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Former Rep. Michael Oxley Keynotes AGI's New Campground Investment Conference

Michael Oxley, former chairman of the U.S. House Committee on Banking & Finance, will be the keynote speaker at Affinity Group Inc.'s (AGI) first-ever RV Park & Campground Investment Conference, slated for Oct. 17-19 in McLean, Va.

Oxley, vice chairman of the NASDAQ Stock Market Inc., will serve as the conference's keynote speaker, Thursday, Oct. 18 at 7:45 a.m., exploring the economic outlook for vacation real estate, outdoor recreation and hospitality.

Oxley served in the House from 1981 to 2007 and chaired the House Committee on Financial Services. He was co-author of the Sarbanes-Oxley Act, which was written to address corporate corruption. In 2005, he opted to retire rather than seek re-election in 2006.

The event will be held at the Hilton McLean Tysons Corner and is co-sponsored by David Gorin & Associates, a high profile campground

consulting firm, and Ventura, Calif.-based AGI, publisher of *Woodall's Campground Management*.

The investors' conference precedes by three months Affinity Group Inc.'s other new campground-related event – the 2008 RV Resort & Campground Conference & Expo, now in its second year, slated for Jan. 22-24 in New Orleans.

The first national conference for investors and developers, the RV Park & Campground Investment Conference will provide a forum for everyone interested in investing in campgrounds and RV resorts, including investors, developers, professional park owners and lenders. Commercial real estate brokers and management companies as well as insurance and business service companies will also be invited to attend.

As of late July, confirmed speakers include Linda Profaizer, president of the National Association of RV Parks & Campgrounds; Ed Mayer, founder

and president of Elite Resorts of America; Wayne Klekamp, owner of Adventure Bound Camping; Jayne Cohen, Adventure Bound Camping; Ron Beard, principal of Ron Beard & Associates; Ken Lahoda, president of Digital Rez; Gary Pace, president of Leisure Holdings; Tom Gerken, vice president of Evergreen Insurance; Derrick Crandall, president of the American Recreation Coalition; and Gerard D. DiMarco, managing director of Security Mortgage Group.

Conference sessions will focus on a variety of topics, including the revitalization of existing parks, the conversion of existing parks to condo-style resorts, membership and timeshare resort models, park model dealership operations, brands and branding and the reduction of park risks and insurance premiums. Roundtable discussions involving lenders, park owners and investors are also being scheduled.

"The focus of the conference is to bring together industry professionals

to exchange information and ideas, and to facilitate business relationships among attendees," said Grant Miller, president of AGI Membership Clubs and conference organizer.

Registration begins at \$495 and goes up to \$695 after the Oct. 10 early registration deadline

Registration information is available at www.parkinvestmentconference.com or by calling Gorin at (703) 448-6863 or e-mailing him at david@davidgorinassociates.com. Steve Bibler ♦

**RV Park &
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Campground Brokers

Specialists Play Key Role in Park Buying and Selling Process

"This is a real niche market, and there are very few people who understand the financial dynamics of the RV industry or the industry in general," said Steven Weinberg, owner of The Brokerage Real Estate in Grand Junction, Colo. "It's easy to take a listing on a property. But it's another thing to understand what drives the industry..."

It may not be the easiest way to make a living, but the idea of owning and operating a campground, RV park or resort remains one of the most alluring business opportunities for aspiring entrepreneurs to experience the American Dream.

For many individuals, however, purchasing a private park is far more complicated than it seems on the surface, particularly for mom and pop operators. "When you're buying an RV park, you're often buying a home, a business and recreational land all in the same transaction," said **Darrell Hess of Darrell Hess & Associates of Waynesville, N.C.**

And, as many aspiring campground or RV resort operators soon discover, they need more than a typical real estate broker to lead them through this process. They need someone who actually specializes in the campground business.

"This is a real niche market, and there are very few people who understand the financial dynamics of the RV industry or the industry in general," said **Steven Weinberg, owner of The Brokerage Real Estate in Grand Junction, Colo.** "It's easy to take a listing on a property. But it's another thing to understand what drives the industry. That's what I realized many years ago: Both seller and buyer were floun-

dering because you can't go to the Multiple Listing Service and turn to the section on RV parks. It doesn't exist."

Weinberg added that while the Internet has made it easy for buyers to identify parks for sale, it has actually made it difficult for buyers to figure out which parks are best for them because there are so many choices. This is why, we're told, both buyers and sellers need to work with brokers who specialize in the campground business.

