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Navy Capital

PRIVATE WEALTH · RESEARCH DESK

SPECIAL REPORT · PRIVATE AVIATION

Wings of *Wealth*

Private aviation examined end to end: the record growth of the industry, how it rewired the way billionaires move, the operators who fly them — and the manufacturers' war for the sky: Gulfstream, Bombardier, Dassault, Textron and Embraer, their aircraft, market shares, and the competitive decade ahead.

RESEARCH DESK EDITION 2026 · DATA THROUGH 2025 / EARLY 2026 · FOURTH IN OUR WEALTH SERIES · NAVYCAPITAL.INFO

ABOUT THIS REPORT

The most private form of *public wealth*

Nothing signals — or serves — great wealth quite like the ability to leave whenever you wish. In 2025, the world's private jets made a record **3.9 million departures**; the business-jet industry crossed **$48 billion in annual revenue**; manufacturers shipped 854 new jets, the most in years; and Honeywell's industry forecast reached the highest value in its 34-year history — **8,500 aircraft worth $283 billion over the coming decade**. Private aviation is no longer a plaything at the edge of aerospace. It is a structural industry with its own giants, its own duopolies and dogfights, and its own remarkable answer to the question every wealthy family eventually asks: what is my time worth?

This Navy Capital study examines the industry from both seats. From the *cabin*: how the way billionaires and the merely wealthy fly has transformed — from trophy ownership to a portfolio of fractional shares, jet cards and on-demand charter, from ostentation to privacy engineering, from a grey-haired club to a market where nearly a third of buyers are under 45. And from the *flight deck*: who actually builds these machines — Gulfstream, Bombardier, Dassault, Textron's Cessna, Embraer and the light-jet insurgents — who is winning by units and by dollars, which aircraft dominate each segment, and how the three-way flagship war at $75–80 million per aircraft will resolve.

HOW TO READ THIS REPORT

Part I measures the growth. Part II follows the passenger: the new ways the wealthy fly, and the operators — NetJets, Flexjet, VistaJet — who industrialised access. Part III profiles each manufacturer with market shares. Part IV compares the machines themselves, segment by segment, flagship by flagship. Part V analyses the competitive economics, Part VI the outlook, risks, and investor implications. Appendices carry the data tables.

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Inside this *edition*

FROM THE RESEARCH DESK

A letter to our *readers*

Dear reader,

There is a moment, familiar to anyone who advises significant wealth, when a client first walks off a commercial flight — even from the front cabin — and onto a private one. It is rarely the champagne that converts them. It is the arithmetic: the ninety minutes not spent in a security line, the meeting held at altitude, the three cities in a day, the children asleep in their own schedule rather than an airline's. Private aviation sells the only commodity billionaires cannot buy more of elsewhere, and once that clicks, the question changes permanently from *whether* to *how*.

The "how" is what this report is really about, because it has changed beyond recognition. A generation ago the answer was binary: own a jet, or don't. Today it is a spectrum — whole ownership, fractional shares, leases, jet cards, on-demand charter, semi-private shuttles — industrialised by operators of astonishing scale (NetJets alone flies a fleet larger than most national airlines) and supplied by five manufacturers locked in the most interesting competitive battle in aerospace: Gulfstream's dollar dominance, Bombardier's bet-the-company pure play, Dassault's fighter-bred craftsmanship, Textron's volume machine, Embraer's insurgency.

We wrote this study for three readers at once: the client deciding how to fly, who deserves the honest cost mathematics; the investor, for whom the OEMs and operators are an investable and under-analysed sector; and the simply curious, because the story of how a Learjet fantasy became a $283-billion-decade industry is one of the great business narratives of our time. As always: precise where the data allows, candid where it doesn't, and direct in our conclusions.

With regards,

The Navy Capital Research Desk

Companion volumes in the Navy Capital wealth series — on Gulf sovereign wealth, the Gulf economy, and Dubai real estate — are available in the Research Library at navycapital.info.

EXECUTIVE SUMMARY

Ten findings on the *airborne economy*

3.9m	854	$283bn	~23,000
RECORD DEPARTURES 2025	NEW JETS DELIVERED (+11.8%)	HONEYWELL 10-YR FORECAST	BUSINESS JETS IN SERVICE

1. Private aviation set records across every gauge in 2025: 3.9m global departures (+4.6%), 854 new jet deliveries (+11.8%), ~$48bn of industry revenue, and the richest ten-year outlook ever published — 8,500 aircraft, $283bn.

2. The pandemic was the adoption event; the retention is the story. First-time flyers rose ~21% in 2022–24 and, crucially, stayed: activity has settled 25–30% above 2019 rather than reverting. Airline unreliability, security concerns and remote-work geography converted a luxury into infrastructure.

3. Billionaires fly differently now — they hold portfolios, not planes. Whole ownership for the home-base mission, a fractional share for the family, a card for overflow, charter for the exception. Even ten-figure fortunes increasingly rent: flexibility beats trophy.

4. Fractional is the growth engine: departures +10.3% in 2025 and +118% over five years. NetJets (800+ aircraft, Berkshire-owned, 419k departures) and Flexjet (+16%, fresh $800m from LVMH-backed L Catterton) took more than half the industry's hour growth between them.

5. The buyer is getting younger: under-45s are now ~29% of pre-owned jet buyers — nearly double a decade ago — and the average fractional owner is ten years younger than pre-pandemic. This is a demand base compounding, not a cohort ageing out.

6. By dollars, Gulfstream rules; by units, it's a knife-fight. Gulfstream billed ~$10bn on 158 jets in 2025 — the value crown — while Textron's Cessna led several quarters on units, and Bombardier (157 jets, 1.4× book-to-bill) matched Gulfstream almost one-for-one at the top end.

7. The flagship war is the industry's defining contest: Gulfstream's G700/G800 (in service), Bombardier's Global 8000 (certified December 2025 — Mach 0.94, the fastest civil aircraft since Concorde), and Dassault's Falcon 10X (2027, the widest cabin) — three $72–78m answers to the same ultra-long-range question.

8. The most-used aircraft are not the famous ones. Embraer's Phenom 300 has led the light-jet league for 13 straight years; the Citation family is the best-selling business-jet dynasty ever; the PC-12 and King Air quietly out-fly everything on short missions. Volume lives below the headlines.

9. The economics have institutionalised: multi-year backlogs across all OEMs, pre-owned inventory still tight (~7% of fleet for sale), residual values holding, and private-equity/luxury capital (L Catterton, sovereign funds) entering the operator layer.

10. The risks are real but cyclical, not structural: deliveries track equity markets and CEO confidence; sustainability pressure (SAF mandates, flight-shaming) raises costs at the margin; supply chains still gate output. None of it dents the core asset: the hour returned to its owner.

I

PART I · CHAPTERS 1–2

The growth *story*

Sixty years from executive novelty to a $283-billion-decade industry — and the record year that confirmed the new baseline.

From Learjet to *lifestyle*

1.1 · The eras of the executive jet

The pioneers (1957–1979). The Lockheed JetStar and North American Sabreliner proved the concept; Bill Lear's 1963 **Learjet 23** made it a phenomenon — a fighter-derived rocket that put "Learjet" into the language as the generic term for private wealth aloft. Grumman's Gulfstream II (1966) invented the large-cabin intercontinental category the top of the market still inhabits; Dassault crossed over from Mirage fighters with the Falcon 20 — famously chosen by Charles Lindbergh for Pan Am's evaluation, and by a young Fred Smith to launch Federal Express.

Consolidation and the fractional revolution (1980–2000). Cessna's Citation family brought jet economics to mid-size business; Canadair's Challenger — later the seed of Bombardier's aerospace empire — pioneered the wide cabin. The structural breakthrough was commercial, not aeronautical: in 1986 Richard Santulli's mathematical insight that shared ownership could be scheduled reliably created **NetJets**, and in 1998 Warren Buffett bought the company — the moment private aviation acquired an institutional balance sheet. Fractional ownership democratised the category downward from billionaires to the merely successful.

