# **Trade-In Strategies:**

How to Get Thousands More for Your RV Than the Dealer Was Willing to Give You



A ccording to one industry source, a typical RVer will buy 3.5 RVs during his or her lifetime. Obviously, the first time you buy an RV, you won't have one to sell or trade in. But you'll probably buy several more during your lifetime, and have an older one to sell or trade in each time.

Like every other part of the RV buying process, you can lose a lot of money when trading in your older coach. On the other hand, you can save a lot of money too, if you know what you're doing.

There are three parts to the trade-in process:

- 1. Find out how much your old RV is worth
- 2. Decide if you'll sell it yourself or trade it in to the dealer
- 3. Get the most money you can for it from step #2.

We'll take each step in order.

# Step 1: Finding Out How Much Your RV is Worth

In the interview, I asked Mr. X about the NADA (National Association of Auto Dealers) guides. You've probably heard of these guides: they summarize the current market price for cars, motorcycles, boats, RVs, and other things.

The NADA guide for RV prices is a great resource. The bad news is that it's expensive: \$105. The good news is that you can get (almost) the same information for free online. This guide will walk you through the process.

Go to the NADA website at <a href="http://www.nadaguides.com">http://www.nadaguides.com</a>. You'll see the screen shown below. Click on the place where it says "Recreation Vehicles," which I've circled for you below.



Next, you'll see a screen something like this one:



I've circled the area where you choose which kind of RV you have: motorhome, travel trailer or fifth wheel, etc. Click on the appropriate choice and you'll see the next screen, which is usually a page that asks for your zip code. Enter your zip code there, and proceed to the next screen, which I've shown you below.

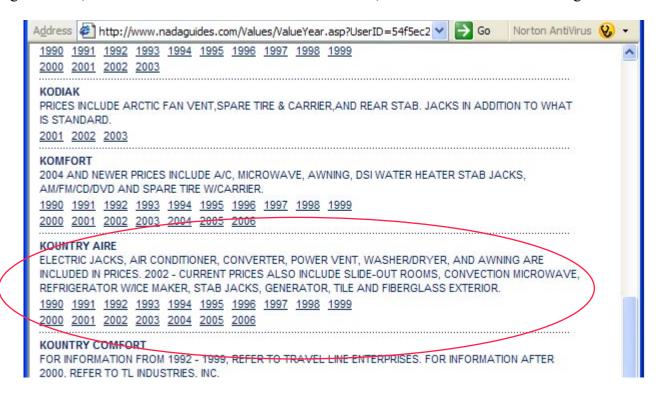


Here's where you choose the brand of the RV you have. This can be a little tricky: it says to choose the beginning letter of the Manufacturer's name, but that doesn't always work. For example, let's say you have a Fleetwood Terry or a Fleetwood Revolution. You might think you'd look under "F" for "Fleetwood," but that's incorrect. You'd need to look under "T" for the Terry and "R" for the Revolution.

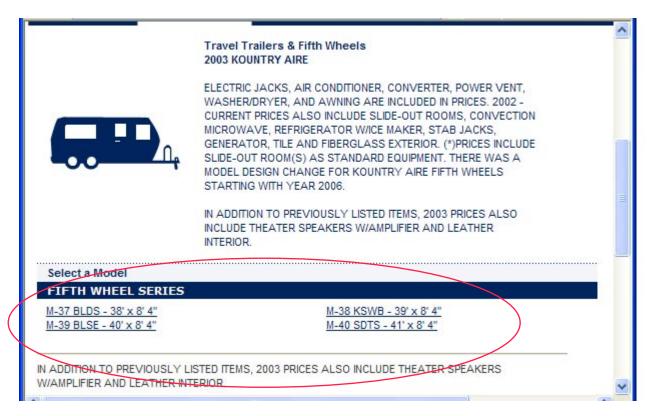
So if you can't find what you're looking for, try searching under a different part of the name.

