

Thesis Topic: What makes a successful RV Park in the US

by

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Abstract

Being creative looking for alternative investment in RV park rather than limiting in traditional commercial real estate sectors enabled Sun Communities REIT generated significantly higher profit for its shareholders in 2021. “The RV segment continues to deliver strong results producing same community NOI growth of nearly 31 percent in the quarter, as we benefit from the demand for outdoor experienced coming from existing and new Sun customers”, said by Sun Communities CEO, Gary Shiffman at Q3 2021 report.

Recreational Vehicle (RV) park campgrounds have been neglected investment opportunity for real estate developers and investors for a very long time due to the perception that campgrounds are low-income accommodations. It is only recently that the product type is beginning to grab the attention of commercial real estate developers and investors. The most likely cause of this new attention is the enormous growth of the mobile work force and the attraction of the RV way of life since the onset of the COVID-19 pandemic. Investments in RV parks currently enjoy high cap rates, low maintenance costs and high growth potential- a nearly perfect combination for real estate investors.

The COVID-19 pandemic has had a considerable impact on travel over the past two years. While hotels and airlines have been negatively disrupted, campgrounds recorded record breaking busy years amidst and after the pandemic. In 2021, more than half of travelers planned to camp at some point during their trip. During the pandemic, camping accounted for 40% of all leisure travel. American RV ownership has reached a historical high point where many travelers could not find an RV to buy and also needed to book at a campground month in advance to order to secure a spot for their RV.

Many forward-looking real estate investors see opportunities in this traditionally mom-and-pop dominated industry and have more recently been attempting to step into this industry with the intention of increasing their revenue streams while syndicating these assets with their current land holdings. This thesis conducts a thorough study of the campground industry in North America to help equip a real estate developer with the necessary knowledge of the camping industry in order to provide guidance on making an investment in this asset class.

The methodology of the thesis includes a review of secondary sources from literature reviews; paid and unpaid industry reports from associations and governments; recent news and forums; and primary sources from field studies and interviews with private equity funds, architects, city planners, agents, and developers.

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Table of Contents

Executive Summary.....	6
Introduction	7
Investments in RV Parks.....	7
Background – Camping & RVs.....	7
Consumer Preferences – The Rise of RV Parks and Glamping.....	10
Market Analysis.....	11
Covid-19	11
Campground Ownership.....	11
Location.....	15
Segmentation.....	18
Typology.....	21
Financial	26
Location.....	26
Size	27
Permitting	28
License.....	29
Seasonality	29
Infrastructure	31
Amenities	32
Accommodation Type	34
Occupancy Rate	36
Profitability.....	37
Employees.....	38
Funding Sources.....	42
Impact	44
Business Model	46
Franchise.....	47
Public-Private Partnership	48
Technological Advancement.....	49
Outlook	53
Bibliography	55
Appendix - Glamping or Outdoor Hospitality	57

International Trend 57
North American Trend 58
Glamping Structure 60
Players 61
Investment 62
Risk Management 63

Executive Summary

Although may not be seen as real estate investment by many traditional commercial real estate investors who investing in office, retail or multifamily, campgrounds is indeed a combination of real estate ventures and operating business. There are mainly 2 segments of campground including short-term tourists and long-term residents. Due to the surge of outdoor activities and mobility needs, campground is in high demand and drawing attention of real estate investors to boost their revenue and diversify their portfolio.

Key findings from this thesis about what makes a successful RV Park are that:

- Private landowners have been building and operating RV park since 1960s. It is drawing significant institutional real estate investors attention in last few years and there is a trend for this industry to be standardized;
- The character of a good RV Park investment depends mostly on location. Locations close to nature, waterfronts, and those that are a short drive to cities for a weekend trip are desirable;
- If there are many activities provided by the outdoors such as hiking and fishing then amenities provided in campgrounds can be basic such as providing electricity, water and sewer hookups, and public restroom, kitchen and laundry facilities;
- RV parks have a long history where there has been a traditional segmentation of both short term stays and extended stays. Successful RV parks usually provides a mixed approach including monthly stays to establish more stable cash flow revenue;
- The largest clients currently and projected in the future for RV park are millennials and retirees. There has been an observed trend where the travelling groups and those staying at RV parks have become younger. Corporate clients are also another good target class of clientele;
- The trend of glamping has evolved from RV parks for those seeking convenience and comfort. RV park owners to enhance the offering on their sites could consider to putting glamping options within their site;
- Glamping itself as a business is operational heavy with a big social element. Although people may think RV parks with larger private space may get higher ADR, it may not always be the case as the density of RV parking creates social interaction;
- The sweet spot for the size of a RV park is about 100 spots which ensures that the park is easier to manage, it achieves economies of scale and makes it easier to find future institutional buyers;
- A good strategy for developer is to buy old RV parks that has experienced poor maintenance and do value add enhancements such as enlarging parking spots as modern RVs have gotten bigger, improving the electricity system to accommodation Electric RVs and providing high speed internet for professionals that are working remotely;
- A good exit strategy for a RV park is to acquire a few sites and syndicate this as a package offered institutional investors;
- Due to seasonality for outdoor activities and the limitation of RV insulation a developer should consider sites that can accommodate year-round tourism especially in states such as California, Nevada, North Carolina, Georgia, Florida and Texas;
- For parks targeting permanent residents, parks around fast-growing cities like Austin Texas, Tampa Florida and Portland Oregon can provide good returns as there is a demand from temporary workers and families moving in with existing regulations that allowing residents to live in a RV as a permanent home.

Introduction

Every commercial real estate asset class has its own uniqueness. It is especially true for campground which combines real estate and operation. Camping, similar like motel industry when it started, heavily owned and operated by mom and pop, while slowly replaced by institutional real estate investors. It is a clear trend for real estate investors getting into campgrounds for various reasons such as increased demand, high return and low maintenance cost.

After family real estate ownership being the main group of campground industry for 60 years, the trend of change is obvious with more institutional real estate investors coming into play. The growth in corporate and outside investor interest has coincided with a spike in prices. The interest of corporate real estate in this area started from real estate mogul Sam Zell's Equity Life REIT focusing on mobile home and RV Parks. Diversifying to RV Park made the Equity Lifestyle Properties revenue increased by 27% and became the fifth-strongest REIT in the US in 2016. One of the most popular RV Park brands – Jellystone Park, also saw growing interest from REIT and other real estate investors, said Jim Westover, vice president of operations. Jellystone has 80 family-friendly RV Parks and has various income sources from rental (70%) and other spending which takes 30%.

Investments in RV Parks

Real estate investments in RV parks have been growing as the popularity of RVs increase. RV parks to date are assessed at an 8-10% cap rate with a 10-20% ROI. Compared to other real estate assets in today's market this is very attractive (CXRE, 2021). There are several benefits of real estate investment in an RV park which includes:

- Strong operating/profitability margins in light of the few amenities and services that are provided at the majority of campgrounds which brings a lower Opex and higher NOI;
- Lower staffing models in comparison to regular hotels because of the minimal nature of the operations with most RVs easily plugging into a site for water and electricity;
- Modest development and construction costs given the typical rural nature of the locations close;
- Most municipalities classify RV parks with a lower real estate tax load as a campground; and
- Most of the country lacks competition or equivalent property types.

All these characters make RV parks an attractive commercial real estate investment for many developers or private equity firms. (Dangel et al., 2020)

By Economic Census, there are 4,513 privately owned RV Parks and Campgrounds with employees in 2017, they collectively generated \$3.1 billion revenue, this figure is 30.3% more than \$2.4 billion in 2012. In 2017, every RV park produced an average of \$683,000 in revenue in 2017, or \$138,759 per employee. This equates to \$4.78 in revenue for every dollar in payroll. The largest annual sales per park were made by RV parks in South Carolina (\$2.3 million per park), whereas the largest volume of sales for RV parks occurred in California (\$404.8 million). Alaska has consistently for XX years, with its 31 RV parks, recorded the greatest sales per employee in the US (\$472,176).

Background – Camping & RVs

Understanding camping trends help real estate developers to better target their client type.

Campgrounds were mainly provided by national park and state parks when the camping culture started in 1920. Private land owners saw the opportunities and got into the industry from 1960s. The formats of camping range from tents to living in a caravan to staying in a RV. Cabins and other lodging options with

permanent roofs give urbanites more options for shelter so they can get away from the busy cities to engage in outdoor recreation, rejuvenation, and socialization. Compared to traditional campgrounds, an RV park typically has more amenities.

A Recreational Vehicle Park (RV Park) is a place for people who own recreational vehicles to remain overnight or longer in designated spot called “sites” or “campsites”. Although a true campground also offers facilities for tent camping, many establishments referring to themselves as “RV parks” also provide tent camping or cabins with basic amenities. The most common amenities found in an RV park are electricity, water and sewer hookup, common restroom, kitchen and laundry.

There are numerous parks that are operated by owners themselves as a mom and pop business. Self-employed individuals ran 7,218 RV parks in 2018, bringing in a total of \$471.3 million in revenue. Even when combined, the country’s total number of RV sites is just slightly larger than the number of (11,791) employer and non-employer RV parks. (Census, 2017)

Approximately one in four campers choose to utilize an RV as their primary form of housing, maintaining a stable rate of use over the past few years. According to RV Industry Association, there are one million Americans live in RVs permanently. (Long, 2018)

With the demand for comfort and luxury on the rise, many real estate developers are curating a high-quality outdoor camping experience with luxurious tents or cabin to target high end clients. It is normal to see \$500 or even above \$1,000 per night in today’s market for these glamping experiences. These businesses usually market themselves as a new concept glamping or outdoor hospitality to differentiate their offering from traditional camping or RV parks, and especially from trailer parks which has a stigma for low income residents. The term “glamping,” which combines the words “glamorous” and “camping,” originated from the upscale canvas tents that affluent European and American tourists stayed in while on safari in Africa. According to market data, millennials and baby boomers who have camped in the past but do not have access to necessary/traditional camping gear make up the majority of the demand base for glamping resorts. As a result, the glamping product category enables these visitors to show up without any gear and enjoy camping without the inconvenience. Additionally, because glamping is a semi-serviced facility, it provides visitors with a sense of security that could be absent (or perceived to be absent) at a conventional campground. These travelers were assisted by butlers, cooks, guides, and porters. Therefore, this contrast of sanctuary and wilderness symbolizes the dualities of hospitality, albeit outside. All places close with a natural landmark that acts as an attractor such as a national park, or water body or mountain is a perfect spot for glamping and can generate high return for investors. For example, a glamping site close to Yellowstone Park was listed at a 14% Cap Rate, 40% ROI & 3.12 GRM in 2020 (Crystalinvestment, 2019). According to research, the West of the USA such as California, Arizona and even in deserts such as Joshua Tree National Park are popular glamping destinations. A high premium is charged as long as the experience offered is unique. This is a special segment for RV park and more discussion is included in Appendix.

Real estate investors could acquire or develop campsites according to client’s preference of travelling. Figure 1 shows 44% of the sample interviewed would choose an RV where they can travel from destination to destination whereas 45% would try a glamping experience where they can stay in a unique accommodation with enhanced services and amenities. It also can be seen from Figure 2 that interest in glamping and “van life” jump dramatically even before pandemic from 2017 to 2018 for all age groups, almost doubling in popularity. (KOA, 2019)

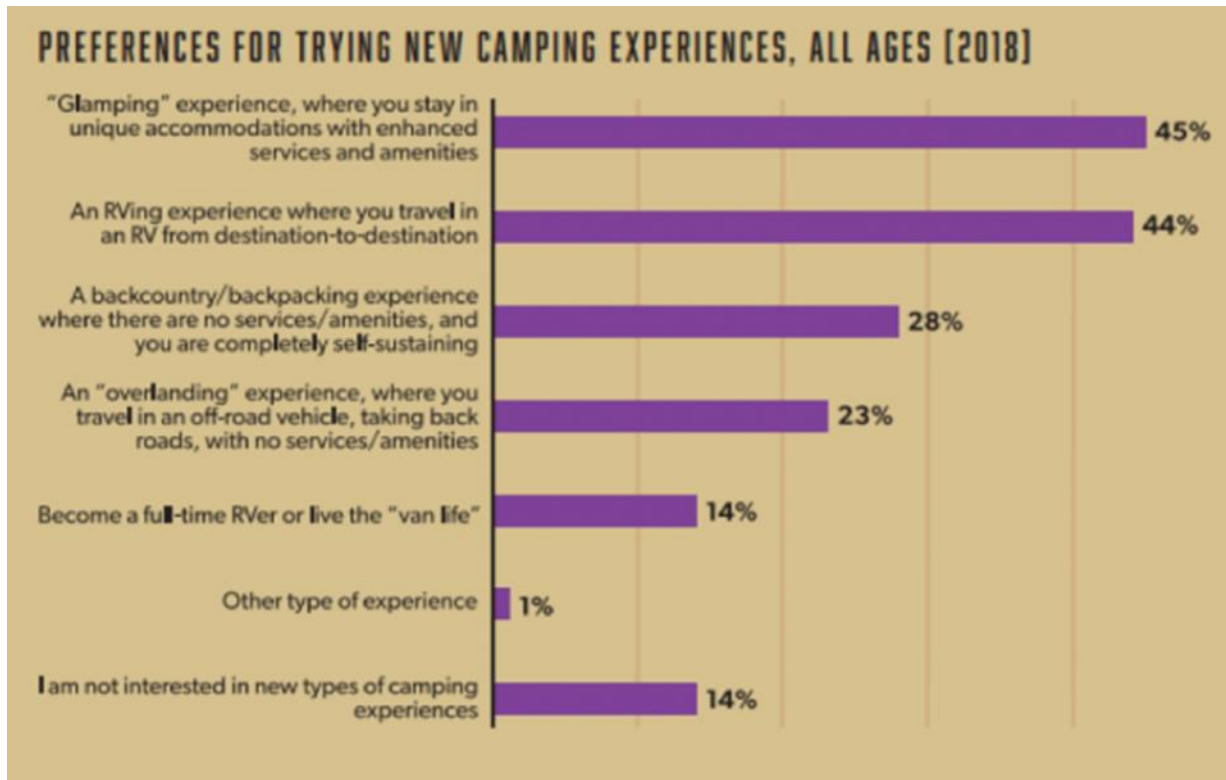


Figure 1: Preferences for Trying New Camping Experiences, All Ages (2018) – KOA

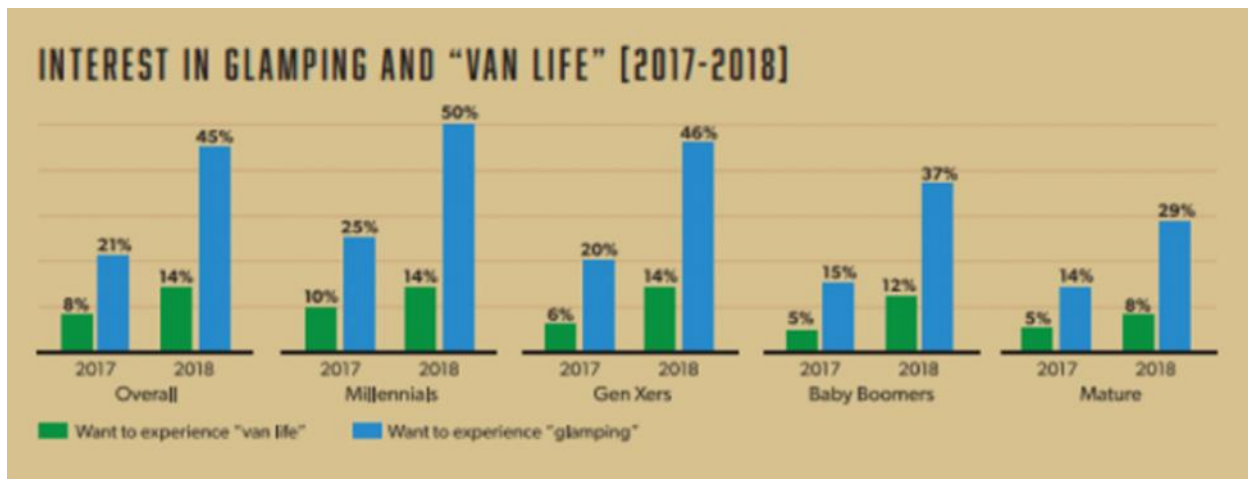


Figure 2: Interest in Glamping and "Van Life" (2017-2018) – KOA

When service is limited and operations and infrastructure can run all year round, operating margins are at their highest. When revenues and NOI are maximized through good service and an experiential design, while maintaining per-unit expenses far lower than those of similar products that have a similar Average Daily Rate (ADR), development margins have shown to be extremely strong. The majority of customers desire standard amenities like private bathrooms, linen service, WIFI connection (even if it is only available in a few locations on site), access to outdoor activities nearby, guides, and nearby F&B options.

Consumer Preferences – The Rise of RV Parks and Glamping

It is a prime time for real estate investors to get into the camping industry as the rise of demand. Campers appreciate the convenience of RV parks whether they are exploring natural wonders like lakes, rivers, and mountains, or just passing through an area en-route to another location. There is an increasing number of Americans adopting the use of RVs as a way of life, frequently spending months or even years at a time on the road or at RV parks living in a RV.

This lifestyle change includes the baby boomer generation selecting a more outdoor experiential environment where staying at RV parks as a way of enjoying their retirement as well as younger generations, such as millennials and Gen Zs, enjoying the unique experience of being closer to nature. This trend has been catalyzed by the recent COVID-19 pandemic where international travel was limited and new platform services such as peer to peer RV rentals and highspeed internet access which allows a remote work lifestyle.

Particularly with the COVID-19 pandemic putting a pause in 2020 with most major forms of international and domestic travel, camping has been a big boost as a result of the natural escape to the outdoors, the ability to enjoy the wonders of nature and the seclusion of private space. The US Census website refers RV travelling as “A Way to See America From the Safety of Your Own Home” which shows the popularity and government support to this business. A recent RV Industry Association (RVIA) study showed that RV shipments in 2021 reached a record high of 533,356 units, which surpassed the previous record of 504,600 units in 2017. (RVIA 2021) The “#Vanlife” hashtag on social media and in particular the Instagram platform passed 7 million in 2020 which was 3 times that of 2017. The pandemic has triggered a paradigm shift where people now recognize the importance of a connection with nature, wellness with good health, family time and self-reflection. This is especially the case where a technology now enables a remote working lifestyle.

Market Analysis

Overall, the market of campgrounds demand has been steadily growing, and the pandemic has really boosted the trend. There are more institutional real estate investors getting into this traditionally mom and pop dominated industry who run campgrounds as a family business. The large demand also drives real estate developers to build more campsites. Real estate investors could focus on providing service for millennials and retirees which are largest two groups for this lifestyle.

Covid-19

Comparing to the significant decline of traditional hospitality, campgrounds demand increased during this time and proved to be a great alternative for traditional commercial real estate investors. In 2020, the COVID-19 pandemic broke out, putting an end to both global travel and the tourism business. Cruise ships stayed in port, flights were disrupted, and leisure vacationers changed their plans. The search for alternatives started as the desire to organize trips persisted. Camping offers the ideal opportunity to get out because of its wide-open expanses and social isolation. The COVID-19 pandemic greatly increased the appeal of camping among leisure travelers, which was already growing annually. Glamping (glamorous camping) exploded, campground occupancy reached record levels, and RV use increased like never before. These patterns persisted in 2021, with even more leisure travelers heading outdoors for a variety of reasons. Numerous passengers had their plans altered as a result of the COVID-19 virus resurfacing in various forms. Because they were accustomed to working from anywhere, they wanted to keep their new habit of exploring and working outside. After being cooped up for months, city dwellers went outside to interact with the local natural areas.

More than half of travelers (53 %) included camping in some or all of their travel in 2021; camping accounted for 40 % of all leisure travel taken. 7 out of 10 households say they go camping or glamping at least occasionally. (93.8 million). As a result, camping has become a popular mode of transportation among leisure visitors who would otherwise stay at home during epidemics. Importantly, despite the rise in glamping, RV use, and camping, many people say they will still include camping in their travel plans after the outbreak. (KOA 2022)

Campground Ownership

According to data, there are over 13,000 privately owned RV parks and over 1,600 state parks that cater to Rvers in the USA. There is a trend for more institutional investors getting into this industry.

