





THE MARKET REPORT 2022

by Sue Grant

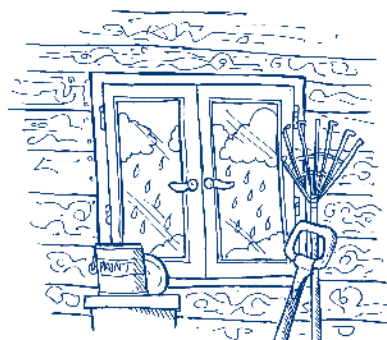
Market Reports emanating from my Garden Shed, detailing the previous year in terms of the most extraordinary yet, are becoming a little careworn. As I sit yet again behind my computer looking out on a rain drenched UK, I won't start this report that way – although I could!

For the Berthon Sales Group as with the rest of Planet Earth, Covid-19 fatigue has set in, but despite the way that its tentacles have wrapped themselves around every part of human life in 2021, the natural optimism of our race and the need to get on, has brought with it an extraordinary year across all five Berthon offices. We have posted figures that in 2019 we would have thought fanciful. Vertical growth curves are tricky to replicate but they do look great!

Yachtsmen in 2021 were determined to get on. They put up with travel restrictions, fighting to get access to their yachts, reduced cruising grounds, and huge hiccups in the supply chain for refit programmes and new yacht deliveries, to win through and stay true to the idea of freedom and the camaraderie that comes with getting out on the water. And for this we thank them. Our normal cycles of quiet time and busy were totally absent and we were helter skelter with yacht sales, deliveries and negotiations throughout the year.

VAT, RCD, getting insurance cover and all the challenges that this brings have continued to be the bit of grit that makes winning through and getting the deal done just that little bit more sweet.

Of course all this has been played out on a world stage that has seen the crisis in Afghanistan, Russian military hardware destroying various cities to annex or create a corridor in Ukraine, grumpy politics being played out through Europe where diplomacy was clearly forgotten by single minded and oft egotistical



- Rain drenched UK -

politicians, and unhappy partisan situations in Myanmar and elsewhere. We can look forward to escalating inflation, an energy crisis, the tragic consequences of the invasion of Ukraine, and the near bankruptcy of most of the world's exchequers. All this, and if you are British you might know more than you ever wished to about our Prime Minister's choice of wallpaper in No 10, and what sort of birthday cake he likes, if the global geopolitical situations quieten....

The Düsseldorf Boat Show in January was finally cancelled shortly before I sat down to write this piece, but it will be back. Luckily, we have had the excitement of the Cannes Yachting Festival (*what an amazing event!*), Southampton, Annapolis and plenty of other smaller events to remind us of the magic of the bazaar that is the boat show experience, and we are all hungry for more in 2022.

Our wonderful friends at World Cruising staged the ARC – restrictions aplenty and our Bluewater Weekend was virtual – but no matter – it ran and yachts sailed live across the Atlantic in the Autumn – the

extraordinary ARC parties will have to wait for another year but the fun of joining together to have a sailing adventure was just as before.

Our offices have achieved much this year and our wonderful team have all remained in place and there are some new faces too. The Covid policies, restrictions on travel and all the rest are but an irritant and by working together as a solid squad we have made the best of things with Berthon wide policies and by helping each other on the ground and working together to raise our game. You will hear more from the Team further forward in this Report when they will tell you about the desks that they have driven in 2021 and their experiences.

In the UK, the sales of brokerage yachts grew exponentially. The only more awkward segment was the raceboat sector – it is hard to sell raceboats when no one is doing any racing – however this is now easing and the sales of performance, high tech cruising yachts are definitely the way that the market is moving. Motor and sailing yacht sales have been stellar across the world and in all disciplines we have sold more yachts off market than ever before.

Indubitably, a super buoyant market favours the seller, but buyers are canny and they will not pay a ridiculous premium. Those yachts that have sold best have been recent, normally production and in excellent condition. Yachts not attracting interest are the more mature, the over-priced and the shabby. Like any market there comes a point at which buyers, however keen to get out on the water, do not bite. ►

At Berthon France Bruno and Isabelle have been flat out. We delivered three Windy SR44's and a plethora of brokerage yachts. The Côte d'Azur suffered in the grip of Covid restrictions but the bounce back was rapid as it is one of the world's very favourite playgrounds, with its azure waters, amazing hospitality and incredible food.

Berthon Spain's Big Blue Shed completed its fit out in 2021. Despite all the challenges the Service crew has expanded rapidly and whilst writing, the team are working on refits of a Spirit 70', a brace of CNB 76's and much else. The Berthon Spain Guardiennage fleet has also developed and grown and it was great to see their owners returning to Palma to be re-introduced to their yachts last summer. The reliable mid-Mediterranean weather, great cruising and our clients' enthusiasm saw the season extend almost to Christmas time. This has been very special and now the pressure is on to get the fleet ready for the new season. The capability of the Big Blue Shed has grown hugely with engineering, hydraulics and fabrication all managed in-house, enabling us to deliver a truly outstanding service on yachts from 55 to 160 feet and larger.

Our Berthon Spain yacht sales operation also came of age in 2021 with a fantastic year. We joined the Marex team as the exclusive dealers for their cleverly designed brand in the Balearics – and they are perfect for the area. Simon Turner and Ben Toogood are both super experienced brokers, specialising in larger sailing and motor yachts, respectively. Together they have posted amazing results selling a large range of yachts, including a new Swan 78' whilst in build in Finland, a Manhattan 55' new build and an 80' Sunreef multihull. We are looking forward to the possibilities for the current year from our office opposite the Club de Mar.

In Sweden, Berthon Scandinavia has thrived, with Magnus, Fredrik and the team controlling the market for high quality Scandinavian yachts and selling

'REALISING THAT CLIENTS MAY PREFER TO SPEAK TO SOMEONE IN THEIR OWN LANGUAGE AND IN THEIR OWN TIME ZONE, ALL OUR LISTINGS OFFER THAT OPTION. AS WE WORK TOGETHER AS A TEAM (*MORE OF A FAMILY REALLY*) WE ARE ABLE TO OFFER A RESIDENT SERVICE TO GIVE CONFIDENCE TO BUY INTERNATIONALLY BUT WITH AN INDIGENOUS TWIST.'

them not just in the local market but throughout the Mediterranean as well. There is no substitute for specialist knowledge and they all know their stuff – and the international team is learning from them!

In many markets, not just yachting, the USA dominates and Berthon USA was the jewel in the Sales Group crown. With 5 new Moodys delivered and an astonishing number of brokerage yachts sold, the US Team were super busy all year, getting new listings and selling them pretty much immediately. Our coordinated approach with other offices has also worked well again this year with American clients clearing sales through the USA using USA contracts and client accounts.

In 2021 we rolled out our local broker scheme. Realising that clients may prefer to speak to someone in their own language and in their own time zone, all our listings offer that option. As we work together as a team (*more of a family really*) we are able to offer a resident service to give confidence to buy internationally but with an indigenous twist.

New yacht sales have of course been in peak territory. We are delighted to represent Solaris Yachts Italy, a thoroughly class act. We have five yachts in build currently including #1 of the new Solaris 74' and we delivered a 50' and 44' in 2021. Excitingly, we have expanded our territory from the UK to the East Coast USA, Sweden and Finland.



We are thrilled about the possibilities with this forward looking yard situated on the Gulf of Venice, with its great team of people and rapidly developing range of outstanding comfortable performance cruising yachts from Soto Acebal.

On motor yachts we are much enjoying our association with boutique yacht builder Pearl represented by Berthon in the UK and France. Their Pearl 62' scooped all the awards and with two in the UK now and a further two due to deliver in 2022 we love their innovative design and commitment to client care which matches are own. Watch out for the Pearl 72' which we predict will create a lot of interest, the first three hulls have been sold off the drawing board already!

Windy of course continues to win hearts and minds the world over, with their high quality sports boats and super yacht tenders and their product development skills are awe-inspiring with the fantastic SLR 60' launched this year. In the UK, we have had a change of face this year with Rob Steadman moving from brokerage sales to new motor yacht sales, and Hugh Rayner taking the baton to return to brokerage motor yachts; assisted by Harry Hamson, they are motor yacht mad to the core.

Undeniably, the iconic go anywhere FPB range continue to cross oceans and to carry their crews to all parts of Planet

Earth. We work closely with Steve and Linda Dashew, who will tell you that they are retired – but don't believe a bit of it! We were privileged this year to be trusted by them with the plans, designer's notes and full specifications of the entire FPB fleet as curator and keeper of what is a very important body of information. This is being rationalised so that this information may be kept for the owners of this extraordinary 18 yacht fleet for the future.

FPB yacht sales have been busy with the sales of FPB 97' ICEBERG, FPB 78' IRON LADY and FPB 64's COOL CHANGE and TOCCATA from Berthon HQ. We wish all their new owners many happy times aboard their well tested steeds and we are sure that they will enjoy fantastic experiences aboard their FPBs, safe in the knowledge that as tools for blue water, there is simply nothing as good.

Above all, the Berthon Sales Group is a marketing organisation and we are aware that the service that we offer is a combination of specialist knowledge, professional negotiation, enthusiasm and the ability to deliver the best possible information about all the yachts that we handle, both new and pre-owned. In order to do this we need to devote the needed resource to our marketing activities. This is why you will see new websites for Berthon Scandinavia and Berthon USA in 2022

as well as more optimisation of our main berthoninternational.com offering.

Our social media is also being upgraded, however, our successful YouTube channel and walk through videos will continue as is – but there will be more of it! We believe that people want to be able to carry out detailed research about yachts of interest before travelling – particularly as Covid morphs from Pandemic to Endemic but is still part of life. Like the rest of the Berthon Sales Group, our Marketing Team have been working flat out to deliver the promotion that our yachts deserve and the support that all five offices need in 2021. Expect to hear even more of us in 2022!

Although we keep at it 363 days a year, the Christmas and New Year period has been an opportunity for the team to take the foot off the gas for a few days and to enjoy the festive season, whilst gearing up for what we hope will be another big year for us. We are joined by Peter Houghton in the USA and Harry Lightfoot in the UK in 2022 to further strengthen the team and we look forward to having them aboard the Berthon bus.

Our voyage to excellence is never ending, and whilst we have many nautical miles beneath our keel, we will be working hard to raise our game, to deliver a yet better service, and to dive into the wondrous pool that is yachting with our fantastic clients in 2022.



- Wondrous pool that is yachting -

10 FLIGHT DECK REPORTS

We believe that the jack of all trades approach to our business does not work, so our team across 5 countries and 2 continents specialise and are expert in their discipline – new and pre-owned, motor, sail, performance, blue water, refit and so on. Every member of the Team is involved in this section as they report on their market segment in 2021, the good, bad, bizarre, exciting and much else besides, including a report from the canine division of the Berthon Sales Group.

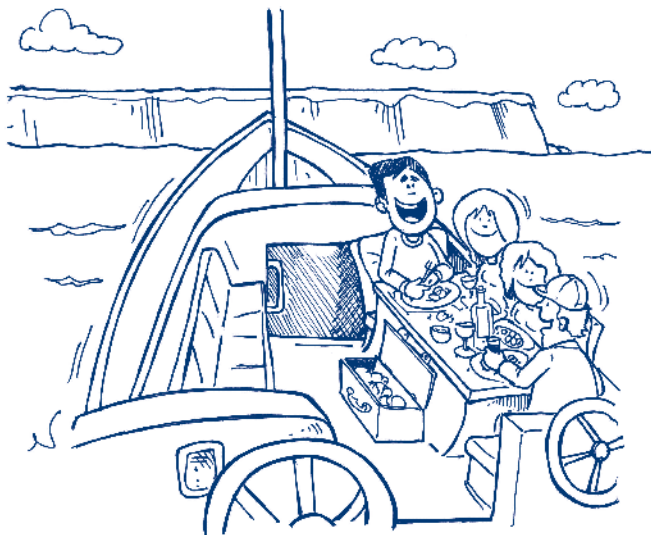
28 VAT LIFE AFTER BREXIT – ONE YEAR ON

Simon Anslow from PFK is our sherpa for all things relating to VAT and yachts. In 2021 he wrote for us outlining the new regulations in both the UK and Europe following Brexit and this year he updates us as the new rules bed in, and of course many of them change significantly. His clear and precise proes is compulsory reading for all yachtsmen trying to navigate these tricky waters.

www.pkf-francisclark.co.uk/your-experts/simon-anslow

32 PROFESSIONAL YACHT DELIVERIES

2021 and the restrictions in place for much of the year, made it difficult for many yachtsmen to get to their yachts. PYD were able to solve the problem by bringing the yachts to their owners. Peter Kloezeiman explains the challenges of travel for their PYD skippers and crew, and how they got the job done amid altered regulations. www.pydwww.com



34 THE COOL TO THE POINT OF FREEZING BOARD

Each year the Berthon team looks back at the most extraordinary happenings and developments in yachting for the year. The innovation and extraordinary exploits of yachtsmen, designers and technicians is totally fascinating for anyone as mad about yachting as we are.



36 WALLFLOWERS OF A BUOYANT MARKET

Despite a super buoyant sales market in 2021, there were still yachts that did not sell as well as marine businesses particularly in manufacturing which failed. We look at the wallflower yachts, (*affectionately known as flowerpots at Berthon*) and how their owners are able to get them an invitation to dance!

40 YACHT INSURANCE

Obtaining yacht insurance is not as easy as it once was. There are a host of reasons for this and Richard Power of Fastnet Marine Insurance explains the background and looks at the problems facing both underwriters and yachtsmen. He also details how to handle things if you do have an accident with your yacht and make a claim.

www.fastnet-marine.co.uk

43 COVID-19 AND THE YACHT MARKET

2021 was a remarkable year for many reasons, but of course it was dominated by Covid-19 and the difficulties and restrictions that it created. As the Planet starts to emerge from the clutches of this pandemic and we learn to live with its endemic first cousin, we look at how attitudes to yachting have changed which are all very much to the good.

46 YACHTING & THE SUPPLY CHAIN

Supply chain issues is not a disease that has solely affected the yachting industry. Every part of life has been touched by it and it is to date far from being solved. We discuss what the shortages of simple materials like acetone and many components have meant for delivery times on both new yachts and yachts completing normal refit programmes.

50 2022 BERTHON FORECAST

We look at 2021 and what we predicted for the year – last year we did OK, having forecasted the extraordinary spike in yacht sales as a result of the freedom and wellbeing we garner from being afloat and we called the number of shows right too! Arrogance can lead to a fall. It is with caution that we also have a bash at 2022, and what this has in store for Berthon and the yachting industry in general as we navigate the our Berthon ship through the challenges of this year.

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32



34

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Abracadabra Studio



40



46



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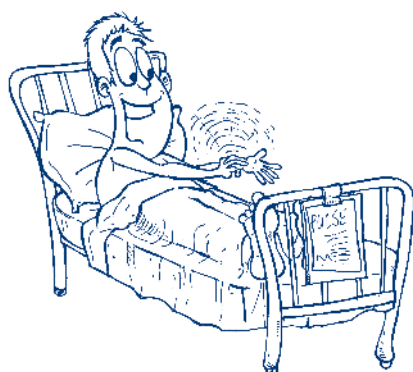
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Flight Deck Reports



SAILING YACHT REVIEW - 10 & 11

MOTOR YACHT REVIEW - 12 & 13

PERFORMANCE YACHT REVIEW - 14

NEW MOTOR YACHT SALES - 15 & 16

USA REVIEW - 17

FRANCE REVIEW - 18 & 19

SPAIN REVIEW SERVICE & REFIT - 20 & 21

SPAIN REVIEW YACHT SALES - 21 & 22

SCANDINAVIA REVIEW - 23 & 24

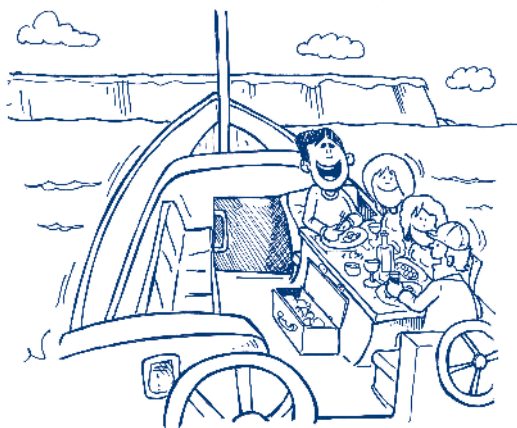
CANINE STICK REPORT - 25

SOLARIS REVIEW - 26 & 27

SAILING YACHT REVIEW

By Alan McIlroy

If ever there was a sellers' market this was it! I don't think in 18 years at my desk at Berthon I have ever seen such a year. Buyers driven to compete with each other as demand outstripped supply. It was also the motivation to buy that was interesting, with long held dreams to undertake more challenging and offshore sailing en-famille suddenly crystallising into firm plans, making yacht purchase a necessity.



- *Slaying local* -

What was selling? There was quite a bit of up-sizing going on with families having loved (*or in some cases endured*) a smaller yacht reaching the decision that if they were going to spend more time afloat, they were going to need a bigger yacht. Across the board and even for UK based sailors, there was a desire to push beyond local sailing grounds and to go further. As always, we are heavily involved with the sales of blue water yachts and this market remained as strong as ever. A glance over the ARC entry list confirms the desire to cross oceans is very much alive and thriving. Of course, you can cross an ocean in pretty much anything that floats, but our advice is that a proven, well-appointed blue water cruising yacht is the best option.

VAT changes because of Brexit coupled with Covid travel restrictions meant buying locally in the UK became the norm. It was a pretty open and shut case for anyone wanting to cruise here in the UK that the yacht had to be UK VAT paid, which in most cases meant staying within the domestic market. While Covid restrictions have eased, travelling is not the fun it used to be, so whilst a few brave souls did travel, by far the majority preferred to stay within the local. This was also the trend in our offices in Sweden and the USA.

