

The image features a background of a mountain landscape with a dense forest of evergreen trees. A blue silhouette of the state of Colorado is overlaid on the left side. 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.

  
**ASPEN**  
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**Monthly Research  
Update**

**January 2024  
Review**

# Executive Summary



## Analyst Insights – January 2024

- January 2024 was a challenging month for most mountain destinations in the western USA.
  - Hotel bookings dropped to a 30-month low, and room rates remained stubbornly high despite a drop in consumer demand for overnight stays, largely due to the lack of snowfall in the region.
  - Amongst DestiMetrics' 17 participating destinations in CO, UT, CA, NV, WY, MT, and ID, Occupancy was down 6.3% compared to January 2023.
  - However, Average Daily Rate was up 3.4% YoY for January, and 38% higher than in 2019/2020, the last full season prior to the Covid-19 pandemic.
- Aspen's January lodging metrics suffered more than the average, as Occupancy decreased a full 12.7% and ADR only increased 2.4%.
- Short-term rentals experienced a similar trend, with Occupancy suffering at most major ski destinations.
  - Amongst Airbnb/Vrbo listed properties, the following declines in Occupancy were reported for January 2024: Sun Valley (-21.1%), Jackson Hole (-18.3%), Telluride (-11.9%), Whistler (-10.5%), Aspen (-9.3%), Breckenridge (-5.9%), Park City (-4.6%), and Vail (-4.6%).
- In addition, the disappointing snowfall in December and January coupled with consistently high lodging rates have cooled the booking pace for most destinations in the region.
  - DestiMetrics reported that bookings for arrivals at mountain destination hotels between January and June 2024 have declined 18.9% YoY, the steepest drop since the pandemic.
  - The drop-off in bookings is being partially offset by higher room rates, but rate growth does not fully compensate for lower Occupancy. Revenues for the season are down 2.9% from one year ago at this time across DestiMetrics' 17 participating destinations.

# Executive Summary



## Aspen Tourism Trends

- Aspen Airport set a record for total passenger traffic in 2023. 614,166 passengers traveled through ASE from January to December, surpassing the previous high of 607,527 passengers in 2019.
  - 65,140 passengers traveled through ASE in December 2023, which was a 3.3% increase compared to December 2022.
- However, Aspen's DestiMetrics reporting properties saw mostly lower results in January 2024 compared to January 2023.
  - Occupancy decreased 12.7%, driven by a 4.1% decrease in Demand and a 9.8% increase in Supply.
  - While ADR grew 2.4%, RevPAR fell by 10.6% and Room Revenue slid 1.7% Year-Over-Year (YoY).
- Aspen Lodging Tax and Sales Tax results:
  - Aspen Tourist Promotion Lodging Tax receipts totaled \$4.2 million in calendar year 2023, which was 4.3% lower than 2022.
    - In addition, December 2023 lodging tax receipts saw a 3.3% YoY decline.
  - Short term rental tax receipts of \$1.2 million in December 2023 almost doubled the previous high of \$627K in July 2023.
  - Sales tax receipts of \$29.3 million (collected from January to December 2023) increased 0.8% versus 2022.
    - December 2023 sales tax receipts grew 4.2% YoY to \$4.2 million.
  - Aspen's portion of Pitkin County sales tax receipts in November 2023 grew 18.1% versus the same month last year, bringing Year-to-Date (YTD) collections to \$17.1 million.



# U.S. Market Review





## Macroeconomic Trends

- According to the January jobs report from the Bureau of Labor Statistics (BLS), 353,000 jobs were added. That's 20,000 more jobs than the stunning December results. The unemployment rate stayed at 3.7% for the third month in a row.
- Growing evidence shows the odds of a U.S. and global recession have declined to less than 50%. Though economic uncertainty remains, data suggest a probable soft landing.
  - The primary reasons for this belief are that the labor market remains strong, inflation continues to decelerate, and borrowing conditions have eased thanks to impending Federal Reserve rate cuts.
  - The pace of consumer spending is expected to slow in 2024, but wallets are still likely to stay open. Strong wage gains alongside falling inflation mean real wage gains—most pronounced for lower incomes—are expected to hold firm and support consumption.
  - However, it will likely be a few months before the Federal Reserve is persuaded that wage growth is consistent with its 2% inflation target, meaning rate cuts may not occur until the middle of 2024.

