

Why use a Broker?



Why pay a Brokers Commission?

A good broker casts his nets far and wide searching for a potential buyer for your boat and brokerage charges range widely between 3 – 10% between small companies and larger organisations. Remember no sale no fee, so if you find a broker to sell your boat for 3% good luck, but you are more than likely to achieve a quicker and better sale price through a specialist, and you may find that the broker is well worth paying the top rates and end up saving you money.

The industry standard rates are lower in Europe than the USA where the industry rate of commission is normally 10% fixed, whereas most brokerages in the marina will get some photographs of your boat in their shop front, put it on their own website and perhaps stick it on Yachtworld.

We recommend on certain vessels that you opt for the international rate. This will put your vessel in front of a global audience. Many yacht brokers throughout the world will look for a yacht available for co-brokerage where they will demand a 50/50 commission split with us. Industry rates for co-brokerage in the USA and Canada would be 5% of a 10% set commission.

The biggest reason for someone not wanting to use a broker is obviously nobody wants to pay out these brokers' commissions, preferring to try to sell the boat themselves. This is fair comment, but there are lots of reasons that a broker can justify these high commissions. It is fair to say that the profit that any broker ends up with is not that great. More often than not he will end up doing a 50/50 split with another broker in his network.

A yacht broker does not earn any commission on the boats they nearly sell, which involves just as much work as the ones they do sell.

Our advertising budget at Worldwide Catamarans is huge, advertising on all of the major search sites, boat shows, travelling, hotels, staff, so overheads are extremely high.

Many people who try to sell the boat themselves soon give up and go to a broker anyway, as the commission paid was often less than what they would have ended up reducing the cost. Each month the boat is not sold, the mooring costs, depreciation, maintenance all take their toll on the lump sum left over in the sellers' pocket.

We have just recently had a client contact us a year on from saying that our commissions were too high and he advertised the catamaran with a broker in our local marina who was charging 3% (€7,800) commission for €260,000. He did not sell it. They put a picture in the window of their office, put a sign on the boat and advertised it on their own website and on Yachtworld.

They also hire video's, run a supermarket from their shop, normally with one person serving customers on the till answering the phone for brokerage and booking charters.

We advertised the cat for three weeks, sold it within a month for €240,000 via a broker in the USA charged 10% commission at €24,000 split between us at €12,000 each.

Now the customer knew he was going to end up reducing the price by say 10,000 anyway, but with depreciation bringing it down even more at 10,000 with another years mooring here at €13,000 per year, the bimini got damaged in a storm and cost another €2,000 to repair!

We even had a buyer for the boat at the time a year ago and the other broker could not do a split commission as there was not enough in it! We ended up finding an alternative boat in our network which the buyer purchased.

Believe it or not it is sometimes harder to find boats to sell and add to our listings than it is to sell the boats, quite often we have run out of stock at certain times of the year.

Ten good reasons to use a Yacht Broker

1: You need a Referee.

OK, if somebody insults your Mother you will probably get very angry, somebody insults your boat you will probably punch them between the eyes!



You and your trusty boat will have been through a lot together and she has kept you, your friends and family safe literally through hell and high water. She has become part of the family or like an old friend. There will be a tear in your eye when you part company, so it is quite understandable that anyone would be prepared to listen to their old friend being insulted!

Unfortunately most buyers think that by making you feel bad about your pride and joy that it will be easier for them to get you to reduce the price.

They will be extremely picky and search for and find minor faults, blemishes problems etc, which you did not even know you had, with relish, believing that if they can find as many problems as they can they can knock the cost of the repairs off the purchase price.

A small chip in the gelcote will be disastrous and in danger of sinking the boat, hoping that you will be so pleased that they found all of these terrible issues with your pride and joy and that they will do you a big favour take the old shed of your hands for half the asking price!

The fact is also that the person that is in the best position to reduce the price is you the seller' and guess what he normally does!

2: Valuation.

A broker should have an idea, after doing some research and give you a realistic valuation of your yacht and be a trained negotiator and normally should get you a higher price for your boat than you would otherwise have realised. A broker can only advise you on the value, but at the end of the day it's your boat, but it really is how much you are willing to let it go for and how much someone is prepared to pay for it, and how quickly you want it sold. You may see other similar boats of the same year advertised, but some of these boats have been advertised at a high price for years and not budging. What they are advertised at and what they are eventually sold for are two totally different things.

3: Advertising.

Worldwide Catamarans advertise on all of the major search mediums such as Yachtworld, The Yachtmarket, Boatshop, Apollo Duck, etc, and our own website unsponsored is normally right at the top of the search criteria. We also send a regular newsletter to over 45,000 potential buyers throughout the world.



We are extremely active on Facebook, Google+ and we link Twitter and the main social media sites, which undoubtedly help to boost our ratings on the internet searches.

Incidentally, while you are reading this please check out our Facebook page and don't forget to "Like us" as it will really help us increase our rankings!

Our key success is working through our network of catamaran specialist brokers on a global scale and also have an in-house team including our own pet web guru and media experts to keep us in front of potential purchasers.

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Our key success is working through our brokerage network of catamaran specialist brokers in all parts of the world, working with these brokers on industry rates. We have the largest network of specialist brokers in the world.

4: Panning for Gold.

