

Volume 2, Part 9: Global Express

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month revisiting the Bombardier Global Express a year on. As usual, the evaluation is presented in such a way that readers can grasp meaningful, but easy to understand information on its market value history. The goal is to give our readers highly useful applications so they remain informed.

Each featured aircraft is presented with a United States patented graph called JetTrack®. A proprietary program established in 1987, JetTrack® tracks price history, trends and transactions as a simple means to predict the value of your asset.

JetTrack® is broken up into two separate graphs in order to give you the best logical way of determining prices and trends. The top graph represents a history of true asking prices over a ten-year period or since the inception of the aircraft (these prices do not represent new OEM deliveries). The bottom graph represents how many aircraft were for sale at the beginning of the month and how many remained for sale at the end of the month.

The clear picture between the two graphs is a linear understanding of the trends and prices. Since prices correlate with supply and demand, the graphs give you a simple understanding of the peaks and valleys. Not only can you predict the value of your asset, but you'll also know the best time to sell or buy.

Simple to use and uncomplicated, you stay ahead of the market with the latest pricing information that's precise and accurate. Best of all, you'll see what happened 10 years ago, five years ago, and what to expect for the future.

GLOBAL EXPRESS/GULFSTREAM V

Introduced in the late 1990s, there are now just over 160 Global Express' in service – and it's fair to say that this aircraft has truly built a reputation for itself over the past few years.

That's no mean feat, as it takes time to build awareness for a product like the Global Express, especially considering that the aircraft didn't have a dedicated bizjet predecessor like its main competitor, the Gulfstream V. It's not an everyday event for a new product of the calibre of the Global Express to enter the world of aviation, and you couldn't expect everyone to jump in and sign-up for an unproven product – especially when you're talking the price tag that the Global Express commands.

However, we mustn't discount the fact that the Global Express stemmed from the regional airline CRJ model, so it's not necessarily a "clean sheet" design.

Testament to the reputation it's carved out for itself in subsequent years, though, in today's pre-owned marketplace the Global Express has reached its highest value for five years.

Since last summer, the average price of a GEX has risen just over \$1.5m. Out of the seven aircraft that were available at the start of this summer, four have a deal pending. Part of the reason for the strong demand on this type of aircraft along with all the other long-range aircraft is the simple fact that the backlog for new long-range jets stretches through until 2009.

Another indicator specific to the Global Express is that there's no other aircraft available in the Bombardier product line that would have an adverse effect on its pricing, except for the Global 5000 which does not

yet have a presence in the pre-owned marketplace.

Unlike the Gulfstream V, whose basement value levels out just a few million dollars above the Gulfstream IVSP, the margin between the Global Express and the less-capable Challenger 604 is over \$10million apart!

There is an interesting trend to note between the Global Express market, and the GV market. These have often influenced each other. Typically once one market dries up, the other seems to dry up also - and lately it's been the Global Express market showing signs of drying up.

At present, our graphs show that buyers can expect to pay an average \$5m more for a Global Express compared to the GV. We don't expect this to remain a permanent trend - it is also dictated somewhat by which aircraft are being sold.

The current trend is unusual, as historically, the GV had always seemed to hold more value than the Global Express, and typically purchasers have opted for the GV over the Global Express. Over the past few years, though, the Global Express seems to be the first pick. Values have consequently shot up further than the GV, marking a switch between the two aircraft in the marketplace.

When choosing between these two aircraft, buying decisions will tend to come down to personal requirements – particularly regarding cabin requirements. Questions such as 'what type of floorplan do I need; what type of amenities can I get; how much room do I need?' can be the distinguishing factor.

➤ **More information from Central Business Jets, Inc;**
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PERFORMANCE COMPARISONS

| | RANGE (AVERAGE CRUISE SPEEDS) | SPEED (kts) | CABIN VOLUME (CUBIC FT) | MAX ALTITUDE | AVERAGE FUEL BURN (GAL/HR) | D.O.C. (USD) |
|----------------|-------------------------------|-------------|-------------------------|--------------|----------------------------|--------------|
| GLOBAL EXPRESS | 5,800 | 470 | 2,150 | 51,000 | 551 | \$3,087 |
| GULFSTREAM V | 5,800 | 470 | 1,670 | 51,000 | 538 | \$3,054 |

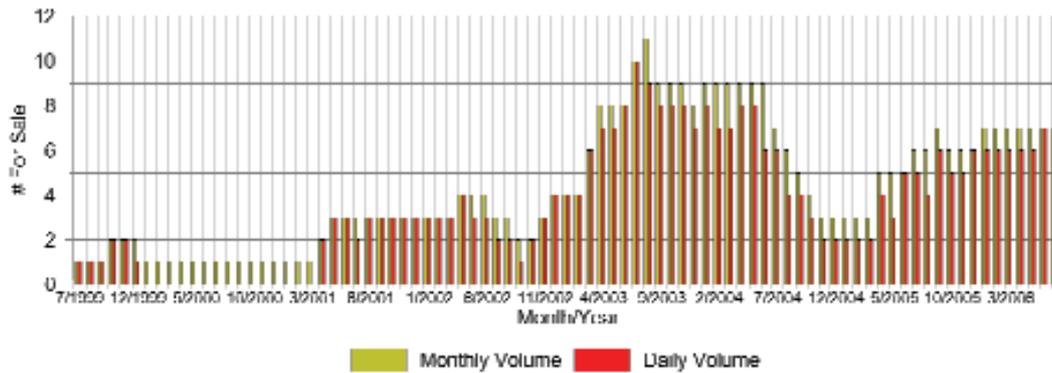
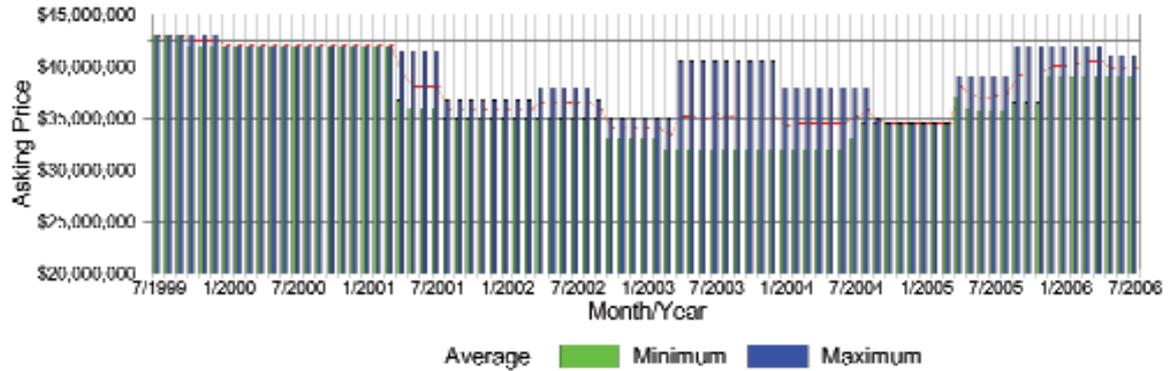
1. The average D.O.C. uses \$4.00 USD / gal.

2. Range is calculated using max fuel on board with IFR reserves.

3. Total D.O.C. costs are derived from operator feedback and include airframe & engine inspections, life limited components, fuel burns, engine, APU, and avionics reserves.

Source: Central Business Jets JETCOST® REPORT

Global Express For Sale



Gulfstream V Aircraft For Sale

