

# MARKETLINE

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NEWSLETTER

## Pre-Owned Aircraft Sales Search for Stability in Failing Economy

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Aircraft Bluebook – Price Digest



The end of the third quarter of 2008 brought havoc and chaos to our national and the global economies. Consider the devastation of a violent act of Mother Nature. Everything in the radius of destruction gets annihilated, without concern for good or bad, passive or active, aware or unaware. Corporate aircraft sales could not dodge the violence of the economic meltdown. In the wake of economic failure, the aircraft market is searching for stability.

Although everyone is quick to blame the other guy, the bottom line is that America has been victimized again by its own mediocrity whether because of greed, Fannie Mae and Freddie Mac's version of social justice, or, well, whatever. At the core of this current crisis is the failure to coordinate and effectively execute economic intelligence and data that would otherwise protect and promote the economic environment. A three-dimensional level of communications is lacking. Alan Greenspan, former U.S. Federal Reserve Board chairman, had a talent for getting information to flow across the board. He taught his organization to acquire economic data and to effectively analyze, communicate and execute it. The actions of the Federal Reserve protected the U.S. economy and allowed it to flourish during his nearly 20 years of leadership. Communications can only be effective when the appropriate action is taken. Action needs leadership. Leadership is only as good as the information on which it operates. The human element will

always inspire or slumber or, said in another way, provide charisma or mediocrity as the catalyst for action.

### Jet

#### Bluebook-at-a-glance

Increased .....	0
Decreased .....	795
Stable .....	24

Nearly all of the jet aircraft tracked in Aircraft Bluebook experienced a decline in value ranging from 7 percent to nearly 20 percent when compared to the previous quarter. As expected, aging aircraft were responsible for the more significant declines in value.

### Turboprop

#### Bluebook-at-a-glance

Increased .....	20
Decreased .....	351
Stable .....	247

There was some good news for the turboprop segment. With a tight inventory of available equipped DeHavilland Twin Otters in the current market, values for these aircraft have increased. Ag turboprop aircraft were mostly responsible for reporting stable values when compared to the previous quarter. The remainder of the aircraft in this category averaged 8 percent decreases in value.

### Multi

#### Bluebook-at-a-glance

Increased .....	0
Decreased .....	488
Stable .....	182

Multi piston engine aircraft, though suffering from the negative effects of the economy, did not suffer as much in the loss column when compared to last quarter. Losses were closer to the 5 percent range, generally speaking.

## Single

### Bluebook-at-a-glance

<i>Increased</i> .....	112
<i>Decreased</i> .....	1120
<i>Stable</i> .....	1197

The single engine market has also felt the brakes on the economy. Sales nearly came to a full stop after the economic curtain fell in September. Again, the ag planes experienced modest gains from the previous quarter. Aircraft with unchanged values were in the \$100,000 range or less. For the most part, decreases in value were minimal when compared to other aircraft market segments.

## Helicopter

### Bluebook-at-a-glance

<i>Increased</i> .....	272
<i>Decreased</i> .....	173
<i>Stable</i> .....	503

Helicopter values remained stable for yet another quarter. Late-model single and twin turbines continued to hold value. Aging turbines as well as piston models experienced some decline in value. In all, the helicopter segment has weathered this economic storm better than the other aircraft in Bluebook.

