



Current and accurate information is invaluable. This brief, monthly round-up gives you a quick snapshot of what's going on in the luxury yacht market. The world of superyachts moves fast and you need to have your finger on the pulse in order to spot the good opportunities before they pass you by. Read our view of the market to find out more about what's been happening over the last 30 days.

Hein Velema
CEO



SALES LEVELS AHEAD OF 2008

- sales numbers are up but prices are still down.

When we compare the number of yachts sold in 2008 with the number sold in 2009 we can see an interesting development in the market. From January to May 2009 sales volumes across the industry were well below the levels of the previous year, however in June and July, the number of yachts being sold increased sharply, well ahead of the same months in 2008. Sales were strong through this summer with a significant peak in September. They've remained ahead of 2008, despite the annual slow down that we always see in November and December.

There are now 10% more yachts over 24m for sale than in January with a significant increase in the number over 50m. However many of these owners are still testing the market and are not priced for a quick sale. The Monaco and Fort Lauderdale shows are behind us with little sales activity directly attributable to either of them, but buying activity seems to be picking up. However, we are unlikely to see prices recover soon.

CONTACT ONE OF OUR SALES EXPERTS FOR MORE INFORMATION: SALES@FRASERYACHTS.COM



WINTER CHARTER BOOKINGS ARE DOWN

- now is the time to secure a great deal.

By early December we'd normally see the yacht calendars filling up nicely as winter charter bookings are agreed and deposits paid. That's not the case this year. Bookings are coming in much later than normal meaning that availability is wide open and even some of the most popular yachts remain free for Christmas and New Year.

Yacht owners have become increasingly creative, offering package deals and price incentives to "up-sell" charter clients from a week to ten days or two weeks. Interestingly, Mexico seems to be enjoying a surge in popularity with significant enquiry levels from charterers seeking alternative, new destinations.

Interestingly we've seen some bookings filtering through for summer 2010 but still not at the levels of previous years where charter yachts were secured and deposits paid up to six or eight months in advance.

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OWNERS APPEAR CONFIDENT ABOUT 2010

- yacht management budgets are healthy again.

This time last year, many yacht owners were asking us to cut their operational costs down to a bare minimum. Maintenance budgets, crew numbers, salaries, fuel usage and other expenses were all being slashed in an effort to limit costs during the economic crisis. Across the industry, crew were being laid off and yachts tied to the quay with captains and owners' representatives considering all possible cost savings.

Drastic cuts can adversely affect the overall value of your asset. Thankfully the panic definitely seems to be over. During November and December we've been preparing the 2010 operation and administration budgets for over 55 yachts. With the biggest yacht management fleet in the world we have a pretty comprehensive understanding of the market. We're pleased to report that confidence seems high, more appropriate budget levels have returned, crews are back to the full complement and proper maintenance schedules have resumed.

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DISASTROUS YEAR FOR SHIPYARDS

- only one new build contract over 50m signed in 2009.

There's good news and there's bad news. The good news first; Fraser Yachts agreed a new build contract for a 73m construction project in the summer. The bad news, as far as we're aware it was the only new project over 50m signed up in the whole of 2009. That spells a terrible year for superyacht builders worldwide and a fantastic opportunity for anyone looking to place a build contract in the next few months.

The shipyards need to keep the craftsmen working and they're hungry for projects. Globally, prices and terms are more negotiable now than they've been at any point previously in the last ten years.

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CREW MARKET ENDS 2009 ON A HIGH

- significant increase in recruitment levels.

Last month we reported that the crew placement market had seen the worst year in at least the past seven. Owners and Captains have been cutting costs wherever possible and trying to tackle the task of background checks, candidate reviews, personal interviews and reference checks themselves. Well things have changed.

Over the last six weeks, both in Europe and the US, Captains have been back on the search for professional, experienced and qualified crew members. In terms of successful crew placements we've just had the best November for two years and December is already looking to be another strong month. This is normally a slow period for recruitment with crew already in place in the Mediterranean or Caribbean for the winter. November 2008 was a disaster but this renewed investment in finding good crew is a positive and reassuring sign.

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