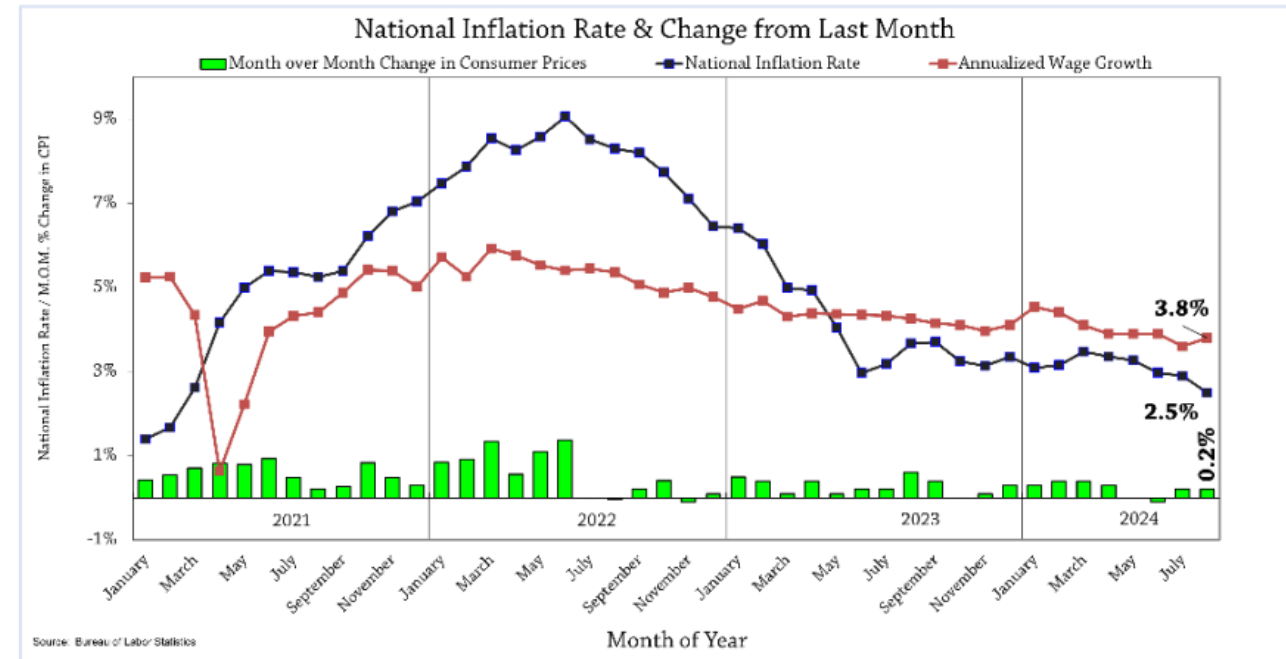


U.S. Market Review



The National Inflation Rate

- “The National Inflation Rate declined for the fifth consecutive month in August...from 2.9 percent in July to 2.5 percent, slightly exceeding analysts’ expectations.”
- “At 2.5 percent, inflation is the lowest it’s been in three years, and it is a full 1.3 percentage points lower than the average annual wage growth of 3.8 percent. This is the sixteenth consecutive month that wages have outpaced inflation, helping consumers recover from their losses in 2021 to early ‘23.”
- “Month-over-month prices were up 0.2 percent from July, but when the more volatile food and energy prices are stripped out of the data, the core inflation increased more than expected, up 0.3 percent. That nuance will likely result in the Federal Reserve Bank dropping interest rates by just one-quarter of a percent next week, rather than the more hopeful half percent.”



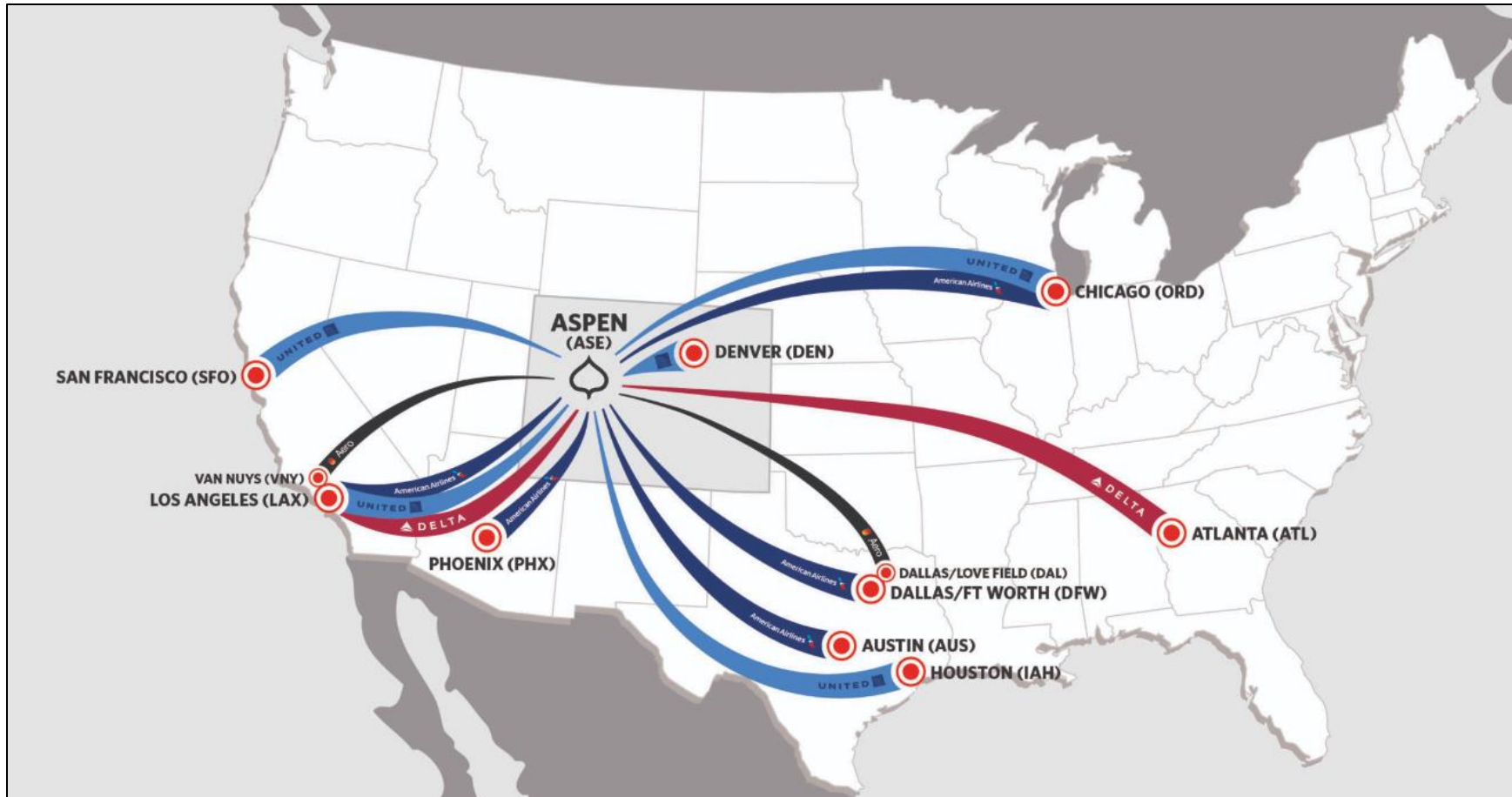
Key Takeaway's from CBRE's Q2 2024 U.S. Hotel Investment Performance Forecast

