

Sell It Faster and Get the Highest Resale Value

10 Tips for Selling Your Helicopter

By Mark V. Clancy

Selling a helicopter can be a daunting endeavor. High-value assets like these require more than just sticking a sign in the window and parking it on the corner. If you've ever sold an aircraft, chances are that you found that it took a long time to get an offer. Getting a reasonable one took even longer. Here are some tips to ensure you get the value you want from your helicopter.

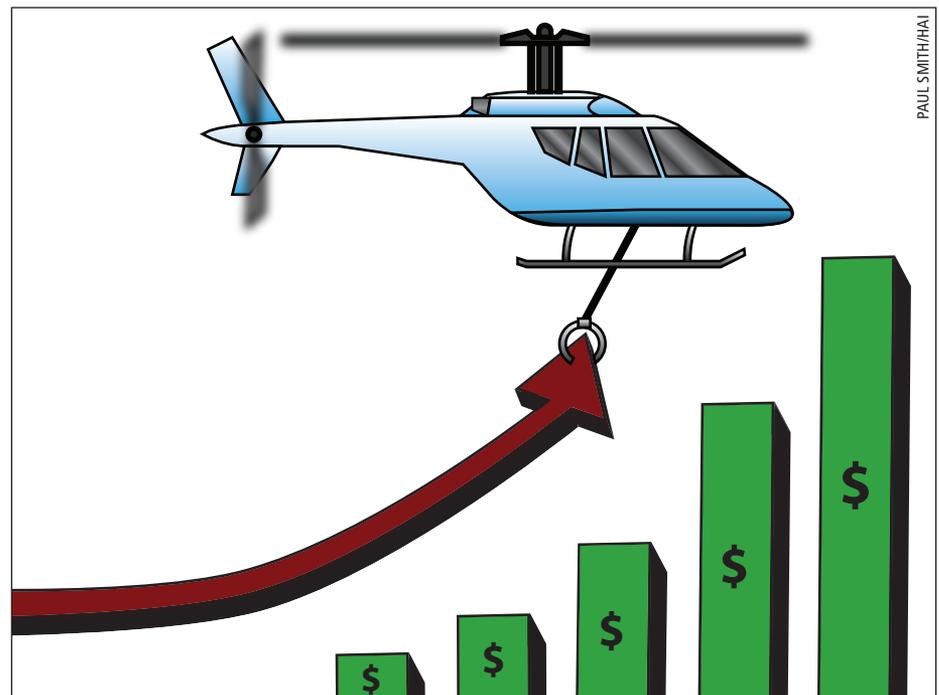
1. Take a Buyer's Perspective

Thinking from the buyer's perspective is often not a seller's first inclination, but doing so will enable you to see your aircraft a bit differently. Reviewing the value proposition of your helicopter, making a detailed comparison with other helicopters on the market, and implementing improvements will undoubtedly increase resale opportunities.

2. Consider Improving Component Value

Too often, we see "down on component value" helicopters on the market. These are helicopters that have a substantial amount of retirement, overhaul, engine, and/or major inspections coming due in the near term. These maintenance expenses can range from 1 percent of the helicopter retail value to more than 30 percent, depending on the vintage, make and model, and condition.

This is a hurdle many buyers don't want to jump. Commercial buyers who've been awarded a contract often



don't have the time to perform the maintenance and mission-equipment reconfiguration necessary to put a helicopter into commission. For private buyers, there are often concerns about spending above and beyond the helicopter purchase price, especially for maintenance items that carry latent risks that could be uncovered during an engine overhaul or a major airframe inspection.

Because of this concern, however, private buyers often overlook some very good helicopter acquisition opportunities. Wholesale buyers, such as dealers or lessors, are generally attracted to helicopters requiring substantial work scopes, but most sellers have retail price aspirations

that are a challenge when there are so many helicopters for sale.

You'll find that a minimal to moderate investment to ensure sufficient component and inspection time remaining for the next year or two will yield measurable value differential and attract more buyer interest.

3. Consider Exterior and Interior Refurbishments

Most pre-owned helicopters have been operated for years with the original or old paint that has faded and chipped. Or they have a unique or personal paint livery that doesn't appeal to a wide audience of buyers. Likewise, interiors become dingy

Did You Know?

Approximately 5.5 percent of single-engine turbine helicopters are available for sale, with an average of 667 days on market. Similarly, the twin-engine market encompasses 4.7 percent, with a slightly longer 673 days.

over the years, resulting in worn seats, old plastic, crazed glass, and other cosmetic defects.

New exterior paint and an interior refurbishment can make a big difference. A neutral, solid paint color (such as white), with new interior plastic, fresh seat cushions and covers, replacement glass, and new carpet with floor protectors make a helicopter look new again.

While these improvements may cost from \$50,000 to \$100,000 (depending on if it's a single- or twin-engine helicopter) and take three to six weeks to perform, it's an investment that will likely pay off. A neutral paint color also makes it easy for a buyer to apply custom striping or logos.

