

# Real Valuation Group, LLC

## White Paper

### **Airports: A Unique Appraisal Challenge**

As air traffic surges, regional airports like Chicago O'Hare strain to meet demand. Small airports, too, are near capacity in the Northern Illinois area. Demand is growing for additional reliever airports and more hangars and runways at existing airports. Accompanying this growth is the need for accurate valuations of these unique properties.

The distinctive nature and characteristics of airport properties separate them from the typical commercial appraisal assignment. Points that must be considered:

- Types of air traffic served, such as private aviation and corporate travel.
- Capacities and tolerances of the property's improvements, e.g., runway weight limits, signals and lighting, community hangars, private T-hangars, et al.
- Services offered, such as aircraft maintenance, security, fueling, tiedowns, parking hangars, and bulk or bottled oxygen.
- Type of ownership interest to be valued. Examples include: fee simple ownership of airport parcels by a government body or private individuals; leasehold value of long-term leases or sub-leases on hangars or hangar condos; and capitalization of income streams from shorter term rentals.
- Appraisals of airports must be made in line with relevant state statute, court decisions and precedents.

The above are just a few of the considerations that must be addressed in a substantive airport appraisal. And just as you wouldn't hire a criminal defense attorney for a complex commercial real estate transaction, valuing your airport property requires an appraiser with specific expertise in this very specialized area of the appraisal field.

*To learn about our airport appraisal services, contact Ed Kling, Director of Commercial Projects and licensed pilot, at 847-931-7447.*