- “On a trailing twelve months (TTM) basis, U.S. hotels experienced a 1.3% year-over-year decline in net operating income (NOI) for the quarter ended Jun 2024.”
 - “The declines were driven by a 120-bps contraction in margins year-over-year as the 2.5% growth in hotel revenue has failed to keep up with growth in costs (+4.5%).”
 - “CBRE forecasts NOI margin to continue declining until Q4 2025, given softer revenue growth outlook in near term.”
- “Cap rates expanded 5-bps on a TTM basis in Q2 2024 vs Q1 2024, and +24.5-bps vs. Q2 2023. CBRE continues to forecast cap rates will peak in Q1 2025 as Federal Reserve delayed interest rate cuts this year.”

Aspen Airport



Aspen Airport: Route Map



Aspen Airport: Total Passenger Volume



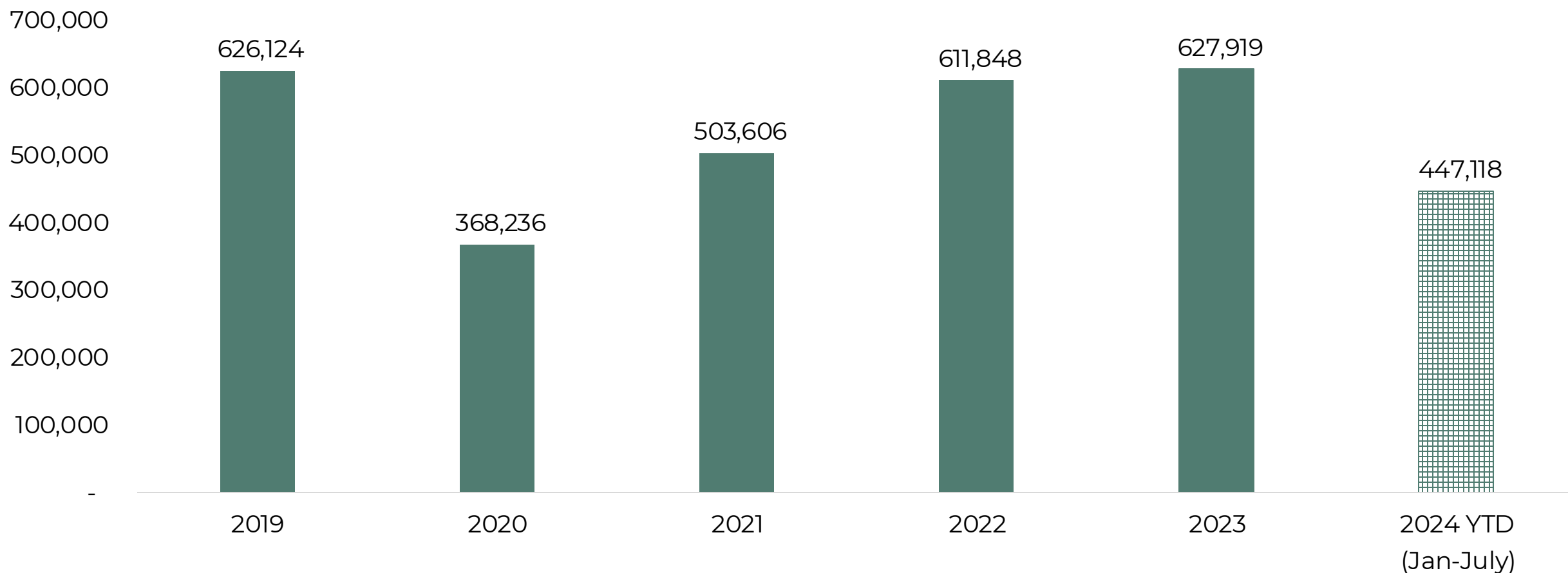
| Total Passengers | | | | | |
|---------------------|----------------|----------------|-------------------------------|----------------|-------------------------------|
| <u>Month</u> | <u>2024</u> | <u>2023</u> | <u>% Change 2024 vs. 2023</u> | <u>2022</u> | <u>% Change 2024 vs. 2022</u> |
| January | 83,441 | 75,573 | 10.4% | 77,832 | 7.2% |
| February | 86,746 | 78,727 | 10.2% | 77,990 | 11.2% |
| March | 93,710 | 84,031 | 11.5% | 92,614 | 1.2% |
| April | 38,260 | 26,472 | 44.5% | 24,337 | 57.2% |
| May | 13,081 | 10,702 | 22.2% | 9,752 | 34.1% |
| June | 57,464 | 51,143 | 12.4% | 48,246 | 19.1% |
| July | 74,416 | 64,926 | 14.6% | 58,322 | 27.6% |
| August | | 63,247 | | 56,034 | |
| September | | 47,244 | | 46,499 | |
| October | | 33,229 | | 32,485 | |
| November | | 26,662 | | 23,517 | |
| December | | 65,963 | | 64,220 | |
| Year-to-Date | 447,118 | 391,574 | 14.2% | 389,093 | 14.9% |
| Total | | 627,919 | | 611,848 | |

Source: Airplanners / Fly Aspen Snowmass

Aspen Airport: Yearly Passenger Volume



Total Passengers by Year (2019 - 2024)

