

# The Opportunity: It's Not Gone Yet

**I** still believe that 'Flat' will be the new 'Up'. I still believe that transactions and real business are on the up-tick. I hold firm to my belief that more first time buyers are coming into the market at rates that equal pre-downturn numbers. And I absolutely believe that the Glass is Half-Full.

I am not sure what to believe, however, about prices and a sustainable leveling-out. During the last ninety days as we rode a wave of reports that the majority of prices across age and model lines held flat with no - or very little - reduction, transaction numbers rose. The question has to be 'will this be sustainable for the next quarter?' ...

Unfortunately I am still seeing the email blasts daily broadcast, "Price Lowered". We have in fact done it ourselves with many of our listings. Of course, with a few of our reductions we just adjusted to the realization of the market, but that is a very fine-line distinction, and each offering reduction should not be misinterpreted as a continuing weakening of the market. This distinction will be critical to what we as an industry consider as we discuss 'Half-Full' and use words like 'recovery' and 'business is better'.

It might be time to come to the realization that these phenomena may not be in parallel, but that one precedes the other. If we see prices continue to erode in certain markets, the real activity leading to real transactions must be heralded as a precursor to an actual recovery. In our office we are very excited about a continuing increase in activity. We've had, and continue to have more aircraft under contract, more pre-buys going on, and of course - the final piece - more aircraft closing.

Many fellow aircraft sales professionals are reporting the same positive news, so the following column explores the idea that there are still significant opportunities in our market. As I have mentioned in several recent articles, first-time buyers are calling daily and hiring us and our fellow sales profes-

sionals. This is a huge boost to our industry. Remember, when a first-time buyer crosses our radar and purchases an aircraft, so many positive things happen: not only aircraft sales, but all of the critical industry-strengthening events occur.

For the last six years there has been so much focus on the fact that aviation means jobs. We have used that mantra to battle congress and correct perceptions that the industry is not filled with "Fat Cats" flying around in private jets drinking champagne and using the center aisle for putting, but instead filled with hard-working people and corporations utilizing an amazingly efficient and productive business tool and job creator! But what happens when someone takes the opportunity to buy at prices that have never before been seen in the history of our industry? Jobs are created: in manufacturing, servicing, fueling, piloting, legal and tax. Simply put, our industry gets back to work.

So focusing on price alone as a leading indicator of recovery would be wrong. No doubt, if transactions continue at this pace, inventory will continue to shrink and prices will firm and be sustainable. It would not surprise me if, when the new reporting books are published in the next few weeks, some segments may have a downward trend again representing the pricing movement during the last three months. So we, as industry participants and spokespersons, have a tremendous responsibility to be sure we guide the conversation with our clients that the glass is not half-empty but half-full.

As the people closest to the industry, we need to constantly interpret the marketplace and report and guide appropriately. We must share our daily experiences with those that call and try to understand the internal signals. It would be wrong to only tell half the story. It would be completely right to weave the occurrences together to describe the entire scenario.

Prices possibly are still struggling to firm at every level, and we may not be in an up-

market yet, but the landscape is becoming flat. If we help our clients and prospects do the math we can show them enough information to view the market like we do: one that abounds with opportunity; one that can be considered safe to enter; one that can actually help them meet the growing complexities of competing in a more complicated world and help them get out in front of their customers, and ahead of their competition to grow their business.

It will be up to us industry professionals to carry the banner and show the steps to the increased success that using these powerful business tools can achieve. Using these data points to help add-up the reasons why the opportunity to enter the market is far from over, one can start today feeling great about the future of our industry (and thereby each of our positions within it).

Please join me in waving the flag and shouting the news: Business is up, jobs are being created, and we are headed for a long, sustainable future! Welcome back!

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