

Volume I, Part 10: Hawker 800

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Hawker 800 series. 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

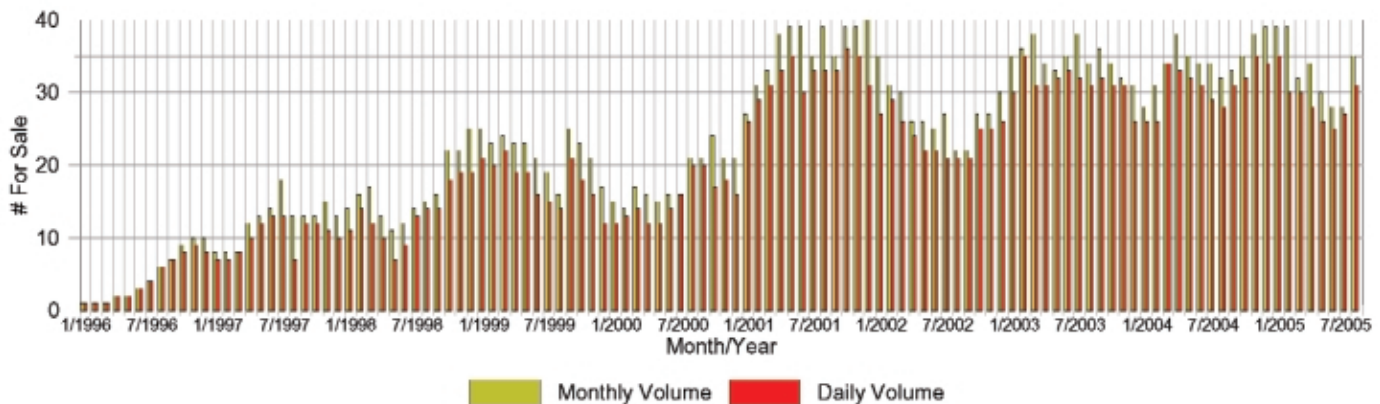
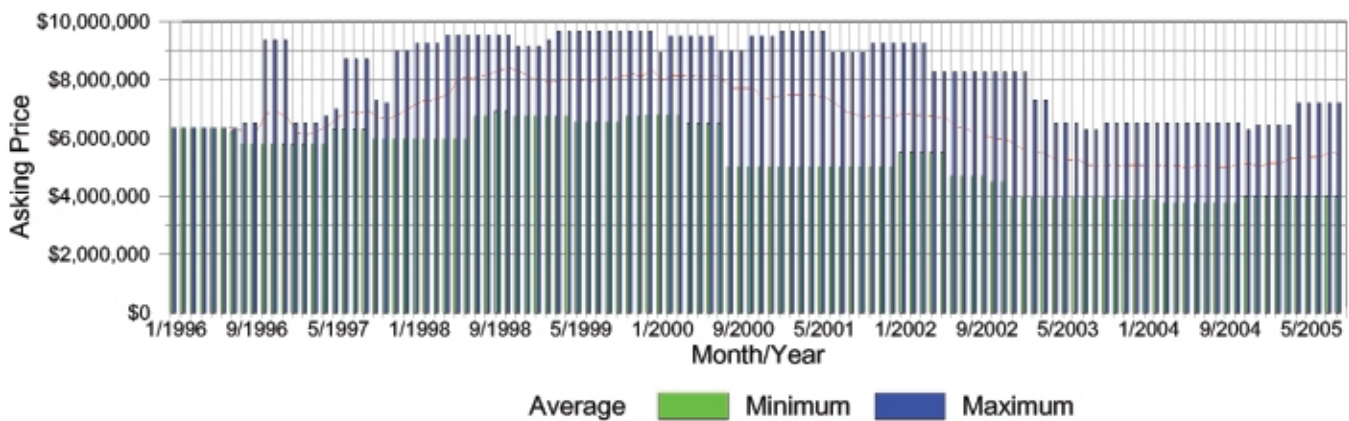
demand, the graphs give you a simple understanding of the peaks and valleys. Not only can you predict the value of your asset, but you'll also know the best time to sell or buy.

