

NARROWBODY AIRCRAFT VALUATION TRENDS

A320 Family vs 737 Family



Table of Contents

Introduction	03
Market Position of the A320 and 737 Families	03
Supply Constraints, Demand and Order Backlog	06
Mid-Life Aircraft Demand	10
Market Liquidity and Leaseability	12
Valuation Outlook	15
Conclusion	16



INTRODUCTION

For more than five decades, the global commercial aircraft industry has been defined by the rivalry between Boeing and Airbus. Boeing established its leadership with the introduction of the 737 in the late 1960s, creating one of the most successful commercial aircraft programmes in aviation history. Airbus entered the market later as a European consortium with the ambition of challenging Boeing's dominance. Despite facing significant commercial and political challenges during its early years, Airbus steadily gained market acceptance through continuous innovation, product development, and a growing global customer base.

The introduction of the Airbus A320 in 1988 marked a significant milestone in the evolution of narrowbody aircraft. As the first commercial airliner equipped with a full digital fly-by-wire flight control system, it introduced new standards in cockpit design, operational efficiency, and fleet commonality. Boeing responded by continuously modernising the 737 family through the Classic, Next Generation (NG), and most recently the 737 MAX series, ensuring that competition between the two manufacturers remained intense.

Today, the Airbus A320 Family and Boeing 737 Family form the backbone of global short- and medium-haul air transport, accounting for the majority of the world's active narrowbody fleet. Their extensive operator bases, mature aftermarket support, and highly liquid leasing and trading markets have established them as the benchmark for narrowbody aircraft valuation. While emerging manufacturers, including Commercial Aircraft Corporation of China, are beginning to reshape the competitive landscape, the narrowbody market—and its valuation dynamics—continues to be primarily driven by these two aircraft families.

MARKET POSITION OF THE A320 AND 737 FAMILIES

The Airbus A320 Family and Boeing 737 Family are the two dominant narrowbody aircraft platforms in the global aviation industry, forming the foundation of airline fleet planning, aircraft leasing, and aviation finance. Their market leadership has been established over decades through large installed fleets, extensive global operator bases, mature maintenance and training ecosystems, and highly liquid secondary markets. These characteristics have established both aircraft families as the benchmark for narrowbody aircraft valuation while also making them preferred collateral for aircraft financing and leasing transactions.

Although both aircraft families continue to dominate the market, their competitive positions have evolved in response to changing airline requirements, technological advancements, production constraints, and shifting fleet strategies. At the same time, delayed aircraft deliveries have encouraged airlines to retain existing fleets for longer, reinforcing demand across both current- and previous-generation aircraft.

Airbus A320 Family

The A320 Family has strengthened its market position through the success of the A320neo programme, supported by a substantial order backlog and the growing popularity of the A321neo and A321XLR. These aircraft offer airlines improved fuel efficiency, greater seating flexibility, and extended range, making them attractive for both fleet expansion and replacement programmes. As a result, young A320neo aircraft—particularly the A321neo—continue to command valuation premiums due to strong demand, limited availability, and excellent leaseability.

The scale of this success is now reflected in industry-wide records. In October 2025, the A320 Family overtook the Boeing 737 to become the most-delivered commercial jet family in aviation history, having already surpassed the 737 in total fleet size in 2017 and in cumulative orders in 2019. By May 2026, cumulative A320 Family orders had passed 20,000 aircraft, with the order book increasingly dominated by the A321neo, which alone accounts for roughly 70% of the family's outstanding backlog. This concentration of demand reflects airlines' increasing preference for higher-capacity narrowbody aircraft capable of replacing both smaller narrowbodies and selected widebody missions, reinforcing the A321neo's long-term valuation premium.