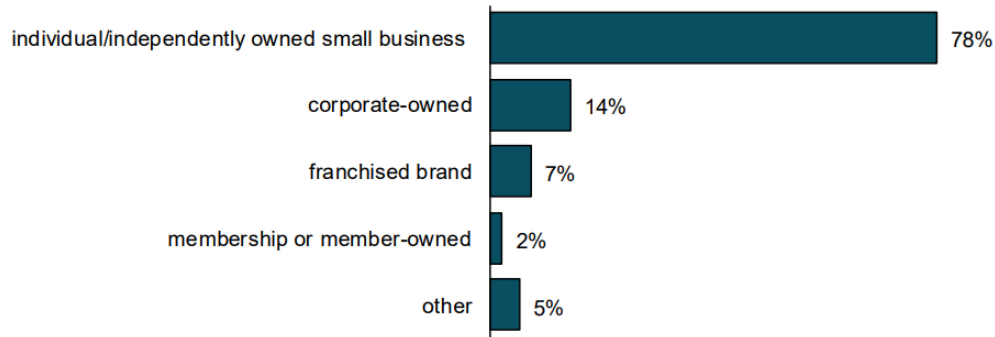
According to the survey of ARVC IN 2021, 93% of respondents said their park or campsite land is owned (as opposed to leased) by its owner. Only 2% of respondents said the land is exclusively rented, compared to 4% who said it is both leased and owned.

For operational structure, 78% of reported parks and campgrounds had individual or independently owned small businesses as their operational structure (mom-and-pop). 14% are owned by corporations, 7% are franchises, and 2% are member owned, and 5% have other types of organizational structure. Generally, the smaller the park is, the more likely to be owned by individual/independently owned. The operational structure is quite consistent across regions.

Operational Structure

What is the operational structure of this park/campground?

base (unweighted): 614 qualified respondents; those in each segment (multiple answers)



OPERATIONAL STRUCTURE	REGION				# OF SITES/UNITS			
	Northeast	Midwest	South	West	<50	50-99	100-199	200+
individual/independently	81%	81%	78%	72%	91%	84%	71%	64%
corporate-owned	12%	12%	14%	21%	8%	13%	16%	22%
franchised brand	9%	6%	7%	6%	1%	8%	9%	8%
membership or member-owned	2%	2%	2%	3%	0%	2%	3%	4%
other	1%	4%	7%	5%	4%	6%	4%	5%

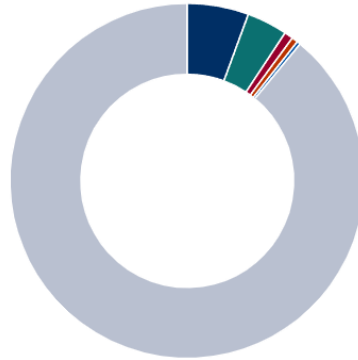
=50% - 74%
 =75% - 89%
 =90%+

Figure 3 Operational Structure – ARVC

However, after family ownership being the main group of campground industry for 60 years, the trend of change is obvious with more institutional real estate investors coming into play. The growth in corporate and outside investor interest has coincided with a spike in prices. According to some brokers, 80% of campgrounds sold after the pandemic are to corporate owners, compared to only 20% a few years ago. However, institutional investors still take a small portion of the whole industry.

From the statistics from IBIS World, Equity Lifestyle Properties is the largest real estate investor in this industry, which takes 5.6% market share and owns more than 200 RV resorts. Sun Community is the second one, which takes 3.7%. Sun Communities is very successful in this land game, which owns 282 Mobile Home (MH) park communities, 149 RV resorts, and 33 Hybrid MH and RV park communities.

Major Players



- 5.6% Equity Lifestyle Properties, Inc.
- 3.7% Sun Communities, Inc.
- 0.8% Civeo Corp
- 0.6% Horizon North Logistics Inc.
- 0.3% Target Hospitality Corp.
- 89.0% Other

Campgrounds & RV Parks
Source: IBISWorld

Figure 4 Major Players in Campgrounds & RV Parks – IBIS World

SUN COMMUNITIES, INC. OVERVIEW (NYSE: SUI)

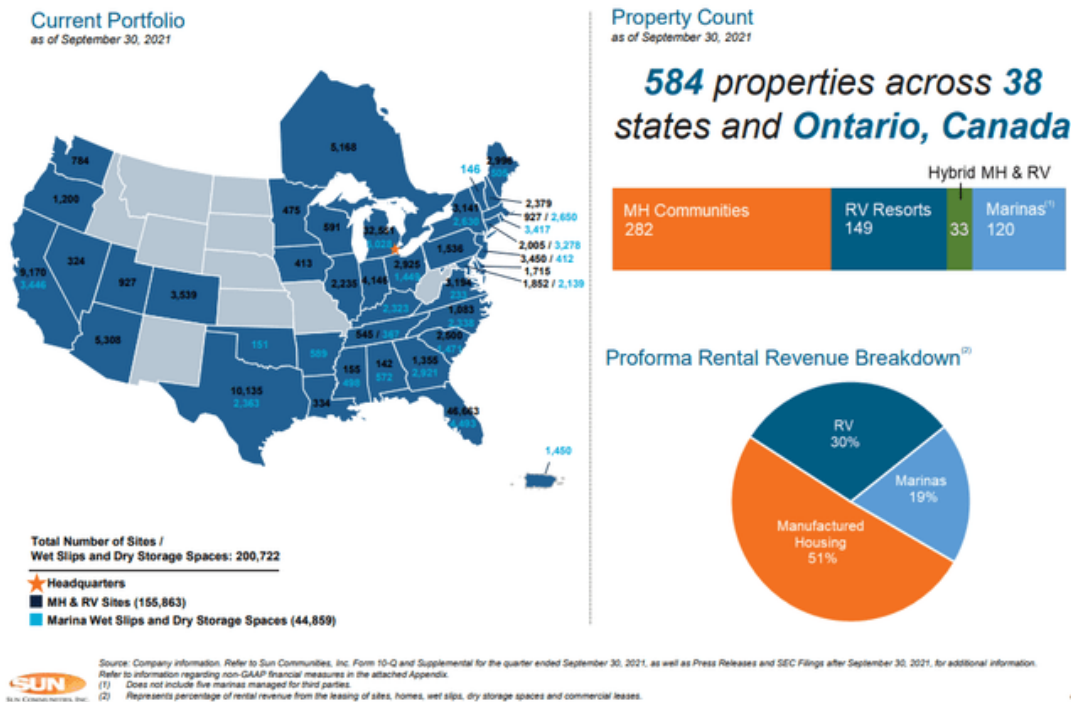


Figure 5 Sun Communities INC. Overview – Sun Outdoor

Sun's pro forma rental breakdown indicates that only 30% of its revenues come from RV resorts, but the industry's rapid expansion is raising its AFFO (Adjusted Funds From Operations). For the nine months ending September 30, 2021, same park RV revenue increased by 27.4% from its 2021 Q3 supplemental. Therein lies a significant possibility for Sun to continue its RV resort expansion in 2022, as it has done with 7 newly purchased RV resorts in 2021, compared to manufactured home revenue increase of 5.8 % for the same year. This data was taken from Sun's website's 2021 Q3 supplemental material.

RV resorts have the potential to provide high returns. A major operator like Sun should be able to pounce and acquire as many RV resorts as they require since they are typically owned by mom and pop businesses with little to no debt.

Since the asset class tends to be more in line with the hospitality industry than a regular rental firm, RV resorts can carry certain inherent risks. As a result, they need qualified on-site management teams and specific knowledge. It is more suitable for development companies with strong management team. The strong management is also the reason why Sun Communities could stand out. (Thrin, 2022)

Same Community⁽²⁾ Results

For the 403 MH and RV properties owned and operated by the Company since January 1, 2020, the following table reflects the percentage increases, in total and by segment, for the quarter and nine months ended September 30, 2021:

	Quarter Ended September 30, 2021		
	Total Same Community	MH	RV
Revenue	12.8 %	5.2 %	24.2 %
Expense	13.7 %	12.7 %	14.8 %
NOI	12.4 %	2.6 %	30.6 %

	Nine Months Ended September 30, 2021		
	Total Same Community	MH	RV
Revenue	12.9 %	5.8 %	27.4 %
Expense	14.6 %	10.2 %	20.0 %
NOI	12.1 %	4.3 %	32.8 %

Same Community adjusted occupancy⁽³⁾ increased to 98.9 percent at September 30, 2021 from 97.4 percent at September 30, 2020, an increase of 150 basis points.

Figure 6 Sun Community Q3 Report

SUN'S INTERNAL AND EXTERNAL OPERATIONAL GROWTH

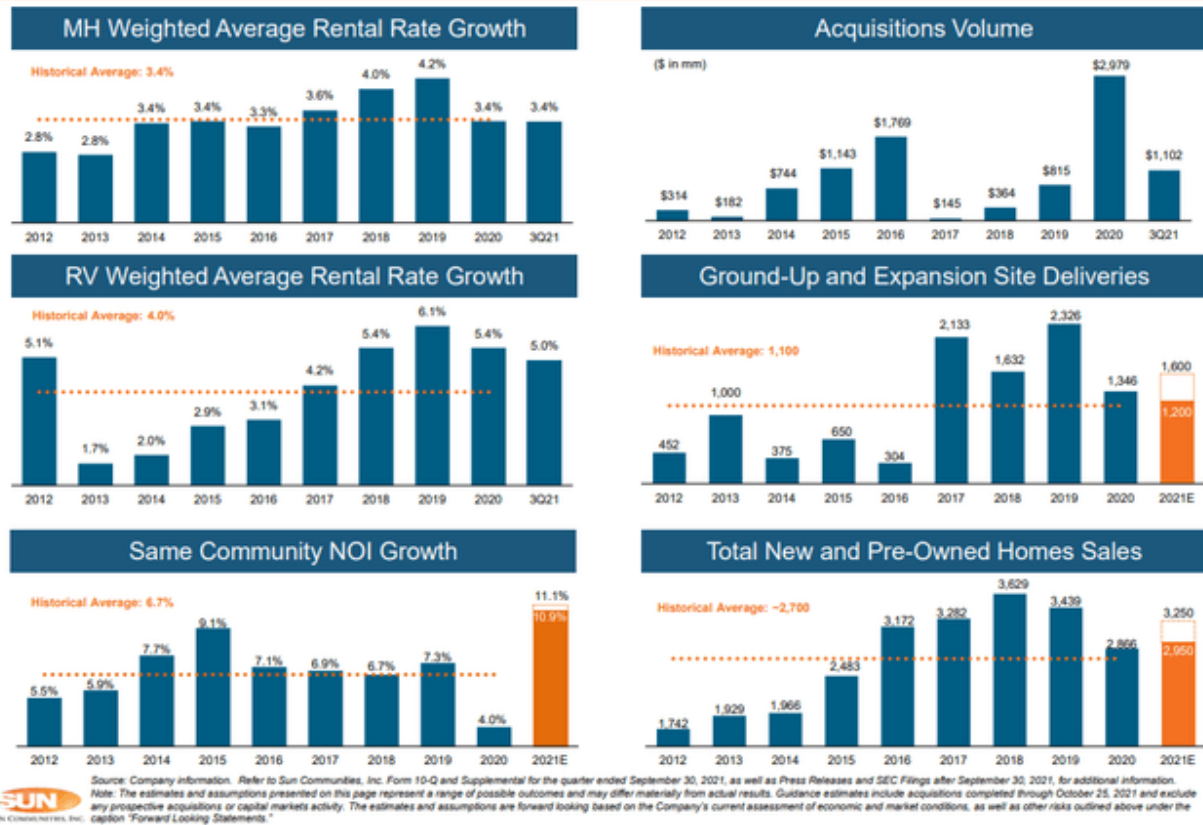


Figure 7 Sun's Internal and External Operational Growth

Gary Shiffman, the company's CEO, believes that more accretive acquisitions are in its near future. He stated in Q3 Statement

"We are pleased with our third quarter results which highlight successful execution across all of our growth strategies. The RV segment continues to deliver strong results producing same community NOI growth of nearly 31 % in the quarter, as we benefit from the demand for outdoor experiences coming from existing and new Sun customers. As the leading industry consolidator, we have completed \$1.1 billion of acquisitions year-to-date, and believe our cycle tested ability to create value through acquisitions will continue to result in accretive growth. We have remained active in the capital markets to support this growth including completing our second bond offering of the year. Our talented team will continue to execute on opportunities across operations, acquisitions, expansions and ground-up developments, providing us with a confident outlook." (Sun Communities, 2021)

Location

At the moment, there are roughly 78.8 million camping homes in the US. The charts that follow show camping patterns in both Canada and the United States. The South, Midwest, and Northeast regions' ongoing rise during the past five years is noteworthy. (Michelle LaRocca Stacey Dangel, 2022)

RESIDENTS WHO CAMP AT LEAST OCCASIONALLY, BY REGION [2014-2018]

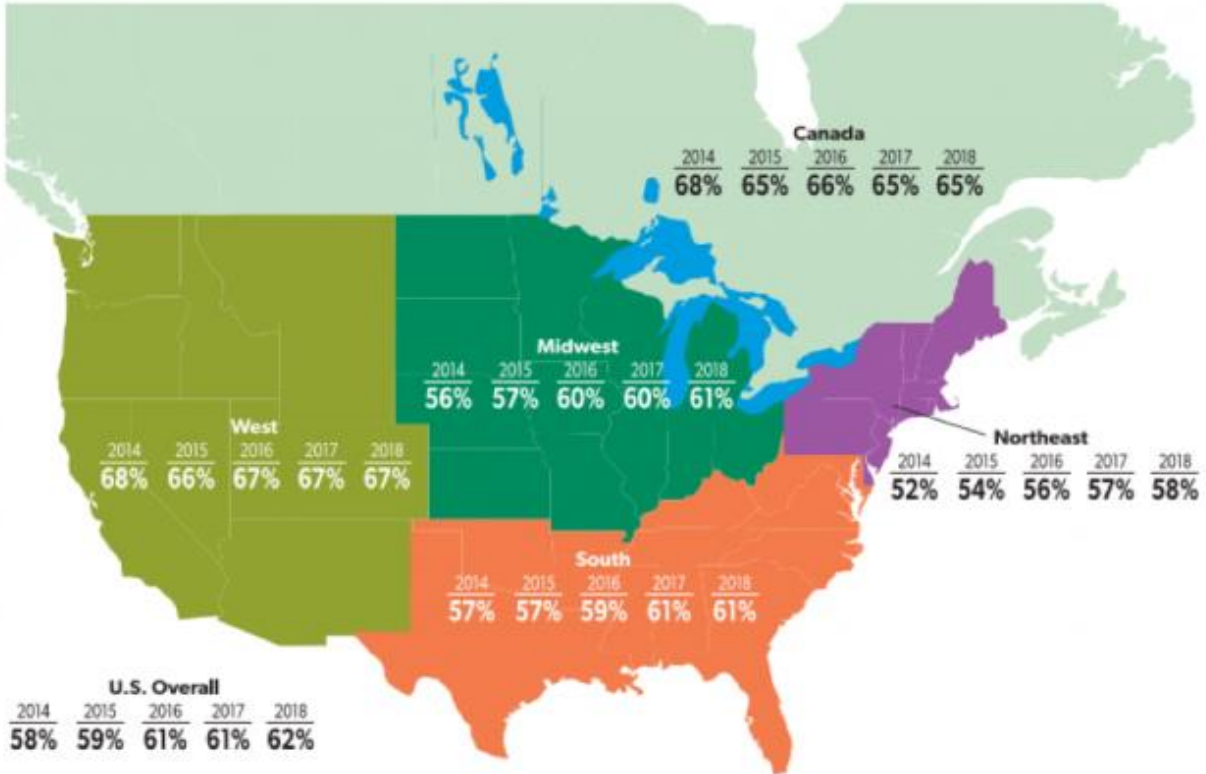


Figure 8 Residents who Camp At least Occasionally – KOA

Concentrated business areas for the campground and RV park sector are determined by three variables: population density, climate, and accessibility to a point of attraction. In densely populated locations, the industry typically experiences growth. The states with the highest concentration of RV parks are California (7.8%), Texas (7.7%), and New York (5.3%). The Southeast as a whole has the largest percentage of RV parks and campgrounds (18.9%). Campgrounds in colder regions often operate seasonally, while businesses in warmer regions profit from year-round tourist traffic.

Business Concentration in the United States

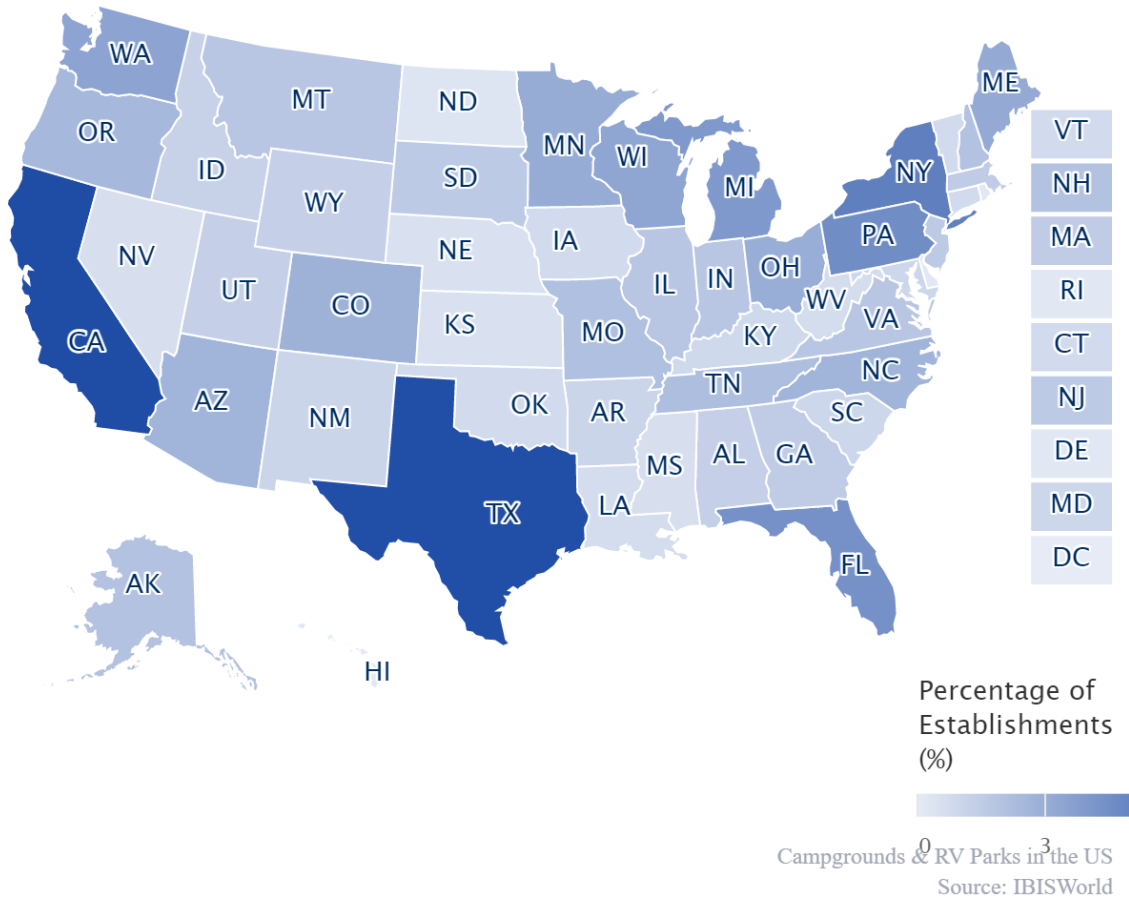


Figure 9 Business Concentration in the United States – IBIS

Successful real estate investors make the most of their geographic advantages, whether they are close to national parks, famous sites, lakes, or forests. More industrial establishments are located in states like Alaska, Arizona, Colorado, Montana, and Washington than there are people living there. For instance, despite having less than 1% of the US population, Maine is home to 3.2% of all industrial operations. Acadia National Park, which lies in Maine and was the first national park east of the Mississippi, is well-known. The proximity of this park to Boston (264.0 miles) and New York City (492.0 miles) may account for Maine’s high concentration of industrial businesses. (IBIS 2022)

