

VALUATION & ADVISORY

RV & BOAT STORAGE QUARTERLY OVERVIEW



Q2-22



**CUSHMAN &
WAKEFIELD**

SELF-STORAGE ADVISORY GROUP

Summary of Findings

Over the next five years, the Recreational Vehicle Dealers industry is expected to expand as revenue normalizes following its 2020 decline. Industry revenue is forecasted to rise at an annualized rate of 3% to \$35.4 billion through 2026. This anticipated rise can partly be attributed to the alleviation of economic anxiety following the COVID-19 pandemic, and a far greater attitude toward travel, especially the continued desire to socially distance during travel. Data from industry trade groups demonstrates the growth in ownership and usage of RVs over the past several years, exacerbated in part by the pandemic crisis of 2020. RV wholesale shipments were up 39.5% in 2021 over 2020 according to the Recreational Vehicle Industry Association.

Likewise, the acquisition and use of boats are steadily on the rise. According to the National Marine

Manufacturers Association, new powerboat retail unit sales were expected to surpass 300,000 units for the second consecutive year in 2021. Sales in 2021 are expected to be down slightly from 2020, the previous record high, but will be 7% above the five-year average. The NMMA projects 2022 sales to surpass 2021 totals by as much as 3%.

Americans are increasingly taking time off in natural settings such as parks and lakes, in part as a way of relaxing away from crowds spurred by the onset of the pandemic. As sales of RVs and boats increase, the demand to store the vehicles will grow. Traditional self-storage facilities have limited space and amenities to store RVs and boats, which means that demand for RV/boat exclusive facilities will grow as RV and boat sales rise.



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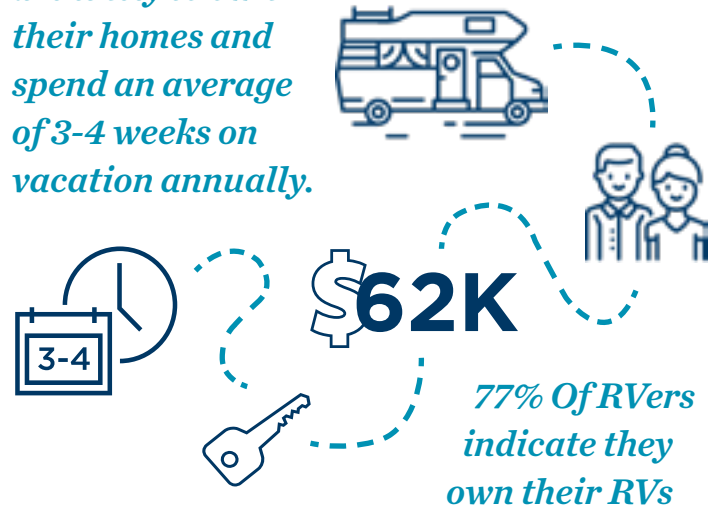


RV & Boat Ownership Growth

Demographic trends are a driving force for this industry. The mass retirement of the baby boomer generation, born between 1946 and 1964, is expected to boost demand for industry products in the future. Baby boomers are expected to be wealthier and to live longer than previous generations, giving them more funds and leisure time, to the benefit of the industry. RV sales benefit from the popularity of the RV lifestyle, which boomed in the 1990s and is increasing with the glamorization of “van life.” Manufacturers are introducing hybrid-electric RVs and using technology developed by automobile manufacturers in response to volatile fuel costs and rising demand for eco-friendly vehicles.

- The typical RV owner is 48 years old, married, and has an above-average annual household income of \$62,000. RV owners are likely to own their homes and spend an average of 3-4 weeks on vacation annually. One-tenth of vehicle owners in this age group also own RVs.
- Most RVer previously chose to rent or borrow RVs. Now, 77% Of RVers indicate they own their RVs.
- Generation X is the population cohort who is most likely to purchase an RV at 62 percent.

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- The RVIA found that 53% of U.S. travelers have become more interested in RV travel and are likely to use an RV for a future trip.
- 45% of travelers include RVs as a top three preferred method of travel.



RV & Boat Ownership Growth

In the 2022 RVShare.com Travel Trend Report, the impacts of the COVID-19 pandemic on travel and the RV market are still evident. The COVID-19 pandemic has increased the capacity for individuals to work remotely and travel for leisure, shifting Americans trip planning over the next few years. According to the Travel Trend Report, 90% of respondents plan to travel for leisure in 2022. Additionally, 70% of millennials and 54% of Gen Xers are planning on taking a road trip or vacation in an RV in the next 12 months.

In 2022, RV shipments are expected to range between 586,300 and 614,100 units, increasing 4% over 2021.