### Aircraft Bluebook – Price Digest here for you

Please contact Aircraft Bluebook if you have any specific concerns 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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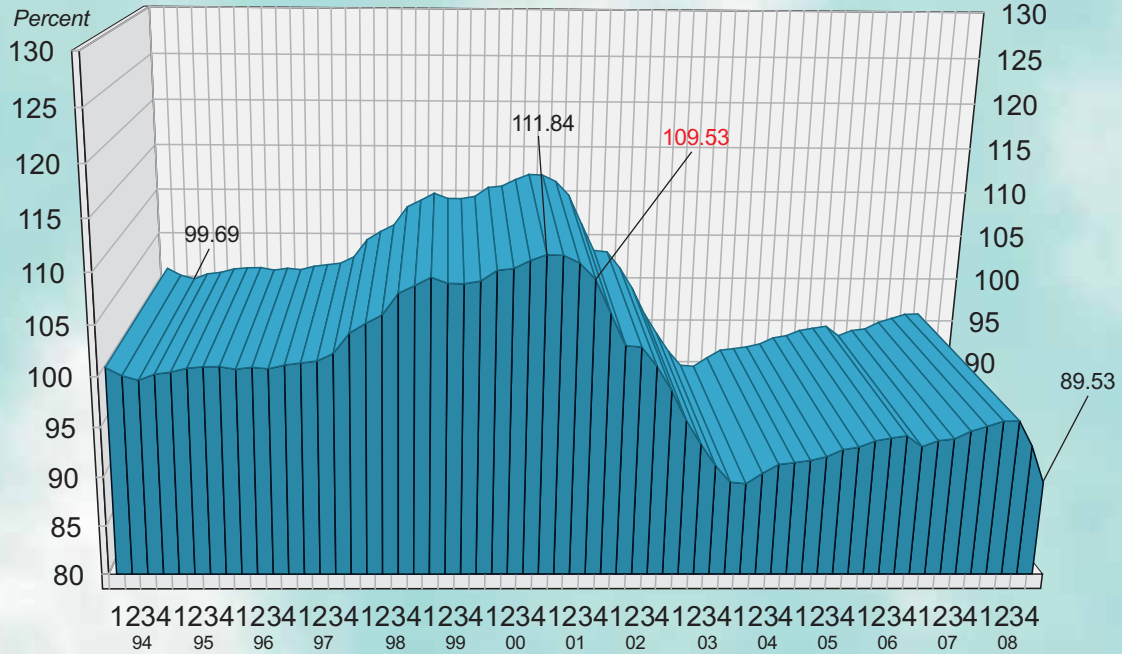
The listings range from airliner-derivatives such as an ACJ and BBJs to production slots for a G450, a Citation Mustang, a Learjet 40, and an Eclipse 500, to a wide variety of other airplanes including in-service business aircraft built by all of the top manufacturers, including Bombardier, Learjet, Gulfstream, Hawker, Beech, Cessna, Falcon, Dornier and IAI.



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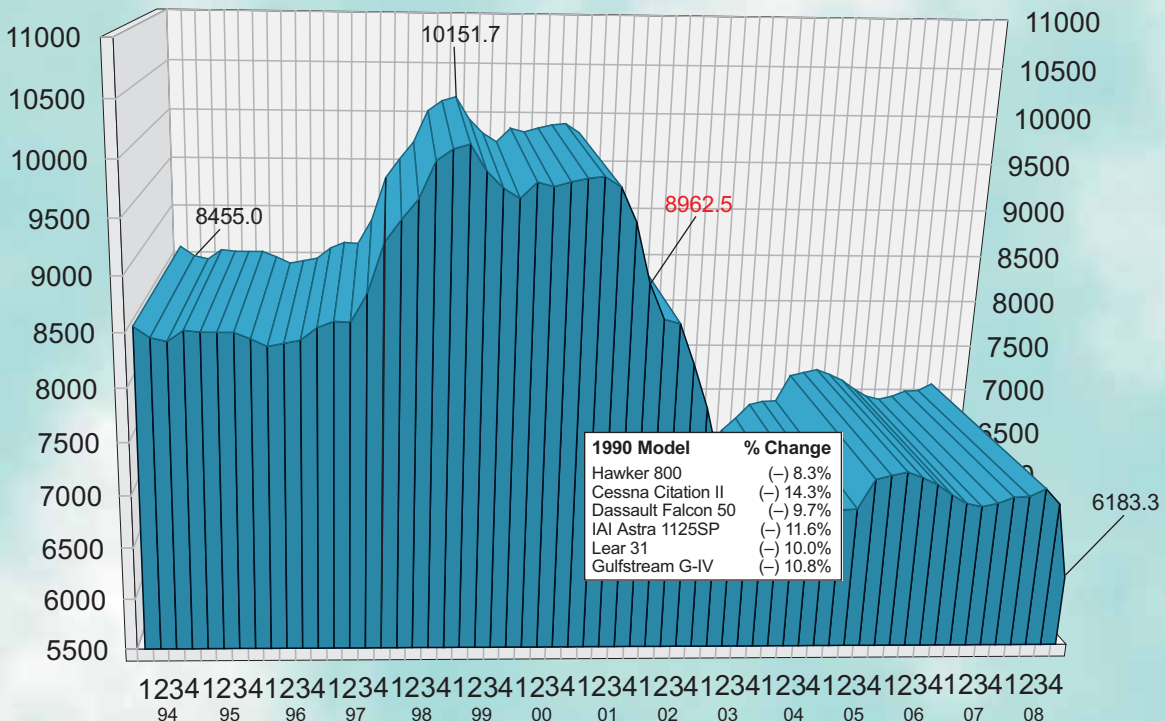
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# USED AIRCRAFT MARKET VALUE



