

*Aircraft Bluebook*  
PRICE DIGEST

# MARKETLINE

Vol. 16 No. 3 NEWSLETTER

## Speed Bumps Slow Aircraft Price Recovery

**Upcoming election jitters and fear of terrorism keeping buyers on the fence, but some markets are white hot.**

"Many B200's are selling before they even go on the market!" said one dealer. "The advertising never even makes it to publication".

"Our second quarter has been sparse to say the least," commented a salesman from an OEM pre-owned department.

There are the two separate worlds right now in the used aircraft business. And it looks like things may stay that way well into the fourth quarter. The economy is growing stronger, but many indicators are moving forward at a snail's pace. For example, economists predicted a gain of 250,000 jobs in June, but when the labor department released the actual figures, it was a paltry 32,000.

The stock market reacted harshly to this dismal employment announcement, but it didn't stop the Fed from announcing another interest rate increase in early August. President Bush says, "The economy has turned the corner". But John Kerry calls it, "a u-turn". Oil prices have been setting new records and continued unrest in Iraq and terror alerts seem to make aircraft shoppers nervous.

The used aircraft market showed tremendous momentum in the spring, but it has not been sustainable as we moved into summer. Still, late-model planes in excellent "no-excuses" condition are moving immediately after they come to market. The old aircraft dealer's adage that "there's a rear-end for every seat" still applies, but almost all of those "rear-ends" are looking for a newer, well-equipped aircraft with no damage history.

### Jet

#### Bluebook-at-a-glance

<i>Increased</i> . . . . .	179
<i>Decreased</i> . . . . .	202
<i>Stable</i> . . . . .	295

According to Amstat, 435 jets traded hands in the second quarter, down from a high of 466 that were sold in the fourth quarter of 2003, a four-year record breaker. But still the number of jets for sale remain high. The surge in activity earlier this year has prompted many owners (who have been waiting patiently on the sidelines for a recovery in prices) to finally roll their planes out on the market. What does that do? You guessed it, downward pressure on prices... the eternal catch-22 of the free market system.

Again, the jets that showed the largest increase were the late-model corporate big boys. The Falcon 900EX saw a \$2,000,000 bump as did the Bombardier Global Express. G-IVs, G-IVSPs, G-Vs and 604 Challengers increased a half million dollars. The Citation X suddenly stalled as several came to market at once. G-II's were down once again as age stops for no one (and no plane). They were down \$100,000 for all year models.

Medium jets were a mixed bag with Citation IIIs, IV's and VIIs remaining flat. Hawker 800XPs were up another \$200,000 as was the Astra Jet in for most years including 1125, 1125SP and 1126SPX iterations. The Gulfstream G-200 was up \$300,000.

On the lighter side of things Citation IIs made a brief resurgence and gained \$50,000 while the Citation V was up \$100,000. Citation Is and I SPs continued to lose ground by falling another \$50,000. The Lear 20 series suffered again while the 35/36s held their ground. Late model Beechjets fell \$50,000 as the number of them for sale swelled.

## Turboprop

### Bluebook-at-a-glance

<i>Increased</i> . . . . .	149
<i>Decreased</i> . . . . .	26
<i>Stable</i> . . . . .	400

Without a doubt, this market segment is the shining star of the used aircraft business. According to Amstat, over 400 used turboprops went to new homes in the second quarter of this year. That is a record, ladies and gentleman and a 28% increase over the first quarter of this year when 315 were sold.

One comment heard from a dealer who recently sold two King Airs, "On B200s over half of the calls I get are from other dealers. Everyone is scrambling for inventory".

The B200 King Airs again saw a marked improvement and showed increases of \$75,000 for most year models. C90As were up \$30,000 and C90Bs were up \$50,000

The Twin Commander 1000 (also know as the 695A) climbed \$100,000, its largest single quarter appreciation ever.

Piper Cheyenne IIIs and 400LSs saw a more modest kick up of \$25,000. Cessna Conquests edged upwards with a \$20,000 increase for the Conquest Is and \$25,000 for the Conquest IIs.

Some mid-eighties Cessna Caravans dropped \$25,000 and were among the very few turboprops that posted a loss this quarter.

## Multi

### Bluebook-at-a-glance

<i>Increased</i> . . . . .	0
<i>Decreased</i> . . . . .	83
<i>Stable</i> . . . . .	572

Insurance, fuel, and maintenance costs, oh my! Insurance, fuel and maintenance costs,

oh my! The squawk sheets grow longer, and the prices remain stagnant.

For the first time in memory, not one model a multi-engined piston experienced any appreciation. Again, the vast majority (572 year models) of piston twins remained flat.

Of the 83 models that fell off in value, turbocharged Beech 58 Barons lost \$5,000. The Beech Duke fell slightly by \$6,000. All versions of the Cessna Skymaster fell, but the loss was small, often in the \$2,000 to \$3,000 range.

Early 1980s model Piper Chieftains were off \$15,000. As you can see, none of the losses for aircraft in this category were substantial, but the fact that **none** experienced an upward trend is sure to raise some eyebrows.

