

News Release

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Heathrow proposes higher compensation for people most affected by a new runway

- Proposed residential property compensation includes:
 - 25% above market value for properties subject to compulsory purchase
 - Stamp-duty costs on a new home
 - Legal fees paid
- £550m allocated for noise insulation and property compensation in proposals to be submitted to Airports Commission this week - a major increase from previous proposals for a third runway
- Heathrow will launch a consultation with local people on proposals this summer

Heathrow is proposing a new compensation package for people who would be most disrupted by the expansion of the airport in a submission to the Airports Commission this week.

Around 750 homes would need to be compulsorily purchased to provide space for a third runway at Heathrow. The airport is proposing compensation of 25% above un-blighted market value plus stamp duty costs and all legal fees in relation to purchasing a new home. For a £250,000 property homeowners would receive £312,500 compensation, plus £7,500 stamp duty costs and any legal fees.

This proposal is more generous than previously proposed for a third runway and proposals for most other infrastructure projects. Compensation for residential compulsory purchase is generally offered at a statutory minimum of 10% above market value.

Heathrow is announcing the creation of a total fund of £550m for noise insulation and residential property compensation if Government supports a third runway. The fund would cover the cost of providing new noise insulation and compensation for residential properties as well as for community buildings such as schools. The airport has previously committed that anyone experiencing a significant increase in noise will be offered free noise insulation.

The new fund is a major step up from existing schemes (where £30m has been spent over the last 20 years) and from previous proposals for a third runway which allocated £90m for noise insulation and compensation. Heathrow already operates one of Europe's largest noise compensation schemes with more than 40,000 properties eligible for some form of noise insulation

The airport will now work with a panel of community representatives to develop plans for how the fund should be distributed. Heathrow will launch a public consultation this summer on more detailed proposals

for noise insulation and residential property compensation. The panel of community representatives is made up of people who volunteered to be involved during a recent public consultation. The airport will also work with local authorities as it develops more detailed plans.

Colin Matthews, Chief Executive of Heathrow said:

“We are committed to treating those most affected by a third runway fairly. Since the previous runway plan was rejected in 2010 we have listened to ideas for how we could improve our proposals. People have told us that we should provide more generous compensation and go further in insulating homes against noise.

“We recognise that the expansion of Heathrow deserves an exceptional compensation scheme. That’s why we’re going further than statutory schemes or Government guidance. People will receive fair compensation in the event that Heathrow expansion goes ahead.”

Notes to editors:

1. A scheme which offered the statutory minimum residential property compensation for compulsory purchase would cost around £270m.