



Property Guide Price Rents 2017/18

Consultation Meeting – 4th September 2017

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Heathrow
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Agenda

1. Overview
2. Consultation Timetable
3. Guide Price Formula
4. 2017/18 Guide Price Change
5. Terminal 2 Guide Prices

Guide Price Rents Consultation 2017 - Overview

1. 2017 Guide Price Change
2. No change to desk frontage rates (updated in 2016)
3. Terminal 2 Guide Prices retain 4% discount for 2017/18

Timetable

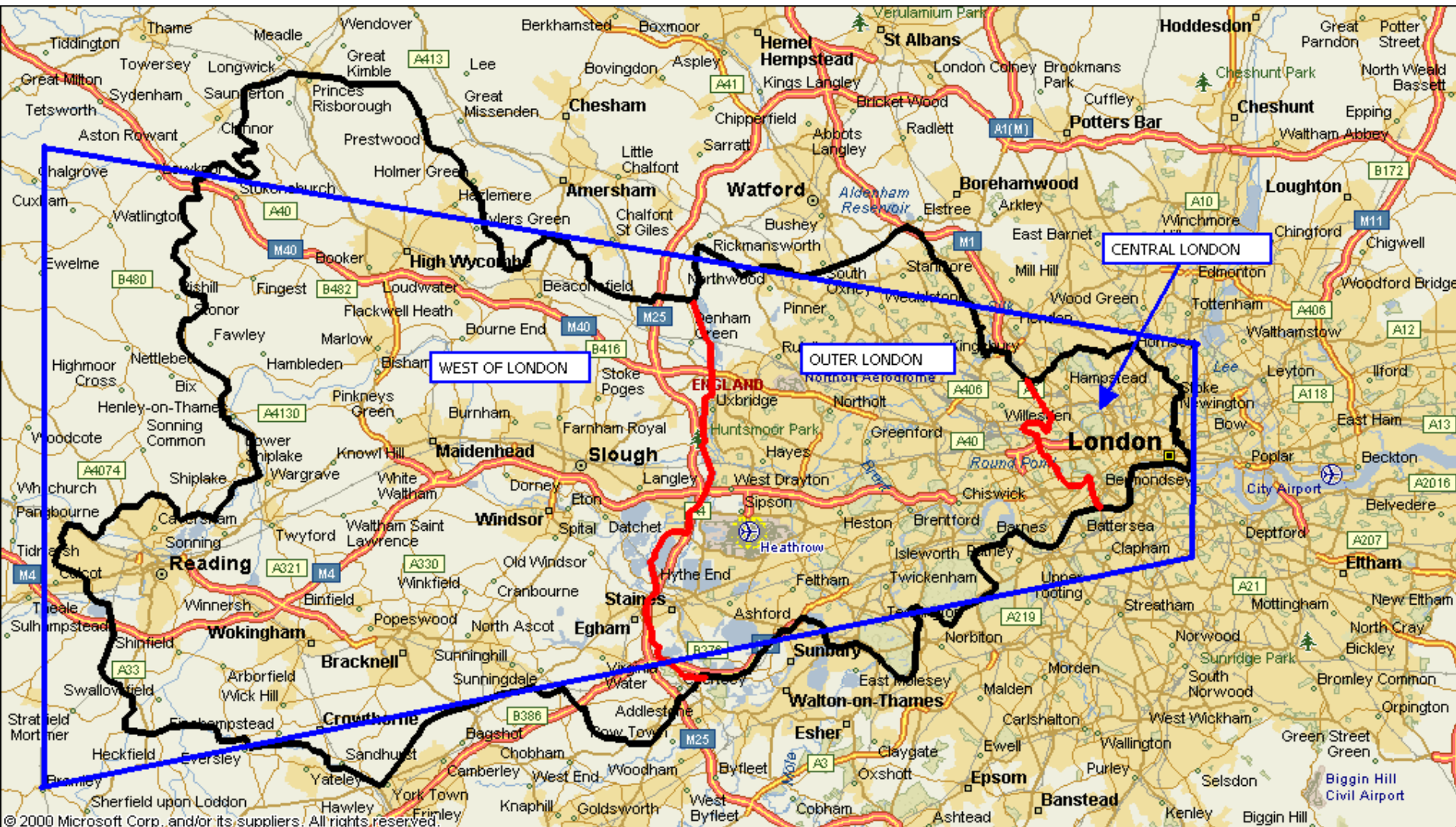
Date	Milestone
2 nd August 2017	HAL publish consultation paper on Heathrow 2016/17 rental proposals
4 th September 2017	Consultation meeting
3 rd November 2017	Property customer written responses due
10 th November 2017	HAL publishes 2017/18 rents effective from 1 st April 2017

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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APPENDIX 5 – 2017/18 Rental Formula Calculation