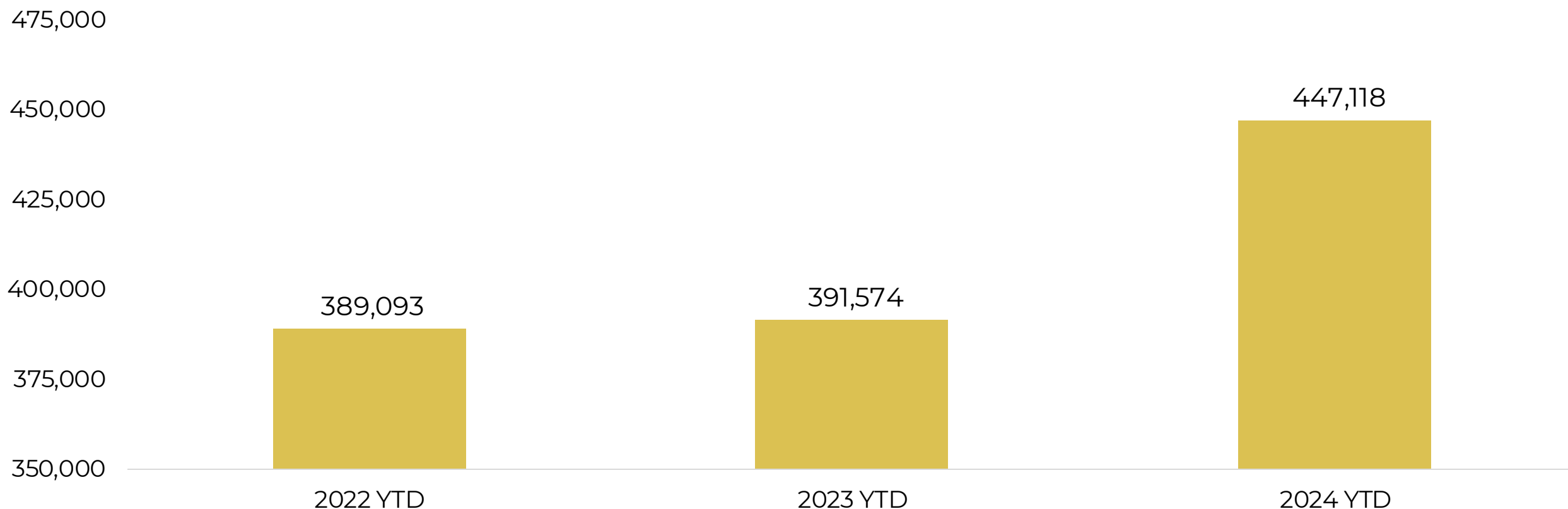


Source: Airplanners / Fly Aspen Snowmass

Aspen Airport: Passenger Volume Pacing



Total Passengers Pacing YTD (Jan - July)



DestiMetrics Lodging Performance



DestiMetrics - Definitions



- **Room** – Any distinct lodging accommodation, regardless of the number of bedrooms or beds.
 - Rooms that lock off are counted at their maximum rentable capacity (e.g. a three-bedroom suite that can be locked off for studio rental is three “Room”).
 - Example: A hotel room and a three-bedroom condominium are each considered as an accommodation “Room.”
- **Occupancy** – Percentage of available rooms sold during a specified period.
 - $\text{Occupancy} = \text{Rooms Booked (Demand)} / \text{Rooms Available (Supply)}$
- **Average Daily Rate (ADR)** – A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.
 - $\text{ADR} = \text{Room Revenue} / \text{Rooms Booked}$
- **Revenue Per Available Room (RevPAR)** – Total room revenue divided by the total number of available rooms.
 - $\text{RevPAR} = \text{Room Revenue} / \text{Rooms Available}$
- **Demand (Rooms Booked)** – The number of rooms sold during a specified period.
- **Supply (Rooms Available)** – The number of rooms available during a specified period.
- **Room Revenue** – Total room revenue generated from the room sold.
 - $\text{Room Revenue} = \text{Rooms Booked (Demand)} \times \text{ADR}$

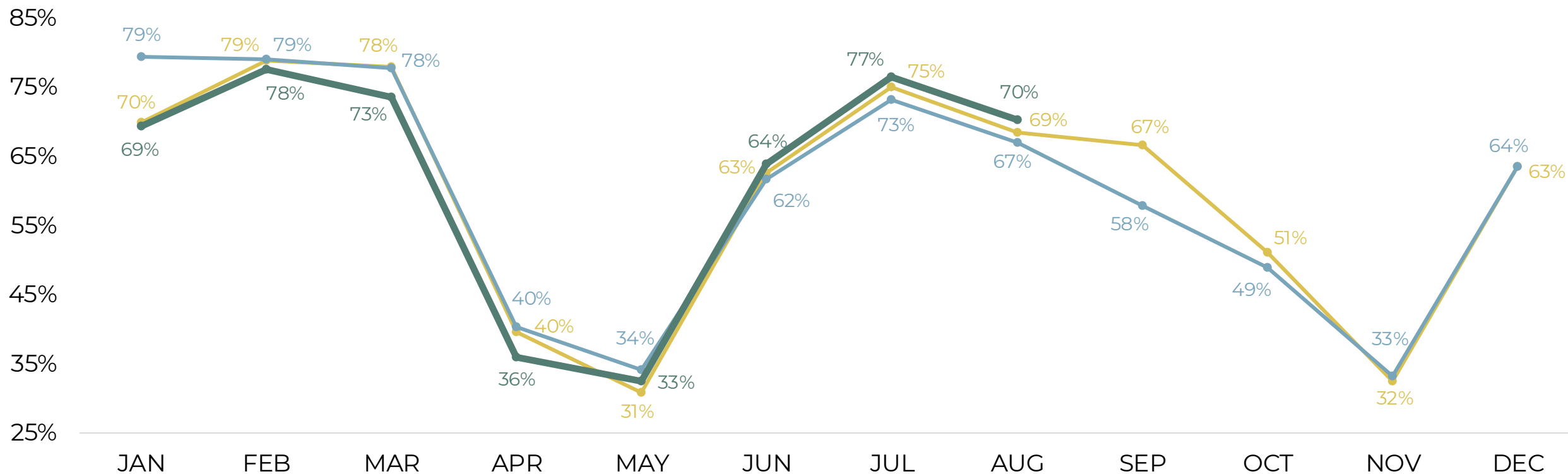
Occupancy (%)*



Aspen DestiMetrics Occupancy Increased 5.0%, ADR Increased 6.0%, and RevPAR Increased 11.3% vs. the same month last year