## Travel Demand Update

Despite recent slowing, growth trends largely continue across 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

- Travelers looking to book a short-term rentals in January had fewer choices than they did in December. It's normal for January to see a slight drop in available listings. It has typically been a reduction of between 3,000-20,000 listings post-pandemic. This January saw a significant drop, however, with nearly 73,000 fewer listings than in December 2023.
- While it's common for coastal resorts to have fewer available listings in January, the number of listings dropped significantly across all location types. Mountain and lake resorts saw nearly triple the drop in listings compared to last year. There were 11,392 fewer listings from December 2023 to January 2024, in contrast to a decrease of only 3,979 listings from December 2022 to January 2023. Although the drop of 73,000 listings is much larger than what's typically seen in January, it aligns with the typical reduction for February. February is conventionally the lowest month of the year for listings.
- January produced the first negative YOY change in new bookings (-2.7%) in 21 months. Some of this can be attributed to the strong performance in bookings in January 2023, which stands as the highest monthly bookings recorded in the last 34 months. On the other hand, the growth in demand for January was just 1.3%, which is considerably lower than December's 4.1% or November's 7.4% growth rate.
- Even though demand saw a downturn, the growth in average daily rate (ADR), or the average rental income per paid occupied room in a given period, improved in January compared to December.



## Short Term Rentals (continued)

- **Key U.S. STR Performance Metrics for January 2024**
  - Revenue per available room (RevPAR) declined 6.6% year-over-year (YOY) to \$133.80
  - Available listings were 1.54 million, up 10.5% YOY
  - Total demand (nights) rose 1.3% YOY
  - Occupancy was 7.0% lower YOY at 43.2%
  - Average daily rates (ADRs) increased 0.5% YOY to \$309.63
  - Nights booked decreased 2.7% YOY
- **Top Performers (Demand):**
  - Jersey City/Newark: +27.6%; San Antonio, Texas: +13.6%; Gulf Shores and Mobile, Alabama: +13.3%; Miami, Florida: +13.2%
- **Bottom Performers (Demand):**
  - Big Bear, California: -18.4%; Denver, Colorado: -6.0%; Lake Tahoe, Nevada: -6.8%; Breckenridge, Colorado: -2.4%

