

Peter Webster's SECRETS OF BUYING SECONDHAND

A combination of a strong Aussie dollar, a weak US greenback and a tired local fibreglass boat building scene, has opened the flood gates for the importation of both new and secondhand boats from various parts of the world into Australia. Boats are coming in, in all shapes and sizes. As a result, prices of secondhand boats are tumbling. Editor Peter Webster casts a very experienced and somewhat cynical eye across the marketplace to see if he can help readers find that diamond in the rough at truly bargain basement pricing.

At last count, one of the *Trader* magazines had 18 pages of imported trailerboats being advertised for sale in Australia at the start of 2005. I emphasise the word "trailerboat" here because if you go into the bigger boat market, you'd have to double the number, as there are actually more individual manufacturers involved in new big boats than there are (even!) in small trailerboats.

Making matters even more interesting – or depressing, if you're a local manufacturer – is the fact that underneath the new boat import market is a growing 'grey' market of secondhand boats coming in from places as far flung as Japan, Hong Kong and of course, America.

With the free trade agreement now signed off by Australia and America, and *El Supremo* John Howard so passionately in favour of free trade between countries, there is scant chance the market situation will change any time soon. In other words, unlike the 1970's and 1980's, the imported boats are here to stay in the foreseeable future. If anything, we're likely to see more and wider varieties of imported craft arrive on our shores.

Rarely has there been such a good time to purchase a boat, new or secondhand. If anything, the national trend in boat prices is continuing its backward slide ie, we're going to see cheaper, not more expensive boats emerge in the very near future.

You can't afford to waste time looking at boats either up or down from your budget, because you won't have enough time in the rest of your life to study the market that carefully.

In last month's *Trailerboat* magazine, there was a particular page of advertising offering imported American boats at upwards of 50% less than a comparable craft secondhand in Australia, let alone new.

An angry John Haines Snr told the writer "This is just plain old fashioned dumping. The American boatbuilders are

buying sterndrives for a fraction of the price we are being sold them in Australia. How can we compete on that basis?"

On face value, John Haines has got a case – and this, coming after the importers have paid shipping costs from America to Australia.

How the local manufacturers are going to deal with this downward price spiral is an issue for another day, but the fact remains that from the consumer's point of view, some of these American imports are just sensational buying in terms of value for money versus quality purchased.

That said, there are also many imports that leave a great deal to be desired.

First Boat Buyers

Older hands in the boating world learned long ago that "all that glitters in boating is not stainless steel" and the old truism that "anything cheap in boating is sure to be worth a lot less than the price asked" has never been so apt.

The trouble is, for people coming into boating for the first time, it's incredibly difficult to sort the wheat from the chaff, especially when you've got a dozen or more very convincing salespeople all swearing on a stack of bibles, the Koran, and anything else they believe in, that their product is simply "miles better" than their competitor's boat 150m down the road.

Each sales person believes with a maniacal fervour that you will embrace financial ruin by purchasing anywhere else except "in this yard, from me, today!"

We've all seen it, we've all heard it. It goes on every day of the week. And the poor first time buyer, often out of sheer frustration and weariness, all too often ends up succumbing to the more subtle of the salespeople who can recognise that the buyer has been "softened up" and is ready for the "kill".

If this sounds a tad cynical, so be it – and if the cap fits, wear it.

Let's go back to square one. How does a consumer work his or her way through the mire? How do they learn to recognise what is good, or not so good value, in a very short space of time?



The range of boats on the market second hand ("pre-loved", if you like!) is breathtaking, and runs into thousands and thousands of units. Unlike the car industry, which has a carefully structured wholesale mechanism for dealers, the boating world is 'open slather' for all and sundry, with private vendors working alongside the professional brokers. Secondhand, there is no such thing as a "trade" or "wholesale" price; a boat is only worth what it will fetch - whether it is sold privately or through a broker.

Over the following pages, we're going to examine some of the broad-based issues.

We'd like to share with you some of our experiences that we've had, and whilst this is an enormous subject that has been the subject of many excellent publications (including my son Jeff Webster's series of publications - "Secondhand Secrets" *et al*) what we'll try and do here is draw out from the ruck the salient points that will help guide you down the road.

Work Out a Budget

First off, you need a budget – yes, that's bleedin' obvious, but what I'm talking about is a real budget – not a pretend one, or a bluff budget, I'm talking about a real, fair dinkum, how much money can you really spend on the boat sort of

budget that you'll share with your wife and family when the crunch comes to buy something.

You can't afford to waste time looking at boats either up or down from your budget, because there are literally thousands to look at; you just won't have enough time in the rest of your life to study the market that carefully.

I kid you not, we're talking here about hundreds and hundreds of boats for sale in every classification, so before you begin to do anything, the first issue is to establish what