Globalisation and excess (2000–2019). The ultra-long-range race began in earnest — Gulfstream V against Global Express — as wealth globalised and a Mumbai–London or Shanghai–Seattle nonstop became the defining requirement. The 2008 crisis brought the industry's near-death experience (deliveries halved; "corporate jet" became a congressional slur) and a decade of consolidation followed: Hawker Beechcraft died, Learjet faded toward its 2021 sunset, and the survivors concentrated into today's five families.

The great acceleration (2020–). COVID grounded the airlines and converted a generation: charter first, cards next, fractional shares after. Activity jumped ~30% above 2019 and never went back. Add Starlink-class connectivity (the jet as flying office), post-2024 executive-security anxiety, and record wealth creation, and private aviation entered 2026 with its richest demand backdrop ever.

1963	1986	1998	2020
LEARJET 23 FIRST FLIGHT	NETJETS INVENTS FRACTIONAL	BUFFETT BUYS NETJETS	THE ADOPTION EVENT

2025 in *numbers*

Every major gauge of the industry printed a record or near-record in 2025:

METRIC	2025	CHANGE	READING
Global business-jet departures	3.9 million	+4.6%	All-time high
Charter + fractional flight hours	3.02 million	+6.5%	~56% of all industry hours — access beats ownership
Fractional (Part 91k) departures	300,416	+10.3%	+118% over five years; the growth engine
New business-jet deliveries	854 units	+11.8%	Best year since the late-2000s peak era
GA airplane billings (all segments)	$35.7bn	record	Jets dominate the dollar value
Business-jet market revenue	~$48bn	growing	Toward ~$113bn (2030, broad defn, 7.9% CAGR est.)
Honeywell 10-year outlook	8,500 jets / $283bn	richest ever	+5% deliveries expected in 2026; ~3%/yr thereafter

GAMA 2025 shipment report; WingX/Argus activity data via industry press; Honeywell Global Business Aviation Outlook (2025); Grand View Research market estimates. Rounded.

2.1 · What the numbers mean

Three structural readings. **First, the baseline reset is confirmed.** Sceptics called 2021–22 a sugar high; instead, activity plateaued 25–30% above 2019 and is growing again from the higher base. The marginal flyer of 2021 became the fractional owner of 2024 and the whole-aircraft buyer of 2026 — the industry's classic upgrade ladder, climbing at scale. **Second, access now out-flies ownership:** more than half of all flight hours are charter or fractional — the business model revolution of Chapter 4 in one statistic. **Third, supply is the constraint, not demand.** Every OEM carries a multi-year backlog (Bombardier's 2025 book-to-bill of 1.4 means orders outran record deliveries by 40%); pre-owned inventory remains historically tight; and Honeywell's survey finds buyers ranking *performance* (89%) far above *cost* (56%) — the psychology of a seller's market.

Geographically, North America still hosts roughly two-thirds of the ~23,000-strong world fleet and a similar share of flying; Europe is mature; the growth increments come from the Middle East (Gulf wealth, VistaJet's and charter's strongest region), India (a fleet finally growing with its billionaire count), and Asia-Pacific's slow thaw. The 2030s market Honeywell prices at $283bn assumes, plausibly, that the American engine keeps running and the rest of the world finally adds its second engine.

2.2 · The geography of the sky

Private aviation's map is wealth's map, with America's outsized signature. Roughly two-thirds of the world fleet is US-registered, and the busiest business airports read like a tour of American money:

REGION	FLEET SHARE	ACTIVITY TREND	CHARACTER
North America	~65%	Record; fractional-led	Teterboro (NYC), Palm Beach, Van Nuys (LA), Dallas Love, Miami-Opa Locka — the imperial core
Europe	~13%	Flat-to-soft; regulation-shadowed	Le Bourget, Farnborough, Geneva, Nice — mature, seasonal (the Riviera–ski axis)
Middle East	~5%	Fastest %-growth	Dubai Al Maktoum & DXB, Riyadh, Doha — bizliner-heavy, sovereign fleets; VistaJet's stronghold
Asia-Pacific	~7%	Recovering; India accelerating	Singapore Seletar, Tokyo Haneda slots, Mumbai — infrastructure-constrained promise
Latin America	~9%	Steady	São Paulo (the world's densest helicopter+jet elite), Mexico City

Fleet distribution per industry registries (JetNet/AMSTAT-class data), rounded; activity per WingX 2025 reporting.

Two geographic stories matter for the decade. **The Gulf premium:** Middle East activity grows fastest off a small base, sovereign customers buy at the very top (bizliners, ULR flagships), and Dubai has become the connecting hub of private aviation between Europe and Asia — the same hub logic our Gulf-series reports document, airborne. **The India awakening:** a billionaire class now 100+ strong flies a fleet an order of magnitude smaller than comparably wealthy nations; charter demand routinely outstrips supply. Every OEM's regional forecast leans on Mumbai and Delhi finally matching their wealth statistics — the market's most credible untapped demand pool.

II

PART II · CHAPTERS 3–4

How the wealthy *fly now*

From trophy hangar to access portfolio — the transformation of the passenger, and the operators who industrialised the sky.

From ownership to *access*

3.1 · The spectrum that replaced the binary

A generation ago, flying private meant owning a jet — with the crew payroll, hangar, management company and depreciation that entailed — or begging charter brokers. Today's wealthy assemble a **portfolio of access**, matched to mission:

MODEL	TYPICAL ENTRY	BEST FOR	THE TRADE
Whole ownership	$5–80m + $1–5m/yr	400+ hrs/yr	Total control & availability; total cost & hassle
Fractional share (NetJets, Flexjet)	$500k–5m per 1/16–1/4 share	50–400 hrs/yr	Guaranteed availability, fleet consistency; monthly fees + hourly rates
Lease / jet card	$100–500k prepaid	25–100 hrs/yr	Fixed hourly pricing, no asset risk; peak-day rules
On-demand charter	$3–20k/hr per trip	<25 hrs/yr	Zero commitment; variable quality & availability
Semi-private shuttle (JSX, Aero)	$300–2,000/seat	Trunk routes	Private terminals at airline-adjacent prices

Indicative 2025–26 market terms; programs vary widely. The upgrade ladder runs upward with usage — and increasingly, families hold several rungs at once.

3.2 · How billionaire behaviour actually changed

Even the ten-figure set now rents. The visible shift of the 2020s is billionaires choosing charter and fractional over (or alongside) ownership — utility over trophy. The logic is theirs, not their accountants': a floating global fleet (VistaJet's silver-and-red Globals) delivers a consistent cabin on four continents without positioning costs; a fractional share adds guaranteed North American lift; the owned aircraft, where kept, serves the signature mission — the ranch strip, the family's summer migration, the aircraft-as-office.

Privacy became an engineering discipline. Tail numbers moved behind LLCs and trustee registrations; FAA privacy programs (LADD, PIA) scrub tracking data; and the celebrity-jet-tracker era — Musk's stalked Gulfstream, publicised carbon tallies — pushed the sophisticated toward fleet models where *no tail is "your" tail*. Anonymity, once incidental, is now a purchased feature.

The demographic flipped young. Under-45s are ~29% of pre-owned buyers (nearly 2× a decade ago); the average fractional owner is ten years younger than pre-COVID; women and first-generation tech/entertainment wealth are the fastest-growing buyer cohorts. This generation buys connectivity first (Starlink is the new cabin standard), values time-arbitrage explicitly, and treats the aircraft as a productivity platform rather than a status platform — though it photographs well regardless.

Security joined convenience as the stated rationale. Post-2024 executive-protection anxiety made the private terminal a board-level risk decision; corporate flight departments that shrank for optics in 2009 are quietly rebuilding for safety in 2026.

