I'm thinking of selling the airplane I built.” These words often cause negative reactions among homebuilders. Selling an airplane that you have invested a portion of your life in is not the same as selling a factory-built airplane. The building process is not only an investment of time and money, it involves strong emotions—initial uncertainty perhaps, but later pride and confidence from the sweat and dedication that building your own airplane requires.

Building an airplane creates emotional attachment, a connection between you and the physical machine that takes on your character. The thought of parting with this is almost unthinkable. However, other factors may come into play after you have been flying the love of your life. Financial considerations may motivate you, or if you loved the building experience, you may long for a chance to build again.

Selling a homebuilt includes risk. “Forget it. You should just chop it up into hundreds of pieces so nobody can sue you,” was one of the comments I heard at a recent EAA meeting. I know a Kitfox builder who claims he won’t even fly his airplane when he finishes it. He’s going to tie it to a tree, have a big party in the yard, get in the airplane and start it for the first and only time, then give it to a museum. While this is an extreme, it illustrates the apprehension of assuming liability for the airplane’s future.

Such apprehension need not be overwhelming. If you took the time and energy to build your homebuilt with the

Talking to prospective buyers is a big part of marketing your aircraft. Patience and a ready supply of flyers are essential.

disciplined precision of most builders with an EAA technical adviser overseeing the project, and if you followed FAA requirements, you should be in fine shape.
Prospective buyers review the spec sheet.

number represents the combined weight of the sell decision, and the second represents the combined weight of the keep decision. If the scores are a few numbers apart, you have a very tough decision to make. If they're lopsided, the decision will be clear. In any case, once you have conducted this analysis, you will be more confident in your decision and less likely to second guess yourself.

Determine a Price

OK, so the numbers came out heavily in favor of selling. Next you have to figure out your selling price.

Some homebuilders assume they can sell their creation for much more than they paid to build it. After all, look at the build hours that went into the airplane. Look at what a production plane with the same perfor-

Should You Sell?

Why are you considering selling? Do you really want to? What are the consequences? Will you regret the decision?

Make a do/don't comparison. Take a blank sheet of paper and divide it into four quadrants. In the first quadrant write Selling Pluses. Do some brainstorming and list every positive aspect about selling your airplane: no hangar rent, finance payment, maintenance or jealous spouse. Ask friends to help you with this process; sometimes they will think of something you didn't. To the right of each item, put a number—1 through 5—depending on how important the item is, with 5 being the most important. This is your weighting scheme, and it will ensure that the really important reasons get the most attention.

In the second quadrant, write Selling Minuses. Do the same thing you did in the first quadrant. Brainstorm every reason you can think of for not selling the airplane. After writing all of them down, assign each a number from 1 to 5 as you did in the first quadrant.

In the third quadrant, write Keeping Pluses. Go through the same sequence you did with the first two. Finally, write the Keeping Minuses in the fourth quadrant of your page.

Redundancies in the lists are OK. Doing the matrix this way ensures that you capture every reason, and the psychological subtleties of keeping versus selling may alter your scores.

Once you have completed the exercise and reviewed your lists for completeness, add up the scores in each quadrant. Then total quadrants one and four and quadrants two and three. Circle these two numbers. The first

Does this mean you won't encounter legal trouble up the road if someone is injured in your creation? No. Our litigious society demands that we do everything possible to protect ourselves, but taking these steps won't guarantee immunity. The risk should be factored into your decision. If you have a lot to lose, consider this risk very carefully. For most of us who struggled with the financial demands of completing a homebuilt, the risk is quite low.
Selling Homebuilts

If possible, conduct an annual condition inspection while the new owner observes.

Maintenance costs brand new. Such builders are in for a shock. The truth is, most homebuilts sell for about what they cost to build.

Some buyers shy away from a homebuilt, primarily for two reasons. First, they are uncertain how to determine the quality of the job you did building your airplane and fear there might be something wrong with it. Second, they are uncertain about how they will maintain the aircraft, since you have the repairman’s certificate. Will any A&P work on a homebuilt? Many will, but some won’t for liability reasons. Prospective buyers know they may have to spend extra time finding someone qualified to work on the airplane although legally, the new owner has the right to perform all maintenance on a homebuilt (excluding special equipment such as certified engines and systems required for IFR flight).

The flip side is that most buyers realize they are getting a good deal when they purchase a homebuilt aircraft. For a fraction of what a production aircraft would cost, they are often buying nearly new, thoroughly tested, state-of-the-art machinery. Many homebuilts sport more modern airframes and avionics than are used in production planes. Many homebuilts include custom interiors and beautiful paint schemes. In short, many of these airplanes were built with TLC and have amenities that aircraft owners crave.

