



The start of 2020, with the worldwide spread of the COVID-19 pandemic deeply involving over 200 countries, causing a huge number of deaths, and locking in their homes almost half of the world population, was unique in history and will definitely change several aspects of everybody way of living and working.

The restart of any business, after many weeks of lockdown and a widespread financial downturn, will require a more proactive and efficient approach.

In such an environment even for people previously undecided or those evaluating the case for the first time, ***the acquisition of a private aircraft either for corporate or personal use, could prove to be more appropriate than ever.***

In fact in extreme synthesis a private aircraft can:

- ***Enhance travel flexibility***
- ***Reduce travel time***
- ***Provide better service***
- ***Help managing health challenges***
- ***Avoid disruptions of airline diminished offering***
- ***Be used almost for free (for a period)***

Let's see in details why.

Private aircraft have always been business tools

Although often perceived as just a luxury item, like yachts or sportcars, any private aircraft presents, instead, a number of inherent features which make it definitely **a business tool for whoever, company or individual, needs to travel to carry his activities.**



When compared to airline travelling, the use of **private flights have the following advantages:**

Flexible schedule

Departure is based on traveller needs not on timetable availability. Except for main big cities, other destinations served by the airlines may have flights only in some days of the week thus requiring to leave or return in a date different from the ideal one with extended time out of town.

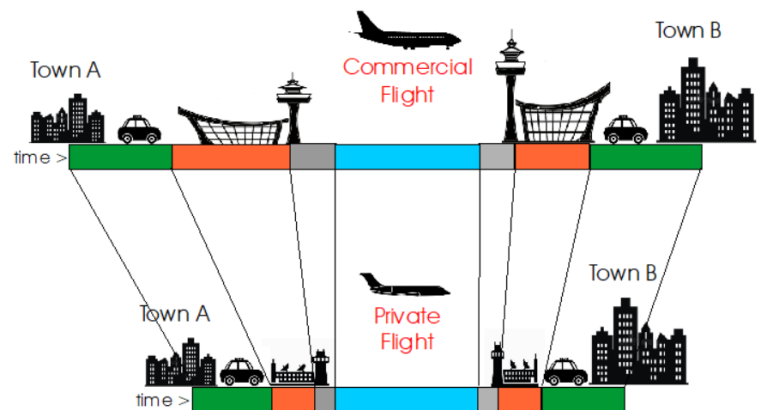
Even in cities served by multiple flights per day, a meeting finishing late may force to reroute the travel back home or stay overnight to await the next available flight with extra costs and logistic burdens.

Reduced travel time

Even if the actual flight time of an airliner and a business jet are quite similar, many other factors ensure that, as visually resumed in the figure, the **total travel time between the same points is widely shorter by the use of a private aircraft.**

The main of such factors are:

- Private flights generally depart from smaller airports, closer to town, so the time to get to and from the airport by road is lower
- The time for boarding a private flight, once at the departure airport, is only a few minutes versus hours needed for a a commercial flight. Upon arrival your luggage is delivered at the aircraft with no wait and the time to reach the street after disembarking is definitely shorter at business airports. Even when using main airports the private flights have a dedicated smaller terminal.
- The aircraft taxi time prior to take-off and upon landing at commercial airports is normally longer than at smaller business airports



- If the final destination is not a major city, it is probable that a private aircraft can land into a smaller airport, not served by airlines, and closer to the arrival place further reducing the time on the road between the arrival airport and the actual destination
- In addition **whenever airlines do not have direct flights** from the city of departure to the commercial airport closest to the final destination **a private aircraft can still fly directly** avoiding the transit time for the stopover which, depending on schedule of connections could be also a few hours

All the above can allow to make a round trip or multiple legs on the same day while the same trip could take two or more days by airline services.

Possibility to keep working

Even on the smallest business jets the **privacy and layout allows to do meetings** with your colleagues

Internet and phone connection are available on many aircraft allowing to stay in touch with the world

Can work to your confidential files without concern of showing them to the pax next to you



Arriving in better shape

Reduced time and better on board comfort allow to get to destination more relaxed and ready to handle business in a more efficient manner.

More privacy

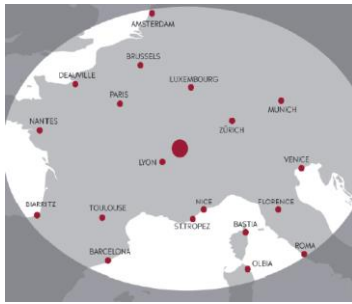
Privacy and confidentiality are often critical in business, the possibility of **travelling in a discrete way**, without being exposed to the crowd of commercial airport and aircraft may be key in some cases for the success of a deal.

Value for money

When compared to an airline business class ticket, the **cost per passenger of a private jet flight can be of a similar order of magnitude** if the flight is used by multiple passengers

Time is money, especially that of top managers and entrepreneurs. But in case of activities requiring company staff to travel frequently between a few destinations like, for example, different production plants, also the time they can save has a clear value. In consideration of the flexibility and time savings allowed, private flights can provide **financial benefits which, when all factors are properly accounted, are much greater than the apparent savings of using a commercial flight.**

Many of the above features are common to the **use of helicopters when travelling on shorter distances or to remote locations.**



In fact an helicopter like, for example, the Agusta A109 Grand has a range of about 700 km meaning that from Geneva (see picture on the side) it can reach the majority of continental Europe and, of course, land on helipads which could also be in the center of the arrival city.



After the huge COVID disruption a private aircraft is even more useful

In the worldwide situation generated by the COVID-19, the acquisition of **a private aircraft has now many additional benefits to provide** on top of the general ones described above.

