

EVALUATION OF RECREATIONAL BOATS DEPRECIATION RATES

BST Associates
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REVIEW OF BOAT SALES PRICES - METHODOLOGY

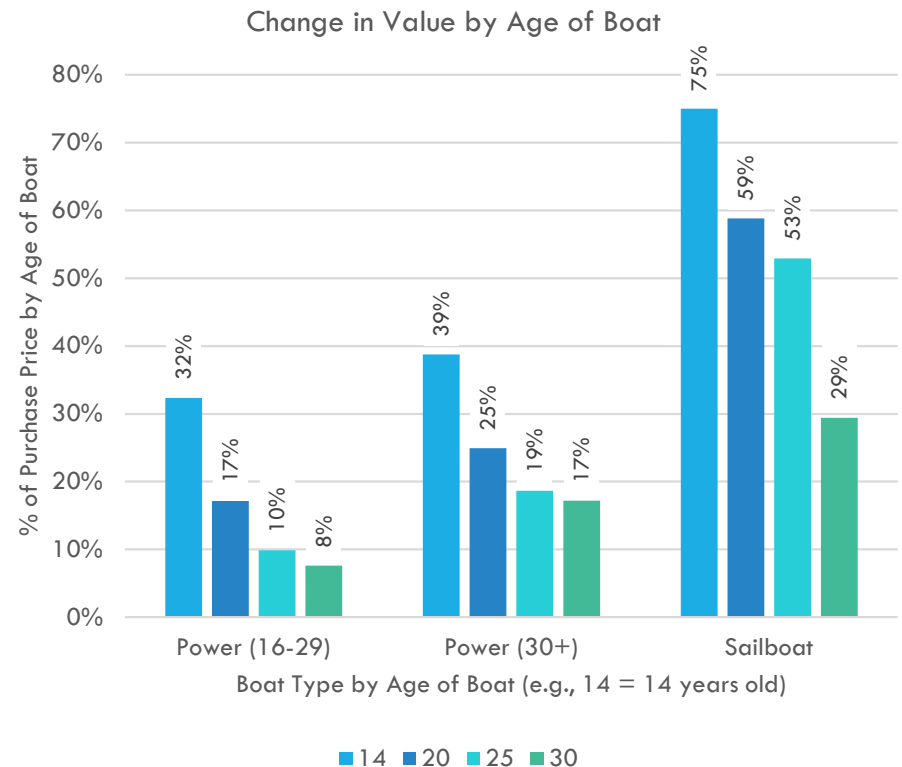
BST Associates reviewed Washington State Department of Licensing data for 2020 to evaluate the median purchase price by the age of the boat (ranging from 1 to 40 years of age).

- Example: median price of model year 2000 boat purchased in 2000 compared with a model year 2000 boat purchased in 2014 (14 years old) among other variations.
- Number of records reviewed:
 - Power boats (16 to 29 feet long) = 120,121
 - Power boats (30 to 59 feet long) = 12,933
 - Sailboats (16 to 58 feet long) = 6,087
- Statistical Significance: R-squared is a statistical measure of how close the data are to the fitted regression line. The closer to 1, the closer the data fit. Power boat results have a close fit, but sailboats do not:
 - Power boats (16 to 29 feet long), $R^2 = 0.9886$
 - Power boats (30 to 59 feet long), $R^2 = 0.9634$
 - Sailboats (16 to 58 feet long), $R^2 = 0.501$

