



QS PARTNERS

# INSIGHT

STATE OF THE MARKET

*QUARTER 3 2023*

Top 60 Pre-owned Business Jet Markets

## MARKET HIGHLIGHTS

The same trends evident in the first half of the year have continued throughout Q3, with inventory now up to 6.0% of the total fleet for sale, due to both an increase in aircraft coming to market and a lower level of demand than seen in prior years. If this pace of increasing inventory continues, we should reach the 8% historical benchmark of fleet availability in Q3 of 2024.

Total retail transaction volume in Q3 2023 was down 19% year-over-year, and nearly flat quarter-over-quarter. Year-to-date transaction volume is down 25% versus 2022 but remains in line with the levels seen through the first half of 2018–2020.

The predominant sentiment amongst many in the Broker/Dealer community is that by and large, the pre-owned jet market is relatively healthy but continues to trend more buyer-favorable every month that goes by.

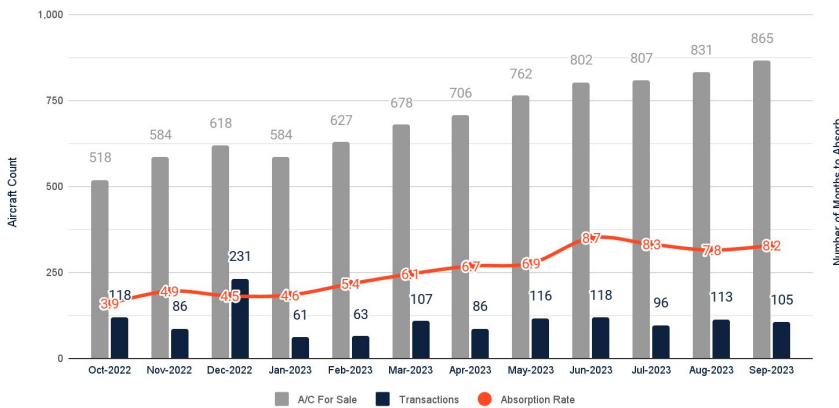
## Market Overview

Active Fleet	14,437
For Sale/Lease	865
% for Sale	6.0% <span style="color: red;">▲</span>
Sold Year-to-Date	865 <span style="color: red;">▼</span>
Sold Prior Year	1,582
Absorption Rate	8.2 <span style="color: red;">▲</span>

## Seller Market Rankings

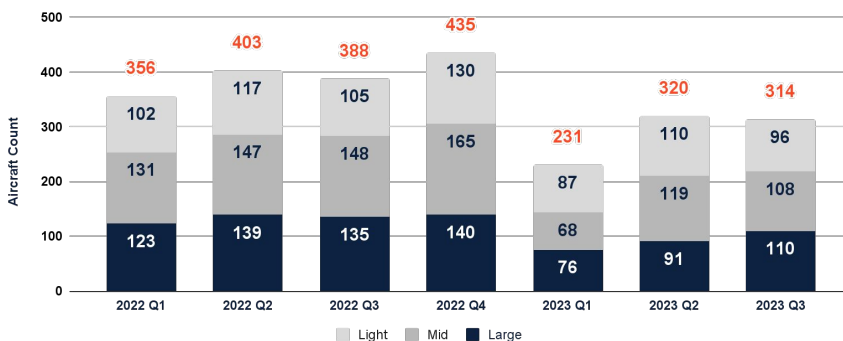
1	Mustang	31	G450
2	XLS+	32	CL 300
3	G550	33	CL 650
4	Sovereign	34	H800XP
5	CJ2	35	Lear 60
6	Falcon 7X	36	CJ1+
7	CJ2+	37	CJ1
8	G280	38	GL 5000
9	CJ3	39	CL 605
10	G650ER	40	Encore+
11	Sovereign+	41	Lear 45XR
12	Phenom 300	42	2000EXEASy
13	Falcon 900LX	43	Falcon 2000
14	GL 6000	44	2000LX
15	Lear 75	45	Lear 45
16	CJ4	46	Lear 60XR
17	XLS	47	CJ3+
18	Encore	48	GIV-SP
19	Latitude	49	H850XP
20	Citation X	50	G650
21	900EXEASy	51	CL 604
22	M2	52	GL XRS
23	2000EX	53	G150
24	Legacy 600	54	900EX
25	Excel	55	H900XP
26	Legacy 650	56	G200
27	Premier I	57	Legacy 500
28	CL 350	58	GL EXP
29	Premier IA	59	Legacy 450
30	Phenom 100	60	GV

12-MONTH MARKET TREND



YTD	Inventory	Transactions	Absorption Rate
2022	483	1,147	3.7
2023	865 <span style="color: red;">79% ▲</span>	865 <span style="color: red;">-25% ▼</span>	8.2 <span style="color: red;">123% ▲</span>

TRANSACTIONS BY QUARTER AND CABIN CLASS



Competitive Market Rank is a measure of each model's market performance in key metrics relative to the average of the top 60 modern business jet markets, and is based on current month market and the last six months of transaction data.