As an example for this bonus report, I'm going to look up a 2003 Newmar Kountry Aire. I tried search-

ing under "N," and couldn't find it. So I searched under "K," and found what I was looking for:



I selected 2003 under Kountry Aire, and was taken to this screen:



Notice how it lists the model numbers for that year. I picked the appropriate one, and was then brought

to the "options" page., shown below:

| Length/Width:               | 39' x 8' 4"  |  |
|-----------------------------|--|--|
| Axles:                      | 2  |  |
| Weight:                     |  |  |
| Self-Contained:             | YE   |  |
|                             | ELECTRIC JACKS, AIR CONDITIONER, CONVERTER, POWER VENT, WASHER/DRYER, AND AWNING ARE INCLUDED IN PRICES. 2002 - CURRENT PRICES ALSO INCLUDE SLIDE-OUT ROOMS, CONVECTION MICROWAVE, REFRIGERATOR WICE MAKER, STAB JACKS, GENERATOR, TILE AND FIBERGLASS EXTERIOR. (*)PRICES INCLUDE SLIDE-OUT ROOM(S) AS STANDARD EQUIPMENT. THERE WAS A MODEL DESIGN CHANGE FOR KOUNTRY AIRE FIFTH WHEELS STARTING WITH YEAR 2006. |  |
|                             | IN ADDITION TO PREVIOUS<br>SPEAKERS WIAMPLIFIER A  | SLY LISTED ITEMS, 2003 PRICES ALSO INCLUDE THEATER AND LEATHER INTERIOR. |
| elect any Optio             | ns and Equipment   | GET USED VALUE   |
| IR CONDITIONING AN          | D HEATING  | 1                                  |
| 11,000 BTU                  |  | 13,500 BTU (Non-Central/Non-Ducted)                                      |
| 13,500 BTU Central/Ducted   |  | 15,000 BTU (Non-Central/Non-Ducted)                                      |
| 15,000 BTU Central/Ducted   |  | 15,000 IPO 13,500  |
| 7,000 BTU                   |  | Furnace (10,000-12,000 BTU)  |
| Furnace (13,000-17,000 BTU) |  | Furnace (21,000-28,000 BTU)  |
| Furnace (30,000-35,000 BTU) |  | Swamp Cooler   |
| PPLIANCES                   |  |  |
| Central Vacuum Cleaner      |  | Dishwasher   |
| ☐ Dryer                     |  | Garbage Disposal   |
| Gas Grill Cook Ton          |  | Ice Maker (Stand Alone Unit)   |

The options page allows you to specify which options are on your RV. Obviously, the more options you have, the more your RV is worth.

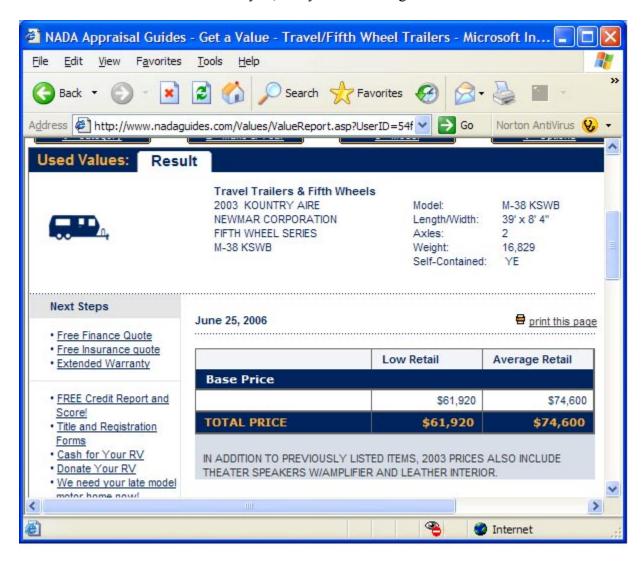
But here's a problem. You might remember that in the interview, I asked Mr. X a question: is it true that a dealer will ignore the options when calculating the trade-in value of your RV? As I expected, he answered yes.

So DON'T enter any options here—not yet, anyway. You're going to be really tempted—after all, you probably agonized over exactly which options you wanted on this RV. You picked the ones that you thought would be absolutely essential, and it doesn't seem fair that the dealer won't give you credit for them. But it's true.

However, just because he won't give you credit for them, doesn't mean they aren't worth anything. We'll come back to the options page in a few minutes, and see how much they do actually increase the value of your RV. But first, we want to know how much a dealer will offer us in trade, and to do that, we need to ignore the options.

I've included a picture of the options screen on the next page. After NOT choosing any options, you'll want to click on the button that I've circled, to proceed to the retail value screen.

Just click on the button that I circled for you, and you'll be brought to this screen:



On this screen, you finally see some actual numbers for what your RV is worth.

