Heathrow Airport –

Property Rents 2026/27 and Associated Matters

Consultation Document

Date: July 2026

Prepared by: Heathrow Airport Limited

Status: Version 1

Contents

Property Rents 2025/26 and Associated Matters

Executive Summary

Heathrow is proposing to increase property rents for 2026/27 by 2.49%

This has been calculated by using a blended average of the following 3 metrics: -

- A 0.72% increase in annual passenger numbers between April 2025 and April 2026
- A 4.18% increase in RPI between April 2025 and April 2026
- A 2.57% increase in average IPD between April 2025 and April 2026

A blended average of the 3 metric increases has resulted in the proposed 2.49% increase.

Heathrow intends this change to be in effect from 1st April 2026.

1.0 Introduction

1.1. Heathrow consults every year with the Heathrow community on setting levels of rent from 1st April of each year.

1.2. The purpose of this consultation document is to set out Heathrow's proposal for the level of property rents for 2026/27 and associated matters.

1.3. Heathrow is inviting comments from the Heathrow property customers on the proposal so that these can be considered when we make our final decision.

1.4.

1.4.1. The annual change to Guide Prices is calculated based on the average annual change in the three formula inputs, passenger numbers (PAX), RPI and IPD (MSCI) index.

1.5 The publication of this paper on w/c 20th July is the start of our consultation on the annual setting of property rents for 2026/27.

2.0 Update on Guide Prices for 2026/27

2.1. Heathrow is proposing to increase property rents for 2026/27.

2.2. There were 84.5 million passengers in 2025, an increase of RPI from 392.1 to 408.5 and an on-average performance, detailed in the IPD/MSCI index data, the formulaic calculation will result in a 2.49% increase in Guide Prices for 2026/27.

2.3. The details are set out in the table below and in Schedule A with all RPI, PAX and IPD/MSCI data. The final published Guide Prices will take effect from 1st April 2026.

2.4. The table below provides a summary of the changes in Guide Prices.

Guide Price Change			
Guide price Year	Percentage change applied	T4 CIP Departures Rent £ sq ft per annum	Comment
01/04/2019 - 31/03/2020	**1.95%**	**£86.71**	Year on year formula increase
01/04/2020 - 31/03/2021	**Nil**	**£86.71**	1.33% year on year uplift not implemented
01/04/2021 - 31/03/2022	**Nil**	**£86.71**	-ve Cumulative value vs 2019/20
01/04/2022 - 31/03/2023	**Nil**	**£86.71**	-ve Cumulative value vs 2019/20
01/04/2023 - 31/03/2024	**4.26%**	**£90.41**	Cumulative increase vs 2019/20
01/04/2024 - 31/03/2025	**11.77%**	**£101.05**	Year on year formula increase
01/04/2025 - 31/03/2026	**3.73%**	**£104.82**	Year on year formula increase
01/04/2026 - 31/03/2027	**2.49%**	**£107.43**	Year on year formula increase

4.0 Discount applied on Terminal 2 Guide Price Rents

4.1. In 2013 following a consultation, Heathrow decided to provide a discount in the Guide Prices for accommodation in Terminal 2 to reflect several infrastructure differences to Terminal 5. The total discount equated to 4% from Terminal 5 prices.

4.2. Appendix 2 sets out supplementary information, including percentage discounts.

4.3. Following the completion of the through taxiway between T2A&B and operational availability of stands 234 and 235 in July 2023, Heathrow proposed that the 1% Guide Price reduction was to be removed with effect from 1 April 2023. This is reflected in the proposed Guide Prices in Appendix 6.

4.4. Further background information on how the Terminal 2 Guide Prices were decided are set out in the Terminal 2 Property Rents Decision Document in Appendix 2.

4.5. The completion of the T2 Baggage System and Track Transit System are still ongoing.

5.0 Consultation Programme

Heathrow is inviting comments from Heathrow property customers on the proposals so that these can be considered when we make our final decision.

1.1. A consultation meeting will be held on 23rd August 2026. The closing date for written consultation responses will be 6th August 2026. Heathrow will then announce the final level of property rents by 7th August 2026.

1.2. The publication of this consultation paper in July 2026 is the start of the consultation by Heathrow Property on the annual setting of property rents for 2026/27.

