

Used Aircraft Market Shows Signs of Better Days Ahead

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Aircraft Bluebook – Price Digest



Finally, the pre-owned aircraft market moved in a positive direction in the first quarter of 2010. Late-model, large-cabin, long-range aircraft were selling at or better than values published in the Aircraft Bluebook.

External factors such as increased sales, a slight decline of available inventory and world market competition could all be considered causes for the improvement. Although this early indication of a slow recovery is in progress, it is too early to celebrate. Any positive sign going forward is far better than where the used aircraft market has been.

With the exception of the late-model, large-cabin class, most of the other business aircraft are not yet recovering in value. The good news is that values are showing more stability. Market activity is on the rise leaving a more optimistic perception that values are not exposed to the risks experienced in the last twenty months.

A couple considerations might be affecting values in the pre-owned aircraft market. The first is available credit for qualified buyers, and the second is the price of fuel. Part of the dilemma that played a major role in an injured economy was the lack of finance. Now, aircraft lenders are able to enable more transactions. This new reality will move the aircraft market into better days. At the same time, credit could indicate how aircraft values will rebound as elements of risks financial institutions are willing to take will have an indirect impact on value. Energy and the price of crude oil is the other factor that will impact

further recovery. As long as there are no surprising jumps in the price of crude oil in a limited time frame, the aircraft market will be able to absorb the daily fluctuations in oil prices and prevent the cost of fuel from becoming a deterrent in this industry's recovery.

Jet

Bluebook-at-a-glance

<i>Increased</i>	5
<i>Decreased</i>	410
<i>Stable</i>	462

As reported above, late-model, large-cabin aircraft are retaining value. Select Gulfstream G550s were up \$1 million with the remainder of these aircraft holding steady in value. The Gulfstream G-V market remained unchanged. The G-IV values were off an average of \$500,000. Bombardier Global Express and the Global 5000 also held steady while inventories for sale decreased. The Bombardier Lear 45 series was off \$200,000 on average. The Cessna Citation Excel series was down an average of \$200,000 as well. Light jets such as the Beech Premier were off an average of \$200,000. The Hawker 400 was down \$100,000. The Citation 525 was off slightly as well.

Turboprop

Bluebook-at-a-glance

<i>Increased</i>	55
<i>Decreased</i>	86
<i>Stable</i>	452

The ag market values improved slightly when compared to the previous quarter.

Late-model Beechcraft King Airs remained stable. Earlier models generally also held on, though some models trended downward. Reduction in production for the King Air series might have some positive benefits. In time, limited production could cause limited inventories for sale in the pre-owned market, which would then cause values to strengthen. The Cessna Conquest was stable for yet another quarter. The Piper Meriden was down \$50,000.

Multi

Bluebook-at-a-glance

<i>Increased</i>	29
<i>Decreased</i>	103
<i>Stable</i>	523

The Beech Baron family of piston twins achieved some slight gains in value. Early-model 58s were up slightly. Select Baron 55 models also experienced narrow gains. For the most part, however, decreases in value were slight but across the board. Cessna 310 values were down, and the Diamond Twin Star was off \$10,000.

Single

Bluebook-at-a-glance

<i>Increased</i>	311
<i>Decreased</i>	267
<i>Stable</i>	1909

Select ag planes generally made slight gains. Values of early-model Beech Bonanza A36s were up from the previous quarter. Late-model Cessna 172 Skyhawks and Cessna 206s reported slightly higher values for the summer release of Aircraft Bluebook. Commanders and Mooneys were generally off \$5,000 to \$10,000 when compared to the previous quarter. The majority of aircraft in this reporting segment remained stable.

Helicopter

Bluebook-at-a-glance

<i>Increased</i>	52
<i>Decreased</i>	170
<i>Stable</i>	809

The Enstrom F28/280 series improved slightly from the previous quarter. Compared to the previous quarter, select models of the Eurocopter Twin Star were off \$100,000. The Bell 430 also declined an average of \$300,000 from previous reported values. The Enstrom 480 was down \$50,000. The helicopter segment remained stable for the most part.

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Please contact Aircraft Bluebook if you have any specific concern in a particular aircraft market. We will be happy to share with you the most up-to-date information available for your market segment. Call us toll-free at 877-531-1450 or direct at 913-967-1913.



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PUBLISHED FOUR TIMES YEARLY TO COINCIDE WITH SEASONAL PRICE FLUCTUATIONS.
SPRING (end Feb.) SUMMER (end May) FALL (end Aug.) WINTER (end Nov.)

