

The image features a background of a lush green mountain landscape with a dense forest of tall evergreen trees. A ski lift is visible on the right side of the mountain. On the left, there is a blue silhouette of the state of Colorado. The Aspen logo, a stylized 'A' inside a circle, is positioned above the word 'ASPEN' in a large, bold, white sans-serif font. Below 'ASPEN' is the tagline 'DEFY ORDINARY' in a smaller, white, all-caps sans-serif font.

  
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**Monthly Research  
Update**

**February 2024  
Review**

## Analyst Insights – February 2024

- “Following a month of sparse snowfall, precipitation picked back up in February, stoking hopes that the ski season won’t be shortened and may in fact lengthen this year. All the pieces of the puzzle came together in February; economic indicators were mostly positive, and skiers and snowboarders flocked to their favorite mountain destinations to enjoy the snowy conditions.”
- “The right economic conditions are also key to consumers’ booking, and February delivered as economic indicators showed mostly growth, especially with continued record performance on Wall Street.”
  - “The Dow Jones Industrial Average (DJIA) stands out, posting a 2.2 percent (or 846.1-point) gain in February and closing the month at 38,996.4 points. This marks the third consecutive monthly record-high close as financial markets continue to display strength.”
- “However, Main Street holds a slightly different perspective, according to the Consumer Confidence Index (CCI), a measure of consumers’ confidence in the economy.”
  - “CCI declined from last month, down -3.8 percent to 106.7 points (1985=100) following a downward revision to January’s result. Dana Peterson, Chief Economist at The Conference Board said, “Confidence deteriorated for consumers under the age of 35 and those 55 and over, whereas it improved slightly for those aged 35 to 54.”
- “But overall, the momentum gained in February was strong. If the economy continues the current trajectory and mother nature plays nice occasionally, the season may in fact show further compression in the next 2 months, or potentially lengthen into May.”



# U.S. Market Review



## Macroeconomic Trends

- “February economic data was mostly benign. Macroeconomists and market participants have paid close attention to the balance of labor market tightness and inflation in anticipation of interest rate cuts from the Federal Reserve. Interest rates are of note because they strongly influence mortgage rates and overall economic activity.”
  - “The jobs report for February added 275,000 jobs and noted a slight increase in unemployment, boosting the likelihood that interest rate cuts are on the way.”
  - “Wage pressure also eased, with hourly earnings rising about a nickel in February. This is down from an 18-cent uptick in January.”
- “On the other hand, the Consumer Price Index (CPI) inflation rate—which measures price changes in consumer goods and services—edged up slightly in February, reaching 3.2% from 3.1% in January.”
  - “Higher inflation may mean that rates remain high for longer. The need to moderate high inflation motivated the historic Federal Funds Rate increases since March of 2022.”
  - “Still, core inflation, which ignores fluctuations in volatile food and energy sectors, changed at the same rate in February as in January.”
- “The ambiguous signals likely mean that June rate cuts are equally likely to happen or not.”



## Travel Demand Update

Despite recent slowing, growth trends largely continue across most travel sectors.

- **U.S. domestic leisure:** “Trips have fully recovered to 2019 levels, though growth has decelerated due to tighter credit conditions and the restarting of student loan payments.”
- **Air travel:** “In 2023, TSA air passenger volume increased 13% year-on-year, reaching 102% of 2019 levels and pacing 10% ahead of pre-pandemic levels during the first few weeks of January.”
- **International inbound:** “Pre-pandemic levels are not expected to return until 2025 as the strong dollar and visa wait times continue to pose challenges, but 2023 ended with international visitation at 84% of 2019 levels.”
  - “The U.S. is experiencing a highly unusual travel trade surplus with outbound travel outpacing inbound travel. However, inbound travel is gaining momentum, with Latin American travelers to the U.S. leading the way at 100% recovered to 2019 levels. Asia is on pace to recover most slowly with a full recovery not likely until 2025.”
- **Hotels:** “Performance gains are expected to continue even as the economy decelerates.”
  - “Modest lodging demand growth will be supported by household prioritization of travel, a continued rebuilding of business travel and group events, and a rebound in international visitation.”
  - “The latest STR/Tourism Economics lodging forecast expects RevPAR to grow 4.1% in 2024, moderately slower than 2023 (4.9%), with an expected 3.1% gain in ADR.”
- **Consumer Sentiment:** “Travelers still feel generally optimistic about their financial circumstances—especially in comparison to the average American adult—and remain financially committed to travel (Future Partners).”
  - “That said, a recent Longwoods International study reports 29% of travelers say financial concerns will greatly impact their decision to travel within the next six months—emphasizing the importance of value perception especially among lower-income earners.”

## Key Takeaways from CBRE's National Hotel Outlook

- “Following 3.2% revenue per available room (RevPAR) growth in 2023, CBRE expects another year of growth in 2024, with average daily rates (ADR) increasing 2.3% and occupancy increasing 45 basis points (bps) to 65.3%. 2024 would mark the fourth consecutive year of positive RevPAR growth this cycle with RevPAR forecast to reach 113.2% of 2019’s level on a nominal basis. We expect growth to be strongest at urban and airport locations in 2024, given the continued recovery in group and inbound international demand and the normalization in leisure travel.”
- “CBRE Hotels Research’s Baseline forecast incorporates a full-year 2024 GDP growth outlook of 1.6%, employment gains of 0.5% and CPI of 2.5% both of which have been positively revised by 37 bps and 42 bps since our prior forecast release in October. However, despite the positive revision to the macroeconomic outlook, we are reiterating our 3% RevPAR growth outlook for 2024 to account for the higher degree of competitive encroachment from alternative lodging sources, and the persistent gap between inbound and outbound international travel.”
- “In 2023, the U.S. economy grew at an annualized rate of 2.5%, besting expectations of 0.2% growth at the start of the year. The uptick in economic growth drove record RevPAR of \$95.84 up 3.2% year-over-year. RevPAR growth was driven by a 2.7% increase in ADR and 0.31 percentage point increase in occupancy. Growth was attributable to continued improvement in group and business travel, and inbound international visitation, partially offset by a slight contraction at resort locations.”
- “With respect to supply growth, 2023 marked a low point at less than 0.5%, and CBRE expects supply growth to remain muted owing to elevated financing and construction costs, and the number of assets in the market available at below replacement costs. For 2024, CBRE expects supply growth of just under 1% (net), and CBRE expects hotel supply to grow at a 0.87% CAGR over the next three years.”



