

Volume 2, Part 8: Dassault Falcon 900 Series

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Falcon 900 Series. As usual, the evaluation is presented in such a way that readers can grasp meaningful, but easy to understand information on their 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.

DASSAULT FALCON 900 SERIES

Simply put, the Falcon 900 series' reputation sets them apart as a work of craftsmanship, and as aircraft that have evolved into a worldwide leader employing the latest available technology.

Built using the highest quality materials that complement its superb performance, it is no wonder Dassault still produces this aircraft (in the form of the 900EX today) over twenty years after introducing its initial concept to the market. Bizjet users have enjoyed



everything this tri-jet has to offer - including its uphold in market value over the years.

The original Falcon 900 took its first customer delivery back in 1986, and was outfitted with TFE731-5 engines. These were later upgraded as standard in production sometime after 1990 to TFE731-5BR powerplants offering an extra 250 lbs of thrust each and a more economic fuel burn rate. To reflect the upgrade, the Falcon 900 was marketed as the 900B. Approximately 90% of Falcon 900s built to date utilize TFE731-5BR powerplants.

By the early 1990s there was already talk that the plane maker was considering another upgrade to the engines, and by 1995, Dassault was delivering the 900EX equipped with three TFE731-60 engines, each adding an additional 250 lbs of thrust per engine, once more improving the overall performance of the jet. Also available from the 900EX was a new avionics suite (the Primus 2000); increased fuel capacity; and approximately 2,500 lbs increase in gross weight.

Still in production today, the Falcon 900EX now comes standard equipped with the Honeywell Primus Epic EASy flat panel integrated system as opposed to the original Primus 2000 avionics suite.

After the 900EX was introduced, and when Dassault had built 178 Falcon 900/Bs, it introduced the "C" variation at serial num-

ber 179 in 1999. The noticeable difference between the Falcon 900B and 900C model was a new avionics suite, the Primus 2000 which is offered in the 900EX, and an increase in gross weight capacity, offering an additional 1,000 lbs to operators. However, production of the 900C ended in 2004 (just five years later) at serial number 201.

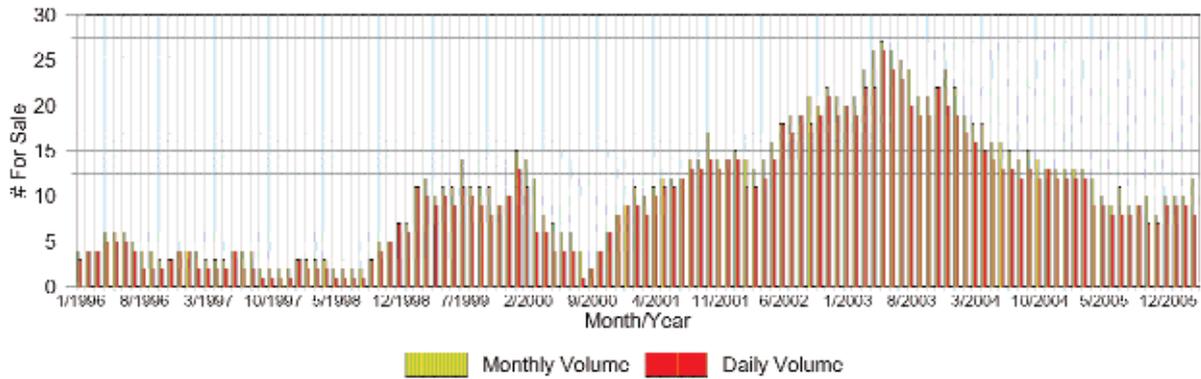
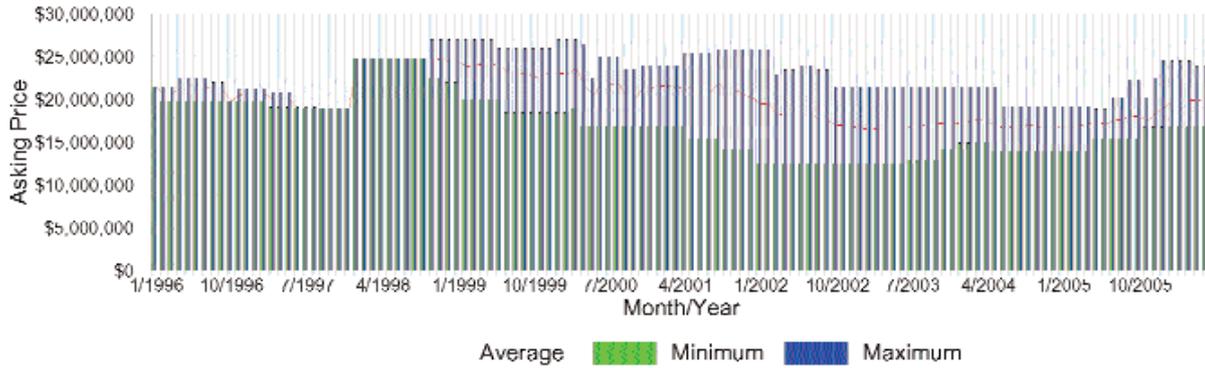
THE FALCON 900 MARKET

