Executive Briefing
RV Sector

Briefing Date: June 2025

Index Rises Again

Demand Index Comes In at 145.9

BLUF (Bottom Line Up Front): The index tracked for the RV sector moved up again monthly in April (latest available), the RV Demand Index came in at 145.9 which was higher than the adjusted 144.9 posted last month. The index was also 20.3% higher versus demand in April a year ago. The retail sales index for RVs was much stronger Y/Y, rising by 13.7% against a stable performance in April 2024. Despite the pressures coming from trade uncertainty, the RV consumer remains resilient. Some additional retirees, a rebounding stock market, and other factors are helping with sales.

Favorable Economic Conditions:

- **Q2 GDP Surges** – The current trend for second quarter GDP is much hotter than expected. The Atlanta Fed is showing the GDPNow estimate at 3.8%, much higher than Blue Chip Economist estimates for 1%. Consumer spending and commercial investment was leading the surge. This runs contrary to general sentiment and concerns over potential recession risk. Most of the outlook has now turned, and it would accelerate if the budget bill is passed and the remaining 17 trade agreements are signed before July 7th. The risk of economic slowing is still possible; the environment is still highly volatile and is being buffeted by key factors that can affect economic growth (both positive and negative). But for now, the overall economic signals are good for big ticket item purchases.

- **RV Rentals Jog sideways in April.–** The latest data from the Producer Price Index shows that the sector has continued to expand but at a slightly slower pace. The month-over-month rental pace contracted by a marginal 0.1%, but it remained 3.9% higher than at this time last year. In reality, this is keeping demand for rental units higher as mentioned later in this month's briefing.

- **Social Media Helping Spur Youth Interest. –** Younger generations are starting to follow influencers that have taken to single-overnight camping and RV'ing. One such video had more than 450,000 views in just 4 days and many of those that promote weekending and even glamping are getting millions of views. That is still spurring a younger generation to find interest in RVs – and as the trend continues to build momentum, it will hit millions more and hopefully create enthusiasts in the process. The best videos seem to capture someone actively using the unit and less about a sales presentation showcasing it.

- **RV Sales Forecast Shifts Higher to 5%**. Based on the latest data and industry commentary, the U.S. RV market is expected to see modest growth in unit sales for the second half of 2025, with a projected annual growth rate of about 5%—but the retail environment will remain highly price-sensitive and uneven across segments. Growth for the second half is generally interpreted as being in the 4–6% range (a bit higher than last month's 3-5% range) —with most analysts and RVIA forecasting a 5% increase over last year.

Risks Creating Headwinds for Sales:

- **Selling Prices Battle Demands for Discounts**. – Most RV manufacturers were reported to be trying to take price increases of 8-10% on new units, but dealers are being forced to discount units to generate sales. Uncertainty is still affecting consumer sentiment and is weighing on some luxury sales. As mentioned prior, the stock market is growing which should help bring some confidence to luxury buyers, but that has not started to transfer into dealer foot traffic.

- **Interest Rates Still Prohibitive.** Many consumers are still waiting on interest rates to move lower. At this time, long-term interest rates are still higher than they have been over the past two decades. The US 10 Year Treasury is still near 4.4%, which makes most lending rates closer to 6.5% or higher.

  The Federal Reserve (which controls short term interest rates) may have gotten some improvement in inflation data, but it could still use good GDP and stable labor data as rationale to keep interest rates unchanged. Most analysts are still predicting two quarter-point cuts this year and this could help with RV interest rates, but that might be elusive for another quarter.

Conclusions:

1. The NCM RV Demand Index remained higher year-over-year (which strips out seasonality) by 20.3% and is now higher against the long-term trend.

2. Retail sales were higher in April Y/Y, with growth of 13.7%. For the full year, some sources are showing a YTD growth rate of about 11%, which is largely in line with our estimates.

3. A rebounding stock market along with early retirements and package buy-outs have helped spur sales of RVs for those that would have been considered in the past to be pre-retirement. Early generation buyers are also still pursuing it from an enthusiast perspective, and online personalities are making it part of pop-culture.

