

Data, research and analysis:

RAPHAËL MONTIGNEAUX,
ANDREW MACDOWALL
& MARILYN MOWER

Infographics:

VALERIO PELLEGRINI

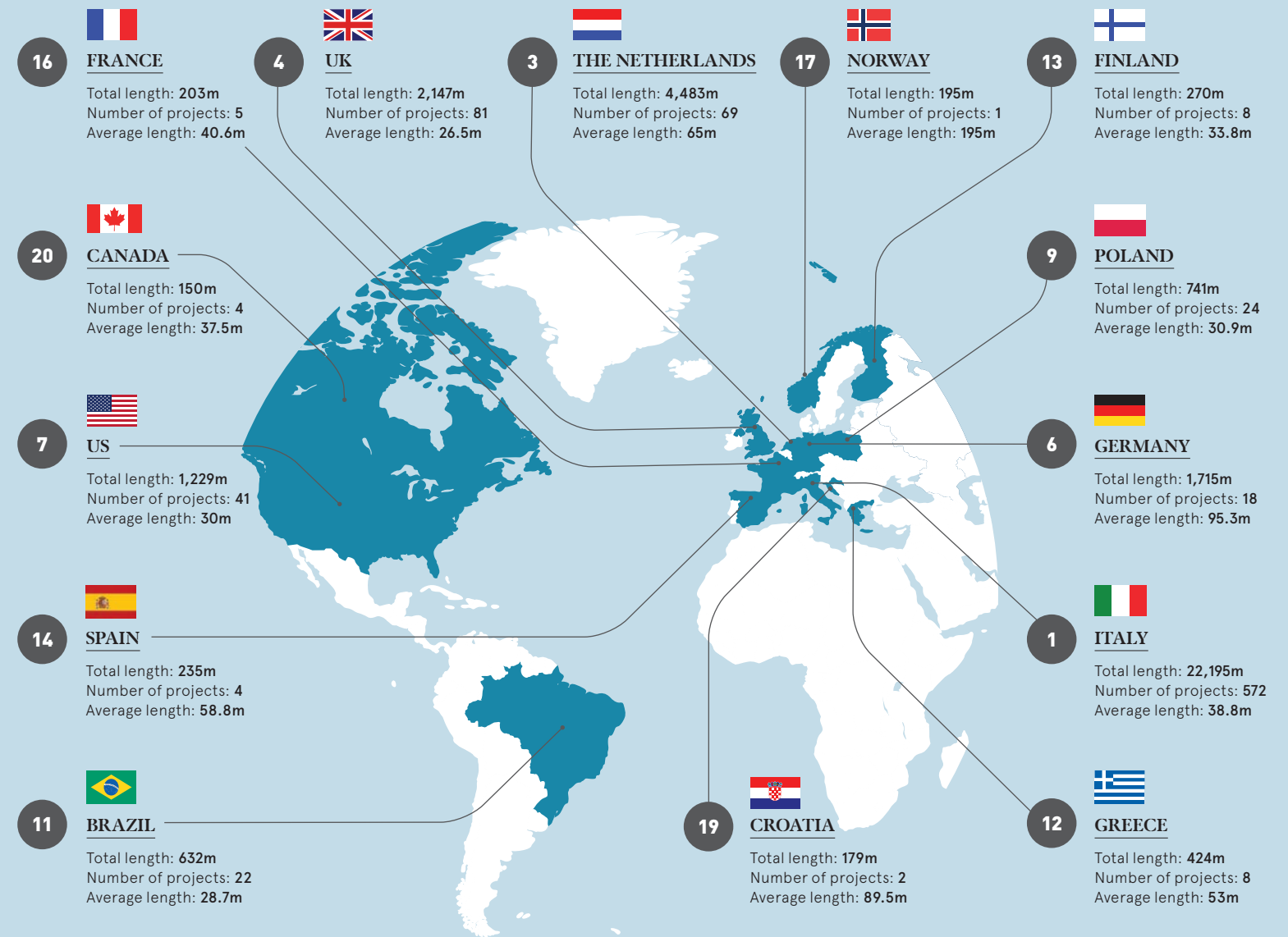
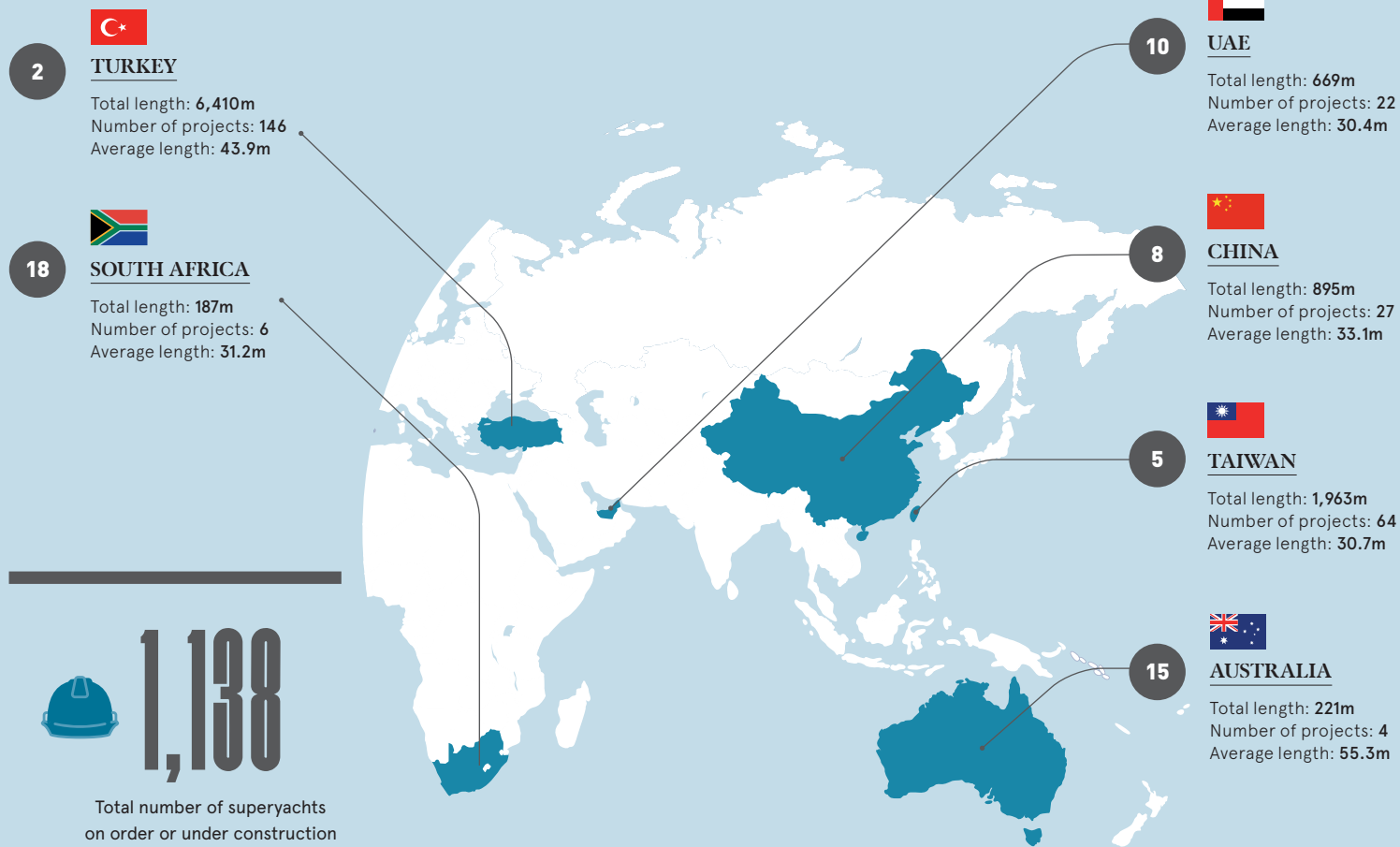
THE GLOBAL ORDER BOOK



Rigorously checked data from builders around the world reveals a snapshot of the industry, taken at the same time each year for more than 30 years. Turn the page for our expert analysis.

