

## Aircraft Values Neutralize After Descent

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*Aircraft Bluebook – Price Digest*



Aircraft values reported in the previous quarter were in a spiral dive, but the economy's pilot now appears to have neutralized the rapid descent.

For the most part, values have arrived at ground level. Inventories have shown signs of stability with little or no growth in units for sale. Other market indicators show signs of neutralization as well. Aircraft dealers and brokers report that interest has increased. Phones are ringing more with potential buyers on the line. Compared to the 2005 baseline real gross domestic product, GDP declined 1.0 percent in the second quarter of 2009 after declining 6.4 percent in the first quarter. These indicators support the signs of neutralization in the marketplace, though the used aircraft market has no reason to rally.

Maybe the market has not yet reached the dawn of a recovery, but the market has absorbed the fallen values. The jet segment is the most volatile portion of the aircraft market. Flight departments that were liquidated are no longer creating a frenzy of drastic value reductions. Manufacturers finding new homes for new aircraft in default maintain nearly full sales values. The only difference is that deposits from contracts in default allow discounts to the new buyers. Once these sales are complete, the discounts will end.

### Jet

#### Bluebook-at-a-glance

<i>Increased</i> .....	143
<i>Decreased</i> .....	49
<i>Stable</i> .....	665

Bluebook's attention has focused on late-model large-cabin new deliveries that may take as long as two years or more for interior completion and delivery. Some of the increase in value can be found in the fall edition of Aircraft Bluebook. Examples include the Bombardier Global family as well as the Challenger 605 and Dassault Falcon 900 and 2000 series.

### Turboprop

#### Bluebook-at-a-glance

<i>Increased</i> .....	75
<i>Decreased</i> .....	114
<i>Stable</i> .....	399

Socata fared better in this reporting period. Sales demonstrated that values were better than previously reported; therefore, stronger values appear in the new release of Bluebook. Turboprop ag planes continue to demonstrate improved values with limited inventories available in the world market. The Piaggio was up 9 percent from the previous quarter, too.

### Multi

#### Bluebook-at-a-glance

<i>Increased</i> .....	0
<i>Decreased</i> .....	110
<i>Stable</i> .....	545

For the most part, values remained unchanged for this reporting period in the multipiston category. Nothing increased in value. Most late models held on to their values without loss. Early model Cessnas as well as some Twin Commanders trended downward slightly.

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## Single

### Bluebook-at-a-glance

<i>Increased</i> . . . . .	117
<i>Decreased</i> . . . . .	220
<i>Stable</i> . . . . .	2108

Ag planes kept a positive note in the single category. Select models experienced modest increases. Some of the decreases included American Champions, such as the 8-KCAB, and Beech 35. Both were reported down from the previous quarter. Overall, however, most single-engine pistons remained steady.

## Helicopter

### Bluebook-at-a-glance

<i>Increased</i> . . . . .	4
<i>Decreased</i> . . . . .	828
<i>Stable</i> . . . . .	177

Helicopter values experienced a decline in this quarter. Part of the decline may relate to lower values on earlier models with limited mission capabilities when compared to newer helicopters. Early-model Sikorsky aircraft as well as Bell and Eurocopter models were down. Decreases averaged 8 percent or more. In the piston category, values were lower as well.

