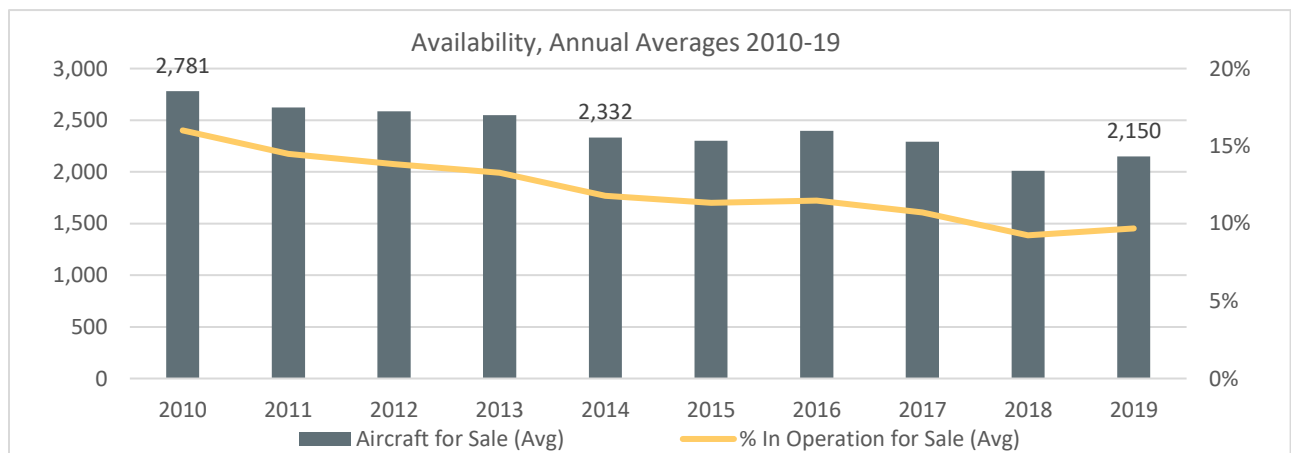
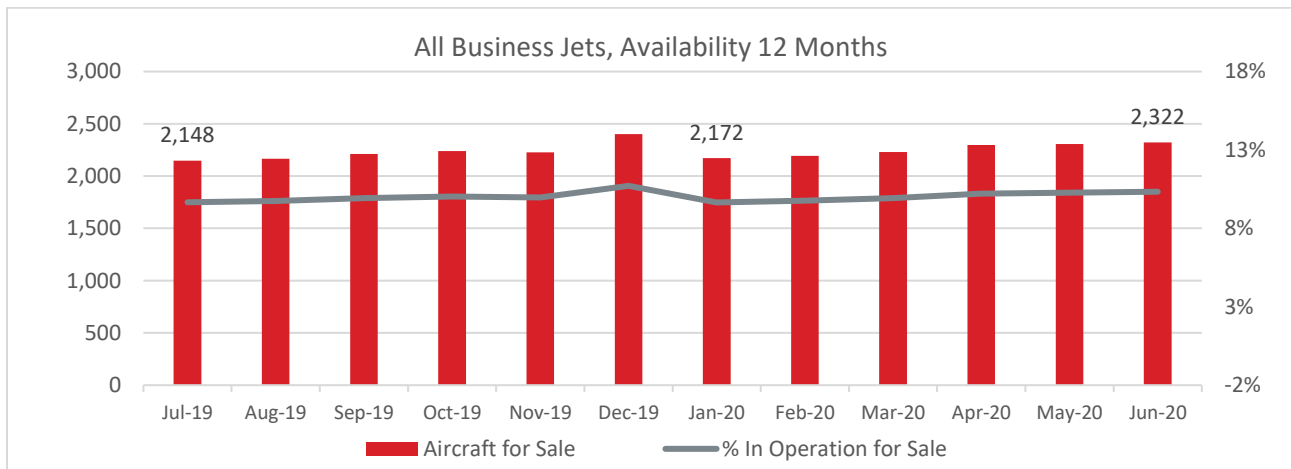