Distribution of Establishments vs Population

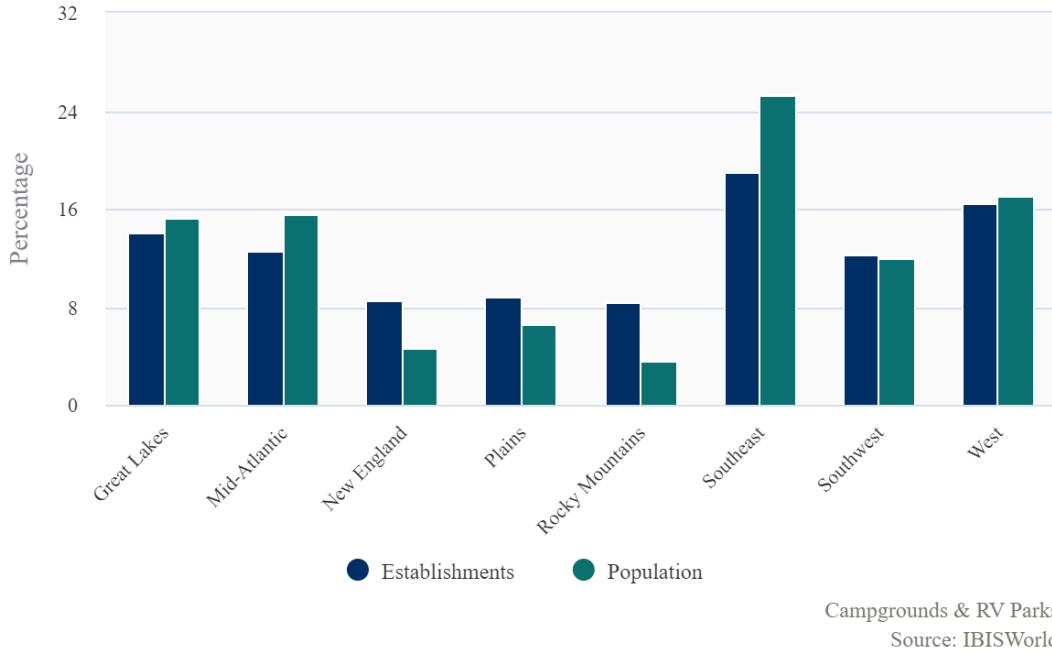


Figure 10 Distribution of Establishments vs Population

According to National Association of RV Parks and Campgrounds (ARVC) survey, camping is a popular weekend trip and the typical travel distance from home to a camping destination is between 51-150 miles. (ARVC, 2019)

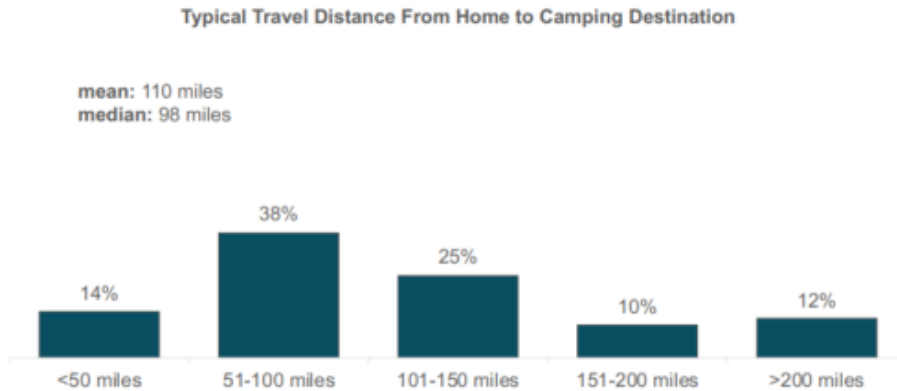


Figure 11 Typical Travel Distance from Home to Camping Destination

Segmentation

As shown in Figure 12, Full-time, long-term, and short-term are the three main segments that real estate investors could target. Permanent residents who choose to live year-round in a caravan located in an RV Park, as well as travelers who live permanently in their motorhome or trailer but travel around, are both considered full-timers. People choose to live there for a variety of reasons, including lower costs, convenience, location, access to amenities, safety, and proximity to family and friends. Full-time

travelers, on the other hand, do not have a permanent traditional house and choose a nomadic lifestyle that allows them to enjoy freedom on a constant basis.

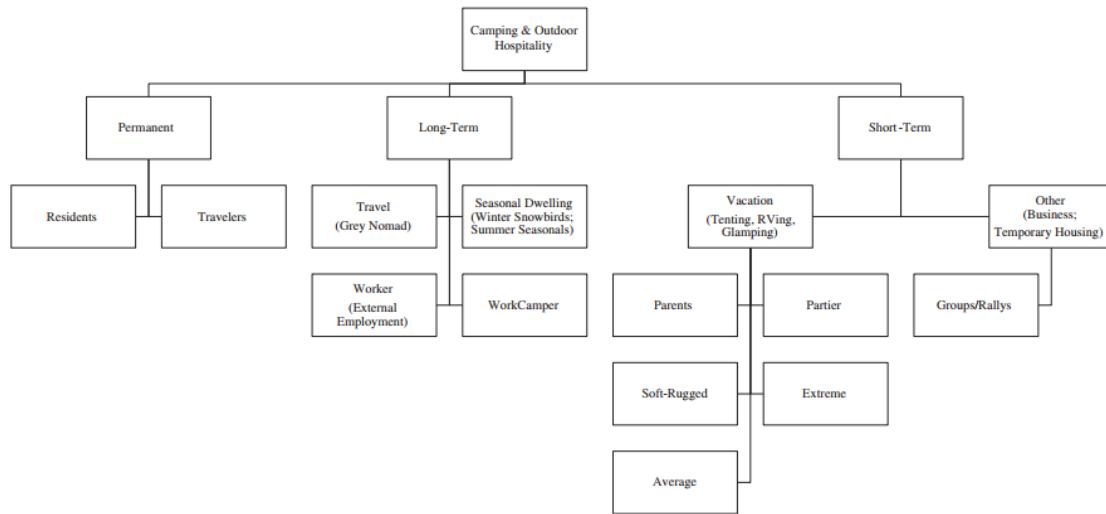


Figure 12 Overview of the numerous segments and sub-segments

Long-term occupancy refers to the habitation of a campground site on a seasonal basis. Seasonal campers are distinguished from permanent campers in that they possess their own house and travel large distances in pursuit of joyful experiences and warm weather. Snowbirds in the United States travel for up to five months to escape to warmer temperatures, yet they stay in the same place once they arrive at their seasonal destination. Individuals park their caravan or RV at a specific spot and return to that site annually for holidays and weekends throughout the summer months, which is known as seasonal and long-term camping. Workers employed in local industries who choose to reside temporarily within RV parks due to location, availability, and cost are among the non-traditional long-term sectors. In the United States, “work-campers” are paid part-time by an RV park to perform maintenance and administration tasks in exchange for an RV site and access to amenities. Currently, more than 1 million Americans live in RVs permanently. Rving is becoming increasingly popular. Four out of ten campers are more interested in becoming full-time after the epidemic, according to the 2020 North American Camping Report. One in ten infrequent campers is thinking about living in an RV full-time.

According to a conversation with Yoel Kelman, co-founder of Three Pillar Communities, the main group of individuals living in permanent RV parks are temporary construction workers, nurses, military personnel etc. These parks are commonly found in the South, such as in Texas and Florida. These types of RV parks with longer-term occupancy have drawn the attention of institutional investors. In addition, there is a lot of attention to how these real estate assets could potentially help solve the housing affordability crisis (Kelman, 2022). The states of Texas, Florida, and South Dakota legally allow people to live in RVs permanently, such that tenants can use it as their permanent domicile, which means Rvers can register the RV park address for administrative purposes such as their license and insurance requirements. Oregon has also recently passed a law to allow people to live in RVs permanently in 2021. Other states, such as California, are popular for RV living as well, but most RV parks only allow 11 months of stay according to local and state regulations. The maximum stay in Washington state is 6 months.

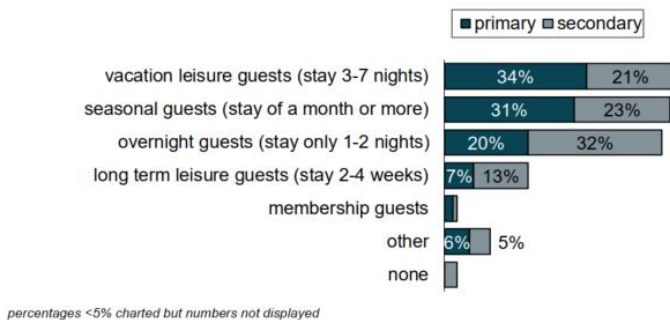
Short-term campers have limited time to enjoy an outdoor hospitality experience, which necessitates weekend or vacation travel. They are likely to seek out all types of lodging when looking for somewhere to rest, relax, and revitalize. In a survey conducted in the United States, vacationing campers were divided into five categories: parents, partier, soft-rugged, extreme, and average. Outdoor hospitality is viewed by parents as a cost-effective travel choice that allows families to spend quality time together while also providing children with access to outdoor recreational activities. The ‘partier’ views camping as an opportunity to carouse, have fun, attend special events such as music festivals, and socialize with friends. The “soft rugged” are senior campers who use recreational vehicles, caravans, and cabin accommodations as homes away from home to avoid the annoyances of traditional camping. Extreme campers, also known as Spartans, are primarily male hard-adventurers who seek out primitive, intense, and tough wilderness experiences while avoiding commercial OHPs. Camping and outdoor hospitality are regarded by the “ordinary” sector as a custom that incorporates the outdoors, a campfire, a tent, and socializing. Nonetheless, this mainstream group desires comfort, highlighting the paradox that underpins the modern camping experience—the desire to recreate in the outdoors while also having access to modern conveniences.

Caravans are another short-term sub-segment in which a group of like-minded people travel and camp together. They range in size from tens to thousands of units, demonstrating the population’s socialization. Those in need of temporary lodging for personal or commercial reasons; weddings; meetings and conferences; and day-use recreation are among the non-traditional short-term categories. (Brooker & Joppe, 2013)

The most frequent primary guest types at reported parks/campgrounds are vacation leisure guests (those who stay 3–7 nights), followed by overnight guests. Long-term leisure visitors and members are far less frequent. It can vary based on location. For instance, parks and campgrounds in the West are less likely to record seasonal visitors as their main tourist type than those in other regions.

Primary/Secondary Guest Composition

What best describes the *primary* [*secondary*] guest composition at this park/campground?
 base (unweighted): 288 qualified respondents; those in each segment



Guest Composition	Northeast		Midwest		South		West	
	primary	second-ary	primary	second-ary	primary	second-ary	primary	second-ary
vacation leisure guests	40%	22%	30%	15%	26%	23%	40%	23%
seasonal guests	37%	30%	33%	15%	44%	18%	14%	28%
overnight guests	19%	41%	21%	34%	14%	25%	26%	28%
long term leisure guests	0%	5%	6%	15%	6%	21%	12%	12%
membership guests	2%	1%	8%	1%	0%	0%	0%	2%
other	2%	0%	1%	8%	10%	4%	8%	8%
none		1%		6%		5%		0%

□ =20% - 29% □ =30% - 39% □ =40%+

Figure 13 Primary/Secondary Guest Composition – ARVC

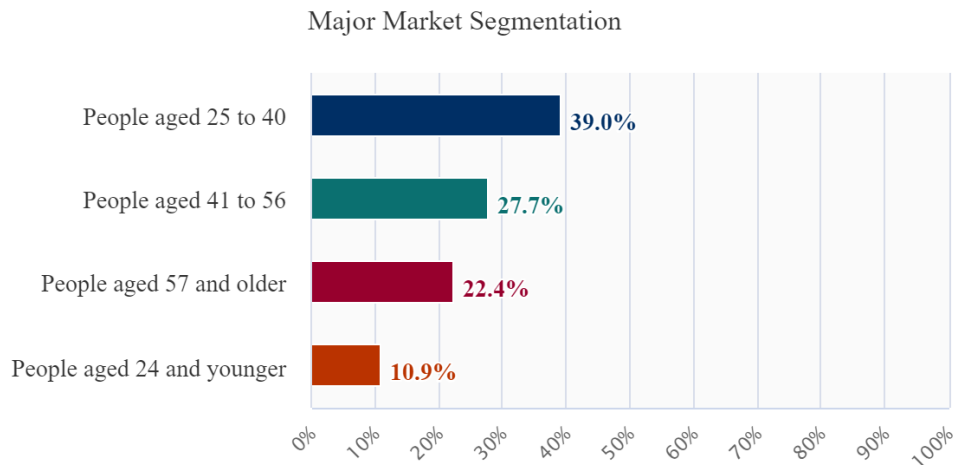
Typology

It is important for real estate developers to have a clear strategy to target their client group as different groups have varying demands for amenities and privacy. “Generation” is an important category into which the camping industry can be divided. Some of the most pertinent information for comprehending and forecasting camper behavior is provided by this variable. Additionally, being aware of these groups’ preferences enables one to anticipate future camping requirements. Camping in the US is most popular among Baby Boomers, millennials, and generation Z. The trend is that older campers (such as the Mature and Baby Boomer Generations) are replaced by younger campers (such as the Millennials and Generations X + Z). This growth is anticipated to continue.

From the CBRE Report, the increase in yearly camping households and the increasing frequency of camping are the main factors driving growth. As older campers (such as the mature and baby boomer generations) are replaced by younger campers (such as the Millennials and Generations X + Z), this growth is anticipated to continue. RVIA Go Rving RV Owner Demographic Profile found that the number of households with an RV has reached a record high of 11.2 million, with households with RV ownership split almost evenly between those over and under the age of 55. There has also been significant growth among consumers between the ages of 18 and 34, who now account for 22% of the market. Incredibly, 9.6 million households plan to purchase an RV in the next five years. The percentages for Millennials and Gen Zers who intend to purchase another RV in the next five years stand out, with 84% of those aged 18 to 34 planning to do so and 78 % preferring to purchase a new model. (RVIA 2022)

The frequency and location of campers' decisions are increasingly influenced by their life stages and major life experiences. Events like getting married, starting a family, and retiring, among others, have an impact on how people camp and the kinds of lodgings, services, activities, and facilities they look for or anticipate. (CBRE 2019)

The popularity of camping and the use of RVs as a mode of transportation is correlated with the demand for the services provided by this industry. A significant population for campgrounds and RV parks is adults 50 and older. The demand for RV parks and campgrounds has increased as the US population has aged more gradually over the past five years as more people have approached or entered retirement age. The number of people aged 50 and older is anticipated to rise over the next five years, which will further boost RV sales and other industry-related revenue.



2022 INDUSTRY REVENUE

\$7.1bn

Campgrounds & RV Parks
Source: IBISWorld

Figure 14 Major Market Segmentation

Generation Z (Age 24 and younger)

In 2022, it is predicted that this category will provide 10.9% of the total industry revenue. Since the majority of people in this age group are in college or have recently graduated, the summer and spring are the seasons when they will be traveling the most. For young people who wish to spend their spring and summer breaks with friends and family, campgrounds and RV parks have long been popular vacation spots. The fact that this group does not have the most disposable income, making travel and vacations more expensive for this group, makes this section the smallest of the others. This sector of the industry has expanded over the five years leading up to 2022, with a minor resurgence in college enrolment in response to the COVID-19 (coronavirus) pandemic.

Millennials (Age 25 to 40)

Revenue from campgrounds and RV parks is thought to come from this particular group of campers counted for 39.5 %. The majority of people in this age bracket have already completed their undergraduate degrees and hold full-time jobs, providing them with more disposable income to use for travel. Additionally, the majority of people in this age bracket will be married with children, which will increase the demand for vacation time. For young families who prefer to spend time outside and enjoy the added benefits of being able to walk, fish, and swim, campgrounds and RV parks are popular venues. Additional attractions like free Wi-Fi and music festivals have also encouraged this demographic. Over the previous five years to 2022, this sector of the economy has expanded.

As was previously mentioned, younger campers represent the most aggressive growth sector for the camping industry, making it crucial to comprehend their behavior. Children play a significant role in the experiences of Millennial families, and while the majority claim that their parents introduced them to camping, one in five said that this was because it was a great way to travel with kids. They have a higher propensity to identify as lifelong campers. According to the survey of CBRE, typical camping companions are partners or kids.

The sector is set to undergo some significant changes as more and more young people are introduced to camping. Glamping, which will be discussed more in the Glamping Section (Appendix), is a well-liked camping style that not only draws new campers but also Millennial campers who are seeking out novel experiences. According to this new hybrid, the current distribution of overnight accommodations may change in the near future, with an increase in cabin and a drop in "rustic tent." This will be introduced more in a later chapter.

Younger campers are driving change in the campsite industry, but societal trends and technological advancements are also having an impact. The desire to experience something "near to nature" is expanding, but how one defines that may differ from camper to camper. (CBRE 2019)

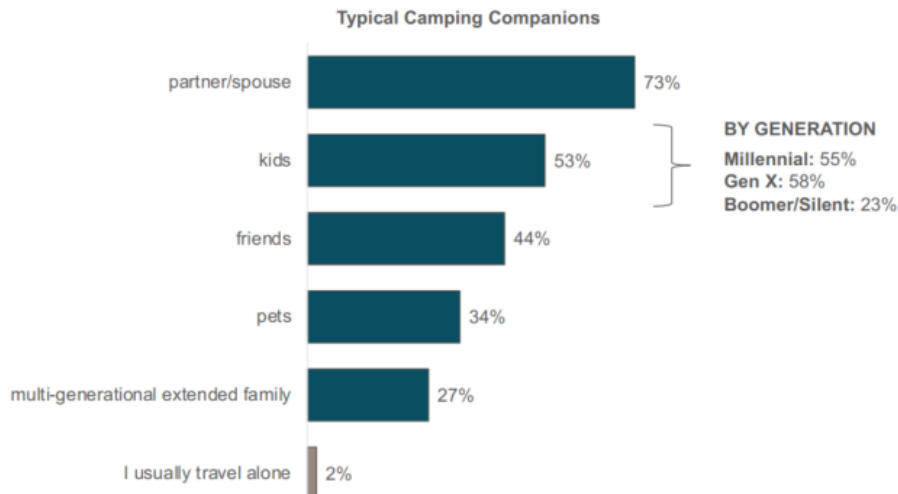
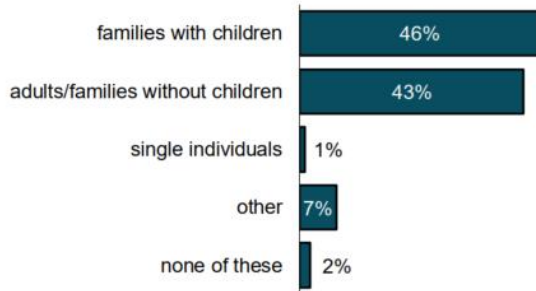


Figure 15 Typical Camping Companions

This can also be seen from Typical Guest: Family Demographic. Families with children (46 %) and adults/families without children (43%) are the two most frequently stated familial demographics for a typical guest. Only 1% of respondents are single. There are some regional variations in the demographics of the guests. For instance, parks and campgrounds in the South and West are more likely to list adults and families without children as the average familial demography of their visitors than those in other regions.