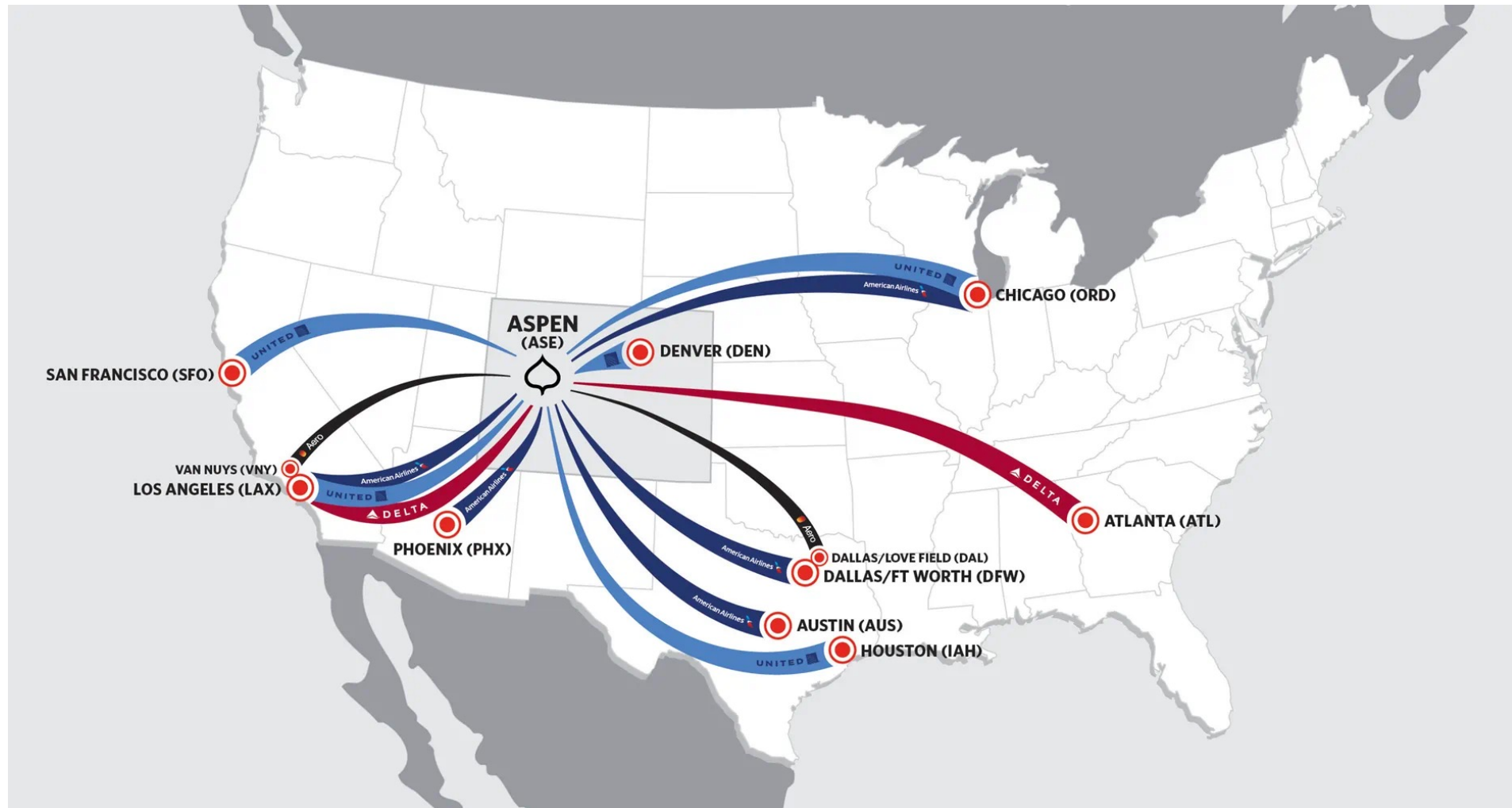
# Aspen Airport





# 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%

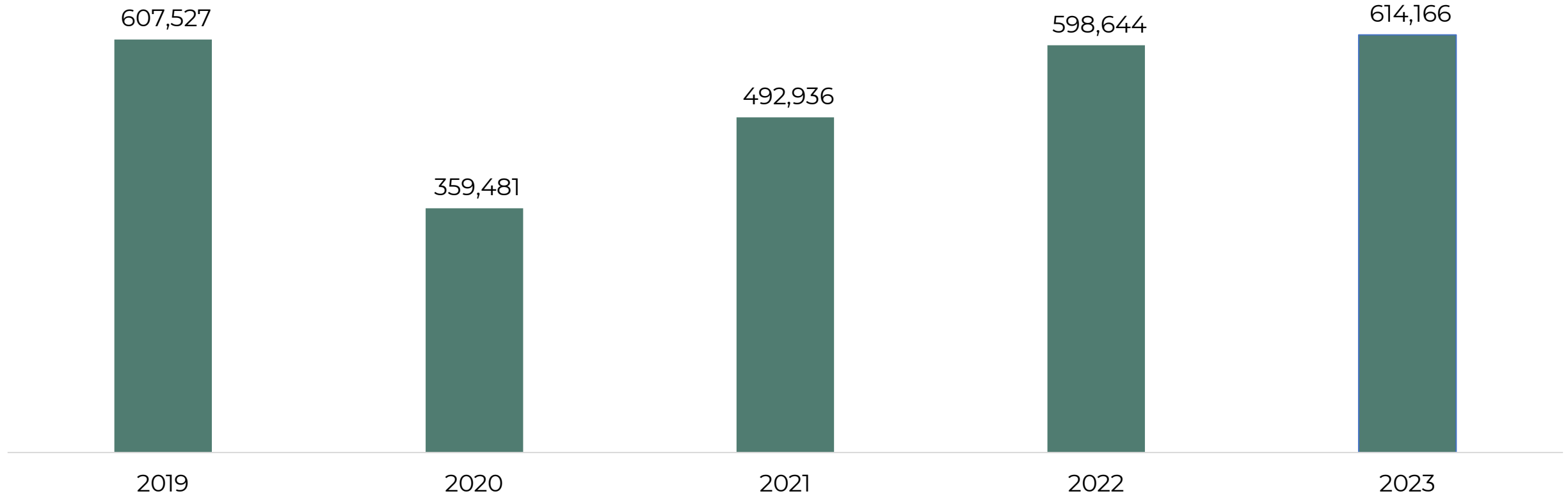
Source: Aspen Airport



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



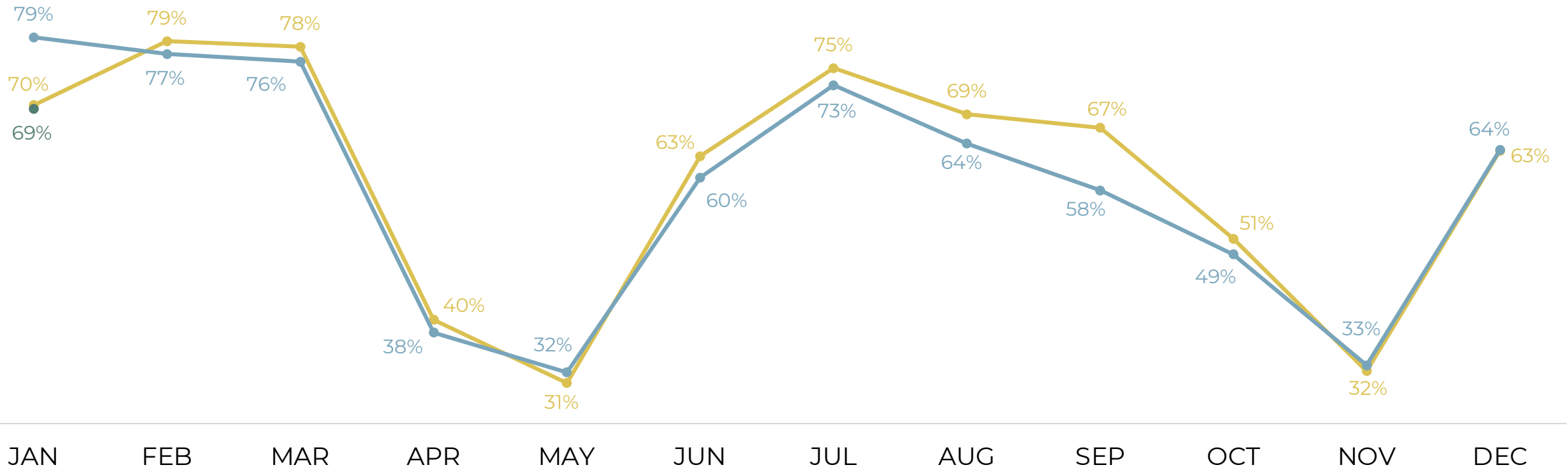
# Occupancy (%) \*



**Aspen DestiMetrics Occupancy