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**AVPRO** INC.  
*Performance. Integrity. Reputation.*



## LARGE CABIN GULFSTREAM MARKET UPDATE FIRST QUARTER 2018

### GULFSTREAM NEWS

The sales of the flagship G650 have cooled slightly but this on the heels of the one of the most active quarters Gulfstream has seen in the last three years. Q1 deliveries of 26 aircraft (19 large cabin and 7 G280s) is a reduction over 13% compared to Q1 of last year but we should point out that Gulfstream has now delivered more than 300 G650/G650ERs cementing its place as the leader in the ultra-long range category. Although Q1 revenues were down 12% and earnings were down over 21%, Gulfstream is quick to point out that their revenue plan is back-end loaded and the customer deliveries of the G500 later this year and the G600 in 2019 will give a big boost. According to Gulfstream, certification of the G500 is now expected to be in June or July with customer deliveries to begin shortly thereafter.

Additionally, the recently announced Hawker Pacific acquisition for Jet Aviation will give the company a strategic advantage and will simultaneously be helpful to Gulfstream by providing Gulfstream support facilities in locations where it is needed.

### MARKET NEWS

Nearly every market indicator has shown promising signs over the last 12 months and this has led to a steadily improving business jet industry. Inventory of in-service aircraft available for sale has continued to decline and has not been this low since 2007 (currently 6.7% of the in-service fleet available). However, average asking prices have declined consecutively since January which is impart the result of many of the later model aircraft going under contract. We expect the volume of pre-owned transactions to be lower in 2018 than it was in 2017, but simply because of a lack of supply, not a lack of demand. Flight operations in the U.S. and in Europe are on a continual rise and we expect this trend to continue throughout the year.



*Avpro Completed **39**  
Gulfstream Transactions in 2017!*

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## G650/G650ER MARKET

- There are currently 11 G650s on the market, including 1 that is under contract. This represents 4% of the in-service fleet for sale.
- Current asking prices range from \$47.9M for a 2013 model, non-ER model with approximately 1,000 hours to \$66.95M for a 2015 model with delivery time only.
- Supply had come down by nearly 50% from summer of 2017 but inventory levels have bounced back up recently. There were 3 G650 transactions in Q1, 2 of which were ER models and all configured with the forward-galley/crew rest configuration.
- Sold prices have ranged recently from \$45M for a 2013 model with 750 hours and RRCC to \$61M for a 2016 model with 100 hours and no RRCC on the engines.
- Surprisingly, there has been a lot of interest from foreign buyers, although demand from the U.S. for the G650 is still strong. Preference is still for the forward-galley/crew rest configuration but buyers are more often times contemplating the 4-zone aircraft that is configured without the enclosed forward crew rest.



## G550 MARKET

- There are currently 20 G550s on the market, including 4 that are under contract (this represents 4% of the in-service fleet for sale). Additionally, there are 5 G550s that are under contract but not publicly advertised on the market.
- Current asking prices range from \$13.995M for a 2006 model with close to 11,000 hours to \$33.75M for a 2013 model with nearly 1,700 hours.
- Supply has been reduced by nearly 50% since December 2016 but supply has recently bounced back up slightly.
- During Q1/2018 there were a total of 12 G550 transactions and 5 of the aircraft were sold without ever coming to the open market.
- Recent selling prices have ranged from \$12.5M for a 2005 model with approximately 12,000 hours to \$30M for a 2013 model with 2,200 hours and RRCC on the engines.
- We expected prices to continue to remain stable and we may even see a slight uptick for the preferred low time, forward-galley configured aircraft.



## GV MARKET

- There are currently 18 GVs on the market, including 5 that are under contract. This represents 9% of the in-service fleet for sale.
- Current asking price ranges from \$5.995M for a 1997 model with over 18,000 hours to \$12.295M for a 2001 just under 5,000 hours.
- Unfortunately, supply had doubled February 2017 to February 2018 but there has been a recent surge in sales activity with very few new options coming to the market which has caused the supply to come back down. During Q1/2018, there were a total of 7 transactions with selling prices ranging from \$7.5M for a '97 model with over 9,000 hours to over \$12m for a 2002 model with 6,000 hours. The increased demand is largely due to the lack of G550 supply on the low end of that market.



## G450 MARKET

- There are 21 G450s on the market, including 8 that are under contract. This represents just 6% of the in-service fleet for sale.
- Current asking prices range from \$9.95M for a 2007 model with slightly over 2,500 hours to \$20M for a 2012 model with nearly 1,400 hours.
- During Q1/2018 there were a total of 8 transactions with sold prices varying from \$10M for a 2007 model with 2,800 hours to \$18M for a 2013 model with 1,500 hours.
- The vast majority of the buyers in the G450 market have been from the United States with strong preference going towards the U.S. pedigree aircraft. However, only 4 of the G450s remaining on the market are U.S. based aircraft.



*Avpro has completed over **300** Gulfstream transactions.  
Including **18** Gulfstream transactions in the past **6** months!*

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## GIVSP/G400 MARKET

- There are 28 GIV-SPs currently on the market, including 9 aircraft that under contract. This represents 8% of the in-service fleet for sale, a 2% decline vs Q4/2017.
- Current asking prices range from \$2.695M for a 1992 with just over 14,000 hours to \$6.95M for a 2003 model with 3,600 hours.
- During Q1/2018 there were a total of 13 transactions with sold prices varying from \$1.3M to \$5.6M.
- Much of the interest has been for GIVSPs that are in the \$5M or less range, that have had some [REDACTED] refurbishments with next generation avionics installed.



## AVPRO, INC. "WHO WE ARE"

Avpro is one of the largest international aircraft brokerage and acquisition firms in the world. With our extensive aviation sales experience, we are able to consistently achieve annual gross sales in excess of \$1 billion. By leveraging over 26 years of experience and cultivating strong relationships throughout the industry, we are able to capitalize on trends as they emerge. With a professional team of specialists in research, marketing, contract negotiations, and closings, we are able to give each client the confidence needed to navigate the complexities of each transaction.

## AVPRO'S GULFSTREAM TEAM



**KEVIN WHITE** is the Avpro Gulfstream Market Specialist. Kevin brings to Avpro a unique and in-depth knowledge of not only real time market condition expertise, but also operational, technical and economic aspects of private jet ownership. After joining the industry in 2001, he quickly excelled in many facets such as aircraft sales, operation, management. Kevin is also an ATP pilot with a type rating in the Hawker 800/800XP.



**VALERIE PEREIRA** is the Avpro Gulfstream Market Analyst. Valerie offers a unique and in-depth knowledge of sales and acquisitions as well as the operational, technical and economic aspects of aircraft ownership. Valerie began her career as an international researcher for AMSTAT, subsequently moving into a Sales support role for Regourd Aviation then Executive Sales Director for the Bell Helicopter market at Heli-Asset. Valerie is fluent in English, Portuguese, Spanish, French & Italian.

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