



THE IMPACT OF COVID-19 ON JET SALES: 21% DROP IN SALE OF PRE-OWNED PRIVATE JETS IN EUROPE

News / Business aviation, Finance



Analysis of industry data by Colibri Aircraft, the private jet broker which specialises in the marketing, resale and purchase of pre-owned private aircraft, reveals that 152 pre-owned private jets were bought in Europe in 2019 - a drop of 21% when compared to 2018 when there were 192 sales. Despite this, Colibri Aircraft saw a significant increase in its transaction volume year-on-year. In total, Colibri Aircraft estimates that the value of the 152 pre-owned jets sold in Europe last year was over \$900 million.



Impact of Coronavirus on the sale of pre-owned private aircraft

Colibri Aircraft says the overall stock market turmoil and continued economic uncertainty caused by Coronavirus will put an effective freeze on the sale of private aircraft. Oliver Stone, Managing Director, Colibri Aircraft said: “Everyone will adopt a 'wait and see' approach while they figure out if the panic is a one-off hysteria removed from economic fundamentals, or if it will turn into a severe economic recession. As a result, I don't expect to see many aircraft hit the market, nor do I expect to see enquiries coming in or sales happening.

“After a few weeks, I believe we will start to see whether or not the market panics will affect people's businesses. This, more than any other factor, will determine the effects to the aircraft markets. At this stage, if there is an effect on businesses, I believe that we will see a large increase in aircraft coming to the market. However, I don't think it will yet affect prices while everyone tries to capitalize on past pricing trends. Unfortunately, if this scenario comes to fruition there will be few buyers out there and so increases in supply will, after a short delay of some weeks while owners adjust to new market paradigms, lead to significant price declines to attract buyers.

“If the virus-related mass-sell off turns out to be removed from economic fundamentals, then I believe we will see a sharp return to people buying aircraft and the freeze will be removed quickly as people fill their previous demand.”

2019 European sale of pre-owned private aircraft

Last year, of the key markets in Europe for pre-owned private jet sales, the UK saw the biggest drop. Just five were bought compared to 17 in 2018. However, if you combine sales in the Isle of

Man (9) and Guernsey (4), it became the second largest market.

The biggest market for sales of pre-owned private jets is Germany where 33 of the 152 used private jets sold in Europe last year were bought. This was followed by Austria (16 were bought in 2019), France (15 purchases) and Malta (10 purchases).

| Country (top 10 markets by the number of pre-owned private jets bought in 2019) | Number of pre-owned private jets bought in 2019 | Number of private jets bought in 2018 |
|--|--|--|
| Germany | 33 | 35 |
| Austria | 16 | 12 |
| France | 15 | 10 |
| Malta | 10 | 14 |
| Isle of Man | 9 | 12 |
| Luxembourg | 8 | 10 |
| Italy | 6 | 6 |
| Spain | 6 | 5 |
| Switzerland | 6 | 9 |
| UK | 5 | 17 |
| Europe | 152 | 192 |

Despite the overall drop in sales last year, many existing owners kept hold of their aircraft and the actual pool of private jets across the continent increased slightly.

Oliver Stone, Managing Director, Colibri Aircraft said: “Sales in Europe of pre-owned private aircraft last year were down partly because all jets had to be upgraded with new ADS-B Out avionics, which was a costly exercise. Trying to sell an aircraft without this would have had a very

negative impact on the price.”

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