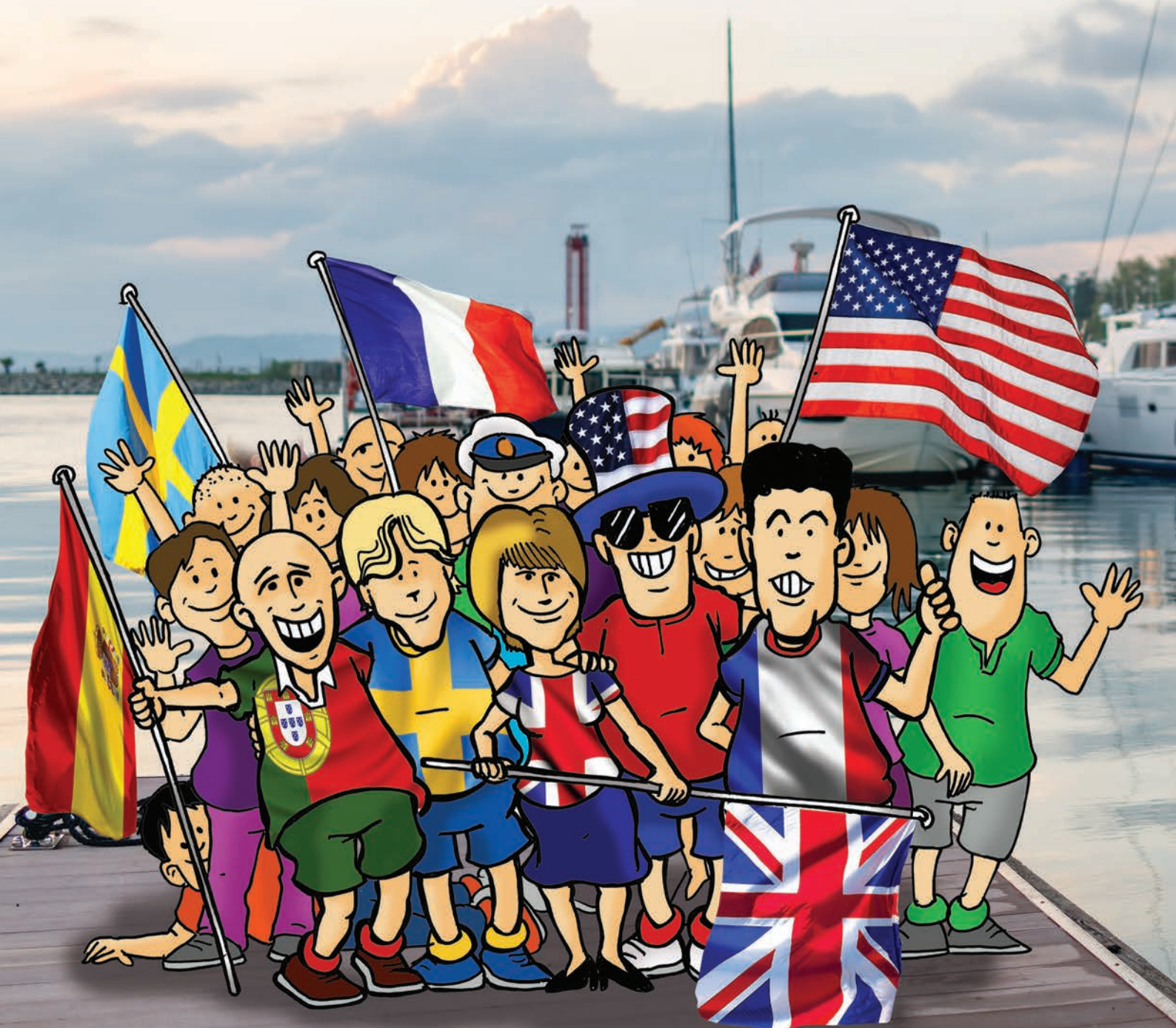


Annual review of the yacht sales market and predictions of important trends and changes to come

# THE MARKET REPORT



**BERTHON**  
INTERNATIONAL

# THE MARKET REPORT 2020

BY SUE GRANT

2019 really was THE year that was! Here in the UK we were spellbound (or rather watched with morbid fascination) by the total inability of our ruling classes to decide on the future of the UK. Now, at last, a bruising election later, we have clarity on the B word that is too often spoken, and some measure of stability for the next period, once the dreaded C word ceases to hog headlines.

Of course, we work internationally and things have been just as exciting elsewhere with the USA limbering up for a presidential election, impeachment hearings ancient history and bad tempered arguments with China and others. Huge political instability in the Middle East, a new (or not so new) administration in India, and bad economic and social economic news and rumblings coming out of Europe now pale into insignificance as matters turn to health. Throughout the planet there have been reports of bad behaviour and worse, but now that countries and continents are banning movement, a whole other scenario beckons.

Aside from the man made dramas, we have had floods, fires, hurricanes and more. A courageous 12 year old has also been calling us all to account – and so the world turns.

All these events have made for a difficult year and a reset of many preconceived ideas. However, I can report that despite all this, our client base have continued to get out on the water and to enjoy waters both local and far flung. Passage planning for the Berthon Sales Division has been a question of keeping a steady course, which has yielded a great financial result with our newest office Berthon Spain putting in a stellar first year. Also, a great year for Berthon USA, and work to expand the French office to take advantage of the new business opportunity that the

Pearl Yachts dealership brings. The new launch Pearl 62 at Düsseldorf this year was built for a Berthon UK client, and we delivered a Solaris 44 in 2019 and have a 64 launching this summer. Windy continues to shine, with Berthon selling around 20% of their production in 2019 and sales in the USA have seen 2 Moody 54s make their home in the lovely waters of the Newport area last year. With 2 amphibious Iguanas delivered for superyacht use in 2019, we are looking forward to seeing the first Iguana RIB roaring around in the Solent in 2020 – the first of many, we think.

Recently announced is a further addition to the Berthon family, with a new office on the Island of Orust in Sweden. Magnus Kullberg of XLNT Yachting has been known to Berthon for many years and we are delighted that XLNT becomes Berthon Scandinavia. Magnus and his team share the same values and teamwork ethics as the rest of us, and are committed to providing an excellent service. Our satellite sales operations worldwide are excited about this new office and look forward to working with Magnus to find new owners for some of his listings which spend their winters stored under cover and summers in the pretty waters of Orust, extending his reach to help more of his clients realise their wish to purchase larger yachts internationally for use either in local waters or in the warm climes of the Mediterranean or further afield.

As in previous years, we have had to

work hard to find and sell pre-owned yachts of good quality. Pricing and good information delivery remains as important as ever, and to manage this correctly it is key to understand, that like the political and economic changes we are seeing, yachting is also changing, and we have to be realistic about the fact that old yachts with old kit and old design, have never been more difficult to sell. The first cut is always the kindest and yachts that are challenging to sell need to be priced accordingly and need to be imaginatively marketed. A good broker needs to ask who is going to buy this yacht – rather than just putting her onto the web and hoping for the best.

Ironically, as technology marches and we are ever more dependent on our tablets and the like, seeing and assessing yachts live has never been more important. It is a saying at Berthon that when a potential buyer asks if you have seen a yacht that you are marketing – there is only one correct answer (except in extraordinary circumstances) and that is of course – yes. Therefore, in an age where air miles are counted, Berthon brokers in all the offices, spend a lot of time going to see the yachts that we are selling, until the C word arrived, that is! Of course these days, not only can we familiarise ourselves with the yacht and compile a specification, we can also make magic with a Go Pro.....Now essential, video of our yachts is increasingly becoming a key part of our marketing armoury. In this we are massively assisted by Harry our full

time videographer, who edits our efforts and produces these important little films all of which are posted to our YouTube Channel and embedded in all our on line offerings. So important is this aspect of a Berthon Brokers' job that video is now sent to Harry from all our offices for production in the UK.

Berthon Spain is growing at a rapid rate. With a strong and enthusiastic young team headed up by Andrew Fairbrass, the number of yachts under guardiennage is growing as well as the refit capability of the engineering and shipwright teams. We can locate berths in Palma, store dinghies and kit and offer advice and help on all aspects of yachting in the Balearics and beyond.

With a strong US\$ and enthusiasm for yachting, American yachtsmen were spending last year. Our local USA market prefers smaller yachts suitable for East Coast waters, either motor or sail with moderate draft and easy systems. Bluewater cruising is however, very popular, and American yachties are travelling to Europe, the Pacific and further for their yachting. We are proud of the service that we are able to offer to them with a local office in Newport, Rhode Island that means that they have a Berthon broker on hand to help them navigate through the process in their time zone, send money to a USA account and use an American contract for international purchases.

Because we work as one team, we help one another and do not compete; therefore, our clients wherever in the world they are, can be sure that the whole Berthon team is there for them to assist in their sale or purchase.

Berthon France is in God's own playground and in 2019 was busy with Windy and the gear up for the sales of Pearl Yachts. With a Pearl 80 and a Pearl 95 at the Cannes Boat Show, it was a great start and we are looking forward to working with Eduard Brinzei who joined Bruno and Isabelle in January to strengthen the Berthon France team at a very important time for its development.

GDPR is but a memory (although the protocols remain!) and we cleared the IPV (Safety at Sea) hurdle in 2019 too without incident. Again, more paperwork but mostly good common sense. I am pleased to write that so far there are no other regulation hairy mammoths on the horizon for 2020, although of course we will not be surprised to see something very large, flat footed and furry hove into view in the company from a man from some Ministry or other! What about the B word and VAT you might ask; be patient and please read on!

On new yacht sales, we are so fortunate to work with a great bunch of people building outstanding yachts of very differing types, styles and sizes from across Europe and further. They all have one thing in common, which is that they share our values of quality and service. All the yachts that they produce are of course also, incredibly cool! This is from Windy with their astonishing sports boats, epic SR range and superyacht tenders, to Pearl with their world class flybridge motor yachts from 62 to 95 feet with lovely Kelly Hoppen interiors, to Iguana with their super smart amphibious boats. For the sailing fleet we have Solaris whose range of Soto fast, comfortable cruising yachts from 40 to 80 feet are selling like hot cakes, to Moody with their Judel Vrolijk handsome looks and great innards, to Rustler who are British yacht building aristocracy. Thanks to them all for building truly great yachts, and for being Berthon extended family.

Although Boat Shows are everywhere we choose carefully, attending shows in all the major centres from Düsseldorf to Cannes, to Annapolis, Southampton and Gottenberg along with the smaller local editions. The delayed Palma Superyacht Show is another great event and we will look forward to seeing you there with a number of Berthon yachts including the largest FPB on the planet, ICEBERG.

Talking of FPB, we continue to work with Steve and Linda Dashew, who, though now retired, are a mine of information about the yachts that they designed over the years, working with us to provide the

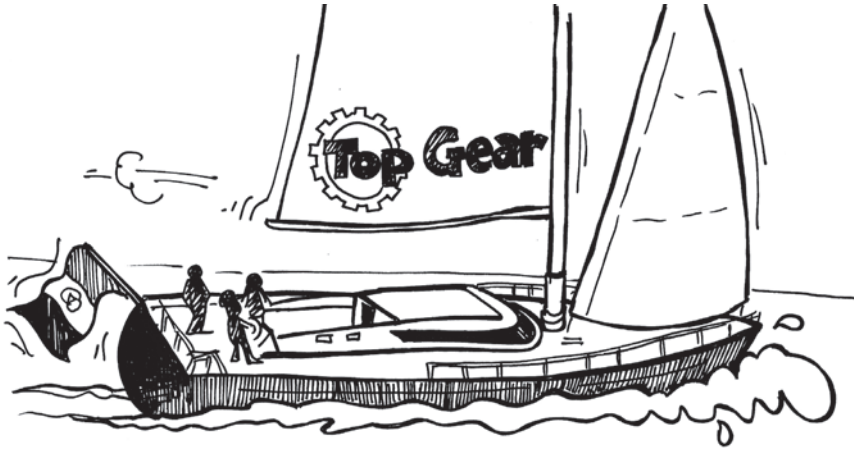
best possible brokerage service for the special yachts (both sail and power) that they have designed.

Of course, VAT is a burning issue particularly in the UK where Brexit may free UK nationals from the need to pay this in Europe. Expert, Simon Anslow, writes for us in this issue. Although, I think that I have been remarkably restrained in avoiding too much mention of the Brexit word in this review, the Berthon take on this and what it may mean for our industry in 2020 is found further on in this publication.

Saving the planet is something that we all care about and this is informing both yacht design and how we use our yachts and where. We are seeing more people looking at yachts that are capable of serious sailing, not just for personal use but also for research purposes so that we can catalogue, understand and help our planet. Others are gathering the gallons of plastic that infest our seas. This is a growing trend and projects like SONG OF THE WHALE have enormous relevance for all our futures and deserve our support.

So despite parliamentary prorogues, elections, and yet more tweets from Mr Trump, the good ship Berthon sails on into 2020, cautiously reefed to the hilt in order to weather the C storm, but nevertheless with some optimism that only a company that has existed for 143 years and with no debt can do. This new year brings more unknown hazards and challenges than even the oldest of us have witnessed but carrying on is essentially what we do best with the same excellent crew with some new and enthusiastic recruits whom we are delighted to welcome. Whatever the outcome for the first year of this new decade, we will be here and looking forward to working with you on your yachting projects. We will continue to tell it how it is, to work hard to provide the best service possible and to be on hand to help with the execution of project yachting for you.

*With fair winds from us all.*



*Having it all – p6*



*Hot property – p13*

## 6 FROM THE FLIGHT DECKS

As 2020 dawns, it is time for the Berthon Team to get busy with their reports of the year that was in 2019. With the differing specialisms at Berthon – motor, sail, performance, new yacht sales, and a team now stretching across 2 continents, the flight deck section is expanding! Whilst the Berthon service is constant and the Berthon family work together closely, each member of the team has their own challenges. They share with you tales of their tribulations and successes over the past year and tell you about the trends as they see them in their part of the market.

## 18 VAT vs. BREXIT

Knowing what will happen with VAT on the 1st January 2021 when the UK's transition arrangement with the EU expires is a burning issue. A complicated subject around how the VAT status of yachts will change on the UK's exit from the UK for both UK and EU yachts. To add some clarity, we brought in the big guns to give us the answers – Simon Anslow of PFK Francis Clark writes for us [www.pkf-francisclark.co.uk/your-experts/simon-anslow/](http://www.pkf-francisclark.co.uk/your-experts/simon-anslow/)

## 20 BREXIT AND GETTING ON WITH LIFE...

Like a particularly long running soap opera, the winding narrative around the Brexit saga finally came to an end in January this year when the UK exited the EU. We take a light hearted look at what this might mean for us all whether in the UK, Europe or internationally. With offices in France and Spain, we are closely linked with Europe and consider ourselves thoroughly European and maybe a little American too, courtesy of our lovely office in Newport, Rhode Island.