	2015	2016	% Change
Passenger No.s (1)	74,959,048	75,676,223	+0.96%
Retail Price Index (RPI) (2)	260.6	267.1	+2.49%
IPD Annual Property Index (3)	(3)	(3)	+5.20%
Average % Change			+2.88%

Notes:

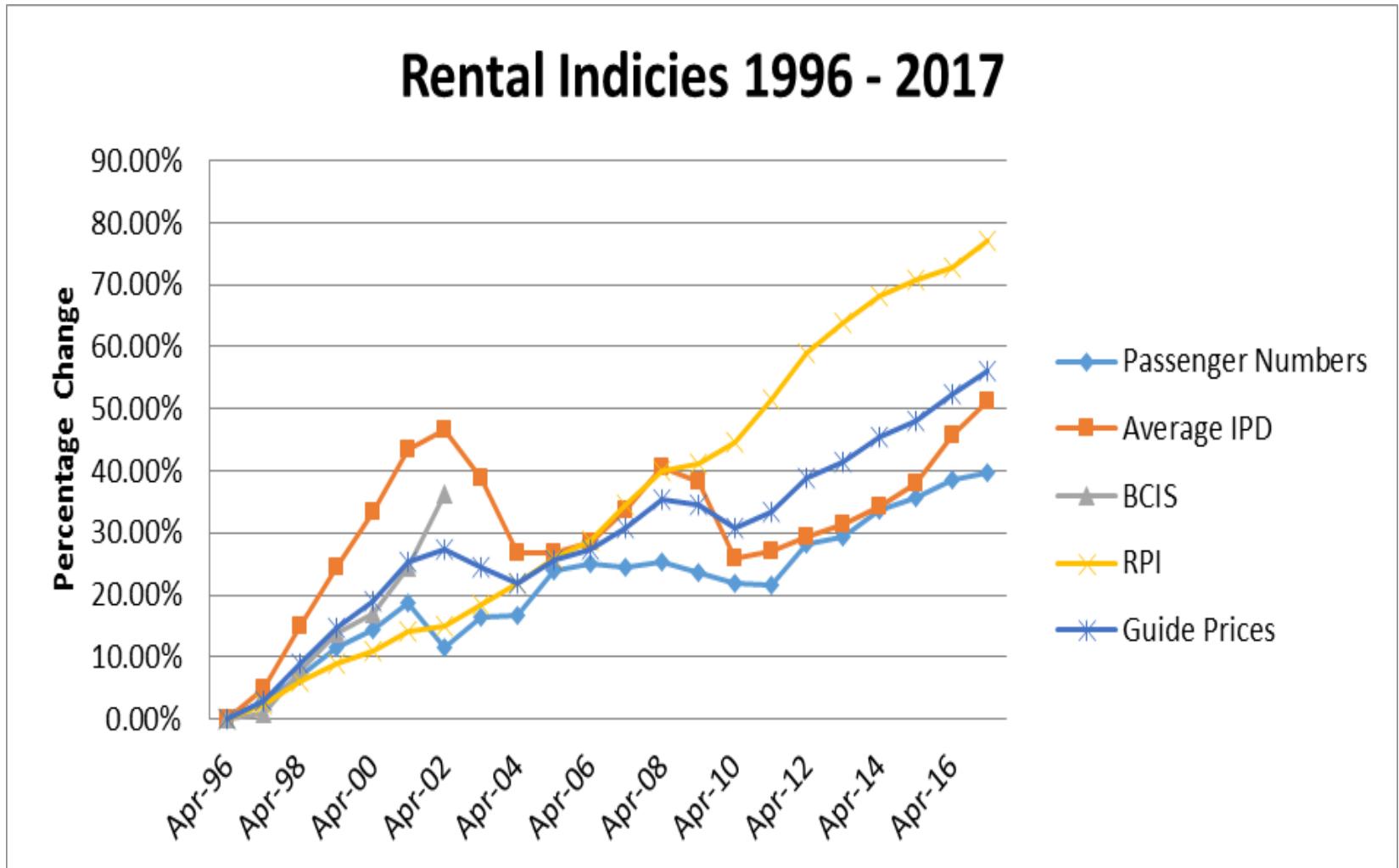
1. Passenger numbers for the preceding year, January – December.
2. Retail Price Index (RPI) (All Items) – Index figure for December of the preceding year.
3. Investment Property Database (IPD) Office Rental Value Growth for the preceding year.

	2015	2016	% Change
Central London	276.0	304.5	+10.34%
Outer London	211.9	215.8	+1.85%
West of London	141.1	145.9	+3.40%
Average			+5.20%

Guide Price Changes

Period	% Guide Price Change
One Year	+2.88%
Two Years	+6.69%
Three Years	+10.37%

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 2017/18

Any questions?

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