1.3. The consultation programme is as follows:

Week	Milestone
w/c 21st July	**Heathrow publish consultation document on 2026/27 rental proposals**
23rd July	**Consultation Meeting**
6th August	**Final Consultation**
7th August	**Publish**

1.4. Any party wishing to comment on the proposal must submit responses in writing. Written responses should be sent to: property@heathrow.com

1.5. Alternatively, written comments may be posted to the following address:

Consultation Responses
FAO: Chelsea Clarke
Property Team
Heathrow Airport Ltd
The Compass
Centre Nelson
Road
Hounslow
TW6 2GW

1.6. If you have any questions on the consultation document, please contact Heathrow Property on the above e-mail address.

Heathrow are pleased to have support from the AOC's Nigel Wicking, contactable at NigelW@aoc-lhr.co.uk

SCHEDULE A

1.0 Background – Property Rents at Heathrow

1.1. Since 1996 Heathrow has had a list of published Guide Prices. The Guide Prices are either a band or spot rent for the majority of standard property products.

1.2. Since 1996 the Guide Prices have been adjusted by the percentage change in a rental formula, which is applied annually to the Guide Prices once consulted upon.

1.3. Following consultation, the tariff rents were simplified in 2008 and the formula has evolved since it was first introduced.

1.4. The components of the current formula, revised in 2002, are as follows:

1.4.1. Passenger Numbers (PAX)
1.4.2. Retail Price Index (RPI)
1.4.3. Investment Property Databank (IPD) now MSCI, Annual Property Index – the average of Central, Outer and West of London Office Indices (see Appendix 1 for the geographical area).

1.5. The formula gives equal weighting to each component.

1.6. The formula seeks to provide consistent growth, flattening the peaks and troughs associated with the external property market. This can be seen in the attached graph at Appendix 4.

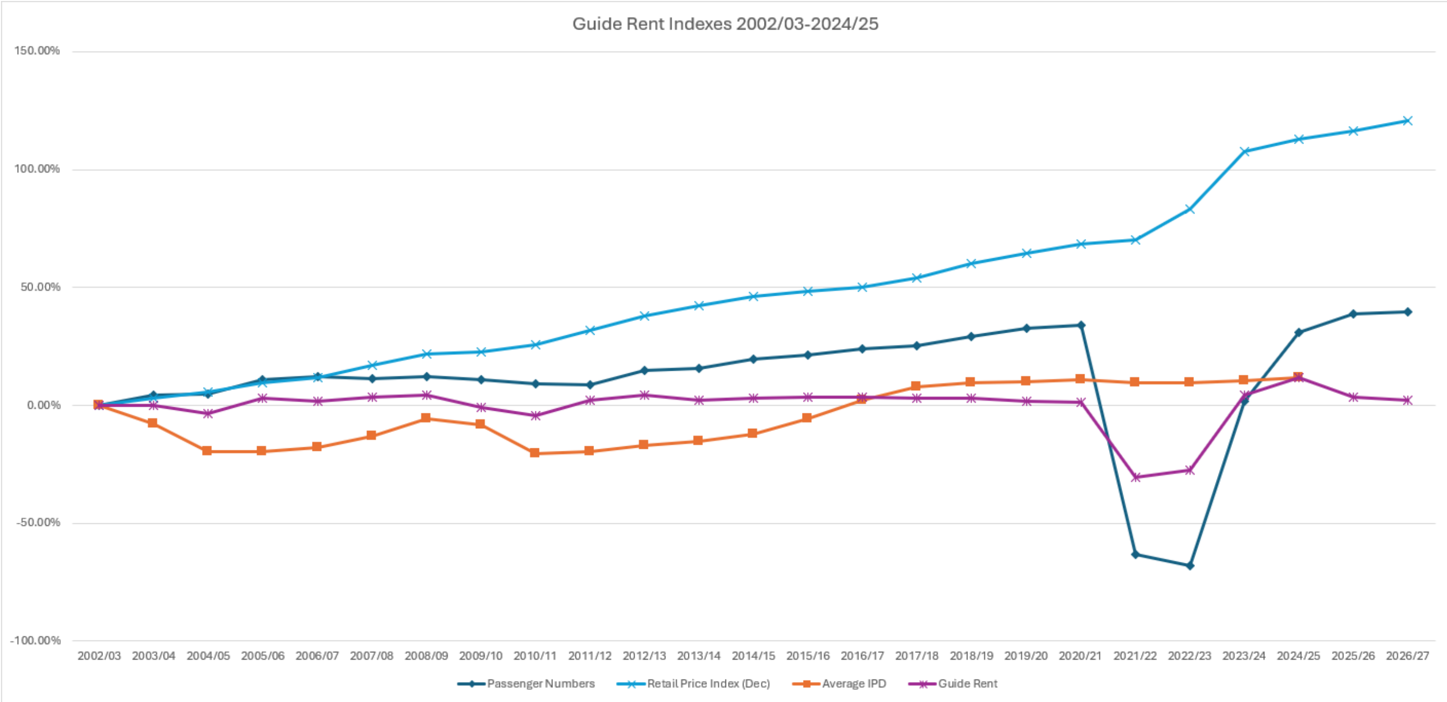
1.7. The decision was to retain Guide Price Rents at 2019/20 levels effective from 1 April 2020. Following consultation, Heathrow did not implement the formula generated an increase in Guide Price Rents initially proposed for 2020/21 and held Guide Price rents at 2019/20 levels.