To determine your price, talk with fellow builders. Some who have sold will not share this information, but I have found that most will—they know it helps future sales. And it doesn’t hurt to start high. Total all of the costs of building, add 10% (or more if you’re brave), and start there. Check aircraft shopper catalogs to see if your model of airplane is listed. Also check with the factory that provided your plans or kit. The staff will probably know of some resales. Lastly, check with the builders’ association if your airplane has one.

Find Your Buyer

How will you advertise your airplane? First, if you have a computer and scanner, create a spec sheet with two or three of the best photos of your aircraft. Preferably, these will include one side view, a panel or cockpit shot, and one of the airplane flying. Include all of the special things you added to the project. Then go to a good copy store like Kinko’s and have 100 color copies made. Yes, it’s expensive, but consider what you spent on your airplane.

Second, think about who your target buyers are. When I was thinking about buying, it was right after I had obtained my license. I was open-minded and wanted to use my new piloting skills in something efficient and fast. I quickly decided that a homebuilt was the way to go. Post your flyer at the local FBO and at as many airports as you can. Drop them at flight schools and crew-supply stores. Distribute them to pilot friends and to your flight instructor. Tell them that if the plane sells as a result of their referral, you will give them a cash finder’s fee.

Consider advertising in one of the aircraft sales cata-

logs. Most of them have a section for homebuilt aircraft, but, depending on your airplane, you might want to list it in the regular production aircraft section. Why? Because most buyers won’t look in the homebuilt section. You want your creation to stand out among the factory-built airplanes.

List your plane with some of the Internet online shopper services. Next to posting your flyers at FBOs, this is one of the best ways to find your buyer. Listings are extensive, and the prospective buyer can e-mail you instantly with questions or to arrange a demo flight. These services are also quite inexpensive.

Lastly, fly your plane to EAA fly-ins. Sun ‘n Fun and Oshkosh draw thousands of people with your interests, and many people shop there for what they want to build or buy next. Have plenty of flyers available along with a large reserve of patience. Remember that you were once hounding others with questions and drooling over their aircraft.

Showing Your Plane

You have interested buyers: What next? First, answer questions with patience, and determine if they are serious. The questions they ask will tell you if they have done any research prior to talking to you. They should have a good idea of your homebuilt’s operating specifications and might even know (and should, really) everything in the manufacturer’s literature. If they seem ignorant, be wary.

When I was selling my homebuilt, I got a call from a young man who was enthusiastic on the phone but did not know much about a Pulsar. He asked questions like what was composite, how many passengers would it seat, and did it have retractable gear. Despite my misgivings, I allowed him to make an

Rick Thomason (left), Don Kovacs and Myron Trux, perform a detailed inspection on a homebuilt prior to sale.
appointment to see and fly in my airplane. He showed up on a new and very fast motorcycle with two friends bringing up the rear in a Corvette. "We are going to purchase the airplane as a group," he said.

I took each of them for a 30-minute flight along the beautiful Florida coastline, with gentle winds, unlimited visibility, and blue ocean rippling over the fish-filled reefs. It was immediately apparent that none of my buyers knew anything about piloting. They thanked me profusely upon our return to the airport, and I never heard from them again.

Lesson learned: Tell prospective buyers that you will be pleased to give them a demo flight, but it will cost them $25 (or whatever seems reasonable). This is expense sharing, not collecting money for hire, and it can be deducted from the sales price should they consummate the purchase. This will weed out the thrill-seekers. Although we all get a kick out of the grin the passenger wears as we pilot them in our airplane, why incur the wear and tear and time unless the person is really interested? Also, when you demo your aircraft, you might want to have the passenger sign a waiver for the flight in case anything goes wrong.

Think through what you are going to do on your demo flight and where you will fly. If you allow the prospective buyer to take the controls (I recommend giving them a chance to see how the aircraft handles), make sure you are in a low-traffic area, and do lots of scanning before allowing them to fly. Your passenger will be looking everything over and might be less than vigilant about other aircraft in the vicinity. Don't make the flight too long; what the buyer's appetite!

Avoid flying a demo in poor weather or on gusty days. Never mind that the prospective buyer has flown all the way from Timbuktu. Take extra time in preflighting, and fly the airplane first before the appointment if you're rusty or if you just performed maintenance.

Familiarizing the new owner with systems and operation of the aircraft will help avoid problems later on.

Follow up the next day with prospective buyers to see if they have any more questions. You will probably know right away whether there is serious interest.

Now you have someone who wants your airplane. You think it's all downhill from here, right? Think again! What happens next could make or break the sale.

Evaluate the Buyer

Someone wants the plane, you sell it, end of story. Well, not if you are faithful to the relationship between your airplane and its new owner. Is this the type of person who can make minor repairs to the aircraft? Does the new owner understand the systems that operate it? Is he or she able to handle its flight characteristics?

