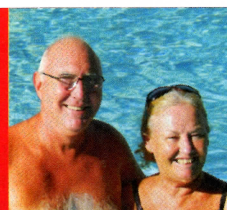


# EXPERT ON BOARD

Aussie Christine Muir and Wales native Keith Hunt made the decision to buy a bluewater cruiser in July 2002 and set sail



## The true cost of cruising ...and how to afford it

What's the real price of long-term cruising? Accountants Christine Muir and Keith Hunt reveal their meticulously kept 12-year balance sheet, and how to afford the lifestyle

When two accountants plan to go cruising, you can bet your balance sheet they'll have a budget – and an accountant's eye on the endeavour. We, Keith and Christine, have just finished our 12-year voyage on a 45ft sailing boat, *Poco Andante*, visiting 47 countries and covering some 30,000 miles. During this epic journey, we have kept detailed records of all expenditure, from purchasing the vessel and getting her ready for crossing oceans, to maintaining her and finally, selling her.

We've often been quizzed by prospective cruisers about the costs of such a venture. We have honestly examined the financial aspects of embarking on a real-life adventure – using real data. We have cruised with, and met, hundreds of fellow cruisers on our voyage and feel that we are Mr and Mrs Average Cruiser, although some spend far more than us, and some far less. Hopefully we have given a true and fair picture of the average costs involved.

In order to understand these figures, we must firstly explain the type of cruising we

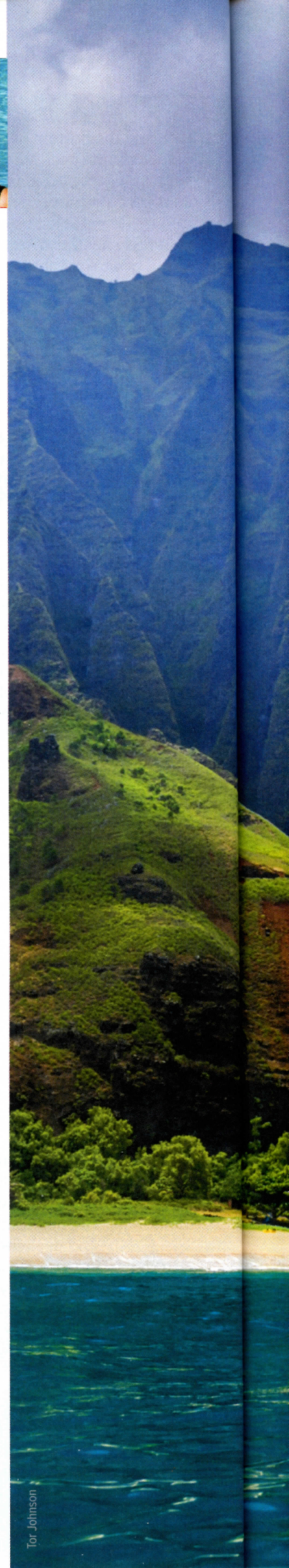
did, the vessel we chose, where we went and our philosophy towards boat maintenance and improvement.

When we were searching for our boat, we decided that a heavy-displacement centre-cockpit cutter-rigged sloop around 45ft in length would suit our needs, and our planned departure was for late summer 2003. We viewed many vessels and were often advised that steel was the way to go, but were pleased in our final choice of GRP fibreglass.

Our budget for the boat was modest (about the cost of a second 'holiday' home), so we limited our choice to older designs. Our final choice was a well-maintained Bruce Roberts-designed GRP Mauritius 45 built in South Africa in 1981. Not a spring chicken, but with two Atlantic crossings under her belt and fitted out for bluewater cruising, she suited our needs comfortably. An added bonus was that, although based in the Mediterranean, she was arriving in Southampton, UK, our home port in May 2002.

We sailed her for one season and then hauled out for a mini refit before we left the UK the following year. This refit included a new engine – we replaced the old 56hp Ford Transit engine with a new 75hp FSD425 unit from Lancing Marine, and they have also provided excellent after-sales service over the last 13 years – an excellent investment. We also replaced the rigging, sailing instruments, laundered the sails and had a storm trysail made, plus a myriad of other jobs. All in all, we were pleased with our choice. *Poco Andante* was sea-kindly, comfortable and handled excellently in all conditions. With that, we were ready for our big adventure.

