

Develop Nova Scotia

Marine Visitation Plan



Develop Nova Scotia's mandate is to lead sustainable development of high-potential property and infrastructure to drive inclusive economic growth in Nova Scotia. This Marine Visitation Plan falls under the Working Waterfronts focus area within Develop Nova Scotia's five-year strategy.

Working Waterfronts

A place, supported by flexible marine infrastructure, that enables community to thrive from access to the water. For Nova Scotia, working waterfronts are economic infrastructure, supporting a variety of marine dependent uses in strategic sectors.

Strategic Goals

- Support the provincial innovation agenda through development of strategic economic infrastructure, linked to our ocean advantage.
- Develop strategic provincial marine infrastructure to support marine visitation and supply chain growth.







Background

For centuries Nova Scotia has been a destination for visitors seeking new frontiers, partners for trade, skilled marine craftspeople and maritime hospitality. Nova Scotia's magnetism endures, attracting people by sea who are seeking new, high-quality experiences, and excellence in marine services.

Through collaboration with private and public sector partners, Develop Nova Scotia will support the revitalization of strategic waterfronts around the province to attract and support commercial and recreational marine visitors and customers to Nova Scotia. Recent investment in Develop Nova Scotia marine infrastructure on the Halifax and Lunenburg waterfronts, as well as improvements to the recreational marine visitation program and delivery of services, have contributed to growth in visitation by recreational boats year over year. With a provincial mandate and aligned private and public partners, and in collaboration with Tourism Nova Scotia, Develop Nova Scotia is well positioned to expand the impact of marine visitation to the province, particularly the high-value and niche visiting yacht market.



Over the next three years, Develop Nova Scotia will identify, support development, convene, and promote access to high-quality marine destinations with flexible marine infrastructure and a coordinated marine services offering that will attract and inspire people to visit Nova Scotia by sea. These efforts will support a number of marine applications and users: both recreational and commercial, local and transient. By leveraging our natural seacoast advantage and investing in markets of highest return we believe strong economic impact can be realized in the tourism and marine service sectors across Nova Scotia. This work will further establish Nova Scotia as a spectacular destination for boating, where visitors by sea can access high-quality infrastructure, professionally-delivered services, unparalleled coastal experiences, and maritime hospitality.



Goals

1

Refine Marine Visitor Experience

Lead the development of marine destinations in Nova Scotia that are attractive to marine visitors.

- a. Identify and develop strategic marine infrastructure in regions with access to land-side facilities, services, and amenities and in support of functional economic regions.
- b. Support destination market-readiness through port readiness consultation and by making marine services accessible to elevate the marine customer experience.
- c. Collaborate with Tourism Nova Scotia and private sector to lead the development of compelling experiences that will enhance the attractiveness of destinations in Nova Scotia.

2

Build Awareness

Leverage detailed marine itineraries to promote Nova Scotia as world-class boating destination for recreation and service and to attract first-time visitors by boat.

- a. Build targeted marketing collateral and in-market activation plans in alignment with Tourism Nova Scotia, regional DMOs, and ACOA and in partnership with private marina operators and marine service businesses.
- b. Execute targeted in-market and FAM programming delivered directly to Captains, itinerary influencers, vessel operations managers, and industry decision makers.

3

Connect Marine Supply Chain

Convene provincial marine service businesses to build understanding of (and access to) the visiting yacht market.

- a. Convene and coordinate a provincial marine services network in partnership with Boating Atlantic, Nova Scotia Boat Builders Association (NSBA), Sail Nova Scotia, Nova Scotia Business Inc. (NSBI), rural municipalities, and marine service businesses across Nova Scotia.
- b. Support marine trades' market-readiness through consultation and a coordinated approach to bring this provincial network to market.



Audience

Through the development of flexible marine infrastructure and programs, Develop Nova Scotia aims to develop places that support vessels of diverse sizes and purposes, commercial and recreational, local and transient. By focusing on a primary market of highest return (superyacht market – yachts over 80ft), we will also build demand in the secondary recreation market (yachts under 80ft) as the quality and capacity of infrastructure and programs are enhanced and Nova Scotia's brand as a destination for visitation by sea positively evolves. Creating flexible marine infrastructure will provide capacity for a variety of boats, local recreational and commercial vessels, and will provide the opportunity for operators to activate their assets in shoulder seasons, and in some locations, year-round to accommodate diverse uses, including commercial uses in support of strategic sectors.