## Single

### Bluebook-at-a-glance

<i>Increased</i> . . . . .	42
<i>Decreased</i> . . . . .	133
<i>Stable</i> . . . . .	2094

One dealer checked the "average" box on his sales report when asked of his market assessment of the single engine category. He added a note that said, "and compared to LAST year we should be thankful for an average amount of activity."

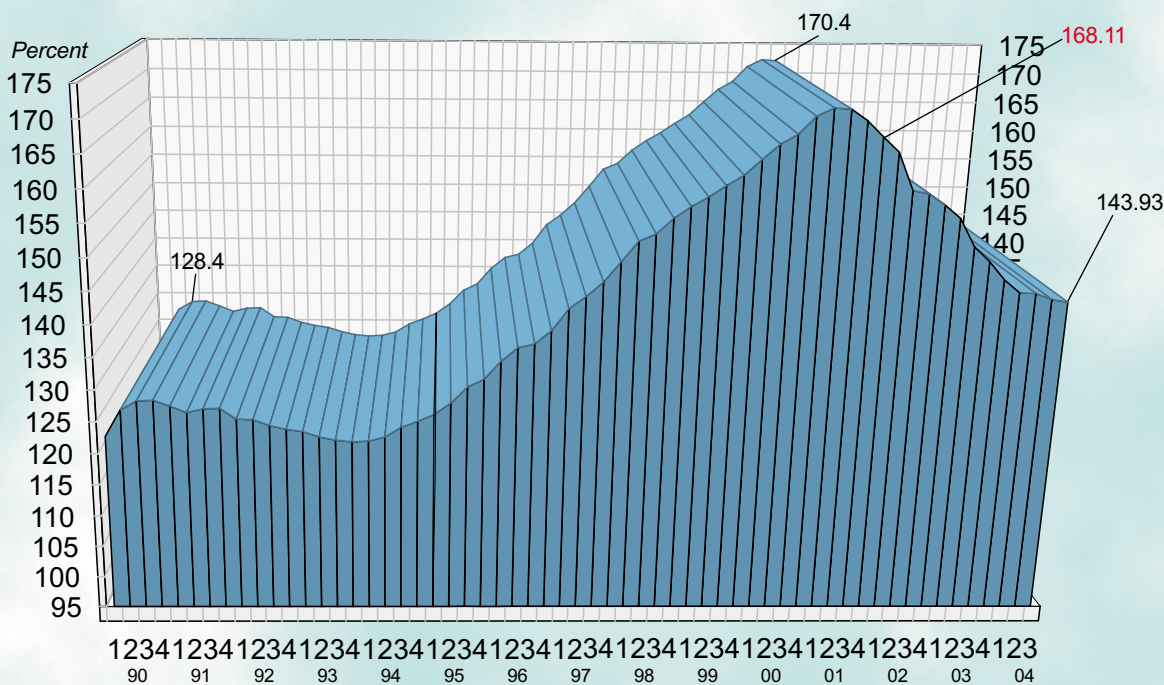
However, if sales of new single engine aircraft are any indicator of future activity in the used market, things could turn around soon. The sales of new aircraft with glass cockpits from Cessna and Cirrus are booming, and as always, that puts upward pressure on late model used aircraft.

But for now, singles that moved up in value were few and far between, and the change for those was miniscule. For example, late seventies and early eighties Skyhawks crept up \$1,000. The 207 Stationair moved up \$1,000 as well.

Mooney Ovations still remain soft and fell another \$5,000 for most year models. The TLS and TLS Bravo were off \$10,000. The Piper Malibu Mirage went down \$5,000 for late models.

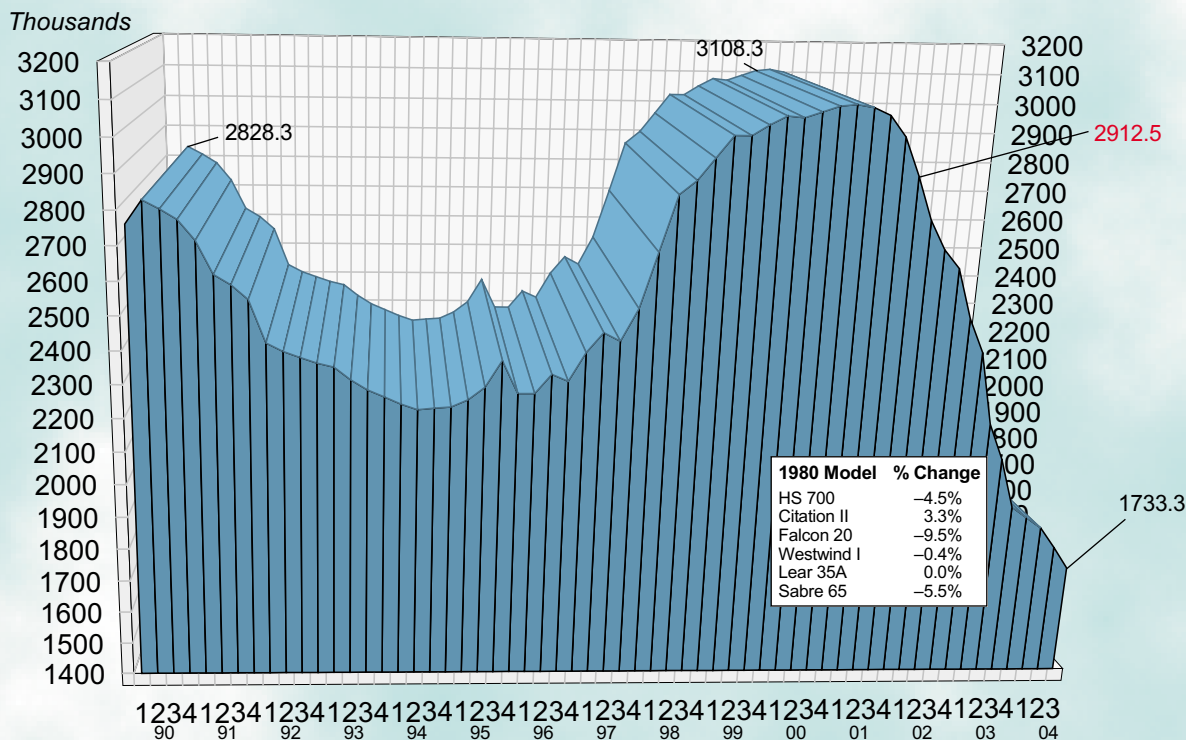
Thank you for subscribing to the Aircraft Bluebook and as always, please call with your questions or comments. 800-654-6776. ■

