



STEPS TO BUYING A CATAMARAN

Decide what you like

When you begin to follow your dream of owning and sailing a cruising catamaran there are many things to wrap your head around. It is best to have some parameters in place. This will help to keep you from going down rabbit holes that turn out to be dead ends. Some things to ask yourself are:

- What size suits me?
- How many cabins do I want or need?
- Do I want a used boat or am I willing to wait a year or more for a new one?
- What is my budget? How flexible can I be?
- Will I need or want financing?
- Where is the boat now?
- Where will I keep/use her?
- How soon am I wanting to purchase?
- Will I need training on how to sail her?
- What amenities are must-have versus like-to-have?
- Can I add these amenities, or do I need the boat ready-to-go?

If you have an opportunity, go look at some catamarans. Boat shows are good, but you are only going to see new boats. The Clear Lake area of Houston/Galveston is probably the best place to view used catamarans. It is the 3rd highest boat population in the US and most of the boats are in marinas. Of course, they are not all for sale, but your broker can point out key differences from the dock.

Another great way to familiarize yourself with catamaran sailing is through lessons and charters. Your broker can help set these up for you in your area.

Find a boat

Most buyers begin their journey by looking at boats on the internet and watching sailing videos on YouTube. Catamarans.com is The Catamaran Company's website and a great place to start. You may also want to connect with a broker early on. You will want to establish a relationship with a broker that specializes in catamarans and has excellent knowledge of sailing, chartering, and cruising.

Yacht Brokers work like real estate agents. They are agents whom people consult to find and purchase a boat, and whom people hire to list, represent, and sell boats for them. Traditionally, the seller pays the commissions that a yacht broker earns – not the buyer, yet brokers have a duty to both buyer and seller in every transaction.

Your Catamaran Company broker will help guide you through the treacherous waters of boat ownership from finding the right boat for you, securing financing and insurance, negotiating the deal, and moving you through to closing and even training on your new vessel.

Make An Offer

When you find a boat that fits the criteria that you and your broker have established it is time to make an offer. In today's market it is sometimes best to make an offer without even seeing the boat first. If the owner accepts your offer, it officially takes the boat off the market until you either accept or reject the vessel. The offer will require an escrow deposit of 10% which is protected by law. You can withdraw the offer and have your money returned at any time, for any reason, up to the Acceptance of Vessel (AOV) date.

Common terms of sale include:

- Personal Inspection (Here you require that you view the vessel prior to accepting the vessel. This grants you the right to call off the contract if you don't like what you see.)
- Survey (Hire a 3rd party professional marine surveyor to inspect the vessel and ensure seaworthiness. A surveyor will provide you with a complete report of the vessel's deficiencies within 1-2 days of inspection.)
- Trial Run (Also known as Sea Trial, this is usually done the day of surveyor inspection, a quick run of the vessel with the surveyor onboard will give you and the surveyor an actual indication of how she will run, and IF she can run!)

You can exclude any of the above terms or include additional terms, such as "subject to financing".

Other important terms to the agreement are your Acceptance of Vessel date (the day you decide whether to accept or reject the vessel) and the Closing date. Remember, there is more to negotiation than just the price. (Example- a quick closing to a seller in need of a quick sale is more valuable than a long closing with a higher offer amount.) An average sale from offer to closing takes place in one month.

Once you are ready to submit your offer, be sure to have your correct name or corporation name if buying as a corporation, the address, and that the bottom of each page is signed, including the Exhibit A. (The Exhibit A shows the vessel's inventory to be sold. This lets both you and the seller fully understand what is included. Any changes to the inventory must be agreed upon by both parties.)

The 10% deposit is industry standard for brokerage yachts. This lets the seller know you are a serious buyer. (California and Florida are the only states requiring a government regulated escrow account for the safety of your deposit funds. Our office is Florida based and our escrow account is regulated.) If you do not come to an agreement with the seller, we can use your deposit for another yacht or we will return your funds within 24 hours of your request with your expressed location for the return.

