

PRICE PERSPECTIVES

By Dennis Rousseau | President and Founder | AircraftPost.com

On average, five – seven percent of the available fleet on the resale market is considered ‘normal.’ Should the percentile lean more in the 10 – 20 percent range, we then tend to see some severe price cutting as was the case with the Challenger 604 in 2013, where we saw 47 transactions and average selling prices drop from 9.5M in 2012 to an average of 7.2M in 2013. We should also expect seven percent of the available fleet trade hands during the course of a ‘normal’ year.

WHEN WE CONSIDER YEAR-OVER-YEAR PRE-OWNED BUSINESS JET SALES, TOTAL ANNUAL TRANSACTIONS ARE UP EACH YEAR SINCE 2008, AND MORE THAN 50 PERCENT WHEN COMPARING THE 2008 RESULTS WITH THOSE OF 2013!

When we consider year-over-year pre-owned business jet sales, total annual transactions are up each year since 2008, and more than 50 percent when comparing the 2008 results with those of 2013! In some circles that could be construed as a successful rebound; however, whether we review current production aircraft or out-of-production, selling prices are down more than 50 percent when comparing the results of 2008 with year-end 2013 and continue a downward trend with the start of 2014.

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BLUEBOOK-AT-A-GLANCE

JET

INCREASED	0
DECREASED	571
STABLE	448

TURBOPROP

INCREASED	15
DECREASED	95
STABLE	528

MULTI

INCREASED	10
DECREASED	332
STABLE	342

SINGLE

INCREASED	75
DECREASED	796
STABLE	1793

HELICOPTER

INCREASED	2
DECREASED	700
STABLE	481

OUT OF PRODUCTION AIRCRAFT - 6 YEAR SALES TREND

	2008	2009	2010	2011	2012	2013
Lear 60						
Percentage on Market	18.5%	26.4%	24.8%	22.0%	23.2%	11.8%
Total Sold*	14	22	16	20	21	22
Average Sale Price**	7.1	4.2	3.9	3.1	2.7	2.8
Hawker 850XP						
Percentage on Market	9.3%	21.7%	26.7%	15.8%	18.3%	6.7%
Total Sold*	0	5	12	7	10	13
Average Sale Price**		8.3	7.6	6.9	5.9	4.8
Citation X						
Percentage on Market	9.6%	12.0%	15.4%	13.4%	9.8%	7.3%
Total Sold*	12	3	14	13	14	18
Average Sale Price**	13.6	10	9.1	6.5	5.8	5.3
Gulfstream G200						
Percentage on Market	14.4%	17.5%	16.0%	12.4%	20.0%	8.1%
Total Sold*	9	7	12	8	27	15
Average Sale Price**	16.4	9.5	10.1	8.6	8.2	8.3
Challenger 604						
Percentage on Market	2.7%	11.5%	10.2%	11.0%	14.8%	8.2%
Total Sold*	23	14	18	21	27	47
Average Sale Price**	21	12.1	11.4	9.8	9.5%	7.1
Falcon 2000						
Percentage on Market	9.6%	15.2%	19.1%	16.1%	16.1%	10%
Total Sold*	6	9	11	11	14	11
Average Sale Price**	21.6	12.3	9.2	9.2	19	7.1
GIVSP/G400						
Percentage on Market	16.1%	19.0%	16.1%	15.1%	16.4%	10.9%
Total Sold*	16	27	27	18	19	16
Average Sale Price**	26.5	13.9	12.9	12.4%	11.7	8.7
Gulfstream GV						
Percentage on Market	9.9%	14.1%	11.5%	13.1%	14.7%	7.8%
Total Sold*	7	11	11	17	12	13
Average Sale Price**	38.2	23.5	21.3	22.6	21.8	18.9
Global Express						
Percentage on Market	12.2%	20.9%	19.6%	20.3%	20.9%	12.8%
Total Sold*	3	6	8	13	8	9
Average Sale Price**	46.9	24.6	25.1	24.1	21.9	17.9
Total Sold Overall	90	104	129	128	152	164
Percentage on Market	11%	18%	18%	15%	17%	9%

* Pre-owned Sales

**USD - Millions

Continued on page 3

If you consider an aircraft has a useful life of 30 years and apply the effects of major maintenance events and age-based depreciation through the end of life (aka salvage value), we then have a fairly predictable course for determining value at any given point (minus inflationary effects). However, when we incorporate the instabilities and uncertainties of the overall aircraft market and global economic factors, our once predictable course becomes uncharted. When taking these latter points into account, it becomes apparent that our once stable markets are now reflecting selling prices 30 percent under what could be deemed a normal course of events. From another perspective, perhaps this present course is our 'new normal.'

Reflecting on the results of 2013, the average days on the market are hovering around the 300 mark and/or 10 months. As well, on average there's a 9 percent difference between the ask price (at time of sale) and sell price. If the aircraft is priced commensurate with the market, buyer/seller expectations stay in check and the number of aircraft on the market continues below 10 percent of the available fleet, perhaps we can better define the 'new normal' in 2014.

