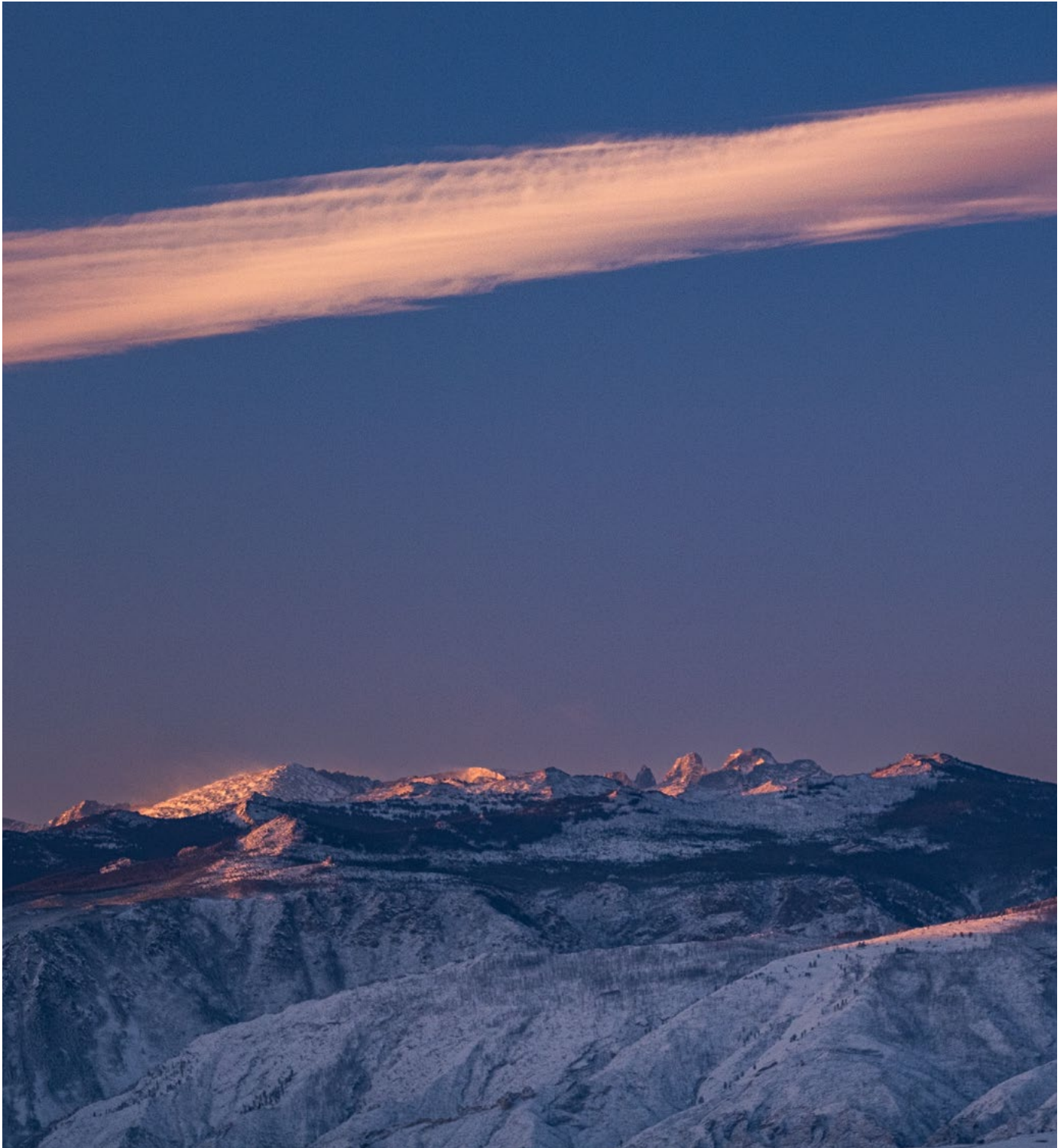




SHERIDAN COUNTY TRAVEL & TOURISM
LOCAL INDUSTRY UPDATE
DECEMBER 2023 / JANUARY 2024



BIGHORN MOUNTAINS
CLOUD PEAK WILDERNESS

DIRECTOR'S FORECAST + UPDATES

We always have 101 things on the go at Sheridan County Travel & Tourism, but this time of the year is especially exciting: we get to put out our annual [Gift Guide](#); we're working on wrapping up our 2024 Official Visitor's Guide; we're locking in next year's spring and summer ad campaigns; I'm looking down the runway at another packed sales conference and convention schedule; and, of course, we're working hard to get ready for the return of the Sheridan WYO Winter Rodeo.

