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"Now the hull takes just one swipe of a brush dipped in the water to clean it, and no soap at all!" — Captain Rocka Romcke, S/Y Mirabella V

"We do not even need to use soap and a simple Wipe with a brush or glove returns the surface to its original brilliant finish!" — Captain Jonathan Adeline, M/Y Gforce

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We can see you, ‘Player’

It’s time to say it: there are too many bad clients circulating in the superyacht market. While brokers the world over are being raked across the coals, and the unsuccessful ones have left the industry altogether, the remaining ones — largely excellent negotiators, knowledgeable and experienced in the ways of buying and selling expensive emotional assets — have too often been wasting time on clients who just don’t tell the truth.

I’ve heard for years the complaints levelled at brokers themselves. Some may be warranted — and we’ve dealt with nearly all of the publishable issues in these very pages over the years — but, so far, we have not addressed the issue of the bad behaviour of new buyers. Here we’re talking about clients who simply aren’t truthful about how much they’re willing to actually spend on a yacht. They may approach a broker with a price bracket in the €20 million range and then when the options are lined up, suddenly insist that they won’t spend more than €9 million. It’s a pointless way to do business, a waste of time and fundamentally damaging to the market to have brokers working on deals that will never be made.

Several brokers told me recently that they’ve seen what we’ll call ‘player’ clients, those who get brokers working hard on deals that they have no intention of following through on.

They’re willing to actually spend on a yacht. They may approach a broker with a price bracket in the €20 million range and then when the options are lined up, suddenly insist that they won’t spend more than €9 million. It’s a pointless way to do business, a waste of time and fundamentally damaging to the market to have brokers working on deals that will never be made.

Last year at the Monaco Yacht Show, we published the pilot edition of The Superyacht Owner magazine and then this spring launched its companion, TheSuperyachtOwner.com. At Monaco this year, you’ll see the expanded offerings and capabilities that we’re delivering after a year of really connecting with and providing insight for superyacht owners and clients. Throughout that process, we’ve interviewed fascinating individuals who’ve been clear and candid about their experiences, whether they involve new builds, refits, voyages, operations or expenses. As a media group, we understand and respect owners’ requests for anonymity when requested, and we understand that some of the finer details of purchase price, for instance, are sensitive issues that some owners would rather not disclose.

However, in recent conversations with many brokers, after they’ve provided me with their rosier version of things, I usually hear the complaint that there are too many unscrupulous and disinterested buyers. Several brokers told me recently that they’ve seen what we’ll call ‘player’ clients, those who get brokers working hard on deals that they have no intention of following through on. “People who want to buy a yacht today are working with brokers who are being extremely sharp and doing everything they can to retain their clients,” one of my sources told me. “Whoever buys a boat now can be certain that their broker is working their ass off.”

It’s normal in this business for buyers and sellers to play the game while looking to buy or sell; in some cases, the deal-making is very much part of the enjoyable experience of yacht ownership; but when clients aren’t clear about their intentions, it can end up in a very bad situation for the parties involved.

Clients approach brokers and have every opportunity to check their references, their professional affiliations and memberships, and to gauge for their own sense of security the trustworthiness of their chosen
brokers. Brokers will be given a target purchase price that the client says he’s willing to pay, and will then start researching yachts that meet the client’s requirements, if he or she feels it’s an achievable task. It’s up to brokers to decide to work with a client or not, based entirely on their requirements and criteria. When clients lie about those criteria, or they play several brokers at once thinking they’re somehow going to get a better deal, it affects brokers’ ratio of income to work-hours, artificially increasing risk and reducing recompense. It’s not just tricking a single broker, it’s potentially affecting the breadth of the market if these kinds of clients are indeed as numerous as they anecdotal appear to be.

The question is, how do you get the measure of an inherently obscure constellation of superyacht buyers? And once you do, how do you help them make the best decisions they can – for themselves – and in the interests of a sustainable marketplace? Even if they are not numerous, but rather limited and notorious, it remains in the interests of the wider marketplace for superyachts that these potential owners are at the very least aware that they will very quickly be recognised as bad clients, which ultimately harms their ability to negotiate a favourable deal in the end.

How do you get the measure of an inherently obscure constellation of superyacht buyers?

However, as I’ve seen happy clients on both sides of a deal who know that they worked their broker hard for the price they wanted, it’s clear that this game of negotiation remains a cultural issue. Entering into the purchase of a superyacht means walking into a set of rules (the legal matters of the deal) and conventions (the usual way of doing things, which flex and shift according to those involved). Plenty of buyers are the kind of people who don’t stick to convention, who’ve made their millions by thinking differently and finding shortcuts that pay off. And that’s great: the best brokers are the kinds of people who are intuitive and flexible and know how to adapt to their client’s needs.

What’s lacking perhaps – and this may be an issue wider than the superyacht market – is a globally understood set of business practices that work to enable clear, transparent trade, and which allow buyers the freedom to shop widely, choose whom they wish to work with, and ultimately get the best deal – without having to deliberately mislead those who are supposed to be working in their interests.

If all goes well, this year’s Monaco Yacht Show will turn up many new clients. We hope to bring them in to the market, and retain them, with the breadth and quality of service that this industry works so hard to provide.

To comment on this article, email issue137@superyachtreport.com with subject: We can see you, ‘Player’
Readers’ Comment

RESPONSE TO ISSUE 134 – EXPLORER YACHTS: THE REAL MCCOY?

Congratulations to Justin Ratcliffe on an excellent feature in issue 134, a well-written piece which nevertheless provokes debate on a segment of the yachting industry that, in my opinion, continues to enjoy not only viability but also a history far greater than Justin’s work reveals.

The opening statement that explorer yachts are a burgeoning phenomenon would lead us to believe that this is a new and flourishing sector while they, in fact, have been around a very long time. Yachts, from small cruising sailboats to the largest motor yachts of the day, have circumnavigated and explored for over a century. The repurposing of vessels along with custom building to meet a particular owner’s intent for extended cruising has been successfully achieved by generations of builders.

Just a relatively small peek back in time and we can conjure up names such as Columbus, Magellan, Raleigh, to name a few of many explorers who during the last 500 years raised funds to embark on expeditions to far off lands. All had ‘expedition’ vessels in common, 500 years of men who chartered or built ships for exploration. Now, admittedly most of these expeditions were made on the promise of fame and riches and while today there aren’t any new lands to discover, there is a whole host of unique things to do and see on our planet that can allow the more adventurous owner an immense sense of freedom and satisfaction.

With modern and reliable transportation and communications systems effectively ‘shrinking’ the globe, an owner can cruise remote places and still be in touch with home base in an instant when the need arises. Cruising in remote destinations can be far more rewarding for most than hanging out for another season (again) along the Riviera.

One focus Justin’s feature lacks is the need for support. Understanding the owner’s dream and intentions is critical for success of the build or refit and subsequent cruise or mission. Research of local regulations and facilities, recommendations for guides with local knowledge, equipment logistics and advanced security arrangements are a few examples of shoreside owner and vessel support services that will have a positive impact on the owner’s experience. As Captain Walsh points out, the perception of the local population in cruising grounds become less focused on wealth when a vessel has a more commercial looking exterior. This is a fact that would remain true no matter the ethnicity or culture of the owner. After all, would the locals really care what nationality the owner is when they see a gleaming motor yacht anchored off their shores or moored in their harbours? Over the years there have been numerous examples of vessels with commercial looking exteriors with yacht quality interiors; perhaps this old trick has more value in today’s turbulent world?

We believe helicopters will continue to play an important role in the future for exploration yachts. Landing, carriage, maintenance and fuelling facilities go hand in hand with the ability to carry such transportation and it remains important for this to be a consideration when a refit or new build is being planned. For example, detailed advanced planning is required as to the type of fuel carried aboard for a helicopter which can have a dramatic effect on the tankage and piping arrangements; volatility of fuel differs and thus safe storage requirements are varied. Equally important is the protection of this asset from the harsh elements experienced at sea to reduce the potentials of failures and loss.

Quite simply, raising the standard.

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On insurance matters I find it interesting that Paul Miller at Randall & Quilter Investments will not consider underwriting tug conversions based on the fact that, in the event of a major mechanical problem, the cost associated with removal of machinery through the hull side or deck would equate to escalated repair costs. Is it not true that in all but a few of the largest yachts afloat today required major machinery replacement would be achieved through a hole cut into the hull or deck? I feel Mr Miller’s company may be missing out on some new business with such a view.

Mission-specific payloads are crucial in fulfilling the owner’s intent for any particular adventure that can be dreamed up. Knowledgeable shore support and carefully planned logistics come into play, but can be easily accomplished with a team of knowledgeable shore-support personnel experienced in yacht operations and familiar with the owner’s needs. The ability to think outside of the box when situations dictate is certainly a requirement within the shore-support group.

Compliance with current and anticipated statutory and regulatory requirements should be thoroughly evaluated on any new build or refit project, regardless of whether the vessel is a commercial vessel in operation or classified as a private yacht. Most likely, when purchasing a commercial vessel for refitting into an exploration yacht, one would find the vessel already subject to the higher commercial standards.

ILC2006 may be of concern with older yachts and commercial craft, but what better way to use this shortcoming as a bargaining tool when the purchase price is negotiated. After all, using negotiated dollars towards refitting to comply with current standards can only benefit the new owner of an older vessel about to be given a new lease of life; again, another good example of why the owner should have a top-notch team of representatives from the perception of the idea through to the delivery of the exploration dream.

Richard Young
Technical Manager, IMA Yachts
Investing to impress in New Zealand

I was recently enjoying a rather nice glass of New Zealand pinot noir and the view across the Hauraki Gulf with two industry friends when conversation turned to the Kiwi ‘number 8 wire mentality’ and how this defines so many of the Kiwi businesses that we all deal with. For readers not versed in ‘number 8 wire’, it is a gauge of wire that was popularly in use around New Zealand’s farms: because number 8 wire was widely available, it was used for a variety of tasks, and it has become a symbol of Kiwi adaptability.

In our conversation we noted how that number 8 wire mentality can be seen in so many Kiwi superyacht companies, which is one of their major strengths. ‘No’ is rarely an answer, both because of pleasing the owner and that is the level of service we all provide in this industry, but also because Kiwis just can’t resist a challenge. Innovation is no stranger to our Aussie cousins across the ditch either: as Chris Blackwell, project manager at Hanseatic, said of Australian companies at the ASMEX conference in May, they are “confident and brave at taking on innovation”.

Innovation in its purest form was showcased at the end of July in Auckland when Emirates Team NZ launched their brand new AC72. When looking at the boat, which is a formidable looking craft that will reach 40 knots, we were also looking at a staggering amount of financial, physical and mental investment that has been put into the campaign. A design team of 30 began work in 2010 and work commenced on construction in August 2011. “What you see before you is a creation of 50 man-years of design… of 65,000 hours of building through and from the NZ Marine industry,” said Grant Dalton, managing director of the campaign, at the launch, summing up the colossal effort that went into bringing the boat to fruition. Fifty man-years of design is a figure worth repeating for its sheer magnitude.

In recent years, the America’s Cup competition has been beleaguered by legal battles and conflicts and, as a result, public support and enthusiasm have waned somewhat. With the launch of the new boat, you could see some of that enthusiasm creeping back and crowds of thousands gathered to watch the boat christened. It was a real show, and this kind of spectacle is going some way to draw supporters back. The more excitement surrounding these kinds of events, the better the end result for the marine industry as a whole.

Although not a superyacht, the new AC72 is an important part of the marine network into which New Zealand has made considerable investment. At the launch, Auckland’s mayor, Len Brown, made reference to superyachts, explaining how the New Zealand government’s NZ$36 million investment into the America’s Cup was an important move to pave the way for future generations of people working in the marine sector, including superyachts, and it was
good to see our industry and the marine industry as a whole getting welcome recognition and support from government and the public. Too often the sheer wealth involved with superyachts is enough to detract from the fact that each craft supports thousands of workers. Speaking at the launch, “It is a great opportunity to showcase the engineering and the design capability here in New Zealand,” said prime minister John Key. The team will depart for San Francisco fiercely determined to bring the cup back to New Zealand and such a win would be huge for the superyacht industry as an opportunity to attract huge numbers of yachts to the Pacific.

As a whole, the feeling towards superyachts seems largely positive within New Zealand right now and recent moves have been implemented to ensure that it is a place that yachts are made to feel welcome. Whilst Auckland’s position and size make it the obvious choice for the hosting of major events, the recent Volvo stopover being one example, unfortunately major events bring disruption and limited access to those yachts berthed in the central marina. Limited private berths combined with increasing numbers of visiting yachts mean that often there is no alternative but the Viaduct to moor up in during an event.

Management companies are already seeing a lot of big superyachts potentially planning visits to the Pacific in the coming summer season.

At the beginning of 2012, a meeting was held between several of the superyacht captains and Waterfront Auckland, which gave everyone a chance to air their issues and concerns surrounding the major events. Waterfront Auckland and the Viaduct team have since agreed the Auckland Boat Show will not be held in the eastern Viaduct or Te Wero island for the next three years, thus limiting any disruption potential during the show for large yachts. That this change was made willingly shows that Auckland’s commitment to their superyacht visitors is strong.

Although superyachts have been long-time visitors to the country, the added capacity has meant an increase in those numbers, which has been a learning curve for all involved in terms of how to look after the yacht’s best interests at the same time as those of the city.

As numbers of superyacht visitors to New Zealand rise, further investment is being planned for Auckland’s waterfront. On top of the existing berths, Auckland Waterfront is extending the Silo Marina to allow it to take vessels of up to 120m on the outside berth as well as an additional two 60m berths between the Silo Marina and Orams Marine. NZ$45.3 million is planned for investment in the Wynyard Quarter, on top of additional plans for a 20ha marine cluster featuring 84,000sqm of boat-building sheds and a slipway for superyachts as part of the Hobsonville Point development.

This development now seems to be gaining some real traction, a move that will catapult Auckland, and indeed New Zealand’s, superyacht facilities to world-class level.
Management companies are already seeing a lot of big superyachts potentially planning visits to the Pacific in the coming summer season, which is positive news. “Since the 2000 America’s Cup in New Zealand and the 2000 Olympic games in Sydney, the superyacht traffic in the Pacific has increased every year,” said Allan Jouning, co-director of 37 South, brokerage house and superyacht support provider in Auckland. “The America’s Cup gave the area the international awareness that it required.

Since that key year of exposure, Jouning has noted increasing numbers of 45m+ yachts venturing to the Pacific. “Tahiti is very busy during May and June when the first influx of yachts comes through the Canal after a Caribbean season, then we seem now to have a second wave of yachts in late August and September,” he said. “The trend is still to head west to the Cook Islands, Tonga and Fiji, and plan to be departing Fiji late October/early November before cyclone season arrives.”

Efforts to make the charter laws more yacht-friendly by countries including Tahiti and Fiji have paid dividends in terms of the numbers of yachts visiting, and efforts continue with Superyacht Australia recently making a formal submission to the government to have their charter regulations addressed and altered.

With all the New Zealand and Australian companies have to offer, combined with dedicated investment and top-class services over here, reasons to visit are growing by the week, and yachts are both welcome and encouraged to visit. Perhaps by 2013 New Zealand may even have the America’s Cup under their belt. Come on down (under) and visit.

To comment on this article, email issue137@superyachtreport.com with subject: Investing to Impress in New Zealand
The US Broker – a Lone Wolf?

During a chat with a shipyard representative recently, we fell into conversation about the perceived distinctions between US brokers and those elsewhere in the world. He depicted the typical US superyacht broker as a lone wolf, associated with one particular house, but psychologically working solo, absorbing most of the personal running costs yet enjoying a greater proportion of the spoils from a successful hunt in return. This was not necessarily portrayed in the most positive light, which got me thinking about whether these perceived differences are a reality or outdated, and if they are actually negative. Are brokerage companies run differently in the US from in Europe and, if so, how and why?

There are several companies headquartered in Europe renowned (and some less so) for their salaried approach to employing brokers, as opposed to independent contractors simply branded under an umbrella name with a commission-only pay structure. Although not every European company is run this way, many of those I spoke to on both sides of the Atlantic refer to the commission-only model as “American”, perhaps more in its outlook than origin, and said there is a more unified outlook in the rest of the world.

“I think the American way of doing business is that you work for yourself and if you happen to make a sale, you make a living.”

Many international companies have turned their attention to the US for business this year. As the eurozone crisis rolls on, some see the relatively buoyant economy in America, and its longstanding yachting clientele, as a beacon of hope. However, while a number chose to replicate their culture, operations and philosophy Stateside to good effect, others allow a significant level of autonomy to their satellite offices; a cookie-cutter approach may not fit well with the customer base.

“Hiring managing directors for US branches that are allowed to operate independently is the best way for companies to branch out to be in the Americas,” explained a broker with experience in the two distinct approaches. “The US side of [one company I worked for] was treated like a distant cousin. The management assumed that the good name of the company in Europe would travel to the US without putting the work in to get it there. [But] the US is a huge economy and you have to work at being on people’s front row.”

One European broker told me that although the US clients he has worked for are more superficially relaxed in their approach, they are far more concerned with technical details than the average owner from Russia, for example, who is more buying into a lifestyle than ‘looking under the bonnet’. This would logically mean...
that to make it in the US as a broker, you need to know the intricacies of the engine room just as well as the sun deck – something that can only really come with experience. “The only ones who can afford to do it [in the US] are those who have the experience and the Rolodex to make the money, as you are a commissioned sales person. It’s not something that you can decide to sell overnight. You have to have a total understanding of the yachts.”

Additionally, brokers here have traditionally enjoyed highly engaged relationships with clients, extending to a more personal and social level than the perhaps more officious equivalents elsewhere. A European broker commented to me that his counterparts in the US often provide “above and beyond” the level of service that might be expected normally, but in return for that the broker usually achieves better customer loyalty than seen in the industry on average; this also means that generally brokers have fewer clients but give them each more attention – a win-win situation.

With economic challenges and the brokerage market seeing a decline followed by stabilisation, will this push for a change in the way brokerage companies in the US work? Some think this could be the case, with a movement to a more collective approach. One established US broker told me that the shift since the global economic crisis means that companies are now in a situation where collaboration and teamwork within a group of brokers might be a better tactic. “It’s probably all going to go salaried in 10 or so years because it’s a difficult task to bring in sales today. We all have our own clients” One established US broker told me that the change since the global economic crisis means that companies are now in a situation where collaboration and teamwork within a group of brokers might be a better tactic.

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“The ‘personal touch’ of a long-established client/broker relationship probably means more now than it has ever done in the past.”

and selling a yacht is still a relationship business, but it’s not as big a business as people think it is. Today there are 960-odd boats over 24m for sale, which is the equivalent to the number of large houses for sale in the tri-county area [of Miami-Dade, Broward and Palm Beach counties in South Florida].”

A company needs to have reached a critical size and turnover of business to afford salaried staff, so perhaps we will see fewer small companies in the future, but a polarisation to individuals or larger companies. However, there are benefits to the wider industry as well as individual companies with the overall salaried approach, as one of the brokers I talked with agreed: “To an extent, [salaried employees are] better for the industry. We don’t want our brokers so hungry that they will sell or charter anything to any customer just to get a commission in. That is not going to lead to repeat business or a good reputation for the broker or the company. That is the slight risk with commission-only packages.”

One broker told me he feels that there isn’t the discrepancy that there once was between the continental stereotypes in brokerage culture, and perhaps the shift to a more consistent outlook is already in motion; but I think it’s important that we recognise the benefits to superyachting in a system that promotes experience, knowledge and longstanding trust, as well as looking at a team-salary-based approach. As MYBA president Toby MacLaurin recently commented on SuperyachtNews.com for a brokerage story: “The ‘personal touch’ of a long-established client/broker relationship probably means more now than it has ever done in the past.”

To comment on this article, email issue137@superyachtreport.com with subject: The US Broker – A Lone Wolf?
The Sinking of Yogi – an Update

It has been a little under six months, at the time of writing, since the pride of the Proteksan Turquoise shipyard 60.2m M/Y Yogi sank in the Aegean Sea off the coast of Skyros, Greece. Yet, surprisingly, and in contrast to the minutiae in which details of Costa Concordia’s final hours were publicised, we are no closer to knowing precisely what caused the tragic loss of this much-lauded superyacht – a feather in the Turkish cap.

The initial draft of the incident report from the Registre International Français (RIF), the registry that Yogi was flagged under, is imminent, we are told, although this has been pushed back from the date originally projected by the ‘special unit’ assigned to investigate the sinking.

When the report’s conclusions are made available in the public domain there will be a number of interested parties awaiting them for reasons that need not be listed for the purposes of this article. However, the yacht’s owner and crew, the shipyard, the class society and the underwriter will all have questions that need answering, with possible lessons to be learned.

The vessel was American Bureau of Shipping (ABS) classed, and its vice-president of external affairs, Jean Gould, has previously confirmed that Yogi was built to ABS rules and was carrying a valid ABS certificate at the time of the sinking. She was also LY2 compliant, with no history of listing and a year of consecutive sailing under her belt, all leading to the logical conclusion that an unexpected chain of events was the cause of the sinking.

This particular voyage was undertaken in force 8 gales, with the yacht reported to be travelling at between 14 and 16 knots. In these conditions, the yacht’s propellers are liable to rise frequently above the waterline, creating a possibility of overheating of the engine and a possible rupture in the exhaust bellows, from which there could be a water ingress if a valve is not shut. But, in accordance with LY2, the breach of one compartment would not be enough to cause Yogi to sink, suggesting that at least one watertight bulkhead must also have been breached. This eventuality would involve the failure of the hinged watertight door, or the failure to seal it properly.

Although plausible, this formulaic hypothesising purports just one possible cause for the sinking, and fails to consider freak occurrences that cannot be legislated for. All that we can know for certain is that the first distress call to the Greek Coast Guard came in at 03:30; the first helicopter arrived on the scene at 05:30; a second helicopter was scrambled at 06:49; the rescue began at 07:45 and the yacht sank around an hour later – at 08:45 – 19 nautical miles from the coastline. The time between distress call and sinking is significant and triggers further questions about why it was so protracted.

The purpose of any accident report is not to apportion blame but to evaluate the sinking could highlight issues that need to be addressed by the Maritime and Coastguard Agency for inclusion in the impending LY3 document. Will Mathieson reports on the imminent publication of the first draft of the incident report concerning the Yogi sinking, and what its findings may mean to the industry.
protocols and processes and make recommendations for amendments. This in itself is significant, as Yogi was the first superyacht to be French flagged. And as a LY2 compliant vessel the sinking could highlight issues that need to be addressed by the Maritime and Coastguard Agency for inclusion in the impending LY3 document.

Although we await the conclusion of the flag’s investigation, it was confirmed that Yogi was a ‘total loss’ soon after the sinking, and that any attempt to bring her to the surface would be too costly. And lying at a depth of between 300m and 400m, the vessel is inaccessible to divers. Still a question remains as to why a remotely operated underwater vehicle has not been deployed to inspect the wreck. Again, maybe cost has played a role, and it is not for the Bureau d’enquêtes sur les évènements de mer of BEA mer, the team investigating the incident, to have to justify its methods.

It appears, though, that any eventual payout to the yacht’s owner from the underwriter will be made based on some concrete findings. At the time of writing, no sum had been paid to the assured, on an asset valued at around €30 million.

It is still too early to ‘draw a line’ under the events surrounding the sinking of Yogi, and this will only be possible once RIF’s investigation report is published. What we can conclude at this stage, however, is that incidents of this nature, no matter how unfortunate, provide us with an opportunity to examine the processes that govern our industry and re-evaluate the complex network of procedures and relationships that contribute to the operation of a superyacht.

To comment on this article, email issue137@superyachtreport.com with subject: The Sinking of Yogi – an Update
IMO Update

INTERNATIONAL BALLAST WATER MANAGEMENT CONVENTION (BWMC)
Entry into force of the BWMC is expected to be soon. In principle, all new and existing vessels designed to carry ballast water will have to comply with this convention whilst vessels over 400gt will also require a BWMC Certificate. Note that an approved ballast water treatment system may need to be installed to meet the requirements of this Convention.

SAFE & ENVIRONMENTALLY SOUND RECYCLING OF SHIPS (HONG KONG CONVENTION)
The date of entry into force of the Hong Kong Convention is undecided at this time. The Convention prescribes new yachts shall be provided with an Inventory of Hazardous Materials (IHM). After a certain time existing vessels will also have to carry an IHM. Owners, prior to entry into force of the Convention, may require their new vessel to be provided with a Statement of Compliance on IHM – note the recent announcement of Amels delivering the first yacht with a ‘Green Passport’. Compiling an IHM represents a considerable administrative effort for a yard and its suppliers. More information can be found in the article ‘Hong Kong Treaty to Impact Future Builds’ by SYBAss in issue 123 of The Superyacht Report, p112-115.

REDUCTION OF GREENHOUSE GAS EMISSIONS FROM SHIPS
This concerns a new Chapter 4 to MARPOL Annex VI making mandatory the Energy Efficiency Design Index (EEDI) for new ships, and the Ship Energy Efficiency Management Plan (SEEMP) for all ships over 400gt. The requirements will enter into force on 1 January 2013.

At this time it is not known whether large yachts will have to comply with the EEDI requirements. SYBAss has discussed the matter with the Environmental Policy Branch of MCA-UK. Preliminary indications are that LY2/LY3 yachts will not be subject to the EEDI requirements due to their ship type and size. Whether EEDI will be an issue for PYC yachts (pax >12) is depending on the EEDI reference line for Passenger Ships to be established in the near future. The graph below shows, for instance, that reference EEDIs for cruise/passenger

REFERENCE EEDI FOR PASSENGER YACHTS

The Superyacht Builders Association (SYBAss) has observer status in the International Maritime Organization (IMO), enabling it to monitor and participate in the development of new regulations. Most developments, which may affect the design of new large yachts, take place in the Marine Environment Protection Committee (MEPC), the Subcommittee on Design and Equipment (DE) and the Subcommittee on Stability and Load lines and on Fishing Vessels (SLF). Here, a number of important topics are briefly explained by Chris van Hooren, technical and environmental director of SYBAss.
recently proposed by the Cruise Lines International Association (CLIA) are not appropriate for the PYC yacht size range. When a similar EEDI reference line would be adopted for passenger ships in general, it will be necessary to propose a separate EEDI reference line for Passenger Yachts.

The development of a Ship Energy Efficiency Management Plan (SEEMP) mainly is an operational matter. However, owners of new and existing vessels may request input from builders when preparing a SEEMP for their vessel.

MARPOL ANNEX VI TIER III NOx REQUIREMENTS

In 2016 the MARPOL Annex VI Tier III NOx requirements will enter into force. In 2013, the MEPC Committee will review the consequences of the Tier III NOx requirements for various ship types. In preparation for this IMO Review, ICOMIA in 2011 has established an industry-wide NOx working group to determine the large-yacht industry position on the matter.

A number of SYBass members and the secretariat have participated in the work of the NOx Working Group. ICOMIA has forwarded all findings to a Correspondence Group of the MEPC Committee for consideration. The Tier III NOx requirements may affect new designs considerably in terms of weight, cost and engine room space. To report on the current insights ICOMIA is planning a Tier III Conference on Thursday 15 November 2012 (during METS).

SECOND-GENERATION INTACT STABILITY CRITERIA

Significant changes in the design and operation of ships have occurred over recent decades. These changes have motivated the development of the so-called second-generation intact stability criteria. The new criteria address failure modes not appropriately considered in existing intact stability criteria. More information can be found in the article “Intact Stability Criteria” by SYBass in issue 132 of The Superyacht Report, p93-96.

The development of the new stability criteria is ongoing, and the target completion date is 2013. Initially, the application of the new requirements will be recommendatory whilst it may take several years for the criteria to become mandatory, after their adequacy has been proven.

SYBass is actively participating in the Correspondence Group of the SLF Subcommittee to ensure that the methods of vulnerability assessments will also be appropriate for large yachts. Last January, the Subcommittee adopted the concept for initial testing the vulnerability for parametric roll as proposed by SYBass. In January 2013, final decisions will be taken concerning appropriate wave steepness figures to be used in the vulnerability assessments.

POLAR CODE

This concerns the development of a mandatory code for ships operating in polar waters. The target completion date is 2013.

At this time it is not clear whether large yachts will have to comply fully with the Polar Code. Nevertheless, as both the L3 and the PYC contain references to related IMO guidelines, those currently involved in the design of yachts intended for operation in polar regions are advised to peruse this draft code in order to check for possible consequences.

PROTECTION AGAINST NOISE ON BOARD SHIPS (TARGET COMPLETION DATE 2012)

This concerns amendments to the existing IMO resolution A.468(XII) Code on Noise Levels on Board Ships, and making this code mandatory. Generally the amended noise levels will be of little concern for large yachts. However note that if bow thrusters (for instance DP) and stabilisers (for example at anchor) are intended for continuous operation for longer periods, measurements should be made for ensuring compliance with the maximum acceptable sound pressure levels.

CONCLUSION

In this article only the main technical issues relevant for large-yacht designers and builders are addressed. SYBass will continue monitoring these developments and report as necessary. It should be noted, however, that at the same time other IMO Committees are amending or developing legislation that may impact the operations of large yachts.

