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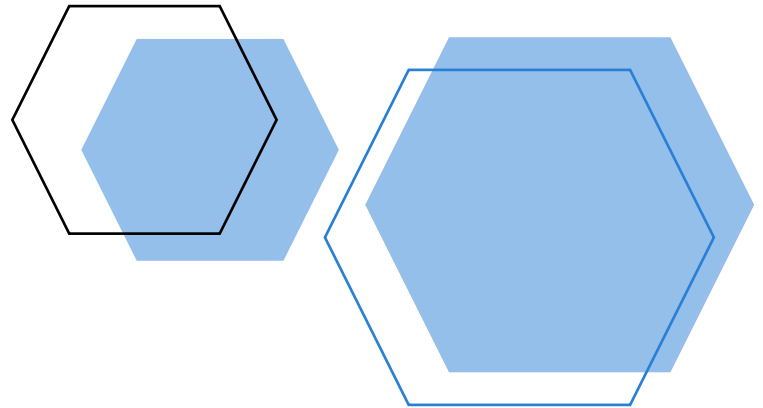
May EBACE Geneva

THOUGHTS ON THE CURRENT STATE OF THE BUSINESS AVIATION SALES MARKET



WHAT WE'VE SEEN IN 2024 THUS FAR...

This beginning of the first quarter was busier than expected for our team and that sentiment was expressed by many other brokerages in the industry as well as by all of the transaction data that we compile. That said, the last half of Q1 has slowed down to a pace that we would normally expect to see this early in the year. Conversely, the charter industry has been sluggish for a vast majority of the quarter compared to previous Q1's.



THE MAJOR 2024 MARKET VARIABLE

An election year is always cause for speculation but at this point, the election seems to be built into the current market sentiment. That said, we believe the upcoming election is a variable that takes a back seat to a larger market shifting possibility that is brewing in DC. We believe the largest variable this year for the business aviation transaction market is the "Tax Relief for American Families and Workers Act of 2024". Some of the good news out of congress is that there is bipartisan support for the "Tax Relief for American Families and Workers Act of 2024". More specifically, for the guidelines therein to reinstate 100% bonus capital depreciation and make it retroactive to all capital assets purchased from January 1st, 2023, and forward through 2025. The House of Representatives





MARKET VARIABLE CONTINUED..

passed their version of the tax bill on January 31st of this year, and we are still waiting for the Senate to act. At this point, it looks like there will be bipartisan support for the return of 100% tax depreciation on whatever version of tax legislation ends up passing both houses. That said, there are no guarantees with politicians and major bipartisan legislation isn't known to pass a divided congress during election years, but there is surely a reason to stay positive. Until congress acts, 2024 acquisition clients are working with 60% bonus depreciation in most instances.

WHAT WE EXPECT GOING FORWARD

This initial Q1 data is all indicative of a continued normalizing of the industry as a whole back down from the outlier we've experienced the past few years. If a new tax bill passes in 2024 re-establishing 100% bonus depreciation, we expect inventory levels to stabilize or lessen and acquisitions to increase, specifically in the second half of the year. If full bonus depreciation is not re-established in 2024, we are expecting a continued but minimal leveling off on the small and mid-class acquisitions, with heavy jets and specific smaller size jets to continue to stay relatively stable. With it being an election year, the potential owners in the market for a small or mid-size aircraft will tend to stay risk-averse and hold off on that acquisition until they understand the political landscape moving forward for the next 4 years. Those potential owners who are in the market for a specialty, heavy, or super heavy aircraft tend to have the means to not become very concerned with the political instability that this year may cause other buyers that have lesser means. Our best guess is that the majority of these individuals and entities will have no concerns continuing with their acquisition this year, which again, are generally heavy jets.