

12.8 million
registered boats

\$33.6 billion
spent on boating

24.1% decrease
in traditional powerboat sales

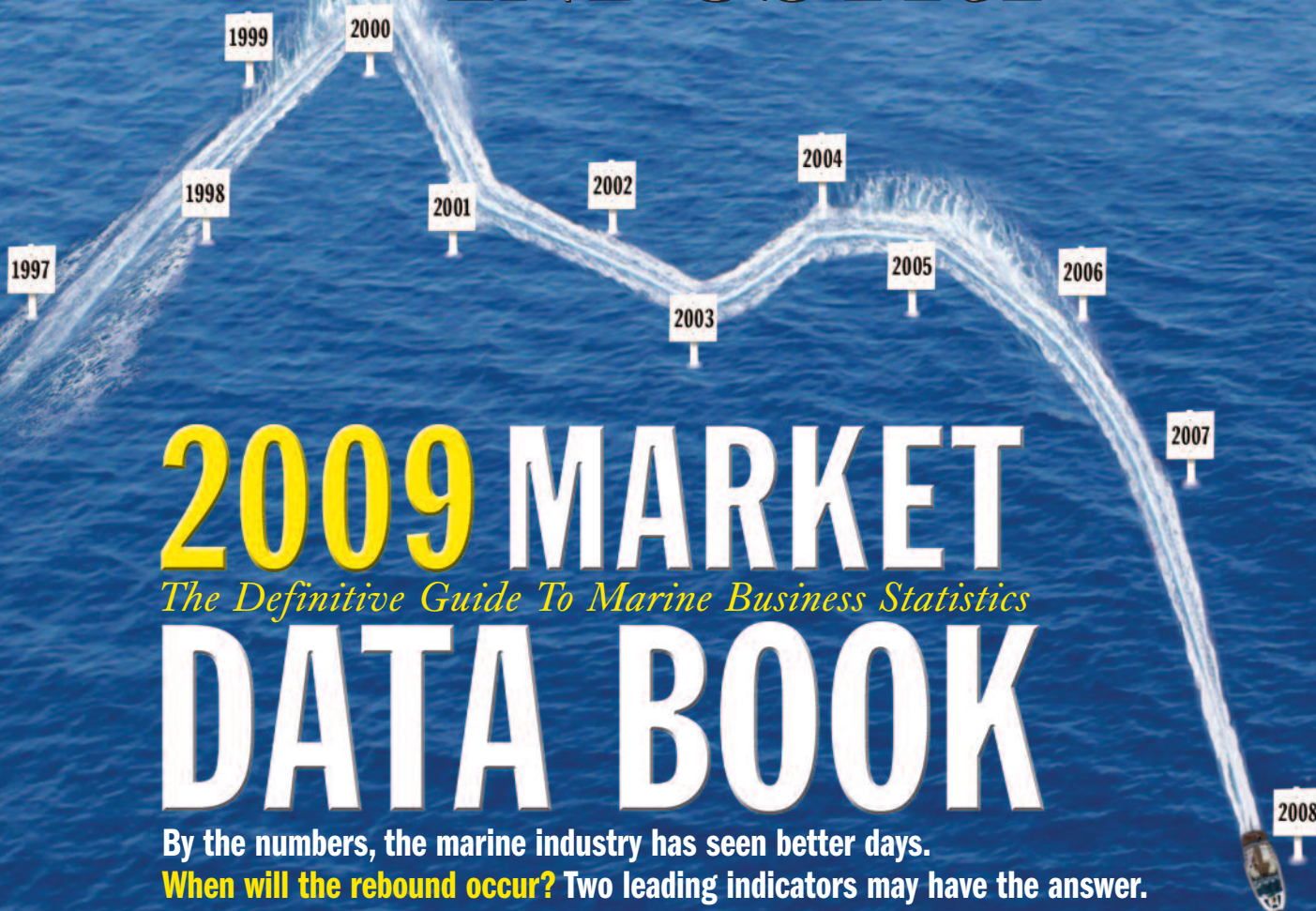
\$79.95

AUGUST 2009

Boating

INDUSTRY

TRUSTED SOURCE. PROVEN SOLUTIONS.
REAL RESULTS.



2009 MARKET

The Definitive Guide To Marine Business Statistics

DATA BOOK

By the numbers, the marine industry has seen better days.

When will the rebound occur? Two leading indicators may have the answer.

BY THE NUMBERS

Home price trends and
the boat market
Unit sales & retail expenditures
Customer satisfaction results
Wholesale Data Reports
Dealer benchmarking data

Dealer Data

Looking at charts and graphs that track the fortunes of boat dealers in 2008, one can almost feel the roller-coaster-like drops many experienced throughout their operations.

Some of the metrics used by Spader Business Management to track the dealers it works with are a grim reminder of the situation many marine retailers find themselves in these days. And *Boating Industry's* Top 100 dealerships were not immune either, as the table below shows.

However, with the economic downturn, pre-owned sales have become an even more important focus for many dealers looking for income wherever they can. The NADA Wholesale Data Reports in this section list used boat trade-in values obtained from national auctions, NADA Dealer Advisory Board members and several other organizations in the boating industry.

The popularity of certain models and their survey price – the average of the results gathered for a given model – may provide some assistance in those efforts to sell used boats.

TOP 100 BENCHMARKING STATISTICS

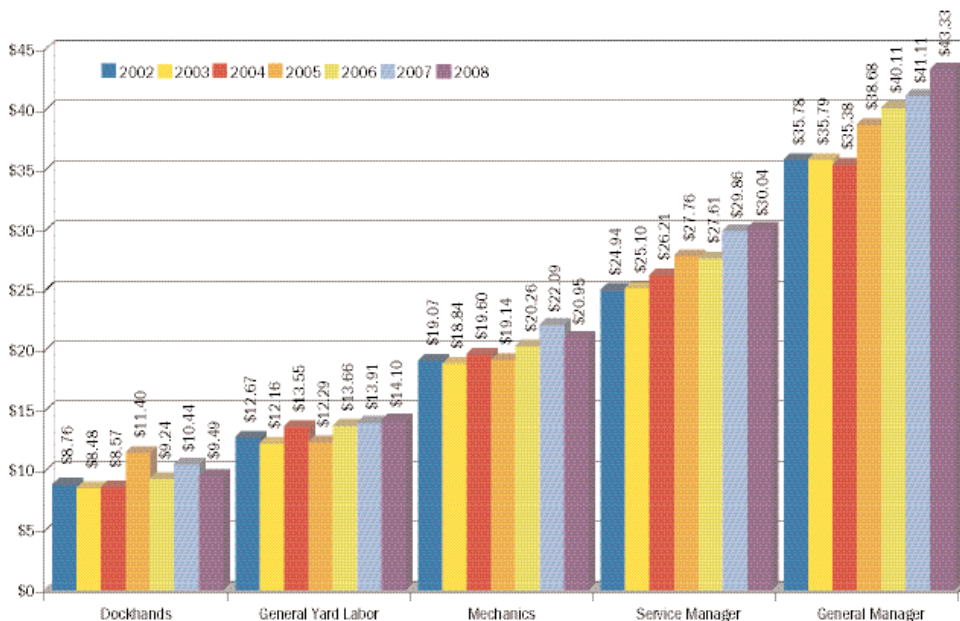
	2005	2006	2007	2008
Avg. revenue per dealer (in millions)	\$25.9	\$28.8	\$20.1	\$17.9
Total number of locations	342	357	289	278
Revenue per store (in millions)	\$7.6	\$8.1	\$6.9	\$6.5
Avg. CSI Score	94.6	95.4	95.97	96.2
Use computerized inventory	91	98	95	95
Avg. number of boat brands	4.9	5.1	4.9	5.0



2008 TOP 100 AVERAGES

	2008	
Sales as a % of revenue	73.5%	
Service as a % of revenue	10.3%	
Rigging as a % of revenue	1.4%	
Finance & Insurance as a % of revenue	1.6%	
Parts & Accessories as a % of revenue	6.6%	
Marina as a % of revenue	Avg. per store	2.3%
Storage as a % of revenue	12.8	2.3%
Rentals as a % of revenue	4.41	0.15%
Restaurant as a % of revenue	71.65	0.35%
Other as a % of revenue	50.01	1.5%
Total number of FT employees	8.07	35.59
Total number of PT employees	40.20	12.25
New I/O boats sold	6.49	71.65
New Outboard boats sold	11.95	50.01
New Inboard boats sold	4.98	33.1
New Outboards sold		22.45
I/Os sold for re-power		3.35
Used I/O boats sold		40.20
Used Outboard boats sold		18.06
Used Inboard boats sold		11.95
Used Outboards sold		4.98

WAGE RATE SURVEY



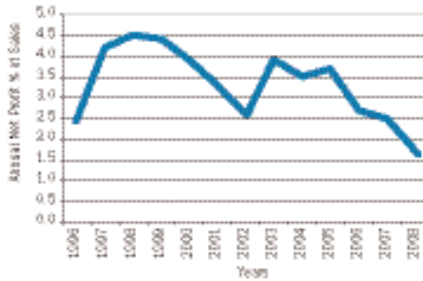
This data on wage rates is taken from the American Boat Builders & Repairers Association's annual Wage Rate Survey. The information was gathered by ABBRA through Web questionnaires sent to its members. For full results of the survey, including the average wages for additional positions broken down in six U.S. Regions, contact ABBRA at www.abbra.org.

