

Volume I, Part 12: Cessna Citation V/Ultra

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Citation V & Ultra. 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.

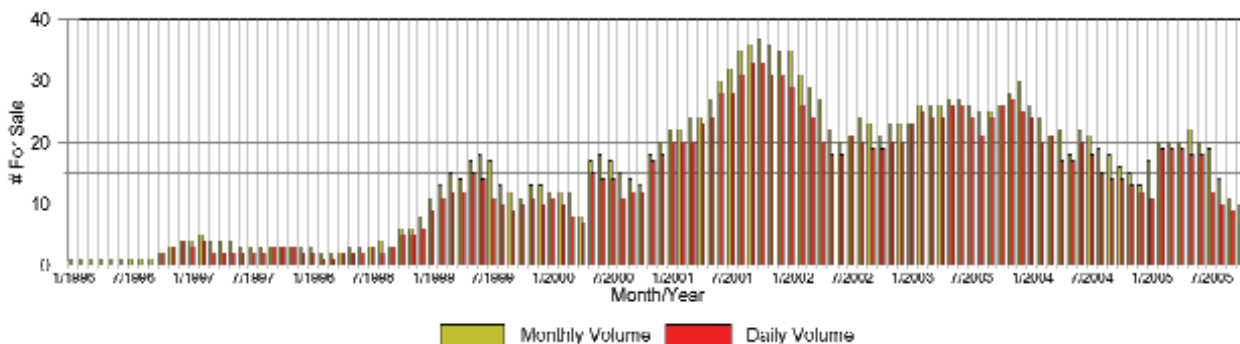
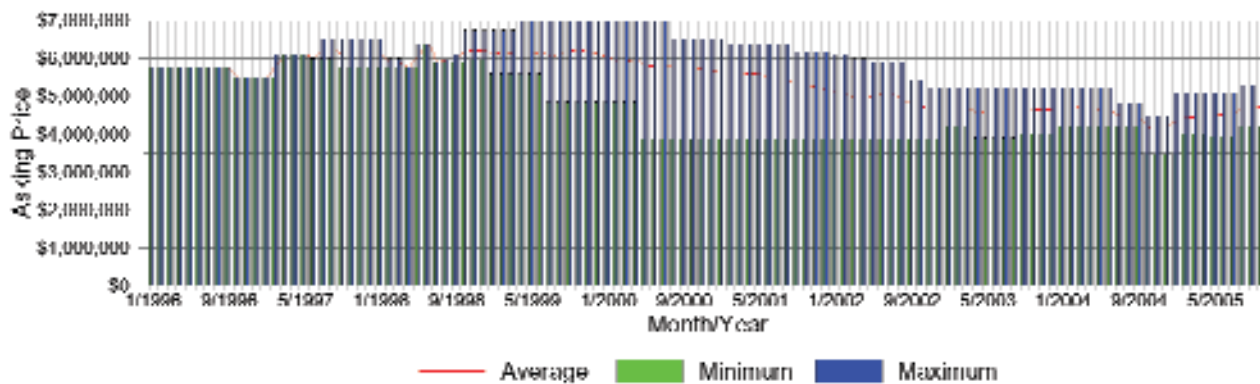
Best of all, you'll see what happened 10 years ago, five years ago, and what to expect for the future.

CITATION ULTRA

This month's feature looks at the market values of two sister airplanes – the Citation V and Citation Ultra – which stem from the Cessna Citation 560 Series. The first Citation V customer delivery was in 1989, followed by first customer delivery of the Ultra five year later in 1994. The Ultra was introduced as an upgrade to the Citation V, and incorporated extra payload, newer avionics, and slightly better runway performance. Cessna produced 262 straight Citation Vs, and 279 Ultras, which ended production in 1999.

There are two reasons behind our focus on these two airplanes. Firstly, as a first

Cessna Citation Ultra For Sale



business jet which you can acquire for less than \$5 million, they can carry a reasonable load, have low operating costs, and average stage lengths between 1,000 to 1,500 nm. These Citations prove themselves good value used airplanes to consider if you're looking to enter into business aircraft ownership.

Secondly, from a value standpoint, both of these aircraft have dropped in price considerably since 2000, but their price level has been on the rise since mid-2004.

Let's look at the most significant trends to have shaped in the Citation V/ Ultra market. Starting with the Citation V, prices began a downward slope from its all time high price in June of 2000. As the trend continued downward, there were a total of 51 Citation Vs for sale in May of 2002 – the equivalent of approximately 20% of the entire fleet.

The Citation Ultra started a downward trend from its all time high six months earlier

than the Citation V in January of 2000. We saw the largest supply of Ultra's for sale in November of 2001 with some 37 for sale.

Since then for both of these aircraft, the supply has never reached the same levels and the sister planes have both made a tremendous comeback, which we expect to continue.

Today, there are just six Citation Ultra's for sale worldwide with an average price of \$4.7 million. Just six months prior to this there were some 22 for sale with an average price of \$4.5 million. That's an increase of \$200,000 in just six months.

The Citation V has had the same positive effect with just 21 for sale worldwide and an average price of \$3.7 million as of this writing. Nearly a year ago there were just over 32 Citation V's for sale with an average price of \$3.4 million.

So drawing this into context, supply clearly affects the price for both airplanes but

there's more at play here. The price and supply of the Ultra's should continue to help the Citation V market recover. What we experienced during the past year in this market is that purchasers want the newer airplanes, but that when supply begins to dry up, they begin taking older models.

What distinguishes the two sister planes featured here from a purchaser's perspective is payload, performance, avionics and price. If you don't need the extra 400lbs of payload, newer avionics, and take-off performance that the Ultra offers, you're looking at an initial savings on average of \$1 million.

According to our charts and graphs, we're expecting the price of pre-owned Ultras and Vs to remain consistent through the next nine months.

➤ More information from Central Business Jets, Inc;
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BASIC COMPARISONS TABLE:

| | RANGE (AT AVERAGE CRUISE SPEEDS) | CABIN VOLUME (CUBIC FT) | AVERAGE SPEED | AVERAGE FUEL BURN (GAL/HR) | D.O.C (USD) |
|----------------|----------------------------------|-------------------------|---------------|----------------------------|-------------|
| CITATION V | 1,600 | 292 | 420 | 191 | \$1,061 |
| CITATION ULTRA | 1,650 | 292 | 425 | 205 | \$1,103 |

1. The average D.O.C uses \$3.00 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

Cessna Citation V For Sale

