



Property Guide Price Rents 2018/19

Consultation Meeting – 26th July 2018

Heathrow Property

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Agenda

1. Overview
2. Consultation Timetable
3. Guide Price Formula
4. 2018/19 Guide Price Change
5. Terminal 2 Guide Prices

Guide Price Rents Consultation 2018 - Overview

1. 2018 Guide Price Change
2. Change to desk frontage rates (last updated in 2016/7)
3. Terminal 2 Guide Prices retain 4% discount for 2018/19

Timetable

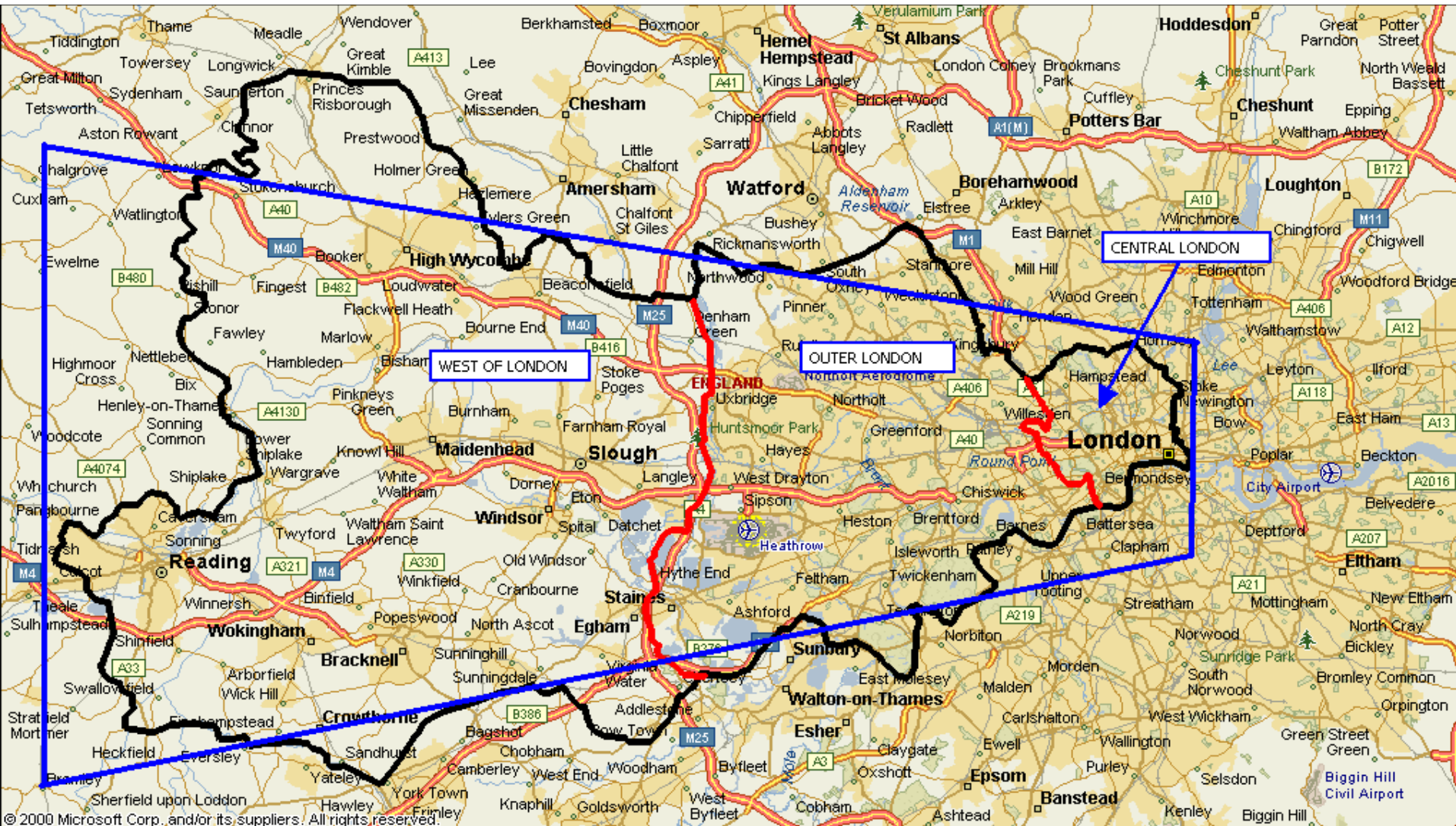
Date	Milestone
4th July 2018	HAL publish consultation paper on Heathrow 2018/19 rental proposals
26th July 2018	Consultation meeting
31 st August 2018	Property customer written responses due
7 th September 2018	HAL publishes 2018/19 rents effective from 1 st April 2018

Heathrow Property Rents Formula Calculation

Rental formula, the average of the following inputs:-

1. Passenger numbers
2. Retail Price Index (RPI)
3. Investment Property Database (IPD) – average of 3 indices:-
 - a. Central London
 - b. Outer London
 - c. West of London

IPD Index Areas



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2018/19 Rental Formula Calculation

