

LEISURE
INVESTMENT PROPERTIES GROUP

GOLF ♦ MARINAS ♦ SKI ♦ RESORTS ♦ PLANNED COMMUNITIES

MARINA
INVESTMENT
REPORT

2021

(2020/1H 2021 Review)

*The LIPG, LLC
Inaugural Edition*

LEISURE INVESTMENT PROPERTIES GROUP



TO OUR VALUED CLIENTS

We are excited to announce that as of August 2021, the Leisure Investment Properties Group, LLC (LIPG) is a stand-alone national brokerage company focusing exclusively on the leisure industry. Our marina advisors are in a better position to further execute on the LIPG vision of being the preeminent leader in business-driven, investment real estate and advisory services. With continued focus on the core niches of golf courses, marinas, resorts and master-planned communities, our company can adapt more quickly to market changes, dedicate more resources to our clients and more effectively leverage our international investor database, proprietary underwriting and marketing tool to best serve you.

Our firm now provides several new marketing options and platforms for clients, allowing for your asset(s) to be more competitive as sought-after investment vehicles. Without the restrictions and limitations of a large, publicly-traded company, we can focus more of our time and energy on helping our clients create and preserve wealth in the leisure industry, identify the best options for their future goals, and provide the most prescient and forward-thinking advisory services.

We are well-equipped and eagerly await the opportunity to work with you in the coming years!

-The Leisure Investment Properties Group

LIPG HISTORY

In 2009, while a global economic crisis was devastating the real estate market, **Steve Ekovich** and **Chris Karamitsos** identified a void in the commercial real estate brokerage industry. With turmoil not seen since the S&L crisis of the 1980s, the golf industry would require specialists proficient in helping investors navigate through incredibly recalcitrant markets...Enter the Leisure Investment Properties Group (LIPG).

Leveraging Chris' background as both a real estate broker and PGA golf professional, along with Steve's decades-long track record of facilitating billions of dollars' worth of commercial transactions, the two formed the golf-centric brokerage division for the publicly traded, commercial real estate investment firm, Marcus & Millichap. The idea was to bring investment-grade underwriting of assets, institutional-quality advisory services, and brokerage "best-practices" to the golf investment community. In the years that followed, the group listed, sold, advised, and underwrote hundreds of properties totaling over \$2.5 billion.

In 2010 **Terry Vanek**, MBA from Florida, joined the group followed by long time industry veteran **Rob Waldron**, who worked for Leg Mason, Fore Golf and Billy Casper Golf. These four professionals are the founding partners of the new LIPG, LLC.

Four years later (in 2014) the LIPG expanded its services by successfully launching the Marina Division. With the addition of **Brett Murphy** and long time real estate veteran **Jeff Spilman** (who are both founding members of the LIPG, LLC), the Marina Division has quickly become one of the top marina brokerage divisions in the industry.

OUR VISION

The Leisure Investment Properties Group is the preeminent leader in business-driven leisure investment real estate and advisory services.

THE LIPG MISSION

To help our clients create and preserve wealth. We deliver exceptional transactional expertise, superior market knowledge, and the industry's most powerful marketing platform at a personal level, treating each client's best interests as our own.

OUR GUARANTEE

Our clients will have the clarity, knowledge, and power to make sound business decisions that will maximize their investment strategies and achieve their vision for the future.

LEISURE
INVESTMENT PROPERTIES GROUP
GOLF ♦ MARINAS ♦ SKI ♦ RESORTS ♦ PLANNED COMMUNITIES

Inside this Issue

Executive Summary..... 5

Investment

State of the Marina Investment Market..... 6

Market Prediction..... 8

Buyer Sentiment..... 9

Marina Financing with Madison One..... 10

Consolidation in the Marina Industry..... 11

Operations

Preparing Your Marina for Sale..... 12

Boat Sales..... 14

Interview: Oasis Marinas..... 16

Transactions and New Opportunities

Historical & FY 2020 Sales Activity..... 18

FY 2020 Sales Activity—\$1-\$10M Tranche..... 19

FY 2020 Sales Activity—By the Region..... 20

Partial List of Available Investment Opportunities..... 21

LIPG Contact Information..... 22

Editor-in-Chief
Brett Murphy
Vice President of Investments

Special Content From:



State of the Marina Market in FY 2020 and First Half of 2021

Since March 2020 and well into the first half of 2021, COVID-19 affected the industry in ways no one could have predicted. While other industries were severely impacted, the pandemic quickly proved to play a strong role in the growth and success of marinas around the country (as well as other facets of the marine industry). As one of the “last bastions of happiness”, boating provided social distancing, a new lifestyle and leisure pastime, and now represents the new family vacation for many. While boat dealers have had their best years ever, effectively backlogging manufacturers until 2023 or longer, marinas have realized exceptional growth – all of which we will cover throughout this report.

Key FY 2020 and First Half of 2021 Takeaways:

Occupancy: ↑
of Marina Sales: ↓
Average Marina Sale Price: ↑
Median Marina Sale Price: ↓
Stock Market: ↑
Interest Rates: ↓

The global health crisis of 2020 and into the first half of 2021 has left an indelible mark on society, structurally changing how people live, work, play, vacation, dine and shop. Many of our clients have questioned when things will return to normal, or if the definition of normal has been changed forever. We believe there have been systemic changes to our society that while realized now, likely would have been realized in the coming decade; Covid just expedited these changes. The dramatic lifestyle changes of the last year will directly affect the demand characteristics of marinas, over both the short- and long-term, and we intend to keep you apprised of these market changes as they occur.

As the first inaugural edition of the Marina Investment Report by The LIPG, LLC, we hope you gain valuable insight and knowledge from this report, and we look forward to working with you in the future.

Sincerely,



Steve Ekovich

Executive Managing Director – The LIPG, LLC

A TRUSTED VISION FOR THE FUTURE OF MARINAS

Founded in 2009, and formerly known as the National Golf & Resort Properties Group, the Leisure Investment Properties Group has become the renowned industry leader in golf course and marina sales nationwide. After 12 years of extensive success, the Leisure Investment Properties Group was re-structured in 2021, now officially recognized as The Leisure Investment Properties Group, LLC—a national brokerage company that focuses exclusively on the leisure industry. Our group has sold over 150 golf courses, marinas and other leisure - oriented properties since its origin in 2009, utilizing its powerful platform and proactive marketing techniques that will have even greater effectiveness moving forward. Our management team has over 150 years of combined experience in arranging the sale of golf courses, marinas and other commercial real estate, and we look forward to serving you.

STATE OF THE MARINA INVESTMENT MARKET

BY: STEVEN EKOVIK—EXECUTIVE MANAGING DIRECTOR

Unprecedented Times, Unprecedented Boating Activity

Looking at 2020 and into the first half of 2021, the COVID-19 pandemic affected the industry in ways no one in the industry could have predicted. While paralyzing other industries, the serendipitous effects COVID had on marinas could be seen in all facets of the marina and boating industries. During Covid, Marinas were one of the “last bastions of happiness” that was not taken away: it provided social distancing, vitamin D from the sun, and an activity that could be done with the family unit. Boat sales also rose to unprecedented levels and those boats would need a place to be stored. Marina occupancies are at an all-time high. Marina owners have been able to take advantage of their high occupancy by not only raising slip/rack rates, but they could become choosier on which boats they took into their marinas.

The Demand Side (Occupancy, Rates, Boat Sales)Occupancy

One of the factors that has driven both marina use and boat sales is the demographic shift in the US from Covid. Most marinas are in suburban and rural markets. Over the last 18 months, however, there has been a flight of people from big cities to less densely populated areas less prone to protests and the associated looting that came from it. The boating industry has benefited greatly from this wave of people buying second homes, vacation homes, bucket list homes and retirement homes by their boats. Boaters are or can be closer to their boats and use them more, versus less frequently when they lived hours or even states away.

The good news is as of the end of May 2021, 49.9% of the US is vaccinated, business is moving again and states like Florida and Texas are easing restrictions. This also means people are scheduling vacations to boating destinations, further adding to the use of marinas for slips and racks, boat rentals, and restaurant/dining facilities.

The industry does not yet obtain actual data from a cross section of marina owners on occupancy, rates and revenue numbers, so we deferred to the Marina Dock Age survey of marina respondents to occupancy.

Marina Dock Age, in their national survey (below in Figure 1) shows that over half (55.6%) of their respondents have an occupancy rate of 95% to

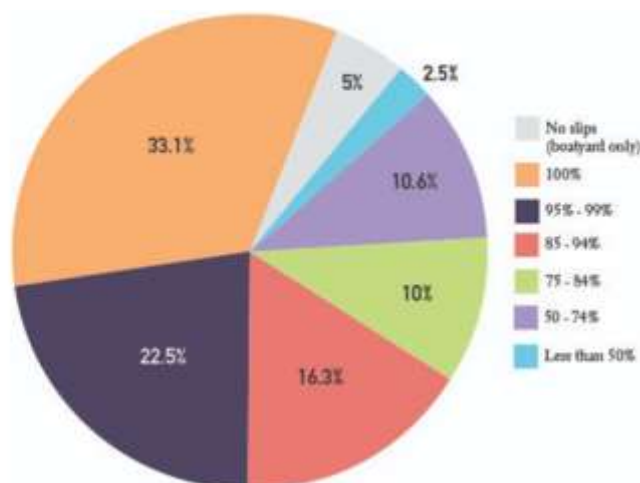


Fig. 1

100% and 58.1% of respondents have seen an increase in occupancy compared to last year. The Midwest and South lead marinas in increased occupancy (at 71.4% and 62%, respectively) compared to last year.

Slip Rates

Figure 2 (also from Marina Dock Age), shows that half of marinas across the country have increased their slip rates while the other half kept them the same. Breaking down by region, marinas in the West and Midwest are much more likely to have increased their slip fees (73% and 71.4%, respectively) than those in the Northeast (44%) and South (42%). Small marinas held steady on their slip rates (64%), than large marinas at (34%).

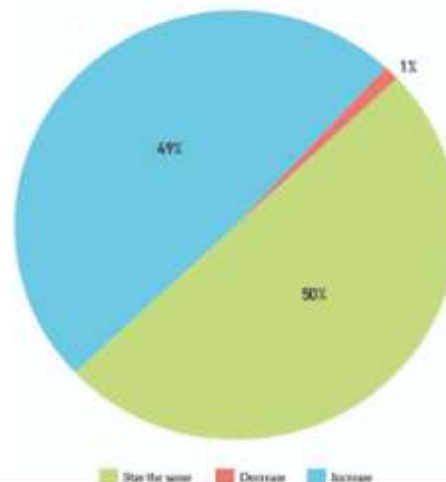


Fig. 2

Boat Sales

The National Marine Manufacturers Association (NMMA) reports that retail unit sales of new powerboats in the U.S. increased last year by an estimated 12% compared to 2019. More than 310,000 new powerboats were sold in 2020, levels the recreational boating industry has not seen since before the Great Recession in 2008. Three boat categories drove sales in 2020: Personal Watercraft (including Jet Ski's, Sea-Doos and Wave Runners) up 8%, Wake Boats up 20% and Freshwater Fishing and Pontoon Boats up 12%. A significant percentage of these new boat owners will rely on marinas to store their boat year-round/for the season, further driving demand and putting pressure on owners to raise slip and rack rates.