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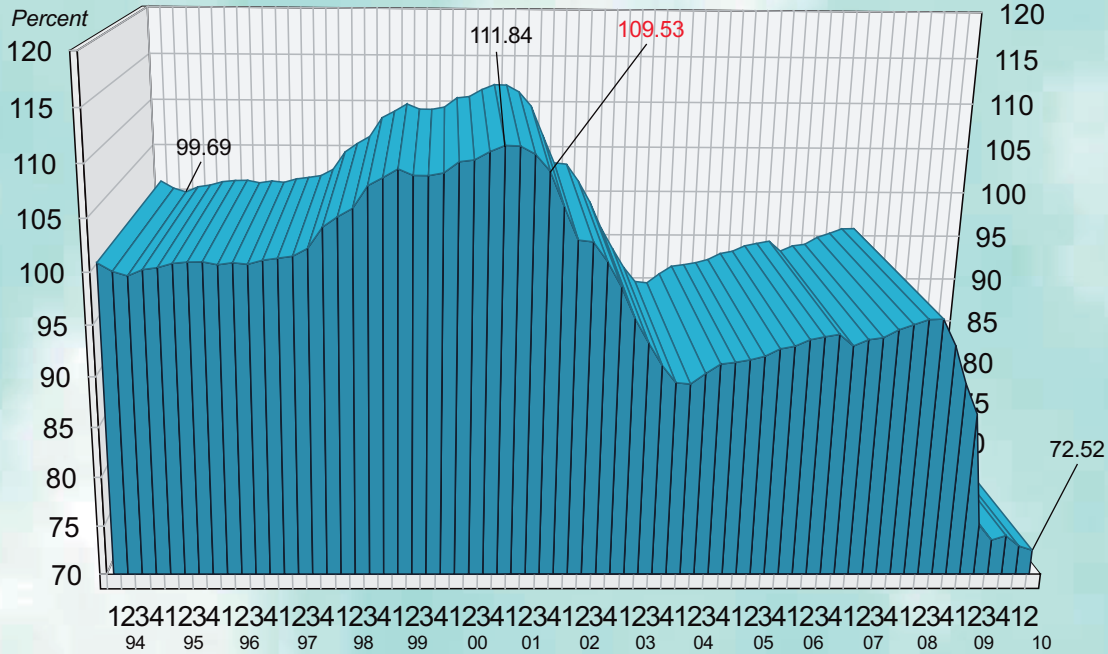
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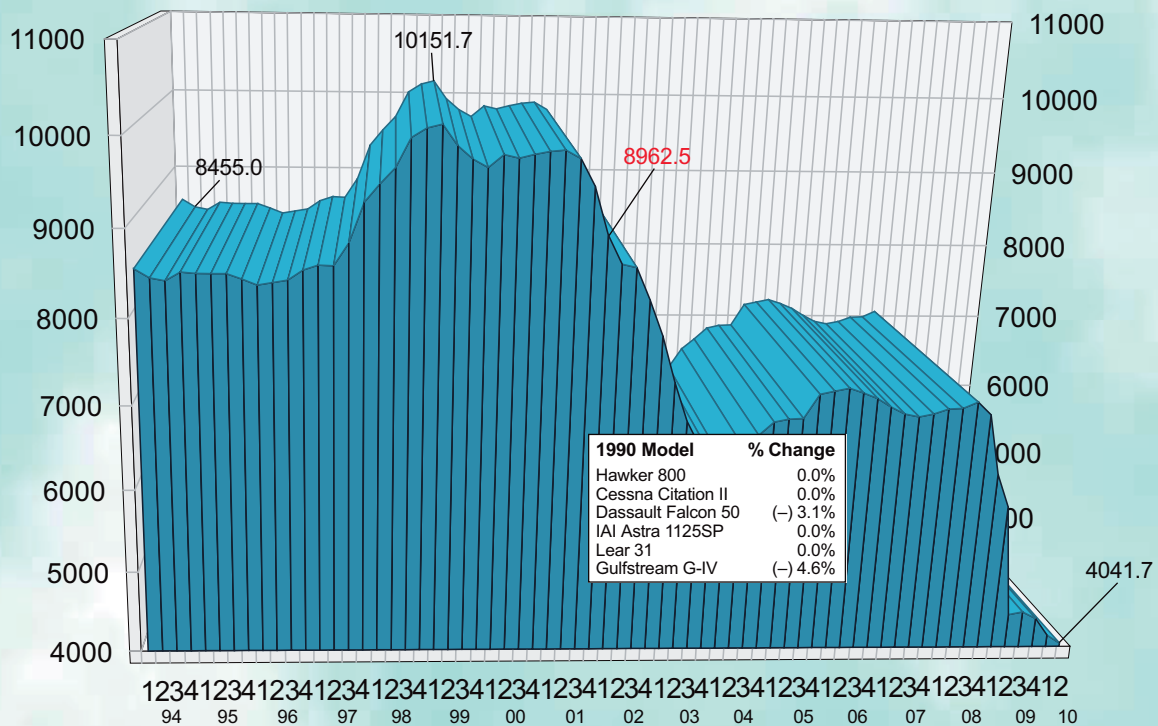
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USED AIRCRAFT MARKET VALUE

