



Lease Rate Digest

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Editorial

The industry has seen a process of re-structuring and re-evaluation like never before with Covid, and this has undoubtedly had a greater influence not only on trading values of aircraft, but lease rates as well. By way of further example, during the past 12 months, Air France, Hi Fly, Lufthansa, Malaysia, and Thai have all confirmed removal of the Airbus A380 from their fleets; and with this has come a deterioration in demand and market conditions for this once flag ship aircraft. As readers will no doubt see, the Airbus A380 lease rate drops are sharp to say the least.

You may also notice some pretty unprecedented lows even among some the most desirable and state of the art wide-bodies, including the likes of the Boeing 787-8, 787-9 and Airbus A350-900. Such is the state of the market that lessors are prepared to place potentially very high value aircraft at substantially reduced rentals at least to get some form of income rather than run the risk of having a redundant aircraft but still having to pay insurance, storage fees and so on.

The return of the Boeing 737-8 MAX and -9 MAX to service should really be big news; however we cannot help but think that all aspects of the industry, from OEM, investors to appraisers alike, have been coy, perhaps deliberately so, in reaction to the lifting of the grounding. This is how IBA sees it; Naturally, we welcome its return, and we think the “early return” operators such as Gol, American Airlines, SCAT and Aeromexico among others, have been smart in quietly bringing their aircraft back; allowing the flying public to ease back its confidence in the aircraft. There is still a long way to go in terms of re-activating hundreds of other Boeing 737 MAX; but for IBA, so far so good. None of this augurs much for lease rates of the Boeing 737-8 MAX or -9 MAX though, especially when lessors have their work cut out trying to find new homes for rejected aircraft.

The competing Airbus A320/A321 Neo series appears so far to have been one of the more resilient aircraft families in terms of lease rate performance. Nonetheless, even strong performers such as the Airbus A320 neo family have not been entirely spared the challenged market; as IBA has seen for itself for example with the Airbus A320/321 Neo fleet at the troubled LATAM grouping.

