



EMBRAER 300 COST OF OWNERSHIP

Typical costs of ownership based on outright purchase.

Embraer introduced the **Phenom 300** in 2009. The **Embraer Phenom 300** boasts the largest space in the light jet class, and offers a large rear baggage compartment of 85 cu.ft, that can accommodate golf bags or skis. Couple this with a range of 1,971 nm (3,650 km) and you start to see why this aircraft has built a solid following.

Cost of Ownership (Typical based on outright purchase)

A new Embraer Phenom 300 has a list price of \$8.76m. The cost of a used plane ranges between \$7.0m and \$8.7m.

The total cost of ownership per year of the Phenom 300 is \$1,505,487, including market depreciation of \$350,200 or \$2,030,787 including book depreciation of \$875,500. Both figures include fixed costs per year of \$343,380.

Fixed Costs per Year (Typical)

The fixed costs of the Phenom 300 primarily consist of crewmember salaries and benefits (\$208,000), hangar costs (\$29,700), insurance (hull \$21,888, single limit liability \$11,000), recurrent training (\$26,200), and aircraft modernization (\$20,000). Other costs in the fixed cost figure of \$343,380 include refurbishing, computer maintenance program, navigation chart service and weather service. The details are shown in the table below:

Item	Costs
Crew Salaries - Captain	\$100,000
Crew Salaries - Co Pilot	\$60,000
Crew Salaries - Benefits	\$48,000
Hangar - Typical	\$29,700
Insurance - Hull	\$21,888
Insurance - Single Limit Liability	\$11,000
Recurrent Training	\$26,200
Aircraft Modernization	\$20,000
Navigation Chart Service	\$3,742
Refurbishing	\$18,900
Computer Maintenance Program	\$3,250
Weather Service	\$700
Flight Ops (inc Plans, handling and permits requests)	\$35,000
Total Fixed Cost per Year	\$378,380

Assuming you fly 438 hours per year, this is equivalent to \$784 per hour.

Variable Costs per Year (typical)

The variable costs of operating the Phenom 300 are dependent upon hours operated and nautical miles travelled. Assuming 175,000 nautical miles and 438 hours per year, owners should anticipate variable expenses of \$811,907 annually. The largest of these expenses (almost 70% of the total variable cost) is fuel costs, which are estimated at \$1,292 per hour out of a total variable cost of \$1,854 per hour.

The table below shows the breakdown of the variable costs per hour:

Item	Costs
Fuel	\$1,292
Maintenance Labour	\$68
Parts Airframe/Engine/Avionics	\$82
Engine Restoration	\$288
Miscellaneous Expenses - Landing/Parking	\$20
Crew Expenses	\$70
Supplies/Catering	\$33
Total Variable Cost per Hour	\$1,854

Using the above assumptions, the total hourly cost of fixed and variable would be \$2,638 (= \$784 + \$1,854). The decision to purchase a jet outright rather than a jet card or fractional ownership is one that should be made carefully after considering not only the costs, but also how you will use the jet and whether it will meet most of your flying requirement.