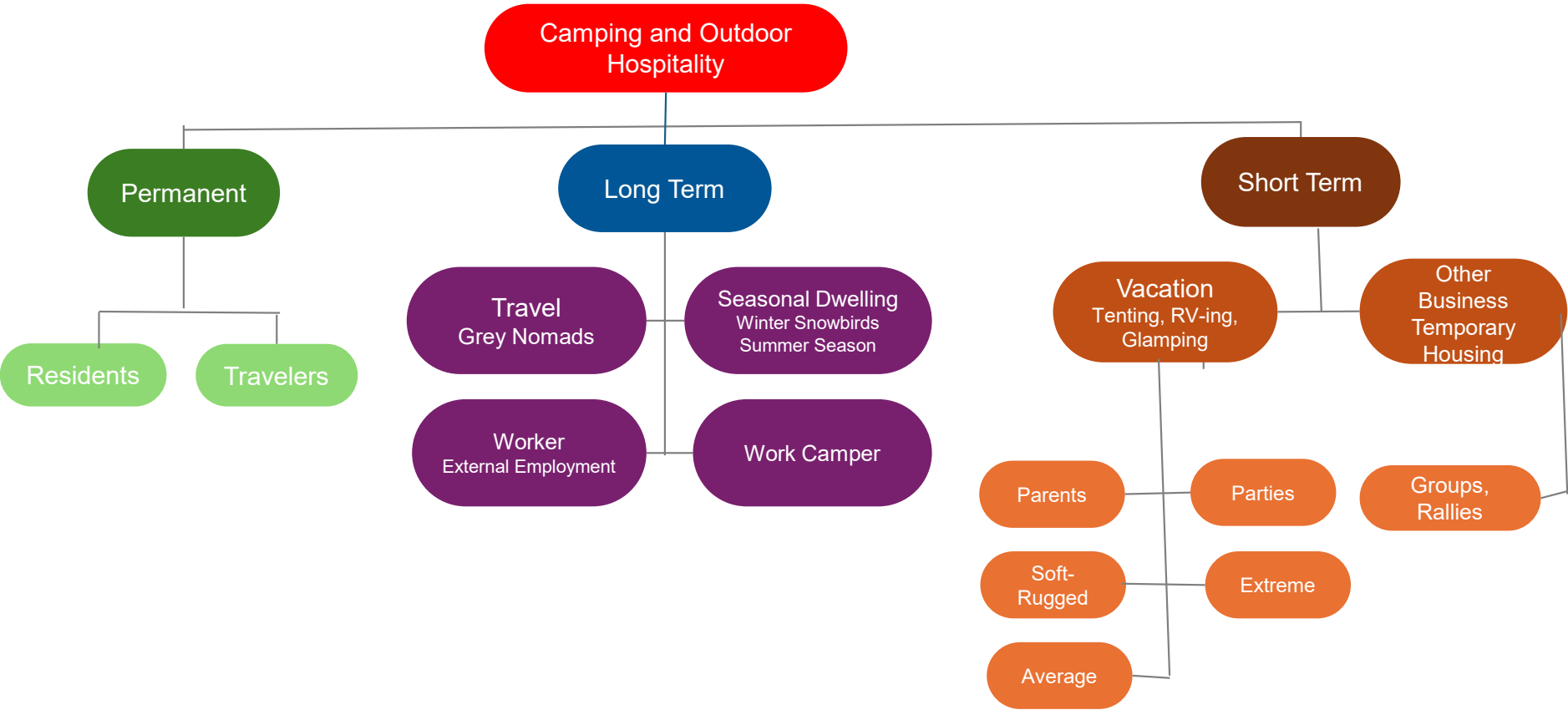




The Outdoor Lodging Industry

Understanding some of the financial aspects

Outdoor Hospitality Sub-Sectors



GLAMPING BUSINESS MODELS

Self-Operated ←

→ Partner with Existing

Own & Operate

Under this alternative, a potential investor would own the land, build, and operate the glamping accommodations.

Pros: Develop, own and operate the business with no revenue sharing.

Cons: Owner would carry all the startup costs and land costs (if purchase and servicing required)

Lease & Operate

A potential investor leases land from an existing campground or provincial park with infrastructure and servicing already in place and builds Glamping accommodations as alternative to campsites.

Pros: Required infrastructure and services and zoning already in place.

Cons: Lease payments and working within lease agreements.

Partner & Operate

Potential investors who own the land and have servicing already in place can partner with various glamping organizations that will install and market the accommodations on their own platform, but parties will have full operating control of their accommodations.

Pros: Experienced partner will set up accommodations, provide insurance, provide marketing and booking platform.

Cons: Organization charges an initial start-up fee and a continued 10 – 20% of nightly rate.

Partner

Existing campsites or parties with correctly zoned and serviced land can partner with various glamping organizations. These organizations use existing land to operate their luxury glamping accommodations.

Pros: Minimal investment required if land is correctly zoned and serviced.

