



# SAILCLUB CROATIA

## *Guide to yacht charter management*

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CEO**



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*Introduction*

*Why charter?*

*The typical lifecycle of a charter yacht*

*Catamaran versus Monohull*

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# About Sail Club Croatia

## OUR RICH HISTORY

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We are yacht charter management company based in Marina Kastela (Split area) with 20 years of experience in yachting business. We can assist you with buying the right boat, marketing, finances, technical maintenance or you can use our experience and individual approach in booking the best sailing holiday. Learn about yacht investment. This is what we do best.





A sailor's joys are as  
simple as a child's.

BERNARD MOITESSIER

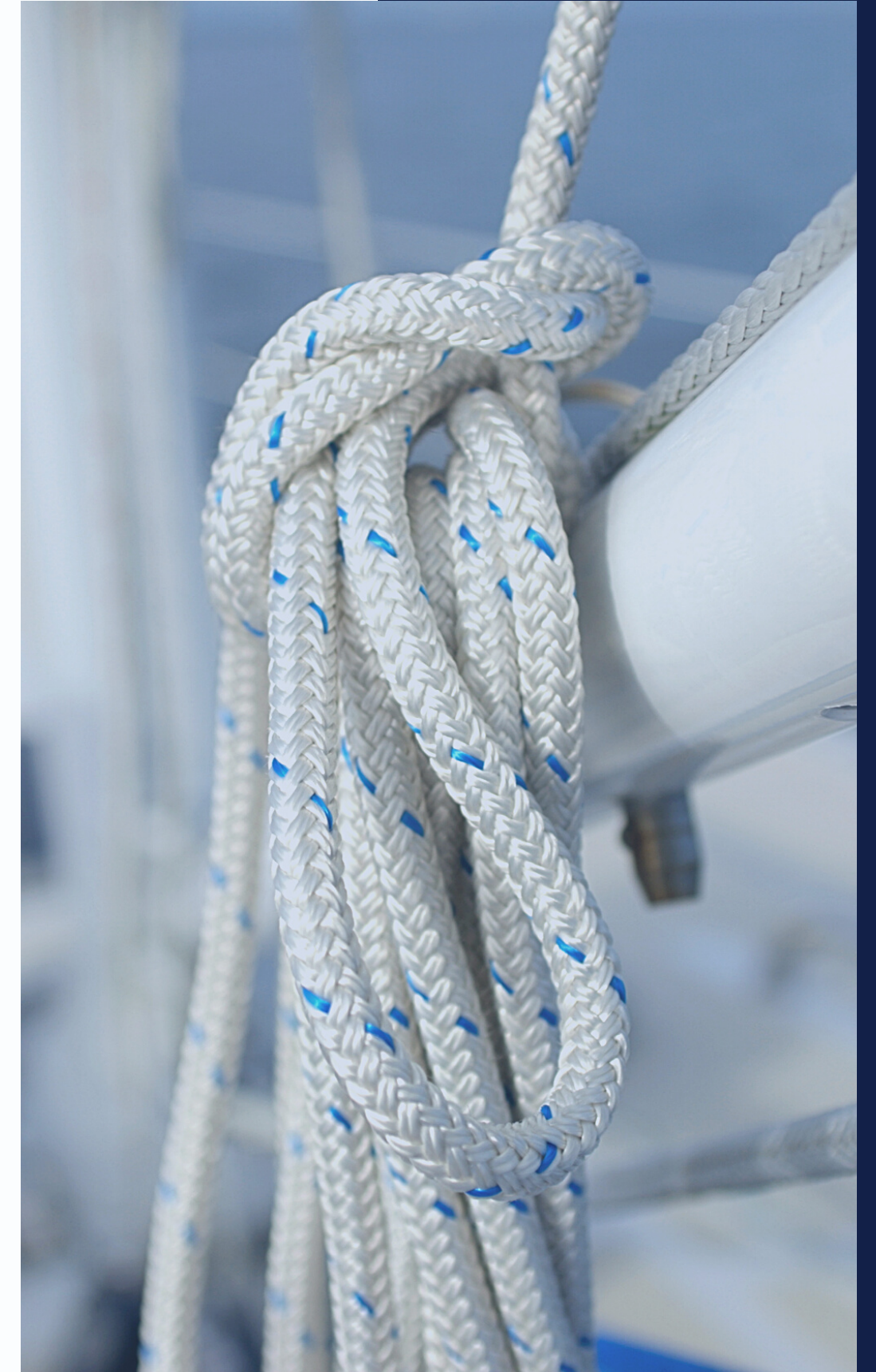


# The Sail Club Croatia Beliefs

## OUR MISSION AND VISION

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At Sail Club Croatia we always strives to deliver feeling of happiness and fun to our clients and business partners. That wouldn't be possible without hardworking and reliable team of people who are doing their best to bring unforgettable sailing moments. I truly believe that our biggest strength is our carefully selected team.







**SAILING YOUR WAY SINCE 2003!**



# Why charter management?

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If you are thinking about acquiring a yacht and placing it into charter, this guide is for you!

Charter yacht ownership can be rewarding financially, and in terms of lifestyle, and cruising experience. But it is important to ensure that the yacht you acquire is optimized to maximize achievement of the objectives you have in mind.



