

Volume 3, Part 4: Falcon 50 Series

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Falcon 50 Series. As usual, the evaluation is presented in such a way that readers can grasp meaningful, but easy to understand information on its market value history. The goal is to give our readers highly useful applications so they remain informed.

Each featured aircraft is presented with a United States patented graph called JetTrack®. A proprietary program established in 1987, JetTrack® tracks price history, trends and transactions as a simple means to predict the value of your asset.

JetTrack® is broken up into two separate graphs in order to give you the best logical way of determining prices and trends. The top graph represents a history of true asking prices over a ten year period or since the inception of the aircraft (these prices do not represent new OEM deliveries). The bottom graph represents how many aircraft were for sale at the beginning of the month and how many remained for sale at the end of the month.

The clear picture between the two graphs is a linear understanding of the trends and prices. Since prices correlate with supply and demand, the graphs give you a simple understanding of the peaks and valleys. Not only can you predict the value of your asset, but you'll also know the best time to sell or buy.

Simple to use and uncomplicated, you stay ahead of the market with the latest pricing information that's precise and accurate. Best of all, you'll see what happened 10 years ago, five years ago, and what to expect for the future.

FALCON 50 SERIES

What a ride it's been so far for the Falcon 50 and its successor the Falcon 50EX across nearly three decades of production.

Throughout its lifespan, the basic aircraft has seen improvements made to the avionics, engines, and interior, and the aircraft has continued to be a highly valuable asset



to many business jet owners and to the marketplace in general.

The quality of craftsmanship throughout the aircraft is remarkable, and packaged within the aircraft is the ability to get off the ground with full fuel and maximum passenger load (uncommon), incredible hot and high performance, and a higher level of structural integrity – the Falcon 50 has one of the world's only fail-safe fuselages. In some regards, what more could one ask for?

Over the nearly thirty years of its production, the aircraft has had a great success record for holding its value outside of market crashes that have tended to affect the value of all aircraft regardless of their quality. Taking a look at the graphs, you can see where the Falcon 50 was ten years ago compared to today and what they've done on the market.

The straight Falcon 50 for example, looking back over the last 10 years below s/n 175 is worth more today than it was in 1996, while the Falcon 50EX looking at the graph is also at nearly the same level it was back

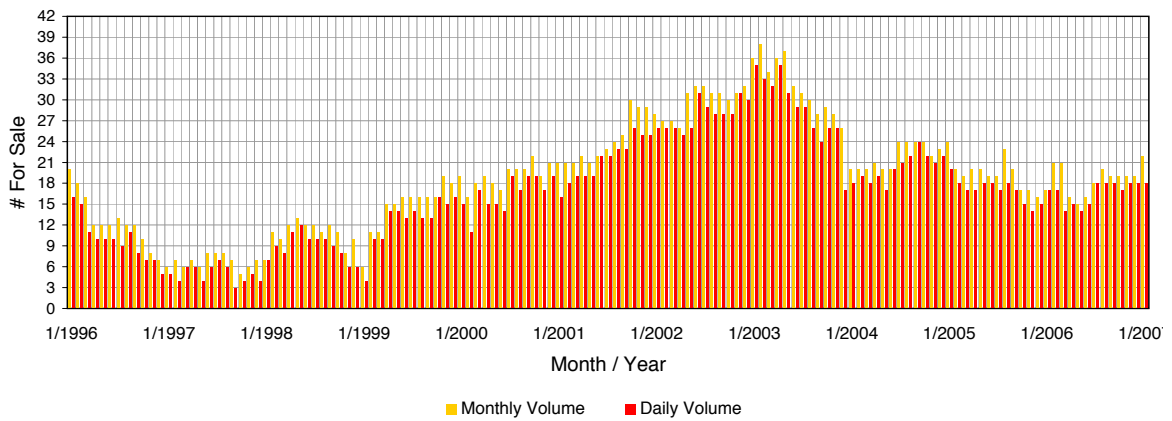
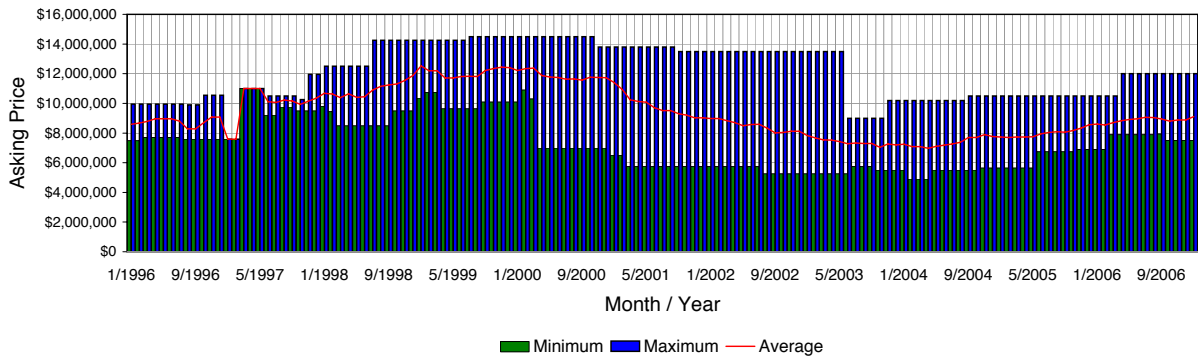
in 1998. Falcon 50s above s/n 175 since 1996 aren't worth what they were back in 1996 because of the introduction of the 50EX, which will always be worth more because of its upgrades in performance, interior, and avionics over the straight DA50.

