

Win big with used gear

Tips to save you money and headaches whether you're a buyer or a seller

BY CALLISTA TOMALLO & YOGITA SHARMA

When Joe Loyet, owner of Loyet Landscape, trucks to job sites in St. Louis, he sees a lot of "old friends" on the trailers of other landscape professionals. The old friends in this case are older commercial mowing units that Loyet traded in for new Ferris walk-behinds and Toro zero-turn riders.

"I know they were ours because of the way we marked them," says Loyet, who generally puts about 3,000 hours of use on his mowers over the course of three seasons before replacing them.

His story is a common one. Large landscape firms generate the used mowers, trucks and other pieces of expensive landscape equipment that feed the equipment needs of smaller landscape professionals and the inexhaustible number of start-ups.

Because there are no "lemon laws," it's buyer beware. Even so, there's always action in used landscape gear.



Many dealers offer remanufactured equipment, like this early (pre-1996) Walker 16-hp mower.

"If you have a walk-behind belt-drive unit that starts and runs and cuts, it's worth \$600 minimum. If it's a hydro, it's probably worth closer to \$1,000 minimum," says Scott Muehlhauser, Scotts Power Equipment, St. Louis. "A rider is going to be worth \$2,000 to \$3,000 if it cuts and is not falling apart."

Junk? Not to the small operator or the cash-strapped beginner who can coax a season of production out of a unit.

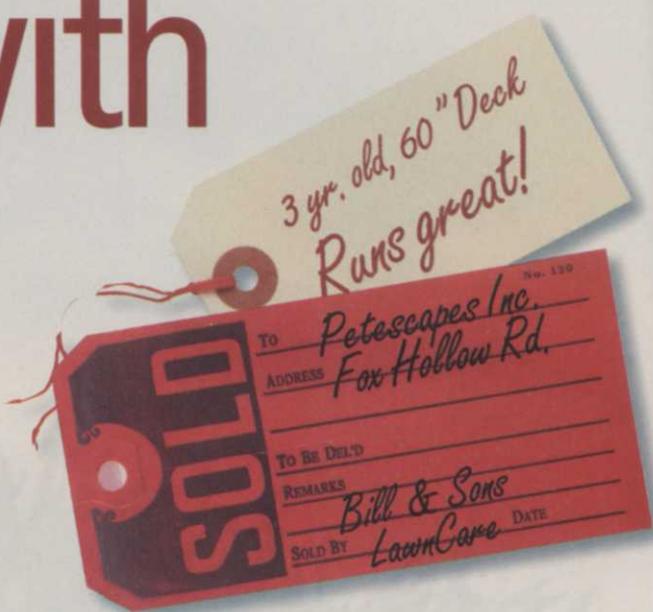
In spite of obvious pitfalls, here's how both sellers and buyers benefit in the used equipment market.

Sellers have several options

They can:

- sell the units themselves,
- trade them in or
- use them creatively.

Rob Estes, owner of Estes-Landers Landscape Design, Atlanta, is considering using them in a satellite operation where appearance isn't so critical and they'll receive less use.



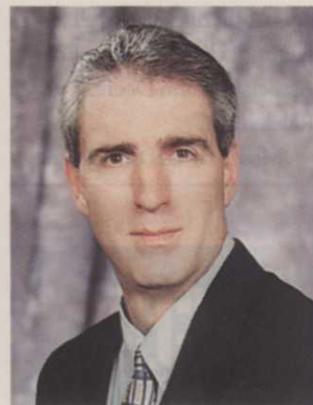


Kurt Kluznik, president of Yardmaster, Painesville, OH, regularly turns over his big equipment. He cites two reasons: he doesn't want a huge capital expense all at once and he wants to take advantage of the latest labor-saving technology.

"Getting new equipment is a great way to motivate your crews," he adds, saying that manufacturers have focused on increasing operator comfort and safety as well as boosting productivity.

Give me a price

The ways to price and market your equipment are endless, but don't count on referencing a value or depreciation guide. Why?



Kurt Kluznik

Because there isn't one. Most landscape professionals come up with a list of their own factors to use.

"We take the price of a new piece of equipment and compare it to the replacement cost and what the cost is to us to repair it," says Randy Abshier, vice president of Bozzuto Landscaping, Laurel, MD. "We also take into account years, hours, new parts and labor we have put into the equipment."

For instance, if a new mower has a life expectancy of six years and it costs \$6,000, the price for each year of the mower's life is about \$1,000. From that, take any necessary deductions for repairs, parts and labor to arrive at a reasonable resale price.

As far as marketing your used equipment, Tom Tolkacz, president of Swingle Tree and Landscape Care, Denver, CO, says beware. "We don't want to



Tom Tolkacz

sell our equipment to anyone who might gain a competitive advantage over us. That's why we sell outside of our service area."