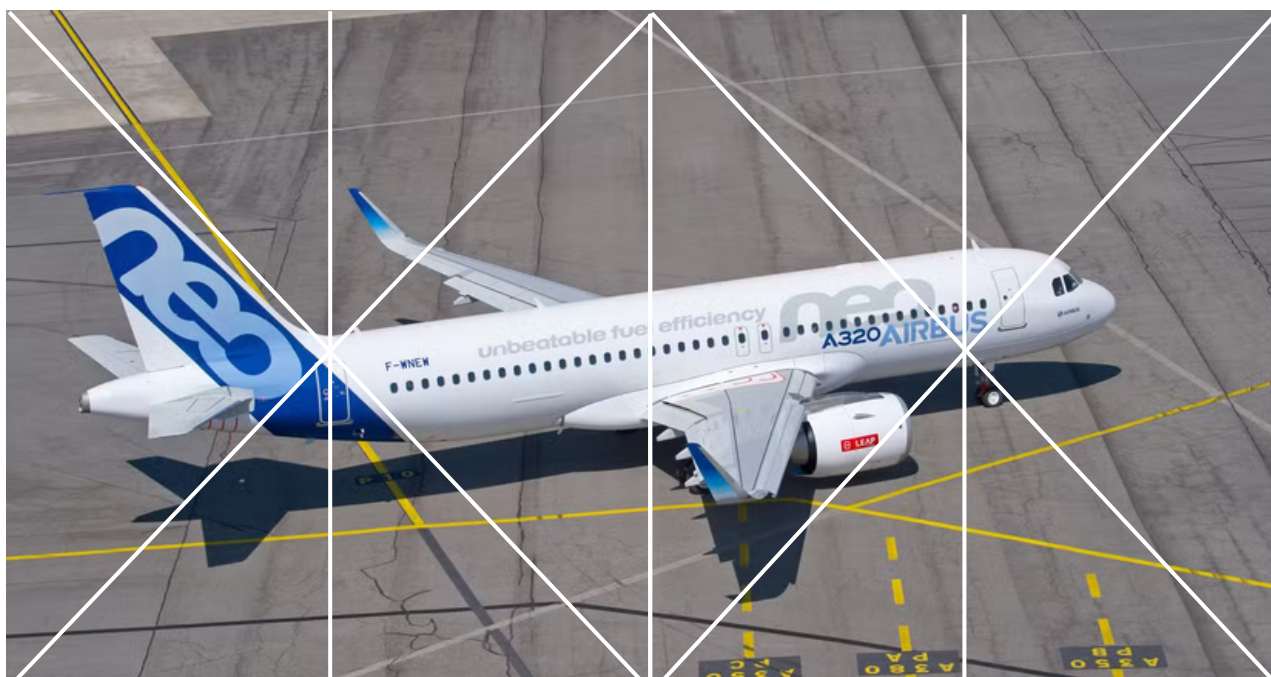
Boeing 737 Family

The Boeing 737 Family continues to maintain a strong global market presence, underpinned by the extensive installed base of the 737 Next Generation (NG) series and the growing acceptance of the 737 MAX 8. The 737-800 remains one of the most actively traded narrowbody aircraft, benefiting from a mature maintenance ecosystem and broad operator familiarity. Meanwhile, the market position of the MAX 8 continues to strengthen as production stabilises and confidence in the programme improves.

Boeing's production recovery has continued through 2026 as manufacturing stability and regulatory oversight have progressively improved. While quality assurance and delivery execution remain important considerations for airlines, lessors, and aircraft appraisers, the gradual increase in production is expected to strengthen market confidence and improve aircraft availability over time.

Previous-Generation Aircraft

Despite the introduction of newer-generation aircraft, the A320ceo and 737NG families remain integral to airline fleets worldwide. Ongoing production constraints and sustained passenger demand have encouraged operators to extend the service lives of existing aircraft, supporting lease demand and secondary market activity. While these aircraft are expected to retain healthy market values in the near term, valuation pressure is likely to increase gradually as production rates recover and larger numbers of neo and MAX aircraft enter service.