Another source, Soundings Trade Only, states that the industry was poised to exceed 300,000 units for the first time since the Great Recession after seeing strong gains continue through November. Preliminary data from 33 states, accounting for more than 65 percent of the U.S. market, showed boat registrations in the main powerboat segments rose 8% year to date and more than 32% versus November 2019, according to Statistical Surveys, a Michigan firm that tracks new-boat registrations. Registrations were up more than 28 percent year over year in the main powerboat categories, and almost 12 percent year to date.

Boat sales are expected to remain at historic levels in 2021 as manufacturers continue to fill a backlog of orders from 2020. Annual U.S. sales of boats, marine products and services are estimated to total \$47 billion in 2020, up 9% from 2019.

The Supply Side (Quantity of Marinas)

There are approximately 11,500 US marinas with an estimated \$18 Billion economic impact which supports an estimated 105,000 full and part-time/seasonal jobs. Why aren't there more marinas? It is very difficult to build a marina because of environmental concerns, governmental concerns and lack of locations conducive to marinas (depth, access, availability). So compared to just about every other commercial real estate asset class, the barriers to entry are the highest in the marina industry.

Marina Values

The reason we discuss supply and demand is because these factors influence marina values. For FY 2020, we recorded 71 single-asset transactions reported. The number of transactions is down some from 2017-2019 slightly. (That is understandable as we had four of our properties under contract terminated by the buyers, during the lockdown because they couldn't perform due diligence.)

For about four months, very few transactions occurred unless deals were contingent-free with hard deposits, as you could not get inspectors to the property to perform due diligence, and/or buyers could not travel to see the assets. However, overall transaction volume was about equal to a year prior, with gains in the average sale price by 9.41% to \$4,374,108 from FY 2019. The median price also increased from FY 2019, to \$3,200,000 (See Page 8).

In both commercial real estate and residential real estate, the median is considered the better indicator of value versus the average which can be affected by lots of small sales or a few large ones. We would expect to see these price increases continue in 2021, as we should continue to have more buyers who are not currently in the industry jump in. We have new buyers calling us frequently to discuss the industry airspace after they have read our Marina Investment Report, or were referred to us.

Marina Lending

Lending was available in 2020 and the first half of this year, but not widely as PPP processing swamped the SBA lenders where many marina loans are approved. The Fed has kept rates near zero through the time of this writing, as the economy improves (see Figure 3). We expect the Fed to keep rates near zero for at least the next two years. Even with the increasing likelihood of COVID-19 vaccines boosting activity in 2021, there will still be significant slack in the economy and labor market by the end of the year.

Because of this, the Fed will avoid tightening policy prematurely and risk a repeat of the 2013 "temper tantrum," which saw a surge in Treasury yields after the Fed communicated it would reduce the pace of its asset purchase program, according to Edward Jones. Under its recently updated policy framework, the Fed will tolerate above-target inflation to make up for earlier shortfalls. We believe the lenders in the marina airspace are getting more comfortable with marinas and there will be more options in the second half of 2021.

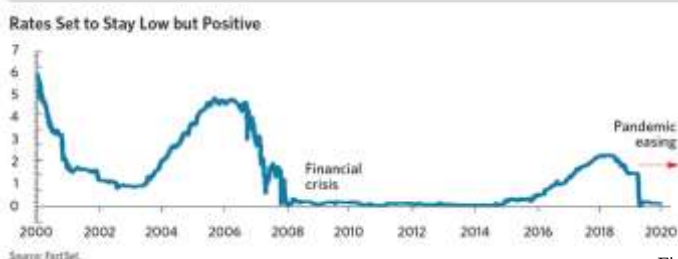


Fig. 3

Changes in Tax Policy

Joe Biden's new economic plan calls for abolishing the right to defer certain tax payments on property-investment gains of over \$500,000, part of a broader effort to raise taxes on corporations and wealthy Americans. Known as like-kind or "1031" exchanges, it allows property investors to roll the proceeds of real estate sales into future purchases while deferring capital gains taxes. This deferral process can theoretically continue indefinitely until the investor's death, and if assets are passed to an heir, the capital gains tax bill is often wiped out. This part of the tax code has created liquidity in marinas and the broader commercial real estate markets for 40 years. Many investors would not sell if they had to pay the tax today. With a 1031 exchange, investors can trade up, not pay the tax currently, but sometime in the future. This creates tremendous liquidity in the marinas and broader real estate market and this liquidity would be effectively wiped out. This will reduce marinas sales, reduce properties for sale and could reduce value of all commercial real estate in the long run.

The Economy and Marinas

According to Morningstar Direct, they think the distribution of an effective COVID-19 vaccine will ease a durable rebound in economic activity. Along with an accommodative Federal Reserve and the prospects for additional fiscal aid, trillions on top of trillions already pumped into the economy, this suggests the newly emerging bull market in stocks has legs. In July 2021, it looks fairly certain that Congress is going to pass a trillion dollar infrastructure bill, with another \$3B bill waiting on debate in the house and senate. As the economy improves, pent-up demand for services is unleashed and interest rates remain relatively low, corporate earnings will continue to recover and likely reach their 2019 pre-pandemic peak by the end of 2021 (see Figure 4).

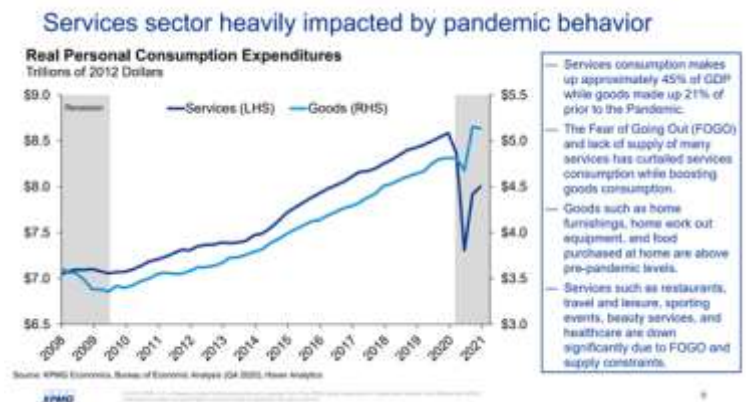


Fig. 4

This also means employment will swell to pre pandemic levels. We are already seeing demonstrative effects of raising wages as employers try to entice employees to leave the government's handouts to go back to work. What this means for marinas is more disposable income, more income for boaters to purchase slips, pay higher slip fees and extra disposable income to qualify for a boat loan. A growing economy will put more money in the hands of marina owners, which in turn will allow them to push slip and rack rental rates.

Our Market Predictions

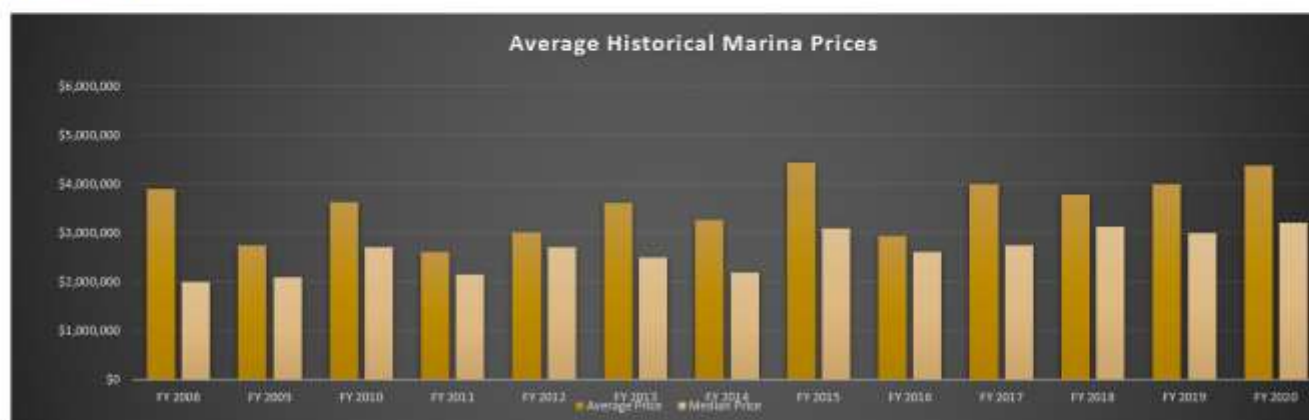
Marina occupancy will continue to be up over the 2019 and 2020 levels through the second half of 2021. Since Covid has added some much-needed revenue and EBITDA to marinas that previously did not have funds, owners can begin addressing cap-ex, creating a better marina experience for boaters and a more attractive property on sale. Furthermore, struggling marinas that would have sold in early 2020 will continue to have a lifeline and will be less encouraged to sell in the second half of 2021. As Covid forced employees to work from home, it demonstrated to employers that employees do not need to be in a downtown high-rise to work - consequently, many corporations will continue to allow all or partial work from home. This systemic change will lead to more people being able to boat more often after work, before work and maybe even during the day for an "emergency" boat trip.

There will continue to be a flight of boat owners to the suburbs as they are seen to be safer than big cities. With applications like Zoom, Teams, Cisco and other video conferencing services, 2020 and into the first half of 2021 demonstrated to employers that employees can practically live anywhere and still be productive. That has driven white-hot home prices (particularly in the south and suburbs of major cities) where marinas are more easily accessible to boat owners. This in turn will continue to drive interest in boating, marinas, marina resorts, second home and vacation areas. With financially healthy marinas, increasing occupancy and slip/rack rates, more buyer interest will follow, not just from the usual suspects, but from "new to the industry" investors. With less marina assets coming to market (the number of distressed marinas has gone down) and heightened demand/competition from new and existing marina investors, we believe marina values will continue to increase as opportunities grow scarce. We may even see, for the first time since the great recession, some cap rate compression in the second half of 2021.

