

MARKETLINE

VOL 25 NO 4

2012 NEWSLETTER

BLUEBOOK PERSPECTIVES

FACING THE NATION

By Carl Janssens, ASA | Editor and Chief Appraiser

It is all said and done. A new leader has been chosen. The challenges of this executive office are staggering. Creating jobs for the people in his charge, modification of the healthcare system and ongoing issues with a slowing economy are enormous.

Yes, the newly appointed leader of the People's Republic of China, Xi Jinping, faces many complex challenges in the days ahead. Similar to President Barack Obama, how policies will be developed to benefit his countrymen have yet to be revealed. One thing is certain, China is focused on growing its economy, so much so that it is predicted to surpass the U.S. economy in less than five years — or so critics think.

Having visited Savannah, Georgia recently, one would see a boom town of growth. Construction is everywhere around the Gulfstream campus. So, if there are such great opportunities to sell aircraft, why aren't prices more stable these days? I suggest prices are stable, with the exception of Hawker aircraft, for reasons already clear to the aviation community. OEMs are selling new aircraft and making money.

Dealing with the pre-owned market is a bit more challenging. The pre-owned market is being re-defined by the velocity of transactions. It takes more than just a few transactions to make the pre-owned market move in the right direction. Price is always a concern. Sellers want maximum return on their assets. Buyers want compensation for future values up front — in the form of discounts. Similar to the way politics are supposed to work, somewhere in the middle, at least in the playing field of a deal, a resolution is made and a sale is complete. Both buyer and seller may not be happy, but the best outcome was agreed upon by both parties, while the old adage of economics; supply and demand referee. When it comes to the bottom line, the question should be: was the business tool, the corporate aircraft, a needed asset in growing profits by its ability to move folks in an efficient and timely manner? The answer will always be "yes." Walking around sock-footed and beltless takes time- and time is money. Sure, things could be better, corporations could become more confident in the economy and make some capital investments in their transportation budget,

Continued on page 2.

TABLE OF CONTENTS

01	Bluebook Perspectives
01	Bluebook At-A-Glance
02	Current Market Strength
02-07	Marketline Charts
08	Change of Status Charts
09	Into the Blue
09	What's New
09	Around the Globe
10	Ask Aircraft Bluebook
10	Meet the Staff

BLUEBOOK-AT-A-GLANCE

JET

INCREASED	0
DECREASED	640
STABLE	321

TURBOPROP

INCREASED	3
DECREASED	230
STABLE	389

MULTI

INCREASED	4
DECREASED	84
STABLE	582

SINGLE

INCREASED	27
DECREASED	126
STABLE	2432

HELICOPTER

INCREASED	34
DECREASED	164
STABLE	902

and a legislative agenda for growing the economy could be revealed by President Obama. But none of that looks like it's going to happen any time soon. One can always hope for better times, but don't neglect the opportunities that are still available now.

Looking at the BLUEBOOK - AT - A - GLANCE column (page 1) shows a market in motion. Prices for pre-owned aircraft continue to decrease quarter-to-quarter in the jet and turboprop category. Days on market for properly priced aircraft are moving on to new owners in a matter of months. Movement is good.

Fixed wing single and multi engine values remain stable, while the helicopter segment also is reporting a majority of models with no change in values, when compared to the previous quarter. To see what changes have occurred in values, refer to the newly released edition of Aircraft Bluebook - Price Digest®.

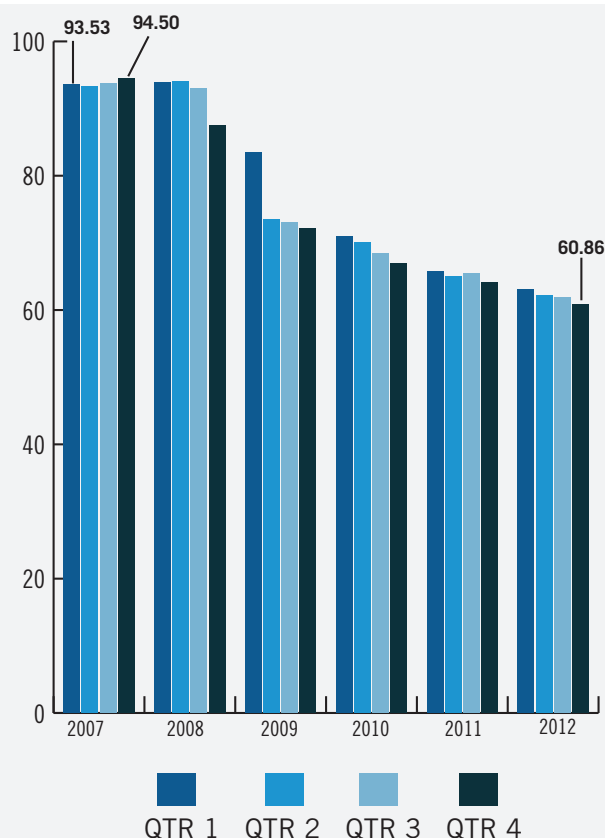
CURRENT MARKET STRENGTH

CMS represents an aircraft's current strength in the market. An A+ rating indicates the aircraft is enjoying a very firm market. Prices for an A+ aircraft are steadily rising, and holding times are very short or nonexistent. At the opposite end of the spectrum, a C- aircraft is one experiencing a very soft market. Its price is commonly discounted, and it often sets on the ramp in excess of eight months before selling. It is important to remember that Current Market Strength is not a forecast. It is valid only at Marketline's effective date of release. *See chart below.*

MARKETLINE CHARTS

All of the listed aircraft have a composite score that is presented in the Used Aircraft Market graph. Data points are represented in relationship to the respective new delivered historical price that is equal to 100%. The measure of change is reported in the actual percentage of value in relation to new. The delta between reporting periods can be concluded as the percentage of change.