SUPPLY CONSTRAINTS, DEMAND AND ORDER BACKLOG

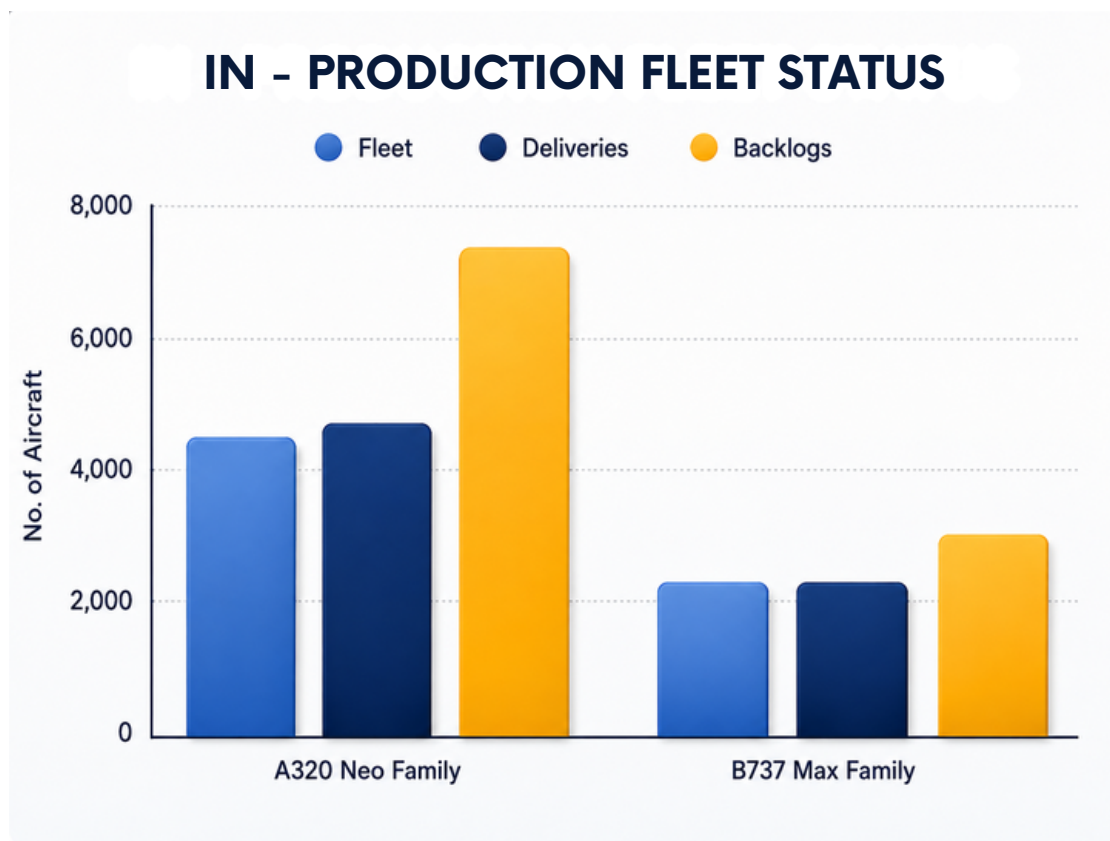


CHART 1 — IN-PRODUCTION NARROWBODY FLEET, DELIVERIES AND ORDER BACKLOG

APPROXIMATE FIGURES AS OF MID-2026, BASED ON AIRBUS AND BOEING ORDER AND DELIVERY DATA

The narrowbody aircraft market continues to be characterised by a significant imbalance between supply and demand. Although Airbus and Boeing have increased production rates following the pandemic, ongoing supply chain disruptions, labour shortages, engine availability issues, and manufacturing constraints have limited the pace at which new aircraft can be delivered. Consequently, airlines seeking fleet growth or replacement aircraft have faced extended delivery timelines, often stretching several years beyond their original expectations.

These production constraints have coincided with a strong recovery in global passenger traffic, particularly within domestic and regional markets where narrowbody aircraft play a critical role. Demand has been particularly resilient across Asia-Pacific, including rapidly growing markets such as India, where airlines continue to expand capacity despite limited aircraft availability. As airlines continue to expand capacity while retiring fewer aircraft than originally planned, demand has consistently exceeded the supply of both new and serviceable used aircraft. This imbalance has supported strong lease rates, increased aircraft utilisation, and sustained market values across most narrowbody types.

As illustrated in Chart 1, both the Airbus A320neo and Boeing 737 MAX families maintain substantial production backlogs, reflecting continued airline confidence in next-generation narrowbody aircraft. However, the backlog profile differs considerably between manufacturers. Airbus has accumulated a significantly larger backlog, driven primarily by exceptional demand for the A321neo, while Boeing continues to rebuild momentum following production and certification challenges affecting the 737 MAX programme.

The large backlog for the A321neo highlights airlines' preference for higher-capacity narrowbody aircraft capable of serving both traditional short-haul routes and longer, lower-density markets. In contrast, the 737 MAX 8 remains Boeing's strongest-selling variant, supported by its broad operational flexibility and commonality with existing 737 fleets. Although the 737 MAX 9 has secured comparatively fewer orders, it continues to serve an important role for operators requiring additional capacity while maintaining fleet commonality.

Another notable consequence of the current production environment is the delayed fleet crossover from previous-generation aircraft to their next-generation successors. Prior to the pandemic, airlines were expected to transition more rapidly from the A320ceo and 737NG families to the A320neo and 737 MAX. However, prolonged production constraints and limited delivery availability have pushed this transition further into the future, extending the operational lives of existing fleets.

For the secondary market, prolonged delivery delays have created an important valuation dynamic. Airlines unable to secure near-term delivery slots have increasingly extended leases, deferred retirements, or acquired mid-life aircraft to satisfy immediate capacity requirements. The deferral of retirements has been particularly evident for the A320ceo and Boeing 737-800, both of which continue to benefit from strong operator acceptance, established maintenance support, and proven reliability. As a result, previous-generation aircraft such as the A320ceo and Boeing 737NG families have experienced stronger-than-expected demand, supporting market values well beyond historical expectations. For aircraft appraisers, replacement availability has become almost as important as aircraft age when assessing short-term market behaviour.

While production rates are expected to improve over the coming years, the existing order backlog suggests that supply constraints are likely to persist for the remainder of the decade. Consequently, supply-demand fundamentals are expected to remain one of the primary factors supporting Current Market Values (CMV) for narrowbody aircraft, while also delaying the return to long-term Base Value (BV) trends.