Cons: These organizations generally have specific land and location requirements.

Key Attraction for Developers

*Accelerated payback and cost-efficiency
provided by Luxury Glamping
Accommodations*

*When compared to traditional building methods for
Resort development*



A quick look at development costs in the Luxury Hotel sector

Luxury Hotels							
Average	\$138,972	\$799,766	\$153,653	\$96,752	\$24,855	\$34,653	\$1,183,362
Median	\$116,782	\$620,471	\$153,957	\$94,613	\$28,639	\$35,949	\$1,057,494
% of Total*	10%	68%	11%	8%	2%	2%	100%

Notable in HVS' survey was the number of luxury developments where all-in costs exceeded \$2 million per room..... exacerbated by higher interest rates that make financing these projects even more onerous.

.....for a luxury hotel that runs around **65% occupancy**, if it's going to cost \$1 million per room to build it, then an average daily rate of \$1,000 is needed to make it work. Essentially, 1,000 times the rate.

SOURCE: HVS U.S. Hotel Development Cost Survey 2025,

Lux hotel rates versus Lux Glamping rates

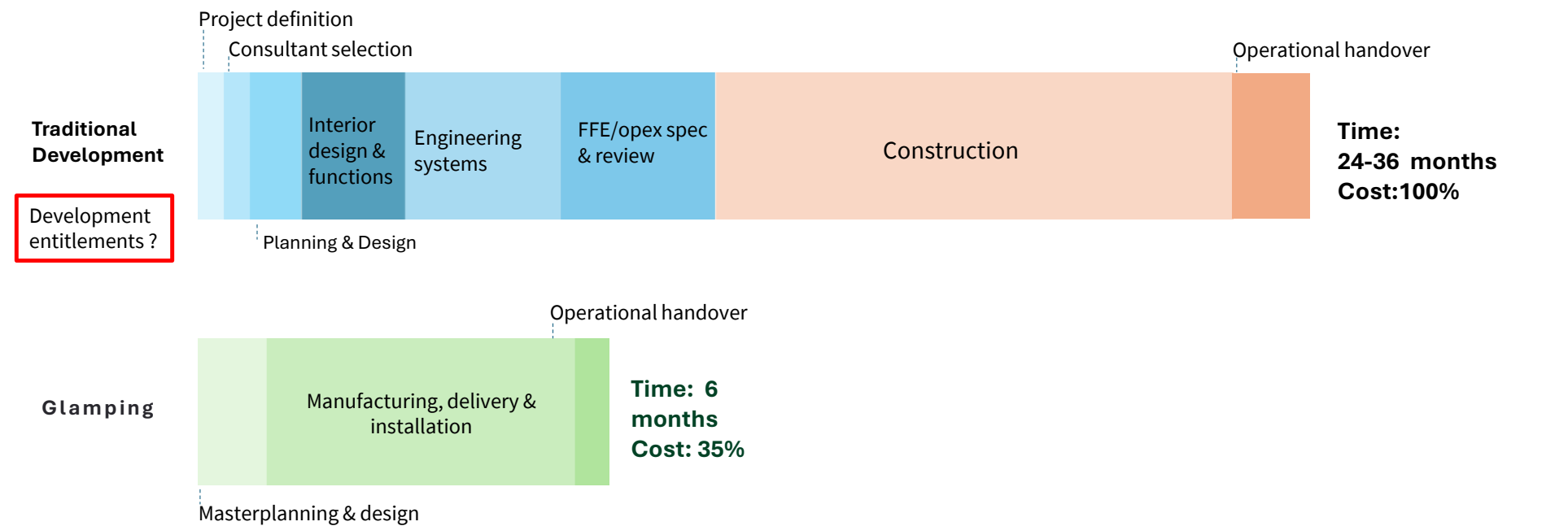
- Data from CoStar show that luxury average daily rates have increased since their COVID lows, but \$1,000 per night they are not.
- Year-to-date June 2025 shows luxury ADRs in the U.S. at \$398. In Luigi Major's estimation, luxury projects that can creep closer to that \$1,000 ADR are resorts that attract leisure travellers who are more willing to pay higher rates, in contrast to urban luxury hotels that typically have a higher concentration of business travellers and a rate cap.

Lower Development Costs

Cost Reductions by utilizing Low Environmental Impact Modular Construction



Comparison of timelines for planning design and construction of traditional built guest accommodations with design manufacture and erection of Glamping Units



Some nightly rate comparisons for Glamping in A-P

Property	Accommodation Type	Nightly Rate[USD]
Four Seasons Golden Triangle, Thailand	3 tent types of 54m2	\$2,340
Shinta Mani Wild, Cambodia	Wild or Waterfall Luxury Tents	\$2,345 +
Rosewood Luang Prabang, Laos	Luxury tents with jungle views	\$552 to \$700
Aman-i-Khas, India	10 airconditioned Tents	\$1,408
Aman Camp Sarika, Utah, USA	Spectacular Desert tents	\$2,900 to \$12,000
Amanwana. Indonesia	Jungle or Ocean Tents 58m2	\$1,350 to \$1,500
Longitude 131, NT, Australia	Lodges & Tents 63m2 at Uluru	\$1,100
Oberoi	Luxury Tent 144m2	\$905
The Beige, Siem Reap, Cambodia	Luxury Suite-style tents	\$500
Marriott Natra Bintan, Indonesia	100 air-conditioned Tented resort	\$180- \$250
Hintok River Camp, Katchanaburi, Thailand	Modest, small tents 26m2	\$135 to \$300

