

# The superyacht sales book

## Brokerage Review 2015

Camper & Nicholsons data is based on sales of yachts over 30 metres with figures in the public domain. Our Market Intelligence division and brokers keep an eye on the market in order to be able to provide clients with the most informed market analyses of both published and unpublished intelligence.

## Review 2015

### 268 superyachts sold in 2015

In 2015 268 superyachts over 30 metres were sold, with a length totalling 10,667 metres. Compared to the 271 superyachts sold in 2014 and 242 in 2013, this shows a picture of stability in a landscape reshaped by the global financial crisis. Looking back on the past five years, we can see that in 2011 there were 205 yachts sold, yet the 23.5% rise in the number of yachts sold in 2015 compared to 2011 has not resulted in a rise in the total value of superyachts sold, which in fact has decreased by 34.5% since 2011. However, a large proportion of this is due to exchange rates with the strengthening US Dollar which has made Euro priced yachts worth 17.5% less in 2015 compared to 2011 when expressed in US Dollars.

**“The superyacht brokerage market has shown signs of recovery for the past few years, with the number of sales in 2014 and 2015 increasing significantly since the economic downturn of 2008. Pressures on prices remain steady, and realistic valuations and competitive asking prices were rewarded with successful sales, fuelling confidence in the market, a confidence which remains today. Although still a buyer’s market, most good value quality yachts are in demand.”**

Alex Lees-Buckley  
Camper & Nicholsons sales broker

### Superyachts sold in 2015 valued at \$2.68 billion

The total value of all motor and sailing yachts (30m+) sold in 2015 is estimated at \$2.68 billion with an average value of \$10,002,689 per yacht. Despite the number of yachts sold remaining almost level between 2014 and 2015, the total value decreased by 17.6%. However, as previously explained, a large proportion of this was because of the strengthening US Dollar which has made Euro priced yachts worth 13% less over the course of the year when expressed in US Dollars (the Euro priced yachts representing approximately 60% of the fleet).

**“Currencies are both a cloud and silver lining - depending on where you are coming from. If you are dollar based or the equivalent (any currency pegged to the US Dollar like the Hong Kong Dollar, or even the Saudi Riyal), the Euro priced vessels are far more attractive. These currency fluctuations are creating some interesting dilemmas for both sellers and buyers. Even the most bullish of sellers is now getting the message that the right reaction to headwinds is not to ask more than the market will pay.”**

Michael Payne  
Camper & Nicholsons CEO

### 2015 saw a decrease in the number of sailing yachts sold

Of the 268 superyachts sold in 2015, there were 249 motor yachts and 19 sailing yachts. These 249 motor yachts had a total length of 9,961 metres, with sailing yachts totaling 706 metres. Comparing the number of yachts sold in 2015 to the previous years sales, we can see a large difference in the number of sailing yachts sold - a 45% decrease year on year - while the number of motor yachts sold remained almost the same.

**“The sailing yacht market has always been difficult to predict as the numbers involved are relatively low. However, it is fair to say that 2015 was certainly not a good year for this market sector. With that said, the end of 2015 did see the sale of the 52m *Red Dragon* and the first month of 2016 the sale of the 57.5m *Twizzle* - both significant transactions that show some level of confidence in the larger end of the market. But across the market overall supply still far outweighs demand and with new orders down from 16 in 2014 to 13 in 2015, the market continues to remain exceptionally competitive with sellers needing to appreciate the lack of qualified buyers available and the need to be creative and pragmatic to get deals done.”**

Simon Goldsworthy  
Camper & Nicholsons sales broker



Preview 2016

Already, the number of yacht sales are up in 2016 compared to 2015, with 20 yachts sold in January 2016 compared to 17 in January 2015. We are far from Panglossian but our sense is that the market later this year will be stronger than many think. Sellers are pricing accordingly and we think that those with a long term plan will bite the bullet and get on with buying their dream yacht.

The average size of motor yacht sold in 2015 remained the same as 2014 at 40 metres. Interestingly the average length of sailing yacht sold decreased by 2.3 metres over the same period from 39.3 metres to 37 metres.

