PIAGGIO AVANTI

Additional information

**economics**

(2002 Piaggio Avanti)

**HOURLY DIRECT OPERATING COSTS**
- Fuel ($6.86 per gal): $192.96
- Maintenance labor (at $90 per flight hour): $141.70
- Parts, airframe, engine, avionics: $266.63
- Inspections, component overhauls, life limited parts: $190.60
- Engine restoration: $292.02
- Misc. expenses
  - Landing and parking fees: $12.33
  - Crew expenses: $67.54
  - Supplies & catering: $49.08

**TOTAL VARIABLE FLIGHT COSTS PER HOUR**: $1,812.86

Average speed: 342 knots

**Total cost (without depreciation)**: $911,497

**ANNUAL FIXED OPERATING COSTS**
- Crew salaries (estimates)
  - Captain: $86,000
  - Copilot: $53,000
  - Benefits: $42,300
- Hangar rental (typical): $25,600
- Insurance (insured hull value = $2.7 million)
  - Hull (0.24% of value): $6,480
  - Single limit liability: $7,500
- Recurrent crew training: $29,800
- Aircraft modernization (avg per year): $30,000
- Navigational chart service: $2,246
- Refurbishing: $10,800
- Computer maintenance program: $5,950
- Aviation weather service (typical): $700

**TOTAL FIXED COST PER YEAR**: $302,376

**ANNUAL BUDGET—BASED ON 115,000 NM**
- Utilization: 336 hours
  - Variable cost: $609,121
  - Fixed cost: $302,376

**TOTAL FIXED COST (WITHOUT DEPRECIATION)**: $911,497
- Per hour: $2,713
- Per nautical mile: $7.93
- Per seat nautical mile: $1.32

*Total cost (without depreciation): $911,497
- Book depreciation (10% per year): $270,000

**TOTAL COST (WITH BOOK DEPRECIATION)**: $1,181,497
- Per hour: $3,316
- Per nautical mile: $10.27
- Per seat nautical mile: $1.71

**Total cost (without depreciation): $911,497
- Market depreciation: $162,000

**TOTAL COST (WITH MARKET DEPRECIATION)**: $1,073,497
- Per hour: $3,195
- Per nautical mile: $9.33
- Per seat nautical mile: $1.56

Source: Conklin & de Decker, Orleans, Mass.

**fair market value**

**PIAGGIO AVANTI compared with other aircraft**

<table>
<thead>
<tr>
<th>Model</th>
<th>First year produced</th>
<th>Variable cost/hour</th>
<th>Seats exec/max</th>
<th>Range (nm)</th>
<th>Normal cruise (kt)</th>
<th>Max takeoff weight (lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piaggio Avanti</td>
<td>1988</td>
<td>$1,613</td>
<td>6/6</td>
<td>1,500</td>
<td>354</td>
<td>10,550</td>
</tr>
<tr>
<td>King Air 200</td>
<td>1973*</td>
<td>$1,556</td>
<td>6/15</td>
<td>1,640</td>
<td>283</td>
<td>12,500</td>
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<tr>
<td>Citation CJ1</td>
<td>1999</td>
<td>$1,680</td>
<td>5/6</td>
<td>887</td>
<td>381</td>
<td>10,000</td>
</tr>
</tbody>
</table>

*King Air 200
Assumptions: Aircraft are 2002 models. Jet fuel $6.86/gal; variable cost: fuel plus maintenance reserves; four passengers; NBAA IFR 200 nm reserve fuel; passenger weight 200 lb includes baggage; two pilots. Maximum cabin altitude, 8,000 ft.

Cost source: Conklin & de Decker Life Cycle Cost