### VALUE TRENDS

Fleetwide, quarter-over-quarter pre-owned modern jet values decreased by an average of 5.3% in Q3, the fourth consecutive quarter in which we have seen average values decline.

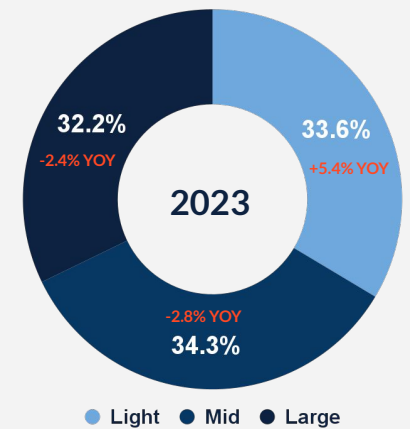
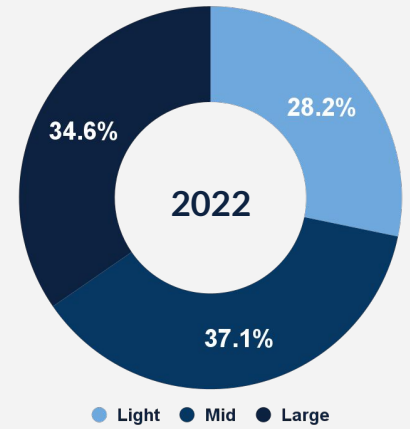
Individual fleet value performance continues to vary, with 21 of the 26 fleets detailed below recording a reduction in values compared with the prior quarter. Aircraft values remain up an average of 20.7% compared to Q4 2019 and only three of the detailed fleets are below their pre-pandemic values.

The sentiment among the Broker/Dealer community in relation to price is that the market will return to the dynamics it had seen before 2020 for modern, sub-20-year-old aircraft. However, the values of 20+ year-old aircraft have begun to decrease significantly as demand is pulled away from those markets due to the return of supply and price stability in more modern fleets.

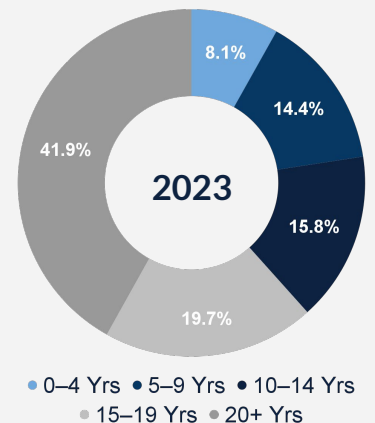
### Value Changes by Market

Segment	Market	Change YOY	Change QOQ	Change since Q4 2019
Light	CJ3	-5.7%	-7.9%	49.5%
Mid	XLS+	0.4%	3.6%	48.5%
Light	CJ4	-0.9%	0.7%	48.1%
Mid	CL300	-5.3%	-3.2%	44.2%
Large	CL604	-12.4%	-16.3%	43.9%
Light	CJ3+	1.8%	-2.1%	37.6%
Mid	G200	-17.4%	-10.3%	36.7%
Mid	H900XP	-14.5%	-13.9%	33.7%
Large	CL605	-16.4%	-5.1%	31.8%
Mid	XLS	0.0%	-13.3%	30.4%
Mid	H850XP	-18.3%	-10.9%	29.8%
Light	Phenom 300	-3.1%	-7.0%	27.1%
Mid	Sovereign	-16.5%	-5.9%	25.2%
Large	900EX EASy	-4.3%	2.0%	23.1%
Mid	Latitude	-1.8%	-2.5%	19.9%
Light	M2	-0.4%	-10.6%	17.9%
Mid	G280	1.8%	-3.8%	16.8%
Mid	CL350	-9.6%	-9.0%	15.1%
Large	CL650	-7.1%	3.3%	13.1%
Large	Global 6000	-5.2%	4.7%	6.4%
Large	2000LX	-5.5%	-14.2%	6.4%
Large	Global 5000	3.0%	-0.4%	3.1%
Large	7X	-10.8%	-5.8%	0.1%
Large	G450	-5.2%	-4.1%	-0.3%
Large	G550	-7.5%	-2.4%	-1.5%
Large	G650/ER	-7.9%	-3.5%	-7.6%
<b>Total</b>		<b>-6.5%</b>	<b>-5.3%</b>	<b>20.7%</b>

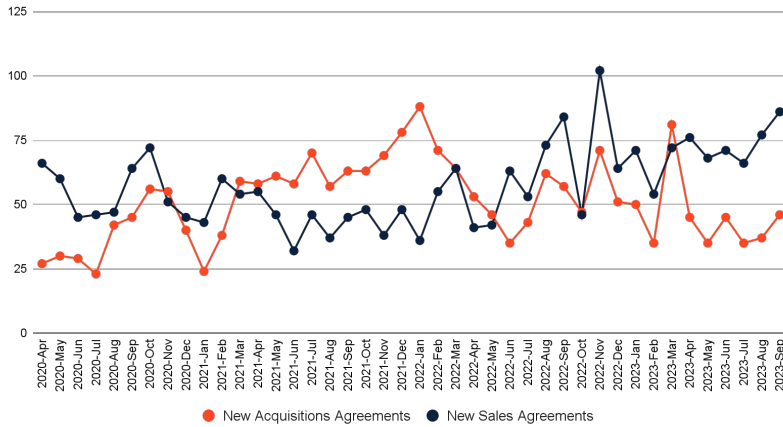
### Transactions By Cabin Class



### Retail Sales By Aircraft Age



### IADA DEALER ACTIVITY



The above chart includes data provided by the International Aircraft Dealers Association, an association of the 60 largest dealers/brokers in the world.

