

SOME POPULAR PREOWNED MODELS

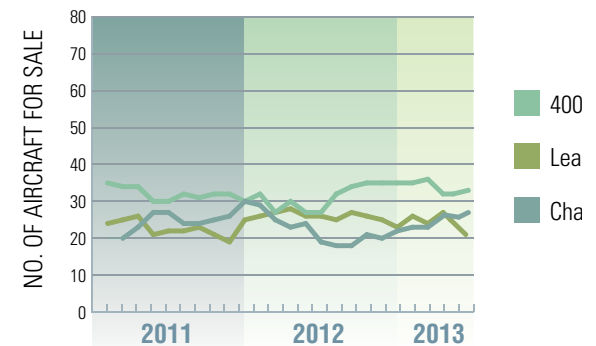
PRICES DROPPED MORE FROM 2008 TO 2010 AND from 2009 to 2011 than they have from 2010 to 2012. This could be viewed as a precursor to a leveling off after a four-year freefall. Two aircraft on this chart, the Citation X and G200, have done an about-face in terms of inventory over the last 24 months. The Citation X peaked at 37 for sale; now only 19 are on the market and sales are pending on four of those. The G200, meanwhile, has recovered from a double whammy—the sharp industry downturn and the arrival of a successor model. Since right pricing has set in, buyers have reengaged to pare G200 choices to half of the 30 available at the peak. Much of the buying activity has come over the last few quarters. —B.C.

Model	No. in operation	Percentage for sale	Average price 2009 (\$M)	Average price 2011 (\$M)	Average days on the market
HAWKER 400XP	250	9.6	3.8	3.1	300
LEARJET 45	242	14.8	4.3	3.8	287
CITATION EXCEL	369	7.5	4.8	4.4	217
CITATION CJ2+	200	10.0	5.1	5.0	267
GULFSTREAM G200	250	6.0	11.6	8.3	259
CITATION X	315	6.0	9.8	8.8	410
FALCON 900	177	15.2	12.7	9.1	401
CHALLENGER 300	366	6.3	16.0	15.1	251
GULFSTREAM G450	287	4.1	28.6	27.0	232
GLOBAL EXPRESS	150	14.6	27.3	27.4	174

Note: Averages are based on published asking prices. Such prices are not available for all aircraft on the market. Actual selling prices may vary.

TWO-YEAR INVENTORY TRENDS OF THREE BUSINESS JETS

SUPPLY OF THE CHALLENGER 604 AND GV HAS NEVER BEEN GREATER, nor have prices been lower, but by no means does that mean they've fallen out of favor. Instead, the worldwide pool of buyers has shrunk, and many of those still eyeing these models appear to be waiting for prices to hit the sweet spot. In fact, the tipping point may have already arrived in the 604 market, which has recently seen a spur in sales activity: transactions have been occurring at a three-per-month rate over the last six months, up from one a month during the previous six months. GVs, though, are moving at a one-a-month rate. While the Challenger 604 and GV sit at all-time inventory highs, supply of the Hawker 800XP is hovering near two-year lows because of attractive pricing, which has brought the model back in line with its peer aircraft. While not indicative of the mean, pricing floors this year have seen GVs move at \$18 million, while 604s have traded in the \$6 million range and Hawker 800XPs at \$2 million. —B.C.



INVENTORY OF USED JETS REMAINS RELATIVELY LOW

WORLDWIDE JET INVENTORY EXPERIENCED A YEAR-OVER-YEAR reduction in each of the few years before 2012. This year was an exception, though: inventories are roughly the same size now as they were in January. The plateau may be attributable to Europe's growing inventory of 2000-model-year and newer aircraft for sale. A year ago, Europe had twice as many such offerings as North America. Since then, North American inventory has held steady while Europe's has increased from just below 15 percent to nearly 17 percent, a decidedly soft market. With nearly 10 percent fewer choices in the U.S., supply there is relatively tight. Anxiety about the result of the U.S. election coupled with a traditionally strong fourth quarter in the U.S. and tepid sales in Europe could result in further divergence of these two dominant markets. —B.C.

