



**DUNCAN**  
AVIATION



## AIRCRAFT SALES & ACQUISITIONS

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# CASE STUDY

### The Value of A Pre-buy Evaluation

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Duncan Aviation's Aircraft Sales and Acquisitions team has been in the business of helping clients locate, buy and sell aircraft for more than 60 years. The eight-member team is backed by Duncan Aviation's full aircraft service resources, which include 2,308 technical and aviation experts at service centers and offices located worldwide. These knowledgeable experts are known to be especially good at resolving seemingly impossible challenges.



# THE DEFINITION

## **What is a Pre-Purchase Evaluation?**

Among the many services Duncan Aviation offers are pre-buy evaluations. During these evaluations, Duncan Aviation team members with technical experience in the specific make and model of aircraft being considered for purchase evaluate the aircraft from nose-to-tail. This includes verifying that the aircraft has been properly maintained and is equipped consistent with how the aircraft has been represented by the seller.

Among the evaluations the teams perform are function tests on avionics and airframe systems, engine runs, and visual checks of potential failure areas. Techs also review the records to make sure the aircraft has been well-maintained and documented.

# THE SITUATION

In 2014, Duncan Aviation Aircraft Sales & Acquisitions Rep Rene Cardona acquired a 2004 Gulfstream G400 for a client. Now, six years later, the owners decided they no longer needed an aircraft with that much capacity, so Rene was tasked with bringing the aircraft to market. After four months on the market, Rene had a buyer.

The Gulfstream G400, based out of Oklahoma, had recently undergone a 16-year inspection at the Gulfstream Appleton Service Center. This is a rather heavy inspection that requires most of the aircraft's components to be inspected. Because of the completion of this recent inspection and pedigree of the aircraft, Rene negotiated on behalf of seller and the attorney representing the buyer that a mini pre-buy would be sufficient. We generally caution against performing a mini pre-buy, as it could lead to a handful of problems, but due to the recent major inspection that was performed, this was a special circumstance.

Due to the limited number of facilities located near the aircraft's future home base of Houston Hobby Airport, the facility that the buyer chose didn't even have a tug to tow the aircraft in and out of the hangar.

# THE PRE-BUY

In order to make sure the aircraft was properly evaluated by a reputable company with skilled technicians and proper tooling, the parties opted to have Satellite Avionics/Install Manager Mark Winter and the Duncan Aviation Houston Hobby Satellite Shop assist with the avionics and certain components side of the pre-buy inspection.

Duncan Aviation Satellite Manager Matt Nelson says that the Duncan Aviation Satellite Shops perform dozens of pre-buy inspections for various customers each year, evaluating only the avionics and electrical systems as a sub-contractor.

Because the COVID-19 pandemic caused travel restrictions put into place by certain municipalities and corporations like Duncan Aviation, Rene was unable to travel to the Houston Satellite shop to oversee the process. Rene had no problem relying on Mark and his team as his eyes and ears. Rene and the G400's Chief Pilot were confident, knowing the aircraft was in good hands.

"The aircraft went down for a mini pre-buy to a buyer based out of Houston, and the facility at which the inspection was done had to rely heavily on Mark and his team to handle certain squawks and non-squawks," Rene says. "The high level of expertise was truly invaluable on getting the transaction closed. This saved the seller money and provided the buyer the comfort to proceed with the closing of the transaction."

Rene continues, "The Duncan Aviation Houston Satellite Shop was instrumental in being able to facilitate the process of moving the aircraft in and out of the hangar and getting

# THE PRE-BUY

the avionics checks done. There were a couple of discrepancies that were handled in a forthright manner, and a number of them that were verified to be non-issues.”

Because Mark and his team had years of experience with Gulfstream aircraft and their location at the Houston Hobby Airport, they were able to overcome the hurdles of not being able to travel, and they expedited delivery of this aircraft.