3.3 · Anatomy of a billionaire's flight operation

Behind every smoothly flown principal sits an operation the passenger never sees. The standard architectures:

MODEL	WHO RUNS IT	TYPICAL FOR	TRADE-OFFS
In-house flight department	Chief pilot + 4–10 staff employed by the family office	2+ aircraft, 500+ hrs	Total control, deepest safety culture; full payroll & HR burden
Managed aircraft	Management company (Executive Jet Mgmt, Solairus, Jet Aviation) crews and operates the owned jet	1 aircraft, 150–500 hrs	Fleet fuel/insurance discounts, charter-out revenue option; less exclusivity if chartered
Hybrid portfolio	Owned + managed jet, fractional share, card for overflow	Complex families	The modern default at the top — Chapter 3.1's spectrum, held simultaneously

The operational stack beneath: **crewing** (two-plus pilots per aircraft at $250–500k each in today's shortage, typed and recurrent-trained at FlightSafety/CAE), **scheduling and dispatch** (international handlers, overflight permits, slot lotteries at Davos or the Super Bowl), **maintenance control** (enrolled engine and parts programs), **security** (route risk assessment, vetted ground transport, tail-number privacy programs), and **compliance** (the tax distinction between business and personal use, SEC disclosure for public-company CEOs, and the customs/immigration choreography of a five-country week). The best family offices treat aviation as a division with a budget, a safety-management system, and an annual audit; the worst treat it as a car with wings — and the incident statistics divide accordingly. Navy Capital's counsel to new owners is one line: *hire the flight operation before the aircraft, never after.*

The access *economy*

The passenger revolution required an industrial one: operators running airline-scale fleets to private-aviation standards. The league table:

OPERATOR	MODEL	FLEET / SCALE (2025)	DISTINCTIVE POSITION
NetJets (Berkshire Hathaway)	Fractional + card	800+ aircraft; 419k NA departures (+9.6%)	The category it invented; larger than most airlines; unmatched safety franchise
Flexjet (incl. Sentient, FXAIR)	Fractional + card + charter	~320 aircraft; 168k departures (+16%); hours +18%	The challenger — $800m L Catterton (LVMH) raise in 2025 values it as luxury, not logistics; Gulfstream/Praetor fleet, LXi cabins
Vista Global (VistaJet + XO)	Program membership + charter	~270 aircraft globally	The floating-fleet pioneer — one brand, four continents, no ownership pitch; leveraged, and the model's stress test
Wheels Up (Delta-backed)	Membership + charter	~150+ aircraft	Mass-affluent entry, rescued and rebuilt by Delta; the corporate-synergy experiment
Charter long tail	Part 135 operators	1,000+ firms	Half the market's hours, none of its pricing power — consolidation fodder

Company disclosures, SherpaReport and Private Jet Card Comparisons league data, 2025. Fleet counts approximate.

4.1 · The economics of selling time

Fractional economics reward scale ferociously: bigger fleets mean better aircraft utilisation, tighter repositioning, stronger OEM purchasing (NetJets and Flexjet are Gulfstream's, Bombardier's, Embraer's and Textron's largest customers — their hundred-aircraft orders anchor entire production programs), and the network density that turns the guaranteed-availability promise from actuarial gamble into routine. Hence the concentration: **more than half of 2025's industry-wide growth in flight hours accrued to just NetJets and Flexjet.** The capital markets have noticed — L Catterton's $800m cheque priced Flexjet like a luxury maison, and sovereign and PE capital circles the space — because the model owns the industry's best position: all of the customer relationship, a fraction of the asset risk, and first claim on the OEM order book. The strategic question of the next five years is whether the operators' brands come to matter more than the manufacturers' — whether one flies "NetJets" the way one stays "Aman", with the airframe beneath the brand as interchangeable as the hotel's architect.

4.2 · Case study: the NetJets machine

One company is the industry's proof of concept, and it belongs to Warren Buffett. NetJets' numbers describe an airline hiding inside a luxury brand: **800+ aircraft** (a fleet larger than Lufthansa's mainline), **419,000 North American departures in 2025**, thousands of pilots on airline-style seniority lists, and a purchasing program — hundreds of Latitudes, Challengers, Phenoms and Globals on order at a time — that anchors entire OEM production lines for years.

The model's genius is actuarial. Selling 1/16th shares with guaranteed 4–6-hour availability only works if the fleet is large enough that demand peaks pool smoothly — which is why scale begets scale: every share sold improves the availability mathematics that sells the next share. Berkshire's ownership (since 1998) added the two ingredients fractional's imitators lacked — a fortress balance sheet through downturns (NetJets lost $711m in 2009 and Buffett simply recapitalised it) and a safety-first culture insulated from quarterly pressure. The competitive result: a brand whose waiting lists survived even 2021–22's demand frenzy, pricing power that never discounts, and — per Chapter 4's league table — more than half the industry's growth in hours captured alongside Flexjet.

What the case teaches: in access aviation, the moat is fleet density plus balance sheet plus safety record, compounded over decades. It is precisely the combination new entrants promise and cash burn denies them — the smoking craters of jet-tech startups (JetSmarter et al.) mark the difference between an app and an airline. For investors, NetJets also explains why the operator layer is so thinly listed: the best asset in the industry is buried inside Berkshire, unpriced, and its owner has said what he thinks — it is the one business he calls indispensable to Berkshire's shareholders *personally*.

800+	419k	1998	1/16
AIRCRAFT — WORLD'S LARGEST PRIVATE FLEET	2025 NA DEPARTURES (+9.6%)	BERKSHIRE ACQUISITION	MINIMUM SHARE (~50 HRS/YR)

4.3 · Cards, brokers, apps — the retail layer

Below the fractional giants operates the market's retail layer, where most flyers actually enter:

— **Jet cards** (Sentient, Magellan, Airshare, the operators' own programs): prepaid 25–100 hour blocks at locked hourly rates with defined aircraft categories and call-out windows. The product to compare ruthlessly — peak-day surcharges, daily minimums, expiration terms and fuel-adjustment clauses vary by hundreds of dollars an hour between near-identical brochures.

— **Charter brokers** (Air Charter Service, Victor, PrivateFly and thousands smaller): intermediaries quoting the 1,000-operator long tail. Value: market coverage and one-off trip pricing. Risk: broker quality is unregulated — insist on ARGUS/Wyvern-rated operators beneath the quote.

— **Booking platforms** (XO, FlyExclusive's apps, Flexjet's FXAIR): the "Uber of jets" promise, matured into transparent charter marketplaces after the cautionary bonfires of the subscription era — JetSmarter's all-you-can-fly model remains the industry's favourite cautionary tale.

— **Empty legs:** repositioning flights at 25–75% discounts — real bargains with unreal constraints (they move or vanish with the paying itinerary). Useful garnish; never a plan.

— **Semi-private schedules** (JSX, Aero, Tradewind): crossover products flying 30-seat jets from private terminals on trunk routes at $300–2,000 a seat — the industry's demographic on-ramp and, for many missions, its best-kept arbitrage.

The desk's guidance for clients navigating the layer: match commitment to certainty (cards only for predictable annual hours), read the operator certificate not the marketing (Part 135 identity, safety ratings, insurance limits), and treat any economics that beat the giants' by a third with the suspicion that saved 2021's flyers from 2023's bankruptcies.

III

PART III · CHAPTERS 5–9

The *manufacturers*

Five houses build the world's business jets. Who leads by units, who by dollars, and what each brings to the fight.

