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Purchasing a Trawler – Building Your Trawler Buying Team

By Jeff Merrill for PassageMaker Magazine Trawler Fest

After you have narrowed down the trawler model(s) you want to pursue you should establish a team to support you along the way as you navigate through the key steps from finding a trawler to buying a trawler. This is a major purchase and there is a lot at stake!

- 1) **Yacht Broker** – Your most important team mate is your yacht broker. Yacht brokers are professionals with a wealth of knowledge and experience. Most people use a Realtor to buy a home; I recommend you take the same approach for this expensive purchase. Ask your broker what services they provide before, during and after the purchase. Remember, the seller pays their commission so it shouldn't cost you a dime. Find a person who will guide you and look after you. Yacht brokers can help you determine going prices and also provide recommendations for the rest of the key personnel in your team. Select someone whom you can trust and work with them solely, a scattered approach using several brokers leads to confusion and you become less of a priority. Qualified yacht brokerages use a separate banking trust account to keep your deposit secure. Your broker will arrange showings, advise on equipment and essentially be your advocate in finding the boat that is best suited for you. Your sales person will have standard forms offer to purchase forms to fill out and present your offer to the seller. Brokers know the pulse of the industry and market conditions. A good broker may also know of some boats that are not listed for sale, but could be purchased (these are called “pocket listings”).
- 2) **Lender** – if you are planning on purchasing your boat with a loan you should meet up with bankers who can provide your funding and help you determine your budget (the cost of the boat and subsequent upgrades plus expenses like slip rent and insurance need to be added together). Most marine lenders are brokers who represent a handful of select banks that provide boat financing. They will usually match each others rates and typically draw from the same resources so pick one person to be your lender and stick with them. Getting “pre-qualified” with a loan amount allows you to shop with confidence and move swiftly when you find the right boat. Most lenders require a current survey to establish value. Your personal bank should also be advised what you are up to as most funds are sent and received via wire transfer.
- 3) **Insurance** – You will want to insure your investment. You have many insurance agents to choose from and the types of coverage for policies can vary greatly depending upon your boating experience and what type of boating you intend to do. Just because you can afford the trawler doesn't mean you will be automatically authorized to operate your boat, many insurance companies require a resume and additional training with a licensed captain before you can take off on your own.

- 4) **Legal** – Understanding your choices in how you take title (LLC, family trust, etc.) can offer great protection for your personal assets. How, when and where you take delivery can also effect sales tax, property tax and use tax – the laws vary from state to state. Get a marine legal expert to help you determine the best way for you to complete the transaction with an understanding of the ramifications present in your particular purchasing situation.
- 5) **Documentation** – Most trawlers purchased in the US will register with the US Coast Guard so that they are documented vessels (buyer must be a US citizen) Documentation provides special protection to you and your boat both at home and abroad. There are special marine documentation companies that provide lien searches, USCG documentation applications and generate USCG Bills of Sale to properly close the purchase. Some documentation services also act as escrow agents.
- 6) **Surveyor** – A certified marine surveyor should be selected from a handful of choices to determine who is best to inspect your potential boat. Approach this selection like an employee interview (a very important hiring) and find out about their qualifications and experience, particularly on the boat model you are making an offer on. Current survey reports are required by most lenders and insurance companies. It is always nice to have the ships log available for the surveyor so you can determine how the seller has kept their boat. A subset to consider is hiring a diesel mechanic to conduct an engine/mechanical survey which is particularly helpful when the engines are old or have lots of hours.
- 7) **Home Marina** – Once you make the deal, where are you going to keep the boat? Often times there are long waiting lists for the few coveted dock space available so do your homework and find out where you will be mooring.
- 8) **Repair Yard** – Having a relationship with a local yard to manage special repairs and conduct annual maintenance service is very important. Do they know about the type of boat you are buying? Do they have haul out and repair services that are appropriate for you boat?
- 9) **Delivery Captain** – Buying the boat is the first step, using your new trawler is the second step. There are a lot of systems to learn, let alone the fundamentals of weather, navigation and seamanship. Even if you are a seasoned boater much can be learned from a licensed captain to supplement your knowledge. You may need to move your boat a long distance to return her to your home port. Hiring a captain and mate (and joining them on the trip) will add to your confidence and understanding how everything works. Many insurance companies require a licensed captain to sign off on your proficiency. Think of this as extra training (and remember even Tiger Woods has coaches to help him improve his game)!