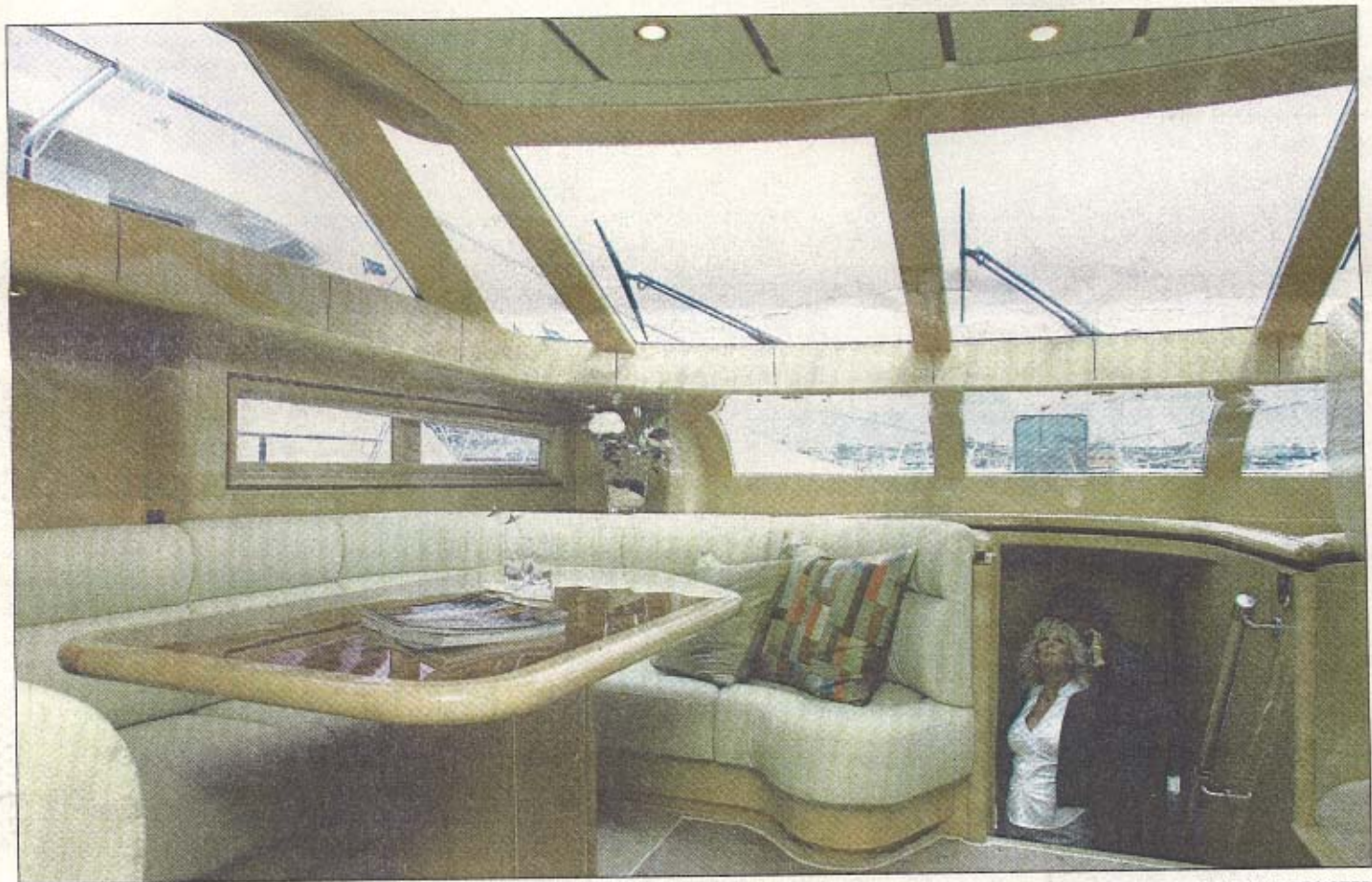


Awash in luxury



LEONARD ORTIZ, THE REGISTER

\$2.25 MILLION: Steve Messick, front, and Edie Montgomery tour the Dynamite, a 70-foot yacht that's on the market, at the 33rd Newport Boat Show on Friday. Local dealers say yachts are selling well, despite getting less than a mile to the gallon.

Yachts are hot in Orange County, with sales undimmed by soaring fuel prices. More than 300 big boats – a 50 percent increase over 2005 – are on in the Newport Boat Show. The largest “in-water” boat show in California, it runs through Sunday.

The typical yacht on display is worth \$1 million and features the comforts of home: washer-dryers, flat-screen televisions, outdoor grills and hot tubs. Some cruise at speeds approaching 50 mph. A 95-foot Brazilian-built boat, the Zembra III, is selling for \$4.1 million, not including the helicopter that lands on the top deck.

