



Smart money is tempted to splash out

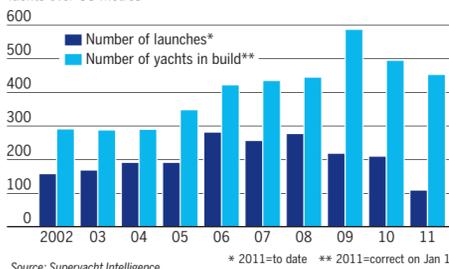
Market that ebbs and flows



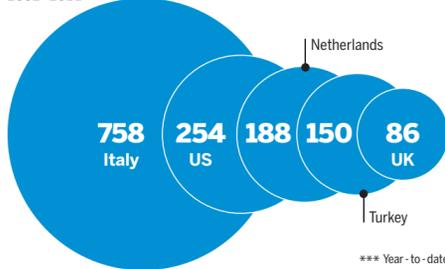
Monte Carlo
Photo: Dreamstime

Superyacht market

Yachts over 30 metres



Total delivered yachts 2002-2011***



Buyers may be fewer and more demanding but some will not wait any longer for an even bigger superyacht, writes **Victor Mallet**

Aspiring superyacht owners are not immune to the financial and economic crises that have buffeted the west for the past three years, but they are still buying big boats, according to designers, manufacturers and brokers. They have just become smarter in the way they go about it.

"The clients are changing a bit," says Inigo Toledo, naval architect and founder of Barracuda Yacht Design. "There are fewer of them, and they have less money. In general everything is tighter. But at the same time, they are more sophisticated, demanding and meticulous."

Even with dark clouds hanging over European economies where many of the largest motor yachts and sailing vessels are manufactured and sold, luxury goods companies – including some superyacht makers – are thriving again on a combination of exports to emerging markets and sales to wealthy western customers. The leading yacht companies will all be at the Monaco Yacht Show, which runs from today until Saturday.

A few of the leading brands are even benefiting from a "What the hell!" rebound in sales. After three years of belt-tightening – or at least a greater degree of discretion in the way they spend their money – the world's wealthy have grown tired of waiting for the gratification of owning a bigger yacht.

In Spain, where Mr Toledo is based, "some people can't get a new boat or a new car because it's politically incorrect," he says. "But after two or three years of recession, people are saying, 'I'm getting old, let's do it.'"

Barry Gilmour, executive chairman of Royale Oceanic, the yacht services company that supervises construction and management for owners, has noticed the same phenomenon among those known in the banking world as "ultra-high net worth individuals".

"The psychology is: I've got a couple of billion, I've got three houses and a helicopter, and I still want to

enjoy myself. What the hell! Let's go for it'. They have decided it's the bottom now and it's time to buy."

Waiting lists have dwindled and the crisis-stricken yacht sector remains a buyer's market, prompting a revival in demand for the largest leisure vessels.

Yco, the broker and services group traded on London's Aim stock market, says that the very wealthiest buyers from Russia and the Middle East have begun ordering big vessels of about 150 metres in length.

"The big north European yards have had the best six months they can remember," says Gary Wright, Yco managing partner. "Suddenly, the shipyards can deliver quickly and the

guys that can afford big yachts are taking the plunge again."

Wally, which makes high-tech sailing yachts and motor vessels from lightweight carbon composite, is one of the low-volume European manufacturers that have noticed an upturn.

"Funnily enough, we've had our best year ever," says John Hunt, the company's chairman and chief executive. "With the sailing boats, we've signed some really big orders." The crisis-induced slowdown, he says, was driven more by the need to be discreet than a lack of money. "I think our customers – to the extent that they stopped in 2009 and 2010 – stopped out of a sense of propriety."

The good news for the industry, however, is concentrated at the larger end of the new yacht market, and does not extend to the majority of second-hand yachts or to smaller vessels that were often bought with the help of bank finance.

"It's a very difficult moment for the whole industry, especially the small companies," says Anton Francesco Albertoni, chairman of the Italian nautical industry federation Ucina. "In the Mediterranean markets, there are still lots of problems." Ucina says its member companies' turnover shrank by about 45 per cent between 2008 and 2010, although it is encouraged by a slight rise in turnover and orders in the first quarter of this year.

A look at the broader superyacht market – a "superyacht" is usually defined as a vessel more than 30m in length – shows a continuing decline in orders and launches since the peak about three years ago.

The pipeline, in terms of the number of yachts ordered but not yet delivered, reached 587 in 2009 and has since declined to 402, according to Superyacht Intelligence, part of The Superyacht Group. Even so, the increasing size of the big yachts on order – 45.6m on average, compared to 40.3m for those already delivered – shows the resilience of the very top end of the market.

The market for marina berths and associated properties has been affected like the rest of the property sector by the crisis in the eurozone, but again there are signs of hope for the most exclusive developments as the superyacht fleet continues its

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On FT.com

Video interviews from the Monaco Yacht Show by **Victor Mallet** (pictured right)



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Yachts & Marinas

Sponsors and public become a focus of attention

Spectator sailing

Technology and short races have sparked a revolution, reports Matthew Sheahan

"Sailing will never be a spectator sport" is the mantra of many who have tried to present it to the public and it is a view shared by some of the audiences that have tried to watch.

But this belief is changing rapidly and today there is barely a corner of the sport that has not been affected by new technology that brings the story of the racing ashore.

In the high-profile professional sailing world, events such as the America's Cup have been providing big screens onshore for the public on which a mixture of live video and sophisticated computer animations are

supplemented by commentary from key vantage points.

The recent America's Cup World Series event in Plymouth demonstrated how far the technology has come, with multiple, remotely controlled cameras on all nine of the boats, as well as helicopter shots, on-the-water cameras and sophisticated graphical overlays on the live video images.

The technology has also been used to control the racing itself, with virtual electronic boundaries and remote umpiring that ensure the fleet stays within an electronically defined field of play. When a competitor approaches the virtual touch lines, a warning light flashes on board. Stray outside and an alarm goes off, followed by an instruction from the umpires sent electronically to carry out a penalty.

In turn, this new technology-driven professional sailing world has forced a radical

rethink of the racing rules themselves.

The new thinking, in what is essentially a traditional sport that has changed little in its basic format for decades, has a twofold objective: the desire to take yacht racing to the public; and the need to make the sport more appealing to television to attract sponsors.

Elsewhere in the sport, there is a slightly different, less technologically led approach aimed at achieving similar ends.

The Extreme Sailing Series, in which teams of professional sailors race identical 40ft catamarans, takes the racing close to the shore and invites its audience to watch the quick-fire action from the grandstands.

This new-style racing, now in its fifth year, travels to nine countries around the world and has been one of the most successful formats in bringing a new, often non-sailing audience close to the game.

To keep spectators' interest, the racing has been modified, with short, multiple-leg courses, just metres from the shore, that remain in the audience's field of view. Collisions have become a large part of the spectacle, as has the new approach to jargon-free commentary, which is aimed specifically at helping

Collisions and jargon-free commentary have become a large part of the spectacle

newcomers to understand what had previously been a complex sport to follow.

But it is not just the high-profile, high-performance, high-drama shows that have brought the sport closer to land and on to television.

The Olympics is also about to go through one of the biggest changes in its history at the 2012 Games in Weymouth. In August, the final medal races, (among other rounds for each of the classes), will be contested near the shore just outside the harbour, where 4,600 tickets a day have been sold to watch the racing – the first time the events have not been free for spectators.

"Having made the decision to charge the audience, the event has to deliver," says Rob Andrews, sailing manager at the London Organising Committee for Olympic and Paralympic Games (Locog). "Charging for sailing spectators is a big step and I believe this will challenge both us and change the sport."

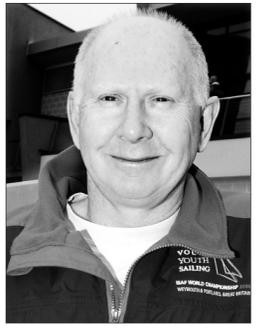
"The move has led us to consider new ways of presenting the event, as well as adopting some of the ideas that are used in other areas of our sport, such as the Extreme Sailing Series

and World Match Racing Tour events, which are presentation driven. Here, large timers on start boats and a simplification of the flag signals are just a couple of examples of changes that help to make sailing easier to understand and follow for spectators."

The growth of the internet and the ease and speed with which a mobile and remote general public can stay in touch with the racing have also changed the format of many events.

The Audi MedCup streams free-to-view live racing coverage and high-quality commentary during each of its five events in the Mediterranean, as well as broadcasting programmes of highlights.

But it is not just coastal racing that has benefited. Deep-sea races, such as the Volvo Ocean and the Vendée Globe, which make the world their race course, provide a constant feed



Rob Andrews, Locog sailing chief

to the action through daily video and audio diaries and tracking systems.

