# INVESTING IN RV PARK

SolidRock Capital

# IN THIS PRESENTATION

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02 Who stays in a RV Park

03 Can RV Parks be an investment strategy

04 The Financials

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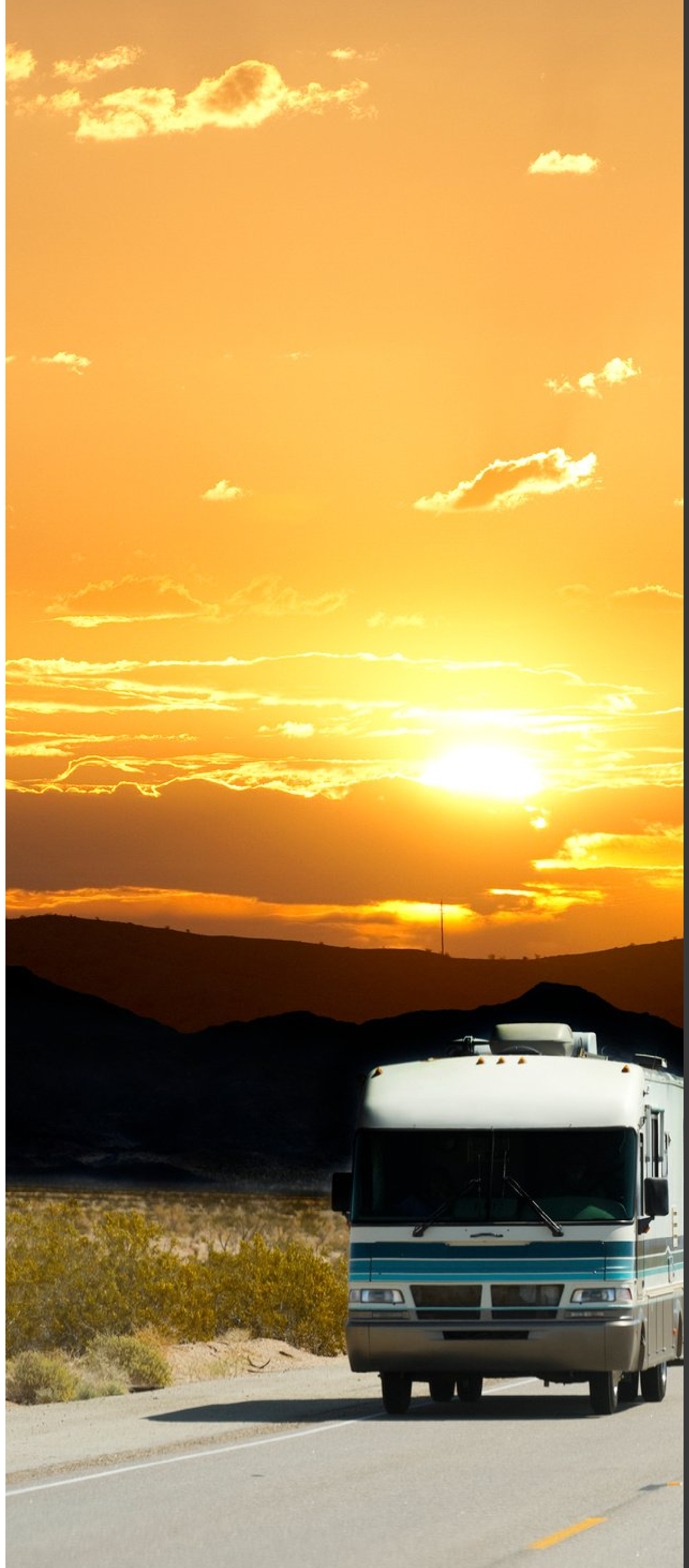

Outline of Topics

# 01 - WHAT IS A RV PARK

RV Park is a place where people with recreational vehicles (large vehicles with sleeping and cooking facilities) can stay overnight, or longer, in allotted spaces known as "sites" or "campsites".

the sites are between 10x20 ft to 20x40ft insize where owners park their vehicles, setup a table and chair and relax

The parks provide electricity hook-ups, water and sewer facilities as well as kids and pet areas.

Depending on the type of park, residents can enjoy:
Onsite Laundry & Showers
Onsite convenience store
Swimming Pool
Outdoor theater
Zip-line

RV Parks can provide everything needed to enjoy outdoor life in luxury and safety

# 02 - WHO STAYS IN A RV PARK



**TOURISTS**

Those who love exploring different places for extended periods, prefer RV parks as it is economical, personal, safe and lots of fun. Living outdoors in a safe environment is appealing

**SNOWBIRDS**

Older people who prefer warm temperatures move to warm places in winter and find RV living to be economical and safe

**TRAVELERS**

Traveling workers and business people who need to be in a place for a few months, find RV parks to be a cheaper alternative to hotels and short-term rentals. Add to it, the luxury of living outdoors.

