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North America

Post-pandemic
recovery takes off



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Teardowns

Demand picks up for
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Teardown activity magnifies growing USM demands

Aventure's latest 737NG, awaiting teardown in Marana, Arizona.
Photo: Aventure Aviation

A rise in demand for serviceable materials has seen a spike in teardown activity recently, **Keith Mwanalushi** looks at some recent opportunities to purchase aircraft part-outs.

Airlines are currently making critical decisions about the future of their fleets. The COVID pandemic saw a considerable number of aircraft placed in storage but not all are coming back to service. And with the demand for air travel now accelerating to almost pre-pandemic levels, demand for USM and cost-effective parts solutions are back up on the agenda.

Aventure Aviation, a parts supplier headquartered in Atlanta, Georgia is constantly purchasing end-of-life aircraft for harvesting parts. During the pandemic, the company acquired several 757s, E190s, 737NGs and CRJs when some players in the market were struggling to survive. "Our 2022 plans call for acquiring additional 737NGs including our first 737-900," Talha Faruqi, President of Aventure Aviation tells *AviTrader MRO*.

"We are progressing well, we have already closed on our first two aircraft, and we have three more in the works. We continue to look for additional retired aircraft to add to our teardown portfolio and we remain bullish for 2022 and beyond," says Faruqi.

In early April, Aventure announced the acquisition of a 737NG, MSN 32713, recently retired by Canadian operator WestJet and the salvaged parts will be relocated to Aventure's Atlanta warehouse, making it the company's third 737NG acquired in 2022.

Over at TDA, an independent specialist in aircraft acquisitions for part-out, they have seen more teardown projects especially in the U.S. and have even expanded warehousing capacity with a new storage facility in Tulsa, Oklahoma.

Over the past year, TDA reports

securing five A320s from Aircastle under a longstanding asset management programme and some of the aircraft are currently undergoing teardown at AerSale in Goodyear, Arizona. It is currently the biggest teardown project conducted by TDA. "All five A320s have an age of 21 years on average and will go for the aftermarket supply. With this harvest we will give a major boost to our A320 stock supply on demand," the company stated.

The first of five A320 (ex-Interjet) teardowns started last year and TDA reports that the programme is progressing well with MSN1259 currently is in full progress and MSN1308 will follow directly afterwards. All five aircraft come with some interesting units. For example, TDA have indicated that MSN1162 was equipped with a ram air turbine which had been installed in an A321NEO. MSN1244

carries a recently overhauled landing gear and all assets have Automatic Dependent Surveillance–Broadcast ADSB–OUT installed and a cargo rail system for container freight in the belly.

Meanwhile at Aventure Aviation, the shopping spree for 737NG units continues. During the pandemic, Aventure outsourced over U\$7 million in component repairs to MRO shops and this amount is expected to rise significantly as flights ramp up globally, Aventure plans to purchase even more aircraft.

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Talha Faruqi, Aventure Aviation

Faruqi feels that while there is no doubt that there are more aircraft currently in storage, there is still quite a bit of disconnect between the sellers (lessors/airlines) and parts companies. “Towards the end of 2019, these



Cost-effective solutions for aircraft parts are back on the agenda.

Photo: Aventure Aviation

financial institutions were loading so much value on the airframe compared to right after the financial crisis, that they are having to take massive write-downs to sell these assets.” Faruqi adds that while some have been quicker than others, there is still a tremendous amount of hesitation – “This has led to less aircraft hitting the market for teardown than expected but we should see that tick up in the next 12 months. It is also aircraft specific as to which product is faring better. With the 737-800 conversions explosive growth, we have seen a more rapid stabilising of parts in the 737NG market, versus the Airbus narrowbodies which

continue to diminish in value.”

And as the Russian/Ukrainian conflict ravages on, complications and difficulties with aftermarket supplies in that region are only getting worse, Aventure has indicated that they are not interested in any aircraft coming out of Russia for teardown. “Aviation is a global industry where we all must play by the same rules, especially when it comes to safety. With these recent developments by the Russian government, there are doubts and no guarantees that these aircraft will be maintained with the required standards to keep them airworthy,” states Faruqi.

