

DD - HAL NRC/BAA
Sent by: Monika Alie

04/01/2011 14:43

To
cc
bcc John Arbuckle/Property Services/LHR/BAA
Subject Heathrow Airport - Rents Information (Year Ended 31 March 2010)

For your information, I enclose the following information sent to the CAA on property rents for the year ended 31st March 2010.

1. Tables showing the actual property income for Heathrow airport.

Table 1

Statement of actual property income and variations to CAA forecasts. To ensure consistency in comparison with the underlying CAA forecasts for property income, the numbers include service charges and other property income as well as rental income.

Table 2

Restatement of the underlying CAA forecasts from 2007/08 prices to 2009/10 prices.

2. Regarding the Heathrow statement of how rentals for guide price properties have moved in comparison with the formula covering such properties for 2009/10.

Following consultation and agreement with the Heathrow AOC and Rents Group, the basis of calculation of the index used to change rental guide prices at Heathrow was updated effective from 1st April 2003. The index is now based on a basket of three indices, i.e. RPI, pax and off-airport rents. The BCIS index was dropped from the calculation in view of its limited relevance. The indices are weighted 33.3% each. The IPD off-airport rents element was also updated to provide greater relevance to the Heathrow market, extending from Central London to west of Heathrow.

However, following consultation with the AOC Rents Group rents were held at 2008/09 levels for 2009/10. I also attach a copy of the final published 'Heathrow Airport Rental Guide Prices 2009-2010' and a copy of the spreadsheet giving the calculation of the average index.

Yours faithfully,

Stephen Wilkinson
Property Director



Rents report for CAA (2009-10).pdf



2009-10 Guide Price Calculation.pdf



Heathrow - Guide prices 2009-10.pdf

**Heathrow Airport
CAA Forecasts vs LHR Actuals 2009-10**

Table 1

Statement of actual Property income and variation to CAA forecasts (all figures in 2009/10 prices)				
CAA Forecast Property Income 2009/10 £'000s	LHR Actual Property Income 2009/10 £'000s	Variance Property Income 2009/10 £'000s	Variance Property Income 2009/10 %	
91,544	98,738	7,193	7.9%	

Table 2

Restatement of Property income to current year prices				
CAA Forecast Property Income 2009/10 £'000s (in 2007/08 prices)	RPI uplift to 2008/09 prices	RPI uplift to 2009/10 prices	CAA Forecast Property Income 2009/10 £'000s (in 2009/10 prices)	
88,500	3.0%	0.5%	91,544	
RPI		Uplift		
Average 2007/08	208.6			
Average 2008/09	214.8	3.0%		
Average 2009/10	215.8	0.5%		

Heathrow Airport Rental Guide Prices - 2009/2010

	Rent £ / sq ft		£ / sq ft	Rent £ / sq M		£ / sq M
	Min	Max	Maintenance Rent	Min	Max	Maintenance Rent
Terminal 1						
Second floor office		£62.46	£5.17		£672.36	£55.65
CIP		£70.30	£6.22		£756.65	£66.95
Piers - standard ramp	£35.14	£41.61	£3.82	£378.27	£447.86	£41.12
Piers - first floor	£36.55	£43.02	£3.82	£393.42	£463.02	£41.12
Terminal 2						
Second floor : North and South corridor offices - with natural light	£49.91	£53.42	£5.17	£537.21	£575.04	£55.65
First floor lost / found Baggage area	£40.72	£44.13	£5.17	£438.32	£475.03	£55.65
First floor baggage reclaim	£42.17	£49.20	£5.17	£453.92	£529.58	£55.65
Ground floor Main Building (landside)	£38.80	£41.39	£3.82	£417.67	£445.51	£41.12
Office Block		£60.45	S/C		£650.69	S/C
Millennium Office Suite		£62.46	£5.17		£672.36	£55.65
CIP		£70.30	£6.22		£756.65	£66.95
Piers - standard ramp	£35.14	£41.61	£3.82	£378.27	£447.86	£41.12
Piers - first floor - daylight	£36.55	£43.02	£3.82	£393.42	£463.02	£41.12
Terminal 3						
North Wing		£56.23	£5.17		£605.23	£55.65
South Wing		£62.46	S/C		£672.36	S/C
East Wing		£60.45	£5.17		£650.69	£55.65
Departures ground floor R/O check-in		£47.80	£5.17		£514.54	£55.65
Departures ground floor off back corridor		£42.17	£5.17		£453.92	£55.65
Infill Offices		£62.46	£5.17		£672.36	£55.65
CIP - Departures		£70.30	S/C		£756.65	S/C
CIP - Arrivals	£66.76	£70.30	£6.22	£718.60	£756.65	£66.95
Piers - standard ramp	£35.14	£41.61	£3.82	£378.27	£447.86	£41.12
Queens Building						
Ground Floor	£33.34	£43.48	S/C	£358.87	£468.00	S/C
First floor inner offices	£47.10	£54.35	S/C	£507.00	£584.99	S/C
First Floor outer offices	£54.35	£57.97	S/C	£584.99	£623.99	S/C
Second floor	£50.72	£57.97	S/C	£546.00	£623.99	S/C
Building 820						
First and Second Floor		£50.00	S/C		£538.22	S/C
Ground Floor		£52.71	S/C		£567.41	S/C
Bays		£32.78	S/C		£352.79	S/C
D'Albiac House						
Bays		£29.50	S/C		£317.54	S/C
Offices (Outer offices)		£45.27	S/C		£487.32	S/C
Offices (Inner offices)		£44.01	S/C		£473.67	S/C
Terminal 4						
NE Extension, Balcony		£62.46	£5.17		£672.36	£55.65
Departures rear of check in		£47.80	£5.17		£514.54	£55.65
Mezzanine airside		£45.00	£5.17		£484.34	£55.65
Standard ramp	£35.14	£41.61	£3.82	£378.27	£447.86	£41.12
CIP		£70.30	£6.22		£756.65	£66.95
Terminal 5						
CIP - T5A		£77.31	£6.22		£832.19	£66.95
CIP - T5B/C		£73.46	£6.22		£790.66	£66.95
T5A - Landside offices/support accom		£67.77	£5.17		£729.49	£55.65
T5A - Airside offices/support accom		£55.73	£5.17		£599.84	£55.65
T5A - Airside apron level support accom (Ramp)		£43.69	£3.82		£470.31	£41.12
T5B/C - Airside offices/support accom		£53.08	£5.17		£571.33	£55.65
T5B/C - Apron level support accom (Ramp)		£42.65	£3.82		£459.09	£41.12

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.

It is agreed that the Year One Change for 2009 of 0.88% be carried forward and offset against future increases in the Guide Price Rents.

Maintenance Rents

Apron / Ramp	£3.82 sq.ft.
Offices	£5.17 sq.ft.
CIP	£6.22 sq.ft.

Heating Rents

For all areas Heating Rents will be charged at	£1.05 sq.ft.
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