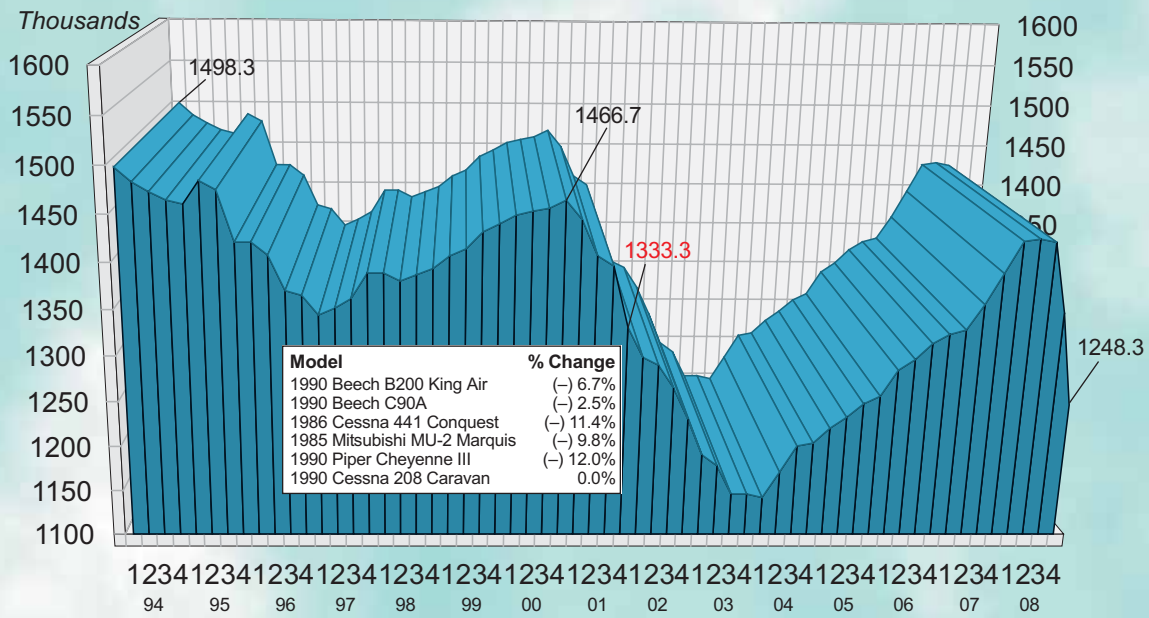
**Used Aircraft Market.** This chart displays each model's quarterly value in relationship to its average equipped price at the inception of the aircraft. The study begins in the Spring quarter of 1994 and includes the Jet, Turboprop, Multi, Piston and Helicopter. For all charts, the red number indicates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

# JET



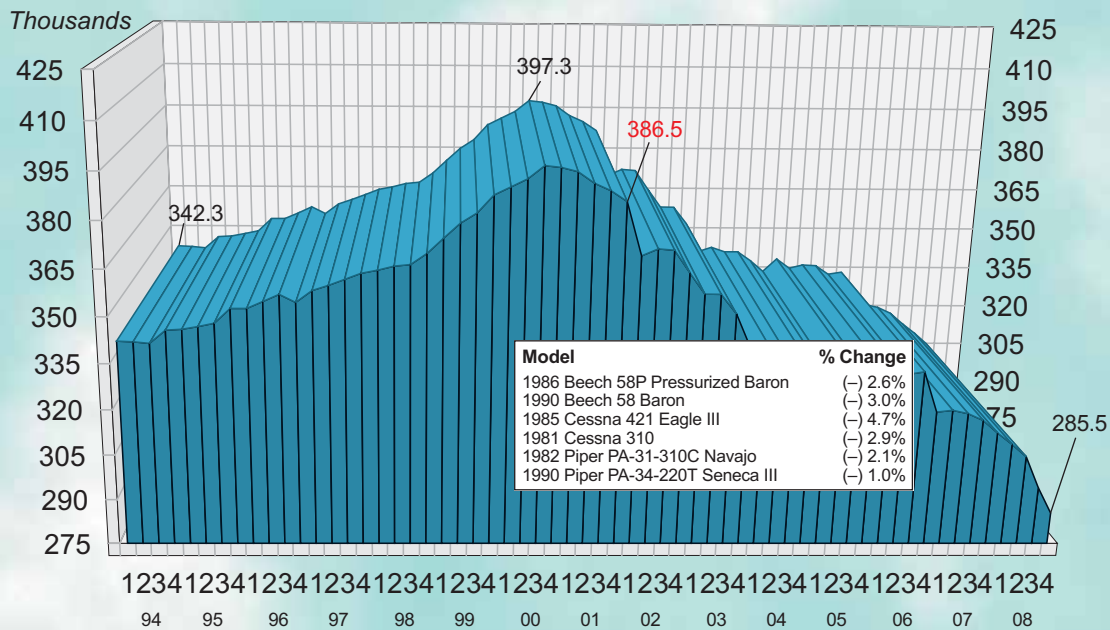
**Jet.** The jet chart depicts the average price (in thousands) of the six 1990 jets listed in the box.

