

# FRACTIONAL JET OWNERSHIP

# EXPLAINED

*An informative guide for  
achieving your dream of  
personalized private  
aircraft travel.*

A thought-leadership white paper from AirSprint.

**08 / 2021**



**AirSprint**  
PRIVATE AVIATION

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Fractional Jet Ownership Explained | *An informative guide for achieving your dream of personalized private aircraft travel.* | August 2021  
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# EXECUTIVE SUMMARY

According to aviation market research firm JETNET iQ, the benefits of private aircraft are more apparent in 2021 than ever before.

Business people and high-net-worth individuals have long known that private aircraft are time machines, transporting them to large and small destinations quickly, safely and efficiently—with the capability to work, sleep or entertain along the way. As the world emerges from the COVID-19 pandemic, private aviation is leading the aviation industry recovery, as more people look for safer and more flexible ways to travel.



Embraer Legacy 450 | Afternoon departure from Toronto Buttonville Municipal Airport (CYKZ) - photo credit: Victor Mo.

"Demand for professionally managed flight services—including whole aircraft management, fractional ownership, membership, jet cards and charter—has accelerated through the COVID-19 crisis and continues unabated," according to the JETNET iQ Pulse<sup>1</sup> newsletter dated July 1, 2021. In fact, "Fractional and charter flight cycles this year have already surpassed the high levels of 2019."

No one is disputing that sharing and renting aircraft has become increasingly popular. According to business aviation journalist Doug Gollan in Forbes<sup>2</sup>, Argus TRAQPak's 2020 business aviation report pointed to some interesting data.

"The result was that for the first time since Argus has been tracking data, the share of fractional and charter flights made up the majority of the industry, accounting for 52.5 per cent of flight hours<sup>3</sup>, up from 43.7 per cent in 2012 and 48.5 per cent in 2019. In other words, renting and sharing are beating full ownership," wrote Gollan.

Within the private aviation sphere there are a few different options: charter, jet cards, full ownership and fractional ownership.

Chartering an aircraft involves hiring a plane and crew on an as-needed basis. The type of aircraft will vary, as will the crew, and experience and operator qualifications can be different from one operator to the next.

Jet card programs are similar to charter, but customers pay in advance in return for a fixed hourly rate and guaranteed availability within a prescribed notice period.

Just as it sounds, whole ownership involves an aircraft that is wholly owned by a company or an individual and operated in-house or by an aircraft management provider.

In this paper, we'll take a deep dive into the AirSprint Fractional Jet Ownership model: what it is, how it works, who is the "ideal" customer, what it costs and an overview of the benefits.

1. JETNET iQ, "JETNET iQ Pulse," July 1, 2021 - Issue 32, Page 6, <https://www.jetnet.com/assets/uploads/iq-pulse/JETNET%20iQ%20Pulse%20-%20July%201%202021.pdf>

2. "2020 Saw These Big Changes For Private Jet Travel. Will They Stick?" Forbes, <https://www.forbes.com/sites/douggollan/2021/02/10/2020-saw-these-big-changes-for-private-jet-travel-will-they-stick/?sh=720fd9e04411>

3. "Biggest Private Jet Operators of 2020 led by NetJets, Flexjet, Wheels Up and Vista Global," Private Jet Card Comparisons, <https://privatejetcardcomparisons.com/2021/02/09/biggest-private-jet-operators-of-2020-led-by-netjets-flexjet-wheels-up-and-vista-global/>



# FRACTIONAL OWNERSHIP

## INTRODUCTION TO FRACTIONAL JET OWNERSHIP

According to a paper<sup>4</sup> from Embry Riddle Aeronautical University entitled “The Evolution of Fractional Ownership: A Literature Review,” fractional aircraft ownership in its current form dates back to 1987. When established, the aim was to “combine the flexibility of chartering with the advantages of ownership.”