To comment on this article, email issue137@superyachtreport.com with subject: IMO Update
Planning for Perfection

Arriving from Hamburg at the Abeking & Rasmussen facility in Lemwerder near Bremen involves taking the little car ferry that trundles between the banks of the River Weser. On a recent visit to the shipyard, where three new builds from 60 to 82m are in various stages of construction, European editor Justin Ratcliffe joined their sales director Till von Krause (pictured left) to make the short crossing. They were accompanied by Andrew Langton and Pascale Reymond, who designed both the exterior and interior of 60m Excellence V, which has recently hit the water.
Over the last decade or so, Abeking & Rasmussen (A&R) has delivered a string of award-winning superyachts, both sail and power, such as M/Y Kaiser, M/Y Elandess, M/Y Eminence, M/Y Aviva, M/Y Lady Sheridan, S/Y Alithia and S/Y Hetairos, designed by the likes of Donald Starkey, Reymond Langton, Bannenberg & Rowell, Andrew Winch, Bill Tripp, Bruce King and German Frers. For nearly a century, it has also built naval and coast guard vessels, and more recently Small Waterplane Area Twin Hull (SWATH) vessels for offshore duties – a hull technology it applied to 41m M/Y Silver Cloud in 2008. At the time of my visit, Excellence V was on schedule for delivery to a repeat owner in May.

The owner’s passion for fine automobiles led him to establish the biggest group of factory-authorised car dealerships, ranging from Mercedes-Benz to Vespa scooters, in New England. His business empire has also allowed him to own multiple superyachts, all of them built in northern Europe. The original 38m Excellence (now Golden Rule) was launched by Feadship in 1986, followed by Excellence II (now Princess Too) in 1999. His last three yachts, however, have been delivered by A&R and display a gradual refinement in terms of technical, exterior and interior design as the owner’s personal tastes and requirements have evolved.

Straightaway it should be pointed out that Excellence V is no less than 18m shorter than the 78m Excellence IV project, which was christened Eminence after it was sold during construction. The reason is very simple: 60m is the maximum length of the owner’s marina berths in Boston and St Barths. Eminence, together with her sistership Amaryllis launched last year, is the biggest yacht launched by A&R to date (at least until 82m Hull 6493 is completed in 2013) with a gross tonnage of around 2,000gt.

Although he did not take delivery of the yacht, the owner grew accustomed to the idea of having so much interior space available and wanted something comparable aboard his new boat. Despite being considerably shorter, Excellence V is nonetheless approximately 1,600gt, with the same maximum beam as Eminence and Amaryllis. The corresponding volume this provides has permitted several design features usually associated with much larger vessels.

High-volume yachts may allow more freedom for the interior designer to make bold statements and more

“When a new contract is signed we plot when we want to receive certain designs [from the interior designers] to a very refined schedule.”
technical space for the builder to place systems, cabling and piping, but they can easily appear top heavy and ungainly on the water. With Excellence V the dilemma was magnified as the owner specifically wanted a yacht with sporty and dynamic exterior styling. Considering the yacht has six decks, including a tank top level – unusual on a 60m – Reymond Langton has been able to produce a surprisingly streamlined exterior profile. This is largely thanks to the predominance of horizontal planes, with a sheer line that extends aft from the enclosed foredeck for two-thirds the length of the hull and is mirrored in the upper-deck bulwarks that continue the sheer before dipping down to the transom.

In addition, the hull reveals very few flat surfaces and even the frames in the aft section are gently curved to break up its sheer bulk and avoid revealing reflections in the dark blue paintwork. “It looks like it’s moving even when it’s standing still,” Andrew Langton said, as he pointed out these and other features on a detailed model, which underscores von Krause’s belief that several models should be made so owners can easily conceptualise the project as it develops. Indeed, four such models of Excellence V were produced as the design progressed.

“The advantage of providing models is that you can put it on the table and bob down to look at it,” he pointed out. “The first thing owners tend to do after the launch of a new yacht is get in the tender and drive around it; if you make an early model you can avoid any bad angles that might emerge after it’s too late to change them. Andrew is very good at balanced proportions and Aviva is a case in point, because the owner added considerable interior volume at a late stage after chartering the Benetti Reverie [a tall 70m with seven decks]. It’s very tricky to make these high-volume yachts look good.”

Most designers, however, will tell you that the acid test is when the yacht hits the water and it always come as something of a relief when the final product conforms with expectations. “We weren’t crazy about the way Aviva looked on paper,” Langton admitted, “but the end result actually looked great, and it was the same with Excellence V.” Avoiding unpleasant surprises is central to the A&R way of doing things. So whereas most yards will give the design studio a single delivery date for providing all the interior plans, A&R prefers a series of staggered deadlines on a deck-by-deck basis, starting with the lower deck.
WHATEVER FLOATS YOUR BOAT

A&R began life back in 1907 as a builder of military and commercial vessels, which still account for the bulk of production at its sister facility in Bremerhaven. One area where the shipyard has excelled is in Small Waterplane Area Twin Hull (SWATH) technology with 17 commercial vessels delivered to date with four more under construction. More recently, it has applied the same technology to superyachts and the 41m SWATH superyacht Silver Cloud, launched in 2008 and taken around the world by its owner, which was back in the yard at the time of TSR’s visit to retro-fit a hydraulic scissor-lift for raising and lowering the aft deck so it can double as a tender lift and swim platform.

The advantages of the SWATH concept are well documented. The submerged torpedo-like hulls mean only a very small wetted area is exposed to the lifting forces of the waves, providing a very smooth ride and reducing the motions that cause seasickness. An additional advantage, especially for commercial vessels, is that they can run at close to top speed in rough seas for all-weather operational capability.

One drawback is that the very small planing area means the overall weight of the vessel has to be very closely monitored, but for yacht owners the main attraction is a ride that displays none of the vertical accelerations that can induce seasickness associated with conventional hull forms. A SWATH also offers immense interior volume and the very wide beam makes HCA-certified helidecks a more viable proposition compared with monohulls of similar length (the owner of Silver Cloud, for example, pilots his own helicopter). It is perhaps surprising there are not more SWATH superyachts out there, but A&R is actively promoting the concept and Reymond Langton has produced a stunning 63m (pictured below) concept that has at least one interested client and featured in Q11 of Superyacht Design. In the meantime, the shipyard, which closely guards the design and construction of its SWATH hull forms, is pushing ahead with further research. Uwe Kloschinski revealed designs for a so-called Small Waterplane Single Hull (SWASH). Riding on a single submerged hull instead of two, the new concept carries slender outriggers for stability, but otherwise exactly the same principles apply. A&R has started construction of a 20m prototype and we hope to bring you further information on this project as it develops.

Rendering courtesy of Reymond Langton Design

“When a new contract is signed we plot when we want to receive certain designs to a very refined schedule,” von Krause confirmed. “This also has to be signed off by the owner, because until he knows what kind of shower he wants, for example, we can’t progress with the build as we prepare the pipe routing between frames as we cut the steel plates. We need a lot of knowledge in advance to be productive and efficient.”

Advance knowledge also means that A&R can dovetail the construction scheduling with that of Rodiek GmbH, its local and exclusive joinery workshop and outfitter, without having to put the interior project out to tender. Moreover, as the crew quarters and technical decks are designed in-house, A&R already has an accurate idea of costing for these spaces before drawing up the owner’s contract. Together with Rodiek, the shipyard has also developed its own procedure for laying teak decks, by which the surfaces are laser measured – including fittings, hatches and other openings – for 100 per cent accuracy. The data is then uploaded to a proprietary software program that numbers each individual plank of wood (and the plywood substrate), enabling changes to be made prior to the manufacturing process. If one plank, for example, has an unsightly knot, its number can be noted and a replacement be milled and delivered within hours.

“One of the advantages is that the owner is able to control the visuals of all deck areas prior to manufacturing,” von Krause said. “We can easily change the layout at this stage if required, before one piece of wood has been cut.”

Despite his Teutonic taste for efficiency, von Krause admits that the deck-by-deck method is sometimes easier to impose in theory than in practice. In the case of Excellence V, for example, the owner wanted first to finalise the design of a guest cabin on the main deck. Once this had been signed off, however, Reymond Langton immediately reverted to the cinema room on the lower deck to conform to A&R’s established scheduling.
CLOCKWISE FROM TOP LEFT: BEACH CLUB, SUN DECK, OWNER’S STATEROOM, STAIRCASE & UPPER LOUNGE.
The fact that the general layout has all five guest cabins on the main deck and the master suite on the forward upper deck, while still finding space for a dedicated cinema room on the lower deck, along with generous crew quarters that include a separate dinette and lounge in line with criteria established by the 2006 Maritime Labour Convention, reveals just how voluminous this 60m yacht really is. However, the owner’s decision to maximise the interior spaces has meant some exterior deck space aft has been lost, especially on the main deck. With this in mind, von Krause pointed out that they plan to offer clients a 64m version of the yacht based on the same technical platform that recoups some of those outside areas.

Reymond Langton’s interior design will feature in a subsequent issue of SuperyachtDesign, but what became evident while touring the yacht in the company of her designers and the yard’s representative was how seamless their working relationship appears to be. No doubt this is because they have collaborated on projects going back to 57m Ultima III launched in 1998, when both designers were still working for Donald Starkey. (Andrew Langton even recalls being locked in an office at the shipyard to finalise the exterior detailing when the design was running behind schedule!) In turn, this means that the designers have learnt to comply with the shipyard’s technical platforms and working practices and they will frequently anticipate the net spaces before receiving the yard’s calculations.

Unlike most superyacht builders, A&R carries out all its naval architecture in house. This has not always been the case, but the yard learned the hard way some 30 years ago when a project contracted out to a firm of naval architects produced unsatisfactory results, which had to remedied by the shipyard at considerable cost. The responsibility of overseeing the team of 80-odd naval architects and
Both tender launch and retrieval can be done on the move, which means less time lost after anchoring for the tender to be deployed.

Many of the technical innovations aboard Excellence V derive from Kloschinski’s office. One such is the engine room ventilation and exhaust ducting. Normally, this is routed up through the decks on both sides of the yacht, which necessarily uses up space in the guest areas. On Excellence V, however, Kloschinski came up with a new system with fresh air inlets at main deck level that then pass up through a water baffle (to further dampen noise and reach the height above main deck required by Class) before being re-routed to the engine room. The exhaust, on the other hand, is funnelled up through a central column aft of the main staircase, which leaves the sky lounge on the upper deck – used as the main salon aboard Excellence V – free of the customary ‘blind spots’ to port and starboard, allowing panoramic views through full-height glazing. The novel ducting system also dictated the choice of water-cooled MTU main engines, because they produce less ambient heat and require smaller ducting. In the engine room itself, the owner’s predilection for automobile iconography is (literally) reflected in the mirror-polished metalwork, which includes a chromed housing for the catalytic converters.

Given the very beamy hull form, it was decided to install retractable zero-speed stabilisers. These necessarily take up more inboard space, but the yacht has a tank top deck dedicated to such technical areas, including the emergency generator room (with main deck access as per Class requirements) and centralised HVAC system, plus cold and dry stores and a spacious laundry.

Also worth noting is the tender launch and retrieval system in the aft garage. The 8.5m tender is supported on cradles, which roll out horizontally over the open transom door before hydraulic actuators tilt the cradle and a winch system releases the tender into the water. Retrieval works in reverse, when the tender pilot is aided by two vertical guideposts through which he can drive the boat on to the waiting cradle. The advantage is that both launch and retrieval can be done on the move, which means less time lost after anchoring for the tender to be deployed. It also allows essential tender operations to be carried out in sea conditions that would preclude the use of side-opening tender bay doors.

Excellence V does have side openings at water level, but these are features unlikely to be used in bad weather, such as a starboard shell door for launching the jetskis, a small portside beach platform that extends the small gym off the tender garage, and another platform amidships for disembarking guests from the tender into a teak-lined bar area, where they can enjoy a welcoming cocktail before taking the elevator to their respective suites.

Images: Jeff Brown & Justin Ratcliffe

To comment on this article, email issue137@superyachtreport.com with subject: Planning for Perfection
With a 6,000-strong global workforce and over 5,000 vessels floating around the world all built under his name, I cannot imagine that there is anyone else in the world who eats, sleeps and breathes shipbuilding as much as the chairman of the family-owned Damen Group, Kommer Damen. Having requested an interview over the past few years, I was eventually invited to his office in Gorinchem, the Netherlands, for two hours of his precious time. He only grants two interviews a year, so I felt fortunate to be able to spend quality time with the head of what could almost be described as a shipbuilding cult. By MHR.
Back in 1969 Damen had a vision and today it remains the same, focused and stable – to build ships on spec, with components and hulls in stock and you can deliver vessels in a very efficient manner and, in theory, quicker than anyone else. Some 43 years later, when I was sitting in his offices overlooking the River Merwede, I could see a fleet of half-built tugs and supply boats, all waiting for a customer. It is this business model that has delivered more than 5,000 Damen ships worldwide and built a family-owned empire of some €1.3bn in turnover in 2011, with an increase in profit and turnover projected and on target for 2012.

Now, where does all this fit in with the yacht market and why would I want to track down this revered figure of the shipbuilding sector? Well, in simple terms, he is a bit of a hero of mine, as back in 1994, two years after the start of my own business, I hosted a conference in Rotterdam for the salvage industry and stood on the deck of a vast SMIT-owned tug and fell in love with the Damen product. It was the engineering, the simple complexity (if that’s not too much a contradiction in terms) and the raw power of this muscular small ship that had the bollard pull to be able to push or drag some of the largest tonnage in the world. This tug was as big as some of the largest superyachts of the day, yet had been built in a fraction of the time and for the past 18 years I have since wondered why yachts cannot be built quicker.

So when Amels Shipyard in Makkum was acquired by the Damen Group the year before I started my business, even then I wondered if this was the start of applying the fundamental shipbuilding principles developed by Kommer Damen. Stories floating around the market would suggest that Amels had five projects in build but no orders, but that didn’t deter the team, and with the right sales strategy it was successful in finding clients who wanted to take delivery of a yacht within 12-18 months, just the right time for a new owner to influence the interior and accommodation requirements. In 2005, the first of the LIMITED EDITIONS concept hit the market and many sceptics didn’t appreciate the idea of a premium semi-custom 50m yacht, as this market was dominated by full-custom ego-driven ideas. The attraction of the LIMITED EDITIONS concept is the time-saving aspect. An owner has a yacht delivered in a shorter period of time, and although it has a set exterior design by Tim Heywood, there is complete scope for personalisation with the interior. Owners can choose any interior designer and tailor it to their individual needs and preferences; there are opportunities for aspects of the exterior to be customised too. The industry soon witnessed this revolution that has been copied and applied by many of the world’s major superyacht brands, but which perhaps have been less transparent about their model. More of this topic later.

So who is Kommer Damen? I found him to be a slender, elegant gentleman with a humble attitude and clear beliefs, who loves shipbuilding and admires what he calls “good-looking ships”. His office is simple and functional and full of business; walls are covered in images of his vessels and spreadsheets and some interesting art, a personal hobby of his. There are antique globes, marine artefacts, books and plenty of seating for informal and formal conversations, all with clear views of his emerging and growing fleet.
He appears to have no ego and is incredibly modest in his approach to answering questions, but with a wry smile you can tell that his diplomatic thinking is avoiding the topic or choosing to divert the subject to something he wants to discuss. He wanted to talk ships, shipbuilding and business, things he truly understood and enjoyed, and all through the exchange he gently puffed away on a classic gentleman’s pipe, filling the bright office with curls of grey smoke, something that is alien in today’s office environment, but when you have achieved what he has achieved, it’s hardly surprising that if he likes doing it, he just does it.

Sitting in his office with Victor Caminada and Rob Luijendijk, both of the Amels team, we all discussed the future of Amels and how Kommer Damen had played his role. The focus of Damen had always centred around the importance of repeat clients. This is the recipe for Damen’s success and longevity and has obviously filtered down to Amels too. Instinctively imposing his ideas on stock building and systematic series production had changed Amels dramatically; the whole team had adopted this doctrine and was preaching to the market the Damen way of life. By building in this way, they seem to have controlled the difficult parts and allowed the clients to have control of the things that really mattered to them. This pre-engineering, design and research & development phase that ensures the build team knows exactly what to do and when has clearly made them more efficient, and Kommer’s face beamed with pride when Rob explained that they were now delivering on time and on budget, without fights or disputes: “It’s actually quite a pleasant process now, without the stress!”

Damen himself was clear in his views that by regulating the build process and controlling the high risk of superyacht construction they would almost guarantee success and a real profit. He contributed some wise words: “You see, in the past, superyacht building was all about selling slots and, as everyone has seen over the past few years and longer, if you haven’t sold your next slot, then it can be quite stressful for the management and you can become desperate and sign bad contracts that can damage your business,” citing the early pre-2000 experiences at Amels, as the prime example, “However, now we control the risk by starting work on a project that has no client, and we are confident that before the end of the programme we will find someone who does not want to wait three or more years for a brand new yacht.” So far, this series of models since the arrival of the first LIMITED EDITIONS has been hugely successful, with 13 units now within the fleet and some exciting new projects on the horizon.

Our conversation turned to Asia where Damen has huge infrastructure and building facilities to serve the vast marketplace. While Kommer was in agreement that the client potential is there, he is not yet considering building
INTERVIEW | KOMMER DAMEN

Damen is a true businessman who has made the sea his focus, creating a fleet of ships and small vessels that conquer the waves and deliver efficient operational comfort to a vast list of clients around the world.

the Amels range in China, but thinks the market will one day demand a new product and perhaps under a new brand exclusively for Chinese clients. However, when talking about Damen orders for pilot boats in the Chinese port of Dalian Harbour, he explained that the client was not interested in buying vessels built in China, but expected them to be built in Europe at Gorinchem, the Damen headquarters and then shipped several thousand miles to the port. However, he added, “If the Chinese market understands and adopts yachting as the lifestyle asset it affords, then having seen the growth of Asia as a shipbuilding market, there is nothing to suggest that one day we won’t see hundreds of yachts delivered in this market.”

He also commented on the quality of the workforce and lack of experience being a barrier to growth in that sector. “It is hard to find management and teams that truly understand quality and efficiency,” he explained, and in fact suggested that to build ships in Vietnam and China, the two Damen shipbuilding centres, it can demand double the man-hours to achieve the same results and therefore in some cases eradicates the perceived benefits. There is no legacy or generation mentality throughout shipbuilding in China. In northern Europe you can see grandfathers, fathers and sons all within the same shipyard; this is currently missing in new emerging industrial nations like China, and without this culture, at the moment quality and experience have to be taught or developed. “This is what makes north European shipbuilding the best in the world. Add to this our research and development programmes and we are on course for a healthy future,” Kommer commented.

Having spent two hours in his company, it is clear to see why, even at his senior age, he is still very much hands on and enjoys working on new designs and seeing what good ideas he and his management can bring to the market. As Rob suggested, “Every year, Damen and now Amels bring new products to the market; [through] innovation and new thinking [we try] to deliver products that don’t exist or can fill a new niche. It’s actually very exciting to be part of this programme and not be following a market of complex custom projects.”

At this year’s Monaco Yacht Show, Amels will not only debut an incredible project under the brand name Sea Axe, something that was introduced to the yacht market a couple of years ago, but will also announce the latest project in the LIMITED EDITIONS concept. At 83m and 2,700gt, this new project is not only a substantial increase in size and volume for the premium semi-custom business model, but it was clear
that everyone around the table was confident that the demand for bigger premium semi-custom products would be there. Having the security of the Damen Group behind the project and the design and pre-engineering work already completed, this will no doubt be one of the exciting announcements of the show season.

If you consider the true spectrum of ships that Kommer has developed and delivered with his vast workforce, it is easy to see how the transfer of ideas and technology, combined with their procurement and service, has made such an impact on Amels. Within the group, there is so much intellect and experience that the technical team at Amels is perfectly placed to integrate new ideas throughout its future fleet, although I am not sure Kommer Damen ever expected to apply one of his commercial support vessel designs to large yachting.

This brings me to the tour of their latest product due to be debuted at Monaco. Outside his office were three versions of the Sea Axe in final stages of completion and a handful of sister hulls and superstructures awaiting clients. This was a perfect demonstration of his “FunDAMENtalism” at work. You could see these crew supply vessels in varying stages and guises, with different livery and technical appendages depending on the work list. The superyacht version of these Sea Axe Fast Crew Supply boats is the Sea Axe Fast Yacht Support vessels. Finished to a superyacht standard in order to complement any superyacht fleet, the hull is faired and painted to a superyacht quality. There is a Bolidt artificial teak deck and the interior is finished to a much higher level – to the standard of the crew accommodation on an Amels yacht. One such project stood out from the busy crowd. The pristine white-hulled M/Y GARÇON, at 67m LOA, the largest of the Sea Axe crew supply fleet, ordered and managed by the Moran team on behalf of one of their clients, was in her final stages of completion.

I am not one to get too excited by new projects, but by coinciding my visit to the Mecca of shipbuilding and meeting the man behind the faith, I was able to get a sneak preview of what I am confident will revolutionise superyacht ownership. With a whole fleet of Sea Axes already in service across offshore industries all cutting through waves and delivering crew and equipment with seakeeping and shipbuilding efficiency, this new generation of the Sea Axe Fast Yacht Support vessels is a brilliant addition to Damen’s armoury. The Damen Group is so confident of the
product’s success that a sister ship to the 67m Sea Axe is already in build and ready for a client to support his existing larger yacht. When you consider the Damen model of highly efficient shipbuilding and shorter delivery times, these Sea Axe projects are always in build and therefore available at shorter notice than might be expected. The current range covers 37-67m, with a 50m model in between, two of which were delivered as support vessels for an oligarch’s yacht fleet last year.

The most exciting and interesting thing about the Damen Sea Axe is the business model, with delivery prices starting at about €9 million all the way up to about €30 million, depending on the completion specification. This makes this superyacht support vessel an easy addition to an existing large project, where the new build budget may have been €50-100 million. As both Kommer and Rob noted, “With the amount of storage space, extra crew capacity and toy-carrying facility that the Sea Axe delivers, coupled with a helipad if required, you can re-design new builds without all these voluminous additions and just focus on building a good-looking yacht with perfect balance and proportions.”

When pressed about his interest in possessing a large yacht, he admitted that he thinks about it more often these days, so perhaps one day he will join the market that he has created. His knowledge of shipbuilding and his experiences on board Amels’ clients’ yachts will no doubt make the decision process very simple. Even though he loves sailing and did consider a bigger sailing yacht, with designs drawn up some years ago, he explained that he...
loves small anchorages and not being restricted by draught, so that idea was scrapped.

“\[quote\]I think that one day I will buy one, a very classically designed project that will give me privacy and space. It won’t have a commercial ship style as I don’t see the advantage of these trends; it needs to be attractive and a place where I can smoke my pipe and read my paper in peace,\[quote\] he said, while drawing a long breath through his briar stem, obviously dreaming of sitting on deck observing the watery horizon that has been his marketplace for several decades.

When asked about the future of Amels, he closed our conversation with a few comments about the Damen model: “We have made a success out of refit and repair in the commercial world, with several yards around the world dedicated to servicing the fleet. I can tell you that Rob and I are now exploring this sector more seriously in the superyacht market and are considering acquiring yards either in the Med or in northern Europe that can provide an Amels service base.”

Rob was quick to add, “I think it’s too early to say where and who we are looking at, but we are confident that this is a market we want to develop and have been doing significant research on its true potential.”

Damen is a humble, intelligent man who has made his fortune in shipbuilding and with such a healthy build programme with Amels and the new Sea Axe product, it is easy to see that he is on course for more success. If he does buy a large yacht, you can expect it to be one of his own, but he jokingly added while refilling his pipe, “In the future, when I start to think about taking over one of the stock in build projects as my own yacht, no doubt some broker or Rob will sell it before I make up my mind and sign my own contract.”

Having met the man and listened to his story and witnessed his vision, Damen is someone who makes up his mind and sticks to it, so I’m not sure there are many people out there who could alter his decision, one day he will not only a shipbuilder, but a superyacht owner too. However, I think he will spend more time in the shipyard than on his yacht, as this is the source of his fundamentalist views, and with more emphasis on the word ‘fun’.

Images: Sascha Schalkwijk

To view a video of M/Y GARÇON on sea trials, visit www.superyachtnews.com/syf/seaaxe

To comment on this article, email issue137@superyachtreport.com with subject: The FunDAMENtalist
Adastra

The Superyacht Report has long followed this project, starting with an interview with owner Anto Marden in 2010 featured in issue 111, p105. We also covered the launch; this can be seen on SuperyachtNews.com dated 14 April. Finally, Tork Buckley visited the ready-to-hand-over yacht during the presentation party at the Royal Hong Kong yacht club at Middle Island. There, he had a chance to discuss this unique and important project with the shipyard, naval architect and designer, the interior designer and Palladium Technologies – supplier of the much-vaunted and discussed iPad-controlled alarm monitoring and control system.
There is a plethora (perhaps even excess) of concept designs or fantasy projects within the superyacht industry, and although they are a healthy and important part of the design process they also engender a degree of cynicism – not only as to whether, but also if (from a practical standpoint) they even could be built. Looking at the radical, exotic and highly individual design of Adastra in renderings, one could be forgiven for thinking it fell into that concept and fantasy category.

Nothing could be further from the truth. Adastra from the very beginning, more than five years ago, was a real and serious project. We interviewed the owner, Anto Marden, in issue 111 and that interview shows the clarity of vision in both designer and owner as to what they wanted – to create a yacht that was not only iconic, exotic and stylish, but also one that embodies efficient functionality and a fairly (but not excessively) radical technical approach.

The owners, Anto and Elaine Marden, are highly experienced, although this would be their first non-sail-powered multi-hull yacht. Elaine took some persuading as to the validity of shifting from sail to power, but as you can read in the launch report, she is now ecstatic about the final result. Ultimately, the yacht is about looks, efficiency and fitness for purpose: a world cruise. The interior area is not spacious given the overall size of the yacht, but, as Anto Marden said in the previous interview, most guests don’t want to come cruising for too long anyway.

THE YARD
McConaghy Boats is a well-known and highly expert constructor of composite – mostly racing – yachts. I visited and reported on them in issue 109, p115. The background and how Marden came to choose the yard is covered in the earlier interview, and it can’t be underestimated how important this build is for the yard. They have never built a yacht of this size and never engineered superyacht systems. Although constructionally the yacht easily falls within their competence comfort zone, the systems required on a 43m yacht are new to the company and its unique form and systems meant the learning curve – taking place as it often did during production – was steep.

Mark Evans, McConaghy’s MD, explained that: “Virtually everything about her had to be custom-built. Normally, when building a yacht of this type, you can go to suppliers and buy off-the-shelf sliding doors or anchor system or at least those customised from their standard product. Because of the constraints on Adastra we had to manufacture and design every part.”

It’s true and, as an example, the anchor system is complex. While there is a standard set-up at the bow – a typical superyacht fold-over deployment system, here manufactured in carbon fibre – there is only a 80kg kedge anchor; ideal for lunchtime or brief stops but not overnight. The main two anchor systems are contained within the two wings going out to the sponsons. The
primary one is a custom 130kg Bruce style to starboard. The other to port is 60kg and will be used as a stern anchor. Both anchors ride in specially manufactured carriages or frames behind ‘bomb bay’ doors. First, the door opens and then the mechanisms slide down and out of the wing, after which the anchor is deployed. In order to stop the vessel from sailing on its main anchor, once deployed, a snubbing line is attached to the anchor warp and led to the bow to ensure at-anchor positional stability and comfort.

In line with the core aspect of Adastra’s construction – weight saving and weight control – the anchor warp is a combination of braided line and chain, unusual at this size. This, rather than using a conventional windlass, is deployed and recovered using a captive winch similar in many ways to those used for line handling on sailing superyachts. The braided line is conventional, not exotic, and the warp is wound (using an automated flaking system) on to a carbon fibre drum. Unusually, as the anchor comes closer, the chain too is simply wound on to the drum over the braid.

The vessel is powered by a single-screw, Caterpillar C18 of 858kW in the main hull. It also has a gen set of 26kW in the engine room. However, for manoeuvring and get-you-home propulsion redundancy, there is a Yanmar of 82kW in each sponson. Each engine can be alternately connected to a 36kW AC alternator or prop shaft with folding props. This twin-screw system means that even in the case of a serious engine room incident such as fire, the vessel maintains propulsion and VAC power. When connected to the alternator they provide sufficient power for the whole yacht and, individually, for low demand times such as in harbour.

Even simple items such as the pantograph doors, because of the complicated form of the superstructure, were custom designed and manufactured. In fact, they are not strictly pantograph doors (lacking arms), but run on machined aluminium track using electric actuators attached to line. This line/electric system echoes the approach taken to controlling the main sheet and traveller of a superyacht boom.

When we spoke at the Hong Kong presentation party in late May, the yacht was not fully and finally sea-trialled, although it launched on 10 April (as covered on SuperyachtNews.com) because sea trials in Zuhai were not permitted by the Chinese authorities. Dockside trials and commissioning were carried out,
leaving the balance of sea trials to be done in Hong Kong after the vessel arrived there. Evans reported that all the sea trials to date had gone well, with only a few remaining to do before the owners headed off (after two to three weeks) to start their world-girdling cruise. Not only Evans and the project management team, but all the McConaghy workers (all present and cheering the launch) are clearly massively proud of their achievement. The yard is bidding for further – and probably simpler – superyacht projects. *Adastra*’s exposure and success can only aid that process.

