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# What's Your Business Aircraft Worth Today?



## Points of Value Specific to the Hawker Series of Business Jets

Senior Certified Aircraft Appraiser Jeremy Cox continues his series spotlighting aircraft makes and models and their value points in today's market. This month, the focus is on the Hawker series business jet models...

**T**he Industry was rocked in May 2012 when Hawker-Beechcraft Corporation (HBC) filed for bankruptcy following several troublesome years of turbulence. Using considerable debt, HBC acquired Beech and its Hawker line from Raytheon in 2006. The Global Financial Crisis emerged two years later, and the sale of HBC to a Chinese bidder subsequently failed. In February 2013, all business jet production at HBC ceased, and the company was renamed Beechcraft Corporation.

Textron, the parent company of Cessna Aircraft, purchased Beechcraft in 2014 and rebranded itself as Textron Aviation a new company that builds and sells the Cessna product-line, as well as non-jet Beechcraft aircraft.

Though the Citation series, starting in 1971, outnumbers the Hawker series by more than three-to-one, the Hawker can arguably be named the longest-running business jet: Excepting the engines, avionics and a handful of structural and aerodynamic tweaks, there is much similarity between a 1965-model DH125-1A and a 2013-model Hawker 900XP.

### Overview of the Hawker Series

**Hawker 4000:** Originally named the Hawker Horizon this is a super-midsize jet whose fuselage is constructed of spiral filament wound carbon fiber, mated with a metal wing. A pair of 6,900 lbst PW308A engines power this innovative aircraft.

The original owners of the Hawker 4000 are the greatest losers from HBC's bankruptcy, because today the residual value of the average Hawker 4000 is a mere 17.62% of its list price. Indeed, just a few months after production ceased, the \$21.563m (list-price) Hawker 4000 had dropped 50% in value and has continued to fall.

In the midst of HBC's bankruptcy and sale, Hawker 4000 aircraft were also being run through a three-month 'Block Point' Upgrade Program, which included modifications to fuel systems, avionics, engines and other systems (including a higher capacity toilet).

**Hawker 1000:** This jet was a significant upgrade from the Hawker 800 series, when it was announced to the market in the late 1980s. Deliveries began in 1990. The Hawker 1000 utilized a stretched fuselage that allowed two additional cabin windows, increased legroom and baggage space.

Its PW305B engines each produced 5,255 lbst, and the aircraft delivered a 10ktas increase over the Hawker 800A/B

while offering a 3,600 lbs increase in MGTOW. An additional 650nm range was also achieved in the Hawker 1000. Unfortunately, the Hawker 1000 was blighted by electrical issues, and only 65 were ever built.

The residual value of a 1992 Hawker 1000 is indicated to be at about 12% of its new value, based upon a 1992 List Price of \$12.9m, and an average retail value today of \$1.5m.

**Hawker 900XP:** This jet was positioned to be the top-seller for Hawker Beechcraft, over the Hawker 4000, Premier I/IA, and Hawker 400XP (Beechjet 400A). If bankruptcy had not stopped the 900XP, it would have likely been the most prolific model of the Hawker series. It was projected to eventually out-sell, and out-deliver the Hawker 800XP.

The Hawker 900XP was nearly identical to the 850XP, except that it had an aerodynamic advantage as well as more efficient TFE731-50R engines allowing it to fly 428nm further than the Hawker 850XP. The Hawker 900XP also retains the highest residual value of the entire Hawker series, at an average 28.65%. The residual value of a 2008 Hawker 900XP (list price - \$15.006m) has a current average retail value \$4.3m.

**Hawker 700:** This model was the first of the series to be equipped with Garrett (Honeywell) TFE731-3R engines in place of the Rolls-Royce 521/522 Viper units. British Aerospace Corp. designed the Hawker 700 to offer a significant increase in performance, while retaining the DH125's basic airframe.

The maximum range of a 521 Viper-powered DH125-1A was 1,310nm, whereas the range of the Hawker 700 leapt to 2,300nm thanks to the new powerplants. The residual value of a 1980 Hawker 700A/B today is about 12% of its new value, considering the 1980 list price was \$4.12m and the current average retail value is \$485k.

**Hawker 800A/B:** First delivered in 1983, the Hawker 800A/B provided significant performance improvements over the Hawker 700A/B. The TFE731 engines were upgraded to the -5R model, which provided 500 lbs additional thrust each, an increase in MGTOW, ability to carry 450 lbs more fuel, an increase of 10ktas speed, and 400nm extra range.

This was also the first Hawker model to feature an all-acrylic, curved design windshield, as well as an all-EFIS flight deck from Rockwell-Collins. Later models delivered in the 1990s could optionally be equipped at the factory, with Honeywell's Primus II (EDZ/SPZ8000) EFIS system.

