



LIPG

LEISURE INVESTMENT
PROPERTIES GROUP

MARINA INVESTMENT REPORT

2025



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VISION

To be the preeminent leader in business-driven leisure investment real estate and advisory services.

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.

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.

A TRUSTED VISION FOR THE FUTURE OF GOLF

Leisure Investment Properties Group (LIPG) was founded in 2009. Formerly known as the National Golf & Resort Properties Group, LIPG has become the recognized industry leader in brokerage and advisory services exclusively to the Leisure Investment Industry which includes golf courses, marinas, master-planned communities, RV Communities, resorts, and other leisure properties. Since its

inception, LIPG has sold more than 200 properties by utilizing its extensive database of prospective buyers, powerful platform, and proactive marketing techniques. The management team has more than 270 years of combined experience brokering golf courses, marinas, master-planned communities, and other commercial real estate assets.

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EXECUTIVE SUMMARY

FUELING GROWTH: THE BOATING MARKET'S ASCENSION

The boating market maintained its remarkable growth through 2024, driven by technological advancements, innovative boat designs, and a surge in boat ownership among younger generations. Larger vessels, particularly those over 25 feet, continue to fuel demand for marina services, as storing these boats at home is often impractical. This has increased the need for wet slips and dry stack storage, strengthening the marina industry.

NAVIGATING ECONOMIC WATERS: A RECAP OF 2024

Despite ongoing economic fluctuations, the marina industry has remained resilient. Revenues reached \$6.9 billion, marking a 3.1% increase from 2023, with 11,180 marina businesses employing approximately 37,200 workers. However, the narrowing gap between debt costs and capitalization rates poses challenges for marina transactions, especially for buyers requiring financing.

INNOVATION AND INSIGHT: INDUSTRY INTERVIEWS

To gain deeper insights into the evolving marina landscape, we interviewed industry experts. Elsa Nicol, founder of Falco, shared how her company's smart technology is transforming marina operations by optimizing occupancy, monitoring power usage, and enhancing customer service with real-time data. Her insights reveal how tech adoption is driving efficiency and profitability. Additionally, Bob Harty, a marina design and construction advisor with over 40 years of experience, discussed best practices for dock-building, highlighting the importance of durability, material selection, and adapting to regional conditions.

HARBORING GROWTH: MARINAS IN THE LIMELIGHT

Marina rental rates and occupancy remain strong, with high demand driving waitlists. Expansion opportunities through redevelopment and mixed-use components continue to add value. Meanwhile, the rental boat market is thriving, with growing demand for vessels under 45 feet and charter services gaining popularity. Despite limited marina supply, the industry's fundamentals remain robust, presenting ongoing investment potential.



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Fueling Growth

Jeff Spilman, CCIM – Vice President of Investments, Marina Division

THE BOATING MARKET'S ASCENSION

The boating market has sustained its impressive growth into 2025, continuing its strong upward trajectory. Technological advancements, innovative boat designs, and a growing emphasis on eco-friendly electric and hybrid models have fueled consumer interest. Additionally, boat ownership among younger generations has surged, driven by the appeal of outdoor recreation and flexible remote work lifestyles. Notably, larger vessels exceeding 25 feet remain a key driver of marina services, as storing these boats at home is often impractical. This trend has significantly increased the demand for wet slips, dry stack storage, and premium marina amenities, further strengthening the marina industry's expansion.

NAVIGATING ECONOMIC WATERS: A RECAP OF 2024

In 2024, the marina industry sustained solid performance, reporting revenues of \$6.9 billion, marking a modest 3.1% increase from 2023. The sector employed approximately 37,200 workers, up by 1.5% from the previous year, and there were 11,180 marina businesses in operation. Despite ongoing economic fluctuations, the marina market

has exhibited resilience. However, as the gap between debt costs and marina capitalization rates narrows, there are growing concerns that this could widen the divide between buyers and sellers. Nonetheless, the industry fundamentals remain strong, offering support as the market adapts to macroeconomic changes.

Investment activity has remained steady, though slightly subdued, as both median and average sales prices for marinas have continued to rise. Buyers who are acquiring marinas without leverage have kept transactions flowing, but the impact of high interest rates has created challenges for those requiring financing.

HARBORING GROWTH: MARINAS IN THE LIMELIGHT

BOAT SALES

The boating market saw a continued shift in 2024, with boat sales stabilizing after the pandemic surge. While sales have returned to pre-pandemic levels, the total number of boaters has risen significantly compared to before 2020, with a noticeable demographic shift toward younger buyers. Interestingly, the larger yacht segment, typically the first to cool off during economic slowdowns, has remained active. This contrasts with the smaller

yacht segment, which has faced challenges due to the rise in interest rates and inflation, making these boats less affordable. Despite these hurdles, the demand for larger vessels persists, with inventory remaining scarce.



MARINA RENTAL RATES AND OCCUPANCY

Rental rates for slips and dry stack storage have benefited from high occupancy rates and extensive waitlists, trends that remain strong into Q1 2025. This is expected to persist throughout the year, though some locations are experiencing vacancies due to property-specific issues like deferred maintenance or lack of amenities. The primary factors driving demand for marina space include:

1. Limited marina supply.
2. Increasing demand for storage space.
3. Impulse boat purchases at boat shows.
4. The inability to store boats elsewhere.

Suburban and rural marinas continue to benefit from net migration trends, with many new boat owners seeking second homes near lakes and coastal areas, a shift that began during the pandemic. Redevelopment and repurposing opportunities also remain a key growth factor for marinas, as these projects enhance existing facilities and introduce new, value-added amenities.

RENTAL BOATS

The boat rental market expanded in 2024, as more people turned to rental options for fishing boats, yachts, and other types of watercraft. Boats up to 28 feet remained the most sought-after for rental, with boats between 28 and 45 feet also experienced high demand. While boats over 45 feet had a limited market, charter rentals, and day cruises became increasingly popular. The boat rental industry has significant growth potential, with expectations to surpass \$280.2 million by 2028.

Rental boat companies like Freedom Boat Club, Nautical Boat Club, Your Boat Club, and Carefree remain strong tenants for marinas with extra space. These companies are often better financed than individual boat owners and tend to be reliable with timely payments, ensuring stable income for marina operators.

THE SUPPLY SIDE

According to IBISWorld, there are approximately 10,500 marinas in use in the United States. While the overall supply of marinas is not growing at the same pace as industries like self-storage, new marina developments are still coming online with some regularity. The permitting and approval process can be lengthy and costly, but with careful planning, new marinas can become profitable assets and contribute to local economies.