Aircraft	Total Sold - 2013 -	% of Fleet	Avg. Ask	Avg. Sell	% difference	Avg. DOM
Lear 45XR	14	7%	5.5	4.9	11%	347
Citation XLS	19	3%	6	5.5	8%	263
Hawker 900XP	16	9%	6.9	6.2	10%	259
Citation Sovereign	20	6%	8.7	8.3	5%	304
Falcon 50EX	9	9%	6.7	6.3	6%	276
Gulfstream G200	15	6%	9.2	8.3	10%	239
Falcon 2000	11	5%	7.9	7.1	10%	244
Challenger 604	47	13%	8.3	7.2	13%	370
Falcon 900EX	12	10%	15.7	14.1	10%	257
Gulfstream GIVSP	16	3%	10.1	8.7	14%	281
Gulfstream GV	13	7%	20.2	18.9	6%	272
Global Express	9	6%	19.5	17.9	8%	454
Global XRS	7	4%	36.6	32.4	11%	252
Total	208	7%			9%	294

HONEYWELL PREDICTS SALES OF 5,500 COMMERCIAL HELOS TO 2018

By Anthony Osborne | *Aviation Daily* | **AVIATIONWEEK**
A PETERSON BUSINESS



Commercial helicopter operators will buy between 4,800 and 5,500 helicopters during 2014-2018, according to a survey and market forecast by Honeywell.

The company predicts a return to delivery levels of around 1,000 aircraft a year—similar to levels before the world economic crisis—and this could rise to as many as 1,100-1,200 a year in 2018-19, according to Charles Park, Honeywell market analyst.

The biggest region for growth will be Latin America, with the trend pushed by demand for general aviation helicopters in Brazil and Mexico, as well the continuing requirement for more helicopters in Brazil for the oil and gas industry.

While the light-singles continue to dominate the market, operators are increasingly favoring intermediate

and medium-twin models, several new types of which are now beginning to join the market, including AgustaWestland's AW189 and Airbus's EC175. According to Honeywell, 33% of operators have plans to purchase the intermediate and medium twin-engine helicopters between now and 2018, compared to just 25% in the company's 2013 census of operators.

This year's survey queried more than 1,000 chief pilots and flight department managers, including companies operating a total of 2,800 turbine and 290 piston helicopters worldwide. Honeywell noted that demand in Europe had dipped as a result of a large decrease in purchase intentions from Russian operators compared with a year ago.

"The sample of Russian operators responding grew in 2013, but remains small and adds some volatility to the overall European results," the forecast says.

Oil and gas operators are flying around 720 hr. per year per aircraft, closely followed by law enforcement at more than 400 hr. per year. Tourism, emergency medical services and general utility users were closely grouped, at approximately 375–400 hr. per year. The lowest average utilization was by corporate segment operators, at just over 300 hr. per helicopter per year.

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, please feel free to give the editorial staff a call at 1-800-654-6776 or email us, info@aircraftbluebook.com.

GOT A QUESTION?

We'd love to hear from you!
Send your questions to info@aircraftbluebook.com.

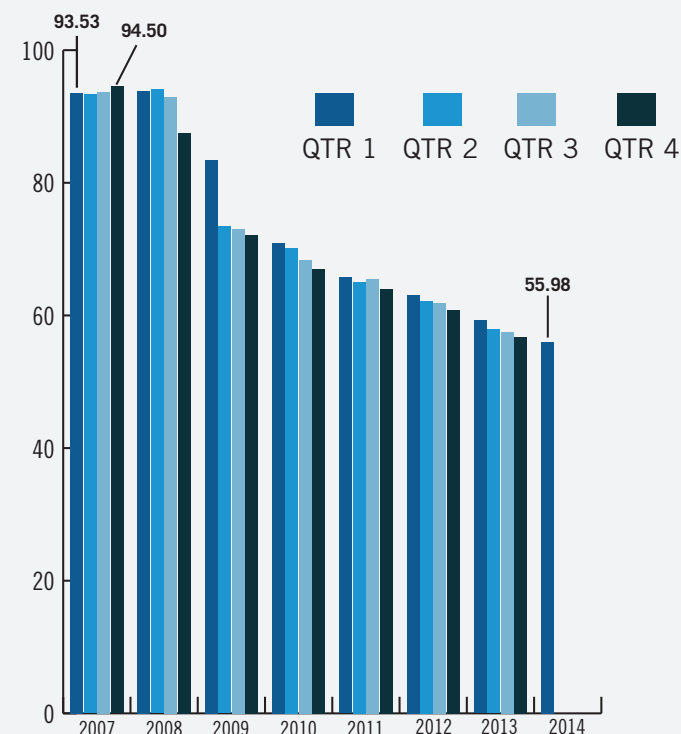
CURRENT MARKET STRENGTH

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.

