

# 1243 South 7<sup>th</sup> Street Phoenix, Arizona 85034 (602) 340-8287 or Fax (602) 340-8387 E-Mail: sales@bus-link.net

# www.bus-link.net

# Bus Conversion Shoppers' Helpful Hints and Information

At Desert West Coach Service, we are frequently asked a great number of questions regarding buses and bus conversions. These questions range between "how much do they cost?" to "how long will they last?" We have listed some of the most frequently asked questions and some general information that may be helpful. This is designed to better inform our customers about bus conversions or motorhomes. Should any other questions come to mind, please feel free to call us at Desert West Coach Service.

#### O: How many kinds of buses are there?

A: There are various manufacturers of busses. Many bus manufacturers have been merged with other companies or have just gone out of business. Prevost, MCI, Eagle, Van Hool, Neoplan, Setra and Dina are the most common manufacturers of buses. There have been other manufacturers, and occasionally you will run across a really old model from the early days of bus conversions.

#### Q: What is the most popular conversion coach today?

**A:** Of all the conversion shells on the market today, Prevost is easily the most popular, and is the dominant coach in the conversion market. MCI is second, after Prevost. Both are fine products, but each is different in its own way. It is possible to convert almost any kind of motorcoach; given a sufficient amount of time and money. There are examples of other conversion coaches around, especially some of the older coaches from an era when MCI and Eagle coaches were more popular than Prevost.

#### Q: How many coaches are manufactured each year?

A: The great majority of motorcoaches today are built for the commercial transportation industry; the number currently manufactured is 4,000 or less units per year. In 1992 it was estimated that only 250 bus shells were converted for private use as motorhomes, entertainer or VIP coaches. This number is quite small when compared with the number of mass-produced motorhomes on the market during that time or today.

#### Q: Are some coaches built with certain specifications for motorhome conversion?

**A:** Yes, a few manufacturers, such as Prevost, build special units designed specially for conversions. Prevost builds a special bus shell for entertainer conversions. Prevost has been the leader in this concept, which partly explains their dominance as the conversion coach most widely used today.

#### Q: What is a converter?

**A:** A converter is a company that takes a bus shell (no interior) and converts the interior and sometimes part of the exterior into a motorhome, entertainer coach or for some other special purpose, such as a VIP coach, office, recording studio or for sales presentations.

#### Q: Who are the most common converters?

A: The most recognized and largest producers are:

Marathon Coach

Hoffman

Liberty Coach

American Carriage

Country Coach

Vision

Vantaré/Featherlite

Parliament

There are 10 to 15 converters who do 1 to 3 coaches per year. Those listed above are the leaders in bus conversions. These are generally identified as specialty units and are converted for a special purpose such as for an office, a star coach, an entertainer coach, show rooms and also VIP use. Some companies that operate for lease fleets also do their own custom conversions.

#### O: Can anybody convert a coach?

<u>A:</u> It is possible. Most people can arrange to buy a bus shell and then have someone complete the interior conversion for them to their specifications. There are a few of these built each year.

#### O: What about buying an old bus & tearing out the seats to make a motorhome?

**A:** Yes, and each year a few people do just that. This is referred to as a "homemade conversion." It involves a lot of work and usually takes a long time. More often than not, this approach leaves the individual frustrated and left with a coach that they have invested a great deal of money and time in, and which has limited market value. It is true, like building your own home, it can be done for less than a professionally converted coach, but one must consider the cost versus the value. Not much general appreciation or value is placed on this type of conversion.

#### Q: How long can you expect a converted bus to last?

**A:** There is no simple answer for this question. Generally speaking, the bus chassis and shell itself could (depending on care, use and maintenance) can last 20 to 30 years. There are a number of seated buses in service that have a couple of million miles on them. As components such as engines, transmissions, and suspension systems wear out, they are replaced and these buses continue to work. It is not uncommon to see people convert private coaches with 1,000,000 or more miles on them. They are compared to the old rebuilt and restored autos on the road, but these have a somewhat limited everyday use.

