



# INSIGHT

STATE OF THE MARKET

*QUARTER 3 2024*

Top 60 Pre-owned Business Jet Markets

### MARKET HIGHLIGHTS

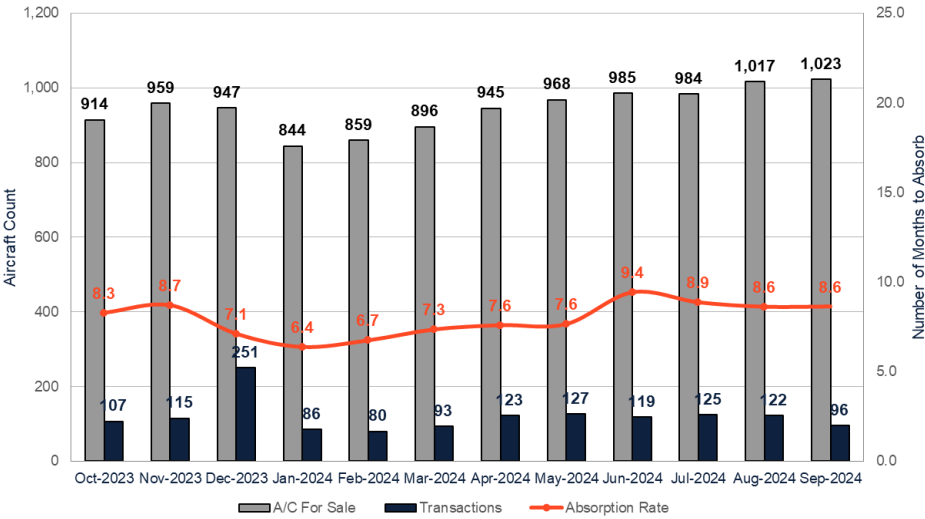
Modern pre-owned jet supply continued to increase in Q3, now at 7.2% of the Active Fleet for sale, or a 0.3 percentage point gain compared to last quarter. This is the highest available inventory since 2020 Q4, when it was at 8.0% of the active fleet for sale.

Demand remained relatively strong as well in Q3 with 343 aircraft sold to retail or a 5% increase year-over-year, which is the third quarter in a row with a quarterly year-over-year increase. This brings year-to-date transaction volume up 10% compared to the first three quarters of 2023; no surprise given the shift back towards buyer-favorable market conditions with a larger amount of aircraft options on market and decreasing pricing.

### Market Overview

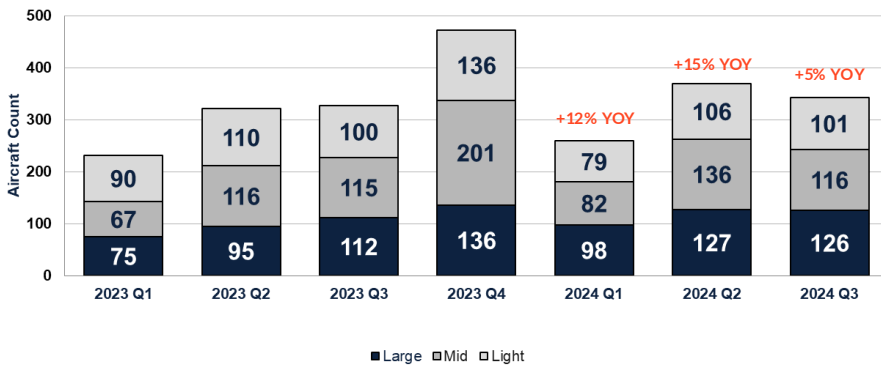
Active Fleet	14,261
For Sale/Lease	1,023
% for Sale	7.2% <span style="color: red;">▲</span>
Sold Year-to-Date	971
Sold Prior Year	1,353
Absorption Rate	8.6 <span style="color: red;">▼</span>

### 12-MONTH MARKET TREND



YTD	Inventory	Transactions	Absorption Rate
2023	865	880	8.0
2024	1023 <span style="color: red;">18% ▲</span>	971 <span style="color: red;">10% ▲</span>	8.6 <span style="color: red;">8% ▲</span>

