

# MARKETLINE

VOL 26 NO 1

2013 NEWSLETTER

## PRE-OWNED TRANSACTIONS ON THE RISE

By Dennis Rousseau | President and Founder | *AircraftPost.com*

For the fifth consecutive year, pre-owned transactions for current generation business jets have shown a year over year increase. However, market inventories, expressed as a percentage of the fleet, are on the rise, while the average selling price continues a downward trend.

When we factor age-based depreciation over a 30-year lifecycle, we can garner some semblance of normalized value at any given point. However, when we consider economic events such as those over the last four years, values and selling prices can take a drastic downward turn. At the end of 2012, the average

selling price for pre-owned, current production aircraft was reflecting a 17% decline in market value. Out of production aircraft slipped further to 33% under normalized values.

There are a number of factors contributing to the state of our market(s). The increase in transactions and current pricing suggests buyers are realizing substantial value in select aircraft. For example the G200, with its stand-up cabin, 3000 nm range and

**“BUYERS SEEM TO BE LOOKING MORE Laterally WITH THE PERCEPTION OF ‘HOW MUCH VALUE CAN I BUY FOR THE SAME DOLLAR.’”**

Pro Line 4 cockpit, had a record 27 transactions in 2012, an increase of over 300% from 2011. A 2008 year model, with a list price new of \$22M, sold for \$10M in the 4th Quarter 2012, with under 800 hours total time. The same \$10M could buy a 2001 Challenger 604 or Falcon 2000 with 3500 hours, or a 2004 Challenger 300 with 7500 hours. Buyers seem to be looking more laterally with the perception of ‘how much value can I buy for the same dollar.’ Obviously, the newer aircraft open up greater financing opportunities as well.

*Continued on page 4*

### TABLE OF CONTENTS

01-04	Pre-owned Transactions on the Rise
02	Bluebook At-A-Glance
04	Current Market Strength
05-09	Marketline Charts
10	Change of Status Charts
11	Into the Blue
12	What's New
12	Around the Globe
12	Ask Aircraft Bluebook

### BLUEBOOK-AT-A-GLANCE

#### JET

INCREASED	0
DECREASED	808
STABLE	182

#### TURBOPROP

INCREASED	45
DECREASED	172
STABLE	411

#### MULTI

INCREASED	15
DECREASED	269
STABLE	392

#### SINGLE

INCREASED	232
DECREASED	783
STABLE	1605

#### HELICOPTER

INCREASED	47
DECREASED	287
STABLE	799

## Current Production Aircraft - 5 Year Sales Trend

	2008	2009	2010	2011	2012
<b>Lear 60XR</b>					
Percentage on Market	9.8%	11.1%	10.5%	16.8%	21.9%
Total Sold	0	2	0	7	4
Average Days on Market		152		393	249
Average Sale Price		8.5		7.4	7.3
<b>Citation Sovereign</b>					
Percentage on Market	7.3%	14.1%	16.1%	12.1%	13.5%
Total Sold	1	7	14	16	12
Average Days on Market	81	212	266	481	400
Average Sale Price	14.1	12.8	11.1	10.8	9.2
<b>Challenger 300</b>					
Percentage on Market	9.9%	14.5%	12.9%	10.2%	13.5%
Total Sold	8	16	20	11	21
Average Days on Market	90	190	222	320	308
Average Sale Price	22.3	14.5	13.0	13.7	14.0
<b>Challenger 605</b>					
Percentage on Market	5.6%	14.7%	8.2%	8.2%	14.1%
Total Sold	0	6	4	4	7
Average Days on Market		98	472	396	287
Average Sale Price		21.9	19.5	23.1	19.4
<b>Falcon 2000 EXy</b>					
Percentage on Market	5.6%	9.3%	10.2%	11.5%	20.7%
Total Sold	3	6	5	6	20
Average Days on Market	91	181	420	246	276
Average Sale Price	31.5	20.1	18.8	19.8	19.2
<b>Falcon 900 EXY</b>					
Percentage on Market	4.6%	12.3%	12.6%	15.0%	16.7%
Total Sold	1	6	1	9	8
Average Days on Market	57	155	59	382	214
Average Sale Price	43	26.3	25.5	26.6	25.6
<b>Gulfstream G450</b>					
Percentage on Market	12.3%	14.4%	5.7%	6.1%	8.4%
Total Sold	9	10	7	5	6
Average Days on Market	60	165	164	258	204
Average Sale Price	41.6	25.5	25.4	28.5	28.2
<b>Gulfstream G550</b>					
Percentage on Market	7.1%	11.4%	8.2%	8.2%	8.9%
Total Sold	5	10	12	11	13
Average Days on Market	105	240	310	169	197
Average Sale Price	55.5	38.2	38.3	40.5	37.1
<b>Total Sold Overall</b>	<b>27</b>	<b>63</b>	<b>63</b>	<b>69</b>	<b>91</b>
<b>Percentage on Market</b>	<b>8%</b>	<b>13%</b>	<b>9%</b>	<b>9%</b>	<b>12%</b>
<i>Pre-owned Sales USD - Millions</i>					

