

pre-owned market 2007

Last year demand for pre-owned business jets and turboprops had abated somewhat, suggesting a rationalization of the market. This year, the market heated up again, despite high oil prices and the credit crunch. With long manufacturer backlogs and the perception of business aircraft as a necessity, demand for pre-owned business jets and turboprops is strong.

SPECIAL REPORT

business jets

In 2007 demand for business jets surges

by Bryan Comstock

This year the business jet market started off busy and never took a breather. Backlogged refurb facilities, maintenance shops with jets littering the ramp, overtaxed escrow agents and extended manufacturer backlogs for many model types all pointed to an active start to the year. These gut-check measures and others pointed to sustained market strength, and the year's results did not disappoint.

Sellers had a heyday, pushing prices higher with each sale, leaving buyers a little stressed but happy if they emerged the victor in the bidding process. Initially buyers didn't seem to understand the math, often underbidding and losing out, but they caught on fast. As soon as the mine's-bigger-than-yours mentality took over, whether that referred to wallet, ego or both, prices headed higher.

"So you're telling me I'm paying \$2 million more than I should?" one buyer asked after his broker provided market information about a specific aircraft. "Yes," was the answer, to which the buyer said, "It doesn't matter; I need it." That sums up the mindset that moved the market this year, a market flooded with bullish buyers. After

years witnessing a buyer grinding a seller for \$25,000 or \$50,000 on a deal, more for sport than anything else, it was a contrast to see how easily a seven-figure sum was purged from the pockets of buyers who were so focused on getting what they wanted that a couple of million bucks wasn't going to stop them.

Two million dollars extra for a jet, however, is loose change compared with the \$5 million to \$7 million premiums being paid for slightly used or soon-to-deliver positions of many of today's larger models, such as the super-midsize Challenger 300 and large-cabin Gulfstream G450s and G550s and a host of others. Early in the year, buyers were surprised to hear of a Challenger 300 selling for \$25.5 million, a G450 in the low \$40 million range and a G550 in the low \$50 millions; by the end of the year, those prices barely raised eyebrows.

Market for Older Aircraft Heats Up

Prices of aircraft downstream from these new or nearly new models benefited, in some cases—such as the GIV and GIV-SP—listing for what the aircraft sold for new several years ago. Driven in part by the popularity of the G450 and its long backlog, the price of the GIV-SP started on

an upward trajectory, the likes of which have never been seen.

At least a couple of sales have risen to more than \$30 million, and prices were jumping higher with each sale. In fact, depending on which model year you look at, the *Aircraft Bluebook Price Digest* indicates increases of roughly \$1.3 million for each of the last five years. Consequently some sellers have accepted offers at levels at or near what they paid for them when they bought the airplanes new several years ago.

Not long after the GIV-SP market began to deplete, the GIV heated up. Late last year there were 30 GIVs for sale, and that number held for about three months before starting a march down to about five choices late in the summer. Prices reacted accordingly, jumping a couple of million within a short period of time. This has moved average pricing to about \$19 million for the nine currently for sale, though this might prove to be an artificially high average based on some excessively high asking prices. A couple of these have languished on the market for 600 days or more, when the average is 200 days.

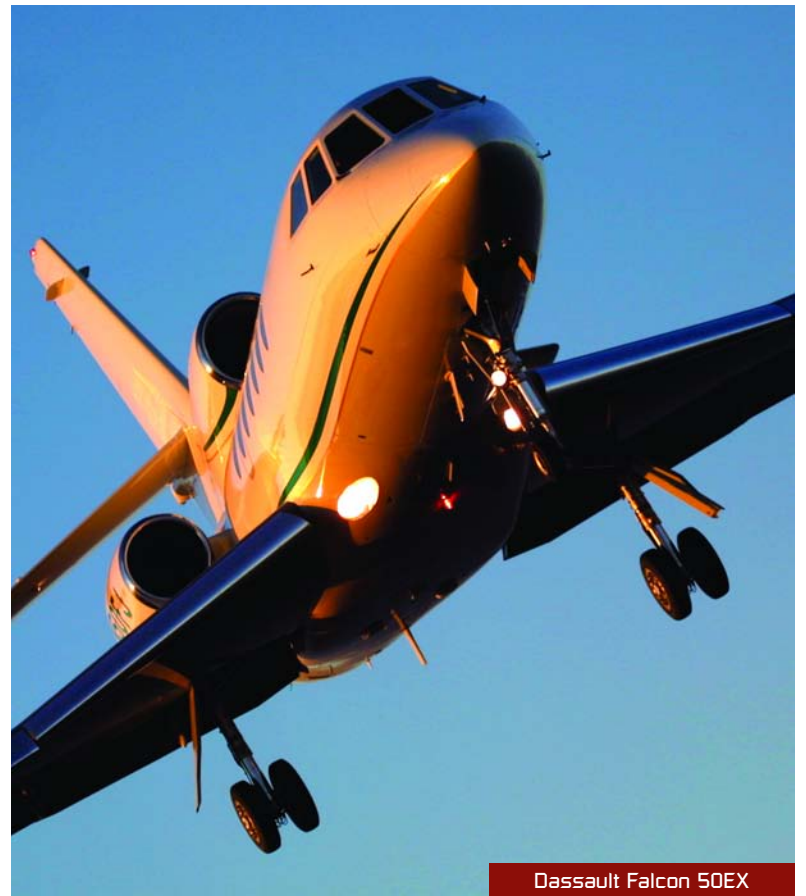
The GV is a perennial favorite, with the average price hovering around \$40 million. The number for sale is currently a few pegs

