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Points of Value Specific to Bizliners

Having paused last month to consider Bizliner appraisal concepts, Jeremy Cox resumes his series spotlighting aircraft makes and models and their value points in today's market, with a continued look at the Bizliners...

Before we delve into the world of Bizliners, we'll begin our discussion with airliners converted into business jets. From the 1970s right through to the present, it can be argued that virtually every make and model airliner has seen at least one Bizliner conversion within its fleet.

Many have subsequently been retired and scrapped due to more restrictive noise regulations, or because they are simply not economically viable to operate anymore. Airliners such as B707s, B720s, DC-8s, B727s, BAC 1-11s, DC-9s, Fokker 50s and 100s, as well as Airbus A300s, were all commonplace 25 years ago. Now they are very few-and-far-between. Interestingly, no Concorde SSTs were converted into Bizliners.

Beginning in the late 1990s, however, Airbus and Boeing began to offer their airline aircraft for corporate use, and provided certain factory-installed features such as more fuel capacity for the versions they marketed to the Business Aviation community. That market has grown beyond the expectations of the original forecasters, and today incorporates the following wide variety of aircraft from Airbus and Boeing.

Narrow-Body Bizliners

Boeing BBJ: Offering an MGTOW of 171,000 lbs, the BBJ carries 10,707 USG of Jet A, has a range of 6,270nm and is powered by two CFM-56-7B26 engines, each producing 26,300 lbst. In the cockpit is a six-LCD panel EFIS flight-display by Honeywell, integrated with Honeywell EGPWS, Rockwell Collins Nav/Comms, Radar, TCAS, including the FMS.

The residual value of a 2004 Boeing BBJ is currently at about 48% of its new value, based upon a retail value today of \$37.3m. List price for a 2017 model is \$65.0m.

Boeing BBJ2: Carrying 10,442 USGs of Jet A and offering a range of 5,630nm, the BBJ2 has an MGTOW of 174,200 lbs and is powered by a pair of CFM-56-7B27 engines, each producing 27,300 lbst.

The residual value of a 2004 Boeing BBJ2 is currently at about 53% of its new value, based upon a retail value today of \$40.0m. List price for a 2017 model is \$75.0m.

Boeing BBJ3: With slightly less range of 5,545nm than the BBJ2, the BBJ 3 offers greater MGTOW (187,700 lbs) and carries 10,996 USGs of Jet A. This model is powered by two CFM-56-7B27 engines, each producing 27,300 lbst. Similar to both the BBJ and the BBJ2, the cockpit contains a six-panel LCD EFIS flight-display by Honeywell, integrated with Honeywell EGPWS, along with Rockwell Collins Nav/Comms, Radar and TCAS (including the FMS).

The residual value of a 2010 Boeing BBJ3 currently stands at



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about 57% of its new value, based upon a retail value today of \$51.04m. List price for a 2017 model is \$90.0m.

Airbus ACJ319: Competing with Boeing's BBJ line, the ACJ319 offers an MGTOW of 168,650 lbs; carries 9,106 USGs of Jet A; has a range of 6,750nm and is powered by two Pratt & Whitney PW1100G engines, each producing 26,800 lbst. The six-panel EFIS LCD flight-display is built by Thales and is integrated with Rockwell Collins FMS, Nav/Comms, Radar and Honeywell TCAS and EGPWS.

The residual value of a 2003 model Airbus ACJ319 is currently 43% of its new price, based upon a retail value today of \$37.3m. List price for a 2017 model is \$87.0m.

Airbus ACJ320: Also competing with Boeing's BBJ line, the ACJ320 offers an MGTOW of 174,170 lbs; carries 7,884 USGs of Jet A; has a range of 6,000nm and is powered by two Pratt & Whitney PW1100G engines, each producing 26,800 lbst. The six-panel EFIS LCD flight-display is built by Thales and is integrated with Rockwell Collins FMS, Nav/Comms, Radar, and Honeywell TCAS and EGPWS.

The residual value of a 2011 model Airbus ACJ320 is currently 58% of its new price, based upon a retail value today of \$55.4m. List price for a 2017 model is \$95.0m.