Since the rollout of the Falcon 900EX a decade ago and now the introduction of the 900EX EASy in 2004, this aircraft holds command and drives prices for the rest of the family. However, we've observed that 900B/C prices are not only driven by these, but also the Gulfstream IV and IVSP models. A grasp on the differences between the Falcon series line, their affect on each other, and their competition can have tremendous impact on future buying decisions.

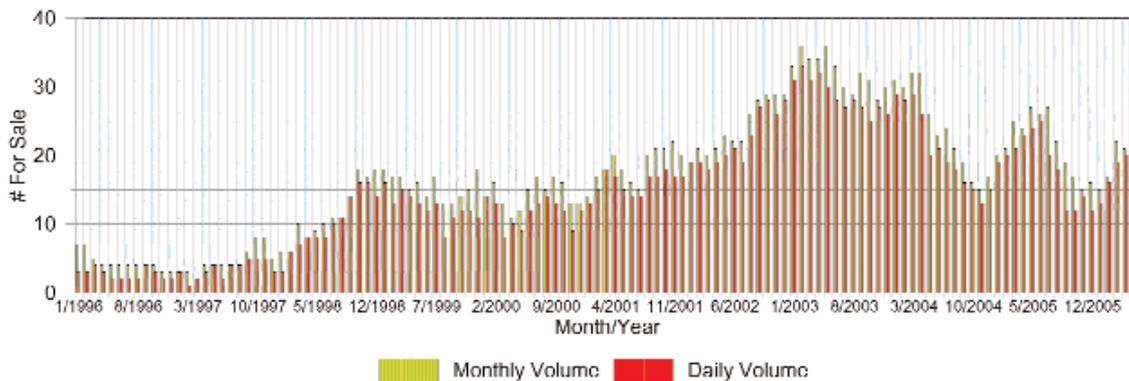
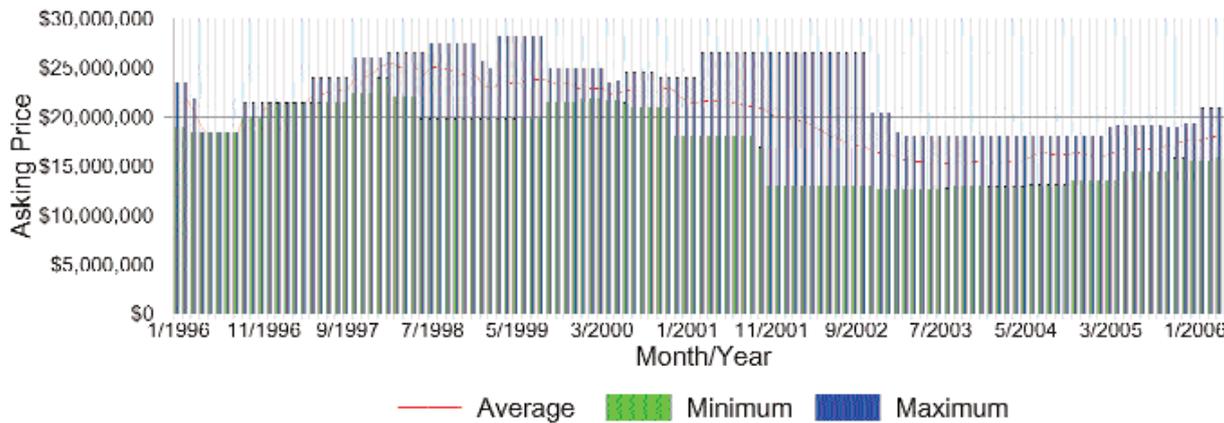
During the middle of 2003, the Falcon 900 series saw its lowest level of value in its entire history, which was the case for many other aircraft. In no way was it due to the airplane itself. The average asking price for a 900EX dipped in the middle of 2003 to \$25m which was \$2-\$3m less than just months earlier. This was in spite of a monthly average total of just six 900EXs for sale (5% of the entire fleet).

Within six months, the 'C' model saw a >

Falcon 900B Aircraft For Sale



Gulfstream IV Aircraft For Sale



similar trend occur, with average prices dropping to \$22m, and a monthly average of just two airplanes for sale (presumably scarcity kept it's value level with the 900EX). The 900B's, meantime, held the lowest market value out of the Falcon 900 series, with average prices dropping down to around \$17m, with a monthly average of 27 for sale, representing 15% of the fleet. As a simple rule of thumb, once you're pushing past 10% of the fleet for sale, you're on your way to a market that is about to hit bottom or go flat.