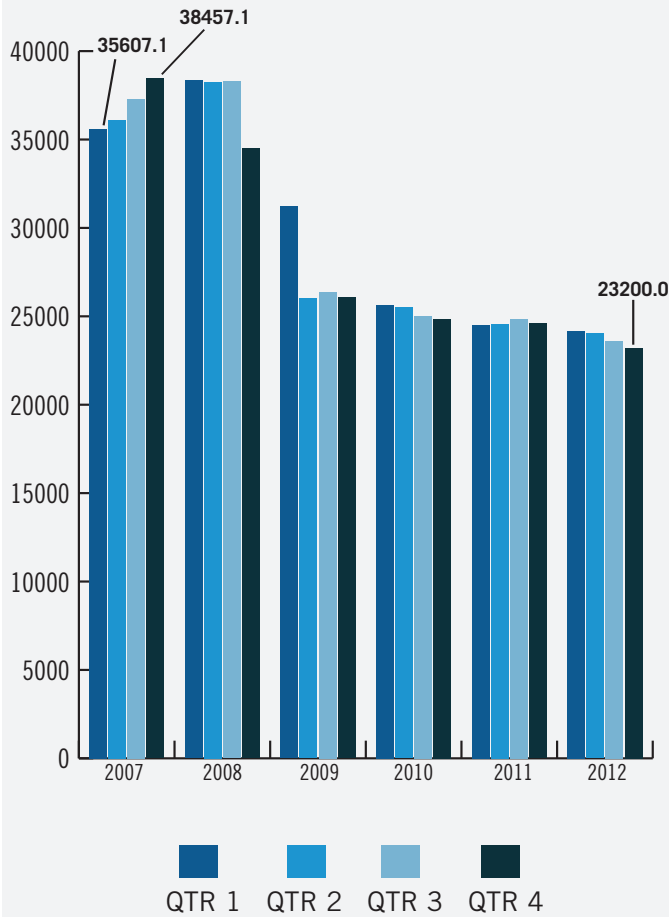
USED AIRCRAFT MARKET



CURRENT MARKET STRENGTH (CMS)

2007/2008 Model	CMS	2007/2008 Model	CMS	2007/2008 Model	CMS
Beech Premier 1A	B	Gulfstream G200	B	Cirrus SR22-G2	B
Bombardier Global XRS	A	Gulfstream G150	B	Cirrus SR20-G2	B
Bombardier Challenger 604	B	Hawker 800XP	B-	Diamond DA40-180XLS Star	B
Bombardier Challenger 300	A	Hawker 400XP	C	Diamond DA20-C1 Eclipse	B
Bombardier LearJet 60XR	B	Beech King Air 350	A	Mooney M20TN Acclaim	B-
Bombardier LearJet 45XR	B	Beech King Air B200	A	Mooney M20R Ovation	B-
Cessna Citation X	B	Beech King Air C90GT	A	Piper PA46-350P Mirage	B
Cessna Citation XLS	B	Cessna 208B Grand Caravan	A	Piper PA34-220T Seneca V	B-
Cessna Citation CJ3	B	Piaggio P180	B	Piper PA28R-201 Arrow	B
Cessna Citation CJ2	B	Pilatus PC-12/47	B	Piper PA28-181 Archer III	B
Dassault Falcon 900EX Easy	A	Piper PA46-500TP Meridian	B+	Evektor Sportstar (LSA)	B
Dassault Falcon 50EX	B	Socata TBM850	B	Flight Design CTLS (LSA)	B
Dassault Falcon 2000EX	A	Beech 58 Baron	B-	Agusta A109 Grand	A
Embraer EMB-135 Legacy	A	Beech A36 Bonanza	B-	Bell 206 L-4	A
Embraer Phenom 100	A	Cessna T206H Stationair	B	Eurocopter AS350-B3	A
Gulfstream G550	A	Cessna 182T Skylane	B	Robinson R44 Raven II	A
Gulfstream G450	A	Cessna 172S Skyhawk	B	Sikorsky S-76C++	A

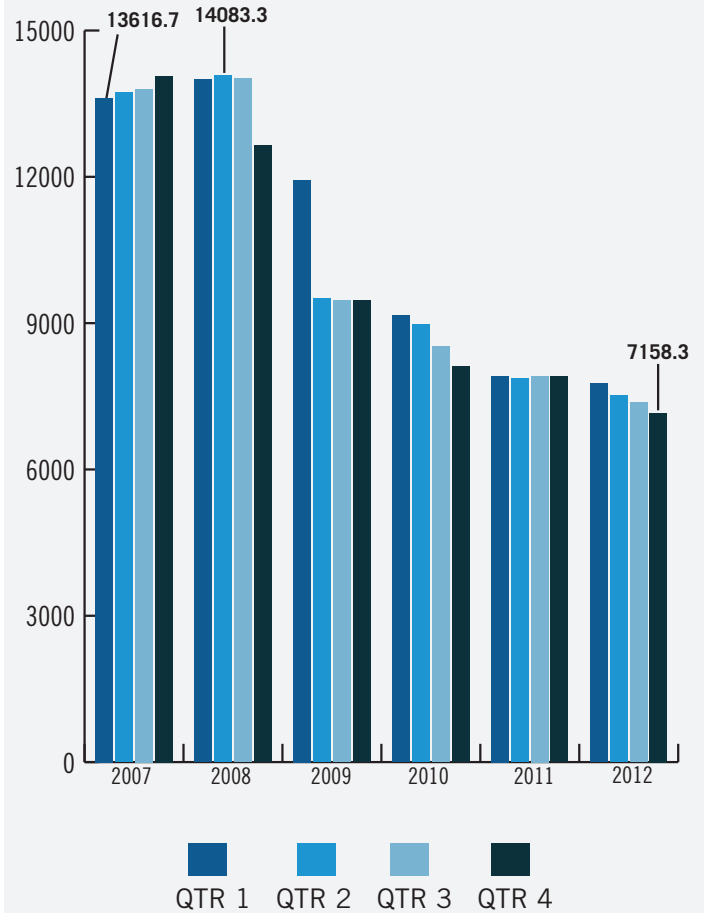
LARGE JET



The Large Jet chart depicts the average price (in thousands) of the seven jets listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2006 Bombardier Global Express	0.0
2007 Bombardier Challenger 605	-2.9
2005 Dassault Falcon 900 EX Easy	0.0
2005 Dassault Falcon 200EX Easy	-1.8
2005 Gulfstream G550	-2.8
2005 Gulfstream G450	-4.5
2005 Embraer EMB135 Legacy	0.0