DATA OVERVIEW

The leader board



1,138
Total number of superyachts on order or under construction

577,482
Total gross tonnage of superyachts on order or under construction

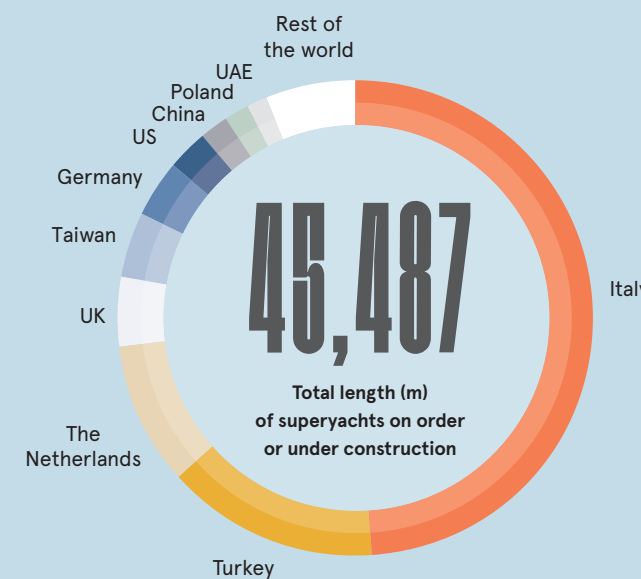
185
Number of superyacht yards currently active around the world

RULES AND METHODOLOGY

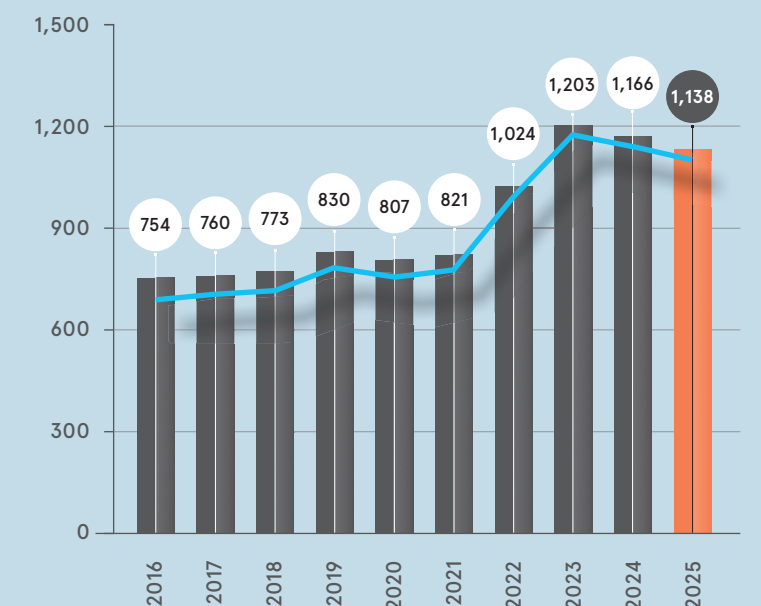
The Global Order Book (GOB) was established in 1992 by *ShowBoats International* (now *BOAT International US Edition*) to provide a body of data, updated annually and systematically, that shows the scope of economic activity in the superyacht industry. The size brackets are calculated in feet and have been converted into metres. Each year we present a list of yachts 78.74ft, or 24 metres, and longer on order or in build as of 1 September at shipyards around the world. Every effort is made to ensure accurate, comprehensive data.

The data from our market-leading platform BOATPro is cross-referenced with other industry sources and, whenever possible, corroborated with personal visits to shipyards. Participation in the GOB is entirely voluntary and free of charge. To be included, a project must be signed with a minimum 10 per cent deposit received by, on or about 1 September 2024. Spec builds may be listed only if construction, hull lay-up or tooling has begun by that date. For a live snapshot of the superyacht market, visit boatint.com/boat-pro

TOTAL LENGTH OF SUPERYACHTS IN PRODUCTION BY COUNTRY



SUPERYACHTS IN BUILD OR ON ORDER, 2016 TO 2025



ANALYSIS

Staying the course

The overall market decline following a post-pandemic boom has been a gentle one, say *Raphaël Montigneaux* and *Marilyn Mower*

The Global Order Book (GOB) continues to resist a return to any kind of pre-Covid-19 “normal”, defying expectations of a yo-yoing superyacht market. The number of boats in build has declined a gentle 2.4 per cent this year, from 1,166 hulls in build or on order at the start of 2024 to 1,138. This is down from the all-time record of 1,203 superyachts under construction in 2023, but well up on numbers logged in 2021, when we counted 821 superyachts in build. Gravity is clearly having an effect, but its pull is far less pronounced than the previous time there was a big spike in orders in 2008/9.

There are two reasons for this: better than expected second-half sales for shipyards in 2024 and an increase in the number yards starting hulls on speculation. Buoyed by the positive market environment of recent years, more yards are starting projects without owners in an attempt to attract more “I want it now” clients – and keep their employees busy.

While the number of superyachts in build or on order has declined, so too has the total length of projects in build, but by a smaller margin. There are some 45,487 metres of superyacht production globally, a dip of just 0.5 per cent on last year. The total gross tonnage under construction, meanwhile, has increased – up 5.3 per cent to 577,482GT. This confirms that superyachts, on average, are getting longer and more voluminous. The average gross tonnage of superyachts in the GOB this year is 507GT and the average length is 40 metres, both up on last year.

The decline in the number of superyachts in

build can be partly explained by a number of large yachts ordered by sanctioned owners being completed and delivered to others in 2024, but broadly the industry is continuing to experience some afterglow from the post-Covid-19 boom. We may see a sharper decline in numbers in the coming years and believe 2027 will be key for determining the full scale of any fallout.

Top builder nations

Italy remains by far the single biggest producer of yachts over 24 metres LOA, a position it has held since 2000 when it knocked the US off the top spot (see page 58). Italian yards produce nearly 50 per cent of all superyachts, but it should be noted that the country’s order book has declined for the first time since 2015, dropping 1.2 per cent this year. This contrasts with second-place Turkey’s rapid expansion of 8.9 per cent over last year.

We have seen some impressive projects being delivered in Turkey in the last 12 months, linked to well-known designers who are closely involved in shepherding the projects along. The nation’s boatbuilding know-how is developing fast and the finish of Turkish yachts is now on a par with the quality of their mechanical systems. Turkey’s shipyards continue to invest heavily in infrastructure and have embraced the speculative

model, not afraid to start boats without owners. Counted together, Turkey’s shipyards are building 146 projects, up 32 on last year, totalling 6,410 metres of construction.

One significant cloud darkening the sky over Turkey is a footloose workforce. During visits to the country’s shipyards for this report, we learned of many workers who had migrated west in search of higher pay and an escape from the country’s crippling inflation, currently running at about 50 per cent. At yards from Italy to Germany, Turkish workers make up an increasing proportion of the workforce. In order to stop the skills drain, Turkish yards are under pressure to raise wages, which is having an impact on new-build prices. Cheaper labour rates have made building in Turkey attractive but how long the country will maintain this price edge, over Italy in particular, remains to be seen.