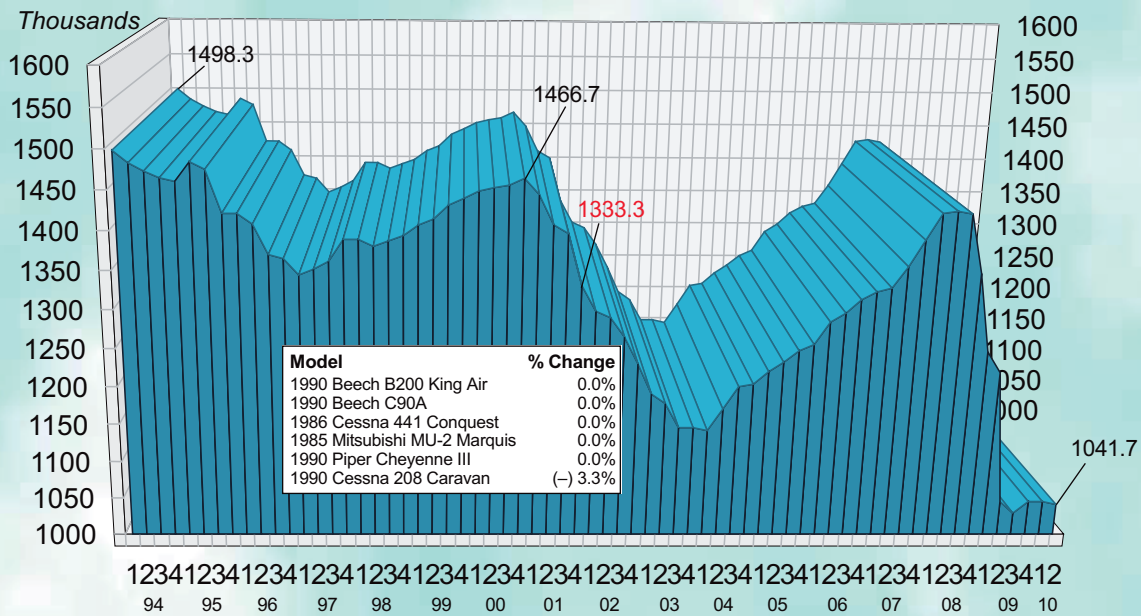


Used Aircraft Market. This chart displays each model's quarterly value in relationship to its average equipped price at the inception of the aircraft. The study begins in the Spring quarter of 1994 and includes the Jet, Turboprop, Multi, Piston and Helicopter. For all charts, the red number indicates the first reporting date after 9-11.

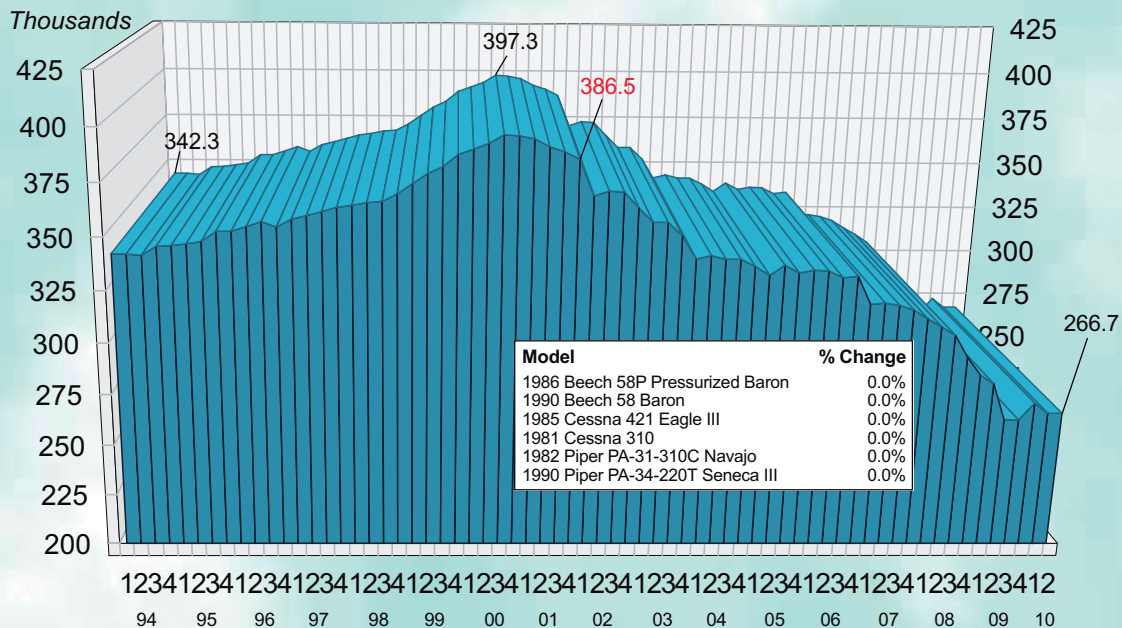
JET

Jet. The jet chart depicts the average price (in thousands) of the six 1990 jets listed in the box.

