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ANALYSIS

STEADY AS SHE GOES

The new-build market has settled into a post-pandemic new normal with orders levelling off. By *Raphaël Montigneaux* and *Marilyn Mower*

We have reached a post-Covid plateau in superyacht production. The boom in orders that began during the global pandemic is showing its limits and the coming years will likely see a contraction in the order book, albeit a smooth one. Many yards thought this might occur sooner, admitting surprise at the number of sales secured in the summer of 2023. These unexpected orders mean the industry maintains a high level of production into 2024.

Comparing this year's report with the last GOB reveals a slight decrease in the total number of projects ordered or in build, from 1,203 to 1,166, a drop of 3.1 per cent. But the total combined metres under construction has dropped by just 1.2 per cent, so the effect of the declining number of units in build should be negligible. The total gross tonnage under construction, which some use as the true gauge of activity, has also seen a negligible drop – from 551,431GT to 548,614GT, or 0.5 per cent.

TOP BUILDER NATIONS

The biggest change for this year's GOB is a shift in the centre of gravity eastwards. Turkey is now the second-biggest builder nation, eclipsing the Netherlands. Last year, shipyards in Turkey reported 102 projects, totalling 4,167 metres. The country enters 2024 with 132 superyachts under way and 5,838 metres of production. The nation is constructing a total gross tonnage of 73,011, averaging 553GT per project, far above the global average. A recent visit to the country for this report revealed a significant improvement in the quality of the yachts in build, and shipyards not afraid to invest in capital infrastructure. The level of activity is impressive. AKYACHT, for instance, is building a 100-metre; Bilgin has nine projects between 50 and 86 metres; Mengi Yay has nine projects averaging 46 metres; Numarine's prolific XP series continues to sell well, including three 40-metres; Turquoise has six projects on its order book totalling 414 metres; Sirena Yachts is advancing into true superyacht production with its first 42-metre steel project; Magnolia Yachts has started a new 41-metre explorer series; Ares is producing a 61-metre motorsailer; the Turkish division of Damen Yachting, meanwhile, has five projects, including two 60-metre SeaXplorers.

Italy, as ever, remains at the top of the leaderboard. Its superyacht production represents 51.4 per cent of the global total, far ahead of any other country. But of note is Italy's order book growth: just 1.9 per cent year-on-year, compared to Turkey's 40 per cent expansion.

Dethroned from second place is the Netherlands, which maintains a strong order book of 80 projects amounting to a total 4,959 metres of production. The country is building four more projects than recorded in the previous GOB, but its total length of production has declined slightly.

Next in the top 10, the UK and Taiwan recorded decreases in their production, but their yards maintain solid order books for the coming few years. Germany stays in sixth place, just before an unexpected seventh place showing for its neighbour, Poland. The country has a long and proud shipbuilding tradition, and its more recent success in the luxury superyacht space is largely driven by catamaran builder Sunreef Yachts and Conrad, which builds both sailing yachts and displacement motor yachts.

Despite several bright spots, such as the two 55-metre projects under way at Burger and full sheds at Delta Marine in Seattle, the US as a whole continues to fall down the leaderboard. If it were not for Viking's strength in the sportfish sector, the total length of American superyachts in build would not see it in the top 10 builder nations.

The rest of the top 20 builder nations remains relatively stable, but worth pointing out is the

39.2M
Average LOA under construction (for all builders)

471
Average GT under construction (for all builders)

51.4%
Italy's share of global superyacht production

The Global Order Book counts all projects over 24 metres LOA under construction or ordered, with a deposit taken, on 1 September each year

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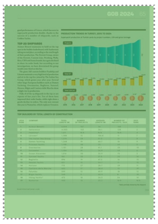

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good performance of Greece, which has seen its superyacht production double, thanks to the success of a number of shipyards, such as Golden Yachts.

