



NMBA: 'Sweet spot' for boat prices, interest rates

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Lenders are beginning to see a firming of prices in retail boat sales, possibly indicating a turn in the market, the National Marine Bankers Association said.

"We believe this is another recovery point in the cycle of availability of credit from lenders and interest in borrowing to buy a boat by consumers," said Karen Trostle, president of the NMBA, in a statement.

"If we can move these forces in tandem and away from the malaise of banks' very strict credit guidelines and buyers' low desire to finance or refinance a boat purchase, it could signal a return to stronger activity by all involved in the transaction. For consumers especially, this could be the 'sweet spot' of best interest rates and boat prices for seasons to come," she added.

Establishing collateral values for boats, new and particularly used, has been complicated in the last several years in ways similar to the real estate market. Both have been affected by overhangs in inventory, borrowers unable to keep up with payments, property and product aging and its impact on condition, and values influenced by general economic trends and regional factors.

"Two years ago the price of gas was \$4 a gallon and the market for just about everything, including boats, tanked as people locked down spending. New- and used-boat sales were especially hard-hit. In 2009, sales reports reflected a severely distressed market, so we adjusted values downward in the ABOS Marine Blue Book accordingly," said Tom Fournier, content manager of Price Digests, which track pricing on a number of used products.

"Beginning this spring, however, we saw the market for used-boat sales start to thaw and have adjusted many boat values upward for the first time in memory. Supply and demand seem to be in better balance," Fournier added.

Matt Amata, of National Liquidators, said the selling prices of boats have returned to and, in some cases, exceed 100 percent of "low value" in the guidebooks. He said values are stabilizing and price guides can be relied on as a starting point.

"The apparent firming of the boating market and actions by lenders and others working with them is bringing some light to a dark period," Trostle added. "We will continue providing updates and information to help lenders make rational decisions to serve the industry and consumers."