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# Mobile Home Park Market Analysis

**4th  
Quarter  
2023**



# At a Glance

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## Revenue

Over the past five years, revenue for the industry has increased at a CAGR of 0.1% to \$8.7 billion, including an 8.2% increase in 2023 alone.



## Profit

Profit for the mobile home and RV industry is expected to reach 14.1%. Warmer weather climates perform best, maintaining profitability year-round.



## Profit Margin

Profit margins are much higher for larger operators than single-campsite owners. The average industry profit margin is expected to increase, particularly as wage and purchase costs remain low.



## Consumer Time Spent

Camping is affected by consumers' time spent on leisure and sports. Time spent on leisure and sports is expected to fall in 2023, posing a potential threat to the industry.



## Performance

To keep up with shifting consumer preferences campsite and RV park operators are building new facilities and amenities. RV parks have especially benefited from peer-to-peer rental sites.



## Occupancy

A growing interest from younger consumers in camping and RV travel will fuel occupancy rates at campsites and RV parks. Market saturation is high around national parks and other popular landmarks where regulations limit expansion and occupancy levels.

# U.S Overview

**Pent-up demand and a desire to reconnect with nature have driven consumers to campgrounds and RV parks over the past five years. COVID-19 fueled a new generation of campers who took advantage of work-from-home policies to travel domestically.**

The influx of new campers has increased demand for luxury facilities and amenities often provided by competing rental properties and hotels. Campsites and RV park owners have responded to shifting consumer preferences by constructing yurts, glamping tents, pools and spas. Over the past five years, revenue has increased at a CAGR of 0.1% to \$8.7 billion, including an 8.2% increase in 2023 alone. Adults below the age of 45 comprise a key customer segment for campgrounds and RV parks.

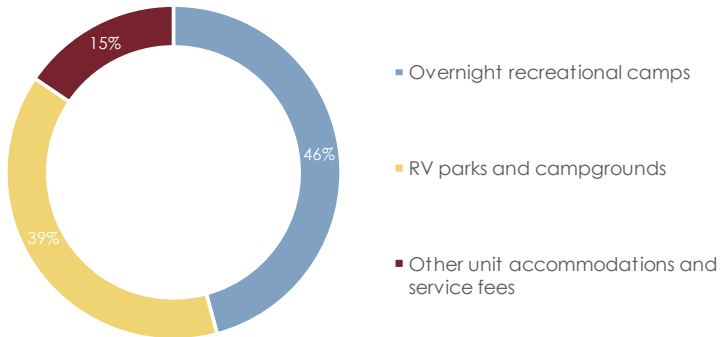
As consumers in younger generations become more established in their careers, they have more disposable income to spend on vacations, driving them to campsites and RV parks. Peer-to-peer rental sites have encouraged this group to begin camping or traveling via RV since rentals are more accessible than purchasing an RV outright.

Growing younger generations continue to provide campsite and RV park operators access to new markets. This shift will provide organic growth for park owners moving forward.





## Products & Services Segmentation



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**1.9%**

**Of revenue growth  
over the next five years**



Rising disposable incomes and falling oil prices will encourage road trips to campsites and RV parks over the next five years. A growing interest from younger consumers in camping and RV travel will fuel occupancy rates at RV parks.

Park owners will continue to offer more luxurious facilities and amenities to stave off competition from hotels and rental properties. Online accommodation booking sites will threaten profit for campsites and RV parks, but peer-to-peer rental sites will ease some of this competition by making camping more accessible. Campground and RV park revenue is forecast to rise at a CAGR of 1.9% to \$9.6 billion over the next five years.