## Short Term Rentals

- “Demand for short-term rental (STR) accommodations in the U.S. grew at a brisk rate of 15.6% year-over-year (YOY) in February.”
  - “While this high growth rate reflects how weak demand was in February 2023 and comes at a seasonal low point, hosts appreciated the abrupt change of pace after dismal weather around the country nearly screeched January’s growth to a halt.”
- “February’s surge in traveler demand was enough to push occupancy higher than it was during the same month last year.”
  - “Since September 2023, occupancy had been tracking very close to 2019 levels before dropping to record lows in January.”
  - “The return of 2019-like occupancy was a welcome relief, suggesting that January’s performance wasn’t the start of a downward trend.”
- “On the other hand, the occupancy bump didn’t seem to give hosts much pricing power. Average daily rates (ADR) remained essentially unchanged in February, declining about 0.1% YOY.”

## Short Term Rentals (continued)

- **Key U.S. STR Performance Metrics for February 2024**
  - Revenue Per Available Room (RevPAR) grew 0.8% YOY to \$173.33
  - Available Listings were 1.54 million, up 12.3% YOY
  - Total Demand (nights) rose 15.6% YOY
  - Occupancy was 0.9% higher YOY at 54.6%
  - Average Daily Rate (ADR) decreased 0.1% YOY to \$317.26
  - Nights booked increased by 18.9% YOY

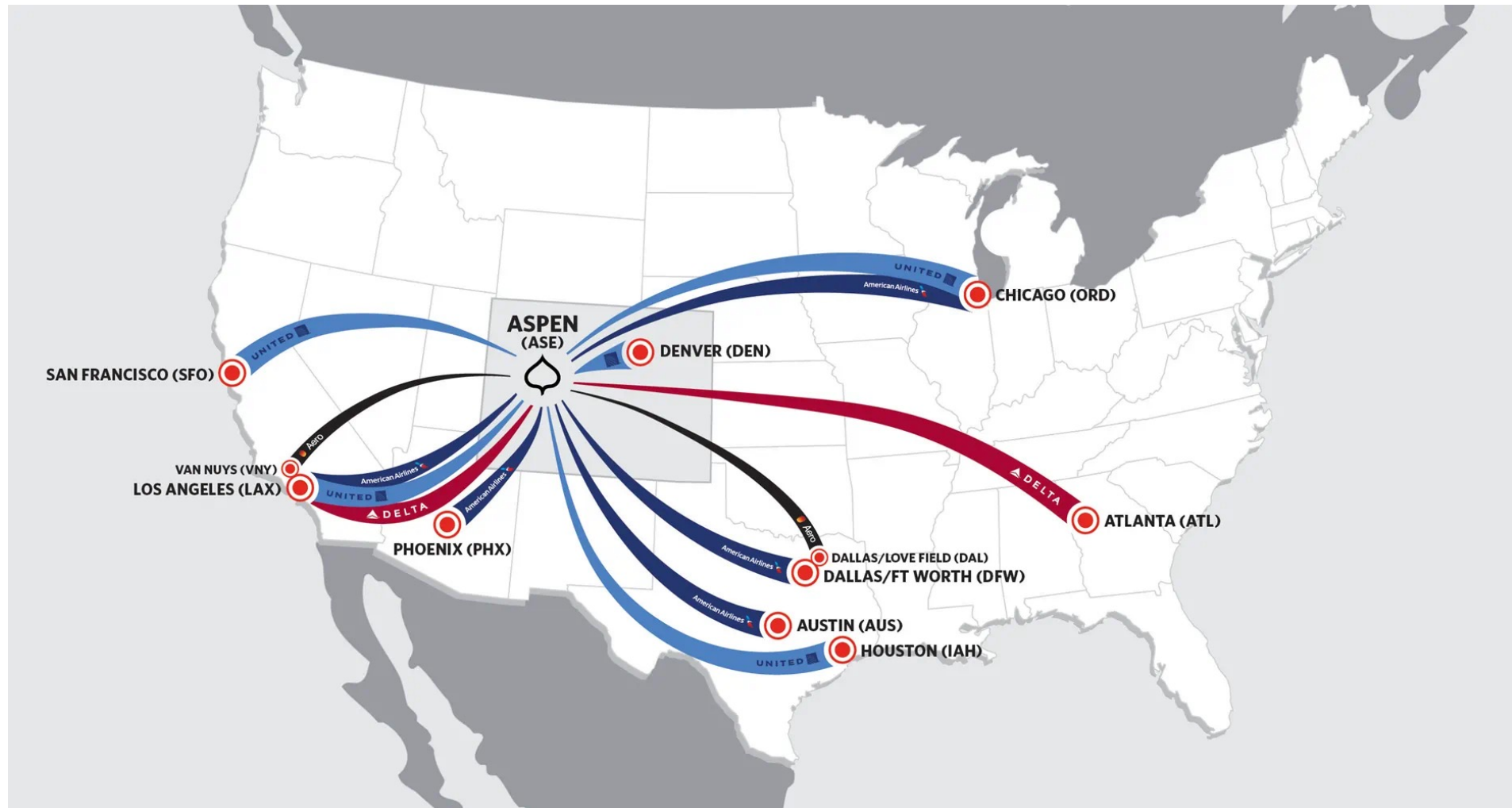


# Aspen Airport



# Aspen Airport: Route Map

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# Aspen Airport: Total Passenger Volume