Dealer Metrics

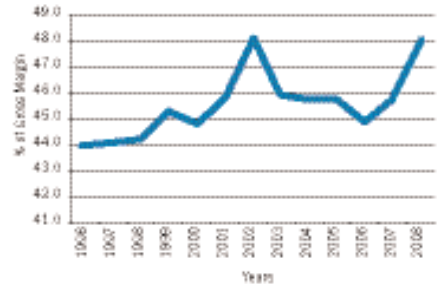
The graphs representing the 11 business metrics on the following pages, not surprisingly, show just how grim results were in 2008 compared to the 12 years before. The metrics were down, sharply, in every category except personnel expense ratio and fixed expense ratio. Spader Business Management tracks the business metrics of all of its 20 Group members as well as other dealers it works with, and shares the key performance indicators with *Boating Industry* on a monthly basis.

To contact Spader, call 800-772-3377 or visit the company's Web site at www.spader.com.

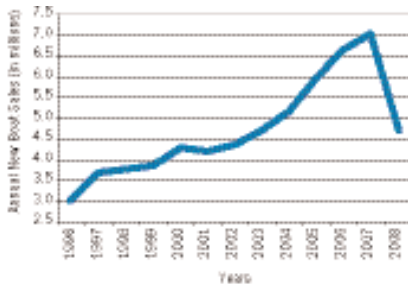
ANNUAL NET PROFIT



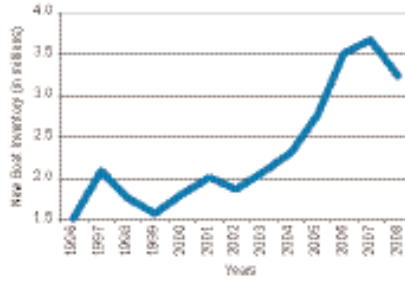
PERSONNEL EXPENSE RATIO



NEW BOAT SALES



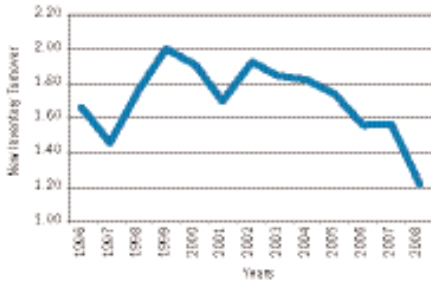
NEW BOAT INVENTORY



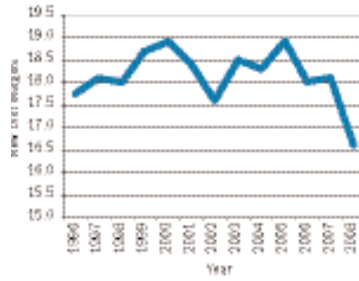
PRE-OWNED BOAT SALES



NEW INVENTORY TURNOVER



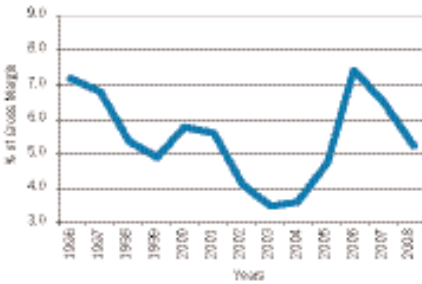
NEW UNIT GROSS MARGIN



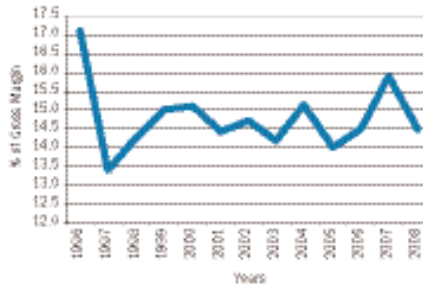
ADVERTISING EXPENSE RATIO



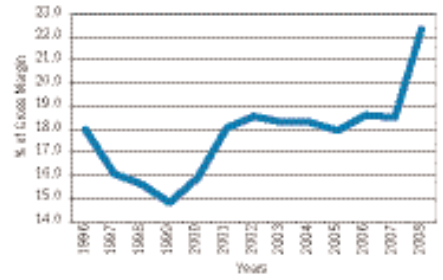
FLOOR PLAN INTEREST EXP. RATIO



SEMI-FIXED EXPENSE RATIO



FIXED EXPENSE RATIO



PRE-OWNED STERNDRIVE BOAT SALES

	MODEL YEAR	COMPANY	MODEL	NUMBER OF SURVEYS	SURVEY PRICE	NADA USED TRADE-IN	
25 FEET AND UNDER	1	2007	BAYLINER MARINE CORP	RUNABOUT 175 BR(*)	11	5560	5470
	2	2004	SEA RAY BOATS	180 SPORT(*)	9	6870	6640
	3	2007	SEA RAY BOATS	185 SPORT(*)	8	10540	10860
	4	2006	BAYLINER MARINE CORP	185 BR(*)	6	6980	7120
	5	2001	CROWLINE BOATS	180 BR	5	4410	4460
26 FEET AND OVER	1	2006	SEA RAY BOATS	240 SUNDECK	10	22470	21900
	2	2005	BAYLINER MARINE CORP	265 SB	9	20240	20000
	3	2007	CHAPARRAL BOATS	256 SSX/DB	8	27780	28050
	4	2006	RINKER BOAT CO	246 CAPTIVA/BR	7	17860	18000
	5	2000	MAXUM MARINE	2800/SCR	5	22130	22500

(*)Includes the value of the trailer.

Source: The information on this page and the next is provided by NADA Appraisal Guides; To learn more, contact Captain Troy D. Heidemann at 800-966-6362, ext. 261, or theheidemann@nadaguides.com. Further info is also available at www.nada.com/b2b.

PRE-OWNED PERSONAL WATERCRAFT SALES

	MODEL YEAR	COMPANY	MODEL	NUMBER OF SURVEYS	SURVEY PRICE	NADA USED TRADE-IN
1	2005	SEA DOO/BOMBARDIER	RTX	15	4670	4790
1	2006	KAWASAKI	STX-12F	13	3880	3730
3	2004	SEA DOO/BOMBARDIER	RXP	11	3910	4050
4	2006	HONDA	AQUA TRAX F-12X	10	5120	4970
5	2002	SEA DOO/BOMBARDIER	GTX 4-TEC	8	3270	3190

PRE-OWNED OUTBOARD BOAT SALES

25 FEET AND UNDER
ALUMINUM

	MODEL YEAR	COMPANY	MODEL	NUMBER OF SURVEYS	SURVEY PRICE	NADA USED TRADE-IN
1	2005	TRACKER MARINE	PRO TEAM 175(***)	12	4310	4170
2	2007	TRACKER MARINE	PRO TEAM 175 TXW(***)	11	5690	5540
3	2005	CRESTLINER INC	1850 SPORTFISH	10	6325	6490
4	2004	LUND BOAT CO	1800 FISHERMAN	8	5720	5890
5	2006	LOWE IND	170W STINGER(***)	6	9138	8080

25 FEET AND UNDER
FIBERGLASS

1	2006	SEA RAY BOATS	185 SPORT(***)	11	11170	10740
2	2004	SEA RAY BOATS	185 SPORT(***)	10	8410	8360
3	2002	RANGER BOATS/WOOD MFG	520DVX(**)	9	16890	17200
4	2005	STRATOS BOATS	285 XB/BS(***)	8	9715	9820
5	2005	TRITON BOATS	TR-186(***)	6	11740	11950

(**)Includes the value of the outboard motor. (***)Includes the value of the outboard motor and trailer.

PRE-OWNED INBOARD BOAT SALES

18 FEET TO 25 FEET

	MODEL YEAR	COMPANY	MODEL	NUMBER OF SURVEYS	SURVEY PRICE	NADA USED TRADE-IN
1	2001	MASTERCRAFT BOAT CO	X 30	9	20640	20150
2	2000	CORRECT CRAFT INC	SUPER AIR NAUTIQUE(****)	8	13240	13630
3	2005	MOOMBA	OUTBACK/SK(*)	6	13040	12720
4	2004	MALIBU BOATS	WAKESSETTER XTI	5	21410	21740
5	2004	TIGE` BOATS INC	SWITCH I/SK	4	12120	11760

26 FEET TO 38 FEET

1	2003	SEA RAY BOATS	340 SUNDANCER	8	92460	93600
2	2005	SILVERTON MARINE	34 CONVERTIBLE	7	102610	101500
3	2002	SEA RAY BOATS	360 SUNDANCER	6	116140	117200
4	2003	CARVER YACHTS	350 MARINER/CR	5	87130	87800
5	2006	MERIDIAN YACHTS	341 SEDAN	4	144210	143300

(*)Includes the value of the trailer. (****)Includes the value of the flight control tower, extended pylon and LCS (launch control system ballast tanks).

Boats in Use

Amid all the bleak economic numbers, there is some good news to report. The National Marine Manufacturers Association has estimated the number of adults who went boating last year was up almost 6 percent from the year before. And, although many Americans weren't in the mood to buy a boat, they were using the boats they already own, as the total number of recreational boats in use was almost flat year-over-year, falling just 0.5 percent.

Customer satisfaction levels were also high, as the chart on p. 24, provided by Customer Service Intelligence, shows. A remarkable 99.1 percent of customers surveyed said they were satisfied with the treatment they received from marine retailers, and almost 98 percent said they would do business with those companies again.

