



In a pressurised stateside superyacht market, it is good to have a level-headed guide on your side. **Carrie Worrall** spoke to the Burgess brokerage team in America, and discovered a new world of opportunity.



Peter Brown

The American yacht market is notoriously complex. The perception (not entirely unfounded) of a vast array of product being pushed by hard-sell brokers means that buying or selling here has always looked daunting from the outside. Turmoil in the financial markets in the last quarter of 2008 did not help to clarify an already confusing market.

"Many clients from overseas see buying here as a minefield," says Peter Brown, who heads up the Burgess brokerage team in New York. "It can be hard to know where a sensible price can be paid for a quality product. We have seen a long period of under-supply and high demand. Now there is a surplus of inventory and some exceptional opportunities if you know where to look."

Fellow broker Crispin Baynes, agrees: "A shortage of genuine buyers who are willing to commit, and the recent weak dollar, means that if you are prepared to move quickly and engage a well-informed broker able to negotiate effectively on your behalf, then there are certainly some good deals to be had."

The American offices of Burgess form a golden triangle of expertise for anyone contemplating buying, selling or building a yacht this side of the Atlantic. The Burgess brand has had an established presence in this market for over a decade, with an enviable US client list. President and CEO of Burgess in New York, Jonathan Beckett, ascribes the company's success to a commitment to being where the clients are. "We launched in Fort Lauderdale in 1998, relocating to Miami in 2005. The New York office opened in 2004 – the first superyacht company to have a base in the Big Apple. Now, we have a strong presence in New York, Miami and Seattle, where Burgess brokers offer an informed, realistic and objective service based on combined local and international knowledge."

If you can keep your head when all around are losing theirs, then you're probably talking to the right people

Typical of the depth of experience you can expect from Burgess USA, is Seattle-based broker Ron Chace, a former superyacht captain with many years of seafaring experience including operating charter yachts worldwide. Whether you are buying, selling or looking for an Alaskan charter, he is the man to talk to.

Chace has close ties with the north-western shipyards and the local brokerage market, and is project manager for Burgess new construction projects in this part of the world. He picks out Delta Marine as a good example of what North American shipyards can offer: "I recently visited Delta's new steel hull production facility, where the build quality is excellent. For the 164-230ft (50-70m) yacht market, they offer a highly attractive and competitive alternative to Europe."

Chace is not the only former skipper on the Burgess books: New York based John Cichanowicz was also a charter yacht captain before turning charter broker. His charter department colleagues Tom Collins in Miami and Solenn de Braux in New York also have decades of charter experience between them.



Crispin Baynes

So what do these sources of wisdom make of the current superyacht market? "The tide has changed in the 130-170ft (40-55m) market. There is a surplus of new inventory, and we are no longer seeing yachts making premiums way above their build price," says Peter Brown.

At the top end, over 200ft (60m), there seems to be a greater resilience. The change here is that buyers are increasingly being sought out beyond the domestic marketplace. According to Brown, "price is not necessarily the main motivator at this end of the market, but access to international buyers is critical." Ron Chace adds: "North-western builders of larger yachts have used the euro-dollar exchange rates to bring in customers from Europe, and there are still some good opportunities to be found, if you know where to look."

Global knowledge, local touch is the mantra of the worldwide Burgess brokerage team

Understanding local differences is essential. For example, in Europe, there may be intense negotiation before an offer is formalised. In America, Crispin Baynes says: "We urge all serious buyers to make an immediate offer with a signed contract, if they wish to gain a seller's attention, establish credibility and engage in productive dialogue towards a deal."

Working with a broker who has international experience also allows a true comparison between US and European yachts. "The issue is value," explains Brown. "How does a Trinity yacht compare with a Benetti? How does a performance Palmer Johnson sports yacht stack up against the latest Mangusta?" To get answers to these questions you first need to ask some other questions. Like, has your broker actually been to shipyards in Italy and Germany as well as the US? Does he have all the relevant connections and networks to make a deal stick?

With delivery slots still out at 2012, new build prices are currently holding strong

"Raw materials prices and sub-contractors have all tended to keep the new build price high in recent years, but given the levelling elsewhere in the market, we expect more stateside new construction opportunities through 2009," predicts Brown. "In all there are 918ft (280m) of superyachts being built in North and South America for Burgess clients. This is probably more than any other yachting company in the world."

"We have several large yachts up to 279ft (85m) currently under construction in the Americas," he adds. Note, he said 'the Americas'. Burgess has been instrumental in developing relationships with yards in Chile and Brazil over the past couple of years, resulting in some ground-breaking projects that have attracted a new market. In Chile, for example, the Marco yard uses a commercial 'ship' platform to build very large luxury explorer yachts with a long range and great sea-keeping credentials.

There has also been a lot of enterprise and innovation on the part of American shipyards. "The US yards are, in many cases, building product of equal or superior quality to many of the European yards," says Peter Brown, who has personally visited scores of yacht building facilities in Northern and Southern Europe as well as North and South America. "But until recently they never focused their marketing dollars on attracting international buyers, due to the strength of the domestic market."



Ron Chace

Ron Chace notes that "some US yards are moving away from the traditional American interior styles (country kitchens, dark woods) and are working with European design houses. And many of the prestigious European sub-contractors are just as available for work in the US."

Burgess has been integral in alerting an international clientele to the opportunities that exist in North and South America

Whether you are buying or selling, the key to getting the right result in today's marketplace is to work with an international brokerage team that knows exactly where the potential buyers are, and that is well qualified to identify and evaluate the best purchase and new build opportunities.

Where to build?

Burgess has a wealth of new construction experience in the Americas, and can help with shipyard selection, contract advice, project management, technical compliance and engineering services.

Trinity

Burgess has a 190ft (58m) new build project under construction at the yard (for delivery late 2009) and is providing operational and charter management for the yacht. Burgess has also signed a 164ft (50m) new build at Trinity.



Palmer Johnson

Burgess has sold a 120ft (36.5m) yacht from this yard. A 150ft (45.7m) new build was also sold and project-managed on behalf of the owner.



Marco

One 246ft (75m) and two 279ft (85m) yachts are currently under construction at this Chilean yard, all being supervised by Burgess.



Burgess has well-established relationships with all the major shipyards in the Americas and is happy to provide independent advice on a consultancy basis for a wide range of new build opportunities.

The Burgess Difference

The Burgess US operation with offices in New York, Miami and Seattle has the benefit of a large international infrastructure behind it, which delivers a results-driven programme for the benefit of our clients.

All of our brokers in the US and across our worldwide office network work together as one highly specialised team and not as independent contractors. Everyone is a salaried employee, with profits shared across the team to promote collaboration, teamwork and a high degree of professionalism.

This unique business model sets us apart from the majority of our competitors in the industry and means that our internal communication and responsiveness is second to none. In a truly global market, our clients have a cohesive team across all corners of the world working together to represent their best interests.