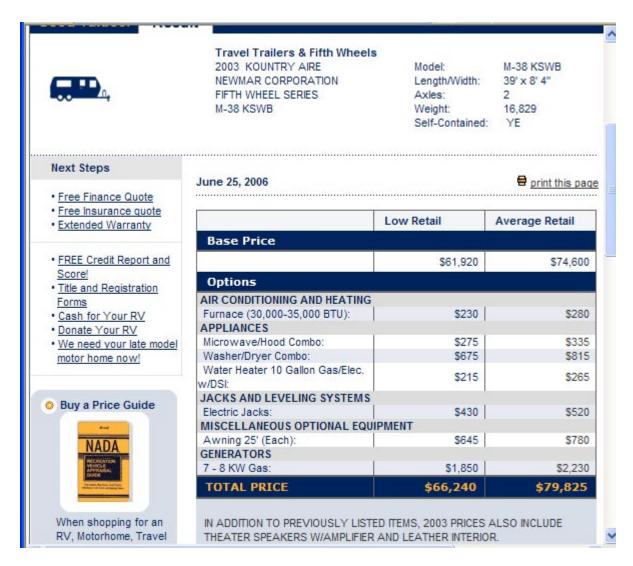
I said a moment ago that we're looking for the amount a dealer will give you as a trade-in. That amount is the "wholesale value," and you might remember Mr. X saying that the wholesale value isn't actually provided on the NADA website. And this is true. If you notice above, the two numbers it gives are the low retail and the average retail. The retail value represents how much a retail buyer would pay for the RV—in other words, how much the dealer would usually sell it for.

In the example above, he would try to sell your Kountry Aire for \$74,600. That means that if he buys it from you, he has to pay you less than that in order to make a profit. He'll want to pay you "wholesale value," which is about 10-15% less than the low retail value shown on the NADA website. So multiply the low retail by 85% (.85) to see what he'll try to offer you for your trade-in. In the example above, it's \$61,920 \* .85 = \$52,632.

Now, that's an approximate value. If you were to buy the NADA guide for \$105, you'd know the exact wholesale value. But 85% of the low retail is close enough for our purposes—we're only trying to figure out roughly how much the dealer will offer for our RV.

You'll notice that if the dealer offers us 85% of low retail, he's offering \$52,632, for an RV that's actually worth \$74,600 on the open market. That means you'll lose \$21,698 if you trade it in for that amount. But it's actually worse than that. Remember that we didn't enter any options to calculate this amount (since the dealer would ignore them when making us an offer)? Let's go back and see what the dealer will actually charge a buyer for our RV, once the options are properly calculated.

For our Kountry Aire example, I went back and added a few typical options. Look at the difference it made:



So if the dealer gets an average price when he sells this RV, he'll get \$79,825. Assuming he gave you \$52,632 for it, he made \$27,193.

Put another way, you *lost* \$27,193, because you didn't get the full market value for your coach.

So there's the problem. When you trade in your RV, the dealer is going to offer you far less for it than the market value. He has to. Otherwise, he can't make a profit, and he can't stay in business.

So what can you do about it?

## **Step 2: Making Your Decision**

After you complete Step 1, you'll know how much you'll lose by trading in your RV to the dealer.

Now you have to decide if this is acceptable or not. And it might be—the decision is up to you.

You really only have two choices. Either trade it in to the dealer, or sell it yourself privately.

Trading it in is certainly the most convenient. But selling it yourself doesn't have to be hard either, thanks to the Internet. It's gotten very easy to find a buyer for your RV (more on this in the next step).

So in this step, you need to choose which option you'll take. Is the amount you'll lose by trading it in worth it for the extra convenience? Only you can decide.

One thing I haven't mentioned yet is the amount you still owe on your old RV. If you haven't paid it off yet, this might affect your decision in this step, especially if you're "underwater" on your loan (meaning you owe more on the RV than it's worth). Unfortunately, it's common for RVers to be in this situation when they go to buy a new unit.

You'd think this would make it impossible to buy a new RV, but it's not. RV dealers are accustomed to taking in "underwater" trades—for example, let's say you owe \$60,000 on an RV that the dealer will only give you \$50,000 for. The salesman will write up a deal that allows you \$60,000 on the trade, but he'll boost the price of the new unit an extra \$10,000 to compensate for the loss. In effect, he's still only giving you \$50,000 for it. You're just transferring the \$10,000 that you were underwater to the new RV loan.

On the one hand, this allows you to get out of your old RV and into a new one. On the other hand, this makes your overall financial situation worse—you still have that \$10,000 loss to pay off, and what's worse, you're now in a new RV which will depreciate quickly in the first couple of years, putting you even further underwater than before.

So if you're underwater, there are a couple things to consider. Selling the RV privately will get you more than trading it in, and might get you back "above water." If not—if you'll get less than you owe—then you'll have to pay off the rest of the loan yourself, or you won't be able to sell it. If that's your situation, and you're determined to get a new RV despite the bad impact it will have on your finances, then a dealer will be your only choice.

