

What Really Drives Aircraft Value

Whitepaper by David Fisher

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Aircraft valuation is often misunderstood as a simple combination of age and total time—but these are only starting points. For accountants responsible for accurate reporting, tax planning, audits, and transactional support, understanding what *truly* drives aircraft value is essential. Aircraft behave differently from traditional fixed assets, and their market value can diverge significantly from depreciation schedules.

With 40+ years of appraisal experience, I help CPAs interpret the real factors behind aircraft value through independent, USPAP-compliant valuations. Below are the core drivers every accountant should be aware of.

1. Maintenance Status Determines a Large Portion of Value

Maintenance is the single most influential factor beyond age and airframe time. Aircraft nearing major inspections or overhauls may see lower market value, while aircraft with recently completed events may see substantial increases. Key maintenance considerations:

- **Engine time and overhaul status**
- **Compliance with required inspections**
- **Airworthiness and service bulletin status**
- **Damage history and repair quality**

Aircraft are valued as much by their *maintenance profile* as by their physical condition.

2. Engine Programs Significantly Influence FMV

Enrollment in engine programs (such as MSP, TAP, or JSSI) dramatically affects resale value and risk perception. Programs typically:

- Increase buyer confidence
- Reduce projected maintenance cost
- Improve marketability
- Provide predictable budgeting

For accounting purposes, engine program enrollment can explain large FMV differences between otherwise similar aircraft.

3. Avionics, Technology, and Modernization Matter More Than Ever

Technology upgrades often drive higher value because buyers expect modern, compliant equipment.

Important avionics value drivers include:

- **Glass cockpit upgrades**
- **ADS-B, WAAS/LPV capability**
- **Connectivity and cabin systems**
- **OEM support vs. legacy equipment**

Technology can raise or reduce value by hundreds of thousands of dollars—far beyond what basic depreciation models show.

4. Documentation Quality Impacts FMV and Audit Defensibility

Aircraft value is tied to the completeness and accuracy of its records. Missing logbooks or incomplete entries can reduce value dramatically. Critical documents include:

- Complete, original logbooks
- Maintenance entries
- Modification (STC) paperwork
- Airworthiness documentation
- Warranty and program information

Strong documentation supports reliable FMV—and protects accountants during audits.

5. Market Conditions Change Faster Than Depreciation Schedules

Unlike typical fixed assets, aircraft values respond rapidly to:

- Supply and demand cycles
- Economic conditions
- OEM production delays
- Fleet trends
- Global events impacting travel demand

Book depreciation often fails to reflect real-time market value. That's why FMV should be reviewed when preparing financial statements, tax filings, or evaluating impairment.

6. Aircraft Usage and Operational Profile Can Shift Value

How an aircraft is flown matters. High utilization may accelerate maintenance requirements, while extremely low utilization may raise concerns about corrosion, inactivity, or increased maintenance needs.

CPAs should consider:

- Annual flight hours
- Type of use (Part 91, 135, etc.)
- Operating environment
- Storage and hangar conditions

Usage patterns often explain value differences between similar aircraft.

The Bottom Line

Aircraft value is shaped by far more than age and total time. Maintenance events, engine programs, modernization, documentation quality, usage patterns, and shifting market conditions all combine to influence true fair market value—and these details matter when preparing tax filings, financial statements, or audit documentation.

My role is to help accountants gain clarity through independent, USPAP-compliant valuations that support:

- Accurate FMV for financial reporting
- Clean depreciation and basis calculations
- Audit-ready documentation
- Confident tax planning and transaction support
- Reduced risk and fewer valuation discrepancies

If you're reviewing a client's aircraft or need support on a current file, I'm here to help.



David Fisher

Owner | Western Aviation

Sr. Accredited Appraiser with the American Society of Appraisers (ASA).

All appraisal reports are USPAP compliant.

Book a FREE consultation today!

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