

The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



REPORT

TURKEY REPORT

Justin Ratcliffe and Don Hoyt Gorman visit Turkey to uncover the state of the new build market.

Page 29

A TALE OF TWO CATS

The success story of two stop-start builds, *Hemisphere* and *Quintessential*.

Page 53

TAX HAVENS

The future of the world's tax havens and how superyacht purchase and registration may be affected.

Page 63

EDGE OF THE WIND

Don Hoy Gorman considers the leading edge of sailing yachts and mast technology.

Page 89

THE RISE OF THE EAST



With more superyacht clients tiring of the usual run from the Mediterranean to the Caribbean, a number of destinations along the eastern Mediterranean and Adriatic have begun to develop and are wasting no time luring clients away from the same old routine. **Rebecca Taylor** finds out what attracts people to these previously largely undiscovered regions.

After recently spending time in Luštica Bay, Kotor, Budva and Porto Montenegro along the Adriatic, it is interesting to see what has been accomplished in the past few years. Prior to 2007, Montenegro was virtually non-existent as a yachting destination yet it now counts Porto Montenegro and the newest member of Camper & Nicholson's Marinas '1782 Club', Dukley Marina, amongst its options for superyacht clients. "I think in some ways the crisis of 2008 was good for those of us off the beaten track," said Oliver Corlette, managing director at Porto Montenegro. "It provided an opportunity for clients to take stock and reevaluate whether they were getting value for money in their usual spots. Owners were looking for quality services but at a more competitive price, and that's where we saw our market."

advantage of being one of few instead of one of many." Instead of money, today's UHNWIs see time as their most precious commodity. The ability to take time away from the office and capitalise on it is more important to them than any private jet, luxury resort or year-end bonus. They're looking to make the most of what little time is afforded to them, and increasingly, the answers lie east and not west. Kurt Fraser, sales and marketing director at Camper & Nicholson's Marinas, believes it's simply a sign of changing times: "We're in the middle of a cycle where owners and charter guests are interested in something else. If we can provide it, why not?"

Travelling back up the Adriatic to Croatia, the newest ICOMIA Superyacht Refit Group member, NCP-Repair shipyard, is working hard to establish the extensive Croatian coastline as an

"The Adriatic offers guests unspoiled waters, privacy, history and the high-end services that they've come to enjoy, while paying a more competitive price with the added advantage of being one of few instead of one of many."

– Colin Kingsmill, head of sales and marketing, Dukley Marina

Further down the coast at Dukley Marina, Colin Kingsmill, head of sales and marketing, said that they plan to emulate the Med of 40 years ago, but with all of the luxurious amenities today's clients are looking for. "The Adriatic offers guests unspoiled waters, privacy, history and the high-end services that they've come to enjoy, while paying a more competitive price with the added

attraction. Privately owned by Goran Prgin, he and his board members have worked since its privatisation in 2004 to put money back into the local economy and cast their net ever wider across the Med and beyond. Similar to their Adriatic neighbours, it's their price point alongside the quiet bays that helps to sell the area. "We as a region are able to offer the same support and

infrastructures that our clients are used to, but at a cheaper rate than the more established yards along the Med,” Prgin said. [Read the report on NCP in *TSR*, issue 158, page 58.]

Next door, D-Marin Group opened Croatia's first dedicated superyacht marina facility in 2012 and now counts 10 marinas in their portfolio across Turkey, Croatia and Greece. The team is working hard to ensure any transition to new unchartered waters is as smooth as possible. Artun Ertem, regional director and marina manager at Šibenik's D-Marin Mandalina, explained that they are able to offer “a level of security, peace of mind and exclusive customer care to ensure the best possible experience for clients making the leap into our waters”.

