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*Q3 2014*  
MARKET INDEX

**U.S. EDITION**



# Q3

## *Q3, 2014: Established Trends Prevail in Third Quarter*

Brokerage sales volumes in Europe and the U.S. continued along trend lines established earlier in the year, with unit sales higher in Europe, compared to 2013, and U.S. unit sales lower. European brokerages sold 3 percent more boats in the third quarter of 2014 and remained ahead by 8 percent for the year to date. U.S. results followed the strong seasonal curve established in 2013, albeit lower by 7 percent in the third quarter and 5 percent year to date due to continued slower sales among smaller boats.

The trend toward level or stronger pricing continued in the U.S. among most size vessels, except for the superyacht market (80ft-plus). Pricing trends were mixed in Europe, although notably much higher among superyachts.

Reporter Rupert Holmes provides insight in this issue for the European market generally and the Spanish market in particular. Data is derived from Soldboats.com, the proprietary database in which U.S. and European members of YachtWorld record their sales.

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## *United States & Europe – Combined Sales*

*2013, Q1:Q3*

\$4.26 billion

30,948 boats



*2014, Q1:Q3*

\$4.47 billion

30,047 boats

### *United States*

2013, Q1:Q3 - \$2.97 billion / 25,687 boats

2014, Q1:Q3- \$2.78 billion / 24,382 boats

### *Europe*

2013, Q1:Q3- \$1.29 billion / 5,261 boats

2014, Q1:Q3 - \$1.69 billion / 5,665 boats



## YACHTWORLD MARKET VIEW



Sales among smaller sail and powerboats decreased during 2014, *yet average sold prices increased.*

### *U.S. Brokerage: Volume Declines, Average Pricing Strengthens*

Brokerage boat sales in the third quarter of 2014 lagged 7 percent behind 2013 sales, with 600 fewer boats sold in the U.S., according to sales reported by YachtWorld member brokerages. Combined with lower sales levels in the first half of the year, a total of 24,382 boats were sold through nine months, more than 1,300 boats or 5 percent astern of 2013 sales volume.

The aggregate price paid for the boats sold was \$2.78 billion, 6 percent below the \$2.97 billion paid in 2013; but the pricing news was not all negative. Removing superyacht sales (boats over 80 feet) from the calculation, the overall price paid was \$2.15 billion, slightly higher than the \$2.11 billion that changed hands in 2013. Viewed through that lens, it's evident that even as volume declined, sold prices strengthened in 2014.

Sales figures for powerboats and sailboats were down by 5 percent each. Total price paid for powerboats was lower by 6 percent; in sailboats sales, the decline was 9 percent. Excluding superyachts, the aggregate prices paid were incrementally higher for nine months of 2014 than in 2013, and average prices increased by 7 percent for powerboats and 6 percent for sailboats.

At the same time, volume was lower in the market generally because the downward trend in sales of smaller boats increased in recent months. Boats under 26 feet were lower by 10 percent in the quarter with 2,637 boats sold and off by 7 percent for the year with 7,979 boats sold. Yet in both instances, average sold prices increased by 5 percent; for the full nine-month period, prices increased from \$22,000 to \$23,000.

*—continued on page 6*

## U.S. – Overall

[ KEY ] — YTD, 2013 — YTD, 2014



### USA

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

\$2.97 billion  
\$2.78 billion



#### BOATS SOLD

25,687 boats  
24,382 boats



### POWER



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

\$2.60 billion  
\$2.44 billion



#### BOATS SOLD

21,171 boats  
20,083 boats



### SAIL



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

\$376 million  
\$342 million



#### BOATS SOLD

4,516 boats  
4,299 boats



## YACHTWORLD MARKET VIEW



Sales in large-yacht categories *increased in 2014 to date* and prices began to stabilize, except among superyachts.

### *U.S. Brokerage: Volume Declines, Average Pricing Strengthens*

For boats 26 to 35 feet, the story was similar. Volume declined 7 percent for the nine-month period, with 9,168 boats sold, but total value was down far less, and the average price increased from \$54,000 to \$57,000.