Buy smart

Tips to consider before buying used equipment from landscape companies include:

The dealer perspective

Dealers have no standardized way to price used equipment. While some deduct the depreciation value of a used machine from its original price, others assess its price by comparing it to new machines in the same category. Deductions are often made from this price based on the machine's depreciation, the cost of parts replaced and the labor required to refurbish it.

Tim Watson, president, Graham Lawn Equipment, Douglasville, GA, has his own way of determining a used piece of equipment's price. "We usually take into account a 20% depreciation from its original value and add the cost of refurbishing to that," he says. The final selling price of any used equipment is up to a 60% of its original value.

Muehlhauser at Scotts Power Equipment takes both trade-ins and consignments. "If somebody trades in a used unit, we take about 30% off of retail for the wholesale price, and if we consign it we get 20%. If an owner consigns a piece of used equipment, they make an extra 10%," he explains.

Buying from dealers

While it's generally true that an operator knows his machine, there are some guidelines that those buying used equipment from dealers should follow before making the purchase.

The most important aspect of the transaction is the relationship between the customer and the dealer. Therefore, it's important to go to a dealer you can trust.

It's also important to take into account the reputation and quality of the manufacturer, suggests Ray Badger, president, Turbo Tech, Beaver Falls, PA. He also adds that buyers should ask if there's a warranty on parts. Most dealers who sell used equipment do offer a warranty or a service contract with the sale. Watson offers a 90-day guarantee on all used equipment and service and everything else he sells.

Minute details like whether a walk-behind mower has been overused or if Roundup was used in a spray tank are essential to find out about.

Tom Delaney, vice president of the Professional Lawn Care Association of America (PLCAA), says it's also necessary that you ask for the service log in order to keep track of the number of replacement parts. It also comes in handy while procuring a user manual from the manufacturer, which is helpful while servicing used equipment.

It's also important to get the equipment checked by a reliable mechanic before taking the plunge.

■ Talk to employees who have used the equipment. Often, you can't do this, but if you can, it's highly recommended.

■ Talk to local dealers who sell similar equipment. "Ask them the hours and years for life expectancy of the equipment," Abshier says.

■ Ask for specific documentation. "Always ask to see the service record to find out what has been done to the equipment," Tolkacz says. "Also, ask to see the title of the equipment."

■ Acquire a maintenance/users manual for the equipment.

■ Get equipment checked by an experienced mechanic.

Since there are many different types of landscape equipment, how do you know which types are worth buying used?

"Hand-held power equipment usually gets worn out after one season and would not be worth buying used," says Bozzuto's Abshier.

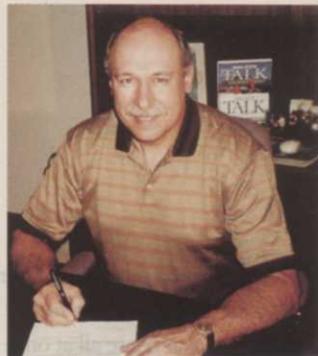
Kluznik says hours of use are a better indication of the life left in a bigger piece of machinery than its age. Even so, he's leery about buying anything older than three years old.

Views from the makers

Manufacturers see the used equipment market as basically a good thing. "If the person buys a used piece first and really likes it, he or she will probably buy a new piece of equipment from the same company," says Bob Walker, Walker Manufacturing, Fort Collins, CO.

Adds Brad Paine, associate marketing manager of Sitework Systems/The Toro Company, Bloomington, MN: "I have no problem recommending the purchase of a used piece of Toro equipment."

In support of this philosophy, some manufacturers offer



Bob Walker

programs for rebuilding their equipment. "We have a program called ProConditioned where equipment with 1,800 hours or less can be reconditioned per factory specifications and retailed back into the market with a one-year warranty," says Catherine Blackwell, director of client services, Epley Associates/John Deere, Raleigh, NC.

Most manufacturers' used

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"Always ask to see the service record to find out what has been done to the equipment. Also, ask to see the title of the equipment."

products are sold through dealers, which is where they believe you should begin your search. "The dealer is best equipped to deal with the issues inherent to the used equipment market," Paine says. "The buyer should go with the product and dealership that is best going to service their business and make them more successful."

How to maintain it?

Tom Delaney, president of the Professional Lawn Care Association of America, suggests that

the best way to maintain used equipment is to go back to the manufacturer and get a user manual because the original is usually lost. Then, follow the proper maintenance schedule procedure while carrying out the regular repairs after a season.

The maintenance for used equipment is usually preventive, says Doug Hague, president, Lawn Classics, Findlay, OH, since one needs to get the maximum out of the machine in order for it to be cost effective. **LM**



Swingle Tree & Landscape Care purchased this used truck at an auction from a company that went out of business. After buying a second used truck, Swingle was able to use two trucks for the price of one.

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