

# Monaco Yacht Show Preview

*From 24 to 27 September, most of the participants of the superyacht market will be in Monaco.*

*An outlook by Nick Jeffery*

**1** 15 superyachts, from 25–100 m length, will be on display – 15 more than usual due to the new berths in front of both the old and impressive new Yacht Club de Monaco clubhouses. Designed by Lord Foster, the new one has the look of a giant five-deck superyacht (length 200 m, beam 30 m) with a pool on the aft deck. At least 1,000 brokers, agents and intermediaries, some with impressive track records and good knowledge, other individuals ever hopeful to make good business and make a quick 5% on a deal will be active.

Builders of superyachts market directly to buyers but understand the need to be »broker-friendly« too when a broker has convinced a buyer that he will act in his interest. Some builders – and even designers – have set up their own brokerage departments to maintain the relationship with clients. A tip for a would-be purchaser would be to line up visits aboard a shortlist of yachts before going to MYS, to avoid queues. Often newbuilds are at the show to display builder quality and not actually for sale, others are used boats, usually offered through brokers.

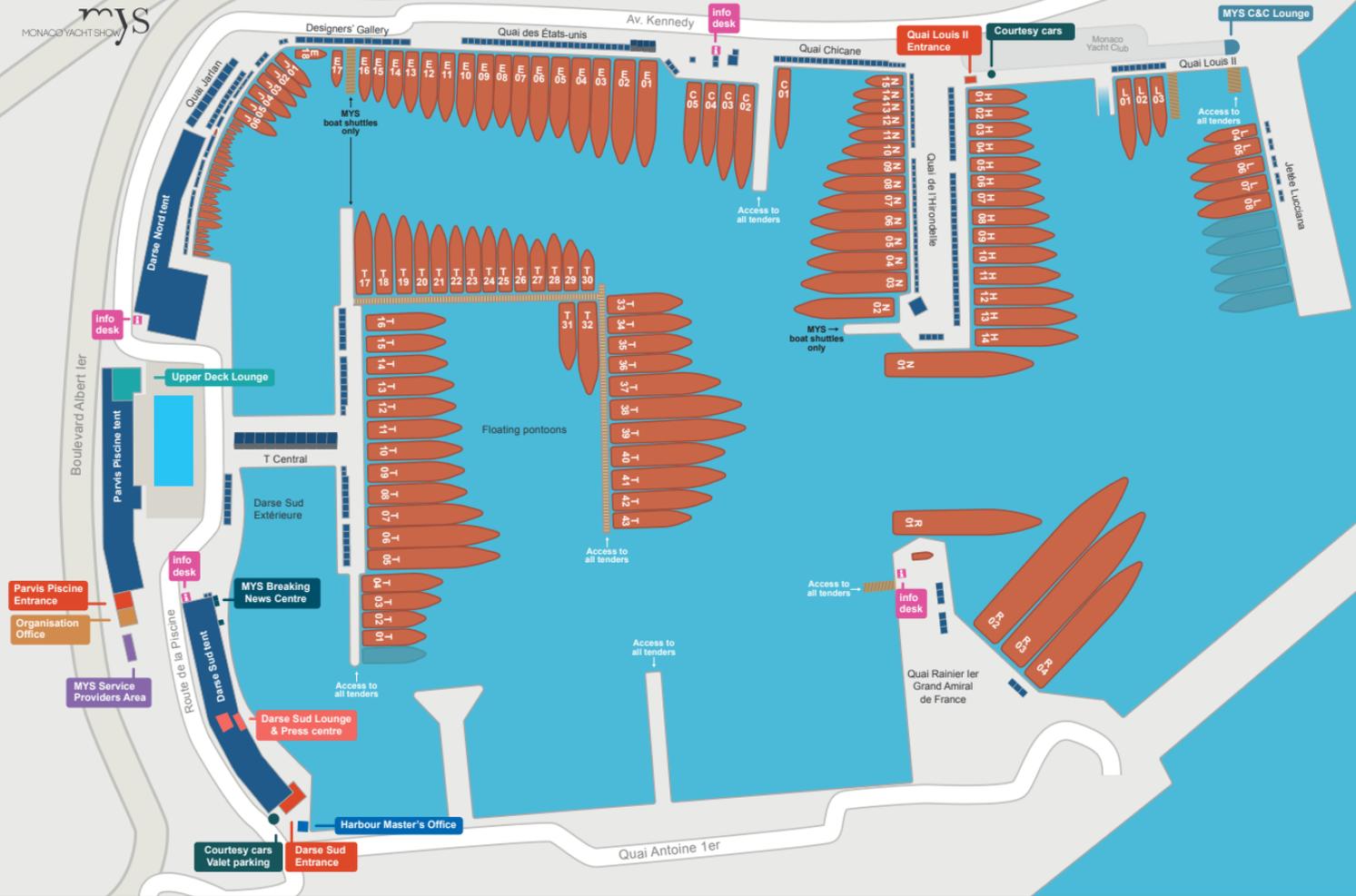
Real independent advice is worth investing in. Marine Construction Management (MCM), based in Newport Rhode Island, exhibiting in the air-conditioned Parvis Piscine (QP58) as usual, has been acting for owners for 26 years during which time it has overseen over 70 newbuilds (MCM's two launches in 2013, sail and power, picked up seven industry awards this year). MCM's Yacht Management division is growing steadily too for existing owners.

