2025 | 2026

IADA
INTERNATIONAL AIRCRAFT DEALERS ASSOCIATION

AIRCRAFT EXCHANGE

IADA MARKET FORECAST

Expert analysis from the members of the International Aircraft Dealers Association

01 CURRENT MARKET PORTRAIT & FORECAST

The pre-owned business-aircraft market in September 2025 looks healthier and more orderly than during the post-pandemic spike, with inventory levels normalized; pricing more rational; and demand underpinned by resilient corporate travel, wealth creation in North America and the Middle East, and a notable resurgence in large-cabin interest. Jetcraft's 2025 report highlights that large-jet activity is once again a principal engine of value and volume in pre-owned transactions, projecting 11,202 pre-owned sales over five years totaling about $73.9 billion, underscoring sustained appetite for longer-range cabins as flight departments prioritize productive time and international reach.

On the new aircraft side, which shapes pre-owned dynamics via trade-ins and fleet refresh, OEM order books remain strong, even as the cadence of deliveries is gated by parts availability and labor bottlenecks that continue to ripple through aerospace supply chains. Equity research and industry updates through mid-2025 continue to flag supply-chain friction and labor constraints as ongoing headwinds, even as business aviation's fundamentals improve conditions that indirectly support residual values for in-service aircraft when new-delivery slots are pushed further out.

Sustainability is a structural theme in 2025. The International Business Aviation Council (IBAC), representing the global business-aviation community at the International Civil Aviation Organization, reiterates the sector's net-zero-by-2050 goal and the pathways to get there, specifically emphasizing sustainable aviation fuel, operational efficiencies, infrastructure modernization and market-based measures; the National Business Aviation Association (NBAA) likewise underscores sustainable aviation fuel (SAF) as the most impactful near-term tool for decarbonization. This policy environment doesn't directly set prices in the pre-owned market, but it is reshaping fleet-planning conversations, hangar retrofits and some upgrade decisions.

02 WHAT CHANGED IN 2025

And why it matters for pre-owned values

Two policy developments in 2025 stand out for their immediate, practical impact directly on U.S. buyers and sellers:

First, full 100% bonus depreciation is back and permanent in the U.S. For qualifying new or used aircraft placed in service on or after Jan. 20, 2025, taxpayers can expense 100% of acquisition cost in year one, subject to eligibility rules. NBAA's technical pages and multiple law-firm briefings confirm permanence and applicability to both factory-new and pre-owned aircraft when it's the taxpayer's first use. In practice, this has pulled forward demand, sharpened year-end closing urgency and improved net affordability for U.S. buyers. Expect a busier Q4 2025 and Q1 2026 pipeline as tax planning intersects with limited quality inventory in certain niches.

Second, aircraft, engines and parts largely remain tariff-free in trade between the U.S. and EU, at least for now. A July 27, 2025 provisional deal resecured a tariff-free regime for the aerospace sector between the U.S. and EU, calming fears that broader U.S. tariffs on EU goods would spill into aircraft and components. That stability shores up cross-Atlantic parts flows, maintenance planning and valuations tied to European equipment. Keep in mind, broader trade tensions remain fluid; however, the aircraft carve-out reduces headline risk for most business-aviation transactions that touch EU supply chains.

03 MARKET TEMPERATURE CHECK BY CABIN CLASS

"Demand remains strong for light jets and turboprops with increased conversation around 100% bonus depreciation and U.S.-based inventory because of tariff considerations," said IADA Chair Phil Winters, vice president aircraft sales, aircraft management and charter for Greenwich AeroGroup & Western Aircraft Inc., in the U.S.

"Supply remains balanced with young, well-equipped and well-maintained airplanes, with over-1,000-hour TBO engines retaining higher valuations. Engine overhauls coming due soon are deterrents for buyers, as the overhaulers have longer lead times, increased cost and very limited rental engine availability," Winters added.

