



› Two sail boats in the bay of Paleokastritsa in Corfu

Recession Chic: Yacht Charters in Our Time

by James D. Roumeliotis

The popular expression, “One’s misfortune is another’s opportunity”, is pronounced in several varieties. Sadly, those type of statements duly apply more so than any other time in the midst of the current economic crisis. The yacht charter industry is an excellent case in point. It is one of the last industries to be considered “recession resistant”, let alone “recession proof”. It began feeling the pinch from last autumn when boat owners and charter brokers relied on early bookings for the 2009 season. It is also likely to take awhile before the recreation boating industry recovers. If the travel industry as a whole, which caters to just about every pocketbook, is feeling the pinch, just imagine the effect the pricey yachting domain is experiencing. Even the boating rental vacation market in the Caribbean, long the preferred destination for winter and spring luxury yacht charter holidays, is susceptible to boating enthusiasts’ tight wallets.

With so many great fortunes around the world either wiped out or severely shrunk in the past few months, including fewer and paltry bonuses paid-out to high flyers, consequently, expect affluent travelers to alter their usual glamorous destinations such as the Cote D’Azur for modest playgrounds such as the Eastern Mediterranean (Greece, Croatia/Montenegro, Turkey). After all, flamboyancy is out and sensible spending is in.

Price Opportunities Abound

As the global recession continues to spread, pricing has finally come down to earth including enticing packages. Moreover, it appears that additional choices of yachts and dates will be available even for last minute bookings. However, discount the usual busy months of July and August, mainly, if you want to avoid the heat wave and crowds – although there may be less of them this year.

The mega yacht charter marketplace is looking for creative ways to entice luxury yacht charter customers. Consider an offer by the owner of a 126ft. modern and luxurious motor yacht in the Mediterranean region. Reserve this yacht for a one week or longer charter holiday and the owner will offer his 10 passenger private jet available gratis to transport you to and from any major European city directly to an airport closest to the yacht. As of mid March (2009), it appeared that the crewed yacht charters are slow though the bareboat sailing rentals are faring better – due in part to their affordability particularly when the cost is shared between couples or families. If you also take into account their generous and unusual price reductions, it gives you an additional incentive to consider.

Boat Owner Speculators

Owners who had purchased yachts purely as an investment for the charter market have been affected the most by the downturn. Their dilemma is equivalent to the home buyers who made purchases a few years ago on speculation. We know where that has gotten them these days. One thing has become clear: Within the last months, revenue flows from charter bookings to owner-investors has been below par yet their fixed expenses remain the

same. In some cases there were new yacht sale contracts that had to be cancelled because banks retreated from their credit promises attributable to fear of weak charter revenues. The lesson from this is; avoid booking directly with owners and instead do so with established yacht agencies. At least with the latter your booking is secure, whereas, with an owner, any extra savings you receive comes with a risk of ruining your vacation plans and losing your deposit without much recourse.

Charterers Have Leverage

Now that we agree there are bargains to be had, what should one look for to take full advantage. It begins with proper planning and due diligence. When approaching charter firms, inquire about their specials and packages. What you will need to know is the type of boat you desire, the dates you are willing to vacation, in addition to what is and what isn’t included in the pricing of your charter. For example, a “bareboat” charter signifies a boat rental that is for self-sail whether with sails or purely motorized. Adding options such as a skipper, cook and/or provisioning is charged extra. A “crewed” charter, on the other hand, refers to a yacht which comes standard with an operating crew. They and their meals are included in the pricing of charter fees proposed. In both cases, expenses such as fuel, provisioning, alcoholic beverages, private marina fees, petrol for onboard water toys and tipping are all extra costs to consider. Add to that taxes (VAT) for charter fees which in Greece is at 4.5%.

To stretch your budget, consider either going smaller, for fewer days or choose both.

Best time to book, especially for Greece, is for any dates from mid May to mid June and from mid to end of September.

Avoid cruising in the Aegean sea/Cyclades during July and August as intense winds (referred to as “Meltemi”) cause choppy waters in that region. This will make your cruise very uncomfortable and you may even get stuck in the harbor until the high waves recede. If you embark from Athens and your itinerary is set for less than 10 days, it is advisable to consider the sheltered and close proximity of the Saronic Gulf islands (Aegina, Poros, Hydra, Peloponnese coast etc.) in lieu of the unpredictable and distant waters of the Aegean/Cyclades region.

As for deposits, depending how close you are to your embarkation date, for the most part you will be asked to shell-out 50% of the total charter cost with the balance at least a couple of weeks prior to your charter.

Know your rights in case of unforeseen changes or cancellations. Make sure you have read and understood your entire charter agreement in order to avoid any disenchantment and discords. With regards to cancellations, depending how close to your charter date you annul, you may be entitled to some of your deposit reimbursed but in most cases it’s determined upon various factors including at which point, and as per the standard charter agreement, may be hinged on the discretion of your agent and the yacht owner.

A yacht charter vacation is a wonderful way to relieve those recession blues, at a cost that’s definitely lower than normal times.