

BUYING A JET WITH DAMAGE HISTORY?

HERE'S WHAT TO CONSIDER

Some aircraft damage might be minor, and some major. What types of damage history can prospective buyers overlook, and where should they draw the line and walk away from an aircraft? Felipe Reisch asks the experts...

Buying an aircraft is a significant financial decision, and buyers should understand every detail of a prospective jet's history, including those areas that may be harder to find.

Utmost transparency and knowing where to find information on an aircraft's damage history are instrumental in this process. Technically speaking, all damage history can be considered negotiable providing the aircraft is airworthy, according to David Jensen, Senior Vice President of Aircraft Maintenance at ACI Jet.

"It comes down to what is acceptable to the buyer. The aircraft value will be drastically different depending on the severity of the damage, the method of repair, and the facility performing the repairs," he adds.

In other words, damage history is not as black and white as one might hope. There are many nuances, including severity of damage, location of the damage, and several other potential latent issues that must be considered.

Tyler J. Holt, President and Founder at AvSKY Corporation, believes all these things can be navigated, but speaking as a broker he says one non-negotiable is simply understanding the buyer's risk tolerance.

"Not everyone is the same, and every situation is unique in its own way," he argues. "But you cannot successfully navigate that unless you're aware of the buyer's risk tolerance and sensitivity to these issues."

For James Logue, Director of Maintenance at Latitude 33 Aviation, all damage history should raise a flag that further investigation and research are needed, especially any significant skin or structure

damage requiring additional scheduled inspections.

"Some repairs may need to be re-inspected every so often, usually because there is a risk of cracking or fatigue associated with the repair; it could mean in the future, a repair fails its inspection and needs to be redone, or that even more invasive and costly repairs are needed," he notes.

Furthermore, says Michael Farley, Founder and CEO of Outlier Jets, thoroughly documenting damage while [having the seller provide] accurate records is essential for any buyer.

"Repairs should be completed to the manufacturer's standards, and the aircraft must have a current airworthiness certificate," he notes. "Major incidents like accidents should always be disclosed upfront to maintain trust."

Should Damage History Automatically Derail a Private Jet Transaction?

Understanding the cause and severity of the damage and the type of repair that was performed is critical. Is the damage minor, moderate or major in nature? Was it structural? Does it impact the aircraft's performance or flight characteristics? Was the aircraft in motion during taxiing, takeoff, landing or in-flight at the time the damage was incurred, or was it static?

Moreover 'what type of repair was performed?' and 'how extensive was the repair?' are also key questions to ask, according to Jensen. Depending on the severity, the answers to these questions alone could deter a buyer from proceeding with a transaction. ↪



One non-negotiable is simply understanding the buyer's risk tolerance...



"Damage to major structures, or owing to major impact (such as a hard landing, collision at higher rates of speed, etc.) are concerning," he elaborates. "But how it was repaired and who performed the repair may save the deal."

If it was anything other than minor damage and a simple repair or replacement in accordance with a maintenance manual, the repair should be done by a certified repair station, Jensen adds.

"If it was completed at a repair station, what are their capabilities? Do they have the authorization to repair the aircraft type in question? Where did they get the engineering, and is it from a reputable source such as the manufacturer? Is the facility an authorized service centre for the aircraft manufacturer?" he illustrates.

Along similar lines, Farley points out that not all damage history disqualifies an aircraft. Understanding the nature of the repairs and the service provider's credibility is essential. "Buyers should look for documented inspections confirming the aircraft's airworthiness after repairs," he suggests. "A detailed pre-purchase inspection will be vital here."

Neither would Holt categorically say damage history is a deal-breaker. "That said, a buyer should always – save for rare instances – insist on complete records relating to the damage event."

"If the damage wasn't in a critical area, the repair didn't come with any additional inspection requirements and was accompanied by acceptable documentation by a reputable facility," Logue says that it shouldn't automatically derail a deal.