Among larger boats, sales volumes were stronger: among boats 36 to 45 feet, sales were level for the third quarter and behind by just 1 percent for the year with 5,145 boats sold. The total price paid increased in the quarter and was 2 percent ahead for the year, with the average sale price rising from \$129,000 to \$133,000.

Sales of all yachts larger than 46 feet were ahead for the year to date, despite a negative performance in the third quarter among boats 56 to 79 feet (down 5 percent.) In that size range, sales remained 4 percent ahead for the year and 6 percent

in total price paid, providing a 1 percent increase in average sale price to \$662,000.

Brokers selling boats in the 46- to 55-foot range experienced 10 percent growth in volume in the third quarter and were up 6 percent for the year with 1,360 boats sold. Average sale prices, which had been weaker early in the year, were still down 1 percent, but if September sales were any indication (higher by 12 percent with prices up 25 percent), pricing in this sector may be finally turning upward.

Among superyachts, sales volumes continued strong, with 41 boats sold in the third quarter and 146 sold in the first three quarters combined, an increase of 3 percent compared to 2013. As referenced earlier, sales values were lower, down 30 percent for the quarter and 27 percent for the year to date.

— John Burnham

# U.S. – Sales by Length

[ KEY ] YTD, 2013 YTD, 2014



<26'

## VALUE OF BOATS SOLD

\$188 million  
\$183 million

## BOATS SOLD

8,611 boats  
7,979 boats

26'–35'

## VALUE OF BOATS SOLD

\$535 million  
\$527 million

## BOATS SOLD

9,907 boats  
9,168 boats

36'–45'

## VALUE OF BOATS SOLD

\$668 million  
\$684 million

## BOATS SOLD

5,186 boats  
5,145 boats

46'–55'

## VALUE OF BOATS SOLD

\$357 million  
\$373 million

## BOATS SOLD

1,282 boats  
1,360 boats

56'–79'

## VALUE OF BOATS SOLD

\$366 million  
\$387 million

## BOATS SOLD

559 boats  
584 boats

80'+

## VALUE OF BOATS SOLD

\$858 million  
\$626 million

## BOATS SOLD

142 boats  
146 boats



## YACHTWORLD MARKET VIEW



Pricing of larger yachts  
*improved in the third quarter*  
despite a shortage of recent  
models for sale.

### *U.S. Brokerage: Lasting Effects of the Recession*

While the U.S. market has experienced generally lower sales in 2014, boats in the larger sizes, notably 46 to 55 feet, have seen increased sales. In the third quarter, as an example, the volume of boats sold between 46 and 55 feet rose by 10 percent, with 512 boats sold, up from 466 a year earlier. Average pricing was incrementally weaker in this size range much of the year, but leveled out for the third quarter and climbed more than 10 percent in September.

On July 31, we took a snapshot of the 127,690 boats listed on YachtWorld. As the accompanying graphs indicate, the age of the listings covered more than 40 years, and most boats for sale were less than 15 years old.

A distinctive feature of each graph is the dip in inventory caused by the recent economic crisis, when relatively few boats

were built. In all sizes, there weren't many boats 3 to 5 years old, and only among smaller boats, 35 feet and shorter, were a significant number of 1- to 2-year-old boats available. Among larger yachts, not many boats newer than 6 years old were listed for sale.

Against this inventory picture, through the first three quarters of 2014, average final sale prices increased among boats in smaller size segments and decreased among larger sizes. This may have been a result of availability, or lack thereof, of recent models in the given size. In late summer, however, average pricing for larger yachts evened out and in some categories began to improve, perhaps a sign that the improving U.S. economy began to overcome the lack of choice models.