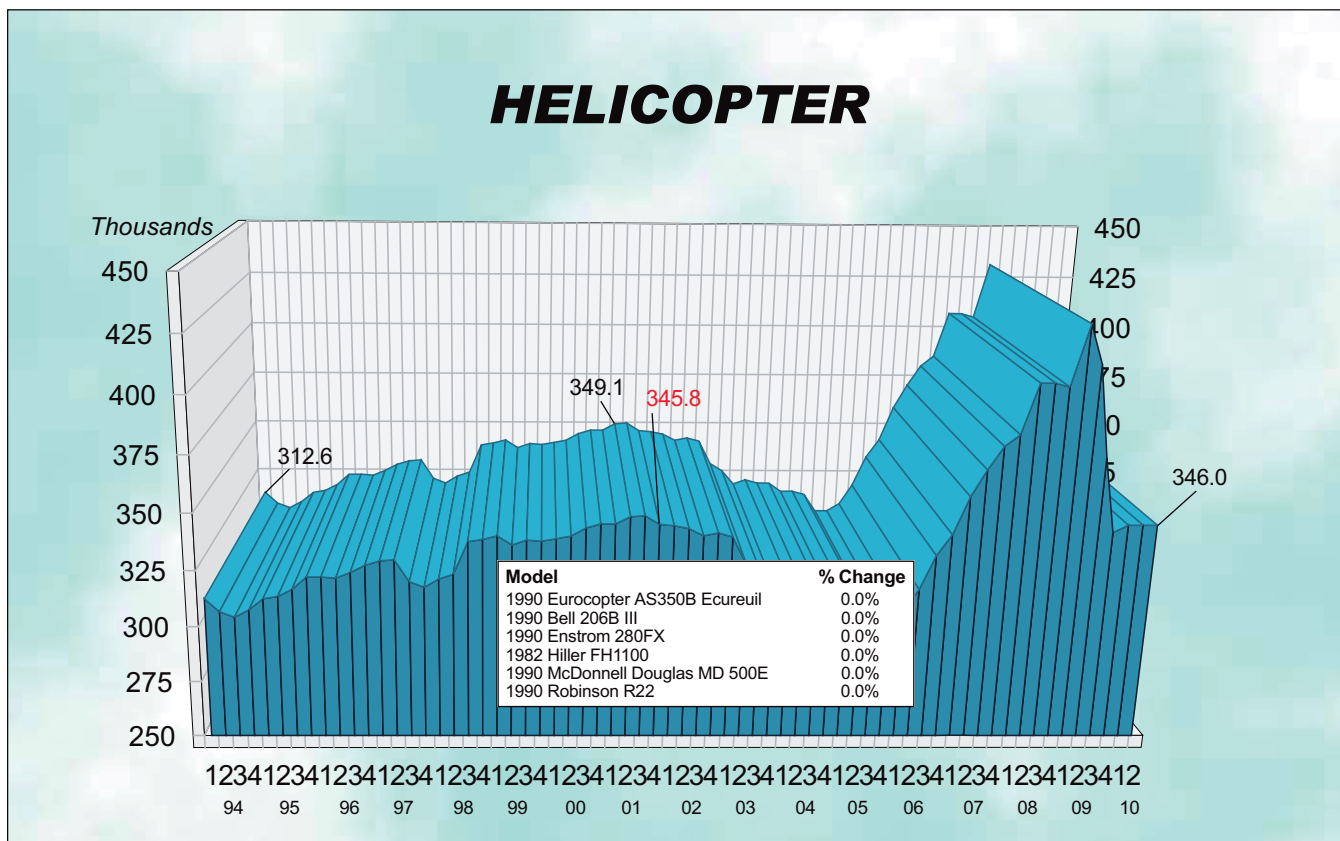
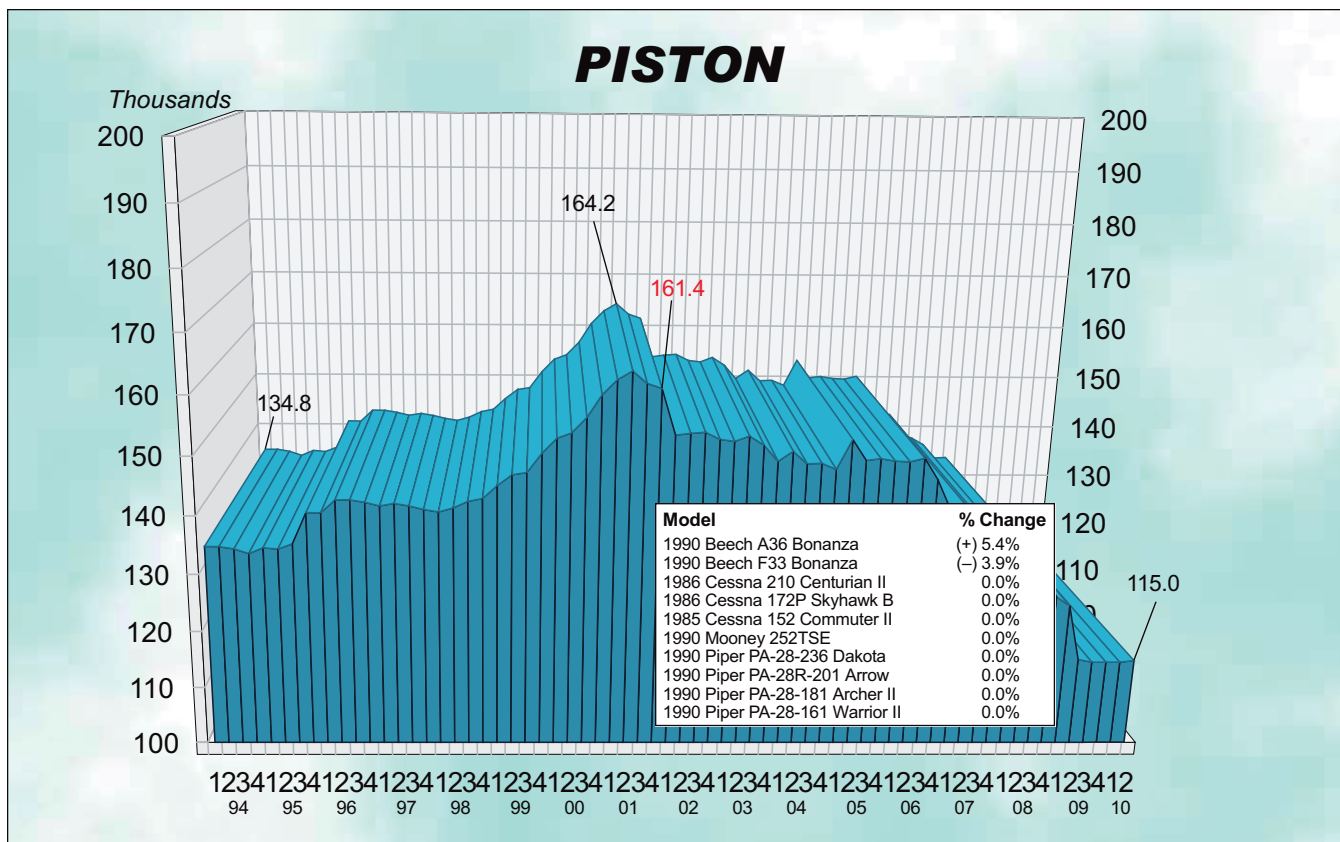
TURBOPROP



