

2

Housing

How the crisis developed:

The movement of peoples:

The housing crisis has long existed in the UK, with cities and large towns in particular having faced the crisis the longest. Yet, changes in behaviour arising from the housing crisis in our cities and the pandemic have brought a new element to the problem, where it has quickly shifted to coastal communities. A decade ago, housing in Hastings was considered relatively affordable, with average prices falling well below the county, regional and national average[1]. Despite such towns being located within the affluent South East, these areas were more affordable as such places were considered to be less desirable. However, with the housing crisis causing prices to rise rapidly in urban areas, such as London and Brighton, more affordable deprived coastal communities became to be seen as much more desirable. This was because a homeowner facing a

HOUSING

high cost of living in such places could sell their property for £500,000 and easily buy a larger and better quality housing unit on the coast for £300,000. This meant not only could such individuals live in a location they much preferred, but they would have enough disposable income from the sale to work fewer hours, invest in hobbies and enjoy more leisure time[2].

This led to a spike in house sales, where in four years sales nearly doubled. From 2012 to 2016, house sales increased from 1,200 to 2,100 units per year, with sales still being high two years later, at 1,800 per year (see Figure 2.1)[3]. This led to new estate agents emerging, as during the start of the spike in sales, many viewed Hastings as a hidden gem for property due to it having a high-quality but neglected housing stock. Figure one also highlights how there was a short spike in sales in the period when the UK exited pandemic lockdowns, highlighting the trend where individuals unhappy with city living conditions moved to more affordable coastal communities, like Hastings.

FIXING HASTINGS & RYE

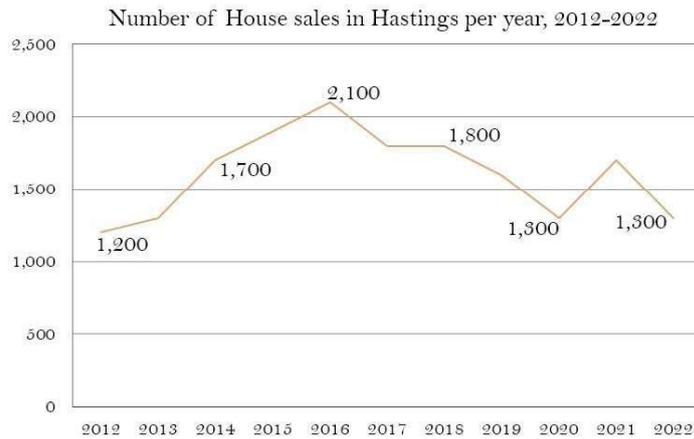


Figure 2.1: Number of house sales in Hastings per year, 2012 – 2022. Source: Land Registry house sale data.

This phenomenon has significantly increased the population within Hastings. From 2011 to 2021, Hastings saw a net gain of 850 people arriving from London[4]. After London, Kent, Brighton and Surrey were found to have the largest flows into the Sussex Towns. Central St Leonards, a central coastal part of town thought to be a hotspot for new arrivals from more affluent areas, witnessed the biggest net migration increase, with the council ward seeing an influx of over 200 people[5]. With a population of around 6,000 people, this represents a significant increase in the population, which partly will have been caused by new arrivals. On top of this, the town also added 570 people from immigration abroad, further pushing up the population of the town[6]. However, it should be noted that some of this population left after

HOUSING

work visas expired, and some people naturally moved back home. Overall, the population saw an increase of 700 people, most of which appears to be driven by migration flows from London and Brighton[7]. Interestingly, according to Census data, most of those flowing into the town were moving in to buy property, something which would have increased sales and helped to inflate prices[8]. Such movement of people has clearly increased demand, something which will have contributed to increasing prices.

An influx of new people without building more homes:

At the same time this rapid population growth occurred, there was limited building completed in Hastings. Across the last decade, the government's target stated that 382 homes needed to be built per year. Yet, there was only an average of 127 homes built per year[9]. However, this does not take into account how many buildings were lost due to HMOs being converted into larger apartments, change of use, dereliction and properties just being left empty. When taking this into account, according to the census, in 2011 there were 41,610 registered homes in Hastings, but in 2021 this decreased by 760 to 40,450, indicating the borough actually lost dwellings[10]. This means that at the same time the population increased, the number of dwellings reduced, meaning supply was reduced as demand substantially increased, something that has further inflated prices.

How the crisis has changed the market:

This rapid rise in house sales has had profound effects both on the nature of the housing market and the affordability of housing in the Hastings and St Leonards area.