Even UK amateur club racing is joining in, with simple mobile phone-based trackers being used to monitor and display competitors' progress.

Indeed, so fast is the technology spreading throughout the sport that perhaps the biggest obstacle to sailing becoming a spectator sport is that with so many participants, there will be few people left to watch!

World sets course for UK and London 2012 racing festival

Olympics effect

The Games will be the centrepiece of a summer of events, writes David Glenn

It is rare that the superyachting fraternity turns its bows north to the less balmy waters of the English Channel. However, the 2012 Olympics in London with the sailing in Weymouth Bay will see some of the world's finest yachts in the UK, including one of the biggest gatherings of the J Class since the 1930s.

Among the planned superyacht events on either

side of the sailing Olympics, which take place from July 29 to August 11, are the Penderis Cup in Falmouth, two J Class regattas, the J Class Hundred Guinea Cup around the Isle of Wight, the Superyacht Cup Cowes and Aberdeen Asset Management Cowes Week, which will run later than normal, from August 11 to 18.

In addition, there are the 12-metre world championship in Christchurch Bay; the Panerai British Classic Week in Cowes, which is likely to attract record numbers; and the eight-metre world championship, which is being staged by the Royal Yacht Squadron.

Plans are also mooted for a cruise to the Thames,

where special mooring facilities are being offered at the Royal Dock complex near London City Airport and ExCeL (an Olympic site), and at Canary Wharf.

Alongside the fleet of sailing yachts could be an even larger number of motor vessels, many measuring more than 30 metres and some longer than 60 metres. It is rumoured that Roman Abramovich, the Russian tycoon, will be there with one of his superyachts.

So the world of yachting comes to the UK next year, but can the country's facilities cope?

The country has lagged behind when it comes to accommodating large private yachts. It is seen merely as a staging post

between northern Europe, where they are built and refitted, and their natural habitats in the Mediterranean and Caribbean. There is nowhere in the UK where superyachts can be moored en masse, stern-to in the sort of bling-sodden surroundings that might match St Tropez, Monaco, Antibes or Antigua.

But the Olympics and the prospect of returning to what is regarded as the spiritual home of yachting in Cowes and The Solent are irresistible to many sailors, who relish the challenging conditions that rarely occur in the more benign waters further south.

Many owners are also keen to take the chance to

visit what are regarded as some of the finest cruising grounds in Europe, notably the west coast of Scotland, Ireland's south-west shores and the south-west coast of England, where the deep waters of gems such as Dartmouth, Fowey and Falmouth offer havens for superyachts if not the onshore infrastructure.

Ironically, Cowes is too shallow and small to accommodate modern superyachts, which next year will have to fend for themselves either at anchor off the town's Medina river or on moorings if event organisers can find the money to lay them.

But sailors tend to make do when there is an event to attend, particularly when it is associated with something as auspicious as the Olympics. Great Britain's world-beating sailing team will be in action off the south coast and London's Olympic Park looks likely to deliver a spectacular games.

A new marina is being mooted for the Mayflower Park area of Southampton. Its developers have expressed interest in including bespoke facilities for large yachts. Even so, depth restrictions would mean expensive dredging and Southampton does not have the same cachet as does Cowes across The Solent.

But next summer it will be the mighty J Class fleet that has the potential to grab the limelight and even upstage the Olympic sailing.

Owners of J Class yachts are notoriously difficult to pin down for events that are not organised by their own J Class Association, but it looks as though this time there could be up to six of these magnificent



Mariette of 1915, a Herreshoff schooner, is due to race at Falmouth in 2012 Penderis/Nick Bailey

yachts sailing off the south coast of the UK in 2012.

There is something about their exceptional looks, power and sheer size – they are 130ft long and their masts tower to 180ft – that mesmerises spectators, aficionados or not. Some say the America's Cup should once more be contested with the J Class.

Ranger, Velsheda, Endeavour, Shamrock V, Lionheart, Rainbow and possibly Hanuman are all destined to arrive in Falmouth in early summer, where they will compete in the first of two regattas (June 27-30), the second taking place off Cowes (July 19-20), before they race round the

Isle of Wight on July 21 in a re-enactment of the event in 1851 that established the America's Cup.

Some may join the Penderis Cup (July 2-7), a fledgling but popular classic superyacht event staged every other year in the increasingly influential west country port of Falmouth. Here a number of large yachts can lie stern-to and with Penderis Shipyard on their doorstep the yachts have an accomplished service and repair facility on hand.

A feeder race from Antigua, known as the Rum Race, should ensure a decent fleet that can take advantage of the local

facilities after their Caribbean season.

Some of the yachts are likely to join the Superyacht Cup Cowes (July 22-25), an event that has been "imported" from Palma, Mallorca, specially for Olympic year. Owned by Informa, whose other events include the Monaco Yacht Show, the cup could attract up to 20 of the world's finest sailing yachts, ancient and modern, making a fine sight racing in The Solent.

But their navigators will need their wits about them in the shallows that make racing in this well-churned stretch of water such a challenge.

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Smart money splashes out

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inexorable expansion and tourism grows.

"It's very difficult at the moment, because the markets are generally so slow," says Charles Weston Baker, who is in charge of international marina and golf resorts for Savills. "However, the demand, especially in the Mediterranean, for marina berths and for sailing continues to rise."

Among the projects being marketed by Savills is a planned €408m hotel and villa resort on the Adriatic island of Sveti Marko opposite the new superyacht marina in Porto Montenegro, with wealthy Russians as targeted clients.

New markets have been relatively slow to emerge in the yacht business, but Brazil, China and other fast-growing economies were a boon for the struggling sector in the dark days after the collapse of Lehman Brothers in 2008.

Last month, First Eastern, the investment group of Hong Kong-based businessman Victor Chu, established a joint venture with Aim-traded Camper & Nicholsons Marina Investments (CNMI) to develop luxury marina and property projects in Asia, especially China.

These new types of customers, and the economic constraints affecting the traditional yacht buyers, inevitably have an impact on the way yachts are now being designed and built.

Superyachts are hardly "green" products, but the ecological concerns of owners and the availability of lightweight materials and new technology has steadily made them more energy-efficient for a given speed.

There is a constant cross-fertilisation of ideas involving the aircraft and motor

also for economic reasons – the cost of sailing."

For Mr Toledo at Barracuda, customers' needs range widely, from household comfort to sheer speed. Among other projects, he is working on a series of modern production motorboats; a very fast (55-knot) motor yacht; and a big sailing yacht with auxiliary hybrid electric propulsion where the aim is silence even when under power and a limited angle of heel.

"Clients don't want to suffer on their boats any more. And actually, after paying €10m, they are right," says Mr Toledo.

Mr Gilmour at Royale Oceanic agrees, noting that the wealthy are usually eager to buy new technology and try avant-garde designs, but still value their comforts. "It doesn't need to be cutting-edge technical innovation," he says. "It just needs to be moving things forward to the next stage of luxury."

In spite of the cancelled orders, bankruptcies and financial restructurings of the past few years, the best yacht designers and producers are still attracting clients from new markets – and managing to persuade their traditional customers to upgrade to newer and better types of boat.



Customers' needs vary widely, says Iñigo Toledo of Barracuda Yacht Design

New, faster format promises TV-friendly thrills

America's Cup

Shorter races are set to revive the contest, says **Victor Mallet**

The awkward years are over for the America's Cup – at least if the sailing regattas associated with the world's most venerable sporting trophy are judged for their ability to enthuse spectators, engage some of the world's top athletes and tacticians, and extend the boundaries of marine technology.

In terms of commercial success, the outlook is still clouded by the crisis of confidence in western economies and a consequent shortage of sponsors and well-funded entrants.

But there was no doubting the excitement generated this summer in Cascais near Lisbon, the first venue for the preliminary competitions, by the sight of the powerful, new AC45 catamarans hurtling down the racecourses off the beach with their helmeted crews.

For three years, the competition – so called after the victory of the schooner America over its British rivals off the Isle of Wight in 1851 – had been mired in arcane legal disputes between two billionaires, Larry Ellison of software group Oracle and Ernesto Bertarelli, a Swiss-Italian pharmaceuticals tycoon.

That excluded other eager claimants from around the world, but Mr Ellison's victory in a bizarre two-boat contest off Valencia last year has finally cleared the way for a new start.

Gone are two-hour races almost out of sight of land, and elegant monohulls for which tiny design changes could produce infinitesimal increases in speed and ensure ultimate victory. Now, spectators and television viewers will be treated to tense 15-minute contests in overpowered racing machines liable to capsize or collide.

It is a kind of Formula One of the sea, based on the successful Extreme 40 series of catamaran races that have been held everywhere from Venice and Cowes to Istanbul and Hong Kong.



