

# CHOOSING AND WORKING WITH A MARINE SURVEYOR

WHERE TO LOOK

WHAT TO ASK

WHAT TO EXPECT



# SCOTT RICHARD BERG

## MARINE SURVEYOR & PROJECT MANAGER

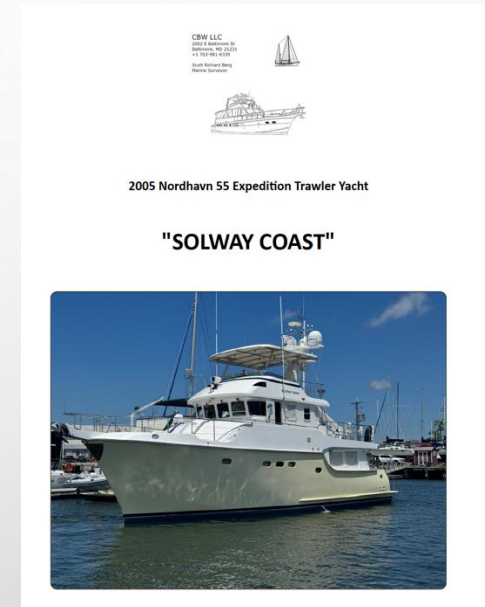
- LIFETIME BOATER & LONG-DISTANCE CRUISER
- SPORTFISH & MOTORYACHT CAPTAIN
- SAMS® SURVEYOR ASSOCIATE
- ABYC CERTIFIED MASTER TECHNICIAN
- OWNED A BROKERAGE & CONSULTING GROUP
- USCG RTMC/GMDSS TASK FORCE
- CRUISING EDITOR OF WATERWAY GUIDE™
- USCG LICENSED DECK & ENGINE ROOM



# WHAT IS A MARINE SURVEY?

AN INSPECTION AND EVALUATION OF A YACHT OR OTHER VESSEL

- CONSTRUCTION OF THE VESSEL
- CONDITION OF THE VESSEL, COMPONENTS, AND SYSTEMS
- STANDARDS-BASED (USCG, ABYC, IOS/RCD, OTHERS)
- APPROPRIATE FOR WATERS/CRUISING PLANS
- SNAPSHOT TAKEN ON THE DAY OF SURVEY
- DETAILED REPORT FOR USE BY BUYER, SELLER, BANKS, INSURANCE COMPANIES, ETC



# WHAT IS A MARINE SURVEYOR?

- A LICENSED CAPTAIN
- AN ABYC CERTIFIED REPAIR TECH
- A YACHT BROKER
- AN HVAC TECHNICIAN
- A MASTER MECHANIC
- AN INSURANCE ADJUSTER



# QUALIFICATIONS TO LOOK FOR

- MEMBERSHIP IN PROFESSIONAL ASSOCIATIONS (NAMS™, SAMS®, IIMS)
- YEARS OF MARINE EXPERIENCE WITH BOATS LIKE ‘YOURS’
- ADDITIONAL EDUCATION/CREDENTIALS SUCH AS HVAC, ELECTRICAL, CORROSION, ETC
- ACTUAL BOATING EXPERIENCE
- PROFESSIONAL TRAINING FROM A MARITIME SCHOOL OR ACADEMY
- ONGOING CONTINUING PROFESSIONAL EDUCATION (ABYC®, NFPA®, ETC)





# FINDING A SURVEYOR

- LOCAL TRUSTED REFERRALS (BEST)
- ORGANIZATION WEBSITES (SAMS, NAMS, ABYC, OTHERS)
- YACHT CLUBS
- BOAT SHOWS, TRAWLER FESTS, CLASS RENDEVOUS
- INTERNET SEARCHES
- MARINA OFFICES
- BOAT STORES



# TYPES OF SURVEYS

- PRE-PURCHASE (CONDITION AND VALUATION)
- INSURANCE ISSUANCE OR RENEWAL (CONDITION AND VALUATION)
- MECHANICAL (ENGINE(S), GENERATOR(S))
- ELECTRICAL/ELECTRONIC/COMMUNICATIONS/SPECIALITY
- RACE OR RALLY PARTICIPATION
- PRE-SALE
- DAMAGE



