

Volume 2, Part 7: Citation 525 Series

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Citation 525 Series. As usual, the evaluation is presented in such a way that readers can grasp meaningful, but easy to understand information on the series' market value history. The goal is to give our readers highly useful applications so they remain informed.

Each featured airplane for sale 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 for sale there were 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 airplane sales market with

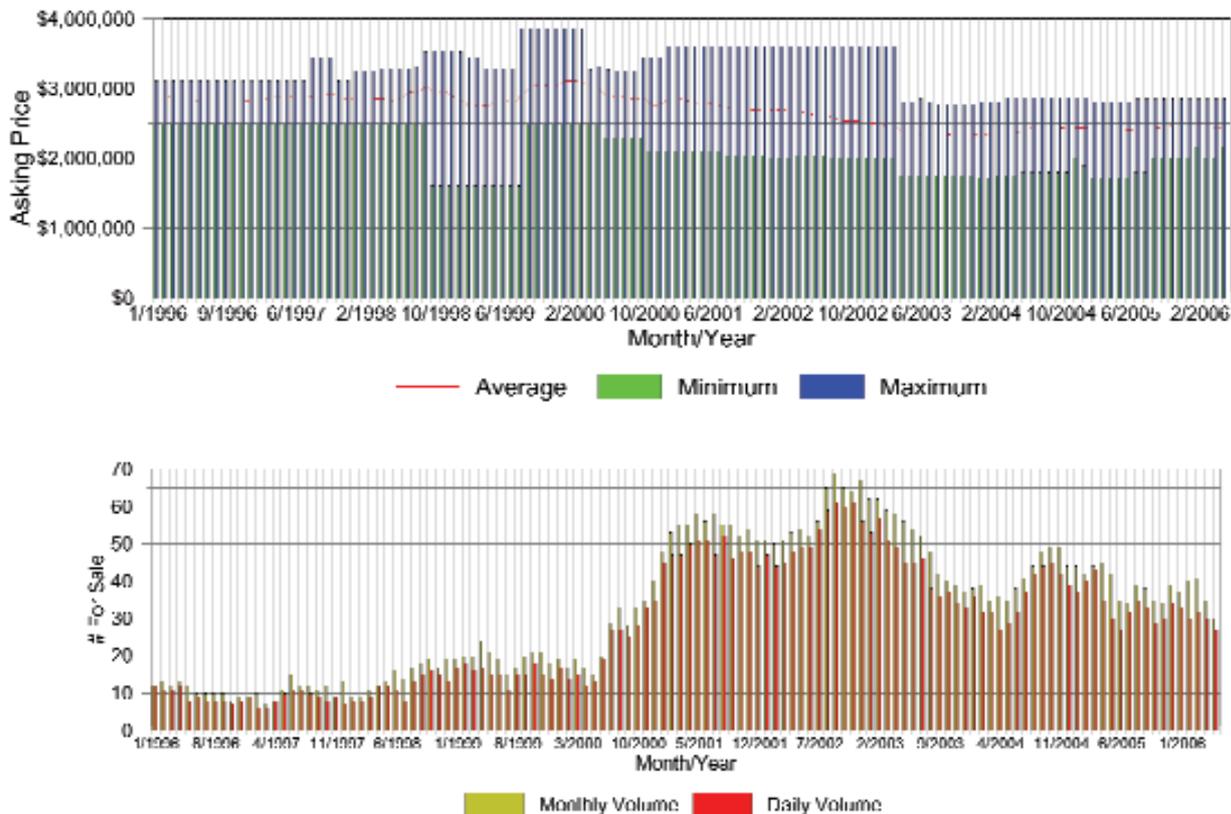
the latest pricing information that's precise and accurate. Best of all, you'll see what happened 10 years ago, five years ago, and what to expect for the future.

CITATION 525 CJ

Otherwise known as the 'CJ', the original 525 series airplane received its type certificate in 1992. Featuring a five-place seating configuration in the cabin, this airplane brought a new era in entry-level business jets with single pilot operation, very feasible economics, newer technology and the support of a major OEM that'd been producing quality airplanes for years.