Share by units & *dollars*

The business-jet industry consolidated into five families — plus a light-jet fringe — each anchored in a different segment and a different parent-company logic:

MANUFACTURER	2025 JET DELIVERIES	UNIT SHARE	EST. BILLINGS	CENTRE OF GRAVITY
Gulfstream (General Dynamics)	158	~19%	~$10bn — #1 by value	Large-cabin & ultra-long-range
Bombardier	157	~18%	~$7.5–8bn	Super-mid (Challenger) + ULR (Global)
Textron Aviation (Cessna)	~170	~20% — often #1 by units	~$3.5–4bn	Light & mid-size Citations; King Air turboprops
Embraer Executive Jets	155	~18%	~$2.5–3bn	Light (Phenom) & super-mid (Praetor)
Dassault Aviation	~30–35	~4%	~$2.5bn	Large-cabin Falcons; lowest volume, highest craft
Light fringe: Cirrus, Honda, Pilatus	~180 combined	~21%	~$1.5bn	Vision Jet (the most-delivered jet outright), HondaJet, PC-24

GAMA 2025 shipment data and company reports; billings estimated where not disclosed. Unit shares of ~854 total business-jet deliveries; Cirrus Vision counted in GAMA's jet total. Rounded.

5.1 · Two ways to read the table

By units, the market is a four-way scrum: Textron, Gulfstream, Bombardier and Embraer each ship 150–170 jets and trade quarterly bragging rights (Cessna led H1 2025; Gulfstream led Q1). **By dollars,** there is no contest: Gulfstream's large-cabin mix — where a single G700 books like eight Phenoms — gives General Dynamics' aerospace unit roughly the revenue of Bombardier and Embraer's jet businesses combined. The strategic map follows from mix: Gulfstream and Dassault live at the top where margins are richest and customers least price-sensitive; Textron and Embraer own the volume segments where fleet buyers (NetJets, fractional programs, corporate flight departments) purchase by the dozen; Bombardier alone fights seriously at both ends — the source of both its opportunity and its historical near-death experiences.

The moat is certification. A clean-sheet business jet costs $1–3bn and a decade to certify; the last genuinely new entrant to succeed (Honda) needed twenty years and a conglomerate's patience, and the graveyard (Eclipse, Adam, Syberjet, assorted eVTOL dreams) is full. Five families, multi-year backlogs, rational pricing: an oligopoly in the textbook sense, at the moment of its strongest demand ever.

5.2 · The pre-owned market: where price discovery lives

Roughly **2,000–2,500 used business jets trade annually** — three times the new-delivery count — making pre-owned the market's true price-discovery venue. Its recent history is the industry cycle in miniature: the 2021–22 frenzy stripped inventory to ~3% of fleet (against ~10–12% historical norm), drove multi-year-old G650s and Global 7500s to trade *above* their original list prices — an event without precedent — and minted a generation of accidental appreciation stories. Normalisation since has been gentle: inventory rebuilt to ~7% of fleet, prices retraced 10–20% from the peak while remaining well above 2019, and days-on-market stretched from absurd (weeks) back to normal (quarters).

EXAMPLE (MID-LIFE)	NEW LIST	PRE-OWNED RANGE (2025)	READING
Embraer Praetor 600	$24.8m	$20–23m	Shallow depreciation — the fleet favourite effect
Bombardier Challenger 650	$32.4m	~$21m avg	Classic curve: strong utility, mature type
Gulfstream G650ER	$70m (was)	$35–50m by year	ULR residuals held best in class
Light jets (Phenom/CJ)	$6–13m	55–75% at 5–8 yrs	Most liquid tier — weeks to trade

AvBuyer/market guide ranges, 2025; individual aircraft vary enormously with hours, programs, pedigree and paint. Rounded.

The buyer's edge lives here. A 5–7-year-old aircraft with fresh inspections, enrolled engines and clean pedigree delivers 90% of the new experience at 55–65% of the price, available now instead of after a three-year backlog. The desk's pre-owned rules: buy types the fleets also operate (their exit bid is your floor), price the next inspection into the offer, and never skip the borescope-and-records forensics — in this market, paperwork is worth more than paint.

CHAPTER 6 · GULFSTREAM

The value *king*

PARENT / HQ	General Dynamics (NYSE: GD) · Savannah, Georgia
2025 SCOREBOARD	158 jets delivered; ~$10bn billings — the industry's largest by revenue
CURRENT LINE	G280 · G400 (coming) · G500 · G600 · G700 · G800
FLAGSHIPS	G700 (7,500nm, $78m, in service 2024) · G800 (8,000nm, $72.5m, certified Apr 2025, delivering since Aug 2025)
SIGNATURE CUSTOMERS	Fortune-100 flight departments, sovereign fleets, Qatar Executive, NetJets (historic G450/G550 fleets), the world's UHNW register

The franchise

Gulfstream is what happens when a brand becomes the category: "a Gulfstream" means a top-tier private jet to people who couldn't name another manufacturer. The franchise rests on three pillars. **Product cadence:** the 2010s G500/G600 renewal followed by the G700/G800 one-two gave it the freshest large-cabin line in the industry, with signature oval windows (the largest in the sky), Symmetry flight decks, and the quietest cabins measured. **The install base:** ~3,000 aircraft flying create a parts-service-resale ecosystem competitors can't match — Savannah's support operation is the industry's benchmark and its stickiest asset. **The parent:** General Dynamics provides defence-grade balance sheet and engineering depth (the G550 lives on in military special-mission guise) while Gulfstream provides GD's investors the growth story — aerospace is the group's margin engine.

Navy Capital view

Strengths: value-segment dominance, brand gravity, the G800's range crown shared at 8,000nm. Watch-items: the G700's entry-into-service turbulence (2024's certification delays compressed deliveries) showed even Savannah can stumble on complexity; Bombardier's Global 8000 now out-speeds it; and the mid-cabin G400's timing will decide whether Gulfstream fights or cedes the space below $40m. The default choice at the top remains the hardest position to attack — Gulfstream's to lose, and it rarely loses.

~$10bn	8,000nm	~3,000	6
2025 BILLINGS — INDUSTRY #1	G800 RANGE	AIRCRAFT IN SERVICE	MODELS IN THE CURRENT LINE

CHAPTER 7 · BOMBARDIER

The pure *play*

PARENT / HQ	Independent (TSX: BBD.B) · Montréal, Canada
2025 SCOREBOARD	157 deliveries; book-to-bill 1.4 — the strongest order momentum in the industry
CURRENT LINE	Challenger 350/3500 · Challenger 650 · Global 5500/6500 · Global 7500 · Global 8000
FLAGSHIP	Global 8000 — 8,000nm, M0.94 top speed (fastest civil aircraft since Concorde), certified Dec 2025, first delivery same month; $78m
TRANSFORMATION	Sold trains, commercial aviation (A220), Learjet ended 2021 — 100% business jets since 2021; deleveraged from junk toward investment grade

The franchise

Bombardier bet the company on business jets — literally, having sold everything else to survive its C-Series wounds — and the bet is paying. The **Challenger 350/3500** is the perennial super-midsize best-seller (the fractional fleets' workhorse; NetJets orders it by the hundred), while the **Global 7500/8000** gave it the range-and-speed crown at the very top: the 7500 pioneered the four-zone 54-foot cabin, and the 8000 — with its 2,900-foot cabin altitude and Mach 0.94 dash — is the closest civil aviation has come to Concorde's ghost. A growing defence line (Global-based surveillance platforms) and an aftermarket build-out diversify the model without diluting it.

Navy Capital view

Strengths: the freshest flagship, fractional-fleet lock-ins, and the operating leverage of a focused survivor — free cash flow that finally rewrote the balance-sheet story. Watch-items: no parent means no cushion (the next downturn is faced alone); the Challenger line ages against Embraer's Praetor and Textron's Longitude; and tariff politics cut both ways for a Canadian exporter. As the industry's only pure-play, Bombardier is simultaneously its cleanest investment expression and its most cycle-exposed name — the beta of the business-jet boom.

