JETNET Releases Pre-owned Business Jet, Business Turboprop, and Helicopter Mid-Year Market Information

JETNET LLC, the leading provider of corporate aviation information, has released June 2011 and the first six months of 2011 statistics for pre-owned business jet, business turboprop, and helicopter markets. After more than two years of decline, expectations are that 2011 will be another year of correction with high hopes for sustained growth in 2012 and beyond.

Utica, NY (PRWEB) August 01, 2011 -- JETNET LLC, the leading provider of corporate aviation information, has released pre-owned business jet, business turboprop, and helicopter market statistics in June 2011 and the first six months of 2011. The health of the pre-owned market sets the stage for new aircraft orders. After more than two years of decline, 2011 will be another year of correction with hope for sustained growth in 2012 and beyond.

The first six months of the 2011 pre-owned market showed early-stage recovery signs. JETNET reported double-digit growth of 15.3% in pre-owned business jet retail sale transactions, along with a continued decline in average asking price. Compared to June 2010, the month of June did improve by $1.2 million, or 28.5%, in average asking price. While one month of improvement is not a trend, it is hoped this key metric will continue to improve.

Market Summary: Key Worldwide Trends
For the first 6 months of 2011 compared to the same period in 2010, Business Jet inventory For Sale percentage showed the largest change (down 1.3 points), to 13.8% from 15.1%. The only market sector to show an increase in for-sale inventory was the piston helicopter market, increasing from 6.2% to 6.7%. Business Jet Sale Transactions increased 15.3%, and business turboprops increased 3.7%. Both helicopter categories saw double-digit declines (down 10.4% for turbine and 20.2% for piston).

All pre-owned aircraft categories showed large decreases in average asking price percentages except piston helicopters, with an increase of 6.7%. The decrease in average asking price ranged from -18.6% for business jets to -3.8% for business turboprops and -10.5% for turbine helicopters.

View of For Sale Inventory
The For Sale inventory of business jets dropped below the 2,500 mark for the first time since November 2008, and the percentage dropped to 13.8% in June 2011. The business turboprop percentage For Sale ended at 10.3%. This drop in inventory is a positive sign. More than 59% of business jets and more than 69% of business turboprops currently for sale are 16 years and older.

12 Month Moving Total Trends – Pre-owned Retail Sale Transactions
As of June 2011, business jet retail transactions are 8.4% below the peak set in February 2008, and down 24.5% for business turboprops from the peak also set in February 2008. These are sharp rebounds from the 2009 lows and are good indicators that the correction process is in motion.

U.S. JET A Fuel Prices
Fuel costs continue to be high and the pre-owned turboprop retail transaction market sluggish. The 2nd quarter 2011 U.S. Jet A Fuel Prices at $6.63 per gallon are on the rise, up $1.27 per gallon from $5.36 in the 1st quarter of 2010. Current prices are only 20 cents, or 3%, below the 2008 fuel price bubble of $6.83 per gallon.
US Economy
The U.S. Bureau of Economic Analysis (BEA) reported that real gross domestic product increased at an annual rate of 1.3 percent in the second quarter of 2011, according to the "advance" estimate. In the first quarter, real GDP increased 0.4 percent. In the “third” estimate provided last month, the annual rate was 1.9% in the 1st quarter of 2011. A GDP of greater than 3.0% indicates the business aviation market is in a growth mode. Unfortunately, the GDP in the first two quarters of 2011 is well below this level.

Summary
Moving into the new decade, optimism for the industry’s recovery is everywhere. The first six months of 2011 have shown that pre-owned retail transactions are picking up nicely, and business jets are nearly at the 2007 peak levels. This positive pre-owned activity should be priming for improved new OEM sales in the near future. However, the U.S. economy will require growth stimulus not seen in the first half of 2011.

The second half of 2011 should continue on the path of correction, and again prove that the business aviation industry is resilient and poised for a comeback.

Since 1988, JETNET has delivered the most comprehensive and reliable business aircraft research to its exclusive clientele of aviation professionals worldwide. JETNET is the ultimate source for information and intelligence on the worldwide business aircraft fleet and marketplace, comprised of some 60,000 airframes. The company offers services for both fixed wing and helicopter aircraft. Headquartered in its state-of-the-art facility in Utica, NY, JETNET offers comprehensive user-friendly aircraft data via real-time internet access or regular updates.

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