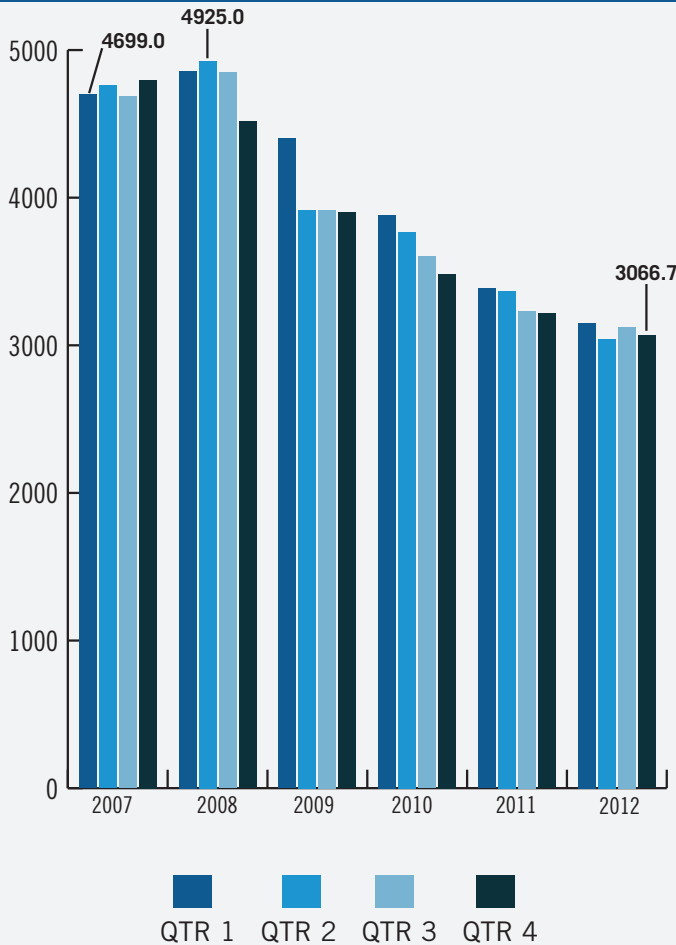
MEDIUM JET



The Medium Jet chart depicts the average price (in thousands) of the six jets listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Bombardier Challenger 300	-2.0
2005 Bombardier Lear 45XR	0.0
2005 Cessna Citation Sovereign	-3.4
2005 Cessna Citation XLS	-3.5
2006 Gulfstream G150	-4.0
2005 Hawker 800XP	-4.2

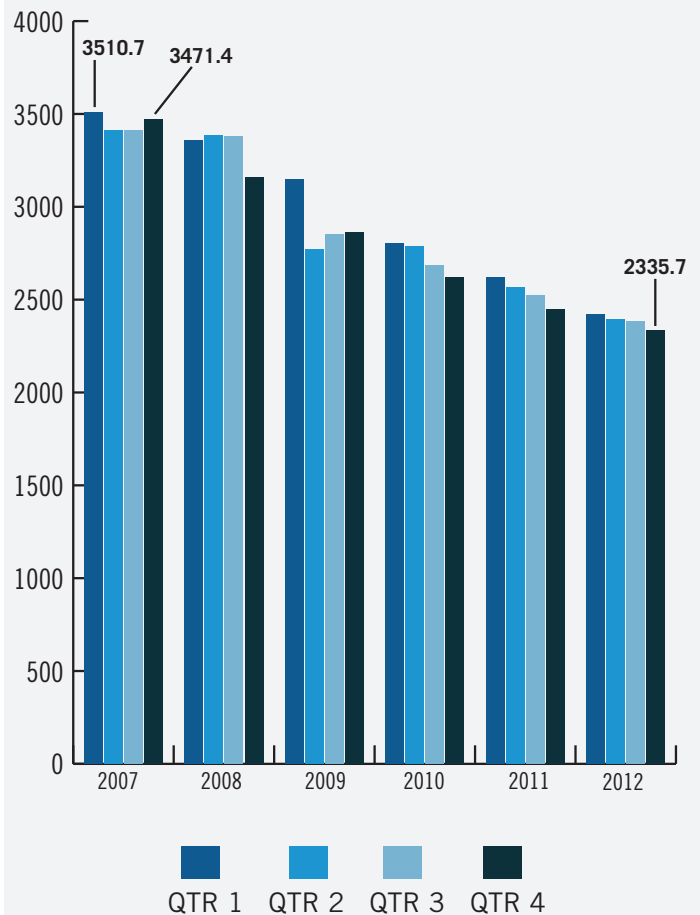
SMALL JET



The Small Jet chart depicts the average price (in thousands) of the six jets listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Beech Premier 1	-2.9
2005 Cessna Citation CJ2+	-5.4
2006 Cessna 510 Mustang	0.0
2008 Embraer Phenom 100	0.0
2009 Embraer Phenom 300	0.0
2005 Hawker 400XP	-5.6