Typical Guest: Familial Demographic

Which of the following best describes your typical guest/group reservation at this park/campground?
 base (unweighted): 288 qualified respondents; those in each segment

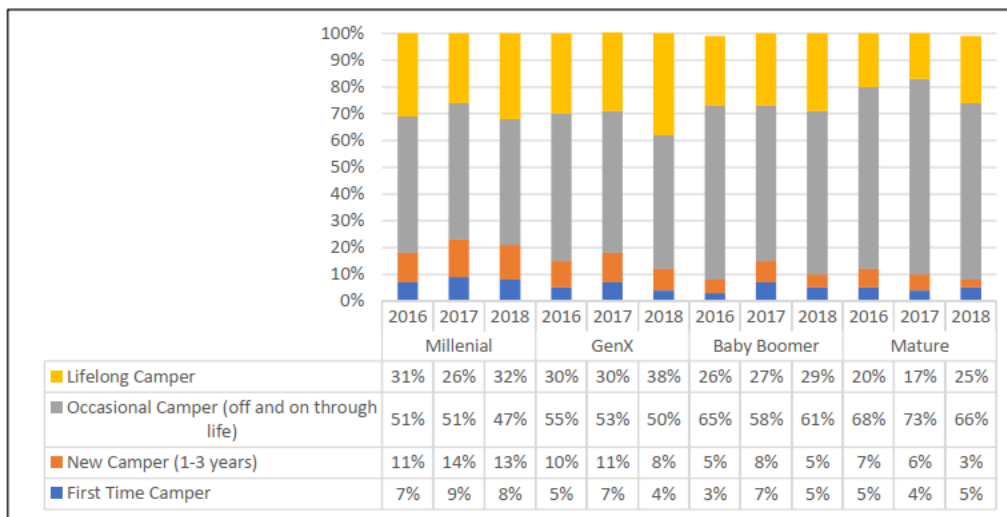


Typical Guest: Familial Demographic	Northeast	Midwest	South	West
families with children	75%	59%	36%	25%
adults/families without children	24%	28%	52%	59%
single individuals	0%	5%	0%	0%
other	1%	3%	11%	12%

=20% - 39%
 =40% - 69%
 =70%+

Figure 16 Typical Guest: Familial Demographic

In other words, those who begin camping at a young age prefer to do so for the rest of their lives. Understanding today's novice camper should help us better understand tomorrow's seasoned camper. Younger campers are more inclined to believe they will always camp more than previous generations. Lifelong campers are required to continue their camping lifestyles by definition, and ensure stable demand for the sector for their entire lifetimes. If the pattern is considered to be permanent, and Generation Z continues the trend of campers observed in the Millennial and Generation X (GenX) generations, the general demand should remain stable for (GenZ) and succeeding generations.



Source: Cairn Consulting

Figure 17 Campers Identity as Lifelong or Casual Campers

Generation X (Age group of 41 to 56)

In 2022, it is predicted that this category will generate 27.1 % of industry revenue.

Customers in this age group who camp and use RV parks often have more free time and money to travel. Furthermore, those over the age of 45 make up more than three-fifths of the market for campgrounds and RV parks. RV Industry Association (RVIA) statistics show that the average age of RV owners is 48. Furthermore, those between the ages of 45 and 54 often have the highest earning potential, but many of them are still raising young families and have a long way to go before retiring.

Baby Boomers & Mature Group (Age 57 and above)

In 2022, it is predicted that the population over the age of 55 will account for 22.4% of industrial income.

The industry's fastest-growing category is anticipated to be this one. Vacations in campgrounds and RV parks frequently require lengthy commitments. According to the Recreational Vehicle Dealer market analysis by IBISWorld (report 44121), RV owners travel 4,500 miles on average annually and take trips that last 28 to 35 days. According to the RVIA, nearly one in ten RV owners is over 55. Although this group is nearing or has reached retirement age, they still have a high degree of disposable income and a lot of free time.

Within this demographic, a sizable portion of industry demand is made up of travelers 65 and older. The first members of the baby boomer generation have already migrated to this group. The number of people aged 65 and older is anticipated to rise over the five years leading up to 2027. As people in this age group live longer, more seniors will want to go camping or take RV vacations. As people in this age group have been proven to be at a higher risk of catching the virus and having a comparatively more serious case of it, the COVID-19 (coronavirus) pandemic halted these trends. Nevertheless, with additional immunizations and limitations being eliminated starting in 2020, demand in this market is anticipated to increase over the next five years.

Financial

The financial return is a main matrix for real estate investors when consider the campground business. Compared to most other commercial property categories, RV parks often offer a higher return on investment. The majority of sources state that investors can anticipate a 10–20% return on their first real estate investment in an RV park. As a result, buying an RV park is a good choice for investors who want to get the most out of their money.

Real estate developers considering a market entry need to understand how different KPIs are from conventional hospitality investments. Lower revenue per square foot than traditional hospitality facilities must be used to offset the expense of land. Sellers of camping developments might set their pricing based on the cost of building hotels on nearby land, which would make them too expensive for camping units to be successful.

The vacation park's location and proximity to its amenities should also be taken into consideration, as should density (measured in square meters per bed or mobile home). Glamping concepts provide a wide range of amenities, which makes using a tent different from visiting a less expensive vacation resort from both an experiential and financial one.

According to Lanotte, the potential creators of glamping concepts should examine the fact that their product life cycles and business models are different from those of conventional hospitality real estate classes when determining profitability. Cabins, for instance, don't always have to be viewed as pure CAPEX projects because they may be renovated and often have residual value after being sold on the secondary market. (Julie, 2021)

Renting out spaces is how an RV park makes the majority of its money. Additionally, it might feature a small store with supplies for camping, non-perishable food, and other things that campers would need. Ice is a common product, therefore adding an ice freezer will increase revenue for the company.

The cost per night is influenced by the amenities, the RV park's location, the site's location, and the type of site. Sites may range in price from \$10 to over \$100 per night. The cheapest campsites would be the basic ones, while those with WiFi, water, and electricity hookups might be more expensive. In order to pay the cost of these amenities and their upkeep, the campsites must charge a bit more each site if it offers amenities like a pool, recreation center, playground, and others.

Location

It is essential to consider target clients when real estate investors to acquire land. Just like with other types of real estate, location is the key element. Real estate developers may choose whether to target tourists or residents. RV park target tourism usually gets a higher return, as ROI normally goes about 10-20%. If to target tourism, location close to nature or things to do around are crucial, such as close to national park, hiking, fishing... This is especially important for glamping compared to traditional camping, as most people go there for fun and experience. If not close to national parks that attract tourists being there specifically, 1.5 hours' drive from city is usually a good rule.

For developers targeting people staying long term or snowbirds, being close to the city, grocery and gas stations are usually needed. There are more people and families with children working remotely side by side after the pandemic. Therefore, a larger living space is demanded. For example, Texas housing prices are increasing, so more families are moving into RVs before finding a permanent place to live in. Tampa, Florida; Austin, Texas; Atlanta, Georgia; and Portland, Oregon are all excellent destinations for extended stays.

Whether to build or rent also depends on the land location and the competition around it. If a developer could find a land at below market rate in a booming area with restricted supply, more benefits could be made than buying an existing park. In Texas, the average cost for building an RV pad is about \$15k to \$35k depending on whether it's a gravel or concrete pad and driveway. Almost half of the cost is spent on infrastructures such as roads, driveways, pad sites, utilities, and landscaping. (CREX, 2021)

Size

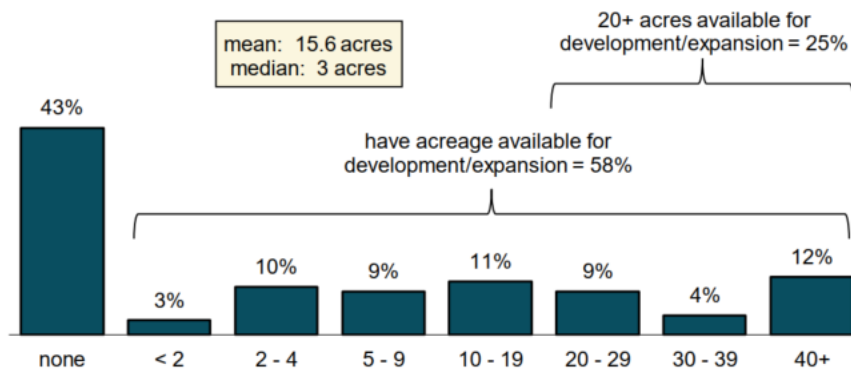
A good rule of thumb is to buy more than 10 acres with at least 100 pads on it for economies of scale. This would give developers flexibility to hire property management companies, which charge on average 8% and still have a reasonable profit margin.

From ARVC data, the average park or campground is 25 acres. In comparison to other regions, the west has a lower median acreage. The South and West tend to have parks and campgrounds with the least amount of land available for development/expansion, which could be challenging to develop but allows developers to find an edge if they could find appropriate land in these scarce places.

Acreage Available for Development/Expansion

Approximately how many acres are available for additional development/expansion?

base (unweighted): 280 qualified respondents answering; those in each segment (fill-in answers)



Acreage Available for Development/Expansion	Northeast	Midwest	South	West
40 or more	15%	14%	16%	6%
30 - 39	7%	5%	1%	4%
20 - 29	14%	11%	9%	4%
10 - 19	22%	9%	8%	8%
5 - 9	7%	17%	1%	12%
2 - 4	5%	6%	14%	12%
less than 2	1%	0%	0%	8%
none	31%	38%	51%	46%
mean	21.2	13.9	20.5	7.8
median	10	5	0	1

=15% - 29%
 =30% - 49%
 =50%+

Figure 18 Acreage Available for Development/Expansion

Permitting

According to Diana Garcia, an associate at the Nadi Group, RV park zoning varies according to the municipality. It may be a special use case, recreational grounds, or even defined as agricultural use within some states. (Diana, 2022) In some parts of Texas, the zoning can be unrestricted, but it might also lead to competition as it's easy for landowners to put some tents in their backyard and turn it into glamping.

Permitting may be hard to get if the site is too close to nature as it conserves. Developers need to work together with the local community, consider their needs, and make a concerted effort to protect the local environment.

In Joshua Tree, Autocamp expands on its success story by bringing people closer to nature and, more importantly, by fostering peaceful coexistence with it. The 55-unit resort in Joshua Tree, which spans 26 acres, intends to re-vegetate the land with native cactus, Joshua trees, and other vegetation after construction is finished in order to stay loyal to this goal. Other initiatives include reducing the amount of indoor space that requires air conditioning; using less water; avoiding irrigation through xeriscaping; treating water on-site; heavily relying on solar power (a 23-kilowatt solar system); and installing lighting that is dark sky compliant in order to preserve views of the night sky.

Even though Autocamp makes a concerted effort to improve the neighborhood, not all residents are happy with its plans for development. Autocamp abandoned a request for a 19-acre rezoning modification in Sedona, Arizona, in May 2021 after local opposition to the development. The owner intended to build 85 Airstreams along with a 4,500 square foot clubhouse next to a national forest. The Keep Sedona Beautiful Organization expressed concerns about the environmental impact of such a development, particularly for property next to wilderness, citing concerns about fire risk and long-term harm to biodiversity.

When Under Canvas planned to build a 75-tent campground on 210 acres next to Canyonlands National Park in San Juan County, Utah, the locals there voiced a similar objection in June 2021. One of the community's worries was that this expansion would put pressure on rural areas away from developed towns and cities, which finally led to the creation of a petition opposing it.

Under Canvas's business strategy is centered on encouraging outdoor travel, with a heavy emphasis on locations close to national parks. In addition to their work promoting environmentally conscious and immersive travel, Under Canvas also has a positive social impact on the neighborhood, particularly through fostering job growth and assisting neighborhood restaurants, shops, and farms. The Utah School and Institutional Trust Lands Administration has a land lease agreement with the business at each of its four Utah locations (SITLA). As part of an existing agreement with SITLA for each store, Under Canvas pays the land trust \$100,000 annually in addition to 5% of total sales. The glamping operator complies with state regulations, and SITLA then uses these funds to support Utah's public schools.

Upstate New York's Firelight Camps regularly participate in lengthy discussions with the local community while also advocating for a sustainable method of growth. The glamping business owner had previously abandoned a project in Sullivan County, New York, because of a number of entitlement and permit concerns. As part of its current development strategy, Firelight wants to minimize any further environmental impact by renovating an existing, underperforming campsite in Phoenicia, New York. For the 80-unit glamping facility on a former 57-acre campground in Phoenicia, New York, the group was granted a special use permit and site plan approval in June 2021. The project received high marks from the Mid-Hudson Regional Economic Development Committee for being "Regionally Significant" and meeting the state's priorities for environmental justice and the workforce.

Local communities in beautiful and remote areas are gaining more voice and requesting land preservation measures from the new developments on the horizon, much like the drawn-out entitlement processes in places like California, where neighborhood character and the protection of public resources are of the utmost importance.

License

To get a permit, there are some departments that need to be checked with, including water, sewer, septic and construction licenses. Keep in mind that different jurisdictions have various rules and specifications for RV parks. More crowded cities will typically have stronger regulations than less populated areas, similar to other types of real estate development. Whether or not it is required by law, many parks make an effort to follow NFPA 1194, the standard for RV parks developed by the National Fire Protection Association. Some insurers can have requirements that parks must meet in order to receive discounted rates.

Seasonality

Developers also need to consider seasonality which has a big impact on outdoor hospitality as some parks can only open half year due to cold weather or extreme heat. Main season months differ from regions. The majority of reported parks and campgrounds in the South have a main season that runs from January through December, but those in other regions have bell curve forms with peak seasons in the summer (especially strong in the Northeast and Midwest).

Main Season Month(s)

What months are included in the main season(s) and shoulder season(s) for this park/campground, and in what months is it closed?
 base (unweighted): 288 qualified respondents; those in each segment (multiple answers)

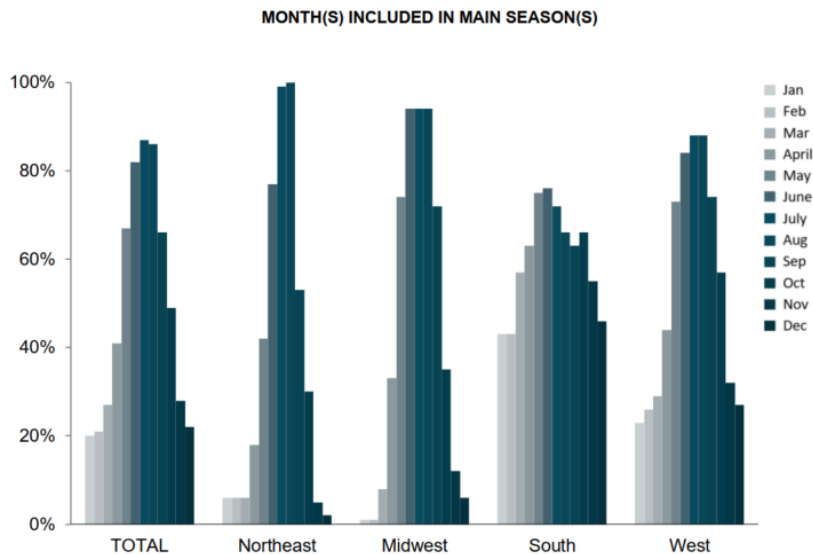


Figure 19 Main Season Month

The most frequent shoulder season months in the Northeast are April through May and September through October. The two shoulder seasons that are most frequent in the Midwest are April and October. With the exception of a large decline from June to August, the proportion of parks and campgrounds reporting shoulder season months is more moderately steady throughout the year in the South and the West.

Shoulder Season Month(s)

What months are included in the main season(s) and shoulder season(s) for this park/campground, and in what months is it closed?
 base (unweighted): 288 qualified respondents; those in each segment (multiple answers)

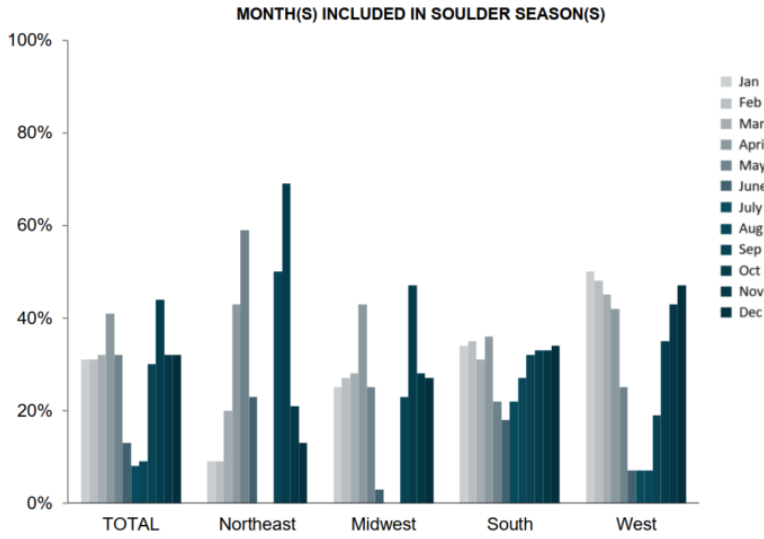


Figure 20 Shoulder Season Month

In the Northeast and Midwest, most parks and campgrounds are closed from January through March and from November through December. In the same months, albeit to a much lesser extent, the majority of parks and campgrounds in the West and South are closed.

Month(s) Closed

What months are included in the main season(s) and shoulder season(s) for this park/campground, and in what months is it closed?
 base (unweighted): 288 qualified respondents; those in each segment (multiple answers)

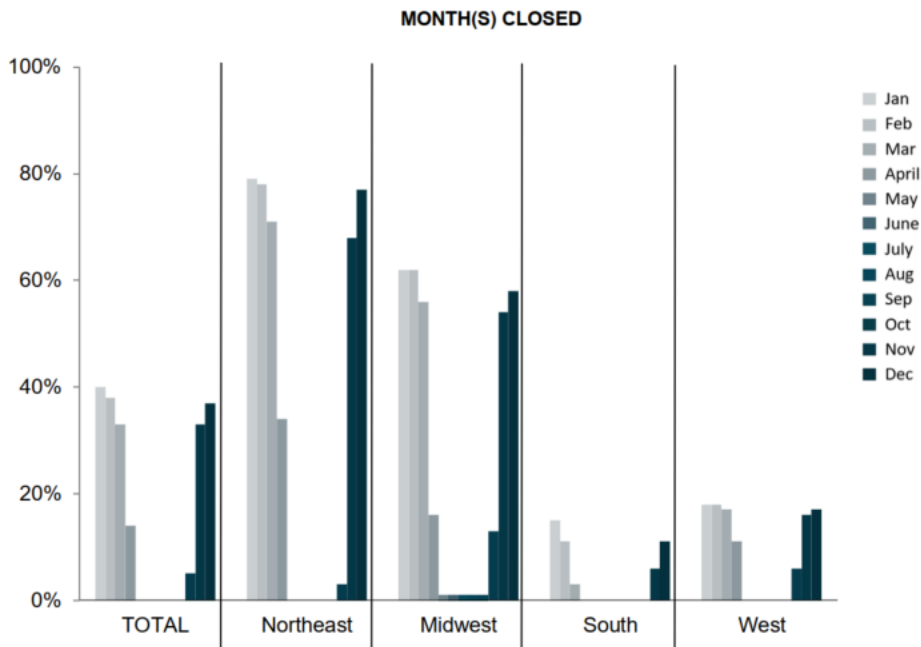


Figure 21 Month Closed

Infrastructure

10 pad sites per acre is a fair guideline to keep in mind, with each pad site having space for one RV, its utility connections, and one or two extra vehicles. The construction of park models, cabins, or compact residences has been more popular in recent years. Since they have wheels but stay in the park, they are legally categorized as RVs. Additionally, it will be crucial to construct offices for the staff.

Although prices will vary greatly, developers should expect to pay between \$100 and 550 per square foot, which can cost about \$150K for a 5,000 square foot space with a staff office and reception. Developers should also think about providing bathrooms and enough water pressure for visitors to the RV park.

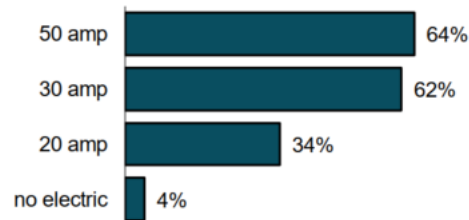
The typical (mean) reported park/campground offers 50-amp electrical service at 64% of its sites; 30-amp electrical service at 62% of its sites; 20-amp electrical service at 34% of its sites; and no electrical hookups at 4% of its sites.

