

*Aircraft Bluebook*  
PRICE DIGEST

# MARKETLINE

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*Aircraft Bluebook – Price Digest*



With the warm rays of the summer sun approaching, the current economic condition of values for pre-owned aircraft is anything but sunny. The aircraft market has suffered its greatest loss in value since the corporate jet became a part of American enterprise with its introduction in the 1960s. As with any commodity traded in a free market, one that is not restricted or regulated by government controls on pricing, the core element of value is in human perception. For aircraft values, perception of worth is always on the leading edge of value.

The perception of value has been embedded in the general and corporate aviation market since its beginnings. Reflect for a moment on the case of a damage event to an aircraft. At the mere mention of the word damage, the market reacts in an aggressively negative manner. Depending on the market conditions and the nature and cure of the damage, all of these variables will impact perception of value. In an average and stable market, a whole tier of potential buyers will not even consider an aircraft with a damage incident. They just don't want to deal with the stigma and risk in value for owning such an aircraft when there are normally other similar, undamaged aircraft available for ownership as well. And those knowledgeable buyers who do consider the prospect of ownership of such an aircraft with damage history will want to be compensated for their risk, usually in the form of a discount in price in an average market. An aircraft cured from a damage inci-

dent will be restored to a condition of airworthiness that is equal to if not better than its original condition prior to the damage incident. It is not a question of condition or safety but only of market perception that will negatively impact value.

Such is the case in the current state of our economy. The economy has been damaged. No need to point blame anywhere. We all are members of the same human race. Embedded in this damaged economy is the aircraft market. With credit scrutinized and inventory overabundant, the free will and intellect of a rational human being (aka common sense) would naturally offer something significantly less for an aircraft. The market conditions themselves yield to a severely reduced perception of value.

On the sunny side, perception is fluid. The dynamics of today's market are subject to change. Heads up for buyers: Bargain values may not get any better. Now is the time to buy.

## Jet

### Bluebook-at-a-glance

<i>Increased</i> .....	0
<i>Decreased</i> .....	781
<i>Stable</i> .....	26

Long-range business jets, such as the Bombardier Global Express, Challenger, Dassault Falcon 900/2000/50 series and Gulfstream G-IV/V/450/550, all indicated downward values in the double-digit percentage column. The same value losses also occurred in the mid-cabin series. Cessna Ci-

tation X values were down in the \$1 million. The Hawker 800 series and the Lear 60/45 series also were not able to report any stability in value. Reductions in value numbered in the millions of dollars.

## **Turboprop**

### **Bluebook-at-a-glance**

<i>Increased</i> .....	3
<i>Decreased</i> .....	485
<i>Stable</i> .....	95

Though still negative, the Beechcraft families of King Airs experienced less dramatic value adjustments. The King Air 350 was down an average of \$600,000 compared to the previous quarter. Similar percentage drops in value were also noted in the King 200 and 90 series. The Pilatus PC-12 was generally down \$300,000. The Socata 700 series was off \$200,000.

## **Multi**

### **Bluebook-at-a-glance**

<i>Increased</i> .....	0
<i>Decreased</i> .....	648
<i>Stable</i> .....	6

For the most part, values dropped across the board in the twin-piston market. Later-model Beech Barons and Cessna 421s were off \$20,000. Earlier models were down \$10,000. The Diamond Twin Star saw a \$50,000 loss in value. The factory-equipped and unresolved Thielert engines could cause further diminished values. Piper Seneca Vs were down in the \$40,000 range, and earlier models were generally down \$10,000.

## **Single**

### **Bluebook-at-a-glance**

<i>Increased</i> .....	0
<i>Decreased</i> .....	1953
<i>Stable</i> .....	479

Agriculture planes continue to hold value. Early models, late models, pistons and turbines all held value mainly due to the higher

demand for these aircraft. American Champion aircraft were down anywhere from \$1,000 for some early models to the \$5000 range for later models. For 1995 and later models, the Beechcraft Bonanza A36s were down \$30,000 or more. Late-model Cessna 172s, 182s and 206s all experienced reductions in the reported average retail column in the \$10,000-to-\$20,000 range. The former Columbia also saw value decreases consistent with other late-model Cessna singles. Diamond Aircraft were no exception. Average retail values were down an average of \$10,000.

## **Helicopter**

### **Bluebook-at-a-glance**

<i>Increased</i> .....	4
<i>Decreased</i> .....	772
<i>Stable</i> .....	228

Helicopters continue to fair the economic storm better than fixed wings. Although average retail values were in the negative column for a majority of models, this market segment continued to show endurance as late-model, equipped and market-priced ships continue to sell. For the most part, values were generally off no more than 5 percent to 10 percent when compared to the previous quarter. The Augusta 109 was down no more than 9 percent in later models. Bell 430s were off \$100,000. The Eurocopter AS350 was down \$100,000 while the Eurocopter EC120 was down \$50,000. Robinsons were off 5 to 8 percent. Sikorsky was down 5 percent in some year models when compared to last quarter.