	2016	2017	% Change
Passenger Numbers (1)	75,676,223	77,988,752	3.06%
Retail Price Index (2)	267.1	278.1	4.12%
IPD Annual Property Index	(3)	(3)	1.65%
Average % Change			2.94%

Notes:

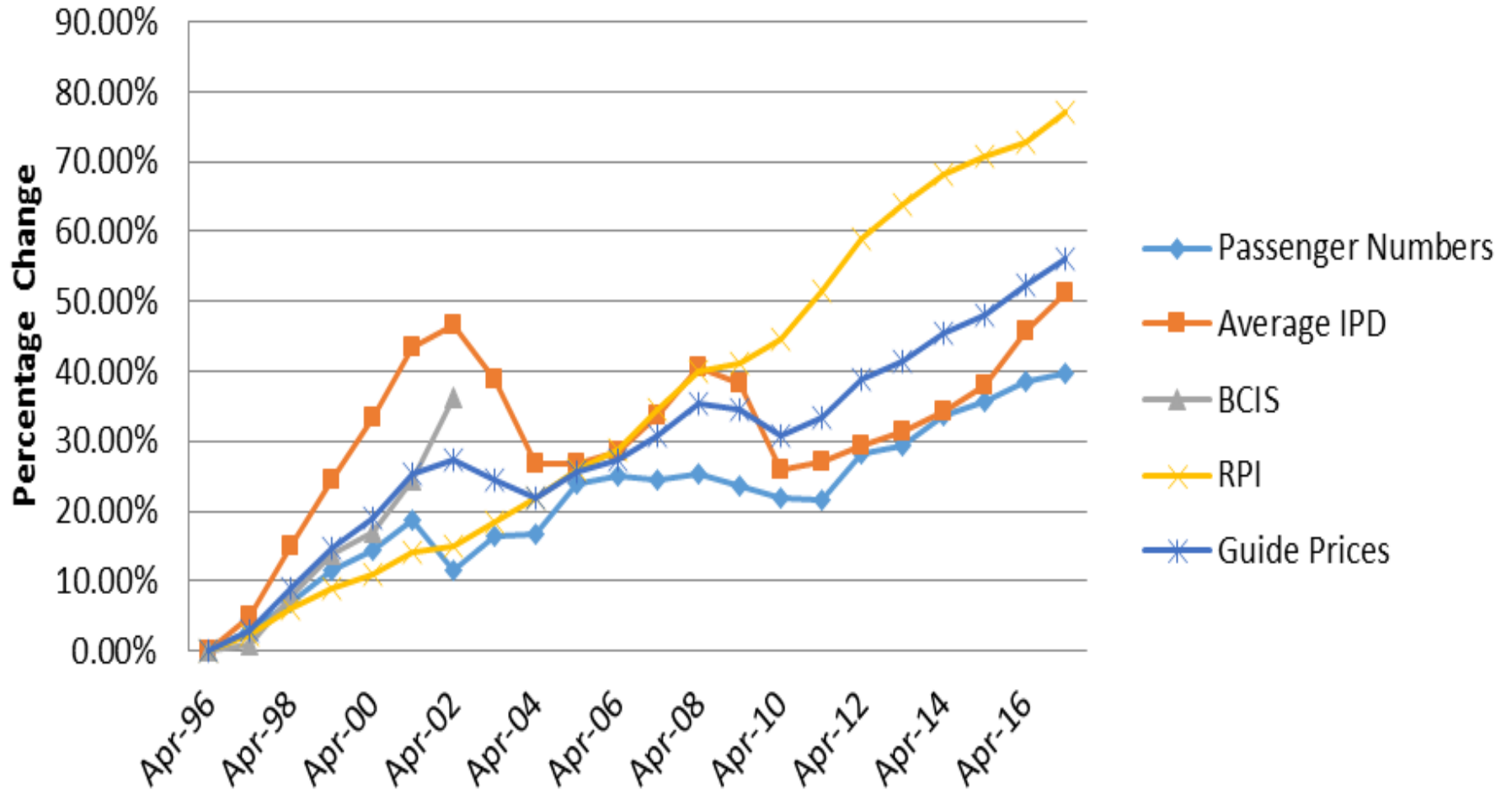
1. Passenger numbers for the preceding year, January - December.
2. Retail Price Index (RPI) all items - Index figure for December of the preceding year
3. Investment Property Database (IPD) Office Rental Value Growth for the preceding year.

	2016	2017	% Change
Central London	304.5	307.9	1.10%
Outer London	215.8	221.3	2.55%
West of London	145.9	147.8	1.30%
Average			1.65%

Guide Price Changes

Period	% Guide Price Change
One Year (2017 – 2018)	+2.94%
Two Years (2016 – 2018)	+5.91%
Three Years (2015 – 2018)	+9.83%

Rental Indices 1996-2017



Terminal 2 Guide Prices

- T2 Rents Consultation completed February 2013
- Guide Prices for T2 incorporated into Heathrow Guide Prices from April 2014
- Terminal 2 Guide Prices discounted by 4% until certain infrastructure delivered
- Infrastructure remains to be completed therefore 4% discount will apply to T2

Guide Prices for 2018/19

Q&A

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