“Mark and his team provided invaluable assistance during the sale and pre-buy of the aircraft,” Rene said. “They were extremely helpful; when something needed done it was done right the first time and on time.”

The buyer was able to look at the logbooks, check the avionics, and test fly the airplane. Thanks to the Duncan Aviation Houston Satellite Shop, the deal closed mid-August.

# THE RISK

## **Why is a Thorough Pre-Buy Important?**

A thorough pre-buy evaluation is the best way to ensure you get the aircraft you are paying for and that you avoid costly surprises down the road.

Director of Sales and Design, Ryan Huss, says that without performing the pre-buy evaluation of the aircraft, you run the risk that you may have incorrectly functioning systems, structural issues, corrosion issues, and over-due inspections all of which potentially may determine the airworthiness of the aircraft.

“For example, having a calendar or hourly inspection completed just prior to the transaction does not fully cover the scope of what should be looked at. These scheduled inspections are typically narrow in scope and do not give you a complete health check of the aircraft and its systems like a comprehensive pre-buy inspection does.”

Ryan continues, “Equally important to the physical and operational checks are the logbooks, inaccurate or incomplete records can not only be very expensive to correct but also extremely time consuming to rectify. Without accurate logbook examinations by a qualified technician, you may be operating your aircraft illegally for years to come or find out you have expensive inspections or life limit items overdue or coming due.”

A quality pre-buy evaluation of the aircraft and the logbooks will certainly save you money and headaches down the road. More importantly they will ensure your safety during usage and guarantee you are getting what you paid for.

# THE OBJECTIVE

## **Duncan Aviation Pre-Buys**

There is no way around it; pre-purchase evaluations are complex events with a lot of participants and many moving parts. The aircraft and its history are necessarily scrutinized. The service center provides honest, non-biased findings and solutions while the buyers and sellers negotiate the results. Because Duncan Aviation uses a pre-buy evaluation checklist that's tailored to each airframe, the findings of the evaluation are definitive and non-biased, allowing buyers and sellers to negotiate the final costs.

Due to the complex nature of the machinery, and regulations, the objective of a pre-purchase evaluation is to provide a thorough and fair assessment of the condition of the aircraft and to communicate all findings to the parties allowing them to make decisions pertaining to the transaction going forward.

When it comes to pre-purchase evaluations, Duncan Aviation has a trusted reputation and many years of experience. Typically, there are several in progress at our facilities at any given time. Due to factors related to COVID-19, in 2020 the company's skilled technicians have performed 65 pre-purchase evaluations on nearly every make of business aircraft at our full-service facilities in Battle Creek, Michigan; Lincoln, Nebraska; and Provo, Utah, and at any of our 27 Satellite Shops or workaway locations, compared to 80 pre-purchase evaluations in 2019 and 85 in 2018.

# THE SATELLITES

In the early 1980s, Duncan Aviation's Chairman Emeritus Robert Duncan conceived of an ingenious way to make the company's avionics experts available to customers throughout the United States: Take the Duncan Aviation Avionics technicians to busy business aviation airports around the country where our customers' hangars were located. The idea proved popular with Duncan Aviation's customers.

Today, there are 27 Duncan Aviation Satellite Shops and workaway stations located throughout the United States. In addition to avionics line services, the Satellite Shops provide avionics service and support for aircraft owner/operators in times of critical, casual, or remote-location need. The teams at the Satellite Shops around the country are also able to provide popular avionics installations.

Manager of Satellite Operations Matt Nelson said, "I've worked with Duncan Aviation since 1987, and I've been involved with the Satellite System for 27 years. In general, the Duncan Aviation Satellite Shops have the finest avionics talent in the business aviation industry. It's not just the Satellites, either, but also the main facilities—we've cross-pollinated over the years a bit, and that's helped build and strengthen our culture throughout the entire company."

[www.DuncanAviation.aero/locations/#satellites](http://www.DuncanAviation.aero/locations/#satellites)



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