**ALARM MONITORING & CONTROL**
Much has been written of the yacht being controllable by iPad, and much of that has been inaccurate and speculative. The alarm monitoring & control (AM & C) system is a SiMON, designed and supplied by Palladium. I spoke with company president Mike Blake and asked what was so special about *Adastra*’s AM & C and what set it apart from previous systems. “I think what was special is that we actually integrated with the iPad, offering the ability to con the boat, control three engines, release and recover...”

“It’s not a wave-piercing design. It’s not meant to submerge; rather, it goes over the waves, but in general, it will cut in then lift... Under 13 knots, it has phenomenal efficiency, like a rowing skiff.”

The predicted and (some) sea-trialled numbers show that the research and design deliver:

- Speed max: 22.5 knots
- Fuel consumption at 10.5 knots: Measured – 29 litres/hour
- Range at 10.5 knots: 10,000 miles
- Fuel consumption at 17 knots: Predicted – 120 litres per hour
- Range at 17 knots: Predicted – 4,000 miles
and recover the anchors.” As you can imagine, the PLC control and required safety interlocks on, for example, the anchor deployment and recovery system are complex. Not only is the control sequence important, but a feedback sensor on the drum is required to ensure a properly tight (but not damagingly tight) wrap on the drum and appropriate variation in recovery speed to ensure that.

This yacht is not built to Class or LY2 compliance; the owner chose the freedom that non-compliance offers. However, it is built to best practice and it would not, in many areas, be too difficult to achieve compliance. One obvious question I had for Blake concerned the use of the iPad as a GUI device or main control. The iPad – stable though it is – is not, after all, a type approved or even ‘marinised’ GUI device. What, then, is the approach to redundancy and safety?

“We have built in a lot of redundancy. We are relying on a Wi-Fi network, so first of all we fall over immediately if that does not work. We also have a very fast heartbeat (that is the regular checks the system makes with all of its sections and devices to make sure that everything is ‘awake and talking’). If we lose that communication with, for example, the iPad, control automatically and immediately reverts to the pod (the main bridge controls); at the same time, both throttles go to neutral.”

Of course, it must also be said that crashing and failure of apps on iPad is relatively rare compared with, for instance, a Windows-based laptop. Palladium also has, coming soon, a button-free glass panel, which works in conjunction with 15-inch high-resolution multi-touch screens. That system is currently undergoing the process of class approval and key to attaining that is that manual controls are immediately locally accessible behind the flip-open glass control panel.

NAVAL ARCHITECTURE & DESIGN
John Shuttleworth is well known for multi-hull designs and Adastra was also a Shuttleworth family affair covering naval architecture, design, exterior styling and renderings. Applied Structural Analysis Ltd shares credit for the structural design. I asked Shuttleworth, from a naval architect and design point of view, what’s so significant about this project?
“The interest really is, of course, fuel efficiency at sea – so beyond hydrodynamics you also have to look at aerodynamics for efficiency…then, it’s got to be light and have the centre of gravity down low so the boat is much more stable; these considerations lead the design.”

The design has the look of a wave piercer, but as Shuttleworth commented: “It’s not a wave-piercing design. It’s not meant to submerge; rather, it goes over the waves, but in general, it will cut in then lift. The main thing is a long waterline and low wetted surface; especially at low speed. Under 13 knots, it has phenomenal efficiency, like a rowing skiff.”

At one stage the team contemplated having sponsons variable in height, using articulated wings. Although that was finally deemed impractical and over-complicated, articulated wings were tried out during the radio-controlled model test phase. Sponsons on a vessel like this could be like the Cable & Wireless record breaker where they are only skimming the water to provide stability. However, Shuttleworth explained, by calculation and experiment (using the variable sponson height R/C model), it was found that skimming would not be the best approach. “Thus the sponsons here are normally immersed to an optimum position to offer stability without being too deep.”

I asked Shuttleworth how the ride is on the final full size vessel, “Stately,” and he added, “Obviously, there is some movement, but typical catamaran ‘shimmy’ is absent.” Weight control in both the design and production was extremely critical. The entire upper part of the yacht is built in carbon, with foam sandwich elsewhere. The weight control was fully successful. It’s the toughest part of any build, no matter how carefully and accurately controlled. So at the launch I suspect there were significant, albeit internal, sighs of relief from both yard and designer; when fully immersed, all present saw the vessel trimmed exactly as predicted for her state of load ballast and bunkers – slightly by the head.

It’s a family affair and Shuttleworth’s younger son, Sky, has been involved in the project starting from the beginning on the interior layouts, models and in the tank testing and 3D modelling. Shuttleworth’s other son, Orion, with his own company, Orion Shuttleworth Design, came in towards the end of the project dealing with external arrangements and exterior styling details. Understandably, Shuttleworth is very proud of their involvement and the success of the whole family’s contribution to the project.
ADAstra’s Interior

The interior design was carried out by Hong Kong-based designer Inge Strompf Jepsen of Jepsen Designs. The interior was not initially the subject of a brief, as Jepsen explained: “There was not really a brief. I had a look at the design and I came up with a proposition. I thought the inside should follow the outside, but also have an Asian touch.” I commented that I had already noticed the typical triangular Thai cushions. “Yes, they are Thai, but the fabric covering them is Indonesian.” This typifies the approach to the interior where the Asian influences are subtle and exist in an effective blend. Beyond the touches of colour from that Asian influence, the yacht’s interior is predominantly “pretty much Scandinavian light woods and white”.

The challenge for Jepsen was that, although a motoryacht, Adastra has a relatively small interior volume; more like a sailing yacht interior where making maximum use of available space is not only desirable, it was also necessary to balance the mildly diverging style requirements of Anto and Elaine. Jepsen commented, “Anto wanted no ‘faff’, while Elaine wanted a little more class and style. I think now we’ve achieved both.” It’s hard to disagree with that; the interior is welcoming and comfortable as well as containing sufficient eclecticism to sustain visual and tactile interest. There are two guest cabins and one full-beam master. Forward are four crew bunks and forward of them the captain’s accommodation.

Notwithstanding a few 30m yachts and some Chinese junk conversions, this is a first superyacht project for Jepsen and Jepsen Designs. However, she has done interior design on some 25 yachts prior to Adastra. She intentionally aims to keep the studio’s types of project as diverse as possible, commenting, “If not, you start to steal your own ideas. I get bored and my staff get bored. We have eight people [in]
the office and I think it’s important to always keep new challenges.” Adastra, with its unusual form demanding clever use of space, is certainly such a challenge; of which she commented: “Adastra is so different that you need to come in with a whole new approach unique to the yacht.” She added, looking around, “Everything is moulded, not a square sofa or straight line anywhere.”

Beyond its stylish eclecticism and visual merit, this interior has also been designed by an experienced sailor. Jepsen has more than 30,000 sailing miles logged, as well as being a former Commodore of the Royal Hong Kong Yacht Club. Her commitment to the project continued past handover, where she would join the main voyage from Hong Kong to Manila. “I’m looking forward to that; it should be enough to give me an idea and a feeling of where we may need to put more handrails or other aids to guest comfort and safety.”

This yacht has created an incredible (if at times ill-informed) media buzz and attention. The public interest when she is spotted underway rivals that gained by the iconic The Maltese Falcon. The buzz is both within the yachting press and outside, and throughout our industry generally. I described Adastra as one of the most significant launches of 2012 (perhaps beyond) – and nothing that I’ve seen of the yacht causes me to retract that. Beyond its incredible looks, radical innovative systems, overall complexity and the owners’ exciting plans to cruise the world, it is also highly significant for everyone involved.

Ironically, for McConaghy Boats, this project could be compared to Team GB members winning an Olympic gold in front of a home crowd; an experience that will almost surely never be repeated. While there is little doubt the yard will go on to build more superyachts, I predict they’ll never build one as significant, iconic and stunning as Adastra.

Images: Tork Buckley & Shuttleworth Design

To comment on this article, email issue137@superyachtreport.com with subject: Adastra
Spending 48 hours in Ancona is not a regular agenda item, but the market, both based in Marches, a stunning and quiet region side on the waterfront of this relatively sleepy town. Tours of the and Lamberto Tacoli, respectively, shed light on the successes and
it seemed a good idea to catch up with two major players in the shipbuilding industry of Italy. The dominant shipyards of ISA and CRN sit side by side, and I thought it would be interesting to combine a visit to both yards with a dinner and lunch with Marcello Maggi, who manages the ISA group. MHR reports.
I don’t think I have ever visited Italy and not eaten well and this trip was no different. Even though my trip was to explore the future with the two business leaders behind two prolific yards, the agenda revolved around dinner in a family-owned restaurant overlooking the beach and lunch in a lovely trattoria in the heart of Ancona. The gastronomic quality exceeded my expectations, along with my views and tours of the expansion and plans of both ISA and CRN. The former yard, a relative newcomer to the yacht market, was spawned from the neighbouring yard of CRN, part of the Ferretti Group, when a team jumped ship to start their new venture back in ’98.

Marcello Maggi, the driving force behind the sales strategy of ISA Shipyard, had driven from his new home town of Monaco for the 24 hours of meetings, phone calls and our conversation. A local man, born and bred in Ancona, he chose to live in Monaco for the simple reason that not only does his wife have a hotel in Eze above the principality, but also he recognised early on in the development of the shipyard that Monaco provided the perfect sales platform on which to meet and engage with his client base.

Ancona is not on the obvious travel circuit for many and my baptism of fire alone, flying with Ryanair from Stansted, explained why the yard had not been on my tour list over the years. However, arrival in Ancona reveals a lovely town that sits proudly on the beach, with a maritime industry supporting the local populous. Ancona may not be a bustling, energetic place, but I would say that if someone wants to build a yacht in a more discreet location without the profile of Viareggio, then this could be a unique selling point.

Maggi grew up here and still has a passion for the place that was evident in his personal anecdotes about growing up on the beach and sailing locally. Having met Maggi over the years at the variety of yacht shows, it was a great opportunity to see the real man behind the immaculate tailored image that glides through shows with a glint in his eye and a gentle smile. He is a tall, elegant individual and a thoroughbred sales man, who seems to feel at ease in his home town, looking across the sea to the horizons hiding Croatia.

The first few years of ISA revolved around the 47.5m series, with three projects started on spec, with a total sales number of eight projects to date of this version. It’s a distinctive yacht with elongated stairways leading aft from the lower deck all the way to the upper sun deck, in a form that resembled a Hollywood vintage cabaret staircase that dancers with gleaming white teeth and long, toned legs might climb. Lessons were learned and the business developed along with the market, all the way through to 2005, four years after the first project was delivered. With mixed reactions from the market, but with steel determination, Maggi and his team sought investment from a London-based private investment fund, Yachting Investors Group, to take the business to the next level and grow the business into what it is today.

All Maggi could really say was that: “We have moved to a new level”, admitting that they had suffered a lot due to the steep learning curve they had been on in the formative
years, just like any business. The partners they worked with and the sub-contractors they chose had been part of a naïve lesson that had left a few question marks over the yard’s product. However, over the past five years and more specifically during the crisis years, ISA have looked internally to their processes and innovations that seem to drive Marcello on a daily basis. He explained that his life in Monaco and his regular meetings with potential and existing clients in offices and on board exposed him to the way of life on yachts, fuelling his visions and understanding of ownership.

The word OptimISAtion was used constantly through our conversations, which interestingly has the acronym ISA running through the middle. This is perhaps no accident and when you look at their new Granturismo range, Maggi was clear that this is the yard’s future – an optimised large-volume project with exterior lines that disguise its tonnage; and new projects that meet the market head on with new thinking and good ideas based on experience, rather than following the crowd with plagiarised concepts.

The primary focus is to build yachts in the 40-70m range and become respected in this market space, having already made their name amongst the major players. However, Maggi was excited to disclose their smallest project to date, a baby Granturismo at 24m (pictured below and inset), and even though more information is being withheld until their launch later this autumn, my initial impression is that they have a clever idea that should generate a wave of interest from existing and entry-level owners. Three words – integrity, stability and strength – were applied to the pocket steel-hulled superyacht, all three of which told the story.

It’s easy to understand the thinking behind the project, with Maggi explaining that GRP hulled production yachts of similar or greater sizes cannot really be called superyachts, with many captains and owners loathe to cruise in anything but good weather. The baby Granturismo will provide a perfectly sedate and comfortable platform with innovative outdoor spaces and 12 knots of efficient cruising from
“For the past three years since the crisis hit, everyone has been working hard in ISA on developing specifications, pricing and business plans for the full project series within ISA’s proposition. If a client comes forward today, we are well prepared to bid a project and deliver an accurate estimate for the project, allowing us to compete well.”

port to port with fuel efficiency and relative silence. A board meeting was scheduled the week after my visit to decide whether to build the first on spec and accelerate its launch and deliver it at a price point of €5 million plus, with a planned build time of 12 months. This project is designed to bridge the gap between the 20m plus production market with the 35-40m custom and semi-custom superyachts.

During our conversation, Maggi referred to “doing his homework” as part of the evolution of the yard. “For the past three years since the crisis hit, everyone has been working hard in ISA on developing specifications, pricing and business plans for the full project series within ISA’s proposition,” he said, adding, “If a client comes forward today, we are well prepared to bid a project and deliver an accurate estimate for the project, allowing us to compete well.” ISA has survived the hard times not only in forming a brand new shipyard from scratch alongside their vast neighbour, but also considering that the founders are still at the helm on a day-to-day basis, passionately doing what they love.

Even though they are owned by a private equity group, Yachting Investors Group, ISA is as a business continually reinvesting, with CEO Luciano Bregola ensuring the investment of €50 million to date in the infrastructure and pristine build facilities. With the changes they have made, Maggi is confident that there is a high potential to make a good profit in the market and realise the value that their original plan set out to achieve. “No one’s balance sheet looks that good today after what we have all been through”, he suggested, “but we still have the passion to build better yachts and have got through the worst period with three orders placed in the past eight months and more in negotiation.”

Maggi is not only a born optimist, but also a great salesman who sees a great future for ISA. “Even though there are many businesses in the world that can give you a better financial result with the same amount of effort, every day I go to bed happy in my work.” he said. “We all have passion and this is what drives ISA today. Passion in our foundation.” This passion was evident when our conversation went the way of politicians and the financial crisis. Suggesting that the last good Italian politician was Julius Caesar and that his lack of patience with the system prevented him from talking to the authorities, “I leave that to my partner”, he explained with a wry smile. “With 7,000km of stunning coastline, how can they destroy what we call ‘La Dolce Vita’? Cruising is becoming far more difficult, with restrictions causing the coastline to be avoided, when the yachts spend much more in the local economies and through our industry; it’s frustrating.
The next morning, the schedule intensified and a quick tour of Maggi’s neighbouring yard, CRN, superyacht division of the Ferretti Group, would also add to my understanding of what Ancona had become as a yacht-building centre. CRN is a historical shipyard which was founded in Ancona in 1963 with the name Costruzioni e Riparazioni Navali. Since 1999 it has been part of the Ferretti Group and will be celebrating its 50th anniversary next year. Much has been said of the Ferretti Group over the past decade and while their smaller yacht sector has taken a beating in the past few years of the crisis, it is clear that the upper end of their spectrum has survived well.

The combination of billion-euro debt levels through the public financial reporting of their ownership structure through Royal Bank of Scotland financing, Permira as a private equity investor in the past and, more recently, Candover, who both walked away from their investments, leaving the business almost high and dry trying to renegotiate its debt levels during the height of the financial crisis, made Ferretti a very interesting story for non-yachting media. Then, at the beginning of 2012, one of China’s largest engine manufacturers, Weichai Group, took control of the world’s largest luxury-yacht manufacturer and changed the business’s future and added much needed stability. Six months after the deal was concluded it seemed an ideal time to catch up with CRN’s chairman and chief sales and marketing officer of the Ferretti Group, Lamberto Tacoli, and talk business and also, as Italians seem to do every day, eat well.

Tacoli, like Maggi, is a passionate and dynamic person who has been in the business for a couple of decades and not only loves the industry, he also loves to share his views and opinions of where he wants to take CRN and Custom Line, the superyacht divisions of the Ferretti Group.

Tacoli was the founder and innovator with Custom Line, an idea that was spawned back in 1995, as the upper end of the Ferretti line of diverse models. To date, he has seen over 120 projects arrive on the market, making it one of the most successful businesses within the 94-140ft product range of the superyacht sector.

Tacoli is a passionate and dynamic person who loves to share his views and opinions of where he wants to take CRN and Custom Line, the superyacht divisions of the Ferretti Group.
However, his current focus starts with Custom Line, but has been diverted to making Ancona the biggest success story in his career, with over 20 projects in build, ranging from 33 to 80m (see order book on page 103), across the vast building complex that dwarfs his emerging neighbour. The largest project under Tacoli’s control is the 80m CRN project due for delivery in spring next year. This will clearly elevate them into the upper league of big-yacht building, at the same time as being one of the biggest builders in the world.

The tour of the facilities was typical of any vast shipyard – a chance to see the workforce in action and the quality of their operation. Having toured most of the world’s shipyards, I could see that here was a business that had evolved through the vast investment of their financial partners at the height of the economic boom times, leaving them debt laden and expecting the business to just keep growing.

While the smaller end of the brand spectrum may have suffered at the greedy hands of the financial world, Tacoli was clear in his message: “We have invested in product quality and our attitude towards our clients,” he explained. “This was one of the things I witnessed in the business during the private equity days; financial men aren’t really interested in clients; they just look at figures and if a client isn’t happy and wants to highlight a problem, then they tend to like fighting in courts and not trying to solve the issue.” Tacoli has dedicated his life to working with clients and making them happy, and when the market changed and their financial partners became stressed with debt, he and his sales team had the task of talking to all of their clients to explain the situation.

There was a great anecdote shared during our meeting when they had to visit the owner of their 80m project to explain their situation. The meeting was nerve wracking and they all expected a really tough exchange, but there on the owner’s table were piles of financial figures and files that he had requested from Merrill Lynch to check the status of the Group, “So, in effect, he knew more than we did,” Tacoli added. “All he wanted was for us to finish his yacht and do it faster!”

Today, Tacoli is a happy man, a relaxed but hugely busy business leader who spends his time between Ancona and Forli, with a variety of meetings with clients around the world. “Can you imagine being in a business with so much debt, over €1 billion and the associated stress, all on our shoulders at the time of the crisis in 2008, when our world was collapsing and then a few years later being owned by a vast Chinese engineering group, removing all our debt and giving us €100 million of cash in working capital,” Tacoli exclaimed with a huge chuckle of what seemed to be relief.

When pressed about the China syndrome and what they would do with the world’s largest yacht brand portfolio, Tacoli was clear that they will remain hands off in product development and day-to-day management, but clearly have a long-term strategy to build a position
of strength in the Asia Pacific region. They are clearly a financial partner and plan to work hard on the business side of the Group, and also have an aggressive plan to deliver yachting to China, something I think the whole industry will benefit from.

When asked about other emerging markets, Tacoli was very candid about Ferretti in Brazil, being one of the longest standing players in the country, with 23 years of experience in this vast potential market. "We’ve produced about $120 million in sales out of Brazil, but only in the sub-100ft category, as this seems to be what they want." He went on to speculate that there will be a bit of a bubble, as the country has limited infrastructure, unlike China, and when more yachts are delivered there may be a problem of actually enjoying bigger boats. He suggested the World Cup in 2014 and the Olympics will add more to the potential, but could not see it being a vast market for CRN, especially when compared to their traditional sectors.

Similarly to Maggi, his neighbour, Tacoli is a passionate salesman, who loves the product and grew up in and around yachts, mainly in Bologna, where his wife and daughters now live, with summers spent in Sardinia, where he gets to spend as much time as he can on the stunning destination of choice for many of his clients. He knows yachts and the lifestyle and enjoys time afloat with many clients, and while the money men of the previous ownership just saw the business as a money-making machine, he prefers to think in terms of lifestyle and quality. He believes in the Mediterranean way of life when it comes to yachts and even though the primary markets of Italy, Spain and Greece may have fallen off a chalky Anconan cliff, he truly believes that Europe will come good again when it has solved the political and financial woes caused by some of the types of money players that almost destroyed the Ferretti pedigree. With some 20 yachts in build at the Ancona base of the Ferretti Group megayacht division, he is more and more optimistic about the long-term future. He is in the process of reviving the spirit at Ferretti’s upper end of the build spectrum and loves the idea of creating innovative new projects that will impress the market and drive change in ownership.

Their new Dislopen concept launched recently is a distinct departure from the typical CRN projects delivered over the past 20 years, the word “open” in the project brand suggesting a new way of on-board living. He is excited at bringing the first of these new projects to life, alongside a CRN 62m Sport Zuccon International Project and CRN 52m Classic (pictured below), also designed by Zuccon International Project.

While discussing China he was clear in his vision that while China will be huge, he was initially more focused on recreating a traditional market than building a new evolving market. The USA and Europe have an understanding of yacht ownership and
love being afloat, and even though many have sold their yachts and left the market due to financial structures and increased scrutiny from the authorities, he expects things to return faster than new markets will grow. “Yes, there is a lot of noise and interest in China from everyone in the business and there is an appetite to acquire yachts in the region, but we have to wait to see how they use them and if they will enjoy cruising or navigating,” Tacoli explained. “When they start to enjoy the concept of ownership and cruise to many different places, then the market should be good.”

“Have you seen Zhuhai?” Tacoli asked excitedly. “It’s like China’s Croisette in Cannes; it’s amazing and is typical of the attitude to tourism.” When you combine this with the new bridge to Macau from Hong Kong and the Wanshan Archipelago, you could easily predict an opportunity for a few hundred large yachts in the region and for it to become the Chinese Riviera, not to mention the added bonus of the possibilities offered by Hainan Island.

It is clear that this strategic investment by the Chinese owners of Ferretti Group is intended to capitalise on this latent potential. If the Group’s owners and their friends in high places enjoy the ride, they could blaze a few Chinese trails that could put large yachting on the map. However, I think as the largest engine manufacturer in China, there may be other motives behind the deal. Tacoli had his own views too: “Perhaps they have ambitions to be the next MTU, who knows.” It’s fairly obvious that when you look at the business of the Weichai Group, this is not just about owning some of the best brands in large yachting, there has to be a more strategic goal, but perhaps all will become clear in the next few years.

Lamberto Tacoli is a strong character with a very positive attitude to business and life, and our lunchtime conversation revolved around all of the above and more. Eating a plate of baked white fish covered in olive oil and drinking vats of sparkling water, this healthy diet suggests a change in focus for this leaner and more energetic business. As he added, “I have learned a lot in the past few years and I truly hope the rest of the industry has too.” Almost with a sigh, he continued, “The crazy times may be over now, but we have to prevent them from coming back.”

The conversation during our exquisite lunch metaphorically suggested that everyone had grown too fat as companies and we had to be healthier in our attitude to clients and doing business. “I remember the times in 2006 through to 2008; anyone could start a yard and spend plenty of money telling the world how good they were and clients would get sucked in. Some even made a huge noise without even building one single boat!” he added. I imagine this was a reference to Fashion Yachts in Pisa, a business that arrived as quickly as it disappeared, potentially tainting the market’s perception of Italy. Similarly to Maggi on the previous

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After touring the vast complex of sheds and modern offices and design studios, it is clear that there is a renewed vigour and energy within CRN.
day, Tacoli was candid and passionate about the market’s understanding of the product. “The products are getting closer to each other; everyone knows what each other can do and we are becoming more open as an industry.” It was clear that he saw this as a positive change and clients are seeing a broader spectrum of yards in the bidding agenda and that the key yards’ processes are continually improving. “In the 50-80m sector the market differences are getting less, and we are bidding against the best yards in the business,” he proudly added.

After touring the vast complex of sheds and modern offices and design studios, it is clear that there is a renewed vigour and energy within CRN. Combine this with the financial stability and a strategic partner who is not providing vulture capital, but investment, then it is easy to see why Tacoli’s smile is beamier than the 80m they are building. The change has started, and as Tacoli explained, “We are doing things better than before, our focus is exclusively on quality, service, attitude and design.” I’m not sure in what order these mantras are being applied, but no doubt had I visited Ancona a couple of years earlier, then the air would not have tasted so sweet, but the food and wine would still have been incredible.

The two Italians have become neighbours in business but live in two juxtaposed yachting locations, Monaco and Sardinia. Their products no doubt pass each other on course to either destination. Perhaps one day, and this is purely my speculation, the two yards will become more than neighbours and we will see Ancona become one of the biggest builders and repairers of large yachts in the world. Perhaps by then it will be easier to fly there.

Images: Justin Ratcliffe

To comment on this article, email issue137@superyachtreport.com with subject: Yard Talk: ISA & CRN

Perhaps one day, and this is purely my speculation, the two yards will become more than neighbours and we will see Ancona become one of the biggest builders and repairers of large yachts in the world.
Lady Candy, a 56m motoryacht in build at Benetti in Livorno, is the latest and largest yacht owned by Alan Chuang, a Hong-Kong based entrepreneur, real estate developer and experienced owner. Based on a tried and tested Benetti platform, Justin Ratcliffe reports on how the interior layout and exterior styling have been thoroughly revised by Central Yacht, headed up by Captain Paul Brackley, who has some very specific ideas on how yacht design can be improved based on his 20 years of experience at sea.
Lady Candy is Captain Brackley’s third new build project with Benetti, having been owner’s representative and subsequently captain aboard 65m Ambrosia, and overseen construction as build captain of 60m Xanadu (now St Ekaterina). Ambrosia was notable for having diesel-electric/Azipod propulsion, a first for the Italian shipyard, while Xanadu won the Robb Report’s ‘Best of the Best Charter Yacht 2009’ award. His involvement in both these projects, and Xanadu in particular, has proved invaluable when it came to fine-tuning the basic design concept, interior layout and technical specifications for Lady Candy.

“Most of today’s superyachts are designed by people with very little sea time and, beyond that, probably no time working in a service environment,” Brackley immediately points out. “Inevitably, they miss things that are important from an operational standpoint.”

This realisation led him in 2006 to set up Central Yacht, a partnership of professional seafarers and architects with experience of designing, building and operating yachts. In addition to Brackley, the associates include Brett Mitchell, a marine engineer who started out as fleet engineer for a fishing company in Australia’s Gulf of Carpentaria, where a faulty freezer can mean a million dollars’ worth of catch is lost; Andrea Manco, an accomplished naval architect and interior designer who formerly worked with François Zuretti; and Paul Coupland, a seasoned chief steward who began his career at prestigious venues in London, including the Savoy. Together, by thoroughly analysing and understanding the practical operation of luxury yachts, they seek to create efficient vessels where form truly follows function and beauty is not just skin deep.

Brackley was introduced to Alan Chuang in Hong Kong when the owner was looking to upgrade his current 38m Versilcraft, Lady Candy 3, for a larger vessel. Together they developed two projects based on technical platforms from Benetti and Jade Yachts in Taiwan. Following over a year of design development and extensive reviews, the decision to build with Benetti, beyond the yard’s established reputation, was founded primarily on commercial reasons (the contract was finalised in 2010 at a time when new orders were thin on the ground and the Italian builder was looking for ambassadors to open up opportunities in mainland China). The new yacht is based on Benetti’s 55m technical platform, of which Ulysses is the most recent example, but the LOA was later increased by one metre with an aft platform extension to provide the space required for a hydraulically operated swim ladder.

“Fifty-five metres is an ideal length for a superyacht if you want to take it to the best marinas around the world,” says Captain Brackley. “With 60m Xanadu, for example, we could get into St Barths, although it was nip and tuck, and in Barbados the bow was virtually on the beach. It makes sense to reduce the overall dimensions by using space more intelligently, so Lady Candy is shorter but offers around the same volume at about 950gt. If you can take the yacht almost anywhere and still park comfortably in front of the Café de Paris in St Tropez, what more do you want?”

The layout of the service areas, and the pantries in particular, aboard Lady Candy can be traced back to Xanadu, where the aim was to improve crew service by reducing ‘back office’ time on a yacht whose owner wanted to charter the yacht extensively.

“Chinaware and glassware on large yachts are usually stored in the main dining room or cupboards distributed around the yacht,” Brackley points out. “This means that during a five-course dinner you have a leaning tower of dishes in the pantry that cannot be put back until all the guests have left the table. Besides the risk of breakage – and these dining services are worth many thousands of euros – it means the stewardesses are hanging around when they could be doing other things or simply off-duty.”

So Lady Candy has a pantry/cleaning station away from the dining areas for acoustic privacy, with adjoining...
storage cabinets for the flatware and glasses. This seemingly obvious yet often overlooked solution saves time and improves efficiency by maximising the crew workflow – time that can be dedicated to the owner and his guests.

An additional area that Brackley looked into was the position of the owner’s suite. Traditionally this is found on the forward main deck, which dates from the days when gentlemen’s yachts were at most tri-deckers with guest cabins below, owner’s suite on the main deck and wheelhouse above. However, this happens to be the worst place for pitching movements and noise from the bow thruster and anchor operations. For most yachts of this class, tank test reports will show that the forward suite is not the most comfortable place to be while under way. As a consequence, the full-beam master suite on *Lady Candy* is on the upper deck aft, where it can also take advantage of the 180-degree panorama over the owner’s private aft deck.

The upper deck hosts the VIP cabin and terrace, which are just as ample as the owner’s suite. Between the owner’s and VIP cabin is a central salon and office. With flexibility being the watchword for charter operations and depending on who is on board, the salon can serve either as a public space, shared between the VIP and owner’s suite, or reserved as part of an enormous owner’s apartment. Freeing up the main deck allowed dedicated cinema room to be placed where the owner’s office is usually found, with seating that can also function for karaoke sessions or small meetings.