1.8. The decision was made to hold Guide Price Rents at 2019/20 levels banking an anticipated formulaic reduction caused largely by the Covid 19 pandemic effect on passenger numbers at the Airport, until such a time, as the formula produces a net increase based on the cumulative level of guide prices (off a 2001 base) above these rates.

1.9. Desk license fees were previously reviewed biennially using the Guide Price formula prior to 2023/24. To bring this in line with the rest of the consultation, for simplicity and equity we are including the reviews as part of our annual consultation.

1.10. The decision was taken that rents would only increase when the effective threshold was met, from an increase in values, past the 2019/20 figures.

APPENDIX 1 – RPI, IPD/MSCI and Passenger Numbers Database



Year on Year	Apr-02		Apr-20	Apr-21	Apr-22	Apr-23		Apr-24	*Apr-25*	*Apr-26*	*Apr-27*	*Apr-28*	*Apr-29*	*Apr-30*
Passenger Numbers	0.00%		0.98%	-72.67%	-12.29%	217.63%		28.49%	6.02%	*0.72%*	*0.59%*	*0.23%*	*1.32%*	*0.80%*
RPI (Dec)	0.00%		2.21%	1.20%	7.55%	13.44%		5.16%	3.46%	*4.18%*	*0.91%*	*2.91%*	*2.88%*	*2.91%*
Average IPD	0.00%		0.80%	-1.28%	0.31%	0.48%		1.66%	1.73%	*2.57%*	*0.95%*	*0.95%*	*0.95%*	*0.95%*
Average	**0.00%**		**1.33%**	**-24.25%**	**-1.48%**	**77.18%**		**11.77%**	**3.73%**	***2.49%***	***0.81%***	***1.36%***	***1.72%***	***1.55%***

APPENDIX 2 – Terminal 2 Property Rents, Decision Document Extract and Completion Certificates

Decision Key Principles:

1. There are some items of infrastructure which will not be available at the opening of T2 but will become available post T2 opening. See Table1.

2. The T2 rents will fall within the Guide Price range between the CTA / T4 and T5 for equivalent space types.

3. The Property rents for a completed Terminal 2 will be aligned to Terminal 5 property rents.

4. Rental discounts to the T2 headline rent Guide Prices to apply for an interim period until defined infrastructure issues are resolved.

5. No discounted rent shall be less than the current CTA/T4 Guide Price for the relevant space type.

Mechanics:

The Property Rental Guide Prices are published annually with effect from 1st April. The published T2 Guide Prices will initially include a discount. This rental discount will be removed from the headline Guide Prices published to be effective 1 April following the achievement of the milestone for resolution of the relevant infrastructure issue (see Table 1).

The rents paid by property customers under their property agreement will change at the next rent review or lease renewal following the change in Guide Price using the published tariff applicable at the relevant review/renewal date. The Guide Prices will generally provide the basis for non-tariff terminal related accommodation types where there is no Heathrow wide common charging.