Expansion opportunities for existing marinas, such as adding new capacity, amenities, or mixed-use components, remain common, and can significantly enhance value. These developments focus on expanding storage capacity— a core profit driver for marinas— while also introducing complementary services like restaurants or retail spaces.

The main takeaway is that new marina developments face significant barriers to entry due to zoning, capital requirements, and environmental considerations. However, limited supply creates a competitive advantage for existing marinas. Conversely, marinas in low-demand areas with excess supply are more prone to vacancies, often due to location rather than property-specific issues. Operators of such marinas need to assess market demand carefully to improve operations or introduce new revenue-generating opportunities.

LIPG National Marina Sales Data | \$1M - \$20M Transactions

	# of Sales	Average Price	% Change	Median Price	% Change
2008	26	\$ 3,802,115	N/A	\$ 1,725,000	N/A
2009	27	\$ 3,384,343	-10.99%	\$ 2,200,000	27.54%
2010	27	\$ 3,215,593	-4.99%	\$ 2,450,000	11.36%
2011	30	\$ 2,363,473	-26.50%	\$ 2,057,500	-16.02%
2012	33	\$ 3,161,939	33.78%	\$ 2,325,000	13.00%
2013	47	\$ 3,059,931	-3.23%	\$ 2,450,000	5.38%
2014	51	\$ 3,613,645	18.10%	\$ 2,060,000	-15.92%
2015	50	\$ 4,124,388	14.13%	\$ 2,350,000	14.08%
2016	79	\$ 4,122,167	-0.05%	\$ 3,200,000	36.17%
2017	74	\$ 3,911,365	-5.11%	\$ 2,750,000	-14.06%
2018	83	\$ 3,755,189	-3.99%	\$ 3,150,000	14.55%
2019	87	\$ 4,447,740	18.44%	\$ 3,800,000	20.63%
2020	81	\$ 4,328,758	-2.68%	\$ 2,600,000	-31.58%
2021	143	\$ 4,873,758	12.60%	\$ 3,160,000	21.54%
2022	129	\$ 4,468,685	-8.31%	\$ 2,750,000	-12.97%
2023	78	\$ 4,493,488	.56%	\$ 3,180,500	15.56%
2024	70	\$ 3,802,210	-15.00%	\$ 3,600,000	13.00%
Total	1,115				

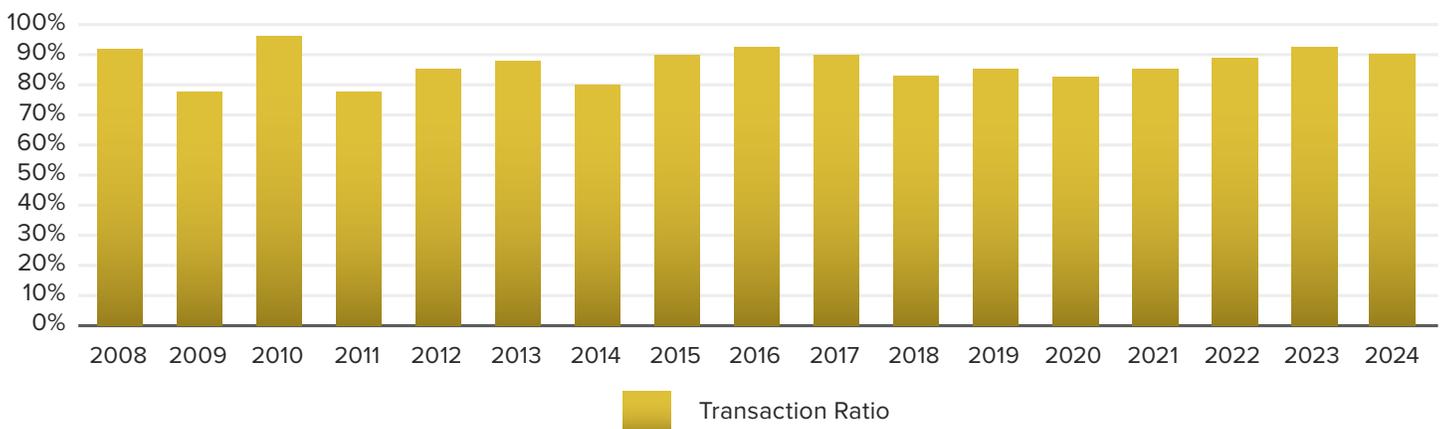
The Economy And Marinas: Inflation Metrics Present A Mixed Bag

Beux Leto – Associate Advisor, Marina Division

As of February 2025, the Consumer Price Index (CPI) increased by 2.8% year-over-year, down from January's 3.0% rise. This deceleration is attributed to stable energy prices and modest food cost increases. The core CPI, which excludes food and energy, rose by 3.1% over the same period, indicating ongoing inflationary pressures in other sectors. Additionally, average hourly earnings grew by 4.0% year-over-year in February, reflecting sustained wage growth according to the Bureau of Labor Statistics. These factors suggest that the economy continues to operate at a pace exceeding the Federal Reserve's preferred inflation target.

For marina owners and investors, 2025 brings both challenges and opportunities. Rising labor costs continue to impact operating expenses, but demand for marina space and the potential for higher rental rates remain strong. If inflation remains stable and interest rates decline further, the marina investment landscape could see improved conditions, with greater access to capital and more favorable financing options.