Value Drivers

RESIDUAL VALUES TREND - 2020 VINTAGE

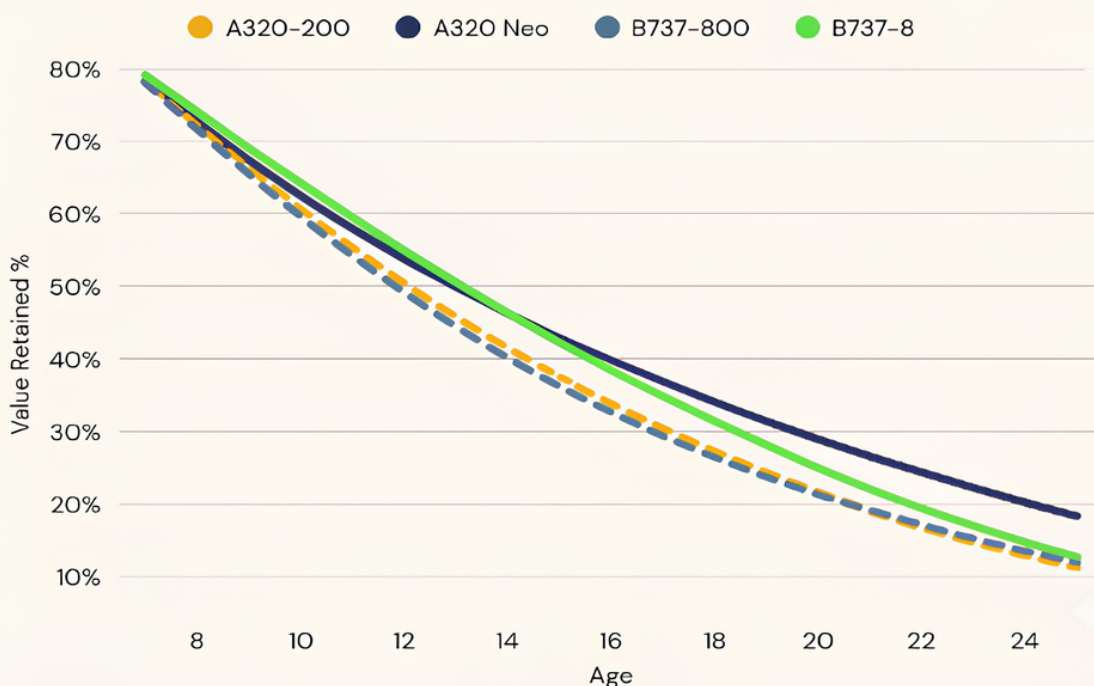


CHART 2 — COMPARATIVE RESIDUAL VALUE RETENTION OF 2020 VINTAGE NARROWBODY AIRCRAFT

No single factor determines aircraft value; rather, market value reflects the interaction between technical condition, commercial attractiveness, and prevailing market conditions. While aircraft age remains an important determinant of value, today's narrowbody market is increasingly shaped by aircraft availability, fuel efficiency, maintenance condition, leaseability, and operator demand. Persistent production constraints have further amplified these factors, allowing many aircraft to retain higher market values than historical depreciation trends would suggest.

Among current generation narrowbody aircraft, operational flexibility and fuel efficiency have become the primary differentiators. Airlines continue to favour aircraft capable of serving multiple route structures while minimising operating costs, resulting in stronger demand for certain variants within both the Airbus A320 and Boeing 737 families.

In addition, valuation is increasingly influenced by broader market fundamentals, including order backlogs, lease rate performance, fleet commonality, and secondary market liquidity. Aircraft offering greater operational flexibility, wider operator acceptance, and stronger leaseability generally demonstrate superior value retention throughout their economic lives.

A321neo Premium

The Airbus A321neo has established itself as the highest-value asset within the A320 family. Unlike previous narrowbody aircraft, the A321neo combines increased seating capacity with extended range, enabling airlines to operate both high-density domestic services and longer international routes using a single aircraft platform.

The introduction of the A321LR and A321XLR has further expanded its market appeal by allowing airlines to serve "long and thin" routes that were previously uneconomic for widebody aircraft. Combined with a substantial production backlog and limited delivery availability, these capabilities have enabled the A321neo to command a noticeable valuation premium over other narrowbody aircraft.

Beyond fuel efficiency, the A321neo's premium is driven by its exceptional operational flexibility. Airlines can upgauge capacity-constrained routes while simultaneously deploying the aircraft on longer sectors that previously required less efficient widebody aircraft. This expanded mission capability broadens the aircraft's addressable market and enhances its attractiveness to both airlines and lessors.

From a valuation perspective, the premium reflects not only stronger airline demand but also superior leaseability, broader operator appeal, and greater long-term residual value expectations. This combination of capacity, efficiency, and operational flexibility has effectively created a premium narrowbody segment within the single-aisle market.

MAX 8 Strength

Although the Airbus A321neo has attracted considerable market attention, the Boeing 737 MAX 8 remains the strongest-performing aircraft within the Boeing narrowbody portfolio. The MAX 8 benefits from broad acceptance among existing Boeing operators, lower transition costs, and extensive fleet commonality with the 737NG family. These characteristics have supported continued order activity while strengthening lease demand as production rates gradually recover.

As Boeing's highest volume narrowbody variant, the MAX 8 serves as the primary replacement aircraft for many all-Boeing operators. Its mission versatility, established customer base, and compatibility with existing 737 fleets continue to support strong market liquidity and favourable long-term residual value expectations.

