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Part 2 of a Series:

Selling through a broker is a very different style of sale.

In this scenario, the cost of ownership and the market risks remain with you - the owner - until the aircraft is sold because a broker never takes title to the aircraft. That can mean months of tying up your capital in an aircraft you no longer want or need. On the other hand, this style of sale can be attractive because it typically produces the best selling price.

If you decide to go this route, the first challenge is to choose a first-class broker who will work hard to attract potential buyers and get the highest possible price for your aviation asset. (We will offer some guidelines on the selection process in the next installment of this series.)

Once you have selected a broker, it is important to realize that selling through a broker requires cooperation, trust and communication. These tips will help produce the best result:

Be serious about selling.

A good broker will put his heart and resources into selling an aircraft that he truly believes is for sale. He incurs significant costs and effort in advertising, marketing and promotion, as well as time and energy in showing an aircraft and trying to close a deal. If you're not serious about selling, wait until you are.

Decide on a realistic listing price.

This is not easy, but it is very important. Work with your broker to determine what similar aircraft are currently bringing and then set your price accordingly. Don't put your aircraft on the market as a "trial balloon" to see how much you can get, and don't expect miracles. They happen in aircraft sales about as often as they happen anywhere else.

Give the broker an exclusive.

You can't expect a broker to put energy and money into promoting your aircraft if there is a good chance that someone else will get the deal. By giving a broker an exclusive, you are more than showing you have confidence in him. You are incenting him to use the period of exclusivity to get the deal done. He then has every reason to put his resources into selling your aircraft.

Actively cooperate in the sales process.

It is very hard to show an aircraft to an excited potential buyer if the owner has taken it on a two-month world trip. Make your aircraft available for showing, even if it means you need to curtail some otherwise normal usage.

Communicate with your broker regularly.

You need to know if your aircraft is drawing interest and what reaction potential buyers are having. Listen to your broker's suggestions for making your aircraft more appealing to the market. In addition, your own circumstances may change, which could alter the original sales basis somewhat. Constant communication with the broker addresses these and other similar issues, and lets you have a feel for what the broker is actually achieving for you.

Be reasonable when considering offers.

A good broker wants to get you the best price possible (the higher the price, after all, the higher his commission), but it is difficult even for a professional to know exactly what a particular aircraft is worth. Unlike real estate, where the sale price is public information, the actual transaction prices and terms of recently completed aircraft sales are often not available. The only sure thing is that the selling price will lie in a "price band" bounded by how much the seller really wants to sell, and how much the buyer wants a particular aircraft.

Negotiate commissions in advance.

A broker expects and deserves a fair return for the effort, risk and costs he incurs in selling your aircraft. By all means, shop around, but be wary of a commission rate that looks too low. In the end, you get what you pay for. It's better to pay a little more to have confidence in the outcome of the sale.

Tolerate disappointments.

In most market conditions, and particularly the current climate, potential deals can fall through. If it happens, accept it as an unfortunate side to the process of selling, and be happy that your broker will deal with it for you. He is as disappointed as you are if something goes wrong with a pending sale.

Last but not least.

Remember that a good broker wants you to be satisfied. The good brokers really care about their reputation because that's how they got to be successful. The aviation world is very small, and your broker needs your word-of-mouth recommendation and your future business. That's why you want to do business with a successful, well established, reputable and capable broker. It's your best chance at a satisfactory result.

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