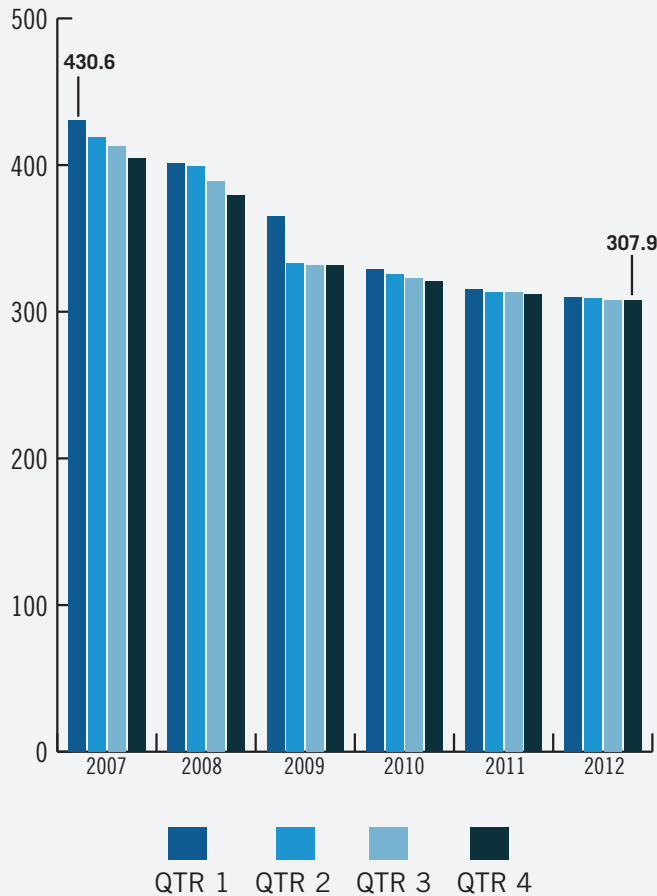
TURBOPROP



The Turboprop chart depicts the average price (in thousands) of the seven turboprops listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Beech King Air350	0.0
2005 Beech King AirB200	0.0
2005 Beech King AirC-90B	0.0
2005 Cessna 208 Grand Caravan	-4.0
2005 Piaggio AvantiP180	-8.1
2005 Pilatus PC12/45	0.0
2005 Socata TBM700C2	0.0

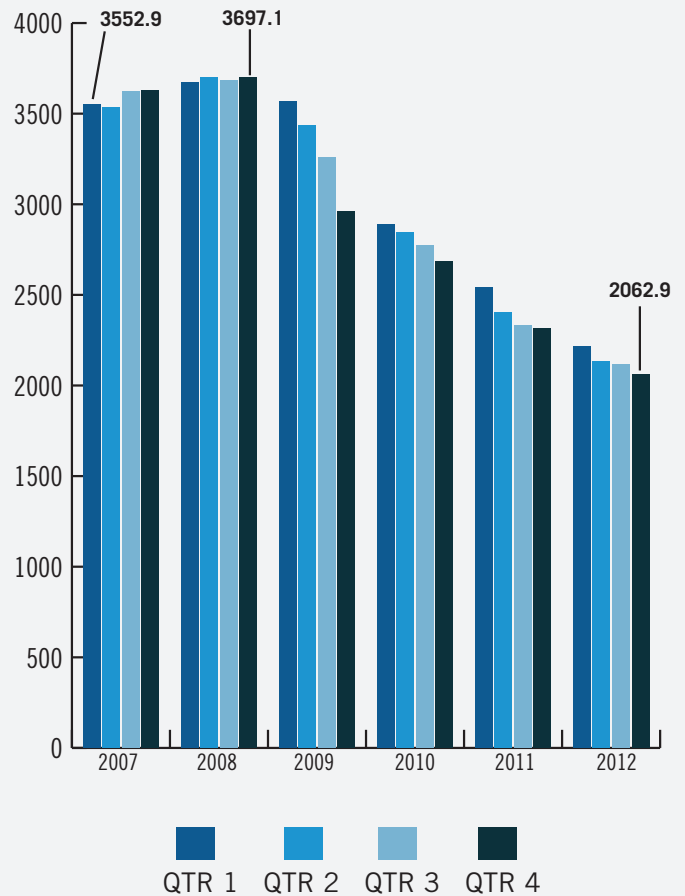
SINGLE/MULTI PISTON



The Single/Multi-Piston chart depicts the average price (in thousands) of the 12 aircraft listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Beech 58 Baron	0.0
2005 Diamond DA42 Twin Star	0.0
2005 Piper PA34-220T Seneca V	0.0
2005 Beech A36 Bonanza	0.0
2005 Cessna/Columbia 400	0.0
2005 Cessna 182T Skylane	0.0
2005 Cessna T206H Turbo Stationair	0.0
2005 Cessna 172S Skyhawk SP	0.0
2005 Cirrus SR22-G2	0.0
2005 Diamond DA40-180 Star	0.0
2005 Piper PA46-350P Mirage	0.0
2005 Piper PA28R-201 Arrow	0.0