below the airplane's 12-month average supply of five, out of a fleet of nearly 200.

As for the large-cabin late-production G series, from the G300 to G550, only four—out of an operational fleet nearing 300—are available for sale. One of those four is posted as a pending sale. Another, a G550 position, is touting an asking price of \$57 million. It's interesting to see the reaction of non-aviation people when you tell them a new G550 sells in the \$45 million range (earlier this year) "but you can get a used one for \$53 million."

The Global Express and the Challenger 300 are two other examples of rock-steady markets. While the Challenger 300 fits into the super-midsize category, it is one of the headliners of the year, commanding seven-figure premiums and moving in the \$23.5 million to \$25.5 million range. Right now there is one available and it is priced at more than \$24 million. Earlier this year a company seeking two Challenger 300s methodically acquired one, but at the time only two were available and the seller of the only remaining choice raised his asking price. That pushed the would-be buyer up against the ropes of its company's corporate governance policy and placed it on the sidelines

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Dassault Falcon 50EX

PRE-OWNED BUSINESS JET PRICES & SALES



AIRCRAFT	NUMBER FOR SALE	ASK LOW \$	ASK HIGH \$	ASK AVG \$	SALES				
					2007	2006	2005	2004	
Astra	1125	3	4,495,000	4,495,000	4,495,000	5	9	3	8
	1125SP	7	4,450,000	5,500,000	4,793,750	6	2	8	8
	1125SPX	6	7,400,000	7,950,000	7,675,000	9	11	11	7
Beech	Premier IA	4	5,600,000	5,600,000	5,600,000	7	2	0	0
	Premier I	12	4,300,000	4,895,000	4,521,875	8	23	20	12
Beechjet	400	11	1,495,000	2,000,000	1,755,833	10	15	12	18
	400A	33	2,250,000	4,550,000	3,151,111	43	61	46	52
Boeing	727-100	11	1,800,000	1,800,000	1,800,000	6	5	4	6
	727-200	6	1,650,000	1,650,000	1,650,000	1	9	8	5
	737-200	5	13,500,000	13,500,000	13,500,000	2	2	2	0
	737-500	1	11,500,000	11,500,000	11,500,000	0	1	0	0
	BBJ	2	65,500,000	65,500,000	65,500,000	9	9	8	9
Bombardier	Global Exp	6	43,000,000	43,000,000	43,000,000	12	16	17	17
	Global 5000	2	N/A	N/A	N/A	4	3	0	0
Challenger	300	4	N/A	N/A	N/A	5	11	5	3
	600	16	4,695,000	6,500,000	5,477,142	17	14	16	21
	601-1A	9	6,600,000	10,500,000	7,939,000	7	14	12	11
	601-3A	14	9,600,000	9,600,000	9,600,000	23	25	22	12
	601-3R	7	N/A	N/A	N/A	6	4	5	9
	601-SE	2	9,800,000	9,800,000	9,800,000	0	0	1	0
	604	16	17,995,000	24,500,000	22,315,000	57	51	34	39
	850	5	N/A	N/A	N/A	2	1	1	1
Citation	500	61	180,000	6,000,000	956,183	60	63	49	58
	525	28	2,000,000	2,995,000	2,488,076	69	82	60	56
	Bravo	28	3,495,000	6,400,000	4,504,444	34	38	46	24
	CJ1	10	3,200,000	4,150,000	3,620,000	32	44	35	28
	CJ1+	5	4,900,000	4,900,000	4,900,000	7	0	0	0
	CJ2	11	4,950,000	5,450,000	5,266,666	59	42	48	22
	CJ2+	4	N/A	N/A	N/A	6	3	0	0
	CJ3	7	7,500,000	7,995,000	7,747,500	12	15	6	0
	Eagle II	4	3,150,000	3,195,000	3,172,500	3	11	3	3
	Encore	10	5,595,000	7,800,000	6,998,000	15	18	10	7
	Excel	22	7,995,000	9,700,000	8,851,875	28	44	55	32
	I	6	1,000,000	1,100,000	1,050,000	2	4	3	3
	II	87	1,250,000	2,800,000	1,981,225	87	111	99	97
	III	30	2,695,000	4,150,000	3,298,333	39	35	42	24
	I/SP	42	550,000	1,895,000	1,210,974	47	46	46	51
	II/SP	8	1,775,000	2,400,000	2,045,000	12	10	14	8
	Mustang	2	3,250,000	3,250,000	3,250,000	3	1	1	0
	S/II	17	1,900,000	2,995,000	2,517,500	24	39	22	22
	Sovereign	3	N/A	N/A	N/A	14	14	8	1
	V	26	3,150,000	4,695,000	3,599,090	29	37	40	40
V Ultra	23	3,700,000	4,995,000	4,715,625	23	39	37	37	
VI	6	4,700,000	5,195,000	4,963,333	7	4	7	9	
VII	19	5,195,000	7,000,000	6,171,250	22	19	22	17	
X	23	11,450,000	14,000,000	12,725,000	24	23	25	8	
XLS	4	12,000,000	12,000,000	12,000,000	9	9	8	1	