## Demand From Recreational Vehicle Dealers

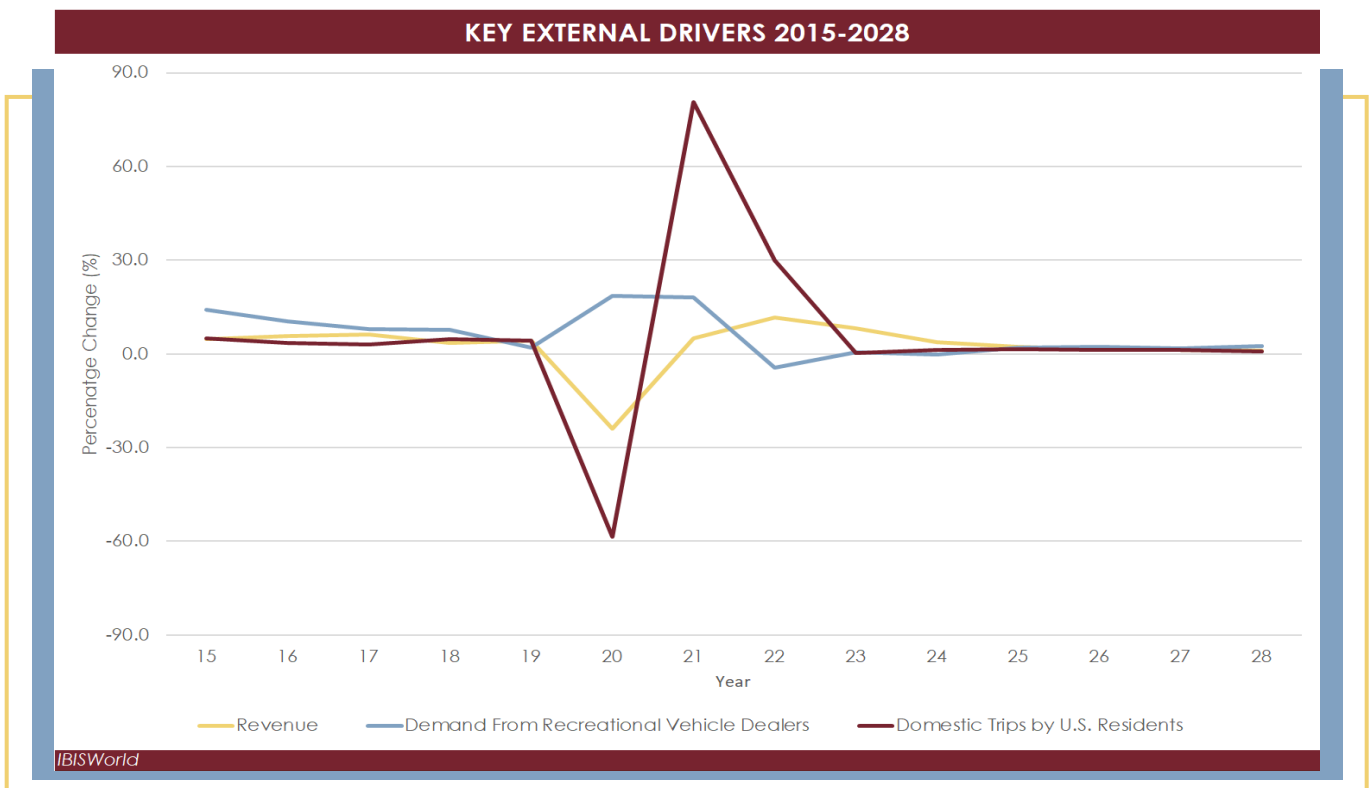
Sales and shipments of RVs indicate demand for RV spaces in campgrounds and RV parks. When sales and shipments of RVs increase, RV travel activity expands. As consumers travel the country with RVs, RV parks gain more business. Demand for RV dealers is expected to increase in 2023.

## Domestic Trips by U.S. Residents

Domestic trips by US residents include all forms of travel, including RV travel. When US residents make more domestic trips, demand for campgrounds and RV parks grows. Domestic travel performs in line with the overall economy, as greater disposable income levels permit consumers to spend more on trips. The number of domestic trips is expected to increase in 2023, representing a potential opportunity for the industry.