**PEOPLE LOOKING FOR CHEAPER LIVING**

People who are economically distressed or those with bad credits, find RV Parks to be a safe haven, as they are cheap and don't require good credit

**FAMILY VISITORS**

These are people who need to stay close to a family for longer periods, to offer medical help, or to just spend time with family. RVs are cheaper than AirBnB

**Post-COVID, many people are now preferring RV Parks to hotels.**

**Young people are loving the idea of living outdoor and working remotely**

# 02 - RV PARK DEMOGRAPHICS

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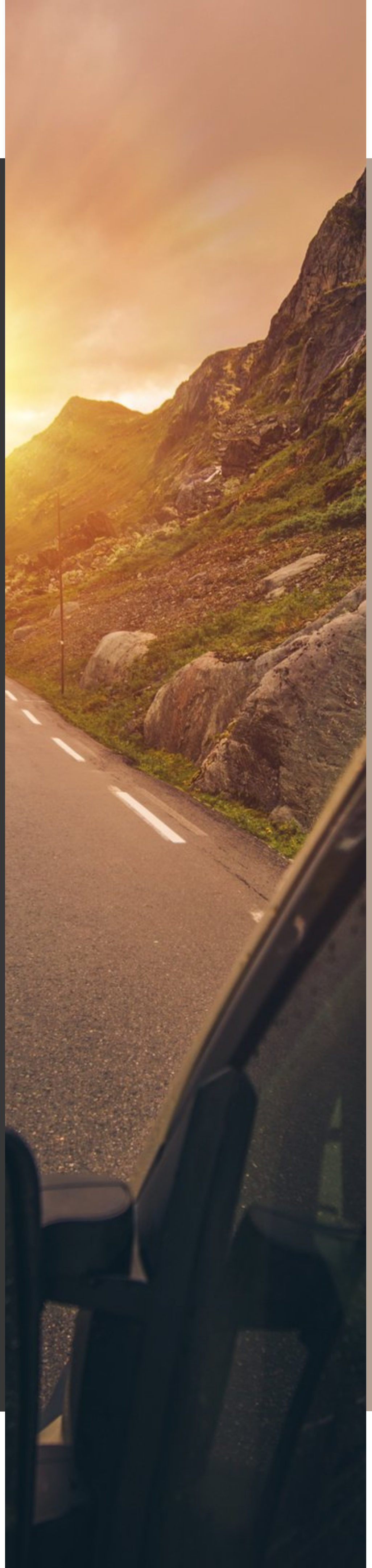
A new study found an increased interest among younger generations, and they love RV Parks for the following reasons

| 52% | 45% | 35% | 29% | 22% |
|---|---|---|---|---|
| Spending quality time with friends and family | Safer form of travel than hotels | Peace and quiet | Surrounded by the wonders of nature | Relaxation |

# 03 - RV PARKS AS AN INVESTMENT STRATEGY?

WHY IT'S A GREAT INVESTMENT OPTION



LOW CAPITAL AND MAINTENANCE

HIGHER RETURNS AMONG ALL REAL ESTATE ASSET CLASSES

RECESSION RESISTANT

INDUSTRY IS STILL MOM AND POPS - NO STRONG CHALLENGERS

# 03 - WHY RV PARKS?

## LOW CAPITAL

RV Parks only need concrete or gravel slabs. Since they don't need elaborate construction, they need less money and time to construct.

## LOW MAINTENANCE

Since there are no appliances and bathrooms, there is no need for plumbing or repairs. Only the common area facilities have to be maintained.

## HIGH RETURNS

RV parks are a very high-yielding investment, with returns closer to 20%+

## HIGH DEMAND VS LOW SUPPLY

42 million Americans camp annually. Yet there are less than 15k RV Parks. Post COVID, RV interest is increasing, but strict county regulations restrict the number of RV parks that can be built.

