

Time To Buy Or Sell An Aircraft? Consider Some Expert Advice

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Thinking of buying or selling a business aircraft? Maybe you just want to know if business aviation is for you? While the do-it-yourself approach is tempting, Joe Carfagna, Jr., president of New Jersey-based Leading Edge Aviation Solutions, believes that there are far too many complexities involved to consider an airplane acquisition or sale without first seeking expert guidance.

We spoke with Carfagna regarding the process. There is no question: expert advice has a price, but the benefits of a turbulence-free transition from buyer to seller will be worth far more than any costs incurred. There are regulatory, financial, operational and legal issues to think about, says Carfagna. Ignoring any of them can result in considerable unnecessary expense, aggravation or regret. "When a client handles an aircraft acquisition or sale themselves, mistakes are possible due to ignorance, lack of knowledge, emotionally driven decisions or simply, the other party to the transaction capitalizes on a detectable weakness," he says. That's the time when expert assistance is invaluable. "Essentially for the cost of our brokerage or acquisition fee, a client is purchasing an inexpensive insurance policy. Our number-one job is to prevent clients from making mistakes," says Carfagna.

Leading Edge is a three-decade old, family-run company with a sterling reputation, outstanding relationships and deep roots across the business aviation community. Carfagna underscores that experience and personal involvement combined with strong, lasting associations is essential to helping clients find the best airplane or the most suitable buyer in the market.

While the Internet, today, makes a search easy, interpreting that information is something else, says Carfagna. "A reputable broker knows and understands the market and can interpret trends. Prices may be firming or they may be declining because of excess supply," he says. "Timing can be critical. A great deal 60 or 90 days ago may not be a good deal anymore."

While buyers may have a specific airplane in mind, Carfagna typically asks if it's really the right choice. "We start with some very provocative questions that might actually lead to a different aircraft or another solution," he says. In addition, even if the initial choice appears right for today, will it be the best one when it comes time to sell? With any

aircraft acquisition, an exit strategy is essential, explains Carfagna. "It's a very big piece of the buying process. We look at how marketable the airplane will be. Future market value and marketability definitely come into play."

So, should you buy new or used or not even buy at all? The right answer may be multiple solutions. Perhaps ownership, charter, fractional ownership, a jet card or a combination is the best way to go. "We often talk to clients and find out that the best solution is the one they have right now. It is our responsibility to tell people that," he says.

You decide to buy, but should you buy outright, finance or lease the aircraft? This is where Leading Edge's long-standing relationships with banks, financial institutions and lessors become invaluable. "We have the capability of not just introducing people to banks and lessors. We can help them understand the various financial scenarios and decide which one is best," says Carfagna.

OK, you've decided on the airplane and paid for it. Does it make sense to operate it in-house, or is it better to have it professionally managed? If it is managed, does it make sense to offer it for charter and gain some cost-offsetting revenues?

By carefully evaluating utilization requirements, Leading Edge develops creative and effective answers to all of those questions. The company draws on an unmatched wealth of industry experience and technical knowledge. "Having one of the most experienced maintenance and technical services professionals in-house is a tremendous value. This helps us provide intelligent, proven guidance and sound advice," Carfagna says. "Do we have a magic bullet or secret formula? No, but we do have a tremendous amount of practical experience trading in the market and dealing with clients over decades."

For more information, contact:

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