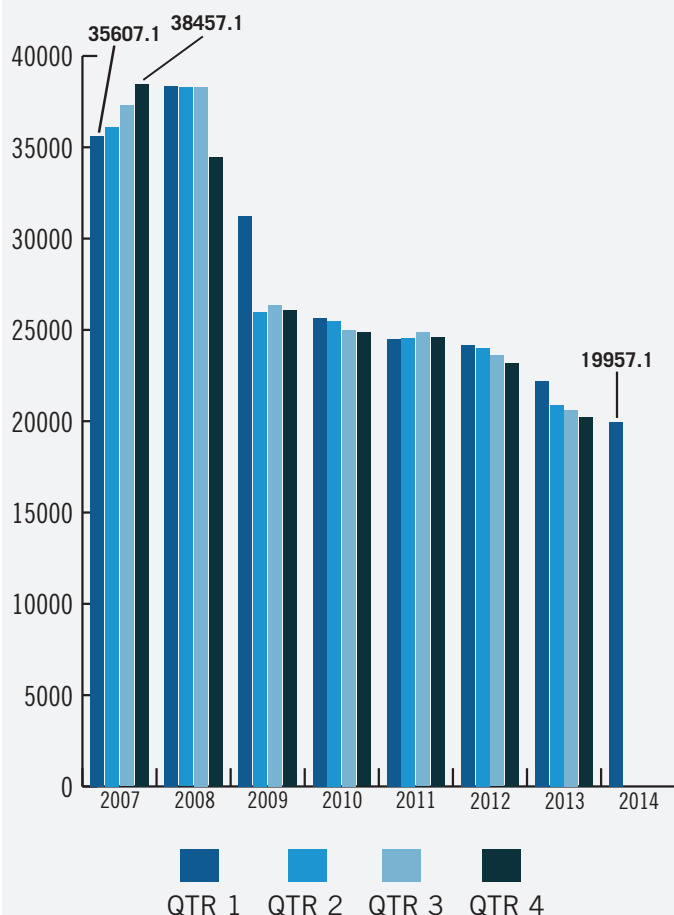
USED AIRCRAFT MARKET



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	A-	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	A	Piaggio P180	B	Piper PA28R-201 Arrow	B-
Cessna Citation CJ2	A	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-
Gulfstream G450	A+				

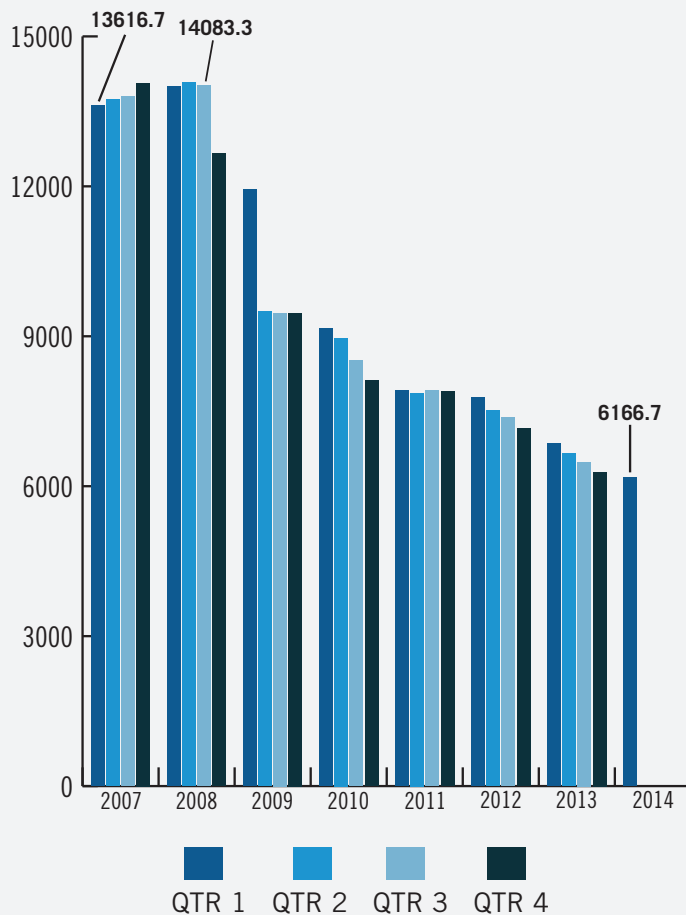
LARGE JET



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	-3.3
2005 Dassault Falcon 900 EX Easy	-2.3
2005 Dassault Falcon 200EX Easy	0.0
2005 Gulfstream G550	0.0
2005 Gulfstream G450	-2.7
2005 Embraer EMB135 Legacy	-3.1

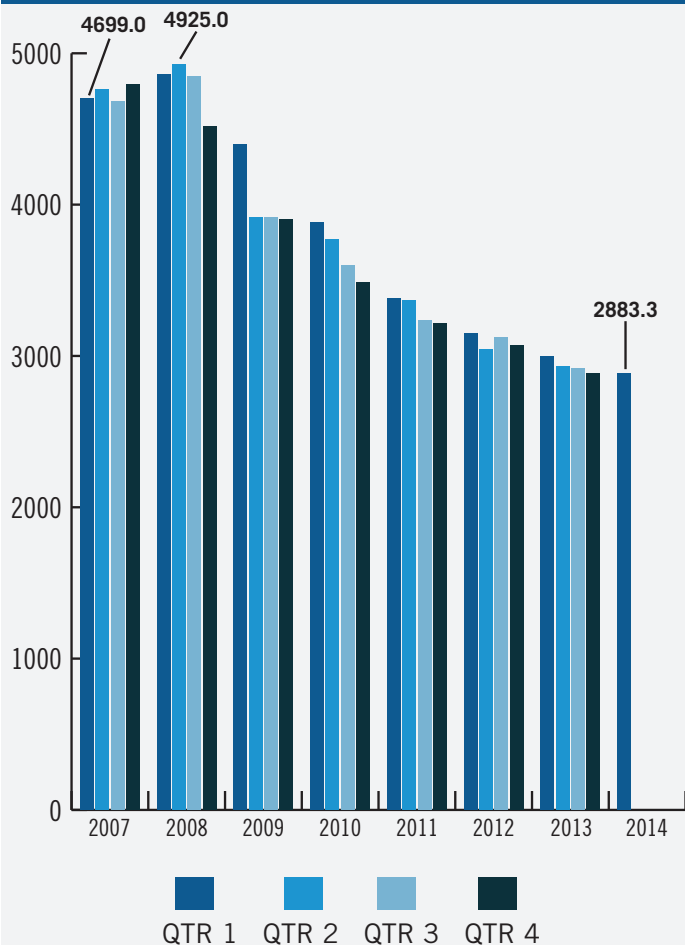
MEDIUM JET



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	0.0
2005 Bombardier Lear 45XR	-4.5
2005 Cessna Citation Sovereign	-2.9
2005 Cessna Citation XLS	0.0
2006 Gulfstream G150	-1.5
2005 Hawker 800XP	-5.1

