If It Were Easy, Everyone Would Be Doing It

by Jay Mesinger

Buying and selling one's own aircraft, that is. It seems that no matter how many transactions go through our office, the process never gets any easier. In this article I want to focus on buying. At first, that seems pretty easy. With the expanding inventory available, all one has to do is make a few calls, get the specs faxed or e-mailed, and make an offer. Arriving at the right price should not be difficult—just offer a lot less than everyone is asking. Simple so far.

Next, of course, you will need to inspect. No big deal. Then comes interpreting the discrepancies in airworthiness—that should be cut and dry. Clear title? Easy—just run a title search. Closing? No big deal—just send the money to the title company. All done. Why, that sounds so easy, maybe I should reduce my office staff. Or maybe not…

Because if it were that easy, everyone would be doing it. However, even in a market that is rich with inventory, viewing specs online or in the trade magazines doesn't reveal that much. One must be able to compare recent transactions of similar aircraft over the past several months to determine what is truly a good price. One cannot just assume that any number way below asking price is a good one.

Asking pertinent questions of the seller will reveal factors that are critical in the evaluation process for determining the right plane or planes on which to make offers. Pedigree, past locations of operation, the type of operation—factors like these make a huge difference in the current condition and true value of the aircraft. Additionally, one must be able to assess each aircraft item by item. For instance, aircraft that have been used on short hops can create cycle component issues. Planes that have been operated in salt air climates can potentially have corrosion problems. The bottom line: an inventory-rich market certainly leads to more choices, but not necessarily more good ones.

Next, once the aircraft has been chosen and a price determined, the critical inspection process begins. It can be stressful and emotional. The seller can sometimes feel personally inspected. This phase of the purchase is where most deals fall apart. A seller may truly believe his or her aircraft is close to perfect when, in fact, many unknown items begin to surface at inspection. Knowing how to navigate both the financial as well as the emotional impact of these findings requires the help of an experienced professional.

The title work is usually more cut and dry, although it is the rare exception that creates serious complexities. Perhaps a lien that has been released years ago is not recorded, or name changes have not been properly documented. This can cause delays and problems for both sides. Anticipating and preparing for these issues will expedite the process and lead to a more pleasant experience for both parties.

So now here's my usual promotion of my colleagues and myself: I will once again stress the value of using a skilled, reputable sales professional to help oversee the purchase process. In 90% of all the transactions in which I am involved, there is a dealer or broker representing both sides. These are the smoothest-flowing, least stressful transactions for both the buyer and seller. The investment in professional representation is worth its weight in gold. After all, if it were easy, everyone would be doing it!

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