# TURBOPROP

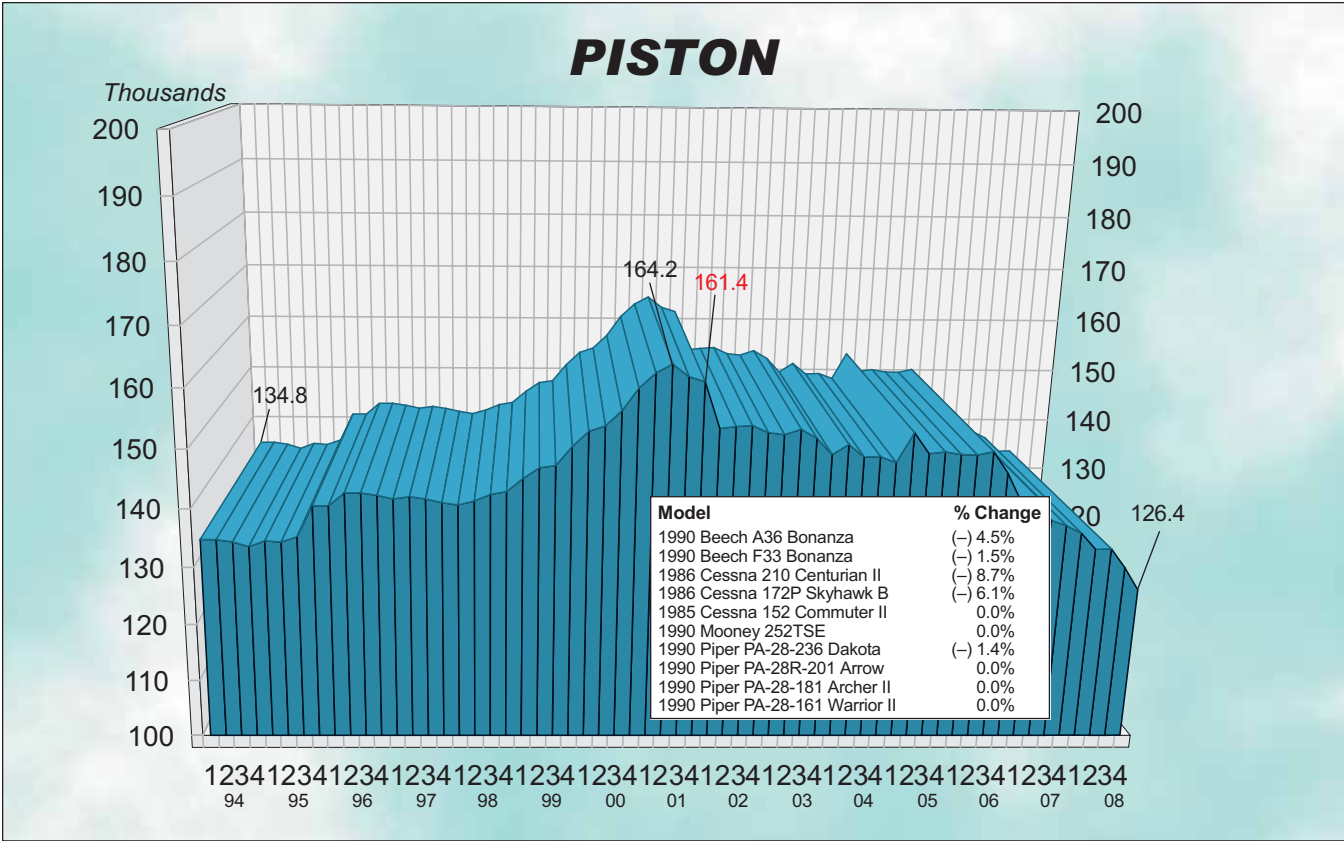


**Turboprop.** The turboprop chart depicts the average price (in thousands) of a 1985, 1986 and four 1990 turboprops listed in the box.

