

## RETIREMENT LIVING

# Beware Extra Costs Of a Motor Home



**H**OW OFTEN HAVE people dreamed of taking off on the open road after they retire—driving along the coast or visiting our great national parks. Often the dreams involve a recreational vehicle.

But they don't call an RV a motor "home" without a reason. The average motor coach, which combines the vehicle and living quarters, costs \$100,000, according to the Recreation Vehicle Industry Association. You can buy a decent vacation condo for that amount.

Factor in gasoline, taxes, park hook-ups and off-season storage, and your retirement savings could take a big hit. We don't want to dissuade you from pursuing your retirement vision, but we want to make sure you avoid the possible, uh, bumpy road.

When you're buying the RV, don't forget to factor in the sales tax. A \$50,000 RV in Texas, for example, will cost 6.25% in sales tax, for a fee of \$3,125. Also check if your state and county impose an annual tax on personal property, including RVs.

Excellent credit could get you a loan for as low as 3%, says Vicky Ferrari, national secretary for the Family Motor Coach Association. "Terms will depend on how long a loan you can get," she says. "A low-end folding camping trailer would probably get a loan of three to five years, while a higher-end motor home can get 15 years, or even 20." For a 15-year, \$50,000 loan, with a 3% interest rate, you'd pay \$345 a month.

Because maintenance is unpredictable, an owner should consider a service plan. You could go without a plan until the manufacturer's warranty expires, although the warranty probably won't cover the cost of tires, says Vicky Ferrari's husband, John. He bought a plan that cost 2.5% of the vehicle's value to protect him for the full-replacement cost. The Ferraris pay \$2,000 a year for insurance.

### Sticker Shock at the Gas Pump

Not surprisingly, RVs of all sizes devour gas. Many RVs average only six to eight miles per gallon. For a 20,000 mile cross-country road trip, expect to spend \$7,500 to \$10,000 for fuel. It's difficult to predict whether a trailer will use less gas than a traditional motor home because the fuel efficiency and weight of vehicles vary, says Kevin Broom, spokesman for the Recreation Vehicle Industry Association.

You'll save a bundle on hotels, but your overnights will not be free. If you want to settle in for a month in Valencia, Cal., for example, you'll pay about \$850 for a power, water and sewer hookup, says RV owner Bob Kellough, 73, who once owned an RV-park business.

LeAnna Vozdecky, 67, who owns a 35-foot 2010 Winnebago in Florida, says day rates are about \$20. But she says some parks in resort areas charge \$70 a day.

If you're not a full-time RV traveler, you'll need to store your vehicle in the off-season. Many communities will not allow you to park your huge vehicle at your house. You'll be looking at \$100 a month, on average, for an outside storage lot, Kellough says.

When deciding on what to buy, consider the space you'll need. The Ferraris bought a 2005 Coach House for \$150,000. They regretted buying the cramped 23-footer with an uncomfortable foldout bed. Vicky, 59, and John, 66, soon sold the RV and spent another \$25,000 for a 27-foot 2006 Coach House, with a queen-size bed and much-needed elbow room. "It made all the difference in the world," John says.

For a cheaper buy, the average trailer costs \$30,000, Broom says. Another possibility is to purchase a used RV. Kellough used Craigslist.org to buy a 37-foot 2000 Newmar Kountry Star with only 36,000 miles. "I think they bought it new for around \$142,000, and I got it for \$27,000," he says.

Before you plunk down your cash, try out an RV with a one-week rental. "You want to make sure you and your spouse enjoy the other's company for that long—and that you can live the campground life," Kellough says. **K** —ERIC BUTTERMAN