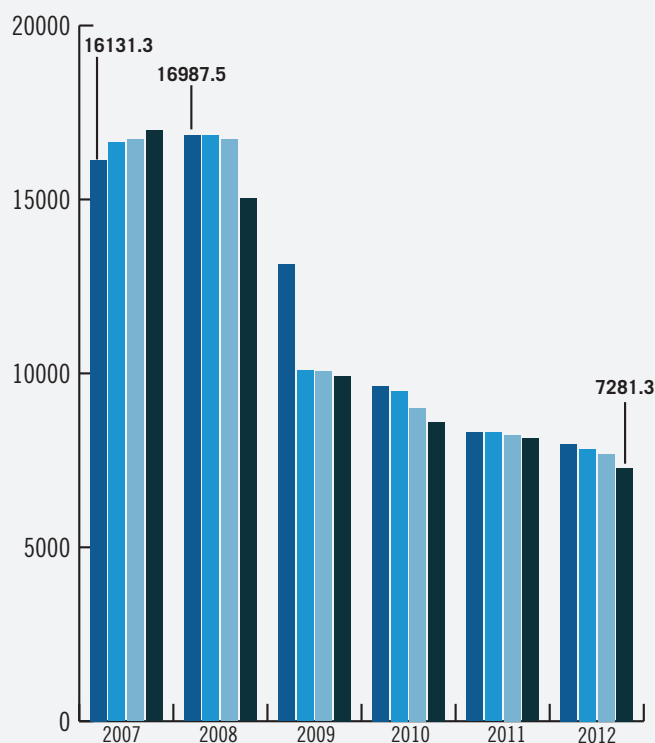
HELICOPTER



The Helicopter chart depicts the average price (in thousands) of the seven helicopters listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Agusta A109E Power	0.0
2005 Bell 430	0.0
2005 Eurocopter EC130B4	0.0
2005 Eurocopter AS350B-3 Ecureuil	0.0
2004 Enstrom 280FX	0.0
2005 Robinson R44 Raven	7.8
2005 Sikorsky S-76C+	-7.5

LEGACY JET

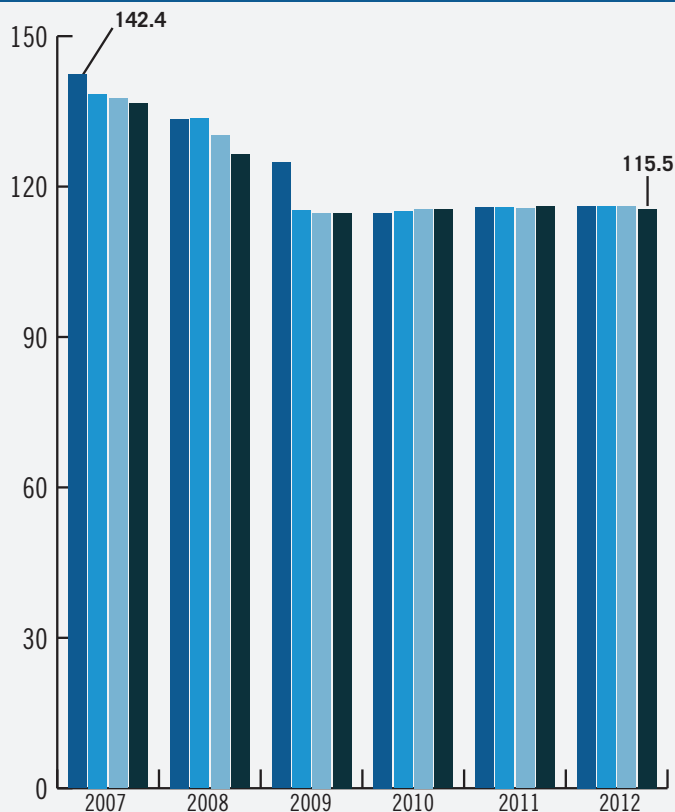


QTR 1 QTR 2 QTR 3 QTR 4

The Legacy Jet chart depicts the average price (in thousands) of the eight jets listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1996 Bombardier Challenger 604	-4.1
1996 Bombardier Lear 31A	0.0
1996 Cessna Citation Ultra	-5.3
1996 Dassault Falcon 900B	-4.5
1997 Dassault Falcon 50EX	-3.4
1996 Gulfstream GV	-5.0
1996 Gulfstream GIVSP	-8.7
1996 Hawker800XP	-4.0

LEGACY PISTON

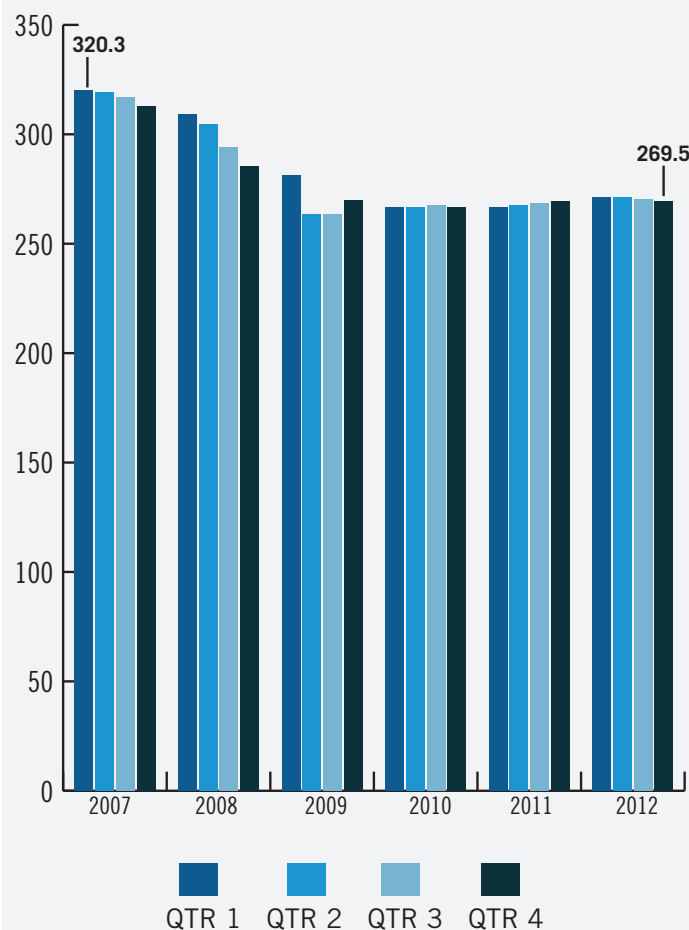


QTR 1 QTR 2 QTR 3 QTR 4

The Legacy Piston chart depicts the average price (in thousands) of the ten piston aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1990 Beech A36 Bonanza	0.0
1990 Beech F33 Bonanza	0.0
1986 Cessna 210 Centurion II	0.0
1986 Cessna 172P Skyhawk B	0.0
1985 Cessna 152 Commuter II	0.0
1990 Mooney 252 TSE	-3.0
1990 Piper PA-28-236 Dakota	0.0
1990 Piper PA-28R-201 Arrow	0.0
1990 Piper PA-28-181 Archer II	0.0
1990 Piper PA-28-161 Warrior II	0.0