## 22 THE BERTHON COOL BOARD

Yachting is a diverse and fascinating subject. As yachting anoraks the Berthon team watch avidly for new developments through the year, and our favourites for 2019 are showcased here.

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Solaris – p16

*Little ship UK negotiates a totally new cruising ground – p20*

## 24 SAVING THE PLANET AND YACHTING

In all parts of life, there is a genuine wish and will to be kinder to our planet and in yachting the same wish is very much at the fore. From cleaning up our oceans, to solar array and electric drive to finding more friendly ways of refitting yachts, there is a lot going on. We talk about some of the new initiatives that are being introduced in real time.

## 28 BUYING A NEW YACHT – SOME OF THE PITFALLS, ALONG WITH THE FUN

Buying a new yacht really is the ultimate prize. Your personal yacht, un-used by anyone else, built to your specific wish, the ultimate in magic carpet material. Yachts are a very high cost product, manufactured and sold in many cases by smaller companies with superb craftsmen but operating in an environment where there is little margin for financial error. We step through the risks and what steps you can take to mitigate them.

## 26 OUR OLD FRIEND CURRENCY

Like a cracked record, no Berthon Market Report would be complete without mention of currency as its ebb and flow from sterling to euro to dollar of whatever hue, is a fundamental factor in determining yacht price. Living closely as we do with Mr Google, yacht buyers are able to quickly find those yachts in a class whose pricing is super attractive because they are priced in a currency that is weakening. We give our Uncle Currency an airing.

## 30 THE 2020 BERTHON FORECAST

It is our custom to have a go at crystal ball gazing of the trends and what might happen in 2020. We are awful at predicting weather but we do opine this year about the VAT treatment of yachts post Brexit, the performance yacht market and who will be buying in 2020.

**Editor's Note:** *much of the 2020 Berthon Market Report was written before the Covid 19 crisis gathered momentum. We decided to continue with this publication, just updated slightly. Of course we cannot know the impact of this crisis on all aspects of life going forward not just yachting, so we will not guess. We ask you all to stay safe, keep well and we hope that you will enjoy these jottings.*

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# Flight Deck Reports

## Sailing Yacht Review

By Alan McIlroy

2019 was certainly a turbulent year, Brexit being the subject on many yachtsmen's lips. It was a worrying time for yacht owners with a number of false deadlines regarding the positioning of their yacht and VAT but these came and went and hopefully in the coming year, a clearer path will emerge. For the ever topical subject of VAT status see the article on page 18. I take the view that Brexit will present as many opportunities as it will challenges and here at Berthon we will remain light on our feet and react accordingly, advising our clients, whether buying or selling, along the way.

The cruising yacht desks here at Berthon had another good year despite the uncertainty of the market and the economy in general. The appetite for bluewater cruising remains as healthy as ever, and, according to the world cruising figures (ARC), is increasing in popularity.

One trend I mentioned last year I see set to continue is the desire for increased performance. There have been huge advances in the racing sector with monohulls now reaching speeds that

previously were the sole territory of the multihull. While I don't expect to see foils on a cruising yacht any time soon, cruising sailors are definitely moving away from classic bluewater heavy displacement hulls in search of both faster passage times and sailing that puts a smile on your face. Moving to more modern hulls doesn't mean sacrificing quality. We see this with brands like Solaris. A modern hull form with beam lead aft, soft chines, more volume and the dreadnought bow offers more comfort and speed both on and off the wind.

### Summarising the year:

- Fewer yachts are coming to the market and reasons behind this include depleted stock in recent years, less new yachts coming to the market as owners hold on to their yachts for longer.
- Residual values for popular well-presented yachts doing well with a notable number achieving quick sales at close to asking sale prices – having priced her correctly in the first place.
- Tenacious buyers are willing to jump on the plane for the right yacht at the right price.
- Buyers becoming more open to buying and refitting to suit their

purposes; in the absence of an off the shelf solution, purchasers are focusing on finding the right yacht and then refit to upgrade and adapt to fit their needs.

I think we have all accepted (even a curmudgeonly Luddite like myself) that the internet and all that it represents is an invaluable tool for us and the primary resource for our buying clients. Backed by our capable in house team (Lawrence, Harry and Isabel) Berthon International continues to develop and employ all the platforms available to us; Facebook, Twitter, Instagram, LinkedIn. Subscribers on our YouTube channel recently topped 10,000 with over 1 million minutes watched. Video walk-throughs in particular are fantastic for promoting a yacht and also provide buyers with a clear, visual idea of the yacht's specifications.

So with 2019 behind us we look forward to the challenges of 2020.



*'Curmudgeonly luddite some might say'*

### A footnote from Sophie Kemp

What a year 2019 has been! The end of the second decade since the millennium and a year dominated by Trump, Greta and Brexit. However, most importantly I married and changed my name from Higgs to Kemp. We of course came from the church down to Berthon, I leapt over the guard wires of my husband's Archambalt 31' and we cruised down the river Lym to the Royal Lymington Yacht Club. Our honeymoon was meant to be a nice week sailing to the Channel Islands but of course, in true British Summer style a nice low appeared and we opted for a French road trip instead. So it is safe to say my life is full of sailing (weather permitting) whether at work or in my spare time!

Our course getting married was certainly a highlight of my year but I must remember I am here to talk about selling

yachts and not just sailing them. 2019 has been a more challenging year for me and I do feel this has been caused by the uncertainties that have been felt in the World. Some have kept calm and carried on but for others it has prevented a change of yacht. The average length of yacht I sold in 2019 dropped by a couple of feet, however I managed to sell exactly the same number of yachts as 2018. Of course I am aiming for more in 2020.

In 2019 I was also handed the baton of organising the annual Bluewater Weekend which we run here on site with the World Cruising Club. It was a great success and I spoke about the buying process and hopefully gave some helpful pointers to the delegates about what to look for when on the hunt for your future yacht. The weekend dates are now under review for obvious reasons, so we will advise on

future dates when life is a little clearer.

Even more exciting news for 2020 is being appointed the multihull desk. It is a growing market as can certainly be seen from the start of the ARC with a record number taking part. I have been sunny sailing on board a few catamarans in the Caribbean and I thoroughly enjoyed sitting at anchor watching the monohulls rolling in the swell; and all the while, my dark and stormy hadn't even listed. Multihulls provide a huge amount of space in almost half the overall length of their single hulled compatriots. Demand is high and it is exciting to see new models popping up monthly, as builders take advantage of this new avenue in our sport. Please watch this space and I will be working hard to ensure that 2020 is a multihull filled year!

## Motor Yacht Review

By Hugh Rayner

2019 was by all accounts an exciting time with the backdrop of Brexit putting the dampeners on buying plans for some, but also reinforcing other purchasers' decisions to get on with their plans. A resounding election result and clear passage plan ahead have further settled the market, with far greater economic confidence, but there are still many questions to be dealt with surrounding the complexities of VAT, location and how these will affect ownership choices for the cruising motor-yachter. There is much rumour and speculation on the Continent regarding tax status, but this will settle with time as the UK's exit actually happens. At Berthon, we are singular in being able to offer a secure Customs Warehouse facility for the marketing of ex-VAT vessels in conjunction with HMRC, enabling vendors to market to ex-EU and EU nationals alike; this offers purchasers the potential to either account for VAT and enter the EU, or the opportunity to export correctly out of the EU zero-rated. Currently we have one motor-yacht using this stringently-controlled facility, having just completed the sale of another, with another entry planned for the coming months. It is an extremely useful weapon to have in our armoury.

With our listings being spread out from the UK, across the Mediterranean (from Malta to the South of France and the Balearics), there has been a lot of travel for filming, viewings and trials – and with a camera, phone and laptop, there is not much that cannot be achieved to provide excellent marketing material. Like 2018, we have been taking more video, with one of our yachts in the Mediterranean sold to a buyer from Canada who hadn't stepped on the yacht until the morning of the trial! And yes – it ended brilliantly, with a year or so of keeping in touch and transatlantic phone calls getting a great result all round. Only this morning, as I write, we have had 2 enquiries on a 21m yacht in Ancona, and a 16m yacht in Olbia – so the brand remains strong and we have the experience to distance-sell such listings. As many yacht owners

know, price is super-sensitive, condition is key and good provenance and history are elemental to a successful brokerage transaction.

So – what has been hot this year? Well, just like the weather it has been a very mixed bag. Completions have stretched right across the size and type ranges – from palatial older Hatteras Yachts (you'd be pressed to find a better mix of massive build, good value and extraordinary volume), to sharp, clean sea-going craft from the Aquastar (the awesome 57' – a truly fabulous sea-boat, and oh so comfortable), Hardy (2 x 42's and a 36'!), Clipper (the 60' is an epic passage-maker) and Seaward (the 25' – still the pocket cruiser of choice) in the semi-displacement stable. 25% of our sales were of this ilk; our familiar Windy range of Scandinavian sports cruisers featured heavily with sales in the Channel Islands, Ireland and the Mediterranean all from our Lymington hub. In fact we recorded exactly the same number of Windys sold as 2018, with most of their owners moving up and down through the range to newer sisters. Our reach included shipped yachts from the UK to Florida, new listings from Sweden, mainland Spain and the Balearics – where we now have increasingly effective teamwork with our new colleagues at Berthon Spain & Berthon Scandinavia, both providing a super-useful one-stop-shop for sourcing berths, maintenance and just getting things done.

We have also been helping our friends at Solaris as they launched a brand new range of powerboats into the market, in a collaborative project between Solaris' Performance Boats shipyard in Forlì, Victory Design and Norberto Ferretti (yes, he, the legend, ex of Ferretti Yachts!). The yard's credentials of working with client customisation allow a much higher level of input from the owner, and their technical ability shows through in superb engine rooms and neat finishing. These do not profess to be mass market – but are stunning jewel-like creations, with the 48 Open having just won her class in the European Power Boat of the Year 2020 Awards. Berthon have always championed the tough seagoing design of the American Lobster boat – much beloved of the 1930's US aristocracy –

and this all-new line-up from 48' - 80' combines Italian design flair with US bow flare, phenomenal flat-running heavy-weather ability and lean IPS fuel burn.

In the wider market, there has been much development around efficiency, with new takes on hull forms, and the further take-up of the slippery Fast Displacement Hull Form into production models – whereby a round-bilged canoe body does not plane conventionally, creating far less wake and improving performance by a claimed 15%, enabling smaller propulsion units to be fitted. A proliferation of outboard-powered options is now offered on classically inboard-powered craft (from Maine's Downeaster Back Cove range to Windy's 44' Blackhawk), and Boot Düsseldorf 2020's halls featured many smaller manufacturers using electric, hybrid, fuel cell and solar propulsion systems. As yet, foiling has remained a conceptual side line in powerboating, although anyone buzzed by the Ineos Team GB's AC boat BRITANNIA in the Solent prior to their departure to Cagliari knows that this will be coming at some point.

Marketing, pricing and presentation will remain the key elements that dictate whether a yacht sells quickly or not, and if 2019 is a barometer – then brokerage actual selling prices will remain resilient, with slim margins for negotiation on well-maintained examples, subject of course to the disruption created by the Coronavirus. Although listings are fewer on the ground in the market generally, with buyers and sellers putting their trust in brokers with sound knowledge and reliable operating systems, Berthon's investment in rigorous systems to ensure compliance with GDPR and general client security, are appreciated and provide a safe haven. Our satellite offices and collaboration with some 60 brokers elsewhere around the world, shows we are committed to excellent marketing. Our debt-free status also helps during difficult periods. 2020 is already presenting a period of flux, and thus opportunity, but with a number of completions already in this year, it is going to be another busy one!



## Performance Yacht Review

By Ben Cooper

Sunday evenings have returned to bliss – Top Gear is back. New presenters, fun stunts and watchability that is unparalleled on the other channels. Probably the only programme the whole family will watch together.

I had a moment during a recent episode (sorry Ed. I am always the last to file the Market Report) when a question was posed during a test of the new Porsche electric family saloon: “Can you really now have it all?”

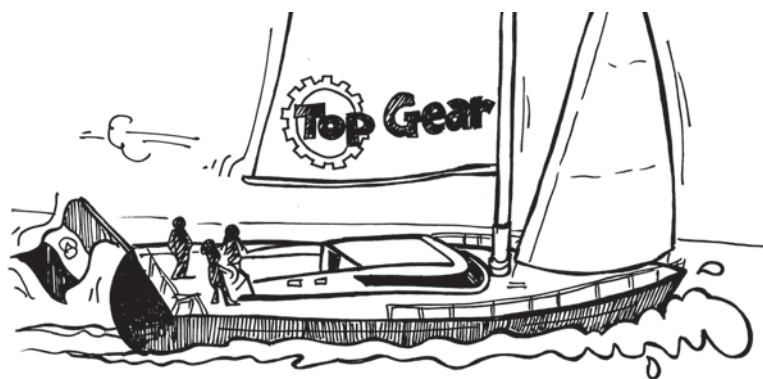
This car was fast, really very fast. Faster than most supercars. Faster than a space rocket (perhaps over-zealous presenting). It had 4 comfortable seats. It had luggage room. It was relaxed around corners and the only thing it could not do perfectly was go off road.

That got me thinking. What if it could...? A quick swipe up, across and tap and I had the answer – there are a new breed of cars that can do all of this. Perhaps not quite as supersonic, but can be beasts on the road, capable off road, and still take the family on holiday very comfortably.

Just like my cat Monty, who sleeps with one eye open and one ear up, I have part of my brain permanently wired to yachts and ultimately began to draw parallels.

Performance cruising is not a new genre. Shipman et al invented this a while ago using form stability, carbon masts and rigging to lighten the load, increased righting moment and gave much more volume below. Much as Audi did about the same time with the incredible RS6. Comfortable and fast.

One area of the market though, as per the aforementioned Porsche, that was always reluctant to join the bandwagon were the off roaders – the bluewater sailors who were the lovers of Oyster, Discovery, Hallberg Rassy, Najad et al. In the past manufacturers have tended to keep their offerings for Performance cruising to coastal sailing spec. Open deck layouts, flush decks with the sleek and racy image.



‘Having it all’

However, recently some manufacturers have twigged that a combination of performance and comfort with careful design can cater for this market. A stroll around Boot Düsseldorf made the Solaris 64' jump out as a very capable offshore cruising yacht, with ample deck space for coastal lounging, yet with performance vital statistics married into a very safe and secure cockpit with sensible sail handling for shorthanded offshore sailing. Solaris had a huge amount of interest in the larger yachts at the show, and more interestingly, for bluewater use.

There are others as well, and the Advanced Yachts 80' I recently sold has a similar philosophy racking up more bluewater miles than you could imagine, without any issues whatsoever: quite an achievement.

Looking into the crystal ball I am eagerly waiting for the first manufacturer to produce a serious scow hull form for cruising. This is the direction the serious offshore racing yachts have suddenly headed off into and it is proving to be hugely successful.