## USED AIRCRAFT MARKET VALUE



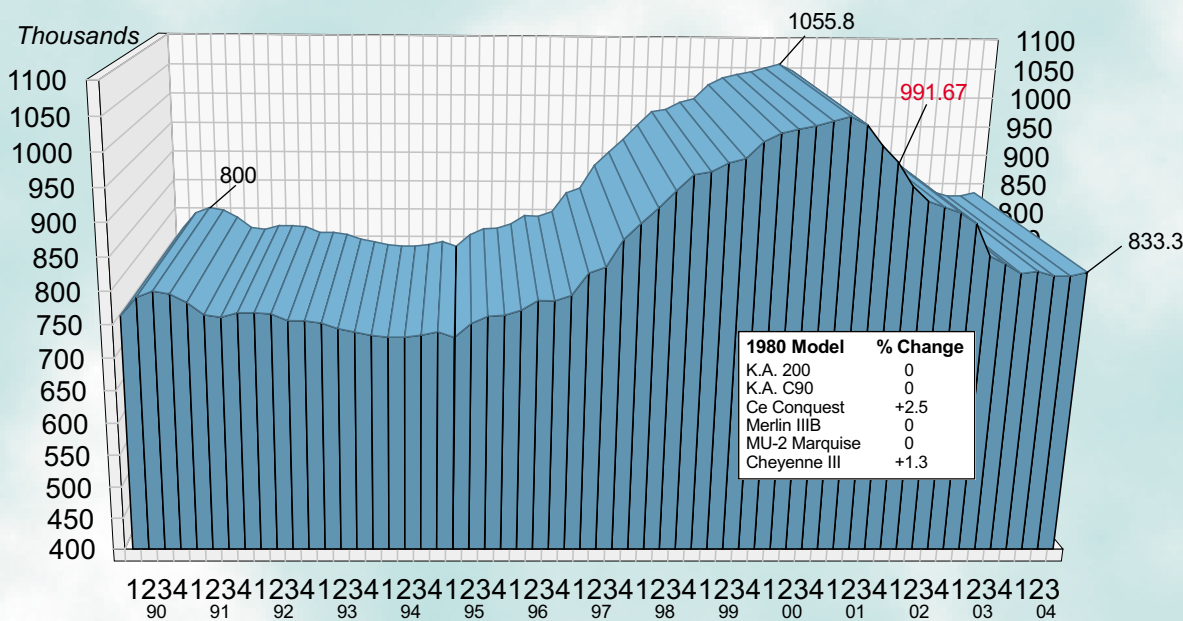
**Used Aircraft Market.** This ratio scale chart depicts the average percent-of-change for the 36 aircraft included in the Jet, Turboprop, Multi, Single and Helicopter charts. The study begins with the Fall quarter (August) of 1986 equaling 100%. The number in red on each chart indicates the first reporting date after 9-11.