The residual value of a 1989 Hawker 800A/B is about 10% of its new value (1989 list price was \$8.65m; current average retail value is \$800k).

**Hawker 800XP:** 17ktas extra speed, 600lbs more

MGTOW, a reduced Balanced Field Length (5,640 Ft. versus 6,300 Ft.), and a 25nm range increase over the straight Hawker 800 are characteristics of the Hawker 800XP. This was all achieved by the installation of the TFE731-5BR engine in place of the -5R, adding 460 lbst each.

The earlier 800XP, delivered between 1995 and 2002, shows a mixture of avionics suites. The majority from this period, however, are equipped with the Honeywell Primus II (EDZ/SPZ8000) – although the Rockwell Collins EFIS 86 is also common.

In the days that this aircraft commanded upwards of 50% of its residual value on the used jet market, there was a definite value difference that had to be applied to a Honeywell equipped aircraft. Collins-equipped aircraft were valued at \$250,000 less than the Honeywell-equipped aircraft. However, today, little (if any) value difference is perceived by most buyers.

The greatest value difference is found in the Rockwell Collins ProLine 21-equipped aircraft (circa S/N 258567 and above) with three older exceptions that I know of. There is approximately a +\$500k market value difference still realized by a ProLine 21-equipped Hawker 800XP in today's used jet market.

As a matter of fact, ProLine 21-equipped aircraft that are also fitted with the Aviation Partners (AP) Blended Winglets (AP changes the aircraft designation to that of 'XP2') are the most sought-after Hawker 800XP models, selling more quickly, and for a higher price than those that are not so equipped.

The residual value of a 2002-model ProLine 21 Hawker 800XP is about 18% of its new value (the 2002 list price was \$12.490m, whereas the current average retail value is \$2.3m).

**Hawker 800XPR:** The XPR was the designation given for an XP-model upgraded with TFE731-50R engines, and factory "Genuine Hawker" winglets. The XPR program effectively made the modified 800XP into an 850XP, and the aircraft can officially be re-designated as such by c/w Service Bulletin 01-3776.

**Hawker 800XPi:** This aircraft differed from the standard 800XP, by having an Integrated Flight Information System (IFIS) server as standard equipment, thus providing electronic charts and map overlays. The cabin was also revamped with various design refinements that included larger LCD monitors, new seat tailoring, Airshow 21 CMS, and more. Raytheon offered the XPi upgrade to all 800XP aircraft equipped with ProLine 21.

**Hawker 850XP:** An evolution of the 800XP, the Hawker 850XP was principally an 800XPi with Winglets. Hawker 800XP and Hawker 850XP aircraft equipped with ProLine 21 avionics suites are eligible to be re-designated as a model 900XP ➤



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when modified by 140-9004 Kit 800XP/850XP Engine Upgrade. The residual value of a 2007 Hawker 850XP today is about 25% of its new value (2007 list price was \$13.77m; current average retail value is \$3.5m).

**Hawker 750:** As an attempt to compete on price with the Cessna Citation XLS+ and Learjet 60XR the Hawker 750 was introduced. The 750 was based upon an 800XP, but without the fuselage tank thus enabling it to fly in and out of shorter runways. It was also designed to operate off gravel and grass, competing with the Citation.

The price difference, in 2008 between the 750, and the 900XP was \$2,778,500. Today, the residual value of a 2008-model Hawker 750 is about 25% of its new value, factoring a 2008 list price of \$12.228m and a current average retail value of \$3.0m.

### Early-Model Hawkers

The original name given to the DH125 was the 'Jet Dragon'. The model variations were 1A/B; 3A/B; 3A/RA; 3B/RA; 400A/B; and 600A/B. About 250 of these models were built, and delivered.

There is literally a handful of these aircraft still operating outside of the US, but since it is impossible without TFE731 engines to meet Stage III noise requirements, operations of these aircraft are severely limited. Out of the 250 Viper models, 101 were converted to TFE731 power, and approximately 65 of

these aircraft are still active. Note: The A models are eligible for US airworthiness certificates, and the B models are UK certified aircraft.

### An Insight into Annual Utilization

The Hawker 4000 is outlined by the Aircraft Bluebook to accumulate 345hrs annually. The current Hawker 4000 market shows the average TTAF of 1,714 hours (taken from eight aircraft 'For Sale', out of a fleet of 68), and an average of 888 landing cycles. That gives an average ratio of just over 1 flight-hour and 56 minutes per landing. The average Year of Manufacture of the 'For Sale' aircraft is 2009 (eight years old).