It makes a huge amount of sense. Large volume, righting moment, stability and performance. But it will have to overcome aesthetic prejudice which will take a year or two, yet. I could insert a motoring parallel, but there are so many.

In the racing world, we are seeing a rather interesting change in the market, or rather in the way yachts are being bought by owners.

Since the rise of the internet, and instant information, buyers are more involved and informed when making a purchase or enquiry. It is natural and there is a huge amount of information out there. Buyers also generally have a trusted cohort, who

will all have an opinion and advice.

However, over the past 2 or 3 years, I have seen a change that buyers are more interested to be involved with the detail directly and understand yachts and the wider market in much more detail. There has been a slow reduction in stock over the past 5 – 8 years for 40ft+ racing yachts and care is taken from buyers to understand what the potential is for a yacht as well as its track record.

As a broker I have to keep on the front face of this new trend, to a more in-depth level to help through the buying process. It is comforting to know that the majority of sales are of yachts that are not the original enquiry. Also to see any potential for yachts that may have not been successful on a grand prix level, but would shine offshore, or in club racing, or perhaps she is ripe for optimisation and offers potential at a lower cost. Obversely, the level of premium to be paid for a top level yacht.

The market continues to move and foiling will be the next big thing but costs need to come down and designs easier to use. The dreaded Brexit has not dampened spirits yet but travel bans will cut short the upcoming season. For UK yachtsmen, there is potentially a very good opportunity to sail VAT free in Europe on a TA, leave for the Caribbean before 18 months are up and return once again.

I think the next few years will steady down, supply is a small issue as less yachts have been built over the last 10 years than the previous by a long way, but that will pick up and secondhand racing yachts if well maintained and kept competitive will not depreciate too badly. A bit like the classic car market, but that is a different story....

## The Windy UK and Pearl Yachts Review

By Ben Toogood

### Pearl UK

We have enjoyed another positive and exciting season working with Pearl Yachts in both the UK and France. The yard continues to reinforce their position in the market as a quality, low volume builder with exceptional client service. This is backed up with an industry leading 5-year warranty, offered as standard on all new builds.

The deliberate positioning of Pearl as a “low volume, high quality builder” allows more flexibility for client customisation, more personal interaction and first class after sales. As a result the brand enjoys strong residual values due to limited supply and strong demand.



We attended our first Southampton Boat Show with Pearl in 2019 with the Pearl Yachts 80', which proved a real star. She is one of the only yachts in class to offer a versatile garage and hydraulic platform arrangement, allowing for stowage of both a tender and ski without the need for fiddly flybridge cranes. In addition, there are 4 luxurious guest cabins (including a vast full beam owner's suite), clever off-set VIP and twin guest cabins, which convert to doubles. The interior was finished in the Kelly Hoppen luxury scheme and is specified with a custom saloon arrangement, dining table and modified forward saloon sofa. To top it all, we have received excellent feedback on the yacht's high technical specification, especially in comparison to her competitors.

The Pearl 62' made her world debut at Boot Düsseldorf in January, with orders already secured for UK delivery in 2020. The 62' is one of the only yachts in class to offer 4 spacious cabins, including a full beam owner's suite with dedicated access.

She has a new “modern” interior from Kelly Hoppen (other schemes available) and choice of ski garage or crew cabin. The 62' is powered by Volvo IPS with the option of DPS, which automatically holds the yacht's position and heading. The IPS system offers improvements in economy, vibration and noise levels over traditional shaft drives.

We have seen strong interest in the Pearl 95', which was awarded the accolade of best interior design at the 2019 International Yacht and Aviation awards. The 95' comes with a full beam owners' suite on the main deck with a choice of 3 or 4 cabins on the lower deck. She has a foredeck sun lounge area, expansive flybridge and beach club.

### Windy UK

We have seen a strong and exciting year for Windy in the UK.

The 2019 season was a great year for the 31' Zonda with 4 delivered and numerous clients choosing to upgrade from the 29' Coho. When compared with the 29', the 31' offers the benefits of her additional hull length and a long list of extra features which make adventures further afield and extended stays more comfortable. These boats have all stayed in the UK and have been delivered to clients in both the Solent and Poole Harbour.

The 39' Camira continues to be popular, and has very few direct competitors. She offers an up-scaled version of the 31' Zonda hull and is remarkably capable off-shore. It has an expansive cockpit, 2 proper cabins, glass hatchway door and tender garage. The versatile canopy set up easily protects the cockpit and can be converted to a bimini for sun protection, making the 39' equally well suited to the UK or the Mediterranean.

We delivered a brace of Windy 27' Solano to clients in the UK with the Volvo D4-300 and V8-350 engines and a 29 Coho GT with the new D6-440 DPI engine. The

29'GT was a hot boat at Southampton Boat Show in September with several orders placed for 2020 delivery.

Also sold in 2019, was a Windy 46' Chinook to a long term client, who now keeps the yacht in North Wales. Two days after handover, the client was able to fulfil a long term aspiration of visiting the Scilly Isles by sea from Lymington without issue, which is real testament to the quality of build from Windy in Sweden.

In Cannes the 27' Solano RS was launched together with the new highly anticipated SR44' Blackhawk, which draws on the success of the Windy SR52' Blackbird. The focus of this new model has been to offer un-paralleled performance, sea keeping, build quality and range. She will be offered with a wide range of customisation programmes and new level luxurious finish. The SR44' is equally well suited to day boat, superyacht tender and chase boat applications.

The new Windy 37' Shamal was launched at Boot Düsseldorf and has already proven highly successful with availability quickly sold out for the 2020 summer season. The 37' is the first production collaboration between Windy and the

renowned superyacht designer Espen Oeino, who has worked closely with Windy on a number of superyacht projects. She embodies the Windy's DNA and sets a new benchmark for future development with retro-modern styling inspired by Windy models of the 60-70's and more recent, discontinued models such as the Windy 35' Khamsin which were extremely popular.

The Shamal is available with a range of powerful engine options including the new twin Volvo D6-440 DPI engines, which can be supplied with a host of intuitive Volvo EVC features, including the DPS (station hold feature). Her aggressive hull will of course offer impeccable sea keeping and a refined and responsive on-water experience. Production is sold out for 2020 so call me to discuss your 2021 order.

The Windy 32' Grand Zonda was also launched at Boot Düsseldorf offering a face lift and design update on the ever popular 31' Zonda. This includes an up-dated dash board design, extended platform and the introduction of an RS sports package. The RS package includes exclusive design updates and a competitive end price.

## The Iguana Yachts Review

By Robert Steadman

In 2008, Antoine Brugidou the founder of Iguana Yachts, came up with the original idea that tracks would be the most effective way of beating the tide and terrain of the Brittany coastline and he went on to develop a family of amphibious boats that could cope with Brittany, whatever the tidal state. Fast-forward to 2019 and Iguana have now sold over 50 boats across 4 continents. They also successfully launched their first RIB X100 model toward the end of the summer of 2019. This was well received by the industry, and more importantly amongst their existing client base. Happily, this has already translated into the first 5 Iguana X100s sales.

The commercial branch of the company "Iguana Pro" also achieved increased sales in 2019 and has now began to make an impact in the worldwide commercial and defence industry, including a recent order for 5 custom Iguanas to a very prominent Navy. Iguana is also in talks with various search and rescue services as they look to expand production from 12 to 24 commercial boats a year.

The Superyacht tender market is of course truly international and competitive. The Iguana, apart from being a great tender, offers a unique and convenient experience for guests, while providing a useful tool for captain and crew. Slowly but surely the message is getting through and today there are 7 Iguana's operating onboard superyachts.

The UK is the second biggest importer of the New Zealand brand Sea Legs. These competent boats rely on wheels rather than tracks and they are extremely well established in the market place. This fact tells you that there is an appetite to have direct access to the water here, which is good news for Iguana.

With any new brand it takes time to break into the market place and Iguana is no exception. The track system, high tech build and the sleek good looks are very different from other boats on the market. An Iguana in the water shows no sign of an ability to drive up a beach (whether sand or pebble) and ploughs her way over mud. The sea keeping is not compromised and the systems are patented and very original.

All this technology and thought comes at a price and we recognize that for some amphibious boat owners, they cannot justify the price on the basis of their level of usage. Iguana will always be a low volume high quality offering and indeed for the 2020 year the production halls are full to bursting and there are no more slots available this year.

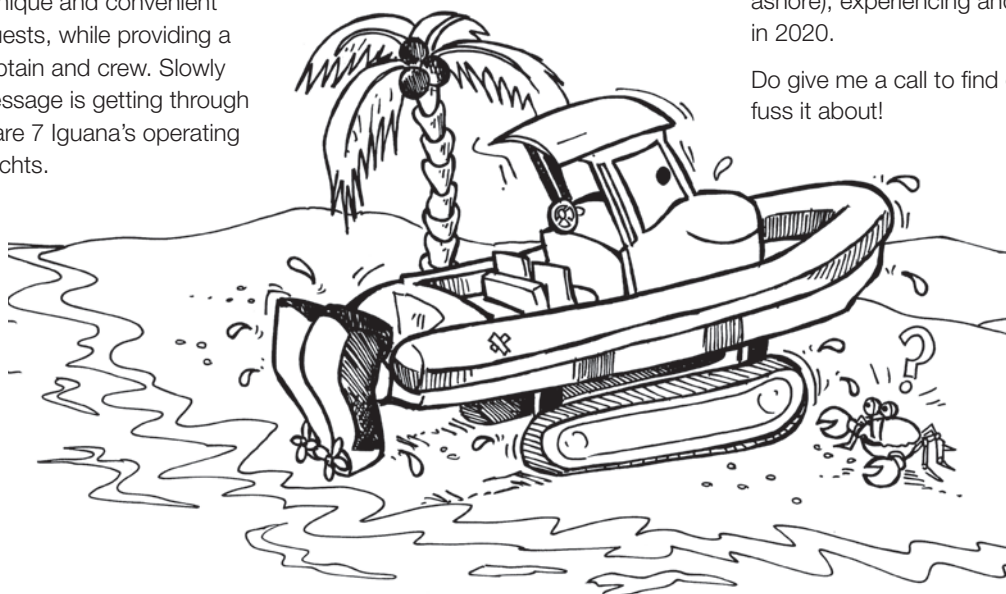
Because Iguana is such a unique offering we always work closely with our clients to give them confidence moving forward.

We are pleased to announce that we will be delivering the first Iguana X100 RIB to the UK, for client use in the Solent, in time for the 2020 season.

We have a close working relationship with Iguana and they are a great bunch of people. 2019 was my first year in charge of the Iguana desk (or Berthon Panzer Division as it is affectionately known). It has been a steep learning curve. The boats are easy to use and intuitive but with speeds around 50 knots they still take some getting used to. I have checked out beaches, muddy low tide marks, driven around clients' gardens and spent December in Antigua for the charter show (lucky me!). There we had a ball demonstrating the Iguana to superyacht crews and house owners with water access. I have crossed the Channel by Iguana a few times, roared around in the lovely waters of North Wales demonstrating and much else. It has been amazing.

As far as the boats are concerned I am sold, and if you spend time at the wheel of an Iguana, you will be too. I am looking forward to driving (both afloat and ashore), experiencing and selling Iguanas in 2020.

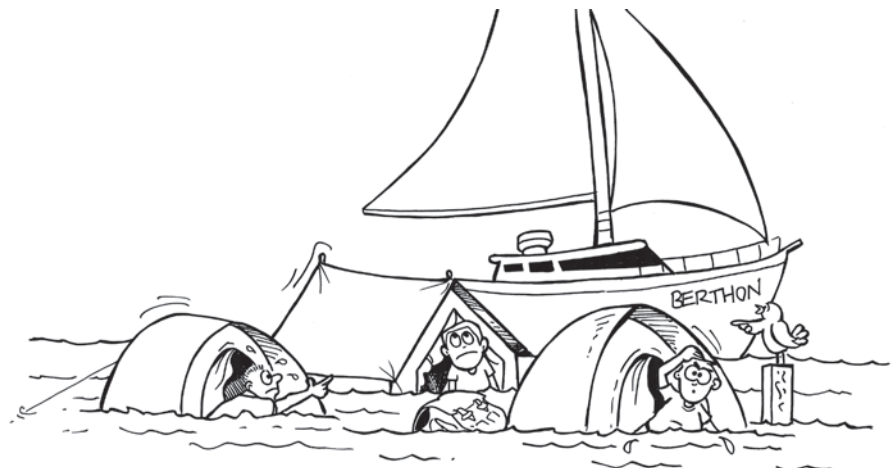
Do give me a call to find out what all the fuss it about!



*' Berthon Panzer Division '*

## Berthon USA Review

By Jennifer Stewart  
and Alan Baines



‘ Floating nice and high ’

So what happened to 2019? It was so busy that it flew away from us! Berthon USA is continuing to grow as planned, (meeting our sales goals in June) with the strong US\$ driving our sales forward, and enticing buyers into new Moody and Rustler orders. Deals were worldwide – from California to Croatia, down to Spain, to Caribbean and across the Pacific - Berthon USA made it happen.

In the US Swan market – one where we have long been dominant, Berthon USA sold 41% of all brokerage Swans sold in the US last year (6 of the 14 yachts), which equated to 60% of their combined sales value, as we sold all of the higher size and value yachts.

Unlike other brokerage houses, the Berthon offices worldwide work together to make the deal work, no matter who the lead broker may be, and with assistance from our team, we are able to provide the “local” knowledge that can put the buyer and seller in their comfort zone. We added another broker this year, Mark Von Drashek, who operates a Southern office for us in the winter months.

Our ongoing issue in the brokerage market is available product – we have been selling everything we have, and with past economic recessions, there is a true lack of newer used yachts. Power sales are driving the market, with models such as the Back Coves, selling within a month of listing. On the sailboat side, the quality yachts are very good value, such as the Hallberg Rassys, Najads, Swans, Azurees, Oysters, and so on. Our social media

reach has been super positive, with our following growing daily.

The Moody 54'DS continues to be a good yacht for our market, with our third yacht arriving this spring, and a fourth brokerage one that we sold in Turkey to a New York owner. We are quite excited about the new Moody 41'DS, as she is great for the cruising couple, a huge section of our market. She was premiered at Boot Düsseldorf, and with pre-orders on the books, it may be 2021 before we see a yacht here in the USA, but we're working on it!

This summer is expected to be full of clients arriving, Coronavirus depending, with the Newport/Bermuda Race, Swan Regatta, and of course, the New York Yacht Club Annual Regatta and the Rolex Regatta, never mind the various cruises in and out of Newport. The team at Berthon USA quite often assists with dockage, crew, lodging, restaurant information, boat yard help – all part of our belief in client service!

Looking forward, we still see a continuing trend from sail to power, with a strong economy, and cheap fuel making power an easy option to own. The strong dollar is also encouraging buyers to look in Europe, especially for late model sailboats, as that market is thin in the US at the moment. Importing a yacht is still relatively easy, using the yacht transport ships, but buyers need to be aware of EPA requirements for engines, and there is the nagging fear of tariffs and trade wars so we are keeping a close eye on that.