Making waves: One of Oracle's AC45 catamarans is put through its paces in the preliminary series at Cascais near Lisbon last month

Getty

Volvo Ocean Race Camper crew sacrifice comfort for those crucial extra knots

To describe Camper as a stripped-out racing machine is an understatement. Along with its rivals, the Volvo Ocean Race yacht, sponsored by the Mallorca-based shoe company, makes not the slightest concession to comfort.

Winning the nine-month, round-the-world race that starts in Alicante next month requires speed, tactics, reliable equipment and endurance among the crew, not cushions, knives and forks or even a toilet seat.

And fast it is. This month, we raised the huge sails in a flat sea and a light wind off the UK North Sea port of Felixstowe (the boat, pictured right, was made in New Zealand and shipped from there), and the spray immediately whipped over the windward side of the bow and reached as far back as the cockpit as we accelerated.

"So, um, this must be a pretty wet boat

in the Southern Ocean?" I asked. The crew laughed.

The bright red Camper yacht stuck out like a sore thumb among the container ships and stolid cruising yachts of the English east coast, as incongruous as a highly tuned Formula One racing car among the lorries and saloon cars on the M25, London's orbital motorway.

Although the Volvo, formerly the Whitbread, is the leading round-the-world race for crewed yachts, the length of the race and the gruelling conditions really make it more like a long-distance rally than an F1 Grand Prix.

These third-generation, 70-ft Volvo monohulls are extraordinarily powerful machines, and are a match for big multihulls as soon as the sea gets rough. Down below, the noise is deafening and the movement so violent as the craft pounds across the waves that the crew

are reduced to crawling around to avoid injury. "You cannot stand up down below," says Chris Nicholson, the Australian skipper, who has already competed in three races and was once forced to abandon ship. "The first day we went out in rough weather, we broke two kettles."

Most of the rest of the 11-man crew (one of them dedicated to media coverage) are New Zealanders, along with another Australian, a South African and a Spaniard, sporting nicknames such as Salty and Animal (those are the politer ones).

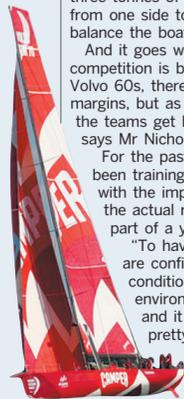
They have to be tough. Almost every time they tack (turn the boat and move the sails from one side to the other when heading upwind) they have to move about three tonnes of sails and food stores from one side to the other to help balance the boat.

And it goes without saying that the competition is brutal. "With the early Volvo 60s, there were big winning margins, but as the boats get better and the teams get better, it gets tighter," says Mr Nicholson.

For the past 18 months, they have been training as if for the Olympics, with the importance difference that the actual race will last for the best part of a year.

"To have a group of guys who are confident and strong in those conditions, that's a unique environment. You do this race and it gets in the bloodstream pretty quickly", he adds.

Victor Mallet



While the preliminary regattas are raced in identical 45-footers, the cup itself in San Francisco in 2013 will be contested in even larger boats, as will the Louis Vuitton Cup qualifying races that precede it to choose the final challenger to USA/Oracle.

All have aerodynamically efficient mainsails in the form of solid wings with flaps, akin to vertical aircraft wings, rather than conventional sails.

"The 72-ft cat will be spectacular," says Torbjörn Törnqvist, the commodity trader who

finances Artemis Racing, the Swedish challenger. "You're going to race in San Francisco at 40 knots. You're going to see fitter and leaner crews. You're going to see action.

"To manage these wings in 30 knots [of wind] is not a matter

of having the fastest wing. The teams agree that it's about reliability and skill. You're going to have to build a boat that stays together, rather than one that's so sophisticated that you are two-tenths of a knot faster."

Every twist and turn of the

race, and every grunt, swear word and facial expression of the crews, can be recorded by cameras and microphones on helicopters and on the boats themselves to create gripping video footage online and on television.

Bruno Troublé, long-time sailing consultant for the Louis Vuitton luxury goods company that has backed the event for nearly 30 years, says the new format of high-speed catamarans and short, video-friendly races is winning adherents, despite initial scepticism.

It helps that the strong, lightweight boats can race in a broader range of wind conditions than the old monohulls, which often had to wait at the dock for the weather to change. "We were very supportive of this revolution from day one," says Mr Troublé. "We believed we needed to modernise the event."

Even so, below the three top teams of Emirates Team New Zealand, Oracle and Artemis, some of the remaining five that have entered so far are struggling to attract sponsors and are still reliant on the race organisation set up by Mr Ellison.

One strategy has been to try to limit running costs – for example, by reducing the number of sailing crew on each of the 45-ft boats to five (previous America's Cup boats had 17) – although sailing experts reckon that anyone who wants to win the Cup from Mr Ellison is still going to have to spend as much as €100m (\$136m).

"We are lacking teams, the organisers are lacking sponsors and the teams are lacking sponsors," says one executive from a commercial sponsor involved in the racing at Cascais. "It's a difficult financial environment – F1 is struggling; a lot of sports are struggling."

If anything can bring in the money, it will be the sailing action, which has already been to Cascais and Plymouth, and continues at San Diego, Venice and Newport, Rhode Island.

Yves Carcelle, Louis Vuitton chief executive, is hoping for a "snowball effect" of increasing television coverage and sponsorship arising from the early events. "I've been running Louis Vuitton for 22 years and there are always cycles and crises," he says.

"It's got off to a good start. And if it's started like this, you can be sure that in 2013 there will be a really impressive technical and professional level."

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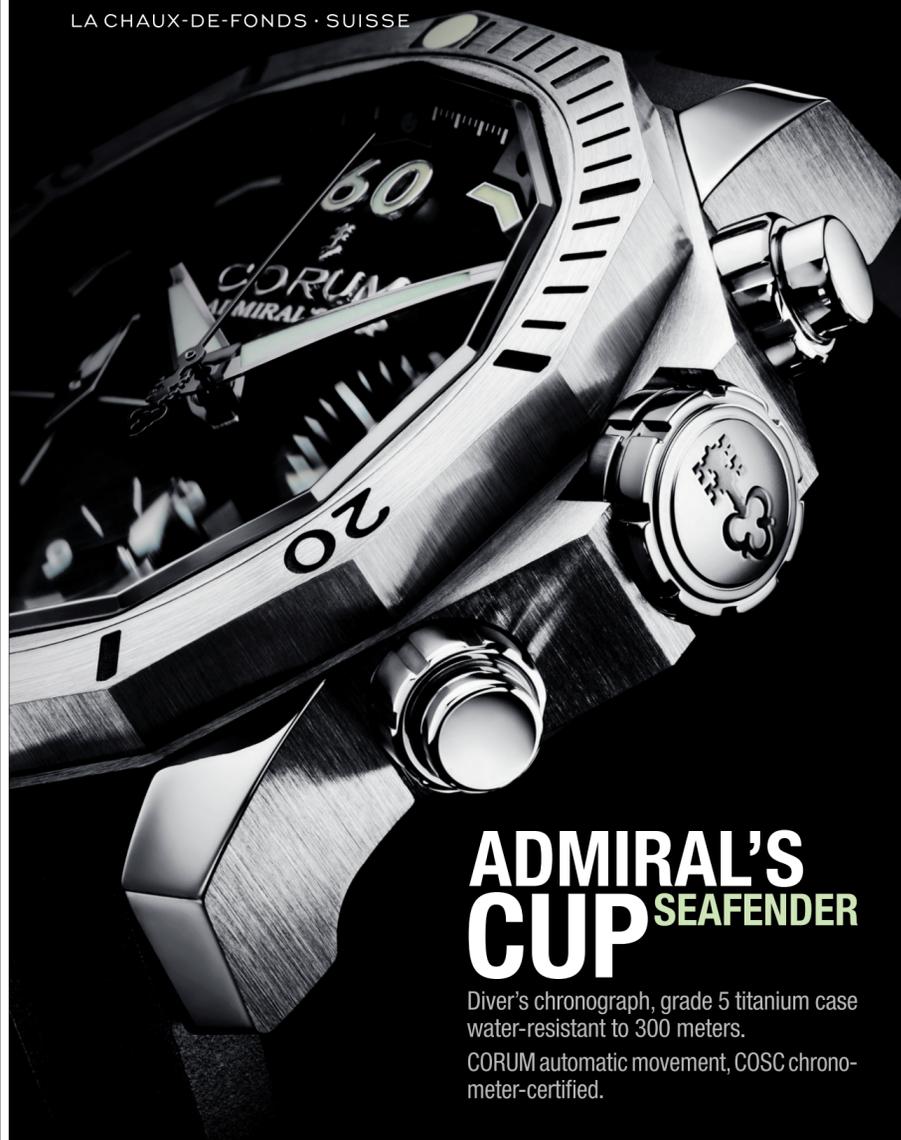
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Classic yachts

Ownership and racing are becoming more popular but deep pockets are a must, says **Richard Donkin**

We are told to keep an eye on the opposition. It pays to do so when surrounded by tons of polished timbers and ivory-coloured sails representing centuries of sailing heritage racing off the Isle of Wight in the British Classic Yacht Club Panerai Cowes Regatta.

