

THE STATE OF WEALTH, LUXURY & YACHTING

Brokerage Review

First half 2016

Camper & Nicholsons data is based on sales of yachts over 30 metres with figures in the public domain. Our Market Intelligence division and brokers keep a watch on the market in order to be able to provide clients with the most informed market analysis of both published and unpublished intelligence.

Section 1: Yacht sales in numbers

YACHTS SOLD FIRST HALF 2016

153

TOTAL YACHTS

136

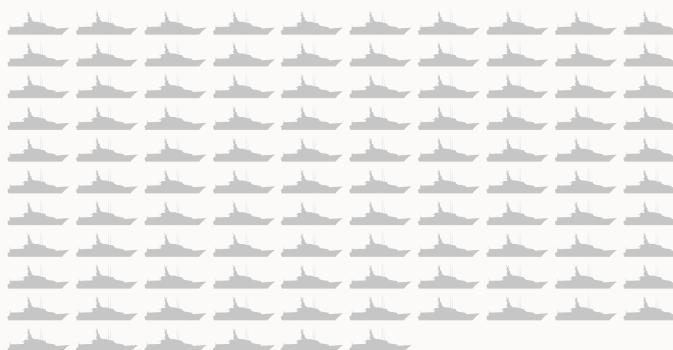
MOTOR YACHTS

17

SAILING YACHTS

Comparing the first half of 2016 to the first half of 2015, we can see that the number of yachts sold has risen by 15%

First half 2015
133 yachts sold (126 MY/7 SY)



SUPERYACHTS

FIRST HALF 2016

6,090m

TOTAL LENGTH OF SUPERYACHTS SOLD

39.5m

AVERAGE LENGTH

FIRST HALF 2015

4,207m

TOTAL LENGTH OF SUPERYACHTS SOLD

40m

AVERAGE LENGTH

MOTOR YACHTS

FIRST HALF 2016

5,437m

TOTAL LENGTH OF MOTOR YACHTS SOLD

39.7m

AVERAGE LENGTH OF MOTOR YACHT SOLD

SAILING YACHTS

FIRST HALF 2016

653m

TOTAL LENGTH OF SAILING YACHTS SOLD

36.3m

AVERAGE LENGTH OF SAILING YACHT SOLD

The brokerage market in 2016 shows an increasing picture of stability

LARGEST YACHTS SOLD, FIRST HALF 2016

Source: Camper & Nicholsons. Asking prices at time of sale.

	MOTOR YACHT	SAILING YACHT
2016	 <p>U77 77m (256'6) Marco \$15,900,000</p>	 <p>Twizzle 57.49m (188'6) Royal Huisman, 2010 €39,750,000</p>
2015	 <p>Serene 133.9m (439'3) Fincantieri, 2011 POA</p>	 <p>Red Dragon 51.7m (169'6) Alloy Yachts, 2008 €17,950,000</p>

Section 2: Yacht sales in value

\$1.525 b

VALUE OF ALL YACHTS SOLD FIRST HALF 2016

The total value of all motor and sailing yachts (30m+) sold in the first half of 2016 was approximately \$1.525 billion, with an average value of approximately \$9.15 million per superyacht.