Source: Amstat, Tinton Falls, N.J.

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Hawker 800XP

ever since. The half dozen Globals span from the low to high \$40 million range and spend fewer than three months on the market.

The Falcon 900EX started out the year as hot as any model, but the number of pre-owned choices has increased as the 7X enters service. In January there were just two and that has grown to nine, but two have sales pending. Four of them are either held in 1031 firms or owned by Dassault Falcon, presumably taken in trade on an upgrade aircraft. Pricing is bracketed in a narrow range from about \$29 million to slightly less than \$33 million.

A glance at the Falcon 2000 market shows six for sale out of a possible 231. Pricing runs from \$18 million to \$23 million, and aircraft are moving within 90 days of being offered. There are three Falcon 2000EXs available, all of which hit the market in September. One has a sale pending.

The Falcon 50EX dragged a half dozen pre-owned offerings into this year from last year, and the market wasn't budging. In keeping with this year's increased appetite for late-model, long-range aircraft, the market began to move, arriving at its current low of just one aircraft, which

lists for slightly less than \$18 million, well above where they were just 12 months ago.

Owners Clamor for Smaller Jets

While activity in the large-cabin group tends to hog the limelight, activity in the smaller aircraft segment can be equally impressive. At this end of the spectrum there are two stand-outs: the CJ2 and CJ3. A CJ2 buying surge came after inventory reached an all-time high for the model late last spring. The turnabout saw choices fall to 10 currently, from nearly 30 less than a year ago. Prices currently run from the high \$4 million range to the mid \$5 million range. The 10 currently for sale represent fewer than 5 percent of the fleet of 243 CJ2s.

The CJ3 is another one of the few light jets that haven't taken a back seat to the action in the large-cabin sector. Soon after the airplane arrived on the market in 2004, buyers exhibited a hunger for it. Just seven CJ3 choices are available out of a fleet that will soon hit 200. Asking prices broke through the \$8 million ceiling just before the NBAA Convention this year. A combination of cur-

rent backlogs, higher base prices and a low number of pre-owned choices makes achieving higher prices a reality.

The Learjet 45 market is experiencing a little pop of late, dropping from 27 choices six months ago to 19 today, and four of those have sales pending. That number

reduces the availability to 5 percent based on the nearly 300 produced. Pricing currently runs from the low \$6 million to the low \$8 million range. Six Learjet 45XRs are for sale, with pricing posted in the low \$9 million to the high \$10 million area.

The Citation Excel and the

Citation XLS continue to be mainstays of the midsize cabin segment. Twenty-three Excels are for sale currently; while that might seem like a lot, it represents 6 percent of the total number of Excels produced. Asking prices here start at \$8 million

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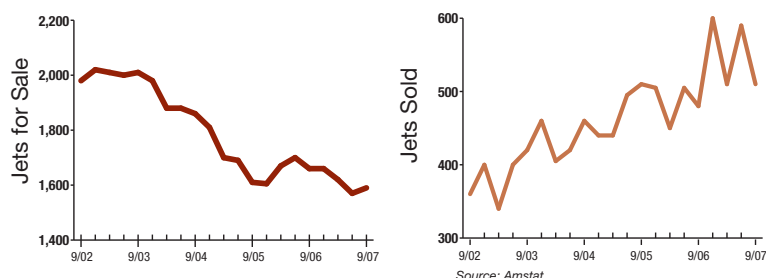
PRE-OWNED BUSINESS JET PRICES & SALES