Aspen Occupancy (%)

—●— 2022 —●— 2023 —●— 2024



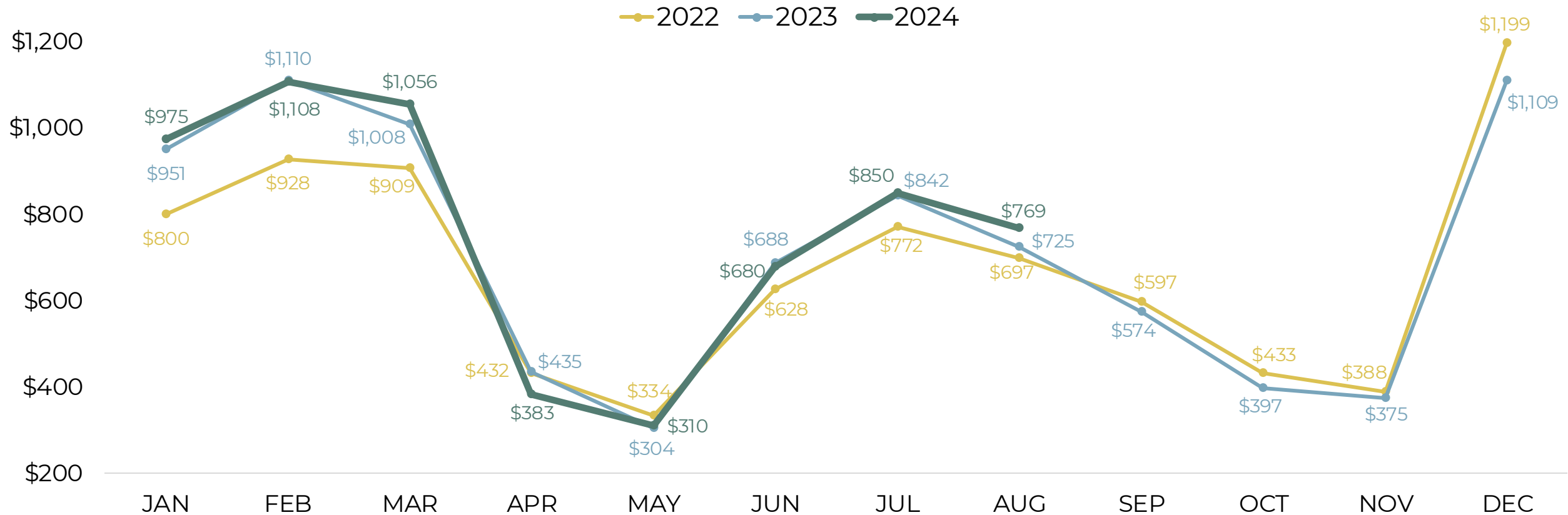
Source: DestiMetrics *Note: December 2023 - November 2024 Occupancy does not include the Mollie Hotel (68 rooms)

Average Daily Rate (\$)*



Aspen DestiMetrics Occupancy Increased 5.0%, ADR Increased 6.0%, and RevPAR Increased 11.3% vs. the same month last year

Aspen Average Daily Rate (\$)



Source: DestiMetrics *Note: December 2023 - November 2024 ADR does not include the Mollie Hotel (68 rooms)

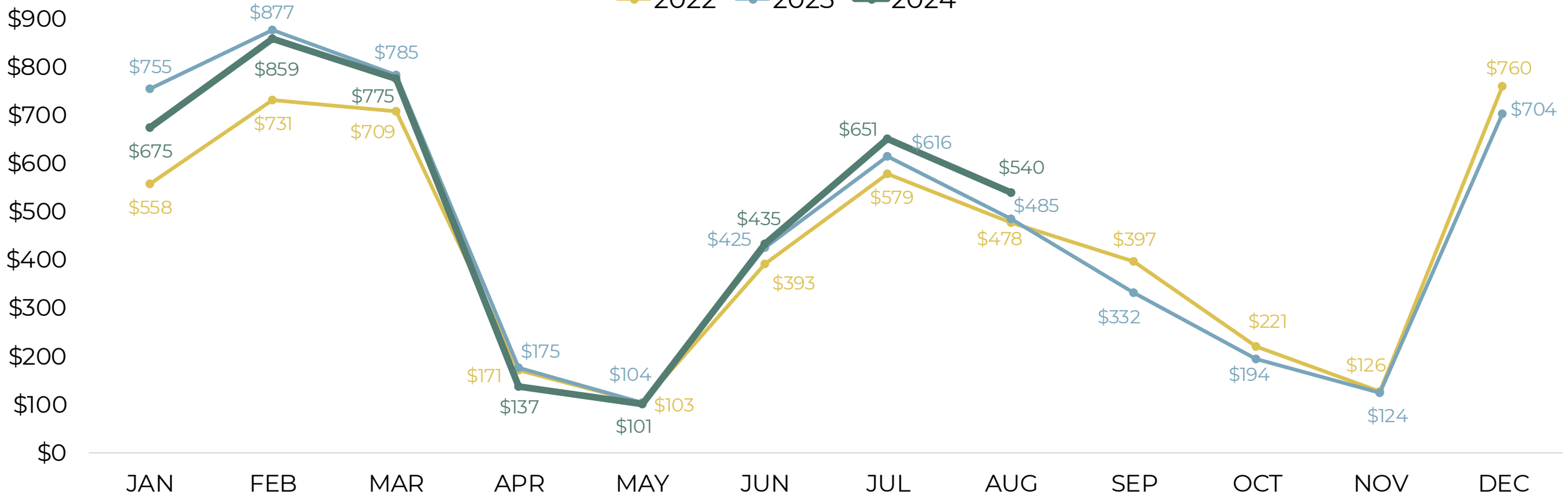
Revenue Per Available Room (\$)*



Aspen DestiMetrics Occupancy Increased 5.0%, ADR Increased 6.0%, and RevPAR Increased 11.3% vs. the same month last year

Aspen RevPAR (\$)