M0.94	1.4×	#1	100%
GLOBAL 8000 — FASTEST CIVIL SINCE CONCORDE	2025 BOOK-TO-BILL	SUPER-MIDSIZE (CHALLENGER 3500)	BUSINESS-JET PURE PLAY

CHAPTER 8 · DASSAULT

The *craftsman*

PARENT / HQ	Dassault Aviation (EPA: AM), family-controlled · Paris / Bordeaux-Mérignac
2025 SCOREBOARD	~30–35 Falcon deliveries — deliberately the industry's smallest volume
CURRENT LINE	Falcon 2000LXS · 900LX · 6X (in service 2023) · 8X · 10X (2027)
FLAGSHIP	Falcon 10X — 7,500nm, the widest cabin in business aviation (9'1"), rolled out Mar 2026, deliveries from 2027; ~$75m
THE TWIN ENGINE	The same company builds the Rafale fighter — combat aerodynamics, digital flight controls and order-book ballast flow into the Falcons

The franchise

Dassault is the connoisseur's house: a family-controlled French firm that builds fighters and Falcons on the same design DNA and refuses to chase volume. The payoffs are tangible — Falcons carry fighter-derived digital flight controls decades before rivals, land at short and steep fields (London City certification is a Falcon party trick) that Globals and Gulfstreams cannot touch, and burn measurably less fuel via three-engine (8X) and clean-wing efficiency. The **6X** finally gave it a modern wide-cabin entrant after the 5X's engine debacle cost a decade; the **10X** — with a cabin wider than some regional airliners and a Rafale-bred wing — is its bid to re-enter the flagship conversation it once led. Rafale's export boom (Dassault's defence backlog dwarfs its civil one) bankrolls patience no pure civil player could afford.

Navy Capital view

Strengths: engineering distinctiveness, fighter cross-subsidy, a clientele that buys French craft the way it buys Patek. Watch-items: scale — ~30 deliveries a year strains the support network economics that Gulfstream wins on; the 10X arrives two years behind its rivals' flagships; and the 5X scar reminds that single-model bets carry single-point risks. Dassault will never lead this market's league tables; it exists to prove they aren't the only score that matters.

9'1"	2027	Rafale	~2,100
10X CABIN WIDTH — INDUSTRY'S WIDEST	FALCON 10X ENTRY TO SERVICE	THE FIGHTER THAT FUNDS THE FALCONS	FALCONS DELIVERED SINCE 1965

The volume *engines*

Textron Aviation — the Citation dynasty

Cessna's Citation family is the best-selling business-jet line in history (8,000+ delivered), and Textron still moves ~170 jets a year — frequently the unit leader — across the M2, CJ series, XLS Gen2, Latitude, and flagship **Longitude**, plus the King Air turboprop institution and the coming **Citation Ascend**. Its customer is the fleet: NetJets' Latitude order alone ran to hundreds of units. The model is Toyota, not Ferrari — availability, dispatch reliability, a service network everywhere — and it prints steady mid-market share while the glamour fights happen above. Watch-item: no ultra-long-range presence means no seat at the value-crown table, and the Hemisphere's cancellation suggests that's now permanent policy.

Embraer — the insurgent that won

Two decades after entering from commercial aviation, Embraer's executive unit (155 jets in 2025) owns the light-jet crown: the **Phenom 300 has led its class for thirteen consecutive years** — the default owner-flown and corporate light jet on earth — while the **Praetor 500/600** pair undercuts Challengers on price with newer avionics and won Flexjet's fleet heart. Brazilian cost structure, commercial-aviation engineering rigour, and aggressive fleet deals make Embraer the share-taker of the 2020s; its constraint is the ceiling — nothing above the super-mid means ceding the richest segment, and its stated ambitions there remain paper.

The light-jet insurgents

Cirrus Vision Jet — the single-engine "personal jet" with a whole-airframe parachute — is quietly the most-delivered jet aircraft outright (~100/yr), converting piston owners upward. **HondaJet**'s over-wing-engine curiosity found its niche despite two decades of gestation. **Pilatus PC-24** pairs Swiss build with rough-field ability no other jet attempts, while the PC-12 turboprop remains the utility king. None threatens the majors' revenue; together they own the industry's on-ramp — and its future customers' first logbooks.

8,000+	13 yrs	~100/yr	155
CITATIONS DELIVERED — MOST EVER	PHENOM 300 LIGHT-JET REIGN	CIRRUS VISION — MOST-DELIVERED JET	EMBRAER 2025 DELIVERIES

9.4 · The bizliner tier: flying residences

Above the flagship trio floats a category that answers to no GAMA table: airliners rebuilt as residences. **Boeing Business Jets** (737-based, from ~$90m green — before a $30–60m interior) and **Airbus Corporate Jets** (A319/A320neo family, the ACJ TwoTwenty its newest pitch to the Global/Gulfstream buyer) sell perhaps 15–25 units a year between them, to a customer register of sovereigns, royal flights, dynastic families and the occasional unlisted tech fortune. The value equation inverts here: range and speed matter less than the 100+ square-metre cabin — staterooms, showers, boardrooms, staff quarters — and the statement of arriving in what is unmistakably a national instrument.

The tier's economics are their own world: $15–25k per flight hour, dedicated crews of 6–10, completion centres (Jet Aviation Basel, AMAC, Lufthansa Technik) whose 18–36-month interior programs are the haute couture of aerospace, and residual values that depend almost entirely on the next sovereign's taste. The used-bizliner bargain — a 15-year-old BBJ at a tenth of its all-in cost — tempts periodically and traps reliably: operating costs never depreciate. As statecraft, though, the category is irreplaceable, and its order book (Gulf royal flights renewing toward the 777X-based era, the ACJ220's traction) tracks our Gulf-series thesis precisely: the region that banks the surpluses flies the flagships of the flagships.

$90m+	$30–60m	18–36mo	15–25
BBJ GREEN PRICE, PRE-INTERIOR	TYPICAL COMPLETION INTERIOR	INTERIOR COMPLETION TIME	BIZLINERS SOLD PER YEAR

IV

PART IV · CHAPTERS 10–11

The *machines*

The three-way flagship war at $75 million a copy — and the workhorses that actually fill the world's ramps.

Three answers to one *question*

The question: carry a principal, family and staff from any city to almost any other, nonstop, in a cabin that shames first class. Three houses answer it within $6m of each other:

AIRCRAFT	LIST PRICE	RANGE (NM)	SPEED (MMO / CRUISE)	CABIN L × W × H	STATUS
Gulfstream G700	$78m	7,500	M0.935 / 0.90	56'11" × 8'2" × 6'3"	In service 2024; the volume flagship
Gulfstream G800	$72.5m	8,000	M0.935 / 0.90	53'7" × 8'2" × 6'3"	Certified Apr 2025; delivering since Aug 2025
Bombardier Global 7500	$75m	7,700	M0.925 / 0.90	54'5" × 8'0" × 6'2"	In service 2018; 200+ flying — the incumbent
Bombardier Global 8000	$78m	8,000	M0.94–0.95 / 0.92	54'5" × 8'0" × 6'2"	Certified & first delivery Dec 2025; the speed king
Dassault Falcon 10X	~$75m	7,500	M0.925	53'10" × 9'1" × 6'8"	Rolled out Mar 2026; service from 2027 — the cabin king

Manufacturer specifications and industry comparisons (Corporate Jet Investor, jetAVIVA, Scissortail); list prices indicative — actual transactions vary with configuration and delivery slot.

10.1 · How the war resolves

Each contender optimised a different superlative. **Bombardier bought speed:** the Global 8000's M0.94 dash — the fastest civil aircraft since Concorde — plus the lowest cabin altitude (2,900ft at cruise) targets the physiology of long-haul: arrive faster, fresher. **Gulfstream bought the franchise:** two flagships bracketing the mission (G700 for cabin volume, G800 for maximum range at a lower price), the largest windows, and Savannah's support machine behind both. **Dassault bought the cabin:** the 10X's nine-foot cross-section is a category of one — closer to a regional airliner than a business jet — for buyers who prize the living space over the tenth of Mach.

