

# Volume 3, Part 7: Citation 525

by Anthony Theis

**W**orld Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Citation CJ series aircraft. 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.

## CITATION 525 SERIES

For the last two years we've covered the Citation 525 series - but this time around you're going to notice some significant changes that have occurred to this market since we last visited it a year ago.

You may wonder - especially with the most talked about market of the very light jets - why we pay such close attention to the

CJ series. In my opinion, this market is significant since it is a proven market based on an OEM with decades of support and reliability. The CJ is still a fairly young model, which continues to attract potential buyers with operating costs that are comparable to competitive turboprop markets such as the King Airs.

The CJ - a Citation 525 series model - can be flown single pilot and is a logical introductory step from the turboprop market or even as a first-time airplane. Several corporations across North America and Europe have adopted this aircraft as a valuable business tool for efficiency. We've included a comparison at the end of this article showing the direct operating costs and fuel burns for these aircraft which you may find quite amazing.

For first-time owners, the CitationJet is an aircraft that can be covered with an airframe and engine program granting you a consistent operating budget, and avoiding unexpected surprises. Something else you'll find with this market is how well the aircraft models have done over time since they first became available. The CJ1 prices, for example, are nearly where they were when they were first introduced, while the CitationJet prices have now exceeded their original values.

Let's take a closer look at what has occurred lately in this particular market...

## CE525

At the beginning of 2006, the original 525 CJ, which began production in 1992, had slumped to an average asking price of just \$2.4m. Prior to that time, the market had remained fairly flat in terms of price, but the aircraft were nevertheless selling. Over the



RIDING HIGH - CESSNA'S CJ2

last four months, however, the average asking price has risen \$100,000 to an average price of \$2.5m.

When the aircraft had its brief slump, the average market time for a CJ was nearly 270 days, but that has been cut in half today to an average 130-140 days to sell one.

Today, compared to the beginning of January this year, supply has dropped 35% to a total of only 27 for sale on the market, which represents just 7% of the entire fleet.

The worldwide airframe average time for a CJ is around 2,900 hours.

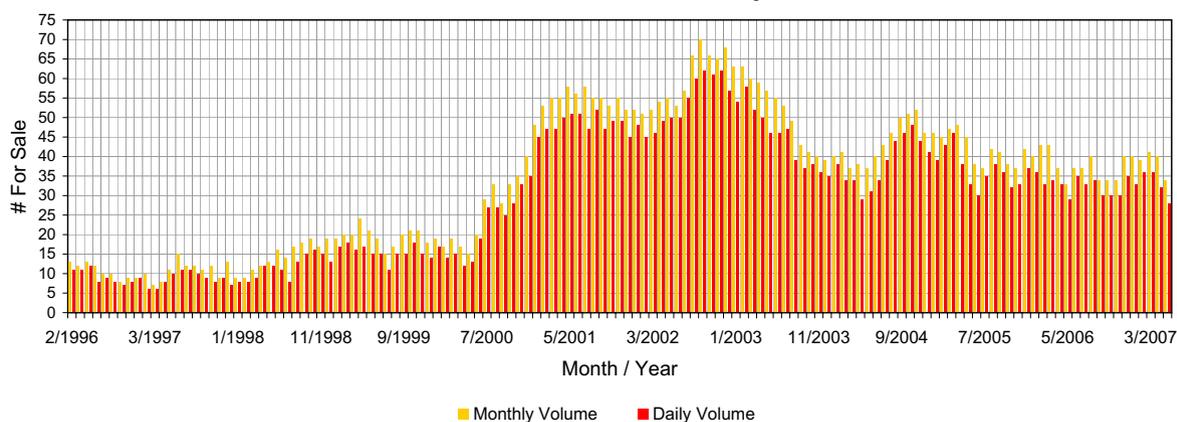
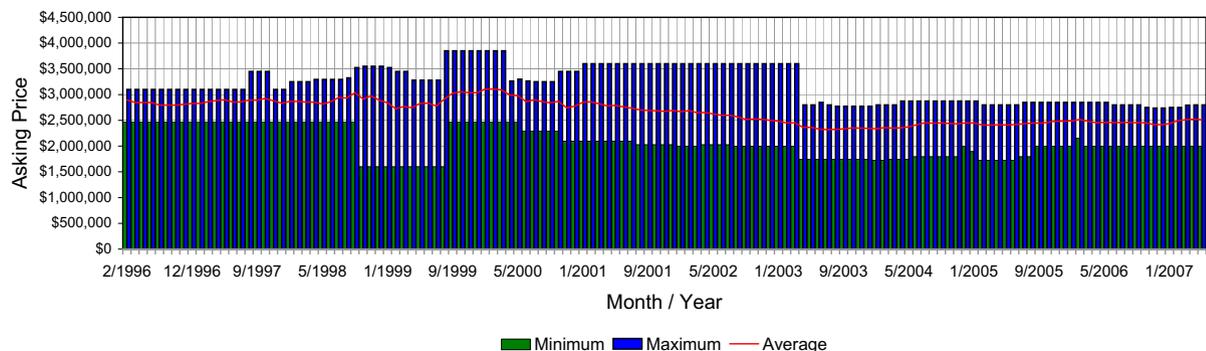
## CE CJ1

The CJ1 market over the last two years has been consistently up and down, right up towards the end of 2006 when the supply level began to take a sharp decline, and prices consequently began to move upwards.