Keith and Christine in colder climes at the start of their trip



Tor Johnson

The dinghy and canvaswork were replaced roughly ten years into the trip

There are many ways to save money while cruising, like spending more time at anchor

# The liveaboard lifestyle

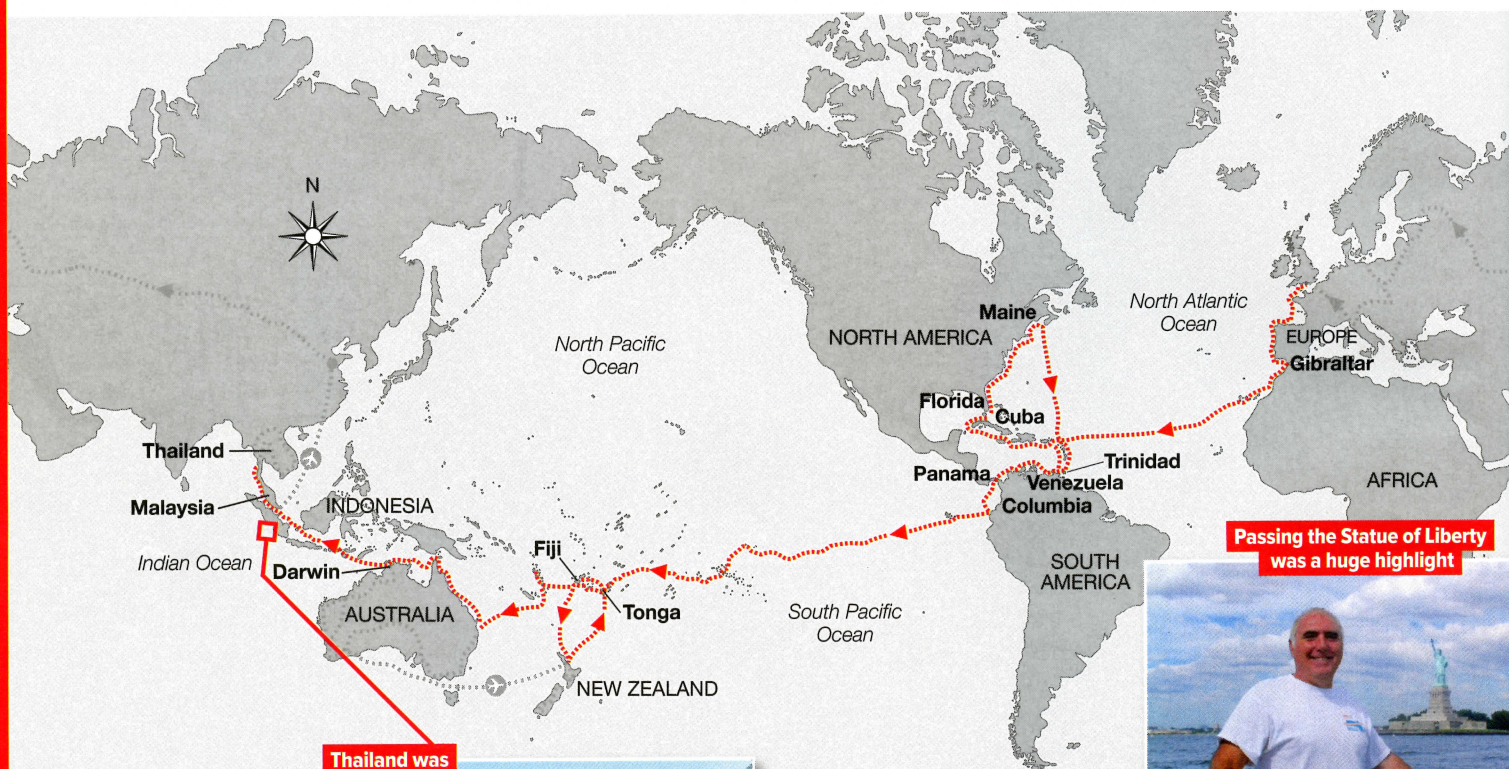
When we left to go cruising, we weren't sure what type of lifestyle we were in for. We hadn't even decided where we were going; the initial plan was a period in the Mediterranean, then we would reassess. We weren't sure if we were going to be away for three months or three years – 12 years was outside our thinking! Most of our plans were for a short period; we rented out our house and put all our furniture in storage, expecting to return in the not-too-distant future.

