

# Boeing Narrow Body Aircraft Values - 717

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Projections of Future Aircraft Values, including  
Aircraft Value Projections by Economic Scenario

Updated July 2010

# Boeing Narrow Body Aircraft Values

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This special report provides projections of Future Aircraft Values for Boeing narrow body jet aircraft. Our projected base values in the tables should be considered half-time values under “normal” industry conditions that reflect a supply-demand balance in the marketplace. Because such balance is quite rare, we have also incorporated four additional scenarios in our analysis of projected values reflecting robust, positive, negative and recessionary industry conditions. These values are shown in the example charts of values for several vintages of aircraft by year of build, typically for an early, mid-production and later model of the series.

For each model, we have three indicators reflecting the outlook for the aircraft program, green quotient reflecting environmental friendliness, and value trends. Each indicator is color coded green, yellow, or red, and can be interpreted as our judgment as to the relative attractiveness of the aircraft in each category.

Of course, the value of any aircraft is highly dependent on its maintenance condition, and our estimates do not reflect the future value of any specific aircraft.

Our values are presented in current dollars, assuming an annual inflation rate of 2.0% throughout the forecast period.

# Boeing 717 Commentary

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The Boeing 717 is an updated version of the DC-9 series that was formerly known as the MD-95 prior to Boeing's acquisition of Douglas. The aircraft has modern, fuel efficient engines but an updated older airframe first introduced in 1965. While these aircraft should technically last for 40 years, they will economically obsolete within 20 years.

As a sole model competing with two narrow-body aircraft families, the 717 was unsuccessful in the marketplace, with only 155 aircraft delivered for the program, with AirTran the largest customer. The 717 has proven cost-effective in its size range, and is well suited to operators of the DC-9/MD-80 series of aircraft due to commonality. However, as older DC-9s and MD-80s are retired due to economic obsolescence, the 717 now stands alone as the only modern variant of that aircraft family.

While currently cost-effective, competition from the Embraer E-Jets and forthcoming Mitsubishi RJ and Bombardier C-Series utilizing new technology engines will be far economically superior to the 717, negatively impacting values once those aircraft enter service in 2013. By the time the next generation of narrow-bodies arrives from Boeing and Airbus, values for the 717 will have fallen considerably, both from economic obsolescence and the lack of operators constraining re-marketability.

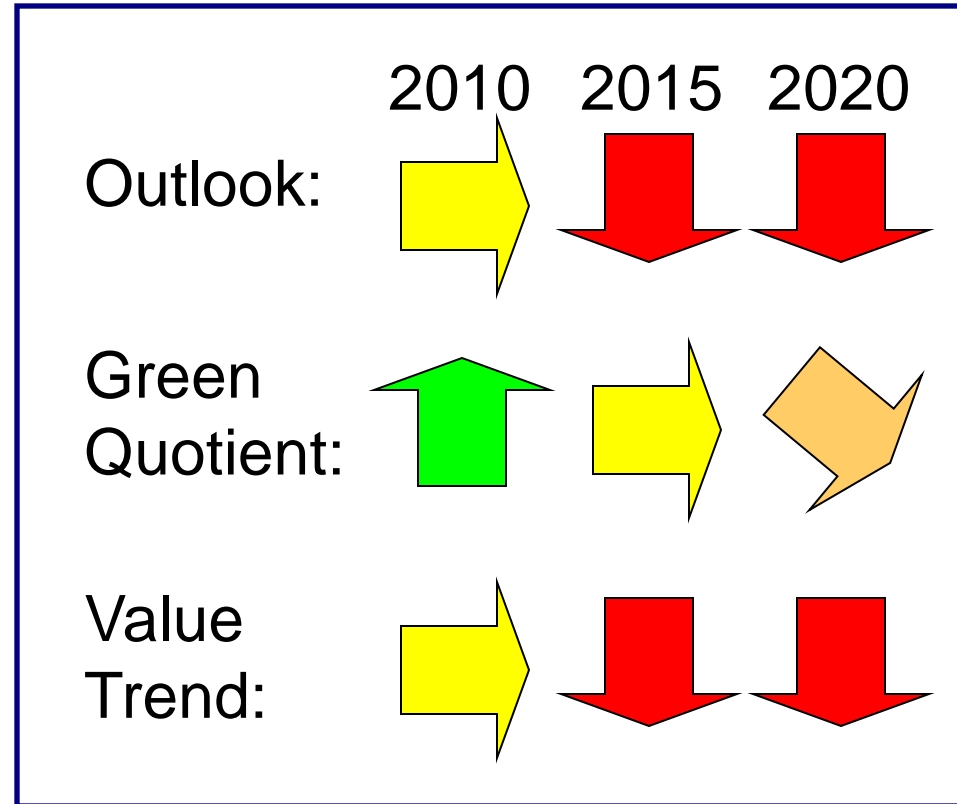
Overall aircraft value rating: Strong Good Average **Weak** Poor