For sailing yachtsmen »Wisp«, built by Royal Huisman, is likely to be one of the hardest yachts to get aboard. MCM acted for her owner, the 48 m classic sloop being designed by André Hoek with a Rhoades Young interior. Perini Navi (QT9) of Italy will be showing its »Perseus 3«, a 60 m sloop and the second in its 60 m series, designed by Ron Holland. A twin rudder system and carbon bowsprit, plus a massive mainsail make her total sail area 30% bigger than a 60 m ketch. Her 75 m carbon

mast looks daunting but Perini, who innovated the original captive reel winches, synchronizes sail handling with its Perini Navi Automated Sail Handling System, claiming 75% quicker tacking and gybing than previous generations. Hodgdon Yachts of Newport, USA, known for its elegant limo tenders, will be displaying a model of its 100ft pre-preg carbon race boat (DG4). Sailing equipment is proudly displayed too – Southern Spars (QJ02) being in »New Zealand Street«, between the tents and the Designer Gallery, to talk about its 75–80% market share in carbon spars and rigging.

On the motor yacht side, which accounts for 85%+ of the superyacht build market, top German builder Lürssen's 85 m »Solandge«, delivered in October 2013, designed by Espen Oeino with Aileen Rodriguez interior, is the hot ticket. Italian renowned brand Benetti premieres its 58 m »Illusion I« designed by Green & Mingarelli with interior in-house. For something smaller, top Dutch brand Feadship's 46 m »Como« is in the water while Vripack – seriously innovative and fresh »third generation« young naval architects, with over 7,000 lines plans in their portfolio, since 1961 – has several plans for the future. Yet to be built, their 42 m, 4500 nm-range boat, with easy access to VIP cabins for the grandparents, has a certain appeal. Vripack's more modern designs include the solar-powered foiling V20 one-design racing class. On the racy front, Ferretti Group's Riva unveils its flagship »Mythos« (122 ft), the first all-aluminium Riva.

Full boat listings are updated at the official site [monacoyachtshow.com](http://monacoyachtshow.com). For example: Burgess will display the 68 m Nobiskrug-built »Sycara V« amongst its big fleet. Asking price is Euros 69.5 mill. \$, including the beach club. Edmiston, meanwhile, will be ferrying its VIP clients overlooking the port to its line up of seven yachts from 35 to 75 m+ length. Bill Sander-son, now of International Yacht Collection, proposes Trinity Yachts' 2012 50 m »Lady Linda« – asking 43.9 mill. \$.





# Superyacht industry – forever young

*Big names and safe bets are still thriving at the top, with facelifts evident, but younger clients are looking for more innovation and driving for purity, writes Nick Jeffery*

Industry data shows a steady number of superyachts being delivered over the past three years, with only a slight decline in total length from 7,900 m in 2011 to 6,900 in 2013. A quick poll suggests the industry feels it has bottomed out and the market is slowly recovering. SuperYacht Times' annual report (see table 1) also registers the number of yachts, of over 30 m length, being delivered has declined from 179 to 159 in the same period. 182 boats are in build over 40 m, according to data supplied by Monaco Yacht Show's superyacht intelligence (see table 2).