Within four months of leaving, we were enjoying ourselves and the cruising

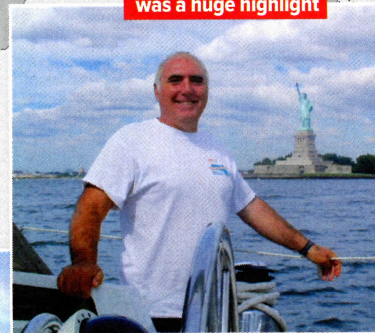
community so much that we decided to turn right at Gibraltar instead of left. As in all walks of life, people live on very different budgets. Our budget included the occasional marina stay when there was not a suitable anchorage (our preference); regular entertaining of fellow cruisers; occasionally eating in restaurants (approximately once or twice a week); side trips; hire cars. We slept on board for most of our 12 years cruising and only flew back to the UK twice.

Our 12-year, 30,000-mile voyage took us from the UK to Gibraltar, across the Atlantic,

north to Maine, USA, south to Florida then across to Cuba and back along the Caribbean chain to Trinidad, Venezuela, Columbia, Panama, across the Pacific to Fiji down to New Zealand, back to Tonga, then to Australia, north along the Queensland coast to Darwin, Indonesia, Thailand and Malaysia, where we sold *Poco Andante*. The Middle East became a no-go zone and still was in 2015, and the prospect of another three ocean crossings (Indian and the long passage across the South and North Atlantic) did not appeal.



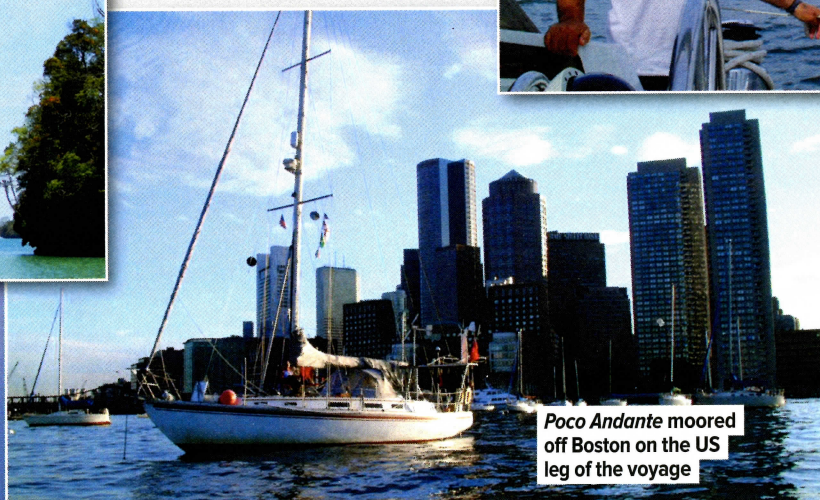
Passing the Statue of Liberty was a huge highlight



Thailand was stunning, but sailing further west wasn't for us



Major failures had to be dealt with crossing the Pacific



*Poco Andante* moored off Boston on the US leg of the voyage

# Boat maintenance

The adage that cruising is 'boat maintenance in exotic locations' is exactly right. There is always a to-do list. Our philosophy was to try to keep the boat 'up together' rather than let it deteriorate – upgrading rather than replacing. When not on passage, we had a general routine of boat jobs in the morning, and the afternoon for leisure, visiting, swimming, diving, snorkelling and socialising.

We did most of our own maintenance and only used outside labour a few times, where specialist equipment was needed such as refrigeration and sail making.