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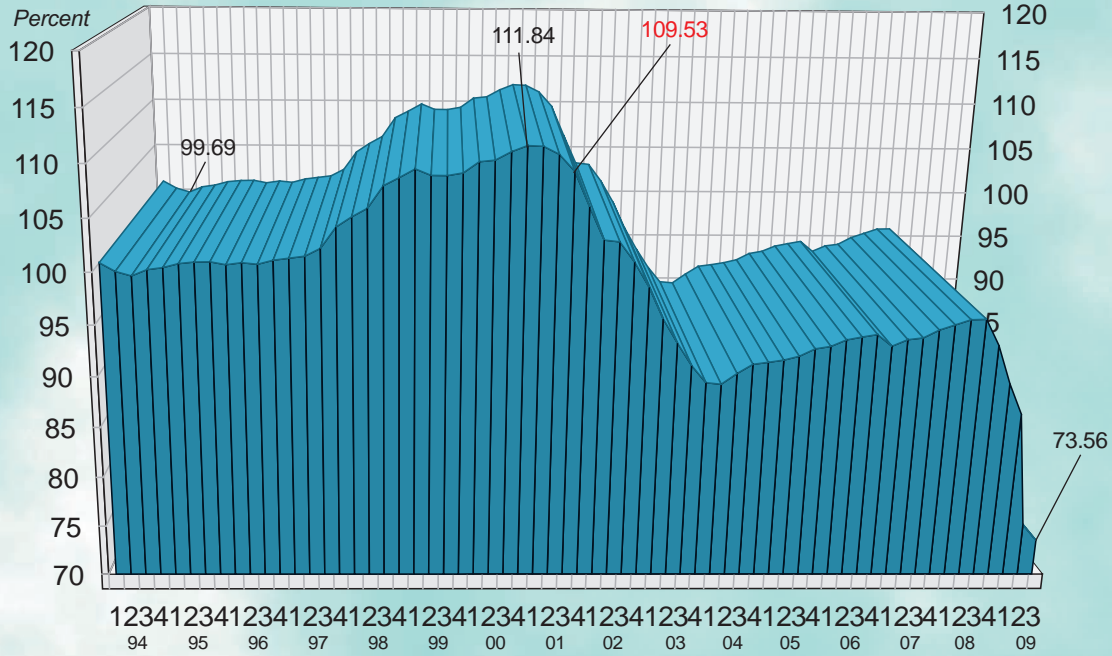
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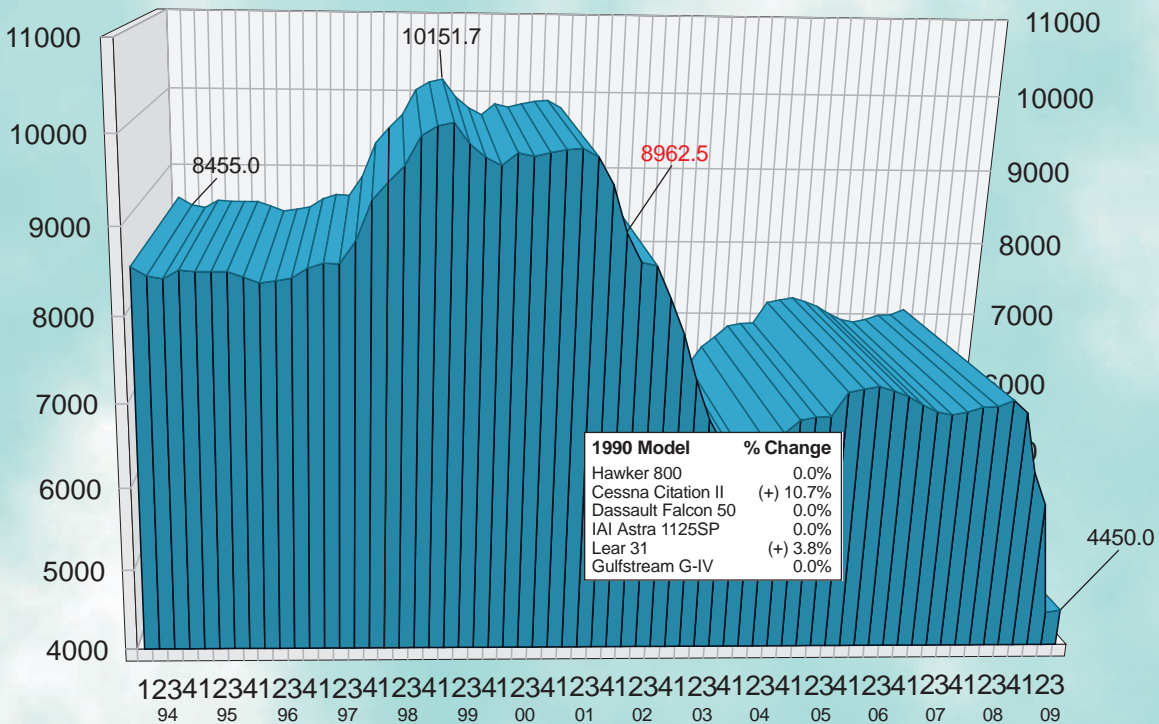
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# USED AIRCRAFT MARKET VALUE