Wide-Body Bizliners

Airbus ACJ380: The MGTOW of the ACJ380, the largest of all Bizliners, is 1,268,000 lbs. The aircraft carries 47,760 USGs of

Jet A, has a range of 9,500nm and is powered by four Rolls-Royce Trent 900 Engines, each producing 70,000 lbst. In the cockpit, an eight-LCD panel EFIS flight-display by Thales is integrated with Honeywell FMS, Nav/Comms, Radar, TCAS and EGPWS.

The residual value of a 2008 Airbus ACJ380 is indicated to be at about 55% of new, based upon a retail value today of \$240.0m. List price for a 2017 model is \$437.0m.

Boeing B747-8: The B747-8 Bizliner (powered by four GENx-2B67B powerplants producing 66,500 lbst each) has an MGTOW of 987,000 lbs and carries 63,030 USGs of Jet A, helping it boast a range of 8,875nm. Up front, a six-LCD panel EFIS flight-display by RockwellCollins is integrated with Rockwell Collins FMS, Nav/Comms, Radar, TCAS and EGPWS (Configurable Integrated Surveillance System: CISS-2100).

The residual value of a 2014 Boeing B747-8 is currently at about 64% of new, based upon a retail value today of \$232.0m. List price for a 2017 model is \$363.5m.

Airbus ACJ340-500: With an MGTOW of 837,800 lbs and capacity for 56,961 USGs of Jet A, the ACJ340-500 has a range of 9,900nm and is powered by four Rolls-Royce Trent 500 engines, each producing 53,000 lbst. A six-LCD panel EFIS flight-display by Thales is integrated with Honeywell FMS, Nav/Comms, Radar, TCAS and EGPWS.

The residual value of a 2007 Airbus ACJ340-500 currently stands at about 66% of its new price, based upon a retail value today of \$82.5m.



Boeing B777-300ER: Carrying up to 47,890 USGs of Jet A, the B777-300ER offers a range of 9,300nm and has an MGTOW of 775,000 lbs. It is powered by two GE90-115B engines (the largest Aero Engines in existence), each producing 115,300 lbt. In the cockpit, a six-LCD panel EFIS flight-display by Rockwell Collins is integrated with Rockwell Collins Comms, Radar, TCAS and EGPWS (Configurable Integrated Surveillance System: CISS-2100). Navs, including the FMS, are from Honeywell.

The residual value of a 2013 Boeing B777-300ER is currently about 61% of new, based upon a retail value today of \$217.9m. List price for a 2017 model is \$356.8m.

Boeing B777-200LR: Offering slightly less MGTOW than the -300ER (766,000 lbs), the -200LR carries the same 47,890 USGs of Jet A and offers a greater range of 10,030nm. It utilizes a pair of GE90-110B engines, each producing 110,760 lbt. A six-LCD panel cockpit is the same as for the -300ER model.

The residual value of a 2010 Boeing B777-200LR is currently at about 56% of new, based upon a retail value today of \$161.65m. List price for a 2017 model is \$291.2m.

Boeing B787-9: The B787-9 boasts an MGTOW of 560,000 lbs and carries 33,380 USGs of Jet A. Its range is 9,485nm, helped by two GENx-1B74/75 engines that each produce 74,100 lbt. A five-LCD panel EFIS flight-display by Rockwell Collins is integrated with Rockwell Collins Comms, Radar, TCAS, and EGPWS (Configurable Integrated Surveillance System: CISS-2100). Navs, including the FMS are from Honeywell.

The residual value of a 2014 Boeing B787-9 is currently at about 70% of its new price. This is based upon a retail value today of \$170m. List price for a 2017 model is \$243.6m.

Some Additional Current Models

Airbus ACJ350-900: The widebody aircraft has an MGTOW of 617,300 lbs, carries 36,460 USGs of Jet A, offers a range of 10,800nm and is powered by two Rolls-Royce Trent XWB engines, each producing 84,000 lbt. A six-LCD panel EFIS flight-display by Thales is integrated with Honeywell FMS, Nav/Comms, Radar, TCAS and EGPWS. List price for a 2017 model is \$311.0m.