Essentially, fractional owners purchase a share of a new, professionally managed aircraft—typically sold in multiples of 1/16<sup>th</sup>. They must also sign a multi-year management fee agreement covering things like pilot salaries and crew training, insurance, maintenance, hangarage and any administrative paperwork. Finally, they are charged an hourly rate for the time spent on-board.

In return, they are allocated a set number of flight hours per year. One of the key benefits of fractional ownership programs is that in addition to their particular aircraft, these owners also have guaranteed access to a fleet of identical aircraft, with a prescribed amount of notice.

This allows them to reap the benefits of whole aircraft ownership without having to deal with the intricacies and related costs of day-to-day operations.

## THE AIRSPRINT FRACTIONAL JET OWNERSHIP MODEL

Founded in 2000, AirSprint is the Canadian authority in Fractional Jet Ownership.

It is the fifth-largest<sup>5</sup> Fractional Jet Ownership provider in North America by number of flight hours, offering the continent's newest fleet of aircraft. AirSprint's Owners travel in eight state-of-the-art Embraer Praetor 500/Legacy 450s, six Cessna Citation CJ2+ and five Cessna Citation CJ3+ aircraft.

The Calgary-based company has achieved the ARGUS Platinum Rating, the highest safety rating in business aviation, reflecting its spotless record and unfailing commitment to safe operations.



**Top Image** | Embraer Praetor 500 arriving in Calgary, Alberta (CYYC) - photo credit: James Kelly. **Bottom Image** | With AirSprint, your share of a jet is based on the number of annual hours you would like to fly with shares beginning at 25 annual hours and increasing in increments of 25.

4. "The Evolution of Fractional Ownership: A Literature Review," Embry Riddle Aeronautical University, Volume 10, Article 7, Winter 2001, <https://commons.erau.edu/cgi/viewcontent.cgi?article=1277&context=jaer>

5. "The Largest Fractional Aircraft Operators in 2020," SherpaReport, <https://www.sherpareport.com/aircraft/largest-fractional-aircraft-operators.html>



# FRACTIONAL OWNERSHIP

## THE AIRSPRINT MODEL HOW IT WORKS

At AirSprint, Fractional Jet Ownership is tailored to the unique needs of our Owners. There are two options: a Capital Purchase or a 5-Year Lease program.

Regardless of your choice, aircraft access is identical—so you can choose the option that best meets your needs.

### Capital Purchase Ownership Option

There are three key numbers to remember with this option:

1. **The Purchase Price of your fractional share:** Your investment will depend on how many hours you expect to fly. For planning purposes, AirSprint allocates 800 hours of available annual flight time to the entire aircraft. That amount is then divided into 25-hour increments that are available for purchase. Ownership options start at a minimum of 25 annual flight hours (a 3.125 per cent share of the aircraft), and increase in increments of 25 hours annually, depending on Owner requirements. Owners have title to the aircraft and enjoy access to the entire AirSprint fleet. They can use their hours any time during the year, and they can exit the program at any time, retaining the residual value of their share.
2. **The Annual Overhead Fee:** This covers fixed costs such as crew salaries, insurance, storage and maintenance. This fee is discounted as ownership level increases, so if you opt for 50 hours you will get a nine per cent discount and with 75 or more hours, you will get a 17 per cent reduction in the Annual Overhead Fee.
3. **Occupied Hourly Rate:** This is the rate paid for time spent on the aircraft. Unlike a regular charter, Owners never pay for positioning or repositioning the aircraft – enabling them to access the airports that are most convenient for them. And, since AirSprint is a Canadian company, this rate is billed in Canadian dollars.

About 80 per cent of AirSprint Owners are enrolled in the Capital Purchase ownership option.



**Corporate Private Jet Travel** | AirSprint is a discreet way to travel, providing the security and sense of privacy that only comes with owning a jet.



**Personal Private Jet Travel** | With AirSprint, you'll never miss an important celebration, family weekend or event you've just got to get to.



