Heathrow

EXPANSION
CONSULTATION 2026

Land and property acquisition and compensation policies

Draft Residential Landlord Policy

OCTOBER 2026

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1. Definitions

The definition of key terms referred to in this policy are explained below.

Term	Definition
Assured periodic tenancy (APT)	An APT is the default, rolling residential tenancy in England, replacing assured shorthold tenancies (ASTs) under the Renters' Rights Act 2025. These tenancies have no fixed end date, allowing tenants to give two months' notice to leave at any time, while landlords must use specific, grounds-based notices for eviction, such as redevelopment.
Compensation Code	The rules, statute (Acts of Parliament) and case law governing compensation for the compulsory purchase of land in the UK.
Compulsory purchase/compulsory acquisition	A legal mechanism that enables land to be purchased without the agreement of the owner. It can only be used for projects that are deemed to be in the public interest, such as infrastructure and regeneration schemes, and compensation must be paid to impacted owners and occupiers in accordance with the Compensation Code. This may also be referred to as compulsory acquisition where the compulsory purchase powers are being sought as part of a Development Consent Order application.
Compulsory Purchase Zone (CPZ)	The Compulsory Purchase Zone (CPZ) is the defined area within the Heathrow expansion boundary comprising all properties currently anticipated to be required for the Project, and for which we will seek powers under the Development Consent Order to purchase compulsorily, if necessary.
Development Consent Order (DCO)	The legal instrument under which we are seeking planning approval and the compulsory acquisition powers that may be required to purchase the land needed to construct the Project.
Discretionary policy	Compensation or other support offered to property owners or occupiers that is beyond the statutory requirement.
Disturbance compensation	Costs and losses that may be reasonably incurred as a direct consequence of a compulsory acquisition, which will be reimbursed to the owner by us in accordance with the Compensation Code.
Draft policy	A document that sets out a proposed policy for comment from relevant stakeholders, whose feedback will be considered in finalising the adopted policy.
Eligible tenant	A tenant of a residential property within the CPZ who we serve notice on to vacate their home.
Examination	A formal stage in the DCO process where a planning inspector reviews the application.

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Term	Definition
Enhanced loss payment	A discretionary home loss payment offered by us under this draft policy to eligible owner-occupiers who sell their property under the Home Purchase Scheme. This is calculated at 25% of the unaffected market value (uncapped) and is paid instead of the statutory home loss payment, which is calculated at 2.5% (capped) of the unaffected market value.
Home purchase bond	A legal agreement taking the form of a put and call option setting out the terms for the future sale of the property between the owner and us.
Home Purchase Scheme	The discretionary scheme under which we will offer to purchase single residential dwellings from owners within the Compulsory Purchase Zone, which will allow owner-occupiers to sell their property to us.
House Price Index (HPI)	The official House Price Index published by the HM Land Registry for the type of property (flats and maisonettes, detached, semi-detached, terraced), based on accredited official statistics.
Loss payment	A compensation payment to displaced owners to compensate for the inconvenience and disruption caused by the compulsory acquisition of their property. Owner-occupiers may be entitled to a statutory home loss payment or an enhanced home loss payment where they sell their property to us under one of the schemes in the policy.
Main residence	A person's home where they ordinarily and permanently live.
Negotiated agreement	The process by which an agreement is reached between us and an owner-occupier for the purchase of their property, where a sale under the Home Purchase Scheme is not appropriate, for example, if it does not meet the eligibility requirements. Compensation under a negotiated agreement will be assessed in accordance with the Compensation Code.
Owner-occupier	A person who owns and lives in their home as their main residence.
The Project	The development of a new Northwest Runway and associated infrastructure to expand Heathrow Airport, for which we will be seeking a Development Consent Order under the Planning Act 2008.
Red Book valuation	This is a formal, independent property valuation produced by a RICS-registered valuer in compliance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards[1].
Royal Institution of Chartered Surveyors (RICS)	A global professional body that sets standards and regulates professionals working in land, property, construction, real estate and the built environment. This is the professional body that sets and upholds the standards followed by chartered surveyors and property valuers in the United Kingdom. RICS-registered valuers carry out the Red Book valuations used to determine the unaffected market value of properties purchased by us.