As mentioned previously, UK yacht owners now have the opportunity to keep non-VAT paid yachts in the Mediterranean and this can apply to both new or brokerage yachts, but we did spend quite a bit of time explaining the current rules to both buyers and yacht owners and it is only recently that HMRC have clarified the inverse position. VAT paid yachts are now allowed to return to the UK from the Mediterranean via Returned Goods Relief, provided that prior to Brexit they have been in the UK. For more detailed information about this, see our article on page 28 by Simon Anslow.

Was it a good time to sell? Very definitely if you were choosing to take a break from yachting, but more of a challenge if

you were changing for a larger or smaller yacht. Unless a replacement was in the bag, in 2021 you ran the real risk of a season (*or more*) without a yacht.

This buoyant market was definitely reflected in both asking prices and selling prices. As is always the case in setting an asking price, you have to look at the market, weigh up the alternatives and the rest is down to experience and good instinct. Were prices too high during 2021? I don't think so. Certainly,

some owners did very well and in many cases had their choice of any number of buyers.

There are numerous aspects to successfully marketing and ultimately selling a brokerage yacht. Price, location and condition are one of our favourite mantras. With our brand, expertise and experience we have the wherewithal to present, promote, negotiate and administer a sale. The one area for which we rely on an owner is presentation and condition. As with any year good or bad, a number of yachts stood out for sheer level of enquiry and speed of sale and this was universally based on their presentation and condition. Equally, a poorly presented yacht will struggle even in the best of markets. This is a theme running through every Review that I have written for Berthon and however hot the market, the same applies - a small or relatively sensible investment in presentation prior to marketing is key.

'ACROSS THE BOARD AND EVEN FOR UK BASED SAILORS, THERE WAS A DESIRE TO PUSH BEYOND LOCAL SAILING GROUNDS AND TO GO FURTHER. AS ALWAYS, WE ARE HEAVILY INVOLVED WITH THE SALES OF BLUE WATER YACHTS AND THIS MARKET REMAINED AS STRONG AS EVER.'

SAILING YACHT REVIEW

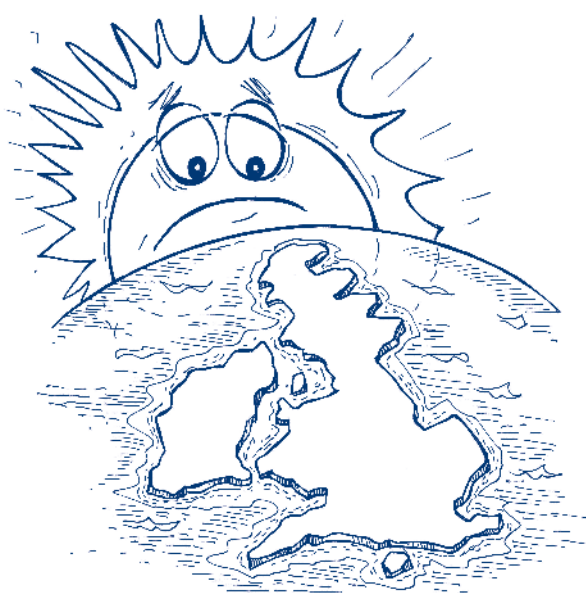
Footnote from Sophie Kemp & Harry Lightfoot (working closely with Alan on sailing yachts)

Sophie Kemp

The wish to get out on the water that we saw in 2020 continued tenfold in 2021 with the time that yachts remained on the market at an all-time low. Yachts were snapped up left, right and centre. Brexit played a part, together with the C word and this increased the demand for yachts in the UK. At the start of the summer some were selling at asking price within a week of coming to the market, which proved that pricing was correct.

As the summer progressed and we all got jabbed, demand started to ease and the sun didn't shine as much as we had hoped (*it is the UK after all!*). However, with still limited numbers of yachts on the market, well-priced yachts, were still snapped up in no time. Demand here in Lymington was mainly for family cruising yachts and once again, the average length of yachts I sold stuck at the 40 foot mark. However, yacht sales elsewhere have shown an increase in length, as demand for bigger yachts continues to grow. The rise in sales of multihulls continues and we are getting some traction in this sector of the market, especially with cats of over 60 foot.

To repeat what I wrote last year, the number of clients who are now able to work from the comfort of their yacht wherever they are in the world has grown exponentially. I saw evidence of this during the summer months as I watched the hoards descend to their yachts in the marina from the magnificent view that my desk offers. The new superfast WiFi-6 installed at Berthon in 2021 was certainly a big help to all those WFH types joining us in Lymington and becoming WFY's!



- The sun didn't shine ...it's the UK after all! -

Our support of the World Cruising Club continues and we ran a successful virtual, week long event called Cockpit Conversations in place of our usual Bluewater Weekend at Berthon. This was an interactive event with a variety of guest speakers with question and answer sessions. Whilst the event lacked the wine, face to face chats and Saturday night dinner, it enabled people to join from all over the world. The event was received incredibly well and hopefully proved useful for those with future plans to head off, and more so for those leaving for the ARC last November. On that note the ARC and ARC+ were filled to maximum capacity and for the first time ever, WCC introduced a further January 2022 event to meet demand. Sadly, I didn't make it out to Las Palmas for the November start for the second year in a row, but we wished all our clients well on their voyage from our chilly Lymington office.

One of the reasons to not go out to the start of the ARC was of course the lack of parties, but I was also 6 months pregnant in November and wandering the docks of Las Palmas didn't seem the most sensible idea. So on a personal note, 2022 brings a rather large change for me as I welcome my first child (*and future yacht broker*) and will be heading off on maternity leave in the spring. Having spent the last 6 years on board the Berthon bus, I will now be taking a year off on this new voyage. I would like to introduce Harry Lightfoot who has jumped aboard and he will be on hand to help with any of your cruising yacht needs, whilst I am cruising!

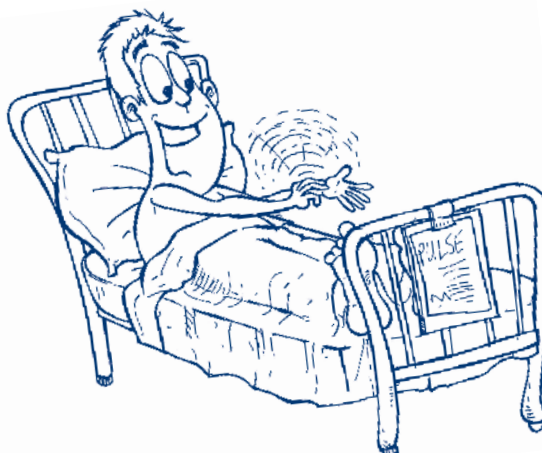
Harry Lightfoot

I joined Berthon in January 2022, and have now settled into the famous sailing yacht division based in Lymington in the UK. I worked at Discovery Shipyard previously and so joining Berthon is a natural fit. My time at Discovery Shipyard was cut short unexpectedly for reasons beyond my control. Over the last three years, I was selling new and pre-owned Discovery and Southerly Yachts, and I am passionate about these brands and know them inside and out. I am accordingly excited about extending my knowledge of the blue water cruising yacht market at Berthon.

Before my time at Discovery, I lived and worked in Vancouver, Canada as a yacht broker dealing within the North American market selling both motor and sailing yachts. Working with the Berthon home and overseas Sailing Yacht Team, I am looking forward to a successful year and particularly increasing the number of Southerly Yachts that Berthon sells. If you are looking for your next yacht or would like to talk all things Southerly, do get in touch; I need no excuses to talk sailing yachts and I look forward to chatting to you.

MOTOR YACHT REVIEW

By Robert Steadman



- On the Pulse -

2021 started with Brian Pinker, aged 82, becoming the first person to receive the Oxford/AstraZeneca Covid-19 vaccine in the UK. The road map to the end of lockdown and further restrictions was long and tedious. It was certainly a bumpy road with civil liberties curtailed and complicated laws too. The majority of the year was mired by international travel restrictions, for good reason, which saw another healthy uptake in people exploring the shores of the UK with everything from paddleboards to superyachts becoming hot property. Three jabs later and our great Islands are in a much better position as the Omicron variant weakened and the willingness of the British public to protect others has seen most Britons take their jabs.

The Berthon motor yacht brokerage department continued the trend of strong sales in 2021, across our diverse range of listings, including a stunning 2018 Princess V60 delivered to the Mediterranean and a super capable Broom 450 with their new owners enjoying the fresh UK waters. Brokers at Berthon find the time to gain an in-depth understanding of each listing and with our industry experience, we are able to guide our clients on how best to make that next yachting decision. We sold over 50 pre-owned motor yachts between 30 and 100 feet in 2021, with an average time on the market of 20 weeks. These figures do not tell the full facts, as 27% of our sales closed before the listing had a chance to hit the internet, or as we say in the biz "sold off market". This is why it's important to give Berthon a call to tell us about your dream yacht!

Vendors gained a rare INCREASE in the value of their motor yachts last year with an average selling price between 10 and 15% higher depending on the model, condition and presentation. This trend throughout the pandemic saw a noticeable uptake in outdoor leisure activities, combined with the global pressures on parts, engines and skilled labour,

reducing the global production of new motor yachts. This has resulted in huge stress on the immediate availability of brokerage yachts. With limited supply of turnkey motor yacht listings, swift decisions were needed to close a sale and this is when a broker can help delve deeper and provide the answers to the inevitable questions that come with making such a purchase. Pricing yachts correctly in a shifting market and having the skills to provide a great service strengthened the reason for finding a broker who is on the pulse.

The UK property boom was another standout event of 2021 and was fuelled by the rise of flexible working coupled with stamp duty relief, which brought frenzied buyers to the market with many looking for more living and outdoor space. In the South of England, house prices increased by 12.9% in comparison to London recording a slowdown rise of 5.9%. Across the country, people were leaving crowded cities searching for that life/work balance. Throughout this phenomenon, there was a noticeable increase in clients relocating to coastal areas and wishing to explore our beautiful shore lines. Marina space in the UK is tighter than ever, especially in the Solent area with yachts increasing in length and volume and the marina infrastructure investment lagging behind demand. One of the first questions a buyer asks is whether they have a marina berth organised. Brokers are a useful ally here, with knowledge on what yachts are moving where.

The sports cruiser sector is evolving with new hull forms that are lighter. Petrol and diesel engines are being developed that are more powerful, reliable and ever cleaner. We are still seeing a sharp rise in the use of outboard engines in the UK. Outboards now make up 88% of all engines sold in the USA where owners appreciate the savings in maintenance costs, combined with the available power. Prices of outboards ►

have come down in the European market and manufacturers are now taking advantage of the added volume in their hull designs. In 2021, Windy launched their SR44 SX featuring a pair of Mercury V12 500hp outboards, giving a top end performance of 51 knots – The link below will take you to see this absolute stunner from Dubois and Windy: www.youtube.com/watch?v=qtiXCNtHFBE&t=1s.

Looking ahead to the UK brokerage market in 2022, we expect a cooling off from the frantic sales of 2021, with travel restrictions for the vaccinated being relaxed and marina berths in short supply. I still expect selling prices of motor yachts to remain strong with a shortage of well-presented listings on the market. The Mediterranean will have a very busy season with the sunshine calling many pent-up holiday-makers and property owners, many who will be inspired to get on the water. It is of course, the marketing, pricing and presentation that will remain the key elements to the sale of your yacht in 2022, and following Berthon International's best year for sales revenue across our five offices, we are well positioned with an increase in our marketing presence across the UK, the Mediterranean, Scandinavia and the States. Our debt-free status also helps ease the minds of purchasers during more uncertain financial times. We have already seen the New Year in with a number of completions and we are looking forward to hearing about your yachting plans.

'WITH LIMITED SUPPLY OF TURNKEY MOTOR YACHT LISTINGS, SWIFT DECISIONS WERE NEEDED TO CLOSE A SALE AND THIS IS WHEN A BROKER CAN HELP DELVE DEEPER AND PROVIDE THE ANSWERS TO THE INEVITABLE QUESTIONS THAT COME WITH MAKING SUCH A PURCHASE.'

From a personal perspective, I am taking on a new challenge in the form of the New Yacht Sales desk at Berthon, representing the Windy, Pearl and Iguana brands in the UK where we aim to provide an excellent service to our clients from the point of purchase and thereafter throughout their ownership. In the background, I will be increasing the brand awareness through Berthon's marketing channels and attending boat shows, so please do come and say hello. I am truly excited to be working with such innovative brands that are at the top of their class and shaping our industry – I can't wait to see what they do next!

MOTOR YACHT REVIEW

A footnote from Harry Hamson

Well the market has certainly not stopped in terms of motor yacht sales. More importantly for me, Windy brokerage has been a never ending ball of joy to work with. The motor department sold 50+ boats last year, 21 of them Windys and 10 of them sold off market.

We have seen many yachts come and go, some returning sooner rather than later to be re-marketed as the owner goes bigger or newer.

A great saying I heard a few years back which has stuck with me is 'you should always buy your second yacht first'. This has proved to be very apposite in the Windy brokerage market. Just recently strong interest has been evident in the Windy brand not only from the British but also from the Scandinavians, something that we haven't seen for some time. This is encouraging considering the elephant in the room that was Brexit! I have found that people are just as interested in the older Windys as the newer models. I am constantly being asked for 34/35 Khamsins, 25 Mirages, and 32 Grand



- Never ending ball of joy -

Tornados. They are like gold dust so getting hold of them is a challenge for me. This leads me onto to the subject of residue values. Windy is one of very few brands that hold such great value – no yacht is an investment, but Windy comes pretty close!

Hugo Vold started the company back in 1966. His father was a fisherman who regularly had to contend with terrifying storms in the

Skagerrak, the strait that runs between Denmark, Norway, and Sweden. Hugo was always able to return home safely to his family in his boats, each of which was named 'Vindy'. This is the name that he took when he started Windy Boats.

The fabulous SR44 Blackhawk arrived with us here at Berthon UK in June last year. This boat just proves what Windy are capable of in terms of design, comfort, performance and handling. We had the pleasure of displaying this great machine at the 2021 Southampton boat show, and as you can imagine she went down a storm!

PERFORMANCE YACHT REVIEW

By Ben Cooper



- Ear to ear smiles -

'A picture paints a thousand words' - a much used phrase and never more true than the recent photos thundering into the inbox and flying around the web of the Southern Most Regatta in the USA – formerly known as Key West week, playing out in the paradise of the Florida Keys in 30 degree sunshine and bright, bright turquoise waters. You can zoom in on all the photos and every single person has a smile on their face stretching from ear to ear.

The regatta was one of the most famous and 'go to' events if you were wealthy enough to take your own yacht or lucky enough to be asked to help get someone else's around the course. An iconic regatta in an iconic venue. Sadly its demise was a few years ago, brought about by the lack of sponsorship (it was not run by a yacht club, but by an events company, which tells a tale in itself).

However, seeing the rebirth of the regatta is seminal in many ways, not only as a rebirth of that single event, but also the rebirth of yacht racing in general, following a difficult couple of years thanks to the advent of Covid-19 and all the restrictions we have had to endure subsequently.

2021 was a gasping effort; the true, die hard sailors managed to get on to the water and some events had a modicum of success, but all hearts are set to return to 'normal', with plenty of racing, but as important, the after sailing social side of yacht racing.

2022 is showing signs of promise, the early One Design events in Miami are being carefully managed and supported, with great success. The Caribbean regattas are generating much enthusiasm, although shipping has been a challenge for yachts unable to make their own way there. We would expect to see a strong showing, and numbers returning to pre-pandemic levels in the next few years.

It's no surprise that the market for racing yachts has been slow over the Covid-19 years, with owners preferring to wait to see which events are being run before investing in a new yacht. As a result we have seen a modicum of downward spiral as we with some areas of the property market, where owners decide not to sell as there is little else to buy.

However, despite this, the international market has been OK, with a larger pool of yachts and buyers leading to some successful sales and it's good to see an emergence of activity and enthusiasm in the USA, and Europe this year.

Performance cruising remains a large growth market with Italy in particular producing some spectacular yachts, chic and fun to sail. Design is leading to wider and wider hull forms, which fit very well with performance cruising.

A very interesting development in hull design is the tiptoe towards the scow hull form. Wide and beamy up to the bow, they excel in cross wind sailing, enabling the yacht to be light, with twin rudders and mast moving further and further back in the yacht to give more and more available power, coupled with a long, more acute tack angle for the code 0 / spinnakers that lift the bow at speed. The design movement of these hull shapes is rapid in the open and offshore classes – mostly the Class 40 and Open 60, but we are now seeing a slow trickle and careful updates creeping into the cruising world; which is very conscious of aesthetics. Of course, as ever, beauty is in the eye of the beholder, it is a much more conservative market.

For the Advanced Yachts, 2022 sees the launch of A66 #3 SALT, which is an upgrade of hull #1 and #2. The most obvious difference is the fixed bowsprit to allow Code 0 sails for cruising and also to clean up the anchoring system as the roller is located in the bowsprit, keeping the chain away from the yacht and protecting the anchor when stowed. A very neat solution. Further enhancements to the cockpit layout give a more user friendly layout and provide for easier shorthanded sailing, updating this evergreen design for the future. She keeps her unique Advanced open plan interior and sailing performance.

Advanced 80 #3 was also launched in 2021 and she is available to charter and purchase. A similar layout to #2, with a different colour scheme. Please do call and ask about this beautiful yacht, which I could chat about all day.

2022 we all hope will turn out to be a year we will look back on fondly, with the rebirth of the regatta scene and many more opportunities to enjoy your local cruising grounds wherever you are.

NEW MOTOR YACHT SALES

By Hugh Rayner

Gosh – where to start – 2021 was a truly strange one as the marine industry came to terms with a very different landscape. Lockdowns with their attendant privations, shifting global travel restrictions, and a challenging freight and supply situation all conspired to create an unsettling new environment.

It will be covered elsewhere in this report, but scarcity of engines, lack of stock of electrical components, price rises in raw materials, huge delays on cargo routes, price rises on shipping, and enforced changes to production planning due to staffing shortages have been a monumental mountain for any boat builder to climb. And that's without keeping the doors safely open. Increased focus on sustainability has zeroed in on suppliers. For example, Windy's new options list no longer offers teak as a decking choice. Yacht sales boomed, bringing a whole new audience to enjoy life on the water, filling marinas and pumping new oxygen into our industry.

