

Index Slightly Weaker on Uncertainty

Demand Index Comes In at 121.4

BLUF (Bottom Line Up Front): The index tracked for the RV sector slipped again based on the latest data, the RV Demand Index came in at 121.4 which was marginally lower than the adjusted 121.9 posted last month. The index was also 2.7% lower versus demand from a year ago. The retail sales index for RVs was sharply lower Y/Y, falling by 10.8% against rates from a year ago. The “K” shaped customer dynamic is still heavily in play. A stronger stock market has helped sales at the upper end of the price spectrum while households in the lower end of the “K” have been hit harder by higher fuel and basic prices, and sales have slowed in those segments.

Favorable Economic Conditions:

- **Economic Activity Show Consumers Remain Resilient.** The Bureau of Economic Analysis confirmed Q1 2026 real GDP growth at 2.0% annualized, above Q4 2025's weak 0.5% reading and ahead of many economist expectations. Q2 advanced readings have it as high as 3.8%, being driven heavily by consumer spending, nonresidential investment (data centers, power generation, etc.), and inventory building activity. Consumer spending is still the primary driver. This is a meaningful positive for discretionary retail categories including RV sales, as it confirms that the household sector is not contracting yet despite tariff and geopolitical uncertainty. The forward risk, however, is real: tariff-related cost increases and shortages of supply are still working through the supply chain, and their full impact on household budgets will be more visible in Q2 and Q3 data.
- **Wholesale Supply Pipeline May Tighten Heading Into Fall.** RVIA reported April 2026 wholesale shipments of 29,209 units. Against the full-year median forecast of 349,000 units, the year-to-date shipment pace through April of approximately 115,260 units is tracking toward the lower end of the forecast range. If manufacturers continue to exercise production discipline in response to soft retail demand and tariff cost pressures, available new unit supply could tighten meaningfully by Q4. A tighter supply environment in fall could restore some new unit margin compression that has characterized the past 18 months. If there is a downside, further disruptions in the supply of parts and components could slow output from OEMs, adding new inventory pressures to work through.
- **Used Market Resilient – Conversion Opportunities Come Later.** While new RV retail registrations are lower year-over-year, used RV sales posted positive year-over-year growth of just under 2%. This signals that buyers are still in the market, just trading down on price point. Travel trailers and fifth wheels were reportedly driving the majority of volume. For dealers, this creates a strategic opportunity: used inventory reconditioning speed, accurate day-one pricing, and aggressive trade-in valuation are now direct profit levers. The buyer who walks in looking at a used unit today may well be the new unit buyer 18–24 months from now, retention and relationship management during this cycle matters.

Risks Creating Headwinds for Sales:

- **Interest Rates Remain #1 Affordability Lever.** The heavy-volume towable segment is heavily influenced by interest rates, which remain high at this time. Remember that most RV interest rates are set by the Treasury market, not the Federal Reserve's Fed Funds Effective Rate (which is short-term borrowing rates). Bond rates had been headed downward prior to February 28th when the conflict with Iran started. Since then, they have steadily climbed by nearly half a point (which takes a base interest rate from 6.5% to 7%+ for highly qualified buyers).

More importantly, what happens from here? News of a possible peace deal in the Middle East pulled bond rates down 2-3 tenths of a point. Bond rates are likely to be more sensitive than the Fed's willingness to trim rates. In other words, the situation for RV dealers could improve from an interest rate perspective long before the Fed is willing to trim rates.

- **Fuel Prices an Obvious Factor.** With diesel fuel prices up 57% Y/Y and gasoline up 40%, some consumers are obviously fuel price sensitive, and this delays purchases. Price relief is likely still several months away, and the clock doesn't start until the Strait of Hormuz reopens.

Conclusions:

1. The NCM RV Demand Index at 121.4 reflects a sector that is holding — but under genuine pressure on multiple fronts simultaneously.
2. The Strait of Hormuz situation remains the single most important variable to watch. It is not just a fuel price story — it is a bond yield story, a consumer sentiment story, and an inventory cost story simultaneously.
3. The K-shaped demand dynamic is not temporary. Premium motorhome and Class B dealers are operating in a different environment than high-volume towable dealers.