[1] https://www.rics.org/content/dam/ricsglobal/documents/standards/Red-Book-Global-Standards-incorporating-IVS.pdf

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Term	Definition
Sale price	The sale price paid to the owner under the Bond Scheme will be the unaffected market value adjusted by the percentage change in the last published official House Price Index (HPI) for the relevant property type between the valuation date and the date notice is served to proceed with the sale.
Statutory compensation	A person's legal entitlement to compensation in accordance with the Compensation Code.
Statutory home loss payment	This is the compensation available to owner-occupiers of single residential dwellings under the Compensation Code. It is calculated at 10% of the unaffected market value (currently capped by the Government at £81,000) and is subject to change from time to time.
Unaffected market value	The price the property would sell for on the open market, between a willing buyer and seller, ignoring any positive or negative impact of the Project.
Valuation date	The date on which the property value is determined and its value is based on market conditions (such as prices, demand and condition) at that moment – not before or after. The valuation date for homes purchased under the Home Purchase Scheme will be the date the owner's application is accepted by us.
Valuation process	The process used to determine the agreed unaffected market value of all properties purchased by us under the Home Purchase Scheme.

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2. Introduction

2.1 Purpose of this draft policy

2.1.1 This document sets out the draft policy relating to the acquisition of residential properties required in connection with the development of a new Northwest Runway and associated infrastructure to expand Heathrow Airport (the Project), for which an application for a Development Consent Order (DCO) under the Planning Act 2008. All residential properties within the Compulsory Purchase Zone (CPZ) will need to be purchased for the development of the Project.

2.1.2 This draft policy sets out the options available to landlords of residential properties within the CPZ who wish to sell to us via the Home Purchase Scheme and the discretionary compensation schemes, which are available to eligible landlords.

2.1.3 This document also includes an overview of the statutory compensation entitlement available to landlords who choose not to participate in the Home Purchase Scheme and whose property is subsequently purchased by us, either through negotiated agreement or compulsory acquisition.

2.1.4 Our discretionary policies are intended to supplement and operate in parallel with the existing statutory regime governing compensation for the compulsory acquisition of land, known as the Compensation Code.

2.1.5 Landlords and other stakeholders are encouraged to provide feedback on this draft policy, which will be considered when finalising the adopted landlord policy following consultation on the Project.

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3. Landlords covered by this draft policy

3.1 Eligibility criteria

3.1.1 To construct, operate and maintain the Project, we will need to purchase a large area of land. As currently defined, the area referred to as the Compulsory Purchase Zone (CPZ) reflects the proposed compulsory acquisition boundary for residential properties and is shaded green on the map included in **Appendix A** of this draft policy.

3.1.2 There are 757 residential properties within the CPZ that will need to be purchased. These properties are generally located in Longford, parts of Harmondsworth, parts of Sipson and at Elbow Meadow in Colnbrook.

3.1.3 This draft policy applies to freehold or long leasehold owners of a single residential dwelling within the CPZ, which is let directly to eligible tenants under a formal tenancy agreement (usually an Assured Periodic Tenancy), with an unexpired term of less than three years.

3.1.4 For all other landlords of residential property in the CPZ, (such as, for example, social landlords or landlords of homes in multiple occupation), we wish to reach agreement to purchase and obtain possession of the properties within the required timescales for the Project, rather than exercise compulsory acquisition powers, wherever practicable. If development consent is granted, we anticipate this will occur in 2029.

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4. Objectives of this policy

4.1 Policy aims and approach

4.1.1 This policy sets out the different ways landlords can sell their property within the Compulsory Purchase Zone (CPZ) to us. The policy is intended to support the continued functioning of the rental market within the CPZ, until the land is required for the Project, by offering landlords incentives to retain ownership and continue letting their property to tenants until it is required. This objective is complemented by Heathrow's Tenant Policy, which encourages tenants to continue renting properties within the CPZ, by providing financial incentives and relocation support to eligible tenants who are given notice by us to relocate once the property is required for construction.

