

Consumers planning to buy a boat in the next few months have a real edge. Sales of new boats are slow and dealers are anxious to sell. Belt-tightening on the part of current owners means that the used-boat market is also glutted. So, with the fall-winter boat show season ready to start, BoatU.S. has some tips for those of you who want to test the waters — and maybe even make a purchase. First, in addition to wearing comfortable shoes and packing a handful of

energy bars, prepare for the boat show circuit by first researching the types, makes, and models of boats that fit your interest and budget. The Internet is the perfect place to start. Boat manufacturers' websites provide photos and specs for their models, and they usually list the shows their dealers will be attending. Getting information about new-boat prices and the cost of options is a bit trickier. Manufacturers and dealers usually don't list these figures on their sites, but prices found on brokerage sites such as Yachtworld.com will give buyers an idea of what to expect.

Speaking of prices, timing is everything. Under no circumstance should you buy a boat the first day of the show. In fact, you might get a better price if you wait until the last day to make an offer, when the dealer is contemplating hauling his unsold vessels back home. Again, knowing what's a good price will help you negotiate.

Better yet — and this takes a lot of self-control — write down boat show prices and visit the dealer after the show is over. On his home turf, the dealer does not have to adjust prices to reflect the cost of renting show space, hiring extra dealers, or paying transport fees. Other BoatU.S. resources for buyers are listed below. The most important lesson to be learned from the recession that started nearly three years ago is the importance of keeping debt — whether from mortgages, loans, or credit cards — at a manageable level. The boat you lust after may be bigger and flashier, but making the payments on a boat you can actually afford, and afford to use and maintain, is priceless. Be aware that the sales ticket is just one part of the cost of ownership. Sales and personal property taxes, insurance, storage fees, and fuel will add to your expenses. In addition, routine maintenance can run anywhere from about \$50 per foot per year for do-it-yourselfers to about \$150 per foot if others are hired to do the work. Anyone who's ever owned a boat will agree that having a cash reserve on hand can take the bite out of unanticipated repairs, an engine breakdown, or other damages.

Although dealers will have some great financing packages available at shows this winter, **don't head for a show without pre-qualifying for a boat loan.** Know in advance how much debt you can manage safely. Thinking clearly can be difficult when the boat of your dreams is just a few yards away and a friendly dealer is making an offer that sounds too good to refuse.

Banks usually require no more than 10 percent down, but this cushion can get eaten up quickly if sales tax and registration fees are rolled into the loan amount. Pay these fees in cash. In addition, making the largest down payment possible, preferably at least 15 to 20 percent, can help offset the 20- to 30-percent depreciation that occurs when new boats leave the showroom. At all costs, avoid using a credit card to make a down payment unless you're able to pay off the balance within a month. Credit card interest rates are far higher than fees charged by lenders.

New boat sales lagged for at least the past 24 months, so it's likely you'll see **last year's models for sale at this year's shows.** Leftovers may be a year older, but they're probably pretty

close in features to their newer versions. Upgrades from one year to the next are usually superficial. Expect to see significant markdowns compared to current models. **Negotiating lower prices on options such as electronic gear or trailers is another way to sweeten the deal.** Ask the dealer or, better yet, call the boat and engine manufacturers directly to verify that their warranties will be in effect for their full terms when the vessel is sold; you'll need the hull identification number and the engine serial number when you call. Manufacturers often place limits on warranties when vessels sit on dealer lots because leftovers are sometimes cannibalized for spare parts.

Also, be aware that the recession has resulted in companies, most notably Genmar, filing for bankruptcy (see *May BoatU.S. Magazine*). Although new owners often purchase the assets of bankrupt companies and continue building boats of the same marque, they rarely honor warranties on older boats made by their predecessors.

Warranty coverage may be limited or even non-existent on demo boats because of the wear and tear and number of engine hours racked up by dealers as they show boats to prospective customers. Again, verify with the boat and engine manufacturers that warranties are in effect, in full.

Regardless of which dealer has the best price, buying from a nearby business will make after-sales service more convenient. Dealers always give service priority to the boats they actually sell and you definitely don't want to transport your boat hundreds of miles for a simple repair.

Having a used boat inspected prior to purchase by a competent marine surveyor is standard advice. Marine surveys for new boats are also a good idea, particularly when the boat is large and complex, when the purchase represents a significant investment, or when the buyer is inexperienced or a novice boater. BoatU.S. maintains an online referral list of competent marine surveyors at www.BoatUS.com/insurance/survey.asp.

HELPFUL REFERENCES

The online BoatU.S. Consumer Protection Database (BoatUS.com/consumer/database.aspx) contains thousands of firsthand reports about boats, marine engines, and boat dealers. After narrowing down the list of boats in which you're interested, consult the database for reports, as well as for general information about how boat and engine makers handle consumer issues.

Two free guides, *The BoatU.S. Guide to Buying and Selling a Boat* and *The BoatU.S. Guide to Marine Services*, are available online at my.BoatUS.com/consumer/about.asp.

The U.S. Coast Guard's database of defect recall campaigns is available online at www.uscgboating.org.

If you have boat-buying questions or need consumer guidance, contact the BoatU.S. Consumer Protection Bureau, 703-461-2856, or e-mail consumerprotection@BoatUS.com.