

Figure 5-1 provides an overview of the standard types of leases that are typically used at airports. Each leasing alternative is related to a defined set of leasing conditions that will be addressed in turn in the following Chapters.

Figure 5-1: Standard Types of Airport Leases

TYPE OF LEASE	LEASED PROPERTY	LEASE CONDITIONS
Ground	Unimproved land	<ul style="list-style-type: none"> • Requires significant tenant capital investment: tenant must develop a proposed improvement on site within specified timeframe • Lease specifies type of improvement, e.g. T-hangars or hangar for aeronautical services • Generally long-term lease, 25 years or more • Often includes provisions for lease extension options up to a specified number of years • Often includes provision for improvement to revert to the airport at the end of the lease plus all extensions • Generally requires tenant to maintain safe building, minimum level of aesthetics and cleanliness* • Subleasing allowed under certain conditions
Facility	Tie-down (private)	<ul style="list-style-type: none"> • Requires little or no capital investment • Month-to-month lease with automatic renewal unless notice is given • Subleasing prohibited • Generally requires tenant to carry out basic maintenance and up-keep
	T-hangar bay (private)	<ul style="list-style-type: none"> • Requires no or minimal capital investment • Year-to-year lease with automatic renewal unless notice is given • Subleasing prohibited • Generally requires tenant to carry out basic maintenance and up-keep
	Tie-down area, T-hangar, or hangar (commercial)	<ul style="list-style-type: none"> • May require minimal-to-moderate capital investment • Generally lease period 3-5 years, with options for renewal • Renewal options may be limited • Generally requires tenant to maintain safe building, minimum level of aesthetics and cleanliness • Subleasing allowed under certain conditions

* This may include periodic inspections of buildings by airport staff to ensure that they are maintained properly to protect the airport's interest. Source: Hanson Professional Services, Inc.