In comparison to parks and campgrounds in other regions, the South typically has a higher proportion of sites with access to 50-amp service.

Proportion of Sites Electrified: Mean Summary

What percentage of this parks/campground's sites are electrified with 20-, 30- or 50-amp service?

base (unweighted): 288 qualified respondents; those answering for each (fill-in answers)



Proportion of Sites Electrified: Mean Summary				
	Northeast	Midwest	South	West
50 amp	42%	68%	86%	59%
30 amp	56%	58%	60%	70%
20 amp	29%	36%	37%	36%
no electric	7%	2%	2%	6%

=35% - 59%
 =60% - 79%
 =80%+

Figure 22 Proportion of Sites Electrified

Water

As RV parks are usually on the outskirts of the city, many places don't have city utilities. The average cost per septic tank is between \$10,000 and \$15,000, including drain fields, labor, and piping. Sewer systems usually need to be cleaned every three to five years because RV parks can produce a lot of waste and sewage.

Another element of the septic system will be water. For a water well, the cost per foot might range from \$25 to \$65 if the site is more distant. The price will also vary according to how deep the well needs to be.

Electricity

One of the most crucial services, electricity, should be installed by a licensed electrician. It would be preferable to install 50-amp, 30-amp, 15-amp, and 110/120-volt outlets to suit various types of campers, from modest pop-ups to opulent RVs and fifth wheels. The price of this could be in the \$2,000–\$3,000 range.

Internet and WiFi

Given how many Americans are now working remotely, this is also a crucial component of an RV park. The ability to stream their preferred TV shows, use Zoom for business conversations, and post photos to social media will appeal to visitors. Install fast internet and factor it into the site's price. Depending on the location and speed, internet prices will change. With an initial setup cost of roughly \$3,000–\$4,000, the monthly charge is about \$250–\$500.

Amenities

Parks and campgrounds provide a wide range of amenities; among the most popular are Wi-Fi, laundry, restrooms, and showers. The ideal RV campground has full hookups, accessible sites, and is roomy, private, shaded, and level. A large site allows campers to make the most of their RV, including any awnings or side pop-outs, to the fullest extent possible.

The amenities available vary by location, and it should come as no surprise that the likelihood of a certain amenity increasing with park/campground size (for instance, 19% of parks with fewer than 50 sites/units provide a pool compared to 89% of parks with 200 sites/units or more).

Amenities Offered

What amenities are offered at this park/campground?

base (unweighted): 288 qualified respondents; those in each segment (multiple answers)

Amenities Offered	REGION				# OF SITES/UNITS				
	TOTAL	North-east	Mid-west	South	West	<50	50-99	100-199	200+
WiFi	81%	87%	74%	79%	82%	59%	79%	88%	86%
laundry facilities	80%	87%	77%	83%	75%	56%	79%	85%	95%
restroom/shower facilities	79%	87%	79%	77%	75%	52%	77%	85%	96%
firewood	71%	95%	79%	67%	51%	56%	84%	57%	77%
cell phone service	65%	65%	57%	69%	69%	68%	67%	52%	77%
playground	60%	88%	83%	51%	32%	37%	60%	59%	80%
propane sales	55%	71%	62%	52%	42%	32%	51%	60%	76%
convenience store	54%	74%	68%	43%	40%	26%	47%	58%	84%
covered pavilion area	20%	69%	55%	56%	34%	23%	55%	51%	78%
pool	48%	66%	57%	57%	21%	19%	31%	59%	89%
picnic area	46%	50%	36%	51%	46%	58%	45%	41%	51%
club/meeting room	40%	26%	37%	55%	40%	19%	35%	45%	58%
TV: cable	39%	55%	20%	36%	43%	12%	40%	41%	50%
BBQ grills	37%	34%	31%	38%	44%	35%	41%	34%	42%
waterfront	34%	48%	29%	38%	22%	37%	33%	25%	46%
fenced pet area	34%	34%	25%	42%	31%	19%	26%	36%	57%
recreation hall	32%	44%	31%	40%	16%	11%	20%	40%	65%
arcade/game room	32%	53%	47%	20%	16%	14%	20%	41%	61%
forest access	31%	42%	28%	29%	26%	19%	44%	21%	31%
restaurant/snack bar	30%	45%	35%	24%	21%	21%	20%	30%	61%
library	29%	26%	24%	39%	25%	10%	29%	31%	46%
live entertainment	28%	51%	21%	26%	18%	9%	14%	37%	62%
music	22%	37%	23%	16%	15%	5%	8%	32%	48%
boat rentals	19%	43%	19%	14%	5%	16%	16%	17%	31%
exercise facilities	16%	8%	4%	30%	18%	7%	13%	24%	20%
TV: satellite	13%	10%	11%	16%	12%	5%	10%	22%	12%
hot tub/sauna	12%	18%	9%	10%	12%	0%	4%	14%	35%
bike rentals	12%	8%	16%	14%	10%	2%	12%	15%	18%
vending	11%	11%	18%	9%	7%	0%	9%	11%	23%
golf cart rentals	10%	16%	18%	9%	2%	2%	3%	9%	35%
chapel/religious services	9%	10%	8%	16%	3%	0%	6%	5%	28%
marina	7%	7%	3%	14%	6%	11%	8%	4%	9%
electric car charging stations	4%	4%	5%	0%	7%	2%	2%	8%	4%
gaming/casino	4%	0%	8%	0%	7%	0%	3%	7%	4%
ATV/four-wheeler rentals	3%	1%	1%	4%	4%	2%	1%	8%	0%
day spa facilities	2%	1%	1%	0%	3%	0%	1%	4%	1%
horse facility	2%	0%	0%	5%	0%	9%	0%	0%	0%
other	19%	19%	23%	14%	22%	12%	25%	17%	19%

□ =20% - 49% □ =50% - 79% □ =80%+

Figure 23 Amenities Offered

Similar to this, parks and campgrounds provide a variety of leisure activities, with basketball, horseshoes, hiking and nature trails, fishing, and swimming among the most popular. The availability of specific recreational activities varies significantly by location, as was the case with facilities, and the likelihood that a particular recreational activity will be available rises with park or campsite size.

Recreational Activities Offered

What recreation activities are offered at this park/campground?

base (unweighted): 288 qualified respondents; those in each segment (multiple answers)

TOP MENTIONS*

Recreational Activities Offered	TOTAL	REGION				# OF SITES/UNITS			
		North-east	Mid-west	South	West	<50	50-99	100-199	200+
fishing	47%	71%	39%	53%	29%	40%	41%	46%	73%
swimming	42%	61%	47%	42%	26%	16%	43%	39%	70%
hiking/nature trails	38%	47%	38%	36%	32%	35%	42%	34%	40%
basketball	36%	69%	48%	16%	22%	14%	26%	38%	77%
horseshoes	36%	51%	38%	32%	26%	23%	40%	29%	47%
volleyball	32%	55%	47%	20%	17%	3%	29%	29%	63%
bird watching	31%	33%	29%	28%	35%	28%	31%	37%	32%
arts and crafts	26%	50%	31%	21%	7%	2%	17%	29%	58%
biking trails	25%	34%	23%	24%	21%	10%	31%	20%	37%
canoeing	24%	36%	24%	24%	12%	30%	16%	22%	39%
wildlife viewing	23%	19%	25%	19%	28%	31%	25%	21%	19%
kayaking	22%	30%	25%	24%	11%	23%	18%	20%	35%
boating	21%	25%	14%	30%	13%	19%	16%	20%	31%
sand beach with lake swimming	13%	15%	19%	14%	8%	3%	17%	9%	22%
mini golf	13%	20%	23%	13%	2%	2%	10%	12%	31%
shuffleboard	13%	22%	13%	15%	4%	3%	4%	10%	42%
gaga ball (gaga pit)	12%	16%	32%	5%	1%	2%	7%	14%	28%
paddleboats	10%	25%	16%	4%	1%	7%	6%	9%	24%
bocce	10%	13%	11%	9%	8%	3%	8%	12%	20%
pickleball	9%	11%	5%	7%	12%	2%	4%	11%	23%
frisbee golf	8%	12%	9%	8%	6%	3%	8%	6%	18%
jumping pillow	8%	11%	20%	5%	1%	2%	7%	7%	20%
baseball	8%	23%	8%	1%	3%	0%	8%	3%	22%
senior activities	7%	7%	4%	10%	7%	7%	1%	8%	19%
ATV/four wheeling	7%	9%	10%	5%	6%	3%	9%	9%	4%
tennis	6%	10%	5%	2%	9%	0%	3%	6%	20%
water park/slides	6%	11%	9%	4%	0%	0%	3%	4%	19%
geocaching	5%	5%	10%	3%	2%	2%	9%	1%	5%
golfing	5%	2%	6%	4%	7%	2%	2%	7%	9%
river rafting	4%	4%	1%	3%	6%	0%	6%	4%	3%

=20% - 39%
 =40% - 59%
 =60%+

Figure 24 Recreational Activities Offered

Accommodation Type

In addition to camping sites, more than two-thirds of parks and campgrounds (71%) offer at least one other form of lodging for rent, such as modern cabins or cottages, rustic cabins, park model cabins, modern RV trailers, glamping units, motel or hotel rooms, etc. The Northeast and Midwest, as well as franchised companies, are among those who are more likely to provide at least one of the accommodations on the list.

According to the survey from CBRE, most campers stayed at a tent (65%) or RV (46%). 32% of them stayed at a full-service cabin with a bathroom, and 16% stayed at a glamping or safari tent.

When ranking the camping accommodation likely to be used in the future, a full-service cabin with a bathroom is at the top. From the CBRE figures below, 65% of travelers have used tents, 46% used RVs and 32% stayed at full-service cabins with bathrooms in the past 12 months. However, the full-service cabin with a cabin is the most popular type that people are considering using in the future.

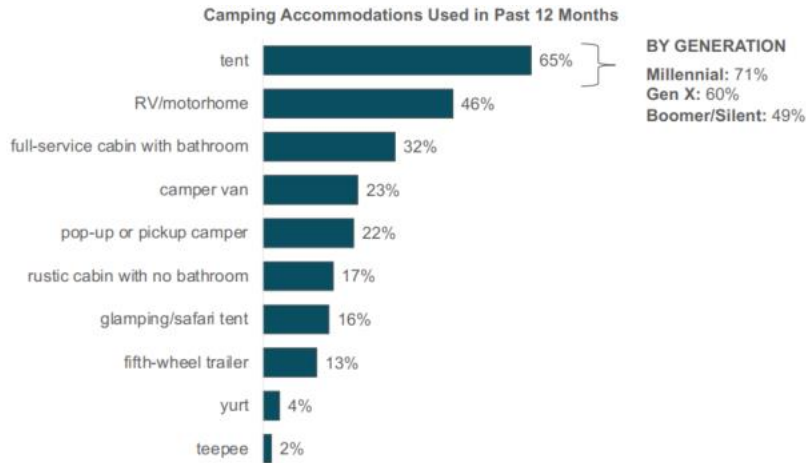


Figure 25 Camping Accommodations Used in Past 12 Months

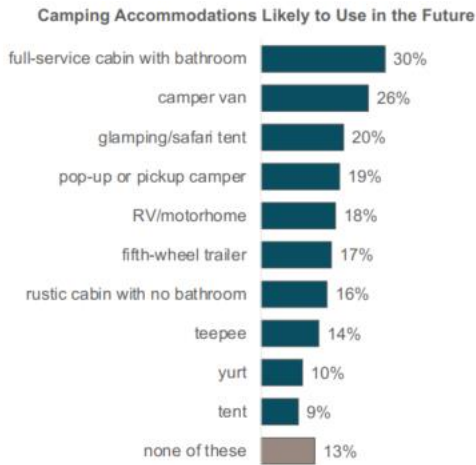


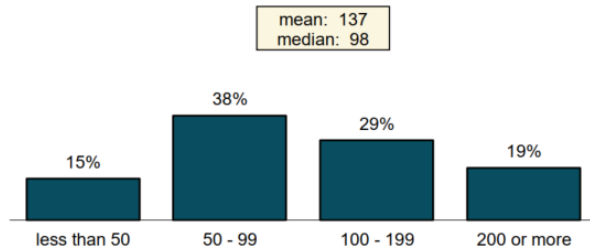
Figure 26 Camping Accommodations Likely to Use in the Future

The normal (median) park/campground has 98 total sites/units in it. Parks with 50–99 units take the largest portion, which is 38%. Those in the Northeast and those that are owned by corporations typically have a higher size.

Number of Sites/Units

How many sites/units are available at this park/campground?

base (unweighted): 280 qualified respondents answering; those in each segment (fill-in answers)



Number of Sites/Units	REGION				OPERATIONAL STRUCTURE		
	Northeast	Midwest	South	West	ind./mem	corp.-owned	fran-chised
200 or more	35%	21%	21%	3%	18%	33%	23%
100 - 199	27%	32%	22%	34%	28%	40%	24%
50 - 99	33%	37%	36%	44%	36%	21%	53%
less than 50	5%	10%	21%	20%	18%	6%	0%
mean	198	145	125	96	128	194	155
median	131	109	88	86	95	152	90

Figure 27 Number of Suites/Units in Campground

Occupancy Rate

The occupancy rate varies according to the type of location or unit. Parks and campgrounds with full hookups reported an average occupancy rate of 69% for these sites in their operating months over the previous 12 months. Rustic/tent camp sites had the lowest occupancy rate, at only 28%.

Rate plans vary greatly depending on the type of site or unit. 55% of reported parks and campgrounds raised their nightly/weekly fees for the main season of 2021 in comparison to 2020. 36% of respondents indicated no change, while only 3% reported declines.

According to a CBRE survey, the average nightly cost for an RV or tent site is around \$77 and \$119 for a cabin or glamping.

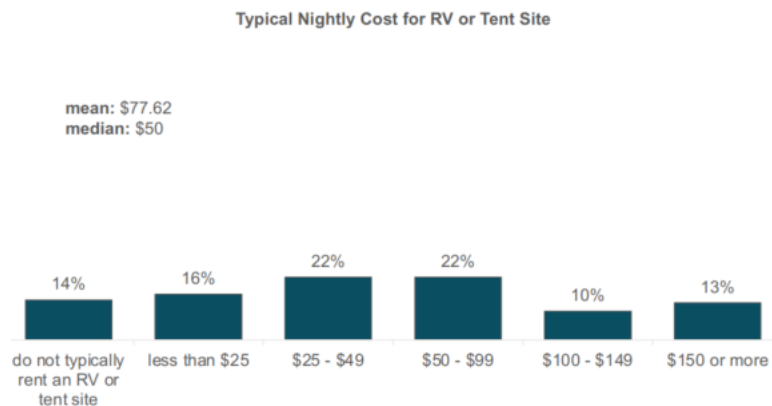


Figure 28 Typical Nightly Cost for RV or Tent Sites

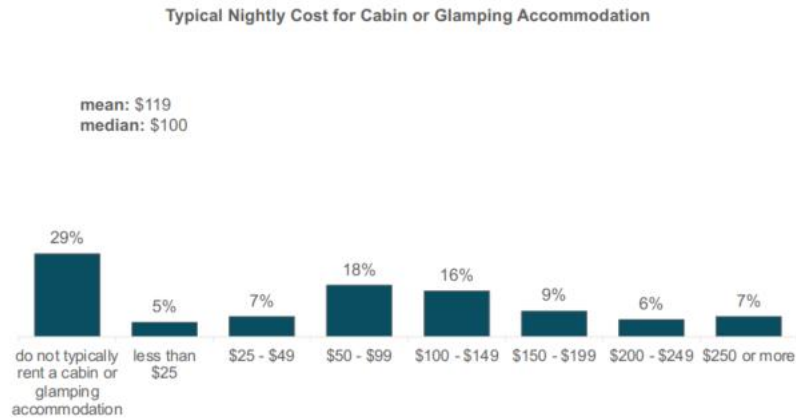


Figure 29 Typical Nightly Cost for Cabin or Glamping Accommodation

The travelers about spend about \$10-\$74 in local community.

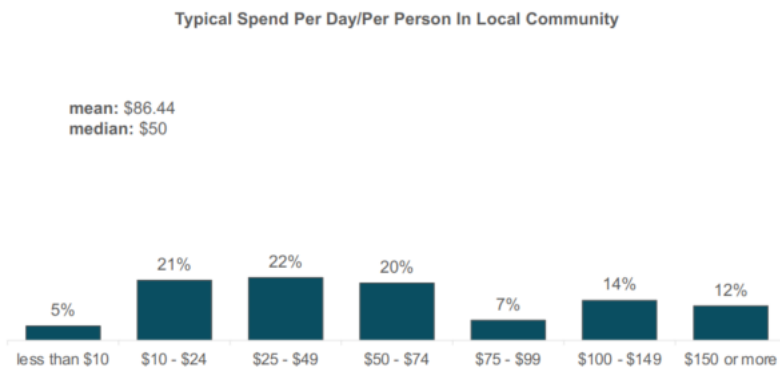


Figure 30 Typical Spend Per Day/Per Person in Local Community

Profitability

2022 Industry Trends and Insights A report from the National Association of RV Parks and Campgrounds (ARVC) shows that in 2021, many parks and campgrounds saw an increase in occupancy. Over half (58%) reported higher main season occupancy in 2021 compared to 2020, which is an improvement from the 40% who reported higher occupancy in 2020 compared to 2019. On the other hand, only 4% of respondents said that attendance at their park or campground declined between 2021 and 2020 during the main season. This was significantly less than the occupancy decline reported by 29% in the 2020 research compared to 2019. (ARVC, 2022)

Operation Different from traditional real estate, campgrounds provide more service to people staying there, especially for short-term staying. It is important for real estate investors to understand the operation side to provide better service for client staying there.

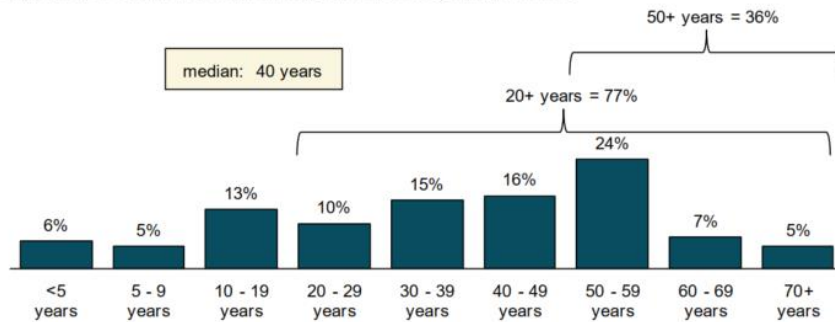
Long Operational Tenure Campgrounds and parks usually have longevity. 36% of businesses have been in operation for more than 50 years, making up the remaining 77% that have been in business for at least 20 years. The median age of the reports was 40.

The parks/campgrounds with more than 200 sites/units have the longest stated median operational tenure. People in the South and those whose operational structure is owned by a corporation reported shorter median operational tenures than other people.

Operational Tenure

Approximately how long has this park/campground been in operation?

base (unweighted): 288 qualified respondents answering; those in each segment (fill-in answers)



Operational Tenure	median years
GEOGRAPHIC REGION	
Northeast	50
Midwest	40
South	23
West	45
OPERATIONAL STRUCTURE	
independent/membership	38
corporate-owned	30
franchised brand	47
SIZE (# of sites/units)	
200+	48
100 - 199	39
50 - 99	40
<50	30

Figure 31 Operational Tenure

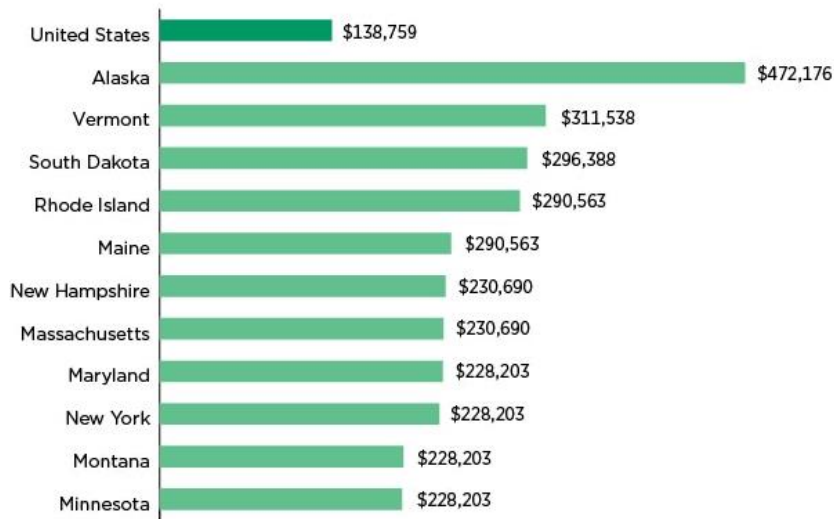
Employees

A park manager is a crucial component of running and maintaining an RV park. In Texas, a manager of an RV park typically makes roughly \$40,000. The manager of an RV park must welcome visitors, familiarize them with the property, and maintain common spaces due to the higher turnover rate of RV parks. Large parks also need to be prepared to hire administrative and maintenance staff.

