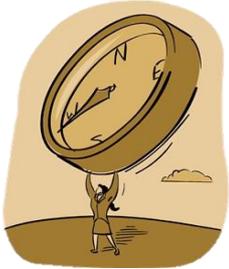


# How To Buy a YACHT

*Williams*  
*Smithells Ltd*  
International Yacht Brokers

**The Decision** – To help narrow down your search it's important decipher the most important characteristic you're looking for whether that's a long distance blue water cruiser, Med cruiser, bay hopper, holiday home, Brokerage or New ? Cruising or Racing ? Single handed, Couples or cruising with a young family, local or round the world ? ..... once established, this should narrow your search down to specific types of yacht.



Finally ensure you are not biting off more than you can chew, if you are new to sailing or intend to do a lot of shorthanded trips it would be unwise to purchase a yacht larger than what you are capable of handling (on the basis that you intend to be the skipper)

**Funds, Budget & Finance**- Right from the start you should have a good idea on what your initial spend is likely to be ensure your budget covers all the essential equipment that may not be included on the in some of the specifications of yachts that are on your short list

*Size is important!* It's vital to remember that it's not just the initial purchase cost that generally tends to increase relative to the size of the boat, marina fees, yard fees, maintenance, fuel consumption, lift outs and launches are all going to increase as the size of the yacht goes up. If chartering don't forget the cost of Coding Compliance.



In order to keep all those involved in the purchase happy remember to be open about your financial position right from the start, whether you will be using finance or whether it is a cash purchase, most importantly whether the availability of funds are subject to any external factors (house sale etc...).

If you require finance ensure you contact a finance house in good time, as the money needs to be available when you reach completion. Get confirmation in writing of your approval for the loan and inform the broker when you offer it is subject to finance. You might like the survey and the boat but your bank may not be so keen. Your purchase is subject to the bank being happy with everything.

**Research, Information & Title** – Do your homework. Talk to brokers and gather information on the boats history and who is selling them before viewing. Talk to friends, people at the sailing club, research Blogs, forums online, cruising associations about the types of boats you are considering. Read reviews and test reports from the magazines – a number of magazines have libraries of reviews to purchase and download.



When you have narrowed down your search start asking about the Title, ownership papers, VAT, RCD, what Flag the vessel is on, most recent survey so you are fully aware of the yacht's status. Who is selling the yacht, private individual, company, broker or agent ?

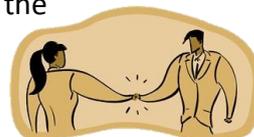
**Inspection and offer** – The sequence of the two can and does vary. Those interested in a yacht overseas which involves costly travel in order to inspect may put in an offer subject to inspection, ensuring the two parties can agree price prior to logistical expenditure



However from a vendors perspective if a potential purchaser is making an offer on a yacht they haven't previously inspected then they may feel the grounds on which the offer is based is weak obviously this is going to be more prominent the larger the gap between asking price and offer.

Decide the conditions of the offer before putting it to the broker/owner whether it's subject to survey, sea trial, engine test (ashore or afloat) finance etc... again clarity throughout the whole process will avoid upset. If a yacht is ashore for winter give consideration as to the costs to antifoul, launch, de-wintering, fuel as these costs are down to a purchaser.

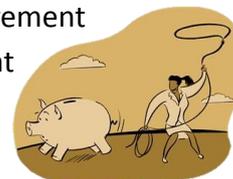
**Acceptance of Offer** – on occasions where the vendor feels he or she is right at the bottom of what they would consider acceptable they may agree to an offer conditional to no further negotiations. Effectively just making the purchaser aware that following any inspections or survey the window to renegotiate the price is closed regardless of the results.



**Contract** – When you have found the yacht for you, discuss the terms with the broker, who should provide a Sale & Purchase Agreement that both parties sign offering clear terms of the agreement, safety and security for both parties. Any amendments must be agreed by both parties. This is a binding contract so be sure before you sign. (Note: A broker, as opposed to a dealer, is not a party to the contract – he is acting as the vendor's agent the contract is between purchaser and vendor.)