LEGACY MULTI ENGINE PISTON

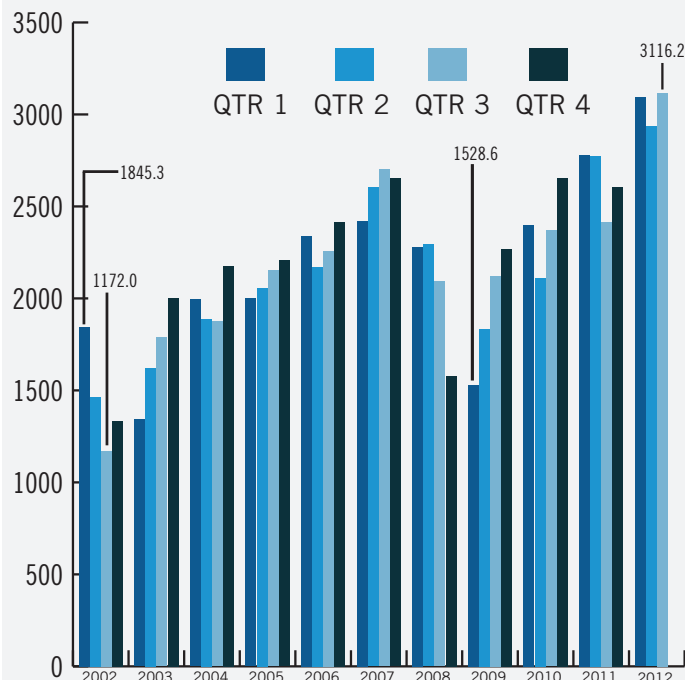


The Legacy Multi Engine Piston chart depicts the average price (in thousands) of the six aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1986 Beech 58P Pressurized Baron	-1.4
1990 Beech 58 Baron	0.0
1985 Cessna 421 Eagle III	0.0
1981 Cessna 310R II	0.0
1982 Piper PA-310C Navajo	0.0
1990 Piper PA-34-220T Seneca III	0.0

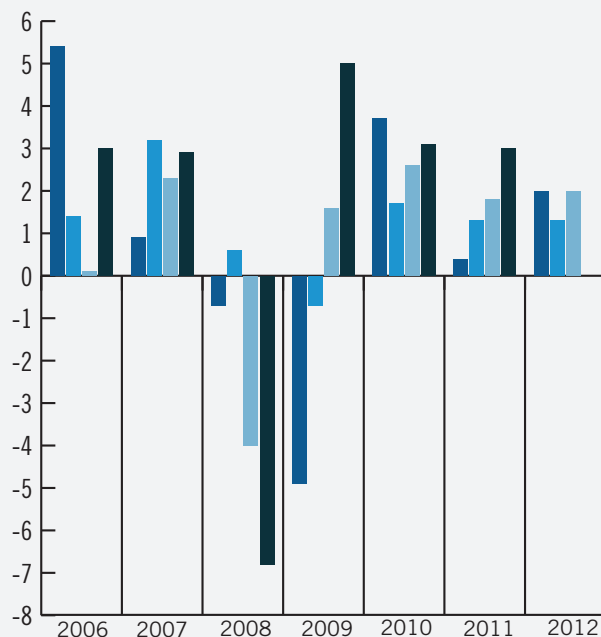
NASDAQ

Consider these graphs as crosschecks. The general aviation and business aircraft market does not operate in a vacuum but is a part of the bigger picture.



U.S. REAL GDP

Each data point represents the BEA's final figure or latest estimate of the quarter-to-quarter seasonally adjusted annual rates of change in real GDP "based on chained 2005 dollars." The study begins with the first quarter in 2006.

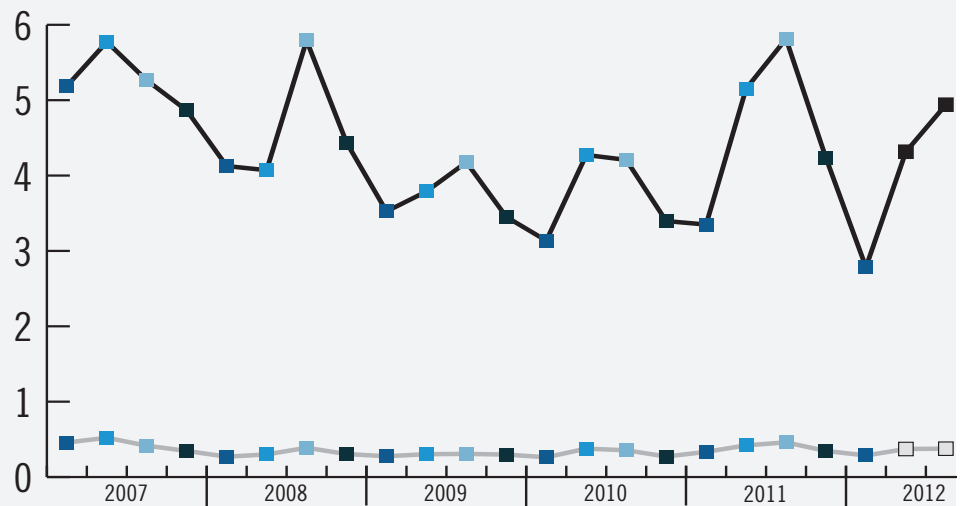


CHANGE OF STATUS: SINGLE/MULTI

The black line in the chart depicts change-of-status data for singles. The light gray line represents multi.

