



*Pre-Owned Aircraft - Time to buy?*

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*As the used aircraft market's recovery continues, global issues are surfacing that could temper buyers' enthusiasm. Remember a couple of years ago, when we heard so much about the fast-rising BRIC countries—Brazil, Russia, India and China? Today the focus has shifted to the PIIGS—Portugal, Ireland, Italy, Greece and Spain, all of which have fairly weak economies and high debt. While the ups and downs on Wall Street emanating from the debt crises may or may not have long-term significance, they aren't good news for the used jet business, which closely follows the stock market. These wild swings, which exude a lack of confidence, rattle jet buyers, who fear that the contagion in Greece could spread to other countries.*

*The question many prospective aircraft purchasers ask is, Will prices go lower? With a market like this one, where some values have already dropped 50 percent in two years, that's not likely. (And even if prices did again drop by half, the loss in dollar terms would be much less this time.) In the view of many in the business, fear subsided last year and values are now largely stable, with some small segments of the market still searching for floors while others are ticking up.*

*Going forward, the used aircraft market will take its cue from the international theater. Assuming recent flare-ups are contained, buyers with intestinal fortitude will likely continue to act on the compelling values that can be found throughout the market.*

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