

First Edition

THE BOAT BUYING COLLECTION



Boat Ownership Costs A checklist for budgeting/forecasting



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The Boat Owner's Collection: Boat Ownership Costs

A checklist for budgeting/forecasting costs

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Boat Ownership Costs

Out of all the questions I get asked, the most frequent query I receive is, 'how much does it cost to buy, maintain and sail a boat?' And my answer is almost always, 'how long is a piece of string?' For years I've been pondering a way for potential boat owners to gain a grasp on costing's. What I've discovered is that the obvious costs can easily be located by searching the Internet or speaking with a boat professional. It's the unknown costs that cause an air of anxiety.

You don't know what you don't know, so this checklist was designed to highlight many of the various costs involved with boat ownership.

Boat sales people and brokers often quote a percentage of the value of the boat for running costs (usually 15%/year), but when you question what gets included in 'running costs,' no one seems to know.

Based on my experience there are three sets of costs involved with owning a boat. Your initial cost is the boat – either a full payment or a down payment and fees associated to the purchase.

Then there are the costs associated to getting the boat in a position to do what you want it to do. For example, if you're going to sail around the world, cross an ocean or live aboard for several months or years, certain things will need to be done to prepare the boat. This cost area can be very substantial and it often catches many boat owners out. Let me offer some examples...

...If you want to live aboard in a marina or anchor in various parts of the world, you'll need black water tanks (poop tanks). If you want to sail around the Bahamas you'll need a watermaker. If you're going to be a full time cruiser, you may want a washing machine (amongst several other 'home comfort' items).

If the boat you're looking for doesn't have what you need, you'll need to calculate the cost of getting it OR finding a more suitable boat. Most new boat owners fail to do this! Not only can you potentially use these calculations to negotiate a reduction in the boat price but you'll also have a more realistic idea about what the boat is going to cost going forward.

What do I mean by 'negotiate a reduction in price'? Well...let's say your plan is to sail around the world. You find a boat you love but then you discover the rigging hasn't been changed in 12 years. Generally, rigging needs to be changed every 10 or so years and it's quite a substantial expense (the rigging on our 56' sailboat cost around \$15,000). Knowing that your plans potentially include going to distant lands, it's VERY important to understand the cost of new rigging. If the boat that you're looking at is at the upper end of your budget, you'll either need to ask for a reduction considering the imminent rigging change OR find another boat.

One last note about getting a boat ready for the plans you have for her...new boats often don't come with extra's like warps, fenders, spares, tool kits, maps and so forth. Don't assume that when you buy a new boat you get everything you need. That's as crazy as assuming you won't have problems or leaks with a new boat!

With used boats, interestingly, more often than not boats are usually sold with tool kits, all the necessary galley items (pots, pans, plates, etc.), spares, warps, all the fenders and so forth. Used boats are not like a house where they're stripped back to nothing. Most owners sell the boat and everything that's on the boat.

And the final cost area includes all the variable costs associated with owning, sailing and maintaining the boat.

Every boat owner's budgets, requirements and sailing plans differ so the costs will depend on what your plans are, the area of the world you're sailing in and the condition of the boat.

When we started off there were loads of costs we didn't plan for... Perhaps if we did know all the costs we would have never taken the plunge? What's been true for us, and many other live aboard boat owners, is that the cost of owning and maintaining a boat decreases every year. When maintaining your own boat costs drop drastically. Furthermore, over time, you get wiser about what you really need.

That being said please don't let this checklist scare you. Let it be a tool that allows you to investigate, calculate and make informed decisions.

Not all of these costs will apply to your situation. Many will not be applicable and several will change depending on where you are. I've met several sailors living happily on monthly budgets of under \$2,000/month. In most cases anchoring is free, local foods can be inexpensive and if you maintain your own boat, costs can be manageable.

The objectives of using this checklist are as follows:

- Understand the three cost areas associated with becoming a boat owner
- Use the checklist to determine what costs may or may not apply to your situation
- Get quotes and answer the question of, 'how much will it cost me to buy, own and maintain my own boat?'

Please note that although these checklists are extensive it's impossible to cover every cost and every eventuality. Use this only as a guide.

Boat Ownership – One-off costs to purchase the boat

When buying a boat there are two main cost areas to consider – the purchase of the boat and the cost of berthing or storing the boat.

Buying the boat

- Travel costs for viewings, professional survey and eventual collection

- Lift-out fee for professional survey (if currently in the water)

- Surveyor and survey

- Broker fee

- Tax/VAT

- Import duty

- Transportation (By water: Skipper or by land: Haulage company)

- Engine mechanic

- Full payment or down payment

- Loan fees

- Insurance requirement costs

Initial space or dockage fees

- Berth/slip/dock/storage fee that current owner is contracted to pay (will you be taking over that liability?)