I had the chance once again to attend National Finals Rodeo in Las Vegas, and to be at Ian and Caroline Munsick's White Buffalo: Voices Of The West" Documentary Premiere. Shot and directed by the incredibly talented Cam Mackey, this film is a celebration of western history and heritage and tells the inspiring stories of Stephen Yellowtail, Sammy Jo Bird, and Dougie Hall, with a few star turns from our own hometown boy Ian. I can't wait until this sees wider distribution - it's a wonderful film that pays homage to the history and heritage of our region and celebrates life in the American West. During the premiere we debuted a new 2-minute ad that we're rolling out in our campaign mix starting in 2024; it's live on our [YouTube channel](#) if you want to take a peek.

I presented at Sheridan City Council a few weeks ago and shared some data on the summer travel season. In broad strokes, I am thrilled to share that we had an incredible season overall -- as you'll be able to see from the data. Visits and occupancy were up. Spending was up. And though businesses were faced with the realities of downtown construction, I am not at all surprised to see that the data shows that the community turned up to support local businesses in a big way -- in fact, traffic from locals was up for visits to downtown by nearly 14% year over year! And for those who can't get enough of this type of data, I wrote an essay a few weeks back about the impact that short-term rentals have on our community. I've included that here as well, in case you missed it.

The 2024 Sheridan WYO Winter Rodeo is coming up in a few short weeks, and things are shaping up to be incredibly eventful (just don't ask me about snow -- fingers are crossed and we're sure that it's on the way). First, the huge news -- we are currently sitting at a purse of \$25,000 thanks to our sponsors! We're in line to offer the largest skijoring purse in history, which should attract racers from across the region, if not the nation, for what will be an epic day of racing. As always, I need to recognize the incredible team at LJS Concrete & Excavating, led by JB Skinner -- JB and his team donate their time and equipment each year to build the course, and they do an amazing job. Also, Hanns Mercer, Trai Bryant and Mike Kuzara from the City of Sheridan put in countless hours to make race day happen.

Winter Rodeo now features events that take place over a full month in an effort to give folks a reason to get outside or visit local businesses and have some fun. Things kick off with Sheridan Hawks games and a Moonlight Ski at Sibley Lake, and then we'll see the return of Family Sled Day at Trail End. We'll have concerts downtown at The Cady Building hosted by Christer Johansson of The Warehouse Gastropub, registration at Black Tooth on Friday February 9th, skijoring on Saturday the 10th followed by skijoring awards at Luminous Brewhouse, a Nordic skiing clinic in Story, and then a very special family adventure day on the 24th at Kendrick Golf Course. We have a few vendor spots left and a few open slots on our sponsorship side, so let me know if you're interested in being involved. Keep an eye on wyowinterrodeo.org for updates and a complete schedule.

We're looking forward to some special acknowledgements for all of our partners and sponsors in the new year. Until then, I hope everyone has a great holiday season and a Merry Christmas.



Shawn Parker
Executive Director
Sheridan County Travel & Tourism

DECEMBER/JANUARY EVENTS SNAPSHOT

"Sheridan County, Wyoming - it's the gift that keeps on giving the whole year."
-- Cousin Eddie, probably