On the marina side, we have seen one marina group – Safe Harbor – buy up about 8 Rhode Island marinas (and hundreds more nationwide). It remains to be seen how this will affect service and pricing structures, as the facilities they have bought are quite diverse, ranging from a full service boatyard to large marinas with limited services. Generally speaking, history tells us monopolies are not usually a positive thing for the consumer.

Climate change continues to climb in most peoples' consciousness, with the results becoming more visible, even when there isn't a calamitous hurricane. This year, for example we did the Annapolis show floating nice and high in our Moody, but the tents around the water's edge and the fixed docks were all underwater for 2 days. All this was with perfect local weather, and it was blamed on king tides and offshore weather. In recent years the islands surrounding the US have seen catastrophic hurricanes – in 2017 in the Caribbean and Puerto Rico and in the Bahamas last fall. So far the US has been luckier than those islands (although not unscathed). Many yachts that would normally have been in the Bahamas are still in Florida, and that has led to very strong demand for slips in the south.

We look forward to assisting new and old clients with their yachting purchases, and with our strong international network we really can make buying that overseas yacht a reality!

## Berthon France Review

By Bruno Kairet

Of course the French Riviera is a spectacular destination for those wishing to enjoy all that it has to offer both on and off the water; and the weather is fantastic! This makes it a honeypot not just for the French but for yachtsmen from all over the world who visit our shores. Many of them keep their yachts here and enjoy our waters in their leisure time on a permanent basis. This gives the Riviera a unique and truly international feel which is unlike anywhere else in the world. Of course, our food, wine and beaches are pretty outstanding too!

But enough of why it's good to be here, it also means that it is a dynamic centre for yacht sales and we benefitted from this in 2019. As with previous years, we have sold a lot of new and pre-owned Windys. Their high quality build, innovative and modern design and epic handling, make them ideal for the sparkling waters of the Côte d'Azur.

We delivered a new 27' Solano to Cavalaire Sur Mer. Equipped with a moveable sun-pad and big, sociable cockpit, we expect many of these to find their way to our waters. The 29' Coho GT is another great yacht, with a friendly price and we sold 3 of these in 2019 to the La Napoule, St. Tropez areas.

Some of our clients prefer a larger Windy for holidaying aboard rather than their smaller sports boat sister ships. There are now 2 46' Chinooks on the wonderful island of Corsica which offers a beautiful varied coast line and we expect to deliver more in the coming months and years.

Of course the Windy SR52' Blackbird is synonymous with our waters and we have sold a number of these as support yachts, either to superyachts or for owners who use them to support a holiday home on our coast line. We now even have an SR52' serving as a chase boat for a 66 metre sailing superyacht. They are stunning to look at, beautifully engineered, robust and of course the handling is fantastic.

The Cannes Yachting Festival was an important event for us with the world

premiere of the all new Windy SR43' Blackbird. A smaller sister to the 52', she is full of Windy DNA and has all the good looks and capability of her larger sister in a smaller package. We have already sold a number of these great sports boats into France. The biggest problem is delivery and Windy are working overtime to deliver for this season and to satisfy the onward demand for this special boat. They are ideally designed for the Riviera so take a long term view for 2021.

Pearl Yachts are important partners for Berthon France and we were proud to work with them at Cannes where we were showing a Pearl 80' and their flagship Pearl 95'. With their distinctive good looks, great detailing and build quality, and unique Kelly Hoppen interiors, they are perfect for our waters and for longer distance cruising in the Mediterranean. The new Pearl 62' which was premiered at Boot Düsseldorf, was previewed at Cannes and it was great to be part of that. The first of these yachts is sold via our UK office and she will enjoy the chillier waters of the UK, but we expect to see new Pearl 62's as well as their larger sisters in France as we continue to work hard with Pearl to promote these great yachts here in the Côte d'Azur.



*' Hot property '*

We are also effective in the French brokerage market and the hot yacht for this year was definitely the Windy 39' Camira. These yachts are very popular in new build, and they are just beginning to come to the brokerage market as owners trade up after having enjoyed them for a couple of years. Those that were available in 2019 were immediately snapped up and so we had a number of new Windy owners joining the Windy family via the pre-owned route.

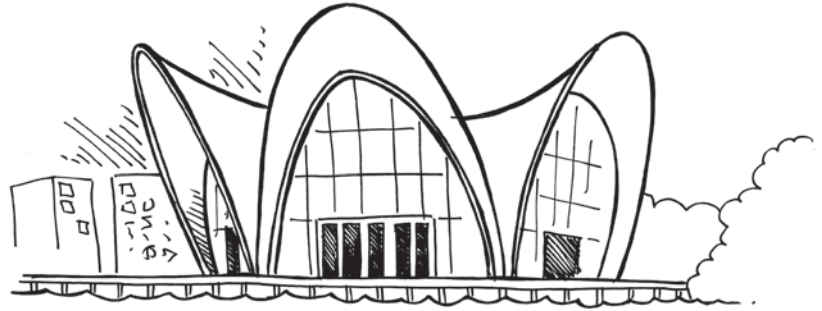
Having increased our product range with the addition of Pearl Yachts, we began the search in 2019 for another broker to join the Berthon France team to help Isabelle and myself to develop the business and to increase the level of support that we are able to offer to our clients. I am delighted to say that the search has been successful and Eduard Brinzei joined us in Mandelieu at the beginning of January. An experienced yachtsman and broker, he previously worked with Selene and Greenline. He had only a couple of days at the office before heading off with me to Düsseldorf.

We had a very busy show with the Pearl 62' and Pearl 80' on display and Eduard will look forward to chatting to you about Pearl, the options for new build and what makes these great yachts tick. He is also very involved in our brokerage operation, so if you are buying or selling please do contact him.

We were also busy with Windy and sold an SR44' Blackbird off the Windy stand as well as a Solano 27'. We will look forward to handing over both these yachts, together with the other new yachts currently on order and bound for France, to their new owners for the 2020 season.

Of course to thoroughly enjoy our lovely coastline, it is important to have the correct berth for your yacht. It is important to get this right both from the point of view of ending up with the berth in the location that will suit your yachting needs best, and also in terms of navigating local bureaucracy. This is most easily managed with local knowledge and we would be delighted to help you with this. We always have a number of berths available for sale and have our ears to the ground so we know what's going on with berthing in our area.

So an exciting year for Berthon France and with the promise of more in coming years with an expanded strengthened team, great new models from both Windy and Pearl and all those glistening waters; we look forward to seeing you on the Côte d'Azur this year.



‘Also now in Valencia’

## Berthon Spain Review

By Andrew Fairbrass

**B**erthon Spain had a great debut year. I couldn't be happier with Team Berthon Spain, and we're looking forward to consolidating this year to further bolster the service level that we deliver to our clients.

We have always strived to do as much in-house for our clients as we can because it allows me to keep a tight control over the quality of service that we offer, and ensures that from the moment our clients buy a yacht to the moment of sale, the experience is enjoyable.

Adding a brokerage department to Berthon Spain was one of the key parts in completing the circle for me and I'm delighted that Addy Daly, working closely with Sue Grant and supported by our UK sales team, is now a key member of our team in Palma. We only really opened the brokerage arm last October and already we have sold two high value yachts and listed many more. For me perhaps what differentiates us from the competition here is that we are all self-confessed yacht geeks and when we sign a new yacht listing, we use our maintenance, service and guardiennage experience to really get to know the yacht inside and out, which of course helps enormously when you are discussing her attributes with a potential buyer.

We also spend a huge amount of time and money marketing our yachts, particularly across all social media platforms, which I think it's safe to say, are now key to any marketing campaign. We are not interested in inactive listings; for me there needs to be a big splash and a lot of excitement when a yacht comes on the market and it's important that once you've made that splash you continue to ride the wave and that you do not take your foot off the marketing pedal.

When we have a yacht for sale, as with all Berthon offices, we always ensure that we keep the owner very well informed with exactly what's happening and how the market is responding. There is nothing worse than, having appointed someone to sell one of your most treasured assets, not hearing anything from them for months on end. Berthon will have a large presence at the delayed Palma Superyacht Show and I look forward to seeing our brokerage division flourish further in 2020 and beyond.

I remember when first arriving in Palma as a yacht captain some 10 years ago, the challenges we faced; from finding a berth, getting contractors to come and work onboard, to ensuring we were operating legally in foreign waters. This can all be very daunting and extremely hard work. I would have been over the moon if a service company like Berthon Spain had existed then to help me through this process. So, from the first moment clients get in touch with Berthon Spain we are there to help. We will find you a berth, undertake ourselves or arrange any service requirements, give you tips on where to sail, assist with provisioning and even give you restaurant recommendations. Our goal is to make your stay in Mallorca and Spain unforgettable for all the right reasons!

Guardiennage is becoming more and more popular and it's changing to include bigger and bigger yachts. In the past it was typical to be deemed only appropriate for yachts up to around 60 feet (18 metres), but now I notice an increase in demand for us to look after pocket-superyachts, and I see no reason why this cannot be so. Often, when it's time to sell and an owner is no longer using the yacht, there is little

reason to keep on the full-time crew. Our experienced team are well able to keep these sizeable yachts maintained and in good condition whilst they go through the sales process. When the yachts are listed with us, it's also very much in our interest to ensure that they not only gleam but sail through a survey and sea-trial with flying colours!

The service team, headed up by my trusted colleague Nick McMullen, continues to grow and not only deliver top quality work but also innovative new ideas. We have just designed and built a rubber moulding oven which gives us the ability to make any rubber parts in-house. This adds to our fabrication and 3D printing capabilities. It's now very rare for us to go to a yacht of any size and not be able to help them.

We have felt for a while that our clients required an alternative option to Mallorca for their yachts, with berthing prices here often on the high side. Therefore, towards the end of last year, we began tentatively exploring possibilities in Valencia. We can now confirm that we do indeed intend to expand our operation on the mainland. Valencia has a lot to offer our clients in terms of berthing and yacht maintenance at competitive prices, plus there is a lot to explore on mainland Spain. We also see its potential as a reasonable location for yachts for sale and only a hopper flight away for us.

In conclusion, 2019 was obviously a wonderful year and we look forward to whatever 2020 brings. What pleases me most is that we never seem to lose clients and since the inception of the business back in 2013 we are regularly in touch with them all and are always here to help. It is they who make it all possible, so thank you.

## Berthon Scandinavia Review

By Magnus Kullberg



‘XLNT development’

Berthon Scandinavia joined us in February 2020, so Magnus learned very early about the ‘homework’ that we all have to do at the beginning of the year in order to put together our annual Berthon Market Report. Between the organisation of the change to Berthon Scandinavia, yacht viewings and sales, Magnus also attended the Düsseldorf Boat Show on the Solaris stand. Like Berthon UK, Berthon Scandinavia is a Solaris dealer and this gave him a good opportunity to work with the Berthon team over the show period. A big thank you to Magnus for writing more about the wonderful area in which the business operates. -Sue Grant

Berthon Scandinavia is located in Henån on the “boat building island” of Orust on the Swedish west coast. Previously XLNT Yachting, we specialised in the sales of Scandinavian yachts, offering a complete international yacht brokerage service, and we are also agents for Solaris Yachts. We manage yacht service and refit projects in cooperation with the renowned Orust based service yards. Orust is a superb sailing area, with cool summers and it is VERY cool (and quite white) in the winter!

Right now its winter in the marina in Henån. Only one yacht is prepared to set sail. She has an English flag at the stern, a Najad 490 heading for her home port in the UK. Not a regular holiday sailing trip for this time of the year, but another successful sale from XLNT Yachting.

As winter turns to spring it will be time to think about the summer. Our Swedish coast offers superb sailing ground once that winter is behind us. The Swedish archipelago is unique and close to Norwegian and Danish waters. These too provide wonderful sailing for those looking for longer passages and different sceneries. To sail through the light summer nights is just amazing...

For many sailors Orust is known as the heart of the Swedish yacht building industry, as it is the home of yards such as Hallberg-Rassy, Najad, Malö and most of the other renowned Swedish yards. It has a long and proud tradition of premium yacht building and services.

Berthon Scandinavia, formerly XLNT Yachting, is located on the Swedish west coast, about 1 hour and 15 minutes drive north of Göteborg, the nearest airport being Landvetter. We are based in a small town called Henån on the island of Orust.

Most of our listings are premium Swedish and Scandinavian sailing yachts in the size range of between 35 to 60 feet. Around 50% of our listings are located on Orust and on the Swedish west coast. The other half are lying in other parts of Sweden, in the neighbouring Scandinavian countries and in Europe.

Scandinavian yachts are very often “spoiled yachts” that spend the summer season in the water and the winter season inside a shed, often heated and de-humidified. This is one of the reasons why Scandinavian yachts are generally in good condition. We work closely with a handful of service yards located on Orust who offer winter storage, refit and any yacht service that may be needed.

From a brokerage sales point of view, 2019 has been a good year. We have increased our yacht sales, selling 35 yachts in the past 12 months. About 85% of the yachts that we have handled were exported within the EU. A small number were bought by Americans, a handful sold to Swedish buyers and we have noted a slightly growing number of sales to eastern EU countries.

The Swedish exchange rate has been weak during 2019 and it still is. Because of this, yachts that are advertised in SEK have been attractive for those with Euro, pounds or dollars, and so the weak currency has been good for us. Since most of our brokerage sales are to international clients, we set the sales prices in SEK but they are advertised with the corresponding Euro price. In reality this means that yachts sold in SEK during 2019 were sold for about 10% more compared to 2018. Great news for the yacht owners! The new owner on the other hand is still buying at the international market price since his currency is approximately 10% stronger compared to SEK. A win win situation.

Over the years we have worked together with Berthon UK and Berthon USA on a number of sales. We are very much looking forward to increasing our cooperation and to being part of the Berthon family. There is now much to do in order to make the most of the opportunity that we have with Berthon Scandinavia. As the cold recedes and the glorious Swedish spring and summer rolls into the Island of Orust, we very much look forward to meeting you and to introducing you to some of our ‘spoiled’ yachts as well as to the incredible cruising grounds all around us.



## Solaris Review

By Alan McIlroy and  
Richard Baldwin

**S**olaris - Of the Sun, the choice of name seems more appropriate than ever today. In the company's 45 year history, it would be fair to say that Solaris Yachts is now enjoying the rewards of their uncompromising approach to build quality, investment in design and in recent years, the investment it has made in its manufacturing facility. Solaris still based on the original site in Aquileia, and the full order book and the demand for build slots is testimony to the increasing brand recognition and popularity of the current range of yachts.

A little background about Solaris: Solaris USP – the build, clients are often surprised that I spend so much time reciting my mantra about the build and structure of Solaris Yachts but if you really appreciate sailing you will understand that strength of build and therefore stiffness in a yacht is the keystone. The well designed hull with dreadnought bow full beam at the stern and low soft chines increasing righting moment and waterline line length and flush deck, easily worked cockpit and achingly good interiors come as standard.