Higher health safety

As we all have been brutally reminded in the past few months, health is of utmost importance and therefore, while life has to go on as normally as possible, it will be wise to take into serious consideration any mean to reduce the risk of being infected. To this extent **travelling only with a few known people is definitely lowering the risk** in respect of sharing boarding areas, apron buses and aircraft with hundreds of unknown persons coming from different places.



Medium term reduced commercial flight availability

The vast majority of aviation analysts agree that the huge shock to the airlines business and the current grounding of over 75% of the worldwide fleet will require **several months before the available flights will be any close to the pre-COVID levels**. Furthermore it is expected that also the aircraft which will be put back in service could only be used, for some time, with limited capacity in order to ensure a sufficient distancing between passengers. Therefore the actually available seats will be sensibly less than before. Based on the above **it will be even more difficult to schedule the perfect itinerary using commercial flights**.

Reduced availability of business jet charters

The availability of business jet charters is also expected to be reduced, at least for some time, because many operators could not survive the crisis or would need to restructure and the owners of the aircraft which were normally available for charters could be reluctant to allow unknown people on "their" aircraft and wish to reserve such aircraft for their own travel.

Longer airport procedures

The need to ensure sufficient social distancing and the need to make additional testing to passenger (i.e. fever control) will further **elongate the time required to board any commercial flight** so extending the already large time gap between the two ways of flying.

Market opportunities

Even if, in general, the values of business jets are not expected to suffer, in the medium term, drastic reductions there could be some opportunities to ***purchase at favourable terms*** in the initial period during market reassessment after lifting of the lockdowns.

This will create the possibility to ***resell the aircraft***, after having used it for some time, ***at a similar, if not higher, price***.

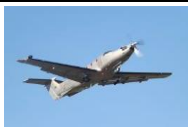





In addition the current very low interest rates allow to obtain very ***convenient financing*** for the acquisition of the aircraft so to defer the expense to a later stage or to avoid to distract own capital from more rewarding investments or utilization.

Such scenario allows to ***consider the purchase even for a short/medium term trial*** or bridging solution. After such period of evaluation it will be possible to take an informed decision about keeping the aircraft, upgrade or downgrade to a more suitable one or sell it and get back to airline travelling.

Available types

Having seen all the benefits which can be provided by a private aircraft it is time to look at what is actually available on the market.

There are several models of ***business airplanes which can fit any budget and mission requirement*** and are generally divided into the following categories:

Category	Typical Pax	Range (km)	Sample models	
Single engine turboprops	4-9	1,700-3,300	PC-12, Caravan, TBM 900	
Twin Engine turboprops	4-10	1,800-3,300	King Air, Avanti	
Very Light Jets (VLJ)	5-8	1,400-3,000	Phenom 100, Mustang, HondaJet	
Light Jets	6-10	1,600-5,000	Citations, Phenom 300, Learjets, Hawker 400	
Mid Size Jets	6-10	1,750-7,500	Challenger 300/350, Citation Latitude and Sovereign, Legacy 450/500 Gulfstream 280, Hawker 800	
Large, Long Range Jets	8-19	3,600-14,500	Challenger 605/650, Legacy 600/650, Falcons, Globals, Gulfstreams etc.	
Airliner Business Jets	10->90	7,000-20,000	based on existing airliner models, grant a large space which can be configured in several different ways	



It has to be noted that the average utilization of private aircraft is in general much lower than airliner aircraft (i.e. 300/400 FH/year vs. 2400/3000 FH/Year) and subject to meticulous care by the owners .

This means that even aircraft of a certain vintage can have low total time and be in good shape and, therefore, be seriously considered for acquisition.

The modern business aircraft have systems and technology often exceeding those of the airliners thus providing a **very high level of safety and comfort**.

As for any other vehicle, prices depend greatly on model, usage, vintage and other factors but, in general, may range **from less than 1 million USD for a used turboprops or VLJ to about 75 million USD for a brand new, ultra long range**, large aircraft and much more for a specifically converted airliners.

As seen VLJ like, for example, the Phenom 100 can carry 5 passengers to a distance of about 2,000 km.

This means that **from any main city in Europe it would be possible to travel, non stop, almost to any other place in EU** including any small city having an airport even if not served by airlines.



It has to be noted that studies made show that the number of **passengers on private flights**, even with large aircraft, **is rarely more than 4 or 5 people**.

Turbine helicopters are also divided in categories as follows:



Light single 4-7 pax Es. Bell 206, AS-350

Light twin 6-10 pax Es. A109, H145

Medium 10-15 pax Es. AW139, S76

Heavy 15-30 pax Es. S92-A, H225

oil platforms.

The light single and twins are those most used for business passenger transport while the larger are mainly used for other purposes like carrying people to and from off-shore

How to handle

Once the aircraft is acquired, the biggest problem is how to put it in operation facing the several regulatory logistic and administrative aspects.

Fortunately this can be quickly and easily solved by many existing operators that would insert the aircraft into their fleet and manage it completely on behalf of the owner, and to his exclusive use.

Owner can also decide to get some income, or reduce the bill, allowing the operator to charter the aircraft to third parties whenever he's not using it.

Expertise is key

The ***acquisition of an aircraft is a complex multidisciplinary activity, each transaction is unique and requires extensive experience, background and relationships*** to be handled properly.

Additional independent advise and monitoring can be useful to the owner also once the aircraft is under management by the selected operator.

That's why the ***support and coordination provided by experts is highly recommended*** and will certainly pay back multiple times.

At ***G&G Aviation*** we count on our ***over 25 years of experience*** and on the wide and varied network of partners and contacts to provide the highest level of service also coordinating the activity of external advisors in various fields (technical, finance, legal etc.).

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Author

Giovanni F. Piccione

MD & CEO

G&G Aviation

management@ggaviation.com

Tel +39 347 3453551