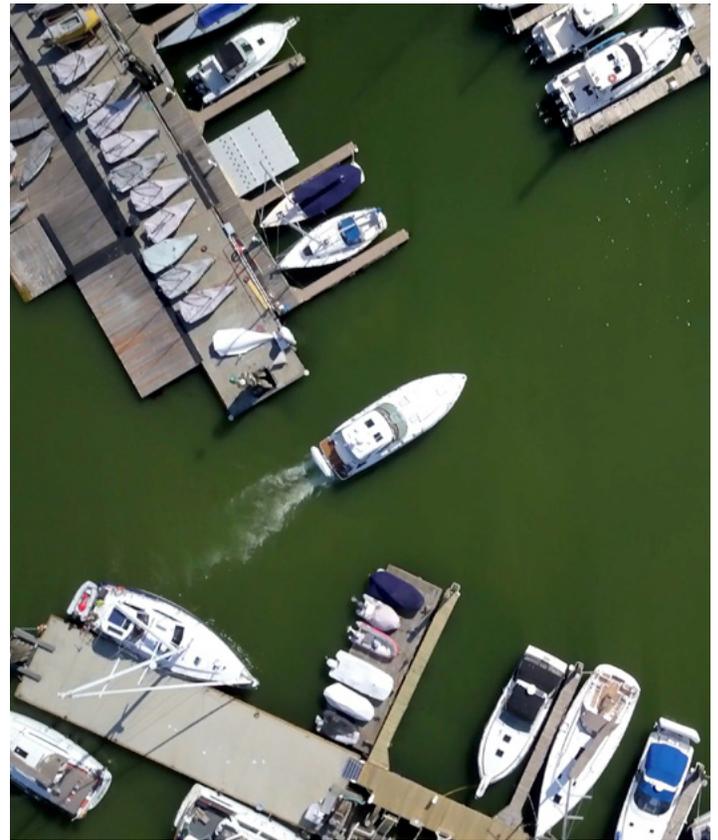
Sales in \$1M - 20M Transaction Ratio



INVESTMENT ACTIVITY

Marina sales data for 2024 showed market trends in flux. Transaction volume has increased slightly among smaller value properties, but the median sales price has increased where the average sale price has decreased. The average sale price has dropped from \$4,493,488 to \$3,802,210, a decrease of 15%. While the total number of sale between \$1-20M has decreased from 78 in 2023 to 70 in 2024, the median sales price in 2024 saw a notable increase, climbing from \$3,180,500 in 2023 to \$3,600,000, a 13% rise.

The marina market's total value is expected to continue expanding, subject to unusually high increases of insurance costs with projections indicating it will reach \$22.84 billion by 2027, reflecting a compound annual growth rate (CAGR) of 4.9%.



OUR MARKET FORECAST 2025

Looking ahead to 2025, the marina market remains cautiously optimistic but is navigating a complex economic environment. While the effects of interest rates adjusting and continued moderate operating costs are expected to linger, the underlying fundamentals for marinas remain robust. We anticipate ongoing consolidation in the industry, with institutional investors focusing on stabilized assets and marinas with value-added potential. Several key trends and factors will shape the marina market in 2025:

STABLE OCCUPANCY & RATE GROWTH

Occupancy rates are expected to remain strong in most areas in the country, and marinas will continue to experience increased slip and rack rates. With ongoing demand for boat storage, particularly in high-demand coastal areas, marinas will likely see steady revenue growth, especially for those that have adapted to market demands.

ENHANCED BOAT RETENTION STRATEGIES

Marinas will further prioritize customer retention through community-building initiatives and enhanced amenities. Offering value-added services, such as concierge programs, lifestyle experiences, and convenient maintenance solutions, will become even more critical for retaining boat owners. However, there will continue to be a strong demand for marinas with limited services to simplify management intensity.

POTENTIAL DECLINE IN INTEREST RATES

A gradual easing of interest rates is anticipated in 2025, which may likely provide more favorable financing conditions for marina investments. However, bank financing will continue to be challenging because banks are limited in how many specialty type properties/businesses they can put on their books. For individuals and small investment groups, a solid banking relationship is key.

GROWTH OF BOAT RENTAL & SHARED OWNERSHIP MODELS

The boat rental market will continue to grow, as more boaters opt for shared ownership or rental services instead of traditional ownership. Marinas with underutilized space will benefit from diversifying into the boat rental sector, driving additional revenue streams.

INSURANCE & RISK MANAGEMENT CHALLENGES

Rising insurance rates and increased risk from natural disasters will continue to put pressure on marina valuations, particularly in regions prone to hurricanes or other severe weather events. Marinas will need to assess their risk exposure and invest in resilience measures to mitigate costs. Insurance cost could be a driving factor in increasing rental rates just to keep up.

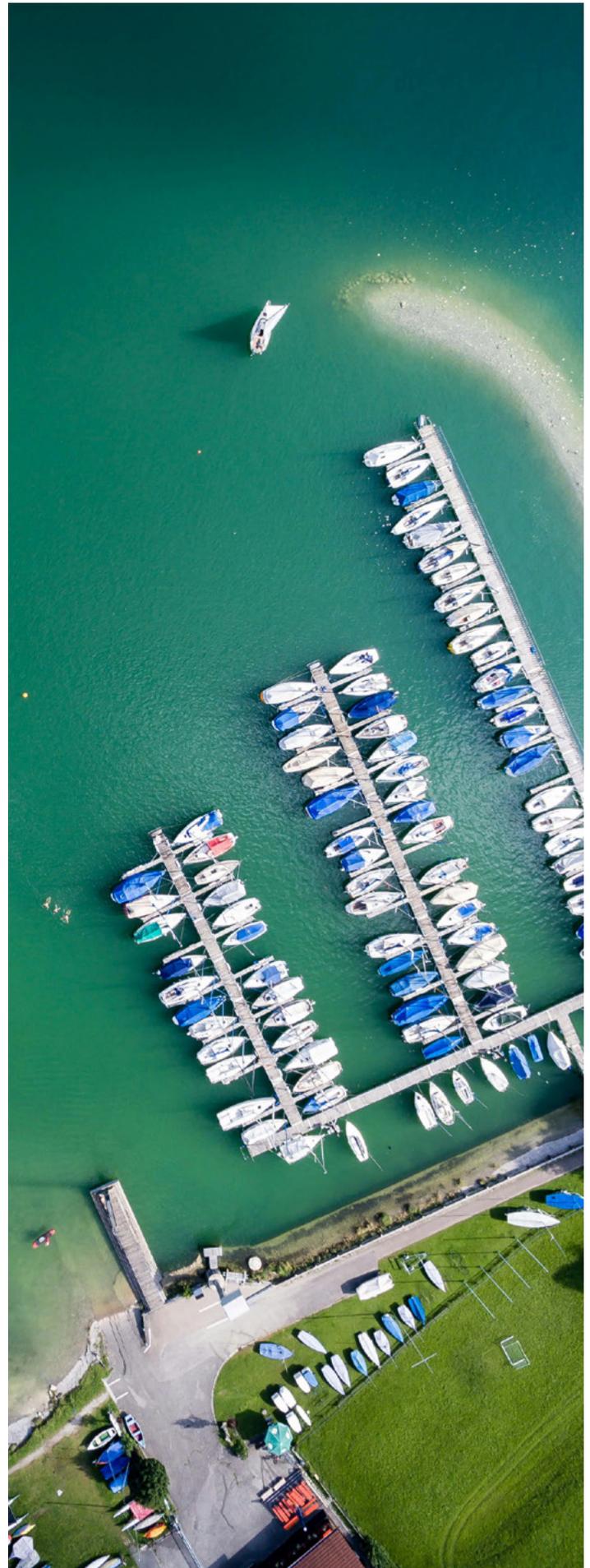
SUSTAINABILITY & ENVIRONMENTAL FOCUS

As environmental regulations tighten and sustainability becomes a higher priority, marinas will likely invest more in eco-friendly technologies, waste management systems, and sustainable practices to meet increasing regulatory and consumer demand for greener operations.

