

Hastings Station Gateway: *Market Review Report - FINAL*

Prepared for:

Homes England & Hastings Borough Council

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<u>Contents</u>	<u>Page</u>
Executive Summary – Headline Findings	2
Section 1: Introduction – Scope of Work	10
Section 2: Hastings Town Centre Context	14
Section 3: Regeneration Context	33
Section 4: Planning Framework	51
Section 5: Housing: Market Overview & Trends	72
Section 6: Office / Workspace: Market Overview & Trends	82
Section 7: Retail / Commercial Leisure: Market Overview & Trends	89
Section 8: Summary	102
Section 9: References	109

Appendices

Appendix 1: The Hastings Planning Strategy: Detail on Key Policies

Executive Summary:

Headline Findings

Headline Findings

- **Lambert Smith Hampton (LSH)** was commissioned by **Homes England (HE)** and **Hastings Borough Council (HBC)** in December 2022 to act as Lead Consultant adviser to review and advise on the market potential for regeneration of the Hastings Station Gateway site by exploring the potential land assembly opportunities to unlock and accelerate delivery of this area and for the future preparation of a Station Gateway masterplan.
- **Hastings Station Gateway** has been identified as an area to the south and east of Hastings railway station which provides a key point of entry to the town. The area includes dilapidated buildings and stalled development sites to the south of the railway line and along Priory Street. Within the Station Gateway area there are several vacant and dilapidated buildings, which adversely impact on the amenity and environment of the area, and these need to be redeveloped and brought back into sustainable use to help increase footfall, strengthen confidence, and transform this part of Hastings into a thriving and vibrant areas, for example:
 - Queensbury House has been vacant for some time and has fallen into disrepair.
 - Priory Street Car Park is coming to the end of its existing use and the Council have recently undertaken work to consider redevelopment options for the site, which includes adjoining properties.
 - The adjoining properties, ESK store and the Youth Centre.
- This report provides Market Review of Hastings with a **socio-demographic, planning, regeneration and importantly commercial property and residential market** context to any future town centre masterplan.

Hastings Station Gateway: Red Line Boundary



Headline Findings

- The Hastings Station Gateway site represents a key spatial component of the town centre but one which at present has **poor public realm** and connectivity. There is a need for change to address the important gateway in to the town centre.
- This report has identified that **repositioning** of this site in the current context of the town centre is necessary. The aim is to build on the strengths of the town centre; to make it an even more attractive place to live, work and visit; to offer a town centre experience that cannot be found online, and, to encourage a thriving day and night time economy.
- Our analysis shows this area has the potential to:
 - Create spaces, connectivity and permeability;
 - Focus on green space, health and wellness, biodiversity and community;
 - Create opportunities for a wider range of additional town centre uses; and
 - Assist in addressing the climate change emergency.
- On this basis, and at the heart of the future repositioning of the site, is the need for placemaking and **the creation of an enhanced town centre gateway experience** to make it vital and viable for the future.
- This report has identified that Hastings town centre, like many centres in the UK, has potentially an **over capacity of retail floorspace**. This is creating challenges for the current and future vitality and viability of the town, but also opportunities to repurpose and redevelop existing buildings and space to introduce a more flexible and diverse mix of uses. Our broad analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) on Hastings is described overleaf.

Headline Findings

Strengths

- Coastal location.
- Hastings town centre is the main shopping destination within the Borough and its catchment extends across the Borough and beyond. It is also a key economic driver for the Borough.
- Located in a strategic location with good road, rail, bus connections.
- 1066 heritage and the town centre has an attractive historic environment.
- Town centre covered by a Business Improvement District.
- Diverse retail offer in the town centre including a street market.
- Provision and choice of car parking facilities.
- Recent interest in repurposing vacant space including: former Brighton University buildings also with the Observer building, Eagle House and 12 Claremont all being led by the local community with a mix of public, private and other community grants.

Weaknesses

- High levels of deprivation.
- Lower level of GVA and earnings.
- Falling rental values and demand for space in the town centre.
- Ageing community and workforce.
- Higher level of unemployment.
- Lower levels of life expectancy.
- Limited demand from retail occupiers.
- Few major employers in the town centre.
- Poor public realm.
- Safety and crime concerns.
- Long term empty buildings.
- Undeveloped sites.

Headline Findings

Opportunities

- Provide mix of new housing in town centre to meet different needs / demands.
- Interest to support residential growth in the town centre.
- Opportunity for placemaking in the town centre and to start to future proof the centre.
- There is potential demand and interest from housebuilders for a variety of tenures subject to the right placemaking environment of the centre.
- The town centre is ideally located to offer a sustainable/desirable living to a range of occupants with good commuter links locally, shops leisure, enabling convenience in line with shifting lifestyles.
- To provide a more diverse mix of uses as retail floorspace 'shrinks' – including residential, leisure, green, healthcare and flexible workspace.
- Town Deal success with the town centre a key regeneration piece in the award.
- Town centre greening and garden town idea concepts.
- Build in climate change resilience in regeneration.
- Strengthen partnerships with other bodies (Homes England, South East LEP, etc.) – including potential sources of funding for town centre regeneration projects/interventions.
- Encourage active travel.
- Capitalise on historic and maritime heritage.
- Opportunity for greening the centre.
- Opportunity for connecting old and new town and further towards St. Leonards.

Threats

- Macro-economic implications arising from COVID-19 and cost of living crisis.
- COVID-19 impacts – accelerating existing trends, including growth of online shopping and leisure.
- Increasing vacancies across the town and in the shopping centre.
- Falling footfall levels.
- Loss of businesses from town centre.
- Competition from other centres (e.g. Brighton, Tunbridge Wells) with new investment.
- Lack of momentum, governance and workforce support to deliver schemes.

- The market review has focussed on the residential and commercial office, retail and leisure position and prospects for deliverability. The direction for travel for these sectors in Hastings and the Station Gateway site in particular is as follows:
 - **RESIDENTIAL MARKET:** Potential demand and interest from housebuilders for a variety of tenures in Hastings subject to the right **placemaking environment of the centre**. Placemaking and good design will create further demand and hence the need for a Masterplan with the ability to go to market to get developers on-board.
 - **OFFICE MARKET:** New Grade 'A' space in Hastings will be attractive to those occupiers seeking modern and Environmental, Social, and Governance (ESG) compliant space. Our market research further shows that the Station Gateway site between a transport hub and other town centre amenities lends itself as a **location of interest but as part of a wider mix of uses**.
 - **RETAIL AND LEISURE MARKET:** The seismic shift to **online shopping** and the reprioritised economic, social and environmental needs of the Borough in the post-pandemic phase means that the **town centre is potentially over shopped** with surplus floorspace. There is a **need for a place-led design for the town centre to show creativity, innovation** as well as **demonstrating positive statements of intent** to align with the Council's wider regeneration and housing agenda for the town centre.
- A summary of the market and the prospect for delivery has identified the following opportunities and challenges (overleaf):

Headline Findings

Opportunities

- Latent market interest from providers.
- Appetite for 100 units for a flatted scheme.
- Provision of a variety of product types.
- Sustainable location.
- Address negative perceptions.
- Potential for joint ventures.

Residential Market

- No recent track record of provision.
- Placemaking and a mix of complementary uses is required.
- Viability will depend on build costs / land values / purchase costs / funding.
- Affordability concerns.
- Car parking provision.
- Provision of quality communal spaces and balconies.

Challenges

- Sustainable location with transport links.
- Grade A space will attract those seeking modern and ESG compliant space.
- Interest from flexible space provider
- Occupier demand in the range of 465 sqm (c.5,000 sq ft).
- Provision of modern space to boost local entrepreneurship.

Office Market

- Not a known/established office location.
- Offices must be part of a wider (viable) mix of uses (subject to demand).
- Viability will depend on build costs/land values/purchase costs/funding.
- Car parking will still form an important component of provision.
- Provision must include placemaking and other amenities.

Retail and Leisure Market

- Town centre plays a critical role as the prime shopping and leisure location.
- Create active and flexible space within the town centre.
- Experiential leisure as well as pop-ups and art events/activations set in an enhanced public realm
- Change negative perceptions of the town centre.

- Weak retail and leisure demand.
- Surplus retail floorspace.
- Competition from online shopping and macro-economic factors.
- Viability will depend on build costs/land values/purchase costs/funding

Next Steps:

- **VISIONING** – to develop a deliverable vision, objectives and spatial plan for the Station Gateway site that is complementary to the broader regeneration objectives for the town centre. Additionally, to identify and prioritise two key sites within the Station Gateway area for site specific evaluation.
- **SITE CAPACITY TESTING** – a high level assessment and viability of two key sites.

Section 1: Introduction

Scope of Work

Station Gateway

Red Line Boundary

The red line area includes Hastings railway station and Priory Quarter which has been the focus for recent education and office development adjacent to the station and extending along Havelock Road.

In the broad area, regeneration has already taken place: notably the Lacuna Place development and One Priory Square, Sussex Coast College, the railway station, health centre.



Introduction: Scope of Work

- **Lambert Smith Hampton (LSH)** was commissioned by **Homes England (HE)** and **Hastings Borough Council (HBC)** in December 2022 to act as Lead Consultant adviser to **review and advise on the market potential for regeneration of the Hastings Station Gateway site** by exploring the potential land assembly opportunities to unlock and accelerate delivery of this site and for the future preparation of a town centre masterplan to help deliver the **Council's vision** and ambitions for **housing and regeneration in Hastings**.
- LSH assembled a multi-disciplinary team supported by **Tibbalds** providing specialist **masterplanning and urban design** input and transport planners **Andrew Cameron Associates (ACA)** providing **transport, movement and car parking** advice.
- Our approach followed the requirements set out in the Invitation to Tender and our subsequent response is based on the following inter-related stages:



- This report focuses specifically on **Stage 1 – Market Review**. The outputs of our initial work and advice are drawn together in this report.

Introduction: Scope of Work

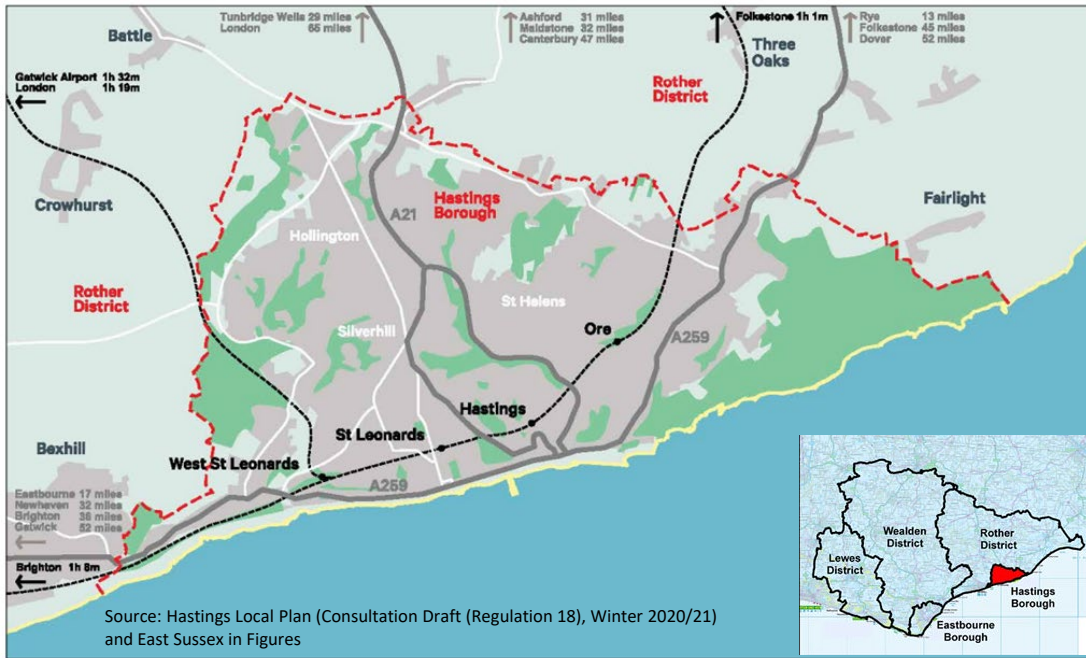
- To address Homes England and the Council's requirements in full, this report is structured as follows:
 - **Section 2: Hastings Town Centre Context** – provides a broad spatial and socio-economic profile on Hastings.
 - **Section 3: Regeneration Context** – pulls together the strategic documents that align with the planning, investment and regeneration context for Hastings and the Hastings Station Gateway site in particular including the Council's Corporate Strategy, Climate Emergency Strategy and SELEP Boosting Coastal Productivity (amongst others).
 - **Section 4: Planning Framework** – reviews the existing planning context pertaining to the short, medium and long term development and transformation of Hastings Town Centre. This includes a review of the extant and emerging local plan.
 - **Section 5: Housing Market Overview & Trends** – Provides a commercial review of the housing market including outputs of the soft market testing that has been undertaken with housing providers.
 - **Section 6: Office/Workspace Market Overview & Trends** – Profiles commercial office market trends and the local market in Hastings.
 - **Section 7: Retail/Commercial Leisure Market Overview & Trends** – Details the state of the commercial retail and leisure economy and the broader findings of the provision and prospect within Hastings Town Centre.
 - **Section 8: Summary** – highlights the key findings from this market assessment.

Section 2: Hastings Town Centre

Context

Hastings Town Centre: Context

- Hastings Borough has almost 12.9km (8 miles) of coastline and is surrounded by the mainly rural district of Rother, bordered by the High Weald to the north, Combe Haven Valley to the west and Fairlight to the east. The main town in the Borough is Hastings which lies 8km (5 miles) east of the town of Bexhill, and 88.5 km (55 miles) south-east of London.

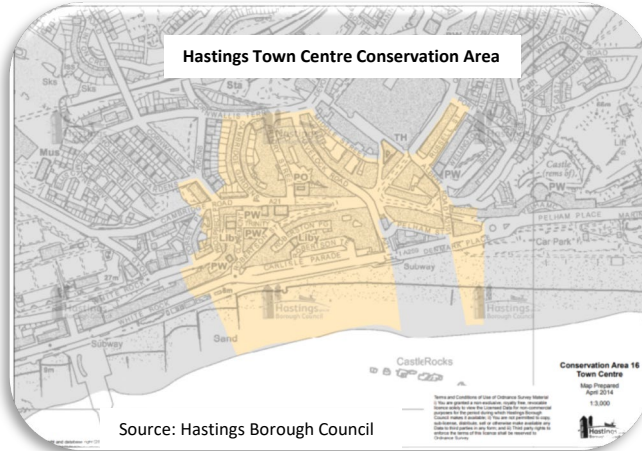


Hastings Town Centre: Context

- Hastings developed from a small fishing port to a substantial town and is known worldwide for its history including the Norman Conquest in 1066. Hastings' history is shaped partly by its relationship to the sea, and the physical constraints of its environment including, being surrounded by the rural landscape of Rother District and the sea to the south.
- **Hastings Town Centre is the primary town centre** and dominant centre for larger scale commercial including the main comparison shopping destination, community, leisure and cultural development in the Borough.
- Within the Borough, **St Leonards, Silverhill and Old Town** are defined as **District Centres**. There are also local centres and small parades that serve the day to day needs of their local catchment. This includes provision in the **Local Centres of Ore Village, Bohemia and Tower, Battle Road and Bexhill Road**.
- The Borough and town benefit from their strategic location – with road, rail, bus and air transport links:
 - The Borough is served by four railway stations: Hastings, West St Leonards, St Leonards Warrior Square and Ore.
 - Direct connections to London and Gatwick International Airport are available by train with journey times of around an hour and a half.
 - The A21 road connects with the A259 in central Hastings, the main east – west road link along the seafront.
 - Combe Valley Way (A2690) connects the A259 in Bexhill to a junction with the B2092/A2690 Queensway in Hastings. The route is designed to ease congestion on the A259 by providing a second main road link between the towns and a more direct link from the A27 to the A28 via the A259.
- The **town centre is the physical, economic and social 'heart' of Hastings**, sustaining over 20% of the town's jobs (@6,000 jobs) with a cluster of economic and social activity¹.

Hastings Town Centre: Context

- The town centre's main retail and commercial offer is described in more detail later in this report and in summary, Hasting town centre underwent a major planned improvement and expansion during the 1990s with construction of the Priory Meadow Shopping Centre and pedestrianisation of the main shopping streets.
- The centre's **prime retail pitch** is focused around the Priory Meadow Shopping Centre, pedestrianised area of Queens Road, Robertson Street and Wellington Place. To the east and west of this prime pitch are retail and town centre uses that extend along Queens Road and Cambridge Road.
- In terms of **commercial leisure** provision, there are a diverse range of cafés, restaurants, pubs, bars and takeaways across the centre. This provision is supplemented by the Odeon Cinema, Queens Road (4 Screens; 575 seats) and the smaller independent Electric Palace, High Street (1 Screen; 52 seats).
- A large portion of the town centre was also a designated Conservation Area in 1996.



Source: Hastings Borough Council

Hastings Town Centre: Boundary Showing Station Gateway Area as an Allocated Employment Site



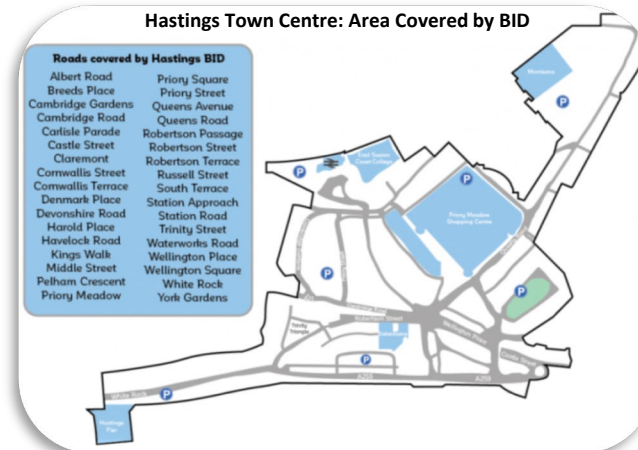
Source: Hastings Borough Council: Adopted Local Plan Policies Map (2014)

Hastings Town Centre: Context

- The town centre is currently served with a total of **2,244 car parking spaces** comprising:

Priory Meadow Car Park (1,030 spaces)	Pelham Place Car Park (276 spaces)
Carlisle Parade Car Park (171 spaces)	Hastings Station Car Park (72 spaces)
Priory Street Multi Storey Car Park (250 spaces)	The Pier Underground Car Park (40 spaces)
Castle Hill Car Park (81 spaces)	Sussex Coast College Hastings (324 underground spaces)

- The town centre is covered by **Business Improvement District (BID)** - Hastings BID - managed by **Love Hastings Ltd** – which was formed in April 2017. Hastings BID exists to reinvest levy fees in to the town centre, improving its look and feel, enhance its reputation and making it a safer and more pleasant place to shop, eat and discover.






Source: Hastings BID

Hastings Town Centre: Context

- In June 2021, **Hastings was awarded £24.3m** to 'boost the local economy, create jobs and improve local skills' as part of **Hastings Town Deal**. This funding sits alongside some £85m match funding laid out in the plan. The projects in the town deal aim to **improve connectivity across the town, support green businesses and create a vibrant and attractive town centre**. These projects also aim to address **key challenges including enterprise and skills infrastructure and town centre regeneration** as shown below:

Hastings Town Deal: Challenges and Interventions Themes

 <p>Not many well paid and high skilled jobs in the town</p>	 <p>Lots of empty shops and buildings in the town centre and limited retail offer</p>	 <p>Town centre feels unsafe, unloved and lacks vibrancy</p>	 <p>Lack of affordable housing and lots of 'low quality' private rented sector properties for let</p>	<p>Hastings Challenges</p>	<p>Towns Fund Intervention Themes</p>
 <p>Our heritage and natural assets are hidden, underused and some cases in very poor condition</p>	 <p>Tackling and benefiting from the global challenge to reduce our carbon emissions to near zero</p>	 <p>We are 65 miles from London but it feels like 200 miles!</p>	 <p>The town centre is not well connected to key assets – e.g. poor links from the station to the seafront, the pier, and the castle</p>	 <p>Jobs & Enterprise Growth</p>	<p>Enterprise Infrastructure; Skills Infrastructure</p>
 <p>Local public transport not well-connected, infrequent and expensive</p>	 <p>Digital connectivity on offer to businesses, voluntary sector and homes is limited</p>	 <p>Low-household aspiration leads to a low skills base</p>	 <p>We lack a strong industry focus</p>	<p>Forgotten History & Assets</p>	<p>Arts, Culture & Heritage</p>
				 <p>Disconnected, Unloved Town Centre</p>	<p>Urban Regeneration, Planning & Land Use; Local Transport</p>
				 <p>Lack of Quality Housing</p>	<p>Urban Regeneration, Planning & Land Use</p>

Hastings Town Centre: Context

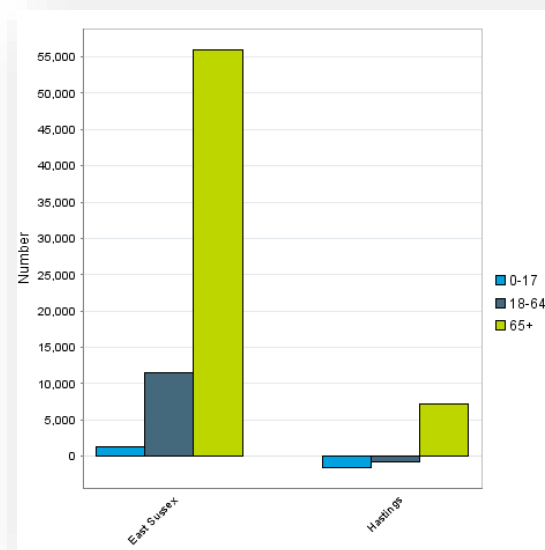
- Relevant to this commission is the **Town Centre Core project** within the Town Deal award. The vision set out in the Town Investment Plan's Town Centre Core programme was predicated on unlocking key sites within the Council's ownership to drive delivery of these objectives. However, the extremely high costs of delivery have presented a challenge. Instead, the Town Deal programme has focussed on expanding the public realm improvements.
- **The Hastings Station Gateway Project** represents the continuation of the of the town centre core projects with the re-development of Priory Street Car Park as part of a wider programme to rejuvenate the area around Hastings station.
- As part of the submission for the Town Deal Submission, a SWOT analysis of the town centre identified the following **issues / opportunities**:
 - Quality of the public realm environment.
 - Greening of the town centre and biodiversity.
 - Connectivity between the rail station, town centre and seafront.
 - Encouraging active travel and public transport in the town centre.
 - Improving Town Centre vibrancy to support business and tourism.
 - Net Zero Carbon Emissions and future climate change resilience.