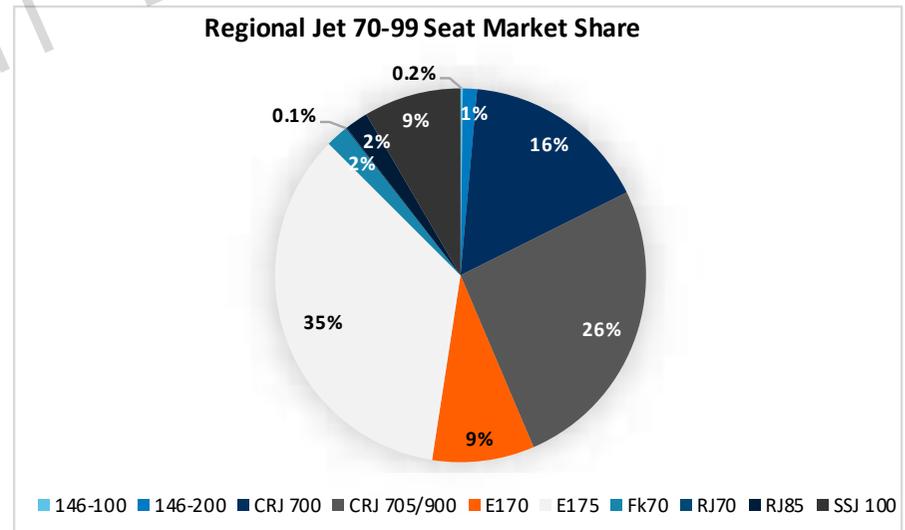
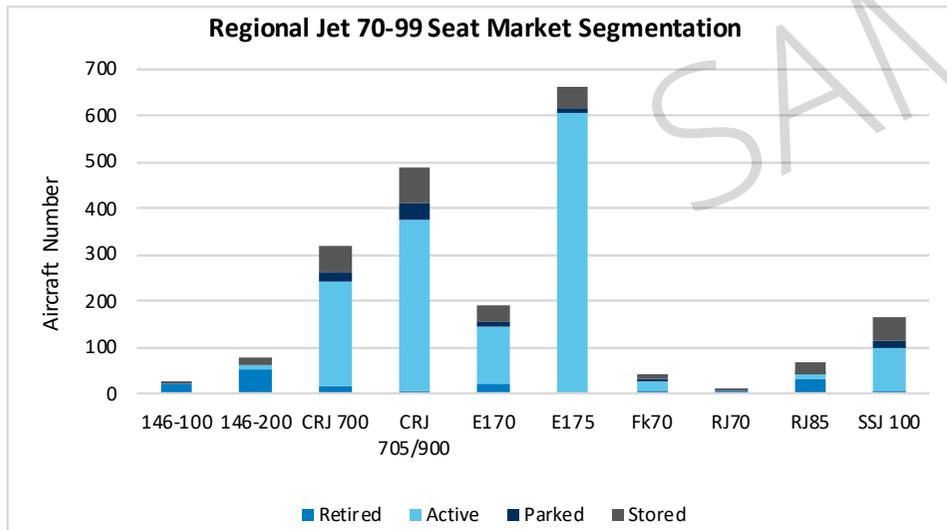
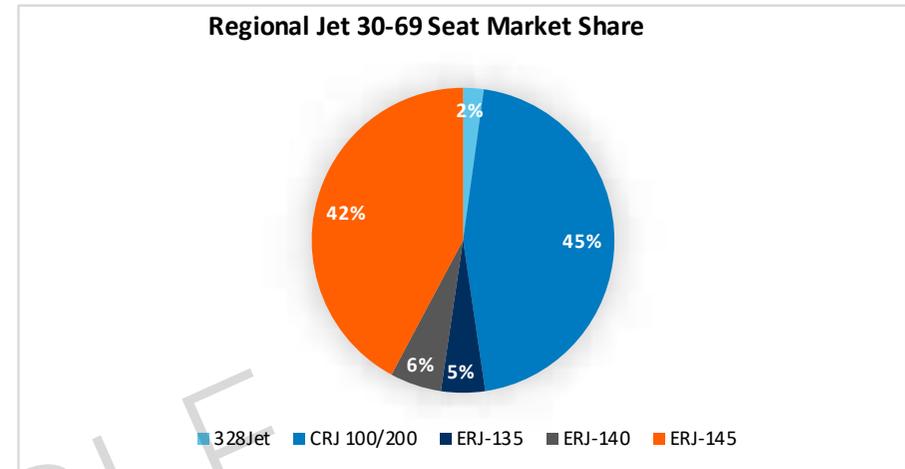
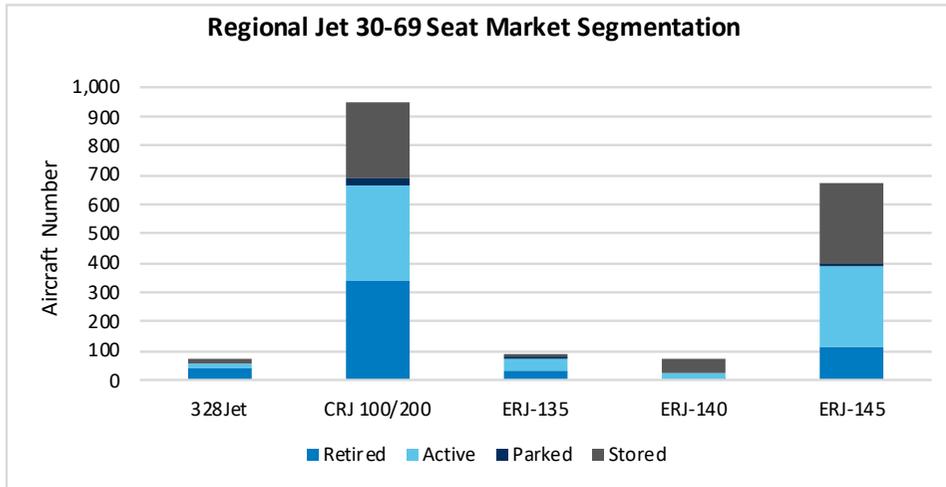
The Boeing 737-800, Airbus A320ceo and Airbus A321ceo still make up very much the core of the current narrow-body fleet. Despite their continued popularity, market values, and with them; lease rates have seen some distinct drops.