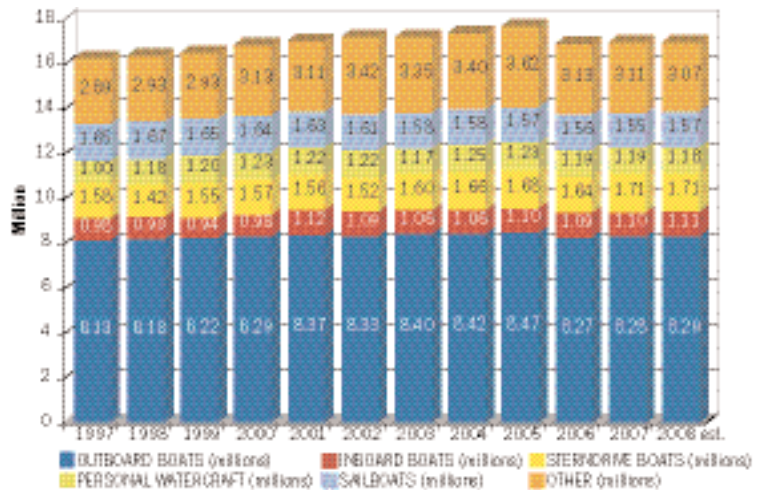
Those are great results in any economic conditions.

All of the information excerpted on this page and the next is from the NMMA's 2008 Statistical Abstract. For more information, contact Vicky Yu at 312-946-6261 or vyu@mma.org. To order a copy, email orderdesk@mma.org.

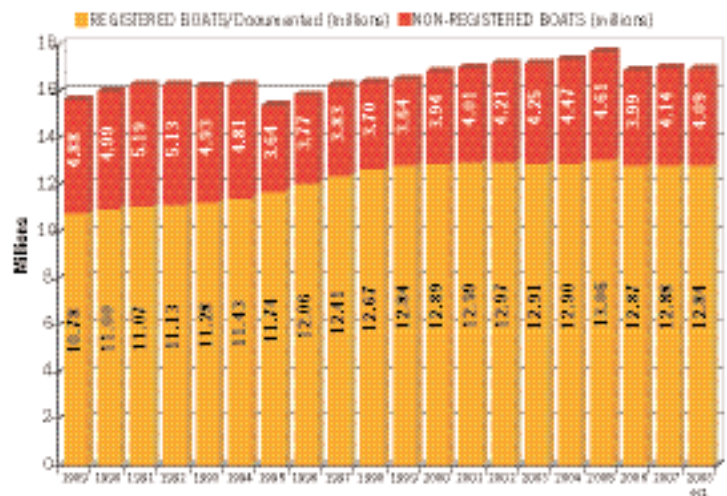
TOP 20 STATES IN BOATING EXPENDITURES

RANK COMPARED TO '07	STATE	
Same	FLORIDA	1
Same	TEXAS	2
Same	CALIFORNIA	3
Same	NEW YORK	4
Same	NORTH CAROLINA	5
Moved up 12 spots	DELAWARE	6
Moved up four spots	LOUISIANA	7
Fell two spots	WASHINGTON	8
Moved up six spots	MINNESOTA	9
Fell one spot	MICHIGAN	10
Moved up two spots	WISCONSIN	11
Dropped four spots	ALABAMA	12
Dropped three spots	SOUTH CAROLINA	13
Dropped seven spots	GEORGIA	14
Dropped three spots	VIRGINIA	15
Dropped two spots	ILLINOIS	16
Dropped one spot	NEW JERSEY	17
Dropped one spot	TENNESSEE	18
Moved up one spot	MISSOURI	19