Section 1: Yacht sales in numbers

YACHTS SOLD IN 2015

249

MOTOR YACHTS



19

SAIL YACHTS



SUPERYACHTS

2015

10,667m 39.8m

TOTAL LENGTH OF SUPERYACHTS SOLD

AVERAGE LENGTH

2014

11,022m 40.4m

TOTAL LENGTH OF SUPERYACHTS SOLD

AVERAGE LENGTH

MOTOR YACHTS

2015

9,961m 40m

TOTAL LENGTH OF MOTOR YACHTS SOLD

AVERAGE LENGTH

2014

9,724m 40.5m

TOTAL LENGTH OF MOTOR YACHTS SOLD

AVERAGE LENGTH

SAILING YACHTS

2015

706m 37m

TOTAL LENGTH OF SAILING YACHTS SOLD

AVERAGE LENGTH

2014

1,298m 39.3m

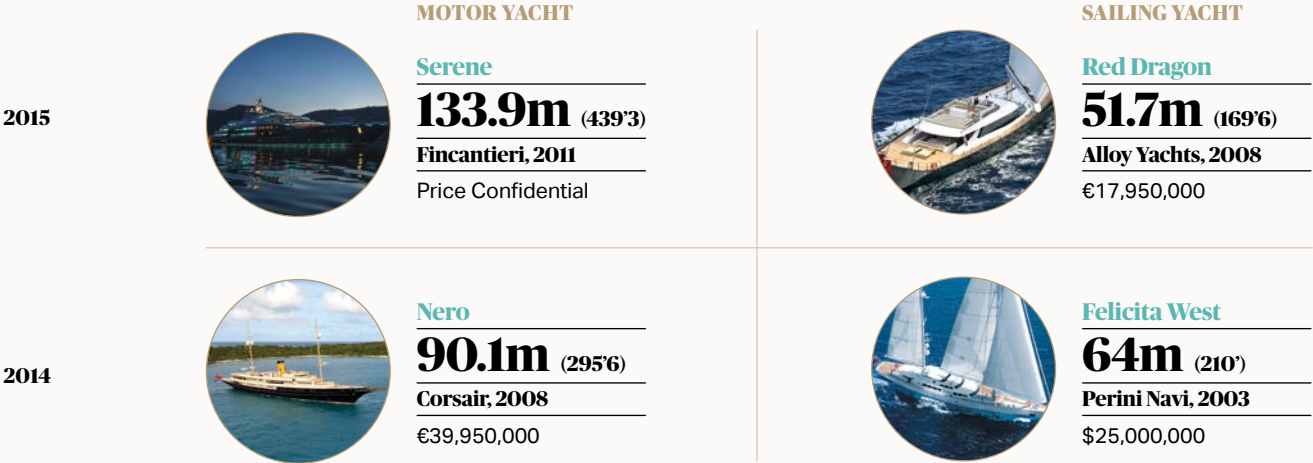
TOTAL LENGTH OF SAILING YACHTS SOLD

AVERAGE LENGTH

Source: Camper & Nicholsons

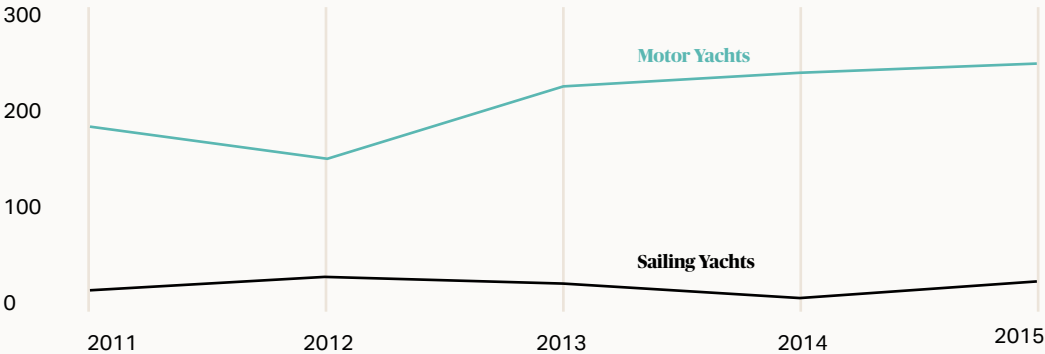
LARGEST YACHTS SOLD

Source: Camper & Nicholsons. Asking prices at time of sale.