Other trends IBA has seen across narrow bodies and wide bodies is airlines re-negotiating leases on some rather young aircraft, moving over to power by the hour programmes as they struggle to keep up with normal market monthly lease rental payments during this period of low utilisation.

Moving towards the regional sectors, the more resilient types include the Airbus A220-100 and A220-300, with a reasonably stable performance from the Embraer 190/195E2 as well. IBA has seen relative stability in the Embraer 175 market and as such their lease rates have not shown an excessive decline. Lease rates for the smaller category regional jets were already low but as will be seen in the relevant pages, the ranges supplied this time round represent new lows, regardless of whether that be the ERJ 135 or CRJ200.

Many thanks from IBA's Valuation Team.

Sample charts



Lease Rate Comparison by Seating Capacity

Aircraft Class	Seating Typical	Aircraft Type	Delivery	Retired	Active	Parked	Stored	In-Service	Storage Ratio	Aircraft Class	Seating Typical	Aircraft OEM	Market Share by OEM	Aircraft Type	Market Share by Aircraft Type	
Regional Jet	30-69 Seat	328Jet	100	100	100	100	100	100	100%	Regional Jet	30-69 Seat	Boeing	2%	328Jet	2%	
Regional Jet	30-69 Seat	CRJ 100/200	1000	1000	1000	1000	1000	1000	1000			Bombardier	46%	CRJ 100/200	46%	
Regional Jet	30-69 Seat	ERJ-135	100	100	100	100	100	100	100%			Embraer	100%	ERJ-135	100%	
Regional Jet	30-69 Seat	ERJ-140	100	100	100	100	100	100	100%			Embraer	100%	ERJ-140	100%	
Regional Jet	30-69 Seat	ERJ-145	1000	1000	1000	1000	1000	1000	1000		70-99 Seat	BAA	100%	ERJ-145	100%	
Regional Jet	70-99 Seat	146-100	100	100	100	100	100	100	100%			Bombardier	100%	146-100	100%	
Regional Jet	70-99 Seat	146-200	100	100	100	100	100	100	100%			Embraer	100%	146-200	100%	
Regional Jet	70-99 Seat	CRJ 700	1000	1000	1000	1000	1000	1000	1000			Fokker	100%	CRJ 700	100%	
Regional Jet	70-99 Seat	CRJ 705/900	1000	1000	1000	1000	1000	1000	1000			BAA	100%	CRJ 705/900	100%	
Regional Jet	70-99 Seat	E170	1000	1000	1000	1000	1000	1000	1000			Embraer	100%	E170	100%	
Regional Jet	70-99 Seat	E175	1000	1000	1000	1000	1000	1000	1000			Fokker	100%	E175	100%	
Regional Jet	70-99 Seat	Fk70	100	100	100	100	100	100	100%			BAA	100%	Fk70	100%	
Regional Jet	70-99 Seat	RJ70	100	100	100	100	100	100	100%		Embraer	100%	RJ70	100%		
Regional Jet	70-99 Seat	R85	100	100	100	100	100	100	100%		BAA	100%	R85	100%		
Regional Jet	70-99 Seat	SSJ 100	1000	1000	1000	1000	1000	1000	1000		Sukhoi	100%	SSJ 100	100%		
Regional Jet	100-150 Seat	146-300	100	100	100	100	100	100	100%		BAA	100%	146-300	100%		
Regional Jet	100-150 Seat	CRJ 1000	100	100	100	100	100	100	100%		Bombardier	100%	CRJ 1000	100%		
Regional Jet	100-150 Seat	E190	1000	1000	1000	1000	1000	1000	1000		100-150 Seat	Embraer	100%	E190	100%	
Regional Jet	100-150 Seat	E190-E2	1000	1000	1000	1000	1000	1000	1000			Embraer	100%	E190-E2	100%	
Regional Jet	100-150 Seat	E195	1000	1000	1000	1000	1000	1000	1000			Embraer	100%	E195	100%	
