

Yacht Finance Market Update Maritime Law Association



Source: CharterWorld.com

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Yacht Finance Committee

May 2024

New York

Current Boat Market

- New boat sales down 15%, 2023
- Yacht Market-New Build >30 meters
- Average Boat Loan \$85,400
- Higher floorplan utilization/curtailment
- Covid/pandemic rebound (retreat)
- First time boat buyers
- Fuel prices stable
- Insurance requirements and cost
- Banking Industry Challenges

All Sales Data



| 2020 | 2021 | 2022 | 2023 |
|---------|---------|---------|---------|
| 310,000 | 306,000 | 266,200 | 258,000 |

Yacht Sales Data

Sold boats by length, 2022-2023

North America

| Length Group | No. of Boats | | Total Value | | Avg. Sold Price | | Avg. Days on Market | |
|--------------|---------------|---------------|------------------------|------------------------|------------------|------------------|---------------------|------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| <26 | 14,839 | 16,053 | \$735,415,892 | \$856,051,040 | \$49,737 | \$53,353 | 106 | 133 |
| 26-35 | 9,117 | 8,911 | \$1,069,365,096 | \$1,118,744,398 | \$117,945 | \$126,696 | 153 | 173 |
| 36-45 | 5,154 | 4,561 | \$1,167,542,835 | \$1,099,083,544 | \$227,980 | \$243,817 | 189 | 201 |
| 46-55 | 1,341 | 1,187 | \$585,304,280 | \$573,931,545 | \$437,180 | \$490,496 | 259 | 221 |
| 56-79 | 603 | 488 | \$611,393,473 | \$661,578,098 | \$1,013,182 | \$1,310,194 | 295 | 254 |
| 80+ | 156 | 136 | \$490,558,705 | \$634,539,849 | \$3,128,915 | \$4,711,109 | 323 | 266 |
| Total | 31,210 | 31,336 | \$4,659,580,282 | \$4,943,928,474 | \$153,258 | \$164,025 | 145 | 161 |

Yacht Sales Data

Boats Sold by Age Range- Global

| Age Range | No. of Boats | | Total Value | | Avg. Sold Price | | Avg. Days on Market | |
|--------------|--------------|--------|-----------------|-----------------|-----------------|-----------|---------------------|------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Current Year | 4,241 | 4,888 | \$713,089,516 | \$905,757,122 | \$175,929 | \$193,436 | 150 | 176 |
| 1 Year | 2,150 | 2,940 | \$603,431,845 | \$740,039,621 | \$288,861 | \$262,664 | 147 | 213 |
| 2 Years | 1,698 | 2,047 | \$520,082,306 | \$580,139,008 | \$324,337 | \$299,730 | 143 | 143 |
| 3-5 Years | 5,140 | 5,189 | \$1,400,949,984 | \$1,643,344,481 | \$279,918 | \$318,173 | 123 | 144 |
| 6-10 Years | 5,435 | 5,645 | \$1,494,100,132 | \$1,570,054,436 | \$289,586 | \$290,186 | 148 | 149 |
| 10+ Years | 23,401 | 21,631 | \$3,865,687,819 | \$2,988,452,234 | \$172,178 | \$140,808 | 190 | 190 |

NMLA Reports

- Marine lending trending down since 3rd quarter '22
- 55% of lenders predict drop in loan volume, '23
 - 20% anticipate increase
- Rate market is not deterring borrowers; 8-8.5%
- Minimum credit score 700 (some flexibility)
- Average Down Payment 10%
- 2022 marine delinquency .84% vs. .56% in 2021
- Second Tier/Higher Rate Lenders-increased delinquency
- Regulatory Changes updates-treasury yield issues

Market News

- Tommy Boats vs. Malibu
- Class Action Suit vs. IYBA et. al.
- 10 MPH Speed Limit (WSJ 4/13/24)
- Superyacht Sales Decline >30m (NY Post 4/17/24)
 - 2021-313
 - 2022-245
 - 2023-203

Today's Marine Lenders

Bank of America

Bank OZK

Coastal States Bank

Community First Bank

Farm Bureau Bank

Fifth Third Bank

First Commonwealth Bank

First Federal of Lakewood

Flagstar Bank

Grasshopper Bank

Huntington National Bank

Independent Bank

M & T Bank

Medallion Bank

Meredith Village Savings Bank

Merrick Bank

Newburyport Bank

Republic Bank & Trust Company

Shore Premier Finance (A division of Centennial Bank)

Truist Bank

U.S. Bank

U.S. Century Bank

Wells Fargo Commercial Distribution Finance (CDF)

Superyacht Finance

- Bank of America
- Wilmington Trust (M&T Bank)
- Shore Premier (Centennial Bank)
- Bank OZK
- Newcoast (MarineMax)
- Intercoastal Finance
- 18% of lenders loan > \$4MM

Thanks to Coburn & Associates
National Marine Lenders Association

NMLA Fall Conference
October 23-26, 2024
New Orleans, LA