The 2017 Economic Census data shows that the average revenue per RV employee is about \$138,759, with Alaska ranking the highest at \$421,176.

Average Annual Revenue Per RV Park Employee in Top States: 2017

(In U.S. dollars)



Source: 2017 Economic Census

Figure 33 Average Annual Revenue Per RV Park Employee in Top States: 2017

According to National Park survey by CBRE, more than half of travelers rank the ability to connect directly with staff upon check-in as Factor Most Important to Onsite Experience.

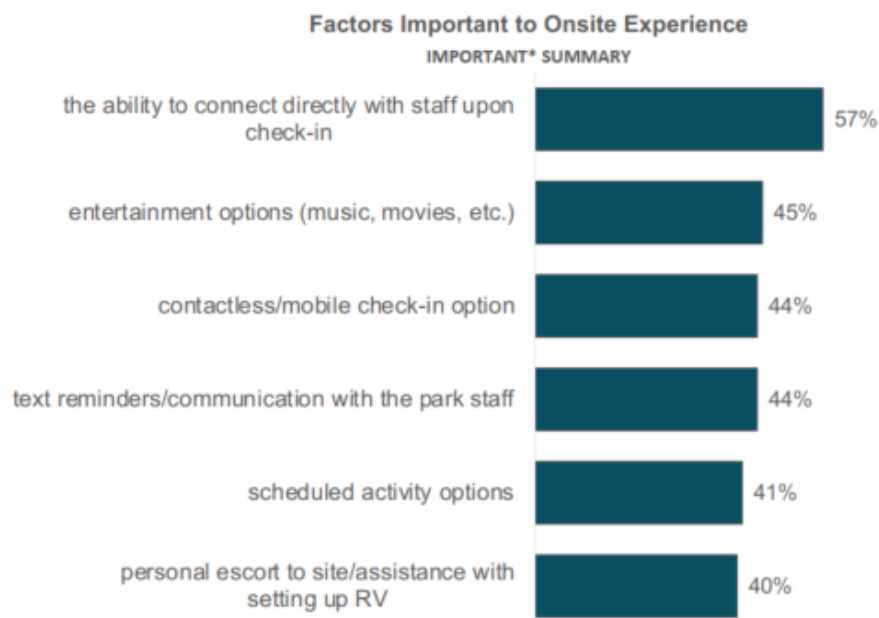


Figure 34 Factors Important to Onsite Experience

According to the ARVC survey, during the main season of a campground, 1-4 full-time staff (working 30 or more hours per week) are employed by half of the reported parks and campgrounds (49 %); 46 % have more than that. The same percentage of reported parks and campgrounds (47%) employ 1–4 part-time workers (1–29 hours per week); 28% employ more.

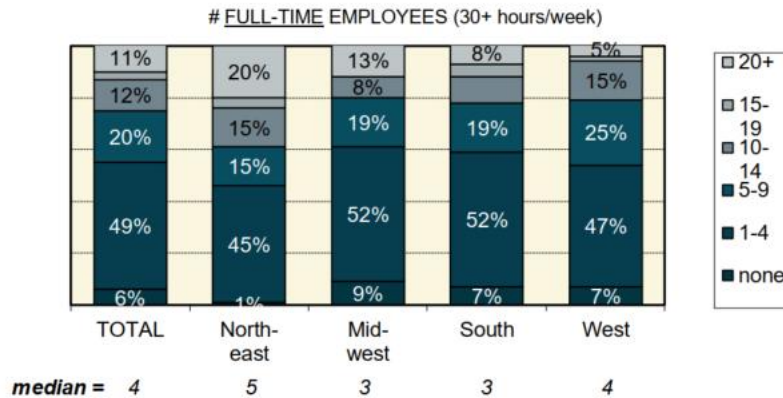
During its main season, the normal (median) park/campground employs 4 full-time and 2 part-time workers on a weekly basis (on average). The median number of full-time employees varies slightly by location. During their main seasons, 1–4 full-time staff (working 30 or more hours per week) are employed by half of the reported parks and campgrounds (49 %); 46 % have more than that. The same percentage of reported parks and campgrounds (47%) employ 1–4 part-time workers (1–29 hours per week); 28% employ more.

During its main season, the normal (median) park/campground employs 4 full-time and 2 part-time workers on a weekly basis (on average). The median number of full-time employees varies slightly by location.

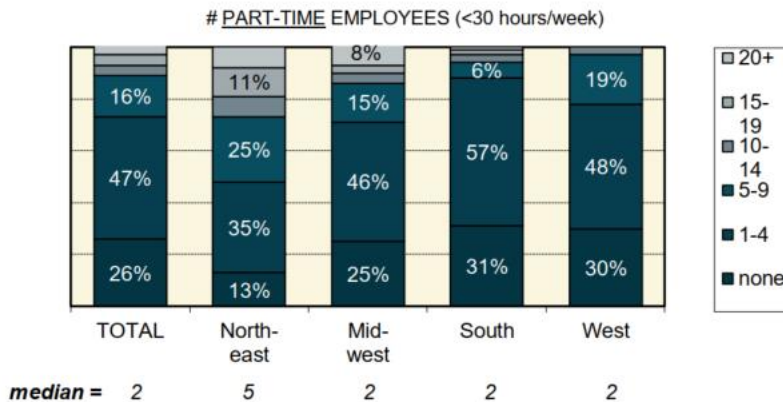
Number of Employees

During the main season(s), how many employees work at this park/campground per week, on average?

base (unweighted): 280 qualified respondents answering, those in each segment (fill-in answers)



percentages <5% charted but numbers not displayed



percentages <5% charted but numbers not displayed

Figure 35 Number of Employee

Insurance and Legal

The general liability coverage from insurance and legal is about \$450–1,500 per day for \$1 million, while it varies a lot depending on the coverage and insurance companies.

A federal tax ID number and registration with the Department of State are needed in order to open a campground business. Look up the zoning and municipal codes in your area. To ensure public safety, different rules apply in each county, city, and state.

Marketing and advertising

The budget for marketing is one element that frequently gets forgotten. How can campers locate the campground? Create a monthly or annual budget for a website with software that will support online reservations. The business will expand and generate more money with the use of targeted online advertising, social media, and email marketing. Consider outsourcing all marketing tasks and employing an SEO specialist to write content for social media and email campaigns. An hourly rate will be charged for any other marketing, with a fixed fee for the creation of a website.

According to a survey of ARVC, the helpful tools for finding the right camping destination, 76% choose online search. Many would just search for a campground nearby, so a website or location on Google map with a good review is very important. (ARVC, 2019)

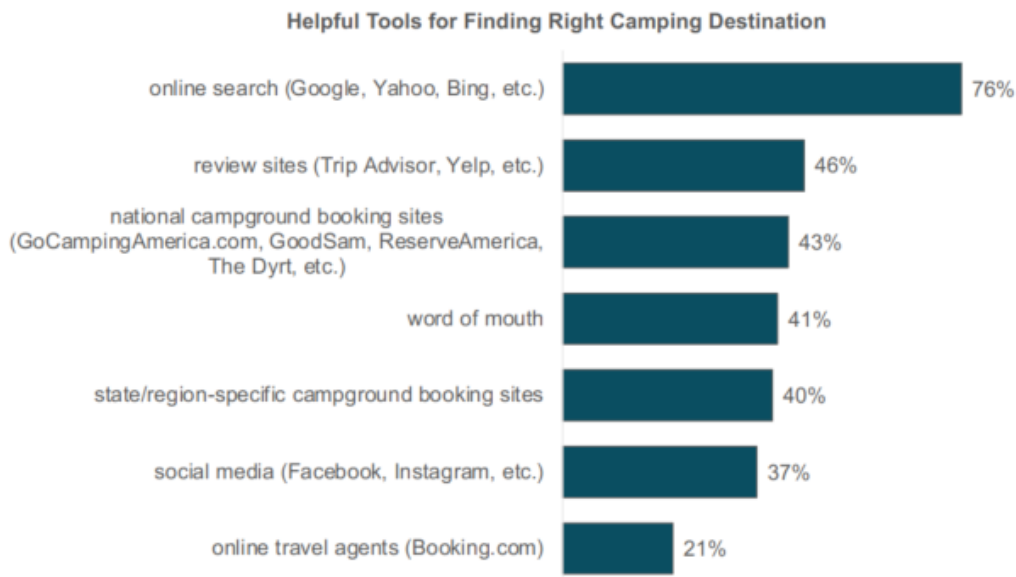


Figure 36 Helpful Tool for Finding Right Camping Destination

With the trend of more millennials and gen z coming into the market, the social media including Facebook and Instagram is becoming more important.

Maintaining and Upkeep

The following is a list of typical costs that practically all RV parks will incur: Cleaning Supplies for Utilities; Payroll; Upkeep of septic tanks; Renewing required licenses and permits; Road gravel or repair materials.

Funding Sources

There are a few funding sources for RV parks, which allow investors to leverage the acquisition. Some banks may require real estate developers to have experience in operating these businesses. Owner financing is also common in this industry as many owners prepare to retire and rely on interest as a retirement fund.

Bank Financing

Conventional bank financing for RV parks is similar to that for hotels. It would be easier to get loans with an existing park. For the new RV parks, it would be hard to get loans during the land acquisition or construction process. When the park is stable, loans are usually granted. The loan can be about 50-70%. It is common to see local banks with knowledge and experience in the local RV market lending to park owners. Another thing to note is that permanent RV parks have an easier time getting loans, which is not surprising given their consistent cash flow. According to Yoel Kelman, co-founder of Three Pillars Community, financing depends on a bank's expertise in dealing with RV parks. It would be easier to obtain a loan from a local bank that has more experience in this asset class. When developers invest, they should consider and talk to local brokers to find out whether it is possible to get loans. (Yoel, 2022)

Small Business Administration (SBA) Loans

Another option RV parks usually consider is an SBA business loan, which lends to tourism-focused RV parks. This is a supportive program for small businesses from a federal government program that can lend up to 80% and up to \$5m per site.

Seller financing

Due to the nature of RV parks, some of them can be hard to get loans on if the investors can't find banks with the knowledge. Therefore, some sellers are willing to provide financing. This is to boost the deal and also some park owners at the age of retirement. The interest can be used as their retirement plan.

ESG Funds

For large corporate investors with a clear business strategy, an ESG fund can be their target to get financing. As a result of the present climatic calamities, which include harsh weather, a pandemic, and wildfires that are destroying forests and natural habitats, more and more institutions are beginning to understand the need to protect biodiversity and our natural eco systems. Any conceivable climatic disaster poses a clear economic hazard. Approximately half of the world's GDP, or \$44 trillion, is thought to be significantly dependent on nature to some degree, according to the World Economic Forum.

Owners and operators of nature-based hotels will gain access to funding from impact investors and funds by demonstrating a stronger commitment to sustainability and, in certain circumstances, biodiversity protection. One of these essential activities would be to measure the environmental impact of the UN Sustainable Development Goals (SDG) and the UN Convention on Biodiversity's 2050 goal.

Private equity funds and certain institutional investors are pledging more money to fund impact projects. TPG's 'The Rise Fund' makes investments in businesses promoting responsible growth and social and environmental impact across a range of industries. A 34.5% interest in Wilderness Holdings, an ecotourism and nature-based accommodation company with operations in seven African nations, was purchased by the fund in 2018. (Wilderness Safaris). Additionally, TPG revealed a new project with TPG Rise Climate Fund at the beginning of 2021. The fund recently closed on \$5.4 billion toward its

initial fund, which will be used to build a portfolio of businesses that can reduce carbon aversion quantifiably.

With \$10 billion in assets under management, the private equity firm Foresight in the UK is dedicated to expanding small businesses around the country and is actively tracking the effects of its investments through specific themes outlined by the UN SDGs. The company invested slightly under \$2 million in the Scottish glamping pod provider FURTHER.SPACE in April 2021. This operator carefully selects its locations, concentrating on unusual locations with operations of no greater than six pods. With their low-cost partnership strategy, they collaborate closely with independent landowners to diversify their revenue streams, and they've pledged to increase their unit count to over 150 pods within the next few years.

Even though many of these programs already exist, there is still a sizable funding deficit for conservation. According to Costa Rican Creo Capital, the United Nations Development Programme's Financing Nature 2020 report states that as of 2019, annual spending on biodiversity conservation is between \$124 and \$143 billion, compared to the total estimated biodiversity protection need between \$722 and \$967 billion per year to stop biodiversity loss. This is a huge disparity. The private investment enterprise and developer has made a direct commitment to marine and animal conservation under its platform of Experiential Luxury Camps & Lodges around the nation. While upholding strict ESG guidelines throughout its operations, it plans to donate 5% of all revenues to carefully screened local groups.

ESG funds, or investment funds dedicated to environmental, social, and governance objectives, are now a well-known asset class all over the world. Numerous family offices dedicated to impact investment are joined by funds from Blackrock to Goldman Sachs and others already mentioned. As data collecting and the articulation of fund goals continue to advance, success metrics are being established and revised. By aligning itself with these mutually beneficial goals, nature-based hospitality has the chance to influence those goals, increase profit while doing good, and free up more money for future growth. (PKF 2020)

Impact

Creating good campsites also help real estate investors to build a legacy by encouraging urbanists close to nature, be more conscious about sustainability and personal mental health.

Nature-Based and Experiential Travel

According to the KOA 2022 Camping Report, 32% of first-time campers chose to camp because they enjoy being outside. Additionally, according to a recent survey by TripAdvisor, 59% of participants chose locations with off-the-beaten-path sports like boating, canoeing, horseback riding, and skiing.

A study also discovered that tourists are keen on spending time outdoors with their loved ones. Additionally, according to 60% of vacationers, it is becoming increasingly essential for their children to experience the great outdoors. The feeling points to a steadily expanding interest in the RV way of living throughout time. (KOA, 2022)

Eco-Conscious & Sustainable Travel

Travelers are more conscious of minimizing their ecological footprint through more local travel and strong commitments to biodiversity conservation, driven by an appreciation for the beauty of natural areas and an increasing concern for the environment.

Growing awareness of the importance of sustainability, environmental reasons, and eco-friendliness is also influencing current outdoor hospitality trends. Campground visitors place a high value on preservation. Travelers in 30 countries were surveyed for a Booking.com annual travel study, and 83 % of respondents agreed that environmentally friendly and sustainable travel was crucial. According to the survey, there has been an increase in tourists planning to stay at least once in a green or sustainable hotel in the coming year, rising from 62% in 2016 to 81% in 2021.

Many campground accommodations have eco-friendly plumbing fixtures, soaps, and shampoos because of their outdoor settings. Travelers are more willing to book accommodations from companies that can provide proof of their use of green techniques, as well as eco-friendly getaways and eco-retreats. According to a 2019 National Geographic consumer survey of 3,500 adults in the US, 66% of millennials are willing to pay more for services provided by businesses dedicated to having a positive environmental impact. Half of US travelers who prioritize sustainability in their travel decisions are between the ages of 18 and 34.

This was the view reiterated by Diana Garcia from the Nadi Group, where a lot of owners and visitors of campgrounds care strongly about nature and sustainability. There has been a growing trend to ensure that campgrounds are more sustainable and follow greener practices. This could be a way to educate tourists about environmental protection measures (Diana, 2022).

Wellness

The campground craze is also being fueled by the current rise in interest in wellness, as more tourists look for unusual experiences near nature. For instance, rising public interest in and awareness of customs like "forest bathing" (also known as "shinrin-yoku" in Japan) and wild water swimming, as well as the advantages associated with them, are influencing people's willingness to spend their free time outside. Studies by the Global Wellness Institute predict that wellness travel will reach US\$817 billion in 2020 and \$1.3 trillion by 2025. (GWI). The GWI also reveals that domestic travel accounted for 89% of all wellness travel worldwide in 2020 (and 95% among US visitors), with the US leading the pack with 19 % of the market. According to the findings of Grand View Research, Due to rising disposable income

among consumers, particularly in developed regions like North America and Europe, the rising need for getaways as a result of their hectic lifestyles, and the rising need to unwind in healthy ways for one's wellbeing, people are looking for restorative vacations that help them feel better.

The busy lifestyle makes people more aware of how their actions affect the environment, including a balanced diet and lifestyle. (Operto, 2022)

Social

Camping satisfies the urge to interact with and learn from local residents as well as intentional campers in public spaces like campfires, where information can be exchanged and new friendships may be made.

Several hospitality businesses are still embracing the craze by adding communal spaces into every aspect of their business, whether it be a campfire, a tented bar, or a shared meal.

Transformative Travel

Travel with a purpose that incorporates self-reflection, personal fulfillment, and discovery by instigating change and fostering personal development is known as transformative travel.

Travel partners, unplanned adventures, the food, the arts, culture, and entertainment are all factors that might lead to transforming travel. According to Bloomberg data, nearly 70% of people over 40 and 60% of those under 40 define success in terms of personal fulfillment. If not a whole itinerary, glamping provides the ideal setting for this kind of vacation.

Business Model

There are some business models that real estate investors can choose from depending on their specialty, which include public-private partnerships and franchises, which use the camp brand for less experienced operators. As the table below shows, the involvement level changes from ownership or operation: Owner & Operate, where owners manage everything; Lease & Operate, where operators lease the land with existing infrastructure, which is also the main form of public-private partnership; Partner & Operate, which allows the land owner to partner with operators who put tents on their land; and Partner, where the land owner rents the land to an operator.

GLAMPING BUSINESS MODELS			
Self-Operated ←		→ Partner with Existing	
Own & Operate	Lease & Operate	Partner & Operate	Partner
Under this alternative, a potential investor would own the land, build, and operate the glamping accommodations.	A potential investor leases land from an existing campground or provincial park with infrastructure and servicing already in place and builds Glamping accommodations as alternative to campsites.	Potential investors who own the land and have servicing already in place can partner with various glamping organizations that will install and market the accommodations on their own platform, but parties will have full operating control of their accommodations.	Existing campsites or parties with correctly zoned and serviced land can partner with various glamping organizations. These organizations use existing land to operate their luxury glamping accommodations.
Pros: Develop, own and operate the business with no revenue sharing.	Pros: Required infrastructure and services and zoning already in place.	Pros: Experienced partner will set up accommodations, provide insurance, provide marketing and booking platform.	Pros: Minimal investment required if land is correctly zoned and serviced.
Cons: Owner would carry all the startup costs and land costs (if purchase and servicing required)	Cons: Lease payments and working within lease agreements.	Cons: Organization charges an initial start-up fee and a continued 10 – 20% of nightly rate.	Cons: These organizations generally have specific land and location requirements.