Related Macro Items We are Watching:

1. **The Whiplash Shockwaves.** Across all NCM sectors, each have (and will) go through a similar set of significant shockwaves this year. The first shockwave hit in the first quarter when consumers and businesses were trying to get ahead of a potential port strike and tariffs (which at the time looked tame compared to the reciprocal tariffs).

   From April 2nd through the present, reciprocal tariff fears (even after they were reduced for most countries to 10% for 90 days) led to a drop in consumer and corporate sentiment. It affected some sectors in an unexpected way, many consumers jumped out to try and make big ticket purchases before tariffs hit. But there was also an economic headwind created in the process.

   Economic data could show some soft pockets over the next 30 – 60 days, despite most indexes showing an improving 6-month outlook.

   But by July, if specific scenarios play out as expected, the second half of the year could be set for rapid growth. The budget deal is expected to be completed by early July (if it isn't, there will be a completely different set of expectations set for the remainder of the year and 2026 outlook). In the bill are provisions that would stimulate construction, manufacturing, and infrastructure buildout. Most households would see a continuation of current tax benefits, so there would be no real surge in consumer spending tied to that. But the fear of a tax hike would go away.

   In addition, 17 more large trade agreements could be signed by then, boosting US exports by potentially $350 billion a year. That could create a better 2H of '25 and a better outlook for '26.

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Index Improves Again

RV Leading Index Shows Growth Ahead

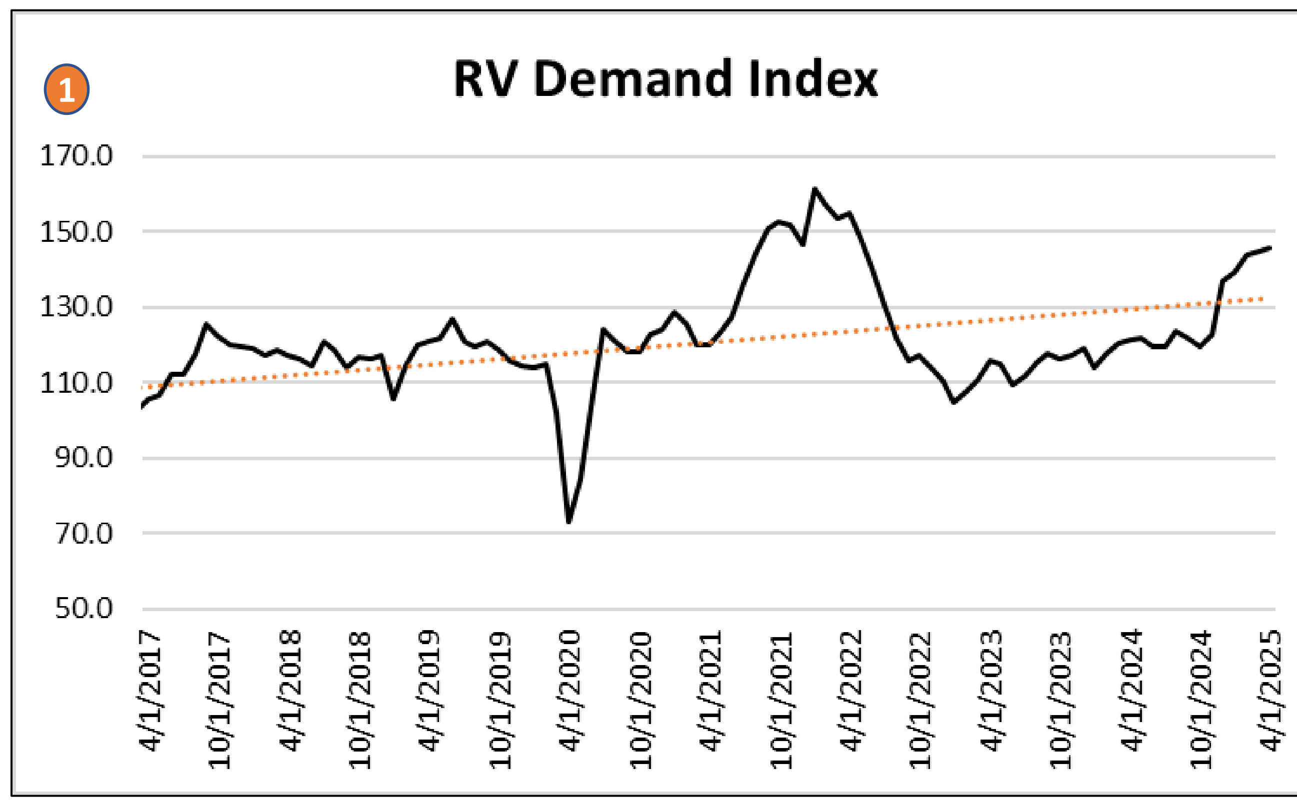
BLUF (Bottom Line Up Front): the **NCM RV Demand Index improved M/M in April with a reading of 145.9 (latest data available).** This was higher against an adjusted index of 144.9 from March. And against last year, the index was up 20.3%. This is a leading index, and it considers the economic environment ahead. With many large "issues" currently in flux, there is caution concerning the ongoing forecast and whether it can maintain what appears to be a strong future growth outlook.