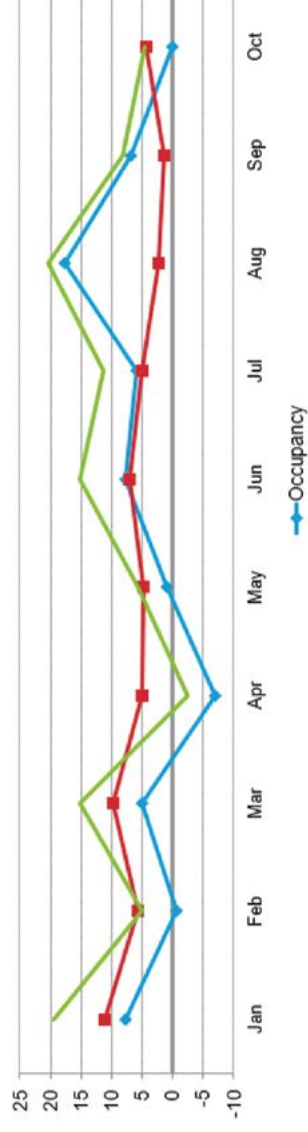
DECEMBER

12/1 - 12/3	Trail End Holiday Open House
12/2	Country Christmas Craft & Gift Show
12/3	The Cinematic Symphony at Sheridan College
12/7 - 12/10	It's A Wonderful Life: A Live Radio Play
12/8 - 12/9	Holiday Swing (WCA)
12/9	TRVCC is hosting a "Finger Crochet Class" at Gallery on Main
12/10	Pop up Jewelry Show at Gallery on Main
12/12	SC Choirs - Sheridan College
12/14	Paint & Wine Tasting w/Alicia Thaden at Gallery on Main
12/15 - 12/17	Christmas with the Kendricks at Trail End
12/16	Schwein BBQ at Gallery on Main
12/16	Josh Hanson Author Event at Sheridan Stationery
12/20	Black Tooth Brewery Bingo
12/21	Fetterman Fight Anniversary Program at Fort Phil
12/23	Landon's Greenhouse Farmer's Market
12/23	Jefferson Glass Author Event at Sheridan Stationery
12/27	Black Tooth Brewery Bingo

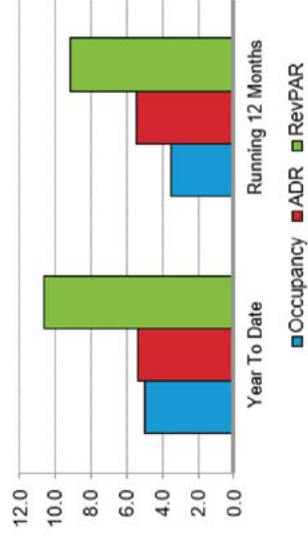
JANUARY

1/1	First Day Hike at Trail End
1/1	First Day Hike at Fort Phil
1/1	The Two Tracks with Sarah Sample
1/3	Black Tooth Brewery Bingo (January 3, 10, 17, 24, 31)
1/6	Landon's Farmer's Market (January 6, 13, 20, 27)
1/6	The Met Live in HD: Nabucco
1/12 + 1/13	Badlands Sabres at Sheridan Hawks
1/19 + 1/20	Butte Irish at Sheridan Hawks
1/20	Happily Ever After Wedding Show
1/20	Moonlight Ski at Sibley Lake
1/22	Dining for a Cause at Smith Alley
1/27	The Met Live in HD: Carmen

Monthly Percent Change



Overall Percent Change



Occupancy (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
This Year	31.6	34.4	37.2	40.6	57.3	72.0	72.0	72.4	70.1	52.3
Last Year	29.3	34.6	35.4	43.7	56.7	66.9	68.0	61.5	65.6	52.2
Percent Change	7.6	-0.6	5.0	-7.1	0.9	7.6	5.8	17.7	6.7	0.1

Year To Date

	2021	2022	2023
2021	50.8	51.5	54.1
2022	36.9	50.8	51.5
2023	37.4	15	5.0

Running 12 Months

	2021	2022	2023
2021	46.9	48.6	50.4
2022	36.1	46.9	48.6
2023	30.0	3.6	3.5

ADR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
This Year	77.92	78.23	81.88	82.32	104.05	116.38	123.99	110.44	104.27	89.03
Last Year	70.12	74.04	74.62	78.48	99.39	108.80	117.60	108.06	102.79	86.29
Percent Change	11.1	5.6	9.7	4.9	4.7	7.0	5.1	2.2	1.4	4.4