## Out of Production Aircraft - 5 Year Sales Trend

	2008	2009	2010	2011	2012
<b>Lear 60</b>					
Percentage on Market	18.5%	26.4%	24.8%	22.0%	23.2%
Total Sold	14	22	16	20	21
Average Days on Market	127	291	271	354	400
Average Sale Price	7.1	4.2	3.9	3.1	2.7
<b>Hawker 850XP</b>					
Percentage on Market	9.3%	21.7%	26.7%	15.8%	18.3%
Total Sold	0	5	12	7	10
Average Days on Market		204	316	290	287
Average Sale Price		8.3	7.6	6.9	5.9
<b>Citation X</b>					
Percentage on Market	9.6%	12.0%	15.4%	13.4%	9.8%
Total Sold	12	3	14	13	14
Average Days on Market	262	387	230	448	316
Average Sale Price	13.6	10	9.1	6.5	5.8
<b>Gulfstream G200</b>					
Percentage on Market	14.4%	17.5%	16.0%	12.4%	20.0%
Total Sold	9	7	12	8	27
Average Days on Market	177	388	483	309	283
Average Sale Price	16.4	9.5	10.1	8.6	8.2
<b>Falcon 2000</b>					
Percentage on Market	9.6%	15.2%	19.1%	16.1%	16.1%
Total Sold	6	9	11	11	14
Average Days on Market	154	210	245	413	562
Average Sale Price	21.6	12.3	9.2	9.2	9
<b>GIVSP / G400</b>					
Percentage on Market	16.1%	19.0%	16.1%	15.1%	16.4%
Total Sold	16	27	27	18	19
Average Days on Market	119	211	273	177	241
Average Sale Price	26.5	13.9	12.9	12.4	11.7
<b>Gulfstream GV</b>					
Percentage on Market	9.9%	14.1%	11.5%	13.1%	14.7%
Total Sold	7	11	11	17	12
Average Days on Market	70	128	290	148	215
Average Sale Price	38.2	23.5	21.3	22.6	21.8
<b>Global Express</b>					
Percentage on Market	12.2%	20.9%	19.6%	20.3%	20.9%
Total Sold	3	6	8	13	8
Average Days on Market	193	254	500	272	266
Average Sale Price	46.9	24.6	25.1	24.1	21.9
<b>Total Sold Overall</b>	<b>67</b>	<b>90</b>	<b>111</b>	<b>107</b>	<b>125</b>
<b>Percentage on Market</b>	<b>12%</b>	<b>18%</b>	<b>19%</b>	<b>16%</b>	<b>17%</b>
<i>Pre-owned Sales      USD - Millions</i>					

Compared to 2008, when pre-owned aircraft were selling for more than they cost new, 2012 continued to adjust prices to a level commensurate with the global economic climate. On average, pre-owned business jets are selling 25% under normalized markets, which seems to be one of the driving factors for the increased transactions. Further, according to GAMA new business jet deliveries for the first nine months of 2011 and 2012 were 427 and 428 respectively. When current production pre-owned aircraft are selling for 40% less than they cost new, this can also stimulate the number of pre-owned transactions.

For the start of 2013, pre-owned inventories are on the rise; however activity levels (pre-purchase inspections, LOIs, Offers to Purchase, et al) are showing formidable signs for consistent activity.

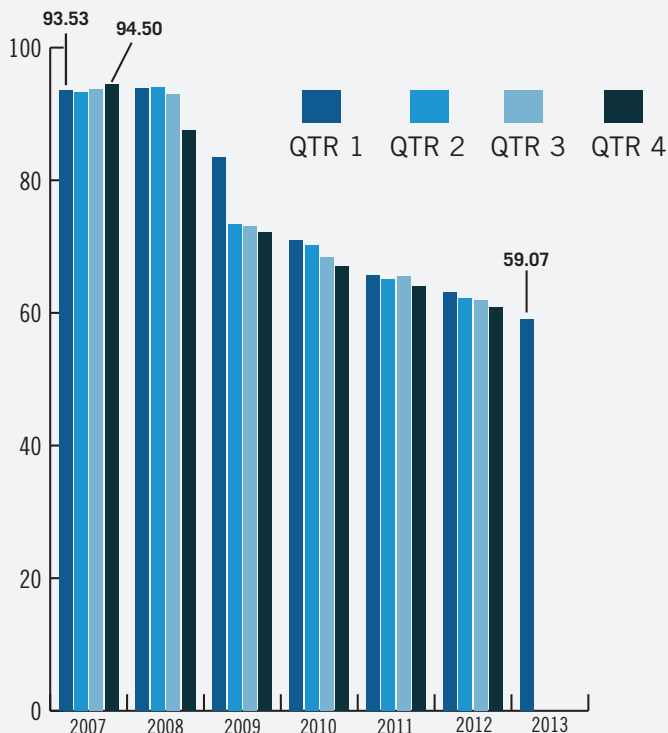
## CURRENT MARKET STRENGTH

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.