As outlined in our target market breakdown, our primary market includes superyachts operating from the Southeast United States, Western Europe, and Caribbean. Our secondary market includes yachts operating in Northeast United States and Eastern Canada. Ship repair and maintenance market includes vessels, both commercial and recreational, looking for services and repair, which leverages our marine services expertise and supply chain.

Target markets are further segmented as follows:

Ultra-High Net Worth Marine Tourist Market (PRIMARY)

- International visitors on luxury yachts Super/Mega yachts, charter yachts, and expedition yachts seeking new global destinations

Owner/Operated Marine Tourist Market (SECONDARY)

- U.S./domestic visitors on mid-size recreational vessels that are owner operated
- Sail and power yachts within close striking distance of Nova Scotia (New England, Maine, Atlantic Canada). Potential target groups include yacht clubs, cruising clubs, and yacht brand-based cruising (for example, Nordhavn, Hinckley)

Shipbuilding, Repair & Maintenance Market

- Yacht service and maintenance (primary and secondary markets)
- Traditional and modern shipbuilding customers

\$4,075,000

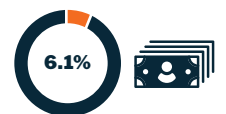
APPROXIMATE ANNUAL EXPENSES • 180 FT SUPERYACHT*

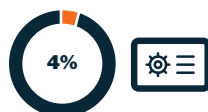
\$1.4 Million
Crew Salaries

\$1 Million
Maintenance & Repair

\$400,000
Vessel Fuel

\$350,000
Dockage & Ports

\$250,000
Money injected into local economy by guests & crew

\$240,000
Vessel Insurance

\$165,000
Classification / Regulatory & Management Fees

\$140,000
Vessel Communications Phones / VSAT / Freight

\$110,000
Provisioning: Food & Beverages

\$20,000
Crew Education & Medical Training


* Based on actual budgets. Source: Economic Analysis of the Superyacht Industry, 2012, SuperyachtIntelligence.com

Superyacht Market

- The superyacht audience is primarily located in the United States and Europe, clustered in the Southern U.S. States and Caribbean from November to March. They are influenced by one-to-one experiences, including in-person yacht visits, scheduled meetings, and international boat show events.
- The primary market consists of affluent owners looking for new places to explore with access to high-quality, authentic experiences. This demographic largely depends on their Captain to make well-researched recommendations for itineraries based on the strength of destination infrastructure and shoreside experiences.
- Ultra-High Net Worth owners of superyachts are typically in the net worth range of \$30m individual wealth. In 2016, this segment of the global population grew by more than 226,000 and is responsible for 88% of spending on superyachts, totaling \$22 billion.¹
- It's expected there will be more than 10,000 superyachts worldwide by 2020. 78% of new orders are European, 10% American, with the rest of the world at 12%. The market is growing in size with a global industry impact of \$35.9 billion, with a \$9 billion impact in the USA, largely Southeast Florida.²
- A 180ft vessel generates approximately \$4 million in expenditures. Nova Scotia is poised to capitalize on many of the operational needs of the superyacht visitor in both the tourism and marine service sectors.

Expenditures Associated with Development of a Superyacht Market in NS (based on 8, 55m yachts)³

Spending Category	Expenditure (\$2015)
Annual Maintenance	\$7,084,060
Operating Spending	\$ 353,029
Crew & Guest Spending	\$ 51,087
Total	\$7,488,176

¹ Wealth-X (2017). World Ultra Wealth Report 2017. New York.

² Boat International, 2016.

³ Economic Potential of Superyacht Servicing in Nova Scotia, 2015, Group ATN Consulting Inc. (through Dept. of Finance Economics & Statistics Division 2010 NS I/O Model)

SWOT Analysis

STRENGTHS

- Diversity of boating experiences – ever changing sea and landscapes; blue-water Atlantic Ocean coastline, Bay of Fundy marine life, 100 Wild Islands untouched wilderness, Bras d'Or Lake pristine inland sea and UNESCO Biosphere, Northumberland Strait warm waters and proximity of each region to each other, creating rich and connected itinerary opportunities.
- Prime geographic location on the North American Eastern Seaboard; a natural extension of established yachting itineraries in New England and Maine.
- Gateway to the North including Atlantic Canada, Great Lakes, Greenland, North West Passage, and Trans-Atlantic passages.
- Dynamic urban capital city with facilities to accommodate multiple yachts and commercial vessels, international airport, and strong mix of services and amenities.
- Moderate climate with comfortable seasonal summer air and water temperatures in high 70s F.
- Strong local, regional, and international marine supply chain with access to recognized product brands and services.
- Diverse cultures and communities including Indigenous, African Nova Scotian, Acadian, Dutch, Scottish, English, French, German, and Lebanese to name a few.
- Local culinary experience featuring wine, spirits, craft beer, lobster, oysters, fresh fish, and produce.
- Outdoor recreation including hiking, biking, kayaking, tidal bore rafting, golfing, beaches/swimming.
- Welcoming people, inclusive, safe, secure with uncrowded destinations.
- Currency advantages – relatively low-cost services especially attractive to American and European-based visitors.



WEAKNESSES

- Lack of awareness and/or confidence in destination by decision makers (Captains and owners) due to absence of quality marine infrastructure and strong marine visitation itinerary, linking provincial ports within reasonable travel times (generally 1 daytime travel period between ports)
- Low awareness of the province as a marine destination for leisure experiences and marine services.
- Season can be short; risk of late summer starts and early arrival of fall conditions with most favorable visitation weather from July through early October.
- Visitor information is focused on land-based travel, lacking coordinated marine guidebooks, technical maritime detail, and marine-focused itineraries.
- Develop Nova Scotia's capacity is limited to develop this market.
- Lack of climate-controlled and indoor maintenance facilities (i.e. high-end marine painting)



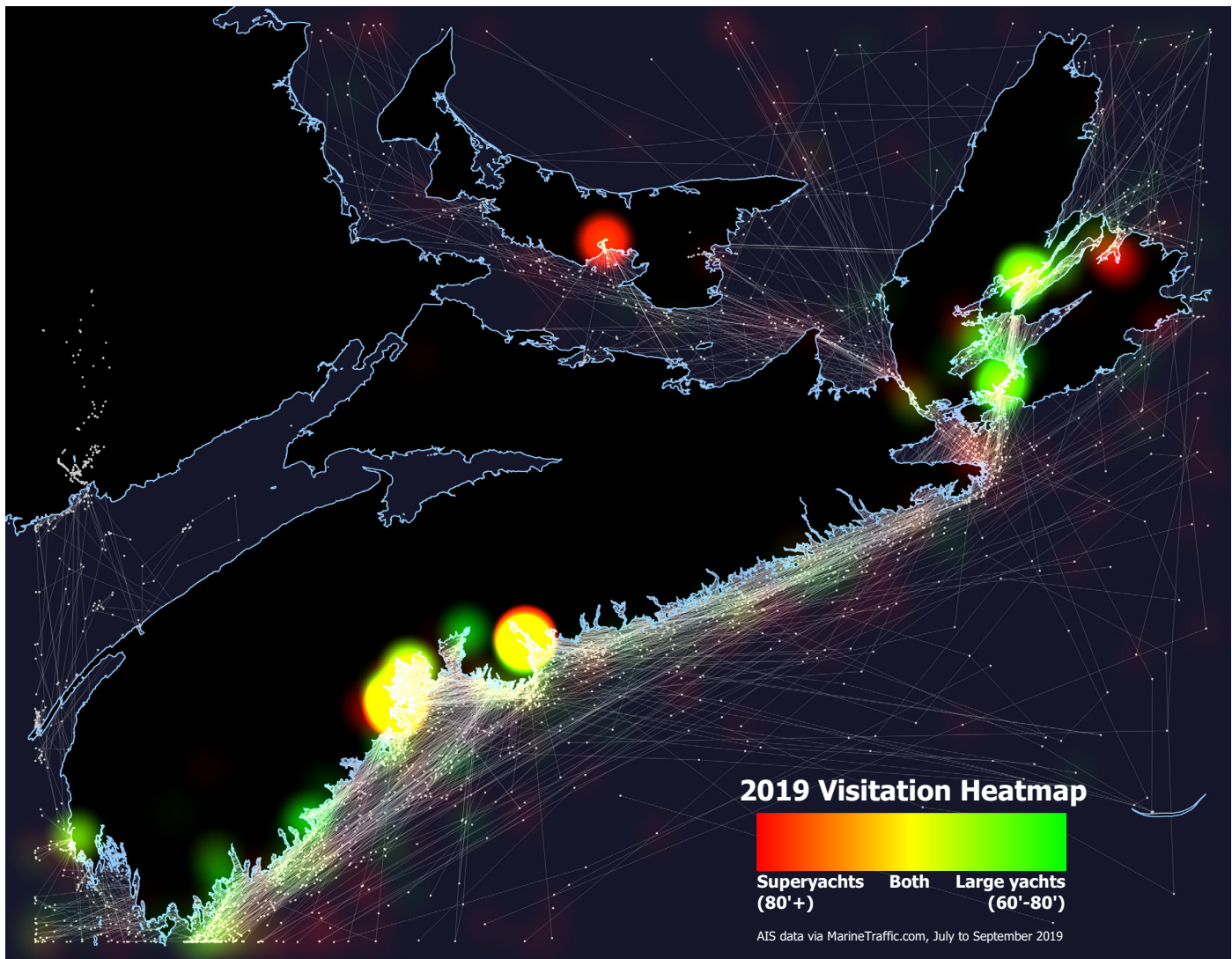


OPPORTUNITIES

- Marine supply chain services can capitalize on a new customer base, diversifying business opportunities to include recreational vessel work alongside traditional commercial, and fishing vessel projects.
- Strategic marine infrastructure can be enhanced to attract yachts and support commercial opportunity (floating docks, marine power, water, shoreside amenities, easy access to marine services).
- Marine infrastructure development projects can be phased.
- Partner with TNS and DMOs to create compelling experiences and consistent marketing tools for use in guidebooks, itineraries, web content, and digital marketing campaigns.
- Develop charter and niche cruise markets.
- Connect skilled marine service businesses to clients for maintenance and servicing.
- Promote world-class marine professional development and safety training for Captains and crew (cold water safety and survival, helicopter safety, rescue training, firefighting).
- Promote events, regattas, rendezvous, club, and brand cruising.
- Recognition of the province as the Gateway to Atlantic Canada, the North (Greenland and the North West Passage/lower Arctic), St. Lawrence Seaway, and trans-Atlantic passages.

THREATS

- Lack of established market pricing could lead to reputation harm by way of poorly delivered services and/or overcharging for services.
- Local opposition to increased marine traffic in their community.
- Regulatory barriers including high pilotage fees and complex and expensive charter regulations.
- Geopolitical landscape.



Measurement and Evaluation

A 2019 analysis of 601 recreational vessel visits tracked by AIS (Automatic Identification System) between July and September 2019 revealed provincial marine visitation patterns. Visitation areas are captured through the red, green, and yellow colour patterns while significant gaps in infrastructure emerge in coastal regions without colour as vessels transit to areas with supporting marine infrastructure. Data was also collected from marinas and service providers across the province through phone/email surveys, and identification of 1,000+ provisioning assets (e.g., chandleries, grocery stores) and 2,000+ land-side experiences and attractions.

Data will be used to inform criteria to measure a location's capacity to accommodate visiting vessels, provide access to a range and quality of visitor attractions and experiences and access to supporting marine services. Data will also identify itinerary gaps and service gaps negatively impacting the province's ability to attract and retain visitation. This measurement and evaluation will inform recommendations for investment in ports to build a provincial network of marine infrastructure connected by marine and land itineraries that enable access to shoreside experiences, services, amenities, and marine supply chain. Future data collection will include the continued recording and tracking of yacht visitation (using Automated Identification System [AIS]) and the value of that spend to the province, completing a yacht visitation economic impact study and seasonally completing targeted client satisfaction surveys (Captains).



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