So those are all the things to think about when deciding to trade in or sell. After you've made your decision, it's on to Step 3. This step will vary depending on what you've decided to do.

#### **Step 3: Selling or Trading Your RV**

Regardless of what you're going to do with your RV, the first part of Step 3 is the same. Clean it and give it a thorough detailing.

Clean it inside and out. On the exterior, get rid of road grime, bird droppings, and whatever else is on there. Wash and rinse it thoroughly. Wax it if possible. Put Armor-All on all the rubber and plastic sur-

faces, even the tires. You want your coach to shine.

On the inside, remove all your personal belongings. Then give it a thorough cleaning, top to bottom and side to side. Make all those minor repairs that you've been putting off. Shampoo the carpets and upholstery, clean the windows, polish everything that can be polished. Put in some air freshener.

You want your RV to be spotless. Whoever buys your RV, whether a dealer or a private party, is heavily influenced by its appearance. The better it looks, the more you'll get. This seems obvious, but many RV-ers seem to forget this basic fact. And it's understandable why: after you've lived it in for a while, you become blind to the dents & dings, minor stains, and other problems that accumulate during use.

Once your RV is glowing and beautiful, you're ready to sell it.

## **Selling to a Dealer**

The most important thing about trading it in to a dealer is to keep it separate from the rest of the buying process.

As I've mentioned elsewhere, the RV salesman has been trained to mix all the elements of a deal together. He'll mix the price of the new RV, the trade-in allowance for your old RV, the interest rate on the financing, and everything else all together at once. That makes it easier for him to present the offer to you, but also makes it a lot harder to know exactly what's going on for each piece of the puzzle.

So you need to break all the pieces apart. Insist on negotiating the price of the new RV first. Once you get that as low as it can go, see if you can get some options thrown into the deal too for the same price. Once that's done, then see how much you'll get from your trade.

If you're underwater on the trade, don't be surprised if the dealer says you have to pay a higher price than what you just bargained for. The extra amount will be necessary to pay off the loan on the trade. But pay attention to how much more he wants: you know how much you owe on the trade, and from Step #1, you'll know roughly what the dealer is expecting to get when he sells your RV to someone else. So don't let him jack up the price of the new one way beyond what he'll need to pay off your trade and make a reasonable profit on it.

Then once the trade is done, you can proceed with the rest of the deal: negotiating the financing and so on, as described elsewhere.

So that takes care of trading it in. What if you want to sell it yourself?

A few years ago, your options here were very limited. Many RVers just park their coach in their front yard and hang a sign on it. Obviously this is almost always unsuccessful. Ads in your local newspaper don't work very well either.

You need to put your RV in front of people who are looking for it. You might try an ad in RV Trader and other magazines. In the old days, this was probably your best bet. But even then, it sometimes took months, even years, to sell a used RV like this.

#### **How to Sell Your RV in One Week or Less**

But that's all changed now, thanks to the Internet. Especially thanks to one website: eBay!

Most people don't know this, but RVs are a huge market on eBay. In fact, in the past couple of years, RVs have been the biggest-selling category in *all* of eBay, judging by total dollar amount.

RVers scour eBay every day, looking for bargains, or sometimes specific hard-to-find used RVs. This is a tremendous market, and if your RV is sellable at all, you can sell it quickly on eBay. Often the very first time you list it.

This report isn't the place to explain how to sell things on eBay. There are lots of great books on the subject already, and if you've never sold on eBay before I'd recommend going to your local bookstore and browsing through the eBay section.

For RVs specifically, there are a few things you'll need to know. First of all, eBay has a special section for selling cars, RVs, and other vehicles: it's called "eBay Motors." I also recommend you read through eBay's own explanation of selling things on eBay Motors:

# http://pages.motors.ebay.com/howto/othervehicles-selling.html

There are also several good books on this subject. I recommend "eBay Motors the Smart Way," by Joseph Sinclair and Don Spillane.

Most of the books on eBay Motors will explain how to buy and sell cars, but RVs aren't much different. The same rules apply: have lots of good pictures in your auction listing, and describe the coach as best you can.

It also helps to browse other auctions. See which ones have lots of bids, and which ones don't. Why are the successful ones getting so much more attention? What do those auction listings have that the others don't?