\$1.4 b

VALUE OF ALL
MOTOR YACHTS SOLD
FIRST HALF 2016



\$125 m

VALUE OF ALL
SAILING YACHTS SOLD
FIRST HALF 2016



\$10.3 m

AVERAGE SELLING PRICE
OF MOTOR YACHT
FIRST HALF 2016



\$7.3 m

AVERAGE SELLING PRICE
OF SAILING YACHT
FIRST HALF 2016

**AVERAGE SELLING PRICE OF SUPERYACHT BY SIZE
FIRST HALF 2016**

Source: Camper & Nicholsons



**AVERAGE SELLING PRICE OF SUPERYACHT BY SIZE
FIRST HALF 2015**

Source: Camper & Nicholsons



Section 3: Yacht sales in size, type and age

SIZE OF SUPERYACHT SOLD, FIRST HALF 2016

Source: Camper & Nicholsons

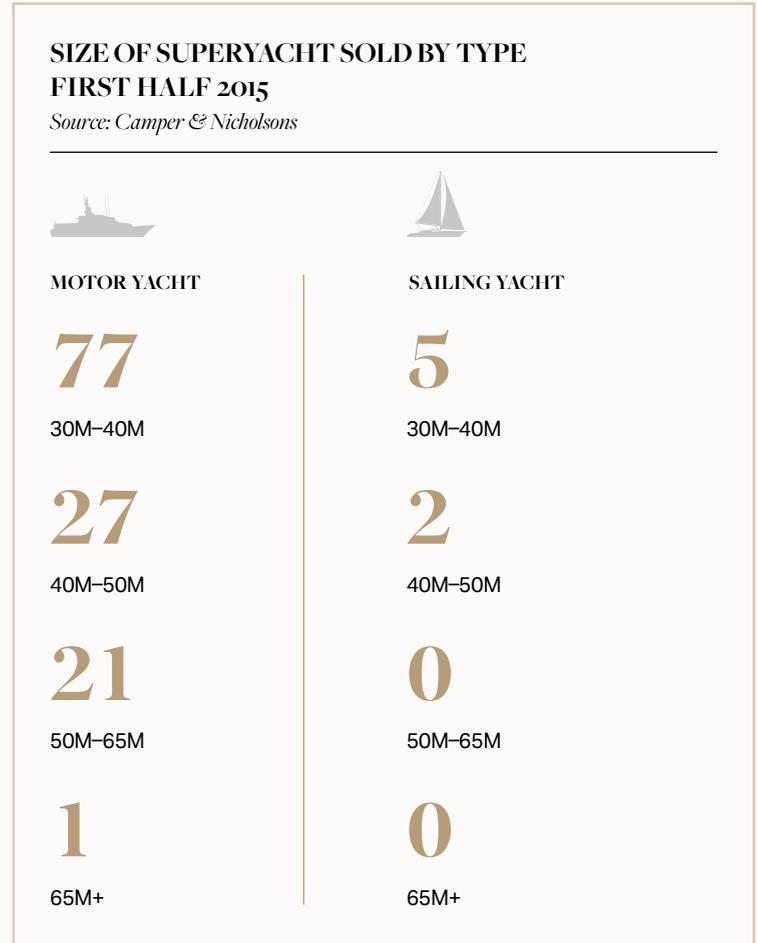
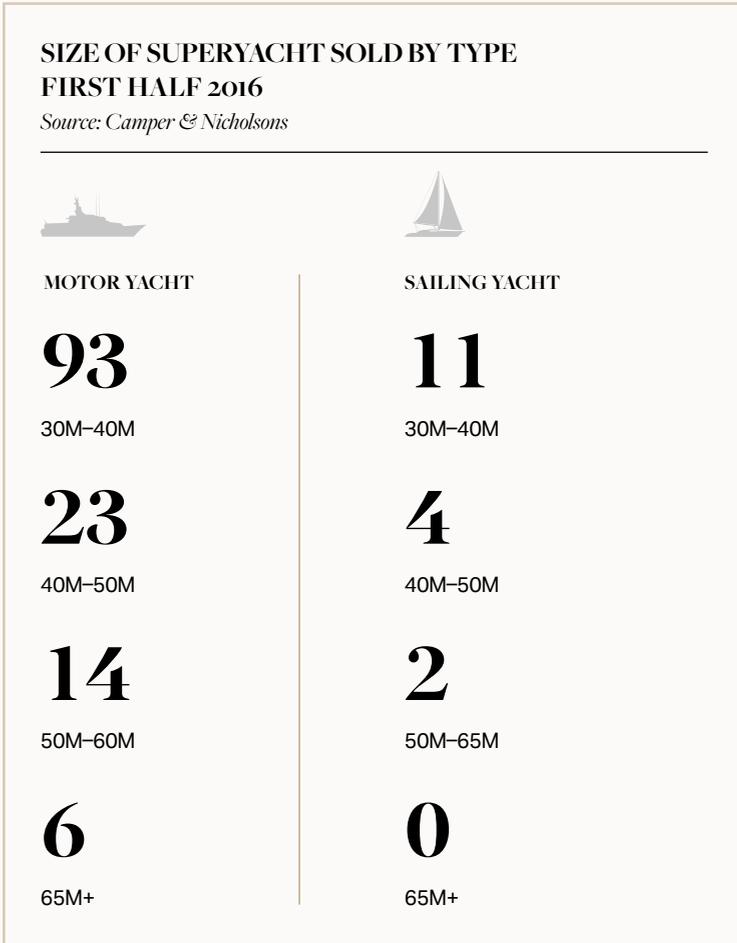


SIZE OF SUPERYACHT SOLD, FIRST HALF 2015

Source: Camper & Nicholsons



The first half of 2016 showed an increase in the sales of yachts in the larger mega yacht segment with 6 sales in the 65m+ size range compared to just 1 sale in the first 6 months of 2015



TYPE OF YACHT SOLD, FIRST HALF 2016

Source: Camper & Nicholsons



The first half of 2016 saw 10 more sailing yachts sold compared to the same period in 2015. Sales for the first half of 2016 were split 89% motor yacht and 11% sailing yacht, while the first half of 2015 this split was 95% motor yacht and only 5% sailing yacht.