But I have misunderstood. Opposition is the name of the wooden-hulled yacht bearing down on us, demonstrating she has lost none of her speed since Edward Heath, the former UK prime minister was helming her to Admiral's Cup victory as Morning Cloud II during the 1970s.

I'm sailing on Athena, an eight metre racing yacht built in 1939 for Marcus Wallenberg Jr, a member of the Swedish banking dynasty. Today, she is owned jointly by David Glasgow, a former fund manager, and the Earl of Cork and Orrery, who introduces himself as Jonathan Cork to keep things simple. The two friends met when serving in the Royal Navy.

Classic yacht racing is known for being a little more leisurely than some of the fraught encounters of modern day round-the-cans racing. But it doesn't seem so on this day. We narrowly avoid a collision at the start. The helmsman is taking no chances – playing safe makes a lot of sense when owning a classic yacht.

While the market for classic-styled boats seems to be strengthening, there is a finite number of restorable hulks to be found after a surge in restorations over the past 20 to 30 years.



Classic stuff: Eilean, a recently restored 1930s Bermudan ketch

The number of genuinely historic boats awaiting discovery for restoration is even smaller, says William Collier, who has devoted years of research and travelling to tracking down some of the

world's rarest yachts, often found in a sorry state after years of neglect.

That was the story of the 300ft luxury steam yacht Nahlin, built for the heiress Lady Annie Henrietta Yule in 1930 and found just a few years ago languishing on the banks of the Danube, converted into a floating restaurant.

"There won't be any more Nahlins," says Mr Collier, who is in a position to know as managing director of GL Watson, the world's oldest yacht design company, run from offices in Liverpool and sitting on an archive of 1,500 original yacht designs. Restoring the archive has been a labour of love for Mr Collier. It has been good business, too, as the plans are the raw material of classic yacht designers, enabling customers seeking restorations, adaptations of existing boats or new builds on classic lines to understand what can be achieved or what among their

requirements may need to be compromised to remain faithful to the original concepts.

Not that there was much compromise on the Nahlin refit, supervised by GL Watson and undertaken by Blohm and Voss in Germany before delivery to its new owner, James Dyson, the British industrial designer and inventor of the bagless vacuum cleaner. The restored yacht has benefited from a series of technological improvements.

"In Nahlin we have done the biggest that will be done. This is why people now are wanting neo-classics," says Mr Collier.

Classic yacht ownership and yacht racing is growing in popularity. Next year the UK will host a series of regattas for the J Class Association, whose membership is reviving some of the greatest days of the America's Cup.

Races are planned for Falmouth and The Solent, including a rerun of the original 1851 America's Cup

course round the Isle of Wight. Unlike that first race and all subsequent America's Cup challenges, the J Class series is promising to field more than the customary two competitors.

"We're expecting at least five boats and that will be a record for a J Class event," says David Pitman, secretary of the J Class Association.

While the heyday of the class was during the interwar years, the designs were so advanced that the boats can often match some of the most modern designs for speed.

But restoring and running a J Class boat, with a crew of 30 to feed and clothe, is a big expense, with annual budgets running in to millions of pounds.

Most members of the British Classic Yacht Club are looking at more modest budgets, but few of them would describe classic yacht ownership as the most cost-effective form of sailing.

David Orton, secretary of the

association, says: "If you're looking at anything over 40ft long, then it really has to be professionally maintained and the skills are limited and expensive."

His 1963 yacht, St David's Light, was rebuilt a few years ago at "stupendous cost".

He says: "It has stunning and beautiful lines. I have owned it nearly 20 years now. It's the most beautiful boat I have seen in my life and it sails closer to the wind than probably any modern boat."

There's a different spirit among classic boat owners that you notice at regattas. A few years ago in the annual Antigua regatta I came across the owner of an old schooner moored in English Harbour.

The classic yacht racing had taken place the week before the regatta for modern boats.

I told him I had just arrived. "A pity," he said, shaking his head, "You really picked the wrong week."

Sail gives way to steam in the popularity stakes

Motoryachts

Size, comfort, speed and flexibility win out against more sporting features, write **Frances and Michael Howorth**

Motoryachts dominate sailing craft by a ratio of four to one in the ever-growing global fleet of 24-metre-plus superyachts – up 95 per cent to 5,800 in the past decade. In the 50-metre-plus market segment, they hold even greater sway, outnumbering their sailing counterparts by five to one.

So, does this mean the convenience and speed offered by motor propulsion have trumped the romance of sail for the majority of superyacht owners?

Hein Velema, chief executive of Fraser Yachts, seems to think it does. "Although I am a sailing enthusiast myself, I have heard clients describe cruising on sailing yachts as moving slowly at strange angles," he says.

"I understand why most customers prefer motor yachts: they offer speed, space and comfort, and do not depend on the wind."

And designers feel that creating a motor yacht gives them greater scope to demonstrate their art, as there is no need to place the main mast x metres from

the bow and y metres in front of the mizzen.

Where a motor yacht designer places the owner's cabin does not matter, but sailing yacht designers are forced to place them below the main deck.

Motoryachts generally offer greater internal volumes than their sailing counterparts. This, coupled with acres of exterior teak deck that multi-storied powerboats often have, means they are more attractive to those who use their yachts for entertaining, either for corporate or personal purposes.

That motor yachts generally have a greater volume than sailing yachts partly explains their higher monetary values.

'Large motor yachts are essentially floating resorts operated in a fairly formal manner'

According to the Superyachting Index, the average cost of 30-metre-plus motor yachts last year was \$24m, compared with \$16m for sailing yachts. The 25 longest superyachts exceed 90 metres, yet the only sailing yacht to make the list is ranked 21st, measuring a mere 92 metres.

Resale values matter, of course, but the perception that motor yachts have a smoother ride at sea in

rough weather and are not prone to listing to leeward also explains their appeal when buyers consider motive power.

Motoryachts can be – and frequently are – fitted with computer-driven stabilisers that keep the vessel relatively steady when stopped and at anchor, a job the sailing boat normally leaves to the heavy keel that hangs to its underside.

Even factors such as free wind power versus fossil fuels fail to knock the motorboat off its podium. Quieter, more efficient motors are reaching the market and important developments in diesel-electric propulsion are reducing a motorboat's cost per mile in real terms.

Jonathan Beckett, chief executive at Burgess Yachts, says: "If you are after multiple saloons, media rooms, spa areas, lap pools and a large inventory of big tenders and toys, motor yachts tick all these boxes easily."

"However, there is also the lifestyle element to consider: large motor yachts are essentially floating resorts and are generally operated in a fairly formal manner, while sailing yachts tend to be enjoyed in a more relaxed, sporty way."

Speed is another factor – even the fastest sailing yachts cannot compete with motorboats that achieve 40-plus knots. Yet another factor in favour of power is the earning potential of chartering. Motoryachts represent



Size matters: Eclipse, the world's biggest yacht, owned by Russian businessman Roman Abramovich, lies at anchor in Antibes Bay, France

Getty

the most popular type of yacht chartered, with 83 per cent of the volume of weeks.

Sales statistics tell the same story. According to research for the fourth edition of the Camper & Nicholsons Superyachting Index, due for publication this month, 174 of the 195 30-metre-plus yachts delivered in 2010 were motor yachts, leaving only 21 sailing yachts.

The combined length of these motor yachts was 7,680 metres or 89.2 per cent of the market, compared with just 969 metres for the 21 sailing yachts. Superyachts between 30 metres and 40 metres were in the majority, with 102 deliveries in 2010; overall this group makes up 36 per cent of the fleet.

The lack of one or more sail-carrying masts allows motor yachts to be more stylish and more different to each other. As such, they offer the exterior stylist a broader canvas on which to create their masterpieces.

"Clients often wish to recreate a familiar environment from one of their land-based properties," says Tim Saunders, founder of Tim Saunders Yacht Design in Bodrum, Turkey.

"Designing a motorboat allows me to place what is in effect a penthouse apartment and terrace high up on the bridge deck, leaving public spaces such as lounges, dining and guest accommodation on the

main deck with unobstructed visibility.

"This leaves the crew, systems, services, engines and perhaps a beach club all on the lower deck.

"This, I think, has become the new format for

many motor yachts."

In a world where superyachts are used for private holidays, corporate entertaining and chartering as a business, they have to offer a great deal of flexibility.

Therefore, for example, a

private boardroom can be opened up with sliding panels to become a dining room. Alternatively, a VIP cabin may be quickly converted into a cinema. Intelligently laid-out motor yachts are leading the way.

Designer profile Espen Øino's world of bespoke luxury

In the discreet, ultra-chic world of bespoke yacht design there is scope only for excellence, as Espen Øino knows well.