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Selling Homebuilts
continued

You owe it to yourself and the homebuilt community to find a good fit for your airplane. Michael Johnson is
the proud new owner of Lisa Turner's Pulsar.

You should fully address a buyer's concerns. If not, the relationship will not be good, and the buyer could end up unhappy, unsafe or both. Even though it will be out of your hands after the sale, you owe it to yourself and the homebuilt community to find a good fit for your airplane.

A&P Inspection

Nearly all buyers will want to have the airplane inspected by someone else, preferably an A&P or IA. The buyer will probably want to choose this person to ensure impartiality. There is only one flaw in this plan. Some A&Ps may refuse to inspect a homebuilt. When they sign off on documents for an aircraft, they take personal responsibility for their inspection. Because they cannot be certain of the quality of the builder's workmanship, some refuse to invite the risk. Before this stage of the sale arrives, search out two or three A&Ps who are willing to do the inspection on your airplane. [Even if the buyer uses an A&P suggested by the seller, it is vital from a liability standpoint that the buyer arrange and pay for the inspection—with the seller getting a copy of the report.—Ed.]

For the actual inspection, I recommend using the EAA inspection checklist in the Custombuilt Sport Aircraft Handbook, available from the EAA (order it online at www.eaa.org). If your buyer is knowledgeable of your airplane and is willing, a simplified checklist can be used by the A&P to cut down inspection time and cost considerably. (See the checklist on the web at www.kiplanes.com.)

Sales Contract: Protect Yourself

When you bought your plans or your kit, the manufacturer probably asked you to sign a release. Did you read it, or were you so excited about getting started on your project that you skipped the fine print? Most releases use strong language about the level of liability the manufacturer is willing to incur after you buy the plans or kit, which is none. Follow their lead and do the same thing when you sell your project. Doing this doesn't mean you won't be sued if the new owner crashes the plane and causes injury to him/her or others, but it helps establish that the buyer knew and accepted responsibility for the risks inherent in flying the aircraft.

A sample release/sales contract is available on the KITPLANES® web site (www.kiplanes.com), but have an attorney draw up your particular contract and release. Use the language that's in the contract you signed when you bought the kit. Will it scare off your buyer? It didn't scare you off when you bought your kit, did it? (OK, I forgot. You didn't read it before buying.) This is a small price to pay for a measure of peace of mind. [An even more effective preventive measure may be to require the buyer to list the seller as a co-insured party on the buyer's liability insurance policy.—Ed.]

Make Sure the Happiness Lasts

Perhaps the most critical stage of selling your homebuilt is the last one: training the new owner in its care and helping him or her learn to fly it. Although the new owner could hire a CFI to help the transition, I do not recommend it unless the instructor is familiar with your type of airplane. Most CFIs have not flown a lot of homebuilt aircraft. You are most qualified at flying your plane, so you should put a lesson plan together so the new owner can gain experience in the right seat. A warning: Never let the buyer fly as pilot in command until he owns the airplane! As simple as this sounds, it could become a real problem if the prospective buyer crashes your plane. You will have a whole new project to work on then.

Your transition plan should include at least 3-4 hours flight time and 4 more hours in the hangar with systems familiarization. This will, of course, depend upon the homebuilt; an ultralight will have a different time frame than a Lancair. Allow plenty of time for the transition. The more thorough you are, the fewer questions and potential problems the new owner will have later. Spend time going through the aircraft operations manual, the airframe, engine and prop logs. Go through the construction log and photos. Get the new owner as familiar as possible with the airplane.

Take the owner through maintenance tasks: changing spark plugs, changing the oil and filter, installing new fuel filters. Remove panels and point out control linkages and other assemblies. If possible, conduct a complete annual condition inspection while the new owner watches. This may seem like overkill, but familiarization will make for a knowledgeable owner who will have few if any problems with the aircraft down the road.

Saying Goodbye

The morning has arrived for the new owner of your homebuilt airplane to fly it home. You are feeling great, having transferred ownership and responsibility. The money is in the bank, there's space in the hangar/garage you haven't seen in a long time, and the new owner is excited about owning and flying the plane that you built.

As your beautiful airplane—oops—the new owner's beautiful airplane lifts off the runway with the windsock hanging limp in the center of the field, you sit on the golf cart you borrowed from the hangar next door and watch the airplane disappear into a cloudless blue sky. Then it hits you: That airplane was a part of you for years. It feels as if you have lost a dear friend.

There is only one way to deal with this uncomfortable feeling. Start building another airplane as soon as possible! KP

FOR MORE INFORMATION, visit Lisa Turner's web site at http://pages.prodigy.net/lisaturner. To view the forms mentioned in this article, visit the KITPLANES web site at www.kiplanes.com. Click on "What's New" on the home page and then "Supplements to KITPLANES Articles."