AIRCRAFT		NUMBER FOR SALE	ASK LOW \$	ASK HIGH \$	ASK AVG \$	SALES			
						2007	2006	2005	2004
Eclipse	500	17	1,595,000	1,825,000	1,649,250	8	6	0	0
Embraer	Legacy	5	20,000,000	24,500,000	22,250,000	11	10	2	1
Falcon	10	33	850,000	1,700,000	1,326,600	28	25	28	24
	100	6	2,795,000	2,795,000	2,795,000	3	3	4	4
	200	13	2,950,000	4,300,000	3,581,666	5	3	10	8
	20-5	18	3,950,000	6,495,000	5,105,833	20	24	16	19
	20D	3	N/A	N/A	N/A	1	4	3	3
	20E	1	1,200,000	1,200,000	1,200,000	1	4	2	2
	20F	9	1,150,000	3,500,000	1,991,666	5	8	7	5
	20S	8	650,000	2,900,000	1,775,000	4	9	9	7
	50	28	5,650,000	10,395,000	7,997,777	24	44	36	35
	50EX	2	17,500,000	17,995,000	17,747,500	9	9	8	10
	2000	3	18,250,000	18,250,000	18,250,000	22	30	23	20
	2000EX	1	N/A	N/A	N/A	4	9	5	2
	900	1	N/A	N/A	N/A	0	2	1	2
	900B	9	24,900,000	24,900,000	24,900,000	15	29	25	24
	900EX	8	28,900,000	32,650,000	30,990,000	13	13	16	4
7X	1	N/A	N/A	N/A	0	0	1	0	
Gulfstream	G100	6	8,950,000	10,500,000	9,900,000	0	3	1	2
	G150	2	N/A	N/A	N/A	4	0	0	0
	G200	11	14,795,000	17,000,000	15,897,500	13	21	15	16
	G300	1	N/A	N/A	N/A	0	1	1	1
	G450	1	N/A	N/A	N/A	10	2	1	0
	G550	2	N/A	N/A	N/A	13	5	2	1
	II	26	1,595,000	3,750,000	2,696,000	31	33	24	17
	IIB	10	2,950,000	4,295,000	3,739,166	8	6	3	7
	III	26	5,850,000	8,300,000	7,256,250	22	29	39	23
	IV	10	16,000,000	19,500,000	18,083,333	31	23	37	37
IV-SP	7	28,950,000	28,950,000	28,950,000	32	36	26	27	
V	2	N/A	N/A	N/A	18	23	24	17	
Hawker	1A	2	475,000	475,000	475,000	0	2	2	2
	1A-731	2	595,000	595,000	595,000	2	3	6	2
	3A-731	2	995,000	995,000	995,000	1	0	0	1
	3B	1	500,000	500,000	500,000	1	1	1	0
	400-731	17	1,195,000	2,750,000	1,797,500	4	11	13	7
	400A	2	395,000	395,000	395,000	0	3	7	3
	400B	1	825,000	825,000	825,000	0	2	1	1
	400XP	3	N/A	N/A	N/A	15	11	4	4
	600-731	5	N/A	N/A	N/A	3	2	1	4
	600A	5	985,000	1,300,000	1,142,500	3	3	6	7
	700A	29	1,995,000	2,950,000	2,517,857	37	27	35	30
	700B	2	2,950,000	2,950,000	2,950,000	4	3	6	3
	800A	25	4,500,000	6,350,000	5,427,500	43	49	53	36
	800B	5	4,890,000	4,950,000	4,920,000	3	7	5	6
800XP	27	7,095,000	12,500,000	9,316,538	51	45	52	49	
850XP	3	N/A	N/A	N/A	5	2	0	0	

Source: Amstat, Tinton Falls, N.J.

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Market Statistics—Jets



and carry into the mid-\$9 millions. Only three of the successor model, the XLS, are for sale, and two of those have sale pending. This is from a fleet of 233 and growing. The XLS+, due to deliver late next year, shows up with two positions for sale.

Rounding out the midsize-cabin segment are the Hawker 800XP and Learjet 60. The 800XP supply is trending slightly lower than where it's been over the last six months, with 28 currently offered and three of those pending sales. That's a fairly tight supply given the nearly 450 aircraft produced. Current pricing runs from about \$7 million through the high \$11 million area. The average time on the market before selling is about six months. Just two of 85 Hawker 850XPs are currently for sale.

Learjet 60 inventory is at a 12-month high of 38 and above its 12-month moving average of 30. Taking into consideration seven pending sales, the inventory remains just about where it has been all year. Pricing starts in the high \$5 million area for a 1993 model and runs into the mid \$12 million area for a 2006 model. A couple of 60XRs are out there; one has a deal pending and the other carries an asking price just below \$14 million.

