



HOTEL & LEISURE ADVISORS

Waterpark Resorts Supply and Demand 2013 Update

By David J. Sangree, MAI, CPA, ISHC

The country appears to be pulling out of the recession and heading for calmer waters if waterpark developments are any indication. While the flow of waterpark leisure development slowed down following the economic recession of 2009 and 2010, it is now picking back up as financing becomes more widely available. The resulting waterparks will be welcome additions to many communities and resorts throughout the country.

The World Waterpark Association has estimated approximately 85 million attendees at North American waterparks during 2012, which compared to 82 million in 2011 and 79 million in 2010. This estimate includes attendance at all municipal and private waterpark facilities in North America, including indoor and outdoor waterparks.

Research conducted by Hotel & Leisure Advisors indicates that there are 784 waterparks in the United States, 16 of which opened in 2012. Our research shows that 21 more are expected to open before 2013 draws to a close.

HL&A defines various waterparks the following ways:

An indoor waterpark resort is a lodging establishment containing an aquatic facility with a minimum of 10,000 square feet of indoor waterpark space inclusive of amenities such as slides, tubes, and a variety of indoor water play features. H&LA has divided indoor waterpark resorts into two categories: hotel with indoor waterpark and indoor waterpark destination resort. A hotel with indoor waterpark is a hotel with an attached indoor waterpark with 10,000 to 30,000 square feet of indoor waterpark space where the indoor waterpark serves as an amenity of the hotel versus a true destination. An indoor waterpark destination resort is a resort with more than 30,000 square feet of indoor waterpark space and is considered a true destination resort, which families frequent on a year round basis primarily to utilize the waterpark and secondarily to visit other attractions or events in the area.

A resort with an outdoor waterpark is a lodging establishment that contains an outdoor aquatic facility with three or more waterpark elements requiring lifeguards such as slides, lazy rivers, or wave pools. These resorts will have a more elaborate outdoor waterpark area that is utilized primarily by hotel guests or can also be open to the public.

A standalone indoor waterpark is an aquatic facility with a minimum of 10,000 square feet of indoor waterpark space inclusive of amenities such as slides, tubes, and a variety of indoor water play features that is not attached to a lodging establishment.

An outdoor waterpark is an outdoor aquatic facility with three or more waterpark elements requiring lifeguards such as larger slides, lazy rivers, or wave pools. These parks will often offer additional splash features for younger children as well.

2012 Waterpark Standings:

By the end of the year, the status of U.S. waterparks showed healthy numbers. The total number of waterparks was close to 800, with the lion’s share being outdoor parks.

2012 U.S. Open Waterpark Supply by Region			
U.S. Outdoor Waterparks			
Region	Municipal	Private	Total
Northeast	6	58	64
Midwest	157	42	199
South	101	102	203
West	43	52	95
Total	307	254	561
Note: Outdoor waterparks defined as an aquatic facility without attached hotel having 3 or more slides			
U.S. Indoor Waterpark Resorts			
Region	Franchise	Independent	Total
Northeast	7	6	13
Midwest	35	65	100
South	0	10	10
West	5	4	9
Total	47	85	132
Note: Indoor waterpark resorts defined as a hotel with a minimum of 10,000 square feet of indoor waterpark space			
U.S. Standalone Indoor Waterparks			
Region	Municipal	Private	Total
Northeast	0	1	1
Midwest	22	0	22
South	7	3	10
West	14	1	15
Total	43	5	48
Note: Standalone indoor waterparks are defined as having a minimum of 10,000 square feet of aquatic area and featuring multiple water features			
U.S. Resorts with Outdoor Waterparks			
Region	Franchise	Independent	Total
Northeast	1	2	3
Midwest	1	11	12
South	9	16	25
West	8	7	15
Total	19	36	55
Note: Resorts with outdoor waterparks are defined as being a resort hotel having an outdoor waterpark with at least 3 features (e.g. slide, lazy river, wave pool, etc.)			
Combined Total Number of U.S. Waterparks			796
Source: Hotel & Leisure Advisors, LLC, April 2013			

The Midwest boasts the largest number of waterparks almost across the board (the exception being resorts with outdoor waterparks, which has its majority in the South). Among outdoor waterparks there are a greater number of privately owned facilities than municipal facilities, while among standalone indoor waterparks there are a greater number of municipal facilities than private ones. Among indoor waterpark resorts and resorts with outdoor waterparks there are a greater number of independent properties than hotels affiliated with national franchises.