Solaris now offer a strong established range of yachts from the successful 44' debuted in September 2018 to the Solaris 111' RS due to launch in the summer of 2020. The principals of unrivalled strength of build, incomparable joinery, sleek lines and ease of handling extends through the range.

### New launches 2020

Not resting on their laurels, Solaris keep the current range of Xavier Soto Acebal designs under constant review and scrutiny, applying the knowledge and experience gained to the new models. 2020 will see the launch of three new yachts, the 40', 60' and 80' RS with further designs on the drawing board.

#### The new 40'

Derived from the new 44' and replacing the 37', this will be an exciting new launch. The smallest Solaris, she carries all the DNA of her bigger sister ships. The beam is carried aft, with soft chine, twin rudders and dreadnought bow. This will provide a stiff powerful hull design reducing pitching in a seaway. The full width cockpit with twin wheels set well outboard allows for an unimpeded view of the head sail. Sailing handling will fall in line with the existing range with all lines led aft below deck providing effortless management for the powerful sail plan.

#### The new 60'

Currently in build and due for launch in the spring, she promises to be a deeply cool yacht. With full width aft deck and wheel positions outboard, she is unashamedly a drivers' yacht. Her design was driven by the idea of creating a mini maxi high performance yacht, the length of 18.31m bringing her into class.

#### The new 80' RS

In line with the rest of the RS range, the 80' RS is aimed at those who value comfort and quality of life on-board combined with all that is good about Solaris. Ease of handling is evident throughout the Solaris range but added length in the 80' RS creates a higher level of comfort below decks and a flexibility in the general layout for guests and crew. The 80' RS is built at the Solaris Advanced composite materials facility using pre-preg SPRINT technology.

In 2020 the Solaris Maxi Yachts Division will launch the 111' RS. She heralds a new era for Solaris Yachts. The semi-custom approach allows owners to tailor their yacht to fit with their individual style and requirements. Like the 80' RS, the 111' RS is built at the Solaris Advanced composite materials facility using pre-preg SPRINT technology, utilising the latest pre-preg full carbon construction technology. The custom interiors are created using composite sandwich techniques allowing for light weight, custom interiors to meet client requirements.





### Recent launches

With over 20 hulls built, the 44' has been very well received. We have a happy owner of the 44' berthed at our marina in Lymington. Interest in the 44' is very strong, and I see her as a very useful yacht in our more northern European waters for those owners who enjoy a high performance cruising with a spot of racing on occasions.

The RS 64' premiered at Düsseldorf this year. The smallest of the RS Range, she was an instant success with 10 hulls on order in less than 12 months. The 64' challenges the more traditional cruising yacht with her clean decks, fore and aft dinghy garage and innovative use of space below decks. For owners looking in the 18m/19m range for a bluewater or Mediterranean cruising yacht, I would urge you to check out the Solaris 64' RS.

### Is Solaris just a cool looking Mediterranean yacht?

#### A word from Richard...

We are frequently asked if Solaris Yachts are suitable for heavy weather and bluewater sailing, probably because the open cockpit and flush deck design gives the impression of being unapologetically 'sporty' and 'Mediterranean'.

To answer this question, we need to consider two fundamentals. Firstly, how she is built. The advanced construction and engineering that goes into every Solaris, (as detailed in Alan's comments to the left) clearly demonstrate the yard's unwavering emphasis and commitment to quality. Secondly, is how the yacht really feels and performs at sea. From my own experience over the last 11 years of many Solaris deliveries, races and sea trials, everything about the Solaris construction translates, in the real world of sailing, into a quiet, stiff, reassuring and safe yacht.

But don't just take my word for it. I can recount a not untypical sea trial earlier this year with a potential client who was attracted by everything he'd seen and read about Solaris, but having owned heavier yachts in the past, was skeptical about her suitability for his bluewater plans, and wanted to put the yacht to the test.

We took a Solaris 55' out of Varazze in 20 to 25 knots of breeze with a very short chop. The client had all but signed on the

dotted line for a well-known bluewater alternative, having sailed that yacht in similar conditions. We set out with self-tacking jib and one reef in the main and he was immediately impressed at how easy, light and responsive the yacht was to helm, how she sat very stiffly at a low angle of heel on the stern chine and was able to carry that amount of sail effortlessly and point so well without slamming or shipping waves over the deck (and yes the spray hood was down and we all stayed perfectly dry in the cockpit). In fact, our client even asked us to shake the reef out of the main!

In comparison, the other yacht which he'd tested, with a rounded hull shape, narrower stern and shorter keel, had heeled over much further, made far more leeway, and couldn't point as well. Suffice to say the client in question now has a Solaris in-build.

As they say, the proof of the pudding is in the eating, and I would strongly recommend anyone with similar reservations to come for a test sail, you might be pleasantly surprised.



'Of the sun'

# VAT vs. BREXIT

BY SIMON ANSLOW

**3** 1st January 2020 and the UK finally, after false starts in March and October 2019, has left the EU. Only we haven't really, not until the end of this year and the 'transition' period has expired. At this moment in time we still don't know what a deal going forwards from January 2021 will look like or if indeed there will be a deal or if we do fall off that cliff edge so feared and threatened over the past 3 years.

But where does that leave the UK yacht market and British yacht owners, with the perennial issue of VAT? Well let's just wind back a bit...

## The Previous Position

An EU28 resident using a pleasure craft within EU waters must be able to demonstrate that the yacht they are using has 'VAT Paid Status' (VPS) – or to use its correct EU title 'Union Status'. This means that VAT was paid/accounted for on the last chargeable event:

- New purchase
- Business sale (VAT reclaimed)
- Importation
- EU Acquisition

A non-EU resident is able to sail in EU waters and visit EU ports in a non-VPS boat under Temporary Admission (TA) for a continuous period of up to 18 months, provided conditions are met.

## Transition Period

Nothing changes, the pre-existing rules still apply...

## 2021 Onwards

With 'no deal' the EU and the UK have already given an indication of what the landscape will look like, with guidance issued earlier last year.



*'So in the final analysis none of us really knows...'*

### New Boats

The UK will be treated as a 'third country', therefore sales from the UK into the EU27 will be (zero-rated) exports, with VAT payable by the EU27 'importer', be that a business or private customer. This is not necessarily a significant difference from the current position in terms of VAT being due, although the mechanisms may be slightly different.

### Pre-owned Boats

This is where it gets a little more interesting, particularly around the concept of 'VPS'; the EU Commission have indicated that as at 'exit' date (now 31 December 2020), if a boat is lying:

- In the UK - she will have deemed UK VPS (provided it can prove VAT has been paid within the EU28), but will LOOSE her EU27 Union Status – unless it is owned by an EU27 resident who returns the boat themselves to the EU27 and can demonstrate that VAT had previously been paid or accounted for within the EU27.
- In the EU – She will be deemed to have EU27 Union Status (provided it can prove VAT has previously been paid within the EU28). The UK will accept a yacht returning to the UK after this date as having UK VPS – EU or UK resident, provided previous EU28 VPS can be demonstrated.
- Elsewhere - For yachts that are lying outside both the UK and the EU27, both authorities have said that they will respect VPS (where it can be properly demonstrated) when returning to either jurisdiction, effectively under informal Returned Goods Relief (RGR) – however it is unclear from the EU Commission whether for yachts returning to the EU27 this will only be eligible for EU27 residents...

### Where does this leave us?

For yachts purchased by UK residents in the UK, UK VAT will still remain payable - but there is a question mark with regard to future values where the market for the subsequent disposal is likely to be elsewhere in the EU27. Whereas at present VAT is paid once, with no restriction on the movement and onward sale anywhere within the EU and with no further VAT due, the current post-exit position would see the requirement for VAT to be paid again on entry into the EU27 either for sale within or by the EU purchaser taking the yacht home. This will undoubtedly have an impact on UK-purchased yachts and their future residuals.

### But is it all bad?

There is no doubt that whilst we now have clarity as regards the UK definitely leaving the EU, the uncertainty surrounding the exact terms and trading environment post-transition remains as before. This is clearly impacting on UK buyers' decisions as to when - and indeed if – they will buy their next yacht; also where. This is clearly a worry for UK suppliers and distributors.

But for those Brits that are looking to sail and keep their boats mainly in the Med there could actually be a potential advantage. Provided they are not intending to use the yacht in the UK it would be possible to arrange for the purchase to be effected in a place outside both the UK and the EU27 or offshore as a 'zero-rated' supply; with the UK becoming a 3rd country a UK resident would then be free to use their boat within the EU27 for a continuous period of up to 18 months (NB there are unconnected residency timescales that also have to be observed) without the need to pay any VAT.

Any subsequent sale within the EU27 or to an EU27 resident would require EU VAT to be paid, but commercially this simply puts the UK resident on an equal footing – whilst retaining the flexibility to sell the yacht VAT-free if the circumstances and commercial requirements dictate.

For those who plan to use their yachts primarily in the UK, with plans to keep their pride and joy for some time, UK VAT with no post-transition deal will not necessarily present any barrier to acquisition – and if they do so wish to visit our continental cousins, they can still do this with impunity under the TA rules.

So in the final analysis, whilst none of us really know quite what the landscape will look like after the end of the year, purchasing decisions still come down to individual circumstances – what do I want to do with the yacht, where and when?

Plus ça change!

*Regarding VPS for a UK based yacht being ignored by the EU 27 after transition, it is hoped that a grandfather clause is allowed for UK VPS boats whilst UK was legitimately part of the EU28. Otherwise, this becomes a retrospective double tax and it could be claimed as a proactive discrimination; we wonder whether the European Court might find favour to this view and rap the EU27's knuckles? But again, pigs may fly! -Sue Grant*

## Brexit and getting on with life...

As a sales organisation with offices in France, Spain, Sweden and the USA, we are an international company and used to working the world over, and we firmly believe that our business will become more international over the coming years as yachts become ever more capable and owners even more keen to sample different cruising grounds and cultures. With professional delivery companies and plentiful shipping freighters, moving a yacht to a totally different cruising area is easy to do and great value for excitement and fun of discovering new anchorages, restaurants and cultures.

However, at the core of Berthon is the Shipyard on the banks of the river Lymington which flows elegantly into the Solent. Cowes, on the Isle of Wight, the home of yachting, is a 20 minute RIB ride. Berthon has called the Shipyard home since 1877 and boat builders have been plying their trade at The Shipyard since Roman times when, it is thought, Vespasian's fleet under Emperor Claudius settled here at Buckland Rings with views to the Needles from the Roman fort and watch tower. Today, Berthon Boat Company employs 180 and is still seriously in the business of repairing, refitting and building boats. With 100 skilled craftsmen on the shop floor and 30 apprentices in the business, Mission Control is a very British business, some might say, an institution.

This is why we thought that we should come out and say it, that dreaded word that has been bandied about, which has caused heartache and rows with families and anguish through Europe. Brexit. There, we've said it.

Whatever your view of the rights and wrongs of the UK leaving the European Union, it happened on the 31st January 2020 and the 1st January 2021 will see the transition period completed and the UK as an independent state outside the European Union. We will be a small ship

on the sea of commerce, sailing our way towards our next adventures and carving out a new place in the world order.

From our perspective, the General Election result was a relief as it provided certainty. On the 13th of December, we woke up knowing that Brexit was on, and that the UK had a solid administration which would remain in post for around 5 years. Some yacht sales were immediately put through in the UK as UK buyers heaved a sigh of relief and got on with life. For many outside the UK (and for some within it) it appeared that the General Election was all about Brexit. For our client base this was not at all the case. For them the idea of a Labour Government with Jeremy Corbyn at the helm was unappealing. Worse than that was the possibility (and the opinion polls prior to election day suggested that this was likely to be the case) of a hung parliament with no direction, no firm commitment to stay in the EU or come out, and most importantly, no forward looking economic or social policies for a country that had been treading water since Teresa May's unsuccessful attempt to achieve a larger majority 2 years earlier.

This 'getting on with life' trend has been particularly apparent for new yacht sales and this is a place where people really are thinking about the future, as deliveries are further out and they are looking forward to a late 2020 or 2021 delivery. It is in this area where we expected people to stop, to think and to dither. Not a bit of it! Delivery continues to be the problem across the board and not sales, with yacht builders matching their production to very realistic targets and being cautious about wasting resource on yachts that may not find new owners.

For the British client base, there is an element of waiting to see what happens at the end of this year, but in a country that has been holding its breath since 2016, they have in the main breathed out and decided to get on.

For our American office, there has been no fall out from Brexit. Our industry body recently sent us a briefing note about Brexit asking for a list of barriers to trade that we envisioned so that they could be informed for the lobby process now underway. We looked at this for Berthon USA as we sell a number of UK yachts to Americans and vice versa, both new and preowned, and yacht arbitrage has been a feature for our business since the American office was opened. We could find no problem in this direction, and with an enquiry rate across all our yachts for sale that puts the USA at around 50%, this is absolutely key.

Of course there are trade barriers and tariffs and problems with yacht imports for the American yacht business, but these relate exclusively to the Chinese trade barriers in place and fortunately we are situated much further west.

Another big worry for us has been the attitude taken by our European client base to the UK's decision to leave the European family and we have researched this extensively in the past 18 months. Our offices in Europe have their own personalities and are part of the local scene, be it in Palma de Mallorca, Mandelieu or the Island of Orust.

As far as the European client base has been concerned, there has been a lot of curiosity about what an earth was going on and we have long ago learned not to talk too much, as in common with most other Brits, we didn't know and there wasn't much to say. There has been comment about our new Prime Minister, concern about the competence of his barber, the state of his ties and total inability to keep his shirt tucked in, but for the most part this is good humoured. Most agree that he certainly appears to be a jolly chap and definitely the sort of person that you could share a pint with at the pub – or taverna, or indeed yacht club....

Although the UK is leaving the European Union, nowhere is there any mention of

This 'getting on with life' trend has been particularly apparent for new yacht sales and this is a place where people really are thinking about the future, as deliveries are further out and they are looking forward to a late 2020 or 2021 delivery.

any physical moving of the UK or Europe. Geographically they will remain in exactly the same place and so outside the political shift, not much has changed. Europeans will still be so welcome to come to sail in our waters and to enjoy English summers which can be glorious and full of promise, but which will almost certainly be very wet at some juncture. As we like to say in the UK, if you don't like the weather, please wait for 10 minutes.

Of course Europeans will be free to visit us in the same way as the rest of the world – Norwegians, Americans, Australians, and so on, without worrying about VAT as they will be visiting a non-EU country. In fact in this respect, they are likely to be given a warmer welcome and no tax bill if their yacht is not VAT paid in Europe than they will at home, and may even be able to refit with us VAT free.

We are looking forward to welcoming European yachtsmen to our shores in the future and hope that this will encourage them to stay rather longer than they might otherwise have done (sorry about the rain!).