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## 5-Year Lease Ownership Option

The second option is a 5-Year Lease (fixed-term) that can be extended annually following that initial period. Once again, actual costs will depend on how many hours you expect to fly annually, in 25-hour increments.

### Here is how the lease option works:

1. Instead of an initial purchase cost, there is a deposit that is refundable at the end of the lease term, along with an annual lease payment.
2. Similar to the Capital Purchase option, there will be an Annual Overhead Fee which covers your aircraft's fixed operational costs, with the opportunity for discounts as you increase your yearly flight hours package.
3. Finally, there is the occupied hourly rate, charged only for the time spent on board the aircraft. As with the Capital Purchase package, Owners never pay for aircraft positioning and operating costs are billed in Canadian dollars.



**AirSprint's PureSpace** | A comprehensive protocol for personal safety and enhanced aircraft cleaning for a greater peace-of-mind, [learn more](#).



**Aviation Is Their Passion** | AirSprint was the first, and 20 years on, their team continues to deliver a private aviation experience above all others.



Regardless of which option you choose, AirSprint's Fractional Ownership program offers you the freedom and flexibility of having your own private jet on call, without the hassles of administration and full ownership.

**Your success has been earned over time. Now, you can live every moment to the fullest in your own personal time machine.**

To learn more, join Scott Wenz, AirSprint's Vice President of Sales & Marketing, for our "*Understanding the Numbers*" [video](#).





# FRACTIONAL OWNERSHIP

## THE COST OF OWNERSHIP

### Curious about the cost of Fractional Jet Ownership?

Explore your options [here](#) by answering six simple questions about how you plan to use your jet. In moments, you'll see pricing packages tailored to your needs.

01

Type of Inquiry

02

Type of Travel

03

Departure Location

04

Type of Aircraft

05

Type of Ownership

06

Annual Hours

## IS FRACTIONAL JET OWNERSHIP FOR YOU?

*"Financially speaking, the "sweet spot" for Fractional Ownership is between 25 and 250 hours of annual flight time."*

If you intend to fly less than 25 hours a year, on-demand charter may be your best option. On the other hand, if you expect to fly more than 250 hours in a calendar year, you may wish to purchase your own aircraft.

### Consider these proven Fractional Ownership benefits:

- **Safety:** This is the number one reason to choose Fractional Ownership. From a safety perspective, AirSprint is similar to the airlines, with standardized training for its over 90 full-time pilots. Pilots are never cross-trained on other aircraft types and flights are always crewed by a captain and a co-pilot. In addition, a duty pilot reviews each flight plan before the trip is dispatched for an additional layer of safety. In fact, fractional flying has been proven to be 10 times safer than regular aircraft charters.
- **Guaranteed Access:** Owners can fly anywhere in North America with as little as eight hours' notice, perfect for last minute meetings or business deals.
- **Productive Travel Time:** When you fly commercially, you can't discuss sensitive business matters. AirSprint Owners can take advantage of their "boardroom in the sky" to work while they travel.

[continued >](#)



**AirSprint's Jet Collection** | Eight Embraer Praetor 500s/Legacy 450s, six Cessna Citations CJ2+ and five Cessna Citations CJ3+ (as of August 2021) - photo credit: Adriana Bernal.



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Fractional Jet Ownership Explained

# FRACTIONAL OWNERSHIP

- **Keep It Confidential:** When you fly on our jets, they simply say "AirSprint." No one knows who is on board, so your confidentiality is maintained.
- **Don't Pay For Positioning:** Fractional Owners only pay for their time on board – they never pay for the aircraft to be positioned or re-positioned.
- **Personal Service:** Your AirSprint Personal Flight Concierge is available 24 hours a day to help book your aircraft and arrange every detail of your experience, from catering to ground transportation and accommodation.
- **Empty Leg Discounts:** Owners can hop on advertised "Empty Leg" repositioning flights for half price.
- **Right-size your ride:** Need a bigger jet for a particular trip? No problem. AirSprint Owners can move up or down in jet categories as needed.
- **Canadian Currency:** All operating costs are billed in Canadian dollars.
- **Point-To-Point Travel:** Experience a true North American solution—our passengers are aircraft Owners, so AirSprint falls into a unique Fractional Ownership category with Transport Canada. This allows us to access a greater number of destinations under private flight regulations, while at the same time adhering to strict commercial standards.