Demographic and Socio-Economic Trends

To help inform our assessment of Hastings town centre **regeneration potential and the optimum mix of uses**, that could be sustained from a commercial perspective, we have carried out a high level review of the town's catchment population and socio-economic profile.

- The Council's emerging² Local Plan describes its development objectives for the Borough by 2039 that includes wanting to improve the health and wellbeing of Hastings' communities and create new opportunities by addressing climate change; achieving and sustaining a **thriving and diverse** economy and delivering **4,275 new homes**.
- Some of the **key demographic and socio-economic headlines** for the Borough derived from a variety of sources show:
 - **The Borough population as at 2021 stood at 90,996 living in 40,453 households³**. This population is projected to increase to 97,508 by 2035 (+7.2 increase). There is an acknowledged housing need, and affordability is an issue for first time buyers and households on low incomes who cannot access home ownership.
 - The **population density** in 2021 was **30.6 persons per hectare (pph)³** which is almost ten times higher than the overall population density of East Sussex (3.2 pph) and much higher than the South East average of 4.9 pph. This higher density is attributable to its location which is physically constrained by the High Weald Area of Outstanding Natural Beauty to the north and the English Channel to the south.

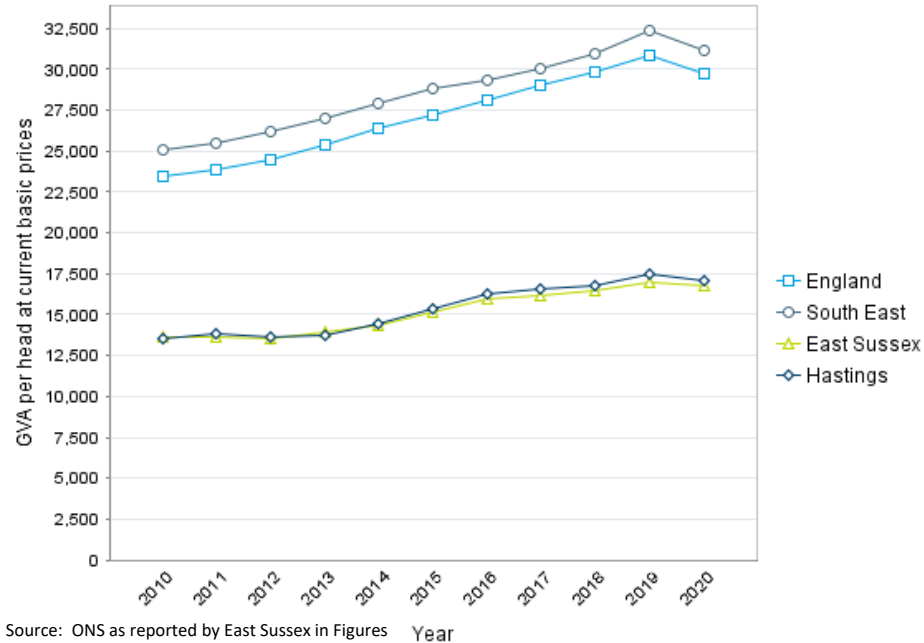
- **An ageing population:** In 2020, 20.7% of the resident population were aged 65 and over. This proportion is predicted to increase to +26.9% by 2035³. This has implications for the range of services, facilities and accommodation likely to be needed in the Borough.



Source: East Sussex in Figures

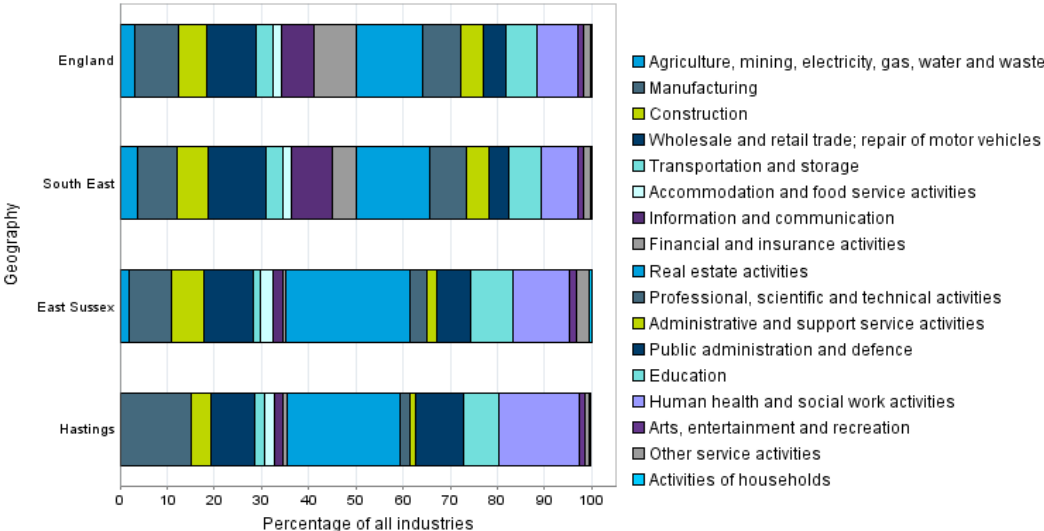
Demographic and Socio-Economic Trends

- The **GVA per head of circa. £17,500** is on par with the East Sussex average but lower than that for England and the South East (£30,000) and the South East (£31,250).



Demographic and Socio-Economic Trends

- **GVA by industry type** shows the dominance of manufacturing, real estate and human health and social work activities – comparable to the East Sussex average.



- The 2020 job density in Hastings was 0.673, meaning there are 0.67 jobs per member of the Borough’s working-age population³. This is lower than the East Sussex average of 0.71 and also against that for the South East (0.86) and England (0.85).
- The median gross weekly earnings (by place of residence) in Hastings for 2022 is £532 compared to the South East average of £658.30 and GB average of £642.204.
- Hastings’s unemployment rate over the period July 2021 to June 2022 was estimated at 4.9%³ - higher than the East Sussex average of 4%, the South East Average of 3.3% and the Great Britain rate of 4.4%³.

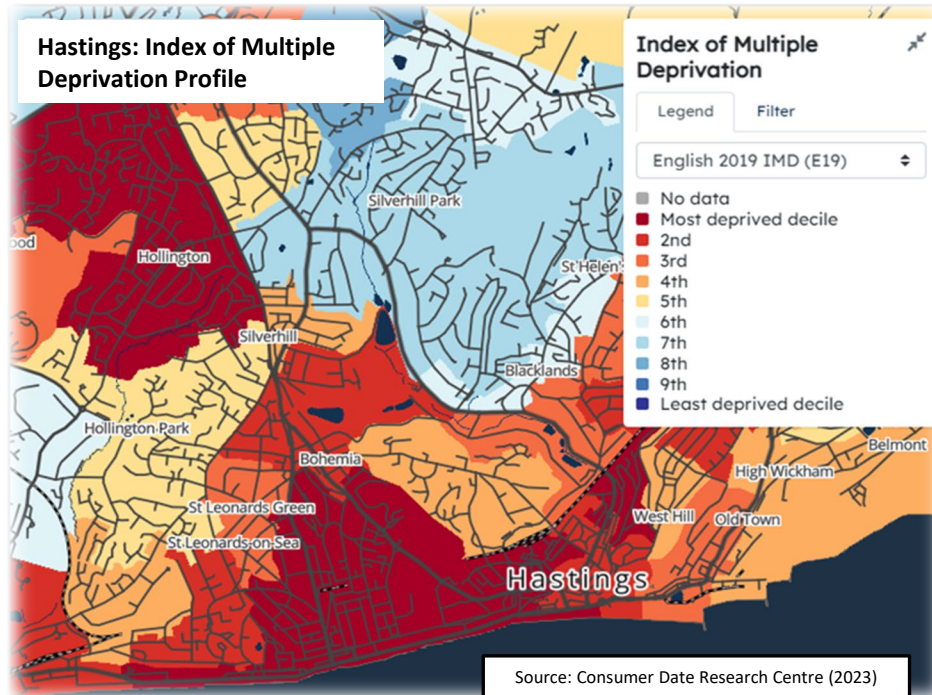
Demographic and Socio-Economic Trends

- The percentage of the Hastings **working-age** (aged 16-64) population who have a degree or higher (NVQ4+) is 31.1%, which is below the 45.2% rate for the South East and 43.6% rate for Great Britain⁴. Some 67% of the 42.1% working-age population have at least NVQ3 (2 A-levels or equivalent), and 14.6% have no qualifications⁴ compared with 5% average for the South East.
- Based on the total number of jobs, the **largest industry** in the Borough is in Human Health and Social Work activities (28.1%); followed by Wholesale and Retail Trade (15.6%) and Manufacturing (7.8%), which collectively represent over half (51.5%) of all jobs⁴.
- The 2022 **UK Business Count data** published by the ONS show there are **no large businesses** in Hastings; in comparison, the average for the South East shows 0.4% of businesses are large (a large business is defined as having over 250 employees). There are **45 medium-sized businesses** based in Hastings, making up 1.6% of total businesses - in the South East, 1.4% of businesses are medium-sized (a medium-sized business is defined as having between 50 and 249 employees). There are **270 small businesses** based in the Borough, making up 9.4% of total businesses - in the South East, 8.2% of businesses are small (a small business is defined as having between 10 and 49 employees). **Micro Businesses (0-9 employees) dominate** accounting for 89% of businesses (South East average is 90% of businesses)⁴.

- **Employment diversity:** the pre-COVID figures set out by PMA PROMIS⁵ show:
 - Employment in private sector services accounts for 46% of total employment in Hastings;
 - specifically, professional & business services and finance sectors together account for a close to average 8.6% of total employment;
 - retailing and leisure account for 25% of total employment, slightly below the Retail PROMIS average.
 - the public sector accounts for 30.4% of total employment in Hastings slightly below the PROMIS average.
- Above average representation in **lower Social Groupings**⁶: In 2011 the Hastings area contained a significantly above average proportion of adults of working age categorised within the least affluent DE social group (**30.8%** vs 25.7% in England and 22.6% in East Sussex). The proportion for the most affluent AB group was 15.1% (23% in England and 22.1% in East Sussex). The proportion for social grades C1 and C2 stood at **54.2%**, higher than the 51.5% in England but lower than the 55.3% average in East Sussex⁶.

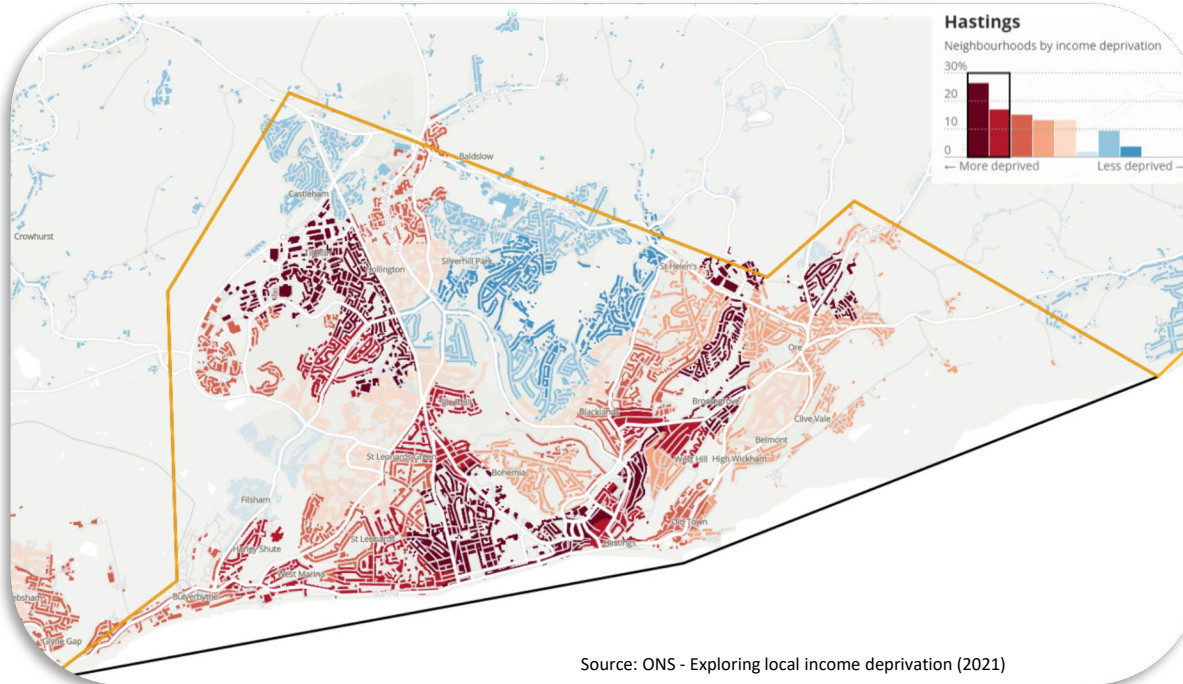
Demographic and Socio-Economic Trends

- In Hastings, **20.2% of the population was income-deprived** in 2019.
- Of the 316 local authorities in England (excluding the Isles of Scilly), Hastings is ranked **14th most income-deprived**⁷.



Demographic and Socio-Economic Trends

- Hastings has very **high levels of deprivation**. Of the 53 neighbourhoods in Hastings, 23 were among the 20% most income deprived in England⁷.

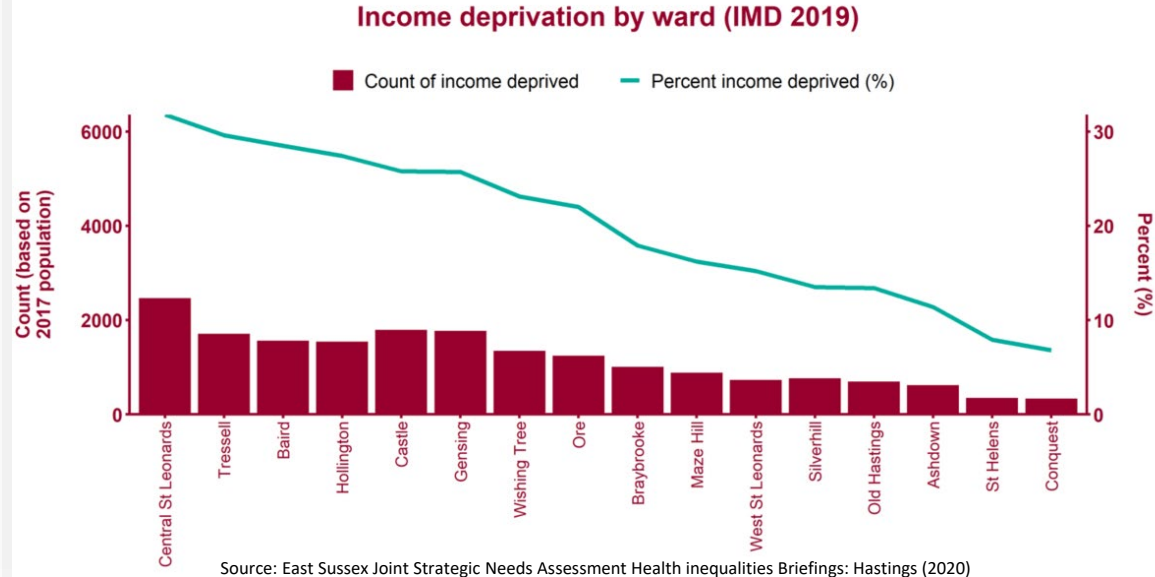


Source: ONS - Exploring local income deprivation (2021)

Demographic and Socio-Economic Trends

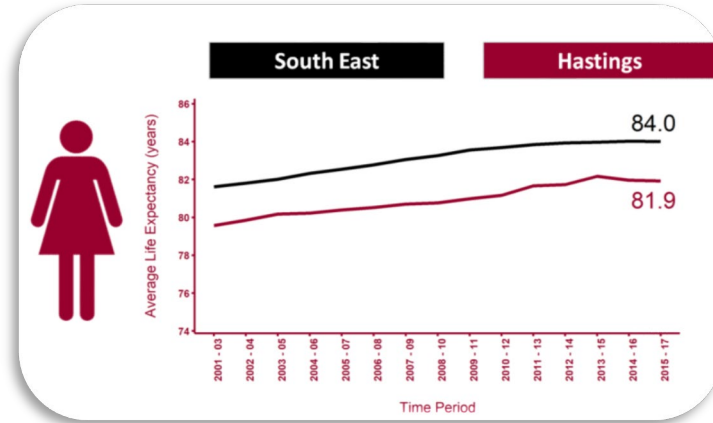
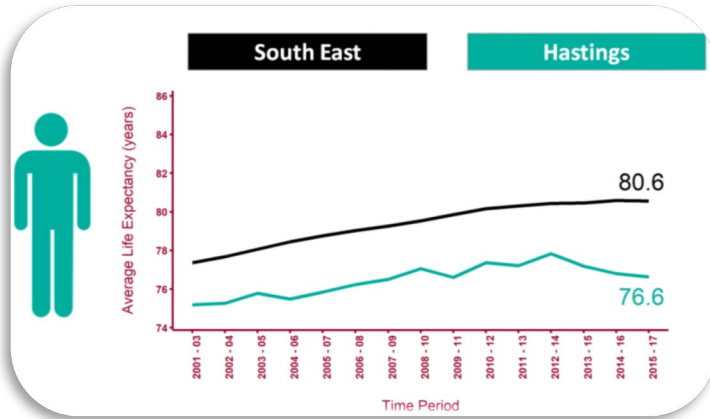
- **Central St Leonards** is one of the most deprived wards in Hastings⁸.

Distribution of income deprivation across Hastings



Demographic and Socio-Economic Trends

- **Life expectancy**⁵ Average life expectancy in Hastings for males in 2020 stood at 76.6 and for females 81.9 (compared against the South East England average of 80.6 for males and 84.1 for females)⁸.

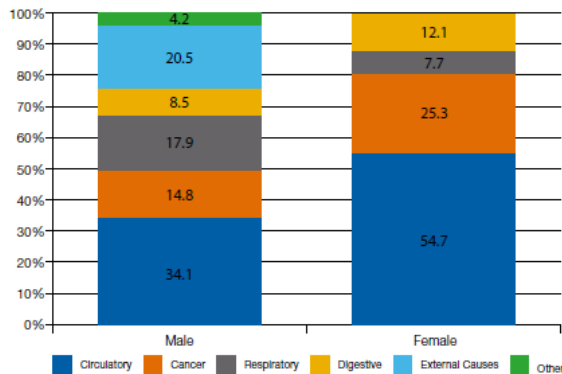


Source: East Sussex Joint Strategic Needs Assessment Health inequalities Briefings: Hastings (2020)

Demographic and Socio-Economic Trends

- **Circulatory diseases** are the single biggest cause of the gap in life expectancy for men and women in Hastings⁹. External causes including injury, poisoning and suicide are the second biggest cause for men – accounting for 20% of the gap, followed by respiratory disease. The second biggest contributor to the gap for women is cancer, which is the 4th largest reason for men. Cancer inequalities may be partly influenced by lower uptake of cancer screening in Hastings compared to England.

