

# Why RV park investing can be advantageous compared to investing in multi-family properties

## **Diversified Revenue Strategy (RV Park):**

- RV parks offer a diversified revenue strategy, with a mix of long-term and short-term tenants, optimizing income flow. In contrast, multi-family properties usually rely solely on monthly rent.
- Reported Returns: RV parks, with this diversified approach, may yield higher returns due to the flexibility in pricing for short-term visitors while maintaining stable income from long-term tenants.

## **2. Resilience During Economic Downturns (RV Park):**

- RV parks tend to be more recession-resistant as people continue to travel and use RVs even during economic downturns.
- Multi-family properties may be more susceptible to vacancies and rent reductions during economic challenges.
- Reported Returns: RV parks often exhibit more stable returns during economic downturns due to the consistent demand for RV spaces.

## **3. Expanding Market Demand (RV Park):**

- The RV travel market is experiencing significant growth, driven by diverse age groups, including baby boomers and younger generations.
- Multi-family properties may face saturation or fluctuating demand in certain markets.
- Reported Returns: RV parks benefit from the growing demand, potentially resulting in higher occupancy rates and increased returns.

## **4. Diverse Tenant Demographics (RV Park):**

- RV parks attract a broad spectrum of tenants, including full-time residents, seasonal visitors, and vacationers, reducing reliance on a single tenant type.

- Multi-family properties typically cater to permanent or long-term renters.
  - Reported Returns: The diversified tenant base of RV parks can contribute to more stable and resilient returns.
- 5. Cost-Efficient Operations (RV Park):**
- RV parks generally have lower operating costs compared to multi-family properties due to fewer amenities and maintenance requirements.
  - Multi-family properties often involve more extensive upkeep and amenities.
  - Reported Returns: Lower operational costs in RV parks can translate into higher profit margins and potentially better returns.
- 6. Tax Advantages (RV Park):**
- RV park ownership offers tax advantages, including depreciation deductions and potential tax breaks on operational expenses and improvements.
  - Multi-family properties also have tax benefits but may not be as advantageous as RV parks in some cases.
  - Reported Returns: Tax advantages can enhance the overall returns of RV park investments.
- 7. Versatile Location Options (RV Park):**
- RV parks can be located in a wide range of settings, allowing investors to choose markets aligned with their investment goals.
  - Multi-family properties often have limited location options based on urban or suburban settings.
  - Reported Returns: Strategic location choices can lead to better appreciation and returns in RV parks.
- 8. Potential for Appreciation (RV Park):**
- Investing in RV parks in regions with strong growth potential or increasing property values may lead to property appreciation over time.
  - Multi-family properties may appreciate but are often subject to market conditions.
  - Reported Returns: RV parks can offer potential appreciation opportunities, adding to overall returns.
- 9. Diversified Income Streams (RV Park):**
- RV parks can generate extra income through additional services like laundry facilities, stores, and recreational amenities.
  - Multi-family properties primarily rely on rent income.
  - Reported Returns: Supplemental income streams in RV parks can contribute significantly to overall returns.

Reported returns in RV park investments vary widely depending on location, management, and market conditions. Some investors have reported annual returns ranging from

8% (Mom and pop)

to 20% or more (Professionally managed).

Even +30% on value add or development projects. (The ones we target)

These returns are often driven by factors such as location desirability, demand, operational efficiency, and effective management practices.

While multi-family properties can also be lucrative investments, RV park investments offer unique advantages, including diversification, lower operational costs, and resilience during economic downturns, which may make them a more attractive option for certain investors seeking consistent and potentially higher returns.