From a sales perspective, the normal calendar of international boat shows and events was compromised by uncertainty, and we lost Boot Düsseldorf 2021 and 2022 (THE Northern European winter show), which was a major marketing blow for manufacturers and the buying market alike. The UK new yacht scene gravitated to the British Motor Yacht Show in June 2021, the first chance for many to attend a live event, which was well-organised by the team at Premier's Swanwick Marina, with diligent anti-Covid procedures and a healthy, controlled flow of clients over the Pearl 62 during the 9 day run. The show also highlighted the lack of forward availability amongst manufacturers, with lead times generally running into the 2022/23 seasons and clients understanding that the ground had shifted from the days of stock boats and spare capacity. We will attend this boutique salon privé style show in 2022, as a bridge between that start of season and the Southampton 2022 Boat Show.

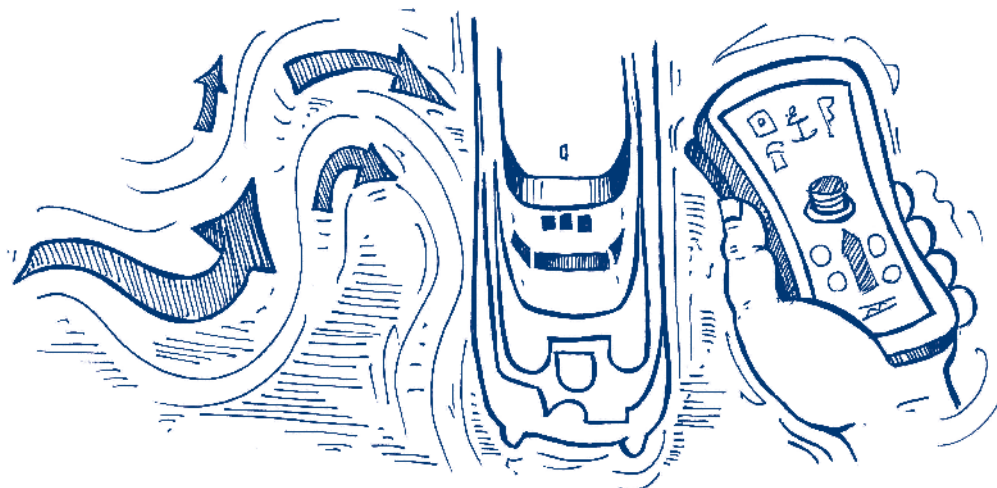
The next main event that we crossed fingers and toes for was the Cannes Yachting Festival in September. Blessed with superb sunny weather, the show was busy with visiting clients, although noticeably short of Brits (*except the Berthon team!*).

Pearl displayed the entire model range and also at the Fort Lauderdale Show – a true statement of intent. Pearl continues to grow the brand and challenge the market in a highly competitive market place. Pearl Yachts' MD Iain Smallbridge and Bill Dixon introduced the all-new Pearl 72, a stunningly fresh design which will debut at Cannes 2022, to a packed tent of international press. Offering a unique twin Master Cabin arrangement, versatile aft double garage/beach club area and exceptional interior design courtesy of Kelly Hoppen, this model affirms Dixon Design's prowess in sculpting volumes around set parameters to maximise on-board space. The 72 is very competitively priced, already sold out off-plan until late 2023, and she reinforces Pearl's hard-earned position as a key player in the flybridge motor-yacht segment – bringing a fresh perspective, innovative layouts and the market-leading 5-Year Pearl Warranty.

The 62 has continued to sell well since her debut in 2020, with two new-builds of this award-winning contemporary mid-cabin cruiser currently on delivery from the Pearl shipyard to new owners in the UK for the 2022 season, and forward production booked out until late 2023. With low volume and high quality remaining fundamental to the Pearl business model, we expect to see limited availability continuing well into 2024, although the shipyard are gearing up to supply each model in slightly higher numbers to cope with the demand that the 62 and 72 launches have created. ►

'IN SUMMER 2022 WE LOOK FORWARD
TO THE **NEW WINDY 34 ALIZÉ**
MAKING HER DEBUT AT
THE CANNES YACHTING FESTIVAL.'





- *The self docking boat is here people!* -

Windy Boats have been as energetic as usual with product development, and the Cannes event showcased Windy's drive in creating two defined ranges in the Sports Cruiser lines (27'-37') and the SR line (26'-60') and indeed the hawkish SR44' graced the cover of Motor Boat and Yachting's Southampton Show edition, trailing a belter of a boat test in positively Bahamian conditions. We displayed the SR44' at the Southampton show, meeting many Windy owners who had not managed to see the boat during her launch in Düsseldorf, before she then headed off to a new life in the sun of the Red Sea. The Blackhawk consolidated the SR range of fast, open and beautifully-finished boats, offering options for family cruising and larger yacht tender duties alike, and she has done very well, predominantly in the Mediterranean where her open decks and sun-lounging areas are most fitting. The resin-infused hull was tweaked during 2021 to accommodate a pair of Mercury's monster new 600hp V12 outboards, streaking away at 51 knots in exceptional quiet, and was launched as the SR44'SX at the Fort Lauderdale show. She's going down a storm with the US market.

With outboard power being a key option for today's performance craft, Windy have re-visited the brilliant 760 walkaround day/weekender, and have released the new SR28'CC – a sleek centre-console cruiser with an over-nighting cabin and separate heads – just perfect for exploring Sweden's archipelagos or our Channel coasts. The ability to offer diesel and gasoline options for inboard and outboard set-ups is sure to filter through to other models in the Windy stable, as the efficient power, versatility and ease of maintenance on an outboard rig is plain to see, and that's without the significant increase in available volume on board.

October 1st 2021 was a red letter day in Västervik (*Windy's home port*), with the launch of the new flagship – the SLR/SR60'. This über chaseboat dressed in cool black garb features a bespoke Studio Liaigre interior, fused with Windy's

build know-how and Malcolm McKeon's design flair. With a prodigious range of 850 nautical miles at 25 knots (*the SLR having additional tank capacity*), this boat offers exceptional performance and efficiency, high levels of customisation, and superyacht levels of finish throughout. The global debut was live-streamed, and attended by captains, agents and guests, eager to see hull #1 - tantalisingly hidden under a giant Sveriges flagga. She is now on duty as tender to her mothership, with hull 2 in production at the Swedish shipyard. The largest Windy built to date, she cements Windy's position as the chaseboat builder with the original SR52' Blackbird. The SLR/SR60 now truly sets the benchmark for the competition.

In summer 2022 we look forward to the new Windy 34' Alizé making her debut at the Cannes Yachting Festival. This is a major moment for Windy – since she will be inheriting the crown of the awesome Khamsin. With two cabins, heads with separate shower, a thumping full-beam cockpit and a broad range of single and twin power options, her athletic lines have been drawn by Espen Øino – we cannot wait to show her to you.

As we head towards the new season, we are confident that this thriving yachting environment, borne out of the pandemic, will drive innovation – with manufacturers actively engaging with client demand for more sustainable boating; from first production, to end of use. The advances in greener propulsion starting to creep into mainstream building, more efficient production techniques, improvement in driver aids (*the self-docking boat is here, people*) and an added emphasis on corporate citizenship can only contribute to broadening the appeal of yachting, and with the days lengthening at last, hopefully this season will be a little more "normal" – whatever that is...

Hugh is now back at his brokerage yachts desk, which he manages with consummate skill. Rob Steadman is now managing the new motor yacht desk at Berthon UK. - Sue Grant / Editor

BERTHON USA REVIEW

By Jennifer Stewart, Alan Baines, Bill Rudkin and Mark von Drashek

Year two of Covid continued to be good for the boat business overall, as people carried on buying in order to find refuge and solace from the sneezing masses. The yacht clubs reopened, many with vaccine requirements to set foot on the property, and regattas began. It was such a thrilling sight to see the first set of spinnakers coming down Narragansett Bay; much missed in 2020.

Last year saw us deliver a record number of new yachts, starting with a Moody 45' DS in May, here in Newport, then a beautiful blue Rustler 33' that is now residing in Nantucket; followed by several more Moodys of all sizes and finally a Solaris 50' to an ex-Swan client. This stunning blue yacht was the first Solaris we have sold and we have strong US interest for this brand going forward.

Like all manufacturers, supply chain issues caused late deliveries, but we are very fortunate to have a wonderful, understanding client base. Lead times have now stretched well into the future for new orders and there isn't much to be had earlier than late 2023.

On the brokerage front, we had sales of a wide range of yachts including a Moody 45' DS in Antigua, some Swans and Najads. On the powerboat side, 2 Aldens, a Sabre 48' and a Marlow 62'. In a few instances, yachts sold for more than their asking prices, which would have been unheard of before Covid times. Inventory remains in short supply across our industry, so we would be thrilled to list your yacht.

Our charter business also continues to expand, with past clients contacting us to arrange large motor yacht charters in the Bahamas and beyond.

On the waterfront there continues to be a major shift in the ownership of the typical Marina, waterfront location or boatyard. There are a number of large, publicly traded companies investing heavily in the marina industry, with the biggest player being Safe Harbor. Safe Harbor has acquired well over 100 marinas and boatyards, primarily on the US East Coast. In Rhode Island, which is a small state, they now own ten facilities, including all the major ones. It is a fact that the waterfront values here have sidelined any prospect of the 'Mom and Pop' team of the old days buying or operating a marina. The capital needed is just too high. On the plus side, Safe Harbor is investing heavily in their properties and bringing in some much-needed upgrades. The operational teams for the most part remain, so there is that familiarity. At some point, no doubt, the shoe will drop in the form of higher costs for the boat owner. Given the boom in boat usage in the last two years, it is getting increasingly hard to find a berth or mooring in our area. Some owners have resorted to dry sailing their cruising boats as the only choice available.

The other issue that we are finding difficult is that the yacht insurance market is getting extremely tight, especially when

'GIVEN THE BOOM IN BOAT USAGE IN THE LAST TWO YEARS, IT IS GETTING INCREASINGLY HARD TO FIND A BERTH OR MOORING IN OUR AREA.'

it comes to getting American owners insured on yachts in Europe, or vice versa. The major European insurance company over here was Pantaenius but they pulled out of the US market a couple of years ago. So far, there are very few replacements, and those that do offer any coverage are very restrictive. You will read more of the insurance cover hiatus elsewhere in this publication.

The boat show circuit was also alive and well in 2021, with our office participating in the Newport & Annapolis Shows, featuring our newest Moody 45' DS with a gorgeous American Cherry interior. The line to board our yacht was the longest in the show, which made for exhausted bussling brokers by the end of the day.

Our current team - Jennifer, Alan, Mark and Bill - are here to answer questions and provide years of experience and advice; in February we were joined by Peter Houghton peter.h@berthonusa.com. British by birth, and after his initial career with the auctioneers Phillips in the UK, Peter emigrated to the US. We have known Peter for a long time through his long standing Captaincy of a Swan 68', and then a Marlow 80' for a long-term client of ours. Peter has just finished running a Swan 77', and is looking forward to yacht broking ashore assisting new and old clients with their buying and selling needs.

All in all, we in Newport feel very optimistic about the state of the yachting market (*subject to the extent of geopolitical ramifications in Eastern Europe and supply-chains worldwide*), and are looking forward to another successful year following a good start.



- The shoe will drop in the form of higher costs -

BERTHON FRANCE REVIEW

By Bruno Kairet



- Joie de vivre at the Cannes Boat Show -

2021 was another interesting voyage for Berthon France but we learnt the lessons of 2020 and were able to quickly understand and adapt to the challenges posed. Most specifically, the cancellation of the Düsseldorf Boat Show and the issues caused because of the continuing restrictions needed to keep Covid-19 at bay. Nonetheless, we were able to generate good levels of activity assisted by our fantastic client base, and to post strong financial results for the year.

A corner stone of the marketing programme for us and the whole Berthon Sales Group is the Düsseldorf Boat Show that heralds the start of the yacht buying cycle each January but not so in 2021. However, with our dealerships for Windy Boats and Pearl Yachts, having an international internet High Street to show all that these great brands offer is of key importance. Covid allowed us to meet new clients online, catch up with existing customers and to showcase all the updates and improvements to the brands electronically.

In years past, there was simply no substitute for being able to touch, feel and look in detail at the yachts on display; you sized up the cockpit, how the materials and fabrics work and get a flavour of the overall feel of the yacht. However, videos and virtual tours have proven to be a satisfactory alternative, especially with the northern Europeans who feel confident that the brands have lasting pedigree; it was quite clear that the southern Europeans felt it necessary to touch and feel and so delayed decisions until Cannes Boat Show authorities cleverly managed to hold its nerve by opening in September 2021. Sadly, Düsseldorf was again cancelled this January 2022, but we welcome its return in 2023. It has a tremendous atmosphere, and having all our competition present is great for our clients and us alike, as comparisons are easily made with competing brands usually housed in the same exhibition hall.

Despite the problems, the spring and summer of 2021 were busy with the delivery of a number of new Windy Boats as well as brokerage yachts of various types and sizes. We were very lucky to have all our new boats delivered on time with no

cancellations. We are super grateful to Windy for their great organisation and making this happen.

The highlight of 2021 was the Cannes Boat Show in September. It felt, and was, so good to be at an international boat show again after nearly 2 years. The sun shone (*it mostly does on the Côte d'Azur*) and the show was full of very enthusiastic clients and yacht owners and the whole exhibition hummed with life and '*joie de vivre*'.

Berthon France's key show, we were showing the full Pearl Yachts line-up and new Windys. On Pearl we had the new and much fêted Pearl 62' being exhibited for the first time in France. She was joined by her bigger sisters the Pearl 80' and flagship of the Pearl range, the Pearl 95'.

On the Windy stand we had the 32' Grand Zonda RS, 37' Shamal and the epic and quite extraordinary SR44' Blackhawk.

There was a lot of interest in all the yachts and we are still talking to clients who visited us at Cannes, proving how important international boat shows really are. This just confirms that certain boat shows will continue as others falter.

I wrote in last year's report about the development of the brokerage part of the business in France. We are fortunate to be part of a Group that is very active in brokerage sales internationally, so all the infrastructure and marketing are already in place handled for us by our UK HQ.

In today's market, presentation and granular particulars are very important as well as SEO optimisation and having the yachts appearing on all the main brokerage websites including **www.berthoninternational.com**. Clients who list their yachts with Berthon France also know that they will have representation throughout the Berthon Sales Group in the UK, Spain, Sweden (*looking after Scandinavia*) and the USA. Listings are covered in the international yachting press, social media plays an important part in disseminating information efficiently and effectively, whilst Berthon's in-house ►



publications, of which this Market Review is one, along with the Winter Collection and Berthon Book continue traditions that not only analyse the market but also express the importance of lifestyles choice and the wellbeing of fun afloat.

This marketing capability together with Berthon's experience with title, contracts, negotiation, VAT (TVA) and the rest, make us a good choice for selling your yacht on the Côte d'Azur. With Berthon, you are buying into the whole family, all of whom are committed to selling your yacht.

In 2021, brokerage for us flew. We sold a wide variety of yachts from a Fleming 55' motor yacht to a Jeanneau DS 50' to a 75' Polar Expedition yacht. I am learning very fast and hugely enjoying the development of this part of our business. If you have a yacht in the South of France that you would like to put onto the brokerage market, please do let me know. Our depth of knowledge of the brokerage business across the group will deliver an excellent service.

Ultimately, we offer our deep knowledge of the Côte d'Azur and an understanding of the way that things work here, which is essential to enable you to get the most out of yachting in this amazing cruising area. With its stunning ports, azure seas, old-fashioned French hospitality and impeccable food and wine, it is not surprising that it continues to be such a popular yachting destination.

We are always on hand to provide help and advice about local customs and regulations and to talk about the best places to

'THERE WAS A LOT OF INTEREST IN ALL THE YACHTS AND WE ARE STILL TALKING TO CLIENTS WHO VISITED US AT CANNES, PROVING HOW IMPORTANT INTERNATIONAL BOAT SHOWS REALLY ARE. THIS JUST CONFIRMS THAT CERTAIN BOAT SHOWS WILL CONTINUE AS OTHERS FALTER.'

berth on the French Riviera. We can also help with the rent or lease process.

Having your yacht looked after, if she is berthed here, is an important part of ensuring that you get the most out of her when you are using her. We are able to help with full service maintenance or with ashore storage and guardiennage when she is not in use or to keep her working when that gremlin decides to emerge!

We are looking forward to 2022 and all that the coming season has to offer, but most importantly we are looking forward to meeting you, and sharing this very special place with you. Whether buying or selling, please do get in touch and join us on the magical Côte d'Azur.

BERTHON SPAIN REVIEW

Service & Refit By Andrew Fairbrass



- James Bond -

The end of 2020 saw us move into what has affectionately been dubbed the 'Big Blue Shed', named after those at Berthon in UK, but on the outskirts of Palma with easy access, literally meters from the motorway. This was a major step forward in the development of Berthon Spain's Service and Refit operation. At 2,500 square metres, it allows us to bring all parts of our business under one roof, and provides us with a smart office as well. It is now full of medium sized motor yachts in storage as well as around 40 RIBs and jet skis.

Many of these are in for extensive works and the cost for storage per month for their owners is far more economical than using the big superyacht yards on Palma's water frontage. It is also a fantastic way to stop the clock on the aging process of these yachts, as they are inside and not battered by the elements. Furthermore, being under cover means that we can work on them without the need for the expensive scaffold or simply shrink-wrapped containment otherwise required in the normal shipyard environment.

Early 2022 found our technical department and project managers in the midst of four large refits. The main one, a Spirit 70, needed brand new teak decks, repairs to the sub-deck, new B&G electronics, new air conditioning, replacement pipework and the re-chrome of her metalwork. We are looking forward to launching her when the project is complete. She is going to look amazing and with the popularity of Spirit Yachts in the ascendancy thanks to the James Bond franchise, we have no doubt she will be turning heads.

We have also been refitting two CNB 76s. Both have had masts and rigging removed for service, Lewmar hatches removed for painting, a lot of updates to the electronics, teak deck planking repaired, rudders removed for bearing replacement, propeller shafts taken out to renew the cutlass bearings and all the underwater hardware fully serviced. Over the years, we have worked on a number of CNB 76s and we are looking forward to seeing these two yachts fully restored, afloat and ready for their owners' adventuring in the summer.