# CONDITION AND VALUATION

- MOST COMPREHENSIVE
- WHAT MOST PEOPLE THINK OF AS A 'SURVEY'
- REQUIRED BY BANKS AND INSURANCE COMPANIES
- AND WHAT EVERY BUYER SHOULD COMMISSION
- CONTAINS TWO (RELATED) SECTIONS





# CONDITION

- “OBSERVE AND REPORT”
- INCLUDES IN AND OUT OF THE WATER EXAMINATION
- INCLUDES A LIMITED TRIAL RUN
- FOCUSES ON SERVICEABILITY OF COMPONENTS
- DOCUMENTS ANY DEFICIENCIES OF LAW, REGULATION, RECOMMENDATION, OR PRACTICE
- BUC RATING (BRISTOL, ABOVE, AVERAGE, FAIR, POOR, RESTORABLE)



# VALUATION

- FAIR MARKET VALUE
- COMPARABLE SALES
- LISTINGS (ADJUSTED)
- GUIDES LIKE BUC, NADA, OTHERS
- SURVEYORS' 'OPINION' OF FMV
- REPLACEMENT VALUE



The screenshot shows the NADA Guides website interface. At the top, there is a navigation bar with the NADA Guides logo and menu items for AUTOS, CLASSIC CARS, MOTORCYCLES, BOATS (which is highlighted), and RVS. Below the navigation bar, the main heading reads "New and Used Boat Prices and Values". Underneath this heading is a sub-heading: "Find new and used boat, power boat, sailboats and personal watercraft prices and values". To the right of this sub-heading is a yellow button labeled "START HERE" with a play icon. Below the main heading, there are two columns. The left column is titled "Browse By Type" and contains five categories with corresponding icons: Power Boats (speedboat), Sailboats (sailboat), Personal Watercraft (jet ski), Outboard Motors (motor), and Boat Trailers (trailer). The right column is titled "Resources" and contains four bullet points: Boat history report, Free insurance quote, Check current loan rates, and Buy a boat price guide.

## STATEMENT OF VALUATION

The "FAIR MARKET VALUE" is the most probable price in terms of money that a vessel should bring in a competitive and open market under all conditions requisite to a fair sale: the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated.
- b. Both parties are well informed or well advised, and each acting in what they consider their own best interest.
- c. A reasonable time is allowed for exposure in the open market.
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and
- e. The price represents a normal consideration for the vessel sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.



# A TYPICAL EXAMPLE



CBW LLC  
SCOTT BERG

September 24, 2024

KADEY-KROGEN YACHTS INC, STUART, FL (MIC: CBK)

Model Year	1991	Hull Material	Fiberglass Sandwich
Model	TRAWLER	Hull Configuration	Displacement
Length Overall	42' 4"	Draft	4' 7"
Length On Deck		Beam	15'
Boat Type	Trawler   Flybridge	Weight	39500 lbs.
Engine Type	Inboard Single 135D Perkins	Ballast	2500

The information presented here is believed to be reliable but not guaranteed. For various reasons, including the subjective nature of vessel evaluations and the possibility of incomplete or inaccurate information regarding comparable vessels and sales thereof, we do not make any warranties whatsoever regarding this report, and WE EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. BUC does not provide expert witness testimony.

