

Factors Affecting Resale Value

Know the major factors that affect resale value. Generally speaking they are:

- **Engine hours**—perhaps the most common influence on resale value. The closer an engine is to its recommended time between overhaul (TBO), the lower the value. There are many factors that affect engine health, and a high-time engine is not necessarily bad. Regular use helps keep seals and other engine components lubricated and in good shape.
- **Installed equipment**—such as avionics, air conditioning, deicing gear and interior equipment. The most valuable equipment is usually avionics, which can easily double the value of some older aircraft. The newer the technology, the higher the value of the aircraft.
- **Airworthiness directives (ADs)**—issued by the FAA for safety reasons. Once issued, owners are required to comply with the AD within the time period allotted. It is important to look at the AD history of an aircraft and ensure the logbooks show compliance with all applicable ADs. ADs are discussed in greater detail in chapter 9.
- **Damage history**—it may be difficult to locate a complete damage history for an aircraft. Any aircraft with a damage history should be closely scrutinized to ensure it has been properly repaired in accordance with the applicable Title 14 of the Code of Federal Regulations (14 CFR) parts and recommended practices.
- **Paint/Interior**—as is the case with homes, paint can be used to give “tired” aircraft a quick face-lift. Check new paint jobs carefully for evidence of corrosion under the surface. Interior items should be checked for proper fit and condition.

Overhauls


Be careful of the terminology used to describe engine condition. Do not confuse a top overhaul with a major overhaul, or a major overhaul with a factory remanufactured “zero-time” engine. A top overhaul involves the repair of engine components outside of the crankcase. A major overhaul involves the complete disassembly, inspection, repair, and reassembly of an engine to specified limits. If an engine has had a top or major overhaul, the logbooks must still show the total time on the engine, if known, and its prior maintenance history. A “zero-time” engine is one that has been overhauled to factory new limits by the original manufacturer and is issued a new logbook without previous operating history.

Aircraft Records

Aircraft records maintained by the FAA are on file at the Mike Monroney Aeronautical Center in Oklahoma City, Oklahoma. Copies of aircraft records are available for review in CD format or paper. For information on ordering and costs, contact the FAA Civil Aviation Registry Aircraft Registration Branch (AFS-750). Copies of aircraft records may also be requested online. Visit www.faa.gov and select the “Aircraft Registration” link. There may be other records on file at federal, state, or local agencies that are not recorded with the FAA. AFS-750 contact information is in the FAA Contact Information appendix on pages A1–A2 of this handbook.

Make sure the following documents are available and in proper order for the aircraft:

- Airworthiness Certificate
- Engine and airframe logbooks
- Aircraft equipment list
- Weight and balance data, placards
- FAA-approved Airplane Flight Manual (AFM) and/or Pilot’s Operating Handbook (POH)

 **CAUTION:** Missing documents, pages, or entries from aircraft logbooks may cause significant problems for the purchaser and reduce the value of the aircraft.

Aircraft Title

The Federal Aviation Act requires the FAA to maintain a recording system for aircraft bills of sale, security agreements, mortgages, and other liens. This is done at AFS-750, which also processes applications for, and issues, aircraft registration certificates. The two systems are linked together because you must prove ownership in order to be entitled to register an aircraft.

“Clear title” is a term commonly used by aircraft title search companies to indicate there are no liens (e.g., chattel mortgage, security agreement, tax lien, artisan lien) in the FAA aircraft records. Title searches for the aviation public are not performed by AFS-750; however, the aircraft records contain all of the ownership and security documents that have been filed with the FAA.

AFS-750 records acceptable security instruments. In addition, some states authorize artisan liens (mechanic liens). These also need to be recorded. Be sure to check your state’s statutes regarding liens.