

Some help for those who are considering buying a boat.

1. Did you take the time to price a boat? _____

2. What Type and Size: _____

I have some prices for the boats we buy. Sea Ray is our boat of choice and the costs of the boat is still the least of the costs of ownership.

All of the other expenses associated with owning a boat are more (far more) than the cost of the boat.

Ask me for the back up for the purchase and ownership costs of boating.

3. If you have considered buying a boat,

a. Will you also need a trailer? _____

b. Will you need a truck or SUV to tow it? _____

c. Have you found a slip to rent for the boat? _____

▪ Slips are hard to find and they are generally pretty expensive.

d. Are you mechanically inclined? _____

e. Will you be changing the oil, winterizing your boat, and maintaining it? _____

Takes time and the marina generally requires you to inform them of the work.

f. Do you have a place to store your boat in the winter, and what will that cost? _____

Most HOA's will not permit boats to be parked on the premises. _____

g. Have you obtained insurance for the boat? _____

You may want fire, theft, comprehensive and collision, liability, and on-the-water service, towing and salvage.

h. Have you increased your liability insurance? _____

You should protect your other assets by increasing your liability insurance.

i. Are you a member in Tow Boat US, or Sea Tow? _____

Minimum recommended policy is \$125/year

4. Do you have a repair shop and mechanic identified? Do you know the hourly rates for service? _____

Do you understand the priority setting done by a marine service center? (*Look into it, you may be last on the priority list if you didn't buy your boat at the shop.*)

Do you know that a Marine Mechanic costs as much as \$140.00/hr? (*Makes you want to learn how to do it yourself, doesn't it?*) Do you have the time?

5. Have you prepared a budget for owning a boat? _____

6. Here are the basic fees you should consider if you are going to buy a boat.

a. What's the price of the boat you want to buy? _____

- i. The smallest Sea Ray in our club lists for \$61,000. Assume you can get it for \$50,000. The down payment is \$5,000 and the sales tax is about \$2,000. The mortgage is \$464.00 for 10 years.
- b. How much is the down payment?** _____
i. (Generally 10% or more of the purchase price of the boat.)
- c. How much will your monthly payments be for the boat?** _____
i. On a \$45,000 10 year mortgage it will be about \$465.00/month
- d. How much for insurance on the loan, on the boat, and Sea Tow and Tow Boat US for on the water service, towing, and salvage?** _____
i. Probably about \$500.00/year
- e. How much are your monthly slip/storage/or trailer payments?** _____
i. On the Occoquan River, figure \$150.00 per foot per year.
- f. What is your monthly budget for maintenance & repair?** _____
i. Just a guess \$1,000 each per year.
- g. How much will you spend on training?** _____
i. Boat Safety Class, On-the-Water instruction, Navigation training
- h. How much will you pay for electricity & water at the slip?** _____
i. Varies with Marinas
- i. What will your yearly expenses be for the boat?** _____
i. Add them all and add any you thought of.
- j. What will your annual depreciation costs be?** _____
i. Varies by year. Best estimate 50% by the 5th year.
- k. At the end of 5 years how much will you owe on the boat?** _____
i. More than half of what you paid for it
- l. How much will you have spent on the boat in 5 Years?** _____
i. More than half the list price of the boat.
- m. How much will the boat be worth?** _____
i. Less than half of the list price when you bought it.
- n. How many more months will you pay for your well used boat** _____
i. Until **YOU CAN AFFORD TO SELL IT.**

I understand that money is not the object when buying a boat. There are many beautiful yachts that range to over \$1,000,000 just sit in the water and seldom get used. Obviously, the owners do not see money as the important reason for owning a boat. And you may not either.

We understand that the features of the club make the club worth more than the cost of owning a boat, but in fact membership is far less expensive. The cost of a five-year membership is about the cost of the first year of ownership of a comparable boat. But, you do the math. (Or perhaps you just did the math.)