# JET



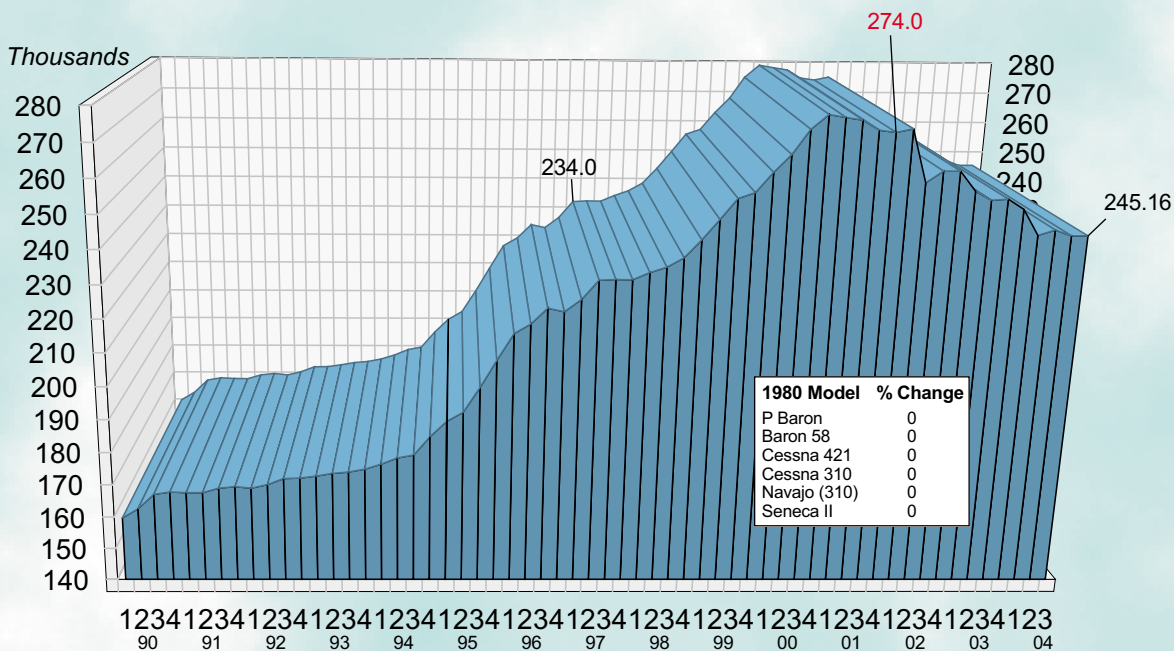
**Jet.** The jet chart depicts average price (in thousands) of the six 1980 model jets listed in the box. Each value corresponds to Aircraft Bluebook mail dates. The % Change is change for the most recent quarter.