Figure 37 Glamping Business Model

According to the ARVC survey, 71% of campgrounds are small firms with individual or independent owners. There are significantly fewer that are corporately owned (17%), have a franchised brand (8%), are membership or member-owned (3%) or have some other type of organizational structure (7 %). During its peak season, the normal (median) park/campground employs 4 full-time workers and 2 part-time workers. (ARVC, 2019)

Operational Structure

What is the operational structure of this park/campground?

base (unweighted): 288 qualified respondents; those in each segment (multiple answers)

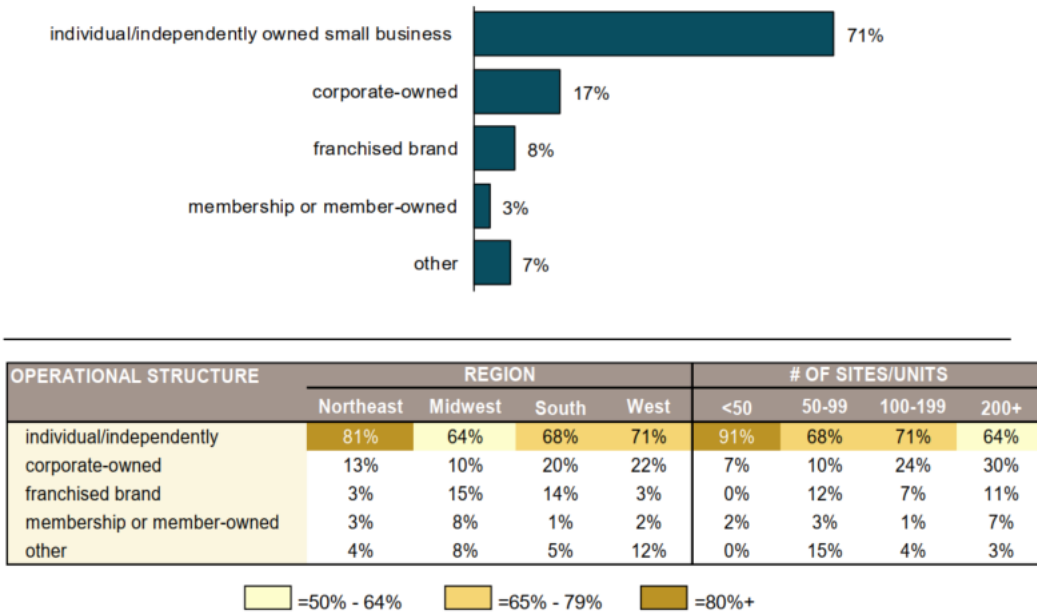


Figure 38 Operational Structure

Franchise

There are a few RV park franchise brands popular on the market now, including: KOA, Harvest Hosts, and Jellystone.

The most recognizable campground brand is KOA (Kampgrounds of America). It was established in 1962 and has expanded to more than 500 franchised parks in North America now.

Established in 1969, Yogi Bear has 80 parks in the country now.

Through its membership program, Harvest Hosts is a program that lets RVers visit private landowners' sites. Some of the locations are on farms, vineyards, or breweries, making each stay a completely unique experience.

The camping network and membership program Thousand Trails is considerably distinct from the other choices on this list. This club, which has an annual cost, offers free stays at more than 80 destinations and is geared toward frequent and full-time travelers.

Good Sam, which calls itself as the "nation's largest RV club," differs significantly from the franchises and companies previously mentioned. The 2,100 Good Sam parks are operated by affiliates, not Good Sam, who neither owns nor owns the parks. Members get a lower cost and they are rated by Good Sam. Since this isn't a company or franchise, parks range in sophistication from low-key rest stations to luxurious resorts. (Cox, 2022) Good Sam also has a campground rating system which range from 1 to 10 and has three indicators including Completeness of facilities, Cleanliness and physical characteristics of restrooms and showers, and Visual Appeal and Environmental Quality.

Public-Private Partnership

According to Interior Secretary Ryan Zinke, whose department oversees the National Park Service, the national park does not have enough funds or expertise to run campground business. Zinke proposed outsourcing the management to private real estate management companies to reduce labor and maintenance costs. The public-private partnership includes private operators to provide some services, but the National Park staff still oversees the vast majority of it, including security. The land is still owned by the Park Service, and private businesses operate and manage it. The partnership has been extended to 27 campsites in 20 national parks.

Technological Advancement

Real estate developers could also take advantage of technology advancement in RV industry and improve the current outdated campgrounds to provide better service. The technologies in the RV industry will also drive the future growth of the popularity of campgrounds. The EV RV will reduce the cost of road trips significantly. The RV rental platform, including peer-to-peer rentals, enables travelers to access RVs easily. Internet technology improvements make work everywhere possible.

EV RV

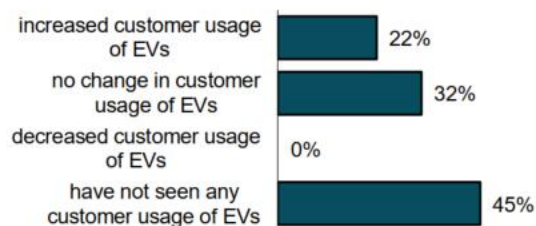
A third of reported parks/campgrounds (32 %) indicated that customer EV usage had not changed over the previous 12 months, 22% reported that customer EV usage had increased, and 0% of respondents reported that customer EV usage had decreased. 45 % said they had never seen an EV being used by a customer.

The Midwest and the West had more parks and campgrounds report seeing at least some EV usage from their patrons.

EV Trends Observed

Which of the following trends in electric vehicle (EV) usage did you observe at this park/campground in the past 12 months?

base (unweighted): 288 qualified respondents



EV Trends Observed	Northeast	Midwest	South	West
increased customer usage of EVs	24%	28%	9%	28%
no change in customer usage of EVs	28%	33%	32%	35%
Decreased customer usage of EVs	0%	0%	0%	0%
have not seen any customer usage of EVs	47%	38%	58%	37%

=30% - 39%
 =40% - 49%
 =50%+

Figure 39 EV Trends Observed

It is also not surprising that most people (53%) who would consider purchasing an EV in the next 12 months consider a charging station at their camping destination very important. (ARVC) The RV trend presents an opportunity to retrofit the existing old RV parks because many of the electricity systems could not hold a large amount of EV RV charging.

RV Rental

From the survey of the ARVC report, 38% of campers own an RV. Among those who do not own an RV, 34% of Millennials and 32% of Gen X have experience of peer-to-peer RV rentals. At the same time, 86% of them would consider renting for the future. Of those, 88% of them would consider buying an RV, and among them, 31% have the plan to purchase an RV in the next year. Millennials and Gen X have a higher preference for buying than baby boomers.

In 2021, the market for recreational vehicle rentals was estimated to be worth USD 642.12 million. By 2022–2027, it is anticipated to grow to USD 1018.96 million, with a CAGR of almost 8%.

When the pandemic first broke out, there was a huge increase in the demand for recreational vehicle rentals because most individuals planned their vacations without using public transit. During the COVID-19 outbreak, some RV rental firms nationwide saw a huge increase in reservations.

Long-term projections indicate that the market for renting recreational vehicles will expand significantly due to a rise in the number of people, both young and old, choosing to travel in RVs. Additionally, the expansion of the tourism sector and the rising acceptance of RV camping are fueling a global demand for RV rental services. The average amount spent on leisure activities like camping and travel is steadily rising across developed nations like Europe and North America as a result of rising per capita income and an increase in the number of HNWI.

Because RVs are quite expensive to own, many people all over the world choose to use RV rental services, which reduce the cost of buying, insuring, and maintaining a vehicle. Customers who have financial restrictions and are unwilling to engage in the purchase of new RVs are being drawn to the convenience of using RV rental services and the growth in the number of RV rental service providers worldwide.



Figure 40 Rental RV Platform Market Summary

A sample cost from RVShare is as below:

Class A: \$150-\$250/night (10+ years or older); \$350-\$450/night (newer)

Class B: \$100-\$200/night (10+ years or older); \$200-\$350/night (newer)

Class C: \$100-\$200/night (10+ years or older); \$225-\$400/night (newer)

Travel Trailer: \$50-\$125/night (10+ years or older); \$125-\$200/night (newer)

Fifth Wheel: \$60-\$150/night (10+ years or older); \$150-\$300/night (newer)

Compared to staying at a hotel, an RV can accommodate up to 6 people, which is a very affordable way of travelling, even with a rental RV.

Peer to Peer Rental

Outdoorsy, a global peer-to-peer RV rental company with headquarters in Austin, Texas, keeps growing even as the Omicron variety causes yet another metaphorical hiccup in the tourism sector. In 2020, when the virus first reached American soil and people avoided flying and staying in hotels, demand for RVs from Outdoorsy soared. The company reported a 4,000 % boost in booking income from April through October of that year, which is typically regarded as RV season.

According to the CEO, Jeff Cavins, the company was valued at \$1.8 billion after raising a \$120 million round in the summer of 2021 from investors including Moore Strategic Ventures, ADAR1 Partners, Monashee Capital, SiriusPoint Ltd., and Convivialite Ventures. The company processed 1 billion dollars in transactions and had 48 million customers earlier this year. It offers more than 40,000 automobiles for hire across eleven nations (i.e., the number of bookings through its platform). This year, first-time RV rentals make up 85% of the total. A tiny camper van for two people can be rented for as little as \$50 per night, and a luxury car for six people can cost as much as \$1,375.

Cavins mentioned that renting out a single camper van may bring in an average of \$50,000 per season (often from April to September). A few owners are investing in entire fleets of RVs with the intention of renting them out on the platform and making big profits. In 2016, Garr Russell, the owner of The Camper Connection, an RV property management firm, began with seven trailers. Since then, he has added more than 125 units, generating more than \$4 million in rental income over the course of the previous five years. Outdoorsy takes a 20 % cut of those sales, similar to Airbnb. By the end of this year, Russell anticipates earning \$2.5 million in rental money, and many of his clients use the Outdoorsy website. (Forbes, 2021). The popularity of RV rental platforms allows people to take road trips more easily and therefore encourages the growth of campgrounds. (FINSMES, 2021)

Internet Connection

On May 23, SpaceX launched Starlink for RVs, and within a couple of weeks, it had already received over 30,000 orders. Any location with active Starlink satellite coverage can connect to the internet with the pay-as-you-go service. According to the firm, "Starlink for RVs is great for consumers traveling to places where access has been spotty or nonexistent." Starlink for RVs provides users with dependable internet access via a network of approximately 2,500 satellites in low earth orbit.

Customers with a vacation home or who frequently go camping in the same area will find Starlink for RVs to be helpful. Users can take their dish anywhere in the nation where Starlink is offered thanks to SpaceX's "Portability" add-on feature. However, the company's website states that "Starlink for RVs is not designed for usage while in motion." Elon Musk, the founder of SpaceX, intends to introduce a fully mobile service in the future, but it will need authorization from the authorities to be used on moving vehicles.

It is not surprising that Starlink RV is in such high demand. Customers around the world with inadequate broadband connectivity have been signing up to sample Starlink since SpaceX initially released it in 2020 as a public beta. The satellite internet service can provide download rates ranging from 50Mbps to 250Mbps.

Some customers were forced to wait until SpaceX added more bandwidth to the expanding satellite internet network because the corporation initially restricted the number of Starlink installations per cell area. However, SpaceX eliminated the waiting in May 2022 by releasing the Starlink RV, which is immediately accessible to consumers.

The service package is intended for customers who desire high-speed internet while traveling in an RV or tent. However, you can use it at home or anywhere else that Starlink has coverage. The drawback is that when used in places where there are already a lot of residential Starlink users, Starlink RV service will be degraded. Additionally, the monthly fee has increased to \$135 from \$110 for the basic Starlink package. However, because customers pay on a month-to-month basis, skipping a month won't result in the cancellation of the service.

According to the company's spec sheet, as a result, download rates for Starlink RV can range from 5Mbps to 100Mbps "in crowded locations during times of high usage". However, SpaceX hopes to increase internet bandwidth and speed in the long run by placing thousands more Starlink satellites in Earth's orbit. (Starlink, 2022)

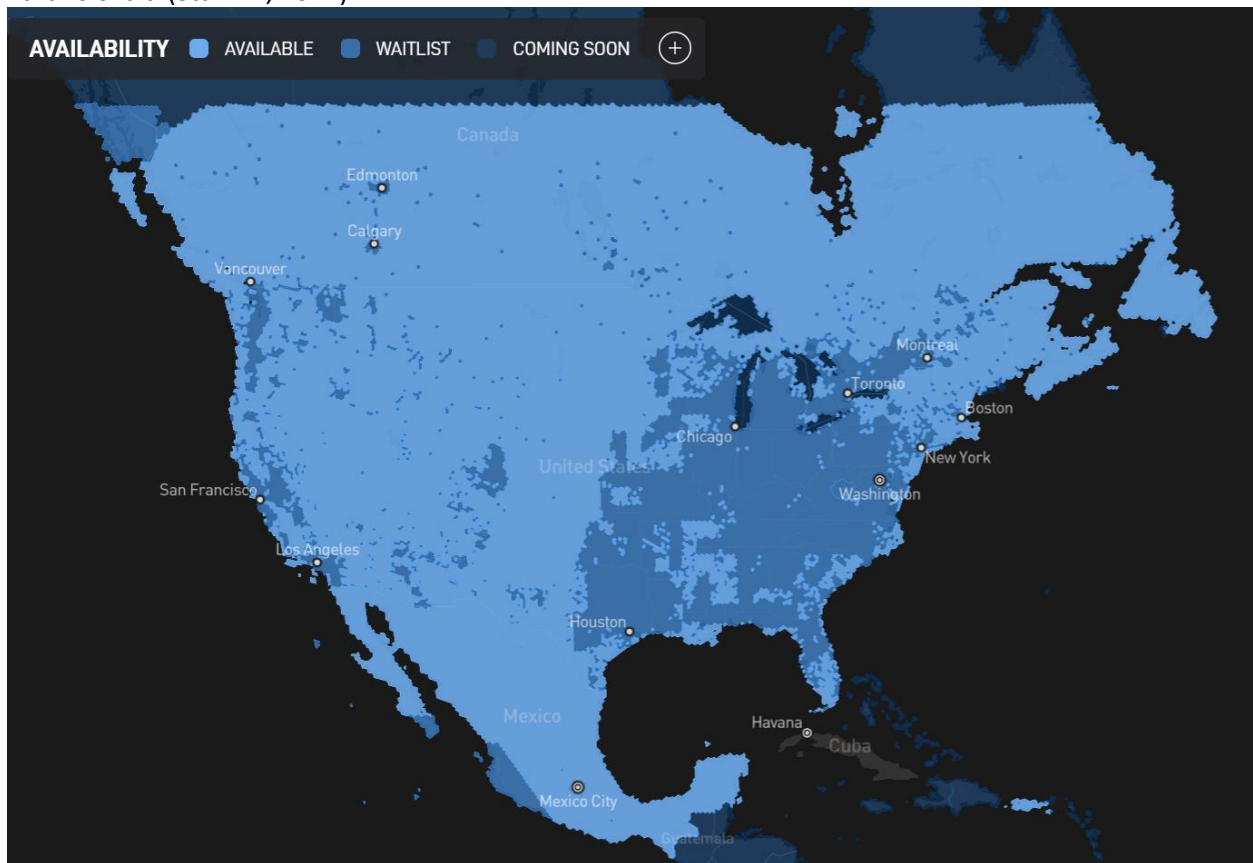


Figure 41 Starlink Coverage Map (from SpaceX Website)

Outlook

Above-market returns in campgrounds and specifically RV parks have drawn the attention of institutional real estate investors. The benefits of investing in a campground comparing traditional commercial real estate include: strong operating/profitability margins in light of the few amenities and services that are typically provided at the majority of campgrounds; low staffing models in comparison to regular hotels; a lack of conventional brick and mortar structures given how rural the sites typically are; development and construction costs are generally very modest; most taxing municipalities have lower real estate tax classifications for campgrounds and most of the country lacks competition or equivalent property types. All these characteristics make the campground a hot investment for many developers or private equity real estate shops. The popularity of RV parks has also brought in problems such as a lack of supply in recent times as a result of the high demand or the existing stock of RV parks that are old and lacking proper maintenance. This provides lots of opportunities for real estate investors to provide new parks or improve existing ones for value-add.

However, there are some risks for real estate developers to consider. COVID-19 restrictions easing with the opening of international borders, it is anticipated that there will be more travelers taking international trips. Moreover, the recent oil price shock and potential economic recession at the time of writing also put a threat to the future demand for RV parks. As a result of the increase in popularity of campgrounds as noted above, site supply is trying to catch up, which means more campground sites will be built or existing campgrounds will expand. As campgrounds are easier to build, this means they have a lower barrier to entry and, therefore, supply can more easily catch up to demand. For example, owners could just put a tent in their backyard and advertise on Airbnb. The supply could increase very fast, and there is a potential for oversupply in some areas. The price premium could therefore be reduced with the increased stock, and therefore financing could be hard to get, especially in the current environment of a possible recession. Therefore, real estate developers should evaluate the local competition and zoning requirements when choosing which area to target. With all factors considered, the campground's return could fluctuate in the next few years. However, a key trend that is systematic is that the pandemic has made people realize the importance of being close to nature and spending time with their families. Technology, which enables the remote work lifestyle of being able to work from anywhere, has also allowed people to be more open-minded about working at a campground. This type of lifestyle will never be like before. The long-term demand for campgrounds is expected to keep increasing.

Another risk of developing campground comes from permitting. The approval of the local populace was of little concern when commercial, branded glamping started in many regions as the spruced-up version of a camping experience, such as the addition of airstreams or cabins to an existing campsite already zoned for recreational use. The development of these projects now faces more formal restrictions, notwithstanding their modest environmental impact, as investment amounts rise to match discriminating consumer expectations. As with any brands, long-term success and, eventually, the attraction of aligned investors eager to support further market growth depends on establishing a valuable experience and standing out from competitors.

In conclusion, with the popularity of outdoor activity demand, RV park is drawing more attention of real estate investors to increase their revenue and diversify portfolio. The profit could come from both rental and other income. Millennials, who is becoming the largest group for this industry, would stay in RV park for both travelling or living. Real estate developers have a lot opportunities in this area by targeting temporary workers or weekend trips around cities. There are a lot of demand for both new RV parks construction and old parks improvement. It is highly recommended for real estate developers to pay

attention in this area to use it for either land banking by providing minimum amenities, or providing good service to capture the tourism trend.

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Appendix - Glamping or Outdoor Hospitality

Glamping, or broadly speaking, nature-based travel, has established itself in the hospitality industry. The nature-based tourism sector in North America had upwards of \$25 billion in direct expenditure and contributed \$13.5 billion to GDP in 2019, according to pre-Covid figures from the World Travel & Tourism Council, with a 2 % share of the travel industry. The demand for nature-based hospitality increased as a result of COVID, reaching an all-time high in the summer of 2021.

Glamping indicates a change, in this case from indoor to outdoor hospitality, while also helping to boost profitability and occupancy. Some people now describe glamping as an outdoor hotel experience. Due to its rising popularity, outdoor hospitality is becoming more accepted in society as a respectable, if not "cool," endeavor.

Outdoor hospitality is also very popular among developers which give them higher occupancy rates and higher price point by providing unique experience.

However, it also reached a turning moment that calls for cautious following actions. The approval of the local populace was of little concern when commercial, branded glamping started in many regions as the spruced-up version of a camping experience, such as the addition of airstreams or cabins to an existing campsite already zoned for recreational use. The development of these projects now faces greater formal restrictions, notwithstanding their modest environmental impact, as investment amounts rise to match discriminating consumer expectations. As with any brands, long-term success and, eventually, the attraction of aligned investors eager to support further market growth depend on establishing a valuable experience and standing out from competitors. Therefore, the location becomes more important for developers to build competitive advantage. Branding and marketing is crucial as well.

International Trend

OHPs continue to improve their visitors' levels of comfort. Australian OHPs introduced modest, prefabricated cabins in the late 1990s, which have grown into architecturally built, customized three-bedroom, two-bathroom homes with modern decor (Brooker, 2011). Although a limited number of individual operators have done study tours of Australian OHPs in order to 'lift, shift, and adapt' accommodation ideas, North American OHPs have not matched Australia's cabin design standard. To address the needs of consumers seeking fixed-accommodation alternatives in OHPs, North American parks rely on 'park model' trailers and modest cabins due to regulatory restrictions on size. When compared to Australian 'cabins,' these units are rather simple, yet being viewed as high-quality in their surroundings. Many OHPs now have retail outlets, restaurants, bars, spas, swimming pools, water parks, kids clubs, outdoor recreation facilities, and sports activities on site.