### **New in Marketline**

A gross domestic product chart replaces the former exports chart.

### **Contact Aircraft Bluebook-Price Digest**

Please contact Aircraft Bluebook-Price Digest if you have any specific concern in a particular aircraft market. Call toll-free at 877-531-1450 or direct at 913-967-1913.

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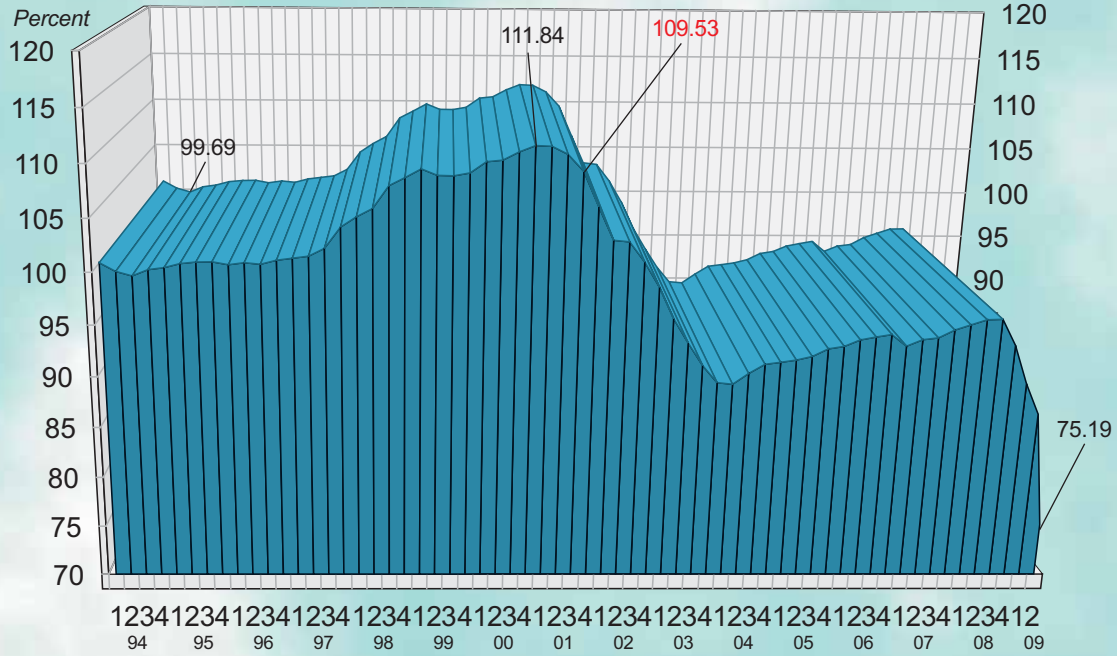
The listings range from airliner-derivatives such as an ACJ and BBJs to production slots for a G450, a Citation Mustang, a Learjet 40, and an Eclipse 500, to a wide variety of other airplanes including in-service business aircraft built by all of the top manufacturers, including Bombardier, Learjet,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



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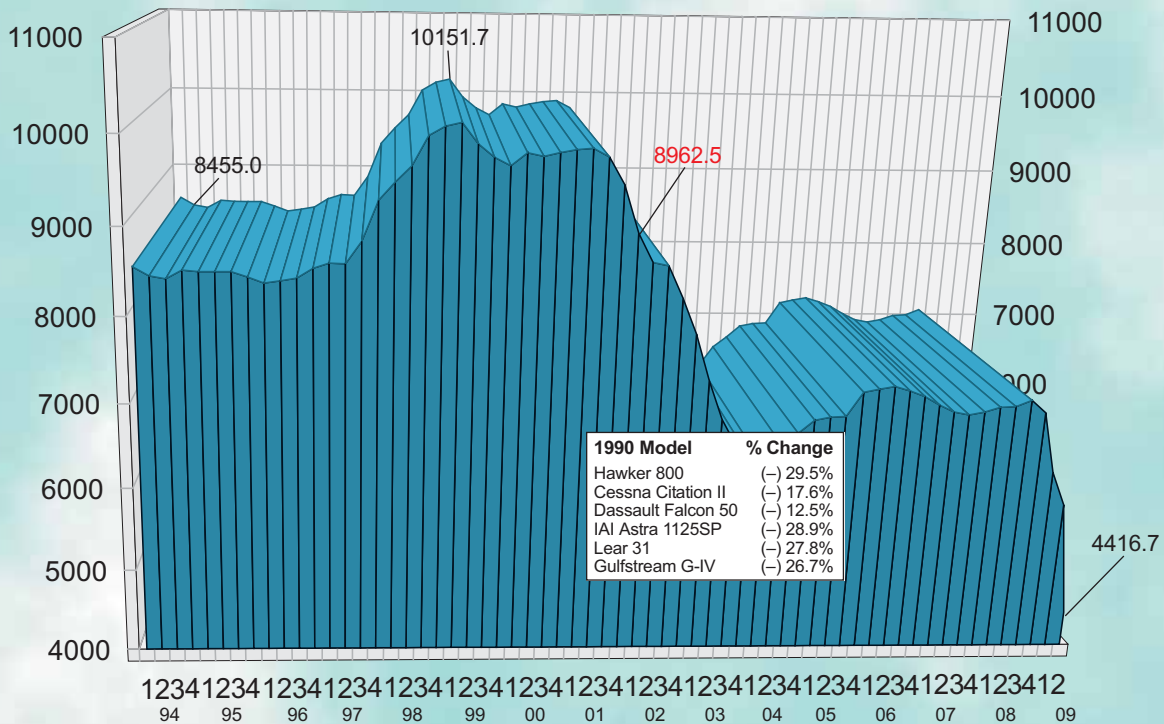
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# USED AIRCRAFT MARKET VALUE



