



The sun is shining... at last! The Mediterranean summer season has just kicked off with the Cannes Film Festival and the Monaco Grand Prix, finally closing the door on a cold, wet winter in Europe that seemed to drag on and on. Both these events produced an encouraging number of charter bookings and showed that the appetite for yachting is definitely alive and strong. Yacht sales have also been very solid in recent weeks. The yachting industry is still "cautiously optimistic" that 2010 will shape up nicely.

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 during the last month.

Hein Velema  
CEO



### IT'S STILL A BUYER'S MARKET - prices are under pressure

The brokerage market is steadily picking up month by month as more and more deals are closed. Sales volumes in the first quarter of 2010 were much stronger than the last quarter of 2009. If we take into account that the first few months are normally slower in comparison to the spring and summer periods, the luxury yacht industry might well be in for a good year in terms of overall sales. Whilst the total value of sales is increasing each month, the final sales prices of the yachts that are selling are still under pressure. Every week more yachts are coming on to the market for sale. The increasing supply means there is still pressure on sellers to adjust their asking prices to the market in order to sell. It is still a buyer's market.

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### 15% INCREASE IN GLOBAL CHARTER FLEET - greater supply forces cap on prices

After a slow winter period the bookings for the summer season have now started to come in. The overall number of bookings is better than last year but the average value is a little lower. It is difficult to forecast how this year will develop. There is a growing trend to book later and later in the season and, like the yacht owners, we are all hoping that there'll be a flurry of activity over the next few months. The industry has come to expect, and even rely on, last minute charter bookings. The total number of luxury yachts available for charter has increased by 15% over the last 12 months. This means that charter clients have a larger selection of yachts to choose from than in previous years. More choice means we're unlikely to see prices increasing until at least 2011.

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### YACHT MANAGEMENT GROWING IN POPULARITY - Owners and Captains see clear benefits

We've seen a steadily increasing demand for yacht management during the first few months of 2010. More owners than ever before now rely on external, professional support and services to assist them with vessel administration, accounting, crew management, technical consulting and logistical support. The global economic situation has encouraged yacht owners to be more rational and they now want their yachts to be managed more like their business interests. Owners are also looking for cost savings and understand that more efficient management of the vessel will result in cost-savings. Captains are still the primary advisors in all matters relating to their yacht but more and more yacht owners are finding that an administrative support system and a second opinion can be invaluable.

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### MAJOR SHIPYARDS CHANGING HANDS - Middle Eastern investors see future growth

The major shipyards have reported higher activity levels during March in comparison to the last six months. Naval architects and yacht designers have also seen an upturn in the interest for new designs projects. The most noteworthy change over the last few months has been a decline in interest for standard designs. Clients appear to have a renewed appetite for bespoke designs where they can incorporate all of their personal requirements and preferences despite the increased cost implications. This could also lead to some interesting innovations in terms of both design and technology as more clients seek to break new boundaries. At the same time several shipyards have yachts under construction that have to be re-sold due to the original owners being unable to complete the projects. There are therefore some good deals to be had on existing hulls although the number is steadily decreasing as new owners are secured.

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### CREW PLACEMENTS ARE INCREASING - full-time positions on the rise

Luxury yacht captains and owners are once again recruiting full time crew after a fairly dismal period which saw literally thousands of crew members looking for work. If we compare the current recruitment levels with figures from last year, we can see a definite increase in the number of people being taken on. Not only that, but the majority of contracts are for full-time positions rather than on a part-time basis. We've observed a strong increase in the number of crew placements on both sides of the Atlantic. In the Mediterranean this is, of course, partly driven by the seasonal trend for yachts to "crew up" for the summer season. However the indication from employers is that they intend to retain these crew members, borne out by the fact they've opted for full-time contracts. They recognize the need to maintain crew, and thereby maintain the value of their asset.

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