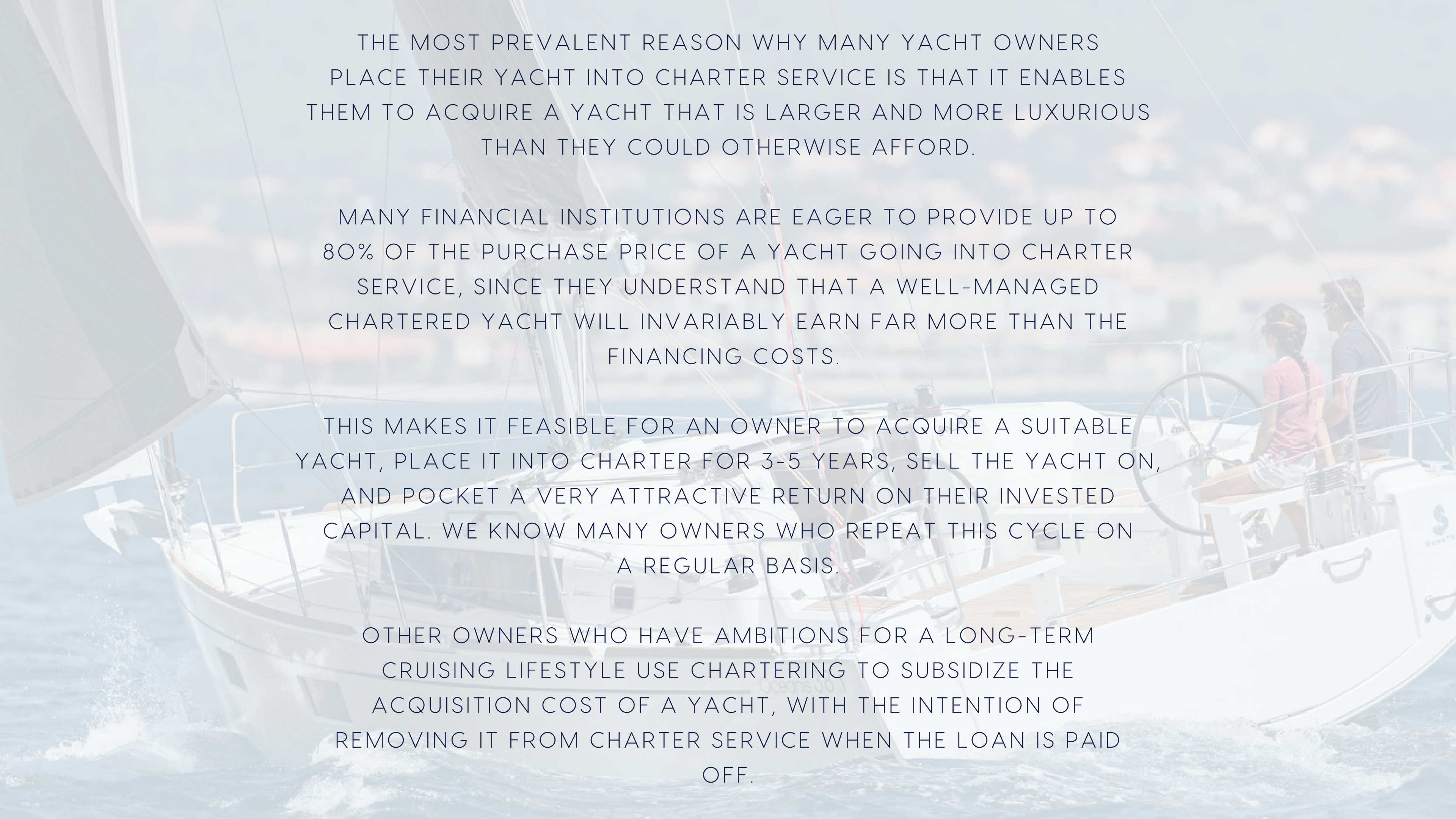




CURRENT SAILORS/OWNERS

25





THE MOST PREVALENT REASON WHY MANY YACHT OWNERS PLACE THEIR YACHT INTO CHARTER SERVICE IS THAT IT ENABLES THEM TO ACQUIRE A YACHT THAT IS LARGER AND MORE LUXURIOUS THAN THEY COULD OTHERWISE AFFORD.

MANY FINANCIAL INSTITUTIONS ARE EAGER TO PROVIDE UP TO 80% OF THE PURCHASE PRICE OF A YACHT GOING INTO CHARTER SERVICE, SINCE THEY UNDERSTAND THAT A WELL-MANAGED CHARTERED YACHT WILL INVARIABLY EARN FAR MORE THAN THE FINANCING COSTS.

THIS MAKES IT FEASIBLE FOR AN OWNER TO ACQUIRE A SUITABLE YACHT, PLACE IT INTO CHARTER FOR 3-5 YEARS, SELL THE YACHT ON, AND POCKET A VERY ATTRACTIVE RETURN ON THEIR INVESTED CAPITAL. WE KNOW MANY OWNERS WHO REPEAT THIS CYCLE ON A REGULAR BASIS.

OTHER OWNERS WHO HAVE AMBITIONS FOR A LONG-TERM CRUISING LIFESTYLE USE CHARTERING TO SUBSIDIZE THE ACQUISITION COST OF A YACHT, WITH THE INTENTION OF REMOVING IT FROM CHARTER SERVICE WHEN THE LOAN IS PAID OFF.



# Typical lifecycle of a charter yacht



New yachts placed in charter typically have higher utilization (i.e. more weeks of charter revenue per year) and command higher charter rates (i.e. amount paid per charter) than older yachts.

Generally-speaking, a yacht will continue to attract higher utilization and rates for 3-5 years from the date of manufacture. However, each year, newer yachts enter the fleet and earn slightly higher rates. After the initial 3-5 years, utilization typically starts to decline and charter rates are lowered to attract customers who are more cost-conscious. At the same time, after 3 years, the manufacturer's warranty has typically expired and maintenance costs start to increase.





