

GLOBAL **PERSPECTIVE**

The brokerage market closed out the third quarter similarly to previous quarters in 2018 with the number of boats sold declining, but

with the number of boats sold declining, but the overall value of boats sold on the rise. The continued decline in inventory continues to be the primary driver of this trend, and we will take a deeper dive into the data featured in this edition of the YachtWorld Market Index. As we mark the 10-year "anniversary" of the 2008 recession, the effects of the financial crisis continue to directly influence the brokerage market today – and will likely continue to affect it for years to come.

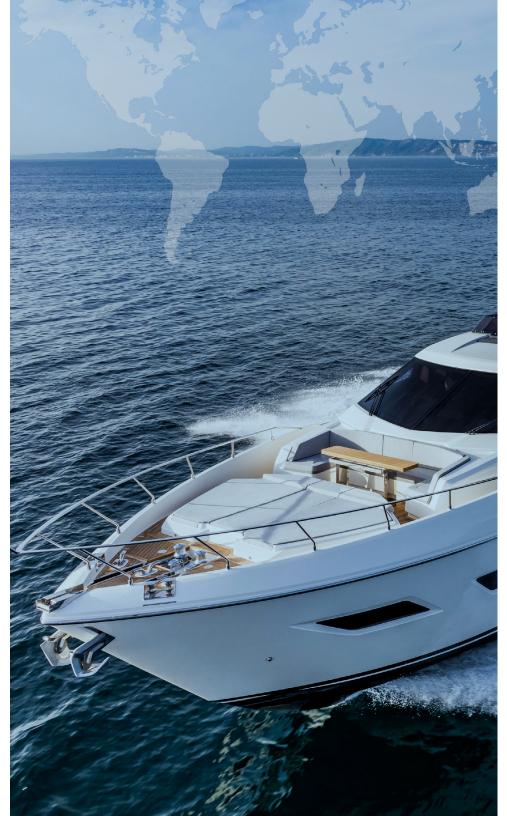


TABLE OF CONTENTS

- GLOBAL PERSPECTIVE
- 4 US & EU BROKERAGE COMBINED SALES
- 5 UNITED STATES
 OVERALL SALES
- UNITED STATES
 POWER & SAIL
- 6 UNITED STATES
 BY LENGTH GROUP
- 7 EUROPEAN UNION OVERALL SALES

- 7 EUROPEAN UNION POWER & SAIL
- 8 EUROPEAN UNION BY LENGTH GROUP
- 9 CHANGE IN TOTAL ACTIVE LISTINGS
- 1 AGE OF ACTIVE LISTINGS
- 11 AGE OF SOLD BOATS

IN REVIEW

2 INVENTORY IN CONTINUED DECLINE

US & EU BROKERAGE

COMBINED SALES

All sales data in this edition of *YachtWorld Market Index* is derived from SoldBoats, the proprietary database of YachtWorld member brokerages.

GLOBAL	Q3 2017	Q3 2018	% CHANGE
VALUE OF BOATS SOLD	\$1.5 BILLION	\$1.8 BILLION	17%
NUMBER OF BOATS SOLD	10,808	10,117	-6.8%
US TOTAL	02 2017	02 2049	% CHANGE
	Q3 2017	Q3 2018	70 0111110
VALUE OF BOATS SOLD	\$908 MILLION	\$960 MILLION	5.5%
NUMBER OF BOATS SOLD	7,746	7,173	-7.9%
FU TOTAL			
LUTUTAL	Q3 2017	Q3 2018	% CHANGE
VALUE OF BOATS SOLD	€456 MILLION	€564 MILLION	19.1%

AVERAGE BOAT VALUE

AVERAGE DAYS TO SALE

POWER & SAIL

TOTAL			
TOTAL	Q3 2017	Q3 2018	% CHANGE
NUMBER OF BOATS SOLD	7,746	7,173	-7.9%
VALUE OF BOATS SOLD	\$908 MILLION	\$960 MILLION	5.5%
AVERAGE BOAT VALUE	\$117,255	\$133.933	14.2%
AVERAGE DAYS TO SALE	236	236	0%
POWER	03 2047	03 2049	o/ CHANCE
IOVVLIV	Q3 2017	Q3 2018	% CHANGE
NUMBER OF BOATS SOLD	6,377	5,860	-8.1%
VALUE OF BOATS SOLD	\$791 MILLION	\$847 MILLION	7%
AVERAGE BOAT VALUE	\$123,984	\$144,513	16.5%
AVERAGE DAYS TO SALE	222	220	-1%
SAII			
JAIL	Q3 2017	Q3 2018	% CHANGE
NUMBER OF BOATS SOLD	1,369	1,313	-4%
VALUE OF BOATS SOLD	\$118 MILLION	\$114 MILLION	-3.3%

