

# Market REPORT

Malcolm Wood, leading industry market analyst, has now joined forces with *The Yacht Report*.  
Our plan and strategies are outlined below.

## IYO — International Yacht Organisation

Martin Redmayne, Chairman and Publisher of TRP Magazines Ltd. and Malcolm Wood, Consultant and Market Analyst, recently announced the formation of a joint partnership and now take this opportunity to reveal their plans for this new venture. After considerable deliberation, we have decided that the best title for this new joint venture will be the International Yacht Organisation - IYO for short - which will become operative from May 1st.

As we explained in our press release, there is an evergrowing requirement for an extensive and accurate market intelligence source for the large yacht industry and it will be the IYO's first priority to provide the market with this important resource.

At present there are numerous sources of information available to the large yacht industry that vary widely with regard to their accuracy and comprehensiveness and that are also often difficult to find collectively. To address these shortcomings, the IYO's first steps will be to produce the following:

1. An annual report on the market for yachts over 30 metres in length to be published each May. This publication will contain reports on developments throughout the year in

various sectors of the market, backed up by extensive statistical analysis plus a comprehensive, descriptive listing of all



vessels over 30m completed during the year.

2. An on-line computer database, updated on a weekly basis, of all yachts over 30m currently in service.

A three tier access will be formulated - free, standard and custom.

Clients will be able to access a limited amount of data on each yacht at no charge whilst the standard database will be accessible by subscription only.

The data featured in the standard database will be extensive and up to date and will be a unique information source for use by the large yacht industry.

The IYO will also offer databases tailored to a client's specific requirements, allowing the client to focus on his particular area of interest without superfluous data. These custom made databases can also be supplied with reports and statistical analysis if required.

3. The IYO will also become responsible for all market data used by *The Yacht Report* that will include the regular appearance of market reports within the pages of the magazine. An example of these market reports is shown on the following pages.

The data offered will be sourced from

Malcolm Wood's extensive databases and information built up over the last twenty years and from TRP's substantial information resources within the large yacht industry.

By combining these two resources, the IYO will be in a position to offer a unique and comprehensive service to everyone involved with the large yacht market.

Following the introduction of these services, the IYO will be addressing other areas that will enhance the industry's understanding of a complex and growing market.

Future plans will be announced in forthcoming Market Reports.

# The Market for Sailing Yachts over 40m

As part of our regular market reports we plan to publish analysis on specific sections of the industry

Although this particular sector of the market is small in terms of number of vessels, it is nevertheless one of the most significant when innovation, design and cost factors are taken into consideration. It is also one sector that has experienced unprecedented growth over the last ten years and is set to increase by no less than 26% over the next two years.

Whilst certain other sectors of the large yacht market have seen a slowing of the signing of new contracts over the last year or so, the top sector of the sailing yacht market appears to be buoyant with several very large vessels under construction - in particular, Joe Vittoria's 75.2m *Mirabella V* underway at Vosper Thornycroft, Tom Perkins' 87.2m *Maltese Falcon* at Perini Navi and the 91.4m classic schooner *Athena* building at the Royal Huisman yard for Dr. Jim Clark. Numerous other large designs are on the drawing boards of a few well known designers but whether they will ever reach fruition is another matter entirely.

One of the major drawbacks for very large sailing yachts is their considerable draught that restricts them to a very limited number of berthing facilities.

The future growth in this sector is likely to be around the 50m mark where draught is on a reasonable scale and crew requirements are kept to a sensible level thanks to recent advances in sail handling systems.

The following tables exclude all commercially run sailing yachts and sail training vessels. The overall length of 40 metres includes the bowsprit if fitted.

## Analysis by Country of Build

Two countries account for almost 50% of the current fleet with Italy ahead of the Netherlands although the latter is slightly ahead in the number of yachts on order.

Italy's position is entirely due to the success of Perini Navi whilst the Netherlands have several yards headed by the Royal Huisman yard.