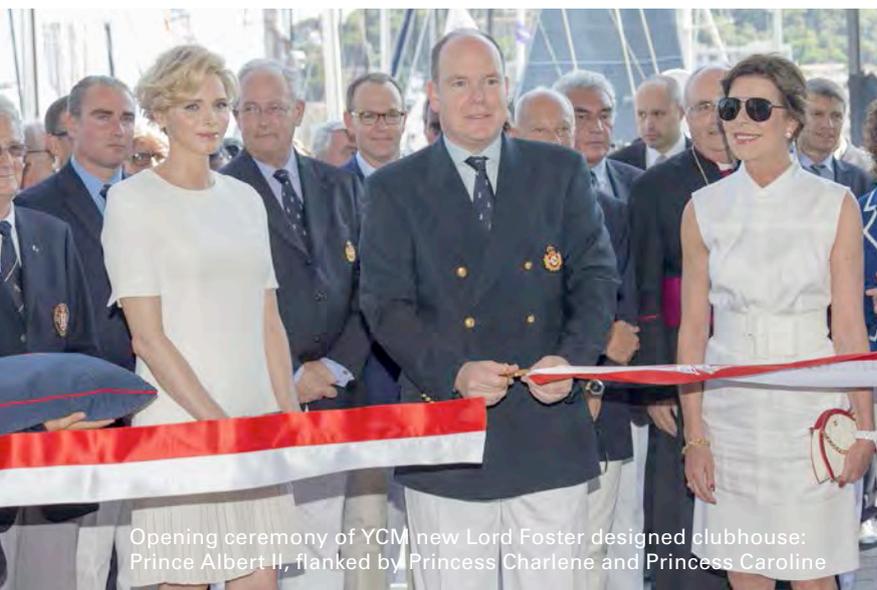
Despite builders giving a cradle-to-grave »life« to new builds of around 30 years,

very few are in fact scrapped. Refitting has found its niche and specialist facilities are opening to complement and compete with builders' own refit programs. Rather like stately homes, there is a certain appeal to owning a yacht with provenance. Feadship launched its »Feadship Heritage Fleet« during the last Monaco Classic Week, for enthusiasts to share their passion for Feadship's maritime past. It is expected, that people find it difficult to scrap a Jon Bannenberg designed superyacht and the chances are that the likes of the »Acajou« (now »Sureyya«), built of mahogany in 1981 at Chantiers Navals de l'Estérel – with lines by Mauric and Bannenberg – will be

signing up to some sort of Superyacht Classic Club soon. »La Belle Classe Tradition« of the Yacht Club de Monaco, created in 2005 at the instigation of Prince Albert II, might be a good start.

Pendennis Shipyard in the UK had seven refit projects over the winter of 2013 to 2014, including the 1992-built 67 m yacht »Siran«, and presently has »Malahne« undergoing a two-year refit, due to complete in 2015. »Adix« was the first of its winter refits scheduled to arrive in August and Pendennis is expecting a full order book for this winter. Amels re-launched its 49.3 m »Volpini«, describing her as »as new« for her new owner after an extensive refit and

Yacht Club de Monaco, Superyacht Business



Opening ceremony of YCM new Lord Foster designed clubhouse: Prince Albert II, flanked by Princess Charlene and Princess Caroline





From left: Peter Wilson (MCM), Denis Pellegrino (IMS), Lord Foster (YCM), Vincenzo Poerio (Benetti), Michel Karsenti (Tankoa)

10-year class survey. The picture is the same at most builders. In Greece, a Ciarmoli Queda Studio (CQS)-designed 106 m motor yacht major refit will soon be completed. IMS Shipyard, which has been involved in maintenance, refit and repair for 25 years in the Mediterranean, is opening new facilities in a former naval air base in December. IMS hauls out 120 yachts a year for a turnover of 8.5 mill. €. Its President Denis Pellegrino says IMS will have lifting equipment for up to 670 t, closed, covered boat sheds, paint sheds for up to three 50 m yachts at once and even a 500 m<sup>2</sup> crew quarters with offices, multimedia, fitness, terrace and BBQ. He notes that the number of yachts coming in is increasing each year saying, »the maintenance and refit market will still grow as the average age of yachts is increasing, that is why IMS expects to double its number of customers over the next three years«. Tankoa in Genoa – a relatively new brand – is also gearing up for refit as well as newbuild on spec, with yacht expert and publisher Michel Karsenti heading up sales and marketing.