\$85,912

300

\$86,711

307

1%

2.3%

UNITED STATES

BY LENGTH GROUP

LENGTH		Q3 2017	Q3 2018	% CHANGE
	NUMBER OF BOATS SOLD	2,341	2,104	-10%
- 261	VALUE OF BOATS SOLD	\$67 MILLION	\$67 MILLIION	-3%
< 26′	AVERAGE BOAT VALUE	\$28,434	\$30,896	8.6%
	AVERAGE DAYS TO SALE	156	153	-2%
	NUMBER OF BOATS SOLD	2,974	2,776	-6.6%
26/ 25/	VALUE OF BOATS SOLD	\$192 MILLION	\$197 MILLION	2.6%
26'—35'	AVERAGE BOAT VALUE	\$64,397	\$70,951	10%
	AVERAGE DAYS TO SALE	238	244	2.5%
	NUMBER OF BOATS SOLD	1,758	1,635	-7%
26' 45'	VALUE OF BOATS SOLD	\$251 MILLION	\$243 MILLION	-3.2%
36'—45'	AVERAGE BOAT VALUE	\$142,857	\$148,358	3.8%
	AVERAGE DAYS TO SALE	304	280	-7.9%
	NUMBER OF BOATS SOLD	449	444	-1.1%
16' FF'	VALUE OF BOATS SOLD	\$136 MILLION	\$134 MILLION	-1.5%
46'—55'	AVERAGE BOAT VALUE	\$302,170	\$301,549	-0.2%
	AVERAGE DAYS TO SALE	312	307	-1.6%
	NUMBER OF BOATS SOLD	186	172	-7.5%
56' 70'	VALUE OF BOATS SOLD	\$119 MILLION	\$112 MILLION	-5.8%
56'—79'	AVERAGE BOAT VALUE	\$640,078	\$652,797	2%
	AVERAGE DAYS TO SALE	340	446	31%
	NUMBER OF BOATS SOLD	38	42	10.5%
80'+	VALUE OF BOATS SOLD	\$144 MILLION	\$210 MILLION	45.8%
0U T	AVERAGE BOAT VALUE	3.8 MILLION	\$5 MILLION	31.5%
	AVERAGE DAYS TO SALE	505	472	-6.5%

EUROPEAN UNION

POWER & SAIL

VALUE OF BOATS SOLD

AVERAGE BOAT VALUE

AVERAGE DAYS TO SALE

$T \cap T \Lambda I$			
TOTAL	Q3 2017	Q3 2018	% CHANGE
NUMBER OF BOATS SOLD	2,173	2,152	-1%
VALUE OF BOATS SOLD	€456 MILLION	€564 MILLION	19.1%
AVERAGE BOAT VALUE	€210,000	€263,000	20%
AVERAGE DAYS TO SALE	323	319	-1.2%
POWER	Q3 2017	Q3 2018	% CHANGE
NUMBER OF BOATS SOLD	1,223	1,217	-0.5%
VALUE OF BOATS SOLD	€320 MILLION	€426 MILLION	33%
AVERAGE BOAT VALUE	€262,000	€351,000	34%
AVERAGE DAYS TO SALE	305	301	-1.3%
SAIL	00.0047	02.0040	0/ GUANGE
JINIL	Q3 2017	Q3 2018	% CHANGE
NUMBER OF BOATS SOLD	950	935	-1.6%

