

MARKETLINE

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2013 NEWSLETTER

YTD PRE-OWNED TRANSACTIONS & PRICES CONTINUE DOWN

By Dennis Rousseau | President and Founder | AircraftPost.com

When viewing a random selection of pre-owned transactions for the first 5-months of 2013, the number of sales are trending down 15 percent when compared to the same period in 2012. Actual selling prices also are down on average 15 percent, while inventory levels for the same group of business jets has increased 20 percent.

As you consider these facts we must also take into account other mitigating factors, such as the year of manufacture of the aircraft sold, cost of the aircraft when it was new, the cost new today, as well as nominal depreciation, et al. By way of example, an aircraft that sold new in 2005 for \$44 million and today

sells for \$32 million is not too far off of a 4 percent per year depreciation schedule. From another perspective, it has retained 73 percent of its original cost, which falls in line with a 30-year useful life.

A number of factors continue to affect growth and stability in our industry – some are geopolitical, others are related to the global financial debacle that started in 2008.

“THEREIN IN THE CASE OF ‘OVER-PRODUCTION’, WE FACE DYNAMICS THAT WERE ONCE NOT A FACTOR, SUCH AS ERODING RESIDUAL VALUES.”

Within our industry, where 250 aircraft were once considered a standard production run, we now have 400+ that will eventually compete in the pre-owned market. Therein in the case of ‘over-production’, we face dynamics that were once not a factor, such as eroding residual values. As the business jet fleet ages and pre-owned inventory increases, will pricing continue to erode? What effect will new aircraft pricing and shorter delivery times have on the pre-owned market?

TABLE OF CONTENTS

01-02	YTD Pre-owned Transactions & Prices Continue Down
03	Around the Globe
03	Current Market Strength
03-08	Marketline Charts
09	Change of Status Charts
10	Bluebook At-A-Glance
10	Into the Blue
11	What's New
11	Ask Aircraft Bluebook

BLUEBOOK-AT-A-GLANCE

JET

INCREASED	2
DECREASED	688
STABLE	301

TURBOPROP

INCREASED	1
DECREASED	120
STABLE	507

MULTI

INCREASED	0
DECREASED	102
STABLE	575

SINGLE

INCREASED	1
DECREASED	486
STABLE	2145

HELICOPTER

INCREASED	0
DECREASED	38
STABLE	1097

January - May 2012					January - May 2013			
Aircraft	# Sold	*Price	*Days on Market	*Year	# Sold	*Price	*Days on Market	*Year
Hawker 800XP	14	3.2	287	2000	10	2.9	240	2001
Hawker 850XP	4	5.9	287	2006	6	5.4	406	2007
Lear 60	9	2.7	400	1999	7	2.8	329	1999
Lear 60XR	2	7.3	249	2009	2	6.25	577	2008
Citation Sovereign	5	9.1	385	2007	7	9	247	2007
Citation X	6	6.9	368	2002	7	4.1	197	1999
Challenger 300	9	13.8	308	2007	7	14.8	190	2008
Gulfstream G200	11	8.2	283	2004	2	7	184	2004
Falcon 2000	6	9.2	562	2000	6	8.1	228	2000
Challenger 604	11	9.5	271	2001	16	7.7	349	2000
Falcon 900	6	7.7	423	1991	8	7.5	584	1990
Gulfstream GIV	6	6.2	384	1990	3	5	335	1988
Falcon 900EX	3	15.7	673	2000	4	14.1	185	1999
Gulfstream GIVSP	8	11.7	241	1998	4	10.2	178	1998
Global Express	4	21.5	237	1999	1	21	157	2001
Gulfstream GV	5	21.8	215	2000	4	20.7	258	2000
Global Express XRS	2	37.8	226	2007	2	35.5	168	2007
Citation XLS+	1	9.1	303	2009	1	7.5	512	2008
Challenger 605	3	19.9	287	2008	3	18.9	200	2009
Falcon 2000EXy	10	19.3	274	2007	3	16.8	210	2005
Falcon 900EXy	3	25.3	214	2006	4	24.9	465	2006
Gulfstream G450	3	28.1	204	2008	4	23	172	2007
Gulfstream G550	5	37.2	197	2006	4	31.9	414	2005
Total	136	15	316		115	13	295	

*Averages for aircraft sold.

January - May 2012		January - May 2013
Aircraft	# on Market	# on Market
Hawker 800XP	39	38
Hawker 850XP	11	11
Lear 60	42	32
Lear 60XR	13	20
Citation Sovereign	22	31
Citation X	12	22
Challenger 300	20	22
Gulfstream G200	26	29
Falcon 2000	18	22
Challenger 604	46	49
Falcon 900	24	27
Gulfstream GIV	29	22
Falcon 900EX	7	16
Gulfstream GIVSP	13	25
Global Express	17	21
Gulfstream GV	12	17
Global Express XRS	9	21
Citation XLS+	n/a	12
Challenger 605	14	16
Falcon 2000EXy	21	20
Falcon 900EXy	13	9
Gulfstream G450	10	15
Gulfstream G550	14	14
Total	432	511

AIRCRAFT BLUEBOOK AROUND THE GLOBE

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.

