

Dash 8 & Q Series aftermarket & values

The Dash 8 & Q Series are popular types, and few have been available on the used market. The aftermarket activity, and aircraft values and lease rates are reviewed,

The Dash 8 family has achieved 1,018 sales, more than any other turboprop and narrowly outselling the European ATR42/72. During the bottom of the turboprop market in 2004-2005, large numbers of Dash 8-100s were available, and aircraft could be acquired for \$1.0-1.5 million. The market has since turned round, and many operators are finding it difficult to acquire further aircraft. The few good aircraft that are on the market are being offered for \$4.50-5.50 million.

Dash 8-200/Q200 market

The majority of Dash 8-200s were built for the North American market (67 in total). The balance were sold in Europe (5), Asia (6), Australasia (10), South/Central America and the Caribbean (6) and Africa and the Middle East (11), the latter accounting for the second highest number of aircraft.

There are few Dash 8-200/Q200s on the market. The only advertised availability is from Bombardier, which is currently marketing five ex-Horizon aircraft for sale at around \$6 million.

Dash 8-300/Q300 market

Unlike the smaller family members the Dash 8-300 made comparatively little impression on the North American market. As a general rule of thumb, 60% of regional airliner sales have been to North America, 30% to Europe and 10% to the rest of the world. In the case of the Dash 8-300, North America only accounted for 31 orders out of the total of 267. The majority were sold in Europe (83), Australasia (44), Asia (33), Africa and the Middle East (23) and South/Central America and the Caribbean (16). The remaining 29 aircraft were delivered to leasing companies.

As of January 31st 2009 Bombardier has six more Q300s to deliver to: Air Nelson/Air New Zealand (2); the Japanese Coast Guard (3); and an undisclosed customer (1).

The Dash 8-300/Q300 is a sought-after asset. Apart from aircraft that have

been damaged in accidents, only two examples are known to have been parted out. Even at the bottom of the turboprop market, Dash 8-300s are believed to have commanded a price of about \$2.50 million. Operators that acquired small numbers of aircraft have expanded their fleets on the used market. For example, Wideroe took four aircraft direct from the factory, and has subsequently added a further three used examples. Others have acquired their entire fleets on the used market, for example Piedmont. In February this year Piedmont extended the leases on its 11 aircraft with Nordic Aviation Capital.

There are few used aircraft on the market. The only advertised availability is from Austrian Airlines, which is marketing one of its aircraft for \$6.50 million.

Q400 market

Bombardier's decision, announced in April 2008, to cease production of the Q200 and Q300 from May 2009, leaves the Q400 as the only turboprop in the manufacturer's product line. Bombardier continues to develop the baseline Q400, and in March 2008, coincident with the SAS Group's order for 14 new aircraft for Air Baltic (8) and Wideroe (6), it launched the Q400 NextGen. The Q400 NextGen incorporates a number of refinements to the cabin and extended maintenance intervals. Bombardier also continues to study a stretched 90-seat Q400X in a 2013/14 timeframe.

As of 31st January 2009, Bombardier had received orders for 347 Q400s, of which it had delivered 233, leaving a backlog of 114. Production is currently at a rate of about four aircraft per month, providing nearly two and a half years of production. (A total of 47 were delivered in FY2007/08, and 43 in FY2008/09). Supply chain challenges resulting from the transfer of fuselage production from Japan to China and Belfast account for the reduction.

Despite what are generally quite poor overall market conditions, the Q400 continues to find new customers as well

as repeat orders from existing operators. In FY2008/09 the company received orders for 67 Q400s and delivered 43.

Orders from new customers totalled 37 aircraft: Air Baltic (8), Air Berlin (10), Cirrus (1), Ethiopian Airlines (8), SATA (4) and Wideroe (6). Existing customers also ordered a total of 37 aircraft: ANA (3), Austrian Arrows (4), Colgan Air/Pinnacle (15), Croatia Airlines (2), Frontier (2), Hydro-Quebec (1), Luxair (2), Porter Airlines (8). There was a net reduction of seven aircraft from the undisclosed customer's total, the Air Berlin order for 10 aircraft was converted into a firm order, and three new undisclosed orders were added.

Although Bombardier received its first order from Horizon in 1999, the subsequent decade can be described as 'a slow build-up'. It was not until February 2006 that another north American operator ordered the Q400. Canada's Porter Airlines ordered 10, Frontier then placed an order for 10, and in March 2007 Pinnacle followed with an order for 15. Both of these operators have subsequently placed repeat orders.

Aside from Bombardier the only other source of Q400s until recently has been SAS. Following the well publicised grounding of their 27-strong fleet, SAS has been trying to dispose of it. Two of the three aircraft involved in accidents have been scrapped and of the remaining 27 aircraft, 17 have so far been sold or leased. Aircraft were sold to LAM (2), Malev (4), Nord-Flyg (2), and Philippine Airlines (5) while the only lease customer was Flybe (4).

Although it appears early, the Q400 has already been selected for cargo conversion. Nord-Flyg of Sweden took delivery of its first conversion in January 2009 and the aircraft entered service in April. Designated the Q400PF package freighter, the conversion was undertaken by Cascade Aerospace of Canada and the STC was awarded on 31st December 2008. Capable of carrying 9.5 tons, the Q400PF is not only able to carry the highest payload of the 1980s-generation turboprops, but it also has a clear speed advantage.

Aside from the SAS aircraft, there have been relatively few transactions involving the Q400. In 2006 Airstream arranged the sale of two ex-Changan Airlines aircraft to Horizon. The only aircraft currently advertised are the four aircraft belonging to Jeju Air, which has appointed Airstream to remarket them.

SAS was known to be asking for \$11-13 million for its aircraft, and market lease rates are believed to be in the order of \$150,000 per month. **AC**

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