LIPG National Marina Sales History

	# of Sales	Average Price	% Change	Median Price	% Change
FY 2008	27	\$3,904,833	N/A	\$2,000,000	N/A
FY 2009	26	\$2,746,581	-29.66%	\$2,100,000	5.00%
FY 2010	26	\$3,630,998	32.20%	\$2,700,150	28.58%
FY 2011	34	\$2,603,146	-28.31%	\$2,152,622	-20.28%
FY 2012	42	\$3,006,015	15.48%	\$2,700,000	25.43%
FY 2013	46	\$3,616,713	20.32%	\$2,500,000	-7.41%
FY 2014	60	\$3,263,895	-9.76%	\$2,196,015	-12.16%
FY 2015	54	\$4,431,889	35.79%	\$3,090,000	40.71%
FY 2016	74	\$2,933,065	-33.82%	\$2,606,000	-15.66%
FY 2017	87	\$3,991,822	36.10%	\$2,750,000	5.53%
FY 2018	93	\$3,786,092	-5.15%	\$3,130,000	13.82%
FY 2019	78	\$3,998,025	5.60%	\$2,995,000	-4.31%
FY 2020	71	\$4,374,108	9.41%	\$3,200,000	6.84%
TOTAL	718	\$3,223,586			

Outliers Removed for Avg. & Median (<\$1M or >\$20M)



Data Courtesy of the Leisure Investment Properties Group

Fig. 5

*Data, quotes and graphs have been compiled from proprietary market research, as well as public research sourced through Marina Dock Age, National Marine Manufacturers Association (NMMA), and others industry publications.

BUYER SENTIMENT | BY: BRETT MURPHY—VICE PRESIDENT OF INVESTMENTS***The Marina Asset Class***

The marina industry is an increasingly sought-after asset class for many different investor profiles. We have conversations with groups of all equity sizes, ranging from high-net worth individuals and families to private equity, REITs, family offices and other institutional-level players. Over the last few years many institutional-grade platforms realized great success in the industry (Safe Harbor Marinas, Suntex, Southern Marinas, etc.), garnering increased attention from investors who seek strong yields from multiple income streams, with opportunity to build scale. Historically marinas have been a highly fragmented industry (and this holds true today), but there has been tremendous consolidation, primarily with Tier 1 marina acquisitions in the Southeast. While these properties tend to be strong, high-capacity, cash-flowing marinas, there is an abundance of marinas that have benefitted from new investor capital in the \$1-\$10M range, whether it is a complete re-branding or expansion opportunity that creates opportunity for more boaters to have better access to the water. Marina investments have proven positive results for the end-consumer (boaters), as well as the owner, and 2020 showed consistent growth in sales and consolidation throughout the industry.

Buyer Profiles:

- High-Net Worth Individuals
- Private Equity Firms
- Family Offices
- REITs
- Partnerships

Buyer Sentiment in 2020 & 1H 2021

When the COVID-19 pandemic hit the U.S. mid-March 2020, investors took a pause as the situation was assessed. The marine industry went on standby until it became clear that marinas would be deemed an essential business – it was around this time that boat dealers started selling out of all new and used inventory, creating a backlog on orders that still exists today. Thus, most facilities remained open across the United States and transactions quickly became more attractive since the marina business was booming. Early on, marinas under contract ran into complications; at best, timelines were extended as third-parties were limited by quarantine and social distancing guidelines, directly impacting Due Diligence tasks. At worst, the deal completely fell apart. Listings were also temporarily halted early on in the pandemic until timing made sense to create a strong market where investors were in a position to execute on a purchase. Listings already on the market at that time had to adjust their strategies to either make the most of the situation and continue moving forward or withdraw to better situate the property under more favorable timing. Fortunately, it did not take long for the marina industry to find that the pandemic would bring more advantages than adversity,

contrary to the position restaurants and hotels unfortunately experienced. Marinas were open, families were taking to the water, and business turned out to be better than ever before.

On the transaction side, we noticed a strong uptick in interest from new investors to the marina space and families that were relocating because of the pandemic. Like the residential housing market, families are seeking lifestyle changes in a new area (predominantly the Southeast) where marinas offer the perfect career change, active retirement, and/or owner-operator investment that in some cases also provided a primary residence on-site.

Post-COVID Investment

When working with first-time marina investors (whether private equity funds, experienced commercial real estate investors or individual investors), we always strive to reduce the learning curve through education, information and advisory services. Nevertheless, as interest remained high with opportunities returning to the market and new deals available for purchase, expectations of discounts on pricing began to surface. This created a wide spread between “bid” and “ask” – where a buyer was willing to pay for the property and where an owner was willing to sell. We found that discounts were unwarranted in most situations when the historical levels of ancillary income streams were consistent with low volatility. For the most part, the increase in boating activity directly benefitted boat dealerships, with marinas benefiting from higher wet slip occupancy (and waiting lists), rate increases, fuel sales and boat rentals. These income streams are largely synergistic and a function of boat use, but boat rentals in particular have seen strong growth as the general boating experience has captured the interest of the nation.

While there are concerns that re-opening the economy will result in reduced NOI levels (primarily in fuel sales and boat rentals as people get back to work) in the second half of 2021, we are confident in the residual effect of heightened boat ownership and marina use as lifestyles have changed nationwide. We expect to see this reflected in wet slip/storage occupancies and rates primarily.

With this sentiment in mind, we are optimistic about transactions throughout the remainder of 2021 as more individuals and families seek the perfect active retirement and new institutional investors seek premier assets and yields for their investors.

MARINA FINANCING WITH MADISON ONE | BY: JEFF GROHS—SENIOR BUSINESS DEVELOPMENT SPECIALIST



Financing Your Marina

Marinas are a specialized asset class with many lenders exercising caution when a buyer seeks out loan. The lack of lending could force out buyers who either do not have the necessary equity to meet LTV (loan-to-value) requirements, or it could push an investment group's returns beyond a threshold of reasonable comfort for making the purchase. For owner-operators, this is typically the "make-or-break" to getting the deal done and successfully closing on their new business. Avoiding these pitfalls is why working with a partner who understands the inner workings of the marina business is so important. Issues like land leases and water rights are just two examples of the many nuances specific to the marina industry that your lending partner needs to know when successfully closing, and ultimately funding, the transaction.

Madison One: Who We Are

Madison One CUSO is a full-service organization which originates, processes, closes and services SBA & USDA government guaranteed commercial loans on behalf of its partner Credit Unions through our nationwide, direct funding platform. The company's principals and its staff have successfully implemented and operated a similar lending platform since 2010 while being recognized throughout the industry as Marina & Leisure Property experts. Madison One's credit committees have an appetite for special purpose properties and niche businesses like marinas, which eliminates the learning curve and many potential surprises that other lenders could encounter when not experienced in marina lending. While acquisition, refinancing and expansion loans are the primary source (or operator need) of lending, M1 will also review opportunities that need construction, non-CRE and projection-based properties.

SBA & USDA Financing

SBA & USDA financing is a credit enhancement offered to federal lending institutions. These guarantees incentivize the Small Business Administration and United States Department of Agriculture Business & Industry to lend to businesses that have unique challenges in the underlying credit, such as inconsistent cash flow, lack of collateral, or special purpose nature of the business or collateral.

Many marinas are in rural or tertiary markets, have significant capital requirements in terms of acquisition and necessary improvements, and tend to have routine maintenance and repairs. SBA and USDA lenders can provide significant leverage and minimize the capital contribution for owners who either own or want to acquire marinas. For this reason,

marina owners can conserve capital while leveraging the value of their assets to maximize their return on investment.

How You Can Apply

Like any lender, there are numerous factors that indicate a borrower's strength when financing a marina. Some of those include: current cash flow of the marina; borrower experience in operating marinas; borrower financial strength (savings/liquidity/net worth); market feasibility; credit worthiness; ability to repay the loan/source of repayment; and ultimately the collateral. As you can see, the overall application is a blend of property AND borrower background/history to ensure that the asset will "pencil out" and the borrower will service the debt.

To proactively dig a little deeper into borrower preparedness, the key documentation required for SBA and USDA loans include:

Standard documents

- Borrower Application
- Personal Financial Statement
- Form 4506T – Verification of Tax Transcripts

Financial Documents

- 3 years of most recent tax returns
- Current year statement of income (if applicable)
- Detailed business projections & assumptions

Business Plan

- Description of the business
- Marketing plan
- Analysis of competition
- Background of ownership & key personnel

2021 Outlooks

While 2020 was an anomaly year, with many lenders retracting from marinas altogether, the 2021 lending environment has been somewhat scattered depending on region. Some regions see many lenders entertaining marina (especially those local to the property), while others see a complete avoidance. Stimulus funding has paved the way for SBA & USDA guaranteed financing to be the leading source of capital for all business owners. Key incentives include: 1) waiver of guarantee fees; 2) payment relief; 3) longer terms; and 4) longer amortizations (up to 40 years).

As many new business owners are relocating out of the cities and seeking out either primary residences and/or new businesses to grow, demand for marinas in rural markets has risen and created more opportunity for business owners to find that dream business and/or active retirement. While lenders in general are less inclined to finance special purpose properties like marinas, or are likely very conservative on terms, SBA and USDA guaranteed financing has quickly become the best alternative and a popular choice for new marina owners that qualify.

In summary, these nationwide programs differ from conventional financing primarily by allowing for higher leverage, longer terms, fewer loan covenants, and lower transaction costs than conventional financing. Additionally, the programs offer government guarantees of up to 90% which is an attractive credit enhancement to prospective lenders.

MARINA INDUSTRY CONSOLIDATION | BY: BRETT MURPHY—VICE PRESIDENT OF INVESTMENTS

Looking back at 2020 and well throughout the first half of 2021, consolidation is very much alive. At the institutional level we have seen numerous single-asset acquisitions and smaller portfolio sales; the success and outlook for these assets has captured the attention of private equity, family offices and REITs all around the country.

2020/1H 2021 Notable Transactions

- Sun Communities, Inc. acquired Safe Harbor Marinas for \$2.1B in October 2020
- Safe Harbor Marinas acquired Rybovich and Lauderdale Marine Center
- Suntex Marinas recapitalization - this has better positioned Suntex for future acquisitions and growth
- Southern Marinas sold 12-marina portfolio in February 2021 (Partnered with new equity shortly after)
- Aqua Marine Partners and Prime Marina Group divested of holdings

What Does Consolidation Mean?

First, consolidation is a strong indicator of interest and demand in the marina space. The portfolio “roll-up” strategy is most intriguing to institutional investors because large sums of capital can be put to work at once, fully capitalizing on the attractive yield the asset class has to offer. The Sun Communities, Inc. acquisition of Safe Harbor Marinas, for example, signaled two important factors of competition at this level: 1) the strength of the SHM platform and the virtual irreplaceability or replicability of a similar platform (i.e. scarcity); and 2) investors from other product types have taken interest in the space, creating more competition for great properties. But over the last few years we have seen opportunities to acquire Tier 1 assets quickly diminishing, limiting future opportunity and scalability for new market entrants.

