



AVIATION LAW SECTION

STATE BAR *of* TEXAS

AIRCRAFT OWNERSHIP LIFECYCLE STRUCTURING THE TRANSACTION

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 **ACQUIRE JETS**

STRONG AND GROWING INDUSTRY IN THE USA



INDUSTRY SNAP REPORT

- 72% of all business jets in the world are in the U.S.
- 144X more business jets in the U.S. than the next closest country, with YOY increases in aircraft utilization 16 of the last 20 years
- 13,000 new business jets forecasted to be delivered over the next 10 years, growing global market by over 30%
- Corporate buyers return to the market and drive preowned business jet demand with \$16.3B in preowned transactions in 2023, with the corporate sector representing an increased proportion of 60% of all transactions



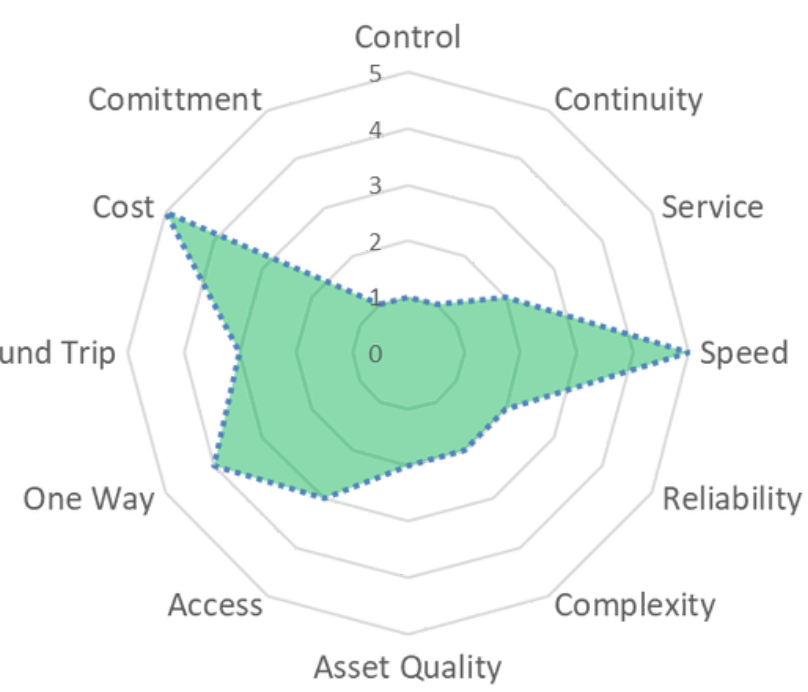
WEALTH-X

WORLD ULTRA WEALTH
REPORT 2023

-
- 38% of global UHNW population lives in North America
 - Over the last 5 years, the North American UHNW population experienced a 6.9% CAGR, the fastest growth in the world
 - 6 of top 10 cities in the world where UHNW individuals reside are in the U.S.