Although certification and production challenges temporarily affected market confidence, the programme has continued to stabilise. As deliveries increase and operational experience grows, the MAX 8 is expected to further strengthen its position within the global narrowbody market, supporting continued improvements in market liquidity and residual values.

MID-LIFE AIRCRAFT DEMAND

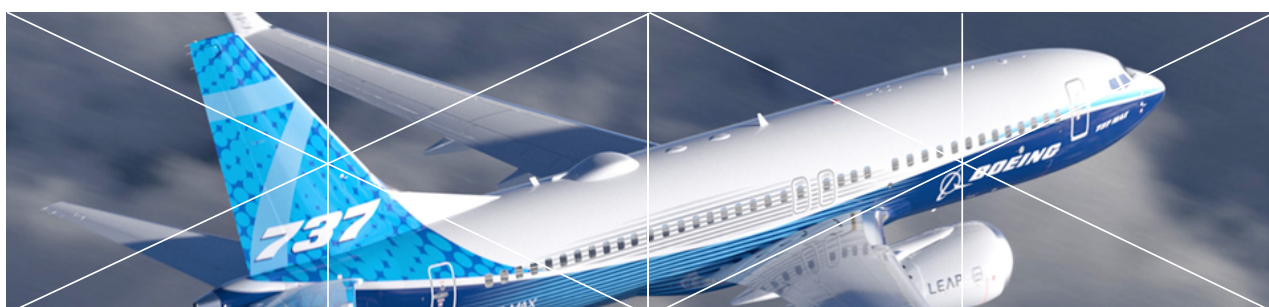
One of the most notable developments in today's narrowbody market is the continued strength of mid-life aircraft. Delivery delays for new aircraft have encouraged many airlines to retain existing fleets for longer than originally planned, increasing demand for well-maintained A320ceo and 737NG aircraft.

Unlike previous market cycles, this demand is driven by genuine capacity requirements rather than short-term opportunistic leasing. Airlines unable to secure near-term delivery positions have increasingly turned to the secondary market, resulting in stronger lease demand and higher-than-expected values for clean, well-maintained mid-life aircraft.

This trend has supported lease extensions, reduced aircraft retirements, and maintained strong secondary market activity. Aircraft that would historically have been approaching retirement continue to generate significant commercial interest due to the limited availability of replacement aircraft.

As illustrated in Chart 2, next-generation aircraft are expected to retain higher residual values throughout their economic lives than their previous-generation counterparts. Among the aircraft shown, the A320neo demonstrates the strongest long-term value retention, while the Boeing 737 MAX 8 also maintains a clear residual value advantage over the 737-800. Nevertheless, both previous-generation aircraft continue to exhibit stronger value retention than historical depreciation models would have suggested, reflecting the current imbalance between aircraft supply and market demand.

Although this favourable valuation environment is expected to continue in the near term, support for previous-generation aircraft is likely to moderate gradually as production rates recover and the availability of new-generation aircraft improves.



Maintenance Condition

Although aircraft type and market demand establish the foundation for valuation, maintenance condition remains one of the most significant determinants of an individual aircraft's market value. Maintenance status directly influences leaseability, transition costs, and future maintenance exposure. Aircraft with significant remaining life on engines, landing gear, auxiliary power units, and other life-limited components typically command higher market values than aircraft approaching major maintenance events.

Engine maintenance has become an increasingly important value differentiator. Factors such as remaining LLP life, anticipated shop visits, spare engine availability, maintenance record quality, and future maintenance exposure can materially influence aircraft economics and market values. Consequently, two aircraft of identical age and configuration may exhibit significantly different values depending on their maintenance status.

In the current market, where replacement aircraft remain scarce, operators are increasingly willing to pay premiums for aircraft requiring minimal near-term maintenance expenditure. Accordingly, maintenance condition remains one of the most significant differentiators between otherwise comparable aircraft.



