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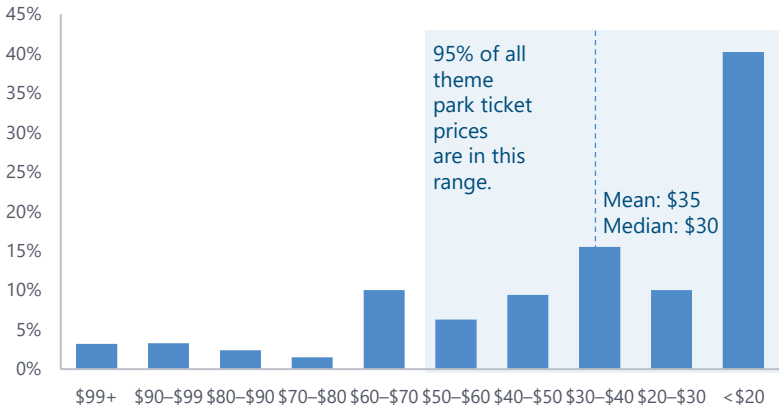
Real Estate
Without a Roof

Fall 2024

01 Amusement Parks

The history of amusement parks in the U.S. dates back to the late 19th century when Coney Island opened in New York. The mid-20th century saw significant growth with the opening of Disneyland in 1955, which set the standard for modern theme parks. With the integration of modern technology and cultural influence on its operations, revenues of the amusement park industry have grown by 4.4% CAGR between 2019 and 2024.

Theme Park Adult Ticket Prices



Operational Metrics

Development Costs: While the development costs can range greatly, especially on the high end, ticket prices are much more restricted.

Ticket Prices: The ticket price is relatively constrained within a range of \$10 to \$70. There is a strict price ceiling; no park other than Disney or Universal, with a few exceptions, can charge more than \$90.

EBITDA Margins: Successful parks, regardless of size, generally maintain EBITDA margins within a tighter range of 20% to 40%.

Market Activity

Target/Seller	Acquirer/Buyer/Merger	Size (Billions)	Description
Six Flags (July '24)	Cedar Fair (Merger)	\$8.00	Portfolio: 51 properties across North America.
Cedar Fair (May '24)	Prologis (Acquisition)	\$0.310	Sold a California-based amusement park for land value.

Sources: The Park Database, The Real Deal, Construction Dive, Precedence Research, IBIS World, Yahoo Life, ABC News, National Golf Foundation, Bobby Jones Links, Golf Property Analysts, LoopNet, and Costar.

02 Golf

The golf industry in the U.S. has experienced a remarkable transformation post-pandemic. An estimated 26.6 million Americans played golf on a course in 2023, a net increase of approximately one million golfers when compared to 2022. It's the biggest single-year jump in on-course participants since 2001.

14,000+

Golf Facilities Currently Exist in the U.S.

Out of the 14,000, approximately 3,200 (~23%) are golf facilities with a real estate component, whether as part of a residential community or a resort real estate complex.

~15%

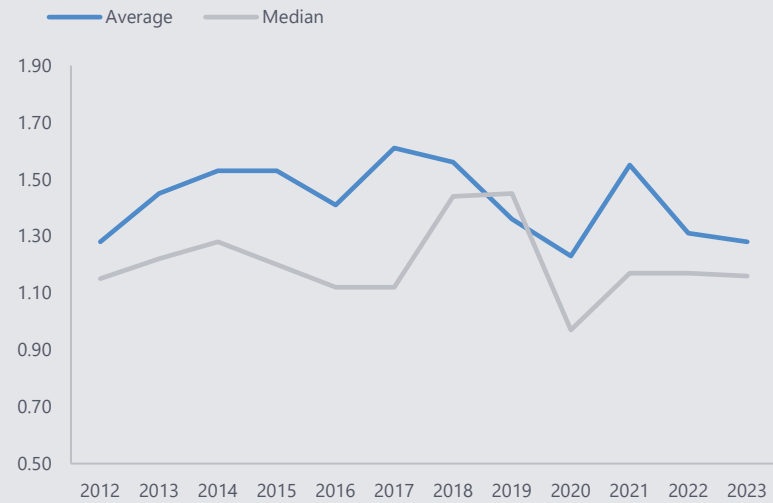
Average Property Value Increase

For homes on golf courses as per NGF's economic impact research at the State and National level.

