

Volume 2, Part 6: Citation III/Excel

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Citation III and Excel. 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.

CITATION III/CITATION EXCEL

The Citation III represents as much as 56% of the entire CE-650 fleet series with a total 206 aircraft built. Development of the Citation III began back in 1976, with the airplane receiv-

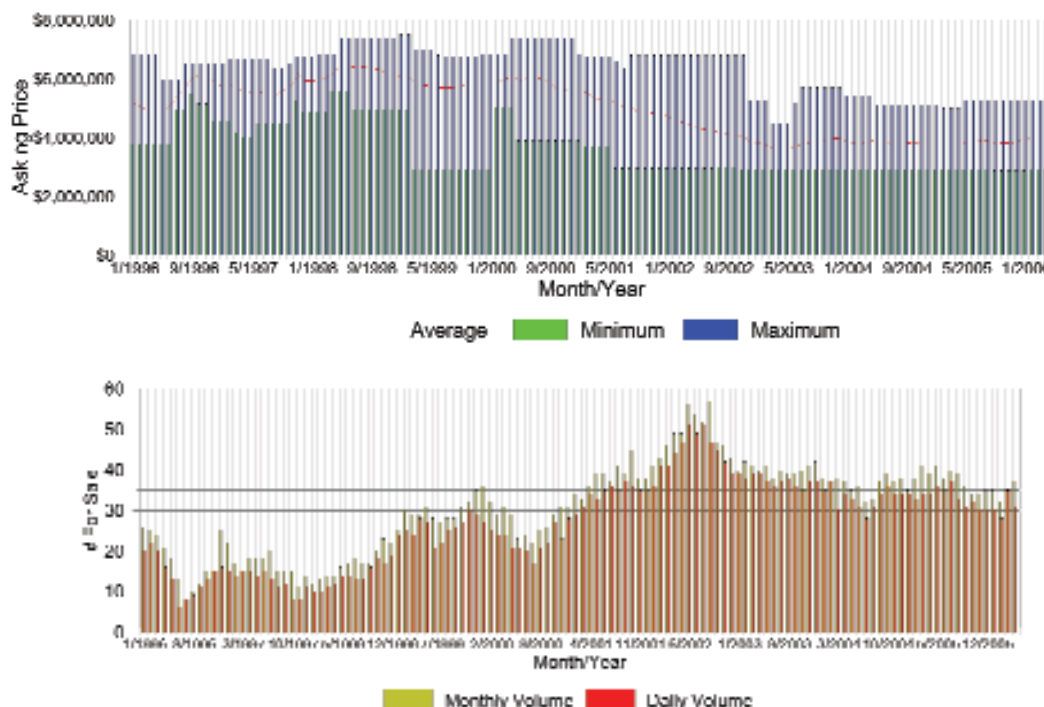
ing initial FAA certification six years later in 1982. The last Citation III was delivered in 1991.

The basic purpose behind the design of the Citation III was to provide the corporate world with an airplane that could achieve superior speeds at altitude – aided, in part, by the plane's super critical wing design, while also offering a fairly large, comfortable and quiet cabin. The average price of a new Citation III 23 years ago was \$4.4m with options.

A few years after production of the Citation III ended, the Citation Excel was introduced by Cessna at the 1994 NBAA Convention, and four years later in 1998, the first Excel rolled off the line.

As with all production jets, the manufacturer eventually looks to develop on its previous product offerings in order to keep them competitive and attractive to prospective buyers, and that's exactly what was happening when Cessna introduced the Excel. The

Citation III Aircraft For Sale



aircraft was built around the basic concept of the Citation III, but the design was also evolved a little to reduce the overall aircraft weight; improve overall performance; and offer new avionics; while keeping a fairly large, comfortable cabin to compete in the super light category (unlike its parent Citation 650 which operates in the midsize category).

The first Citation Excels sold at around \$6.3m with typical options. Given that the Excel was based on the concept of the Citation III, the two airplanes unsurprisingly tend to look very similar – in fact it can be difficult to pick them apart when airborne. Obviously on closer inspection there are several differences between the aircraft, such as their engines, avionics, wing and airframe structure - but what of the all-important value differences that will help a prospective buyer choose between the two?

MARKET TRENDS

Around mid-2003, the average asking price of a Citation III was \$3.5m (for aircraft below serial number 105), and \$4m (for serial number 105 and above). In today’s market, average asking prices still remain at \$3.5m for

Citation IIIs below serial number 105, but interestingly for serial number 105 and above, the average asking price has actually risen to \$4.7m. This is due partly to the high serial number representing a newer model, and partly to some desirable modifications that aren’t found on the earlier models including avionics mods.

Moving on to the Citation Excel, we can see some equally interesting phenomena. In the middle of 2003, prices of the Citation Excel reached their lowest level ever with an average asking price of just \$7.8m. Supply had shrunk towards the third quarter of 2003 to an average of 13 for sale. Then prices began to increase at a steady rate even though the supply hadn’t diminished further.

Today, the average price of the pre-owned Citation Excel is approximately \$8.5m, until recently with a mean supply of 15 aircraft for sale... although supply has shrunk significantly in the last quarter. At around \$8.5m, compare this with a brand new upgraded version, the XLS, which has a list price of \$10.650m with typical options.

Comparing the overall price trends of the later model Citation IIIs and Citation Excel, both aircraft have seen a rise in price. In sum-

mary, while later Citation III serial numbers have seen an almost equal amount of supply, over the last couple of years, they have seen a slight increase in price. Even though the Citation III is an older model than the Excel, this would demonstrate that there is still a lot of value in this aircraft.

While the Citation Excel’s value was mostly flat and even took a slight dip during 2004, from the middle of 2003, the later model Citation IIIs have risen slightly. Obviously there are some questions you have to ask yourself comparing these two. The most obvious is; ‘How much more am I willing to pay for newer?’

The Excel does have some superb avionics technology with its Primus 1000 suite, but some of the Citation IIIs use the same system as the GIV. If I can go faster, a bit further and get higher, would I consider something not as new, such as the Citation III? The Excel can perform better out of short fields compared to the Citation III, but how important is this to you?

We’ve put together some basic comparisons of the two below.

➤ More information from Central Business Jet, Inc; Tel: +1 952 894 8559; website: www.cbjets.com

PERFORMANCE COMPARISONS BETWEEN CITATION III & CITATION EXCEL					
	MAX RANGE(mm)	CABIN VOLUME(CUBIC FT)	MAX ALTITUDE	AVERAGE SPEED KTS	AVERAGE FUEL BURN (gal/hr)
CITATION III (650)	1,850	438	51,000ft	455	230
CITATION XL	1,800	461	45,000ft	425	205

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