"I always want to teach buyers that the key is to know which questions to ask," Hess said, adding that he has produced guidebooks to help private park buyers determine if the park of interest to them is, in

fact, right for them. Hess has also produced instructional materials for mom and pop operators, who need similar coaching when the time comes to sell their park.

And, as one might expect, the plethora of questions that come to mind may make it take a long time for both buyers and sellers to make decisions they feel are right for them.

Former computer consultants Bruce and Sharon Daughters spent 10 years looking at campgrounds with Hess before they finally bought a Yogi Bear franchise on Indian reservation land in Tennessee.

Oftentimes, even after the business merits of cer-

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Campground Brokers

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tain properties are considered, buyers wrestle with the pluses and minuses of various private park locations and whether they're going to live on site or in a town nearby, said **Rob Smith, a broker and president of Fortune Real Estate in Bradenton, Fla.**

"We often recommend they buy a park model and use it to live in on the campground part time and that they get someplace else in the community," Smith said. "We recommend they check out the chamber of commerce, check out the schools for their children or grandchildren. Find out what the community in the area has to offer. If it's a real desolate area and the kind of community that doesn't have a police department, they may not want to live there. They may want to live in an area closer to all the conveniences and just drive to their business a couple of days a week and then go back home. This can be a major part of a purchase decision."

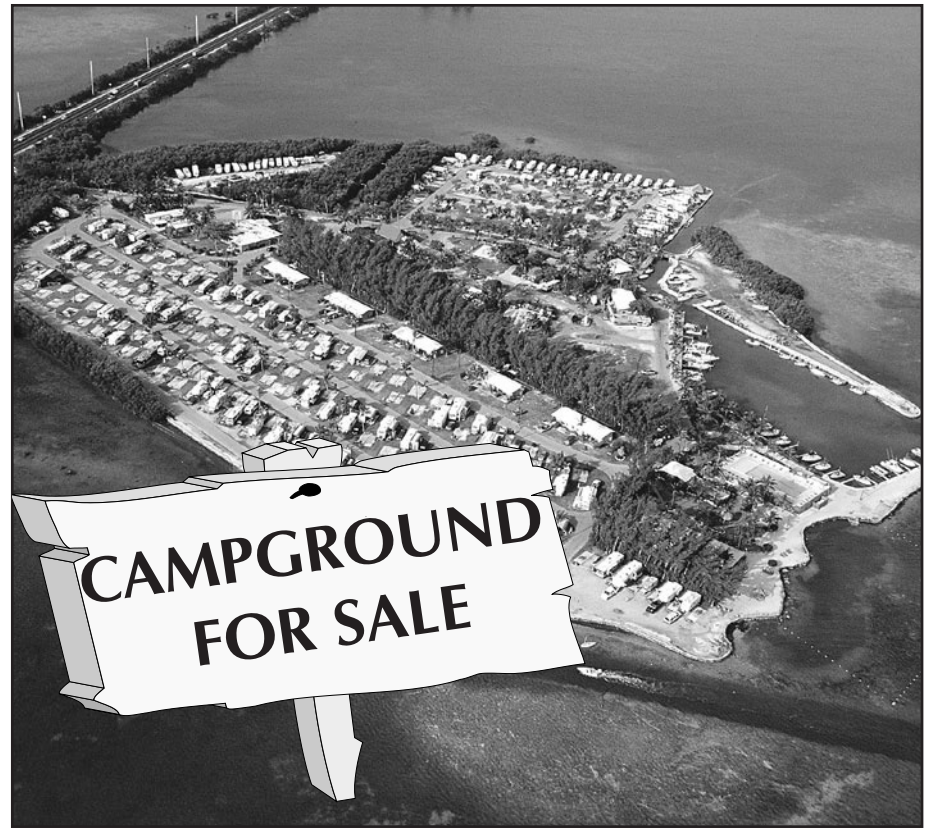
Sellers, meanwhile, also take a long time to make decisions.

"From the time we get the 'thinking

of selling' phone call to the time they sign a listing to sell it's about two years," Hess said, adding that the qualms and questions that run through sellers' minds are endless. Some examples:

- There may be health concerns that make it difficult for you to continue operating a park.
- You're older now, so you want to slow down.
- You had hoped to pass the business on to your kids, but they don't want it.
- One spouse has lost the vision, interest or desire to continue with the business.
- There is disappointment in the partnership, family and/marital problems.
- You have identified another business opportunity that is fresh and exciting.
- Your business is successful and you are tempted to take your profit now, but keep wondering if you should wait a few more years when it could be worth even more.