*"With guaranteed access to North America's newest fleet of fractionally-owned aircraft, AirSprint Owners enjoy the flexibility of their own personal time machine—a smart business tool that drives organizational growth while enabling effective time management."*



**Embraer Praetor 500, AirSprint's Newest Jet Type** | With best-in-class speed, best-in-class range, and best-in-class cabin altitude, you will save time—work while you travel or lay back and relax.

If you're flying for personal reasons, your jet becomes indispensable for quick connections with family and friends.

Read on to hear from one Owner who uses his jet to bring family together, enabling precious time with children, grandchildren and close friends.





## CASE STUDY: AN OWNER'S EXPERIENCE

*"Once you're on board and you experience it, you're hooked. I looked at charter, fractional, did all my homework. You're not going to find a better value than AirSprint."*

### Brian Rogers

*AirSprint Fractional Owner*

**Jet Type:** Cessna Citation CJ2+

**Annual Hours:** 100

**Owner Since:** 2014

Brian Rogers is a self-described "truck driver, farmer and oilfield guy" who loves to drive. He's the proud owner of an exotic car collection, but his wife, Brenda, says they'd get rid of the cars long before they'd turn in their airplane.

The Calgary couple discovered Fractional Ownership in 2014, when a friend flew them to Phoenix, Arizona on his AirSprint jet. They were so impressed that they bought a 75-hour fractional share in a Cessna Citation CJ2+.

Initially, Brian used it to travel to his business in northern Alberta. Shortly afterwards, he sold that company, and the Rogers bought a second home in Kelowna, B.C. Once again, the private jet proved its worth.

"It's a 45-minute flight versus a 12- to 16-hour drive through the mountains," said Brian. "We made the drive a couple of times during the peak of COVID, but we said we'd never do it again. You can be delayed on that road for hours due to a storm, an accident or a slide."

The Rogers have two children – a daughter in Calgary and a son in Victoria, along with two granddaughters in Calgary – so the jet has become an indispensable tool for uniting the family.

"One thing that spurred us on was our kids," said Brian. "We didn't want them on the highways, either. The jet is the best way to move them around, especially the little ones."

While grandchildren are always welcome on board AirSprint aircraft, the team is happy to accommodate four-legged family members, too.

"When we got the share in the jet, AirSprint took us for a test spin. We left Calgary with our dog to see how she would fly; she's 14 now, and our cat comes along sometimes, too. Not only are we always greeted by name when we fly with AirSprint, but when we book, they will ask if Molly the dog and Ducky the cat will be coming for the ride."

Traditionally, Brian and Brenda enjoy a coffee with Baileys Irish Cream during a flight, and AirSprint makes sure everything is stocked and ready to enhance their on-board experience.

[continued >](#)



One of AirSprint's most popular destinations is Kelowna, BC and the surrounding area. In 2019 alone, there were more than one thousand flights booked in and out of this sunshine destination.



# FRACTIONAL OWNER

No request is too small – the Rogers says AirSprint never disappoints when it comes to catering, transportation arrangements or even vehicle detailing.

But while all of those special touches are appreciated, Brian said the main benefit of Fractional Jet Ownership is the ability to help family and friends in need.

One time, they brought the ailing friend of a friend back to Kelowna with them. He was unable to fly commercially but needed to get home from Palm Springs.

On another occasion, their niece's husband was involved in a serious motorcycle accident in the U.S.

"AirSprint was called around 6 p.m. that night and they looked after everything. They got Customs to meet the plane and my niece actually got to the hospital in time to see him coming out of surgery."