\$100B

The golf industry drives two million jobs and \$66 billion in wages and benefits in the U.S. The industry generated nearly \$200 billion in annual activity in 2023 when tourism and other golf-related business are considered.

Valuing Golf Courses—Gross Revenue Multipliers



Gross revenue multipliers (GRMs) are commonly used in the valuation of golf courses. To define simply:

GRM x Annual Revenue = Value of the Golf Course

2020–2023	Golf Course GRMs
Average	1.22x–1.54x
Median	0.96x–1.16x
High	2.69x–4.61x
Low	0.35x–0.47x

It is important to consider other factors like EBITDA multiples, cap rates, and IRR while evaluating golf courses to get a holistic perspective.

Market Activity

Target/Seller	Acquirer/Buyer/Merger	Size (Millions)	Description
TPC Jasna Polana (July '24)	Concert Golf Partners (Acquisition)	\$28.00	A 222-acre golf course with a 46,000-square-foot clubhouse.
Pacific Life (June '23)	Arcis Golf (Acquisition)	\$100.00*	Three golf courses across the U.S.

*Estimated Transaction Price



03 RVs

Historically, RV parks were low-priority investments, mainly serving retirees seeking affordable travel. However, changing preferences have elevated their status.

Today, RV parks can be considered prime real estate due to shifts in travel habits, with people valuing experiences and the freedom to travel with home comforts. This trend is boosted by remote work, digital nomadism, and retiring Baby Boomers, increasing demand for quality RV park accommodations. Modern RV parks now offer comprehensive amenities, from high-speed internet to recreational facilities, catering to the contemporary traveler’s desire for comfort and connectivity.

20.6%

RV sale increase during Jan.–Apr. 2024 vs. Jan.–Apr. 2023

Interest rate cuts have made financing more accessible. Additionally, lower inflation and higher incomes create a favorable environment for purchasing RVs.

12,290+

Private Campgrounds Currently Exist in the U.S.

More than 90% of the private campgrounds allow for RV hookups and offer associated amenities.

13%–15%

Avg. Profit Margin 2018–2023

Additionally, national surveys show slightly upward trending occupancy rates over time, with an average centering around 69%.

7%–10%

Typical Cap Rate Range for RV Parks and Campgrounds

Cap rates for RV parks are often higher than other commercial real estate asset classes.

Key Investment Factors

Seasonality

Like most recreational asset classes, RV camping is seasonal. Events and activities help RV park businesses overcome the problem of seasonality, maintaining parks buzzing all year round.

Amenities

Properties with attractive amenities like pools, recreational areas, and other modern facilities can command higher rates and attract more guests. Upgrading the camping facilities is key to a well-performing asset.

Location

Properties near more desirable locations command a higher premium. This also allows investors to specialize in niches like waterfronts, valley facing views, etc.

Revenue Streams

Apart from rental fees, RV parks generate revenue from additional services like equipment rentals, laundry, vending, etc.

Market Activity

Target/Seller	Acquirer/Merger	Size (Millions)	Description
Mill Creek Land LLC (June '24)	Generation Income Properties (REIT)	\$16.0	A 301 spot RV park in Pigeon Forge, Tennessee.
Amanda Rideout (Dec. '23)	EOS Hospitality	\$12.0	Sold a California-based RC camper park with 35 spots.

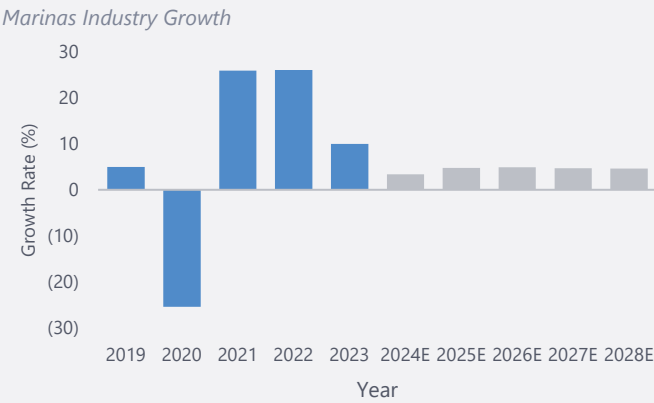
Sources: Sage Outdoor Advisory, Vertical IQ, Inforum, CAIA.org, IBIS World, The Cauble Group, and Costar.