**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.

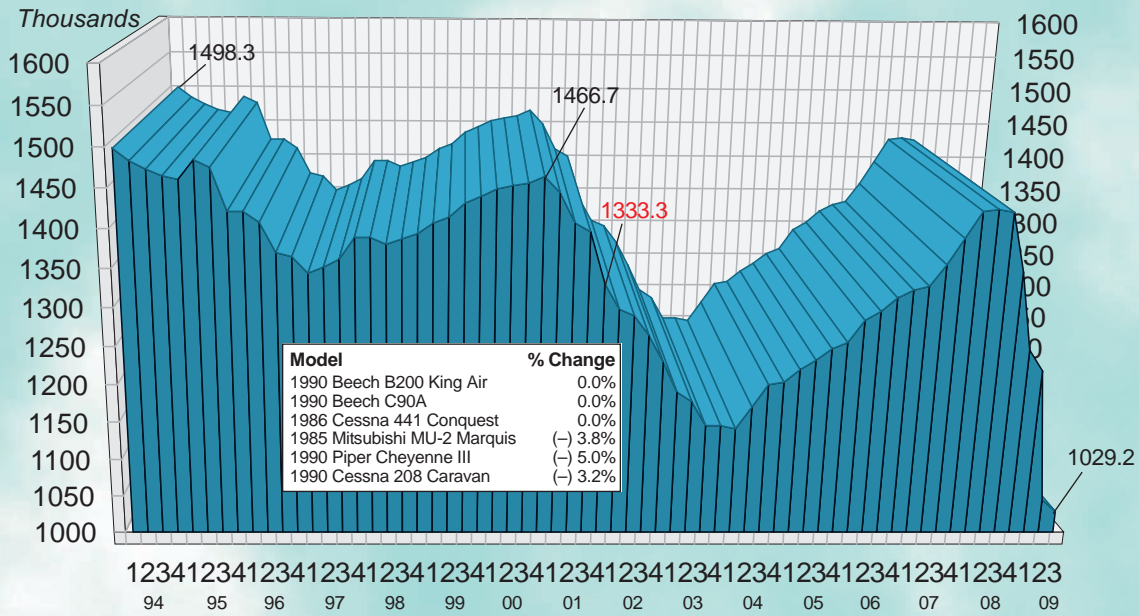
# JET



1990 Model	% Change
Hawker 800	0.0%
Cessna Citation II	(+) 10.7%
Dassault Falcon 50	0.0%
IAI Astra 1125SP	0.0%
Lear 31	(+) 3.8%
Gulfstream G-IV	0.0%

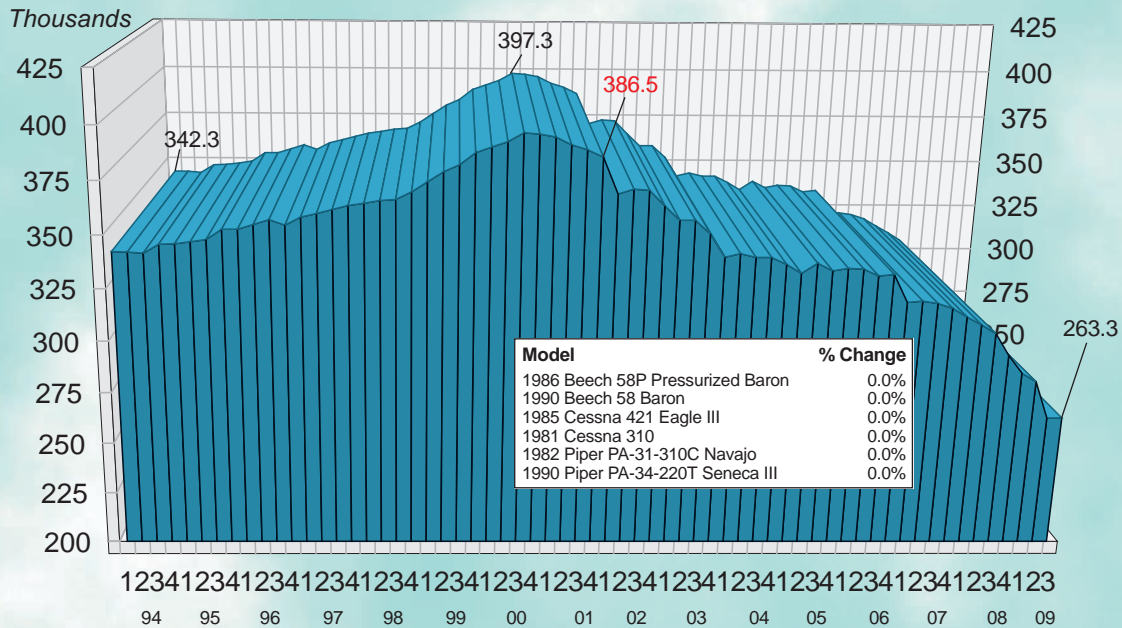
**Jet.** The jet chart depicts the average price (in thousands) of the six 1990 jets listed in the box.

