

# North Weald Aviation Intensification Options Final Report



**Halcrow**

## Work since Interim Report (October 2010)

- § Consultation with CAA Aerodrome Standards
- § Consultation with CAA Airspace Policy
- § Discussions with FBOs and operators
- § Definition of development options
- § Estimates of costs and revenues
- § Business planning, financial projections

## Content

- § Existing land use and planning context
- § Current activities
- § Immediate needs
- § Market studies
- § Development options
- § Infrastructure requirements
- § Business planning

## Current situation – planning context

- § Land use zoning
- § Operational airfield
- § Other land



## Current situation – activity

- § 20,000+ aircraft movements per year
- § Mostly private, recreational, heritage aircraft
- § Resident and visiting aircraft
- § 7 aviation and aviation related tenants
- § Tenant aircraft movement allowances
- § 11 non-aviation tenants/users

## Current situation – financial

- § Overall, the North Weald site returns a profit to EFDC
- § Main revenue source is Saturday markets
- § Aviation operations, on a stand-alone basis, operate at a loss
- § Landing fees and rents obtainable from current activity are limited; long leases, need for competitive charges

## Safety and security

§ Infrastructure and operations meet CAA guidelines for unlicensed aerodromes

Access measures:

- § Establish secure landside/airside perimeter
- § Improve control of access to operational airfield



## Safety and security

§ Airfield pavements

§ Visual survey shows generally poor condition

§ Further deterioration due to traffic and weather

§ Full assessment and repair programme needed

§ Ongoing costs



## Target Aviation Markets

Operations with potential to generate higher revenues:

§ Business aviation; corporate and fractional ownership

§ Air taxi/private charter

§ Related activities:

§ passenger handling services

§ hangarage

§ aircraft and component maintenance

§ aircraft sales

§ tuition and training

## Indicative Aircraft Types



**Beech King Air 200**

2 crew + 7/9 pax



**Cessna Mustang**

2 crew + 4 pax



**Piper Navajo**

2 crew + 8/10 pax



**Beech Premier IA**

2 crew + 6 pax



**Pilatus PC-12**

2 crew + 6/8 pax



**Embraer Phenom 100**

2 crew + 4/6 pax

## Development Options

§ Do nothing

§ Organic growth

§ Active development



## Development Options

§ Do nothing

§ No infrastructure improvements

§ Existing types of activity continue

§ Little or no growth

§ Risk of pavement failures

§ Relatively low revenue levels

## Development Options

### § Organic growth

- § Existing types of activity
- § Airfield remains unlicensed
- § Pavement repair programme required
- § Active pursuit of more tenants and traffic
- § Modest growth
- § Some increase in revenues

## Development Options

### § Active development

- § Target business aviation operators
- § Aerodrome licensing
- § Investment in infrastructure required
- § Management options available
- § FBO tenant, operating company
- § Substantial growth
- § Increased turnover, operating profits

## Business Aviation Market

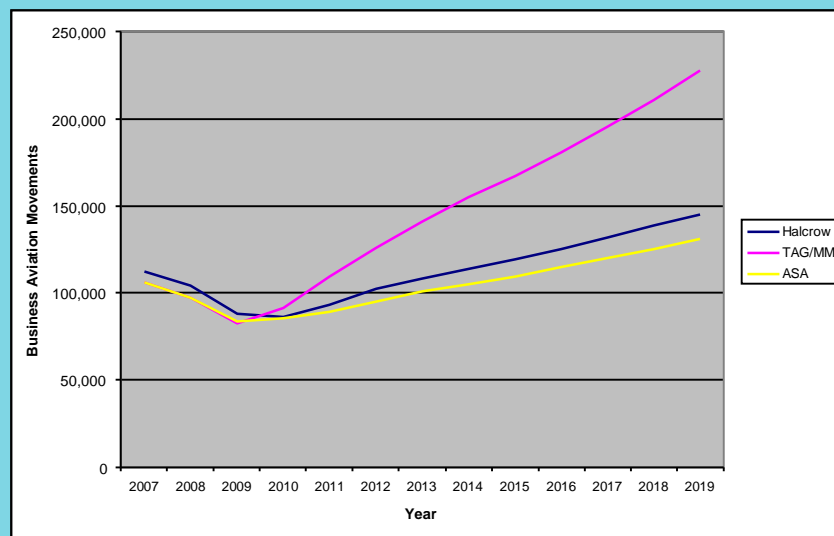
### Features

- Recent downturn but now growing
- Capacity constraints at major airports
- Planning constraints at smaller aerodromes

### Forecast for business planning

- Based on overspill from other aerodromes
- Conservative numbers

## Business Aviation Market for SE England





## Investment in infrastructure

Active development scenarios would require:

- § Aerodrome licensing by CAA
  - § Minimum 1400m runway
  - § Pavement strengthening
  - § Runway lighting
  - § Instrument approach capability
- = Substantial capital costs



## Business Planning

- § Allocated costs and revenues
- § Capital cost estimates
- § Conservative growth assumptions
- § Operating cost projections
- § Indicative cash flow projections
- § Accounting assumptions agreed with EFDC

## Financial projections

§ Do nothing option

§ continuing losses

§ Organic growth

§ reduced losses

§ Active development

§ operating profit

§ Profits depend on growth and choice of management structure

## Risks

§ Pavement costs

§ Licensing; cost and time

§ Instrument approach; cost and time

§ Airspace capacity constraints

§ Normal business and market risks

## Opportunities

- § Potential for higher growth
- § Potential for earlier growth
- § Higher revenues
- § Risks sharing under operating lease scenario
- § Contribution to capital costs
- § Other development

## Other development

- § Land available
- § Planning constraints
- § Airfield land for aviation development
- § Off-airfield land
  - § Aviation 'cluster'
  - § Non-aviation



## Conclusions

- § Amenity and heritage to be safeguarded
- § Aviation revenues do not meet operating costs
- § Safety and security measures recommended
- § Options available to develop the business or not
- § Capital costs and impacts
- § All options carry risks
- § Development opportunities
- § Genuine interest from the business aviation market