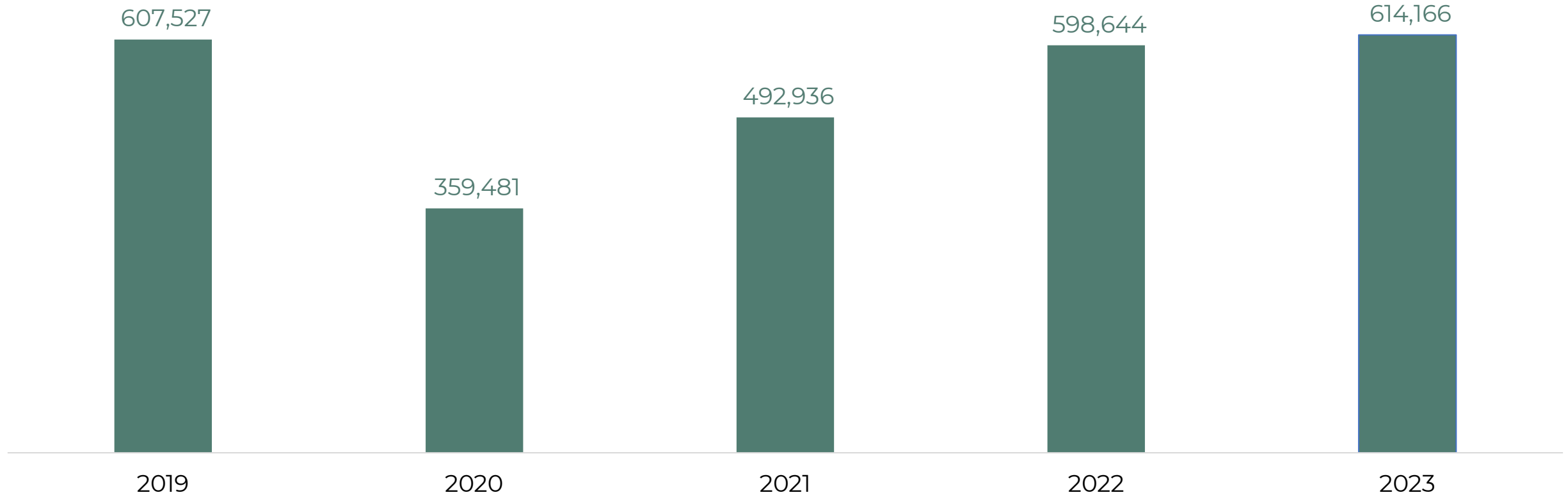


Total Passengers					
<u>Month</u>	<u>2023</u>	<u>2022</u>	<u>% Change 2023 vs. 2022</u>	<u>2021</u>	<u>% Change 2023 vs. 2021</u>
January	74,583	76,781	-2.9%	40,631	83.6%
February	77,764	76,999	1.0%	44,225	75.8%
March	82,579	91,081	-9.3%	64,258	28.5%
April	25,740	23,745	8.4%	23,531	9.4%
May	10,097	9,317	8.4%	13,250	-23.8%
June	49,628	46,671	6.3%	43,652	13.7%
July	63,585	57,174	11.2%	62,499	1.7%
August	61,803	54,882	12.6%	58,692	5.3%
September	45,997	45,454	1.2%	42,585	8.0%
October	31,893	31,235	2.1%	28,932	10.2%
November	25,357	22,274	13.8%	21,760	16.5%
December	65,140	63,031	3.3%	48,921	33.2%
<b>Year-to-Date</b>	<b>614,166</b>	<b>598,644</b>	<b>2.6%</b>	<b>492,936</b>	<b>24.6%</b>
<b>Total</b>	614,166	598,644	2.6%	492,936	24.6%

# Aspen Airport: Yearly Passenger Volume



## Total Passengers by Year (2019 - 2023)



# 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.
  - $\text{Room Revenue} = \text{Rooms Booked (Demand)} \times \text{ADR}$

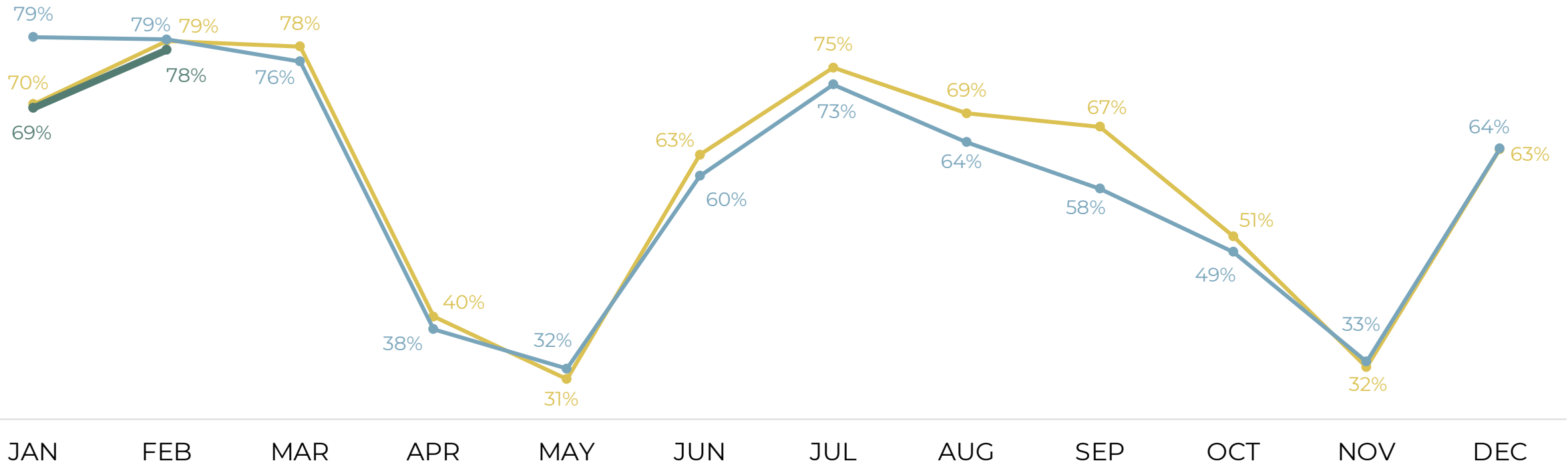
# Occupancy (%)\*



**Aspen DestiMetrics Occupancy decreased 1.9%, ADR decreased 0.2%, and RevPAR decreased 2.1% 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)