Desks will remain at Heathrow wide charging levels.

Other charges payable under Property agreements are unaffected by the discounts e.g. heating, maintenance and refuse charges.

The methodology for calculating the T2 Guide Prices annually whilst the Infrastructure discounts remain are as follows:-

a) Apply Guide Price indexation to the T2 Headline Guide Price categories WEF 1 April annually, i.e. the Guide Prices for T2 without infrastructure discounts.

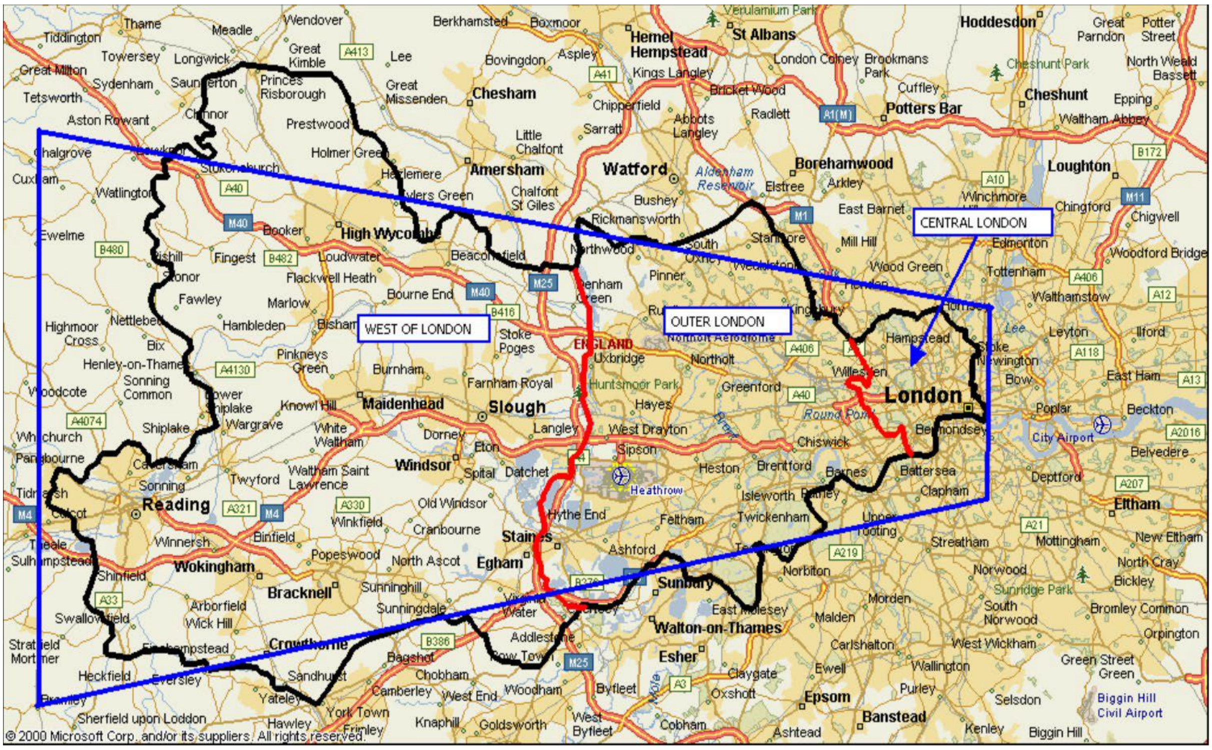
b) Apply the total cumulative % discount to the T2 Headline Guide Price categories according to the number of Infrastructure Issues remaining as at 1 April for that guide price year.

The commercial impacts on Heathrow's range of charges due to the stated infrastructure issues shall only be reflected here. Discounts against other charges for these issues will not be available. If this is found to be the case, double counting shall be addressed by removal of the discount from rents or the appropriate other Heathrow charge.

