

Ever Forward

2022 – 2026 Pre-Owned
Business Jet Market Forecast



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“We are seeing a blend of returning to normality combined with increased demand and access to business aviation.”

Jahid Fazal-Karim

Owner and Chairman of the Board

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Foreward

In our 2021 forecast, we predicted that post-pandemic momentum would be shaped by stable and manageable growth and I am pleased to note that current trends reflect the accuracy of those predictions. When compared to 2020, it might feel as though prices are rising at an unstable rate. Our data, however, indicates this is a rational market, with value growth expected to return to pre-pandemic levels.

We haven't reverted exactly to pre-pandemic norms though and, as I write this, we are in an opportunistic position as an industry. We are seeing a blend of returning to normality combined with increased demand and access to business aviation. Shifts in buyer behavior continue to fuel this upward trajectory with more and younger first-time buyers entering the market, greater demand for larger jets and a growing UHNWI population. And we're now entering a post-pandemic business cycle from a new, higher starting point.

The theme of this year's Market Forecast is 'Ever Forward' and I wanted to highlight its very deliberate meaning. Ever Forward speaks to our industry's remarkable resilience – despite global and economic hurdles, business aviation access, activity and the overall global fleet continues to grow year on year. Ever Forward also reflects Jetcraft's commitment to playing its part in driving this growth and carrying out transactions at the speed of life.

I am proud to present Ever Forward, our 2022-2026 Pre-Owned Business Jet Market Forecast.



Jahid Fazal-Karim
Owner and Chairman of the Board

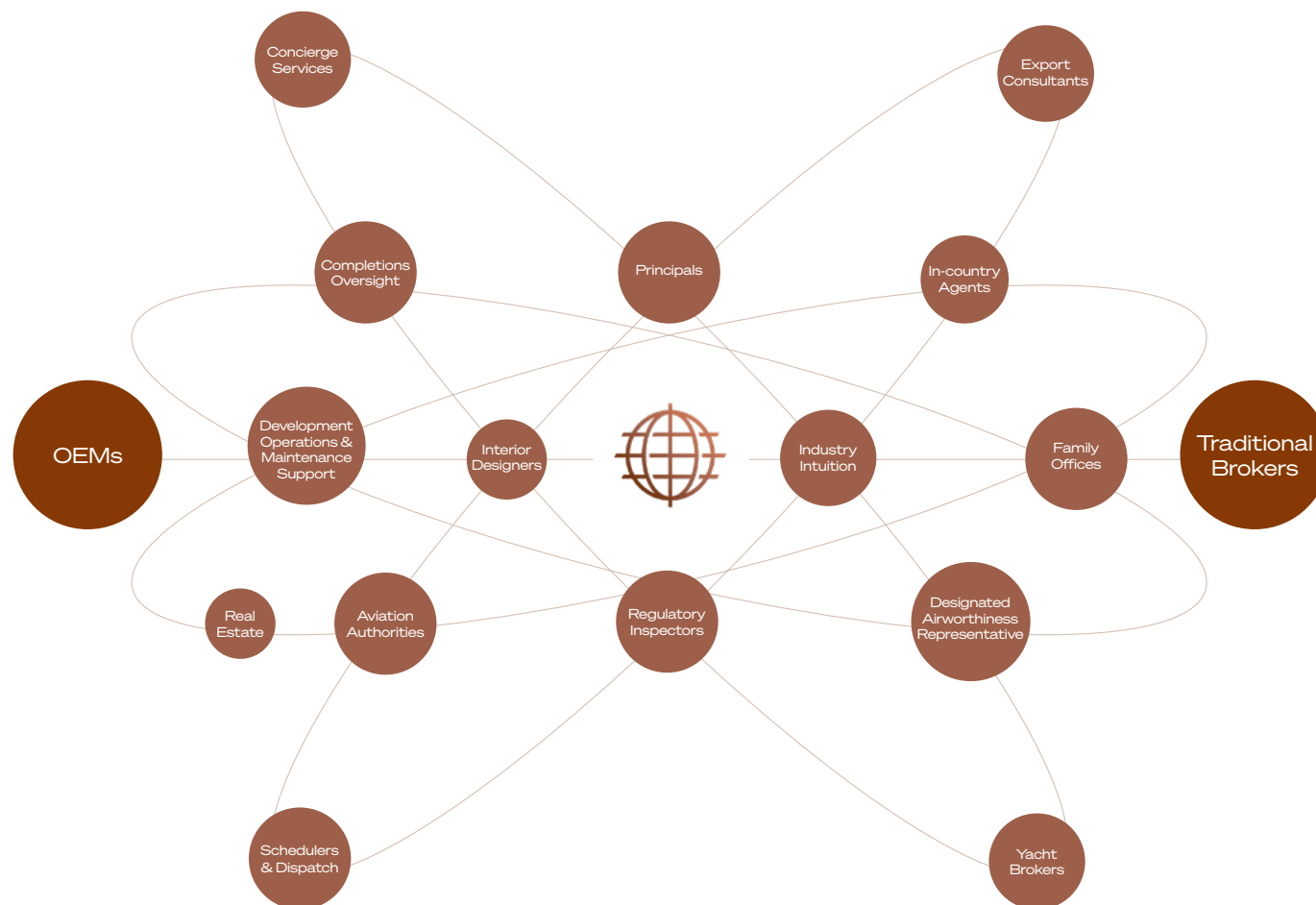


“Our unique position in the industry allows us to accurately forecast pre-owned business jet trends, transaction values and volumes.”