TOP 20 SHIPYARDS

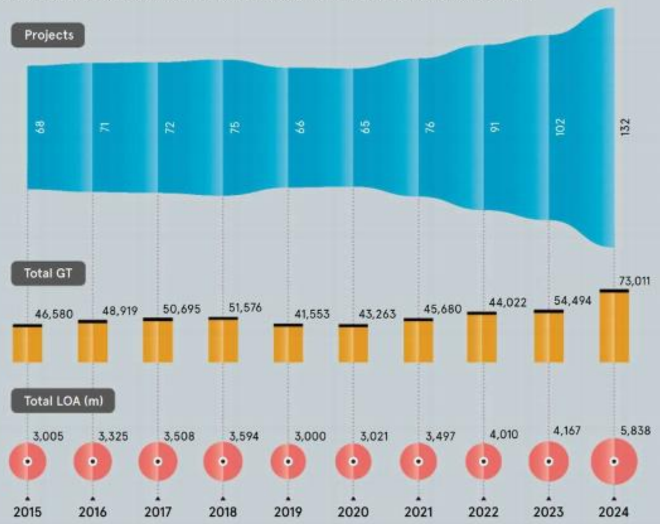
Azimut-Benetti maintains its hold on the top spot in the builder leaderboard, with Sanlorenzo taking second place, according to the total length of their production. The Ferretti Group, owner of the Ferretti, Custom Line, Pershing, Wally, Riva, CRN and Itama brands, has again declined to share its order book, but according to our investigations, we have determined the group would come third on this list.

The giant, full-custom builders Feadship and Lürssen maintain a very high level of production and sit in the top five, joined by The Italian Sea Group, which grows year after year. Several other large European builders such as Damen Yachting, Overmarine, Baglietto, Sunreef, Heesen, Bilgin and Cantiere delle Marche show a slight rise in production.

Fully 18 of the 19 shipyards in the top 20 are repeats of last year's list. Ten of them have improved their order books, while eight show a gentle decline in orders. The only new entrant this year is Numarine, which replaces Oceanco.

PRODUCTION TRENDS IN TURKEY, 2015 TO 2024

Superyacht production at Turkish yards by project numbers, LOA and gross tonnage



TOP BUILDERS BY TOTAL LENGTH OF CONSTRUCTION

2024 RANK	COMPANY	TOTAL LENGTH (M)	NUMBER OF PROJECTS	AVERAGE LENGTH (M)	NUMBER OF PROJECTS, 2023	2023 RANK
1	Azimut-Benetti	6,014	167	36	168	1
2	Sanlorenzo	4,503	132	34.1	128	2
3	Feadship*	1,611	N/A	N/A	N/A	4
4	Lürssen*	1,388	13	106.8	11	7
5	The Italian Sea Group	1,374	24	57.3	21	8
6	Damen Yachting	1,268	19	66.7	15	9
7	Princess Yachts	1,198	48	25	63	5
8	Overmarine	1,151	28	41.1	25	10
9	Sunseeker	1,104	41	26.9	53	6
10	Ocean Alexander	1,016	30	33.9	73	3
11	Sunreef Yachts	961	35	27.5	22	16
12	Baglietto	896	19	47.2	16	13
13	Heesen Yachts	821	15	54.7	11	15
14	Horizon	775	27	28.7	29	11
15	Cantiere delle Marche	652	17	38.4	13	19
16	Palumbo	599	12	49.9	18	12
17	Bilgin Yachts	548	9	60.9	8	18
18	Viking Yachts*	473	18	26.3	26	14
19	Numarine	465	14	33.2	N/A	N/A

data partially shared by the shipyard

PROJECTS BY LENGTH: 18-YEAR COMPARISON

LENGTH	24-27M 80-89FT	28-30M 90-99FT	31-36M 100-119FT	37-45M 120-149FT	46-60M 150-199FT	61-75M 200-249FT	76M+ 250FT+	TOTAL
2024	**321**	**166**	**201**	**211**	**159**	**53**	**55**	**1,166**
2023	348	159	238	215	139	51	53	1,203
2022	277	147	202	178	122	52	46	1,024
2021	200	125	150	147	114	40	45	821
2020	194	128	160	134	106	41	44	807
2019	228	117	172	121	104	40	48	830
2018	182	114	162	123	100	39	53	773
2017	195	103	138	132	96	44	52	760
2016	168	93	163	141	106	34	49	754
2015	174	84	157	125	106	38	50	734
2014	164	82	151	149	113	36	40	735
2013	119	94	142	151	100	47	39	692
2012	178	70	151	150	109	43	27	728
2011	158	78	151	155	132	45	30	749
2010	187	89	144	150	122	41	30	763
2009	286	117	190	193	155	43	24	1,008
2008	253	114	179	175	125	47	23	916
2007	207	109	155	152	108	28	18	777

The Turkish yard records 14 projects on its order book and a production of 465 metres.

