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Embraer Mid-Size & Large Jets Market Briefing

Fall 2017



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Marketplace Overview

SUMMER 2017

The trend since 2015 of business jet transactions closing more quickly, for the most part, has continued, with six fewer days required than this past Spring. Turboprops recorded a slight increase in selling time of only three days over the same period.

Days On Market	2017	2016	2015
Jets	422	421	457
Turboprops	480	468	496

While the number of transactions declined from 2015 to this past Spring, there has been a noticeable uptick during the past half year. Jet sales increased by 120 and turboprops rose by 73.

Transactions	2017	2016	2015
New Jets	120	159	160
Used Jets	796	790	826
New Turboprops	70	92	92
Used Turboprops	360	417	380

The worldwide inventory of pre-owned aircraft is at the lowest level since 2008, with approximately 10.5 percent of the fleet for sale. There were five percent fewer aircraft on the market this past July versus that same month last year.

Number For Sale	2017	2016	2015
Jets	2,244	2,425	2,276
Turboprops	1,144	1,223	1,168

Percent For Sale

Quest KODIAK 100 experienced the largest increase in aircraft for sale at 122 percent. Gulfstream G280 logged the greatest drop in available aircraft with an 83 percent decrease.

Average Asking Price

Greatest growth in market value was logged by the Lear 40 at 39.7 percent. At the other end of the spectrum was the Legacy 650, which dropped 37.4 percent. Sixteen models recorded Average Asking Price rises, one had no change, and 69 declined.

Nine fewer models (33) exhibited generally-accepted economic supply and demand theory than this past Spring when 42 of the tracked aircraft reacted in accordance with historic behavior. Fifty models saw availability and market value move in the same direction while the remaining three had no change in one parameter, but experienced a variation in the other.

Scroll down for Market Briefing Summaries

Market Briefing Summaries

(September 2016 – August 2017)

Synopsis

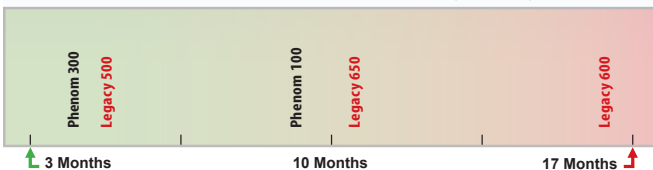
Market Value Declines Even As Availability Decreases.

The Legacy 650 (-37.4%), Legacy 600 (-16.5%) and Legacy 500 (-12.7%) all incurred lower Average Asking Prices, even though the group had 11 (-3.0%) fewer aircraft available for sale. The Legacy 500 logged an increase of one (+50.0%), while Legacy 600 (-21.0%) and Legacy 650 (-38.0%) each ended with six less aircraft on the market.

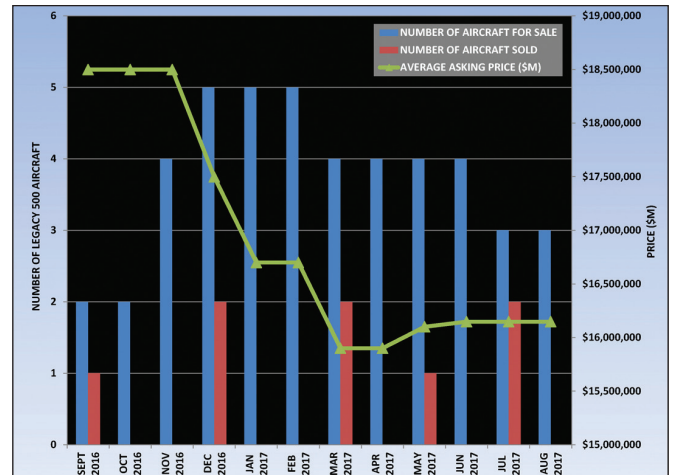
Embraer mid-size and large jets fared worse (-22.2%) than the very light and light jets (-3.6%) in market value. The smaller jets finished with 10 (-22.0%) fewer aircraft for sale while the larger offerings ended at 11 (-3.0%) less.

Despite having the second largest decrease in available aircraft, Embraer (-14.8%) experienced the largest percentage drop in market value, followed by Gulfstream (-12.7%), Bombardier (-8.6%), Textron Aviation (-8.0%), Dassault Aviation Falcon Jets (-5.4%), and Single Engine Turboprops (-2.3%).