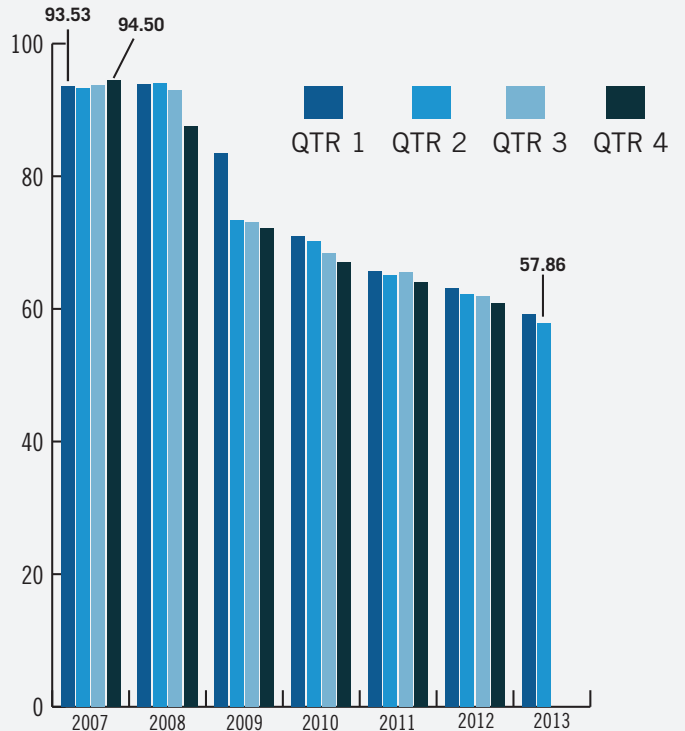
CURRENT MARKET STRENGTH

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.

