

Common Aircraft Valuation Pitfalls

Mistakes That Can Lead to Poor Buying, Selling, Lending, or Legal Decisions

Whitepaper by David Fisher

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Executive Summary

Aircraft valuation mistakes can be costly. Overstating or understating value can affect sale outcomes, acquisition decisions, lending exposure, insurance claims, litigation strategy, tax planning, and ownership decisions. In high-value aviation matters, a weak valuation can create financial risk long before a transaction closes.

Common mistakes include relying too heavily on asking prices, comparing aircraft too broadly, overlooking maintenance exposure, misunderstanding engine program status, treating damage history too simplistically, or using a value conclusion without enough explanation. Each of these errors can lead to unrealistic expectations, poor negotiation decisions, or unsupported conclusions.

This guide highlights the valuation mistakes that most often create risk and explains how a more disciplined valuation process can lead to better decisions.

Pitfall 1: Relying Only on Asking Prices

Asking prices are not the same as selling prices. Public listings may reflect seller optimism, negotiation room, outdated pricing, unique aircraft circumstances, or aircraft-specific issues.

Pitfall 2: Comparing Aircraft Too Broadly

Not all aircraft of the same make and model are truly comparable. Total time, engine status, maintenance condition, avionics, damage history, and records quality can all materially affect value.

Pitfall 3: Ignoring Maintenance Exposure

Upcoming inspections, engine events, landing gear overhaul, component replacements, and compliance requirements can significantly affect value.

Pitfall 4: Overlooking Engine Program Status

Engine program enrollment, coverage, payment status, transferability, exclusions, and remaining obligations should be evaluated carefully.

Pitfall 5: Treating Damage History Too Simply

Damage history requires careful analysis of the type of damage, quality of repair, documentation, structural relevance, market perception, and future resale impact.

Pitfall 6: Ignoring Market Direction

Value is not static. Inventory, demand, financing conditions, operating costs, regulatory shifts, and replacement aircraft options may all influence value.

Pitfall 7: Using a Number Without Context

A credible valuation should explain what data was considered, why comparables were selected, what adjustments were made, and how aircraft-specific factors influenced the conclusion.

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NEXT STEP:

If you are considering buying, selling, upgrading, downgrading, or evaluating an aircraft, contact David Fisher and Western Aviation for a confidential aircraft strategy consultation.

*If you'd like expert guidance on a current or upcoming sale or acquisition,
I'm here to help.*



David Fisher

Owner | Western Aviation

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

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