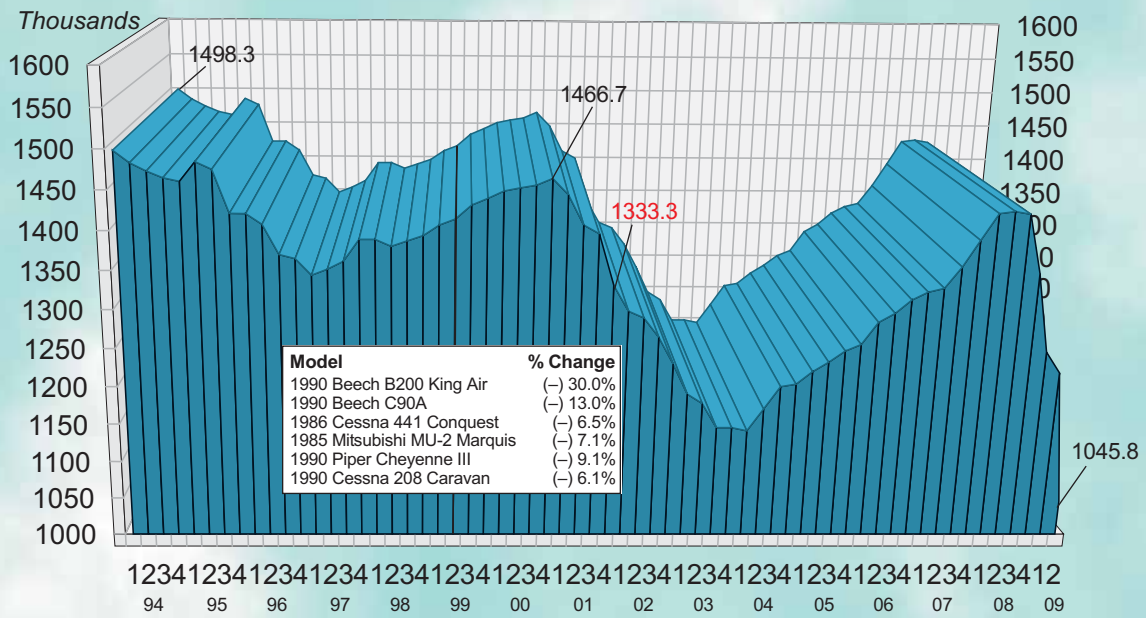
**Used Aircraft Market.** This chart displays each model's quarterly value in relationship to its average equipped price at the inception of the aircraft. The study begins in the Spring quarter of 1994 and includes the Jet, Turboprop, Multi, Piston and Helicopter. For all charts, the red number indicates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