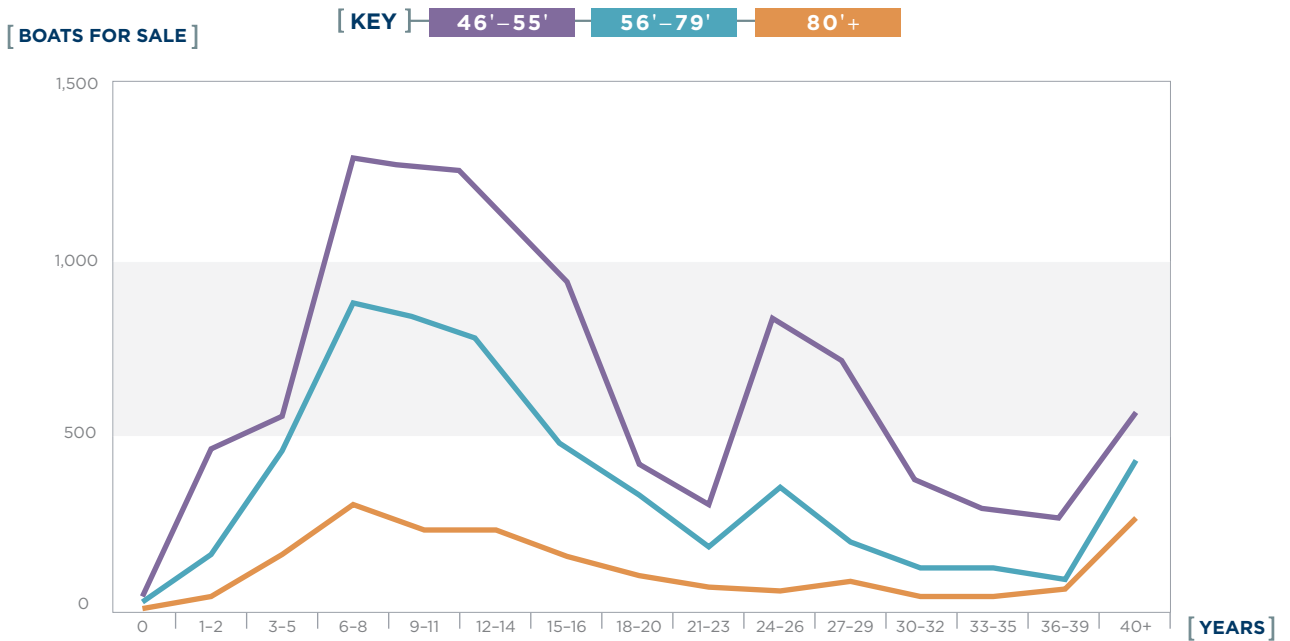
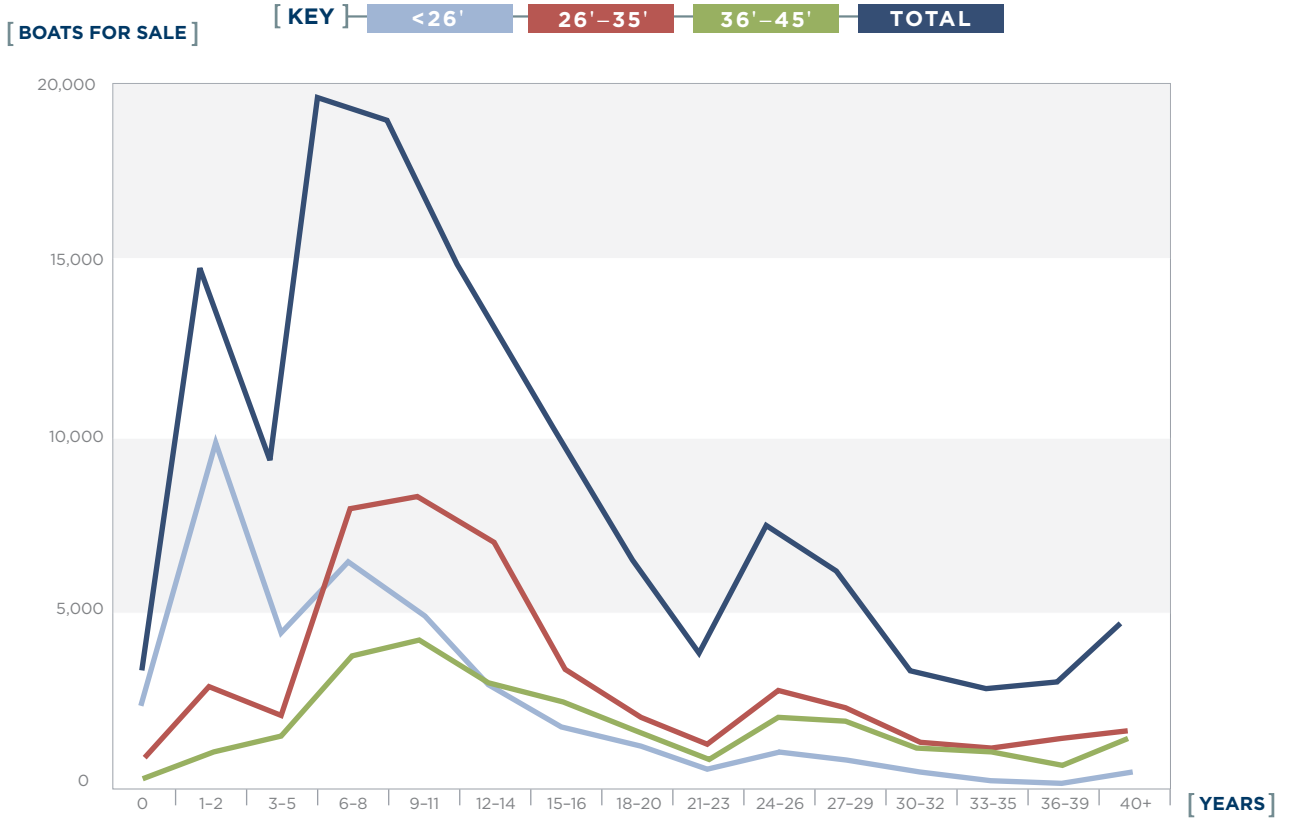
— John Burnham