decreased 12.7%, ADR increased 2.4%, and RevPAR decreased 10.6% 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)

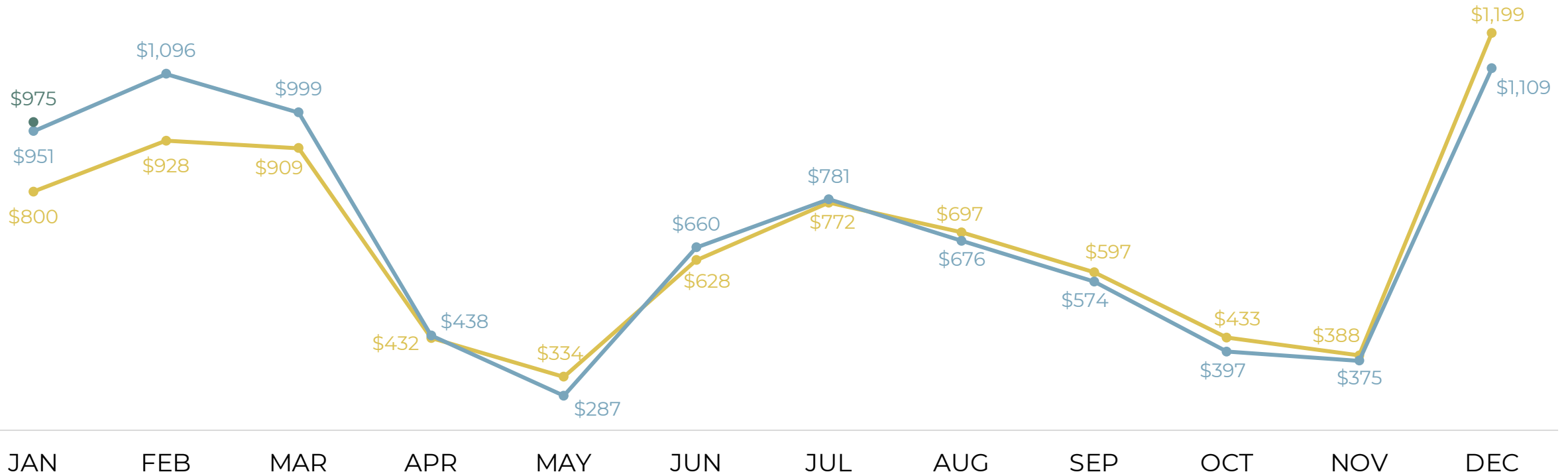
# Average Daily Rate (\$)\*



**Aspen DestiMetrics Occupancy decreased 12.7%, ADR increased 2.4%, and RevPAR decreased 10.6% 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)