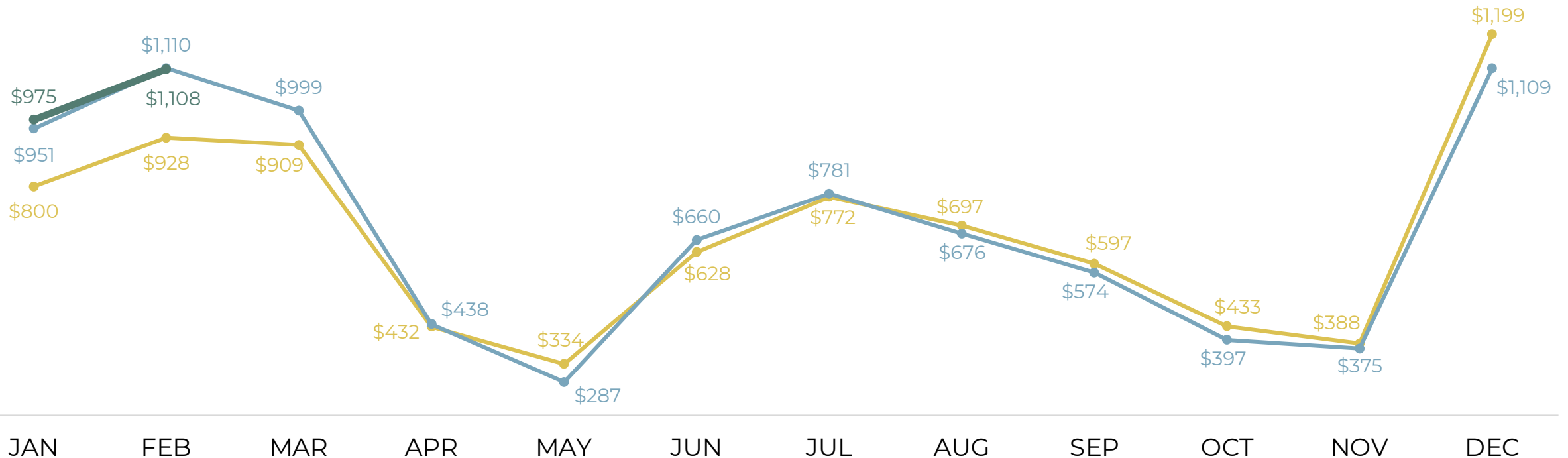
# Average Daily Rate (\$)\*



**Aspen DestiMetrics Occupancy decreased 1.9%, ADR decreased 0.2%, and RevPAR decreased 2.1% vs. the same month last year**

## Aspen Average Daily Rate (\$)

—●— 2022 —●— 2023 —●— 2024



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



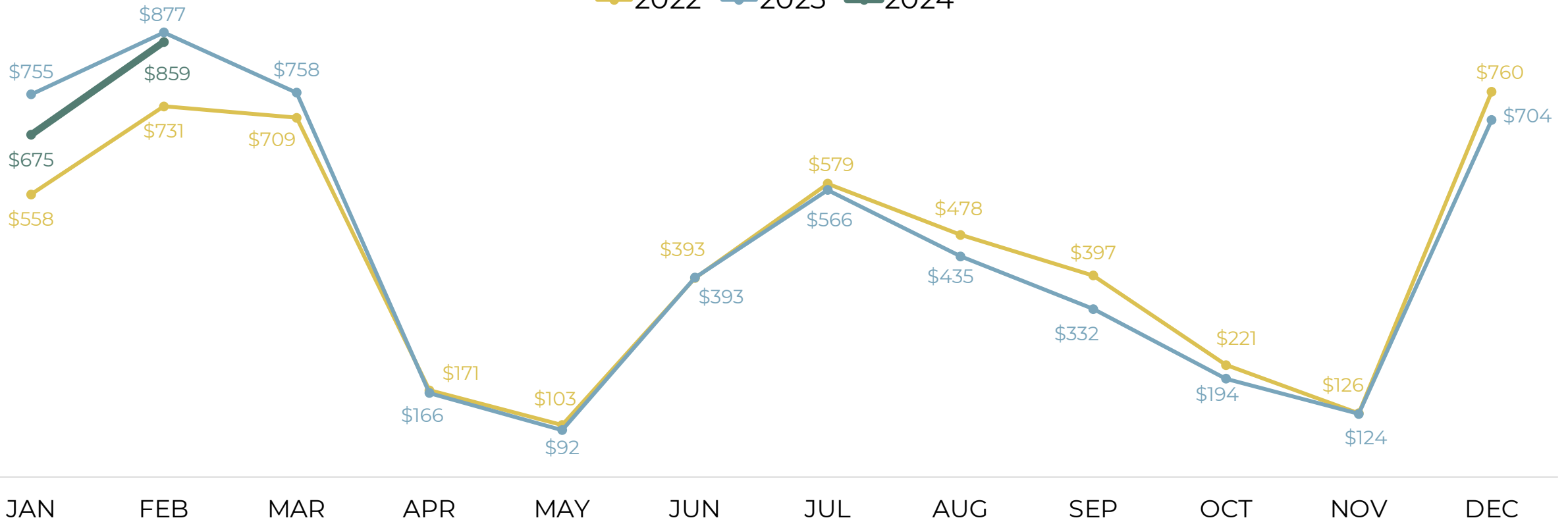
# Revenue Per Available Room (\$)\*



**Aspen DestiMetrics Occupancy decreased 1.9%, ADR decreased 0.2%, and RevPAR decreased 2.1% 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)