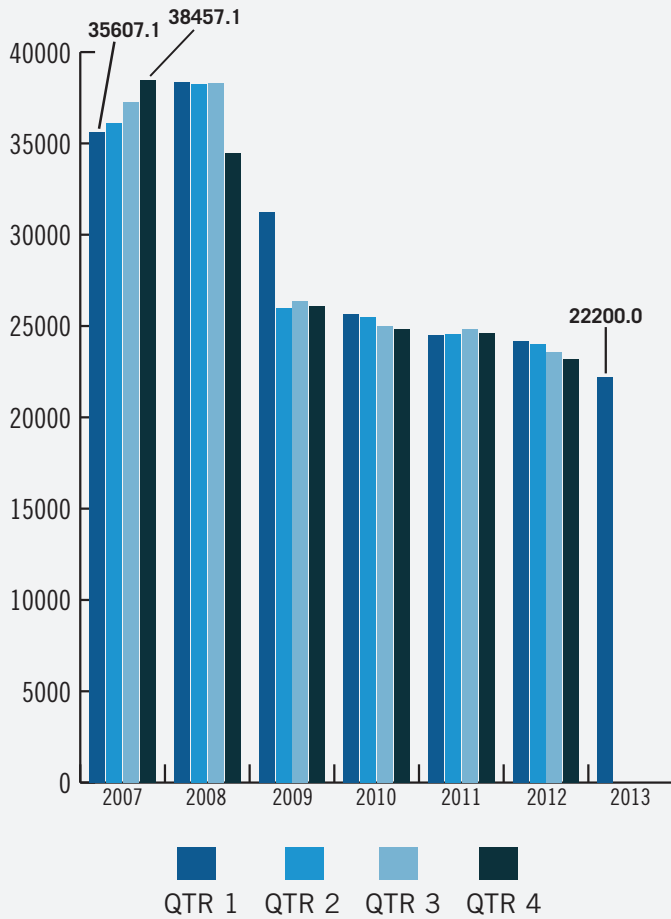
### USED AIRCRAFT MARKET



## 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

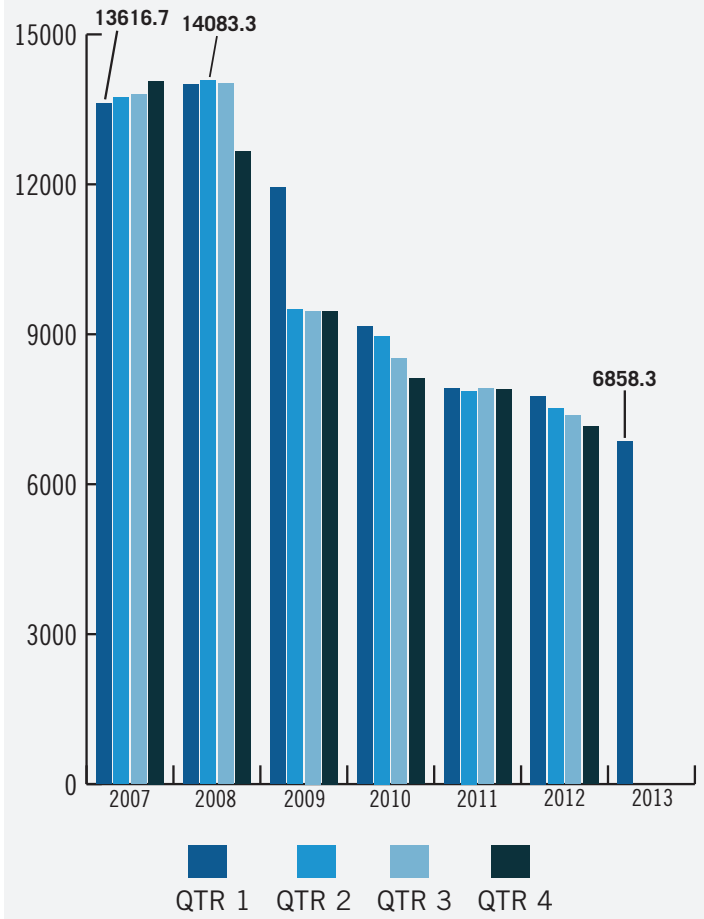
## LARGE JET



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	-2.8
2007 Bombardier Challenger 605	-2.9
2005 Dassault Falcon 900 EX Easy	-4.0
2005 Dassault Falcon 200EX Easy	-3.1
2005 Gulfstream G550	-5.7
2005 Gulfstream G450	-4.8
2005 Embraer EMB135 Legacy	-8.2

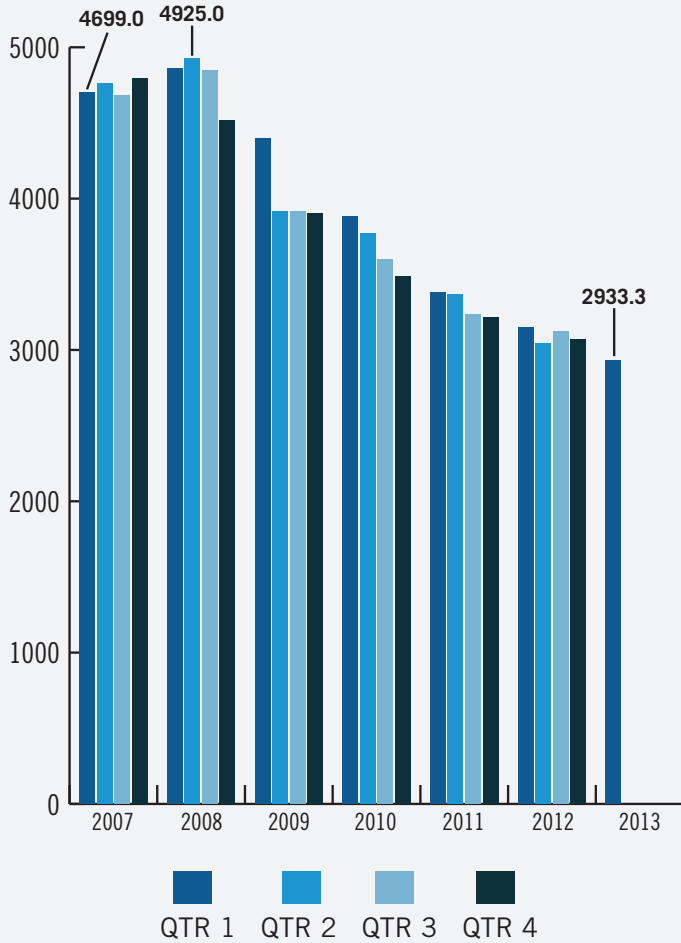
## MEDIUM JET



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	-2.1
2005 Bombardier Lear 45XR	-11.3
2005 Cessna Citation Sovereign	-3.5
2005 Cessna Citation XLS	-4.5
2006 Gulfstream G150	-2.8
2005 Hawker 800XP	-4.5

