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Stewart Carter
Civil Aviation Authority

9th December 2025

Dear Stewart,

In our phone call earlier, I described some updates to the view of early costs we set out in our submission in July. You asked me to set these out in writing.

The updates are:

- Full mobilisation has been delayed, moving some costs from 2025 to 2026;
- The amounts included in the request last summer for programme management and DCO consent were those in excess of the costs already included in the Modernising Heathrow programme (£44m in 2026). MH costs were established under H7 governance and accounted for in our pre-expansion H7 forecast and therefore did not need to be included in the adjustment of the H7 cap for expansion.¹ Subsequently we have adopted a single consent approach and the full costs for 2026 are now allocated to expansion. This does not represent a change in the amount of expenditure planned or a change to the increase in cap required for H7, but may be relevant depending on the approach you plan to take.
- We did not include any costs for commercial property purchase and negotiation in our July submission, noting we would need to revisit this later. However, to deliver the Government's ambition of an operational third runway by the middle of the next decade, significant purchase of commercial properties before the DCO will be required. As well as this programme delivery advantage, there will also be cost advantages in some cases if early purchase of these properties can be achieved. Therefore, it is important that the framework for early costs is sufficiently flexible to allow additional expenditure on purchase of commercial property in 2026 where it is in consumers interests. We have included an allocation of [REDACTED] towards this in the table below.
- We have not changed our estimate of property costs in respect of domestic properties, however, flexibility in expenditure in this category would be in both the interests of consumers and the affected community.

The table below sets out our view of costs in our summer submission, and the current view.

¹ Note that £36m has been incurred to date from late 2024 and 2025 on consent costs for Modernising Heathrow under H7 governance arrangements.

	July Submission			Current View		
	2025	2026	Total	2025	2026	Total
Modernising Heathrow*						
Programme Management		21				
DCO Consent		23				
<i>MH Subtotal</i>		44	44			
Expanding Heathrow						
Programme Management	8	36	44	3	62	65
DCO Consent	44	92	136	21	138	159
<i>EH Subtotal</i>	52	128	180	24	200	224
Expansion Total			224			224
Early Programme Costs	10		10	9		9
Deliver the Capacity	5	41	46	0	46	46
Property						
Domestic	■	■	■	■	■	■
Major displaced properties	■	■	■	■	■	■
Commercial properties	■	■	■	■	■	■
<i>Property Subtotal</i>	4	80	84	0	84	84
Total in July Submission			320			
Total excl commercial prop			364			363
Total incl commercial prop			364			

*Not included in the July submission

Please let me know if you have any questions or further explanations that would be helpful.

Yours sincerely,



Mike King
Regulation and Economics Director
Heathrow Airport Limited