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*Q2 2014*  
MARKET INDEX

**EU EDITION**



# Q2

## *Q2, 2014: Improving Markets*

Brokerage sales in Europe and the US showed improvement during the second quarter of 2014. In Europe, after a good first quarter, the market continued to gain strength, easily surpassing its 2013 results. In the US, the market bounced back well after a slow first quarter, but measured against a very strong second quarter in 2013, sales remained a few percentage points behind.

The trend toward level or stronger pricing continued in the US, plus the superyacht market moved slightly ahead for the second quarter of 2014, contributing to a modest gain overall in the total value of boats sold. In Europe, unit sales improved again, with the powerboat segment growing faster than sail.

Reporters Rupert Holmes and Gary Beckett again provide insight into the European and US markets, respectively, with Beckett looking specifically at Florida, the leading US region. As always, data is derived from Soldboats.com, the proprietary database in which YachtWorld's US and European members report their sales.

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## *United States & Europe – Combined Sales*

*2013, Q1+Q2*

€2.3 billion

19,786 boats



*2014, Q1+Q2*

€2.3 billion

19,421 boats

### *United States*

2013, Q1+Q2 - €1.6 billion / 16,522 boats

2014, Q1+Q2 - €1.4 billion / 15,815 boats

### *Europe*

2013, Q1+Q2 - €0.7 billion / 3,264 boats

2014, Q1+Q2 - €0.9 billion / 3,606 boats



## YACHTWORLD MARKET VIEW



Increased sales and higher average prices *indicated growing demand* for smaller boats.

### *Europe brokerage makes solid gains in sales and values*

The first six months of 2014 proved a good period for many European yacht brokers reporting sales to YachtWorld's Soldboats.com. Compared to the first half of 2013, the number of boats sold increased 10 per cent to more than 3,600, and the total value of boats sold rose 31 per cent to €884 million. While this represents a significant increase in average selling prices, the average time taken to reach a sale continued to climb, reaching 359 days.

The power sector gained the most, with 15 per cent more boats sold and total value rising 38 per cent to €700 million. By contrast, 5 per cent more sailing yachts were sold, with values increasing by 11 per cent.

The market for smaller boats strengthened, with sales of boats under 26ft increasing 15 per cent in volume and rising by more than a third in total value. Compared to the first six months of 2013, the average selling price in this size range increased 21 per cent to €22,089.

The gains in the next two sizes of boat – from 26-35ft and 36-45ft – were relatively modest. The former saw volumes rise by 7 per cent and total value up 10 per cent, indicating incrementally higher prices. In the larger of the two categories, unit volume was up 10 per cent, but total value was static, indicating a decline in average selling price.

Increased demand was evident for boats from 46-55ft with both sales values and volumes increasing by around 15 per cent over the first two quarters of 2014. However, the average price achieved for each boat declined a little in the second quarter and the mean time taken to achieve a sale rose sharply to 527 days.

“The biggest growth is in 40-50ft flybridge boats – that’s the sector that really saw the kicking in the downturn – and demand is also coming back for small, entry-level diesel sportsboats,” said Ashley

*—continued on page 6*

## EU – Overall

[ KEY ] YTD, 2013 YTD, 2014



### EU

#### VALUE OF BOATS SOLD / EU€

€674 million  
€884 billion



#### BOATS SOLD

3,264 boats  
3,606 boats



### POWER



#### VALUE OF BOATS SOLD / EU€

€509 million  
€700 million



#### BOATS SOLD

1,750 boats  
2,009 boats



### SAIL



#### VALUE OF BOATS SOLD / EU€

€165 million  
€184 million



#### BOATS SOLD

1,514 boats  
1,597 boats



## YACHTWORLD MARKET VIEW



UK brokerage *made strong gains*  
in the second quarter, helping the  
European market overall.

### *Europe brokerage makes solid gains in sales and values*

Overton, director of Ancasta, which has 15 brokerage offices across Europe.

“The numbers are up for sure,” he said, “but everyone had a torrid time over the winter because of the relentless storms from December to February and March – nobody turned up for viewings. But the market in the UK has bounced back much stronger since then.” Overton’s experience is that in France and Spain the market was still rough: “France is probably two years behind the UK, and Spain, one year behind,” he said.

However, with the British Pound having gained strength against the Euro, and with the improvement in the used boat market in the UK, Overton said good boats in northern France were now being imported into the UK, reversing a trend that saw many UK boats sold first to France and then to Scandinavia in the period from 2008-2012.

In the first six months of the year, sales of boats from 56-79ft were weaker, with volumes growing by 7 per cent, but total value of sales down 7 per cent. However, the market for superyachts above 80ft remained strong, with volumes increasing 20 per cent and values by 65 per cent, taking the average selling price up to €5.45 million.