## YACHTWORLD INVENTORY BY BOAT AGE

(as of July 31st, 2014)



## YACHTWORLD MARKET VIEW



Superyacht sales *accounted for 54 percent* of the value of all E.U. brokerage sales through three quarters of 2014.

### *E.U. Brokerage: Superyacht Sales Drive Improved Sales Figures*

In the first nine months of 2014, 5,665 boats were sold through YachtWorld member brokers who contributed to the Soldboats.com database, an 8 percent increase over the same period in 2013. The total price paid climbed much more rapidly, increasing by 31 percent to \$1.7 billion.

However, almost 90 percent in the increased value of overall market sales came from superyachts over 80 feet, a segment which alone saw unit sales rise 25 percent to 131 yachts and total price increase 68 percent to \$912 million. By value, this sector accounted for 54 percent of the brokerage market.

Sales of yachts from 56 feet to 79 feet were less robust. Even though the number of boats sold rose 11 percent, the aggregate value remained almost static, representing

a decline in average selling prices of close to 10 percent. Sales of mid size yachts from 26 feet to 45 feet grew by 4 percent, while the total value increased by only 1 percent, also indicating a decline in average prices.

On the other hand, sales of boats from 46 feet to 55 feet proved buoyant, with the number of sales up 18 percent and average selling prices remaining almost level. An encouraging sign for the future is that starter boats of under 26 feet saw a rise in sales, with a sharp rise in value.

The power sector saw a 14 percent gain in the number of boats sold, allied to a 40 percent increase in total sales value, although nearly all of the gains were in the superyacht sector. Sales of sailing yachts nudged just 1 percent higher, yet total value increased 9 percent.