The questions that run through sellers' minds, in short, are challenging and numerous, and it takes a long time



to process these thoughts.

Of course, investment groups or owners of multiple campgrounds don't have to concern themselves with looking at parks as a potential family residence. Their goal is to focus primarily on questions concerning profitability and business potential, but no matter what type of transaction it is, brokers tell *Woodall's Campground Management*, buyers and sellers ultimately reach the point where they find that they need more than the average real estate broker to lead them through the process. They need someone who specializes in the campground business. They also need to surround themselves with appraisers and title

insurers who understand the industry.

When it comes to buying and selling campgrounds or RV resorts, the list of experts is short. Most buyers and sellers identify specialty campground brokers at industry seminars or by referencing *Woodall's Campground Management*. But once they do, they find a sense of relief in having someone who can help them make decisions that are right for them. "There is a park for every buyer, said **Russell Baehre, co-owner of Baehre Real Estate in Kerrville, Texas.** "Our job is to make sure the right guy gets the right park."

Differences among parks are con-
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siderable, not only in terms of profitability, but season, particularly when comparing parks in different states. "There are no apples and apples," Baehre said. "Parks in central Texas are a whole lot different from parks in southern Texas. The park in southern Texas has a winter season. Parks in Colorado have a summer season."

The range in diversity makes it important for prospective buyers to narrow their search to specific geographic regions, Weinberg said.

Of course, buyers, particularly small entrepreneurs, face other hurdles beyond simply selecting the park that's right for them. They also need to make sure they fully understand the financial commitments that will be needed to make their park a successful business.

"Some buyers are unreasonable with their expectations," Smith said. "Some buyers don't realize that once they buy the property, they need to be ready to spend money so that they can increase the business or the cash flow. They don't realize that if they just do what the other guy did, they're going to lose money. You can't maintain the business. You have to make improvements, whether it's painting or improving your streets or your adver-

tising. If you just try to live off of what's there the day you get there, that's not going to improve the value of the business and you're going to go backwards."

Most buyers are realistic, of course. "They're not expecting to buy a business this year," he added, "and next year double their money."

The biggest hurdle for sellers, meanwhile, is figuring out what price is reasonable for their park. "The biggest problem," Smith said, "is that people try to sell their property for an unreasonable amount of money."

But while value of specialty brokers goes without saying, many brokers see the real estate market going through a period of transition.

"I think the market has been at an all-time high pricewise and activity-wise for the past four years. In fact, the past four years have been phenomenal compared to the past 25 I've been doing this," Hess said. "But I see signs that it is slowing down."

Baehre, for his part, is also seeing a little bit of a slowdown, but he says the quality of the buyers is still good. "I think we're getting a few less tire kickers, but we're getting good buyers," he said.

Another element of good news is that

banks are taking greater interest in providing capital for RV park acquisitions. "When I started in the early 1980s, it was exclusively owner-financing on the smaller campgrounds," said Dale Bourdette, owner of Campground Data in Lake Wales, Fla. "Now," he said, "everything I have sold over the last two or three years has been bank financed or cash."

"Campground operators are getting more sophisticated with accounting and taxation, and that gives lenders more comfort," said Gerry DiMarco, managing director of Security Mortgage Group LLC in Rochester, N.Y. He added that lenders have become much more schooled on the merits of campgrounds and RV park businesses during the past decade.

This phenomenon is also providing opportunities for other lenders as well, including Pinnacle Business Finance Inc. in Wenatchee, Wash., which is providing financing for park models, and another Wenatchee company, Clear View Financial, which is financing everything from campground cabins to playground equipment.

This increased lender interest is being made possible by the emerging sophistication of campground operators, who seem to be doing a better job

all the time of documenting their income, expenses and profitability. "My number one message to sellers is keep good books," said Steve Klontz, a broker with Campground Brokers. "You need to record your income even if you're not ready to sell because it takes a while to find a love match between business and location and type of operation and price range and living quarters and the town they're in."

All of this, of course, is good news for both buyers and sellers of private parks across North America. "There is always a ready market out there for businesses," Hess said. "Think of how America was founded – the land of opportunity. And there are lots of people who would rather work for themselves."

"Campground or RV park or RV resort ownership in my perspective is an active lifestyle choice. And that entrepreneurial panache is something that can be shared with family members," said Weinberg, owner of The Brokerage Real Estate in Colorado. "It's not unusual to have three generations of family ownership in a park."

And when park owners get ready to sell, they find comfort in working with brokers they can trust. **Jeff Crider** ♦



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