Single: 4940
Multi: 376

QTR 1 QTR 2 QTR 3 QTR 4

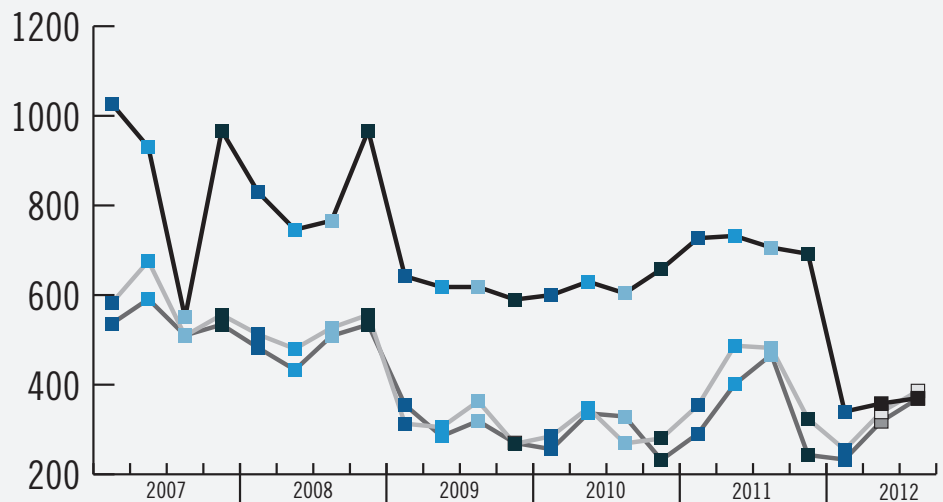


CHANGE OF STATUS: JET/TURBO/HELI

The black line in the chart represents change-of-status information for jets. The light gray line depicts turboprops, while the dark gray line represents helicopters.

Jet: 370
Turboprop: 386
Heli: 369

QTR 1 QTR 2 QTR 3 QTR 4

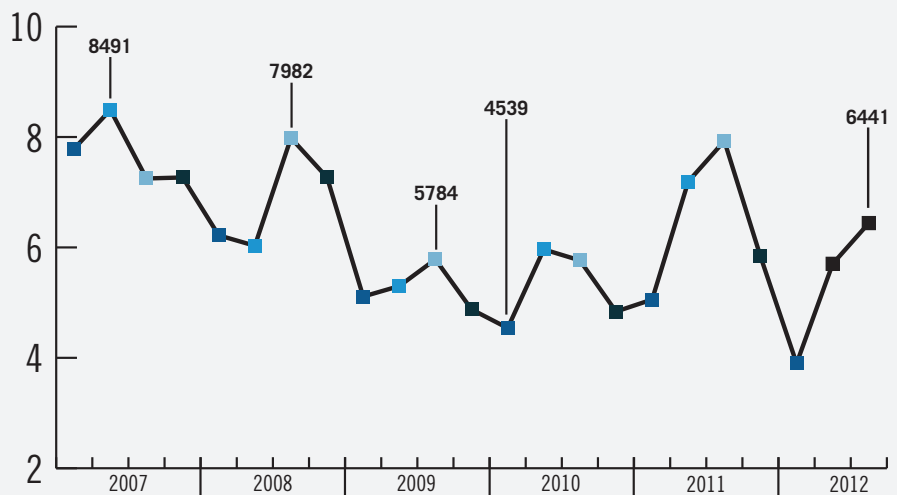


CHANGE OF STATUS: TOTAL MARKET

Depicts change-of-status 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.

Total Market

QTR 1 QTR 2 QTR 3 QTR 4



INTO THE BLUE

Aircraft Bluebook At-a-Glance Cessna 152 Series

By Chris Reynolds, ASA | Aircraft Bluebook-Price Digest®

Aircraft Bluebook-Price Digest At-a-Glance has reviewed the current market status of the Cessna 152 series aircraft. Research for this study was obtained in part from Aircraft Bluebook, Aircraft Bluebook's Historical Value Reference, the FAA's registry web site and various trade publications.

Demand

According to FAA records, around 3,098 Cessna 152s are registered in the United States with 3,018 being 152s and 80 as A-152s. At the time of the writing of this article, over 50 various year models of the 152 series were for sale in the major aircraft trade publications, representing approximately 1.5% percent of the total registered fleet. While the Cessna 152 is a light two seat aircraft, it is not classified as a LSA (due to it exceeding the 1,320 pound Maximum Take Off Weight limit for LSAs).

Pricing

Current offerings for Cessna 152s range in asking prices from \$16,000 to \$87,000 with the majority of pricing between \$20,000 to \$40,000. As expected, time, equipment and condition not only will impact the asking price, but selling price as well. The 152 has primarily been used as a training aircraft and thus most aircraft for sale are going to be high-time airframes. The average airframe time for an early 1970s - 1986 model is approximately 7,000 - 12,000 hours. Most will not be equipped with next generation avionics, but with the availability of inexpensive components modern upgrades can easily be accommodated, without significant modifications. The winter 2012 Aircraft Bluebook lists a 1985 Cessna 152B with a reported Average Retail price of \$26,000.

Historical Values

A 1985 Cessna 152B, whose market values have been tracked since the first quarter of 1985 was reported new with a standard list price of \$30,900 and an average equipped price of \$45,345. Aircraft Bluebook-Price Digest's Historical Value Reference has demonstrated the Cessna 152's market value performance by quarter in the graph for this 1985 model.

Other historical values can be obtained at Aircraft Bluebook's website, www.aircraftbluebook.com.