Second, consolidation results in subsequent ripples throughout the entire marina industry, largely reflective in overall transaction volume, sales prices, investor target acquisition markets, and how future investors will follow suit. Portfolio sales with strong cash flows and market share (e.g. Loggerhead Portfolio sale in 2019) are less common than smaller 2- and 3-property portfolio sales, but they do exist (most recently with Southern Marinas in Feb. 2021). For instance, in 2019 and 2020 we recorded 14 and 12 marinas involved in smaller portfolio sales, respectively, compared to

singled digits in 2018 and near zero in years prior to 2015 (Safe Harbor realized significant growth in 2015-2017) (Figure 1).

Better Boater Experience

Considering other effects consolidation may have on individual marinas and the boater experience, we see many, if not all, of these platforms bring in expert management, better amenities and more services at their facilities. New capital also brings the ability to expand (when available) and remedy deferred maintenance that a former owner may not have had the wherewithal to accomplish. While these opportunities are more “B-Class” and occasionally “C-Class” marinas in terms of general condition, they are typically on course to becoming Tier 1 and Tier 2 assets shortly after new ownership upgrades the facilities accordingly. Thus, this is a strategy that can be very lucrative for groups that can successfully acquire the assets, inject the capital for improvements and drive a solid customer base to the property.

We note many new entrants to the space coming from other product types as well, namely RV parks, manufactured housing communities and self-storage. While similar in operation to a degree, most of the product types find themselves paired with a marina component in various locations; it is not uncommon for lake marinas to offer RV sites on the uplands, for example. Thus, these investors who are new to the marina space bring an expertise and base knowledge that will serve them well for acquiring more marina-centric assets, to either expand on their core focus or translate knowledge and management experience to the marina asset class.

As we look at the second half of 2021 and into 2022, we expect consolidation to continue as capital is more abundant than ever and many new investor groups are in a better position to execute on acquisitions. Furthermore, we are eager to see how this demand impacts the marina market, transaction velocity, and individual “roll-up” strategies moving into 2022.

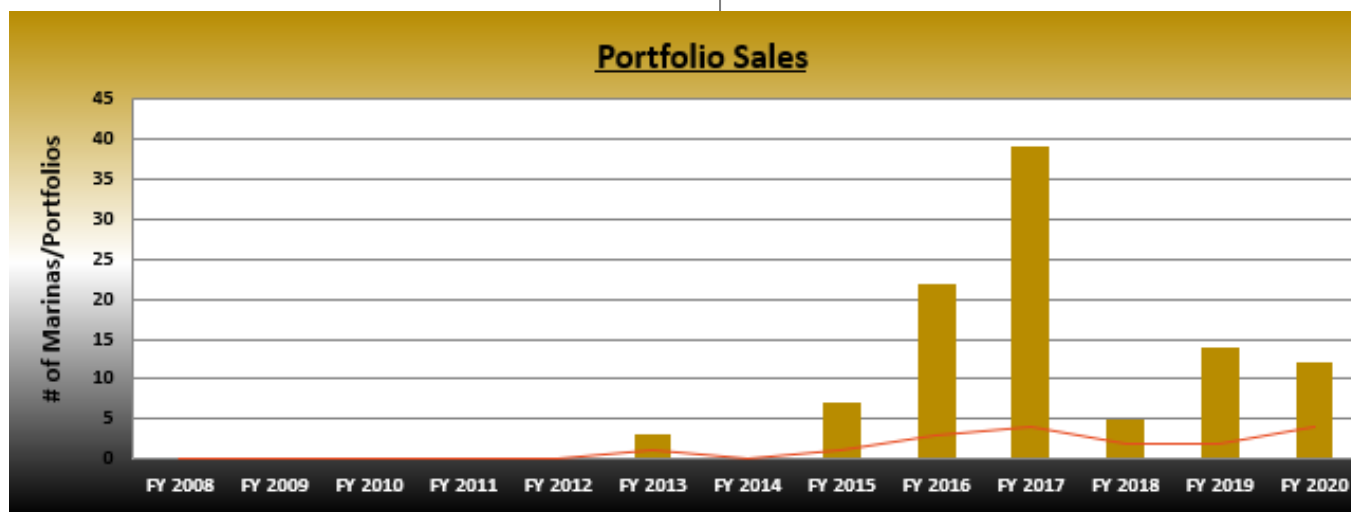


Fig. 1

PREPARING YOUR MARINA FOR SALE | BY: JEFF SPILMAN, CCIM—VICE PRESIDENT OF INVESTMENTS

As with most businesses, preparing for the sale of a marina facility requires planning and sometimes clean-up so the marina is viewed in the best light possible on the market. As the owner of a marina, you may have operated the marina for many years or just a few. Regardless, it is always important to assess your property through the eyes of a buyer. What potential “negatives” might stand out to fresh eyes? If you were the buyer, what would concern you about making the purchase? Where can a buyer find growth opportunities and strategies for greater profitability?

Cap-Ex & Cosmetic Repairs

It is not uncommon for many owners to decide to sell when there are outstanding cosmetic/minor repairs needed around the property. These are typically quick fixes to enhance the property’s presentation to buyers. Before addressing these, we always recommend a thorough assessment of infrastructure and heavy equipment to determine if there are items you can repair before hitting the market, or if these are items better left to a new owner with a long-term plan. These areas include: any deferred maintenance affecting the seawall, dredging, slips/racks, ramps, fork-lifts/travel-lifts, utilities, decking, electrical to slips up to code, roofs, parking, utilities like water and sewer, and general grounds condition.

Moving to the “curb appeal” items, you want your marina to look clean and presentable when buyers tour. Fresh paint, fresh landscaping, clearing out unused equipment and scraps, as well as organizing the ship’s store go a long way. Abandoned boats, broken cars, trailers, and rubbish on-site are also cause for concern to a buyer. Great first impressions are made with great curb appeal, which is just as important for your marina as it is for a house.

Problems that are known before going to market can usually be solved or at least accounted for on the market. Problems that surprisingly arise in the middle of a deal, however, can derail the transaction and cost the seller significant money that could have been avoided with proper attention on the front end.

Preemptive Investigations

To get ahead of potential “surprises”, we have a few suggestions:

Environmental: It is good practice to have a Phase I environmental study completed before going to market IF you suspect there could be a problem. Are your fuel tanks up to code? Is there hazardous runoff from your service department impacting the water and soil? Any potential problems known on the front end will save you time, money and legal liability down the road with a potential buyer.

Title: Have an owner’s title check completed to see if there are any clouds on the title that could cause a problem getting a deal closed. It is not expensive and worth the peace of mind. Are there any survey issues that have not been addressed? We recommend solving those before going to market.

Financials & Accounting

After addressing the physical items of the marina, it is time to look at the financial performance and valuation of the business. We recommend a complete Strategic Analysis because it offers owners a comprehensive approach to understanding the various exit options they can pursue, as well as learn the value of the marina in the current market. To start,

financial data normally requested includes:

P&Ls:

- 2-3 year-end P&Ls detailing Revenues, Cost of Goods Sold (COGS) and Expenses
- Each Profit Center (restaurant, ship’s store, service department, etc.) broken out to isolate the various income streams
- If you are taking cash, you need to start booking it 12 months before a sale for that income to be considered as part of the value of the marina.
- Identify one-time Capital Expenditures in the operating expenses, and significant personal items that are not pertinent to the marina business

Rent Rolls:

- Organized and up-to-date list of your slips, racks, and/or land storage
- Occupancy rates for each storage option
- Rent rolls of on-site commercial tenants
- Rental rates associated with each storage option and tenant

List of Capital Improvements Made (Cap-Ex): A list of major capital improvements you have made over the last 3-5 years, including the cost of each improvement. Identifying those items will accurately reflect operating expenses vs. the one-time capital expenditures to improve the property, translating into a more accurate valuation of your marina.

Appraisal: If available, an appraisal can provide additional detail on the property, and down the road information for a potential buyer to review. We recommend reviewing the appraisal to ensure the facility details are still accurate, while noting any changes that have been made since the time of the appraisal.

Survey and Land and Submerged Restrictions: Ideally a recent survey will provide acreage, zoning, land use restrictions, utilities, and land for potential expansion that adds value to the marina. Many marinas operate with subsurface or real estate leases or permits. Put those documents together. If you have a recent survey, ask the surveyor if they would be willing to recertify the survey for a buyer. This will save a great deal of time and money. If you don’t have a survey, optionally, it will save time in the due diligence process if you get a survey before going to market. You can ask to be compensated for the survey by the buyer. A survey will also identify any potential issues for a title report.

PREPARING YOUR MARINA FOR SALE | CONTINUED

Questions to Consider

- What is your exit strategy and how does receipt/re-investment of the net proceeds from a sale help you get to where you want to be?
- How is the property owned, and if there are multiple decision-makers have you thought about what a sale would look like for all parties involved? (i.e. solely owned, partnership, LLC, etc.)
- What operational matters need to be addressed? (i.e. does the staff know about the sale and do they wish to stay on board, are there outstanding obligations to your customers, are third-party vendors agreements/licenses/leases ready for transfer, etc.)
- If you do not 1031 exchange for re-investment of your net proceeds, are you informed on the amount of capital gains tax you could owe, and are you prepared to pay it?
- Have you considered your approximate loan payoff amount, if any? Is there a prepayment penalty? This penalty could be a deal killer for you. Best to know about it up front.
- Is there a liquor and/or beer license which is assumable or that needs to be obtained?
- Do you know the value of your marina at the time you begin to think of selling?
- Do you offer services compared to your competition? If not, how does it affect your occupancy?

What is Your Marina Worth?

You do not have to do all the above before we can help you understand the value of your marina. With the above critical information (like the P&Ls and rent rolls), we prepare you with a complete **Strategic Analysis**. This analysis includes the following:

- Complete and detailed financial analysis showing the investment financial position and how it relates to the current marketplace
- Analysis of your current operation and any issues
- Competitive market rate analysis
- Competitive marina sales analysis
- Pro Forma Business Plan that outlines a path to future profitability
- Pre-marketing recommendations
- Suggested asking price and likely sales price range

When all combined, a valuation, cosmetic repairs and any deferred maintenance remediation will ensure you are in a strong position as you prepare for a sale. The analysis will help you make rational business decisions as you move forward; minor cosmetic touches and repairs will increase property presentation; and maintaining organized files will allow for a smoother transaction when you do decide to sell. **Helping owners achieve this peace of mind and clarity of direction as they navigate the complexities of a sale is what the Leisure Investment Properties Group does.** Our analysis, presentation and packaging is institutional-grade and offered to every marina owner because understanding your investment and how it can help you get to where you want to be is too important to you and your family's future to be approached any other way.