In third place, the Netherlands has a strong order book of 69 projects and reports a total LOA of 4,483 metres. This may look like a worrying drop of 11 projects on last year’s numbers, but it would be wrong to directly compare the two years. A number of Dutch yards had “frozen” Russian orders, which artificially inflated their previous numbers. With these yachts now delivered to different owners, numbers for the Netherlands are on a more reliable and stable footing.

Next, the UK and Taiwan show an overall decrease in their production but hold solid order books for the coming years. Germany remains in sixth place, building 18 projects with an average size a snip under 100 metres, just before an unexpected seventh place showing for the US. This result is mainly driven by the success of the sportfish market and Viking Yachts in particular,

which has already picked up 20 orders for its newly launched Viking 82 model.

The UAE is a growing force in superyacht production, doubling the number of projects on order or in build at its shipyards. Sunreef’s decision to open a facility in the country has clearly helped. The Polish yard will produce its Ultima catamaran series in Dubai, of which 16 have already been sold.

In Finland, Baltic Yachts and Nautor Swan do all the heavy lifting and both yards have strong order books. Swan was recently acquired by Italian giant Sanlorenzo and it will be interesting to see what effect this will have on its future orders. Together, Baltic Yachts and Nautor Swan have eight projects in build over 24 metres.

The shipyard view

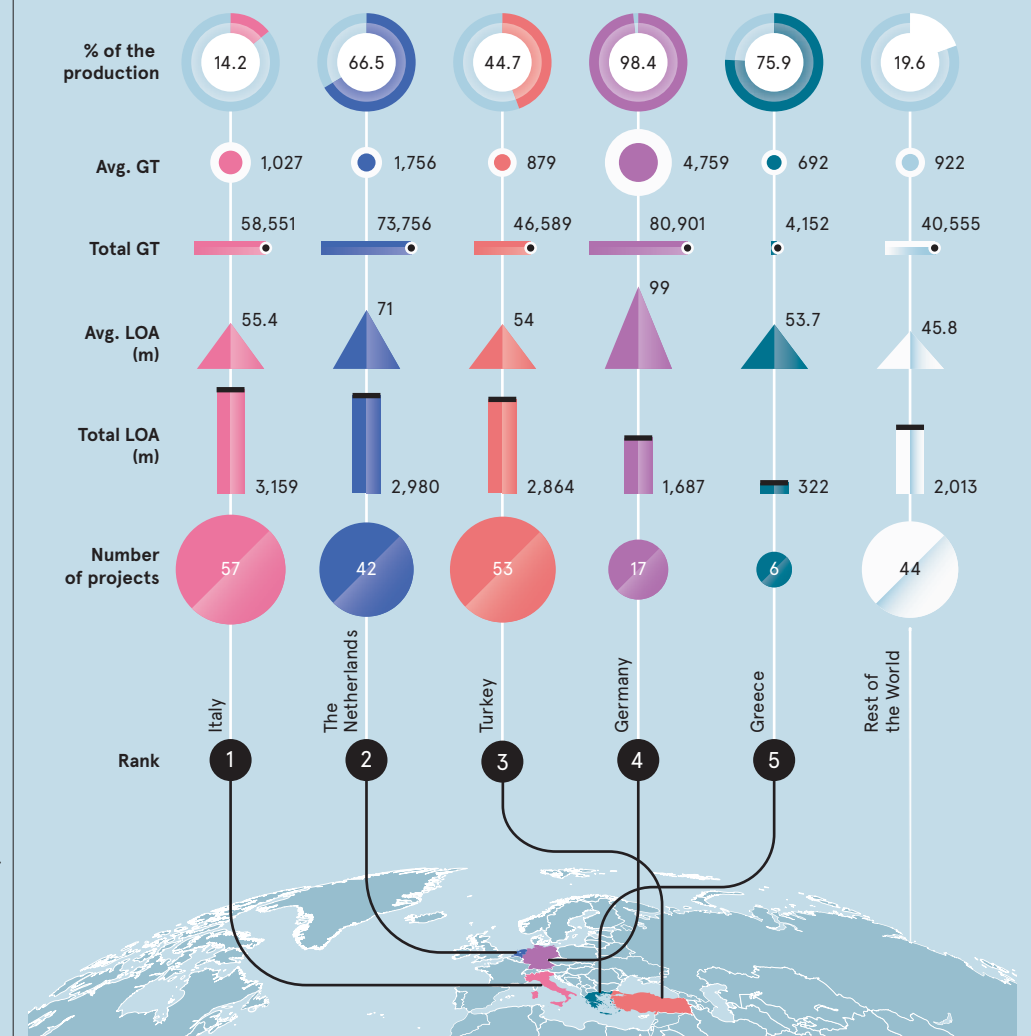
Italy’s Azimut-Benetti maintains its stronghold on the top spot of the builder leaderboard, with fellow Italian yard Sanlorenzo in second place (see table overleaf). The Ferretti Group, comprising the Ferretti, Pershing, Riva, Custom Line, CRN, Wally and Itama brands, has once again declined to share its order book, but our own investigations reveal the group would hold third place if we were able to declare their numbers. We have not included the Ferretti Group in the builder leaderboard, but their numbers contribute to Italy’s total declared production.

Therefore, Dutch mainstay Feadship sits in third place. Its four yards have fewer total metres in build this year, but the delayed delivery of 118-metre *Launchpad* inflated its 2024 stats.

The Italian Sea Group holds onto fourth overall but retains its place as the biggest full-custom builder in Italy. British yards Sunseeker and Princess have both changed owners in recent

WHO IS BUILDING FULL-CUSTOM YACHTS?

Top five countries by total length of custom production



PROJECTS BY LENGTH: 10-YEAR COMPARISON

LENGTH	24-27M 80-89FT	28-30M 90-99FT	31-36M 100-119FT	37-45M 120-149FT	46-60M 150-199FT	61-75M 200-249FT	76M+ 250FT+	TOTAL
2025	286	175	179	213	175	49	61	1,138
2024	321	166	201	211	159	53	55	1,166
2023	348	159	238	215	139	51	53	1,203
2022	277	147	202	178	122	52	46	1,024
2021	200	125	150	147	114	40	45	821
2020	194	128	160	134	106	41	44	807
2019	228	117	172	121	104	40	48	830
2018	182	114	162	123	100	39	53	773
2017	195	103	138	132	96	44	52	760
2016	168	93	163	141	106	34	49	754



TOP BUILDERS BY TOTAL LENGTH OF CONSTRUCTION

2025 RANK	COMPANY	TOTAL LENGTH (M)	NUMBER OF PROJECTS	AVERAGE LENGTH (M)	NUMBER OF PROJECTS, 2024	2024 RANK
1	Azimut-Benetti	5,905	164	36	167	1
2	Sanlorenzo	4,448	125	35.6	132	2
3	Feadship*	1,525	N/A	N/A	N/A	3
4	The Italian Sea Group	1,356	22	61.6	24	5 ▲
5	Lurssen*	1,254	12	104.5	13	4 ▼
6	Overmarine	1,095	26	42.1	28	8 ▲
7	Princess Yachts	1,094	42	26.0	48	7
8	Ocean Alexander	1,064	33	32.2	30	10 ▲
9	Sunreef Yachts	1,006	35	28.7	35	11 ▲
10	Damen Yachting	1,002	14	71.6	19	6 ▼
11	Baglietto	959	20	48.0	19	12
12	Sunseeker	946	35	27.0	41	9 ▼
13	Cantieri delle Marche	805	20	40.3	20	15 ▲
14	Palumbo Superyachts	744	15	49.6	12	16 ▲
15	Bilgin Yachts	711	12	59.3	9	17 ▲
16	Horizon	699	24	29.1	27	14 ▼
17	Heesen Yachts	651	12	54.3	15	13 ▼
18	Viking Yachts	617	24	25.7	18	18
19	Rossinavi*	505	N/A	N/A	N/A	N/A