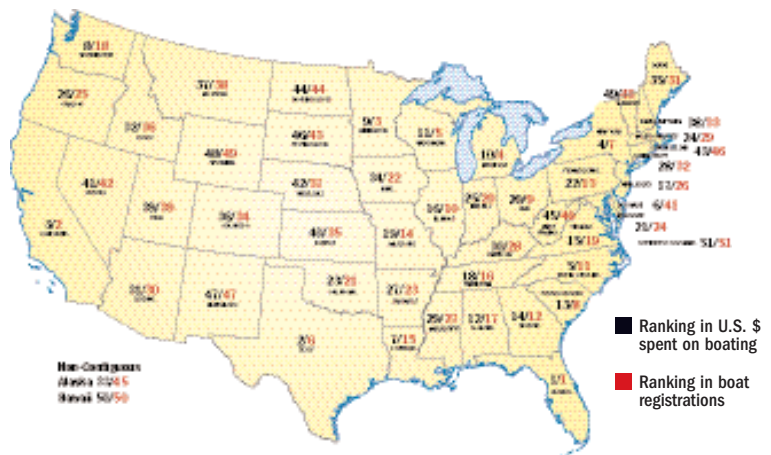
RECREATIONAL BOATS IN USE BY BOAT TYPE



TOTAL RECREATIONAL BOATS IN USE



REGISTRATION AND EXPENDITURES SNAPSHOT

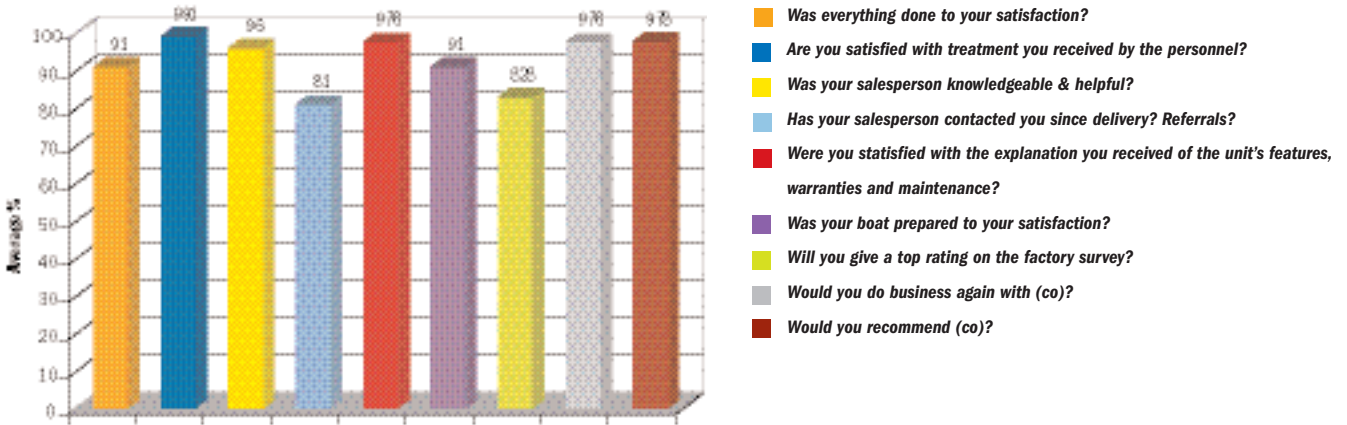


	POPULATION	REGISTERED BOATS 2007	% OF REG. BOATS	PEOPLE PER BOAT	SQ. MILES INLAND WATER	MILES COASTAL SHORELINE	POWER BOATS	OUTBOARD MOTORS	Sales in thousands of U.S. Dollars			% OF TOTAL SALES
									TRAILERS	ACCESSORIES	TOTAL	
NEW ENGLAND		542,261	4.24%				\$481,694	\$99,400	\$6,433	\$98,411	\$685,935	5.30%
Connecticut	3,483,000	108,539	0.85%	32.09	698	618	\$127,466	\$22,027	\$1,461	\$22,592	\$173,545	1.34%
Maine	1,306,000	112,818	0.88%	11.58	4,523	3,478	\$83,400	\$16,648	\$1,216	\$18,557	\$119,821	0.93%
Massachusetts	6,433,000	145,496	1.14%	43.28	2,717	1,519	\$147,863	\$41,209	\$1,936	\$29,709	\$220,717	1.70%
New Hampshire	1,288,000	100,261	0.78%	12.85	382	131	\$62,295	\$8,480	\$1,070	\$16,050	\$87,894	0.68%
Rhode Island	1,076,000	43,665	0.34%	24.64	500	384	\$44,669	\$8,322	\$434	\$6,794	\$60,219	0.47%
Vermont	619,000	31,482	0.25%	19.66	366	-	\$16,001	\$2,714	\$316	\$4,709	\$23,739	0.18%
SOUTH ATLANTIC		2,735,963	21.37%				\$2,500,091	\$642,224	\$41,216	\$624,766	\$3,808,298	29.41%
Delaware	817,000	61,569	0.48%	13.27	535	381	\$409,014	\$9,530	\$1,214	\$23,383	\$443,142	3.42%
District of Columbia	563,000	2,866	0.02%	196.44	7	-	\$4,971	\$3,469	\$44	\$683	\$9,167	0.07%
Florida	17,019,000	991,680	7.75%	17.16	11,761	8,426	\$960,345	\$326,543	\$16,606	\$251,073	\$1,554,568	12.01%
Georgia	8,685,000	344,597	2.69%	25.20	1,522	2,344	\$198,817	\$57,556	\$4,946	\$73,680	\$334,998	2.59%
Maryland	5,509,000	202,892	1.58%	27.15	2,633	3,190	\$172,470	\$37,277	\$2,379	\$36,377	\$248,503	1.92%
North Carolina	8,407,000	375,815	2.94%	22.37	5,103	3,375	\$312,085	\$88,102	\$6,533	\$97,557	\$504,277	3.89%
South Carolina	4,147,000	442,040	3.45%	9.38	1,896	2,876	\$201,745	\$62,312	\$4,545	\$67,821	\$336,423	2.60%
Virginia	7,386,000	251,440	1.96%	29.37	3,171	3,315	\$208,122	\$50,231	\$4,027	\$60,506	\$322,886	2.49%
West Virginia	1,810,000	63,064	0.49%	28.70	145	-	\$32,522	\$7,204	\$922	\$13,686	\$54,334	0.42%
MIDDLE ATLANTIC		1,019,594	7.96%				\$690,561	\$154,022	\$12,256	\$185,175	\$1,042,015	8.05%
New Jersey	8,638,000	183,147	1.43%	47.16	1,303	1,792	\$205,306	\$40,084	\$3,184	\$48,464	\$297,038	2.29%
New York	19,190,000	494,020	3.86%	38.84	7,251	1,850	\$347,460	\$69,399	\$5,753	\$87,115	\$509,727	3.94%
Pennsylvania	12,365,000	342,427	2.67%	36.11	1,239	89	\$137,795	\$44,539	\$3,319	\$49,596	\$235,250	1.82%
EAST NORTH CENTRAL		2,484,265	19.40%				\$907,586	\$232,415	\$21,821	\$325,976	\$1,487,797	11.49%
Illinois	12,654,000	379,454	2.96%	33.35	2,324	-	\$185,567	\$45,440	\$4,412	\$65,961	\$301,379	2.33%
Indiana	6,196,000	241,474	1.89%	25.55	550	-	\$110,578	\$29,145	\$2,902	\$43,153	\$185,778	1.43%
Michigan	10,080,000	830,743	6.49%	12.13	40,001	-	\$229,228	\$59,270	\$5,310	\$79,396	\$373,203	2.88%
Ohio	11,436,000	415,228	3.24%	27.54	3,875	-	\$175,015	\$34,556	\$3,524	\$52,975	\$266,071	2.06%
Wisconsin	5,472,000	617,366	4.82%	8.86	11,190	-	\$207,198	\$64,004	\$5,673	\$84,491	\$361,366	2.79%
WEST NORTH CENTRAL		1,686,756	13.17%				\$593,938	\$180,992	\$15,752	\$234,619	\$1,025,300	7.92%
Iowa	2,944,000	213,767	1.67%	13.77	401	-	\$74,922	\$20,379	\$1,922	\$28,586	\$125,809	0.97%
Kansas	2,724,000	93,900	0.73%	29.01	459	-	\$48,800	\$10,578	\$1,174	\$17,470	\$78,021	0.60%
Minnesota	5,059,000	866,496	6.77%	5.84	7,326	-	\$208,462	\$76,426	\$6,121	\$91,024	\$382,033	2.95%
Missouri	5,704,000	321,782	2.51%	17.73	811	-	\$165,103	\$42,173	\$3,732	\$55,941	\$266,949	2.06%
Nebraska	1,739,000	83,722	0.65%	20.77	481	-	\$35,673	\$9,664	\$1,021	\$15,124	\$61,482	0.42%
North Dakota	634,000	53,519	0.42%	11.85	1,710	-	\$29,414	\$12,649	\$978	\$14,495	\$57,536	0.29%
South Dakota	764,000	53,570	0.42%	14.26	1,224	-	\$31,564	\$9,123	\$804	\$11,979	\$53,470	0.26%
EAST SOUTH CENTRAL		906,162	7.08%				\$553,290	\$171,348	\$13,959	\$207,732	\$946,330	7.31%
Alabama	4,501,000	274,176	2.14%	16.42	1,673	607	\$201,137	\$62,094	\$4,976	\$74,076	\$342,283	2.64%
Kentucky	4,118,000	176,716	1.38%	23.30	679	-	\$87,557	\$29,673	\$2,346	\$34,841	\$154,416	1.19%
Mississippi	2,881,000	180,356	1.41%	15.97	1,520	359	\$86,022	\$33,788	\$2,464	\$36,593	\$158,868	1.23%
Tennessee	5,842,000	274,914	2.15%	21.25	926	-	\$178,574	\$45,793	\$4,173	\$62,222	\$290,763	2.25%
WEST SOUTH CENTRAL		1,330,769	10.39%				\$1,116,053	\$347,992	\$27,715	\$411,976	\$1,903,737	14.70%
Arkansas	2,726,000	206,195	1.61%	13.22	1,107	-	\$98,482	\$35,812	\$2,791	\$41,428	\$178,512	1.38%
Louisiana	4,496,000	301,249	2.35%	14.92	8,277	7,721	\$216,667	\$116,047	\$6,338	\$94,106	\$433,159	3.35%
Oklahoma	3,512,000	223,758	1.75%	15.70	1,224	-	\$150,470	\$27,012	\$3,416	\$50,872	\$231,771	1.79%
Texas	22,119,000	599,567	4.68%	36.89	6,687	3,359	\$650,434	\$169,121	\$15,170	\$225,570	\$1,060,295	8.19%
MOUNTAIN		615,760	4.81%				\$510,293	\$58,851	\$8,766	\$132,057	\$709,966	5.48%
Arizona	5,581,000	144,570	1.13%	38.60	364	-	\$100,762	\$14,129	\$2,085	\$31,183	\$148,159	1.14%
Colorado	4,551,000	98,055	0.77%	46.41	371	-	\$73,788	\$9,374	\$1,384	\$20,705	\$105,251	0.81%
Idaho	1,366,000	91,612	0.72%	14.91	823	-	\$113,961	\$8,090	\$1,058	\$16,688	\$139,797	1.08%
Montana	918,000	79,651	0.62%	11.53	1,490	-	\$64,278	\$9,439	\$1,211	\$18,189	\$93,115	0.72%
Nevada	2,241,000	59,895	0.47%	37.42	761	-	\$44,359	\$4,444	\$908	\$13,597	\$63,308	0.49%
New Mexico	1,875,000	38,100	0.30%	49.21	234	-	\$26,529	\$3,514	\$594	\$8,852	\$39,489	0.30%
Utah	2,351,000	76,921	0.60%	30.56	2,736	-	\$64,101	\$5,634	\$1,092	\$16,337	\$87,165	0.67%
Wyoming	501,000	26,956	0.21%	18.59	713	-	\$22,515	\$4,227	\$434	\$6,506	\$33,682	0.26%
PACIFIC		1,482,459	11.58%				\$930,378	\$184,193	\$13,767	\$210,132	\$1,338,471	10.34%
Alaska	649,000	47,548	0.37%	13.65	86,050	33,904	\$84,266	\$37,023	\$843	\$13,453	\$135,585	1.05%
California	35,484,000	964,881	7.54%	36.78	7,734	3,427	\$416,367	\$61,942	\$7,227	\$109,204	\$594,740	4.59%
Hawaii	1,258,000	15,094	0.12%	83.34	4,508	1,052	\$14,182	\$5,302	\$217	\$3,289	\$22,990	0.18%
Oregon	3,506,000	184,147	1.44%	19.04	2,383	1,410	\$127,261	\$25,151	\$1,832	\$28,029	\$182,274	1.41%
Washington	6,131,000	270,789	2.11%	22.64	4,720	3,026	\$288,302	\$54,775	\$3,648	\$56,157	\$402,882	3.11%
TOTALS	290,810,000	12,803,989	100.00%	22.82	251,084	88,633	\$8,283,884	\$2,071,440	\$161,684	\$2,430,842	\$12,947,850	100%

Numbers are rounded and may not reflect, in some cases, the exact actual numbers.

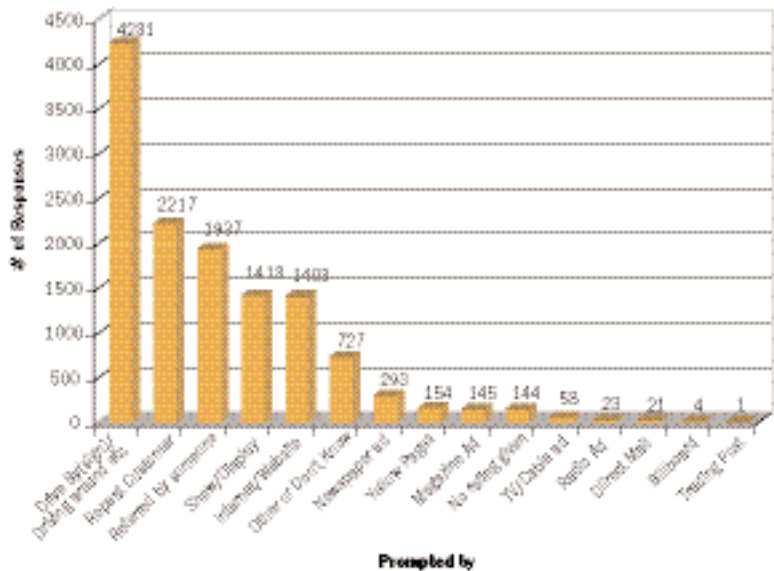
Source: NMMA 2008 Abstract

MARINE CUSTOMER SATISFACTION AVERAGES 2008

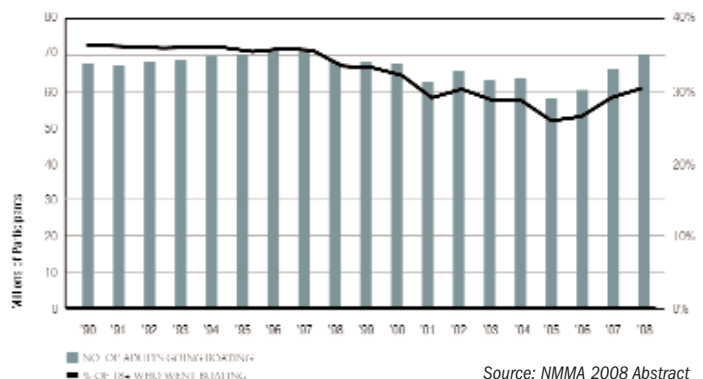


The information in the graphs above and to the right are the results of a recent survey conducted by Customer Service Intelligence Inc. for its marine clients. The responses are taken from the sales and service customers of those clients. For more information on CSI Programs and industry statistics contact Fran Olsen at folsen@telcsi.com or 800.835.5274; www.telcsi.com.