Regional Jet	100-150 Seat	E195-E2	1000	1000	1000	1000	1000	1000	1000	Fokker		100%	E195-E2	100%		
Regional Jet	100-150 Seat	Fk100	1000	1000	1000	1000	1000	1000	1000	BAA		100%	Fk100	100%		
Regional Jet	100-150 Seat	RJ100	1000	1000	1000	1000	1000	1000	1000	BAA		100%	RJ100	100%		
Narrowbody	110-119 Seat	717	100	100	100	100	100	100	100%	Narrowbody		110-119 Seat	Boeing	100%	717	100%
Narrowbody	110-119 Seat	737-500	1000	1000	1000	1000	1000	1000	1000				Airbus	100%	737-500	100%
Narrowbody	110-119 Seat	737-600	100	100	100	100	100	100	100%		Boeing	100%	737-600	100%		
Narrowbody	110-119 Seat	A220-100	100	100	100	100	100	100	100%		Airbus	100%	A220-100	100%		
Narrowbody	110-119 Seat	A318	1000	1000	1000	1000	1000	1000	1000		130-156 Seat	Boeing	100%	A318	100%	
Narrowbody	130-156 Seat	737-300	1000	1000	1000	1000	1000	1000	1000			Airbus	100%	737-300	100%	
Narrowbody	130-156 Seat	737-700	1000	1000	1000	1000	1000	1000	1000		Boeing	100%	737-700	100%		
Narrowbody	130-156 Seat	A220-300	100	100	100	100	100	100	100%		Airbus	100%	A220-300	100%		
Narrowbody	130-156 Seat	A319 CEO	1000	1000	1000	1000	1000	1000	1000		150-189 Seat	Boeing	100%	A319 CEO	100%	
Narrowbody	150-189 Seat	737 MAX 8	1000	1000	1000	1000	1000	1000	1000			Airbus	100%	737 MAX 8	100%	
Narrowbody	150-189 Seat	737-400	1000	1000	1000	1000	1000	1000	1000			Boeing	100%	737-400	100%	
Narrowbody	150-189 Seat	737-800	1000	1000	1000	1000	1000	1000	1000			Airbus	100%	737-800	100%	
Narrowbody	150-189 Seat	A320 CEO	1000	1000	1000	1000	1000	1000	1000			Boeing	100%	A320 CEO	100%	
Narrowbody	150-189 Seat	A320 NEO	1000	1000	1000	1000	1000	1000	1000			Airbus	100%	A320 NEO	100%	
Narrowbody	150-189 Seat	MD-82	100	100	100	100	100	100	100%			McDonnell Douglas	MD-82	100%	MD-82	100%
Narrowbody	150-189 Seat	MD-83	100	100	100	100	100	100	100%				MD-83	100%	MD-83	100%
Narrowbody	150-189 Seat	MD-88	100	100	100	100	100	100	100%	MD-88	100%		MD-88	100%		

Definitions and Assumptions

Typical Monthly Lease Rental (TMLR)

The total monetary value of a lease transaction can vary significantly depending on such factors as the operator and its credit risk, length of term of the lease or aircraft type involved, to name a few. As such, the high and low values for Typical Monthly Lease Rental published in this digest are meant as indicative and have been calculated in accordance with the definition below. In addition, IBA's own database of lease transactions and other general market information has been used as a guide in developing the rates published here.

For each aircraft type and year of build, a range of typical monthly rental rates is shown, bracketed by "high" and "low" values.

Definition

The lease transaction is considered to be "arm's length" between a willing lessor and a willing lessee for a single aircraft transaction of a medium-term lease of five years for secondary leases or 8-12 years for primary leases, with no extension or early termination options.

