

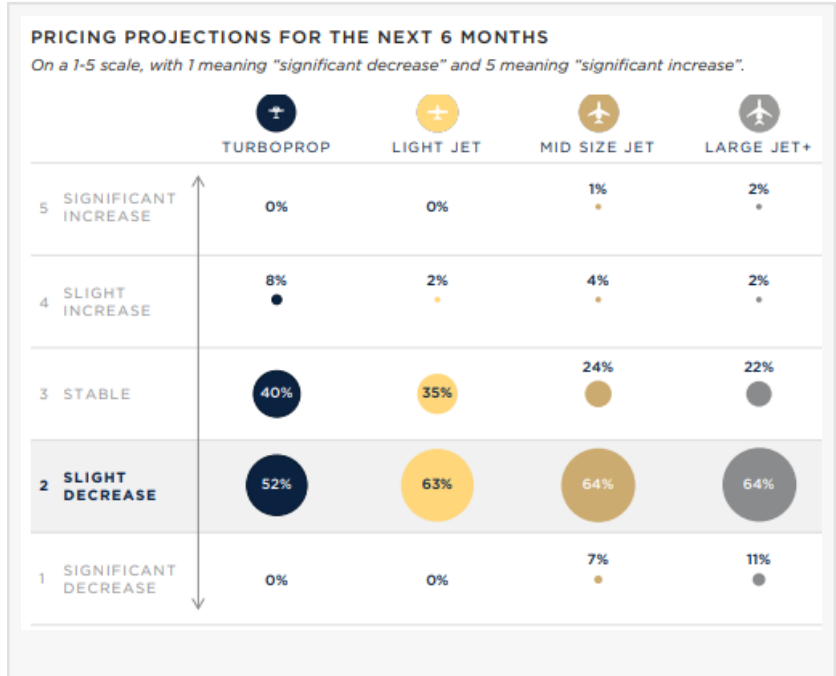
IADA: Preowned BizJet Market Is Rebalancing

Expecting Tighter Conditions in 2023

MONTREAL, CANADA, April 17, 2023 /EINPresswire.com/ -- Expectations in the preowned business aircraft marketplace for the next six months have increased, compared to the outlook in the fourth quarter of the past year. That's according to the First Quarter 2023 Market Report's global perception survey of members of the International Aircraft Dealers Association (IADA).

Supporting these expectations are first quarter sales results from IADA's

accredited dealers, who routinely buy and sell more aircraft by dollar volume than the rest of the world's dealers combined. IADA dealers closed 239 transactions in the first quarter of 2023, compared to 288 deals in the same period in 2022, and 213 in the first quarter of 2021.



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*IADA Chair Zipporah Marmor,
Vice President of Transactions
for ACASS*

IADA dealers ended the first quarter with 197 aircraft under contract, compared to 259 a year ago, and 248 in the first quarter of 2021. Interestingly, 52 of the first quarter 2023 transactions experienced lowered prices while only six did the same period a year ago and 27 in the first quarter of 2021. The full report is available for download at <https://aircraftexchange.com/>.

Results from IADA's first quarter 2023 survey suggest that marketplace forces are at work as expected. There has been some replenishment of inventory levels and a return to more rational pricing and valuations amid an

environment of continuing customer interest and inquiries.

Even though macroeconomic forces, geopolitical tensions, and the latest banking crises flood the headlines, customers appear to be little swayed from their interest in buying, selling and flying

business aircraft. While 2023 activity levels – aircraft sales, flight activity, MRO shop demand – have generally slipped back from record highs in 2022, the market for business aviation products and services remains vibrant.

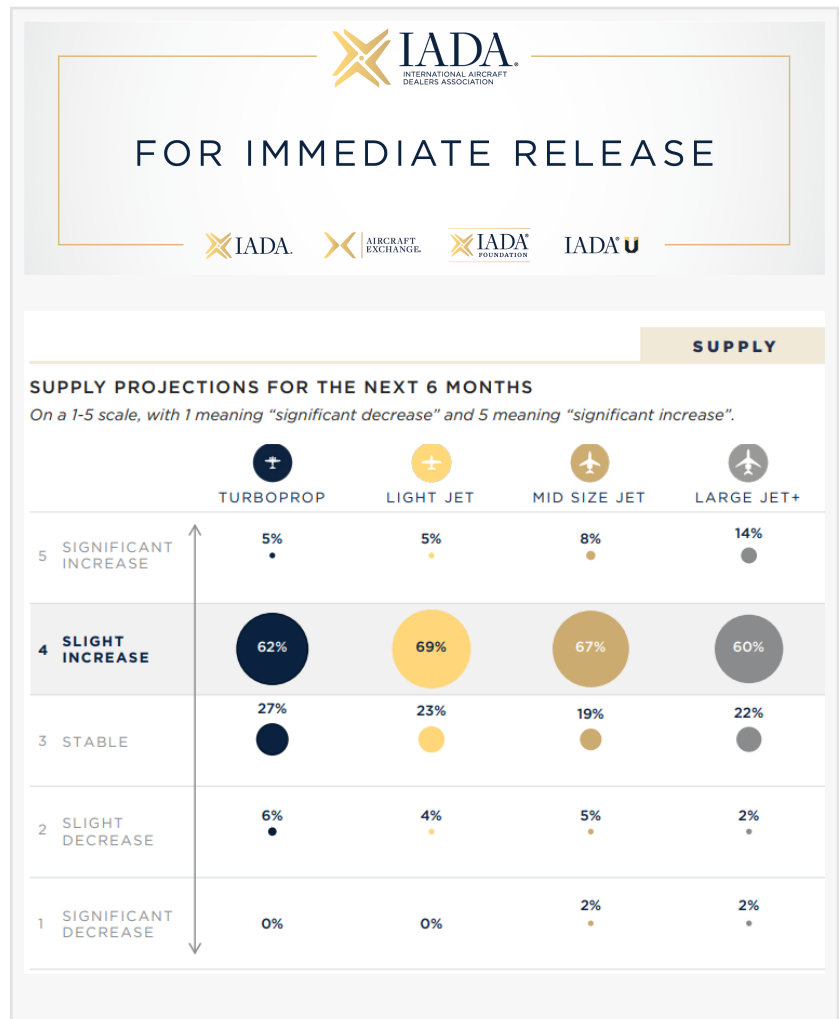
“There is evidence that demand and supply forces are rebalancing, with less frenetic activity, more realistic pricing, and a slow but steady buildup of available inventory,” said IADA Chair Zipporah Marmor, Vice President of Transactions for ACASS in Montreal. “Although specific low-time aircraft with attractive pedigrees continue to attract top-dollar, the overall market has begun to downshift from a peak characterized by accelerating prices and strong residual values,” she added.