Peter Antonenko
President

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more insights from Peter

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Our exclusive perspective, and the data it generates, provide us with strategic insight invaluable in our drive to support customers more completely and consistently.

In action, jets listed with Jetcraft sell 35% faster than the industry average.

Beyond a more rapid sale and most importantly for our customers, the data and its expert analysis - highlighted in our forecast - allows us to find where the highest demand and opportunities exist, make stronger recommendations and close transactions unachievable by others.

Cultivated over 60 years, our global network of experts spans every aspect of the industry and reaches all corners of the planet. Beyond business aviation, our network

includes family offices, high-end real estate and yacht brokers as well as other associates across the luxury goods, concierge and hospitality industries.

We are uniquely situated between a traditional broker and OEM, with an increased international vantage point combined with localized market intelligence allowing us to see and evaluate trends more intricately and insightfully than most. Our experience with all business jet makes and models provides a truly agnostic perspective. This privileged viewpoint allows us to make even more precise and qualified predictions, for a market outlook that more closely mirrors our evolving industry and its five-year future.



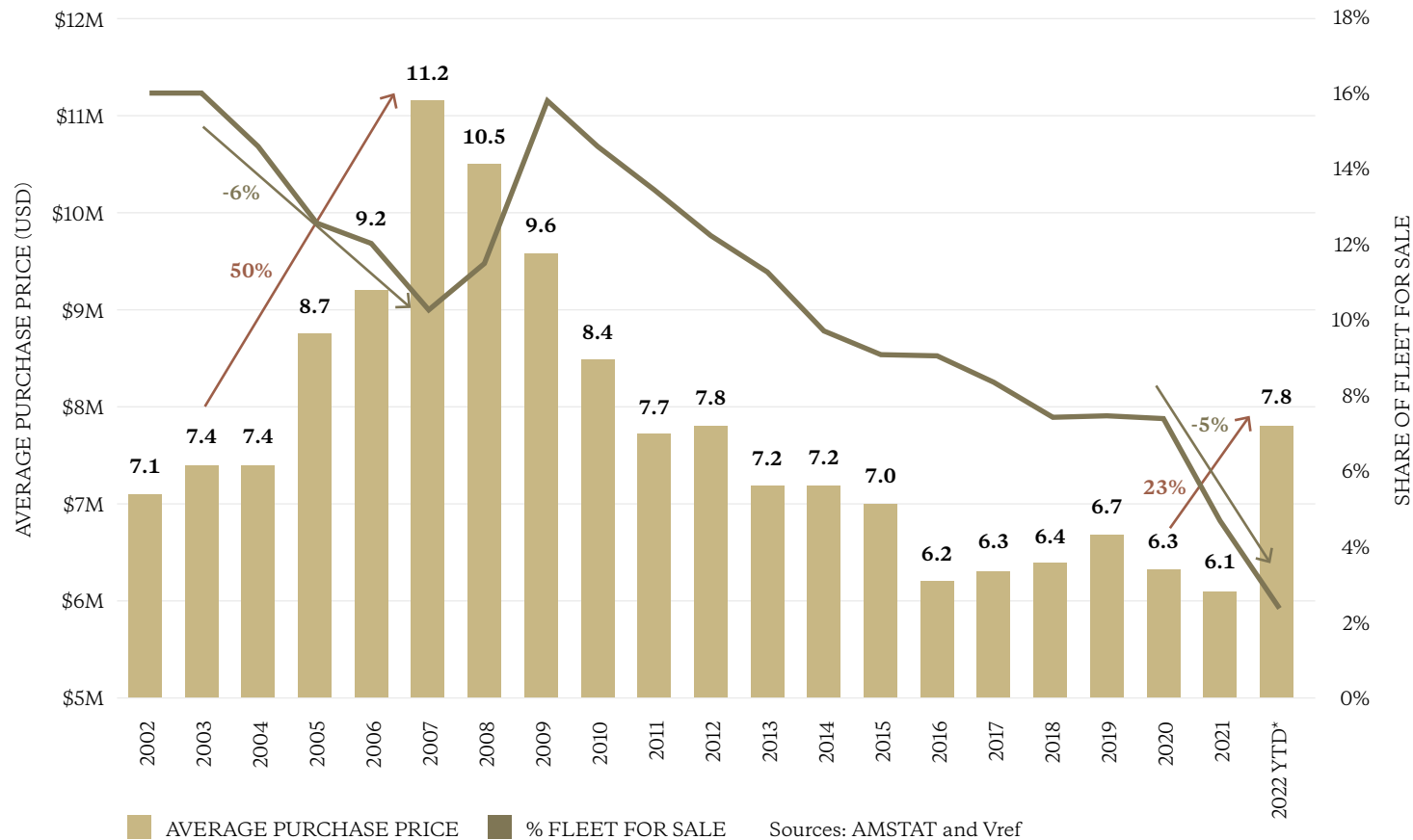
“The market should be reassured as we predict steady growth in total values will resume from their new, higher starting point.”

Chad Anderson
Chief Executive Officer

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more insights from Chad

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Average purchase price vs share of fleet for sale



*As of May 2022

A record year, 2021 saw total annual transaction values surpass the \$14.5B threshold. Looking ahead, while we expect a small dip in the compound annual growth rate, the market should be reassured as total values see steady growth from their new benchmark.

Aircraft values are the lifeblood of our industry and a hot discussion topic as a result, and without having all of the data-based facts it's easy to speculate that they're increasing at an unstable rate. Our forecast shows that the industry is still acting rationally when it comes to buying and selling jets, unlike the bubble of 2007-08. Despite continued high demand and low inventory, current prices are reasonable compared to pre-pandemic levels.

