

Update on the San Francisco Marina Industry

Marina and Boatyards Committee
Bay Planning Coalition

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Discussion Outline

- Overview of US and California boating
- Metrics associated with berth size, boating economics, and demographics for the San Francisco Bay
 - Boat industry size
 - Boat market demand
 - Marina data and berth pricing
 - Comparable data in primary California regions
- Recreational boat industry trends relevant to BCDC
- Committee activities

National Boating Trends

- US is half the world market in boats
 - \$121 billion in economic benefit
 - 650,000 jobs; 35,000 businesses
- 1.2 million boats sold annually in the US
 - 250,000 **new** boats
 - 95% of new boats are made in the US

California Boating

- More than 800,000 registered boats
- \$8.9 billion in total economic benefit
 - 48,400 jobs; 3,062 businesses
- 8,000 new recreational boats sold in 2016
- 4,000 personal watercraft

Other California Boating Data

- More desirable locations have highest rates
 - Dana Point, Newport, Lido
 - Longest wait lists too (20+ years)
- Most southern California publicly owned marinas are independently managed
 - Experience, long planning horizon

San Francisco Bay Boating Infrastructure

- A premier US boating region
- 57 marinas in the San Francisco Bay
 - Most over 50 years old, numbers in decline
 - Five marinas closed in the last 10 years in the South Bay
 - Two more expected to close soon
 - Services (boatyard/fuel) are also declining

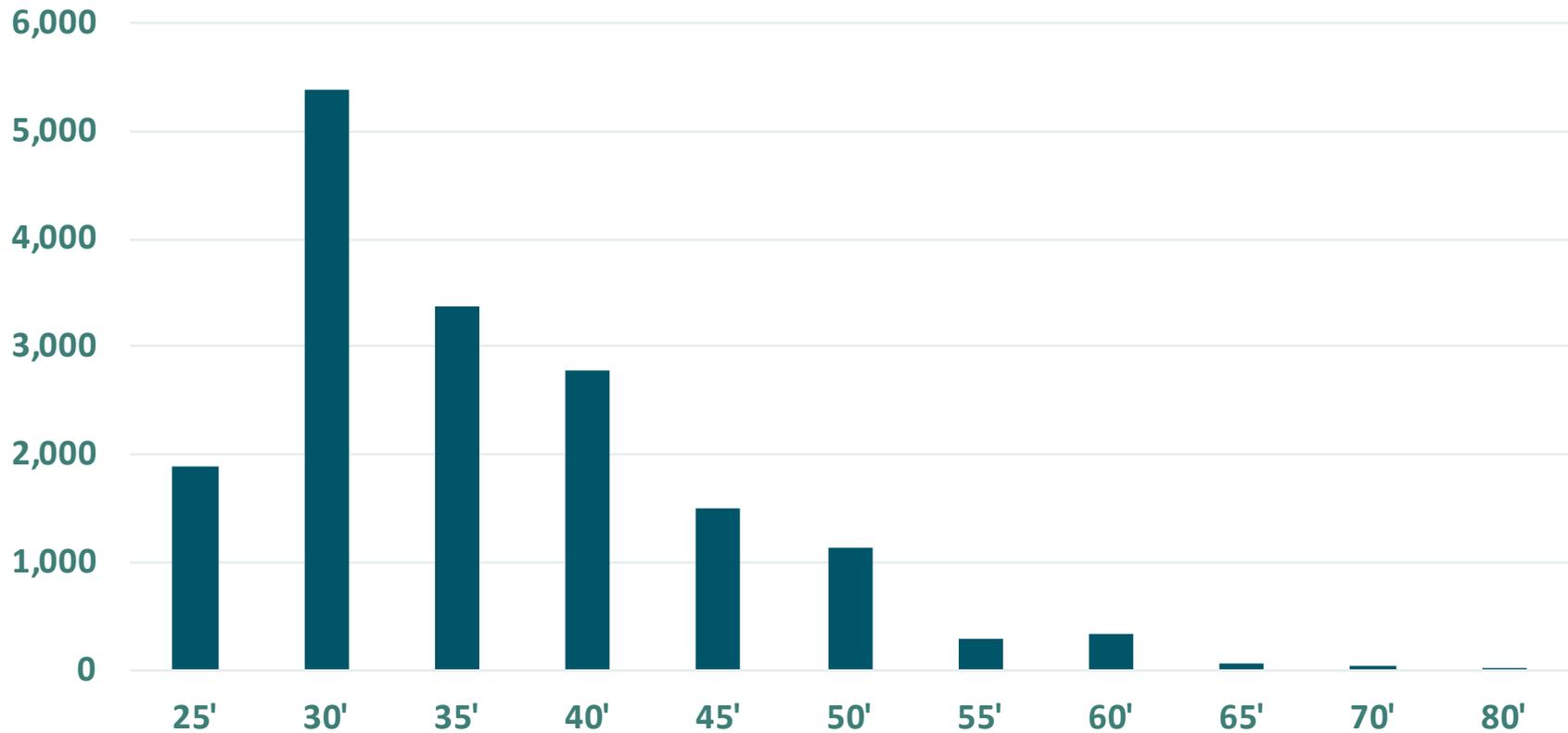
San Francisco Bay Metrics

- 17,700 wet slips in the San Francisco SF Bay
 - 80% occupancy
- Demand increases with size; proximity to San Francisco
- Abundance of small slips, few large slips

