

# The Yacht Sales and Charter Market – How has COVID-19 changed it?

We caught up with the CEO of [West Nautical](#), Andrey Lomakin, to discuss how the yacht sales and charter market has changed due to Covid-19 and how he thinks this summer season will be different.

## How did you first get into the yachting industry?

It was the year 1998 when I went to buy my first boat and that was a Maxum 1900 Caddy Cabin. I met with the first and only distributor (at that time) of American boats Bayliner & Maxum in St. Petersburg. In 1999, I went to see a friend of mine in the Czech Republic, he was a representative of [Regal Boats](#). I purchased 10 boats and took them to the Moscow Boat Show where they were sold within the first two days. The Russian market at that time showed very high growth rates.

## What can you tell us about the sales market at the moment?

The sales market is going through a very good time; demand currently outpaces supply. All of the most interesting and successful models have sold two years in advance. This includes models such as the [Sunseeker](#) 100 and 116, as well as the San Lorenzo SD 96, which will only be available at the end of spring 2023. You know it's an extraordinary period when someone wanting to buy a boat has to wait 2-3 years...

## **With so many years in the industry – how have you seen yacht sales change?**

I've been in the yachting industry for 22 years and I can highlight several periods:

Between 1998 and 1999, when I first came into this market, Russian and European markets were experiencing a very large growth rates in sales, volumes of production, volume of transactions on brokerage, and charter seasons on the Mediterranean Sea exceeded 12- 15 weeks, which is insane.

During the period of 2005-2007, a huge number of players entered the market. Not all were professionals in this field and naturally they all disappeared out of the market between 2009 and 2011. Those who remained in the market until today are highly professional players with good reputations. Today one can say that the yacht market has emerged from good professional players who provide quality services and really care. Those who lasted were not interested in making a quick profit, they wanted to provide quality service in order for the client to enjoy their yacht with no problems and their mind at ease.

## **Are there any projects that you are particularly proud of? A special sale, a new build etc.?**

There are some projects that I really like to remember. In 2012 I somehow decided that I could build the best yacht in the world and actually built a very good project; the [Mulder 94 Voyager called Firefly](#), which is available for charter through West Nautical. We built it with Dick Mulker and John

Vickers. It was exhibited in Cannes and Monaco and was sold two months later. The owner still sails on it and doesn't want to sell it. We offered to pay him the original price, but the man sails, has fun, and says it's his third yacht, but his favourite.

There were some interesting deals on the secondary market when we bought one 60m yacht. Several buyers fought for it, they had a long price negotiation, and we went into the deal and closed it as soon as possible. The owner sailed on it for four years and then sold it at €100,000 more than he paid, even after owning it for four years!



Mulder 94 Voyager called Firefly

## **What can you tell us about the new build market at the moment?**

The new build market is currently booming. The only thing to say is, if the market for GRP yachts up to 30 meters has had a boom since last year, the market for 40m+ had a boom which

started only in February. Factories entered the new year with a large number of construction projects. A lot of boats were due for completion in the year of 2022, and in February alone and throughout the spring, a huge number of contracts were signed. Waiting lists for many items were moved to 2024.

## **How do you find the RU market compared to the rest of Europe, or indeed globally?**

It's a good market with good customers. Very thoughtful customers, they know exactly what they want. They build their yachts to be very beautiful and of the highest quality. I think it is one of the best markets in the world, definitely one of the top three.

## **What advice would you give to new buyers entering the market for their first yacht?**

When buying your first yacht, the most important thing to do is choose a yard that will produce a yacht which will remain competitive in the market.

The market is quite complex, with many regulations to adhere to. Yachts have become very technical and today it is not the car you get into, start and go. It's still a crew, it is property rights, registration and navigation. The first thing that the customer should pay attention to is the choice of his yacht broker or distributor to walk them through the process from the moment of ordering the yacht to the moment when the person sits in a Jacuzzi with a glass of champagne on their new yacht.