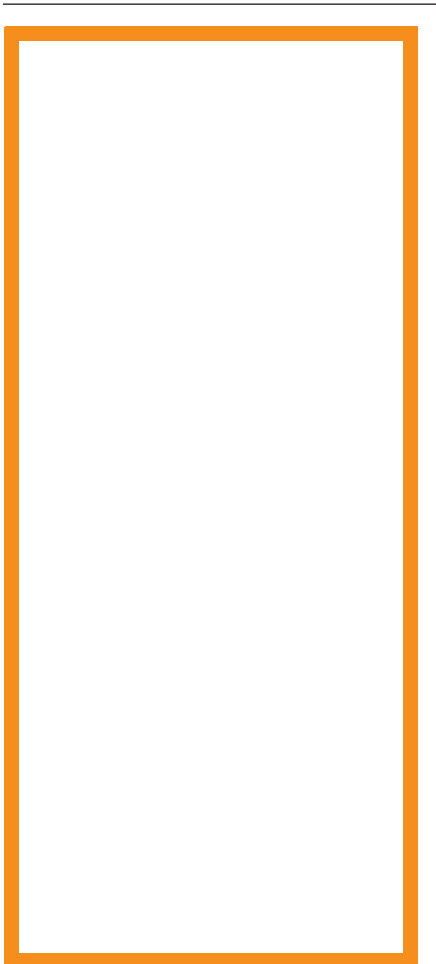
WHO OR WHAT PROMPTED YOUR VISIT?



U.S. BOATING PARTICIPATION SINCE 1990



Source: NMMA 2008 Abstract



Circle Fast Action No.114

PARTICIPATION IN BOATING AND RELATED RECREATIONS

	Participation in millions	% change from '06-'07	Last years ranking
1. Exercise Walking	96.6	7.6%	1
2. Swimming	63.5	6.1%	3
3. Exercising with Equipment	63.0	9.2%	2
4. Bowling	49.5	5.1%	5
5. Camping (vacation/overnite)	49.4	3.8%	4
6. Bicycle Riding	44.7	11.4%	6
7. Fishing	42.2	2.7%	7
8. Workout at Club	39.3	6.8%	8
9. Hiking	38.0	10.5%	14
10. Weight Lifting	37.5	6.6%	9
11. Aerobic Exercising	36.2	4.1%	12
12. Running/Jogging	35.9	18.2%	11
13. Billiards/Pool	31.7	7.4%	13
14. Basketball	29.7	5.7%	15
15. Boating, Motor/Power	27.8	-12.7%	10
16. Golf	25.6	2.6%	16
17. Target Shooting	20.3	-3.2%	17
18. Hunting with Firearms	18.8	-3.6%	18
19. Yoga	16.0	17.1%	26
20. Soccer	15.5	12.5%	20
21. Baseball	15.2	8.7%	19
22. Backpack/Wilderness Camp	13.0	-0.1%	21
23. Softball	12.8	3.6%	29
24. Tennis	12.6	2.9%	22
25. Volleyball	12.2	1.0%	24
26. Football (tackle)	10.5	-3.7%	30
27. Canoeing	10.3	NA	NA
28. Mountain Biking (off road)	10.2	9.6%	32
29. Scooter Riding	10.1	-4.6%	27
30. Skateboarding	9.8	-3.6%	28
31. In-Line Roller Skating	9.3	-13.1%	25
32. Paintball Games	6.7	-9.9%	31
33. Skiing (alpine)	6.5	1.9%	37
34. Hunting w/Bow & Arrow	6.2	7.5	36
35. Snowboarding	5.9	15.6	39
36. Waterskiing	5.6	6.3%	38
37. Target Shooting – Airgun	5.0	-24.8%	33
38. Muzzleloading	3.4	-6.1%	41
39. Cheerleading	2.9	NA	NA
40. Hockey (ice)	1.9	-7.7%	44
41. Skiing (cross country)	1.6	-5.2%	45

Source: National Sporting Goods Association (NSGA)

The Retail Boat Market

After year-over-year unit sales fell by 70,310 from 2006 to 2007, their largest drop in a decade, they nearly doubled that plunge from 2007 to 2008, falling by another 137,000 units.

The unit sales declines, as you will see in the charts and graphs on the following

pages, were measured across all of the boat segments.

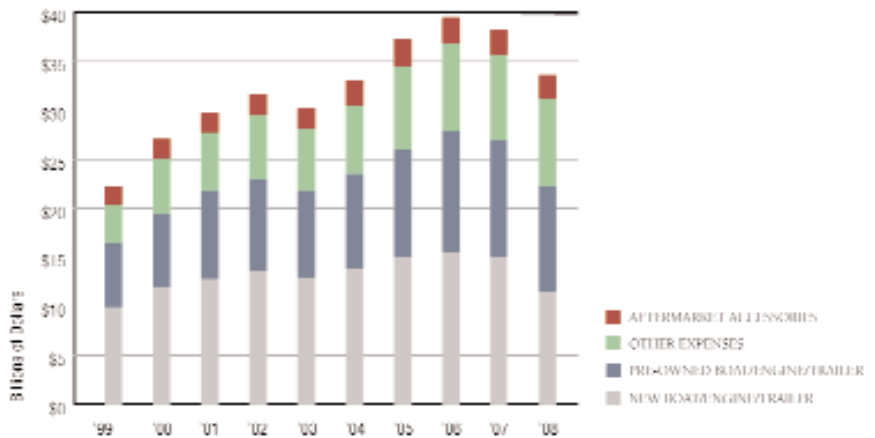
However, the average unit cost was more varied amongst the different segments. It rose more than 30 percent in the cruisers segment while falling more than 20 percent in the sailboats segment.

Data on the following pages has been excerpted from the NMMA's 2008 Recreational Boating Abstract. For more information, contact Vicky Yu at 312-946-6261 or vyu@nmma.org. To order a copy of the Abstract, contact the NMMA Fulfillment Coordinator at orderdesk@nmma.org.

YEAR OVER YEAR — NEW BOATS

YEAR	UNITS SOLD	POWERBOATS
1997	593,000	291,200
1998	571,400	309,000
1999	582,500	328,900
2000	576,800	343,500
2001	880,300*	311,700
2002	844,100	303,600
2003	837,900**	295,500
2004	870,650	307,900
2005	864,450	306,000
2006	912,130	291,900
2007	841,820	267,300
2008	704,820	203,000

RETAIL EXPENDITURE ESTIMATES FOR RECREATIONAL BOATING



RETAIL EXPENDITURES (IN MILLIONS)

	2003	2004	2005	2006	2007	2008
New Boat						
Retail Dollars	\$10,027	\$10,754	\$11,574	\$11,891	\$11,739	\$9,177
Used Boat						
Retail Dollars	\$7,362	\$7,901	\$9,112	\$10,535	\$9,641	\$9,451
New Outboard						
Engine Retail Dollars	\$2,555	\$2,879	\$3,155	\$3,255	\$2,689	\$2,071
Used Outboard						
Engine Retail Dollars	\$1,566	\$1,765	\$1,934	\$1,947	\$1,741	\$1,479
New Boat Trailer						
Retail Dollars	\$202	\$228	\$247	\$296	\$232	\$162
Subtotal:						
Boat/Motor/Trailer Dollars	\$21,711	\$23,526	\$26,022	\$27,925	\$26,042	\$22,341
Estimated Accessory						
Aftermarket Sales	\$2,124	\$2,421	\$2,905	\$2,760	\$2,608	\$2,431
Estimated Other (fuel, finance, insurance, docking, maintenance etc.)						
	\$6,448	\$7,006	\$8,389	\$8,808	\$8,766	\$8,853
Total Expenditures	\$30,283	\$32,953	\$37,317	\$39,493	\$37,416	\$33,624

**OUTBOARD BOATS 9-YEAR REVIEW
OF SALES & AVERAGE PRICE**

YEAR	UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
2000	241,200	\$2,306,577,000	\$9,563
2001	217,800	\$2,195,859,600	\$10,082
2002	212,000	\$2,280,908,000	\$10,759
2003	207,100	\$2,742,825,960	\$13,244
2004	216,600	\$2,867,571,600	\$13,239
2005	213,300	\$3,200,861,700	\$15,006
2006	204,200	\$3,215,742,200	\$15,748
2007	188,700	\$3,358,540,400	\$17,798
2008	151,400	\$2,803,000,000	\$18,513

Source: NMMA 2008 Abstract

**OUTBOARD ENGINES 9-YEAR REVIEW
OF SALES & AVERAGE PRICE**

YEAR	UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
2000	348,700	\$2,901,881,400	\$8,322
2001	299,100	\$2,411,045,100	\$8,061
2002	302,100	\$2,478,838,900	\$8,205
2003	305,400	\$2,554,533,600	\$8,365
2004	315,300	\$2,879,002,858	\$9,131
2005	312,000	\$3,154,904,900	\$10,112
2006	301,700	\$3,255,410,900	\$10,790
2007	275,500	\$2,689,037,900	\$9,761
2008	227,000	\$2,071,000,000	\$9,125

Source: NMMA 2008 Abstract

**2009 FIBERGLASS OUTBOARD
BOATS MARKET SHARE**

FIBERGLASS 16' - 20'

MAKE	2008 MARKETSHARE
1. RANGER	1. RANGER
2. TRACKER MARINE	2. TRACKER MARINE
3. CAROLINA SKIFF	3. SKEETER
4. TRITON BOATS	4. CAROLINA SKIFF
5. SKEETER	5. STRATOS
6. STRATOS	6. TRITON BOATS
7. HURRICANE	7. KEY WEST
8. KEY WEST	8. HURRICANE
9. BOSTON WHALER	9. BOSTON WHALER
10. SEA HUNT BOATS	10. SEA HUNT BOATS