Brian has even used the aircraft to bring his elderly aunt home from a Phoenix hospital.

"When we started, I thought 75 hours would be lots," he recalled. "In the first year, we hit 103 hours. I had to up my fractional share."

Initially, he wondered if the value of having an aircraft would justify the cost of Fractional Ownership.

*"The big question was always the cost. I wanted to see value, but it didn't take us long to understand the value. We can get up in the morning and I can phone AirSprint. They go above and beyond and guarantee us a jet within eight hours. We wanted to keep the house in Kelowna but still see the kids in Calgary. The jet makes it all possible."*

.....

Brian said not only would he join the program again, but he's trying to recruit others as well.

"Once you're on board and you experience it, you're hooked. I looked at charter, fractional, did all my homework. You're not going to find a better value than AirSprint. With charter, you'll get pilots you don't know, who look at you as a one-time customer. At AirSprint, they know they will see you for a hundred hours a year. There is a real personal touch.

"I'm not going anywhere – AirSprint has bent over backwards for us. Plus, my wife would kill me if I got rid of the plane!"



# FRACTIONAL

## OWNERSHIP

### FRACTIONAL JET OWNERSHIP

## Q & A

#### What if my plane isn't available when I want to fly?

At AirSprint, Owners have guaranteed access to our entire fleet of aircraft with as little as 8 hours' notice. You will be booked on an equivalent or greater aircraft every time.

#### What happens if I over-fly my annual flight hours?

If you exceed your annual allocated flight hours by 25 per cent or less, your service level and costs will not change significantly. You will have three options:

1. You can pull forward up to 15 per cent of next year's hours and pay the usual Occupied Hourly Rate (plus fuel surcharge, if applicable), knowing your hours will be reduced next year;
2. You can add Courtesy Hours (up to 10 per cent of your annual hours) and pay the Occupied Hourly Rate plus a supplementary management fee for each hour used. This option keeps next year's hours intact; or,
3. You can add 25 or 50 hours to your previous purchase if you're flying pattern is higher than expected.



**Embraer Praetor 500** | Impressive corner-to-corner aircraft that can quickly and efficiently span North America, [learn more](#) - photo credit: Franklyn Wilson.

#### What happens if I do not fly all my hours in one year?

If you under-flew your annual hours, you do not lose them – they roll into the following year. For example, if you had a 100-hour share and only flew 90 hours in your first year, those 10 unused hours are then carried over to the next year. The following year, you'd fly your 10 unused hours first (still just paying the Occupied Hourly Rate) before utilizing your new block of 100 hours. There is no limit on how many hours you push into the following year; however, keep in mind that you need to fly them the next year, or they're lost.

#### Are there any additional charges?

The only additional fees would result from fuel surcharges, if any. A portion of your Occupied Hourly Rate covers fuel for the aircraft—and is set at a base rate of \$1 CDN per litre. If the fuel price exceeds that allocation, you will be billed for the difference—but this only applies to your hours flown. If you don't fly, you won't be billed.

[continued >](#)



**Embraer Legacy 450** | Sets the standard for mid-size aircraft, delivering you an unmatched experience delivering you to your destination, [learn more](#) - photo credit: Kent Matthiesen.



# FRACTIONAL OWNERSHIP

## How do I know AirSprint is a safe operation?

We've been flying since 2000 and have maintained a spotless safety record through hard work and meticulous dedication to your flight's every detail. Our Captains have an average of 6,000 hours of flight experience and First Officers have typically accumulated 3,000 hours. In fact, our company was founded by pilots and lawyers, two naturally risk-averse professions! Finally, AirSprint is an approved OEM service centre for both Textron Aviation and Embraer, and we are proud to hold the coveted ARGUS Platinum safety rating, the hallmark of excellence in business aviation.

## I live in Quebec and AirSprint is headquartered in Calgary. Can I still join your program?

Absolutely. Our team services Owners from St. John's to Victoria and all points in between. We will bring your jet to you!



