



Prime property

A new wave of \$5mn-a-condo cruise ships hopes to turn the tide

Residential liner The World launched almost 25 years ago. After decades of development, no ultra-luxe vessel hoping to emulate its success has made it to the water — yet

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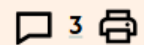
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Mark Ellwood

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It is almost four years since Evrima, the first cruise ship from The Ritz-Carlton Yacht Collection, set sail after a five-year gestation. It was a ballsy swing from Marriott International, which licensed its IP to a team who believed it could leverage the brand name into a new market. Executives reasoned that its wealthiest regulars were Jonesing for the chance to set sail with the same upscale flair for which the hotels are known. Recent news would indicate that was perhaps unfounded: since its 2017 launch the [cruise line has accrued almost \\$700mn](#) in net losses and shareholders have had to pump more than \$1bn into the operation to keep it afloat. [Repayment dates and debt terms have also been relaxed.](#)

But several players in the residential cruise ship sector are setting out to prove that that's not the end of the story for the luxury market.

The journey to date hasn't, admittedly, been plain sailing. Five years ago, there was much excitement about the launch of a new fleet of luxury residences: condo-style cruise ships that were positioning themselves as the ultimate five-star liveboards. It had been more than two decades since The World took to the water and introduced the idea of what was, in effect, an oceangoing Manhattan co-op. During that time, no viable rivals had emerged. But here was a cluster of enthusiastic entrepreneurs who believed they could ape, and

perhaps even overtake, that vintage vessel. Many of them were alums of The World's team and touted their upstart entries as equal parts disruptive and deluxe — most claimed they'd be sailing paying residents by the mid-2020s.

The 39-berth Somnio would improve on the oversized unwieldiness of that template ship, boasted one of its founders, once captain of The World himself. Njord's custom-built German ship would lure younger, cruise-shy residents via an array of toys, unlocking voyages to Antarctica and more. Blue World Voyages wanted to hybridise its vessel, with one-off cruisers sharing trips with owners to diversify revenue streams. As for River Cities, that 180-berth condo barge would chug around US waterways like a modern-day paddle steamer.

Today, not one of those vessels is even on the water. Most of them won't ever set sail. "I decided next lifetime I might give it another try," says River Cities maestro David Nelson, who sunsetted his dream when his latest investor pulled out three years ago, around 16 years since he first started sales efforts.



The World, like a seafaring Manhattan co-op, took to the seas two decades ago © The World, Residences at Sea

Winston Chesterfield isn't surprised; the luxury expert from Barton Consulting has studied whether such residences resonate with the niche they squarely target. "We see very, very small interest in things like this," he says, noting that such vessels lack the one thing that defines yacht life: flexibility. "Being imprisoned is a big factor — a lot of people don't like that — they get freedom in almost everything else they have."

But the issues stalling that last batch of start-ups has not deterred a raft of new ventures. That class of 2021 were fundraising and selling during and after the pandemic, when cruising was both off-limits and associated with superspreading outbreaks of disease. Today, the world of high-end cruising has expanded via the likes of Four Seasons and Orient Express, theoretically paving the way for residential iterations. But the outbreak in May of hantavirus on [a vessel in the middle](#) of the Atlantic Ocean reminded would-be buyers that some issues, at least, never go away.

Can this latest class succeed where its immediate forerunners floundered?

Blue World Voyages, a Miami-based company founded in 2016, is a holdout from that prior class, still actively fundraising and selling with an eye on a spring 2028 launch — pushed from an initial hope of spring 2021. Gene Meehan, its founder and chair, remains bullish: "We have the chance to break all the rules and within reason we're going to do it. We are \$20mn away from reaching our funding goal, and we know we'll get it." He adds that all monies raised from residences thus far have been safely stashed in escrow. The three most popular questions he's fielded from would-be buyers? Pets, pot and kids. "You can't take Fluffy down the gangway and walk into any old town you want to," he says. "And no matter what the answer is with pot, they'll bring it onboard. And right now, we're thinking 16-plus; the bigger ships are better for [younger] kids."

The hybrid tourist-residential business model involves retrofitting a retired ship — he says three major cruise lines have expressed interest in partnering in this way, but declines to name them. Revenue from holidaymakers will, he



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says, help to provide an income stream to offset overheads for those who've bought berths on the vessel. The plan features 45 residences, including five penthouses, priced from \$2.6mn to \$5mn, which owners can also add to the rental pool for Blue World to offer to holidaymakers. Twenty weeks in that pool should cover annual maintenance fees of 7 per cent of the residence's purchase price, says Meehan.

Chesterfield is wary of this model. Renters could be seen as "not part of the club", he says. "What's the difference between that and a cruise ship? Almost none."

Buyers are young and more open-minded, counters Meehan; the average age is 47. They are attracted by the ship's focus on wellness, he says; the onboard lead is an alum of Arizonan spa resort Canyon Ranch Tuscon. He expects one-off cruisers to mirror that demographic, paying \$3,500 per person for a seven-day trip in one of the 160 guest suites. There's another revenue stream for Blue World too: residents will gain automatic membership of its wellness programme, but vacationers must pay a mooted \$10,000 for a 3-5 year membership that entitles them to discounts on bookings, upgrades and on-land events.





Alain Gruber, formerly of The World, is chief executive of Ulyssia, which is aiming to be on the water by 2030 © Ollie Jones

Another holdover from the previous class of cruisers is Alain Gruber. He was chief operating officer at The World before becoming an executive at Ocean Residences, which owns Njord; Gruber exited that company in March 2022 and joined new venture Ulyssia, a 323-metre vessel, as its chief executive 18 months later. “Covid put a bit of a kibosh on that one,” he says, of the reason for his job swap. Like Blue World, Ulyssia is a hybrid model, aiming for the ship, with 122 residences and 22 guest rooms, to be on the water by 2030. Construction will start by early summer this year, Gruber promises.

The World originally operated in this two-tier way but quickly rebooted. Chesterfield puts this down to the clashing attitudes and needs of those on holiday with those calling the ship home. Like Meehan, Gruber also dismisses concerns. “Seventy per cent of the inventory sits between 2,000 and 3,000 sq ft,” says Gruber, so renters will live in quarters that are on par with those owners enjoy. It’s 55 per cent sold, he adds, with the entry-level price around €10mn. There is a full refund guarantee for failure to launch.



Ulyssia is a hybrid model with 122 residences and 22 guest rooms © Espen Øino International (render)



Entry-level price is around €10mn © FM Architettura



Units are 55 per cent sold © FM Architettura

Gruber admits it isn't easy replicating The World's success but believes there are four elements that are vital for any residential cruise to succeed. Finances,

for one thing — and in the case of Ulyssia, billionaire Merck Pharmaceuticals heir Frank Binder is its main, but not sole, backer. Operational expertise, too: plan from the outset, for example, for the fact that Sydney Harbour Bridge has 49-metre clearance, so any ship keen to sail under it must be designed with that in mind (Ulyssia’s shallow draft means it can sail deep along the Amazon River). Experience, too — Gruber is, of course, a World alum. But the most important factor is: “Luck on your side. And the sense that timing is right,” nodding to the pandemic-induced problems he believes stalled Njord. “Geopolitically and economically, things have to be timed right so people are feeling comfortable to buy,” he says. He pauses. “It’s a tumultuous time in the Middle East.”

Chesterfield believes a bigger issue trumps those four would-be success strategies. “A vessel ages; no ship can survive forever.”

One thing is boosting morale. These new ventures are operating in the wake of a rare exception in this field: Villa Vie Odyssey, a residential cruise ship that launched with great fanfare two years ago. (At least, eventually: it actually took to the water four months after it was supposed to cast off from a dockyard in Belfast. Residents had waited eagerly and impatiently for the voyage to start amid a flurry of issues with rudder stocks, gearboxes and the like, only to see it stall almost immediately, forced to drop anchor at Belfast Lough for three days.)

Odyssey is a refit of the once Fred Olsen-operated Braemar; the ship was built in 1993 and bought by Villa Vie 30 years later. The company is run by Mikael “Mike” Petterson and has a strategic point of difference with the other would-be lines: its value-driven pricing. Interior rooms of around 130 sq ft sell from \$99,999; service charges are \$2,000 per month.



Villa Vie Odyssey anchored in St Lucia: the ship launched two years ago and stands out for its value-driven pricing, with rooms from \$99,999 and service charges of \$2,000 per month

Pettersen has a background both in finance and the cruise industry; the \$20mn equity came largely from the residents, he says. “We had 100 or so people who wanted this sort of product, and we raised about \$5mn in dry dock which was enough to buy the ship,” he says. There are 485 cabins, of which around 370 have been sold, he says, two-thirds to owners and the rest to what he calls “segmenters” buying into a 60 to 150-day portion of the ship’s voyage around the world, which takes around three and a half years. Average age is around 60; 80 per cent of buyers are American. “The majority of our owners live on board full-time but they have the ability to rent it out, or let friends and family stay there.”

He stresses that Villa Vie is more like a condo than a co-op — buyers own their unit rather than a share of the overall operation prorated per the size of their home. (Compare with The World, which is operated collectively by its owners.) “We are 80 per cent owned by the residents because you don’t want the tail to wag the head too much.” Around 10 owners have sold their cabins since launch, most of them for around the same price as that they originally paid, says

Petterson. He has just started fundraising for a 250-cabin upscale sister ship, Avora, where the cheapest cabin will be around \$560,000.

“It’s cheaper to remodel than build something new,” says Chesterfield. “But that’s always an imperfect compromise. These aren’t people who compromise.”



The Maybach launch is tentatively promised for 2029 © Doelker Voges Design (render)

Indeed, even among this latest crop of residential cruises, there’s already been a casualty — or at least a grounding: Crescent Seas. It was founded by Norwegian Cruise Lines alum Russell Galbut in 2025 with plans to commandeer the Seven Seas Navigator ship for refit and launch as soon as this year. It quickly pivoted, citing feedback from would-be buyers that the retrofit didn’t allow enough personalisation — cigar rooms and outdoor showers, for example. Crescent Seas then released the hold on that ship and announced it would instead build its own vessel late last year. There have been no further

updates, and the company did not respond to multiple requests for comment.

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Another company hopes to disrupt the industry by adopting an ocean-going model more akin to a timeshare, or a luxury vacation club in the mould of Discovery Land, Mike Meldman's development company. Maybach Ocean Club proposes a fractional-ownership model; veteran club consultant Jamie Caring (son of British businessman Richard) is on board to help develop its programming.

The inaugural vessel aims to have 60 apartments of 800 sq ft each. A launch is tentatively promised for 2029. It will charge an initial \$4mn for a cabin, then an annual fee starting at around \$150,000, which grants the buyer four weeks per year on the yacht, with an option to buy longer periods on board. The first 50 members of the 300-strong cohort will gain privileges including a fixed week in winter and summer peak seasons, says Caring. Early members will also become part of assembling the community on board. "People jump to saying it's a cruise or it's a timeshare, but it's not," Caring believes. "The members own it and only they can make the decisions about it — where it goes, how it works."



Maybach will have 60 apartments of 800 sq ft each



Its scheme will operate like a private club; veteran club consultant Jamie Caring (son of British businessman Richard) is on board to help develop programming

Meanwhile, The World will celebrate its 25th anniversary next year. Andrea Newman is a former Delta Air Lines executive who bought on board in 2017, adding a second, smaller apartment on the vessel a few months later for her blended family's five adult children to visit. "We have no plans to sell," she says, firmly.

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Newman is the former board chair of the ship, steering its journey in all senses alongside other residents; she spent around eight months on The World last year. The ship is operated by a management company in Fort Lauderdale, Florida, which the residents established, and though the ship is not a non-profit, "it is not a profit-making venture", she asserts. Perhaps that's the key lesson for any would-be launch in this sector: it's possible to run a residential cruise ship successfully, but only if the monies paid in are spent solely on keeping it afloat.

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