



Campground Industry 2019 Trends – COVID-19 Pandemic Update



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Introduction

CBRE Inc. (CBRE) was engaged by the National Park Service (NPS or Service) in September 2019 to research the campground industry, to analyze data and findings, and to proffer a campground modernization and rehabilitation strategy to support the Service’s Second Century of Campgrounds. As such, CBRE teamed with a campground subject matter expert to execute this four-phased project.

- Phase One consists of this industry analysis report with the goal of identifying and conveying the state of the industry along with current trends in order to assist the Service in anticipating developing and future expectations for camping services.
- Phase Two involves planning for and conducting site visits to three pilot parks’ campgrounds.
- Phase Three entails:
 - Developing an analysis framework that aligns with the Service’s Facility Investment Strategy (FIS). This framework, which will include creating new tools and templates, will be utilized at the park-level to develop a business case to assist in decision-making of whether a campground should be modernized, otherwise rehabbed, or remain status quo.
 - Piloting this framework and completing business case analyses for select campgrounds in the pilot parks.
- Phase Four includes:
 - Building a generic campground financial model for the Service to analyze campground operations under both NPS- and concessioner-operated scenarios.
 - Performing financial analyses for select campgrounds in the pilot parks.

In pursuit of the Phase One Industry Report, the CBRE Team conducted detailed secondary research as well as primary research (i.e., direct interviews) with multiple representatives and officers from public land management agencies and trade associations in addition to concessionaires who have hundreds of contracts with decades of service for varied public land management agencies.

Overall, the campground industry is strong. Long-term demand appears robust, and growth is driven primarily through the increase in annual camping households and their higher frequency to camp.

Life stages and life events are increasingly influencing campers’ decisions regarding frequency and where to camp. Events such as marriage, beginning a family, retirement, and other factors impact how people camp and what types of accommodations, services, experiences, and amenities they seek and/or expect.

Interestingly, the campground industry can be distilled down into two segments – generation and ethnicity. These two segments provide some of the most relevant data to understanding and predicting camper behavior.

For this project, camping is defined as an outdoor activity involving overnight stays away from home in a shelter, such as a tent, cabin, recreational vehicle (RV), or other temporary accommodation. Typically, campers leave developed areas to spend time outdoors. To be regarded as "camping", a minimum of one night is spent outdoors thus distinguishing it from day-tripping, picnicking, and other similarly short-term recreational activities. Also, campers like to enjoy a wide variety of activities in and around campsites – many of whom select their camping destinations based on available recreational options.

As expected, RV camping typically requires campgrounds with more infrastructure than is needed for rustic camping. Recreational vehicle camping utilization has been steady in recent years with approximately one in four campers opting to use a RV for their primary lodging.

The campground industry is best segmented by generation to more fully understand trends and behavior. The generations are defined as:¹

- Generation Z – Born after 1997;
- Millennials – Born between 1981 and 1996;
- Generation X – Born between 1965 and 1980;
- Baby Boomers – Born between 1946 and 1964; and,
- Mature – Born between 1928 and 1945.

Moreover, as younger campers continue to be introduced to camping, the industry is poised to see some real changes. Glamping, a popular form of camping, not only attracts new campers but also attracts Millennial campers who are looking for new experiences. This new hybrid suggests the current distribution of overnight accommodations may shift with an increase in “cabin” and “other” and decrease in “rustic tent” in the foreseeable future.

Along with the changes being driven by younger campers, social factors and technology are driving changes in the importance of some campground amenities. One consistent trend is a growing desire to have an experience that is “close to nature”, although this definition may vary from camper to camper.

Of critical importance is the mission of the National Park Service as stated in the original authorizing legislation: “...preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.” Our national parks have long been a place for people to escape the real world and get lost in the majesty of nature. These natural resources are the “magnet” that attract campers.

¹ Pew Research Center

COVID-19 Update

From January 2020, a novel coronavirus disease 2019-nCoV (COVID-19) evolved from an isolated disease in a region of China into a global pandemic that challenged hospital systems and dragged the global economy into a recession. The Centers for Disease Control and Prevention (CDC) on January 21, 2020, confirmed the first case of COVID-19 in the United States (US) in Washington state.

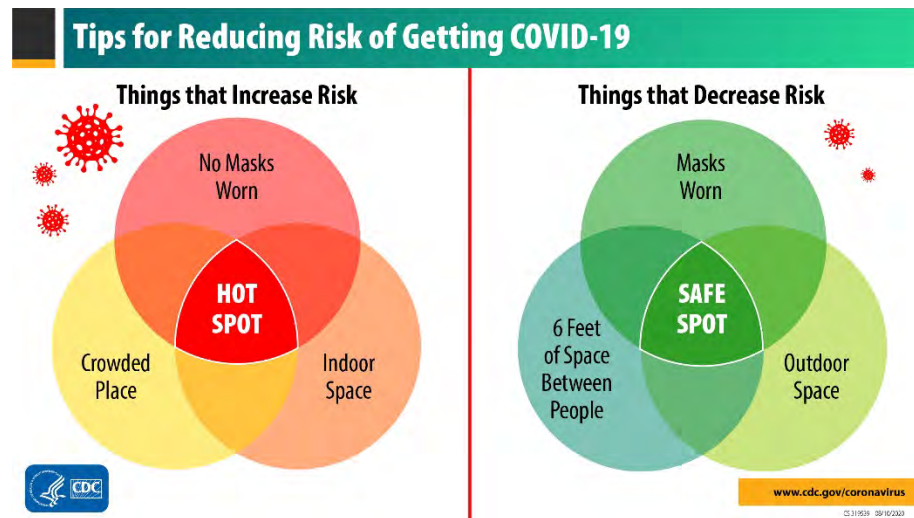
In September 2020, CBRE was engaged by the NPS to update this report (issued January 9, 2020) due to the COVID-19 impact on the campground industry as this pandemic significantly affected the travel and tourism industry. The Service commissioned CBRE to revise its campground industry analysis report to include the probable impact of COVID-19 on the current campground market and analysis on future demand and changes to visitor expectations based on current information available.

In pursuit of the COVID-19 report update, the CBRE Team identified and analyzed relevant industry published studies, data-mined available surveys regarding anticipated consumer behavior for current and post-pandemic planned activities, examined varied formats of industry press, and reviewed general economic reports issued since the pandemic began. Additionally, the CBRE Team re-interviewed a subset of those industry leading operators, concessionaires, associations, and public land management agency representatives canvassed for the January 2020 report.

The CDC recommends the following strategies to mitigate the risk of contracting COVID-19:

- Maintain at least six feet of space between persons;
- Outdoor spaces as indoor spaces with less ventilation and constraints make it challenging to keep people appropriately spaced apart; and,
- Mask wearing because interacting without mask wearing increases a person's risk.

Exhibit 1 – Tips for Reducing Risk of Getting COVID-19



Given this guidance, the campground industry appears to be benefitting significantly as the “Safe Spot” in the intersection among the three things that decrease risk of getting COVID-19 are easily achieved in a campground environment.

After suffering a challenging late winter and spring, the US campground industry rebounded generally with a strong summer performance that extended past its traditional end of season (i.e., Labor Day) as people perceived recreating outdoors as safer and healthier than other travel or leisure activities.

Government regulations, health advisories, and epidemiological forecasts regarding the spread and containment of the virus should be considered as the next 12-24 months are uncertain. However, there appears to be a blend of cautious optimism with pragmatic concerns by the increase in regional camping households and their higher frequency to camp along with first timers and the re-engagement of past campers with their perceived continued participation.

Again, of critical importance is the mission of the National Park Service as stated in the original authorizing legislation: “...preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.” Our national parks have long been a place for people to escape the real world and get lost in the majesty of nature. These natural resources are the “magnet” that attract campers.

Campground Industry Overview

Overall, the campground industry is strong and long-term demand appears robust. Growth realized is driven primarily through the increase in annual camping households coupled with their higher frequency to camp. This growth is expected to continue as exiting campers (e.g., Mature and Baby Boomer Generations) are replaced by new campers (e.g., Millennials and Generations X + Z).

Campers come from diverse backgrounds and varied ethnicities. Interestingly, the demographic breakdown of campers is similar to the population of the US with one notable exception. Asian-American campers represent approximately three times more than their proportion of the US population.

Campers' decisions regarding frequency and where to camp are becoming increasingly influenced by their life stages and life events.² Events such as marriage, starting a family, retirement, and other factors impact how people camp and what types of potentially new accommodations, services, experiences, and amenities they try and/or expect. One issue frequently encountered by campers at high demand parks and areas is a lack of site availability at both national park campgrounds and private campgrounds when they do not plan ahead.

² Non-North American campers are not included in any known, publicly available and reliable survey data; however, anecdotally they have similar behaviors and preferences to North American campers.

National Camping Market Trends

The camping industry is part of a larger segment of the economy known as Outdoor Recreation, which includes auxiliary activities that many campers enjoy. In 2018, this segment generated roundly \$890 billion in economic activity and is detailed³ in Exhibit 2.

Exhibit 2 – Activity Revenue 2018

	Gear, Accessories, and Vehicles	Trip Related	Total
Camping	\$31,271,155,486	\$135,591,624,999	\$166,862,780,485
Fishing	11,867,666,850	23,908,160,290	35,775,827,140
Hunting	16,059,527,274	11,318,772,808	27,378,300,082
Motorcycle Riding	16,726,560,701	47,428,610,964	64,155,171,665
Off Roding	15,520,574,134	35,996,107,969	51,516,682,103
Snow Sports	12,530,315,740	60,190,242,316	72,720,558,056
Trail Sports	25,342,546,672	176,144,141,213	201,486,687,885
Water Sports	29,059,965,205	110,911,844,967	139,971,810,172
Wheel Sports	13,857,894,195	82,864,146,456	96,722,040,651
Wildlife Watching	12,272,757,581	17,947,854,866	30,220,612,447
Total	184,508,963,838	702,301,506,848	886,810,470,686

Source: Outdoor Industry of America

National trends in the camping industry are important to understand when evaluating current performance and anticipating future performance. The camping industry may be grouped into two – generation and ethnicity. These two factors provide some of the most relevant data to understanding and predicting camper behavior. Additionally, understanding the preferences of these groups allows for the anticipating of future camping needs.

Historically, most research into the campground or camping market is funded by the private sector. The Outdoor Recreation Foundation has been issuing research reports since 2004. The earliest of these were broad overviews of the entire outdoor recreation industry. However, as funding for these projects became more challenging to acquire, the reports narrowed their focus to what equipment people were purchasing rather than where, how, and why people were camping. Other research has been performed by the Recreational Vehicle Industry Association (RVIA), but that research focused on the marketing and growth of the recreational vehicle manufacturing portion of the industry. The American Recreation Coalition (ARC) has released some broad-based industry reports. In 2015, Kampgrounds of America (KOA) funded a comprehensive, statistical survey of the camping industry produced by Cairn Consulting Group (Cairn) and released a public report containing a high-level summary; KOA continues to fund an annual update while building its research database with the most recently released report being *The 2019 North American Camping Report 5-Year Trends*. The CBRE Team acquired, examined, and analyzed the detailed, in-depth Cairn data⁴ as part of our research. It is

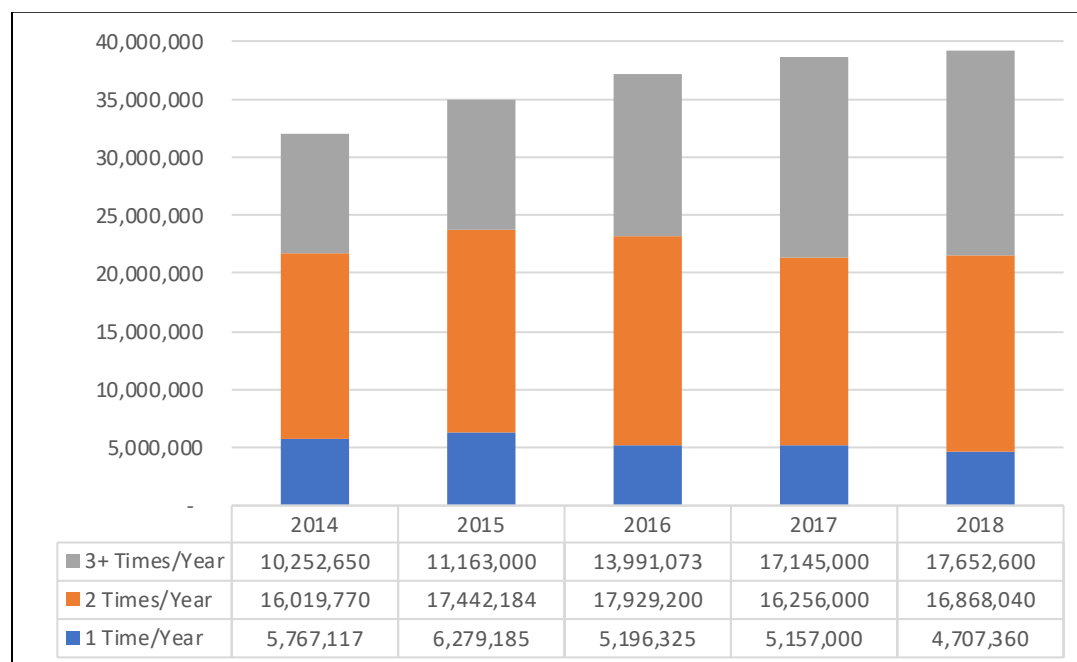
³ Outdoor Industry of America 2018 Recreation Economy Report

⁴ Survey data consists of random, cross-section of all campers in North America

fortuitous that for the first time, the 2019 Cairn survey included a question that identified those respondents who camped in a national park the previous year.

As illustrated in Exhibit 3, the frequency to camp more than one time per year increased total multiple annual camper nights by more than 8.2 million.

Exhibit 3 - Annual Camper Nights by Year and Frequency of Camping



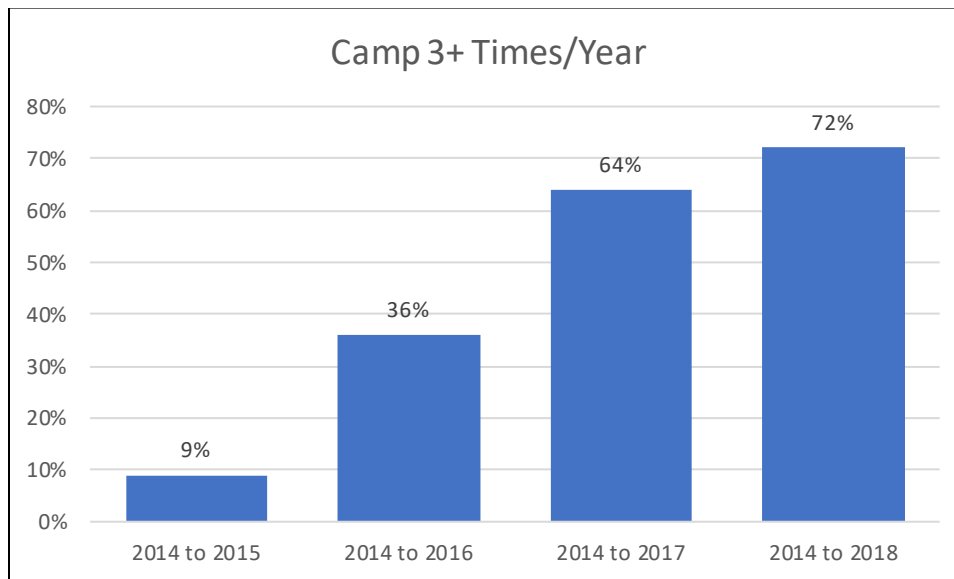
Source: Outdoor Industry Association

New camper households primarily drove this growth, chiefly from the influx of younger and multicultural campers. From 2014 to 2018, there has been a 22 percent increase in annual camper households.⁵

⁵ Cairn Consulting Group

This influx of younger and ethnically diverse campers has a stronger sense of enthusiasm associated with camping when compared to that of other campers. This enthusiasm manifested itself in new campers taking more camping trips and camping nights annually. As seen in Exhibit 3, since 2014 the percentage of campers who camp three or more times annually has increased by 72 percent.

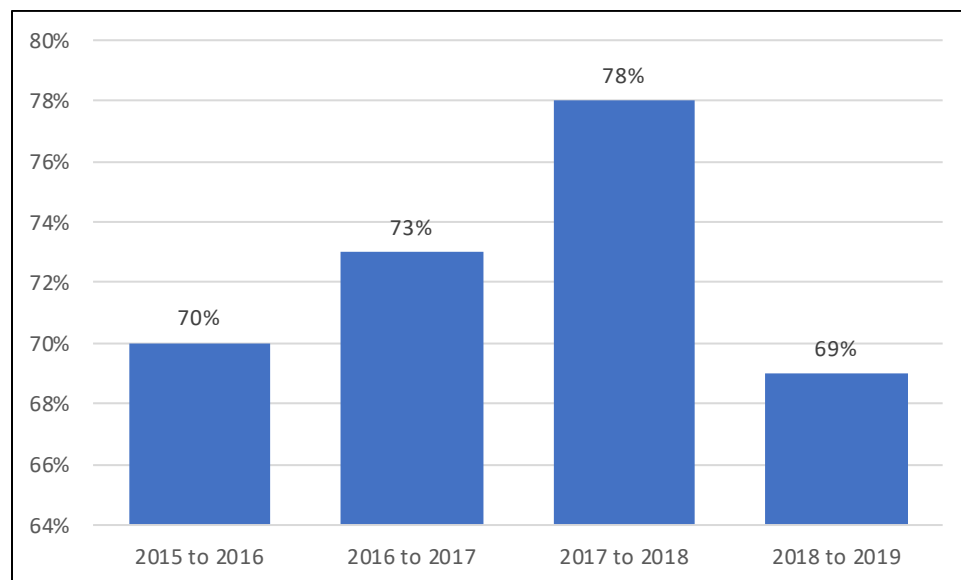
Exhibit 4 - Growth in Camping Frequency From 2014



Source: Cairn Consulting

New campers are, in general, somewhat uncertain of how their camping trips might change in the future. From 2015 to 2018, the retention of campers from year to year grew from 70 percent to 78 percent, which is promising. However, 2019 preliminary numbers show a decline in retention from 2018. Because of general uncertainty about life changes and other plans, approximately 17 percent of campers are uncertain about their future camping plans in 2019. This level of uncertainty makes it challenging to speculate if the retention rate is decreasing, holding steady, or continuing to grow.

Exhibit 5 - Retention Rate Among Campers

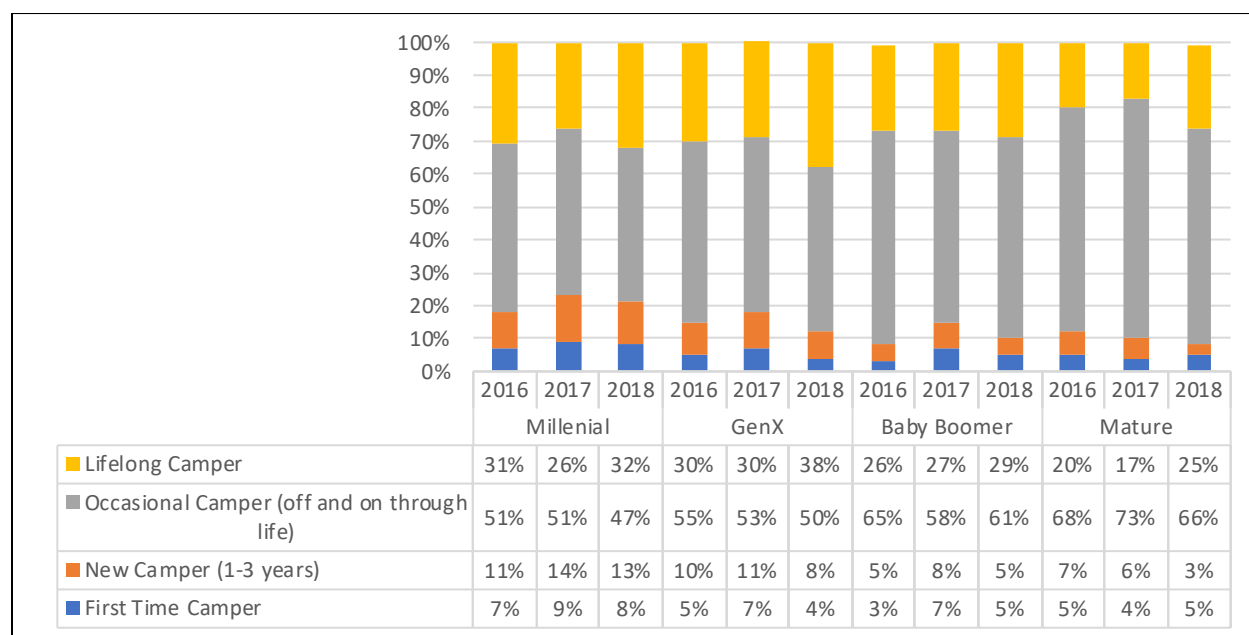


Source: Cairn Consulting

As stated earlier, the most aggressive camping industry growth segment is younger campers, which makes understanding their behavior critical. Children are an important part of Millennial families experiences', and while a majority report that it was their parents who introduced them to camping, one out of five say that they were introduced to camping because it was a great way to travel with kids. They are more likely to self-identify as life-long campers.

In other words, those who start camping early in life tend to continue camping the rest of their lives.⁶ Understanding the new camper of today should provide insight into the seasoned camper of tomorrow. Indeed, younger campers are more likely to consider themselves lifelong campers than other generations. By definition, lifelong campers are expected to continue camping their entire lives while providing the industry with stable demand. If the trend of identifying as lifelong campers seen in the Millennial and Generation X (GenX) generations continue for Generation Z (GenZ), and subsequent generations, overall demand should continue to experience stability.

Exhibit 6 - Campers Identity as Lifelong or Casual Campers

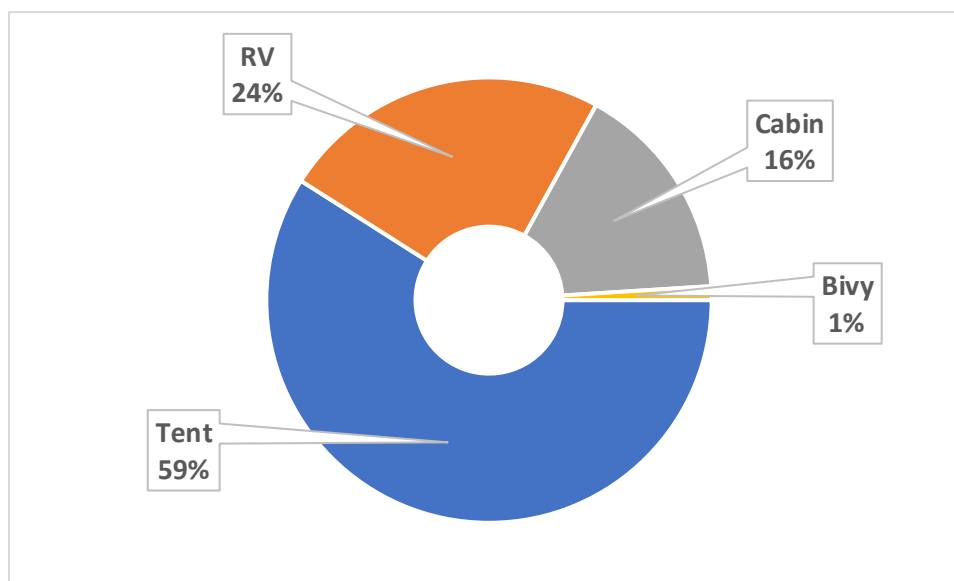


Source: Cairn Consulting

⁶ Cairn Consulting Group

Campers utilize a variety of different accommodation types while camping. Tenting is the most popular option followed by recreation vehicles, cabins, and other accommodations.

Exhibit 7 - 2017 Camping Accommodation Distribution



Source: Outdoor Industry Association

The notable differences of distribution among accommodation types between new campers and regular campers is that of tenting, cabins, and other accommodations. New campers utilize cabins and other accommodations at higher rates than do regular campers. Cabins in this report refer to any accommodation other than a tent or RV used on a campground or in a RV park, including all types of cabins and even yurts, glamping tents, and tree houses. This usage is due to several factors, such as new campers likely have not invested in all the required equipment, or they want to acclimate slowly to camping by utilizing a cabin/other accommodation first.

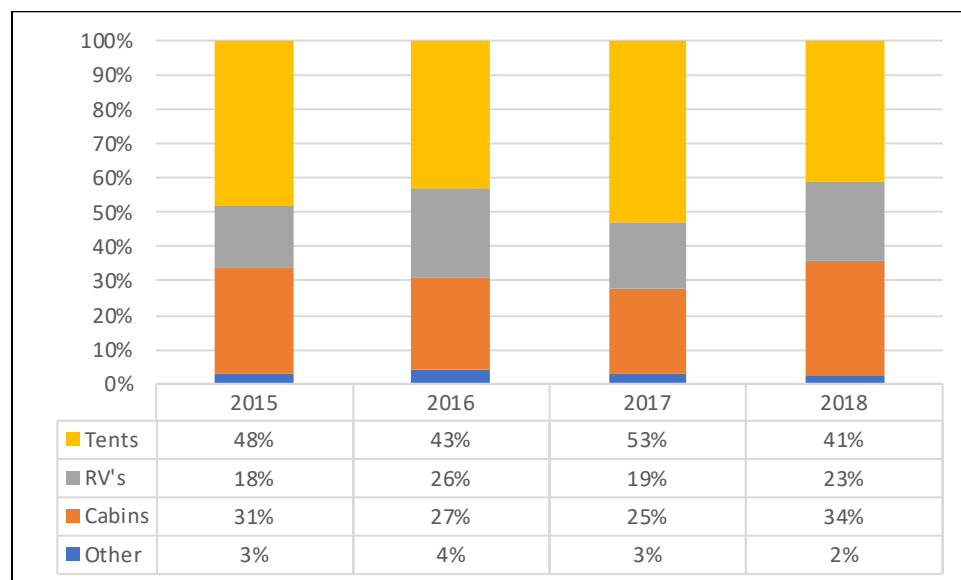
Tent Camping, the most popular form of camping, consists of utilizing a shelter made of sheets of fabric draped over a frame or supported by a rope. In front country campgrounds, most tent campers arrive by car and set-up a tent at the campsite while parked next to it.

RV Camping consists of camping in a motor vehicle or trailer designed to be a living quarters. There are several types including motorhomes, campervans, caravans (aka travel trailers and camper trailers), fifth wheel trailers, popup campers, and truck campers. RV campers typically look for campgrounds that have water, electrical, and/or sewer connections as on-board resources are limited.

Cabin camping consists of staying in a structure constructed out of any number of materials (e.g., wood). The level of amenities found in a cabin vary greatly from simple, one-room wooden cabins with no utilities to full modern cottages.

Bivy campers are typically seen at backcountry campsites but are occasionally seen at front-country campsites. Bivy is short for bivouac shelter, which is essentially a sack that the campers sleep-in out in the open. These sites are typically utilized in the military and by mountaineers.