—●— 2022 —●— 2023 —●— 2024



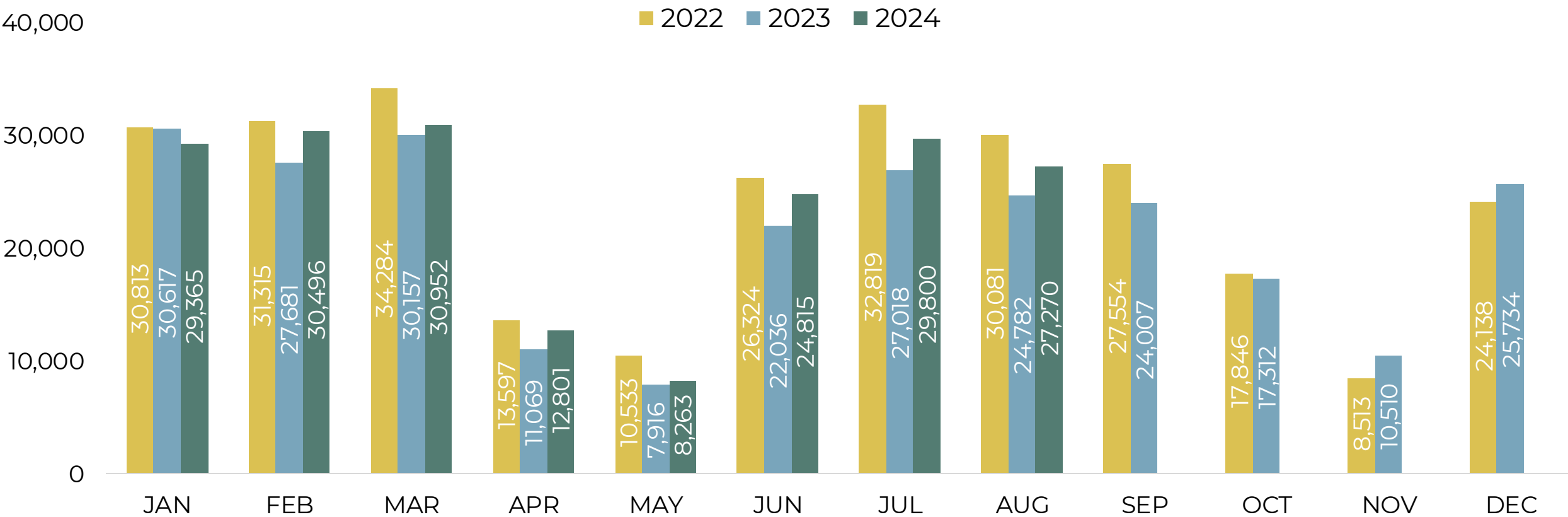
Source: DestiMetrics *Note: December 2023 - November 2024 RevPAR does not include the Mollie Hotel (68 rooms)

Demand (Rooms Booked)*



Aspen DestiMetrics Demand Increased 10.0% and Supply Increased 4.8% vs. the same month last year

Aspen Rooms Booked



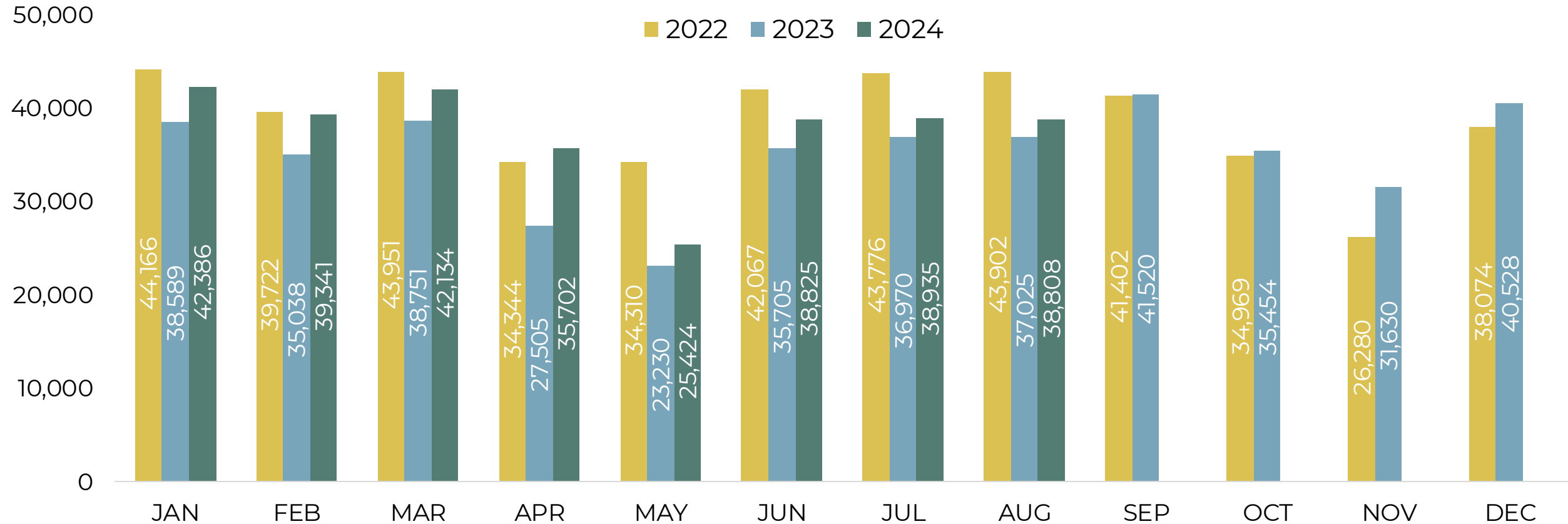
Source: DestiMetrics *Note: December 2023 - November 2024 Demand does not include the Mollie Hotel (68 rooms)

Supply (Rooms Available)*



Aspen DestiMetrics Demand Increased 10.0% and Supply Increased 4.8% vs. the same month last year

Aspen Rooms Available



Source: DestiMetrics *Note: December 2023 - November 2024 Supply does not include the Mollie Hotel (68 rooms)

