

Volume 2, Part 1: Gulfstream V/Global Express

by Anthony Theis

World Aircraft Sales Magazine begins volume two of its Asset Evaluation series by revisiting the Gulfstream V, and viewing its value in context with the Global Express. 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

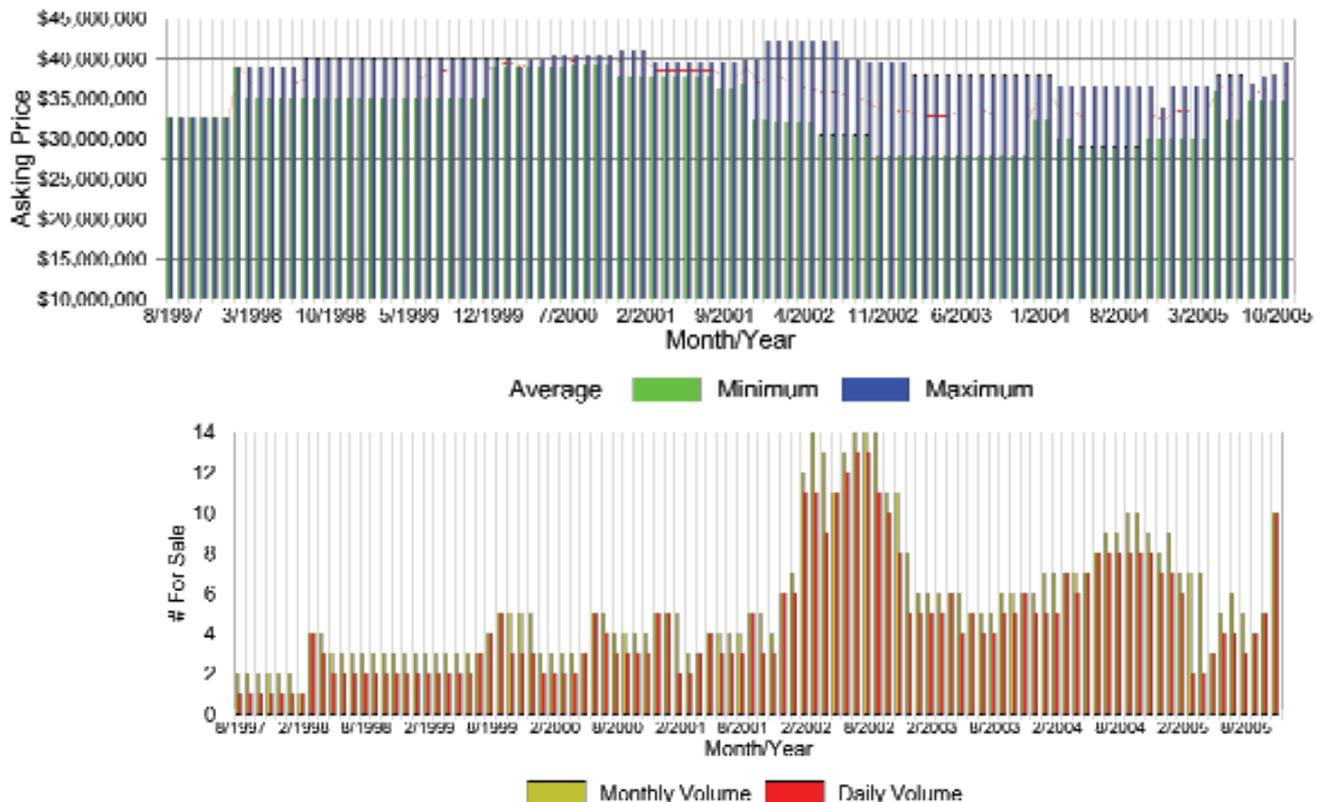
information that's precise and accurate. Best of all, you'll see what happened 10 years ago, five years ago, and what to expect for the future.

GULFSTREAM V/GLOBAL EXPRESS

Exactly a year ago, we started our Asset Evaluation series by looking at the Gulfstream V. At that time, the market saw just under 4% of the GV fleet available for resale, with average prices reaching around the \$32.5m mark. Looking further into its trend statistics, the supply curve was decreasing which ultimately would reflect a position that prices would begin to climb.

During this same period, the Global Express market held steady supply with a daily average of only two for sale at year-end 2004, and three for sale during January 2005. >

Gulfstream V For Sale



Prices, meanwhile, remained flat at a little under \$35m on average. With minimal performance differences between the two airplanes and very similar performance specs, it was clear that supply and demand was a distinguishing factor in the average price for the two airplanes.

However, moving into 2005, and as the supply of GVs diminished, both aircraft began to see a rapid increase in price representing a \$4m average increase in value for the GV and a near \$4m spurge for the Global Express.

As we look back across the year just past, the GV market saw a sharp increase in supply with an average of 10 for sale daily at the end of November. This could be partially due to the aircraft being used in the interim for

new Gulfstream G550 deliveries. In April, there were just two GVs for sale, which really sparked the initial price increase, which has risen throughout 2005 to just shy of \$37m, and it appears that prices in this market may have reached their peak.

Meantime, the average daily availability of the Global Express has marginally risen throughout 2005 from two airplanes to around four in mid-2005 and five moving towards the end of the year. Interestingly in spite of this slight increase in availability, average prices have continued to climb to a point just shy of \$40m which is pushing towards the price of a new jet – incidentally you can't get your hands on new for another two years.

If you pay close enough attention to the

charts that represent these two aircraft, there's a correlation between them both that drive each other's market. One must also keep in mind that nearly 200 airplanes comprise the GV fleet, with the Global Express just passing the 150th delivery which means there's potential for more supply in one market than the other which sometimes can have an effect on its price.

These two markets are without question dynamic as shown in the fluctuation of price and market demand. Knowing when to jump in or out of the market will ultimately lead to maximum value for buyer and seller alike.

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

	RANGE (AT AVERAGE CRUISE SPEEDS)	AVERAGE SPEED	CABIN VOLUME(CUBIC FT)	MAX ALTITUDE	AVERAGE FUEL BURN(GAL/HR)	D.O.C (USD)
GULFSTREAM V	5,800	470	1,670	51,000	551	\$2,582
GLOBAL EXPRESS	5,800	470	2,150	51,000	538	\$2,538

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 Et engine inspections, life limited components, fuel burns, engine, APU, and avionics reserves.
- Source: Central Business Jets JETCOST®REPORT

Global Express For Sale