# JET



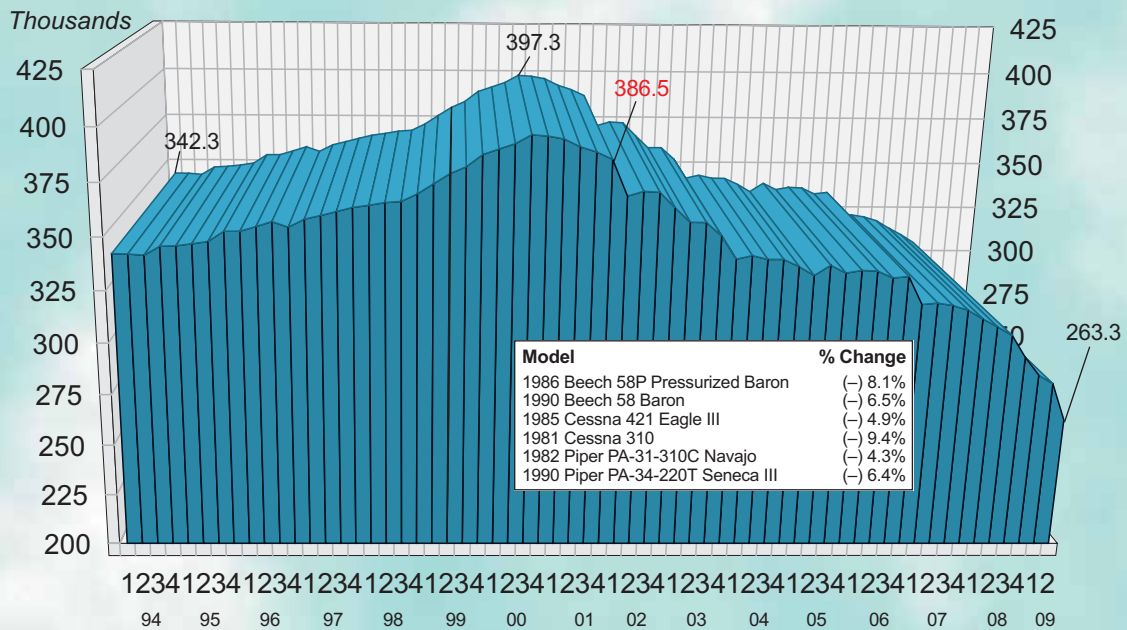
**Jet.** The jet chart depicts the average price (in thousands) of the six 1990 jets listed in the box.

# TURBOPROP

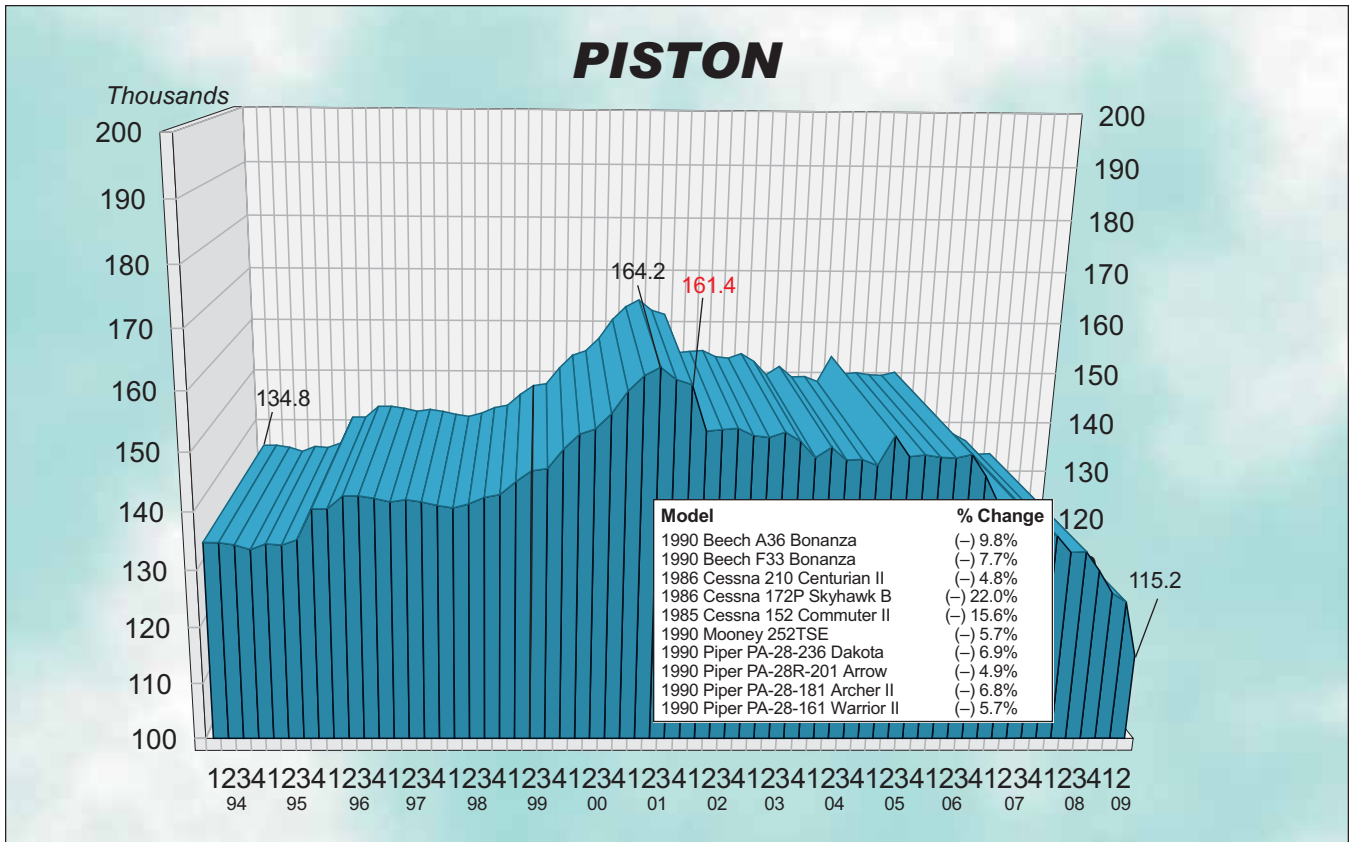


**Turboprop.** The turboprop chart depicts the average price (in thousands) of a 1985, 1986 and four 1990 turboprops listed in the box.