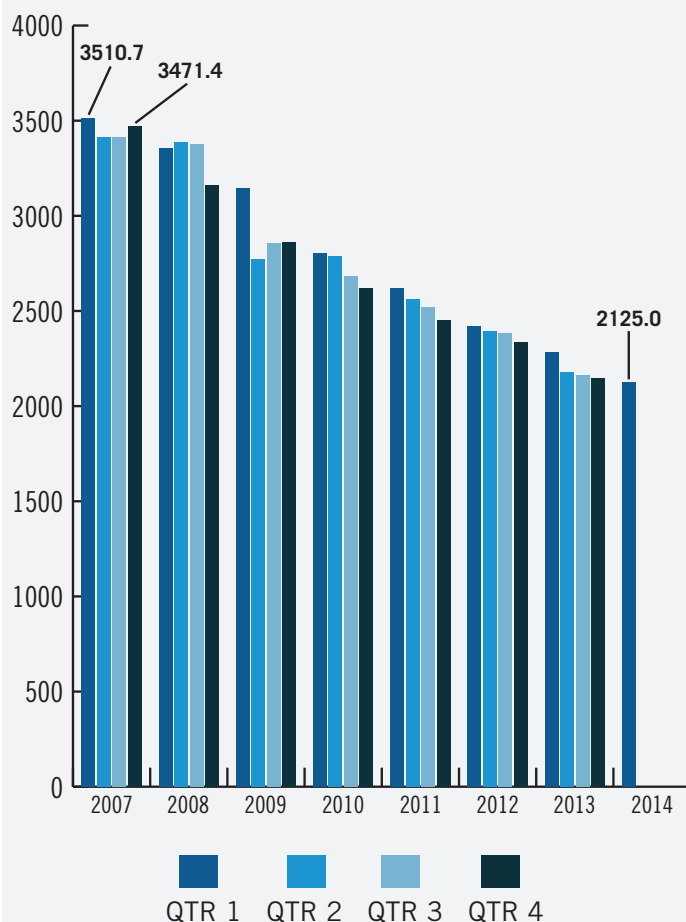
SMALL JET



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	0.0
2005 Cessna Citation CJ2+	0.0
2006 Cessna 510 Mustang	0.0
2008 Embraer Phenom 100	0.0
2009 Embraer Phenom 300	0.0
2005 Hawker 400XP	0.0

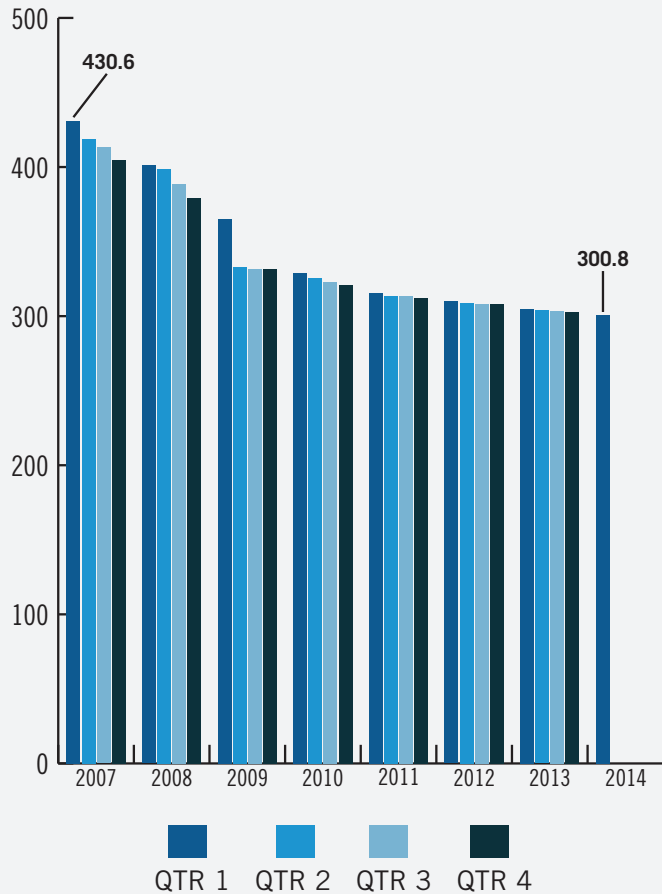
TURBOPROP



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	0.0
2005 Beech King AirB200	-4.0
2005 Beech King AirC-90B	-3.1
2005 Cessna 208 Grand Caravan	0.0
2005 Piaggio AvantiP180	0.0
2005 Pilatus PC12/45	0.0
2005 Socata TBM700C2	0.0