**Have you seen a change in the types of yachts bought throughout the years? (i.e., explorer, sizes, different designs, technology updates etc?)**

Yes, of course. Technological advancement is crazy. Yachts increase in size, and if you look at yachts that were built 10 to 15 years ago, they were all much smaller. The stabilisation system has made it possible for yachts to get taller and wider. Yacht design is changing dramatically, becoming fast paced. The ergonomics of yachts has changed; the air-conditioning systems have improved, and the level of vibrations and noise has reduced. I think yachts have recently moved forward dramatically in quality.

**Tell us something about yourself that not many people would know, favourite sport etc?**

I love yachting, I play hockey, I ride a bike, I have a big family with eight children – the youngest is eight years old now, the oldest is 18. She just graduated from high school and attends university in Europe and helps our company with marketing. This year the West Nautical hockey team regained the status of Moscow Hockey League Cup winner, which we had in the 2010/2011 season.

**Do you think it is more of a buyer's or seller's market at the moment?**

Today I think the market is quite balanced. Factories have the ability to increase production, but so far, they have not done

so in order to avoid an unbalance in the market. I think everyone today has learned to adapt to the crisis so that there will be no serious bias towards the seller or the buyer, because factories change production instantly. For instance, the Sunseeker factory that produced 300 yachts a year in 2008, now produces 160. Market analysis and factory reactions are instantaneous. I don't see any big changes coming.

## **How has Covid-19 affected the yachting sales market?**

Covid's impact on the sales market is very simple. All last spring the market stood, then all boats up to 15 meters from the distribution stock were sold in the first month of the summer, during the rest of the summer everything up to 24 meters went off, and by the end of the year, everything up to 30m was sold. 40m+ yachts have been on sale since February of this year.

## **How has Covid-19 affected the yachting charter market?**

The market for charter yachts is also growing, but is growing a little bit more cautiously, because there are so many regulations in terms of border crossing, and not everyone is willing to accept it. Today you can still find a yacht for the summer season, though not many are available.

## **What is your opinion on the upcoming**

**summer season, do you think it will be busier or quieter than normal in the Mediterranean for the charter season? Will Russians be able to travel within Europe as they used to pre-COVID?**

Working as always. We are involved in managing our clients, transferring boats, signing charters.

If you ask whether owners or charter customers can use their boats this year – my answer is ‘Yes, the same as last year’. Despite the difficulties, all our customers have reached their yachts.

**If you could charter a yacht anywhere, where would you go and why?**

It all depends on the charter terms. I have some favourite spots on the Mediterranean Sea – the Balearic Islands, Italy, Croatia and Turkey. If it was a long journey of a few months, I would certainly go to the Caribbean or the Indian Ocean, and generally go over all the world.

**Why do you think a yacht holiday is better than a land-based holiday?**

On a yacht one can have a variety of options. When you’re on the water, you don’t experience such an exhausting heat. It is your personal hotel, which moves with you and after you, to a place where the weather is nice and where you want to be. Yachting service is one of the highest and best in the world, therefore, probably, this combination gives grounds to believe, that the time on the boat is the best.





ENDLESS SUMMER YACHT – Photo by Cavan Photos

## ***About West Nautical:***

*West Nautical sell, charter and manage superyachts from their head office in Newcastle upon Tyne. The business currently employs a team of 21 staff throughout their offices based in the UK, Russia, France and Cyprus.*

*Since their inception over 25 years ago, West Nautical have become recognised as one of the most respected, trusted, knowledgeable and accountable professional services firms in yachting – largely due to their relentless determination to act in our clients' best interests. Their approach and attitude is transparent, refreshing and focused on providing value-added services delivered simply, elegantly and*



*affordably. Visit our website here – <https://westnautical.com>*

For Media enquiries please  
contact [sarah.mackenzie@westnautical.com](mailto:sarah.mackenzie@westnautical.com)

For yacht charter, sales or management; please contact  
Managing Director Geoff Moore [Geoff.moore@westnautical.com](mailto:Geoff.moore@westnautical.com)

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