*data partially shared by the shipyard

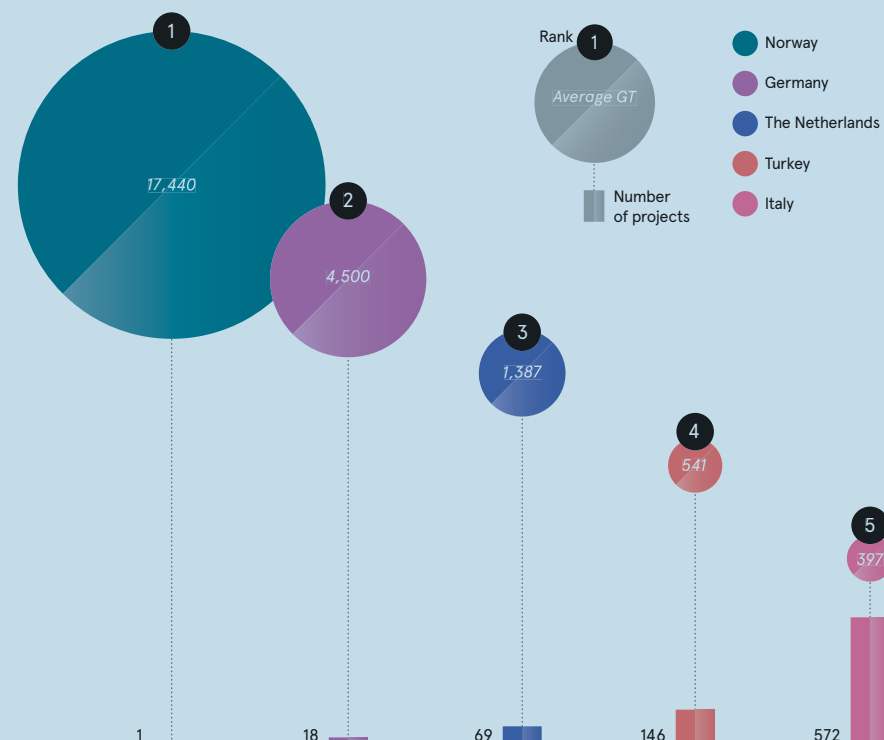
years. Princess was acquired by US-based private equity firm KPS Capital in February 2023, and Sunseeker announced at the latest Fort Lauderdale International Boat Show that it had been bought by Orienta Capital Partners and Lionheart Capital. Both yards are refreshing model ranges and we expect to see improving order numbers in coming years as a result.

Eighteen of the shipyards on our leaderboard are repeats from last year. Eight have grown their order books; 11 show declines. Turkey's Numarine has dropped from the list but the yard maintains a very strong order book of 15 projects. Rossinavi replaced it in 19th position with just six more metres of production. The-Italian yard is mostly building full custom yachts over 499GT. Last year, the top 19 builders had 677 projects measuring 27,069 metres of construction. This year, those numbers are 653 projects totalling 26,386 metres.

Of the eight yards that have increased orders, Cantieri delle Marche is up by three projects on last year, as is Taiwan's Ocean Alexander, which is building another facility in Kaohsiung. Sunreef has also had a good year, thanks in part to its new yard in the UAE. Baglietto's run continues, with 20 projects on its order book, including a number

TOP COUNTRIES BY GROSS TONNAGE

The top five countries ranked by total volume of superyachts in build



of full-custom builds. Palumbo Superyachts, Bilgin Yachts and Viking, meanwhile, have posted impressive order book growth of 24 per cent, 29 per cent and 30.4 per cent, respectively.

A number of shipyards make their GOB debuts this year, including FC Cube (France), Ladenstein (Austria), Rockport Marine (US) and four in Turkey: U4 Marine, Fabbro Yachts, Vento Yachts and Yacht Factory. Rockport is not a new yard but new to the ranks of those building over 24 metres. Australia's Echo Yachts returned to our count this year with its 57-metre catamaran.

What's on order?

The number of "standard" motor yachts in build has dropped 5.5 per cent, with the market for sub-27-metre semi-custom yachts taking the biggest hit (down 10.9 per cent). Specialist markets have had a better year. The sportfish segment is stable, mainly thanks to the success of US builder Viking Yachts. Sailing yachts are also holding steady with 71 projects on order or in build, representing 6.2 per cent of the total order book. A number of exciting sailing projects were announced in the last 12 months, including 81-metre hull 411 at Royal Huisman and the giant 57-metre sailing cat at Echo Yachts in Australia.

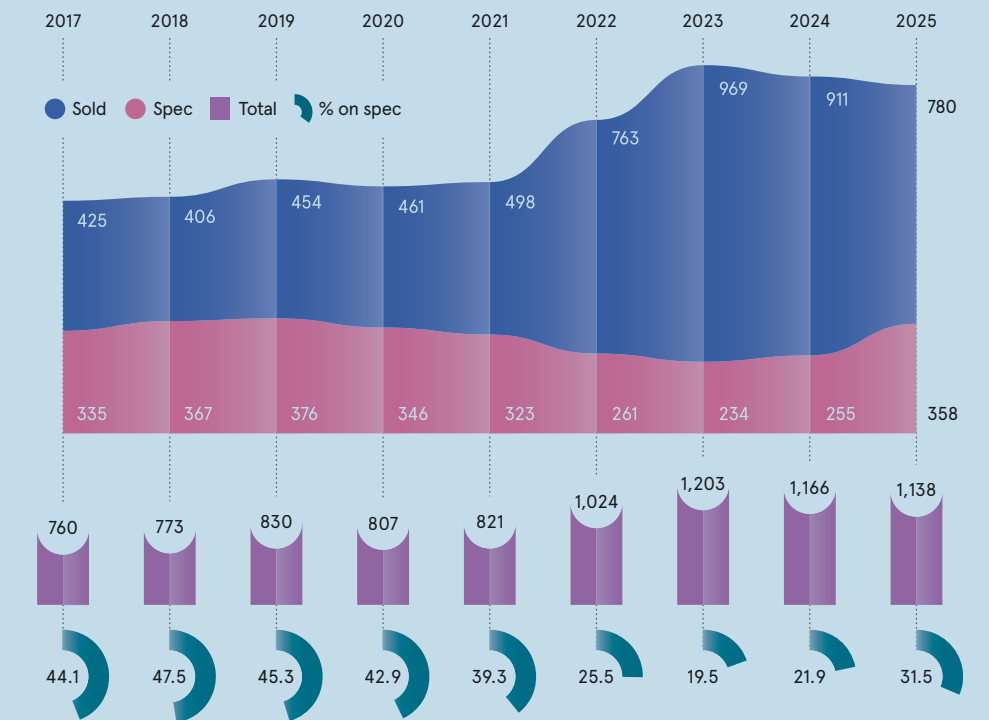
The expedition market continues to outperform all others in growth terms. There are now a record 105 explorer yachts in build globally, up from 99 this time last year. These boats now represent 9.2 per cent of the GOB. The standout success

Future challenges

During our visit to a shipyard last October, management revealed that their main competitor is their own nearly new yachts on the brokerage market. Some novice owners who bought yachts to escape Covid-19 lockdowns have clearly found long-term ownership not to their taste. A number of these vessels are on the market with low hours and relatively high prices – but, crucially, available immediately. Conversely, it's also clear that some of those new clients the industry found in the Covid-19 years are trading up. The average size of new yacht orders last year was 39.2 metres, which has now crept up to 40 metres.