The aircraft can operate for the same cost of a King Air 200. One of the benefits of the Citation 525 series is the engines being

Citation 525 CJ Aircraft For Sale



powered by Williams International instead of Pratt & Whitney which has proven to be a cost effective and reliable engine for this type of airplane. The Williams FJ44-1A produces 1,900 lbs of thrust. Prices today start at \$2.1m for an early model.

CITATION 525 CJ1

The original "CJ" proved to be winner in this class of airplane for Cessna (359 built from 1992 to 1999) so the company updated the cockpit technology to offer the new Collins Pro Line 21 system, and added an extra 200 lbs gross take-off weight to carry an extra passenger with full fuel.

Over 190 subsequent CJ1s have been built to date utilizing the same Williams FJ44-1A powered engines as the original CJ, but if you were an owner/operator, and you wanted something newer with an updated cockpit, the CJ1 was a natural consideration over the original 525. Today, prices for this aircraft start at \$3.0m.

CITATION 525 CJ2

The CJ2 represents yet another major leap in the lighter category class of aircraft for Cessna – and particularly held appeal for the

earlier CJ operators looking for more range and speed.

Compared to its predecessor, the CJ2 offers 2.8 feet extra cabin length; marginally more speed; and can carry an extra 712 pounds of fuel over the original CJ which equates at almost an extra hour in the air.

The CJ2 is powered by the Williams FJ44-2A engines producing 2,100 lbs of thrust each. First deliveries of the CJ2 began in 2000, and in the six years since, just over 240 have been built. Entry prices for the CJ2 today begin at \$5.0m for an average equipped early model.

CITATION 525 CJ3

Cessna's newest flagship for the fleet - the CJ3 - adds yet another two feet of cabin length over the CJ2, and can be configured with a double club or a center club seating arrangement.

Keeping with tradition, the CJ3 is powered by the Williams FJ44 engines (this time the -3A variant) producing 2,780 lbs of thrust, which again adds better climb performance and a bit more speed over its predecessor.

This latest brilliant design is undoubtedly going to prove to be winner over some of the

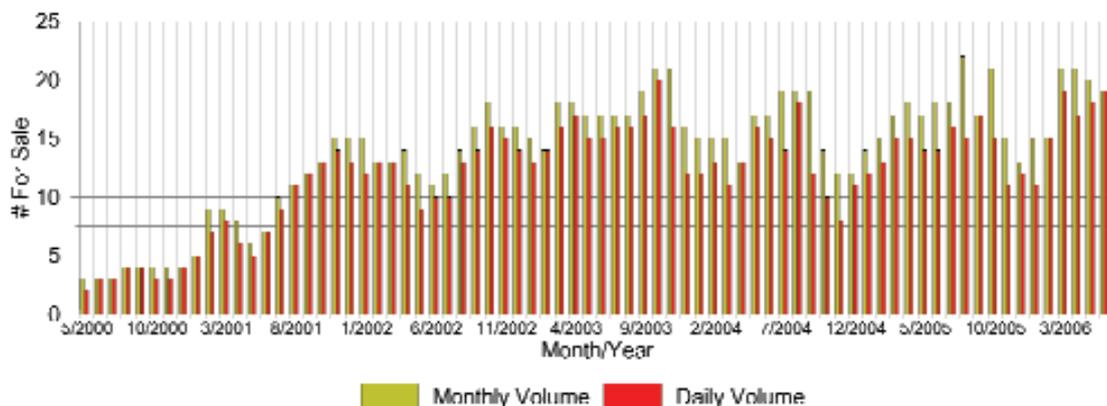
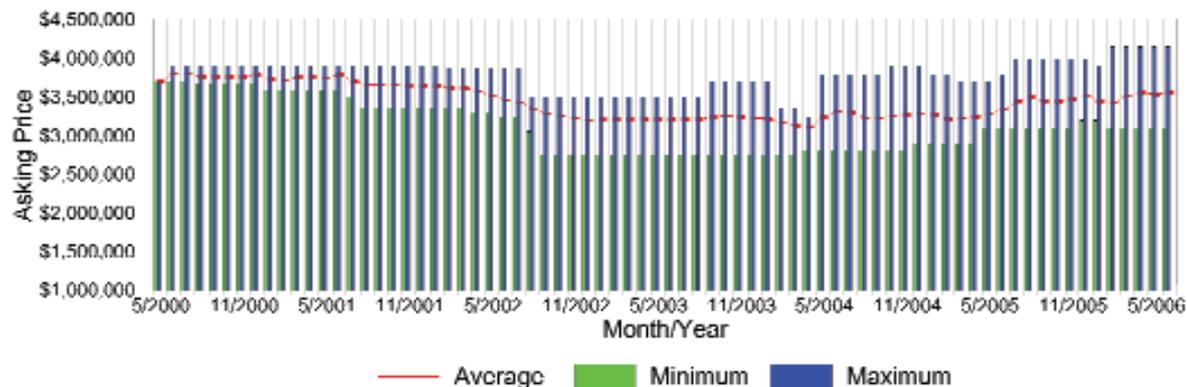
other 500 series aircraft due to its range, speed and payload capacity.

