

ASK THE SURVEYOR

by Tom Avena

Hello Tom,

I just had a Catalina 30 sailboat surveyed and have an issue with the value that was noted in the survey. I think it's too low but when I confronted the surveyor he said that was the market value that he determined to be correct.

I can find other Catalina 30s for sale at more than mine. I've done lots of upgrades and added electronics in the last five years. I think it's cleaner than most as well. The survey found soft spots in the deck and small blisters below the waterline. My question is what is the standard for valuing a boat? Is it an arbitrary figure the surveyor picks out of the sky?

Betty Flagler
Portland, OR

Hi Betty,

If you ask me, doing a vessel valuation is the toughest part of a marine survey. If the value is too high the surveyor becomes liable if a problem arose with an insurance claim for damages or replacement. If the value is too low the seller is affected. Valuation is something that surveyors should not, and typically do not, take lightly.

With the help of national pricing guides, real time price information about what the same type of boat has sold for, and other resources for vessel valuation, surveyors usually derive accurate valuations. To complicate matters, boat values are also adjusted for regions across the country. You'll be happy (if you're a seller) to know that Pacific Northwest based boat values are generally higher than other parts of the country.

There are parameters that determine value. A well equipped boat with lots of sails and creature comforts will have increased value. Inboard

diesel engines fetch a higher value than inboard gas engines and outboards. If the boat has been re-powered recently, there is an increase in value compared to it's sister-ship that has not been re-powered. How much higher depends on other factors as well. Say the boat has been re-powered but the other systems - such as the rigging, 12 volt wiring, etc. - are below average and need attention, the installation of a new engine will not raise the value to the level of a boat that has all of it's systems in good order but is still using the original engine.

Some boats retain a higher value over the years, in some cases increasing in value. A Bristol Channel Cutter (BCC) comes to mind as a boat that will hold it's value longer than most 28' boats of the same build year. They are very well built boats, probably some of the best built boats I've surveyed. But there's more to it than just being well built. Boats like the BCC have a certain mystique, thanks in part to the way the marketing department has developed the dream of sailing over the horizon on these salty little boats. Bristol Channel Cutters do fluctuate in value because some were owner completed and some were built by a company in Canada. It all makes a difference on what the boats worth.

There are a few other basic factors when placing a value on a boat. First is the year the boat was built. As I mentioned, the location



of the boat will increase or decrease the value. A Catalina 30 in Seattle will likely have a value higher than a Catalina 30 in Miami. The heat and sun (in Miami, not Seattle) will degrade the exterior cosmetic condition more than here. Heat and salt in a warmer environment causes more degradation to systems like the standing rigging, running rigging, and engine as well.

If the boat is in the Great Lakes (fresh water), the value will generally be higher. Fresh water boats do not suffer as much from corrosion or the negative effects of a salt water environment. There's usually less wear and tear because the boat's up north are used maybe five months a year and covered in dry storage the rest of the year.

In years past, the valuation difference between southern boats to Northwest boats created a small business for a few folks. They would find a boat in Florida or California in decent mechanical condition but lacking in cosmetic maintenance; truck it up here; and in some cases make a profit after putting in some elbow grease and doing a minor refit. One friend of mine used to go to San Francisco and find a fairly well maintained wood Folkboat, put it on a truck, clean it up, advertise it and sell it for three times what he paid for it. The cost of trucking a sailboat across the country has risen quite a bit, however, considerably eating into one's profit margin.

The yacht designer and boat builder significantly affect how a boat retains value, sometimes even increasing in value over the years. On the other hand, a boat builder or designer



This is a very special boat to the author: his own 1969 Allied Seawind. Her sister-ship was the first fiberglass sailboat to sail around the world in 1972. With that reputation, you'd think she would have a high value. Unfortunately not. These boats have retained a constant value, which is less than he paid for her 12 years ago.

with a questionable reputation may negatively affect a boat's value. Word spreads quickly around the boating community if a boat has problems and quality is suspect.

A good example of a boat builder building boats for quite a while that retain value or even increase over time is the Hinckley Company. They have a solid design team, excellent boat building methods, and owners who tend to pour lots of money and time in their boats. Even though their boats have a more traditional look, Hinckley has not skipped a beat.

A builder who stays in business for more than ten years is considered a success. Catalina Yachts has flourished for decades. Both Catalina and Hinckley serve their customers well, but there is a difference with retained value between them. Early Catalinas met a very important segment of the market and were decently built. They still sail well, have lots of interior room, have good customer support, and boast a network of hundreds of boats in every region. Hinckley has filled a niche on the upper economic end of boat builders, building fewer

boats and serving a smaller segment. The economic principles of supply and demand come into play. Lots of Catalinas are on the sales market on any given day, stabilizing or lowering their value. There are fewer Hinckleys for sale both because of price point and scarcity.

Construction material has some valuation rules too. Wood sailboats have surprisingly increased in value, depending on the builder and designer. It's a smaller market compared to fiberglass boats. A buyer looking for a wood boat isn't necessarily looking for a bargain. They are mostly focused on condition. Some wood boats have a high value due to their history. We all know of boats like *Dorade*, *Jolie Brise* and *Taliesin*. These are wooden boats (and their owners) have become icons in yachting and sailing.

Aluminum boats retain value well if maintained, because of the cost of construction and materials. There were not many aluminum sailboats mass produced, again contributing to market scarcity.

Steel boats are tricky. They are mostly custom built; some good, some

not. There really isn't a price guide to follow with steel or aluminum. Condition, equipment and design are the general parameters, and the value of comparable boats may contribute.

Back to your question, it can be hard to tie electronics to value. Electronics are a plus, but not a determining factor, because technology changes rapidly. It can help the value compared to the same boat that isn't so well equipped.

Soft spots and blisters can require expensive, often professional repair. These things probably haven't been affecting your enjoyment of the boat, but they could be contributing to the valuation more than you might guess.

With so many factors - the age of the boat, the designer, builder, construction materials used, name recognition and reputation, build quality, an ongoing maintenance record, and equipment inventory - valuation is inevitably a tricky part of doing a survey. The amount of, and access to, informational resources and price guides should lead a surveyor to the right zone. Experience certainly helps a lot, too.

Tom Averna is a marine surveyor specializing in sailboats since 1987.



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