## Q 32018 MARKETINDEX



## GLOBAL

## PERSPECTIVE

The brokerage market closed out the third quarter similarly to previous quarters in 2018 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

2 GLOBAL PERSPECTIVE

US \& EU BROKERAGE
COMBINED SALES
UNITED STATES
OVERALL SALES

UNITED STATES
POWER \& SAIL
UNITED STATES
BY LENGTH GROUP

EUROPEAN UNION OVERALL SALES

7 EUROPEAN UNION POWER \& SAIL

EUROPEAN UNION BY LENGTH GROUP

CHANGE IN
TOTAL ACTIVE LISTINGS

AGe OF ACTIVE LISTINGS

11 AGE OF SOLD BOATS

IN REVIEW
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.

| $G \cap B$ | 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\% |
| $U S$ UTOL | Q3 2017 | Q3 2018 | \% CHANGE |
| VALUE OF BOATS SOLD | \$908 MILLION | \$960 MILLION | 5.5\% |
| NUMBER OF BOATS SOLD | 7,746 | 7,173 | -7.9\% |
| EUT | Q3 2017 | Q3 2018 | \% CHANGE |
| VALUE OF BOATS SOLD | €456 MILLION | €564 MILLION | 19.1\% |
| NUMBER OF BOATS SOLD | 2,173 | 2,152 | -1\% |


|  | 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\% |
| $P O M E R$ | 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\% |
| $S A \\|$ | Q3 2017 | Q3 2018 | \% CHANGE |
| NUMBER OF BOATS SOLD | 1,369 | 1,313 | -4\% |
| VALUE OF BOATS SOLD | \$118 MILLION | \$114 MILLION | -3.3\% |
| AVERAGE BOAT VALUE | \$85,912 | \$86,711 | 1\% |
| AVERAGE DAYS TO SALE | 300 | 307 | 2.3\% |

## BY LENGTH GROUP

| LENGTH |  | Q3 2017 | Q3 2018 | \％CHANGE |
| :---: | :---: | :---: | :---: | :---: |
| $<26^{\prime}$ | NUMBER OF BOATS SOLD | 2，341 | 2，104 | －10\％ |
|  | VALUE OF BOATS SOLD | \＄67 MILLION | \＄67 MILLIION | －3\％ |
|  | AVERAGE BOAT VALUE | \＄28，434 | \＄30，896 | 8．6\％ |
|  | AVERAGE DAYS TO SALE | 156 | 153 | －2\％ |
| $26^{\prime}-35^{\prime}$ | NUMBER OF BOATS SOLD | 2，974 | 2，776 | －6．6\％ |
|  | VALUE OF BOATS SOLD | \＄192 MILLION | \＄197 MILLION | 2．6\％ |
|  | AVERAGE BOAT VALUE | \＄64，397 | \＄70，951 | 10\％ |
|  | AVERAGE DAYS TO SALE | 238 | 244 | 2．5\％ |
| $36^{\prime}-45^{\prime}$ | NUMBER OF BOATS SOLD | 1，758 | 1，635 | －7\％ |
|  | VALUE OF BOATS SOLD | \＄251 MILLION | \＄243 MILLION | －3．2\％ |
|  | AVERAGE BOAT VALUE | \＄142，857 | \＄148，358 | 3．8\％ |
|  | AVERAGE DAYS TO SALE | 304 | 280 | －7．9\％ |
| $46^{\prime}-55^{\prime}$ | NUMBER OF BOATS SOLD | 449 | 444 | －1．1\％ |
|  | VALUE OF BOATS SOLD | \＄136 MILLION | \＄134 MILLION | －1．5\％ |
|  | AVERAGE BOAT VALUE | \＄302，170 | \＄301，549 | －0．2\％ |
|  | AVERAGE DAYS TO SALE | 312 | 307 | －1．6\％ |
| $56^{\prime}-79^{\prime}$ | NUMBER OF BOATS SOLD | 186 | 172 | －7．5\％ |
|  | VALUE OF BOATS SOLD | \＄119 MILLION | \＄112 MILLION | －5．8\％ |
|  | AVERAGE BOAT VALUE | \＄640，078 | \＄652，797 | 2\％ |
|  | AVERAGE DAYS TO SALE | 340 | 446 | 31\％ |
| $80^{\prime}+$ | NUMBER OF BOATS SOLD | 38 | 42 | 10．5\％ |
|  | VALUE OF BOATS SOLD | \＄144 MILLION | \＄210 MILLION | 45．8\％ |
|  | AVERAGE BOAT VALUE | 3．8 MILLION | \＄5 MILLION | 31．5\％ |
|  | AVERAGE DAYS TO SALE | 505 | 472 | －6．5\％ |


