

The Aviation Buzz: Buying Value. Buying Smart

You can always tell when things are changing by the words people use. Back in late 2008 and the beginning of 2009 when the supply of aircraft inventory was at an all-time-high, owners were desperately trying to sell their aircraft as the market was plummeting. Buyers were reluctant to step into the market, not wanting to purchase an aircraft one day only to have its value decrease the next. Consumer confidence was the key: buyers and sellers feeling that prices were stabilizing.

What helped to create this sense of stability were buyers who felt they were dealing with owners who seemed serious about selling by establishing a real-dollar asking price, as opposed to 'Make Offer'. The buyer's mantra for that time seemed to be, "Show me the price."

Today, something very different is occurring: buyers now want value. Of course they have no interest in over-paying for a plane, but they do not want to buy an inferior plane at a cheap price either. They are looking to buy value, and want to buy smart - the new buzz words to describe this goal.

Both buyers and sellers are responding to the reality of the times as well as to the new vocabulary. Today buyers and sellers are walking away from their respective sides of the table, each feeling good again about the transactions they are doing. This quest for value brings up an important conversation to have. Recently, my son Josh wrote a blog titled, "*Peeling Back The Layers Of The Onion*". In the blog, Josh observes that as a buyer, especially in today's supply rich environment, it is easy to look at 30 aircraft in a specific market and consider them all the same. The truth is that below the surface these aircraft are probably very different.

As an example, let's look at the Gulfstream GIV that we recently came across: On the surface this aircraft is just another 10,000 hour GIV, but if you look a layer deeper, this GIV has a full engine program, an upgraded APU and great avionics including HUD and triple FMS to name a few items. Peel back another

layer and you will see that it has almost every ASC modification ever issued. Another layer would show that since new, it has been owned by one of the largest and most respected flight departments in the country. It would also reveal that the plane has no real major damage history and the cosmetics are in very good condition.

By peeling back all the layers, this GIV is no longer lumped with the rest. When all of this value is combined, the plane shines as one of the best aircraft for value in the market today.

As a seller's agent, it is incumbent on our firm to help "peel back the layers of the onion" for the buyer so that our listings don't get lumped in with the rest. It is hard to describe true aircraft value in a spreadsheet, but if we are going to help the 'value buyers' to find the true value aircraft, it is incumbent on us as aircraft sales professionals to help peel back the layers for them.

As a buyer's agent, it is equally important to help our clients look past the outside skin to the sweet inside and identify the best value in the market, not just the least expensive. In the long-run, the best aircraft and best value will prove to be the best investment. This is exactly our goal for every listing we represent and in every conversation we have with a prospective buyer. The value buyers are com-

ing back, and now we can sell the true value aircraft. We are on the right path and it feels good!

Welcome back to work; helping buyers and sellers find the value in aircraft ownership. The work we do as aircraft professionals is the value our clients are buying when they contract us to support them as current or potential owners. Staying up-to-date on what is morphing in the aviation industry, and offering better ways of collaborating and staying connected with our clients and colleagues through various communications channels are but a few of the ways we create and improve our value to our clients.

When the market was in a freefall and no one seemed to know up from down, the day was just a whirlwind. During those tumultuous times, presence and expertise was needed more than ever to help clients successfully navigate the rapidly changing business conditions that were occurring. This is not the case now, as the economic storm subsides. However, our current business environment continues to require aircraft professionals to be smart by bringing your best - not only to clients but to others throughout our industry - so that we can work in collaboration with one another to raise the value of our businesses and business aviation as a whole.

Today there is joy in buying, selling and especially owning. It's nice to be back!
 > 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. If you would like to join in on conversations relating to topics like this, and other trends seen in the business aviation market, we welcome your feedback by commenting on our blogs at www.jetsales.com/blog.

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