The Hawker 1000 is projected by the Aircraft Bluebook to accumulate 388hrs annually. The current Hawker 1000 market shows the average TTAF (between 12 aircraft listed 'For Sale' out of a total fleet of 49) is 9,163hrs, and an average of 6,062 landing cycles. That's an average ratio of just over 1 flight-hour, 31 minutes per landing. The average Year of Manufacture of the 'For Sale' aircraft is 1992 (25 years old).

The Hawker 900XP through the 800A/B jets are all projected by the Aircraft Bluebook to accumulate 410hrs annually. As an example, the ProLine 21-equipped Hawker 800XP market shows the Average TTAF (between 18 aircraft listed 'For Sale' from a fleet of 200) is 5,719hrs and an average of 3,746 landing cycles, giving an average ratio of just over 1 flight-hour, 32 minutes per landing. The average Year of Manufacture of the 'For Sale' aircraft is 2002 (15 years old.)

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The Hawker 700A/B is projected by the Aircraft Bluebook to accumulate 400hrs annually. The current Hawker 700A/B Market shows the Average TTAF (between 20 aircraft listed 'For Sale', out of a fleet of 173) is 10,276hrs, and an average of 7,056 landing cycles. That gives an average ratio of just over 1 flight-hour, 27 minutes per landing. The average Year of Manufacture of the 'For Sale' aircraft is 1980 (37 years old).

### Specific Upgrades/Modifications

Here follows a list of Appraised Value Add-Ons for each Hawker model discussed in this article (these are my numbers, not the numbers from the value guides)...

#### Hawker 4000

- No Block Point Upgrade c/w - **(\$1,500,000) Deduction**
- GoGo Biz ATG-5000 Wi-Fi - \$125,000
- Belted Potty Seat (9 Pax) - \$30,000

#### Hawker 1000

- Flight Data Recorder - \$90,000
- GoGo Biz ATG-5000 Wi-Fi - \$135,000
- Mk V EGPWS - \$75,000

#### Hawker 900XP

- Flight Data Recorder - \$100,000
- Autothrottles - \$120,000
- GoGo Biz ATG-4000 Wi-Fi - \$120,000
- Belted Potty Seat (9 Pax) - \$30,000

#### Hawker 850XP

- Flight Data Recorder - \$100,000

- Autothrottles - \$120,000
- GoGo Biz ATG-4000 Wi-Fi - \$120,000
- Belted Potty Seat (9 Pax) - \$30,000

#### Hawker 800XP

- XPR Modification - \$2,000,000
- HBC Winglets - \$125,000
- Blended Winglets - \$250,000
- Dual File Servers - \$50,000
- Flight Data Recorder - \$80,000
- GoGo Biz ATG-4000 Wi-Fi - \$120,000
- Belted Potty Seat (9 Pax) - \$20,000

#### Hawker 800A/B

- Blended Winglets - \$150,000
- No TCAS-II - **(\$75,000) Deduction**
- Flight Data Recorder - \$50,000

#### Hawker 750

- Belted Potty Seat (9 Pax) - \$30,000
- IFIS - \$50,000
- Flight Data Recorder - \$90,000
- GoGo Biz ATG-4000 Wi-Fi - \$120,000

#### Hawker 700A/B

- Equipped with Thrust Reversers - **(\$50,000) Deduction**
- No TCAS-II - **(\$40,000) Deduction**
- Flight Data Recorder - \$30,000

#### Early Hawker Models

- TFE731 Engine Retrofit - Market Value (was \$1.2m in 1976)



### Respective Hawker Model Manufacture & Fleet Numbers

• Hawker 4000	2001-2013	79 total built (68 currently active)
• Hawker 1000	1990-1998	65 total built (49 currently active)
• Hawker 900XP	2007-2013	193 total built (183 currently active)
• Hawker 850XP	2006-2009	121 total built (119 currently active)
• Hawker 800XP PL21*	2002-2006	203 total built (200 currently active)
• Hawker 800XP	1995-2002	272 total built (266 currently active)
• Hawker 800	1983-1995	315 total built (255 currently active)
• Hawker 750	2008-2011	48 total built (48 currently active)
• Hawker 700	1977-1984	243 total built (173 currently active)
• DH125-731	1976-1995	101 total built (65 currently active)

**Total Active Hawker Jets = 1,426**

\*PL21 = ProLine 21-equipped

Jeremy Cox is experienced in presenting his expertise at aviation meetings, seminars and conferences. If you have an upcoming event and would like to discuss having Jeremy present, you can contact him via [jcox@jetbrokers.com](mailto:jcox@jetbrokers.com)