Between the two – geographically – July saw the inaugural Solar1 Solar boat world championship, hosted in Monaco, and including a conference for sharing solar ideas. An impressive one-design class of V20 foiling race boats, designed by Vripack, shooting about at 30+ knots, gives a taste of what to expect to see in the future. The cost of solar panels is a quarter of what it was six years ago. Panels had always been flat but now can be curved, giving more design opportunities. Wally CEO Luca Bassani reckons every new window will incorporate transparent solar panels

within 20 years. The V20 is designed so that a pair fit in a container or would be equally at home in a superyacht garage – far more environment-friendly than noisy jetskis. »Planet Solar« was on site too and, having circumnavigated the globe consuming zero litres of fuel, should get innovative designers thinking clean and pure.

The market is changing – like profiles of superyachts, according to technology and lifestyles. Coco Chanel–influenced sundecks are out, shaded beach clubs are in. Aft decks for posing stern-to are out, private terraces opening from suites are in. New blood

| Global Deliveries | 2011        | 2012        | 2013        |
|-------------------|-------------|-------------|-------------|
| Superyachts       | 179         | 169         | 159         |
| Shipyards         | 94          | 94          | 81          |
| Total LOA         | 7,900 m     | 7,200 m     | 6,900 m     |
| Value             | 3.9 bill. € | 3.5 bill. € | 3.5 bill. € |
| MY                | 85 %        | 86 %        | 89 %        |
| SY                | 15 %        | 14 %        | 11 %        |

Table 1

| Data for 2014                                  | 30–39.99 m | 40–49.99 m | +50 m |
|--|------------|------------|-------|
| Yachts delivered (2014)                        | 22         | 26         | 24    |
| Yachts in build (for a delivery from 2014 ...) | 133        | 100        | 82    |

Table 2

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Southern Spars manufacturing facility



»Grand prix technology in rigs« – Josh Impey

will innovate and disrupt so 2015 to 2025 is likely to see bolder change in design as naval architects push for efficiency and clean running, while »lifestyle architects« challenge the mass of standard six-cabin layouts of motor yachts. Wally-like boats have cropped up – the next Wally-like company has yet to be created. Wally's Luca Bassani did not set out to create a «stylish boat». He says, «I just wanted to build a boat that would be faster and easier». With trends towards efficiency, comfort and sharing, something completely new should be here within a decade.

On the eco-friendly front it is still a difficult sell, only two builders having signed up to Prince Albert II Foundation's Wood Forever Pact (although ten designers encouragingly joined as Partners: Claydon Reeves, Michael Leach Design, Bannen-

berg + Rowell, Redman Whiteley Dixon, Adam Lay Studio, Reymond Langton Design, Humphreys Design, Ciarmoli Queda Studio (CQS), Espen Oeino International, GL Watson & Co). Marine Construction Management (MCM)'s Peter Wilson says: »Clients are certainly more aware and leaning towards more eco-friendly solutions. This is a hard challenge where superyachts are concerned, but through the use of plantation timbers, carefully selected materials and fabrics, lighter displacements, more efficient auxiliary engines and generators and the use of lithium-ion batteries, solar panels and in some cases wind generators, these yachts have a smaller carbon impact than their predecessors.«

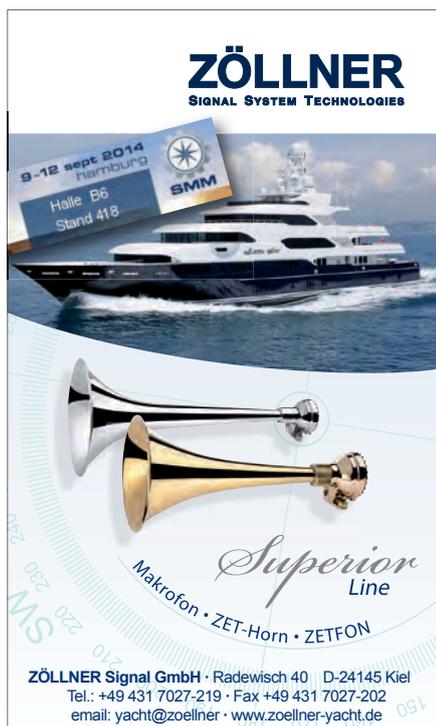
Benetti's pragmatic CEO, Vincenzo Poerio, who commissioned some dozen young designers to draw future superyacht concepts in 2013 – but is yet to sign up to Wood Forever Pact – says: »As for the global market, compared to the past, we are working to maximize the customization because today's expert owner expresses his own personality throughout personal choices. Our customization levels reached are so impressive that you can find two boats of the same model absolutely different. Then there are singular markets that have become more important than others in which we have to follow specific requests. For example the American market is of vital importance to us and we should ensure we have the right product. Americans want fast boats with shallow drafts by comparison to European buyers. The Fast Displacement series is the line of boats between 125 and 140ft that we have developed specifically for the American market. It is growing strongly and is one that we are anxious to develop further in the future.«

