



Cost of Boat Ownership Analysis



Dear Boat Enthusiast

We have prepared a comparison showing the cash outlay over three years between owning a vessel and a 3 year Silver Membership subscription.

Also since the GFC, banks will not finance Luxury boats because boats have depreciated more than 50% in three years resulting in significant capital losses. With a monthly membership subscription you don't have a loss on asset exposure which is non-tax deductible.

Cost of Ownership Over Three Years

	Buy a Boat	Boat Membership
Purchase Price	\$150,000	0
Berthing Fees	\$30,000	0
Insurance	\$7,500	0
Cost of Capital & 7.5%	\$33,750	0
Anti-Fowling	\$9,000	0
Engine Service	\$15,000	0
Washing/Waxing/Clean	\$10,000	0
Estimated Depreciation	\$75,000	0
Agents Commission	\$7,500	
Silver Membership 3yrs	0	\$46,000
Contingency Repairs	\$15,000	
Total 3 Year's Ownership	\$202,750	\$46,000

Note:

The comparison does not include the cost of fuel. Cost of ownership does not include the owner's time in managing the vessel to take into account scheduling repairs and maintenance and cleaning. If you are "time poor" then owning a boat is not for you. It must be managed like any investment and having an "asset" in a corrosive environment like sea water will mean the work required to manage such a vessel is seven times more costly than your average holiday house. At the end of each day the boat must be cleaned once your family and friends have left for the day. Preventative maintenance must be performed every six months, failing to maintain a vessel to proper marine specifications subject to new legislation by Department of Transport coming into effect in 2012 and the onus is on the boat owner to safe guard their passengers. These above figures are only an estimate based on actual running costs of the Pleasure Cruising Fleet. It also assumes there are no borrowing costs and that the boat is paid for in full.