



Buyer



FELIX SOWERBUTTS

Identifying the design features that add value to a yacht construction can be a stab in the dark for the brokerage community. As we know, yacht purchases are commonly the result of a love affair with the entire design package, not to mention that purchasing behaviour can often be irrational. This doesn't take us much further in our quest for recognising every value-adding design feature as time goes on.

Buyers perceive value in different ways and the circumstances leading to them becoming a buyer are equally as

varied. 'What makes someone buy a yacht?' is a question we often pose to the market and no two answers are ever the same. Every buyer has – for want of a better word – a 'unique' set of requirements for their experience and product. Therefore, we must ask, do we design for universal appeal and is there such a thing?

One thing we do know is that, more often than not, beauty is the first thing to attract the eye and sometimes that is all that's required. Someone who has closely observed yacht-design trends as

they have come in and out of fashion, and the link between design and residual value, is Matthew Ruane, sales broker at Cecil Wright & Partners and our guest columnist for this issue. Ruane's analysis begins with observations of yachts built in the 1970s and he identifies the movers and shakers who have created some memorable designs over the years.

Also in this section, we speak to a cross-section of advisors – primarily brokers – who have their say on the ideal role of a broker during the design phase of a new-build project.

Reflections on design and value

The impact that a particular design will have on a yacht's allure and residual value is hard to gauge, but few are better placed to critique an owner's return on investment than brokers. Here, Matthew Ruane, sales broker at Cecil Wright & Partners, evaluates the evolution of design and the link between design and residual value.

ABOUT MATTHEW RUANE

25 YEARS

IN YACHTING AS CREW,
MANAGER OR BROKER

3 YEARS

TIME AT CECIL WRIGHT
& PARTNERS

20-PLUS YEARS AGO

FIRST WORKED ON A DEAL WITH
CHRIS CECIL-WRIGHT

100-PLUS

NUMBER OF MOAS REVIEWED



Our focus at Cecil Wright & Partners is on well-managed and maintained yachts, primarily from pedigree Northern European shipyards, and we spend many hours inspecting and evaluating tangible value (usually by the gross ton) by direct comparison to yachts from more competitively priced shipyards from around the globe.

Apart from value attributed to shipyard pedigree and quality of build, we keep our analysis scientific by comparing a broad range of measurable criteria. Less measurable, however – although often more important – is design. Specifying a yacht's designer among other comparison criteria, while helpful, does not directly translate into added value attributable to a forward-thinking design or general arrangement (GA). Yet great care must be taken to factor this into the price.

A broad look at motoryacht design from the mid-1970s to today presents some obvious examples of forward-thinking trends that have had a clear impact on residual value. Up until the mid-1980s, the predominant motoryacht design of 30-60m featured a same-level, main-deck owner's cabin set beneath an exterior coach roof with windows to port and starboard.

By the mid-to-late 1980s, forward-thinking designers, such as the late Jon Bannenberg, were shaking up this principle by raising the owner's cabin (some being split-level) and creating 180-degree panoramic views. As these yachts were avant-garde for their time and often built far away from Europe, these new principles took some time to filter through to Northern Europe's yacht-building establishments, giving a design and value boost to some less established non-European builds of the time.

Not wanting Northern Europe to be left behind, Oceanco joined the Dutch elite in the mid- to late 1990s, taking these principles and refining them

with sleeker profiles, floor-to-ceiling windows and a completely private exterior owner's deck – even with a Jacuzzi (think of yachts such as *Sunrise*). Now, we start to see how a combination of forward-thinking, yet timeless, design and Northern European pedigree building could hold good value per GT over decades to come – also assuming, of course, good management and maintenance.

As such, designs prevailed over the following decade and as new builds grew dramatically in length and tonnage, so designers came to ponder the next set of challenges presented by these changes. For example, a forward-facing owner's cabin/private deck overlooks a technical space cluttered with mooring systems that must be operated by deck crew in plain sight of the owner's cabin and private deck. This led to the advent of the enclosed foredeck which, in turn, provided an ideal surface area for a touch-and-go helicopter facility. Interestingly, one of the first fully enclosed foredecks on a private yacht was *Rising Sun*, one of Jon Bannenberg's last designs.

A key consideration for all designers is lifestyle. A shift towards fitness, sport and adventure has not only driven the creation of spaces that better provide for such recreation, but also spaces that enhance one's connection to the open ocean. I remember in 2002 pondering the GA for a 60m CRN project, later launched as *Ability*, and admiring how the owner (a keen boxer) had pushed his design team to create a beach club with a gym, punchbag, sauna and steam room, all open to the sea via a fold-down lazarette.

Perhaps it was not the first beach club – we could probably trace the history of the beach club back to *Lady Moura* in the early 1990s – but this GA spoke to me of a forward-thinking design shift that would add value and catch on. When the time came, the yacht sold at a price-per-ton rate that some thought

punched above its weight, all things considered (such as the pending global meltdown). Fast forward a decade and a half and I found myself at De Vries Feadship in Makkum, standing in the aft section of what was soon to be the 96.5m *Faith's* beach club (I invite those unfamiliar with that to Google it so I may rest my case!).

Some yachts have undergone extensive reconfiguration of their aft sections to include beach clubs. However, few – if any – have undergone wholesale superstructure rebuilding to include forward-facing windows (excluding conversions from merchant vessels), which reinforces the idea that picking up on early trends and design cues can have a material and sustainable impact on value.

So what's next? There seems to be a good deal of interest of late in the fluidity of layouts – creating a primary upper-deck penthouse with everything a family may need to dine, relax and take in a movie on one uninterrupted floor above the bridge. Although we have already seen this in larger designs, I expect to see further clever optimisation of this concept, perhaps in the 60-65m range and from the 70m-plus range. Also, we might consider continued optimisation of a pool or main deck that perhaps flows more seamlessly into its guest accommodations. It seems rather odd that a poolside guest must go through both a main saloon and an expansive, yet unused, interior dining space to descend into lower-deck accommodations to retrieve their favourite sunglasses from their cabin.

From a broker's perspective, most owners want their yacht to be a thing of beauty, given the cost. But only if we carefully consider how the client will use their yacht and think about what will give them pleasure (rather than becoming preoccupied simply with turning heads) will sustainable value be added through design. **MR**