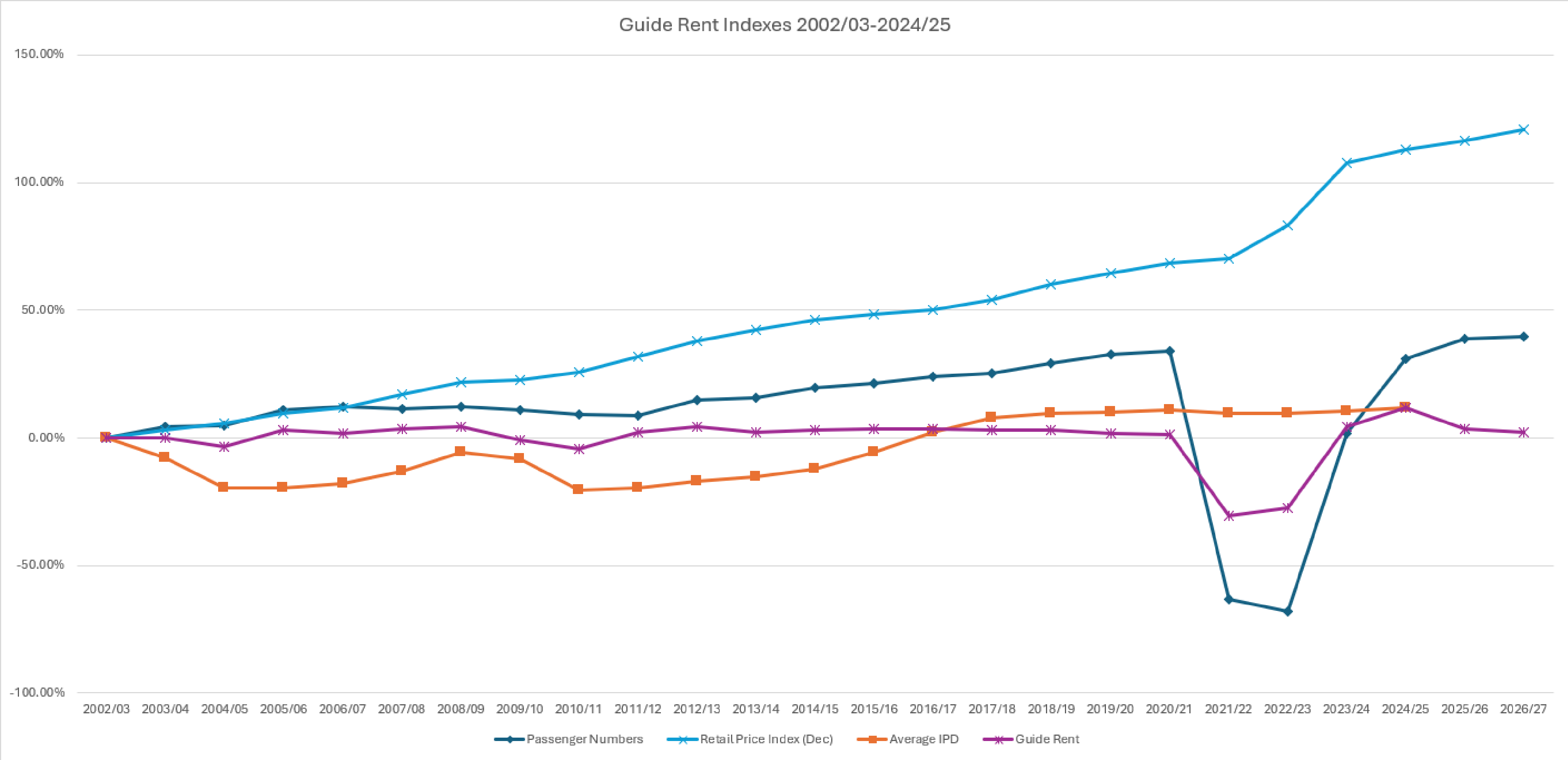
The defined Infrastructure Issues and Milestones for removal of discounts are:-

Infrastructure not available for opening of Terminal 2	Indicative Date for Delivery	Milestone for removal of discount from Guide Prices	Guide Price discount
5. Completion of T2 baggage system	c. 2020+	Commissioning of baggage ring main tunnel connectivity to the T1/T2 baggage system Commencement of departures baggage processing within T2A	2%
6. Track Transit System linking T2A and T2B	c. 2020+	Commencement of TTS operations between T2A and T2B	1%