Exhibit 8 - Primary Accommodation Type for New Campers



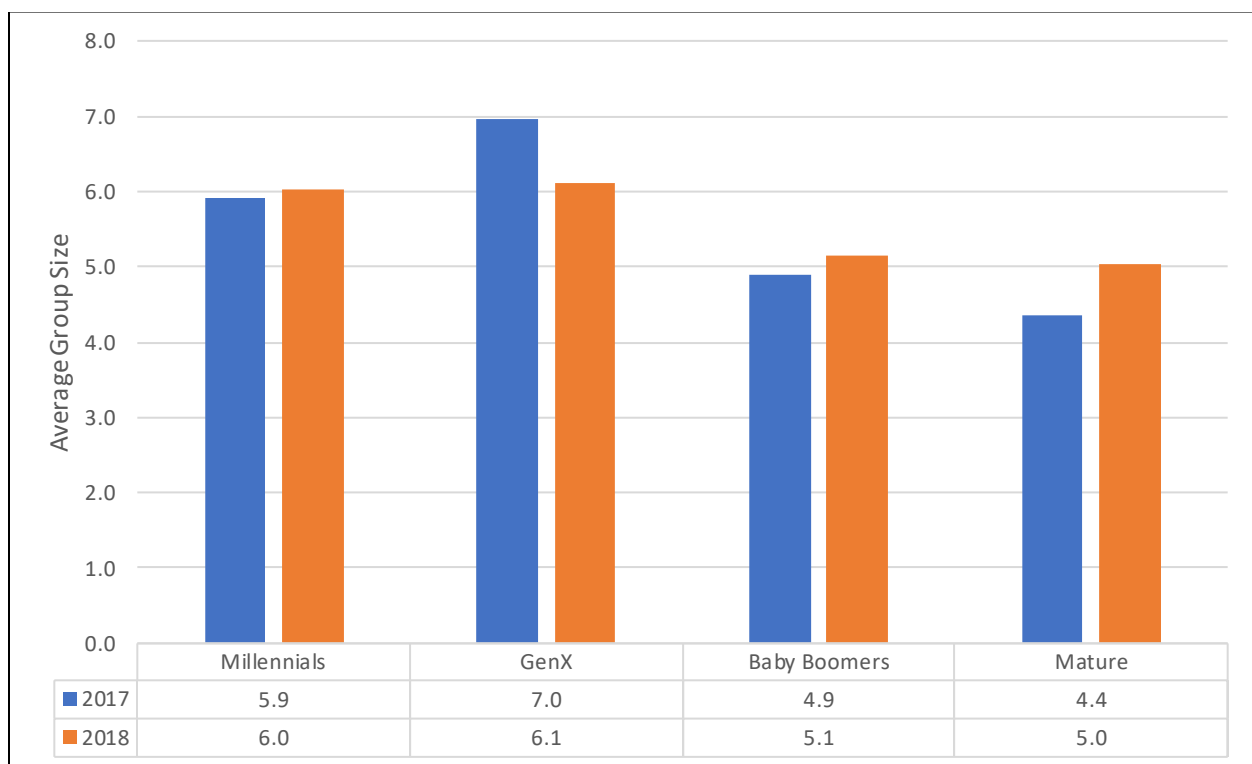
Source: Cairn Consulting

Group Camping

When evaluating group camping, it is important to distinguish between two main group types. One group type is organizational (e.g., Scouts of America), and the other group type is comprised chiefly of families and/or close friends. With regard to the latter, it is common for these campers to utilize a variety of accommodations, which has necessitated the development of flexible sites at private campgrounds allowing operators to mix and match sites. The following data pertain to this second type of group camper.

The younger generations, Millennials and GenXers, are more likely to camp with a larger group than other generations.

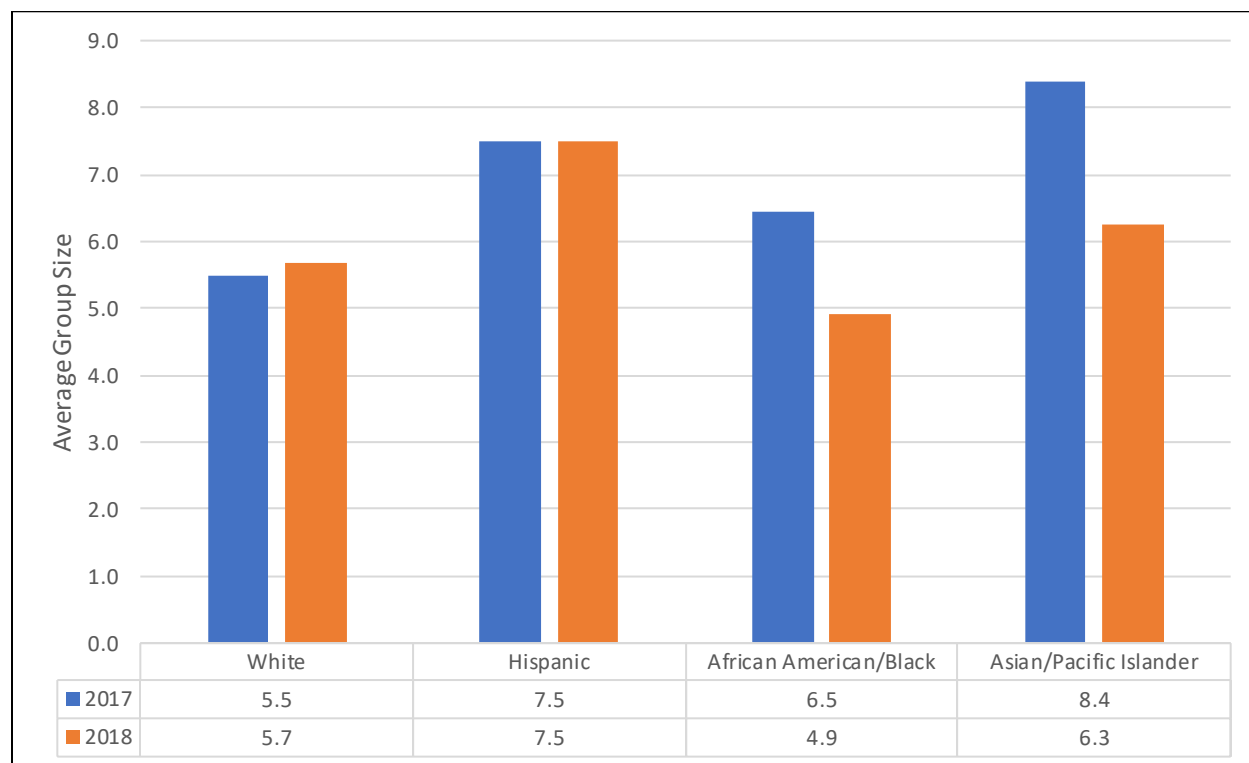
Exhibit 9 – Average Camping Group Size by Generation



Source: Cairn Consulting

When segmented by ethnicity, the data show Hispanics camped with the largest average group size in 2018. Additionally, the average group size for both African American and Asian campers decreased from 2017 to 2018.

Exhibit 10 – Average Camping Group Size by Ethnicity



Source: Cairn Consulting

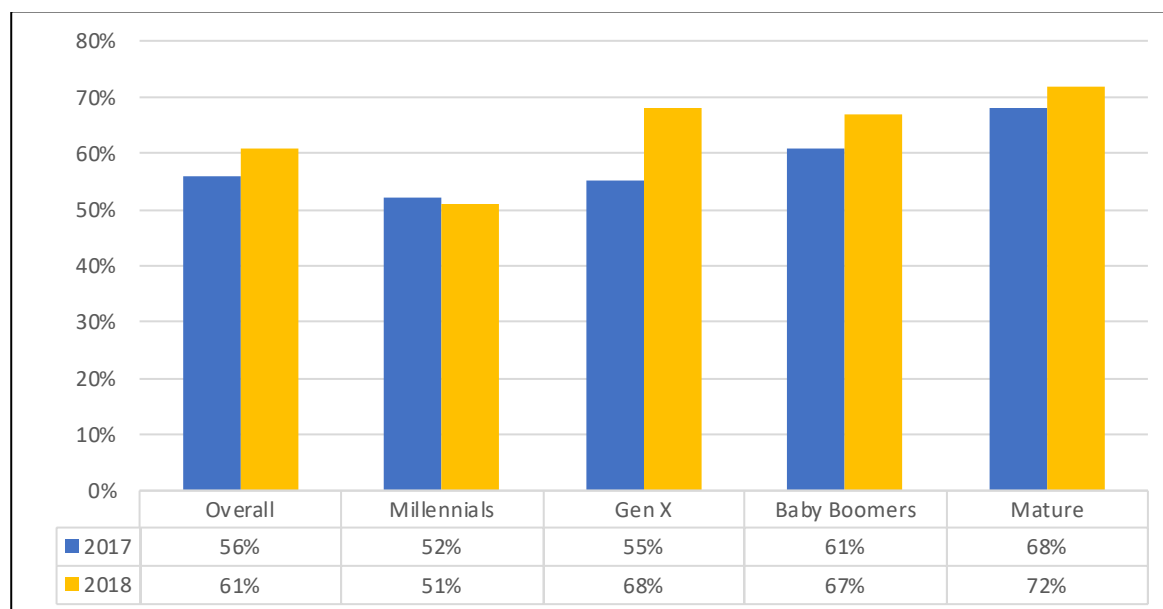
The Impact of RVs on Campgrounds

The Recreational Vehicle industry is a key piece of the campground industry as many campers do so with their own or rented RVs. This segment generates approximately \$114 billion annually in economic impact, as reported by the RVIA. Approximately 25 million Americans go RVing annually.⁷

RV Camping

Recreational Vehicle camping typically requires campgrounds with more infrastructure than is needed for rustic camping. RV camping utilization has been strong in recent years, and approximately one in four campers uses a RV as their primary lodging. The current trend is RV ownership versus borrowing or renting a rig. This is significant because RV owners are likely to take more trips with their rigs and participate in RVing longer in life.

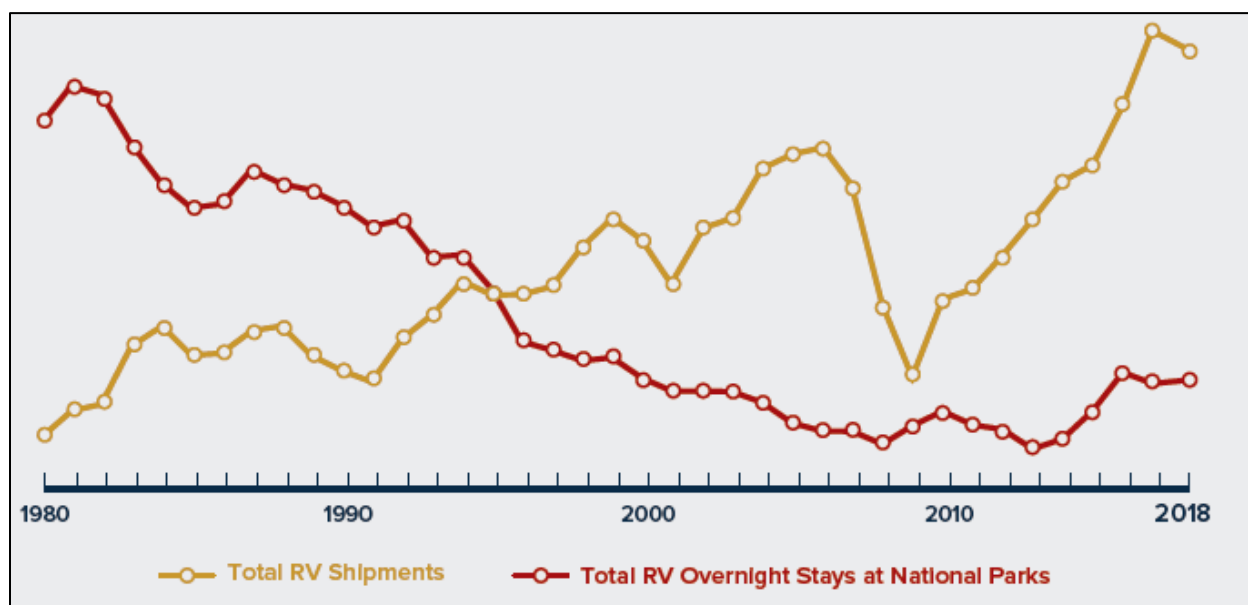
⁷ RVIA

Exhibit 11 - RV Ownership

Source: Cairn Consulting

Exhibit 11 shows the change in the percent of RV ownership for those campers who participate in RVing. For example, the RV ownership rate increased overall from 56 percent to 61 percent.

As illustrated in Exhibit 12, NPS campgrounds appear to be under-capturing this demand segment. It is important to note that many of the modern RVs are much heavier and longer than their predecessors and require significant infrastructure and increased energy support.

Exhibit 12 – Total RV Shipments vs. Total RV Overnight Stays at National Parks

Source: RVIA

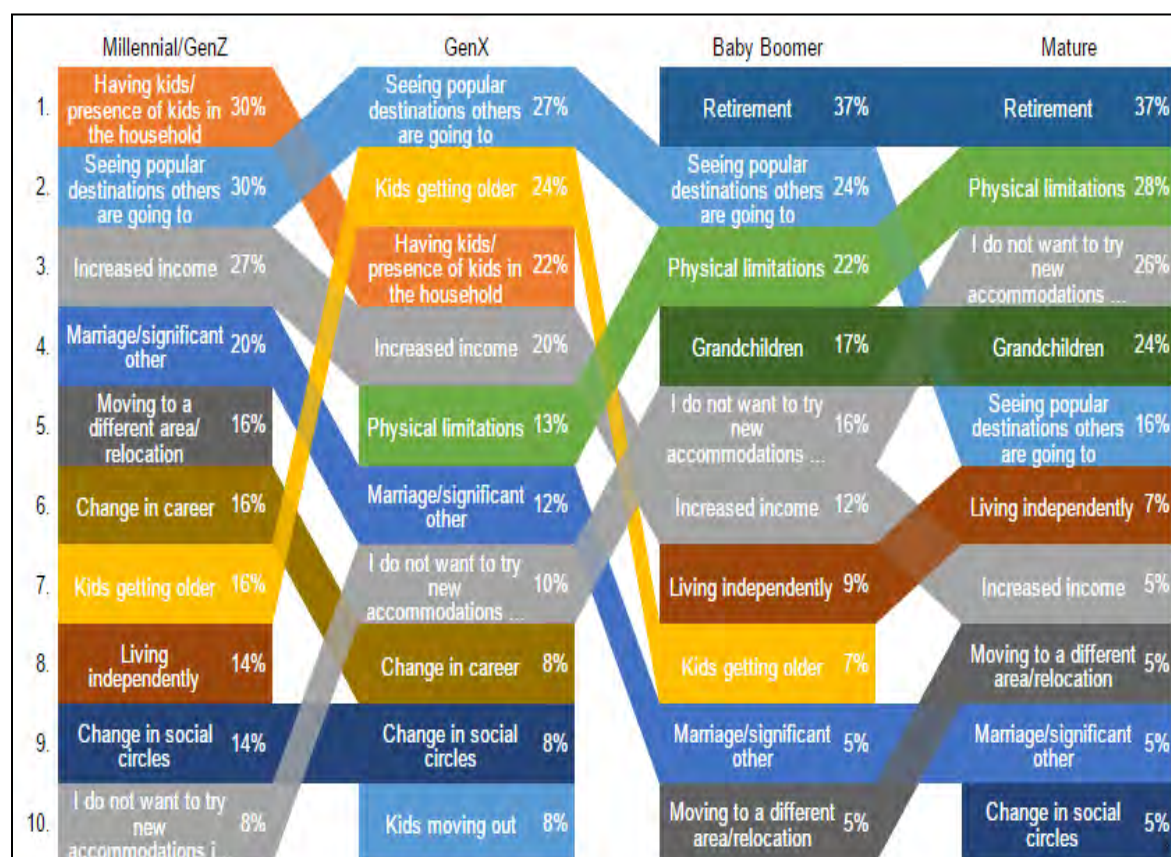
Despite the growth in the RV industry since the 1980s, the overall number of overnight stays for RV users at National Parks is a long-term downward trend. This trend may be reversed with curing deferred maintenance and implementing other worthwhile infrastructure improvements. The CBRE Team believes that the improvements important to implement are those that support RVs without significantly impacting negatively the aesthetics of NPS campgrounds. Initiatives such as reinforcing existing roads, redesigning campgrounds allowing for wider roads and pull-throughs, longer pads, and buried electrical cables, water and/or sewer lines should support modern RVs while keeping the existing feel of campgrounds.

There are also nationally recognized codes for RV campgrounds that are recommended to be adopted by the NPS and are discussed in a subsequent section.

National Economic and Demographic Trends

By drilling down into the various camping industry's demand segments, we can start to appreciate what is driving recent growth. Industry best practices indicate that segmenting campers by their generation provides significant insight into behaviors and the preferences that motivate them.

As stated earlier, life stages and life events have the largest impact on campers' behavior. For example, whether children will be a part of the camping trip is a great influence on the type and location of campground that campers select.

Exhibit 13 - Ranking of Life Events That Impact Camping 2018

Source: Cairn Consulting

Economic factors are driving Millennials' experiences. GenX campers are likely to mention that their children getting older has an impact on their camping experiences. Boomers and Mature campers state retirement is the impetus for new experiences. Among families, having children and children getting older are most likely to impact their experiences, while seeking new destinations has the greatest impact on non-family campers.

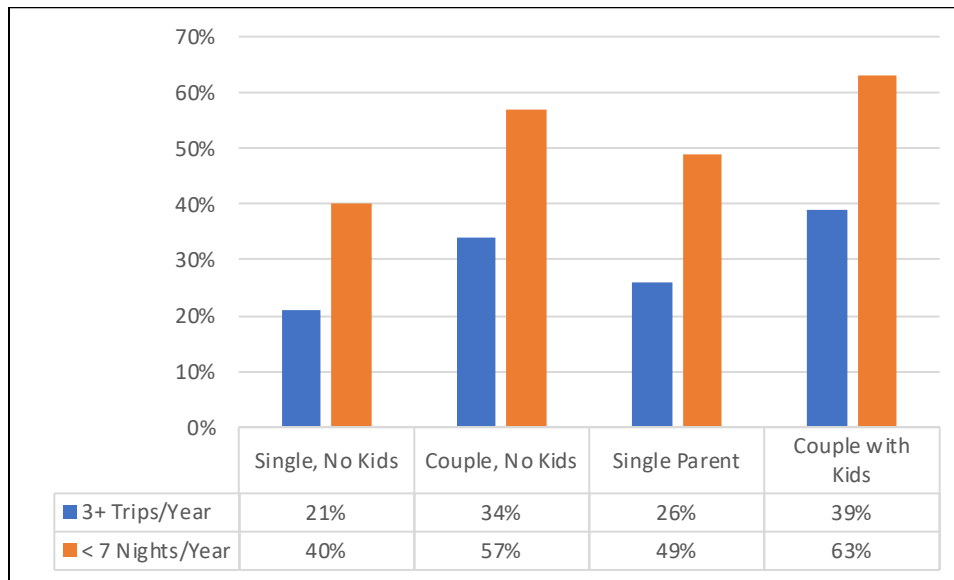
The trend of Millennials seeking popular destinations may be tied to their exposure to these places on social media from their friend's trips. This exposure can do two things. People who have not camped before will be incentivized to try these new experiences and post them to social media for fear of missing out, and it can eliminate the fear of the unknown of these destinations as they have become more familiar through social media exposure.

Understanding Family Camper Preferences

Millennial families are an important demand sub-segment to understand because they represent the future of camping. They are teaching their children a love for the outdoors who, in turn, will hopefully become campers as well in the tradition of their parents. Those who start camping early in life tend to continue camping for the rest of their lives.

Millennial families form the most avid group of Millennial campers and are most likely to identify themselves as new to camping in 2018. They report taking more trips and spending more nights camping and are substantially more likely to camp more often in the future.

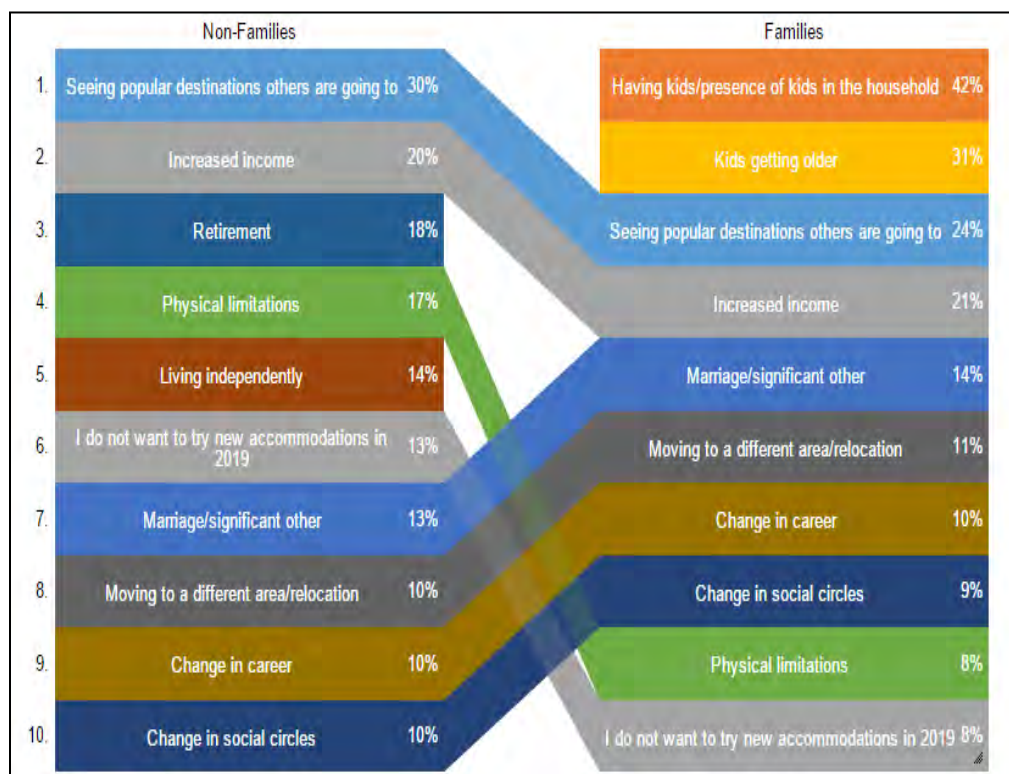
Exhibit 14 - Camping Trips and Camping Nights 2018



Source: Cairn Consulting

Year-to-Year, families are more likely to seek campgrounds based on the atmosphere, especially locations, that have “kid-friendly” on-site recreation. Children are an important part of their experiences, and while a majority report that it was their parents who introduced them to camping, one out of five state they were introduced to camping because it is a great way to travel with kids; they are more likely to self-identify as life-long campers.

Campers’ decisions are driven by many factors that influence where and how they camp. For families, children are most likely to impact their experiences. For non-family campers, the desire to seek new destinations has the greatest impact. The following exhibit compares the importance of various life events and their impact on camping decisions.

Exhibit 15 - Rank of Life Events that Impact Camping 2018

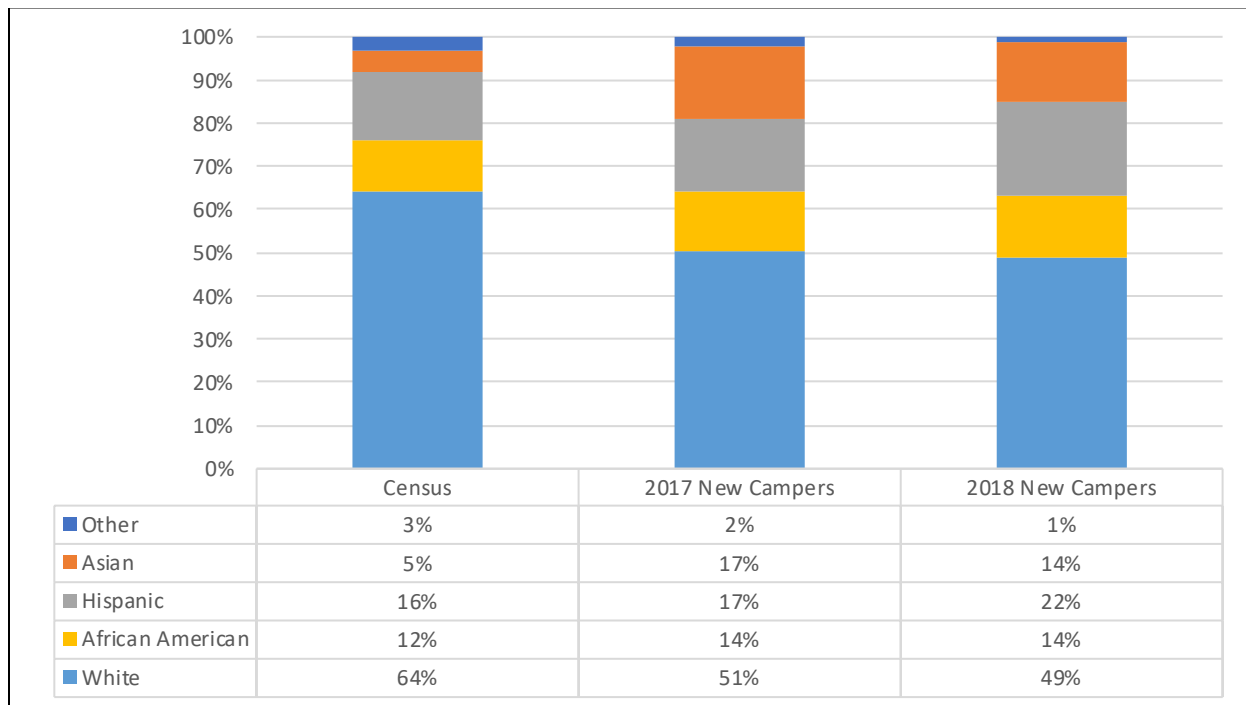
Source: Cairn Consulting

Camping is seen by most campers as a way to escape and relax from the stresses of everyday life. Campers have a wide variety of objectives from just enjoying the campground atmosphere to engaging in physical activities like hiking or swimming. A subsequent section of this report explores in more detail the top camper objectives enjoy while camping.