**Cessna Citation CJ3+** | Light-jet efficiency and flexibility meet mid-size jet performance, range and comfort, [learn more](#) - photo credit: Luis Angel Hernandez.



**Cessna Citation CJ2+** | High-efficiency paired with classic-style and comfort - it presents lower operating costs without sacrificing one bit of comfort and reliability, [learn more](#) - photo credit: James Kelly.

## What is the anticipated future outlook for Fractional Ownership and AirSprint?

Our track record since 2000 shows we are here for the long haul. In September 2020, AirSprint was included in The Globe and Mail's Top 400 list of Canada's Top Growing Companies. Over the last 18 months, AirSprint has seen a surge of interest in Fractional Jet Ownership, which has translated into a 40 per cent increase in Owners. We expect flight activity to heat up this Fall, especially once the U.S. border reopens. To prepare for this busy time, we are taking on new jets, hiring staff and making operational upgrades to maintain our renowned level of customer service.

## I am interested. What is my next step?

At AirSprint, we are here to provide information without obligation. We would love to speak with you to determine if your needs align with our solutions. Our private aviation experts are standing by, please [contact us](#) today or feel free to call [1.877.588.2344](tel:18775882344).





# CONCLUSION

While there are many benefits to Fractional Jet Ownership, the most important is safety. No matter your destination or what type of aircraft you are travelling on, there is no room for error in aviation. Since it was founded in 2000, AirSprint has prioritized safety as the single most important pillar supporting the entire company.



From our professionally trained and highly experienced pilots to our exceptional maintenance team—and from the dispatchers who meticulously plan your flights and the duty pilots who oversee them—your safety is our highest priority.

AirSprint holds the coveted ARGUS Platinum rating, placing it within the top five per cent of world-class aviation operators. Our dedication to quality shines through in everything we do, and our spotless safety record speaks for itself.

In addition to safety, Fractional Ownership ticks all the boxes when it comes to private travel:

- **Convenience:** Aircraft are guaranteed in as little as eight hours.
- **Customization:** Enjoy the services of your own Personal Flight Concierge.
- **Discretion:** No one knows who is travelling aboard an AirSprint jet.

Ad hoc aircraft charters are fine for once in a blue moon. But Fractional Ownership delivers so much more. Isn't it time you experienced the convenience and advantages of ownership without the unwanted complications of managing your own jet or researching your charter options?

Best of all, AirSprint handles all the planning—all you need to do is sit back, relax and enjoy the rewards of discreet and secure private travel. Choose the most convenient destination for you and maximize your valuable time while avoiding long airport lineups or baggage claim delays. Plus, flying private allows you and your family to reduce your exposure to COVID-19 and other viruses as you travel point-to-point with our truly North American solution.

As the world emerges from a global pandemic, now is the time to experience the safety, security and comfort of Fractional Jet Ownership. Contact AirSprint today to learn more!



**Top Image** | AirSprint Embraer Legacy 450 positioned for departure at Springbank Airport (CYBW) - photo credit: Adam Fallwell. **Bottom Image** | AirSprint Embraer Legacy 450, full flat-bed seats and exclusive catering options.



# VALUES

## LIVING OUR VALUES

**Safety >**

Safety is our first priority; nothing is more important.

**People >**

We foster relationships with all stakeholders through respect and fairness.

**Service >**

We deliver exceptional customer service through a passionate pursuit of excellence in everything we do.

**Integrity >**

Our actions are guided by integrity, as the long-term rewards are incalculable.

**Humility >**

We are our own toughest critic and strive to improve in everything we do.

**Community >**

We will be a good corporate citizen and give back to the communities in which we work and live.

### Questions about Fractional Jet Ownership?

WE'RE HERE TO EXPLAIN THE PROCESS:

**AirSprint Private Aviation**

AirSprint.com

[FlyASP@AirSprint.com](mailto:FlyASP@AirSprint.com)

[1.877.588.2344](tel:18775882344)

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