WET SLIPS & DRY RACKS			
Slip No.	Slip Type	Slip Status	Slip Date
101	Wet Slip	Active	10/1/2020
102	Wet Slip	Active	10/1/2020
103	Wet Slip	Active	10/1/2020
104	Wet Slip	Active	10/1/2020
105	Wet Slip	Active	10/1/2020
106	Wet Slip	Active	10/1/2020
107	Wet Slip	Active	10/1/2020
108	Wet Slip	Active	10/1/2020
109	Wet Slip	Active	10/1/2020
110	Wet Slip	Active	10/1/2020
111	Wet Slip	Active	10/1/2020
112	Wet Slip	Active	10/1/2020
113	Wet Slip	Active	10/1/2020
114	Wet Slip	Active	10/1/2020
115	Wet Slip	Active	10/1/2020
116	Wet Slip	Active	10/1/2020
117	Wet Slip	Active	10/1/2020
118	Wet Slip	Active	10/1/2020
119	Wet Slip	Active	10/1/2020
120	Wet Slip	Active	10/1/2020

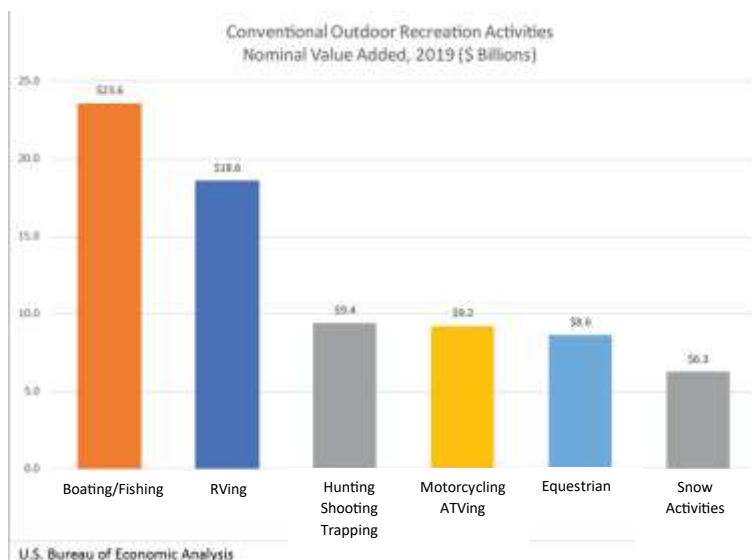


COMPETITIVE SURVEY			
Marina Name	Location	Size (Acres)	Occupancy (%)
Marina A	Location A	100	85
Marina B	Location B	150	75
Marina C	Location C	200	90
Marina D	Location D	120	80
Marina E	Location E	180	70
Marina F	Location F	140	88
Marina G	Location G	160	78
Marina H	Location H	110	82
Marina I	Location I	130	72
Marina J	Location J	170	85

5-YEAR CASH FLOWS			
Year	Revenue	Expenses	Net Cash Flow
2020	\$1,200,000	\$800,000	\$400,000
2021	\$1,300,000	\$850,000	\$450,000
2022	\$1,400,000	\$900,000	\$500,000
2023	\$1,500,000	\$950,000	\$550,000
2024	\$1,600,000	\$1,000,000	\$600,000

BOAT SALES | BY: BRETT MURPHY AND TERENCE VANEK—SENIOR MANAGING DIRECTOR

Beginning Q2 2020, recreational boating took the nation by storm and continues to be the underlying driver for marine industry growth to date. Recently hitting the milestone of accounting for 2.1% of national GDP (\$460B), recreational boating specifically has an annual economic impact of \$170.3B, supporting approximately 700k jobs and 35k businesses (according to the BEA). Data shows that boating and fishing activities have the largest economic impact of all conventional outdoor activities, followed by RVing (another sector that fared very well during the pandemic). This is important to note because there is speculation that the increased demand will drop off very soon. While in the long run sales are likely to decline from the banner year that was 2020, the attitude towards, and lifestyle changes in favor of, boating are likely to persist.



Demand for boats both new and used was incredibly high in 2020, hitting a 13-year high for boat sales, according to the NMMA. More boaters sought out wet slips and dry rack storage resulting in exceptional marina performance nationwide, with record-level occupancies, rate increases, higher fuel sales and additional profits through ancillary income streams. When the world took a pause, families found solace in boating, fishing and recreating outdoors with friends – for many of which this has turned into a newfound lifestyle.

The Economics

Typically boat dealership profit margins average in the high single digits to low double digits. With more than 310,000 new powerboats sold in 2020 (NMMA) – a 12% increase from 2019 – a shortage of inventory resulted which led to buyers paying over asking price on new and used inventory in 2020. Thus, margins were driven higher as each unit left the floor and overall inventory compressed. The nation-wide demand for boats not only overwhelmed manufacturers in the front office, but the backlog of new orders and shipments were met with equal troubles from an input/supplier perspective with various parts and materials unavailable to complete boats. While these supply chain issues were occurring behind the scenes, boat buyers could very easily see the lack of supply on the show room floor, which served as motivation to get in now while product is available versus waiting for months indefinitely for a vessel to become available.

As the economics will have it, the combination of these factors created

fantastic 2020s for boat dealers with many recording their best year ever. Overall, the combined sales volume of boats, marine services and other marine-related products is up 9% from 2019, for a combined total of \$47B (and up 30% in 2021), according to NMMA. Plus, boat options such as fishing boats and pontoons (accounting for 50% of all new powerboats sold in 2020) offer favorable entry-level price points, making recreational boating an attractive investment for long-term fun with family and friends. In fact, **61% of boat owners have an annual income of \$75k or less**, according to the U.S. Coast Guard.

Supply Chain

High demand is always a positive, but it can come with disadvantages when we look at sustainable output. Many dealers found themselves with empty showrooms and a long list of deposits for inventory they would not be delivered for several months. While today's demand could not have been predicted, dealers all over the US would have no problem selling additional boats if the inventory was available. Since learning how the boating industry would be affected by the pandemic, manufacturers have adapted by expanding boatbuilding capabilities, creating better administrative and logistics systems, and increasing focus on communication. Included in this new operating style is adjusting to the various vendor constraints – specifically a few key parts/materials that are needed to complete a new build (e.g. engines, chrome, foam, resin, etc.). While these challenges are being worked through as quickly as possible, there is still a resultant lag time and lack of inventory that filters down to boat dealers and ultimately the customer.

We believe that the shock of heightened demand felt in 2020 has subsided and that manufacturers are now better equipped strategically and operationally to accommodate demand. Supply chain issues will continue to be an impediment to the boat sales segment throughout 2021 and well into 2022, and this will impact both current inventory levels, as well as inventory allotted to each dealer. While there are several challenges facing the boatbuilding segment, it is encouraging to see continued expansion and consolidation by dealers and manufacturers; each player striving to capitalize on the demand and growth that the industry is realizing today.

Trends

“For the first time in more than a decade, we saw an increase in first-time boat buyers, who helped spur growth of versatile, smaller boats – less than 26 feet – that are often towed to local waterways and provide a variety of boating experiences, from fishing to watersports”, according to NMMA President Frank Hugelmeyer. Most recent data reported by NMMA shows us that runabout boats, pontoons, wake sport boats and cruisers were the leading boat types for new powerboats in April 2021 (on a trailing twelve-month basis these lines were up 40-50% YOY!).

The NMMA reports the following statistics for new powerboat retail unit sales in 2020:

Inboard Wake Boats:	Up 21% in 2020
New Fishing Boats:	Up 10% in 2020
Pontoon Boats:	Up 17% in 2020
New Cruisers:	Up 20% in 2020
PWC:	Up 8% in 2020 (Up 46% through May 2021)

BOAT SALES | CONTINUED

As we look at marinas around the country, it is no secret that wet slips and dry racks are being built new or upgraded to accommodate larger vessels (especially coastal facilities). This is a persistent trend and one that is here to stay, which we most recently saw in May 2021 as the 41' to 65' and 66'+ categories increased 290% and 44%, respectively, for the month (according to *Statistical Surveys*). Furthermore, sales in 2021 YTD are overall higher than the same time in 2020 - a promising report for the outlook of boat sales over the next 12-18 months. While available data is incomplete, the general trend shows underlying optimism as a result of new and existing boater demand, even amidst supply chain challenges.

Is it fair to say the good times are coming to an end? Not at all. Vicky Yu of NMMA reports that while recording a deceleration in boat sales at the start of 2021, there is still strong demand for boating. In fact, even with "falling" boat registrations, the greater likelihood is that registration decline is the result of inventory shortages and the inability for registrations to take place (NMMA). Our conversations with marina owners that have boat dealerships on-site share similar sentiments – they have taken numerous deposits for boats that manufacturers have yet to deliver, and virtually every dealer is confident that if he or she had been provided more inventory, those boats would be sold too.

As lifestyles change, new jobs are taken, and new families are started outside of major cities, more households are turning to boating in one form or another – be it ownership, boat club or weekend/vacation rental. It is very possible that registrations will maintain current levels well into the future as "pre-paid" boats hit the water in the coming years (i.e. boats already paid for, just yet to be launched) and supply chain issues diminish so boat builders can more readily accommodate demand. Looking forward to the rest of 2021 and into 2022, we are optimistic about the macro-sentiment towards boating, how lifestyle changes are a positive force for the overall marine industry, and what these factors ultimately mean for marinas and marina owners.

The following Key Recreational Boating Industry Facts are sourced from the National Marine Manufacturers Association (NMMA):

Key Recreational Boating Industry Facts

\$
\$170.3B

in annual economic impact


\$43.1B

in annual sales of boat, marine products & services (\$20.3 billion in new boat, engine & accessories sales)


\$2.1B

in annual boat and marine engine exports


691,149

jobs supported


35,277

businesses supported


93%

of U.S. boat manufacturers are small businesses

12 million registered boats

★
95%

of boats sold in the U.S. are made in the U.S.


83%

of boat owners have an annual household income of \$100,000 or less

↔
95%

of boats in the U.S. are under 26-feet and towable

INTERVIEW: OASIS MARINAS INTERVIEWER: BRETT MURPHY | INTERVIEWEE: DAN COWENS



Earlier this year we had the pleasure of sitting down with Founder and CEO of Oasis Marinas, Dan Cowens. Dan has over 25 years of experience in hospitality management services and is the architect of Oasis Marinas' vision to provide high-quality marina management services in Annapolis and around the world. We discuss the foundation of Oasis and how the company strives to provide premier marina management services to every property, the current marina environment and operational outlooks for 2021.