10,921

pre-owned transactions
representing

\$66.6B

in revenue forecast over
the next five years

After stabilizing in the wake of a post-pandemic surge, pre-owned transactions are expected to maintain their new higher base and growth rates, reaching 2,351 transactions valued at \$13.5B annually by 2026.

Compared to the 50% average price increase of 2004-07, current prices reflect short-term world events and the maintaining of a far more rational market, with average purchase prices returning to pre-pandemic levels over the forecast period.

North America continues to lead demand for pre-owned business jets across the globe - the market share (in aircraft value) grew from 53% in 2010 to 73% in 2021.

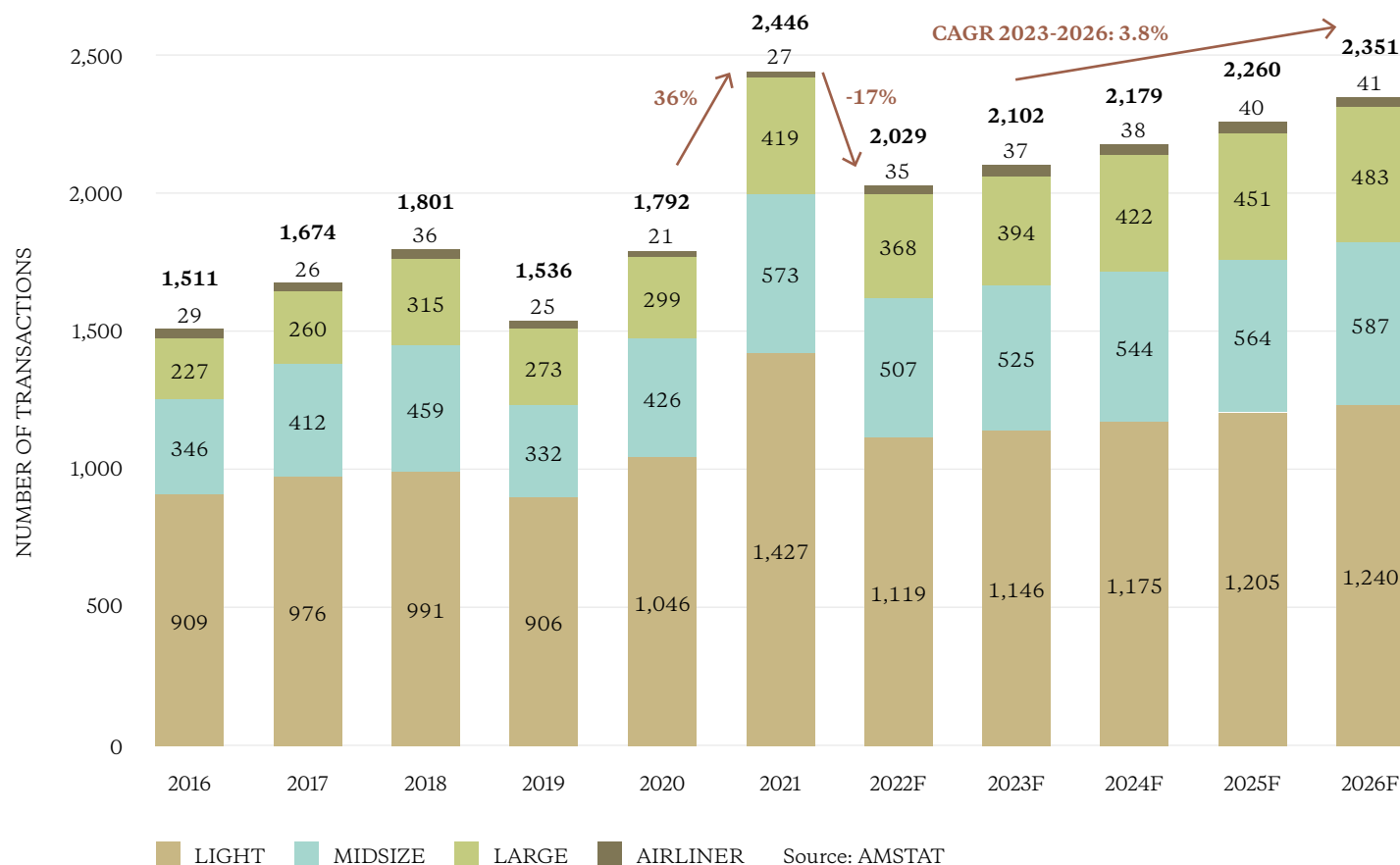
The share of Jetcraft pre-owned jet buyers under 45, especially in EMEA, has risen by 20% in the last five years. This age group is driving the trend in larger aircraft purchases, with an average transaction price of \$25M (31% more than their 45+ counterparts).

With Asia-Pacific's UHNWI population set to increase by 33% over the next five years, the region has a high potential for pre-owned Large jet transactions.