04 Marinas

Historically, marinas have often been compared to “car parks for boats.” This analogy may initially appeal to prospective investors with the prospect of a compact, high-frequency, consistent rental revenue and minimal operational costs.

However, the reality is more complex. Marinas represent a unique hybrid asset, encompassing both wet and dry areas, with conditions that can be saline, riparian, tidal, or nontidal. Marinas can also integrate both leisure and industrial components.

Industry Forecast



50

Firms Account for About 19% of Industry Sales

The industry is **highly fragmented**. The vast majority of marinas are independently owned and operated.

4.5%

CAGR Between 2024–2028

Currently, the marinas industry generates **\$6.4 billion in revenue** annually, and its expected growth rate (2024–2028) is faster than the overall economy’s projected growth.

\$1.8M

Is Generated by a Private Marina on Average Annually

The average private marina operates out of a **single location and employs eight to nine workers**. The top 25% of marinas generate about **\$4,000 per occupied slip annually**.

5%–12%

Typical Cap Rate Range for Marinas

As with other commercial real estate, marina cap rates vary widely by market, location, occupancy, profitability, class, and cash flow stability. **Most market transactions show cap rates can range from 7% to 10%.**

The outbreak of COVID-19 positively impacted marinas, as consumers eager to spend time outside were buying and renting boats in greater numbers. Greater disposable income and leisure time inflated demand for marinas, but a spike in the price of oil in 2021 and 2022 caused revenue to fall. Changes in the marina industry post-COVID-19 have included a new wave of younger boaters, higher demand for maintenance and repairs, and a greater share of high-end boats, according to a report in *Marina Dock Age*.

Market Activity

Target/Seller	Acquirer/Buyer/Merger/JV	Size (Billions)	Description
Suntex (June '24)	Almar Marinas (Merger)	N/A	Four Oakland, California, marina properties.
Centerbridge Partners (June '23)	Suntex (JV)	\$1.25	A joint venture to acquire marinas across the U.S.



05 Glamping

In recent years, glamping has experienced robust growth driven by increased consumer preferences toward experiential travel, new highly amenitized and luxurious accommodations, and technological integration aimed to enhance guest experiences, operational efficiency, and market research. As the demand for glamping continues to rise and operators work to improve margins, competition in the U.S. is expected to remain fierce, driving further innovation and institutional investment.

\$105–\$290

Typical ADR Range

Across all operators, **ADR stands at ~\$200/night**, with products such as cabins and tiny homes generating the most income and teepees the least.

15.1%

Revenue CAGR Between 2023–2029

Campground and RV park revenue in the U.S. is forecasted to trend upwards at a CAGR of **1.4% to \$11.4 billion** by 2028.

~8%

Avg. Cap Rate for Past 24 Months

Additionally, glamping assets and other similar properties transacted at an average price per room of ~\$450,000 during the past 24 months.

90%

Glamping Sites Strategically Located Near Visitor Attractions

Over half of all operators are located near **state parks** and a third near **national parks**, highlighting the sector's reliance on travelers seeking outdoor recreation.

Key Investment Factors

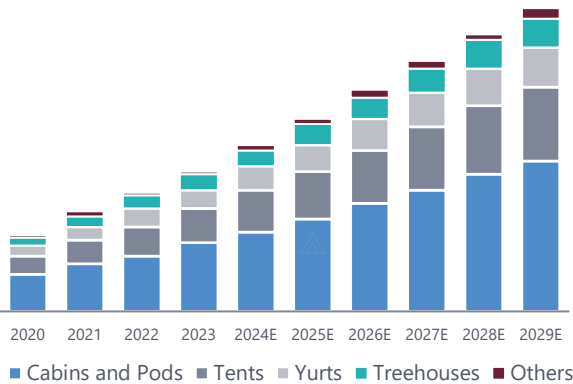
Increased Competition: The U.S. glamping market is highly competitive, with a diverse range of players vying for market share. Key competitors include established glamping operators, such as Huttopia, AutoCamp, and Under Canvas.

Interest From Traditional Lodging Providers: Major hospitality operators look toward glamping to diversify offerings. For example, Hilton recently brought AutoCamp onto its direct booking channels while Aman launched Camp Sarika Amangiri, a cluster of luxury tented pavilions, each with its own pool.

Luxury Amenities: Glamping sites are becoming highly amenitized to make outdoor camping more attractive and accessible to a wider consumer base.