Moving into 2013, the country is set to see the opening of more waterparks in almost every category.

Indoor Waterpark Resorts and Standalone Indoor Waterparks: Popular for family getaways, indoor waterpark resorts continue to open and expand, though at a slower rate than between 2005 and 2007. The following tables indicate recent growth in indoor waterpark resorts.

Indoor Waterpark Additions & Indoor Waterpark Resorts Opened in 2012				
Indoor Waterparks and Resorts	City	State / Prov	New Rooms	Indoor Waterpark Sq. Ft.
Soaring Eagle Resort and Conference Center with Indoor Waterpark	Mt. Pleasant	MI	243	45,000
Holiday Inn Express (opened in 2011) with Water Zoo Indoor Waterpark (opened in 2012)	Clinton	OK	87	28,000
Wilderness at the Smokies Indoor Dry Park and Water Slide Expansion	Sevierville	TN	0	23,000
Schlitterbahn Beach Resort (conversion of former 221-room Holiday Inn)	South Padre Island	TX	221	80,000
Jay Peak Indoor Waterpark Hotel Addition	Jay	VT	176	0
Jay Peak Indoor Waterpark Golf Course Condos Addition	Jay	VT	50	0
Wilderness Hotel and Golf Resort Indoor Ropes Course Addition	Wisconsin Dells	WI	0	0
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space				
Source: Hotel & Leisure Advisors, LLC				

Three new indoor waterpark resorts opened in 2012, while several others expanded in various ways. The largest indoor waterpark opening was the 80,000 square foot Schlitterbahn Beach Resort in South Padre Island, Texas, which was a conversion of a former Holiday Inn.

The Soaring Eagle Resort is a new construction hotel with a 45,000 square foot indoor waterpark located approximately one mile from the existing casino hotel operated by the same Native American tribe in Mount Pleasant, Michigan.

In 2012, Water Zoo opened in Clinton, Oklahoma, attached to a Holiday Inn Express that opened in 2011. The indoor waterpark with a retractable roof offers more than 300,000 gallons of water, 500 feet of water slides, and various other splash features, including a wave pool, toddler section, lazy river, three water slides (including a tornado bowl), and a multilevel play structure with a 600-gallon tipping bucket.

The following lists the projected openings and expansions of indoor waterpark resorts and standalone indoor waterparks in 2013.

Indoor Waterpark Additions & Indoor Waterpark Resorts Projected to Open in 2013				
Indoor Waterparks and Resorts	City	State / Prov	New Rooms	Indoor Waterpark Sq. Ft.
Sahara Sam's Indoor and Outdoor Waterpark Expansion	Berlin Township	NJ	0	8,000
Jay Peak Condos Addition	Jay	VT	100	0
CoCo Key Waterpark Redevelopment	Arlington Heights	IL	0	37,000
Maui Sands Indoor Waterpark Resort Reopen	Sandusky	OH	300	35,000
Source: Hotel & Leisure Advisors, LLC				

The reopening of Maui Sands in Sandusky, Ohio, and the redevelopment of CoCo Key in Arlington Heights, Illinois, are the two largest projects projected (at 35,000 and 37,000 square feet, respectively). Sahara Sam's, which is expanding its indoor and outdoor areas, represents one of relatively few standalone indoor waterparks in the United States. Although a number of additional indoor waterpark resorts are proposed throughout the United States, none are projected to open in 2013.

Outdoor Waterparks: The number of outdoor waterparks is growing faster than any other category, as the following tables indicate.