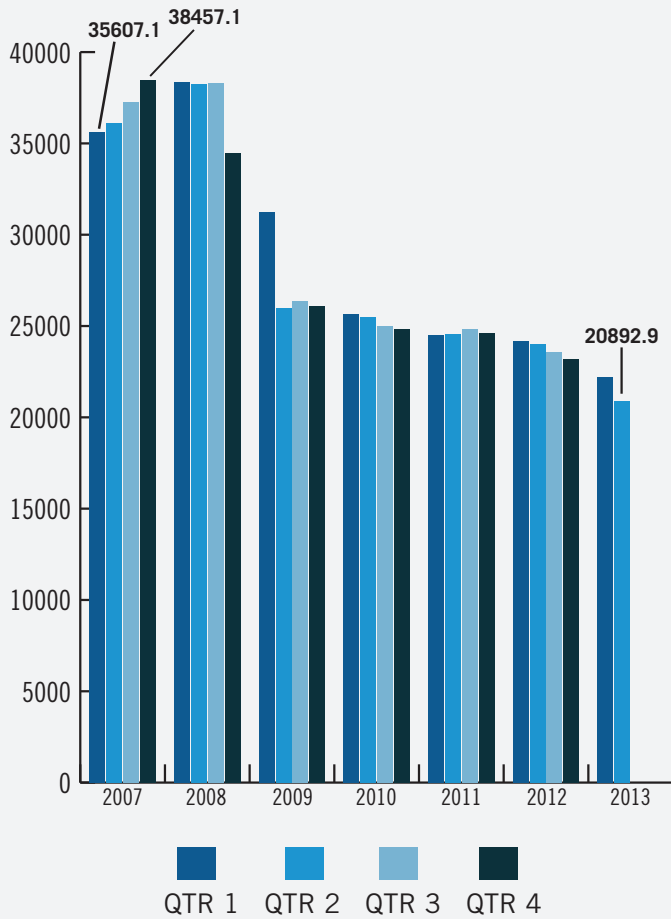
USED AIRCRAFT MARKET



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

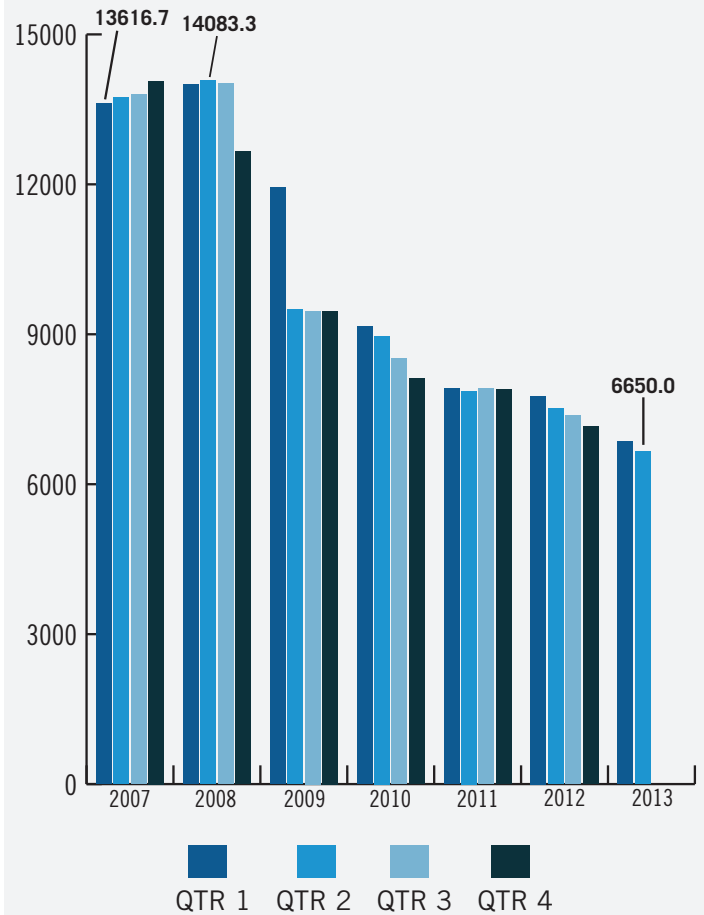
LARGE JET



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	-8.6
2007 Bombardier Challenger 605	-4.5
2005 Dassault Falcon 900 EX Easy	-8.3
2005 Dassault Falcon 200EX Easy	-3.2
2005 Gulfstream G550	-3.0
2005 Gulfstream G450	-5.0
2005 Embraer EMB135 Legacy	-8.0

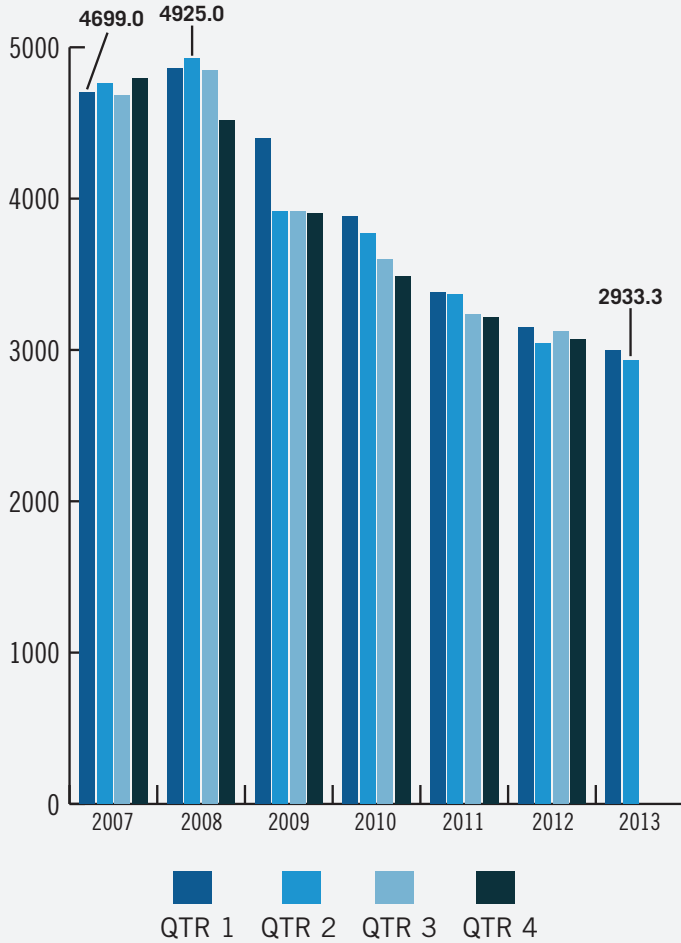
MEDIUM JET



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	-2.1
2005 Bombardier Lear 45XR	-4.3
2005 Cessna Citation Sovereign	-2.4
2005 Cessna Citation XLS	-7.5
2006 Gulfstream G150	-2.9
2005 Hawker 800XP	0.0

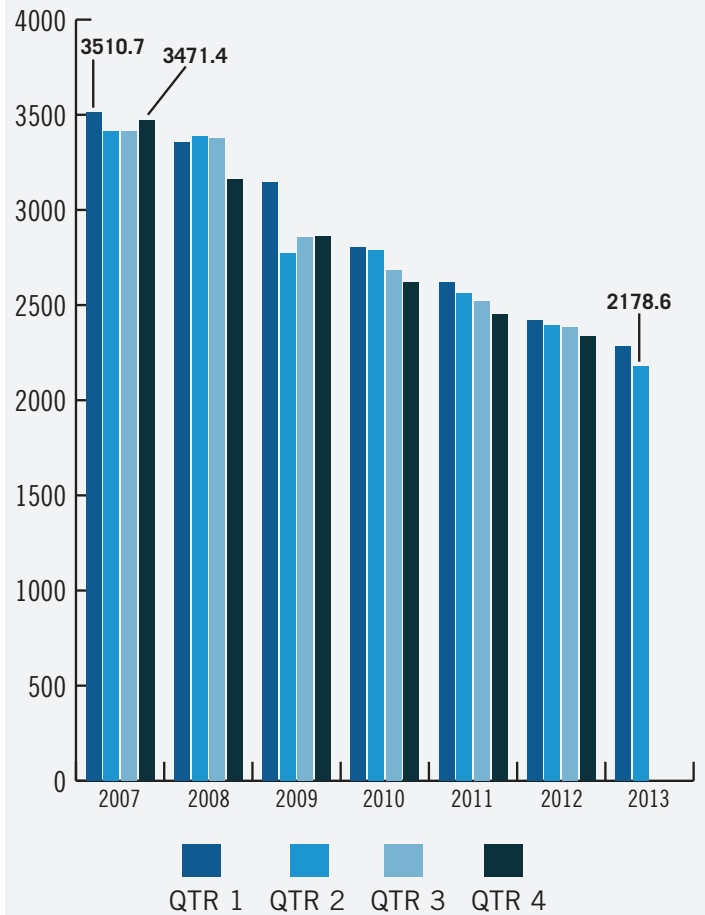
SMALL JET



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	-6.3
2005 Cessna Citation CJ2+	-2.9
2006 Cessna 510 Mustang	0.0
2008 Embraer Phenom 100	-4.2
2009 Embraer Phenom 300	-1.4
2005 Hawker 400XP	0.0

