



Property Guide Price Rents 2019/20

Consultation Meeting – 25th June 2019

Heathrow Property

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Agenda

1. Overview
2. Consultation Timetable
3. Guide Price Formula
4. 2019/20 Guide Price Change
5. Terminal 2 Guide Prices

Guide Price Rents Consultation 2019 - Overview

1. 2019 Guide Price Change
2. Confirmation of no change to desk frontage rates (last updated in 2018)
3. Terminal 2 Guide Prices retain 4% discount for 2019/20

Timetable

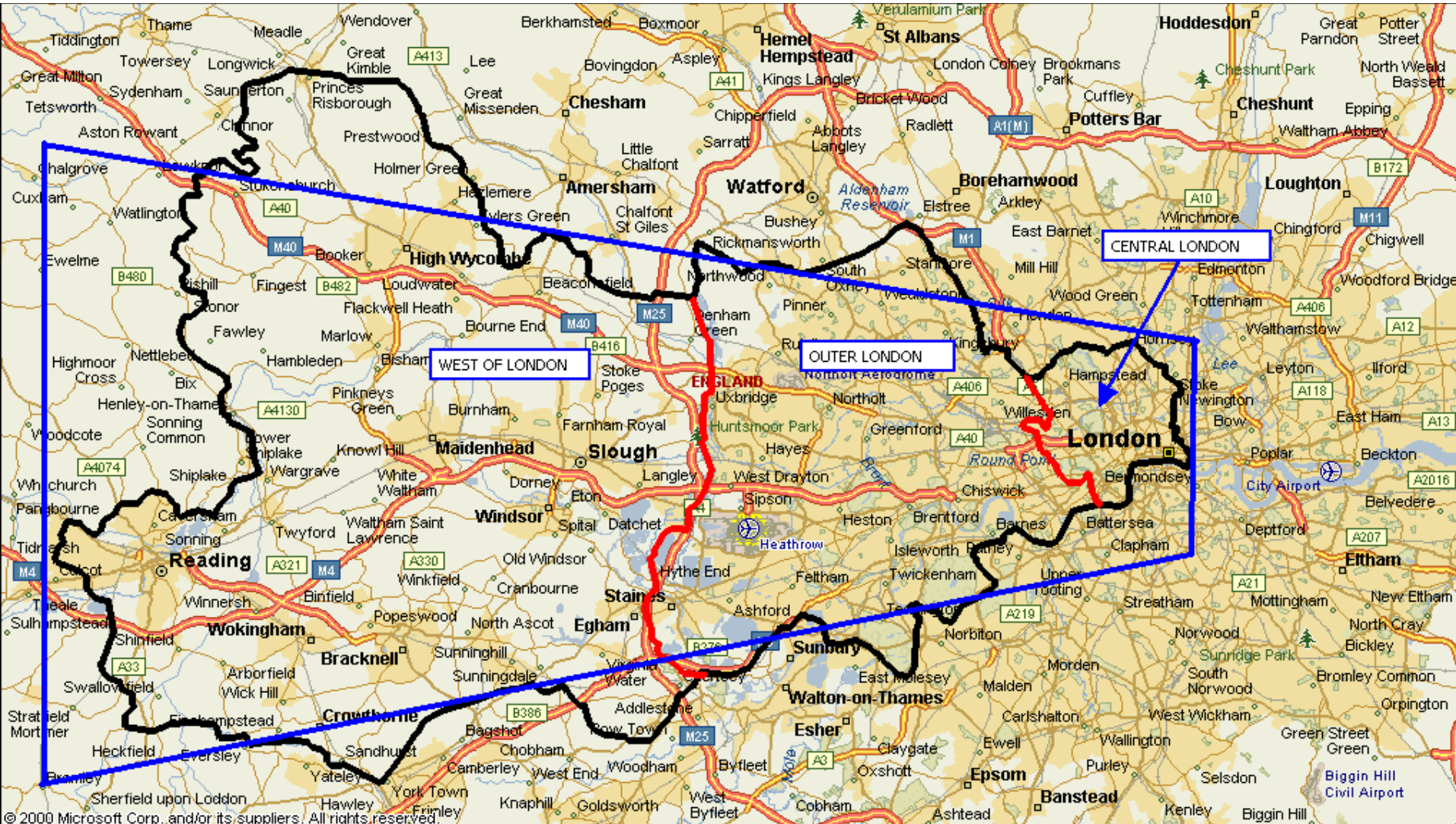
Date	Milestone
6th June 2019	HAL publish consultation paper on Heathrow 2019/20 rental proposals
25th June 2019	Consultation meeting
26th July 2019	Property customer written responses due
2nd August 2019	HAL publishes 2019/20 rents effective from 1 st April 2019