In terms of the structure of the housing market, the market now comprises a greater proportion of larger units which are privately owned, with there being fewer rental units available[11]. In order to attract the exodus of homeowners from expensive urban areas, sellers in coastal communities have adapted their houses so as to appeal to those looking to move into better, cheaper accommodation situated on the coast. A decade ago, housing markets in deprived coastal communities could have been described as being dominated by HMOs, with owners of such buildings likely renting out several flats in each block to short-term tenants. Yet, with the rapidly rising demand for ownership within these communities, many of these landlords decided to sell. As there was a particular demand for larger housing units, many served notice to tenants so multiple flats could be combined into larger apartment units. With this, the number of no-fault evictions increased by 47% and displaced many renters[12], with these people either being pushed away from the central coastal areas of the town or out of the town entirely. This has left a greater bulk of sellers in the town, with there being fewer rental options for those who do not own property. Importantly, this means that what these new owners choose to do with their property has profound impacts on the wider housing market within the town.

HOUSING

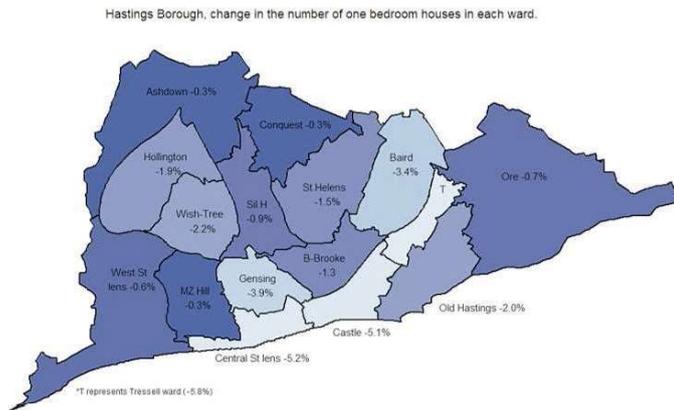


Figure 2.2 Change in the number of one-bedroom houses in each council ward, 2011–2021. Source: Census data.

Initially, newcomers did not greatly change their property as sales were largely driven by people looking to downsize, such as divorced people looking for a smaller place away from a previous life. Yet, as prices in London became unaffordable for many, the movement of DFLs into Hastings became driven by different motives. These individuals often were looking for larger units, and this led to many flats within HMO units being converted into larger apartments[13]. This can be seen in Figure 2.2, where one-bedroom properties in central parts of the town have declined by over 5%p and the proportion of 3+ bedroom units has risen by 6%p[14]. Again, this is likely due to a series of smaller units being converted into larger apartments and Air B & B's.

These changes have inflated the market:

This led to prices being inflated as these larger apartments could be marketed at a higher price. Further, these sellers would sell larger units in London, allowing them to outprice local demand by offering larger sums of money on property prices[15]. With sale values increasing in select areas along the coast, this caused speculation to be rife, meaning other housing sold later in the year would be sold at well above the historic market rate. Further, local factors have led to a rise in house price valuations. For instance, according to one local estate agent, the owners of the two largest estate agents have taken it upon themselves to be in direct competition with each other to drive up prices. Allegedly, this has stemmed both from business competition and an element of ego, where the winner can take pride in rising prices the most[16]. As these companies both own large chains of housing, this has provided much opportunity to push up prices year on year. Some estate agents in the town argue that this has led to prices within Hastings being very poorly valued and often priced at well above the market rate. Such estate agents argue that this led to a rapid uptick in house price valuations as it only takes one in ten houses to be sold 20% above the market rate for prices to dramatically rise[17]. Whilst these stories are impossible to verify, Figure 2.3 shows they do fit the trend in house price growth, where in the last 10 years house prices have increased 83%[18].

HOUSING



Figure 2.3: The rise in property prices in Hastings, compared to rises elsewhere. Source Land Registry- House sale statistics.

