

Five take home tips to closing the sale?

So you made the commitment to buy the plane. Good for you. Commitment is good. But that's just the first part of the process. Buying an aircraft requires a lot of planning, negotiation and money. Deciding and buying, that's just the start.

Let's back track a little and see what got us to the delivery stage. Typically, if the buyer is talking delivery, it's gotten to a pretty serious stage of the buying process.

First, think about the process from the seller's position. You, the buyer, like the aircraft and say you want to buy it... but you haven't sent money, you haven't had the pre-buy and you want the seller to deliver it to your airport? Look, let's get realistic here; it cost money to fly the aircraft, period. If you want to have the aircraft delivered, you have to pay the money.

So that means you are going to have to do one of two things. Go look at the aircraft yourself (and that costs money) or send the seller a deposit so they bring the aircraft to you (and that costs money).

If he brings the aircraft to you and you have pre-buy inspection done, the financial arrangements set up and the insurance in place, he is delivering the aircraft. The problem is cured. If all you are doing is having the plane brought in to look at or inspect, delivery will come later.

Money...that means a deposit.

But how much and when do you send it? So maybe we better back up further. When a buyer decides on an aircraft, there are a number of things to take into account. Me, I like to look at the airplane before I buy it (unless I know it is ugly and the price is very cheap). That means I need to go to where the airplane is and look at it myself. If I am going to look at the aircraft I am not worried about delivery or a deposit. I'm carrying "cash" such as a cashiers check, wiring instructions or literally, "cash". Although, I don't recommend carrying a lot of one hundred dollar bills around, but I have done it. Tip #1, I do recommend carrying a few dollars cash to negotiate with.

If I am going to have the seller fly the aircraft to my shop for my mechanic to look over, I will make a deposit offer. As a buyer I offer a very low deposit. I do not want to put any more money into this than needed. I also feel the seller will tell me how confident they are in the aircraft and it passing the inspection and how they will work with me by accepting a low deposit. Flexibility is important in buying and selling aircraft. If the seller is firm, cold and inflexible at everything I bring up, I usually decide not to buy from them. A seller that makes me feel comfortable is more apt to get my money.

But, let me clarify. As a seller, typically I will ask for at least a five to ten percent deposit or more. That qualifies the shopper as a serious prospect. It also usually gives me enough money to cover the expenses of delivering the aircraft and getting home (this is a variable depending on the distance to deliver and the return costs). As the seller, I also like to negotiate my return trip. I usually make my own arrangements. Every time I let the buyer set me up...(oops, did I say that out loud?), what I meant was set up the return trip, I have been disappointed. I remember once delivering an airplane deep into Louisiana and being promised a ride to the airport to catch the airliner home. That ride was to be in the airplane I delivered or another airplane that was available. What I ended up getting was a long car ride to a bus station with a longer trip in a greyhound bus to the airport where I missed my "standby" flight home. Not even a "ticket", just standby. I was not happy with those results. Wouldn't get by with that anymore. Standby, one-way.... can you say profiled?

It's also important that if you are flying to a location to look at an aircraft, never buy a one-way flight. One-way flights make you commit to buy the aircraft because you need a ride home. The price of a plane ticket is just as cheap or cheaper if it is round trip. Tip #2, whether buyer or seller, make your own travel arrangements and buy round trip tickets.

What to expect.

Once I have sent a deposit, I expect the aircraft to show up and be what I saw in the pictures and read in the copies of the logbooks. If it is not what I was told, I expect my deposit back. If it was everything I was told and I just changed my mind. I should expect to lose the deposit. A deal is a deal. That's why this it is so important to be ready to buy if you get to this stage.

Don't go complaining about spending money looking at the aircraft and losing the deposit if all that was wrong was you changed your mind or the bank didn't come through with the loan. All that stuff should be done and out of your systems before the seller brings you the aircraft. If you are not ready for that commitment, spend your own money and go look at the aircraft and don't make the seller fly all over the country showing the plane.

Once I had a buyer that wanted one of my brokered aircraft that was out of annul. This twin-engine aircraft needed a ferry permit to be delivered. After the pictures, the logbooks and the delivery. The buyer never even came to the airport. He decided he didn't want to buy that model of aircraft. In this case, we went through a number of "hoops" to get the plane delivered on time to his mechanic. The ferry permit, the return trip, the scheduling with the mechanic. I even hired a pilot to fly it to the airport. After all that, he didn't look at the airplane and he wanted his deposit back? We had to get another ferry permit and a mechanic at this new location, a pilot that was qualified in the aircraft and could schedule the flight back and a window in the weather. On a ferry permit we were limited to Day VFR. I did it, but it was at quite an expense. And then the buyer wanted his

deposit back. I don't think so. If he didn't want the aircraft he should have never went to the level of commitment that he did.

Pre-buy inspections.

Usually the pre-buy inspection takes place when the aircraft shows up on your ramp. Remember when we discussed pre-buys? Don't do the pre-buy by yourself. Have a qualified unbiased third party do the inspection. If you are doing the inspection at the seller's location, look for a mechanic that is not involved with the seller or the local FBO's. Tips #3 always have a pre-buy inspection done before the purchase is final. But remember, it is a very cursory, visual inspection and won't find everything.

Show me the money.

After the pre-buy is the time for any final negotiations. Remember the pocket full of cash? If there are any items (gigs) on the airplane that need to be done (cylinder is low, radio doesn't work, etc.) now is the time. If the money is going to be wired, you will negotiate the final price and the rest of the money is wired. If you are carrying a cashier's check, make sure it is for a little less than the purchase amount. Now you have cash to make up the difference. IF there is a price change, you don't have to go to the bank and hope the seller gives you your change. You don't have to wait for the seller to wire back the difference. All you do is pull out the cash and pay the difference. It doesn't always work if there is a huge difference in the prices, but if you stay within three to five thousand (maybe up to ten) it is a great way to save everyone time and hassle.

Tips # 4 always save room for negotiating after the pre-buy.

Taking delivery.

Delivery is more than just getting the aircraft to your home airport. Delivery is exchanging money, signing the papers and starting the insurance. If the aircraft deal is a go. The money has changed hands and the aircraft is now yours, congratulations! If you are qualified to fly the aircraft home, hop in and get on your way. If not, make sure you can get the required instruction and ratings. Usually these are insurance related requirements. So that also means to make sure that you have the insurance in place. If you don't meet the insurance requirements, the insurance won't be any good. If the insurance is not any good, why pay the premium? Just a thought.

If you hire a pilot, make sure they meet the insurance requirements. You'd hate to pay a pro pilot \$300 a day (plus expenses) and have the aircraft involved in a mishap that is not covered. Makes sure the pro, is a qualified pro. Tip # 5 make sure the insurance is quoted and ready to start, prior to the pre-buy and you know what the pilot requirements are.

And one final tip...make sure you do a title search before you buy the aircraft. You don't want to go to all this work and have the aircraft repossessed for something that didn't involve you.