# TURBOPROP

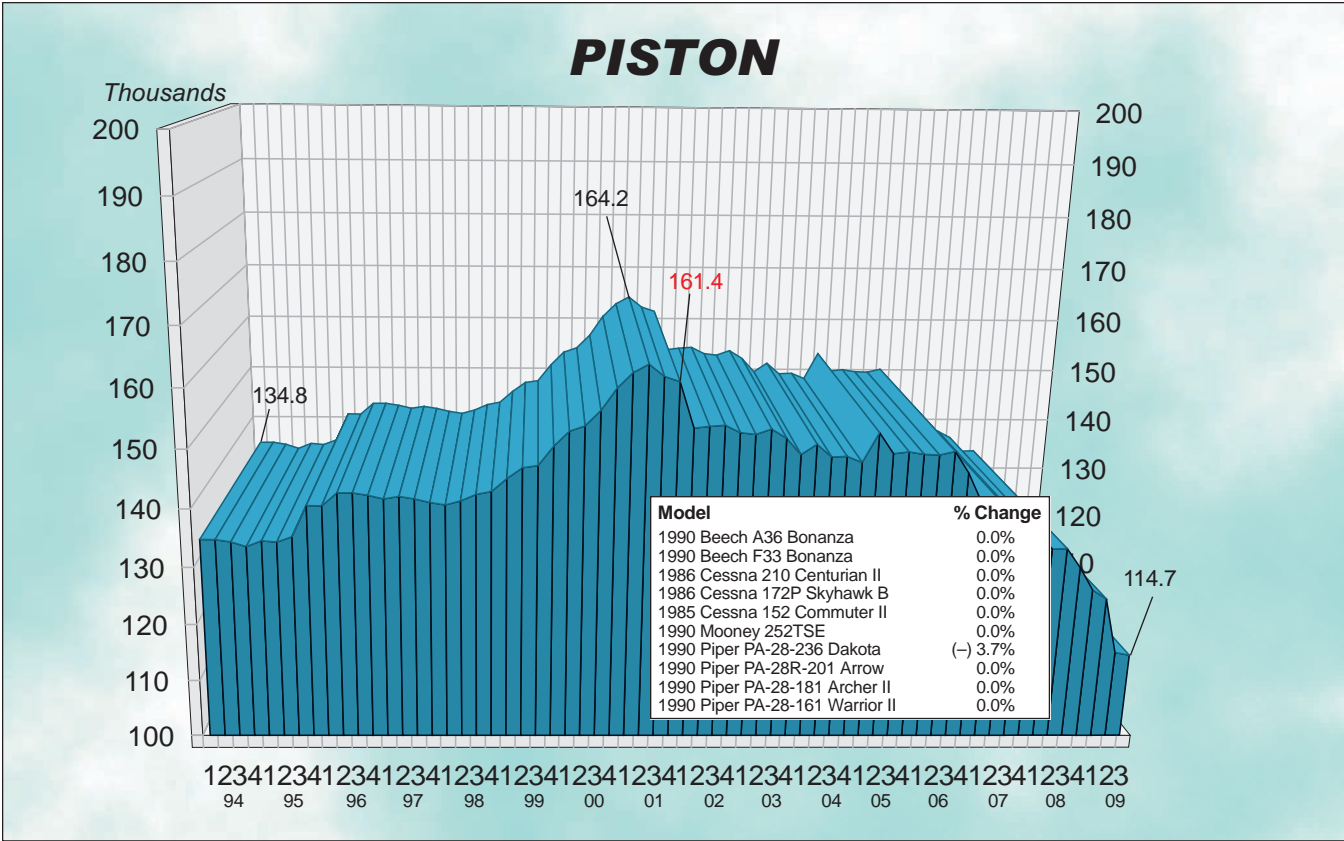


**Turboprop.** The turboprop chart depicts the average price (in thousands) of a 1985, 1986 and four 1990 turboprops listed in the box.

