



The superyacht industry is still highly dynamic and can change very quickly. Read our view of the market to find out more about what's been happening over the last 30 days. Yacht sales are fairly strong and charter bookings are coming in steadily however not all size ranges are being affected in the same way. There are good deals to be had on yacht insurance and new build projects but why are there so few crew left in the US?

Read on to find out more...

Hein Velema
CEO



STRONG DEMAND IN THE 30m to 40m RANGE - what's selling and what's not?

An increasing number of yachts are being listed for sale. This is of course a concrete indication that owners are prepared to sell - but what do buyers want? Most sales have been in the 30m to 40m range with 27 yachts sold so far this year. This is more than double the number sold between 24m and 30m. In the same period there have been only eight yachts sold in the 40m to 50m range and just two over 50m.

There are plenty of larger yachts on the market but owners are not willing to drop prices much so there are very few bargains to be had. However, we expect that a few large yachts will be sold in the next three months with serious discounts while the majority of sellers will hold on to their yachts and wait for the market to improve.

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



LARGE YACHT AVAILABILITY REDUCING FAST - was it right to hold out for a last-minute deal?

Early spring is normally a very busy period for charter brokers as clients are eager to secure their number one choice of yacht for the summer. However, confirmed and signed bookings in Q1 2009 were way below previous years, right across the industry. Those charterers who did jump in early seem to have made the best move. When enquiry levels were low, owners were willing to agree to deals with large discounts (up to 30%). Now, with a late flurry of enquiries, owners are being more selective. They're only agreeing to deals near on the published rates and accepting charter itineraries that fit with their own usage of the yacht.

While availability of larger yachts (45m+) is diminishing, the availability of smaller vessels (below 30m) is still good. There are lots of additional new charter yachts in this range. The best boats have started to fill their calendars but yachts in the 24m to 30m range are generally still available.

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INSURANCE PREMIUMS STEADIER THAN PREDICTED - could you make savings on your yacht insurance?

In early 2008, insurers were warning of imminent premium increases. By mid-2008, rates looked even more likely to increase as the world's economy began to falter. By the time we entered 2009, rate increases seemed unavoidable. Yet today, with the abundance of offers still available, including new players who continue to enter the marketplace, competition among insurers all over the world is still holding rates steady. Insurers around the globe compete for the same relatively small population of yacht owners so superyacht owners today have more insurer options than ever.

Conditions are still ripe for increases but surprisingly rates have not yet begun to move upward. We've observed that the yacht cycle tends to follow a trend about 12-18 months behind the commercial Property & Casualty market. It appears that now is the time to undertake a swift review.

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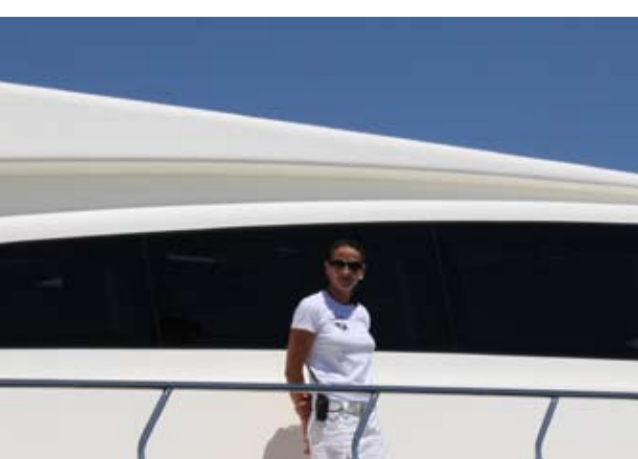


NEW CONSTRUCTION NEEDN'T BE A RISKY BUSINESS - is your money safe if the yard goes under?

In these uncertain times, when signing a new build project, the one thing every client wants to be sure of is the safety of their funds. Several well-respected yacht builders have been forced to close their doors as economic pressure became unbearable. Clients are understandably reluctant to start new projects with this level of uncertainty. The lower demand for new construction projects has resulted in a downward price adjustment, although less than commonly rumored.

Concern over a yard's ability to continue trading through the entire build schedule has resulted in buyers seeking solid financial assurance. Several shipyards are able to give that reassurance by offering financial guarantees on all installments. This mitigates the risk for a client if the yard goes bankrupt. Benetti in Italy is one of the few shipyards offering this security. With attractive price reductions on offer as well, Benetti is probably one of the most eligible shipyards with whom to sign a new build in the current market.

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MED EXODUS CREATES CREW SHORTAGE IN FORT LAUDERDALE - where is the best place to find a new job?

Although we see an annual crew migration to Antibes, the capital of Mediterranean yachting, the number of crew moving this year is unprecedented. The Crew Network tracks the movements of crew and this season has found that well over 50% of registered crew seeking work are currently located in Antibes. This mass exodus has resulted in a shortage of qualified crew for those yachts remaining in the western hemisphere.

Crew services, including temporary crew housing, are being strained to the limits in Antibes, while in Ft. Lauderdale they sit empty. Day-work, the lifeblood of crew looking for full time jobs has become so competitive, some crew are working for a meal and a place to stay, while in Ft. Lauderdale these same day-work positions are going unfilled at any wage.

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