



Equity Owned[©]

Gary Palmer Sep 11 2021

We regularly hear that owning real estate is always a good investment because real estate is an appreciating asset. Airplanes fall into that category as well.

Just like real estate, with airplanes, you can be an owner or a renter.

Used aircraft normally hold their value and often increase so as an airplane owner, you own an appreciating asset. If you cannot afford the entire plane on your own, there are partnerships. As a partner in an airplane, you would own a percentage of an appreciating asset. In the future, should desires change, you can sell your percentage of the plane (hopefully to buy another!)

Whenever you rent a plane, you have nothing but an entry in your log book. That is a good memory, but mostly to you and of little if any value to anyone else.

Flying clubs are something of a middle ground. Depending upon their structure the member might own a tangible fraction of the plane(s). Often the plane is owned by the club, not the members. That makes sense because a member could then sell their fraction plane as they want, within restrictions of the club.

The bottom line is the partnership wet use cost to log 1000 Hobbs hours is \$85/hr compared to a rental at \$170/hr. This includes the partner paying by the tach hour which brings additional savings of between 15 and 25 percent; 1000 Hobbs hours is about 800 tach hours. Ignoring that difference the partner still only pays \$105/hr tach. Reference the [Lower cost Hourly](#) for the details

Doesn't it make sense to pay less per hour as you acquire and own the airplane you fly?