

Old is gold - Superyacht Investor

By Conor Feasey July 5, 2022 10:59

While many are enjoying the superyacht industry's new Roaring Twenties of the 21st Century, 100 years ago, revellers were donning pin-stripe suits or flapper dresses, dancing the Charleston and cruising aboard wooden superyachts.

Today, the restoration of those classic superyachts is big business. Recently, Earl McMillen III of [McMillen Yachts](#) and Guggenheim Partners CEO, Mark Walter, rescued a 105ft (32m) vessel destined to be scrapped. Designed by naval architect John Trumpy and built in 1929, the wooden yacht will now be restored and used as a pleasure craft once again.

"What we have done over 25 years is syndicate partnerships with classic superyachts," McMillen tells Superyacht Investor (SYI). *"We are like NetJets for classic yachts in America. With the Mark Walters yacht, we are a partner and will continue to maintain and manage the vessel once the restoration is complete."*

Having restored and sold classic yachts for more than two decades, McMillen realised that larger superyachts could be saved by forming partnerships with potential owners. By using schemes such as fractional ownership, McMillen sells shares in recently restored yachts to clients who want to enjoy the classic yachting experience.

"Our clients are people who have the money to buy and restore the yacht, but it is the management and maintenance where the real costs tend to lie," says McMillen. *"This is a perfect opportunity for owners to buy a share for as a little as 5% and have access to the vessel across the US."*

Owning a classic yacht is not an inexpensive proposition. Much like classic cars, restored classic yachts, maintained properly, arguably retain their value better than new-build yachts. *"They're not making any more classic superyachts,"* says McMillen. *"So, if there's a finite number of them left, there is value in that."*

Whilst investors may not have received a return on maintenance costs, clients were able to see a return on capital expenditure. *"We have had instances where buyers have bought, restored and used a superyacht for several years and then sold it for more than they bought it for."* A classic yacht will appreciate in value. A new-build yacht can only go down.

So, show us the money. What prices can older superyachts command? PrivatSea is offering the 250ft (76m) *M/Y Lady Sarya*, built in 1972 by Rinaldo Gastaldi in Nuovi Cantieri Apuania in Marina di Carrara, Italy, [for a cool \\$18.75m \(€18m\)](#).

The 182ft (55.5m) *Rio Rita*, built by Feadship in 1984, is offered for sale at \$13.2m (€12.7m), [according to Boat International](#). Her older and bigger sister, the 236ft (72.25m) motor yacht *Bleu De Nimes* (pictured), built in 1980 with space for 28 guests, [is offered for sale by Edmiston](#) at about \$49.13m (€47m).

Current refit yards are also discussing the potential for classic superyacht renovations. Rob Papworth, operations manager, MB92 La Ciotat tells SYI that classic yachts have recently been a topic of conversation amongst board members. *"Now, you're almost kind of seeing a full circle in the way people are going back to these types of boats."*

Depending on the project, Papworth tells SYI that the restoration process can be incredibly expensive and that shipbuilding techniques have arguably advanced to far superior standards.

Sustainability is at the forefront of discussions as the industry prepares for the future. But it is the classic yachts of yesteryear that are making industry leaders reassess current methods of production. *"Yachts from the past were more environmentally friendly because they're longer and thinner and [displace a] much smaller volume [and therefore consume less fuel]. And wood is a far more sustainable material,"* says Papworth.

There is an argument however that new-build yachts offer better technology and more sustainable fuel consumption compared with the vessels of the early to mid-20th century. That could make them obsolete by modern standards, according to some.

McMillen tells SYI: *"Simply put, we aesthetically restore the yachts to their former glory. But we install all the latest engines and technologies you would find in a modern-day superyacht of a similar size."*

While some may dispute that modern shipbuilding techniques are far superior to the superyachts of the 20th century, it is worth noting that many vintage yachts remain in service. Papworth says: *"It's almost a process of natural selection. The bad ones have sunk. But the ones that were really well built are still around today."*

"Yachts were supremely built 80 to 100 years ago, using the finest materials," says McMillen. *"And if the boats are properly maintained, they will live on for another hundred years."*



Pictured above, Earl McMillen III stands with 104ft (31m) Freedom, designed by John Trumpy and built in 1926.

Freedom at last: Below the fantail motor yacht hits the water after a complete restoration by McMillen Yachts.