- Berth/slip/dock/storage fee that you negotiate

- Electric

- Water

- Rubbish/trash removal

- Internet or WIFI

- Extras (Laundry, cleaning, boat sitter, vessel upkeep service)

- Live aboard fee

Boat Ownership – One-off costs to prepare the boat

Preparing the boat – use the following checklist to consider what you'll need to do to get a potential boat ready for the plans you have for her. If you're buying a new boat, some of these items may or may not apply. I've also included a small section on one-off costs to prepare the crew.

One-off costs to prepare the boat

- Hull - any scrapes or damages in need of repair?

- Rigging – rigging needs to be changed every 10+ years in order for most insurance companies to provide 100% coverage for a demasting. More importantly, it's a safety concern

- Engine(s) - how confident are you with the engine(s)? What will it cost for a serious engine servicing?

- Sails - new sails are a big cost - make sure you understand how much life is left in the current sails and the cost to replace them

- Navigation equipment – In addition to potentially having to install more modern equipment, it's important to know that electronic maps need to be purchased for each of the areas, or zones, that you want to sail in

- Communications equipment (VHF, SSB, SAT Phone, other). In addition to having all the equipment necessary for your plans, items like SAT Phones only work with the purchase of airtime.

- Warps, springs/tension rods, anti-chafing items

- Fenders and fender socks

- Ladder (if not supplied)

- Safety Equipment – what’s included with the sale of the boat and what isn’t?
(Note that if your plan includes doing a long passage with an organization, like the World Cruising Club, you will be required to have specific in-date safety equipment to participate)
 - EPIRB
 - Life Jackets and gas cylinders
 - Harnesses
 - Life Boat
 - MOB equipment
 - Fire extinguishers
 - Gas detectors
 - Smoke alarms
 - Flares

- First Aid supplies (If you’re travelling far from your home port, you’ll want to have an extensive First Aid Kit. We carry antibodies for meningitis, a drug used to prevent secondary drowning and a variety of medicines/tools that will help us buy time if something serious happens. On a boat, you can’t always get in touch with the Coast Guard and even when do get through to Emergency Services, it can be hours and even days to get help. This area is not to be taken lightly and can be costly. See the guide, *Boat Safety: First Aid Checklists*)

- Grab or ditch bag

- Sprayhood/Dodger and Bimini

- Spare items/parts for routine maintenance and repairs (Note: if your plans are to get on a boat and sail around the world this is a massive cost area. Once you're away from your home port and in more remote areas of the world it's almost impossible to get spares/maintenance items. That being noted, you'll need to stock your boat with mission critical spares and all the items for routine maintenance (oil/fuel filters, anodes, watermaker chemicals, spare pumps, etc.). If, however, you're going to live in a marina where you can easily purchase these things, you don't need to keep stock)
- Engine and drive assembly
- Generator
- Outboard
- Bow thruster
- Fresh water system
- Water maker
- Pumps
- Heads
- Air-con and refrigeration systems
- Batteries
- Through hull fittings and all seacocks
- Hoses/pipes
- Rudder
- Keel
- Anodes (hull)
- Standing rigging
- Running rigging
- Winches
- Small containers of spare nuts, bolts, etc.
- Cosmetic restorations
 - Cabinet door latches
 - Fixtures and fittings

- Tool kits

- Electrical kit

- Plumbing kit

- Sail repair kit

- Changing lights to LED (if not done already)

- Initial navigational charts, maps, pilot books

- Bedding, towels, pillows and blankets

- Upgrading fixtures and fittings

- Stocking the galley
 - Pots, pans, plates, bowls, cups, cutlery/silverware, mixing bowls, cookie sheets, utensils, dishcloths, hotpads...
 - Appliances: Microwave, blender, slow cooker, bread maker, toaster, kettle

- Entertainment
 - Television
 - Hard drives/movies/DVD's/music
 - Computer/Kindle/iPad/games console
 - Waterproof camera, video
 - Canoe, kayak, rafts
 - Stand-up paddle board
 - Snorkeling kit
 - Dive kit and compressor
 - Fishing equipment

- Possible additions to consider:
 - Watermaker
 - Black water tanks
 - Solar panels
 - Generator
 - Larger water tanks/separate water tanks
 - Air conditioner/heater
 - Washing machine
 - Dishwasher
 - Icemaker
 - Side panels for Bimini
 - Dingy
 - Dingy davits
 - Crane (to lift outboard)
 - BBQ grill
 - Additional anchors
 - Longer anchor chain
 - Internet WIFI antennae
 - Electricity configuration for Europe *and* America

One-off costs to prepare the crew

- Wet weather gear, appropriate clothing, shoes, gloves, polarized sunglasses, hats, tubs of sunscreen, etc.