# TURBOPROP



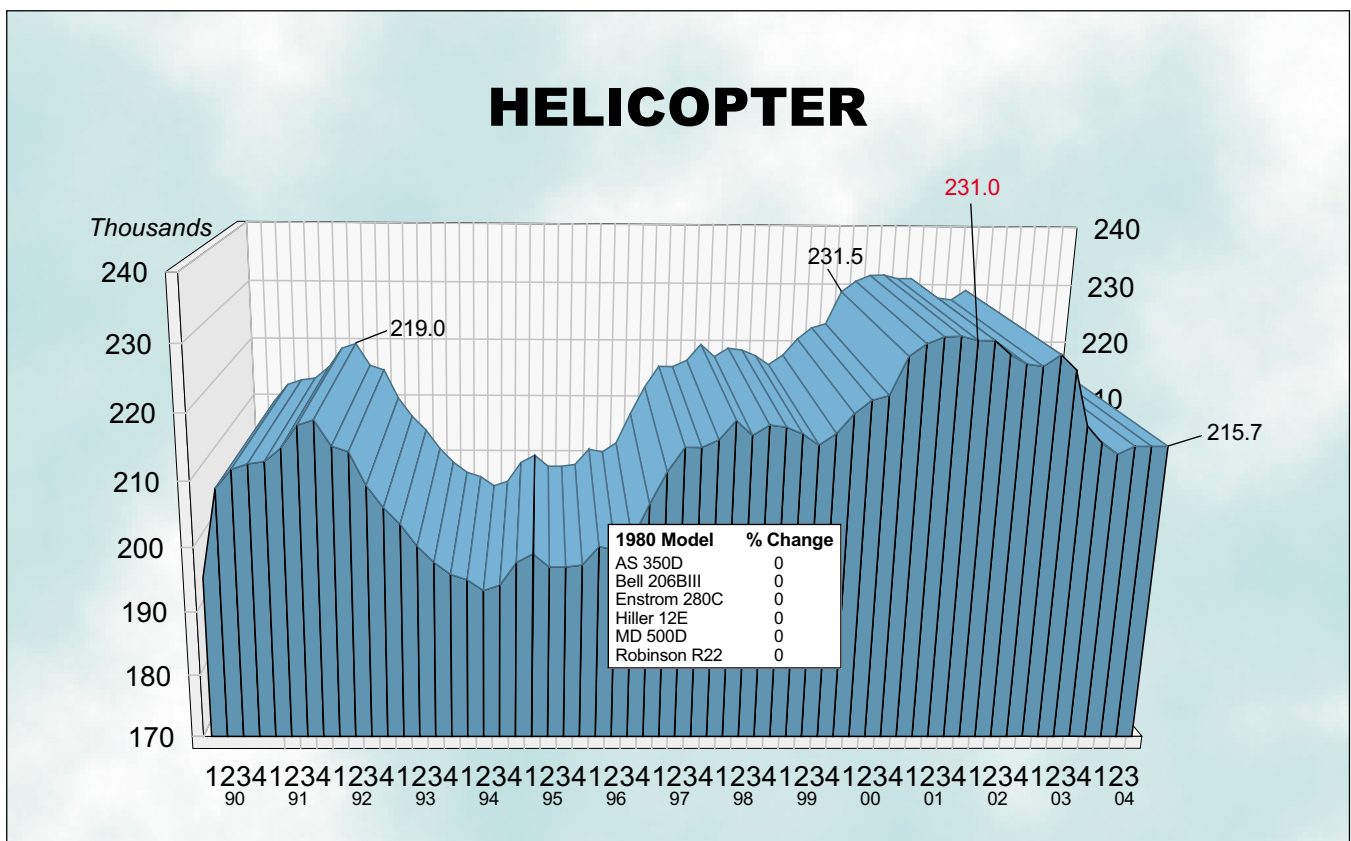
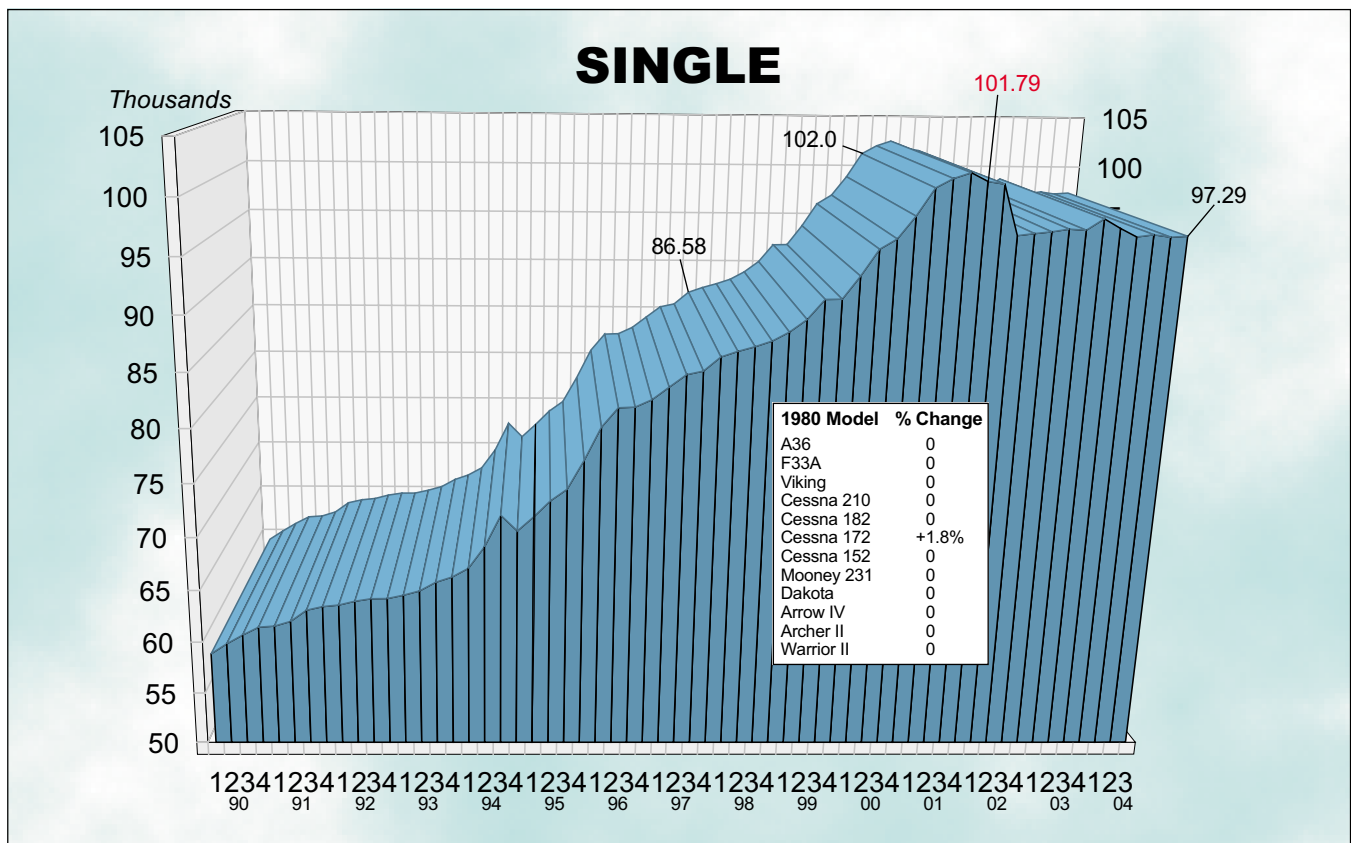
**Turboprop.** The turboprop chart depicts average price (in thousands) of the six 1980 model turboprops listed in the box. Each value corresponds to Aircraft Bluebook mail dates. The % Change is change for the most recent quarter.