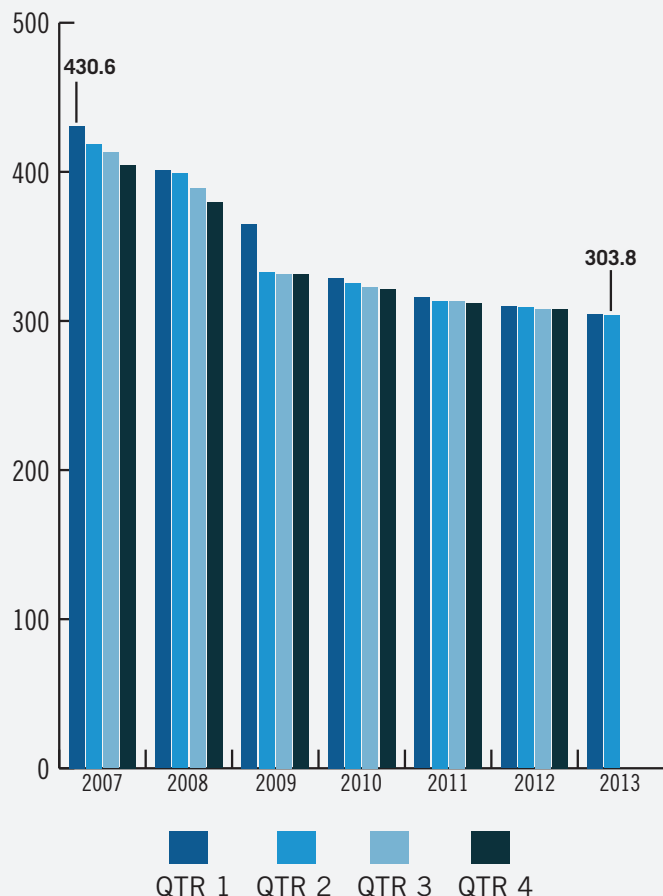
TURBOPROP



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	-6.1
2005 Beech King AirB200	-3.8
2005 Beech King AirC-90B	-3.0
2005 Cessna 208 Grand Caravan	-6.0
2005 Piaggio AvantiP180	-7.9
2005 Pilatus PC12/45	0.0
2005 Socata TBM700C2	-4.3

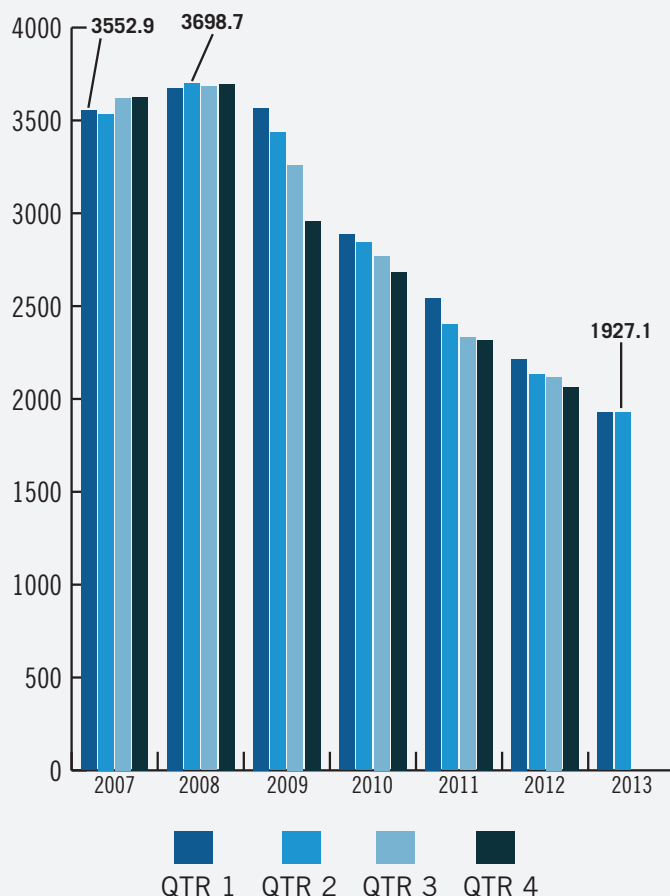
SINGLE/MULTI PISTON



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	-2.8
2005 Cessna T206H Turbo Stationair	0.0
2005 Cessna 172S Skyhawk SP	0.0
2005 Cirrus SR22-G2	-2.8
2005 Diamond DA40-180 Star	-2.3
2005 Piper PA46-350P Mirage	0.0
2005 Piper PA28R-201 Arrow	0.0