## Per Capita Disposable Income

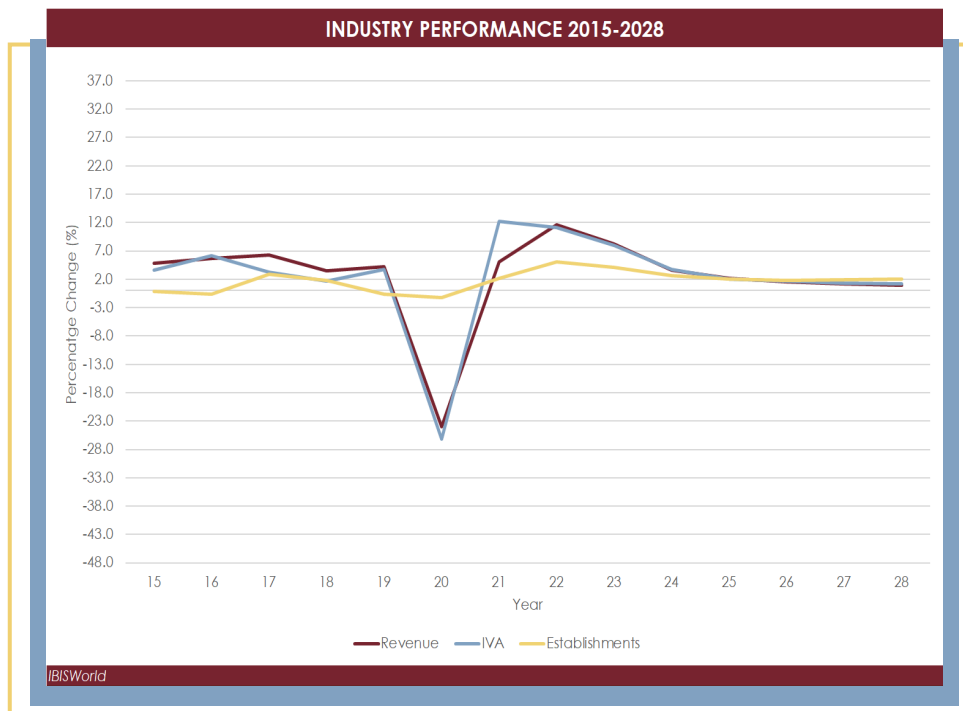
Changes in consumers' disposable income levels significantly influence the amount that people travel. Given that travel is classified as a discretionary form of spending, individuals tend to travel more when disposable income levels are high. RV parks and campgrounds benefit from increased disposable income as it boosts the number of domestic trips and increases the chances that travelers will stop by these recreation sites. Per capita disposable income is expected to increase in 2023.



# Industry Performance

## Current Performance

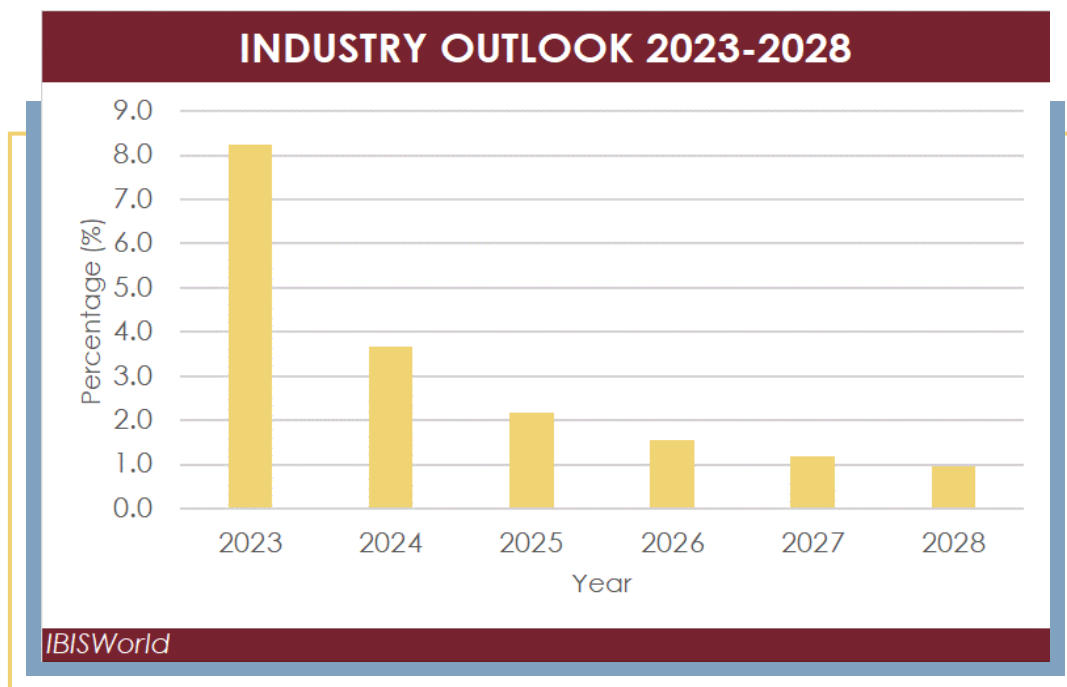
Over the past five years, revenue for the industry has increased at a CAGR of 0.1% to \$8.7 billion, including an 8.2% increase in 2023 alone when profit will reach 14.1%. Work-from-home policies established during the pandemic increased the average consumer's leisure time and geographic flexibility. Cabin fever drove workers to seek a change of scenery, and camping offered a safe way to do that. Greater travel flexibility led the number of new campers to soar in 2020 and 2021.