# MULTI

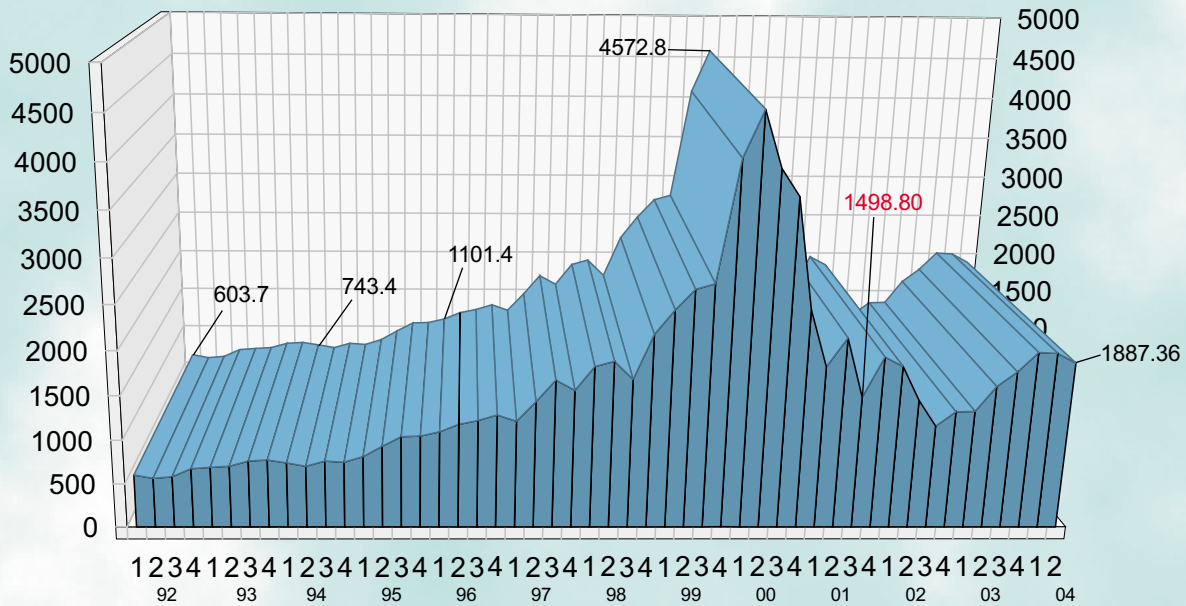


**Multi.** The multi chart depicts average price (in thousands) of the six 1980 model piston twins listed in the box. Each value corresponds to Aircraft Blue-book mail dates. The % Change is change for the most recent quarter.