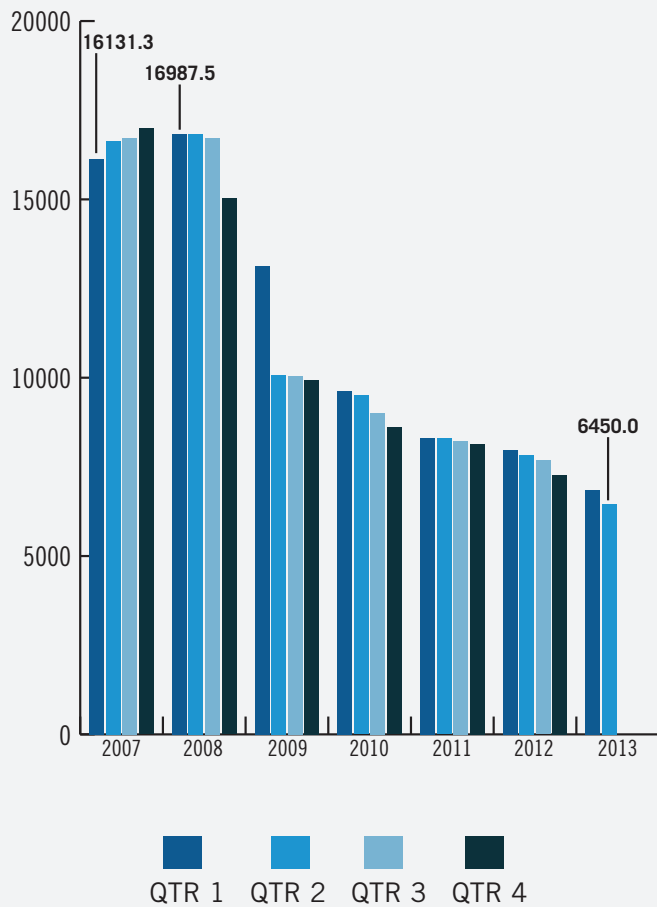
HELICOPTER



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	0.0
2005 Sikorsky S-76C+	0.0

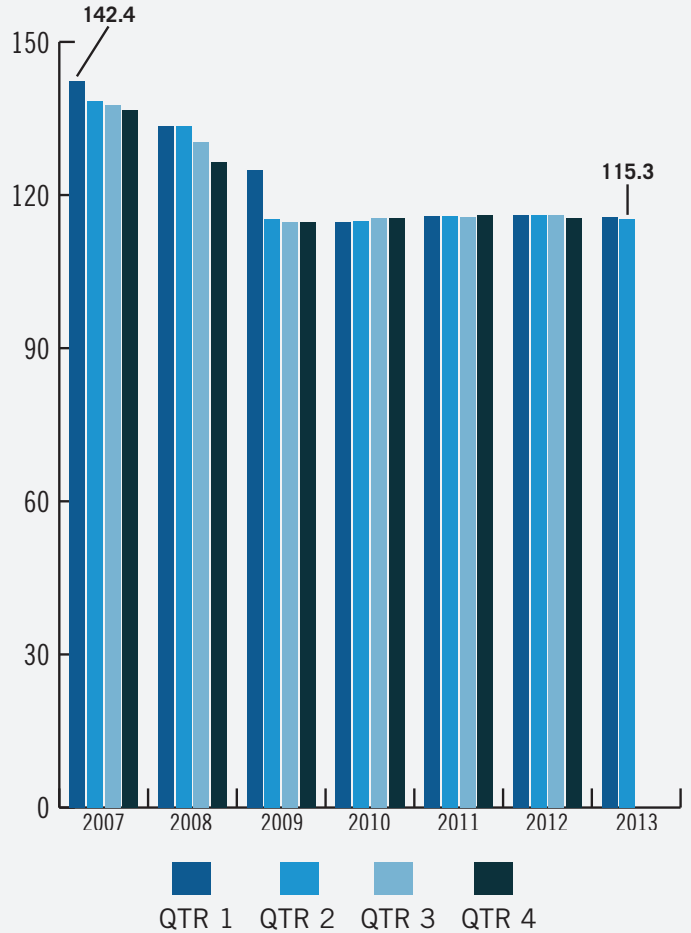
LEGACY JET



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	-5.6
1996 Bombardier Lear 31A	-3.8
1996 Cessna Citation Ultra	0.0
1996 Dassault Falcon 900B	-5.0
1997 Dassault Falcon 50EX	-9.1
1996 Gulfstream GV	-5.6
1996 Gulfstream GIVSP	-8.0
1996 Hawker800XP	-4.5

