

VOLUME 1, PART 4: FALCON 50

by Anthony Theis

World Aircraft Sales Magazine continues the asset evaluation series this month with a look at the Falcon 50. 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 sepa-

rate 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.

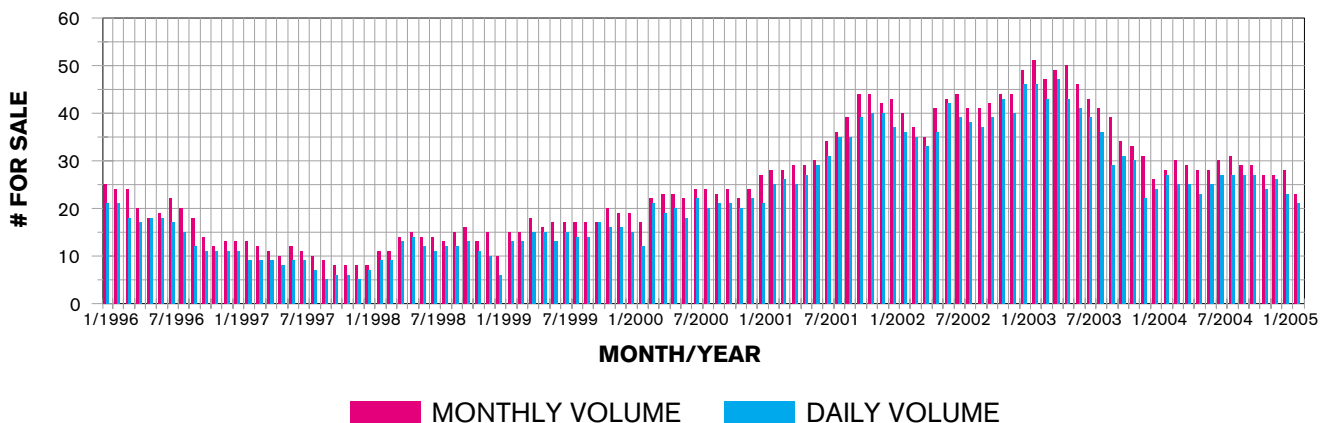
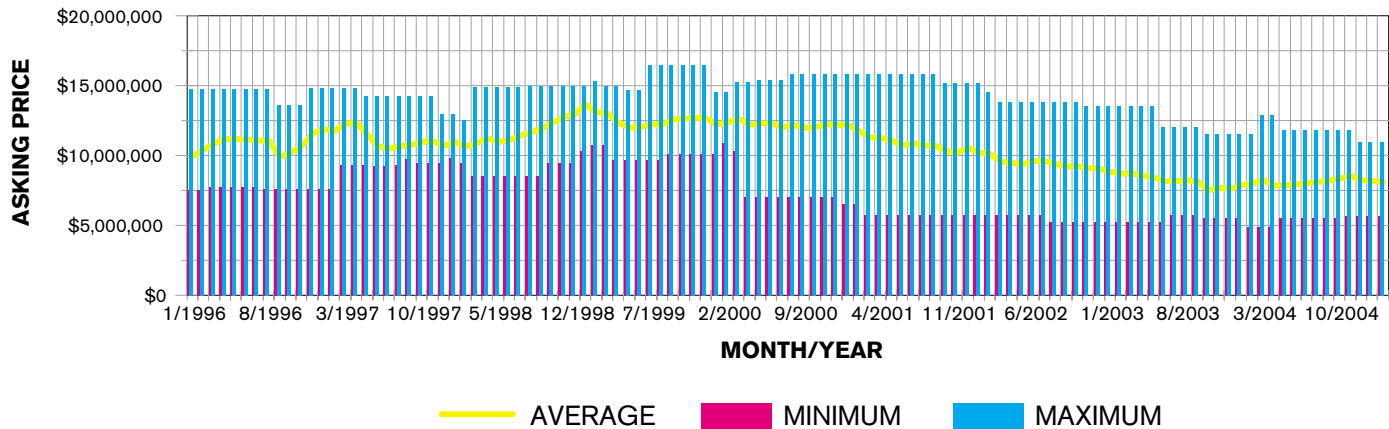
Simple to use and uncomplicated, you won't need a 2" thick book to know what your aircraft is worth. Best of all, you'll see what happened 10 years ago, five years ago, and what to expect for the future.

FALCON 50

The Falcon 50 is surely one of the most versatile business jets ever built, and remains a legend of its time. With 251 Falcon 50's produced (not including the continuation 50EX), this aircraft, which started flying almost 25 years ago, still holds significant value in today's market.

FALCON 50 AIRCRAFT FOR SALE

(JetTrack® from Central Business Jets, Inc)



Indeed, the average prices of the entire fleet of straight Falcon 50's have never dropped below \$5 million, whereas in comparison early model Gulfstream IIIs in the past have sunk into the \$4-5 million range. The GIII's cabin is nearly twice that of the Falcon 50, its range is nearly 600 nm more... and it's a Gulfstream! So why could this be?

Consider that the GIII takes about \$2,600/hr to operate just in gas, engine reserves, and inspections. Also the fact that the Spey 511-8 engines are not stage 3 or 4 compliant compared to that of the Garrett engines on the Falcon 50. What you end up doing is trading price for the cost of operation with the GIII.

Conversely the Falcon 50 has been able to maintain a fairly consistent and reasonable operating cost over the last 25 years. Secondly, the Falcon 50 can complete almost any mission in the

continental United States. No other aircraft in its class can boast this. Furthermore, the Falcon 50 offers transcontinental capabilities. Our third primary reason for prices remaining good for the Falcon 50 is that the aircraft has kept up with changing times and mandates over the years.

WHAT'S IN A PRICE?

It is well known that the price can be an illusion if you're in the market for a used airplane. In some instances, you might need to spend an additional \$250,000 to \$1.5 million on the aircraft. Examples of such expenditures are for avionics upgrades, MSP or an engine modification, interior upgrades and heavy inspection checks.

It is therefore obvious that certain upgrades and modifications to the Falcon 50, although not a requirement,

would help to maintain its re-sale value. These include an EFIS cockpit, APS 85 Autopilot, dual inertial reference systems, -3D engines, and the MSP engine program.

From the first quarter of 2003 through today, the Falcon 50 supply has actually shrunk just over 50 percent. Nine percent of the entire fleet is on the market today, with prices ranging from \$5.5-11 million, up five percent compared to prices at the end of 2003.

During 2004, the average asking price for the Falcon 50 was \$8.3million, when 30 traded hands to end-users. Two of those 30 airplanes last year were Falcon 50-40 retrofit with the -40 engines and Collins cockpit upgrade.

Join us next month as we take a look at the Challenger 604.

More information from Central Business Jets; Tel: +1 952 894 8559; Website: www.cbjets.com

COMPETING IN THE FALCON 50 CATEGORY, THE FOLLOWING AIRCRAFT SHOW SOME COMPARISON:

	RANGE (AVERAGE CRUISE SPEEDS)	CABIN VOLUME (CUBIC FT.)	MAX ALTITUDE	AVERAGE FUEL BURN (GAL/HR)	DIRECT OP. COST - US\$
DA50	2,950	700	49,000	330	\$1,750
CE-750	3,150	630	51,000	310	\$1,450
CE-680	2,800	640	47,000	275	\$1,300