4.2 Tenanted properties purchased by Heathrow

4.2.1 Where we purchase a tenanted property in advance of the date it is required for construction, we will, where reasonably practicable, seek to keep the tenants in occupation of their home until the property is needed for construction. Before completion of any such purchase, we will review the existing tenancy agreement to determine whether we are satisfied with the terms of the existing agreement. If we are satisfied with the terms of the existing agreement, we will offer to purchase the property with the tenants in situ under that agreement.

4.2.2 Where we consider, in light of that review, that it is not appropriate to purchase the property subject to the existing agreement, we may instead request the landlord terminates the existing tenancy before completion of the sale and that the tenant simultaneously enters into a new assured periodic tenancy directly with us, so the tenant's occupation continues without interruption. We will explain the new arrangement to the tenant in advance of entering into this agreement and the continuity of occupation and eligibility for compensation will not be prejudiced by the change of agreement.

4.2.3 In the event that the tenant is in breach of their existing tenancy, we may refuse to purchase the property with the tenant in-situ and in this case, the landlord will be responsible for ensuring the property is available with vacant possession on completion of the sale to us.

4.2.4 Whether tenants can remain in occupation, and on what basis, will depend on a number of factors including the timing of construction, the condition of the property and any works required to make it safe and lettable. Any tenancy where a tenant occupies a Heathrow-owned property may be terminated when the property is needed for construction.

4.2.5 The discretionary compensation offers contained within this policy are intended to supplement the existing statutory regime governing compensation for the compulsory acquisition of land known as the Compensation Code. Any compensation claim made by a landlord will be adjusted to take account of payments already made or committed to under this policy, where applicable.

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5. Options for landlords to sell to Heathrow

5.1 Routes to sale

5.1.1 We will purchase residential properties within the Compulsory Purchase Zone via three main routes:

- **Home Purchase Scheme (Section 6)**
- **Negotiated agreement (Section 7)**
- **Compulsory purchase (Section 8)**

5.1.2 The details of each route and the corresponding basis of compensation are outlined in the following sections of this policy.

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6. Home Purchase Scheme

6.1 Overview

6.1.1 Landlords will be offered the opportunity to sell their property within the Compulsory Purchase Zone (CPZ) to us by an online application to the Home Purchase Scheme.

6.1.2 Landlords who successfully apply to the Home Purchase Scheme can have their property purchased via a home purchase bond.

6.1.3 Only single residential dwellings will be eligible for purchase under the Home Purchase Scheme. Where the property to be sold to us includes other non-residential use or the owner intends to claim development value, we will seek to purchase the property by negotiated agreement with the owner and if this fails, we would use compulsory purchase powers following development consent.

6.2 Home purchase bond

6.2.1 A home purchase bond is a type of agreement under which the terms of the sale of the property are agreed between the landlord and us in advance. Depending on the type of bond agreement, either or both the landlord and us may serve notice at a later date to proceed and complete the sale.

6.2.2 This policy provides an overview of home purchase bond agreement. On final publication it will be supplemented by detailed guidance to provide further information on the process, from applying for the scheme through to the sale of the property and settlement of compensation.

6.2.3 In the event of either the Development Consent Order (DCO) application being refused, or a decision being made by us to not proceed with the Project, then:

1. Home purchase bonds not yet redeemed, by service of notice on Heathrow, will be cancelled.
2. Negotiations in relation to any unsigned home purchase bonds will stop.

A decision by Heathrow not to proceed will be given in writing to the bond holder(s) in accordance with the bond agreement.

6.2.4 Landlords will have the option of entering into a bond agreement with us until the date consent is granted for the DCO.

6.2.5 The agreement will include a date from which the owner will be able to serve notice requiring us to purchase the property. The owner can choose to exercise the option to sell to us before the date the property is required for the Project, or we can exercise the option to purchase the property. We do not expect to complete purchases until after the DCO has been granted and we have confirmed our intention to proceed with the Project.