|  | 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\% |
|  | 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\% |
| $S A \\|$ | Q3 2017 | Q3 2018 | \% CHANGE |
| NUMBER OF BOATS SOLD | 950 | 935 | -1.6\% |
| VALUE OF BOATS SOLD | €135 MILLION | €137 MILLION | 1.5\% |
| AVERAGE BOAT VALUE | €143,000 | €147,000 | 2.8\% |
| AVERAGE DAYS TO SALE | 345 | 343 | 0.6\% |

EUROPEAN UNION

## BY LENGTH GROUP

| LENGTH |  | Q3 2017 | Q3 2018 | \% CHANGE |
| :---: | :---: | :---: | :---: | :---: |
| < $26^{\prime}$ | NUMBER OF BOATS SOLD | 454 | 428 | -5.7\% |
|  | VALUE OF BOATS SOLD | €12 MILLION | €11 MILLION | -8.3\% |
|  | average boat value | ¢26,635 | ¢26,378 | -1\% |
|  | AVERAGE DAYS TO SALE | 218 | 225 | 3.2\% |
| $26^{\prime}-35^{\prime}$ | NUMBER OF BOATS SOLD | 734 | 764 | 4.1\% |
|  | VALUE OF BOATS SOLD | €42 MILLION | €46 MILLION | 9.5\% |
|  | AVERAGE boat value | ¢56,826 | €60,582 | 6.6\% |
|  | AVERAGE DAYS TO SALE | 295 | 293 | -1\% |
| $36^{\prime}-45^{\prime}$ | NUMBER OF BOATS SOLD | 599 | 556 | -7.2\% |
|  | VALUE OF BOATS SOLD | €86 MILLION | €84 MILLION | -2.3\% |
|  | AVERAGE Boat value | €143,703 | €150,598 | 4.8\% |
|  | AVERAGE DAYS TO SALE | 337 | 302 | -10\% |
| $46^{\prime}-55^{\prime}$ | NUMBER OF BOATS SOLD | 197 | 232 | 18\% |
|  | VALUE OF BOATS SOLD | €53 MILLION | €72 MILLION | 36\% |
|  | AVERAGE BOAT VALUE | ¢271,161 | € 312,08 | 15\% |
|  | AVERAGE DAYS TO SALE | 391 | 430 | 10\% |
| $56^{\prime}-79^{\prime}$ | NUMBER OF BOATS SOLD | 143 | 129 | -9.8\% |
|  | VALUE OF BOATS SOLD | €98 MILLION | €94 MILLION | -4\% |
|  | average boat value | €689,926 | ¢724,988 | 5\% |
|  | AVERAGE DAYS TO SALE | 552 | 532 | -3.6\% |
| 80'+ | NUMBER OF BOATS SOLD | 46 | 43 | -6.5\% |
|  | VALUE OF BOATS SOLD | €164 MILLIION | €258 MILLIION | 57\% |
|  | 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 | $-6.5 \%$ | $-7.2 \%$ | $-5.6 \%$ | $-6.4 \%$ |
| UNITEDSTATES | $-5.8 \%$ | $-7.7 \%$ | $-5.2 \%$ | $-6.2 \%$ |
| EUROPEANUNION | $-10.4 \%$ | $-11 \%$ | $-10.6 \%$ | $-10.7 \%$ |

## AGE

OF ACTIVE LISTINGS

A G E
OF SOLD BOATS

|  | AVERAGE MODEL YEAR |  | AVERAGE AGE |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Q3 2017 | Q3 2018 | Q3 2017 | Q3 2018 |
| $G \longrightarrow O B A$ | 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 ( $26^{\prime}-35^{\prime}$ ) | 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 ( $\mathbf{2 6}^{\prime}-35^{\prime}$ ) | 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.

Q 32018
MARKET INDEX
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