THE PRIVATE AVIATION ECOSYSTEM

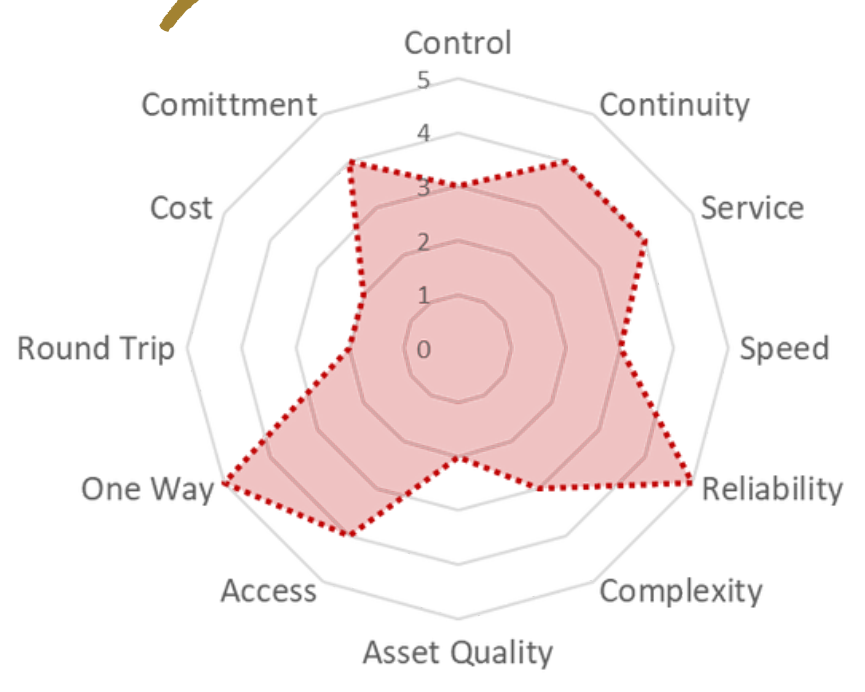
ON-DEMAND & PER SEAT



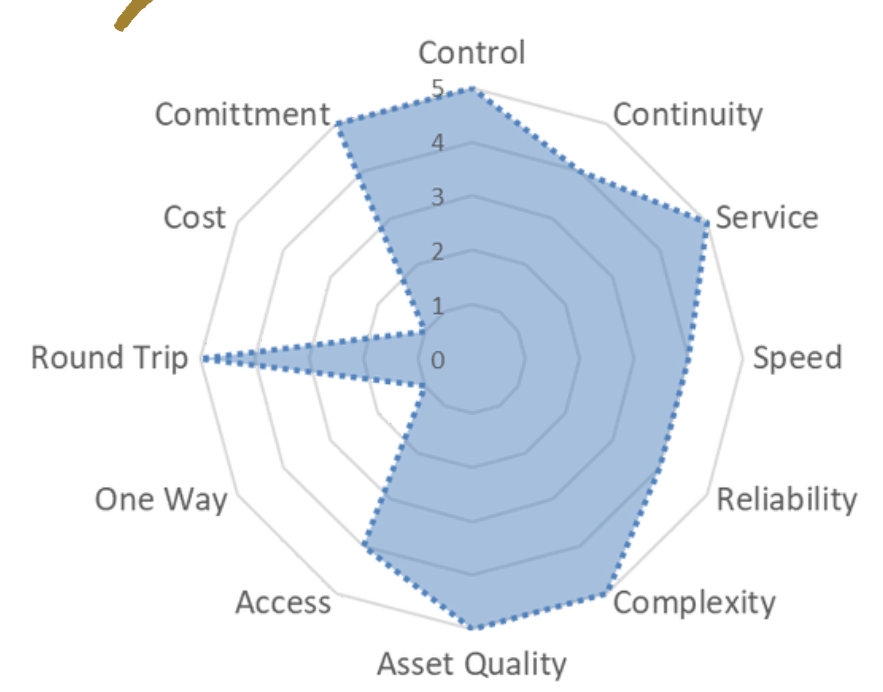
JET CARD



FRACTIONAL



OWNERSHIP



CHOOSING YOUR FLIGHT

PATH

ON-DEMAND & PER SEAT

JET CARD

FRACTIONAL

OWNERSHIP

pros

- No upfront capital investment

- Flexibility to choose different aircraft

- No responsibilities

- Flexible access without commitment

- Simplified booking process

- Fixed hourly rates

- Access to fleet of aircraft without full financial burden of ownership

- Professional management of aircraft maintenance and operations

- Complete control over scheduling and customization

- Same crew each flight

cons

- Higher per-hour rates

- Limited availability during peak travel times