Super-midsize activity remains active, with the Citation X and Sovereign along with the G200 and Challenger 300 cranking right along. There are about 100 more Citation Xs than Sovereigns right now, but the Citation X has been in full production for 10 years (a small batch was produced before 1996), and in that time Cessna has rolled out 288 of them. Sovereign production has been in full swing for less than half that time and its fleet has grown to 188, perhaps a sign of not only its popularity but also Cessna's production efficiency as it relates to time on the actual production line.

Right now slightly fewer than 10 percent of the Citation X fleet is for sale, with prices running from just under \$11 million for a single-digit serial number with nearly 8,000 hours up to nearly \$18 million for a 2005 model with fewer than 1,000 hours. The Sovereign market is hot, with just one aircraft for sale—the lowest supply in a long time. The aircraft, a 2005 model, is based in South Africa, and the owner's agent is asking \$15.895 million... Make that "was asking." As I was writing this he informed me he has accepted an offer and now this aircraft has a sale pending.

Gulfstream's super-midsize contender, the G200, has added some stock in the past few months and at 14 for sale sits at a 12-month high and above its 12-month moving average of eight. Even at that, it represents just 7.5 percent of the production fleet. Pricing among G200s begins in the high-\$13 million area for a single-digit serial numbered 1999 model and reaches to just over the \$20 million mark for a 2005.

Outlook Uncertain

Although prices have been rising steadily on many models, there has not been a sense this year that they have risen too high too soon. One of the toughest questions now is where the market is headed. It's hard to imagine that prices will rise above current levels, at least in the large-cabin segment, and there is a sense that we have at least reached a plateau, if not a peak, though it's anyone's guess.

Because inventory levels of some of the most sought-after aircraft can't get much lower, it might be easier to imagine an orderly increase in inventory, and if that happens it is likely prices will retrace their steps. In fact, it's amazing to see so few choices are available for sale right now considering the number of each of these models produced. It's fur-

ther incredible to see how the market transitioned from being on veritable life support in 2002 to where it is today. Consider that after reaching an all-time inventory high of more than 2,000 aircraft for sale five years ago, the number has receded four of the last five years (2006 was the exception) amid a growing fleet.

As another year draws to a close, the change in the economic landscape is not far from the minds of buyers and sellers, and we have already seen some dis-

stress selling. The difference is that now distressed sellers are getting great prices.

Any number of factors—such as the credit crunch, high oil prices or the weak U.S. dollar—could have easily derailed the market. Instead, businesses and individuals are finding their aircraft indispensable.

The weakness in the U.S. dollar is just fueling the fire of an already heated foreign market in which Russia, Europe, Canada and the Pacific Rim countries are

active. As for oil prices, maybe it made sense to sell or park the aircraft the last time prices skyrocketed, but with aircraft prices following the same linear scale, no one in his right mind would park an asset of this magnitude—especially when it's appreciating. That said, there are probably enough factors to bring price stabilization to the market, but for now, bulls and bears seem to be on an even playing field. [Data source: Jetnet.]

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PRE-OWNED BUSINESS JET PRICES & SALES

AIRCRAFT	NUMBER FOR SALE	ASK LOW \$	ASK HIGH \$	ASK AVG \$	SALES				
					2007	2006	2005	2004	
Jet	1121	2	80,000	150,000	115,000	0	0	1	0
Commander	1121B	4	125,000	525,000	300,000	2	2	6	0
JetStar	731	6	595,000	1,095,000	867,500	5	1	4	8
	II	13	995,000	2,400,000	1,748,571	4	4	7	3
	23	3	365,000	365,000	365,000	1	1	4	5
	24	11	280,000	695,000	484,166	6	2	4	6
	24B	6	200,000	680,000	468,333	2	2	2	2
	24D	16	370,000	680,000	502,500	6	7	6	7
	24E	6	395,000	690,000	542,500	1	4	2	3
	24F	3	980,000	980,000	980,000	0	0	1	0
	25	5	N/A	N/A	N/A	3	2	5	5
	25B	23	100,000	2,025,000	590,000	9	4	11	9
	25C	3	N/A	N/A	N/A	3	6	3	4
	25D	31	550,000	2,500,000	1,242,222	17	19	25	22
	25G	2	N/A	N/A	N/A	1	0	1	2
	28	1	N/A	N/A	N/A	1	0	1	0
Learjet	31	4	2,195,000	2,400,000	2,297,500	10	4	4	2
	31A	26	2,495,000	4,000,000	3,220,937	21	34	36	38
	35	10	998,000	1,500,000	1,348,600	6	5	5	7
	35A	61	1,250,000	4,399,000	2,077,681	57	70	65	64
	36A	5	1,775,000	2,300,000	2,008,333	2	6	3	4
	40	4	6,850,000	7,495,000	7,172,500	3	5	2	0
	40XR	1	N/A	N/A	N/A	1	2	0	0
	45	21	6,250,000	7,200,000	6,787,500	38	41	16	29
	45XR	7	10,950,000	10,995,000	10,972,500	4	2	7	1
	55	20	2,700,000	3,900,000	3,267,857	18	16	13	22
	55B	1	N/A	N/A	N/A	0	6	1	1
	60	34	5,695,000	12,200,000	7,339,545	63	61	55	61
	60XR	5	13,600,000	13,950,000	13,775,000	1	0	0	0
MU/Diamond	IA	19	900,000	1,850,000	1,386,500	12	16	20	14
	40A	6	100,000	475,000	287,500	4	8	7	5
Sabreliner	60	19	287,000	1,650,000	675,500	6	10	15	11
	65	15	1,895,000	2,675,000	2,390,000	5	10	11	14
	75A	15	350,000	850,000	629,000	6	8	6	6
Swearingen	SJ30-2	1	N/A	N/A	N/A	1	0	0	0
	1123	1	350,000	350,000	350,000	0	4	2	1
Westwind	1124	11	995,000	1,650,000	1,297,000	9	12	11	9
	I	15	1,495,000	1,945,000	1,717,000	8	18	17	17
	II	17	1,650,000	2,250,000	1,967,500	18	16	20	15