Broad cause of death contributing to gap in life expectancy between Hastings and England by gender 2015-17



Source: Health in Coastal Communities (2021)

Health Related Behaviours in Hastings

Smoking

17% of adults and 14% of pregnant women are smokers (2019)

Alcohol

Significantly higher rate of admissions than England (2018/19)

Physical activity

23% of adults are physically inactive (2018/19)

Sexual health

HIV prevalence similar to England (2019)

Chlamydia testing higher than England (2019)

Healthy eating

56% eating 5-a-day (2018/19)













Self-harm

3rd highest rate for self-harm admissions (2019/20)

Source: Health in Coastal Communities (2021)

- In 2016, Hastings was ranked overall 282 out of 324 on the **Social Mobility Index**¹⁰, which compares the chances that a child from a disadvantaged background will succeed in education and work. From early education up to post-16, outcomes for disadvantaged children and young people in Hastings are well below the national average.

Socio-Economic Trends: Key Metrics

Hastings BC Area: Local Strengths			
 <p>Heritage: Depth and Breadth Strong historic and maritime heritage</p>	 <p>Connectivity: Good Good rail, road and air connectivity</p>	 <p>Green / Blue Assets Access to Surrounding green and blue assets</p>	 <p>Successful Town Deal £24m Town Deal Funding</p>
Hastings BC Area: Local Weaknesses			
 <p>Deprivation: Higher Hastings is ranked 14th most income-deprived in England</p>	 <p>GVA: Comparatively Lower GVA per head of £17,500.</p>	 <p>Population Density: High 30.6 pph against 4.9pph in South East</p>	 <p>Population: Ageing Rising from 20.7% to 26.9% by 2035</p>
 <p>NVQ4+ Skills: Low</p>	 <p>Unemployment: High</p>	 <p>Social Mobility: Low</p>	 <p>Life Expectancy: Lower than average</p>

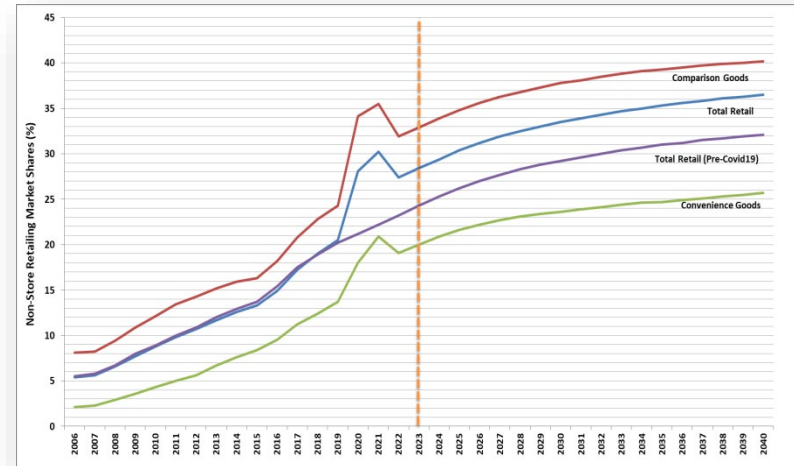
COVID-19 Impacts & Cost of Living Crisis

Our review also takes account of the **key trends** that have been impacting on the commercial property market and the UK's towns and high streets over the last decade or more - since the 2008 recession - and particularly over the period of the COVID-19 pandemic and the current cost of living crisis. Some of the national headline trends are:

- The impact of the COVID-19 pandemic in 2020 saw the UK economy experience its **biggest annual decline in Gross Domestic Product (GDP)** (-9.9%) for over 300 years.
- The government's decision to close non-essential retail and leisure outlets in spring and autumn of 2020, followed by a third national lockdown from January 2021, had a significant impact on a wide range of formats: from leisure and hospitality sector, to fashion retailers and department stores.
- In addition to these enforced temporary closures, continued social distancing requirements alongside a weak consumer economy have placed **downward pressure on sales for many non-food retailers**. Many retailers have fallen into administration, whilst those already seeking to consolidate store portfolios prior to the pandemic have been bringing permanent store closures forward, impacting overall levels of retail employment.
- **A weak consumer economy** born out of the response to the COVID-19 pandemic has caused widespread disruption to the UK's economy.

- **The pandemic has accelerated the market share of online retailing** – particularly for comparison (non-food) goods. Experian's figures forecast that the total non-store market share to marginally decrease to 27.4% in 2023; and the share of comparison and convenience goods retailing to 31.9% and 19.1% respectively.

Non-Store Retail Sales – Changes in Market Shares (2006 – 2040)

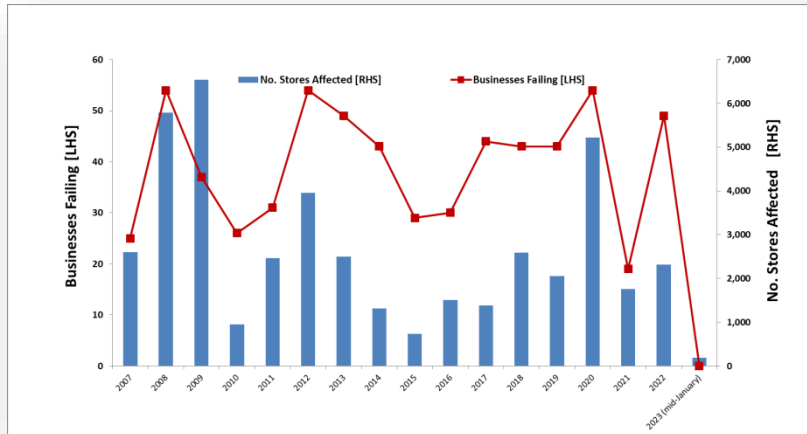


Source: Experian Retail Planner Briefing Note 19 (January 2022) and Experian Retail Planner Briefing Note 17 (February 2020)

COVID-19 Impacts & Cost of Living Crisis

- Although Covid pressures on the economy may be easing, the challenges facing consumers, businesses and town centres continue to intensify. The end of the Government's furlough scheme, and the removal of the majority of relief packages, aligned with recruitment and supply issues, left many businesses exposed. The latest industry research shows:
 - **Over 2,000 closed stores in 2022 due to administration**, with almost 35,000 jobs lost. This compared with 5,200 store closures in 2020, and over 109,000 job losses¹¹.

Major Retail Failures (2007 – 2023 (mid-January))



Source: Source: Centre for Retail Research (January 2023)

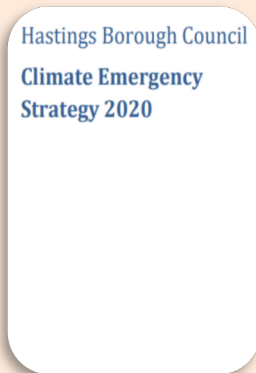
- Average vacancy rates for all retail space stood at a record high of 15.7% in 2021¹².
- Shopping centres had the highest average vacancy rates (19.1%)¹².
- Average vacancy rates were lower for high streets (14.4%), and retail parks (11.3%)¹².
- GDP in the UK expanded by 7.5% in 2021, making it the fastest growing economy in the G7 group of economies. However, the UK was recovering from a lower base, having seen the largest decline in 2020, at 9.4%. However, the scale of the rebound is uncertain given inflationary pressures; households are faced with rapidly rising inflation, an increase in the rate of national insurance contributions, energy price cap increases, higher interest rates and the war in Ukraine.
- According to the Office of Budget Responsibility¹³, Consumer Price Inflation was set to peak at a 40-year high of 11% for Q4 2022 (well above the Bank of England target rate of 2%). Hence there are macroeconomic shifts unfolding. Inflation has hit a 30-year high and the backdrop for household finances looks increasingly daunting. A '**cost of living crisis**' has emerged, which will hit the least affluent households the hardest, sparking recessionary behaviours, weaker spending and softer confidence. Rising prices are anticipated to **erode real wages and reduce living standards by 7%** cent in total over the two financial years to 2023-24. On this basis these are signs of a potential technical recession (two consequent quarters of declining GDP) being anticipated over 2023-2024.
- The implications are that this will result in a drop in real disposable incomes in 2023 and beyond over the short term to 2024. Against this backdrop the latest forecast **growth in GDP is projected to moderate to an average of 4.2% in 2022** with a projected average of **-0.9% by 2023** according to HM Treasury¹⁴ estimates.

Section 3: Regeneration Context

Strategic Alignment

Our analysis has also been informed by a review of the existing planning, investment and regeneration context that relate to the short, medium and long term development and transformation of Hastings Town Centre . The key regeneration documents include:

1. **Hastings Borough Council – Corporate Plan (2020- 2024) – subsequently updated in February 2023;**
2. **Hastings and St Leonards Climate Emergency Strategy (2020);**
3. **South East Local Enterprise Partnership (SELEP) Boosting Coastal Productivity (2019);**
4. **Hastings Town Investment Plan (2021); and**
5. **The Levelling Up and Regeneration Bill (2022).**



Summary: Regeneration Context

- There is **clear direction that Hastings town centre remains at the heart for the delivery of major regeneration schemes** and intervention. This is required for the centre to evolve and remain competitive and to achieve long term set objectives on investment, growth and sustainability set by the council.
- Spatially, the **Hastings Station Gateway area and the sites collectively have a key role to play in the future regeneration** and to strategically align with the Council's existing regeneration and climate change objectives including provision of jobs, housing, improved public realm, carbon neutrality, employment and accessibility.
- An indication of the state of the commercial market follows in **Sections 5-7** of this report.

1. Hastings Borough Council – Corporate Plan (2020- 2024)

The Vision for Hastings:

“Hastings and St Leonards is a happy, welcoming place with a vibrant, unique culture where everyone has their needs met and is supported and encouraged to live their best lives.”

Source: Hastings Borough Council – Corporate Plan (2020- 2024)

1. Hastings Borough Council – Corporate Plan (2020- 2024)

- The Corporate Strategy sets out the Council’s six priorities, namely:
 - Tackling poverty, homelessness and ensuring quality housing.
 - Keeping Hastings clean and safe.
 - **Make best use land, buildings, public realm** and cultural assets.
 - Minimising environment and climate harm.
 - **Delivery of major regeneration schemes.**
 - Ensuring the council can survive and thrive into the future.
- Under the priority to “**Tackling poverty, homelessness and ensuring quality housing**” there is a recognition of the need to:
 - Implementing our **housing strategy** and action plan to meet the Council’s statutory duty.
 - maximising **the delivery of new homes** through the planning system, development of the Council’s limited land and property assets and partnerships with housing providers.



1. Hastings Borough Council – Corporate Plan (2020- 2024)

- Under the priority to “**Delivery of major regeneration schemes**” there is a recognition of:
 - Securing appropriate **funding opportunities in partnership**, to enable schemes the Council and its partners may not otherwise afford to do.
 - Making sure our **major regeneration schemes** are:
 - Focused directly or indirectly on transforming life opportunities for those with the **greatest need**.
 - Prioritised based on citizen benefit, value for money and our **climate change commitments**.
 - **Income generating**, where monies can be ploughed back or schemes directly support our most vulnerable citizens.
 - Complementary to those regulatory services the council must provide.
- In summary, there is **a emphasis and focus on regeneration** that has a direct impact on the Station Gateway site. The implications are that any development should address the challenges that the Borough and residents face including addressing climate change commitments.

1. Hastings Borough Council – Corporate Plan (2020- 2024)

2023-24 Corporate Plan update

- The updated corporate plan was approved in February 2023 acknowledging that while the ambitions of the 2020-24 remain, the global, national and local landscape had changed significantly, and that the council was now working in a very different social, economic, financial and political context. On this basis there was recognition that Councils can only deliver transformation through partnership in light of the budget constraints the Council faces.
- In relation to the delivery of major regeneration schemes the update stated:

Having successfully bid for £24.3m Town Deal Funding, ensure delivery of the programme, keep the Town Board and other stakeholders updated and work to lever in any further private investment or other government funding streams as possible. Examples for 2023/24 include supporting:

- *Design work on plans for a new Castle visitor centre including improved access.*
- *Consultation on detailed plans for a greener, safer, and more attractive pedestrian friendly Town Centre.*

Town Deal and other regeneration schemes will move forwards including:

- *Independent town deal projects (i.e. East Sussex College Green Training Centre and EFT Green Classroom with Plumpton College) will be open in 2023.*
- *Other approved town deal projects will be implemented for completion by 2026.*
- *Refining proposals, developing a business case and submitting Levelling Up bid for new health and leisure centre at Summerfields.*
- *Work with Homes England to capture the wider regeneration interests in the town centre, including Station Plaza.*
- The update also referred to the publication of a new Cultural Regeneration Strategy (2023-28).
- Promote active travel across Hastings to encourage active and health lifestyles and accelerate through a new councillor cross party working group,







1. Hastings Borough Council – Corporate Plan (2020- 2024)

Summary:

- Both within the extant Corporate Strategy and in the 2023 Update, there is **a emphasis and focus on regeneration** that has a direct impact on the Station Gateway site.
- The implications are that any development should address the challenges that the Borough and residents face including addressing climate change, housing and health commitments.

2. Hastings and St Leonards Climate Change Strategy (2020)

- The climate emergency strategy and action plan was developed to support the Climate Emergency motion Hastings Borough Council declared during 2019.
- The broad **vision** is to make **Hastings carbon neutral by 2030**.
- The strategy has six priority themes and associated projects as summarised below:

Priority Theme	Project
 Communication, lobbying and partnership working	Webpage development and communication material Stakeholder engagement via partnership structures Partnership working to develop projects and inform the 8-year action plan Lobbying locally, regionally and nationally to enable change
 Grid decarbonisation	Work with UKPN to support the transition to a smart grid. Planning Policy – enable strategic energy infrastructure
 Reduced energy demand	Identify funding for retrofit Review council assets and initiate retrofit programme of works
 Renewable energy	Commence a new programme of rooftop solar installations on council-owned and 3 rd party roofs. Develop a business model for carpark rooftop solar Explore ground-mounted solar array sites
 Low Carbon sustainable transport	Contribute to the delivery of 15 public EV charge points in 20/21 Initiate purchase of council own EV fleet Explore options for EV or ULEV fleet for public transport /taxi fleet
 Offsetting	Research and review sequestering CO2 with HBC land management

- Make Hastings carbon neutral by 2030
- Take advantage of new powers as they are made available to us by the central government
- Work towards supplying 30% of the town's electricity by 2030
- Update the low carbon and renewable energy policies as part of the Local Plan review to deliver energy-efficient new developments and renewable energy projects
- Update the Councils sustainable procurement policy to take account of climate change
- Work with partners to increase the EV infrastructure in the town
- Reduce the Councils and towns reliance on single-use plastics
- Maintain Council land to maximise species diversity and mitigate species extinction
- Incorporate an evaluation of climate change implications in all reports to council committees
- Appoint a lead councillor 'Climate Change Champion'
- Work with partners to help to deliver the climate change emergency commitments

- This represents a very **ambitious target for the Council** which influences all aspects of any intervention.





3. South East Local Enterprise Partnership (SELEP) Boosting Coastal Productivity (2019)

- The Coastal Economic Prospectus sets out the **opportunities available to drive investment and growth** on the South East Coast and, for the area to enhance its economic performance and provide a high quality of life for residents and visitors. The vision is to: *“Improve the economic performance of the coast in absolute and relative terms to grow our economy and narrow the gap with the wider SELEP region”*.
- In relation to Hastings, it recognises the following:
 - **Deprivation** - Hastings (30%) along with Thanet (21%) and Swale (20%) stand out as having the most deprived wards in the country.
 - The prospectus mentions initiatives, such as the **Opportunity Area Programme in Hastings** (a Social Mobility Delivery Plan) that children and young people in Hastings are equipped with the skills they need to achieve their potential. This is along with the caveat that a lack of long-term commitment can easily undermine any incremental gains on such initiatives.
 - That the Coastal Space pilot project supported by SELEP in Hastings, Thanet & Tendring has demonstrated the benefits of capital investment **in faltering or failing housing markets**. Acquiring and renovating poorer quality housing to meet either market or affordable housing needs provides an opportunity to stabilise and strengthen those existing communities and achieves wider environmental, training and employment benefits
 - The opportunity to **improve connectivity** key south coast economic centres with an ambition to secure the extension of High Speed Rail (HSR) from Ashford to Hastings, Bexhill and Eastbourne and furthermore to improve access for coastal residents and businesses to major employment.
- In summary, **investment and growth lies at the heart of the prospectus** with firm recognition of the **need to for appropriate intervention where commercial markets fail**. In the wider regional context but specifically in relation to the coastal context a need to improve competitive position through infrastructure investment.

4. Hastings Town Investment Plan (2021)





- In June 2021, the Hastings Town Investment Plan (TIP) was approved, with £24.4 million awarded from the Towns Fund along with the £85 million match funding laid out in the plan.
- The **vision** under the TIP is

“A healthy, vibrant and quirky seaside town that people love to visit, live and work in and say, ‘I can #MakeItInHastings’ “
- The four key challenges programme built around seven project themes are shown below:

Hastings Challenges	Towns Fund Intervention Themes
 Jobs & Enterprise Growth	Enterprise Infrastructure; Skills Infrastructure
 Forgotten History & Assets	Arts, Culture & Heritage
 Disconnected, Unloved Town Centre	Urban Regeneration, Planning & Land Use; Local Transport
 Lack of Quality Housing	Urban Regeneration, Planning & Land Use

4. Hastings Town Investment Plan (2021)

- The list of projects as set out in the TIP include:

4 Challenge Themes	7 Programme Themes	12 Projects	Project Lead & brief description
 <p>Jobs & Enterprise Growth (Enterprise Infrastructure; Skills Infrastructure)</p>	<p>Enterprise & Employment Infrastructure Total value: £12,786,500 Towns Fund ask: £3,082,500</p>	Churchfields Industrial Estate	Hastings Borough Council – Churchfields Industrial Estate Business Incubation Units, small and medium-sized factory units
		Enterprise Space, Ponswood	Unveiled Ltd – repurposing existing open plan office spaces on Ponswood Industrial Estate
		Hastings co-working, flexible office and community space	Freedom Works – repurposing existing open plan employment spaces in the town centre
	<p>Green Low Carbon Skills & Economy Total value: £4,018,775 Towns Fund ask: £3,079,000</p>	Green Construction, energy and vehicle training centre	East Sussex College Group – Infrastructure for provision for Green Low Carbon Skills & business start up / development opportunities
		Broadening Futures Together	Plumpton College and Education Futures Trust – new education and skills offer linked to land-based occupations and business opportunities
 <p>Forgotten History & Assets (Arts, Culture & Heritage)</p>	<p>Hastings Castle World Heritage Destination Total value: £5,650,000 Towns Fund ask: £3,50,000</p>	Hastings Castle	Hastings Borough Council – telling the story of the Norman invasion and its impact
	<p>Town to Sea Creative Quarter Total value: £10,019,000 Towns Fund ask: £4,055,000</p>	12 Claremont Cambridge Road Development OB Creative Digital Hub	White Rock Neighbourhood Ventures, Heart of Hastings and Leisure and Learning – development of a community-led creative quarter in the heart of the town centre
 <p>Disconnected, Unloved Town Centre (Urban Regeneration, Planning & Land use, Local Transport)</p>	<p>Town Centre Core Total value: £72,845,835 Towns Fund ask: £10,000,000</p>	Town Centre Core (Phase 1 Projects)	Hastings Borough Council and NewRiver REIT – Regeneration of key sites in the town centre through acquisition and development to modernise, repurpose and revitalise the centre. Phase 1 projects are subject to a Joint Venture Agreement with further information contained in Town Investment Plan 2
	<p>Town Centre Public Realm & Green Connections Total value: £4,498,000 Towns Fund ask: £3,000,000</p>	Town Centre Public Realm & Green Connections	East Sussex County Council – focus on improving active travel connectivity (walking and cycling) and the enhancement of the public realm in Hastings town centre. The Hastings Garden Town – inspired by Great Dixter's philosophy of creative ecology, horticultural innovation and biodiversity the project will transform the public realm
 <p>Lack of Quality Housing (Urban Regeneration, Planning & Land Use)</p>	<p>Town Living Total value: £4,000,000 Towns Fund ask: £1,500,000</p>	Town Living	Hastings Borough Council – Town Centre Housing Investment Proposal – providing new and renovating existing homes

4. Hastings Town Investment Plan (2021)

- As at mid-February 2023, all the projects within the TIP's 10 year programme were approved, bar the bar the expansion of the Town Centre Public Realm & Green Connection project which was in the process of approval.
- Much of the Town Centre Core programme as defined in the TIP is not now proceeding. Indicative studies undertaken for the Council showed that the development of the Car Park / ESK site was not viable or affordable without further funding support. HBC's relationship with NewRiver REIT has also changed with the Priory Meadow main development proposal having been withdrawn. Both of these proposals aimed to facilitate the delivery of mixed-use development in the town centre core including new homes. The vision set out in the TIP was predicated on unlocking key sites within the Council's ownership to drive delivery of these objectives. However, the costs of delivering this project were high, presenting a challenge for HBC to deliver them; especially at present.
- A further Town Centre Core project that was withdrawn was the Sports Direct Building (£1m funding). This was reallocated to the former Debenhams building.
- On this basis the resulting funds have been re-allocated into the Public Realm & Green Connection project to widen its scope and impact, ensuring the funding is allocated to a project that enhances the Town Centre, encouraging increased footfall that supports the other town centre projects and benefits local businesses. As it is the last major public realm investment was over 25 years ago.
- In terms of the key projects that directly relate to the Station Gateway site, these include:
 - **Owens Entertainment** - The old Debenhams building in the town centre which has now been transformed into a multi-entertainment centre including restaurants, children's play areas, crazy golf courses, virtual reality experiences. Owens Entertainment takes up the lower three floors of the Debenhams building, with FreedomWorks (providing flexible office workspace), another Town Deal-funded project, taking over the top three floors.