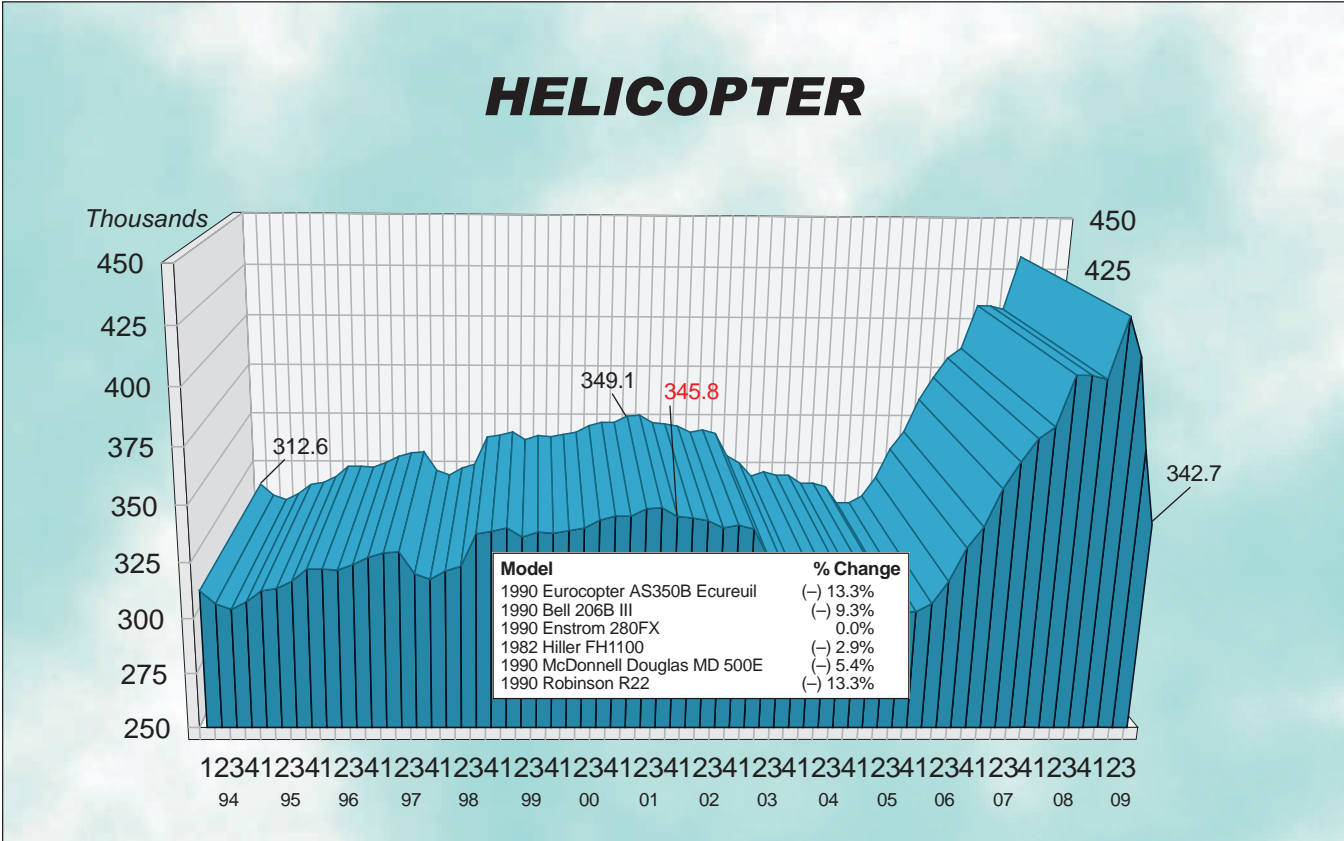
# MULTI



**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.

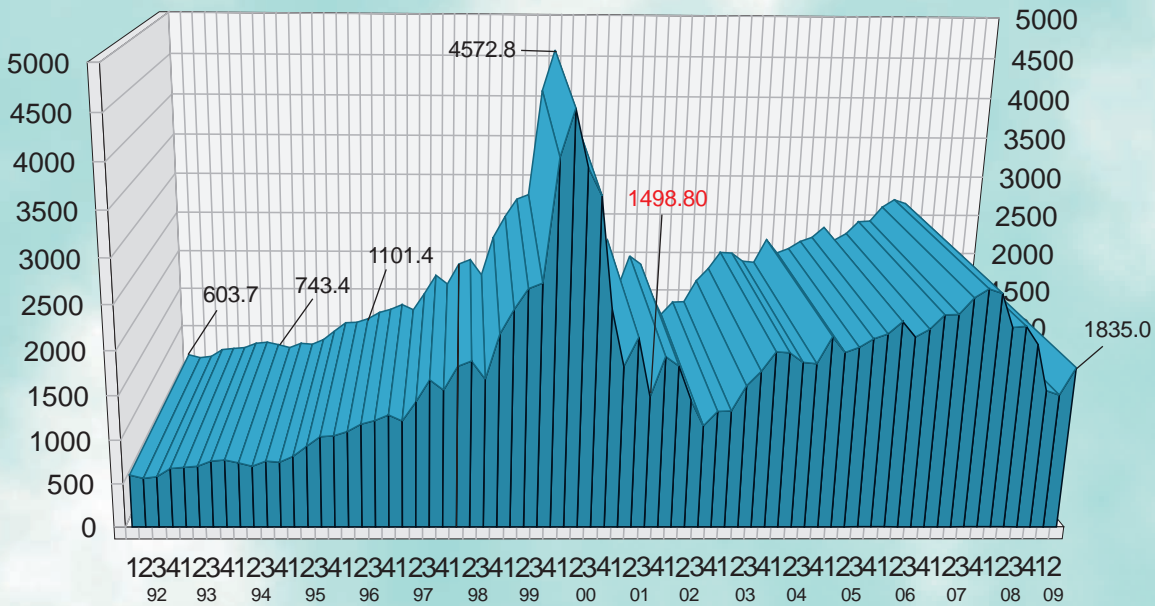


**Piston.** The piston chart depicts the average price (in thousands) of the 10 pistons listed in the box. Each model's year will precede the name of the aircraft.



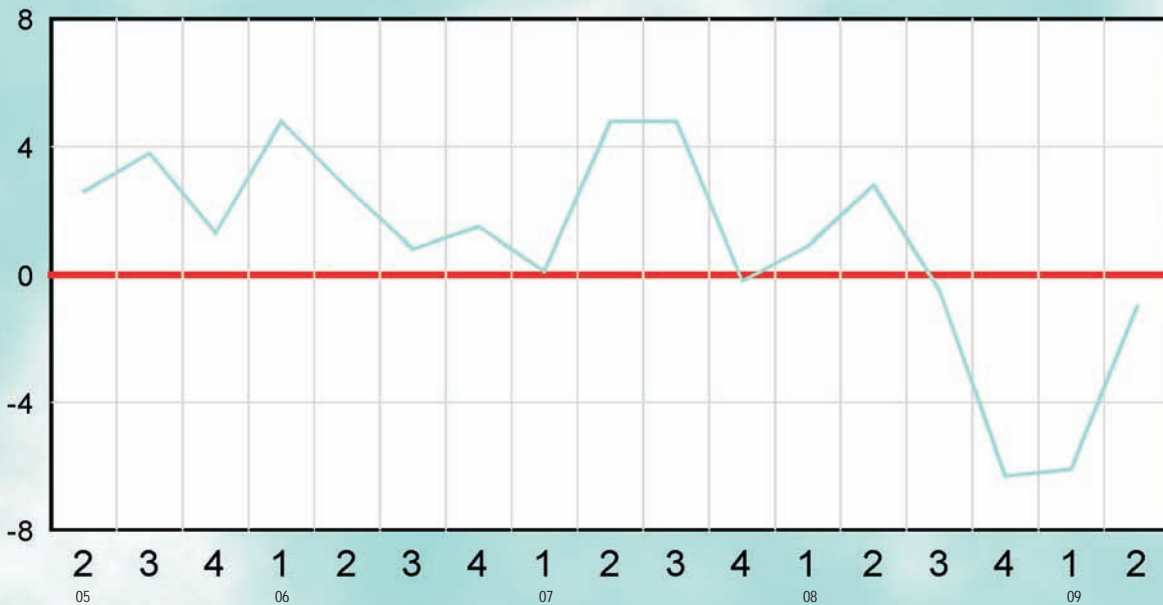
**Helicopter.** The helicopter chart depicts the average price (in thousands) of the six