Source: Amstat, Tinton Falls, N.J.

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turboprops

Turboprops rebound after short plateau

by Paul Lowe



With the price of oil approaching \$100 a barrel, turboprops—and in particular pre-owned turboprops—are looking better and better to some buyers.

“As the price of fuel has gone from some lower number to back up again,” said Jerry Pickett, v-p of customer programs at Yingling Aviation in Wichita, “we are seeing dramatic changes in activity for used turboprops because of their low cost of acquisition and low cost of operation. Their performance is excellent, and they can operate out of small airports.”

Turboprop transactions dropped off 15.2 percent in the third quarter of this year compared to the second quarter, but “that slowdown is not alarming, as there is historically a slowdown of activity over the summer months,” according to Susan Sheets, president of the National Aircraft Resale Association (NARA). “NARA members expect numbers to pick up during the fourth quarter to close out the year with a strong performance, especially with the more fuel-efficient turboprops if fuel prices keep rising.”

According to Amstat, there were 395 retail sales transactions in the first quarter of this year, down 6.6 percent from 423 in the fourth quarter of last year. In the second quarter of this year, there was a 9.6-percent increase, to 433. The third quarter saw 367 resale retail transactions, the aforementioned decline of 15.2 percent. But in the previous two years, as Sheets said, the fourth

quarters have exhibited the most strength.

Yingling, which recently introduced a joint ownership program that offers partnerships on refurbished and updated Cessna Conquests capable of carrying eight to 10 passengers, launched the program with a 425 Conquest I that is owned jointly by the FBO and a building contractor. The second aircraft in the program is a 441 Conquest II.

Yingling is already expanding the program, having acquired a third Cessna turboprop that will be refurbished to match the others and enter service next month. Because the program is expanding but still regional, Pickett is checking the market for used turboprops. The company also is adding a Citation to the mix.

“One of the things we’ve got is that we are a major service center,” he said. “We have a lot of contact with people with many different airplane types. If the owner of a pressurized piston twin is looking to move up to a turboprop, and Yingling has nothing to show them, it has access to its FBO customers who might want to make a change in aircraft.

“We are finding that a lot of these people are recognizing the value in used turboprops and in investing money in the improvement of their airplanes, such as Blackhawk engines, new avionics and interiors, including entertainment systems.”

Pickett said Yingling is essentially taking an airplane that doesn’t have a current-production competitor and upgrading the cockpit and cabin to modern standards.

Continues on page 28 ▶



Pilatus PC-12



Beech King Air B200



Piper Meridian



Cessna Conquest II

pre-owned market

continued from page 26

“Our business model is built on our familiarity with operating and maintaining Cessna products, so all of the aircraft we use in our joint ownership program will be Cessnas,” said Yingling president Lynn Nichols.

Pickett suggested a 1982 Conquest is faster than a King Air C90GT with Blackhawk engines. Among the Conquest features are trailing-link landing gear and large nose baggage capacity. “Some of these old airplanes were so far ahead in features that they are more modern than some newer aircraft,” he mused. “The used turboprop market has a great deal of potential and I think it will realize it.”

Accessible Transportation

According to Pickett, there is a large segment of the market that a turboprop fits better for pilot capabilities and their operations. He sees many aircraft that are owner-flown, although some employ contract pilots. Businessmen also use them for traveling to resort homes.

He reminded that turboprops are relatively easy to fly and have low insurance costs. “There are a lot of owner-pilots who should not be flying a jet,” he argued. “There is a large segment of the market that a turboprop fits better for pilot capabilities and their operations. The owner is more comfortable flying an airplane that operates at a lower speed, and training is often better because [providers] have been at it longer.”

