Business Air International

Global Private Jet Dealer

Did You Know Private Jet Residual Value Analysis Can Save You Millions?

Save Millions In Private Jet Ownership Cost By Calling Business Air

The total ownership cost of a private jet is initial acquisition cost **+** total direct operating cost of flying, **+** total fixed cost. For extreme accuracy add the interest on the capital to own the aircraft.

Absolutely no other factor of ownership cost comes close to resulting in such a dramatic difference in total ownership cost as the difference in residual values.

So why doesn't everyone investigate projected future residual values prior to purchasing their private jet? Simple. Until now, the concept has never been readily available. No one has invested the massive effort to collect, mathamatically re-arranged and re-structure information that can produce a chart which quickly and accurately allows residual values of similar aircraft to be projected and compared. The standard numeric for decades has simply been to assume that "all private jets on average depreciate about 4% per year during the first 10 years of their operating life."

We are now entering our sixth year of collecting and analyzing residual values data for 51 different models. **S***ome charts have quarterly data that goes back to 1985,* thus we are confident we can now accurately predict which model will have higher residual values, thus reducing your net capital costs, frequently by millions. And the variations among the models is staggering.

Here's a sample of results that really surprised me. Those who bought a Global Express in the first quarter of 2006 would have paid about $47,775,000. In the third quarter of 2011, the Global has a residual value of about $36,000,000, meaning after five years of ownership, the net capital cost of the aircraft would be $11,775,000 ($47,775,000 minus $36,000,000).

If they bought a Gulfstream 550 they would have paid about $46,665,000. The third quarter 2011 residual of a Gulfstream 550 was about $42,000,000, yielding a net capital cost of only $4,665,000, a staggering difference when compared with the Global. As the original VP Marketing Services on the Challenger program I was very surprised at how poorly Global residual values have performed.

We are now willing to share this information with clients who appoint us as their agent to assist them in the acquisition of a private jet. We are now sure that our historical data will help them significantly reduce their total ownership cost.

Clients for whom we act as a private jet agent to assist them in the disposal and sale of an existing aircraft, we can now provide hard data and documentation that positively illustrates the actual price level that they can expect to realize under current market conditions, regardless of whether they purchased new or used, or when purchased.

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I would welcome the opportunity of talking with you further about our proprietary database that enables our clients to become the smartest buyers and sellers……the ones who reduce their total capital cost of owning and operating their private jet by millions.

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Residual Values Tracked (Data Current Thru Dec 2011)

Beech Premier
Citation Bravo
Citation CJ 1
Citation CJ 2, CJ2+
Citation CJ 3
Citation Encore
Citation Excel
Citation Mustang
Citation Sovereign
Citation XLS, XLS+
Citation X
Embraer Legacy 600
Embraer Phenom 100
Embraer Phenom 300
Embraer Legacy 650
Falcon 7X
Falcon 900B
Falcon 900 EX Easy
Falcon 2000 EX DX LX
Global Express
Gulfstream 150
Gulfstream 200
Gulfstream 350
Gulfstream 450
Gulfstream 500
Gulfstream 550
Gulfstream IV IV SP
Gulfstream V
Hawker 800 800XP
Hawker 400A 400XP
Hawker 850
Hawker 4000
Lear 40 XR
Lear 45
Lear 60
King Air B200
King Air 350
Piaggio P-180
Pilatus PC-12
Piper Malibu Meridian
Socata TBM 750
Socata TBM 850

W Barry Smith has 40+ years private jet marketing experience. Helped Hawker Siddeley launch the DH/HS-125; IAI the Westwind. Director Marketing for launch of Cessna Citation. VP Marketing Programs for launch of Challenger program. Owned his own jet brokerage. Among regular clients for 16 years were Rockefeller family, U.S. Bank & Trust, Chase Manhattan Bank, Time/Life, Capital Cities/ABC Broadcasting, R.H. Macy, Sears. Bombardier brought him back to help launch their FlexJet Fractional program. Has actively consulting with various manufacturers. Certified as S.C.O.R.E. management consultant by the U.S. Small Business Administration. Phil Jordan lured to assist Business Air International and expand its global private jet business. BS Aerospace Engineering, N.C. State University. MBA Marketing, Stern School of Business, New York University. Pilot, SE.