MARKET LIQUIDITY AND LEASEABILITY

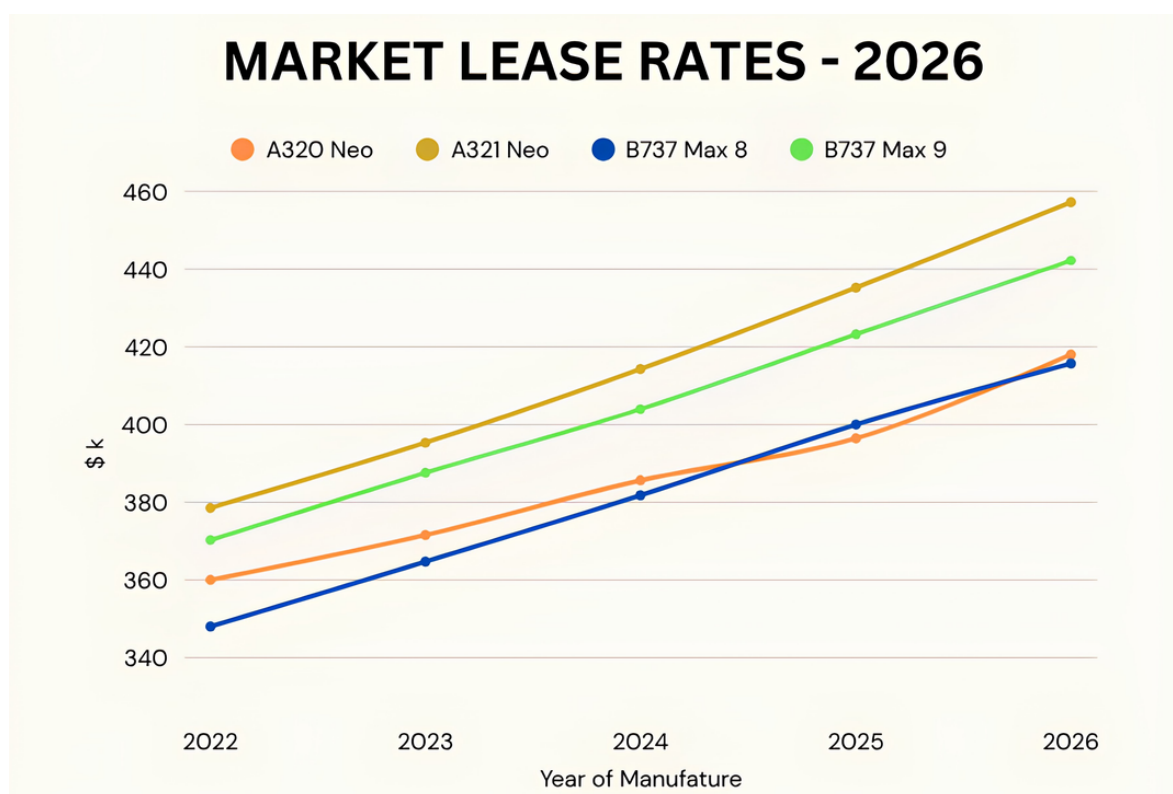


Chart 3 — Indicative Market Lease Rates by Aircraft Type and Vintage (2026)

Approximate benchmark rates for standard-condition, mid-to-new vintage aircraft. Higher lease rates generally reflect stronger market demand, superior leaseability, and greater liquidity; however, actual lease rates vary depending on aircraft age, maintenance condition, lease terms, and market conditions.

The Airbus A320 and Boeing 737 families benefit from some of the highest levels of liquidity in the commercial aircraft market. Their extensive global operator bases, mature maintenance infrastructure, broad pilot and engineer familiarity, and active leasing markets have made them the preferred narrowbody assets for airlines, lessors, and financiers. These characteristics reduce transition risk, shorten remarketing periods, and contribute to more stable asset values throughout an aircraft's economic life.

Leaseability is a key consideration in aircraft valuation, as it directly influences an asset's ability to generate future income and maintain market relevance. Aircraft with a broad operator base, proven operational reliability, and strong secondary market demand are generally easier to place with new operators, reducing downtime between lease transitions and supporting higher lease rates.

Aircraft such as the A320neo, A321neo, 737 MAX 8, A320ceo and 737-800 continue to demonstrate the strongest market liquidity due to their widespread operator acceptance and deep familiarity among lessors. Their ability to integrate seamlessly into existing airline fleets, supported by established pilot training, maintenance programmes and spare-parts networks, significantly reduces transition costs and enhances leaseability.

As illustrated in Chart 3, market lease rates remain strongest for current-generation aircraft, particularly the Airbus A321neo and Boeing 737 MAX families. New A320neo and 737 MAX 8 aircraft currently lease at approximately US\$ 415000~418000 per month, with the A321neo commanding a premium of roughly US\$ 455000~460000 per month given its superior seating capacity, extended-range capability, and sustained global demand. Notably, the historical gap between the A320neo and 737 MAX 8 has narrowed to near parity as Boeing's production recovery has restored lessor and airline confidence in the MAX programme. Mid-life A320ceo and 737-800 aircraft continue to command comparatively high rates of roughly US\$ 286000 –US\$ 297000 per month for 2020 vintage, though these rates appear to have plateaued after several years of sharp increases.

The upward progression in lease rates for newer aircraft vintages highlights the premium placed on modern, fuel-efficient aircraft with longer remaining economic lives and lower maintenance exposure. At the same time, strong lease demand for well-maintained A320ceo and 737-800 aircraft demonstrates that market liquidity extends beyond new-generation aircraft, particularly where replacement capacity remains constrained.

For aircraft appraisers, leaseability extends beyond lease rate performance. Factors such as operator diversity, geographical market acceptance, fleet commonality, maintenance status, and the ease of transitioning aircraft between operators all influence market liquidity. Aircraft with strong leaseability typically experience shorter placement periods, lower transition costs, and more resilient market values, reinforcing their attractiveness to lessors and investors.

Ultimately, liquidity is driven not only by aircraft age but also by the ease with which an aircraft can be placed with another operator. Standardised configurations, comprehensive maintenance records, and strong fleet commonality minimise remarketing friction, whereas specialised cabin layouts, incomplete technical documentation, or limited maintenance support can reduce leaseability and negatively influence market value.



