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Value for money: new or used?

In our last issue, we established what motivates someone to buy a private jet, so the next stage is to dive deeper into the overall process, from initial discussions to delivery. Again, adding his expertise to our series is Camber Aviation Management CEO, Tom Chatfield.

Whether the plane in

question is a Boeing Business Jet (BBJ), an Airbus Corporate Jet (ACJ), a Gulfstream G700 or a Bombardier Global, Tom Chatfield, CEO of Camber Aviation Management, says the ownership path starts by meeting with the client to understand their needs, what they want to do with the aircraft and 'what motivated you actually to say you want to have an airplane?'.

"So we talk about range, what airports they want to fly to, the number of passengers they are taking and how often the plane will be used. Out of that conversation, a definition of what their requirements are begins to crystalise," Chatfield tells Inflight. "Once we have that my next real question is what is the timeline and from that, we can recommend

some basic aircraft types and move onto the budget.

"Once we've got those four things; needs, type, timeline and budget, we put together a consultancy proposal for the completion or refurbishment management and the budget and timeline will drive whether it's a new or pre-owned aircraft," says Chatfield. "We define what has to be done to go from the client's vision today to putting the aircraft into service, and we put an agreement together around that."

For the consultancy agreement, Camber puts together a 'rough order of magnitude' of the hours they expect to work on the project and then provides regular updates on how those hours are being spent as the project progresses. This keeps the client abreast of

changes and how these impact the project and the time Camber spends on it, avoiding any unpleasant surprises.

"For us, it's that honesty and transparency to say you might want the airplane in four months, but it's going to take six, and it's not going to be a million dollars, it's going to be two million, but we explain the reasons why. We're building trust by explaining our proven process and letting them ask questions until they feel comfortable with every aspect of the project."

Having agreed to work together, the collaboration continues to what Chatfield calls the 'fun stuff', teasing out the nitty-gritty of what will be in the cabin, such as seating and sleeping arrangements, bathrooms, connectivity, entertainment and what's needed in the galley.

"Some people have catering from fine restaurants and heat it up, others want a chef to cook for them, have special dietary requirements or just prefer simple things, so how the galley is fitted out depends on what they want," he explains. "If you have 19



Shop window: The BBJ MAX 7 has a flight range of 7,000 nautical miles and 82 sq.m of cabin space.
Photo: Boeing

Buying a pre-owned aircraft offers a number of advantages, and when someone decides to sell an airplane, they usually want to get rid of it, so availability is generally very quick.

> Tom Chatfield, CEO, Camber Aviation Management



people onboard for a 12-hour flight you're going to have two meals and a snack, and that's a lot of china, so we may put a highspeed aviation-approved dishwasher onboard to save space."

A key determinant of which jet is selected is when the client wants delivery because that could be more than two years for a new Airbus or Boeing private jet or a matter of weeks for a pre-owned business jet, depending on how willing they are to compromise on the fit-out.

From those discussions, a picture will emerge of the aircraft that can meet the requirements. The choice between new or used generally hinges on the budget and the timeline. Using a BBJ 737 as an example, if you go with a new aircraft there is a blank canvas to work with, but it comes with a hefty price tag, an expensive completion and a rather long wait.

"You would be buying the airplane for around US\$70 million, and you're going to put another \$30 million into the cabin, and between you buying it and picking it up it's going to be two to possibly even three years," Chatfield says.

The other option is to look for an existing BBJ with a good pedigree and a reasonably close fit to the client's wish-list for around \$15 million with another \$10 million for the cabin refurbishment, system upgrades and a new livery with a much quicker delivery time.

"If you were to put in new satellite phones, galley, IFE, carpet, new veneers and upholstery and apply a new livery you're going to walk up to that plane and what's going to tell you it's not brand new?" he asks. "And a 20-year-old BBJ may only have 8,000 hours on it, that's three years of airline work, and it's been kept in brings greater opportunities for customising a hangar and well cared for."

"Buying a pre-owned aircraft offers a number of advantages, and when someone decides to sell an airplane, they usually want to get rid of it, so availability is generally very quick. Also, it gives you the ability to look at

airplanes and see something you like but may want to change a few things, so we've already got the bones to work with."

If the client's needs are better suited to a business jet, such as Global or Gulfstream, the situation with a new aircraft is somewhat different. The cabin choices are fashioned around what the OEM offers, rather than the blank canvas of the larger private jet. In that case, the client will pick from a range of options, colours, furnishings, galleys etc., on offer from the OEM, and Camber will be their advisor in the process.