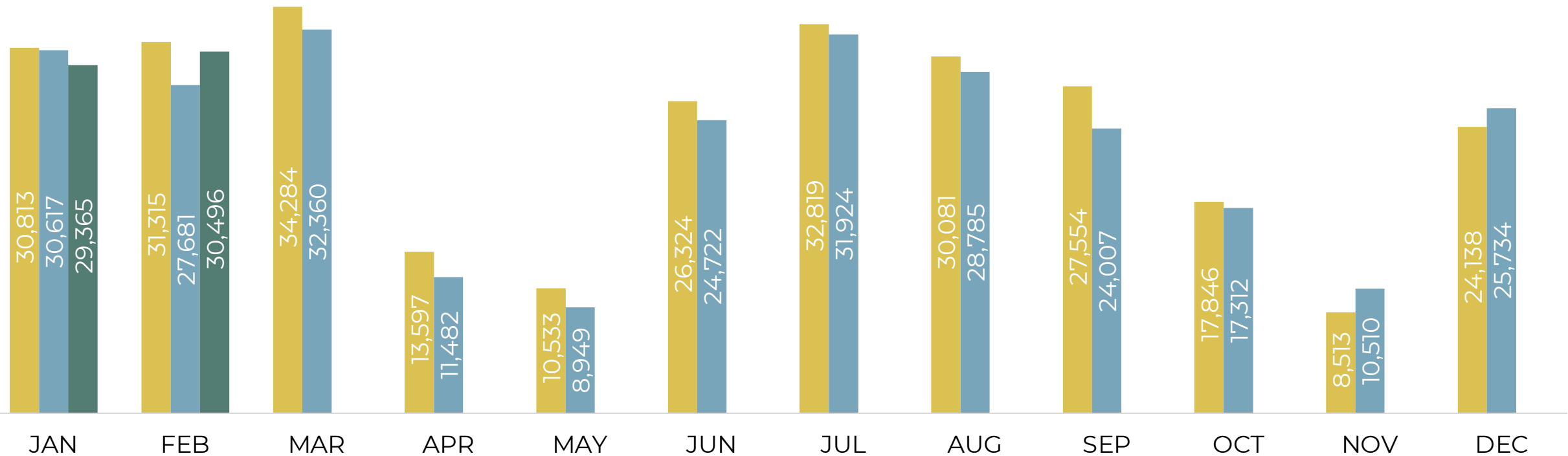
# Demand (Rooms Booked)\*



**Aspen DestiMetrics Demand increased 10.2% and Supply increased 12.3% vs. the same month last year**

## Aspen Rooms Booked

■ 2022 ■ 2023 ■ 2024



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

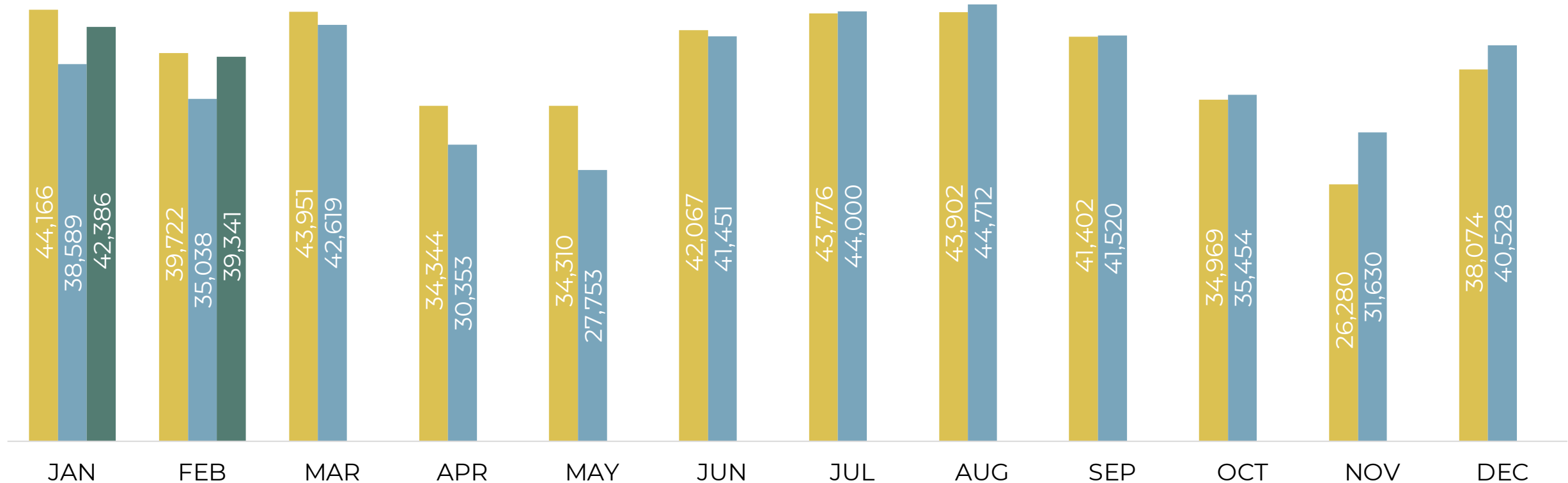
# Supply (Rooms Available)\*



**Aspen DestiMetrics Demand increased 10.2% and Supply increased 12.3% vs. the same month last year**

## Aspen Rooms Available

■ 2022 ■ 2023 ■ 2024



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



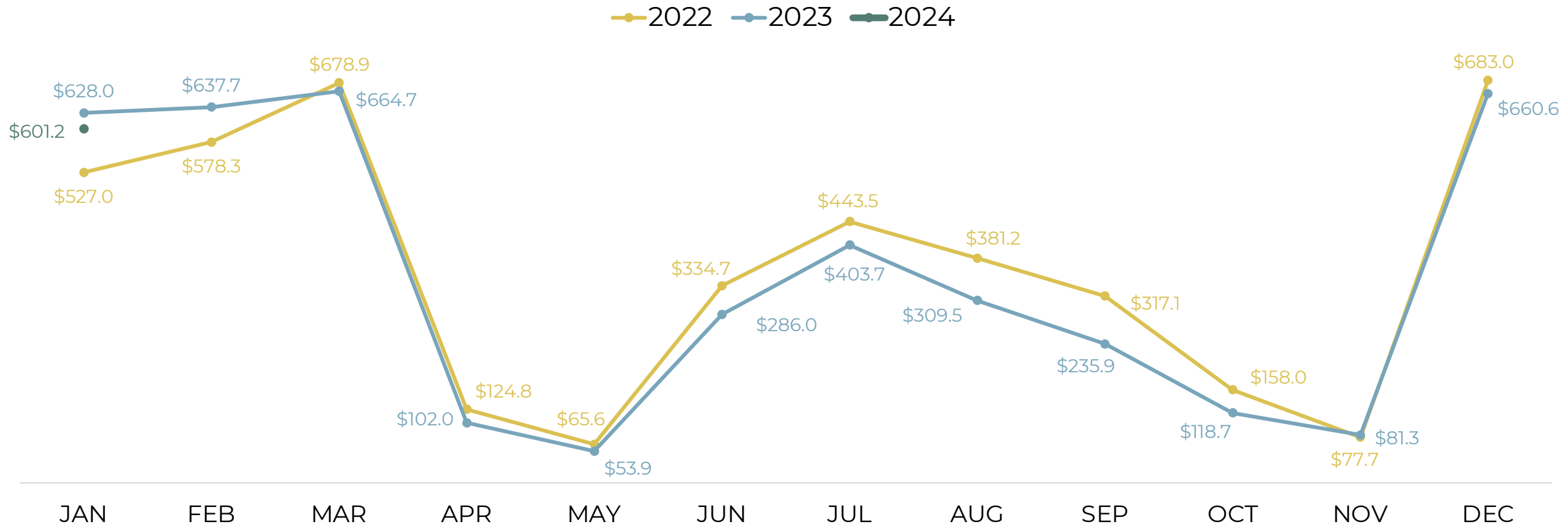
A rustic wooden fence made of weathered logs runs across the foreground. Behind it is a lush green field, and