Globally, we recorded slightly fewer active shipyards this year with a total of 177 facilities (down from 189 last year). This drop is mainly accounted for by yards that had been building a single 24-metre-plus project that has been delivered since the last report. A more detailed look reveals 59 shipyards building just one project, down from 68 last year. Some 78 yards have three or more projects (72 last year), 45 are building five or more superyachts (44 last year), and 27 have 10 or more orders (24 last year). While there are fewer active shipyards in this year's GOB, the ones that remain active appear stronger, with more ongoing projects.

The biggest change is a shift in the centre of gravity eastwards. Turkey is now the second-biggest builder nation

SHIPYARD ACTIVITY VS PROJECTS

The number of superyachts in build and on order, versus the number of active shipyards

TYPES OF YACHTS

One segment of the market that continues to grow year after year is explorer yachts. From 88 projects last year to 99 this year, these tough, more autonomous vessels now represent 8.5 per cent of the GOB. The undisputed champion in this category, Cantiere delle Marche, has set a new record with 17 projects on its order book, making a total production of 652 metres and 6,316GT. The decision to specialise in explorers when this company was founded in 2010 has paid off handsomely.

CAPITAL INVESTMENT

Thirty-one of the 177 shipyards currently active – between them building 743 projects, or 64 per cent of global production – have increased production capacity in the last 12 months. There are a few standout examples. Italy's Overmarine will soon open its giant new four-slot shed in Pisa, doubling capacity for its metal yacht division. By optimising its existing footprint in Viareggio, Sanlorenzo has gained an additional slot. Meanwhile in Taiwan, Horizon and Ocean Alexander both utilised Covid downtime to rebuild their facilities, moving from linear production lines to independent slots, resulting in improved efficiency from the same workforce. Yards that haven't invested in their infrastructure may learn to rue their caution, as a plateauing market will make any big future spending risky.

SEMI-CUSTOM VS FULL-CUSTOM YACHTS

The total number of semi-custom versus full-custom yachts in the GOB since 2010

Multihulls, too, are growing in popularity. There are 72 catamaran projects (up from 49 last year) in this year's GOB, including 44 power catamarans (up from 24). Poland's Sunreef is driving a lot of this growth; its new 88 Ultima series has already proven a huge success with 10 orders before the delivery of the first hull. Less beamy, the model is a smart choice for the Med, which doesn't have any marinas designed to accommodate a standard catamaran's width.

Larger builders have taken note. Bluegame, a brand of Sanlorenzo, has revealed its BGM75, which comes in just below 24 metres LOA and is narrower than competitor cats. Multihulls edging the 24-metre line will become increasingly popular as they escape manning requirements and regulations while packing the kind of deck space and volume of larger monohulls.

The number of sailing yachts in build has remained steady at 71 projects, which is welcome, but sportfishers have taken a hit this year, with the number in build dropping from 34 to 25. The sportfish market over 24 metres is erratic, with peaks in production generally occurring with the release of new models.

Looking at the sizes of superyachts that make up this year's GOB, we record a slight decrease in the 31- to 45-metre segment and below 28 metres, but all size ranges above this have grown. This has affected the average LOA of yachts currently in build, rising from 38.5 metres last year to 39.2 metres this year. This appears to support the theory that the surge in small yacht purchases during the pandemic was driven by first-time buyers inspired by the need to vacation safely.