YACHT SALES YEAR ON YEAR

Source: Camper & Nicholsons

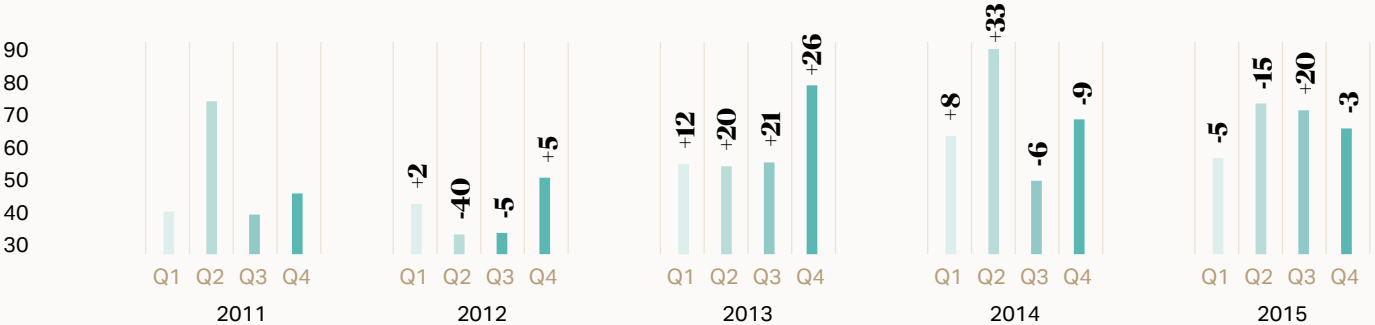


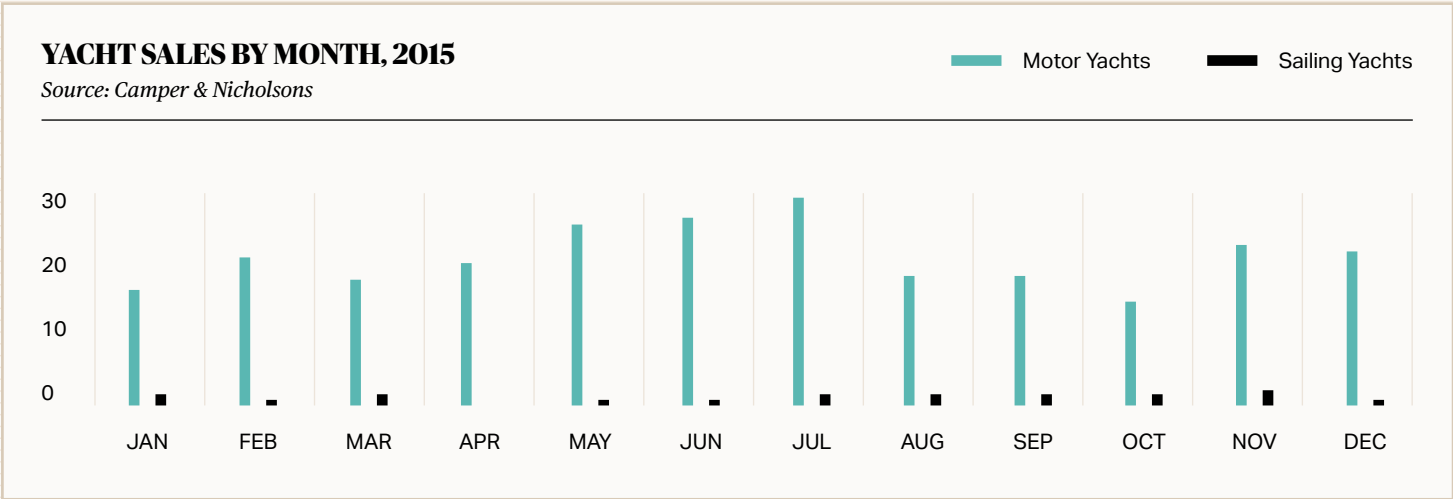
The brokerage market in 2015 shows a picture of stability

NUMBER OF YACHTS SOLD BY QUARTER

Source: Camper & Nicholsons

+ and – based on the same period of the preceding year



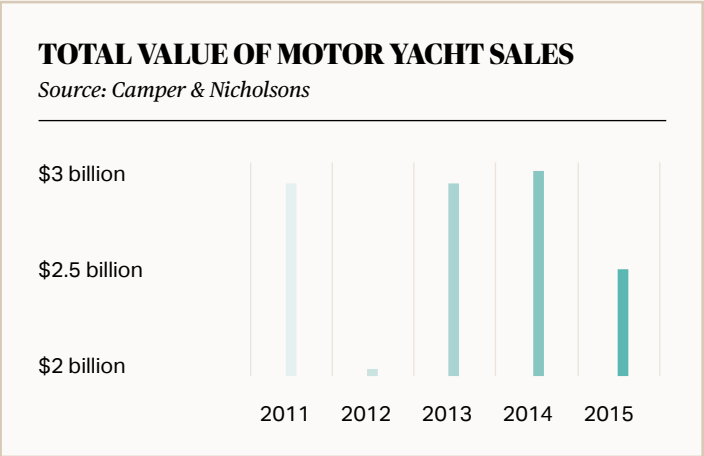
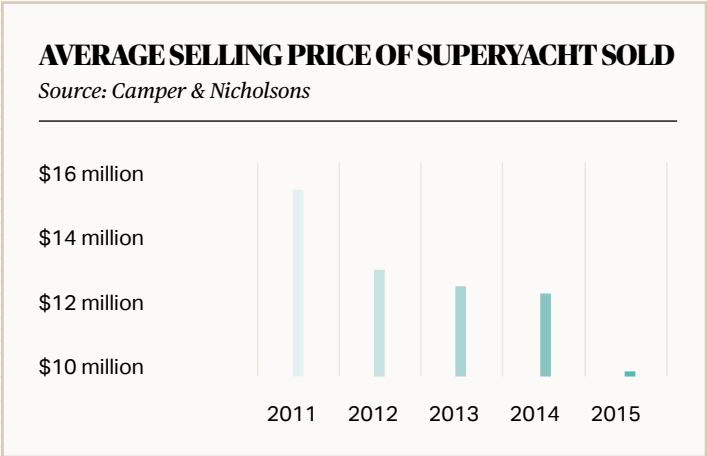
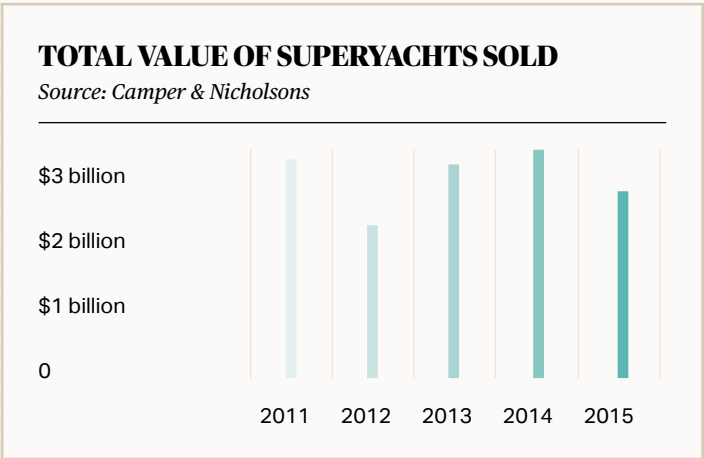


Section 2: Yacht sales in value

\$2.68 billion

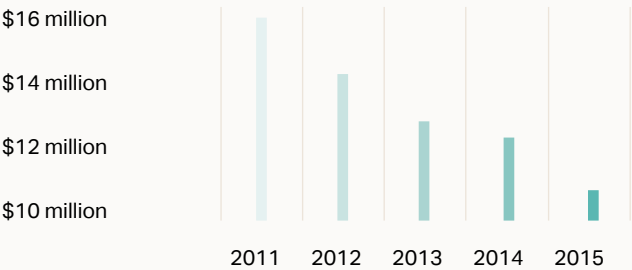
VALUE OF ALL YACHTS SOLD IN 2015

The total value of all motor and sailing yachts (30m+) sold in 2015 was approximately \$2.68 billion with an average value of \$10,002,689 per superyacht.



