

# BBJ MARKET SUMMARY



**GENERAL MARKET OVERVIEW:** There are currently fifteen (15) Boeing Business Jets for sale ranging in price from \$25.9MUSD for a 1998 aircraft with 3700 hours to \$72.0MUSD for a 2010 model with 762 hours of total time. The BBJ market shows a large price discrepancy between pre-2005 models able to be purchased well below \$37.0MUSD and 2005 and newer models starting at \$55.0MUSD and reaching close to \$72.0MUSD for newly completed low time models. Average days on the market (DOM) has now risen to nearly 418 days as many sellers remain unrealistic with their pricing expectations. Current Activity is confined to early model aircraft but even low prices in this segment have failed to lure buyers into the market place.

**INVENTORY STATUS:** Inventory had remained in a fairly tight range for most of 2014, averaging between twelve (12) and seventeen (17) units. Recent reductions in inventory levels due to an unusually high number of sales in the early model market have been quickly replenished with new aircraft being placed on the market many of which belong to one Chinese operator going through a fleet restructuring. Most changes in inventory have been confined to early models. At the other end of the market, late models languished due to unrealistic pricing. The lone late model sale in the past two years was a recently delivered BBJ2 at \$105.0M.

**PRICING STATUS:** Pricing in the BBJ market has been weak for most of the past few quarters especially in the early model segment where buyers believe values lie near the \$22.0MUSD to \$25.0M price mark—while sellers believe values lie further north of those numbers—closer to \$30.0MUSD to \$33.0MUSD. In the late model market sellers have completely priced themselves out of the market with many sellers of low time late models requiring prices near or above \$60.0MUSD to part with their aircraft. Buyers have completely vacated this end of the market in the past two quarters showing little appetite for late models which are not aggressively priced. The next “green” position from Boeing can be purchased with an ask price of \$60.0MUSD for a 3rd quarter 2016 delivery date. Overall pricing will remain weak across the entire model line as buyers have shown little appetite to meet seller’s price expectations.

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## DECEMBER MARKET SUMMARY

Boeing BBJ's for Sale:	15	No Change
Percentage of Fleet for Sale	11.6%	No Change
Industry Average in November	9.9%	No Change
Average Manufacture Year	2006	No Change
Inventory Past Six Months	+6.7%	↑
Average Days on Market	418	↑
Asking Price High Range:	\$72,000,000	No Change
Asking Price Low Range:	\$25,900,000	No Change
Under Contract:	0	No Change
Sales in November	1	No Change
Best Deals	30751	-
Year to Date Sales	8	-
2013 Total Sales	3	-

## ABOUT AVJET CORPORATION

Avjet has been involved in the purchase and sale of Boeing and other large cabin private business jets for more than three decades. With over 400 aircraft transactions totaling well over \$7 billion in sales, Avjet Corporation sold more Boeing business jets than any other aircraft sales firm in the world over the past few years. Even in a recessionary economy and a challenging aircraft market, Avjet continues to set the pace in Boeing aircraft sales.

**RECENT TRADES:**

SN	YEAR	OPTIONS	SOLD	DATE	TIME	PAINT	INT.
29441	1999	8 TANKS- 12 PAX	\$27.3M	11/2014	5957	2004	2007
34303	2005	PAX SHUTTLE	\$24.0M	6/2014	34632	2013	2005
39899	2012	6 TANKS-19 PAX (BBJ2)	\$105.0M	5/2014	49	2013	2013
32775	2003	8-TANKS-19 PAX	\$30.0M	4/2014	3524	2003	2003
39095	2012	7-TANKS-19 PAX	\$52.0M	4/2014	Del. Time	2012	Green
30328	2000	7-TANKS-19 PAX	\$34.8M	4/2014	3350	2000	2000
30752	1999	44 PAX SHUTTLE	\$14.8M	1/2014	41383	2010	2000
30076	1999	7 TANKS-19 PAX	\$35.0M	12/2013	5495	1999	1999
28579	1999	6 TANKS-19 PAX	\$36.75M	10/2013	5925	2008	2008

**UNDER CONTRACT: NONE****FOR SALE:**

SN	YEAR	COMPANY NAME	ASK PRICE	TIME
29273	1998	Picton II	\$25.9M	3743
30327	1999	F&L Aviation	\$38.50M	6891
30751	1999	Legatum	\$34.0M	5585
32774	2001	Prime Aviation JSC	\$35.0M	3779
32777	2003	Global Jet Austria (BBJ2)	\$45.0M	3813
34477	2005	Siva Ltd.	\$63.0M	1200
35990	2006	Samsung Techwin	\$63.0M	1724
36714	2007	Andromeda, Ltd.	\$58.9M	2788
36852	2008	Hyundai Corp	\$63.0M	2105
37592	2007	Orex Aviation AVV	\$72.0M	163
37700	2009	Agilane Ventures Corporation	\$49.9M	20
38608	2010	Skytrooper Charter	\$72.0M	133
38633	2010	Deer Jet Company	\$65.0M	955
40116	2012	Beijing Capital Airlines	Make Offer	-
40117	2011	HongKong Jet	\$69.0M	190