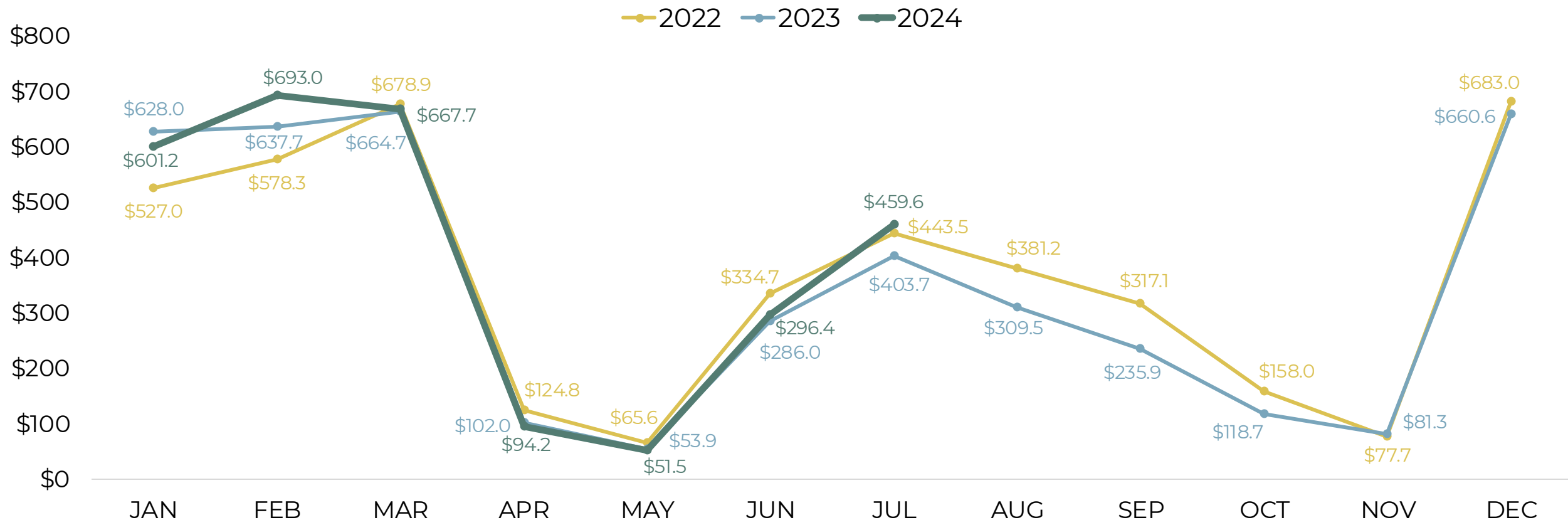
A rustic wooden fence made of horizontal logs and vertical posts stands in a lush green field. In the background, there are rolling hills and mountains under a clear sky. A small white house is visible in the distance. The left side of the image is partially covered by a solid blue shape with a jagged, torn-edge border.

Aspen Tax Data

Aspen Lodging Tax (\$)*



Aspen Tourist Promotion Lodging Tax Receipts (\$ Thousands)

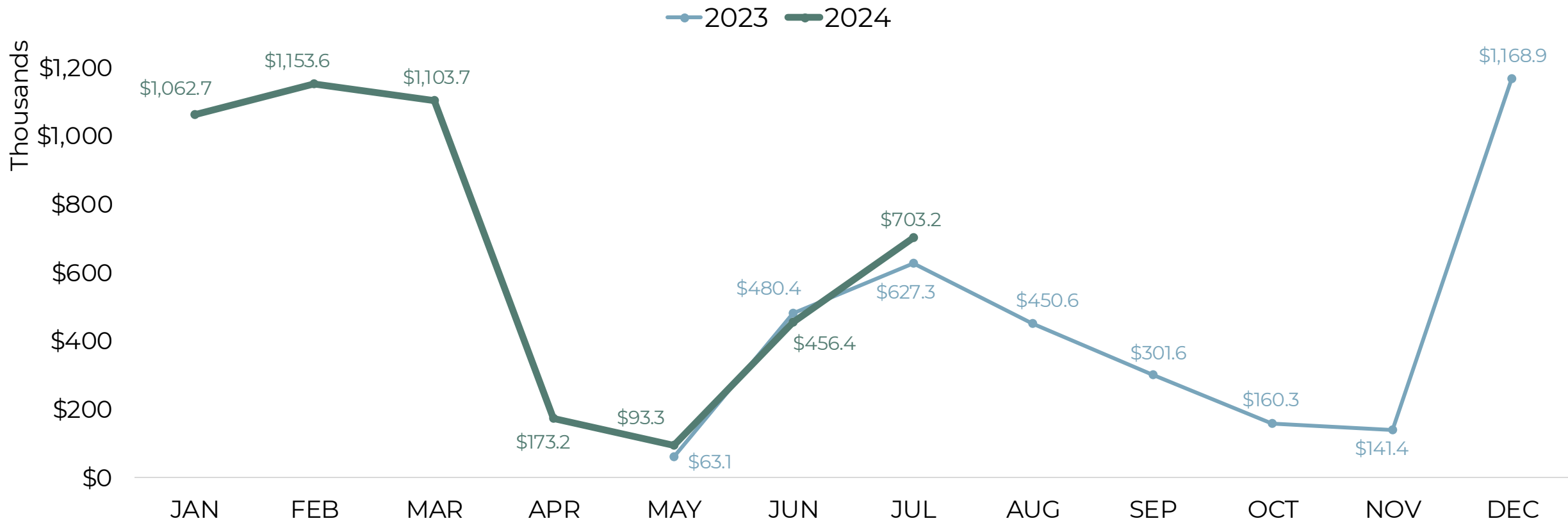


Source: City of Aspen; * There is typically a one-month lag in lodging tax receipts. Aspen Tourist Promotion Tax displayed above represents 75% of the 2% Lodging Tax.

Aspen Short Term Rental Tax (\$)*



Aspen Short Term Rental Tax Receipts (\$ Thousands)