**Deposit / Part Payment** - You will need to place a deposit prior to survey and any movement of a yacht – usually 10% of the purchase price- which the broker must put in his Client Account (not his usual business trading account). This is your money held by the broker as stakeholder and should be transferred electronically. Subject to contract this deposit is refundable and removes the yacht from the market under option to the buyer.



**Survey** – We always advise our buying customers to have a survey and select a surveyor who is a member of a recognised association and carries PI insurance. The YDSA have a list of surveyors stationed globally on their website which is normally a good place to start your search.



Talk to your surveyor before and after your survey so they can go through the findings and explain them properly. There is a solution to everything.

Some Professional Associations (not all) that you may find surveyors associated with or trained by are below, many qualified surveyors will be members of several professional bodies as well as being industry qualified if they have had formal training.

**YDSA** - Yacht Designers & Surveyors Association – Yacht small craft specialists (20-80ft) [www.ydsa.co.uk](http://www.ydsa.co.uk)

**MECAL** – International consultancy surveying & certifying authority - [www.mecal.co.uk](http://www.mecal.co.uk)

**RINA** – Royal Institute of Naval Architects - [www.rina.org.uk](http://www.rina.org.uk)

**IIMS** - International Institute of Marine Surveying [www.iims.org.uk](http://www.iims.org.uk)

**MCA** – Marine Coastguard Agency - [www.dft.gov.uk/mca](http://www.dft.gov.uk/mca)

**RYA** – Royal Yachting Association – Certifying Authority Surveyors & Coding [www.rya.org.uk](http://www.rya.org.uk)

Naturally the further your chosen surveyor has to travel the higher his/her fee is likely to be.

Surveys range from basic structural to pre-purchase the latter being the more popular option with boat buyers for obvious reasons; nevertheless it's a good idea to have a chat with your surveyor and listen to his/her recommendations prior to selecting an option

If there are particular areas of the boat that you are concerned about then obviously mention this to the surveyor, the likelihood is they will spend a bit more time investigating such areas. Any historical information such as known collisions, groundings etc... Will of course need to be passed on.

Once the survey has been carried out a surveyor will normally contact his client to give him/her a quick synopsis on their findings before handing over the full report. You should expect to have the written report within seven days of the survey taking place (unless otherwise informed).

Remember when reading the report the object of the survey is to fault find and generally speaking they can make quite negative reading, again this is where communication with the surveyor is key and advice should be sort to guide you through the next steps.

Ultimately you are buying a second hand boat which will requires an on-going maintenance schedule all aspects of which should be consider when setting out your budget.

**Sea Trials & Testing** – If this is a requirement make sure you mention your requirements at the time of putting your offer forward. This will allow a plan to be put in place to make the necessary arrangements. Should the vessel be ashore it is at the purchasers expense to prepare for launching, movement by crane/hoist and re-commission of engines should they be winterised. We would advise having the structural survey before launching as results may affect future plans, don't spend funds when you don't have to. The buyer is also be responsible for providing a professional skipper if you surveyor is not qualified to test sail a yacht afloat.



**Completion** –Following survey and other tests if you decide to accept and proceed to completion your only responsibility as a buyer is to transfer the remaining funds which need to clear prior to completion. Your broker will arrange all the necessary title papers for completion which will include most of the following. Bill of Sale in your favour, Certificate or Registry ready for you to update or if on a Foreign Registry arrange for the closure to provide a deletion certificate, collect evidence of VAT payment and RCD status (if applicable), Declaration of Conformity, request other historical documents and ensure that all yard fees or invoices work instructed have been settled, keys collected. Consideration needs to be given to the seller for the removal of their personal belongings especially if the yacht is overseas.



**Insurance** – Don't forget to arrange your insurance this is essential.

**Training** - If you haven't sailed or driven a powerboat before do get some training before heading off. It is essential you know the 'Rules of the Road' and have adequate safety equipment. The RYA has a wide range of courses to assist you.