6.2.6 Under this agreement, landlords are entitled to a standard loss payment equivalent to a statutory basic loss payment in accordance with the Compensation Code (which

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is calculated at 2.5% of the market value of the property subject to a maximum of £25,000, correct as at 27 October 2026.)

6.2.7 We are inviting feedback on this draft policy, including the home purchase bond, in the Consultation taking place between October and December 2026.

6.3 Compensation under the Home Purchase Scheme

6.3.1 Landlords who sell to us under the Home Purchase Scheme will be entitled to compensation.

6.3.2 The discretionary offer set out in this draft policy is being put in place to provide landlords with alternative ways of selling their property to us and offers enhanced compensation beyond what would otherwise be available. It does not remove or limit rights that already exist in law.

6.3.3 Any enhanced compensation payments made under this policy will be instead of, and not in addition to, a landlord's entitlement to statutory compensation.

Market value

6.3.4 The sale price under the Home Purchase Scheme will be determined via the following valuation process:

1. Heathrow and the property owner each nominate a Royal Institution of Chartered Surveyors (RICS) registered valuer to undertake a valuation of the unaffected market value of the property (ignoring any positive or negative impact due to the Project) as a single residential dwelling.
2. If the valuations are within 10% of each other, the price is calculated by taking the average of the two figures. If they are more than 10% apart, a third valuation will be obtained from an RICS-registered valuer selected by the landlord and the price will be calculated from the average of the two closest valuations. Further information in relation to the valuation process is available on the Heathrow Home Purchase Scheme website[2].

Loss payment

Statutory loss payment

6.3.5 Landlords who sell their property to Heathrow under the Home Purchase Scheme will be entitled to a statutory loss payment, which is currently calculated at 2.5% of the market value of the property, up to a maximum amount of £25,000 (correct as at 27 October 2026).

Enhanced loss payment

6.3.6 An enhanced loss payment under a Home Purchase Scheme is available to property owners within the CPZ who meet certain criteria, including that they purchased and

[2] https://www.heathrow.com/company/local-community/property-compensation-schemes

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occupied their property prior to 26 June 2018, and would not have been aware at the time that their property was required for the Project.

6.3.7 An owner-occupier who could have been eligible for an enhanced loss payment but sells their property before it is required by Heathrow will transfer their eligibility to the new owner, including a private landlord. If the new private landlord, then sells this property to us under a home purchase bond, they will be entitled to the enhanced loss payment set out in our draft Residential Owner-Occupier Policy for any purchase made by Heathrow following DCO consent. Heathrow adopted this approach to encourage the continued functioning of the property market within the CPZ.

6.3.8 Landlords who receive an enhanced loss payment will receive this higher payment instead of the standard statutory loss payment.

Reinvestment costs and disturbance

6.3.9 Landlords who sell to us under the Home Purchase Scheme will be entitled to reimbursement of reasonable costs (in addition to the purchase price and loss payments) incurred in reinvesting in a replacement property, up to the unaffected market value of the property purchased by us. The reinvestment must be made within one year of the date the property is sold to Heathrow, in line with the Compensation Code. Reinvestment costs typically include stamp duty land tax and legal fees but may also include the reasonable cost of items such as a valuation and condition survey of the replacement property.

6.3.10 Landlords will also be able to make a claim for disturbance to cover reasonable costs incurred directly as a result of our acquisition, for example the costs of relocating furniture from a furnished buy-to-let property purchased by us to a replacement buy-to-let property purchased by the landlord.

6.3.11 Claims for reinvestment costs and disturbance must be supported by documentary evidence (including quotes, invoices and payment receipts) to prove that costs have been reasonably incurred in relation to the sale of the property to us.

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7. Negotiated agreement

7.1 Overview

7.1.1 We recognise that not all landlords of a residential property within the Compulsory Purchase Zone (CPZ) will sell to us under the Home Purchase Scheme. This may be because the property is made up of more than one residential dwelling or because the unaffected market value of their property needs to be approached differently.