Airbus ACJ330-200: This Airbus Corporate Jet has an MGTOW of 553,500 lbs, carries 20,760 USGs of Jet A, offers a range of 9,400nm and is powered by two CF6-80E1 engines, each producing 68,000 lbt. A six-LCD panel EFIS flight-display by Thales is integrated with Honeywell FMS, Nav/Comms, Radar, TCAS and EGPWS. List price for a 2017 model is \$234.0m.

Boeing B787: This version of the B787 had an MGTOW of 502,500 lbs, carries 33,340 USGs of Jet A, offers a range of 9,945nm and is powered by two GENx-1B64 engines, each producing 70,000 lbt. A five-LCD panel EFIS flight-display by Rockwell Collins is integrated with Rockwell Comms, Radar, TCAS, and EGPWS (Configurable Integrated Surveillance System: CISS-2100). Navs, including the FMS are from Honeywell. List price for a 2017 model is \$206.8m.

Interior Completions and Considerations

All of the Bizliner aircraft detailed here are delivered new, in a 'Green' condition, meaning that the exterior paint design and the interior are both bare. As soon as delivery occurs, the aircraft goes to a Completion Center for outfitting. The cost of this work can range anywhere from \$10m upward, with ➤





some work-scopes exceeding \$200m.

Bathtubs, showers, pianos, aquariums - even faux-flame, log burning fireplaces - are not uncommon. If a used, previously in-service aircraft is purchased instead of a factory new airplane, considerable cost savings are realized provided suitable arrangements can be made to convert the airline interior to a customized corporate arrangement.

Unfortunately, the full interior completion costs cannot be figured into the market value of a Bizliner, even after pro-rating the original outfitting based upon depreciation. This is because tastes and requirements vary greatly, and if a used-aircraft buyer decides to go back to a clean-slate design, by performing a whole new outfitting, the removed components will realize only their 'scrap' or salvage values.

Maintenance Insights

We'll conclude our review of the Bizliner market with some closing observations about aircraft maintenance.

For example, the C-Check on an Airbus A380 that occurs every 18 months costs \$475,000. The six-year inspection is \$4.316m, and the landing gear overhaul (every 10 years) is \$1.363m. The C-Check on a Boeing 737 (BBJ) that occurs every 20 months (or 4,000 hours) costs \$325,000. The Heavy Check every eight years (or 28,000 hours) is \$700k. The Landing Gear Overhaul every 12 years (or 18,000 cycles) is \$350k.

Irrespective of whether the aircraft being considered for purchase is an A380 VVIP or a BBJ, those in the market for a used Bizliner 'For Sale' ought to carefully weigh a prospective aircraft and give consideration to when its next major inspection is due. ■

The Years of Manufacture of each make, and model, descending in size are all as follows:

Airbus ACJ380	from 2005 to date,	with 4 built	(0 currently active)
Boeing B747-8	from 2010 to date,	with 9 built	(9 currently active)
Airbus ACJ340-500	from 2003 to 2010,	with 7 built	(7 currently active)
Boeing B777-300ER	from 2013 to date,	with 1 built	(1 currently active)
Boeing B777-200LR	from 2010 to date,	with 2 built	(2 currently active)
Airbus ACJ350-900	from 2013 to date,	with 0 built	(0 currently active)
Boeing B787-9	from 2013 to date,	1 built	(1 currently active)
Airbus ACJ330-200	from 1992 to date,	3 built	(3 currently active)
Boeing B787	from 2011 to date,	1 built	(1 currently active)
Boeing BBJ3 (B737-900)	from 2008 to date,	7 built	(7 currently active)
Boeing BBJ2 (B737-800)	from 2001 to date,	17 built	(17 currently active)
Airbus ACJ320 Prestige & NEO	from 2009 to date,	12 built	(10 currently active)
Boeing BBJ (B737-700)	from 1998 to date,	122 built	(118 currently active)
Airbus ACJ319 ACJ & NEO	from 1998 to date,	72 built	(72 currently active)