Several European OHPs, in particular, have built luxurious buildings that have a resort feel to them. Parents may unwind in the knowing that their children are well-cared-for, allowing them to enjoy some alone time while engaging in social interactions with family, friends, and fellow campers. European outdoor hospitality professionals continue to set the bar high when it comes to incorporating wellness into an outdoor hospitality experience. Along with its other camping guides, Alan Rogers, a European travel marketing company, offers an annual guide for the '101 top campsites for spas & wellbeing across Europe,' targeting a niche that searches out spa and wellness amenities when camping. Outdoor hospitality experiences include wellness programs, ensuring relaxation, originality, and differentiation. A southern German OHP, for example, offers 50 various wellness therapies to its clients exclusively. An OHP in northern Italy offers 13 various types of saunas, as well as wellness as a package deal. Figure 2 depicts the scope of the wellness service in European OHPs.

Saunas, massages, outdoor and indoor pools, beauty treatments, steam baths, gym/fitness facilities, jacuzzis, and solariums can be found in 40% of the OHPs featured in the '101 top campsites for spas & wellbeing across Europe' book (Alan Rogers, 2011). When you combine the range of wellness facility offers with the depth of differences (for example, 13 distinct types of saunas), it's clear that a number of European OHPs integrate both passive and commercial wellness potential with their products. Roompot Parks, a Dutch camping vacation company, now provides eight wellness packages for people who want to "take a break from the daily grind and indulge in ultimate pampering and relaxation" (Roompot Parks, 2012). During peak and shoulder seasons, the promotion draws specific guests. The wellness packages add to current collaborations with groups that help guests with impairments or allergies who require specialized care (Brooker & Joppe, 2010).

The glamping sub-sector has expanded as a result of the persistent desire for comfort and elegance in OHP lodging. Glamping substitutes pre-assembled, homelike lodgings like cabins, yurts, tipis, and treehouses for the disadvantages of traditional camping, such as leaky tents, foul-smelling sleeping bags, and improvised cuisine (Boscoboinik & Bourquard, 2011). These short-term residences are frequently outfitted with plush beds, fine linens, rugs, antique furniture, and sleek, contemporary bathrooms. The idea has been available in France for the previous 20 years, but it has only recently become a widely used outdoor hospitality option.

North American Trend

In the US, One of the first resorts to combine opulent lodging with conventional camping under the term "glamping" was The Resort at Paws Up, which debuted in 2005 in Montana. The resort announced an expansion in 2019 that included 12 adult-only "treehouse" cabins, which is expected to elevate the glamping options to a new level. Dunton River Camp in Dolores, Colorado, and El Cosmico in Marfa, Texas, are two further remarkable opulent residences. These properties serve as examples of luxurious or ultra-luxurious glamping possibilities.

First-time camper households engaged in glamping at a rate of 260 % rise between 2019 and 2020, according to Kampgrounds of America (KOA). The number of visitors to the National Parks increased by 40% between Fall 2020 and the same period in 2019, and record-breaking numbers are anticipated in 2021. These are only a few instances of a tendency that will undoubtedly persist. (PKF, 2022)

Recent immigrants who want to participate in outdoor hospitality but have never camped before are interested in glamping, particularly the usage of cabins. People who don't have an RV are less interested in tenting or RVing but a lot of interest in booking a cottage in a park. Given the growing number of immigrants from regions like Asia and Latin America where camping is uncommon, this choice is significant. Meeting the needs of these potential new customers is essential for the outdoor industry's future success. (International Trend)

Without bringing (or purchasing) equipment, glamping enables outdoor travel, and at some locations, it also provides opulent amenities and services similar to those found in a hotel. According to the 2019 North American Camping Report 5-Year Trends Report, 54% of traditional campers favor trips that are less than 100 miles from their home. The robustness of the drive-to glamping guest is demonstrated by this indication, despite glamping demand patterns suggesting that visitors may arrive by plane or by automobile.

The possibility of current campers trying glamping and other unique camping experiences was also examined in the 2019 KOA Camping Report. According to the research, more than half of all campers asked said they would like to try glamping in the upcoming year, a rate that has increased significantly over the previous 12 months.

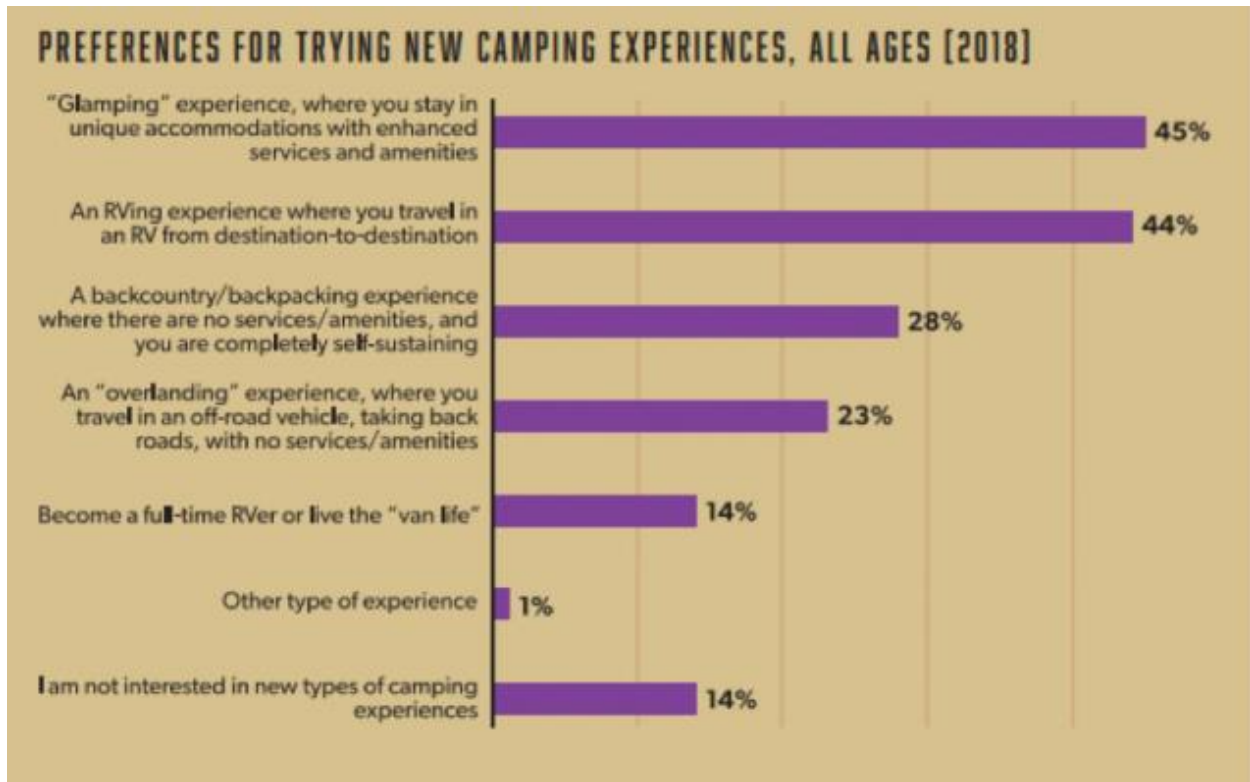


Figure 1 Preferences for Trying New Camping Experience

Millennials and baby boomers are the current demographics driving the highest demand for the glamping market. The data suggests that while baby boomers are drawn to the great outdoors and overall enjoyment of leisure activities, millennials seek out vacations to get away from technology. The baby boomer generation should not be disregarded because many of them are approaching or have reached retirement age. Many industry players have the misperception that the glamping area (as an alternative lodging idea) is only relevant to the millennial generation, while baby boomers appear to have the time and the inclination to travel and experience a novel form of housing that their offspring are also drawn to.

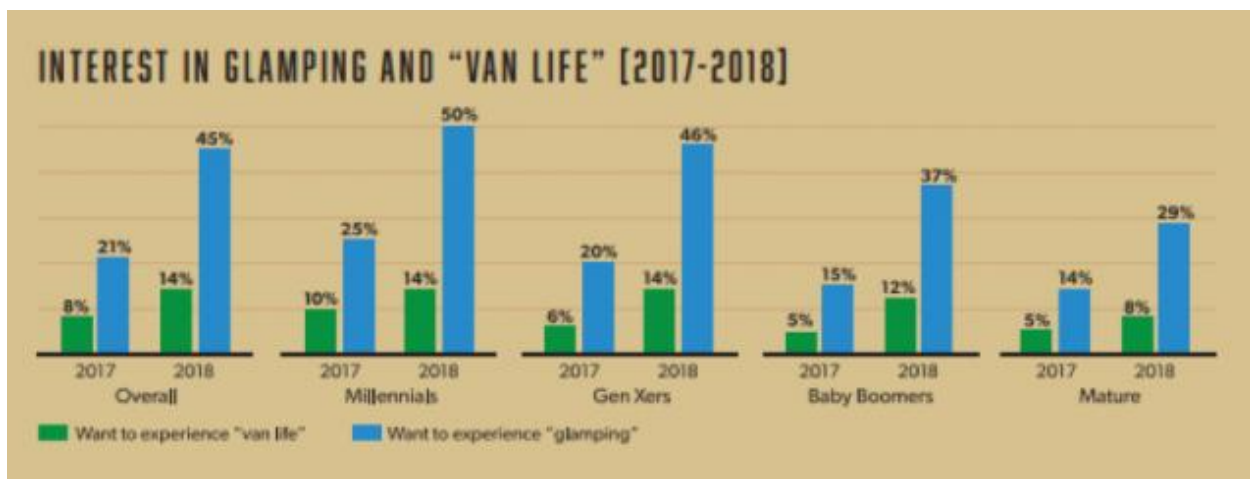


Figure 2 Interest In Glamping and "Van Life"

While the vast majority of visitors to glamping resorts are transient leisure travelers, there is a growing market for corporate incentive travelers looking for excursions that are more distinctive and laid-back than those provided by conventional large-scale resorts. Such incentive travel is typically funded by businesses in the technology industry; examples include Google, Netflix, Uber, and other relatively new, cutting-edge businesses like Warby Parker. However, the desire for glamping resorts extends to other conventional market categories and offers a considerable prospect for future expansion.

Glamping Structure

The below are the most popular glamping structures. Developers usually choose depends on the cost, durability, and the local climate.

Owners of Safari tents are now specifically questioning the effectiveness of various structures and designs with regard to temperature control, withstanding extreme weather, long-term maintenance, and providing the best comfort for guests, just like owners of other accommodation types (such as domes, airstreams, cabins). Bushtec Safari, a renowned luxury safari tent producer based in South Africa, has lately started supplying clear PVC window coverings to assist keep the units properly conditioned for heating and cooling with no leakage. According to Jamison Stewart, a Bushtec representative based in Austin, Texas, "transparent PVC is a terrific alternative for functionality if you're not going to add hard windows to the tent." "Providing year-round, comfortable housing requires durable canvas and climate control. He claims that the longer guests remain and the longer the tent lasts, similar to a pair of well worn leather boots, the higher quality the tent is, with every detail.

Glamping Structures

In terms of the glamping structure, while there are many options available, the most common types include:





Geodesic Dome	Yurt	Canvas Wall Tent	Eco-Pods
			
<p>Semi-permanent spherical structure built on a wooden platform. Typically, a galvanized steel frame covered in an opaque, weather-resistant cover. The cover typically has a transparent "window" portion in the dome cover or a transparent ceiling for sky views.</p>	<p>Semi-permanent round structure built on a wooden platform. A lattice wooden frame is covered in layers of fabric with varying options for insulation and weather proofing. Yurts can be built two stories high to allow for bunk beds and can allow windows.</p>	<p>A hybrid semi-permanent structure with the wooden base and frame of a cabin with tented walls and roof. As with a cabin, these can be outfitted with heating and plumbing. Cooking facilities can be added, though typically a barbeque or fire pit keeps guests feeling closer to nature.</p>	<p>Semi-permanent, hard-walled, and pre-fabricated structures. Exterior is typically made of wood, with insulation, soft floor covering or carpet, and often a double-glazed window and lockable doors to reduce condensation and provide sound insulation.</p>
<p>Qualities: year-round operation, can be outfitted with heating, plumbing, medium capacity (2-4 adults)</p>	<p>Qualities: year-round operation, can be outfitted with heating, plumbing, higher capacity (4-8 adults)</p>	<p>Qualities: year-round or seasonal operation depending on heating, medium capacity (2-4 adults)</p>	<p>Qualities: year-round operation, typically smaller capacity (max 2 adults)</p>
<p>Additional Site Requirements: Potable water, kitchen/fire pit or food service.</p>	<p>Additional Site Requirements: Potable water, kitchen/fire pit or food service</p>	<p>Additional Site Requirements: Potable water, kitchen/fire pit or food service</p>	<p>Additional Site Requirements: Washroom facilities, potable water, kitchen/fire pit or food service</p>

Image Source: *Luna-Glamping, Acadia Yurts, Sepaq, Quality Unearthed*

Figure 3 Glamping Structure Type

Players

The main 4 operators, who dominate the market in terms of existing and planned footprint, are a few. These include, in alphabetical order, Autocamp, Collective Retreats, Getaway, and Under Canvas. According to the records, each of these companies has raised more than \$250 million in total, and it now has more than 3,000 units under construction or planned. These operators are attempting to "draw dots on the map," and the majority of them are concentrating on various outdoor tourist destinations and urban escape areas. Newer competitors with devoted patrons, including Firelight Camps in Ithaca and Sagra Farms in Sonoma, are actively planning development and expansion. With its Terramor site in Maine, KOA has elevated its campground hospitality to a new level. To take advantage of the upper end of the US market, which has been established by a few establishments charging more than \$2,500 a night in Utah, Montana, Colorado, and California, others are entering with tested models from other parts of the world.

Autocamp has four already-existing locations, AutoCamp Yosemite, AutoCamp Russian River, AutoCamp Santa Barbara and AutoCamp Cape Cod, are offered by AutoCamp, an official licensed partner of

Airstream, Inc. Custom Airstreams, contemporary cottages, Luxury Tents (depending on seasonality), and Happier Campers are all pet-friendly unit options. The interior of an Airstream typically measures about 190 square feet. While Airstreams and modern cabins contain bedrooms, living areas, including a small kitchenette, and restrooms, Luxury Tents and Happier Campers lack en-suite facilities but do provide access to the Clubhouse amenities (which are a short walk from most tents). A king or queen-sized bed, a futon sofa, an outside dining space, and cookware unique to each unit type are included in every stay. Televisions and Bluetooth surround sound are additional features found in Airstreams and cottages. Additionally, each property has a clubhouse with communal fire pits, hammocks, lawn sports, and board games.

The first property for Collective Retreats was open in Vail, Colorado in 2015. Four other sites, including one urban property on New York City's Governor's Island, have opened since then. Based on weather trends, all properties run according to the seasons. The lodging options vary slightly between each property, however they all have Summit Tents, which can be carried and dismantled according to the season. The Governor's Island facility furthermore offers a larger Journey Tent and five Outlook Shelters, each of which is 225 square feet inside and 175 square feet outside and has a king bed, a spa-like en-suite shower, and luxury amenities. Each resort has food options as well as spa services.

With 12 cottages, Getaway debuted its first property in the Catskills of New York in 2016. Since its start, the company has opened eight more locations by purchasing existing campgrounds or undeveloped land parcels. Micro RVs, often known as "cabins," are present on each site. The apartments are deliberately placed throughout the estate to offer a private "get away." They are manufactured off-site and outfitted with the distinctive Getaway decor. The cottages have a "small home" design and are about 136 square feet in size. Each cabin has a huge window with a beautiful view, a two-burner cooktop, a seating area, a toilet, a shower, and kitchenware. Due to space restrictions, the queen beds are bunked. On the day of check-in, guests receive a text message with a key number that allows entrance to each cabin (rather than with a key card provided by staff).

In Montana, Under Canvas began as four tents. Since then, the brand has grown to include seven properties, most of which are outside of National Parks. Annual construction of seasonal tents, which have little effect on the neighborhood and the environment, takes place. In addition to complementary activities, daily housekeeping, an adventure concierge, indoor and outdoor fire pits, and on-site food options are available to guests. The layout of the tents at each resort varies slightly, but they all typically have a wood stove, a private bathroom, a king bed, and a leather queen couch bed.

There are now many options available, whether demand is fueled by a desire to visit national and state parks from an authentic vantage point with open skies just outside the cabin door, a breeze through the tent flaps, and stargazing without light pollution; or a desire for a more active weekend away from a city with ready campfires, high-quality food and beverage packages, and adventure guides at the ready. Various product kinds (cabins, yurts, tents, RVs, and more) have grown in popularity, as have concepts and the astounding readiness of customers to spend more everywhere. (PKF, 2022)

Investment

The majority glamping companies only offer one independently run property. However, institutional investors, who have trust in the direction and positioning of the glamping sector in the United States, have invested money in the companies mentioned above during the past few years.

In 2019, it was revealed that AutoCamp had partnered with Whitman Peterson to raise \$115 million. Most likely, the funds will be utilized to purchase further construction sites and to purchase and renovate other Airstream trailers. The agreement included a clause for potential \$115 million expansion

funding. According to reports, the business is currently planning eight more venues, however no information regarding their locations or expected opening dates has been made public.

Additionally, L Catterton, the largest consumer-focused private equity firm in the world, declared a strategic growth investment in Getaway worth \$15 million in 2017. The business then disclosed an additional \$22.5 million in Series B investment in June 2019.

It is challenging to underwrite a new development or purchase opportunity given the dearth of data currently available within the glamping space. However, it is estimated a sizable amount of unmet demand based on LW Hospitality Advisors research for both prospective and current glamping resorts across the US. We have seen high occupancy and daily prices for the very few glamping destinations that are now open (Dangel et al., 2020)

Risk Management

Just as traditional industry, with the extreme high demand and many new brands coming in, the development and financing would become harder. The growth raise concerns from local communities also require brands to contribute more to make the culture and environment authentic.

Any early real estate investors in the sector are taking a chance because there aren't many sales transactions for glamping properties. Although there haven't been any significant transactions, a number of institutional investors are underwriting exit cap rates that are comparable to those of conventional full-service hotels. The possibility of a negative outcome presents another risk to potential lenders or investors. The property's other uses are constrained, for instance, if the particular concept fails to materialize or live up to expectations in a particular setting. (Dangel et al., 2020)

According to Senior Director at Whitman Peterson and a major sponsor of Autocamp David Smith, the main weakness in the glamping industry is low barriers to entry. Even individuals who put a tent in their backyard could do it. Being unique will not be enough and consumers will eventually stop paying premium for that.

In order to preserve their success, operators would be advised to go back to the core principles of the nature-based hospitality industry, specifically a dedication to the people and environment in which they thrive. Market segmentation is the logical evolution of this expansion. By doing this, it will be feasible to achieve longer-lasting, more consistent growth, and money to finance future development will follow. (PKF 2022)

For instance, Under Canvas keeps enhancing its operations to uphold its upscale price point and market positioning while still providing as near to an off-grid, in-the-nature experience as is feasible. Early in 2021, the firm invested \$15 million in improvements across all of its current facilities, with a focus on upgrading to its carefully picked adventure programs, innovative cuisine, and regional architectural style.

Collective Retreats has collaborated with Outdoorsy on a tent and RV project to broaden its range of services. One of the major obstacles for RV travelers has always been the major problem of where to stay or camp at night, according to Jeff Cavins, co-founder of Outdoorsy. Travelers are looking for a transitional option between convenient camping and high-quality, reliable, and well-maintained camping. The objective of this alliance is to provide "hybrid campsite offerings" by creating lodgings that appeal to both road trippers and adventurous visitors wanting a more elevated experience.

Based on minimum principles, Getaway stands out for upholding its basic brand values of offering inexpensive, exclusive escapes outside of MSAs. With a straightforward strategy evocative of Walden

Pond, the company effectively captures the wellness and transformative travel segments. In order to expand its small-footprint, limited-service cabin model and encourage visitors to choose their own adventure or meditative vacation, the company continues to gather funding. As of now, plans call for 2,500 cabins by 2024. (PKF 2022)