4. Hastings Town Investment Plan (2021)

- **Town Centre Public Realm & Green Connections** – To transform Hastings town centre with green infrastructure, improved walking and cycling cycle parklets, enhanced public realm, infrastructure for markets, events and festivals, lighting and public art project. The objective being to increase dwell time, spend and attract new investment to the town centre. This project will invest in future proofing for climate change with improved surface drainage, ecology, and introduce biodiversity for the benefit of the whole town. It aims to make Hastings an inspiring and world leading exemplar of a biodiverse town centre with potential for promotion and tourism.
- **Town Living:** To develop and provide high quality, affordable and energy efficient homes in Hastings town centre by repurposing poor quality existing Houses of Multiple Occupancy (HMO) units and redundant commercial spaces.
- **Hastings Commons – Town to Sea:** bringing difficult and derelict buildings back to life in the White Rock neighbourhood area which connects the main town centre to the seafront. It's an 'organic phased development' in which space is squeezed for maximum community benefit and protected for the long term through community land trust ownership.
- **Priory Meadow phase 1:** the previous New Look premises has been transformed into two separate businesses. On the lower floor, there is a Department for Work and Pensions (DWP) Job Centre office and the upper floor is occupied by a leisure operator - The Gym Group.

4. Hastings Town Investment Plan (2021)

In summary:

- the Hastings TIP represents **contemporary list of interventions** that support the wider long term regeneration objectives of the Council for the Borough and the town centre.
- The TIP sets out investment **priorities and project proposals** to shape long-term economic growth and development.
- The list of **interventions are interlinked** with the aims of more investment and growth, better housing, health, biodiversity, heritage and in aiming towards supporting a green industry and carbon neutrality.
- The TIP therefore builds on the objectives of the extant Corporate Plan on the delivery of **major regeneration** schemes as well as addressing the ambitions of its **Climate Change** Strategy.
- In the context of the Station Gateway site specifically the TIP provides a broad steer in terms of interventions addressing the cross challenges of **growth, carbon neutrality and the revitalisation and repurposing** of space.

5. Levelling Up and Regeneration Bill (2022)

- The Government's draft **Levelling up and Regeneration Bill** (the Bill) published in May 2022 aims to reverse geographical disparities between different parts of the UK by spreading opportunity more equally.
- As at the end of January 2023, and after its third reading in the Commons, the Levelling Up and Regeneration Bill (LURB) has now been introduced to the House of Lords.
- The Bill covers four main themes:
 - Providing a legal basis for setting and reporting on the levelling up mission
 - New Devolution Structures for the England
 - Empowerment of local leaders to regenerate town and cities
 - Improving the Planning process.
- This wide-ranging Bill has at its heart planning reform. It seeks to change the way powers can be devolved to local authorities and introduces reform to the planning system in England. Many of the provisions in the Bill take forward the proposals set out in the 2020 Planning White Paper.
- The Bill aims to “**promote local growth**” and “**empower local leaders**”. The Bill also prioritises a **green regeneration scheme** using green principles, methodologies and technology/innovation to transform local areas in to beautiful communities that achieve net zero emissions.
- The Government views the Bill as putting onto a statutory footing its plans to revitalise town centres and high streets and to exercise greater control over new developments in terms of provision of facilities, infrastructure and affordable housing, with the intention to reduce geographical, economic, social and health inequalities.

5. Levelling Up and Regeneration Bill (2022)

- Alongside the Bill, and to assist with the “levelling up” agenda, it proposes more devolved powers, changes to the National Planning Policy Framework and additional housebuilding schemes.
- The key implications from a regeneration and property point of view relate to:
 - **Part 4: A new Infrastructure levy** - The main change is to the current Community Infrastructure Levy (CIL): under the Bill, CIL will be limited to Greater London and Wales, and a new infrastructure levy will eventually apply to all other local planning authorities. The new levy will be calculated with reference to the final gross development value (GDV) of the development (unlike CIL which is charged based on floor area).
 - **Part 8: Development Corporations** - The Bill will enable any local authority (or group of authorities) to request that the Secretary of State designate a regeneration area and establish a development corporation. These new locally-led Urban Development Corporations (UDCs) will then be accountable to local authorities, rather than the Secretary of State, and have all of the planning and development powers available to centrally led development corporations including local plan making, neighbourhood planning and development management.
 - **Part 9: Compulsory Purchase** - Furthermore legislation will make it easier for councils to regenerate their town centres through compulsory purchase orders when needed.
 - **Part 10: Letting By Local Authorities of Vacant High-Street Premises** - The Government proposes to give Councils powers to let vacant high street premises through compulsory rent auctions. This part of the Bill introduces a compulsory rental auction regime, which applies to commercial premises that are determined by the local authority to be:
 - located in designated high streets or town centres;
 - suitable for “high street” use; and
 - beneficial to the local economy, society or environment if occupied for high-street use, of such premises were vacant for the whole of the previous year or for at least 366 days within the previous two years.

5. Levelling Up and Regeneration Bill (2022)

- The Bill will be retrospective: if the Bill is enacted, this will immediately apply to any premises that were vacant for the preceding year.
- Councils will therefore be granted more authority to repurpose vacant or abandoned properties for their own use and the benefit of their residents
- The implications for Hastings in the long term (once enacted) could potentially include:
 - **Environmental protection** and objectives is likely to impact the planning options on sites.
 - Perhaps a local led '**Urban Development Corporation**' could become a mechanism to implement and deliver any masterplan for the town centre.
 - Supplementary Plans may be useful in managing key sites and spatially defined areas.
 - The changes related to the **Infrastructure Levy and Section 106 contributions** could provide more defined infrastructure contribution and provision.

Section 4: Planning Framework

Strategic Local Plan Policy Alignment

Our analysis has also been informed by a review of the existing planning context pertaining specifically to the short, medium and long term development and transformation of Hastings Town Centre. The key planning policy documents we have reviewed include:

- **The Hastings Planning Strategy (HPS)** provides a long term plan to deliver regeneration and sustainable growth in the town up to 2028. The HPS outlines a number of Strategic Objectives that will help meet the overall vision for the Borough.
- **The Development Management Plan (DMP)** document follows on from the Hastings Planning Strategy. The DMP shows in more detail where the housing, offices, shops and other development will be developed and provides specific policies used in the determination of planning applications.
- **Hastings Local Plan Consultation Draft (Regulation 18) (Winter 2020/21)**. The Council is updating its local plan covering a 20 year period from 2019 - 39. Consultation on the new draft Local Plan (Regulation 18) document was undertaken between January to March 2021. The comments received on this version of the draft Plan (Regulation 18) will inform the next (Regulation 19). Our review is based on the Regulation 18 consultation version of the Local Plan.

SHAPING HASTINGS



Hastings Local Plan
The Hastings Planning Strategy
2011 - 2028
Adopted 19 February 2014

Planning Policy Team
www.hastings.gov.uk/localplan



SHAPING HASTINGS



Hastings Local Plan
Development Management Plan
Adopted 23 September 2015

Planning Policy Team
www.hastings.gov.uk/localplan



Hastings Local Plan Consultation Draft (Regulation 18), Winter 2020/21

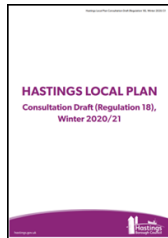
HASTINGS LOCAL PLAN
Consultation Draft (Regulation 18),
Winter 2020/21

hastings.gov.uk



Summary: Planning Context

- The **extant Planning Strategy (PS)** provides broad framework and quantum targets of:
 - 3,400 net homes between 2011 and 2028
 - up to 70,000 sqm pf employment floorspace 2008 and 2028
 - identified retail need 20,500 sqm for period 2014 – 2028
- The PS under **Policy FA3 (Strategy for Hastings Town Centre)** reiterates the need to:
 - provide for c.21,700 sqm (net) employment floorspace at Priory Quarter by 2028
 - provide for 20,500m sqm (gross/net) retail comparison goods floorspace up to 2028
 - achieve a more even mix of housing tenure
 - promote competitiveness in terms of the range and type of shops operating in the area
- The **extant Development Management Plan (DMP)** reinforces these quantum and calls for **the continued development of Priory Quarter**, including the rest of Havelock Road north of Lacuna Place, Queensbury House, and Priory Street, to create employment, retail and leisure uses.
- Both the PS and DMP mirror the need to provide for 20,500 sqm retail comparison goods floorspace in the Town Centre boundary area. The Council reassessed these forecasts in 2018²¹ and showed a much lower forecast of between 3,342 sqm net and 11,496 sqm net to 2036. The advice given was that the forecast growth should support an enhance the turnover of the town centre’s comparison goods offer rather than planning for significant net additional floorspace. We are of the view that these are **reliant on historic evidence** and any capacity findings from previous assessments should be **viewed cautiously**, given they were assessed before the pandemic.
- The **Emerging Local Plan** draws on **more recent evidence** and extends the plan period to 2039. During this period there is an identified need for an additional 81,500 sqm of employment floorspace to 2039. Furthermore that the Council has sites that could sustainably deliver 4,275 homes over the life of the new Local Plan – half the nationally set target and the Council foresees opportunities for more homes to be delivered through mixed use development on sites in Hastings Town Centre. **The Town Centre is spatially the primary location for new larger scale office, further and higher education facilities, leisure, visitor accommodation, cultural and retail development.**

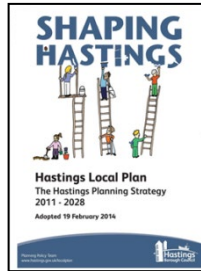


The Hastings Planning Strategy (PS)

The Vision for Hastings:

“By 2028 Hastings, founded upon our unique heritage, natural environment and seaside location, and supported by social, economic, cultural and environmental regeneration will be a safe and thriving place to live, work and visit, that offers a high quality of life, and has a strong economy and sustainable future.”

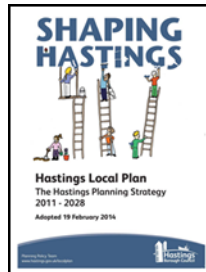
Source: The Hastings Planning Strategy 2011 - 2028, adopted February 2014



The Hastings Planning Strategy (PS)

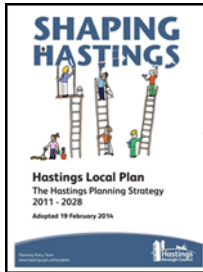
The Strategic Objectives under the HPS include:

- **Objective 1: Achieve and sustain a thriving economy; through (*inter alia*):**
 - Developing **Hastings and St Leonards Town Centres as the focus** for employment in the office, retail, leisure, cultural and service sectors, with Hastings Town Centre being the primary focus.
 - Providing for **20,500 sqm of retail floorspace** in the town centre by 2028.
- **Objective 2: Ensure everyone has the opportunity to live in a decent home, which they can afford, in a community in which they want to live; through (*inter alia*):**
 - Providing for at least **3,400 net new dwellings between 2011 – 2028**
 - Prioritising new housing on previously developed land to assist regeneration where possible
 - Ensuring an appropriate **mix of housing** is provided.
 - Making **decent housing accessible** to more people by increasing the provision of affordable housing.
 - Providing more opportunities for people to live in Hastings town centre through identifying opportunities for mixed use schemes and making best use of space above shops,
- **Objective 3: Safeguard and improve the town's environment; through (*inter alia*):**
 - Protecting, enhancing and improving the quality of the town's **biodiversity**.
 - Recognising the unique place that the **historic environment** holds in the town's cultural and maritime heritage.
- **Objective 4: Addressing the impacts of climate change; through (*inter alia*):**
 - Recognising the potential of **green infrastructure** to help combat the harmful effects of climate change.



The Hastings Planning Strategy (PS)

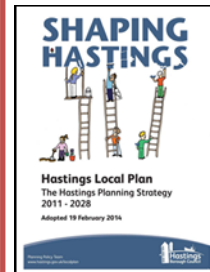
- **Objective 5: Supporting sustainable communities; through (*inter alia*):**
 - Working with partners to **improve the quality of life** in the town - particularly in most deprived neighbourhoods.
 - Supporting the **hierarchy, vitality and viability of the Town, District and Local centres**, with an emphasis on maintaining access to local shops and services.
 - Promoting **access to a healthy natural environment** that contributes positively to our physical and mental health and education.
- **Objective 6: Provision of an efficient and effective transport system; through (*inter alia*):**
 - Working at a local, county and national level to secure **improvements in strategic transport** infrastructure such as the Bexhill-Hastings Link Road and improvements to the A21 and A259 roads.
 - Working at a local, county and national level to secure **improvements to rail and regional services** to the town.
 - Supporting development which reduces the need to travel, especially by car.
- **Objective 7: Making best use of the Seafront and promoting tourism; through (*inter alia*):**
 - Ensuring the seafront has a range of day long and **year round activities** and facilities that attract residents, workers and visitors.
 - **resisting the loss of seafront visitor accommodation** to other uses, and encouraging the provision of new visitor accommodation.
 - **Encouraging artists and related tourists** and visitors through increasing opportunities for vibrant art and craft studios, markets, chalets and retail.



The Hastings Planning Strategy (PS)

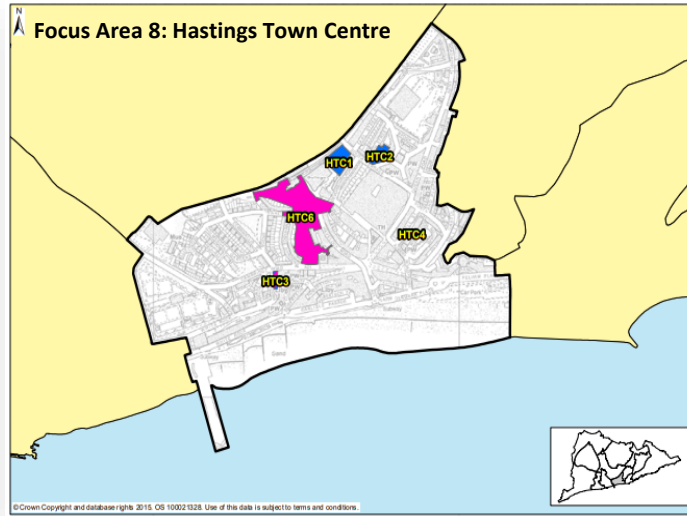
Summary of key policies in the HPS pertinent to the Hastings Station Gateway site are summarised below and detailed at **Appendix 1**.

- **POLICY DS1: *New Housing development*:** The target for housing development will be at least 3,400 net new homes for the period 2011 – 2028.
- **POLICY DS2: *Employment Growth*:** To support the town's role as a major employment centre and as the focus for economic regeneration, local economic growth and diversification will be met through the development of up to 70,000 sqm of employment floorspace between 2008 and 2028 and will be achieved by (inter alia): the continuing development of new office based employment opportunities at Priory Quarter in Hastings town centre.
- **POLICY DS3: *Location of Retail Development*** states that the retail need for new comparison goods floorspace is estimated to be 20,500 sqm for the period 2014 -2028. This need is to be met primarily within Hastings Town Centre. The Hastings Town Centre development will be undertaken primarily by the private sector. *Preamble at Paragraph 4.49 states 'as a result, the uncertainty over a potential town centre location for this level of retail development has meant that we are unable to identify a particular site at this time.... It will therefore be down to market forces to determine when, and if, the economic situation is right for this scale of retail development'*.
- **POLICY FA2: *Strategic Policy for Central Area – Hastings Town Centre*:** Housing – range of dwellings by area up to 2028 (200 – 240); Additional employment land up to 2028 (B1(a) – Approx. 21,700 sqm net (the remaining phases of the Priory Quarter); Retail comparison floorspace up to 2028 - Up to 20,500 sqm net in the town centre.
- **POLICY FA3: *Strategy for Hastings Town Centre*:** Hastings Town Centre will (inter alia):
 - provide for c.21,700 sqm (net) employment floorspace at Priory Quarter by 2028
 - provide for 20,500m sqm (gross/net) retail comparison goods floorspace up to 2028
 - achieve a more even mix of housing tenure
 - promote competitiveness in terms of the range and type of shops operating in the area

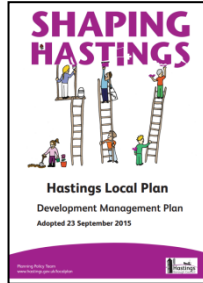


The Development Management Plan (DMP)

- The Development Management Plan (DMP) document follows on from the Hastings Planning Strategy. The DMP shows in more detail where the housing, offices, shops and other development will be developed and relevant specific policies.
- Pertinent to Hastings Station Gateway is the ‘**Hastings Town Centre Planning Focus Area 8 (FA8)**’ in which **Sites HTC1** (Station Yard) and **HTC6** (Priory Quarter, Havelock Road) are most relevant as shown below.



- The DMP also highlights key **design principles** . **POLICY DM1** provides that all proposals must reach a good standard of design, which includes efficient use of resources, and takes into account *“an assessment of visual impact, including the **height, scale and form of development** that should be appropriate to the location given the complex topography of the Borough and the need, in some instances, to consider the visual impact from key viewpoints”*.



The Development Management Plan (DMP)

The **Vision** for Hastings Town Centre under the DMP takes account of:

- **Conservation areas** cover much of the Hastings Town Centre Focus Area, and because of this, there are extra guidelines over what form development can take.
- **Planning Strategy** (Policy FA2) and the potential for another 20,500 sqm of comparison retail floor space, and this should be accommodated within the Town Centre boundary. However as previously noted, the Council reassessed these forecasts in 2018²¹ and has shown showed a much lower forecast of between 3,342 sqm net and 11,496 sqm net to 2036.
- The development of Priory Quarter continued, including the rest of Havelock Road north of Lacuna Place, Queensbury House, and Priory Street, to create employment, retail and leisure uses.
- Specific Policy for Hastings Station Yard is under **Policy HTC 1** as follows:

Policy HTC1 - Hastings Station Yard (part)

Hastings Station Yard (part) is allocated for mixed residential development; use class C3 with possible net capacity 27 units and student accommodation.

Development proposals for this site will:

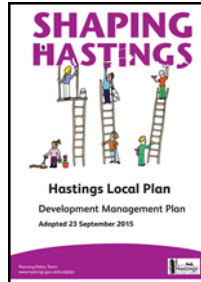
- include affordable housing on site at 25% of the overall housing provision (C3);
- include an Ecological Constraints and Opportunities Plan (ECOP) and incorporate appropriate conservation and mitigation measures as recommended by the ECOP;
- contribute to the improvement of existing play facilities in the surrounding area;
- safeguard an adequate width of land to enable the implementation of the strategic network of cycle routes and contribute to its creation and management as appropriate;
- be supported by a Transport Report. Proposals must indicate how the conclusions and recommendations of the Report have been incorporated within the development.

Site reference: HTC1 - Hastings Station Yard (part)



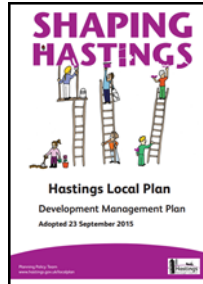
Figure 69: HTC1 – Hastings Station Yard (part)

Site address:	Hastings Station Yard (part)
Allocated use:	Mixed residential
Area:	0.44ha
Possible net capacity:	27



The Development Management Plan (DMP)

- In relation to **Policy HTC 1** it should be noted that the need for student accommodation has gone with the closure of the university. And for this site in particular there is an extant permission for residential (C3) for c.100 units



The Development Management Plan (DMP)

- Specific Policy for Priory Quarter, Havelock Road is under **Policy HTC 6** as follows:

Policy HTC6 - Priory Quarter, Havelock Road

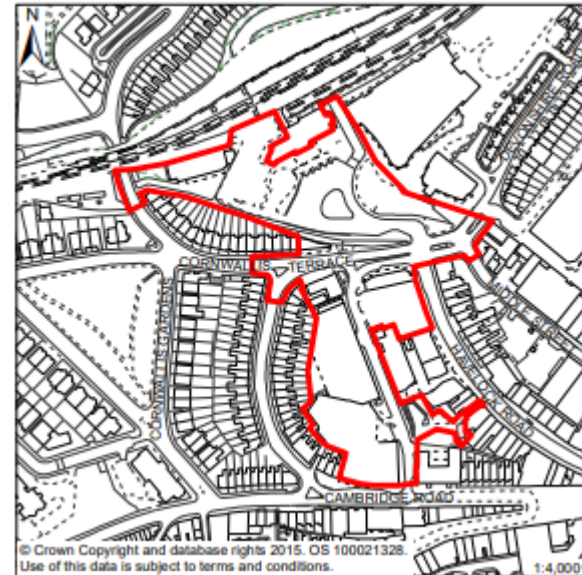
Priory Quarter, Havelock Road is allocated for employment development, incorporating other complementary uses including education, retail, leisure and hotel uses as appropriate (indicative gross floorspace 21,700m² of use class B1).