EMBRAER INVENTORY ABSORPTION RATE (In Months)

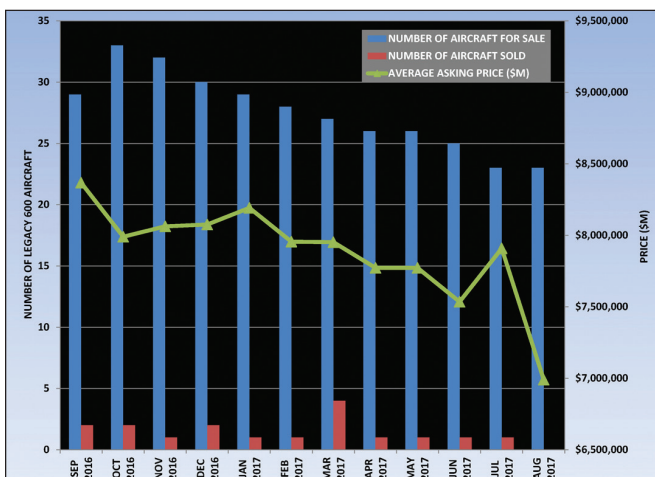


Embraer Legacy 500



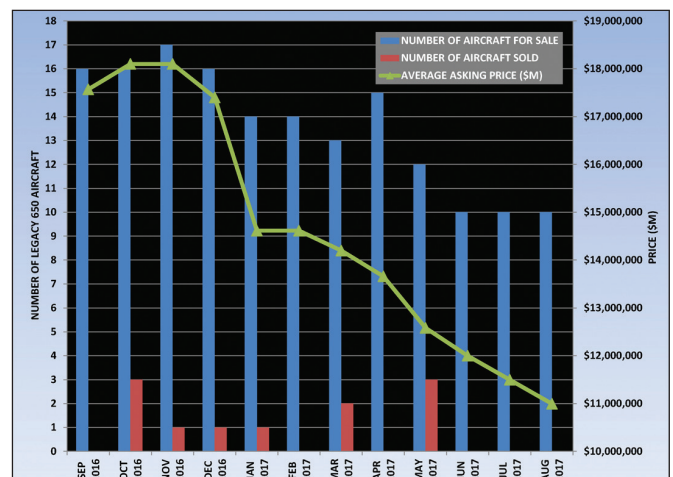
- ➔ Aircraft For Sale: **3**
➡ +50% from 2 Aircraft
- ➔ United States: ➡ 1 to 2
- ➔ International: ↔ 1 to 1
- ➔ Fleet Size: **50**
- ➔ Inventory Absorption Rate: **4.5 Months** at current availability
- ➔ Fleet Availability: **6.0%**
- ➔ Avg. Model Year: **2015**
- ➔ Avg. Total Time: **323 Hrs.**
- ➔ Avg. Asking Price: **\$16,147,000**
➡ \$2,352,500 (-12.7%)

Embraer Legacy 600



- ➔ Aircraft For Sale: **23**
➡ -21% from 29 Aircraft
- ➔ United States: ➡ 6 to 3
- ➔ International: ➡ 23 to 20
- ➔ Fleet Size: **174**
- ➔ Inventory Absorption Rate: **16.2 Months** at current availability
- ➔ Fleet Availability: **13.2%**
- ➔ Avg. Model Year: **2008**
- ➔ Avg. Total Time: **3,079 Hrs.**
- ➔ Avg. Asking Price: **\$6,990,000**
➡ \$1,378,077 (-16.5%)

Embraer Legacy 650



- ➔ Aircraft For Sale: **10**
➡ -38% from 16 Aircraft
- ➔ United States: ➡ 3 to 0
- ➔ International: ➡ 13 to 10
- ➔ Fleet Size: **95**
- ➔ Inventory Absorption Rate: **10.9 Months** at current availability
- ➔ Fleet Availability: **10.5%**
- ➔ Avg. Model Year: **2012**
- ➔ Avg. Total Time: **1,348 Hrs.**
- ➔ Avg. Asking Price: **\$10,995,000**
➡ \$6,575,571 (-37.4%)



JetPak Market Valuation

MAKE AND MODEL SPECIFIC



Market information is a critical component of any aircraft transaction. Therefore, it only makes sense to begin the process — as either buyer or seller — with accurate and up-to-date knowledge regarding your current make and model aircraft, or the business jet or turboprop you wish to acquire.

The Holstein Aviation JetPak Aircraft Valuation provides you with a marketplace overview accompanied by data on specified aircraft, all at no cost or obligation to you!

JetPak Features

- ▶ Price range
- ▶ Number available
- ▶ Average days on market
- ▶ Sales and pricing trends
- ▶ Market Activity



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Put Knowledge and Experience To Work For You

Corporate, private and governmental clients worldwide rely on the Holstein Aviation team to bring the utmost in capability and expertise to bear on their behalf. If you are selling a business jet or turboprop, look to us to obtain the highest reasonable price. When you need to acquire a business aircraft, we know how to ensure that you receive the most value for your money.

By partnering with Holstein Aviation, whose team member backgrounds and experience span the entrepreneurial to the Fortune 500, you instantly accrue the product and market knowledge, positive performance and enviable industry reputation capability that has been gained through:

- ▶ 300 years of total experience
- ▶ 66,000 combined flight hours
- ▶ 4,700 transactions
- ▶ \$10 billion in revenue

Call on Holstein Aviation to:

- ✓ Buy a Business Aircraft
- ✓ Sell Your Aircraft or Fleet
- ✓ Lease a Jet or Turboprop
- ✓ Obtain Supplemental Lift
- ✓ Recruit / Outplace
- ✓ Consult / Analyze / Plan

GLOBAL BROKERAGE PERFORMANCE **TWICE AS FAST**

Holstein Aviation continues to sell business jets and turboprops
60% quicker than the market average!



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