# Boeing 717-200 Trends

The Boeing 717 is a modern narrow-body aircraft and derived from the Douglas DC-9/MD-80 family of aircraft. The 717 competes with the Boeing 737-600, Airbus A-318 and Embraer 190/195 and has not had market success. A total of only 155 B-717 were delivered in the program.

The 717 is currently competitive in its size class, but not the leader in fuel efficiency or environmental performance. It will be directly challenged by the Bombardier C-series in 2013. Using the next generation engines, the C-series, which has a similar size variant, is promising 22%+ lower fuel burn and operating costs over the B-717 and other contemporary models.

Airbus and Boeing are planning replacement for the current narrow-bodies with a 20-25% reduction in fuel burn, emissions and operating costs a target by 2024. The 717 will be challenged by new technology competitors in the coming decade, and come up short. The short-term outlook remains average, but intermediate values will fall longer-term as replacements from Embraer today, Bombardier and Mitsubishi in 2013 and 2014, and Boeing and Airbus provide more cost-effective replacements over the next decade.

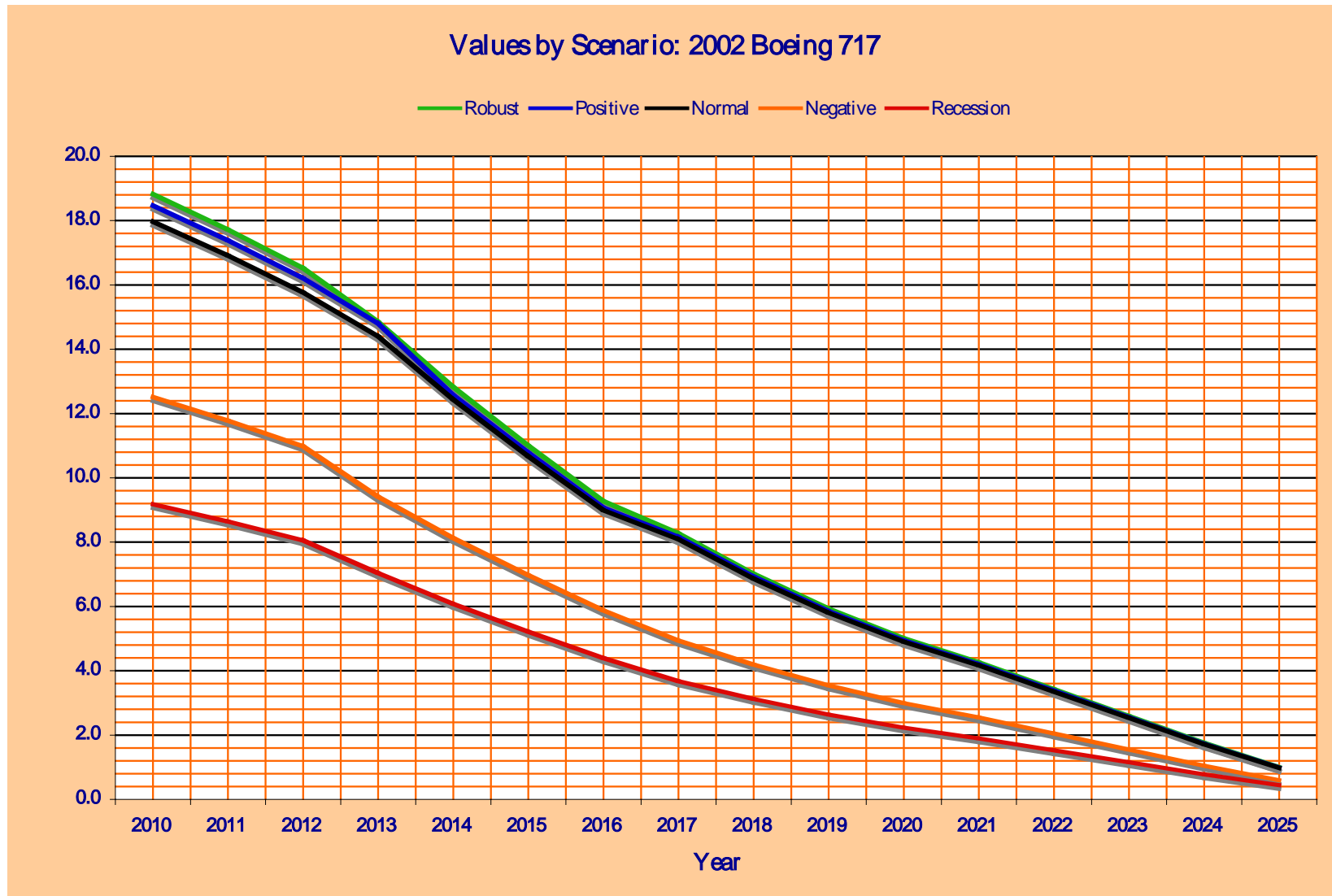