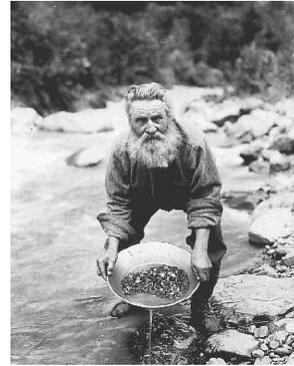
These days the internet has changed the way many buyers, sellers and indeed brokers work. It would be easy enough for you to advertise your boat yourself on the Internet and wait for the phone to start ringing and believe me it will ring!

Without being derogatory to buyers selling a boat is like panning for gold. You have to pan a lot of gravel to get some!!!

The first question that the buyers will ask on the phone 9 times out of 10 is *"what is your best price"* or *"what is the least you will take"*.

Once you have been beaten down they will say that they want to view the boat and possibly go for a sea trial.

Of course on the day of viewing after you have paid out for flights, driven 75 miles to your boat, spend a day or two cleaning and tidying up, doing a few last minute jobs to show the boat in its very best light.



If the sun is out your prospective purchasers sometimes arrive with their friends and family equipped with sandwiches, beer and wine ready for a nice day out sailing, or they will not turn up at all, not bother to call you, so you are waiting and waiting, and waiting and eventually the penny drops, they are a no show! Or you get a call saying that they could not make it as they had to take their tortoise to the Vet, which coincidentally normally happens if the weather is cold wet and the sea is choppy.

OK, you have someone that is serious, they see the boat, they like it and now they say to you they will buy it if you replace that worn sail or even the knob on the cooker that has dropped off, so rather than mess around with it you agree to knock it off the already reduced price, rather than lose the customer.

Then the buyer will announce that they would like a qualified surveyor to inspect the boat.

So a survey is booked two weeks later and the surveyor requires the boat to be lifted out, which you agree, take a day of work and get it to a travel lift. The survey takes place and the surveyor come up with a long list of small items that need taking care of and maybe a couple of big ones that you did not even know about.

This makes you feel like that your boat is a shed and almost worthless! Yep, you guessed it; the buyer gets a quote from the most expensive boatyard in the area for the work to be done and asks for a reduction. You either give in or the buyer walks away. You have lost another month! and another months marina fees. Worse still there was no contract in place and you get left with the lift out charges!

After three or four attempts a brokers' commission, will not sound so bad!

5: The Negotiation.

Believe it or not many buyers feel more comfortable in a broker negotiating on their behalf and the seller generally feels the same. A seller is too personally attached to his boat, and can confuse general comments made by the buyer as personal insults.

The buyer will also be worried about insulting the seller, so he will not say things to the seller that he would have no hesitation stating to the broker. This means that you would not know why they did not like the boat!

It may have been easily resolvable, you will never know.

6: A job is not finished until the paperwork is done.

When you purchased your yacht you may have accepted a receipt written on the back of a cigarette packet saying “sold as seen, tried and tested one boat” but it is doubtful that your buyer will make the same mistake.

These days clear title on any yacht can be difficult to prove without adequate paperwork. In fact, the biggest reason for sales falling through is lost or nonexistent paperwork. These days a few dog eared photocopies will not suffice either as “original” documents or “notarised” documents will be required in most cases.



A broker's job is to ensure clear title of the vessel by making sure that all relevant paperwork is produced by the seller, if not help track down history, obtain duplicates, where necessary hold deposits in a client account, or in ESCROW until the sale goes through.

A broker will also draw up a Sales Purchase Agreement between the buyer and seller, which is a legal document and work with a marine lawyer or marine documentation specialist if required. He will also have contacts of marine surveyors in most locations. We, at Worldwide Catamarans can always track down a qualified surveyor experienced in catamarans, which is an important factor, when buying this type of yacht.

He buyer may need to purchase the yacht through a SPV (Special Purpose Vehicle) company, for various reasons, in which case we can help set this up, obtain correct documents and information.

If the client needs finance then a broker normally works with several marine finance suppliers to help top up finances, if needed and can generally arrange marine Insurance.

7: TAX does not have to be taxing, yeah, right!



Most good brokers understand VAT laws and can pass you on to a proper marine VAT advisor or help with any VAT issues themselves. Please note that there are as many people looking for a boat that is not VAT paid as there are clients looking for VAT paid ones! Again if you say your yacht is VAT paid, prove it!

9: Global client base.

Worldwide Catamarans are used to working with clients from many nationalities from all over the world and if we have to call on translators to help us out, we have many contacts to help with the sale of your boat.

If the economy is bad in one location and boats are just not selling, it is nice to know that there are other economies in the world that are booming, these prospective buyers are contacting us from the other side of the planet to come and view your boat!

Last year our clients were from the USA, Australia, Germany, Sweden, Russia and China, with only one British buyer.

Many Australians or Americans will want to explore the Mediterranean and buy a yacht in France or Spain or even a small boat in the UK come through the French canal system and start their adventures this side of the pond and visa versa.



10: We are nice people to do business with.

We are a family company making our living from specialising in our passion for catamarans, but selling any type of vessel anywhere in the world.

We love what we do and it shows!

We go the extra mile to find a client for your boat.

We try to see each yacht we have listed and take our own photographs where we can.

We accompany the buyers where possible to view the boat, hiring cars, collecting them from the airport and taking them to the boat if the owners are not available. I have spent time cleaning the boats up before the buyer gets there to show the boat in its best light. I have cleaned boats in 20 degrees below in Gothenburg, icy decks in Cork, sweltering temperatures in Valencia and St Lucia.

We hope you choose Worldwide Catamarans to sell your boat for you and you will not be disappointed.

Graham Stimson

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