The Numbers

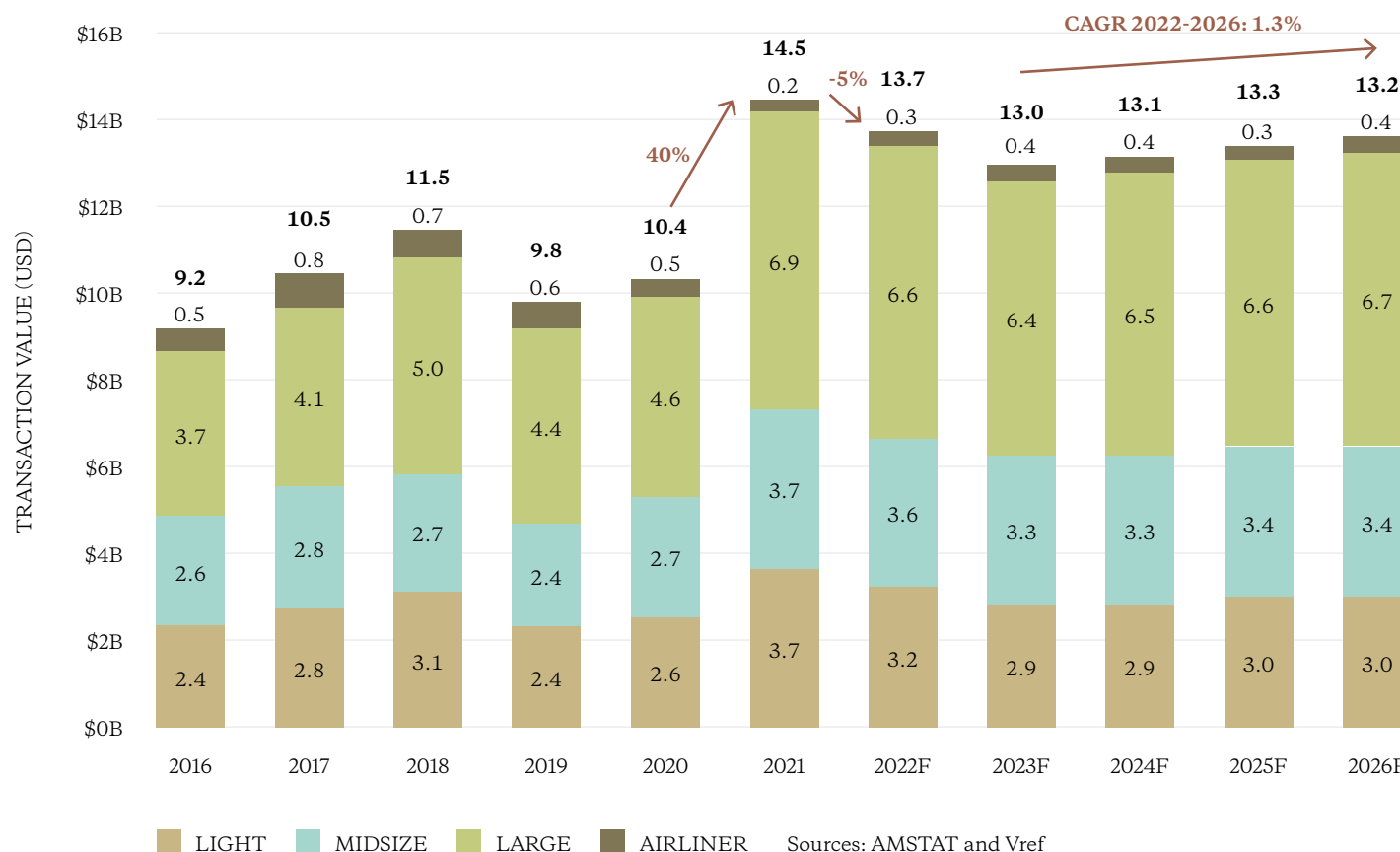
Pre-owned transaction volume forecast per segment



Transaction volumes expected to stabilize at 2,000+ annually and return to steady growth through 2026.

As post-pandemic realities continue to create opportunities for new customers across business aviation, pre-owned transaction volume is expected to be driven by users moving up the private aviation solution chain. This includes movement from charter, fractional and block hour programs to ownership, as well as existing buyers transitioning into larger aircraft. Following the 36% market surge in 2021 due to the pandemic, and the ensuing low inventory, pre-owned transactions are expected to restabilize at a new, higher level, maintaining average annual CAGR of 3.8% through 2026.

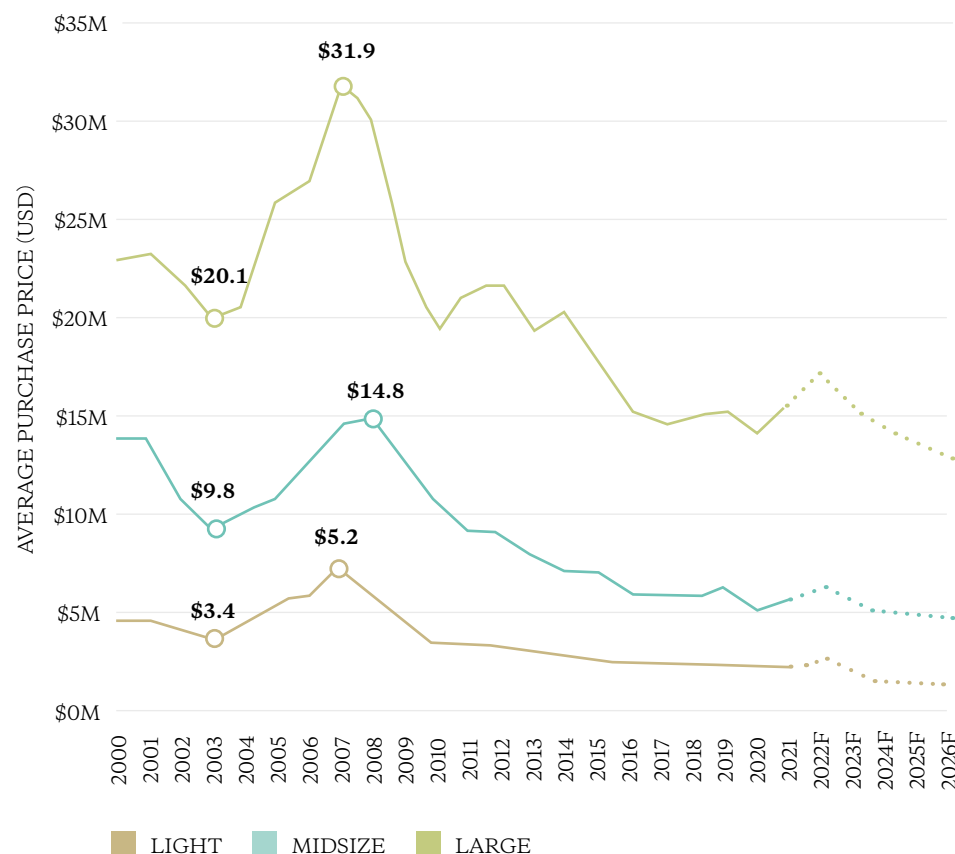
Pre-owned transaction value forecast per segment