Production and Delivery Constraints

Production and delivery constraints continue to influence the narrowbody market, not simply by limiting aircraft availability but by extending the time required for manufacturers to convert record order backlogs into delivered aircraft. While Airbus and Boeing continue to increase production capacity, supply chain disruptions, labour shortages, engine availability, and manufacturing bottlenecks continue to slow the pace of deliveries. In addition, certification delays for the Boeing 737-7 and 737-10 have provided Airbus with a competitive advantage in the narrowbody market, reinforcing demand for the A320neo family among some operators seeking earlier fleet expansion opportunities.

The impact extends beyond aircraft manufacturers. Engine manufacturers, Suppliers, maintenance providers, and the wider aerospace industry continue to experience capacity constraints, with increasing demand for specialised materials, skilled labour, and maintenance resources. These constraints have also contributed to longer maintenance turnaround times and reduced availability of serviceable spare parts, affecting fleet utilisation across the industry. Consequently, delivery delays are expected to remain a key market consideration over the near to medium term, even as aircraft production and supply chain performance gradually improve.

For airlines, extended delivery timelines have reinforced reliance on lease extensions, deferred retirements, and acquisitions of mid-life aircraft to satisfy near-term capacity requirements. For lessors and investors, limited aircraft availability has improved aircraft utilisation, reduced remarketing risk, and supported stronger lease performance across both current- and previous-generation narrowbody aircraft.

As production gradually recovers, the conversion of existing order backlogs into delivered aircraft is expected to take several years. Accordingly, the current supply-demand imbalance is likely to ease only gradually rather than through a sudden increase in aircraft availability. This measured recovery is expected to support market liquidity while allowing aircraft values to transition gradually towards longer-term market equilibrium.

From a valuation perspective, production and delivery constraints primarily affect Current Market Value (CMV) by limiting replacement availability and strengthening lease demand. However, these conditions should be viewed as cyclical rather than structural. As manufacturing output normalises and delivery schedules improve, Current Market Values are expected to gradually converge towards long-term Base Value (BV) trends, reflecting a more balanced relationship between supply and demand.

VALUATION OUTLOOK

The valuation outlook for the Airbus A320 and Boeing 737 families remains positive, underpinned by strong passenger demand, substantial order backlogs, and continued production constraints. These factors are expected to support healthy lease rates, high aircraft utilisation, and active secondary market trading over the near to medium term. Current-generation aircraft, particularly the Airbus A321neo and Boeing 737 MAX 8, are well positioned to maintain strong market values due to their fuel efficiency, operational flexibility, and broad global operator acceptance.

Previous-generation aircraft are also expected to remain an important part of the global fleet in the coming years. Delayed aircraft deliveries have extended the economic lives of the A320ceo and 737NG families, supporting lease extensions and secondary market demand beyond historical expectations. However, as production rates gradually improve and more next-generation aircraft enter service, market support for these aircraft is expected to diminish, with depreciation trends progressively returning towards long-term historical norms.

Although the market outlook remains favourable, aircraft valuations will continue to be influenced by broader macroeconomic conditions, including airline profitability, financing costs, fuel prices, and global economic growth. Consequently, the outlook is constructive but increasingly selective. Future valuation performance is therefore expected to diverge more noticeably between individual aircraft than in previous market cycles. Differences in maintenance condition, lease profile, operator credit quality, and transition costs are likely to become increasingly significant as supply conditions gradually normalise. Aircraft supported by strong lessee credit quality, predictable maintenance exposure, fuel-efficient technology, and broad operator acceptance are expected to outperform assets with weaker commercial or technical characteristics.

Looking further ahead, valuation performance will increasingly depend on factors beyond aircraft age alone. Fleet commonality, maintenance condition, leaseability, environmental performance, and secondary market liquidity are expected to become increasingly important differentiators of long-term asset value. As aircraft technology continues to evolve and airline operating requirements become more diverse, aircraft offering greater operational flexibility and lower lifecycle costs are likely to demonstrate superior value retention.

For aircraft appraisers, it remains essential to distinguish between temporary market conditions and long-term asset fundamentals. While current supply constraints continue to support elevated **Current Market Values (CMV)**, **Base Values (BV)** should continue to reflect long-term market equilibrium, assuming balanced supply and demand. Maintaining this distinction ensures that valuation assessments remain objective, consistent, and resilient throughout changing market cycles.

CONCLUSION

The Airbus A320 Family and Boeing 737 Family continue to dominate the global narrowbody aircraft market, serving as the foundation of airline fleet planning, aircraft leasing, and aviation finance. Their extensive operator bases, mature maintenance ecosystems, and highly liquid secondary markets have established both aircraft families as the cornerstone for narrowbody aircraft valuation.