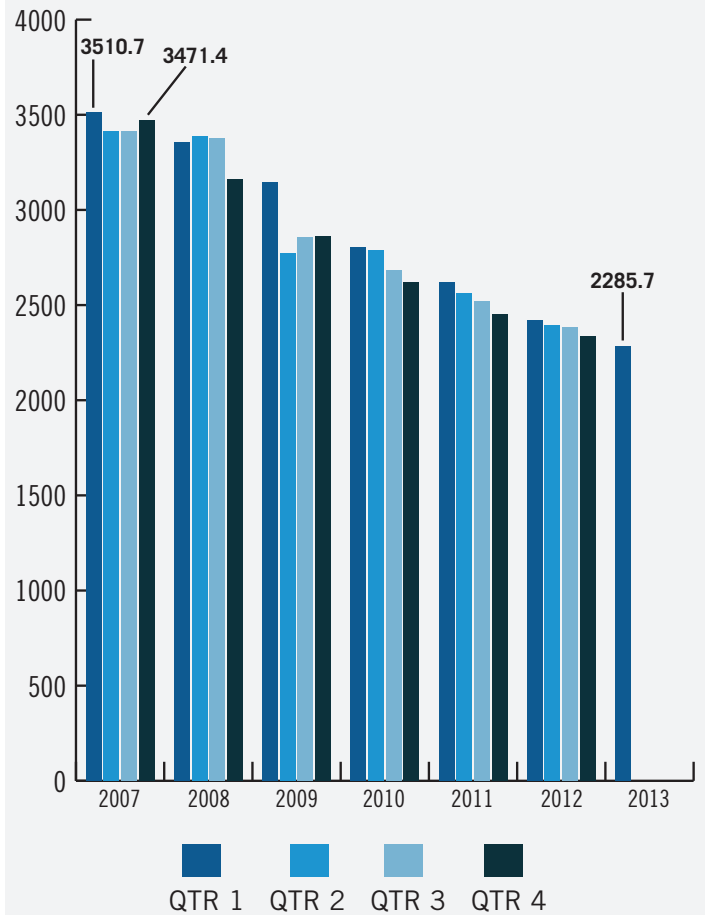
## SMALL JET



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	-5.9
2005 Cessna Citation CJ2+	-11.4
2006 Cessna 510 Mustang	0.0
2008 Embraer Phenom 100	-4.0
2009 Embraer Phenom 300	-2.8
2005 Hawker 400XP	0

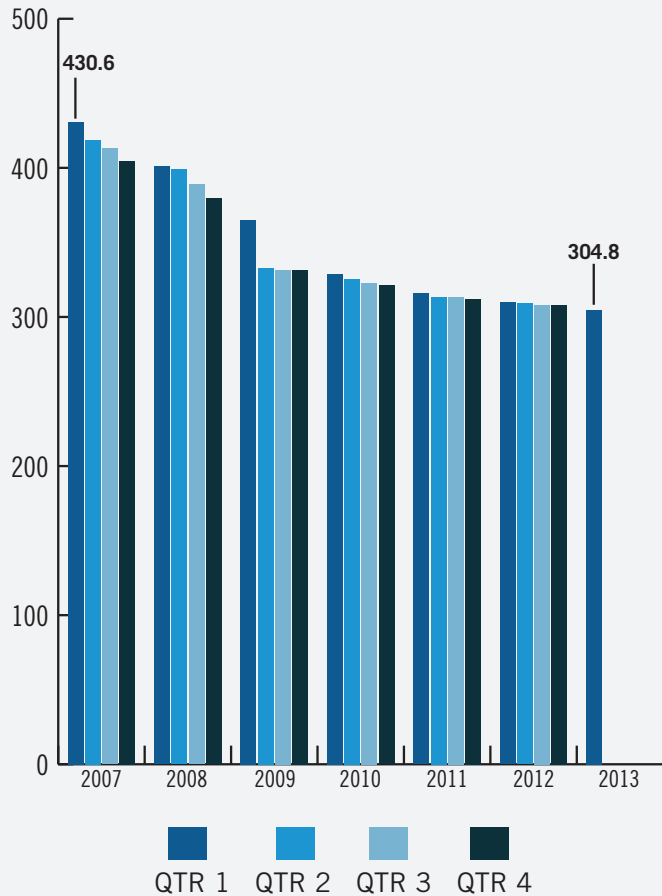
## TURBOPROP



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	-2.9
2005 Beech King AirB200	0.0
2005 Beech King AirC-90B	-2.9
2005 Cessna 208 Grand Caravan	4.2
2005 Piaggio AvantiP180	-7.4
2005 Pilatus PC12/45	0.0
2005 Socata TBM700C2	0.0

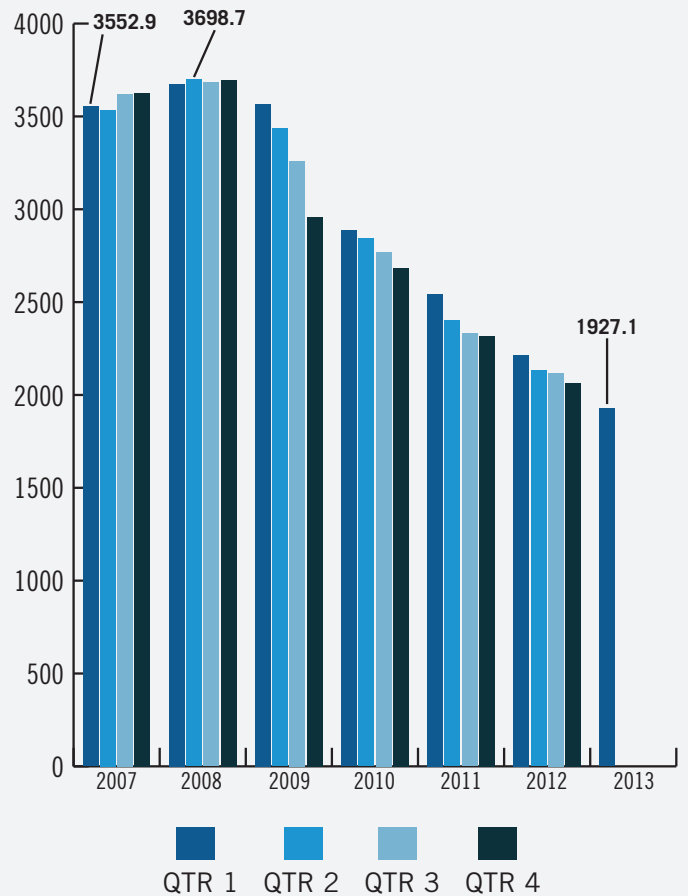
## SINGLE/MULTI PISTON



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	-1.6
2005 Diamond DA42 Twin Star	-3.0
2005 Piper PA34-220T Seneca V	-1.1
2005 Beech A36 Bonanza	-1.5
2005 Cessna/Columbia 400	0.0
2005 Cessna 182T Skylane	0.0
2005 Cessna T206H Turbo Stationair	0.0
2005 Cessna 172S Skyhawk SP	2.3
2005 Cirrus SR22-G2	0.0
2005 Diamond DA40-180 Star	0.0
2005 Piper PA46-350P Mirage	-1.7
2005 Piper PA28R-201 Arrow	0.0