CONCLUSION

As we move through 2025, the marina market will face new challenges and opportunities, and adaptability will be key for long-term success. Our team is committed to keeping a pulse on industry trends, providing updates on market shifts, and offering advisory services for those interested in marina investments or operations.

We look forward to working with investors, owners, and operators to navigate these evolving dynamics.



Revolutionizing Marinas: How Smart Technology is Transforming Waterfront Operations

Beux Leto – Associate Advisor, Marina Division

Beux Leto from Leisure Investment Properties Group, had the opportunity to interview Elsa Nicol, Co-Founder and CEO of Falco. Falco is the leader in the digital transition of marinas.

Elsa Nicol is a mechanical engineer by trade and graduated from INSA Lyon. She is a certified project manager and specialized in PMP® MSP® MOP® et SAFe® methodologies. Nicol has more than 10 years of experience in high-tech product development work. Her work includes five years in California as a project and engineering manager in the marine communications industry, at Cobham Satcom, who plays a large partnership role in the Volvo Ocean Race.

I met Elsa Nicol at the AMI Conference back in January of this year, as LIPG sponsored her breakout session. After talking to her I knew that the technology her team has created is going to change the way transient marinas organize their business. I had the opportunity to interview Elsa and gain insights into how Falco can benefit marinas of all sizes.

Beux: What is Falco and how was the idea created?

Elsa: Falco is a smart marina company. We're a technology company focused a hundred percent on helping marinas utilize some of the technology that's been out there in other industries for a long time to basically improve the bottom line and the way that this started is the meeting of a team of experts in wireless centers with a large marina in the south of France or several marinas in France. Reaching out to find out whether this moles sensor

technology that we'd been deploying in a smart agriculture smart building environment. Which basically took us to developing a very rugged industrialized sensor technology. The question being, can that same technology help a marina be more efficient in managing operations. Because we all know that marinas are complex environment. Like, I mean, the marina environment is pretty tough and also marinas are very tough on wireless communications, like radio communications. So, originally the proof of concept was deploying some occupancy sensors and current monitoring sensors in several marinas. So that was 2017 and after about a year of deploying and improving the technology. You know, the conclusion was, yup, this is doing a great job in the marina. We have the unique capability of deploying battery operated sensors that talk each other in a very efficient and reliable way to address several types of use cases in a marina.

Falco

« A digital platform powered by wireless sensors to make marinas smart »



Beux: What are some of the features and benefits of Falco?

Elsa: The first one we started with the occupancy sensor. So, again it's a battery operated device, the size of about fifteen inches. So basically, this device is placed on the slip and will tell you in real time if you have a slip that is occupied or not. This helps optimize actual physical occupancy of the slips. I mean we all know that when boaters leave the marina, they don't tell the marina they're leaving. So on the paper every slip is full. But in reality, the marina is around 70-80% full at all times so there's actually a lot of room for growth. There another feature and benefit is measuring how much electric current the boats are pulling in the marina. Typically, you have 20% of the boats are consuming 80% of the electricity bill. So, you know, a blanket deployment of very expensive technology to monitor everybody is probably

not very cost effective. But some easy to deploy battery operated sensors lets you measure how much electricity is going to each both and then kind of establish a better invoicing strategy so that the marina recoups all over their costs and the invoicing strategy is fair. These are a couple of examples and then we've deployed also some, boat monitoring services. So again this is to help marinas elevate the level of service that they offer their Boaters. It costs the boater less than \$10 a month and they can see the vitals of their boat on the app of their marina. Basically, we're helping on the operational side and on the customer service side.

Beux: Is there any kind of learning curve for the installation or used of Falco?

Elsa: That's a great question. Installation wise because it's all battery operated. We can make a 300 slip marina fully connected in a week. So in

a week's time your slips are going to start telling you, yes I'm full or no there is space to use. You're also going to start seeing in real time the current being pulled by each boat. So, that's very easy and very intuitive to you gaining access to that data. We have the user interfaces where we work with our clients to realize the full benefits of what they want to achieve and to actually implement the workflows. Like we have customers who for instance operate a high transient marina. So what we do is, we set the pairs with them so that the alerting they get when the slip has been empty for some time, and then notifying the customer to actually get to the point of renting the slip. Basically, we do that over the course of the beginning of the season, so you see the impact for the end of the season. But we achieve ROI of 50-60% in the first or secondary depending on how fast the marina adapts their processes. But we help them through that, you know in my previous job I was a change management expert. So, I bring, we bring a lot of that in to our relationship with our customers.

Beux: Do you run into any opposition with smaller mom and pop marinas not sure about changing the way they run things.

Elsa: So it's interesting. I'm just now driving back from a marina that's run by a brother and sister who inherited it from their parents. They just love the energy on the training aspect and we're even looking at doing Grundfos with the same devices. Actually, what I would say is no marina will benefit from deploying every single technology available on one go and hoping to get all the benefits right away. What drives the project is what pain we're addressing in the short-term and then we build excitement about what the technology can do for them through one simple use case. There are certain marinas that may not need any of the technology or solutions that we offer, like very small marinas or marinas that already are charging actual for their power consumption or things like that. But almost every marina has a short-term benefit to drive from utilizing technology especially when we're talking about using just the piece of technology that's useful for you and not trying to do it all in go.

Beux: Is there anything else you wanted to add about Falco?

Elsa: Well, maybe making a point about the fact that this is available in most industries we developed it in Europe because Europe is a good laboratory for us and I think they have been talking about utilizing technology in the marina industry for several years in Europe. But my guess is that the update in the US is actually going to be very fast once they implement and realize the benefits and actually get ahead by utilizing technology that's already proven. It's just whoever is first is going to take the lead and then it's going to be pretty common in a few years. That's why I, as a founder relocated to the United States. I think this is where things are going to happen, and you know whoever stays behind is going to probably catch up in the after.



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Marina Dock Construction Tips Interview with Bob Harty, Marina Design & Construction Advisor

Jeff Spilman, CCIM –Vice President of Investments, Marina Division

Jeff: Bob, you're an old pro in the dock-building business. How long have you been at it?

Bob: I've been in this game since October 1983—over 40 years now! It's been a journey of learning the trade, adapting to new materials, and refining techniques to keep up with evolving standards and client needs.