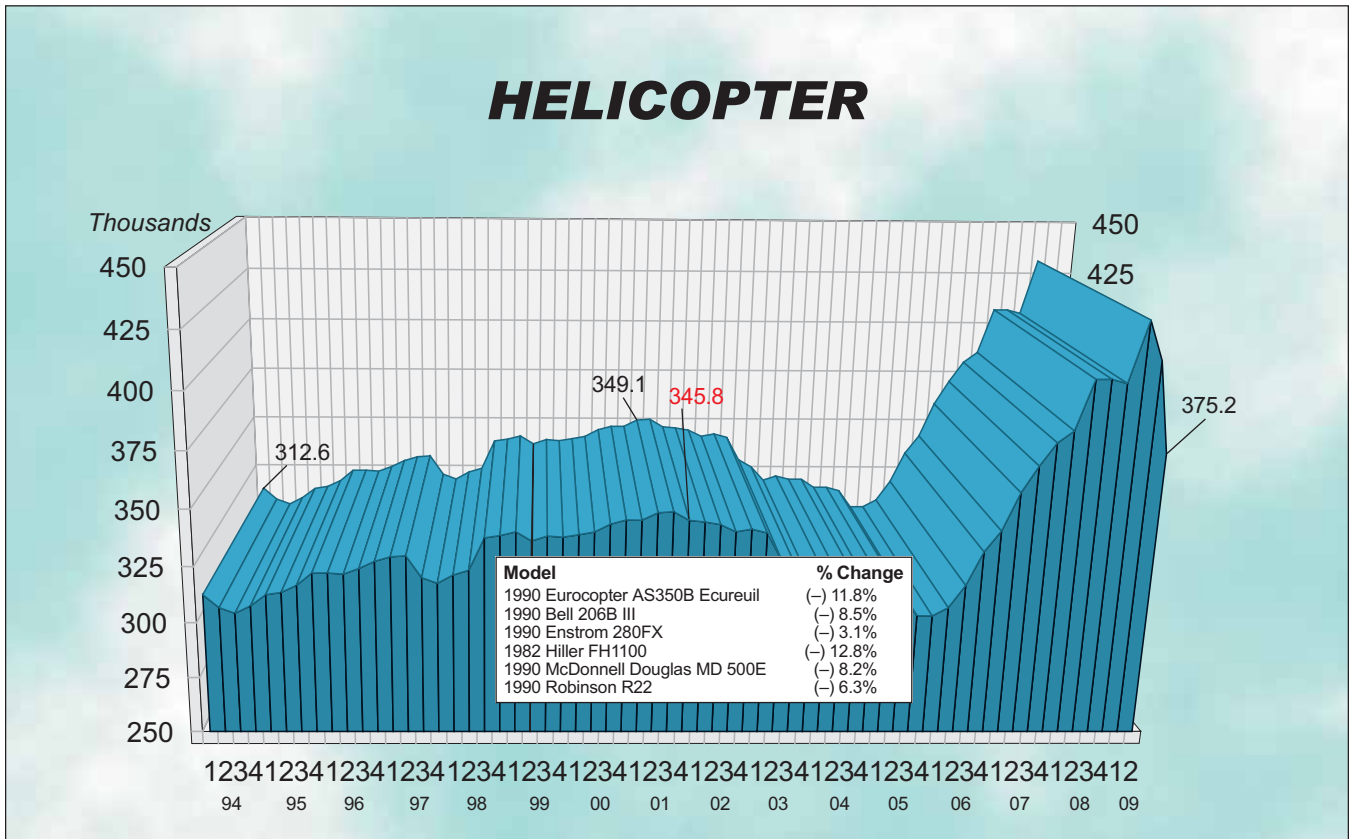
# MULTI



**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.

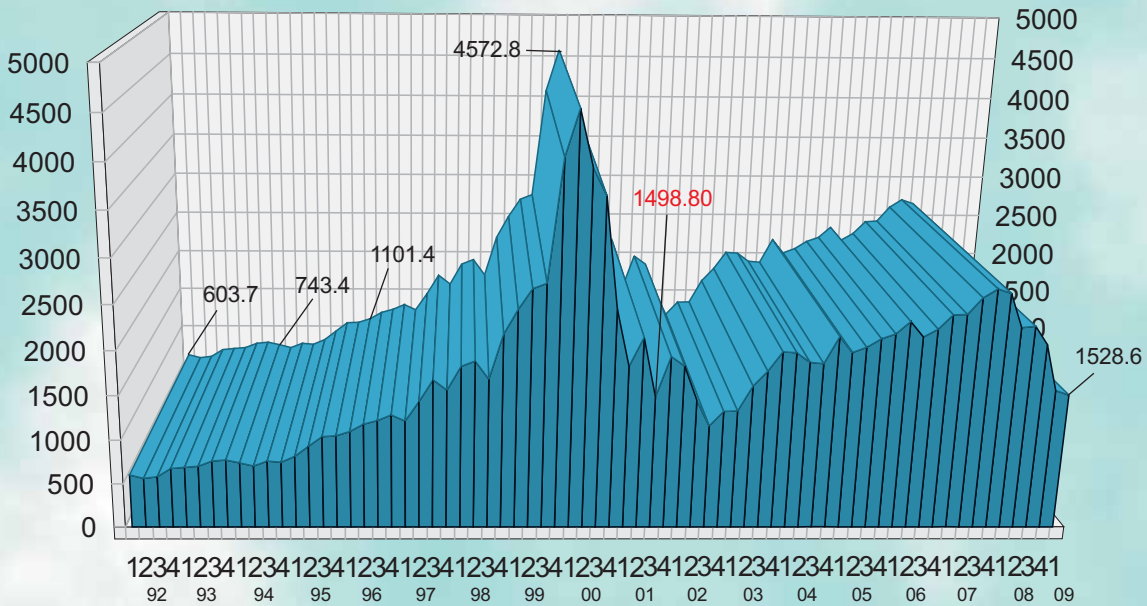


**Piston.** The piston chart depicts the average price (in thousands) of the 10 pistons listed in the box. Each model's