To keep up with shifting consumer preferences, campsite and RV park operators are building new facilities and amenities. Hotels and private rentals offering luxurious amenities have become a greater threat to campsite and RV park operators. RV parks have especially benefited from peer-to-peer rental sites, which are an increasingly popular way for consumers to access an RV for a trip. Owning an RV or camping gear drives consumers to visit campsites and RV parks.

HISTORICAL PERFORMANCE										
Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)	Per Capita Disposable Income (Million)
2014	7,113	3,573	14,299	13,705	49,533	N/A	N/A	1,891	N/A	11,515
2015	7,456	3,703	14,286	13,700	50,323	N/A	N/A	1,952	N/A	11,893
2016	7,878	3,932	14,196	13,596	51,551	N/A	N/A	2,047	N/A	12,188
2017	8,371	4,059	14,601	13,983	53,693	N/A	N/A	2,143	N/A	12,484
2018	8,664	4,128	14,867	14,238	55,372	N/A	N/A	2,176	N/A	12,845
2019	9,027	4,282	14,777	14,114	55,410	N/A	N/A	2,247	N/A	13,126
2020	6,866	3,161	14,596	13,959	55,117	N/A	N/A	1,913	N/A	12,630
2021	7,217	3,548	14,917	14,239	57,248	N/A	N/A	1,992	N/A	13,625
2022	8,058	3,944	15,669	14,893	62,072	N/A	N/A	2,173	N/A	13,952
2023	8,723	4,259	16,313	15,462	66,036	N/A	N/A	2,319	N/A	14,050

# Industry Outlook



## Gas Prices

Global oil prices are expected to plummet over the next five years as supply levels normalize. Consumers that avoided road trips because of lofty gas prices will be encouraged to take more trips as prices fall. RVs are gas-guzzling vehicles. Filling up an RV tank will become less daunting and more worthwhile when gas prices fall. Consumers often drive to campsites that are hard to reach by public transport. Lower fuel prices over the next five years will encourage more road trips to national parks and landmarks, where some of the largest campsites reside.

## Younger Generations

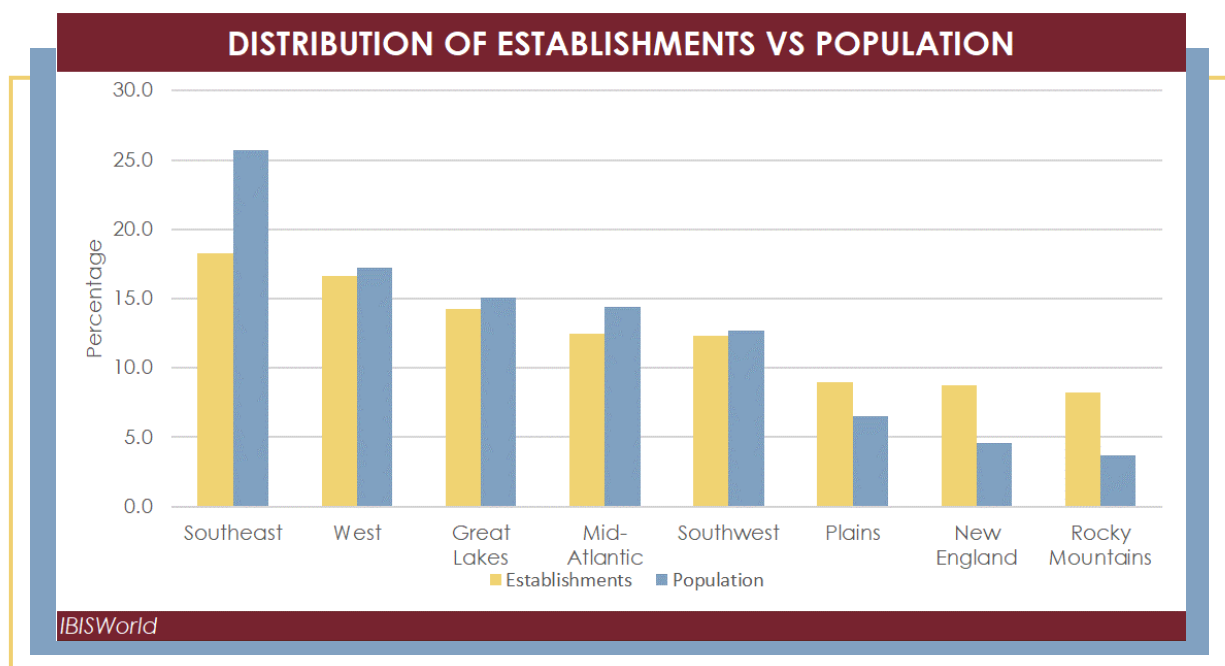
According to the Kampgrounds of America's 2022 camping report, over half of all new campers in 2021 were younger adults. As consumers are becoming more established in their careers, so they have more to spend on domestic travel and camping gear. Urbanization will continue to be driven by younger adults, who are increasingly eager to escape city dwellings for a weekend.