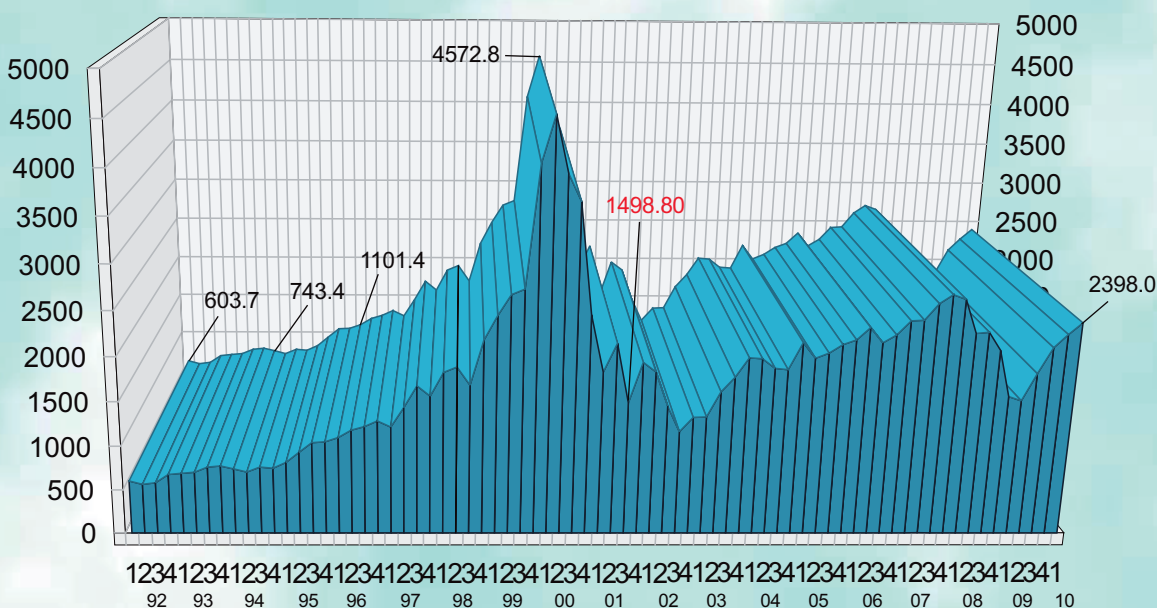
Turboprop. The turboprop chart depicts the average price (in thousands) of a 1985, 1986 and four 1990 turboprops listed in the box.

