

E-Jets aftermarket & values

The E-Jets are still young and in high demand from operators. There are few aircraft available on the market and few transactions of used aircraft have been completed.

The E-170 model is the more popular of the two smaller family members, accounting for 193 orders, plus two unsold prototypes. The largest market for the E-170s has proven to be in North America (76 in total), although this has been very concentrated. In fact 25% of all the E-170s ordered have been delivered to a single customer, Republic Airlines. The balance have been sold in Europe (38 aircraft), Africa/Middle East (37), Asia (19), Australasia (6) and South/Central America/Caribbean (3). The other 14 aircraft were delivered to lessor GECAS.

GECAS ordered 50 E-170s in June 2000, but the operating lease market has not developed as expected and, in the end, only took delivery of nine aircraft. Four were leased to LOT Polish Airlines, and a further four went to Hong Kong Express, although these four were returned to GECAS in 2007 and subsequently placed with AirNorth (1) and SkyAirWorld (1) both of Australia, and Kenya Airways (2). The two 'used' aircraft delivered to Kenya Airways were followed by a third aircraft delivered direct from Embraer, but again on lease from GECAS. In April 2008 Aldus Aviation, a new leasing company, bought eleven of the GECAS fleet of E-Jets, and another three in October. Not all 14 aircraft have been identified, but the total includes two E-170s with LOT Polish Airlines, and five E-190s with Aeromexico (2) and Regional (3). GECAS also added two more E-190s through a sale and leaseback with Virgin Blue.

Apart from GECAS and Aldus Aviation, the only other lessors are ECC Leasing and Jetscape. The Embraer subsidiary ECC Leasing has four of the six prototype aircraft in its portfolio. These are currently leased to Cirrus of Germany (1), Paramount Airways of India (2) and SATENA of Colombia (1). Jetscape has a single E-170 leased to AirNorth of Australia. Aside from the four prototype/development aircraft that have been leased out by ECC Leasing, there have been relatively few 'used' transactions for the E-170.

The list price of the E-170 is \$31.5 million, but the Republic aircraft have

been offered at \$20 million. Market lease rates are \$180,000 per month.

E-175 market

The E-175 has not achieved the same widespread market acceptance as the smaller E-170. The majority of the E-175s have been ordered for the North American market (105 in total). The balance have been sold in Europe (16), South/Central America/Caribbean (6), Africa/Middle East (2) and Asia (1). The remaining five aircraft were delivered to GECAS.

Three of the GECAS aircraft are leased to Paramount of India, and the remaining two aircraft are leased to LOT Polish Airlines. The only other lessor is ECC Leasing, which has aircraft leased to Cirrus of Germany (1) and TRIP Linhas Aereas of Brazil (1).

Apart from various short-term leases, there have been no 'used' transactions, and there are currently no E-175s on the market. Market lease rates are estimated at \$200,000 per month.

E-190 market

The E-190 has become the most popular model, accounting for 443 sales and constituting over 60% of the current backlog. The majority of E-190s have been ordered for the North American market (191 in total). The balance has been sold in Europe (68), Asia (55), South/Central America/Caribbean (52), Africa/Middle East (23) and Australasia (18). The other 34 have been ordered by ECC Leasing, GECAS and Jetscape.

GECAS has ordered a total of 24 aircraft, all but one of which has been delivered. Lessees comprise Aeromexico (4), Aerorepublica (7), Mandarin Airlines (7), National Air Service (3) and, until its recent failure, Sky Air World (2). Availability from GECAS is limited to the two former Sky Air World aircraft, although even these are believed to be earmarked for Republic Airlines and its Air Midwest operation.

Jetscape placed an order for 10 E-190s, with options on a further 10 and purchase rights on yet another 10. To

date only one has been delivered (a second was converted into an order for the E-170 and delivered to Air North), but, in addition to the aircraft ordered from the manufacturer, Jetscape has bought four more E-190s, two in a sale-and-leaseback transaction with Aeromexico, and a further two purchased from JetBlue and leased to Azul of Brazil.

There are only two E-190s on the market, both recent deliveries to TACA of El Salvador and being offered by Airfleet Resources. Jetscape has nine outstanding deliveries for delivery from 2010.

The list price of the E-190 is \$37.5 million, but TACA was believed to be looking for \$31.5 million for their aircraft. Market lease rates were close to \$300,000 per month, but the most recent transaction, involving jetBlue leasing two of its aircraft to Azul, is believed to have been at a rate of around \$250,000.

E-195 market

The E-195 is the least popular of the E-Jets having achieved a total of only 111 orders. The E-190 has been four times more popular with 443.

The E-195 has completely failed to penetrate the North American market. The majority of the E-190s have been sold in Europe (51) and South America (51) with Africa/Middle East accounting for the remaining two. The remaining seven aircraft have been ordered by GECAS. Lessees comprise Montenegro Airlines (2), National Air Service (2) and Royal Jordanian (3).

There are no E-195s on the market, although at least one operator is known to be offering aircraft. The list price of the E-195 is US\$ 39.50 million, but the Globalia aircraft were being offered at around \$31 million. Lease rates of \$260,000 per month are being offered.

Summary

The E-170 and -175 have found their largest market as a replacement for 50-seat regional jets in North America and Europe.

The E-190 and E-195 have found a niche as a replacement for the previous generation of 70-100 seaters. This is particularly true in Europe, where they have replaced Alpi Eagles Fokker 100s, BA Cityflyer's Avro RJ100s, Flybe's BAE 146s, KLM's Fokker 100s, Lufthansa's BAE 146/RJs and Montenegro Airlines' Fokker 100s. In the rest of the world they have found a further niche as the equipment for the low-cost carriers Azul, jetBlue, NAS Air and Virgin Blue. 

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