Under Negotiation (Optional)

(This stage only takes place if the seller does not accept your offer as-is.) Usually, a seller will send a counter- response. They can change any portion of the agreement, including the offer amount and dates. This process is continued until a mutual agreement has been reached. Once an agreement is reached by both parties then we are now: Under Contract

Under Contract

Congratulations! The seller has accepted your last offer. All parties (Buyer and Seller) have agreed on the terms, signed the Purchase and Sale Agreement (PSA) and Exhibit A and we have a deposit in escrow, per the contract requirements. Now we have to set up for the completion of your sales terms, i.e. locate a surveyor, schedule travel for inspection, etc., depending on your offer terms. At this stage, you will be contacted by our in-house closing department with an introduction and certain contacts that you may or may not need, depending on your situation.

If you have any final financing arrangements made with a lender, please let us know who we can contact to ensure all necessary paperwork will be completed on time for closing. (We also have numerous finance companies that we work with and can provide you with a list if you so choose. But, again this is entirely up to you.) Please also note, if you have a financing contingency as a term of sale, this must be removed prior to survey Trial Run of the vessel.

Survey & Trial Run

Per the standard FYBA (Florida Yacht Brokers Association) contract, the seller is responsible for a captain to take the vessel to your survey location. It is the responsibility of the buyer to select/pay for the services of an independent surveyor and the haul-out of the vessel at a boat yard for inspection of the vessel's bottom. Your broker will accompany you through the whole process, Haul-Out, Survey and Trial Run.

Here's what to Expect:

- Select a surveyor (we can provide a list of surveyors we have worked with in the past that are familiar with catamarans) but, it is entirely up to you who you choose as a surveyor.
- Trial Run and Survey of the seller's yacht is scheduled. (We usually help to coordinate all parties involved.)
- Meet for survey Trial Run. It is not necessary for the buyer to attend but most buyers do. The day usually begins at 8 a.m. with a cold engine start by the surveyor, motor to the yard for approx. 11 am haul. Lunch at noon while vessel is out of the water and drying. Surveyor checks the bottom about 1 p.m. and then we trial run from about 1-4PM.
- After the inspection, the surveyor can give you his basic findings on the spot. You will be given a full Survey Report in 1-2 days. Don't fret; it is completely normal for a yacht (even new) to have deficiencies!
- It is also important to note, any yacht insurance is dependent on a successful survey. (We can provide several recommended insurance companies.) Lenders will also require a copy of the survey.

Acceptance Of Vessel:

If the Trial Run and Survey Report were positive and successful, you can decide to sign the Acceptance of Vessel (AOV) any time on or before your Acceptance of Vessel date. Once we receive the survey report, we can also request adjustments in price based on the report. This can be negotiated with the seller in either repairs or compensation for repairs needed. This is known as a Conditional Acceptance of Vessel (CAOV). **If you no longer want the vessel, you will need to submit a rejection or you will automatically accept the vessel.** Therefore, if you cannot send your written acceptance or rejection on time, speak with your broker as soon as possible and we can either request for an extension or reject the vessel and submit a new offer when possible. Usually, an extension is accepted.

At this point, you are almost set to sail!

Final Closing:

The Catamaran Company has a whole department dedicated to just the closing of your vessel, Details Details. They will handle all the closing documentation and help with a smooth process. At this point, your broker will defer to their expertise. They are very good at what they do! This complex area requires the final transfer of the vessel into your name. Key areas where Details Details offers assistance are:

- Prepare transfer of ownership documents.
- Complete federal registration of the vessel.

Attention to details will remove frustrating administrative issues and ensure this complex process is done correctly.

Congratulations! You are now a proud Yacht owner!

If you need any after sales service, we can arrange delivery to your chosen destination and/or help provide you with dockage.

For more information, contact:

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THE CATAMARAN COMPANY

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