in the distance, there are rolling hills and mountains under a clear sky. A white house is visible in the mid-ground. The left side of the image is partially covered by a blue overlay with a white, torn-paper-like edge.

# Aspen Tax Data

# Aspen Lodging Tax (\$)\*



## Aspen Tourist Promotion Lodging Tax Receipts (\$ Thousands)



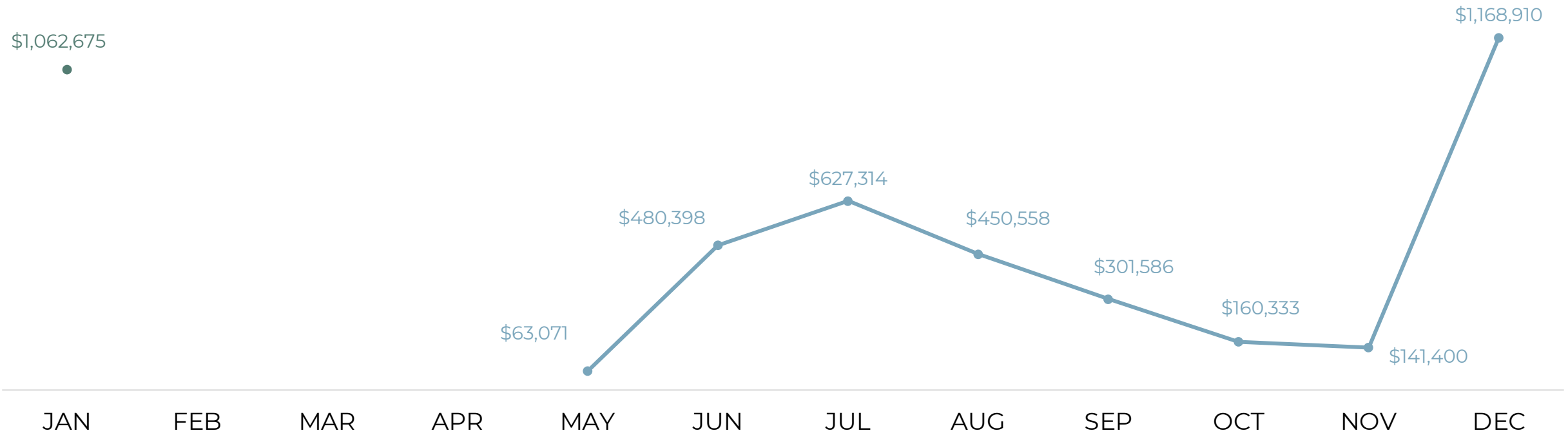
Source: City of Aspen; \* There is typically a one-month lag in lodging tax receipts. Aspen Tourist Promotion Tax displayed above represents 75% of the 2% Lodging Tax.

# Aspen Short Term Rental Tax (\$)\*



## Aspen Short Term Rental Tax Receipts (\$)

— 2023 — 2024



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)