THE FLEET ON SPEC

Speculative projects vs sold projects from 2017 to today



remains Italy's Cantieri delle Marche, which has 20 boats in build for a total length of 805 metres.

When looking at the order book by size, we've recorded some weakness in the 24- to 37-metre range. Above 37 metres, the market is stronger, excepting a little dip between 61 and 76 metres.

The market for very large yachts, concentrated in Germany, Spain, Turkey, Italy, Norway and the Netherlands, remains strong. There are currently 25 yachts beyond 100 metres LOA on order or under construction, one more than last year (see overleaf). The grip Germany has had on the biggest builds continues to weaken, but despite this the country's yards are performing well: Lürssen's orders are solid until 2028; Abeking & Rasmussen has one order and a number of refits, as well as a solid bank of military and commercial work; Dorries Yachts is building a 114-metre project. In the Netherlands, Oceanco has two 100-metre-plus orders, and Feadship has at least five 100-metre-plus projects on its order book.

The speculation game

In 2018, almost half the order book was made up of boats started without an owner. That proportion steadily decreased to just 19 per cent in 2023, but

ENGINE TYPE

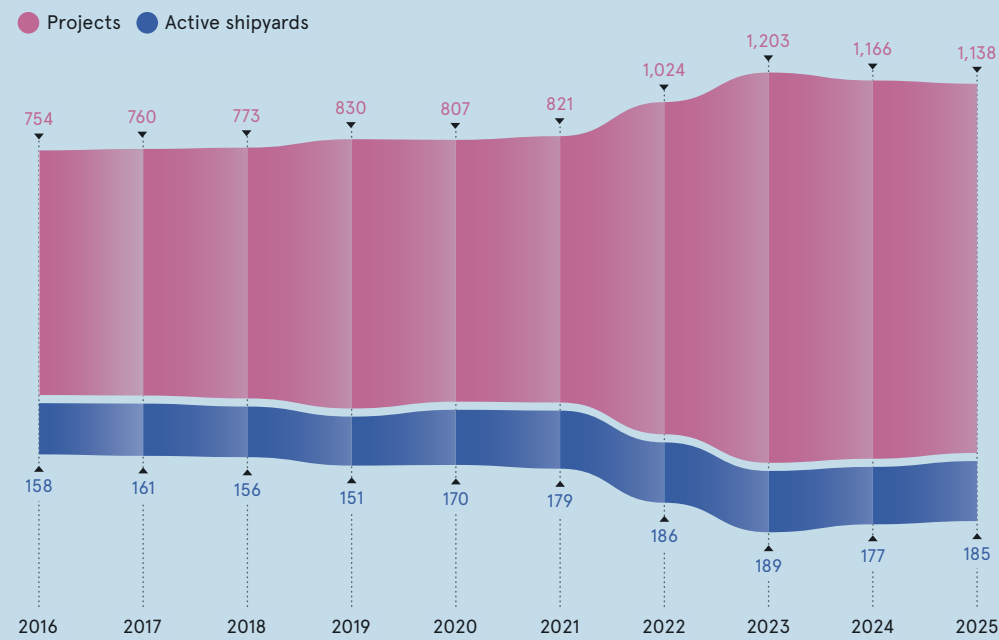
	GOB 2024	GOB 2025
Diesel	1,081	1,049
Hybrid	41	45
Diesel/electric	34	36
Electric	10	8

the number of spec boats is on the rise again (see above). In this latest count, some 31 per cent of the order book is made up of spec projects, the highest level since 2021, and a big jump on last year's 21.9 per cent. In the post-Covid-19 business climate, yards have stronger balance sheets and are more able to risk starting boats without owners.

Speculative projects are relatively well distributed across all size categories, the most active being between 24 and 27 metres, where such orders exceed 40 per cent of the total. Yards are also starting larger hulls on spec. Between 28 and 60 metres, roughly a third of all projects in the Global Order Book are speculative. After that,

ACTIVE SHIPYARDS VS PROJECTS

Number of superyachts in build and on order, versus the number of active shipyards in the last 10 years



however, there's a sharp drop-off. Just 16.3 per cent of all boats in build between 61 and 75 metres are spec projects, which drops to 13.1 per cent for projects larger than 76 metres.

The countries featuring the biggest proportion of speculative projects are Turkey, the Netherlands and Italy. Prizes for bravery go to Turkey, where 37 per cent of its 146 projects are spec boats. The Netherlands has started 27.5 per cent of its superyachts without an owner, followed, surprisingly, by Italy, whose order book is 26.7 per cent spec projects.

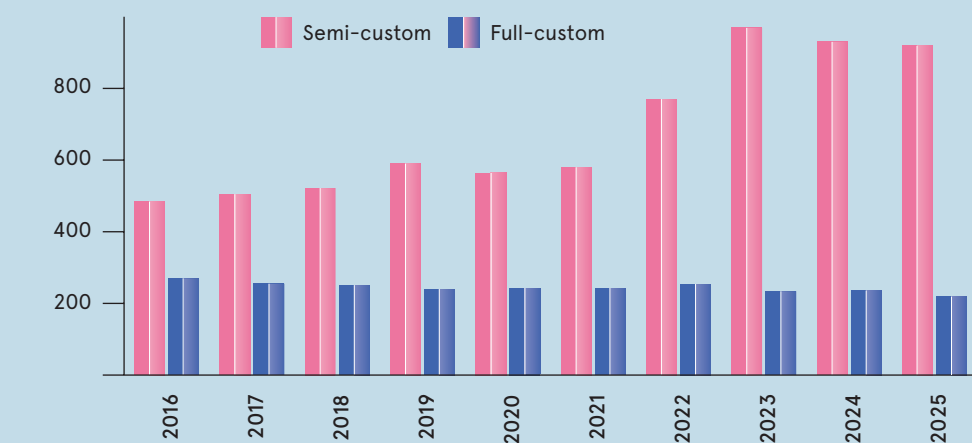
Semi-custom is king

Series boats dominate the Global Order Book. Ten years ago, full custom projects accounted for almost 40 per cent of all superyachts in build. In this latest count, they are just 19.2 per cent of the order book. However it's interesting to note that the raw number of full custom projects hasn't declined dramatically (see table, right). In the 2015 Global Order Book, we counted 286 full-custom projects; today there are 219, a decline of 23.4 per cent. Conversely, there has been phenomenal growth in the semi-custom sector, which has expanded 105 per cent in the same period, from 448 semi-custom hulls to 919 in this latest count. Further, when you look at the combined gross tonnage under construction globally, full custom yachts account for 52.7 per cent of the total.

Four nations build the majority of all full custom yachts: Italy, the Netherlands, Turkey and Germany. The Netherlands and Germany specialise in it, with 66.4 per cent and 98.4 per cent of their output (in length) dedicated to these yachts. The top player is Lürssen, followed by historic brands in the Netherlands, such as Feadship and Royal Huisman. Turkey, which is slowly building its semi-custom capacity, remains third in the full custom ranks thanks to the shipyards Turquoise, Alia, Ares and SES.

