

Jeteffect

Proud to Be Your Favorite Broker

by Tim Kern

Bryan Comstock, Managing Director of Jeteffect, noted that not only is the company he cofounded with George Marburger in 2000 still going strong, “We still have our first employee, who is starting his 15th year. He and the others who have joined us since have been integral at not only growing the company, but having a great time doing it.” Comstock, a pilot with commercial and instrument ratings, spent years writing for publications like *Flying Magazine* (as an intern) and *Business Jet Traveler*, and he still writes a “pre-flown” column for *AIN* (Aviation International News), so he was familiar with the territory as he and Marburger moved full-time into the brokerage business. Marburger flew corporate for several years before entering the aircraft

brokerage business and has an appreciation for what owners and operators face day-to-day.

“We’re brokers, and brokers only,” Comstock said. “Our specialty is buying and selling aircraft for Jeteffect clients. We don’t charter, pump fuel, or manage aircraft. We focus exclusively on serving our client’s aircraft needs. We are brokers in the truest sense, simply meaning that we don’t inventory aircraft, as we want to avoid any conflict of interest, where we could possibly own an aircraft and be listing the same type of aircraft for a client. By strictly brokering, we are never faced with the question of which aircraft to sell the buyer.”

Jeteffect covers all actively traded jets and has recently ramped up its activity into some popular preowned

turboprops, covering all segments, from owner-flown, to medium, super-mids, and large cabin. The mix and pricing are constantly in flux, driven by economic trends on both the supply and the demand sides. The changes in climate can be rapid. “How is something that’s only 5 years old, be down 33% already?” we get asked.

Comstock: “From time to time various aircraft models tend to be overbought and oversold. As a market tightens supply, sellers may feel emboldened and hold out for a higher price. That typically increases the ‘days on market’ counter; as it does, more aircraft find their way onto the market, and inventory increases. Once it reaches a tipping point, prices then correct and buyers step back in. In the current market, buyers control pricing.”

“Right now there seem to be more aircraft than there are buyers and perhaps one reason why our acquisition service has shown a marked increase in the percentage of overall transactions for the last few years,” said Comstock, noting that any depressed segment or out-of-favor model can present a remarkable buying opportunity. Sometimes the abundance of inventory can be overwhelming to a buyer, who then wisely seeks out a buyer’s advocate to handle the acquisition process.

Today’s low oil prices matter. On the one hand, every operator benefits. On the other, buyers can be felt pulling back. “Clearly the oil patch is feeling the pain of low prices and that has far reaching effects. The BRIC nations have definitely pulled back, with the possible exception of India.”

“As the large-cabin segment pricing adjusts we have seen a pullback in the number of transactions, while the light and medium sectors seem to be more active. That said, we have large, medium and super-mid aircraft in prebuy today.”

As with any business, one major sign of health is repeat business, and Bryan is proud to note that, “Many of our clients (we represent both buyers and sellers) have been cultivated since the early 1990s and have become repeat clients. Each year, we continue to build on our following by continuing to advertise in print and on-line, and by communicating directly with owners and operators around the world.”

Jeteffect maintains six coast-to-coast offices. Comstock notes “That allows us a longer work day than many -- from 9:00 a.m. on the east coast to 5:00 on the west. We maintain business offices versus a home office or using ‘free-range brokers’ with a cell phone.” He laughed. “That’s the modern day equivalent of a pay phone and a roll of quarters that used to define ‘bedroom brokers.’”



Co-founders Bryan Comstock and George Marburger, and Senior Vice President Walt Wakefield



Jeteffect has a solid structure for its employees. “We have employees, as opposed to independent contractors. That provides more of a team spirit, which is perhaps why more than half of Jeteffect employees have been with us for more than 10 years.” But the workforce doesn’t get stale, either. “While I feel this [having a strong core of experienced brokers] is a great complement to the company, equally important are the newer team members who bring fresh and innovative ideas to our business.”



Expansion isn’t over, either. Jeteffect has added a couple of mid-Atlantic offices in the past couple of years; Comstock predicts, “Any expansion would likely occur in the Midwest or Northeast areas where Jeteffect does not currently have a presence.”

Jeteffect’s comprehensive services, from pre-buy through closing: researching operating costs, searching worldwide for just the right airplane (or competition), negotiations, closing, and N-number acquisition – everything is detailed on their website www.jeteffect.com, in easy-to-follow bullet-point format, and they actively invite additional questions from active and potential buyers and sellers.

But any good business is always looking at the long game. Still active as a skier and triathlete, Comstock sometimes looks to sports for inspiration. One of his favorite quotes (there are a few variations of this) comes from four-time Olympic Gold Medalist, Yachtsman Paul Elvstrom, who said, “You haven’t won the race, if in winning the race you have lost the respect of your competitors.” Comstock sees the implications in competitive industry, too. “So, while we represent our clients well, we often work with our industry counterparts and try and give them every reason to work with us.”

More: www.jeteffect.com