Jeroen Droogsma, Designer for VriThinkl! of Vripack explains: »We found it very hard within the whole new economy, to

find forward thinking information, materials and to know what is the next need for innovation. Coming with this crisis, people are looking for a new »safe haven« and new horizons and we at Vripack are no different. After posing this question around without receiving answers we said: If nobody is doing it than we should do it ourselves! So, with this said we think the best answer to the question is: There are more trends, which will influence our industry in some kind of way, than we can think of. We only need to have the right mindset in order to see them.« Sharing creative information as well as sharing the boats created through this sharing is likely to become more prevalent.

On the sailing superyacht front, Peter Wilson from MCM says: »We see greater interest in the 30–40 m sailing yacht range, rather than the 50–60 m behemoths. There is also a trend toward more performing yachts which in turn is leading clients towards composite construction, lifting keels, carbon standing rigging and membrane sails.« Spar manufacturer Josh Impey of Southern Spars says »with owners getting right into the superyacht bucket racing around the world, we have seen the trend in superyachts becoming more performance orientated and adopting grand prix technology into their rig packages«. Hodgdon's pre-preg is another to adapt to this trend, under CEO Ed Roberts. Fabrizio Sgariglia, Perini Navi Sales Director, believes that »the current motor yacht market is a buyer driven market and will remain as such for the next few years. As far as sailing yachts are concerned, it is, and will remain, a connoisseur's market privileging innovation, technology and pedigree«.

Nauta, designers of the world's biggest yacht »Azzam«, built by Lürssen (»HANSA Ship of the Year« 2013), has a number of high-tech sailing boats newly commis-



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Sketches for a 42 m by Vripack with easy access

sioned at Baltic Yachts and Southern Wind. Nauta's Luca Pedol puts his view: »We see the market very dynamic on new mega yachts. In the sailing yachts area, a sector that is more and more strikingly dynamic, the first trend to observe is the increase of size and a larger and larger request of high performances. In events like Rolex Cup or the Loro Piana Superyacht Regatta or the St Barths Bucket Regatta, the number of 100ft+ yachts is impressively increasing and the we foresee that the transition between composite and aluminium construction, that up to now is around 100 ft/130 ft, will move up to 150 ft/200 ft.« He notes that in the largest power field, beside the usual, already fully exploited »new-baroque« stream, there is a new »modern rationalism« stream: the best modern superyachts have straight and controlled lines and volumes, where the shape of the yacht is more shipshape related and all the lines and volumes are referable to architecture.

»Good examples of this current are the Espen Øino's recent 236 ft »Stella Maris« by VSY, or the elegant straight bow »Vava II« designed by Redman Whiteley Dixon and built by Devonport. We are sticking to this latter stream, and most of our big projects reflects our design work of rethinking the relationship between the superyacht and the surrounding environment: balance and cleanliness of lines, visual lightness, seamless inside/outside connection and harmony are definitely the new lifestyle yachting trends for the coming future,« Pedol adds. His company applied that concept, for instance, on the »Light 90 m« project.