Year To Date

	2021	2022	2023
2021	93.44	96.32	101.50
2022	77.83	93.44	96.32
2023	20.1	3.1	5.4

Running 12 Months

	2021	2022	2023
2021	90.44	93.68	98.78
2022	77.07	90.44	93.68
2023	17.4	3.6	5.4

RevPAR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
This Year	24.60	26.88	30.44	33.40	59.98	83.78	88.97	79.95	73.04	46.95
Last Year	20.58	25.99	26.42	34.28	56.39	72.79	80.01	66.46	67.47	44.54
Percent Change	19.5	5.0	15.2	-2.6	5.6	15.1	11.2	20.3	8.3	4.5

Year To Date

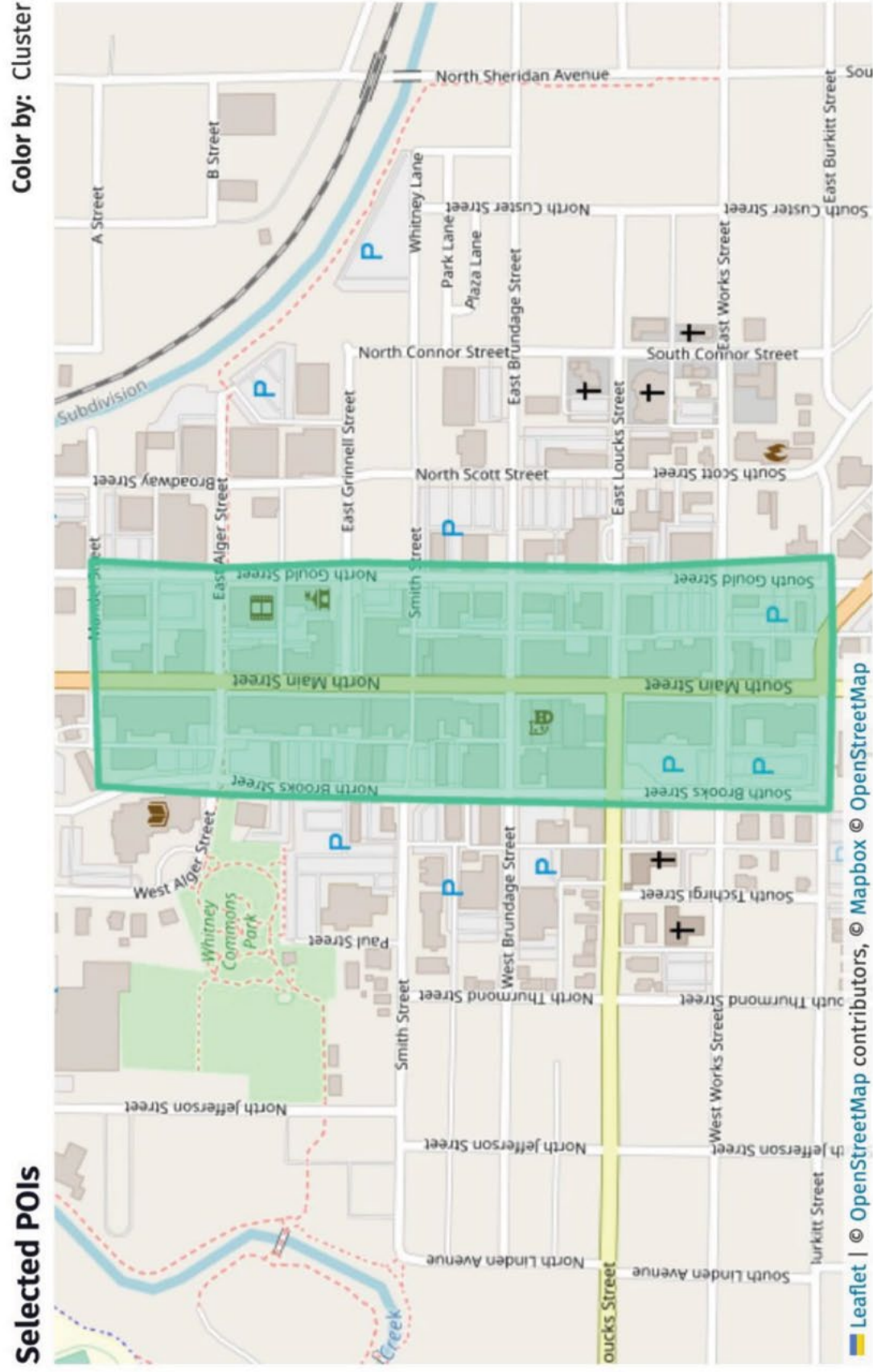
	2021	2022	2023
2021	47.43	49.60	54.89
2022	28.75	47.43	49.60
2023	65.0	4.6	10.7