FULL CUSTOM VS SEMI-CUSTOM YACHTS

Total number of semi-custom and full custom projects in the Global Order Book in the last 10 years



Italy has a proud history of building full-custom yachts and remains top in the total number of full custom projects with 57. However, the nation's output is so flooded with series boats that custom yacht-building now accounts for just 14.2 per cent of the nation's order book. However a number of Italian yards are pushing hard to maintain a full-custom pedigree, such as Rossinavi, The Italian Sea Group, Palumbo Superyachts and CRN.

Full-custom yachts make up 65 per cent of all yachts in build between 61 and 75 metres, and nearly 87 per cent of those in the GOB above 76 metres. At the other end of the spectrum, only 5.2 per cent of orders below 27 metres, and only 2.9 per cent between 27 and 31 metres are full custom. For trend watchers, the biggest shift has taken place in the 45- to 61-metre range. Once the domain of full custom yachts, now these unique projects account for just 28 per cent of all boats in build in this market.

It is interesting to note how the numbers change depending on type of yacht. Of the 71 sailing yachts in build globally, 39 are fully custom, or 54.9 per cent. The new market darling, expedition yachts, meanwhile, tend to be more full custom than the market average. Of the 105 tough explorers in build, 38 are fully custom, or 36 per cent. These two markets tend to attract buyers with significant yachting experience, who like to customise their yachts for specific missions.

Green or greenwashing?

The words "green", "environmentally friendly", "sustainability", "reduced emissions" and "carbon-free" were ubiquitous at boat shows in 2024 and for most builders, increased efficiency and lower emissions are attainable targets. Even without

PROJECTS BY TYPE

TYPE	EXPEDITION	MOTOR	OPEN	SPORTFISHER	SAILING	TOTAL
2025	105	866	69	27	71	1,138
2024	99	917	54	25	71	1,166
2023	88	955	55	34	71	1,203
2022	85	780	61	28	70	1,024
2021	64	628	58	12	59	821
2020	58	620	59	11	59	807
2019	55	653	56	15	51	830
2018	60	582	39	22	70	773
2017	55	548	58	24	75	760
2016	55	558	40	18	83	754

alternative fuel systems, builders are reducing carbon emissions through a combination of more efficient hulls, lighter-weight interiors, variable speed gensets that avoid load banking, batteries, waste heat recovery, smart HVAC, foils, vanes and solar panels. Further gains are possible through diesel-electric or hybrid propulsion, a system where large main engines are eliminated by using variable-speed diesel generators to deliver electricity to run the hotel load, store in batteries for silent operation or peak shaving, and power electric motors to turn the propellers.

However, the numbers remain small. For the second year running, we asked all builders to declare the engine set-ups on the yachts they were building. Just 45 of all 1,138 superyachts in this year's GOB have a hybrid set-up, 36 are diesel-electric and only eight are powered by solar alone.

Not all builders have the deep pockets required for R&D and many are waiting for off-the-shelf products to become widely available or for individual clients to fund such R&D themselves. Such is the case with a hydrogen fuel cell project now completing at Feadship. All new Feadships will be hybrids of some sort, according to CEO Henk de Vries. Lürssen is taking the methanol reformer route to fuel cells.

Sanlorenzo is building a 50-metre yacht due in 2027 with a methanol system that produces 100kW of electricity for house loads, propulsion and battery storage. The yard already delivered a foiling chase boat that runs on hydrogen fuel cells for the US America's Cup team. "Below 20 metres, you can just store the pressurised hydrogen in bottles and you don't need cryogenic storage. We used four hydrogen bottles and it worked just fine," said CEO Massimo Perotti. "But for superyachts, we need another solution. The technology is in place and 90 per cent of the

engine manufacturers will offer dual fuel (methanol/diesel or HVO) by next year."

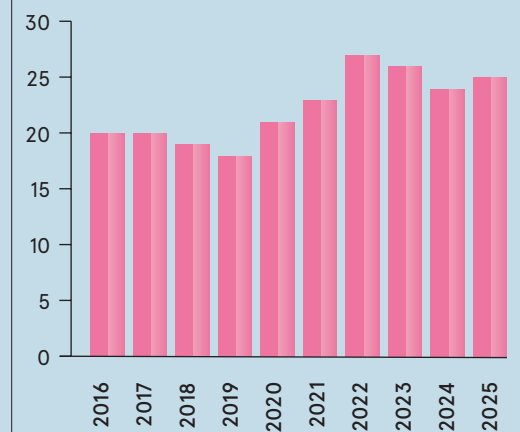
Rossinavi's COO Federico Rossi, meanwhile, has set an ambitious target of being able to cross the Atlantic with a 499GT boat using just 15,000 litres of fuel, compared to 60,000 litres currently. He will achieve this by drawing on alternative energy sources, including a heavy dependence on solar. "Today, the technology is available. The challenge is to expand our thinking and integrate luxury and conservation," he says.

Conclusion

As we write, Donald Trump is picking the cabinet for his second presidency, starting in January 2025. A number of shipyards were free with their opinions on another Trump term during the Fort Lauderdale International Boat Show, saying it would be good for business. There is little doubt his presidency will have a positive impact on orders from the US, home to comfortably the biggest constituency of superyacht buyers. Europe, the superyacht manufacturing heartland, is regarding his election more warily. The threat of tariffs or an escalation of the war in Ukraine are

THE LARGEST SUPERYACHTS

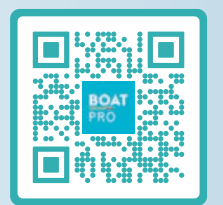
Number of 100m+ projects in build or on order



outcomes no one welcomes. Meanwhile, Turkey's economy teeters and China toys with Taiwan. The fact that the superyacht industry has proven so resilient in the face of so much macroeconomic uncertainty is to its credit. As to what the future holds? We'll tell you next year. ■

Seeing is believing

The Global Order Book involves visits to shipyards to verify projects under construction, hull numbers and production capacity. This year 59 shipyards in 13 countries were visited, physically accounting for 697 projects (61.2 per cent of global production). Yards not visited are scrutinised using order lists showing deposits taken and data obtained from dealers, OEMs, flag states and class registries. Global Order Book reports dedicated to each country are available free to BOATPro subscribers. BOATPro country reports can also be purchased on an ad hoc basis by non-subscribers.



SCAN ME

BOAT PRO

FORECAST

Wild west, eastern promise

A becalmed superyacht market is feeling the ripples of the US election and a strengthening market in Turkey. Industry insiders and wealth experts build a picture of the year to come

By ANDREW MACDOWALL Photography: RUBEN GRIFFIOEN

T

he election of Donald Trump as US president is expected to provide a significant boost to the global superyacht industry after a slower year in 2024.

Trump will return to the White House in 2025 with an agenda – and strong mandate – for tax cuts and deregulation, though there are also serious concerns over the impact of his planned tariff increases on the global economy.

“With the election finally over and with Trump returning to office, we have already seen a shift in the financial markets. I have had multiple clients reach out to me explaining they are confident moving forward in the sales process,” says Alex Clarke, a yacht broker at Denison. “The US Federal Reserve will most likely continue to cut interest rates through 2025, which will be an added boost, so I’m confident that the coming year will see a major increase in sales activity.”

Thom Conboy, director of sales for Heesen North America, Mexico, Bahamas and the Caribbean, says that Trump’s election is “probably the most positive thing that could possibly have happened”. “It gives a great deal of confidence to businesspeople, and it’s not only a leg-up to the superyacht business, but people who work for a living and business in general,” he tells *BOAT International*. “It’s very, very good for people buying yachts and people in the yacht business. What’s more important than tax cuts is deregulation, so businesses can operate.”