WHAT'S NEW IN ABB

Updated Airworthiness Directives are available on Aircraftbluebook.com.

New comparison feature on the Aircraft Bluebook CD-Rom compares an aircraft's current quarter values with its value from one year ago.

AIRCRAFT BLUEBOOK AROUND THE GLOBE

MEBA 2012, Dubai, UAE; December 11th – 13th

Organized on behalf of the Middle East Business Aviation Association (MEBAA).

NBAA Schedulers & Dispatchers, San Antonio, Texas; January 22 – 25, 2013

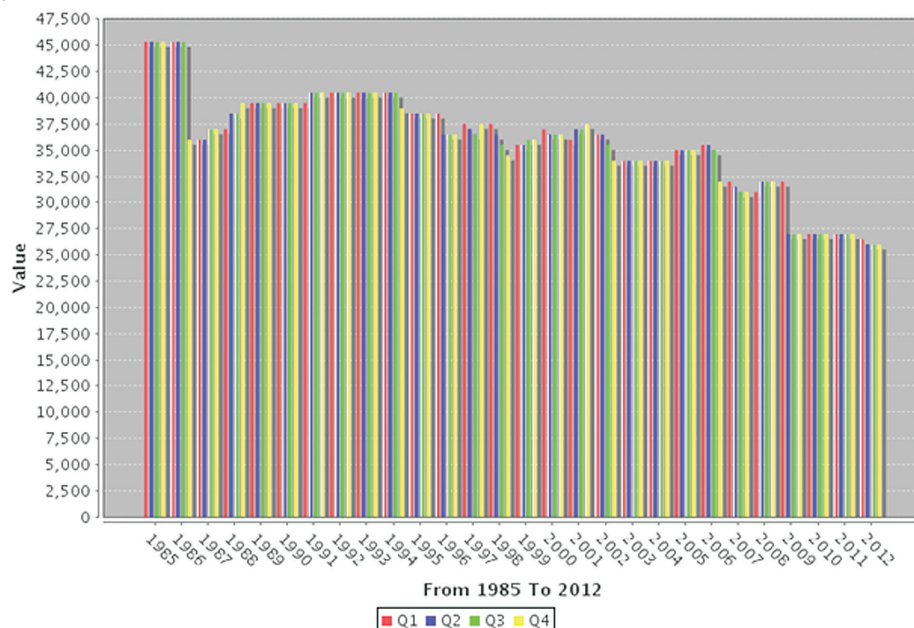
The premier event for Schedulers & Dispatchers and the suppliers who support this critical role in successful flight department management.

Asian Business Aviation Conference & Exhibition (ABACE), Shanghai, China; April 16 – 18, 2013

ABACE is the region's largest show dedicated strictly to showcasing business aviation products and services to thousands of the region's top business leaders, entrepreneurs, wealth creators and other purchase decision-makers.

European Business Aviation Convention & Exhibition (EBACE), Geneva, Switzerland; May 21 – 23, 2013

EBACE, jointly hosted each year by the European Business Aviation Association (EBAA), the leading association for business aviation in Europe, and the National Business Aviation Association (NBAA), the leading voice for the business aviation industry in the United States, is the premier annual meeting place for the European business aviation community.



ASK AIRCRAFT BLUEBOOK

In an effort to better explain how the Aircraft Bluebook works, we have included a few more FAQs this month that are relevant to all aircraft large and small. If you have any questions about the Aircraft Bluebook-Price Digest®, please feel free to give the editorial staff a call at 1-800-654-6776 or email us, info@aircraftbluebook.com.

In the aircraft base average lines in the Bluebook we always see the “No Damage History” as a standard requirement, but if there is damage how does the Bluebook reflect this in terms of value?

The short answer is that depends. Diminution of value is a very subjective concept in the aviation market. Even though most experts confirm its role in negotiating the purchase or sale of an aircraft, there are no specific techniques or principles that can be applied in every case of diminution. This aircraft characteristic (damage) is one of a multitude used during the negotiating process and is very hard to isolate its effects because every aircraft has a different history and a different perception of value. In transactions, the buyer will always be the final judge for the “value” of the aircraft and include the diminution factor in his or her evaluation.

With that said, it must be understood that when dealing with assessing the market value of an aircraft with a damage incident, a multitude of factors must be reviewed and analyzed in relationship to the market for a specific aircraft model. There is no set formula that can be accurately applied to determine diminution of value, if any, regarding damage. The only appropriate method to determine the market value involving the characteristic of damage on an aircraft is for a technically qualified, experienced appraiser to conduct an investigation of the aircraft and logs, review specific issues regarding the repairs, compile all of the elements of the damage event and subsequent maintenance history, and then apply the conclusions to market activity for the specific aircraft.

We like the Aircraft Bluebook online but need a different way to receive and use all the data, is there a different form that we can receive the Aircraft Bluebook information?

The Aircraft Bluebook offers custom solutions designed to fit your data needs. With a data license from Aircraft Bluebook, we can provide customized files of the data you need in a format that works for you. This includes both Aircraft Bluebook and Historical Value Reference Data. For more information please contact us: info@aircraftbluebook.com.

Need an Appraisal?



Carl Janssens 
Accredited Senior Appraiser

Chris Reynolds 
Accredited Senior Appraiser

Appraisal Services | Aircraft Collateral
Verification & Audit | Portfolio Audits
| Diminution of Value



877.531.1450
jetappraisals.com

MEET THE STAFF

Frank Craven, Publisher

Frank.Craven@penton.com
913-967-1729

Carl Janssens, ASA 
Chief Appraiser

Carl@jetappraisals.com
913-967-1913

Chris Reynolds, ASA 
Associate Editor/Appraiser

Chris.Reynolds@aircraftbluebook.com
913-967-1956

Paul Wyatt, Consulting Editor

Paul.Wyatt@penton.com
913-967-1954