

PRESS RELEASE

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For Immediate Release

JETNET Releases December 2017 and the Year 2017 Pre-Owned Business Jet, Business Turboprop, Helicopter, and Commercial Airliner Market Information

UTICA, NY – JETNET LLC, the leading provider of aviation market information, has released December 2017 and 2017 year-end results for the pre-owned business jet, business turboprop, helicopter, and commercial airliner markets.

Market Summary

Highlighted in **Table A** are key worldwide trends across all pre-owned aircraft market sectors, comparing December 2017 to December 2016, as well as 2017 year-end, and comparisons to 2016.

Most market sectors are showing lower inventory for sale, with more full-sale transactions in 2017 compared to 2016.

The Fleet For Sale percentages for all market sectors, with the exception of Piston Helicopters, were lower in the December comparisons, with Business Jets and Commercial Turboprops down the most (1.1 and .7 percentage point, respectively).

Across all market sectors, JETNET is reporting 9,071 full retail sale transactions for 2017. In 2016, this number was 8,737, an increase of 334, or 3.8% more transactions. Business Jets were 2,668 transactions in 2017, and when combined with Commercial Airliners at 2,307 transactions, they accounted for 53% of the total of 9,071 transactions recorded in 2017.

Table A: Worldwide Trends

Worldwide Trends							
December 2017	Business Aircraft		Helicopters		Commercial Airliners		Total
	Jet	T/P	Turbine	Piston	Jet	T/P	ALL
In-Operation Fleet	21,572	15,280	21,907	9,999	27,758	7,564	104,080
For Sale	2,143	1,093	1,395	561	343	386	5,921
% of Fleet For Sale 2017	9.9%	7.2%	6.4%	5.6%	1.2%	5.1%	5.7%
% of Fleet For Sale 2016	11.0%	7.7%	6.7%	5.4%	1.4%	5.8%	6.2%
Change - % For Sale	(1.1) pt	(-0.5) pt	(0.3) pt	0.2 pt	(-0.2) pt	(0.7) pt.	(0.5) pt.
January to December 2017							
Full Sale Transactions *	2,668	1,281	1,457	843	2,307	515	9,071
Average Days on Market	310	320	477	389	569	489	426
Y-T-D January to December 2017 vs 2016							
% Change - Sale Transactions	7.1%	(-5.1)%	9.4%	(-11.5)%	13.9%	(-12.1)%	3.8%
Change - Avg. Days on Market	n.c.	37	37	26	10	89	34

Source: JETNET; Analysis by Chase & Associates *whole sale and leases

All aircraft segments were taking more time to sell (34 days) in 2017 compared to 2016, except for business jets. Business Jets sold after an average of 310 days on the market, the same number of days as recorded in 2016.

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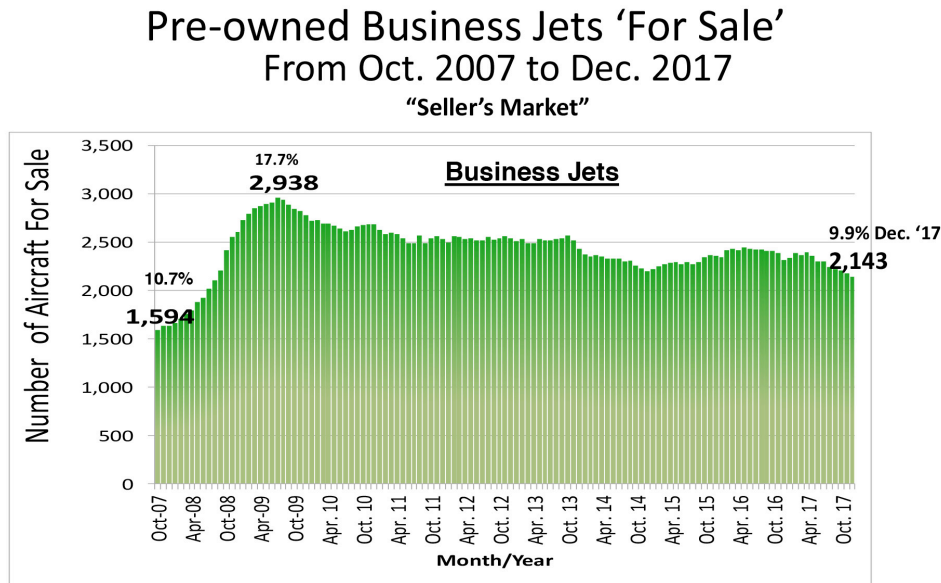
“For Sale” Inventory

Chart A illustrates that the “For Sale” inventory of business jets has decreased steadily from a high point in July 2009 (2,938) to 2,143 jets in December 2017. That’s a reduction in the percentage of the in-service fleet from 17.7% in July 2009 to 9.9% now. The percentage “For Sale” has dropped from 11.0% in January 2017 to 9.9% at the end of December 2017.

As the market has finally broken below the 10% threshold of inventory for sale, a period of transition is now in play, wherein the pendulum swings in favor for the buyer to the seller. Today the market of available aircraft continues to shrink, and still many models exhibit the soft pricing brought on by the diminishment of residual values that so completely dominated the post-recession years.