The majority of yachts in the current fleet built in the UK and USA are old classics and although these countries are no longer prolific producers of large sailing yachts there are yards such as Pendennis, Vosper-Thornycroft, Derecktor and Hodgdon that have succeeded in gaining contracts for large sailing vessels.

New Zealand is always prominent in the construction of large sailing yachts whilst Denmark, Finland and France are breaking into this sector.

Country of build	No. of vessels current fleet	No. of vessels on order
Australia	1	-
Austria	1	-
Denmark	-	2
Finland	1	2
France	3	1
Germany	5	-
Italy	26	6
Japan	1	-
Netherlands	20	7
New Zealand	6	1
Oman	1	-
South Africa	1	-
Spain	4	-
Sweden	3	-
Thailand	3	-
Turkey	-	1
United Kingdom	8	2
United States	9	2
<b>Totals</b>	<b>93</b>	<b>24</b>

## Analysis by Engine(s)

The main propulsive power is normally not a significant factor in sailing yachts but at the top end of the market, the engines utilised are often comparable to motor yachts. Take the *Mit Sea AH* building at Pendennis, for example. This 47.6m motor sailer is fitted with twin 3,500 hp Paxman diesels providing a top speed of 21 knots under power, certainly not an insignificant factor in the design of this interesting vessel.

MTU engines are fitted to over 34% of the current fleet followed by Caterpillar with almost 23%. In third place is Deutz-MWM with a 14% share.

Lugger have made inroads into the sailing yacht sector and have a market share of over 6% of the current fleet.

Engine Manufacturer	No. of vessels current fleet	No. of vessels on order
Baudouin	1	-
Caterpillar	21	8
Cummins	3	-
Deutz-MWM	13	4
Fiat-Iveco	1	-
GM/Detroit Diesel	5	-
John Deere	1	-
Lugger	6	1
MAN	3	-
Mercedes	1	-
MTU	32	7
Nanni	2	-
Paxman	-	1
Rolls Royce	1	-
Volvo Penta	3	-
Unknown	-	3

## Analysis by Hull Material

Steel has traditionally been the favored material for hull construction in the past but aluminium has become the viable alternative for very large sailing yachts.

Perini's order book, with the exception of the 87m, is now entirely aluminium as is Royal Huisman's.

Several other yards are building in advanced composites with Vosper-Thornycroft's 75.2m *Mirabella V* being the largest and most complex.

Wood has largely disappeared except for use in composite hulls using the cold molded system.

Country/Yard	No. of vessels Current fleet	No. of vessels On order
Steel	45	5
Aluminium	30	13
Composite	9	6
Wood	9	-

**Analysis by Builder**

By far the most prolific yard in the sector is Perini Navi with yards in Italy and Turkey.

Perini account for 25% of the current fleet over 40m and will still retain the same percentage once the current order book has been completed. The yard has six yachts on order, double that of Dutch builder Royal Huisman with three vessels in build.

Royal Denship, Baltic Yachts, Jongert and Vitters all have two orders apiece. Other yards active in the sector are Pendennis and Vosper-Thornycroft in the UK, Alloy Yachts in New Zealand, Hodgdon and Derecktor in the USA, CMN in France and Aegean Yacht Services in Turkey who are building a 45m for an Austrian client.