## GROWING INTEREST

Millennials have become strong RV buyers.
10k Baby boomers are retiring daily, and they are preferring the hassle-free lifestyle of RV living

## LOW COMPETITION

RV Park industry consists mostly of mom and pop businesses, and is a niche market. Poorly run businesses can be great acquisitions as they can be turned around fairly easily. No strong institutional presence yet

# 04 - THE FINANCIALS

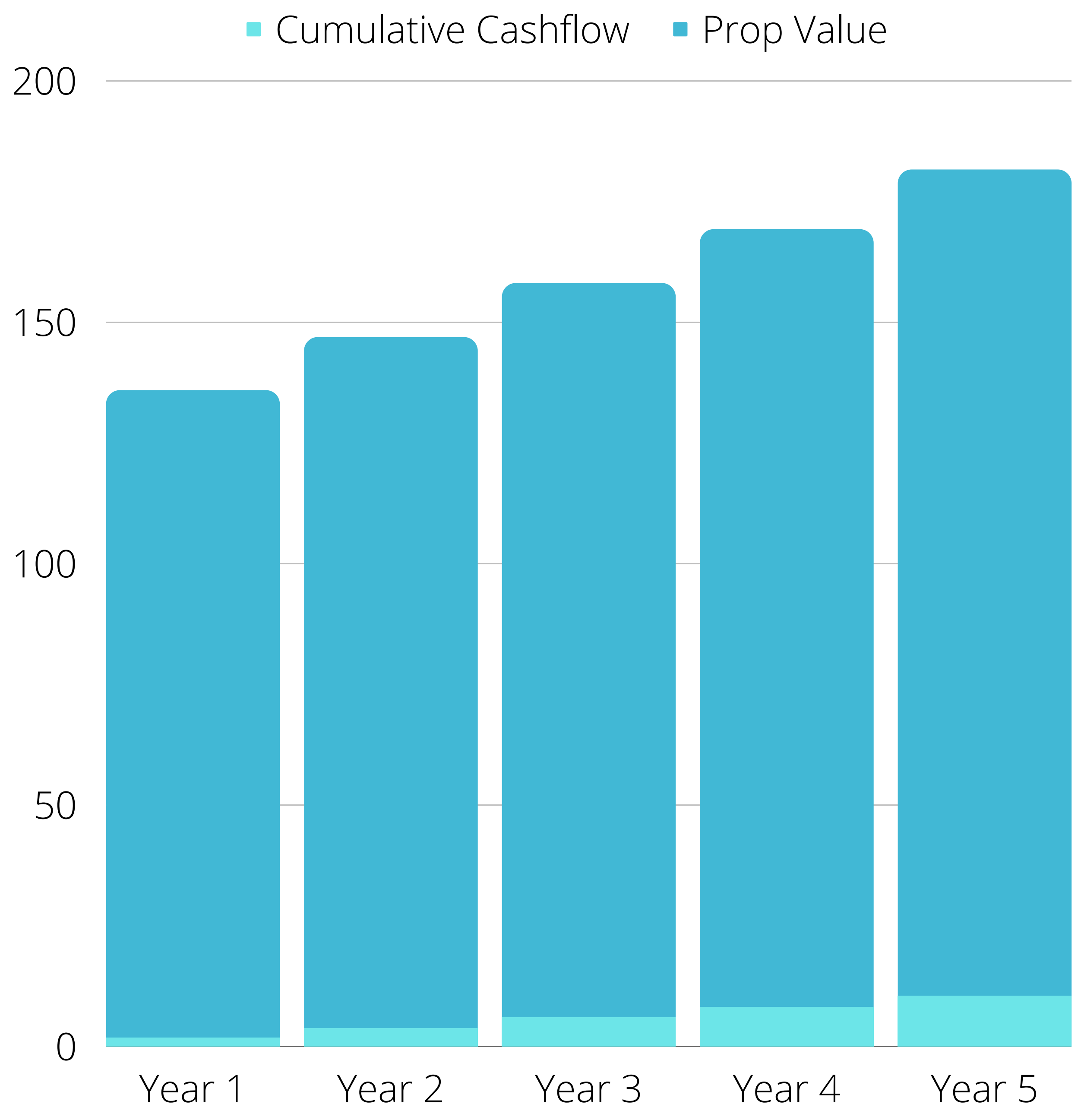
Traditional Renting

## INVESTING IN A RENTAL CONDO

This is the most common investment strategy, and a safe bet. The returns are usually around 10%. They are a good hedge against inflation, have low entry barriers and provide the satisfaction of holding a tangible asset.