COMBINED SHARE: 55.2%

COMBINED SHARE: 58.1%

FIBERGLASS 21' - 24'

MAKE	2008 MARKETSHARE
1. RANGER	1. RANGER
2. HURRICANE	2. HURRICANE
3. TRACKER MARINE	3. TRITON BOATS
4. CAROLINA SKIFF	4. CAROLINA SKIFF
5. TRITON BOATS	5. SEA HUNT BOATS
6. SEA HUNT BOATS	6. TRACKER MARINE
7. NAUTIC STAR	7. SEAFOX
8. SEA PRO	8. NAUTIC STAR
9. SKEETER	9. PRO LINE
10. PATHFINDER	10. PATHFINDER

COMBINED SHARE 40.7%

FIBERGLASS >24'

MAKE	2008 MARKETSHARE
1. GRADY WHITE	1. GRADY WHITE
2. BOSTON WHALER	2. BOSTON WHALER
3. SEAFOX	3. SEAFOX
4. CONTENDER	4. CONTENDER
5. HYDRA SPORTS	5. HYDRA SPORTS
6. PRO LINE	6. PRO LINE
7. PURSUIT	7. PURSUIT
8. SAILFISH	8. SAILFISH
9. CENTURY	9. CENTURY
10. PARKER MARINE	10. PARKER MARINE

COMBINED SHARE 40.4%

COMBINED SHARE: 42.2%

Source: Info-Link; 305/661-3030; info@info-link.com

**2009 ALUMINUM OUTBOARD
BOATS MARKET SHARE**

ALUMINUM 16' - 20'

MAKE	2008 MARKETSHARE
1. TRACKER MARINE	1. TRACKER MARINE
2. ALUMACRAFT	2. ALUMACRAFT
3. G3	3. G3
4. LUND	4. LUND
5. LOWE	5. LOWE
6. CRESTLINER	6. CRESTLINER
7. TRITON BOATS	7. TRITON BOATS
8. XPRESS	8. XPRESS
9. SMOKER CRAFT	9. SMOKER CRAFT
10. BENNINGTON	10. BENNINGTON

COMBINED SHARE: 65.3%

ALUMINUM 21' - 24'

MAKE	2008 MARKETSHARE
1. TRACKER MARINE	1. TRACKER MARINE
2. BENNINGTON	2. BENNINGTON
3. GODFREY	3. GODFREY
4. BENTLEY	4. BENTLEY
5. BENTLEY	5. CREST
6. CREST	6. PREMIER
7. AVALON & TAHOE	7. LOWE
8. LOWE	8. AVALON & TAHOE
9. HARRIS KAYOT	9. HARRIS KAYOT
10. FOREST RIVER	10. FOREST RIVER

COMBINED SHARE: 67.2%

ALUMINUM >24'

MAKE	2008 MARKETSHARE
1. GODFREY	1. TRACKER MARINE
2. TRACKER MARINE	2. BENNINGTON
3. BENNINGTON	3. GODFREY
4. CREST	4. CREST
5. PREMIER	5. PREMIER
6. FOREST RIVER	6. FOREST RIVER
7. HARRIS KAYOT	7. HARRIS KAYOT
8. J C MANUFACTURING	8. G3
9. G3	9. ALOHA
10. ALOHA	10. J C MANUFACTURING

COMBINED SHARE 76.5%

Source: Info-Link; 305/661-3030; info@info-link.com

SKI WAKEBOARD BOATS
15-YEAR REVIEW OF SALES &
AVERAGE PRICE

YEAR	TOTAL UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1994	7,200	\$142,776,000	\$19,830
1995	6,900	\$147,660,000	\$21,400
1996	6,000	\$126,234,000	\$21,039
1997	6,100	\$136,408,200	\$22,362
1998	10,900	\$253,348,700	\$23,243
1999	12,100	\$308,429,000	\$25,490
2000	13,600	\$366,438,400	\$26,944
2001	11,100	\$352,569,300	\$31,763
2002	10,500	\$398,811,000	\$37,982
2003	11,100	\$403,289,600	\$36,332
2004	11,600	\$435,382,800	\$37,533
2005	12,600	\$507,742,200	\$40,297
2006	13,100	\$568,357,200	\$43,386
2007	12,000	\$566,804,600	\$47,234
2008	8,900	\$449,000,000	\$50,400

Source: NMMA 2008 Abstract

SAILBOATS 15-YEAR REVIEW OF
SALES & AVERAGE PRICE

YEAR	TOTAL UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1994	13,000	\$266,680,000	N/A
1995	13,560	\$287,520,000	N/A
1996	14,310	N/A	N/A
1997	10,500	N/A	N/A
1998	14,500	N/A	N/A
1999	18,850	N/A	N/A
2000	22,500	\$760,622,900	\$33,805
2001	18,600	\$638,640,300	\$34,336
2002	15,800	\$567,782,400	\$35,936
2003	15,000	\$539,744,700	\$35,983
2004	14,300	\$603,381,900	\$42,195
2005	14,400	\$646,928,417	\$44,926
2006	12,900	\$652,186,900	\$50,557
2007	11,800	\$716,350,100	\$60,708
2008	9,300	\$448,000,000	\$48,157

Source: NMMA 2008 Abstract; The Sailing Company's Annual Sailing Business Review

STERNDRIVE BOATS 15-YEAR REVIEW OF SALES & AVERAGE PRICE

YEAR	TOTAL UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1994	90,000	\$1,668,780,000	\$18,542
1995	93,600	\$1,791,310,000	\$19,138
1996	94,500	\$1,925,248,500	\$20,373
1997	92,000	\$2,068,528,000	\$22,484
1998	77,700	\$1,746,696,000	\$22,480
1999	79,600	\$2,054,476,000	\$25,810
2000	78,400	\$2,253,843,200	\$28,748
2001	72,000	\$2,216,448,000	\$30,784
2002	69,300	\$2,192,929,200	\$31,644
2003	69,200	\$2,221,115,600	\$32,097
2004	71,100	\$2,368,085,700	\$33,306
2005	72,300	\$2,573,331,420	\$35,592
2006	67,700	\$2,724,065,700	\$40,237
2007	60,400	\$2,671,928,300	\$44,238
2008	38,500	\$1,789,000,000	\$46,459

Source: NMMA 2008 Abstract

INBOARD CRUISERS 15-YEAR REVIEW OF SALES & AVERAGE PRICE

YEAR	TOTAL UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1994	4,200	\$890,681,400	\$212,067
1995	5,460	\$1,169,504,700	\$214,195
1996	5,350	\$1,215,268,550	\$227,153
1997	6,300	\$1,669,103,100	\$264,937
1998	6,700	\$1,704,245,500	\$254,365
1999	7,000	\$1,799,420,000	\$257,060
2000	10,300	\$2,925,756,200	\$284,054
2001	10,800	\$3,758,475,600	\$348,007
2002	10,200	\$3,748,551,000	\$367,505
2003	8,100	\$3,019,926,200	\$372,830
2004	8,600	\$3,334,830,600	\$387,771
2005	7,800	\$3,118,557,000	\$399,815
2006	6,900	\$3,069,614,900	\$444,872
2007	6,200	\$2,888,122,600	\$465,826
2008	4,200	\$2,548,000,000	\$606,621

Source: NMMA 2008 Abstract

2009 FIBERGLASS STERNDRIVE BOATS MARKET SHARE

FIBERGLASS 16' - 20'	
MAKE	2008 MARKETSHARE
1. BAYLINER	1. BAYLINER
2. SEA RAY	2. SEA RAY
3. TRACKER MARINE	3. GLASTRON
4. GLASTRON	4. TRACKER MARINE
5. FOUR WINNS	5. FOUR WINNS
6. STINGRAY	6. STINGRAY
7. CHAPARRAL	7. MAXUM
8. CROWNLINE	8. CROWNLINE
9. MAXUM	9. LARSON
10. LARSON	10. CHAPARRAL
COMBINED SHARE: 84.2%	

FIBERGLASS 21' - 24'	
MAKE	2008 MARKETSHARE
1. SEA RAY	1. SEA RAY
2. CHAPARRAL	2. CHAPARRAL
3. FOUR WINNS	3. TRACKER MARINE
4. COBALT	4. FOUR WINNS
5. TRACKER MARINE	5. CROWNLINE
6. CROWNLINE	6. COBALT
7. GLASTRON	7. BAYLINER
8. BAYLINER	8. GLASTRON
9. MONTEREY	9. LARSON
10. LARSON	10. MONTEREY
COMBINED SHARE: 75.3%	

Source: Info-Link; 305/661-3030; info@info-link.com

2009 ALUMINUM STERNDRIVE BOATS MARKET SHARE

ALUMINUM 16' - 20'	
MAKE	2008 MARKETSHARE
1. CRESTLINER	1. CRESTLINER
2. TRACKER MARINE	2. TRACKER MARINE
3. ALUMAWELD	3. ALUMAWELD
4. STARCRAFT	4. LUND
5. LUND	5. BENNINGTON
6. LOWE	6. STARCRAFT
7. BENNINGTON	7. LOWE
8. SMOKER CRAFT	8. GODFREY
9. AVALON & TAHOE	9. SMOKER CRAFT
10. GODFREY	10. AVALON & TAHOE
COMBINED SHARE: 91.0%	