We are all exercised about barriers and borders and lots of forms. Once this is sorted out, I am sure that we will embrace the forms, understand the systems and just get on with life. As very frequent travellers to Europe, the brokers in the UK office may have to be a bit more organised and passport control may take a little longer. For European clients there may be some delays coming to the UK particularly whilst the new systems shake themselves out. That's life, but the world will turn and we will continue to love travelling and doing business on the terrific continent of Europe with its spectacular cruising, wonderful cultures and gentle, charming people.

Currency will we are sure, seesaw in 2020 and probably thereafter too, as the little ship UK negotiates a totally new cruising area and has to adjust and adapt her

cruising plans to meet its needs.

For the UK yachtsman, sailing and spending time in Europe has always been one of the joys of owning a yacht. Depending on the arrangements that are made between Brussels and Westminster, they will continue to yacht there and to enjoy the marvellous cruising from the upper reaches of Scandinavia, to the warmth, culture and amazing history to be enjoyed in the Peloponnese and all points between. The paperwork monster will be more in evidence but so it is for many other yachtsmen who voyage from outside the European Union to enjoy its waters, but its joys will remain. The VAT possibilities you will read of elsewhere in the publication. Then of course there are the restrictions of the Schengen agreement – understanding this is well above this scribe's pay grade, and there is probably more that the monster will have up its sleeve.

As the scene is set and the politicians and bureaucrats scurry madly between London, Brussels and other European cities, it is a time of healing and accepting what has been agreed and adjusting to the new normal in the relationship between the UK and its friends in Europe. In time, the Leavers and Remainers will become simply Brits, and the EU will become a wonderful group of countries with whom we trade, break bread, laugh and of course most importantly, yacht.



*'Little ship UK negotiates a totally new cruising ground'*

Over the last 6 months, we have noticed some caution amongst our European clients as far as yacht buying and selling is concerned. Earlier in 2019 around the start of the season, the yacht market in areas like Palma, most definitely slowed. Brokers, agents and others in the industry were sure that it was a result of Brexit. We saw no such down turn amongst the UK client base and the buoyancy of the American market led to activity within the market and so the world turned for Berthon and we sold yachts. This trend is again being seen at our European offices for 2020, although somewhat curtailed recently by the C word.

Over the new year we concluded that a slow-down in the World economy and more specifically in Europe, was leading to some concerns, and this may affect where buyers come from in this new year. Well, now we know where the black swan came from and it is simply a question of battening the hatches and weathering the storms to come.

However, deeper down, it is also a function of a change in the way that people own and use their yachts. No longer their only interest, why would you rush to buy a new yacht in February when Klosters beckons? Yacht use is much more immediate and so we fully expect the floodgates to open as the weather improves, skis are stored away and the days lengthen. As with so much in life, planning your yachting is an immediate affair and it is hard to get excited about fitting a new generator when the snow is on the ground at home.

So, if you have read this far, we hope this will be the last word on Brexit from Berthon. Much more important is the common interest that we have with the whole world's health hindering all our clients European, British or from further afield, in the very important issue of getting out and having fun on the water.

# COOL *to the point of freezing*

## BERTHON SCANDINAVIA

Located on the beautiful Island of Orust, it is famous as the centre of yacht building in Sweden and is home to Hallberg Rassy, Najad, Regina of Vindo, Arcona and many more. Magnus Kullberg and his team at XLNT Yachting have their offices here and they joined the Berthon family as Berthon Scandinavia in February of this year. We have known Magnus for years and his ethos of exceptional client service matches our own. Having an office in this wonderful area is for Berthon, deeply cool.



## FABIO BUZZI : 1943 – 2019



A true legend of powerboating, sadly lost on 17th September 2019. Buzzi and two crew were killed in a high-speed crash at the Lido de Venezia after setting a new record for the Montecarlo to Venice run (18h 33' 30" @ approx. 61.48 knots). His innovative raceboat designs translated into high-performance commercial, military and leisure boats. FB Design collaborated with Sunseeker on the iconic XS-2000 and XS-Sport, and recently the Hawk 38'. 52 Offshore World Championships, 7 Harmsworth Trophies, 40 World Speed Records and was still racing hard at 76. Fittingly, his beloved green parrots still fly around his design office - a super cool guy!

## SONG OF THE WHALE



Berthon's favourite Research Vessel operated by Marine Conservation Organisation. 2019 saw them concentrate on the North Atlantic Right Whale. Whales are surely the coolest mammals in the ocean. SOTW's Richard McLanaghan believes whales are the litmus paper determining the health of our ocean habitats. Keen to press on with their essential research into the small remnant population of Right Whales (only 400 left!), they are busy fundraising and developing a project with Canadian colleagues. [www.marineconservationresearch.co.uk/rv-song-of-the-whale/](http://www.marineconservationresearch.co.uk/rv-song-of-the-whale/) or Instagram @song\_of\_the\_whale

## SOLARIS 60' NEW FOR 2020

Due for launch this spring, the new Solaris 60 will set new standards in the cruiser/racer sector, inspired by the idea of creating a mini Maxi. The Soto design continues the consistent theme of the range, with a fast, stable and forgiving hull shape with a dreadnought bow for maximum water line length and a broad, soft chined stern to reduce drag and increase stability. Another new feature are the twin rudders which provide excellent directional stability. The helming positions set well outboard will offer superb vision forward for the helmsman. Attention has been paid to the correct distribution of all variable weight to ensure that it remains amidships for accurate trim. The interior can be specified to the new owner's every whim. The tender garage has longitudinal access so the dinghy and outboard can remain together for launch.



## MULTIHULLS



Double the volume of a monohull and you don't spill your G&T! The speeds which cruising multihulls are now achieving is becoming increasingly impressive and new technology means upwind sailing is not completely out of the question. 2019 ARC Line honours went to a 50 foot cat beating a fully crewed Volvo 65'! Enough said...

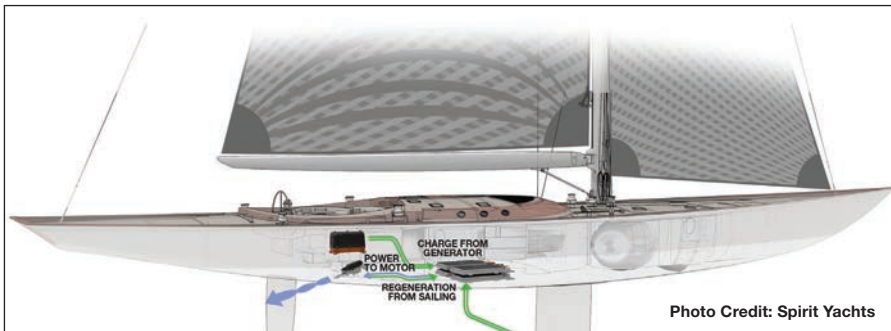
## WINDY SR 60'

Malcom McKeon Yacht Design has joined Windy Boats to produce the super cool Windy SLR 60'. The ultimate superyacht chase-boat with the versatility to double up as a dive/fishing boat or shore side exploration vessel. Well able to cope with unprotected and open passages of water with ease, increased fuel capacity gives her an exceptionally long range of 850 nautical miles at 25 knots. Impressive acceleration, incredibly responsive and exhilarating to drive – what's not to like?



ELECTRIC DRIVE

The automotive world is rapidly going electric, whilst the marine industry lags quite far behind. However, spearheaded by the super wealthy no longer happy with their superyachts pumping out black soot, impressive inroads are being made. The new Spirit 111 is running on an electric propulsion - she aims to cross the pond without using any combustible fuels at all. Baltic Yachts are also doing wonders, their new 142 Canova using a hybrid system. Berthon Spain are watching the superyacht side closely as we look forward to offering support for these exciting new technologies in the future.



PEARL 62'

2020 brings us the latest, luxurious flybridge model from the Dixon design wizards at Pearl. Kelly Hoppen has created an incredibly cool new 'modern scheme' for the interior of this fabulous Pearl 62'. She offers 4 beautiful cabins, including a full beam owners' suite with dedicated access, choice of ski garage or cabin crew and a Volvo IPS docking system.



OCEAN GLOBE WHITBREAD RACE



Falling back into the old world attracted a huge following during the last Golden Globe Race. It took an age, but the stories of hardship and endurance hit a chord. The next race will be well attended and added to with a new similar event for the old Whitbread yachts as a class. Certainly one to watch out for...

NOVARA'S STEVE BROWN - 2019 WINNER OF TILMAN AWARD

Awarded by the Royal Cruising Club in memory of Bill Tilman, a legendary sailor who sailed extensively in high latitude and when there climbed mountains. Both his yachts BAROQUE and SEA BREEZE overwintered in Berthon in the 60s and 70s. The Tilman Award is only given when the RCC consider there is a worthy candidate. Steve Brown, whose Bestevaer 60' NOVARA is at Berthon for sale, is the latest award winner, for displaying the highest standards of seamanship and determination including scaling mountains in several countries and in Antarctica, whilst completing a 32,000 nautical mile circumnavigation of the Americas, all of which was, and is, very cool.



AMERICA'S CUP AND FOILING



Foiling catamarans is one thing but now foiling monohulls are igniting the excitement of all sailing fans on planet Earth. Akin to the Boudicea chariot, speeds in excess of 40 knots are expected for sailing's ultimate prize. The naysayers are expecting huge crashes and issues but the opportunists see foiling being the norm in the future. Only time will tell but in the meantime tune in later on this year to watch the first battle commence.

# SAVING THE PLANET AND YACHTING



*‘ Just enough for one cup ’*

Being kinder to our planet is something that is at the forefront in the minds of most. Greta Thunberg makes many good points and there is the will to change our ways, shifting from our wasteful fossil fuelled way of life to something that will lower emissions and be kinder to this wonderful place we all call home.

Here in the UK, the sales of diesel, hybrid and petrol cars will be banned from 2035 and we all struggle with the imperative to do more and waste less. Yachting is far from immune to these pressures and quite right too. In the push to change our ways, it becomes clear that the big gains are in many cases not practical. It is the small incremental changes that can be achieved with some planning and thought that can have a big impact.

Whilst an all-electric car is clearly green and where we want to be, its manufacture is anything but green and nor can it be with its metal body and quickly moving parts all manufactured in foundries and factories that eat energy and spew out emissions at a furious rate. Then there is also what happens to the batteries when they have come to the end of their natural life? However, the end-product is benign. Likewise at home, the biggest saving of energy that you can make is to fill the kettle with only the amount of water that you need and to turn off all the switches on standby.....really? Yes, it's true.

The sailors amongst us immediately gain the moral high ground as they harness the wind for forward motion. Of course their floating chariot is manufactured in a yard using all the same high energy and belching out the same emissions that I mentioned above, and few yachts today use hand stitched cotton sails, so modern sailcloth isn't that friendly either.

However, technology is moving quickly and there is a very real will to be greener and kinder to our planet throughout the international yachting community and all those small incremental changes make a difference. There are also those yachtsmen who use their yachting to do

good. Here are some of the things that are happening which show an appreciation of the problems and a will to do better:

- **Electric drive.** This is still a new technology and it is fair to say that it is the superyacht industry that is really embracing this. Our Cool Board speaks of the new Spirit yacht in build and there are plenty of other examples. Battery capacity is the elephant in the room here both in terms of capacity and the energy required to manufacture in lithium ion, and without going into the moral question of where and how the nickel, lithium, lead, cobalt and cadmium is mined and who benefits.
- **LED lights.** A small thing but almost all the yachts that we handle now have them. A bit like the kettle, it is an easy win.
- **Paint and antifouling.** A huge amount has been done in the past 10 years to make antifouling less harmful to the environment. Old salts say that it isn't as good as it was. Of course not, but an extra scrub or so a year, really isn't that bad. Berthon has recently shifted to Alexseal as their preferred paint supplier, as they are using new greener technology, yet still providing a product which looks fantastic. A smooth and wonderful paint finish is lovely, but the environment matters too.
- **Solar array** has come on in leaps and bounds. FPB 78#1 COCHISE was designed, like her sisters, to have enough solar array to power her air conditioning and refrigeration, even on a cloudy day, in the Southern Hemisphere. Many yachts now carry solar and you can even buy mats which roll away when you make passage.

- **Hydro generators** create electricity while the boat sailing and the technology is easy, clean and safe – providing you have the sails up and are moving of course.
- **Wind generators** look alarming and make a racket, but they are also safe and clean and avoid some diesel generator use which is all to the good.

Most yachts afloat today, sail or power have teak laid decks. They are the default option for most owners and aesthetically they are very pleasing. Builders use different caulking colours, plank widths and the rest, but the general effect is common throughout the international fleet. There are 2 obvious drawbacks for this very attractive cosmetic covering born from the days when all that floated was wooden and a wooden deck was essential if you were to avoid falling into the bilge. The first is that it involves the demise of many trees which is not cool, and the second is that particularly if scrubbed often, it has definite built in obsolescence. A teak deck normally lasts between 10 and 20 years unless the yacht is stored ashore when not in use, or unless the yacht's owners take immense care of it.

Teak decks today come from sustainable forestry that tend to be planted lower down the mountains where the trees grow more quickly than at higher levels where the grain is further apart creating a less robust surface– but it still takes a very long time to grow. Thus it wears out more quickly. However, there are alternatives like Lignia which is a softwood sustainably grown and impregnated with resin. Clearly a way to go, unless we can dump our obsession with teak decks and learn to love well-finished GRP, metal or



composite decks decorated with non-slip either painted on or in the moulding.

Fake teak decks are another alternative, but of course the product is petro based although some advertise that it has the charm of not wearing out, this is not entirely the case.... Another option is to dump our obsession with teak decks altogether and learn to love well finished GRP, metal or composite, painted or decorated with non-slip - Hinckley, Alden and the like have managed this very successfully for over 20 years, it is definitely greener, and by the way looks fabulous.

Shore side marine businesses are doing the right thing with proper recycling so that yachtsmen can dispose of their rubbish responsibly. At Berthon oil, paper, cardboard, glass, metals, electrical wire and defunct appliances are all recycled and there is a giant compactor for the balance which is taken away every month or two to a depot less than one mile away before heading off in greater bulk to a local low emission power station to be burnt-generating power with no landfill.

Yacht owners are more aware than ever before of the need to look before you drop – anchor – that is. The old days when you anchored at will and had no thought for the depths below and damage that would be done to wildlife are over. Close to us in the Solent there are now plenty of protected Marine Coastal Zones (MCZ) where caution is the watchword.

The whole subject of holding tanks, treatment of human waste and pump out is not an attractive subject but progress on this is happening. Waste treatment plants are developing and pump out centres are mushrooming. Just pumping over the side is now very uncool and rightly so.

The other very important side of saving the planet can be seen where yachtsmen, charities, and scientists are spending time to catalogue, understand, and help to save the planet.