- Snorkeling gear (note: this necessary to check the bottom of the boat, a fouled prop and to ensure your anchor is set properly. Don't leave the dock without at least one mask and snorkel)

- Immunizations

- Courses to take prior to sailing

Boat Ownership - Ongoing Costs

- Loan repayment

- Yearly Tax (In America, for example, you may have to pay an annual property tax on your boat. Each state has different legislation)

- Insurance
 - Boat
 - Health
 - Specialty insurance (ex. hurricane lift-out, helicopter evacuation, medical advice)

- Repairs (labor) and repair part replacements

- Routine maintenance and spares replacement (If you plan on traveling outside modernized countries or away from very large ports, you'll need to bring your routine maintenance items and spares with you)
 - Engine and drive assembly
 - Generator
 - Outboard
 - Bow thruster
 - Fresh water system
 - Water maker
 - Pumps
 - Heads
 - Air-con and refrigeration systems
 - Batteries
 - Through hull fittings and all seacocks
 - Hoses/pipes

- Rudder
- Keel
- Anodes (hull)
- Standing rigging
- Running rigging
- Winches
- Small containers of spare nuts, bolts, etc.
- Cosmetic restorations
 - Cabinet door latches
 - Fixtures and fittings

- Routine cleaning
 - Topside and hull cleaning, polishing, and waxing
 - Internal living space cleaning
 - Bilge cleaning
 - Bottom cleaning/anode inspection (this can be necessary every month in some areas and requires a diver)
 - Sails/soft coverings
 - Running rigging
 - Laundry

- Wintering (fully decommissioning the boat)
 - Hull out/hull in & spray wash fee
 - Pump-out
 - Preparing all systems to be shut down
 - Storage fee
 - Electricity
 - Boat sitting/checking service

- Anchorages at each location
 - Anchoring permit/fee?
 - Rubbish/trash removal
 - Boat boy fee (help to anchor/get a mooring ball)

- Marina fees
 - Berth/slip/dock fee
 - Electric
 - Water
 - Rubbish/trash removal
 - Internet or WIFI
 - Extras (Laundry, cleaning, boat sitter, vessel upkeep service)
 - Live aboard fee (if it's long stay)
 - Electrical connection adapter

- Entertainment
 - Eating out
 - Excursions/car rental/bus fare
 - Water sports
 - Music, movies, games, TV, apps, ebooks, etc.

- Safety equipment renewal/replacement
 - EPIRB (It can be cheaper to buy a new EPIRB than it is to buy a new battery for the EPIRB)
 - Life Jackets and gas cylinders
 - Harnesses
 - Life Boat
 - MOB equipment
 - Fire extinguishers
 - Gas detectors
 - Smoke alarms

- Grab bag update
- Flares

- Fuel

- Water (if you don't have a watermaker you'll have to go into marina's to get water. In many locations water can be very expensive)

- Galley
 - Food and drink
 - Housewares and cleaning supplies
 - Replacements (spoons go overboard, plates smash...)
 - Gas (cooking)

- Berths
 - Replacement bedding and protectors
 - Towels
 - Personal clothing

- Technology
 - Internet (SIM card)
 - Satellite phone credit
 - Memberships (cruising organizations, yacht clubs, weather reporting service)
 - Updated and/or new area navigational charts, maps, pilot books

- Country/area Fees
 - Cruising permits/taxes/entry fees/visas
 - Waterway permits (Corinth Canal, Panama Canal)
 - Fishing permit

- Random
 - Fines
 - Tips
 - Bribery money
 - Bug/rodent fumigation
 - Pump out
 - Fuel tank pump out (if you get the fuel bug)
 - Postage or customs fees to receive shipped items

- Child/children on board?
 - Child specific safety measures (guard rail netting, gates, cushions, tethers, plug protectors, etc.)
 - Homeschooling program fees
 - Homeschool supplies
 - Online subscriptions
 - Postage for correspondence schoolwork
 - Toys/books/ebooks/games
 - Clothes, water gear (clothes for when they grow)
 - Children medicine/First Aid supplies

- The things you don't think of...
 - Cost of guests visiting
 - Cost of currency exchange fluctuations (if sailing in an area with a currency other than your home currency)
 - Cost of withdrawing money/bank charges
 - Cost of unexpectedly having to stay somewhere for a while (breakdown, storm, etc.)
 - Unexpected flights home
 - Cost of having someone look after your boat if you have to leave it in a foreign marina

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If you have any suggestions, additions or improvements to this checklist please email them to me at: [Kim@SailingBritican.com](mailto:Kim@SailingBritican.com) and I'll add them to future updates.

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Related Tools

Check out the whole range within *The Boat Ownership Collection*. You'll find various tools to help you select the best boat for you, what to do while viewing a boat, and much more.