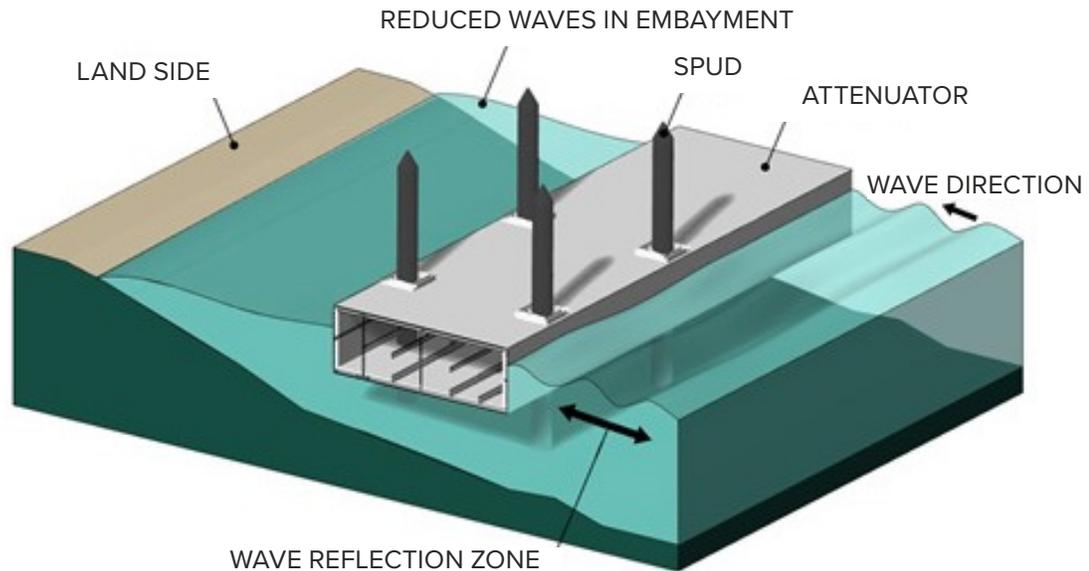
Jeff: That's impressive! You've advised and built docks across the Southeast and beyond. Have you noticed any regional differences in dock design or construction?

Bob: Not really. All freshwater floating docks—open or covered slips—are pretty much the same at their core: built to float and withstand typical lake conditions. The buyer always signs off on the final plans, which are usually stamped by a Professional Engineer to certify they meet required loads—like wind, wave, and live loads up to 50-100 psf

depending on local codes. Each dock gets priced separately based on materials and labor. What really sets manufacturers apart is their truthfulness about meeting delivery dates—that's number one—and the product knowledge and professionalism of the installation crew. A good crew knows how to adjust for site-specific challenges, like fluctuating water levels, which can vary 5-10 feet seasonally in some regions. Experience matters!

Jeff: Speaking of experience, what type of marinas have you mainly worked on—lake or coastal?

Bob: By far, freshwater lakes and rivers. That's my wheelhouse. Coastal docks face saltwater corrosion and tidal shifts, which demand different materials and anchoring—like marine-grade aluminum or heavy-duty pilings. Freshwater is more predictable, though you still deal with sediment and seasonal drawdowns.



Jeff: In your experience, what are the most important things to consider when planning a dock?

Bob: Buyers often go through five or more layout revisions—it's common as they balance budget, space, and boat sizes. The final layout, usually a Google Map overlay, gets submitted for permits. My advice? Ask for everything in the permit upfront—max slip count, utilities, even future expansions. That way, you can phase in different slip sizes as needed without reapplying. Also, consider water depth trends and shoreline stability; some lakes drop 10-15 feet in dry seasons, affecting access. Best practice is to survey the site with a bathymetric map to avoid surprises.

Jeff: Is there a design or construction type you think works best and holds up to insurance scrutiny—like roof anchoring to the dock?

Bob: Freshwater floating docks are almost always galvanized steel for corrosion resistance. A good designer focuses on an efficient layout: the right metal thicknesses—say, 10-gauge for frames—proper roof clearance of at least 8-10 feet for covered slips, and reinforcing like cross-bracing if it's covered. You need adequate flotation—typically 20-30 pounds per square foot—plus the right anchoring, roof overhang of 1-2 feet to shield from rain, durable bumping like rubber D-fenders, and enough cleats, spaced every 6-8 feet. The final plan is everything—it's what insurance reviews for

wind resistance, often 90-120 mph ratings. Price matters, but getting the best-built structure for the best price is the goal. Oh, and sometimes you might need a wave attenuator—floating breakwaters can cut wave energy by 50-70% on choppy lakes!

Jeff: What's the best way to anchor docks—to the ground below or the shoreline?

Bob: Depends on water depth. For depths up to 32 feet, telescopes—or spuds—work great; they're steel poles you drive into the lakebed, adjustable for level changes. Beyond that, it's winch and cable—always stainless steel cable for durability against rust. Concrete anchors, usually 1,000-2,000 pounds each, are poured on-site, with the number based on dock size and wind exposure—think 1 anchor per 100-150 square feet. The installation crew handles it all, and best practice is to test anchor holding power with a pull test to ensure 2-3 times the expected load.

Jeff: What common mistakes do marina owners make when designing or building docks?

Bob: Not hiring a dock designer who can nail the most efficient, cost-effective layout—there are tricks to it, like optimizing slip angles for easy boat access, around 30-45 degrees. A well-equipped slip—electric with 30-50 amp service, potable water, dock storage boxes, boat lifts—rents for 20-30% more and attracts higher-end renters. And steer clear of wood decking—it warps and rots



Jeff: What kind of decking works best in your opinion?

Bob: Concrete, hands down! Pressure wash it each spring, and it looks brand new. It's slip-resistant when textured, supports heavy loads—think 50-75 pounds per square foot live load—and resists UV damage, unlike composites that fade in 5-10 years.

