Market and Inventory

The relative health of the Boeing Business Jet (BBJ) market is best summarized by accurately defining the number of available BBJs in relation to the entire fleet of operational BBJs. The measure of a healthy and stable market should reflect levels of available inventory hovering close to 10% of the total fleet – or 13 BBJs out of the 131 currently flying today.

19 Month BBJ Inventory and Average Asking Price

Average asking price is computed when available. Most BBJs are priced at “make offer” and are therefore excluded from the average ask price calculation. Source: Jetnet
Age Categories

The scarcity of the BBJ model and limitless number of owner interior layout and finishing choices adds an additional variable not commonly found in other corporate aircraft markets. The net effect of the unique nature of each of the 131BBJs is to further segment the BBJ market into smaller, more specialized categories and subcategories.

The segmented markets are relatively easy to identify. A BBJ market based on age is the easiest place to begin. The table below illustrates the BBJ market age segments by placing the serialized fleet into one of each of the four age categories identified below.

The age of the BBJ fleet and the number of aircraft within the individual age-brackets reflects Boeing’s original optimism in the type and their continued commitment to further developing, improving and producing the BBJ line of jets. As the model matured it naturally reflected changes in both customer attitudes toward the big jet and the greater economic trends with which it must coexist.

Source: Jetnet

The black trend-line in the chart above is interpreted by Freestream as Boeing’s reduced focus on the BBJ family of aircraft as a manufacturer. However, the 737-800 family of aircraft remains the single most successful aircraft line in the history of aircraft. With Iran opening its markets to US companies, the 737 will likely surpass the 590 delivery mark in 2016. The BBJ-737 derivatives all share the 737-800 as their firm foundation of core value.
Ultimately, the decision from which age-category to choose a BBJ is primarily driven by exposure to expensive maintenance events, available desirable cabin layouts, number of auxiliary fuel tanks (range) and most importantly, acquisition price. Ironically, they’re all priced relatively similarly. Meaning; depending on the upcoming maintenance checks, the ability to improve or accept the interior layout/finish and the BBJ’s ability to meet the primary mission range-profiles, they’re all pre-priced accordingly by the few exclusive buyers setting the market prices and the few brokers regularly trading the BBJ. Price adjustments are built-in for the primary variables of maintenance, fuel and interior. Let’s take a closer look at the current list of available BBJs for a clearer picture of what we’re talking about.

The table below further depicts the age-category with which each available pre-owned BBJ belongs.

<table>
<thead>
<tr>
<th>SERIAL</th>
<th>REG</th>
<th>YEAR</th>
<th>MARKET DAYS</th>
<th>MARKET NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>29024</td>
<td>N50TC</td>
<td>1998</td>
<td>130 DAYS</td>
<td>ON 11 NOV 2015</td>
</tr>
<tr>
<td>29135</td>
<td>N737CC</td>
<td>1999</td>
<td>438 DAYS</td>
<td>ON 25 JAN 2015</td>
</tr>
<tr>
<td>29273</td>
<td>VP-BBJ</td>
<td>1998</td>
<td>507 DAYS</td>
<td>ON 10 FEB 2009</td>
</tr>
<tr>
<td>30330</td>
<td>VP-BJJ</td>
<td>2001</td>
<td>263 DAYS</td>
<td>ON 29 JUN 2015</td>
</tr>
<tr>
<td>30751</td>
<td>N737L</td>
<td>1999</td>
<td>639 DAYS</td>
<td>ON 18 JUN 2014</td>
</tr>
<tr>
<td>32774</td>
<td>P4-KAZ</td>
<td>2001</td>
<td>1207 DAYS</td>
<td>ON 27 NOV 2012</td>
</tr>
<tr>
<td>35990</td>
<td>HL-7759</td>
<td>2006</td>
<td>604 DAYS</td>
<td>ON 23 JUL 2014</td>
</tr>
<tr>
<td>36714</td>
<td>VP-BFT</td>
<td>2007</td>
<td>1890 DAYS</td>
<td>ON 14 JAN 2011</td>
</tr>
<tr>
<td>37592</td>
<td>P4-LIG</td>
<td>2007</td>
<td>960 DAYS</td>
<td>ON 03 AUG 2013</td>
</tr>
<tr>
<td>36852</td>
<td>HL-7787</td>
<td>2008</td>
<td>527 DAYS</td>
<td>ON 08 OCT 2014</td>
</tr>
<tr>
<td>38633</td>
<td>B-5273</td>
<td>2010</td>
<td>737 DAYS</td>
<td>ON 12 MAR 2014</td>
</tr>
<tr>
<td>40117</td>
<td>VP-BOP</td>
<td>2011</td>
<td>626 DAYS</td>
<td>ON 01 JUL 2014</td>
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</tbody>
</table>
Within each age category there are further subcategories based on interior layouts and finishing materials. The vast majority of BBJs are highly individualized examples of the model, each reflecting the current owner’s personality and tastes. The interior sub-categories are where we encounter the greatest challenges in selling or acquiring a BBJ for our customers. We can’t make an acquiring customer prefer a BBJ with a royal throne-room any more than a BBJ with a mahjong gaming table. Ultimately, the interior layout will either suit the buyer well or quickly be ruled out as a reasonable choice. Generally, we’ve found that buyers typically either prefer a higher density seating arrangement or a traditional lounge-bedroom-master bedroom layout – and neither customer will be easily convinced to accept an alternative layout.