**SONG OF THE WHALE** is one of our favourite projects. Owned by a not for profit and manned (and womaned) buy a very committed group of people, they have carried out an immense amount of research in the last 20 years on

cetaceans. Their work with the right whale (named thus by whalers who identified their docile behaviour and therefore as the “right” whale to kill) is ground breaking and they are working hard to save a species which is teetering on the brink of extinction. See our video interview on the Berthon website.

Another example is winner of the 2019 Tilman Award, Steve Brown, showcased in our Cool Board, and who is working on the **Coastal Clean-Up** project aimed at cleaning up beaches and getting rid of the trash in our oceans with projects in areas as diverse as Haiti to Grenada. The World Cruising Club who run the ARC are working with this project too and anyone, cruising anywhere, can help.

Clearing our oceans of the thousands of square miles of plastic that lie on the surface of the ocean like a creature from another planet is a huge issue and Challenge 72', SEA DRAGON owned by **Pangea Exploration** also has been plying the oceans and drawing attention to this serious issue.

We have many clients who have used their yachts for disaster relief, for cataloguing the strange, bizarre and mostly wasteful and these initiatives will, we are sure, continue.

As the need to change our ways becomes more evident the human race will adapt and we will find a better way. The yachting business is miniscule compared, for example, to the car business, yet it is nimble and it is already rising to the challenge of change very quickly. Bigger industry giants in chemicals (Ineos) and aerospace (Airbus) are already sponsoring the latest America's Cup teams to gain precious insight to a sport that is definitely pushing boundaries. They will ultimately help trail blaze new ways of manufacture, new materials and more. We should be proud that the yachting business is an early adopter, not just because of the business case, but also because it is the morally correct thing to do.

In the same way that the all-electric car isn't environmentally friendly to build, but manufacturing will find a way around this, so will become the case with yachting. Resins and other build materials are being analysed and yacht builders are already

looking at the future and how to make things cleaner.

Using low energy efficient equipment and with modern power management systems, yacht owners are more aware of where the power is going and tend to be more thrifty at sea. As the push comes on throughout life to conserve and be friendly to the planet, yacht builders and refit boatyards become more resourceful and less wasteful in many tiny yet incremental ways.

Attitude of mind also plays a part. Old motor yachts with large fuel hungry engines are plummeting in value. It is not just the financial cost – the environmental impact is also a concern. This is completely understandable and we are seeing a number of these yachts selling at low prices to new owners who understand the problem, who use them little but enjoy the financial savings and the opportunity to have a great floating cottage that moves little.

Today, range and fuel consumption is not just about how far you can go. On explorer yachts we hear a lot about transatlantic range and the like. However, in the forefront of most purchaser's minds is not the wish to circuit the planet, but more to have a comfortable platform for cruising that wastes as little as possible of our planet's resources.

So yachting has done much to improve its carbon footprint and in many cases, carbon offset is a reality for many companies operating in the field. Yachtsmen are keen to preserve the waters and places that are open to them because they have a yacht, and they are forcing the pace of change for the manufacturers of both the yachts and the equipment that powers, lights and propels them.

Just like the emptier kettle, using what we have smart and being alive to the waste that we can avoid leads to baby steps of incremental improvement in the footprint of the world's yachts. Over the next 5 years we will see immense changes and challenges and yachting will respond to them swiftly. For be it electric car, eco house or yacht, like a crew casting off and heading to sea, we are all in it together.

# Our Old Friend Currency

Like a well-loved yet elderly uncle, currency is a factor ever present in the yachting market. For yacht brokers he is an ever present part of the fabric of the business.

Just in the same way that a favourite uncle will come up with the BEST Christmas presents (normally involving Berry Brothers or Fortnam & Mason), currency is able to smooth out the bumps in a transaction as the seller can be magnanimous in the face of survey defects and other difficulties, as the currency in which his yacht is selling strengthens in his favour. Likewise with a new yacht, new yacht dealers will often price in the currency of their territory, and as the currency in which the builder is invoicing weakens, the client's wish list for his new yacht becomes less of a challenge to realise at a friendly price point, and the deal becomes smoother.

Of course, currency can catch us all out and a small correction can make a significant difference and can turn an otherwise magnanimous owner into an unhappy one. This can also make heavy weather of a new yacht build specification with resultant unhappiness on all sides and a worried broker.

When I originally wrote this the market was buoyant, and I wrote (presciently as it turns out!) *it may be a little too buoyant!! There is plenty of confidence out there and in this market. Both yachtsman and agents are inclined not to worry too much about hedging currency or putting complicated legal mechanisms into place as things look stable and buying a yacht should be a joy. This is a great position, until the currency markets come off and buyers, sellers and new yacht brokers are left with a changed landscape that is outside their control. Obviously, this is still true with markets in turmoil and very unstable.*

This is not cool. If you are buying a pre-owned yacht in a currency that you don't regularly use, it is important that you make the ground rules clear and that everyone is agreed on what is going to happen. It is a good idea to agree that the 10% that you pay just prior to contracts being



‘Uncle Currency’

exchanged is remitted in the currency in which you normally trade, and in which you hold the purchase funds. All reputable yacht brokers will have client accounts for Sterling, US\$ and Euros as a minimum so this is normally straight forward to handle. This means that, if after the survey and sea trial you decide that you are now willing to move forward, your Berthon broker will exchange the deposit into the seller's currency and suggest a forward purchase to comply with the contract terms; alternatively, if a compromise between yourselves and the owner of the yacht is not forthcoming, you can get your deposit back intact in your preferred currency - less deductions for the survey costs. However, the deposit in the latter scenario is also not subject to currency loss.

Hopefully you will wish to move forward to a purchase. This is not the moment to find that the currency has moved significantly and that the purchase price that you negotiated hard to get agreed, is now, because of our old friend currency, 10% greater than you are prepared to pay. Everyone thinks in the currency or currencies that they use where they live, and whilst the price has not technically changed, the value of the yacht to you most certainly has.

To avoid this eventuality, it is a good idea to have a clause in the MOA

(Memorandum of Agreement) for purchase that states that up until acceptance – this is when you have carried out all your inspections on the yacht and your surveyor has carried out his survey and remitted his report, which you are happy with – if there is a significant currency shift of say more than 5%, you have the option to withdraw from the sale and your deposit will be returned less the costs of survey and sea trial. Of course the owner has to agree and if he will not do so, you need to think carefully about your options and whether to forward buy currency hoping that the sale will go through, or if the yacht is sufficient of a must have, that you simply take the risk. If you elect to do either, it is a good idea to take advice from your accountant on how best to manage this risk. Whatever the outcome, Berthon has client accounts in the three most important currencies.

Assuming that the owner is happy with the process of a get out clause in the event of significant currency shift prior to acceptance, the price and currency are virtually locked. This is definitely the time to buy the currency and to convert your deposit into the denomination of currency that will be used at completion. At Berthon we buy direct from the Lloyds Bank trading floor with a commercial sensible spread and whilst we can't tell you what the currency is going to do (we are humble yacht brokers) we will make the trade. Often we have our clients on the phone so that the actual trade is advised as it is available on the screen. If the trade is at an acceptable price, we hit the yes button. As the currency floor is offering trades in real time, there is only a few seconds to make up your mind, but we always prefer that it is the client's decision. It takes 48 hours to receive value for the funds and once available, they are deposited in the Berthon client account ready for completion. This is part of the service that we offer and there is no charge or commission paid to Berthon to do this.

New yachts are sold in a variety of differing ways. Very often a new yacht dealer will take the risk on the currency and will advertise the yacht in the currency used in their territory. In this case, they have normally forward bought currency to enable them to buy from the shipyard, without risk, at the advertised price. This is something that you need to check when signing an order form and sending funds, to be sure that the price that you agree is backed by the correct amount of currency in the correct denomination to bring your new yacht to reality.

Currency then sits on our shoulder once again when this new yacht comes onto the market. Although she is now in free circulation in the international market place, she is of course compared against other yachts in her brokerage segment. However, I am afraid that the value of currency used in the area in which she was built has an impact on her residual value with buyers calculating new build cost and then winding off value in depreciation but doing so using the currency rate today to do so. If the currency has depreciated between build and sale, then at least a portion of this will be seen in the resultant offer for purchase providing, of course, new boats are readily available.

The other obvious trend that is always apparent in the brokerage market place is where a yacht is priced in her owner's currency of choice and that falls. If she is a series yacht, like for example a Nautor Swan, as the yacht search portals like YachtWorld calculate differing currency as part of their functionality, the price falls against other sisters priced in stronger currencies. This immediately drops the value of the sisters' priced in strong currency and the value of the class, unless they are super desirable, tends to fall across the board. This means that other yachts in the segment suffer the same fate and if this cycle continues, we end up with a price correction across the board. Yachts are very vulnerable to this because they are so portable.

All markets are about supply and demand and things will settle down in most cases after a period and prices will recover a little if the segment has a good following and relatively ready buyers. However, prices will rarely return to original levels and if the

segment has a small following, the value drop may remain relatively permanent.

The main trading currency for international yacht sales is the US\$. American buyers are confident with a buoyant economy and offshore money now onshore with some friendly tax breaks instigated by the current administration. Sadly we have no crystal ball, but if Mr Trump proves to be a 2 term president, we expect that our American clients will remain confident buyers provided that economic confidence returns to optimistic (even if not to the original pre Coronavirus levels) and the US\$ continues to be relatively strong against other currencies - particularly European currencies.

Confidence in the USA market makes buyers in other areas confident also. And this helps the whole market. Over the past 12 months we have seen a number of transactions taking place in Europe in US\$. This is also the case in New Zealand and Australia. People know what to expect of it and a broker without a US\$ client account and good representation in the USA, is clearly not selling very much just now.

With Brexit and all that (more of this in another article I'm afraid) we have seen some trading as the Euro has strengthened against Sterling and then again as that situation has reversed - twice now. In fact the thing which has been most interesting is how little permanent movement we are really seeing. A very good reason not to take a risk on currency when you are buying a yacht, which of course, is something that you do for fun.

As other areas yachting areas develop, maybe we can think of a future where other currencies like the Yuan the NZ\$, AUD and Indian Rupee are players in the brokerage and new yacht market. The writer is old enough to remember the days before the Euro, where yachts being sold in Europe were traded in a myriad of different currencies - Pesetas, Marks, Punts, Drachma and the rest. In those older days, a large sheet of the currency conversions were circulated daily so that the Berthon brokers could keep up. Things are rather more pedestrian today where the currency aspect of our market is dominated by the US\$, with Sterling and the Euro in second place!

So our old friend continues to be ever present in the yachting market, and is something to be considered in your yacht purchase. Understanding him and the way that he influences price is yet another piece of the yacht purchase jigsaw puzzle.

As the world gets smaller, we are travelling further (despite the likely 3-4 month imposed sojourn on land and selling yachts that are in ever more far flung areas. Berthon are already selling new yachts built in China, Italy, Poland, Sweden, the UK, and France and to make it even more complex British brand Moody is built in Europe, Pearl in China, Norwegian brand Windy in Sweden and Poland! As far as our brokerage offering is concerned, we are listing and selling yachts in the northern and southern hemisphere with owners from all corners of the planet. Because of the international nature of the business, our clients, both buyers and sellers, have differing requirements as far as currency is concerned and the strength of their local currency is intrinsic to any deal that we are able to do.

Understanding and managing the needs of our clients in terms of the currency that they wish to accept for their yacht or indeed offer for her is key. Clients sometimes ask us how they should price their yacht. Where a currency is particularly weak, perhaps they should price in a different currency that is more solid. Your answer is to price in a currency that you know, understand and use, but more importantly, it should be in a currency the potential buyers are more comfortable with. The elaborate use of currency to market yachts does not work and buyers are far too savvy to be taken in by it. Try it by all means, but you are likely to receive a bid in another currency! Likewise, if you are really not comfortable with buying a yacht in a currency that you do not trust or know, make your offer in the currency that you do know, and the seller will decide whether to accept it or not.

Buying a yacht is a leisure activity, so in your interactions with our old friend currency, remain open minded but do not take unnecessary risks that will be heavy on the wallet and will impact the joy of buying your new yacht.

# BUYING A NEW YACHT –

## *some of the pitfalls, along with the fun*

It really is the ultimate prize. A brand new yacht, built to your specification, with the kit of your choice, your colours, layout and unused by anyone else. There is the opportunity to visit the shipyard, pour over the plans, and involve the whole family in the creation of this special new member of the family that will provide fun and be your magic carpet for regattas, crossing oceans, or for lazy yachting holidays wherever in the world she is positioned.

Not for you the myriad of compromises of a second hand yacht, built for someone else, that may have dodgy systems and full of the ideas and dreams of another family, and which needs restoring, updating and remodelling to fit your needs.

Of course buying a new yacht is not the cheapest option; it requires masses of input to get her as you wish, and you have to wait whilst she grows and develops in the womb of her build yard. The birth is sometimes a difficult one, as things come together more slowly than expected, and often more expensively than you would wish, but then – the launching party, the trials and the satisfaction of taking delivery of your yacht, to your specific wish, a new, shiny and beautiful creature ready to realise whatever your yachting dreams may be.

Buying a new yacht is a joy. The heavy depreciation and nay sayers who will tell you that you won't say goodbye to the gremlins for the first season may be reality, but despite these, what could be nicer, if you are prepared to pay?

We understand this totally, and at Berthon we have a thriving new yacht division selling Windy, Pearl, Iguana, Solaris, Moody, Rustler and McConnaghy and we appreciate that for many of our clients the joy and pride of ownership in buying a new yacht makes this the only way to go.

Given the costs and time periods involved, with stage payments and build contracts, and with the stuff that

can go wrong, it is surprising that so many yachtsmen are so trusting when embarking on the purchase of a yacht, which is a serious investment of time, emotion and of course money.

When buying a brokerage yacht, these risks are mitigated.

If buying from a professional broker with escrow accounts, industry contracts, lawyers in many cases and importantly, a thing that exists and which you can touch and feel, a purchaser can be at least 99.99% satisfied that they can exchange their cash for their chosen yacht with good title and in a known condition. Brokerage sales normally take around 8 weeks to complete (although the trend is that this can take longer as funds become available, yachts are positioned and due diligence is carried out), and therefore the period of risk is small and is capped at 10% being the deposit payment made.

When selling a brokerage yacht belonging to a company, it is routine to obtain a credit check on the company, insure that the articles of association are correct, to minute the sale and to check that the authorised signatories are indeed, just that. If the transaction requires company ownership for the purchaser, a new company is typically formed and all the same due diligence carried out. At the same time, the yacht is surveyed, prodded and poked. Her inventory is checked and she is checked for RCD, VAT and good title.

Of course none of these measures are fool proof, but it does lower the risks significantly.

When buying a new yacht, the same levels of diligence are required. It is surprising to us in many cases, how so much is taken on trust. Buying a new yacht is a glorious and emotional experience. It is not a good idea to add to the stress levels by not taking some simple precautions when buying in order to secure your position and to make sure that a lovely new yacht appears at the

end of the process and not bits of one.