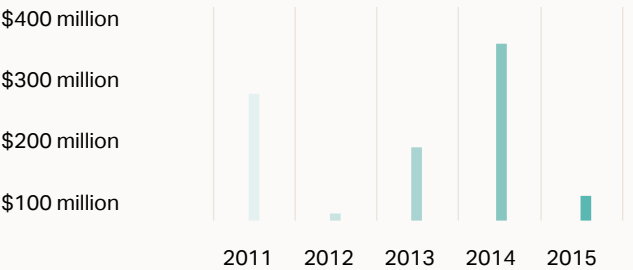
AVERAGE SELLING PRICE OF MOTOR YACHTS

Source: Camper & Nicholsons



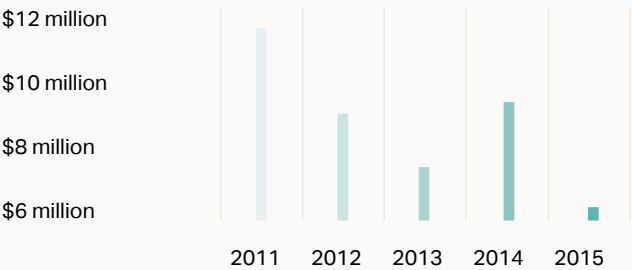
TOTAL VALUE OF SAILING YACHT SALES

Source: Camper & Nicholsons



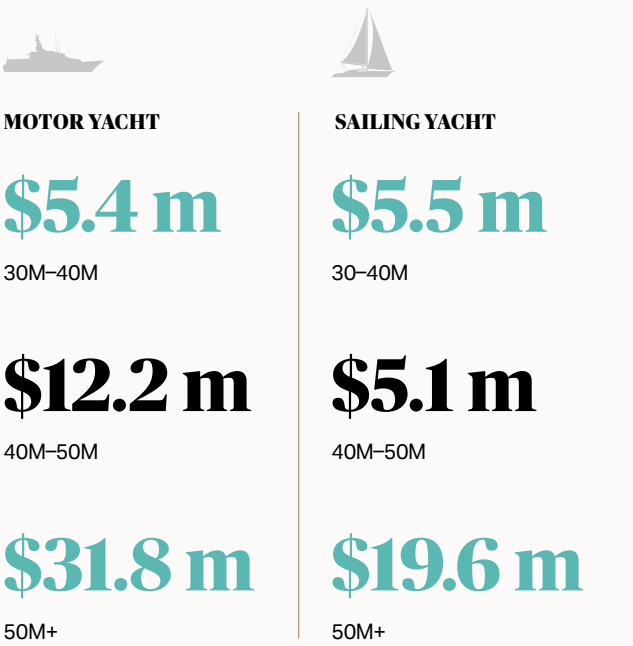
AVERAGE SELLING PRICE OF SAILING YACHTS

Source: Camper & Nicholsons



AVERAGE SELLING PRICE BY SIZE 2015

Source: Camper & Nicholsons



\$10.8 m

AVERAGE SELLING PRICE,  
MOTOR YACHTS 2015

\$6.4 m

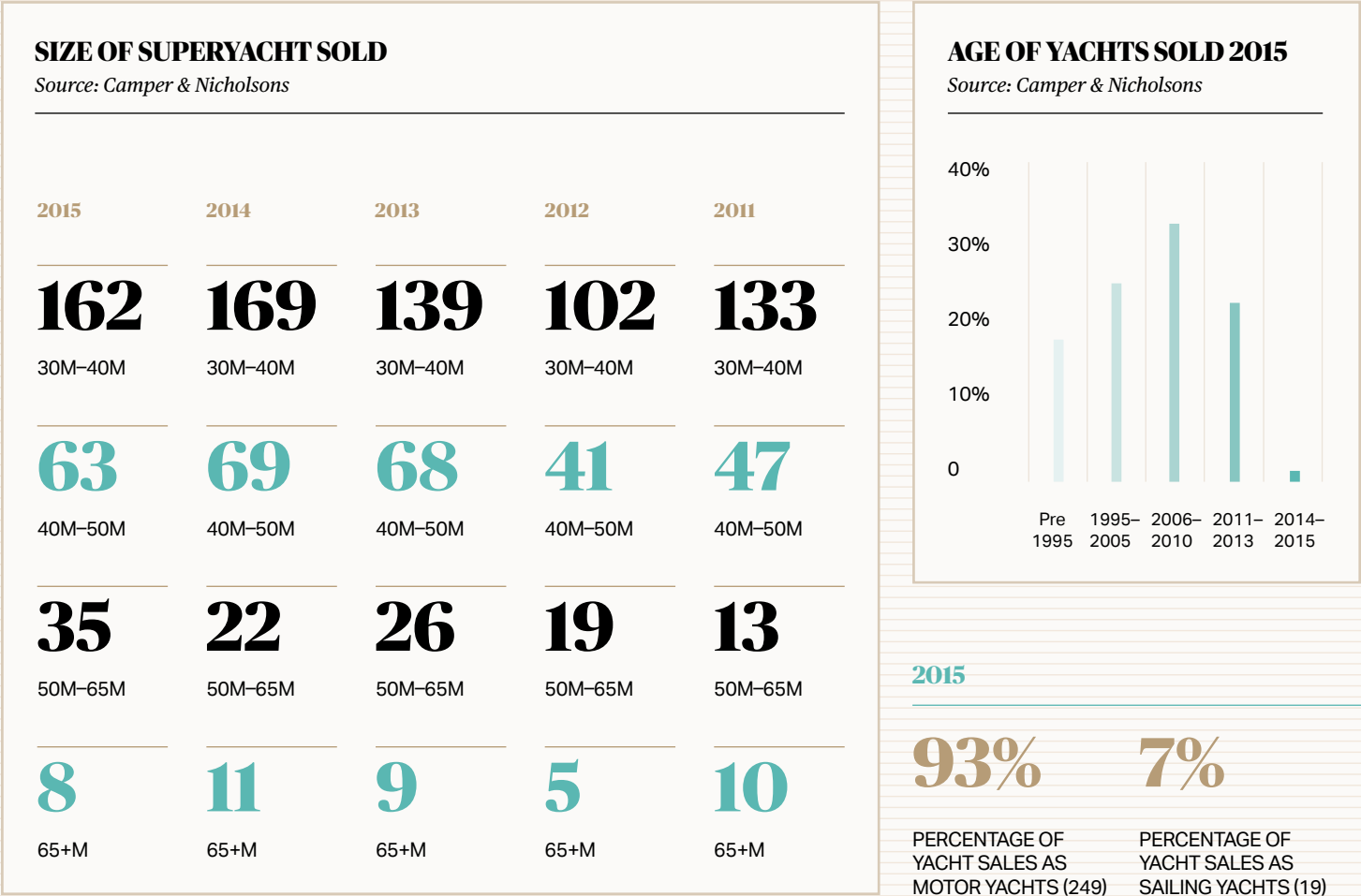
AVERAGE SELLING PRICE,  
SAILING YACHTS 2015

The average selling price of yachts sold between 2011 and 2015 declined by 34.5% yet the number of sales has increased by 23.5%. However, a large proportion of this is due to exchange rates with the strengthening US Dollar which has made Euro priced yachts worth 17.5% less in 2015 compared to 2011 when expressed in US Dollars.

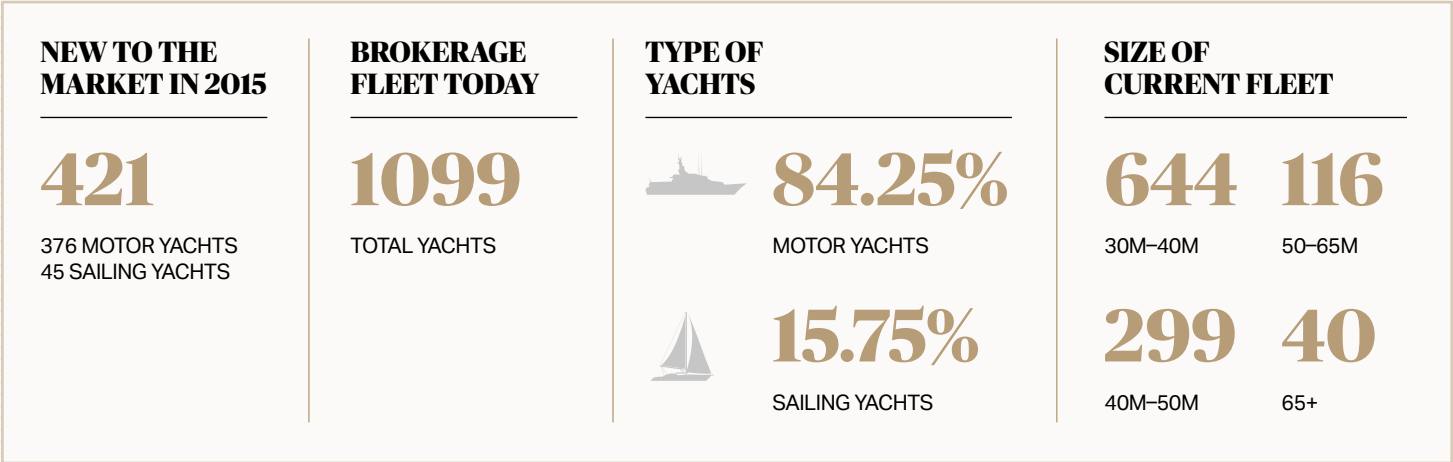
A motor yacht is a stable cruising platform with plenty of space for luxury on deck facilities, they can be fast or leisurely cruisers and come in a variety of shapes and sizes.

A sailing yacht may differ in terms of rigging, power and performance. A sloop is the most common boasting a single mast, while a ketch has a mizzen style rigging comprised of two masts. A schooner has two or more masts, and a cutter generally has multiple sails. The latter two are rarer rig types on the superyacht market.

Section 3: Yacht sales in type, size and age



Section 4: The brokerage fleet



# The superyacht charter book

## Review 2015

In all instances we have watched the rise and fall in fortunes of businesses within the industry. When the global recession first struck we were still relatively protected as charterers continued taking holidays, but as the effects hit home, our industry slowed.

