

FAA POLICY PROTECTING HANGER OWNERS

The primary FAA policy protecting hangar owners and their leases is Grant Assurance 38, which mandates that airport sponsors grant long-term leases for hangar construction. This ensures hangar owners have a lease long enough to finance, build, and recoup their investment in the hangar. The FAA also provides guidance on other Grant Assurances relevant to hangar use, such as preserving rights and powers, making the airport available for aviation use, and not granting exclusive rights. [1, 2, 3]

Here's a more detailed look at the key aspects of this policy:

- **Grant Assurance 38:** This assurance requires airport sponsors to grant long-term leases to aircraft owners who construct hangars at the airport, according to the FAA. [1, 2]
- **"Long Term" Lease:** The FAA defines "long term" as a lease that is long enough for the hangar owner to finance the hangar, build it, and recoup their investment, as Aviation Consumer explains. [1]
- **Flexibility in Lease Terms:** The FAA allows airport sponsors a degree of flexibility in determining the specific terms of the lease, but they must ensure it is long enough to allow for financing and return on investment. [1]
- **Reversionary Clauses:** The FAA also acknowledges the possibility of reversionary clauses in lease agreements, where the hangar reverts to the airport sponsor after a certain period (e.g., 50 years), according to AOPA. [4]
- **Other Relevant Grant Assurances:** Besides Grant Assurance 38, other FAA assurances related to hangar use include Grant Assurance 5 (preserving rights and powers), Grant Assurance 22 (economic nondiscrimination), and Grant Assurance 23 (not granting exclusive rights). [3, 5]
- Generally find all FAA Grant Assurances here:
https://www.faa.gov/airports/aip/grant_assurances

[1] <https://aviationconsumer.com/aircraftreviews/hangar-construction-proceed-cautiously/>

[2] <https://dot.sd.gov/media/documents/AirportsConference/Thurs%201%20Taylor%20-%20Airport%20sponsor%20lease%20considerations.pdf>

[3] https://www.faa.gov/airports/airport_compliance/hangar_use

[4] <https://www.aopa.org/news-and-media/all-news/2024/march/21/a-candid-reflection-on-faa-aircraft-hangar-leases-and-hangar-reversion-policy>

[5] <https://aerolawcenter.com/how-to-handle-legal-disputes-over-aircraft-hangar-leases/>