

# **HOW TO BUY AN RV**

## **Step Three:**

### **TEST YOUR BUDGET**

Know That Your Preferred RV And Your Budget Match.

Once you have your budget and your chosen RV, you want to test whether or not your budget is reasonable to purchase the RV you have in mind. There is no sense in searching for a \$50,000 RV when you have a \$20,000 budget. It is far better to be spending all your energy searching for the best \$20,000 RV you can find. If you're dead set on the \$50,000 RV, you need to be willing and able to handle a \$50,000 budget. There is no magic way to purchase a \$50,000 RV for \$20,000. Compromise will be required.

Comparing Your Budget To The Market!

The best way to avoid paying too much is to get to know what the market is for the type of RV you're interested in. By comparing your budget to the market, you will know what RVs fit your budget, you'll know a good deal when it comes along and, more importantly, you will be aware of prices that are above the market. You will be in a position to negotiate intelligently. You will also quickly know if your budget is realistic—and be able to adjust it even before you visit a dealer's lot.

How Do You Get To Know The Market?

To know what your budget will buy you, compare it to used values in a used RV appraisal guide such as the Kelly Blue Book, or the more popular NADA Recreational Vehicle Appraisal Guide. Comparing to the book works whether you are interested in purchasing used or new. You can get retail values free using NADA Guide's website: [nadaguides.com](http://nadaguides.com). The website offers only retail values offering low and average retail. Caution: Be very careful about adding options, as many are packaged into current RVs. You can get the same book most dealers' use by calling 1-800-966-6232. The Dealer's book includes estimated manufacturer's suggest list prices, current average used retail and current average wholesale. Cost is about \$105 for a one-year (3-issue) subscription. As you can imagine, some RV dealers do not want to make this information readily available. This is a sign that the dealer is not the supportive type that you should prefer to do business with.

Determining What Your Budget Will Buy

Take your net RV purchase budget (after you have deducted for taxes & fees) and start checking out RVs by looking them up in the appraisal guide. Compare to the retail figure. Determine what years, makes & models fit your budget. Eliminate any that do not fit and concentrate on those that do.

If you want a new RV you can use the NADA Consumer RV Appraisal Guide to estimate new selling prices by comparing the high retail for the newest version listed and the suggested list in the book. New models will generally sell for slightly above that number, depending on options. If nothing that you are interested in seems to fit your budget, you

may need to re-evaluate. Better to adjust your budget now rather than spending hours and hours searching for the “magic” RV deal to come along.

### Preliminary Shopping

The problem with using the book alone to get to know the market is you’ve got to know what to look up. Many folks don’t know brands or models that match their criteria, and it’s hard to tell from columns of numbers in the book if this is a potential choice for you. To help know what to look up, do a little preliminary shopping. Let your fingers do the work.

Call several area RV dealers. Ask about any new or used RV that would fit the criteria that you have defined in your budget and shopping list. Keep a detailed list of any which would be close. Be sure to get the year, manufacturer, brand name, model, size, and floorplan layout. If it’s a motorhome, get the chassis manufacturer and mileage too. Compare each to your budget and shopping list for your preferred RV and to your overall mission. How well do they match?

If your budget is way off for the type of RV you’re looking for, you will probably know very quickly. Most RV salespeople will let you know where you stand right away. They will let you know if a new model is possible or if used is your only likely option.

However, you don’t have to take their word for it. Check them out!

Using the information you have collected through your preliminary shopping, look up each specific model in the NADA RV Appraisal Guide. If the retail value of the RV is reasonably close to your price range, it’s worth considering further and taking a closer look, regardless of what a salesperson may have said. Most importantly, you have just confirmed that your budget is somewhat realistic.

### RVs to Consider

If you find no RVs close to your requirements, you will have to reevaluate your budget and/or your preferred RV shopping list. You need a new mission. For example if you were looking for new, you could switch to used as we did in our example, or increase your budget. Adjust your budget or trim your preferred RV shopping list until you have a combination that is within a reasonable range of your research. Remember you can’t sacrifice needs without altering your original purpose for the RV. You can, however, compromise wants. Use your lists to compromise intelligently. Always test against your mission.

By comparing your budget to the market, you now have a realistic starting point to go shopping. You are in a position to shop intelligently, and you’re able to tell a good deal from a bad one—just by referencing your market sources.

Warning: Don’t rely on “asking price” data such as what prices you find on units for sale on the Internet or in the classifieds. What sellers are asking is not relevant to what they actually sell for. You need selling price data.