

# Market REPORT

Malcolm Wood, leading industry market analyst, has now joined forces with *The Yacht Report*. In forthcoming issues we intend to breakdown the superyacht market by country and bring you detailed reports on individual regions.

## Superyacht Extensions

An important aspect of the refit/repair market

Although lengthening of yachts is by no means a recent phenomenon, it is true to say that the numbers undergoing extension only increased significantly from the 1980s onwards.

Whereas commercial ships are usually lengthened to increase cargo capacity, yachts are more often than not, extended to update the vessel's appearance and provide additional deck space.

The most common form of this alteration emanated in the USA when a large number of relatively small motor yachts up to 30m were extended by the fitting of a "fishing cockpit". This was very typically American and rarely applied to European built yachts.

US builders offering semi-custom built motor yachts were then quick to add the "fishing cockpit" option to their ranges in the early 1980s.

Whereas European built yachts of the day had an open aft main deck, the Americans were keen on enclosing this area with the addition of semi-permanent or permanent glazed side screens. This effectively turned the aft deck into an enclosed sun lounge whilst obviously eliminating the open deck space.

The solution was therefore to add a "fishing cockpit" of approximately two or three metres and at a lower level than the main deck. These extensions were rarely used for fishing but allowed the owner and guests easier access to the water for swimming or for boarding tenders. It should also be borne in mind that most American built motor yachts were of the wide-beamed variety – no side decks – and tenders were carried on the boat deck high above the waterline. This was another reason for adding a cockpit for easier access. It was also fashionable in the 1980s and 1990s to own a motor yacht with a cockpit.

Whilst European-built yachts usually had side decks and an open aft deck, they often had canoe or rounded sterns that rendered hull extensions

aft an expensive and non-viable proposition. Although these rounded sterns looked attractive and gave the vessel a nicely proportioned look, they did cut down on the lower deck accommodation space.

In the 1980s, an increasing number of yachts were being constructed with flat transom sterns.

This effectively provided the required increase in both aft deck and lower deck interior space but gave the yacht an unattractive cut-off appearance at the stern.

There were of course other forms of extending a yacht other than adding a cockpit. One of the most noteworthy cases was that of *Nadine*, originally

### Yachts Over 30m Extended 1993-2002

Year	30 - 35m motor	30 - 35m sail	30 - 35m total - m+s	35 - 40m motor	35 - 40m sail	35 - 40m total - m+s	40 - 50m motor
1993	5	1	6	3	0	3	2
1994	4	0	4	6	1	7	2
1995	7	0	7	2	0	2	6
1996	6	0	6	3	2	5	4
1997	2	0	2	5	0	5	1
1998	4	0	4	2	0	2	1
1999	4	1	5	1	0	1	4
2000	2	0	2	2	1	3	4
2001	6	0	6	2	1	3	5
2002	5	0	5	2	0	2	7
Totals	45	2	47	28	5	33	36

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Magjstral (ex. Orejona)



Adela



Malcolm Wood

Big Eagle

40 - 50m sail	40 - 50m total - m+s	50 - 60m motor	50 - 60m sail	50 - 60m total - m+s	60m plus motor	60m plus sail	60m plus total - m+s	Total motor	Total sail	Total m+s
0	2	2	0	2	0	0	0	12	1	13
1	3	2	0	2	2	0	2	16	2	18
0	6	1	0	1	0	0	0	16	0	16
0	4	1	0	1	0	0	0	14	2	16
1	2	2	0	2	0	0	0	10	1	11
0	1	1	0	1	1	0	1	9	0	9
1	5	1	0	1	2	0	2	12	2	14
0	4	0	1	1	1	0	1	9	2	11
0	5	1	0	1	0	0	0	14	1	15
1	8	0	0	0	1	0	1	15	1	16
4	40	11	1	12	7	0	7	127	12	139



Brave Wolfe

built in 1963 by Witsen & Vis in Alkmaar, Holland as *Mathilda*. Her length overall on delivery was 40m (131 ft) and her beam was 6.7m (22.1 ft). During the period 1978-1980, the yacht was lengthened by 3.5m (11.5 ft) for the then owner Mme. Coco Chanel of perfume fame. The yacht was then sold in 1983 to a US owner and lengthened again by inserting a midships section of 7.2m (23.5 ft). The yacht ended up with an overall length of 50.6m (166 ft).

*Nadine* foundered in heavy weather off the Italian coast in 1996 after taking in water through the crew's foredeck hatchway and through a broken porthole on the starboard side.

Another notable midships extension involved the 51.5m (42.4m on deck) schooner *Adela* (previous page, top right) that had a 3.7m (12 ft) section inserted by Pendennis in 2000. Together with a redesigned underwater profile, this extension was carried out primarily to improve her sailing performance.

Several older yachts that have undergone a total rebuild/modernization programme will in many cases emerge longer after modifications to bow or stern.