Slip Size	Number of Slips
Less than 25 feet	1,880
25 to 30 feet	5,381
30 to 35 feet	3,370
35 to 40 feet	2,775
50 feet	1,142
60 feet	338
70 feet	32
80 feet and more	21 (+side-ties)

Slips in the Bay Area by Size

Bay Area Slips (Total: 17,700)



Boating Trends in California

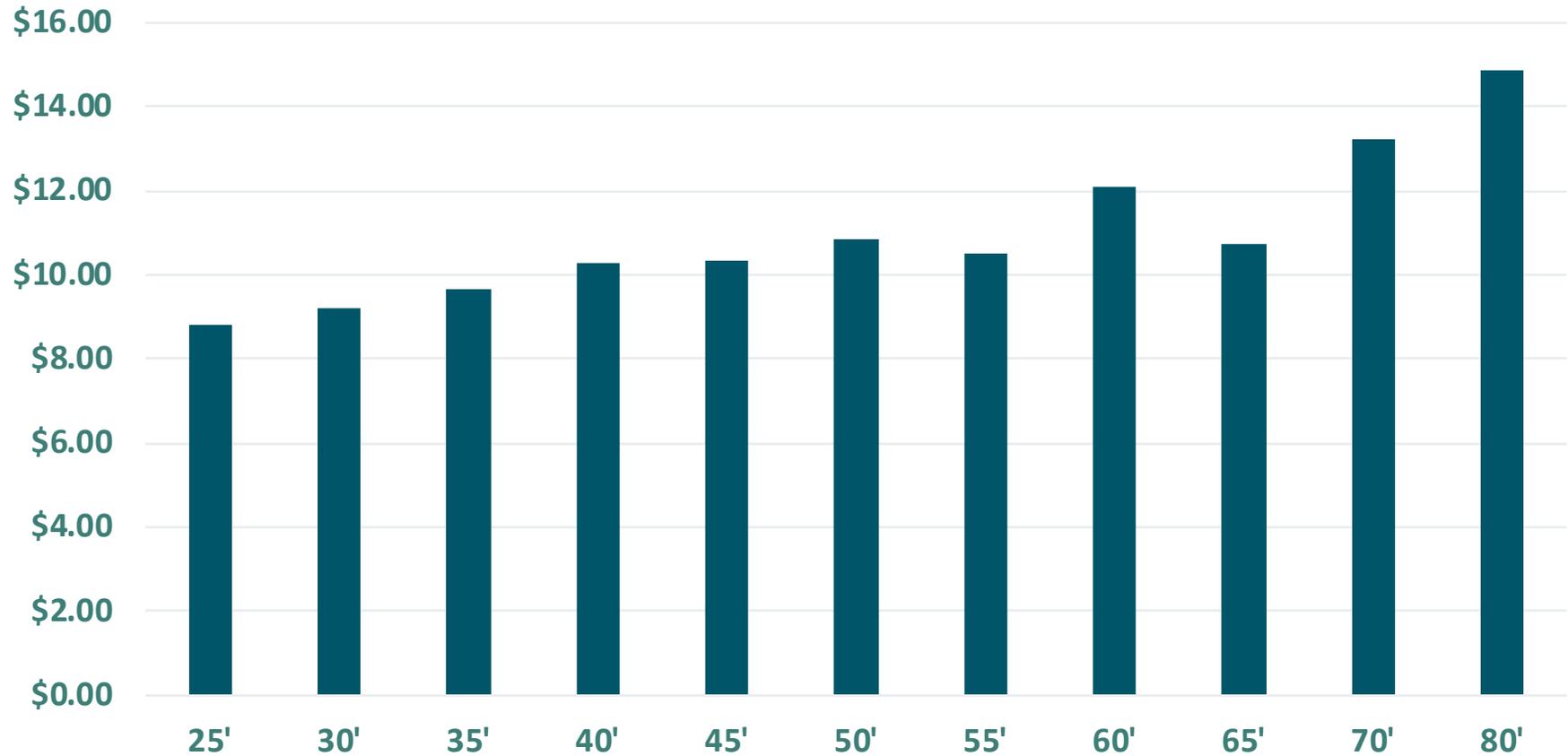
- Smaller vessels are increasingly trailered
 - Less costly
 - More flexibility
 - Lower maintenance
 - Trailerable vessels up to 35 feet are common
- Dry-stack/dry storage increasing
 - Cities want boats off roads and driveways
 - Demand for launch ramps and storage is high
- Increase in size of first time boat ownership
- *Net result = lack of demand vs. abundance of small slips*