Development proposals for this site will:

- sustain and enhance the significance and setting of the Town Centre Conservation Area;
- include a Historic Environment Record (HER) informed desk-based assessment of potential interest within the Archaeological Notification Area and agree to a 'watching brief' during any development works (as advised by East Sussex County Council);
- include a Flood Risk Assessment and incorporate measures to reduce the risk of flooding such as Sustainable Drainage Systems;
- investigate the feasibility of introducing district heating systems;
- secure high quality public realm and improve pedestrian circulation and connectivity;
- safeguard an adequate width of land to enable the implementation of the strategic network of cycle routes and contribute to its creation and management as appropriate;
- preserve the Public Rights of Way within this site;
- incorporate measures to secure continued public access parking;
- be supported by a Transport Assessment and a Travel Plan. Proposals must indicate how the conclusions and recommendations of Assessment have been incorporated within the development.

Additional guidance for this site is set out in a design brief in section 5 of this Plan.

Site reference: HTC6 - Priory Quarter, Havelock Road



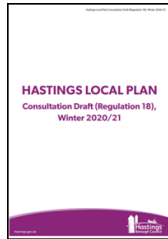
SHAPING HASTINGS



Hastings Local Plan
Development Management Plan
Adopted 23 September 2015

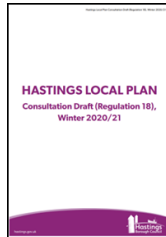
Emerging Local Plan

- The emerging local plan (**Hastings Local Plan Consultation Draft (Regulation 18) (Winter 2020/21)**) is still in draft but reflects the Council's latest journey reflecting on more recent evidence base drawing on the extant version of the local plan and the prevailing Corporate Strategy for the Borough.
- The **Development Objectives for Hastings by 2039** are stated to be:
 - *"We want to improve the health and wellbeing of Hastings' communities and create new opportunities by:*
 - *Addressing **climate change** and supporting our carbon neutral ambition through reduced transport emissions, energy efficient buildings and expanded green infrastructure*
 - *Achieving and sustaining **a thriving and diverse economy** – with a strong manufacturing sector including new creative, high-tech and green industries creating jobs and skills opportunities for local people*
 - ***Delivering 4,275 new homes** that people can afford and want in well- designed existing, or new, neighbourhoods that make it easier to lead a more active lifestyle*
 - *The starting point for achieving this is celebrating our unique natural landscapes and the historic built environment that makes Hastings special"*
- The strategy for encouraging and directing development and growth in the Borough is based on the premise of:
 - **Tackling climate change** – with a target for the town to become carbon neutral by 2030.
 - **More jobs** – meeting identified need for an additional 81,500 sqm of employment floorspace to 2039.
 - **More homes** – nationally calculated housing need for Hastings **of 430 homes a year**, equating to 8,600 over the Local Plan period. The Council has sites that could sustainably deliver **4,275 homes over the life of the new Local Plan**. However the housing **target is less than half of the amount nationally set**, and the Council foresees **opportunities for more homes to be delivered through mixed use development on sites in Hastings Town Centre**.



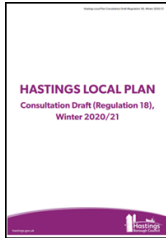
Emerging Local Plan

- The emerging plan has therefore put forward a series of strategic policies to include:
 - **An Overarching Strategic Policy 1 (OSP1): Tackling Climate Change**
 - **Strategic Policy 1 (SP1): Directing Growth** – with **Hastings Town Centre as the primary location** for new larger scale office, further and higher education facilities, leisure, visitor accommodation, cultural and retail development, with smaller, more local scale development of this type directed to the District Centres and then to Local Centres.
 - **Strategic Policy 2 (SP2): New and Affordable Housing** - A minimum of **4,275 new homes** will be delivered over the Plan period with additional homes delivered in the Hastings Central Focus Area.
 - **Strategic Policy 3 (SP3): Business Development - Office & Industrial Uses** - The Council will protect and support the development of new industrial floorspace and stock renewal in Strategic and Local Industrial Employment Areas and encourage retention of industrial floorspace outside of these areas.
 - **Strategic Policy 4 (SP4): Business Development - Retail and Leisure Uses** - Maintaining and enhancing **Hastings Town Centre** as the primary town centre and focus for larger scale commercial, community, leisure and cultural development.
 - **Strategic Policy 5 (SP5): Conserving and Enhancing the Natural Environment**
 - **Strategic Policy 6 (SP6): Enhancing the Historic Environment**
 - **Strategic Policy 7 (SP7): Managing Coastal Erosion and Flood Risk**
 - **Strategic Policy 8 (SP8): Transport Infrastructure**
 - **Strategic Policy 9 (SP9): Renewable Energy and Low Carbon Heating**
 - **Strategic Policy 10 (SP10): Community Facilities and Digital Infrastructure**
 - **Development Policy 7 (DP7): Access, Servicing and Parking**



Emerging Local Plan

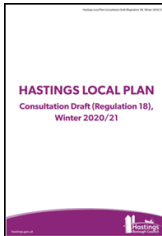
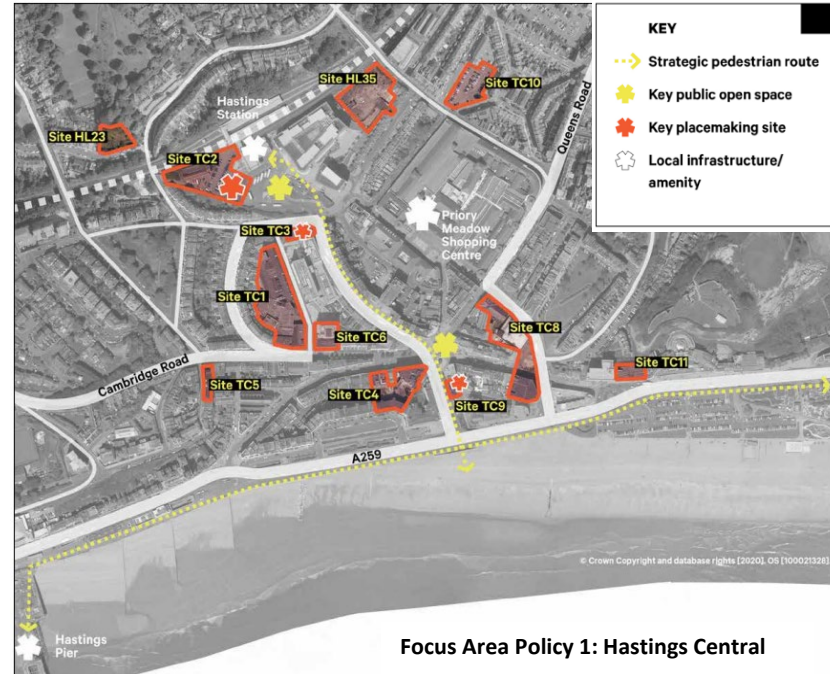
- The emerging plan sets out **site allocations for growth central** to the delivery of the local plan. These sites are capable of delivering at least 20 homes and/or accommodating more than 500 sqm of commercial floorspace.
- Hastings Central Focus Area is identified as an allocation of **high capacity**. This area sits between Hastings Old Town, which is immediately to the east, and Central St Leonards to the west.
- Hastings Central is seen as a **great opportunity for the revitalisation of the town** which is referred to needing a 'new purpose' and to provide maximum flexibility to enable the delivery of new mixed-use development with a focus on job creation, expanding the draw of the town beyond just traditional retail (detailed policy and map overleaf).



Emerging Local Plan

Focus Area Policy 1 (FA1): Hastings Central

- The Council will support a variety of land uses in Hastings Central to encourage a mixed-use vibrant town and will support development of:
 - Employment generating uses including:** retail, office, light industrial, studios, leisure, cafés, restaurants, visitor facilities (including hotels), education facilities (including language schools) and where appropriate pubs and drinking establishments. Intensification and expansion of commercial uses at Priory Meadow will be supported.
 - Residential uses including student accommodation for institutions located in Hastings,** are acceptable as part of a mixed-use development in this location (including Priory Meadow), providing it does not prejudice the commercial function of the area.
 - Uses that support active frontages** will be expected at ground level to enliven the street environment.
- Development near Hastings Station should better frame the arrival to the town and station as a central gateway and contribute to improving the public realm including integration with buses and a better pedestrian environment.
- Queensbury House (TC3) is a particularly important gateway opportunity site with potential for a taller building and a high-quality design response that supports placemaking at the station plaza, including a strong active frontage.
- The Harold Place site (TC9) should provide a high-quality development at the seafront gateway to the Town Centre and create a strong focal point between the two.
- The pedestrian routes between Hastings Station and the seafront and along the coast should be reinforced and improved. Improvements to the public realm and signage will be supported along with interventions that reduce barriers to, or open up access to, these areas.
- The transport and services access in this area make it particularly appropriate to higher density, potentially taller development (including in excess of the 4-5 storey prevailing building heights) where these make a positive contribution to the townscape.
- Pedestrian movement should be prioritised throughout the area along with investment in cycle infrastructure. Opportunities should be taken to rationalise and intensify the use of existing parking provision.
- Sites within this focus area will be vulnerable to a range of flooding including, but not limited to tidal, groundwater, surface water and drainage issues. Proposals for development must therefore provide details for flood risk mitigation informed by appropriate modelling.



Emerging Local Plan

- As seen from the map, the following sites fall within the red line boundary of the Hastings Gateway Station area namely:
 - TC1 - Priory Street Car Park and ESK**

Focus Area/Strategic Policy: Focus Area 1: Hastings Central

Use: Commercial/employment led mixed use to complement the function of the town centre. Option to include residential uses potentially taking inspiration from creative development of multi-storey car parks in regeneration areas in other towns, which have ranged from incorporation of power league pitches, to pop up leisure, and start-up units

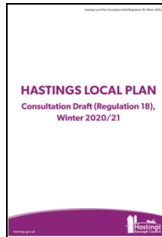
Indicative capacity (net residential dwellings/floorspace): 10,000sqm and up to 120 residential units

Site specific development considerations based on draft Local Plan policies:

Development on this site should:

- Enable better placemaking response at key point of arrival in the town, with associated scope to change perceptions
- Provide opportunity for creative year-round leisure focused development combining an innovative range of uses
- Provide an active frontage along Priory Street, and landmark building at corner with Cambridge Road to complement former post office building and Priory Square
- Provide active uses at ground floor level which should include retail, leisure or other 'town centre' complementary uses
- Improve public realm and support promotion as a secondary route to the town centre and Bohemia
- Retain an element of town centre car parking on this site as part of town provision subject to securing appropriate and safe access and servicing
- Preserve and enhance the setting of the conservation area, and long-range views of and from Hastings Castle
- Provide appropriate measures to mitigate the impact of noise on residential dwellings due to location within the active night-time economy setting
- Provide 25% affordable housing where new residential development is built in line with policy SP2

The following image shows a map of the site boundary.



Emerging Local Plan

– TC2 - Station Approach Car Park and Royal Mail Delivery Office

Focus Area/Strategic Policy: Focus Area 1: Hastings Central

Use: Commercial/employment led mixed use

Indicative capacity (net residential dwellings/floorspace): 10,000sqm

Site specific development considerations based on draft Local Plan policies:

Development on this site should:

- Help to mask the view of the rear of Cornwallis Terrace from the town square which is in front of the station
- Avoid adverse impact on the amenity of adjoining residents, particularly those in Braybrooke Road and Cornwallis Terrace
- Take account of Southern Water's underground infrastructure that crosses the site in the design of the site layout. Easements would be required, which may affect the site layout or require diversion, and these should be clear of all proposed buildings and tree planting
- Introduce policy compliant 'greening' to the site in a form appropriate to the urban setting
- Respond to the town square setting providing clear routes and secure some reconfiguration of existing station parking and pedestrian access routes to ensure a safe environment



Emerging Local Plan

– TC3 - Queensbury House, Havelock Road

Focus Area/Strategic Policy: Focus Area 1: Hastings Central

Use: Commercial/employment led mixed use. Option to include residential uses.

Indicative capacity (net residential dwellings/floorspace): 4,000sqm

Site specific development considerations based on draft Local Plan policies:

Development on this site should:

- Preserve and enhance the setting of the conservation area, and long-range views of and from Hastings Castle
- Support placemaking at key point of arrival in the town, with associated scope to change perceptions
- Provide strong active frontage including retail, leisure or other complementary use
- Improve public realm and support promotion of adjacent Priory Street as a secondary route to the town centre and Bohemia
- Take account of Southern Water's underground infrastructure that crosses the site in the design of the site layout. Easements would be required, which may affect the site layout or require diversion
- Introduce policy compliant 'greening' to the site in a form appropriate to the urban setting
- Take appropriate measures to mitigate the impact of noise on residential dwellings due to its location within the active night time economy setting of Havelock Road
- Provide 25% affordable housing where new residential development is built in line with policy SP2



Emerging Local Plan

- TC6 - Former Post Office, Cambridge Road and former University of Brighton building, Priory Quarter

Focus Area/Strategic Policy: Focus Area 1: Hastings Central

Use: Commercial/employment led mixed use. Option to include residential uses

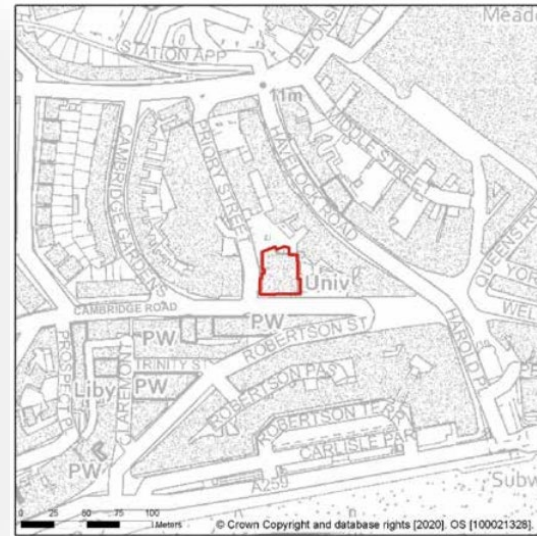
Indicative capacity (net residential dwellings/floorspace): 2,900sqm

Site specific development considerations based on draft Local Plan policies:

Development on this site should:

- Enhance public realm within Priory Square, including policy compliant 'greening' to the site in a form appropriate to the urban setting, seating and improvements to open space to encourage active and positive daytime use and support the promotion of Priory Street as a secondary route to the Town Centre and Bohemia
- Provide for active uses at ground floor level which should include retail, leisure or other town centre complementary uses which also preserve the frontage of the former post office building
- Preserve and enhance the setting of the conservation area and long-range views of and from Hastings Castle
- Take appropriate measures to mitigate the impact of noise on residential dwellings due to location within the active night time economy setting
- Include easements for works and infrastructure access to surrounding premises
- Provide 25% affordable housing where new residential development is built in line with policy SP2
- Secure Priory Square at street level to Priory Street and Havelock Road to support community cohesion

The following image shows a map of the site boundary.



Emerging Local Plan

– HL35 - Hastings Station Yard (part)

Site reference: HL35 **Site name:** Hastings Station Yard (part)

Focus Area/Strategic Policy: Focus Area 1: Hastings Central

Use: Residential

Indicative capacity (net residential dwellings/floorspace): minimum 101

Site specific development considerations based on draft Local Plan policies:

Development on this site should:

- Support placemaking at key point of 'gateway' into town, with associated scope to change perceptions, higher density, taller development is appropriate in this highly accessible location
- Avoid adverse impact on the amenity of adjoining residents, particularly those in Devonshire Road and South Terrace
- Create new multifunctional private amenity spaces within the site, this may be at multiple elevations together with policy compliant 'greening' in a form appropriate to the urban setting
- Improve access routes to existing open spaces at Alexandra Park, Summerfields Woods, Cornwallis and Linton Gardens and Hastings beach
- Enhance walking and cycling connectivity to the surrounding area particularly to the main transport terminus, town centre, seafront and parks and gardens including the proposed strategic cycle network to the north of the site to include the safeguarding of an adequate width of land to enable the implementation of the strategic network of cycle routes and contribute to its creation and management as appropriate
- Take account of Southern Water's underground infrastructure in the design of the layout of the site. Easements would be required, which may affect the site layout or require diversion, and these should be clear of all proposed buildings and tree planting



Emerging Local Plan

– Development Policy 7 (DP7): Access, Servicing and Parking

Development Policy 7 (DP7): Access, Servicing and Parking

1. The Council will require a Transport Assessment and may also require a Travel Plan to ensure that the impact of development on the highway network is managed or mitigated where development meets the thresholds set out in guidance from [East Sussex County Council](#).
2. The needs of pedestrians, cyclists and public transport operation should be given priority over the needs of through traffic and private vehicular access.
3. All residential development should provide on-site secure cycle parking facilities in line with East Sussex County Council's Guidance for Parking at New Residential Development or any successor document. Major office development should also provide onsite secure cycle parking spaces.
4. All development should ensure access, car parking and servicing has been efficiently and creatively integrated into the scheme, minimising land occupancy and ensuring a safe and attractive pedestrian environment. Car parking provision should not dominate, or unduly shape the design of new development.
5. The Council will minimise car parking provision, particularly in accessible locations, with a **maximum** of 1 car parking space for each home across the whole Borough except in as set out in (6).
6. Car Parking will be restricted for residential and office development in the 'Low Car Parking Area', within a 400m radius of Hastings Station, no new parking should be provided except disabled bays unless:
 - A. It is demonstrated through a Transport Assessment that car parking is necessary to support safety on the highway network or
 - B. A viability assessment indicates an element of parking is necessary to ensure the development is deliverable. In such cases, it is expected that the car parking provision will be less than 1 space per home.
7. Disabled parking provision should be provided in accordance with guidance contained in 'Manual for Streets' (2007).
8. Where feasible, the Council will require electric vehicle charging facilities for all new properties with off-street parking in accordance with current standards and codes of practice. Charging points should also be considered for other parking areas.

Car parking restriction in the emerging local plan within the 400m radius of Hastings Station.



Section 5: Housing

Market Overview & Trends

Hastings Housing Market: Summary

The **key findings** from the housing market assessment relevant to the Hastings Station Gateway site are as follows:

- There is **potential demand and interest from housebuilders** for a variety of tenures in Hastings but also subject to the right placemaking and environment of the centre.
- Good **quality communal spaces and balconies** should be factored into the design of flatted schemes to enhance the living standards of residents. The town centre is ideally located to offer a sustainable/desirable living to occupants; with great commuter links, shops, leisure, enabling convenience in line with shifting lifestyle. Enhancing this offering with appropriate placemaking and good design will create further demand.
- Likely **appetite for 100 units for a flatted scheme** with Registered Providers (RPs) such as Housing Associations (HAs) being the key proponents for delivery. Tenures would be mixed and in the event an HA takes the scheme forward a 50/50 mix between shared ownership and rented product is likely. If private naturally they will go for the highest possible % of private and even try to get the units off site or in 2 blocks to separate the tenures.
- In terms of storey height, **4-5 storeys is preferred** with communal areas design out where possible to keep leasehold costs to a minimum and ensure affordable living to residents.
- The **achievable sales rates are in the range £3,229 - £3,498 per sqm (£300-325 per square foot)** NIA for flatted schemes.
- **Build costs** are around £1,938 per sqm - £2,045 per sqm (£180-190 per sq ft) for sub 4 storey structure and £2,314 per sqm – £2,476+ per sqm (£215-230+ per sq ft) for a 4/5 storey structure. This could increase further based on cost inflation pressures and provision of additional lifts, fire safety compliance plus any associated car parking (undercroft or basement parking etc).

Hastings Housing Market: Summary

- The town centre has seen little new build product, so there is **latent appetite from HAs and private developers**. Having separately approached **PRS and BTR providers**; overall there is no appetite.
- Our knowledge of retirement housing providers suggests that they would normally only want 40-60 units maximum and this is unlikely to optimise value for the site.
- For any delivery there will be the need of **adequate resources** within the Council to manage complex site assembly.