Fellow cruisers were always on hand to offer advice and if necessary, assistance. This camaraderie and willingness to help is a cruising mainstay – and work hard/ play hard is a fair description.

Lift-outs are major projects that need to be planned meticulously – and usually involve large outflows of cash. We hauled out only five times in 12 years. Between those times, we would scrub the bottom and clean the props about every six months. At each haul-out, we used three coats of hard antifouling at the highest copper content we could get locally.

Major failures or breakdowns are a fact of life and we were lucky that we only suffered four major incidents that needed substantial repairs. A fouled prop sheared our drive plate; we blew out both our main and genoa during our Pacific crossing; the exhaust manifold blew; and a failed engine mount resulted in a catastrophic loss of oil that caused our engine to seize.

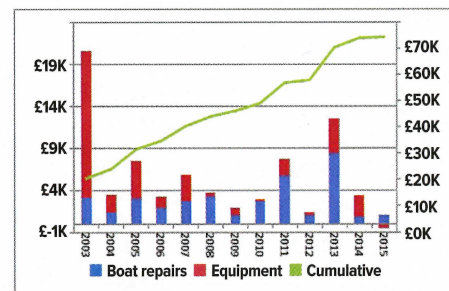
Our other philosophy was to have a backup for every system on board. Over time, we also fitted items that made our life easier like an electric winch in the cockpit, improving the entertainment system, installing a washing machine, and so forth. On a yacht, there are always upgrades available – after all, there is a multi-billion-dollar industry that benefits from all these new gizmos. The magic comes in deciding which ones you really need – and which ones work... So what was the big picture?



Boat maintenance in exotic locations, or 'cruising' as it's often called



Some repairs were more unexpected



The boat was only hauled out five times in 12 years

# Where did the money go?

## ANALYSIS OF EXPENDITURE

The actual cost of cruising for 12 years was £302,549 (excluding the cost of *Poco Andante*). As two intrepid accountants, we kept meticulous records during our voyage. These are actual costs that have been reconciled back to our bank account invoice by invoice. These costs are split into 11 different categories

### 1 BOAT EQUIPMENT

Associated with big-ticket items of equipment such as engine, sails, instruments, canvas work, outboards, dinghy, enhancements etc.

### 2 BOAT REPAIRS

This covers the myriad items and spare parts that are used to repair, paint and maintain the complicated equipment and machinery in a safe and workable condition.

### 3 FUEL

The cost of diesel (the main item) and petrol for the outboards and generator.

### 4 BOAT INSURANCE

We decided to take out fully comprehensive insurance and had cause to claim three times – and were reimbursed for minor losses and repairs. These refunds are reflected in the costs of items replaced; only our extra costs are reflected in these figures. Insurance costs amounted to 5% of our expenditure.

### 5 MARINAS & MOORING

Marina fees and mooring costs.

### 6 BROKERAGE FEE

Fee for selling *Poco Andante* – at 3% of our total, this was the single largest expense (deducted from the sale proceeds).

### 7 COMPUTING

Hardware and software, cost of on-board computers.

### 8 MEDICAL

Medication, dentist, doctor visits, surgery etc.

### 9 COMMS

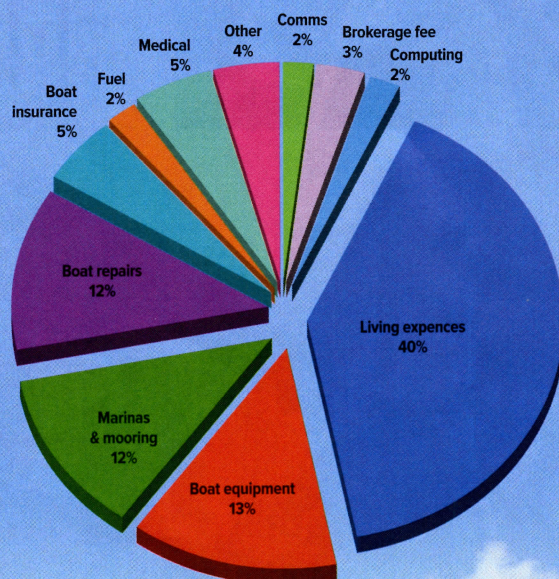
Mainly the cost of mobile telephones and calls.