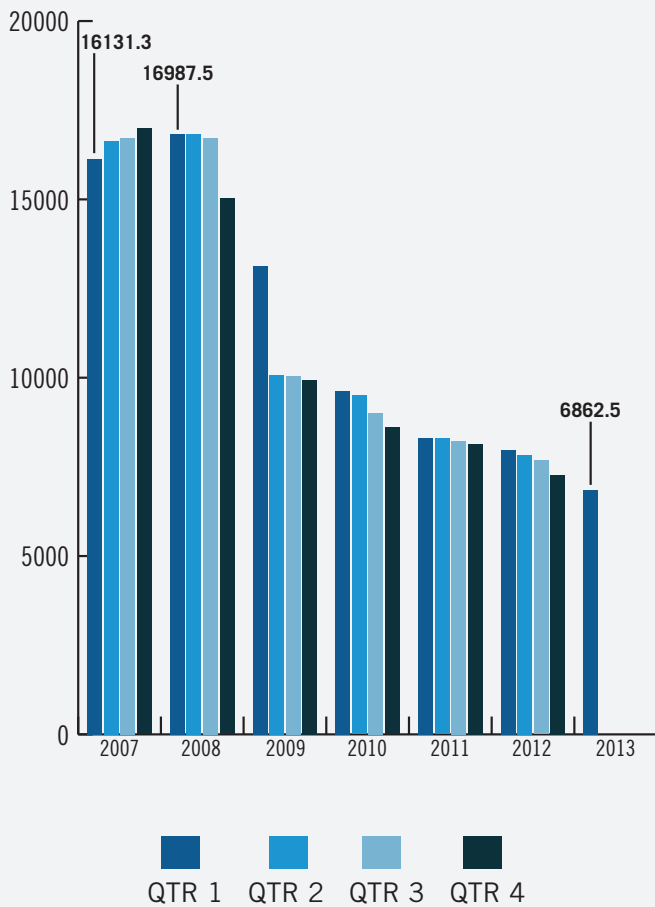
## HELICOPTER



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	-8.6
2005 Bell 430	-7.4
2005 Eurocopter EC130B4	-11.8
2005 Eurocopter AS350B-3 Ecureuil	0.0
2004 Enstrom 280FX	0.0
2005 Robinson R44 Raven	0.0
2005 Sikorsky S-76C+	-6.1

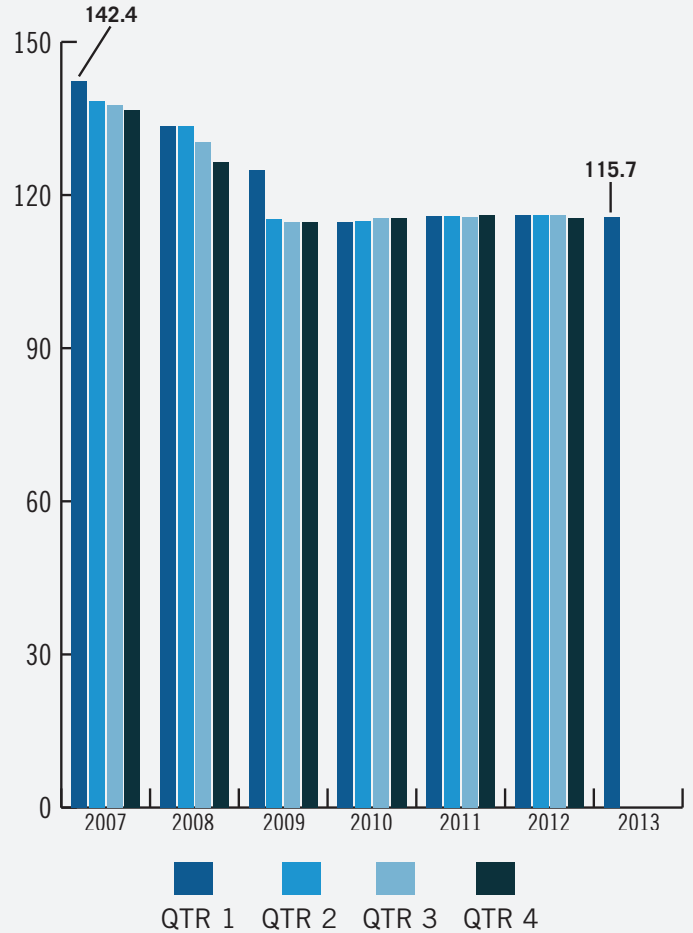
## LEGACY JET



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	--11.4
1996 Bombardier Lear 31A	-3.7
1996 Cessna Citation Ultra	-5.6
1996 Dassault Falcon 900B	-4.8
1997 Dassault Falcon 50EX	-3.5
1996 Gulfstream GV	-5.3
1996 Gulfstream GIVSP	-4.8
1996 Hawker800XP	-8.3