In early July, Harry Bristow-Holmes, director of Sunseeker brokerage, says, “The market has been picking up in the last six months, and we’ve seen a massive boom in the past 8-12 weeks – it’s on a par with our best quarter ever.”

He indicated improvements in every sector Sunseeker deals with (from around 40ft upwards), driven in part by a shortage of quality used boats on the market, following the decline in the market for

*—continued on page 8*

## EU – Sales by Length

[ KEY ] YTD, 2013 YTD, 2014



<26'

### VALUE OF BOATS SOLD

€13 million  
€18 million

### BOATS SOLD

706 boats  
811 boats

26'–35'

### VALUE OF BOATS SOLD

€56 million  
€62 million

### BOATS SOLD

1,131 boats  
1,210 boats

36'–45'

### VALUE OF BOATS SOLD

€110 million  
€111 million

### BOATS SOLD

869 boats  
955 boats



46'–55'

### VALUE OF BOATS SOLD

€73 million  
€83 million

### BOATS SOLD

301 boats  
346 boats

56'–79'

### VALUE OF BOATS SOLD

€122 million  
€113 million

### BOATS SOLD

181 boats  
193 boats

80'+

### VALUE OF BOATS SOLD

€301 million  
€497 million

### BOATS SOLD

76 boats  
91 boats

## YACHTWORLD MARKET VIEW



While well-known brands of boat often sell quickly, average selling times *continued to rise* for the market as a whole.

### *Europe brokerage makes solid gains in sales and values*

new boat sales over the past seven years, particularly among southern European boat builders. At the higher end of the market, he also cites instability in certain countries as being a factor that is helping to drive the market, as wealthy people look to tie money up in assets overseas.

Bristow-Holmes points to the 88-134ft sector as doing particularly well at the moment, with France, where a large number of these boats are based, remaining strong and growth apparent across all territories.

#### *Time taken to achieve a sale*

While the average time to sell a boat in Europe has declined marginally for the smallest boats, those under 26ft, and for those from 56-79ft, it has continued to climb relentlessly for all other sectors. Although this trend has been upwards

for seven years, both Overton and Bristow-Holmes caution about reading too much into the average figures.

Overton said any well-known branded boat that is in good order will sell in a four to six week period and that there's a shortage of such vessels on the market. However he cautioned that vendor expectations are still mostly out of sync with reality and poorly presented boats, those whose owners are overly optimistic about prices, or less well known brands can stay on the market for years.

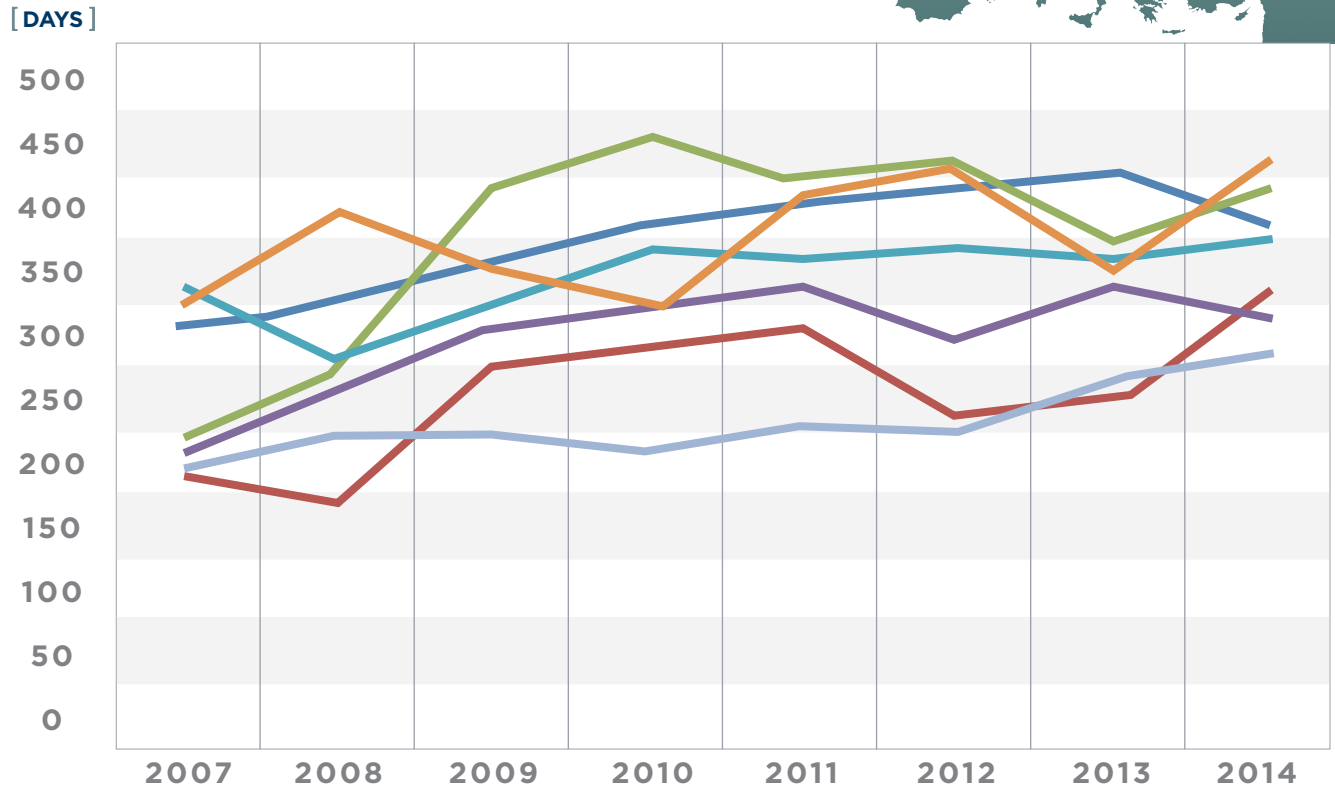
Bristow-Holmes says the time taken to sell a boat is very price dependent. "We try to be very honest about values and are very up front with clients," he said, "whereas some brokers give potential clients the wrong expectations in order to get a listing."