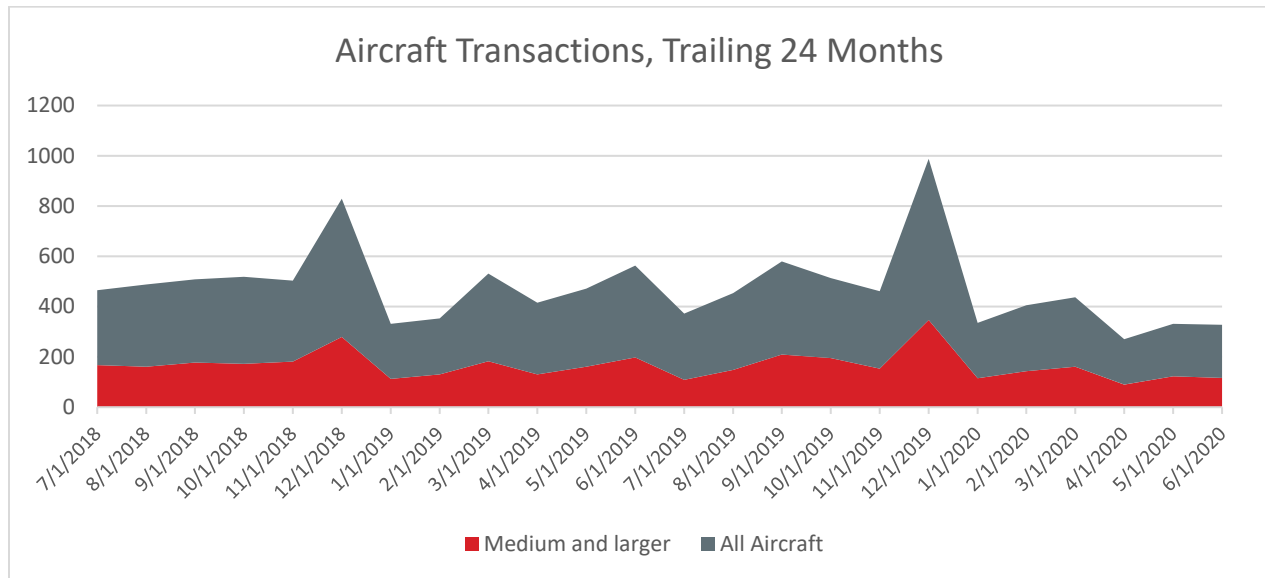
Due to the uncertainty and instability of the COVID-19 pandemic, sales prices are down throughout the market. Since March 2020, when the markets realized the sheer magnitude of uncertainty in all things air travel-related, industry experts have been publishing forecasts of how much new business aircraft deliveries will be affected in the coming years, ranging from drops of 12-50% in the next two years. This is following five years of successive record-breaking years, though, and now that the dust has begun to settle, it seems that the business jet manufacturers are finding fairly stable conditions for both orders of new aircraft and minimal delivery disruptions, now that factory and completion center closures are no longer directly affecting the supply chain.

The good news is that unlike the commercial passenger market, corporate and private jets did not see the kind of secondary market panic that was at first expected, nor did it see the kind of transaction stoppage that airlines did. According to JETNET, while the first half of 2020 has seen more jets become available for sale or lease, the number has not increased radically, with an availability rate of 10.33% of total aircraft at the end of June 2020, far lower than the average percentage 2010-2016, and with 2,322 aircraft available, comparable in number to 2014-17.

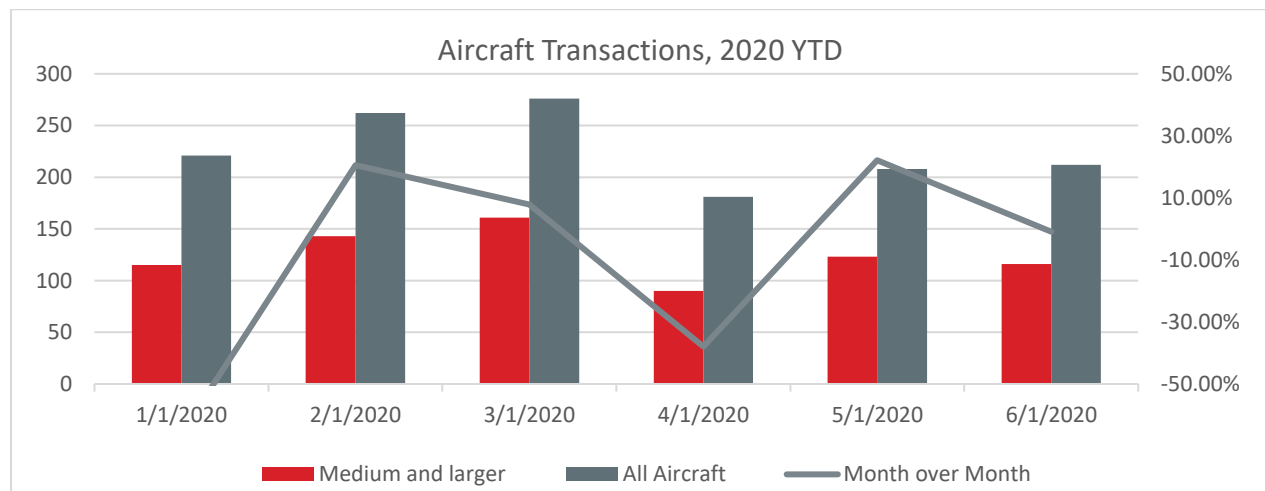


Aircraft transaction activity for both new and pre-owned aircraft slowed in March and April, though did not completely stop, as sellers and buyers could no longer easily meet. In-person inspections and test flights were much rarer, with video conferencing enabling much of the transaction process, just as it has in most industries globally. Due to this, there has been a downtick in international activity in recent months, but the majority of the business jet market has historically been in North America, and continues to be the case.

The number of transactions is lower than one would have expected a year ago, but certainly not suggestive of the type of plummeting in sales or indication of distress which is plaguing the commercial aviation market.



The latest data from JETNET looks promisingly stable for the period following April. Although only the next few months will truly tell how 2020 fared as a year, the corporate jet market has already proven more resilient in this downturn so far.



mba has comprehensive experience appraising business jet aircraft including but not limited to:

- Gulfstream
- Dassault
- Embraer
- Bombardier
- Cessna

For more Insight on the Corporate Jet Market, or to discuss particular aircraft, please contact **mba's** Appraisal Team: Appraisals@mba.aero