Source: Glamping.com 25.01.2022 and Individual Resort websites checked at end of January 2022. applying first available dates

The Desire for Exclusivity



"The very definition of LUXURY is changing. It is much more about the luxury of Experience, rather than just thread count. It's no longer only about having the top suite in a hotel, flying first-class or dining at a Michelin-starred Restaurant. It is increasingly about privacy, exclusivity and customization"

*Keith Baron, President,
Abercrombie & Kent, USA*

Financial Aspects

- With lower development costs and a consistent rate premium, as compared to a traditional 5-star resort hotel room, Outdoor Lodging Accommodations deliver:
 - Higher ROI
 - Higher IRR
 - Higher NPV
 - Faster payback
- Sustainability aspects align with ESG
- Low environmental impacts also help reduce operating costs



10 reasons why Luxury and Top Tier Brands have embraced the Glamping concept

1. The low cost to develop/construct.
2. The ability to mitigate Environmental impacts
3. Offers opportunities to engage with local communities in a far more intimate fashion than traditional resorts, to provide authentic experiential tourism
4. Facilitates a greater focus by Developers on the benefits of the Triple Bottom line approach to sustainability
5. Use of low-staffing models, compared to traditional resort and hotel operations.
6. Can be established in more remote locations in which the construction of a traditional type of resort would not be possible
7. Can deliver strong operating/profitability margins given the limited amenities and services that are sometimes provided
8. The ability for glamping projects to deliver unique and even transformative experiences
9. Can provide the opportunity to establish strong competitive differentiation within a market
10. Can consistently deliver a significant Rate Premium

How do you get your projects financed?

- Not easy because outdoor lodging industry is not yet well understood
- Site may be offered as security but the structures on the site may be movable, rather than immovable, with a limited useful life
- Lenders/Investors need to understand that they are being asked to lend against a very strong cash-flow model where the payback may occur within 5 years or less- as compared to a resort hotel
- Subject to any applicable investment regulations, Developers can also consider offering individual lodging units as an investment proposition, with a limited term of say 10 years. during which the investor receives an agreed percentage of net revenues. This is a matter on which legal advice must be obtained to ensure compliance with investor protection regulations.
- Thereafter, Developer will have another 15 years of 100% income entitlement for the accommodations

Development Costs as a Percentage of Total Costs

	Range			Average
Land	8 %	-	14 %	11 %
Building & Site Improvements	59	-	69	62
Soft Costs	8	-	15	12
FF&E	7	-	11	9
Pre-Opening & Working Capital	2	-	4	3
Developer Fee	1	-	3	2

Source: HVS

Capital Cost per Room and related Returns

The Basic Economics

- Sophisticated Model developed with basic assumptions:
 - Site Area: Approximately 5,000 square metres
 - F.& B. Revenue as well as Management Fees, have been excluded
 - Applied standard hotel construction assumptions for a 40-key boutique resort
 - Site acquisition cost circa \$618,000 - Central Core costs \$1,850,000
 - Total Site + Central Costs \$4,125,000
 - Tents average 73m² and cost \$43,016 with all the upgrades
 - Construction Costs including F.F. & E. (1) Tents: \$1.72m Hotel: \$7.845m
 - Total Project Costs (1) Tents: 5.828m (2) Hotel \$ 11.985m
 - Total Costs PER UNIT: (1) Tents \$145k (2) Hotel \$299.6k
 - Total cost per square metre: (1) Tents \$1,986 (2) Hotel \$7,134
 - SEASONALITY: Rates applied reflect average across 4 distinct Seasons
 - OCCUPANCY: Builds to around 65% after 4 years

Price per - key some 2020 south-east Asia indicators

*5-Star Beach-front Resort
in Bali / Samui / Danang?*

Keys	100
Tenure	Leasehold ~50 years
Assumed Price/Key Pre-Covid19 (USD)	USD 400,000
Assumed Yield on 2019 NOI	7.50%

Option	Discount	Price/Key (USD)	Yield on 2019 NOI
A	0%	USD 400,000	7.50%
B	5.0%	USD 380,000	7.89%
C	10.0%	USD 360,000	8.33%
D	15.0%	USD 340,000	8.82%
E	20.0%	USD 320,000	9.38%
F	25.0%	USD 300,000	10.00%
G	30.0%	USD 280,000	10.71%
H	35.0%	USD 260,000	11.54%
I	40.0%	USD 240,000	12.50%

