

A330-200/-300 aftermarket & values

The A330-200/-300 is one of the most popular widebody families. Market values and lease rates are some of the strongest as a consequence of the current shortage of aircraft.

The past two years have seen a growing shortage of widebodies, and the A330-200/-300 family has suffered the biggest supply problems. This has pushed values and lease rates to high levels.

The shortage of widebodies started with the revision of the A350 programme, delays with A380 deliveries and a lack of interest and orders for the A340-500/600. This delay in new widebody programmes has coincided with continued high levels of traffic growth on all long-haul markets, which has increased demand. Delays in new widebodies and a lack of interest in others has tightened supply of all widebodies. The 787 has achieved unprecedented success for a new aircraft, with more than 800 firm orders prior to entering service. The programme has now suffered serious setbacks, with deliveries in the initial years of production being deferred by an average of 24 months.

This leaves airlines with no choice but to extend the operational life of current fleets. There is now a shortage of all major types, and demand from all airlines is such that few aircraft are becoming available for trade or lease. Any that do come on to the market are quickly acquired.

Orders for the larger A330-300 slowed and the smaller -200 series became the favoured model. This is not surprising, since its 240-seat capacity and 6,400nm range make the aircraft unique. The A330-200 has been ordered by a large number of carriers, has another 126 firm orders outstanding, and is the long-haul flagship of many operators.

The A330-300 has experienced a renaissance in recent years, however, due mainly to the general shortage of widebodies and limited types to choose from. The A330-200 and -300 have both

had their range performance improved since their initial inception, and now come close to their heavier, four-engined counterparts of the A340-200/-300 family. The A330 models have superior fuel burn and maintenance costs to the two A340 models, so interest in the A340-200/-300 has waned. Besides the A330-200 and -300, the only other types that most airlines will consider are the 777-200 and -300. This maintains a strong interest in the A330.

The A330 is a strong medium-range regional performer, but also has range capability of more than 5,000nm which makes it an attractive long-haul aircraft. Several carriers in the Asia Pacific have large fleets, particularly Cathay Pacific with a total of 38 A330-300s in operation and on firm order, Dragonair (16), Thai Airways International (20), Qantas/Jetstar (18), Fly Asia Express (15), and Singapore Airlines (19). The A330-300 is also popular in the Middle East, with Qatar Airways (32) and Emirates (29). There are smaller numbers operated in Europe and North America.

The A330-300 is also almost in a class of its own. Despite having 10-15

fewer seats than the 777-200, the A330-300 is lighter and can operate with similar costs per seat. There are a large number of outstanding orders for the 777, so orders for A330-300 have increased in recent years. Order positions are now sold out until 2012/13, when the first A350s are due for delivery.

Values of two- and three-year-old -300s are estimated at \$78-85 million, which compares to a list price of \$110 million. Mid-1990s vintage aircraft are valued at about \$45 million, with late 1990s aircraft at about \$58 million. These values are mainly theoretical, however, due to the limited number of trades taking place. The exceptions are some sale and leaseback deals.

Meanwhile, new -200s are valued at about \$90 million. Actual values depend on aircraft specification.

Lease rates are also high compared to the market lows of 2003-2004 when there was a surplus of aircraft. Rates for young -300s are \$850,000-900,000, which is equivalent to a lease rate factor of 0.8-0.9% per month. Rates are \$650,000-725,000 for five-year-old aircraft.

Lease rates for -200s are \$100,000 less per month for -300s of similar vintages.

High lease rates for A330s are matched by other aircraft, following the general shortage of all types. Lease rentals for 767-300ERs up to 15 years old are as high as \$650,000 per month. This compares to rates of \$290,000-300,000 per month that were being realised from 2001 to 2003. [AC](#)

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The A330-200 and -300 have become popular medium- and long-haul workhorses, and demand for them is strong. Lease rates for young aircraft are in the \$850,000-900,000 per month range, but few aircraft are coming available.