Section 4: The brokerage fleet (over 30m)

NEW TO THE MARKET FIRST HALF 2016	BROKERAGE FLEET TODAY	TYPE OF YACHTS	SIZE OF CURRENT FLEET	
319 279 MOTOR YACHTS 40 SAILING YACHTS	994 TOTAL YACHTS	 84.25% MOTOR YACHTS	581 30M-40M	267 40-50M
		 15.75% SAILING YACHTS	106 50M-65M	40 65+

Review: First half 2016

Yacht sales in numbers

The superyacht brokerage market has shown strong signs of recovery over the past few years, with the number of sales in the first half of 2016 looking very healthy compared to the low point of 2009. 153 superyachts over 30 metres have been sold to date in 2016 (January – June), with a length totalling 6,090 metres. Compare this to the 133 superyachts sold during the same period of 2015, with a total length of 4,207 metres, or even compared to the 268 superyachts sold for the whole of 2015, this shows a picture of increasing stability in a landscape reshaped by the Global Financial Crisis.

Yacht sales in value

In the last edition of *The State of Wealth, Luxury and Yachting*, we reported that although the last five years (2011 – 2015) have seen a year on year increase in the average number of yachts sold, the rise in the number of units sold has not resulted in a rise in the total value of superyachts sold, which has decreased. However we also stated that a large proportion of this surprising statistical anomaly related to exchange rates and

in particular the strengthening of the US Dollar over the period in question. During this period the strong US Dollar had made Euro priced yachts worth 17.5% less in 2015 compared to 2011 once the Euro figures were translated into US Dollars. The exchange rate has not fluctuated to such an extent between the first 6 months of 2015 and the first six months of 2016 and the average value of yachts sold remains at a similar level.

Those size and type segments where the average sales value differs significantly are so small in the number of actual sales that it really is down to the individual yacht value. For example, the 65m+ motor yacht average value was \$24,235,812 in the first 6 months of 2016, when we saw 6 sales, while in the first 6 months of 2015 the average was \$54,475,969 but then only one yacht was sold in this size bracket. One of the 6 sales in this size bracket for the first 6 months of 2016 was an older vessel from a lesser known shipyard and the sales value of this one yacht reflects the almost 50% reduction in the average sales value.

**153 superyachts
over 30 metres
sold in the first
half of 2016**

Superyachts sold in the first half of 2016 valued at \$1.525 billion

The 40-50m sailing yacht sector proved the same but with the first 6 months of 2016 seeing the higher average value per sailing yacht at \$27,395,167 compared to an average value of \$7,470,133 in the first 6 months of 2015. Again, when looking at the numbers there were double the number of sailing yachts sold in the first 6 months of 2016 as there were in 2015. However, the number of actual sales was so small that every yacht value significantly impacted the average sales value. It is when you look at the average sales value of the size and type bracket, which sees the most sales (ie motor yachts 30-40m and 40-50m) that you see the average sales value remaining level for both periods.

How fluctuating exchange rates will affect the sales values for the remaining 6 months of 2016 is now the hot question with the Euro strengthening against Sterling post Brexit but further weakening against the US Dollar. The 2017 edition of *The State of Wealth, Luxury and Yachting* will be eagerly anticipated to see how these currency movements affect the superyacht industry.

The total value of all motor and sailing yachts (30m+) sold to date is estimated at \$1.525 billion with an average asking price of \$9.15 million per yacht (figures based on asking price at time of sale). Despite the increase in the number of yachts sold during the first 6 months of 2016 compared to the first 6 months of 2015, the average value of \$9.15 million per superyacht is actually a decrease on the average value of superyacht for the same period of 2015, and is just under one million dollars less than the average value achieved for sales over the whole of 2015, so a significant decrease.

The sailing yacht market

Of the 153 superyachts sold in the first half of 2016, just 17 were sailing yachts with a combined total length of 653 metres giving an average per yacht of 36.3 metres. This is a marked increase on last year, when the entire 12 months of 2015 saw just 19 sailing yachts sold with a total length of 706 metres, and just 7 sailing yachts sold in the same 6-month period. This shows a whopping increase of 143% in the number of sailing yachts sold in the first half of 2016. The sailing yacht market had seen a 45% decrease year on year, while the number of motor yachts sold remained almost the same. The sailing yacht market has always been difficult to predict as the numbers involved are always low, but the increase in sales for the first half of 2016 shows

Sailing yachts *back in vogue*: 2016 saw an increase of 143% in the number of sailing yachts sold

some return to confidence in this market segment. However, sellers would be wise not to get overconfident, since supply still far outweighs demand and the market segment still remains among the most competitive in the industry.

A preview of the remaining 6 months of 2016

The number of yacht sales are up in 2016 compared to 2015, with 153 yachts sold in the first six months of the year compared to 133 in the first half of 2015, a 15% increase. Although still a buyer's market, good value quality yachts are still in high demand and there is a shortage of yachts built between 2010 and 2014 available because of the lower number that were built in these years. Stockmarket confidence and post Brexit economic shocks could still prove an issue in the latter half of the year, but there is certainly an element of "the new normal" in the yachting market's reaction to economic bad news these days. At some point people just want to get on with their lives regardless of the economic news of the day, and the yachting market certainly seems to be reacting less to the economic news cycle than it once did.