MULTI

Multi. The multi chart depicts the average price (in thousands) of the six multi models listed in the box. Each model's year will precede the name of the aircraft.

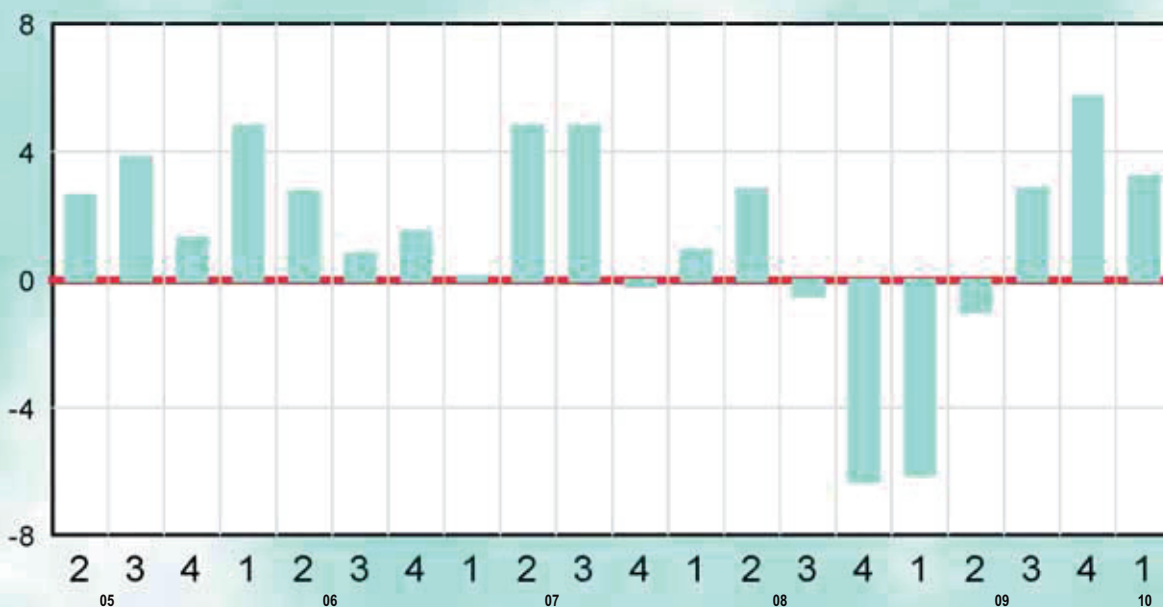


NASDAQ



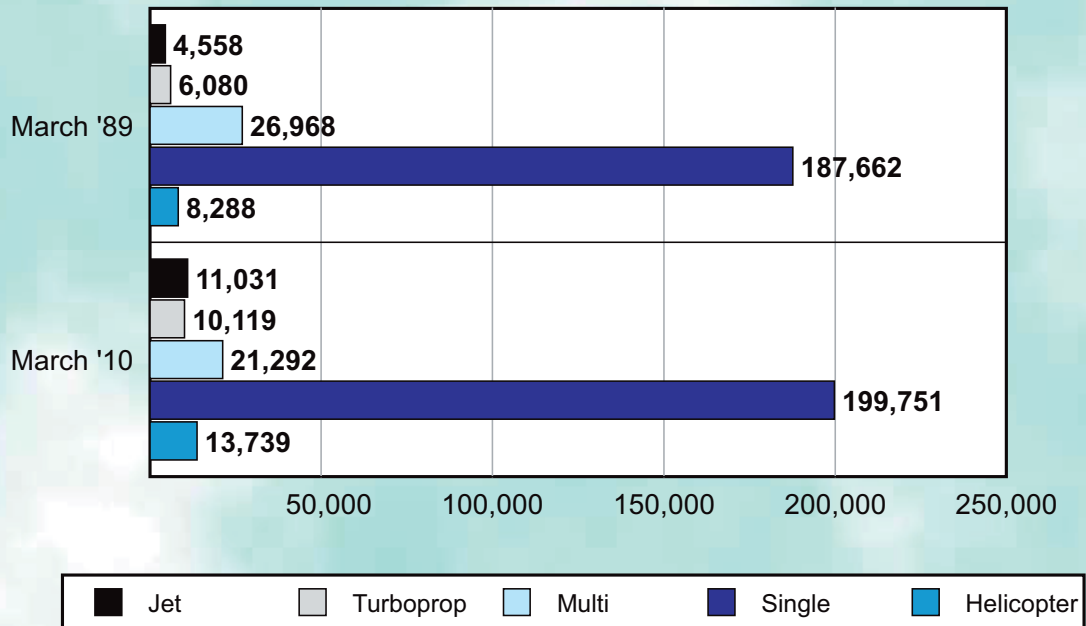
NASDAQ: This ratio scale chart depicts the change for the NASDAQ daily average from quarter to quarter beginning at the end of the first quarter of 1992. Each data point represents the closing daily average on the last trading