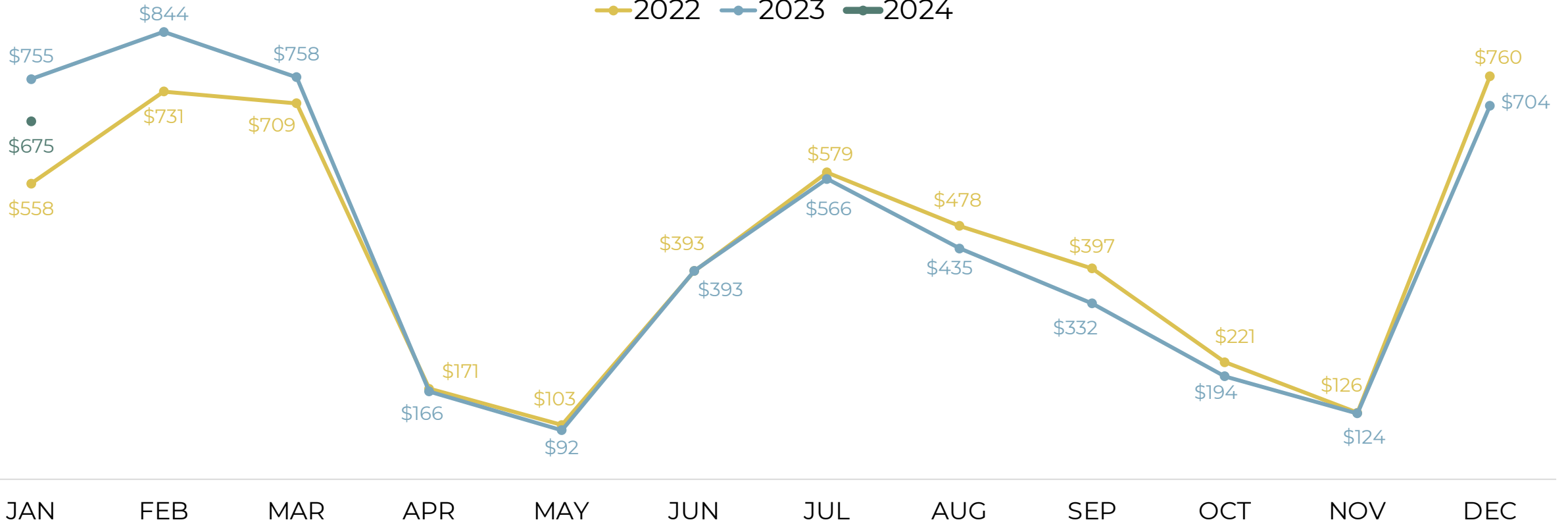
# Revenue Per Available Room (\$)\*



**Aspen DestiMetrics Occupancy decreased 12.7%, ADR increased 2.4%, and RevPAR decreased 10.6% 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)

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 background. The left side of the image is partially covered by a blue overlay with a white, torn-paper-like edge.