7.1.2 In these cases, it is anticipated that landlords will take independent professional advice, so that negotiations can be progressed with us.

7.1.3 From the date of publication of this policy, we will enter negotiations with landlords to reach agreement of terms and conditions on which an acquisition by us could be completed in time to enable delivery of the Project.

7.1.4 We recognise the need to offer a flexible approach to purchase properties under a negotiated agreement and will work with landlords to address the circumstances in each case.

7.1.5 Owners who enter into an agreement to sell their property to us under a negotiated agreement will also need to agree not to object to the acquisition of their property (or to the acquisition of any rights over their property or to the temporary use of their property) as part of our application for a Development Consent Order (DCO) for the Project. Owners will, however, be free to make other representations in respect of our application for a DCO if they wish.

7.2 Eligibility

7.2.1 Landlords of residential property within the CPZ who sell to us under a negotiated agreement, will be entitled to statutory compensation assessed in accordance with the Compensation Code. Entitlement to statutory compensation is explained in **Section 8** of this policy.

7.3 Compensation under a negotiated agreement

7.3.1 Under a negotiated agreement it is expected that the unaffected market value of the property and the entitlement to compensation will be based on the Compensation Code. In the next section of this policy there is a summary of the currently available statutory compensation.

7.3.2 Under a negotiated agreement it is envisaged that landlords will have six years (from the date of acquisition) to submit and settle any outstanding element of their claim.

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7.3.3 Further information on statutory compensation is available in the Compulsory Purchase guidance[3] on the Ministry of Housing, Communities and Local Government website[4].

7.4 Professional fees

7.4.1 When we purchase a property by negotiation, reasonable professional surveyor's fees incurred in relation to preparing and negotiating a claim for compensation may be claimed, along with reasonable legal fees incurred in selling the property to us. These will be assessed in accordance with the Compensation Code.

7.4.2 Heathrow has also published a Professional Fees Policy as part of its suite of policies made available for those affected by the Project.

[3] https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-4-compensation-to-residential-owners-and-occupiers#compensation-when-land-taken
[4] https://www.gov.uk/government/publications/compulsory-purchase-process-guidance

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8. Sale to Heathrow under compulsory purchase

8.1 Overview

8.1.1 If a landlord chooses not to sell to us via the Home Purchase Scheme, we will continue to seek to purchase the property by agreement up to and following authorisation of compulsory acquisition powers in the Development Consent Order.

8.1.2 Where an agreement cannot be reached with the landlord by the time it is needed for construction, we will serve the landlord with formal notices and purchase the property using compulsory acquisition powers.

8.1.3 We aim to provide landlords with as much notice as practicable if the property is to be compulsorily purchase. As a minimum, the period of notice will be in accordance with the prevailing statutory notice period, which is currently three months.

8.1.4 If the property is purchased outside the Home Purchase Scheme, either by agreement or compulsory purchase, compensation will be payable to the owner in accordance with their statutory entitlement under the Compensation Code as if it had been compulsorily purchased. Further details are provided below regarding the statutory entitlement to compensation.

8.2 Statutory compensation

8.2.1 There is a substantial amount of legislation and case law (commonly referred to as the Compensation Code) that provides the principles for assessing statutory compensation payable to an owner whose property is compulsorily purchased.

8.2.2 For landlords who do not sell via the Home Purchase Scheme and instead choose to either negotiate a sale to us or claim for compensation (where the property is compulsorily purchased), we strongly recommend that a specialist is engaged to advise and help prepare the claim.

8.2.3 The Royal Institution of Chartered Surveyors (RICS) operates a helpline[5] to put those affected by compulsory purchase in touch with a surveyor in their area who can provide a free 30-minute initial consultation.

8.2.4 Compulsory purchase surveyors must comply with the RICS Professional Standard - Surveyors advising in respect of compulsory purchase and statutory compensation[6].