–Rupert Holmes

## *E.U. – Overall*

[ KEY ]

YTD, 2013

YTD, 2014



### EU

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

\$1.29 billion

\$1.69 billion

#### BOATS SOLD

5,261 boats

5,665 boats

### POWER

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

\$982 million

\$1.36 billion

#### BOATS SOLD

2,897 boats

3,289 boats



### SAIL

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

\$308 million

\$332 million

#### BOATS SOLD

2,364 boats

2,376 boats



## YACHTWORLD MARKET VIEW



Led by the superyacht sector,  
*average prices increased or  
remained static* in most size ranges.

### *Spain Brokerage: Mixed Signals as Volumes Decline, Values Increase*

The number of brokerage boats sold in Spain dropped 4 percent through the first nine months of 2014, yet the headline figures appear to show a welcome bounce in the market. The total value of sales increased to \$220 million, 13 percent higher than in the same period in 2013, according to YachtWorld member brokers reporting to the Soldboats.com database.

Three quarters of this value improvement was in the superyacht sector, above 80 feet, where the total number of boats sold rose 22 percent and aggregate values climbed 30 percent to \$99 million. Yet average prices also increased or remained level in most other size ranges.

For the year to date, the healthiest sector after superyachts was the segment from 46 feet to 55 feet, which saw a sales increase of 11 percent and total values climbing

23 percent to \$32 million. The latter indicated an increase in average prices and combined with a welcome decline in the time taken to achieve a sale, which reduced 7 percent to 389 days.

Sales of boats under 26 feet in length were 10 percent higher for the year to date, with 118 boats sold. At the same time, the total price paid increased by 31 percent to \$3.3 million, which represented a sharp increase in average selling price from to \$21,514 to \$28,143.

The figures show a mixed picture for the 56- to 79-foot sector, with the number of sales down 18 percent and the time taken to achieve a sale up almost by half to 601 days. At the same time, the total value of sales was level, again providing evidence of a significant rise in average selling prices.

*—continued on page 14*

## Spain – Overall



### ESP

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

\$195 million  
\$220 million



#### BOATS SOLD



### POWER



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

\$162 million  
\$172 million



#### BOATS SOLD



### SAIL

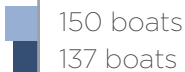


#### VALUE OF BOATS SOLD / US\$

\$33 million  
\$48 million



#### BOATS SOLD



## YACHTWORLD MARKET VIEW



Despite an influx of buyers from other countries, *the brokerage market in Spain remains fragile* due to the economy.

### *Spain Brokerage: Mixed Signals as Volumes Decline, Values Increase*

The mid-market remained weak, with the sectors from 26 feet to 45 feet seeing similar rates of decline in volume and values. However, positive signs were seen, as average selling prices rose slightly and the long-term rise in the time taken to achieve a sale stabilized.

Javier Candela, of Marina Estrella, which has 20 offices across Spain, confirms his company has seen the brokerage market recovering 15 to 20 percent this year. “We have increased sales in all size ranges,” he said, “but it remains an odd situation, and the market is so low that that price must be right for a boat to sell.”

Before the economic downturn, native Spaniards accounted for the overwhelming majority of Candela’s clients, but this year he reported seeing a growing number of

buyers from Scandinavia, Germany and, for the first time, north Africa, particularly Algeria and Morocco. While African buyers were predominantly looking for a boat of less than 45 feet to base in their home country, north Europeans were more likely to be looking for a 40-foot to 60-foot boat to keep in Spain, or a small vessel that could be towed home by road.