—●— 2022 —●— 2023 —●— 2024



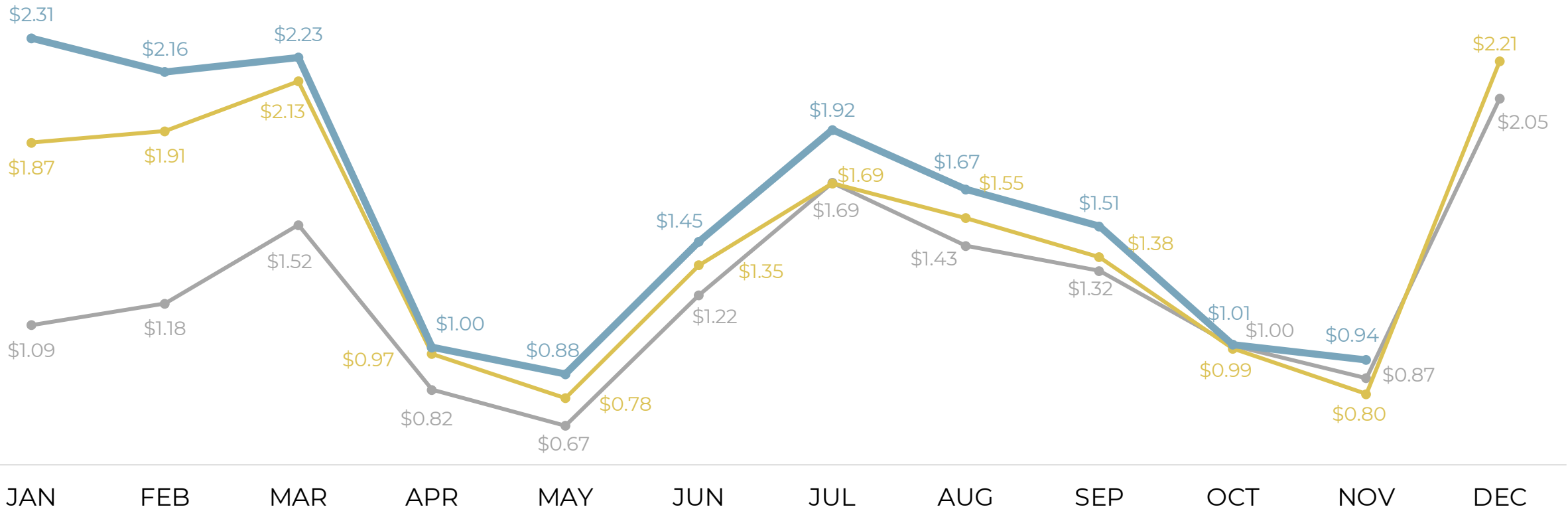
Source: City of Aspen; \* There is typically a one-month lag in Aspen sales tax receipts.

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



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

— 2021 — 2022 — 2023



Source: City of Aspen: \* There is typically a two-month lag in Pitkin County sales tax receipts.



# Website Metrics



# Website Top Pages – February 2023



Rank	Page Path	Views	Average Engagement Time	Engagement Rate
1	/plan-trip/how-to/enjoy-aspen	29,708	8 seconds	41%
2	/plan-trip/trip-highlights/maroon-bells/reservations	10,560	86 seconds	78%
3	/plan-trip/trip-highlights	10,158	7 seconds	30%
4	/plan-trip/how-to/enjoy-aspen/seasons/winter	6,816	3 seconds	27%
5	/	6,520	17 seconds	62%



# Website Top Blog Posts – February 2023



Rank	Page Path	Views	Average Engagement Time	Engagement Rate
1	/blog/5-reasons-ski-aspen-march	3,716	15 seconds	61%
2	/blog/winter-family-fun-aspen-colorado	2,689	15 seconds	75%
3	/blog/10-advantages-using-aspen-chamber-resort-association-dmo-your-groups-travel-aspen	1,318	2 seconds	14%
4	/blog/5-reasons-consider-aspen-wedding	1,189	2 seconds	15%
5	/blog/week-aspen	970	55 seconds	81%