Values expected to resettle by 2023 before restarting steady growth from their new \$13B+ level.

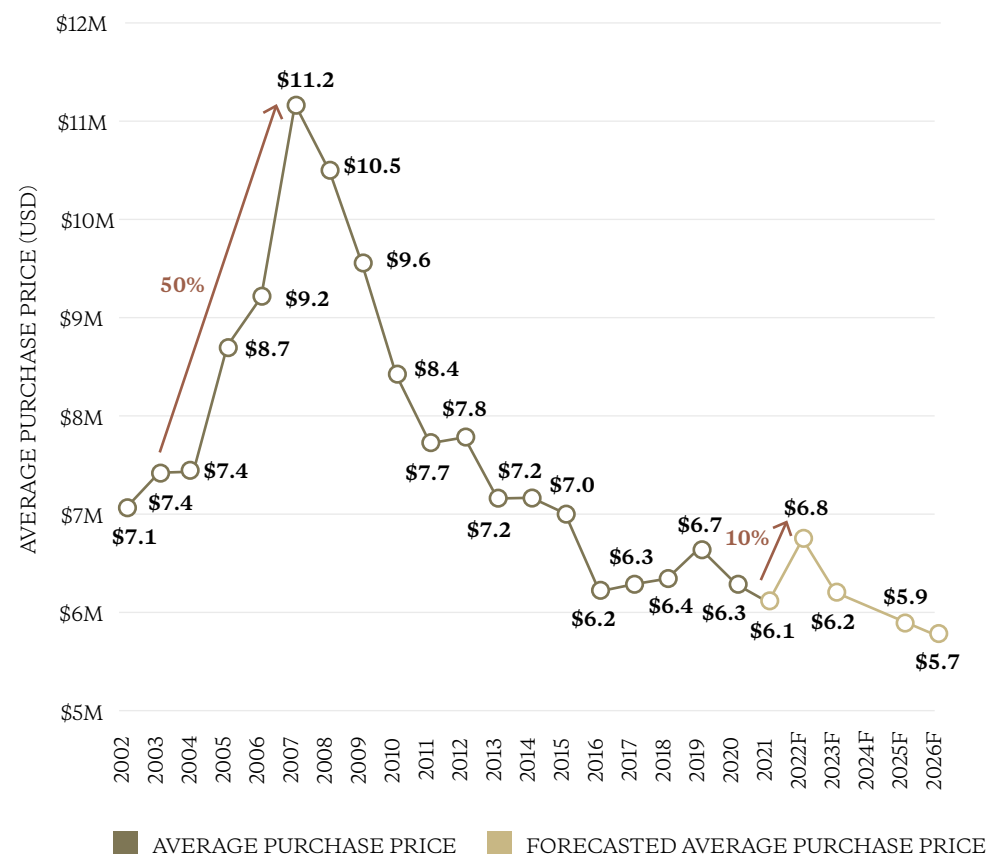
With supply and demand beginning to fall back in line with pre-pandemic trends, pre-owned transaction value has also begun restabilizing, albeit from a new higher benchmark. These higher values are principally driven by Large and Midsize aircraft. The predicted decrease from 2021-2022 reflects both the size of the 2021 market value upturn and subsequent releveling, at a \$13B+ starting point, before returning to steady growth.

Average price per segment



Sources: AMSTAT and Vref

Average pre-owned jet purchase price



Sources: AMSTAT and Vref

Post-pandemic supply and demand stabilization leading a more rational market towards 2026.

Compared to the 50% average price increase in 2004-07, current prices reflect short-term world events and a far more rational market compared to the heightened market activity last seen in 2007.

As demonstrated in these graphs, the pre-owned market is still settling from the buoyant levels of 2021. While transactions and value have both grown overall, we are returning to usual transaction levels across all segments - with the realization of normal depreciation levels expected by EOY 2023.



