

Volume 3, Part 3: Falcon 2000/2000EX

by Anthony Theis

World Aircraft Sales Magazine's asset evaluation series continues this month with a look at the Falcon 2000/2000EX. 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 2000/2000EX

It's been no secret over the last year in the aircraft sales industry that there are very few widebody aircraft available. The Falcon 2000/2000EX is no exception. Aviation growth in Europe and the Middle East, as well as OEM backlogs and the U.S. dollar, have contributed to this phenomena.



FALCON 2000

At the same time, there's been a demand for several late model widebody aircraft, but not necessarily for the real value feature of a particular aircraft. In today's market, potential purchasers are almost being pushed into looking at aircraft that may not be the best choice long-term for them, as a result of there not being a lot to choose from - so buyers are looking at what is available.

This month we focus on the Falcon 2000 family. Since there is plenty of data available for the Falcon 2000 after 12 years of service, we can clearly see the trends that have played out with this aircraft, but with the 2000EX, we only have approximately three years of data available which makes it a little more difficult to plot out its future values. You would think that history would repeat itself, right? Unfortunately, it's hard to say, but there are a couple of interesting statistics worth our attention.

In the entire history of the Falcon 2000 series, the aircraft has never seen its supply reach over 10% of the fleet. The 10% mark is considered by some to be a breaking point to when a market may take a turn for the worse, with excess supply driving market value down for an aircraft model. With the straight Falcon 2000 no longer in production, there were a total of 231 models delivered over a 12-year period, or on average 19

delivered each year.

Its successor, the Falcon 2000EX which has only been in service for just over three years has already seen a total of just over 100 aircraft delivered averaging 33 each year. This appears to be a production increase of 40% over what has been the 'norm' in the past, and we're hearing that even more deliveries are expected for this year.

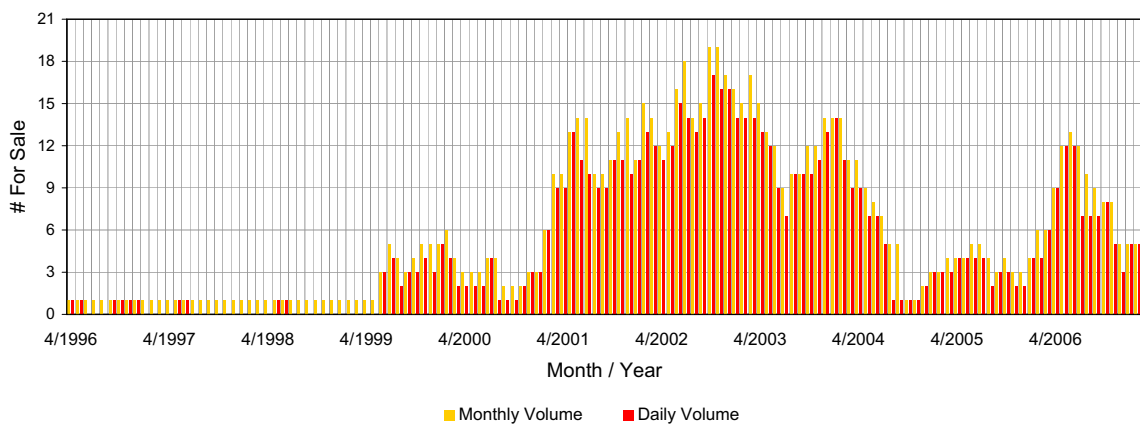
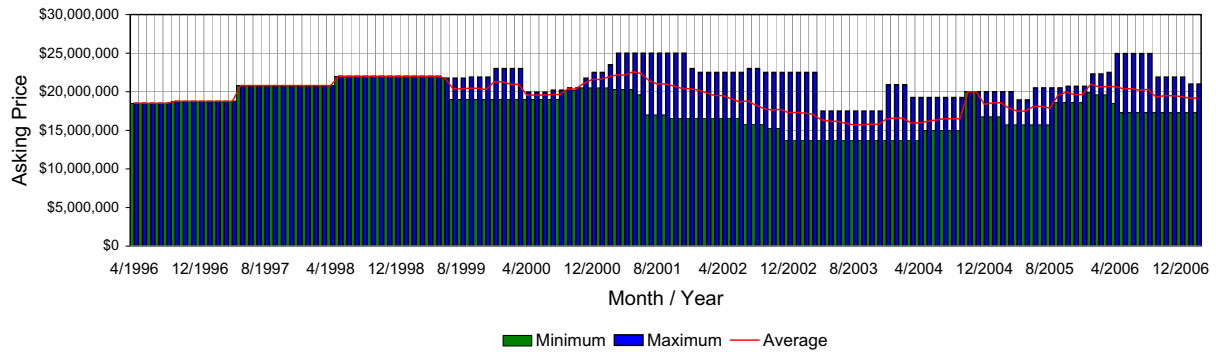
Since, the Falcon 2000EX has been in production, the most we've ever seen available in the market has been three for sale at any given time. The total averaged out over time has only been one; that's less than 1% of the entire fleet, but it is entirely expected for an aircraft that is so new.