Related Macro Items We are Watching:

1. **Demographics Never More Important?** Demographic trends may have never played a bigger role in shaping consumer purchasing than what we see now across the discretionary retail level (all NCM segments except farm equipment). It creates great opportunities, challenges, and is critical in understanding how to market into it. Here are just a few of the big, cyclical changes coming from demographic factors:
 - A. Retiring Baby Boomers (10,000 a day) will see more than 23 million hit retirement age by 2031. Many will retire, and will be looking for new hobbies, travel, and outdoor activities. And they are retiring as one of the wealthiest generations in history.
 - B. Gen X and Millennials are starting to get unprecedented “wealth benefits” as estates transfer to them (\$38T globally over the next decade). Many of those households will go from average or above average household incomes to having access to 7-figure lump-sum funds. Many will upgrade old equipment or purchase their first discretionary big-ticket item.
 - C. Boomers, X-ers, and older Millennials are also seeing the benefits of years of 401K building activity and can now tap savings for discretionary spending (because they have the 401K to fall back on for retirement). Many X-ers are retiring early as a result (at a younger age) and have much discretionary income to work with. That is especially the case for a Gen X family that inherits from a Boomer.
 - D. New generations (Alpha and Beta) are a concern because they are more “screen oriented” but have recently shown some interest in outdoor activity.

Index Remains Flat

RV Leading Index at 121.4, Essentially Flat M/M

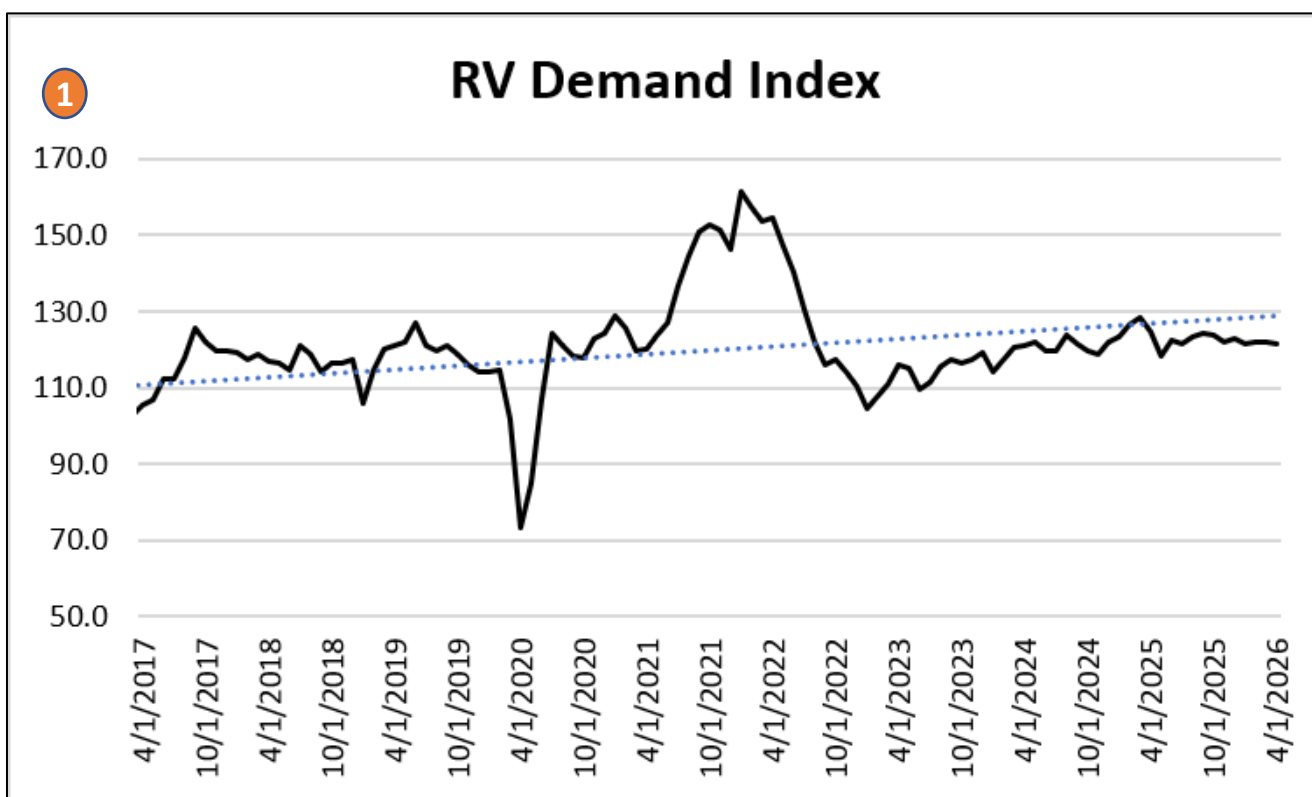
BLUF (Bottom Line Up Front): the NCM RV Demand Index slipped M/M with a reading of 121.4 (latest data available). This was lower against an adjusted index of 121.9 in the prior month. Against last year, the index remained lower by 2.7%. This is a leading index, and it considers the economic environment ahead. The conflict in the Middle East is weighing on fuel prices, but the RV sector is showing some resiliency. Retirements are accelerating, and this could be fueling some additional spending.