#### O: What kind of engines do buses have?

<u>A:</u> 95% of all buses in service today have Detroit Diesel Engines. Older buses have Detroit 6V92's, 671's, 8V71's and 8V92's. Detroit's latest models, mostly after 1994, have in-line 6-cylinder Series 60 Detroit's in them. Series 60 engines are 4-cycle engines, which are the successor to all of the other 2-cycle engines mentioned above, and Detroit has made their engine parts available around the world, which helps make the Detroit Diesel a proven bus engine. Certain manufacturers such as Setra and Van Hool offer Cummins and Caterpillar engines. Cummins and Caterpillars are not yet common in buses. Prevost currently uses Detroit engines exclusively.

#### Q: What about horsepower?

A: Horsepower in bus engines will vary. In very old buses they range from 250 to 325 HP. Newer ones range from 455 to 500 HP. Newer buses have larger horsepower engines because they are heavier than their predecessors. Some typical seated buses simply do not need the extra horsepower, and their owners are more concerned with fuel economy. Since conversion buses typically operate at higher speeds, and are frequently used to tow auto/van trailers behind them, the additional horsepower can be very useful.

#### Q: What kind of transmissions do buses have?

A: All of the newer buses have automatic transmissions, and most of these are Allison transmissions. Many of the older coaches have standard transmissions, 4 or 5 speeds. However a great number of these, especially in motorhomes, have now been converted to automatics which range from 4 to 6 speeds. Six speeds are typically found after 1994 and with Series 60 engines, although you may see other automatic transmissions used in certain coaches.

#### O: How wide are buses?

**<u>A:</u>** Older buses were 96" wide. Models from 1983 and newer are 102" wide, which is the widest legal width allowed.

## Q: How long are they?

A: Some older buses were 32', 34' and 36' in length. Since the late 1970s, most are 40'. The 45' coaches came along in 1993. The 45' (maximum legal length) is the most popular bus conversion. A few seated coaches may be 41', 42' and 43' in length but they are rarely seen in a motorhome conversion. Modern bus conversions are either 40' or 45' in length.

#### O: Do you need a special driver's license to drive your bus conversion?

**A:** The answer is generally no. The exception is when you use the coach for commercial purposes; for that you need a special commercial driver's license. The rules for determining when a coach is being used as a commercial coach vary from state to state.

# Q: Is maintenance on a bus really as expensive as some people say?

A: The maintenance costs for a converted bus that is new or has been kept in like-new condition is actually cheaper than most class "A" motorhomes. It is important to remember that buses are not designed on minimum standards because of their general use in transporting passengers. When the cost of maintenance is measured over a period of time, they are fairly economical by comparison to other high end motorhomes. It is important to remember that these coaches are made to be used in high mileage users. Motorhome users tend to be low mileage users.

#### O: How much can a person expect to pay for annual maintenance?

<u>A:</u> It depends on how much you use it and how many miles you travel. A typical motorhome owner will travel 10,000 to 20,000 miles or less each year. That means service would be as follows:

Service every 10,000 miles which includes:

Change oil

Change air filter

Change oil filter

Change fuel filter

Lube chassis

Various other checks and adjustments

*Usual cost* - \$375.00 to \$475.00

*Yearly Average* -  $$425.00 \times 2 = $850.00$ 

Like any other large vehicle, you can expect to replace items such as tires or batteries at certain mileage intervals, and the above numbers do not reflect such expenses. Tires usually go for 60,000-80,000 miles with proper inflation and care. Converted coaches have many different mechanisms and little things do happen from time to time. Most motorhomes are well cared for and, if anything, they get over-serviced. The only other potentially troublesome things on a converted coach are air conditioning systems, air leaks, electrical systems and electronics. The more you use them the better they seem to operate. You can expect a few of these items to need service or repairs from time to time. If you are even a little bit mechanically inclined, you will not always need professional service to deal with these things.

# O: What is the difference between a bus conversion, a motorhome and a more common fiberglass motorhome?

**<u>A:</u>** There are many differences. The most significant are as follows:

Most buses are designed and built to be used commercially for many years, and in some cases driven for millions of miles. Most motorhomes are fiberglass bodies manufactured and bolted to chassis much like a school bus is built. The bus is a one piece construction that makes the bus sturdier and safer. All buses used for conversion are diesel pushers with large power plants and transmissions. The braking system (air brakes) is very substantial and generally safer, more effective and stronger. The bus with a one-piece construction is by far the safest of all motorhomes. The safety features in buses are of the highest standards, and since their origin is hauling passengers, the manufacturers keep safety considerations at the forefront of those designs. Buses and their safety are also stringently regulated. Buses cost more, but most conversion owners think they are worth the extra cost.

