

South Florida Sun-Sentinel.com

Used boat sales soar in South Florida

Boat owners opt for preowned models

By Justine Griffin, Sun Sentinel

6:37 PM EDT, October 20, 2011

In an economy that continues to sputter, boat buyers are eyeing used vessels as a good value, driving up sales.

"The used boat market rebounded this year, we've been very, very busy in 2011," said Bob Denison, President of Denison Yacht Sales, a Fort Lauderdale-based yacht selling company.

Denison said his company has about 575 used boats listed for sale in Florida, Boston, Michigan, California, Europe and Mexico – the most the company's ever listed. But instead of just having an abundance of listings, Denison said there's been a boost of people looking to purchase used boats.

"People are more confident than they were in 2010," Denison said. "You're seeing it in many sectors, like in real estate. People are finding great deals and having some money they didn't have five or six years ago."

Buying a used boat means cheaper payments, less long term commitment to debt and usually lower insurance rates. Used boats also do not depreciate as steadily as a new boat. A new powerboat will lose value by 10 percent after it's first season, according to research by Boat U.S., a marine insurance agency based in Alexandria, Va.

The latest data from the National Marine Manufacturers Association shows that 82 percent of recreational boat sales in 2009 were of pre-owned vessels. The sales of new boats are slowing: new boat sales have declined by 14 percent since 2005.

The cost of owning a boat, after the initial purchase, ranges from \$50- \$150 per foot, depending on the amount of maintenance and where the boat is stored.

That means \$900 to \$2,700 for a 18-foot brand new 2012 Bayliner 185 Bowrider, which is offered for sale for almost \$23,000 by a South Florida boat dealership. A used 2007 Bayliner 185 Bowrider is selling for \$14,500.

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"Used boat buyers are more aggressive right now," Denison said.

The biggest advantage to buying a used vessel is the time it takes to get the boat, said Simon Gibson, a yacht broker with Worth Avenue Yachts in West Palm Beach.

"Motoryachts are not like a car, they are not used very frequently, so to find one a year or two old will have had little use," Gibson said. "Buying a pre-owned vessel means a buyer could have it tomorrow, where buying a yacht new could take 2-3 years."

Despite the steady drop in sales since 2008, boating is a \$30 billion business. And consumer spending is growing again, according to National Marine Manufacturers Association research.

The amount of boat repossessions have dropped steadily since 2009, said Robert Toney, chairman of National Liquidators, a boat auctioning company based in Fort Lauderdale. In 2009, the company sold \$120 million in repossessed, pre-owned vessels. Sales for this year are leveling out around \$100 million.

"That's an economic indicator that marine retailers are doing better," Toney said. "We've seen less repossessions this year and boat sales are turning over at a faster rate."

"It's all about value today," Denison said. "Smart buyers can find good deals on boats that are barely used right now. People just want the cash."

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