## LEGACY PISTON

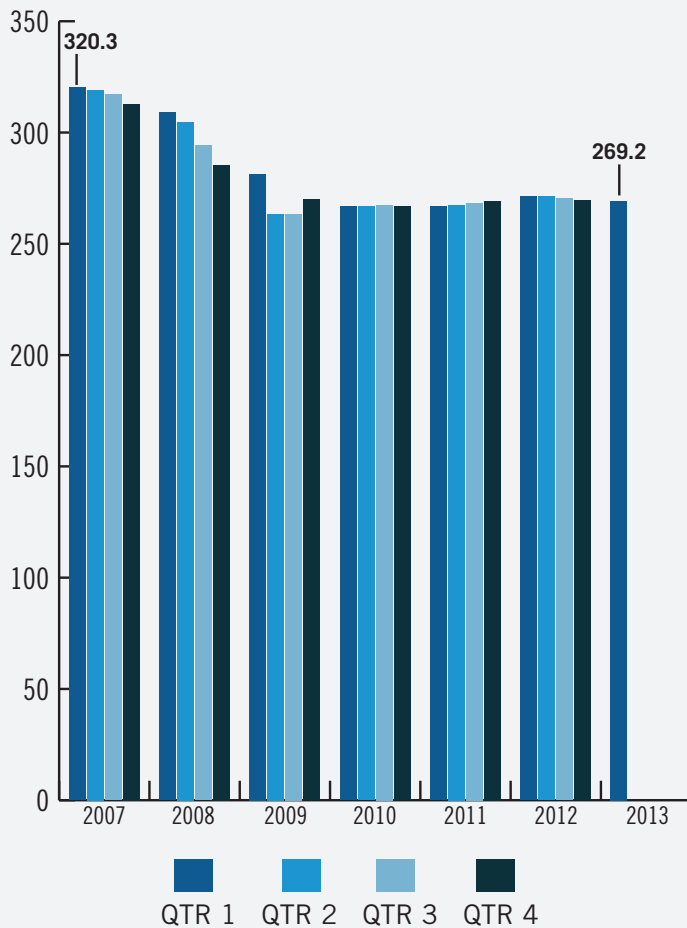


The Legacy Piston chart depicts the average price (in thousands) of the ten piston aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1990 Beech A36 Bonanza	0.0
1990 Beech F33 Bonanza	0.0
1986 Cessna 210 Centurion II	1.0
1986 Cessna 172P Skyhawk B	-2.1
1985 Cessna 152 Commuter II	1.9
1990 Mooney 252 TSE	0.0
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

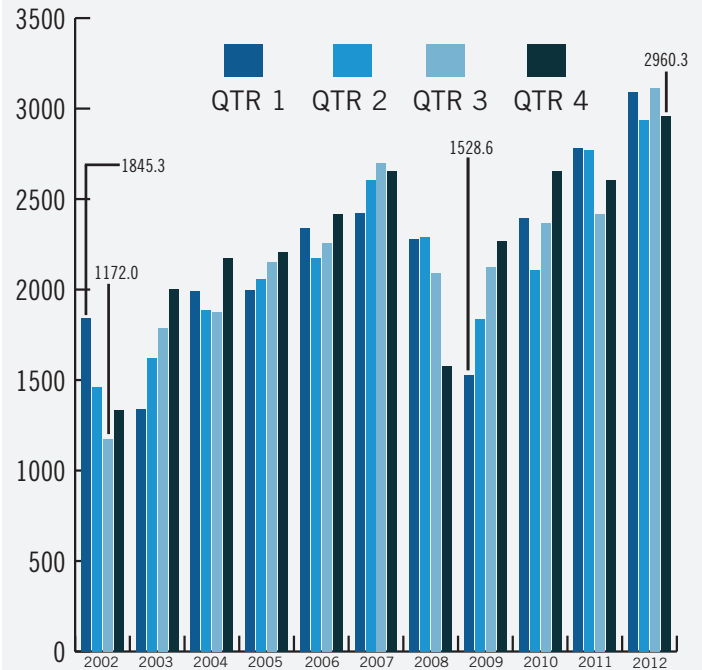


The Legacy Multi Engine Piston chart depicts the average price (in thousands) of the six aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1986 Beech 58P Pressurized Baron	0.0
1990 Beech 58 Baron	0.0
1985 Cessna 421 Eagle III	1.2
1981 Cessna 310R II	0.0
1982 Piper PA-310C Navajo	-2.2
1990 Piper PA-34-220T Seneca III	-1.0

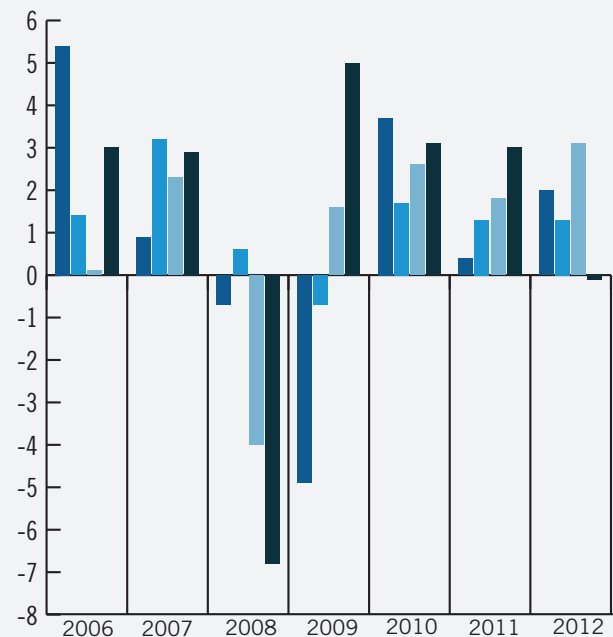
## NASDAQ

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.