2021 was a big year for our electronics department; under the management of Richard Green, it has gone from

strength to strength with new staff members. We are now an authorised B&G installer, authorised for Mastervolt and C Zone installations and have carried out countless new installs of navigation equipment, lithium-ion batteries, and domestic systems.

Having electricians in-house is a huge benefit as electricians are normally part of nearly all refits; it also means we can react quickly during the season if any of our clients have problems with electronics or require tuition. Richard is an experienced captain and engineer, understanding the importance of having reliable equipment and the headaches it can cause when it doesn't work properly.

The mechanical engineering team is an essential part of our service at Berthon Spain having the capability to work on a whole range of engines and pumps. At the end of 2021, we finished up servicing the twin Caterpillar main engines on a 50 metre Trinity motor yacht. The engines each develop 2,250 horsepower, so getting this job done involved most of the engineering team until the end of the year.

It's not just big engines we are working on; we have been rebuilding a Volvo Penta on an Oyster 655, servicing around 40 outboard engines as well as jet skis in the shed. Add in all of the engines and generators aboard our guardiennage fleet, as well as installing a new generator and working on countless pumps and other mechanical systems, we are certainly busy.

Another department that I have been delighted to see flourish is our fabrication team. Last year we installed a much larger, 3-phase lathe and milling machine, which has been constantly whirring away ever since. This department works closely with several of the large rigging companies on the island, creating a plethora of custom equipment, and slashing lengthy lead times that would otherwise stop projects from completing on-time. This department is also integral to the refit team, as metal-work is a constant requirement and having this in-house ensures we can keep the quality and timescales to our high standards.

In May 2021 we finished a full repaint on a Gunfleet 58, in beautiful Awlcraft grey on the hull with a smart white

superstructure. This turned into a larger than predicted project as there were some problems with the original gel coat. The owners were delighted with the results, and we have just hauled her out of the water this Spring for her annual antifoul and service. She is looking as fresh as the day she came out of the paint tent.

Our painting team have been working on a 30-metre rig, boom, hatch frames, tenders, and paint touch ups on many other yachts. The legislation when painting in the big shipyards means that it can be very expensive due to the proximity of other works on site. Painting in our Big Blue Shed is far easier and therefore more economical. With this in mind, we plan to install a permanent paint booth this year so we can bring larger pieces in for painting, removing the need and cost of tenting before paint.

Our guardiennage team has had another successful year, adding more clients and as always, we enjoy showing them how we look after a yacht. Our aim is to provide a turnkey service, and to find the problems before our clients do. Once

our clients were allowed to travel easily again in 2021, it was fabulous to see them getting back out on the water and to see the bay of Palma coming alive.

Finally, 2021 saw Berthon Spain involved in a lot of deliveries, sailing English flagged yachts out of Europe to enable them to respect the 18 month TA arrangement that applies following Brexit. We have this down to a fine art, taking yachts to Algiers and back, and done in under 48 hours. We use a fantastic local agent there who allows us to stamp in and out in a matter of hours before sailing back to Palma. This is now an effortless process.

The 2022 season looks as if it will be busier than ever and we can't wait to get all the yachts we are caring for on the water and gleaming in good time for their owners' arrival in Palma. The Berthon Spain team has grown exponentially since we started just a few years ago, and we can't see the pace slowing. I look forward to seeing all our clients back in the sunshine and welcoming many more to the beautiful cruising grounds of the Balearics... **Happy Sailing!**



BERTHON SPAIN REVIEW

Yacht Sales By Simon Turner and Ben Toogood

2021 was our first full year working together out of the new Berthon Spain Sales Office. It has been quite a year. Having the opportunity to attack both the larger sailing and motor yacht sides of the market in Palma (the centre of yachts sales in the Mediterranean) worked well. Of course, we also have our fantastic Berthon Spain service team with their many Berthon vans and Big Blue Shed providing a great service to our yacht owners.

Early months were slow as we emerged from winter and lived through Covid with its numerous travel restrictions and the rest. However, as soon as travel opened up the market awoke with clients keen to visit our beautiful island – a welcome Baptism of fire! ►



- Baptism of Fire -

On sailing yachts, we started with some great yacht sales – Hylas 70, Brenta 42 and Baltic 50. Later we moved onto a series of larger cruising yachts with a couple of Oysters, a Discovery 58, a Little Harbor, Moody and several Nautor's Swan yachts. The standout deals for Simon were the sale of a new Swan 78' that was the re-sale of a cancelled new build ordered for a June delivery, and the sale of a Sunreef 80' multihull. We represented the seller for the Swan and brought the buyer to the Sunreef.

On motor yachts it was an important step for Ben when Berthon Spain were appointed the Balearic Dealer for Marex Boats, building quality Scandinavian cruisers from 31' to 42'. With 3 already sold and a 360 CC build currently in production we would love to chat to you about our future build slots and all that Marex offers.

Coming from the Windy and Pearl new yacht desk in the UK office, it is not surprising that several Windys were brokered by Ben in 2021. These sporty motor yachts are well documented in prestigious magazines as having extraordinary sea-keeping ability and therefore perfect for the azure waters around the Balearics.

The standout point for 2021 has been the trust that has been placed in us both, and in Berthon, in terms of both the referrals and work that we have been asked to do for existing clients to help them with their yachting plans. The Swan and Sunreef sales both came about because of referral from old contacts and clients. On motor yachts, existing clients have asked us to work with them on the purchase of a Sunseeker San Remo 485 sale, as well as providing introductions dealing with two new build projects – a Manhattan 55 and a Sunseeker EVO 60.

Our market in Spain is an international one with clients from Sweden, France, Germany, USA, Mexico, Spain, Australia and more. We also work closely with our UK HQ and the other Berthon offices in France, Sweden and the USA sharing market information and working for our yacht owners and clients to provide the best possible service internationally.

The ability to work closely with our service team in Palma has also been crucial. It means that we can offer clients first class support, guardiennage, berthing solutions and full refits. This really makes buying or selling and enjoying your yacht a one-stop-shop experience with Berthon Spain.

2022 promises lots more opportunities. We expect that it will follow the trend in 2021 with a slow start but picking up as the season approaches, but some caveats remain. A possible hic-cup could be a shortage of yachts in the market and this is certainly the case for new build. Having said that, the brokerage market has much more flexibility, and there is always a reason to sell or buy; accordingly, there are several new listings coming to the market that we are very excited about, both power and sail. The geopolitical situation will also have an influence and we'll be on the look-out for suitable opportunities.

On motor yachts we are working with a wide range of projects including a Sunseeker Predator 75, Riva Perseo 76, Pearl Yachts 95, Benetti Delfino 93 and a custom 40M new build

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project. We are working together on the sale of a stunning Huisman motor yacht called HUSH lying in Palma, that is well known to the UK office.

We have a close working relationship both Moonen Yachts and Heesen Yachts in Holland and we are currently offering a Moonen 110 for sale, which is a 34m Gentleman's Motor Yacht with transatlantic range. She is an evolution of the timeless 84 and 97 Moonens.

Back on Windy, we are working on the new Windy SR/SLR 60 chase boat from the board of Malcolm McKeon; their ability to build and deliver robust, beautiful and on point super yacht tenders make them a perfect fit for our waters.

On sailing yachts we have started the year with some great new listings including the Southern Wind 100' DS FAREWELL, and the ex CYCLOS II from Huisman. We also have another aluminium ketch, designed by Chuck Paine and built at Kanter, the 80' FRUITION, as well as representing an excellent Oyster 82, a fully refitted Hoek designed 66' alloy ketch, and have a number of other yacht listings in the works. We must remember that sailing is a lifestyle choice and therefore there is plenty of interest in sailing yachts for sale, even in slowing markets; we believe that our knowledge and our commitment and passion for what we do, make us very effective brokers.

For both sail and power there are extraordinary developments around hybrid propulsion systems such as the Blue Nautech System from Heeson – a fast displacement hull form increasing efficiency by 30%. On sailing yachts, the Spirit 65 launched at the end of last year drives towards more efficient and friendly propulsion systems, with electric twin drive legs. There is also the Baltic 68 Café Racer launched in 2021 and 110 Custom McKeon designed Baltic with electric propulsion due to deliver in 2023. With technology evolving all the time with new developments across yacht design, and many of these are seen here first in Palma.

Despite the atrocious situation in Ukraine, we are both looking forward to the months ahead when we will be continuing to build the Berthon Sales Fleet in Palma de Mallorca. Whatever your yachting plans, if we can help you to realise them in the centre of yachting in the Mediterranean, we would love to chat with you and navigate all the incredible possibilities here.

BERTHON SCANDINAVIA REVIEW

By Magnus Kullberg



- 10th Birthday -

I am writing this at the end of January 2022 having just arrived in Las Palmas, Gran Canarias to check out a new listing and take the opportunity for some annual leave, in lovely, sunny and warm weather far away from the chill of the Island of Orust where there is a thick covering of snow on the ground.

Berthon Scandinavia specialises in international yacht brokerage of sailing and motor yachts from 30 to 80 feet, built from the early 1990s to the present day by reputable Swedish and Scandinavian shipyards. We also work with newer yacht models from European shipyards.

Our sales office and showing dock in Orust is in the middle of the harbour in Henån. Here, in addition to a complete international yacht brokerage service, we can offer a plethora of associated yacht services, from refit projects, to winter storage and more, in collaboration with local highly skilled service yards.

This year, we celebrate our 10th anniversary of being in business. Since 2012 we have been involved in the sales of around 300 yachts. I will happily blow our trumpet and claim that all 600 clients or so (*both sellers and buyers*), have been happy with the way we have managed and completed the sales process. We always aim to offer the best possible service to our clients - it should be fun, easy and safe to buy a yacht - no matter where the buyer, seller or the yacht is located. Of course, we also recognize that excellence is a continuing process so we work hard to raise our service levels all the time.

In 2021, after many years of cooperation, we were delighted to become the exclusive sales agents to our favourite Italian shipyard, Solaris who we now represent in Sweden and Finland. You will read more about Solaris elsewhere in this publication as my colleagues Alan McIlroy and Richard Baldwin review the Solaris fleet, now sold by Berthon in USA, Scandinavia and UK.

Fredrik Sundberg is now aboard the Berthon Scandinavia ship as a full-time crew member. Fredrik is a long-term friend and colleague. We worked together at the Najad Yard, where Fredrik was responsible for the Maxi Yachts and for the Najad marina, the place where all Najad and Maxi yachts were launched, tested, and delivered. Frederik and I first met sometime in 2005, when he was working at Seldén Masts and was my Seldén contact person helping me develop and specify a complete rig for the Najad 570. His experience in the industry will help him enormously as Berthon Scandinavia's fast-growing motor yacht brokerage, as well as dealing with performance oriented and European (*non-Scandinavian*) sailing yachts.

In line with much of the rest of the world, the interest and well being of yachting life has grown exponentially in the last two years! Last summer there were more Swedish owned yachts in the Swedish and Scandinavian archipelagos than I have ever seen before, especially during the high season between 15th June and 15th August. This resurgent lifestyle choice can only be good for our sport.

Whilst the difficulties with foreign travel was for sure a significant reason for the increased interest in sailing and yachting life in home waters, I certainly hope that the interest is here to stay and grow. Being at sea is a super nice way to experience adventures and holidays with friends, family and loved ones, giving us the opportunity to experience nature, the weather and also helps to broaden the mind, inspiring us to do more and to truly appreciate the beautiful planet we all call home.

Historically, the yacht market has lagged behind the real estate and stock markets and this was the case last year. Sometime around the end of 2020 or beginning of 2021, we saw rising interest in the freedom of yachting and, unusually, prices in ►

the market for well-maintained brokerage yachts hardened. We also noticed that these yachts spent less time on the market before finding new owners. It has become increasingly the norm to sell yachts at market price without even advertising. We now have an ever-growing list of clients waiting for us to let them know as soon as a specific yacht model comes to the market. Although markets appear “toppy”, those that have made concrete decisions to own a boat or a larger yacht are unlikely to sway, but prices may ameliorate.

The 2021 sales figures from Berthon Scandinavia show that we have sold just a handful more yachts compared to 2020, but the average yacht size and the average sales price has increased significantly overall.

Statistically, in the month of January 2021 alone, the number of new contacts increased 270% compared to 2020 and in January 2022 we had 390% more new contacts compared to January 2020. This is probably down to greater attention to key detailed specifications, confidence in our combined local market experience, coupled with the international reach through our partnership with Berthon.

We have been trading as Berthon Scandinavia for two years now. We clearly can see the positive effects of the merger with Berthon in 2019. To be able to work with locally based teams of international yacht broker colleagues, based in five countries on two continents, means that we are capable of offering our clients an Xlnt (or should I say, Berthon) service, no matter where the yacht or the clients are located.

The Berthon Sales Group consists of over 20 yacht brokers, all working together in order to find the right yacht for prospective

'WE NOW HAVE AN EVER-GROWING LIST
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buyers offering the best possible service to our yacht owners. We also benefit from a fabulous back office team tasked with handling all the marketing of our listings. They also managed the development of the new **berthonscandinavia.se** website, successfully launched in January 2022. We give thanks to listing manager Lawrence Carter, Isabel Moss and Sophie Kemp for putting so much energy into this project. The Berthon Scandinavia team are super happy with the result!

Many people ask me what a Scandinavian yacht broker does from December to February during the deep mid-winter. The answer is that we do all the work that was not done during high season (*such as developing a new website*) and we attend winter boat shows in Düsseldorf, Göteborg and Stockholm. The first month in 2022 has been different. No boat shows, but the increased number of new contacts has resulted in 6 yacht sales and 4 new listings, all during January 2022.

This surely indicates that the 2022 brokerage season will be a good one. We look forward to welcoming you to the Island of Orust this year.



THE CANINE STICK REPORT

By the Canine Division



Dogs have always been on the Berthon team, but since 2020 the Canine Division have grown significantly and it is a key part of the business in the UK office with important contributions from canines at Berthon USA, and Berthon Spain.

As with all other parts of the Berthon Sales Group, their report follows:

Sit Rep

We are able to report a successful 2021 with an expansion of our capability in the UK office and we have also made important inroads in Spain (*Hendricks*) and the USA (*Lacey*) and Alan Baines' dog (*Millie*). We are considering further additions to the team both in the UK and internationally... In the UK Ghillie, Mica, Murphy, Nelson, Ginnie, Lottie, newcomer Banzo and Teddy the puppy, man the office on a rota basis. We all have busy schedules at home so having a large team enables us to provide dog cover on most working days and some weekends (*if we feel like it*).

If you are visiting a Berthon office we will look forward to meeting you in 2022.



Job Scope

- Meet and greet of all clients – Essential task that we take very seriously.
- Play fighting in Reception – Keeps the humans on their toes.
- Assistance with yacht viewings – Murphy's particular speciality.
- Food archiving – Food of any description left lying around at dog level is disposed of organically – wrappers and foil is left for recycling, Ghillie's speciality (*he is a Labrador!*)
- Videos – Participation in yacht walk through videos and snoring over the sound recording...important to maintain standards.
- Accepting treats – This is essential to human wellbeing and whilst the Dockmasters Office is so far the best trained of the departments in the UK, we can report progress this year in many other areas across the business.
- Brexit buster and languages; Mica, the wire-haired (*a bit like his owner!*) Dachshund is bi-lingual, holding a French passport.
- Barking – Because we can.
- Meeting and greeting clients' dogs.
- Available for ear rubs on a permanent basis.
- Sleeping – A lot...

SOLARIS REVIEW

By Richard Baldwin and Alan McIlroy



The Solaris desk at Berthon has enjoyed another busy year. With an ever-increasing awareness and interest in the brand there has been a steady increase in enquiries. Yachts have been successfully delivered to both clients in the Mediterranean and the US East Coast with further orders for delivery now planned throughout the spring of 2022. With the UK now out of the EU, UK sailors in the Mediterranean are now eligible to sail there VAT free. This has bought buying new into scope for many of our UK clients this year.

Berthon International not only represent Solaris Yachts here in the UK, Ireland and the Channel Islands but also in Sweden and Finland through our office in Henån headed up by Magnus Kullberg and the East Coast of the US through our Newport RI office with Mark Von Dreshek at the helm.

Solaris has enjoyed a fantastic year, with three new models launched, the 40', 50' and 60' and an order book bursting at the seams. 2022 is set to be an extremely busy year with a record number of yachts due for delivery from April through August. The new facility in Aquileia is certainly proving its worth. As ever, the focus is on delivering strikingly good-looking and superb sail-handling yachts with the level of craftsmanship and innovative design providing the quality of finish for which Solaris is known.

Product development at Solaris is now stepping up a gear and the range is clearly defined by the 'flush deck' models being the 40', 44', 47', 50', 55' and 60', and the larger RS (raised saloon) models being the 64'RS, 68'RS, 74'RS, 80'RS and the flagship 111'. Looking ahead, we expect to see new models coming on stream over the next two years, starting with the new 74'RS which will have four guest suites plus crew quarters...watch this space for the first of these great yachts is now on order for a UK client.

So to the new models:

SOLARIS 40

The stunning baby of the range but every inch a Solaris incorporating the latest design innovations from Xavier Soto Acebal, Roseo Design (interior) and the yard. The new 40' is nothing less than revolutionary for a yacht in this size bracket; in terms of the interior and the deck layout, she will stand out in the crowd. The yacht feels larger than 40' thanks to the clever hull shape that has a high interior volume for improved space, light and comfort. The forward sections ensure superior buoyancy and reduced pitching, but at the same time the forward chine maintains a fine entry at the waterline.

The cockpit has a maximum width deck plan aft with steering pedestals positioned fully outboard providing the helmsman with near perfect visibility. Gone are the old halyard winches mounted either side of the companionway with all the lines now leading aft to the helmsman to improve short-handed functionality.