ALUMINUM 21' - 24'	
MAKE	2008 MARKETSHARE
1. TRACKER MARINE	1. TRACKER MARINE
2. BENNINGTON	2. BENNINGTON
3. J C MANUFACTURING	3. GODFREY
4. CRESTLINER	4. J C MANUFACTURING
5. PREMIER	5. CRESTLINER
6. MANITOU	6. CREST
7. GODFREY	7. PRINCE CRAFT
8. LOWE	8. LOWE
9. HARRIS KAYOT	9. MANITOU
10. AVALON & TAHOE	10. STARCRAFT
COMBINED SHARE: 85.9%	

Source: Info-Link; 305/661-3030; info@info-link.com

INFLATABLES 6-YEAR REVIEW OF SALES & AVERAGE PRICE

YEAR	UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
2003	30,500	\$67,417,200	\$2,210
2004	31,600	\$64,677,300	\$2,047
2005	30,100	\$57,551,200	\$1,912
2006	25,100	\$48,229,600	\$1,921
2007	29,400	\$117,961,200	\$4,012
2008	28,300	\$84,000,000	\$2,952

Source: NMMA 2008 Abstract

PWC 15-YEAR REVIEW OF SALES & AVERAGE PRICE

YEAR	UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1994	142,000	\$804,430,000	\$5,665
1995	200,000	\$1,144,400,000	\$5,722
1996	191,000	\$1,208,648,000	\$6,328
1997	176,000	\$1,135,904,000	\$6,454
1998	130,000	\$868,530,000	\$6,681
1999	106,000	\$771,044,000	\$7,274
2000	92,000	\$720,176,000	\$7,828
2001	80,900	\$641,456,100	\$7,929
2002	79,300	\$697,681,400	\$8,798
2003	80,600	\$716,501,800	\$8,890
2004	79,500	\$733,454,700	\$9,226
2005	80,200	\$761,531,000	\$9,495
2006	82,200	\$792,079,200	\$9,636
2007	79,900	\$793,460,800	\$9,931
2008	62,600	\$558,000,000	\$8,919

Source: NMMA 2008 Abstract

MORE

For more Market Data Book information, please visit www.boating-industry.com

JET BOATS 14-YEAR REVIEW OF SALES & AVERAGE PRICE

YEAR	UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1995	14,700	\$141,796,000	\$9,646
1996	14,100	\$143,280,000	\$10,162
1997	11,700	\$144,389,700	\$12,341
1998	10,100	\$167,033,800	\$16,538
1999	7,800	\$132,678,000	\$17,010
2000	7,000	\$123,641,000	\$17,663
2001	6,200	\$118,692,800	\$19,144
2002	5,100	\$107,997,600	\$21,176
2003	5,600	\$115,268,200	\$20,584
2004	5,600	\$130,368,000	\$23,280
2005	6,700	\$168,223,600	\$25,108
2006	6,200	\$151,549,100	\$24,443
2007	6,800	\$188,928,300	\$27,784
2008	4,900	\$138,000,000	\$28,088

Source: NMMA 2008 Abstract

TRAILERS 15-YEAR REVIEW OF SALES

YEAR	UNITS SOLD	RETAIL VALUE	AVERAGE UNIT COST
1994	176,000	\$162,976,000	\$926
1995	207,000	\$194,994,000	\$942
1996	194,000	\$189,344,000	\$976
1997	181,000	\$190,050,000	\$1,050
1998	174,000	\$189,660,000	\$1,090
1999	168,000	\$190,008,000	\$1,131
2000	158,500	\$184,494,000	\$1,164
2001	135,900	\$181,698,300	\$1,337
2002	141,200	\$200,645,200	\$1,421
2003	130,600	\$202,012,100	\$1,547
2004	133,400	\$228,037,400	\$1,709
2005	134,100	\$247,548,600	\$1,846
2006	130,900	\$295,874,800	\$2,260
2007	126,200	\$232,088,000	\$1,839
2008	92,400	\$162,000,000	\$1,750

Source: NMMA 2008 Abstract

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Volume 72 Number 8
Boating
 INDUSTRY

6 | **At The Helm** Sound the Sirens

9 ECONOMICS SECTION

9 | Home prices and the boat market
 11 | Info-Link's signs to spot a turnaround

13 DEALERS SECTION

13 | *Boating Industry* Top 100 Dealer's statistics
 13 | ABRA Wage Rate Survey
 14 | Spader Benchmarking Data
 17 | NADA Wholesale Data Report

21 CONSUMERS SECTION

21 | Recreational Boats in Use by Type
 21 | Total Recreational Boats in Use
 21 | Top-20 States in Boating Expenditures
 21 | State-by-State Registrations & Expenditures
 22 | State-by-State Boat Registration Data

24 | CSI Customer Satisfaction Survey Results

24 | NMMA Boating Participation Data
 25 | NSGA Boating Participation Data

27 MANUFACTURERS SECTION

27 | The Retail Boat Market
 28 | Outboard Boats
 28 | Outboard Engines
 29 | Inboard Boats: Ski/Wakeboard
 29 | Sailboats
 30 | Sterndrive Boats
 30 | Inboard Boats: Cruisers
 31 | Inflatables
 31 | Personal Watercraft
 32 | Jet Boats
 32 | Trailers



insider.boating-industry.com

"Do you know what your employees are telling customers?," by *Boating Industry's* online editor Mike Davin, provoked the most discussion on our blog site over the last few weeks. Here's an excerpt: "...my wife called the marina where the boat was stored/repared. An employee proceeded to tell her that whatever was wrong, she had caused it because she didn't know what she was doing ... Will that one interaction prevent us from buying a boat? Who knows, but these days you don't want interested buyers making any extra check marks in the 'cons' column." To read more of this blog and others from our editorial staff, please visit insider.boating-industry.com.

TOP 5 STORIES

In case you missed it...

Here are five recent top stories from *Boating Industry's* e-newsletter, according to traffic logs:

1. Jacobs suggests floorplan financing solution
2. Dealer spending cuts not enough
3. Volvo Penta preparing for ramp-up
4. New show emerges to replace cancelled NMMA event
5. Classic boat builder shuts down



AT THE HELM

Sound the Sirens

In April 1974, 148 tornados ripped through the Eastern United States, tearing apart schools and churches, devastating entire towns, and killing a record number of Americans. As chronicled on The Weather Channel, these killer storms approached with little to no warning. Aside from a daring weatherman who piloted his own

helicopter and broadcast a live report of an approaching F5 tornado, no one, not even the National Weather Service, could warn citizens of the looming threat.

Back in June, when explaining how his company, even a month prior, couldn't have fathomed the thought of filing for Chapter 11 bankruptcy protection, Genmar Holdings Chairman Irwin Jacobs likened the ravaging of the marine industry to a "perfect tsunami" of forces that have caused "some of the worst and most difficult business conditions" our industry has ever faced. I, however, would liken the circumstances more appropriately to The Super Outbreak of 1974. And here's why: Just like the National Weather Service back then, the marine industry of 2008, heck even of today, had no method in place to predict, forecast, cope with, warn its constituents about or protect any of its members from the catastrophic conditions of the past 18 months or so.

Now, we've got a tornado outbreak of unparalleled proportions on our hands. The market took a turn for the worst with derecho-like force. Lending institutions were bowled over and swept off their foundations, some disappearing altogether. Loans went with them. There were plenty of companies – suppliers, builders and dealers alike – in trouble before Genmar's issues became public. Now the troubles are cascading through the industry with a compounding effect, and few companies have been left unscathed. I guess you might now consider us – *Boating Industry* – the guy flying around in the helicopter.

If we look back, it becomes evident that the Weather Service learned a lot from the helpless predicament it found itself in that spring of '74. It learned how to read radar systems better to help predict weather patterns. It learned how to use satellite imagery to forecast storms. And it learned that it needed better protocols in place in order to properly warn civilians of a looming threat.

Like the tornadoes of 1974, the marine industry's perfect storm of 2008 and 2009 was rare, combining several critical – and deadly – factors to create devastation of a magnitude never seen before. But the now-critical question is: How will the marine industry react?

Will this seismic downturn go the way of past downturns, where we blame it on a luxury tax or gas prices or the lack of financing? Or will we react the way the Weather Service did and secure a better future for our constituents by enacting systems that will serve to fortify not only our economic strength, but also our future? 🚁


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Home price trends and the boat market

How to use the information to your advantage.

By John L. Hughes, MarineMetric

It's really important to be taking business actions now, based on reality, rather than wishful thinking. I don't think it's a secret that the performance of the boating market is connected to the performance of the housing market. Through tracking home prices, I have been able to document strong parallels to the performance of the boat market.

The accompanying image shows the recent Case-Shiller Home Price Index data through March 31, 2009. The rate-of-change view of home prices gives the best indication of the shifts occurring in the market, and as the chart indicates, home prices have been trending downward since the housing bubble of 2004-2005.