Current Retail Value Range	\$231,000-\$253,500 127th edition.
Fair Retail Value Adjusted for <u>BUC Condition</u> in the North Atlantic	\$231,000-\$253,500
Replacement Value	\$2,160,000



	Length	Make/Model	Year	Listed Price	Sold Price	Boat Location	Days Active
<input type="checkbox"/>	42 ft	Kadey-Krogen 42 Widebody	1994	\$334,900	\$307,500 (11/2023)	Chesapeake, VA	199
<input type="checkbox"/>	42 ft	Kadey-Krogen Pilothouse	1990	\$278,000	\$278,000 (2/2023)	Anacortes, WA	36
<input type="checkbox"/>	42 ft	Kadey-Krogen 42	1987	\$175,000	\$170,000 (2/2023)	Saint Petersburg, FL	85
<input type="checkbox"/>	42 ft	Kadey-Krogen 42	1987	\$175,000	\$170,000 (2/2023)	Saint Petersburg, FL	
<input type="checkbox"/>	42 ft	Kadey-Krogen Krogen 42'	1987	\$199,000	\$175,000 (12/2022)	Stuart, FL	281
<input type="checkbox"/>	42 ft	Kadey-Krogen 42	1988	\$49,900	\$37,000 (11/2022)	Deltaville, VA	33
<input type="checkbox"/>	42 ft	Kadey-Krogen Krogen 42	1992	\$270,000	\$270,000 (2/2022)	Keyport, WA	
<input type="checkbox"/>	42 ft	Kadey-Krogen 42	1988	\$195,000	\$170,000 (1/2022)	Stuart, FL	63



**1988 Kadey Krogen 42** is classic pilot house trawler with a walk-around deck. She is the more sought ought standard two stateroom ...

**NOTE: She has been on the hard and will need some new fuel tanks and bridge deck work. The bottom has been soda blasted and is ready for some blister repair and fresh paint. Please call to set up your appointment as she's located offsite.**



Rugged, and yet serenely comfortable and seaworthy, the Kadey-Krogens are unrivaled. This vessel re-defines the term "**Bristol Condition,**" From the 18 fresh coats of high-end marine varnish on the cap rails to fresh multi layer epoxy barrier coats on the keel and hull, and every single system and component between, This one is truly like new.

**A few Highlights;**

**New/redone bow AND stern thrusters, each with 2 new G31 batts tied into a new combined Yacht Controller Remote**

**All new/redone Hydraulic Stabilizers**

**All new Refrigeration-Freezers**

**New Garmin Electronics GPS/Plotter, Autopilot, AIS, Depth.**

**All new Canvass outside, New upholstery inside**

**All new Plumbing, Sinks, Faucets, New toilets, all first grade.**





# MECHANICAL SURVEYS



- DETAILED ENGINE EVALUATION BASED ON MANUFACTURERS' SPECIFICATIONS
- THIS IS FOR YOU MORE THAN THE INSURANCE COMPANY OR BANK!
- THE BIGGER THE ENGINE THE MORE SIGNIFICANT THE REPAIR BILL
- PERFORMED BY CERTIFIED MECHANICS WITH ENGINE-SPECIFIC EXPERIENCE
- DEERE CUMMINS DETROIT DIESEL CAT MTU MAN FORD PERKINS VOLVOMANY YACHT

SURVEYORS HAVE SEVERAL THEY RELY ON, ASK!





# CHICKEN OR THE EGG?



- ON AN UNKNOWN VESSEL, CONSIDER WORKING WITH YOUR SURVEYOR TO SCHEDULE THE MECHANICAL SURVEY FIRST
- IF THERE ARE SIGNIFICANT ISSUES WITH THE ENGINE YOU CAN CANCEL THE C&V
- EXAMPLES...



# OTHER SPECIALTY SURVEYS

- DETAILED ELECTRICAL EVALUATION
- CORROSION SURVEY
- COMMUNICATION SYSTEMS
- INSURANCE RENEWAL (LIMITED)
- RACE OR RALLY PARTICIPATION
- PRE-SALE
- USCG COI PREPARATION
- DAMAGE



# ADVANCED ELECTRICAL SURVEY

- AFTER A C&V FINDS SIGNIFICANT ISSUES
- ON A BOAT WITH KNOWN ELECTRICAL PROBLEMS
- FOCUSES ON ACTUAL PERFORMANCE OF SYSTEMS
  - NOT JUST CODE COMPLIANCE
- PERFORMED BY A QUALIFIED MARINE ELECTRICIAN OR MARINE ENGINEER
- OFTEN NEEDED AFTER A LIGHTNING STRIKE OR FIRE
- NORMALLY BILLED BY THE HOUR