Very large yachts remain popular. Some commentators had predicted a big drop in the number of 100-metre-plus yacht orders due to Russia's exit from the market, but we still record 24 of these huge projects in the current GOB, down from 26 last year. A small decline was expected as there were six 100-metre-plus deliveries in 2023. Driving demand in this category are buyers from the US, Europe and Middle East.

As recorded in previous GOBs, semi-custom production has come to dominate superyacht production globally, but for the first time since 2019, we logged a slight decrease in the number of semi-custom yachts in build this year, dropping four per cent to 930 projects. But even with this dip, semi-custom yachts still account for 79.8 per cent of the order book. Builders have responded with ever-larger semi-custom options. Traditionally, the semi-custom buyer was limited to fibreglass boats under around 35 metres, but

TOP BUILDER NATIONS BY VOLUME

RANK	COUNTRY	TOTAL GROSS TONNAGE	NUMBER OF PROJECTS	AVERAGE GT
1	Italy	220,068	600	367
2	Germany	86,903	21	4,138
3	The Netherlands	86,376	80	1,080
4	Turkey	73,011	132	553
5	Norway	17,440	1	17,440

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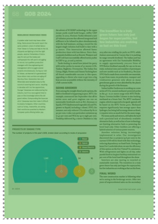

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WORLDWIDE WORKFORCE WOES

A quieter order book may have a silver lining. Yards around the world report the same problem: a lack of skilled labour. From Taiwan to Turkey and Italy to the US, shipyards are fighting to find the right people. Jessima Timberlake of Amico says it's not just the trades and craftspeople the refit yard is struggling to recruit, but qualified production managers with the engineering and management skills to juggle several projects simultaneously. During our visit to Taiwan, we learned of a generational issue where many workers are aging off the shop floor. Generation Xers and Millennials were tempted away by the country's booming tech sector, resulting in decades with too few apprentices. Younger Taiwanese are rediscovering the industry, but it is a race against time to pass on the knowledge before the old guard retires. Compounding the issue are strict Taiwanese laws that make it difficult to employ foreigners. Other countries, such as Turkey, meanwhile, are seeing their workforces poached by Western European yards offering better pay.

the advent of SCRIMP technology in the 1990s meant yards could build longer, stiffer GRP yachts. In 2005, Horizon Yachts debuted a new 3D infusion process that allowed integrated hull stiffeners to be infused in place simultaneously with the hull laminate, setting a record for the largest single-infusion hull build to date with a 41-metre. This innovation allowed faster production times with less labour. Since then, composite builders such as Benetti, Westport and Gulf Craft have successfully offered series yachts in GRP to 45, 50 and 53 metres.

Yards dealing in metal have joined the party with series yachts in excess of 50 metres LOA. Tankoa, Baglietto, Overmarine, The Italian Sea Group, Bilgin, Heesen and Damen Yachting have all found considerable success in this space, appealing to clients who want to get into a big boat as soon as possible without the intensity of a full-custom build.

GOING GREENER

Even among the straight diesel yacht options, the shift to biodiesel is happening at pace. MTU, for example, announced last September that all its series 2000 and 4000 engines can run on sustainable biodiesels such as BtL (biomass to liquid), HVO (hydrotreated vegetable oil) and PtL (power to liquid) including e-diesel. HVO, for instance, not only reduces CO_2 exhaust by 80 to 90 per cent, it also cuts particulate emissions up to 40 per cent and NOx by up to eight per cent. Feadship delivered 84.2-metre *Obsidian* in July 2023 after sea-trialling the yacht on HVO, while Azimut announced in Cannes that it is pushing its range towards biodiesel. The Italian yard has an agreement with Eni Sustainable Mobility to supply approximately 700,000 litres of HVOlution biodiesel annually for use on its sea trials, technical tests and transfers of prototypes and new models such as its Seadeck 9. Because HVO fuel is made from renewable raw materials, in part from waste, its production, transport and combustion generate only about as many greenhouse gases as were absorbed by the plants during the growth of the biomass.