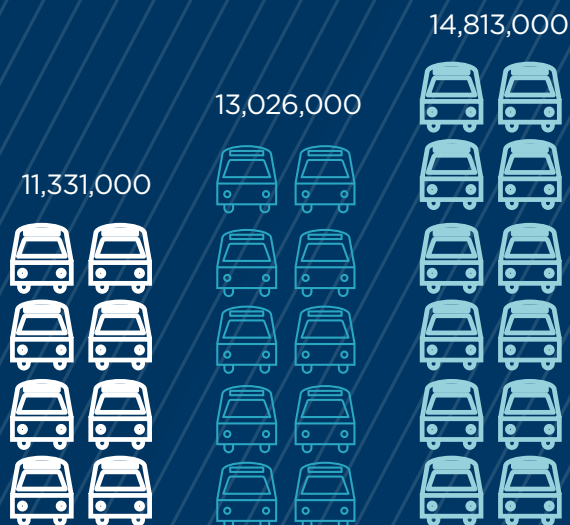
Looking forward, RVs will likely remain a popular option for long-distance and leisure travelers. The RV Industry Association witnessed 2021 to be an impressive year for wholesale RV shipments in the United States, and the increased activity is expected to continue in 2022. In 2022, RV shipments are expected to range between 586,300 and 614,100 units, increasing 4% over 2021.

45% of travelers include RVs as a top three preferred method of travel

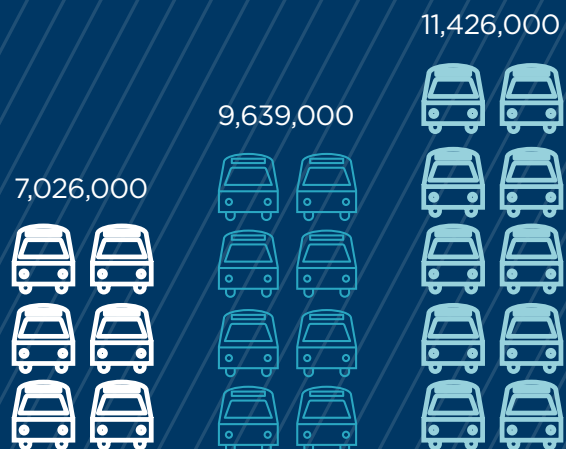
45%

RV HOUSEHOLDS 2019 TO 2021

Number of RVing Households
(prefer RV camping)



Number of Households
Owning an RV



Dealership Industry Overview

A recreational vehicle (RV) can be classified as a motorized or towable vehicle that combines transportation and temporary living quarters for travel, recreation, and camping. RVs do not include mobile homes, off-road vehicles, snowmobiles, jet skis, and conversion vehicles. RVs have highly diverse uses: In addition to vacation travel, owners use RVs for tailgating, traveling with pets, participating in outdoor sports, boating, camping, and other leisure activities.

RVs are most popular among older adults, and as the Baby Boomer generation has moved into retirement, they have also supported the demand for RVs. In addition, industry suppliers are trying to appeal to younger generations. Suppliers of RVs have targeted active young families that place a high value on outdoor recreational activities. The onset of the pandemic has accelerated many of the previously noted trends, as camping and leisure travel has increased in popularity. In the 2022 North American Camping report published by Kampgrounds of America, Camping accounted for 40% of all leisure trips taken in 2021 with more than half of travelers (53%) including camping in some or all of their travel.

Demand for RVs is primarily driven by demographic trends and the economics of discretionary spending and vacations. Recent growth in the market has been driven by more U.S. households having disposable income and the subsequent rise in travel. Economically, sales of RVs increase when consumer confidence, disposable income, and access to credit are high, and when gas prices are low. Given the industry's reliance on economic trends, the market experienced significant volatility through the recession and could do so again in the near term with fluctuations in income levels and oil prices. The health of the market is particularly dependent on the strength of domestic and automobile travel as well as the sales and shipments of RVs. Over the past five years, consumer confidence, disposable income, and access to credit have all been strong, and as such demand for RVs has also been strong.



CAMPING
ACCOUNTED FOR
40%
OF ALL
LEISURE TRIPS
TAKEN IN 2021.



Expertise in Boat & RV Storage

Recent Transactions



Lake Havasu Boat Storage

850 London Bridge Rd.
Lake Havasu City, AZ 86404
Total Units: 332 | NRSF: 140,633
Total Acres: 7.55
Built in 1971, 2020



Windsor Beach Storage

1500 W Acoma Ln.
Lake Havasu City, AZ 86403
Total Units: 289 | NRSF: 110,071
Total Acres: 5.09
Built in 1990



Ameripark 2-Property Portfolio

21639 E Ocotillo Rd.
Queen Creek, AZ 85142
9425 S Hardy Dr.
Tempe, AZ 85284
Total Units: 660 | Total Acres: 14.28
Built in 1996-2017

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