Nevertheless s/n 175 and above have still held considerable value over time – especially since the market turnaround in 2003. Furthermore, there's a lot of data since the inception of the original Falcon 50 to use as a comparison basis for the future of the 50EX.

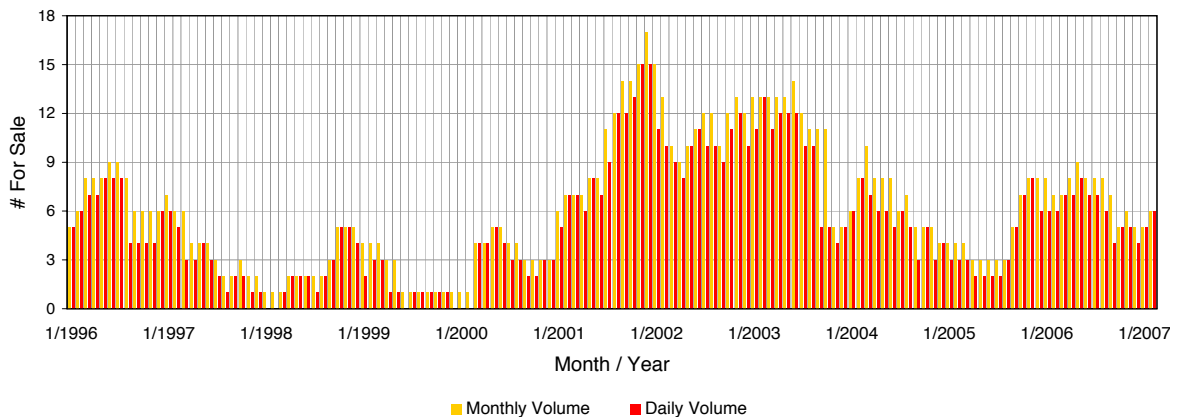
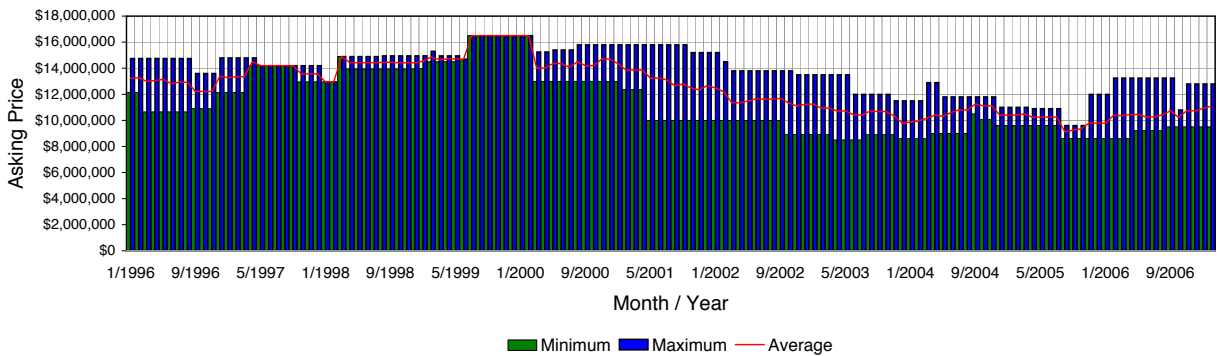
In total, 251 straight Falcon 50s were built down the years and the crossover to the Falcon 50EX began at serial number 251, then (excluding s/n 252 which was a straight Falcon 50) regular Falcon 50EX production replaced Falcon 50 production. To date, 99 Falcon 50EXs have delivered, bringing a total of 350 Falcon 50/EXs, meaning an average of approximately one aircraft has been delivered per month over the last 27 years.