Builder's Comments:

Our objective was to develop a new 40' yacht incorporating the very latest innovations, whilst preserving the design flair of Javier Soto Acebal. This is how the Solaris 40' was born, with numerous evolutions that distinguish this new project, in both hull performance and comfort at sea. Starting with the hull, Solaris has chosen an extremely buoyant bow line, characterized by a subtle chine that ends at mid-hull. The high buoyancy forward is balanced by the broad aft sections, which facilitate the twin rudders that ensure excellent directional stability. The broad cockpit is equipped with two full-width steering pedestals: this is a unique feature to helm with an unobstructed view forward, even with the sprayhood up. Forward of the pedestals, there are convenient steps up to the side decks. The lifelines are slightly angled from that position.

The interiors, designed in collaboration with architect Roséo, are available in two versions: 3 cabins and 2 bathrooms or 2 cabins and 2 bathrooms with a separate shower. The high-quality interior design is extremely refined, with 6 hull windows providing natural light. The layout is classic, with an L-shaped galley located to the left of the companionway.



**IN-WATER PRESENTATION OF THE NEW SOLARIS 50 AT MARINA MONFALCONE: FROM APRIL 21ST TO 25TH, 2022
SOLARIS DAYS AND SOLARIS CUP 2022: FROM JUNE 2ND TO 5TH 2022**

The Solaris Cup is an annual event at the Porto Rotondo Yacht Club in Sardinia. The event draws a large international fleet of Solaris yachts and owners. While the event is primarily to host the Solaris Cup, it is also an opportunity for clients interested in buying a Solaris to trial the various yachts in the fleet over the two days preceding the event on the 2nd and 3rd.

More information on the event and sea trial opportunities are available upon request.

SOLARIS 50

The previous Solaris 50', built between 2015 and 2021 achieved almost cult status and produced record breaking sales, so developing a replacement was a tough challenge. But the visionary brains at Solaris have made great strides and with sixteen new 50' hulls already sold off-plan, clearly the market agrees.

The new 50' is slightly longer and beamier than her predecessor, has twin rudders that enable the tender garage to align fore and aft for much easier launching and retrieval of the tender. The chine has now moved forward from bow to mid-ships to facilitate a larger interior volume and increased buoyancy, while the aft flanks are broad and powerful.

Another great feature are the optional twin cockpit tables which allow much better access from deck to interior, and less obvious, they also provide better bracing against the stainless steel foot rails. We look forward to seeing how the new 50' will perform against the previous 50' and no doubt all eyes will be watching the challenge between competitive owners at this year's Solaris Cup.

Builder's Comments:

Solaris Yachts continues to evolve and reinvent itself: we are excited to introduce our new Solaris 50'. Following the success of the Solaris 48' and 50' over the years, we started designing new waterlines. This project led to the creation of a new Solaris 50' with an LOA of 15,50m and beam of 4,78m.

The result of the innovative waterlines is the extension of the aft sections. This solution allows the use of the twin rudder blades. Also, we succeeded in designing a tender garage with longitudinal access, a unique solution on yachts of this size. This improvement simplifies the use of the dinghy that is secured in its own watertight garage.

On deck, a broad cockpit, already tested on the Solaris 40' and Solaris 60', guarantees freedom of movement. The wider cockpit of the new Solaris 50' can accommodate one or two cockpit tables.

Among the exceptional advantages of this boat, it's worth noting the full width steering wheels that improve visibility, even while using the sprayhood. Thanks to the steps forward the steering area, the water slips away from the side decks, creating a safe environment and allowing very comfortable navigation. The original steps also simplify movement on the deck.

There are more innovations below deck: besides the traditional layout with 3 cabins and 2 bathrooms, you will find a new modern and original option. You can opt for a third bathroom and longitudinal galley. Special attention has also been given to the interior details, in particular to the finishing of the saloon and the owner's cabin: the collaboration with Poltrona FRAU, the prestigious leather manufacturers since 1912, enable you to customise the interior of your Solaris according on your needs and personal taste.



SOLARIS 60

Sixty feet has long been a key size in the Solaris range, a position previously held by the Bill Tripp designed Solaris One 60', and most recently by the Solaris 58'.

The new 60' is the largest of the 'flush deck' models, a quantum leap in terms of performance and interior comfort, and the exterior styling clearly indicates 'performance'.

As with all the latest Solaris models, the new 60' has fuller forward sections to balance out the very broad stern. This results in a larger, airier and more livable interior with huge deck space. The cockpit is now wide enough to include twin cockpit tables, and an optional central dedicated mainsheet pod, a good idea for both heavy weather sailing and racing.

At the time of writing, eight hulls had been sold, and interest is strong.

Solaris have worked hard to create a truly "sportif" yacht that not only complies with Mini-Maxi class, but also exudes the very best in performance cruising for small crew, both above and below deck, not least with the addition of her longitudinal tender garage.

Builder's Comments:

Solaris 60' is inspired by the idea of creating a Mini-Maxi, a high performance sailboat, with an overall length of 18.31 m. This length allows the 60' to take part in offshore racing and the Mini-Maxi class, including the main event in Porto Cervo that takes place every year.

The main innovation of the Solaris 60' is the cockpit with its full width steering wheels. You can steer the yacht without the intrusion of the sprayhood. This ensures that the jib's luff is always completely left in sight while sailing.

The width of the steering system allows you to lower the lifelines in the aft area and to lift them near the two steps that lead to the side decks. This solution is normally adopted on very big yachts, bigger than 140 ft. Moreover, thanks to the width of the wheels even during manoeuvring and navigation, the helmsman will enjoy a completely unobstructed view.

Behind the wheels several seat options are available to steer in different sea conditions, including sitting down.

Below deck you will find a typical Solaris layout which includes a galley slightly hidden by two steps forward and for the first time two aft cabins with single or double beds, with a wide porthole facing the interior of the cockpit.

The owner's cabin, situated in the front, is extremely comfortable and comes with the option of outboard or central bed.

Special focus has also been given to the crew cabin situated in the bow and equipped with a separate bathroom.

The tender garage, with longitudinal access, has a minimum intrusion into the aft cabins.

In other news Solaris announced the purchase of the CNB brand

Since 1974, Solaris Yachts has been setting new standards in the performance cruiser sector. Solaris Yachts' contemporary, large and powerful hulls are matched with elegant, classic and timeless layouts. They are modern fast sailing yachts for sailing and racing sailors who like to sail their yacht themselves.

Berthon are proud to represent this spectacular brand in the UK, Sweden, Finland and the East Coast of the USA.

VAT LIFE AFTER BREXIT – ONE YEAR ON

By Simon Anslow

With the world experiencing life changing events in the form of a pandemic where we are only just beginning to see the light of day and a war in the Ukraine that threatens to tear eastern Europe apart (*to name just two*), talk of Brexit tends to pale into much less significance.

But for many businesses and individuals it does have a very real-world impact on their day-to-day life and on life decisions that they make, therefore understanding how Brexit impacts remains important.

We are now over a year in and following the many false dawns, rhetoric and speculation as to how this might look like and work in reality, we now have a much clearer picture of what works, what doesn't and what we need to know when operating in the post-Brexit VAT world.

What we have learnt is that whilst we do have a Free Trade Agreement with the EU27, it is not a 'silver bullet' and there remain issues as regards origin, for example, and also the loss of previous VAT status. We also know that whilst it should be perfectly possible for a UK business with no EU establishment to register for VAT within any of the member states and import goods into the EC, we have learnt that this requires an Indirect Representative – however, as this confers equal and several liability on that representative, the reality is that it is proving extremely difficult to find and appoint one that is willing, therefore forcing UK businesses to fundamentally change their approach and look for alternative solutions. We have also learnt that there can be potential 'winners', in particular the ability for UK buyers to acquire and use their boats effectively 'VAT-free' within the EU27.

So what else have we learnt?

VAT Status

As we reported last year, it is not possible to have 'dual' VAT status, therefore the VAT status of any boat that was in circulation pre-Brexit will have been determined by its location at the point of Brexit – i.e. (*provided it had VPS in the EU28 at that time*), where a boat was in the UK it had UK VPS, where it was within the EU27, it then had EU27 status, and in both cases they would have effectively 'lost' the VPS in the other territory. And of course the VAT status of the boats put into circulation will have VPS in the territory where VAT is paid, but NOT in the 'other' territory.



But that is not necessarily the whole story...

Returned Goods Relief (RGR)

As we know, entering a territory with a boat is technically an import liable to VAT (*and in certain circumstances, Duty*), unless a particular relief applies. RGR is the mechanism that allows a boat returning to a territory to avoid paying VAT and to resume its VPS, subject to certain conditions. These are fundamentally the same for both the UK and the EU27 (*the UK having adopted the primary legislation from the Union Customs Code*):

- The boat must have been in free circulation (had VPS) at the time of departure
- The person returning (and claiming RGR) must be the same as that at the time of departure
- There must be no material change in the boat's condition
- Must return within three years of departure

There are however some points of difference, factors to note and observations that have been made:

- The boat does not need to be owned by someone resident in or registered in the territory where RGR is being claimed.
- From a UK perspective, HMRC are treating the date of departure as being when it last left the UK, not Brexit date or when it last left the EU...
- ...but they have introduced two facilitation measures (one as recently as January 2022), which waives the three year provided all the other conditions are met:
 - › Automatically for boats returning from the EU27 and arriving in the UK on or before 30 June 2022; or
 - › On seeking and obtaining permission from HMRC in all other cases

- › For boats coming to the UK, the much talked about '*grandfathering*' rights never materialised – therefore for RGR to be claimed and UK VAT to be avoided, the boat must have been in the UK at some stage AND the person bringing it back must also be the same as that who took it out.

As a consequence of these, it does mean that UK owners who acquired their boats within what is now the EU27, either as VAT paid or with EU VAT explicitly charged, unless they had brought those boats to the UK pre-Brexit under their ownership on coming to the UK now they will not be eligible for RGR and VAT will be payable (*unless another relief such as Transfer of Residence is available*) – so effectively being required to pay VAT twice.

This also means that potential UK-based purchasers of EU boats will be looking at VAT payable on importation into the UK. However, it is always worth enquiring of the vendor whether they have previously had the boat in the UK (*pre-Brexit*). If so it may be possible to structure the purchase in such a way as the current owner '*imports*' the boat into the UK, RGR claimed and then the sale completed. ►

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Temporary Admission

Whilst for pre-owned EU VAT paid boats the picture post-Brexit has become significantly more complex and potentially restrictive, the door has been opened for UK buyers who are perhaps keen to keep their boats in the Med and are not concerned about using them in UK waters, who are then in a position to buy and use these boats in the EU27 VAT-free.

The first stage of the process is to ensure that the initial sale, either from the UK or from within the EU27 itself, is treated as an export and zero-rated.

Where this is from the UK this needs to ensure that the boat is either transported or sailed to a destination outside the UK – this can be a country outside both the UK and the EU27 (*such as the Channel Isles, Gibraltar – but see below, Norway etc*) or provided the proper procedures are put in place, direct into the EU27. The boat then enters the EU27 under TA, with no VAT / Duty due.

If a new boat is being acquired from an EU27 there is a little more planning involved. As from the UK, the boat will ordinarily need to be removed from the EU27 and arrive in a destination outside the EU27, before returning to the EU and entering under TA. However, there are local variations – for instance in France it is possible for a French-established supplier of a new boat to effect the zero-rated export and placement on TA of the boat without it being necessary to leave France; in Italy there is a formal mechanism that allows local Customs agents / lawyers, with the aid of the AIS tracking device, to simply take the boat 12m offshore, effect the completion and return under TA. However, the specific mechanisms vary between members states and it is advisable to check before committing.

The TA approach also work for pre-owned EU27-based boats that are NOT VPS; either because they themselves are currently under TA or the current owner has them as 'VAT Accounted' – this means that they will have paid VAT, but almost certainly reclaimed that same VAT as the boat is being commercially operated (*e.g. business use / chartering*), which whilst having VPS under the current ownership, would necessitate VAT being charged if/when sold within the EU.

A quick reminder of the key TA points in the EU27:

The boat must:

- Be owned by someone resident/established outside the EU27
- Be registered outside the EU27
- Be used for private purposes only
- Leave the EU27 within 18m of arrival

TA is effective simply by entering EU27 territorial waters, with no requirement to formally notify arrival (*other than local national conditions*) – this is normally referred to as '*declaration by conduct*'. However, the recommendation is that where the duration of stay within the EU27 is likely to be extended / more than just a casual trip in and out, what is known as an '*oral*' declaration is made – despite the name, this usually involves using a local Customs agent to lodge an entry and obtain documented clearance (*usually referred to as 'Article 165'*), which can then be used and shown throughout the EU.



- Meet Temporary Admission, known as TA to his friends ... -

That Sounds Great, But...

Whilst TA offers a great opportunity for non-EU resident to acquire and use pleasurecraft VAT-free within the EU, there is a health warning and a strong recommendation to undertake proper research for embarking on such a route, as how different EU members states treat certain transactions and the use of TA is not always the same – a few examples:

Previously when acquiring a non-VPS boat from within the EU, with a wish to continue that position post-purchase under TA, the common approach has been to take the boat 12m+ offshore, complete and return to shore. France has a mechanism that enables that approach to be adopted, but with the use of French Customs agents the removal and return can be pre-approved. However, recent experiences in Italy have indicated that they do not accept a simple offshore completion / return, but have a requirement now to make landfall in a 3rd country, documented completion and then return under TA.

Contrast that to the sale of new pleasurecraft out of Italy, by Italian established distributors, where an accepted mechanism allows, through the use of

Italian Customs agents and lawyers, to export the vessel zero-rated and using AIS tracker, recorded departure beyond 12m then return under oral (*but formal*) TA. France also has a mechanism that, where approved, allows the zero-rated 'export' and immediate placement under TA for non-resident buyers, where it is not necessary for the boat even to leave the country!

Gibraltar with its proximity to Spain, but as a non-EU country, has long been used as a destination to execute ex-EU sales / purchases before returning to the EU. With the UK's departure from the EU and Gibraltar's inclusion with the Schengen area and desire not to rock the EU boat, this is no longer as straightforward as it once was. Boats arriving under own keel, completing and then re-entering into the EU27 should not have any difficulty, provided they acquire a properly documented attestation as to the place of hand-over and formalise the TA into the EU. However, boats arriving by transport will be treated as 'freight' and be required to undergo formal import procedures – this will usually entail either being treated as 'in transit' (*thus defeating the object of the exercise if dipping out / back into the EU*) or be imported (*unlikely to be accepted*).

So What Now?

The picture is not necessarily as bleak as perhaps initially anticipated; there are certainly opportunities for British buyers looking to gain an advantage and provided those looking to acquire and use boats in the EU27 do their research and properly understand what they are getting into and plan well in advance, they should be fine. However, there are losers and for those British owners looking to bring their boats back to the UK and who do not qualify for RGR or one of the other reliefs, they will need to look at a Plan B – and at the moment that fabled 'Repatriation Relief' is probably not it.





THE PRACTICALITIES & POSSIBILITIES OF DELIVERY BY SEA

By Peter Kloezezan

Professional Yacht Deliveries Ltd was established in 1995 to meet the growing demand for delivering yachts and motor boats on behalf of owners, manufacturers and brokers. We provide a bespoke delivery service tailored to meet our client's specific requirements and have built a global reputation doing so.

We are UK based but the majority of our deliveries are offshore passages in UK, northern Europe, Mediterranean, Caribbean and Atlantic waters. We are also involved in delivering yachts across the Atlantic, Pacific and Indian Oceans. In January 2022, PYD crew arrived in the Falkland Islands aboard a Hallberg-Rassy 64 on a passage from Tahiti to the UK via Cape Horn!

Over the years, we have built up a team of experienced delivery skippers and crew, based internationally who are qualified to undertake deliveries for a huge variety of yachts from 30 to 140 feet. We have also developed a professional network of people and

organisations who provide assistance and technical support wherever needed. This experience and network has proved invaluable over the last 18 months whilst dealing with the Covid-19 pandemic and the implications of a post-Brexit world.

At the start of 2020, we thought the biggest hurdle on our horizon would be the unknown challenges brought about by Brexit. We had numerous enquiries from clients very concerned about the effects of the UK's withdrawal from the European Union. VAT was causing unease for many, coupled with the implications of changes to freedom of movement. Many of our clients were simply not sure what keeping their yachts outside of the UK would entail. We had clients planning ahead for the end of

the '*transition period*' and had deliveries scheduled throughout 2020/21. However, these plans were disrupted and came to a complete halt in March 2020 when the pandemic hit.

As the world began to shut down, we had several deliveries at sea including a skipper on board a catamaran heading for St. Thomas, USVI, another skipper on a yacht in the middle of the Pacific heading for Tahiti as well as another delivery crew on board a yacht in Antigua bound for southern France. We had great concern for them all stuck very far from home with no clarity on where the pandemic was heading or what restrictions would be in place. However, despite these uncertainties all these deliveries were completed

successfully and our crew returned home safely (*some quicker than others!*). Interestingly, all of those crew members were very relaxed about their situation and took the view that being on board a yacht at sea away from the general public was probably the safest place to be.

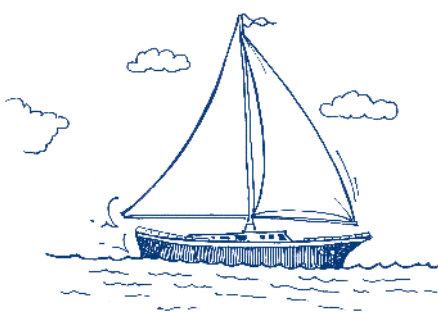
We realised quite early on in the pandemic that when our crew were on a commercial yacht delivery passage they were classified as seafarers. This meant that we were able to comply with all the necessary Covid-19 travel restrictions imposed throughout Europe. This allowed us to restart yacht deliveries sooner than we had expected, but for our clients the restrictions were still very much in place. This meant holiday plans were firmly put on hold but many clients still needed their yachts relocated for numerous reasons. We were able to provide a solution. One of the main obstacles we faced was the lack of travel and flight options to get crew on station and our efforts to compile a clear set of guidelines for our skippers was complicated by different countries having their own rules in terms of border control and Covid-19 restrictions. These seemed to change on a daily basis.