Bay Area Berthing Costs

- San Francisco Bay has lowest berthing rates in California
 - San Francisco has highest housing costs in the US
 - Average boater income the same as average resident income
- Berthing fees based on square footage, not length
- Market demand drives cost, not size
- MRA tracks fees in all regions of California

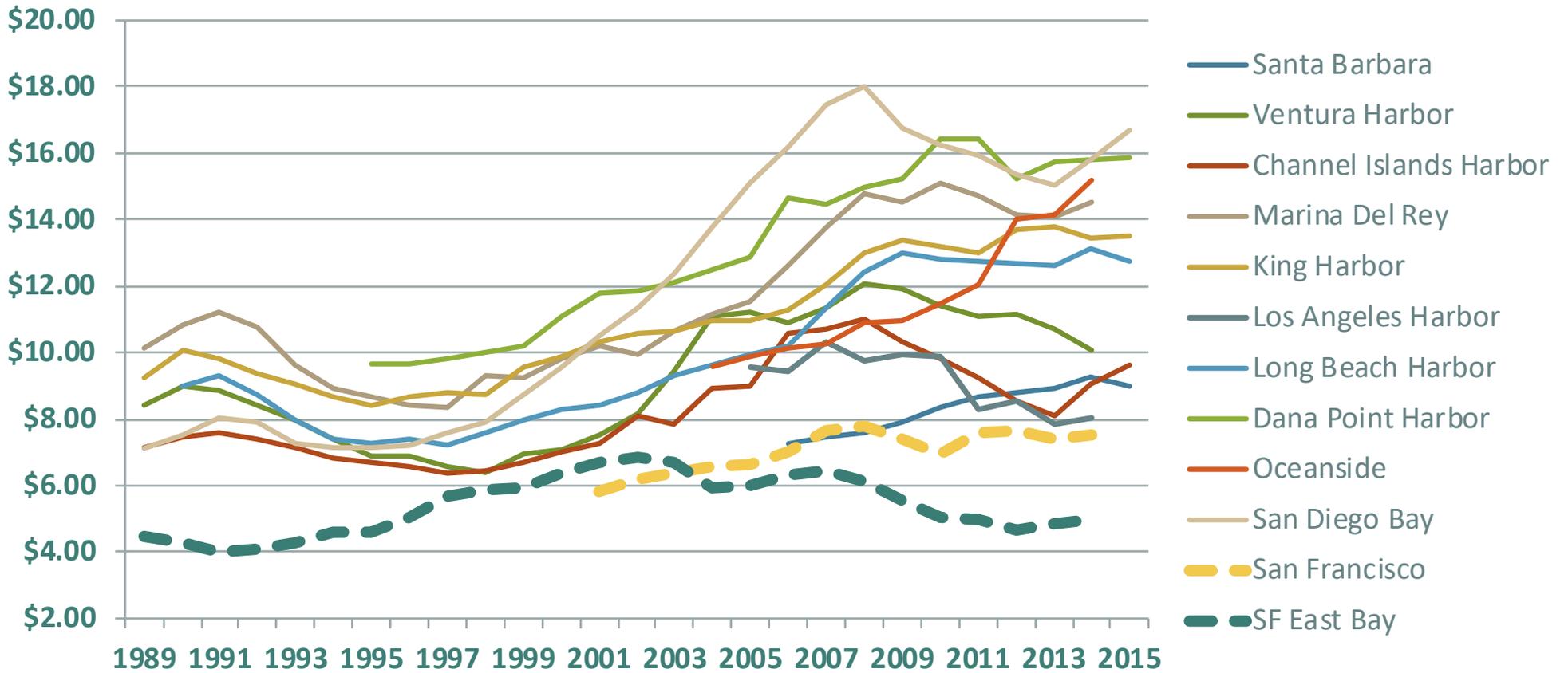
Berth Cost in the Bay Area (per foot)

Double Finger Berth Cost per Foot



San Francisco Bay versus California

Trends in Effective Slip Yields



Summary of Key Concepts

- Bay Area rates are 1/2 to 1/3 less than the rest of California
- There is an over-abundance of small slips
 - Large yachts are less than 1% of the total
- Marinas and boatyards are declining in number even though population is increasing
- Operators cannot afford to build or maintain marinas without adjusting slip mix to the market, and are already facing low fees
- **Applications for new or modified marinas likely to reflect these issues.**

Other Committee Priorities

- Focus on expanding the use of administrative/regionwide/general permits for basic marina activities
- Rely on the BPC committee when judging new applications for marina issues
 - San Diego Port Tenant Association relationship is a good example of this

Thank You