The transition to a truly green future has only just begun for superyachts, but few industries are evolving as fast on this front

Italian builder Sanlorenzo is working on a new series of CO_2-neutral methanol-powered yachts in the 40- to 70-metre range with MTU/Rolls-Royce. German builder Lürssen is also backing methanol as a future fuel. The MTU methanol engine, which is expected to be spark-ignited, will be based on the MTU Series 4000. Methanol requires significantly less storage space than hydrogen, but being half as energy dense as diesel, it requires twice as much fuel for the same range.

For some yards and owners, old habits die hard and a potential lack of abundantly available alternative fuels, as well as fear of new technology, are limiting alternative fuels to powering the hotel load only. Other builders are offering a hybrid solution of various power sources.

Another solution being increasingly implemented is solar. Our investigation discovered that 112 projects (9.6 per cent) in the current GOB will be fitted with this technology, reducing dependency on fossil fuels. During the latest Fort Lauderdale show, we saw the efficiency of this option on the first VisionF 82 catamaran. With refrigerators and lights on all day, solar panels fitted on its giant hardtop maintained 100 per cent of the hotel load throughout the show.

Interiors are also moving to recycled or sustainable materials. The transition to a truly green future has only just begun for superyachts, but few industries are evolving as fast on this front.

FINAL WORD

The new construction market is following what we're seeing in the brokerage sector. After two years of unprecedented sales on the secondary

PROJECTS BY ENGINE TYPE

The number of projects in this year's GOB, broken down according to mode of propulsion

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PROJECTS BY TYPE

TYPE	EXPEDITION	MOTOR	OPEN	SPORTFISH	SAILING	TOTAL
2024	**99**	**917**	**54**	**25**	**71**	**1,166**
2023	88	955	55	34	71	1,203
2022	85	780	61	28	70	1,024
2021	64	628	58	12	59	821
2020	58	620	59	11	59	807
2019	55	653	56	15	51	830
2018	60	582	39	22	70	773
2017	55	548	58	24	75	760
2016	55	558	40	18	83	754
2015	37	540	42	16	89	734
2014	37	538	51	14	95	735
2013	34	524	44	5	85	692
2012	34	525	63	13	93	728
2011	31	547	69	15	87	749
2010	24	592	93	8	46	763
2009	21	812	103	7	65	1,008
2008	19	731	101	5	60	916
2007	14	602	89	13	59	777

8.5%

The explorer yacht segment's share of the current GOB

112

Number of projects that will be fitted with solar technology

255

Number of projects being built on speculation

market, we are back to a "new normal" for brokerage, which remains at a level above that experienced pre-Covid. It's anticipated that the GOB will settle in a similar fashion.

Even if trends are not yet completely clear, the peak in orders appears to be behind us, but the backlog of orders means shipyards will stay busy for the next three or four years. We have also recorded a growth in speculative production, bucking a trend of declining spec builds that started in 2018. We recorded 255 projects started without owners in this GOB, up from 234 in the last, an increase of nine per cent. While not a wild swing, it does show that the market is changing – and can be directly linked to the bullish attitude of Turkish shipyards laying keels in anticipation of finding an owner some way through construction.

The industry is all-too aware that the client pool is limited and growing economic headwinds can seriously dent demand. However, new markets are opening. One well-informed source told us that enquiries from South East Asia were ticking up promisingly. Sales and marketing teams at shipyards across the world have their work cut out for them to open new territories and appeal to younger audiences, to avoid a repeat of the years following 2008. Many in the industry well remember the giant sheds in Italy's Massa region being full of projects before 2008 and then seeing them empty, closed, without activity. Today, those same sheds are full again. The recent investment by shipyards has hopefully put them on a more long-term, and sustainable, footing. □

SEEING IS BELIEVING

The Global Order Book follows a strict process, involving visits of the yards involved each year to verify projects under construction, hull numbers and capacity of production. This year, 46 shipyards in 12 countries were visited for this report, accounting for 693 projects (59.4 per cent of global production). Shipyards we are not able to visit are scrutinised using order lists showing deposits taken, as well as data obtained from dealers, OEMs, flag states and class registries. New this year are special GOB reports dedicated to each country and published after our visits. They are free for BOATPro subscribers, and available at *boatint.com/boatpro*