# Aspen Tax Data

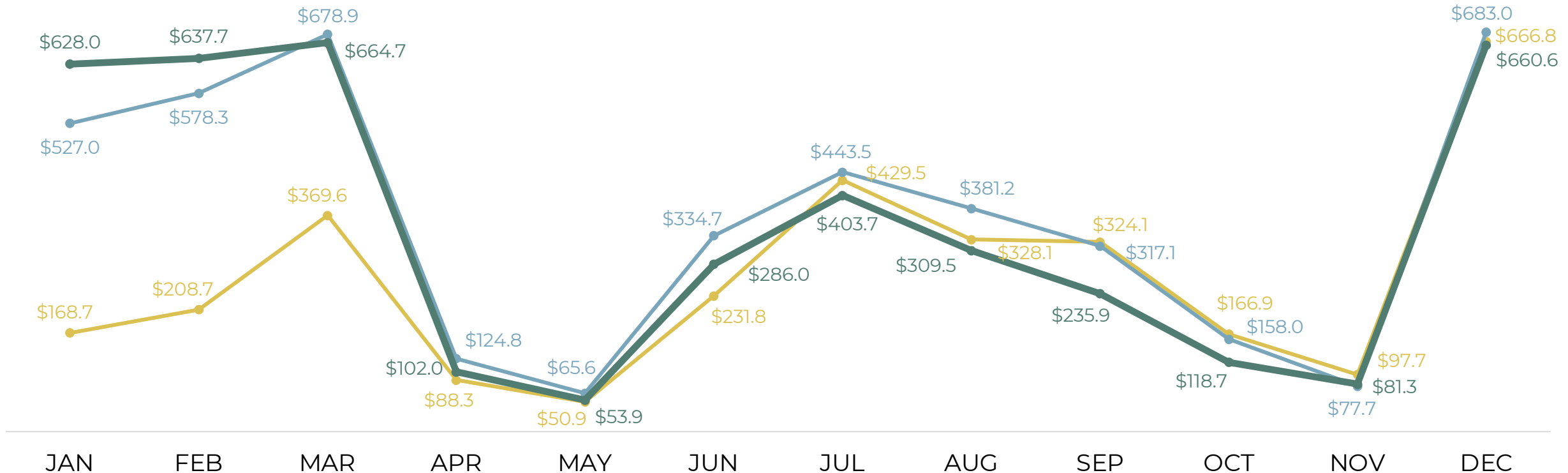


# Aspen Lodging Tax (\$) \*



## Aspen Lodging Tax Receipts (\$ Thousands)

— 2021 — 2022 — 2023



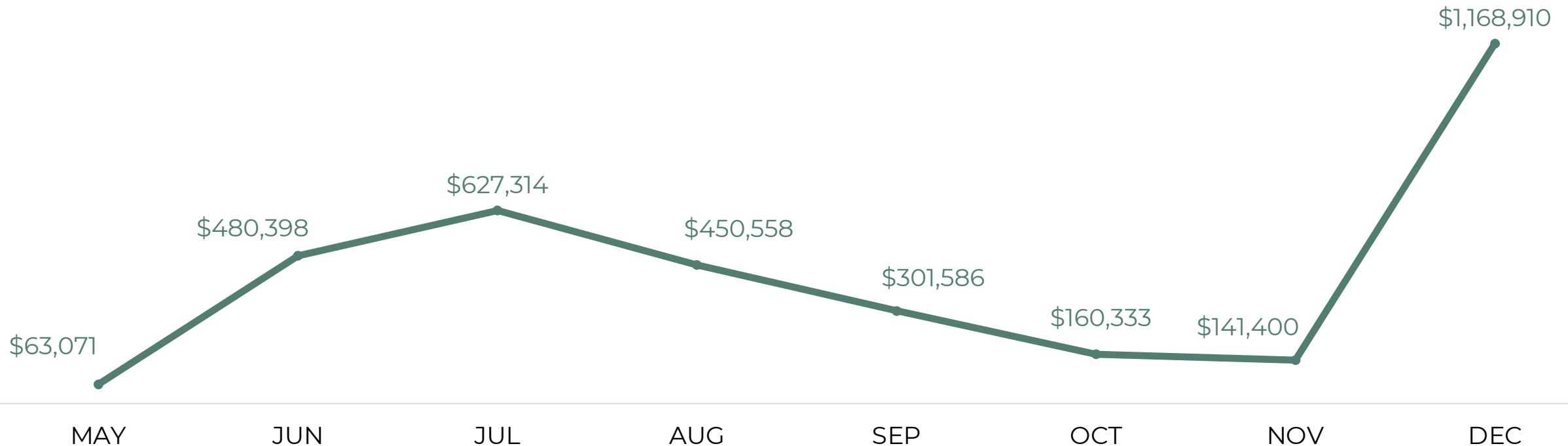
Source: City of Aspen; \* There is typically a one-month lag in lodging tax receipts.

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



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

— 2023



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)

— 2021 — 2022 — 2023



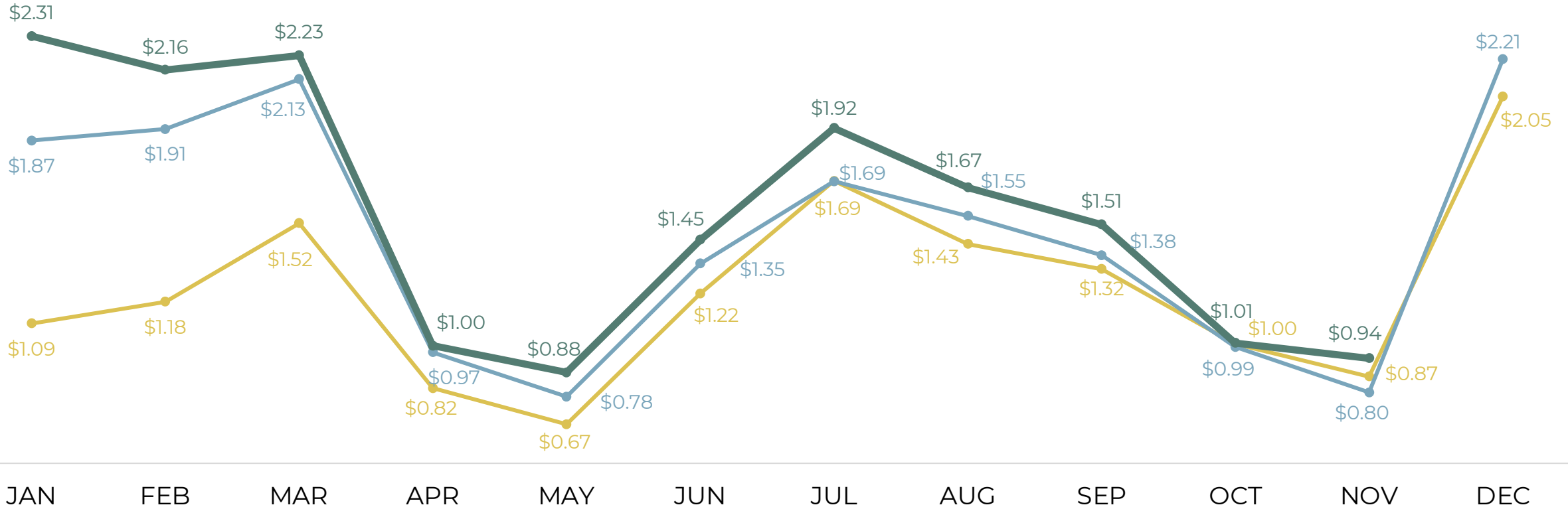
Source: City of Aspen; \* There is typically a one-month lag in Aspen sales tax receipts.