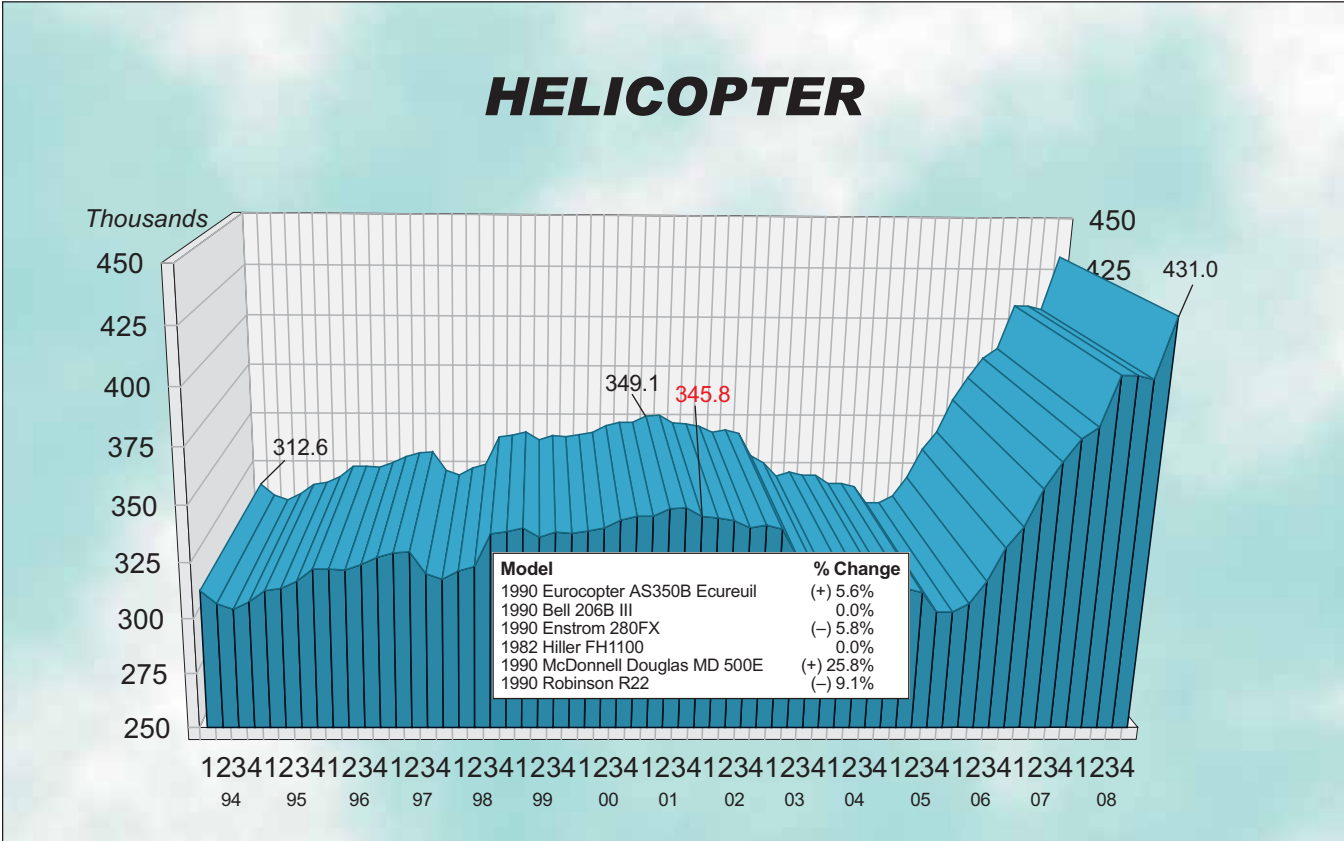
# MULTI



**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.

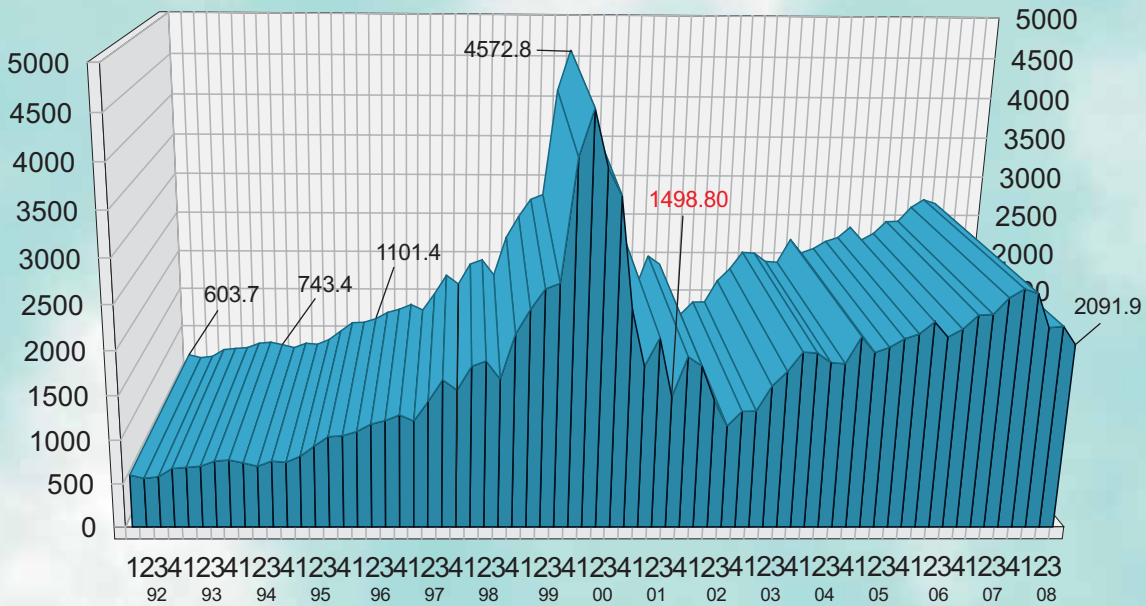


**Piston.** The piston chart depicts the average price (in thousands) of the 10 pistons listed in the box. Each model's year will precede the name of the aircraft.