As we entered the second decade of the new millennium, charter started to recover - a recovery which continues to this day, with charterers booking yachts earlier in the year to avoid disappointment. There is still a dearth of good quality yachts available to charter, but with slowly improving new build deliveries, it is hoped that charterer satisfaction will be fulfilled.

All the below comments relate to pre-recession and the current day. Data is taken from the preceding tables.

### Value & numbers

2015 saw an increase on the number of charters booked over the previous year, with the value of charters and revenue up by corresponding amounts. Comparing 2015 to the boom years of 2007 and 2008, before the recession, we can see that the number of charters decreased during that period. Market recovery was slow across the globe, but with each subsequent year since 2008 the industry has seen a steady increase back towards pre-recession figures. Exchange rates with the strengthening US dollar has made Euro priced yachts worth less in

2015 than in 2007 and 2008. During the past 10 years the average value of a charter ranged between \$115,500 - \$190,000 per week. The higher number indicates the industry's most successful year of 2008 when, despite the number of charters being slightly lower than previously, revenue was up.

Camper & Nicholsons charter broker Barbara Dawson provides an insight into the charter market in 2015, "We witnessed a high level of charter activity during the summer season in 2015 with the number of bookings heading towards the peak numbers we saw in 2007. We found that clients who had previously been waiting for last minute charter offers missed out as during the peak summer months of July and August almost all charter yachts over 40m were booked. Charter rates, however, remained static and continue to remain so for 2016, though we have seen a significant decrease in the number of discounted rates for 2016."

### Nationalities chartering

Over the past six years we have seen an increase in the number of nationalities chartering, with the South Americans enjoying a resurgence in chartering. The Americans have increased their hold on the charter market and now represent nearly

half of all nationalities booking charters. Of other nations, we have seen a slight decrease in UK and Russian bookings, but the former is on the increase, climbing back towards their peak.

The Saudi market is another area of significant change, doubling their interest in chartering taking the place previously held by Russia.

Europe remains a steady market with Switzerland, France, Monaco and Spain all maintaining their averages.

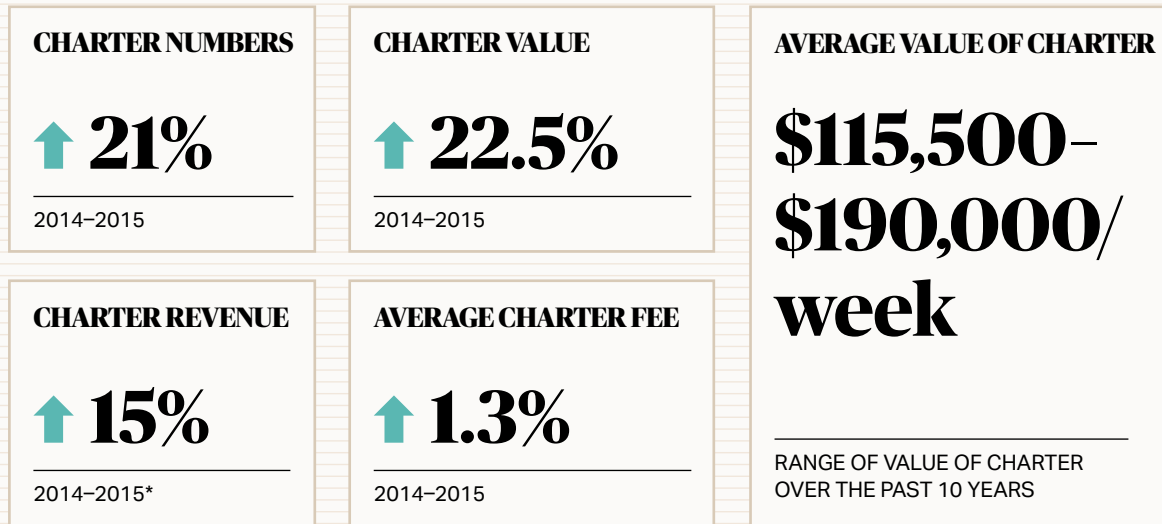
### Cruising grounds

Traditionally, the West Mediterranean has always been the most popular cruising ground, but this is now changing. There has been a slow decline in charters in the area as more exotic locations become accessible, including Antarctica. This will always be a niche market, because of the ice-breaking hull requirements, but charterers are becoming more adventurous in their choice of destination.

The Caribbean and the Bahamas remain a constant in terms of popularity as both areas favour a means to escape northern hemisphere winters.



## Section 1: Values & numbers



Source: Camper & Nicholsons

\* Though charter numbers and value were up by more than 20% the revenue was up slightly less due to exchange rates with the strengthening US Dollar which has made Euro priced charter yachts worth less when expressed in US Dollars.

The East Mediterranean has fluctuated more, with its stunning scenery versus political situation, each vying for control, but on balance it's an area improving in popularity.

### Size & type of charter yachts

When looking at the type of yacht chartered we can see that there is a similar split between the fleet of yachts available to charter and the type of yacht booked. This split between motor and sailing yachts has remained pretty constant over the last six years. It is also in correlation with the current brokerage market.

The size of yacht chartered also remains relatively stable, with equal divisions between over 40m / 30–40m / and under 30m yachts.