Moving south to the Turquoise coast, the Turks have made no secret of their plans to become an emerging superyacht destination. Palmarina Bodrum, purchased by Palmali Holding in 2011 and operating at full capacity for the

first time this summer, has pulled out all the stops to create a new home for the European jetset. Cenk Bircan, the general manager, said that the investor's reasons for making the leap from shipping to marinas was both a personal and professional goal. “Although a lover of the sea and yachting, I saw it as a meeting point for ultra high net worth individuals where you could meet important people and create ideas, collaborations and investments for the future.” These smaller, more intimate locales take on a whole new meaning when you are able to sit and enjoy dinner in a five-star restaurant without the hassle of tourists or prying eyes. “Our goal is to create a diamond in the eastern Med for owners to escape to,” Bircan explained.

What conclusions can we draw from such locations? Do they have the power to lure even the most established Med cruisers away to new waters? Having had quite a taste this summer, I think it is no longer a question of if, but when. Many of

the coastal towns surrounding these new superyacht hubs continue to derive their livelihood from the age-old traditions of farming and fishing, locals aren't quite so jaded by tourism, and there is no mass consumption or inflated tourist seasons to speak of ... yet. However, it is only a matter of time before the secret is out and people start flocking to these eastern hot spots. Until then, make the most of escaping to quieter waters, richer histories and take advantage of being able to converse with the locals who are still happy to slow down and share a bit of their story with you. Life is hectic, but your time on the water doesn't have to be. ■



TO COMMENT ON THIS ARTICLE,
EMAIL: ISSUE159@SUPERYACHTREPORT.COM
WITH SUBJECT: THE RISE OF THE EAST

FOLLOW ME ON TWITTER
[@BECSTAYLORTSG](https://twitter.com/BECSTAYLORTSG)

MHS
MARINE HYDRAULIC SOLUTIONS



GO WITH THE FLOW

Tel: 0034 671 992 469
info@marinehydraulicsolutions.com
WWW.MARINEHYDRAULICSOLUTIONS.COM

BROKERAGE NEWS

The industry awaits the outcome of another busy MYS.
Rebecca Taylor reports.

While this year's Monaco Yacht Show implemented a few changes, including fewer free tickets for exhibitors and an increase in ticket prices, the show remained relatively busy throughout. Brokers on the ground greeted many clients and had no trouble pulling out all the stops to showcase their yachts. However, many brokers are still slightly sceptical of the future and are very careful to maintain a reserved optimism for the sales market.

Traditionally, September is a relatively quiet month for sales while the industry is participating in the Med shows, and buyers are eager to wait to see what offers they can find. As such, the number of price reductions generally increases, while promotions are also put on for potential owners. This year was no different, with only eight sales closed compared with nine in the previous two years. Jonathan Beckett, CEO, Burgess, commented that brokers have had to double their efforts: "In the last five years,

we've worked twice as hard and have at least managed to stand still – we maybe haven't moved forward, but that also means we haven't gone backward."

Kevin Bonnie, the managing director of International Yacht Collection, believes the European market may still take a few years to recover properly. This year certainly saw the American market improve, with the stock market gaining momentum. "The US economy is recovering well, with strong demand, but the European economy doesn't seem to be based on high taxation, which is hurting the once strong, smaller to mid-range market. I think as a result, this market and the European economy may take years to recover," Bonnie commented. He said that IYC had sold more yachts in Q2 of this year than the previous eight, which is encouraging for the global market as a whole.

An increasing trend seen throughout the summer has been the stalling of price reductions. Many brokers are seeing

this firming on price as the final end to constant reductions. "We've seen an uptick in good quality enquiries, with more yachts being bought off the market. A lack of stock on offer has led to a firming up of current prices and limited the number of discounts being made," said Mike Newton-Woof, managing director at Ventura Yachts. While the month was generally quiet, there is still time for the market to improve year on year, and it is this next and final quarter that determines whether 2014 will be deemed a success or not. ■