year will precede the name of the aircraft.



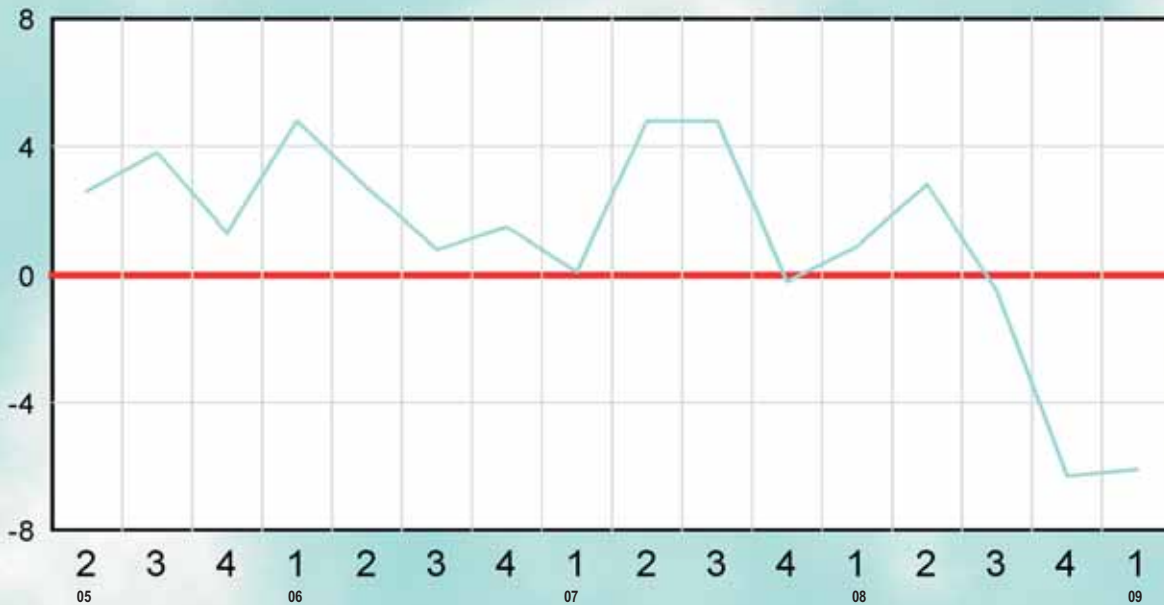
**Helicopter.** The helicopter chart depicts the average price (in thousands) of the six helicopters listed in the box. Each model's year will precede the name of the aircraft.