- Limited availability during peak travel times

- Additional cost for peak travel periods and upgrades

- Upfront capital investment

- Limited availability during peak travel times

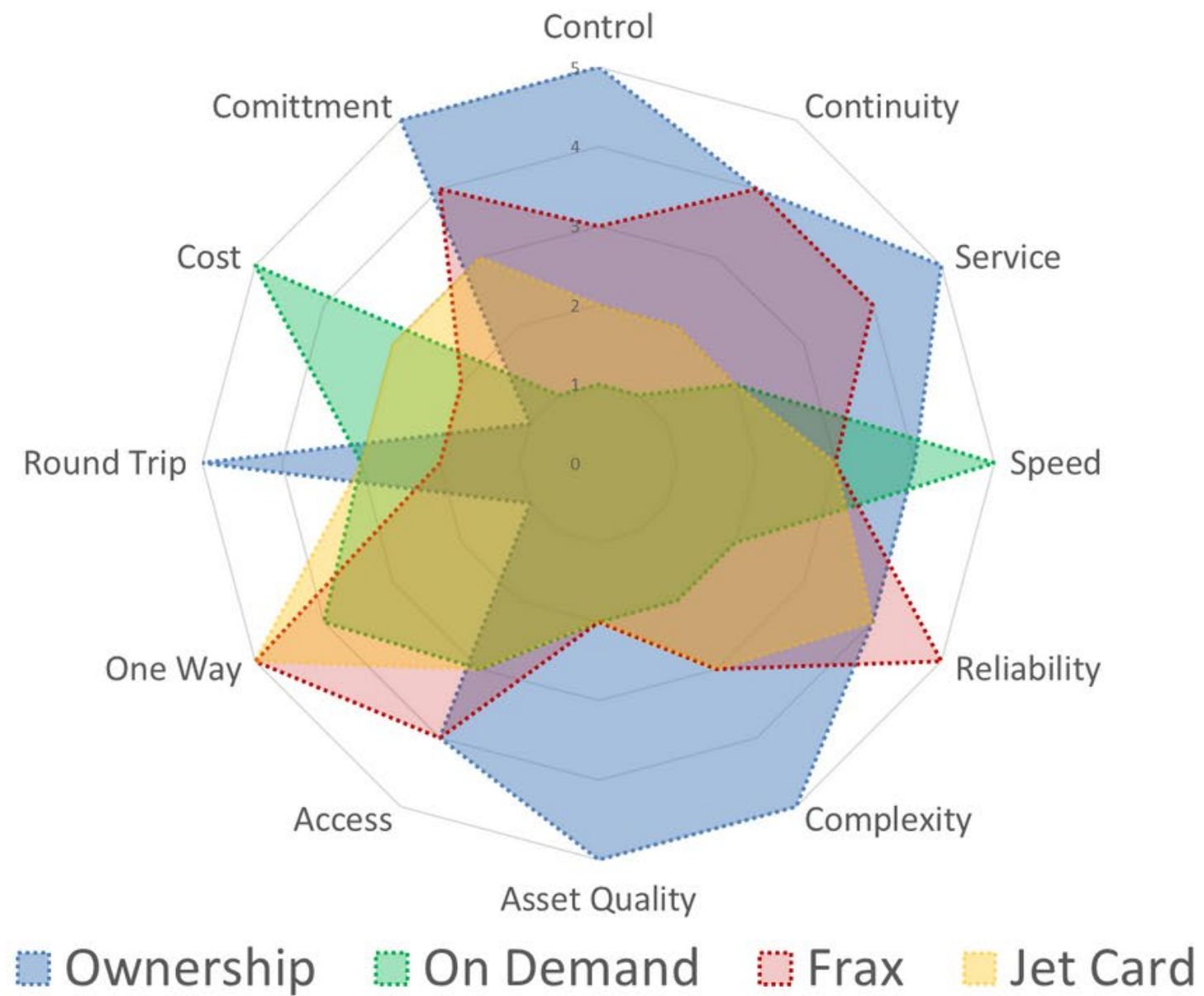
- Same crew and aircraft not guaranteed

- High upfront costs

- Management of crew, maintenance, and regulatory compliance

- Depreciation of asset

FINDING THE RIGHT SOLUTION



Challenge the client
Why do you think you need this?



Get the facts
Range, ops costs and annual budget



Provide options
Not all clients will fit with the mold that they think.



Don't sell what you have
Tell them not to buy anything, see what they say

THE DEAL TEAM

Assemble the team

- Aircraft Broker
- Aviation Attorney
- Aviation CPA/Tax Specialist
- Asset Manager / Consultant