Running 12 Months

	2021	2022	2023
2021	42.44	45.56	49.74
2022	27.81	42.44	45.56
2023	52.6	7.4	9.2

Destination Summary for Visitation Main Street Downtown: June 1, 2023 - Sept. 30, 2023

Selected POIs



Destination Summary for Visitation Main Street Downtown: June 1, 2023 - Sept. 30, 2023

Main Dates: 6/1/23 - 9/30/23

Compare Dates: 6/1/22 - 9/30/22

Visitor Volume Estimates

for Jun 1, 2023 - Sep 30, 2023
% ↑ / ↓ vs 6/01/22 - 9/30/22



Total Trips
83,368 Trips
↓ 8%

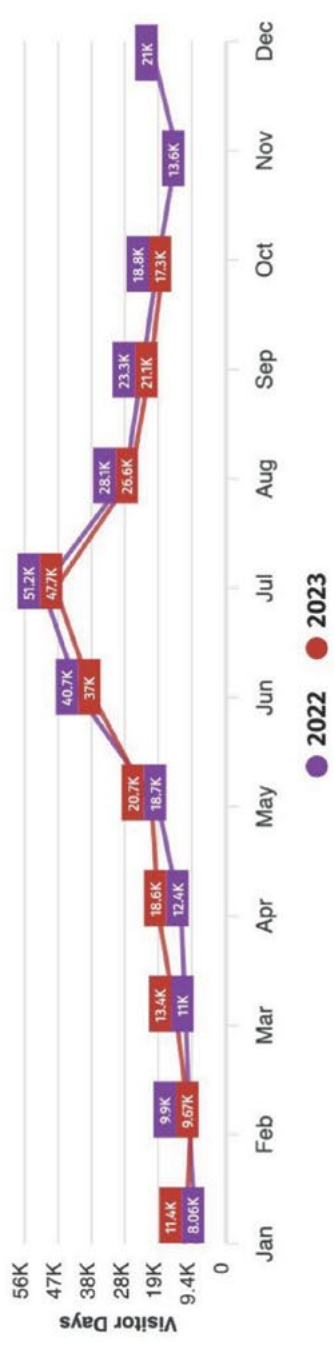


Visitor Days
132,336 Days
↓ 7.8%



Average Length of Stay
1.6 Days
- 0 Days

Annual Volume by Visitor Days*



Destination Summary for Visitation Main Street Downtown Locals: June 1, 2023 - Sept. 30, 2023

