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Scared Americans desperate to travel are buying up 'Covid Campers'

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Floor traffic at Mike Regan's two RV dealerships outside Austin, Texas, is up 30% compared with last May. And the reason is fear.

Cooped-up Americans desperate to get out after months of lockdowns are dreaming of doing something—anything—that resembles a vacation. But a majority of them worry a second wave of the coronavirus is coming and think politicians have pushed too fast to reopen. Unsurprisingly, when it comes to getting out of Dodge, the close quarters of an airline cabin are a no-go.

That's where the "Covid Camper" comes in.

After a six-week hiatus, Regan said business has been so brisk that he may not have enough trailers and motor homes to meet demand. "The minute the campgrounds opened on May 1 and the governor turned everyone loose, our business went through the roof," said Regan, whose sales at his Crestview dealerships were down about 50% just last month.

For decades, sales of motor homes and travel trailers you hitch to your car were a reliable indicator of the beginning—and end—of a recession. Sales would dip as a downturn approached, and rise right before a recovery. But this time, it's different: sales are rising as America enters its worst contraction since the Great Depression. While more than one in five workers has filed for unemployment, some people are shelling out upwards of \$100,000 so they can hit the road while staying away from everyone else.

Social distancing is apparently a lot easier when you can bring along your own kitchen, bathroom and bedroom.

“It definitely shows that consumers have not sworn off all consumption,” said Richard Curtin, a professor at the University of Michigan who prepares an annual RV industry forecast. “This is a coronavirus recession,” he said. “Once there’s a vaccine, consumers think the causes will resolve relatively quickly, unlike the economic problems of the Great Recession.”

Some economists, however, are predicting any recovery could take until the end of 2021.

The customers coming to Crestview fall into three groups, Regan said: Those who wanted to come during the shutdown and couldn’t; the annual spring customer enticed by the promise of summer; and a new group—people considering an RV for the first time because of the pandemic.

Those customers are probably most responsible for the jump in business, he said.

Mike Rhoades is one of them. The 73-year-old resident of Kyle, Texas, said he and his wife Carol cancelled scheduled trips to Germany, South America, New Zealand and Australia. Instead, the former transportation industry executive bought a 30-foot travel trailer—and a used Toyota pickup to pull it.

Vacation travel for them usually meant air travel or maybe a cruise ship. The last time they went camping was around the turn of the century—with their kids.

Now, with a gleaming new camper, they’re staying on the ground. The couple first did a three-day test at a nearby campground just to familiarize themselves with the RV lifestyle. Then this past weekend, they took off on a two week trip along the Texas Gulf coast. Rhoades said it’s the first of many trips this summer.

Their \$30,000 trailer, made by Grand Design RV in Middlebury, Indiana, has a “big shower and big bathroom, and a queen-sized bed with a good mattress,” he said, But it may not be long before Rhoades trades it in for a fancier model. “We thought we’d start with this,” he said. “If it works, maybe we’ll move up.”

The U.S. has about 13,000 private RV parks and an estimated 1.23 million individual trailer campsites, according to estimates from the National Association of RV Parks and Campgrounds (and that doesn’t even count campsites in state and national parks). Prior to the pandemic, it was estimated that 60,000 new trailer camping spots would become available.

For those of a certain age, it won’t be surprising that RVs peaked back when Richard Nixon was president. Curtin at the University of Michigan said the best year for sales was 1972.

More recently, sales of RVs peaked in 2017, at 504,000, but have since slipped. Curtin had originally forecast that 2020 would be flat to slightly down. While deliveries were up in January and February, they unsurprisingly fell 20% in March when shutdowns began. Curtin said it’s too soon to know if this month’s momentum will continue through the rest of the year.

Camping World Holdings Inc., a retailer of outdoor equipment and RVs, reported on May 8 that first-quarter sales beat analyst projections. The company said it shifted to online sales to meet high demand during lockdowns. Camping World stock rose to a two-year high on the outlook. Shares of Thor Industries Inc. and Winnebago Industries, the two largest publicly traded RV makers, have also been improving off March lows.

The manufacturers said dealers are reporting that customers are back in showrooms, many of them first-time buyers—particularly those browsing entry-level and mid-range vehicles, said Thor Chief Executive Officer Bob Martin.

About half of Thor's factories across the Midwest and Northwest started back up the first week of May, with most of the rest following suit the next week, Martin said. The company is at about 80% of normal capacity, and can increase as demand warrants, he said.

"Every dealer that I talk to is just blown away by the reaction of people that have never even thought about an RV," he said. "A lot of people are really going to look more at this lifestyle."

It's not just purchases that are climbing, said Jen Young, co-founder of Outdoorsy, which matches 40,000 RV owners with people who want to rent one—kind of an "RV Airbnb." Though bookings fell during the early stages of the pandemic, they have since skyrocketed, she said. Customers are booking trips just days ahead of time instead of months before, Young said. Outdoorsy rival RVshare also reported a surge in reservations.

People say "'I won't visit any place where a lot of people will go,' so that pretty much [cancels] out all the big city centers and air travel," she said. "There's just so much more flexibility in recreation vehicle travel."

As Covid-19 shut down much of the country, bringing air travel almost to a halt, a majority of RV owners said their existing camping plans remained unchanged (41%) or were simply postponed (13%), according to Kampgrounds of America Inc. The company, with a network of 525 owned and franchised parks across North America, said its survey found people considered camping the safest form of vacation.

Indeed, campgrounds remained open this spring, especially those with year-round residents, though many have closed off common areas such as pools and reduced capacity of restrooms and stores, said Kampgrounds CEO Toby O'Rourke. Since most campsites leave 20-30 feet between RVs, social distancing at campsites isn't usually an issue, she said.

Mike Pearo, who manages three Hilltop Camper and RV stores near Minneapolis, said he's brought back all 100 of his employees, made some new hires and is looking to add about eight more workers.

Like Mike Regan in Texas, Pearo said he's struggling to keep up with demand. He's seen a big spike in interest during the weeks leading up to Memorial Day, the traditional start of camping season,

"We're calling it the Covid Camper," said Pam Sandberg, who with her husband, Jeff, spent \$70,000 on a used, 35-foot motor home at Hilltop Camper in St. Paul. Both aged 69, the couple said the coronavirus makes airports or cruise ships less than desirable. They haven't camped in 30 years, but said they're confident this will be the best way to travel for the foreseeable future.

"The next few years are going to be kind of shaky," Pam Sandberg said, adding that a motor home is the perfect compromise. "We can all get together and go somewhere, drive to Florida, do some of the things we've talked about without having to risk everybody."