LARGE-CABIN AND ULTRA-LONG-RANGE JET

Momentum is firming after a cyclical cool-down from the 2021-2023 peak. Corporate and ultra-high-net-worth individual (UHNWI) users prioritize nonstop intercontinental capability, particularly as in-person, multicountry dealmaking has normalized. Jetcraft's 2025 outlook explicitly spotlights rising large-jet volume as a driver of the five-year pre-owned forecast. Pricing has stabilized; sellers of pedigree aircraft with current programs (engines/APUs), connectivity and fresh inspections still command attention.

SUPER-MID AND MIDSIZE JET

This category remains the "liquidity engine" of pre-owned deep buyer pools, ensuring broad mission utility. Normalized days-on-market and a gentle price reversion toward pre-surge trend lines define 2025. Financing availability and the reinstated bonus depreciation are especially catalytic here because many U.S. buyers model total after-tax cost across five to seven years. Commentary from capital providers points to healthy interest in leases/financing as chief financial officers rethink capital allocation amid competing investments.

LIGHT JET AND TURBOPROP

These workhorse categories benefit owner-pilots and charter providers. For high-quality airframes with up-to-date avionics, interiors and paint, the bid-ask spread has narrowed. More price sensitivity is evident on older, higher-time assets where upcoming maintenance events such as hot sections, props and gear overhauls loom large for third-country operators.

04 FINANCING VS. CASH

How deals are getting done

Financing penetration remains significant across the market as corporate balance-sheet managers and private clients weigh cash deployment against other opportunities. Lenders and lessors report steady appetites in 2025, with more clients exploring leases and tailored structures to keep cash free for core operations. While comprehensive apples-to-apples percentages vary by source and segment, the directional read is clear: Financing is a large and durable share of the market, and lease options are gaining share versus all-cash as rates plateau and tax dynamics favor placing assets in service before year-end.

RATE ENVIRONMENT

While day-to-day pricing moves with benchmarks, 2025 dealmakers are contending with rates that are off cycle highs but still materially above the ultra-low era. Lenders focus on borrower quality, asset pedigree, utilization profiles and program coverage. Sensible leverage, maintenance-reserve structures and reputable operator/management arrangements help buyers secure more favorable terms.

05 SUPPLY CHAIN & MRO CAPACITY

The supply-chain story is improving but not solved. Aerospace still faces parts lead times, logistics snags and labor scarcity. That affects new-delivery tempo and maintenance, repair and overhaul (MRO) turnaround times for heavy inspections, interiors and avionics modifications, especially for popular large-cabin platforms. Flight departments and brokers continue to buffer schedules (and valuations) for airframes that have cleared major events and upgrades.

Operators planning cabin refreshes, Wi-Fi upgrades or cabin reconfigurations should lock capacity and price contingencies into budgets early. The indirect effect for pre-owned: Aircraft that are “ready now” with current connectivity, quiet/efficient cabins and completed calendar/LLP items remain advantaged.

06 POLICY & SUSTAINABILITY

Landscape shaping demand

IBAC’s net-zero-by-2050 commitment and pathway framing (i.e., SAF, operations, infrastructure, market-based measures) continue to anchor stakeholder expectations globally; NBAA’s emphasis on SAF adoption, plus region-specific SAF mandates (e.g., the U.K.'s) are gradually filtering into purchase and refit decisions. Buyers are starting to ask whether the aircraft they acquire can practically uplift SAF where they fly and how that interacts with their corporate sustainability reporting.

07 TRADE POLICY & TARIFFS

Regional snapshot and implications

NORTH AMERICA

“Our U.S. pipeline is the strongest we’ve seen since 2021, but it’s a more discerning market. Buyers want pedigree, programs and operational-ready aircraft," said IADA Vice Chair John Odegard, founder and partner of IADA Accredited Dealer 5x5 Trading, headquartered in Boca Raton, Florida. “With 100% expensing back, year-end is shaping up to be busy, especially in super-mid and large cabins. Sellers with turnkey, market-ready aircraft stand to benefit the most,” he added.

For U.S. buyers and sellers, the July 2025 U.S.–EU understanding to preserve tariff-free trade for civil aircraft, engines and parts reduces a major uncertainty that had threatened to raise costs or delay cross-border maintenance and completions. Meanwhile, USTR’s rolling actions in 2025 on China Section 301 tariffs included extending certain exclusions through Aug. 31, 2025, useful for some components and tooling, though coverage is narrow and time-bound. The net effect for business aviation: Headline tariff risk on trans-Atlantic aircraft/parts flows is lower; China-related tariff exposure persists for specific categories of machinery and electronics in supply chains.