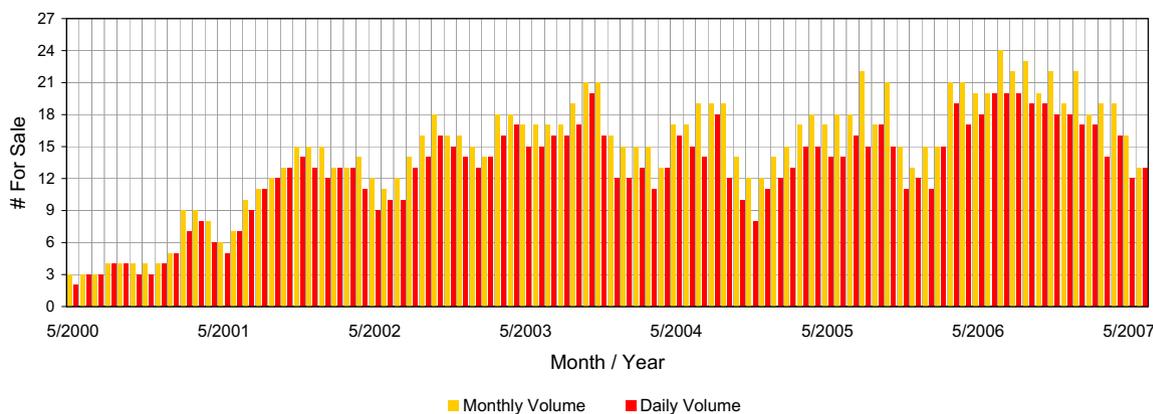
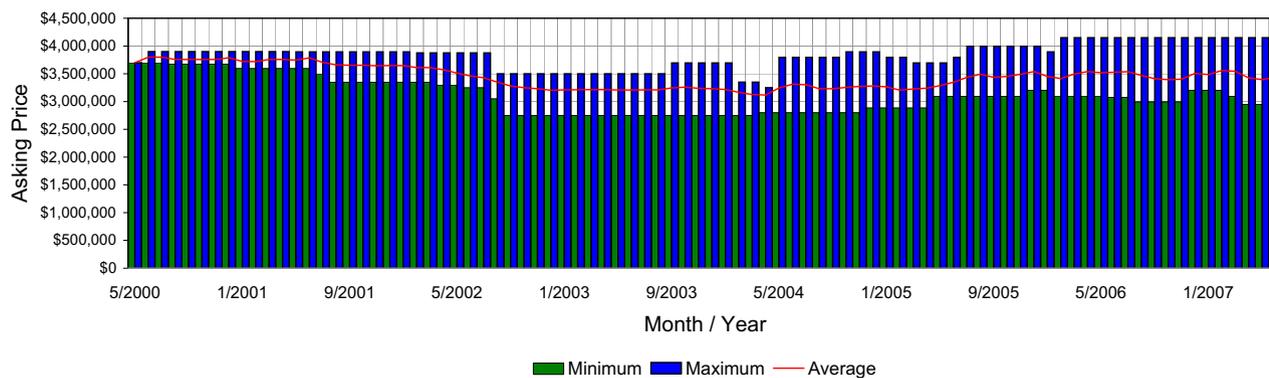
For a while, it would appear that the majority of buyers didn't see any particular value to the CJ1 over the original CJ, but now it appears that the model is catching everyone's eye. That's not surprising when you consider that all of the CJ1s are newer than the year 2000, which in today's market is a hot button.

The asking price for the CJ1 ranges from \$2.95m to \$4.2m with average airframe times spanning around 2,400 hours. Since the fourth quarter of 2006, we've seen a 50% reduction in supply with 12 aircraft

## CJ525 Aircraft For Sale



## CJ1 Aircraft For Sale



currently for sale out of a total of 198 aircraft built - and of the 12 for sale as of this writing, six had a deal pending. The average time on the market for the CJ1 is around 90-100 days which again is significantly down since a year ago.

**CE CJ2**

The CJ2 market has always seemed to create long-term value over the last six years since it began production. As you look at its graph in this article, the aircraft has never really lost any value and in fact has been on an incline ever since it was introduced.

A large part of this stems from a significant development over the earlier CitationJet and CJ1, with a stretched fuselage and more

fuel capacity - something operators had long hoped for. Pre-owned prices for the CJ2 today are pretty much as high as they've ever been since the jet's inception, with an average asking price of \$5.1m, while the average CJ2 sits on the market between 100-110 days.

A similar supply trend to the CJ1, the CJ2 has seen a drop from 28 for sale in the middle of 2006 to just 14 for sale today from a total of 244 built. Average airframe times are around 1,300 hours.

**CE CJ3**

Since the CJ3 is the newest CJ production aircraft in service today, there isn't enough data to complete a graph of any substance. But to

give an idea of where prices are at, there are currently only two of these for sale (no surprise) with an asking price average of \$7.5m.

The CJ3 has obviously become another bread winner for Cessna, which has already built just over 140 of them. We should see more of these aircraft become available as the fleet ages, and with the future availability of the CJ4, currently in development.

As mentioned above, however, the CitationJet really did mark a new era for entry-level business aircraft buyers, and has continued to do so down the years. Below are some basic stats comparing the Citation CJ Series aircraft.

➤ More information from Central Business Jets, Inc; Tel: +1 952.894.8559; Website: www.cbjets.com

AIRCRAFT COMPARISONS						
	MAX RANGE (AVERAGE CRUISE SPEEDS)	CRUISE SPEEDS (AVERAGE)	MAX ALTITUDE	AVERAGE FUEL BURN (GAL/HR)	DOC'S	ENGINE TYPE
CE525	1,000	355	41,000	118	835	FJ44-1A
CJ1	1,000	355	41,000	118	844	FJ44-1A
CJ2	1,450	380	45,000	130	924	FJ44-2C
CJ3	1,800	405	45,000	141	936	FJ44-3A

1. The average D.O.C. uses \$3.50 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.

Source: Central Business Jets JETCOST® REPORT

**CJ2 Aircraft For Sale**