Main Dates: 6/1/23 - 9/30/23

Compare Dates: 6/1/22 - 9/30/22

Visitor Volume Estimates

for Jun 1, 2023 - Sep 30, 2023
% ↑ / ↓ vs 6/01/22 - 9/30/22



Total Trips
425,902 Trips
↑ 13.9%

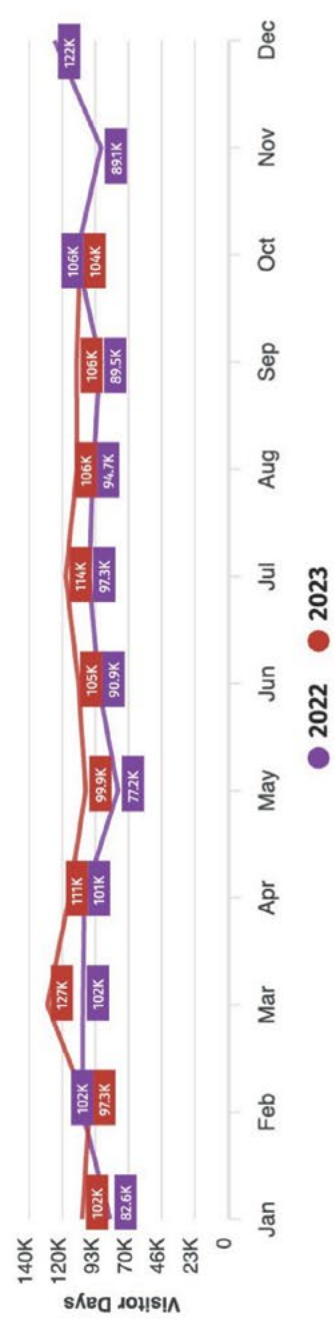


Visitor Days
425,900 Days
↑ 13.9%



Average Length of Stay
1 Days
- 0 Days

Annual Volume by Visitor Days*



COMMUNITY IMPACT OF SHORT-TERM RENTALS

I'm often asked for my opinion on the impact of short-term rentals on the local travel and tourism economy and how the proliferation of "Air BnBs" affects hotels, local businesses, and affordable housing – or the lack thereof – across Sheridan County. The truth of the matter is that this is a complex issue influenced by a number of factors – some obvious and others not as clear.

Since before the pandemic I've heard people say things like "Air BnBs are taking over the rental market," and that the government should "step in to regulate short-term rentals." It makes perfect sense to suggest that we don't want a small number of affluent individuals buying up numerous "affordable" properties and using them only for short-term rentals. This can negatively impact the vitality of neighborhoods, eliminate workforce housing inventory, and more.

Back in 2018 there were +/- 35 short-term rental properties in the County; in June of this year, we hit a peak of 222 active listings (per AirDNA). Was the difference of 187 properties subtracted from the long-term rental inventory – what we would typically consider affordable rentals that could be used as workforce housing? Were these brand-new, purpose-built properties? Were they rooms rented out by new homeowners struggling to make ends meet? It's also worth noting where these properties are located and the increase in their numbers over the last three years:

82801 (Sheridan)	2020	2023
# of properties	59	153
Occupancy		59%
Avg. Daily Rate		\$178
82839 (Ranchester)	2020	2023
# of properties	4	7
Occupancy		45%
Avg. Daily Rate		\$136
82836 (Dayton)	2020	2023
# of properties	10	20
Occupancy		47%
Avg. Daily Rate		\$200.5
82833 (Big Horn)	2020	2023
# of properties	5	9
Occupancy		74%
Avg. Daily Rate		\$419
82842 (Story)	2020	2023
# of properties	17	33
Occupancy		58%
Avg. Daily Rate		\$146

A quick canvass of Realtor, Zillow, Trulia, and Rentals.com list between nine and 21 traditional rental properties available today, but these sites don't often aggregate everything available in the community. To understand more about the rise of short-term rentals means stepping back and considering the housing market as a whole.

First off, the average home price in November 2018 was \$280,242. Today that number is \$416,598 (with the median at \$358,750). We know that the housing market in the west began to spike in mid-2020 and only began to "cool" in June of 2023. Census data shows that median gross rent between 2017 and 2021 was \$868, while today the median rent for a two-bedroom property is \$1,475. Housing costs have gone up at alarming rates in Sheridan County and across Wyoming, coinciding with mass relocations from urban cities to the rural west that was sparked during the pandemic (Reportedly, Sheridan County's population increased by 3.8% between April 1, 2020 and July 1, 2022, and there were 346 building permits filed in 2022). For anyone keeping score, the Census reported 15,477 housing units on July 1, 2022, while the owner-occupied rate was 68.6% between 2017-2021 (why this data point isn't from 2022 is a good question for the Census Bureau).

So, should the government step in and levy restrictions on short-term rentals, as they seem to be increasing at a rate that outpaces population growth? Should a value threshold be applied? For example, should we only allow short-term rentals in homes that exceed a certain assessed value, so that lower-priced homes remain owner-occupied? Would these restrictions have any effect at all when we consider that short-term rental properties make up less than 1% of the County's total housing

inventory? I think we have to keep digging into the numbers.