It's interesting to note that although there was a large supply of 900Bs available during 2003, they didn't see an abrupt change in price in the same way that the 900EX did.

Part of the reason for the 900EX's price dropping like it did may have been the availability of Gulfstream IV and IVSP's at a lesser price during the same time period. During 2003, the average GIVSP price was \$21m - almost a \$4m average difference compared with the 900EX. Consequently, the market was set for the entire line of Falcon 900's during that time period.

Looking to today's Falcon 900 market, and what a difference! In the last 12 months there has been a daily average of just one 900EX for sale with average prices hitting between \$30m to \$36m - as high as prices have ever been. In monthly average terms there were no 900Cs available. In fact the

last one available for purchase was nearly a year ago.

Having risen to a \$20m plateau, we have now, seen the price of 900Bs going flat during 2006 for two reasons: We're seeing more supply; and the average Gulfstream IV has continued to impact the 900B. At a certain price point, one aircraft clearly makes more purchase sense than the other for what you're getting, thus driving the demand/supply curve of the other.

Weigh up the options and numbers carefully before making your decision, below is a table containing some basic comparisons.

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

	RANGE (AVERAGE CRUISE SPEEDS)	SPEED (ktas)	CABIN VOLUME (CUBIC FT)	MAX ALTITUDE	AVERAGE FUEL BURN (GAL/HR)	D.O.C. (USD)
DA900B	3,800	460	1267	51,000	348	\$2,255
DA900C	3,800	460	1267	51,000	348	\$2,255
DA900EX	4,400	470	1267	51,000	371	\$2,247
GIV/SP	4,100	470	1525	45,000	488	\$2,484

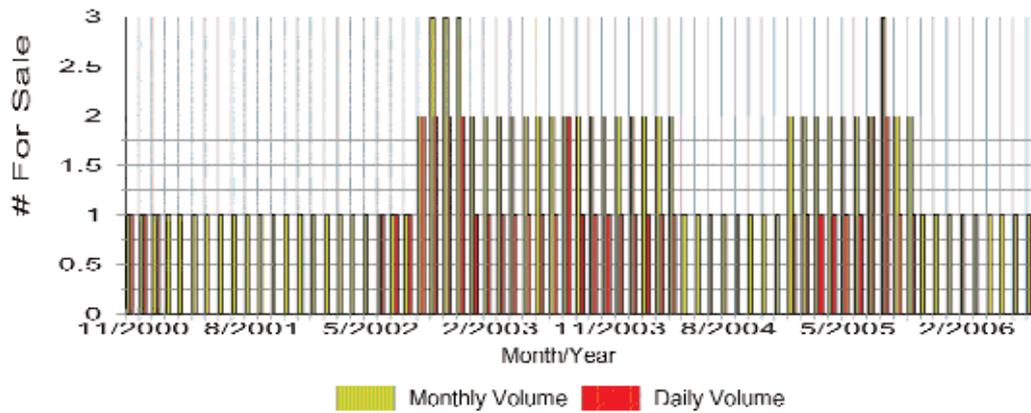
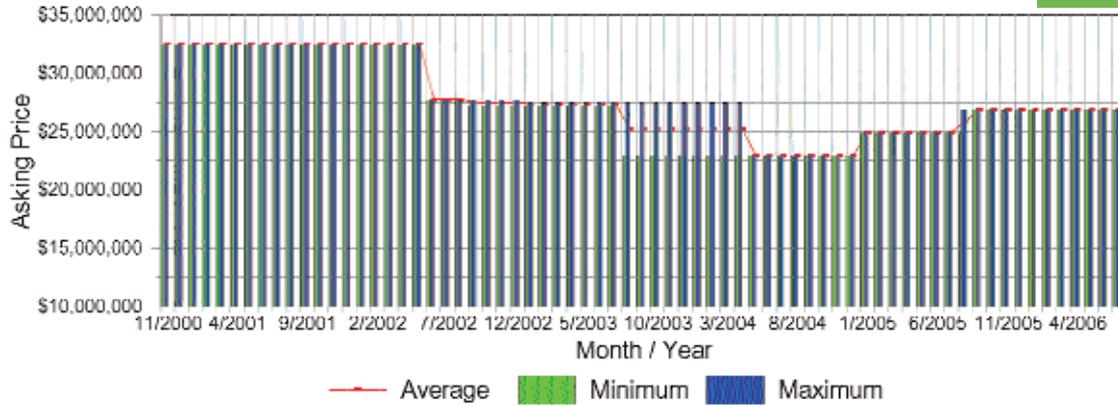
1. The average D.O.C. uses \$3.50 USD / gal.

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

Falcon 900C Aircraft For Sale



Falcon 900EX Aircraft For Sale