## Camping as Disposable Income Rises

A growing economy will entice consumers to spend more on luxurious vacations, intensifying competition from hotels and rental properties. Campsite operators are likely to build glamorous facilities and amenities to combat competition and sustain profit. Yurts and cabins will become standard lodging options at campsites, while wireless internet, spas and tennis courts will be in higher demand. A trend toward glamping will also support demand for RVs, either rented or purchased, increasing occupancy at RV parks.

# Industry Lifestyle

The Campgrounds and RV Parks industry is in the mature phase of its industry life cycle. Campsites and RV parks are innovating by constructing luxurious amenities. Competition from rental properties and hotels is intensifying. Demand for camping will continue to grow alongside urbanization. Campsite and RV parks are growing at a similar rate to the US economy. As economic conditions improve and consumers have more to spend, domestic travel drives vacationers to campgrounds and RV parks. Demand for new campgrounds and RV parks exists in rural areas where city dwellers can escape the hustle and bustle.



Campsites and RV parks concentrate near places of interest, like national parks, lakes, and mountains. The West holds 24 of the nation's 63 national parks, making it a popular travel destination. Outside of the national parks, the region has many scenic areas that make prime campsites and RV parks. Warm weather in California, Nevada, and Hawaii attracts tourists during the winter, making the region's campsites and RV parks profitable year-round. The Great Lakes contain more than 9,400 miles of coastline, providing plenty of opportunities for camping. Campgrounds and RV parks in the Great Lake region can offer water excursions as an additional amenity. Successful industry participants take advantage of their geographic location, whether this is proximity to national parks or areas of favorable weather. Locating in a region with consistent weather patterns can moderate volatility.



## PERFORMANCE OUTLOOK DATA

Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)	Per Capita Disposable Income (Million)
2023	8,723	4,259	16,313	15,462	66,036	N/A	N/A	2,319	N/A	14,050
2024	9,044	4,417	16,751	15,865	68,330	N/A	N/A	2,401	N/A	14,225
2025	9,240	4,507	17,098	16,189	69,987	N/A	N/A	2,458	N/A	14,471
2026	9,383	4,580	17,413	16,488	71,375	N/A	N/A	2,505	N/A	14,693
2027	9,494	4,642	17,745	16,808	72,687	N/A	N/A	2,547	N/A	14,931
2028	9,587	4,696	18,116	17,170	74,005	N/A	N/A	2,589	N/A	15,055
2029	9,683	4,768	18,496	17,541	75,321	N/A	N/A	2,631	N/A	15,233

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Market saturation is high around national parks and other popular landmarks where regulations limit expansion and occupancy levels. Rising preferences for luxury and comfort influence new and traditional campsites to create more glamorous facilities. The emergence of glamping has also aggravated competition from private property owners and online accommodation booking sites, forcing operators to innovate. The largest campsite and RV park operators are absorbing smaller campgrounds to expand their geographic footprint. Purchasing existing campgrounds in up-and-coming and popular areas gives operators access to new markets. Campgrounds and RV parks are turning to the internet to reach more consumers. Online marketing and booking draw in younger consumers, who account for a significant market share. Wireless internet access across campsites has become more common as park owners must appeal to the modern consumer.



# Conclusion

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The campground and RV industry has endured steady growth post pandemic. People took to the outdoors to work from “home” and explore during the pandemic and have continued to do so. This trend brought in new consumers who may not have ventured out otherwise. Although work from home has dipped slightly as more companies require return to office, the newly gained demographic should continue to explore campgrounds and RV parks. Also, due to the pandemic, road trips became more commonplace, as more and more continue to drive during holidays and vacations. In general, regarding supply and demand, the condition of the mobile home market is preferable compared to five to ten years ago. It is sensible to assume current trends will carry on at a steady pace in the coming years.

At LPA we pride ourselves in providing our clients the most up to date and accurate market data, so they can make informed business decisions. If you would like further information about any of the data in this mobile home park industry report or if you have additional commercial real estate valuation needs, please feel free to contact me using the information below.

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