The Monaco-based Norwegian has designed some of the most exciting yacht builds in the world in the past 20 years. For clients that include wealthy Russian oil magnates, high-tech US entrepreneurs, South American "old money" buyers, Japanese industrialists and Middle Eastern families, he has translated the desires of some of the world's richest people into reality.

In his world, while one does not generally speak openly about costs – and in particular ask about yacht prices – most if not all of Mr Øino's clients are very budget-orientated. He will say only that his ships – boats seems too small a word – can cost hundreds of millions of euros.

Most of his business is for wealthy individuals, often with corporate use in mind. But the design process is much the same, whether it is for a corporate or an individual client.

However, says Mr Øino, the boat must correspond to the buyer's needs. His starting point for a bespoke yacht is dialogue with the client. "I try to emphasise a good, clear brief," he says. "Knowing how much time is to be spent on the boat, how they will use it and how they expect it to work for them must be clear in their heads.

"Is it for the Caribbean, the Mediterranean, Greenland, Alaska? Is it for coastal cruising? Will there be great numbers of guests... Every boat is so different.

"How many day guests a client

wants to bring on board will affect catering facilities", for example. Other considerations might be "how internal to external spaces flow and what space needs to be found for extra equipment, such as life-saving gear".

Mr Øino takes great pleasure from the creative process. In addition to careful sketches, his team produces two- and three-dimensional digital designs. On most of the builds he pays particular attention to the floor plan and making external spaces attractive. "After all," he says, "most of the time spent on a yacht is in chasing good weather."

Of course, hulls, keels, ballast and rudders are important, but designing from the inside out is what really counts, he thinks. Mr Øino designs floor plans first, as they largely dictate how a boat is to be used. The interiors are left to others.

Energy efficiency has become a big trend in recent designs. Using 400 litres of fuel an hour may not seem very economical, but for yachts of more than 70 metres it would be considered parsimonious.

"We have done some interesting yachts in Australia, for example," he says, "including Silver and Silver

Silver bullet: one of a sleek duo built in aluminium



Zwei." They are of a small volume for the length and their low height means they have a reduced beam.

This sleek duo are both constructed from aluminium. Silver's semi-displacement hull is said to create an efficient and stable platform for its 73 metres.

Installed with twin MTU diesel main engines, Silver can reach a top speed of 27 knots. It has twin-screw propellers and a range of 4,500 nautical miles at its 18-knot cruise speed. Mr Øino says its design met the specific performance and environmentally conscious goals of its owner.

Silver Zwei held all sorts of records from the day it was launched, being the world's fastest conventionally powered motor yacht and the longest made of aluminium (73 metres).

Mr Øino's latest design, which has just been delivered, is a 134-metre yacht with amenities that include a 12-metre internal pool, spa, hammam (thermal bath), snow room, sauna, helicopter hangar, and mini-submersible.

But what really makes a bespoke yacht unique, he says, is its level of quality. "The houses and hotels where clients stay rarely match the build quality of a bespoke yacht."

Jill James

Nautical limos link ship to shore in grand style

Tenders

Frances and Michael Howorth cast their eyes over the latest runabouts

Motor yachts use the abbreviation M/Y before their name to identify themselves, while sailing yachts use S/Y. Chances are, if you see the letters T/T painted on the stern of a boat, you have just spotted a vessel that has no name of its own and is the "Tender To" a much larger yacht.

These runabouts are used to ferry passengers from ship to shore in much the same way that a limousine collects guests from an airport and whisks them to their hotel.

Many look like limousines as they speed across the water and in some cases are sold as such. Stephen Spielberg, whose 86-metre Oceanco superyacht Seven Seas will make her public show debut at the Monaco Yacht Show, chose American boat builder Hodgdon Yachts to build him two such limousine tenders.

These luxury craft, whose purchase cost is nearer two million than one – whether it be dollars or euros – want for nothing when it comes to amenities. Flat screen TVs, climate control, cocktail cabinets, tinted windows and leather seats are all built and installed to the same quality level to complement the excellence of the mother ship.

Other tenders are more down to earth despite the fact they perform a similar task, and companies building custom craft to order are still enjoying steady sales in a volatile market.

Williams Performance Tenders, specialist in the provision of water jet-propelled boats, is celebrating after experiencing its strongest first quarter since

2008. This success has been attributed to the company's expansion of its core product line to meet the demands of the larger yacht market which has continued to boom, and the increased levels of business in South America, Australia and Asia.

The Oxfordshire-based company launched a five-strong Dieseljet range this month at the Cannes International Boat Show. To meet its increased manufacturing demands it has expanded its production facilities by an additional 20,000 sq ft as well as increasing its workforce.

Faster and more eye catching is Wally One, a new day boat/tender with a distinctive slender vertical bow, deep bulwarks and flared hull, all intended to deliver a smooth ride in even the choppiest seas. The design has been drawn to maximise on carrying capacity without sacrificing agile handling and high speeds on the water, achieved by a choice in engine power from Yanmar: 640hp, 740hp or 880hp.

The spacious craft is the perfect platform for relaxing, water sports, diving expeditions or carrying guests and supplies from ship to shore.

Traditionalists love luxury wooden boats that use mahogany, teak, stainless steel and leather in their construction.

One company that produces these bespoke beauties is Art of Kinetik. It has three models on display at Monaco but it is their tiny tender with its funky, fun finish that will draw most of the admiring glances from would-be buyers.

Eighteen layers of high-gloss varnish, its own bespoke deck equipment, including touchscreen navigation, custom steering wheel, cleats and fairlead, and transponder starter key are just some of the features that make it stand out. The boat is just 3.5 metres overall, but is more than just a toy; it is a bespoke, all-mahogany tender powered by a 153hp Weber engine and axial flow water jet, reaching a top speed of 50 knots.

Catamaran hulls give tenders stability and safety while still ensuring the ride is fast and fun. The Spire Boat designed by Thierry Mugler is a speed machine with luxury sports car comfort and, depending on engine configuration, capable of up to 110 knots, making it one of the world's fastest superyacht tenders.

The feeling of being inside a sports car is enhanced by the electrically operated glass top roof, which is hidden from view when not in use. Once the roof is engaged the resulting machine has the look of something designed for Batman.

For those seeking a head-turning machine that can carry guests from door-to-door, from a superyacht at anchor in the bay to the restaurant in the hills above, the Python from WaterCar is perhaps the ultimate tender.

This, the world's fastest amphibious vehicle, is capable of 58mph on water while on land it can do 0-60mph in 4.5 seconds and has a top speed of more than 125mph.

The Python is a custom manufactured, water-capable, car built using a vinyl ester hull and corrosion resistant components.

Special doors ensure water is kept out, yet they still allow passengers to get in from the water. It costs more than £200,000, and it is not known if a superyacht has signed up for one yet.



Steven Spielberg's superyacht Oceanco will debut at the Monaco show



The new supercool way to sail

Frozen asset: Big Fish, owned by Australian businessman Richard Beattie, has proved popular for chartering by adventurous clients

Ice-class

A new breed of vessel is emerging as owners seek out polar adventures, write Frances and Michael Howorth

Smooth seas, tropical sunshine and cool cocktails epitomise the perception of pampered lives on board superyachts. Increasingly, however, the ice is not just in the gin and tonic, but in the water that surrounds the yacht itself.

There was a time when most superyachts spent the summer in the Mediterranean and, if audacious, crossed the Atlantic to lurk in the warm waters of the Caribbean over winter.

In recent years, however, the lure of the Caribbean has declined for the more adventurous owners and charter guests.

They are now seeking alternative cruising grounds. As the list of must-visit destinations is completed, the attraction of isolated ice caps begins to call.

Not all yachts are built to be ice-capable. Decks are generally laid out with sunbathing rather than penguin spotting in mind, while air conditioning is more important than under-floor heating.

But slowly, as the idea of sailing in areas of pack-ice becomes more appealing, the yacht-building industry is adapting.

Many big shipyards are building semi-custom vessels and the vast majority of superyacht production falls into that category, with each yacht being an adaptation of the vessel launched ahead of it.

Financial restraints have made resale values of these yachts vulnerable and they are fast losing their appeal as investments.

A yacht's value is deter-

mined by the lowest common sale denominator. This is not as apparent with custom- or purpose-built yachts that cruise in high latitudes. Perhaps because of their uniqueness, they seem to retain much more of their value.

Fresh from cruising the icy waters in the northern hemisphere, Big Fish, built for Aquos Yachts by McMullen & Wing in New Zealand, is one of this new breed of custom yachts.

Its owner, Richard Beattie, is an Australian businessman based in Hong Kong. He wasted no time after he took delivery last year of this, his first superyacht, turning southwards towards Antarctica.

Not only did he enjoy time with his family on board, but he chartered the yacht, demonstrating what many feel is a growing trend in "off-road" yachts.