Most motorhomes are one model or another with pretty much the same style and paint scheme. A bus conversion on the other hand is like a portrait, each with its special paint job. Very few are identical and the interiors are all different. Interiors typically use fine fabrics, leathers, cabinet finishes, as well as household (and in some cases) commercial appliances. Most new conversions are 100% electric. This feature contributes greatly to the safety factor of these bus conversions.

#### Q: What about resale value?

A: A bus conversion holds its value very well. There are dramatic differences in the value of class "A" motorhomes and bus conversions. The primary reason for this difference is that there are far fewer bus conversions than class "A" motorhomes. As more people are introduced to this type of travel, the demand for a high quality motorcoach has increased. As a result, it has produced more and more upper end buyers. It is true that the price tag for a new conversion can cost hundreds of thousands of dollars, similar to a new custom designed home with all of the best furnishings. The heaviest depreciation of a new conversion takes place in the first 5 years. There is a large group of buyers who prefer to purchase a used coach, which is what helps to keep the resale market strong. The market for a well cared for bus conversion is very strong. In some cases, we have seen examples of some coaches actually appreciate in value because of the strong

and steady demand. The \$200,000.00 to \$300,000.00 price range is considered an entry level purchase in conversions. Coaches in this price range undergo a less dramatic rate of depreciation.

#### Q: How can you determine the value of a coach?

A: There is not a "Kelly Blue Book" or other regularly published guideline for establishing value for a bus conversion. The reason is that each coach is different and unique. While the converter sets the price of a newly manufactured coach, the price of a used coach is set by the market. The popularity of the style, the coach's condition and overall appeal all contribute to the final price. Take, for example, a 1995 Prevost 45' coach. The price of this coach could vary as much as \$30,000 to \$60,000 on the resale market. The variables are:

Color of exterior paint

Color of interior finish

**Furniture** 

**Fabrics** 

Custom features such as:

**BBQ** 

Type of Cabinets

Washing Machine/Dryer

Carpets and Fabrics

Satellite equipment

Countertops

Custom stereo and sound

Electrical systems

Tank capacities

**Awnings** 

Generator packages

The Converter

Buyers and sellers set prices, much like real estate where brokers, builders and demand influence the value of property. Brokers and dealers as well as demand and availability have the greatest influence on prices of motorhome conversions on the market. Buyers like to relate the value by comparing the price of a used coach with an original new purchase price. Once in a while a bargain comes along. Currently the market is very strong and will likely continue that way, which translates into good news for the buyer and good news for the seller. When you purchase a used bus conversion (depending on certain factors) the opportunity to resell the coach is very viable.

### Q: What kind of financing is available?

**A:** Several financing opportunities are readily available. There are lenders who specialize in these types of loans who will offer different options. These specialty lenders are usually a better source than banks, since they know and appreciate the coaches and their collateral value. Typical terms are 10 to 30% down and as follows:

5 year loan

10 year loan

15 year loan

20 year loan

Interest rates are variable depending on credit ratings and the strength of the buyers' financial condition. In most cases, terms are quick and easy to arrange. Most of the loans do not have prepayment penalties and little, if any, up front charges. Down payments can be as little as 10%.

#### Q: Do these loans and their interests qualify for second home tax deductions?

**A:** Yes, provided you do not already have a second residence or some other type of vehicle or boat that is being used as a deduction (the IRS limits one per household).

# Q: Are these big coaches easy to drive?

**A:** Yes, it is very easy. Most people can easily learn to drive and operate these coaches and feel very comfortable and safe doing so. Usually, a few hours of instruction are all you will need to get started.

### O: What advise do you have for a prospective purchaser?

A: Find a coach (new or used) that fits your needs, satisfies your taste and is in the price range that you can afford. Make sure the coach is in sound condition. You will probably have to make some compromises if you purchase a used coach. The compromises may be worth the reward in terms of dollars you have to spend to get certain things you want in a coach. It is important to remember that if the floor plan is good, the coach is sound, the conversion is professionally done and the coach can be purchased at a fair price, your search should be over. You can make many decorating and accessory changes to suit your taste after you get the right coach. In many cases you can save thousands of dollars by buying a coach that needs minor changes for your taste. We

recommend you move quickly to purchase when you find a coach that meets the above criteria. We frequently have to tell people that the coach they looked at and loved has been sold before they could make up their mind to purchase. Remember there are not thousands of these for sale! There may be only one or two hundred across the country at any given time.