The show

Where: Lido Marina Village, 3400 Via Oporto, Newport Beach

When: 10 a.m. to 7 p.m. today, 10 a.m. to 6 p.m. Sunday

Admission: \$12, children under 12 free

Parking: Newport Tech Center, 500 Superior Ave., south of 15th Street in Newport Beach. Free shuttle.

Info: (949) 757-5959 or www.newportboatshow.us

“The size and price of toys the wealthy are purchasing is going up and up. Homes are bigger. Cars are faster. Boats are longer.”

VINCE KRIVANEK
GENERAL MANAGER OF FRASER YACHTS

STORY AND GRAPHIC ON MARKETPLACE 1

FOR SALE: The Zembra III, below, has six full bathrooms. The T/T Helios features twin 2,000-horsepower engines and detailing with wood from pear trees.



TODAY'S THEME
YOUR MONEY

MONEY QUESTIONS ANSWERED

Columnist Colin Stewart leads you through pros and cons of helping adult children buy a home. **Page 4**



\$3.1 billion
U.S. SALES OF POWERBOATS LONGER THAN 24 FEET, IN 2005.

SPEND IT
For almost \$40,000, you can tool around in your own cocktail cruiser. **Page 4**

Big boat, big money

The 95-foot Zembra III, built in Fortaleza, Brazil, is up for sale for \$4.1 million at the 33rd annual Newport Boat Show this weekend. This cruiser has everything one would need at sea: three staterooms, a satellite Internet connection, a hot tub and a full-size kitchen – and that's just the tip of the iceberg. Here's a quick look inside the yacht.



Wheelhouse: Located on the bridge deck, the wheelhouse is where the captain of the yacht spends most of his time driving. There's also a couch for lounging.



Sky lounge: Also known as the multipurpose room, this area has a full set of weights, an exercise machine, office equipment and a large flat-screen television for family movie night.

\$4.1 million

Cost to own the Zembra III

6

Full bathrooms with showers, plus a half-bath

9,100

Gallons of fuel to cruise 6,000 miles at an average 8.5 knots



Master stateroom: Full bathroom with shower, entertainment center, easy access to laundry room and tons of storage space.



Sources: Fraser Yachts Worldwide, Newport Boat Show

Luis Bravo and Laura Czingula / The Register

WHERE MOOR ISN'T LESS

With sales buoyant, Newport show features ultimate in luxury yachts.

By **JOHN GITTELSON**
THE ORANGE COUNTY REGISTER

There are yachts, and there are mega-yachts. The 33rd annual Newport Boat Show hosts more than 300 common-variety yachts, although it's hard to call them common.

The T/T Helios, moored through Sunday at the Newport Boat Show, is 88 feet long and sleek as a bullet. Powered by twin 2,000-horsepower engines, it cruises at 42 knots, or what landlubbers call 48 mph.

The Italian-designed yacht sleeps eight passengers and a crew of four in staterooms detailed with wood from pear trees. It comes with three flat-screen televisions, granite countertops and a washer-dryer. It's selling for \$4,995,000.

The T/T stands for "tender to," which means the T/T Helios is a mere servant for the mother Helios, a 194-foot mega-yacht now on a charter cruise in the South Pacific –