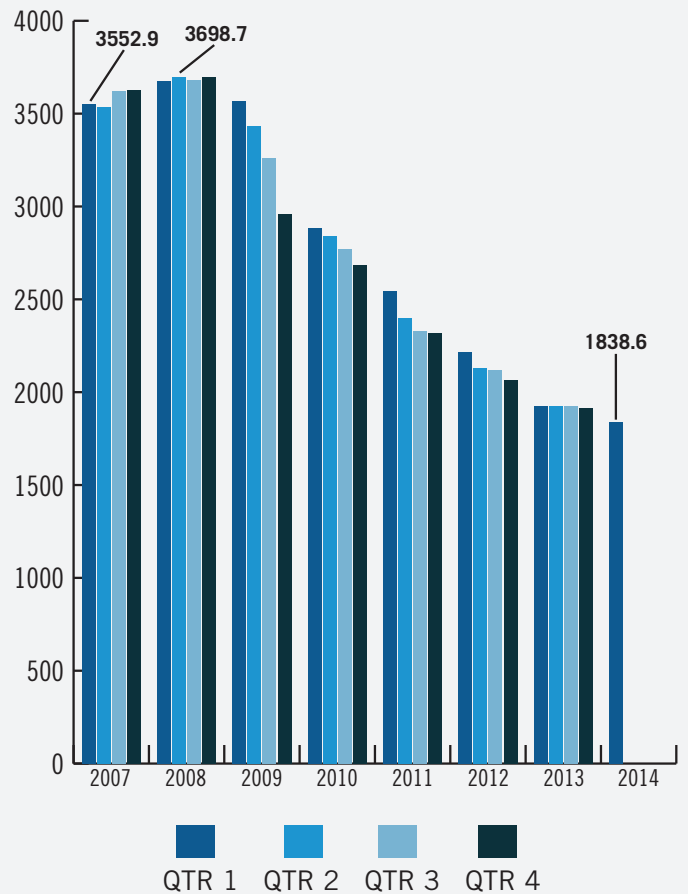
SINGLE/MULTI PISTON



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	-1.7
2005 Diamond DA42 Twin Star	1.6
2005 Piper PA34-220T Seneca V	-2.2
2005 Beech A36 Bonanza	2.9
2005 Cessna/Columbia 400	-3.5
2005 Cessna 182T Skylane	-2.9
2005 Cessna T206H Turbo Stationair	0.0
2005 Cessna 172S Skyhawk SP	0.0
2005 Cirrus SR22-G2	-2.9
2005 Diamond DA40-180 Star	0.0
2005 Piper PA46-350P Mirage	0.0
2005 Piper PA28R-201 Arrow	0.0

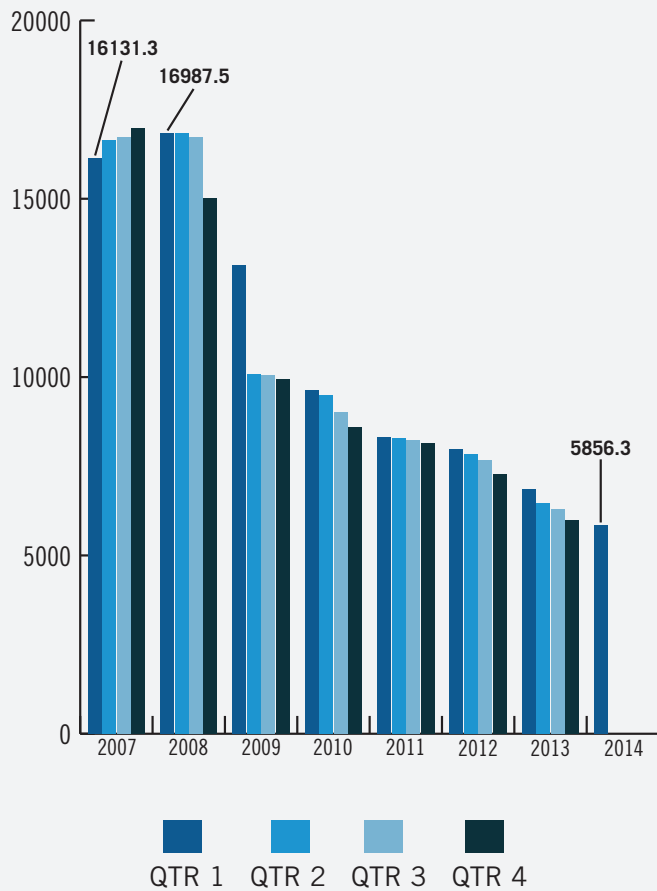
HELICOPTER



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	-7.5
2005 Bell 430	-8.0
2005 Eurocopter EC130B4	0.0
2005 Eurocopter AS350B-3 Ecureuil	-5.9
2004 Enstrom 280FX	-3.8
2005 Robinson R44 Raven	-3.6
2005 Sikorsky S-76C+	0.0

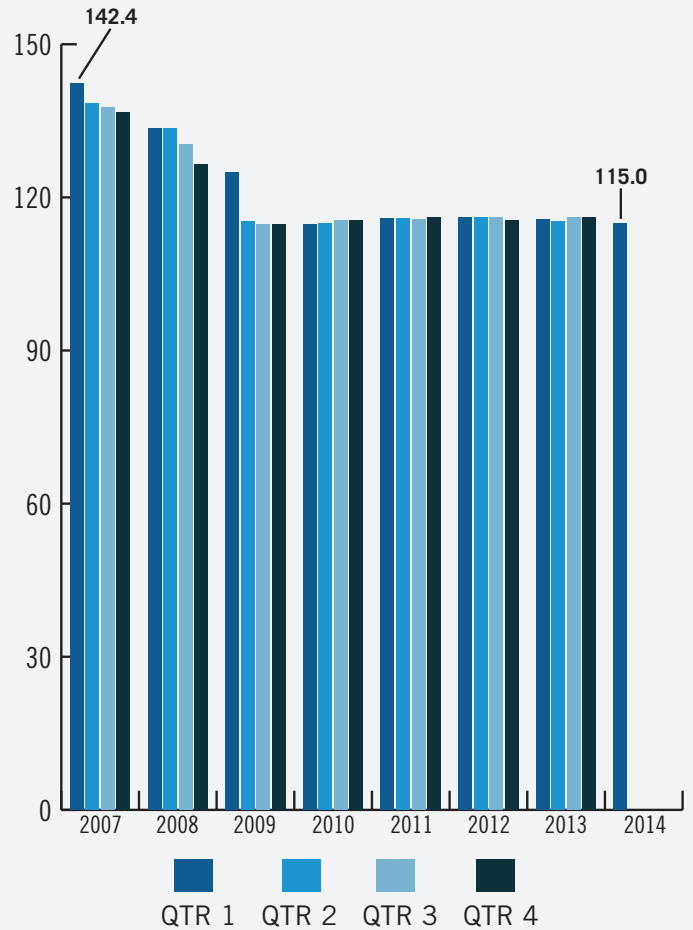
LEGACY JET



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	-3.8
1996 Bombardier Lear 31A	0.0
1996 Cessna Citation Ultra	0.0
1996 Dassault Falcon 900B	0.0
1997 Dassault Falcon 50EX	-2.1
1996 Gulfstream GV	-3.2
1996 Gulfstream GIVSP	-2.5
1996 Hawker800XP	0.0