EUROPEAN UNION

The EU’s negotiating stance in 2025 included preparing contingency retaliation scenarios if broad U.S.–EU talks faltered; however, the late-July aerospace carve-out preserved duty-free status in the sector, limiting immediate cost pass-through to EU-linked aircraft transactions and MRO. Sustainability requirements (e.g., SAF blending trajectories) are advancing more quickly than in some other regions, affecting fuel planning and potentially charter/PART-NCC cost bases.

“Europe's buyers are selective and well-advised. While tariff stability helps, what really drives quick sales is having maintenance-ready aircraft that have passed inspection and are equipped with current avionics stacks,” said Hans Doll, director of aircraft sales for IADA Accredited Dealer Atlas Air Service, in Bremen, Germany.

UNITED KINGDOM

“Trans-Atlantic clarity on tariffs confused buyers and sellers over the past few months, but clarity has increased recently. We see a consistent supply and demand balance that makes the transaction environment much more conducive to the crazy COVID period,” said Steve Varsano of IADA Accredited Dealer The Jet Business in London. “If you bought during the peak and are now trying to just sell, it probably isn’t the news you want to hear; however, if you are trading up, the news is much more inviting.”

The U.K. sits outside EU trade instruments but has generally aligned with the aircraft-tariff-free approach in recent U.S.–U.K./U.S.–EU sectoral accommodations, which helps keep the aircraft and parts channel between the U.K. and the U.S. smooth. U.K. policy is also pushing SAF usage, via a formal mandate begun in 2025, which influences operator cost models and at the margin, fleet choices and retrofit timing.

SWITZERLAND

Pilatus, the Swiss manufacturer celebrated for its rugged, precisely engineered turboprops and business jets, is a mainstay in the U.S. However, Switzerland is not an EU member, and 2025 has introduced a disruptive development: In response to newly instituted 39% U.S. tariffs on Swiss-manufactured goods, Pilatus has delayed aircraft deliveries to this significant market in the U.S.

MIDDLE EAST

"Amid wider regional complexities, leading hubs such as the UAE, Saudi Arabia and Qatar are examples of locations continuing to experience strong growth. They are attracting families, businesses and investors with their favorable tax environment; world-class infrastructure; reputation for safety and security; and high standards of schooling, health care, and lifestyle," said Allan Stanton, founder of Stanton & Partners Aviation, an IADA Accredited dealer headquartered in Dubai.

Stanton added, "Positioned at the crossroads of Europe, Asia and Africa, these hubs are reinforcing their role as natural global centers for commerce and connectivity."

Resilience is clearly reflected in business aviation, where demand for long-range jets mirrors the region's ambition and international reach. What sets the market apart is the pace and confidence of decision-making. Buyers set exceptionally high standards, moving quickly when the right aircraft appears, and well-prepared assets trade with remarkable speed.

There have been no sector-specific tariff shocks in 2025; the region benefits from strong liquidity conditions and oil-linked wealth. Cross-border maintenance remains smooth, though parts sourcing can be influenced by U.S./EU export-control regimes and the same global lead-time issues seen elsewhere.

AFRICA

"One of the biggest things we are seeing in the African market is an increase in new aircraft inquiries and new aircraft sales, or very late model, almost new, pre-owned aircraft being imported. We believe the reason this is happening is because over the past years we have exported many of our pre-owned aircraft overseas, resulting in a lack of 'older' inventory in the region, which means buyers have no choice but to go new or close to new," said Neil Howard, CEO of IADA Accredited Dealer Absolute Aviation in South Africa.

Howard added, "One of the primary reasons that drove this was weak local currencies, making it very appealing for overseas buyers to purchase many of our higher quality pre-owned aircraft. This is both a good and a bad problem. On the negative side, we now see a largely reduced pool of the higher quality pre-owned aircraft in our region; however, this has also resulted in more new aircraft coming in."