The customary location of the tender garage is another bee in Brackley’s bonnet. Again, tradition dictates that it is usually located in the aft section and served by either stern or side-opening hydraulic doors at close to water level. The problem here is that near to ideal sea conditions are required for tender launch and retrieval operations to be carried out safely.

“I had personal experience of this at the 2008 Monaco Yacht Show when *Xanadu* was anchored offshore and a very important guest couldn’t get off the yacht because of the sea state,” Brackley recalls. “If a Mangusta comes round the aft end and comes off the plane pushing up a wake over a metre high, tender operations can become very hazardous. So we moved the tender garage on to the forward main deck, the noisiest and most uncomfortable area anyway, where

The full-beam master suite on *Lady Candy* is on the upper deck aft, where it can also take advantage of the 180-degree panorama over the owner’s private aft deck.
CLOCKWISE FROM TOP LEFT: SCENES DURING A RECENT OWNER VISIT TO THE BENETTI SHIPYARD TO MONITOR PROGRESS ON THE BUILD.
it is well above the waterline, which frees up the entire lower aft area for the beach club and gym. An added advantage is that we only require two crew to launch the tender in conditions where we could not even hope to launch the tender from *Xanadu* with the requisite five crew."

With service efficiency again in mind, Brackley has done away with the dining area on the upper aft deck so crew do not have to traipse through the lounge to get there. Instead, full dining facilities are provided on the sundeck close to both the dumb waiter that emerges at waist level (not inconveniently close to the deck, as is usually the case on sundeck installations) and the BBQ area, which is protected from the wind and equipped with an extraction fan to remove cooking odours.

“Our goal is simplicity and more simplicity,” explains Brackley when it comes to technical specifications. “There is no point in seeking complexity for the sake of it.” *Lady Candy* is based on a standard technical platform, but certain equipment has been upgraded with the above credo in mind. The standard piston-type air compressors, for example, which tend to judder and vibrate when starting up, have been replaced with quieter screw-type units more commonly found on large sailing boats, and these have been moved to the aft end of the engine room instead of up against the guest accommodation bulkhead.

A very practical upgrade concerns the black and grey water system as emerging MARPOL regulations will further limit the emission of effluents in ports and marinas. Most waste treatment systems on large yachts comply with the existing regulations, but treatment plants commonly retain five per cent of the waste as sludge, which is piped ashore or has to be pumped out at least 12nm offshore.

“A yacht of this size might be treating 10,000 litres of dirty water a day in a marina, which translates into 500 litres of sludge,” Brackley points out. “If you only have a sludge tank with a 2,000-litre capacity – and there are many yachts with smaller tanks – you’re going to be in trouble after just a few days. So we have a 6,000-litre capacity, which means we can stay put for well over a week.”

Central Yacht intervened to modify the yacht’s exterior styling, but for functional as well as aesthetic reasons. This meant removing the customary Benetti fashion plates to provide space for larger, unencumbered windows, and doing away with the Portuguese bridge in front of the wheelhouse. This latter feature was initially conceived as a way for the helmsman to make his way quickly from one side of the vessel to the other while manoeuvring, but on today’s yachts it makes more sense to pass through the wheelhouse where the wing station controls have to be switched over manually (Brackley knows of at

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LESSONS FROM AMBROSIA
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Although *Lady Candy* is powered by diesel main engines and generators, the technical knowledge Brackley picked up as captain of the diesel-electric *Ambrosia* is further evidence of how experienced seafarers can provide valuable know-how during the design and build process. In the course of developing an operating manual for the yacht, he proposed a number of recommendations to both MARIN and the Azipod supplier ABB.

“One of the problems with smaller Azipod yachts is that they have very sensitive steering, so a small adjustment can lead to a big change in heading and the steering is ‘hunting’ all the time,” Brackley explains. “So I proposed an asynchronous steering system, whereby if you turn to port you use just the starboard Azipod, and vice-versa. ABB certainly weren’t aware of this issue at the time and they have now incorporated asynchronous steering into the Kongsberg DP system.”

Another issue he came across was controlling propulsion through the rpm via the throttles. The problem here is that as the yacht heads into heavy seas the yacht’s speed varies significantly, as does the load on the engines. On a standard yacht, where the generators are separate from the propulsion motors, this is not a problem, but on a smaller diesel-electric yacht a heavy wave can significantly reduce boat speed and lead to electrical power fluctuations. Larger commercial vessels are less susceptible because their sheer mass prevents sudden deceleration, but Brackley discovered on *Ambrosia* that the audio-visual and lighting systems, in particular, did not like these power fluctuations. As a result of talks with the ABB technicians, they are investigating a system of regulating electrical propulsion by power control rather than by rpm.

Many of these issues are the result of scaling down the diesel-electric systems common to commercial vessels or cruise ships. According to Brackley, this is completely misguided as a yacht has very different voyage and operational criteria.

“One on a diesel-electric superyacht you need to address three operational scenarios: at anchor, cruising speed and maximum speed,” begins Brackley. “We already know down to a few kilowatts what the power demands are in these situations, so we can match generator size to requirements. In the case of *Ambrosia*, we had two large generators and two small ones. At cruising speed we used just one large generator. This provides efficient fuel management, but also savings in terms of maintenance and servicing. We generally ran only one power plant, whereas a conventional yacht will always use three. When we wanted to go faster, we could use both large generators in parallel. Again, even at full speed we only used two generators, while at anchor we operated like any other yacht using just one of our two small generators to optimise the load. For DP (Dynamic Positioning), we could parallel the two small generators, or even proceed in ‘stealth’ mode at up to seven knots, with the small generators in their sound shields making almost no perceptible sound.”

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The layout of the sundeck came in for particular attention and has been designed to provide seating for 21 people (12 around the dining table and a further nine at custom, fold-down stools at the bar), without impeding crew service. An aluminium ring frame extending aft from the central coachroof can be fitted with a watertight awning to protect the diners below from the sun and rain (an important consideration in tropical Hong Kong). The sun umbrella stems are provided with small integral tables for resting drinks or snacks and a running machine can be stowed away underneath the sun lounger aft.

Fixed, robust stainless-steel handrails on the swim platform provide added safety and the bespoke hydraulic swim ladder, with its attractive teak grating steps, can remain in place even when a tender is alongside. The mast spreaders carry the VHF and weatherfax antennae, but also serve as support for the signal flag hoist. As any deckhand who has had to clamber up the mast to attach these signals will tell you, it can be a precarious climb, so the flags can be hoisted from a halyard that runs down to the bridge wing station where it is secured by a cleat. In fact, the mast design is a study in efficiency by avoiding the customary side-by-side dome arrangement associated with poor reception and including steps that have been integrated into the arch structure as a styling feature, while also providing safer access for maintenance.

There is a lively ongoing debate about who is best qualified to manage new build projects – build captain, owner’s rep or the shipyard’s own management team? All these parties have important roles to play and there is some crossover in terms of responsibilities, but for Brackley, who spends at least a couple of hours on board each day, having someone with practical hands-on experience permanently on site can only be advantageous.

“Quality control demands that you need to be there every day, because you miss a lot if you’re visiting just once a month,” he maintains. “By being aboard everyday, the design process is an ongoing concern and we are always finding small items that can be improved or fine-tuned. It’s also important to show that someone cares; I know most of the guys working on Lady Candy by their first names – that can make a difference in terms of their attention to the job and their pride in the final result.”

Images: Justin Ratcliffe & Central Yacht

A full interview with the owner, Alan Chuang, will be included in issue 4 of The Superyacht Owner, published in September.

To comment on this article, email issue137@superyachtreport.com with subject: Value-Added Experience.
Can you provide a brief biography of your career, how you got into yachting and a snapshot of the various yachts you have worked on?

I’ve actually been on the water since I was two – my family sailed mirror dinghies in Melbourne, Australia – and so I’ve been sailing my whole life. My mother and stepfather started yachting professionally with a 64ft classic yacht in about 1980 and I used to visit them when I was working in the Australian Navy as an engineer. On one occasion, I did a season in Greece and Turkey with them and ended up asking myself: “Why am I hanging out in navy engine rooms when I could be out yachting?” So I left the Navy and started yachting.

I started in Antigua on a 94ft ketch named Alleyola II (now Providence), and worked for my godfather, Allen Dunckley. I was mate/engineer and 23 years old. I did that for a year or so, and joined him on Shenandoah as mate for a year when he became skipper. I subsequently left to do other things, then was offered a job on Vagrant, which is a 1910 Herreshoff schooner for Peter de Savary. I did Cowes Week on her and we were also involved in the Blue Arrow America’s Cup Challenge, first coming to Falmouth in ’87, and had a great time. I did four/four and a half years on Vagrant.

I then went on to other skipper jobs for a few years – on various boats. Then in about ’93, I joined Mirabella,
went chartering through the Med and Caribbean. A year later we built *Mirabella III*. I went to Thailand and did commissioning, and then, with the same owner, chartered the Med, the Caribbean and New England.

By then my daughter, Courtney, and wife, Jenny, were with me on board *Mirabella III*, but we needed to find boats that were a bit more relaxed for family life. I didn’t want to be one of those skippers who was always away from his family, so we had to very sadly leave the wonderful owners and do various jobs for the next couple of years. We worked on new builds, took a job in Hong Kong, joined a boat in Thailand called *Elissa M* (the original *Columbias Sky*), a 118ft motor/sailor ketch. We were with them for about three or four years, sailing around the Pacific and Asia, southeast Asia, and that was great. We then bought an old warship, HMS *Bulldog*, which was a hydrographic survey ship, and sailed from England to New Zealand, where we spent 18 months refitting it.

“*You reap what you sow, so if you look after the crew you’ve got a better chance of them looking after you.*”

We really loved New Zealand, and the owner wanted to do another refit, so we went to West Africa, Nigeria, and to the Ivory Coast, where we bought its identical sister ship. Four of these ships had been built and one that charters now is the *Bengale*, which some people may know. She was a reasonably successful charter boat. We were going to take her to Hong Kong and refit her in China, but things didn’t go too well during the negotiations. Although we spent six weeks refitting the boat in West Africa, the boss pulled out, so the refit didn’t actually go ahead.

By that stage, we decided that we liked New Zealand so much we wanted to stay. We lived there for eight years doing a mixture of jobs: property stuff, yacht brokering; we bought shares in a small shipyard there and we looked into building marinas. We had a fantastic time – doing a lot of horse riding with our daughter and it was just a great upbringing for her. However, we wanted to get back into yachting, as when Courtney grew up she was going to do her own thing, so I went back to school to upgrade my tickets for nine months.

When the course was finishing, about three years ago, the Vittorias called me up (because I’d hired half of the skippers on the *Mirabella fleet ever since*) and said: “We’re looking for a new skipper; who do you know?” And I said, “Well, I’ll do it.” It was just an offhand comment and before I knew it, four weeks later, I was over here [the UK] and on *Mirabella V* and chartering. We did that for 18 months.

After 18 months, the boat sold [and was renamed *M5*], and we stayed on with the new owner. He’s now sailed her for eight months and we’ve planned a big refit. In fact, he bought her in order to refit and personalise her himself. So we’ve now been here three months working on the refit.

**Who has been your mentor or inspiration throughout your career?**

I’ve had two: Allen Dunckley, who was my godfather, who skippered *Alvador* and *Shenandoah*. He sadly died about three years ago.

The other was Jim Alabaster. Jim was just amazing. He saw what he wanted and gave me my first skipper’s job for *de Savary*. He was very good friends with the owners of *Mirabella* and when Joe Vittoria said, “Jim, we need a new skipper,” he replied, “This is who you have to have”. I was only 30 years old, it was the biggest fluke in the world.

Even when I was on *Vigant* at 25 years old, I had no dreams of skippering a 100-footer. All of a sudden, Jim said, “No, no, you’re the man for the job.”

**What advice would you give to developing senior crew and those who are looking to be the next generation of captains?**

The biggest skill that will really help you from the ground up is what you did as a kid – sailing. When you’ve got people who haven’t ever sailed a dinghy, how can you ever teach them?

Nowadays things are a little different: you’ve got to be a lot smarter and kids these days are a lot smarter than we were. But nowadays it’s also more of a business, boats are a lot more technical, and so the younger generation is more suited to modern boats. We old dinosaurs will survive, but there’s so much more schooling these days. People need the same certificates now that we had and all the rest as well.

“If you’re into water and sailing, you don’t have to work five days a week to earn some money to go sailing at the weekend, you get to do it all the time.”

**What advice and guidance would you give to owners regarding their management of the yacht, use of the asset, and working relationship with their crew and captain?**

I don’t give advice much to owners. They’re the boss. If I can help them and they’re willing, then I will, but I think a lot of people lose sight that they’re the boss, not us.

**What would you say to owners about the relationship with their crew?**

You reap what you sow, so if you look after the crew you’ve got a better chance of them looking after you. If you have a good relationship it all goes better, for everyone.

**Have there been any incidents or accidents that you feel are worth reporting to advise other captains of the facts?**

There are always moments in your career where you’ve had problems.

Jenny: One of the things you always found is that you shouldn’t lose sight of using your eyes and your ears rather than just relying on your instruments all the time.

Rocka: That is one thing. If you’re old and you have old instincts, generally, like every decent skipper, they’re good instincts and they’ll save you. What you’ve got to do is encourage younger crew to develop those instincts; don’t just believe in the electronics. They’re there and they help you and they’re good, but learn when and what is best.
If there is one thing you could change about the Industry what would it be? This could relate to any aspect of the market.
I’m not a fan of all the regulation. I believe it still should be a more fun industry than it is, but I have to admit that regulation has highlighted and improved safety. So really what I’m saying is that all the regulations and paperwork we go through are there for the right reasons. It’s not always necessarily implemented in the right way, though.

What is the best thing about being a yacht captain?
To be able to do what you love as a career. If you’re into water and sailing, you don’t have to work five days a week to earn some money to go sailing at the weekend, you get to do it all the time. That goes for any professional sport, really.

You’ve been a captain with your family on board on a pro-boat; how do you deal with that?
Jenny and Courtney were always allowed on board Mirabella III; they couldn’t be there for charters and things like that, however. So after we left her, we only took boats that would allow them to be on board all the time.
On M5, my wife is the purser, so she does all the accounts, all the crew management, all the bill paying. When we were chartering with M5, she did all the charter agreements and contracts and just everything that I was no good at, all the paperwork stuff.

How did you make your decision to refit in Pendennis; having an American owner one would presume you’d prefer to do it in America?
Yes, we wanted to do it in America, but we couldn’t find a large established shipyard available that could do it. We visited yards, the boss visited yards, and we talked to one, two, three, four, five, six, seven yards that I can think of offhand. It just wasn’t going to happen in the States because of the facilities for a yacht this size and type. Some of them couldn’t get us out of the water, some of them didn’t have a spot, some of them went broke, some of them... there were various reasons.

Since you started, have there been a lot of extras that you weren’t expecting? And how’s the schedule going?
There have been fewer extras than on a normal refit. We were pretty set on what we wanted. There are a few things that you pull out, “Oh, we better do under there; we didn’t know we had that problem.” There’s been a little bit of that, but not much. I wouldn’t say you’re ever running ahead. We’ve booked a very ambitious schedule and we’re putting a lot into a year. And there’s a few little add-ons we’re doing, so we’ll be pretty close, I think.

Images: courtesy of M5
To comment on this article, email issue137@superyachtreport.com with subject: Captain of industry – Rocka Romcke
GOOD HOUSEKEEPING
A little over a year ago The Superyacht Report was the first publication of its kind to evaluate the impact of the then incoming UK Bribery Act on the superyacht industry. We spoke to a selection of legal, insurance and management professionals in the form of a round table discussion who outlined precisely what would be classified as an offence under the terms of the Act and the sections of the legislation that would have most relevance to superyacht transactions.

The Act was passed into law on 1 July 2011, and now governs the legality of all commissions and acts of corporate hospitality involving British individuals and/or employees of British companies.

But what, if any impact, has this new legislation had on the way business is done in the superyacht market?

On the surface, it appears that very little has changed, with no high-profile individual or corporate cases materialising since its induction. The impact on companies’ compliance procedures, however, has been more noticeable. Twelve months ago, Hill Dickinson’s Tony Allen predicted that the Act would be "a catalyst for housekeeping – the idea of the responsibility of a company for the actions of its individuals – if they haven’t got sufficient safeguards in place." Accordingly, the recent Ernst & Young Global Fraud Survey 2012 cited a figure of four per cent – for respondents who thought that cash

One year after the Bribery Act was enshrined into UK law, Will Mathieson reveals that its influence, rather than its impact, is having positive consequences for the superyacht industry.
payments were a justifiable means of generating business. This figure fell from eight per cent in 2010, and was offset against a figure of 15 per cent for global responses. At a recent YachtInfo seminar, Camper & Nicholsons broker Matt Fisher said that the scope of the Bribery Act was so far reaching, and the chain linking transactions to the legislation so convoluted, that it was safer to assume that everyone was affected by it.

“As one yacht manager who wished to remain anonymous predicted, as the superyacht industry begins to expand into these markets, British companies and their businesses will find themselves at a disadvantage when trying to conduct business, precisely because they are prohibited from offering facilitation payments. This is, however, a path not yet trodden; Asian markets have a way to go in terms of both knowledge and experience and the superyacht industry must continue to find its feet in both its ability to attract custom and the way it conducts business.”

Marcin Hoekstra, director at Vripack, which is one of the companies pioneering the introduction of European techniques into the Asian market, believes that emerging economies are catching up and that companies must respond. “So far we have seen a lot of experimental yachts, commercially orientated or lower-level boats from Asia”, he explained; but this is starting to change and business practices are beginning to improve. “We include the BRIC countries as part of our company strategy,” Hoekstra added – and this approach will ensure that companies keep up with business practices in maturing markets.

CODIFYING ETHICS

Improvements in due diligence are undoubtedly positive for a ‘cottage industry’ trying to boost its image and expand its client base. The superyacht industry has been the subject of a barrage of negative press in the mainstream media in recent times, portraying an image of seediness, frivolity and illicit deal-making. From the dictator’s son accused of using state money to purchase a yacht, to the Russian state’s purchase of a superyacht, the wider perception is of a rotten industry. For this reason, the policing of the industry, whether necessary or not, will go some way to changing that, broadening the industry’s client base and boosting business for all concerned.

Speaking at the 2011 Global Superyacht Forum, James Lawson, of Hill Dickinson, declared it vital that owners understand exactly what the payments are going: “My owner doesn’t care who gets paid, as long as he knows about it. I can make as many payments as possible to people who make his life work, as long as he knows it’s being paid.”

Another benefit to the industry that could, in part, be accredited to the introduction of the Bribery Act is of the progress that has been made towards an industry-wide ‘code of ethics’, a project International Superyacht Society (ISS) president Ken Hickling has made a priority of his tenure. Hickling, though, sees a principled approach to business as an industry need that transcends bribery legislation. Since becoming ISS president, Hickling’s research into the subject has led him to a single conclusion: “We want to work in a superyacht industry that we can be proud of and that is respected.” Convincing the industry to adhere to an agreed set of moral guidelines is, he said, more meaningful than the enforcement of punitive legislation.

In order to achieve this goal, Hickling asserted, the industry needs an agreed code of “principles”; “You want people in the industry who work with integrity and integrity is all about being consistent, reliable and conducting their business in a professional way.”

This trend towards stringency is something John Leonida, partner at London-based Clyde & Co, concurs with. He believes the superyacht industry has definitely modified its behaviour. He says that there is a greater acceptance by all the stakeholders of a need to be more transparent. “We are seeing, especially in crew contracts and yacht management agreements, express anti-bribery clauses as well as clauses banning service providers from taking secret commissions.”

One area where the Act’s impact could be, perhaps, less desirable is in emerging markets. In many of the world’s ultra high net worth growth markets, a number of which have been introduced to capitalist models relatively recently, facilitation payments to bolster business are still seen as standard practice. This is a view supported by Kevin Cooper of Ince & Co who, in his recently published article on the impact of the Act, said, “Facilitation payments are often a predictable evil in foreign jurisdictions as a means of convincing public officials (for example port entry and customs officials) to properly and expeditiously perform the services that they should in any event be doing as part of their job.”

“You want people in the industry who work with integrity and integrity is all about being consistent, reliable and conducting their business in a professional way.”
This utilitarian approach to enhancing the health of the industry seems very achievable. By providing practical examples of how these four underlying principles work in practice, Hickling believes people will take proactive steps to improve the way they do business.

Once these principles are turned into a cogent document all ISS members and industry associations will be invited to sign it and endorse it. Eventually it is hoped all companies and key individuals in the industry will be signatories, leaving those who don’t out in the cold. “This project is in the fullness of time, but what we can say straightaway, next time we speak to a potential owner who is unsure about the industry is, ‘we do have a code of ethics’ and automatically you have a client slightly more predisposed to doing business with us.”

Although Hickling feels that the industry needs a more fundamental system of accountability, he also thinks the impact of the Bribery Act has been both profound and successful: “The Bribery Act has scared employers; they are now liable for the actions of the individual. What this means is that in order to protect themselves, companies need to be seen to be spending more time training their employees, and by doing so are further inculcating ethical behaviour into their structure. It is having an effect, and ultimately there will be convictions, leading to companies taking greater steps to prevent employee indiscretions, all of which will lead to people behaving more ethically.”

SO...
As predicted by our round table discussion 12 months ago, the Bribery Act has seemingly succeeded in achieving its primary objective – to improve the integrity of corporate business practices. Yes, there have been no high-profile prosecutions as yet, but we’ll leave you with a word of warning from Cooper:

“The SFO has a new director, David Green QC, as of 23 April 2012. Mr Green is a former head of the Revenue and Customs prosecution office and a leading barrister. He replaced Richard Alderman and is reported to be pursuing a more aggressive crime-fighting strategy… It is therefore likely to be only a matter of time before we see corporates being prosecuted under the Act.”

Image: Corbis

To comment on this article, email issue137@superyachtreport.com with subject: The Road to Enlightenment
Managing the Deals

Sitting at our desks, the editorial team at *The Superyacht Report* receives daily updates of brokerage activity worldwide, and when a sale is announced we’re happy in the knowledge that owners are investing their time and money in our industry at a time when the market changes almost daily. However, these sales, when they do come through, represent months, if not years, of brokerage house meetings and work encouraging the ultra wealthy into the industry, potentially, through chartering – demonstrating the fun and the excitement of yachting. Yet the myth often circulates that brokers and managers earn too much for doing too little, and are often simply in the right place at the right time. When all you see is the announcement that a new build or a sale has been made, it could be easy to make that assumption. With this in mind, I went to visit various brokers and managers to discuss the true value of brokerage and yacht management to an industry that can often view it with suspicion. It was clear that all the brokers and managers I met were passionate about their occupation, referring to it as more of a lifestyle choice than a job. A charter may be booked, but a charter broker is still on call day and night in case an owner has a query or concern. A sales broker or yacht manager is continuously building relationships with potential owners and may spend months planning and researching a new build for that client who then turns around and says he’s decided not to build that yacht, despite all the hours put in by the broker.

Rebecca Dark discusses the contentious world of brokerage and yacht management with brokers and managers from some of the biggest houses and dispels the widely held perception that it’s all play and no work.
Having been in the industry for only a few years, I didn’t take as harsh a perspective of brokers and managers as some, and instead was hugely impressed by not only the amount of work brokers and managers undertake, but also the sheer volume of knowledge they’ve gained and continue to acquire because to their clients, shipyards and even suppliers. They are often the first port of call if there is a problem or query, or often acting as mediator between captains and charterers or owner’s reps and shipyard management.

As such, what started as a ‘day in the life’ piece quickly spiralled into a discussion about what being a broker or manager entails, as each stated unequivocally that there is no such thing as a typical day, no matter how well organised a broker or manager is.

**FRASER YACHTS**

Peter Jones and Julian Calder are both sales brokers for Fraser Yachts. Julian has been in the industry for over 13 years and currently has just delivered a 40m and 50m yachts. Peter came to Fraser following 20 years’ involvement in the yachting business.

**THE COMMON DENOMINATOR**

“Long hours are the common denominator,” Peter replied when questioned on what a sales broker’s typical day entails. Julian continued: “It starts at about six in the morning, when you wake up and look at your Blackberry and see what’s come in from Russia, the Middle East or the Far East; you’re normally waiting on something, or expecting to see something. I deal with a lot of stuff in my inbox on the train. One day you might be planning to do a number of interviews and the next minute you find yourself in Anitbes because someone left you a message on your voicemail overnight and said, ‘I’m in Antibes, I really like the look of this boat, can you come and see it?’ If you’ve got a good client and you know he’s serious, [you] get down there and go and see him, because with the best will in the world, you could be a really good broker and have a good relationship, but if you’re not available to go and see that boat with that guy at that time, somebody [else] will be.”

As both Julian and Peter pointed out, this fluidity is key. Dealing with people who are masters of such wealth and usually so busy that when they have a spare moment to discuss yachting, brokers simply have to be ready.

Once the central agency (CA) has been won, the work of dealing with several people begins and here the importance of relationship building in brokerage is paramount. “We’ve got the whole process of sea trials, the contracts with lawyers on both sides, surveyors coming in, captains on behalf of buyers, engineers, representatives, middle men. You’ve got a whole entourage of people that you have to find the right balance with, and quite often there can be language difficulties, things get lost in translation, strong characters to deal with and appease. You’ve got to keep all those people harmonious towards each other,” said Peter.

“We really get involved in the nuts and bolts of the deal, and that’s why we’re doing this job, because that’s what we enjoy,” Julian said, with obvious passion, before explaining how rarely, especially in the current market, those situations actually happen. “They happen maybe once, twice, three times a year. Quite often you’re not working on any particular deal and that’s what a lot of brokers find the hardest, not having something to negotiate, not actually having a boat you’re working on, not having a problem to solve and, certainly for me, that’s the hardest part of this business. When you’re doing a deal there’s a thousand and one things to manage and negotiate and re-negotiate, your day goes so fast, the day’s just not long enough. When that’s not happening, and you’ve phoned two or three dozen people and they’re not interested, or it’s not right now, or they’re thinking about buying a villa in France instead, that’s when it gets really tough, when people are just not buying.”

“**You’ve got a whole entourage of people that you have to find the right balance with... You’ve got to keep all those people harmonious towards each other.**”

“You have to be organised and keep in your mind who’s out there that you need to stay in touch with and know what they’re interested in, and every time you read something and it’s relevant to them, you call them up and say I saw this and thought of you.”
BACKGROUND WORK
“When we’re not doing sales, we’re doing all the background work of industry knowledge,” Peter expanded. “We’re following shipyards, yachts, reading about what’s been sold, what’s been renamed, what’s had a hull extension or a refit; it’s [about] keeping yourself abreast to the best of your ability.”

That knowledge and that background are what both Peter and Julian see as the real core of brokerage. Despite the power of the web, where a potential owner can perhaps find a yacht and its basic specifications, a broker will know the true value of the vessel and whether it’s really suited to the client’s needs.

“It’s not so important for clients to use us to find out what’s out there; they can do that themselves. What is important, and why it’s called brokerage, I guess, and it’s not just selling houses, is finding out the real story; what has that boat done, who built it, who supervised it, how much did they pay for it, how many times has it been sold since, who owned it, how did they maintain it and when the market’s tight like it is now, that’s real brokerage, that’s the added value,” Julian explained.

“I think you have to be organised and keep in your mind who’s out there that you need to stay in touch with and know what they’re interested in, and every time you read something and it’s relevant to them, you call them up and say I saw this and thought of you. He might turn around and go, ‘Julian, I’m really busy right now, I’m in a board meeting’, and you have to not take that personally. Or he might say, ‘Actually, I’m in Antibes, and I’ve been wondering who to call, because there’s a really nice boat here,’ and you’re off and running. I think you have to be pretty thick skinned. Sometimes you catch them on a bad day and they’re incredibly rude and you think, ‘Oh God, I don’t want to speak to them again’, and that’s the completely wrong attitude to take; you’ve just caught them on a bad day. You just [have to] call them again the next day and see what they’re after and never let go.”

NEVER LET GO
The process of securing a deal with a client, both Peter and Julian pointed out, is hardly ever as simple as being in the right place at the right time, with brokers often keeping an eye on the financial market as a potential pool for new clients and then, if a relationship is established, that has to be maintained.

“Some of the people are just not interested in yachting and they’re not going to be easily convinced. I think it’s easier for us approaching people in London as they mostly have a global outlook; they understand yachting and they have a certain amount of money and business experience behind them and if they’ve reached a certain age it’s impossible for them to miss the yachting industry so are quite aspirational. If they don’t know anything about it, normally they’re curious if someone calls up and wants to talk about what’s out there and how they can enjoy it. Normally, with a bit of persistence, you get to the right office, through to the PA and find a window where they’re able to talk because quite often these guys have 15-minute windows that you have to book maybe a week in advance just to speak to them.

“I do quite a lot of jumping up and down on other people’s behalf. It’s a bit like being a sheepdog. You nip at people’s heels to make sure everyone’s going in the right direction, especially when you’re talking about new builds.”

CAMPER & NICHOLSONS
Simon Goldsworthy is a senior sales broker with Camper & Nicholsons, specialising in brokerage and new construction for yachts between 30m and 70m. He previously worked on board large charter yachts between 40m and 50m following employment as a city headhunter, before joining Camper & Nicholsons in 2003.

