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Making waves in 'the sharing economy': Peer-to-peer boat rental companies arrive in South Florida



Aaron Hall is CEO and founder of Boatbound.co. Also known as a "peer to peer" company, Boatbound puts together a network of boat owners who want to rent their boats when they are not using them. Al Diaz / Miami Herald Staff

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U.S. BOATING BY THE NUMBERS

- **\$35.6 billion:** Estimated size of U.S. recreational boating industry.
- **37.8%:** Percentage of adults (88 million) who boated in 2012.
- **12.2 million:** Number of registered boats.
- **339:** Average number of days a year a boat sits unused.
- **18%:** Percentage of boating participants that rent or charter a boat while on vacation.
- **38%:** Percentage of former boat owners that no longer own a boat because of maintenance and/or storage costs.
- **1:** Rank of Florida among all states for both number of boater registrations and sales of power boats and accessories.

Sources: 2012 Recreational Boating Statistical Abstract (NMMA), 2012 Special Report on Fishing (Outdoor Foundation)

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Getting out on the open sea, wind in your hair, enjoying the ride with your family and friends.

Then there's the boat payments, storage fees, fuel, maintenance and repair — these costs can quickly sink the dream of boat ownership.

Ahoy, mates — a new breed of boat-sharing services is entering the hot South Florida boating market.

San Francisco-based [Boatbound.co](#) set up its East Coast headquarters on the Rickenbacker Causeway in Key Biscayne and launched nationally in June. About the same time, [Cruzin.com](#) finished a pilot program in Dania Beach and went live with its site, and there are a handful of other national competitors eyeing the Sunshine State. Locally based startups [Fun2boat.com](#), [Boatyard.com](#) and [Boatsetter.com](#) are getting ready to launch their own variations on the concept.

These companies make it possible for boat owners to rent out their boats when they aren't using them — for many people that's a considerable chunk of time. There are 12.2 million boats registered in the United States, yet the average boat gets used just 26 days a year, according to boating industry statistics. Renting the boat just a day or two a month can negate all the costs of ownership, these companies say. "It allows people to essentially boat for free," said Aaron Hall, CEO and co-founder of Boatbound, one of the first companies taking the plunge to shape this new industry.

These peer-to-peer companies aren't the first to address the high costs of boating or offer

alternatives to rental fleets. For example, Freedom Boat Clubs, with fleets of boats available for members to use, have existed for decades, and there are chapters in Miami and Fort Lauderdale. But these new companies aren't clubs — finding a boat using these websites can be similar to using Airbnb or VRBO for a vacation rental. A users can peruse the listings, comparing features and star ratings, to choose a boat in good condition equipped exactly the way he or she wants from a private owner.

It's all part of "the sharing economy" that surged after the depths of the most recent recession. A slew of technology companies connect owners of underused assets, like extra rooms, household items, cars and bikes, with others willing to pay to use them. Now the concept has hit the water.

"As a boat owner and in the marine industry, I've been waiting for something like this my whole life — I just didn't know it," said Aabad Melwani, owner and president of Rickenbacker Marina. He invests in Boatbound and has listed his own open fisherman boat on the site. "The owner knows he is not going to

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be renting to just anybody, that person is going to be vetted. The renter knows he is getting a quality product, and if you think about it there is almost infinite inventory," pointing to the hundreds of boats sitting idle at his marina as an example. "Once the experience catches on, I think it's a game changer."

It's still early, but [Boatbound](#), a venture capital-funded startup, is furthest along with this concept in South Florida. Within about three months of its soft launch, it has signed up 252 boats in the state — 178 of them in South Florida — and more than 1,500 nationwide, from kayaks to yachts with captains, Hall said.

All potential renters go through a vetting process. Every boat gets checked out before it is listed, and for boats over 10 years there may be additional underwriting requirements, Boatbound says. And if something should go wrong, Boatbound carries Lloyd's of London insurance — \$1 million for liability and \$2 million for hull.

South Florida rentals with Boatbound have typically ranged from about \$200 to \$8,500 day, Hall said. On a recent day, there were several 21-foot power boats listed for around \$400 for a day, a bit less than a sampling of rental companies. The owner sets the pricing and selects the renter from among the requests. Boatbound's cut is 35 percent, which covers insurance, on-water support and concierge services, Hall said.

On a recent Friday, Matias Aguirre of Miami rented his 21-foot Cobia for the first time. He said he was comfortable doing so because Boatbound is fully insured. He also liked that he could (and did) check out the full profile of the potential renter on Boatbound.co and talk to him before making any deal. Aguirre now hopes to rent out his boat a couple times a month: "I had a great experience."

Hall, who started several other companies including most recently a wedding-related marketplace, said Boatbound had been focusing its marketing more heavily on San Francisco and New York this summer but will be revving up its sales push in South Florida before the winter tourist season gets underway. Late last month, Hall was still setting up Boatbound's small office at Rickenbacker Marina and had just unleashed a referral promotion. He said he will be initially staffing the office with several employees, including Spanish speakers, growing to a dozen people or more to attack this market.

"Because the collaborative economy is already mainstream in a lot of areas, we immediately saw trust and buy-in. We've had yachts that go all the way up to \$14,000 a day," Hall said. "Owners are already comfortable with the business model. They know the renters have to take care of the boat if they ever want to rent on Boatbound.co again. Both parties work toward that five-star rating."

Up the coast at Harbour Towne Marina in Dania Beach, [Cruzin.com](#) has about 30 boats listed in South Florida and several hundred nationally, said CEO Jaclyn Baumgarten, speaking by phone from her San Francisco office, where she spends half her time.

"While our service offering is similar [to the competition] ... we took very special care to partner with the larger industry players to make sure that we are growing this for the long haul and we are growing it properly to meet the needs of boaters and the boating industry," said Baumgarten, an entrepreneur with a background in business planning and strategic consulting. Among Cruzin's partners are Westrec Marinas, owner of Harbour Towne and many other marinas; Singleton Marine Group, which is making new boats available on Cruzin.com, and the Recreational Boating and Fishing Foundation.

She said Cruzin learned a lot during its pilot program, including increasing the vetting of the potential renters. Now that includes credit and fraud checks and renters must have at least two years of boating experience. Cruzin's cut is 40 percent of the rental for the service, which includes full insurance, marketing/screening and towing service through BoatUS.

With a new baby on the way and mounting work commitments, Andy Helfan took a hiatus — "six long years" — from boat ownership but was eager to get back out on the water. He used Cruzin about six weeks ago to try out one of the models he was considering buying — a 25-foot Boston Whaler. The 37-year-old fishing enthusiast is now a boat owner, but said he would use Cruzin again, perhaps to rent a boat on a vacation.

"The boat has all the comfort features you are looking for because it is their stuff," said Helfan, explaining the benefits of renting through an owner rather than rental fleets, where he has been offered stripped down boats of questionable quality. Would he list his new boat? "Not right now — it's my baby. But if I got into a bind financially, it's a great way to offset the costs."

While car-sharing and accommodation-sharing have run into industry and regulatory resistance in some areas, not so with this boat concept. The sharing economy tends to attract a younger demographic — 68 percent of Boatbound's boat rentals so far have been to those 45 or younger — and the \$35.6 billion recreational boating industry of manufacturers, dealers and retailers wants to drive more people into boating.

"Our data shows 88 million people went boating last year, and if peer-to-peer boating can get more people interested in boating, that's great for the industry," said Thom Dammrich, president of the National Marine Manufacturers Association, which has been running a campaign, Discoverboating.com, for seven years. "The more time people spend on the water, the more likely they are to cultivate a desire to buy a boat."

The big hurdle to doing business in the United States, all the peer-to-peer companies say, is insurance. Private boat insurers typically don't cover renters. Some companies, like Boatbound and Cruzin, are fully insured. Other companies are offering insurance to renters for each time they rent through third-party companies.

Boat rental companies are taking a wait-and-see attitude. "A boat is very precious for a lot of people. I don't think a lot of owners would want to rent it out," said Carlos Zabalza, owner of Miami Boat Rental.

Nationally, there are about a dozen companies already operating. But South Florida also has its share of locally based startups: Boatsetter.com, Boatyard.com and Fun2boat.com all have plans to launch in South Florida and beyond, the founders say. A fourth company, [Boatforrent.com](#), is run out of Miami but is focusing first on building up its company in Europe, the Caribbean and other parts of the world, where insurance is less of a hurdle and other companies aren't so focused, said its founder, Zsombor Vasvari. Boatforrent does not yet offer boats in the U.S., he said.

[Fun2boat](#) was founded by Morten Larsen, who also heads Intellocorp, another maritime startup. With his business partner Sharla Manglitz, a maritime lawyer, and team of six, they plan to launch with a splash in about six weeks at the Fort Lauderdale International Boat Show, first to South Florida and U.S. markets and later globally. Larsen says he has more than 500 boats already in South Florida, and more than 1,500 nationwide, because his team has been working hard at building partnerships and inventory before launch.

Fun2boat is focusing on a niche: "It's in our name. It has to be fun — high-end, performance boats, the good stuff," said Larsen. The startup has partnered with Miami Nautique, a maker of wakeboard boats, and is securing more partnerships with brands.

Larsen says Fun2boat will offer insurance through a third-party company at the time of rental, much as car rental companies do. It will be free to list your boat, Larsen said, without revealing other details pre-launch.

[Boatsetter](#) is also on the ramp, but the Aventura-based startup is keeping details very close to its vest.

"We like this space, but my team understands that boats are very different than houses and cars," said Andrew Sturner, chairman of Boatsetter.com and founder of Aqua Marine Partners, adding that his team has decades of experience in the marine industry experience as well as technology.

What made Boatsetter take the plunge into the crowded waters? "We thought we could do it right," Sturner said. When will it launch? "When we get it right — stay tuned."

[Boatyard](#), a participant in the Venture Hive accelerator, is also not talking much because it is pre-launch, but will say that it has negotiated a \$1 million insurance policy with Lloyd's of London and is planning to open service to a small group of South Florida users — called a private beta — on Nov. 1, said CEO Nathan Heber, who has been working on the concept for several years. Heber and his team are now aligned with an investor group to help take it to market.

Passionate about the concept, Heber says the waters are wide open.

"We are thrilled there are players in the space — it validates the market," said Heber. "There's room for everyone and we wish them well."

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