A particularly busy summer followed, moving yachts all over the UK, Europe and to the Baltic Sea. As normal life was still severely restricted, the chance to go sailing was very appealing to our crew despite all the extra effort involved in travelling. In many scenarios we were able to set up delivery 'bubbles' where a PYD skipper and crew would go from one delivery straight to another, without any air or surface travel, minimising the risk of catching Covid-19.

One issue, which has been a regular concern during the pandemic, is when clients have been unable to get to their yacht. Because of this, the general condition of the owner's beloved yachting magic carpet had

deteriorated significantly due to lack of use and general maintenance. This had been compounded by some service companies refusing to undertake repairs or servicing without either the owner or crew being on hand to pay bills almost immediately. Therefore, for each delivery, we establish as much information as we can about the yacht and we ask clients to complete a checklist and provide recent survey reports or a brokerage specification. This process continues when the delivery crew arrive and carry out a complete check of the yacht they are about to deliver. This is where we rely on the experience of our skippers to identify the issues that need addressing before a delivery can commence; furthermore, other problems that need to be kept under observation during the passage are logged to be addressed post-delivery.

In January 2021, thanks to the efforts of the IMO, seafarers were recognised by over 150 countries as 'key workers' and therefore exempt from some Covid-19 rules and regulations. This gave more clarity when organising deliveries and travel arrangements, but the introduction of mandatory Covid testing was another hurdle. In most cases we were issuing individual instructions for each of our crew on each separate delivery. However, these instructions were quite often out of date with in a matter of days so the relevant Covid-19 restrictions had to be checked and rechecked constantly. It also meant that travel arrangements could not be made until 48 hours before the yacht being delivered set sail.



- Mid-ocean was the safest place to be -

Because of Brexit our skippers and crew had difficulty arriving in the EU by air and then leaving by sea because they needed to 'check out' of the EU. Some places such as Portugal have border control based in marinas but finding somewhere to check out in other countries can sometimes be a problem. Although this can be frustrating, this is now part of the post-Brexit world we live in and despite a definite gap in the understanding of the new regulations between EU port officials, marinas and government websites; again, in our experience a solution can and has always been found.

One of the reasons that we have been so busy has been the difficulty in getting yachts shipped. This has made sea delivery in the past couple of years in many cases, the only practical option. Clients have struggled to get both shipping quotes and practical shipping dates as pressure on the supply chain has reduced the number of ships available and has increased cost too. Even if the stars aligned and a ship was found there were then the practical difficulties of getting the yacht to the ship. In comparison, sea delivery costs have remained static apart from the increasing flight and travel costs due to reduced flight availability.

The last two years have certainly not been an easy downwind sail, but despite the hurdles we have kept our business moving forward and have been fortunate to be involved with some fantastic deliveries. We hope that we have provided positive solutions for our clients during universally difficult times and hopefully it will only become easier as we all move forward. Yacht delivery is an interesting and exciting business but going to sea must always be approached with a huge amount of planning, preparation, respect, and also a degree of optimism – something that we feel has been very relevant in recent times and indeed for the times ahead.

COOL *to the point of freezing*

PEARL 72



Pearl Yachts are disrupting the flybridge sector, offering five years standard warranty in the confidence of Bill Dixon's naval architecture pedigree and the high standard of fit and finish to every Pearl. The innovative layout designs combined with Kelly Hoppen's eye for calming spaces has brought much media attention to the range. None more so than the highly anticipated Pearl 72' in the 22-metre class. Launching at the 2022 Cannes Boat Show and featuring four en-suite double cabins, hydraulic bathing platform with fold down side platforms, crew cabin and vast flybridge deck. Two master cabins are fitted out as standard, one being situated in the bow with a private entrance forward for maximum privacy, and one full beam set midships with a second entrance corridor. With three Kelly Hoppen interior design schemes to choose from, each owner can put their personal mark on their Pearl 72'. In addition there is an exceptional garage with space for a William 345 tender AND a jet ski. The first five hulls have been sold off plan and we can't wait to step on board!

WINDY 34 ALIZÉ



Cool as you like! The Cannes Boat Show 2022 has the pleasure of launching the all new Windy 34' Alizé, which has been designed by the first class Norwegian superyacht designer Espen Øino. One of the all-time favourite Windys ever built was the 34' Khamsin, a sporty weekender with a deep V hull and breath-taking performance. The 34' Alizé harks back to that fast weekender with significant efforts made to optimize the design layout, ergonomics, and performance. The Windy badge will always be synonymous with pure Scandinavian build quality, and this 34 foot sports cruiser is no different. Featuring a new resin infused hull with four berths down below and a separate head with shower stall. Five engine options are on offer including twin V8 petrols for the go faster. This contemporary design is already going down well with the core Windy fan base and there is going to be a solid hard top feature on offer towards the second half of 2023. The 34' Alizé is primed to be special.

SOLARIS 50



Solaris, a Latin word meaning '*pertaining to the sun*' which couldn't be more appropriate. Solaris yachts' stock has been rising steadily in recent years with the now established range of models in demand. Not wishing to rest on their laurels, Solaris have released several new models in the last year (*no mean feat given the circumstances*). The most recent of these new designs is the heart stopping new 50'. With her official launch in Düsseldorf cancelled her launch will now take place in Monfalcone on 21st to 25th April. The market would appear to have already given the new Solaris 50' its seal of approval with 17 hulls ordered off plan thus far.

The yard operate a modern facility in the village of Aquileia in the Udine province of Italy where they have been on site since 1974. The facility was extended and modernised in 2018. This year will see the delivery of 50 yachts. The yachts are very much performance cruising yachts designed by Javier Soto Acebal. They place great emphasis on hull design, strength of build and are known for their fine cabinetry and clean lines below deck.

CANNES BOAT SHOW

After its cancellation in 2020, we all held our breath to see if the organisers were right and that this in-water yacht fest would actually run in 2021. Well it did! The sun shone, the yachts glistened and yachting enthusiasts from all over the world descended to see the plethora of yachts at a diverse show with navettas to ferry visitors from the main show, bustling with motor yachts of all shapes and sizes, to Port Canto with masses of sailing yachts. Seeing an international show back in full swing was deeply cool.



Photo credit @ Yachting Festival Cannes – Abracadabra Studio

MULTIHULLS - THE ADVANCED CAT

Cool cats don't come cooler than this – light displacement for performance sailing, yet designed with safety in mind, and a luxury interior that only Advanced can provide. The semi-Custom approach gives a reasonably blank canvas for this exciting and rather stunning new addition to the Advanced stable. Few layout options from galley up and 4 + 2 crew cabins to galley down and 3 guest cabins gives many options, that are of course customisable to requirements. A true blue water performance catamaran, for safe long distance sailing in luxury and comfort.



FPB SALES APLENTY



Sales of FPBs (*functional power boats*) from Dashew Offshore were strong in 2021. With an 18 boat fleet, these are the explorer yachts that touch the places and locations that others simply cannot.... Berthon announced the sales of FPB 97 ICEBERG, FPB 78s COCHISE and IRON LADY and FPB 64s ORCA and COOL CHANGE in 2021....they are all of course seriously cool.

AMERICAS CUP HYDROGEN (NOT ELECTRIC!) CHASE BOATS

Team New Zealand, the holders of the Americas Cup have developed and are now building a new hydrogen-powered foiling chase boat designed to support the AC75 racing yachts in the 37th America's Cup. The goal is that more teams will jump on board and use support boats featuring this innovative, eco-friendly propulsion throughout their campaigns. The vessel will be equipped with fuel cells, two electric motors, a battery and the all-important hydrogen tanks. As such, it can carry out support duties, such as moving around spare sails or equipment, quickly and efficiently without releasing harmful emissions.



Photo credit © Emirates Team New Zealand



IRON LADY 78'

MILLS & MCINTYRE - YACHTSMEN OF THE YEAR

Hannah Mills and Eilidh McIntyre won female Rolex Sailor of the Year, a much deserved award. Having taken a gold medal for the British Team in the 2020 Olympic Games in Tokyo, this was Hannah's second medal having also won gold at Tokyo in 2016 – so they are both uber cool.



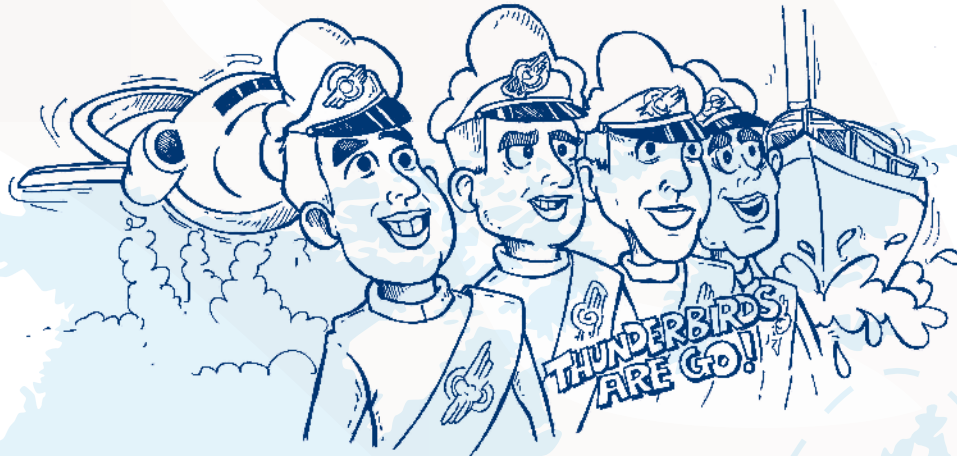
Photo credit © Sailing Energy / World Sailing

WCC BLUEWATER WEEKEND

'WCC Cockpit Conversations'

A super successful event in 2021, this was a virtual event for blue water sailors from Word Cruising, who bring you the ARC, World ARC and a number of other mile munching events. Born of Covid-19 it replaced our Blue Water Weekend event at Berthon and provided a plethora of information via a dedicated web portal backed up by in-depth live sessions delivered by a wide range of presenters including the Berthon Blue Water Crew. This great virtual event is being repeated in 2022 from **13th to 16th June** – so be sure to book your place and we'll see you there.





THE WALLFLOWERS OF A BUOYANT MARKET

By Sue Grant

There is no doubt that 2021 broke all records for yacht sales across the board, not just at Berthon but amongst our colleagues throughout the yachting industry. Much was talked of a sellers' market, of rising prices and lack of supply relative to the demand for yachts of all shapes and sizes.

Of course, all of this is true, although like the fish that got away, stories of the massive uplifts in price and queues of people waiting to purchase a particular yacht or yachts are normally greatly exaggerated.

This buoyant market has allowed us to sell more yachts off market than ever before. However, these have been in very specific segments. Virtually all these yachts have been of recent build, production yachts in straightforward locations with simple title and VAT status. This has applied to both power and sail but the thing that bound them together as one group was the fact that they were serviced, in good condition (*aside from the inevitable minor gremlins brought up by pre-purchase survey*) and in all cases plug and play, so that their new owners could experience yachting either sail or motor immediately.

New yacht sales have also been extremely brisk. For many manufacturers, supply chain problems have been an issue in an environment where yachts were flying off the shelf and with dealers taking all available production in many cases up to 2025.

Hanse is a case in point and for our other new yacht offerings there is a healthy forward order book for them all.

However, amongst this rosy, healthy picture of happy sellers, buyers, yacht builders and brokers, there are also the forgotten wallflowers remaining on the market, as well as a few marine company failures at a time when to be frank, we've never had is so good....

To start with, the wallflowers have remained on the brokerage market throughout this feeding frenzy of market activity, with few to no suitors. The website portals are not kind and it is easy to see how long many of them have been for sale. We work on the basis of a 6 month marketing cycle for a significant brokerage yacht and we are monitoring the market carefully throughout the period. As ever, apart from local and international marketing conditions, there are three core things relating to any yacht's marketing which dictate if and when a sale is achieved - **condition, location and price.**

Following on we will unwrap these three issues.

CONDITION

The market was driven in 2021 by the need to get out on the water immediately, and to experience life afloat with families and friends, to be in a safe place, to have that adventure that was thought of but not actioned as life got in the way. In the days of Covid-19 and all that this means, buying a project that doesn't work, or a yacht lacking in reliability, comfort and capability is not attractive. The moment is now. Who wants to struggle with difficult supply lines, Covid protocols and delays caused by staff shortage, shut downs and all the other baggage that Covid-19 has brought with it? The point of the yacht is to sail away from all that! In short, in the 2021 market – now is where it's at – turn the key, raise the mainsail – and thunderbirds are go.....

To make the most of the market, yachts need to be well maintained. In order to maintain residual value, owners should be doing this work in any event. It has the added value that the yacht is more usable and so the owner can get more out of his or her yacht whilst they still own her. Yacht buyers do not want to see a long work list or to be told that the generator and air conditioning needs replacing or the batteries are at the end of life. Do it now – in many cases the wait time for the kit is many weeks out, so at least get it on order. We have lost sales in 2021 because of kit that is mission critical for a yacht was on back order and unavailable for many months. 2021 buyers were not interested in waiting. Better to move on and buy something that is good to go. Who knows what will 2022 will bring?



- Wallflowers are affectionately known as flowerpots of Berthon -

LOCATION

This has always been an issue and Covid added a new dimension to the conundrum. In 2021, we became adept at organising virtual viewings, either with ourselves or with colleagues in the industry, and to being inventive to get the needed information to potential buyers. They in turn took a leap of faith in many cases by buying blind. This was particularly the case in 2020 where travel was just not possible. In 2021, although difficult, travel was easier but buyers wanted to be as sure as possible about a yacht before making a trip to view, mostly with a price already agreed.

Yachts that were attractive were in areas where the tentacles of Covid-19 were not all encompassing, and the key was to be able to get there (*and back*) without being invited to spend time in a national hotel for a fortnight or going to an area where the R rate was alarmingly high. This made elaborate treks involving many changes of aeroplane, transit through multiple airports and travel on local transport deeply unattractive.

After the sale was complete, having the option to leave the yacht where she was and enjoy her immediately was a bonus, as was having her close to where you want to use and keep her. UK waters were rammed with UK yachtsmen during the 2021 season, who'd repatriated yachts from the Mediterranean and elsewhere and used them in home waters to avoid the complications of overseas travel and the risk of isolation that this entailed. This happened also in Sweden and elsewhere in Europe and the USA. Those choosing to cruise the Mediterranean took longer breaks than normal and built in the isolation periods to their holiday time, giving them the freedom to use their yachts in the sunshine.

For others there were areas that were and still are closed. The Pacific is in this category, with yachts in New Zealand in particular stuck and with yachts in areas like Tahiti out of bounds to some southern hemisphere countries. Much of the Pacific remains unavailable for blue water cruising and in 2021 the cruising world was a very small place....

Adding to the woes of an inconveniently situated yacht have been the restrictions on insurance cover and the great difficulty and cost of yacht shipping. The spiralling cost of container transport by sea has inevitably affected the cost and availability of deck space for yacht transport. Having your yacht delivered by a delivery crew has become the best option for many.

Small wonder that even in a buoyant market, a difficult location moves a yacht onto the '*too difficult to deal with pile*' and there she stays. ►

PRICE

Many owners think that, as it is a sellers' market, there is no problem in pricing optimistically - a shortage of yachts for sale means that people will be so keen on the yacht that they will pay more. If not, people will make a bid and there is lots of scope for negotiation. This is I am afraid, simply not how it works. Yacht buyers are savvy; they search on size, type and budget and if a yacht is out of scope in terms of price either for their budget or in relation to other sister ships, they will simply not enquire for the yacht, on the basis that she is clearly not seriously for sale, or that the owner is unrealistic on his price expectation.

The argument on pricing always goes along the lines that we should keep the price high, and then there is lots of room to move, or we might get lucky and people will make an offer. This is not correct. They will assume the worst, not engage and the broker of a yacht that is too highly priced never knows who could have been interested, because they don't get in touch. The argument continues that if the price is dropped, people will make an offer way below the new lower asking price. This is correct, we might well do so. The difference is that we are then negotiating which we can't do when people aren't engaging with the yacht and if the offer is too low, we can say no...

In this market, as with every other, the mature, the one off, the weird, the complex and the expensive to own, run with the ever present worry about future residual are sale barriers. Residual is a real concern as at its most basic level whether you will ever be able to sell the yacht again after purchase puts these yachts firmly in the too difficult to deal with pile. This issue has remained just as challenging in this market as in the harsher markets of 2012 and later.

However, at least in this market, if these yachts are beautifully presented, well priced and in a sexy location, they stand a better chance than ever before of being asked to dance. If yacht owners are able to put themselves in the place of the new owner to be and present their yacht as they would have liked to have owned her, then there is a new yachting family for them all. Being realistic about the shortcomings and limitations of your yacht as her seller is key, as well of course, as following your brokers' advice!

Undeniably, there are new as well as pre-owned wallflowers amidst the flurry of new yacht activity.

There are those new yachts that are not flying off the shelf and in 2021 we also saw yacht business casualties, particularly in manufacturing. There are those who have brought yachts to the market that the market simply doesn't get and doesn't want, there are those that are massively overpriced and there are businesses who haven't innovated and understood the way yacht design, build and use have developed, and as a result have been swept away by their more savvy competition. All this was ever so, but it has been particularly obvious in such a strong market. Some manufacturers have had to trim their product lines, as that older design that was brushed up with a new swim step and some vertical windows are nonetheless well past their sell by date.

However, in an industry that really is very tiny, smaller in the UK than the UK ice cream industry (*please think about that for a minute*), what this gold rush of yacht sales has meant is that the fault lines in the business model, funding and costings, have become very evident and has in a few cases caused total collapse. Marine businesses have to be nimble to survive.

At a time when parts from masts to engines to fan belts are hard to source, and where material costs are rising at an alarming rate, it is easy to see how yacht builders who do not buy all materials at the time of order, get caught out when the time comes to order the rig, for example, only to find that the unit cost has gone up by 25%. The owner is on a fixed price contract, even though the builder was not financially strong enough to cash flow the mast build and to lock in the price at the time of order. This cycle leads to a world of hurt with yachts selling at cost or worse, and the whole problem being replicated going forwards. Oh, and the yachts are late too... Which is simply not acceptable in the here and now world of yachting, when your options are reduced by Covid rules.

