

Buying or Selling an Aircraft? First Buy an Expert

The Aircraft Broker's #1 Job Is to Prevent You from Making a Mistake

BY JOSEPH CARFAGNA, JR.

Leading Edge Aviation Solutions / joejr@leas.com

It's tempting to consider handling an aircraft purchase or sale on your own, or with help from your aviation manager, chief of maintenance, attorney, or even a business associate. No matter how skilled these people are at what they do, it's likely that, if they have handled an aircraft purchase or sale, it's been only once or perhaps a few times.

Choosing a good experienced aircraft broker who has completed many transactions for clients with diverse travel and investment requirements, and in varying market conditions, is your insurance policy against making mistakes.

Today's broker is not just someone who matches a buyer with a seller. He or she also:

- Interprets the myriad of information you can find on the Internet. A reputable broker follows the market every day, knows and understands the market and its trends, and can decode them on your behalf.
- For sellers, professionally photographs your aircraft, creates a color brochure, and employs the latest marketing materials and methods, perhaps including video and social media.
- For buyers, conducts an analysis of your aircraft utilization requirements. This will help you to determine appropriate aircraft makes and models for your mission, whether to buy new or used, or to supplement with fractional ownership or jet cards. Useful even when you think you know exactly what you want, this process can identify alternate choices that might better suit your travel and investment requirements — thereby avoiding potentially costly disappointments. Part of this evaluation process is an exit strategy, as future market value and marketability should be part of the purchase equation.
- Establishes the proper, realistic price for the aircraft you are selling or purchasing.
- Goes onsite to physically examine the aircraft for sale or purchase. He or she will: examine log books, evaluate maintenance status, check service bulletins and airworthiness directives, evaluate cosmetics, and survey and enumerate equipment.
- Negotiates the purchase or sale for you together with your attorney, using market and technical knowledge and transactional experience.
- Navigates the details of international transactions: differing regulations, adherence to FAA standards with regard to equipment and modifications, lien searches, de-registration



- and registration issues, and import and export requirements.
- Assists in the pre-purchase inspection, a process which is adversarial in nature because it involves issues for both the buyer and the seller. It determines: the aircraft's condition, whether it is as represented, what might need to be fixed, and who is going to pay for any discrepancies found. Some brokers have in-house technical experts who go onsite to insure you are protected from unnecessary expense, that only the scope of agreed-upon inspection is being accomplished, and that no previously unapproved bill is presented. If you are the buyer, you want any discrepancies uncovered within the scope of the inspection. If you are the seller, you don't want to be held responsible and/or billed for something that should be the buyer's responsibility within the scope of the agreed-upon inspection.
- Orchestrates a successful closing by coordinating with all parties to the transaction such as: attorneys, escrow agent, like-kind exchange agent, tax advisors, aviation manager, chief pilot, maintenance manager, and financing banks.

Attempting to acquire or dispose of an aircraft on your own with the intent of saving the brokerage fee may be a false economy, considering what costly mistakes in both time and money an inexperienced buyer or seller can make. Using an experienced, reliable aircraft broker will help avoid missed opportunities, dead-end deals, unnecessarily high legal fees, and problems coping with the other party's employees or representatives. It also will help you avoid frustration, disappointment, and money left on the table. **BAA**



JOSEPH CARFAGNA JR. is president of Leading Edge Aviation Solutions, a full service aircraft brokerage, aircraft acquisition and consulting firm. He also serves on the Associate Member Advisory Council (AMAC) of the National Business Aviation Association (NBAA).

ISTOCKPHOTO