The graphs of the Falcon 50 have been >

Falcon 50 S/N 1-175 Aircraft For Sale



Falcon 50 S/N 176 & UP Aircraft For Sale



split up to show the value difference in the later model aircraft that had production modifications which some, but not all, of the earlier Falcon 50s may not have had. Today, the average price of Falcon 50s between s/n 1-175 is hanging around \$9m while the average price of the Falcon 50 above s/n 175 is unsurprisingly higher at around \$11m. Meantime, today's average price for a Falcon 50EX is close to \$17.7m.

The early 175 Falcon 50s are up 10% in value over the last 12 months with a total of 18 for sale since the end of February 2007, while the Falcon 50s post-s/n 175 have also seen about a 10% increase in value over the last 12 months with a total of only six for

sale on the market since the end of February which is driven by purchasers simply wanting newer.

The Falcon 50s available on the market today have clocked up an average 9,200 hours airframe time, and the Aircraft Bluebook states that the average Falcon 50 operator flies 405 hours a year. Average days on the market for all Falcon 50s for sale have been around 240 days – although those above s/n 175 seem to be sitting for less than six months on the market on average.

The Falcon 50EXs available in the market today are seeing airframe time average around 3,600 hours and the Aircraft Bluebook states that the average Falcon

50EX operator flies 405 hours a year too. Average days on the market for all Falcon 50EXs for sale have been around 140 days.

We touched on it above; this aircraft really is a work of art, and as a purchaser of such an aircraft you can know that what you will be getting for the price is true value for money. If you are considering a Falcon 50, you'll perhaps want to look at the 50EX for a bit more field performance and a bit more range, but if your budget is less than \$12m, the straight DA50 will clearly suffice as an excellent buy.

➤ More information from Central Business Jets, Inc;
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FALCON 50 AIRCRAFT COMPARISONS

	RANGE (AVERAGE CRUISE SPEEDS)	CABIN VOLUME (CUBIC FT)	AVERAGE SPEED	AVERAGE FUEL BURN (GAL/HR)	D.O.C (USD)
DA50EX	3,200	700	460	330	\$2155
DA50 (4)	2,950	700	455	355	\$2460

Source: Central Business Jets JETCOST® REPORT

1. The average D.O.C. uses \$3.75 USD / gal.
2. Range is calculated using max fuel on board with IFR reserves.
3. Total D.O.C. costs are derived from operator feedback and include airframe & engine inspections, life limited components, fuel burns, engine, APU, and avionics reserves.
4. Retrofit Falcon 50s may have more range.

Falcon 50EX Aircraft For Sale