Current valuation trends have been shaped by a unique combination of strong passenger demand, constrained aircraft production, and substantial order backlogs. These conditions have supported higher lease rates, increased aircraft utilisation, and stronger market values across both current- and previous-generation aircraft. Within this environment, the Airbus A321neo has emerged as the strongest-performing narrowbody asset due to its combination of capacity, range, and operational flexibility, while the Boeing 737 MAX 8 continues to strengthen its position as Boeing's principal narrowbody platform. At the same time, the sustained demand for well-maintained A320ceo and 737NG aircraft demonstrates the continuing importance of fleet commonality, market liquidity, and maintenance condition in supporting asset values.

As aircraft production gradually recovers and additional delivery slots become available, market values are expected to transition towards a more balanced long-term environment. Nevertheless, the scale of existing order backlogs and continued global demand for narrowbody aircraft suggest that these aircraft families will remain among the most desirable and liquid commercial aviation assets for many years to come.

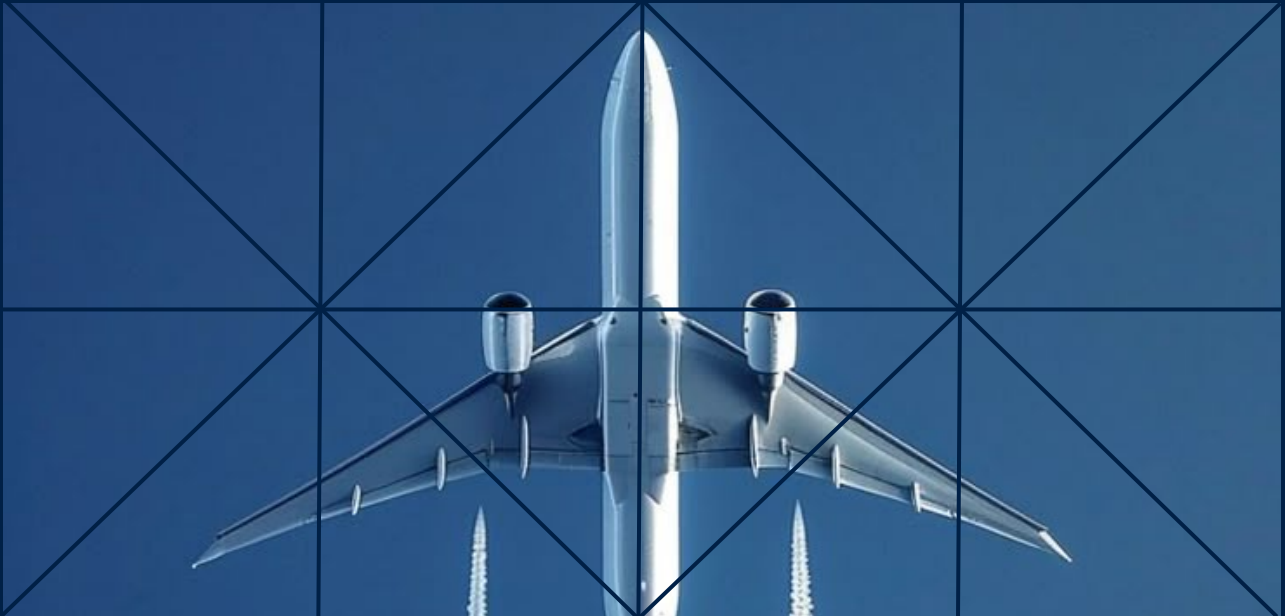
Ultimately, successful aircraft valuation extends beyond applying standard depreciation assumptions or comparing aircraft specifications. It requires a balanced assessment of market dynamics, technical condition, commercial attractiveness, maintenance exposure, leaseability, and long-term economic prospects. As the market gradually evolves, these factors will increasingly differentiate high-performing assets from otherwise similar aircraft.

Airbus continues to benefit from the strong market success of the A321neo, with the prolonged certification delays of the Boeing 737-10 providing an additional competitive advantage in the large narrowbody segment. Meanwhile, Boeing continues to advance the 737 MAX programme through certification progress and gradual production ramp-up. Looking ahead, the Airbus A320neo and Boeing 737 MAX families are expected to remain the backbone of the global narrowbody fleet for decades, supported by sustained replacement demand and continued growth in air travel.

Despite increasing competition from emerging manufacturers, their extensive in-service fleets, mature maintenance and aftermarket support networks, proven operational performance, and broad global operator base are expected to continue providing the liquidity, transparency, and market confidence that underpin aircraft valuation, leasing, and aviation finance.



For inquiries, contact us.



America

 Florida, USA
 +1 786 254 7644
 sean.oconnor@acumen.aero

Central Asia

 GIFT City, India
 +91 90 0468 9225
 kumar.narayanaswami@acumen.aero

China

 Beijing, China
 +86 10 6243 4080
 livia.liu@acumen.aero

South Asia

 Bangalore, India
 +91 96 863 11558
 pritam.mukherjee@acumen.aero

Europe

 Dublin, Ireland
 +353 1 5677106
 martin.corcoran@acumen.aero

 www.acumen.aero/
 connect@acumen.aero