# CORROSION SURVEY

- PERFORMED WHEN THERE IS CLEAR EVIDENCE OF CORROSION ON HULL OR GEAR
  - PERFORMED BY CERTIFIED CORROSION TECH OR ENGINEER
  - REQUIRES SPECIALIZED EQUIPMENT AND EXPERIENCE
  - TESTS FOR BOTH GALVANIC AND STRAY CURRENT
  - MAY REQUIRE A HAUL (OR SPLASH)
  - SHOULD IDENTIFY THE CAUSE
  - SHOULD PROVIDE A MITIGATION PLAN



# INSURANCE RENEWAL

- DIRECTED BY INSURANCE COMPANY
  - MAY BE IN WATER ONLY
  - CHECKLIST OFTEN PROVIDED BY UNDERWRITER, ASK!
  - OFFSHORE ENDORSEMENT
- AVERAGE EVERY FIVE (5) YEARS
- AGREED VALUE OF INSURANCE USUALLY BASED ON SURVEY VALUATION
- MAY BE LESS COMPREHENSIVE THAN A COMPLETE C&V AND MAY COST LESS



# RACE OR RALLY PARTICIPATION



- REQUIRED BY SOME OCEAN RACES OR RALLIES
- LIMITED TO THE SAILING DIRECTIONS AND REQUIREMENTS OF THE RACE/RALLY
- FOCUSES ON RIG, SAFETY EQUIPMENT, COMMUNICATION EQUIPMENT, ETC
- SOME RACES HAVE THEIR OWN INSPECTORS BUT WILL USUALLY ACCEPT A RECENT SURVEY
- IMPORTANT TO FIND A SURVEYOR FAMILIAR WITH RALLY OR RACING COMPLIANCE



# PRE-SALE

- OPTIONAL AT OWNERS' PREROGATIVE
- HELPS AVOID SURPRISES AT BUYERS' SURVEY
- HELPS ESTABLISH A FAIR MARKET VALUE FOR LISTING
- ALLOWS SELLER AND BROKER TO AGREE ON PRE-LISTING WORK TO BE DONE
- ALLOWS 'PUSH BACK' ON BUYER'S SURVEY REPORT DURING NEGOTIATION





# USCG COI FOR COMMERCIAL VESSELS



- PREPARATION FOR THE COAST GUARD INSPECTION
- FOCUSES ON 46CFR AND 47CFR
- NOT REQUIRED UNLESS YOU CARRY PASSENGERS FOR HIRE ON INSPECTED BOATS



# DAMAGE



- FOLLOWS DAMAGE AND PRECEDES COMMENCEMENT OF REPAIRS
- FOCUSES ON NECESSARY COURSE OF REPAIR, OPTIONS, AND COSTS
- INSURANCE COMPANIES WILL HAVE THEIR REPRESENTATIVE/SURVEYOR ON LARGER CLAIMS
- YOU HAVE THE RIGHT TO HAVE YOUR OWN SURVEYOR AND THEY WILL (USUALLY) CONSIDER THOSE FINDINGS AS WELL
- WELL WORTH THE COST ON LARGER CLAIMS



# CHOOSING A SURVEYOR

## Welcome to The Society of Accredited Marine Surveyors®

### Find a Marine Surveyor

All Surveyors



Search for

Near



Locate By: U.S. States | Canadian Provinces | Other Countries

- TYPE OF SURVEY
- TYPE OF VESSEL
- HULL MATERIAL
- OVERALL USE
- SURVEYORS ARE USUALLY SEMI-SPECIALISTS (SAIL, FISHING, STEEL, WOOD, ETC)
- ASK AROUND—BE CAREFUL OF CONFLICT OF INTEREST (SELLER'S BROKER RECOMMENDS)