HOLISTIC APPROACH

Legal

- Ownership Structure
- Regulatory Compliance
- Contract Review

Tax

- Tax Planning Strategy
- Ownership Structure
- Operation Type
- Depreciation

Lender

- Risk Profile
- Projected Annual utilization
- Operation Type

Broker

- Budget
- Operational/Range Requirements
- Market Insights
- Resale Value

Asset Manager

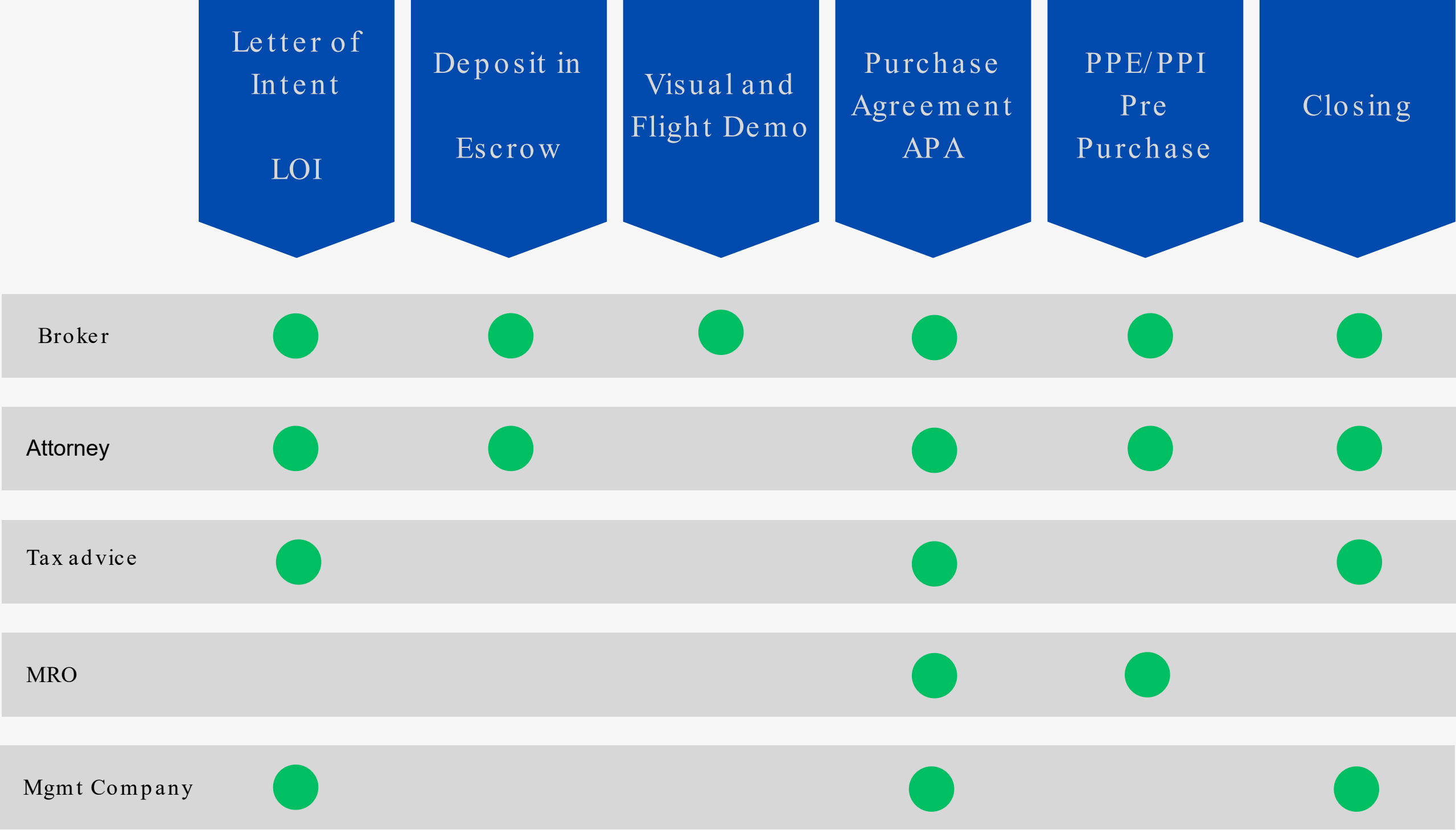
- Mission/Performance Requirements
- Charter Market Insights
- Operating Cost Comparison
- Ongoing Operational Support
- Crew recruitment and compensation



THE PRICE OF FLIGHT

Manufacturer		Pilatus	Bombardier	Bombardier
Make		PC24	Challenger	Global
Model		PC24	CL605	GL5000
Usage				
Owner (91)		200	200	200
Total Usage		200	200	200
Expenses				
Variable	Fuel	181,450	312,550	480,700
	Engine & APU Programs	71,800	166,800	395,540
	Owner Flight Expenses	29,400	117,800	129,000
Fixed	Management Oversight	120,000	120,000	200,000
	Facilities	114,840	154,477	316,761
	Hangar	114,840	154,477	316,761
	Crew Costs (Salaries, Benefits & Taxes)	669,118	844,198	988,595
	Pilot - 1	236,201	304,954	359,884
	Pilot - 2	203,886	264,822	316,853
	Aircraft Maintenance Manager	75,000	75,000	75,000
	Benefits	154,031	199,422	236,858
	Maintenance - Scheduled	30,317	71,443	109,530
	Maintenance - Unscheduled	45,475	107,165	164,294
	Aircraft Cleaning	10,000	20,000	30,000
	Insurance	32,898	33,072	38,549
	Crew Training	52,010	64,688	68,760
Navigational Charts	28,783	28,783	28,783	
Manuals and Subscriptions	37,098	37,098	37,098	
Avionics Warranty Coverage	56,467	56,467	56,467	
Flight Deck Data	0	18,538	18,538	
Total Expenses		(1,479,656)	(2,153,078)	(3,062,615)
Total Net Operating Expense		(1,479,656)	(2,153,078)	(3,062,615)

THE DEAL PROCESS





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LET'S CONNECT



Scan me!

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