# Visitor Information Center Metrics



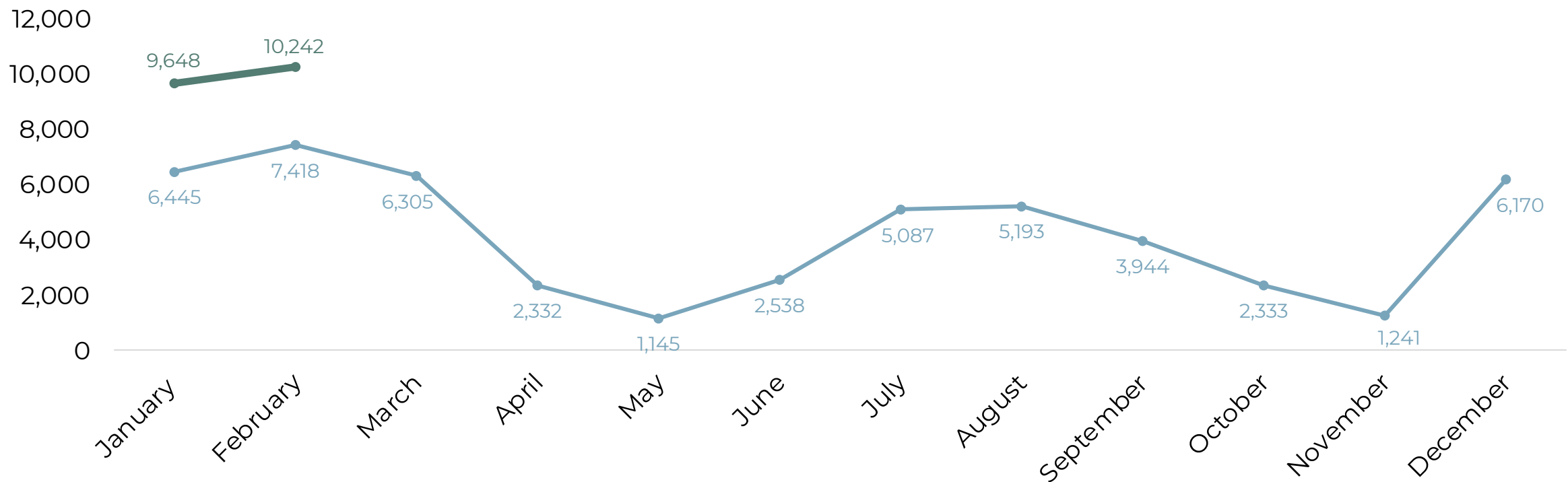


# Visitor Information Center Guest Counts



## Visitor Information Center Guest Counts (Includes Wheeler, Pavilion, Mill Street, and Airport locations)

—●— 2023 —●— 2024



# Wastewater Flow Data

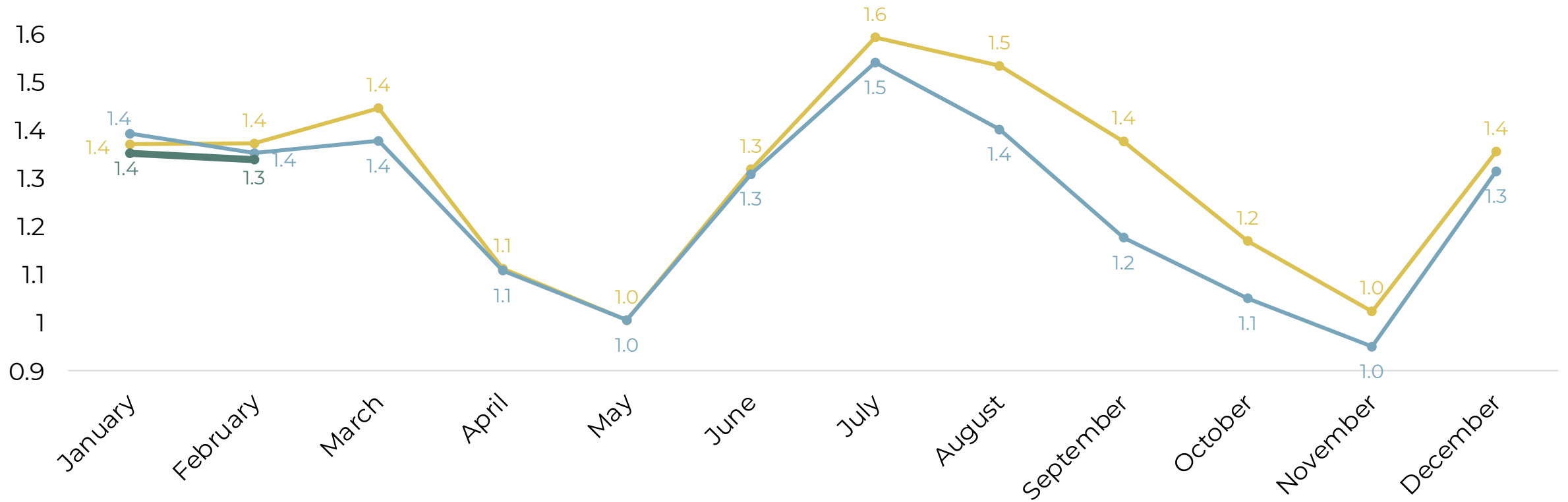


# Wastewater Flow Data



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

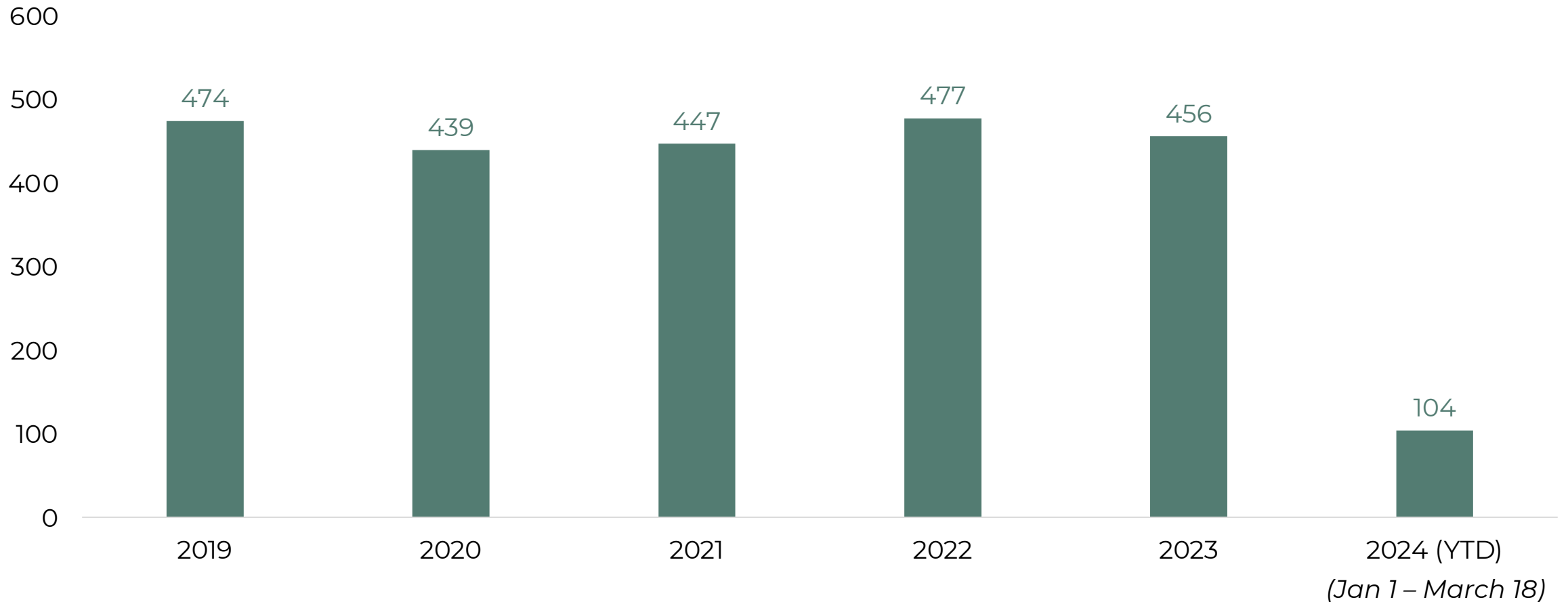
—●— 2022    —●— 2023    —●— 2024 (YTD)



# Wastewater Flow Data



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



Source: Aspen Consolidated Waste District





# Thank You!

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