The Trends



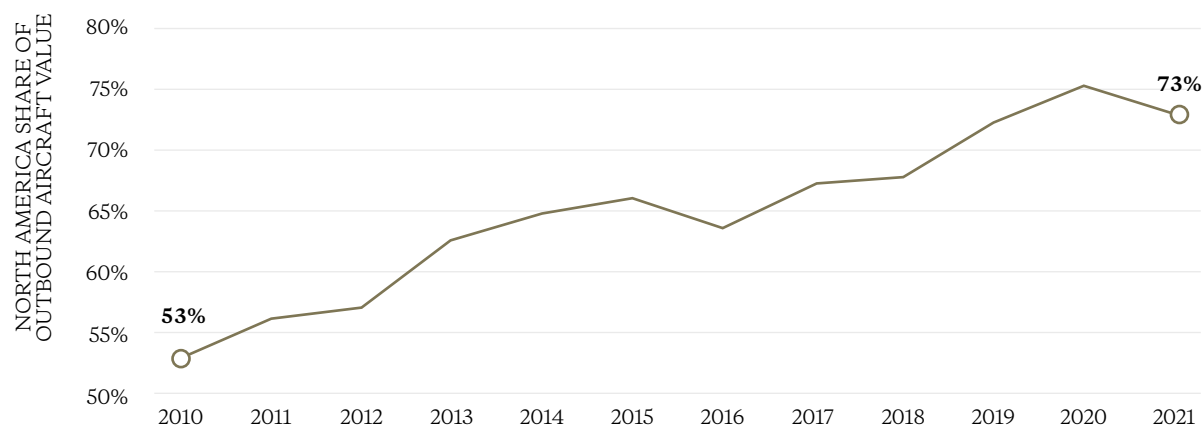
“Business aviation’s most mature market, North America, continues to lead demand for pre-owned business jets across the globe.”

Dan Kilkeary
SVP Sales - Americas

Watch this video for
more insights from Dan

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North America share of demand (in aircraft value)



Source: AMSTAT

We've seen more people turn to business aviation as commercial services have struggled both during and post-pandemic. While this has been a global trend, North America has led, with more travelers opting for the privacy and safety of a private jet, where previously they flew first class commercially. Having experienced the convenience and time-saving impact of our sector, many have chosen to move up the business aviation chain to ownership. Given low inventory and high demand realities, North American buyers have looked to other regions to source aircraft. Our global reach, now spanning more than 20 regions, enables Jetcraft to source aircraft the world over, and more efficiently move inventory to clients anywhere.

Looking at pre-owned business jet values over the past decade, North America has continued to lead demand for pre-owned business jets across the globe, growing from 53% market share in 2010 to 73% in 2021 in terms of aircraft value.

The 2020-21 decrease in average from 75% to 73% was due to strong increases in activity in other regions, rather than any softening of the North American market.



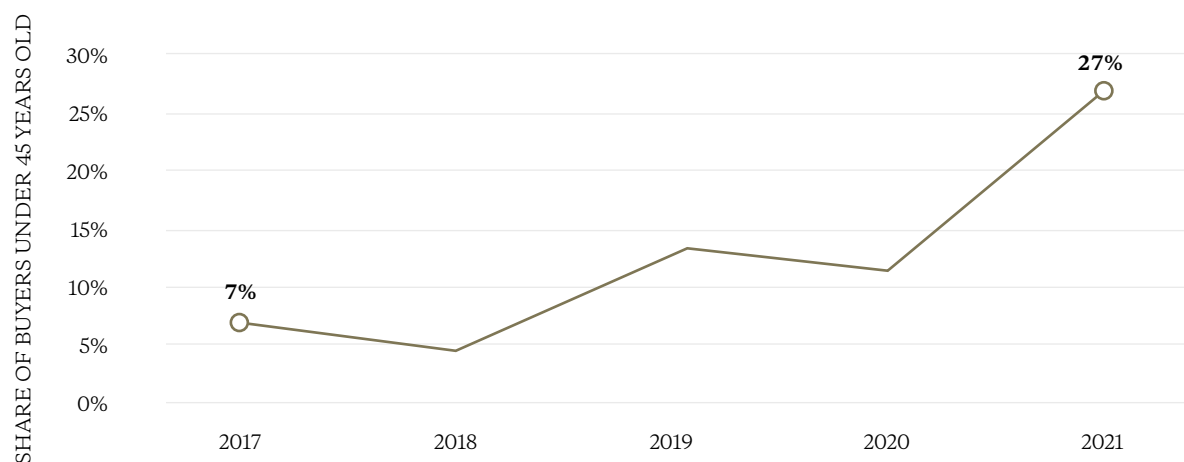
“The share of Jetcraft pre-owned jet buyers under 45 is growing, especially in Europe (24%), the Middle East and Africa (38%).”

Pascal Bachmann
SVP Sales, EMEA

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more insights from Pascal

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Share of pre-owned buyers under 45 years old

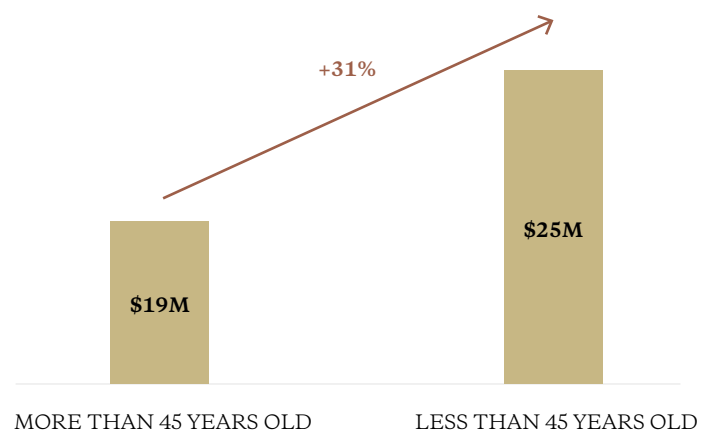


Source: Jetcraft

Looking at buyer behavior, the standout trend we've seen over the past five years is the rising number of Jetcraft buyers under 45. On a global scale, this group is also driving the growing trend towards larger aircraft purchases. And with UHNWI populations in all regions set to rise by at least 21% over the next five years, we anticipate steady increases in both the volume and value of pre-owned jet transactions.