Ethnic and Cultural Preferences

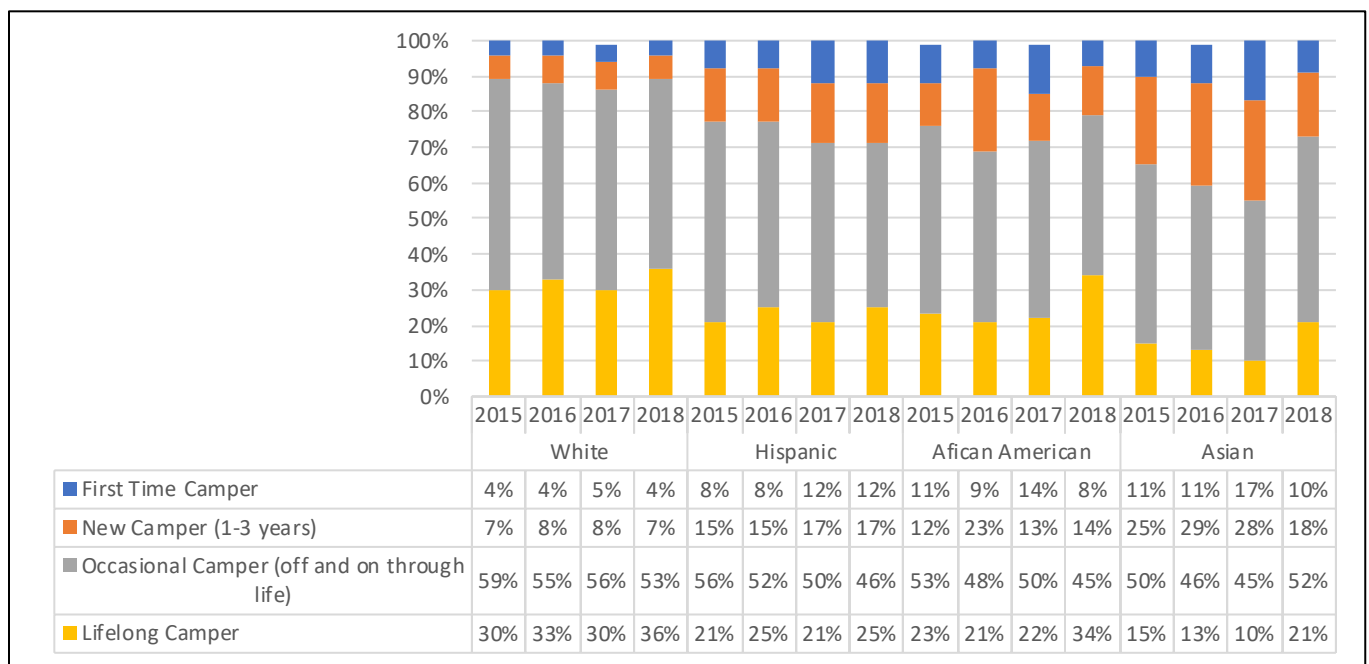
Another important demand segment identified by industry best practices is the ethnic background of campers. Cultural influences greatly impact the decisions and preferences of people, so it is important to understand how culture influences the behavior of various groups.

In 2017 and 2018, approximately half of the newest campers originated from non-white ethnic groups. White and African American campers made up a similar proportion of new campers as they do in census data. In contrast, Asian and Hispanic campers are overrepresented in their numbers as new campers compared to the census data. Hispanic campers exceeded what would be expected in the overall population (22 percent versus 16 percent for census figures), and Asian campers are still represented at a rate three times of what would be expected (14 percent versus five percent for census figures).

Exhibit 16 - New Camper Demographic Profile vs Census Demographic Profile of the US

Source: Cairn Consulting

Although Asian and Hispanic new campers may have over representation as compared to the census data, white campers have the largest percentage of all campers for lifelong camper.

Exhibit 17 - Camper Type by Ethnicity

Source: Cairn Consulting

African American Campers

The African American demand segment is important to understand because it is the youngest demographic of the camper segments, with 64 percent Millennial representation. One-third identify as lifelong campers; two-thirds camp in tents, a rate similar to Asian Americans yet below both white and Hispanic campers.

Generally, African American campers reportedly highly value campground atmosphere when selecting a campground. Almost half (48 percent) say that Wi-Fi is not important, which is much higher when compared to both Hispanic (37 percent) and Asian American (35 percent) campers. African American campers who camp in a RV are least likely to own the RV (33 percent) compared to 62 percent overall.⁸

Compared to other campers, African American campers are most likely to state that camping allows them to blow off steam (64 percent versus 54 percent) but are equally likely to identify the benefits of camping such as stress reduction, clearing their minds, and escaping everyday life.⁹

And, overall, the African American camper market could represent a growing camper segment by not only being the youngest camper group (as noted previously) but appear to be using camping as a way to get their children outdoors.

Hispanic Campers

Since 2014, representation among Hispanics has increased by five percentage points in camping participation. Hispanic households represent 11 percent of all camping households, the largest non-white group of campers. Twenty-two percent of new campers in 2018 were Hispanic. This segment represents the fastest growing based on ethnicity (up from six percent in 2014 to 11 percent in 2018).¹⁰

While Hispanic campers are just as dedicated in their camping as other groups of campers, they represent a much more optimistic group reporting a higher likelihood to increase their camper nights (64 percent) and camping trips (50 percent) in the coming year.¹¹

Hispanic campers are also trying different types of camping. Their decisions on how and where to camp are being largely influenced by the cultural norms of the group. Over the past four years, usage of tents decreased while usage of cabins, whether primitive or luxury,¹² increased by 10 percentage points.¹³

⁸ Ibid

⁹ Ibid

¹⁰ Ibid

¹¹ Ibid

¹² Data unavailable to quantify number of cabin subsets

¹³ Cairn Consulting Group

Hispanic campers are also most likely to have tried some type of new accommodation in 2018 (66 percent) and are significantly more likely than other campers to have tried a towable RV (aka fifth wheel) in 2018 (21 percent). Reinforcing the idea that Hispanic campers are seeking new ways of camping and types of camping experiences, they are most likely to want to try an RVing experience (58 percent) or to experience “van life” (22 percent). About one-fourth of Hispanic campers stay in RVs, yet about half do not own the RV they use most, resulting in Hispanic households highly likely (69 percent) to consider renting an RV from a peer-to-peer listing. Hispanics are highly social campers. They are the most likely to camp with multiple generations of family members (74 percent), most likely to camp with larger groups of campers (eight campers on average) when compared to other campers and are more likely than other campers to say that a group outing sparked their interest in camping (25 percent versus 15 percent overall).¹⁴

Recreation and activities are important to Hispanic campers, with fully half (50 percent versus 40 percent among other campers) stating that on-site recreation is important and are most likely to agree that they like campgrounds with organized activities (44 percent versus 32 percent overall). Hispanics are the group of campers most likely to leave the campground to go shopping (43 percent versus 32 percent among other campers) and enjoy the area nightlife (24 percent versus 15 percent overall).¹⁴

Asian American Campers

Asian American campers represented approximately seven percent of the overall campers which is up from one percent in 2012. They are the smallest ethnic group, other than “other” but unlike African American and Hispanic groups they are represented higher than their census figures. 14 percent of new campers in 2018 were Asian Americans, tied with African Americans. This was down from 2017 but up from the 2015 figures.

Asian American campers are most likely to say that a variety of sources influence their decisions; the influence of both social media and travel bloggers is directly related to the age of the camper. Younger campers tend to use social media where older generations prefer the travel blogs or guides and handbooks. They are the group most likely to express a desire to try glamping and their relatively high use rates of social media likely has an impact on this outcome.

Asian American campers are significantly more likely to say that their desire to try new lodging allows them to travel in comfort and travel further distances. They are most likely, out of the other ethnic groups, to travel 100 miles or further from home for a camping trip. However, despite their expressed desire for glamping and trying new accommodations they and African

¹⁴ Ibid

American campers stay at National Parks at the highest rates. This suggests that the desires for glamping and a variety of accommodation types is being satisfied with existing offerings.

COVID-19 Update

For many in the campground industry, the early news of COVID-19 caused grave concern.

Campground owners and managers, which include both public and private sector, began to consider the impacts of this pandemic and how they would manage risk. For instance, would they open their campgrounds this calendar year? If so, when and at what guest-level capacities? How would these venues be staffed? What operational modifications or changes would need to be implemented (e.g., enhanced sanitation programs, effective communication processes with local public health agencies, employee health checks, contactless camper check-in)?

Similarly, associations and organizations associated with the campground industry sought to learn more and develop/offer tools as well as to support their constituents in this extremely difficult environment. Although examples are quite numerous, some include:

- KOA issued an enhanced cleaning and disinfecting procedures manual for its franchisees as well as published two special reports (May and October 2020).
- National Association of RV Parks and Campgrounds (ARVC) launched a comprehensive toolkit.¹⁵
- Outdoor Recreation Roundtable (ORR) created and delivered many Outdoor Recreation Industry and Coronavirus resources.
- Numerous government agencies presented comprehensive public health guidance specifically focused on campgrounds (e.g., California Department of Public Health and Minnesota Department of Natural Resources).

Likewise, these parties and others have studied and/or reported the operational and financial progress of the industry since COVID-19 entered the US.

National

After suffering a challenging late winter and spring, the US campground industry rebounded generally with strong summer performance that extended past its traditional end of season (i.e., Labor Day) as people perceived recreating outdoors as safer and healthier than other travel or leisure activities. Looking forward, there is an apprehensive optimism given the

¹⁵ Content was an industry-wide collaborative effort with Kampgrounds of America (KOA), the Outdoor Recreation Roundtable (ORR), the Canadian RV Association (CRVA), Marshall & Sterling Insurance, state associations and many other industry partners <https://www.arvc.org/Blog/1084/Coronavirus-What-You-Can-Do-to-Protect-Yourself,-Your-Employees-and-Campers>

increase in regional camping households and their higher frequency to camp along with first timers and the re-engagement of past campers with their perceived continued participation.

According to the ORR, the outdoor recreation industry is a significant component of the US economy. Prior to the pandemic, this industry comprised 2.2 percent of Gross Domestic Product (GDP) and supported roundly 5.2 million jobs. While outdoor businesses have been affected negatively by the pandemic and government lockdowns, guidance of safer behavior (e.g., Exhibit 1) appear to have reenergized people's recreating outdoors. The ORR reported that less than 50 percent of Americans enjoyed an outdoor experience in 2019, but its May 2020 survey reported that 81 percent of Americans spent time outside during the pandemic, with 32.5 percent turning to outdoor recreation for the first time.

On July 31, 2020, National Geographic declared: "Suddenly, camping is all the rage." This article cited multiple examples of why this statement was true. For instance, The Dyrt camping trip planning website reported its 2020 summer site traffic up 400 percent year-over-year and that 20 percent of KOA's guests were first-time campers. Further, author Aryana Azari speculated these companies, and inferred others, benefitted financially or by heightened interest with Americans desire to social distance, to leave their homes, and to enjoy a safe summer. Outdoor recreation, to include camping, was a viable alternative.¹⁶

Based on its August 2020 survey, ORR reported the results of 23 participating national outdoor recreation trade associations, which represented more than 25,000 businesses with nearly 2.5 million employees. Of these, 22 percent of businesses in August reported an increase in sales as compared to a year ago.

Tentrr, a booking platform that lists more than 800 campsites in the US, reported it experienced 900 percent growth this quarter compared to last quarter, and 400 percent growth compared to the same period in the prior year. According to Chief Executive Officer Anand Subramanian, the largest increase for site demand was within a two-hour driving radius of cities.¹⁷

For the week of August 10, 2020, the average weekly revenue at open campgrounds and RV parks located in gateway towns adjacent to national parks realized a 49 percent increase year-over-year as compared to their cross-state and national peers.¹⁸

In September 2020, the Outdoor Industry Association (OIA) stated that data confirmed an increase in outdoor activities due to COVID-19 from April through June of 2020. This period as compared to the same period in 2019, unweighted participation rates for day hiking rose more than any other activity measured, up 8.4 percent. For urban participants, day hiking, bird

¹⁶ <https://www.nationalgeographic.com/travel/2020/08/how-to-go-camping-during-covid/#close>

¹⁷ <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

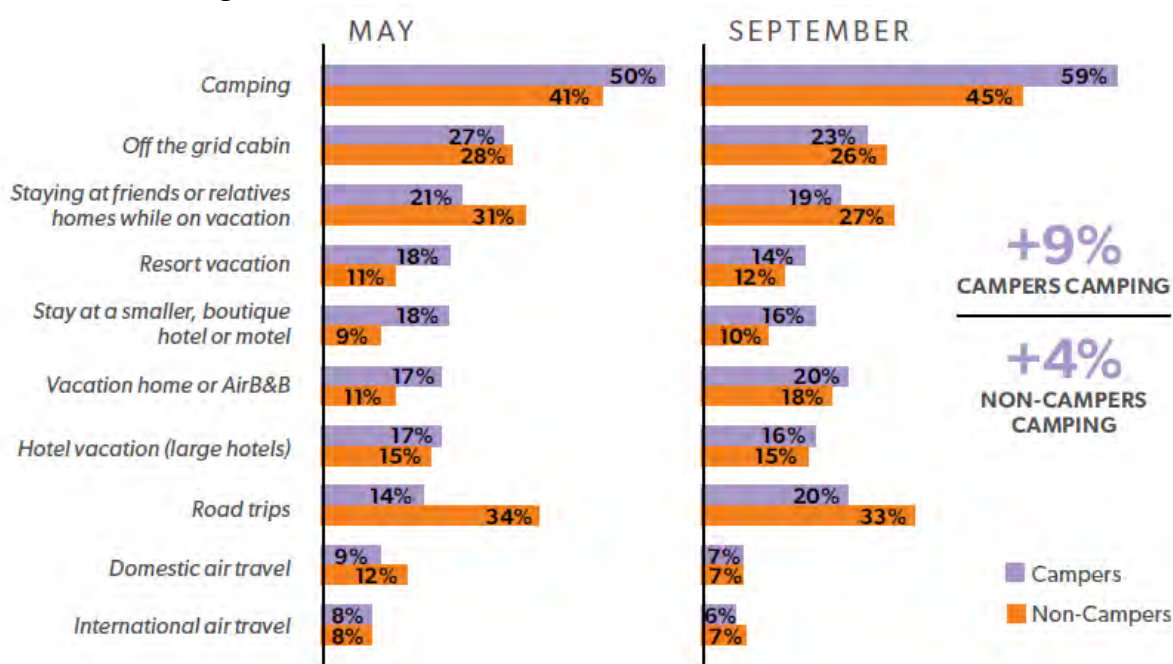
¹⁸ Data compiled and analyzed by Wombly (<https://www.womply.com/>). Its conclusions were based on analysis of credit and debit card transaction data at 1,500 local businesses near national parks including Acadia, Arches, Badlands, Bryce Canyon, Capitol Reef, Carlsbad Caverns, Crater Lake, Glacier, Grand Canyon, Great Smoky Mountain, Joshua Tree, Mesa Verde, Olympic, Redwood, Rocky Mountain, Yellowstone, Yosemite, and Zion.

watching, and camping participation all rose noticeably since the March 2020 government mandated restrictions.¹⁹

According to the KOA *North American Camping Report Fall 2020 Update*,²⁰ camping activity beat expectations. Highlights include:

- Campers and non-campers rank camping as the safest form of travel. When asked to compare camping to other forms of travel, 56 percent of leisure travelers, 63 percent of campers, and 49 percent of prospective campers felt camping was a safer alternative.
- The following exhibit illustrates the perceived safety of camping.

Exhibit 18 – Rankings of the Safest Forms of Travel



Source: Cairn Consulting

- Although 17 percent of leisure travelers planned to take a camping trip (May 2020 survey), 21 percent (an increase of four percent) took a camping trip between May and September 2020 once government travel restrictions were lifted (September 2020 survey).

¹⁹ These data plan to be rolled into a full-year participation study published by the OIA in 2021. The annual study plans to start with a nationally representative panel of over one million Americans and feature responses from over 8,000 people ages 6 and older. The study currently includes 122 separate sports, fitness and recreational activities.

²⁰ Survey conducted 4-9 September 2020 by Cairn Consulting Group, report issued October 1, 2020.

- 42 percent responded they will still take planned camping trips during the remainder of this year (2020).
- Camping continues to be a family activity by survey respondents who indicated they have children in their household: 82 percent of first time campers and 70 percent of campers who restarted camping this year (2020).
- More than half of all campers (51 percent) say that they are now more likely to purchase an RV.
 - Of these campers, Gen Xers (62 percent) are the most inclined to consider purchasing an RV.
 - Among prospective RV campers, 34 percent would buy an RV to go on a camping trip while 32 percent would plan to rent one.
- New and re-engaged campers represent a much younger demographic, primarily Millennials who comprise 40 percent of all campers and 55 percent of new campers who indicated taking their first camping trip since the start of the pandemic.

Recent data regarding RVs portend a rebound with a guardedly optimistic outlook for the campground industry.

- In the Fall 2020 RVIA quarterly *RV RoadSigns* newsletter, a surge in RV shipments is anticipated through 2021. The 507,200 units projected for 2021 would represent the best annual total on measurable record for the RV industry, eclipsing the 504,600 units shipped in 2017.
- RV shipments were up by 54 percent in July 2020, the highest July shipment numbers in four decades, as reported in the RVIA's monthly survey of manufacturers.
- According to the RVIA *News & Insights* report, web traffic to the *Go RVing* website reached record highs in August (2020) and surpassed all historical data since tracking started (2012).
- Cruise America, which sells and rents RVs and is the nation's largest RV rental company with 132 locations and approximately 300 employees during peak season in the US and Canada,²¹ reported its US business is “booming”. Moreover, the company relayed notable growth among families in addition to 21- to 29-year-old consumers.²²

²¹ <https://www.cruiseamerica.com/about/our-history>

²² <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

- The RV rental marketplace also experienced a big surge. Peer-to-peer RV rental companies report the following:
 - RVshare began operating its platform in 2013 and reached its one million days booked in July 2019. Thirteen months later, it doubled this number to two million days booked.²³
 - Outdoorsy experienced strong growth as demonstrated in June 2020, when the company reported its highest number of bookings in a single day, reflecting a 240 percent year-over-year increase.

Utilization and Frequency

During this pandemic, virtual working and remote learning (aka road schooling) contributed significantly to the utilization of campgrounds. With approximately one in four Americans still working entirely from home (as of August 2020)²⁴ coupled with many primary and secondary schools across the US closed for the fall (2020) semester, the spring (2021) semester's requirement for in-person working or schooling is uncertain. Hence, utilization of campgrounds should continue to be positive.

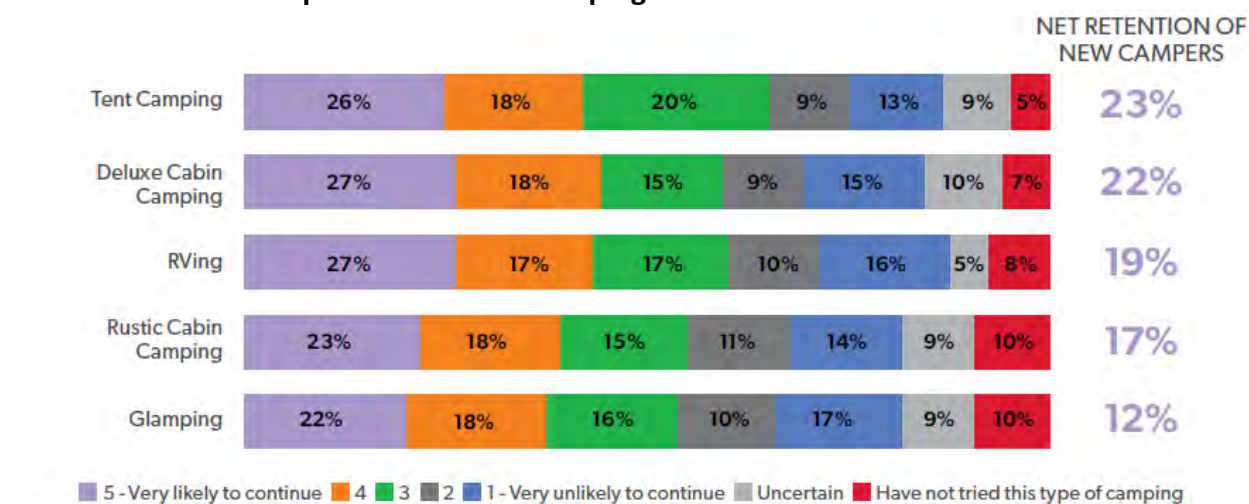
Adults and families caused campgrounds' (i) weekday utilization and (ii) length of stay to increase year-over-year. Numerous sources interviewed by CBRE cited length of stay nearly doubled and summer season occupancy was up 10-20 percent year-over-year at their campgrounds. Reportedly, this confluence of events helped the campgrounds to not only make up for lost camper nights and revenue from the spring but also caused significantly high occupancies through the summer months and into the fall of 2020.

Of new campers, it is estimated approximately 18 percent will continue camping in 2021. (Those new campers who self-identified as tent or cabin campers appear to have the highest likelihood of continuing to camp in 2021.)²⁵

²³ <https://www.rvnews.com/rv-rental-marketplace-reports-big-recent-surge/>

²⁴ <https://www.washingtonpost.com/lifestyle/2020/10/05/roadschooling-rv-families-covid/>

²⁵ Survey conducted 4-9 September 2020 by Cairn Consulting Group, report issued October 1, 2020.

Exhibit 19 – New Campers to Continue Camping in 2021

Source: Cairn Consulting

Of these new campers, 44 percent of both RV and tent campers and 40 percent of new glampers indicated they are likely to continue camping into 2021.²⁶

Mike Gast, Vice President of Communications at KOA, stated several of their campgrounds reached capacity. In addition, he said more than 20 percent of campers were first timers, which suggests increased demand for 2021.²⁷

For the future, market participants and observers expect the industry to begin to return to a state of normalcy but anticipate this will take a couple of years.

Type of Accommodation

As was true before COVID-19, campers utilized a variety of different accommodation types while camping. Tenting continued to be a very popular option, but RV and cabin utilization surged. Reportedly, many first timers also glamped.

However, group camping was essentially non-existent as CDC guidelines made this an unacceptable offering. Once government restrictions are lifted and group activities are again perceived to be safe, these campsites should come back online. Similarly, utilization may likely depend on perceived safety.

Investment

The campground industry's resilience to the Great Recession (December 2007 to June 2009) and current COVID-19 Recession suggests an attractive investment potential to equity investors, including select Real Estate Investment Trusts (REITs).

²⁶ Ibid

²⁷ <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

For instance, the *RV News* reported a record-breaking deal that closed on September 22, 2020, for an Arizona RV resort in Apache Junction with 1,119 sites. It sold for \$88 million, which is nearly \$80,000 per site.²⁸

Michael Escobedo, an associate at Marcus & Millichap, said he tracked 15 transactions of RV resorts across Arizona that sold this year (through mid-September 2020) with the average price per pad of nearly \$30,000. Most of these RV resorts sold in the \$1 million to \$2 million range.²⁹

Equity LifeStyle Properties (ELS), a REIT with nearly 200 RV resorts and campgrounds plus more than 200 manufactured housing communities across the US reported positive third quarter 2020 earnings. For instance, the nine months ended September 30, 2020, total revenues increased 5.3 percent. Labor Day weekend RV transient revenue growth was 16.8 percent year-over-year. Recently, ELS completed multiple acquisitions: October – two RV Parks for \$36 million and two development properties for RVs for \$16.3 million; September and October – five land parcels to expand owned communities for \$6.4 million. All acquisitions were funded with available cash.

SUN Communities (SUI), a REIT that owns and operates or has an interest in 432 RV and manufactured housing communities located in 32 states throughout the US and Ontario, Canada reported positive third quarter 2020 earnings. For instance, the nine months ended September 30, 2020, total revenues increased 5.4 percent. RV resorts were exceptionally strong, as campers elected drive-to vacation options and took advantage of SUI's vacation destinations featuring lakes, mountains, and beaches. In July and September, SUI acquired four RV communities for \$140.5 million, consisting of 1,331 sites and the potential to develop another 109 sites.

For those interviewed by CBRE, many stated secured debt was easier to acquire today than 15 years ago.

Capital Projects

For those interviewed by CBRE, the majority stated that in early 2020, they elected to cancel most of quarter two and quarter three projects. Yet, the strength of quarter three's cashflows bolstered confidence to begin new projects in earnest the following quarter and into 2021. Some campground owners accelerated scheduled 2021 projects to quarter four 2020 or earlier to the 2021 preseason.

One respondent stated none of their projects were delayed. Instead, they increased scope to upgrade electrical capacity, add sewer for full hookups, and build more comfort stations.

²⁸ <https://www.rvnews.com/arizona-rv-park-sold-for-record-breaking-88m/>

²⁹ <https://woodallscm.com/rv-park-in-apache-junction-ariz-sells-for-record-88m/>

Returns on Investments (ROI)

No CBRE interview respondents would quantify their preferred hurdle rate, though none stated these rates changed significantly since the pandemic began. Respondents were optimistic given increased RV sales and rentals, the number of first timers and those re-engaging in camping, and COVID-19 guidance recommending outdoors as a healthier and less risky activity.

Trends in Consumer Spending Behavior

Determining accurate national trends in consumer spending for the campground industry is not possible as the industry is comprised of many small, independent operators who do not report data (unlike the hotel industry that is more transparent). As such, there is no one central industry organization that collects and analyzes overall industry performance.

The total economic impact of the camping industry can be measured more easily. In 2018, the Outdoor Industry Association reported that the camping segment of the Outdoor Recreation Economy realized over \$31 billion of gear, accessory, and vehicle sales and over \$135 billion in direct trip-related spending. This resulted in an overall economic impact of nearly \$167 billion.

In June 2019, RVIA reported that the RV segment of the Outdoor Recreation Economy realized a \$25.6 billion economic impact.

Exhibit 20 - Recreational Vehicle Economic Impact



Source: RVIA

Although national campground industry consumer spending is not available, anecdotal information gathered from numerous operator interviews may give insight.

The typical daily rates for campsites range from a low of approximately \$20 for primitive tent sites to approximately \$100 for full hook-up, premium pads. This price range may grow or shrink depending on the geographic area of the campground, the size of the pad, and available connections.

Some examples of the differences in pricing are, for example, the typical rates at United States Forest Service (USFS) campgrounds. Fees for campgrounds (not park entrance fees) vary from

free to \$30 per day for individual sites (double and group sites cost more). Typical add-on fees run from \$5 to \$12 per day for pets, second vehicle, extra guests, boat launch, etc.

Camping and day use permits are the backbone of the campground industry. However, depending on where the campground is located, retail and rental fees can sometimes generate a substantial portion of an individual campground's total revenue.

An interesting example of an existing lakeside concession-operated campground, on quasi-government land and completely renovated circa 2010, with approximately 140 short- and long-term RV sites plus approximately five camping cabins realized the following sales in 2018:

- \$900,000 – Gross Sales
 - \$300,000 – Extended Stay (half of the sites)
 - \$400,000 – Short term (half of the sites)
 - \$20,000 to \$30,000 – Day use fees³⁰
 - \$70,000 to \$80,000 – Retail and firewood
 - \$80,000 to \$90,000 – Equipment rental, boat launch

In most typical campgrounds, the campsite or RV pad rental will be the revenue driver – not retail or equipment rental sales. On average, camp stores will account for approximately eight to 10 percent of gross revenue. Other revenue departments' contribution to the top line will vary to a greater degree due to the campground's location and how aggressively operators pursue these revenue streams.

Below is an example revenue and expense statement from a typical USFS concessionaire-operated campground.

³⁰ The concessionaire recognized the full amount and paid the owner (quasi-government agency) a portion of this fee in its contractual lease payment (franchise fee in NPS terminology)

Exhibit 21 – Example Concessionaire Revenue & Expense Statement

		Percent of Revenue	
Sales/Revenue		100%	
Sales and Lodging Tax		7%	
Cost of Goods Sold		4%	
	Wages		34%
	Payroll Taxes & Workers Comp		6%
Wages and wage related		40%	
	Interest and Depreciation		5%
	Insurance		4%
	Property Taxes		0%
Asset and Asset Protection		9%	
	Trash and Septic		5%
	Electric, Water, Phone/Internet		7%
	USFS Bills for Collection		2%
Utilities		14%	
	Maintenance, Janitorial, Storage		4%
	Vehicles		4%
Fuel and Operating Supplies		8%	
	Credit Card Processing and Bank Fees		1%
	Office, Accounting, Legal, Marketing		2%
	Fees, Licensing		0%
Office and Financial		3%	
Fees to Government		10%	
Concessionaire Profit		5%	

Exhibit 22 – KOA Holiday Campgrounds

Kampgrounds of America, 2017 Average Dollars per Camper Night 5,001 to 10,000 Camper Nights	
Registration	\$50.53
Store Sales	6.82
Store Costs	(4.16)
Other Income	2.89
Gross Profit	\$56.07
Operating Expenses	
Salaries and Benefits	11.92
Utilities	5.28
Operating Supplies	2.27
Royalties	5.05
Property Tax	1.62
Repairs and Maintenance	4.51
Advertising	.77
Auto Expense	.77
Insurance	1.56
Misc. Expense	6.83
Total Operating Expense	40.58
Operating Profit	\$15.49

Source: KOA Franchise Disclosure Document April 2019

COVID-19 Update

As stated earlier in this report, determining accurate national trends in consumer spending for the campground industry is not possible as the industry is comprised of many small, independent operators who do not report data (unlike the hotel industry that is more transparent). As such, there is no one central industry organization that collects and analyzes overall campground industry performance.

