

Year-End Private Jet Deals, Only Fools Rush In

BY JAMES D. BUTLER | DECEMBER 2007

It's the middle of December and private jet providers are pushing to get deals done by the end of the year. Salespersons have their eyes on quotas and bonuses. As a result, they may urge you to "Buy now to take advantage of end of the year incentives," while email solicitations encourage potential customers to "Beat 2008 prices."

After all, no one wants to pay more for a big ticket item like a fractional share of a jet or jet card in the new year. Indeed, some incentives from private jet companies may expire at the end of 2007, but new deals will likely be available in January. Some prices no doubt will go up in the new year, but it's important to remember that with a fractional jet purchase, charges such as management fees and the hourly rate for flying will increase in January even if you buy now.

End of the year advertisements that dangle the prospect of holiday trip via private jet, rather than say the cramped middle seat of a commercial airliner, are enticing, but it is critical to remember that the holidays often include "peak travel days" when you may not be guaranteed access to aircraft at all.

That said, don't necessarily hold off on making a deal but rather do your homework and don't rush into a big purchase. The cost of making the wrong deal will far outweigh any year-end benefits and incentives.

Here are some suggestions to keep in mind as you consider any private air travel investment.

Know Thyself

Make sure that you assess your needs carefully and thoroughly. How many flight hours do you need? Where do you intend to fly? What's your budget (both for the initial purchase and on a monthly basis). Do you have any special needs, such as luggage requirements or the ability to

fly two flights simultaneously, if say, you're flying family in from various locations?

Identify the Best Type of Program for You

Is fractional your best bet? Or is a fractional jet card from a provider like Marquis Jet more appropriate? Would you be better off with a block charter jet card from a company like Sentient Jet? Or would a traditional charter serve your needs?

Shop Around

Once you determine the right type of program, shop around to find the provider that best suits your needs and budget.

Know the Cost

Use a sharp pencil and estimate what the total investment will cost you. Include fuel surcharges, expense increases and, in the case of fractionals, resale value of the share.

Read the Fine Print

The contracts, and not the beautiful brochure, will govern your rights and obligations. These documents may look simple, but read carefully and make sure you understand them.

We traditionally close many deals at the end of the year. In doing so, we counsel our clients that there's always time to be thorough. The same is true for you.

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