USED BIZJET MARKET STEADYING AS 2023 APPROACHES - IADA

News / Business aviation

A very active December for business aircraft resale dealers is capping a powerful year for members of the International Aircraft Dealers Association. Association members bought and sold more than 1,200 business aircraft worth $8 billion in the first 11 months of the year, according to statistics from IADA. And the December business pace has intensified further with more inventory to choose from and the pending expiration of 100 percent bonus depreciation in the United States, the most active market in the world.

While IADA’s Fourth Quarter Market Report won’t be released until January, an early projection indicates that once the year ends, the organization's resale experts could conduct over 1,320 deals worth more than $8.8 billion dollars.

The stunningly robust year will surpass a surprisingly strong 2021 which saw used business aircraft sales rebound mightily while available aircraft dropped precipitously from March of 2020,

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when the pandemic induced a brief market collapse. IADA members are seeing signs that 2023 could be normalizing, depending on many factors, including the world's economies and regional stability.

Where is the Market Headed in 2023?

Zipporah Marmor, IADA Chair and Vice President, Aircraft Transactions at Montreal-based ACASS, commented: "The signals that we're seeing from the broker-dealers in our group and our service providers are that the markets are beginning to normalize, and buyers are starting to become more rational. The frenzy of the last 12-24 months has calmed down quite a bit and we see this as healthy for our industry. Aircraft are not appreciating any more at an unsustainable rate as they were for many quarters, which was creating some wonderful times and also a lot of challenges for different types of buyers and sellers. We do think the first half of 2023 will be strong as we're seeing some buyers waiting to see what happens after 100 percent U.S. bonus depreciation is no longer on the table, and the rush to close at the yearend is over. And, of course, we are seeing increased inventory."

International Activity

IADA Chair Marmor is the first internationally based broker to lead the organization in its 30 plus years of existence, reflecting the association's emphasis on global reach. Her leadership will include a newly formed international IADA committee developing further relationships around the world.

During 2022, IADA extended its global profile by joining the Asian Business Aviation Association, based in Hong Kong. The membership in AsBAA expands IADA's organizational visibility to Greater China and Southeast Asia. IADA continued its relationships with several other business aviation organizations around the world, and its members continue to monitor the global geopolitical situations and economies.

"The war in Ukraine and the actions in Russia have affected activity in Europe. China's Covid policy has affected business aviation a lot in Asia, certainly where there were very limited if not totally restricted movements," Chair Marmor said, "Over the last 12 to 24 months that gave us inventory. We sold airplanes out of China in great numbers and we're continuing to do so, primarily selling into the U.S. These are all factors that are really important in our industry, and we'll see what comes down the line."

In 2023, IADA is planning to exhibit at Europe's leading bizjet gathering, the EBACE in Geneva, and to present at Corporate Jet Investor London 2023.

Focus on Sustainability

"As an industry, we need to continue to innovate and inform on the environmental side to keep growing. IADA has partnered with 4AIR to provide a carbon offset initiative to our clients. The environmental discussion certainly is a big factor in many acquisition decisions," Marmor said.

Kennedy Ricci, 4AIR President, said: "With today's growing scrutiny of private travel and its impact on the environment, it's increasingly important to be able to assist buyers and sellers answer questions about prospective aircraft and their environmental impacts. IADA and its members are helping lead the industry to a sustainable future," he added.

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Institutional Growth

The association grew to 52 accredited dealers in 2022, adding several new international-based members, extending the IADA footprint overseas and adding a new OEM member who found the relationships built with IADA dealers valuable to its aircraft resale programs. In addition, many more IADA-verified Products and Services members joined the transaction experts within the organization. With the growth, there are now 81 Products and Services members of IADA.

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