### TRANSACTIONS BY QUARTER AND CABIN CLASS



### Seller Market Rankings

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

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

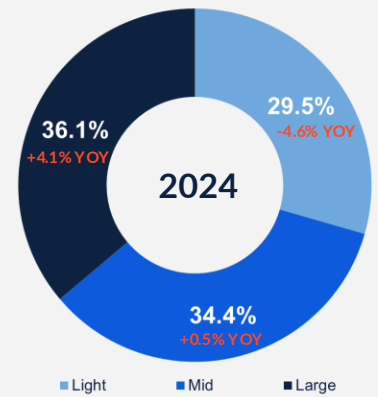
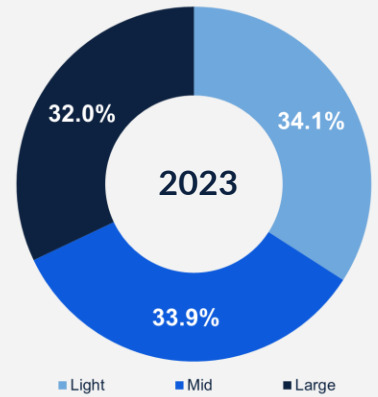
Individual fleet value performance remains varied in Q3, with 16 of the 26 fleets detailed recording a reduction in values compared with the prior quarter. Fleetwide, quarter-over-quarter pre-owned modern jet values decreased by an average of 2.6% in Q3, the eighth consecutive quarter in which we have seen average values decline.

The year-over-year average value loss of 7.3% is slightly higher than the ~6% historical benchmark of value loss per year for mature fleets, and aircraft values remain up an average of 10.4% compared to Q4 2019 with six of these fleets below their pre-pandemic values.

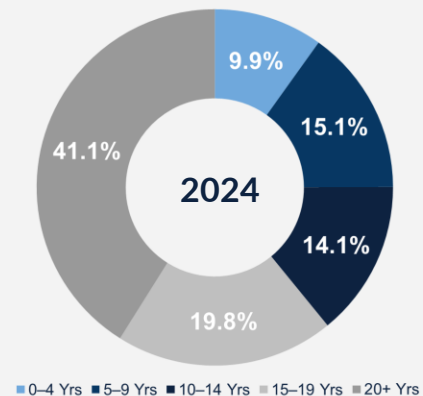
### Value Changes By Market

Segment	Market	Change YOY	Change QOQ	Change since Q4 2019
Mid	H850XP	5.7%	-2.4%	36.3%
Light	CJ4	-6.1%	-3.6%	35.6%
Light	CJ3	-8.6%	-6.4%	35.3%
Large	CL604	-10.3%	-8.4%	27.9%
Light	CJ3+	-4.8%	2.6%	27.7%
Mid	CL300	-11.9%	-1.8%	25.6%
Large	CL605	-6.5%	7.9%	25.1%
Mid	Latitude	4.2%	-1.8%	24.3%
Mid	XLS	-8.6%	-4.2%	24.0%
Mid	XLS+	-12.7%	-5.2%	23.7%
Light	Phenom 300	-2.9%	7.6%	23.3%
Mid	H900XP	-12.9%	-7.5%	17.8%
Mid	CL350	1.9%	0.2%	17.4%
Light	M2	-4.1%	-4.6%	13.9%
Mid	Sovereign	-8.5%	-10.5%	13.1%
Mid	G280	-6.8%	0.1%	11.3%
Mid	G200	-22.6%	-17.5%	4.3%
Large	900EX EASy	-13.0%	-6.5%	3.4%
Large	CL650	-9.3%	-2.9%	2.0%
Large	2000LX	-2.8%	1.1%	1.6%
Large	Global 6000	2.7%	1.4%	-1.0%
Large	7X	-1.0%	-3.7%	-1.4%
Large	G450	-6.7%	5.8%	-4.2%
Large	G550	-8.6%	1.8%	-10.5%
Large	G650/ER	-10.7%	-9.9%	-18.7%
Large	Global 5000	-23.7%	1.9%	-22.2%
<b>Total</b>		<b>-7.3%</b>	<b>-2.6%</b>	<b>10.4%</b>