Country/Yard	No. of vessels current fleet	No. of vessels on order
<b>AUSTRALIA</b>		
Australian Yacht Builders, Brisbane	1	-
<b>AUSTRIA</b>		
Wiener, Vienna	1	-
<b>DENMARK</b>		
Royal Denship, Aarhus	-	2
<b>FINLAND</b>		
Baltic Yachts, Bosund	1	2
<b>FRANCE</b>		
Alumarine, Bougouenais	1	-
CMN, Cherbourg	1	1
DCAN, Toulon	1	-
<b>GERMANY</b>		
Abeking & Rasmussen, Lemwerder	3	-
Krupp, Kiel	1	-
Lurssen, Bremen	1	-
<b>ITALY</b>		
Benetti, Viareggio	2	-
Martinolich, Lussinpiccolo	1	-
Perini Navi, Viareggio	23	6
<b>JAPAN</b>		
Hitachi Zosen, Kanagawa	1	-
<b>NETHERLANDS</b>		
De Amstel, Oudkerk	1	-
De Vries Lentsch, Amsterdam	1	-
Holland Jachtbouw, Zaandam	1	-
Jongert, Medemblik	4	2
Royal Huisman, Vollenhove	7	3
Van der Graaf, Hardinxveld	1	-
Vitters, Zwartsluis	5	2
<b>NEW ZEALAND</b>		
Alloy Yachts, Auckland	4	1
Sensation, Auckland	2	-
<b>OMAN</b>		
Oman RYS, Port Qaboos	1	-
<b>SOUTH AFRICA</b>		
Sterling/Ankon, Cape Town	1	-
<b>SPAIN</b>		
Barcos Deportivos, Tarragona	1	-
Celaya, Bilbao	1	-
Mallorca, Palma	1	-
Mefasa, San Juan de Nieva	1	-
<b>SWEDEN</b>		
FEAB Marstrands, Marstrand	2	-
Kockums, Malmo	1	-
<b>THAILAND</b>		
Concorde Yachts, Najomtien	3	-
<b>TURKEY</b>		
Aegean YS, Bodrum	-	1
<b>UNITED KINGDOM</b>		
Camper & Nicholson's, Gosport	3	-
Fife, Fairlie	1	-
Pendennis, Falmouth	2	1
Vosper-Thornycroft, Southampton	-	1
White, Cowes	2	-
<b>UNITED STATES</b>		
Bath Iron, Bath ME	1	-
Derecktor, Bridgeport CT	-	1
Herreshoff, Bristol RI	1	-

Hodgdon, East Boothbay ME	-	1
James, Essex MA	1	-
Lawley, South Boston MA	1	-
Nunes, Sausalito CA	1	-
Palmer Johnson, Sturgeon Bay WI	1	-
Robertson, Dania FL	1	-
Scarano, Albany NY	1	-
Townsend & Downey, Shooters Island NY	1	-

**Analysis by Owner Nationality**

If one divides the current fleet ownership into broad worldwide regions such as North America, Western Europe (including Scandinavia) and the Rest of the World, it comes as no surprise that Europe with 51 vessels is well ahead of North America's 32 vessels. The Rest of the World accounts for just 10 vessels.

In other words, European owners account for 55% of the market while North America has the much lower share of 34%. Americans are of course ahead in the motor yacht market.

The fact that the three largest sailing yachts under construction at the moment are all for US buyers may indicate a growing interest from across the Atlantic in this sector in the years to come.

Country of Origin	No. of vessels current fleet	No. of vessels on order
Australia	3	-
Austria	-	1
Belgium	1	-
Canada	3	-
Chile	1	-
Denmark	1	1
Europe (unspecified)	6	10
France	3	1
Germany	7	1
Greece	4	-
Italy	11	-
Lebanon	1	-
Lichtenstein	1	-
Mexico	2	-
Netherlands	5	-
Oman	1	-
Saudi Arabia	1	-
South Africa	1	-
Spain	3	-
Sweden	2	1
Switzerland	3	1
United Kingdom	4	-
United States	29	8

**Analysis by Age**

Over 77% of vessels in the current fleet have been built in the last twenty years whilst around 15% are over 50 years old – a notable survival rate for large sailing yachts that were constructed in that former golden age of yachting in the first half of the last century.

Year of construction	No. of vessels
1952 and earlier	15
1953 – 1962	2
1963 – 1972	1
1973 – 1982	3
1983 – 1992	20
1993 – 2002	52
Total fleet at 1.1.2003	93
On order/under construction	24

All the tables refer to the fleet situation at 1/1/2003  
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