# PREPARING FOR A SURVEY



- SCHEDULE WEEKS IN ADVANCE, SURVEYORS ARE OFTEN BOOKED A MONTH OUT
- AGREE WITH BROKER ON YARD TO HAUL BOAT
- SELLER PROVIDES/PAYS THE CAPTAIN FOR MOVE TO HAUL OUT AND TRIAL RUN
- BUYER PAYS THE SURVEYOR AND ANY HAUL AND YARD FEES
- SCHEDULE ANY MECHANICAL SURVEYS FIRST TO SAVE YARD FEES IF MECHANICS AREN'T SATISFACTORY. I'LL SAY THIS A FEW TIMES...

# WHAT WILL IT COST ME



CBW LLC  
Scott Richard Berg  
SAMS®S.A.



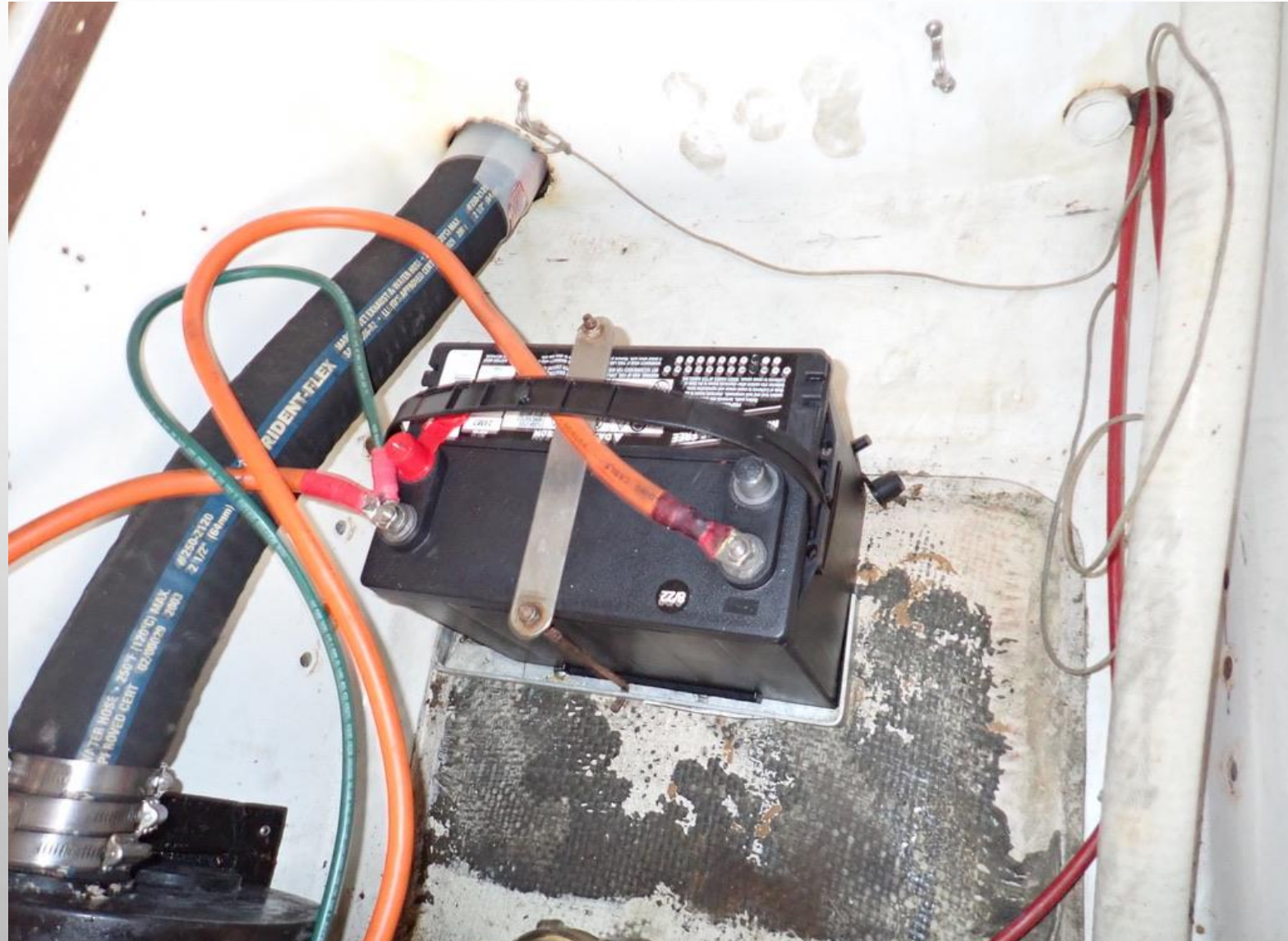
Yacht Surveying, Consulting, and Delivery