Considering this, the question that comes to mind is, 'will history repeat itself with the Falcon 2000EX, looking at the differences in trends between the two aircraft?'

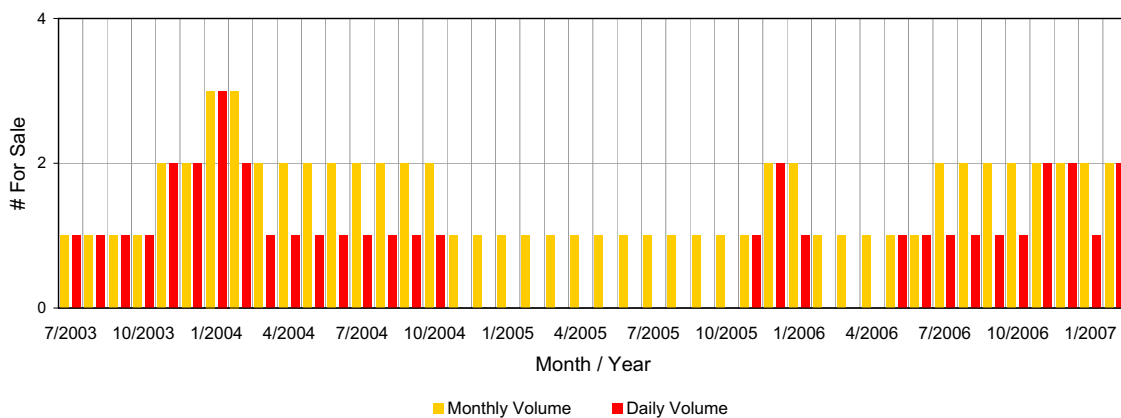
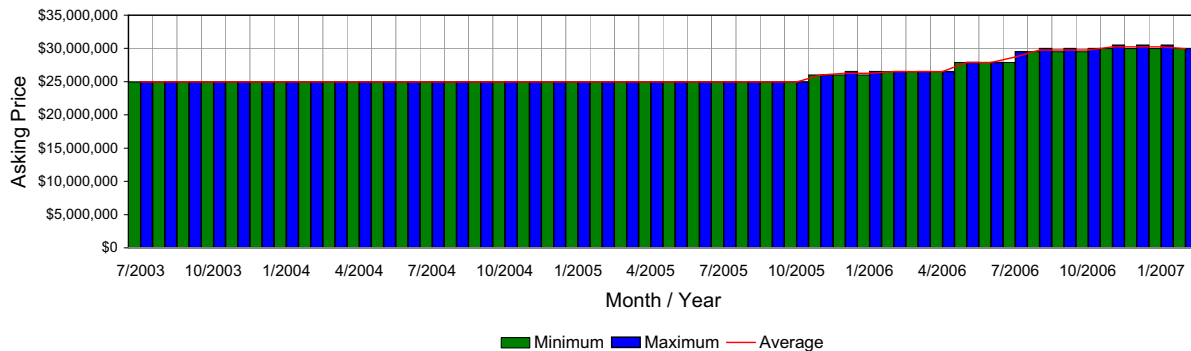
Generally speaking, we think that the 2000EX will tend to hold a similar value as the 2000, but it's hard to speculate at this point because we don't have an indication as to how many 2000EXs will be built over time or how its future replacement will compare. As noted in the charts, the aircraft is unquestionably off to a good start though.

At Central Business Jets, we're also always asked whether the later model will

Falcon 2000 Aircraft For Sale



Falcon 2000EX Aircraft For Sale



have an impact on the previous model. Some purchasers become sceptical of this phenomenon thinking that the market will fall down and there will consequently be aircraft readily available everywhere.

Clearly in the case of the Falcon 2000, this has not yet happened. Now of course if prices would ever fall far enough for a 2000EX, then of course we'd see some change on the 2000, but for now there are no indications telling us this is going to happen in the near future.

While considering the Falcon 2000 series, we cannot omit to look at the 2000DX too, which is replacing the Falcon 50EX. Since there is no data yet available on the new upcoming Falcon 2000DX, we don't have a great deal of valuation to discuss about the aircraft, but it is certainly worth mentioning that it will play a role in future values of the 2000 and 2000EX.

Over the straight Falcon 2000, the 2000DX will offer better performance with its upgraded P&WC engines, and also the

new Honeywell EASy flightdeck that is found on the later model Falcon 2000EXs. As a simple rule of thumb, if you can get more over what is already available for a similar price, the answer regarding the smart choice becomes pretty conclusive.

Below is a table containing some basic comparisons between the aircraft discussed.

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

FALCON 2000 AIRCRAFT COMPARISONS

	RANGE (AVERAGE CRUISE SPEEDS)	CABIN VOLUME (CUBIC FT)	AVERAGE SPEED	AVERAGE FUEL BURN (GAL/HR)	D.O.C (USD)
FALCON 2000	3,000	1024	460	293	\$1863
FALCON 2000DX	3,150	1024	465	297	\$1823
FALCON 2000EX	3,800	1027	465	315	\$1889

Source: Central Business Jets JETCOST® REPORT

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, life limited components, fuel burns, engine, APU, and avionics reserves.