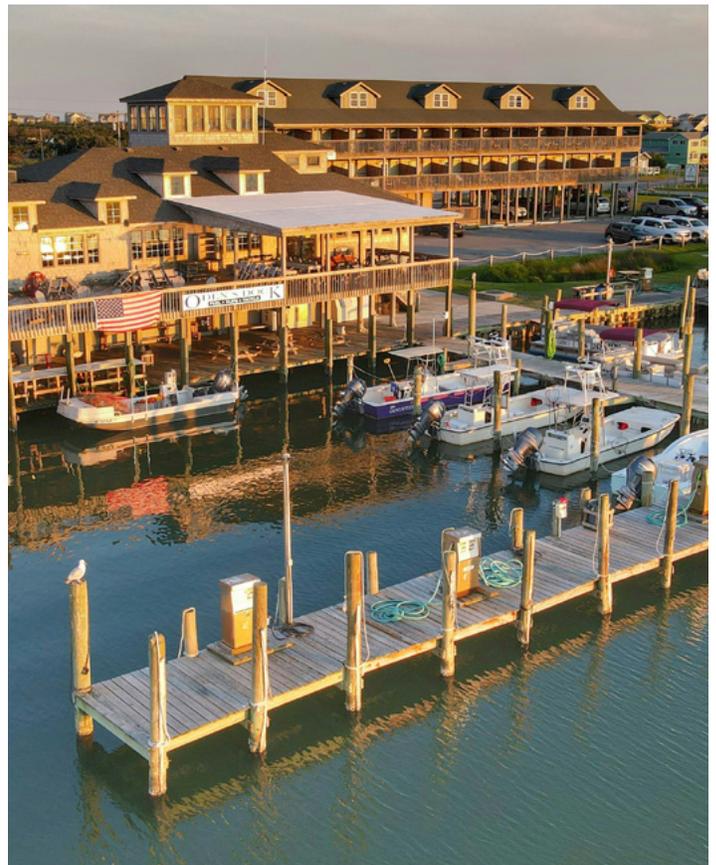
Jeff: How about durability—what materials hold up best for roofing, steel bracing, and floats?

Bob: Most docks today use galvanized steel for bracing—hot-dipped to 2-3 mils thickness for 20-30 year life. Roofing is often metal panels, like 26-gauge steel, with a baked-on finish to resist rust. Floats are polyethylene-encased foam, rated for 20-25 pounds per cubic foot buoyancy, and should be UV-stabilized to avoid cracking. It's all about the quality and strength of the design—like using gussets on steel joints—paired with an experienced crew that finishes on time. You've also got to estimate timelines—say, 2-3 weeks per 10 slips.

within 5-7 years! Concrete decking, like 2'x2' tiles or aggregate concrete, lasts decades and handles heavy foot traffic—up to 500 psf. Another mistake? Ignoring future maintenance access—leave room for divers or cranes.

Jeff: Is there a price efficiency to building more docks versus just a few?

Bob: Not really. New marinas or big additions are usually phased in to match demand. You've got to know what size boats will show up first—say, 20-25 footers—then second, like 30-40 footers, and so on. Bulk material discounts might save 5-10%, but labor and permitting costs scale linearly. Best practice is to plan phases with a 3-5 year demand forecast based on local boating trends.





Jeff: With material costs fluctuating, what's the market like today?

Bob: Once prices go up—like steel jumping 20-30% since 2020—they rarely come back down. That's where corporate management steps in. Docks might cost more now, but ask: Is your return on investment solid—say, 8-12% annually? Do you get the tax advantages, like depreciation over 15 years, and is your CPA on it? Knowing your true market area—folks within a 3-to-4-hour drive—is everything; a 50,000-person radius can support 20-30 slips. Lock in material prices early with suppliers if you can—it's a best practice to hedge costs.

Jeff: If you were building docks for yourself today, what would be your ideal setup?

Bob: Totally site-dependent! I'd want deep water—15-20 feet minimum—wide slips for 30-40 foot boats, concrete decking, covered slips with 10-foot clearance, and solar-powered lights for efficiency. A small fuel dock and store would tie it together—location dictates the rest.

Jeff: Can you act as a consultant, a builder, or both?

Bob: I know the best, most efficient dock construction crews in the U.S.—freshwater and saltwater. I'd have no problem bringing one to a job. I can consult on layouts, permits, and specs—say, ensuring a 1:10 slope on gangways—or oversee the build with a crew that's nailed 50+ projects.

Jeff: Any final thoughts you'd like to share?

Bob: A floating retail outlet—like a 7-11 with fuel—is essential for a fully functional marina; it can boost revenue by 15-20%. Beer, sandwiches, ice cream—it's that resort vibe that draws crowds. Don't skimp on parking—one space per slip minimum—and restrooms; aim for one fixture per 10-15 slips per code. And always factor in ADA access—gangways at 1:12 slope max—since it's a legal must and broadens your market.

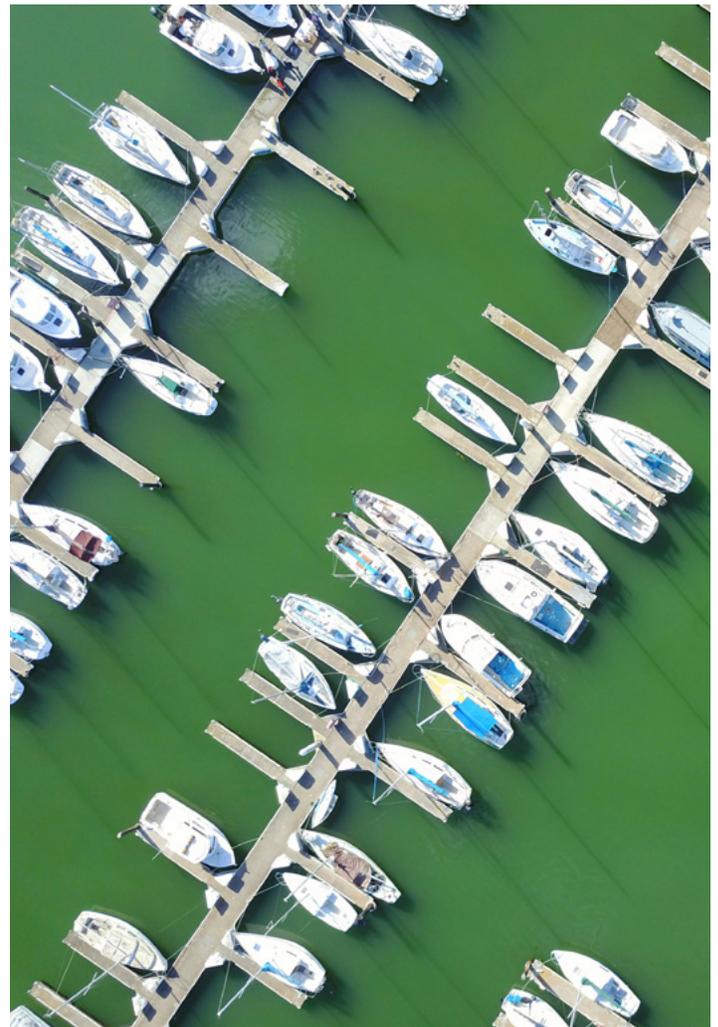
Jeff: Thanks for the insights, Bob!

Bob: Anytime—happy to help!