ENGAGEMENT FOR MARINE SURVEY CLIENT:

- BY THE FOOT (\$25-\$40 USD FOR BOATS UNDER 50' IS NORMAL)
- BY THE DAY (\$1000-\$2500)
- FLAT OR MINIMUM RATE (MINE IS \$1500 FOR A ONE-DAY SURVEY)
- TRAVEL (MILEAGE, TOLLS, AIRFARE, PARKING, ETC)
- ADDITIONAL COSTS NOT USUALLY INCLUDED IN C&V SURVEYS
  - CLIMBING MAST, DETAILED ELECTRICAL, CORROSION, MECHANICAL
- PRICES WILL VARY BY EXPERIENCE, MARKET, SPECIALTY, AND LOCATION



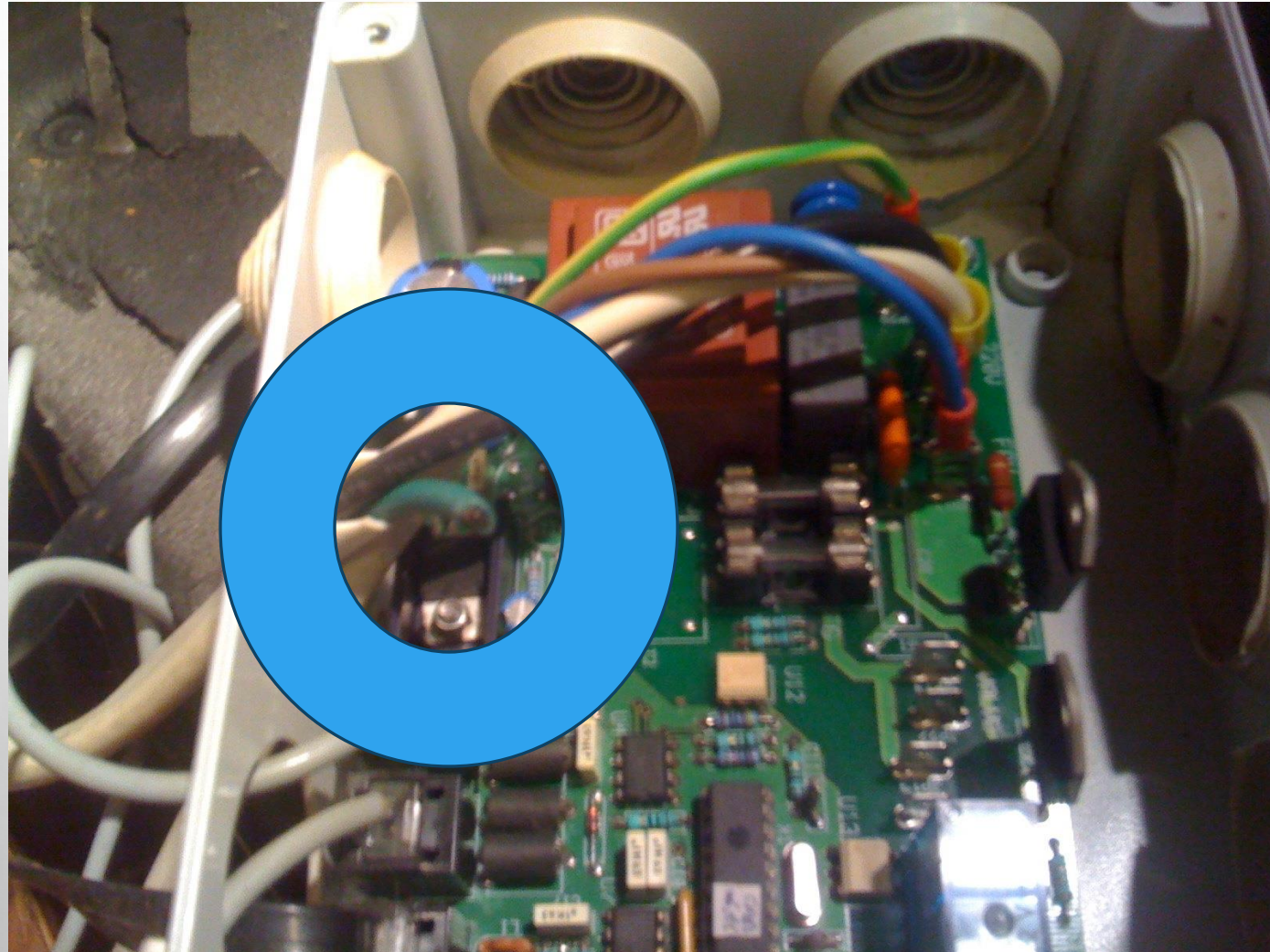
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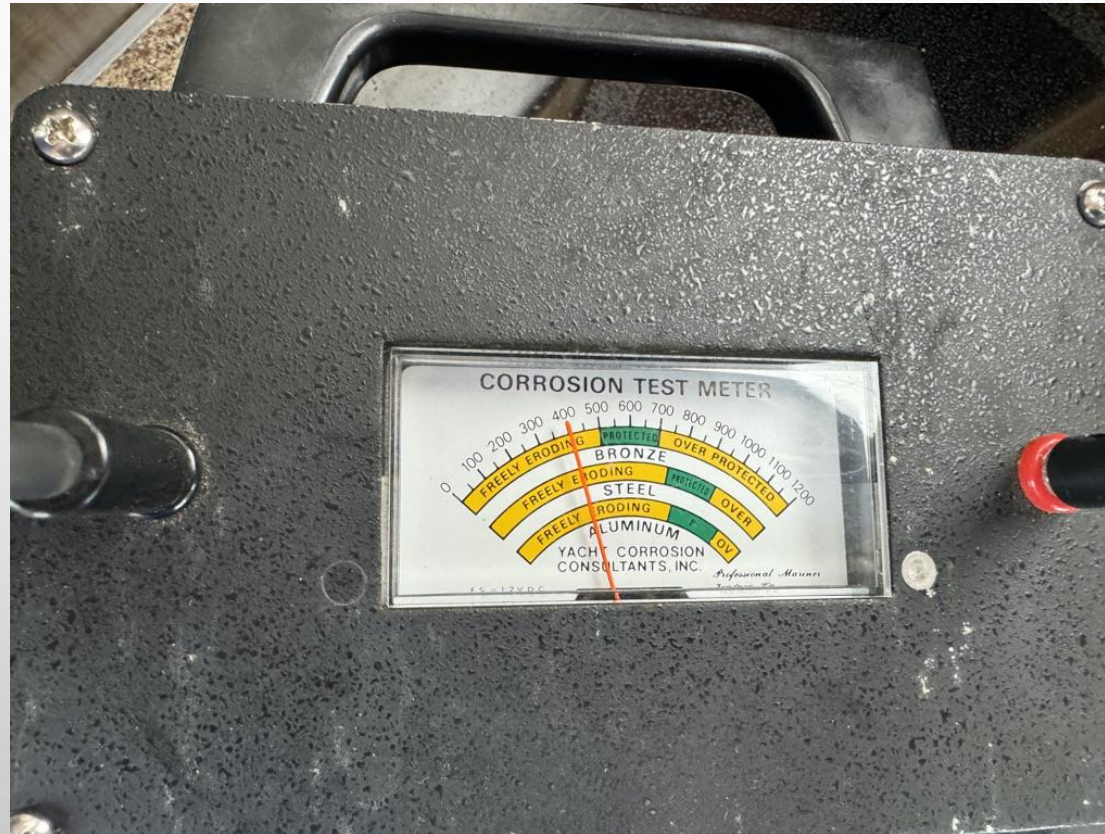