#### Q: Where can we find a good used converted coach for sale?

**A:** It is not as easy as you might imagine. The most common ways are:

Manufacturer's trade-ins- Most converters will market their late model trade-ins. You may contact them for a list of available coaches and might need to travel to their location to see them. They may also have consignments for sale. Most will have websites with a lot of information.

<u>Private individuals-</u> Some private owners will occasionally attempt to sell their coach, not trade it in or accept the conversion trade value placed on their coach by the converter. There could also be many other personal reasons to sell. These are somewhat difficult to locate. Considerable time, travel and expenses can be incurred in this type of search for a coach.

<u>Coach locators-</u> There are people who make a business out of keeping track of individuals selling their coach. They operate a referral service and will refer you to the seller. If you buy an individual's coach, they pay the locator a commission. You will have to deal with the owner and you are on your own to determine the value, condition etc. regarding the coach.

Consignment/Broker- This is the category that Desert West Coach Service falls into. We are licensed brokers. We generally accept on consignment high-end conversions and other specialty vehicles from private or corporate owners and market these coaches at our location in Phoenix. In these transactions, we represent the buyer and the seller. We provide advice to the seller as to the value of the coach, determine the overall condition, and advertise the coach for sale. Most of the coaches we offer are at our location to be seen. All of these coaches have an offering price, and can sometimes be purchased for less. It is important to note that we encourage sellers to be realistic on their price, and purchasers to be realistic on offering prices. The difference between asking and selling on used coaches is very narrow when compared with the difference between a new coach's list price and its ultimate selling price. If you have ever bought or sold real estate property, you will understand from this experience how converted buses are bought and sold. There many similarities to buyers in real estate.

<u>Dealers-</u> There are a few RV dealers around the country that will market bus conversions or who acts as the converter's exclusive sales agent. These are dealers who sell new coaches, take trade-ins and have some used coaches for sale. The internet has also become a good way to get some general ideas of what is available in different locations.

# O: Will Desert West Coach Service take a trade-in on one of its consignment coaches?

A: Some of our sellers will trade if they think it can be sold quickly or if they think the trade-in is something they may want to keep. We frequently will take your trade-in and try to find a retail buyer for it, which will usually allow you to get more for your trade. Occasionally though, it is possible for us to find a wholesale buyer who will come forward to purchase your coach.

#### Q: Do you take a fee from the buyer?

A: No, the seller pays the brokerage fee, usually a flat fee.

#### O: What about warranties on a used conversion?

A: This depends on the age of the coach. If it is a new coach (or nearly new), the coach manufacturer will usually honor the original warranty, which is 200,000 miles or two years. Most converters have a two year limited warranty on the conversion. Many do not extend this warranty to the second owner. A buyer can be fairly confident that he will not encounter any major expense for repairs or failures due the quality and design of the coach when built. There are many buyers who feel that used coach is to some degree more reliable than a new one. Most manufacturers' bugs, mistakes and flaws have been resolved and this saves the new buyer from the inconvenience of dealing with those issues. Some of the items (appliances and accessories) used in the conversion have extended warranties that are longer than the converter's warranty and will be honored by those manufacturers.

Because of the workmanship and the demonstrated reliability of a converted bus, the idea of having a warranty is not that important. Extended warranties are expensive and the premiums for such a warranty, in all likelihood would exceed any warranty expense you might have to deal with. Extended warranties are not generally available on a used bus conversion, but might be. It is important to understand just what is obtainable and what is not.

# O: Where can I get changes and improvements made to the coach I want to buy?

A: We can accomplish almost anything you want to do, within reason, here at Desert West Coach Service. You can also have a conversion company do any improvement you may need done. You are not limited to any of the above. Certainly there are other options depending on your location.

If there are questions that you may have that were not answered, please give us a call; we will be more than happy to help. Our philosophy is that we are here to help you become more informed about conversion motorcoaches and high end motorhomes. The more informed you are, the easier it is to assist you. If a used coach is in your future, we hope you will contact us to see if we have the right coach for you.