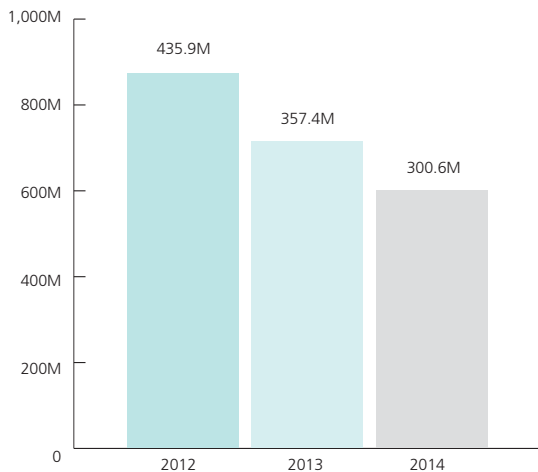
PLEASE KEEP US UPDATED WITH ALL BROKERAGE AND FLEET NEWS AT NEWSDESK@SUPERYACHTREPORT.COM

FLEET UPDATE

Recent launches

Name/Hull Number	LOA	Type	Yard	Launch date
<i>Comanche</i>	30.48m	S/Y	Hodgdon Yachts	Sep-14
AZ100 Grande	30.80m	M/Y	Azimut	Sep-14
Hatteras 100 RPH/2	31.09m	M/Y	Hatteras Yachts	Sep-14
BK002	32.98m	M/Y	Benetti	Sep-14
<i>Paradise</i>	33.53m	M/Y	Horizon	Oct-14
<i>Alive I 17042</i>	42.40m	M/Y	Heesen Yachts	Sep-14
<i>Alfulk</i>	49.90m	M/Y	Bilgin	Sep-14

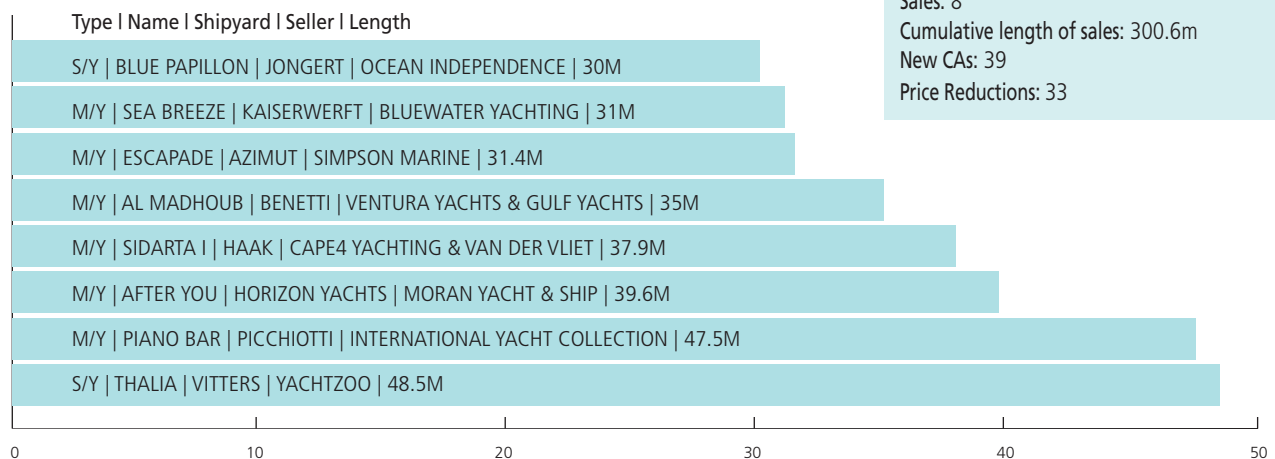
COMPARISON OF SALES BY CUMULATIVE LENGTH – SEPTEMBER 2012, 2013 & 2014



COMPARISON OF SALES, NEW CAS & PRICE REDUCTIONS – SEPTEMBER 2012, 2013 & 2014



SALES – SEPTEMBER 2014 (IN METRES)



ACTIVITY SUMMARY SEPTEMBER 2014

Sales: 8
 Cumulative length of sales: 300.6m
 New CAs: 39
 Price Reductions: 33

**INVESTING IN
 THE ORIGINAL
 PAYS OFF**

jetsgroup.com