Outdoor Waterparks Opened in 2012			
Park	City	State	Larger Slides
BamaJam Farms	Enterprise	AL	10
Waylon's Water World at Z Fun Factory	Yuma	AZ	15
Legoland Outdoor Waterpark	Winter Haven	FL	6
The Bay Water Park	Kansas City	MO	3
Captain Bly's Shipwreck Cove	New Bern	NC	3
Andy's Alligator Waterpark	Norman	OK	5
Wild West Water Works at Frontier City	Oklahoma City	OK	5
The Pirates Cove Fun Zone	Burleson	TX	7
Hurricane Alley Waterpark	Corpus Christi	TX	8
Hawaiian Falls	Waco	TX	11
Splash! In the Park	Breaks	VA	4
Note: List of recent openings includes waterparks with three or more larger water slides.			
Source: Hotel & Leisure Advisors			

Eleven new outdoor waterparks opened in 2012 with a total of 77 larger slides. All of the private parks are located in the southern and southwestern states with three in Texas. The only municipal park on the list is The Bay Water Park in Kansas City, Missouri. The parks with the most attractions include Waylon's Water World at Z Fun Factory in Yuma, Arizona; Hawaiian Falls in Waco, Texas; and BamaJam Farms in Enterprise, Alabama. These parks boast 15, 11, and 10 new slides, respectively.

A significant number of outdoor waterparks are expected to open in 2013 as well, as the following table shows.

Outdoor Waterparks Projected to Open in 2013					
	Park	City	State	Acres	Larger Slides
Private	Holiday Springs Waterpark	Texarkana	AR	4.5	10
	Proposed Clearwater Waterpark	Bakersfield	CA	18	5
	Saturation Station @ Quassy Amusement Park	Middlebury	CT	1	3
	Splashtacular @ Fun Spot	Orlando	FL	10	12
	Pirates Cove Waterpark	Savannah	GA	10	6
	White Water University Reopening	Des Moines	IA	5.8	5
	Seven Peaks Waterpark Porter	Porter	IN	17	15
	Cowabunga! Bay Las Vegas	Henderson	NV	23	18
	Splash Canyon Waterpark	Las Vegas	NV	65	20
	The Beach Waterpark Reopening	Mason	OH	35	18
	Lake Winnepesaukah Waterpark	Chattanooga	TN	5	8
	Bahama Bay	Pasco	WA	12	12
	Municipal	Perris-Menifee Valley Aquatics Center	Perris	CA	12
Little Kahuna Waterpark		Iowa	LA	25	7
Lions Water Adventure @ Woodman Center		Kinston	NC	1	3
Donald Reynolds Recreation & Aquatic Center		Pauls Valley	OK	1	3

Note: List of projected openings includes waterparks with three or more larger water slides.

Source: Hotel & Leisure Advisors

Of the 16 new outdoor waterparks projected to open in 2013, 12 are private. The number of larger slides range from three to 20, while the park sizes range from one acre to 65 acres. The largest outdoor waterpark project on the horizon is Splash Canyon in Las Vegas. Other significant additions include the reopening of The Beach in Mason, Ohio; Cowabunga! Bay Las Vegas in Henderson, Nevada; Seven Peaks Waterpark Porter (which is a redevelopment of Splash Down Dunes) in Porter, Indiana; Bahama Bay in Pasco, Washington; and Splashtacular at Fun Spot in Orlando, Florida.

Overall, adventure seekers can look forward to 150 larger slides planned on more than 245 acres at new outdoor waterparks in 2013.

Resorts with Outdoor Waterparks: A number of resorts, particularly in the southern states, have been adding outdoor waterparks as an additional amenity and attraction for guests. The outdoor waterpark is a refreshing way to enhance the guest experience and provide more family leisure options.

The following charts represent resorts that have added outdoor waterparks in 2012 and those planned for 2013.