According to the Wealth-X World Ultra Wealth Report 2021, wealth of the UHNWI under-50 group grew by the largest margin in 2020, accounting for 1.2% of an overall 2% increase. We see this within our own data, with the share of Jetcraft pre-owned aircraft buyers under 45 rising from 11.5% to 27% between 2020 and 2021.

Average pre-owned purchase price by buyer's age

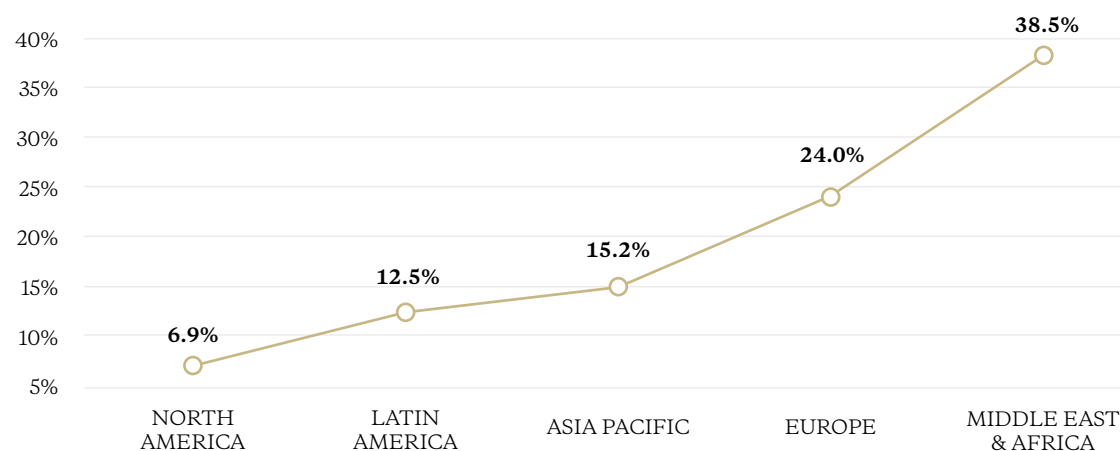


Source: Jetcraft

Interestingly, the numbers also show us that those under 45 are spending on average 31% more than their 45+ counterpart.

The regional distribution of Jetcraft buyers by age shows North America is the market most dominated by older buyers, with just 6.9%* of our buyers in the region being under 45 years of age.

Share of buyers under 45 years old per region



Source: Jetcraft

Meanwhile, younger buyers account for a more significant proportion of our total pre-owned transactions in Europe (24%*), and Middle East and Africa (38.5%*), with this trend forecasted to continue its upward trajectory in line with the growing UHNWI population.

*Of our total buyers in their respective regions.



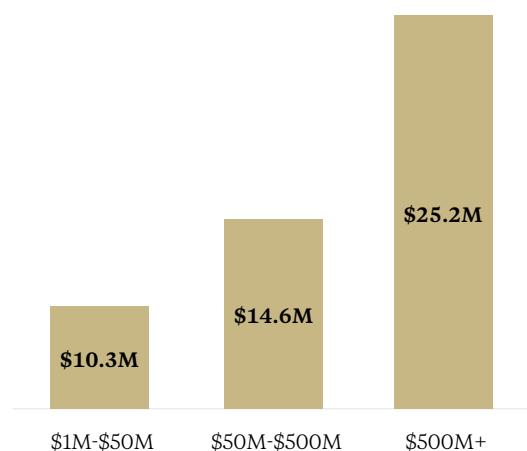
“In the Asia-Pacific region, the UHNWI population is expected to grow by one third during the forecast period, with buyer spending increasingly influenced by both geographic and cultural realities.”

David Dixon
President, Jetcraft Asia

Watch this video for
more insights from David

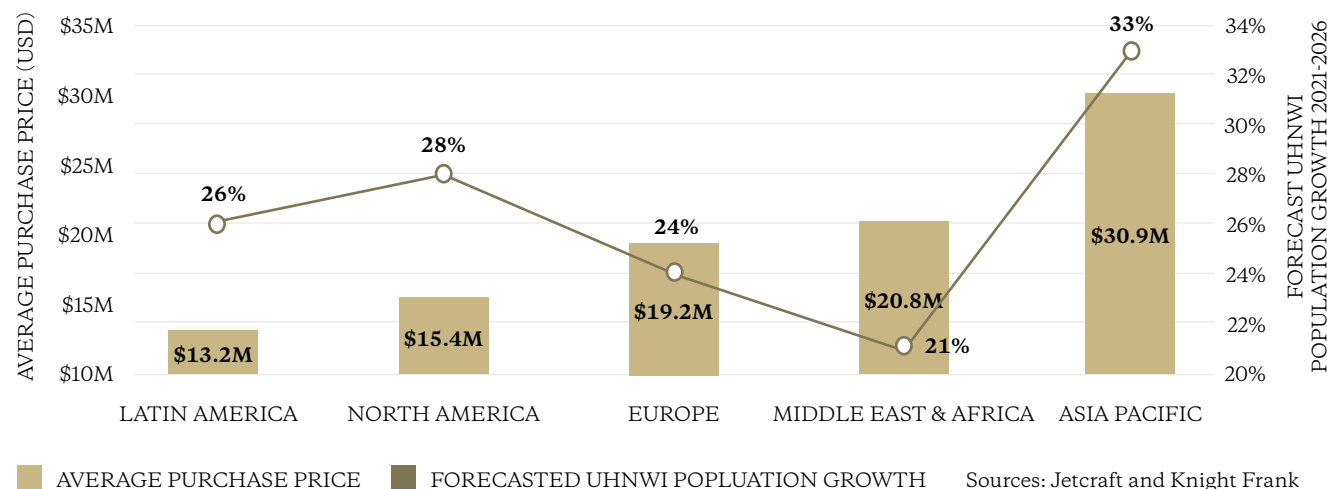
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Average purchase price (USD) per net worth group



