to ten per cent over five to seven years. How do the two experts view prospects in 1986? McGowan says that it is still early to see any developing trend, but that "we see an upturn in the 'used' market". Robert Rockwood says that the industry has recently been in a period of price decline which has "pretty much run its course". He predicts some stabilisation of used-aircraft prices, dependent upon the health of the US economy. Here, of course, confidence will play a part. It is the lead factor, according to Rockwood. "The corporate aircraft is a most expendable item." It can be the first thing to go in times of economic adversity, and the first to come back in when things improve.

The forecast is for relatively strong earnings in 1986, and inflation pressure is non-existent. (When inflation is high, you need to buy before prices rise even further; conversely, with low inflation there is no need to act.)
Trends observed by Aircraft Bluebook-Price Digest show that some aircraft that performed well in the low-depreciation stakes in the mid-to-late 1970s fell back in

the early 1980s. Others—business jets, for example—have come from behind to hold their values better in the past five years. Best buys over both five and ten years have been 200+ h.p. single-engined piston aircraft. Most of these aircraft have lost less than a third of their value over the

survey periods, during which time the new price has risen by about 185 per cent. Turboprops also did well in the 1975-85 period, but ranked lowest in the years from 1980, according to McGowan.

A number of points may need to be made in observing these trends. Jets (busi-ness, executive, corporate, call them what you will) have been subject to noise legis-lation which has outlawed many older types, for which the market has shrunk as the newer turbofan designs have come into service. The arrival of Garrett's TFE731

and the Citation II are singled out by Rockwood as significant developments. Each will find a good market.

Turboprops and piston twins suffered very much from the nosedive in used-aircraft prices in the early 1980s. As the recession bit, many operators disposed of their machines. In consequence, prices fell as supply outstripped demand until the market returned to balance.

According to Rockwood this situation is not yet resolved. He points out that supply and demand ratios can swing very quickly. Almost any "economic hiccough" can lead to buyers disappearing or the market increasing in size.
How does McGowan see the future?

Demand is "a little tough" to predict. He foresees no great changes in the small-aircraft market until product liability questions are resolved. The small single-engined turbine aircraft? To be affordable, prices will need to be lower, he says, citing the $600,000 Cessna Caravan I. Acknowledging that a Baron 58P carries a similar price tag, McGowan says that "a good-sized aircraft" at $500,000 should sell well. He does not expect new retail prices to continue to rise quite so steeply, but says that increases will "probably" be more than inflation.

What are the prospects for the bigger

General-aviation price index: 1980-85

Type

Corporate jets
Gulfstream III
Dassault Falcon 50
BAe 125-700A

Gates-Learjet 35A
Cessna Citation 550
Citation 500
IAI Westwindl(1124)
Dassault Falcon 10
IAI Westwind II
Dassault Falcon 20F
Gates Learjet 25D

Corporate turboprops
Cessna 441 Conquest
Beech King Air C90
Piper Cheyenne III
Cheyenne III
Beech King Air 200

1985 value
(% of 1980 price)

124-3
115-1
87-4
73-7
73-2
68-8
61-8
58-8
57-2
55-9
49 5

72-7
64-8
59-4
59 0
58-9
Gulfstream Commander 840 57 0
Beech King Air F90
Fairchild Merlin IVA
Merlin NIB
Mitsubishi Marquise

Corporate piston twins
Cessna 402

Piper Navajo Chieftain
Beech Baron 58
Baron 58P
Cessna 414

Piper Seneca III
Cessna 421
340

Piston singles (200 h.p.
Beech Bonanza A36
Piper Saratoga
Beech Bonanza A36TC
Cessna 182Q
Piper Saratoga SP
Beech Bonanza F33A
Piper Dakota
Mooney 201
Cessna 4206G
Mooney 231
Cessna 182RG
210

Piper Turbo Arrow IV
Cessna P210

Piston singles (200 h.p.
Piper Archer
Warrior
Cessna 172N
152
172RG

56 0
52 9
39-5
39-4

61-3
57 5
56 8
55-7
55-4
53-8
53 2
51-9

and above)
80-1
77 9
77 6
75-4
73-6
73-2
71 2
69-1
68-9
67-7
64 4
63-9
57 8
57-7

and below)
82 8
65-8
59 0
58-3
56-1

US general-aviation used-aircraft values (1985)

corporate machines, the really heavy metal? Both men refer to the Dassault Falcon 900 and Gulfstream IV at $15 million or more. Rockwood sees "nothing to hold the value high"; he suggests that the GIV represents "no significant leap in technology" over the GUI. The only fundamental difference lies in the

performance of the engines and the effect this has upon range and economy, he says. McGowan expects both designs to sell "quite well", because typical customers were not hurt in the recession. Rockwood

General-aviation price index: 1975-85

Type

Corporate Jets
Gulfstream II
Gates-Learjet 35
Cessna Citation 500
Dassualt Falcon 10
Falcon 20F
Gates-Learjet 25B
24D
Rockwell Sabreliner 75A
60
BAe 125-600
IAI Westwind 1123

Corporate turboprops
Beech King Air C90
King Air 200
King Air E90
Fairchild Merlin IV
Beech King Air A100
Fairchild Merlin MB
Piper Cheyenne II

1985 value
(% of 1975 price)

101-5
84
72
68
68
56
52
51
49
44

0
1
9
3
0
6
8
2
0
29-8

73
72
68
61
59
53
53
Gulfstream Commander 690A ' *
Mitsubishi MU-2L

Corporate piston twins
Piper Navajo C/R
Seneca II
Beech Baron 58
Piper Chieftain
Cessna 414
Beech Baron E55
Cessna 340
Beech Baron B55
Cessna 402
Beech Duke B60
Piper Aztec
Piper Aerostar601P
Cessna 31 OR
Cessna P337 Skymaster
421 Golden Eagle

Piston singles (200 h.p.
Beech Bonanza A36
Bonanza F33A
Mooney M20/201
Beech Bonanza V25B
Piper Cherokee Six 300
Cessna 182P
U206F
210

Piston singles (200 h.p.
Piper Archer
Champion 8KCAB
Piper Warrior
Cessna 172M
Beech Sundowner C23
Beech Sierra B24R

9
3
7
1
2
6
0
5
46 0

60
55
54
53
52
51
51
49
44
43
42
41
41
37

7
3
3
3
9
4
0
6
4 !
6
4
3
0
6
36-9

and above)
91-2
82
72
70
69
69
67

7
1
1
4
2
9
61-5

and below)
90
72
65
64
51

0
7
2
0
6
51-2

sees the Falcon 900 as less easy to predict. There being "no precedent", it is harder to evaluate: Dassault is "reaching a new Falcon market" with this cabin size. There

has never been any straight head-to-head competition historically between the Falcon and the Gulfstream range, in Rockwood's view.

Aircraft Bluebook is about to analyse the
latest returns from its 1,000 dealers. Its
conclusions will come out with the Spring
crocuses, and like those flowers, may be
the same colour as last year. D

Percentage of original price Percentage of replacement cost
Sector 1975-85 1980-85 1975-85 1980-85

Business jets 58-1 74 5 19-1 49 0
Turboprops 59-8 60-3 24-4 35-3
Piston twins 47-1 62-6 15-9 33-3
Singles (above 200 h.p.) 71-7 70 0 25 0 40-7
Singles (up to 200 h.p.) 65-5 57-8 26-4 36-1

Source: Aviation Bluebook Price Digest, Will Rogers World Airport, Box 59977, Oklahoma 73159-9988, USA.

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