day of each quarter. This study originates in the first quarter of 1971.

U.S. REAL GROSS DOMESTIC PRODUCT



U.S. Real Gross Domestic Product: This graph represents real gross domestic product measured by the U.S. Department of Commerce. Each data point represents the percentage change from the 2005 baseline GDP. The study begins with the second quarter in 2005.

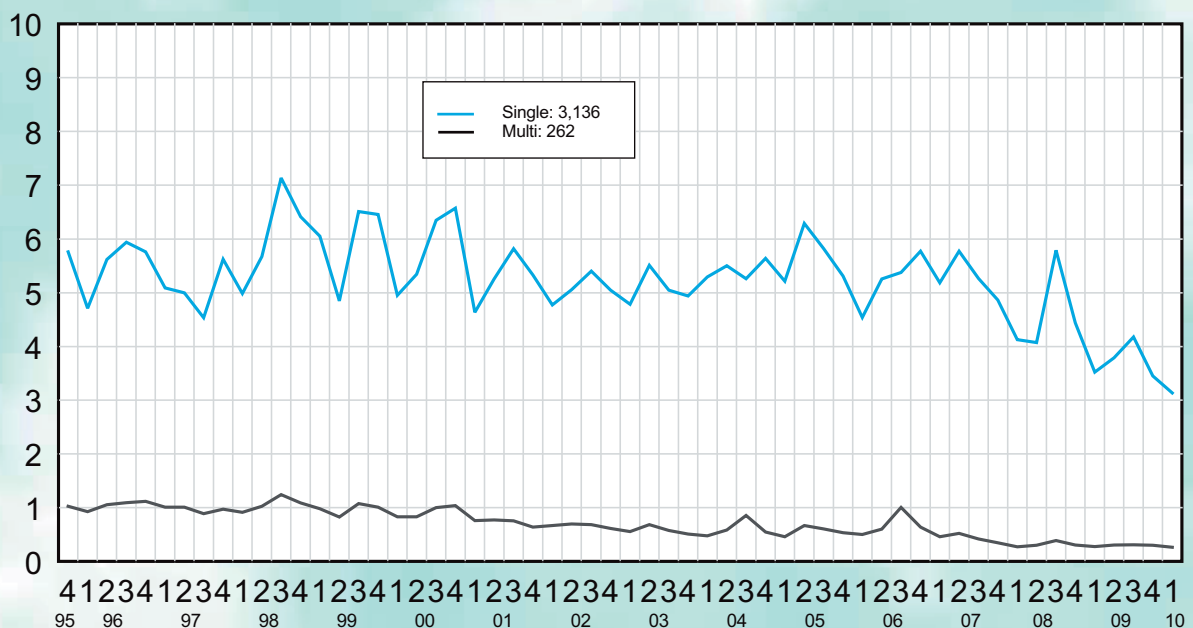
AIRCRAFT ON REGISTRY



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.