Consumer Spending

The following data reviewed in conjunction with that presented in the previous section “Campground Industry Overview” may assist to better understand the general direction of consumer spending to infer impacts to the campground industry.

³¹ “Keeping Parks Open Using Public-Private Partnerships” <https://vimeo.com/35061607>

Outdoor retailer REI (article published July 11, 2020) reported it experienced “...record growth in its camping department in the last six weeks as people rush to buy equipment.” Further, Paul Calandrella, REI general merchandizing camping manager, shared that bestsellers included “...tents, sleeping bags, camping furniture and cooking equipment as well as ‘luxé’ items such as big camp beds and power systems.” He stated further that he anticipates demand to extend beyond 2020 for multiple years.³²

The Conference Board, whose membership network encompasses the majority of Fortune 500 companies, stated in its October 14, 2020, Economic Forecast for the US Economy:³³

- Economic growth will rise to 34.6 percent (annualized rate) in the third quarter following a sharp contraction in the second quarter. While bringing US economic output back to pre-pandemic levels will require continued growth, there has been some progress in driving economic activity higher over the summer despite a sharp uptick in new COVID-19 cases. Indeed, various economic indicators that we track rebounded in July and August (2020) at a greater than expected rate.
- While many of these economic indicators are continuing to improve, the pace of the rebound is now slowing. We expect US economic growth to continue to improve through September but are concerned about the sustainability of the recovery beyond that. The recovery in the labor market appears to be stagnating and the rebound in consumer spending is slowing despite continued improvements in consumer confidence. Furthermore, US personal savings rates remain about twice as high as they were in late 2019. These key demand-side metrics need to improve further to pull the US economy out of recession.

While national campground industry consumer spending is not available, anecdotal information gathered from numerous interviews with campground owners and operators both in the private and public sector may give insight.

- As the spring season progressed, campground utilization and revenue progressively increased. Reportedly, Memorial Day weekend was when high utilization and corresponding revenue returned and continued steadily throughout the summer season.
- Revenue per Camper increased year-over-year:
 - RVers tended to spend more time in the campground this season and patronized local retail, entertainment, and restaurants less. Consequently,

³² <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

³³ <https://conference-board.org/research/us-forecast>

RVers spent more money on-site (e.g., camp store, prepared food) for cooking, entertainment, etc.

- Tent and cabin campers also spent more time on-site rather than locally, and their spend increased.

Tourism Labor Pool

The available tourism labor pool was notably impacted this 2020 operating season. First, J1 or H2B foreign, seasonal workers were absent from the labor force. Second, during the first and second quarters of 2020, campground operators and managers scaled back forecasted staffing levels in anticipation of a dire season. Third, a segment of work campers³⁴ opted out of this COVID season for fear of infection (but are expected to return 2021 season, especially if a viable vaccine is developed). Fourth, the Coronavirus Aid, Relief, and Economic Security (CARES) Act³⁵ hurt recruiting efforts for new staff as the amount of this unemployment benefit rivaled the compensation offered by campground operators and managers.

In the third quarter (2020), business returned to many campgrounds. However, staffing levels tended to be less than optimal. Consequently, many campground operators and managers had to do more with less.

It is expected that the 2021 domestic labor picture will improve with COVID-19 learnings and acceptance, but the status of foreign seasonal workers is unknown.

³⁴ A work camper tends to be seasonal and may be part-time or full-time paid or volunteer work within campgrounds.

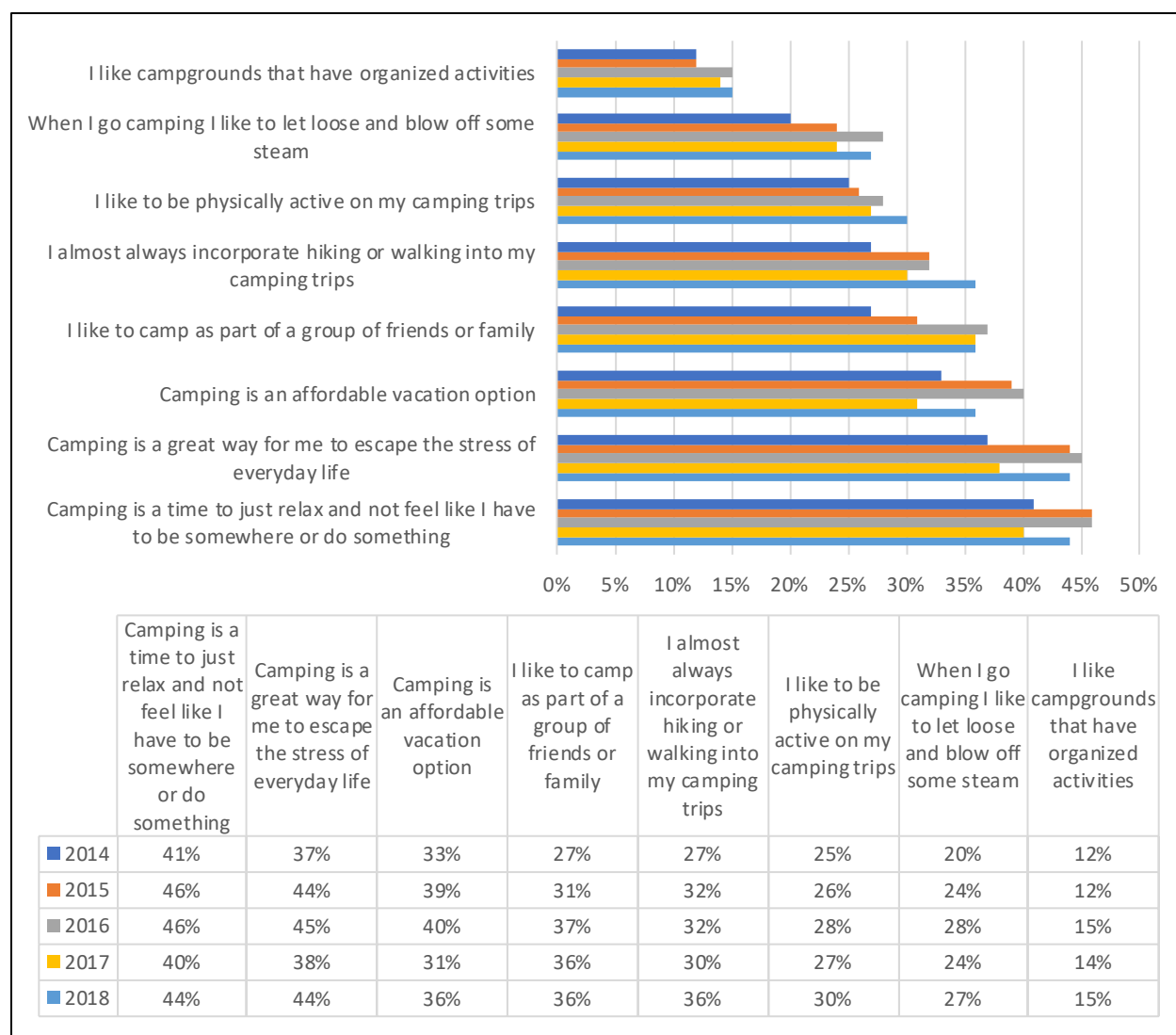
³⁵ Signed into law on March 27, 2020, expanded the states' ability to provide unemployment insurance for many workers impacted by the COVID-19 pandemic.

What is a Campground?

Campgrounds will vary greatly depending upon whom you ask. Everyone has a different image of the ideal camping trip, with a different set of amenities and services. These expectations are important to understand when planning or redesigning a campground so resources may be leveraged efficiently to provide campers with the experiences desired. The following section examines various camping options that go above and beyond rustic camping.

Campers enjoy a wide variety of activities at and around campsites. Many campers select their camping destinations based on what is available to do recreationally. This consideration is especially true among non-family campers.

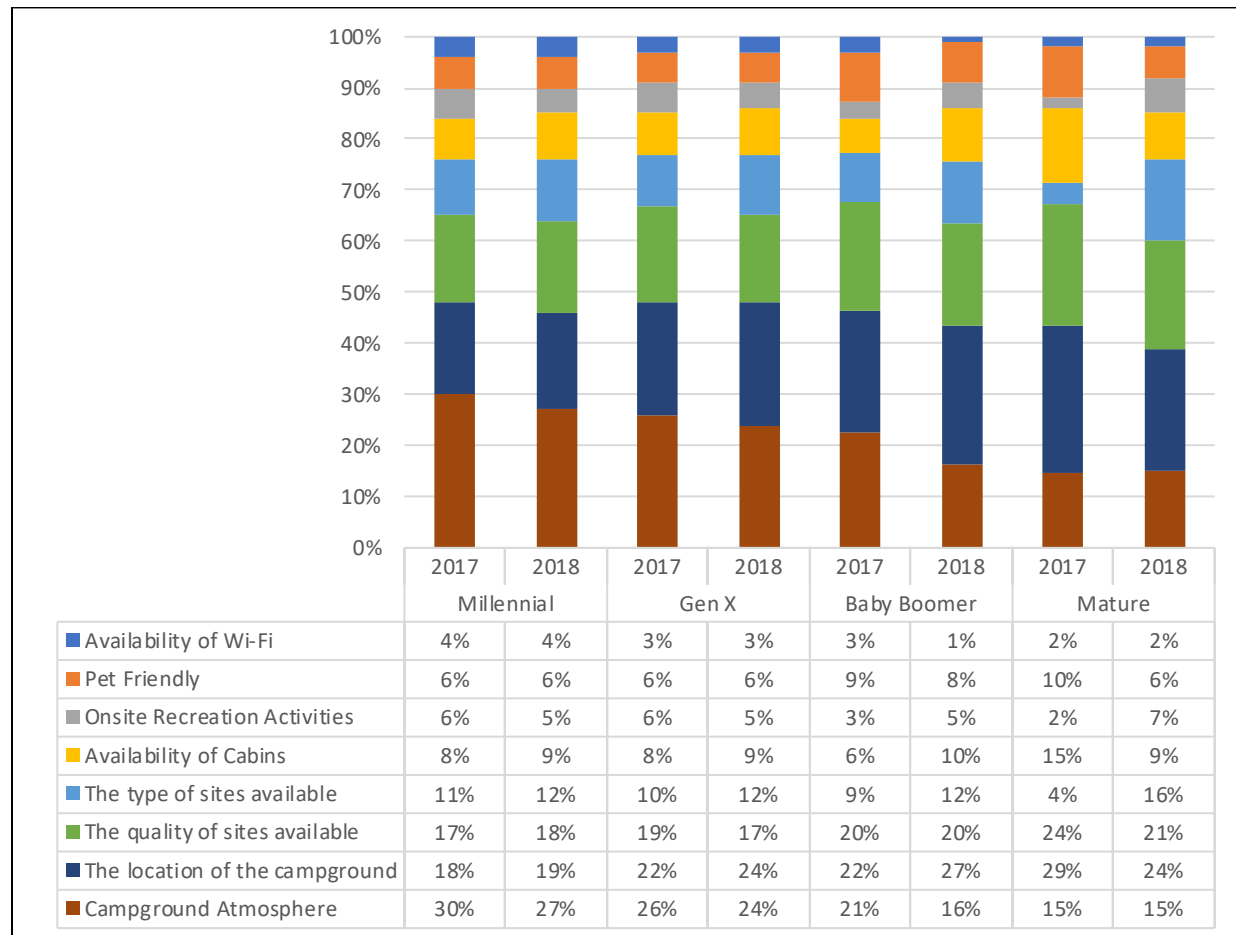
Exhibit 23 - Breakdown of Camper Camping Objectives



Source: Cairn Consulting

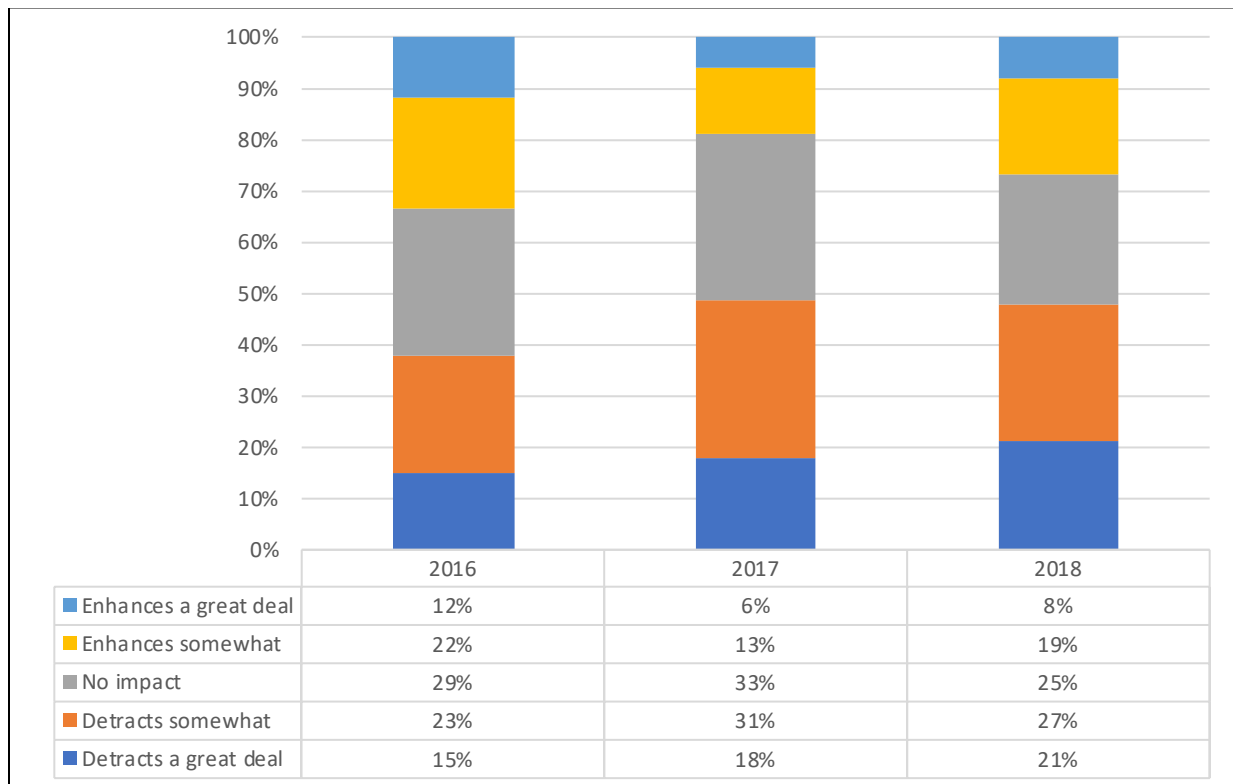
Camper expectation is driven in no small part by the age of the camper with different generations valuing different factors as most important to selecting a campground. Older campers are less likely to value campground atmosphere and recreation activities, but they are more likely to value location and type/quality of site.

Exhibit 24 - The most important factor when making a camping decision by generation



Source: Cairn Consulting

The proportion of campers who state that the use of technology detracts from their experiences has remained stable in recent years. However, there is an increase in the percentage who say it enhances their experiences with a corresponding drop in those who say it has no impact. This growing camper segment who says technology detracts from their experience is an important segment to understand.

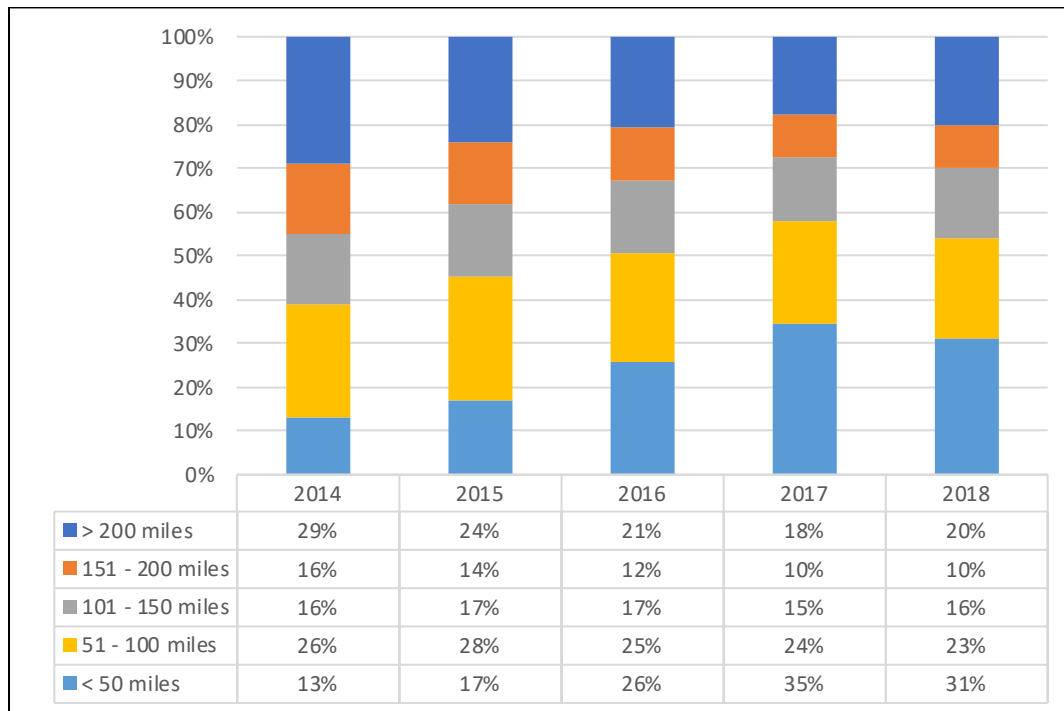
Exhibit 25 - Impact of Technology on Camping Trip

Source: Cairn Consulting

The above chart illustrates that there is a dichotomy in the camper community regarding the use of technology. For instance, in 2018, 48 percent of campers' report that technology detracts from camping in some way, while 27 percent indicate it enhances their experience. A solution to providing both groups of campers with the experience they are seeking is to provide primitive tenting sites with charging stations. This amenity may be inconspicuous for those looking to escape technology.

As illustrated in Exhibit 26, an emerging trend is for campers to recreate closer to home (within 50 miles) and less likely to travel more than 150 miles when selecting campgrounds. This is a shift from the past where campers were most likely to travel more than 150 miles and least likely to camp within 50 miles of their homes.

Exhibit 26 - Distance Traveled to Camp



Source: Cairn Consulting

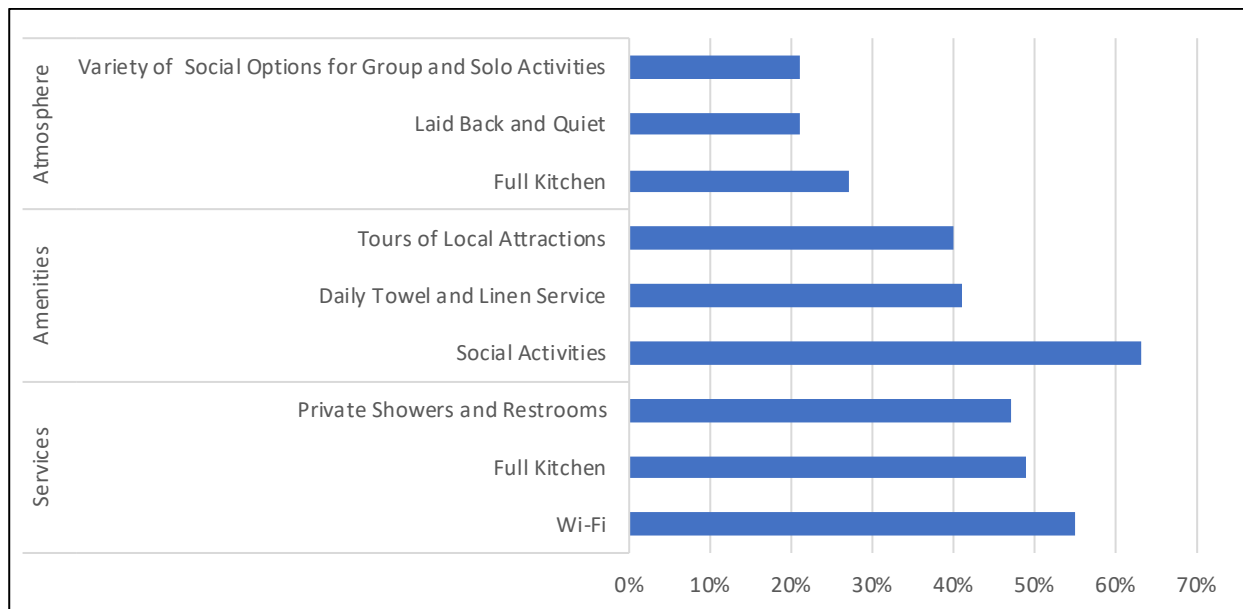
As noted earlier, the growth in the camping industry is driven by new campers who take more frequent trips than those in the past. This behavior has a direct impact on the distance campers may be willing to travel. Campers are driving a shorter distance to their destinations, in part, because time is such an important commodity. Shorter drives mean more recreation time from a limited vacation time window.

Glamping

“Glamping” is a manufactured term that combines Glamorous and Camping. Glamping is defined by KOA as a form of camping involving accommodations and facilities more luxurious than those associated with traditional camping. Glamping is a recent trend as younger generations look to experience the outdoors in ways that appeal to them. Glamping provides a higher level of accommodation with modern luxuries while still being located in the “outdoors”.

Glamping accommodations vary greatly, and each can provide a unique experience. Reportedly, cabins are the most desired accommodation for glampers who camp in North America. Other glamping accommodations include yurts and canvas safari style tents. In association with these accommodations, glampers are looking for amenities and services (e.g., Wi-Fi, full kitchens, daily towel and linen service) that are not typically associated with traditional camping.

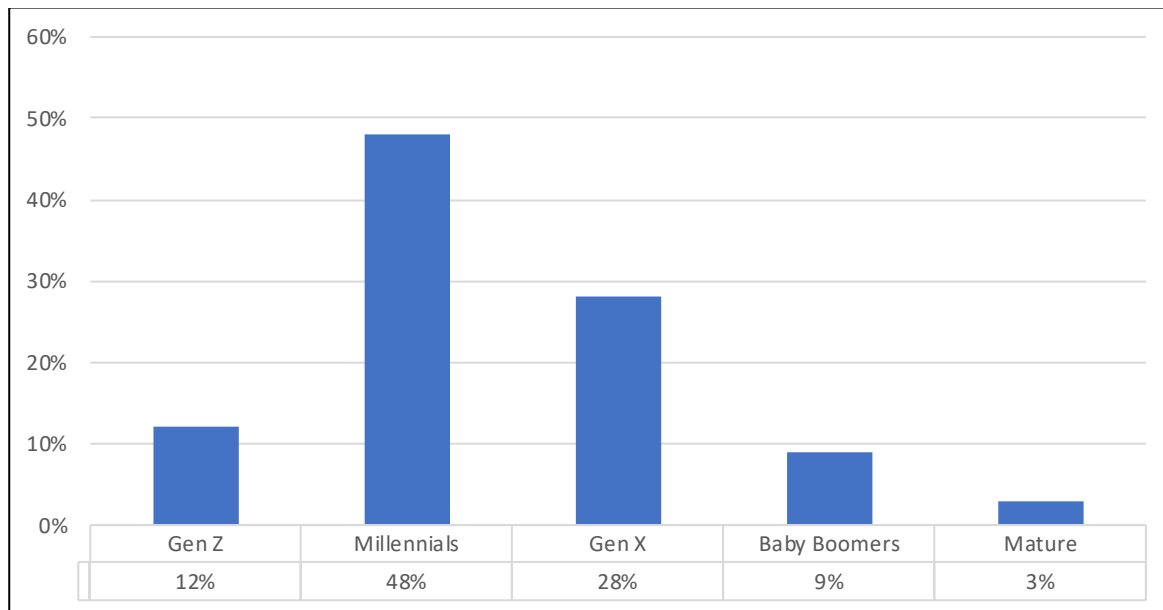
Exhibit 27 - Top Services, Amenities, and Atmosphere preferences for Glampers 2018



Source: Cairn Consulting

Although Millennials and GenX are the generations behind the rising popularity of glamping, glamping is enjoyed by all generations. These generations are more diverse than previous camper generations meaning that their interests are more varied. Seventy six percent of leisure travelers who have glamped in the past two years are Millennial or GenX. In terms of overall campers, 26 percent report having been glamping.

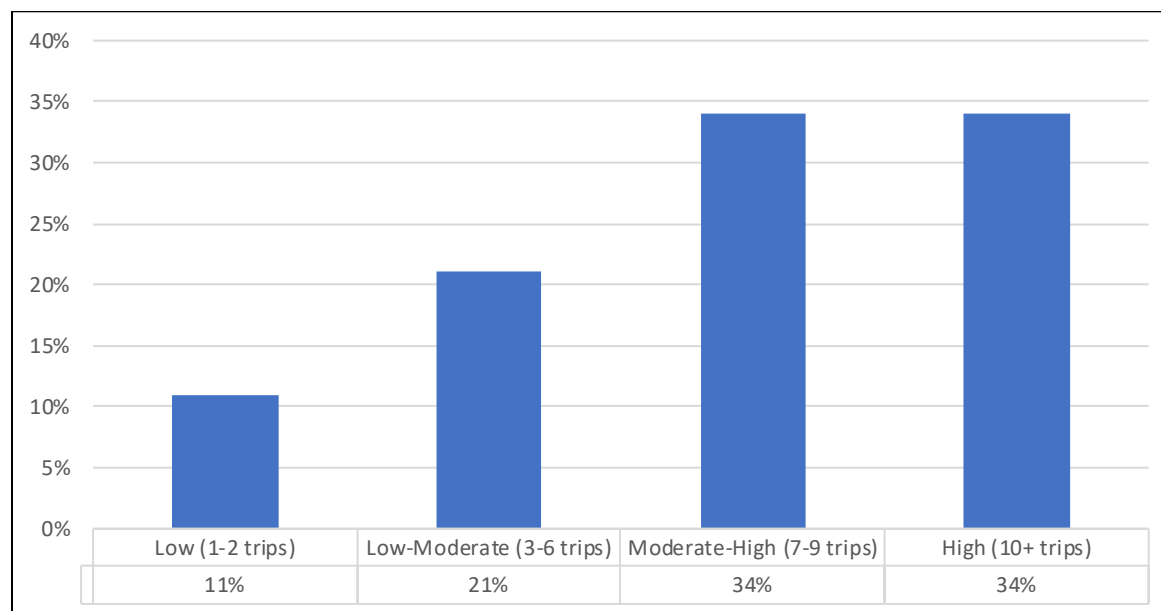
Exhibit 28 - Leisure Traveler Participation in Glamping by Generation 2018



Source: Cairn Consulting

One of the reasons for the growth of glamping in popularity is a desire reported amongst campers to experience a unique vacation option. Those campers camp the most frequently, taking seven or more trips a year, comprising 68 percent of all glampers.