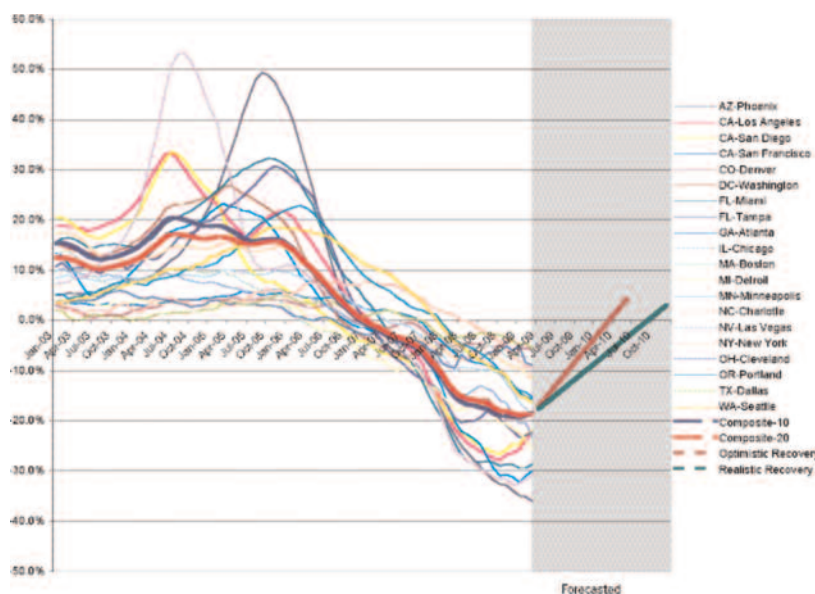
As you can see from the most recent Info-Link Bellwether Report on all powerboats, the linkage between home-price growth and boat sales is amazingly tight. The first and most obvious connection is the total national market volumes for most boat types grew and declined in sync with home prices.

When you compare the home-price trends to the Bellwether Report, you can see that boat market volume is flat (i.e. zero growth) in periods of normal home price appreciation. Similarly, the home-price bubble coincided with an increase in boat sales volume and the home-price bust coincided with the current decline of the boat market.

My personal belief is that home-price trends – not just home sales – drive growth and decline in the boat market. Home owners are far more likely to make a large discretionary purchase like a boat when they feel well-off, based on significant equity in their home.

As you can see from the chart, many city markets that were heavily impacted by the home-price bubble are finally reporting an upturn in the rate of change of prices. Bargain-hunting buyers are starting to proactively drive prices higher. The recovery will

ANNUAL RATE OF CHANGE OF HOME PRICES BASED ON CASE-SHILLER HOME PRICE INDEX



Two heavy dashed lines show a composite of 10 cities (blue) and 20 cities (red). It took exactly two years for the composite home price indices to decline from zero growth to the maximum rate of decline. Over 70 percent of the decline occurred during the 15 months from October '07 through December '08. The appearance of both composite indices bottoming out a little above a rate of 20-percent-per-year decline suggests the downward trend may be coming to an end.

be driven by more home buyers, whereas the decline was driven by an absence of buyers. For that reason, the recovery from maximum rate of decline in home prices to zero growth is likely to occur in a somewhat shorter time than was taken for the declining phase.

Optimistically, if the upward trend holds and things stay on track, that will establish the bottom of the home-price bust at January 2009, and we could be looking at zero annual change in home prices sometime in the second quarter of 2010. Realistically, however, that zero crossover could drag out to the second half of 2010.

So, what's it all mean?

The boat market is affected by many factors

and it's too simplistic to plan based on just this one. While home-price trends are a major driving force for the boat market, there are clearly others like the current unavailability of flooring financing. That said, the linkage between home-price trends and the performance of the boat market is very strong and well worth considering in planning your business. The following are a few planning actions you may want to consider.

First, track the Case-Shiller Home Price Index, which follows 20 major city markets on a monthly basis, to know how home prices sit in your market. While all 20 markets are currently experiencing a decline in home prices, expect every market to perform differently according to the strength of



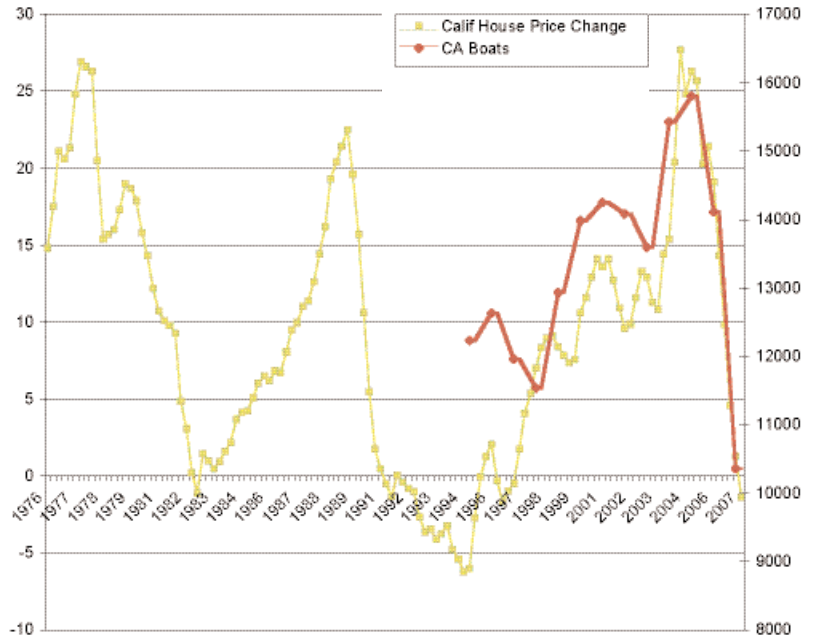
its local economy. And that local economy, ultimately, will drive the recovery. The impact of the home-price bubble is not uniform across the country. (The cities moderately impacted by the home-price bubble are the ones where boat markets are currently the strongest, for example.)

Next, for purposes of planning your business, anticipate declining home prices through the 2010 model year. Only the most optimistic projection would show home prices recovering to resume growth in the last quarter of the 2010 model year. The forecast section of the chart shows both optimistic and realistic recovery paths for the Case-Shiller composite home indices.

As mentioned previously, there is strong correlation between the strongest boat markets and the markets that have been least impacted by the home-price bubble. I would recommend that you focus any marketing that you can afford on those opportunity markets.

The converse of that is that the fastest-declining boat markets are those most impacted by the home-price boom. It makes sense to curtail marketing spending in those areas until home prices there are well on the way to recovery. ■

CHANGE IN HOUSE PRICES



A comparison of California house prices, to California retail boat unit sales, demonstrates on a state level that changes in housing prices influence boat sales. This information was provided by Chris Hodges of Brothers Boats in California and was compiled for the Spader 20 Group that Hodges belongs to.

Leading indicator may signal turnaround

By Peter Houseworth, Info-Link

The recreational marine industry has been under unprecedented pressure, the majority of which actually began in late 2005. Initially, new boat sales declines were most pronounced in Florida and California, which are obviously two of the key boating states, but over time, weakness spread to other markets across the country as the national economic situation deteriorated.

While the current cycle has not been uniform – enthusiast segments and certain geographies have performed better than others – all boat sales have been hampered by consumers cutting back on discretionary spending.

At Info-Link, we are frequently asked when the current situation will return to “normal.” To be certain, marine retailing is undergoing the most dramatic changes we have seen since we started following and reporting on the boat market some 13 years ago.

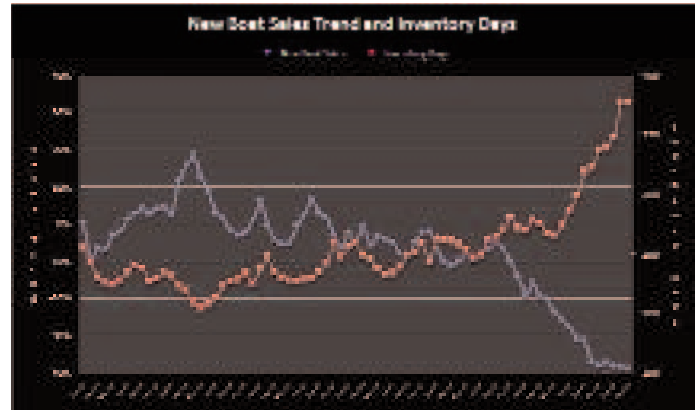
Predicting future boat sales is a daunting task, due in large part to the discretionary nature of boating. In terms of prediction, the fact of the matter is that no one knows for sure when or if retail boating markets will function as they used to.

Obviously, a sustained return to higher new boat sales levels would require improved consumer confidence as well as improved access to both wholesale and retail credit. While, in our view, it is highly unlikely that this will be a “dog leg” turnaround, we did want to share with the industry one of the factors we are following as a leading indicator of improving conditions.

The chart that accompanies this article provides a more in-depth look at the current dislocation in the new boat market, and more importantly, will ultimately provide an advance measure of when our current inventory situation begins to improve.

In terms of new boat sales, the left-hand axis plots the percentage change in unit sales (based on a three-month moving average) for all Info-Link reporting states. The right-hand axis plots the average days in inventory for vessels that were retailed during that period. The average days in inventory is calculated based on when the boat was built and when it was retailed to the end consumer.

Despite the fact that many manufacturers have curtailed production for some time now, this information indicates that the curtailments have not been sufficient. The average “days in inventory” has increased from a “normal” state somewhere between 200 and 250 days and contin-



On the left vertical axis, sales trends, noted by the blue line, are charted by percentage of growth on a quarterly basis, dating back to January of 2003. On the right vertical axis, noted by the red line, those units sold are charted by the number of days each unit (on average) had been in a dealer's inventory. Info-Link believes that monitoring the red line on this graphic may help the marine industry recognize when the turnaround in unit sales has begun.

ues to deteriorate, rising to more than 360 days through March 2009.

When the average age of retailed vessels reverses direction and begins to decline, we believe that it will be an early indicator that conditions are beginning to improve and that supply and demand are, in fact, coming back into balance. While history indicates that days in inventory fluctuates somewhat, given the very sharp deterioration over the last year and a half, a consecutive three-month downward trend in days in inventory should be sufficient to confirm that the industry has turned the corner.

The information in this chart contains data for all 15-foot-plus aluminum and fiberglass power vessels. Market dynamics can vary substantially for individual boat brands, boat types and market segments, and this information can be broken down by performance for specific categories and brands. ■