All the yacht, a fraction of the cost

A Florida company offers partial ownership of megayachts, with owners sharing common expenses

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Megayacht buyers seem to have the same quandary as many other boat owners in justifying how much money they spend on a vessel versus how much they use it. Monocle Yacht Management gives its top-drawer clients the option of owning just a piece of a luxury yacht to make ownership more palatable.

This fractional, or shared, ownership also opens megayacht ownership to a lot more people, says Loren Simkowitz, president of Fort Lauderdale, Fla.-based Monocle. "It makes yachting affordable to anybody," says Simkowitz.

Well, maybe not anybody.

Fractional ownership enables wannabe megayacht owners to buy into a yacht, which entitles them to use it a certain number of weeks a year — typically four weeks for every 10 percent they own. "Instead of spending $5 million, you spend $500,000," Simkowitz says. Most of the fractionally owned boats Monocle manages are 68 feet or larger.

But fractional ownership isn't just about giving people who ordinarily couldn't afford a 70-, 100- or 150-foot yacht the chance to own a piece of one, says Marty Busekrus, Monocle national sales manager.

"We started out managing big yachts for owners," he says, and Monocle still does that. "When our owners were unhappy, typically they were just unhappy with the amount of money they were spending and the amount of time they were using their boat."

Fractional ownership allows owners to invest sums more in line with how much they use the yacht. They can use all of their ownership time themselves, or allocate all or part of it to paying charterers. Most of Monocle's fractionally owned yachts typically have three to five owners. More owners would reduce flexibility in scheduling their use of the yacht. Monocle keeps a three-year calendar of owner reservations.

Monocle's Web site *(www.monoclemanagement.com)* lists a 120-foot Westship that is still under construction at $1.2 million per ownership share; a 2002 97-foot Hargrave for $375,000 a share, and a 1999 66-foot Ocean for $100,000 per share. Monocle also lists a 237-foot wave-piercing Oceanus with 20 staterooms for corporate fractional ownership at $3.5 million a share.

Monocle manages the fractionally owned yachts for their owners, and assigns permanent crew to them. Owners share common expenses — management fees, crew payroll, and costs of repair, insurance, accounting, inspection, supply, satellite TV, and e-mail and voice communications service. While on board, owners are responsible for their own food, liquor, fuel, dockage, personal e-mail and telephone calls. Busekrus says major decisions, such as new engines or a refit or change of cruising grounds, are made democratically. At least 70 percent of the owners must agree to big, new undertakings.

Fractional yacht ownership has been tried before and failed. Hatteras Yachts tried it for a time in the early '90s. Busekrus says managing the yacht for the owners instead of dumping management responsibilities in their laps makes the difference in minimizing the hassle factor and helping shared boat ownership succeed.

Simkowitz — yachtsman, former owner of a big real estate management firm, and one-time board member of luxury yacht builder Broward Marine — has managed yachts for 15 years and offered fractional ownership for two.

He says 75 percent of his fractional owners previously have owned sizable boats.

"They've been there, done that, and they don't want to do it anymore," he says. "They want all the benefits [of yacht ownership] with none of the headaches — at a fraction of the price. ■