With the initial large uptick in house prices and large sustained demand from DFLs, this encouraged more owners to sell. The increase in sales advanced speculation and furthered house price rises. It also incentivised a large growth in the Air B&B sector, especially in the southern coastal housing areas. Before this growth, pre-2015, there were only 200 Air B&B homes in the area. Yet, in the peak of 2018 to 2022, there were at least 700 Air B&B's[19], with current searches for Air B&Bs within the Hastings area showing 1,000 units exist[20]. This growth also attracted more DFL and Brighton buyers to the town as it allowed potential new residents to “try before they buy”. Essentially, it allowed these people to sample the town at a relatively low cost before exploring house-buying options. During this growth period, the council did

FIXING HASTINGS & RYE

not have the power to charge a fee for setting up such holiday homes. This meant that when the peak hit, the council was powerless to prevent hundreds of homes from being taken off the market. Some councillors believe that this restriction of the market goes further than the rise of Air B&Bs and that many second homes have been purchased from the influx of people moving down south[21]. Yet, due to limited data, it is hard to gauge the exact number of this development. However, the rapid development in the Air B&B market alone means that this again took supply from the market at a time when demand rose, enabling both property and rental prices to rise well above inflation and the national average. Figure 2.4 demonstrates that in the peak years of 2016 to 2021, this rise was strongest in the perceived more desirable central coastal parts of the town, with prices rising around 50%[22].

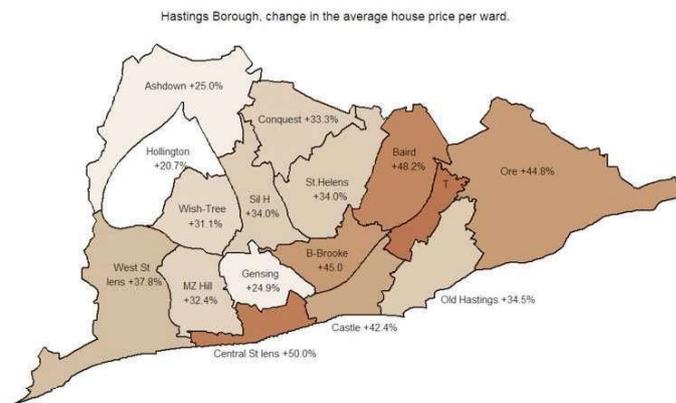


Figure 2.4: Change in the average house price in each ward, 2016 – 2021. Source: Land registry sale statistics.

HOUSING

How these developments have displaced people, weakened the economy and impacted local services:

As many former owners used their property for renting, this led to an increase in section 21 notices so that renters could be moved out of property that owners wanted to sell. During the peak of sales (2016–2021), the Ministry of Justice recorded a 103% increase in section 21 notices going to the Sussex County Court, a 129% increase from 2010 (see Figure 2.5)[23]. Additionally, from 2021 to 2023, there were 117 more Private Rental Sector (PRS) possession claims, meaning currently 231 people per year are forced to move due to a landlord reclaiming a property[24].

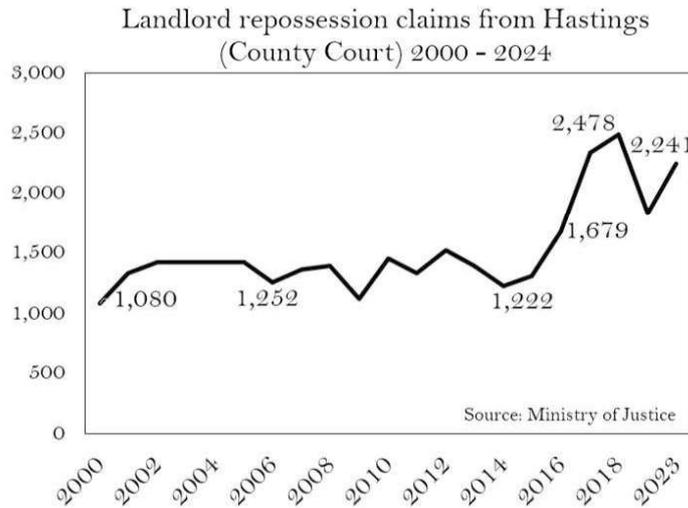


Figure 2.5: Landlord repossession claims from Hastings (County Court) 2000 – 2024. Source: Ministry of Justice.

According to Hastings Borough Council, the main cause of homelessness was where private rented tenancy agreements ended, with 31% of all those being made effectively homeless through this means. Out of the 184 cases in 2024, 64% of these were triggered by a landlord wishing to re-let or sell the property[25]. This trend led to a process where renters were pushed out of once-affordable parts of the borough, only for them to need to be rehoused elsewhere in the town. Sometimes people were rehoused in the Air B&Bs; the council was powerless to stop coming into existence[26]. This highlights the inefficiency of the housing market, where sometimes people are pushed out of rental accommodation only to find there are fewer rental options, meaning this

HOUSING

inefficient market raises rental prices for all.