NEITHER TYPICAL OR UNTYPICAL
“Just to give an idea, this not is what I’d call a typical day, but it wasn’t an untypical day either,” Simon said, indicating that no broker’s day is ever the same. “I prepared a selection of...”
30m yachts for a buyer from an enquiry we had over the weekend. This is somebody who’s come through our website and made a general enquiry, so I found five yachts and sent them to him. Then I got web feedback forms from my marketing department for each listing that we have on our website; in other words, how many people have looked at the details, how many people have clicked through, how many people have downloaded the brochure, etc., so I sent eight or nine emails to owners about the activity for their boats.

‘I had lunch with a client to discuss a 30m new build, so for about an hour before lunch I went through the specifications and all the options, and basically made a note of what I thought was worth having and not, what was good or not good for resale, etc. And then we ran through those and then I got back to the office and spoke to the shipyard he is thinking about buying the boat from, and ran through it with them. We may be making an offer next week. Or not, as you just never know.

‘Then I chased an AV supplier. I’ve got a big new build, a 63m under construction, and the shipyard had emailed me saying they were concerned that the AV supplier was being very slow and had not yet visited the yard, and could I intercede on their behalf, so I called the MD of the AV supplier. I do quite a lot of jumping up and down on other people’s behalf. It’s a bit like being a sheepdog. You nip at people’s heels to make sure everyone’s going in the right direction, especially when you’re talking about new builds.

‘As the broker, if you’ve got a good relationship with the client they’re talking to you a lot, but you tend not to have an official role; I’m not the official owner’s rep or the project manager. So the owner has a technical project manager, and I listen to the owner’s concerns and discuss with him the way it’s going, and things that he might like to do, and then feed that back to the various people involved. If the shipyard’s project manager and the owner’s project manager are at loggerheads about something, it gives them somebody else to go to because you don’t want to involve the owner – he should be enjoying the process and it should be as stress-free as possible. But it gives both of those guys somebody to go to and then I basically talk to everybody and try to get them to be a little more reasonable and maybe compromise and, if required, get everyone round a table and chair a meeting and try and get some resolution on whatever the problem is. That’s pretty typical, to be honest. You’re just doing anything that’s useful to your clients, basically.”

RELATIONSHIP MAINTENANCE
Once a broker has helped a potential owner become an actual owner, their work continues in maintaining the relationship, as the sale of the boat starts a long chain of potential business: charter, resale, trading up, etc. This can pay dividends, as Simon’s current 63m project belongs to an owner who has built a relationship with over the past seven years.

‘Some of it’s business development for us, but there’s a lot of client maintenance. There are brokers who just sell a boat and walk away and say, ‘Best of luck to you, speak to you later’, but I find that’s a really terrible way of keeping the client for the next time he wants to buy or sell, so I do everything I can to make sure everything goes as smoothly as possible. I met [the owner of the new 63m build] in about 2005 or 2006, and sold him, the year after I met him, a 28m motoryacht, and then he said he wanted to go up to 45m and we ended up at the Monaco Yacht Show wandering around, and he kept saying, ‘Yeah, but I don’t get all that much more’, because the 45m yachts we were looking at only had one cabin more than his current boat. And then, mainly out of curiosity, he said, ‘What about that really big one? Let’s go and have a look at that’, and he walked on and he went, ‘Yeah, this is the kind of thing,’ and I said, ‘This is a 60m. This is three times the budget you said you had.’ ‘Yeah, but you get a lot more, don’t you?’

‘So we sat down and had a chat about how it’s different to own a 60m than a 45m, because it’s a very different animal. In terms of ownership experience, it’s chalk and cheese. A 45m might have nine crew and cost a million a year to run. A 65m has 17 or 18 crew and costs three million a year to run. So it’s three orders of magnitude bigger in terms of money and running costs, and also they take longer to build and they’re much more complicated to build than a smaller boat. Anyway, having partially opened his eyes to all of that, he still wanted to do it, so we started talking to shipyards and wrote a spec and then ended up signing a deal.”
A HELPING HAND

Once the deal is signed, or even before that stage, the sale broker is then an unofficial font of knowledge, able to point an owner in the right direction for any queries they may have. “You’re their knowledgeable friend. I’m not a taxation expert and I don’t claim to be. I can run somebody through the current basics of how things are working at the moment; they’re a constantly moving target, but then if they’d like to speak to somebody I can introduce them to four or five different specialists – a lawyer or a tax accountant. Because I’ve been doing this for 10 years I know the people I’ve used in the past that I’ve been unimpressed with, [those] who are unresponsive or give bad advice, and I know the people who satisfy clients and they’ve said, ‘That guy was really knowledgeable and he really knew his stuff and I was really happy with the referral’, so you tend to reuse the [same] people a lot.”

EARNING COMMISSION

“The standard commission in yacht brokerage is 10 per cent for a boat up to 10 million euros, but then there are always two brokers, and they split 60/40, so you’re never making more than four or five per cent,” Simon explained. In response to clients who question the commission levels, Simon uses the argument, “I’ll send you our company accounts”. We’re not making 40 or 50 per cent margins. We’re operating our company accounts. We’re not making profits in the way that a sales broker’s or charter manager’s, involves a lot of flexibility and being able to juggle 100 jobs at a time. “A lot of last-minute things come up, but you have lots of structural safety or security commitments that you have to meet in your management regime.

“Definitely there are tight deadlines to meet, but then some operational requirements come in, like a tender failing, that become the priority because the owners are coming on board, but all other items still have to be done in the right timeframe or the vessel risks losing its certification. There’s a big potential conflict if something goes wrong, because a lot of money is involved here.”

GUIDING THE CREW

Just as sales brokers interact with captains, so managers have to interact with and inform the crew on board the yachts that are managed, as they are often on the front line of Port State Control (PSC) inspections and making sure that legislation on board is adhered to. “PSC inspectors know how it works for commercial vessels like container ships, but because yachts are a different beast, they’re not certified under the same regime. Yachts tend to be certified under the LY2 Code or equivalent, which PSC inspectors may not be familiar with, instead wanting to apply SOLAS and MARPOL to a yacht, often resulting in conflict. So it’s about educating the crew so that they can understand the regulatory framework themselves and can then explain or argue the case when PSC inspectors arrive on board without warning. So we send fleets circulars, we visit the vessels and we do our own research. We visit flag and port states when they do discuss these subjects and try to bring forward the yacht’s perspective and interpretations that are applied under the LY2 Code as opposed to the SOLAS codes they’re used to seeing. It’s a challenge.”

RULES & REGULATIONS – THE VALUE OF MANAGEMENT

ISM management focuses a lot on monitoring rules and regulations to make sure that the yachts under charter are complying with regulation. “By necessity, what [ISM yacht managers] do is governed
“What [ISM yacht managers] do is governed heavily by regulatory framework. Where charter management is there to market the vessel for chartering and is really involved with charterers, we’re there to make sure that the charter vessel meets international and local regulations and runs efficiently,” Sean pointed out. “The industry is seeing a big impact from the regulatory changes coming in from the EU and also the emerging MLC 2006, and in general the flag and port states are pushing compliance levels on board yachts higher.

“We see this as not just dealing with one yacht, but we have a whole fleet out there and so take the experience from our fleet inspections and surveys, then feed that back on an individual basis to yachts, so a yacht that is being managed is taking the benefit of our larger fleet’s experience. That’s something that is very important for the industry and the individual yacht owner to know, so they don’t have to be dealing with these issues by themselves.

“We try to make sure there is a back-up plan and that the owner is protected. We find we get business from situations where an owner hasn’t had management and something has gone dreadfully wrong, and they [then] realise they need somebody else involved in the operating structure. Then we come in with experience of a larger fleet, an understanding of the industry and what is ‘normal’ or feasible, something which could sometimes be hard for a new owner to judge or if they have their PA looking after the vessel who doesn’t have a background in yachting.”

CONCLUSION

Sitting with the brokers and managers from some of the industry’s biggest houses, it is clear that they take their jobs very seriously. Their knowledge of the wider market was evident, and this is where their worth is clear. This is often obscured by harsh criticism of instances where those who embarked on a brokerage career during the boom years took the money and ran, or when senior crew members felt their toes being stepped on by management. When brokers or managers do the right thing, it’s not always shouted from the rooftops.

The next series of interviews with charter managers from Ocean Independence and Edmiston will run in issue 139, featuring a focus on destination.

Opening image: Ed Holt

To comment on this article, email issue137@superyachtreport.com with subject: Managing the Deals
Fast & Furious

There are times when you just want to go fast. Don Hoyt Gorman considers the ego and appeal of large, fast superyachts, looks at the fuel cost question and finds out what it takes to design and drive the speed demons of the fleet.
On a recent trip aboard Shooting Star, the 2011 carbon-fibre-hulled Espen Øino-designed aerocruiser model from Danish Yachts, the yacht encountered another jetboat of a similar size. A guest who was aboard remembers the story frequently and with infectious joy: “In the wheelhouse, we all looked at each other and said, ‘Oh, we’ve just got to do it’. The other yacht was speeding along at 35 knots and suddenly, wham, we’re off into flat-out mode going nearly 48 knots. It’s like, ‘Bye!’ An hour later, in Cannes, the owner of the other yacht came by and called aboard. He said, ‘I have just got to see what’s beaten my boat. I thought mine was the fastest boat in town!’

With fuel prices nearly 60 per cent higher than they were in 2007 when some of the fastest (and fuel-hungry) yachts were conceived – speedsters like the 60-knot Wally Power 118, the 54-knot Heesen, the 60-knot Wally Power 118, the 54-knot AA Absolute, the 52-knot Pershing 115, the 50-knot Baia 100 – more is heard today about energy efficiency and environmental awareness. But there remain clients who get into yachting for the power and speed: it’s a character trait that’s arguably more prevalent in yacht owners who continue to run their business concerns and want to be able to enjoy their limited time off with the ability to cruise to several destinations over a few days.

Couach’s new 5000 Fly was designed to offer both the comfort of a displacement hull and real speed to owners who want to cruise efficiently, but who also may want to get somewhere quickly. “Some owners don’t have a lot of time to spend on their yacht,” said the yard’s sales and marketing director, Benoit Faure. “They’ll lend it to their family and friends most of the time, but when they’re aboard, they want to travel. With a fast yacht, you can go from Monaco to St Tropez to Corsica to Porto Cervo and to Sicily in four days, rather than in the two weeks it might otherwise take in a conventional yacht.”

The issue remains, however, of fuel consumption and its cost. On a recent trip, a colleague experienced a yacht owner offer to fly her and three friends from Palma to Ibiza and back, hotels and dinner included, rather than them take the yacht – such was the impending bill for the diesel he’d need to spend to take the yacht there and back.

However, any owner today who buys a fast yacht should have appropriately budgeted for fuel consumption and have no issue pushing the throttle to 100 per cent when the mood arises. The AB 140 from AB Yachts, FIPA Group, for instance, hits a top speed of 46 knots on her three MJP waterjets, and when she arrives at her destination, turns into a veritable nightclub with 30,000 watts of sound energy on board.

Designing and building fast superyachts has its own technical challenges. “The build process for Shooting Star commenced with a finite brief: to achieve technical excellence in a high-speed carbon fibre motoryacht, at the same time providing a luxurious Scandinavian style interior featuring light and space in ultimate luxury,” said Michael Pedersen, Danish Yachts’ in-house naval architect and build team representative. “The first stage of the process began with tank-testing at the SSPA in Gothenburg. Advanced composites have been used throughout the build of the hull and superstructure and the in-house naval architects worked closely with the Danish Yachts’ team of engineers and craftsmen to ensure that the critical weights were controlled and maintained throughout, so that the speed could be achieved.”

As long as there are those who can’t spend the entire summer in the Med, the option for speed and comfort will always appeal to superyacht clients for both ownership and sale. On the following pages, we present seven projects that combine speed and luxury, all of which are available in a relatively short time period.

Image: Thierry Ameller

To comment on this article, email issue137@superyachtreport.com with subject: Fast & Furious
HEESEN
FDHF/16465
LOA: 65m
Gross tons: Unknown
Beam: 10.9m
Draught: 3.1m
Builder: Heesen Yachts
Launch/delivery date: June 2013 delivery
Naval architect: Heesen Yachts Design Team/Van Oossanen & Associates
Exterior designer: Omega Architects
Interior designer: Unknown
Hull material: Aluminium
Superstructure material: Aluminium
Class: Unknown
Flag/Compliance: Unknown
Hull form: Semi-displacement or semi-planing
Accommodation: 12 guests, 13 crew

SPEED, ENGINES & FUEL
Max speed: 27 knots
Cruising speed: 24 knots
 Engines: 2 x MTU 20V 4000 M93L 4,170kW
Total kW: 8,340
Propulsion: 2SC (5 blades fixed pitch)
Fuel capacity: 90,000 litres
Fuel consumption: Unknown
Price: Confidential
Availability: Available

Image: Justin Ratcliffe

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PALMER JOHNSON
Game Changer/PJ 210-1
LOA: 63.47m
Gross tons: 720gt
Beam: 9.5m
Draught: 2.4m
Builder: Palmer Johnson
Launch/delivery date: March 2013/
March 2013
Naval architect: Palmer Johnson
Exterior designer: Palmer Johnson
Interior designer: Nuvolari Lenard
Hull material: Welded aluminium
Superstructure material: Welded aluminium
Class: LR 100A1 SSC Yacht Mono HSC
G6 and LMC, MCA, LY2
Flag/Compliance: Unknown
Hull form: Semi-displacement/semi-planing
Accommodation: 12 guests, 15 crew

SPEED, ENGINES & FUEL
Max speed: 28 knots
Cruising speed: 24 knots
Engines: 2 x MTU 16V 4000 ADEC M93L
3,440kW
Total kW: 6,880
Propulsion: Twin screws
Fuel capacity: 70,000 litres
Fuel consumption: 180 litres per hour at 12 knots/1,150 litres per hour at 24 knots
Price: On request
Availability: 20 months from contract signing (the first one is bought)

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PALMER JOHNSON
DB9/PJ 170-1
LOA: 52.2m
Gross tons: 495gt
Beam: 9.5m
Draught: 2.44m
Builder: Palmer Johnson
Launch/delivery date: July 2010/ April 2011
Naval architect: Palmer Johnson
Exterior designer: Palmer Johnson
Interior designer: Nuvolari Lenard
Hull material: Welded aluminium
Superstructure material: Welded aluminium with composite pieces
Class: LR 100A1 SSC Yacht Mono LDC HSC G6 LMC, MCA, LY2
Flag/Compliance: Unknown
Hull form: Semi-displacement/semi-planing
Accommodation: 12 guests, 9 crew

SPEED, ENGINES & FUEL
Max speed: 30 knots
Cruising speed: 26 knots
Engines: 2 x MTU 16V 4000 ADEC M93L 3,440kW
Total kW: 6,880
Propulsion: Twin screws
Fuel capacity: 50,000 litres
Fuel consumption: 160 litres per hour at 12 knots, 980 litres per hour at 24 knots
Price: On request
Availability: Spring 2013

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**MANGUSTA**

**Sharq/165/06**

- **LOA:** 49.9m
- **Gross tons:** 488gt
- **Beam:** 9.2m
- **Draught:** 1.6m
- **Builder:** Overmarine
- **Launch/delivery date:** January 2011/
  January 2011
- **Naval architect:** Overmarine
- **Exterior designer:** Stefano Righini Design
- **Interior designer:** Overmarine
- **Hull material:** Composite
- **Superstructure material:** Composite
- **Class:** ABS
- **Flag/Compliance:** Qatar-CISR for voluntary compliance to LY2/Voluntary compliance to LY2 for GT<500-voluntary compliance to LY2
- **Hull form:** Planing
- **Accommodation:** 12 guests, 9 crew

**SPEED, ENGINES & FUEL**

- **Max speed:** 40 knots
- **Cruising speed:** 36 knots
- **Engines:** 3 x MTU 16V 4000 M93L 3,399kW
- **Total kW:** 10,197
- **Propulsion:** 3 x Kamewa waterjets
- **Fuel capacity:** 40,337 litres
- **Fuel consumption:** 2,790 litres per hour
- **Price:** On request
- **Availability:** For sale

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In Cartagena, Navantia Shipyard
In Palma de Mallorca, STP Shipyard
COUACH
La Pellegrina/5000 FLY-01
LOA: 49.5m
Gross tons: 495gt
Beam: 9.3m
Draught: 2.6m
Builder: Couach
Launch/delivery date: April 2012/ May 2012
Naval architect: Couach Shipyard
Exterior designer: Couach Shipyard
Interior designer: Jean Pierre Fantini
Hull material: Carbon-reinforced glass kevlar
Superstructure material: Carbon-reinforced glass kevlar
Class: Unknown
Flag/Compliance: Unknown
Hull form: Displacement
Accommodation: 10 guests, 10 crew

SPEED, ENGINES & FUEL
Max speed: 30 knots
Cruising speed: 12 knots
Engines: 2 x MTU 20V 4000 M93 3,909kW
Total kW: 7,818
Propulsion: Twin screws
Fuel capacity: 65,000 litres
Fuel consumption: 80 litres per hour at 12 knots/1,500 litres per hour at 25 knots
Price: €30,000,000
Availability: First (La Pellegrina) is on the water and delivered to her owner in the Med. Second is in build and will be available in May 2013. Moulding of the third hull will start this summer.
Images: Chantier Naval Couach
AB YACHTS
Elizaveta/AB 140

LOA: 42m
Gross tons: Unknown
Beam: 8m
Draught: 1.35m
Builder: AB Yachts
Launch/delivery date: June 2011/
June 2011
Naval architect: AB Yachts
Exterior designer: AB Yachts
Interior designer: Giorgio Vafiadis
Hull material: Fibreglass, kevlar, carbon fibre
Superstructure material: Kevlar, carbon fibre
Class: Unknown
Flag/Compliance: Unknown
Hull form: Deep V planing hull
Accommodation: 8 guests, 7 crew

SPEED, ENGINES & FUEL
Max speed: 46 knots
Cruising speed: 43 knots
Engines: 3 x MTU 16V 2000 M93 1,750kW
Total kW: 5,250
Propulsion: 3 x MJP waterjets
Fuel capacity: 21,000 litres

Fuel consumption: 247 litres per hour at
11.2 knots/1,359 litres per hour at 43 knots
Price: On request
Availability: 14 months’ construction time.
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Image: A&Bphotodesign
DANISH YACHTS - AEROCRUiser 38 II
Shooting Star/Project 116

LOA: 38m
Gross tons: 297gt
Beam: 7.5m
Draught: 1.45m
Builder: Danish Yachts
Launch/delivery date: March 2011/ May 2011

Naval architect: Danish Yachts
Exterior designer: Espen Øino
Interior designer: Art-Line Interiors
Hull material: Carbon/epoxy
Superstructure material: Carbon/epoxy
Class: DNV, MCA
Flag/Compliance: CISR/CISR – unknown – restrictions unknown
Hull form: Planing hull
Accommodation: 7 guests, 6 crew

SPEED, ENGINES & FUEL
Max speed: 47+ knots
Cruising speed: 35 knots
Engines: 2 x MTU 16V 4000 M93L 3,440kW
Total kW: 6,880
Propulsion: Twin waterjets
Fuel capacity: 20,700 litres
Fuel consumption: 1,850 litres per hour at 48 knots
Price: On request
Availability: Currently on sale through Y.CO

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The State of Build in the US

The last five years have been a difficult time for many American yacht builders, irrespective of the business model they have. In 2007 and 2008, while stocks plummeted at the start of the Global Financial Crisis (GFC), superyacht owners who had ordered in 2004 and 2005 were taking delivery of their anticipated prize possessions. As a result, bumper delivery years in 2007 and 2008 of 34 and 35 American superyachts respectively, gave way to the true aftershock of the GFC, with a steadily declining rate of deliveries for the following two years (see graph overleaf).

“The change in the yachting market was very palpable at the 2008 Monaco Yacht Show; this was as much a psychological event as a financial one, which made it difficult to do business,” Mike Kelsey Jr of Palmer Johnson said of the difficulty faced by not only American builders but the whole superyacht market. The problem was not that the ultra-wealthy ceased to exist or to want to own superyachts, it was just not a good time to be seen investing tens of millions of dollars in a non-essential display of affluence at a time when many were suffering from financial and property crashes and the media was closely watching. In fact, many who had placed their orders during the buoyant years were looking to sell their new yachts, said Billy Smith III and John Dane of Trinity Yachts: “When the banking crisis hit, many yachts that had just been or were about to be launched were available at a secondhand price with instant delivery. A lot of new build yards like Trinity found it difficult to compete with this; we were totally impacted.”

So how has the US superyacht building sector found the years since then and how has it adapted its business models to ride out the storm? Perhaps more importantly, are there any emerging positive trends for recovery in the US? At time of press, there are 33 yachts in build in the US out of 403 globally, which accounts for eight per cent, whereas there are 800 delivered yachts that were built here out of 5,016 globally, giving the US a 16 per cent market share. This fact was highlighted in January’s Annual Report (TSR 130): although the US ranks second in delivered superyachts, it has slipped to fourth for yachts in build. Globally there have been significant impacts on new orders for superyachts, but it appears that the US has been hit particularly badly. Let’s take a look at the most active yards of the last decade and consider where they currently stand:

It has been a tough few years for yacht builders across the world, not least in the US. Many say the first impact of the financial tsunami hit yachting at the Monaco Yacht Show in 2008. Four years on, Esther Barney considers how yards in America have dealt with the challenges.
BURGER BOAT COMPANY

Location: Manitowoc, WI
Year first superyacht delivered: 1943 (M/Y Misty Fjords**, 41.5m)
Average length yachts delivered: 34.9m
Largest yacht delivered: M/Y Ingot: (46.6m, 2008)
Yachts delivered total/since 2002/since 2009*: 36/15/3
New orders since Jan 2009: 0
Yachts currently in build: 0

Known as a builder of highly customised superyachts, Burger is the longest-standing company of this group; founded in 1863, its first superyacht was delivered in 1943. The company built a sailing yacht, 29.75m Tamaris II, in 1957, but has otherwise produced motoryachts.

After the onset of the GFC, Burger diversified by taking on some local commercial projects while continuing ongoing superyacht building operations. “Although custom yacht design and building remain Burger’s primary focus, with the economic downturn, Burger strategically reintroduced commercial work into its portfolio,” said Burger’s president Jim Ruffolo. The company is also working with clients on military projects.

Burger has used the last few years as an opportunity to expand its Lean Manufacturing initiatives, said Ruffolo, as well as investing in its workforce through additional training. He is adamant that the company will not be adapting its business model for yacht building and will continue to work on highly customised projects in the future: “We feel there is enough of a potential client pool for our level of customisation on projects to avoid moving into semi-custom.”

LEFT: M/Y INGOT

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* Figures based on yachts to be delivered up to end of 2012, expecting all yachts delivered as planned.
** Current yacht names used.
CHRISTENSEN SHIPYARDS

Location: Vancouver, WA
Year first superyacht delivered: 1988 (M/Y Royal Oak, 39.6m)
Average length yachts delivered: 41.9m
Largest yacht delivered**: M/Y Casino Royale (49.6m, 2008)
Yachts delivered total/since 2002/since 2009*: 34/15/2
New orders since Jan 2009: Seven (Including one of the three 120ft Ocean Alexander spec build contracts, signed in 2010. The second and third are due to be started later this year.)
Yachts currently in build (name, LOA, expected delivery):
Six (Liquidity III, 50m, 2012; Custom 160, 48.77m, 2013; Project Perfect Pursuit, 50m, 2013; Project Deputy Dog, 50m, 2014; Custom Series, 43.3m, 2014; three Ocean Alexander 120 spec yachts, 37m, first due Sept 2012, second and third planned to be started in 2012 and 2013, due in 2014)

“I think the US clients are building yachts here with us because it is seen to be a good thing to be buying American and keeping money within the domestic economy.”

CHRISTENSEN CEO, JOE FOGGIA

Although in 2010 the outlook looked relatively bleak for Christensen, with little work on the horizon and a diminished workforce of 80 (from 480 in 2008), a run of new projects has seen the yard’s activity ramp up. It has one of the highest new order rates in the US, with two new projects signed this year, at 48.77m and 43.3m respectively. The yard, known for its composite-hulled yachts, now has a workforce of over 200 and is looking to be hitting around 250 by the end of the year, said CEO Joe Foggia, though he does not anticipate returning to the 2008 levels. Christensen’s relatively busy order book is also thanks to the three 36.6m spec builds that it is constructing on behalf of Ocean Alexander. The first was started in 2010 and was accounted for in new orders for that year; the second and third are due to be started later this year and early next year, and have therefore not been accounted for in the orders statistics on page 160.

During the slower years, the company diversified its business interests, too: “The lower activity gave us an opportunity to reorganise the processes in the company and moving into renewable energy composites certainly had a large impact on how we build yachts in terms of improving efficiency. Additionally, we are working with DARPA (Department of Defense) on a cutting-edge project in large-scale drones.”

MY CASINO ROYALE
DELTA MARINE

Location: Seattle, WA
Year first superyacht delivered: 1989 (M/Y Marinda*, 40.32m)
Average length yachts delivered: 42.7m
Largest yacht delivered: M/Y Silver Shalis (54.8m, 2010)
Yachts delivered total/since 2002/since 2009*: 33/15/5
New orders since Jan 2009: 2
Yachts currently in build: Two (Project Invader, 65.52m, 2013; Project North Star, 39.62m, 2014)

M/Y Monarch was delivered by Delta Marine after construction was started by Northern Marine; therefore she has not been counted as a Delta Marine order, but she has been counted as a delivery.

Delta Marine has an excellent reputation for high-quality custom build projects as well as refit and repair work. The West Coast yard is known for its excellent on-site R&D department and facilities.

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“We improved efficiency through the modular construction because people don’t like being told they have to wait three years to be delivered a superyacht.”

MIKE KELSEY JR – PRESIDENT, PALMER JOHNSON YACHTS

Before the recession, Palmer Johnson started building sport yachts instead of its traditional look. The yard is experiencing a relatively high level of activity in build, although many of its current projects are speculative builds, including PJ World, the largest superyacht under construction in the country today, at 81.4m.

“Prior to the downturn we started to make some radical changes in how we build the yachts; we made a decision not to be bidding against nine other yards for the same boat by changing to the sport yacht concept. The company needed to redefine itself and I think we did that. We also improved efficiency through the modular construction because people don’t like being told they have to wait three years to be delivered a superyacht,” said president Mike Kelsey Jr. He commented that the yard’s workforce dipped drastically over the first few years after 2008 to well below 100, but that this has returned to above 100 and that things have stabilised for the company.

Palmer Johnson now has six projects on the go, including four speculative builds at Sturgeon Bay that are for sale, and it is building a confidential project in the 50m range elsewhere (order date unreleased, so unaccounted for in statistics).

“We believe that we have work that will keep us sustained, both in sold contracts and in boats that we have for sale, which have a lot of activity. We will never just build speculatively en masse but by having some yachts built this way, we feel it will power us through the current market,” explained Kelsey.
We are very fortunate that out of the 24 projects in build when the crisis hit, only two fell through and they are ready for new clients to take on and make decisions on the interior.

Billy Smith III (Top) & John Dane, President & CEO, Trinity Yachts

With the third highest number of orders in 2008, Trinity has felt the effects of the GFC to its activity since that time: “Considering we had 24 projects in September 2008 and are down to three today, plus two spec boats half-built, you can see what has happened to our business. We are very fortunate that out of the 24 projects in build when the crisis hit, these were the only two that fell through and they are ready for new clients to take on and make decisions on the interior.”

Originally operating as a non-yachting builder, Trinity returned to its roots and diversified its offering to ensure its workforce could be maintained: “We re-entered the commercial and military markets, which is where we started our careers. In the yacht market, we have not found it easy to ramp up the workforce quickly for new orders, so this commercial and military work keeps the full range of our skilled workers gainfully employed while we are waiting for the yachting turn around. We have also started adding refit to the mix,” said Trinity.

Trinity sees its diversification as having a stabilising effect on the company, and plans to continue with a mélange of yachting, high-end commercial and military projects.

“We are very fortunate that out of the 24 projects in build when the crisis hit, only two fell through and they are ready for new clients to take on and make decisions on the interior.”

Billy Smith III (Top) & John Dane, President & CEO, Trinity Yachts

Left: M/Y New Horizon

Trinity Yachts

Location: Gulfport, MI
Year first superyacht delivered: 1994 (M/Y Watercolours**, 35.1m)
Average length yachts delivered: 48.6m
Largest yacht delivered: M/Y New Horizon (73.8m, 2011)
Yachts delivered total/since 2002/since 2009*: 48/37/13
New orders since Jan 2009: 0
Yachts currently in build: Three (T-059, 49.9m, 2012; T-061, 51m, 2012; Finish Line, 36m, 2013)
Westport builds all of its yachts speculatively, and sells them during the build or on completion, which has provided a level of stability for the company; employment levels, though adjusted, remain constant at about 900, Westport says. The semi-custom model dramatically reduces wait times for clients, and has seen the company build nine Westport 164s, over 50 Westport 112s and over 35 Westport 130s. Annually, it is currently building two 164s, three 112s and three 130s, as well as three yachts under 100ft. “Our business model is similar to the aviation industry. We do not change engines, wings, fuselages or tails, but we can modify interior spaces to individual tastes. That philosophy has given us and our clients residual value, predictability and liquidity in our brand,” said Westport.