APPENDIX 3 – MSCI/IPD Index Geographical Areas



APPENDIX 4 – Graph of Historic Changes in the Rental Formula Components



APPENDIX 5 – Guide Prices 2024/25

Heathrow Airport Rental Guide Prices - 2024/25 (Effective 1st April 2024)	2024/25			
	Rent £ sq ft per annum		Rent £ sq M per annum	
	Min	Max	Min	Max
Terminal 1				
Second floor office				
CIP				
Piers - standard ramp	£50.51	£59.81	£543.71	£643.74
Terminal 2				
CIP - T2A		£107.79		£1,160.28
CIP - T2B		£102.41		£1,102.37
T2A - Landside offices/support accom		£94.49		£1,017.08
T2A - Airside offices/support accom		£77.70		£836.32
T2A - Airside apron level support accom (Ramp)		£60.92		£655.73
T2B - Apron level support accom (Ramp)		£59.81		£643.74
Terminal 3				
North Wing		£80.82		£869.93
South Wing		£89.78		£966.41
East Wing		£86.89		£935.28
Departures ground floor R/O check-in		£68.71		£739.57
Departures ground floor off back corridor		£60.61		£652.45
Infill Offices		£89.78		£966.41
CIP - Departures		£101.05		£1,087.65
CIP - Arrivals	£95.96	£101.05	£1,032.89	£1,087.65
Piers - standard ramp	£50.51	£59.81	£543.71	£643.74
Building 820				
First and Second Floor		£71.87		£773.62
Ground Floor		£75.77		£815.56
Bays		£47.11		£507.09
D'Albiac House				
Bays		£42.40		£456.43
Offices (Outer offices)		£65.07		£700.46
Offices (Inner offices)		£63.25		£680.83
Terminal 4				
NE Extension, Balcony		£89.78		£966.41
Departures rear of check in		£68.71		£739.57
Mezzanine airside		£64.68		£696.17
Standard ramp	£50.51	£59.81	£543.71	£643.74
CIP		£101.05		£1,087.65
Terminal 5				
CIP - T5A		£111.13		£1,196.16
CIP - T5B/C		£105.58		£1,136.46
T5A - Landside offices/support accom		£97.41		£1,048.54
T5A - Airside offices/support accom		£80.10		£862.19
T5A - Airside apron level support accom (Ramp)		£62.80		£676.01
T5B/C - Airside offices/support accom		£76.29		£821.21
T5B/C - Apron level support accom (Ramp)		£61.30		£659.87
Desk Frontage Rates - All Terminals				
Check-In		£703.65		£7,574.02
Sales and Reservation		£1,456.88		£15,681.67
Transfer		£703.65		£7,574.02
Information		£1,080.28		£11,628.04

Appendix 6 – Draft Guide Prices 25/26

Heathrow Airport Rental Guide Prices - 2025/26	2025/26			
(Effective 1st April 2025)	Rent £ sq ft per annum		Rent £ sq M per annum	
	Min	Max	Min	Max
Terminal 1				
Second floor office				
CIP				
Piers - standard ramp	£52.40	£62.04	£564.02	£667.78
Terminal 2				
CIP - T2A		£111.82		£1,203.61
CIP - T2B		£106.24		£1,143.54
T2A - Landside offices/support accom		£98.02		£1,055.07
T2A - Airside offices/support accom		£80.60		£867.56
T2A - Airside apron level support accom (Ramp)		£63.19		£680.22
T2B - Apron level support accom (Ramp)		£62.04		£667.78
Terminal 3				
North Wing		£83.84		£902.43
South Wing		£93.14		£1,002.51
East Wing		£90.14		£970.21
Departures ground floor R/O check-in		£71.27		£767.20
Departures ground floor off back corridor		£62.88		£676.82
Infill Offices		£93.14		£1,002.51
CIP - Departures		£104.82		£1,128.27
CIP - Arrivals	£99.54	£104.82	£1,071.46	£1,128.27
Piers - standard ramp	£52.40	£62.04	£564.02	£667.78
Building 820				
First and Second Floor		£74.56		£802.51
Ground Floor		£78.60		£846.02
Bays		£48.87		£526.02
D'Albiac House				
Bays		£43.99		£473.47
Offices (Outer offices)		£67.50		£726.62
Offices (Inner offices)		£65.61		£706.26
Terminal 4				
NE Extension, Balcony		£93.14		£1,002.51
Departures rear of check in		£71.27		£767.20
Mezzanine airside		£67.09		£722.17
Standard ramp	£52.40	£62.04	£564.02	£667.78
CIP		£104.82		£1,128.27
Terminal 5				
CIP - T5A		£115.28		£1,240.83
CIP - T5B/C		£109.52		£1,178.91
T5A - Landside offices/support accom		£101.05		£1,087.70
T5A - Airside offices/support accom		£83.09		£894.39
T5A - Airside apron level support accom (Ramp)		£65.15		£701.25
T5B/C - Airside offices/support accom		£79.14		£851.88
T5B/C - Apron level support accom (Ramp)		£63.59		£684.52
Desk Frontage Rates - All Terminals				
Check-In		£729.93		£2,394.75
Sales and Reservation		£1,511.29		£4,958.23
Transfer		£729.93		£2,394.75
Information		£1,120.63		£3,676.56