It has been a tough few years for the global economy, rocked by the Covid-19 pandemic and associated lockdowns in 2020 to 2021 and then soaring inflation in 2021 to 2023. Despite this, the superyacht industry has performed remarkably strongly, with boom years in 2021 and 2022 in particular, as demand soared during the pandemic. In 2024, the market is relatively becalmed, having slowed over the last couple of years, but still landing above pre-pandemic levels. That’s against a backdrop of lower economic growth, and interest rates that have remained relatively high by recent standards, while trending downwards.

15%

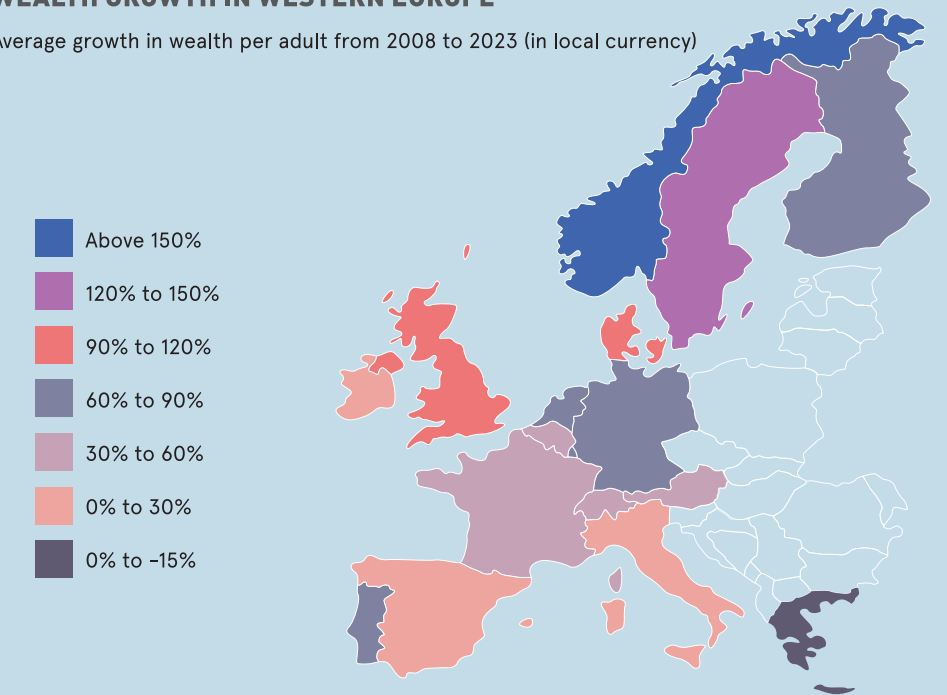
Goldman Sachs’ 12-month probability of a US recession

2.7%

Global growth in 2024, as expected by Goldman Sachs at time of press

WEALTH GROWTH IN WESTERN EUROPE

Average growth in wealth per adult from 2008 to 2023 (in local currency)



Source: UBS Global Wealth Report 2024

Inflation is easing, but that means that price rises have merely slowed, rather than reversed, leading to continued pain for some yacht builders.

At time of press Goldman Sachs expects global growth to come in at a rather sluggish 2.7 per cent by the end of 2024, on a par with 2023, with the US growing at 2.5 per cent, China at 4.7 per cent, and the eurozone at a meagre 0.9 per cent. Global core inflation should be below three per cent by the beginning of 2025, down from 4.4 per cent in 2023, but this cannot disguise the double-digit rates seen by major economies including the UK and Germany, and a peak of over nine per cent seen in the US in mid-2022. With war in Ukraine and the Middle East (as well as ballots in the EU, India, and UK, among other jurisdictions), there have been serious geopolitical headwinds, too. Yet the industry can enter 2025 with a degree of optimism, with recession likely to have been averted in the US, and inflation and interest rates gradually moving downwards. As in the past, the top yacht builders and brokers have been able to leverage their competitive advantages and target market niches to maintain momentum.

“The US economy is holding strong and the stock market, while volatile, is reaching new highs, which all bode well for the American yacht buyer,” says Lisa Verbit, national yacht lending executive at Bank of America (BoA). “However, interest rates remain higher than clients are accustomed

“UHNW INDIVIDUALS DID NOT WORRY THEIR WAY TO THE TOP”

to; inflationary pressures persist in the cost of various materials; and serious geopolitical risks may also impact the buying decisions of UHNWI [ultra-high net-worth individuals].”

From a lending perspective, higher interest rates are still having an effect, Verbit adds, with some clients choosing to forgo taking a yacht loan, or paying off an existing yacht loan, given their high levels of liquidity. Yet BoA still expects 2024 to be the fourth-biggest year for yacht lending since it started in the business more than 25 years ago, albeit down from a record year in 2023, when total dollar loan volume was a striking 44 per cent up on the previous historical high achieved in 2021.

But it’s not all sunshine. Fraser Yachts CEO Anders Kurtén says that there has been a notable shift in the years following the pandemic, with a decline of nearly 20 per cent in the global brokerage market for yachts over 30 metres. Verbit estimates that superyacht sales are down around 25 per cent worldwide this year. While these figures reflect the economic backdrop to an extent, more significantly they represent an adjustment after bumper years when demand was unleashed

372,000

UBS's forecast for total number of UHNWIs by 2027

following the Covid-19 lockdowns, and in an environment of ample liquidity and low interest rates. "The market is recalibrating after unprecedented highs," says Kurtén, "and while demand for superyachts remains strong, we knew sales would stabilise at some point and this reflects trends that we were seeing prior to 2020."

Yet Kurtén reports that Fraser has had a strong year, outperforming 2023 in all major areas of its business – sales, charter and yacht management. Indeed, the general sentiment is that the charter market is performing well, he adds. "We've doubled down on delivering personalised experiences, adapting to clients' evolving needs, and leveraging our global network to create value for buyers, sellers, charter clients and owners."

Marco Valle, CEO of Azimut-Benetti Group, says that the market for large motor yachts has not slowed down, based on his company's order book. And sub-segments are diverging: in the first half of 2024, Azimut-Benetti Group saw demand driven by fibreglass vessels under 45 metres, but H2 has seen more activity in the 50- to 70-metre range. Like Fraser, the company is upbeat about the market, having invested to expand production capacity and with an order book extending to 2030.

The 24- to 45-metre segment, both late model brokerage yachts and new construction projects, are a major focus for Denison, says Clarke. He adds that the market for explorer yachts tends to hold up well, remaining in high demand even when broader demand dips.

"The market has definitely slowed down and I feel that has hurt some brokers who might not have such a deep client base," he says. "The boom of new build sales is definitely over and I see shipyards becoming more willing to negotiate on pricing as they realise contracts are harder to come by."

Clarke says that some yards have become caught in a squeeze between buyers seeking to negotiate lower sales prices, and the rising cost of materials and labour thanks to high inflation. "I have seen clients specifically remove their yachts from the sales market due to slow activity, have seen other clients decide to wait until after the US election, and clients waiting for the Fed to drop rates," he says. "I feel this mostly affects my

clients in the 24- to 30-metre segment while the larger 35- to 50-metre category remains active. I think brokers are digging deep, fighting for sales."