The company’s new build projects have been represented as ‘new orders’ for the purposes of this article, making up a significant proportion of the orders in America over the last six years.
Westport continues to construct and sell during or after a build, which should be taken into account when reviewing the figures; the yard has seen some decline in the number of new builds it is willing to risk undertaking, but it remains one of the highest-volume superyacht builders in America and says that demand meets its supply. When Westport is taken out of the equation, we see a stabilisation at six and seven new orders in 2010 and 2011.

Some yards have diversified their business to create a buffer. Burger has taken on some commercial work while integrating Lean Manufacturing methods to decrease build times on future custom projects, and based on the yard’s history, it would need just a couple of enquiries to become contracts in order to get back on track. Having delivered M/Y Cakewalk in 2010, Derecktor Shipyards filed for Chapter 11 protection in its Bridgeport, Connecticut, yard in January 2011. The company wants to reopen the 23-acre facility and is currently seeking outside investment partners and putting together a plan of action for the yard. “When we started working at the yard 10 years ago, we had a plan of how we thought things could work but one can’t predict what is going to happen. We didn’t expect a contract of the magnitude of Cakewalk so quickly followed by an unprecedented economic recession; it created a sort of perfect storm for us,” said president Paul Derecktor. The yard is working on a 125ft sailing yacht concept and has been busy with refit at its Dania facilities in Florida, where it is installing an 800T travelift. Trinity has returned to its roots and is working on a number of high-spec commercial and military projects to sustain its workforce; although the yard has been several years without a new superyacht order, and the last few of its pre-GFC orders are soon to leave the facility, the principals of the company remain positive in their outlook. The company has two incomplete projects waiting to be snapped up by owners looking for a shorter delivery time on their yacht. “We are finding that the general prices quoted for new projects [today] provide much less of a margin, with everyone scrambling for backlog. Now that we have other revenue streams, we will not take on yacht projects at unrealistically low prices,” said Trinity.

Palmer Johnson’s shift in business model pre-2007 seems to have stood it in relatively good stead. It has undertaken several spec projects recently – although the yard says it is not looking to make a habit of this – including the largest yacht in build in the US: PJ World (at 81.4m, due 2014); its new orders have fallen away since 2009, however, Christensen continues to see regular new orders, including a 48m and a 43m signing this spring; and for the first time since its new ownership in 2009, Broward Shipyard took an order: two steel-hulled 41m superyachts, which will be used by a cruise-yacht hybrid business on completion in 2014 and 2015. Philippe Brandligt, who heads up the company’s sales team, said he is looking to bring a European influence in terms of series boats to the
yard’s business model, like at Amels, his former employer:
“[If you] build a series of yachts of the same size, the owners get a very good boat. That is a model I would like to bring to Broward Shipyard and I think it is the way forward.”

Delta Marine is currently working on one of the largest new build projects in the country: Project Invader. At 65.5m, she is due for delivery in 2013. The yard is also working on 39.62m Project North Star, which should be completed in 2014. Citadel (ex Aleutian), Nordlund and Lazzara each has a project due for completion this year, and Northern Marine is scheduled to deliver a brace of 46m motoryachts. Of note for its size is Newcastle’s 54m Project Chuggaboom, which should be delivered to her owners next year; the yard is also due to deliver a 45m vessel in 2013.

Some sources suggest there has been an increase in the number of clients who wish to keep their projects below the radar and so the outlook could be better than the open figures imply.

At this year’s American Superyacht Forum opening address, The Superyacht Report’s editor in chief Martin Redmayne commented that he feels the outlook is positive for American yachting. “We’re looking at a midpoint of activity in the US of 25 yachts per annum, [which I see as] the benchmark number of deliveries that the US should be focused on. So [with 2011’s delivery of 19 vessels], we’re only six or seven boats off what I call the midpoint of our market’s activity.” There are 23 yachts expected to be delivered in 2012.

One yard told me that it feels recession fatigue is setting in and those who still have the funds – of which there are plenty in the US, according to the various wealth reports – are looking to enjoy themselves through superyachts once again. Some sources suggest there has been an increase in the number of clients who wish to keep their projects below the radar and so the outlook could be better than the open figures imply.

New orders naturally remain the focus for the future of yacht building in America. The number of active yards with new orders and ongoing projects has predictably decreased since the GFC. However, the four orders already seen in the first half of the year, excluding Westport’s speculative process, are positive news for the industry, and there has been increased activity at many yards compared with two years ago. For those yards with lesser activity, now is a crucial time to sign new contracts. The boatshow season in the autumn is traditionally a positive time for signing new contracts with US yards, and if the momentum can continue for the remainder of the year, or even provide an upswing, then operating American yards will be on track to get back to a healthy level of activity.

To comment on this article, email issue137@superyachtreport.com with subject: Yard Report: The State of Build in the USA
Florent Battistella

The new owner of Couach has taken on a significant project to rescue the shipyard from debt and refocus its unique capabilities on delivering yachts and military craft for the future. The Frenchman sat down with Don Hoyt Gorman to discuss innovation, investment and the new world of yachting he’s become involved in.
“When we looked at Couach, we felt it was a brand with just the right level of established value and need for investment – not just of money, but of managerial support and guidance.”

A
fter the difficult year Couach suffered in 2011, during which its then owner, Fabrice Vial, tragically died the arrival of the French investment firm Nepteam could have been better received. Workers at the yard, after years of ownership changes and a very difficult economic environment, had reason to be sceptical.

The new ownership company, Nepteam, had been set up by one of the great recent successful French entrepreneurs, Florent Battistella, whose former company, Converteam, he’d sold to General Electric a few years prior, and whose interest had turned to supporting French innovation. In Couach, Battistella and Nepteam had spotted a constellation of capabilities, as well as a need for investment. The news of the purchase reached the yachting press at the end of the show season last year.

This August in Monaco, aboard La Pellegrina, Couach’s first 50m superyacht, I had the opportunity to finally meet Battistella, enquire about the logic and challenges of the investment into Couach and its holding, International Marine Services (IMS) shipyard in Toulon, and what he felt Nepteam could offer the superyacht industry. Battistella is in his early 50s and has the casual air of a man whose mix of engineering acumen and belief in people power has proven him right, and with dividends. In conversation, he was genuinely candid and very disarming. “I have a very technical background. I was an engineer, and I helped build a company called Converteam, which was really a fun business and a great team,” Battistella told me, relaxing in La Pellegrina’s main salon in Port Hercule. “After we sold Converteam, we had a bit of money to invest, so we set up Nepteam to look into supporting French businesses that had no other ability to raise investment – and we found Couach.”

Battistella had boarded La Pellegrina that morning in Toulon, and with the crew, delivered the yacht to Monaco. When I arrived, he’d been arranging chairs on the sundeck, and walked over to shake my hand with a wide smile. He looked like someone ready to become part of the world he’d bought into, to get working, eager to help.

“Nepteam is really looking at everything related to the sea,” he said, “and when we looked at Couach,
we felt it was a brand with just the right level of established value and need for investment – not just of money, but of managerial support and guidance.” Nepteam’s process of due diligence was, Battistella said, not overly extensive; instead, it was based on a sense of opportunity: “At a certain level, you invest with your gut”. It has, he admitted, been more complicated than first expected. “But look, we are starting a process that we believe will take a few years, and will deliver Couach to a new era of stable management, a strong, recognisable product line and happy customers, but it is not going to happen overnight.”

Nepteam’s investment considered the Couach shipyard in Gujan-Mestras, as well as the much larger IMS shipyard, which Couach had acquired in June 2005. Couach’s very specific business and financial challenges are vastly different, however, from the challenges and opportunities before IMS in Toulon.

“The IMS project, with all its capacity for development, was very attractive to us,” Battistella said, eagerly. “Our strategy is to detach IMS from Couach so we can provide each business with the specific support it needs. They’re two different businesses, and I don’t really understand why they were ever joined. We want Denis Pellegrino to build the IMS business on its own. He needs resources, and he doesn’t need what’s happening at Couach to interfere with his process of building that company.”

When pushed to say when the investment in IMS’s move to the new development at the former Toulon naval base will happen, he pushed back. “It will happen,” he said, physically emphasising his passion for the project and his desire to get it moving, “as soon as I am able to do it. It’s not my decision. It’s a lengthy process with all the authorisations needed and environmental impact surveys and approvals. This isn’t something we should be trying to shortcut. We hope to open by the end of 2013. Let’s say that; by then, I expect we’ll be lifting yachts out of the water to start work at the new facility.”

What’s happening at Couach, meanwhile, is, by Battistella’s own admission, difficult, but not, he insists, unmanageable. In July, Nepteam appointed a new CEO, Christophe Kloeckner, to run the operations and support both the manufacturing and sales side of the yard. Within weeks of joining, Kloeckner filed for safeguard proceedings, a French corporate restructuring procedure only available to companies that are solvent, to protect the business from both a bank action to collect €3 million the yard owes, and the withdrawal of the client for the second 5000 Fly (GA shown overleaf) and subsequent action against the yard to collect the investments already made.

“We’re doing what we need to do to protect our business interests, and to allow the yard to continue trading,” Battistella said of the
safeguard proceeding. Kloeckner joined after the departure of Eric Peillard, who’d steered the company for years through the acquisition by Nepteam and the financial challenges that continued to roll in. Previously CFO of one of the business units at Converteam, and prior to that a production director at Vestas, the wind power company, Kloeckner has taken the role at Couach, Battistella explained, to relay the Nepteam message, but let the experts in yacht building get on with their jobs. “We are now able to focus on what we have to do to regenerate the shipyard.”

What they’re doing is designing a new range for Couach, while focusing on the yard’s pedigree of supplying naval vessels to militaries worldwide and their expertise in glass Kevlar construction. “Nearly all the yachts are going to be redesigned – but we’re not going to do this all in one year. We’ve started with the 26m Fly, one of which is already in build for a client. In the show season, we’ll be presenting the new designs for the range, including 37m and 45m flybridge models.”

While his background is in tooling and engineering, Battistella is concerned with the manufacturing process and some of the final details of yacht building, including sound and vibration. He’s also, unsurprisingly, focused on brand and image, and feels very strongly that Couach needs to carve itself a niche, not just as a manufacturer of glass Kevlar luxury superyachts with military-grade engineering, but of yachts that have distinct, recognisable lines. He wants buyers to want a Couach because it’s recognisably a Couach.

“Yachts are a very complex, technological business, and to succeed, you need to bring new ideas to the market,” he insisted. “In February, we kick-started the process to generate new ideas for Couach, to get the creativity flowing and build up our brand again. We sold the new concept of our new 26m very quickly, so that was a happy early success for us. Now, we’re looking at designs that use elements of both the military boats we produce and superyachts.”

Their new 13m Hornet supertender concept, for which a prototype is currently in build, is an example of how Battistella sees the future of the brand connecting its dual superyacht and military identities. Couach will use the existing hull mould of a military patrol boat and integrate a superyacht-quality interior and exterior design and finish. “It’s a very simple idea for a new boat: they’re like Hummers,” Battistella said, referring to the former General Motors SUV which evolved out of the US military Humvee.

“We’ll continue to develop our existing expertise in glass Kevlar and carbon construction, and we’re investigating new sandwich structures to further increase strength and reduce weight. We’re focusing on developing the technologies we use, finding better forms, processes, materials. We’re now working with the designers Jean Pierre Fantini and Danielle Chopard, and we’re looking...
for people with specific competencies to reinforce the engineering department.”

As we spoke, at one point, as I was asking about the plans to market these new designs, Battistella stopped me. “Look, the marketing isn’t rocket science. We have to explain the new things we’re doing. But as we’re speaking, you’re asking me all of these questions – the right questions, because you know the business – and I’m getting the chance to tell you all about our plans… and I believe in what we’re doing; I’m excited, I’m passionate. I’m taking everything you’re saying and questioning at the same time, making sure we’re not being romantic about what it is we want to do. To me, this is a process that is about stages. We are not about to launch three new models this year. We just cannot… even if we spent the money to do that. We must capitalise on what we have, and we have to innovate, grow and develop the products and the brand.”

“We started with the competition,” he told me. “There are a lot of great yachts and features out there. We looked at evolving our concepts to include some of what was working for our competition, but pretty quickly, we saw that the designs were no longer Couach. So we’re very clear that we need to keep the DNA of Couach, and that’s about sea-keeping, about deep-V hulls, about glass Kevlar and about the designs that these features enable. Let’s be clear, we’re also very much focused on increasing the final quality of our yachts as well. That has to be part of our goal: to increase the quality of the design, manufacture and finish.

“I want to get to the point that when clients and brokers and advisors talk about Couach, they say, ‘Those guys are the masters at building GRP superyachts’. We’re investing in R&D so we develop even better techniques and features that we’ll be able to offer the clients. I want this manufacturing technique to be our core. I need an engineering department that fully understands how noise and vibration move through the hull from the machinery and HVAC systems. There are great companies out there that subcontract that work, but if we don’t understand it, then we’re not in the core business. If we don’t understand the physics of the engines, that’s fine. We’re not building engines. But we must be experts in our core manufacturing skills.”

What’s notable is that Battistella remains frank, open and honest about the fact that he’s ambitious, that the investment by Nepteam is ambitious and that what he hopes for and what has been achieved so far are two different things. Right now, he and the team at Couach are focused on finalising the new designs for the show season, and injecting Couach with a new managerial culture that can leverage existing assets into successful sales and deliveries.
As we wrapped up our conversation, with brokers arriving to tour the yacht, Battistella told me, “Look Don, we are here to learn as well, you understand? We invest to help, but also to learn; because if you aren’t learning anything you get bored. And I think that’s the worst thing that can happen in life.”

Giving Couach the tools and investment needed to succeed, while growing a successful business in Toulon with IMS, will certainly be keeping Battistella and Nepteam busy. The strategy of dividing the two companies again makes clear sense, and with the Toulon naval yard development working its way through regulatory approvals, all the team can do is continue its work and plan for the future. However, with Couach, the actions needed are more pressing, and we fully expect to see a flurry of activity (going to press, the yard’s site was updated to highlight its new offerings and its core competencies). What they need to do is sell the second, and ideally a third, 50m.

There is a point, one must imagine, when the enthusiasm and belief in a product line, a shipyard, a dream become untenable; and Battistella knows as well as anyone that it’s a possibility in this market that the kind of response they hope for may not materialise. But what’s clear is the thinking that he’s bringing into the industry is fresh, informed and experienced. Battistella may be new to yachts, but he’s not stepped into the shipyard business to build one for himself. He’s stepped in to build them for others – in a way that’s smarter, better for the yard and, ultimately, better for the superyacht market.

Images: Don Hoyt Gorman and courtesy of Couach

To comment on this article, email issue137@superyachtreport.com with subject: Florent Battistella
Monaco Yacht Show Preview

The Monaco Yacht Show is, for most, the epicentre of the superyacht industry’s calendar. On 19 September, the (hopefully) sunny skies of Europe’s south coast will be filled with the industry’s key players flocking to this momentous event where the true spectacle that is the superyacht industry comes to life. In this preview, we focus on new builds from some of the key players in the shipyard arena. On the following pages readers will find a selection of the newest members of the club, the youngest of the industry that have touched the water only in the past six or 12 months and some of which are making their public debut at this pinnacle event. By Lulu Trask.
As every reader of The Superyacht Report will know, the past couple of years for the industry have been tough, and it would be naïve to say that our industry has not faced struggles. This year, TSR wants to clear these gloomy forecasts and provide readers with a clear vision of a forward-moving superyacht industry as it stands today, and offer a glimpse into an even more promising future.

“The brokers and shipyards won’t miss the Monaco Yacht Show to unveil their most recent and spectacular superyachts, clearly aiming at presenting their best offerings to convince new buyers,” said Johan Pizzardini, media coordinator of the Monaco Yacht Show. With the presence of 40 new deliveries confirmed for the show at the time of printing, all eyes will be on these brand new giants of the sea.

“The Monaco Yacht Show is particularly celebrated for new builds being on display for the first time, some of them extremely significant,” the director of marketing and communications at Burgess, Alev Karagulle, told us. “The new builds certainly contribute to the huge attraction of the show and add to the unique buzz that surrounds Monaco in the superyacht calendar.”

“The show’s policy, which stipulates that yachts cannot return to the show year after year, encourages the display of new yachts,” added Patrick Coote, global marketing director of Fraser Yachts, “and Monaco is certainly viewed as a showcase of the newest and the best.”

Not only will lucky eyes set their sights on an array of the superyachts of today, but also a number of exhibitors will also be unveiling the superyachts of tomorrow. A 110m sailing yacht concept will be revealed by H2 Yacht Design and Laurent Giles Superyacht Architects, a 105m sailing yacht concept by Ken Freivokh Design, while a number of shipyards will unveil their latest creations. “We are presenting an impressive fleet of new yachts, the project of a new tender and a bigger WallyAce,” said Luca Bassani, president and CEO of Wally. “We expect to have a good demand for all of them. New constructions and new models always push the demand.”

Yes, price reductions have overshadowed other brokerage news, but so far this year 23 new build contracts have been signed by shipyards. People are still putting money into our industry. The success of the new-build sector reminds us all that this crucial area of the industry is defying stagnation. “The
superyacht market is back,” said Vincenzo Poerio, CEO of Benetti Yachts, “although the ongoing shipyards’ natural selection will continue in the next years. Quality has been, is and will always be the main success factor.”

And it will remain so as the Monaco Yacht Show approaches what hopes to be a very successful year. “According to the feedback we have from the industry, the wealthy clientele is still there,” said Pizzardini, who suggested that the show was focusing on the new not only through the exhibition of new builds, but also through its new 650msq reception complex, the Monaco Yacht Show upper deck lounge, and the attraction of much-needed new owners. “Considering the current state of the yachting industry and the positioning of the Monaco Yacht Show, we’ve been working on increasing the quality of the services to the show and attracting a new clientele at the show to meet the exhibitors,” said Pizzardini, who explained that the show has developed partnerships with luxury brands BMW, Baccarat, luxury watch manufacturer Ulysse Nardin and art gallery Opera Gallery.

The following pages will provide readers with a selection of the new builds and latest deliveries we’re most excited about, so we recommend you take a good look at them as you walk along the jetties taking in the scent of the sea, the sun and a very exciting future for the superyacht industry.

Information about all superyachts at the Monaco Yacht Show 2012, including pre-owned yachts, will be available online at SuperyachtNews.com, the official online media partner of the show.

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<thead>
<tr>
<th>Year of show</th>
<th>Number of yachts on display</th>
<th>Average length of yachts on display (m)</th>
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Data provided by the Monaco Yacht Show
Key Yachts on Display

ACE
Notable for her distinctive arched profile and oval side balconies, the Andrew Winch-designed Ace is another head-turning new launch from Lürssen. Her classic styled interior is described by Moran Yacht & Ship as “absolutely breathtaking”, and, unusually, she has a master state room that faces aft.

LOA: 87m
Gross tons: 2,500gt
Beam: 14.5m
Draught: 4m
Builder: Lürssen
Launch/Delivery Date: January 2012/June 2012
Naval Architect: Lürssen
Exterior Designer: Andrew Winch Designs
Interior Designer: Andrew Winch Designs
Hull Material: Steel
Superstructure Material: Aluminium
Engine: 2 x MTU 16V 4000 2,000kW

Class: LR & 100A1, SSC, Yacht (P), Mono, G6 & LMC, UMS
Flag/Compliance: CISR/CISR - MCA - LY2 - unlimited
Cruising Speed/Max Speed: 15 knots/17.5 knots
Exhibitor: Moran Yacht & Ship
For sale: No
For charter: No
Berth: R01 Quai Rainier 1er

SIGNIFICANT FEATURES
On-board features include a spa with plunge pool.

Image: Klaus Jordan
HAMPshire II

Launched in April this year by Feadship, Hampshire II is a displacement motoryacht designed for an owner with a great love of action and sports. At 78.5m, she features a helicopter landing platform that can be transformed into a playing field for basketball, tennis, baseball, badminton and football, the latter seeing action at the yacht’s launching ceremony.

Aside from Hampshire II’s capabilities for an array of sporting activities, the split-level motoryacht also features a crow’s nest placed atop the mast, which is reached via a two-persona elevator. However, the adventure doesn’t end here: the truly adventurous can zip-wire down from the crow’s nest at the top of the mast to the water.
SMERALDA
At 77m, Smeralda is a marvel of design and the longest all-aluminium yacht in the world. Her new owner will be able to enjoy an entire dedicated owner’s deck, which is referred to by the yard as the “owner’s apartment”, with a lounge and large private deck.

LOA: 77m
Gross tons: 952gt
Beam: 10m
Draught: 2.6m
Builder: Hanseatic Marine
Launch/Delivery Date: March 2012/TBC
Naval Architect: Espen Øino International/Hanseatic Marine
Exterior Designer: Espen Øino International
Interior Designer: Vain Interiors
Hull Material: Aluminium
Superstructure Material: Aluminium

Engine: 2 x MTU 16V 4000 M90 2,720kW
Class: LR R 100 A1, SSC, YACHT, MONO, G6, LMC, UMS
Flag/Compliance: CISR/CISR – MCA – LV2 – unknown restrictions
Cruising Speed/Max Speed: 25 knots/27 knots
Exhibitor: Burgess
For sale: Yes, POA
Berth: N12 Quai de l’Hirondelle

SIGNIFICANT FEATURES
Features of note include the ‘winter garden’ (shown above left), an area on the main aft deck that can be fully closed in using glass panels, and a spacious beach club with a gym, massage room and beauty salon.

Images: Klaus Jordan
See TSR issue 135, page 67, for our superyacht report.
MOGAMBO
Launched last year and delivered this year, this 74m displacement motoryacht features a Reymond Langton design, playing with light and dark shades. The sistership of Siren, Sapphire and Graffiti, Mogambo is available for charter with Hill Robinson.

LOA: 74m
Gross tons: 1,680gt
Beam: 12m
Draught: 3.55m
Builder: Nobiskrug
Launch/Delivery Date: October 2011/March 2012
Naval Architect: Nobiskrug
Exterior Designer: Reymond Langton Design
Interior Designer: Reymond Langton Design
Hull Material: Steel
Superstructure Material: Steel/GRP
Engine: 2 x MTU 16V 4000 M60 1,760kW

Class: Germanischer Lloyd (GL)
Flag/Compliance: BV/unknown – MCA – LY2 – restrictions unknown
Cruising Speed/Max Speed: 16 knots/17.5 knots
Exhibitor: Nobiskrug
For sale: No
For charter: Hill Robinson, high rate €600,000 p/w (July/August and events), low rate €550,000 p/w (other months)
Berth: T04

SIGNIFICANT FEATURES
One of many of Mogambo’s large terraces is solely for the use of those in the owner’s cabin, so charter guests lucky enough to stay in this particular cabin will have their own private terrace. The superyacht also features an indoor and outdoor cinema, as well as beach club areas and a large swim platform to add to the enjoyment factor of her charter clients.

STELLA MARIS
Launched not long before the Monaco Yacht Show, with a scheduled delivery of the same month as the show, Viareggio Superyachts’ (VSY) 72.1m displacement motoryacht is the largest superyacht produced from the Italian shipyard, and will remain so even after the launch of the shipyard’s current 63.8m project, Duchess of Tuscany II, next year.

LOA: 72.1m
Gross tons: 2,270gt
Beam: 12.6m
Draught: 3.7m
Builder: VSY
Launch/Delivery Date: July 2012/September 2012
Naval Architect: Laurent Giles Naval Architects
Exterior Designer: Espen Øino
Interior Designer: Michela Reverberi
Hull Material: Steel
Superstructure Material: Aluminium
Engine: 2 x CAT 3516B 2,000kW
Class: LR
Flag/Compliance: UK/UK – MCA – LY2 – unrestricted
Cruising Speed/Max Speed: 14.5 knots /17 knots
Exhibitor: VSY
For sale: No
For charter: No
Berth: Stella Maris will be at anchor outside the harbour for the whole period of the show.

SIGNIFICANT FEATURES
Stella Maris is a ‘green’ motoryacht and house plants span the deck of the Michela Reverberi interior-designed superyacht, enhancing the yacht’s link between land and sea.
VERTIGO

At 67.2m, Vertigo is the largest private sailing yacht ever built in the southern hemisphere. She features a timelessly modern ‘urban at sea’ interior by Christian Liaigre, and a distinctive exterior with curved windows by Philippe Briand.

LOA: 67.2m
Gross tons: 837gt
Beam: 12.53m
Draught: 9.1m
Builder: Alloy Yachts
Launch/Delivery Date: February 2011/April 2011
Naval Architect: Philippe Briand Ltd
Exterior Designer: Philippe Briand Ltd
Interior Designer: Christian Liaigre Interior Design
Hull Material: Aluminium
Superstructure Material: Aluminium
Engine: 2 x CAT C32 AVERT C12 1,081kW

Class: LR 100 A1 SSC Yacht, Mono, G6, MCH, UMS MCA LY2
Cruising Speed/Max Speed: 12 knots/17 knots
Exhibitor: Alloy Yachts
For sale: No
For charter: Y.CO – Indian Ocean & South East Asia. Winter 2012/13 from €225,000 p/w: High rate is €375,000 p/w and low is €225,000 p/w
Berth: T03

SIGNIFICANT FEATURES

An unusual feature on Vertigo, representing a first on a sailing yacht, is that amidships both sides of the hull fold down to form a pair of large boarding platforms, nicknamed “midarettes”, just above the water, like beaches on either side of the yacht.

Images: Chris Lewis, courtesy of Alloy Yachts

See TSR issue 127, page 159, for our special superyacht report.

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GARÇON
The largest vessel in the Sea Axe range, the 67.15m GARÇON, built by Damen Shipyards, boasts 360sqm of exterior deck space and 140sqm of interior deck space, while her fully certified helipad allows for an impressive 5,000kW take-off weight.

**LOA:** 67.15m  
**Gross tons:** 1,128gt  
**Beam:** 11.2m  
**Draught:** 4m  
**Builder:** Damen Shipyards  
**Launch/Delivery Date:** May 2012/September 2012  
**Naval Architect:** Damen Shipyards  
**Exterior Designer:** Damen Shipyards  
**Interior Designer:** Damen Shipyards  
**Hull Material:** Steel  
**Superstructure Material:** Aluminium/steel

**Engine:** 4 x CAT 3512C B rating  
1,425kW  
**Class:** Bureau Veritas (BV)  
**Flag/Compliance:** CISR/unknown – MCA – SOLAS – unrestricted  
**Cruising Speed/Max Speed:** 18 knots/20 knots  
**Exhibitor:** Amels  
**For sale:** No  
**For charter:** No  
**Berth:** T05

**SIGNIFICANT FEATURES**
GARÇON features the patented Axe Bow, which makes the vessel much less prone to slamming in big waves while allowing for higher speeds in adverse sea conditions. Her paint finish is also of superyacht quality, making her an ideal partner for the luxury superyacht she will be supporting.

An interview with Kommer Damen is featured on page 63.
DIAMONDS ARE FOREVER

One of the larger Benetti builds, this 59.13m takes her name from one of the novels in Ian Fleming’s espionage saga. She was launched towards the end of last year in a spectacular James Bond-inspired ceremony, which saw a rendition of the film’s theme tune as well as an acrobatic enactment of a Bond fight scene featuring the film’s trademark, Bond’s Aston Martin.

| LOA: 59.13m | Class: LR |
| Gross tons: 1,100gt | Flag/Compliance: CISR/not known – LY2 – restrictions unknown |
| Beam: 10.59m | Cruising Speed/Max Speed: 15 knots/16 knots |
| Draught: 3.1m | Exhibitor: Benetti |
| Builder: Benetti | For sale: Ocean Independence and Worth Avenue Yachts, $63 million |
| Launch/Delivery Date: October 2011/December 2011 | For charter: Ocean Independence, summer 2012 €333,000-365,000 p/w, Winter 2012/13 $395,000-450,000 p/w |
| Naval Architect: Benetti | Berth: E01 |
| Exterior Designer: Benetti | |
| Interior Designer: Evan K Marshall | |
| Hull Material: Steel | |
| Superstructure Material: Aluminium | |
| Engine: 2 x CAT 3512 HD 1,380kW | |

SIGNIFICANT FEATURES

Diamonds Are Forever was built with the aim of becoming a successful charter yacht, and since her launch, announcements of charter bookings have been solid, perhaps due to the appeal of her double panoramic owner’s cabin and lavish and luxurious Evan K Marshall interior.

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LADY LINDA
At 58m Lady Linda is 10m larger than the average superyacht constructed by American shipyard Trinity Yachts. She is new to the charter market, having only been announced as a charter listing with Burgess in July. A strong feature is the combination of granite, marble and earthy tones of her Evan K Marshall interior.

**LOA:** 58m  
**Gross tons:** 799gt  
**Beam:** 10.2m  
**Draught:** 2.4m  
**Builder:** Trinity Yachts  
**Launch/Delivery Date:** November 2011/July 2012  
**Naval Architect:** Trinity Yachts  
**Exterior Designer:** Geoff Van Aller, Trinity Yachts  
**Interior Designer:** Evan K Marshall  
**Hull Material:** Aluminium  
**Superstructure Material:** Aluminium  
**Engine:** 2 x CAT 3516C HD 3,384kW  
**Class:** ABS, MCA  

**Flag/Compliance:** CISR/unknown – unknown– restrictions unknown  
**Cruising Speed/Max Speed:** 18 knots/20 knots  

**Exhibitor:** Trinity Yachts  
**For sale:** International Yacht Collection, $49.8 million  
**For charter:** Burgess, summer 2012 in Mediterranean, high season €350,000 p/w, low season €322,000 p/w, and winter 2012/13 in Bahamas/Caribbean, high season $350,000 p/w, low season $322,000 p/w  
**Berth:** T10

**SIGNIFICANT FEATURES**
Lady Linda’s minimal draught of just 2.4m allows her into shallow waters, unlike many yachts of her size, a factor that may appeal to prospective charter clients and potential buyers.