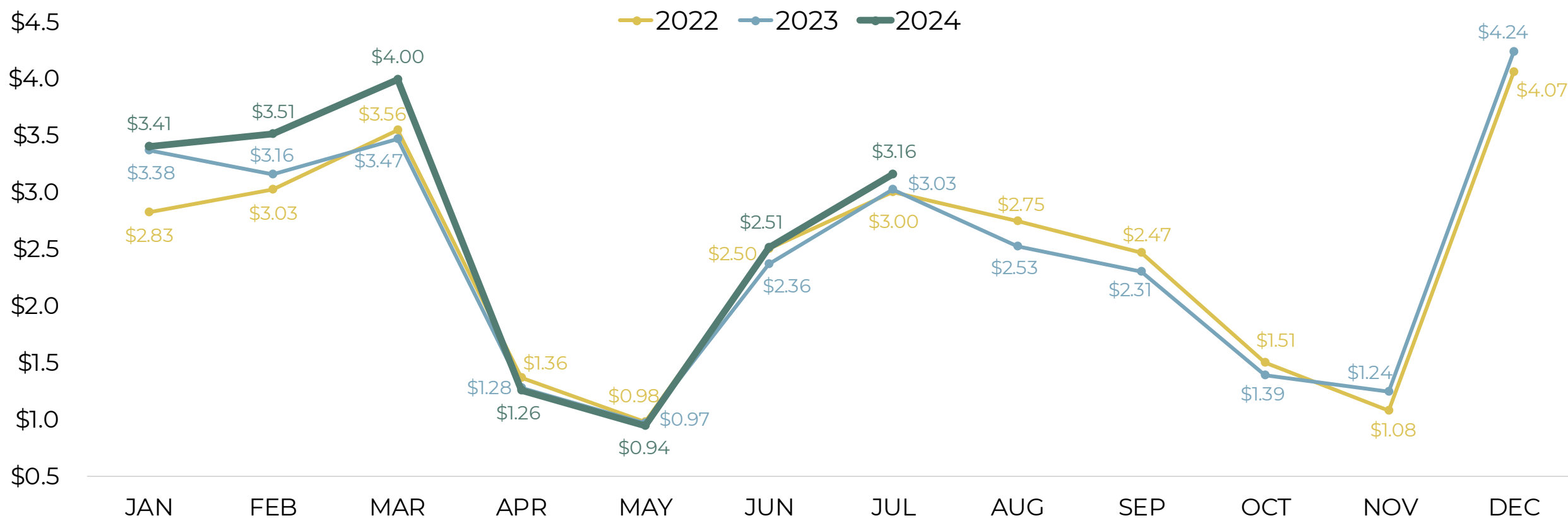


Source: City of Aspen; * Short Term Rental (STR) Tax inception date was May 1, 2023. There is typically a one-month lag in short term rental tax receipts.

Aspen Sales Tax (\$)*



Aspen Sales Tax Receipts (\$ Millions)

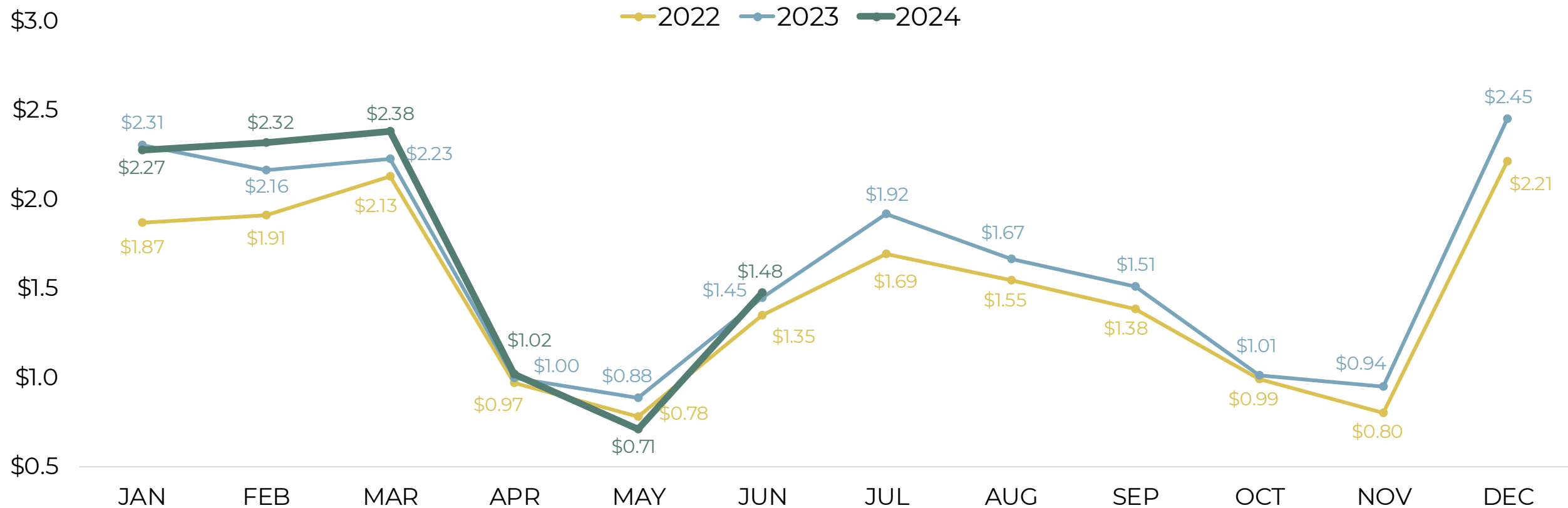


Source: City of Aspen; * There is typically a one-month lag in Aspen sales tax receipts.

Aspen Share of Pitkin County Sales Tax (\$)*



Aspen Share of Pitkin County Sales Tax Receipts (\$ Millions)



Website Metrics



Website Top Pages – Aug 2024



| Rank | Page Path | Views | Average Engagement Time | Engagement Rate |
|------|--|--------|-------------------------|-----------------|
| 1 | Maroon Bells Reservations Aspen | 66,906 | 102 seconds | 81% |
| 2 | Discover the Maroon Bells & Book Your Trip Aspen, CO | 13,216 | 29 seconds | 91% |
| 3 | Aspen Event Calendar Aspen | 10,682 | 99 seconds | 86% |
| 4 | A Welcoming Mountain Town; Defy Ordinary Aspen, CO | 7,308 | 22 seconds | 71% |
| 5 | Fall Arts and Culture Roundup in Aspen, Colorado Aspen | 6,672 | 11 seconds | 58% |

Website Top Blog Posts – Aug 2024



| Rank | Page Path | Views | Average Engagement Time | Engagement Rate |
|------|--|-------|-------------------------|-----------------|
| 1 | /blog/fall-arts-and-culture-roundup-aspen-colorado | 6,672 | 12 seconds | 58% |
| 2 | /blog/ask-local-favorite-fall-hikes | 5,969 | 17 seconds | 74% |
| 3 | /blog/5-reasons-visit-aspen-autumn | 4,652 | 10 seconds | 53% |
| 4 | /blog/5-reasons-visit-aspen-summer | 4,224 | 3 seconds | 26% |
| 5 | /blog/everything-you-need-know-about-independence-pass | 3,715 | 53 seconds | 74% |

