

FRACTIONAL OWNERSHIP FOR SKIPPED LUXURY YACHTS

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Sharing maintenance and costs can be an ideal way to enjoy the best of boat ownership

Don't put all your oars in one boat," to borrow from the old adage, offers a compelling argument for considering fractional yacht ownership. The allure of cruising in one's own yacht can be quickly tarnished by the hefty price tag, countless hours of maintenance and upkeep and, of course, "winterizing." Fractional ownership—with its shared purchase and upkeep costs—is, for some, an ideal way to enjoy the best of boat ownership.

At one end of the spectrum, fractional owners are completely "hands-on," managing all aspects of ownership, maintenance and usage. This model is less common. Increasingly, companies like One 4 Yachts of Vancouver offer management services, including scheduling, moorage, inspections, turnaround service and cleanings, as well as personalized and concierge-type services (at additional cost).

But fractional ownership has evolved beyond simple management. Two companies that have turned fractional ownership on its head are The Moorings (owned by First Choice Holidays PLC) and Miracle Yachts.

Catering to an "upscale" clientele, The Moorings—the largest charter company in the world—is offering weekly ownership units in a Squadron 78 by Fairline. Starting from US\$75,000 (Navigator) up to \$130,000 (Admiral), ownership units entitle owners to one week per year of managed luxury, cruising in the Caribbean from the yacht's

homeport of Tortola, British Virgin Islands. The type of unit purchased determines what time of year that week

is available to owners. The units comprise a Limited Liability Corporation (LLC). After five years, the yacht is sold, the proceeds are divided amongst owners and the LLC is dissolved. While each yacht may have 40 potential owners, Frank Baugil, vice president of yacht sales for First Choice Marine, notes that the "reality is, most owners buy more than one unit."

This program is substantially different from the program The Moorings introduced earlier this year, which offered 10 units of \$430,000 each. The Moorings moved to the new program in order to allow more potential luxury yacht owners to take to the sea. However, the new price points beg the question, "Why not charter?" Baugil asserts that this fractional ownership program provides owners with 30–40 percent savings over chartering a yacht of comparable size and luxury. In addition, owners' weeks are guaranteed in the season that they've purchased. At the Admiral level, this includes a week at Easter, Thanksgiving, Christmas or New Years. Each Moorings price point offers different savings over the cost of charter, and while subject to some fluctuations (such as availability or last-minute cancellations), owners can typically expect savings of between 15 and 45 percent.

Miracle Yachts' Azimut 62, at \$220,000 for

The Moorings' Squadron 78 is being offered for fractional ownership.

a 1/10 share, offers owners 30 days of cruising time as well as a skipper, crew and gourmet chef. The company offers

a proprietary online reservation system and "a complete customization model," allowing owners to step on board to their own linens, plates and silverware.

For those looking to get into the high-end yachting market, or to upgrade, The Moorings and Miracle Yachts both offer an easy way to recline, rest and enjoy the sights. Likewise, for a more hands-on cruising experience, companies like One 4 Yachts offer managed fractional ownership of smaller yachts.

Regardless of what end of the spectrum one chooses, careful research is a must. Ask tough questions about a company's management history, additional fees and charges, the reservation and scheduling system (first come, first served?), the experience of skipper and crew, and whether the insurance provides legal protection. In the ever-evolving world of fractional ownership, a little due diligence at the outset can prevent big headaches in the future. ☺

Get more info

Learn about The Moorings fractional ownership program at www.mooringsfractional.com. More on Miracle Yachts is at www.miracleyachts.com. Visit One 4 Yachts at <http://one4yacht.com>.