The two most recent months of August and September have seen the largest delta between newly signed buyer and seller agreements on since these metrics have been reported, with 40 more sellers coming to the market than buyers. In addition, 14 of the last 16 months have had more sellers than buyers sign agreements which is an abrupt shift from the 15 straight months from March 2021 through May 2022 in which the opposite was true and buyers outnumbered sellers.

As mentioned in prior quarterly publishes, this is due to various macroeconomic and industry factors such as expectations of a looming recession, geopolitical instability, increasing interest rates, reducing charter demand and revenues, and more.

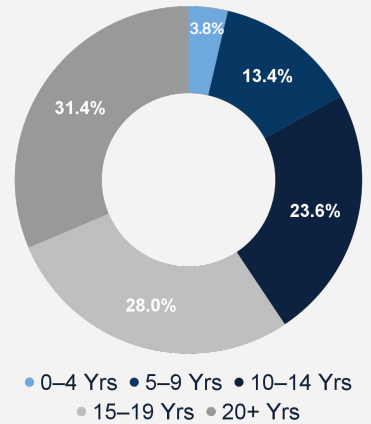
### PRE-OWNED JET FLEET AVAILABILITY

The below chart shows the Percentage of Active Fleet for Sale for each quarter going back to 2000 ending with Q3 at 6.0% of the fleet available for sale.

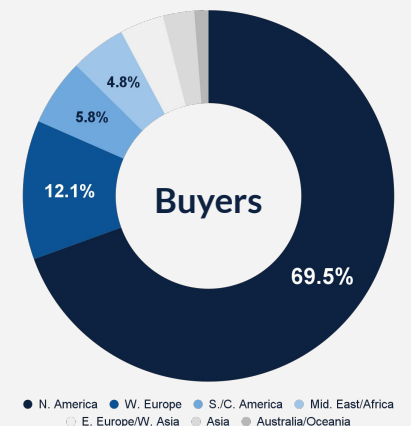
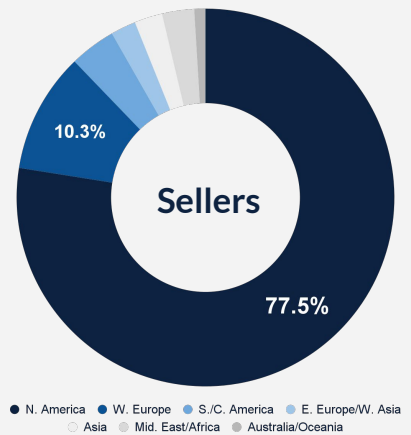
Since the low point of 3.2% availability in Q1 2022, the market has seen a 0.5% increase in Availability each quarter over the last 6 quarters. Should this pace of increases to inventory continue, we will hit the 8% availability threshold in Q3 of 2024 and the 10% availability threshold in Q3 of 2025.



### Current Market By Aircraft Age



### Transactions By Region (2023)





## PREMIUM *BROKERAGE*

### When You Are Ready to Sell

As the aviation industry's only Berkshire Hathaway-owned aircraft broker, QS Partners possesses the financial stability and practiced expertise to successfully sell your aircraft in today's rapidly evolving market. Your trusted adviser will provide the strategic guidance and market knowledge necessary to coordinate a seamless transaction while maximizing the value of your aircraft.

### INTELLIGENCE + ANALYSIS

We track over 50 aircraft markets daily with the industry's largest dedicated team of analysts and researchers. Our proprietary research database provides our clients with the real-time market information necessary to execute sound transactions.



# *70 Days or Less*

AVERAGE SELL TIME

For a QS Partners brokered aircraft



## EXPERT ACQUISITIONS

### Find Your Ideal Aircraft

The search for the right aircraft begins by partnering with an adviser you can trust who has the required expertise coupled with a stellar reputation. Our depth of experience and establishment of long-term relationships have solidified our reputation for integrity and reliability, attracting clients across the globe.

NetJets and QS partners, both Berkshire Hathaway companies, have purchased and sold more aircraft than any other broker or dealer.

Our acquisition process begins by listening to you during an in-depth inquiry to understand why and where you plan to travel, what you enjoy about your current aircraft or travel solution, and what you need more or less of in your next one. Then, our experienced team conducts a uniquely detailed analysis that considers your functional, budgetary, and mission imperatives to find you an innovative and optimal solution. From there, our six-step process considers all angles to ensure you have every advantage to acquire your ideal aircraft.

# \$900M

Total asset value for aircraft sold or purchased since 2021