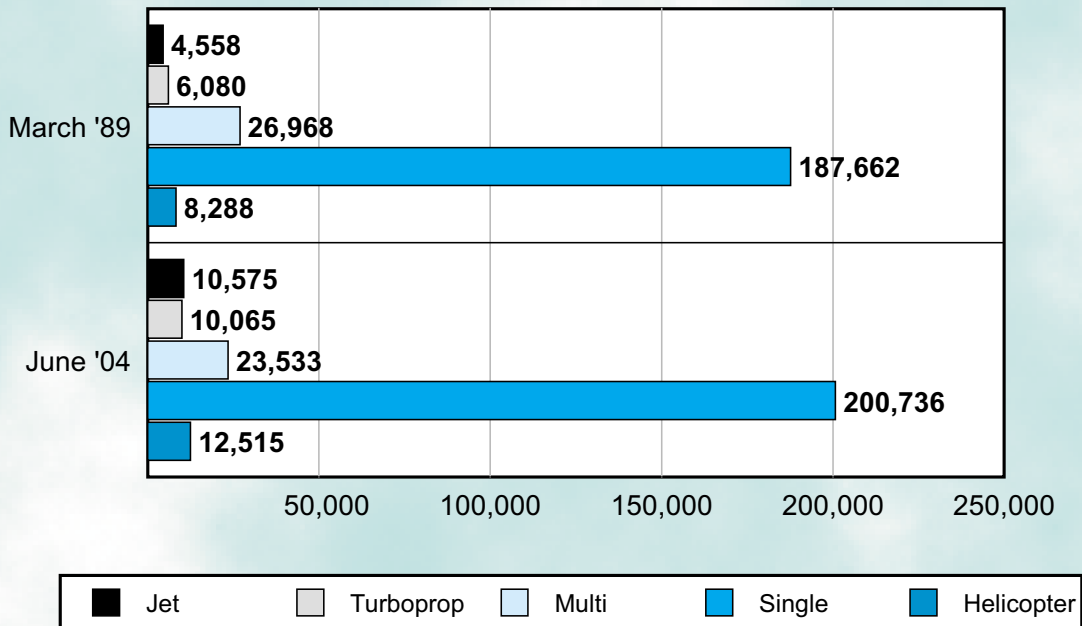


## NASDAQ



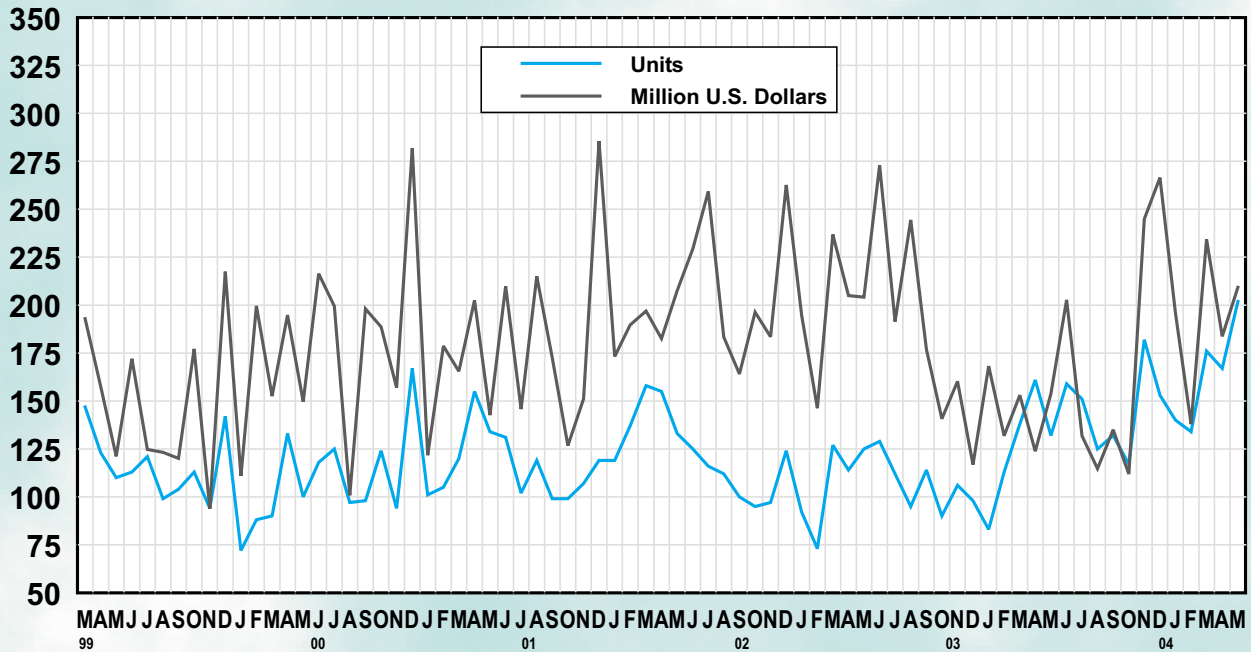
**NASDAQ:** This ratio scale chart depicts the change for the NASDAQ daily average from quarter to quarter beginning at the end of the first quarter of 1992. Each data point represents the closing daily average on the last trading day of each quarter. The scale originated in the first quarter of 1971.

## AIRCRAFT ON REGISTRY



**Aircraft on Registry.** The Aircraft on Registry chart depicts the number of aircraft reported in Aircraft Bluebook which are listed on FAA records and considered to be in the U.S. inventory.

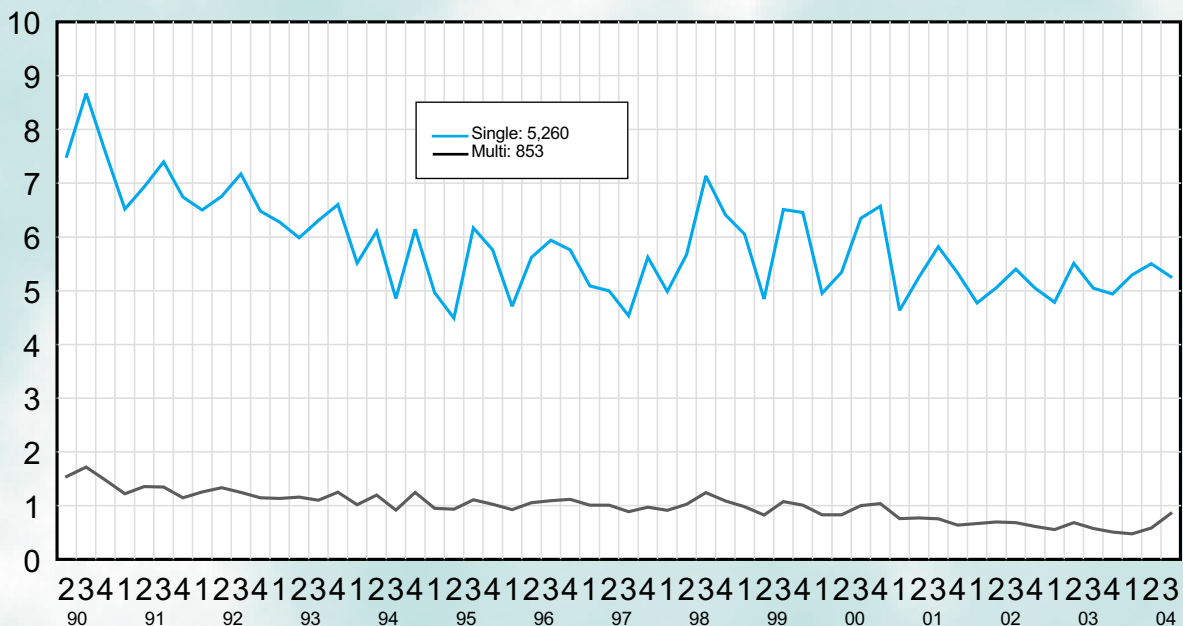
## EXPORTS



**Export Data.** These numbers include both airplanes and helicopters. The numbers do not include aircraft that have empty weights in excess of 33,069 lbs.