## DATA POINTS

Cost of property - 500k
Down Payment - 125k
Interest rate - 4.5% for 30yr
Loan - 375k
Monthly mortgage - $1900
Rent - $2700
HOA-$100, Taxes-$400,Maintenance-$125
Rent Increase - 5% annual
Property Appreciation -3% annual
Occupancy - 80%




## 5 YEAR RETURNS

Total Cashflow for 5years : 10.5k
Equity at end of 5yrs : 171k
Net Profit on 125k investment - 56.5k
Annual ROI - 9.11%

# 04 - THE FINANCIALS

Investing in RV Parks

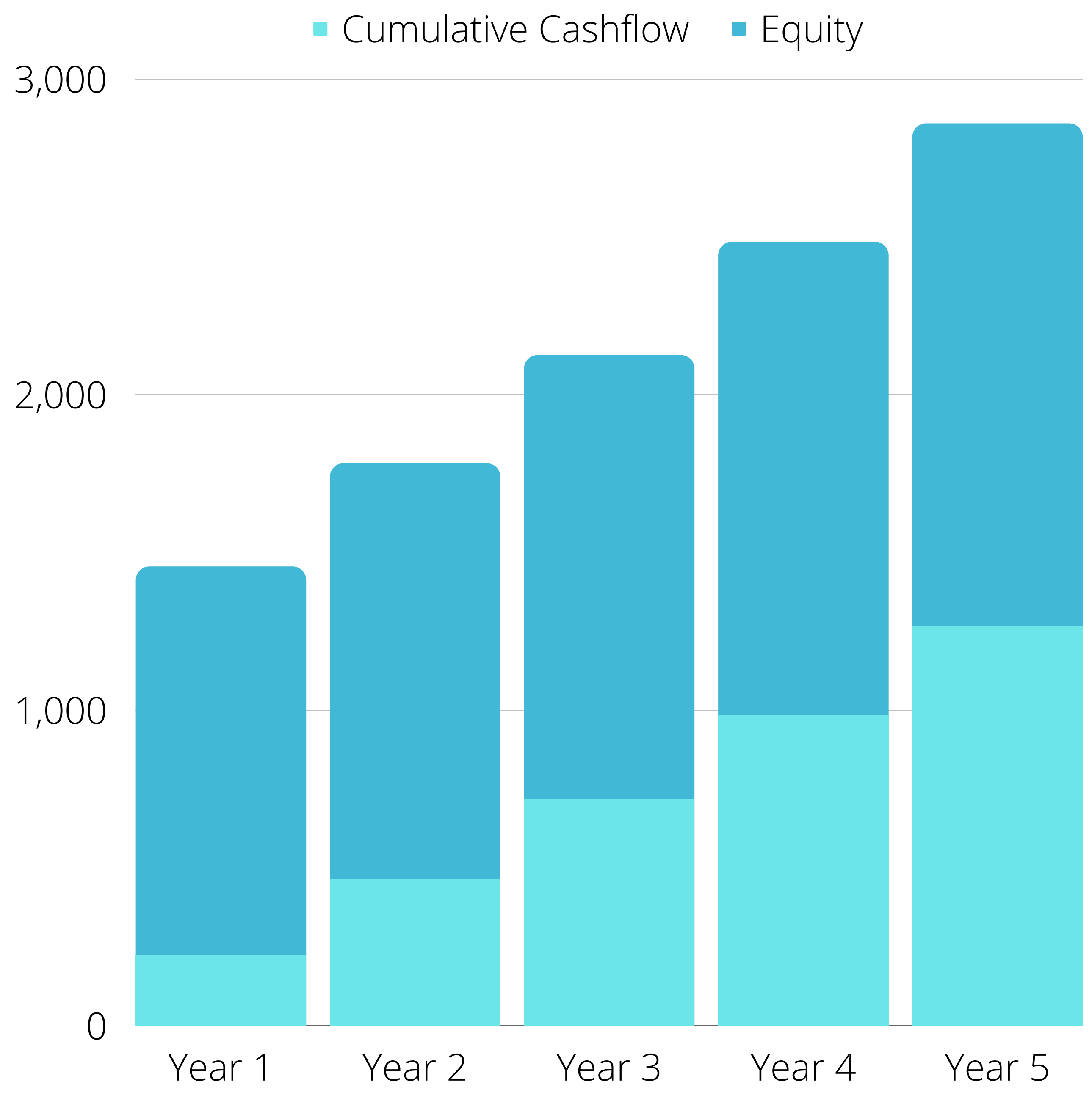
## INVESTING IN A RV PARK

This is an example of acquiring an existing RV Park with 120pads for $5Million. The property value is derived not on as a real estate appreciation but based on NOI, at a Cap Rate of 8%

## DATA POINTS

Cost of property - 5,000,000
Down Payment - 1,250,000
Interest rate - 4.5% for 30yr
Loan - 3,750,000
Monthly mortgage - $19,000
Rent per Pad - $600

Rent Increase - 3% annual
Occupancy - 75%
Maintenance Costs - 30% of revenue
Sale Cap Rate - 9%




## 5 YEAR RETURNS

Total Cashflow for 5years : $1.27M
Property Value at end of 5yrs : $5.67M
Net Equity at end of 5yrs : $1.59M
Net Profit on $1.25M investment - $1.6M
Annual ROI - 25.7%