# Projected Base Values

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PROJECTED BASE VALUES BOEING 717-200																
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1999	15.3	13.9	12.6	11.0	9.9	8.4	7.1	6.0	5.1	4.1	3.1	2.1	1.2	0.7	0.5	0.5
2000	16.3	15.1	13.7	12.2	10.3	9.3	7.9	6.6	5.6	4.8	3.8	2.9	2.0	1.1	0.7	0.5
2001	17.2	16.0	14.8	13.3	11.4	9.6	8.7	7.3	6.2	5.2	4.5	3.6	2.7	1.8	1.0	0.6
2002	18.0	16.9	15.8	14.4	12.4	10.7	9.0	8.1	6.9	5.8	4.9	4.2	3.4	2.5	1.7	1.0
2003	18.5	17.7	16.7	15.3	13.5	11.6	10.0	8.4	7.6	6.4	5.4	4.6	3.9	3.1	2.4	1.6
2004	19.3	18.3	17.4	16.2	14.3	12.6	10.9	9.3	7.9	7.1	6.0	5.1	4.3	3.6	2.9	2.2
2005	19.7	19.0	18.0	17.0	15.1	13.4	11.8	10.2	8.7	7.3	6.6	5.6	4.7	4.0	3.4	2.7
2006	21.5	19.4	18.7	17.4	15.9	14.2	12.5	11.0	9.5	8.2	6.9	6.2	5.2	4.4	3.7	3.2

# 2002 717 Projected Values by Scenario



# Contact Information

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This report was prepared by:  
The Arvai Group, Inc.



115 Indian Rock Road, Suite 200 (Physical)  
P.O. Box 468 (US Mail)  
Windham, New Hampshire 03087-0468  
United States  
Tel: +1.603.894.0000  
Fax: +1.603.890.0004  
E-mail: [info@arvaigroup.com](mailto:info@arvaigroup.com)  
[www.arvaigroup.com](http://www.arvaigroup.com)