Brett Murphy: *Dan, thank you for taking the time to share the story of Oasis and how your company can benefit owners worldwide. To open the conversation, tell us how Oasis Marinas got started.*

Dan Cowens: Oasis was created because I was a frustrated customer! As a boater and having grown up in the hospitality industry there seemed to be an opportunity in the space. After some initial research with friends and some of my cohort mates from UMD Smith School of Business we realized that the industry was widely fragmented and there was no clear "Marriott" brand leader. We bet our life savings that if we built our business model around the customer experience and made it scalable, we could create something amazing with people we love and respect. Out of that modeling both Oasis Marinas and Snag-A-Slip were born.

Murphy: *Very cool! When you thought about becoming the "Marriott" in the marina industry, what experience and general services did you set out to offer guests?*

Cowens: Peace of Mind. We are a fully integrated tech-enabled service offering which sounds awesome, but what it means is Oasis offers marina owners many options which may include Consulting, Design-Build, or Turnkey Marina Management. We offer marina owners an opportunity to own the real estate and enjoy the benefits of ownership without having the headache of day-to-day operations. As Bob on our team says, "We pay you to run your marina. You get your time back and we send you checks". The line of our logo is more than a tag line, we mean it. Your Marina, Our Systems, Everyone's Oasis!

Murphy: *I know many owners who currently work with your team, as well as many who should! So, you started out in MD, highly concentrated around the Chesapeake but now you have seriously grown the company to several dozen marinas under management. Can you talk about how that footprint looks like and how you plan to continue growing?*

Cowens: Yes, we are currently entrusted to operate more than 40 marinas from the Great Lakes to Florida with the highest concentration around the Mid-Atlantic like you mentioned – again, that is where we were founded. During the Pandemic we were fortunate to continue to growth by adding two new markets, Florida and the Great Lakes. We have to remind ourselves of that from time to time because we now are entrusted with half a dozen locations in those markets, and we only just started doing business there! Moving forward, I would expect we are going to focus not only on new markets but additional locations in the markets we currently serve. But we will always prioritize quality over quantity and ensure that each marina owner is getting the best service and best product.

Murphy: *That's great! And has technology affected your business and overall platform?*

Cowens: It has, and we have been early adopters of technology as well as developers of an aggregator (Snag-A-Slip). This has always been to assist in creating a frictionless way for boaters to connect with available slips and have a seamless transaction. The marina industry was behind many other industries like hotels and parking just five years ago. It has been exciting to see the number of new technologies that have been in attendance at B2B industry shows like MRA, Docks Expo and AMI. I remember when these technologies were in the "other" category. One of the first dock masters to use our aggregator said it best, "Snag-A-Slip is the staff member that I don't have to pay benefits and never sleeps".

Murphy: *Staying on the topic of the COVID-19 pandemic, in what other ways was Oasis affected? You mentioned growth in new markets, but did you see any adverse results?*

Cowens: I can fortunately say that we did not see any adverse effects due to the pandemic, very lucky in that regard. Like much of the marine industry we thrived as marinas were kept open and boaters (new and existing) rushed to the water. Like I mentioned before, we added almost 20 locations to the portfolio during COVID while expanding our product offerings with products like "Oasis Delivers" and "Oasis Amplified". We also renewed several of our existing relationships. Our customers have loved the new offerings and we are always looking for new ways to benefit them and earn their trust.

Murphy: *That is fantastic – adapt and expand. As boat sales and boating activity dramatically increased in 2020, how have you seen marina operations reacting when it comes to day-to-day management?*

Cowens: We have one chance to make a first impression, especially with new boaters so we better make it remarkable. According to NMMA reports, first time boat buyers make up over 11% of the segment. Day to day operations is focused on creating those remarkable experiences so they have a great time and tell others to buy boats. The entire industry wins the more we do that.

Murphy: *Yes, I also saw where 2020 had over one hundred thousand first-time boaters purchase new boats. That's incredible. With so many new boaters and high demand across the board, what challenges did you come across throughout 2020?*

Cowens: We see most challenges as simply opportunities that we have yet to overcome. The largest opportunities we find consistently are significant deferred maintenance and undercapitalized locations. These are not location or geographically exclusive, but the idea of that type of marina is something we often encounter and while it is certainly an opportunity, it represents a different "need" from the marina owner than a marina that is fully occupied and in need of us so they can simply be a passive owner.

Murphy: *And on the topic of boater demand, what are your thoughts on marina occupancies in the coming years after seeing a strong increase in 2020?*

Cowens: They are going to continue to increase as many brands of boats have orders that have yet to be fulfilled. There will also be new methods of boat storage, new ramps and increased demand for convenient ways to store and access your boat. This will be a trend that absolutely persists, and we are excited to be there and ensure boaters have the ultimate marina experience at our properties.

Murphy: *Now, while restrictions due to COVID are loosening, depending on the state, there are still Covid government restrictions, I can only imagine Oasis has taken a number of steps to ensure guest and staff member safety while boating as well.*

Cowens: Absolutely. We started by surveying thousands of boaters to understand what was important to them. From the information we collected we were able to enact a COVID specific safety plan at our locations as well as offering Oasis Delivers and Oasis amplified, our entertainment YouTube channel was established so that our customers can continue to enjoy live entertainment when their locations may be locked down and don't allow groups to gather to enjoy live acoustic music from anywhere they may be. My vision for this was that people would be on their boats watching live performances from local artists and experience it virtually with a boater that may be in the slip next to them, across the marina or the world.

Murphy: *That is an amazing idea! So with your boaters having a great experience at marinas all around the US, let's talk about your customers – the marina owners. First, what type of marina is typical for Oasis to sign on?*

Cowens: While no two marinas are the same and that included Oasis locations as well, we have thrived in locations that have transient boater opportunities as well as upland offerings that allow us to showcase our marketing prowess. That being said, we successfully operate many family-owned locations, municipal locations, developer owned marinas as well as Clubs and HOA marinas too. Each provides a unique opportunity for us to activate the waterfront assisting in getting more people having an awesome time out on the water. We love most things that activate the waterfront. We have wet slips, dry stacks, Boatels, campgrounds, beaches, pools, cottages, buildings, boat

clubs, brokerages, bars and restaurants to name a few. I do find this question to be tricky as we love a challenge; however, we like to find great partners to operate restaurants.

Murphy: *That's good to know. Like you mentioned, no two marinas are alike so for marina owners reading this interview, they may now see Oasis as being a potential option for future management. What would you suggest they do in preparation for hiring a third-party management team like Oasis?*

Cowens: I would suggest outlining what's important to you as the owner and writing it down. Ask, why are you looking to sell or outsource? If you have this prepared it will help to weigh options and makes the choice that you believe is best for you and your family. At Oasis we build our deals so that we win when the marina owner wins. We are not afraid to bet on ourselves. Believe it or not, we find that is not normal!

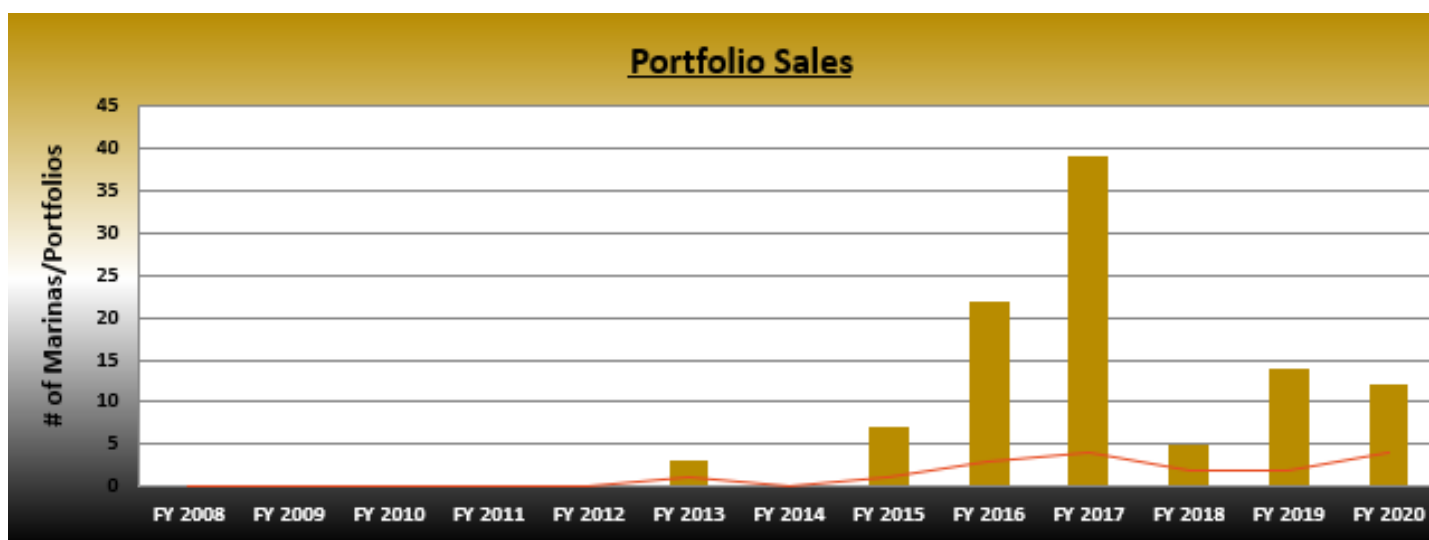
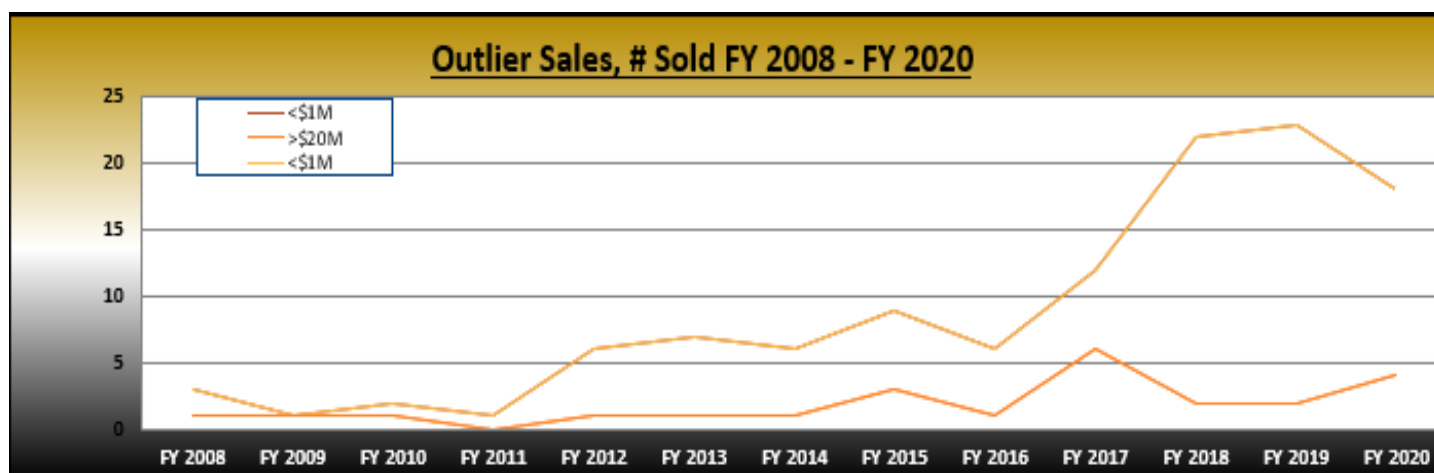
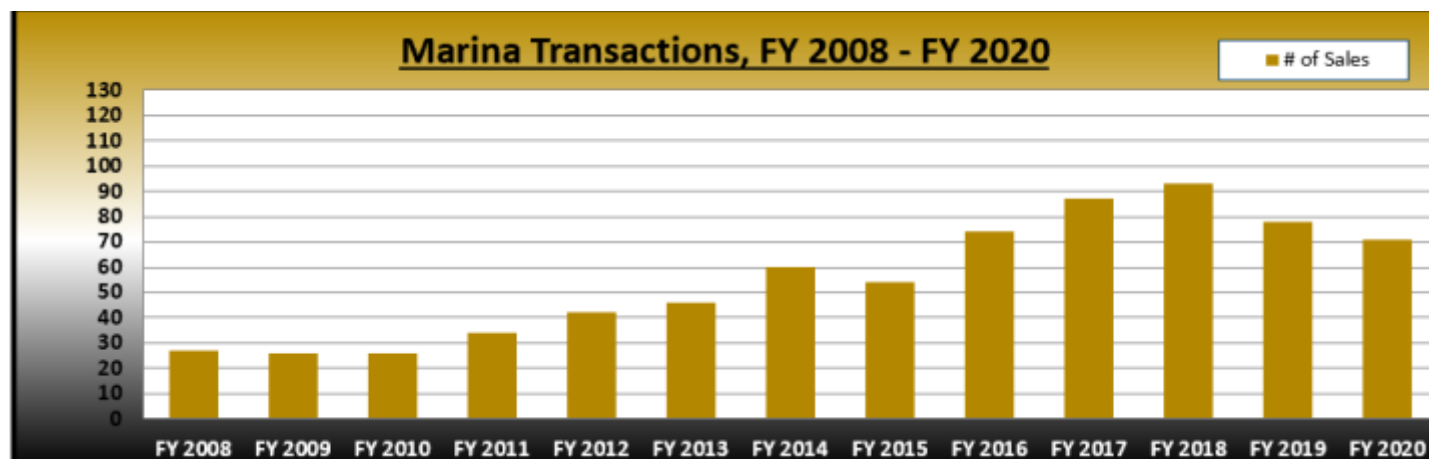
I would also say to make sure that you are engaging with a "partner" that buys into your vision and you have confidence they will be able to deliver on it, not all third-party management is the same. I equate hiring a third-party management team as getting married. Not every day will be perfect, but you must have confidence we will wake up tomorrow and strive to be remarkable. This isn't just trust in the on-site team but the support they receive from the company. I often hear from owners that had poor experiences with other groups that the manager was left on an island and had no support. Everyone on our support team has worn out luggage and has the philosophy of managing by walking around. To illustrate this belief, our Chief Operating Officer doesn't have an office because our expectation is we are customer facing.