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**TURQUOISE**

This 55.4m motoryacht from Turkish shipyard Proteksan Turquoise was the shipyard’s first launch of 2011 and is one of few of the yachts we have chosen to preview that is available both for sale and charter (through Fraser Yachts). Her naval architecture is by Proteksan Turquoise and exterior design is by Dubois Naval Architects.

- **LOA:** 55.4m
- **Gross tons:** 755gt
- **Beam:** 9.3m
- **Draught:** 3.2m
- **Builder:** Proteksan Turquoise
- **Launch/Delivery Date:** January 2011/ April 2011
- **Naval Architect:** Proteksan Turquoise
- **Exterior Designer:** Dubois Naval Architects
- **Interior Designer:** Suntay Design, HOK Design
- **Hull Material:** Steel
- **Superstructure Material:** Aluminium
- **Engine:** 2 x CAT 3512B 1,120kW
- **Class:** LR 100A1
- **Flag/Compliance:** UK/not known – MCA – LY2 – unrestricted
- **Cruising Speed/Max Speed:** 14 knots/16.5 knots
- **Exhibitor:** Fraser Yachts
- **For sale:** Fraser Yachts, $35.5 million
- **For charter:** Fraser Yachts, summer in western Mediterranean $385,000 p/w, and winter in Caribbean $385,000 p/w
- **Berth:** E04
- **SIGNIFICANT FEATURES**

The bright colours of her contemporary HOK Design interior distinguish this superyacht from others, whilst tender storage is very good, with the ability to store two large tenders, fully enclosed, forward of the bridge.

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**VIAREGGIO - FT. LAUDERDALE - SHANGHAI**
BETTER PLACE
Launched earlier this year, this 50m sloop is the largest vessel to leave the Wally yard, whose facilities lie in the vicinity of the Monaco Yacht Show. She is also the world’s largest carbon-fibre sailing sloop.

| LOA: 50m | Gross tons: 497gt |
| Beam: 9.3m | | | | |
| Draught: 2.5m | | | | |
| Builder: Wally | | | | |
| Launch/Delivery Date: May 2012/July 2012 | | | | |
| Naval Architect: Tripp Design Naval Architecture | | | | |
| Exterior Designer: Wally/Luca Bassani Design | | | | |
| Interior Designer: Wetzels Brown Partners/Wally | | | | |
| Hull Material: Composite | | | | |
| Superstructure Material: Composite | | | | |
| Engine: 2 x CAT 3512C 1,230kW | | | | |
| Class: LR 100 A1 SSC Yacht Mono G6z LMC, UMS, MCA, LY2, unrestricted | | | | |
| Flag/Compliance: BV/BV1 – MCA – unrestricted | | | | |
| Cruising Speed/Max Speed: 15.5 knots/16.9 knots | | | | |

Exhibitor: Wally
For sale: No
For charter: No
Berth: E07

SIGNIFICANT FEATURES
Better Place features the new staysail system, developed by Wally’s research and development team to ensure the no-torsion luff cable is available for an easy and fast hoist from its 8.6m-long locker in the forward deck.
LADY PETRA
Heesen Yachts' displacement motoryacht, the eighth vessel in the yard's 47m class, was launched in April for the shipyard's founder and former owner, Frans Heesen, the ceremony for which saw the announcement of the founder's retirement from official functions at the shipyard. The yacht has been designed with family in mind, with space incorporating a media and games room for the Heesens' grandchildren on the lower deck.

**LOA:** 47m  
**Gross tons:** 499gt  
**Beam:** 8.8m  
**Draught:** 2.9m  
**Builder:** Heesen Yachts  
**Launch/Delivery Date:** April 2012/May 2012  
**Naval Architect:** Heesen Yachts  
**Exterior Designer:** Omega Architects  
**Interior Designer:** Bannenberg & Rowell Design  
**Hull Material:** Steel  
**Superstructure Material:** Aluminum  
**Engine:** 2 x MTU 8V 4000 M70 1,160kW

**Flag/Compliance:** Malta/not known – MCA – LY2 – not known  
**Cruising Speed/Max Speed:** 12 knots/15.5 knots

**SIGNIFICANT FEATURES**
Frans Heesen and his wife appointed Bannenberg & Rowell to design the somewhat industrial-themed interior that has been inspired by diverse sources including 20th-century industrial Dutch design, optical geometric studies, and shapes that have been inspired by industrial components such as formers and frames.

Main image credit: Jeff Brown

ASLEC 4
One of this year’s more recent launches, 45m Aslec 4 was transported through the streets of Viareggio by night to reach her launch site in April 2012, where she was blessed by a priest before being lowered into the water. Her name comprises the first name initials of the owner's wife and three sons, ending with this own.

**LOA:** 45m  
**Gross tons:** 495gt  
**Beam:** 9.2m  
**Draught:** 2.6m  
**Builder:** Rossinavi  
**Launch/Delivery Date:** April 2012/May 2012  
**Naval Architect:** Rossi Engineering Design & Services (REDS)  
**Exterior Designer:** Design Studio Spadolini  
**Interior Designer:** Rémi Tessier  
**Hull Material:** Steel  
**Superstructure Material:** Aluminium  
**Engine:** 2 x CAT 3508C DITA 956kW

**Class:** 100A1, SSC YACHT, LMC  
**Flag/Compliance:** Italy/unknown – PNVC Unrestricted  
**Cruising Speed/Max Speed:** 15 knots/16 knots

**SIGNIFICANT FEATURES**
The crew quarters of this superyacht have been finished in similar materials to the guest areas, whilst her exterior styling is particularly masculine, with a plumb bow, raked superstructure lines and a forward-leaning wheelhouse windscrean.

Main image credit: Jan Van Endert
**MONACO YACHT SHOW | PREVIEW**

**PAMELA V**
This is the first time Hakvoort's *Pamela V* will be seen publicly, due to the owner's wish to sail her before any public displays. This Diana Yacht Design motoryacht has flared V-sections in the bow, large overhangs and a raised maindeck.

**KARIA**
Presented for the first time by RMK Marine as a forthcoming project at the 2010 Monaco Yacht Show, the Ron Holland-designed *Karia* was completed and launched in September 2011.

**Significant Features**
- The yacht has been designed for both socialising and privacy, and features linked living zones for family gatherings as well as the creation of smaller, intimate areas. According to the shipyard, Karia’s environment is suited to extended Mediterranean holidays as well as long-distance worldwide cruising.
- Images: Marc Paris

**Hull Material**: Steel  
**Superstructure Material**: Aluminium  
**Engine**: 2 x CAT C32 1,044kW  
**Class**: LR 100A1 SSC Yacht Mono G6, LMC UMS with MCA, LY2  
**Flag/Compliance**: IOM/IOM – MCA – LY2 – unrestricted  
**Cruising Speed/Max Speed**: 12.5 knots/ 14 knots  
**Exhibitor**: RMK Marine  
**For sale**: RMK Marine, €19 million  
**For charter**: No  
**Berth**: N19

**LOA**: 45m  
**Gross tons**: 495gt  
**Beam**: 9m  
**Draught**: 2.6m  
**Builder**: RMK Marine  
**Launch/Delivery Date**: September 2011/September 2011  
**Naval Architect**: Ron Holland Design  
**Exterior Designer**: Ron Holland Design  
**Interior Designer**: Design Unlimited  
**Flag/Compliance**: IOM/IOM – MCA – LY2 – unrestricted  
**Cruising Speed/Max Speed**: 12.5 knots/ 14 knots  
**Exhibitor**: RMK Marine  
**For sale**: RMK Marine, €19 million  
**For charter**: No  
**Berth**: No 1 Quai de L’Hoirondelle

**PAMELA V**
This is the first time Hakvoort's *Pamela V* will be seen publicly, due to the owner's wish to sail her before any public displays. This Diana Yacht Design motoryacht has flared V-sections in the bow, large overhangs and a raised maindeck.

**Significant Features**
The owner’s suite of this 44.9m motoryacht features a full-beam stateroom with luxurious his and hers bathrooms, as well as including a study with Pullman bed.

**Hull Material**: Steel  
**Superstructure Material**: Aluminium  
**Engine**: 2 x MTU 8V 4000 60R 700kW  
**Class**: LR 100A1 SSC Yacht Mono G6, MCA, UMS  
**Flag/Compliance**: Malta/unknown – unknown – restrictions unknown  
**Cruising Speed/Max Speed**: 10 knots/ 14 knots  
**Exhibitor**: Hakvoort  
**For sale**: Unknown  
**For charter**: Unknown  
**Berth**: No 1 Quai de L’Hoirondelle

**LOA**: 44.9m  
**Gross tons**: 450gt  
**Beam**: 9m  
**Draught**: 2.9m  
**Builder**: Hakvoort  
**Launch/Delivery Date**: April 2011/July 2011  
**Naval Architect**: Diana Yacht Design  
**Exterior Designer**: Diana Yacht Design  
**Interior Designer**: Jacques Grange
RAINBOW

This 40m J-Class has been modelled on the winner of the 1934 edition of the America’s Cup, but has been modernised and features a high-end art deco interior, and state-of-the-art hybrid propulsion system. Two cranes were needed to launch Rainbow, with her 5m draught, into the water in February.

**LOA:** 40m  
**Gross tons:** 176gt  
**Beam:** 6.37m  
**Draught:** 4.9m  
**Builder:** Holland Jachtbouw  
**Launch/Delivery Date:** February 2012/May 2012  
**Naval Architect:** Dykstra & Partners  
**Exterior Designer:** Dykstra & Partners  
**Interior Designer:** Dykstra & Partners  
**Hull Material:** Aluminium  
**Superstructure Material:** Mahogany  
**Engine:** Scania D12 62m 294kW  
**Class:** LR 100A1, SSC, Yacht, Mono, G3, LMC UMS  
**Flag/Compliance:** CISR/CISR- MCA- LY2 -short range  
**Cruising Speed/Max Speed:** 9 knots/11.5 knots

**Exhibitor:** Holland Jachtbouw  
**For sale:** Yachting Partners International, price on application  
**For charter:** Yes, rate on application  
**Berth:** T28

**SIGNIFICANT FEATURES**

Rainbow, and her permanent crew of seven, is captained by Nick Haley, who has previously skippered two other members of the Holland Jachtbouw fleet, namely Windrose of Amsterdam and Athos, and has competed in some of the UK’s 2012 south-coast regattas.

**Image:** Holland Jachtbouw

See our report on Rainbow in issue 134, page 91.
Concepts & Projects

The Monaco Yacht Show is an accurate snapshot of exactly where the superyacht industry is today – what’s selling and what’s not, what’s being built and what the industry is looking for. It also provides visitors with the chance to take a look into the future, a welcome opportunity for those struggling in today’s market. Key players in the superyacht design industry will be showcasing their latest concepts, whilst shipyards will unveil their newest projects. Some of these are selected below.

**DYNASTY YACHTS**

**120m motoryacht**

The Megayacht Group will present two launches: its new brand name Dynasty Yachts and a 120m project. The superyacht will include three 3,500kW ABB Compact pod Azimuthing electrical propulsion units powered via diesel generators. With a speed of 21.5 knots, this 120m motoryacht has been designed to provide expansive spaces for its owner and 26 guests, including five kingsized VIP cabins, three of which have hydraulically folding private balconies. The main deck of the superyacht will offer a dedicated health spa and beauty salon.

Quai de l’Hirondelle, QH29

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**MECCANO**

**X-One Project**

This year Meccano Engineering will present its X-One Project, a 59m futuristic-looking five-deck catamaran motoryacht with interior and exterior design by Studio Papa. Large living areas are offered, with 1,400sqm of the main deck dedicated to guest suites. “The project emphasises the blending of generous and slender lines,” said Stefano Reggente of Meccano Engineering. “This design gives the X-One the look and feel of a unique product, fresh and original.”

Quai de l’Hirondelle, QH29
H2 YACHT DESIGN & LAURENT GILES SUPERYACHT ARCHITECTS

Project Atlas
This 110m sailing yacht is the result of a collaboration between H2 Yacht Design and Laurent Giles Superyacht Architects. Described by the former as a “synergy yacht”, Project Atlas has been designed for use with a combination of motor and/or sails, whilst superyacht volume is merged with the elegance of a sailing yacht. James Bermudez, senior designer of H2 Yacht Design, describes it as having “a contemporary yet timeless aesthetic”. The yacht features a 7m infinity pool and a water wall feature to the swim platform just below, as well as low bulwarks and classic handrails to provide uninterrupted views of the surrounding landscape. “When using both motor and sails, the vessel can cruise easily at 16 knots, with a possible fuel saving of between 40 and 60 per cent, coupled with an equivalent increase in range,” Bermudez explained. “At a time of green technologies, the concept of a large sail-assisted motoryacht is a realistic proposal, outperforming the current array of ‘green’ solutions.”

Darse Nord, QD23

KEN FREIVOKH DESIGN

The 105m DynaRIG, the 100m DynaRIG and the 50m motoryacht with the Prince Group
Ken Freivokh Design will be presenting three brand new projects. Two sailing yacht projects, which have been based upon the success of the DynaRIG on The Maltese Falcon, two-time winner of the Perini Cup, and tackle the need for additional volume with suitable elegant and efficient platforms; whilst the third arrives as part of a new partnership with the Prince Group.

The 105m DynaRIG schooner retains some classical and traditional elements of The Maltese Falcon design, while optimising spaces for the combination of family and business use. A unique feature of the project is its underwater observation room within the keel volume. The 100m DynaRIG yacht has been created as an entertainment platform for her owner, featuring extremely large salons with high ceilings. An all-glass lift runs along the central mast and atrium, whilst an aquarium flanks the swimming pool.

During the show, a partnership will be announced between the Prince Group and Ken Freivokh Design to develop a number of new and distinctive projects, the first of which is a 50m motoryacht (pictured bottom left). The superyacht has been designed to include glass bulwarks, a convertible salon and cinema, and is soon to be followed by a 61m motoryacht project.

DynaRIG: Dykstra Stand QE10
Prince Group: Pascoe Stand T55
ICON YACHTS
ER 175
Following a meeting with Ivan Erdevicki at the 2011 Monaco Yacht Show, Icon Yachts will be unveiling the 53m Erdevicki-designed ER 175 high-speed motoryacht concept. Her bow has been specially designed to pierce waves, extend the waterline and provide additional reserve of buoyancy in rough seas. This allows the hull design to be efficient for high speeds of 31 knots as a semi-displacement yacht as well as lower speeds of 16 knots as a full displacement yacht.

DYKSTRA NAVAL ARCHITECTS
Exo
Dykstra Naval Architects have developed its 46m sailing sloop concept Exo in partnership with Claydon Reeves. The sloop has been created to add a new element to the experience of performance cruising, allowing views of the external and underwater environments. The interconnected root structures of large trees were the starting point of the design, with the trunk representing the mast, and the roots forming the hull, whilst the skeletal structure of small but strong creatures have also been taken into account in the design process. The exterior deck caulking is based upon the radiating growth rings of a tree trunk, which illuminate at night, whilst the organic mullions that separate the glass panels of the interior have been designed to create the feeling of being contained within the ribcage of a large aquatic creature.
MORE TO COME

The above is just a glimpse of new and exciting concepts being included at the show this year. Perini Navi will also unveil two additions to its Vitruvius line, a 45m and a 62m; McMullen & Wing will announce its new 45m displacement motoryacht project; Sunreef Yachts has told us that it will unveil its 26m power catamaran; and Wally has announced it will reveal a larger WallyAce at the show. Meanwhile, RMK Marine and Vripack will meet for the fourth time for their latest collaboration, the Vripack 110, a 33m explorer motoryacht. Last but not least, Feadship’s annual design concept will be unveiled at the show.

QUAIAT YARD

Ambriabella restoration

Italian shipyard Quaiat Yard will be presenting a new restoration project of the historic 52m motoryacht Ambriabella. The refit project for the 1962 yacht involves the total conversion of the vessel into a luxury superyacht to bring Ambriabella back to her former glory, retaining her elegant 1960s’ lines whilst giving her a contemporary twist.

Quai de l’Hirondelle, QH29

JFA YACHTS

Long Island 100

A year after the announcement of the Long Island 85 at last year’s Monaco Yacht Show, JFA Yachts will present the new Long Island 100, part of the shipyard’s semi-custom range. Developed with Marc Lombard, further details of the yacht will be revealed at the show.

Darse Nord, QD34

CNB

CNB 100 Evoe

CNB is using this year’s show as the platform to present its new motoryacht project, the CNB 100 Evoe. The 30.5m ultra-modern Berret-Racoupeau Design sailing yacht, with a Rhoades & Young interior, has been designed for on board living when both at sail and at a mooring. Specific areas have been created for different activities on board the superyacht, which boasts a 38.4m-high mast.

Darse Nord, QD31
Focusing on new builds at the show this year, it is important to remember the vital role played by the builders. It is the shipyards that allow visitors to view these new creations and it is through the builders that such concepts and breathtaking designs become tangible.

The Superyacht Builders Association (SYBAss) area comprises many of these first-class shipyards, many of whom will be exhibiting their latest deliveries at the show. Having evolved its exhibition policy since 2008, when most members were separate from each other, and away from any yachts they had on display, this year most SYBAss members will be where they should be: on the water by their superyachts. “These unfortunate members used to stand somewhere in the tent, without having any contact with one of the most beautiful harbours in the world,” said Theo Hooning, secretary general of SYBAss. “We started the whole move in 2008, and now it has been executed. Now the stands are on the waterfront, and the superyachts are nearby.”

As a result, this year more than half of SYBAss members will be found in double-decker stands on the T-Jetty, also known as the SYBAss Avenue, although some members have chosen to exhibit elsewhere. It makes sense for most of its members to exhibit together, drawing a stronger target audience. “It just happens that our members like to stand together,” Hooning told The Superyacht Report. “It’s very simple; they want a cluster of builders. They don’t want to stand together with, for example, suppliers. Their collective focus and core audience are owners and potential owners.”

SYBAss member Oceanco is one such shipyard. “In this constantly changing world, SYBAss perfectly represents large-yacht builders and repeatedly achieves its goal of clustering member stands on the central T-Jetty at the Monaco Yacht Show,” said Michele Flandin, manager of marketing at Oceanco. “This year again we are confident that the SYBAss jetty will provide owners and potential clients with a dedicated area where they are sure to find the premium superyacht builders.”

“Our expectation is to have the best exposure as a professional yacht builder, and to provide a good service to our clients,” said SYBAss vice-president Fabrizio Sgariglia, sales director of Perini Navi.

During the day, members will be documenting their latest achievements, and at nightfall on the evening of Friday 21 September, the penultimate day of the show, SYBAss will host an invitation-only meet-and-greet amid the spectacular backdrop of these lit-up, often brand new, superyachts. “It will be an evening for a select audience,” said Hooning, “and, of course, the focus will be on the owner’s perspective.”
On Sunday 12 August 2012, at around 1am, a fire broke out at the McMullen & Wing shipyard in Auckland, New Zealand, causing significant damage to the in build 50m Star Fish. Around 90 firefighters attended the scene and the fire was successfully extinguished. Fortunately, the damage was limited to Star Fish and the shed housing her, and McMullen & Wing’s workshops, office space and other four construction halls were spared by the fire and remain fully operational. The company has a refit project for a commercial aquaculture vessel underway in another construction hall, which was also unaffected.

Whilst the fire has done relatively little damage to the yard facilities, its impact on the yard’s immediate workload will be significant. Management moved swiftly to respond to this new uncertainty and by the end of the week had confirmed the need for significant redundancies from their 100-strong workforce – a tragic end to a difficult week for a company with such a loyal team.

At the time of the fire Star Fish was entering the final stages of her build, with delivery due for Q2 of 2013 (a detailed progress report was featured in issue 135 of The Superyacht Report). The structural fabrication was finished; coating systems well progressed; mechanical systems nearing completion; electrical and electronic systems well advanced; and her interior fit out mid-way through installation. According to Aquos Yachts as a completed project Star Fish would have commanded around US$50 million. The yard and yacht were fully insured and in addition to the fire team’s inspection, the insurance companies (for yard and yacht) each have experts undertaking their own investigations.

Being mere days after the event, this is just the beginning of an extensive investigative process as the different parties look for answers. An investigation into the fire’s cause is ongoing: arson has been ruled out, as have many of the more common factory fire risks, but no specific cause has yet been established. A paint crew had been working in the shed until mid-day Saturday, but as the alarm was not raised until 1am the following morning it is not immediately obvious how to connect the fire with the work being done. There is every possibility that the exact cause will never be established, although the yard has expressed its hope that investigators will at least be able to narrow it down to a small number of possibilities.

**INDUSTRY COMMENT**

David Porter, managing director, McMullen & Wing

This is a devastating blow to everyone – our staff, the owner of the yacht and his team, and the huge range of suppliers to the project. Everyone has invested so much energy and love into this project over a long period of time. Custom yacht building takes a long time and it’s when you reach these finishing stages and you see the whole yacht coming together that we are reminded of the full beauty of these yachts. The energy and excitement of the whole team as this enormous work of art and craftsmanship takes form are very special. To see so much of it go up in flames at such a late stage is absolutely heart breaking to us all.

Whilst we’re all very thankful that no one was hurt in the fire, it leaves many of us in a daze. It’s naturally a time of great uncertainty for everyone in the short term as we grapple with the many issues this raises.
OVERMARINE GROUP TO CATER FOR LARGER SUPERYACHTS WITH NEW FACILITY

Overmarine Group has announced it is expanding to accommodate new construction facilities in Pisa, Italy. The 22,000sqm facility means the shipyard will now be able to cater for superyachts of up to 70m.

YPI APPOINTS NEW SALES DIRECTOR

Yachting Partners International (YPI) has announced the appointment of Russell Crump as the group’s new director of sales.

AUSTRALIA LOOKS FOR CHARTER REGULATION REFORM

Superyacht Australia has made a formal submission to the Australian government, requesting a review of the regulations faced by visiting superyachts. The regulations as they stand are seen as prohibitive to growing the number of superyachts visiting Australia.

CORPORATE BEST PRACTICE TO BE CODIFIED BY LYBRA

LYBrA is to include a series of codified standards governing corporate best practice into its founding ‘constitution’. The guidelines will complement those of the UK Bribery Act, says Fraser Yachts’ CEO and Association founding member Hein Velema.

Michael Eaglen, commercial manager, McMullen & Wing

In the first week after the fire, fire investigation work was the top priority. After a week, the investigators working for the fire department and for the insurance companies had completed their site work and gave us the green light to start the clean-up operation. It is back-breaking and heart-breaking work, but the more undamaged material we uncover, the more our hope grows that we will, in due course, be finishing Star Fish, not writing her off.

Of course, at this early stage, everyone is only guessing what lies ahead. The true test comes once the insurers establish the value of the loss and make a decision whether the boat can be salvaged. That decision will involve a lot of complex work, both for the accountants and the surveyors, and it will be some considerable time yet before any decision is reached. Whether or not the yacht is salvageable, of course, relies a lot on the classification society, which will play a big role in determining what it would take to rebuild the yacht, and which elements might be saveable and which not. These are not decisions to be taken lightly, and the quality of the finished yacht needs to be held central to the whole process.

It is important to remember that a fire is always at the front of any shipyard’s mind, and all good shipyards have processes and systems to minimise fire risk throughout the build. As a result, shipyard fires are extremely rare events, although devastating when they occur. We are pleased to have initial indications from the investigators that most ‘normal’ potential causes have been ruled out, although we are naturally frustrated that despite apparently robust processes and an excellent track record, a disaster like this was still able to strike us. We are totally committed to ensuring that everything that can be learned from this event is learned and that McMullen & Wing can once again rightly claim to be a safe place for fine yacht construction.

Our offices, tender and refit divisions remain fully operational and we will be exhibiting at Monaco Yacht Show and FLIBS as planned.
Richard Beattie, owner and chairman, Aquos Yachts

The entire Aquos Yachts’ team is shocked and horrified by the fire on board Star Fish. We are also cognizant of the potentially devastating consequences of the fire for McMullen & Wing and its craftsmen. Our hearts go out to the shipyard workers and to the Porter family. While we are still in shock from the fire we are also moving forward quickly to determine the full extent of the damage, which we believe to be extensive. It is a process that we are informed might take several weeks, and we are committed to concluding this investigation as quickly as possible. It is simply too soon yet to advance any prediction of whether our extraordinary project is salvageable.

While the fire, coming less than a year from the planned launch of Star Fish, is a terrible setback both for Aquos Yachts and the shipyard, we remain committed to our core mission of designing and building the finest luxury expedition yachts in the world for discerning yacht owners wishing to explore the world in the highest levels of comfort and security.

Jim Gilbert, Aquos Yachts

In my 30-odd years in the business, I can’t think of a worse situation than fire – either at sea or in a yard. Richard [Beattie] is understandably disappointed but also realistic about the situation. Most importantly, we are thankful that it was just objects and not people that were hurt.

Aquos Yachts will go on: we still have Big Fish, which is an immensely successful yacht. We know the concept of Aquos Yachts is spot on and we’ve put our finger on some pulse in the industry. Millions in time and money have been invested into the yacht, and we are still excited about the design and innovations we were about to achieve with Star Fish. It may be months before we are able to make a decision on what is to be done, but we are hoping the news continues to be more favourable than not. Big Fish will still be undergoing her scheduled refit with McMullen & Wing in September. Other than this setback, everything else in our business plan is moving forwards as before.

THE SUPERYACHT REPORT’S VIEW

Ellie Brade, Pacific editor

The news of the fire at McMullen & Wing shook both the international and local yachting community and the rallying of support around the yard is a sure sign of how McMullen & Wing, its work and staff are held in high regard.

The most important news is that with the exception of Star Fish, the yard remains fully functional. The investigative process will be an ongoing one, and it will be some time before the yard can be entirely back to normal. Let us hope that McMullen & Wing’s proven track record, with projects including Ermis2 and Black Magic to their name, will continue to define what they offer as a yard, rather than this one tragic event. Seeing Star Fish completed and afloat should remain a very real ambition.
BRAZILIAN CONSULTANCY ESTABLISHED TO DEAL WITH ‘INCREASING’ SUPERYACHT DEMAND

Brazil Yacht Services is a newly established company offering a support and consultancy network to both Brazilian owners and those visiting the country.

FUTURE FIBRES LANDS FIRST SUPERYACHT MAST CONTRACTS

Future Fibres, one of the world’s leading carbon and composite spar and rigging firms, has announced an agreement to supply spars and rigging to two 60m superyachts in-built with Italian yacht manufacturer Perini Navi.

GURIT AMALGAMATES DEPARTMENTS INTO ‘ENGINEERED STRUCTURES’

Gurit, the parent company of composites expert SP-High Modulus, has announced the merger of its marine and technology, prototyping and business development departments, under the banner of ‘Engineered Structures’.

PORTLAND HARBOUR PITCHES ITSELF AS A SEA TRIAL BASE

With the 2012 Olympic Games at an end, Portland Harbour is now repositioning itself in the long term as a base for sea trials. Its target is vessels heading to and from northern Europe.

FRANC JANSEN MOVES FROM YPI TO HILL ROBINSON

Hill Robinson has announced the appointment of Franc Jansen as the company’s new director. Jansen will be based in Antibes and took up his position on 1 August.

Jansen has held various positions within the maritime industry, and holds qualifications as both a navigation officer and an engineer. Following his time at sea he moved into commercial ship management before joining Yachting Partners International (YPI) as group director, a position he held for seven years. Jansen is also a member of the Mediterranean Yacht Brokers Association (MYBA) management committee.

INDUSTRY COMMENT

Franc Jansen, director of yacht management, Hill Robinson

I’m going to be helping Niall Robinson and Nick Hill with the running of their business. As with any senior role I’ll be covering many areas of the company, but with a specific focus on the operational and technical aspects.

My background is yacht management; I ran the YPI yacht management division for six and a half years. Hill Robinson is a different company from YPI. YPI was a brokerage house first and then added other departments, whereas Hill Robinson was one of the first companies to start doing purely yacht management, and it remains their main focus. Obviously, the operation is much bigger than that of YPI. [Hill Robinson] has offices in the UK, in America, the Isle of Man and Guernsey… the service for yacht managers is much better and this creates really exciting opportunities that I couldn’t have with a relatively small fleet at YPI.

Hill Robinson looks at management from a different perspective. If you have a retail brokerage department versus a management department, there are possible conflicts of interest. Sometimes the commercial interests of making a sale are more important than the technical, day-to-day management issues.

If, for example, you’re undertaking a new build programme, the brokerage department sells the boat and they get paid a percentage at each payment stage. The project manager has to approve whether the boat has reached that particular stage. Within YPI I never had any pressure from the commercial side, but I can imagine, with other companies, there are circumstances where the company say ‘you have to approve this payment because we could do with the commission this month’ – and this is usually a large amount of money.