# NASDAQ



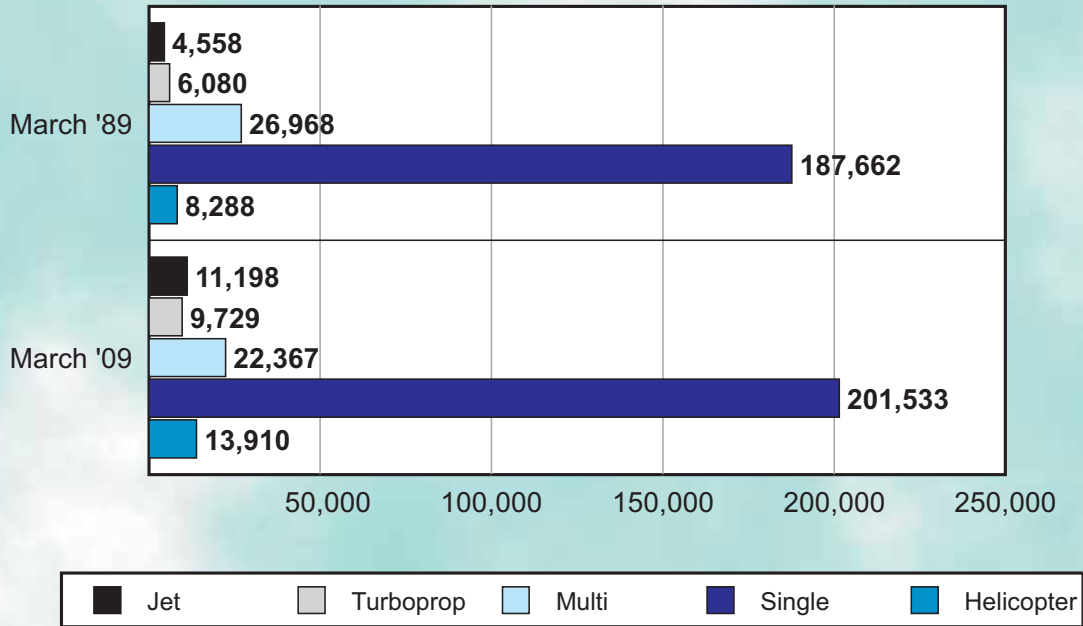
**NASDAQ:** This ratio scale chart depicts the change for the NASDAQ daily average from quarter to quarter beginning at the end of the first quarter of 1992. Each data point represents the closing daily average on the last trading day of each quarter. This study originates in the first quarter of 1971.

# U.S. REAL GROSS DOMESTIC PRODUCT



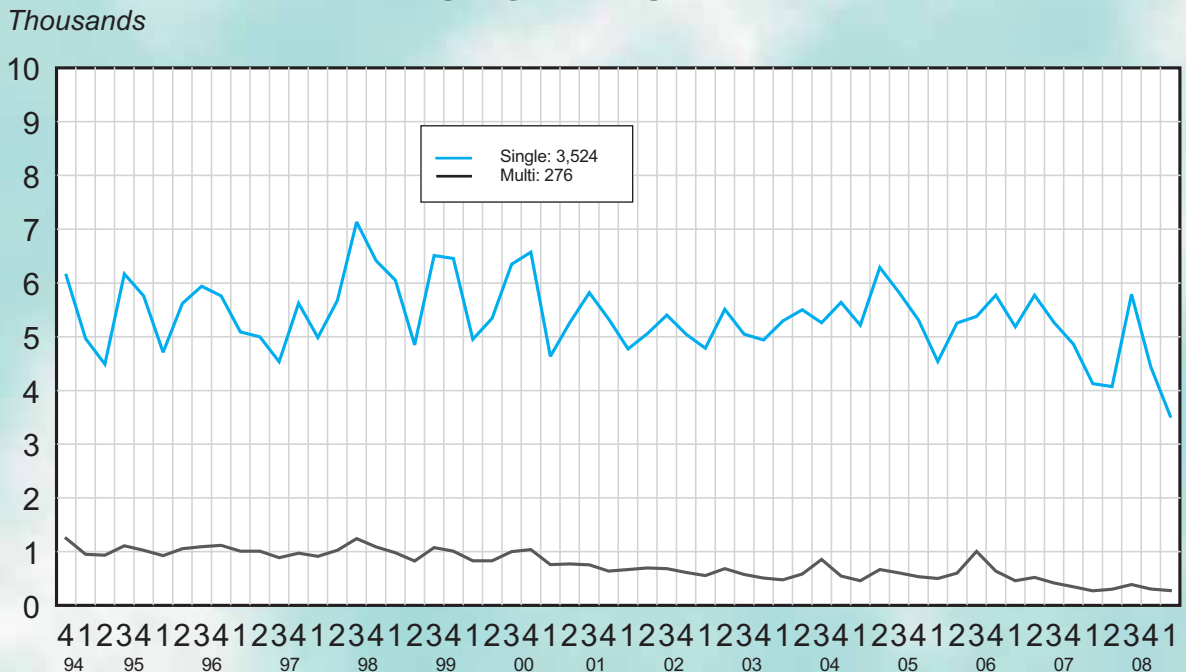
**U.S. Real Gross Domestic Product:** This graph represents real gross domestic product measured by the U.S. Department of Commerce. Each data point represents the percentage change from preceding data point. The study begins with the second quarter in 2005.