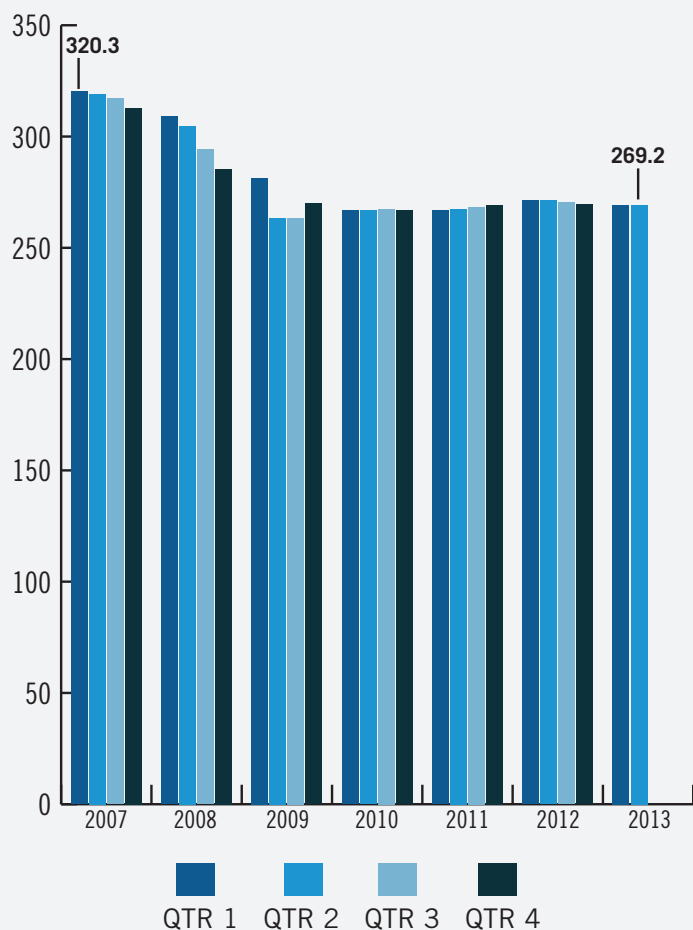
LEGACY PISTON



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	0.0
1986 Cessna 172P Skyhawk B	0.0
1985 Cessna 152 Commuter II	0.0
1990 Mooney 252 TSE	0.0
1990 Piper PA-28-236 Dakota	-0.8
1990 Piper PA-28R-201 Arrow	0.0
1990 Piper PA-28-181 Archer II	-2.9
1990 Piper PA-28-161 Warrior II	-2.0

LEGACY MULTI ENGINE PISTON

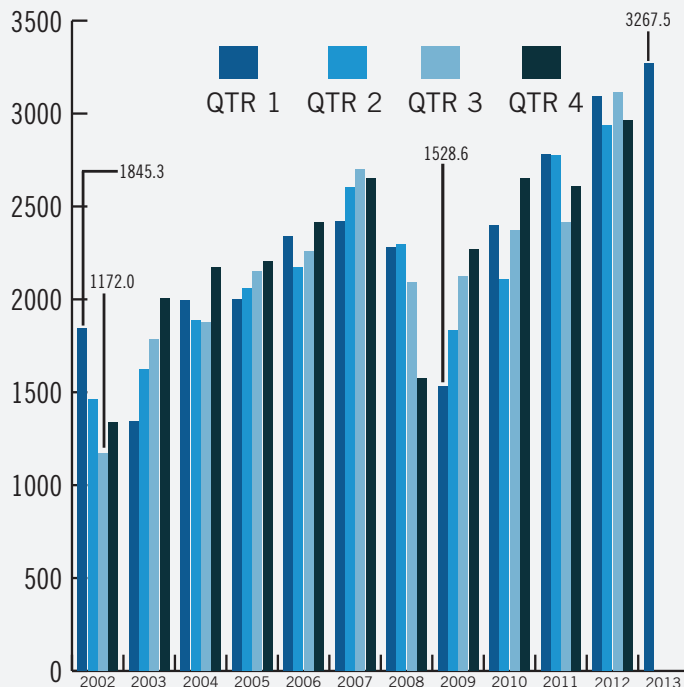


The Legacy Multi Engine Piston chart depicts the average price (in thousands) of the six aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

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

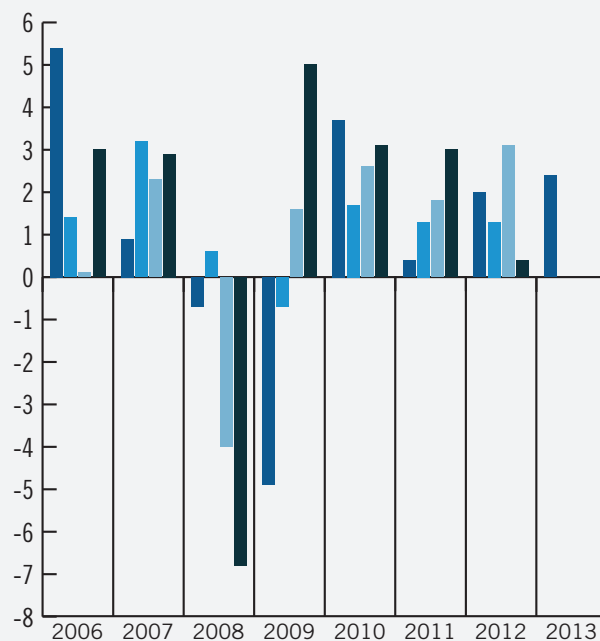
NASDAQ

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.