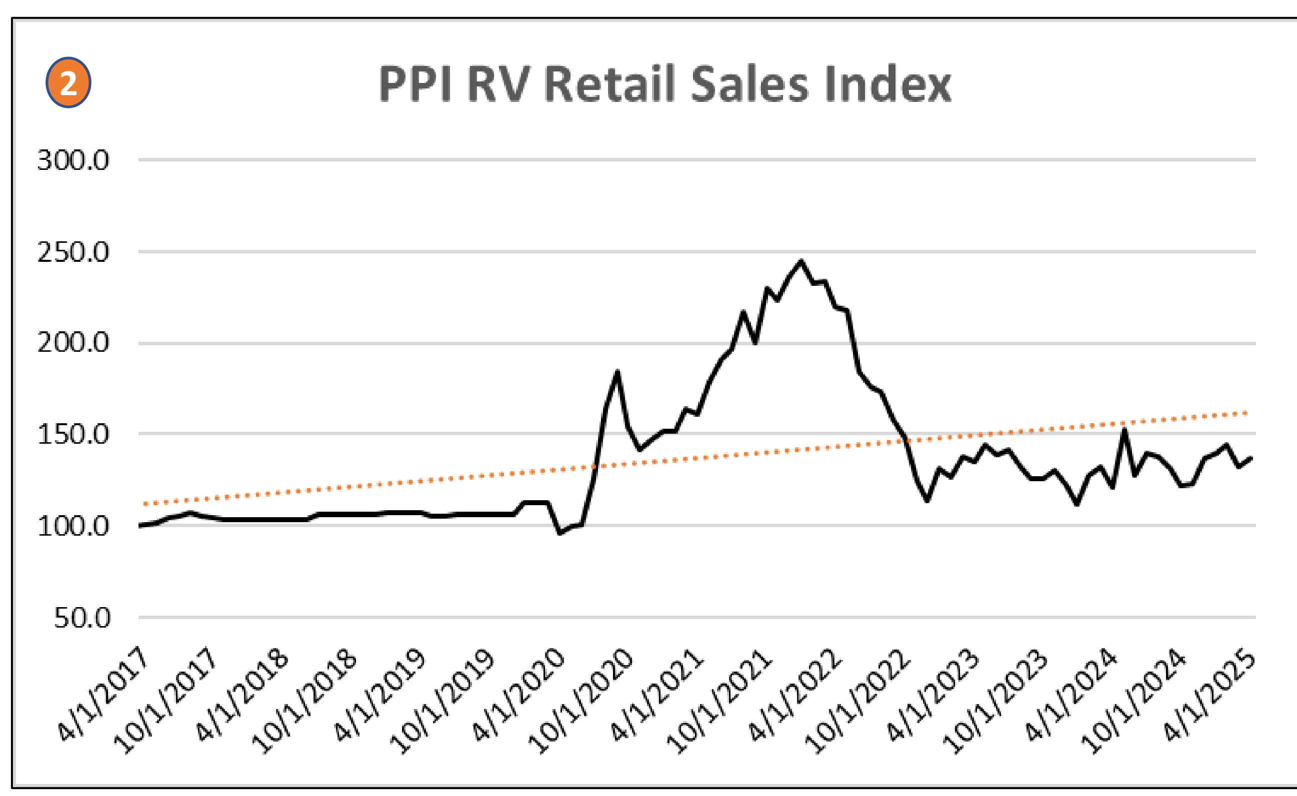
Demand Index:

April	145.9
March	144.9
February	144.0
January	139.4
December	137.0
November	122.6

RV Demand Index:

- 1 **Demand Index at 145.9.** The RV Demand Index came in at 145.9, up 0.7% vs. the adjusted March reading of 144.9. It was 20.3% higher vs. April of 2024 against easier comparisons.
- 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 index improved again in April, rising by 3.5% month-over-month; and it was sharply higher by 13.7% versus April of 2024.
- **What Pushed on the Index?** The index was much stronger than this time last year (which removes some of the seasonal noise). Demand also improved, perhaps as some consumers tried to get ahead of tariffs. The improvement in the retail index year-over-year was against stable readings from last year. But trends pushing different types of RVs and the popularity of getting outdoors continues to be a trend hitting multi-generational buyers.





Looking Forward:

- **RV Sectors to Watch for Growth**. The following three sectors are primary for RV sales, and here is a brief outlook for 2025:
  - **Pre-Retirement Enthusiasts**: The median buyer age is 49, with a large majority now in their 30's. Now 46% of RV owners (median age 49), up from 35–54 age group dominance in 2021. They prefer smaller, tech-enabled RVs (e.g., teardrop trailers, lightweight towables) with smart connectivity for remote work. Sustainability: 54% prioritize energy-efficient designs (solar panels, composting toilets). 54% cite "spending time in nature" and 52% "unwinding" as top reasons for purchasing. 22% work remotely, with 54% of those using RVs as mobile offices.
  - **Retirement Enthusiasts**: Retirees are downsizing from Class A motorhomes to compact, low-maintenance models (e.g., camper vans). Median RV usage up 50% since 2021 (30 days/year), driven by flexible retirement lifestyles.
  - **Commercial/Corporate/Fleet**: Corporate and rental fleets are expanding, especially for digital nomads and event support. RV rental revenue grew 18% YoY in Q1 2025. Rental demand is particularly strong in tourist regions (coastal, lakeside, and national parks). Fleet buyers prioritize reliability, ease of maintenance, and integrated tech (Wi-Fi, GPS, modular workspaces). Growing interest in electric and hybrid RVs for meeting corporate sustainability goals. In addition, with the potential for a growing construction sector (supporting energy and power grid buildout, manufacturing, and high-tech), the need for on-site offices and temporary housing will expand.

Oil/fuel Forecast:

- **Oil Prices Rebound**. Oil prices are fluctuating but have risen in the past thirty days from $58 a barrel last month to $65.10 this month. The EIA is still keeping oil forecasts rangebound lower after significantly pulling the forecast down in Q2.
- **Gasoline/Diesel**. Prices for gasoline and diesel are also projected to remain somewhat rangebound in the $3.50 and $3.09 range respectively over the next year. Refinery capacity issues and exports are keeping refined fuels higher.

Crude forecast:

2021	$68.21
2022	$94.91
2023	$77.58
2024	$76.60
2025	$61.81
2026	$55.24

Diesel forecast:

2021	$3.29
2022	$5.02
2023	$4.22
2024	$3.76
2025	$3.49
2026	$3.54

Gasoline forecast:

2021	$3.02
2022	$3.97
2023	$3.52
2024	$3.31
2025	$3.09
2026	$3.07