8.2.5 Reasonable surveyors' fees will be reimbursed by us, however surveyors acting on behalf of landlords are recommended to first contact us to discuss their fee arrangements. We have also published a Professional Fees Policy as part of our suite of property documents for those affected by the Heathrow expansion proposals.

[5] https://www.gov.uk\government/publications/compulsory-purchase-process-guidance
[6] https://www.rics.org/profession-standards/rics-standards-and-guidance/sector-standards/land-standards/surveyors-advising-in-respect-of-compulsory-purchase-and-statutory-compensation-uk

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8.2.6 An overview of the heads of claim (the different categories of compensation) that may apply under the Compensation Code are outlined below, however, further information on statutory compensation is available in the Ministry of Housing, Communities and Local Government's Compulsory Purchase guidance for residential owners and occupiers.

Market value

8.2.7 Compensation is payable for the unaffected, open market value of the property. This is the estimated price that the property would achieve, if sold on the open market by a willing seller to a willing buyer, ignoring any negative or positive impact of the Project on value.

Basic loss payment

8.2.8 Owners not in occupation of a property are entitled to a basic loss payment, calculated at 2.5% of the unaffected market value of the property, capped at a maximum payment of £25,000 (correct as at 27 October 2026).

Reinvestment costs and disturbance compensation

8.2.9 Landlords are entitled to reimbursement of reasonable costs (in addition to the purchase price and loss payment) incurred in reinvesting in a replacement property in the UK, up to the market value of the property purchased by us. The reinvestment must be made within one year of the date the property is sold to us. Reinvestment costs typically include stamp duty land tax and legal fees but may also include the reasonable cost of a condition survey of the replacement property.

8.2.10 Landlords will also be able to make a claim for disturbance to cover reasonable costs incurred directly as a result of Heathrow's acquisition, for example the costs of relocating furniture from a furnished buy to let property purchased by us to a replacement buy-to-let property purchased by the landlord.

8.2.11 All claims for reinvestment costs and disturbance must be supported by satisfactory documentary evidence (including quotes, invoices and payment receipts) to prove that costs have been reasonably incurred in relation to our acquisition of the property.

