



*Cover page insight: Reinventing the world of aviation*

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Photography: Jetcraft

## **In the world of aviation**

# OLD IS GOLD

When the Canadian singer Drake bought himself a flashy new plane this year - a Boeing 767 300F - he made a bold statement. „No rental, no timeshare, no co-owners“. But his new acquisition was not fresh off the production line, it was pre-owned. Christened Air Drake, it is a 22-year-old converted airliner that came from Mid-East Jet's fleet. Drake's purchase is absolutely in line with the current trend in private aviation. When it comes to planes, old is gold.



Jetcraft, global leaders in private aviation sales, acquisitions and trades, recently released the aviation industry's first ever Five Year New and Pre-Owned Business Aviation Market Forecast. This chronicles the recent boom in pre-owned jets and predicts there will be four times more sales of pre-owned vs. new aircraft over the next five years. In today's corporate world, business jet travel is evolving towards longer journeys and bigger aircraft. More affordable and accessible refurbishment options keep jets flying and allow for more upgrades on pre-owned aircraft. Owners can now get the medium to large, long-range aircraft they need by buying pre-owned for a similar price to a smaller brand-new one.

The rise of used aircraft is welcome news for the industry that supports business jets through maintenance facilities and associated locations, resulting in a mini boom in this technical infrastructure. This in turn means that it is getting easier and more affordable to refurbish older aircraft. And as more jets are revamped and released back into the market they will further expand the pre-owned category.

Experienced business jet users have realized they can get a used large jet for the same price as a brand-new small aircraft, and the rate of depreciation of a pre-owned aircraft is significantly less than for a new

jet. An expanding market in aircraft maintenance and repair services has contributed to competitive pricing in ongoing ownership bills. Another fact worth noting is that business aircraft are living longer.

This year's Jetcraft Market Forecast highlights the value and scale of the second-hand jet market. While new jet deliveries over the next five years represent 3,444 units worth \$90.5bn there will be 11,765 pre-owned aircraft sold at a total value of \$61bn. And while 3,444 new jets are predicted to be delivered between 2019 and 2023 only 1,051 will be retired. This means the global fleet of active business jets will grow from nearly 20,000 today to over 22,000 in 2023.

At the same time, aircraft manufacturers must adapt to a world where longer journeys expand the market for large jets at the cost of Very Light Jets (VLJs). Seating just four to six passengers these VLJs were once seen as the future of business jet travel but have had their wings clipped by the need to cover long distances.

Only the larger jets such as Drake's former airliner can offer international customers the range they need to cover intercontinental flights. As such, innovation is focusing primarily on larger jets as buyers beyond the US look for planes that can take on very long routes.

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As used jets move up the wish-list of business users the demand for models that are no longer being built is also growing. These planes are typically subject to high-quality refurbishments offering their new owners a jet that's as good as new with all the obvious advantages of long-range and a large cabin.

The Market Forecast concludes that the average age of retirement for an aircraft is now 32 years old, as opposed to the previous industry average of 20 years.

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Jetcraft assigns a value to the pre-owned market, digging down into the new economic reality in business aviation. This reveals that the pre-owned value proposition is growing and buyers of a new smaller jet can now get a pre-owned midsize jet for an equal price or less.

A bigger, more comfortable jet that can hop across oceans costs the same over a five year period as a new aircraft built for shorter routes. The attractions of used aircraft are mounting up.





**ABOUT JAHID FAZAL-KARIM,  
OWNER AND CHAIRMAN OF THE  
BOARD AT JETCRAFT**

Passionate about planes from an early age, as a child he was forced to flee from his home in Madagascar due to a Civil War. He then went on to have a storied career which saw him ascend up through the ranks of Airbus and Bombardier – culminating in growing Jetcraft over the past 8 years to be the leading buyer and seller of business aircraft worldwide. Shortly after becoming co-owner of Jetcraft, the company posted its best-ever annual results with a continual year on year increase to date. Since joining the company in 2008, he has taken Jetcraft from a primarily US-based organization to an expanding international corporation.



*“I’ve been passionate about private aviation since I was young and studied for an aerospace engineering degree. I worked for both Airbus and Bombardier, where I led a team of more than 100 sales staff, achieved record sales and increased market share. Jetcraft was the natural next step for me, and I became a co - owner in 2008 – when I joined there were 12 employees, and today, there are more than 60.*

*We are now the world’s leader in aircraft sales, marketing and ownership strategies, with over twenty offices worldwide. And with over 55 years’ experience in the industry, we are uniquely situated between the traditional broker and the manufacturer, spanning both new and pre - owned aircraft markets. Our global presence means that our sales directors know the local markets, speak the local language and have facilitated numerous transactions in each locale. We’re never more than a few hours away from one of our customers, and we’re positioned to provide up - to - the - minute insight and expertise within any region.*

*We know that due to tech advancements and accessibility, ‘recycling’ planes and pre - owned purchase is on the rise – and demand for pre - owned business jets will soon outpace new plane deals by four - to - one by 2023. Globally, second - hand jet trade will account for \$61billion by 2023.*

*Right now, our main investment is looking for ways to better understand our database and stay in touch with clients more regularly and more often. And it’s working. Last year, for the first time in Jetcraft’s history, we achieved more than 100 transactions in one year. We also sold the first pre - owned Gulfstream G500 – a jet that only entered into service last year, demonstrating that pre - owned doesn’t have to mean old.*

*Looking forward to a great year in aviation ahead. ”*

*Jahid*