*After 5 years, it is usually time to start replacing sails, rigging and other systems. While the yacht still has many years of service to offer, it becomes increasingly difficult for the yacht to compete against newer charter yachts. As a result, many charter yachts are sold at this time to cruisers who enjoy them for many years to come. Yachts that are 5-8 years old may continue to generate some revenue as part of the "value" fleet. While some yachts may remain in charter after 8 years, by then many yachts have been retired from the charter fleet.*



# Catamaran vs monohull



## *PROS*

- High initial stability, no heeling
- Combines luxurious common areas with spacious cabins for 3-4 or more couples
- Excellent platform for island cruising



## *PROS*

- Higher final stability, will recover from a knock-down
- Easier for novices to handle
- Many consider it a more suitable platform for long-term offshore cruising

# Catamaran vs monohull



## CONS

- Higher initial cost than equivalent length monohull
  - Higher complexity and maintenance costs due to two hulls, duplicate systems
  - Requires somewhat higher helming skills



## CONS

- Less spacious than equivalent length catamaran
  - Some people new to sailing do not enjoy tendency to heel on a passage or rolling in an unprotected anchorage



# Optimal size and layout for charter



- How large should a charter yacht be? Key considerations related to size include:
- Market demand: in general, the charter market is increasingly interested in larger boats (50'+)
  - Cost: the initial price increases with length, but so do charter fees



For charter purposes, it is much more desirable to select a layout that maximizes the number of relatively equal-size cabins, each cabin with its own private head with toilet, sink and shower.