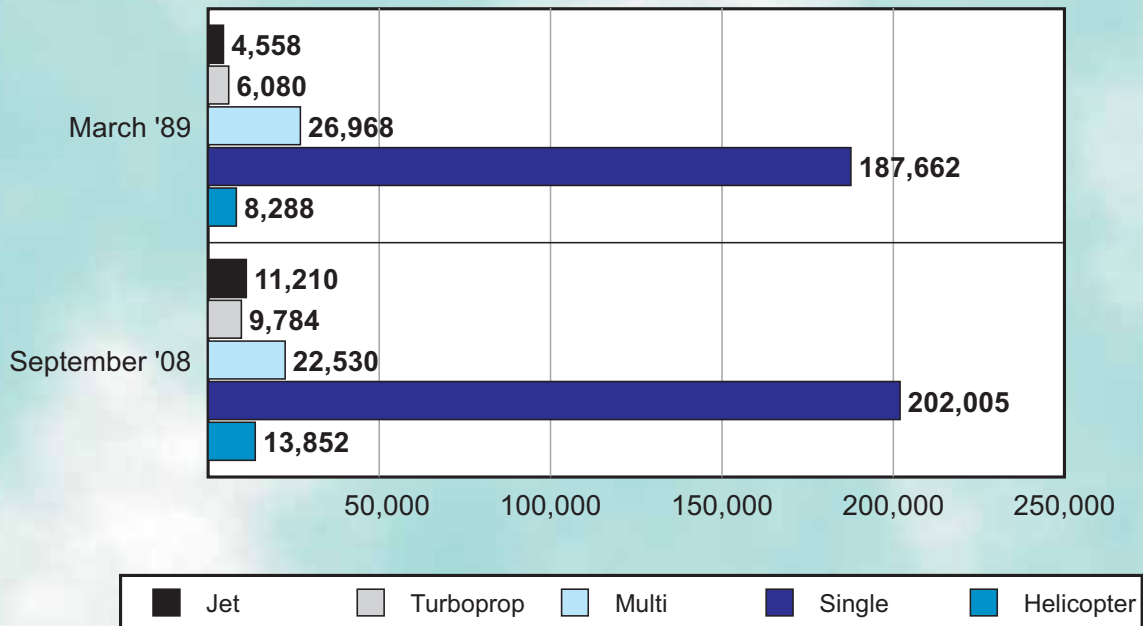
**Helicopter.** The helicopter chart depicts the average price (in thousands) of the six helicopters listed in the box. Each model's year will precede the name of the aircraft.