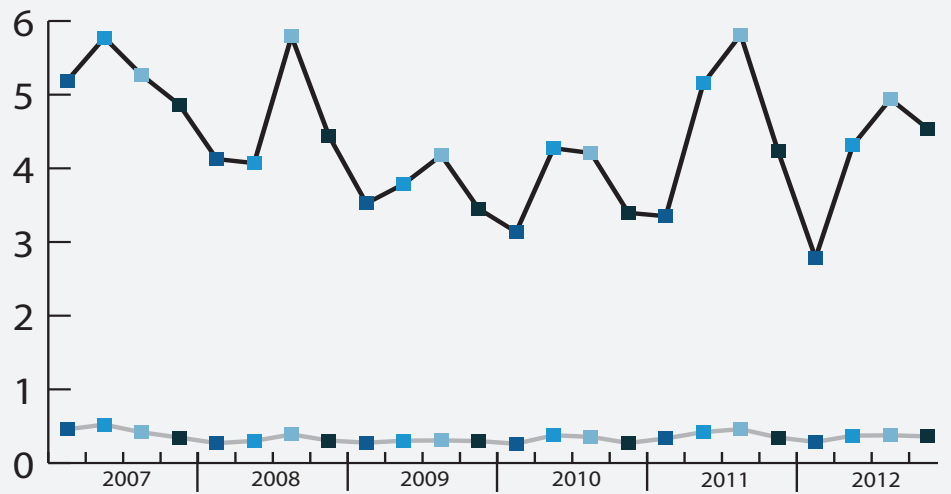


## CHANGE OF STATUS: SINGLE/MULTI

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

Single: 4316  
Multi: 372

QTR 1 QTR 2 QTR 3 QTR 4

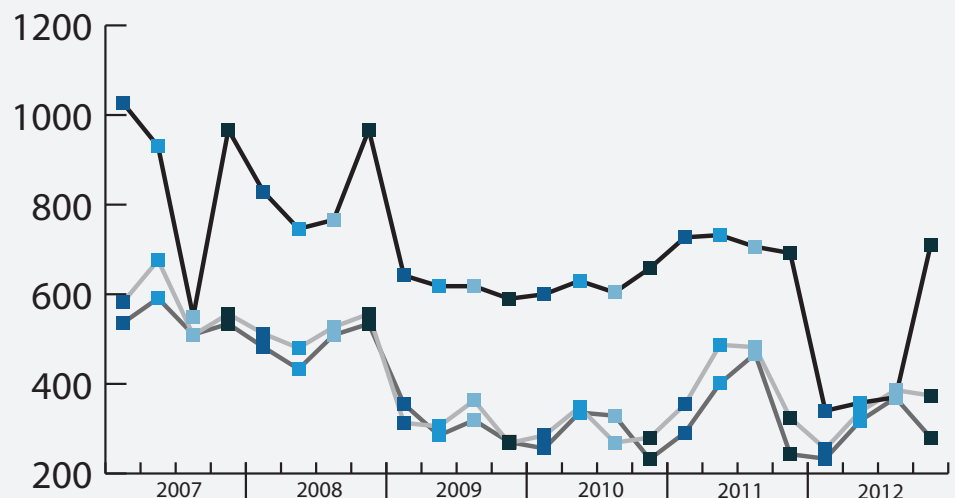


## CHANGE OF STATUS: JET/TURBO/HELI

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: 358  
Turboprop: 339  
Heli: 318

QTR 1 QTR 2 QTR 3 QTR 4

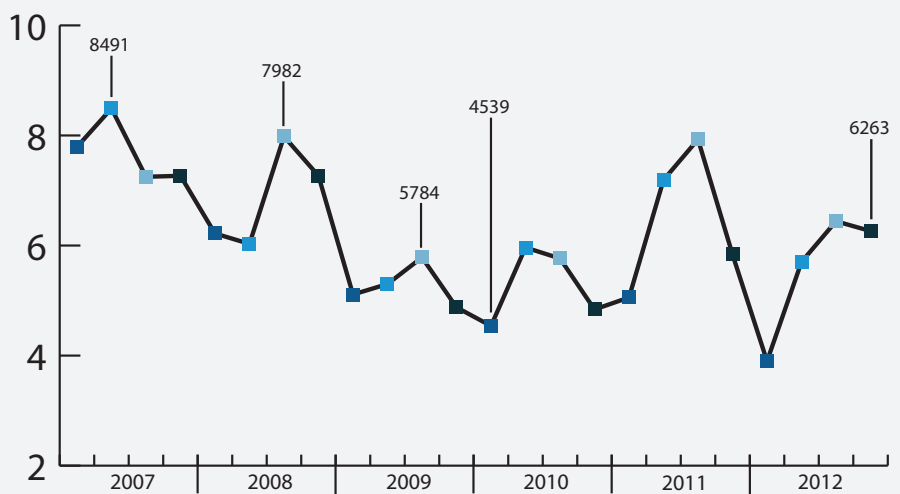


## CHANGE OF STATUS: TOTAL MARKET

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 Piper Malibu Meridian, PA-46-500TP series

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

Aircraft Bluebook-Price Digest At-a-Glance has reviewed the current market status of the Piper PA-46-500TP 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

The Meridian is a five-seat (six including the pilot), single-engine aircraft powered by a Pratt & Whitney PT6A-42A turbo-prop. It is the pressurized turbo-prop version of the piston-engine powered Malibu line (albeit with physical changes such as: larger wings, tail and higher TOGW) which began entering service in 2001. Early Meridians were offered with options for the Avidyne FlightMax Entegra avionics suite and then starting in 2009 the Garmin G1000 Avionics suite (which is now standard). The average airframe time for a mid 2000s model year is approximately 1,100 hours.

There is an active fleet of approximately 500 aircraft worldwide, and at the time of writing this article, around 50 various year models of the Piper Meridians are available for sale in the major aircraft trade publications (approximately 10% of the total fleet). Over the last year, approximately 200 Meridians were sold with an average time on market being around 120 days.