Our read: the segment is expanding fast enough (Honeywell's survey has buyers ranking performance far above cost) that all three win in absolute terms; in relative terms, Gulfstream keeps the largest share on fleet and franchise, Bombardier converts the speed/comfort story into conquest sales among the youngest cohort of principals, and the 10X — arriving 2027, last to the party — becomes the connoisseur's third option whose success is measured in prestige recaptured rather than units. The buyer, for the first time in a generation, genuinely cannot choose badly.

10.2 · The cabin arms race

With range converging at 7,500–8,000nm and speeds within 0.05 Mach, the flagship war's real front is the cabin — a competition of physiology, connectivity and couture:

— **Altitude physiology:** cabin pressure altitudes fell from 6,000ft (older types) to 2,900–3,290ft on the new generation — measurably less fatigue on 15-hour sectors; Bombardier's 2,900ft claim on the Global 8000 is the current floor. Circadian lighting systems (Gulfstream's dynamic system, Bombardier's Soleil) sync the cabin to the destination clock.

— **Air and silence:** 100% fresh-air systems with plasma ionisation; noise floors in the high-40s dB — the G700 and 7500 cabins are quieter than most living rooms, a spec buyers now request in writing.

— **Connectivity:** the decisive upgrade of the 2020s. Ka-band gave way to LEO: **Starlink installs** (200+ Mbps, streaming-grade) swept the fleet from 2023, turning the jet into the office and — per operators — measurably lengthening the missions clients book. No amenity converts younger principals faster.

— **The four-zone standard:** lounge, conference/dining, entertainment, private stateroom with shower — pioneered at scale by the Global 7500 and now table stakes; the Falcon 10X's extra foot of width exists to win exactly this layout.

— **Couture completions:** interior houses (Winch Design, Unique, the OEM studios) run 12–18-month waitlists; bespoke stone galleys, art-hanging systems and $5m audio suites migrate down from the bizliner tier. The cabin, not the wing, is where a modern flagship's final $10m lives.

The strategic read: cabins are where OEMs can differentiate annually (wings take decades), so expect the marketing war of 2026–2030 to be fought in lumens, decibels and megabits — and expect the pre-owned discount on any aircraft without LEO connectivity to widen every year. In this market, bandwidth is the new range.

Most-used aircraft, segment by *segment*

Flagships take the photographs; these aircraft do the flying. The workhorse league, by segment:

SEGMENT	THE LEADER	PRICE NEW	WHY IT WINS
Very light / personal	Cirrus Vision Jet	~$3.5m	Single pilot, whole-airframe parachute; the most-delivered jet outright
Light	Embraer Phenom 300E	~$12m	13 straight years #1 — fastest, freshest, fleet favourite
Light (legacy install base)	Cessna CJ series / M2	$6–13m	The owner-pilot institution; service everywhere
Midsize	Citation XLS Gen2 / Latitude	$16–20m	The charter fleet's spine; NetJets' hundreds of Latitudes
Super-midsize	Challenger 3500 vs Praetor 600	$23–28m	The industry's hottest duel — coast-to-coast cabin at half a Global's price
Large cabin	Gulfstream G500/G600 · Falcon 6X/8X · Challenger 650	$32–55m	The corporate-flagship tier
Ultra-long-range	Global 7500 · G650/G700 family	$65–78m	200+ Global 7500s flying make it the ULR incumbent
Turboprop utility	Pilatus PC-12 · King Air 360	$6–9m	Short strips, low cost — more missions than any jet
Bizliner (heads of state)	BBJ (737) · ACJ (A320)	$90m+ green	Flying residences; sovereign and dynasty fleets

Category leaders by delivery volume and fleet activity, GAMA data and operator fleet disclosures, 2025. Prices indicative, typically-equipped.

11.1 · What the wealthy actually order

Fleet data tells a quieter truth than showroom talk: the modal private flight is 1–2 hours with 2–4 passengers — a mission a Phenom or Latitude performs at a quarter of a flagship's cost. Hence the industry's real volume lives in the light-to-super-mid band, and the shrewdest owners match aircraft to mission histogram, not to aspiration: the family office running a Phenom for the region and fractional Global hours for the crossings out-optimises the neighbour whose G700 flies domestic hops at $12,000 per hour. Navy Capital's rule of thumb for clients: *buy the aircraft for the 80th-percentile mission; access the rest.*

11.2 · Ten aircraft that made the industry

AIRCRAFT	ERA	WHY IT MATTERED
Learjet 23	1963	Made "private jet" a noun and a dream — the industry's founding celebrity
Gulfstream II	1966	Invented the large-cabin intercontinental category the top still inhabits
Dassault Falcon 20	1965	Fighter DNA goes civil; launched FedEx's first fleet
Cessna Citation I	1972	The "slowtation" that democratised jets — and outsold every mocker
Beechcraft King Air	1964–	The immortal turboprop: 7,000+ built, still in production
Canadair Challenger 600	1978	The wide cabin arrives; the seed of Bombardier aerospace and the Global line
Gulfstream V / G550	1995	6,750nm nonstop — globalisation's aircraft; 600+ built, military encore ongoing
Bombardier Global Express	1996	Forced the ULR duopoly that still defines the summit
Embraer Phenom 300	2009	The insurgent that took the light-jet crown — and kept it 13 years
Gulfstream G650	2012	The status object of the 2010s; traded above list used — twice in one decade

Honourable mentions: the Citation X (Mach 0.935 bragging rights before the 8000), the Falcon 7X (digital flight controls' civil debut), HondaJet (proof that entry takes twenty years), and the Cirrus Vision Jet (proof the ladder now starts with a parachute). The pattern across sixty years is consistent: *the aircraft that mattered either created a category or moved its floor* — pure speed records and paper superlatives fade; new missions and new buyers compound.

V

PART V · CHAPTERS 12–13

Competition & *economics*

Moats, backlogs and battlegrounds — and the honest arithmetic of what flying private costs.

Moats, backlogs & *battlegrounds*

The structure, in five forces

Rivalry — intense but rational. Five families, differentiated by segment and philosophy, with multi-year backlogs removing the incentive to price-war. The hot zones: super-midsize (Challenger 3500 vs Praetor 600 vs Longitude — genuine three-way price competition) and the flagship tier (a prestige war fought in Mach numbers and cabin inches, not discounts).

Entry barriers — near-absolute. $1–3bn and a decade per clean-sheet program; certification regimes that broke Honda's patience and every startup since; service networks that take generations. The eVTOL wave targets a different mission entirely.

Supplier power — the quiet constraint. Two engine houses (Rolls-Royce/P&WC/GE across programs), consolidated avionics (Collins, Honeywell, Garmin), and post-COVID supply chains still gate delivery ramps — the industry's binding constraint is parts, not orders.

Buyer power — concentrated at the fleets. NetJets and Flexjet negotiate like airlines and anchor whole programs; the retail UHNW buyer, by contrast, pays list-adjacent and waits in line. The operators' rise is quietly shifting margin leverage downstream.

Substitutes — weaker than ever. First class deteriorated as a substitute (hub congestion, security friction); videoconferencing proved a complement, not a replacement; supersonic (Boom) and eVTOL remain decade-out options. The category's substitute is, as ever, the client's own patience — historically a losing asset class.

The scoreboard that matters: backlogs

OEM	BACKLOG CHARACTER (2025)	STRATEGIC IMPLICATION
Bombardier	~$16bn+, book-to-bill 1.4	Multi-year visibility; pricing power on Globals
Gulfstream (GD Aerospace)	~$20bn class	G700/G800 ramp underwritten into the late 2020s
Textron / Embraer	~2 years of production each	Fleet orders (NetJets, Flexjet) anchor the lines
Dassault	Multi-year on 6X/10X	Scarcity as strategy — and Rafale beneath it all

Company reports and industry press, 2025; figures approximate. A backlogged oligopoly at record demand — the strongest industry structure in aerospace outside defence primes.