# 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 – January 2023



Rank	Page Path	Views	Average Engagement Time	Engagement Rate
1	/plan-trip/how-to/enjoy-aspen	12,088	13s	51.73%
2	/	7,781	25s	67.39%
3	/plan-trip/trip-highlights/maroon-bells/reservations	6,208	1m 22s	80.17%
4	/event/x-games	5,592	31s	65.60%
5	/events/winterskol	4,783	1m 44s	70.83%



# Website Top Blog Posts – January 2023



Rank	Page Path	Views	Average Engagement Time	Engagement Rate
1	/blog/locals-guide-x-games-aspen	1,073	57s	80.90%
2	/blog/perfect-winter-day-aspen	950	13s	51.19%
3	/blog/top-spots-apres-ski	828	17s	48.13%
4	/blog/week-aspen	790	53s	80.73%
5	/blog/aspen-winter-bucket-list	679	37s	80.85%



# Visitor Information Center Metrics

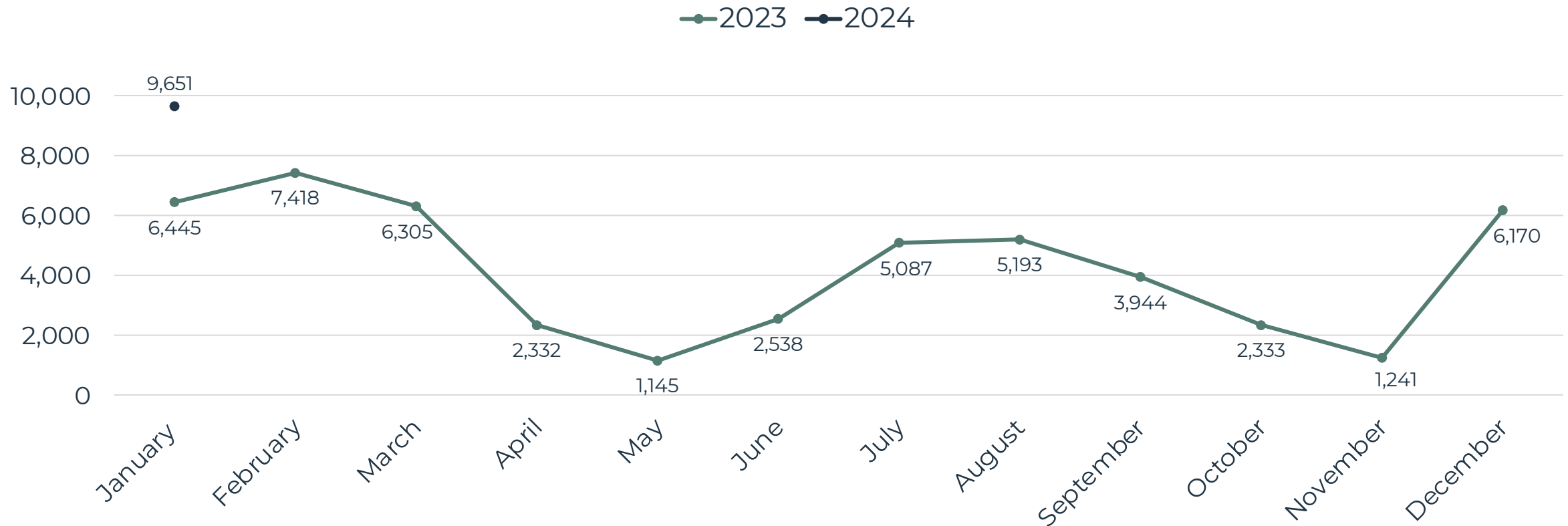




# Visitor Information Center Guest Counts



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



# Wastewater Flow Data

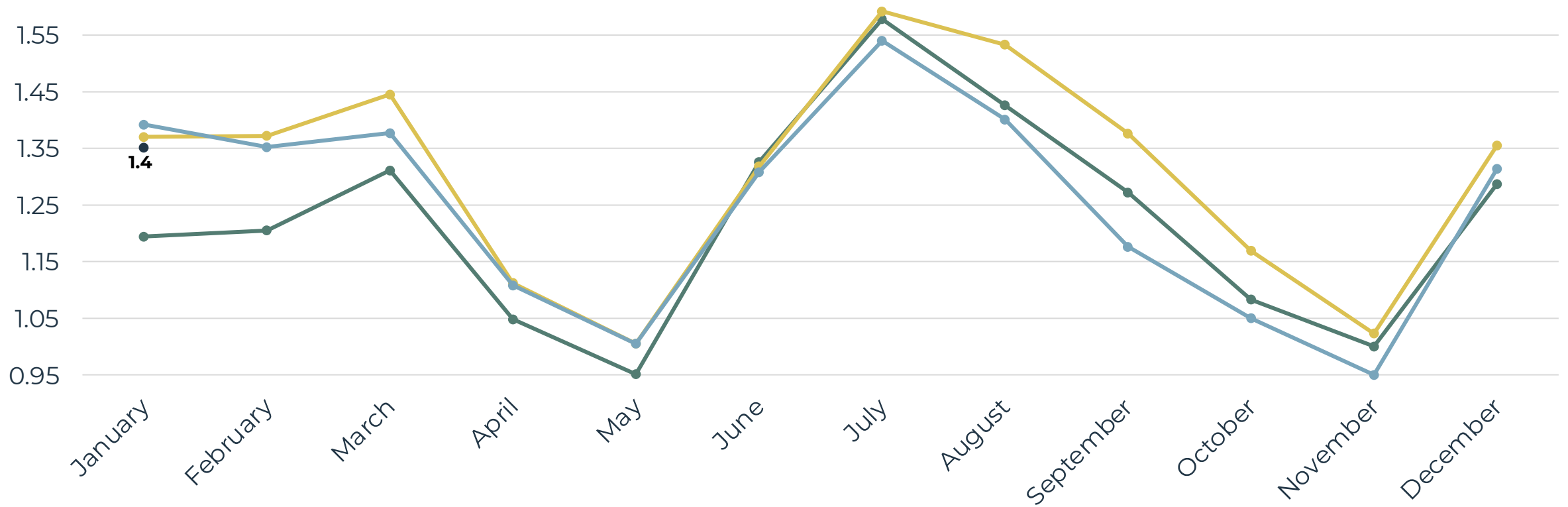


# Wastewater Flow Data



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

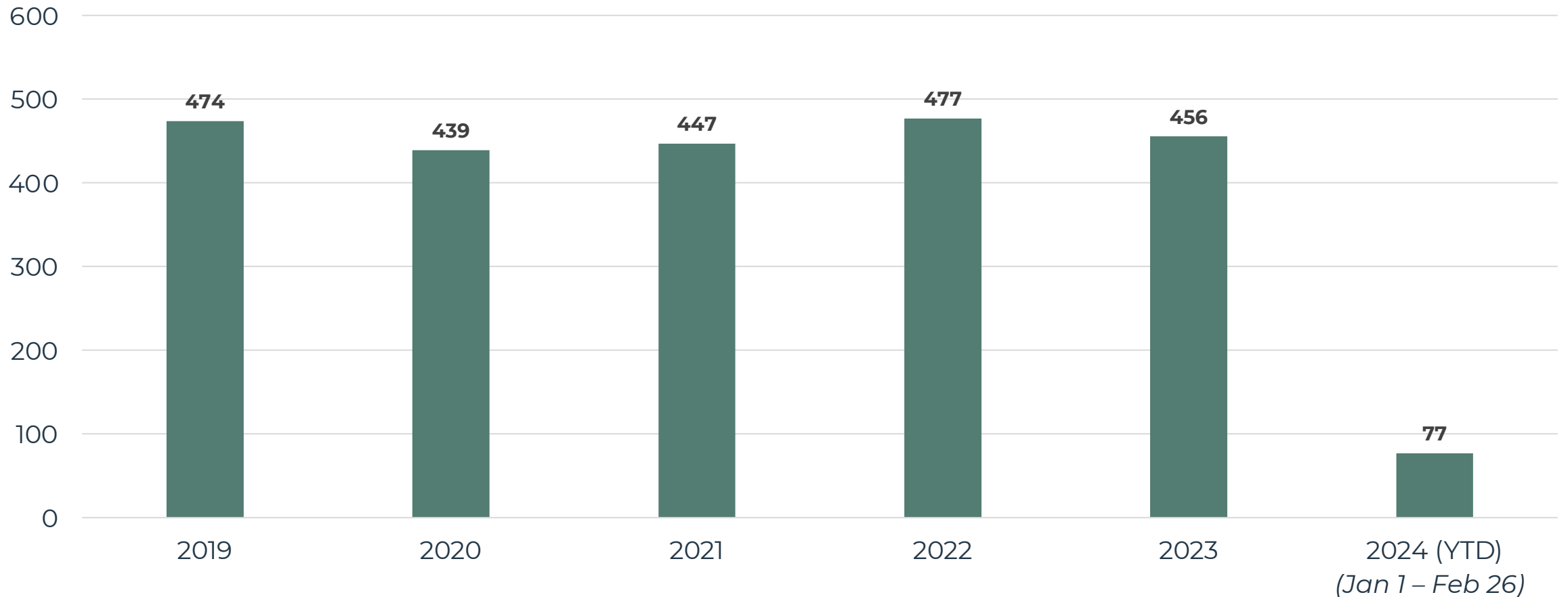
—●— 2021    —●— 2022    —●— 2023    —●— 2024 (YTD)



# Wastewater Flow Data



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





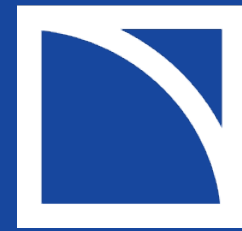


**Thank You!**

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RESEARCH