



Volume 2, Part 2: Gulfstream IV/IVSP

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month as we assess the Gulfstream IV and IVSP a year on from our first evaluation of the GIVSP. 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.

GULFSTREAM IV/IVSP

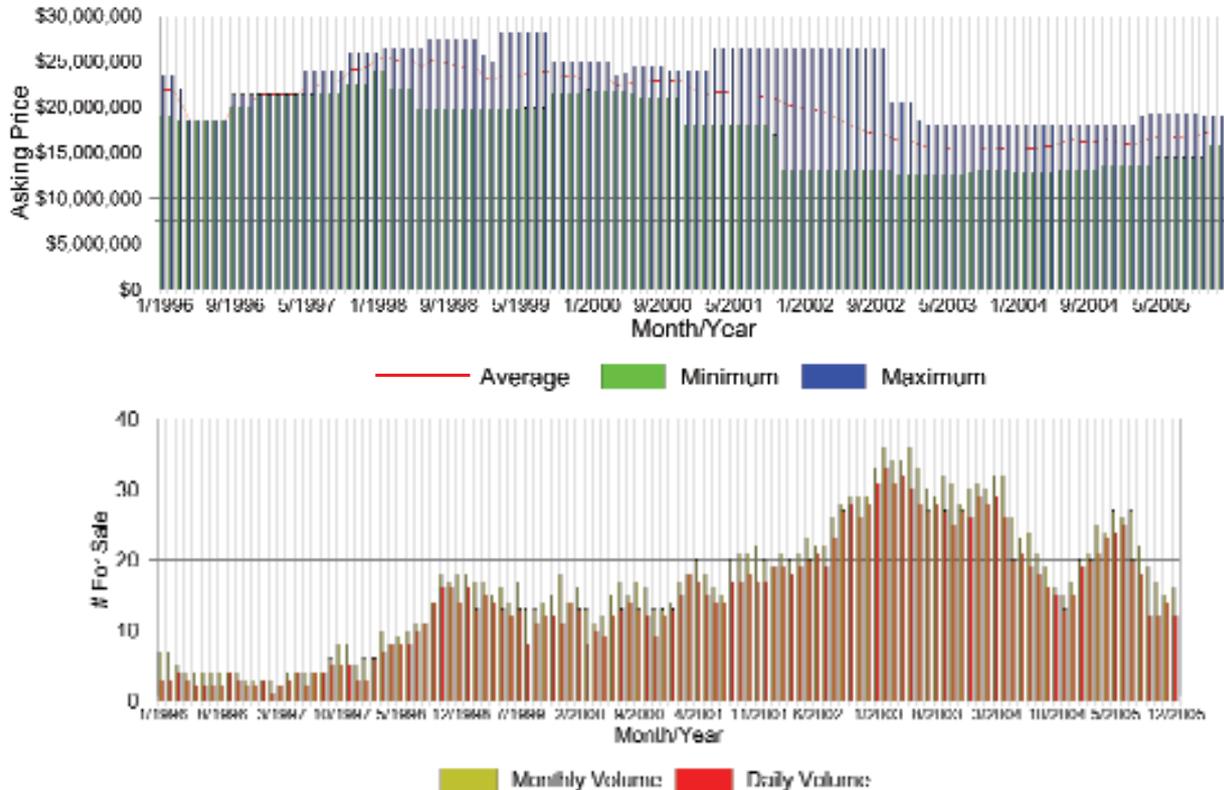
A year ago this month we looked at the GIVSPs historical value, and also looked for-

ward six months to predict its future value. While bringing you up to speed with the IVSP over the past year, we're also going to introduce the Gulfstream IV, its predecessor to the equation.

Down the years, the OEMs have done a tremendous job marketing their airplanes, and especially marketing their various replacement models designed as upgrades for older models in their product lines. The Gulfstream IV and Gulfstream IVSP is a perfect example of this.

To this day, I still come across potential purchasers of a Gulfstream IV or a IVSP that tend to believe that these two airplanes come from different families. While it is true that there are a few internal differences, they're still the same airplane with the same fuselage, wing, and engines. The main differences include an updated avionics suite and a gross weight increase that is now standard on the IVSP. If you pulled both airplanes up on an FBO ramp side by side, you >

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ASSET EVALUATION

wouldn't know the difference.

The moral of that particular story: If you're thinking into the future about a Gulfstream IV or IVSP, you'll have to ask yourself how much more you're willing to pay per year for a newer year model.

If you have a certain budget in mind, then the answer you will seek will be clearer and more obvious. There have been more than 500 GIV/GIVSPs produced down the years, but which one appeals to you, your budget, and your needs the most? Let us take a look at some of the value trends that have taken shape over time.

It's truly amazing how well the Gulfstream IV has held its value (industry downturn excepted) - and we predict it will continue to do so. Nearly ten years ago, the average price of a straight GIV ranging from a 1986 model to a 1993 model was around \$18m with an average of two or three for

sale at any one time. Almost 10-years into the future as 2005 ended, its value was just only just shy of that number at \$17.5m, with an average daily total of 11 airplanes for sale at the end of December 2005. That represents only 5% of the entire GIV fleet on the market. By comparison, in July of 2005, there were a total of 25 GIVs for sale representing 11% of the fleet.

So how does this compare to the Gulfstream IVSP market? Ten years ago, the average price of a Gulfstream IVSP was \$25m with only two for sale in the world. Today, the average price of the Gulfstream IVSP is back at \$25m with a total of 14 for sale at the end of December, again representing just 5% of the fleet.

So in theory, the question still remains in our opinion, how much more are you willing to pay for a newer airplane?

As mentioned, a straight GIV can be

almost the same as a IVSP with the exception of the avionics suite. This of course could be upgraded, but may not be cost effective in terms of the money, and certification process involved in the upgrade.

At the time of writing, the lowest priced GIV is around \$15.5m for a 1986 model while the highest GIVSP price is \$28m for a much newer 2001 model. This fact alone should indicate that the entire Gulfstream IV fleet requires substantial consideration when you approach it.

As mentioned near the start of this monthly series, we can point out the price trends, but that can only be a starting point in the decision making process. We hope the above information gives you some insight when its time to start making a purchasing or selling decision.

➤ More information from Central Business Jets, Inc; Tel: +1 952.894.8559 Website: www.cbjets.com

BASIC COMPARISONS TABLE:

	RANGE (AT AVERAGE CRUISE SPEEDS)	AVERAGE SPEED	CABIN VOLUME(CUBIC FT)	MAX ALTITUDE	AVERAGE FUEL BURN(GAL/HR)
GULFSTREAM IV	4,100	460	1,513	45,000	475
GULFSTREAM IVSP	4,100	460	1,513	45,000	475

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

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