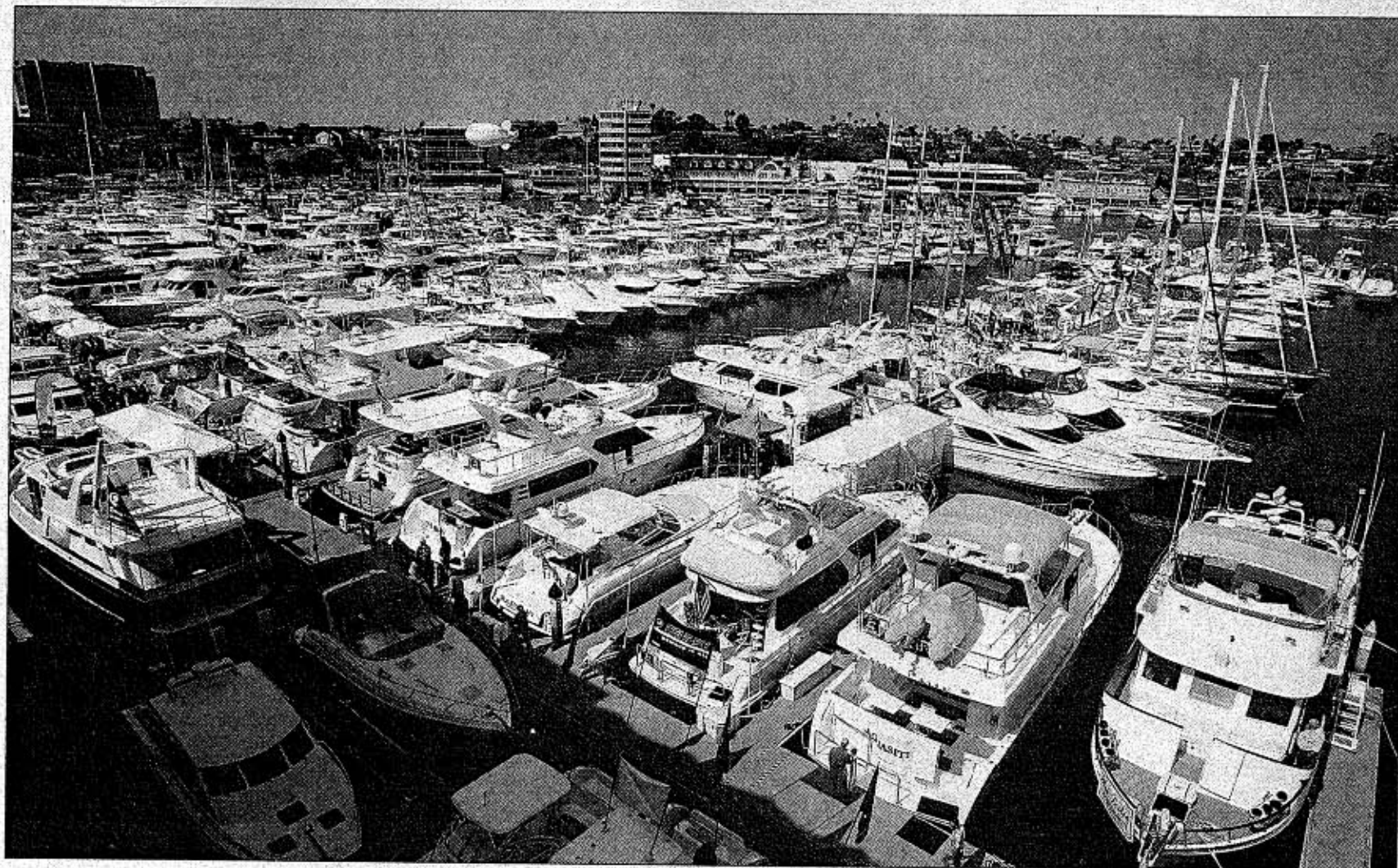
LEONARD ORTIZ, THE REGISTER

MAKE YOURSELF AT HOME: Flat-screen televisions and washer-dryers show up on some of the yachts on display this weekend.

and not for sale here. Mike Lloyd, captain of the T/T Helios, said his boat is "like a big limo to take guests ashore or the other side of an island."

Local dealers say these are good times for selling yachts, despite economic headwinds. In 2005, nationwide sales of powerboats longer than 24 feet sank 9 percent in volume and 7 percent in value to \$3.1 billion, according to the National Marine Manufacturers Association. But boat dealers here say they sold in record numbers, and this year's show, the largest "in-water" exhibition in California, attracted 50 percent more yachts than 2005.

Last year, California tightened a loophole that allowed many yacht buyers to avoid paying sales taxes, adding more than 7 percent to the cost of purchases. A new study by the state Legislative Analyst's Office said plugging the loophole add-



PHOTOS: LEONARD ORTIZ, THE REGISTER

DISTANT SHORES: Many yachts bought locally are registered offshore and moored outside Orange County, says Vince Krivanek of Fraser Yachts.

YACHTS: Sales defy gas prices

FROM PAGE 1

ed \$20 million to California's coffers without hurting yacht sales. California retained its No. 2 ranking behind Florida in total boat sales.