On a corporate level, you would always expect to check out a major supplier and to ensure that their accounts are in order, how the ownership of the company works and how their accounts look. At Berthon we are always happy to supply a copy of our full accounts and ensure that we have audited accounts within nine weeks of our year-end, available well before Christmas each year with our financial year ending on the 30th September.

So if you are buying a new yacht, ask for the full accounts and do not hesitate to ask difficult questions. The company that you are contracting with will have your hard earned cash in their account whilst your yacht is just a twinkle in the laminators' eyes and onward as your stage payments will allow her to develop and grow.

Of course there are some amazing shipyards with great skills and total integrity who have accounts that do little to replicate those of long respected FTSE100 companies, but you should understand their limitations and take a view on whether you trust them to build you a yacht.

There is no point asking smaller yards to hold your money in escrow – they need it to build your yacht and so you need to be sensitive to the fact that the yacht building industry is not a massively profitable one, particularly where the volumes are low. Normally the shipyard is full of committed craftsmen who are focused on doing the best job possible and accounts and financial spreadsheets are not always what they do best.

However, a bank guarantee can be a smart idea although you may need to help them with the fees to set one up. You may find that this only covers the payment that you have in hand and not the full cost of the yacht.

The British Marine new build contract is a good document and covers most of the areas of concern. It works on the

basis that you pay as you go. There are milestones which have to be achieved before the next payment is made. Therefore the amount of money that you have paid to the shipyard should be roughly equivalent to the value in the unfinished yacht. You should be aware that the contract must to a great extent be front loaded because of the cost of the initial structural build and the need to order expensive parts to have them ready as construction progresses – engines, generators, rig and so on.

This system is tried and tested and works very well. However, do be aware that if the worst was to happen, your uncompleted yacht and those bits of her that you own like maybe a rig, or generator, or batteries yet uninstalled, will be available to take away and finish elsewhere or by creditors chasing their collateral. This situation is far from ideal.

If there is another local boat yard with the skills and capacity to finish your yacht then it is an easy matter and that would be luck indeed....so, if a yard fails in mid-build in practice it normally means that one of the following occurs –

1. The receiver/new owner is prepared to finish the yacht in some form but that they wish to renegotiate the price as the original contract price did not allow for sufficient margin to make money. Hence the reason that the receiver is there in the first place.
2. You take over the rental of the premises, very often in partnership with other owners who are in a similar position, employ the staff and finish your yacht, involving you in a lot of work, aggravation and normally extra expense.
3. The yard shuts and you leave with your yacht and finish her with subcontract labour, and when complete, the process will have been long, expensive and also you own a yacht which is partially home built.

There are also pitfalls in relation to the removal of your asset in as much as



*‘ The ultimate prize ’*

you will almost undoubtedly be between milestones and may well have paid for equipment that is on site but which is not owned by you as the suppliers have not been paid. These normally disappear and so it is worth ensuring that there is a clause in the build contract that gives you the option to pay up to date and have ownership of the whole asset (including the bits unfitted and lying on the ground) prior to deciding what to do next.

The other option is only to part with your hard earned cash once the yacht is completed. The snag here is that there are very few yards that have the financial muscle to agree to this and given the high value and low volume of what they produce, this is completely understandable.

It is always worth employing a marine solicitor (only use someone who is familiar with this part of the law, your family solicitor will not be able to help), just to have a look at the contract before you sign and be sure to do the proper due diligence before you start so that if there are risks you are fully aware of them.

The other thing to think about is whether you need a project manager or surveyor to help you during the build. If you are buying a series yacht from an experienced yard, with RCD, normal quality control and a good track record, then this is less necessary. However, if you are building a one off, or from a yard that produces under say, 10 yachts a year, it is a risk to allow them to build as they think and hope that it will be alright on the night. A good surveyor or project manager will also be able to help

you with the myriad of decisions. It is also not a bad idea with a larger yacht where there are milestone payments, to have a surveyor to sign these off. You can then be sure that the milestones have been hit and that the equipment with your name on it is in that store.

If the yard that is building your magic carpet does falter and fail and you finish her

in one of the ways described, please do bear in mind that there are no cuddly warranty terms to fall back on and you will be very much on your own. The suppliers whose kit is onboard may not have been paid, and whilst they are normally very good, you will certainly not be first in the queue if there is a claim or a failure.

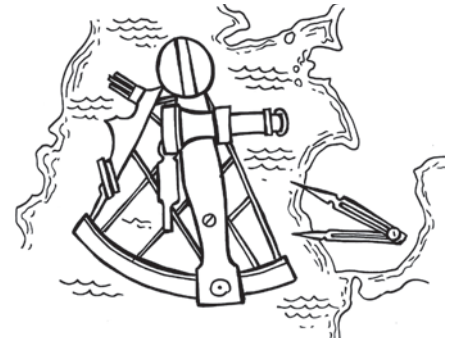
Of course most new yacht purchasers sail through the experience as they are working with well funded shipyards that have lots of experience and the will, cash flow and order book to ensure that the yacht is built, finished and handed over according to the contract. However, if you consider some of the potential pitfalls and tiger traps, you are less likely to fall in.

If you are buying via an agent or a dealer, be aware of the difference. With an agent your contract is with the shipyard. With a dealer you buy from them and you should carry out normal due diligence on them as well as on the shipyard and be sure that you are happy. If the dealer, agent or shipyard is not familiar with the contract that they are asking you to sign, do not be afraid to be trigger happy with your marine lawyer's phone number and have them check everything through before attaching your moniker to the agreement.

As we said in the beginning, a new yacht is a thing of beauty, a joy and we totally understand why so many people choose to go this route and so thoroughly enjoy the journey. That said, a little passage planning is most definitely in order when contemplating such a step to be sure that the process is everything that you imagine and bears no resemblance to our gloom laden words.

# The 2020 Berthon Forecast

BY SUE GRANT



*‘Accurate passage planning is not exact’*

The problem about forecasting is that people have a tendency to remember what you said and to pull you up on it. Michael Fish of BBC weather forecasting fame will be forever remembered for getting his forecasting spectacularly wrong. This makes me rather cautious about predictions. The last forecast written lies open on my desk and I re-read it with foreboding!

Luckily we did not do so badly for 2019. On currency, the highs and lows were modest with Sterling continuing to be steady despite an election and uncertainty over Brexit. Our lovely American clients continued to buy which was great news for Berthon on both sides of the Atlantic. New yachts also did well across the board with new Windys, Pearls, Iguanas, Solaris, and Moodys all delivered in abundance and as we approach the new season, there are new yachts being readied for commissioning for this season, albeit some will be delayed by inevitable temporary factory closures.

Of course we weren't totally right about the weather – but we are British! In the round however, I feel that the best call was a policy of no predictions about Brexit or VAT. Clearly, two enormous subjects of Empire State Building proportions, and this year, we will be brave and start with these.....

There is no need to opine about Brexit. As this article is written, the UK has left the EU and has embarked upon its voyage across the sea of transition to a final departure on the 31 December this year. The passage planning for this trip is complex and there are many hazards to overcome before docking safely in Port Exit. Of course there will be arguments about fishing grounds, whether we can send France our Stilton and for how much and what we call their Brie. How many BMWs should come to us and Astin Martins go to Frankfurt, about our City and how many forms a British lorry driver must fill out in Cherbourg. However, as Europe and the UK are old friends, we predict that whilst the arguments will be well fought and at times bad tempered, the final result will be like all

the best deals. The best deal is of course based on the mutual unhappiness of all the participants on their position when the deal is closed.

In amongst this, we expect to see local difficulties, new paperwork and confusion here and there, but this will iron itself out and the world will continue to turn. We have offices in France, Spain and Sweden so are passionate about Europe and our European friends. Whilst the procedures will change, the deep bond between us all as inhabitants of this continent, and the bond that we have with all those for whom getting out on the water is what really counts, will trump all...

And talking of trumps – Mr Trump has certainly had us on the edge of our seats for the next instalment of his presidency and we predict that this will certainly remain the case in 2020. With a presidential election looming, we will hear a lot from the United States this year and the international policies coming from the White House will touch us all. However, the US\$ is strong and this shows no sign of changing, especially whilst the coronavirus turmoil remains. Whilst we wouldn't dream of predicting who will be the next president of the United States – this is way above our pay grade – we do predict that, with lower tax rates bringing more money onshore, a strong currency and a confident economy, US buyers will remain an important feature in our market this year. The appetite for bluewater cruising yachts – both clockwork and rag will remain, with smaller pretty motor yachts and production cruising yachts for the East Coast and Caribbean winters continuing to be the product mix that drives this market.

And then of course there is VAT. This is a very tricky one to predict, and the only certainty is that there will be no certainty as there is no co-ordinated policy for the VAT treatment of yachts in the EU other than overarching directives mostly focused on the mundane topic of return of goods rather than wealthy owners' yachts; member states, and their revenue authorities will call it as they see it and as suits them. However, the principle of the exit of the single market should provide to UK yachtsmen eligibility to participate in the VAT Temporary Arrangement scheme, yachting in and enjoying the EU for 18 months without payment of VAT as with all other non-European nationals. We predict that this will be the eventual outcome but that it will not be a clear path. There will be confusion and conflicting views for a period and we don't expect things to be clear quickly. With the vast amount of paperwork, legislation and bureaucracy that has been developed over 45 years, providing clarity to a bunch of yachtsmen on the VAT treatment of their yacht will not be at the forefront of the minds of Mr Johnson and Mr Barnier....!

As for the rest, we are delighted to dive into 2020 with another new office - Berthon Scandinavia on the beautiful Island of Orust, home to some of the most gorgeous built yachts on the planet. We see this area as one of growth and development and one which you should definitely add to your bucket list for a summer cruise (or two). It is close to Norway, which again offers amazing cruising and another market for Berthon, as well as creating further reach for this new Berthon office in the international market place.

Larger motor yacht sales are a growth part of the business and our dealership for Pearl Motor Yachts in the UK and France is an important part of our strategy to build this part of the market. An English product with solid and imaginative design from Dixon and Kelly Hoppen, these yachts strike a chord with those who enjoy the benefits of a larger fly bridge motor yacht but who also appreciate the advantages of dealing with a well-funded, smaller builder for whom every order is important. It is also nice not to be in a line of another brace of more of sister ships, all of whom look exactly the same! Because of the market appetite for this sort of yacht, the brokerage market in this segment is enjoying good liquidity as yachtsmen move up through the ranges and sizes.

FPB continues to be a feature of life at Berthon. This summer there will be an FPB Summer Cruise in Greenland where a collection of these 4 wheel drive motor yachts will cruise in company in Greenland and up into the Arctic Circle. We continue to work with Dashew Offshore to support the pre-owned market and as an FPB is a scarce resource with no more being built, prices are holding extremely firm. A number of companies have brought alternatives to the market in the past year or so, but none have managed to quite replicate the magic that Steve and Linda Dashew brought, not only to yacht design but to realising the actual yachts. We predict that FPB will continue to be the last word for the ultimate in explorer yachts and that FPBs will continue to cruise far.

The performance yacht market has changed enormously in the past years as you will have read in previous Berthon Market Reports. A lot of erstwhile raceboat owners have scaled down to one design which is nimble with small crews and investment. Of course there are still Grand Prix racing yachts but the numbers are small and the trend to fast cruising yachts that are fun to sail, very comfortable and which can participate in certain regattas internationally is a trend that will continue. This trend is also growing with larger superyachts and megayachts, where the option of enjoying a regatta is becoming a given at the design stage.

In any given year, we normally sell around 12 pre-owned Discovery yachts and

2019 was no exception. As we welcomed 2020, we had 5 Discoverys under contract and they have now been handed over to their excited new owners as world class bluewater cruising yachts. We are also busy with Oyster, Contest, Shipman, Swan, Hallberg Rassy and the rest, and it is pleasing to see that they still have an excellent profile. The recent ups and downs at the Discovery Shipyard are hopefully behind them and we wish them very well. There are not enough quality yacht builders on the planet and certainly not in the UK and we hope that the best for Discovery is yet to come.

Governments scramble to be at front of the charge with reducing carbon emissions and making the planet greener. Here in the UK, diesel cars and partial hybrids are to get the boot in 2035. Yachting has not been so very affected by this, but we predict that this push is coming. Greta Thunberg's race across the pond in a carbon raceboat was a reminder that wind power is best. Of course the build of a yacht in full carbon is hardly green but all this will come in time. We are starting to see energy generation as an environmental issue rather than a way to be self-sufficient at sea and this trend will most certainly develop and grow in 2020 and beyond.

2019 was a big year for the UK and we were delighted that our clients continued to enjoy our sport and to buy and sell – it was a very good year for us. We saw some segments slowing as we approached December with an election and Brexit in the balance. By far the most significant happening on the 12 December for many of our clients was not the confirmation of Brexit – although the clarity was nice. It was that Westminster was finally settled with a solid administration with a 5 year term and we have benefitted from a number of sales concluding as a result of this clarity. As the Coronavirus gripped Europe, nervous buyers appeared reticent but after realising that the deal will simply take longer to consummate, most have settled down in anticipation of a confirmed sea trial exchange and delivery when we are released from self isolating. We predict that confidence will return based upon the extraordinary economic massaging that governments throughout the world are proposing. . Whatever your view of the political situation, having a solid

government will allow businesses to plan which in turn enables those owning them, working in them and investing in them to have the confidence to do what's really important, and that will be recovering their client base. And in our world, this means enjoying the water in whatever manner you choose.

So to recap on our forecast for this year. We expect to have weather this year which will pale into insignificance once those who were holed up at home are allowed outside to enjoy it; it won't really matter whether it is raining or shining. We are also expecting that stability and certainty of changing weather will mean that viruses will take a back seat we will see a better second half year for yacht sales both new and second hand.

With activity comes the challenge of stock levels and we predict that both the new and pre-owned markets will struggle with this whilst production lines wind up to full capacity again when parts start being available, from China or more locally as outsourcing becomes onshoring.

Our take on VAT is that UK yachtsmen will end up as non-EU nationals yachting in Europe without paying VAT like the Americans, Norwegians, Russians, Antipodeans and the rest. However, we are not so sure that this is something that will be particularly cut and dried and we believe that it could be many months before this actually becomes clear and in the meantime, if you are a UK national and have a VAT paid yacht, take care of the advice on location on the date of exit if you wish to enter 2021 with a European VAT paid yacht.

Accurate passage planning is not exact in such momentous times, especially with multiple ports closed across Europe, so at Berthon we will be taking frequent fixes, advice and sights throughout 2020 as each front passes through; we'll be wary of the eye where calm turns to further commotion before blue skies reappear. We look forward to working with you on your yachting projects, and whether you are in the UK, France, Spain, Sweden or the USA there is a Berthon office and members of our team, all of whom look forward to meeting you. Have a terrific season.

# Windy

SPIRIT OF SCANDINAVIA



## New 37 Shamal



## BERTHON

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