—Rupert Holmes



# EU – Average Days to Sale

[ KEY ] FRANCE GERMANY ITALY NETHERLANDS  
SPAIN TURKEY UK



[ YEAR ]	FRA	GER	ITA	NED	ESP	TUR	UK
2007	287	209	238	226	362	344	211
2008	301	190	287	270	311	393	243
2009	340	279	433	317	343	355	246
2010	375	296	474	324	371	341	238
2011	391	310	435	334	369	409	246
2012	435	260	456	310	387	448	247
2013	453	269	423	335	385	362	280
2014	406	351	435	333	393	452	303

## YACHTWORLD MARKET VIEW



The trend toward higher prices  
*continued among smaller boats*  
sold in the second quarter.

### *US Brokerage market improves but powerboat sales off*

After a weak first quarter, US sales of brokerage boats improved strongly in the second quarter of 2014, with 10,130 boats sold. The number of boats sold was still 3 percent behind total sales in the quarter in 2013, but the total price paid was 3 per cent higher, with sales of \$1.24 billion.

According to reports by YachtWorld member brokerages in SoldBoats.com, sales of powerboats were down 280 boats for the quarter, with 8,460 changing hands. Sailboat sales held even with 2013 at 1,160 boats. The total price paid improved for each type of boat, with powerboats delivering \$1.11 billion, up 2 per cent, and sailboats, \$130 million, up 5 per cent.

For the first six months of 2014, brokerage unit sales were down 4 per cent compared to 2013, with 15,815 boats sold. The aggregate price paid was 8 per cent lower,

down from \$2.14 billion to \$1.96 million, but superyacht sales valuations masked the strength of the rest of the market. Superyachts (vessels over 80ft) delivered \$179 million less in total price paid, even though the number of boats sold, 105, was almost identical to 2013. The total price paid for all of the other boats sold rose from \$1.40 to \$1.42 billion, a value gain of \$22 million.

In terms of general trends, unit sales improved among boats over 45ft, especially in the segment 56- 79ft, where 404 boats were sold, a 9 per cent gain over the first six months of 2013. On the other hand, sales were lower among boats shorter than 45ft, yet at higher average prices. For example, although 6 per cent fewer boats 26-35ft were sold, the average final sale price improved from \$55,574 to \$58,547.

— John Burnham

## US Overall



[ KEY ] — YTD, 2013 — YTD, 2014

### USA

#### VALUE OF BOATS SOLD / US\$

\$2.1 billion  
\$2.0 billion



#### BOATS SOLD

16,522 boats  
15,815 boats



### POWER



#### VALUE OF BOATS SOLD / US\$

\$1.9 billion  
\$1.7 billion



#### BOATS SOLD

13,679 boats  
13,070 boats



### SAIL



#### VALUE OF BOATS SOLD / US\$

\$259 million  
\$219 million



#### BOATS SOLD

2,843 boats  
2,745 boats



## YACHTWORLD MARKET VIEW



While sales of larger yachts  
*increased in the first half of 2014,*  
lower prices paid for superyachts  
caused a decline in overall  
market value.