Bob Harty

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Preparing Your Marina For Sale

Jeff Spilman, CCIM – Vice President of Investments, Marina Division

As with most businesses, preparing for the sale of a marina facility requires planning (**we recommend six months to one year ahead of hitting the market**), and sometimes some physical 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 beginning the marketing process, 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, can go a long way. Abandoned boats, broken cars, trailers, and rubbish on-site are also a cause for concern to a buyer. Great first impressions are made with great curb appeal, which is just as important for a marina as it is for a house.



Problems that are known before going to market can usually be solved or at least accounted for in the Offering Memorandum. Problems that surprisingly arise in the middle of a transaction, 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:

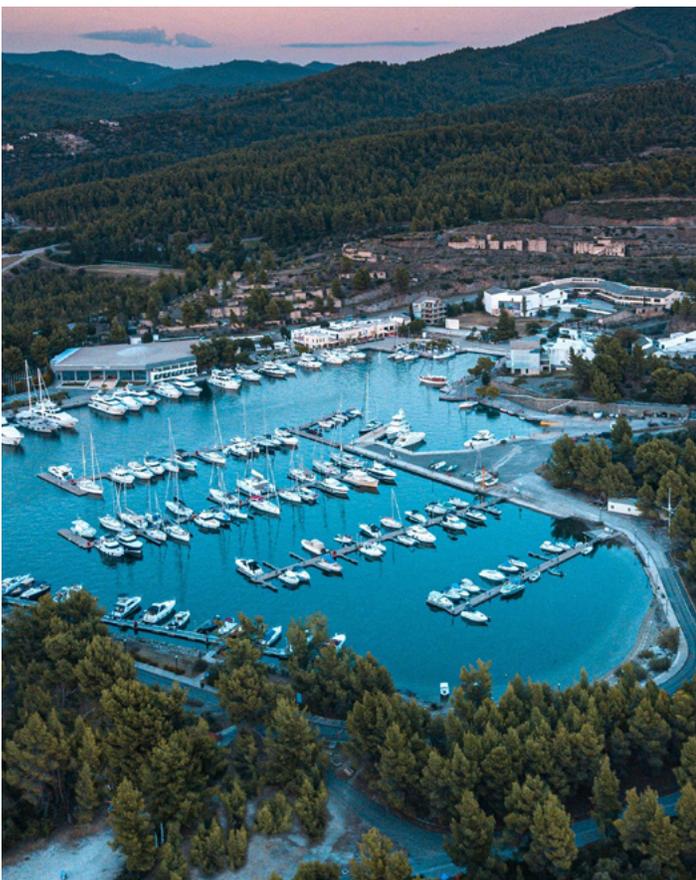
Have an owner’s title check completed to see if there are any issues on the title that could cause a problem getting a deal closed. It is not expensive and worth the peace of mind. Are there any survey issues that have not been addressed? We recommend solving those before going to market.

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 performed by LIPG because it offers owners a comprehensive approach to understanding the various exit options they can pursue, as well as learning the value of the marina in the current market. To start, financial data normally requested includes:

P&LS:

- 2-4 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 and departmental expenses.
- If you’re accepting cash, you should start booking it 12 to 36 months prior to a sale in order for that income to be considered part of the marina’s value.
- Identify one-time Capital Expenditures (improvements) in the operating expenses, and significant personal items that are not pertinent to the marina business.



RENT ROLLS:

- Keep an 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):

Provide a list of major capital improvements made over the past 3-5 years, including the cost of each. Identifying these items will help differentiate operating expenses from one-time capital expenditures, leading to a more accurate valuation of your marina.

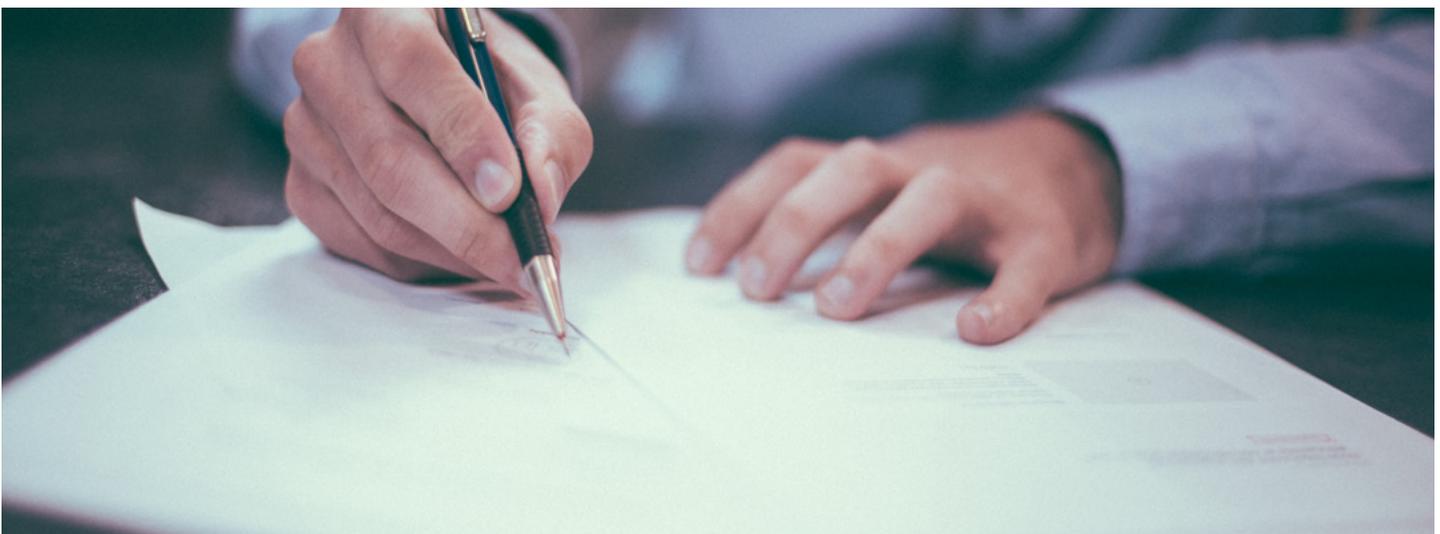
APPRAISAL:

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. Jeff Dugas from Leisure Appraisals has written a great article on page 23. Jeff has extensive experience appraising marinas and golf courses.



SURVEY, 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. Optionally, if you don't have a survey, 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.