The lessee is considered to be a medium-risk credit, paying cash or cash equivalent deposits in the amount of three months rental with no history of early returns or defaults. Further, the lessee pays full maintenance reserves for all aspects of the aircraft, i.e. "D" Check (or equivalent), engine refurbishment, engine life limited parts, landing gear and auxiliary power unit.

The lessor is a typical operating lessor specialising in commercial jet aircraft with costs of funding typical of others in its field of expertise. Funding for aircraft transactions are structured as non-recourse to the lessor (recourse to the aircraft only) and has been obtained without guarantees or assistance from any parent or holding company with a better or worse credit rating than the lessor. The lessor has had the aircraft returned from a previous lessee (if not new) without major faults or defects, with no rework required and without any down-time between leases.

The aircraft will be flown in an operation that is typical of its intended role in terms of utilisation and hour:cycle ratio, etc. All lease rentals are paid monthly or quarterly as applicable, in advance in cash and are for the lease of the aircraft alone, with no recovery of transfer costs, modifications or previous arrears etc.

Disclaimer

IBA Group Limited (IBA) has prepared the enclosed lease rate digest (Lease Rate Digest) that is subject to, amongst other things, this disclaimer, as set out below. The enclosed Lease Rate Digest's applicability is limited to the property appraised as noted therein (Property) and is for the party noted as being the "Client" in the enclosed Lease Rate Digest.

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Unless otherwise expressly stated within it, the enclosed Lease Rate Digest is the totality of the advice provided by IBA in relation to the Property as regards the subject matter of the enclosed Lease Rate Digest.

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Typical Monthly Market Lease Rental Range (US\$)

