

# “So, you want to buy a boat?”

## Boat-buying seminar with Michelle Leonard

### The buying process

1. Shop for the boat of your dreams.
2. Make purchase offer with deposit. Possible counter offer negotiated.
3. Shop for a marina/slip
4. Sea Trial: usually 1-1.5 hours long.
5. Marine survey and haul out: Buyer pays. Estimated cost \$1200  
(Surveyor cost \$20-\$25/ft; haul and hang \$13.50/ft)
6. Engine survey: Buyer pays. Estimated cost \$600
7. Rig survey: Buyer pays. Estimated cost \$600
8. Possibly negotiate for repair allowances
9. Acceptance agreement
10. Marine title search and documentation transfer. Buyer pays.  
Estimated cost \$475
11. Buyer transfer of funds, bill of sale, seller funded
12. Sail into the sunset...

### An estimate of monthly cost to own a 37' boat

Monthly payment	\$0	Depending on loan amount
Slip fees	\$551	38' x \$14.50
Electricity	\$10	guesstimated monthly
Insurance	\$71	annual estimated premium \$850/12mos
Property tax	\$81	Alameda 1.3% of \$75,000/12mos
Misc maintenance	\$100	Lines, rigging, parts, oil
Engine service	\$29	Approx. \$700/24mos
Bottom diving service	\$40	37' x \$3.25 x 4 annual cleanings = \$481
3 year maintenance across 36 months	\$83	Haul, sand, paint bottom= \$3,000/36mos

**\$966**

Liveaboard fee	\$400	varies by marina. Long waitlists
Monthly boat wash	\$50	
Monthly head pump service	\$35	

# “So, you want to buy a boat?”

*Boat-buying seminar with Michelle Leonard*

## **Considerations for buying a sailboat**

- purchase price
- financing: credit union, home equity loan, Lightstream.com
- broker or private sale
- monthly and annual cost
- slip availability
- handling: racing or fun sails, single hands easily, heavy air capable
- usability: day sailing, cruising, condo or party boat, live-aboard, office with a view
- wheel or tiller
- stand up inside
- inboard or outboard, diesel or gas(not recommended to purchase)
- wood interior, light and airy, modern
- cockpit comfort, traveller in the cockpit
- dodger(canvas cover over hatch) or bimini(cover over helm)
- roller furling mainsail, stack pack or slab storage of main
- age of rigging
- last bottom job
- hours on the engine (4,000 is a lot but beware of too little for the age)
- electronics: depth, wind, chartplotter
- battery type: AGM or wet cell, date last replaced, holding a charge
- galley: stove, microwave, storage

# “So, you want to buy a boat?”

## Boat-buying seminar with Michelle Leonard

### **USCG Documentation vs. State Registration**

*(taken from YachtWorld.com)*

Documenting vessels started as a way for the government to manage commercial shipping. Today, the U.S. Coast Guard is in charge of documentation and there are multiple types of vessels that can be documented—including recreational vessels. Any documented vessel may be used for recreational purposes, regardless of its endorsement, but a vessel documented with a recreational endorsement only may be used for that purpose. If you want to run a commercial fishing charter business on your boat, for example, you'll have to document your vessel with a fishing designation even if you also use it for pleasure.

Any vessel of five net tons or more can be documented. Net tonnage is a measure of a vessel's cargo carrying volume. It should not be confused with the vessel's weight, which may also be expressed in tons. Most vessels more than 25 feet in length will have a cargo volume of five net tons or more.

Documented vessels are given unique official numbers similar to state registration numbers. However, documented vessels don't display their official numbers on the outside of the hull, like a state registration, but instead are identified by the name and hailing port. The official number is placed inside. The application for documentation must include a name for the vessel, which may not exceed 33 characters. The name may not be identical, actually or phonetically, to any word or words used to solicit assistance at sea; may not be obscene, indecent, or profane; and may not use racial or ethnic epithets. Once established, a vessel's name may not be changed without filling out an application and paying more fees.

Why would you want to document your yacht? First, in some cases it may eliminate the need for state registration (though you'll usually still have to pay the state the same taxes; this isn't a “dodge”). More importantly for long-distance cruisers, if you travel to foreign waters, the Certificate of Documentation facilitates clearance with foreign governments and provides certain protection by the U.S. flag. Plus it may be easier to get a bank loan to finance your vessel if it's documented. The bank is interested in recording a “First Preferred Ships Mortgage” to perfect their lien, and this document is enforceable throughout the U.S., its territories and some foreign countries. *Continued over...*

# “So, you want to buy a boat?”

## Boat-buying seminar with Michelle Leonard

### **USCG Documentation vs. State Registration**

*Continued...*

There may also be some tax savings, but you'll need to check with your state to find out the preferred tax status for documented vessels. The one-time documentation charge is \$133.00, versus recurring annual state fees which are often based on a sliding scale using boat length. Remember, however, that documentation doesn't carry over to dinghies or tenders—these still need to be registered with the appropriate state.

Documentation can also make it easier to travel up and down the coast of the US. Most states allow boats registered in other states to “visit” their waters for a period of time without obtaining registration. But if you plan to take your boat to another state for more than a couple of months, the state you're visiting may want you to register there; unless you stay long enough to be considered a resident, documented vessels may avoid this fineable situation.

Once documented, your boat or yacht stays documented for its life. This means that if you sell it, the new owner needs to update the documentation information (along with a fee, of course) and the vessel's documentation ID number, which needs to be affixed to the interior, stays the same. There is an annual documentation update form required by the Coast Guard, but this is automatically sent out to you 45 days in advance of annual expiration, fee \$26.

If you sell a documented vessel, you do need to return the current Certificate of Documentation to the National Vessel Documentation Center along with a note that you sold the vessel. Your existing Certificate is non-transferable and should not be given to the new owner. You also have to complete a US Coast Guard Bill of Sale (CG-1340), that can be used by the new owner should he or she wish to continue to document the vessel. Since documentation also tracks liens and mortgages, the mortgagee (lender) completes a Satisfaction of Mortgage form and mails an original and one copy to the National Vessel Documentation Center. Your vessel can't be removed from documentation with an outstanding mortgage.

# About Michelle Leonard

## Licensed Yacht Salesperson



**Phone: 510-646-1091**

**Email: [michelle@atomicunayachts.com](mailto:michelle@atomicunayachts.com)**

Michelle learned to sail by taking Sailing 101 in college for a PE credit. After graduation the choice was: Buy a new car or buy a boat. She bought a used boat and a used car. Since then she has owned 3 different boats as a single-handed sailor and multiple boats with her husband, who she met when he was her ride to a regatta in Mexico. Michelle has competed in National and World Championship races but now prefers the camaraderie of “beer can” races.

Fast forward many years working in supply chain logistics to support her boating habit and Michelle was able to buy her own dream boat: a Tartan 3400. Her passion for sailing then led her to pursue a USCG Captain’s license. After helping several friends find the right boat she was encouraged to try yacht sales as a way to share her love of boating.