helicopters listed in the box. Each model's year will precede the name of the aircraft.

# NASDAQ



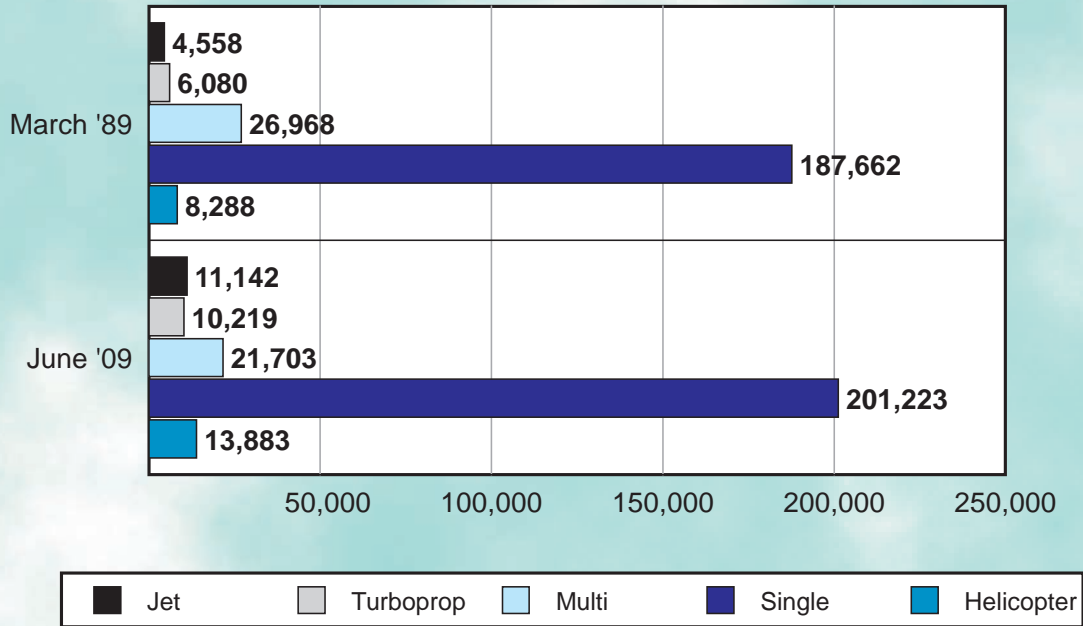
**NASDAQ:** This ratio scale chart depicts the change for the NASDAQ daily average from quarter to quarter beginning at the end of the first quarter of 1992. Each data point represents the closing daily average on the last trading day of each quarter. This study originates in the first quarter of 1971.