### 10 LIVING EXPENSES

Groceries, provisioning, restaurant, and day trips – anything that you would usually spend in your normal life.

### 11 OTHER

This has three main items; legal and licenses, training, and loss on sale of *Poco Andante*. This was 4% of our expenditure.

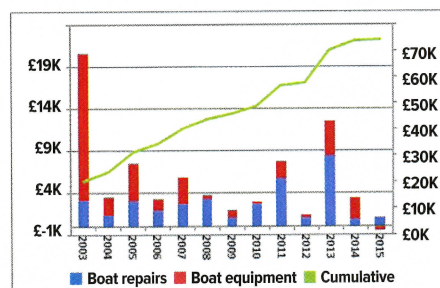


Living aboard and staying at anchor reduced costs in the most exotic locations



### BOAT REPAIRS AND MAINTENANCE

It has often been quoted that as a rule of thumb, you should allow 10% of the value of the vessel every year to cover maintenance costs, but it is never clear how this value progresses with time. Our experience, and that of a number of cruisers, is that when you purchase your vessel, there is a large outgoing whilst you fit the boat out to your specification. We made a few major expenditures which included replacing the engine, re-rigging, and installing new instruments. This added another 24% to our purchase cost. Over our period of sailing, the boat equipment and repairs averaged 7% of the purchase price. The costs peaked during major haul-outs in 2005, 2007 and 2011, where it averaged around 8%. In 2013, after 10 years, items were starting to wear and gear failure started to occur. For example, our trusty Avon RIB was replaced; the canvas work needed replacement; a major engine rebuild – and other minor items needed to be replaced.



Whatever the cost of the boat, these percentages are roughly right for most cruisers. Buy a cheaper boat, and the whole trip may cost less

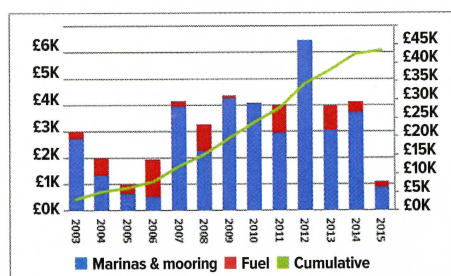


Living at anchor wasn't possible everywhere, but we found cheap fuel in Venezuela



## MARINAS, MOORING AND FUEL

The cost of marinas and mooring can be a major outlay and is dependent on the cruising ground. On the west coast of Spain and Portugal, there are few safe anchorages and it wasn't until we got to the Caribbean that we found that living at anchor was feasible – and economic. We chose to spend some time in New Zealand (2008) and some time in Australia (2009-2013) and kept the yacht in marinas. This allowed us to work at our professions and we were able to top up our cruising kitty. Fuel was only 2% of our total costs. We used 12,235 litres of diesel and the engine ran for roughly 4,200 hours, giving an average fuel consumption of 2.93 litres per hour for our 75hp engine. The average cost came out at £0.51/l, with Elcho Island (off the northern coast of Australia) the most expensive at £1.63/l, and Venezuela £0.01/l the cheapest..

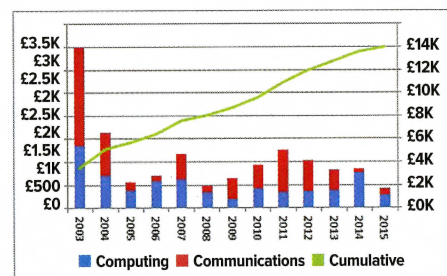


Mobile phone charges were higher than expected



## COMPUTING AND COMMS

These days, telephones and computing go hand in hand, with more and more reliance on these devices. When we started out, we had advice from the 'experts' who recommended that we use mobile phones as our main form of communication (apart from VHF and HF). We even put a mobile phone aerial on the top of our mast – which never worked! With this in mind, we used roaming and maintained our account in the UK. This was a big mistake – our first six-month bill came to £2,000! We now buy local pre-paid SIM cards for each country we visit, which is much more economic – and of course, Skype. In general we found that most laptops and phones had a two-year life due to the harsh environment.