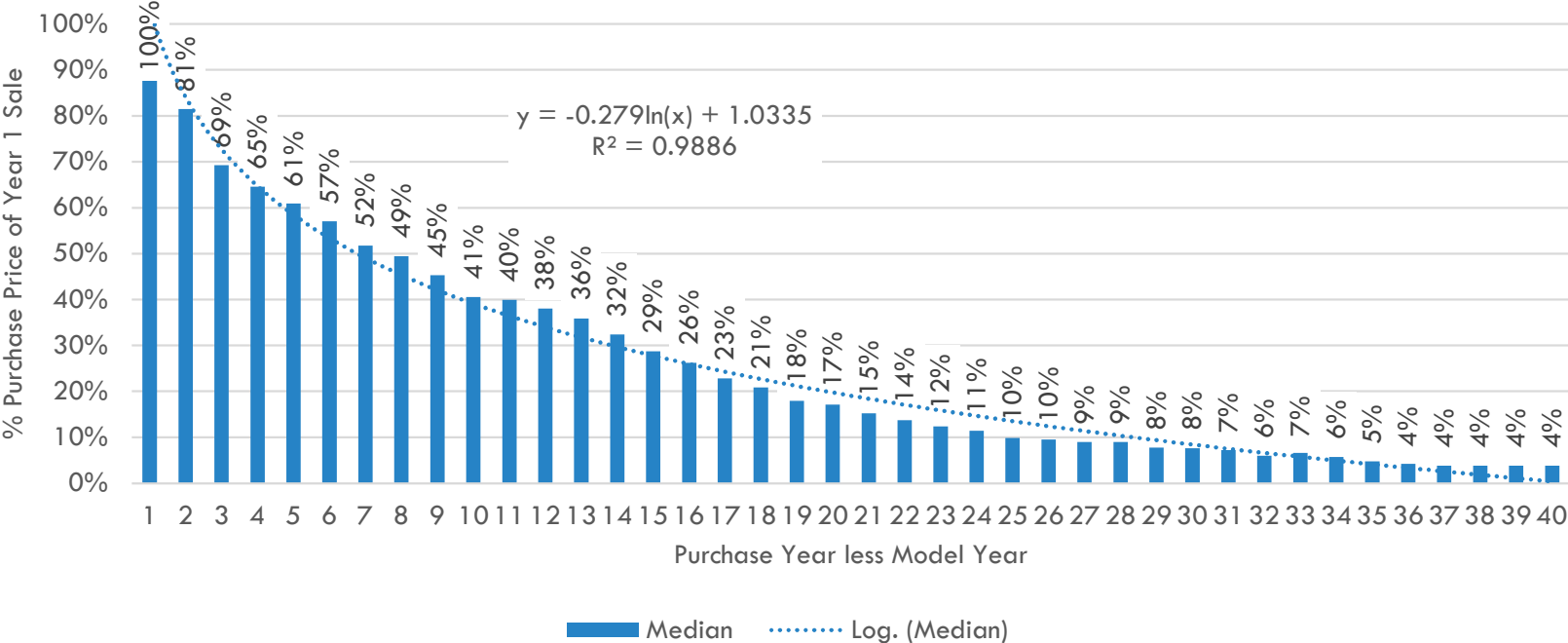
REVIEW OF BOAT SALES PRICES - FINDINGS

Boats continue to decline in value as the boat ages:

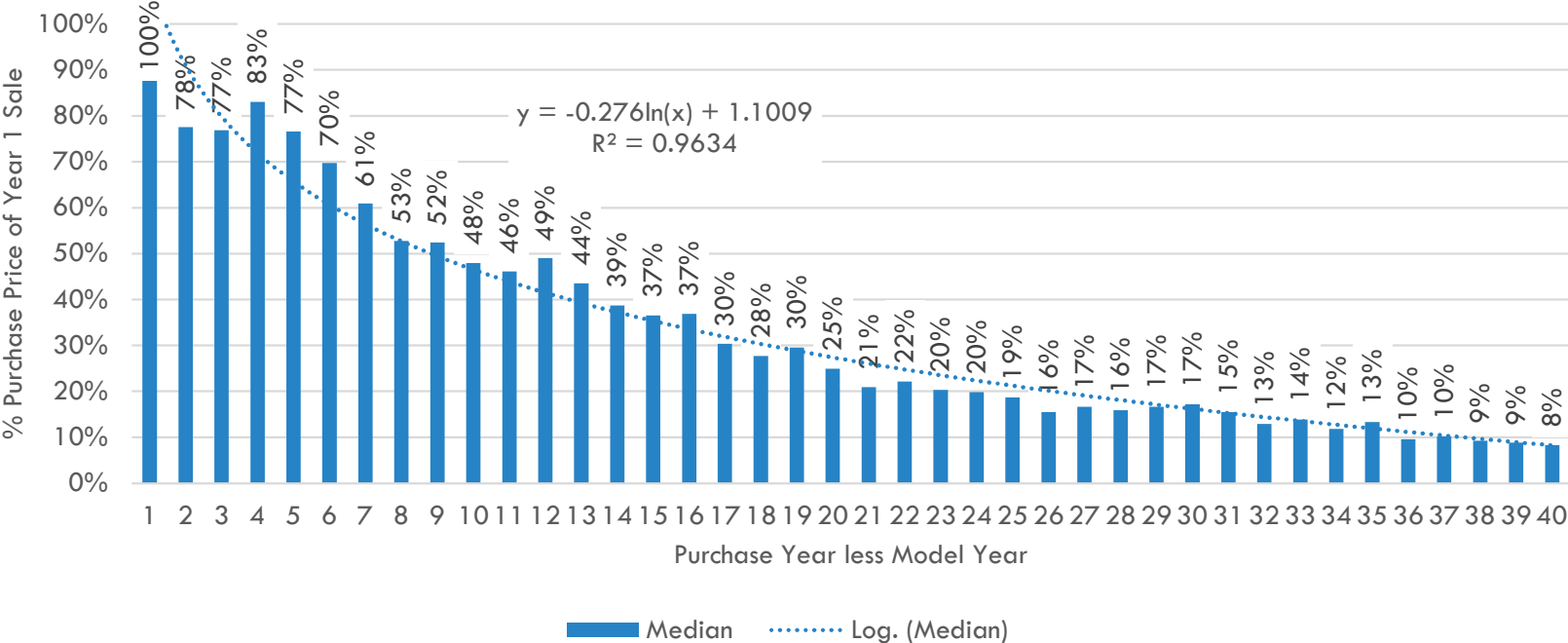
- For power boats (16 to 29 feet long), value declined to 32% of median year-1 value at age 14 and continues to decrease to 8% at 30 years of age.
- For power boats (30 to 59 feet long), value declined to 39% of median year-1 value at age 14 and continues to decrease to 17% at 30 years of age.
- For sailboats, value declined to 75% of median year-1 value at age 14 and continues to decrease to 29% at 30 years of age.
 - The sailboat fleet is quite old and sales are less frequent than for power boats. Of special note, there are fewer sales in the first 10 years of the boat's life, which impacts statistical reliability.



PURCHASE VALUE OF POWER BOATS (16-29 FEET) PERCENTAGE RESALE PRICE OF YEAR 1 VALUE



PURCHASE VALUE OF POWER BOATS (30-59 FEET) PERCENTAGE RESALE PRICE OF YEAR 1 VALUE



PURCHASE VALUE OF SAILBOATS

PERCENTAGE RESALE PRICE OF YEAR 1 VALUE

