

# KOA Sees Unprecedented Number of New-Build Campgrounds

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*New Construction Reaching Levels Not Seen Since the 1970s*

KOA NEWS SERVICE (Jan. 22, 2021) – In the past four years, Kampgrounds of America, Inc. (KOA) has seen an explosion of new construction campgrounds. This dramatic increase points to the health of KOA and the camping industry as a whole.

Between 2000 and 2006, the Kampgrounds of America system didn't add any new construction parks. But things began to change during the period between 2007 and 2009, when seven new campgrounds were added. New construction again ground to a halt when the Great Recession dried up capital and put plans on hold. KOA didn't see another newly built park until 2016.

But in the past four years, the interest in new-build campgrounds has increased dramatically. KOA franchisees have opened eight new-construction campgrounds since 2017 and KOA currently has 12 parks either in the planning or construction stages. That's the most since the early days of KOA in the 1960s and 1970s, when hundreds of campgrounds rose practically overnight across North America.

"We really turned the corner four years ago," said Larry Brownfield, KOA's Senior Director of Franchise Development. "We started to receive a lot of inquiries from very qualified folks. Prior to that, I think I spent most of my time trying to talk people out of building a new campground and steered them toward buying an existing campground just due to the expense and the other challenges brought by permitting delays."

## Starting A Trend Toward New Construction

John T. Baker, owner of the Austin East KOA Holiday in Texas, can attest to the challenges.

"The first time I called KOA to ask what it would take to build a new park, they were polite, but they didn't seem all that interested," Baker said. "They told me that I had to appreciate the fact that they were getting five calls a week from folks asking about new builds, and out of those hundreds and hundreds of calls, maybe one campground would become reality. They said that there were easier ways to own a KOA than building a new one."

But Baker had a perfect piece of family-owned land, as well as the bulldog tenacity to take on what turned out to be a four-year local permitting and zoning process.

"When I got my franchise agreement in 2013, 99.9% of the franchise sales business was in conversions," he said. "Today, it has drastically shifted to new construction. Since I've been through the process, I get a lot of calls from people asking for my take."

Baker's three-year run as a campground owner has been highly successful and wasn't slowed much by the COVID-19 pandemic. He credits KOA for much of that early success. "Most of our fantastic results were due to that yellow flag and everything that goes along with it," he said. "KOA keeps the guests pointed in my direction." He plans to enter "phase two" construction at Austin East KOA Holiday in 2021, hoping to more than double the size of the park by the first quarter of 2022.

## The Wait Was Worth It

Baker showed plenty of perseverance during his four-year wait to open a new KOA. But David Hunsader, owner of the new Bradenton/Hunsader Farms KOA in Florida, took patience and fortitude to biblical Job levels.

Hunsader first started dreaming of a campground on his family's Bradenton tomato farm in 2001. By 2005, he'd invested in a KOA franchise. Over the next 14 years, he struggled with county officials over permitting and zoning. Hunsader was finally able to open the gates to his KOA in January 2020.

"It turned out so nice," Hunsader said as he rode his tractor, planted tomatoes near the edge of his new park. "We've been campers all of my life. I've probably been to more than 200 KOAs around the country, trying to figure out the best things to do." Today campers enjoy the campgrounds 100 sites, petting zoo, "ninja" playground and a wonderful train that circles the park with 4,000 feet of track.

The long wait to build his park is paying off. Despite the pandemic's challenges, he said local campers are filling the park, and snowbirds are also finding a home there if any room is left. Hunsader said he's happy his family was able to finance the park with their own funds and isn't surprised that KOA is seeing an influx of interest in new construction from both existing owners and outside investors.

"Camping is extremely popular right now because nobody wants to fly," he said. "We went to the Tampa RV Super Show last week, and it was packed. This is a great time to be in this business."

## **New Investors With New Funding**

Both Brownfield and Baker said the campground industry is now luring a different sort of investor than before. While several smaller “mom and pop” campgrounds have either been built or are in the planning stages, larger outside investors have noticed the hot campground sector and are bringing their financial power to new campground construction.

“The secret is out that you can make great returns with campgrounds,” said Baker. “There is no shortage of outside capital looking for an opportunity. Many traditional real estate opportunities got overheated and investors started to look for the next thing, and that’s RV park campgrounds. Money flows toward heat, and campgrounds – especially KOAs – are a hot investment.”

Although building a campground from scratch is gaining in popularity, both Brownfield and Baker said you’d better bring a dose of patience to the process.

“It can really be a two- to five-year process,” said Brownfield. “There are still many hurdles to get over in permitting, zoning and planning.”

Baker also advises current campground owners to keep abreast of what the new campgrounds are bringing to the system and make plans to keep pace with the new offerings created by new people with fresh ideas.

“The mentality should be ‘change or die,’” he said. “It’s like a surfer paddling hard to climb on a wave. You’ve got to paddle like hell or you’ll miss the ride.”

## ***About Kampgrounds of America:***

[Kampgrounds of America](#), Inc. (KOA) is the world’s largest system of open-to-the-public campgrounds with 525 locations across the U.S. and Canada united under the mission of “connecting people to the outdoors and each other.” The industry leader in outdoor hospitality, KOA’s family of campground brands – KOA Journey, KOA Holiday and KOA Resort – offer sites and amenities designed for every type of camping experience. The company was founded in 1962 in Billings, Mont., and today serves more than a million camping families each year, who rely on the standards of excellence and unique outdoor adventures KOA is known for. For more information, visit [KOA.com](#).