Delivery Year	A220-100		A220-300		A300B4-600R		A310-300		A318-100		A319-100		A320-200		A320neo		A321-100		A321-200		A321neo			
	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)	Low (US\$)	High (US\$)		
2021	\$1,080,000	\$1,340,000	\$1,070,000	\$1,330,000							\$1,170,000	\$1,430,000	\$1,090,000	\$1,350,000	\$1,010,000	\$1,270,000			\$1,030,000	\$1,290,000	\$1,110,000	\$1,370,000	\$1,050,000	\$1,310,000
2020	\$1,060,000	\$1,320,000	\$1,050,000	\$1,310,000							\$1,150,000	\$1,410,000	\$1,070,000	\$1,330,000	\$990,000	\$1,250,000			\$1,010,000	\$1,270,000	\$1,090,000	\$1,350,000	\$1,030,000	\$1,290,000
2019	\$1,170,000	\$1,430,000	\$1,080,000	\$1,340,000							\$1,260,000	\$1,520,000	\$1,180,000	\$1,440,000	\$1,100,000	\$1,360,000			\$1,040,000	\$1,300,000	\$1,120,000	\$1,380,000	\$1,060,000	\$1,320,000
2018	\$1,090,000	\$1,350,000	\$1,080,000	\$1,340,000							\$1,180,000	\$1,440,000	\$1,100,000	\$1,360,000	\$1,020,000	\$1,280,000			\$1,060,000	\$1,320,000	\$1,140,000	\$1,400,000	\$1,080,000	\$1,340,000
2017	\$1,190,000	\$1,450,000	\$1,170,000	\$1,430,000							\$1,280,000	\$1,540,000	\$1,200,000	\$1,460,000	\$1,120,000	\$1,380,000			\$1,080,000	\$1,340,000	\$1,160,000	\$1,420,000	\$1,100,000	\$1,360,000
2016	\$1,100,000	\$1,360,000	\$1,090,000	\$1,350,000							\$1,200,000	\$1,460,000	\$1,120,000	\$1,380,000	\$1,040,000	\$1,300,000			\$1,080,000	\$1,340,000	\$1,160,000	\$1,420,000	\$1,100,000	\$1,360,000
2015											\$1,240,000	\$1,500,000	\$1,160,000	\$1,420,000	\$1,080,000	\$1,340,000			\$1,120,000	\$1,380,000	\$1,200,000	\$1,460,000	\$1,140,000	\$1,400,000
2014											\$1,260,000	\$1,520,000	\$1,180,000	\$1,440,000	\$1,100,000	\$1,360,000			\$1,140,000	\$1,400,000	\$1,220,000	\$1,480,000	\$1,160,000	\$1,420,000
2013											\$1,300,000	\$1,560,000	\$1,220,000	\$1,480,000	\$1,140,000	\$1,400,000			\$1,180,000	\$1,440,000	\$1,260,000	\$1,500,000	\$1,200,000	\$1,460,000
2012											\$1,320,000	\$1,580,000	\$1,240,000	\$1,500,000	\$1,160,000	\$1,420,000			\$1,200,000	\$1,460,000	\$1,280,000	\$1,520,000	\$1,220,000	\$1,480,000
2011											\$1,340,000	\$1,600,000	\$1,260,000	\$1,520,000	\$1,180,000	\$1,440,000			\$1,220,000	\$1,480,000	\$1,300,000	\$1,540,000	\$1,240,000	\$1,500,000
2010											\$1,360,000	\$1,620,000	\$1,280,000	\$1,540,000	\$1,200,000	\$1,460,000			\$1,240,000	\$1,500,000	\$1,320,000	\$1,560,000	\$1,260,000	\$1,520,000
2009								\$800,000	\$900,000	\$1,380,000	\$1,640,000	\$1,300,000	\$1,560,000	\$1,220,000	\$1,480,000			\$1,260,000	\$1,520,000	\$1,340,000	\$1,580,000	\$1,280,000	\$1,540,000	
2008								\$820,000	\$920,000	\$1,400,000	\$1,660,000	\$1,320,000	\$1,580,000	\$1,240,000	\$1,500,000			\$1,280,000	\$1,540,000	\$1,360,000	\$1,600,000	\$1,300,000	\$1,560,000	
2007								\$840,000	\$940,000	\$1,420,000	\$1,680,000	\$1,340,000	\$1,600,000	\$1,260,000	\$1,520,000			\$1,300,000	\$1,560,000	\$1,380,000	\$1,620,000	\$1,320,000	\$1,580,000	
2006								\$860,000	\$960,000	\$1,440,000	\$1,700,000	\$1,360,000	\$1,620,000	\$1,280,000	\$1,540,000			\$1,320,000	\$1,580,000	\$1,400,000	\$1,640,000	\$1,340,000	\$1,600,000	
2005								\$880,000	\$980,000	\$1,460,000	\$1,720,000	\$1,380,000	\$1,640,000	\$1,300,000	\$1,560,000			\$1,340,000	\$1,600,000	\$1,420,000	\$1,660,000	\$1,360,000	\$1,620,000	