Visitor Information Center Metrics



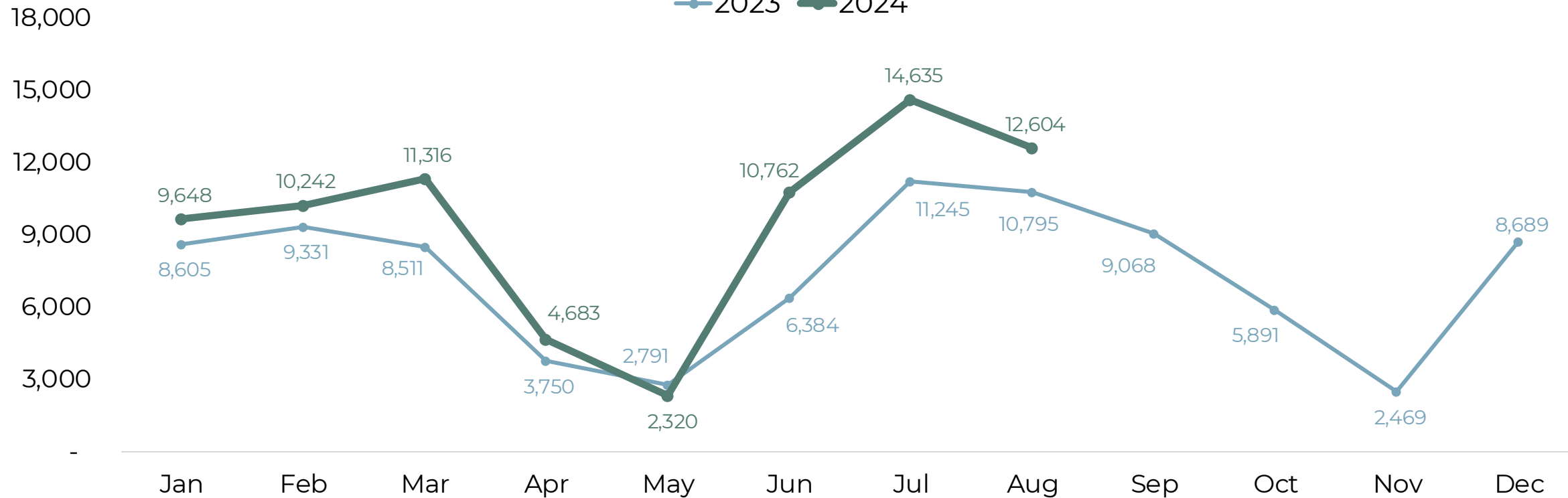
Visitor Information Center Guest Counts



Visitor Information Center Guest Counts

(Includes Wheeler, Pavilion, Gondola – VC, Gondola – SkiCo, Mill Street, and Airport locations)

— 2023 — 2024



Wastewater Flow Data



Wastewater Flow Data



Influent Flow (in Millions of Gallons per Day by Month)

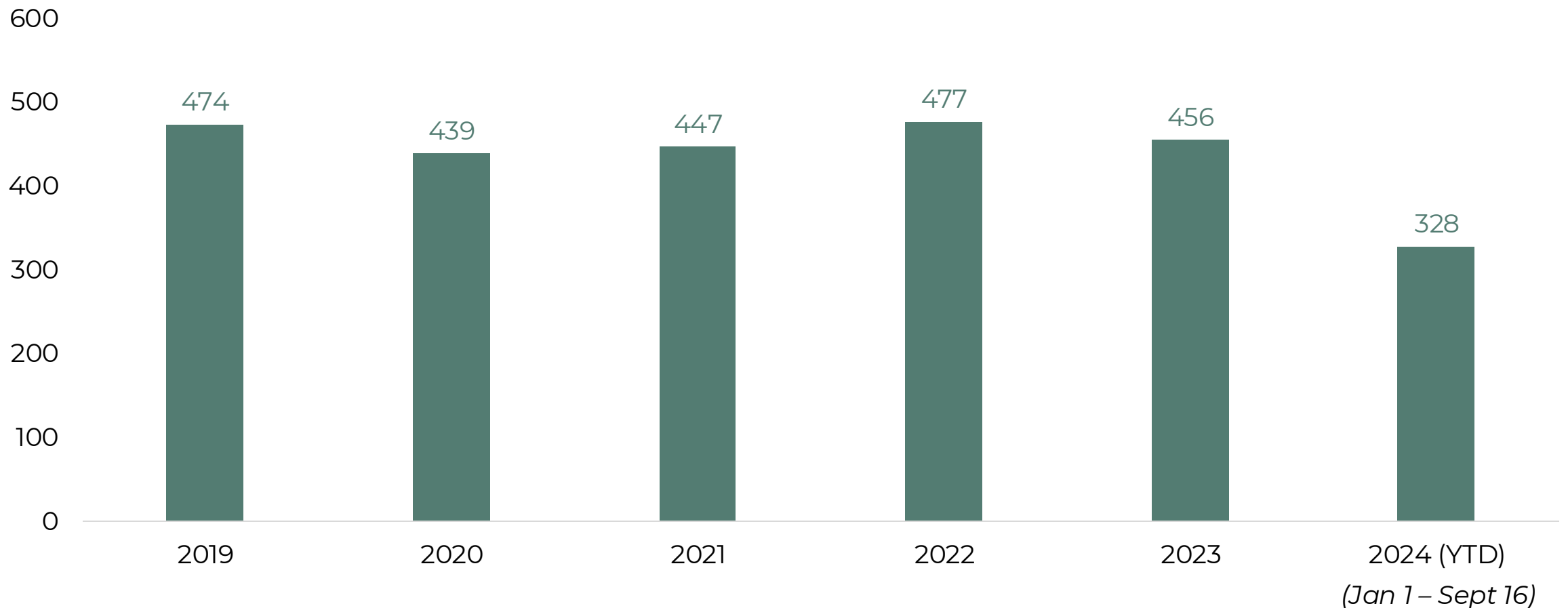
—●— 2022 —●— 2023 —●— 2024 (YTD)



Wastewater Flow Data



Total Influent Flow (in Millions of Gallons per Day by Year)



A scenic mountain landscape with a sunburst effect. Two hikers are standing on a rocky trail, their arms raised in a celebratory gesture. The foreground is a rocky path with patches of snow. The middle ground is a dense forest of trees with vibrant yellow autumn foliage. In the background, there are rugged, snow-capped mountains under a clear sky. A bright sunburst effect emanates from the top center of the image, casting rays across the scene.

Thank You!

 **ASPEN**
DEFY ORDINARY

