IT'S NOT ALWAYS PLAIN SAILING

Yachting experts FRANCES and CAPTAIN MICHAEL HOWORTH, who have been there, done that, and lived to tell the tale – just, investigate today's Shared Yacht Ownership programmes.

IN SHIPPING CIRCLES owning 64/64ths of a vessel means you own it outright. The same is true for yachts irrespective of size. Owning anything less than 64 parts means ownership is, in one way or another, shared.

Shared ownership of a yacht is not a new practice. Indeed it's been around as a concept since yachting began. Over the years it has been described in a number of different ways: Time Share, Fractional Ownership, Private Syndicate Membership and Consortium Purchased plans. Effectively, although the legalities may differ, they all amount to the same thing in that no one person owns the yacht outright.

At any one time there are a variety of plans on the market for sharing the purchase of yachts and many of them appear to offer attractive ways of doing so. History, however, has demonstrated all too clearly that many of these schemes fail to outlive the life of the yachts they represent.

We speak from first-hand experience. In the late 1970s timeshares were offered for the purchase of a Tarquin Trader 37-foot trawler-style family motor yacht. The non-crewed *Sun Trader* was based in Antibes, the yachting capital of the French Riviera. Ten, two week slots between May and October were purchased by a variety of time-share owning yachting enthusiasts with varying degrees of boating experience. The time between October and May was set aside for annual maintenance.

All the owners were shareholders in the company, which in turn was managed by the boat dealership that had supplied the yacht. They charged a management fee for running the company and administering the scheme. Problems arose, however, with the lack of planned downtime in the season, and boats, being boats, chose inconvenient times to break down or became unavailable due to abuse.

Owners would arrive to find that vital maintenance was required during their allocated two-week slot so they would lose the use of the boat during the weeks they had paid for. The boat was also too small for a full-time crew which proved to be yet another flaw in the system.

To cut a very long story short, the only way out of our ten year contract was to seize control of the board, sack the management company, buy out the other shareholders who had little interest in the boat, and, together with the remaining owners, sell the yacht in an attempt to recoup some of our losses. All in all it was a costly business and became a salutary lesson to meticulously read the contract, and ask lots and lots of questions before making a commitment.

While ours was not a particularly positive experience: something we attribute largely to poor management and inadequate preventative maintenance, had these been of a higher standard, our shared ownership might have worked out perfectly well.

Fortunately for us, the yacht was small and the losses bearable but there are many schemes where the size of yachts and costs per share are considerably greater. One company, Yacht Plus, for example, commissioned the architectural firm Foster and Partners to design a fleet of 10 41-metre super-yachts which they proposed to offer to eight customers per yacht. The yachts were to have been placed strategically around the world in yachting hotspots and, having purchased a share in the boat, customers could book time aboard any of the yachts anywhere in the world.

The price of an 1/8th share was marketed at €1.875m with an annual management fee of €200,000. This gave owners the right to 30 nights on board a year split between the Mediterranean and the Caribbean. A 1/16th share was also available at €975,000 giving the owners 15 nights on board a year. The annual management fee covered maintenance, crew wages and hotel reservations, lifestyle management, transoceanic crossings and most other costs associated with owning a luxury yacht. Fuel, port charges, food and drink were all extra.

To date only three of the radical-looking superyachts have been built. Each is staffed by a crew of seven and managed by a company based in Switzerland. The yachts are well used, enduring back-to-back cruising where owners turn up the day after previous visitors depart.

Another company, Curvelle, are building semi-displacement, wide-beam, spacious catamarans in Turkey and are actively marketing a private syndicate membership programme for their first yacht due for launch in the spring of 2013. These yachts differ from much of the competition in that they are specifically designed for shared ownership and have a fully flexible layout that offers owners the choice of 20 internal cabin configurations adaptable by the crew at a moment's notice. Seven owners will share the 33.7-metre yacht and the crew of six who work on a rotational six weeks on, six weeks off schedule.

Each share, costing €1.43 million, guarantees the owner three weeks Mediterranean cruising and two in the Caribbean winter season every year, plus a share of the proceeds from charters when the yacht is not being used by members.

If this up-front cost is a little steep then Curvelle also offer a self-funded leasing programme with an initial down payment of 33%, a further 33% staggered over five years, and 33% at the end of the lease. If, after five years, the customer wants out, he can walk away having paid just 66% plus his share of running costs and interest.

Sail Time is a worldwide company with a base in the UK. Through its club membership scheme it offers low-commitment, affordable sailing to both new and experienced sailors in 60 locations all over the world. Members enjoy the convenience, access and advantages of a new sailing yacht or powerboat and pay fees that are inclusive of all insurance, maintenance and marina fees.

Want to share a boat but not keen on the ocean? Nantwich-based BCBM offer shares in boats designed for the inland waterways of the UK or further afield throughout Europe. Typically a £10,000 payment buys an 8% share in a narrow boat worth around £120,000 which gives you a minimum of four weeks' use a year.

Pushing the boat out at the other end of the spectrum means entering the realms of *The World*. At 196 metres she is said to be the largest privately owned yacht, though at that length many consider her to be a ship, in the world. Each shareholder owns one or more private on-board residences, and, collectively, they own the yacht.

The World offers 165 apartments ranging from studios to expansive and expensive three-bedroom units and a palatial penthouse that comfortably accommodates up to 12 people. Prices vary based on size, decor, location and market conditions with details provided at time of enquiry. Annual ownership costs are additional, based on the square footage of the apartments and include a resident's share of ship maintenance, operations, crew wages, food and beverage.

It is a telling sign of the times that increasingly more people, many of them former sole yacht owners, are looking at shared ownership in the belief that it could be a more cost-effective, stress-free and viable way to own a yacht. There are pitfalls and seldom is boat ownership, shared or otherwise, an investment that, long term, offers financial gain. Perhaps the best approach to shared yacht ownership is to regard it as a way to enjoy a lifestyle that undoubtedly has a certain appeal. But, as with any big ticket expenditure, caution, research and references are absolutely essential. ▣

Frances and Capt. Michael Howorth are freelance travel writers whose work has appeared in national newspapers, luxury lifestyle magazines and specialist yachting press.

Choose your berth (clockwise from top) the 196 metre long 'ship' *The World* / Yacht Plus' Foster and Partners designed super-yacht interior/ a Tarquin Trader similar to the one formerly owned by the authors / the Curvelle luxury power catamaran.

Photography: *PREVIOUS PAGE: www.yachtplus.com THIS PAGE: The World / www.yachtplus.com / Captain Michael Howorth / Curvelle*