Demand Index:

• April	121.4
• March	121.9
• February	121.9
• January	121.3
• December	122.7
• November	122.1

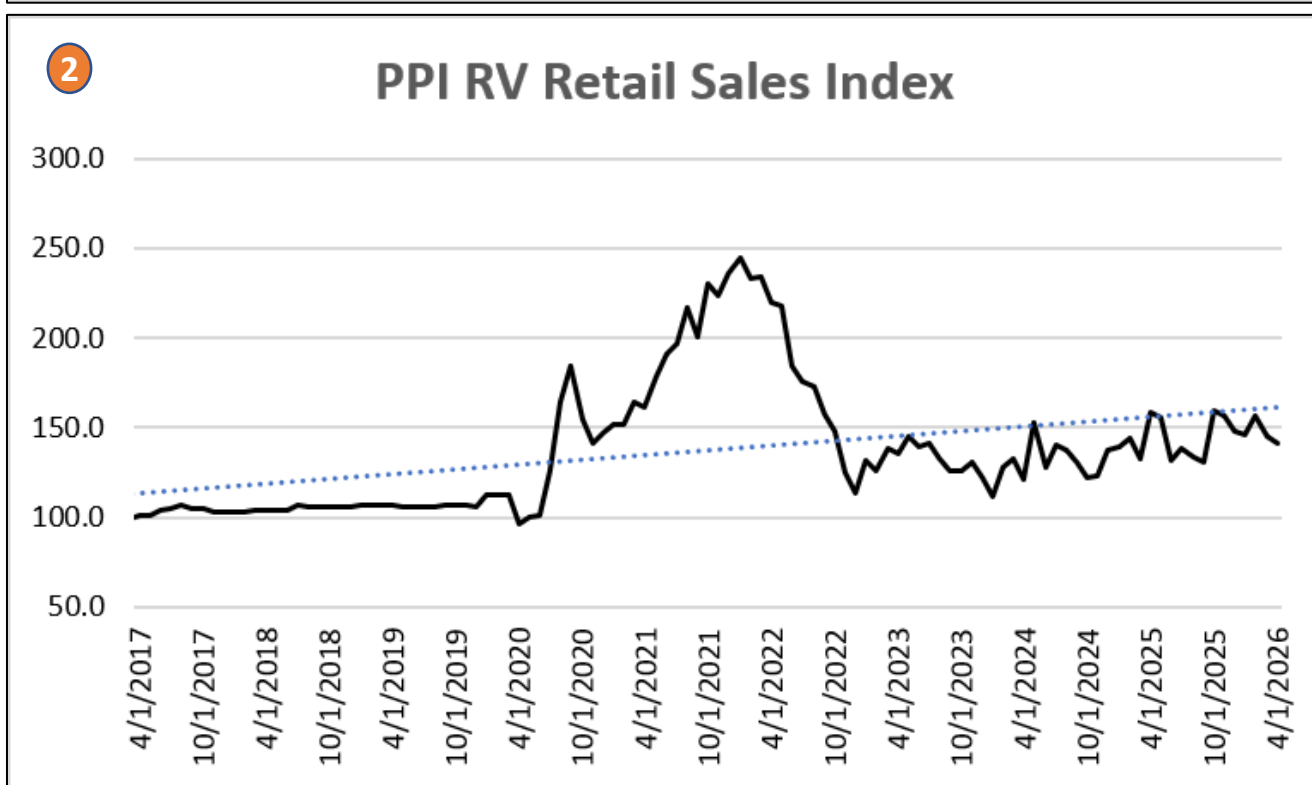
RV Demand Index:

- 1 **Demand Index at 121.4.** The RV Demand Index came in at 121.4, down 0.3% vs. the adjusted reading last month of 121.9. It was lower by 2.7% Y/Y.
- 2 **Retail Price Index.** Prices for RV sales (shown in the Producer Price Index) are a good barometer of the balance between inventory supply and demand for new units. The forecasted index was sharply lower in April (latest available), falling by 2.6% month-over-month; and it was lower by 10.8% versus April of 2025 which strips out seasonality.
- What Pushed on the Index?** The index continues to reflect a sector navigating a complex and evolving set of crosscurrents. On the positive side, GDP signals that the broader consumer has not retreated. However, equity market volatility in April and early May has put some pressure on the retirement-age buyer that anchors the premium motorhome segment. If markets hold at current levels through summer, that deferred retirement demand could return to the floor in Q3.



Looking Forward:

- The following are some areas that will be interesting to watch:**
 - Permanent RV Living Facing Mixed Regulatory Issues.** Oregon will join some counties in Texas, Florida, Arizona, Colorado, South Dakota, Tennessee, Alabama, Montana, and Arkansas in allowing homeowners to keep an occupied RV on their property. It was framed as a housing affordability measure. This is interesting because it follows other campaign related language aimed at housing affordability, and permanent RV living as a possible solution in some markets. The reason why this story is mixed is that there are some affluent areas that are moving in the opposite direction and are tightening regulations on where RVs can be parked, even temporarily. But if more states follow Oregon's lead, it could open up opportunities.
 - Entry Level Structural Shift: Accessible Towable Market.** At least one major automotive brand is introducing prototype travel trailers that are lightweight, modular units engineered for towing by compact SUVs. The automotive segment has identified the accessible towable segment as a viable growth category. The more important question is what category of buyer these automakers are targeting, and whether that buyer is currently walking into RV dealerships or largely absent from the market today? If it is the latter, this represents a net expansion of the addressable market; if the former, it introduces new competitive pressure at the entry level within the next 3–5 years.



Oil/fuel Forecast:

- Impact of Rising Diesel Prices on RV Sales.** In 2008 when diesel went from \$3.31 in January 2008 to a peak of \$4.70 in July 2008 — a 42% increase over seven months, RV shipments over that same period collapsed from roughly 390,000 annual units to 165,700 by 2009 — a 57% decline over 18 months. Not all of that was diesel, but the RV analysis showed that fuel was the primary behavioral trigger that turned a softening market into a collapse, because it hit both the economics of ownership (trip costs) and the psychology of purchase (why buy something I can't afford to drive?).

Current diesel prices are still in the \$5.55 per gallon range, not far from all-time highs of \$5.81 hit in 2022. The EIA believes that diesel prices will ease slightly to average \$4.76 for the full year, a level that could still be problematic for some buyers. Gasoline will ease more quickly from \$4.42 today to \$3.88 for the full year.