Hastings Housing: Local Plan Context

The key provisions and policies in the extant and emerging Local Plan on housing that are relevant to the Station Gateway site indicate:

- Providing new homes to address **housing need, population changes** and the changing way in which people live. The extant Planning Strategy states it is important to ensure that everyone has the **opportunity to live in a decent home**. Ensuring that an **appropriate mix of housing** is provided and **making housing accessible** by increasing the provision of affordable housing. **Housing need, and affordability** is an issue as is the fact that the Borough has an ageing population and that there is a need to address this, particularly through adaptable housing.
- **Historic housing need** is defined as follows:
 - Hastings Planning Strategy (PS) - **POLICY DS1** on New Housing development: The target set for housing development was at least 3,400 net new homes for the period 2011 – 2028.
 - Development Management Plan (DMP) - the site specific policies indicate the following provision:
 - **Policy HTC1** on Hastings Station Yard - allocated for Mixed residential development
 - **Policy HTC6** on Priory Quarter - allocated for employment development, incorporating other complementary uses including education, retail, leisure and hotel uses as appropriate.
- **Emerging Housing need:** a major challenge for the Borough is to accommodate a significant increase in new housing to meet the forecast the nationally set of 8,600 new homes. The Emerging Local Plan under Strategic Policy 2 (SP2) on New and Affordable Housing states that a minimum **of 4,275 new homes will be delivered over the Plan period** with additional homes delivered in the Hastings Central Focus Area. However this housing target is less than half of the amount nationally set. This notwithstanding, the Council foresees opportunities for more homes to be delivered **through mixed use development on sites in Hastings Town Centre**.

Hastings Housing Market: Overview

- Hastings is a traditional seaside town on the South coast. Once a large Victorian seaside resort, Hastings is still a popular tourist and visitor destination today. It is ideally located with good connectivity. The town's proximity to London (2 hours) and direct public transport links makes it a **value for money (VFM) area**.
- In terms of housing areas they can be divided as follows:
 - **North Hastings** areas include Baldslow, Blacklands, Hollington and St. Helen's. North central areas of Hastings tend to have the best value property prices in the area.
 - **East Hastings** areas include Belmont, Halton, High Wickham, Ore and West Hill.
 - **West Hastings** areas include Bulverhythe, Church Wood, Silverhill and St. Leonards.
- Hastings has seen a **16%** price increase since its peak in 2020 with an **average property** sold price of **£304,269 in 2022** as published by HM Land Registry. The **majority of properties sold were flats with an average £196,528** achieved, **terrace houses £312,084** and **semi detached at £354,320**. This was driven by the recent stamp duty holiday and buyers moving away from London and other centres during the pandemic to value for money areas to increase living space.
- Our agents report that Hastings has increased in value above the national average (2021-2022) driven by a swathe of non-local buyers that inevitably is also contributing to **gentrification**. This represents a similar position to other coastal towns such as Eastbourne and Brighton & Hove where the price increase and gentrification has been fuelled by non-locals.

Hastings Housing Market: Overview

- Over the period December 2021 and November 2022, the average price a **new home** achieved in Hastings was **£450,000** versus **£310,000** for an established '**secondhand**' home.
- In terms of **product type**, houses have seen a much greater increase than flats, which have remained largely stable.
- The **average rent in Hastings stood at c.£800 per calendar month** according to a survey of properties carried out by HMRC's Valuation Office Agency between September 2021 and September 2022.
- **Rental Yields:** Flats produce viable yields for the private rented sector whereas houses do not generally create enough profit to make them viable.
- Looking forward, **affordability concerns** resulting from the cost of living crisis and may curtail further growth in average house prices.
- To understand the state of the local Hastings housing market and scope for intervention, LSH has undertaken a '**soft market testing**' exercise. This has involved contacting a range of housing providers (national housebuilder, affordable housing provider, housing for older people leading estate agencies) so as to understand market dynamics, product requirements, gauge interest and get a better understanding of the residential rental yields and parking requirements. This has been a short exercise and we recommend that the Council undertake a **more detailed assessment** as part of any Masterplan process.
- Notable comments from major house providers that our agents have contacted to gauge potential interest in Hastings:
 - **Major national (Top 5) housebuilder:**
 - Interest and preference of **2, 3 and 4 bedroom homes** including apartment blocks **typically up to 4 storey**.

Hastings Housing Market: Overview

- If **storey heights are increased**, then the **build methods become more costly** and likely the use of concrete frames will need to be considered which carry around £430 per sqm (£40 per sq ft) extra over build cost. Hence, in most cases its more profitable to build less units over 4 storeys. However, there is concern on whether this type of product would be suitable and viable given size thresholds, parking requirements and expected finishes.
- Overall, the consensus from a national developer (**Bellway**) and a regional developer (**Sunningdale House Developments**) is for a mixed use scheme with a housing component to outweigh any disbenefits of a town centre location.
- **Viability will also depend on land values/purchase costs.**
- **Major national Retirement Housing Provider:** Would look at anywhere from **40-60 units up to 4/5 storeys**. Typically, sites range from 0.4 – 1 acre, but town centre will naturally be smaller.
- **Affordable/Shared Ownership/ Affordable Rent Provider:** Would be keen to explore area and likely appetite for about 100 units for affordable assuming a mix of tenures. In our opinion, Housing Association providers would prefer smaller blocks, so they can split tenures (social rent, affordable rent, shared ownership) up accordingly with not too many 1 bed's in any single block. Our conversations with developers who have built in the Hastings area, including **Orbit Housing Association**, have indicated a very good sales rate and they **are keen to secure more sites**. Houses are undoubtedly the preference but given the lack of supply within the town centre generally, flats would offer value for money compared to the same footprint/living space within a housing unit.

Hastings Housing Market: Overview

Product Requirements

- There is certainly an **appetite from both the Private Developer side** (for outright sales) and **Housing Associations (HAs)** with a mix of shared ownership and rented product (50/50 mix). There is a **preference for smaller blocks with no more than 100 units in total** for both sectors. This is influenced by the constraints of build cost for larger schemes outweighing the profit and the additional regulatory requirements of larger buildings and the exponential cost over a building that is 4/5 storeys.
- Additionally, it would be desirable for a private developer to have **onsite parking** available even if limited numbers for the more expensive units; this could be achieved with undercroft or basement areas. This would not be considered a necessity for HAs however as they do not need to drive for the premium rate of sale. It is acknowledged that emerging local plan policies may restrict car parking provision in the town centre area which therefore will be a challenge to the desirability of onsite parking for private development.
- There was **no interest shown from the Buy to rent (BTR) or PRS (Private Rented Sector)** due to the proximity to London and outlying centres and the lower yield form rental in comparison to alternative areas.
- Hastings has had no town centre new flats built over the last 5 years, although there is a 89-unit conversion scheme** consented but not implemented for Queensbury House by the applicant The Redrock Development Group.
- Looking at second hand homes data and from conversations with both Private Developers and HAs the **achievable sales rates are circa. £3,229 - £3,498 per sqm (£300 - 325 per square foot)** in terms of Net Internal Area (NIA). In our opinion, it is usual for **developers to want in excess of £3,767 per sqm (£350 per square foot)**. However to achieve this it would require a mid-level finish to allow for some cost saving and to make the scheme desirable and viable.
- In our opinion we would expect in the current market a new **1 bed flat to achieve around £175,000 (size: 50 sqm / 538 sq ft) and a small 2 bed £213,200 (size: 60sqm / 656 sq ft) and a larger 2 bed £244,725 (size: 70sqm / 753 sq ft).**

**Planning Reference: HS/PA/20/00968 -Queensbury House, 1 Havelock Road, Hastings, TN34 1BP - Notification for prior approval for proposed change of use from office space (B1(a)) to 89 one bedroom flats (C3), 89 cycle spaces and use of basement as refuse area.

Hastings Housing Market: Overview

- Product Requirements by age range based on our residential agents understanding of the market:
 - **Aged 20-30** – flatted schemes would be acceptable with regeneration and placemaking taking a central role together with the availability of amenities within the town centre. This is because more time is spent out socialising by this age group as opposed to staying at home.
 - **Aged 30-44** – Housing would be in greater demand over flats in the private sector; where this is not viable flats should have good quality amenity space with balconies or ground/roof terraces, useable communal spaces that are easily accessed for all residents should be considered where this is not possible for each unit.
 - **Aged 45-75** – Housing is a must to satisfy this age group, a certain percentage such as singles, divorcees, households without children would look at the flatted schemes but on the whole 2-3 bed town houses terrace accommodation would be in demand. Notwithstanding this, and within town centre locations, the availability of 2-3 bed flats would be an alternative.
 - **Aged 75+ (Active)** – For those not ready for retirement or assisted living who are independent in addition to the above, easy parking facilities with multiple lift access points will ensure a maximised marketplace.
 - **Aged 75+ (Retirement)** – Ideally 70% 1 bed 30% 2 bed 40-60 units, 0.4-1acre max, 4-5 storey max 1 car space per 3 units away from most commercial in particular food & beverage or any outlet with noise.
- **Parking Requirements:** To give the Council an indication of typical potential future requirements we have engaged with various providers and have ascertained the following (acknowledging that emerging car parking policy may challenge these findings):
 - **Private housing:** it is essential to have a minimum of 1 space per unit especially for 1-2 bed flats and housing. For 3 bed+, 2 spaces would make a scheme much more desirable for developers who look closely at the sales rate.
 - **Affordable and housing association provision:** parking is not as crucial although where available consideration should be given to 1 space per unit.
 - **Retirement Housing:** Usually 1 space per 3 units is acceptable, some staff parking requirement will be necessary however.

Hastings Housing Market: Overview

Product, Lifestyle & Impact Post COVID-19

- The COVID-19 pandemic impacted on households in terms of their shopping and leisure habits, but it has also accelerated the trend towards more **flexible home-working** that could have long-lasting implications for the design of new housing together with available open space.
- Flexible working is now embedded within working structures. On this basis thought should be given to living requirements in terms of the ability to work from home comfortably and with some **separation from the living space** although this is naturally limited. A possible communal work area in a block for example with discounted rent to occupiers would be a solution.
- The pandemic highlighted the **need for external spaces for residents of flatted schemes**, emphasis should be put on quality communal rooftop gardens, balconies etc to compete with small houses offering and attract downsizers who are used to an amenity area.
- The use of online delivery has accelerated and has been rapidly embraced. Society is now looking for **sustainable living** without the necessity of long journeys and volume shopping. Therefore easy access to shops which enable day-to-day living are key to ensuring there is demand for flats in a town centre location and Hastings town centre has good pedestrian access to convenience goods provision.
- At present, consumer confidence is faltering as a result of the **cost of living crisis**. Those living in social housing will be disproportionately impacted by these rising prices. Additionally **rising interest rates** could potentially have their biggest impact on rents. In 2019, the government confirmed that **social housing rents** will rise by the Consumer Price Index (CPI) plus 1% for the five years from 2020. Last year, this was based on the September 2021 CPI figure, with social landlords able to raise rents by 4.1%, with nearly every English housing association raising theirs by the maximum amount¹⁶. But the current **CPI rate is 9.3%** and it is likely to grow even more¹⁷ that raises further affordability concerns.

Section 6: Office / Workspace

Market Overview & Trends

Hastings: Office Market - Summary

The **key findings** from the commercial office assessment relevant to the Hastings Station Gateway site are as follows:

- Hastings is not **renowned as an office location**.
- Overall **office stock has reduced** over the last decade in the centre.
- The majority of the **office stock is old and tired**.
- Demand for office space is typically for up to **464.50 sqm (5,000sq ft)**.
- Any fit for purpose building will need to **be ESG compliant with an EPC rating of 'B'** and above.
- Any new building has to **offer flexibility**.
- **Serviced office workspace** could be a potential occupier within the Hastings Station Gateway site due to its transport hub and retail amenity access.
- A prime site in Hastings will be attractive to those occupiers seeking **modern and ESG compliant** space in the centre.
- **Grade 'A' office space would potentially achieve £215.28 per sqm (£20.00 per sq ft)**; a premium over the £161.46 per sqm (£15.00 per sq ft) currently being achieved.
- In terms of occupier requirements **car parking** is likely to form an important component.

Hastings: Office Market

Metrics Affecting the Office Economy

- The **population within the Borough has increased by 0.9%**, from around 90,300 in 2011 to 91,100 in 2021, lower than the increase for the South-East (7.5%), and overall increase for England (6.6%) respectively. To put this into context the largest population increases in the South-East include Dartford and Milton Keynes, where the populations have grown by 20.0% and 15.3%¹⁹, respectively. This notwithstanding the population is projected to increase to 97,508 by 2035 (+7.2 increase).
- Hastings' **economy is relatively weak** compared to the rest of the South-East and wages are correspondingly lower.
- Some **89% of the businesses are SMEs**, 40% of those employed work for the public and health sector. The relatively fastest-growing industry in Hastings is Mining, Quarrying & Utilities, with jobs in the sector increasing 133% between 2019 and 2020.
- The **unemployment count has risen** in Hastings. ONS figures suggest that there are 44,000 jobs in Hastings, which has a working-age (aged 16-65) population of 56,251¹⁹.
- The 2020 job density in Hastings was 0.67³ and **unemployment rate** over the period July 2021 to June 2022 was estimated at 4.9%³-higher than the East Sussex average of 4%, the South East Average of 3.3% and the Great Britain rate of 4.4%³.
- The largest industry in the Borough is in Human Health and Social Work activities (28.1%); followed by Wholesale and Retail Trade (15.6%) and Manufacturing (7.8%), which collectively represent over half (51.5%) of all jobs⁴. Due to the population structure and the labour force ratio, post-pandemic, the **health industry is the largest in Hastings** based on the number of jobs.
- In contrast, the number of start-ups in Hastings over the same period have declined by 21% and closures have increased by 10%. This shows a **worrying trend of reduced business activity and investment**, lost income and employment opportunities, which could potentially impact on commercial real estate market regarding take-ups and overall market active levels¹⁹.

Hastings: Office Market

Office Market Profile

- In more **rural towns, demand remains stronger particularly for 186 sqm – 279 sqm (2,000 sq ft - 3,000 sq ft)**. Hybrid office working bought on by Covid- 19 lockdown remains in place for both private business as well as local government and this could remain the case for the foreseeable future, despite the benefits of office working.
- The level of **office rents remains below the threshold for new speculative development across East Sussex** particularly with increased building costs but where speculative offices have been built in the past, these have proved attractive to local occupiers, particularly on a freehold basis. There is still scope in this sector for new development, but this is likely to be **occupier led** rather than speculatively constructed.
- With Government targets having been set in respect of **carbon net zero** for the end of this decade and the secondary nature for the majority of the built stock in Hastings, there is an argument that any new build offices in the town over the next few years will be occupied fairly quickly. This may even come with an uplift in rental levels as some of those companies with corporate responsibility in terms of the **Environmental Social Governance (ESG)** piece will look to upgrade their offices for their workforce. Additionally, the Energy White Paper drafted by the Government comes with an expectation for all existing buildings to meet a minimum EPC 'C' level or above by 2025. This will create some lease activity within the town as a '**flight to quality**' takes place and given the limited amount of Grade 'A' space with some potential rental uplift.
- Overall, the **office sector has been quiet over the past 2 years, mainly due to the lack of stock in the main office locations**. Generally, office occupiers are now making decisions where they have lease expiries and this tends to be the decision to downsize and make their offices more appealing to their office staff, following the Covid lockdown and hybrid work pattern being adopted over the past two years.
- In terms of the provision of office space, and with the exception of some minor out-of-town locations, such as the ex-HMRC site in St Leonards, and slightly further afield the at the Bexhill Enterprise Park on the outskirts of neighbouring Bexhill, the majority of offices are located within Hastings town centre. Due to the size of the market and the lack of year-on-year demand **most of the built stock is ageing Grade B** or below and the **average transaction size ranges between the 279 sqm (3,000 sq ft) and 465 sqm (5,000 sq ft)**.

Hastings: Office Market

- In most locations, serviced office centres have proved attractive, as they can offer flexible lease terms and office space ranging from individual rooms to complete suites of rooms. As detailed previously, and in relation to the TIP projects, **Freedom Works** completed their conversion of the old Debenhams store in Hastings (which is being renamed **The Palace Workspace**), where the upper parts **provides 1,394 sqm (15,000 sq ft) of flexible workspace** / co-working space which will be able to accommodate over 100 new small businesses. It is encouraging to see the **investment going into the repurposing of an existing landmark building**, providing the type of working space that specifically caters for current office and co-working requirements.
- By way of **soft market testing**, LSH is currently undertaking a major project with the global leader in serviced office workspace, namely **International Workplace Group (IWG)** in trying to assist local authorities in maximising the value of unused assets by converting them into income producing multi-let serviced office centres. Both as an owner and as an occupier IWG are also acutely aware of the **ESG targets** being set as the decade moves on, and it might well be that they have to look at any existing locations in the Hastings area and an agreement in a new scheme such as one at Station Gateway site, with its perfect location between transport hub and retail amenity, could be of interest as a principle occupier.
- In Hastings, there exists a hierarchy of office space available including modern multi-occupancy offices. Companies requiring office space are now less likely to differentiate between Hastings and Bexhill as there is space available in both towns. **Sea Change Sussex** has developed a number of commercial projects in Hastings; Havelock Place/Priory Quarter in Hastings town centre and Bexhill Enterprise Park/High Weald House (Hastings out-of-town project). These represent **speculatively developed offices in Hastings** in its 'market-making' role and correspondingly the town now has an infrastructure of Grade A town-centre offices which could not have been built without public intervention and setting the standard for the local area.
- Despite this, letting this office space has been problematic in many cases and some buildings have ended up in the hands of public sector bodies. For example, Hastings Borough Council owns four properties accounting 8,097 sqm (87,151 sq ft) in total. Whilst there have been enduring successes such as the managed workspace developed in Hastings there has not been a transformational effect as, unfortunately, the office market has declined in Hastings as elsewhere. In Hastings, **Saga's occupation of One Priory Square has shrunk to two floors, one of which houses a computer facility.**

Hastings: Office Market

Office Market Profile

- Any new potential scheme in Hastings would need to have **flexibility and follow the ESG principles** at its heart. Based on the size requirements for historic transactions in the area easily divisible suites off a centrally located core allowing the building to be let in suites of 465 sqm (c.5,000 sq ft) or floors of 929 sqm (c.10,000 sq ft) would be most attractive. These offices could offer accommodation almost unique to the market and as a result rental voids would be low and incentives in the form of rent free periods will also be lower than those offered on the competing Grade B stock. Furthermore, if a mixed-use scheme is designed as part of any site, this will need to have in place separate entrances for the offices and residential component.
- The Hastings submarket contains some 88,258 sqm (950,000 sq ft) of office space and in relative terms it is a **small submarket**. Of this we estimate that up to 15% of the built stock 13,935 sqm (150,000 sq ft) is either recently new build or a comprehensive refurbishment that includes new mechanical and electrical services (M&E). This leaves a substantial amount probably as much as 50-60% as Grade B offices assumed in good refurbished space but with dated M&E. Finally, the remaining 25-35% of accommodation will be Grade C (which will struggle to hit future EPC ratings) and will probably be repurposed to alternative uses when the existing tenancy comes to an end.
- The submarket is at capacity. Net absorption over the past year stood at 1,672.3 sqm (18,000 sq ft) and might have been even stronger if not for the fact that the submarket is completely full.
- **Rents grew by 5.4% over the past 12 months**, exceeding the 3.6% average annual change over the past decade¹⁹.
- There are **no supply-side pressures (i.e. available space)** in the near term as there is no new office space under construction or on the market. Moreover, the amount of built out office stock has contracted over the past 10 years, as demolition activity has outpaced new construction. Only a handful of properties have traded in the Hastings Submarket over the past three years.
- The average market rent in **Hastings currently is at £161.46 per sqm (£15.00 per sq ft)**, among which the market rent of Grade B office is at £143.70 per sqm (£13.35 per sq ft) approximately and any Grade A office is likely to achieve £215.28 per sqm (£20.00 per sq ft).

Hastings: Office Market

Office Market Profile

- It should be noted that in broad terms there have been a **paucity of recent transactions**. There was minimal leasing activity in the Hastings office market in 2022, with 7 Clive Avenue, TN35 5LD, being the only property leased totalling 456 sqm (4,908 sq ft). Prior to that, 6-7 Cornwallis St and Cavendish House managed to lease spaces in 2021, with 176 sqm (1,895 sq ft) and 299sqm (3,214 sq ft) being let respectively.
- It is notable that the average size of space taken in the Hastings office market during the recent years has been all under 464.50 sqm (5,000 sq ft), which reflects on the **low demand from occupiers**.
- Looking forward, with the continued pressures of hybrid working on the office sector, **the overall supply in the town is likely to continue to increase**. Whilst Grade A rents will likely maintain their level given the lack of stock, the increase in Grade B supply will likely result in Grade B rental reductions as the overall supply in the town is expected to grow from 2.9% to 9.4% of all built stock over the next 5 years¹⁹.
- Danescroft and Bridges Fund Management Ltd are the two main owners in Hastings, followed by Hastings Borough Council as the third biggest owner of commercial property.
- Ashdown House sits on the fringe of Hastings in the district of St Leonards approximately 4.8km (3 miles) north-west of the town centre. It is a 5.3 hectare (13 acre) brownfield site acquired unconditionally by Danescroft. The site currently comprises 20,438 sqm (220,000 sq ft) of office accommodation and was predominantly let to the Department of Work and Pensions up to March 2021. Subsequently they have been downsizing and relocating into the town centre. Preparation is currently under way to bring forward the site for a residential led scheme, for c.170 dwellings.
- The Council's Draft Housing and Economic Development Needs Assessment (HEDNA, January 2023) indicates a demand for office space in Hastings, particularly smaller/flexible space. Stakeholder response in this document showed demand for high quality, smaller office. Spatially it identifies demand for offices in centres (e.g. Hastings town centre).