THE CITATION 525 SALES MARKET...

The overall market of the Citation 525 Series has proved to hold considerable value over time. All the aircraft in the family are reliable, and offer low fuel burn rates thus causing operational costs to be relatively inexpensive. It's also worth noting that the first early 525 models are still actually only 15 years old, and are also backed by a major OEM that's been producing quality, efficient airplanes for years. Operators are guaranteed quality maintenance and service support for many years to come.

If you can operate a business jet for the same cost as a turboprop - or even less - and fly around 100-170 knots faster, mission requirements aside, this must be a serious factor to consider, when looking to purchase an aircraft. Yet I'm often surprised by results of research at Central Business Jets that more turboprop operators haven't moved into this type of aircraft sales market. If you took for example the King Air 200 which has an average price between \$1m-\$2.5m and you ran the same 700 mile trip with the CJ, your trip

Citation 525 CJ1 Aircraft For Sale



cost per mile would be less on the CJ, and you would have shaved an extra 20-30 minutes off the trip.

Looking at the original CitationJet (525) using the JetTrack graph, it is clear how well its value has held in the last ten years. Looking back to August of 1996, the average asking price was just under \$2.9 million. Today, the average asking price is right around \$2.5million, representing only a \$400,000 drop in nearly a decade for a mass-produced airplane. What is most noticeable is the way in which there has been so little fluctuation of note in the price of the CJ these last 3-4 years.

Moving on to the CJ1 graph, there's a marked difference when compared to the CJ price trends. Its airplane sales market value

didn't hold as well over the years – dropping around \$500,000 over a five-year period before starting to recover fairly recently.

When we take into consideration that the only real difference between the CitationJet and CJ1 is an updated cockpit and increased gross weight, I just don't think for the average purchaser that this adds enough long-term value. The CJ1, after all, breaks the \$3 million mark, whereas the original CitationJet doesn't. Putting my neck on the block, I would predict that over time, as the fleet of the original 525s age more, the newer CJ1 will recoup some of its original value.

As far as the CJ2 is concerned, we may or may not see a change in its overall value as the only CJ built that is still worth more today than it was when the airplane was first

built. However, we could see this begin to change as more of the CJ3s are built... we can only wait and see.

In summary, without question the CitationJet really did mark a new era for the lighter jet aircraft. These airplanes do so much with a low cost of operation that doesn't drive owners away when they get their maintenance and fuel bills. Some even go to the extent as to nearly guarantee their cost of operation by adding the engine and airframe maintenance programs offered by Cessna and Williams. It's these types of airplanes that allow owner-operators to move into jet powered aviation.

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

PERFORMANCE COMPARISONS BETWEEN CITATIONJETS

	MAX RANGE(nm)	MAX ALTITUDE	CRUISE SPEEDS KTS	AVERAGE FUEL BURN(gal/hr)	ENGINE TYPE
CITATION 525	1,200	41,000	360	118	FJ44-1A
CITATION 525 CJ1	1,200	41,000	360	118	FJ44-1A
CITATION 525 CJ2	1,450	45,000	375	130	FJ44-2C
CITATION 525 CJ3	1,675	45,000	395	140	FJ44-3A

Citation 525 CJ2 Aircraft For Sale

