

VREF Aircraft Value Reference Releases Q4 Aircraft Values and Market Data Update

VREF Aircraft Value Reference, Appraisal & Litigation Services, releases its 4th Quarter database updates and market pricing adjustments.

BUFFALO GROVE, IL, UNITED STATES, November 27, 2019 / EINPresswire.com/ -- Overall the general aviation piston markets have been stable; few surprises were seen in terms of overall pricing. There have been no changes in terms of buyer sentiment or buyers obtaining financing. Lenders in the single-piston market are reporting no changes, and everyone is reporting business activity is higher than usual. The Business Jet markets are another story, one that is conflicted between new technology and pre-owned aircraft sales. Overall, 2019 has been somewhat back to the old "normal." This current new delivery market is as close as we have come in almost a decade to experience an active and stable market environment. New deliveries are at the highest point since 2010. While the summer slowdown in business aviation came back, the activity levels in the piston market were anything but slow and continue its manic pace through the holiday season.

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Technology leaps and aging platforms rarely due well as a combination, but the hottest segment in Business Aviation continues to grow, buyers look for coast to coast aircraft with 8 passenger seats”

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Piston Single: Appreciation is the word, and it's a broken record. Cessna 172's, Piper Arrows and Archers, Diamond 40's, Beechcraft Bonanza's are stable, consistent, and still going up. Older 172's like the P model are up just shy of 19% this year. The same holds for the Archers', and while the newer aircraft are flat, the aircraft built earlier than 2005 are up once again with a 3.45% gain in value since last quarter. DA40's are flat and remain unchanged since last quarter.

Piston Trainer: The demand for worldwide training and training aircraft is at an all-time high! This training demand is having a significant impact on the availability of new and used training aircraft (Cessna 172s and Piper Seminole, to

name a few). VREF has observed an increase in demand and pricing. Backlogs for new planes



and lack of inventory continue to create shortages in supply.

Piston Twin: The twin-engine pistons like Baron's, Cessna 340A's, 414's, and 421's are all seeing improvements from a year ago. What was seen as a depressed market has attracted buyers again. Available inventory is down across the board, and pricing has gone up slightly. We expect this trend to continue as buyers looking for business aircraft are attracted to the bang for the buck.

Turboprop: Pre-owned aircraft are demonstrating stable and normal market conditions. The average days on the market are down from the same time a year ago. King Air B200's are showing a healthy market condition, and pre-owned inventory is up slightly from one year ago. King Air 350i's are another story with the pre-owned inventory at 4% compared to just over 1% from a year ago. Prices are down

from last quarter, and there is pressure on the 350 markets due to the new aircraft discounting. Piaggio has settled down after a year of pricing pressure. The Avanti II's inventory is down from a year ago, and as we head into 2020, the values should remain stable. Pilatus is still the darling child in the single-engine turboprop market. There are few aircraft available on the pre-owned NG market, and new aircraft deliveries remain strong. Cessna Caravans are still commanding top dollar as well as demonstrating a sharp decline in available inventory. VREF is the Official Valuation Platform and Appraisal Company for the AOPA.

Helicopter: The piston helicopter market remains active, and with almost six weeks left in the year, the number of transactions is relatively close to what closed in 2018. Robinson models are flat from Q2 to Q3, and there is no change expected. With less than 6% of the total fleet for sale, it continues to be a seller's market.

Turbine helicopters are another story as the United States markets attempt to make up the slack from Europe. There have been 850 turbine helicopters delivered in 2019, and twin-engine supply for sale decreased 19% compared to the same period last year. The single light market is active the H130, Bell 505 dominates the new deliveries, and the AS350 B3 has remained popular on the pre-owned market with pricing flat through the 4th quarter 2019.

Large Jet: This segment consists of the older Challenger 601's, Falcon 50's, 900's, Gulfstream GV, and older Gulfstream 550's. Technology and upgrading are getting more complicated for this aging fleet. Numerous aircraft from each manufacturer have been parted out. Aircraft values can fluctuate depending on the avionics panel, cabin, and engine status. Aircraft needing 2020 compliance, engine maintenance, and heavy airframe maintenance are getting removed from service. The Falcon 50's remains flat with no change since last quarter. It remains a buyer's market, and aircraft are regularly trading. Older Challengers are performing similar to how they were this time last year. With one exception, it's taking longer to sell them. Falcon 900's has had no change since last quarter. GV's are flat, and this market remains unchanged.

Late Model Large Jet: This segment of the market was once an indicator for the rest of the



business jets, but that is no longer the case. Pricing of late-model Gulfstream G500 and G600 aircraft are holding asking prices; based on all reported closings and funding transactions, there is a little fluctuation between deals. Pricing variation continues to be found on the equipment list, and optional equipment ordered. New delivery G550's and 650ER's are coming on average below the official ask price. This should not be a surprise as the newer models are available and taking potential buyers with them. New Embraer Legacy 650 pricing is down roughly 15% from asking prices. New Praetor pricing is holding to asking price and remains flat and unchanged. Bombardier has reported a healthy backlog on the Global 7500, and that they will hit their target of 150 new deliveries for 2019. The Global 6500 and 5500 are also demanding top dollar and selling for the full asking price. The Global 6000 saw a 33% correction based on late aircraft deliveries, and asking prices are higher than actual closings. Citation Latitudes also had a correction this quarter as new aircraft are closing below asking prices. Three-year-old Latitudes and older aircraft remain flat and unchanged.

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