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



2019/20 Rental Formula Calculation

	2017	2018	% Change
Passenger No.s (1)	77,988,752	80,102,014	+2.71%
Retail Price Index (RPI) (2)	278.1	285.6	+2.70%
IPD Annual Property Index (3)	(3)	(3)	+0.46%
Average % Change			+1.95%

Notes:

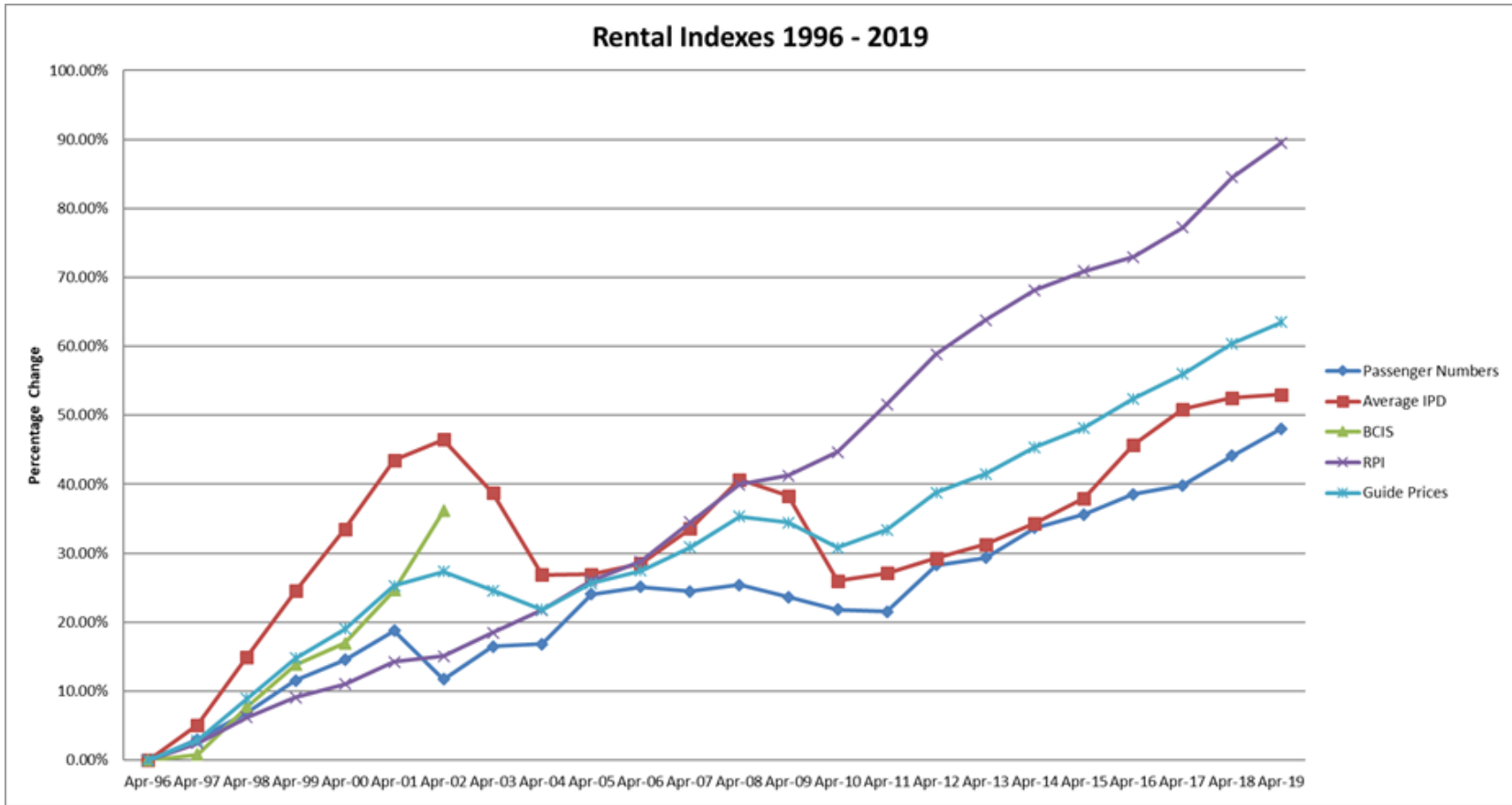
- Passenger numbers for the preceding year, January – December.
- Retail Price Index (RPI) (All Items) – Index figure for December of the preceding year.
- Investment Property Database (IPD) Office Rental Value Growth for the preceding year.

	2017	2018	% Change
Central London	307.9	310.5	+0.84%
Outer London	221.3	219.5	-0.81%
West of London	147.8	149.8	+1.34%
Average			+0.46%

Guide Price Changes

Period	% Guide Price Change
One Year (2018 – 2019)	+1.95%
Two Years (2017 – 2019)	+4.95%
Three Years (2016 – 2019)	+7.98%

Rental Indices 1996-2019



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 2019/20

Q&A

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