

# AVBUYER™

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## THIS MONTH

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What's the Latest on the Cessna Citation Light Jet Market?  
Jet Comparison: Embraer Praetor 600 vs Legacy 500  
Buying an Older Jet? Avoid the Surprises

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MRO Industry Guide





# Market Insights: Dave Coleman, Duncan Aviation

What are some of the core trends in the pre-owned aircraft sales market, currently? *AvBuyer's* Matt Harris asked Dave Coleman for his, and Duncan Aviation's, insights...

**S**tarting operations as an aircraft sales company in 1956 when its founder Donald Duncan became a partner in a Beechcraft distributorship, many other facets have been added to Duncan Aviation's portfolio over the years. Nevertheless, the company has continued to buy and sell business aircraft.

Over the last 65 years, Duncan Aviation has overseen well over 3,500 aircraft transactions of several makes, models and categories, and today averages between 20 and 40 aircraft transactions annually.

A founding member of the International Aircraft Dealer's Association (formerly NARA), Duncan Aviation boasts a team of aircraft sales consultants, each with an average 25 years of aviation experience, backed by in-house flight operations staff and 2,400 airframe, engine and avionics technical specialists located around the world.

A core member of the team is Dave Coleman, who brings a wealth of knowledge from over 30 years working in the industry. Dave also happens to be a pilot with more than 7,000 hours of flying time, enabling him to "understand the nature of the relationship between owner and aircraft".

Dave's first aviation job was selling training aircraft, before he became a technical representative for an aircraft leasing company. From there, he took a position supervising a team of Boeing and Lockheed mechanics, learning the challenges of aircraft maintenance, followed by several years flying turboprops for a regional feeder of American Airlines.

He has been in jet aircraft sales and acquisitions in the Chicago area for the last dozen years, and it is here that *AvBuyer* caught up with Dave to ask his, and Duncan Aviation's, perspectives on the pre-owned aircraft market.

**AvBuyer:** *From Duncan Aviation's perspective, how did pre-owned aircraft sales pan out during 2020? We understand that, overall, the market was at least as busy as 2019. Was that your experience?*

**Coleman:** We engaged in a similar number of listings and acquisitions in 2019 compared to 2020. However, the number of deals that crossed the finish line and resulted in a closing was far higher in 2020 than in previous years.

Essentially, sellers were more realistic about the value of their aircraft, while buyers were more decisive.

**AvBuyer:** *Which markets were particularly noticeable for one reason or another in your view?*

**Coleman:** The number of smaller-cabin Citation transactions performed by our sales team jumps right off the page. Over half of those were to first-time jet owners.

Meanwhile, Mid-Size Jet transactions were on a par with previous years, and each transaction could be described as 'challenging'. Our Large Cabin Jet business was a little stronger than before. With the exception of one or two deals, all of these involved considerable price concessions.

**AvBuyer:** *Why was this?*

**Coleman:** The Large Jet market was hit from all sides in 2020. Not only was the market slowing down before the start of the pandemic, but quarantine requirements made international travel impractical, while social distancing measures made the use of the aircraft harder to justify.

To top it off, many Large Jet operators are in the energy sector, where low oil prices hit the bottom-line pretty hard. Generally speaking, most large cabin aircraft saw a 10-15% drop in value.







On the other hand, Light Jets are the perfect match for US domestic small and mid-size businesses that are nimble and can take advantage of low borrowing rates and strength in equities to grow their businesses.

There was a period in 2020 where 'prime condition' Citations Vs and Ultras were selling at pricing premiums in excess of 10%.

**AvBuyer:** *Looking ahead, what are your expectations for 2021 in terms of pre-owned sales? We've seen reports predicting a busy Q4 2020 will spill into a busy Q1 2021. Is that the way you see things?*

**Coleman:** Many of the transactions that took place in Q4 2020 were from buyers that projected end-of-year financial results that were well above plan. Some of these buyers may have moved their acquisitions from 2021 to 2020 for tax planning purposes.