The diagram below represents the blank-BBJ-Canvas and depicts the ample space with which the BBJ owner has to design and complete their individual interior.

As you’ll discover in the upcoming examples, there are an infinite number of choices to design and configure a BBJ. We’ve identified four primary designs: The Classic VVIP, The VIP, The Corporate and The Individual.

The Classic VVIP
This classically designed interior is generally the first choice of the vast majority of BBJ buyers. It’s a VVIP Boeing with ample seating, private rooms for sleeping and fully equipped bathrooms and galley.

The VIP
All of the lovely available BBJs are each uniquely different while at the same time fundamentally strikingly similar. They're all Boeing 737-700 and 800 hybrids. Spectacularly well-equipped versions of their airliner sister-ships, the BBJ enjoys the best primary characteristics of both the 700/800 models. With its 800 wings and heavy gear (IGW for the extra fuel), its 700 fuselage and 737NG systems, BBJs are all exceptional aircraft. Fill their bellies with varying numbers of PATS auxiliary fuel tanks and they’re all equally, incredibly impressive machines capable of long range flights in total luxury.

It would be premature to hastily dismiss any of the available BBJ inventory without careful examination and serious consideration of their primary attributes and core value. To ignore a reasonably priced older BBJ with fresh gear restorations and maintenance checks because of interior colors would be short-sighted. Likewise, to overlook costly interior changes involving expensive engineering and re-certification of components and materials typically found in an older jet would be equally foolish. Any sense of urgency surrounding a BBJ acquisition strategy is best tempered with best practice processes and professional technical analysis.
BBJ Sales Statistics

The table below illustrates the past five year sales statistics of the Boeing BBJ by year and serial number. The blue shaded region in the chart shows those BBJs sold by Boeing Aircraft Company. The orange shaded region depicts the pre-owned BBJ sales exclusive of those internal sales within the same company. 42 BBJs have traded since 01 January 2011 (many more in 2010). An average of 4.6 pre-owned BBJs per year. The chart further illustrates a perception of the declining interest in the new BBJs. In fact, Boeing is committed to the model into the future and expects an increase in orders as their original jets reach their 15th birthdays. We’re seeing a trend of the newer BBJs selling more than the original, older BBJs. We believe although this pattern will persist, the downward price pressure in the entire BBJ market will catalyze sale of the older jets too.

![BOEING BBJ1 SOLD STATISTICS](chart)

**NEW BBJ**

**PRE-OWNED**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NEW BBJ</th>
<th>PRE-OWNED</th>
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<tbody>
<tr>
<td>2011</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>2012</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>2013</td>
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<td>5</td>
</tr>
<tr>
<td>2014</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>6</td>
</tr>
</tbody>
</table>