## OTHER COSTS

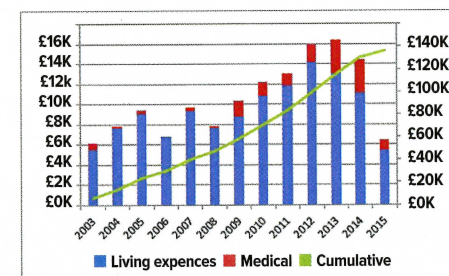
There also a few costs not included above which are very specific to us – but we will mention them. We took a few 'holidays' from the boat which included overland travel across New Zealand, Australia, South-East Asia and a couple of visits to the UK – this added a further £45,000 to our outgoings. Also, as mentioned earlier, we had put the contents of our house into storage – a bad mistake as this has cost us a total of £15,000 over 12 years.

Medical and insurance costs increased as we got older



## LIVING EXPENSES AND MEDICAL

Living expenses were 40% of the total expenses. The cost reflects the cost of living in the different countries visited – and one's lifestyle. We did not spend extravagantly but were very comfortable at these levels. There was a sharp increase in 2009 which reflects our time in Australia where the cost of living was high – and, as we were working, our standard of living went up. Overall, we spent around £10,000 per annum on groceries, eating out and general living expenses. We decided to self-insure for our health. During the early part of our voyage, our spend was low. However, I needed medical treatment in Australia, which is one reason we stayed so long. Australia has a reciprocal care agreement with the UK so I benefited from their excellent health service. The latter years we have been in South-East Asia where health costs are low. We underwent some minor surgery in Malaysia as well as topping up our medication supply. The costs are trending higher as we get older.



# Funding options

So much for what we spent during our 12-year voyage – what most people ask us is how we afforded to do it. In discussions with fellow cruisers, there are a number of different methods of funding the cruising lifestyle...

**PENSIONS** This is probably the most common form of funding. The average cruiser is about 45-65 years of age, and many are receiving pensions from their previous working life and choose cruising as a change of lifestyle.

**INVESTMENTS** If you have been successful in your previous life and have sold the business, or come into an inheritance, or won the lottery, this money can be invested and one can live off the proceeds. If the income does not cover your costs then the capital will be depleted. We know a number of long-term cruisers using this funding method, but suffered in the 2008 global financial crisis.

**RENTAL INCOME** Some cruisers live off the rental proceeds from the family home. This, again, is a common strategy. Our experience is that maintenance, bad tenants and management fees can reduce this income. Cruisers who have sold the family home and purchased two or more smaller properties have found this a better strategy.



**WRITING** With the improvements in communication, writing magazine articles or books and, if you have a second language, translations can all contribute to a modest lifestyle. We see this as bonus income until you establish a reputation.

**CHARTERING/PAYING CREW** Chartering out your boat or taking on crew for part of the year can easily fund this lifestyle, but becomes a business in its own right – and requires assorted licenses and permits in different parts of the world.

**WORKING** In some countries, it is possible to get working visas so you can mix cruising with working. If you can work at your profession, you can command a larger income than, say, bar or retail work. Other cruisers have specific skills which are sought by fellow cruisers or boatyards along the way.

Like most cruisers our funding derived from a mixture of sources...

32% pension

4% rental income from our family home. This income more or less covered our UK expenses in our absence, for example tax, storage, funding for the children etc

5% investments

59% employment – this paid for our long stays in Australia and New Zealand

In actual fact, as a result of working along the way, we have completed our 12 years in a better position financially than when we left – and this is excluding any increase in the value of the house and investments.

We have had an amazing experience cruising the world and although the cost is significant, the benefits are huge – how can you put a price on amazing sunsets, deserted idyllic beaches, ocean passages under the stars, the anticipation of a new landfall, and all the camaraderie and lasting friendships with the amazing people you meet along the way?

So don't be put off by these numbers; everyone out there on the seas has a different set. Hopefully you find this information useful when planning your next sailing adventure!