What flying private really *costs*

The honest arithmetic, using a super-midsize (Challenger 3500-class, $27m new) flown 300 hours a year as the reference case:

LINE ITEM	ANNUAL COST (OWNED)	NOTES
Crew (2 pilots + benefits, training)	$700k–900k	The scarcest input — pilot pay up 40%+ since 2019
Hangar, insurance, management	$450k–650k	Major-metro hangarage is its own crisis
Fuel (300 hrs)	$550k–750k	~330 gal/hr at $5.50–7.00
Maintenance, engines programs, parts	$600k–900k	Hourly engine programs (JSSI et al.) smooth the spikes
Cash operating total	~$2.3–3.2m/yr	≈ $8–10k per flight hour
Depreciation (economic)	$1.3–2m/yr	~5–8%/yr typical; the largest true cost, and the least discussed
All-in ownership	~$3.5–5m/yr	≈ $12–17k per hour at 300 hrs

Navy Capital illustration from operator cost guides (Conklin & de Decker-class data), 2025–26 conditions; actuals vary widely by aircraft, base and mission profile. US bonus-depreciation rules can materially change the after-tax picture for business use — specialist advice required.

The desk's decision rules

- **Under ~50 hours a year:** charter or a card. Ownership economics never close; guaranteed-availability anxiety is the only argument, and a good card solves it.
- **50–250 hours:** fractional. The NetJets/Flexjet sweet spot — availability without payroll, fleet consistency without depreciation concentration.
- **250–400+ hours, stable missions:** whole ownership starts to win — especially with business-use tax treatment — ideally paired with charter-out or supplemental lift for peaks.
- **Buy the mission, not the maximum:** the 80th-percentile rule of Chapter 11. And buy pre-owned smart: a 5-year-old large-cabin at 55–65% of new, with a fresh inspection and engine programs, is the value trade of the current market.
- **Exit matters:** residual values held remarkably post-2021, but liquidity is model-specific — Phenoms and Challengers trade in weeks; orphaned types trade in years. Own what the fleets also want.

13.2 · The charter pricing map

For the access side of the ledger, current market rates by category, and what benchmark missions actually cost:

CATEGORY	HOURLY RATE (2025–26)	TYPICAL AIRCRAFT
Turboprop	$2,200–3,800	PC-12, King Air 350
Light jet	$3,800–6,000	Phenom 300, CJ3+
Midsize	$5,500–8,000	XLS Gen2, Latitude
Super-midsize	$7,500–11,000	Challenger 3500, Praetor 600, Sovereign
Large / heavy	$10,000–15,000	Challenger 650, Falcon 2000/900, G450
Ultra-long-range	$14,000–22,000	Global 6500/7500, G650/G700
Bizliner	$18,000–30,000+	BBJ, ACJ

BENCHMARK MISSION (ONE-WAY)	LIGHT JET	SUPER-MID	ULR
New York – Miami (2.7 hrs)	$16–22k	$26–34k	$48–60k
London – Dubai (6.8 hrs)	—	$62–80k	$105–140k
LA – New York (4.7 hrs)	$26–34k (w/ stop)	$42–55k	$75–95k
New York – London (7 hrs)	—	$70–90k	$110–150k

Indicative retail charter quotes incl. fees/taxes, 2025–26 market; empty-leg and membership pricing can run 25–60% below. Fractional occupied-hour rates typically land 10–25% under retail charter for comparable metal.

The comparison every client should run once: the New York–London mission at $130k on a chartered Global buys 65 fully-flexible first-class tickets — or one boardroom at 45,000 feet holding eight principals whose combined hourly value dwarfs the spread. Private aviation's pricing has never pretended to beat the airline on cost per seat; it beats it on cost per *decision*. The clients for whom that arithmetic closes know it within one flight — which is, ultimately, the industry's entire sales funnel.

VI

PART VI · CHAPTERS 14–15

The decade *ahead*

An $283 billion forecast, the forces that could bend it, and what it means for investors and flyers alike.

The road to *2035*

Honeywell's 2025 outlook — 8,500 new jets worth $283bn over ten years, deliveries +5% in 2026 and ~3% annually thereafter — is the industry's consensus spine. Around it, Navy Capital's five calls:

— **The access economy keeps winning share.** Fractional and program flying (+118% in five years) grows faster than ownership all decade; NetJets and Flexjet consolidate an effective duopoly at scale, and operator brands increasingly front the customer relationship. Expect more luxury-house and sovereign capital in the operator layer following L Catterton's Flexjet template.

— **Value migrates upward at the OEMs.** Large-cabin and ULR jets — under a fifth of units, over half of dollars — widen their revenue dominance as the G800/Global 8000/10X generation ramps. Gulfstream retains the value crown; Bombardier converts speed into share; Dassault's 10X restores its top-table presence by 2028.

— **The supply chain, not demand, sets the delivery curve** through at least 2027 — engines, castings and pilots remain the gates. Backlogs stay multi-year; pricing stays firm; the pre-owned market stays tight relative to history.

— **Sustainability becomes a cost line, not an existential threat.** SAF mandates (EU blending rules), book-and-claim programs, and EU-style transparency raise operating costs single-digit percent and accelerate fleet renewal toward newer, 20–35%-more-efficient types — a tailwind for OEMs dressed as a headwind.

— **New concepts stay adjacent, not disruptive.** eVTOLs (Joby, Archer) address the helicopter mission; Boom-class supersonic remains a 2030s question mark; blended-wing studies are laboratory. The tube-and-wing business jet owns the decade uncontested.

For investors: the expressions

The sector trades in three layers. **OEMs:** Bombardier is the pure-play beta; General Dynamics embeds Gulfstream in a defence conglomerate (stability, diluted exposure); Embraer offers the share-taker story with commercial-aviation noise; Dassault trades on Rafale with Falcons attached; Textron mixes in industrials. **Aftermarket & services:** engine programs, MRO consolidators, FBO networks (the private terminals) — steadier cash flows than the cycle, and where private equity concentrates. **Operators:** largely private (Berkshire's NetJets, L Catterton's Flexjet), with Vista's debt saga the cautionary tale — access to this layer comes mainly through credit. Across all three, the cycle risk is identical and honest: deliveries track equity markets and CEO confidence with a lag, and no backlog survives a 2009 twice.

8,500	$283bn	+5%	3 layers
JETS FORECAST, 2026–35	DELIVERY VALUE — RECORD OUTLOOK	2026 DELIVERY GROWTH EST.	OEM · AFTERMARKET · OPERATOR

14.2 · The next demand frontier: the Gulf and India

The Gulf is private aviation's premium growth market — the region flies the largest average aircraft on earth (bizliners and ULR flagships dominate the ramps at Dubai Al Maktoum and Riyadh), sovereign and royal fleets renew on statecraft cycles rather than economic ones, and the region's tourism-and-hub build-out (documented across our Gulf series) manufactures charter demand structurally. VistaJet's strongest region, Qatar Executive's Gulfstream showcase, and Saudi Arabia's new national charter ambitions under Vision 2030 all point one way; the constraint, characteristically, is FBO and parking infrastructure, which the airport megaprojects are building in advance of demand.

India is the asymmetry. Home to 100+ billionaires and the world's fastest-growing major economy, it operates a business fleet of merely ~150 jets — versus ~800 in Brazil with a fraction of the wealth creation. The gaps are historical (punitive import duties, scarce parking, regulatory friction), and each is now easing: duty rationalisation debates, new business terminals at Delhi and Mumbai, charter operators scaling, and a generation of listed-company promoters whose global footprints demand lift. Every OEM forecast (Honeywell's included) leans on India converging toward its wealth statistics; even partial convergence — 400–500 aircraft by the early 2030s — would make it the decade's largest incremental market outside the US.