The situation in the last ten years has seen the cockpit extension virtually disappear and be replaced by modifications resulting in a reverse transom stern incorporating a bathing platform and steps leading down from the aft deck.

Quite a significant number of motor yachts with a flat transom have now been modified and there are still many that will no doubt be altered in the future. The table on the previous page illustrates that the number of motor yachts over 30m that have undergone extensions during the last ten years has remained relatively static.

The reasons for this are mainly that yachts being launched in recent times already have reverse transoms/bathing platforms and are unlikely to undergo any form of lengthening in the future.

As mentioned above, although there are many motor yachts that are still to have their flat transoms replaced by the reverse variety, future developments will more likely focus on the updating of superstructures, interiors, etc. However, you never know, fashions can change very rapidly in this business and I may have to eat my words in a few years time!

Amendment - The heading for the Market Report in issue 52 was inadvertently omitted. It should have been "The Market for Sailing Yachts over 40m"

## MARKET ANALYSIS

For many years our industry has relied upon rumours, gossip, mis-information and some relatively inaccurate sources published in the form of 'top 100 yachts' etc. When you ask brokers about their databases, they invariably say that they are incomplete and difficult to maintain. Shipyards invariably only maintain data on their own fleet and other supplier sectors rely upon their sales force to keep up-to-date on the market, monitoring new deliveries and refit projects that they may know about. When you look closely at other industries - aviation, shipping, automotive and property, for example, they all rely heavily on independent sources of information. Market analysts, databases, statisticians and market reports all provide senior management in these industries with information that can allow sensible business decisions to be made with confidence. What level of investment should be made within the company, data presentations to banks and investors, entry strategies into new business areas, all rely upon accurate data and market intelligence. When you look at our market today, it is more and more apparent that we are a maturing sector - corporate take-overs, acquisitions, mergers and expansions are all in the headlines, even business failures and chapter 11 are becoming a regular feature in the news. To satisfy investors and bankers hunger for supporting data, all sectors of our industry will benefit from the information that we are planning to generate via *The Yacht Report* and *The Yacht Register*.

Over the past few issues of *The Yacht Report* we have delivered our current order book, one of the most accurate listings available for the market, plus we have introduced our regular market reports, edited and analysed by Malcolm Wood. These reports will continue to provide the market with accurate data from specific areas of our industry. In the last issue, our market report looked at the 40m plus sector (unfortunately an editing error failed to point out that it specifically referred to the sailing yacht market.) This current issue looks at the refit and conversion market and will provide the wide range of repair facilities with some specific guidelines to the trends and developments in their marketplace. As the fleet grows and yards expand to accommodate them, it is wise to look closely at specific segments and as a result of the data, to calculate the ideal scope of operation for the individual yard. For example, if your yard's focus is 30-40m vessels, how strong is the market and what is the current trend? In future editions, Malcolm will provide Market Reports by country or industry region, for example, Holland, Germany, Italy, France, Spain, Turkey, the Middle East, Australasia, the Americas and the 53rd state, the UK. These reports will look at the domestic order book, the current fleet, market activity, growth or decline, and any major developments that relate to the specific sector. We hope that these reports will assist not only the companies originating from these individual countries, but also the competing markets and their yards and suppliers.

In addition to *The Yacht Report* market analysis, we have just completed the development of our latest website, [www.theyachtregister.com](http://www.theyachtregister.com). The site is based on our already successful CD-Rom and five volume book version of the Wood's International Yacht Register. The information contained on this site will comprise comprehensive data on all of today's 30m plus private and commercial yachts, approximately 2000 plus vessels. The site will be constantly maintained and updated by Malcolm and a team of international correspondents and in effect will provide anyone with a detailed database on the complete large yacht market. All subscribers to the database will be able to search for information by a whole variety of fields, making it a very valuable tool. In addition, we have provided one of the most comprehensive contact databases, relevant to the Register.

Within the space of a few months following the launch, we will add a new dimension to [www.theyachtregister.com](http://www.theyachtregister.com). Our annual new construction order book will also be web-based, so the same subscribers can access the most comprehensive order book and know exactly what yard is building what and where. When combined with live e-mail and web links to the yards, this will provide an incredible business tool for any equipment supplier who wishes to monitor fleet activity. The difference now, is that the order book can be updated and amended on a monthly basis.

On a final note, the collaboration between Malcolm Wood and *The Yacht Report* allows us to provide the industry with an unrivalled service. For example, if any company requires specific confidential market intelligence or a dedicated private report related to their business and their market's potential growth, please contact [malcolm@theyachtreport.com](mailto:malcolm@theyachtreport.com) and we will provide a realistic quote. We have already completed several reports for banks, government departments, shipyards and equipment suppliers, all of which are available to view in order to verify the quality and level of information. Market information is part of everyday business strategy and decision making, if you need to access any information relevant to your business contact [malcolm@theyachtreport.com](mailto:malcolm@theyachtreport.com).