

# Second hand corporate jets on the downturn

Written by Private Jet Daily Staff

The price of second hand corporate jets has been slashed as companies try to unload unnecessary finances due to the current credit crunch.

"The use of business jets has suddenly become vilified," maintained Gary Crichlow, an analyst for aviation consultancy company Ascend. "Companies might decide from a public perception point of view that they might not want to be seen owning an aircraft, particularly in the US."

Second hand valuations of private jets have experienced an acute drop, because the credit crunch has dried the market up. Six months ago, the renowned Gulfstream G550 model was hard to find in the market and priced at around \$58 million. These days, this model has decreased over \$6 million in its valuation—a 14% discount compared to its original price.

Before the credit crunch, analysts pegged 2011 as the "peak" year of private jets. However, because of the current financial crisis, Crichlow believes that last year was already the "peak" of the industry.

Crichlow says, that this year "Jet ownership is definitely going to take a hit because of the need to conserve cash. People will be trying to sell them. That will see a lot more aircraft coming on to the market and the increase in supply will depress used jet values further."

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