SOUTH AMERICA

"South America has seen a strong acquisition cycle in 2025 with many established operators transitioning from mid-cabin to larger cabin and longer range aircraft," said Patrick Hosmann, Jr., CEO of IADA Accredited Dealer Southern Cross Aircraft, active throughout South America and globally. "The local political climate stability of 2025 has helped contribute to this growth," he added.

The U.S. decision to impose a 10% baseline tariff on civil aircraft imports has added friction to South America's business aviation market, particularly for Brazil, home to Embraer's highly successful Phenom and Praetor families of executive jets. These aircraft have long been competitive in the light- and midsize-jet segments, with a strong share of deliveries going to North American operators. The tariff increases effective acquisition costs for U.S. buyers and could slow transaction momentum in the pre-owned market, where Brazilian-manufactured aircraft often represent attractive, lower-time alternatives.

For Embraer, the policy creates near-term headwinds in its largest export market, though its assembly footprint in Melbourne, Florida, offers a partial buffer by allowing certain models to enter the U.S. outside of full tariff exposure. In the broader South American market, operators are watching financing dynamics closely, as any softening of U.S. demand could ripple into regional resale values. Still, Brazil's government has signaled export support measures, and Embraer's global service network helps preserve residual confidence. Embraer is continuing to push for zero tariffs.

ASIA PACIFIC

"Asia Pacific remains one of the most fascinating and dynamic regions in the world, with different countries and sub-regions, each with distinct geopolitical, economic and cultural characteristics. Understanding these unique differences and how they interact and affect market trends is key to doing business in the region," said Nadav Kessler, managing director of Asian Sky Group in Hong Kong.

He added, "While in a few particular Asian countries, stagnation or even slowing continued over the past year, more notably we've seen exciting acceleration of activity in other countries, spanning across both legacy and newly rising business sectors."

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08 12-MONTH OUTLOOK

Through September 2026

PRE-OWNED DEMAND

Steady-to-firm transaction volumes with mild price appreciation in late-model, program-enrolled large-cabin and super-mid jets. Flat to slightly softer pricing for older light jets and high-time turboprops where major MRO events are due. Drivers: bonus depreciation urgency in the Q4 2025/Q1 2026 window, normalized corporate travel, and limited like-new inventory given OEM delivery pacing.

FINANCING AND RATES

Expect continued healthy use of financing and operating leases as buyers preserve liquidity; if benchmark rates grind lower, that marginally improves affordability and could draw some fence-sitters into Q2/Q3 2026. Leasing solutions should keep gaining share for corporations focused on balance-sheet optics.

NEW DELIVERIES AND TRADE-INS

Supply-chain friction eases but doesn't vanish; OEMs prioritize predictability over raw volume growth. Trade-ins feed pre-owned supply but not enough to flood the market. Aircraft exiting major inspections with current connectivity and interiors will sell fastest.

POLICY

In the U.S., 100% bonus depreciation remains a durable tailwind as long as buyers meet first-use, placed-in-service timing and business-use thresholds and as IRS guidance clarifies edge cases. Internationally, watch SAF mandates (notably in Europe and the U.K.) and any movement in U.S.–EU trade friction; the current aerospace tariff carve-out is supportive, but policy risk is never zero.

Regional one-year outlook quick takes

NORTH AMERICA

Demand is solid, especially in super-mid and large jets; U.S. tax expensing drives year-end activity; supply-chain constraints still elongate some refurbishment timelines; financing terms are steady for quality credit.

UNITED KINGDOM

Stable trans-Atlantic flows are aided by tariff-free aerospace regime; the SAF mandate adds incremental fuel-planning complexity; sustained interest remains in large-cabin aircraft for transcontinental missions and UHNWI usage.

EUROPEAN UNION

Buyer activity is balanced; sustainability policies are strongest globally, shaping operator costs; aerospace tariff carve-out reduces a major overhang; financing is readily available to strong credit; watch any macro wobble and political noise on trade.

MIDDLE EAST

Momentum remains robust, particularly for large-cabin jets; fuel-price dynamics and wealth effects are supportive; maintenance planning and parts logistics require proactive scheduling but no unique tariff barriers.