So the wallflower (or flowerpot as we call them at Berthon) was a feature of a very buoyant market in 2021. However, by making the right changes to the offering and making her less flowerpot and more magic carpet, there has never been a better opportunity to find a new owner for the more unusual and unique. The new yacht wallflower is a problem that solves itself as old designs are dropped, and underfunded, vulnerable businesses fail.

'SOME MANUFACTURERS HAVE HAD TO TRIM THEIR PRODUCT LINES, AS THAT OLDER DESIGN THAT WAS BRUSHED UP WITH A NEW SWIM STEP AND SOME VERTICAL WINDOWS ARE NONETHELESS WELL PAST THEIR SELL BY DATE.'



YACHT INSURANCE

By Richard Power

***'Moderate or rough, occasionally slight,
Fair, then rain,
Good, occasionally poor'***

*A commentary on the current yacht insurance market, and some tips for Owners,
By Richard Power, Managing Director, Howden Fastnet
(formerly Fastnet Marine Insurance Services) Ltd.)*

However dull a subject insurance is, it cannot have escaped most yacht owners that the last few years have seen some significant changes to the cost and availability of suitable cover for their yachts. Many years ago, a well-known South Coast yachtsman declared to me that *'insurance was for pessimists'*, and he could never see the point of it. Equally, I have lost count of the number of owners who have come to us with their requests for insurance, confidently stating that they will never make a claim, but they need to have the cover to satisfy the bank, marina, local regulations, their spouse etc. etc., and they view it as a sort of tax. In the last few years, however, it is only when it has become rather more expensive, or indeed difficult or impossible to obtain, that people have realised how important a good, secure insurance policy for your yacht actually is. It is a subject that has therefore figured in conversations more often, in recent times.

WHY HAS IT BECOME SO EXPENSIVE?

The simple answer is that there have been too many claims. If you think of the marketplace as a leaky bucket, the water has been leaking out of it faster than the hose can fill it. For many years, a pretty stable playing field existed, as those insurers providing yacht policies were able to control their rates so that premiums and terms and conditions brought about a sustainable premium / claims ratio. After a long period of loss making results in other sectors, particularly the commercial marine hull insurance market, other underwriters gate crashed the yacht insurance party, viewing it as a reasonably *'soft'* exposure. This started happening at a time when the concept of the Superyacht started to make itself known, wealth creation flourished, and the values of yachts increased with their actual physical size. The increased competition in the yacht insurance sector, combined with (in some areas) a desperation for market share / premium income *'compensating'* for a lack of underwriting knowledge, drove the market steadily *'South'* into suicidal territory. In the 15 or so years to 2017, the Lloyds Yacht Insurance market only made an underwriting profit in about three of them, and one

can be sure that others outside Lloyds got themselves into the same sort of pickle. A series of catastrophic hurricanes (*Harvey, Irma and Maria*) then completed the *'perfect storm'* (if you'll forgive me) and something had to give. The market all but imploded, with many insurers pulling out of the sector completely, and those that remained were told by their backing investors and in some cases the industry regulators, in no uncertain terms, to get their houses in order.

Since 2017, we (as brokers) have seen some very dramatic changes. Premiums for certain types of yacht have increased by over 100% over this period, while other types have almost become uninsurable (particularly if you are looking for a policy that will actually pay a claim when required). The old image of a yacht underwriter being an experienced sailor, puffing away on his pipe and offering quotations based on a wealth of knowledge and gut feeling, has been replaced by harassed individuals who are under huge pressure to return profits for their backing capacity, applying rates and conditions based on research by faceless actuaries. There are now perhaps signs that things are easing up, but the majority of underwriters offering secure policies are still very cautious. They are perfectly happy to keep their ink dry if a risk is not to their liking, and certain categories such as racing yachts and yachts cruising in remote areas are still presenting us with challenges. I alluded to the ability (or not) of insurers to meet their obligations when faced with claims in my comments above: This was not by accident, and the preparedness of insurers to actually pay bona fide claims in a timely fashion can vary. The Financial Conduct Authority provides certain protections for owners covered by policies from insurers who are regulated by the FCA, but there are others who can become a little more *'elusive'* when faced with a claim. Our advice is to always check the financial security of your insurers, and this is where your broker can help, by researching their Standard and Poors or A M Bests ratings.

In some parts of the world, it is not compulsory to have insurance, but you will find it difficult to find a marina berth, or have some work carried out on your yacht in a yard, if you

do not have at least a suitable level of Third Party Liability Insurance. Indeed, for cruising in Spanish, Italian and Greek waters, specific Certificates of Insurance are required, evidencing cover to levels of indemnity stipulated by local legislation, and these Certificates are not available on a stand-alone basis. Furthermore, it is a common misconception that, if you lay your yacht up in a boatyard, the yard's insurance will cover the yacht if anything goes wrong, so you do not need to maintain your own cover. This is far from the truth. The terms and conditions used by most yards will in fact insist upon you maintaining (*again*) at least Third Party insurance, and we would always recommend to our clients that full coverage, including physical loss or damage to the yacht, should be kept in force. Proving that a yard caused damage to your yacht, while she was in their care, is never straightforward. Indeed, many yards in the Mediterranean have a nasty habit of trying to make you sign badly worded waivers of recourse, which are designed to release them from as much responsibility for your yacht as they can possibly get away with. They often whip these waivers out just when your yacht is sitting in their slings, ready to be lifted, but our advice is never to sign these without referring them to your insurers first. Some of these waivers actually ask for your insurers' agreement as well, and this is where the fun can start. Most yacht insurers are fully alert to the intentions of the documents, and they have no enthusiasm for prejudicing their rights of recovery against a yard, in the event that their client's yacht is damaged while she is there. One thing that the past couple of years has demonstrated is that, if yachts are laid up for long periods of time, the risks are still prevalent, with fires being the predominant cause, although other causes of loss have continued to rear their heads during this time.

WHY USE A BROKER FOR YOUR INSURANCE?

I make no bones about the fact that this article is written from an insurance broker's angle, but that is because I have been a broker for over 35 years! Our job is to facilitate the transfer of risk. The yacht owner is (*usually*) a willing buyer of an insurance policy if it is one which will pay claims, and an Underwriter (*again, usually*) is the willing seller of the policy if the risk and the price are right. We act as the agent of the owner to achieve this, but uniquely, despite this term of reference, we are paid a commission by the underwriter for introducing the owner. In the course of this activity, we are constantly gathering information about not only the '*moving target*' that is the pool of insurers providing yacht policies, but also about trends in both the supply and demand for the commodity. We are in a position to provide plenty of free advice to our clients, as a result (*and do so frequently!*). Our terms of reference, crucially, continue when it comes to a claim, as well. In the last few years, all insurers have applied much greater levels of scrutiny to the claims they face, for understandable reasons. The obligation of the insured to demonstrate their claim to their insurer has never been more apparent, and our role in assisting this demonstration has never been more onerous.

Other important points to remember when arranging cover for your yacht, and in the event that you may need to call upon the policy to pay a claim:-

- *The old adage of 'Utmost Good Faith,' to my mind, still applies, and when providing information to potential insurers in order for them to assess your risk, do not hold back. It is up to your broker to deliver this information in the most palatable, but equally, transparent way, when securing a quotation for you.*
- *Be aware of your obligations under the terms of the policy, and in particular, your responsibility to maintain the yacht in a seaworthy condition. Keep all maintenance records, invoices, receipts etc., and don't be shy in forwarding copies to your broker. This could be useful, in the event of a claim.*
- *If you have an accident of some sort that may lead to you having to make a claim, remember to 'act as a prudent uninsured.' Again, this is a very old fashioned term, but it still holds true. I fully admit it is a difficult concept for us to explain to our clients. The owner has just been relieved of a sum of money for the yacht's insurance policy, and then we have to tell them to pretend they are not covered! The point of this is that, when something nasty happens, you cannot simply hand the yacht to a yard, and then send the bill to your insurers. You have to involve them in the process by telling them, as soon as possible, what has happened, what you intend to do about it, and who you plan to use to carry out the repairs. If it is not possible to get this information to them immediately, perhaps because of time differences, or communications issues due to your location, remember that it is they who are going to end up paying, so the costs involved need to be controlled to ensure they are 'fair and reasonable' for the work to be carried out. 'Fair and reasonable' are the critical words here, and represent the benchmark used by all insurers.*

Sticking to these guidelines should mean that you can forecast a more predictable ride with your insurers than the title of this article, but should there be any '*precipitation in sight*', hopefully your broker can deal with it.

Finally, to end on a lighter note, our job is not without its amusing moments. I recall one example, in particular, some years ago. Our client was cruising in New England and hit a rock somewhere between Newport RI and Mystic, Connecticut; I forget exactly where. He called me immediately, sounding highly alarmed, to say that the pumps were just about holding the ingress of water, but that they were motoring flat out to the nearest yard. I informed his insurers and set about organising for a surveyor to meet the yacht when she arrived. A short while later, the owner rang back, sounding much more relieved. He had tasted the water filling up his bilge, and it was fresh. The yacht had survived the impact almost completely unscathed, but a connecting pipe to her freshwater tank had come adrift, and the tank's contents had emptied themselves into the bilge!





COVID-19 AND THE YACHT MARKET

By Sue Grant

Every working day excluding weekends and bank holidays, since Boris Johnson asked us all to go home and stay there, I have recorded the days since the Covid-19 crisis began. Today they number 615.

Today I wrote the number six hundred and fifteen, in the Day Book that I have kept ever since I began working at Berthon, in the days when a telex glowered in the corner of an office and we sent faxes and letters!

Covid, like the Greek & Roman Lernaean Hydra (*a many-headed water serpent*), has intruded into every part of life and things will never again be quite the same. It has changed the attitude and behaviour of the human race and shown how fragile our freedoms and way of life really are.

In the same way that we have all learned from the Far East to wear face masks, to prod ourselves in the back of the throat and nose at every opportunity and to report our results online, to wash our hands continuously and most difficult of all, fill in the dreaded Passenger Locator Forms and other paperwork for international travel, whose complexity make the Times crossword pale into insignificance, yachting has also seen fundamental operational changes as a result of the serpent.

You will have read of purchases on line, virtual viewings, frightening amounts of paperwork in order to move yachts, quarantine, and in the case of the Southern Hemisphere, whole swathes of cruising grounds that shut to visiting yachtsmen. For those living in these waters, the problems have been reversed as they cannot leave, cannot buy a yacht outside the home market and all in all Ground Hog Day in many respects has been with us for almost exactly six hundred and fifteen...

At Berthon we adopt the glass half-full approach and so it seems do our client base. In a world riddled with uncertainty, the main certainty of 2021 was that our clients wanted to get out on the water and dive into all that means and delivers. A lot has been written about the need to have a safe place for family and friends and, indubitably, a yacht provides this – a floating castle that can move.

However, we think that it's much more than this. In the UK at least, we had a lot of weather last summer. Most of it very wet, and much of it horizontal. Despite this, the marinas in UK, Europe, the USA and elsewhere were absolutely full to the brim. When a client in Newport RI, USA took delivery of his new Moody 54' from us, he had to dry sail her (*yes really!*)

Covid-19 has provided the backdrop to plenty of tragedy. Lives cut short, pain, suffering, loss of livelihood and the fracture of family and peer groups as we are all enjoined to maintain a 2 metre distance, be very careful about even considering doing anything remotely fun (*Number 10 staff excluded!*). Businesses have failed, busy town centres have started to resemble the set of *Coronation Street* (*Britain's longest soap opera!*) and our doctors, nurses and carers internationally were at it flat out.

Amongst all this, we have also seen nimble businesses change tack and make money out of the changing world, and we have seen a change in attitude with working from home, and taking what opportunities there are to enjoy life becoming more important than ever before. This step change, heralded by the great resignation, which has seen so many people re-assess their lives, change

their direction, job, where they live and how they do so.

Yachting has benefited from the change in attitude, which started with the possibilities of being safe aboard a yacht with your nearest and dearest and has morphed into something much more fundamental.

The human condition is much improved in an environment of freedom and self-determination. And, what could provide more freedom than owning and operating your own yacht which is totally under your control? Rather than being answerable to Government restrictions and detailed rules about how to wear a face mask or fill in a form, when to take a jab or if the PCR results will ever turn up, more palatable are the restrictions imposed by the tide, winds, currents and the limitations of the kit aboard your magic carpet of choice.

All so much better than a house in the country, as this one will move. There are limitations to some degree in where you go (*not too onerous if you don't mind the quarantine*) but despite Covid, 71% of the earth's surface is still covered with water and that provides really quite a lot of scope for getting away from it all and enjoying life, well lived, at sea or on its peripheries.

Whilst freedom is a fundamental requirement for human contentment, something else that is key is the need to explore, do new things and to drink deeply of the experiences and possibilities of the natural world. Pre-Covid, too many people rushed around ant-like, working hard in business and trying to hit financial milestones before the life of adventure began. ►

Getting on for 6 million people have sadly died from the Covid-19 serpent. That's quite a number. It certainly focuses the mind and for yachting it has meant that many a yachtsman with a yacht, hankering to upgrade and do more cruising; or, those who haven't bought at all because of lack of time caused by the treadmill of the office, have reassessed life and brought forward their plans for a big trip or for spending more time on the water.

One of the interesting things for us are those who are moving up – but not to cross an ocean, sail an extraordinary regatta (*sans beer tent of course*) or doing a big project. Many have moved up with modest ambitions as to their usage and cruising programme, but with big plans to spend a lot more time aboard. There is nothing not to like about 6 months a year locally cruising and venturing to the sun. You don't have to thrash across an ocean or oceans or to buy in dozens of survival suits in the quest for white water. You can change your life significantly in small increments – spending more time aboard, doing more overnight trips (or not), expanding slightly your cruising area and for sure spending lots more days just messing about on the yacht.

This shift of mindset across the board has been a shot in the arm for the yachting industry and has seen us running hard to deliver on our client's expectation against a backdrop of supply chain difficulties and all sorts of booby traps caused by Covid rules (*and some may even have had something to do with Brexit!*). In addition to the current client base stepping it up, we have seen a lot of new entrants to the sport.

Whereas in recent years there has been a decline in interest in sailing, with motor yachts dominating production and sales in all segments, we are now seeing new sailors keen to let the breeze take the strain and keen to learn the secrets of sail propulsion. These new entrants are across the demographic but they are united in a desire to enjoy the freedom of the sea and to learn the crafts of sailing, yacht handling, navigation and all the rest.

This desire has rippled upwards with the super and mega yacht segment under pressure to deliver on the new demand.

We are hoping that a happy result of Covid-19 will be that these new entrants and more heavily invested existing yachtsmen will continue to love their yachts and will want to do yet more. That their friends and families will also get it and so the expansion of our industry will see more clients getting out there and loving the yachting life.

In the same way as lock down taught us the painful value of Pelaton and how to do imaginative things with cheese sauce and vegetables, modern technology that is kinder to the environment is becoming more important in our world. Whilst the technology isn't yet quite there, we predict that electric drive is coming and the technology around lithium ion and the rest is evolving fast and will be key to the development of new yachts in the future, subject to appropriate fire risk assessments.

This is very evident in yachting and increasingly people are not only using their yachts more, but they are keen to understand and be part of the drive for greener technology in yachts and this trend will not change we feel.

The frenzy of activity in the market, and plenty of forward orders for new yachts, shows no sign of abating so far in 2022. Understandably, it will be a different year as many of the builders are showing long lead times, price hikes as inflation starts to bite and struggles with the supply chain problems that were an issue throughout 2021. This means that as the pressure comes on, people will be focussing on buying pre-owned yachts as they come to the market.

Over time this will all settle down and the market will adjust to a new normal which will be busier than where we started in 2019 and more innovative and with more clients much more invested in yachting and prepared to spend more time aboard their yachts. Good news for us, as in this way they are getting value out of their investment.

We are also seeing fundamental changes in the infrastructure around yachting – more custom built construction factories rather than manufacturing production line

yards (*although, some of the latter have a myriad of clever layouts that come close to bespoke purchases*). Yachts stored in stacks, at least for smaller motor yachts, and perpetually dry-sailed. People diving into the possibilities of keeping their yachts far away and visiting them for longer periods. For UK clients, this is a double edged sword – being outside the EU means that they can keep an ex-VAT yacht in the EU or a TA arrangement for 18 months which can be perpetually renewed provided that they leave Europe every 18 months for a port outside the EU, touch and return. The other side of the coin is the spectre of the Schengen rules and the 90 day restriction in every 180 days. However, VISAs and Cartes de Séjour at present appear to offer a fudge.

Thankfully, it seems that Omicron is morphing into a mild variant and we hope that soon Covid will be just another bug. However, what it leaves behind it is much more fundamental in all our lives and in yachting too.

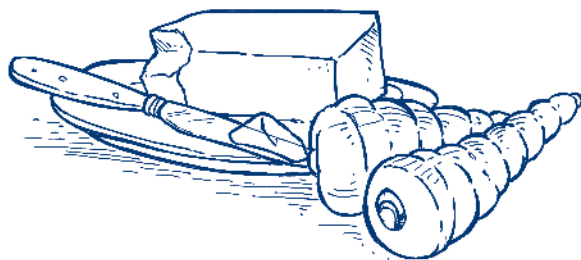
Maybe we are a microcosm of what has happened the world over but it has been an exciting and special time, tinged with worry about the health and wellbeing of colleagues and loved ones. It has been an extraordinary journey and not like any stretch of water that the Berthon Sales Group Ship has had to navigate before, with plenty of uncharted rocks and lee shores, but also scattered around were some spectacular anchorages and epic passages.

As we get stuck into 2022 and all that this new year will bring, it is a time to count our blessings and to thank our clients for their enthusiasm for supporting this great sport. The growth in sales and the developments that we have seen across our industry in 2021 provides a platform for more time afloat and yet more modern development of the products on offer.

We have now hopefully arrived at a life beyond Covid, rather than living a life with Covid; we are all enjoying those little every day freedoms that mean so much and seem so small. Yachting will be fundamentally changed and as a business we will have changed fundamentally too.

