Flexible Friends

Flexible leasing options can support regional operators during peak periods with options such as 'wet' leasing proving enduringly popular. **Gerrard Cowan** reports

There are various options for airlines that require flexible leasing options, often for short-term needs in times of peak demand. Chris Holliday is an associate at ALTEA, a regional aircraft and business aviation specialist offering a range of services in sales and acquisitions, consulting and beyond. He says there are a variety of 'soft' or 'pay by the hour' lease arrangements that can be explored, depending on aircraft availability, which can benefit lessors financially and help them avoid the need to park and store an aircraft.

The other main option is a short-term lease extension. Holliday explains: "If the aircraft is already with a customer lessee and the lessor has either not identified the next lessee, or the next lease does not start upon expiry of the previous one, there might be good reason to extend for a few months even if that is on a power-by-the-hour basis both to minimise downtime and maintain airworthiness."

Supplementary capacity usually comes from operators that specialise in aircraft, crew, maintenance and insurance (ACMI) leasing, otherwise known as wet leasing. Demand is not necessarily just seasonal, Holliday explains, as it may be connected to a fleet transition or coverage for a major maintenance check or unplanned aircraft downtime.

"In Europe there has historically been frequent use of on-the-day wet lease capacity to recover a disrupted flight programme where the EU261 passenger compensation costs might be in play," he adds. "This can see carriers bringing in any suitable capacity – if it is available – and in summer periods this is increasingly scarce."

Chapman Freeborn provides a range of leasing services for customers including airlines, with a dedicated inter-airline ACMI leasing division. Linas Dovydenas,

▲ **Linas Dovydenas**, president – IMEA at Chapman Freeborn

the company's president for India, the Middle East and Africa (IMEA), says it is seeing strong demand for such solutions, and this is continuing to grow as airlines everywhere face pressure from seasonal peaks, delivery delays and maintenance gaps.

Surge events

ACMI can support airlines in a range of scenarios, Dovydenas says, such as event-driven surges like major religious events and, of course, predictable uses, such as summer holidays or school breaks. It can also be useful in unforeseeable events, often on a global scale, as well as for maintenance needs. Counter-seasonal swaps are another use case, he continues, with airlines increasingly shifting aircraft and crews between hemispheres to follow market demand.

However, there have been big changes, Dovydenas notes, notably in how ACMI is being used. "It's no longer just a last-minute rescue option – many carriers are now building ACMI into their fleet strategy from the start. Planning ahead is the difference between scrambling for whatever is left on the market and securing the right aircraft at the right time."

Dovydenas outlines the advantages to such flexible leasing arrangements, including lower capital commitment, increased speed and benefits in risk mitigation. It can also be useful for route testing, he says, because "airlines can trial new markets before making permanent fleet decisions".

There are also positives for brand control, he notes, pointing to 'damp' leasing, where the airline involved supplies its own cabin crew. "Carriers can keep their passenger experience consistent by using aircraft branding, their own cabin crew and other marketing materials," says Dovydenas, while still enjoying the benefits of leasing.

Wet leasing has become more popular over the past few years as airlines search for flexibility in a volatile market, according to Cameron Llewellyn, vice president – leasing at ACC Aviation, which offers a variety of broker services in ACMI leasing for customers including low-fare and regional airlines.

While it is a global trend, the uptake has been particularly strong in markets undergoing rapid change, says Llewellyn. "For example, Israeli carriers have used ACMI to respond quickly to shifting demand and regulatory changes. In Europe and the Middle East, airlines continue to rely on wet leasing to stay competitive during busy periods."

Llewellyn underscores the flexibility offered by wet leasing, enabling airlines to keep schedules running and avoid cancellations without committing to long-term fleet expansion.

"It also turns what could be a big capital investment into a variable cost, which is particularly helpful in today's unpredictable environment," he says. "Operationally, it's a fast way to expand or cover gaps without the hassle of sourcing extra aircraft and crews internally."

ACMI contracts can be complex, Llewellyn warns, with clauses like AOG provisions, performance guarantees and liability terms that could create disruption or financial exposure if overlooked. He says that ACC Aviation has developed a dedicated project management team to work with both airlines and lessors to smooth over such challenges.

"The team monitors performance resolves any niggles quickly, and keeps everything on track," he explains, adding that with rates fluctuating week by week, it is also important for customers to be fully aware of market rates to make informed decisions.

"PLANNING AHEAD IS THE DIFFERENCE BETWEEN SCRAMBLING FOR WHATEVER IS LEFT ON THE MARKET AND SECURING THE RIGHT AIRCRAFT"

Illustration by Phil Couzens

1

1. Wet leasing turns what could be a large capital investment into a variable cost
2. Cameron Llewellyn, vice president – leasing at ACC Aviation

2

Travel peaks

Summer is usually the busiest period, Llewellyn notes, but this is not just about leisure travel peaks – it is also because when airlines ramp up operations, it puts pressure on maintenance and crew resources: "Even a small hiccup can leave the operation exposed."

In contrast, winter tends to be quieter. "Airlines have more flexibility in their fleets and crew, and many ACMI providers either put aircraft into maintenance or look for longer term wet lease programmes in regions like Africa, Asia, or beyond Europe," says Llewellyn.

Even so, he notes, there are still opportunities at this time. "Outside of the usual seasonal peaks, we also see demand around major events like Hajj and Umrah, or when unexpected issues crop up, such as late aircraft deliveries, maintenance delays or crew shortages."

Demand for short-term capacity in summer 2025 has fluctuated more than usual when compared with the previous year, Llewellyn adds, when ACMI rates were exceptionally high, constraining some airlines from using short-term leases.

"This summer, we've seen rates return to more reasonable levels, which we hope will encourage more carriers to consider ACMI solutions again," he says. "Even so, there's still strong demand from airlines dealing with operational challenges or looking to make the most of high-season opportunities."

ACMI has become much more common and far more strategic, notes Chapman Freeborn's Dovydenas. "In the past, it was seen as an emergency fix. Today, it's recognised globally as a mainstream part of fleet and network planning. Airlines all over the world are using ACMI both to capture predictable peaks and to keep aircraft productive in quieter months."

"WET LEASING IS A FAST WAY TO EXPAND OR COVER GAPS WITHOUT THE HASSLE OF SOURCING EXTRA AIRCRAFT AND CREWS INTERNALLY"

At the same time, regulators, authorities and governments are also beginning to look upon ACMI positively, he adds. "It doesn't just benefit the airlines – it helps protect connectivity, ensures passengers and cargo keep moving and, in turn, supports broader economic activity and GDP growth."

Dovydenas expects demand to rise in the coming years. He says Chapman Freeborn believes there will be wider use of minimum guaranteed block hour programmes, which give airlines predictable costs while still allowing them to flex capacity up or down.

Additionally, there is likely to be greater use of damp leasing, particularly where brand consistency is important, along with increased use of counter-seasonal swaps to balance global demand.

The key takeaway is that ACMI should be viewed as a long-term strategic planning tool, rather than simply an emergency fix, Dovydenas concludes.

"The best outcomes come when airlines plan well in advance (often years ahead) for predictable peaks, while keeping the flexibility to bridge unexpected gaps. Around the world, carriers have embraced ACMI to maximise revenue in high season and ensure profitability in low season and that trend is accelerating." ●