### Preview 2016

January and February can be pretty gloomy at the best of times. This year, however, the charter market has a spring in its step and the summer season is already looking strong. Head of Charter, Barbara Dawson comments, "Towards the end of 2015 we were already receiving a high level of charter enquiries for the 2016 Mediterranean season and a number of advanced bookings."

Based on the knowledge that the high season months of July and August 2015 saw numbers peak, the message is clear - book early to avoid disappointment. For those with a little more flexibility on dates then the best deals can be found in June and September, which are also great months for chartering if you want to avoid the crowds.

**"We witnessed a high level of charter activity during the summer season in 2015 with the number of bookings heading towards the peak numbers we saw in 2007."**

**Barbara Dawson**  
Camper & Nicholsons  
Senior Charter Broker

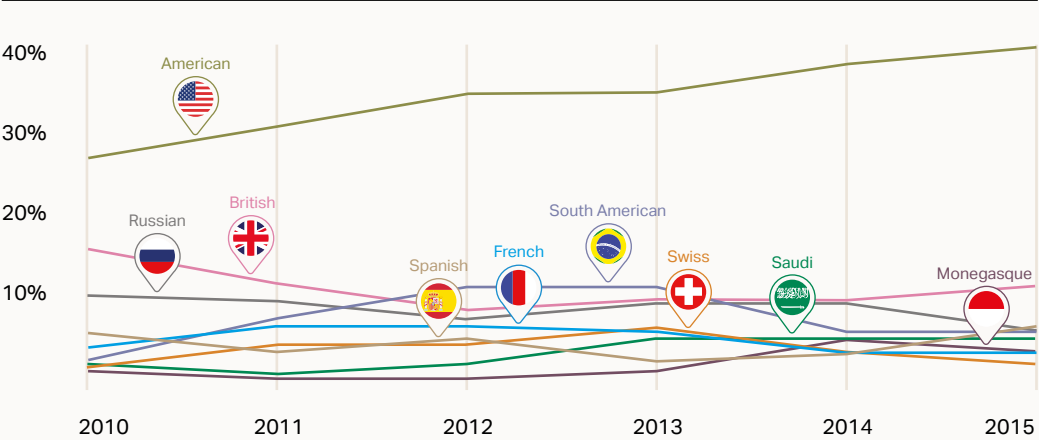


Section 2: Nationalities chartering

Percentages shown are accurate at the time of compilation. Any difference is taken by the 'also rans' which do not appear in these lists.

CHARTERS BY NATIONALITY

Source: Camper & Nicholsons



The nationality of charter clients reflected the political and economic headlines of 2015. The American market is buoyant, helped by the exchange rate and general economic climate, while the Russian market is down due to the exchange rate, plus the economic and political situation.

RELATIVE CHANGES (2015 ON 2014)



Section 4: Size & type of charter yachts

TYPE OF YACHTS CHARTERED

Source: Camper & Nicholsons

YEAR	MOTOR	MOTOR/SAIL	SAIL
2015	82.18%	0.3%	17.52%
2014	83.53%	0.6%	15.87%
2013	82.57%	0.29%	17.14%
2012	84.35%	0.32%	15.34%
2011	82.83%	0.83%	16.34%
2010	77.13%	0.8%	22.07%

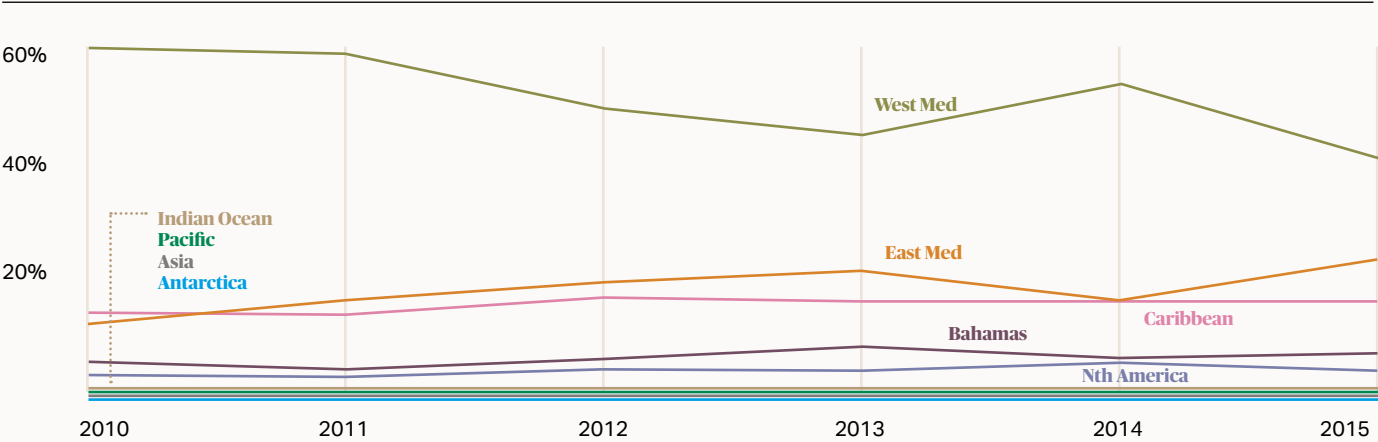
2015  
33.66%  
YACHTS 40M+  
37.62%  
YACHTS 30M-40M  
28.71%  
YACHTS UNDER 30M

Section 3: Cruising grounds

Percentages shown are accurate at the time of compilation. Any difference is taken by the 'also rans' which do not appear in these lists.