AFRICA

Selective growth is tied to resource and infrastructure projects; transaction success hinges on structuring (registry, financing security), reputable maintenance partners and currency-risk management.

ASIA

Steady improvement is being made in utilization; cross-border parts exposure to China-related trade actions merits monitoring; financing is available from international lenders for top credit; demand is concentrated in larger cabins for longer-haul missions.

09 IMPACT OF 100% BONUS DEPRECIATION

Deal mechanics and timing

For U.S. buyers, the reinstated, permanent 100% bonus depreciation is the single most important 2025 policy catalyst for both new and pre-owned aircraft. It sharpens the “placed in service” deadline at year-end, favors aircraft with clean title and straightforward conformity paths, and increases the value of in-region aircraft that can close and deliver quickly. NBAA’s technical guidance and law firm analyses emphasize that eligibility depends on first-use, placed-in-service timing, on or after Jan. 20, 2025, and satisfying the 50% business-use test under Internal Revenue Code Section 280F, each of which should be carefully documented with operational logs and tax counsel. In short, tax policy is again decisively pro-acquisition, but planning discipline matters.

10 WHAT TO WATCH

Risks and swing factors

TRADE POLICY DRIFT

While the U.S.–EU aerospace carve-out is a relief, broader tariff moves or retaliatory plans could still touch adjacent sectors or logistics costs. Keep an eye on formal renewals/extensions and any inclusion creep affecting space-adjacent components.

SUPPLY CHAIN NORMALIZATION

Every quarter of smoother parts flow and MRO throughput narrows the premium for "ready-now" aircraft, but that premium likely persists through much of 2026 for desirable types.

RATES AND CREDIT

If rates ease modestly, expect incremental demand and perhaps a small uptick in financing share. If credit conditions tighten, older assets with bigger upcoming maintenance events will feel it first.

SUSTAINABILITY POLICY AND SAF AVAILABILITY

European SAF mandates climb through the decade; U.S. incentives remain in flux. Operator cost models and corporate ESG reporting will nudge retrofit and fleet choices, especially for multinational flight departments.

Potential black swan events and geopolitical risks

While the base case for the business-aircraft market through September 2026 is steady, industry participants must account for geopolitical shocks that could upend assumptions.

The ongoing war in Ukraine continues to distort European airspace, with reroutings adding costs and flight times, and sanctions limiting parts access for legacy aircraft once operated in Eastern Europe.

Escalation or protracted stalemate could further pressure fuel prices, heighten security concerns and complicate resale markets for aircraft tied to sanctioned owners. In the Middle East, renewed conflict in Gaza affects regional stability and reverberates across global energy markets. Even if business aviation activity in Gulf hubs such as Dubai and Doha remains strong, sudden oil price spikes or airspace restrictions could ripple through operating costs worldwide.

Both conflicts also carry secondary effects: Increased defense spending may crowd aerospace supply chains already stretched, while insurance and financing underwriters reassess risk premiums for aircraft operating in or transiting conflict-adjacent zones. For buyers and sellers, these black swan factors underscore the importance of timing, jurisdiction and asset readiness, elements that can rapidly separate resilient transactions from those exposed to volatility.

In Asia, geopolitical and trade-related risks carry the potential to reshape business-aviation dynamics over the next year. China-related tariff actions continue to evolve and can touch downstream supply chains in avionics, interiors and ground-support equipment, even when the finished aircraft are sourced elsewhere. For buyers and operators across the region, the operational risk lies in anticipating extended lead times for parts and in securing MRO capacity during peak demand windows, as facilities in Singapore, Hong Kong and Malaysia already report elevated utilization rates.

Beyond trade frictions, broader regional flashpoints, from tensions in the Taiwan Strait and South China Sea to political uncertainty in Hong Kong, represent potential black swan events that could affect airspace access, investor sentiment and aircraft financing availability. Meanwhile, India, Indonesia and Vietnam remain growth markets for turboprops and light jets, but they remain vulnerable to supply chain disruptions and insurance-cost increases if regional instability spreads. These variables underscore the importance of contingency planning for operators in Asia, where seemingly localized policy or security shifts can ripple quickly through cross-border aviation markets.

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