



Yacht goes around...

Plain sailing: Investors in Earl McMillen's restoration business can take out the 1928 classic yacht, Onawa, on the high seas, or enjoy a more leisurely time on the Enticer, below

Earl McMillen III is not a big fan of modern yachts. When he sees them out on the water around his boatyards in Newport, Rhode Island, or Beaufort, South Carolina, it troubles him.

"The grace and form is just not there," he says. "The engines they can put in a modern power boat will push pretty much anything, so you'll see these big ugly monstrosities going through the water, pushing up these tremendous wakes. Classic yachts were designed to go through the water easily and they're just much more beautiful to look at. There's a lot more to going out to sea on one of these wooden yachts than [in] a plastic boat, in my opinion."

McMillen's opinion is not surprising: he has spent the past 21 years rescuing old yachts, restoring them and then sailing them. Over the years, he has found others who share his passion.

While plenty of wealthy people can afford to have new multi-million-dollar yachts built to order, one-of-a-kind vintage yachts – those designed or launched before January 1950 – are rare and in high demand. Aside from having a scarcity value and offering a beautiful sight cutting through the water, these vessels are often cheaper and retain value better than their modern counterparts.

But finding one can be a challenge. The number of classic yachts in the US is dwindling, as many in need of restoring are being abandoned in boatyards or scrapped. "I do a lot of travelling and digging around in old boat-

... comes around as venerable old boats find an enthusiastic market. **Kathryn Tully reports**

yards," says McMillen. "Over the last 20 years, as waterfront real estate has become more sought after, a lot of old boatyards have been sold to developers and any old boats they have got with them. I've seen some wonderful boats, that weren't necessarily in horrible shape, bulldozed to make way for the next condominium development."

When McMillen realised 12 years ago that he did not have the cash to save more than a few old yachts on his own, he set up a fractional ownership business, McMillen Yachts, in order to rescue and restore more vessels. "A lot of people I met were happy to write a cheque to get involved in what I was doing, even if they didn't have much time to devote to this themselves," he says. "The partnership scheme gives them access to these magnificent yachts that you see very rarely these days, in a format that takes all of the hassle out of it."

McMillen is mainly interested in American-built motor yachts constructed between the first and second world wars, a period he thinks was a pinnacle in US design. Investing partners each pay between \$50,000 and \$350,000 for a minimum 5 per cent stake in a renovation project or a boat already on the water, each organised as a limited liability company. As well as maintaining their ownership

stake, investors can take the boat out for at least eight days a year for a preferred rate, or use another McMillen yacht if theirs is not available.

Aside from organising crews and schedules for the boats once they are launched, McMillen maintains the yachts and transports them. The boats spend the summer in Newport, Rhode Island, and are based at Beaufort, South Carolina in the spring and autumn. In the winter, the boats are relocated to Florida and the Bahamas. When a partner is not using one of the three

yacht Onawa.

Bayne Stevenson, a commercial property developer, has also been an investment partner since he came across one of McMillen's boats, a 77ft 1929 motor yacht named Belle, in Martha's Vineyard three and a half years ago. "She was beautiful," he says. "I talked to the captain about her and that's how I met Earl and came to invest in her. The great thing about it is that I'm busy and there's no way I can spend as much time on a boat as I'd like to. This way you can spend as much time out on the water as is available at a

so when he bought the 165ft Edwardian motor yacht the Kalizma for Jennifer Aniston, who was then his wife, in 1994. In another era, the Kalizma was owned by Richard Burton, who bought the vessel for Elizabeth Taylor to celebrate her Oscar win in 1967. The Burtons spent a lot of time on their love boat, which had five main cabins, a Van Gogh, a Picasso and a Monet and a Louis XVI-style four poster bed, as well as four crew cabins, eight crew and a French chef.

For McMillen, restoring classic yachts is a labour of love. He is two years into his latest three-and-a-half-year restoration project, a 1926 motor yacht called Freedom. Most projects have taken him about two years, but at 104ft, with five double state rooms, Freedom is his most ambitious restoration.

"Basically, I was the boat's last hope," he says. "She was awful. Her owner had recently died and I got a phone call from his nephew when the boatyard where she was being stored down in Florida were going to cut her up. They were afraid she would sink and they'd have a huge liability on their hands."

McMillen bought Freedom for the princely sum of \$100. The cost of renovation, however, is expected to be \$5m. "We've got to do everything, as well as rebuilding the hull, but when it's completed, hopefully she'll be very close to what she looked like when she was launched in 1926."

Despite the large commitments in time and money to restore these boats, McMillen says most of his investment partners have seen their interest appreciate, either when that interest has been sold to another investor, or when a boat is sold. "The minute a brand-new yacht leaves the boat builders' yard it's going to depreciate, I'd guess, about 20 per

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boats in service, they are available for charter.

Although other companies have followed McMillen into the fractional yacht ownership business, he thinks that his small family business, which employs only 30 people, including crew, is still the only one that offers this for classic yachts.

The concept appeals to people who want to sail, but do not want to commit the time and money to owning a yacht themselves. Teddy Turner, the eldest son of Ted Turner's, is an investment partner in the 70ft 1928

rate that's substantially less than chartering. There's a pride in ownership and you get to know your crew. It's been a very positive experience."

Stevenson had owned, part-owned or chartered wooden boats since he was 12. "You develop a love for them and they're very special. You look at the mahogany brightwork on Enticer [the 1935 85ft motor yacht he currently part-owns with McMillen] and she's just beautifully crafted."

Sailing a classic yacht is not just about aesthetics, it is about the romance of being on a boat with an illustrious past.

At least, Brad Pitt must have thought

cent," he points out. By contrast, the original investors in Belle spent \$40,000 on their 5 per cent interest 10 years ago. "We recently sold Belle for \$1.5m, so the original partners received \$75,000 back."

Doubling one's money over 10 years is not the most impressive rate of return, but the investment is secure as each boat is fully insured. It is the sailing experience that makes the investment worthwhile.

Part-ownership of these vessels also gives individuals access to an elite community. Classic yacht owners from all over the world congregate at the Antigua Classic Yacht Regatta every April, and McMillen plans to take Onawa to the Mediterranean in August. "We'll start in Porto Chevo in Italy, then move the boat up to Cannes for the 12-metre world championship," he says. "Then after going to Saint Tropez in October, we'll put her back on a ship and bring her back here to Newport."

Closer to home, the International Yacht Restoration School in Newport sponsors an annual cruise that brings together many classic yachts and every July Mystic Seaport in Connecticut hosts the Annual Wooden Boat Show.

McMillen wants to continue his restoration work so the boats that are still around can return to the water. "I think we're coming close to the point where either the boats have been rescued and restored or they've been destroyed," he says. "So already you're seeing people build replica classic yachts from scratch."

It all goes to show that while modern yachts may come and go, vintage yachts will always stay in fashion.



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