Exhibit 29 - Frequency of Vacation Trips Among Glampers 2018



Source: Cairn Consulting

These results are not surprising as these campers have likely experienced most camping options and are looking for something different.

Glamping has major appeal to those who want to experience nature without “roughing it”. Glamping provides the middle ground option of being out in nature with all of the modern luxuries we have come to enjoy.

Also, glamping provides those leisure travelers who have not experienced camping an option to slowly acclimate themselves. They are able to experience the outdoors while still enjoying the modern luxuries of a hotel. Additionally, new glampers likely do not have the typical camping gear that more seasoned campers possess. Glamping provides these travelers with an option to try camping without investing too much financially into the activity. Glamping could ultimately become a new avenue to attract non-campers to the joys of being outdoors before trying their hand at more rustic camping.

COVID-19 Update

Based on CBRE’s interviews, campers tended to be easy going and amenable to “Camping during COVID-19”. New campers learned campground etiquette (e.g., cannot walk through another’s campsite and quiet hours begin at 10 PM), and more seasoned campers learned to adjust to more restrictions. Several examples of how campgrounds operated in this novel environment:

- Contactless check-in, which was facilitated by online reservations and cashless payments.
- Reduced capacity (e.g., 50 percent) for pools, camp stores, and other activities where a high-density of patrons could congregate. One method introduced by many operators to control camper density was an activity reservation policy (e.g., for pools).
- Closure of indoor all-purpose recreation rooms and greater reliance on outdoor pavilions as well as offering more outdoor activities.

Camper Preferences

Although many pre-pandemic preferences remain desirable, the following bullets highlight preferences during COVID-19:

- A clean, safe environment.
 - Due to the outdoor nature of front country camping and camper adherence to generally accepted COVID-19 precautionary practices, many perceived campgrounds as a safer and healthier environment.
 - Very clean communal spaces (e.g., camp store, bathhouse) that are cleaned frequently and regularly throughout the day – posted cleaning schedules added to camper peace of mind.
 - Face masks worn indoors or when unable to socially distance outdoors with those outside your camping party.
- Reliable, consistent Wi-Fi.
- Full-service hookups:
 - Preference of showers and toilets in RVs instead of communal bathhouses. (This practice increased significantly the use of dump stations.)
 - Cooking in RVs rather than patronizing restaurants.
- Increased outdoor offerings and activities, both adult- and children-oriented.

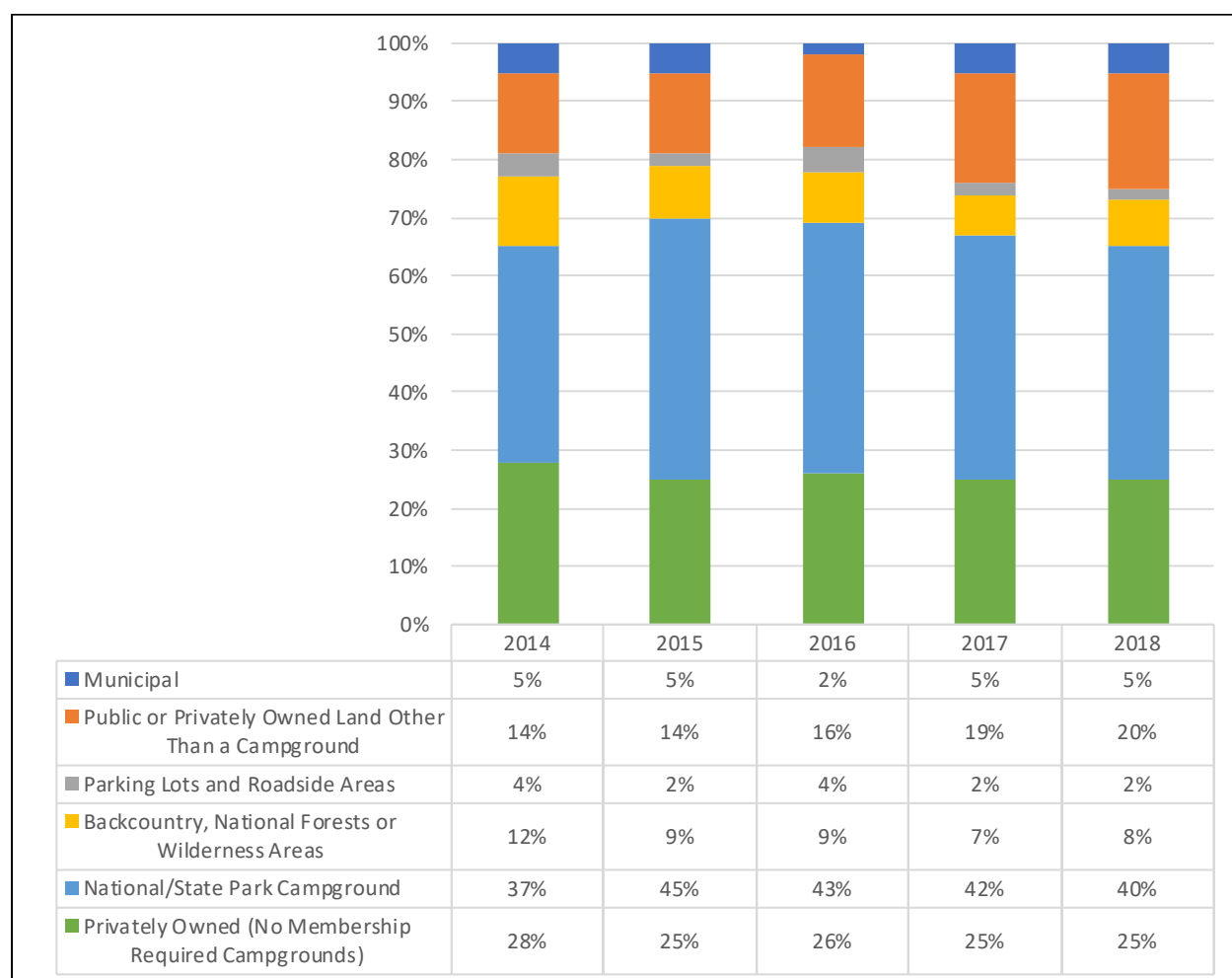
Visitation and Tourism Statistics

The camping industry is rather disjointed in the sense that there are many independent operators, few national franchisors, and varied levels of government-operated campgrounds. Additionally, there exists no third-party reporting mechanism to collect, aggregate, and analyze the visitation performance of the entire industry.

What types of campgrounds are campers using?

Demand for various types of campgrounds (e.g., Municipal, State, Federal, Privately-owned) has remained relatively stable over the past five years. The largest share of campground demand is realized at national or state campgrounds, approximately 40 percent of all camper nights.

Exhibit 30 - Breakdown of camper nights by type of campground owner

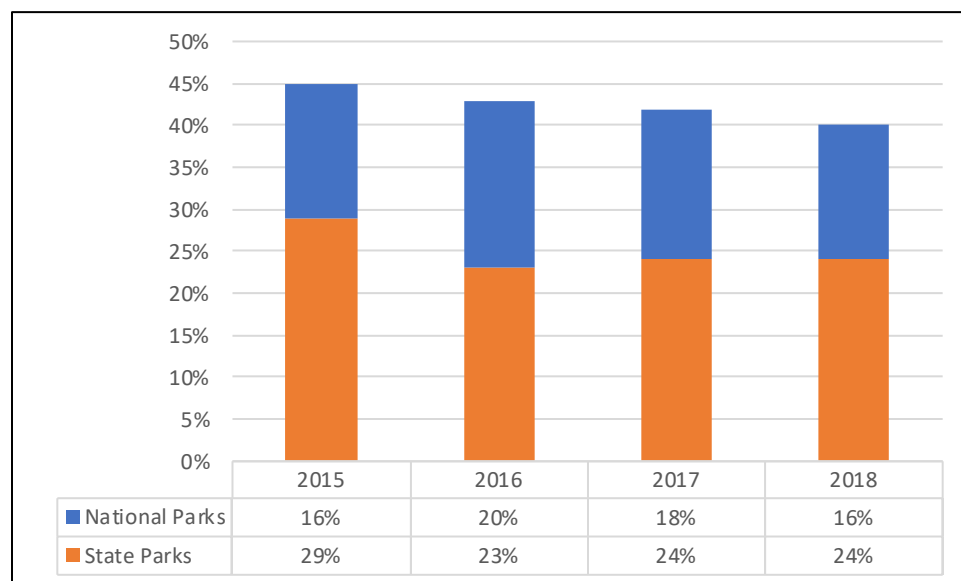


Source: Cairn Consulting

Taking a closer look at the breakdown between national and state campgrounds in Exhibit 26, the share of National Parks appears to have returned to its normalized level given the 2016 NPS

Centennial, whereas demand for State Parks remained relatively unchanged during the same period.

Exhibit 31 - Proportion of Camper Nights at National vs. State Parks



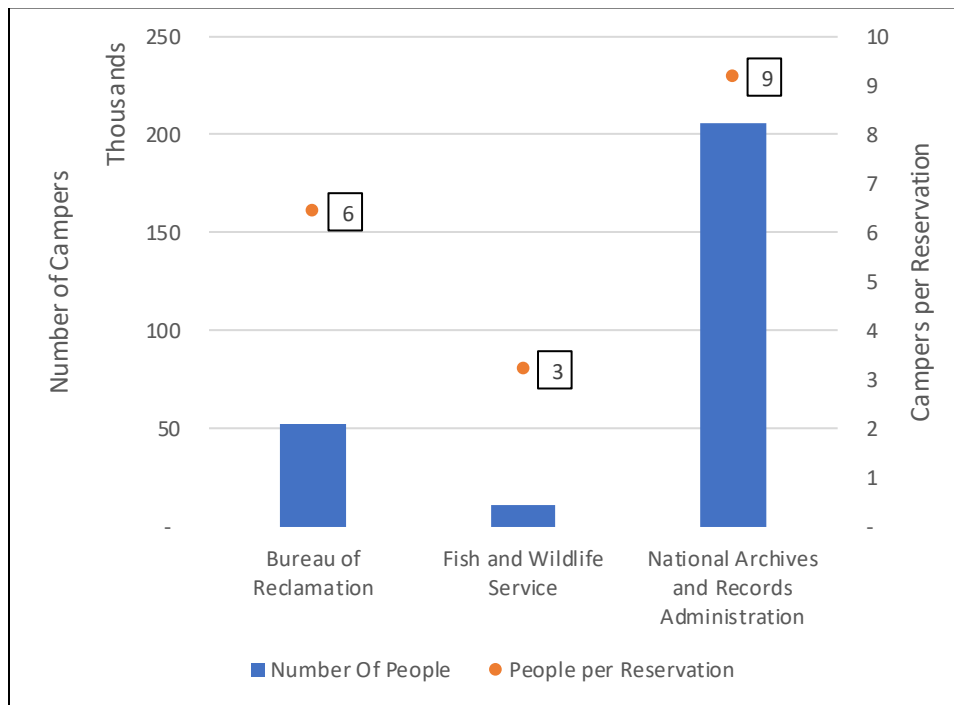
Source: Cairn Consulting

The number of camping instances across all campgrounds in the US is not currently available. This unknown is primarily due to the fragmented organization of the private sector, with franchisees and many independent operators having no publicly centralized reporting repository to understand the full spectrum of the industry. Visitation numbers at national parks and other government operated campgrounds are available through respective agencies as well as Recreation.gov.

However, the data provided by Recreation.gov may not be the most reliable. A primary concern is the data do not contain the full reservation set as there are many walk-in only sites that are reserved at their respective parks without being entered into the Recreation.gov system. Additionally, when analyzing the data, there appear to be several anomalies that suggest lack of fidelity.

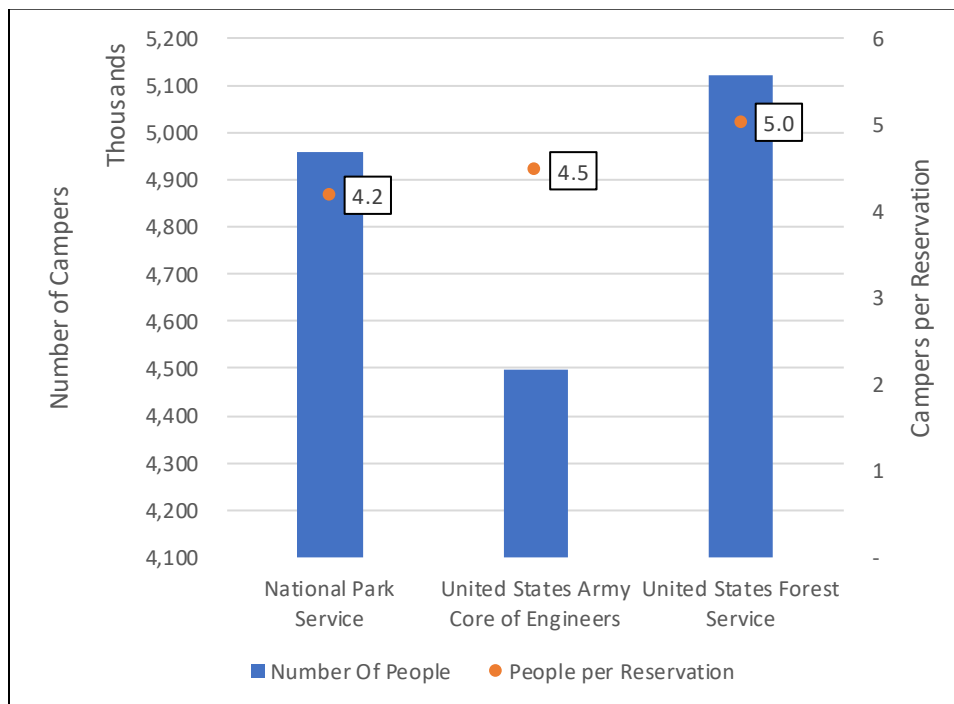
The following two charts illustrate the number of campers and the number of campers per reservation made through Recreation.gov during 2018.

Exhibit 32 - Number of Campers and Campers/Reservation by Agency 2018



Source: Recreation.Gov

Exhibit 33 - Number of Campers and Campers/Reservation by Agency 2018



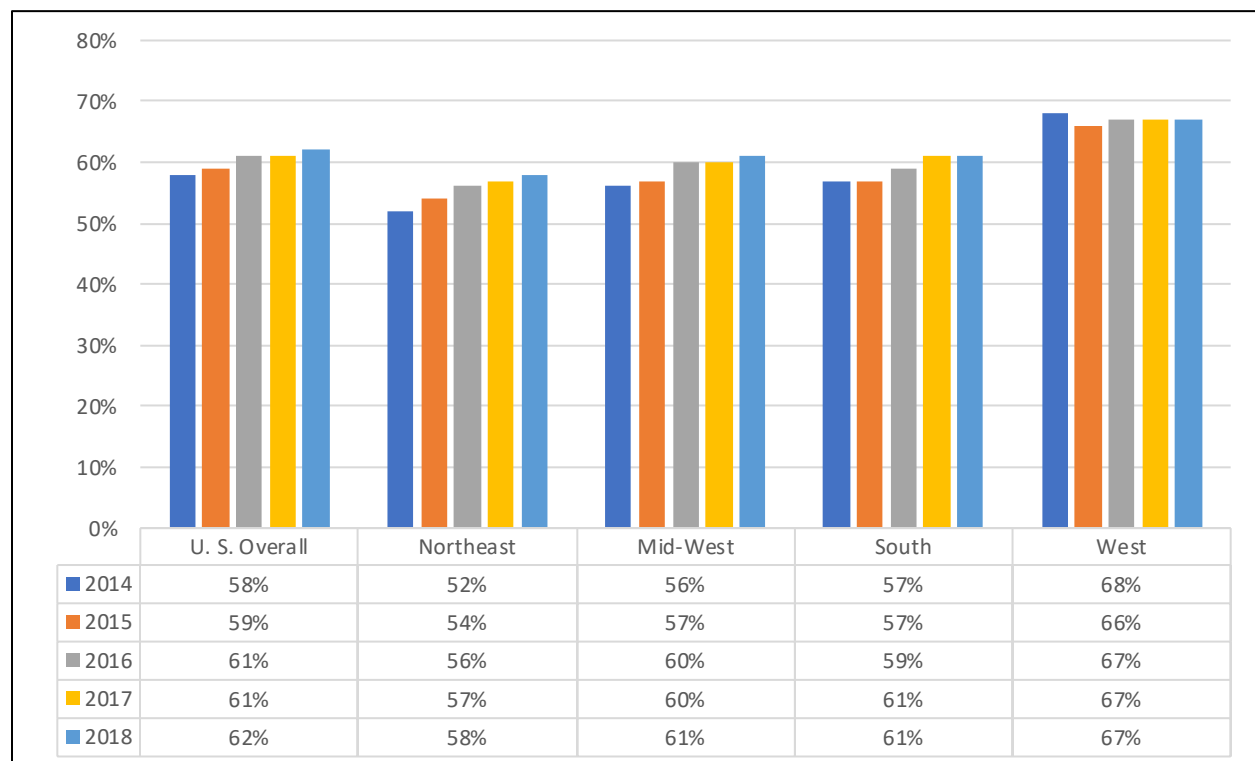
Source: Recreation.Gov

Excluded from the charts are the numbers for the Bureau of Land Management (BLM). The data from Recreation.gov indicate that BLM accommodated over 136 million campers from almost 55 thousand reservations, which equates to over 4,300 campers per reservation. The NPS numbers, as provided by Recreation.gov, conflict with other reported data from the Service. The NPS reported a total of over six million tent and RV campers for this same period, some of which may be walk-in reservations. However, improved data collection and analyses should provide the insight necessary to draw actionable conclusions.

Regional Markets

Since 2014, camping frequency has increased six percentage points in the Northeast and four points in the US Overall. The Mid-West and the South regions also experienced growth since 2014, although it was less dramatic than that seen in the Northeast. Additionally, the West region saw a slight decrease in camping frequency since 2014, but those utilization numbers have remained relatively constant since 2015. As previously mentioned, due to there not being any centralized data source for the campground industry the following data are the best available.

Exhibit 34- Household Camping Frequency by Region



Source: Cairn Consulting

The regions are comprised of the following states:

Northeast	South	Midwest	West
Pennsylvania	Texas	Ohio	California
Delaware	Oklahoma	Michigan	Oregon
New Jersey	Arkansas	Illinois	Washington
New York	Alabama	Indiana	Nevada
Connecticut	Mississippi	Missouri	Idaho
Massachusetts	Louisiana	Wisconsin	Montana
Rhode Island	Tennessee	Minnesota	Wyoming
Vermont	Kentucky	North Dakota	Colorado
New Hampshire	Georgia	South Dakota	Utah
Maine	Florida	Kansas	Arizona
	North Carolina	Iowa	New Mexico
	South Carolina	Nebraska	
	Virginia		
	West Virginia		
	Maryland		

COVID-19 Update

Campgrounds in remote or less densely populated areas of the US typically outperformed based on prior years' revenue and utilization while venues in gateway cities, densely populated areas, reliant on the Canadian border, or situated in areas with high local restrictions tended to underperform based on prior years' revenue and utilization. Business continued to return as local restrictions eased and people became more comfortable venturing outside their homes.

Although some RVers traveled the country, most campers tended to be regional and recreate within a few hundred miles of their residences. For a number of campgrounds that heretofore relied on Canadian campers, demand was backfilled by US regional campers for the 2020 season.³⁶

³⁶ U.S.-Canada border closure to non-essential travel was first imposed in March 2020 and has been renewed every month since. It is expected to remain closed until November 21, 2020, at least.

Current State of the NPS Campgrounds

The Service owns and operates many diverse front country campsites. According to the Service’s Facility Management Software System (FMSS), as of Fiscal Year (FY) 2018, this portfolio includes:

- 502 front country campgrounds
 - 26 are concessioner-operated
- 16,648 campsites
 - 2,115 are in concessioner-operated campgrounds

These campgrounds provide an array of amenities such as:

- 1,015 comfort stations at 346 campgrounds
- 14 camp stores at 11 parks
- 1,889 campsites with electrical hook-ups across 36 campgrounds
- 33 campgrounds with Wi-Fi
- 12,730 tent pads
- 8,585 RV pads
- 426 campgrounds with water stations
- 130 campgrounds with year-round hot showers
- 3,534 fire rings across 556 campgrounds
- 130 campgrounds with dumping stations
- 60 amphitheaters at 55 campgrounds

The National Park System is extremely well-utilized. Across the system there were approximately 318 million visitors with more than six million overnight front country camping visits.

One of the top priorities of the NPS is to better collect, retain, and analyze data generated from the campground operations. The Service’s ability to understand and better manage their campgrounds will necessitate integration of data from Recreation.gov, where campsite reservations are made, and data generated at the campgrounds on such things as walk-in campers and amenity use. This goal can be particularly challenging in the more remote campgrounds where access to the Internet can be limited. Just as critical is the understanding of relevant financial metrics. Knowing exactly what expenses are associated with each campground, and the revenues they generate, is essential for decision-makers.

Another challenge confronting the NPS is deferred maintenance. The reported current deferred maintenance for campgrounds exceeds \$331 million, with approximately \$30 million in concession-assigned campgrounds.

Campers Perception of National Parks

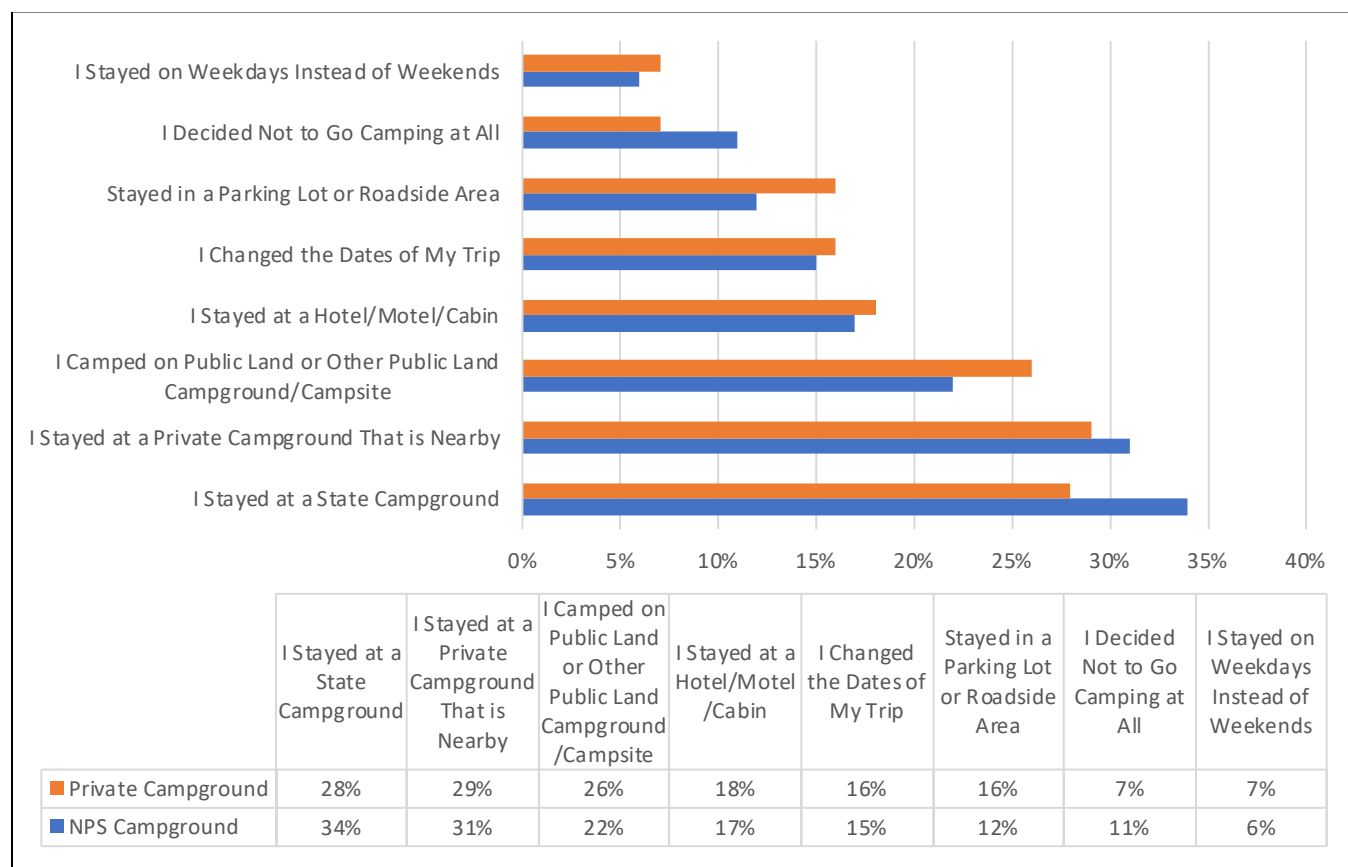
Overall, the public’s perception of the NPS is very positive. The NPS has always provided Americans with an affordable vacation option at the most beautiful places in our country. As a result, many private operators have opened campgrounds near national parks to capitalize on these campers.

The most prevalent issue reported by campers is finding a campsite. This frustration may be caused by campers not making reservations in a timely manner because they did not know they could, or needed to, or because the campers did not think there would be a challenge renting a site.

Consistently for the past several years, approximately six out of every 10 camper nights is spent on public lands and/or campgrounds. This utilization places higher demands on these lands and systems as campers seek a variety of experiences.

As for campers who stayed at national park campgrounds in 2018, reportedly 30 percent had challenges obtaining campsites while only 20 percent of campers who stayed at private campgrounds reported similar challenges. One of the main complicating factors was how far in advance the campers tried to make reservations. Approximately half of campers who waited until the week prior had some issue or difficulties at national parks, compared to only 20 percent of campers who planned three or more months out. Campers who experienced problems getting a campsite either did not camp or sought lodging at hotels, motels, or parking lots. The most common solution among national park campers was to stay at a state park, while private campground campers were equally likely to seek another private campground or state park campground.³⁷

³⁷ Cairn Consulting Group

Exhibit 35 - Camper Solutions to Issues Finding a Campsite 2018

Source: Cairn Consulting

Camper Amenity Preferences at all Campgrounds

Choosing between staying at an NPS campground or a private campground comes down to camper's perception of the campground and what amenities and services they desire. Over time, these preferences have remained relatively stable. Exhibit 36 shows the relative importance of amenities as reported by campers who camp at any type of campground.