Aircraft Damage History Red Flags

While any damage should be thoroughly documented, other non-structural elements like cabin interiors and avionics can typically be repaired without raising alarms. These components are often straightforward to fix and, when done correctly, don't impact the aircraft's overall safety. But there are others that do, Farley says.

For example, damage to the airframe, particularly the wings or fuselage, raises concerns. "If those areas have

been compromised, buyers should investigate further," he suggests.

"An aircraft's structural integrity is critical, and any sign of past repairs needs careful examination by an expert. Veteran and trusted aircraft brokers can provide expert assessments to help clients navigate these red flags effectively."

For Holt, it's very straightforward. "Any damage that affected the pressure vessel of the aircraft should be especially scrutinized," he says. "Damage of this nature should be fully understood and accompanied by first class repair and record keeping."

Another red flag would be a seller not presenting the damage history up-front, or being unwilling to disclose known details about the damage and/or repairs, Jensen adds. This could be a sign of more issues that are not being disclosed, so buyer beware!

Additionally, Jensen adds that the damage history may sometimes not be easily identifiable. As an example, if the damaged area was fixed by replacing the parts versus repairing them, there may only be a logbook entry for replacing the parts but no details as to why they were replaced.

"If a repair was performed, and it was major, it should have engineering documentation and, in the case of US registered aircraft, an FAA Form 337," he highlights. "It's wise to request copies of all 337s from the FAA for the aircraft in review, and compare them against the logbooks to ensure the proper documentation is present."

The availability of information can differ by country and aircraft registry, Farley cautions, with some regions having less detailed records and making it crucial for buyers to ask for comprehensive reports during the buying process.

"Some veteran brokers may maintain proprietary information or databases that can offer deeper insights into an aircraft's history," he adds.

Logue suggests, "Other registries have different protocols, so when looking at foreign registered aircraft, find a representative well-versed in the regulations of that country's aviation authority." ↪

Transparency as the Ultimate Damage History Green Light
After examining the aircraft's records and logbooks and if everything appears to be acceptable with the damage history, then the overall perception regarding the seller's transparency could play a role in sealing the deal, according to Jensen.

"As the buyer I would ask myself how transparent the seller was with information about the aircraft and any damage history," he highlights. "Was it presented up front? Did I have to dig for it, and if so, what did I find? Was the seller forthcoming with documentation and information to substantiate the damage and the repairs?"

Logue also highlights transparency as key. "Sellers should always disclose any known damage history, because a well-represented buyer will eventually find out."

"Being upfront about any damage history fosters a strong relationship with potential clients," Farley adds. "When buyers feel informed, they are more likely to proceed with confidence."

In Conclusion...

While damage history is not necessarily a deal breaker, thorough buyer research on an aircraft before a potential purchase is absolutely necessary.

As damage history may not be presented up front, Jensen highlights that someone who knows how to identify damage (or potential damage) in the aircraft records must conduct a thorough logbook review.

"If major components like flight controls, structural components, aircraft skin – for example – have been replaced, it may be an indicator there was damage to the aircraft in that area," he notes.

While being an Authorized Service Center certainly isn't a requirement for undertaking the repair, it can be beneficial from a buyer's perspective as they'll likely have access to OEM engineering, and their quality standards will be in alignment with the aircraft manufacturer's.

Lastly, Holt suggests that speaking with brokers who routinely traffic in the type of aircraft a buyer is considering is always a good idea. "Many times, brokers will have inside knowledge about specific aircraft; this is especially true in turbine-powered aircraft markets."

As Farley concludes, "No aircraft should be purchased or considered if you can't fully understand its pedigree. Knowing the aircraft's history is vital to making a confident investment." ■

More information from:

ACI Jet: www.acijet.com

AvSKY: <https://avskyjets.com>

Latitude 33 Aviation: <https://l33jets.com>

Outlier Jets: www.outlierjets.com



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