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, 5 years ago, and what to expect for the future.

HAWKER 800 FACTS

When Raytheon Corporation acquired British Aerospace's corporate jet division in 1993, a

Hawker 800A Aircraft For Sale



decision was made that would eventually become a highly profitable endeavour for Raytheon: The company opted to continue the production of Hawker 800s. Since then, the Hawker 800A has been adapted, and its successor the Hawker 800XP made this particular line of aircraft one of the company's most successful programs.

The manufacturer built 285 original Hawker 800A models – which were essentially a development on the Hawker 700 model that incorporated a performance and avionics upgrade.

While difficult to find in today's climate of designing for less while utilizing simple materials, the Hawker 800A was a true work of craftsmanship. The quality of work and design involved in putting this aircraft together was remarkable and should be made known to the world.

Of course, the product line continues today with the Hawker 800XP which began first customer deliveries in 1995. The 800XP incorporated an engine modification - the

Honeywell TFE731-5BR - over the original 731-5R utilised by the Hawker 800, along with an increase in gross weight. These upgrades were apparently highly pertinent, as, since its introduction, there have been just over 450 Hawker 800XPs built.

HAWKER 800 VALUE

During the middle of 1998 through mid-2000, the average price of a used Hawker 800A was approximately \$8 million, and then, during the next four years, the average price dropped nearly \$3 million. During this same four-year period, the Hawker 800XP suffered an average price decrease of only \$1.8 million.

While it is true that aircraft successors - such as the Hawker 800XP - drive the price trends of the rest of their predecessors - there's one more component that exists in the price trend of the Hawker 800 family: The Falcon 50.

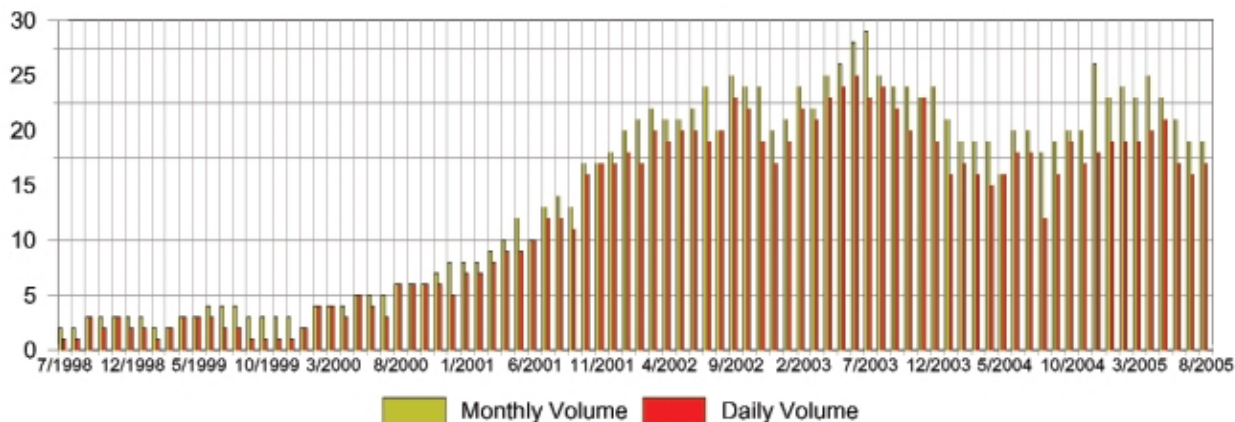
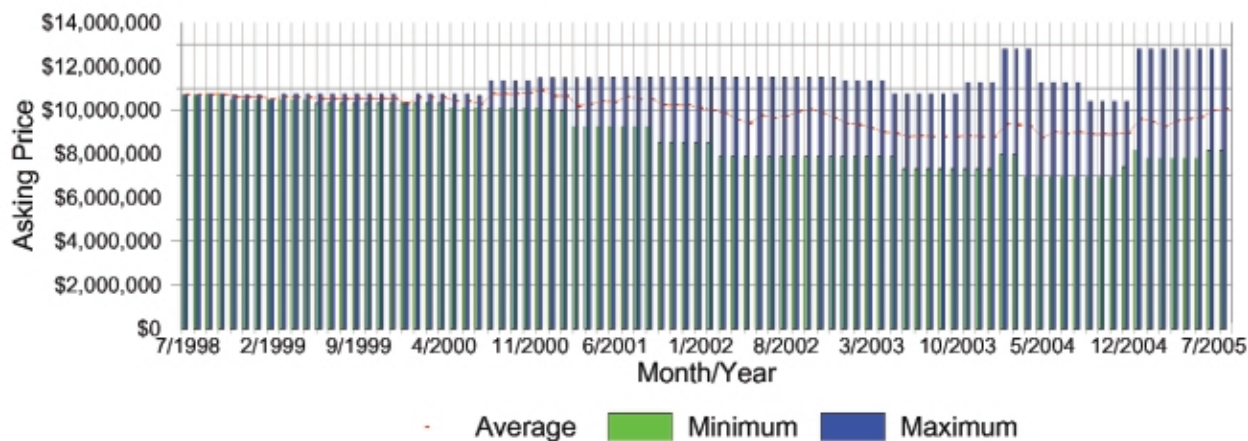
What does the Falcon 50 have to do with the Hawker 800A – it is not even a direct

