

Aircraft Purchase Considerations

Casey Aviation, Inc.

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	Explanation of Aviation Terms	Malibu	1990's Mirage	1990's Jetprop	2006 Meridian
General information		Continental 550/520	Lycoming 540	-34/-35 Turbine	-42 Turbine
Average purchase cost (well equipped, avg time)		\$350,000	\$350,000	\$800,000	\$950,000
Cruise speed: Average KTAS		190	190	260	260
Range		1500+	1060	850	800
Max seats		5+ pilot	5+ pilot	5+ pilot	5+ pilot
Annual Real Expenses					
Hangar	Average at KJSO.	\$3,000	\$3,000	\$3,000	\$3,000
Insurance	Average cost, usually commensurate with Hull Value	\$6,000	\$6,000	\$8,000	\$10,000
Annual/Phase Inspection Base Rate	Base rate only...does NOT include "findings" that can soar if a crappy airplane is purchased.	\$4,000	\$4,000	\$4,500	\$4,500
Pilot Training	Initial training only	\$4,000	\$4,000	\$4,500	\$4,000
		\$17,000	\$17,000	\$20,000	\$21,500
Variable Hourly Real Expenses					
Fuel	\$4/hour jet; \$5/hr Avgas...all averages	\$80	\$110	\$128	\$156
Maintenance (0.3 turbine or 0.5 piston rate x fuel)	The most ambiguous # on the page... includes tires, oil change, wear and tear.	\$40	\$55	\$38	\$47
Total Annual Reserve Expenses					
Airframe Reserve (as provided by VRef)	The value of excess hours on the airframe	\$3	\$3	\$3	\$50
Engine Reserve	Engine overhaul divided by TBO	\$43	\$53	\$56	\$69
HSI/TOH Reserve	Engine Hot Section divided by TBO	\$10	\$10	\$0	\$8
		\$176	\$231	\$226	\$331
Cost per hour (at 60,000 miles/year)	This value minus the fuel costs equals the probable value that each partner (if applicable) should pay per flight hour.	\$229	\$284	\$312	\$424
Cost per NM	Probably the most telling # on the page	\$1.21	\$1.50	\$1.20	\$1.63
Operational dollar output/year (60,000miles)	Total cost of ownership annually (not including aircraft management/pilot fee)	\$72,421	\$89,789	\$72,073	\$97,787
Hours flown to get 60,000k miles	60k miles divided by cruise speed	316	316	231	231
Known variables					
Engine overhaul cost	Value from VRef, FRMAN	\$85,000	\$105,000	\$225,000	\$250,000
Engine TBO	Value from engine manufacturer	2000	2000	4000	3,600
HSI/TOH Cost	A VERY ambiguous number, I placed LOW values in this block.	\$20,000	\$20,000	\$0	\$30,000
Cruise Fuel Burn	Average values	16	22	32	39