Section 7: Retail & Leisure

Market Overview & Trends

Hastings: Retail & Leisure Market - Summary

The **key findings** from the retail and commercial leisure assessment relevant to Hastings Station Gateway site are as follows:

- **Priory Street sits at the heart of the Hasting Gateway site** and currently offers tertiary retail and service uses with limited reason to use it compared to the primary pedestrian routes linking the station and the town centre which are Priory Meadow and Havelock Road.
- The generally **weak retail and leisure demand** for the town suggests that whilst some convenience and service retail might be viable this should be limited in spatial terms and perhaps sited on the Cambridge Road and Cornwallis Terrace/Station Approach frontages.
- The **Priory Street frontage could potentially support civic, cultural and educational uses** if there is demand but we would be cautious about the prospects of attracting retail or food and beverage (F&B) uses to this location without a suitable anchor which has not currently been identified.
- Retail values from both a **rental and capital value perspective are likely to be low** which will not assist viability and such uses should be viewed as an amenity as opposed to a value driver for the wider development.
- In broad terms **Hastings town centre has surplus retail floorspace** based on a number of factors including: limited retailer occupier demand; level of vacancies and limited market demand for new retail.
- **The town centre plays a critical role as the prime shopping and leisure location in the Borough.** This role should be maintained and enhanced where the opportunities exist. The lack of demand from national multiples suggests that occupier demand is most likely to be driven by independent occupiers.

Hastings: Retail & Leisure Market - Summary

- **The existing traditional retailing is subject to increasing competition from online shopping and macro-economic factors** such as the cost of living crisis. This inevitably will have ramifications for the existing offer and the requirement for space which is anticipated to be limited over the medium term.
- **There is a need to create active and flexible space within the town centre where people can live, work and socialise.** There is an increasing focus on sustainability prioritising the need for longevity and durability in a place. On this basis, the commercial make-up of the town centre will change and the centre will need to adapt ideally through proactive intervention.
- **To reinforce the message from the Town Centre Core Project under the Town Deal - Town Living & Hastings Commons- Town to Sea** will help to address redundant commercial spaces.
- **Any repositioning of the site will be dictated by a broad appeal of traditional retailing supported by other commercial uses (experiential leisure as well as pop-ups and art events/activations etc) set in an enhanced public realm.** It will mean a mix of uses, events and spaces with 24-hour circulation to be able to genuinely offer areas of interaction, interest and investment. This is needed to address the current poor level of commercial leisure provision (e.g. outdated cinema, lack of family venues) to support regeneration and increase footfall in the town.

Hastings: Retail & Leisure Market

Metrics Affecting the Retail Economy

- UK households are facing a **decline in real disposable income**, as such this will negatively affect spending behaviour due to the recent increase in costs of living, energy costs, inflation, and recent rises in interest rates which affect people's ability to spend and their rising tax burden.
- The **increase in costs of retail goods** is now being passed onto consumers, indicating the cost pressure in retail, manufacturing and distribution are just as (if not more) significant than they are on household budgets. On this basis spending on discretionary items and bigger ticket items is likely to see the largest fall which will be coupled with the **decline in the spending** on household items such as carpets, furniture and white goods.
- The last few years have been a very **difficult period for the retail industry**. The pandemic has accelerated changes in consumer behaviour that were already reshaping the sector and put a renewed spotlight on the future of town centres.
- As comparative normality returns following the lockdowns of 2020, 2021 and early 2022, the predicted continued decline in town centre retail has not necessarily materialised. Nonetheless, it is clear that the UK's towns and cities have more retail space than they need; and innovative ideas are needed to rethink and **reinvent the UK's town centres** so that they are fit for purpose in the post-pandemic world.
- **Vacancy rate trends** illustrate the challenges that the retail sector has faced during the pandemic. According to the Local Data Company (LDC), the overall retail and leisure vacancy rate jumped from 12.1% in Q4 2019 to a peak of 14.5% in Q2 and Q3 2021. At the end of Q4 2022, LDC reported an improvement at 13.8%.

Hastings: Retail & Leisure Market

Metrics Affecting the Retail Economy

- The geography of retail activity changed during the pandemic, with **increased homeworking causing consumer demand to shift** away from city centres to local neighbourhood locations. Consequently, vacancy rates held up much more strongly in commuter and market towns than in major cities. This trend was still evident in early 2022, with London being the only UK region to see its vacancy rate rise in Q1. To highlight this we understand that **footfall in Priory Meadow Shopping Centre is higher than pre-pandemic levels.**
- **Footfall** figures show that city and town centre retail activity has improved greatly since the easing of lockdown restrictions in early 2022, as more people have returned to the office. Springboard²⁰ data indicates an **uplift of 42% in footfall** nationally at the end of 2022 when compared to 2021.
- It is widely acknowledged that even pre-Covid, retail was undergoing structural change. This resulted in numerous high profile corporate failures. Whilst a number of these retail groups were rescued or restructured by way of CVAs, their legacy store **portfolios have been rationalised**, resulting in a significant number of shops being closed or trading on a **“flexi lease” basis**, often paying minimal rental or turnover based rent. The challenge for landlords going forward is to convert these leases into more balanced agreements.
- **Online sales** have been impacting the retail sector for more than a decade – according to Experian¹⁸ in 2012 online sales were 10.7% of all UK sales. Ten years later in 2022 online retail sales were estimated to be 27.4%. Not surprisingly online sales increased significantly during the various lockdowns. Office for National Statistics (ONS) data indicates that at the height of the pandemic between November 2020 and January 2021 online sales exceeded 37% of all UK retail sales.

Hastings: Retail & Leisure Market

Metrics Affecting the Retail Economy

- The **COVID-19 pandemic** impacted a wide range of retail, catering and leisure formats and, while restrictions have now been removed, consumer behaviour has changed. Hastings's shops, cafés, restaurants, bars and leisure venues have been subject to significant challenges over the last decade, and particularly over the pandemic period – including The Priory Meadow Shopping Centre. The current **cost of living crisis** will test the sector further as consumers rein in spending and as rising inflation curtails disposable incomes.
- One of the obvious impacts of the difficulties experienced within the retail sector is the **fall in retail rental values**. The larger retail groups have enjoyed a particularly strong negotiating position and lease events represent an opportunity to reduce costs and increase flexibility. Typically, retailers seek some or all the following:
 - Turnover and less commonly profit rents as opposed to contracted rents linked to market rental value.
 - Rental caps at review.
 - Shorter leases and regular tenant break options.
 - Capped service charge.
 - Pandemic clauses with rent cessation provisions in case of forced closure.
 - Larger incentive packages, including capital contributions, enhanced handover specifications and extended rent free periods.

Hastings: Retail & Leisure Market

Metrics Affecting the Retail Economy

- Notwithstanding current challenges, there are some **positive signs within the retail and leisure sectors**.
 - We have seen increased **demand for neighbourhood and convenience retail** particularly from independent service orientated retailers.
 - **Use Class E has allowed flexibility** and for certain occupiers, previously outside of the former 'A' Use Classes, access to primary retail. In particular former, Class 'D1' and 'D2' uses including the commercial health, beauty and wellbeing sub sectors. This has helped to alleviate vacancy rates in town centres.
 - The **NHS is increasingly taking redundant retail** space in shopping centres and high streets locations. Examples include proposals for the Pentagon Centre, Chatham; Victoria Centre, Southend and the Swan Centre, Eastleigh.
 - There is **greater leasing activity** within the independent restaurant sector, particularly for fitted restaurant space, thereby mitigating capital expenditure. External seating areas are now particularly sought after by operators.
 - The **leisure sector is also evolving**, and new competitive socialising concepts are seeking sites particularly in larger urban areas.
- The situation with both the **retail and hospitality sectors remains fragile**. The cost of living crisis; staff shortages; interest rate rises and rising energy costs suggest it is likely to take a good deal of time for the market to stabilise and for the “new post-pandemic normal” to be properly understood.

Hastings: Retail & Leisure Market

PMA Catchment Profile

The key performance indicators for Hastings town centre based on the latest PMA PROMIS Report⁴ and other research shows:

- **Total town centre retail floorspace** - estimated to be 69,677 sqm (750,000 sq ft)⁵.
- **Total catchment population** – within Hastings's Primary Retail Market Area (PRMA) is 120,000⁵.
- **Decline in total retail spend available** – of -2.5%pa compared with a PMA average of -1.3% over the period 2021-2026⁵.
- **Diversion of total retail spending to online** - is estimated to be 29.1% by PMA, comparable to the its UK average⁵and reflecting the shift to online during the COVID-19 pandemic.
- The **core retail circuit** around the town centre is based around the Priory Meadow Shopping Centre. The centre has two principal thoroughfares, Kings Walk a covered mall which runs up to M&S and Town Square which offers an open retail environment anchored by Primark. town centre retail offer extends eastwards into Hastings Old Town along Pelham Crescent and East Parade. There is an eclectic mix of retail, Food & Beverage (F&B) and leisure along a series of smaller thoroughfares including West Street and George Street.

PMA – Primary Retail Market Area



Source: PMA PROMIS Report (January 2023)

Notes: The Primary Retail Market Area for Hastings is modelled by PMA based upon its retail attractiveness relative to competing retail destinations. The area includes all wards where the penetration of the town exceeds 15%.

Hastings: Retail & Leisure Market

Priory Meadow Shopping Centre

- Priory Meadow Shopping Centre constructed in 1997 is the **dominant shopping centre** in the town and provides circa 40% of Hastings total town centre retail floorspace, estimated at 27,221 sqm (293,000 sq ft).
- The shopping centre which is **owned by way of a long lease by NewRiver REIT from the Council** is anchored by M&S, Primark, Boots and a 1,080 space multi storey car park. The centre offers an attractive retail environment with a generally strong multiple retailer tenant line up including Superdrug, WH Smith, JD Sports, Deichmann, Waterstones, Ernest Jones, Pandora, Vision Express and H&M.
- The centre has two principal thoroughfares, Kings Walk a covered mall which runs up to M&S and Town Square which offers an open retail environment anchored by Primark.
- The **prime retail pitch in Hastings is in Priory Meadow** and at the time of our inspection there were relatively few vacancies. There have been some recent new lettings including Trespass, Gym Group and the Job Centre.
- Shopping Centres typically have a **degree of vacancy and churn** of units as leases expire or tenants suffer corporate failure. We understand Game has not renewed their lease and recently closed and that certain tenants are on flexible or short term leases maintaining occupancy levels within the centre.
- The leasing agents indicate that the Bon Marche unit on the Queens Road frontage to the centre is likely to be leased shortly to a restaurant operator and that the former Carphone Warehouse unit in Town Square is under offer to a multiple coffee shop.
- The centre's opening hours are 9.00 am to 5.30pm (4.00pm on Sundays) and unusually it doesn't have any late night opening indicating a **weak night time economy**.
- Under the **Town Deal award there is a focus on the town centre** and where uses are focused on a new sustainable future for the town centre introducing town centre living.

Hastings Other Retail & Leisure

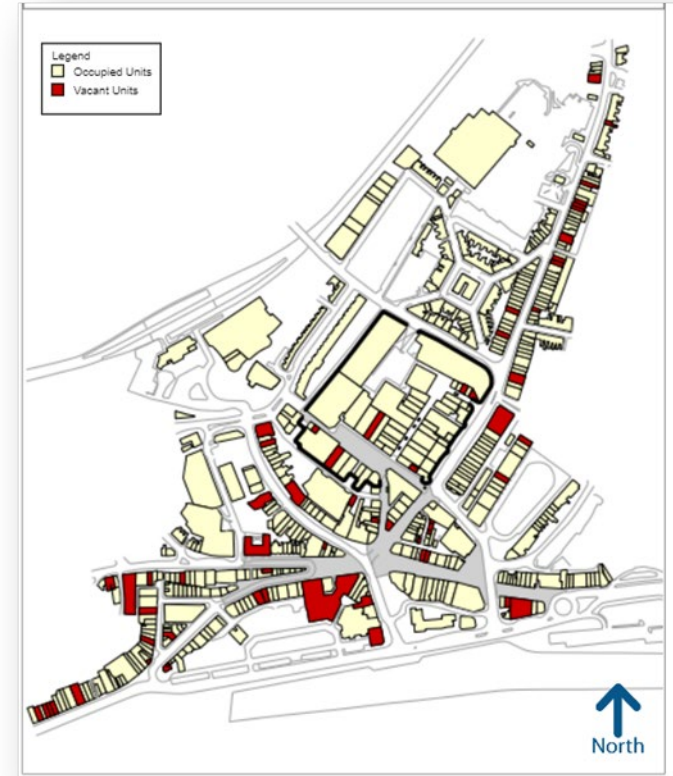
- The retail environment outside of Priory Meadow is made up of **traditional streetscapes** providing largely secondary retail thoroughfares with a mix of multiple and independent retailers. Queens Road, Station Road, Wellington Place and Robertson Street are the strongest of these trading locations with the likes of Specsavers, Holland & Barrett, Savers, Costa and Greggs having representation.
- Whilst the town centre appears to have reasonable occupancy levels the **quality of the retail offer** is mixed and the poor standard of some shop fits would suggest an element of “pop up” retail with limited capital investment within the retail space which does not enhance the vitality of the wider town centre.
- The **leisure and F&B offer in the town is generally limited**. Odeon has a 4 screen cinema on Queens Road and there is an award winning independent community run cinema, the Electric Palace in the Old Town.
- The food and beverage offer is dominated by independents with a large number of food to go outlets. Pizza Express have a restaurant on the Queens Road frontage of Priory Meadow but the lack of other multiple restaurant chains reflects the **limited night time economy** outside of the summer tourist season.

Hastings: Retail & Leisure Market

Retail Capacity, Demand & Rental Values

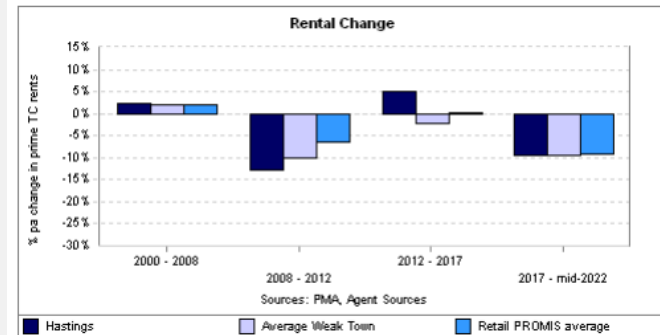
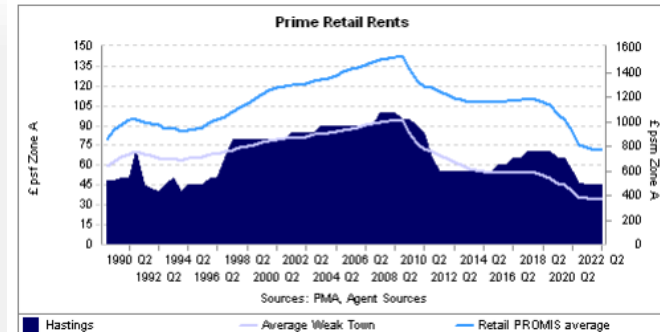
- **The Council's 2018 Retail Study Update Report¹⁵**, identifies up to 11,500 sqm net of comparison goods floorspace capacity to 2036 and for convenience goods some 3,300 sqm net over the same period. This represents an update to the need identified for 20,500m sqm net retail comparison goods floorspace in the Town Centre boundary area within the Council's extant Planning Statement and Development Management Plan. We are of the view that these are **reliant on historic evidence** including market shares evidence and expenditure growth forecasts. The **implications** are that these projections are already out-of-date and the should be viewed with caution. The rise of online provision and the rising level of vacancies suggests overprovision and **need for contraction**.
- **Occupier demand from national retailers** is limited as is common with smaller sub regional centres. There are certain retail and F&B occupiers not represented within Hastings who trade in similar towns in the region including Loungers, Starbucks, Coffee No1, Home Bargains, B&M and Nandos who could be target tenants. There are also a few potential relocations/upsizes for existing traders in particular Sports Direct and Holland & Barrett who have secondary substandard stores. We understand Premier Inn have looked at gaining town centre representation for an 80 bed hotel to supplement their existing hotel 6.4km (4 miles) north of the town centre on London Road but viability has proved an obstacle.
- One of the upshots of the retail decline within UK town centres has been a continued fall in rental values along with inconsistent rental tones within towns. The volume of Company Voluntary Arrangements (CVA's) and pre-pack administrations over recent years has thrown up a range of deal types many of which incorporate turnover rents or significant rent concessions.

Hastings Town Centre: Experian Goad Survey (September 2022)



Hastings: Retail & Leisure Market

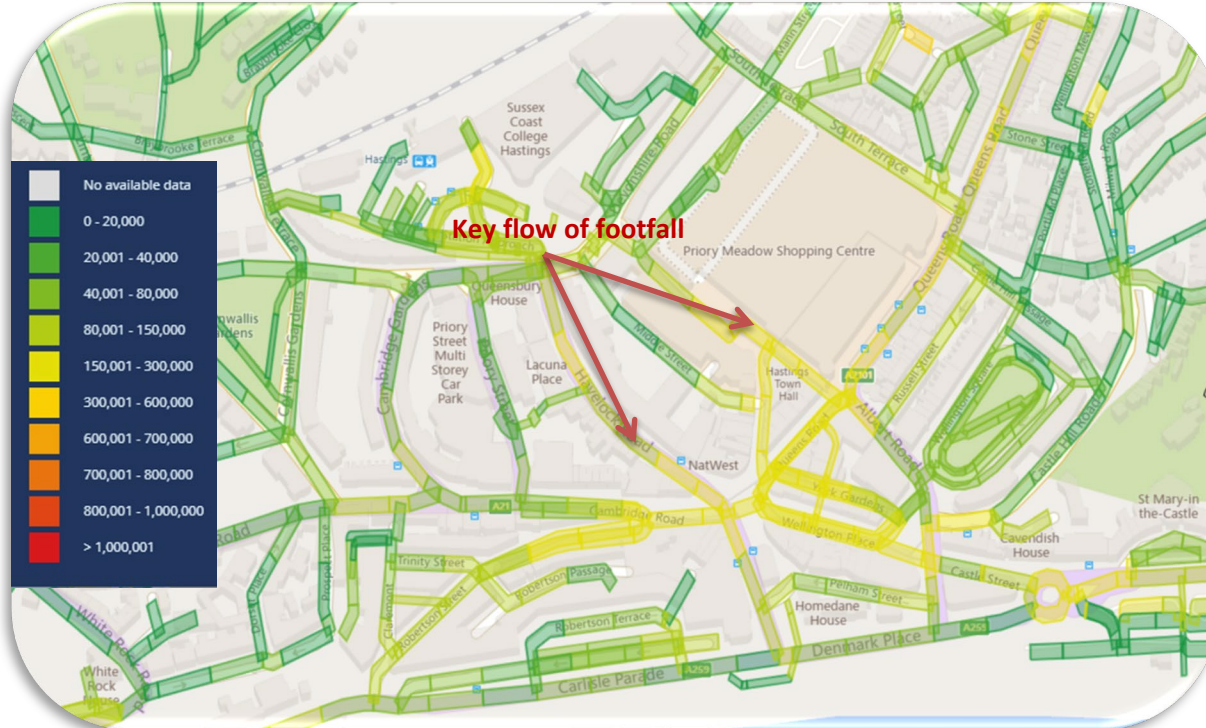
- This along with the fragility in the wider retail market has resulted in **tenant friendly leases and flexible terms** which has resulted in the deflation of retail rents almost without exception.
- Shopping Centre landlords in particular have generally adopted the approach that it is preferable to have a unit occupied covering business rates and service charge at a reduced rental rather than a prolonged void.
- Discussions with local agents and the agents for Priory Meadow suggest this is the case in Hastings which has resulted in a range of transactions and values suggesting prime headline rentals of **£484/sqm (£45/sq ft) Zone 'A'**. Secondary retail outside of the Centre has followed a similar trend where rents range from £215/sqm (£20/sq ft) to £323/sqm (£30/sqft) Zone 'A'.
- This implies a **cumulative decline in prime Zone 'A' rents** since end 2017 of **-35.7%** (from £753/sqm i.e. 70 per sq ft) Zone 'A'. Prime Zone 'A' rents in competing centres are estimated to be **£2,045 per sqm (£190 per sq ft) in Brighton; £1,291 per sqm (£120 per sq ft) in Tunbridge Wells; and £861 per sqm (£80 per sq ft) in Eastbourne.**
- Given the **dearth of investment transactional evidence** prime retail yields retailers are typically demanding flexible lease structures often with regular break options although more positively certain sub sectors such as convenience stores, restaurants and leisure operators are prepared to take longer leases. Incentive packages vary widely but a tenant with a strong covenant is likely to seek an incentive package equivalent to 12 to 24 months rent potentially with an enhanced handover specifications.
- The **independent retail sector** typically seeks smaller incentive packages in the order of 6 to 12 months although to attract occupiers it is often necessary to provide new build units with an enhanced specification to mitigate the tenants shop fit capital expenditure.