He added, “I think the turboprop market is probably—in the one- to ten-passenger class—the segment of the market that is ripe for the most growth, both new and used. I think there is room for manufacturers who have been out of the business to

reintroduce a turboprop and have great success at it.”

Mike Fitzgerald, executive vice president of Skytech, which has aircraft service and avionics facilities at Martin State Airport in Baltimore and Rock Hill County Airport in Rock Hill, S.C., deals in the single-engine turboprop Pilatus PC-12, Piper Meridian and Cessna Caravan. He said that most U.S.-based Pilatus dealers are sold out more than three years on new aircraft. And that has driven up the price of used aircraft.

“It’s very difficult to find a used PC-12,” he said. “It’s a hot product.” He cited as an example a 400-hour PC-12 that sold for more money used than what new ones are selling for.

“We haven’t seen that in 30 years,” he continued. “That’s a little bit new to the turboprop markets. Most of the book prices are trending up almost \$100,000 a quarter.”

Fitzgerald described the Caravan as “a moderate market for us,” with most going out in an executive configuration, which is Skytech’s target. But worldwide, the Caravan remains popular in a utility role. Overseas, the weakness of the dollar has made the airplane an even more attractive choice.

Competition for the VLJ

While he characterized Meridian sales as moderate, he said Skytech is moving both new and used aircraft. Even with the brouhaha over VLJs, Fitzgerald said the Piper has a good place on the market.

“The powerplant [jet versus turboprop] itself is not as important as the overall ability of the airplane to perform the mission,” he said. “Customers look

AIRCRAFT	NUMBER FOR SALE	ASK LOW \$	ASK HIGH \$	ASK AVG \$	SALES				
					2007	2006	2005	2004	
Beech	1900C	1	1,550,000	1,550,000	1,550,000	3	9	1	2
	1900C-1	2	1,550,000	1,850,000	1,700,000	3	4	4	4
	1900D	2	N/A	N/A	N/A	15	13	10	10
Caravan I	208B-Grand	26	1,125,000	2,900,000	1,790,692	85	93	90	77
	208-Standard	12	850,000	1,495,000	1,193,000	32	45	26	34
Cheyenne	I	18	425,000	850,000	562,250	15	31	26	20
	IA	2	724,000	724,000	724,000	1	2	4	3
	II	50	138,079	899,000	631,951	44	50	46	55
	IIXL	5	1,000,000	1,420,000	1,140,000	11	7	4	9
	III	12	507,000	1,095,000	880,500	6	10	11	9
	IIIA	1	1,195,000	1,195,000	1,195,000	5	10	9	10
Commander	400LS	3	650,000	1,500,000	1,075,000	8	5	6	5
	690A	25	539,000	1,400,000	850,666	16	23	20	25
	690B	16	435,000	1,100,000	759,166	29	23	16	16
	690B-I	2	750,000	795,000	772,500	0	1	1	2
	690B-II	4	375,000	1,095,000	773,333	10	6	2	6
	695A	4	N/A	N/A	N/A	7	7	4	4
	695B	1	N/A	N/A	N/A	1	1	1	3
	690C	10	955,000	1,250,000	1,065,000	4	11	15	10
	690D	2	N/A	N/A	N/A	3	3	2	2
	695	4	1,495,000	1,495,000	1,495,000	1	3	5	4
Conquest	I	19	895,000	1,850,000	1,258,884	26	34	40	32
	II	16	500,000	1,895,000	1,501,428	38	43	35	42
Gulfstream	I	10	200,000	900,000	510,000	5	10	6	10
Jetstream	31	21	335,000	1,150,000	818,000	7	17	7	11
	41	7	N/A	N/A	N/A	6	7	1	0
King Air	90	4	295,000	345,000	313,333	2	4	6	4
	A90	16	300,000	550,000	403,625	10	14	15	14
	B90	24	325,000	800,000	473,580	15	17	24	22
	C90	50	499,000	1,600,000	887,547	56	75	70	66
	C90-1	4	960,000	960,000	960,000	6	7	4	12
	C90A	13	850,000	1,695,000	1,188,626	27	44	39	32
	C90B	23	1,495,000	2,295,000	1,950,674	64	85	87	78
	C90GT	3	2,675,000	2,895,000	2,755,000	20	4	0	0
	E90	39	500,000	1,300,000	806,159	36	50	53	42
	F90	21	795,000	1,600,000	1,291,875	27	33	33	40
	F90-1	1	1,695,000	1,695,000	1,695,000	5	11	3	6
	100	6	200,000	900,000	556,800	7	10	13	7
	A100	2	795,000	795,000	795,000	16	12	14	12
	B100	15	625,000	1,395,000	878,000	21	22	31	20
	200	62	865,000	1,257,433	99	106	106	150	140
	200C	1	N/A	N/A	N/A	3	4	6	3
	B200	61	1,495,000	4,525,000	2,858,001	140	178	190	115
	B200C	3	1,795,000	1,950,000	1,872,500	3	6	9	6
	300	13	1,695,000	3,295,000	2,329,000	27	28	34	36
350	22	2,525,000	5,800,000	3,945,909	57	67	72	45	
Merlin	300	4	1,300,000	1,500,000	1,433,333	0	0	2	2
	IIB	7	365,900	425,000	400,966	14	11	9	7
	III	5	275,000	700,000	456,666	4	9	7	2
	IIIA	6	475,000	660,000	570,000	10	5	11	11
	IIIB	10	495,306	995,000	883,494	11	10	18	12
	IIIC	1	2,329,105	2,329,105	2,329,105	7	3	4	6
	IVA	4	650,000	850,000	750,000	1	6	1	2
IVC	4	950,000	950,000	950,000	2	2	1	3	
Mitsubishi	MU-2B	2	145,000	145,000	145,000	0	3	2	1
	MU-2F	10	279,000	295,000	287,000	4	5	7	0
	MU-2J	5	429,000	548,964	488,982	4	5	5	7
	MU-2K	8	470,000	795,000	576,500	5	6	5	6
	MU-2L	2	450,000	575,000	512,500	0	1	4	0
	MU-2M	4	449,000	895,000	667,250	1	2	1	2
	MU-2N	5	295,000	875,000	540,000	6	1	1	2
	MU-2P	5	515,000	515,000	515,000	4	5	3	6
	Marquise	21	325,000	1,000,000	665,852	11	9	14	14
	Solitaire	9	749,000	1,150,000	899,750	4	2	4	5
Piaggio	Avanti II	1	N/A	N/A	N/A	1	0	0	0
	Avanti	2	5,150,000	5,150,000	5,150,000	10	9	9	9
Pilatus	PC-12	28	2,150,000	3,650,000	2,817,857	91	61	91	42
Piper	Meridian	31	1,024,000	2,000,900	1,413,804	47	51	54	41
	TBM 700A	9	1,295,000	1,675,000	1,486,250	9	11	13	12
	TBM 700B	4	1,750,000	1,950,000	1,850,000	18	17	9	12
	TBM 700C2	7	2,250,000	2,450,000	2,340,833	21	13	11	4
Socata	TBM 850	4	2,730,000	2,750,000	2,740,000	5	1	0	0