'YACHTING HAS BENEFITED FROM THE CHANGE IN ATTITUDE, WHICH STARTED WITH THE POSSIBILITIES OF BEING SAFE ABOARD A YACHT WITH YOUR NEAREST AND DEAREST AND HAS MORPHED INTO SOMETHING MUCH MORE FUNDAMENTAL.'





- Butlers no parsnips -

YACHTING & THE SUPPLY CHAIN

By Sue Grant

Although 2021 was dominated by Covid, its affect also created shortages and supply chain issues that have now fundamentally been embedded as a result of inflation and the recent geopolitical squeeze on energy and commodities; this now touches all parts of life.

Lorry drivers voted with their feet, unwilling to put up with poor pay, lack of facilities and lack of respect. They were rightly cross about the small number of decent places to pull off the road whilst they ply their trade, delivering everything from avocados to raw materials for manufacturing. Governments are encouraging transport companies to make amends, solve these problems and to train more drivers – but these are not short term fixes. Luckily, substantial pay rises have taken place to recover competitive reductions we suffered in UK over many years and thus more supply to replace the ex-migrant return to EU basecamp. Nevertheless, transport worldwide has seen many other issues. The perfect storm afloat!

At the same time, shipping prices have shot up with container transport costs multiplying and so we have seen supermarket shelves denuded and the wait time for the most pedestrian of goods as shortages have bitten.

The lock down of Planet Earth because of Covid has been a real problem with manufacturing grinding to a halt, and where it has kept moving, shortages of staff due to illness and allocation of resource to very properly battle with the Pandemic. As the world started to turn once again, further issues were

injected into the system by various autocratic states; hence, it will continue to take time for the supply chain to gear up and reach normal levels.

In the 21st Century, it was the norm to stock very little as supplies could be obtained at the click of the fingers, or rather the click of a mouse. No more, and so now, businesses have had to re-learn (*and find the additional cash flow*) to have sufficient materials in stock to keep running. On-shoring is the new by-word as distant manufacturers battle with wise western demand for less delivery miles.

Some say the perfect storm might exacerbate Brexit, but the EU is also struggling with its lack of diplomacy risk assessments that have created an addiction to autocratic Russian energy. However, recent pleas to the Middle Eastern autocratic by the UK seems to rely upon a longer Royal relationship than the West has with Putin. The World is certainly changing and changing fast.

Whilst it is super important that we look to environmental controls to give our poor planet a break, the New Now needs the West to wean itself from Gas, and new regulations have added another dimension to this pressure point. The latter is predicated to be unavoidable as the planet cannot wait for us to sort out our supply chain issues and needs all the immediate relief that we can offer it.



All in all, more than a perfect storm and one which the yachting industry has had to deal with in the same way as every other industry across the globe.

People have yachts for pleasure, a home from home in their leisure time, a fantastic activity that takes them away from the cares of everyday life. Because of Covid-19, more clients are WFH – or should we say, WFY – as they seek to be aboard their yacht with good communications make this a practical reality. This means that there is pressure to ensure that yacht owners arrive at a yacht that is fully operational with all the needed service and upgrades completed. In many cases, we have seen our clients use their yachts for longer than would have been the case pre-Covid-19. Partly to make up for the lost season for 2020 where so many yachts spent the summer out of commission with their owners in lock down far away.

However, with the experience of lock down, quite understandably, the charms of the safety and fun offered by a yacht has become more important. There has also been a curb on other activities and in many cases anxiety about the safety of going back to other sports and activities where there are many other people in close proximity. Yachts have become a larger part of their owners' leisure – and work from home – programme.

This has put enormous pressure on maintenance yards and service facilities. Both our sister company Berthon Boat Co in the UK, with around 100 skilled craftsmen on the shop floor and our refit facility in Palma at Berthon Spain have had to deal with these pressures in order to deliver working, gleaming and refitted yachts to our client base in the face of a swathe of operational difficulties. Our clients are wonderful, but we do understand that talk of supply chains under pressure butters absolutely no parsnips when it comes to delivering a finished yacht on time for a planned programme that has probably been in the works since lock down in 2020. Turning yachts away has become common and the lack of labour at the drop of a hat owing to either Covid isolations or recruitment moves, still creates havoc.

The shortages have been with the basics – resin – for example is in short supply. This is a very unglamorous yet essential material for boatyards and boat builders across the planet. Who could have conceived that, not only would the price rocket, but also that even then it would be in such short supply? Pre Covid it would have been unthinkable. Acetone is another equally boring but essential tool in a boatyard's armoury. It is worth taking a minute to think on how a boatyard copes with these 2 materials in short supply. It's rather like making scones with no flour. ►

Raw material prices for steel, stainless, copper and the like have shot up - and it is not easy to get supplies. This has the double whammy of increased prices for yachtsmen and worse than this, the prospect of their yachts being out of operation just at a time when they have the time and freedom to use them.

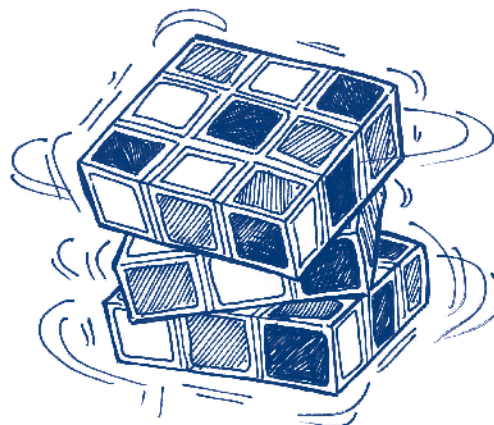
Modern yachting relies on microprocessors for engine management systems and much else besides - and there are shortages of these. Onboard computer management systems are a reality of 21st Century yachting and without these little chaps, yachts are crippled, unable to move or to be used.

The main dealers for the components and systems normally fitted to yachts are not holding stock on the shelf. Not to be awkward, but because in many cases these parts are now a scarce resource. A simple thing like an exhaust elbow isn't a question of a purchase order and a van arriving at the boatyard the following day; it is a very long wait (*weeks or months rather than days*) or the use of initiative to rebuild or remake what is there to get the yacht moving.

Yards are having to go back to the old fashioned way of buying in parts. Looking at past records, calculating exactly what is most used and estimating future work flows, to get them onto the shelf and ready for technicians to use when needed. This requires cash flow and another old fashioned concept - a properly organised and efficient stores department. Lastminute.com is most definitely not on the menu today.

Good shipyards around the world have also had to deal with absences because of the pandemic, some compulsory shut downs and the costs of making their premises Covid safe to ensure that their people are safe and that work can continue. Today, having a pipeline of work is not the issue. The trick is to manage that work well and to deliver to the client on time. But like Berthon, they have been nimble, understood the problems, tightened their belts and got on with it.

So, when you hear that your yacht project may be late, or that there is something that will need to be operating another way, please be kind and contain your irritation. Remember that your shipyard will doubtless have been on the phone to find the needed parts and will have established that there are none to be had, and will have carried out the majority of the work based on kit held in the stores which they bought some time ago. Problems



- Rubik cube of supply -

with sourcing materials on a myriad of parts is not something that they are making up, and having to go further to find them adds transport costs to the mix too.

Consider also the role of the new yacht manufacturer. They have had an extraordinary run in the past 12 months. New yachts have been selling like hot cakes. If they can manage the materials cost hikes that have escalated, long since many yacht build contracts were placed, deal with increased transport costs to deliver their new yachts to the buyer and keep their people safe from Covid, it has been a great time.

Aside from the resin, manufacturers have had to battle with quite basic supply chain issues - engines - doubly important on a motor yacht but even a sailing yacht can't be delivered without at least one, and a myriad of small suppliers who have either stopped supplying or increased their prices significantly. The yacht building industry is very international with yachts often assembled in one country, an interior made in another, systems in another and so on. This Rubik Cube of supply and fit has been and is under huge pressure.

Some lines have had to be discarded, but not many. Many builders have had to build a new Rubik Cube of suppliers that are able to deliver the standard and quality needed and to build a relationship with this new member of the build team is a difficult task. Builders are running to catch up with supply, keep yacht prices to a level where the yachts have a market and to provide product to their distributors - who without product are also in a very difficult place.



We represent a number of builders at Berthon and it is true to say some of them have not been immune from the international supply chain disease. What has been fascinating is to see them adapt, change and adopt that same nimble approach to enable their production of yachts to flow out of production and into trials and onward for delivery to their new owners.

All this gearing up comes with a price tag and that combined with the pressure on delivery times means, I am afraid Dear Reader, that new yacht prices are most definitely going up. This further fuels the brokerage market as potential yacht owners scramble to fit a pre-built alternative and so the wheel turns and the market continues its upward trajectory.

We have mentioned the cost of shipping. This is a problem and in reality things are in fact a little worse than this. The uplift in cost is an issue. However, the biggest problem with shipping is that the ships are not available and routes are much reduced. No one is particularly excited about deck cargoe-ing a yacht with all the risks and issues that the loading and off-loading imply, when there are plentiful opportunities to take more benign freight, which in most cases will attract a higher freight charge.

We have a yacht steaming to Australia from the East Coast of the USA. It was not just cost – the ships were not sailing. But, she is an FPB and it will be a terrific passage.....!

So when your maintenance bill is a tad higher than you hoped (*always the way I'm afraid*), and when a job isn't started for want of the right part, you will find that the problem is not with your service yard but with a component being manufactured (*or not being manufactured*) on the other side of the planet. Please don't be too hard on your project manager, they are doing their level best, and we have marvelled at what our service teams have been able to accomplish in very difficult times.

As you read of a notification of a price hike of the yacht that you thought to buy and see that delivery times have moved out rather more than convenient, please spare a thought for the yards who are straining every sinew to get it done.

Naturally, the world will turn and the cycle will move and humans are inventive creatures so the supply chain issues will be solved as that perfect storm abates. Parts will start to be more readily available, prices will be trimmed and the new yacht market so over heated today, will return to the norm. This in turn will cool the brokerage market – all of which will provide plentiful material for this publication in a future year.

2022 BERTHON FORECAST

By Sue Grant

Another Berthon Forecast and another wintry day outside, seen through the windows of my garden shed, and what a year 2021 was! We predicted a buoyant year, but nothing could have prepared us, glass half full in hand, for what happened in the yacht market as the year matured.

At the Berthon Sales Group we have always believed (*like Ratty*) that there is very little else half as worthwhile doing as messing around in boats. Our clients clearly agreed! The Covid-19 crisis was a driver for getting out there and doing that ocean, buying that yacht for lazy family time or for doing the yachting project that hitherto was an idea in the back of your mind, misunderstood and disapproved of by your bank manager.

2021 was all about the jab, or should I say jabs... These marvellous interventions took us out of our houses (*and garden sheds*) and back into the reality of living life – albeit cautiously. We all learnt about Fit to Fly forms, PCR tests, vaccination passports and most horrible of all – the dreaded Passenger Locator Form. Most of us dived into the bureaucracy, hungry for the return of normal life and the opportunity to travel and to do stuff...

Aside from Covid-19, the strained relations between China and the West, Russia and its many tanks parked on Ukraine's front lawn, which as I edit has led to an altogether more serious situation; and a full-blown energy crisis have made for exciting times for the political commentators around the world and worrying ones, for the rest of us.

As I write, the stock market is what is called volatile, inflation and interest rates are climbing, none of which are particularly cool, but the issue that has touched us all and which continues to be a real problem, are the supply chain issues that affect everything from



*- Best wishes for fair winds
and good sailing this year -*

avocados to turbo chargers. The yachting industry has suffered along with the rest of the planet, and as this problem brought on initially by the Covid shut downs is now amplified, and is sadly not a quick fix.

Looking back at our predictions for 2021, I think that a collective pat on the back is probably in order, except of course that we did not see the size of the growth in yacht sales, which for us hit unprecedented levels. As for the rest of it, we did quite well....

This time last year we were in shut down and hoping for better times. We predicted that the vaccination roll out would give our clients the freedom to leave home and go yachting, and that for us this would mean yacht sales. We also felt that the wall of money not spent in lock down would fund yacht purchases - helped by a strong equities market – another tick!

We predicted a continuation of restrictions in some form and as we battled through Delta and then Omicron; that was the case. Importantly our prediction about the lead times for new yachts and lack of pre-owned yachts on the market all came to pass.

The European/Brexit VAT situation has been slightly relieved. We didn't see that

one and we were cautious about boat shows – and to a degree were right. These events carry significant risk and the fact that Boot Düsseldorf has not run either in 2021 or this year, shows how fragile our exit from the lair of the Covid dragon really is. However, no one could have predicted how amazing and fantastic Cannes Boat Show was and how good it felt to be at this awesome in-water show in glorious sunshine with yachting enthusiasts and epic yachts of all hues, type and size all around.

So what of this shiny new 2022 as a high weather pressure system clothes Europe in sunshine? Last year was so exceptional that it is hard to believe we will enjoy the same levels of activity a second year running. The stock market has come off, the frenzy of government spending to ward off Covid around the world is starting to bite and as a result tax rises and the task of rebuilding our planet's economy is beginning, against the back drop of the threat of a new variant sometime soon. Although, a second booster is offered to over 75-year olds, in the UK, with half the world still unvaccinated, there is a lot to do.

The conflict on Europe's eastern border is an unwelcome hiatus for our planet and predicting the effect of this, is something way above the pay grade of this scribe. However, it seems likely that aggression could last through the summer to keep gas prices high into the autumn and winter as another negotiation positive for the largest autocratic land mass in the world.

As mentioned above, in January we mourned the loss of the Düsseldorf Show and the frenetic activity of the past year was replaced by more normal activity patterns. Parts of the Sales Group trucked on without pause – our Service business in Spain and the Swedish office both had amazing January results.

However, the market elsewhere is now starting to gain pace with small local boat shows popping up again. The concern that all those who wanted to buy a yacht and have this safe, fun and special place were done and suited in 2021, is not so. With a more open world, we are seeing that cruising plans for 2022 are more ambitious – Mediterranean and further and many clients are furiously planning planet circuits that pre-Covid would simply never have been on the agenda, as the office treadmill would for sure have intervened.

We predict that the market will have good traction this year, although the already gathering economic storm clouds will slow some of our clients down, so we don't expect such a stellar year as 2021.

A limiting factor for this is certainly around the delivery times for new yachts. The shipyards that we represent are mostly offering delivery out to 2024 as I write. What has been encouraging is that so far, and we think that this will continue, clients are prepared to wait for a quality new yacht built to their specification and with all the joy that this brings.

The brokerage market also has obvious supply and demand issues. The fact is that in 2021 yacht brokers sold more yachts off the market than came onto it. The lack of new yachts to fill the void and reduced listings will be a continuing feature of 2022.

Given the challenges of getting either a new yacht or a recent pre-owned yacht in turn key condition, we predict that buyers will start to explore the possibilities with brokerage yachts needing refit to bring them into tip-top condition. Covid is not gone but is fading fast, and the wish to continue the journey of an improved work life/balance and enjoying more time on the water remains.

Supply chain issues and inflation will continue to put pressure on new yacht prices and this will keep brokerage yacht prices stable. However, we predict that for 2022 buyers will definitely wait rather than pay an inflated price for a second hand yacht to get out on the water now

and so the opportunities for making hay when you sell your yacht will be fewer.

On other predictions we feel that electric drive, foiling (*sail and power*) and greener solutions to the construction, powering and maintenance of yachts will gain importance this year and that this is the year that the teak laid deck's decline will start to become very apparent. With so many excellent synthetic alternatives on the market, and the unacceptable reality of cutting down trees to make a cosmetic covering a yacht's deck, means that more people will order yachts without teak decks and those replacing worn out teak decks will do the same.

We also think that the rush for the ARC in 2021 and the number of clients that we are talking to about world trips – both sail and power – will see historic numbers of yachts crossing the Atlantic at the end of 2022. No crystal ball, but if the Pacific is open for business in 2023 – expect rush hour for pleasure yachts in the Panama Canal!

The FPB market continues to do well, with Steve and Linda Dashew's magnificent designs born out of literally hundreds of thousands of sea miles still proving to be in a class of their own. FPB was hot in 2021 with 6 x FPBs finding new owners keen to dive into the capability and cruise fast, and in comfort and safety with friends and family. The fleet will continue to reach the parts that other explorer yachts simply cannot and we also predict the possibility of a new development that will be welcome to all for whom FPB is the benchmark by which others are judged.

It was sad to see the Discovery Shipyard falter and finally stop at the end of 2021. However, we think that its legacy of fine cruising yachts both Discovery and Southerly will continue to sell well on the brokerage market assisted by good support from Berthon, JE Marine and other companies that know these yachts well.

And so what of the Berthon Sales Group?

Having navigated our little ship through the shoals and shallows of the pandemic and hoisted downwind sails for the trade winds of the market in 2021, we have taken the opportunity to upgrade her with some new kit and have fully serviced her systems. We also welcome some new faces to the crew. For me, the most important thing about the last 12 months is that the original crew who signed on for our 2021 voyage all remain aboard and the experiences of the past 2 years have pulled us closer together than ever. This is the glue that welds the team together, my huge thanks to them all.

The service operation in Spain is growing at pace. Palma de Mallorca continues to be the prominent centre in the Mediterranean for service and yacht sales. This will continue and the service facility and resources that we now have available will mean that in 2022 we will refit more yachts, do more guardiennage and the crew will expand further. We are also working hard to develop the yacht sales part of the business that did so brilliantly in 2021.

The USA is the economic driver of the yachting industry. The performance of Berthon USA in 2021 confirms this to be the case. We continue to develop this business with Solaris added to their new yacht stable and Peter Houghton to the team. We predict another strong year in the USA – limited by the availability of yachts both new and second hand.

This year we are expecting more boat shows from the British Motor Yacht Show and the South Coast Boat Show in the UK, to Mandelieu, to the yachting bazaars that are Cannes, Southampton, and Annapolis – and Berthon will be there!

Predicting weather is not a good look – whoever you are – and particularly in these times of extreme weather events and global warming. However, we will be bold and for the UK at least, we will predict that the weather will be no worse than last year...



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