Murphy: *Really good advice. For the most effective management and overall ownership success, owners need to view their third-party management as a partnership, a marriage of sorts. Based on that, what final piece of advice would you give marina owners as they think about their own management strategy and day-to-day operations?*

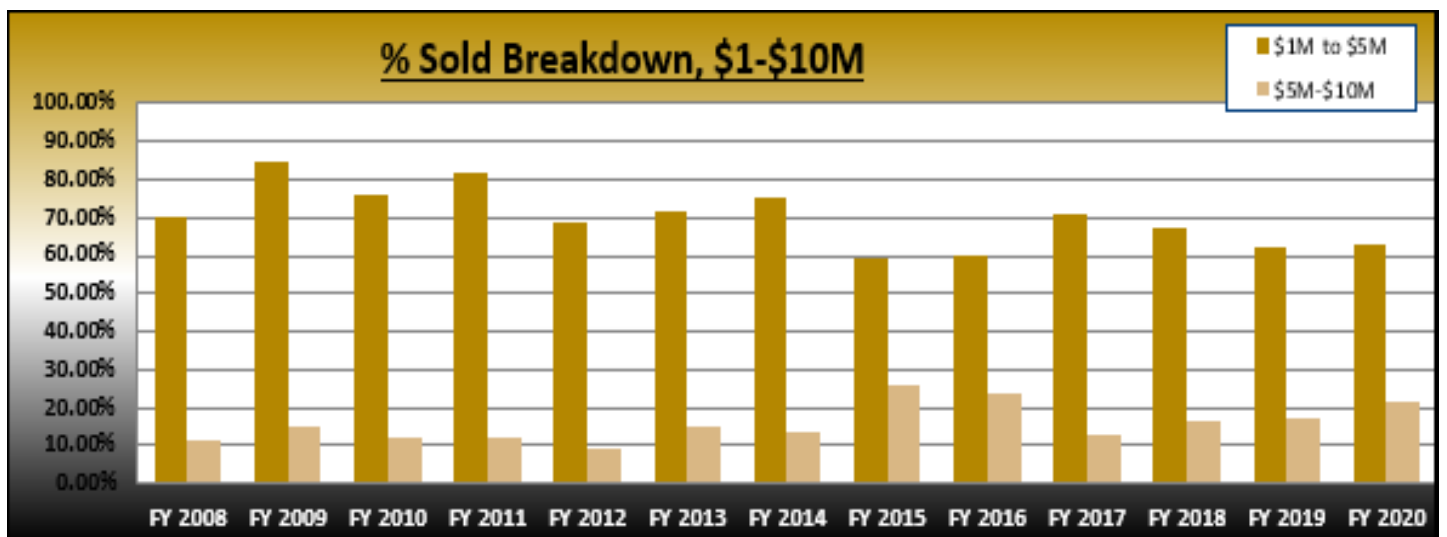
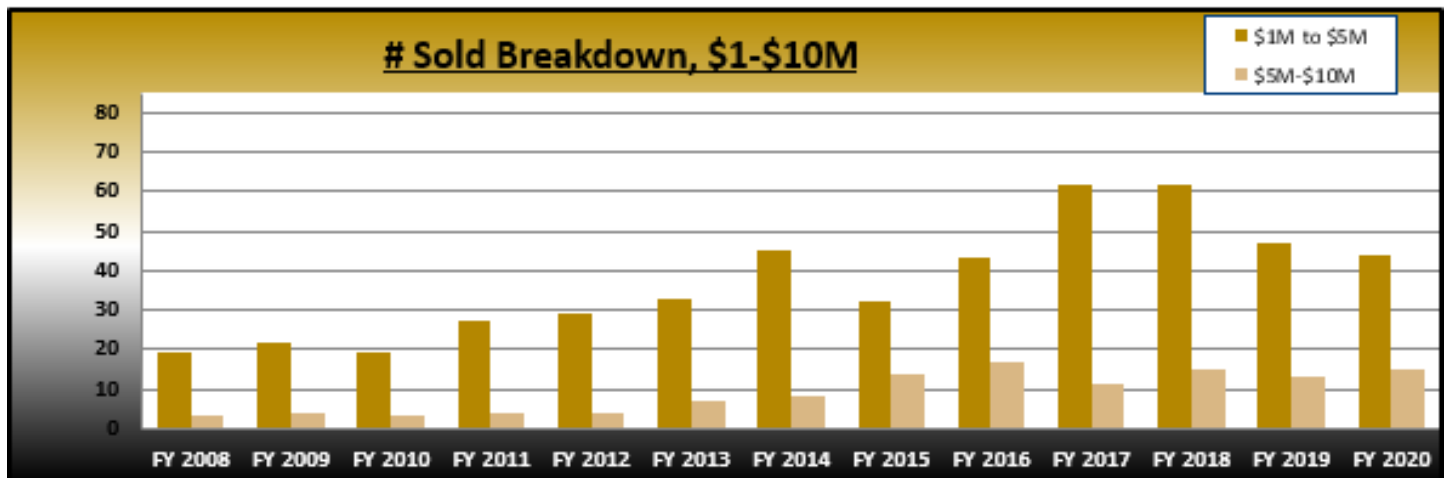
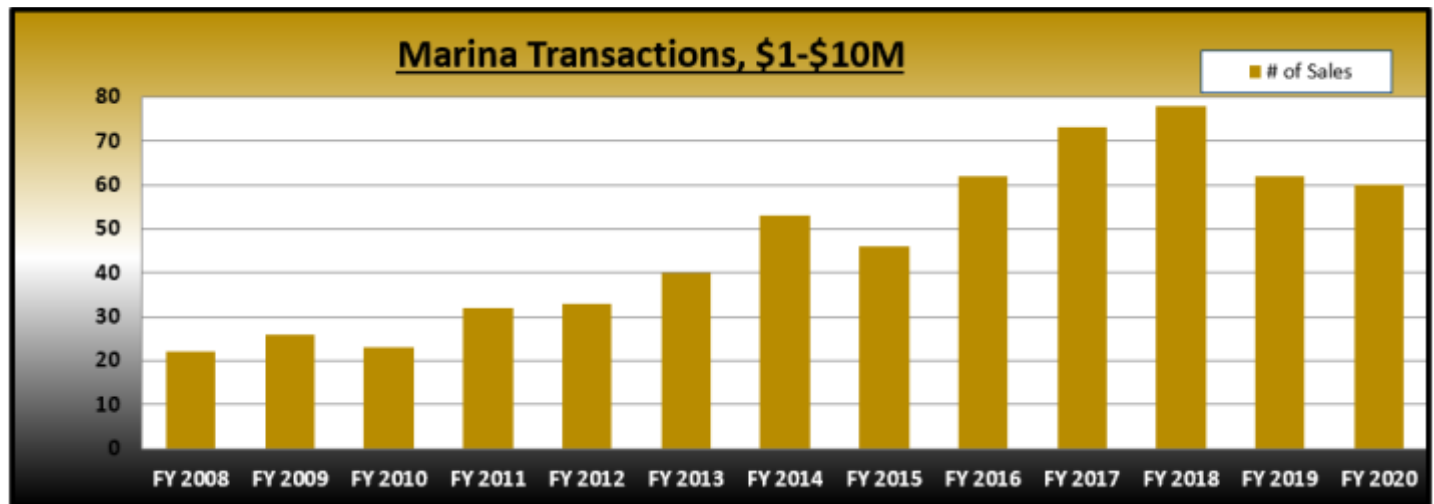
Cowens: Boating is a hospitality / customer service business and boat storage is more like the hotel business than storage. Gone are the days of dock masters with "Captain" in their title barking out orders as we need more people that love to serve others. New boaters are a bad boat season away from a vacation home or taking up golf. We need to be giving them more positive experiences so we can all win together. Like Ram Charan would say, businesses rarely fail due to not having great ideas, they fail because of poor execution. It's not for lack of effort, there are simply only so many minutes in the day to get stuff done. Having a third-party management company give you a team of Ninjas (subject matter experts) to execute on the amazing ideas and vision you have had in your head since you became the owner. We are here to assist in making those dreams a reality. Owning a marina and serving others is an awesome responsibility and should be fun. Its ok to ask for help, I do. We stand ready to serve.