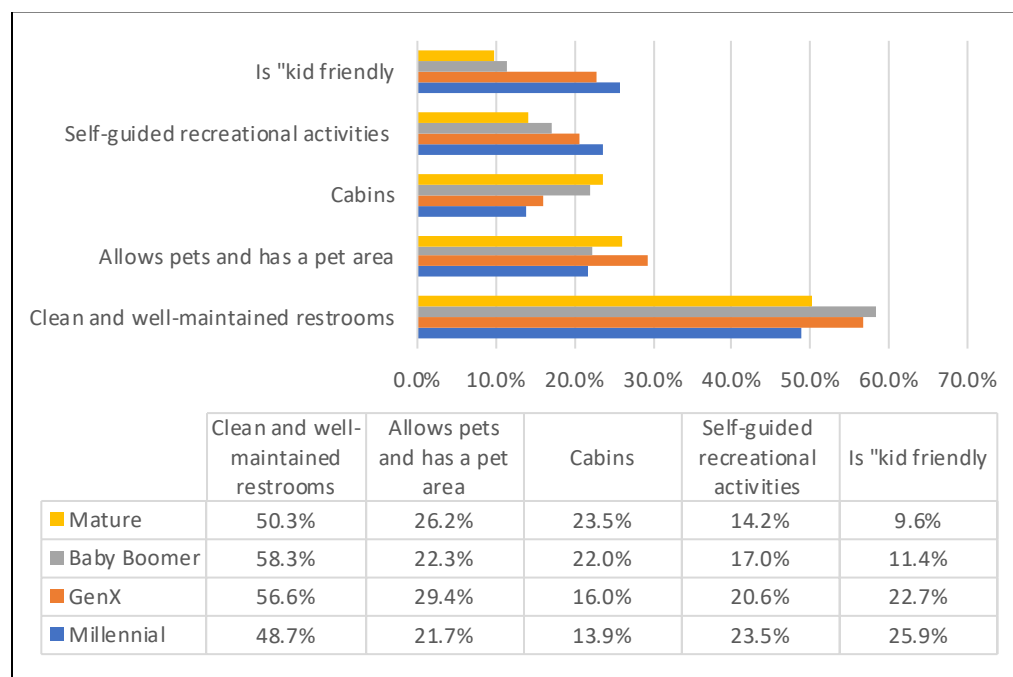
Exhibit 36 – What Campers Value

WHAT ARE THE TOP OFFERINGS CAMPERS VALUE IN A CAMPGROUND						
	2014	2015	2016	2017	2018	change since 2014
clean and well-maintained bathrooms	50%	47%	44%	44%	49%	-1%
is "kid-friendly"	20%	21%	20%	26%	21%	1%
self-guided recreational activities	17%	24%	20%	20%	20%	3%
allows pets and has a pet area	19%	22%	19%	20%	23%	4%
free Wi-Fi	19%	20%	20%	17%	16%	-3%
cabins	16%	16%	16%	15%	15%	-1%
safety lighting	17%	16%	16%	15%	15%	-2%
a campground store	15%	13%	15%	15%	15%	0%
full service RV sites	12%	13%	12%	11%	14%	2%
easy-in easy-out pull through sites	11%	14%	12%	11%	13%	2%
being around other campers with similar interests	7%	9%	9%	9%	10%	3%
swimming pool	10%	9%	10%	8%	11%	1%
uses sustainable practices	6%	9%	8%	8%	8%	2%
on site food service	7%	7%	9%	7%	7%	0%
organized recreational activities	4%	6%	7%	7%	6%	2%
professional, trained staff	7%	7%	7%	7%	7%	0%
expanded hours of operation	3%	4%	5%	5%	4%	1%
owner on site	6%	5%	5%	4%	4%	-2%
exercise room	2%	3%	5%	3%	3%	1%
none of these, prefer primitive camping	8%	6%	5%	7%	5%	-3%

Source: Cairn Consulting

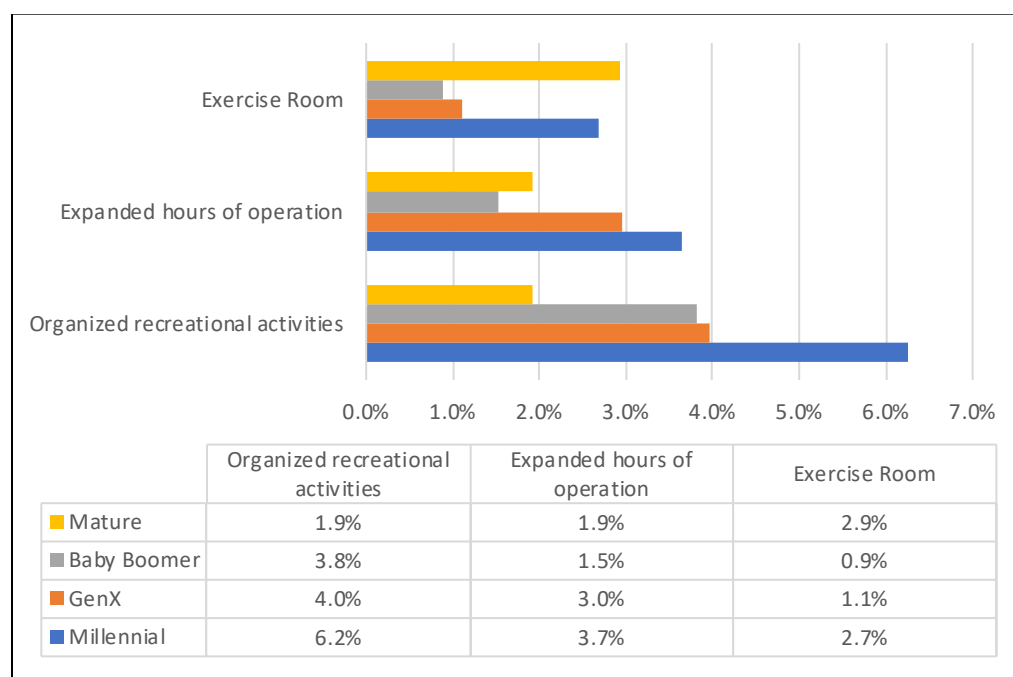
The results from the 2019 research show similar results as those of the past. The following exhibits depict camper preferences broken down by generation and by ethnicity for both NPS campers and non-NPS campers. Results are consistent with the historic preferences even when the data are broken down by generation and ethnicity. This finding indicates that camper preferences at both NPS and non-NPS campgrounds are consistent and in-line with the current amenity offerings at most NPS campgrounds.

Exhibit 37 - NPS Campers' Most Important Amenities by Generation 2019



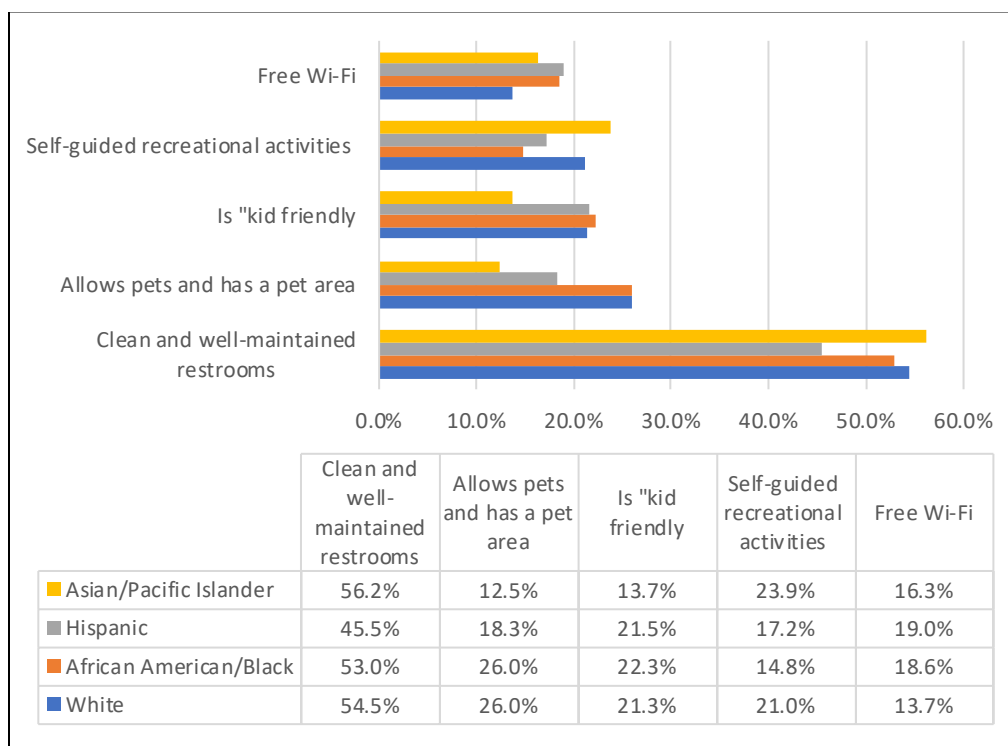
Source: Cairn Consulting

Exhibit 38 - NPS Campers' Least Important Amenities by Generation 2019



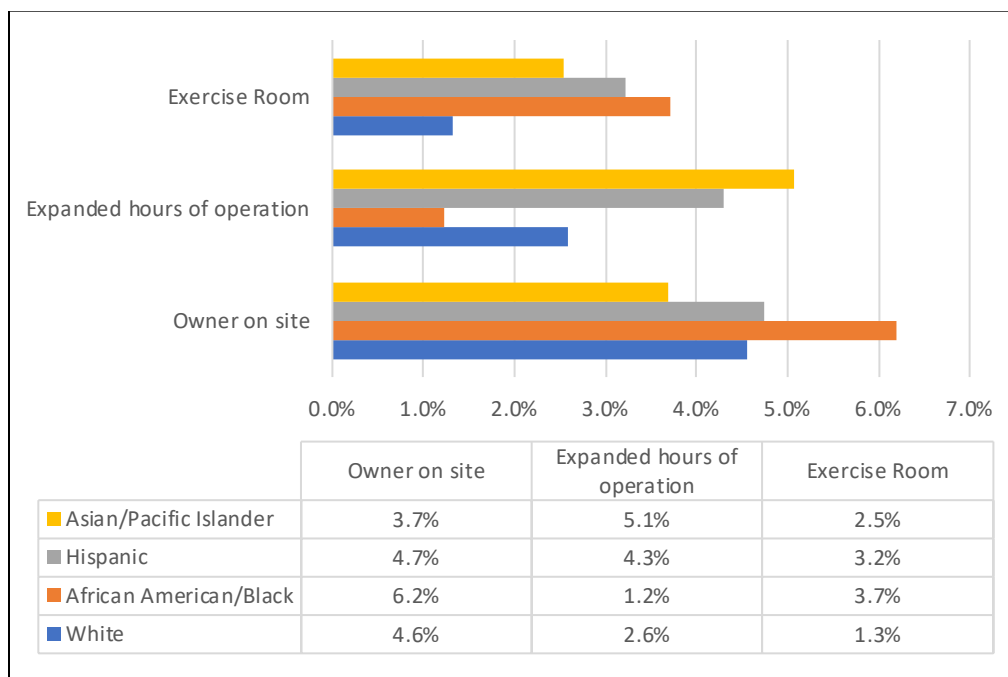
Source: Cairn Consulting

Exhibit 39 – NPS Campers’ Most Important Amenities by Ethnicity 2019



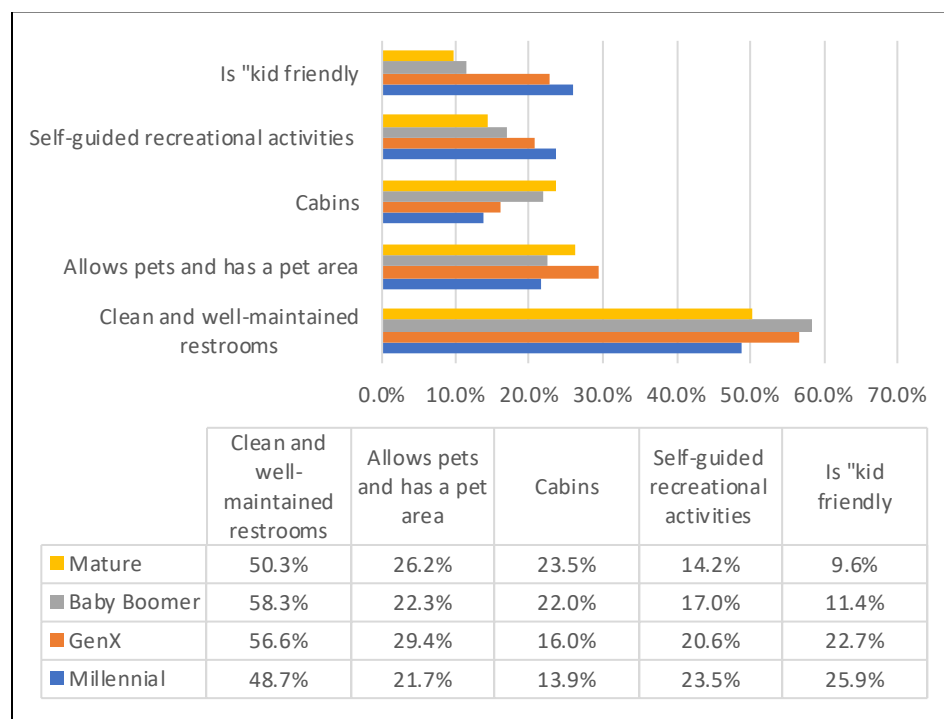
Source: Cairn Consulting

Exhibit 40 - NPS Campers’ Least Important Amenities by Ethnicity 2019



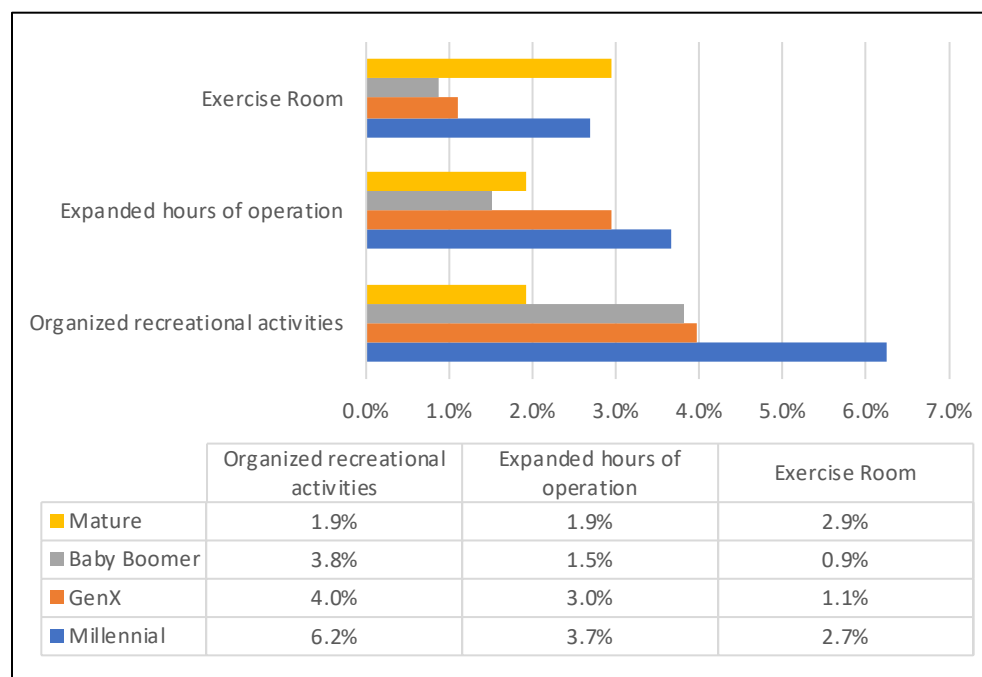
Source: Cairn Consulting

Exhibit 41 - Non-NPS Campers' Most Important Amenities by Generation 2019

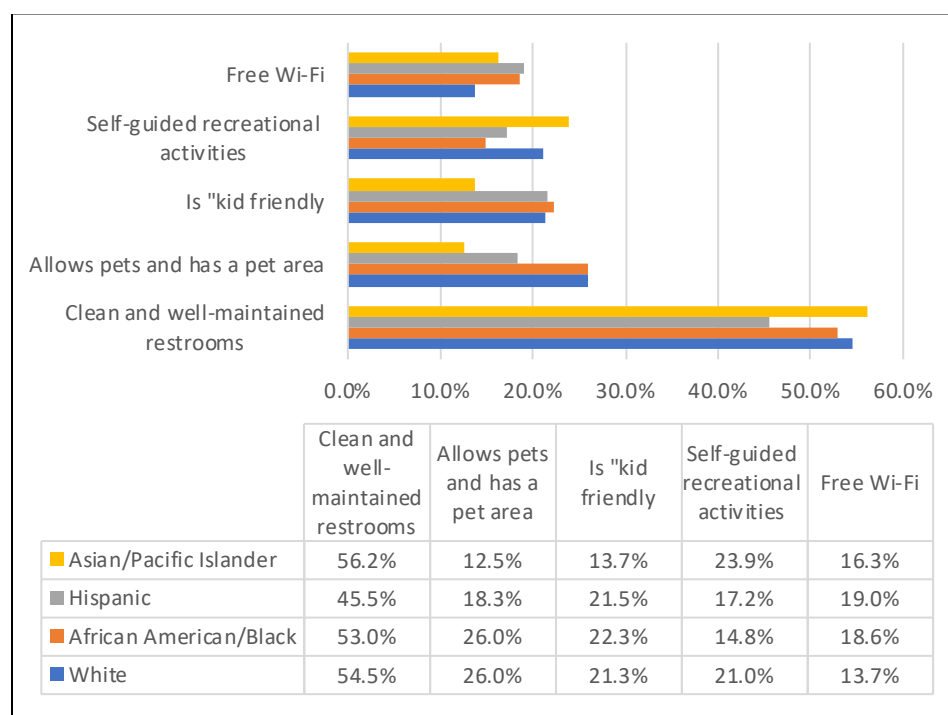


Source: Cairn Consulting

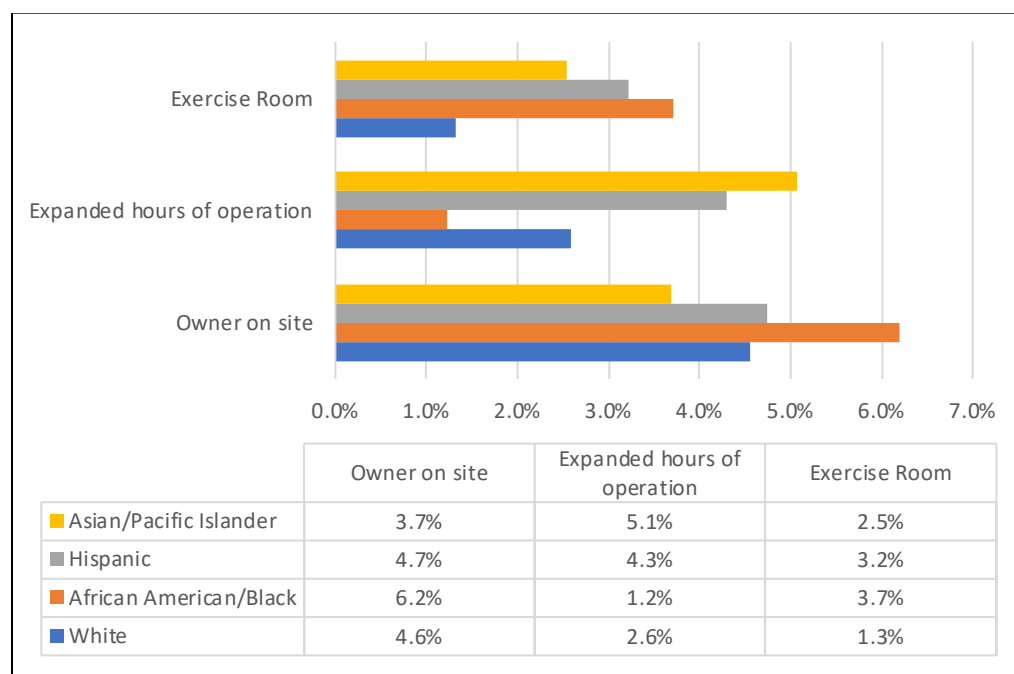
Exhibit 42 - Non-NPS Campers' Least Important Amenities by Generation 2019



Source: Cairn Consulting

Exhibit 43 - Non-NPS Campers' Top Five Amenities by Ethnicity 2019

Source: Cairn Consulting

Exhibit 44 - Non-NPS Campers' Bottom Three Amenities by Ethnicity 2019

Source: Cairn Consulting

Alignment with campers' amenity preferences indicate that the NPS is offering campgrounds that are generally meeting the current needs of campers. Given the importance of clean and

well-maintained restrooms as a vital amenity for camper satisfaction, it behooves the NPS to cure deferred maintenance in its comfort stations as well as follow operating and maintenance plans, as appropriate.

Relevant Construction Codes

The National Park Service has to abide by many different and often conflicting rules and procedures, and the Service usually tries to comply with existing recognized construction codes. Three existing codes with a direct impact on NPS campgrounds are: Uniform Federal Accessibility Standards (UFAS); Article 551 of the National Electrical Code (NEC); and, National Fire Protection Association (NFPA). These three codes will be applied to the campgrounds visited by the CBRE Team during the pilot park site visit phase to Lake Mead National Recreation Area (LAKE); Blue Ridge Parkway (BLRI); and, Great Smoky Mountains National Park (GRSM). Of note:

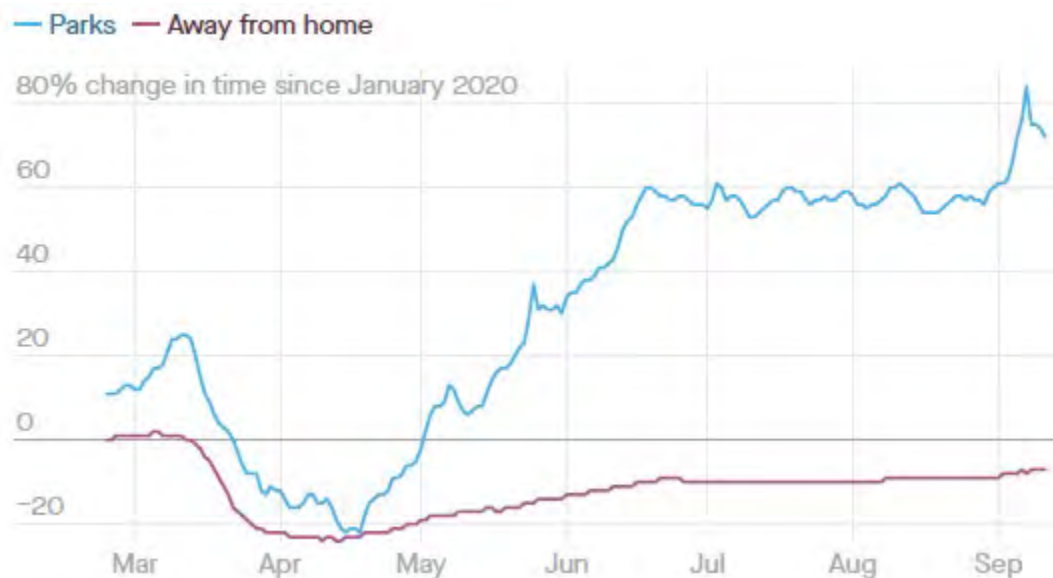
- Accessibility requirements: there are two different codes specifying what RV parks or campgrounds must do to provide accessibility. The private sector must comply with the Americans with Disabilities Act (ADA), while federal properties must comply with the Uniform Federal Accessibility Standards. The ADA code covers effects like buildings and sidewalks; the UFAS code specifically covers almost everything in a RV park or campground, including the number of accessible sites to be provided.
- NFPA 1192: originally written in the early 1960s as an American Standards Institute (ANSI) code. This code is updated approximately every four years and is a detailed construction code for the manufacture of RVs and has been adopted by every state in the US.
- NFPA 1194: originally developed in 1969 by the same ANSI committee that developed the 1192 code. The purpose of this code is to detail the construction of RV parks and campgrounds and has been updated on a regular basis by the same committee that writes the NFPA 1192 code. This committee is responsible for ensuring that modern campgrounds can accommodate all new RVs as well as earlier models. This code has a scope that reads, “This standard shall provide minimum construction requirements for safety and health for occupants using facilities supplied by recreational vehicle parks and campgrounds offering temporary living sites for use by recreational vehicles, recreational park trailers and other camping units.”
 - This code also has sections for General Design Criteria, Fire Safety, Environmental Health and Sanitation. This code specifies many details including requiring a minimum of one toilet, one washbasin, and one shower per sex for every 25 dependent sites. It also requires restroom facilities within 500 feet of any dependent site and details such things as turning radius, site size, utility location, and road sizes.

- NFPA 70: informally called the National Electrical Code, it has been adopted by every state and details all construction of electrical systems. This code has a large number of specific sections including [Article 551](#), which is a section of the NEC dedicated to the electrical requirements of any RV park or campground. This code does not require electrical service at all sites but does detail how to install electrical hookups when offered. One of the major requirements specifies what percentage of the sites have electricity.

COVID-19 Update

In a recent study of outside the home destinations tracked by Google using anonymized GPS data from mobile phones, Google estimates *Parks*³⁸ is the only destination that did not experience moderate to severe declines in participation, as illustrated in the following exhibit.

Exhibit 45 - How Americans are changing where they spend time in the pandemic



Source: Quartz | qz.com

³⁸ Parks category includes a wide range from public beaches, dog parks, marinas to national parks.

National parks may have experienced reduced visitation in the spring of 2020 given park entrance closures and/or business/service closures within parks, which may have been exacerbated by government executive orders requiring people to shelter-in-place. Yet in a number of parks, summer months demonstrated year-over-year increases in recreational visitation. For instance, Lake Mead National Recreation Area had approximately a 14 percent year-over-year increase in June 2020; Great Smoky Mountains National Park had approximately a seven percent year-over-year increase in July 2020; Yellowstone National Park had approximately a 7.5 percent year-over-year increase in August 2020; and, Zion National Park had nearly five percent year-over-year increase in September 2020.³⁹

³⁹ NPS Monthly Public Use Report.

Industry Standards - Reservation Systems and Campground Policies

Available technology is more than adequate for a robust reservations system. There are a number of reservation systems used by private campgrounds while many federal campgrounds use Recreation.gov.

For private campgrounds, it is common for as much as 99 percent of their sites to be reserved, some of them can be reserved up to a year ahead of time. It is unusual for private campgrounds to set aside “walk-in sites” for fear that this perishable inventory will go unsold, and the customers understand this practice.

To implement an effective reservation system, communication equipment at check-in is essential so that reservations can be found easily. Most reservation systems are accessible through the Internet and combine bookkeeping functions for the operator, which makes access to these systems via the Internet crucial.

With the increase in sophistication of campground reservation systems, hotel online travel agencies have become interested in the space. Companies such as Orbitz, Booking.com, and others are looking to break into the popular campground industry.

As for pricing, the emerging best practice in the private campground industry is yield management. This practice allows for dynamic pricing and maximizing the sale of campsites. Prices may be set seasonally with considerations like holidays, other high demand periods, site type, and site location factors affecting pricing. In contrast, pricing at campgrounds on federal lands tends to be static.

In economics, pricing is used as a rationing tool where goods, in this case campground site-nights, should be priced higher when demand increases. For example, a camper may choose to camp the week before or after a holiday to take advantage of less expensive rates. Charging higher rates for campsites that are in high demand drives the top line, and businesses that do not engage in this practice are under-performing.

Exhibit 42 is an example of a rate table template commonly used in the private campground sector. The best practice is to create a rate table for each type of campsite. Each site type would start with the setting of a “base rate” that is adjusted up or down to create the other rates. In the following example, the in-season rate is the base rate and adjusted up for holidays and down for shoulder and off-season. The ranges are typical. Important to note is that any rate can be used as the base rate providing the other rates are adjusted appropriately.

