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## Pre-Owned Business Jet Update

*By Bryan Comstock*

### Market Flying High

The pre-owned aircraft market seems to be navigating through or flying above whatever turbulence has affected the U.S. equity and bond markets recently. While not immune to cyclical market ups and downs, jets are a commodity, and a much sought-after one this year governed by the rules of supply and demand. Right now, demand is high.

### Large Cabin Aircraft Define Market

Large-cabin aircraft continue to define 2007, as they have since the beginning of the year. Just a handful of Global Expresses and GVs are for sale. If you're lucky you'll find a G550 to buy, but only if you're willing to pay several million dollars more than the current owner or position holder paid. Generally speaking, GV prices hover around \$40 million and are in line with its 12-month average supply of five, out of a fleet of slightly less than 200. There is only a handful of Global Expresses, with pricing throughout the \$40 million range. They are disappearing nearly as fast as they arrive, changing hands in fewer than two months on average.

### Sizzling CJ's

At the other end of the size spectrum are the CJ2 and CJ3, which have lowered in number and increased in price. A CJ2 buying surge came after inventory reached an all-time high late last year. The about-face saw choices fall to 11 from nearly 30 less than a year ago. Prices run from \$4.8 million for a 2,000-hour single-digit serial numbered 2000 model to \$5.8 million for a triple-digit 2005 model with fewer than 1,000 hours.

The CJ3 is also one of the few light jets that hasn't taken a back seat to the action in the large-cabin sector. Shortly after the airplane arrived on the market, buyers exhibited an insatiable appetite for it. Only two of the six for sale currently are not delivery positions. One of those has reportedly captured a price of more than \$8 million.

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## Mid-Size Movers

With such a consistently active market this year, there has been robust activity on pre-owned aircraft large and small. Midsize and super-midsize have standout models as well, from a Learjet 45 market that has tightened to the Challenger 300 and G200, which continue to attract buyers.

A recent run on Learjet 45s saw inventory drop in the last few months from 27 to 21, six of which show up as “sale pending,” which could reduce choices to levels not seen since early 2005. Prices for the straight 45s run from a tick under \$6 million to \$8.5 million. XR models start at \$9.9 million and extend through \$10.9 million.

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## Gulfstream G200s Hot

Another hot property is Gulfstream’s G200, which is spot on its eight-month average of eight, representing 5-percent availability of the 159-airplane fleet. Prices range from \$13 million to just under \$20 million.

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## Challenger 300s Trade at Premiums

Bombardier’s Challenger 300 is capturing seven-figure premiums for soon-to-deliver positions, which often carry asking prices around \$24 million. Two Challenger 300s are for sale currently, with asking prices on either side of \$24 million. In fact, one has a sale pending after being on the market fewer than 30 days. There are also three delivery positions currently being offered.

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## Challenger 604 Stable

The Challenger 604 continues to garner buyers’ attention. The 604 is on par with its low-inventory point during the past year, with 17 for sale after reaching 25 a few months ago. Prices begin at \$17 million and climb to the upper-\$20 millions. Securing a buyer has been taking about six-and-a-half months on average. There are only a few 605s in service; one of them has a sale pending and a posted asking price a tick above \$30 million.

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## Falcon Flock

Nine Falcon 900EXs are for sale now, up from just two a year ago and twice the 12-month moving average, perhaps a sign that the 7X will soon be arriving. At current levels the market offerings represent fewer than 5 percent of the fleet. After a period of nearly five months of virtual stagnation late last year and into January of this year, the Falcon 50EX regained traction in the marketplace, tightening supply from six to two. Asking prices of more than \$17 million seem more achievable with only 2-percent availability.

Perennially robust activity on the Falcon 2000 continues to impress, with seven Falcon 2000s, out of a possible 231, for sale currently. Prices start in the upper-\$17 million area and run into the mid-\$20 million area.

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## Classics Remain Popular

A number of other larger-cabin aircraft no longer in production are still viable rides, including the Falcon 50 and 900, as well as the GIV and IV-SP. The market for the earlier Falcon 50 has softened slightly; after reaching a 12-month low of 22, the number available has ratcheted up to 29. There are currently 10 Falcon 900Bs for sale and pricing runs from about \$16 million to \$25 million.

A year ago there were 22 GIV-SPs for sale; since then the 12-month average has dropped to 14. Today there are only five for sale, one of which has a sale pending. Consequently, the average asking price is nearly \$29 million. The predecessor GIV stood at nearly 30 for sale a year ago, but the 12-month moving average is now 23. That average will continue its drop as right now only nine are on the sales block.

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## About Jeteffect

Jeteffect, Inc. was founded in 2000 and today has grown to one of the most successful business jet brokerage firms in the country with offices in Los Angeles, Dallas, Savannah and West Palm Beach. The company specializes in the sale and acquisition of business jets for some of the most important names in the business and entertainment industries. Our professional sales consultants are dedicated to serving our clients in an efficient and confidential manner.

Written by Bryan Comstock, Managing Partner of Jeteffect, Inc. and Reprinted from Aviation International News

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## Jeteffect Portfolio

- Astra SPX
- Beechjet 400A
- Citation CJ, II & V
- Citation Excel
- Citation XLS
- Citation X
- Challenger 600/601
- Falcon 50
- Falcon 900EX
- Gulfstream IV
- Gulfstream G200
- Hawker 700A
- Learjet 31A
- Learjet 45
- Learjet 60
- Premier I