Source: Amstat, Tinton Falls, N.J.

for range, payload and speed, all of the old basics,” he concluded.

Fitzgerald maintains that there is basically a long-term market for turboprops. “If they are mission-suited as a good airplane, I don’t think the powerplant means much,” he said. He argued that people are not going to sacrifice good payload, nice room and fuel savings just to fly a jet.

Cary Friedman, aircraft sales manager at Bell Aviation in West Columbia, S.C., said that King Air sales have been “absolutely phenomenal,” and that sales of the Conquests have been strong. The biggest news in the Conquest II market is that it came under intense and costly inspections that caught a lot of owners by surprise. But he added that it hasn’t changed the value of the aircraft if the work has been accomplished.

While he considers the King Air 300 the best value, he said the value of the Model 200 has been strong all year. Late-model versions—built in 2005 or 2006—are particularly strong, in part because some buyers paid too much and unloaded them.

“The 350 market remains incredibly strong and even the 90 series for airplanes built in the 1990s or newer,” Friedman told *AIN*. The market was so rosy this year that Bell was forced to cancel its annual spring sales event because the company was selling its inventory almost as quickly as it was acquired.

According to Friedman, the company has sold more than 100 airplanes in other years, but now it is focusing on King Air 200s, 300s and 350s, which he described as the hottest market for Bell. “We bought and owned and are selling as many 350s as anyone out there,” he declared. He estimated turnover at 70 to 80 airplanes.

At Gantt Aviation in George-

town, Texas, director of Beechcraft sales and acquisitions Mark Smith said this year has been “one of my biggest years” in the pre-owned turboprop industry.

“It is pretty much a record number of first-time aircraft buyers and first-time turbine aircraft

buyers,” he said. “On inventory turnover, we take in an airplane that needs interior refurbishment, engine overhaul and avionics upgrades. Those airplanes are turning as fast as I can get them completed.”

He estimated the normal sales

process takes three weeks from the date of final completion until final close.

So what’s the future of turboprops? “If the airplane can’t do the mission, you are not going to buy it,” argued Skytech’s Fitzgerald. “If it can do that [mis-

sion], I believe the turboprop has a long life.”

Some would say maybe a new life. Yingling’s Pickett reported, “We have customers who are operating Conquests who ask, ‘Why isn’t Cessna building these today? I would buy a new one.’” □

Market Statistics Turboprops