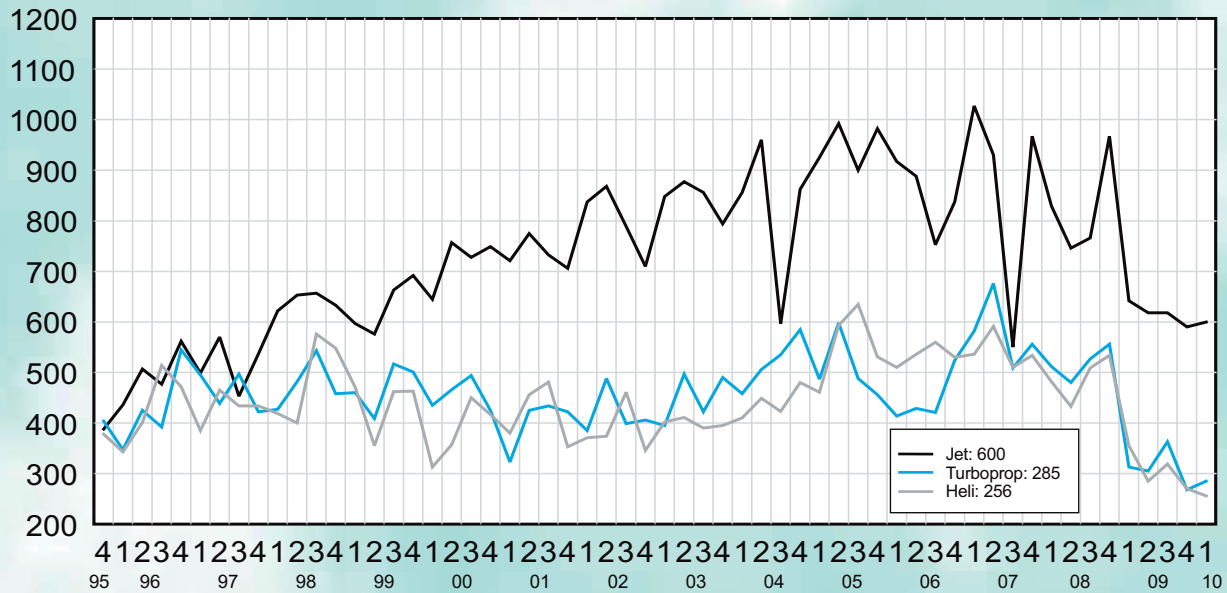
CHANGE OF STATUS SINGLE • MULTI

Thousands



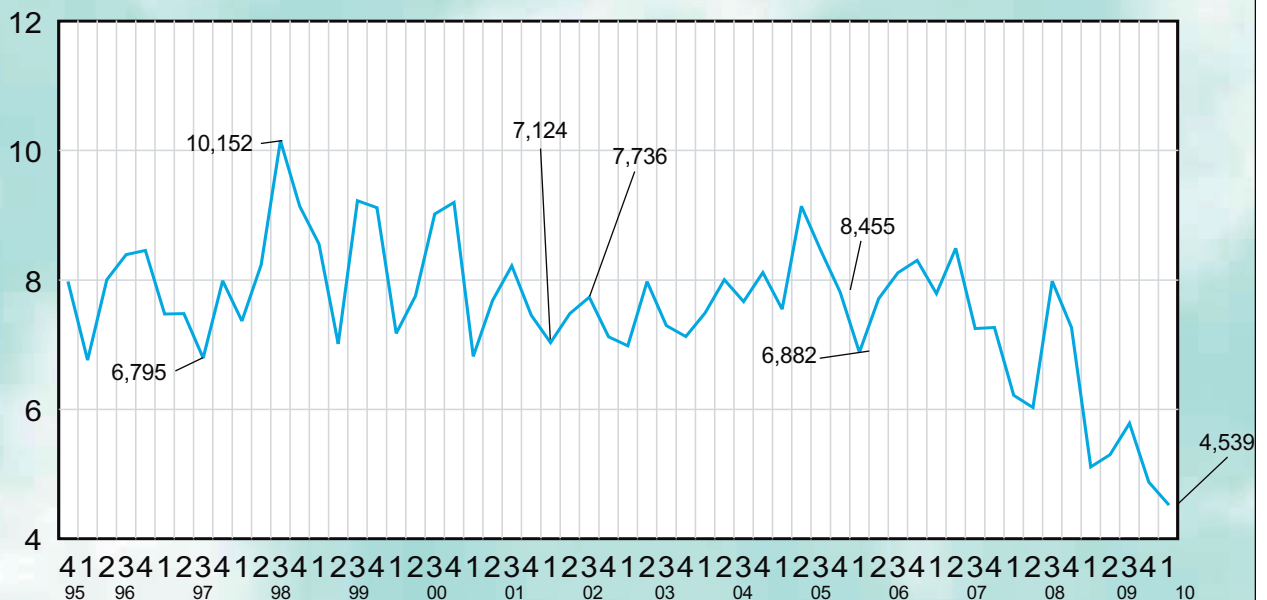
Single/Multi. The blue line in the Single • Multi chart depicts change-of-ownership data for singles. The black line represents multis.

CHANGE OF STATUS 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 STATUS 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.