### *Florida delivers mixed results in first half of 2014*

Depending on the segment of the market they specialise in, there was good news or bad news from Florida brokers who reported sales in YachtWorld's Soldboats.com database in the first half of 2014. Brokerage sales of boats under 36ft declined to 1,897 boats, from 2,136 in the 2013 first half; an 11 percent drop. The total value of sales in the category decreased by 3.5 per cent to \$99 million, from \$102 million.

Florida brokers working the mid and upper end of the market – especially 36-79ft – reported better news. Unit sales increased by almost 6 per cent, to 1,240 boats from 1,172, while dollar sales rose by 13 percent to \$408 million from \$362 million. While sales of boats over 80ft were essentially flat, with 75 boats sold, up from 73, the category's dollar sales value declined significantly, from \$708 million to \$495 million, a 30 per cent drop.

Overall, brokerage sales in Florida decreased by 169 boats to 3,212 boats, a 5 per cent dip. Dollar sales value declined by more than 14 percent to \$1 billion from \$1.2 billion, mostly due to the decreased value of superyacht sales. The powerboat segment saw the largest percentage decline, with unit sales falling 6 per cent to 2,794 boats and value dropping by more than 12 percent to \$954 million.

Sailboat sales in Florida held up better, slipping just 1 percent to 418 boats in the first six months of 2014 compared to the same period a year earlier. The total price paid was affected by superyacht sales, down 42 percent to \$48 million.

Part of the sales problem for Florida brokers in 2014 may be a declining inventory of quality, late-model used boats – especially those built after 2008. That's partly because so few new boats were built

*–continued on page 14*

## Florida Overall



[ KEY ] — YTD, 2013 — YTD, 2014

### FLORIDA

#### VALUE OF BOATS SOLD / US\$

\$1.2 billion  
\$1 billion



#### BOATS SOLD



### POWER



#### VALUE OF BOATS SOLD / US\$

\$1.1 billion  
\$955 million



#### BOATS SOLD



### SAIL



#### VALUE OF BOATS SOLD / US\$

\$82 million  
\$48 million



#### BOATS SOLD



## YACHTWORLD MARKET VIEW



A shortage of quality brokerage inventory *is shifting the market* for larger vessels back in favour of sellers.

### *Florida delivers mixed results in first half of 2014*

especially between 2009 and 2012. “Some of the shortage in quality brokerage inventory has had an impact,” said Mike Lewis, managing broker of Marine Group Emerald Coast, which is based in Orange Beach, Alabama, and operates a location in Destin, Florida. “It seems buyers are still expecting to have lots of choices, in a buyer’s market, and that isn’t necessarily the case, especially among more desirable brands.”

Lewis said that Marine Group Emerald Coast had a strong first half, even in smaller boats. However, he said sales were especially strong in the mid- and upper-end categories. “Buyers in the 39-79ft range are recognising that supply and demand is starting to turn back in favour of the seller so they are not waiting any longer to find that great deal.”

As with Marine Group, Merle Wood & Associates Inc., based in Fort Lauderdale,

also reported stronger sales overall in the first half of 2014.

“Our firm saw relatively strong sales throughout the first and second quarters of 2014, including sales throughout the entire range of the market, from several high-quality large yacht tenders to superyachts well in excess of 60 metres,” said Cromwell Littlejohn, who is also vice president of the Florida Yacht Brokers Association. “The most distinct common denominator was pedigree and quality, with most of the activity focused on the upper end of the spectrum.”

Littlejohn added that pricing seems to be firming up: “Fewer and fewer price reductions are being announced, and we’re actually seeing a few price increases; something unheard of in the past few years.”

– Gary Beckett

# Florida – Sales by Length



[ KEY ] YTD, 2013 YTD, 2014

<26'

## VALUE OF BOATS SOLD

\$21 million  
\$19 million

## BOATS SOLD

930 boats  
800 boats

26'–35'

## VALUE OF BOATS SOLD

\$82 million  
\$80 million

## BOATS SOLD

1,206 boats  
1,097 boats

36'–45'

## VALUE OF BOATS SOLD

\$126 million  
\$136 million

## BOATS SOLD

755 boats  
786 boats



46'–55'

## VALUE OF BOATS SOLD

\$82 million  
\$86 million

## BOATS SOLD

253 boats  
262 boats

56'–79'

## VALUE OF BOATS SOLD

\$154 million  
\$187 million

## BOATS SOLD

164 boats  
192 boats

80'+

## VALUE OF BOATS SOLD

\$708 million  
\$495 million

## BOATS SOLD

73 boats  
75 boats

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