€135 MILLION

€143,000

345

€137 MILLION

€147,000

343

1.5%

2.8%

0.6%

EUROPEAN UNION

BY LENGTH GROUP

LENGTH		Q3 2017	Q3 2018	% CHANGE
	NUMBER OF BOATS SOLD	454	428	-5.7%
0.41	VALUE OF BOATS SOLD	€12 MILLION	€11 MILLION	-8.3%
< 26′	AVERAGE BOAT VALUE	€26,635	€26,378	-1%
	AVERAGE DAYS TO SALE	218	225	3.2%
	NUMBER OF BOATS SOLD	734	764	4.1%
26/ 25/	VALUE OF BOATS SOLD	€42 MILLION	€46 MILLION	9.5%
26'—35'	AVERAGE BOAT VALUE	€56,826	€60,582	6.6%
	AVERAGE DAYS TO SALE	295	293	-1%
	NUMBER OF BOATS SOLD	599	556	-7.2%
261 451	VALUE OF BOATS SOLD	€86 MILLION	€84 MILLION	-2.3%
36'—45'	AVERAGE BOAT VALUE	€143,703	€150,598	4.8%
	AVERAGE DAYS TO SALE	337	302	-10%
	NUMBER OF BOATS SOLD	197	232	18%
ACI FFI	VALUE OF BOATS SOLD	€53 MILLION	€72 MILLION	36%
46'—55'	AVERAGE BOAT VALUE	€271,161	€312,08	15%
	AVERAGE DAYS TO SALE	391	430	10%
	NUMBER OF BOATS SOLD	143	129	-9.8%
F.C. 701	VALUE OF BOATS SOLD	€98 MILLION	€94 MILLION	-4%
56'—79'	AVERAGE BOAT VALUE	€689,926	€724,988	5%
	AVERAGE DAYS TO SALE	552	532	-3.6%
	NUMBER OF BOATS SOLD	46	43	-6.5%
00/	VALUE OF BOATS SOLD	€164 MILLION	€258 MILLION	57%
80'+	AVERAGE BOAT VALUE	€3.5 MILLION	€5.9 MILLION	68.5%
	AVERAGE DAYS TO SALE	591	701	19%

% CHANGE IN NUMBER OF TOTAL ACTIVE LISTINGS

YEAR OVER YEAR (2017-2018)

	JULY	AUGUST	SEPTEMBER	AVERAGE
GLOBAL	-6.5%	-7.2%	-5.6%	-6.4%
UNITED STATES	-5.8%	-7.7%	-5.2%	-6.2%
EUROPEAN UNION	-10.4%	-11%	-10.6%	-10.7%



AGE

OF ACTIVE LISTINGS

	MODEL YEAR	AGE
GLOBAL	2001	17
UNITED STATES	2002	16
US (<26')	2009	9
US (26'-35')	2000	18
US (36'-45')	1998	20
US (46'-55')	1999	19
US (56'-79')	2001	17
US (80'+)	2001	17
EUROPEAN UNION	1999	19
EU (<26')	1999	19
EU (26'-35')	1997	21
EU (36'-45')	1999	19
EU (46'-55')	2001	17
EU (56'-79')	2000	18
EU (80'+)	1992	26



AGE
OF SOLD BOATS

	AVERAGE MODEL YEAR		AVERAGE AGE	
	Q3 2017	Q3 2018	Q3 2017	Q3 2018
GLOBAL	2000	2001	17	17
UNITED STATES	2001	2002	16	16
US (POWER)	2002	2004	15	14
US (SAIL)	1992	1993	25	25
US (<26')	2006	2007	11	11
US (26'-35')	1999	2000	18	18
US (36'-45')	1997	1998	20	20
US (46'-55')	1998	1999	19	19
US (56'-79')	1997	1998	20	20
US (80'+)	2000	1998	17	20
EUROPEAN UNION	2000	2001	17	17
EU (POWER)	2003	2004	14	14
EU (SAIL)	1996	1996	21	22
EU (<26')	2003	2004	14	14
EU (26'-35')	1997	1997	20	21
EU (36'-45')	2000	2001	17	17
EU (46'-55')	2002	2003	15	15
EU (56'-79')	2002	2004	15	14
EU (80'+)	2004	2006	13	12



As total value continues to rise, it is indicative of the lack of inventory supply in the market as the total number of active listings on YachtWorld is down globally by 6.5% from Q3 2017. The U.S. brokerage market shows a similar trend while Europe is down nearly 11%.

This trend tells a simliar story to that which we saw in Q3 of 2017 when inventory listings were down nearly 5% from the previous year. With boat production slowly increasing (yet still well below pre-2008 production), we expect inventory to remain low for the next few years. While manufacturers have considered ramping up production, the conditions in which to do so are fragile. The recent acquisitions would assume promising; however, the impeding tariffs on aluminum and finished boats leave manufacturers hesitant to increase scale too aggressively.

The slowdown in new boat production that began in 2008 continues to affect the market today in both supply and the age of boats being sold. Both 2017 and 2018 show a pattern of boats being sold that are approximately 17 years of age, built between 2000 and 2001 prior to the recession. At the beginning of the recession, the average model years of boats sold in 2007 and 2008 were 14 years of age - therefore, built in the mid-1990s when the federal luxury tax on boats over \$100,000 was repealed. While the average age of a boat sold in any given year is largely based on the available inventory, it has been affected by economic events twice in nearly 30 years. Each of these events dramatically reduced the number of boats being built each year, impacting the the lifespan of a boat and its value on the brokerage market.

Q3 2018 MARKET INDEX