U.S. Glamping Market

Size, by Accommodation



Market Activity

Target/Seller	Acquirer	Size (Millions)	Description
Dreamcatcher Tipi Hotel (July '24)	N/A	\$4.2	Seventeen-room glamping facility in Montana sold, including land.
Anaway Place (June '24)	Hearth and Green	\$4.4	Seven-room glamping facility in Wisconsin sold, including land.

Sources: Arizton Advisory & Intelligence, Horizon, Cairn Consulting Group, Grand View Research, The Dyrt 2024 Camping Report, and Costar.

Houlihan Lokey's Insights Across Asset Classes

Amusement Parks



- ▲ **Revenue Diversification:** Investors can diversify revenue streams, especially for larger theme parks, by focusing on F&B, merchandising, and resort bookings.
- ▲ **Visitor Demographics:** Large parks attract a broad demographic range, from families to thrill-seekers, which can stabilize attendance and revenue streams.
- ▬ **Entry Barriers:** High consolidation presents entry barriers for new investors.
- ▼ **Low Margins:** High initial and ongoing capital expenditure and low revenue per square foot may deter investors seeking high EBITDA margins.

RVs



- ▲ **Diverse Investment Opportunities:** Unlike more consolidated sectors, the RV resort market offers a wide range of unique investment opportunities.
- ▲ **Lower Capital Requirements:** Campgrounds, unlike apartments, allow guests to bring their own RVs or tents, reducing capital expenditure for investors.
- ▬ **Optimizing Occupancies:** A balanced occupancy mix—typically a 70%/30% split between long-term and short-term stays—is essential for maximizing revenue, requiring hands-on management.

Glamping

- ▲ **Favorable Demographics:** Travelers aged 18 to 35 make up the majority of bookings, supporting long-term sector growth.
- ▲ **Visitor Demographics:** Large parks attract a broad demographic range, from families to thrill-seekers, which can stabilize attendance and revenue streams.
- ▬ **Optimizing Occupancies:** Typical glamping sites average 11 structures, requiring occupancy management to maximize revenue.
- ▲ **Lower Cost Basis:** Average setup cost is around \$650,000, appealing to investors seeking lower initial capital and potential for multi-site diversification.
- ▼ **Intensive Site Maintenance:** Glamping accommodations require regular maintenance to meet guest expectations, increasing operational costs.

Golf



- ▲ **Value Add:** Golfing has demonstrated significant value addition for its surrounding areas. This can be lucrative for investors looking to invest in communities and real estate built around golfing.
- ▲ **Market Activity:** Recent trends indicate a healthy market activity for assets in the \$5 to \$50 million range.
- ▲ **Increased Leisure Spending:** Rising disposable income has led to increased spending on leisure activities like golf, supporting steady demand.
- ▼ **Seasonality and Location Risks:** Revenue is influenced by seasonality and location, which may deter investors seeking year-round cash flow stability.

Marinas



- ▲ **High Occupancy Rates:** Strong occupancies have driven rental rate growth for both slip and dry stacks.
- ▲ **Robust Transaction Growth:** In 2023, the average transaction price reached \$4.5 million, a 0.5% increase from 2022, while the median sale price rose 15% YoY, indicating significant asset class growth.
- ▬ **Stable Market Activity:** Although boat sales slowed in 2024 due to inflation, the scarcity of available yachts is expected to maintain positive market activity.
- ▼ **Rising Costs:** Increasing insurance rates may deter boat sales and elevate repair and maintenance costs for property owners.



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Houlihan Lokey has a successful track record of assisting its clients—comprising real estate investors, owners, and other stakeholders—with various valuation, transaction, and special situation needs.

Valuation and Advisory Services



We have deep **valuation expertise** in investment, financial reporting, and tax matters.



Leveraging our accounting and real estate expertise, we help clients with **transaction advisory services** related to real estate equity and debt investments.

Investment Banking



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We run efficient, momentum-driven processes that drive results in **M&A and capital raising** for both healthy corporate finance and restructuring transactions.



We are well-versed in crafting tailored solutions to achieve client objectives, with deep experience **across sectors, company types, and market cycles**.



We **value large portfolios** of real estate equity and debt positions and offer **bespoke valuation services** (e.g., positive assurance) to help clients mitigate valuation risk.



We provide **fairness opinions, solvency opinions, and valuation opinions** to clients across a variety of property- and entity-level transactions.



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We are uniquely positioned to help address special situations, ranging from **liquidity management to recapitalizations**.

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