Conclusions

The BBJ is a remarkably flexible aircraft platform. It’s equally prized for military, airline, cargo and VVIP aviation applications – sometimes all four in the same jet. My principal point is to stop and carefully consider the aircraft based on its major primary functional components (Engines, Gear, Airframe, Avionics, Fuel tanks and finally, the Interior – in that order). In a business passionate about cabin finishes and appearance, our focus on the big pieces of the Boeing BBJ is often most difficult to comprehend. The buyer’s/seller’s willingness to trust in the experienced judgement and advice of a qualified professional will ultimately deliver the greatest value-add in the BBJ marketplace. Understanding the magnificent machine and our ability to exercise imaginative solutions to create the perfect BBJ/customer-match is Freestream’s vision for our customers. Intimately understanding their core value and accessing the world of buyers/sellers is what we do in the BBJ marketplace better than anyone. With sales and acquisition statistics that eclipse not only our nearest competition, but all of the competition combined, we are uniquely qualified to best serve our BBJ customers.
Our BBJ Listings

2008 Boeing BBJ S/N 36852

- Total Time Airframe: 2114 Hours
- Landings: 599
- Fresh cabin refurbishment: New woodwork, carpet and metal plating
- Fresh C-check at Lufthansa/ Bizjet
- PATS Seven Auxiliary Fuel Tank System
- Very Highly Desirable Cabin Layout: Sixteen passenger interior with two main cabin lounges, guest bedroom, aft stateroom and master bathroom with shower

In 2015 Freestream sold one BBJ, one B737-400VIP airliner purchased one BBJ2 and one Airbus ACJ319 on behalf of one of our clients. Below we’ve highlighted a sample of our current exclusive BBJ listings. Please contact us for full specifications.

2007/2009 Boeing BBJ S/N 36714

- In Service 2009
- Total Time Airframe: 2849 Hours
- Landings: 741
- Basic Operating Weight: 101,611 Lbs
- Pat’s 6 Tanks, 5 aft, 1 fwd
- Airshow Network - Aero H+ Satcom – Swiftbroadband- Iridium
- 5 external cameras – EFB
- 18 Passenger Interior/Andrew Winch Interior Design

1998 Boeing BBJ S/N 29273

- Total Time Airframe: 3850 Hours
- Landings: 1200
- Basic Operating Weight: 101,611 Lbs
- Pat’s 9 Tanks, 5 aft, 4 fwd
- Forward airstairs
Exclusive Listings

- Boeing BBJ/36852
- Boeing BBJ/36714
- Boeing BBJ/29273
- Bombardier CL850/8085
- Bombardier CRJ-100SE
- Bombardier CL850/7158
- Bombardier CL850/5824
- Bombardier CL604/5426
- Bombardier XRS/9223
- Falcon 900EX/87
- Falcon 2000LX/247
- Gulfstream 650/6159
- Gulfstream 550/5231
- Gulfstream 550/5176
- Gulfstream 450/4190
- Gulfstream 450/4170
- Gulfstream 200/56
- Gulfstream V/660
- Gulfstream V/567
- Gulfstream IVSP/1440
- Gulfstream IVSP/1296
- Gulfstream IVSP/1241
- Hawker 750/HB-10
- Hawker 800XP/258476
- Hawker 1000B/259034
- Lear 45/167
- Lear 35A/409
- Cessna CJ2+-0320
- King Air/B200/932
- King Air B200GT/BY6
- Airbus AS365N Dauphin/6870
- Agusta A109 Grand/22023
- Agusta A109E Power/11769
- Agusta A109C/7634
- Bell 206 BIII/4180
- Bell 206 BIII/2450
- Eurocopter AS355-F2/5482
- Eurocopter AS355-F2/5464
- Eurocopter EC-145/9156
- Eurocopter EC-135P2/193
- Sikorsky S76C++/760757
- Sikorsky 76B/760352

About Us

Freestream Aircraft believes that we are uniquely qualified to assist the most demanding multinational companies and Heads of State in the professional and timely sale and or purchase of their aircraft. Freestream specializes in the brokerage, purchase and sale and interior modification of state of the art premium, medium and long-range corporate jet aircraft such as Gulfstream, Bombardier Challenger, Falcon, Boeing BBJ and commercial transport aircraft for Head of State use. By limiting our focus, we are able to maintain a clear understanding of the global marketplace, develop effective marketing and acquisition campaigns and attend to the many details that will ensure that Freestream will, as the case may be, either procure your aircraft for the minimum price attainable and/or maximize the selling price of your present aircraft as quickly as possible. In addition to our proven marketing skills, our legal education and contracting skills allow us to suggest, easily understand and readily complete tax based transactions and other complex legal structures that principals the world over find most advantageous and beneficial.