



# RV PARK MONTHLY

September 2012



The RV Park Home Study Course includes a manual, due diligence manual and 24 hours' worth of material that will teach you how to **BUY, SELL, OPERATE, AND TURNAROUND** any RV Park.

RV Park Store  
PO Box 457  
Cedaredge, CO 81413

[www.rvparkstore.com](http://www.rvparkstore.com)  
[www.nicheinvestmentnetwork.com](http://www.nicheinvestmentnetwork.com)

E:mail :  
[brandon@creuniversity.com](mailto:brandon@creuniversity.com)

P: (800) 950-1364  
F: (970) 856-4883

## Memo From Frank & Dave

Do you have a great website for your RV Park? If not, then there's no excuse not to get one. With so many easy-to-use, pre-designed layouts, you can have a professional website that used to cost thousands to build. If you don't have any technical skills, you can hire a high-school or college student to build a website for you – often in just a couple days. All you need are some good-quality digital photos, an idea of what your top selling points are and a good description of your park and why someone should stay there. With so many consumers making their choices off the internet, you pretty much have to have a great website to stay in the game. Get a great website, and make your sales increase 24/7 while you're asleep or doing something else. There's no question that an internet presence can be extremely important – and the cost to do so has never been lower. Start the process today!





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## THE IMPORTANCE OF AVERAGING

If you read a book on how to appraise an RV park – written for appraisers – you'll find that one of the most important theories is averaging. Averaging the rent over 12 months, as it fluctuates by season. Averaging the rent over a period of years, as it fluctuates based on changes in the market. Averaging the expenses the same way. You quickly realize that the "Law of Averages" is very real with RV parks – it's the law if you don't want to buy a bad investment.

### *RV revenues are, by necessity, elastic*

There is no question that RV occupancy is a function of weather. People tend to take their RV out on the road a whole lot more in the summer, spring and fall than they do in the winter. And, in some destination RV parks, the destination itself may not even be open at certain times of year (like a water park, for example). As a result, you cannot figure out the revenues based on annualizing a single month. You have to have a full year of revenue numbers to get a reasonable average.

### *Revenues are also elastic from year-to-year*

Just as the months can change, so can the years. For example, gas prices were lower one year, and the number of RV's increased. Or they built a new outlet mall nearby, and traffic increased 20% that year, but then declined once the mall was no longer new and fresh. You have got to see at least three years – and preferably five years – of performance and then average it together.

### *Expenses are the same*

It's not only revenues that go up and down. Expenses can also be elastic, and must be averaged to get a realistic handle on them. An operator who is putting his RV park on the market can find ways to artificially lower the expenses through capitalizing them, etc. You have to do an average over a period of time to spot such manipulations, or even factor in new increases such as greater water and electric rates.

### *But you can't average trends*

One thing that you will see when you compare years – and cannot be averaged – are trends in the numbers. If you see a continual decline in revenue and net income, then that has to be addressed. Let's say that an RV park shows a 10% decline in net income each year for the past five years. Can you average that together? No, because there's clearly a problem that would suggest that the income is still going down.

### *Conclusion*

You have to look to averages to get a fair assessment on an RV park. This is what the appraiser and banker are going to do. They're not idiots. Follow their example. The only safety net you have is basing your price and value off past, real performance. Annualize numbers from a couple months? No way. The only way to buy an RV park is to look at months' and years' worth of performance and evaluate accordingly.



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DARRELL HESS & ASSOCIATES: Over 275 parks SOLD! **WHY?**

We educate buyers and sellers so they can make an intelligent, informed decision.  
After all, we are dealing with a buyers life savings and a sellers retirement.

## Campground Buyer's Workshop

**DAZED** and **CONFUSED**

About Buying a Campground or RV Park?

There are answers to your questions and information  
to clear up the confusion.

[Click here to learn about our](#)

**Campground Buyers' Workshop**

**September 29th-30th, 2012**

**in Asheville, North Carolina**



# RV PARK MONTHLY

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## RV Parks for Sale

- Palmyra, Maine
- 76 Lots
- 67 Acre(s)
- \$3,200,000



For more information, contact  
Dot Fernald of The Dot Fernald  
Team, ERA Worden Realty at  
207-240-0420

- North Tampa Bay, FL
- 79 Lots
- 5 Acre(s)
- \$1,450,000



For more information,  
Contact Rob Smith of  
Fortune Real State at  
800-226-3839

- North Central US
- 128 Lots
- 19 Acre(s)
- \$675,000



For more information, contact  
Marilyn Deward of The  
Campground Connection at  
616-532-4835

- Lincoln, WA
- 6 Lots
- 22 Acre(s)
- \$300,000



For more information, contact  
Jack Morse of  
Windermere Real Estate at  
509-994-0030

- Denver, CO
- 68 Lots
- \$2,550,000



For more information, contact  
Steven L. Weinberg of The  
Brokerage Real Estate at  
800-945-0255

- Crescent City, CA
- 120 Lots
- 24.7 Acre(s)
- \$1,800,000



For more information, contact  
Donna Zorn of Ming Tree  
Real Estate at  
707-951-0857