**GLOBAL ECONOMIC OUTLOOK**

The current global macro environment echoes past outlooks since the 2008/2009 financial crisis. Socioeconomic events are mainly negative across most of the globe with the United States being the lone bright spot. Falling unemployment, accelerating GDP growth and the prospects of a more "pro-business" and "pro-jet" US Congress after November elections take place has put the emphasis on private jet deals squarely on US shores as we close out 2014. Europe and Asia remain the question marks as we enter 2015. While Asia has been largely absent from high activity in the private jet market since growth decelerated in 2012, Europe had stabilized in 2013 and hopes were high that the Eurozone had finally turned the corner entering this year. Crisis in the Ukraine with Russia however, quickly reversed this course as the prospects of a Eurozone recession for the third time in six years has now firmly taken shape. With the Euro falling 25% against the dollar and the Russian economy being checked off from Western sanctions Eurozone GDP is at a standstill as we close the year out. Unlike the US where several monetary policy tools seemed able to avert a recession, analyst seem to agree that the same policy tools cannot be employed effectively by the European Central Bank (ECB) to reignite growth in the Euro Zone. Additionally, China's growth has considerably slowed in the past twenty four months from double digit growth to the 6-7% range which many analysts believe is actually lower than government figures suggest. Growing concerns over a real estate fueled bubble in China has stalled growth in aircraft sales in 2014. Lastly, two additional factors—radical Islamists in the middle east attempting to take over vast territories in Iraq and Syria fearing further fueling terrorism across the globe—and the outbreak of the Ebola epidemic in Africa are all conspiring to stall global growth prospects entering into 2015. The two factors which will have the largest impact on global growth center on how long US GDP can pick up the slack and how long until China and Europe recover. Overall sales of private jets will remain constrained in 2015 until the economic growth outlook clears up.

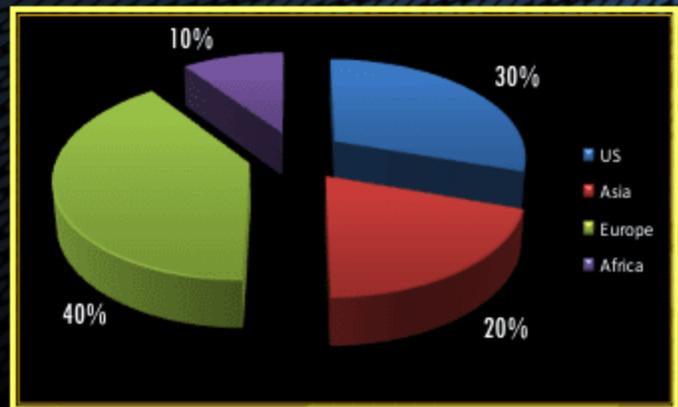
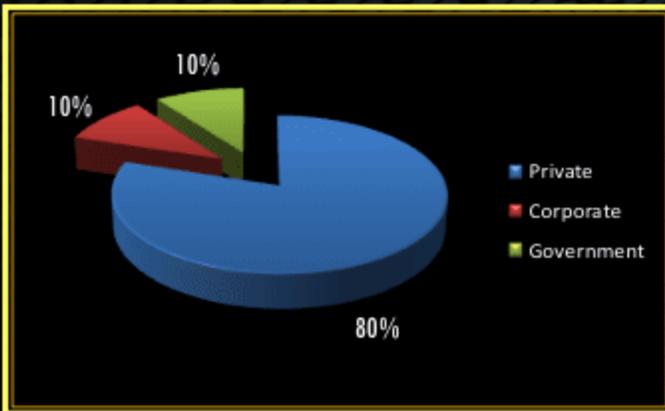


# BBJ BUYER/SELLER PROFILE

**2013/2014 MARKET PROFILE:** Charting the profile of buyers and sellers in the BBJ market shows the diversity of both parties over the course of the past twenty four months. Geographically, nearly half of all buyers and sellers originated out of Europe and the United States. The next largest block of sellers came from Asian with Russia being the next largest destination for buyers. The break down between types showed an increasing shift toward private ownership as 80% of sellers were private but at the same time private ownership (buyers) leapt to 60%. The biggest change over the past two years was the lack of activity in the post-2006 model segment with most sales representing pre-2004 models for the first time since production of the BBJ began in 1998.



## SELLER PROFILE



## BUYER PROFILE