Resorts with Outdoor Waterparks Opened in 2012				
Resort	Location		Slides	Additional Features
Cypress Springs at Gaylord Palms Resort	Kissimmee	FL	4	Splash Structure
The Homestead Resort	Hot Springs	VA	3	Lazy River

Source: Hotel & Leisure Advisors, LLC

Both of the new outdoor waterparks shown above were opened at existing resorts. The two-acre Homestead Resort waterpark is the nation’s first spring-fed waterpark. It includes three water slides and a 400-foot lazy river. Cypress Springs Waterpark at Gaylord Palms Resort now offers four water slides as well as a multilevel water playground tree house, toddler pool, and water basketball.

Resorts with Outdoor Waterparks to Open in 2013				
Resort	Location		Features	
DoubleTree Expansion	Gilbert	AZ	Lazy River, Wave Pool, Slide	
Legoland California	Carlsbad	CA	The park (already opened) is adding a 250 room hotel	
Hyatt Hill Country Resort Waterpark Expansion	San Antonio	TX	Slide, FlowRider, Wave Machine	
Schlitterbahn Cedar Park	Cedar Park	TX	Slides (including an Endless Water Slide), Lazy River	

Source: Hotel & Leisure Advisors, LLC

Two resorts plan to expand their waterparks in 2013, while Schlitterbahn is planning a multistaged project in Cedar Park, Texas, offering an outdoor waterpark with slides (including an endless water slide) and a transportation river, which is not only a lazy river but also connects the various rides throughout the park. Eventually, the park will include a hotel, indoor waterpark with a retractable roof, riverwalk, and retail space.

Legoland California opened a waterpark in 2010, and is now expected to add a 250-room hotel in the summer of 2013, which would take the park from an outdoor waterpark to a resort with outdoor waterpark.

Conclusion: With the increased popularity of staycations, long weekends, and family getaways and get-togethers, waterpark demand continues to grow. Waterparks have proven to be convenient and fun. Both private developers and municipalities continue to introduce new indoor and outdoor waterparks in various locations throughout the United States. However, the development of a waterpark is risky and there have been a number of well documented outdoor waterparks and indoor waterpark resorts that have sold over the past three years at prices well below development costs, including the entire CoCo Key Waterpark Resort chain. The development of an indoor or outdoor waterpark requires extensive research of supply and demand factors, demographics, income levels, potential per capita spending, potential attendance, and profitability levels.

The development of an outdoor waterpark is less expensive than an indoor waterpark and can add seasonal recreation to a property. This is why the growth of outdoor waterparks continues to dwarf that of indoor waterparks. However, regardless of indoor, outdoor, hotel attached, or standalone, the number of waterparks continues to grow, and waterparks continue to meet various leisure needs from destinations to local swimming holes.

Author

David J. Sangree, MAI, CPA, ISHC is President of Hotel & Leisure Advisors, a national hospitality consulting firm. Mr. Sangree's expertise is in the appraisal and analysis of hotels, resorts, indoor waterpark resorts, waterparks, amusement parks, conference centers, ski resorts, and golf courses. He has performed studies on more than 2,000 existing and proposed hotels in more than 46 states and internationally in all price ranges including economy, full-service, extended-stay, and luxury hotels and resorts including indoor waterpark resorts. He has been an active appraiser/consultant since 1987 and also has 10 years of work experience in the hotel/restaurant industry, including management positions with four Westin Hotels properties.

Mr. Sangree is a nationally recognized expert on indoor waterpark resorts and has visited most of the open waterpark properties in the United States and Canada. He has performed more than 200 studies of hotels and resorts with waterparks since 1999, and he maintains a database of statistical information concerning indoor and outdoor waterpark resorts. Mr. Sangree was named one of *Aquatics International Magazine's* "Power 25" in 2008. In their profile, *Aquatics International* named Mr. Sangree as one of the first consultants serving the waterpark resort industry and credited him with shaping some of the latest industry trends through his expertise and experience in the waterpark resort market. Mr. Sangree has appeared on [Good Morning America](#) and [CNBC](#) on special reports concerning resorts and waterparks. He can be reached via telephone at 216-228-7000 ext. 20 or via e-mail at dsangree@hladvisors.com. The author wishes to acknowledge Hollie Gibbs for her assistance with the article.