Unless otherwise stated:

The rents are exclusive of Maintenance Rent and Heating Rent or Service Charge.
All rents (except CIP) assume measurement based on net internal area.
A discount of 10% is given for No Natural Light, unless all the accommodation in the category has no natural light.
Where there is a price range, actual charge will be based on the overall quality and location of accommodation.
Typically, new build will be at the top of range.

Appendix 7 – Draft Guide Prices 26/27

Heathrow Airport Rental Guide Prices - 2026/7 (Effective 1st April 2026)	2026/27			
	Rent £ sq ft per annum		Rent £ sq M per annum	
	Min	Max	Min	Max
Terminal 1				
Second floor office				
CIP				
Piers - standard ramp	£53.70	£63.58	£578.06	£684.40
Terminal 2				
CIP - T2A		£114.60		£1,233.57
CIP - T2B		£108.88		£1,172.01
T2A - Landside offices/support accom		£100.46		£1,081.33
T2A - Airside offices/support accom		£82.61		£889.16
T2A - Airside apron level support accom (Ramp)		£64.77		£697.15
T2B - Apron level support accom (Ramp)		£63.58		£684.40
Terminal 3				
North Wing		£85.93		£924.89
South Wing		£95.45		£1,027.47
East Wing		£92.38		£994.36
Departures ground floor R/O check-in		£73.05		£786.29
Departures ground floor off back corridor		£64.44		£693.67
Infill Offices		£95.45		£1,027.47
CIP - Departures		£107.43		£1,156.36
CIP - Arrivals	£102.02	£107.43	£1,098.14	£1,156.36
Piers - standard ramp	£53.70	£63.58	£578.06	£684.40
Building 820				
First and Second Floor		£76.41		£822.49
Ground Floor		£80.55		£867.08
Bays		£50.09		£539.12
D'Albiac House				
Bays		£45.08		£485.26
Offices (Outer offices)		£69.19		£744.70
Offices (Inner offices)		£67.25		£723.84
Terminal 4				
NE Extension, Balcony		£95.45		£1,027.47
Departures rear of check in		£73.05		£786.29
Mezzanine airside		£68.76		£740.15
Standard ramp	£53.70	£63.58	£578.06	£684.40
CIP		£107.43		£1,156.36
Terminal 5				
CIP - T5A		£118.15		£1,271.72
CIP - T5B/C		£112.25		£1,208.26
T5A - Landside offices/support accom		£103.57		£1,114.77
T5A - Airside offices/support accom		£85.16		£916.66
T5A - Airside apron level support accom (Ramp)		£66.77		£718.71
T5B/C - Airside offices/support accom		£81.11		£873.09
T5B/C - Apron level support accom (Ramp)		£65.18		£701.56
Desk Frontage Rates - All Terminals				
Check-In		£748.10		£2,454.37
Sales and Reservation		£1,548.91		£5,081.66
Transfer		£748.10		£2,454.37
Information		£1,148.52		£3,768.08

Unless otherwise stated:

The rents are exclusive of Maintenance Rent and Heating Rent or Service Charge.
All rents (except CIP) assume measurement based on net internal area.
A discount of 10% is given for No Natural Light, unless all the accommodation in the category has no natural light.
Where there is a price range, actual charge will be based on the overall quality and location of accommodation.
Typically, new build will be at the top of range.