



Photo courtesy of Cirrus Design Corp

PlaneSmart! Offers Conklin & de Decker Analysis of Aircraft Ownership

THIRD-PARTY REPORT ILLUSTRATES BEST WAYS TO BUY AND FLY

By Lyn Freeman

It's really one of the most complicated decisions you can face in aviation: What is the smartest way to buy and own an airplane?

There are enough variables to drive you to distraction. The good news is that respected industry research analysts Conklin & de Decker have put together a comprehensive report comparing PlaneSmart! shared ownership with other aircraft ownership alternatives. In summary, Conklin & de Decker determined that a pilot who flies less than 300 hours per year will save money in a PlaneSmart! program when compared to whole aircraft ownership. This also applies to co-ownership (two pilots) with similar aggregate flight hours and is in addition to the "hassle-free" benefits associated with PlaneSmart!'s professional aircraft

management services.

"The Conklin & de Decker report is the best overall analysis of whole vs. shared aircraft ownership that I've ever seen," says PlaneSmart!'s CEO Jeff Cullen. "These guys leave no stone unturned!"

The report gathered operating data from fractional ownership company PlaneSmart! Aviation and compared the bottom line costs of owning a share of an aircraft with owning the whole aircraft outright. Since PlaneSmart! operates a fleet of new, high performance, turbo-normalized Cirrus SR22-G3s, Conklin & de Decker selected the turbo-charged Cessna Skylane, the New Piper Saratoga TC, the Bonanza G36 and the Colombia 400 SLX (now the Cessna 400) as a basis of

comparison. PlaneSmart!'s fractional ownership Program is based on the same business model driving the private and commercial jet aircraft industry. The success of shared ownership in all markets is based on the principle that users only pay for as much airplane as they need. Based on the percentages of ownership offer by PlaneSmart!, Conklin & de Decker's report made the following determinations:

- PlaneSmart! one-eight share total annual costs with no depreciation allowances are **\$16,367 to \$26,634** less than full ownership.
- PlaneSmart! one-sixth share total annual costs with no depreciation allowances are **\$13,644 to \$25,261** less than full ownership.
- PlaneSmart! one-fourth share annual costs are **\$8,453 to \$22,515**. less than full ownership the comparable aircraft selected for the analysis.



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Conklin & de Decker's evaluation of the total cost of aircraft ownership, defined as the acquisition cost plus principal and interest payments, plus any final payment due at resale, less the remaining residual value, yielded additional conclusions:

- For all three share options (one-eighth, one-sixth and one-fourth), **the average monthly payments** for a whole aircraft are significantly greater than for the PlaneSmart! fractional ownership.
- PlaneSmart! has a special program in place for financing the shares. **Costs are commonly less** than a standard aircraft acquisition loan.
- The analysis also demonstrates that since the fixed costs of ownership are shared among many owners, the average **annual fixed costs are significantly lower** than any of the full ownership alternatives.

Conklin & de Decker went on to consider what the report refers to as 'co-ownership,' a popular alternative where two pilots own and share a single aircraft. Noting the most common reasons that partnerships fail--chronic schedule conflicts, unbalanced share of owner responsibilities, etc.--the report comes to the following conclusions:

- Co-ownership must exceed **150 hours of flight time per owner per year** before it is financially advantageous over PlaneSmart!'s shared ownership costs.
- Successful partnerships require *extremely* compatible partners.
- It is unlikely two owners can fly **one aircraft for 300 hours per year** between them without significant conflicts.

Conklin & de Decker's report notes that additional services performed by PlaneSmart! Aviation, services including cockpit database upgrades, all maintenance, aircraft cleaning and detailing, 24-hour scheduling, etc., add tremendous value to the shared ownership proposition. Given the success and popularity of fractional ownership in all areas of aviation, it perhaps comes as no surprise that the overall conclusions drawn by the report confirm that shared ownership offers significant advantages for pilots. †

For a complete copy of the Conklin & de Decker analysis, contact PlaneSmart! Aviation toll free at 866-264-2569 or visit PlaneSmart!'s Home Page at www.planesmart.com.