# NASDAQ



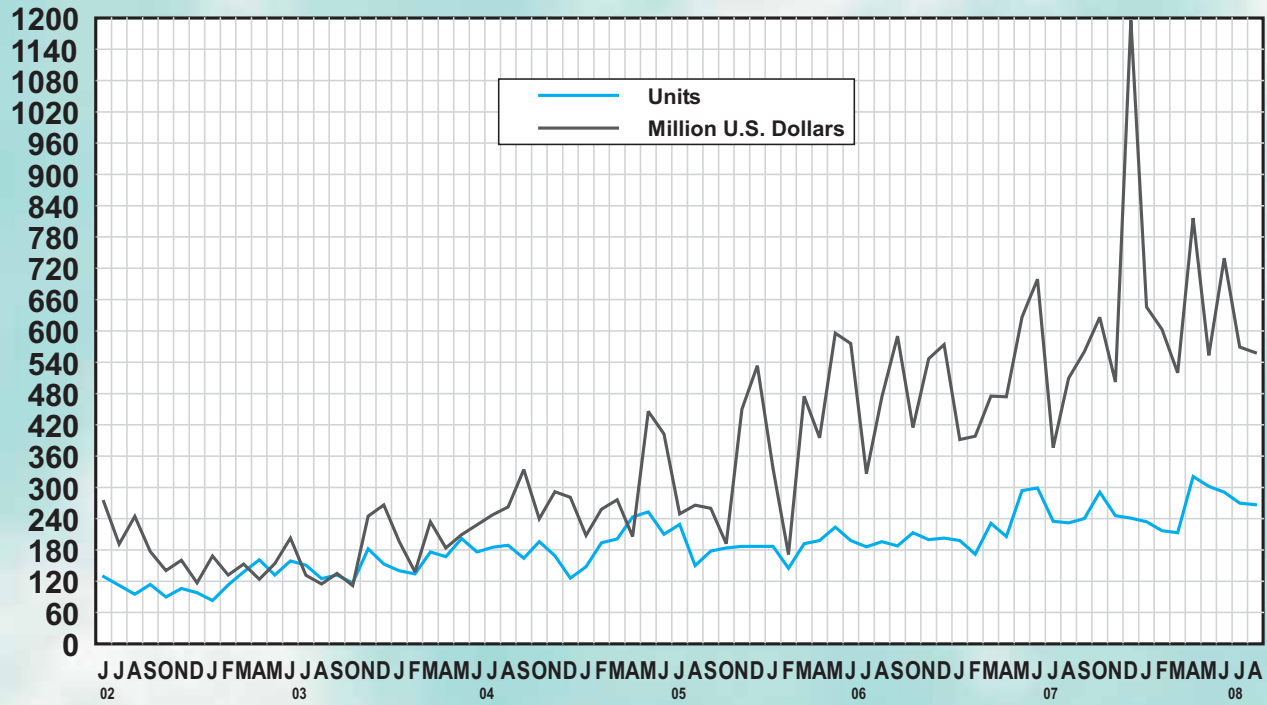
**NASDAQ:** This ratio scale chart depicts the change for the NASDAQ daily average from quarter to quarter beginning at the end of the first quarter of 1992. Each data point represents the closing daily average on the last trading day of each quarter. This study originates in the first quarter of 1971.

# 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.

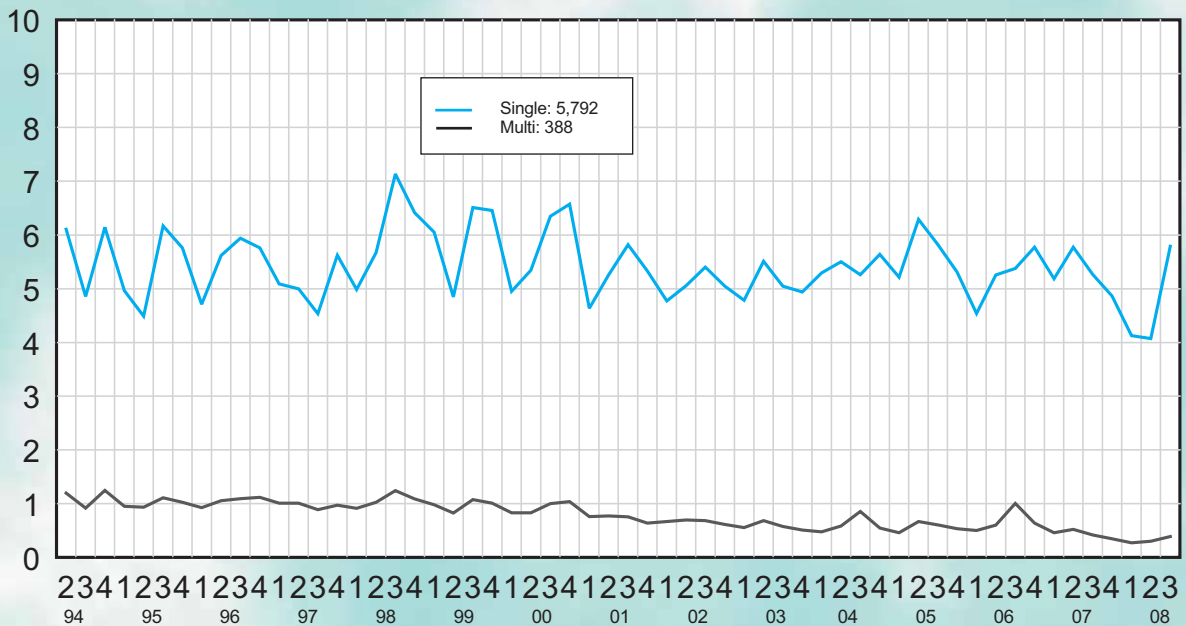
## EXPORTS



**Export Data.** These numbers include both airplanes and helicopters. The numbers do not include aircraft that have empty weights in excess of 33,069 lbs.