# U.S. REAL GROSS DOMESTIC PRODUCT



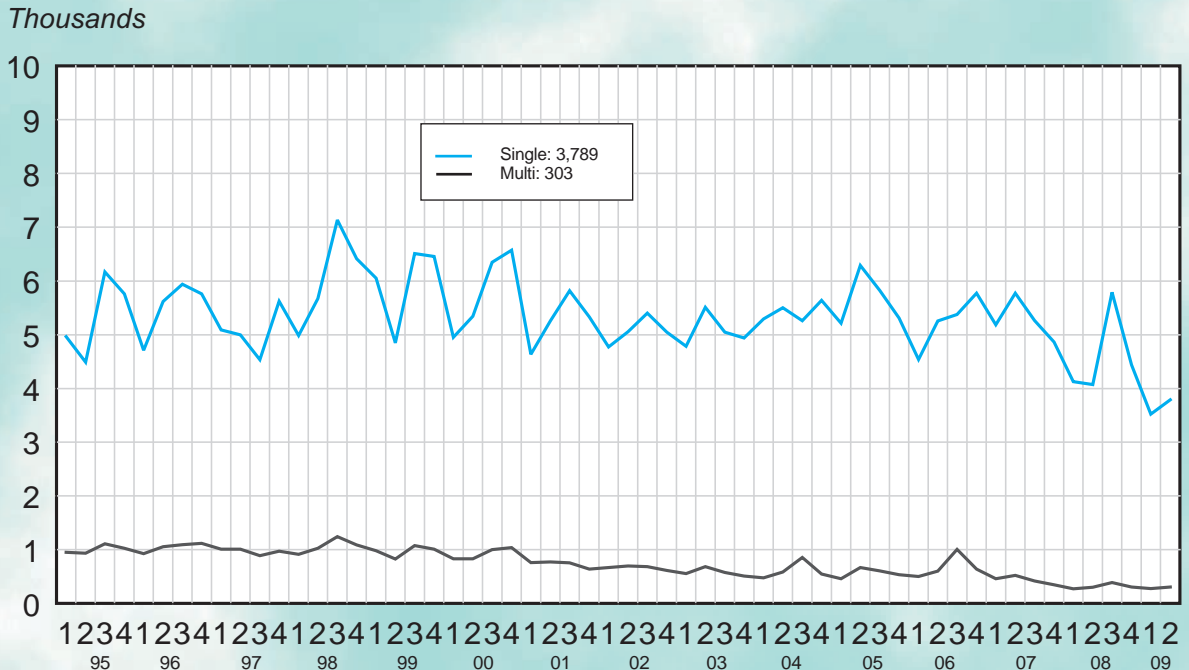
**U.S. Real Gross Domestic Product:** This graph represents real gross domestic product measured by the U.S. Department of Commerce. Each data point represents the percentage change from the 2005 baseline GDP. The study begins with the second quarter in 2005.