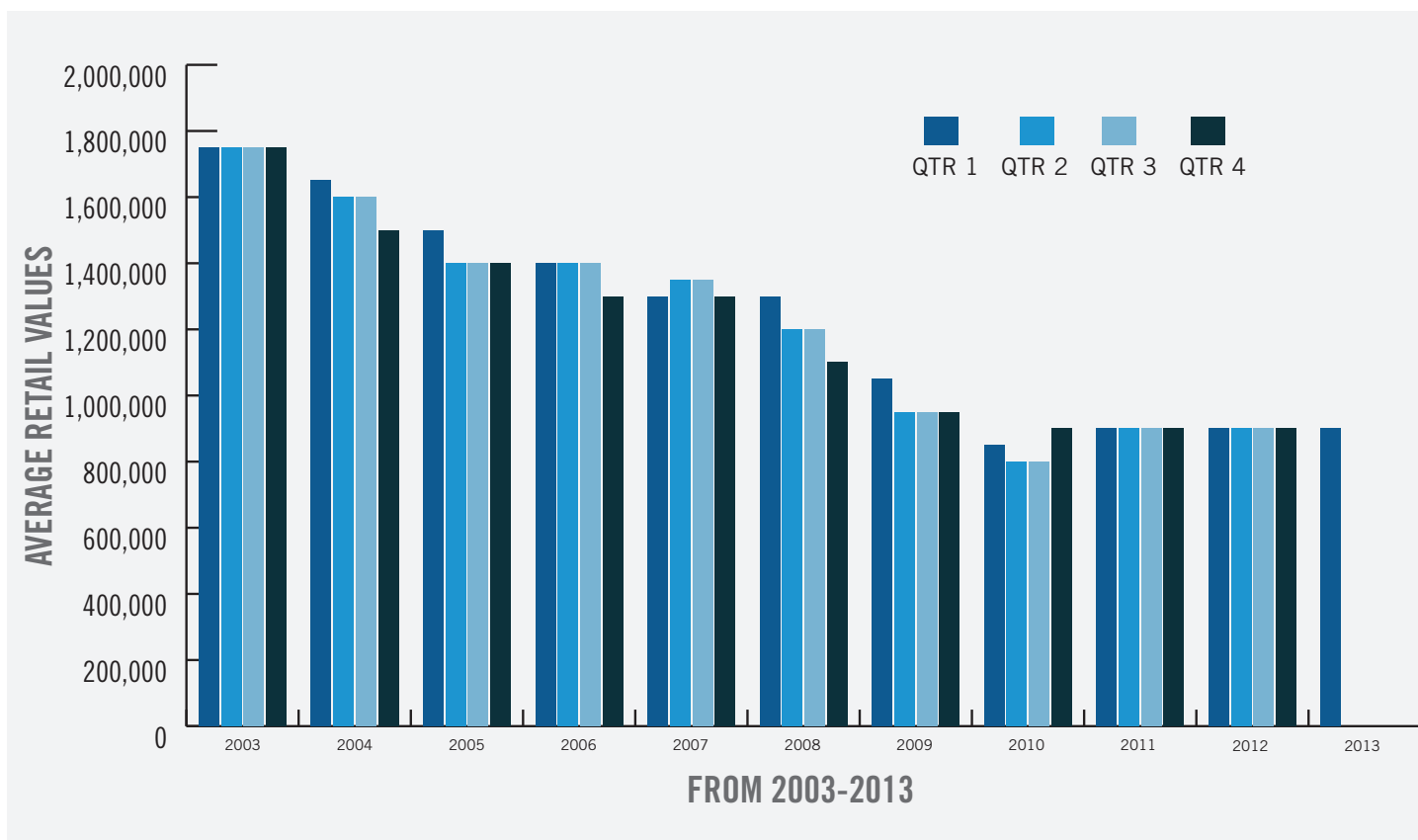
### Pricing

Current offerings for Meridians range in asking price from \$600 thousand to \$2 million. The average asking price for a 2005 model year is around \$1 million. Time, equipment and condition not only impact the asking price, but selling price as well. According to Piper's website, a new Meridian with the G1000 suite lists for \$2,176,325. The Spring 2013 Aircraft Bluebook lists a 2003 Piper Malibu Meridian with a reported retail price of \$900,000.

### Historical Values

Using the information above as an example; a 2003 Piper Malibu Meridian, whose market values have been tracked since the first quarter of 2003, was reported new with a standard list price of \$1,750,000. Aircraft Bluebook-Price Digest's Historical Value Reference has demonstrated the Piper Malibu Meridian's market value performance by quarter in the graph for this 2003 model.

Other historical values can be obtained at Aircraft Bluebook's website, [www.aircraftbluebook.com](http://www.aircraftbluebook.com)



## WHAT'S NEW IN ABB

- Updated model information
- New models
- Updated maintenance programs

## AIRCRAFT BLUEBOOK AROUND THE GLOBE

### 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. **Booth #P423**

### National Aircraft Finance Association (NAFA) Annual Conference, Miami, Florida; April 24 – 26, 2013

The National Aircraft Finance Association is a non-profit corporation dedicated to promoting the general welfare of individuals and organizations providing aircraft financing and loans secured by aircraft; to improving the industry's service to the public; and to working with government agencies to foster a greater understanding of our members' needs.

### 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. **Booth #731**

### National Business Aviation Association (NBAA) Annual Meeting, Las Vegas, NV; October 22 – 24, 2013

Founded in 1947 and based in Washington, DC, the National Business Aviation Association (NBAA) is the leading organization for companies that rely on general aviation aircraft to help make their businesses more efficient, productive and successful.

### Dubai Airshow, Dubai, UAE; November 17 – 21

The Dubai Airshow is produced by F&E Aerospace - a division of F&E; one of the most influential and long-standing names in the Middle East's events sector, delivering international trade events across a variety of markets since 1958.

## 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](mailto:info@aircraftbluebook.com).

### Can I access Aircraft Bluebook from outside the United States?

Yes, Aircraft Bluebook.com is accessible worldwide, wherever an Internet connection is available.

### Does the website update information more often than the Book or CD-Rom products?

No, the Aircraft Bluebook.com website updates on the same schedule as the print and CD-Rom products. This occurs four times a year: March 1, June 1, September 1 and December 1.

### Is the CD-Rom product still available for purchase?

Yes, the Aircraft Bluebook CD-Rom is still available for purchase.

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