For more information on Dan Cowens and Oasis Marinas, visit their website at www.oasismarinas.com

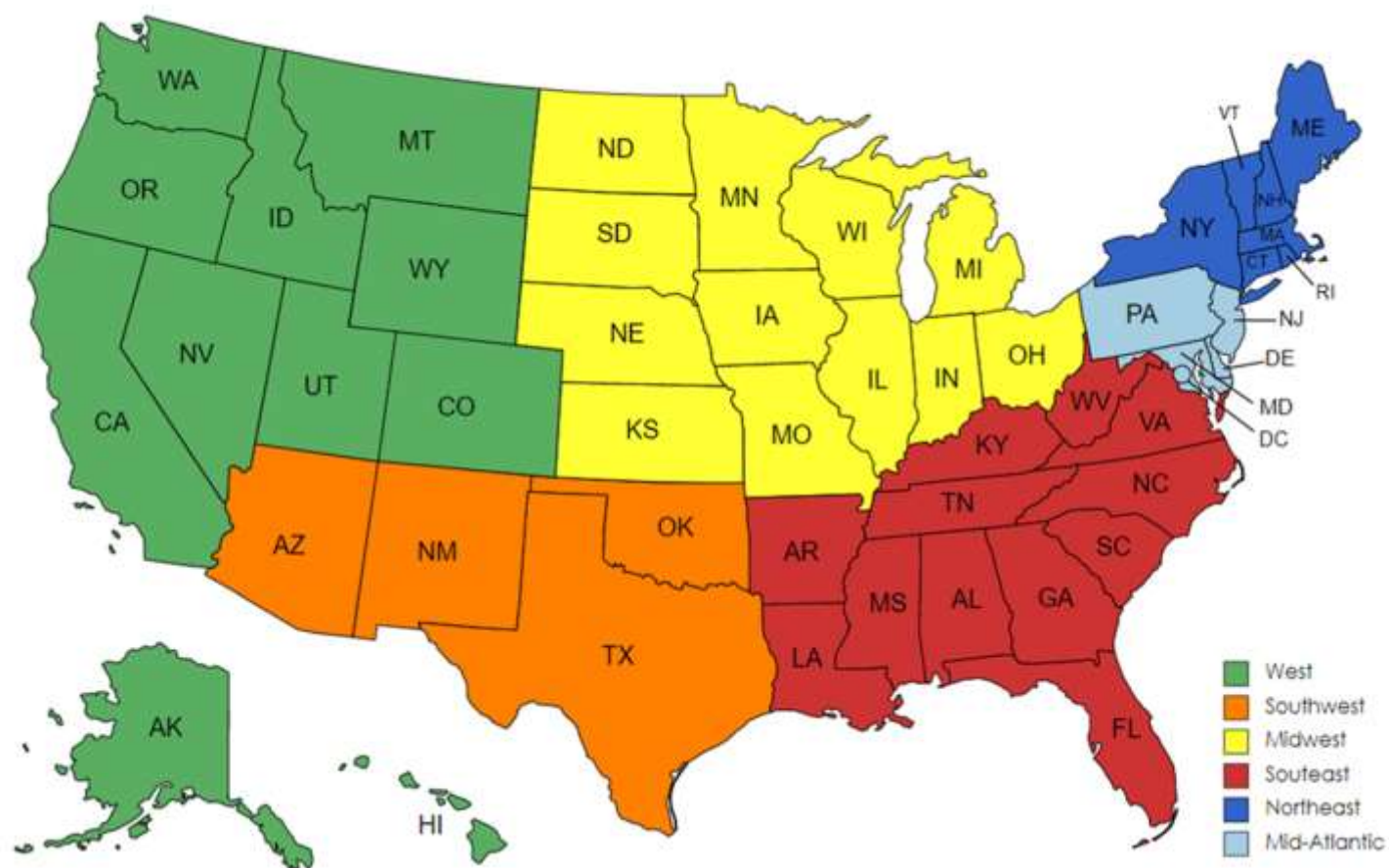
MARINA SALES ACTIVITY | HISTORICAL & FY 2020



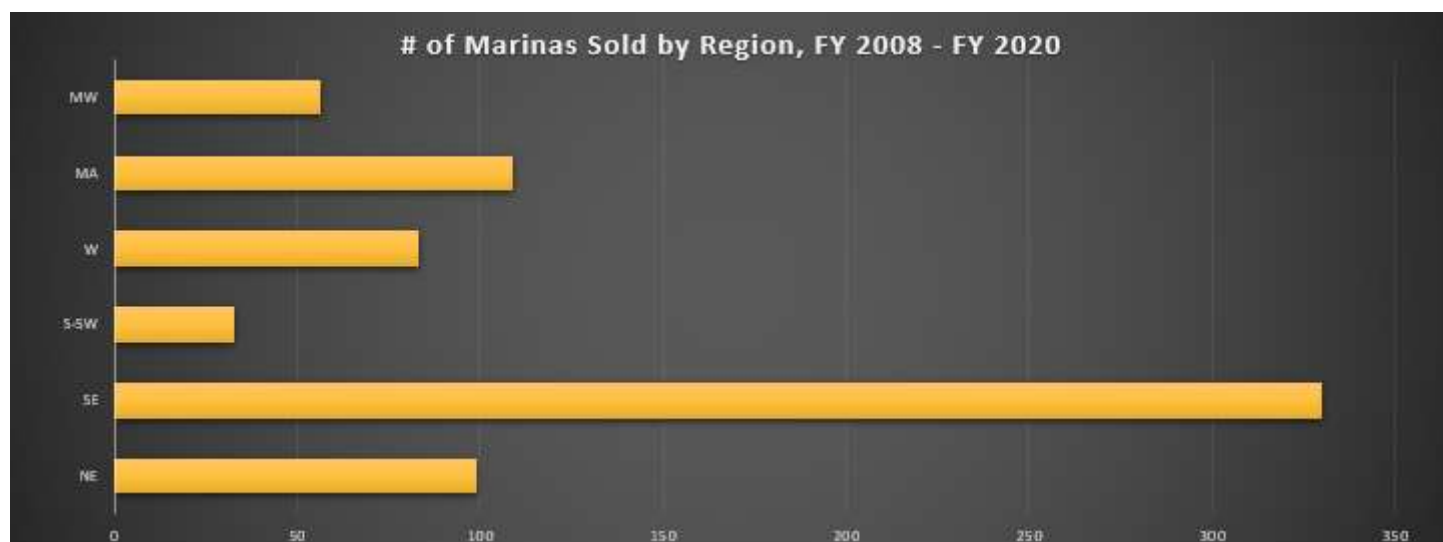
FISCAL YEAR 2020 SALES ACTIVITY—THE \$1M-\$10M TRANCHE



FISCAL YEAR 2020 SALES ACTIVITY—BY THE REGION



	NE	SE	S-SW	W	MA	MW
FY 2020 # Sold	12	37	1	7	7	7



PARTIAL LIST OF INVESTMENT OPPORTUNITIES



Alex Bay Winter Storage & Service Department

New York | \$8,500,000 | 9%+ Cap Rate

- First-Class Operation with Low Maintenance Budget
- Consistently 100% Occupied (245 Vessels Averaging 40-45')
- Active Management Time = 10 Weeks

*Broker of Record: JDS Real Estate Services, Inc.
NY Lic. BRE # 103111206592*



Bayway Marina

New Jersey | \$3,300,000

- 245 Wet Slips (Site Plan for 300 Dry Racks)
- Significant Value-Add Opportunity
- Immediate Access to Bay

*Broker of Record: JDS Real Estate Services, Inc.
NJ Lic. BRE # 1434816*



Matthews Point Marina

North Carolina | \$1,950,000

- 110 Wet Slips (Built New in 2017)
- ValvTect Gas & Diesel | Clubhouse | On-Site Residence
- Numerous Growth Opportunities

*Broker of Record: JDS Real Estate Services, Inc.
NC Lic. # 281180*



Lakeshore Marina

Tennessee | \$11,600,000

- 490 Wet Slips
- On-Site Restaurant | Boat Rentals | Fuel Sales
- Over 14 Fee Simple Acres

*Broker of Record: JDS Real Estate Services, Inc.
TN Lic. # 263826*



"I was promised professionalism, transparency, communication, and an effective marketing process among other things...Jeff and Brett delivered on their promises...if you own a marina and are thinking about selling, I highly recommend speaking with Jeff and Brett."

Former Owner | All Seasons Marina

***For more information, please
contact an LIPG Marina Advisor***

JDS Real Estate Investment Services, Inc.
1231 Puerta Del Sol, Suite 100
San Clemente, CA 92673

LEISURE INVESTMENT PROPERTIES GROUP

GOLF ♦ MARINAS ♦ SKI ♦ RESORTS ♦ PLANNED COMMUNITIES

Leisure Investment Properties Group

2202 N. West Shore Blvd., Suite 252

Tampa, Florida 33607

Marina Division

Steven Ekovich

Executive Managing Director

(813) 503-3118

sekovich@thelipg.com

Brett Murphy

Vice President of Investments

Senior Marina Analyst

(727) 580-0196

bmurphy@thelipg.com

Jeff Spilman, CCIM

Vice President of Investments

(813) 956-3275

jspilman@thelipg.com

Christopher Karamitsos

Senior Managing Director

(813) 493-7686

ckaramitsos@thelipg.com

Terence Vanek

Senior Managing Director

(561) 319-0060

tvanek@thelipg.com

LIPG is a Proud Member of:

