Technology, societal changes, and new approach improve prospects for residential cruise business



Photo: worldredeye.com

On 25 March 2025, Crescent Heights, one of the USA's largest real-estate developers, announced the launch of Crescent Seas, an exclusive new residential model offering luxury residences at sea. L–R: Harry J. Sommer, president and CEO, Norwegian Cruise Line Holdings Ltd; Russell W. Galbut, co-founder and managing principal, Crescent Heights; and Jason Montague, chief luxury officer of Regent Seven Seas Cruises.



Source: Bespoke Luxury Marketing, Crescent Seas

Exterior view of *Navigator, Residence at Sea* rendering.

Over the past quarter of a century, several projects have been launched with the aim of building residential cruise ships that offer homes at sea. Only a couple of them have successfully materialised so far. Today, as technology advances, society changes, and promoters of these projects look at new ways to launch them, the prospects of success could be improving, even significantly.

BY KARI REINIKAINEN

These changes are putting the home-at-sea concept on a new course, according to Peter Shaerf, managing director of AMA Capital Partners, the US-based merchant bank that focuses on transport, energy, and infrastructure.

The first new development concerning the latest project is characterised by promoters using second-hand tonnage instead of newbuildings to launch their operations. This approach means a significantly lower capital expenditure, although any cruise ship being modified to provide homes at sea would require a substantial refit.

"Cruise lines that have large numbers of newbuildings on order are happy to offload older vessels to non-competing markets," Shaerf said. He added that an ageing cruise ship that did not have the same facilities and quality as modern ships can harm the image of the industry in the eyes of potential passengers and depress ticket prices.

The second new development is to link a home-at-sea project with a real-estate business or a hotel operation on land.

Different approach

To forge a link with a real-estate or hotel operator tackles an issue that the promoters of residential ships without such a link must address by themselves: branding and brand marketing. Russell Galbut, an American real-estate developer, recently launched a company called Crescent Seas, a name that chimes with the Crescent Heights real-estate business that he co-founded. "The two businesses have obvious synergies," Shaerf said, adding that such a link would help the selling of homes at

sea as well.

Galbut's approach also differs from conventional thinking in that he would use second-hand tonnage to kickstart his venture. He has agreed to charter two ships from Norwegian Cruise Line Holdings (NCLH), of which he was previously chairman. The 1999-built, 28,500-gross-ton *Seven Seas Navigator* from Regent Seven Seas Cruises and the 1998-built, 30,300-gross-ton *Insignia* from Oceania Cruises will be chartered to Crescent Seas, with the charters anticipated to begin in 2026 and 2027, respectively. A third ship, a newbuild called *The Ocean*, is still in the early stage of planning.

There is credible thinking behind deploying second-hand ships. "The decision to invest in existing vessels is based on environmental and economic reasoning. It's significantly more cost-effective to rebuild an existing ship than to commission a brand-new one. From an environmental standpoint, it also reduces the carbon footprint associated with shipbuilding," Galbut told *CruiseTimes*.

Some earlier attempts to repurpose a cruise ship to offer homes at sea failed because of a lack of adequate financial resources to support the project. Crescent Seas expects several ships in service in due time, which means that the operation could attain economies of scale that are not within the reach of single-ship operators.

Having multiple ships allows Crescent Seas to offer a community-driven lifestyle at sea. Each ship will have a residents' committee that helps decide where the ship travels. Having several ships rather than one also offers different layout options for resident homes. Perhaps most importantly, it gives the owners of any given ship the right to arrange a trade with the owners of another ship for short-term itinerary choices, according to Galbut.

But there are considerations to bear in mind that set ships apart from land-based homes. Instead of appreciating in value, like a building, a ship depreciates and has a lifespan that limits the time it can be operated on the high seas. Before the pandemic, some cruise ships had reached the age of 50 years. Inevitably, at some point, keeping them in service would become prohibitively expensive. This applies to ships offering homes at sea as well.

Service charges that the homeowners have to pay on a ship must cover not just maintenance, as would be the case ashore, but also, for example, the wages and salaries of crew, fuel and provisions, and the cost of managing the vessel. This means that the charges can be quite substantial. Ships also need statutory dry-docking at intervals, which can be expensive, and the homes are unlikely to be available for use during these times.



Photo: Villa Vie Residences

Sebastian Stokkendal, founding partner and marketing manager, Villa Vie Residences.



Photo: Michael Pisarri, courtesy Crescent Seas

Russell W. Galbut, founding partner, Crescent Heights, and co-founder and managing principal, Crescent Seas.

As for the expected lifespan of second-hand acquisitions that were constructed at the turn of the millennium, Galbut argued: "When you have the right maintenance and protective materials applied, there is no time limit. Crescent Heights have completed numerous buildings with steel that are over a hundred years old, and all of them are beyond beautiful and strong. It is all about the quality of the design and the maintenance received. Here we are buying ships from the very people who have managed them since they were created and the very same people who will manage them for the next ten years." Indeed, NCLH will continue to manage the two chartered vessels.

Targeted clientele

There are now three key targeted groups of clienteles for companies offering homes at sea. The first one is the retirees who may decide to sell their home on land and move to live on board a ship. The second group is the wealthy individuals who have several residential properties in various locations and may want to add a home at sea to their portfolio. When they are not using it themselves, they may decide to let it out to third parties.

Advances in technology have changed societies, and in recent times this has led to the emergence of a third group of potential customers who can be targeted by the sector: "digital nomads", professionals who can live and work wherever they choose.



Rendering source: VMI Studio

Open deck jacuzzi and sun lounge area.


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According to globaltrender.com, the number of digital nomads surpassed 40 million worldwide in 2024.

Shaerf said that the availability of the Starlink telecom satellite network link on board ships has been a game-changer in many ways. It has provided a fast and well-functioning connection to the internet that makes it possible for people to, for instance, stream videos on their devices as they would do on land. Obviously this has considerably increased the appeal of a home at sea as a workplace.

"With over 40 million digital nomads globally, Crescent Seas sees a clear opportunity to provide more than just fast co-working spaces or short-term rentals," said Galbut. "Our ships are designed to deliver stability, connectivity, and community, an ideal setting for remote professionals seeking to travel with purposes."

Success stories

A company called Villa Vie Residences recently introduced the 1993-built, 24,344-gross-ton *Villa Vie Odyssey*, the former *Braemar* of Fred. Olsen Cruise Lines, as a home-at-sea vessel. "Many of the residents truly see the ship as their home, not just a vessel for travel," said Sebastian Stokkedal, founding partner and marketing manager of the company. "Our typical villa owner is someone looking for more than just a vacation – they're seeking a lifestyle. Most are semi-retired or retired professionals, entrepreneurs, and business owners who value comfort, community, and the opportunity to explore the world with ease. They're curious, socially engaged, and enjoy the unique blend of stability and adventure we offer."

The ship also has families on board, including families with children. "Some are homeschooling while travelling, and others are embracing this rare opportunity to raise their kids in a global classroom, experiencing cultures and destinations first-hand," Stokkedal said.

In addition to full-time ownership, Villa Vie Residences offer voyage segments for those who prefer shorter stays. "These are selling well, particularly among travellers who want to 'test the waters' before committing long-term, as well as those looking for a unique and immersive travel experience. Segment guests range from adventurous solo travellers to couples in their fifties and sixties," Stokkedal said.

Digital nomads are absolutely part of the company's target audience. "With reliable onboard Wi-Fi, private workspaces, and a supportive community, the ship makes an ideal base for remote professionals. We've



Crescent Seas Theatre.



Admiral suite bedroom.



Billiards room.



Celestial suite living area.

already welcomed several individuals who are working as they travel, and we're seeing increasing interest from this group as the concept of a floating residence gains traction," Stokkedal told us.

The original and longest-serving residential cruise vessel is the 2002-built *The World*. It is the benchmark of the residence-at-sea concept, unquestionably a trendsetter in this niche. A spokesperson for *The World* said that residents of the ship were a remarkable, globally minded community of accomplished individuals. "They include entrepreneurs, academics, adventurers, and philanthropists – each driven by a passion for exploration and a deep appreciation for cultural immersion. What unites them is a shared desire for meaningful, unique, and customised travel experiences, authentic connection, and the ability to lead active lives while navigating the globe in comfort and style. They are ultra-high-net-worth individuals, typically self-made, and are travellers who are accustomed to luxury but who are not ostentatious," she said.

"The ship has an active resident community of all ages, with our youngest being 22, as well as school-age children of residents, who are being home-schooled on board," the spokesperson continued. "Instead of studying UNESCO World Heritage Sites, our children are actually visiting them. Increasingly, we're welcoming younger families and remote-working professionals who want to raise global-minded children or who work from anywhere. They're drawn to the flexibility *The World* offers – high-speed internet, educational programmes, and a truly global lifestyle."

We are told that the ship has residents from over 20 different nationalities, with the majority coming from the US, Canada, Europe, and Australia.

*The World i*s a 43,188-gross-ton ship containing 165 residences of various sizes, and it is managed by a company called ROW Management in Fort Lauderdale. Originally promoted by the Kloster family in Norway, who were the founders of what is

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now Norwegian Cruise Line, they had a plan to build a much larger, approximately 85,000-gross-ton vessel. Economic factors led to the scaling down of the project.

Fluctuating occupancy

Like most upscale apartments and holidays homes on land, occupancy on residential cruise vessels fluctuates for several reasons.

Occupancy on *The World*, for example, fluctuates as it sails from port to port, with residents and their guests joining and leaving the ship regularly. There are typically 150–200 residents and guests on board at any given time, supported by a dedicated crew of approximately 300.

"Seasonality, travel itineraries, and personal schedules all influence onboard presence," the spokesperson said. "The ship becomes especially vibrant during the holiday season and during expedition voyages, which residents often share with friends and family."

The World has many residents who are still actively working, and it is fully equipped to support that lifestyle. "In fact, *The World* was among the first to implement Starlink on board, which has significantly enhanced our connectivity. Many residents continue to lead businesses, serve on boards, and more – all while enjoying the comfort and consistency of home," she said.

As for the remaining lifespan of the now-23-year-old ship, the spokesperson said: "We are deeply committed to the longevity and continuous modernisation of *The World*. Through ongoing investment in state-of-the-art technologies, sustainable practices, and comprehensive dry-dock programmes, we expect the ship to remain in service for many years to come. Our focus is on preserving and enhancing the exceptional standards of luxury, performance, and safety that define life on board."

Ageing concern

The prospects for having a home at sea may be improving, as the stars seem to be realigning in various ways. However, one major issue that should be borne in mind by both the promoters of such projects and the prospective buyers is the ageing of the vessels.

To remain at sea, the ships will need to meet the standards required by relevant safety and environmental regulations, and it is probably the latter that will demand a lot of investment in the years to come. At some point, updating old ships to comply with regulations will become prohibitively expensive. There does not yet seem to be an answer for what should happen then.



Galileo suite bedroom.



Galileo suite living area.



Compass Rose restaurant.