QUESTIONS YOU NEED TO ASK YOURSELF

- What is your exit strategy? How does re-investment of the net proceeds from a sale help you get to where you want to be?
- How is the property owned? Are there 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? Does the staff know about the sale, and do they wish to stay on board?
- Are there outstanding obligations to your customers or any third-party vendors?
- If you choose not to pursue a 1031 exchange or a DST to reinvest your net proceeds, are you aware of the potential capital gains tax liability and prepared to cover 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 upfront.
- Do you want to retain part of the property? Is there a restaurant or service center you want to keep or sell separately?
- Is there a liquor and/or beer license that 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? How did you arrive at that price?
- Do you offer services compared to your competition? If not, does it affect your occupancy?

WHAT IS YOUR MARINA WORTH?

You do not have to know all the answers to these questions before we can help you understand the approximate value of your marina. With the 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.

A valuation, cosmetic repairs, and deferred maintenance remediation will position you strongly for a sale. Our Strategic Analysis helps you make rational business decisions, while minor cosmetic touches enhance property presentation, and organized files ensure a smoother transaction.

Leisure Investment Properties Group excels at helping owners achieve peace of mind and clarity of direction as they navigate the complexities of a sale.

Our analysis, presentation, and packaging are institutional-grade and available to every marina owner because understanding your investment—and how it can help you achieve your goals—is crucial to securing your family's future.



Marina Valuation Methods

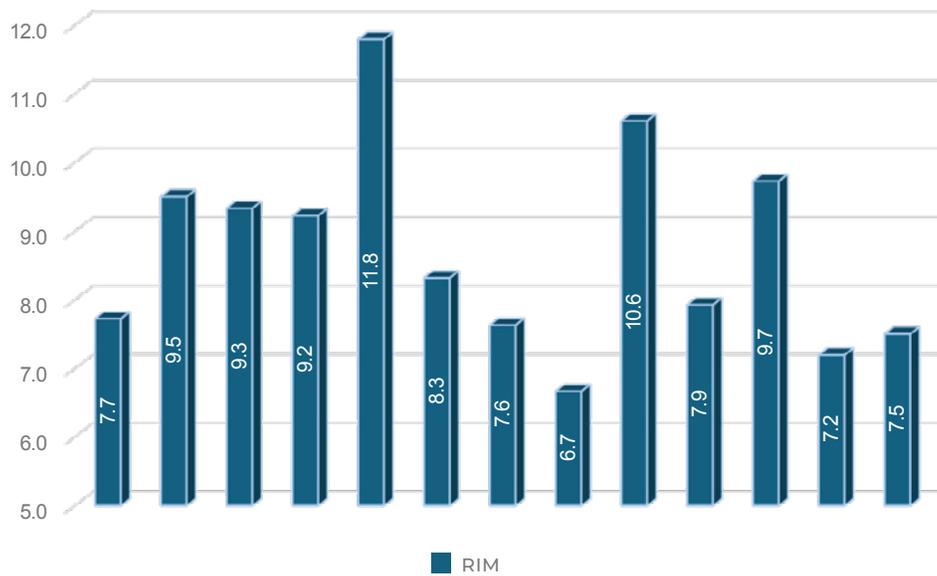
Jeff Dugas, MAI, SGA – Senior Managing Director of Leisure Appraisals

There are three traditional approaches to valuing commercial property: Cost, Sales Comparison, and Income Capitalization. The type of property will often dictate the most applicable method. The appraiser then reconciles which of the approaches is given the most weight based on the quality of the data, and motivation of the buyers, since the appraiser's function is to reflect the market. It is good practice for the appraiser to support their value conclusion with as many approaches as deemed reliable.

When valuing an operating marina, like other going-concern investment properties, the Income Capitalization Approach is oftentimes the most applicable and given the most weight. However, the Sales Comparison Approach proves to be a good

check on the reasonableness of this approach. The SCA can look at both the physical and/or financial units of comparison. The physical unit of comparison is often the price per slip. When developing this approach, the appraiser must consider several factors that can impact value; things such as the average slip size, building improvements, storage, fuel sales, condition of slips, bulkhead, and lifts, to name a few. A more straightforward unit of comparison is the income multiplier. This approach still requires consideration of certain factors, but its location and physical attributes are reflected in the multiple, so it is important not to double dip. Adjustments can still be made to reflect economic factors since they impact financial units of comparison. These would include sources of revenue, real estate taxes, labor costs, and the like.

RENTAL INCOME MULTIPLIER



Rental Income = slip & rack rental, yard & indoor storage income, & building rentals

In analyzing operating marinas, we have developed a RIM or Rental Income Multiplier. Multipliers are derived by dividing the sale price by the rental income. Rental income is the most significant form of revenue a marina will generate since it produces the highest profit margin. Income from fuel sales, boat sales, or even service work comes with an excessive cost of goods, along with labor costs. These sources of revenue also tend to be more volatile and riskier. Therefore, profits from these business centers contribute far less than those centered around rental income. In contrast, wet slip, rack, and yard/indoor storage, along with building rents require lower labor costs and no costs of goods. As such, they tend to yield the highest profit margin, making it the driving force behind the price being paid for a marina. We have extracted RIMs from several sales where detailed income was available, and we found the rates are consistent, ranging from 6.7x to 11.80x, but averaging 8 to 9 times. The appraiser would then select the most appropriate multiple for the subject and apply it to the pro forma rental income to calculate the value by this approach. We find this to be an especially useful tool.



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Financing Your Marina

Greg Lewis – Senior Managing Director of Capital Markets

Marina operators are more likely to secure conventional financing today than just a few years ago. The banking industry continues to warm up to the asset class as performance has improved steadily since covid and KPI's hovered near record levels. Owners/operators remember a time in the not-to-distance past when lenders shied away from marina loans because they were often viewed as higher-risk businesses subject to economic swings. The Marina P&Ls didn't fit nicely into the other real estate classes' underwriting boxes and were therefore considered complex.

While bankers historically viewed the industry as primarily "family-owned" businesses, the rapid inflow of institutional investment in recent years has changed that thinking. Instead of looking at the cash flow as complex, lenders now are embracing these special purpose assets that operate multiple businesses under one umbrella. The rent rolls are like multi-family operations, retail sales and service can be likened to an auto dealership, and the food and beverage operation is similar to a restaurant or club operation. The multiple revenue streams can now be viewed as diversifying with more departments available to grow both the top and bottom lines. With two or three solid years of performance in the rear-view mirror, lenders can now do trend analysis and feel comfortable expanding loan-to-value ratios up toward other asset class levels.

As owners reach out to lenders to refinance their properties or seek funding for new acquisitions, there are two areas lenders will focus on in their underwriting. The first, as is almost always the case with any real estate loan, is location. The second area that garners increasing attention particularly for "specialty assets" is the management team and industry experience. Satisfy their questions in both these areas and you will be well on your way to securing a new loan.



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