Source: Jetcraft

Average purchase price (USD) compared to forecasted UHNWI population growth (2021-2026) per region



Sources: Jetcraft and Knight Frank

Unsurprisingly, Asia-Pacific's UHNWI are more likely to buy a Large jet than customers in other regions due to their need to travel longer distances. Singapore to Sydney for example, a common route of nearly 4,000 miles, is close to four times that of a similarly popular North American route. This need for larger aircraft, combined with the predicted UHNWI population growth over the next five years, highlights the region's potential. Higher net worth individuals are naturally more inclined to purchase higher-priced, larger aircraft, with their greater range, improved passenger comfort, and all-round performance capabilities. A sign of Jetcraft's confidence in the region is our recent expansion through additional offices in Australia and Singapore.

Globally, all regions' UHNWI populations are set to increase by at least 21% over the next five years, showing opportunity for continued increasing demand for pre-owned aircraft.

As recently noted by Corporate Jet Investor, South East Asia, Australia and India are presently more active markets than China, however, this is presenting opportunity in itself, with China acting as a quality source of aircraft and feeding demand around the world.

Aircraft covered by the forecast

The scope of this year's market forecast covers all pre-owned business jet transactions under 25 years old and includes the following models:

Light

Beechcraft Hawker 400XP Series
 Beechcraft Hawker 800XP Series
 Beechcraft Hawker 900XP Series
 Beechcraft Premier Series
 Bombardier Learjet Series
 Cessna Citation 500 Series
 Cessna Citation 510 Series
 Cessna Citation 525 Series
 Cessna Citation 550 Series
 Cessna Citation 560 Series
 Cessna Citation 650 Series
 Cirrus SF50 Series
 Dassault Falcon 10/20/100 Series
 Embraer Phenom 100 Series
 Embraer Phenom 300 Series
 Honda HondaJet Series
 Nextant 400XT Series
 Pilatus PC-24 Series

Midsized

Beechcraft Hawker 600 Series
 Beechcraft Hawker 700 Series
 Beechcraft Hawker 800 Series
 Beechcraft Hawker 1000 Series
 Beechcraft Hawker 4000 Series
 Bombardier Challenger 300 Series
 Bombardier Challenger 600 Series
 Cessna Citation 680 Series
 Cessna Citation 700 Series
 Cessna Citation 750 Series
 Dassault Falcon 2000 Series
 Dassault Falcon 50 Series
 Embraer Legacy 450 Series
 Embraer Legacy 500 Series
 Embraer Legacy 600/650 Series
 Embraer Praetor 500 Series
 Embraer Praetor 600 Series
 Gulfstream G100/G150 Series
 Gulfstream G200/G280 Series
 Gulfstream GII/GIII Series
 IAI 1125 Astra Series
 IAI Westwind Series

Large

Bombardier Global 5000 Series
 Bombardier Global 6000 Series
 Bombardier Global 7500 Series
 Bombardier Global Express/XRS Series
 Dassault Falcon 7X Series
 Dassault Falcon 8X Series
 Dassault Falcon 900 Series
 Gulfstream G300/G400 Series
 Gulfstream G350/G450 Series
 Gulfstream G500 Series
 Gulfstream G550 Series
 Gulfstream G650/G650ER Series
 Gulfstream GIV/GIV-SP Series
 Gulfstream GV Series

Airliner

Airbus ACJ Series
 Boeing BBJ Series
 Bombardier Challenger 850 Series
 Embraer Lineage Series

Sources

- AircraftPost
- Amstat Premier & StatPak
- Capgemini
- Jetcraft Transaction Data
- Knight Frank
- Organization for Economic Co-operation and Development (OECD)
- VREF publishing, inc.
- Wealth-X

Safe harbor statement

No representation, guarantee or warranty is given as to the accuracy, completeness or likelihood of achievement or reasonableness of any forecasts, projections or any other forward-looking statements made by or on behalf of Jetcraft. Forecasts, projections and forward-looking statements are, by their nature, subject to significant uncertainties and unpredictable variations in market conditions. The information contained herein should not be construed as advice to purchase or sell aircraft or make any other business decisions. Neither Jetcraft nor its owners, directors, officers, employees, agents, independent contractors or other representatives shall be liable for any loss, expense or cost (including without limitation, any consequential or indirect loss) that you incur directly or indirectly as a result of or in connection with the use of data, information, estimates, projections, forecasts or forward-looking statements contained herein or otherwise provided by Jetcraft.

Forecast methodology

Our approach to every aircraft we place, price and position in the market is fueled by data science, and the analyses presented in our forecast are no different. Our experienced team of data scientists analyze thousands of data points each year to provide a unique prediction of future pre-owned jet transaction value and volume. The forecast uses a mix of quantitative and qualitative techniques, incorporating past pre-owned jet transactions data, alongside our ‘boots on the ground’ knowledge and understanding of wider macroeconomic trends and industry drivers. Our uncommon insight is further reinforced by Jetcraft’s 60 years of experience in the aircraft transaction process, combining art and science in ways unmatched in our industry.



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