



# Thinking of Buying a Boat this Summer?

## *Tips for navigating the boat market and the risks (costs) of boat ownership*

Is owning a boat on your horizon? Do you see yourself paddling a canoe? Piloting a motorboat? Helming a sailboat?

Of course, it will be easier and more affordable to pop a canoe on top of your car than to maintain a moored boat in a popular summer harbor. Still, choosing a boat that fits your lifestyle, as well as your budget, takes some research.

Before you make your purchase, realistically assess all of the ongoing expenses of boat ownership. Navigating your options begins with an understanding of the boat market.

### **Navigating the Boat Market**

One of the biggest challenges when buying a boat is balancing your needs and wants with your budget. Bigger boats generally cost more; smaller boats generally cost less. However, buying used, an option with boats much like with cars, may allow you to get a little more “bang for your buck,” or in boating terms, more “feet for your dollars.”

If buying used provides you with the opportunity to purchase a boat that meets your size requirements, suits your purposes, and offers the accessories you want, consider taking the following six steps.

**Avoid impulse buying.** Allow yourself time to research your options – attend boat shows and read trade magazines. You can get a general sense of prices for boats that interest you by scanning the classified ads for a few months.

**Research repair and maintenance histories.** While certain surface repairs may be obvious, others can be less obvious to the untrained eye. Consider consulting with a marine surveyor for a professional inspection, which is much like having your prospective house inspected or taking a car you’re interested in buying to the mechanic.

A boat inspection might reveal mechanical difficulties, electronic problems, weak points in the hull, or better yet, nothing at all.

**Look for a fair price.** Compare high and low prices for boats that interest you from as many sources as possible, including the classifieds, used boat guides, a marine surveyor’s report, and word of mouth.

**Get warranty information.** Be aware that used boats may not qualify for certain coverage under manufacturer or dealer warranties. However, in certain situations, the seller may be able to transfer a warranty to you.

**Go for a ride.** While not possible in all circumstances, a test voyage can be an important indicator of a boat’s general condition and handling.

**Document the purchase in writing.** Make sure that any special conditions, such as the inclusion or exclusion of certain equipment, are clearly defined in a written document. A bill of sale will also prove useful if your boat needs to be registered (this applies to almost all motorized boats) or if you are applying for a loan.

If you're looking at new boats, many of the above pointers apply as well – avoid impulse buying, do some research, and scout out the best deal. In addition, pay special attention to the warranty offers, which generally promise service in the event certain repairs are needed.

The details vary depending on dealers and manufacturers, so be sure to do your research before you close the deal. If your new boat will replace an older boat, consider selling the older boat yourself, even though it may take some extra effort. The trade-in value is often less than the used market value.

### Wading Through the Costs

When analyzing the total cost of a boat, it is important to look beyond the sticker price. Depending on the type of boat you wish to purchase, additional costs may include:

- Sales tax
- Registration fees
- Excise tax
- Marine insurance
- Repairs
- Maintenance
- Fuel
- Slip rental
- Mooring fees and
- Winter storage

Furthermore, if you will be funding your purchase with a loan, be sure you account for interest payments.

### Tips for Smooth Sailing

On the water, gently lapping waves and sunny skies can quickly give way to storm clouds and choppy seas. Be prepared and invest in the proper safety equipment, which begins with Coast Guard-approved personal flotation devices (PFDs), commonly called life jackets. Equip your boat with a life jacket for each passenger. For ocean-going vessels, be sure to have adequate communication equipment and appropriate navigational tools onboard.

Whether you cruise toward the sunset by sail, motor, or paddle, planning ahead can help you find a boat that best suits your lifestyle and your budget. Investing your time beforehand may save you money later.