In order to utilize dynamic pricing, it is important to first develop the base prices. The private sector usually starts with determining how much they want to make from an investment at a minimum. This is called the investment yield which is the income needed to justify the

investment. This yield is divided by the number of expected camper nights to calculate the component of the base rate for campsites that will generate the required income for the investment. This component covers debt service and operating profit.

It is then necessary to calculate the operating cost per site. Start with the total operating cost for the campground and divide it by the expected number of camper nights to determine the average cost per camper night. This is the component of the rate that covers the operations of the campground or its breakeven rate.

These two components added together are the base rate for any site at the campground. However, it is necessary to adjust the operating cost component depending on the site type. Sites that have more utilities should have their operating cost base adjusted appropriately up or down to ensure all costs generated each night at the site are being covered by the rate charged.

As an example, the published rate for electricity in Las Vegas is \$0.1215 per kwh which makes the electricity used by a 50-amp site as high as \$28.80 per day. ($45A \times 220V = 9.9 \text{ kw per hour} \times 24 \text{ hours} = 237 \text{ kwh} @ \$0.1215 = \$28.80 \text{ per day}$.) On the other hand, a small trailer with only a 30-amp 110-volt service will only use about 66 kwh per day at a cost of \$8.02 per day. In addition to the utilities, each site type might have different costs (e.g., cleaning). All of these costs need to be taken into consideration to determine the actual base rate for each site type that makes up the total projected income.

Once the base price is established for each site type, the campground operator then needs to compare this base to the rates actually charge by their competitors to determine if they should adjust either their rate or the services provided in order to be competitive. Once they have the necessary base rate, then yield management can be used to manage total income as well as to control the total demand during different periods. During slow periods, demand can be increased by lowering rates, conversely, during high season by increasing rates.

Exhibit 46 – Typical Private Sector Pricing Model

Site Type	Holiday	In-Season	Shoulder	Off-Season
Daily Rate (Typically includes 2 people)	+15 to 25%	Base	-5-10%	-15-25%
Additional Adult	\$5.00	\$5.00	\$5.00	\$5.00
Additional Child	\$2.00	\$2.00	\$2.00	\$2.00
Pet Fee	\$5.00	\$5.00	\$5.00	\$5.00
Other	\$X.XX	\$X.XX	\$X.XX	\$X.XX

Pricing and Rate Strategies for Services and Amenities

Pricing strategies for services and amenities are highly situational. Not only do the services and amenities at each campground differ but also the typical clientele may differ as well. There are two main strategies when it comes to pricing services and amenities in the private campground sector: a-la-carte and all-inclusive.

A-la-carte pricing has traditionally been the strategy most campgrounds used whereby campers would pay for what they wanted to use. This practice led to private campgrounds earning a reputation for “nickel and diming” their guests.

All-inclusive is the private campground sector’s response to this negative perception. Instead of having campers pay only for what they used, operators began to charge higher daily rates in lieu of charging for each and every amenity and service.

Neither strategy is clearly better, rather the effectiveness of these strategies depends on the campers served. Anecdotally, Baby Boomers and Mature campers are more price conscious as many are living on fixed incomes. These campers may respond more favorably to a-la-carte pricing.

Younger campers, especially families, tend to be more value focused. They may respond more favorably to all-inclusive rates where they are able to use the amenities as frequently as needed without worrying about incremental costs.

Campground Industry Policy Best Practices

There is no single consensus when it comes to campground rules. There are two main approaches to informing guests as to what they can and cannot do at a given campground. The first approach is to have a “Respect Everyone” policy where campers are permitted to do whatever they want as long as they are not disturbing other campers, the campgrounds, or anything else. The second approach is to list out everything that campers can and cannot do. These lists are not consistent from campground to campground as the services and amenities offered and the nature of the campground may vary widely.

At a minimum, both of these approaches usually include basic rules such as the check-in and check-out times, quiet hours, and any rules mandated by liability insurance requirements.

In Appendix A there is an example of campground policies and rules that list the campground’s specific “dos” and “don’ts”.

COVID-19 Update

The Internet and campgrounds capabilities within this medium during the COVID-19 environment became a critical success factor. Important offerings include:

- Virtual tours afforded potential campers the ability to preview venues in a safe, controlled environment.
- Timely communication with campers and prospective campers.
- Online reservations provided campers: convenience; consideration of various prices for sites; payment options for sites; ability to change or cancel reservations; and, preview past customer reviews.
- Reliable, on-site Wi-Fi for both customers and staff before, during, and after stays.

Reservation Policies

- The majority of owners waived the cancellation fee for their customers, but a minority did charge a service fee.
- When customers called to cancel their reservations, company representatives were directed to persuade these customers to rebook, and as applicable, apply customer deposits to future bookings. Most of these companies waived a modification or rebooking fee.
 - For those customers who canceled and did not rebook, they were backfilled with other customers.

- KOA reimbursed franchisees, in the months of March and April, for those customers who requested their deposit (~\$50) returned.

Other Public Agency Best Practices for Contracting with the Private Sector

The primary source for this section's findings were derived from interviews with multiple representatives and officers from public land management agencies and trade associations in addition to concessionaires who have hundreds of contracts with decades of service for varied public land management agencies.

Basically, there are two primary vehicles whereby public land management agencies partner with private sector operators. The first type of agreement is a profit and loss agreement whereby the operator pays the public land management agency a percentage of the gross revenue as a lease payment (e.g., USFS). The second type of agreement is a management contract whereby the operator is paid a fee by the public land management agency to operate the campground (e.g., United States Army Corps of Engineers (USACE)). The former contract tends to be longer (e.g., up to 10 years with possible option periods) while the latter contract tends to be shorter (e.g., an operating season with possible optional operating seasons).

Many private organizations are eager to partner with public agencies but are not always successful. Many smaller independent operators may not have (i) the resources to navigate the bureaucratic process; (ii) the required start-up capital; or, (iii) the ability to acquire debt to leverage opportunities. Other private operators decide not to partner with public agencies because the agreements may not be perceived as mutually beneficial.

The typical agreement varies from agency to agency as each has a different directive for the land they manage. A standard NPS concession contract is for a 10-year term where the concessioner pays the NPS a franchise fee and is sometimes required to make capital investments in the operation over the course of the contract, known as Leasehold Surrender Interest (LSI). A typical USFS contract is for a term of five years with a five-year extension to provide both parties an option to terminate the contract. (A 10-year term plus a five-year extension is available too.) The USFS typically does not require its partners to make any capital investments as this is not in line with the USFS stated mission. A common USACE contract may be for a single operating season with option periods. (Contract examples may be found in Appendix B.)

The general consensus from the operators interviewed was they would welcome the opportunity to partner with public land management agencies and invest capital given sufficient length-of-contract and/or lower lease payments to make these opportunities financially viable. Also desired is their ability to use borrowed capital for (an investment like modular cabins) these opportunities. As it relates to very expensive investments like the cost of infrastructure, these operators believed that since most owners (i.e., public land management agencies) have robust maintenance divisions, the owners should shoulder these investments.

As for bundling, those interviewed:

- Prefer bundling campgrounds in a single park.
- Should campgrounds span two or more parks, districts, etc., the same operating criteria are necessary for a successful partnership.
- Longer contract terms to support capital investments.
- Bundling should be financially viable for the ‘protection’ of concessionaires.

Other interesting points from these interviews:

- Public parks should upgrade their campgrounds to better accommodate larger RVs but not sacrifice the area’s natural beauty through overdevelopment. Instead, private parks should be more developed with extensive overnight options (e.g., deluxe cabins with full baths and linens) and elaborate guest amenities (e.g., resort-style pools).
- Public parks should continue to be the “magnet” for introducing new campers to the natural beauty of the outdoors.
- In the absence of campgrounds’ electrical hookups, the reliance on campers use of generators creates both exhaust and noise pollution to the detriment of the enjoyment of the great outdoors.

COVID-19 Update

A number of persons interviewed stated they did not anticipate any significant changes to how they (i.e., public land management agencies) contract with private companies to operate campgrounds post COVID-19, as compared to pre COVID-19.

It was generally stated though that concessionaires’ contractual financial obligations to their respective public land management agencies could be reviewed given reduced FY 2020 gross revenues with resultant reduced payments and/or contract extensions. One agency reportedly developed an algorithm that automatically calculated the magnitude of the fee reduction without the need for its concessionaires to apply for consideration.

Also given operational headwinds, some campground contracts could be extended because the respective agency (or its regional office) was unable to develop Requests for Proposal (RFPs) and/or evaluate them in a timely manner to award new contracts.

Recommendations and Conclusions

As stated in the introduction, CBRE was engaged by the Service to research the camping industry, to analyze data and findings, and to proffer a campground modernization and rehabilitation strategy to support the Service’s Second Century of Campgrounds. This four-phased project entails:

- Phase One consists of this industry analysis report with the goal of identifying and conveying the state of the industry along with current trends in order to assist the Service in anticipating developing and future expectations for camping services.
- Phase Two involves planning for and conducting site visits to three pilot parks’ campgrounds.
- Phase Three requires:
 - Developing an analysis framework that aligns with the Service’s Facility Investment Strategy. This framework, which will include creating new tools and templates, will be utilized at the park-level to develop business cases to assist in decision-making of whether a campground should be modernized, otherwise rehabbed, or remain status quo.
 - Piloting this framework and completing business case analyses for the campgrounds in the pilot parks.
- Phase Four includes:
 - Building a generic campground financial model for the Service to analyze campground operations under both NPS- and concessioner-operated scenarios.
 - Performing financial analyses for the campgrounds in the pilot parks.

Overall, the camping industry is strong, and long-term demand appears robust.

Now looking to the future... What will the state of the campground industry be in 20 years?

If history is a guide, there exist factors that we do not know about now that can greatly affect the camping industry.

- The oil shortage of 1973 caused many campgrounds to become economically unviable due to the scarcity of gasoline.
- In the 1960s, the Orlando Florida area was more rural but once the Walt Disney Company announced the construction of Disney World, Orlando became a tourist Mecca, thus demonstrating location desirability affecting camper nights.
- In the early 1970s, Biloxi Louisiana was a popular tourist destination until a hurricane caused massive destruction – many businesses failed. Eventually, this area was rebuilt, and tourism returned. Natural disasters can have long-term negative consequences, so what may be the impact of climate change in the next 20 to 50 years?

National Parks tend to be located in highly desirable areas and act as demand generators for campers who stay either in the park or somewhere nearby. It is imperative that the Service protect these demand generators by preserving what draws people there, like unspoiled wilderness. However, equally important is providing visitors with enjoyable experiences. The Service can achieve both of these goals by strategically investing in those projects that require the least impact thereby preserving the nature of the parks and providing visitors with great experiences.

Leveraging the research, tools, templates, and models developed by the CBRE Team, NPS superintendents and commercial services staff will be able to develop business case analyses for their respective campgrounds. These detailed analyses should be customized to each specific campground with recommendations that align with the FIS.

As a starting point for planning the Second Century of Campgrounds, the CBRE Team recommends curing deferred maintenance and improving infrastructure. It is our understanding that planned and ongoing investments include funds from: franchise fees; line-item construction and maintenance program; recreation fee program; repair rehab; and, cyclic maintenance program, which is a tremendous start.

The CBRE Team also recommends the NPS adopt the three relevant [construction codes](#) identified.

- UFAS– Essentially ADA requirements for government campgrounds.
- NFPA 1194 Standard for Recreational Vehicle Parks and Campgrounds:
 - Provides minimum standards for development of an RV park or campground, including potable water distribution.
 - Of special note, comfort stations and their condition tend to be the number one amenity for campers, so these facilities’ development, maintenance, and operation should not be minimized.

- NEC
 - Article 551, Suggested RV electrical site distribution (dependent on business case analysis):
 - 20-amp, 125-volt receptacle – All;
 - 30-amp, 125-volt receptacle – 70 percent minimum;
 - 50-amp, 125/250-volt – 20 percent minimum for existing and 40 percent for new RV sites; and,
 - Non-RV sites may be excluded.
 - Multiple Articles Related to Buildings.
 - Multiple Articles Related to Other Electrical Uses.

Our findings support the desire for electrical hook-ups. In fact, many RV campers are now looking for electricity before sewage connections. Power management systems in RVs have become quite sophisticated thus allowing large rigs to run off 50- or 30-amp hook ups. Campers are bringing more technology on their camping trips, so the need to charge devices becomes increasingly important; consequently, private campgrounds are beginning to install 20-amp hook-ups at rustic campsites or offer communal charging stations. Having electrical hook-ups eliminates the need for generators.

Moreover, campers value a wide variety of site types including full-service RV sites. Initiatives such as reinforcing existing roads, redesigning campgrounds allowing for wider roads and pull-throughs, longer pads, and buried electrical cables, water and/or sewer lines should support a variety of RVs while keeping the existing feel and aesthetics of NPS campgrounds.

Given the campsite or RV pad rental will be the revenue driver, not retail or equipment rental sales, we recommend that park-level professionals evaluate the net benefits of these incremental offerings in their business case analyses.

As more, primarily younger campers are introduced to camping, the industry is poised to see some real changes. Glamping combined with Millennial campers seeking new experiences as well as attracting new campers to the industry suggest the current distribution of overnight accommodations to shift with an increase in “cabin” and “other” and decrease in “tent” in the foreseeable future. Given the cost and operational needs for successful Glamping, we recommend that this product only be considered for concession-operated campgrounds.

Along with changes being driven by younger campers, social factors and technology are also driving changes in the importance of some amenities at campgrounds. For instance, Wi-Fi is an important consideration but may be impractical given the remote nature and aesthetics of some parks. Project due diligence will aid in business case analyses recommendations. Other

amenities, such as electrical hook-ups, camper cabins, and new emerging trends, should be considered on a campground-by-campground basis after a proper business case analysis.

The trend that is consistent with all campers is a growing desire to have an experience that is “close to nature,” which can vary greatly from camper to camper. This will make it important for campgrounds to carefully implement changes in the future. Providing the level of amenities that campers want while making sure to keep campgrounds in a state as close to natural as possible. The degree of difficulty to implement these changes will range from fairly simple things like created designated parking areas to provide a campground free of vehicles to more complex implementations like installing electrical hook-ups at all RV sites.

Another means to improving campers’ satisfaction is implementing an effective reservation system with communication equipment at check-in, which is essential, so that reservations can be found easily. A more consistent reservation policy across the Service, regardless of whether NPS- or concession-operated campground, may be warranted as well.

Possible solutions to successfully support park-level recommendations may be concession contracts with longer terms (e.g., 20 or 30 years) and/or Public Private Partnerships with similar or longer contract terms to recoup capital investments. Furthermore, pricing should move away from static pricing to dynamic pricing.

The CBRE Team believes that NPS campgrounds remain as close to a natural state as is reasonably possible by considering our recommendations above, shaped by resultant park-level business case analyses.

Again, the campground industry is robust and thriving; the future looks bright. Anticipating where the industry may be in 20 years is an impossibility because “we don’t know, what we don’t know.” A quote generally attributed to Henry Ford is particularly relevant: “If I had asked people what they wanted, they would have said faster horses.” Although, this does not mean anticipating the future is impossible, it does require a constant monitoring of trends not only in the camping industry but also in the larger sense as well to understand what and how things are changing.

In closing, the NPS mission as stated in the original authorizing legislation is to “preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.” Our national parks have long been a place for people to escape the real world and get lost in the majesty of nature. These natural resources are the demand generators that attract campers.

COVID-19 Update

In September 2020, CBRE was engaged by the NPS to update this report (issued January 9, 2020) due to the COVID-19 impact on the campground industry as this pandemic significantly affected the travel and tourism industry.

In pursuit of the COVID-19 report update, the CBRE Team identified and analyzed relevant industry published studies, data-mined available surveys regarding anticipated consumer behavior for current and post-pandemic planned activities, examined varied formats of industry press, and reviewed general economic reports issued since the pandemic began. Additionally, the CBRE Team re-interviewed a subset of those industry leading operators, concessionaires, associations, and public land management agency representatives canvassed for the January 2020 report.

Recommendations

The following best practices were identified through primary and secondary research and should assist campground owners and managers as they navigate the COVID-19 environment:

- Contactless check-in: highly successful when most, if not all, of the sites, cabins, et al were available online for purchase. (Operators had different procedures for how campers picked up their site check-in packages.)
- 100 percent of available sites, cabins, et al online for reservation and payment.
- Contactless payment while in the campground, which requires power and Internet connectivity.
- Effective and timely communication with campers and prospective campers.
- Development of robust health and safety protocols and policies, including cleaning and disinfecting; awareness of local health department guidelines; and, staff wellness.

Conclusion

Government regulations, health advisories, and epidemiological forecasts regarding the spread and containment of the virus should be considered and incorporated into future planning, staffing, and operating of campgrounds. However, there appears to be a blend of cautious optimism with pragmatic concerns by the increase in regional camping households and their higher frequency to camp along with first timers and the re-engagement of past campers with their perceived continued participation.

In closing, the NPS mission as stated in the original authorizing legislation is to “preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.” Our national parks have long been a place for people to escape the real world and get lost in the majesty of nature. These natural resources are the demand generators that attract campers.

Appendix A

RESORT RULES AND GUIDELINES

Thank you for choosing to stay at Rio Guadalupe Resort! In order to provide a great camping experience, the following Rules and Regulations have been implemented for the enjoyment and safety of all guests. Any guests failing to comply with the following Resort Rules and Guidelines may be asked to leave without refund. We reserve the right to refuse service to anyone. Management and Rio Guadalupe Resort is not responsible for loss or damage to any guest's property due to theft, vandalism, fire, accidents, or any casualty act of God. Guests of Rio Guadalupe Resort expressly assume all risk of such loss or damage and is responsible for carrying his/her own insurance. In addition, damages of any kind caused by guests of visitors of the park shall be billed to the guest.

CHECK OUT TIME:

Cottages and Cabins 11:00 AM

RV Sites 12:00 PM

QUITE TIME 10:00 PM to 8:00 AM

PERSONS:

- All guests must register with the office.
- RV site rates include two (2) persons per site.
- Additional guests 18 years of age and older, staying more than 5 days are subject to an additional fee of \$100 per person per month.
- We allow a maximum of 8 people per site.
- Please do not leave children under the age of 18 unattended on resort property.

PETS: (OCTOBER TO MARCH ONLY)

- We welcome up to two (2) nonaggressive pets per site. Nuisance and noisy animals are not permitted.
- Pets must be on a 6' or shorter leash and pet owners are responsible for cleaning up after pets.
- Do not leave pets outside unattended.
- Pet kennels, pens, or corrals are not permitted.

SWIMMING POOL:

- Pool rules are posted in the pool area. Hours for use of these facilities are posted in the office area. Failure to comply with the pool regulations will result in removal from the pool area.
- All children under 14 must always have an adult with them in the pool area. Only swimsuits are allowed in the Pool. (No street clothes.) No one wearing diapers is allowed in the Pool.
- There is NO LIFEGUARD ON DUTY at the pool. Swim at your own risk.

RIVER:

- Access river at your own risk. Access river only on Rio Guadalupe property.
- No grills are allowed on the river front.
- Please remove canopies and other equipment from the river front by dusk.

VEHICLES:

- RV site rates include no more than 1 vehicles per site.
- Vehicles must be registered at the office and

visibly display the appropriate permit.

- Please do not park on grass, roadways, or in other RV sites.
- No mechanical maintenance or washing of RV's or vehicles is permitted within the park.

RVS AND SITES:

- RV sites are assigned by the office. Please do not change sites without office approval.
- Be respectful of other guest. Do not walk through another guest site.
- All sewer connections must have an air-tight seal.
- Protect our precious water. Make sure water hoses are leak free.
- Do not put nails or any permanent attachment in or on the trees.
- Please take all household trash to the dumpsters.
- Leave your site clean upon departure.
- Please do not set up any plants, items, or objects that interferes with or disturbs landscaping.
- Please keep outdoor items to a minimum in a neat and tidy manner.

SAFETY:

- Our speed limit of 5 MPH is strictly enforced.
- Small personal BBQ grills and fire pits on legs up off the ground are allowed. Please do not put grills on picnic tables.
- Firearms, fireworks, water balloons, confetti and other explosives are not permitted in the park.
- Bicycles may be ridden during daylight hours only. Motorized devices such as golf carts and ATVs are not permitted.

GENERAL:

- For life-threatening emergencies, call 911.
- Smoking is not permitted inside any of the resort facilities. Smoking in cabins and cottages will result in a minimum \$200 cleaning fee.
- Rio Guadalupe strives to maintain a family atmosphere. Loud or profane music, loud noise or vulgar language will not be tolerated.
- No refunds for early departures or evictions.
- If you have guests make sure they are aware of the rules. You are responsible for them.
- Rio Guadalupe Resort is a service-oriented business and therefore does not have a tenant-landlord relationship with any guest.



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Appendix B

United States Forest Service, Special Use Permit for Campground and Related Granger-The Concessions



USFS SUP
Campground Templ.

United States Army Corps of Engineers, Request for Quote & Standard Form 1449



USACE Solicitation
RFQ.pdf



USACE Solicitation
SF 1449.pdf

Appendix C

COVID-19 Pandemic Update December 2020 Executive Summary

Introduction

From January 2020, a novel coronavirus disease 2019-nCoV (COVID-19) evolved from an isolated disease in a region of China into a global pandemic that challenged hospital systems and dragged the global economy into a recession. The Centers for Disease Control and Prevention (CDC) on January 21, 2020, confirmed the first case of COVID-19 in the United States (US) in Washington state.

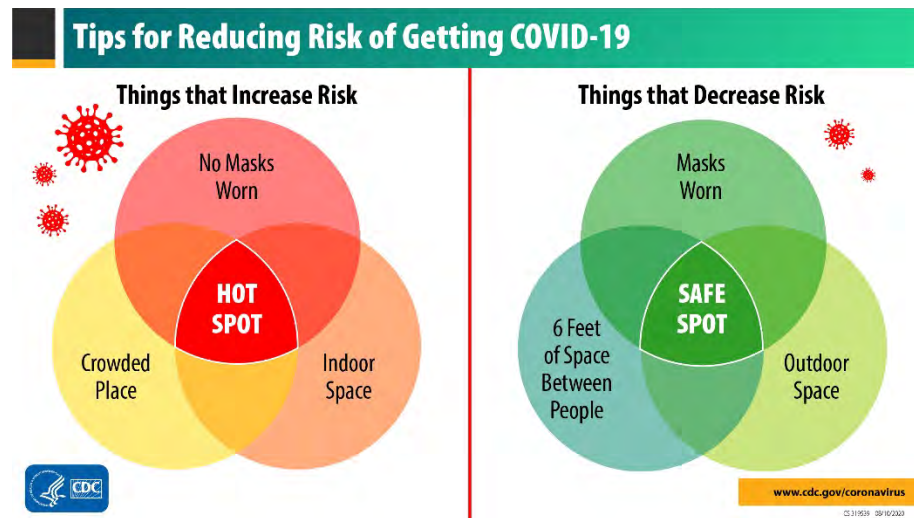
In September 2020, CBRE was engaged by the NPS to update this report (issued January 9, 2020) due to the COVID-19 impact on the campground industry as this pandemic significantly affected the travel and tourism industry. The Service commissioned CBRE to revise its campground industry analysis report to include the probable impact of COVID-19 on the current campground market and analysis on future demand and changes to visitor expectations based on current information available.

In pursuit of the COVID-19 report update, the CBRE Team identified and analyzed relevant industry published studies, data-mined available surveys regarding anticipated consumer behavior for current and post-pandemic planned activities, examined varied formats of industry press, and reviewed general economic reports issued since the pandemic began. Additionally, the CBRE Team re-interviewed a subset of those industry leading operators, concessionaires, associations, and public land management agency representatives canvassed for the January 2020 report.

The CDC recommends the following strategies to mitigate the risk of contracting COVID-19:

- Maintain at least six feet of space between persons;
- Outdoor spaces as indoor spaces with less ventilation and constraints make it challenging to keep people appropriately spaced apart; and,
- Mask wearing because interacting without mask wearing increases a person's risk.

Exhibit 47 – Tips for Reducing Risk of Getting COVID-19



Given this guidance, the campground industry appears to be benefitting significantly as the “Safe Spot” in the intersection among the three things that decrease risk of getting COVID-19 are easily achieved in a campground environment.

After suffering a challenging late winter and spring, the US campground industry rebounded generally with a strong summer performance that extended past its traditional end of season (i.e., Labor Day) as people perceived recreating outdoors as safer and healthier than other travel or leisure activities.

Government regulations, health advisories, and epidemiological forecasts regarding the spread and containment of the virus should be considered as the next 12-24 months are uncertain. However, there appears to be a blend of cautious optimism with pragmatic concerns by the increase in regional camping households and their higher frequency to camp along with first timers and the re-engagement of past campers with their perceived continued participation.

Again, of critical importance is the mission of the National Park Service as stated in the original authorizing legislation: "...preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations." Our national parks have long been a place for people to escape the real world and get lost in the majesty of nature. These natural resources are the "magnet" that attract campers.

Campground Industry Overview

For many in the campground industry, the early news of COVID-19 caused grave concern.

Campground owners and managers, which include both public and private sector, began to consider the impacts of this pandemic and how they would manage risk. For instance, would they open their campgrounds this calendar year? If so, when and at what guest-level capacities? How would these venues be staffed? What operational modifications or changes would need to be implemented (e.g., enhanced sanitation programs, effective communication processes with local public health agencies, employee health checks, contactless camper check-in)?

Similarly, associations and organizations associated with the campground industry sought to learn more and develop/offer tools as well as to support their constituents in this extremely difficult environment. Although examples are quite numerous, some include:

- KOA issued an enhanced cleaning and disinfecting procedures manual for its franchisees as well as published two special reports (May and October 2020).
- National Association of RV Parks and Campgrounds (ARVC) launched a comprehensive toolkit.⁴⁰
- Outdoor Recreation Roundtable (ORR) created and delivered many Outdoor Recreation Industry and Coronavirus resources.
- Numerous government agencies presented comprehensive public health guidance specifically focused on campgrounds (e.g., California Department of Public Health and Minnesota Department of Natural Resources).

Likewise, these parties and others have studied and/or reported the operational and financial progress of the industry since COVID-19 entered the US.

National

After suffering a challenging late winter and spring, the US campground industry rebounded generally with strong summer performance that extended past its traditional end of season (i.e., Labor Day) as people perceived recreating outdoors as safer and healthier than other travel or leisure activities. Looking forward, there is an apprehensive optimism given the increase in regional camping households and their higher frequency to camp along with first timers and the re-engagement of past campers with their perceived continued participation.

According to the ORR, the outdoor recreation industry is a significant component of the US economy. Prior to the pandemic, this industry comprised 2.2 percent of Gross Domestic Product (GDP) and supported roundly 5.2 million jobs. While outdoor businesses have been affected negatively by the pandemic and government lockdowns, guidance of safer behavior (e.g., Exhibit 1) appear to have reenergized people's recreating outdoors. The ORR reported that less than 50 percent of Americans enjoyed an outdoor experience in 2019, but its May 2020 survey reported that 81 percent of Americans spent time outside during the pandemic, with 32.5 percent turning to outdoor recreation for the first time.