Source: PROMIS Retail Report for Hastings (January 2023)

Hastings: Retail & Leisure Market

- The footfall heat map shows Havelock Road and Station Road to Queen's Square as having higher levels of footfall when compared against Priory Street and Middle Street. The former giving a broad indication of flow from, and to, the station.



Source: DATSCHA (January 2023)

Section 8: Summary

Summary

This report has shown that there are a number of stated visions for Hastings (detailed below). The overriding common themes relate to **Hastings being as a thriving seaside location underpinned by a high quality environment, strong economy and sustainable future.**

Visions for Hastings

“By 2028 Hastings, founded upon our unique heritage, natural environment and seaside location, and supported by social, economic, cultural and environmental regeneration will be a safe and thriving place to live, work and visit, that offers a high quality of life, and has a strong economy and sustainable future.”

Source: The Hastings Planning Strategy 2011 - 2028, adopted February 2014

“Hastings and St Leonards is a happy, welcoming place with a vibrant, unique culture where everyone has their needs met and is supported and encouraged to live their best lives.”

Source: Hastings Borough Council – Corporate Plan (2020- 2024)

“Our vision is to make Hastings carbon neutral by 2030”

Source: Hastings and St Leonards Climate Change Strategy (2020)

“A healthy, vibrant and quirky seaside town that people love to visit, live and work in and say, ‘I can #MakeItInHastings’”

Source: Hastings Town Investment Plan (2021)

Common Themes



Summary

The Hastings Station Gateway site represents a **key spatial component of the town centre** but one which at present **has poor public realm and connectivity**. There is a **need for change** to address the important gateway in to the town centre. This market review has highlighted the following issues and challenges which have direct implications for the Station Gateway Site:

- Local planning and regeneration policy recognises the **need for adaption and change** with a mix of uses to enable Hastings to be a thriving location.
- **Regeneration and repurposing** of the site lie at the heart of the future transformation of Hastings town centre.
- The recent award of the **town deal and core projects for the town centre are testament to the scale and funding required** to enable this transformation.
- The **future of the town centre** and its constituent parts will be focused on **safety, equitability, health, greening and employment**. This is necessary in the context of the high levels of deprivation, the need for **more housing**, the high levels of **unemployment** not to mention the potential **increase in the resident population**.
- In the light of the growing population and ageing population there will be a **need for inclusive intergenerational spaces**.
- A recognition for **social economic equality** so that there is an increase in the levels of income, social mobility, housing provision and health and well-being. Hastings of the future needs to be inclusive and accessible by all in society over the long term.
- Recognition of the effects of **climate change** and the unpredictability it brings and for Hastings to have the infrastructure that protects and potentially reverses any environmental risk.
- Any potential options for the Station Gateway site will need to have **economic and social activity** that draws on Hastings authentic local identity and heritage and which encourages the modern day concept of the **15 minute neighbourhood** there by accessibility walkability and convenience
- Site specific aims include the need for a **desirable, livable, employable and thriving gateway** with a vibrant identity that attracts businesses and people.

Summary

- **Repositioning of the Station Gateway site is a critical part to future proof the town centre and build on its current strengths and create a dynamic, multi-activity, intergenerational and green environment that functions on a 24/7 basis.** It is envisaged that urban centres in the next 5-10 years will have a different mix of properties and where residential, retail offices, and other services are more integrated. Furthermore, as the Council has recognised in its climate emergency strategy and action plan, there will be an increasing focus on sustainability in response to the climate change emergency and the desire to achieve net zero emissions carbon target by 2030. With these converging factors the Council has the opportunity to be a key player in proactively addressing these at the local level by appropriate interventions across the town centre.
- The market review has focussed on the residential and commercial office, retail and leisure position and prospects for deliverability:
 - **Residential Market:** initial high level review of housing providers suggests there is **potential demand and interest** from housebuilders for a variety of tenures in Hastings subject to the right **placemaking environment** of the centre. The **importance of place** is crucial particularly in terms of town centre living. The town centre is ideally located to offer a sustainable / desirable living to occupants; with good commuter links, shops leisure, enabling convenience in line with shifting lifestyle. Enhancing this offering with appropriate placemaking and good design will create further demand and hence the need for a Masterplan with the ability to go to market to get developers on-board. The Council will then have to take a view based on its role in delivery based on its financial and risk profile to deliver best value.

OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none">• Latent market interest from providers.	<ul style="list-style-type: none">• No recent track record.
<ul style="list-style-type: none">• Appetite for 100 units for a flatted scheme.	<ul style="list-style-type: none">• Placemaking and a mix of complementary uses.
<ul style="list-style-type: none">• Provision of a variety of product types.	<ul style="list-style-type: none">• Viability will depend on build costs/ land values/ purchase costs/ funding.
<ul style="list-style-type: none">• Sustainable location.	<ul style="list-style-type: none">• Affordability concerns.
<ul style="list-style-type: none">• Address negative perceptions.	<ul style="list-style-type: none">• Car parking provision.
<ul style="list-style-type: none">• Potential for joint ventures.	<ul style="list-style-type: none">• Provision of quality communal spaces and balconies.

Summary

- **Office Market:** Hastings is a sustainable location with a retail and leisure offer and multiple transport nodes, including bus, rail and road. However the age and condition of the existing town centre office stock is inadequate to meet modern occupier expectations. It is clear Hastings at present is **not an office location, per se**, with a paucity of transactions and any demand being locally led in the range of 279 sqm (3,000 sq ft) and 465 sqm (5,000 sq ft). However, in the light of the **evolving ESG agenda** there is a likely to be shift.
- A new Grade 'A' office in Hastings will be attractive to those occupiers seeking modern and ESG compliant space in the centre. Our market analysis shows that this **space will have to be flexible**, ideally easily divisible in terms of suites off a centrally located core allowing any building to be let in suites of 465 sqm (c.5,000 sq ft) or whole floors of 929 sqm (c.10,000 sq ft). This is reinforced with the engagement that we have had with owner and occupier IWG as a potential site/area of interest as a principle occupier.
- Our market research further shows that the Station Gateway site between a transport hub and other town centre amenities lends itself as a **location of interest as part of a wider mix of uses**.

OPPORTUNITIES

- Sustainable location with transport links.
- Grade 'A' space will attract those seeking modern and ESG compliant space.
- Interest from flexible space provider IWG.
- Occupier demand in the range of 465 sqm (c.5,000 sq ft).
- Provision of modern space to boost local entrepreneurship.

CHALLENGES

- Not a known office location.
- Offices must be part of a wider mix of uses.
- Viability will depend on build costs/land values/purchase costs/funding.
- Car parking will still form an important component of provision.
- Provision must include placemaking and other amenities.

Summary

- **Retail and Leisure Market:** The seismic shift to **online shopping** and the reprioritised economic, social and environmental needs of the Borough in the post-pandemic phase means that the **town centre is potentially over shopped** with surplus floorspace. Within this mix lies the opportunity to reposition.
- Our market assessment has shown the need for **active and flexible space within the town centre** where people can live, work and socialise. There is an increasing focus on sustainability prioritising the need for longevity and durability in a place. On this basis, the commercial make-up of the town centre will change and the centre will need to adapt ideally through proactive intervention.
- The generally weak retail and leisure demand for the town suggests that whilst **some convenience and service retail might be viable** this should be limited in spatial terms and perhaps sited on the Cambridge Road and Cornwallis Terrace/Station Approach frontages.
- There is a **need for a place-led design for the town centre to show creativity, innovation** as well as **demonstrating positive statements of intent** to align with the Council's wider regeneration and housing agenda for the town centre.

OPPORTUNITIES

- Town centre plays a critical role as the prime shopping and leisure location.
- Create active and flexible space within the town centre.
- Experiential leisure as well as pop-ups and art events/activations set in an enhanced public realm.
- Change negative perceptions of the town centre.

CHALLENGES

- Weak retail and leisure demand.
- Surplus retail floorspace.
- Competition from online shopping and macro-economic factors.
- Viability will depend on build costs / land values / purchase costs / funding.

Summary

- Overall our market analysis has shown there is the potential to undertake the following as part of a complementary place making strategy:
 - Create **spaces, connectivity and permeability**;
 - Focus **on green space, health and wellness, biodiversity and community**;
 - Create opportunities for a **range of new and complementary town centre uses**;
 - Manage a **reduction in overall** retail space; and
 - Assist in addressing the environmental change and **climate change** emergency.
- At the heart of the repositioning of the town centre is the need for **placemaking and the creation of an enhanced gateway** for the town centre.
- To facilitate any intervention in the town centre, the Council will need to evaluate the **financial risks** linked to the delivery of defined outputs of the regeneration required together with **the resources and expertise required for delivery** and an appropriate **governance** structure.
- Assuming a careful and cautious approach to capital projects the Council is likely to be a **key influencer** or enabler working alongside a development partner in a joint venture so as to mitigate risk. Our understanding of the Council's low risk profile suggests that any intervention will need to be justified by a clear, strong vision with local needs at its core and (if it is a joint venture) choosing a partner whose values align with the Council's. In all cases, the Council's role will be dependant on its financial and risk profile as well as capacity and expertise to deliver best value.

Key Next Steps:

- **VISIONING** – to develop a deliverable vision, objectives and spatial plan for the Station Gateway site that is complementary to the broader regeneration objectives for the town centre. Additionally, to identify and prioritise two key sites within the Station Gateway area for site specific evaluation.
- **SITE CAPACITY TESTING** – a high level assessment and viability of two key sites.

Section 9: References

References:

1. Hastings Town Investment Plan – January 2021
2. Hastings Local Plan Consultation Draft (Regulation 18), Winter 2020/21
3. East Sussex in Figures (<https://www.eastsussexinfigures.org.uk/>)
4. Nomis Labour Market Profile for Hastings
5. PROMIS Retail Report for Hastings (January 2023)
6. ONS - 2011 Census: Approximated social grade, local authorities in England and Wales. Note: AB Social Grade - Higher & intermediate managerial, administrative, professional occupations; C1 Social Grade - Supervisory, clerical & junior managerial, administrative, professional occupations; C2 Social Grade- Skilled manual occupations and DE Social Grade - Semi-skilled & unskilled manual occupations, Unemployed and lowest grade occupations.
7. ONS - Exploring local income deprivation (2021)
8. East Sussex Joint Strategic Needs Assessment Health inequalities Briefings: Hastings (2020)
9. Health in Coastal Communities (2021)
10. ONS - Social Mobility Index 2016
11. Centre for Retail Research (January 2023)
12. Local Data Company (March 2022)
13. Office for Budget Responsibility - Economic and Fiscal Outlook (November 2022)
14. HM Treasury Forecasts for the UK economy: a comparison of independent forecasts No. 424 (November 2022)
15. Hastings Borough Council-Retail Study Update 2018 (December 2018)
16. Inside Housing - *Housing 2022 explainer: how is the cost of living crisis hitting tenants?* (28 June 2022)
17. ONS: Home Economy Inflation and price indices Consumer price inflation, UK Consumer price inflation, UK: November 2022
18. Experian Retail Planner 19 (January 2022)
19. CoStar Property Research (January 2023)
20. Springboard – The Year That Was 2022 (January 2023)
21. Hastings Borough Council - Retail Study Update (2018)

Appendices

Appendix 1:

The Hastings Planning Strategy: Key Policies Detail

The Hastings Planning Strategy: Detailed Policies

POLICY DS1: New Housing Development

The target for housing development will be at least 3,400 net new homes for the period 2011 – 2028. Sites will be allocated in the Development Management Plan to meet this target.

In order to maintain and make effective use of the existing housing stock, the Council will bring back into residential use empty housing in line with its Empty Homes Strategy.

In order to protect the existing stock of family size housing, existing homes should remain as dwellings unless they are unsuitable for residential uses, or would be replaced with new residential development.

A 'plan, monitor and manage' approach will be adopted based upon the Local Plan Monitoring Report and updates of the Strategic Housing Land Availability Assessment, through which progress on housing delivery and the continuous maintenance of a five-year rolling supply plus 20% will be tracked.

Housing Implementation Strategy:

Housing land supply will be managed in the following way:

If the Local Plan Monitoring Report reveals that the five-year housing land supply plus 20% cannot be met, the Council will take action to increase the supply of deliverable housing sites by:

- Working with land owners, public bodies and developers to bring sites forward;
- Promoting Hastings and particular sites to investors;
- Investigating reasons for the delay in sites coming forward and consider using Compulsory Purchase powers if necessary in order to progress development;
- Using its own land to stimulate development/interest.

The Hastings Planning Strategy: Detailed Policies

POLICY DS2: Employment Growth

To support the town's role as a major employment centre and as the focus for economic regeneration, local economic growth and diversification will be met through the development of up to 70,000m² of employment floorspace between 2008 and 2028 and will be achieved by:

- the continuing development of new office based employment opportunities at Priory Quarter in Hastings town centre;
- the development of Enviro21 Innovation parks in the Queensway Employment Corridor, circa 15,300m²
- the development of floorspace opportunities on existing employment areas across the Borough by 2028 primarily at the following locations: Churchfields, Castleham, Ponswood, West Ridge and also Ivyhouse Lane
- encouraging the renewal of the existing older stock of employment premises through the implementation of an employment land and premises protection policy
- encouraging the provision of live/work units within housing developments

The Hastings Planning Strategy: Detailed Policies

POLICY DS3: Location of Retail Development

The retail need for new comparison goods floorspace is estimated to be 20,500m² for the period 2014 -2028. This need is to be met primarily within Hastings Town Centre.

The Hastings Town Centre development will be undertaken primarily by the private sector, but the Council could use its compulsory purchase powers to assist in land assembly if appropriate. The development will be phased to occur in the period 2014 to 2028. Retail development will be supported on sites within or well related to the established shopping area of the town centre. If for any reason this retail need cannot be accommodated in the town centre, then the Council will pursue a sequential approach to site selection, looking first for potential sites on the edge of the town centre or at the district centres, including St Leonards, and then at out-of-centre sites that are in accessible locations.

2,800m² of retail warehousing needs for the period 2014 to 2028 will be met on edge-of-centre sites or out-of-centre sites, which are well served by a choice of means of transport.

Site identification for both comparison goods and retail warehousing will be undertaken as part of the Development Management Plan.

The Hastings Planning Strategy: Detailed Policies

POLICY FA2: Strategic Policy for Central Area

The following table sets out the overall indicative quantity of development for Central Area, which will be explored in further detail in the Development Management Plan.

Planning Focus Area	Housing – range of dwellings by area up to 2028	Employment – m ² of additional (net) employment land up to 2028	Retail - m ² of additional (net) retail comparison floorspace up to 2028
4. St Helens	210 - 250	0m ²	0m ²
5. Silverhill and Alexandra Park	300 - 360	0m ²	0m ²
6. Maze Hill and Burtons St Leonards	220 - 280	0m ²	0m ²
7. Central St Leonards and Bohemia	240 - 300	0m ²	A modest quantity of retail development would be supported in Central St Leonards compatible with function as a district centre
8. Hastings Town Centre	200 - 240	B1(a) – Approx. 21,700m ² (the remaining phases of the Priory Quarter)	Up to 20,500m ² of comparison retail space in town centre
10. West Hill	50 - 70	0m ²	0m ²
Total	1,220 - 1,500	21,700m²	Up to 20,500m² Note: Any retail development in Central St Leonards or elsewhere would contribute to the meeting of the identified need of 20,500m ²

Table 3: The indicative quantity of development for Central Area

In Central Area, we will also:

- a) support further delivery of regeneration and change in Hastings Town Centre by 2028
- b) support research and development facilities aligned to the needs of local industries as well as further improvements to the town's educational infrastructure
- c) protect and enhance Central St Leonards and Silverhill as District Centres
- d) focus on improving the physical environment, the quality and mix of housing and the local economy in Central St Leonards
- e) consider the rationalisation of the primary retail area, to protect the function of Bohemia as a local shopping centre
- f) explore opportunities for Combined Heat and Power connected to District Heating systems in the vicinity of the Summerfields Sports Centre
- g) support the implementation of the strategic network of cycle routes from the town centre out to strategic open spaces, the seafront, nature conservation areas and community facilities as identified on the Policies Map
- h) protect, manage and enhance the green spaces network, in particular, the Local Nature Reserves at Old Roar Gill and Summerfields Woods and other significant open spaces at Alexandra Park, Old Roar Gill, BOS Field, St Helens Wood, West Hill, Summerfields Woods, Hastings Cemetery, pedestrian only streets in the town centre, the Seafront, William Parker Sports College, Sandhurst recreation ground, Gensing Gardens, St Leonards Gardens, Warrior Square and Horntyke Park
- i) ensure all developments take account of past flooding and the impact of anticipated future climate changes on flooding in the Town Centre. Aim to reduce the overall level of flood risk in the area through the layout and form of the development, improvements to local defences and the application of suitable sustainable drainage systems.
- j) encourage the retention of existing, and provision of more high quality visitor accommodation along the Seafront, the main arterial routes, and close to other generators of demand
- k) protect and enhance architectural heritage, particularly in the conservation areas
- l) encourage mixed use developments and explore the potential for 'living above the shop'
- m) support densities of at least 40 dwellings per hectare in Hastings Town Centre, and Central St Leonards and Silverhill district centres

The Hastings Planning Strategy: Detailed Policies

POLICY FA3: Strategy for Hastings Town Centre

In Hastings Town Centre we will:

- a) provide for c.21,700m² (net) employment floorspace at Priory Quarter by 2028
- b) provide for 20,500m² (gross/net) retail comparison goods floorspace up to 2028
- c) achieve a more even mix of housing tenure
- d) promote competitiveness in terms of the range and type of shops operating in the area
- e) ensure the area is attractive to visitors and support the retention of visitor accommodation
- f) promote accessibility by local public transport, walking and cycling, and for people with disabilities
- g) develop the evening economy
- h) promote and encourage improvements to the public realm as part of new development schemes and in day to day repairs and maintenance
- i) promote leisure and cultural facilities including a new library, registration service and wedding venue, and support the development of cultural quarters between White Rock & the America Ground and Station Plaza through the Development Management Plan
- j) protect and enhance architectural heritage, particularly in the conservation area
- k) maintain the distinctiveness of the area in terms of architecture, townscape and function
- l) improve the existing housing stock and quality of life for residents
- m) encourage mixed use developments and explore the potential for 'living above the shop'
- n) seek to reduce the number of long term empty homes
- o) control the distribution and mix of Houses in Multiple Occupation within the area

The Hastings Planning Strategy: Detailed Policies

POLICY E3: Town, District and Local Centres

The hierarchy of town, district and local centres in Hastings is:

Town Centre: Hastings (the principal centre in the town)

District Centre³⁰: The Old Town, St Leonards centre, Ore Village, Silverhill

Local Centre³¹: Bohemia

Development proposals for town centre uses will be focused within the town and district centres. The scale and type of development will reflect the centre's existing and proposed function and its capacity for new development. A proposal for a town centre use will be required to follow the assessment approach set out in national planning policy in terms of need, scale, sequential approach to site selection, impact on other centres, including those beyond the Borough boundary, and accessibility.

The vitality and viability of the town and district centres will be maintained and, where appropriate, enhanced. Measures will include:

- a) safeguarding the retail character and function of the centre;
- b) enhancing the appearance, safety and environmental quality of the centre;
- c) Encouraging diversity of uses within the centre and the provision of a wide range of retail, leisure, social, education, arts, cultural, office, residential and commercial uses;
- d) Promoting the reuse of vacant buildings; and
- e) Maintaining and enhancing access to the centre by sustainable modes of transport, and encouraging multi-purpose trips.

In partnership with other agencies, the Council will protect and enhance local centres to better service the local community as far as possible. If a local centre or part of it ceases to function, the Council will consider rationalisation of its role as a centre, or promotion of other uses.

Neighbourhood shops located outside the Hastings' town, district and local centres will be protected where they are important to the day-to-day needs of local communities.

