



BY RACHEL ROWNEY
27 JUL 2018

Insight into the 2018 charter market

Brokers offer their opinions on the summer 2018 charter season...



As the Mediterranean charter season is in full swing, there have been murmurings amongst industry stakeholders that the charter market has been slightly depressed this year. This anecdotal evidence is supported by the increasing number of marketing emails and notifications advertising last-minute or discounted charters, indicating a plethora of high-quality yachts still available. To ascertain if this is the case, and if this year's season exhibits any other noticeable trends, *SuperyachtNews* spoke to charter brokers for their insights.

As Gabriella Richardson, retail charter broker for Camper & Nicholsons explains, these marketing emails are often effective methods to employ. She remarks that there are often two types of charterers. "Firstly, there are those that plan far in advance and book months beforehand. These charterers will have the pick of the bunch in terms of the best and newest yachts on the market, and are also in a good position to negotiate a discount for the security of an early summer booking with the owner."

The other type of charterer is one who holds out for a discounted rate or last-minute cancellation later on in the season. This does mean that their first choice of yacht may not be available, but Richardson argues that this can be an effective method for brokers to employ. "The success of a campaign can depend on how much of a deal the charterer is getting, as some yachts are initially over-priced and the discount simply makes the rate more realistic, rather than a bargain. If a client has previously expressed interest in a certain yacht, an advertised discount can again be a good opportunity to make contact with a client or prospective client."

As well as these e-blasts targeting potential clients, it is also an excellent tool for brokers themselves to use during the season. "I do always review these special announcements or 'fill the gap offers' as there are times that they just fit perfectly for a last-minute charter request," remarks Melanie Burke, charter broker for Fraser. She finds these emails are an excellent method to reconnect with a client who has chartered in the past, or ones who she knows have enjoyed that specific yacht before. "I share them with my existing clients, especially when there's a special offer for a yacht they've already chartered. I find these 'specials' more useful to get the conversation about chartering going again with a particular client, although I have to admit I haven't booked too many charters just owing to one of these announcements."

Although Burke reports a strong season for US clients looking for Mediterranean charters (she is based in Fort Lauderdale), she has noticed that yachts are more willing to be flexible on prices for bookings. "I have found my Mediterranean clients and many of the yachts keener to negotiate for charters this summer – even during high season, which could be an indicator that the yachts don't have as much business as they would like." She cites a strong US economy as a driving force for many of her clients organising charters this summer.

"I have found my Mediterranean clients and many of the yachts keener to negotiate for charters this summer – even during high season, which could be an indicator that the yachts don't have as much business as they

would like.”

There has been a significant decline in the Caribbean region as a result of the hurricanes in late 2017. “I saw a marked decrease in Caribbean charters during the 2017/18 holidays and in the first few months of this year [...] enquiries for the coming winter for Caribbean charters are picking up, but are still light compared to previous years,” explains Burke. The reports coming from the Caribbean have scared many clients away from visiting so soon after the damage inflicted by Irma and Maria, but the support of the yachting industry will ensure that the region is able to rebuild its facilities for future cruises.

When it comes to the regions where charterers want to spend their holiday, Richardson reports “sustained interest in the Balearics, South of France, Italian Riviera and Amalfi Coast”. However, one notable change that she has seen is the impact of the new law that outlines only those vessels with a Greek licence can start and end charters in Greek waters. “I have seen less interest in Greece, perhaps because there are fewer yachts able to now charter in the Cyclades. Those looking to charter in Greece have been encouraged to cruise the Ionian Islands, rather than the Cyclades for a start and finish in Albania to comply with the new charter regulations.”

Signifying an interest in moving away from traditional waters, Richardson also comments on the growing requests for cruises in Northern Europe. “There has also been some interest in Norway and the Scandinavian countries, although there isn’t a great selection of yachts up there to accommodate for these requests.” This view is echoed by Burke, who reports a number of her established clients asking her to “send [them] somewhere new and different.”

Looking at the broader charter market, Burke is seeing more first-time clients chartering, who are noticeably younger. “[They are] in their 30s, 40s and young active 50s, and it seems there are more first time yacht charter clients who are discovering this exceptional type of custom vacation experience.” Mark Elliot, broker for IYC, has found that the younger group of clients, with the ‘uber mentality’ of access rather than ownership, are much more focused on charter and often organise it at the eleventh hour. “The younger group are more interested in chartering at the moment, more than ever before. Some of our younger clients, who would usually have been buyers, are chartering.”

“The younger group are more interested in chartering at the moment, than ever before. Some of our younger clients, who would usually have been buyers, are chartering.”

As illustrated by the brokers who feature in this article, the fluctuations of the market and changing preferences of clients mean that the charter landscape is difficult to generalise. The requests to travel to ‘new’ places could be affecting charter vessels that are cruising in the more established locations. Further, the decreasing age of clients could mean that booking last-minute – and taking advantage of these specials – could become a more common way to organise charters, something that the industry needs to adjust to.

Take advantage of the most comprehensive suite of market reference tools available- The Superyacht Intelligence Business

Package, which includes in-depth data on the brokerage market, the state of the new-build market, comprehensive analysis of the training and recruitment sectors, and a detailed look at the increasingly important patterns of superyacht migration. Along with these four reports you will receive 12 months' access to *SuperyachtIntelligence.com*, four issues of *The Crew Report* and eight issues of *The Superyacht Report*. **Click here to subscribe.**

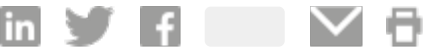
Profile links

Camper & Nicholsons International

Fraser

IYC

If you like reading our Editors' premium quality journalism on SuperyachtNews.com, you'll love their amazing and insightful opinions and comments in The Superyacht Report. If you've never read it, [click here](#) to request a sample copy - it's 'A Report Worth Reading'. If you know how good it is, [click here](#) to subscribe - it's 'A Report Worth Paying For'.



RELATED NEWS

Captain's column: Corporate arrogance

5 DAYS AGO

Pearls of wisdom

3 WEEKS AGO

Camper & Nicholsons Marinas' eco-friendly initiatives

1 MONTH AGO

Reinventing the wheel

2 MONTHS AGO