Looking again at what's currently on the market, I see that there are 68 rental properties for sale in the AirDNA portal. These range from a 1 bed 1 bath for \$170,000 to a 4 bed 5 bath for \$5,800,000. The average asking price across all 68 properties is \$739,379, while the median price is \$557,166. In total, 20 of the 68 properties are listed at or below \$416,598, the average sale price in the County, while 14 are listed at or below the median price of \$358,750.

Is a \$358,750 home or \$1,475 in monthly rent "affordable?" If we could say that wages skyrocketed at the same rate as housing costs, then maybe. But in reality, we all know that wages have not kept pace with the cost of housing (or even inflation!), especially when we factor in interest rates that have not been seen in the US since the 1980s. For reference, the US Census suggests that the median household income in Sheridan County was \$62,531 between 2017-2021; when you plug that into any number of free-to-use mortgage affordability calculators online you'll be told that an "affordable" house is in the \$195,000 range with a \$20,000 down payment. Who wants to bet that that \$62,531 has not increased at the same rate as housing prices?

Let's look at some additional data concerning the rental market. From an investment property perspective, long-term rentals have long been considered low-risk, medium-reward; renters help pay down the mortgage while the true value rests in the appreciation of the property itself. Say you have a completely average property that you paid \$416,598 for earlier this year. You put 10% down and have a monthly mortgage payment of \$2,759 with an interest rate of 8.031% on a 30-year loan. Your property generates an average of \$1,475 per month in rental income for a total of \$17,700 per year. You are left to cover \$15,408 each year, which you hope is outpaced by appreciation in the value of the home.

In comparison, short-term rentals have long been considered a risky bet, but how risky are they at the moment? The average daily rate across all current short-term rental listings in Sheridan is \$177 for the last 12 months, an increase of 14% from a year ago. The occupancy rate is 59%, and the average annual revenue is \$38,200. But if we are looking at averages only, that \$38,200 per year in revenue will comfortably cover the mortgage costs of the \$416,598 home you purchased.

Who stays in a short-term rental, anyway? Visitors, of course. Tourists fill up our hotels and our vacation rentals when they come for events like the WYO Rodeo, Big Horn Soccer Cup, Bighorn Trail Run, etc. and they spend their money in our community. Hunters use them in the fall. Polo players and their families use them during polo season. Tourism is Wyoming's second-largest industry, and in Sheridan County alone it generates more than \$157 million dollars for the local economy.

But we also know that people utilize short term rentals when they're building a new home or relocating from someplace else. Businesses use them for temporary staff housing. Traveling nurses, construction workers, teachers, seasonal staff in a variety of industries and many others stay in short-term rentals each year. There are so many factors that impact the housing market, and we have not even touched on the influx of retirees or the rise of the remote worker (and the impact they've had on the economy and housing market).

If short-term rentals had decimated hotel business in our community over the last several years then we might look at them as the symptom of a larger problem, but that does not seem to be the case. Hotel occupancy and average daily rates have risen across our region, mirroring the demand for western experiences. Now, can we say that the increase in short-term rental properties has stifled development of new hotel properties, or at least discouraged developers from building new hotels? Possibly. But it's just as likely that the absurd cost of building materials has had an even larger impact.

It is also worth noting that people have rented out their "spare" rooms as a way to help pay down their mortgages on their primary residences for generations; it's difficult to criticize a first-time home buyer for relying on short-term vacation renters to help cover costs. We should also remember that many families rent out their primary residences when they go on vacation or when there's major demand, like during the WYO Rodeo. It is critically important that these homeowners are not inadvertently penalized if restrictions on the rental industry are implemented.

It's clear that short-term rentals and the rise of online booking platforms have impacted how people travel and how we view home ownership in general, but what this issue often boils down to is one of supply and demand; Wyoming and the American West have become wildly popular since the pandemic, and there has not been enough housing inventory to meet the demand. Yes, the housing market has cooled somewhat over the last year, but there's a big difference between cooling and retracting: to make a positive impact on affordability we need to take a hard look at zoning and density, permitting policies, property taxes, and other flashpoint issues. We've heard this time and again, and the County, local municipalities, and private businesses are now armed with the results of a housing study that clearly outlines how the lack of inventory has caused prices to skyrocket. We should absolutely keep our eye on the short-term rental market, because it is one component of a much larger issue.