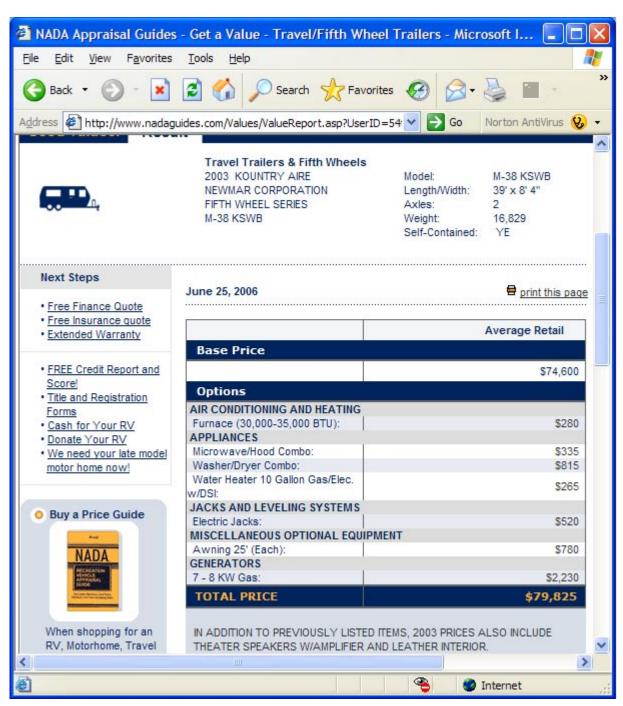
One tip: make sure you include good pictures of the bathroom in your auction. It's one of the things that experienced RVers will look for in the auction listing, since the bathroom layout is so important to a good vacation.

So how much can you expect to get for your RV? Here's how to get the most possible:

- 1. Get the NADA retail prices for your coach, as I described earlier. Make sure you *include* all your options.
- 2. While you're looking at the retail values on the NADA site, take a screen shot of the web page (like the screen shots I've included in this report). On a PC, do this by hitting the "PrtScrn" button on your keyboard (it's to the right of "F12") while you're viewing the page. Then open Microsoft Paint (usually found by clicking your Start button in Windows, then choose Programs, then choose Accessories.) Once you have Paint open, choose the "Edit" menu, then "Paste". You should then have the screen shot appear in Paint. Save the image on your computer somewhere. (If you have trouble, search for "how to take a

screen shot" in Google or your favorite search engine.)

**3**. Modify the screen shot from Step #2 using Microsoft Paint. Remove the "Low Retail" numbers. For example, on page 7 I showed you a screen shot of the retail values page. Here's the modified version:



You see how the "low retail" numbers have been removed?

If you're concerned about doing this, don't worry—it's easy. It took me about 2 minutes to make these changes to my screen shot. If you're not sure how to do this, ask around—you'll probably find somebody who can show you. (I know my six year old loves to draw pictures on the computer using Paint!)

So why you removing the low retail numbers? You're going to use this picture in your auction listing, to

prove to people that your asking price is below the NADA retail value. But the "low retail" number isn't relevant here. (After all, who cares about numbers that are below the average? You want to get the average market price for your RV, and the buyer should expect to pay about the average, or a little below.) So this arbitrary "below retail" number isn't useful to anybody, and this number will just confuse people if you don't take it out.

4. Now you're going to create your auction listing. Set your auction price a bit above the low retail number that you just removed. Remember, the low retail was already 10-15% above what the dealer was going to give you, and this number is above that. So you'll still be ahead even if this is all you get. And if you have an RV that people are looking for, with a good auction listing, you can expect the price to go up significantly by the time the auction is over.

Ideally, your RV will sell for average retail, or a little above. By starting out a bit below that number, you leave lots of rooms for people to bid and think they're getting a bargain. The more bids your auction gets, the more bidders will be attracted, and you'll end up with a higher price than if you started close to average retail.

**5**. In your ad's headline and title, trumpet the fact that your RV is "BELOW the NADA retail value!" Include the screen shot as proof for the bidders.

If you create a good auction listing, and you have a decent RV to sell, you shouldn't have any problems finding a buyer. The "Below Retail Value" title in your ad will attract bidders—everybody wants to get a bargain. And including the screen shot provides proof for your claim. Ironically, starting out "below retail value" like this will probably wind up getting you a *higher* price than if you started out close to the retail value!

So there you have it. If you do this right, and have a good RV to sell, you'll almost certainly get thousands, even tens of thousands, of dollars more than you would have gotten from your dealer. And it's fast and easy, too.

I hope you've enjoyed this report on trading in or selling your used RV. Whether you decide to trade or sell, I hope this information will save you a lot of money.

If you have a success story you'd like to share about selling your RV, drop me a line and tell me about it. My email address is <a href="mailto:bill@rvsleuth.com">bill@rvsleuth.com</a>

Have fun!