CHARTERS BY CRUISING GROUND

Source: Camper & Nicholsons



RELATIVE CHANGES (2015 ON 2014)



SIZE OF YACHTS CHARTERED

Source: Camper & Nicholsons

YEAR	OVER 40M	30M-40M	UNDER 30M
2015	33.66%	37.62%	28.72%
2014	36.23%	30.54%	33.23%
2013	42.29%	34%	23.71%
2012	36.42%	38.98%	24.6%
2011	36.01%	36.84%	27.15%
2010	36.7%	37.77%	25.53%



**M/Y Galactica Star**  
65m | Heesen Yachts



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**“The new generation take a much more pragmatic view and think of any property in terms of their own personal lifestyle and whether it suits it.”**

**Paddy Dring**

Head of International Residential, Knight Frank

## **The changing luxury landscape**

**There is a new generation of UHNW individuals that’s radically changing the face of luxury. A lot of this change is being driven by a transfer of wealth among the top tier of UHNW from the older generation to the younger one. The fastest growing segment of the billionaire population, in terms of wealth source, are those who inherited only part of their fortunes and became billionaires through their own endeavours.**

The fact that the experiential luxury sector consistently out performs any other sector of luxury goods is testament to a fundamental change in attitudes. It means that the ultra wealthy have shifted from the acquisition of goods to savouring unique experiences that no one else can have - and that are completely tailored to one’s personal tastes.

Why? Hunting for unique experiences makes a person unique, much more than owning material goods. Plus experiences will be different each time - which is exactly what the UHNW of this generation are looking for.



## ANNUAL UHNW SPEND ON LUXURY

Source: Wealth-X

Total Annual UHNW Spend: \$234b / Share of Luxury Market 18.9%



## The quest for luxury

Globalisation has created a greater awareness of what luxury is and where it can be found. It means that the ultra wealthy now go that little bit further in seeking out truly extraordinary experiences - and making them unique by tailoring them to their tastes. There are three main influencing factors for a luxury experience to be relevant and enjoyable: time, privacy and personalisation.

### Time

As we've seen, the UHNW are often entrepreneurial individuals. 63% of all billionaires' primary companies are privately held. And if a billionaire wishes to cross the \$10 billion threshold, they would have to do so through hard work and perseverance: 97% of billionaires worth \$10 billion or more have made part of all of their wealth themselves. While 89% of all billionaires are married with families of their own.

This makes time a precious commodity, if not a luxury in itself. And so a distinct need emerges to eliminate any obstacles which can be seen as inconvenient and time wasting in the pursuit of luxurious leisure.

### Privacy

UHNW individuals tend to value and guard their privacy with ferocious intensity. From private islands to private jets, the overall tendency is to spend time with friends and loved ones behind closed doors. Billionaires, after all, tend to cluster in high density metropolises like Moscow, Hong Kong, and London, which could account for the need to be away from prying eyes.

### Personalisation

In the quest for the extraordinary, the UHNW are using their privilege to personalise experiences to their unique tastes. This trend is being seen more and more across the luxury market. In the fashion world, for instance, this can translate into looking behind the curtain, where you see how collections are formed before they hit the catwalk - then being able to purchase a highly personalised and unique item. It's an approach being embraced by brands across the luxury spectrum.

97%

Percentage of the world's billionaires worth \$10 billion or more who have made part or all of the wealth themselves

34%

Percentage of the world's billionaires based in the top 20 billionaire cities

TOP 20  
BILLIONAIRE CITIES

Source: Wealth-X

 **103**  
NEW YORK

 **28**  
MUMBAI

 **85**  
MOSCOW

 **26**  
TOKYO

 **82**  
HONG KONG

 **25**  
LOS ANGELES

 **72**  
LONDON

 **25**  
SHENZHEN

 **37**  
BEIJING

 **23**  
GENEVA

 **36**  
SÃO PAULO

 **21**  
MEXICO CITY

 **35**  
ISTANBUL

 **21**  
MADRID

 **34**  
DUBAI

 **21**  
SHANGHAI

 **33**  
PARIS

 **21**  
TAIPEI

 **32**  
SINGAPORE

 **20**  
RIYADH

INDUSTRY INSIGHTS

 Key insights from leading industry representatives

“Whether it be a product or a service, there’s a never ending quest for the next most extraordinary luxury experience”.

Paddy Byng  
Chief Executive Officer, Linley

“There is a desire for simplicity with excellence. Individuals want the superyacht experience to be effortless, refined and unobtrusive. Essentially, that is the essence of luxury.”

John Leonida  
Partner, Clyde & Co.

“No time is lost on board a yacht – and that is true luxury.”

Concierge Executive  
Anon

“Yachts are being used more and more as a way of finding that level of privacy to do whatever it is you enjoy, without it being documented.”

Julian Farrow  
Art, Luxury and Lifestyle Advisory

“Time is the only real currency now. Luxury means dealing with the very best, the experts, to make sure that none of your time is ever wasted. That is true luxury.”

Sacha Williams  
Director of Charter Marketing,  
Camper & Nicholson

“A yacht provides exclusivity, the chance to be where no one else is at that time, and enjoy the different elements of nature – cliffs, beaches, sea, sky, etc... all those things which make it magical.”

Tom Leyland  
Operations Manager, West Nautical