# 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.

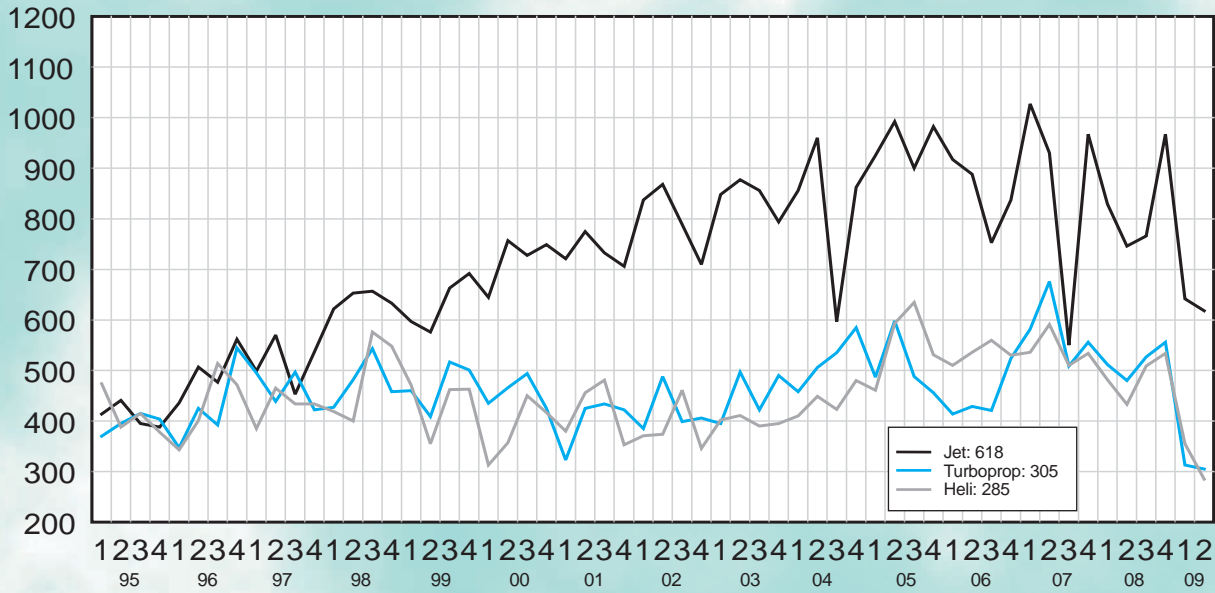
# CHANGE OF STATUS SINGLE • MULTI



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

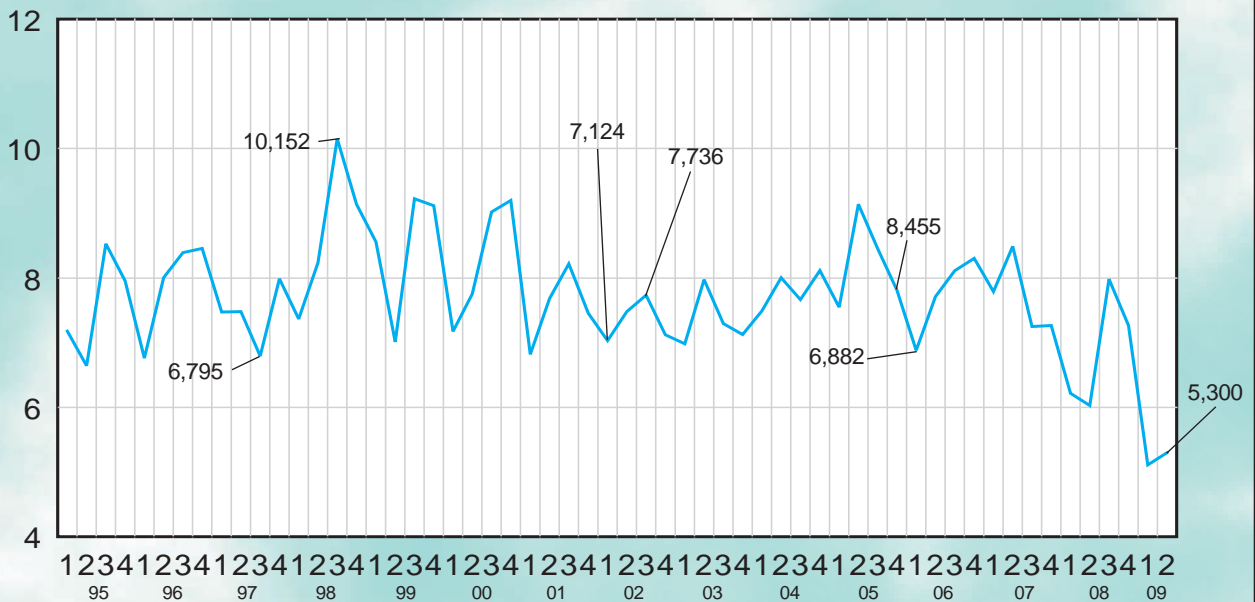


## CHANGE OF STATUS JET • TURBOPROP • HELI



**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.