

# Heathrow Airport – T2 Property Guide Price Rents

## Consultation Document Addendum

Date: 19<sup>th</sup> August 2011

Prepared By: Heathrow Airport Limited

Status: Final

# Heathrow Airport T2 Property Guide Price Rents - Consultation Document Addendum

## 1.0 Introduction

- 1.1. We have been asked by some users to provide additional information about comparable levels of rents in other Terminals, how the T5 Guide Prices are assessed, and to provide an extension to the closing date for feedback given the holiday period.

## 2.0 T2 Rental Proposal - comparison with other terminal rents at Heathrow

- 2.1. In our original consultation paper we included a full list of the current Guide Prices for existing Terminals, we have been asked to provide an additional table illustrating the comparison between our proposed Guide Prices for T2 and the rents in the other terminals. The comparison table is attached at Appendix 1.

## 3.0 T5 Guide Price Assessment Criteria

- 3.1. The proposed Guide Prices for T2 have been assessed in a consistent way to the rents for the other Terminals. We have been asked to explain how the rents on T5 were assessed to ensure HAL is being consistent in assessing the rents for T2. The rents for T5 were assessed at the same time and in a consistent way to the rents for Terminals 1, 2 (Old), 3 and 4.
- 3.2. The rents for T5 were assessed using the following criteria:-
  - 3.2.1. **Infrastructure** – “Newness” of terminal accommodation. This is the infrastructure supporting the property accommodation.
  - 3.2.2. **Accommodation Specification** – The specification for the accommodation, was consistent between T5 and the other Terminals
    - Office and Support Accommodation – Cat A specification
    - Apron and Support Accommodation – Cat A specification
    - CIP Lounge Accommodation – Shell and Core specification
    - Desks – HAL desk standard
  - 3.2.3. **Leasing Terms** – The Guide Prices on T5 were aligned to the standard leasing terms common across Heathrow, namely:-
    - Office and Support Accommodation – Standard Indefinite Tenancy
    - Apron and Support Accommodation – Standard Indefinite Tenancy
    - CIP Lounge Accommodation – 9 year leases, subject to 3 year rent reviews
    - Desks – Indefinite licence
- 3.3. The Accommodation Specifications and Leasing Terms for assessing the Rental Guide Prices were the same for T5 and the other Terminals.
- 3.4. The differentiating factor between T5 and the other terminals was the Infrastructure i.e. the fact the accommodation and supporting building infrastructure in T5 was new and it was a modern design.

- 3.5. The rents for T5 and the relativity to the rents for the accommodation in the other Terminals was consulted upon with the Airline community and endorsed by the AOC.

#### 4.0 Consultation Process

- 4.1. Following feedback from some users that they will have difficulty in responding to HAL on the consultation proposals by the end of August, due to the holiday period, HAL will extend the closing date for responses from 31<sup>st</sup> August to 14<sup>th</sup> September.
- 4.2. The updated consultation timetable is attached below:-

Date	Milestone
26 <sup>th</sup> May 2011	HAL publish consultation document on Heathrow 2011/12 rental proposals and Terminal 2 rental proposals
3 <sup>rd</sup> June 2011	First consultation meeting
14 <sup>st</sup> September 2011	Property customer written responses due
w/c 26 <sup>th</sup> September 2011	Second consultation meeting to review responses
w/c 3 <sup>rd</sup> October 2011	HAL publishes rents for Terminal 2

#### 5.0 Contact Details

- 5.1. If you would like to have your views represented at the consultation meeting please contact, Andrew Gilling, AOC Rents Group Chairman (andrew.gilling@cbre.com or in writing to CB Richard Ellis, Abbey House, 450 Bath Road, Longford, Heathrow, UB7 0EB) or in writing to Heathrow, details below.

Heathrow Property Department  
Heathrow Airport Ltd  
The Compass Centre  
Nelson Road  
Hounslow  
Middlesex  
TW6 2GW

- 5.2. Responses can also be sent to Heathrow Property: [hal\\_property@baa.com](mailto:hal_property@baa.com)
- 5.3. If you have any questions on the consultation document please contact Heathrow Property on the above e-mail address.

## Appendix 1

Terminal 2 Guide Price Rents (2011/12 Prices)	Guide Price Rents				
	T2 proposal	T1 equivalent	T3 equivalent	T4 equivalent	T5 equivalent
<b>Accommodation type</b>					
T2A CIP	£77.31	£70.30	£70.30	£70.30	£77.31
T2B CIP	£73.46	£70.30	£70.30	£70.30	£73.46
T2A Landside Office and Support Accommodation					
all levels	£67.77	£62.46	£62.46	£62.46	£67.77
T2A Airside Office and support accommodation	£55.73	£56.21 ( 1)	£56.23 (1)	£45.00 (1)	£55.73
T2A Airside Apron level Support Accommodation					
(Ramp)	£43.69	£35.14-£41.61	£35.14-£41.61	£35.14-£41.61	£43.69
T2B Apron Level Support Accommodation	£42.65	£35.14-£41.61	£35.14-£41.61	£35.14-£41.61	£42.65
<b>Desk Frontage Rates</b>					
Sales and Reservation	£1,033.39	£1,033.39	£1,033.39	£1,033.39	£1,033.39
Information	£766.26	£766.26	£766.26	£766.26	£766.26
Check-in and Transfer	£499.12	£499.12	£499.12	£499.12	£499.12

Notes:-

(1) - No direct equivalent rent.