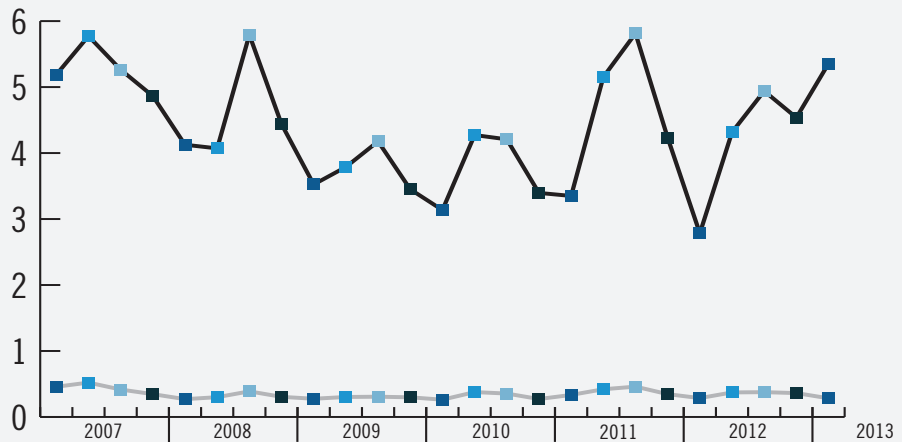


CHANGE OF STATUS: SINGLE/MULTI

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

Single: 5357
Multi: 283

QTR 1 QTR 2 QTR 3 QTR 4

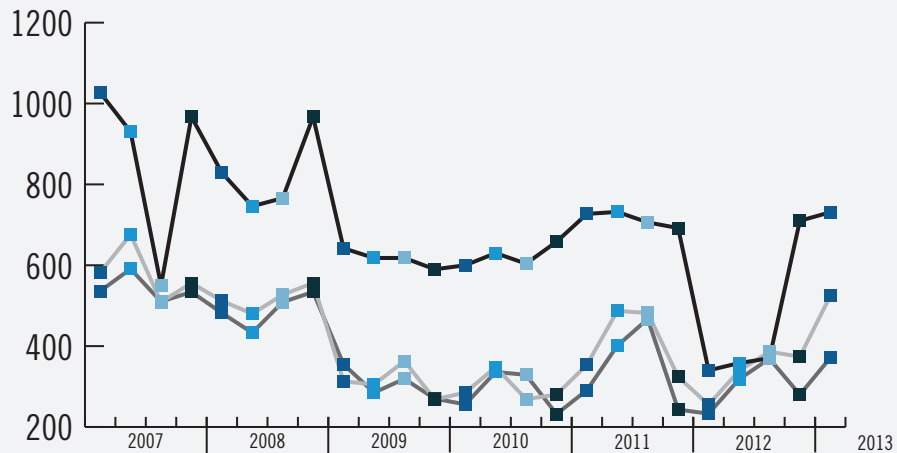


CHANGE OF STATUS: JET/TURBO/HELI

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: 731
Turboprop: 524
Heli: 371

QTR 1 QTR 2 QTR 3 QTR 4

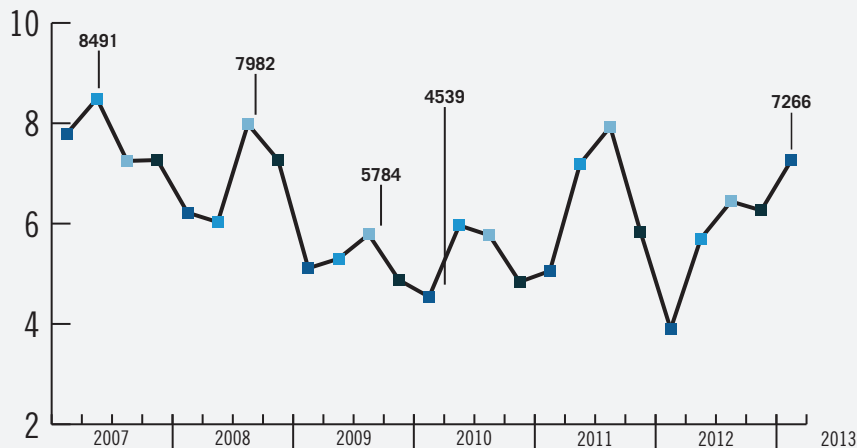


CHANGE OF STATUS: TOTAL MARKET

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 177 Cardinal 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 177 series aircraft (not including the 177RG). Research for this study was obtained in part from Aircraft Bluebook, Aircraft Bluebook's Historical Value Reference, the FAA's registry website and various trade publications.

Demand

The 177 Cardinal is a four-seat, single-engine aircraft powered by Lycoming's 150 hp O-320-E2D and later the 180 hp O-360-A2F for the 177 A and B models. The Cardinal was introduced in the late 1960s as a 70's successor to the venerable Cessna 172. Some of its defining features are a cantilever wing with a laminar flow airfoil, swept tail and canopy. The aircraft also was produced in the Retractable Gear (RG) version. The average airframe time for a 1974 177B model year is approximately 3,822 hours.

According to the FAA's registration the 177 series (177, 177A, 177B) has an active fleet of approximately 1,600 aircraft, which represents about 60 percent of the aircraft originally produced. Around 30 various year models (of the Non-RG Cardinal) were listed for sale in the aircraft trade publications representing approximately 2 percent of the total fleet.

