Is Your Boat & RV Facility Loan Maturing Before 2028? Pros and Cons of Refinancing vs. Selling

Introduction

Boat and RV storage has become one of the fastest-growing sectors within specialized real estate over the last several years. RV ownership has increased more than 62% over the last two decades, with over 11 million U.S. households now owning RVs [1]. At the same time, recreational boating activity continues to expand, generating approximately $230 billion in annual economic impact in 2023 [2].

Much of the sector's recent growth occurred during the historically low interest rate environment between 2020 and 2022. In March 2020, the Federal Reserve reduced the federal funds rate to a target range of 0% to 0.25%, creating an extremely favorable borrowing environment for developers and investors [3]. Many facilities were financed using aggressive leverage assumptions supported by unusually low debt costs.

Today, the lending environment looks very different. As of 2026, the federal funds rate sits between 3.5% and 3.75%, significantly increasing borrowing costs across commercial real estate [4]. Meanwhile, approximately 17% of all commercial and multifamily mortgage balances are scheduled to mature in 2026 alone [5]. As loans approach maturity, many boat and RV storage owners face an important question: refinance and continue operating the facility, or capitalize on current market value and sell?

Why Loan Maturities Matter Now

The refinancing challenge many owners face today is not necessarily weak operations, but rather a dramatically different lending environment than the one that existed when the original loan was placed.

For example, a facility financed in 2021 at 3.5% interest may now face refinancing closer to 6.5% to 7%. Even with stable occupancy, higher borrowing costs can materially impact cash flow

Loan Scenario	2021 Loan	2026 Refinance
Interest Rate	3.5%	6.75%
Estimated Annual Debt Service	~$300,000	~$415,000

This increase in debt service can compress returns, reduce refinance proceeds, and require additional equity contributions from borrowers.

Lenders have also become more conservative. Underwriting today focuses heavily on occupancy stability, lease-up performance, expense ratios, tenant quality, and borrower experience. Facilities that relied on aggressive pandemic-era assumptions may face additional refinancing pressure even if operations remain healthy.

At the same time, RV and boat demand has normalized from peak COVID-era levels. RV shipments exceeded 600,000 units in 2021 before declining to approximately 313,000 units in 2023 [6]. Investment activity slowed as well, with RV and boat storage property sales volume declining approximately 30% in 2024 compared to 2023 [7].

When Refinancing May Make Sense

Refinancing may still be the best option for owners operating stabilized facilities with strong occupancy and consistent cash flow.

Facilities located in high-growth markets with expansion potential, rent upside, or limited Class A competition may still have significant long-term value creation remaining. Owners expecting to hold properties for another three to ten years may prefer refinancing over exiting early.

Some owners are also exploring bridge financing or loan extensions while monitoring future interest rate trends. According to Inside Self-Storage's 2026 lending outlook survey, refinancing represented 70.6% of current lender focus, while bridge and transitional loans accounted for 35.3% of lender interest [8].

When Selling May Be the Better Option

For other owners, selling may represent the more strategic decision. Higher interest rates directly reduce post-refinance cash flow, even at well-performing facilities. Some owners may decide it makes more sense to exit before assuming significantly more expensive debt.

Institutional and private equity interest in Class A RV and boat storage also remains strong in many markets due to:

Selling may also make sense for owners seeking to diversify capital, reduce risk exposure, simplify operations, or exit before additional supply impacts occupancy, rental rates, and overall operating fundamentals within their market. In some cases, increased competition and softer operating performance may reduce cash flow below original underwriting projections, creating downward pressure on property values and refinancing proceeds.

Institutional and private equity groups continue targeting RV and boat storage facilities in high-growth Sun Belt markets where affluent demographics, limited supply, and proximity to major recreational destinations support long-term demand fundamentals. Urow Real Estate is currently bringing Weaver Boat & RV Storage, located at 5190 Browns Bridge Road, Cumming, GA, to market a 96,000 NRSF facility located approximately 0.25 miles from Lake Lanier that is currently 100% occupied with asking rents approximately 50% below competing market rate. For additional information regarding current market conditions or active opportunities, contact Zachary Urow at zachary@urowrealestate.com.

Weaver Boat & RV Storage

https://www.urowrealestate.com/listings/weaver-boat-and-rv-storage

What Owners Should Do Before a Loan Maturity

Preparation is critical regardless of whether an owner ultimately decides to refinance or sell.

The first step should be organizing updated financial statements, rent rolls, occupancy reports, trailing-12 operating history, and supporting documentation well in advance of loan maturity. Both lenders and buyers increasingly expect clean, transparent reporting during underwriting and due diligence.

Owners should also understand how their facility compares to current market conditions. Requesting a confidential property and market analysis can help owners evaluate estimated value, local rent comparables, buyer demand, competitive supply, refinancing alternatives, and potential ways to further increase the value of their facility before making a major decision. Owners can submit high-level property information through Urow Real Estate's Property & Market Analysis Form (https://share.hsforms.com/2V9YB_gpwR9W4KgNHzs-B6Qu8fxf) to receive a free tailored review of their facility and market positioning.

Brokerage firms specializing in boat and RV storage, such as Urow Real Estate, can also connect owners with lenders, debt brokers, and financing groups active within the sector. This can be particularly valuable for owners who financed properties during the historically low-rate environment several years ago and are now navigating a substantially different lending landscape.

Ultimately, there is no universal answer between refinancing and selling. The right decision depends on market positioning, operational performance, debt structure, long-term objectives, and risk tolerance. However, owners who begin evaluating their options early typically place themselves in a much stronger position than those forced to react under tight loan maturity timelines.

Footnotes

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