Mr Beattie puts this down to the fact that more and more people want yachts that can go somewhere interesting, rather than sitting at a dock in yet another superyacht port.

Those chartering Big Fish are young, highly active and more inclined towards the adventurous side of life. Big Fish is not the only superyacht built for navigating in ice.

Featuring an unusually green-coloured hull, with superstructure the colour of clotted cream, the steel-hulled ice-class superyacht Steel was built by the Falmouth shipyard Pendennis in 2009.

Sporting a strange snub-nosed bow, the 54-metre long-range discovery ship

was built for somewhat secretive owners, whose business interests are reflected in the yacht's name.

Frank Neubalt, a German designer whose firm has offices in Hamburg, Palma and Miami, is also working on a 70-metre ice-capable discovery yacht.

Its huge aft deck can change from a helicopter carrier into a toy carrier. Other options include the facility to interchange a 40ft cargo container and a swimming pool.

Elsewhere, Galileo G took to the water in July, the second in a line of explorer yachts conceived by Vitruvius Yachts and built by

Perhaps because of their uniqueness, ice-class yachts seem to retain more of their value

the Picchiotti yard, which is owned by Perini Navi in La Spezia, Italy.

The 55-metre superyacht designed by Philippe Briand and constructed to ice-class classification guidelines was custom-built for an owner who plans to use it on the Northwest Passage, the sea route that connects the Atlantic and the Pacific oceans via the Canadian Arctic archipelago.

The yacht was designed for "winterisation", a classification that is obligatory when operating and navigating in geographical zones characterised by very low temperatures.

In addition to structural

reinforcements and propulsion requirements that give the yacht the strength and power to navigate through ice, Galileo G has been designed to carry specialist machinery and systems that allow it to function safely and continuously at very low temperatures.

The steel for the hull is 25-30 per cent thicker than in conventional superyachts, so the structure can withstand collisions with ice. Additionally, an extra thickness of steel known as an ice belt is positioned 400mm above the waterline.

Reinforcements strong enough to withstand these high-impact loads have also been made in all of the appendages that protrude from the hull under the waterline, such as lugs on which rudders move, propeller shafts and stern tubes.

Propeller blades have to be made out of niral, an alloy of nickel, bronze and aluminium, while stabilisers that stop the yacht rolling in heavy seas are fabricated with reinforced beams and attachment areas.

Custom-built globetrotting yachts have special tenders that can act as transport, a diving platform or a fishing boat. Diesel power and jet-drive propulsion are the ideal option for safety, especially when navigating shallow, uncharted remote waters and ice-encrusted seas.

Triple Ripple, the tender to Big Fish, is a perfect example. It has a healthy long-range, so that the mother ship does not have to steam 100 miles to pick up passengers from the more remote places.

Designer profile Terence Disdale and his eye for detail

Richmond upon Thames may seem an odd choice of location for one of the world's leading yacht designers, even if it is a chic Surrey address on a river.

But it is in his offices there that Terence Disdale (pictured right) feels most comfortable and has built an award-winning studio that can put its name to some of the world's most beautiful yachts.

Refreshingly for such a sought-after designer, Mr Disdale – Terry to his colleagues – says he doesn't do fashionable.

"Generally, our clients like to forget corporate life when they go yachting. Hence our projects convey a very relaxed atmosphere. Our work has been described as 'beach-house not penthouse'," he says.

The studio operates with a team of 15 and its success – given the competitive nature of today's design world – is all the more remarkable because Mr Disdale has had no formal training in interior and exterior yacht design.

However, he worked in the renowned studio of Jon Bannenberg, who died in 2002.

Mr Disdale's portfolio includes some of the world's largest motor yachts, including Al Salamah, Pelorus, Ecstasea and Eclipse, said to be the world's largest private yacht.

In all, his company has completed more than 50 designs for large yachts since it was formed in 1973.

Mr Disdale's clients rarely present him with a floor plan if he is doing an interior.

"Often they have seen one of our yachts and feel its character might become the concept for their individual project. Clients see our yachts in magazines or have been on board as a guest, or have chartered one of the yachts," he says.

He says if exterior design is carried out by other parties, it will seriously affect the interior design, because of the positioning of windows, steel beams or doorways.

Mr Disdale thinks making the most of a yacht is all about the art of effective space planning. "The interior of a yacht cannot be compared with a dry land

domestic interior, mainly because of space restrictions, safety measures, fire hazards, means of escape, watertight bulkheads and so on," he says.



"Practicality and fire regulations often dictate the type of materials we can use. And these days, everyone is cost-conscious, even multimillionaires."

Mr Disdale says his favourite project is usually his latest one (right now it is an aircraft interior).

Discretion is, of course, the *sine qua non* of the superyacht designer. You give away the taste secrets

of the rich and famous at your peril. But discussing how design is arrived at is another matter.

It is a long process – building and designing a superyacht can take four years. In the interiors of Mr Disdale's yachts the devil is in the detail of the design. His style is his own – you cannot buy it from a shop, no matter how upmarket.

Mr Disdale's eye for detail extends to the smallest object. Everything is custom-made.

Many of his ideas come from his overseas travels. Spells in Japan, the Philippines and Indonesia have had a strong influence.

Muted colours, curving shapes, textures and finishes that are exciting to see and touch are the hallmark of many of his interiors.

Humble materials, such as cane, shells, raffia and palm wood, are used in original and harmonious ways to produce restrained, timeless classics.

"Radicalism is easy," he says. "Designing appropriately is much more challenging."

Jill James

Yachts & Marinas

Fun and games in and over the water

Gadgets

Simon de Burton tests some high-tech toys to complement the modern superyacht

Innespace Seabreacher

What do you get if you combine jet-ski technology with submarine capability and the appearance of a killer whale? Answer: the Seabreacher Y, the latest submersible watercraft from California-based Innespace.

Powered by a 260hp, supercharged Rotax engine, it is capable of more than 50mph on the surface of the water and 25mph beneath it. Originally developed in the late 1990s, Seabreachers are able to emulate the antics of dolphins, porpoises and the like by leaping out of the water using the power of a water jet.

The two-seater vessels can be customised outside and in, and shark- and dolphin-inspired models are available. The design team is working on a version that can perform a 180-degree backflip. From around €80,000. www.seabreacher.com

Aqua Star AS2 scooter

If you insist on a certain 'cool factor' when it comes to superyacht toys, the Aqua Star AS2 might lack appeal because, frankly, it looks rather foolish.

First introduced in 2009 as a one-seater underwater scooter with a dive helmet integrated into its frame, the latest model accommodates a pair of divers



Sea what I've got: (clockwise from top left) the Elektra electric powerboat; the Innespace Seabreacher submersible watercraft; the Corum Seafender 46 chronograph; Advanced New Technologies (ANT) iChest touchscreen; and the Aqua Star AS2 scooter



and will plunge to a depth of 12 metres at a maximum speed of 3.1mph. Driven by twin electric motors powered by a battery that provides two and a half hours of running time, it is equipped with a pair of front-mounted oxygen tanks that allow full submersion for a maximum of 70 minutes. Primarily intended as a recreational

exploration vehicle, it can be mounted and remounted underwater and remains attached to a surface buoy for safety. www.scuba-scooter.com

Corum Seafender 46 chronograph

Swiss watch brand Corum reasserted its 50-year connection with the world of competition sailing this year by announcing it had signed up as a sponsor and official timekeeper of the French AC45 Energy

team that is among the eighth challengers for the 34th America's Cup.

The team is led by the great Loick Peyron – holder of the round Britain and Ireland record, triple winner of the single-handed transatlantic race and one of the world's most talented multihull experts – and will be equipped with versions of Corum's new Admiral's Cup Seafender 46 watches.

The latest in Corum's range of 'extreme' sailing

sports models that was heralded last year by the Deep Hull 48, the Seafender chronograph costs £6,475. www.corum.ch

Advanced New Technologies (ANT) iChest

ANT has joined forces with U-touch, a touchscreen technology company, to create the high-tech iChest for superyachts.

Comprising a 46in touchscreen set into a sleek, waterproof wooden



www.pattersonboatworks.co.uk

chest (which can be made from any type of wood to complement a yacht's interior) the device can be tailored to individual specifications to provide a huge range of interactive features.

Up to six people can work simultaneously with the infrared, multi-touch technology, which can be used for everything from sending instructions to the bridge to ordering a vodka and tonic from the sun deck. It can also be combined with video, audio, lighting, security and climate control systems to provide remote control from anywhere on the vessel. ANT also offers a, 103in touchscreen designed for superyacht use. Prices range from £15,000 to £30,000. www.A-N-T.net

Elektra electric powerboat

With the increasing need for luxury marine products to be more eco-friendly, electric power is gradually coming to the fore in craft such as the Elektra, a 24ft launch that is powered by a lithium-ion battery pack.