[With a clear division between brokerage and management operations] there is a much clearer relationship between the client and the manager. I’m not saying that other companies do anything less than a good job but from an objective point of view, it is a much cleaner relationship because we are offering management. Period. I’ve known Hill Robinson for a long time and I have worked with Niall for a long time on the MYBA management committee. I know how much effort he puts into the industry, and how much he puts back through his work with MYBA. I’m also very active myself, and have been involved with the MLC and the implementation of the yacht code. This is also a much bigger fleet, with a full management office in the USA and several other specialist offices in London, the Isle of Man and Guernsey, which is better for me. The number of boats we manage is four or five times bigger than I was managing at YPI, so it’s a much more senior position.

At the moment, I have to find my feet within the company and learn how it works. In the past I’ve run a small yacht management division with a very high level of service and that’s what I would like to bring to Hill Robinson. I want to ensure that we have one of the highest levels of service available to yacht owners, and advice that is completely independent. This extends not just to yacht management, but also to new build management and project management, which is a major part of our business.

THE SUPERYACHT REPORT’S VIEW

Will Mathieson, news editor

As Jansen explains, his move to a senior role at a larger management company, with responsibility over a bigger fleet, is a logical one. But, inevitably, a move such as this is always likely to magnify the perceived differences between yacht management companies and yacht management divisions, that is companies that deal solely in yacht management and managers that are tied to the interests of a broader company goal.

In 2012 ‘managing the client’s expectations’ and ‘greater transparency’ have become popular terms within the yachting lexicon. It is widely accepted that the application of these concepts to the practices of the industry will help to improve its global standing and profitability. At the 2012 Superyacht Fiscal Summit, it was agreed by those in attendance that expectations were better managed and transparency enhanced through the provision of specialist, tailored services rather than marketing oneself as a jack-of-all-trades.

That is not to say that management divisions derived from brokerage houses do not offer exceptional services – and there are several shining examples in the industry that prove that – but there is undoubtedly a growing demand among today’s superyacht owners for service providers who are considered experts. And perhaps branding oneself as a manager, a lawyer, an underwriter or a broker is starting to gain credence in place of the traditional ‘one-stop shop’ merchants.
Where do superyacht owners like to reside when they’re not on board? Well, from now on, the answer could well be somewhere within the Shard, the ‘Project Azzam’ of European architecture. http://bit.ly/PiMQKA

A number of forward-thinking superyacht brands have already introduced Mandarin-language marketing and sales material, in the hope of endearing the Chinese nouveaux-riche to them. Is this watershed moment, in which The Times, no less, confirmed it would be publishing a Mandarin version of its Luxx magazine – a sign that the rest of the industry should follow suit? http://bit.ly/LY5s9d

Supposedly the world’s aerospace industry will require the enrolment of 517,000 pilots over the next 20 years, with widespread praise for the new generation of flight simulators that make their training easier and more efficient. What would yacht captains give to experience the same level of demand for their skills? http://bbc.in/LSOgcN

This extraordinary feat of naval architecture has been performing manoeuvres in the Pacific Ocean to celebrate a momentous anniversary. Despite appearing to be a naval craft of the future, the US Navy Floating Instrument Platform (FLIP) is celebrating 50 years in operation. http://huff.to/P4tlf4
**SANT’AGATA, ITALY**

Lamborghini has opened a new prototype and concept development centre – a state-of-the-art facility dedicated to the design and production of its cars of tomorrow. TSR wonders how it compares to the testing facilities of naval architects.

http://hgm.me/M8XsGC

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**BAROSSA VALLEY, AUSTRALIA**

The best provisioning companies guarantee to be able to locate and deliver anything a yacht’s guests require. However, TSR would challenge said companies to find a bottle of wine more exclusive than a 2004 Kalimna Block 42 Cabernet Sauvignon. At Aus$168,000 (€143,000), it also requires a member of a specially trained team to open it.


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**THE WORLD’S OCEANS**

It is incredible footage like this that reminds some owners why they opted for a motoryacht, and why they fitted that gyro stabilisation system. On the other hand, it probably evokes the opposite feeling for sailing purists.


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**UNITED KINGDOM**

Accommodating the different business practices employed by western and Middle Eastern organisations can be challenging, although potentially financially rewarding. A new organisation has now stepped into the breach to try to bypass this issue. The Anglo Arab Alliance will aim to facilitate easier passages to business deals between companies of the two locations. Whether this will be popular with professional service providers remains in doubt.

http://bit.ly/P8QyGC

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Visit www.superyachtnews.com/wills_world_wide_web.html to view an interactive version of these pages.
Following on from last year’s call for change, this year’s Global Superyacht Forum (GSF) will look back on 2012 to see how far the industry has travelled, what has worked and how to steer clear of pitfalls in the future. However, to learn, we must not simply look to the past, but also to the future. The future is one of change and new direction. The influential sessions, speed-networking hubs and engaging panellists will focus on the overall theme of new thinking, the next generation of owners, as well as the business as a whole.

DEVELOPING A NEW BUSINESS PLAN
Welcoming everyone to what promises to be our most innovative GSF to date is our chairman, Martin H Redmayne, with plans for a very informative and engaging three days. Redmayne and his expert panel of private equity members and investors will begin by looking at the current structure of our market and taking things back to the basics. By breaking everything down, our panellists will help guide us towards a new business plan for the market. Kick-starting the conference will be a selection of panellists discussing their predictions for the industry, focusing on the overall theme of new thinking, next generation and market rejuvenation.

By embracing a new business plan, the goal to create a new bottom line emerges. A financially focused panel of shipyard chief financial officers will concentrate on where we have fallen short and how we can reach a position of stability. Improving the bottom line is an exercise that is crucial to the growth, stability and maturity of the market and is therefore a key topic at this year’s event.
NEW IDEAS & NEW THINKING
Returning with the popular new technology presentations will be a wide selection of new and innovative projects, from both within the superyacht arena, as well as those making waves in their own industries. By joining forces and reaching out to other businesses, we can ensure that our industry continues to grow and be challenged by new ways of thinking. These punchy and concise new technology presentations will give the audience the chance to see the latest and greatest advancements in the world of technology.

We want to explore whether the same cutting-edge technology being used on land architecture can be translated into the superyacht market.

As always, following on from these exciting presentations will be a healthy discussion provided by top innovators in their respective fields. A panel of key players within design, engineering, manufacturing and integration will join our chairman in a think tank format to come together to discuss the potential of these new projects within the superyacht environment. With such a broad and encompassing panel of speakers, new ideas and new thinking will abound. The floor will once again open, encouraging audience questions and participation. Our panellists will demonstrate and explore developments in each of their industries as well as their ambitions for application within the superyacht arena.

An interesting new concept we’ve drafted for this upcoming GSF is to conduct a quantitative survey of architecture and yacht design, engineering and construction. Obviously these industries are closely linked, but we want to explore whether the same cutting-edge technology being used on land architecture can be translated into the superyacht market.

THE NEXT GENERATION
This year we want to focus on the next generation of owners to find out how they plan to profit from their investment in the industry. The new blood being born out of the recession promises an influx of new and young owners who are keen to capitalise on their investments in the business. As the owners of tomorrow enter the superyacht industry, we need to ensure that we are able to learn and grow together. What better way to get feedback from new owners than to invite them on stage to join us? A crucial goal of these owner-focused sessions will be to aid in succession planning for the industry. In order to strengthen and grow, we must adopt new and revolutionary ways of thinking.

Our position in the global market and the future of the industry hinges on how we move forward and how we choose to work together in the future.

Our final day will conclude with more audience interaction and participation to assist future planning. This is an opportunity for those in the audience to come together as one powerful entity, we will spend the sessions freethinking and brainstorming about the next generation of owners, as well as the entire market.
As always, there will be an abundance of social events running alongside the sessions to ensure you are meeting the right people and getting the most out of your time at GSF. Alongside the Marine Equipment Trade Show (METS), the SuperYacht Pavilion will play host to our first speed-networking event, connecting you with agents from all across the industry.

We look forward to entering the next generation with you.

Images: Mickey Phillips

For programme updates, registrations and information on the social programme please go to www.superyachtevents.com/gsf

To comment on this article, email issue137@superyachtreport.com with subject: The Next Generation

<table>
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<th>2012 PROGRAMME</th>
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<tr>
<td><strong>Day 1 – Monday 12 November</strong></td>
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<tr>
<td>12:00-14:00 Registration and Lunch</td>
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<tr>
<td>14:00-15:30 Keynote – New Strategic Thinking</td>
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<tr>
<td>15:30-16:00 Coffee</td>
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<tr>
<td>16:00-17:30 Keynote – The New Bottom Line</td>
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<tr>
<td>17:30-20:30 Speed-networking &amp; SY Pavilion Preview Drinks</td>
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| **Day 2 – Tuesday 13 November**      |
| 11:00-13:00 New Technology Presentations |
| 13:00-14:30 Lunch                     |
| 14:30-17:00 Keynote – New Thinking Panel Discussion |
| 17:00-17:30 Coffee                    |
| 17:30-18:30 Technology Presentation – Comparative Analysis |
| 18:30-23:00 GSF Dinner                |

| **Day 3 – Wednesday 14 November**    |
| 10:00-11:30 Keynote – Great Expectations |
| 11:30-12:00 Coffee                    |
| 12:00-13:00 Keynote – Capitalising on Potential |
| 13:00-14:30 Lunch                     |
| 14:30-16:00 Keynote – Succession Planning |
| 16:00-16:30 Coffee                    |
| 16:30-17:30 Closing Keynote – The Future |
| 17:30-19:00 Drinks                    |

27-29 Nov. 2012
Parc Chanot at Seatrade Med

2nd Edition of Matchmaking Event on Superyacht Repair & Refit Activities

Information and registration: www.syrren.com
We encourage shipyards to give us as much information as they can, since we know this is of great use to readers. Please keep in touch with all your fleet news at newsdesk@thesuperyachtreport.com.
LAUNCHES

**Egeria**
- **LOA:** 58m/190ft
- **Gross tons:** Not known
- **Beam:** 10m
- **Draught:** 2.4m
- **Builder:** Egeria
- **Launch/Delivery Date:** July 2012/TBC
- **Naval Architect:** Alfa Marine Design
- **Exterior Designer:** Alfa Marine Design
- **Interior Designer:** Altunbas Ltd
- **Hull Material:** Steel
- **Superstructure Material:** Steel
- **Engine:** 2 x Mitsubishi S16R-MPTK 1,610kW
- **Class:** RINA 100 A1.1 Y Unrestricted navigation
- **Flag/Compliance:** Not known
- **Cruising Speed/Max Speed:** 16 knots/not known

**Nassima**
- **LOA:** 49m/160ft
- **Gross tons:** 473gt
- **Beam:** 8.4m
- **Draught:** 2.2m
- **Builder:** Acico Yachts
- **Launch/Delivery Date:** July 2012/TBC
- **Naval Architect:** Olivier F Van Meer Design
- **Exterior Designer:** Olivier F Van Meer Design
- **Interior Designer:** VDP Studio Gmbh
- **Hull Material:** Aluminium
- **Superstructure Material:** Aluminium
- **Engine:** 2 x CAT 3512C-HD 1,764kW
- **Class:** ABS, MCA
- **Flag/Compliance:** Malta/MMA - LY2 - unrestricted
- **Cruising Speed/Max Speed:** 13 knots/15 knots

**Bilgin Classic 160**
- **LOA:** 49m/160ft
- **Gross Tons:** 298gt
- **Beam:** 8.5m
- **Draught:** 2.2m
- **Builder:** Bilgin Yachts
- **Launch/Delivery Date:** July 2012/TBC
- **Naval Architect:** Bilgin Yachts
- **Exterior Designer:** H2 Yacht Design
- **Interior Designer:** H2 Yacht Design
- **Hull Material:** Steel
- **Superstructure Material:** Cold molded mahogany
- **Engine:** 2 x MAN D2842LE 527kW
- **Class:** RINA C & HULL • MACH
- **Flag/Compliance:** Malta/MMA - LY2 - unrestricted
- **Cruising Speed/Max Speed:** 13 knots/15 knots
**Achilles**

**LOA:** 46m/151ft  
**Gross tons:** 499gt  
**Beam:** 9.3m  
**Draught:** 2.65m  
**Builder:** Sanlorenzo  
**Launch/Delivery Date:** July 2012/TBC  
**Naval Architect:** Sanlorenzo  
**Exterior Designer:** Francesco Paszkowski  
**Interior Designer:** Francesco Paszkowski  
**Hull Material:** Steel  
**Superstructure Material:** Light alloy  
**Engine:** 2 x CAT 3512B DITA-SCAC 1,500kW  
**Class:** ABS  
**Flag/Compliance:** Not known – MCA – LY2 – no restrictions  
**Cruising Speed/Max Speed:** 15 knots/17 knots

**Marina Wonder**

**LOA:** 38.4m/125ft  
**Gross Tons:** 270gt  
**Beam:** 7.5m  
**Draught:** 2m  
**Builder:** Gulf Craft  
**Launch/Delivery Date:** July 2012/July 2012

**Naval Architect:** Gulf Craft Design Studio  
**Exterior Designer:** Gulf Craft Design Studio  
**Interior Designer:** Cyrille Bieri Designs  
**Superstructure Material:** GRP  
**Engine:** 2 x CAT C32 1,418kW  
**Class:** RINA-Commercial Yacht, Short Range  
**Flag/Compliance:** Portugal/RINAVE-LY2-short range  
**Cruising Speed/Max Speed:** 14 knots/19 knots

**Far Away**

**LOA:** 36m/118ft  
**Gross tons:** 149gt  
**Beam:** 7.3m  
**Draught:** 2.3m  
**Builder:** Canados  
**Launch/Delivery Date:** July 2012/TBC  
**Naval Architect:** Canados  
**Exterior Designer:** Canados  
**Interior Designer:** Francesco Paszkowski  
**Hull Material:** GRP  
**Superstructure Material:** GRP  
**Engine:** 2 x MTU 16V 200 M93 1,789kW  
**Class:** C • MACH Y  
**Flag/Compliance:** CISR/CISR-LY2-MCA-commercial compliant  
**Cruising Speed/Max Speed:** 24 knots/27 knots

Image: A&B Photo Design
**Only Now**

- **LOA:** 34m/111ft
- **Gross Tons:** 195gt
- **Beam:** 7.5m
- **Draught:** 2m
- **Builder:** Tansu Yachts
- **Launch/Delivery Date:** July 2012/July 2012
- **Naval Architect:** Diana Yacht Design/Tansu Yacht Design
- **Exterior Designer:** Tansu Yacht Design
- **Interior Designer:** Tansu Yacht Design
- **Hull Material:** Wood/epoxy
- **Superstructure Material:** Wood/epoxy
- **Engine:** 2 x CAT C32 1,268kW
- **Class:** RINA Charter Class, Hull, Mach, Ych, EFP, Short range
- **Flag/Compliance:** CISR/UK – pleasure – restrictions unknown
- **Cruising Speed/Max Speed:** 18 knots/22 knots

**DELIVERIES**

**C.2173**

- **LOA:** 50m/164ft
- **Gross Tons:** 410gt
- **Beam:** 10.5m
- **Draught:** 9.8m
- **Builder:** Perini Navi
- **Rig type:** Ketch
- **Launch/Delivery Date:** April 2012/July 2012
- **Naval Architect:** Perini Navi/Ron Holland
- **Exterior Designer:** Perini Navi
- **Interior Designer:** Edge Design Institute
- **Hull Material:** Aluminium
- **Superstructure Material:** Aluminium
- **Engine:** 2 x MTU 8V 2000 M72 720kW
- **Class:** ABS A1 Commercial Yachting Service, AMS, MCA
- **Flag/Compliance:** CISR/UK-MCA-LY2-unlimited
- **Cruising Speed/Max Speed:** 12 knots/27 knots

**My Secret/YN 16347**

- **LOA:** 46.7m/153ft
- **Gross tons:** <500gt
- **Beam:** 8.8m
- **Draught:** 2.9m
- **Builder:** Heesen
- **Launch/Delivery Date:** June 2012/July 2012
- **Naval Architect:** Heesen Yachts
- **Exterior Designer:** Omega Architects
- **Interior Designer:** Bannenberg & Rowell
- **Hull Material:** Steel
- **Superstructure Material:** Aluminium
- **Engine:** 2 x MTU 8V 4000 M63 1,000kW
- **Class:** LR 100A1 SSC YACHT LMC, LY2, MCA
- **Flag/Compliance:** IOM/not known – not known – restrictions unknown
- **Cruising Speed/Max Speed:** 11 knots/27 knots

*Image: Dick Holthius*
Galactica Plus/YN 16134

LOA: 34.8m/114ft
Gross Tons: 130gt
Beam: 6.7m
Draught: 2.1m
Builder: Heesen
Launch/Delivery Date: April 2012/July 2012
Naval Architect: Heesen Yachts
Exterior Designer: Omega Architects
Interior Designer: Omega Architects
Hull Material: Aluminium
Superstructure Material: Aluminium
Engine: 2 x MTU 16V 2000 M94
Class: ABS A1 Commercial Yachting
Service AMS, LY2, Short Range MCA
Flag/Compliance: BVI/not known – unknown
Cruising Speed/Max Speed: 11 knots/27 knots

Image: Dick Holthius

REFIT

Masquerade of Sole/A2

LOA: 42.3m/139ft - 47m/154ft*
Gross tons: 379gt/458gt
Beam: 8.1m
Draught: 2.5m
Builder: Feadship
Launch/Delivery Date: 1983/July 2012
Naval Architect: De Voogt Naval Architects/
Pendennis and BMT Nigel Gee
Exterior Designer: De Voogt Naval Architects
Interior Designer: Susan Puleo/Peter Marino
Architect
Hull Material: Steel
Superstructure Material: Aluminium
Engine: 2 x CAT D379TA 478kW/ 2 x MTU MTU 16V 2000 M61 800kW
Cruising Speed/Max Speed: 12 knots/14 knots – 14 knots/15.8 knots
Refit Yard: Pendennis
Refit Period: Spring 2011-July 2012
Refit Work: 5m hull extension, superstructure modifications, re-engineering of all systems,
new engines, new deck equipment, a rebuild of the engine room, and installation of
modern bridge technology and AV equipment.

*All data after / is post refit

Image: Nick Bailey/Pendennis

Image: Nick Bailey/Pendennis
July was an interesting month for brokerage activity, with disappointing levels of activity across certain sectors, namely sales; however, for the first time in 2012, activity surrounding price reductions was at its most promising. July saw 13 sales amounting to a cumulative length of 565.91m, a significant drop from June’s sales figure which had jumped to 21 with news from brokerage houses and shipyards of additional sales taking place last month. The average size of superyachts sold in July was 43.5m, so the downward trend continues from May, when the figure was 47.3m, followed by June’s 45.8m.

This month, the largest superyacht sold fell into the 60-70m category, and stood alone in the size bracket: Hakvoort announced the sale of a new 61m project due for delivery in 2015, sold by the shipyard and Moran Yacht & Ship, one of four projects sold this month (a second FR028, Prince Shark from Rossinavi, due for delivery in 2014, 36.5m Horizon Yachts’ Horizon RP120, and from Baltic Yachts, a 33m sailing yacht, the Baltic 108 Win Win due for delivery in 2014).

The most popular size bracket for sales this month was the 30-40m category, included in which was the above-mentioned Baltic 108 Win Win and the Horizon RP120, as well as Denizcilik’s 39m motoryacht Moonmaiden II, sold by Ocean Independence, Bod-Yat’s 37.5m sailing yacht Bushido by Camper & Nicholsons, Crescent’s 35m motoryacht Kapalua by Northrop & Johnson and Westport Yacht Sales, and Falcon Yachts’ 30.7m motoryacht Lady TYG by Cape 4 Yachting and Ses-na Tourism.

Additional sales in July included Nishii Zosen’s 55.2m motoryacht Southern Cross III by Fraser Yachts; Perini Navi’s 50m Perseus (whose name has now been changed to Silencio) by Perini Navi USA, Burgess and Aqua Marine; Benetti’s 49.7m motoryacht QM of London by Y.CO and Camper & Nicholsons; Feadship’s 46m motoryacht The Highlander by Bradford Marine Yacht Sales; and Feadship’s 43.3m motoryacht Kingfisher by Northrop & Johnson and Burgess.

July saw exactly the same number of central agencies as the previous month at 32, with this month’s cumulative length of the new listings amounting to 1,423.52m. Typically, the most popular size bracket was 30-40m; however, the additions to the sales fleet lay at the higher end of this category, with the month’s average length of new additions at 44.5m. A superyacht that most definitely contributed to this figure was the largest addition of the month at nearly 140m; however, the central agents for this particular vessel have asked any information remain confidential. Two additional superyachts fell into the 70m+ category: Oceanco’s 75m motoryacht Anastasia, for sale through Edmiston; and the 70m GMVO Project for sale through Southampton Yacht Brokers and asking £38 million.

Ocean Independence and Camper & Nicholsons were the brokerage houses of choice for July, each of which boasted four of the month’s 32 new listings, whilst Edmiston, Fraser Yachts and Worth Avenue Yachts added three superyachts to their sales fleet respectively, and Blue Water Yachting, Yachting Partners International and Equinox Yachts two respectively.

**FLEET UPDATE**

**Recent launches**

<table>
<thead>
<tr>
<th>Name/Hull Number</th>
<th>LOA</th>
<th>Yard</th>
<th>Launch date</th>
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<tbody>
<tr>
<td>Achilles</td>
<td>46m</td>
<td>Sanlorenzo</td>
<td>Jul-12</td>
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<tr>
<td>Classic 160</td>
<td>48.7m</td>
<td>Bilgin</td>
<td>Jul-12</td>
</tr>
<tr>
<td>Egeria</td>
<td>58m</td>
<td>Egeria Yachts</td>
<td>Jul-12</td>
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<tr>
<td>Koji 34/18</td>
<td>34.10m</td>
<td>Leopard Yachts</td>
<td>Aug-12</td>
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<tr>
<td>Marina Wonder/Majesty 125/02</td>
<td>38.4m</td>
<td>Gulf Craft</td>
<td>Jul-12</td>
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<tr>
<td>Nassima</td>
<td>49m</td>
<td>Acico Yachts</td>
<td>Jul-12</td>
</tr>
<tr>
<td>Only Now</td>
<td>34m</td>
<td>Tansu Yachts</td>
<td>Jul-12</td>
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<tr>
<td>Orient Star</td>
<td>47.2m</td>
<td>CMY Yachts</td>
<td>Aug-12</td>
</tr>
<tr>
<td>Project 12</td>
<td>46.5m</td>
<td>Cantieri di Pisa</td>
<td>Jul-12</td>
</tr>
<tr>
<td>Y708</td>
<td>85.6m</td>
<td>Oceanco</td>
<td>Jul-12</td>
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This month the brokerage industry can take comfort in an area that for so many months of 2012, and even of 2011, was a cause for concern. Price reductions in July fell to just 29, an impressive drop from June’s 44, and May’s 60. July’s reductions totalled €33,336,033, whilst the average reduction was €1,149,518, €37,000 less than the previous month.

There were, however, nine reductions that superseded the month’s average reduction, five of which were larger than €3 million. The largest reduction of the month took place upon Trinity Yachts’ 57.9m motoryacht Mi Sueño, also the largest superyacht to be reduced, when International Yacht Collection announced a $4.95 million (€3.99 million) reduction to reach her new asking price of $39.95 million (€32.4 million); whilst three $4 million (€3.22 million) reductions were announced: McMullen & Wing’s 45m motoryacht Big Fish by Y.CO, now asking $25 million (€20.25 million); Hodgdon Yachts’ 47.2m sailing yacht Scheherazade by Edmiston, now asking $15.95 million (€12.9 million); and Sterling’s 47.2m motoryacht Triumphant Lady by Northrop & Johnson, now asking $8.9 million (€7.2 million).

Other notable reductions included Northrop & Johnson’s $3.9 million (€3.14 million) reduction on Delta Marine’s 46.9m motoryacht Mr Terrible, now asking $26 million (€21 million); Y.CO’s €2.3 million reduction as part of a currency change to euros on Danish Yacht’s 38m motoryacht Shooting Star, now asking €15.75 million; and Yachtzoo’s $2.05 million (€1.65 million) reduction on Feadship’s 46.5m motoryacht finsa, now asking $7.9 million (€6.39 million).

At the close of a somewhat slow July in terms of brokerage activity, broker Simon Goldsworthy of Camper & Nicholsons International pointed to the necessity of the calming of financial waters before the superyacht industry could pick up speed: “The irrationality of financial markets means that predicting sales trends of yachts these days has much more to do with market sentiment on the FTSE and Hang Seng than it does with the real financial health of our customers. The facts state that we unquestionably have wealthier and more financially solid UHNWIs with more disposable income than ever before, but their sentiment means that far from feeling more confident they feel less so, and demand is therefore unpredictable from month to month.”

To change this situation, Goldsworthy added, “what is required is stability in financial markets, and a few months without constant discussion in the press and media of eurozone debt crisis and financial cliffs, both of which seem to be subjects that simply will not go away. Until we have this, I expect to see the pattern of ‘no pattern’ continuing and the market will accelerate and decelerate from quarter to quarter depending on how choppy the financial waters are at the time. On a more positive side, I personally sense a lot of pent-up and unfulfilled demand, and if we ever do get a sustained run of good news, I predict a gold rush and a lot of buyers who will wish they got in at the bottom of the bell curve.”

Lulu Trask

Please keep us updated with all brokerage and fleet news at newsdesk@superyachtreport.com
Over the coming weeks we will all be partaking in the variety of sales platforms called YOT shows and we have a huge task ahead of us to stabilise and build a stronger marketplace.

Everyone says to me that we will never return to the heady days of the 2006/7 years when there was a feeding frenzy and owners were buying and selling yachts like commodities. While I agree to some extent, we cannot discount the idea that we still have the potential to generate a real appetite if we want to, but we have to learn from our mistakes. There are so many people who could own, and so many more, that we have to ensure that everyone who comes to any of the shows this autumn with a view to buying a yacht, new or secondhand, is given the best possible advice.

We have to ensure that clients buy the yacht they need or want with the right expectations of how much it will cost to run, the right understanding of how to get the best out of their crew and a real understanding of how much fun ownership can be.

yachting is an investment in financial terms or say that they can operate their yacht on a skeleton crew or with a ridiculously low budget, we can own up and suggest that 8-10 weeks of charter per annum to defray some of the costs is realistic. If a client comes to a show with an expectation of buying a heavily discounted distressed asset then he may be in luck, but when he buys it he should have a proper plan and understanding of why he’s actually bought it.

A large yacht is one of the greatest toys you can own. It should be a fun, positive and enjoyable experience and it should be remembered that it is a toy. Therefore, like any child with a new toy, it needs to be played with to get the most out of it. A toy is rarely owned as an investment and, as all parents say, toys should be shared – with friends, family, loved ones and occasionally, at a price, with others who want to enjoy it too. An expensive toy needs to be looked after and treated with respect. If it gets broken, it needs repairing by skilled craftsmen who know what they are doing, not by amateurs who will fix it in a badly organised repair shop at a cheap price.

Now every owner is clearly a big kid at heart and there have been several instances where we have witnessed childish behaviour demonstrated in their ownership traits. Tantrums, tears and throwing toys out of the pram are commonplace in our industry and it is about time we all grew up and behaved like adults in business and children when on board. A yacht can make real a fantasy world and if we focus our attention on the quality of the enjoyment and experience then we will see our clients really appreciate their toys.

We have to ensure that clients buy the yacht they need or want with the right expectations of how much it will cost to run, the right understanding of how to get the best out of their crew and a real understanding of how much fun ownership can be.
In the heyday we could see clients buying yachts with someone else’s money with a speculative approach, treating it as an asset play; now we have to go back to basics and learn from these lessons, in as much as when we call them assets, we should remember that the heavily discounted yachts on the market are a result of a greedy marketplace where everyone thought they could make money. Perhaps we have corrected that to a certain extent and owners are now more realistic, but we also have to remember that it is rare to buy a yacht and sell it at a profit. It is unusual for an owner to generate enough charter revenue to cover the costs of operation and it is impossible to safely operate a decent sized yacht with just a couple of deckhands, a captain, a couple of stewardesses, a chef and an engineer.

So the wake-up call is very simple: apply yin and yang in the buying process – use your intelligent business side when buying a yacht and your childish fun-loving side when operating and using your yacht. The business head you use in your day-to-day empire building revolves around instinct, trusted advice and choosing your partners carefully. Meeting someone on the dock at a YOT show, being offered a VIP tour of several yachts and a couple of free lunches does not consummate a long-term relationship.

If our industry can apply some new thinking to the process of selling yachts and everyone focuses on ensuring the client gets the best toy for the right price then we can expect better market conditions.

As in any child’s life, homework is resisted and unwelcome, but the end result is positive and the examination process can give a much-improved result. Therefore my advice is simple: to everyone who attends the YOT shows do your homework, ask questions and make sure you have good idea of what toy offers the best value for money.

If our industry can apply some new thinking to the process of selling yachts and everyone focuses on ensuring the client gets the best toy for the right price then we can expect better market conditions. My view is that if every client tells their friends how much fun and value they are getting out of their latest new toy, everyone will want one. It’s just like the school playground many of us will remember; when a new toy is launched and becomes popular and desirable, a trend starts and everyone wants one. Having just spent two weeks with my children on part of our summer vacation, it’s easy to see how they have the most fun with their brilliant attitude to having a good time.

So, with every lesson we have learnt over the past few years and the mistakes we have made in the past, we have to change our thinking and go back to basics and sell toys to deliver fun and fantasy, not yachts that deliver headaches and excessive costs. See you soon in Toy Town, aka Monaco and Fort Lauderdale.

Image: istock.com

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