On July 31, 2020, National Geographic declared: "Suddenly, camping is all the rage." This article cited multiple examples of why this statement was true. For instance, The Dyrt camping trip planning website reported its 2020 summer site traffic up 400 percent year-over-year and that

⁴⁰ Content was an industry-wide collaborative effort with Kampgrounds of America (KOA), the Outdoor Recreation Roundtable (ORR), the Canadian RV Association (CRVA), Marshall & Sterling Insurance, state associations and many other industry partners <https://www.arvc.org/Blog/1084/Coronavirus-What-You-Can-Do-to-Protect-Yourself,-Your-Employees-and-Campers>

20 percent of KOA’s guests were first-time campers. Further, author Aryana Azari speculated these companies, and inferred others, benefitted financially or by heightened interest with Americans desire to social distance, to leave their homes, and to enjoy a safe summer. Outdoor recreation, to include camping, was a viable alternative.⁴¹

Based on its August 2020 survey, ORR reported the results of 23 participating national outdoor recreation trade associations, which represented more than 25,000 businesses with nearly 2.5 million employees. Of these, 22 percent of businesses in August reported an increase in sales as compared to a year ago.

Tentrr, a booking platform that lists more than 800 campsites in the US, reported it experienced 900 percent growth this quarter compared to last quarter, and 400 percent growth compared to the same period in the prior year. According to Chief Executive Officer Anand Subramanian, the largest increase for site demand was within a two-hour driving radius of cities.⁴²

For the week of August 10, 2020, the average weekly revenue at open campgrounds and RV parks located in gateway towns adjacent to national parks realized a 49 percent increase year-over-year as compared to their cross-state and national peers.⁴³

In September 2020, the Outdoor Industry Association (OIA) stated that data confirmed an increase in outdoor activities due to COVID-19 from April through June of 2020. This period as compared to the same period in 2019, unweighted participation rates for day hiking rose more than any other activity measured, up 8.4 percent. For urban participants, day hiking, bird watching, and camping participation all rose noticeably since the March 2020 government mandated restrictions.⁴⁴

⁴¹ <https://www.nationalgeographic.com/travel/2020/08/how-to-go-camping-during-covid/#close>

⁴² <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

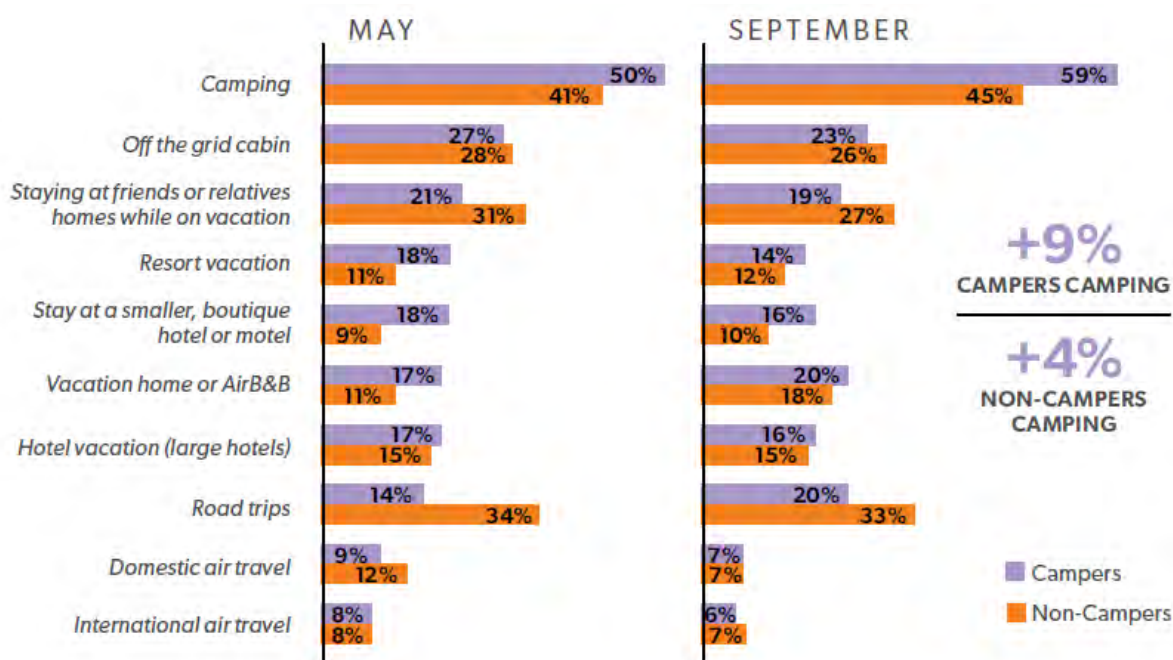
⁴³ Data compiled and analyzed by Wombly (<https://www.womply.com/>). Its conclusions were based on analysis of credit and debit card transaction data at 1,500 local businesses near national parks including Acadia, Arches, Badlands, Bryce Canyon, Capitol Reef, Carlsbad Caverns, Crater Lake, Glacier, Grand Canyon, Great Smoky Mountain, Joshua Tree, Mesa Verde, Olympic, Redwood, Rocky Mountain, Yellowstone, Yosemite, and Zion.

⁴⁴ These data plan to be rolled into a full-year participation study published by the OIA in 2021. The annual study plans to start with a nationally representative panel of over one million Americans and feature responses from over 8,000 people ages 6 and older. The study currently includes 122 separate sports, fitness and recreational activities.

According to the KOA *North American Camping Report Fall 2020 Update*,⁴⁵ camping activity beat expectations. Highlights include:

- Campers and non-campers rank camping as the safest form of travel. When asked to compare camping to other forms of travel, 56 percent of leisure travelers, 63 percent of campers, and 49 percent of prospective campers felt camping was a safer alternative.
- The following exhibit illustrates the perceived safety of camping.

Exhibit 48 – Rankings of the Safest Forms of Travel



Source: Cairn Consulting

- Although 17 percent of leisure travelers planned to take a camping trip (May 2020 survey), 21 percent (an increase of four percent) took a camping trip between May and September 2020 once government travel restrictions were lifted (September 2020 survey).
- 42 percent responded they will still take planned camping trips during the remainder of this year (2020).
- Camping continues to be a family activity by survey respondents who indicated they have children in their household: 82 percent of first time campers and 70 percent of campers who restarted camping this year (2020).

⁴⁵ Survey conducted 4-9 September 2020 by Cairn Consulting Group, report issued October 1, 2020.

- More than half of all campers (51 percent) say that they are now more likely to purchase an RV.
 - Of these campers, Gen Xers (62 percent) are the most inclined to consider purchasing an RV.
 - Among prospective RV campers, 34 percent would buy an RV to go on a camping trip while 32 percent would plan to rent one.
- New and re-engaged campers represent a much younger demographic, primarily Millennials who comprise 40 percent of all campers and 55 percent of new campers who indicated taking their first camping trip since the start of the pandemic.

Recent data regarding RVs portend a rebound with a guardedly optimistic outlook for the campground industry.

- In the Fall 2020 RVIA quarterly *RV RoadSigns* newsletter, a surge in RV shipments is anticipated through 2021. The 507,200 units projected for 2021 would represent the best annual total on measurable record for the RV industry, eclipsing the 504,600 units shipped in 2017.
- RV shipments were up by 54 percent in July 2020, the highest July shipment numbers in four decades, as reported in the RVIA's monthly survey of manufacturers.
- According to the RVIA *News & Insights* report, web traffic to the *Go RVing* website reached record highs in August (2020) and surpassed all historical data since tracking started (2012).
- Cruise America, which sells and rents RVs and is the nation's largest RV rental company with 132 locations and approximately 300 employees during peak season in the US and Canada,⁴⁶ reported its US business is “booming”. Moreover, the company relayed notable growth among families in addition to 21- to 29-year-old consumers.⁴⁷

⁴⁶ <https://www.cruiseamerica.com/about/our-history>

⁴⁷ <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

- The RV rental marketplace also experienced a big surge. Peer-to-peer RV rental companies report the following:
 - RVshare began operating its platform in 2013 and reached its one million days booked in July 2019. Thirteen months later, it doubled this number to two million days booked.⁴⁸
 - Outdoorsy experienced strong growth as demonstrated in June 2020, when the company reported its highest number of bookings in a single day, reflecting a 240 percent year-over-year increase

Utilization and Frequency

During this pandemic, virtual working and remote learning (aka road schooling) contributed significantly to the utilization of campgrounds. With approximately one in four Americans still working entirely from home (as of August 2020)⁴⁹ coupled with many primary and secondary schools across the US closed for the fall (2020) semester, the spring (2021) semester's requirement for in-person working or schooling is uncertain. Hence, utilization of campgrounds should continue to be positive.

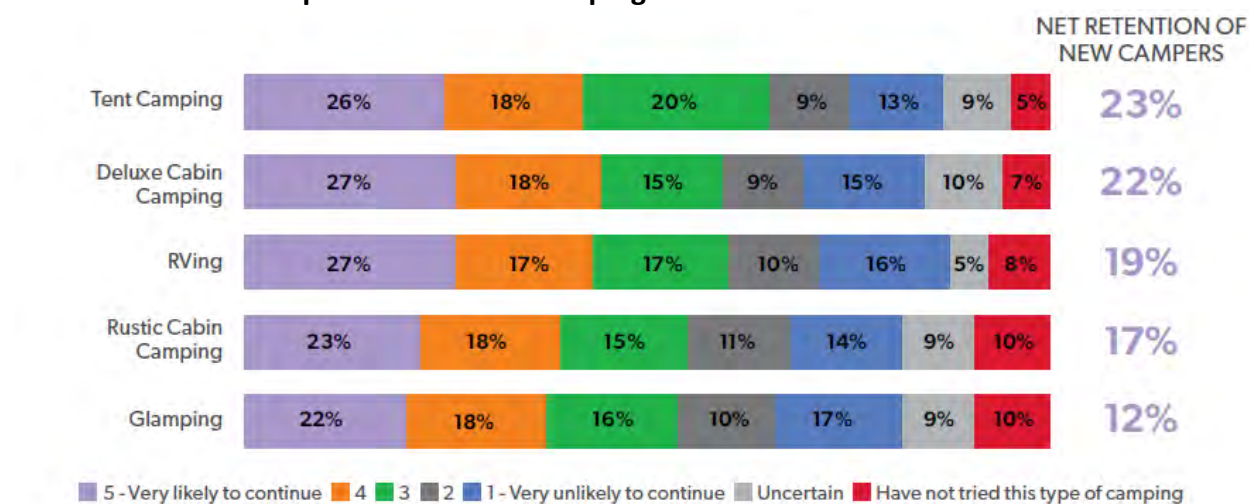
Adults and families caused campgrounds' (i) weekday utilization and (ii) length of stay to increase year-over-year. Numerous sources interviewed by CBRE cited length of stay nearly doubled and summer season occupancy was up 10-20 percent year-over-year at their campgrounds. Reportedly, this confluence of events helped the campgrounds to not only make up for lost camper nights and revenue from the spring but also caused significantly high occupancies through the summer months and into the fall of 2020.

Of new campers, it is estimated approximately 18 percent will continue camping in 2021. (Those new campers who self-identified as tent or cabin campers appear to have the highest likelihood of continuing to camp in 2021.)⁵⁰

⁴⁸ <https://www.rvnews.com/rv-rental-marketplace-reports-big-recent-surge/>

⁴⁹ <https://www.washingtonpost.com/lifestyle/2020/10/05/roadschooling-rv-families-covid/>

⁵⁰ Survey conducted 4-9 September 2020 by Cairn Consulting Group, report issued October 1, 2020.

Exhibit 49 – New Campers to Continue Camping in 2021

Source: Cairn Consulting

Of these new campers, 44 percent of both RV and tent campers and 40 percent of new glampers indicated they are likely to continue camping into 2021.⁵¹

Mike Gast, Vice President of Communications at KOA, stated several of their campgrounds reached capacity. In addition, he said more than 20 percent of campers were first timers, which suggests increased demand for 2021.⁵²

For the future, market participants and observers expect the industry to begin to return to a state of normalcy but anticipate this will take a couple of years.

Type of Accommodation

As was true before COVID-19, campers utilized a variety of different accommodation types while camping. Tenting continued to be a very popular option, but RV and cabin utilization surged. Reportedly, many first timers also glamped.

However, group camping was essentially non-existent as CDC guidelines made this an unacceptable offering. Once government restrictions are lifted and group activities are again perceived to be safe, these campsites should come back online. Similarly, utilization may likely depend on perceived safety.

Investment

The campground industry's resilience to the Great Recession (December 2007 to June 2009) and current COVID-19 Recession suggests an attractive investment potential to equity investors, including select Real Estate Investment Trusts (REITs).

⁵¹ Ibid

⁵² <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

For instance, the *RV News* reported a record-breaking deal that closed on September 22, 2020, for an Arizona RV resort in Apache Junction with 1,119 sites. It sold for \$88 million, which is nearly \$80,000 per site.⁵³

Michael Escobedo, an associate at Marcus & Millichap, said he tracked 15 transactions of RV resorts across Arizona that sold this year (through mid-September 2020) with the average price per pad of nearly \$30,000. Most of these RV resorts sold in the \$1 million to \$2 million range.⁵⁴

Equity LifeStyle Properties (ELS), a REIT with nearly 200 RV resorts and campgrounds plus more than 200 manufactured housing communities across the US reported positive third quarter 2020 earnings. For instance, the nine months ended September 30, 2020, total revenues increased 5.3 percent. Labor Day weekend RV transient revenue growth was 16.8 percent year-over-year. Recently, ELS completed multiple acquisitions: October – two RV Parks for \$36 million and two development properties for RVs for \$16.3 million; September and October – five land parcels to expand owned communities for \$6.4 million. All acquisitions were funded with available cash.

SUN Communities (SUI), a REIT that owns and operates or has an interest in 432 RV and manufactured housing communities located in 32 states throughout the US and Ontario, Canada reported positive third quarter 2020 earnings. For instance, the nine months ended September 30, 2020, total revenues increased 5.4 percent. RV resorts were exceptionally strong, as campers elected drive-to vacation options and took advantage of SUI's vacation destinations featuring lakes, mountains, and beaches. In July and September, SUI acquired four RV communities for \$140.5 million, consisting of 1,331 sites and the potential to develop another 109 sites.

For those interviewed by CBRE, many stated secured debt was easier to acquire today than 15 years ago.

Capital Projects

For those interviewed by CBRE, the majority stated that in early 2020, they elected to cancel most of quarter two and quarter three projects. Yet, the strength of quarter three's cashflows bolstered confidence to begin new projects in earnest the following quarter and into 2021. Some campground owners accelerated scheduled 2021 projects to quarter four 2020 or earlier to the 2021 preseason.

One respondent stated none of their projects were delayed. Instead, they increased scope to upgrade electrical capacity, add sewer for full hookups, and build more comfort stations.

⁵³ <https://www.rvnews.com/arizona-rv-park-sold-for-record-breaking-88m/>

⁵⁴ <https://woodallscm.com/rv-park-in-apache-junction-ariz-sells-for-record-88m/>

Returns on Investments (ROI)

No CBRE interview respondents would quantify their preferred hurdle rate, though none stated these rates changed significantly since the pandemic began. Respondents were optimistic given increased RV sales and rentals, the number of first timers and those re-engaging in camping, and COVID-19 guidance recommending outdoors as a healthier and less risky activity.

Trends in Consumer Spending Behavior

As stated earlier in this report, determining accurate national trends in consumer spending for the campground industry is not possible as the industry is comprised of many small, independent operators who do not report data (unlike the hotel industry that is more transparent). As such, there is no one central industry organization that collects and analyzes overall campground industry performance.

Consumer Spending

The following data reviewed in conjunction with that presented in the previous section “Campground Industry Overview” may assist to better understand the general direction of consumer spending to infer impacts to the campground industry.

Outdoor retailer REI (article published July 11, 2020) reported it experienced “...record growth in its camping department in the last six weeks as people rush to buy equipment.” Further, Paul Calandrella, REI general merchandizing camping manager, shared that bestsellers included “...tents, sleeping bags, camping furniture and cooking equipment as well as ‘luxé’ items such as big camp beds and power systems.” He stated further that he anticipates demand to extend beyond 2020 for multiple years.⁵⁵

The Conference Board, whose membership network encompasses the majority of Fortune 500 companies, stated in its October 14, 2020, Economic Forecast for the US Economy:⁵⁶

- Economic growth will rise to 34.6 percent (annualized rate) in the third quarter following a sharp contraction in the second quarter. While bringing US economic output back to pre-pandemic levels will require continued growth, there has been some progress in driving economic activity higher over the summer despite a sharp uptick in new COVID-19 cases. Indeed, various economic indicators that we track rebounded in July and August (2020) at a greater than expected rate.
- While many of these economic indicators are continuing to improve, the pace of the rebound is now slowing. We expect US economic growth to continue to improve through September but are concerned about the sustainability of the recovery beyond

⁵⁵ <https://www.theguardian.com/us-news/2020/jul/11/camping-glamping-coronavirus-americans>

⁵⁶ <https://conference-board.org/research/us-forecast>

that. The recovery in the labor market appears to be stagnating and the rebound in consumer spending is slowing despite continued improvements in consumer confidence. Furthermore, US personal savings rates remain about twice as high as they were in late 2019. These key demand-side metrics need to improve further to pull the US economy out of recession.

While national campground industry consumer spending is not available, anecdotal information gathered from numerous interviews with campground owners and operators both in the private and public sector may give insight.

- As the spring season progressed, campground utilization and revenue progressively increased. Reportedly, Memorial Day weekend was when high utilization and corresponding revenue returned and continued steadily throughout the summer season.
- Revenue per Camper increased year-over-year:
 - RVers tended to spend more time in the campground this season and patronized local retail, entertainment, and restaurants less. Consequently, RVers spent more money on-site (e.g., camp store, prepared food) for cooking, entertainment, etc.
 - Tent and cabin campers also spent more time on-site rather than locally, and their spend increased.

Tourism Labor Pool

The available tourism labor pool was notably impacted this 2020 operating season. First, J1 or H2B foreign, seasonal workers were absent from the labor force. Second, during the first and second quarters of 2020, campground operators and managers scaled back forecasted staffing levels in anticipation of a dire season. Third, a segment of work campers⁵⁷ opted out of this COVID season for fear of infection (but are expected to return 2021 season, especially if a viable vaccine is developed). Fourth, the Coronavirus Aid, Relief, and Economic Security (CARES) Act⁵⁸ hurt recruiting efforts for new staff as the amount of this unemployment benefit rivaled the compensation offered by campground operators and managers.

In the third quarter (2020), business returned to many campgrounds. However, staffing levels tended to be less than optimal. Consequently, many campground operators and managers had to do more with less.

⁵⁷ A work camper tends to be seasonal and may be part-time or full-time paid or volunteer work within campgrounds.

⁵⁸ Signed into law on March 27, 2020, expanded the states' ability to provide unemployment insurance for many workers impacted by the COVID-19 pandemic.

It is expected that the 2021 domestic labor picture will improve with COVID-19 learnings and acceptance, but the status of foreign seasonal workers is unknown.

What is a Campground?

Based on CBRE's interviews, campers tended to be easy going and amenable to "Camping during COVID-19". New campers learned campground etiquette (e.g., cannot walk through another's campsite and quiet hours begin at 10 PM), and more seasoned campers learned to adjust to more restrictions. Several examples of how campgrounds operated in this novel environment:

- Contactless check-in, which was facilitated by online reservations and cashless payments.
- Reduced capacity (e.g., 50 percent) for pools, camp stores, and other activities where a high-density of patrons could congregate. One method introduced by many operators to control camper density was an activity reservation policy (e.g., for pools).
- Closure of indoor all-purpose recreation rooms and greater reliance on outdoor pavilions as well as offering more outdoor activities.

Camper Preferences

Although many pre-pandemic preferences remain desirable, the following bullets highlight preferences during COVID-19:

- A clean, safe environment.
 - Due to the outdoor nature of front country camping and camper adherence to generally accepted COVID-19 precautionary practices, many perceived campgrounds as a safer and healthier environment.
 - Very clean communal spaces (e.g., camp store, bathhouse) that are cleaned frequently and regularly throughout the day – posted cleaning schedules added to camper peace of mind.
 - Face masks worn indoors or when unable to socially distance outdoors with those outside your camping party.
- Reliable, consistent Wi-Fi.

- Full-service hookups:
 - Preference of showers and toilets in RVs instead of communal bathhouses. (This practice increased significantly the use of dump stations.)
 - Cooking in RVs rather than patronizing restaurants.
- Increased outdoor offerings and activities, both adult- and children-oriented.

Visitation and Tourism Statistics

Campgrounds in remote or less densely populated areas of the US typically outperformed based on prior years' revenue and utilization while venues in gateway cities, densely populated areas, reliant on the Canadian border, or situated in areas with high local restrictions tended to underperform based on prior years' revenue and utilization. Business continued to return as local restrictions eased and people became more comfortable venturing outside their homes.

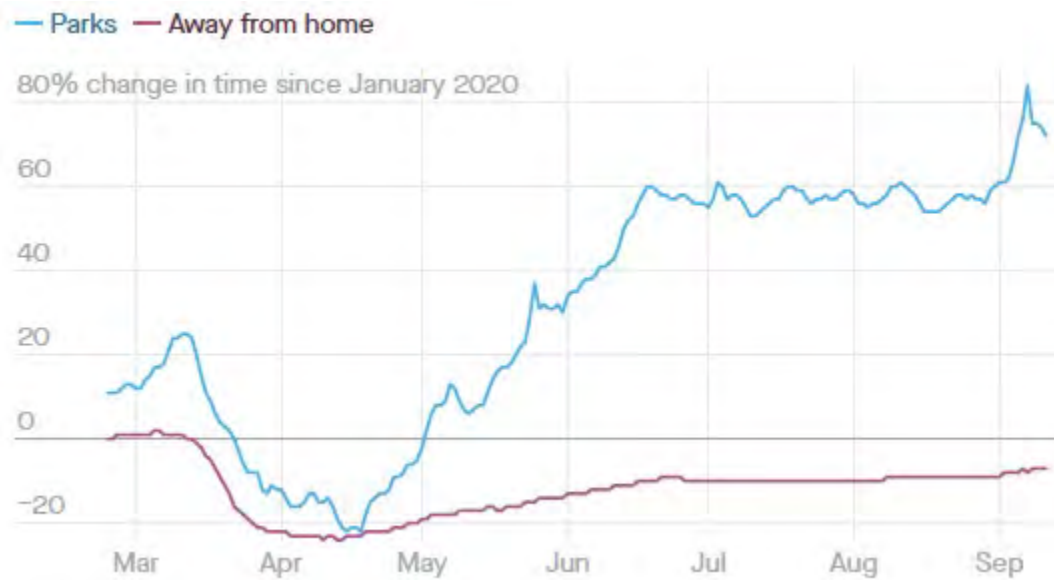
Although some RVers traveled the country, most campers tended to be regional and recreate within a few hundred miles of their residences. For a number of campgrounds that heretofore relied on Canadian campers, demand was backfilled by US regional campers for the 2020 season.⁵⁹

⁵⁹ U.S.-Canada border closure to non-essential travel was first imposed in March 2020 and has been renewed every month since. It is expected to remain closed until November 21, 2020, at least.

Current State of the NPS Campgrounds

In a recent study of outside the home destinations tracked by Google using anonymized GPS data from mobile phones, Google estimates *Parks*⁶⁰ is the only destination that did not experience moderate to severe declines in participation, as illustrated in the following exhibit.

Exhibit 50 - How Americans are changing where they spend time in the pandemic



Source: Quartz | qz.com

National parks may have experienced reduced visitation in the spring of 2020 given park entrance closures and/or business/service closures within parks, which may have been exacerbated by government executive orders requiring people to shelter-in-place. Yet in a number of parks, summer months demonstrated year-over-year increases in recreational visitation. For instance, Lake Mead National Recreation Area had approximately a 14 percent year-over-year increase in June 2020; Great Smoky Mountains National Park had approximately a seven percent year-over-year increase in July 2020; Yellowstone National Park had approximately a 7.5 percent year-over-year increase in August 2020; and, Zion National Park had nearly five percent year-over-year increase in September 2020.⁶¹

⁶⁰ Parks category includes a wide range from public beaches, dog parks, marinas to national parks.

⁶¹ NPS Monthly Public Use Report.

Industry Standards – Reservation Systems and Campground Policies

The Internet and campgrounds capabilities within this medium during the COVID-19 environment became a critical success factor. Important offerings include:

- Virtual tours afforded potential campers the ability to preview venues in a safe, controlled environment.
- Timely communication with campers and prospective campers.
- Online reservations provided campers: convenience; consideration of various prices for sites; payment options for sites; ability to change or cancel reservations; and, preview past customer reviews.
- Reliable, on-site Wi-Fi for both customers and staff before, during, and after stays.

Reservation Policies

- The majority of owners waived the cancellation fee for their customers, but a minority did charge a service fee.
- When customers called to cancel their reservations, company representatives were directed to persuade these customers to rebook, and as applicable, apply customer deposits to future bookings. Most of these companies waived a modification or rebooking fee.
 - For those customers who canceled and did not rebook, they were backfilled with other customers.
 - KOA reimbursed franchisees, in the months of March and April, for those customers who requested their deposit (~\$50) returned

Other Public Agency Best Practices for Contracting with the Private Sector

A number of persons interviewed stated they did not anticipate any significant changes to how they (i.e., public land management agencies) contract with private companies to operate campgrounds post COVID-19, as compared to pre COVID-19.

It was generally stated though that concessionaires' contractual financial obligations to their respective public land management agencies could be reviewed given reduced FY 2020 gross revenues with resultant reduced payments and/or contract extensions. One agency reportedly developed an algorithm that automatically calculated the magnitude of the fee reduction without the need for its concessionaires to apply for consideration.

Also given operational headwinds, some campground contracts could be extended because the respective agency (or its regional office) was unable to develop Requests for Proposal (RFPs) and/or evaluate them in a timely manner to award new contracts.

Recommendations and Conclusions

In September 2020, CBRE was engaged by the NPS to update this report (issued January 9, 2020) due to the COVID-19 impact on the campground industry as this pandemic significantly affected the travel and tourism industry.

In pursuit of the COVID-19 report update, the CBRE Team identified and analyzed relevant industry published studies, data-mined available surveys regarding anticipated consumer behavior for current and post-pandemic planned activities, examined varied formats of industry press, and reviewed general economic reports issued since the pandemic began. Additionally, the CBRE Team re-interviewed a subset of those industry leading operators, concessionaires, associations, and public land management agency representatives canvassed for the January 2020 report.

Recommendations

The following best practices were identified through primary and secondary research and should assist campground owners and managers as they navigate the COVID-19 environment:

- Contactless check-in: highly successful when most, if not all, of the sites, cabins, et al were available online for purchase. (Operators had different procedures for how campers picked up their site check-in packages.)
- 100 percent of available sites, cabins, et al online for reservation and payment.
- Contactless payment while in the campground, which requires power and Internet connectivity.
- Effective and timely communication with campers and prospective campers.
- Development of robust health and safety protocols and policies, including cleaning and disinfecting; awareness of local health department guidelines; and, staff wellness.

Conclusion

Government regulations, health advisories, and epidemiological forecasts regarding the spread and containment of the virus should be considered and incorporated into future planning, staffing, and operating of campgrounds. However, there appears to be a blend of cautious optimism with pragmatic concerns by the increase in regional camping households and their higher frequency to camp along with first timers and the re-engagement of past campers with their perceived continued participation.

In closing, the NPS mission as stated in the original authorizing legislation is to “preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.” Our national parks have long been a place for people to escape the real world and get lost in the majesty of nature. These natural resources are the demand generators that attract campers.