4. Invest in an Avionics Update

Depending on the year of manufacture and the likely buyer type, consider an avionics update. The last few years have ushered in substantial avionics improvements and new airworthiness requirements such as ADS-B.

Consider removing unused or outdated mission equipment and installing a new nav/comm system, GPS, radio altimeter, ADS-B, and an updated audio panel. This type of upgrade can run from \$20,000 to \$60,000, depending on the helicopter, and take a few weeks, but it will enhance the aircraft's functionality and longevity, while attracting consideration from more serious buyers. A knowledgeable broker or service center will know what avionics are likely to be valued by buyers and will provide you with specific recommendations to consider.

It's likely that component value improvements, exterior and interior refurbishment, and avionics update

will at least match the resale investment, save buyers considerable time, and pay dividends with an increased sales price and reduced resale period.

5. Have Complete, Accurate Documentation and Technical Records

One sure way to find yourself with a "no-buy-pre-buy" inspection is by having incomplete, disheveled, or inaccurate maintenance records. While most operators have a professional mechanic, engineer, or service center responsible for maintaining the helicopter records, we have seen too frequently varying degrees of completeness and accuracy with aircraft records.

Hiring an independent mechanic or engineer to conduct an audit of all aircraft maintenance records prior to putting the helicopter on the market will help ensure that the prepurchase inspection goes smoothly and doesn't create an opportunity for buyers to negotiate the price down.

6. Stage Your Helicopter

Once all the maintenance, refurbishment, and upgrade work is completed, it's time to commission professional photos of the exterior, cockpit, and interior. Grimy-looking photos taken in dark hangars or with dreary weather backgrounds, or grainy thumbnail images taken with low-quality phones or cameras make for a poor first impression.

Be sure your helicopter is clean. Choose an appropriate location with a scenic background, and take the photos on a blue-sky day. Get several photos of the exterior, cockpit, and interior.

Good photos make a strong impression on buyers. If you've made a substantial investment in an upgrade and refurbishment of your helicopter, having a photographer or professional broker take a series of photos at an attractive venue on a nice day should yield some attention-grabbing images.

7. Price the Helicopter Right

One of the most challenging aspects of selling a helicopter is determining an appropriate asking

price. Sellers are often influenced by book values more so than by market values, and they decide on a price without understanding the value comparisons.

Some sellers price using the "I don't have to sell" mind-set and thus their asking price has no realistic market value basis. But more commonly, prices are specified as "make-offer" in an effort of attracting buyer attention. This is not an effective approach.

The most effective way to establish an attractive market asking price is by first knowing the sales price of similar helicopters, then by making substantive value comparisons before settling on an asking price. Better yet, hire a helicopter appraiser or broker familiar with the make and model you're selling.

8. Relocate the Helicopter to a Buyer-Accessible Location

Occasionally, helicopters are located in remote locations rather than in major metropolitan areas. This can be an issue for buyers. They often take into consideration how easy it will be to travel with their mechanic or pilot to inspect a helicopter.

Whether it's operational or in long-term storage, consider relocating the aircraft to an easily accessible service center with trained mechanics and engineers who can provide maintenance, improvements, a records audit, or technical assistance. This can also be a convenient location where the helicopter can be prepared for postsale shipping transport or readied for a fly-away departure.

9. Take Advantage of the Professional Broker Difference

During a buyer's market, such as the one we are now in, it becomes increasingly challenging to sell your own helicopter. Sellers often benefit by engaging a professional broker who is knowledgeable about the seller's makes and models.

A good broker understands the current market, can perform detailed valuations, is able to recommend prudent presale work scopes, maintains a database of recent sales

comparisons, knows how to market helicopters, and has an extensive network. In addition, developing a relationship with a professional broker provides an opportunity to gain market insights and recommendations about helicopter acquisitions and sales.

10. Have a Resale Back-Up Plan

If your helicopter is still on the market after an extended period, then it's time to consider some alternatives. If, at this point, you haven't engaged a professional broker, now is the time. He or she can help you evaluate the situation, assess what has been done, and determine if any changes in approach would be appropriate.

Consider the possibility of offering the helicopter on a short- or medium-

term lease. If your financial institution approves and you're familiar with leasing, this may be a good alternative. Otherwise, you could contact a broker experienced with leasing who is able to offer marketing services to attract a credit-worthy lessee. If these aren't attractive options, then be prepared to wait it out.

Making Your Helicopter Attractive to Buyers

With high-value assets like helicopters, getting the best price in a timely manner can be challenging. While the suggestions offered here are good general practices, the work scope solutions may not always be the best for all helicopters or seller situations. But by developing and implementing creative resale strategies that ensure helicopters are "ready-to-go," have

differentiated value, and are priced right, you can expect to receive an optimum market price and sell your helicopter in a relatively short period of time. **R**

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