

But How Are *You*?

There is never much question about how I am doing as this forum allows me to share my perspective every month. Over the last few months, I have written about: whether we were standing at the bottom of the pricing floor; our potential-ly gaining some clarity on the markets; the effects the economic downfall has had on the relationships between the buyers and sellers along with the manufacturers; and the bridges that need to be built in order to connect the players together again.

This month is about *you* - the wonderful people who I share this great industry with - my fellow aircraft professionals in the sales, maintenance and lending businesses. To find out how you were doing, I spent some time this past month talking to many of you in the industry. I am pleased to report the good news I discovered. Most of you reported starting to feel a little better and seeing some light at the end of the tunnel. You are beginning to breathe again. However, no one is saying this crazy period is over, or that prices are coming up. No one is feeling we are completely out of the woods yet either.

As you began to look closely at the inventory available for sale, you have reported starting to see a leveling of offerings. Inventory is still coming to market daily, but in slower numbers. Many people have also removed their aircraft from the market because they either have seen an increase in their use, or they have decided they are unwilling to sell at today's prices.

Within this adjusting playing field, while the prices of the remaining aircraft are still low, at least it is becoming a clearer market space. Most people that I talked to have seen slightly increased phone activity. Most buyers are coming to the playing field based on want, instead of pressing need (which makes them more patient), but all are expressing a little more confidence in the proximity of the market bottom. At least they are off the fence and ready to play. This is a great start!

I also spent a considerable amount of time talking to the top lenders in the market. They are feeling better about the renewed confidence that is slowly emerging too. These industry leaders have been plagued with

capitalization issues and past loan problems, which has forced them to maintain tighter controls and have more restrictive covenants. However, they are excited and bullish about the future of our industry.

In addition, my friends that track utilization seem to feel the same enthusiasm based on small improvements they are seeing. Fuel sales, charter and maintenance are all starting ever-so-slowly to track level or show small improvements. People are using their assets again. Even the manufacturers who have been on the forefront of employee layoffs as a result of crumbling backlogs are starting to see a slight increase in confidence, activity - and yes - even orders.

It will be very interesting to see the reporting books published this September. VREF and Bluebook have worked diligently to capture the market accurately while carefully working not to deliberately lead the market, nor lag behind it. I would imagine that if not this coming period, some time very soon we will start to see the leveling off of prices in their books.

The NBAA and many other aviation associations like AOPA, EAA and GAMA have spent considerable dollars and time in their efforts to turn the optic tide and bring back business to the aviation industry. The program 'No Plane, No Gain' that NBAA and GAMA developed together is but one example of the terrific strides being made to reinforce the value of business aviation to

citizens, companies and communities across the country. My hat goes off to the leadership teams that have gotten up daily to fight the battle of public opinion for all of us. Thank you!



So is it over? No. Are prices starting to come up? Probably not. Will there still be sellers who will need to immediately sell their plane to solve pressing financial problems? Absolutely. In fact this phenomenon has always existed.

If there were no immediate sales needs of some kind there would not be what is labeled a wholesale market even in the best of times. There will always be people who lower their price to create a sale, and there will always be people who make their living buying at a price that allows them to resell the aircraft for a profit. This has been, and will continue to be the basis for the dealer platform - a very important industry segment.

So, to sum things up... If you are a buyer who has been afraid to purchase an airplane because of not wanting to overpay, you can still make exceptional buys. In fact, like the housing market that is starting to show the same signs of increased activity, this very activity is being renewed due to the low prices. Buyers, have no fear of missing out. Sellers, sorry about the pricing, but the good news is that there are more buyers today than there have been over the last 12 months.

If you are in the aviation business like I am, welcome home. It is time to dust off the phone, open the blinds and let the business back in.

› Jay Mesinger is the CEO of J. Mesinger Corporate Jet Sales, Inc. He is on the NBAA Board of Directors and is Vice Chairman of the AMAC. Additionally, he served on the Duncan Aviation Customer Advisory Board for two terms, is a member of MEBAA, EBAA and is associated with IBAC. For more information visit www.jetsales.com ■

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