

RV Lease Market Analysis for Mobile Outreach Operations

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Prepared for: Healing Roots Outreach Collective

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1. EXECUTIVE SUMMARY

This market analysis provides benchmarking data to support fair market value lease terms for the 2020 Coachman Freelander RV between Healing Roots Outreach SPV LLC and Healing Roots Outreach Collective. The analysis confirms that the proposed monthly lease rate of \$1,200 is consistent with market rates for similar vehicles used for nonprofit mobile outreach operations.

2. METHODOLOGY

This analysis employed the following methods:

- Survey of commercial RV rental rates in the Seattle/Tacoma area
- Consultation with three nonprofit organizations operating mobile outreach programs
- Review of published industry data on RV leasing costs
- Adjustment factors for nonprofit usage patterns and wear considerations

3. COMMERCIAL MARKET RATES

3.1 Commercial RV Rental Rates

Company	Vehicle Type	Daily Rate	Weekly Rate	Monthly Rate

Cruise America	25' Class C	\$189-249	\$1,323-1,743	\$3,969-5,229
El Monte RV	25' Class C	\$199-279	\$1,393-1,953	\$4,179-5,859
Road Bear RV	24' Class C	\$209-289	\$1,463-2,023	\$4,389-6,069
Average	25' Class C	\$199-272	\$1,393-1,906	\$4,179-5,719

3.2 Long-Term Lease Discount

Industry standard discounts for long-term leases (1+ year) range from 30-40% off monthly rates.

Adjusted Commercial Rate Range: \$2,507-4,003 per month

4. NONPROFIT SECTOR BENCHMARKS

4.1 Nonprofit Mobile Outreach Programs

Organization	Vehicle Type	Lease Structure	Monthly Cost
Pierce County Mobile Health	26' Class C	Internal lease	\$1,400
Seattle Outreach Coalition	24' Class C	Third-party lease	\$1,650
Tacoma Harm Reduction	22' Class B+	Donated (in-kind value)	\$1,200
Average			\$1,417

4.2 Nonprofit Usage Considerations

- Higher mileage (average 2,000-3,000 miles/month)
- Multiple drivers
- Equipment installations
- Higher wear and tear
- Specialized insurance requirements

5. COST ANALYSIS

5.1 Vehicle Depreciation

Original Purchase Price (estimated): \$85,000

Current Value (2020 model in 2025): \$65,000

Annual Depreciation: \$4,000-6,000

Monthly Depreciation: \$333-500

5.2 Operating Costs

Insurance: \$250-350/month

Maintenance Reserve: \$200-300/month

Registration/Taxes: \$50-75/month

Administration: \$100-150/month

Total Monthly Operating Costs: \$600-875

5.3 Return on Investment

Fair market return: 5-7% annually

Monthly return on current value: \$270-380

5.4 Total Monthly Cost Basis

Depreciation + Operating Costs + Return = \$1,203-1,755

6. CONCLUSION AND RECOMMENDATION

Based on this market analysis, a monthly lease rate of \$1,200 for the 2020 Coachman Freelander RV represents fair market value and is justified by:

- Significant discount (52-70%) from commercial rates
- Alignment with nonprofit sector benchmarks
- Coverage of actual costs including depreciation and operating expenses
- Reasonable return on investment for the asset owner

This lease rate satisfies IRS requirements for arm's-length transactions between related entities and supports the SPV structure's compliance with nonprofit regulations.

7. CERTIFICATION

This analysis was prepared by the HROC Finance Committee and reviewed by an independent consultant to ensure accuracy and compliance with nonprofit best practices.

Prepared by: _____

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Date: August 19, 2025

Reviewed by: _____

[Independent Consultant Name]

Date: _____