

# Private jet fliers are facing increasing delays, cancellations and lack of available flights

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Private jet fliers are facing increasing delays, cancellations and lack of available flights as the industry struggles to serve a record number of new fliers, while facing supply chain troubles.

July was the busiest month ever for private jet flights, with more than 300,000 flights, according to Argus International. While business usually cools in the fall, September saw nearly 300,000 flights and Argus projects October's pace will break the July record.

The flood of new private jet customers — driven by health concerns during the coronavirus pandemic and the rapid creation of wealth — is now taxing an industry geared for slower growth. A shortage of new and used planes, delays getting aircraft parts, crew and pilot shortages, catering snafus, and air traffic problems are combining to create a growing number of delays and cancellations, according to industry executives.

Customers who paid five or six figures for their dream flights are now learning that even private jets encounter delays and logistics problems.

"These are people who spent \$200,000 and they want perfection," said Doug Gollan, founder of Private Jet Card Comparisons, a website that reviews jet card programs.

A Private Jet Card Comparisons survey of private jet fliers found that more than 20% had experienced a service issue in recent months.

## Shortages ripple through the system

Industry executives say the main issue is a lack of aircraft. People who own private jets and usually hire them out for charter are using the planes more often themselves, leaving fewer available for the charter market.

Fractional owners are also using their planes more. The supply shortage is feeding through the entire private aviation system, from charter companies and jet management companies to brokers and operators. The inventory of used planes is at all-time lows, and private jet makers Bombardier, Textron and General Dynamics' Gulfstream have all raised production to meet demand.

Pilots are in short supply as well. Many retired or dialed back during the Covid-19 pandemic, and with the commercial airlines aggressively hiring, private jet companies and owners are scrambling to find pilots. Finding cabin crew is also becoming difficult and costly.

Shortages and delays are also hurting the availability of aircraft parts, which means that repairs that should take a day or two are now stretching for a week or more, taking more planes out of circulation.

Wheels Up, which started trading as a public company this summer, just launched a new Pilot Employee Equity Grant to try to lure and retain more pilots. The program provides equity to full-time and part-time pilots on its seniority list as of Aug. 31, and new pilots hired after Sept. 1 will be eligible.

Even catering has become a source of customer complaints. Private jet customers typically call in their catering order a day or two before the flight. But many of the new fliers are calling it in the night before, which has created a mad scramble for the caterers trying to source and make the meals — and line up the right wine or spirits — that clients are requesting.

“Say you’ve got a client who ordered Belvedere vodka and the caterer couldn’t only get Grey Goose,” Gollan said. “So the customer gets on the plane and he’s ticked off that he’s paying all this money and saying “why didn’t I get my Belvedere vodka?””

### **Turning away new business**

The cascade of problems has led some companies to halt sales and new customers. Sentient Jet just stopped sales of jet cards as of midnight on Sept. 30, saying it wants to focus on its existing customers.

NetJets has halted sales of jet cards, fractional shares and leases for light cabin aircraft — like the Citation XLS and Phenom 300. The company said flight demand is the highest in its 57-year history, averaging 500 flights a day compared with under 400 in 2019.

“The vast number of flights is taxing the air travel infrastructure in ways we haven’t seen in years,” the company said. Pausing light jet sales, along with other restrictions on card buyers, “allows the company to continue prioritizing what is most important — delivering the best possible experience to all owners.”

Concerns about rising costs and lower margins are squeezing some private jet operators and companies. Wheels Up’s share price has fallen by more than 40% since its peak in July, in part because of analyst concerns over margins.

Wheels Up said it “is uniquely positioned to service our members and customers in the current environment with our fleet of owned, operated, managed and third-party partner aircraft.”

The big question is whether the more than 10,000 customers who started flying private for the first time during the pandemic will stick around if the problems continue to mount. Gollan said that while customers may complain about service issues, none of the 300 it surveyed said they planned to go back to commercial airlines.

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