



BIZJET LEASING GROUP EXPANDS HORIZONS WITH GE ACQUISITION

News / Business aviation



Business jet financing group Global Jet Capital last month agreed to purchase the aircraft lease and loan portfolio of **GE** Capital Corporate Aircraft in the Americas, representing approximately \$2.5 billion of net assets. The deal, for which terms were not disclosed, is expected to close by year-end. As part of this transaction, the GE Capital Corporate Aircraft team will join the Global Jet Capital organization.

“We are investing heavily in expanding the business both organically and through strategic acquisitions, such as this one with GE,” said Global Jet Capital executive director Shawn Vick. “This is a remarkable portfolio of corporate aviation assets, and this investment underlines our confidence in the long-term growth prospects of the large-cabin, long-range private jet market. The price point of these aircraft range between \$25 and \$75 million, on average, and corporate users and high-net-worth individuals will seek competitive financing solutions rather than allocate their own cash resources, which are better invested in their own businesses.”

Global Jet Capital (Stand 1360), which was launched last year, is capitalized by three global

investment firms—GSO Capital Partners, a Blackstone company in partnership with Franklin Square Capital Partners; The Carlyle Group; and AE Industrial Partners. The company's current management team and executive committee includes leaders from business jet manufacturers, maintenance and service providers and leading financial institutions who have served the private aircraft industry for a combined 200-plus years and have completed more than 3,500 aircraft transactions.

The U.S.-based company offers a range of operating and interim leases, finance leases and mortgage loans, progress payments and mezzanine financing (a mix of debt and equity financing) for both new and previously owned business jets. Its target market is aircraft valued at \$30 million and higher, including pre-owned aircraft around three-to-five years old.

According to Vick, GJC's main focus is transactions involving midsize, super-midsize, large-cabin and long-range jets. While recent years have been challenging times for the values of pre-owned aircraft, Vick believes that the low-point in the market has passed for aircraft in these categories. One factor, beyond current aircraft values, is the apparent recovery in flying activity.

Since GJC's launch it has put in place lease agreements for several Gulfstream G650 jets. It is now evaluating potential deals involving various Embraer, Bombardier, Dassault Falcon and Airbus aircraft with clients across different regions of the world. "By leasing the aircraft they want, clients can put the money [they would have allocated to buy them outright] back into their businesses," explained Vick, pointing out the benefits of keeping aircraft off company balance sheets.

In addition to Vick, who has formerly held senior positions with various companies including Hawker Beechcraft, Gulfstream, Bombardier, the GJC management team also includes executive director Bill Boisture, formerly with Hawker Beechcraft, Gulfstream and NetJets. Also on the committee is David Rowe, founder and managing partner at AE Industrial Partners and formerly an executive vice president with Gulfstream Financial Services and GE Capital.

"We see an opportunity in the market because the traditional sources of financing such as the banks [have taken] a step back, and others have placed significant hurdles in the lending process, so the provision of lease financing or debt financing has proved to be challenging," Vick said.

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