I may be in the minority, but I expect Q1 2021 to be quieter than normal because of this...

**AvBuyer:** *Looking at the months ahead, which buyers and sellers would you have on 'red alert', ready to act fast? Which markets do you foresee good buying and selling opportunities in?*

**Coleman:** My grandfather used to say that you can go just as broke on a good deal as you can on a bad one. The best opportunity in 2021 is on the aircraft that is optimally suited to meet your requirements.

Buyers should work with their broker to determine the make and model aircraft that makes the most sense, and then be on 'red alert' to lock up the best aircraft of that type at the best price – one that can be placed into service when it is needed.

"Many of the transactions that took place in Q4 2020 were from buyers that projected end-of-year financial results that were well above plan."

With a business jet, you are buying a time machine that transforms the way you live and work. Leave the speculating to the professionals.

**AvBuyer:** *How would you advise both buyers and sellers to get the most from the market in the coming months?*

**Coleman:** I believe there is insufficient global demand to tighten the market for business aircraft to the point where we have a sustained rise in asset values. Therefore, be patient and work with a specialist who can help you understand the cadence of the market. (That specialist should also be trained to recognize when the most popular models are experiencing a momentary slack in demand.)

Those buyers who adhere to this basic principle are the ones who will get the best deals in 2021, and beyond.

More information from [www.duncanaviation.aero](http://www.duncanaviation.aero) ■

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MARKET INSIGHTS

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## ▶ 2007 Learjet 45XR s/n 330



NEW  
LISTING

3,777 Total Time. ADS-B Out. WAAS/LPV. MSP Gold NRL on Engines. MSP on APU. Midwest Hangared Since New.

## ▶ 2011 Phenom 300 s/n 44



NEW  
LISTING

2,476 Total Time. EEC Enhanced. Gold Light (Fully Paid). LPV Approach. Delivered with Fresh 120 Month, HSI & LGO.

## ▶ 2009 Lear 45XR s/n 403



4,234 Total Time. One Owner. Duncan Aviation/Bombardier Maintained. MSP. WAAS/LPV. Wichita-based.

## ▶ 2001 Lear 31A s/n 210



Late Model 31A with ADS-B, WAAS/LPV and ZR LITE mod. Excellent Maintenance Pedigree. New RH Windshield.

## ▶ 2007 Lear 40XR s/n 2083



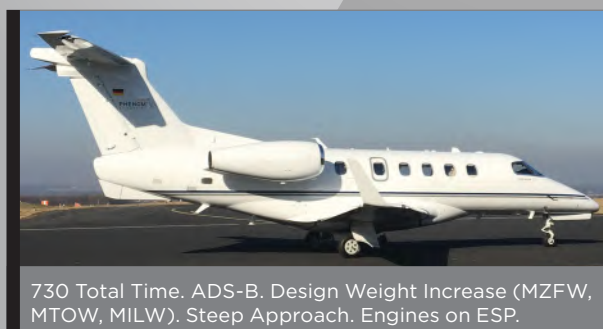
4,931 Total Time. Engines on MSP Gold. Extended Range. 2019 Paint. Increased MTOW. WAAS/LPV. 36/72/108 Month Completed 2/2019.

## ▶ 2012 Challenger 605 s/n 5879



View in Manassas, VA. 1,800 Total Time. 12 Passenger. Engines/APU on JSSI. One Owner. 96 Month Completed by Duncan Aviation in May 2020.

## ▶ 2016 Phenom 300 s/n 359



730 Total Time. ADS-B. Design Weight Increase (MZFW, MTOW, MILW). Steep Approach. Engines on ESP.

## ▶ 2009 Challenger 605 s/n 5780



PRICE  
REDUCED

1,507 Total Time. Fully Programmed. ADS-B Out. WAAS/LPV. FANS 1/A. CPDLC. TCAS 7.1. Proline 21 Advanced.