competitor? Looking at performance specifications, the Falcon 50 is, however, the next logical purchase step-up from the Hawker 800A/B. If you were looking for an aircraft with a more spacious cabin and better performance, the Falcon 50 would be the obvious choice.

Consequently, after years of trend analysis and comparison, the Falcon 50 has been found to have a direct price relationship with the Hawker 800A. While over the four-year time frame mentioned above, the Hawker 800A dropped in value by an average of nearly \$3 million, the Falcon 50 also lost nearly \$3 million in value. Essentially, it figures that the Falcon 50 and Hawker 800A/B streamline each other, because you simply can't pay more for a Hawker 800A that offers less performance and cabin room than a Falcon 50.

Meanwhile the Hawker 800XP, as mentioned, lost an average of just \$1.8 million over that same four-year timeframe. One may ask what the relationship is between the >

Hawker 800XP Aircraft For Sale



Falcon 50 and Hawker 800XP. Again, there isn't a direct relationship: The 800XP added engine performance and avionics modifications over the Hawker 800 – not cabin room. The reason the Hawker 800XP has not seen the same drop in value is simply because the aircraft is newer.

Note from the graphs that the average price of the Hawker 800XP today is nearly \$10 million - around \$4.3 million higher than the average price of the Hawker 800A, and \$1.5 million (on average) higher than the

Falcon 50. This would only make sense when addressed from the perspective of whether the market is willing to pay for a newer airplane that doesn't offer as much cabin, performance and range as the Falcon 50. Apparently it is.

Essentially, we can see here how airplanes that don't compete directly can help drive each other's market values – especially in the case of the Hawker 800A and Falcon 50. To gain a true understanding of price trends in the market past, present or future, a wider

picture is needed than just the trends of a single aircraft.

The help of a program like JetTrack® to closely follow these relative markets can really pay off for an owner. Obviously a few other specific factors can determine a serial number's true value, but knowing exactly where you are in the cycle will undoubtedly prove highly beneficial.

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

	RANGE (AT AVERAGE CRUISE SPEEDS)	CABIN VOLUME(CUBIC FT)	MAX. ALTITUDE	AVERAGE FUEL BURN(GAL/HR)	D.O.C (USD)
HAWKER 800A	425	604	41,000	255	\$1,569
HAWKER 800XP	430	604	41,000	272	\$1,526
FALCON 50	455	700	49,000	340	\$1,923

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

Falcon 50 Aircraft For Sale