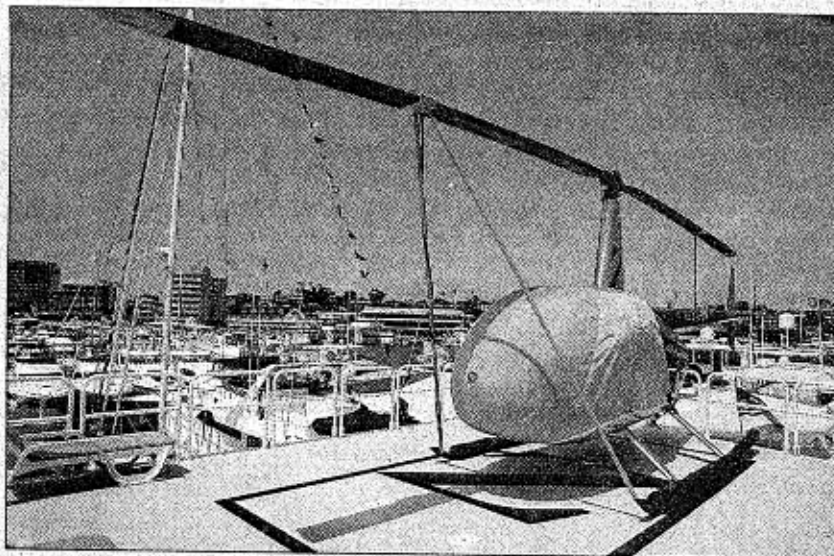
The Bay Area offers superb sailing, but the power boaters and big spenders are mostly in the state's Southern portion, dealers say. Bill Barrette relocated his **Altair Yacht Sales** dealership from the Bay Area to Newport Beach last year because he said Northern California still suffers from the post-dot-com blues. Barrette markets his yachts up and down the West Coast but says Newport is his best market.

"This is higher-end, high-class customers," said Barrette, who docked two \$2 million, Chinese-built boats at this year's show.

His neighbors at the boat show include the *Barbarina*, a 102-foot motor yacht built in Washington state, selling for \$5.5 million. It comes with seven flat-screen televisions, two washer-dryers, a Sub-Zero refrigerator, a wine cooler and a guest stateroom with an original print by Spanish artist Joan Miró. The master head — as yachtsmen call bathrooms — features his and hers vanities.

"The pilot house looks like the inside of a Ferrari," said Chris Collins, the *Barbarina's* captain, who lives almost full time on the yacht. "The owner had it built that way. He's a car dealer."

Lashed a few docks away is the *Zembra III*, a 95-foot Brazilian-built "explorer" yacht that accommodates a Robinson R44 helicopter on its top deck, a spiral staircase above a six-person hot tub. The yacht is



TRADING UP: The Las Vegas doctor who owns the 95-foot *Zembra III* is trying to sell it for \$4.1 million to buy something bigger. The buyer would get a craft with a six-person hot tub and a helicopter pad.

on sale for \$4.1 million — helicopter not included — because the owner, a Las Vegas orthopedic surgeon, wants something bigger.

The *Zembra III's* broker, **Fraser Yachts**, paid \$30,000 to display six yachts at this year's show. A \$12.5 million, 116-foot Azimut yacht didn't make it, having gotten stuck in Fort Lauderdale, Fla., where a crane operator declared it too heavy to load on a transport ship.

Many big boats sold in Orange County don't end up here. Their owners prefer to register them offshore and cruise the Caribbean or Mediterranean.

"About 45 percent of large yachts in the U.S. are owned by people on the West Coast — in Orange County, San Diego and certainly L.A.," said Vince Krivanek, general manager

of Fraser Yachts, a worldwide company founded in 1960 in Newport Beach. "But 99 percent are moored elsewhere."

Industry analysts say demographics are propelling yacht sales as baby boomers use their inheritances, peak earning power and home equity to buy ever bigger and fancier toys.

"They're older, and they feel it's time to reward themselves," said James Petru, director of market statistics for the National Marine Manufacturers.

High fuel prices haven't dented demand for yachts, because \$3-a-gallon gas is still small change — even at less than 1 mile per gallon — compared with the cost of boat insurance, slip fees and crews.

"If people are hurting, it's not the

ones who can buy yachts," said Bill Modisette, owner of **Horizon Yacht and Ship Brokerage** in Gardena, purveyor of sportfishing boats and trawlers. "The economy doesn't seem to have fazed new boat sales."

Although Orange County has a reputation as a sailing center — 460 boats joined last week's Newport to Ensenada International Yacht Race — powerboats dominate the show here.

"The power boaters are faster-moving, Type A, successful people who want to show it," said Tom Nuxoll, vice president of sales for **H&S Yachts** in Newport Beach, which docked 15 sailboats and powerboats at the show. "Sail boaters are more analytical and methodical in their purchases."

Roland Rapp went to last year's boat show just to look. A month later, he took delivery of a \$435,000, 43-foot Cruisers Yacht with an innovative propulsion system by Volvo that uses twin propellers to pull rather than push the boat, a configuration that boosts speed, fuel efficiency and turning radius.

Rapp's yacht has an ample stateroom, a leather-upholstered salon and a 27-inch flat-screen television. He said he rarely takes it for a cruise, satisfied to stay at his private slip on Balboa Island.

"It's a pretty neat place to spend the night," said Rapp, an attorney for a Foothill Ranch health-care company. "You can't buy real estate with that kind of access to the water."

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"The power boaters are faster-moving, Type A, successful people who want to show it."

TOM NUXOLL - VICE PRESIDENT OF SALES, H&S YACHTS