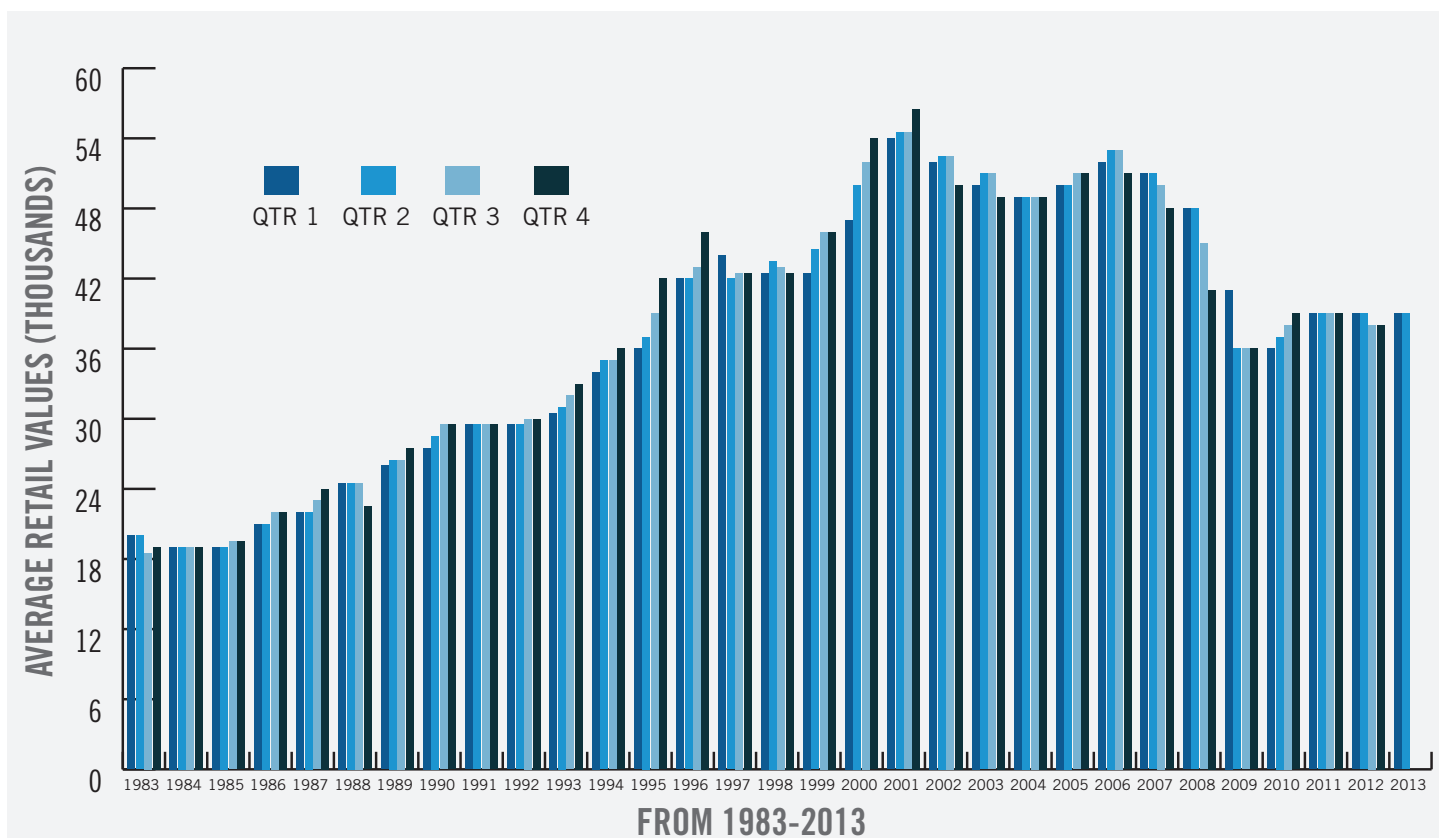
Pricing

Current offerings for Cardinals range in asking price from \$25 to \$90 thousand. The average asking price for a 1974 model year is around \$45 to \$50 thousand. Especially with legacy aircraft, such as the Cardinal, time, equipment and condition are large contributors to value. The Summer 2013 Aircraft Bluebook lists a 1974 Cessna 177B Cardinal with a reported retail price of \$39 thousand.

Historical Values

Using the information above as an example; a 1974 Cessna 177B Cardinal, whose Aircraft Bluebook Historic Values are shown tracked to the fourth quarter of 1982, was reported new with a standard list price of \$27,341. Aircraft Bluebook-Price Digest's Historical Value Reference has demonstrated the Cessna 177B Cardinal's market value performance by quarter in the graph for this 1974 model.

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



WHAT'S NEW IN ABB

- Updated model information
- 2013 Model Information

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.

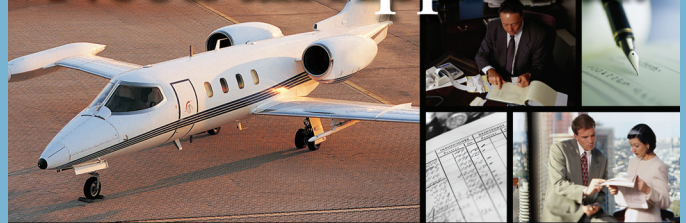
Where can I find the Aircraft Spec Charts and other information formerly in print?

This content is available for free at www.aircraftbluebook.com under the Supplemental Data Tab and includes: Airworthiness Directives, Engines, Manufacturers, Specifications, Fixed Wing Specifications in PDF format, Glossary of Terms and Abbreviations, Interest Charts and Area Codes.

Do you have a printed copy of the Historical Value Reference?

No, it is only available online at www.aircraftbluebook.com as both a singular subscription or as part of a combination subscription to Aircraft Bluebook.

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