This is a positive sign, as the inventory “For Sale” has dropped, albeit slowly. Of course, we would hope that the reduced “For Sale” inventory continues to drop in 2018, which could lead to prices becoming firmer. Indeed, most aircraft business jet dealers and brokers today would tell you that the pristine used jets that were on the market a few years ago have become more challenging to locate. The sage advice for buyers is to act NOW. The council of “just wait a few months—the price will come down” may not present itself as we break into the seller’s market environment.

Chart A: Pre-Owned Business Jets For Sale – October 2007 through December 2017



% = For Sale/In-operation fleet

Source: JETNET Evolution STAR reports; Analysis and presentation by Chase & Associates

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Market Trend Segment Analysis

Further analysis of 2017 shows mixed full sale transaction results. Of the six segments reported in table A, three segments increased in numbers, comparing 2017 to 2016. The three segments were business jets (7.1%), turbine helicopters (9.4%), and commercial airliners (13.9%). The remaining three segments reported decreases in transactions, with commercial turboprops (-12.1%) showing the largest drop in 2017 vs. 2016.

Charts B and C display the 12-Month moving average for full retail transactions from December 2011 to December 2017 for business jets and turbine helicopters.

From December 2011, used business jet transactions steadily increased until 2014, from 2,100 to 2,600 in October 2015. A leveling-off followed in 2015, and 2016 produced mixed activity (while remaining around the 2,600 line of transactions).

Since dropping to 2,491 transactions in December 2016, the used business jet market segment has shown a sharp recovery through December 2017 (2,668). This could be a result of built-up demand in the U.S. after the newly-elected administration found its footing, and the stock market continued to climb to record highs.

Chart B: Used Business Jet Transactions – December 2011 through December 2017



Source: JETNET; Analysis & Presentation by Chase & Associates
 * Whole Sale and Lease Transactions

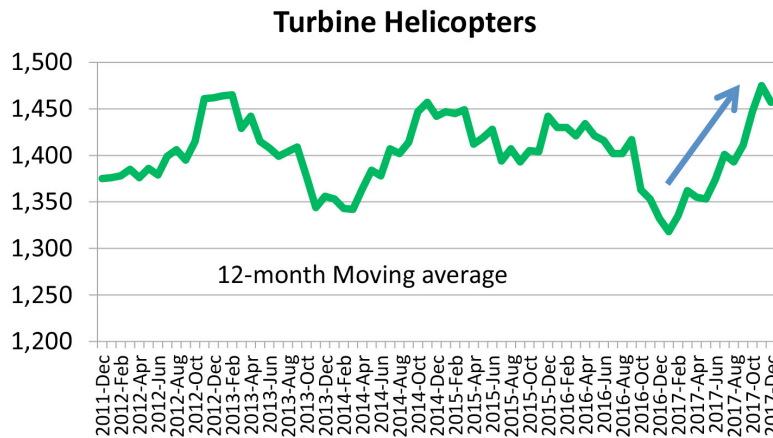
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Since reaching a low point in January 2017, the used turbine helicopter market segment has shown a very rapid recovery leading into December 2017 (see **Chart C**). This is great news, and could indicate better days ahead for the turbine helicopter market.

Chart C: Used Turbine Helicopter Transactions – December 2011 through December 2017

Pre-owned Turbine Helicopters
 Retail Sale Transactions *
 Dec. 2011 to Dec. 2017



Source: JETNET; Analysis & Presentation by Chase & Associates
 * Whole Sale and Lease Transactions

Pre-owned Business Jet Market By Weight Class

As shown in Table B, there were a total of 177—or 7.1%—more business jet transactions in 2017 compared to 2016. The Heavy weight class led with 146 (17.3%) more transactions, followed by the Light weight class, with 72—or 8.2%—in 2017 compared to 2016. Also, the Heavy weight class had the largest number of transactions in 2017: 992, or 37% of the total of 2,668.

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Table B: Retail Sale Transactions by Weight Class

Weight Class*	# of Retail Sale Transactions				
	2017	2016	Diff.	%	
Heavy	992	846	146	17.3%	* Heavy 35,001 & Up lbs
Medium	599	630	-31	-4.9%	Medium 20,001 to 35,000 lbs
Light	952	880	72	8.2%	Light 10,001 to 20,000 lbs
VLJ	124	135	-10	-7.7%	VLJ 0 to 10,000 lbs
Total	2,668	2,491	177	7.1%	

Source: JETNET

Summary

The recovery in business aviation during the post-recession period has been underwhelming. Now that 2018 is here, we hope the U.S. pre-owned market, along with improvements in the world economy, will continue to push more new aircraft purchases. As for now, the pre-owned market is transitioning to a seller’s market environment, with Pre-Owned For Sale inventories running at 9.9%.

JETNET, celebrating its 30th anniversary as the leading provider of aviation market information, delivers the most comprehensive and reliable business aircraft research to its exclusive clientele of aviation professionals worldwide. JETNET is the ultimate source for information and intelligence on the worldwide business, commercial, and helicopter aircraft fleet and marketplace, comprised of more than 100,000 airframes. Headquartered in its state-of-the-art facility in Utica, NY, JETNET offers comprehensive user-friendly aircraft data via real-time internet access or regular updates.

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