2004								\$900,000	\$1,000,000	\$1,480,000	\$1,740,000	\$1,400,000	\$1,660,000	\$1,320,000	\$1,580,000			\$1,360,000	\$1,620,000	\$1,440,000	\$1,680,000	\$1,380,000	\$1,640,000	
2003								\$920,000	\$1,020,000	\$1,500,000	\$1,760,000	\$1,420,000	\$1,680,000	\$1,340,000	\$1,600,000			\$1,380,000	\$1,640,000	\$1,460,000	\$1,700,000	\$1,400,000	\$1,660,000	
2002					\$100,000	\$110,000					\$1,520,000	\$1,800,000	\$1,440,000	\$1,720,000	\$1,360,000	\$1,620,000			\$1,400,000	\$1,660,000	\$1,480,000	\$1,720,000	\$1,420,000	\$1,680,000
2001					\$100,000	\$110,000					\$1,540,000	\$1,820,000	\$1,460,000	\$1,740,000	\$1,380,000	\$1,640,000	\$170,000	\$180,000	\$1,420,000	\$1,680,000	\$1,500,000	\$1,740,000	\$1,440,000	\$1,700,000
2000					\$100,000	\$110,000					\$1,560,000	\$1,840,000	\$1,480,000	\$1,760,000	\$1,400,000	\$1,660,000			\$1,440,000	\$1,700,000	\$1,520,000	\$1,760,000	\$1,460,000	\$1,720,000
1999					\$100,000	\$110,000					\$1,580,000	\$1,860,000	\$1,500,000	\$1,780,000	\$1,420,000	\$1,680,000			\$1,460,000	\$1,720,000	\$1,540,000	\$1,780,000	\$1,480,000	\$1,740,000
1998					\$100,000	\$110,000	\$100,000	\$110,000			\$1,600,000	\$1,880,000	\$1,520,000	\$1,800,000	\$1,440,000	\$1,700,000			\$1,500,000	\$1,740,000	\$1,560,000	\$1,800,000	\$1,500,000	\$1,760,000
1997					\$100,000	\$110,000	\$100,000	\$110,000			\$1,620,000	\$1,900,000	\$1,540,000	\$1,820,000	\$1,460,000	\$1,720,000			\$1,520,000	\$1,760,000	\$1,580,000	\$1,820,000	\$1,520,000	\$1,780,000
1996					\$100,000	\$110,000	\$100,000	\$110,000			\$1,640,000	\$1,920,000	\$1,560,000	\$1,840,000	\$1,480,000	\$1,740,000			\$1,540,000	\$1,780,000	\$1,600,000	\$1,840,000	\$1,540,000	\$1,800,000
1995					\$100,000	\$110,000	\$100,000	\$110,000			\$1,660,000	\$1,940,000	\$1,580,000	\$1,860,000	\$1,500,000	\$1,760,000			\$1,560,000	\$1,800,000	\$1,620,000	\$1,860,000	\$1,560,000	\$1,820,000
1994					\$100,000	\$110,000	\$100,000	\$110,000			\$1,680,000	\$1,960,000	\$1,600,000	\$1,880,000	\$1,520,000	\$1,780,000			\$1,580,000	\$1,820,000	\$1,640,000	\$1,880,000	\$1,580,000	\$1,840,000
1993					\$100,000	\$110,000	\$100,000	\$110,000			\$1,700,000	\$1,980,000	\$1,620,000	\$1,900,000	\$1,540,000	\$1,800,000			\$1,600,000	\$1,840,000	\$1,660,000	\$1,900,000	\$1,600,000	\$1,860,000
1992					\$100,000	\$110,000	\$100,000	\$110,000			\$1,720,000	\$2,000,000	\$1,640,000	\$1,920,000	\$1,560,000	\$1,820,000			\$1,620,000	\$1,860,000	\$1,680,000	\$1,920,000	\$1,620,000	\$1,880,000
1991					\$100,000	\$110,000	\$100,000	\$110,000			\$1,740,000	\$2,020,000	\$1,660,000	\$1,940,000	\$1,580,000	\$1,840,000			\$1,640,000	\$1,880,000	\$1,700,000	\$1,940,000	\$1,640,000	\$1,900,000
1990					\$100,000	\$110,000	\$100,000	\$110,000			\$1,760,000	\$2,040,000	\$1,680,000	\$1,960,000	\$1,600,000	\$1,860,000			\$1,660,000	\$1,900,000	\$1,720,000	\$1,960,000	\$1,660,000	\$1,920,000
1989					\$100,000	\$110,000	\$100,000	\$110,000			\$1,780,000	\$2,060,000	\$1,700,000	\$1,980,000	\$1,620,000	\$1,880,000			\$1,680,000	\$1,920,000	\$1,740,000	\$1,980,000	\$1,680,000	\$1,940,000
1988					\$100,000	\$110,000	\$100,000	\$110,000			\$1,800,000	\$2,080,000	\$1,720,000	\$2,000,000	\$1,640,000	\$1,900,000			\$1,700,000	\$1,940,000	\$1,760,000	\$2,000,000	\$1,700,000	\$1,960,000



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