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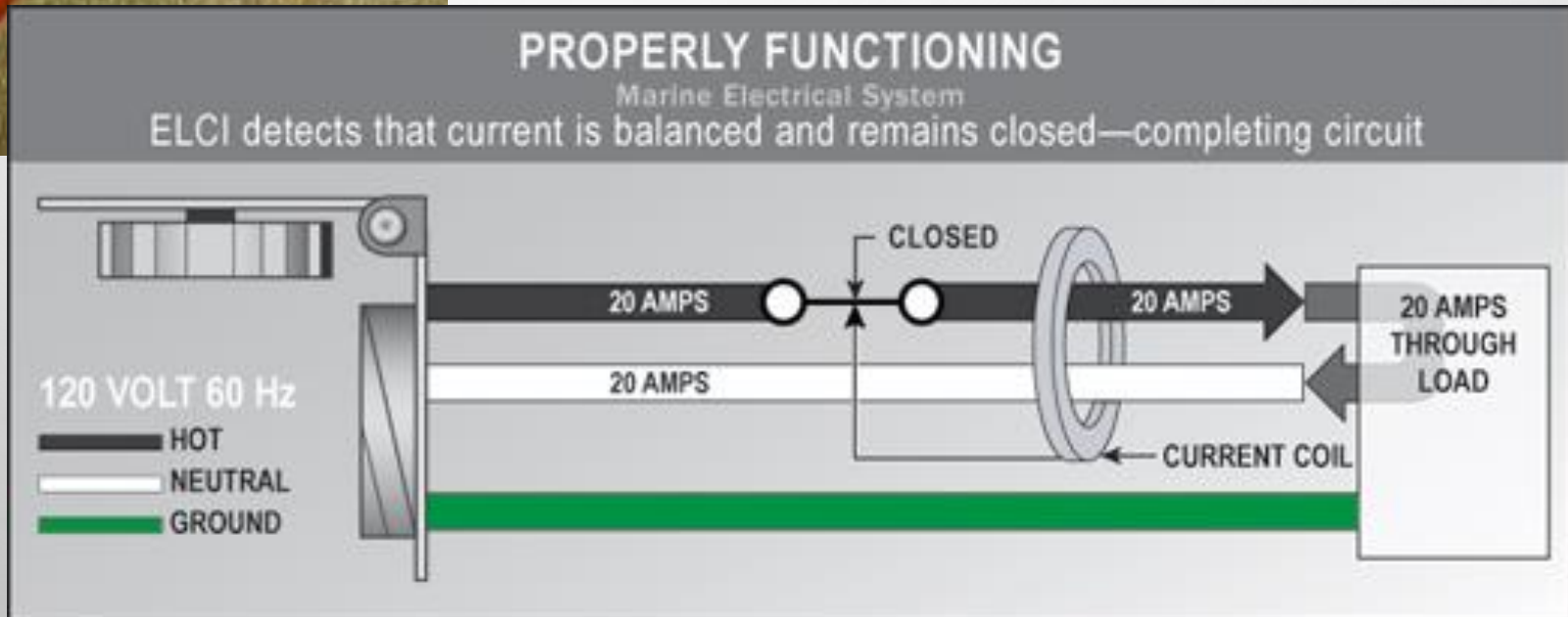
# WHAT A SURVEY FOUND



# WHAT DOES THIS MEAN?



# ELCI'S ARE BECOMING COMMON



# SAMPLE SURVEYS



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