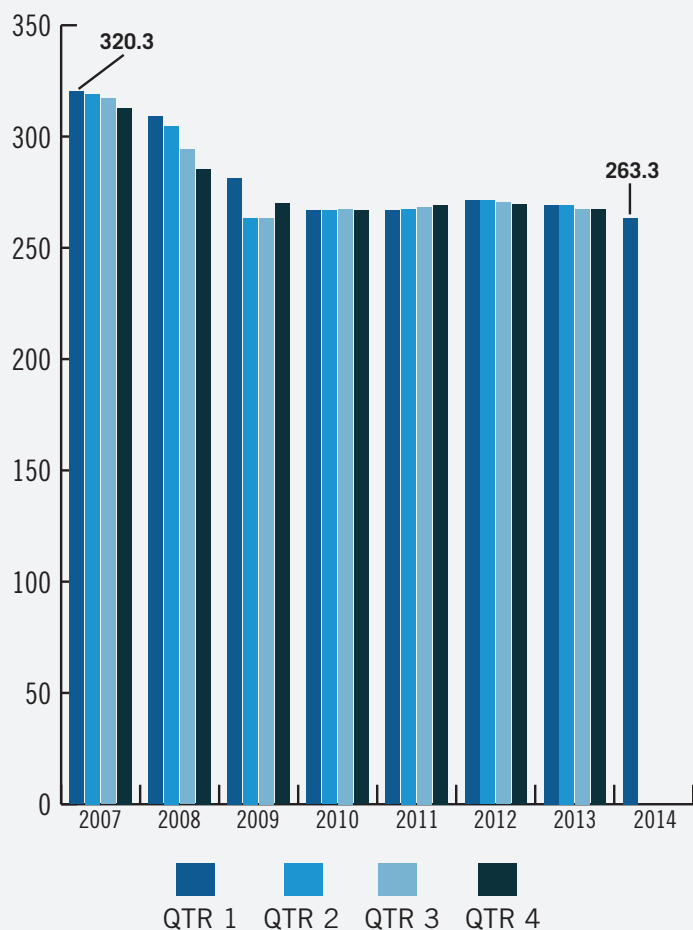
LEGACY PISTON



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	-2.5
1990 Beech F33 Bonanza	-2.9
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	0.0
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

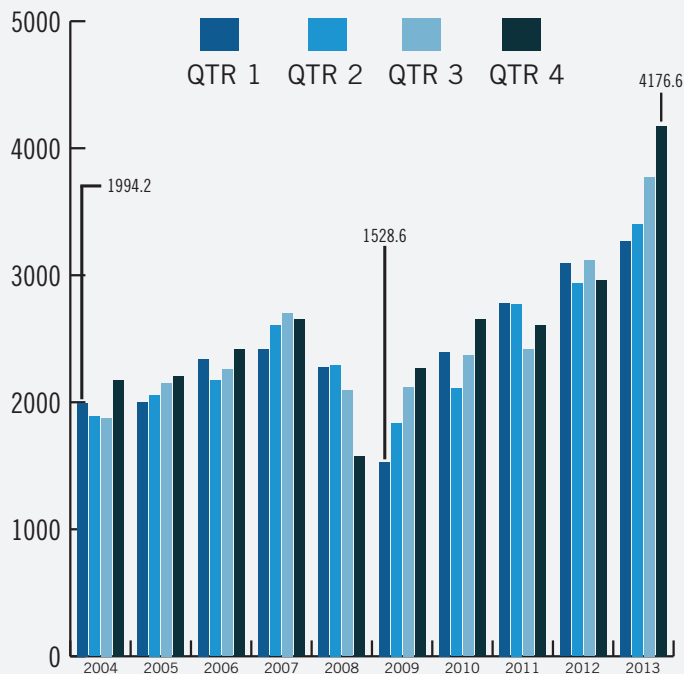


The Legacy Multi Engine Piston chart depicts the average price (in thousands) of the six aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1986 Beech 58P Pressurized Baron	-2.9
1990 Beech 58 Baron	-1.8
1985 Cessna 421 Eagle III	-1.1
1981 Cessna 310R II	-3.8
1982 Piper PA-310C Navajo	0.0
1990 Piper PA-34-220T Seneca III	0.0

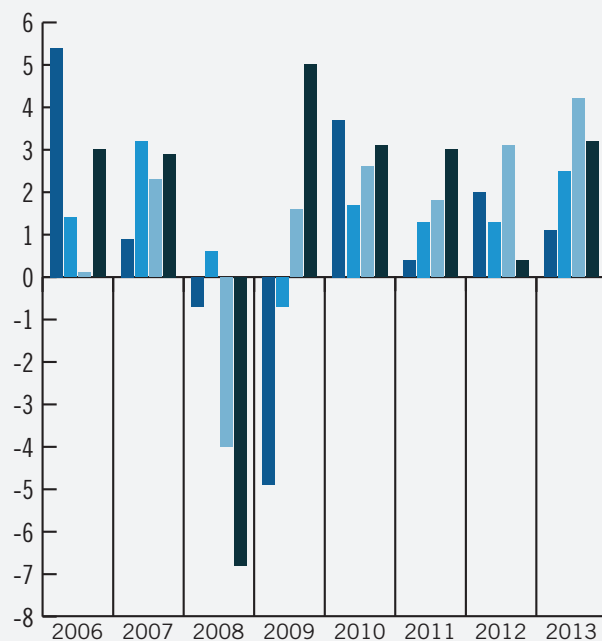
NASDAQ

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.