# 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.

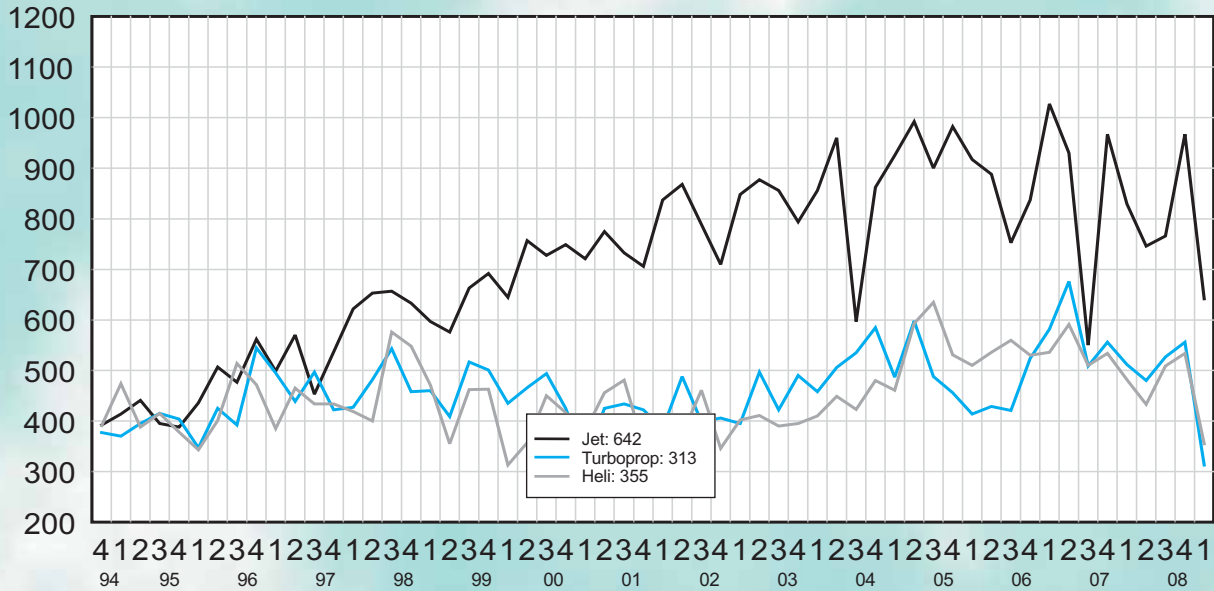
# CHANGE OF STATUS SINGLE • MULTI



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

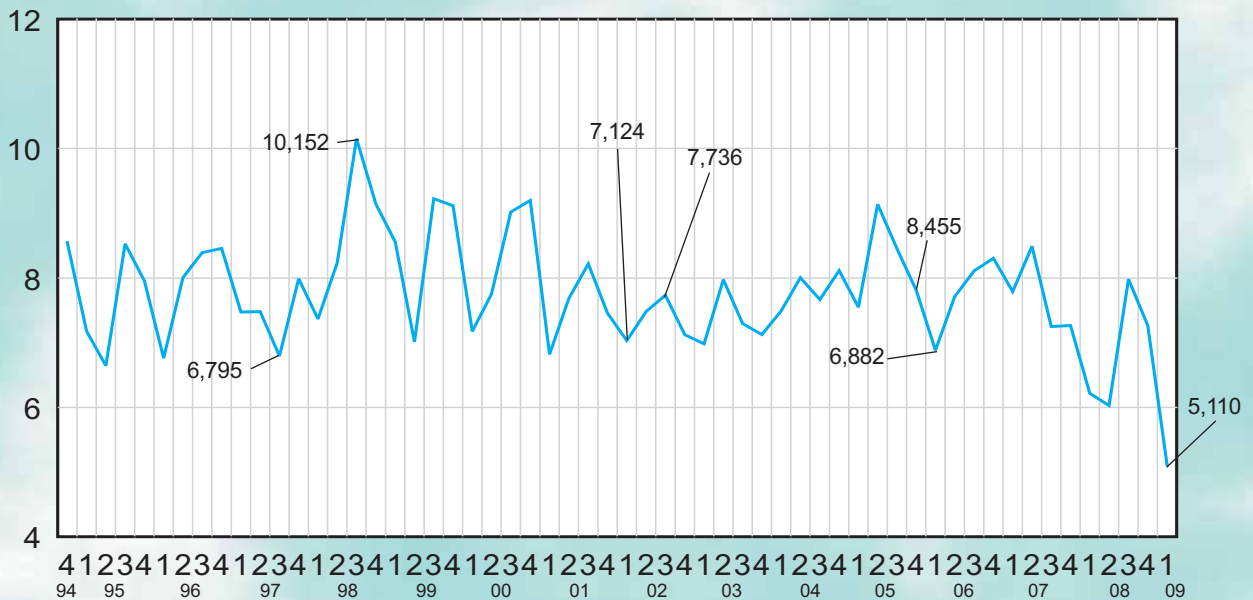


## CHANGE OF STATUS JET • TURBOPROP • HELI



**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 STATUS 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.