#1	~150	100+	3–4×
GULF — LARGEST AVG AIRCRAFT SIZE	INDIA'S BUSINESS JETS TODAY	INDIAN BILLIONAIRES	INDIA FLEET UPSIDE IF WEALTH-CONVERGED

What can go *wrong*

1 · The cycle. Business-jet demand is a leveraged play on wealth creation and confidence: 2009 halved deliveries and vaporised order books. Today's cash-heavy buyers and record backlogs argue for a shallower trough — they do not repeal the correlation to equity markets.

2 · Supply-chain and execution. Every current ramp (G700/G800, Global 8000, 6X/10X) depends on stretched engine and parts chains; certification programs still slip (the G700's 2023–24 delays, the 10X's timeline). Backlog converts to revenue only as fast as the weakest supplier.

3 · Political and social climate. Private aviation is the most visible carbon-per-capita activity on earth and a standing political target: EU SAF mandates, French short-haul rhetoric, tracking activism, and luxury-tax proposals recur. The realistic scenario is rising cost and disclosure, not prohibition — but tail risk in Europe is non-zero.

4 · Pilot and infrastructure scarcity. The pilot shortage has doubled cockpit costs in a decade; hangar space in premium metros is effectively rationed; FBO consolidation raises ground fees. The industry's capacity to fly is constrained by people and concrete, not aircraft.

5 · Operator-model stress. Guaranteed-availability economics work until a demand air-pocket meets a leveraged balance sheet — Vista's debt questions and Wheels Up's near-collapse (pre-Delta rescue) map the failure mode. The duopoly leaders are conservatively financed; the long tail is not.

6 · Geopolitics. Sanctions regimes strand aircraft and fragment the resale map (the Russian fleet's exile); tariff wars tax a Canadian-Brazilian-French-American supply web; conflict zones close airspace and reroute the map. The industry serves globalisation and inherits its fractures.

> *"Private aviation's product is time, and its risk is confidence. Both are renewable resources — but neither is guaranteed on schedule."*

The questions clients ask the desk

Is a jet an investment?

No — it is a consumption asset with a resale value, and the 2021–22 window where used G650s appreciated was a once-in-history anomaly. Model 5–8% annual economic depreciation and be pleasantly surprised. The investment case in this industry belongs to its equities, aftermarket and credit — not its tail numbers.

New or pre-owned?

Pre-owned wins on value in today's market (55–65% of list at mid-life, available now vs multi-year backlogs); new wins on warranty, connectivity-native cabins, and the latest physiology (Chapter 10.2). The wealthiest answer is the fleet answer: pre-owned for the workhorse, new for the flagship.

Fractional vs charter — where's the crossover?

Roughly 25–50 hours a year. Below it, cards and charter avoid commitment; above it, fractional's guaranteed availability, consistent fleet and occupied-hour pricing dominate. Above ~250–300 hours, ownership re-enters — Chapter 13's decision rules.

Which manufacturer is "best"?

Wrong question — segment first, mission second, support geography third. At the very top the honest answer is that Gulfstream, Bombardier and (from 2027) Dassault all build superb aircraft within $6m of each other; the differences are speed vs cabin vs franchise (Chapter 10), and residual-value history modestly favours the two incumbents. Below the flagships, the fleet operators' choices — Phenom, Latitude, Challenger 3500 — are the market's referendum, and the referendum is trustworthy.

What single mistake costs new entrants most?

Buying the aspiration instead of the histogram: the 7,500nm flagship whose actual life is 90-minute hops. Fly a year on cards and fractional first; let the logbook, not the brochure, specify the aircraft. The sky rewards data here exactly as markets do.

> *"The jet is the last purchase that gives a billionaire back the only thing the first billion cost them — time. Priced against that, the industry has never been expensive."*

Private aviation at a glance, 2025–26

INDICATOR	VALUE	NOTE
Global departures 2025	3.9 million	+4.6% — all-time record
Charter + fractional hours	3.02m (+6.5%)	~56% of industry hours
Fractional departures	300,416 (+10.3%)	+118% in five years
New jet deliveries 2025	854 (+11.8%)	GAMA; GA billings $35.7bn
Unit leaders	Textron ~170 · GS 158 · BBD 157 · EMB 155	Dassault ~30–35; light fringe ~180
Value leader	Gulfstream ~$10bn billings	Large-cabin mix
Flagship trio	G800 · Global 8000 · Falcon 10X	$72.5–78m; 8,000nm / M0.94 / 9'1" cabin respectively
Most-delivered types	Vision Jet · Phenom 300 · Citation family	Phenom 300: 13 straight years #1 light jet
Largest operators	NetJets 800+ · Flexjet ~320 · Vista ~270	NetJets 419k departures 2025
World fleet / distribution	~23,000 jets; ~⅔ North America	~7% of fleet for sale — tight pre-owned
10-year outlook	8,500 jets / $283bn	Honeywell 2025 — richest forecast ever
Buyer demographics	Under-45s = 29% of pre-owned buyers	~2× a decade ago; fractional owners 10 yrs younger

Appendix B · Glossary

Part 91 / 91k / 135	US ops rules: private / fractional / commercial charter respectively.
Fractional share	Deeded fraction (1/16 = ~50 hrs/yr) of a specific aircraft with program-wide access rights.
Jet card	Prepaid block of hours at fixed rates on an operator's fleet.
ULR	Ultra-long-range: 7,000nm+ — the Global/Gulfstream/10X tier.
Book-to-bill	Orders ÷ deliveries; above 1.0 = backlog growing.
FBO	Fixed-base operator — the private terminal.
MMO	Maximum operating Mach number.
SAF	Sustainable aviation fuel; EU blending mandates from 2025.
Empty leg	Repositioning flight sold at discount — the charter bargain bin.
Bizliner	Airliner converted to private configuration (BBJ, ACJ).

Sources: GAMA shipment reports; Honeywell Global Business Aviation Outlook 2025; WingX/Argus activity data; company disclosures (General Dynamics, Bombardier, Dassault, Embraer, Textron); SherpaReport, Private Jet Card Comparisons, Corporate Jet Investor, AvBuyer, Forbes aviation coverage through early 2026. Figures rounded; this report is general commentary, not investment or purchase advice.

The five houses, compared

	GULFSTREAM	BOMBARDIER	DASSAULT	TEXTRON	EMBRAER
Parent	General Dynamics	Independent	Family (Dassault)	Textron Inc.	Embraer S.A.
2025 units / billings	158 / ~$10bn	157 / ~$8bn	~33 / ~$2.5bn	~170 / ~$4bn	155 / ~$3bn
Segment stronghold	Large & ULR	Super-mid + ULR	Large cabin	Light & mid	Light & super-mid
Flagship	G700 / G800	Global 8000	Falcon 10X (2027)	Longitude	Praetor 600
Signature strength	Brand + support network	Speed + fractional lock-ins	Engineering craft + Rafale ballast	Volume + dispatch reliability	Value + freshest avionics
Principal weakness	Complexity ramps (G700 delays)	No parent cushion	Scale & service reach	No ULR presence	No large-cabin presence
Fleet-buyer ties	Qatar Exec, corp flag carriers	NetJets Challengers	Owner-flown loyalists	NetJets Latitudes	Flexjet Praetors/ Phenoms
Investor expression	GD (defence-diluted)	BBD.B (pure-play beta)	AM.PA (Rafale-led)	TXT (industrial mix)	EMBR3/ERJ (commercial mix)
Navy Capital one-liner	The default at the top	The boom's cleanest beta	The connoisseur's house	The Toyota of the sky	The share-taker

Synthesis of Chapters 5–9; figures per GAMA 2025 and company disclosures, rounded. Ticker references are identifiers, not recommendations.

> *"Five houses, five philosophies, one customer truth: at every price point in this industry, somebody builds an excellent aircraft. The competition's gift is that the buyer can no longer lose."*

Navy Capital

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