

# Private Jets Are Flying Higher

By [JOE SHARKEY](#)

Published: April 30, 2008

DEFYING the sagging economy, the business-jet market is performing better than ever. That is partly because domestic commercial airlines are performing worse than ever, especially in terms of customer service in the air and on the ground.

“I will do anything to avoid airports or being wedged into a seat on an airline with no food,” said Cheryl Tiegs, who has been flying for business on all sorts of commercial and private planes since she began appearing as a model in the mid-1960s. Ms. Tiegs, who lives in Los Angeles and flies almost weekly, does not own a jet. But her work — she owns a skin-care and beauty products company and does corporate-sponsored appearances — sometimes allows her to travel by private jet.

While Ms. Tiegs usually flies commercially, if business-jet transportation is available she will “hop right on board,” she said. “If not, I’ll drive if I can. I’ve even looked into taking a train halfway across the country.”

The business-jet market may well slow as the economy weakens further, but industry analysts say there is no sign yet of its decline. According to the General Aviation Manufacturers Association, a record 1,138 business jets were delivered in 2007, compared with 886 in 2006.

Passengers can fly on jets in many categories, from small-capacity light cabins to midsize and supermidsize cabins to so-called heavy-metal jets. The private-jet market has experienced “little discernible effect” from the current economy, said Rob Wilson, president for business aviation at [Honeywell Aerospace](#).

Honeywell predicts that with manufacturers’ backlogs exceeding two and a half years, this will be another record year for deliveries, and that sales of 14,000 new business jets from 2007 through 2017 will exceed \$233 billion.

The business-jet market is heavily segmented, with the most visible users being corporate and private owners, and those who buy shares in jets for an annual number of on-demand flight hours. But in recent years, sales have been helped by companies that guarantee a specific number of annual flight hours without ownership requirements, and by a rapidly growing market in charter flights. The business-jet market faces challenges, among them mounting congestion at general aviation airports that cater to big markets. The airline industry is also campaigning to mark business jets as contributors to congestion and therefore delays.

Meanwhile, a new segment of the market has emerged around new very light jets, also known as

microjets, which are compact, short-range, four- to six-seat aircraft priced at the lowest end of the market. The Federal Aviation Administration has estimated that as many as 4,000 may be in the skies by 2015.

And the parsing of the market continues. Last week, a group headed by Alex Wilcox, who was a founding executive at [JetBlue](#), announced the start-up of a private-jet company called JetSuite, which has ordered 50 new [Embraer](#) Phenom 100 very light jets with options to order 50 more. The company's business plan is based on its partners' buying the jets and allowing them to be used part time by JetSuite for charter flights, starting next year in Southern California, Nevada, Arizona and Utah, Mr. Wilcox said.

The lower cost and fuel efficiency of using the Phenom 100s will halve the cost of chartering a small jet to about \$3,500 an hour from the typical \$7,000, he said. The price is comparable to flying first class on commercial airlines' regional routes in the Southwest — with a big difference in time saved and other conveniences, like the use of small, conveniently located airports, he added.

“If you're traveling with three or four people who would otherwise have flown domestic first class, and you want to go on your own schedule, we'll be in the same ballpark,” he said.