Professional fees

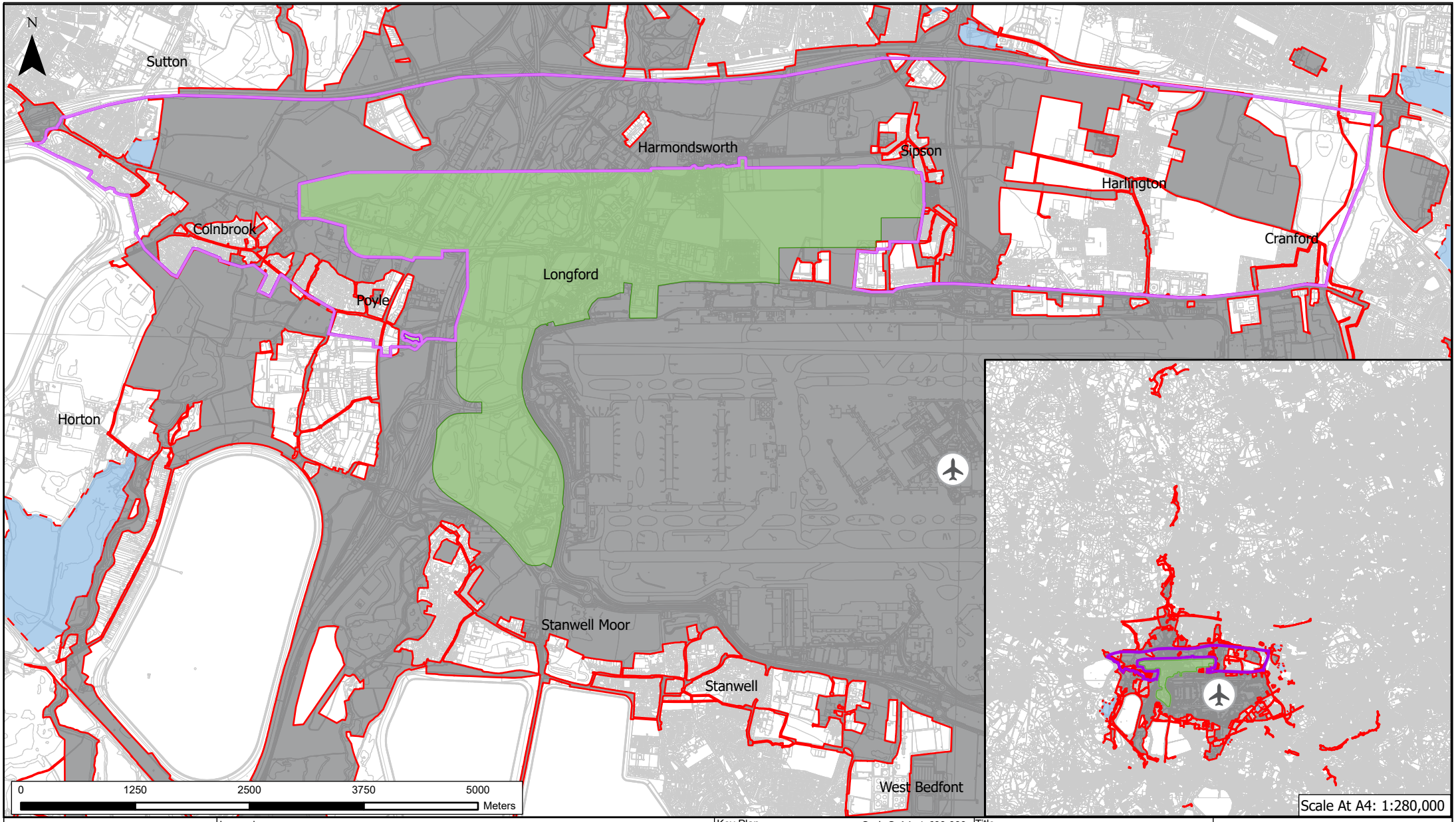
8.2.12 When we purchase a property either by negotiated agreement or compulsory purchase, reasonable professional fees for surveyors incurred in relation to preparing and negotiating a compensation claim may be made, along with reasonable legal fees incurred in selling the property to Heathrow. These will be assessed in accordance with the Compensation Code. We have also published a Professional Fees Policy as part of our suite of property policies made available for those affected by the airport expansion proposals.

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Appendix A Map of areas covered by this draft policy

Figure A.1: Map of areas covered by this draft policy

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This drawing may contain Ordnance Mastermap and Raster data.

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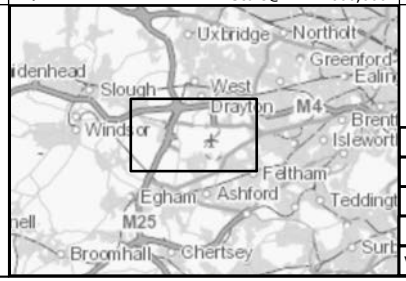
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Legend

- London Heathrow Airport
- Compulsory Purchase Zone (CPZ)
- Wider Property Offer Zone (WPOZ)
- Draft Development Consent Order Limits
- Draft Development Consent Order Limits - Optionality

Key Plan

Scale@ A4: 1:600,000



Title

Compulsory Purchase Zone, Wider Property Offer Zone and Draft Development Consent Order Limits

Version	Date	Description Of Change	Drawn By
1	25/09/26	Updated CPZ	TB
0.1	20/07/26	Draft Issue	TB

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Scale at A4:	1:55,000
Project Name	Heathrow Project No.
Heathrow Expansion - DCO Directorate	PRJ-002086
Programme No	Originator Project No.
PRG-000079	PRJ-002085

Company	Drawn By	Chk/Approved	Drawn Date	Status
WSP	TB	MF/SW	30/09/2026	Review

Location-Level_Sub Series/System-Identifier	Version
xxxxxxx-xxxxx-xxxxxx-xxxxxx-xxxxx	V1.0

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