But as Clarke notes, this is a cyclical industry – and the cycle is showing signs of turning. The US has again evaded recession; in October 2024 Goldman Sachs cut its 12-month US recession probability back to 15 per cent, its unconditional long-term average. Growth is unlikely to be stellar in the coming years, with Goldman's 2025 forecasts for global GDP and the US at 2.8 per cent and 2.4 per cent, respectively, but tailwinds include growing real household income and lower interest rates. The bank expects the US Federal Reserve to cut interest rates several times in early 2025 to reach a rate of 3.25 to 3.5 per cent from five per cent in October 2024, while in the eurozone it predicts a similar move down to two per cent by mid-2025, from 3.25 per cent in October 2024. In China, Goldman expects policy easing and strong exports to hold up growth at 4.9 per cent in 2025.

Steve Taddie, partner and chief economist at HoyleCohen, says that a combination of rising asset values and central banks around the world easing interest rates are bolstering ultra-high net-worth individuals' ability to spend; with lower rates, they can leverage existing appreciated assets for spending, rather than liquidating, to avoid capital gains taxes. He adds that expectations for the US economy have shifted "from a soft landing with the risk of a hard landing, to no landing with the possibility of a soft landing".

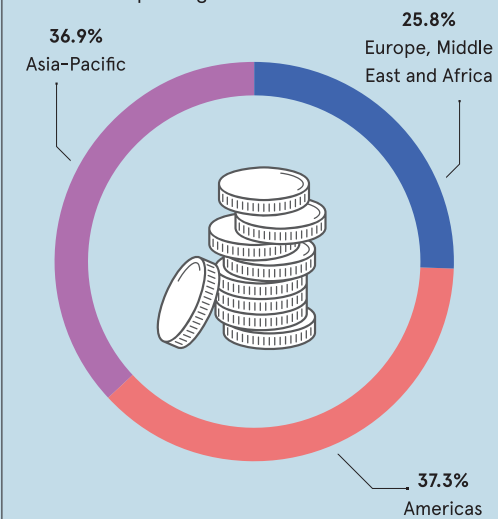
There are certainly downside risks to what is already only a modest growth outlook. Trump's accession brings not only the prospect of tax cuts

but tariffs which could lead to soaring prices for imported inputs, and indeed trade wars that destabilise the wider global economy. Some economists have warned that a global recession is a distinct possibility, though Goldman Sachs estimates that the likely combination of tariff policies will lead to a one-off boost to inflation of 30 to 40 basis points, and "a modest drag on GDP". Conboy does not foresee any impact on the yachting industry on the horizon.

In the world's second-largest economy, China's housing and associated debt crisis is far from fully resolved. And there's the prospect of a wider war

GLOBAL WEALTH BY REGION

Distribution per region in 2023



Source: UBS Global Wealth Report 2024



in the Middle East. As Kurtén notes, uncertainty poses challenges for the sale of high-value discretionary items like superyachts; yet overall, the market will be sanguine about the outlook.

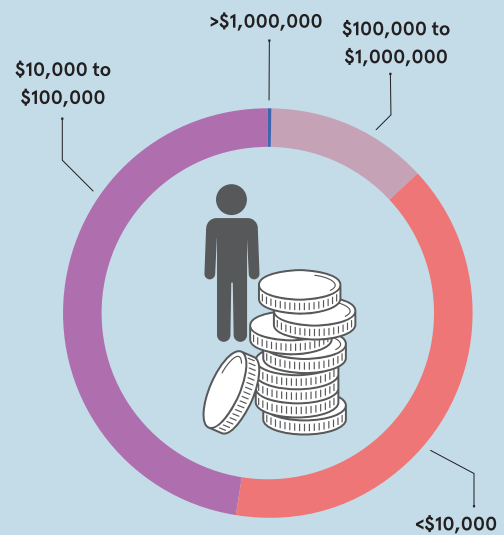
"There has always been something to worry about in the world, and it is likely that there always will be," says Taddie. "UHNW individuals did not worry their way to the top, so for the most part, the group's spending seems to take the worries of the day in stride, ebbing and flowing with the moment."

Turning our focus east, Turkish shipyards have been hit particularly hard by price rises, with Turkey's core inflation rate hitting 75 per cent in May 2024. The lira has plummeted, losing more than 90 per cent of its value against the dollar over the past decade, increasing the prices of imported materials, and, after years of monetary stimulus, interest rates soared to 50 per cent in 2024. The government has also hiked the minimum wage to keep pace with inflation. Clarke says that Turkish superyacht build costs have risen by 25 to 30 per cent in some cases, eroding what was once a considerable competitive advantage over Italian rivals. Yet the evolution of Turkish producers from "suppliers to real competitors", in Valle's words, continues. Clarke highlights the quality of producers including Bilgin, Numarine, Turquoise and Dunya, and is confident that Turkey will continue to grab market share from Italy.

"Bilgin has seen remarkable growth, both in reputation and order volume," says Berkay Yilmaz,

GLOBAL WEALTH PER ADULT

Wealth of adults in 2023 in USD



Source: UBS Global Wealth Report 2024



commercial director at Bilgin Yachts. "In 2023 alone, Bilgin saw a record number of inquiries and project commencements, marking a year-on-year increase of 15 to 20 per cent. Our competitive edge lies in offering bespoke craftsmanship at a more competitive price point, alongside shorter build times. Italian brands have their prestige, but Turkish builders like Bilgin offer customisation and a high-quality build for better value."

In response to the economic conditions, Yilmaz says that Bilgin has increased its focus on efficiency and sustainability, as well as supply-chain localisation. It is also working to secure more long-term contracts and partnerships to shield the business from economic volatility.

"Turkey's competitiveness has been hurt," says Sukru Haskan, managing director of wealth management business H+B Capital. "While we are probably going to see lower inflation expectations in the coming months, the effect of the past will remain. But superyacht manufacturing is a niche area, and since the cost of operating is relatively low compared to countries like the Netherlands and Italy there is still room for Turkey to remain competitive with its high-quality capabilities."

Italian shipbuilders like Benetti will not rest on their laurels, of course. Valle says his company can continue to build on its strong heritage and brand perception through continued investment. Clarke notes that Italian builders offer a wide variety of cost per GRT from just over €40,000 to more than €60,000, and companies like Rossinavi and Cantiere delle Marche are offering new and innovative vessels on this competitive market.

Like other builders, Bilgin is exploring opportunities in the battery-powered and hybrid yacht market, as well as new vessels that cater to young buyers who value experience over pure luxury. Other segments also offer potential:

"I SEE SHIPYARDS BECOMING MORE WILLING TO NEGOTIATE ON PRICING"

Kurtén highlights growth in the large sailing catamaran market, where vessels offer luxury, interior volume and sustainability.

Valle, meanwhile, notes that, "Technology – innovative propulsion systems and alternative fuels – and design that enhances onboard comfort is the true answer to current market demand. Both factors must be present to succeed."

Despite the headwinds of recent years, superyacht builders and brokers look out over a growing and diversifying market. In its Global Wealth Report, UBS forecasts that the number UHNWIs (which it defines as those with wealth of over \$50 million) globally will grow by 129,000 in the four years from 2023 to reach 372,000 by 2027. Emerging economies will account for an increasing share of the ultra-wealthy – in the Asia-Pacific region alone, the number will double to 123,000. Turkey is forecast to see its population of millionaires increase by 43 per cent, with other countries seeing rapid growth including Indonesia (32 per cent) and Mexico (24 per cent).

Given this outlook, Verbit sees "significant opportunities in the year ahead" for the industry. Kurtén notes that the global fleet of 30-metre-plus superyachts has crossed the 6,000 mark, a significant milestone for the industry.

"I remain optimistic about the superyacht industry's prospects, especially charter retail," says Kurtén. "Despite short-term challenges, long-term demand for luxury yachting experiences remains strong. We are, after all, in the business of fulfilling dreams." ■