Meanwhile Ed Dubois and Royal Huisman are announcing a new 58 m sloop contract at MYS that might be a spike on a trend curve. The client wanted a product »Fast and Furious«. Ed Dubois enthuses: »This is a thought provoking design that does not take for granted the marriage of high performance, style and comfort. She's a design that marks a fresh and progressive turning point in



Vripack's 42 m, 4,500 NM range family boat

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49 m »Volpini«, refitted by Amels

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In the brokerage world, Edmiston states: »We have seen encouraging signs that the brokerage market is improving across the market, with sales in the second quarter of this year up 40% on 2013. Price remains the critical factor today as buyers continue to look for the best opportunities on the market.« With eleven sales to date (mid year) of which five were sold in five weeks from early June, pre-season purchase has been very strong for Edmiston. As well as encouraging signs within brokerage, the charter business has also seen strong growth compared with previous years. »The newest and best yachts continue to be booked early with some yachts securing 50% of bookings up to six months prior to the Mediterranean season. We are seeing a reduction in last minute charter, as clients realize that to secure the best yachts, you need to book early. For last minute availability, there is however still strong demand, especially when prices are highly competitive«, Edmiston reports.

Brokers Burgess say: »Our perspective is that there are evermore challenges in the market now and this is not going to change. The global financial crisis was the beginning of a new rationale in the market, demand no longer outstripped supply and a reality check was imposed on the industry. The insatiable pre-2008 superyacht frenzy levelled out and while six years down the line it's clear that many clients still have a very strong appetite for yachting, the approach is much more measured.« Burgess adds, that clients expect greater value for money, timing of deals can be crucial and both global economic and political turbulence can be major influencing factors on yachting. While strong levels of activity so far this year have been encouraging with pre-owned inventory decreasing and new build orders on the rise, which bodes well for 2015, »it's still a tough market and survival of the fittest is the name of the game.«

Johan Pizzardini of Monaco Yacht Show (MYS) believes »the yachting industry has long depended on a limited and existing clientele for many years. Recently we have seen an increase in a younger generation from new countries, like Russia, and it seems that this new generation has already affected the industry with bigger, futuristic designed yachts for more fun. The idea of building a yacht is now based more on the brief »how can I have fun with my family or friends on board?« than a financial investment like it might have been before the crisis.« Figures studied convince MYS that there are more ultra-rich people with a strong propensity to buy, with a certain interest in yachting, especially within the USA and Eastern Europe.

The trickle-down effect of superyacht creative drive reaches the likes of London-based Sally Storey of Lighting Design International, as clients demand the best in every detail: »Superyachts have em-

braced the idea of the lighting designer, as with the ultimate of any luxury interior, what more can you add except display it to showcase its interior or exterior? Clever lighting can make marble for example even more beautiful and add interest to a display cabinet by combining back light and front light to ensure that not only are the objects celebrated but also the finishes. Latest lighting techniques on steps and shelves in bathrooms have added a new dimension and feeling of quality on boats. iPad and iPhone interfaces have made every client happier to enjoy the concept of mood control.«

As well as builders, designers, suppliers and brokers, the professional service industry has a keen indication of the market. Established UK and Cote d'Azur superyacht insurance company Sturge Taylor's CEO, Burr Taylor comments on a revival: »We have gained a large number of new clients over the past twelve months. This is largely due to the brokerage market showing definite signs of revival with an increasing number of yachts changing hands. The activity in our area of specialization has included both some of the very large yachts as well as many mid range yachts, often older ones sold at what appear to be very low prices. We have a broadly positive view of the prospects for the coming year with some concern over the current international political climate.«

The political climate was also touched on by Tony Allen, Partner of lawyers Hill Dickinson LLP, who noted there is plenty of nervousness about the potential effects of the imminent and extended sanctions list. Whether oligarchs will continue to provide »bread and butter« (as one broker specializing in Russians put it) is not a problem. There is much untapped potential globally, once the new creatives of the superyacht industry and younger »UHNW« entrepreneurs of the world connect.

Rodriguez Group was being wound up by the Cannes Commercial Tribunal as we went to press. At the end of March it was reportedly 96.5 mill. € in debt. According to French press, Camper & Nicholsons International – Rodriguez Group's »brokerage and services subsidiary« – will be sold off by the commercial tribunal when the appeals period expires. Rodriguez bought C&N (using its name under licence) for approximately 20 mill. £ in 2001, »making Chairman George Nicholson a multi-millionaire«, according to »The Times«.

The trends to look out for: Aggressive and bling is out. Respect for one's neighbours – and their space, at sea and ashore – is in. Vulgarity is out, values are in. Peaceful, elegant, efficient, transparent superyachting – following the guidelines of La Belle Classe – is the future.

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