

« BEFORE  
& AFTER »



THE POST-CREDIT CRUNCH WORLD MIGHT LOOK AND FEEL LIKE A VERY DIFFERENT PLACE, BUT AS **JONATHAN BECKETT** REFLECTS, THERE IS NOTHING NEW ABOUT FINANCIAL TURBULENCE. THIS IS NOT THE FIRST STORM THAT BURGESS HAS WEATHERED, NOR WILL IT BE THE LAST.

After all, since Burgess was founded, the superyacht market has been affected by three recessions, half a dozen bubbles, two Gulf wars, 9/11 and global health scares from SARS to swine flu. With this in mind, we have always steered a steady course, taking full advantage of favourable conditions but always with care never to over-reach ourselves.

At the height of the brokerage market, we re-invested in other areas of our business. We expanded internationally, establishing a global presence to reduce our dependence on one market. We developed our yacht management services, which provide cost-certainty for clients and a more consistent revenue stream for the company. And when the number of new build contracts began to slow, our project managers, naval architects and engineers were able to meet increased demand for refits and refurbishments.

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**As a multi-services company, we are not reliant on one income stream and this has provided invaluable stability over the past 12 months**

As a result, Burgess has weathered the storm better than many of our competitors, brokering several major sales this year, including Maltese Falcon – the world's largest private sailing yacht.

That is not to downplay the downturn. Personally, I have truly never worked as hard as I have over the past year (and that is saying something!), and I am not alone in that. It has required a lot more effort to achieve results that come more easily when the market is buoyant. I am passionate about Burgess, what we do and what we stand for – transparency, honesty and integrity. I am immensely proud of our people: every single person here at Burgess has risen to the challenge. It is a tribute to the Burgess work ethic that we have not had to reduce our headcount – even by one, at a time when many other firms have shed staff and closed offices.

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**There are more yachts for sale and fewer in the pipeline, which makes for realistic pricing and some unique build opportunities**

The new construction market is characterised by less risk taking on the part of the shipyards as well as owners. In fact, risk taking all round has been curbed by events, which is not necessarily a bad thing. History teaches us that excessive risk will

always be rebalanced. While order books are still healthy enough, and I am cautiously optimistic about activity levels for 2010, there are now a number of good opportunities for owners to claim an early build slot and steal a march on the recovery.

The post-crunch world is one in which superyacht owners and investors alike will insist on security and transparency as well as value. In this respect, Burgess is uniquely placed to offer a safe pair of hands. As an independent company, we are able to be flexible and responsive to changes in the market, focused on and accountable only to our clients, which means we can continue to protect their interests in tough as well as good times.

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**Burgess is uniquely placed to offer a safe pair of hands. As a private company, independent, professional and self-determining, Burgess is answerable only to our clients**

I have always believed that long term success depends on knowing where your responsibilities lie, not being diverted from your core competencies and retaining autonomy so that your commitment to clients is not clouded by obligations to outside forces.

Of course there will be a new landscape going forward, just as the market was changed by the last recession and the one before that. But the superyacht business is now established as a fully-fledged, professional and durable industry. While there will be casualties and consolidation, those who can retain their composure and value at a time of crisis have everything to gain.

If nothing else, the credit crunch has proved that the superyacht market is here to stay. I have been impressed by the staying power of our clients in difficult times, and by their faith in our ability and integrity. Thank you. To me, this demonstrates that yachting is an intrinsic lifestyle component and not just a passing pleasure. For now, we may be waiting patiently for the tide to turn. It will. And when it does, the market will be resurgent again, more balanced, more sustainable, but every bit as exciting and innovative as it was before. That's why there has never been a better time to buy a superyacht!