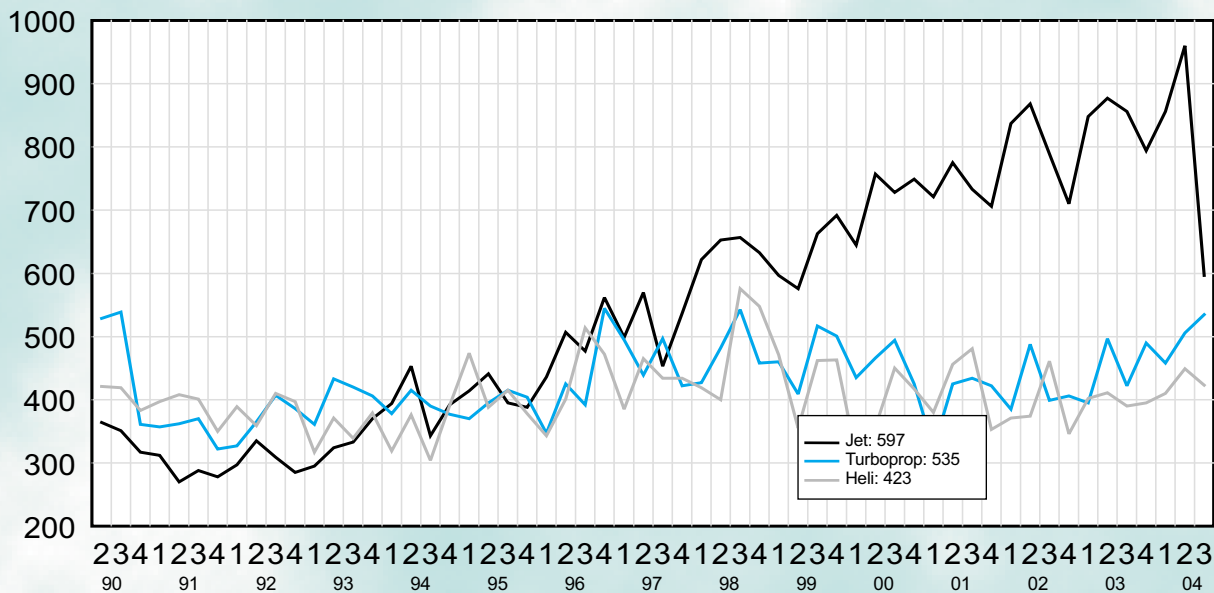
## CHANGE-OF-OWNERSHIP SINGLE • MULTI

Thousands



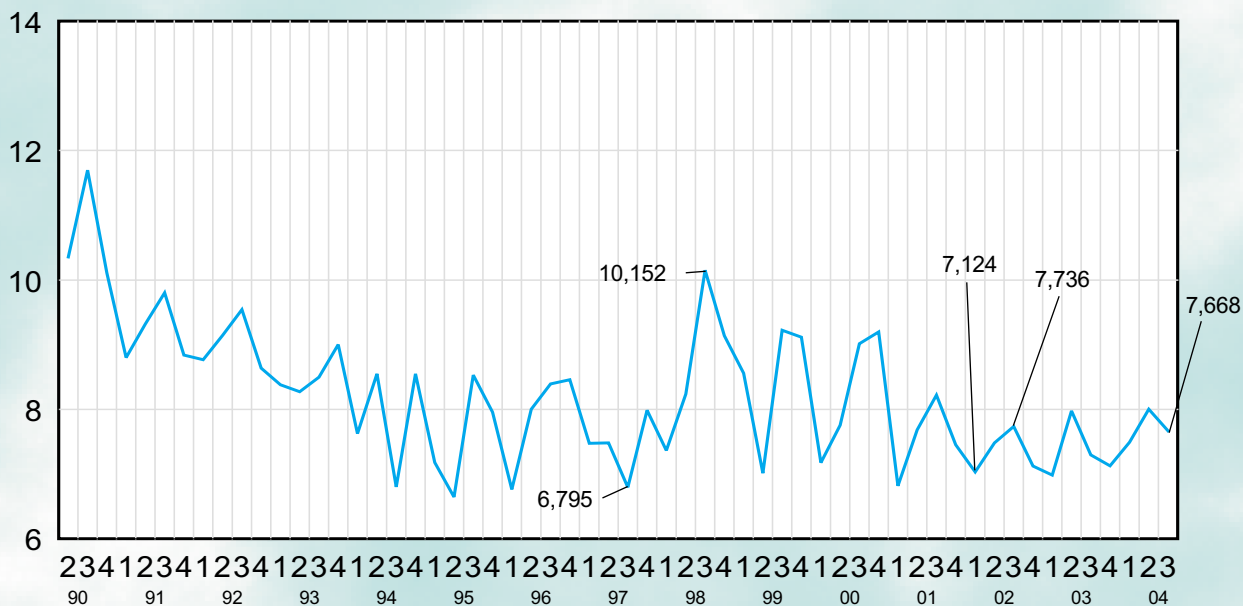
**Single/Multi.** The blue line in the Single • Multi chart depicts change-of-ownership data for singles. The black line represents multis.

## CHANGE-OF-OWNERSHIP JET • TURBOPROP • HELI



**Jet/Turboprop/Heli.** The black line in the Jet • Turboprop • Heli chart represents change-of-ownership information for jets. The blue line depicts turboprops, while the gray line represents helicopters.

## CHANGE-OF-OWNERSHIP TOTAL MARKET



**Total Market.** Depicts change-of-ownership data for all aircraft included in the Aircraft Bluebook. The numbers are from the FAA Registry. Gliders, homebuilts, airliners and other aircraft not found in the Bluebook are not included in this study.