YOU BUY IT, WE COMPLETE IT

Refurbishing a pre-owned business jet it to meet specific needs. The process more closely resembles what happens with a BBJ or ACJ project.

Having settled on the type and made a choice between new or pre-owned, the next step is to find and purchase the aircraft, and on this point, Chatfield has a very definitive position as to the role of completion managers in the purchase.

"We're not going to buy or sell an aircraft at all, and I think that's important, because as soon as you do that you're in a conflict," he says. "Brokers make money on percentages, but we work for our client on an hourly or project rate.

"What we are happy to do is to take a look at what's out there and say here are three airplanes with different brokers. We'll do a technical survey, physically inspect each plane, go through the documentation to see how it has been maintained and establish the condition of each aircraft."

Luxury on the menu: This sumptuously appointed ACJ320neo, operated by Acropolis Aviation, boasts a full-spec galley where cabin crew can create freshly prepared meals in flight. Photo: Airbus





From that, Camber reports back on any issues and how much it will cost to rectify them and then make a recommendation as to which aircraft represents the best fit and value for money to the client. Once the selection is made, Chatfield advises that a more thorough and objective pre-purchase inspection is done of the chosen aircraft at a Completion Centre, costing around \$50,000.

"It normally takes around three or four days where they will open the panels and go through the whole airplane taking a very good look at it and finding anything that needs to be attended to and advise us how much it will cost to fix," he explains. "On a used plane we also do an acceptance flight, so we go through a flight profile and make sure the aircraft is working the way it's supposed to."

Armed with all that information, Camber then advise their client to consult with their legal and financial team to negotiate a purchase contract with the broker. "And we will sit in the background advising on technical aspects and what things will cost, but we don't negotiate the purchase, that's simply not our deal."

A vital step is to prepare a detailed specification of every aspect of the cabin and the works required, which Chatfield estimates will be around 150 pages for a BBJ/ACJ or well over 200 pages for a 787 private aircraft, prompting clients to ask 'why do we need so much detail?'.

"The specification is incredibly important, so my answer is if you don't have the detail how do you know what you are going to get," he says. "When we've written the specification, we go through the whole thing

with the client, and they sign off on it. They may not read the entire thing, but we do a presentation to make sure we have captured exactly what they want."

AVOIDING 'JUST IN CASE' COSTS

The specification document defines the relationship with the completion centre, and Camber will seek proposals from centres based on their capabilities, slot availability and fit to the available budget. The Camber technical experts will liaise with the centres to ensure everyone understands the specification and can quote precisely without adding on any contingency costs 'just in case'.

"Our specification forward always says 'this is the way it is, and any alterations will be a change order affecting cost and possibly schedule, so quote exactly to this'," adds Chatfield. "This means there won't be an excessive margin on top from not knowing and it gets rid of stress, that's why completion centres love a detailed specification.

"It also prevents the client from constantly making changes and the completion centre saying no, so everybody knows what is required and what is going to be delivered to the client. I can't overemphasise the value of a really good specification."

If a new 'green' BBJ has been purchased, then Camber will represent the client at the OEM and do a full technical inspection of the aircraft, including ground and flight testing before formally accepting the aircraft.

"Once it's accepted, the aircraft is flown to ALOFT AeroArchitects to get the auxiliary fuel tanks put in together with the unique BBJ features not normally installed in an airliner. We will go there and inspect all of that, make sure it is good and the paperwork is correct," explains Chatfield. "And then when it goes to the completion centre we are also onsite for that."

For a pre-owned aircraft, all of the prepurchase and testing has already been completed, and the documentation has been reviewed, so the aircraft is ready for acceptance and transfer to the completion centre for whatever refurbishment work has been agreed to. Camber represent the client throughout that process and has experts on the ground to liaise and oversee the entire project.

The aircraft is now at the completion centre, which knows everything required from the detailed specification. In the case of a BBJ, the year-long process can commence.

In the next issue of Inflight, our focus shifts to the cabin design process and how the dreams, hopes and expectations of the customer take shape to produce the stunning and functional interior they are searching for.

See the world in style: Inside the spacious interior of a BBJ 787, designed for the Chinese charter market and operated by Deer Jet. It has 28 seats, a bedroom suite and a full-sized bathroom with a shower.



'The only comprehensive survey of the cabin environment from the 1970s to the present day' – Airliner World

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