Made by traditional boatbuilder Patterson Boatworks of Hawkshead, Cumbria, the Elektra combines classical looks with a state-of-the-art carbon composite hull, which has been designed to offer minimal resistance.

The design incorporates thin-film solar fabrics, which generate extra power, and the boat has a 15-hour running time between charges.

There is also an extended-range hybrid version, which complements the electric motor with a diesel-, petrol- or ethanol-powered back-up engine. Prices range from £211,000 to £285,000.

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Time and tide united as brands battle for an edge

Watchmakers

Richard Donkin explains why top producers are keen to become sponsors

Prestige wristwatch manufacturers have come to dominate international sailing events, as they seek to marry their brand values with those of competitive sailing and maritime exploration.

The branding association has gone far beyond practical timekeeping into lifestyle statements, reflecting the appeal of high performance yachts and the skills of those who sail them.

Today, it is difficult to travel to any regatta without encountering sponsorship or a branding interest from one or more watchmakers. Leading brands are fighting for clear water in one of the most hotly contested lifestyle niches.

The love affair between precision timekeeping and sailing can be traced back to the 18th century and the pioneering work of John Harrison, the English inventor of the marine chronometer. His efforts to create a timepiece capable of maintaining accuracy at sea was born out of necessity, as the British parliament sought the means for its ships to calculate longitude to pinpoint their position at sea.

But in the 20th century, perhaps as much development in performance wristwatch design was focused on waterproof pressure casings for diving work as it was on surface sailing. This common pedigree underpins a series of modern watch designs from makers such as Rolex, Omega and Panerai.

Omega created the first diver's watch in 1932, before Rolex, one of its strongest competitors, took pressure casings to new extremes, making a watch in 1953, the Rolex Oyster Perpetual Submariner, guaranteed waterproof to a depth of 100 metres.

Panerai, meanwhile, designed its first waterproof watches to assist the Italian Navy. These large-faced watches with luminous hands were used by Italian frogmen commandos guiding manned torpedoes.

Today, Panerai has developed a niche of its own, sponsoring classic yacht racing in a series of nine regattas within its annual Panerai Classic Yachts Challenge.

It has even acquired and restored a classic yacht for its own use, the Bermudan ketch Eilean, built by William Fife & Son, a Scottish shipyard that became a byword for quality in the construction of wooden leisure yachts.

Angelo Bonati, Panerai's chief executive, compares the craftsmanship that goes into a Panerai watch with that needed to build a classic sailing boat. "The sea is part of our DNA, part of our history and it's one of the most important elements we must address in our advertising, promotion and in the product," he says.

"Preserving the connection with the sea means that Panerai needs to be linked to its heritage. The classic boat is something exclusive and very rare. The modern boat is an expression of technology. They don't bring the real tradition of the sea."

"Traditional or not, there

is no shortage of watch companies vying for dominance in top flight yacht racing today.

Omega has focused its sailing branding on some of the world's most successful sailors, launching a long-term partnership in 1995 with Sir Peter Blake, through two America's Cup campaigns. The legacy of this involvement has continued since the New Zealand yachtman's death, with America's Cup support now focusing on Dean Barker, the Emirates Team New Zealand skipper.

The company also supported Dame Ellen MacArthur. An Omega on-board clock counted every second of her solo round-the-world voyage that set a world record of 71 days, 14 hours, 18 minutes and 33 seconds in 2004-05.

Corum is another Swiss watch company to join the America's Cup fold, sponsoring the French AC45 team in the latest campaign.

Antonio Calce, Corum's chief executive, says: "To participate in the America's Cup is every sailor's dream and, by definition, the dream of a brand such as Corum that has been a key player in the field since 1960."

What goes for the America's Cup also goes for the forthcoming Volvo Ocean Race, which has signed IWC

Schaffhausen as official timekeeper. The Swiss watchmaker is also sponsoring Abu Dhabi Ocean Racing, skippered by Ian Walker.

Karoline Huber, IWC's director of marketing and communications, says the company was attracted to the potential of promoting the brand through the race.

She says: "The Volvo Ocean Race is a global sport platform benefiting from international relevance and interest specifically among charismatic men, our core target audience. Without doubt, this will contribute to raise our brand's awareness further."

Collectively, the coterie of Swiss watchmakers bent on owning the same marketing space seems to espouse very similar values.

But few have committed themselves so deeply as Rolex, which began its association with sailing in 1958, when the New York Yacht Club adopted it as the official watch of the defender of the America's Cup.

Today, Rolex concentrates on prestige blue water sailing events such as the annual maxi series, the Sidney-Hobart Race, and the Fastnet Race in the UK.

Rolex says its links with sports sailing have everything to do with endurance and pushing a craft to its limits. "A Rolex is precise, waterproof and robust. The yachting world offers an extraordinary field of validation and expansion for Rolex timepieces," says the company.

Eddie Warden Owen, the chief executive of the UK's Royal Ocean Racing Club, which organises the biennial Fastnet Race, says its Rolex sponsorship has helped to lift the race's public profile.

He says: "This year we had to go above our usual entry limit of 300 yachts because of demand. I'm sure that's not just because the race is a classic, but because of Rolex's support. "It's not just giving us cash, it supports the race through advertising and takes the event to a wider audience."



Watchmakers such as Panerai have strong nautical links

Nations vie to become capital for superyachts

Asia

Competition heats up in boat-building and cruise grounds, writes **Kevin Brown**

As with all statistics relating to China, the official plans for the yachting industry are eye-popping, with no fewer than 200 marinas expected to be built over the course of the government's five-year plan to 2016.

The scale of these proposals has attracted substantial interest, with Victor Chu, the Hong Kong entrepreneur, recently establishing a joint venture with the UK's Camper & Nicholson's Marina Investments to win a share of the action.

Yet it is by no means clear that China will become the centre of Asia's yachting industry, either as a manufacturer or in the potentially lucrative business of providing a cruising ground and maintenance centre for visiting yachts.

That position could just as easily go to more traditional centres, such as Singapore or Hong Kong, both of which have a deep maritime culture and infrastructure that give them a solid head-start over coastal China.

There is no doubt the region is developing fast, both as a producer of large yachts and as a cruising ground for owners looking for an alternative to traditional locations in the Caribbean and Mediterranean.

Ellie Brade, editor of Superyacht Intelligence, part of the UK-based Superyacht Group, says the annual total of 30-metre plus yachts delivered from

Asian builders has quintupled in 10 years, from two in 2001 to 11 in 2010. That is still below the peak of 16 in 2008, before the global financial crisis.

A further 30 are under construction in Asian yards, suggesting deliveries will rise again this year, says Ms Brade.

By global standards, the industry remains small. The 149 superyachts delivered from Asian yards so far make up just 1.2 per cent of the global fleet, underlining the extent to which growth in the Asia-Pacific markets lies largely in the future.

Taiwan, with 61 deliveries, is emerging as the regional leader, through builders such as Horizon Yachts of Kaohsiung.

Mainland China, by contrast, has so far delivered only 23, according to Superyacht Intelligence.

The Chinese industry is growing, led by companies such as Kingship, based at Zhong Shan City in the southern coastal province of Guangdong. But industry professionals say there are huge constraints on local demand.

These range from the ready availability of cheap second-hand boats from financially embarrassed owners in the west to bureaucrats' concerns about promoting an industry inextricably tied up with conspicuous consumption. It does not help either that the Chinese authorities impose tight restrictions on cruising by both local and foreign owners.

Some of this may change if Beijing is serious about developing a yachting industry. Cruising restrictions could be eased, and increased demand would encourage local yacht builders.

Building more marinas would also help, although



Singapore's maritime tradition makes it a strong contender for regional leadership

Getty

some that have opened in recent years appear to be adjuncts to expensive property developments rather than self-standing maritime ventures.

Meanwhile, regional experts are sceptical that China can really compete as an industry base.

Superyachts Deliveries from Asian yards

2010	- 11
2009	- 8
2008	- 16
2007	- 10
2006	- 13
2005	- 5
2004	- 6
2003	- 6
2002	- 6
2001	- 2

Source: Superyacht Intelligence

"Hainan has berths, but not the mechanical, electrical, cleaning and other services that you need to get the boats to come," says Y.P. Loke, a founder member of the Asia Pacific Superyacht Association, a

recently established industry group.

He adds: "The maritime industry is not really being promoted in Hainan. It is just part of the property industry - they build the flats with a waterfront view, but they don't put in the services to make it work."

Given these constraints, the principal beneficiary of Chinese interest in superyachts has been Hong Kong, the self-governing former British colony, which offers a natural home for Chinese owners seeking more cruising opportunities than are available on the mainland.

Other locations in Asia are also developing, with local yacht ownership and marina facilities increasing in Australia, Indonesia, Malaysia and Thailand, where it is centred on the holiday island of Phuket.