### Transactions By Cabin Class



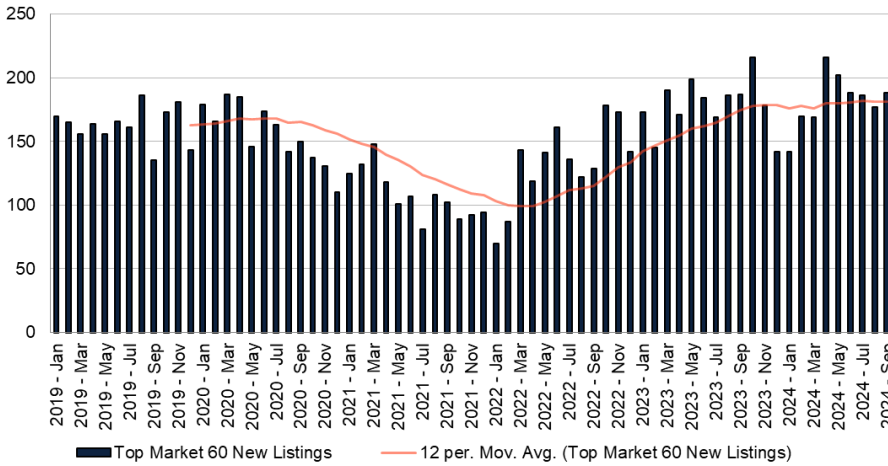
### Retail Sales By Aircraft Age



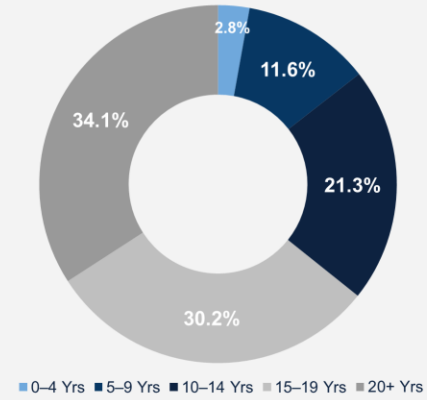
### NEW LISTINGS TO MARKET

The increased demand and transaction volume mentioned on page 1 has still not been enough to outpace the flow of supply. Pre-owned modern jet listings continue to come to market at a pace much higher than we had seen in all of 2021 and in early 2022, as the graph below illustrates. Year-to-date 2024 new listings are up only 2% compared to the same period of 2023, but up 48% versus 2022, 60% versus 2021, 10% versus 2020, and 12% versus 2019.

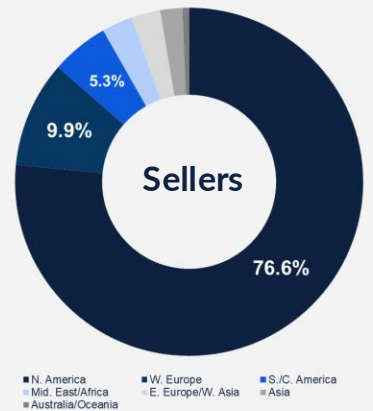
This consistent outpacing of supply is the driving factor in climbing days on market and increased occurrence in price reduction events so that sellers remain priced competitively, ultimately driving to the reduced sales values noted on page 2.



### Current Market By Aircraft Age



### Transactions By Region (2024)



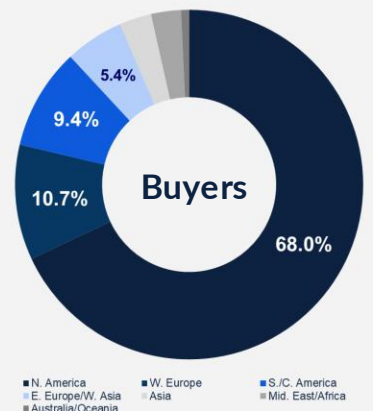
### PRE-OWNED AIRCRAFT PURCHASE FINANCING

One of the key differences in factors influencing demand volume from now compared to the market at its peak in late 2020 to early 2022 is the retail lending environment and the opportunity for aircraft buyers to finance their purchases at historically low interest rates.

The below tables detail the count and percentage of total global pre-owned retail sales that include a lien and security agreement on the aircraft upon closing. Note the significant increase in volume of pre-owned aircraft purchases financed in 2020-2022 and then significant drop off in 2023-2024. When looking at these deals as a percentage of total pre-owned jets purchased, we can see that 2023 and 2024 have seen a harsh drop off in deals that utilize financing given the cost of capital now associated to do so combined with more strict guidelines that lenders have put in place in terms of what age and values of aircraft that they will consider to lend against.

Segment	2019	2020	2021	2022	2023	2024
Light	72	84	118	107	72	63
Mid	87	83	143	114	72	66
Large	39	33	77	79	35	50
<b>Total</b>	<b>198</b>	<b>200</b>	<b>338</b>	<b>300</b>	<b>179</b>	<b>179</b>

Segment	2019	2020	2021	2022	2023	2024
Light	31%	35%	29%	33%	24%	22%
Mid	30%	30%	30%	27%	24%	19%
Large	15%	15%	22%	20%	12%	14%
<b>Total</b>	<b>26%</b>	<b>27%</b>	<b>27%</b>	<b>26%</b>	<b>20%</b>	<b>18%</b>





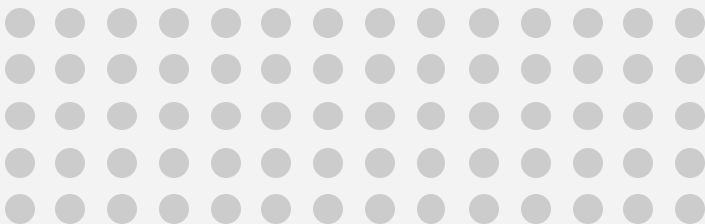
## PREMIUM *BROKERAGE*

### 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

