

## Frequently Asked Questions – Charter Yacht Ownership

### **What does YACHT Solutions do? Why should I make use of YACHT Solutions services?**

Owning your own yacht will normally cost you about ten percent of the purchase price in overheads per annum, plus considerable personal time and effort for management, maintenance and care. As a sensible alternative, YACHT Solutions offers yacht management programs with revenue that significantly reduces your cost outlay yet still gives you the benefits of ownership. Day to day operations and management are all looked after while you get a stream of revenue. You don't have to worry about anything. Just book the boat and enjoy!

### **What does it cost and what exactly do I get for my money?**

Once you have decided on a particular boat, it is priced out as per its equipment and options. This will be part of the Sale and Purchase document. In most cases the purchaser puts in an order for a boat to be built for them.

### **How often can I use the yacht?**

Different operators offer various Terms & Conditions for their program. Your YACHT Solutions representative is an appointed agent and can explain any details or conditions of the various charter operators. For the most part, most of the operators are offering 6 to 12 weeks of usage per year.

### **Where are the yachts stationed?**

The operators typically have a fleet of boats at their designated bases around the world. This could be an important part of the deciding criteria for the purchasing owner. This is because the owner is granted access to not only their boat but others like it at other bases around the world.

### **What models and brands are available in these programs?**

Every operator aligns with certain manufacturers and has boats built that are in demand and configured for charter use. Beneteau, Bavaria, Cruisers, Sea Ray, Jeanneau, Leopard, Lagoon and Fountaine Pajot are popular manufacturers making boats for various operators.

### **Can I see the yacht and try it out before committing?**

Chartering a similar boat first is a great way to try out the lifestyle, test drive the boat and experience the operations of the charter company. Further to this, you can request all the legal documents for the transaction for your review prior to the purchase.

### **Will I have access to other yachts in the fleet?**

Most of the charter operators make this a selling point of their program.

### **How do I make a reservation?**

Most of the operators have dedicated people to look after the owners requests in order to provide a high level of service and be able to cater to their specific needs.

### **Who pays if a charter client damages the boat?**

The charter operator looks after any liabilities and obligations of the charter renter. There is insurance and security deposits in place as the charter operator is ultimately responsible for any claims.

### **How is my yacht looked after and kept up with service?**

Most operators have a standard of service that is outlined in their Terms & Conditions. There is also a contractual obligation for the condition of the vessel after its term prior to delivery to the owner.

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### **How do I get financing for a charter yacht?**

There are financial institutions that specialize in boat mortgages for charter yachts. Every owner has their own unique situation and requirements, therefore YACHT Solutions can advise what options are available and make recommendations if requested.

### **What if I prefer to finance through my own bank?**

Many owners prefer to work with a financial institution they already are setup with. This is fine and we can assist in providing the necessary information and documentation that they require in order to secure the loan.

### **Do you offer legal and accounting advice?**

We are familiar with many of the conditions and laws that would apply to this type of ownership and because there are several countries to take into account, we will recommend you consult a legal or accounting professional familiar with those federal laws. We can certainly recommend professionals that we have worked with to assist you with this.

### **Can you provide a profit and loss projection for the boat I want to buy?**

Absolutely a pro-forma document is drawn up for your intended purchase, so you have full disclosure of the numbers.

### **Can I trade in my existing boat or use it in the charter program?**

Most of the operators have an internal brokerage house so providing your boat is in their area, it may be possible to use as a trade. Charter boat operators like to configure their fleet a certain way for consistency, however under Fractional Yachting or Fractional Ownership Programs, YACHT Solutions does work with late model boats provided the type of yacht is in demand.

### **What is the value of the boat after the charter period of up to 7 years?**

Boat values tend to fluctuate with the current economic conditions, however past performance is what we like to suggest for a true evaluation. One of our charter operators has documented that the last 10 sales have represented a 55 – 70% market value of the purchase price after the contract term.

### **Do I pay taxes on the boat income?**

Depending on the laws of your country and jurisdiction, you may be required to claim this revenue.

### **Who is the actual owner of the boat?**

The actual owner is the corporation or individual that makes the purchase. They are on title and have the vessel registered in the area that they reside.

### **Are there any costs for my personally allotted weeks of use?**

Most of the charter operators have a cleaning or turnaround fee plus fuel but there is no actual cost to chartering the boat providing it is within the Terms & Conditions of the Owner Agreement.

### **What happens if the operator goes out of business?**

A charter operator has many obligations to you the owner and other suppliers and people they do business with on a day to day basis. We feel it is very important to represent only the most established companies in the business most of whom are public companies. As an owner you want to be confident that they will be around to look after and manage your vessel for the term. Nevertheless there must be consideration given and a plan of action should this occur.