

# It's About Time

Things can move surprisingly fast between making an offer and closing the deal.

**I**t is finally your turn. You have found the ideal trawler. The cruising lifestyle beckons. You can visualize plowing through sparkling waters with your friends and family, en route to paradise.

Sorry to interrupt that thought, but you still have one major bridge to cross: completing the contract phase of the purchase process. The first step across that bridge is usually when you ask your broker this question: "If we make an offer this week, how much time do I have before I need to close?"

The typical brokerage contract schedule does not leave any room for error in meeting deadlines. Each step of the process has a timeline, so by planning ahead and accounting for these dates, you can keep your deal on track. With your broker as your guide, you can learn what to expect so you are ready to respond promptly.

A yacht purchase agreement's fundamentals involve price, terms and dates to complete the transaction. Once the seller signs your contract, you are on the clock with deadlines. Most trawler brokerage transactions need to be completed in 30 days. That may sound like plenty of time, but it goes by quickly, and you don't want to get close to the finish only to find that you can't close as promised.

The pivotal point of every deal is completing the survey and receiving the survey report. You need enough time to discuss any findings, and to receive the go-ahead from your bank and/or underwriter. With approvals, you will be in a position to accept the boat.

Your first priority with a signed contract should be to confirm the availability of a credentialed surveyor (one with the National Association of Marine Surveyors or the Society of Accredited Marine Surveyors). I also recommend that you engage a diesel mechanic to inspect machinery and to pull oil samples. The haul-out appointment needs to be booked, and may be influenced by tides and other yard commitments.

Your survey team will need a full day and may need part of day two. The owner or his captain should operate the trawler for the underway trial run, and to demonstrate that all systems aboard are in good working order.

Most surveyors will review their major findings with you. Then, a waiting period starts as the surveyors take a few days to compile their reports. The survey should include details on systems operation, equipment performance, compliance with boating safety standards and the all-important current market price evaluation.

From the date that you receive the survey report, you should allow 10 days to review, negotiate findings, and get the necessary bank and insurance approvals. Then, you will be in a

position to sign off and accept the vessel.

If it does take 10 days from the survey to close, then you only have 20 days from the offer to line up and complete the survey. Each day that you wait lessens your ability to complete the process on schedule.

Knowing that timing is critical, we block off compatible dates with our clients for the proposed survey and haul out—before we submit their purchase offer. We also encourage our buyer to call the surveyor and "pencil him in" on our desired dates. No offer has even been submitted yet, but we know that we have a schedule in place that will fit within the number of days we need to stay on track.

Sellers have two basic requirements: getting paid the amount they have agreed to receive, and meeting the due dates of the contract. The fewer contingencies your contract includes, the better your chances are for success. Presenting your offer with banking and insurance ready, as well as the survey dates scheduled, shows that you are organized and removes doubt from the seller. Sellers appreciate a buyer who has taken the initiative to line things up in advance.

Most purchase agreements include an accept or reject date. To move forward and accept, the buyer commits to complete the sale. At that point, the deposit becomes nonrefundable. As a buyer, you can't accept the boat until the bank and/or insurer approves the survey. It is critical to make sure your lender can do so on or before the closing date.

With these assurances, you can accept the vessel and transition to the banking transfers and paperwork signatures.

It is important that someone on your team (a documentation service or lender) obtains a current U.S. Coast Guard abstract of title to determine whether there are any recorded liens on the vessel. The abstract should be ordered once the purchase agreement is signed, as the Coast Guard has been known to have delays. You also need the seller to provide the proper title for the trawler's dinghy (you are buying two boats).

There is a lot to accomplish in a limited window, but try to keep your ultimate vision in mind: sparkling waters, friends and family, en route to paradise. ☼



**Jeff Merrill** has helped with hundreds of trawler transactions across the United States and abroad. For 20 years, he has shared trawler skills and tips at TrawlerFest, at JMYS.com and on his YouTube channel. Jeff is a certified professional yacht broker and a licensed managing broker in California and Florida.