## CHANGE-OF-OWNERSHIP SINGLE • MULTI

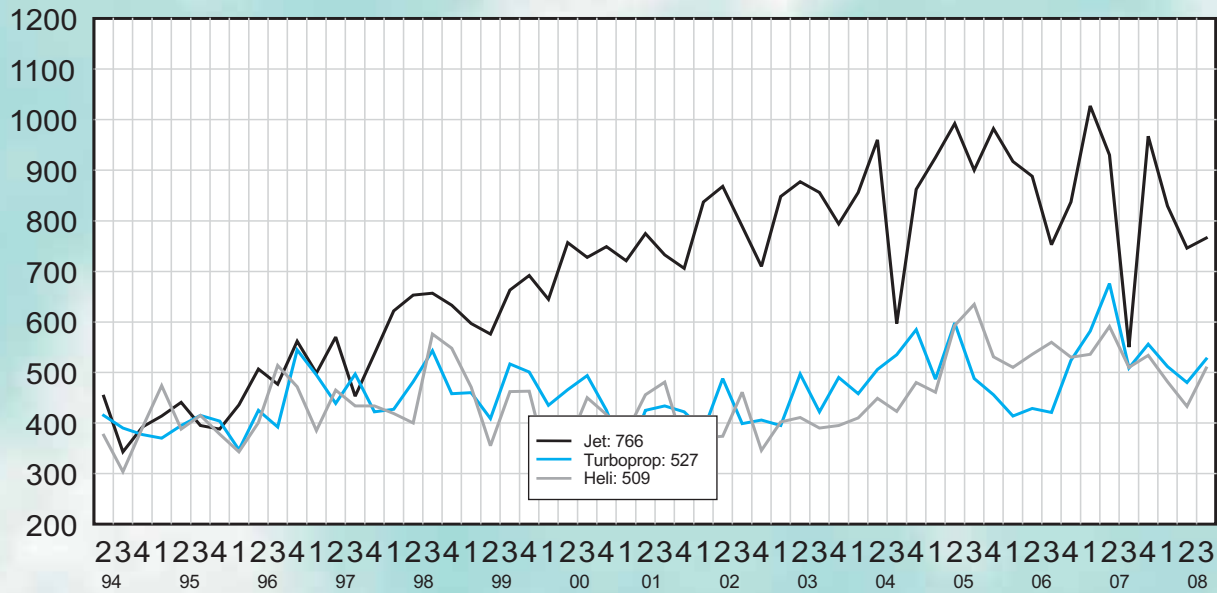
Thousands



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

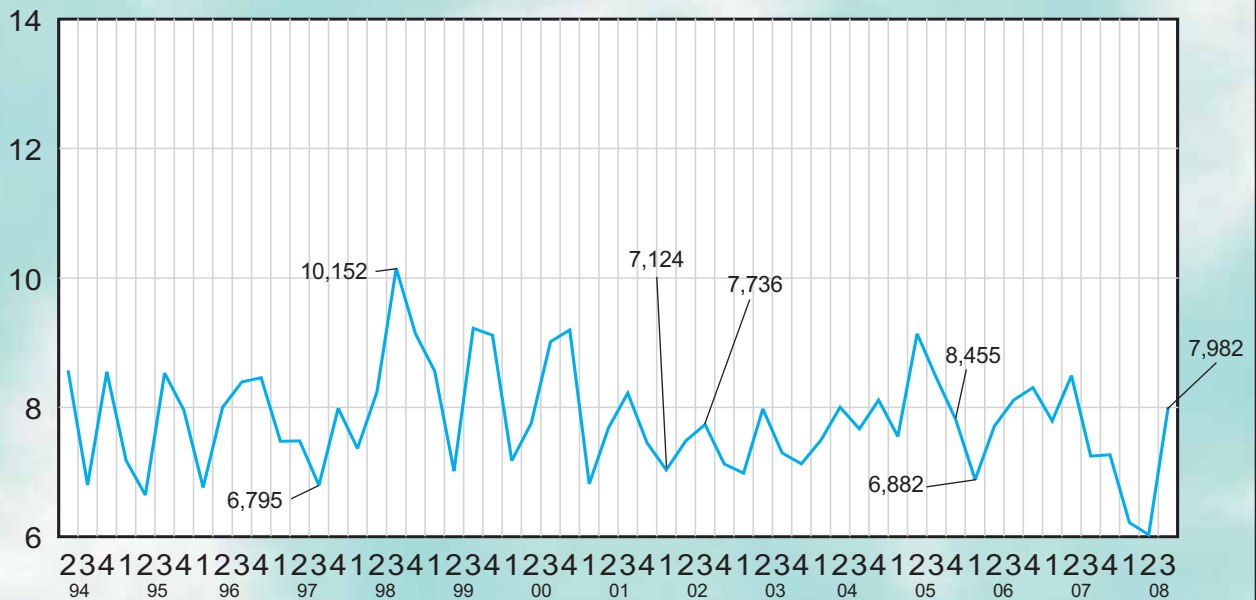


## CHANGE-OF-OWNERSHIP JET • TURBOPROP • HELI



**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-OWNERSHIP 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.