

How to buy your first superyacht

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All aboard! Superyachts aren't just for billionaires.

It is a truth universally acknowledged that a successful man in possession of a good fortune must be in want of a watercraft.

In fact, the roll-call of luxury-cruiser-owning plutocrats (Frank Lowy, Rupert Murdoch, James Packer, Clive Palmer, John Symonds and Lindsay Fox, to name a few) is so long it's probably easier to list the business A-listers who aren't into boating.

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Fortunately, you don't have to be a billionaire before you can purchase your first superyacht. Donna Morris, of upmarket boat brokerage Australian Superyachts, says that for a mere \$1-2 million dollars you can buy a second-hand vessel that is at least super-ish. Though she does quickly go on to point out that's the cheap and cheerful end of the market.

Super-priced superyachts

"A superyacht is a motor yacht that's over 30 metres long and has a paid, professional crew," Morris says. "It obviously depends on the specifications and equipment on board, but boat builders based in the UAE, such as Majesty Yachts/Gulf Craft, can supply a world-class 40-metre craft for around \$17 million. It's when you want something made in Europe and over 50 metres long that you start getting into \$40 million-plus territory."

If you really want to push the boat out, so to speak, you can easily burn through exponentially greater sums. Microsoft co-founder Paul Allen spent \$US200 million (\$257.4 million) on his 126-metre runabout Octopus, which requires a full-time crew of at least 55 people, back in 2003.

And buying the thing is just the start of your outgoings. "As a rule of thumb, over the course of a year you can expect to spend 10 per cent of whatever the purchase price was on running costs: about a third of that will go to paying the crew, a third to maintenance and the rest to fuel, berthage, insurance and supplies," says Morris.

Hands on deck



Paul Allen's 127-meter yacht Octopus. Photo: AFP

Unlike their suburban counterparts, superyacht owners typically let 'the help' helm the vessel. A captain of industry will typically employ 10-12 crew to keep a 50-metre craft operational, though the wages bill can be partly defrayed by making the boat available for charter when he's not using it.

Darren Finkelstein, aka 'The Boat Guy', erstwhile senior Apple executive turned dealer principal at Melbourne's St Kilda Boat Sales and Service Centre, points out those in a position to afford a prestige vessel rarely have any desire to take the controls of it.

"Being in charge of a boat, particularly a large boat, can be hard work for the inexperienced. Plus you can't drink and you don't have much time free to spend with your family or any clients you may be entertaining. There's also a significant investment of time required to become competent – it's not like you can have a couple of lessons then sail from Sydney to Melbourne."



Darren Finkelstein, aka 'The Boat Guy'.

Donna Morris of Australian Superyachts.

Floating man caves

At this point, run-of-the-marina boaties may be wondering exactly why even those with money to burn would invest in a superyacht rather than simply a seaside villa. "There are plenty of big boats around that rarely or never leave the marina they're moored at," concedes Finkelstein, author of *Honey, Let's Buy A Boat*.

"Boat owners are still typically men and they will often use their vessel as a man cave where they can get away from it all. I think the motivations of boat owners across the income spectrum are fairly similar, regardless of how often their boats ever leave the dock.

"In a world where that mobile in your back pocket never stops ringing and beeping they want to get away from it all, tear the kids away from the PlayStation, fill their lungs with fresh air and spend quality time with loved ones. Often it's not so much about the boat as it is about busy people having a place to recharge or reconnect."

Private deck

Morris has a different explanation for why business royalty, showbiz royalty and royalty-royalty are so keen on upmarket aquatic getaways. "Yes, superyachts are a status symbol but my experience is that high-profile people are attracted to them because they're a place they can have some private time and truly relax. They're somewhere – sometimes the only place – certain people can get away from the paparazzi. And there's both a legal and ethical expectation the crew will maintain complete confidentiality about what happens on board."

Which isn't to say that floating pleasure palaces are only ever used for recreational purposes.

"There are some who like to keep their boating and business lives very separate but marinas are a place where key people in different industries are likely to bump into each other and sometimes they'll decide to collaborate. It's impossible to quantify but I'm sure plenty of business deals are started or sealed on boats," says Finkelstein.

When to set sail

If you're still interested in buying your own superyacht at this point, both Finkelstein and Morris counsel taking your time, doing your research and consulting the experts.

"I'd advise employing a buyer's representative if you want to get a boat but don't currently know much about them," advises Morris. "If you're not going to do that, do your homework and compare what different brands offer. Also spend some time thinking about what cool toys – SeaBobs, jet skis, jet-driven tenders, submarines, helicopters – you want on board and how that will affect the price.

Finkelstein suggests hopping on a friend's boat or chartering one to make sure you like it first. "If you do still want to go ahead after that, realise that a boat isn't a good investment – it's something you'll lose money on. Though if you buy well you should be able to sell well."



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