However, Scott Walker, director of Asia Pacific Superyachts, a yacht agency with representative offices in a dozen Asian countries, says that

Singapore's maritime tradition and location at the heart of the Asian cruising grounds make it one of the strongest contenders to lead the regional industry.

"At the moment I would say that the centre of the superyacht industry in the Asia-Pacific region is Singapore. It has been around a long time, and there are lots of facilities that give [the industry] a really strong base there," says Mr Walker.

That base includes more than 5,000 maritime companies, according to Magnus Böcker, chief executive of the Singapore Exchange, with four marinas now hosting 21 locally based superyachts, up from 19 last year and just five in 2006.

Visitor traffic also soared last year, with a record 81 superyachts passing through Singapore, up from 51 in 2009, itself a record.

However, the Singapore Superyacht Association admits that whether this growth can be sustained over the long term remains open to question.

Boatbuilders ride wave of economic prosperity

Brazil

The country is one of the yachting industry's most promising markets, says **Joseph Leahy**

If anyone is in doubt about the strength of Brazil's yachting market, they need only speak to the organisers of the Rio Boat Show 2011.

The annual event, which claims to be Latin America's largest, generated \$150m in sales when it was staged in May at the Glória Marina in Rio de Janeiro. "The business generated during the exhibition showed that Rio de Janeiro is a promising market for the nautical sector," says Paciornik Ernani, the show's organiser.

The strong interest in the Rio and São Paulo boat shows in recent years comes as Brazil is emerging as one of the most promising markets for the yachting industry.

Unlike its peers in the developing world, particularly the fast-growing Brics nations which include Russia, India and China, Latin America's largest economy has an existing culture of yachting and leisure boating, making it easier for producers of luxury vessels to navigate the market.

"The international boat builders are coming here, since the other Brics countries don't buy boats as much," says Eduardo Colonna, president of the Brazilian Boat Building Association, known as Acobar.

The rise of the yachting industry in Brazil has come on the back of the country's steady economic growth over the past decade and rising income levels.

Chief executives and directors in São Paulo earned more last year than their counterparts in New York and London, according to the headhunting firm Dasein Executive.

Boating remains an under-penetrated industry in Brazil. In spite of the country's 7,400km of coastline and year-round warm

weather, Brazil has only one boat for every 1,100 people compared with Italy, which has one per 66 people, and the US at one per 23.

Acobar estimates that since 2005, sales of yachts and other leisure boats in Brazil have grown at an average rate of 10 per cent a year except for 2009, when sales were flat because of the global financial crisis.

Brazil is expected to produce about 5,200 sport and leisure boats in 2011 compared to 4,700 last year, according to Acobar.

While the sport is better known as the playground of the rich, Acobar's Mr Colonna says the price of

'The boat builders are coming here because the other Brics countries don't buy boats as much'

boats, from as little as R\$20,000-R\$30,000 (\$11,700-\$17,600), was becoming more affordable to the upper-middle classes.

"There are boats on every price level - R\$500,000, R\$700,000 and big yachts of a million and a million and a half," Mr Colonna says.

The strong market has attracted global players, such as Ferretti, the Italian luxury yacht builder, whose traditional market in the Mediterranean, particularly Greece, is in a severe downturn.

Ferretti plans to boost its Brazilian workforce from 600 to 1,000 and increase sales by up to 15 per cent a year during the next three to four years, chief executive

Giancarlo Galeone told the Financial Times earlier this year. Giovanni Luigi, chief

executive of Grupo YachtBrasil, says his company has become the number one sales agent in the world for Italy's Azimut Yachts. With turnover growing at 28 per cent a year, the company hopes by the end of 2011 to have clocked a total of \$1bn of sales in four years.

It is not all plain sailing, however. Mr Luigi says the government is raising taxes on imported boats, a move that will increase already high rates of around 75 per cent including state and municipal levies.

"They are trying to protect local shipyards and the local market," says Mr Luigi. "We think that is a big mistake."

He says the local shipyards do not have the capacity or the boats on hand to meet rising demand in Brazil.

Mr Colonna says the homegrown boating industry is hurting from Brazil's strong exchange rate versus the US dollar and the euro, which was benefiting imports. But he says the increases in import duties do not apply only to boats and are aimed at protecting domestic industry across the board.

"Our national product is perfectly capable of competing with imported boats, we want healthy competition," Mr Colonna says.

YachtBrasil's Mr Luigi predicted that even with the higher taxes, the market in Brazil would continue to boom. "With or without the increase in tax, the market will still grow at least 25 per cent this year compared with 10 per cent last year," he said.

If only his counterparts in Greece and Italy had the confidence to make such statements.



Giovanni Luigi, chief executive of Grupo YachtBrasil

Vessel owners look further afield for cheaper berths

Mediterranean

Cyprus and Turkey are among up and coming locations, write **Frances and Michael Howorth**

Mediterranean ports on the busy cruising path off the south of France and the Balearic Islands have a chronic shortage of superyacht berths. This has forced up prices in recent years to the point where some yacht owners have postponed purchases of boats they had planned to dock there.

"One of the best investments an owner could have made in the past decade is a 40- or 50-metre berth in one of the more popular Mediterranean marinas," says Kurt Deithrich of Cube Yachts.

Acting as yacht berth sales broker, his company has the 12 remaining years of a lease on a 50-metre berth for sale in the harbour at Mandelieu, near Cannes, available for just under €5m (\$7m). A second berth for a superyacht up to 80 metres with a 16-year lease is available nearby in Italy for just under €8m.

As prices for dockage in Mediterranean hot spots soar, savvy yacht owners are looking elsewhere. Inside the taxable confines of the European Union Malta tops the list of value for money, but countries outside the clutches of value added tax are giving the EU a run for its money.

In Tunisia, Marina Bizerte, a 40-minute drive from Tunis airport, is well on its way to completion. Closer to the Côte d'Azur than Malta, this purpose-built complex will offer 42 superyacht berths, 11 for

vessels of 70-110 metres. Morely Yachts is the central agent for the sale of these berths and Tim Morely, chief executive, is offering 30-year leases on 50-metre berths for €1m, with an 80-metre berth available at €3.2m.

Christophe Lacôte, the port's marketing director, is a passionate proponent of Bizerte's future as a true superyacht port. "Unlike some projects that offer a marina as a catalyst to attract buyers into a real estate development, ours is first and foremost about yachts," he says.

"The modern apartments that are being built next to the marina are there to support the marina, not the other way round."

In Cyprus a €350m waterfront development is under construction at Limassol that will offer yacht owners the chance to buy residences as well as dock space inside the marina.

Designed by Atelier Xavier Bohl, the project is just a stroll away from the old harbour in the town's historic centre, overlooked by a medieval castle. With Camper & Nicholson's Marinas appointed as operator, it will accommodate superyachts up to 100 metres.

On the same island but

across the border in northern Cyprus, Karpaz Gate Marina has just opened. Owned by an international group of investors, it is the country's first luxury marina. Located on the Karpaz peninsula in the north-eastern tip of the island, the marina has 300 berths available, including 12 for superyachts of up to 55 metres in length.

Inspired by the successful Porto Montenegro project, Princeza Jadrana, a com-

Countries outside the clutches of value added tax are giving the EU a run for its money

pany based in Zagreb, Croatia was founded in 2008.

It designs and implements projects that have the potential significantly to improve the quality of life on Croatian islands and is planning to open 12 marinas. With the contract worth a combined €350m, the first four marinas will be completed before the end of 2013, and the whole project finished in 2017.

Turkey offers 20 ports

suitable for cruising yachts, offering more than 6,500 berths. The country's government has recently launched a marina expansion programme that promises a further 16 marinas.

Floating Life International, the Swiss group that specialises in the management, charter, sales and fractional ownership of superyachts, set up a base in Marmaris recently to capitalise on these regional developments.

Andrea Pezzini, chief executive, says: "The coastline here is so diverse that buying or leasing berths makes a lot of sense for superyacht owners who seek cruising in waters that are unspoilt, but still close enough to a skilled workforce that can maintain the yachts economically."

For owners who prefer to buy newly constructed berths in Italy, Charles Weston Baker of Savills International has good news: "People should not be too quick to dismiss the traditional cruising areas in western Europe."

Savills is handling the sale of residential property and superyacht dockage in Marinagrà, a purpose-built complex at the mouth of the Agri river near Policoro in the Basilicata region, in the "instep" of Italy.

Billed by Mr Weston Baker as the "new Port Grimaud", it has, he says, "little to compare with it in European waters price-wise." He says it offers the perfect base from which to sail the Ionian Sea and visit the Dalmatian coast.

Prices for a 30-metre berth start at €13,300 for a yearly lease and a 40-metre berth is for sale at €400,000. A large part of the development, whose nearest airport is Brindisi, is already complete, while new releases are scheduled for completion in 2012.



Marinagrà in Italy is billed as the 'new Port Grimaud'

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