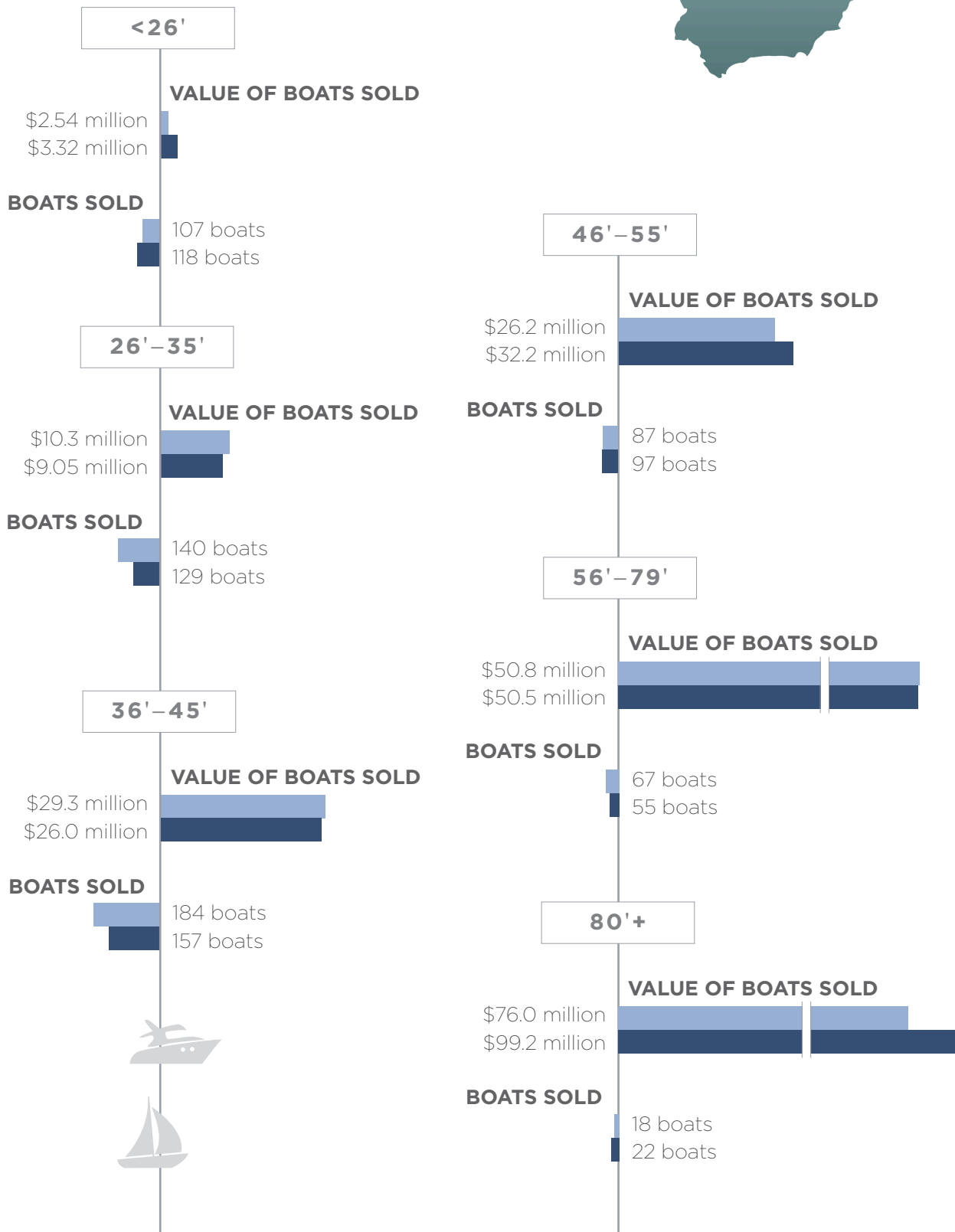
Looking to the future, Candela said, “The economic situation in Spain is still not strong enough for prices to hold up, so they will probably drop more over the next one or two years.” The reported sales in Soldboats.com for the third quarter of 2014 alone give credence to his cautious attitude. Although the average sale prices held up for the most part, the number of boats sold declined 6 percent compared to the third quarter of 2013.

– Rupert Holmes

# Spain – Sales by Length



[ KEY ] YTD, 2013 YTD, 2014



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