# Key features for charter vessels



Air-conditioning  
and generator



Dinghy on davits  
or garage



Bimini or hard top  
and sprayhood



Bluetooth-enabled  
stereo



Electric winches  
on larger boats





*Croatian or EU flag?*



# Croatian company & flag



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- In Croatia, the easiest way is to open up a company (can be done in 1 max 2 days)
  - The cost is cca 500 euro - for paperwork and public notary, and you need to deposit 20.000 kn (a bit less than 3000 eur) on your bank account as capital, which can be taken back the day after company registration.
  - Depending on a deposit for the boat, leasing can easily be approved with a signed charter management agreement with us.



# Croatian company & flag



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Through our well-established contacts with a notary office and translators as well as an internal accounting firm, we can very easily help you with all the necessary details to open a company in Croatia.

During the year you will have a total of 4-5 outgoing invoices and the same number of incoming invoices.

We charge you for maintenance and marina, you charge us for charter income.

There is an obligation in Croatia for monthly VAT reports, yearly balances, and profit&loss reports.

All of this + invoicing is the bookkeeper's job, who is familiar with the charter business since she has been in bookkeeping for the last 20 years (charter and non-charter companies).



# Steps in company opening

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1. Choose a company name (can be your name, or anything in Croatian or Latin, sometimes English), we need to check if the name is available
2. need to have a Croatian address - you can use Sail Club Croatia address
3. we need VAT numbers for all company owners (owner can be a private person / a foreign company or both/mix) in order to get them we need passport copies
4. when agreed we book a public notary and translator for you to come and sign everything
5. same day we go to the bank and open the business account (make a deposit in the amount of 20.000 kn)
6. after cca 2 weeks, all paperwork is done
7. need to make company stamp (contains name and VAT number)
8. The company is officially opened



# Boat financing

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We do assist you with financing-your boats with primarily Croatian Banks. These banks understand well the process of financing boats and have a proven track record of being competitive with interest rates.

We work closely with Erste and PBZ leasing companies. On both of their sites, you can find a calculator as a practical tool with which you can easily calculate the monthly installment and find out which repayment model best suits your needs. Enter the amount, determine the percentage of the initial benefit, and find out what your repayment will look like based on the given time periods.



# EU company & flag

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- You choose which flag and where the company will be registered

- we sign a charter management contract (2 options)

## **OPTION 1: BOAT LEASE CONTRACT**

- no invoices are issued, you get monthly calculations and at the end of the year we make a balance (income - costs = profit)
- profit is paid to you as a lease for the boat

## **OPTION 2: NORMAL CONTRACT**

- all invoices are issued to your company, you have VAT to be paid for each invoice, costs are compensated, we do monthly payments toward your company, reverse charge VAT invoices
- need to have a bookkeeper





# EU company & flag

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Croatian leasing companies do not finance EU owners  
So boat financing needs to be solved by the owner.

The owner is in charge of yearly insurance, boat registration papers.

The boat needs to be inspected each year by an official agency (bureau veritas) and needs to have a vignette.



# Conclusion

We hope that this brief guide has answered some of your questions about charter yacht ownership.

If you would be interested in chatting with us further, we encourage you to contact us and get more details and quotes for certain boat types.



# Sail Club Croatia

GET TO KNOW US!

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MARIJA SEKULIĆ DUMANIĆ  
CEO



STJEPAN KNEŽOVIĆ  
Base manager



ANA BARABA & JELENA  
VULJAK  
Booking & administration



TINA MAĐOR  
Marketing officer





# *Find Us Online!*



INSTAGRAM



FACEBOOK



WEBSITE



# Get in Touch

FOR QUESTIONS AND SUGGESTIONS

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