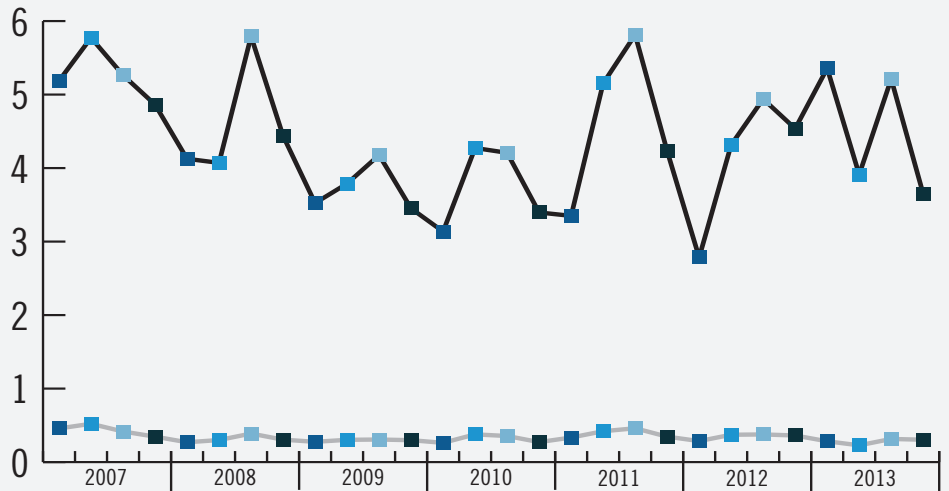


CHANGE OF STATUS: SINGLE/MULTI

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

Single: 3648
Multi: 304

QTR 1 QTR 2 QTR 3 QTR 4

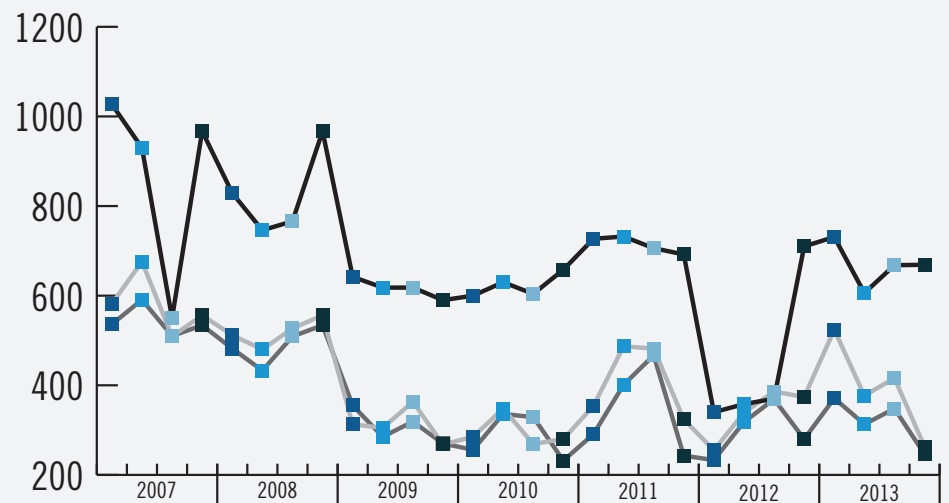


CHANGE OF STATUS: JET/TURBO/HELI

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: 669
Turboprop: 263
Heli: 246

QTR 1 QTR 2 QTR 3 QTR 4

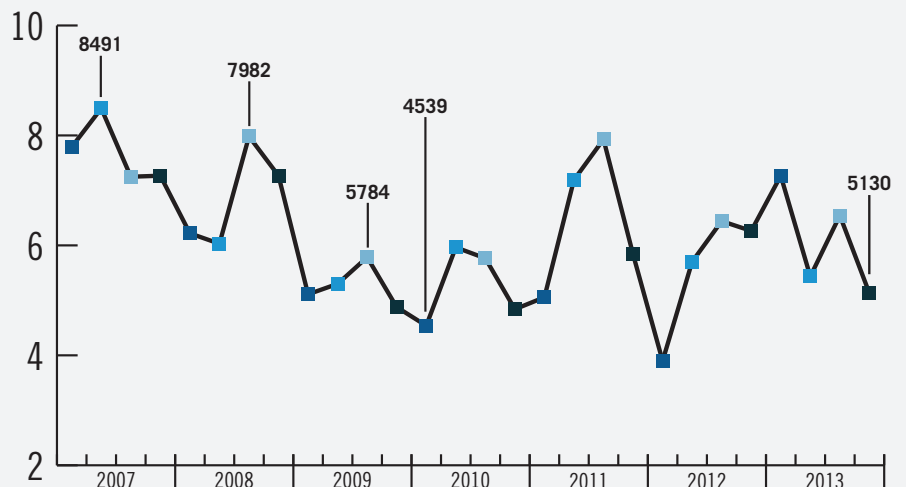


CHANGE OF STATUS: TOTAL MARKET

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 Citation V Ultra

By Chris Reynolds, ASA | Aircraft Bluebook

Aircraft Bluebook-At-a-Glance has reviewed the current market status of the Cessna Citation V Ultra 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

Currently, the Ultra fleet is approximately 278 aircraft. At the time of writing this article, more than 30 various year models of the Ultra were for sale in the major aircraft trade publications, representing approximately 11 percent of the total fleet.