“Although pre-owned inventory levels have begun to slowly replenish, most OEMs have grown their order backlogs to represent more than two years of production and they are straining to accelerate deliveries in the face of slowly recovering supply chains,” noted IADA Executive Director Wayne Starling. “Our organization foresees a continuation of relatively tight market conditions through 2023, driven by customers who cannot or will not wait two or more years to receive their next aircraft,” Starling added.

IADA began monthly tracking of preowned sales metrics for business aircraft in April 2020 as a result of the volatile market conditions caused by the pandemic. Two key factors inform the report: The first is IADA members’ market perspective, taken from a survey of the entire IADA membership. The second is actual sales data supplied by IADA accredited dealers to support those points of view.

IADA dealers submit monthly transaction and activity reports. Comments from IADA members add context to the report:

Pre-owned buyers are expecting significant price reductions, but inventory remains low especially on late model aircraft. – Robert Sammartino, IADA accredited dealer Skytech, Inc., Westminster, Md.



Surprised by how many acquisitions we have already confirmed for early in 2023. Feel that early part of 2023 will be a bit slower, but latter part of 2023 is looking even more active. – Chad Anderson, IADA accredited dealer Jetcraft, London.

I don't expect any large swings in inventory, or demand; I believe that the used market will, however, remain strong all throughout this year. – Jeremy Cox, verified products and services member JetValues Jeremy, Waterloo, Ill.

Still low inventory and a seller's market. Buyers being more cautious but still active. – Todd Spangler, IADA accredited dealer Jetcraft, London.

Feeding frenzy is over. The market has slowed to a balanced pace, yet with lots of inquiries and activity. Inventory is limited, but not like last year. – Bryon Mobley, IADA accredited dealer Wetzel Aviation, Inc., Englewood, Colo.

Certainly, a little calmer compared to third and fourth quarters 2022, but we are very steady and keeping busy. Normal busy. – Daniel Cheung, verified products and services member Aviation Tax Consultants, Scottsdale, Ariz.

A slight pause in January and February but activity has come back in last couple of weeks. – Joseph Carfagna, IADA accredited dealer Leading Edge Aviation Solutions, LLC, Parsippany, N.J.

We are seeing increased balance between buyers and sellers in today's marketplace. This is driven by increased inventory, more realistic pricing, and a return to standard transaction dynamics (including pre-buys). – Emily Deaton, IADA accredited dealer jetAVIVA, New Century, Kan.

Sellers are still trying to maintain a sellers' market by keeping prices high. However, buyers are refusing to pay these prices. Currently the aircraft sale market is off to a very slow start for the year. – John Swartz, IADA accredited dealer Swartz Aviation Group, LLC, Fort Worth, Texas.

If it weren't for supply chain issues limiting OEM production capacity, we'd be looking at "best ever." – Ronald Smith, IADA accredited dealer Western Aircraft, Inc., Boise, Idaho.

The pack has separated. Every market's for itself. Some are firm, others are soft. Some prices are way down, others remain unchanged. – Mike Swartz, IADA accredited dealer Swartz Aviation Group, LLC, Fort Worth, Texas.

What we are seeing right now is a lot of wait and see. Sellers have not caught up yet with the reality of the market, whereas buyers feel that values will still decline. – Zipporah Marmor, IADA accredited dealer ACASS, Montreal.

Some buyers are on hold due to macro-economic uncertainties and they believe that prices will

continue to soften in 2023. Barring a major recession or major equity market correction, I expect prices to continue to trend down. – Frank Janik, IADA accredited dealer Leading Edge Aviation Solutions, Parsippany, N.J.

About the International Aircraft Dealers Association

IADA is a professional trade association formed more than 30 years ago, promoting the growth and public understanding of the aircraft resale industry. IADA's dealers consist of the top 15 percent of the world's experts who handle 48 percent of used business aircraft sales. IADA accredited dealers buy and sell more aircraft by dollar volume than the rest of the world's dealers combined, annually averaging over 1,100 transactions and \$10 billion in volume per year. Ninety-seven percent of IADA dealers do business in North America, 62 percent of dealers operate in Europe, 56 percent are active in Latin America and the Caribbean, 44 percent do business in Asia and the Pacific region, 40 percent work in the Middle East and 35 percent in Africa. IADA also represents a variety of IADA-verified product and aviation services members that operate with the highest professional standards in the industry. For more info go to <https://www.iada.aero>.

About AircraftExchange.com

IADA's AircraftExchange marketing search portal is the only site where every aircraft listed for sale is represented by an IADA-accredited dealer. AircraftExchange enables users to create a confidential dashboard of business jets for sale, filtered based on their features and amenities, class size, age, and price. Users can browse through data-rich listings for available business aircraft. For more info go to <https://www.AircraftExchange.com>.

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