

# State of the Market

Down but not out. It is now time to buy a bigger boat. The used boat market as I see it these days is a place of opportunity for those with the means to cure the disease. I'll get back to that later.

Builders and dealers of all classes of watercraft both new and used are feeling the economic pinch. Plants and facilities that were expanding exponentially two years ago are laying off large percentages of their workforce, dealers are going out business because of the tight floor plan monies and thinning cash flow. Recovery will happen, sure given enough time, as it will with the housing market. I expect the housing market to lead the way with recreational boat values perhaps two years behind. My practice has seen a drop off in used boat purchases exceeding 70%. Those are real numbers.

All this doom and gloom is actually needed in more than one area and I firmly believe that when the almighty Dollar and our Country in general does return to health the boating industry will be much better off. The industry is beginning to shake off some fleas. All facets of boating from builders and sales to repair facilities and surveyors seemed to have too many people doing substandard work for big money. A recession culls these types faster than Karma. While prices may not go down much, expect to get more for your dollar in the way of quality product and knowledgeable staff.

The solid builders are pinched but not punched. Quality begets quality and the garbage is getting kicked to the curb. It's about time. Do you remember my article on warranty? I sited two boats with very similar warranties and hull problems. Well the good news is that as of this writing the builder who denied the 100% real warranty hull failure has closed it's doors. The stand up company I sighted has shortened staff but is still making profits. Crème to the top. That is what time it is.

OK, back to the used boat market. I have three words for you: Listen very closely. Ready? MAKE AN OFFER! I just waved good-bye to a beautiful boat as it was trucked off down US41 on her way to Texas. I found this boat for a long-term client through one of our island brokerage houses. This boat was in great shape, surveyed well and was bought, in my opinion, \$24,000 under value. The boat was listed at \$8,000 under her value to begin with but the buyer made an offer and guess what? The seller agreed, the boat moved and everybody wins. The seller moved his property, the buyer got a great boat at great price, the trucking company gets work, the surveyor gets work, and the brokerage house gets a needed boost. The local mechanic got paid. The boat yard got paid. The yard in Texas will make money. A slip is leased in Texas, registration and taxes are paid in Texas. But you know what? That never would have happened if she didn't make an offer. So if you know what you want, and you know your budget don't be afraid to make an offer.