Pricing

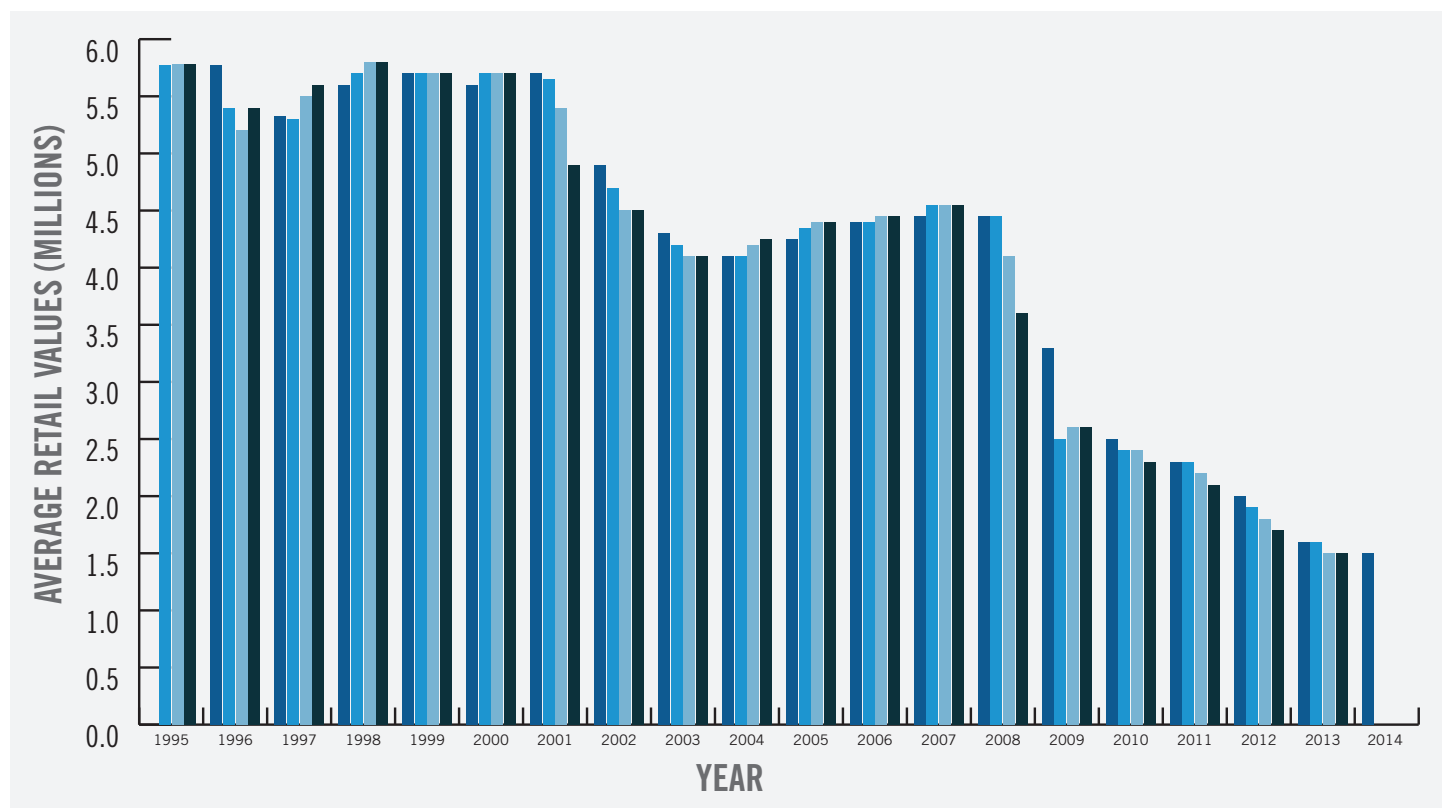
Current offerings for the Ultra range from \$1.4 million to low \$2.5 million. The average airframe time for a 19-year-old model was approximately 8,000+ hours with multiple offerings significantly higher/lower than this average. Over the last year, approximately 30 to 40 sales appear to have occurred with an average time on market being around 180 days. The Spring 2014 Aircraft Bluebook lists a 1995 Cessna Citation V Ultra with a reported retail price of \$1.5 million.

Residual Values

A 1995 Cessna Citation V Ultra, whose market values have been tracked since the second quarter of 1995, was reported new with an average equipped price of \$5,703,000. Aircraft Bluebook-Price Digest's Historical Value Reference has demonstrated the Cessna Citation V Ultra market value performance by quarter in the graph for this 1995 model.

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

AVERAGE RETAIL VALUES



WHAT'S NEW IN ABB

- Updated Airworthiness Directives
- Updated maintenance programs
- Engine Maintenance Program section has been moved from the appendix to the front of the book

AIRCRAFT BLUEBOOK AROUND THE GLOBE

National Aircraft Finance Association (NAFA) Annual Conference, Ft. Lauderdale, Florida; April 9 - 14, 2014

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.

Asian Business Aviation Conference & Exhibition (ABACE), Shanghai, China; April 15 - 17, 2014

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 20 - 22, 2014

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.

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