

Economy measured by private jets

Jets hired for pleasure as well as business reflect changing economics of O.C. and travel.

By JOHN GITTELSON
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Flying a full private jet typically costs two- to four-times as much per passenger as flying the same number of people first class commercial.

But if money is no object, the benefits of private jet travel are unrivaled. No lines or X-ray machines. No layovers. Privacy. Personal service such as your favorite food. A feeling of privilege.

The economics also depends on the frequency of your flights, whether you're going round-trip or one-way and the length of your stay. Here are some of the different ways to purchase private jet travel, each with its costs and benefits.

Owning: Prices vary from \$1.5 million for an Eclipse 500, a brand new very light jet that seats five plus a pilot, to \$65 million for a stripped-down Boeing Business Jet 3, a private version of the 737-900ER that seats up to 47. Flight time costs range from \$500 to \$10,000 an hour. A typical private jet logs 600 to 800 air hours a year. Brokers recommend buyers use them at least 200 hours to justify ownership. Most owners hire managers to charter their jets during downtime. Well-maintained aircraft have a high resale value.

Fractional: Purchase as little as 1/16th of a private jet – 50 hours a year – through companies such as **NetJets**, **FlexJets**, **Citation Shares** or **Flight Options**. NetJets, the largest fractional jet company with a fleet of 650 aircraft, charges \$375,000 for 1/16th of a \$6 million jet. Fractional owners can receive tax advantages, such as depreciation allowances, and recoup some of their investment if they sell their fraction after the typical five-year contract. The downsides: the large up-front expenditure does not include fuel surcharges, landing fees, crew time, catering and other operating costs.

Clubs: Flying cards, usually sold for a minimum 25 hours a year, are among the fastest-growing market segments. They allow many of the privileges of fractional ownership – such as access to better planes – but require less money up front. MarquisJet, the card club affiliated with NetJets, opened an Orange County office in 2006. Its cards start at \$115,900 for 25 hours on a Citation V Ultra, which seats seven. Other major clubs are Skyjets, a subsidiary of Canadian manufacturer Bombardier, Sentient TravelCard Memberships and BlueStar Jets SkyCard, which also opened a Newport Beach office last year.

Charter: Per-hour prices are usually comparable to clubs or fractional ownership, although availability can be a challenge. Before booking check safety records, not just prices. **Hutt Aviation** priced a roundtrip between John Wayne and West Palm Beach for Super Bowl weekend as low as \$29,813 on a 2004 Hawker 400XP to \$68,140 on a 1984 Gulfstream IV.

After Kevin Roberts sold his seven auto dealerships in 2005, he splurged on a card to travel 25 hours on private jets. The cost: \$119,900.

Roberts of Corona del Mar used his **Marquis Jets** card to fly from John Wayne Airport to a vacation in Cabo San Lucas, to golf at Pebble Beach Resorts, to deliver his daughter to college in Arizona, to get to a business meeting in Las Vegas, to attend a family reunion in Arkansas.

The flights' onboard service featured Roberts' favorite drinks: Cakebread Chardonnay and Bloody Marys made with Ketel One vodka.

"I had such a good experience, I decided to do it again," said Roberts, 50. This year, he upgraded his card to fly half of the time on a Citation Excel, a jet cabin big enough for him to stand up and stretch his legs. The cost for 25 hours: \$139,000.

In Orange County, Roberts has a lot of company. The number of private jet flights going to and from John Wayne Airport tripled over the past decade. Last year, the airport tallied nearly 36,000 private jet arrivals and departures, an average of 100 a day.

That's still less than half the number of commercial aircraft winging through John Wayne and represents less than 3 percent of the airport's total revenue. But private jet flights soared at Orange County's largest airport while commercial traffic leveled off and other non-commercial flights declined by more than a third.

Orange County's private jet growth exceeds the national rate, mostly because the number of wealthy people who live, work or vacation here. As local private jet traffic tripled, the total number of private jets in North America grew 66 percent to 18,000 total aircraft.

"There's a lot of money here and people keep spending it," said Barbara Hunt, general manager of **West Coast Charters**, the largest air charter company headquartered at John Wayne, with 85 employees and 30 aircraft, including eight jets, based around California.

The biggest constraint on growth, she said, is lack of space. West Coast maintenance facilities are at the Long Beach airport, because of John Wayne's hangar scarcity.

From her second-floor office at Atlantic Aviation, one of John Wayne's two fixed-base operators for private aircraft, Hunt surveys the tarmac as private Falcons, Hawkets, Gulfstreams and Lears jockey for limited parking spaces.

While commercial travel has become more complicated – especially since Sept. 11, 2001 – private jets are more available and easier to book. They fly to 5,000 airports compared to 500 for commercial aviation.

"Owners are usually guaranteed a flight if they give us at least six hours notice, but we need 72 hours in peak travel times, which are the holiday weekends," Hunt said.

Private jet passengers face no waiting lines or X-ray machines. They keep their shoes on and walk their dogs aboard. Arriving passengers hop into valet-parked Bentleys, Range Rovers and Cadillac Escalades.

Orange County industry observers say private jet travel is booming among both corporate and personal users. Private jets offer executives more efficient use of their time. They get where they're going faster, hold confidential meetings and stay in communications with the ground while airborne.

Some shareholder advocates have raised a fuss over jets as examples of excessive executive perks, and the Securities and Exchange Commission has stiffened reporting requirements for use of company planes. But industry observers say this has actually fueled alternative ways of paying for private jet travel. Instead of owning outright, more corporate users are chartering or purchasing fractions of jets.

An industry forecast by Honeywell Aerospace projected 12,000 new business jets worth \$195 billion will be sold over the next decade, with very light jets showing the biggest share of growth. About 60 percent of those jets are sold in North America. The report also said that "fractional, jet card and branded charter" are buying "significant numbers of new aircraft."