Yet, due to the rise in rental prices in the town and housing benefits not rising in line with inflation, this has often meant the council has been required to find new rental accommodation for these residents. Some estate agents have found that 9 in 10 who are kicked out of accommodation go straight to the council as they are unable to find anywhere affordable to live[27]. For example, the benefit cap currently stands at £500, and with a one-bedroom flat now on average being £800, coupled with a cost of living crisis, this means that many people can't find the additional £300 shortfall. Indeed, Hastings Borough Council notes that 96% of all housing advertised for private renting in 2024 was more than £80 over the local housing allowance (LHA)[28]. This is a particular problem for Hastings, as according to the local government association, it has a much higher than average proportion of residents dependent on the housing allowance[29]. Therefore, due to this fact of growing unaffordability, there is an ever-growing category of such people needing housing support from the council.

It is not only people on benefits who are struggling due to these changes; many people in work and not claiming benefits are struggling. This is mainly due to weak economic growth leading to small rises in wages, especially when compared to the rise in property prices. Hastings has been particularly affected by this as its workforce is much more dependent on low-wage sectors, such as health, social care, education and retail sectors (where nationally 43% work in these sectors but just over 60% do in Hastings & Rye) [30]. Since 2013, this resulted in pay growth of only 18.6%, whilst house prices rose by 82.9%, see Figure 2.6[31]. This, in part, has left Hastings

with a significantly worse-than-average house price-to-earnings ratio, with the average house price being 12.4 times that of the average wage (with the national average being 8.9 times greater)[32]. This means that for those who can afford to rent and pay a mortgage, a greater proportion of their income will be spent on housing. This will worsen the cost of living for many and mean there will be less disposable income to support local businesses. This presents a vicious cycle where a housing crisis raises the cost of living, which lowers economic growth, which, in turn, makes housing more unaffordable. Therefore, this is something that could limit growth in the town for the long term if action is not taken to make housing more affordable.

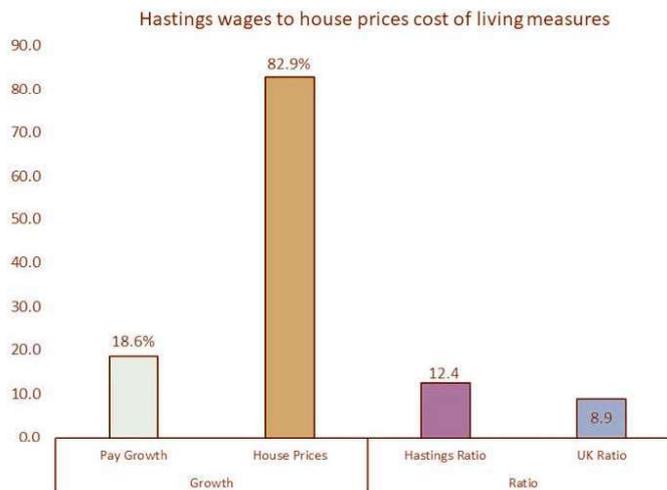


Figure 2.6: Hastings House Prices to wages ratio. Source: House of Commons Library.

HOUSING

Since 2019, renters have fared particularly poorly, with wages increasing 14.3% but changes in the average rent increasing by 32.5%. Amongst one-bedroom properties, rent has increased the most, with rental prices increasing by 55%^[33], possibly due to the reduced numbers being available because of HMOs being converted into larger apartments. It may also have occurred due to taxes on landlords having changed, potentially encouraging some owners to leave the rental market. Further, last year's data (2023) showed that house price growth was 9%, well above the national average of 5%^[34]. This was also significantly above pay growth of 6%^[35], showing the problem of housing affordability will likely still be a problem in 2024. Consequently, all this shows how a combination of weak wage rises and rapidly rising housing costs has created strong cost-of-living pressures. For most people in the town who do not own their property outright (69% of households)^[36], this will reduce their disposable income. For those on less than average incomes in Hastings, less than £25,000 (in real terms), these pressures can result in financial hardship. Single women with children are particularly exposed to this due to earning £1.40 per hour less than men, whilst also working 7 hours less a week^[37]. This is mainly because women are more likely to work in sectors that have a greater number of lower-wage part-time workers, the sectors that make up most of Hastings' economy (such as health and social care).

For some, these financial pressures are so great that they are left without somewhere affordable to live, making these people effectively homeless. As the council has a legal requirement to house these people, this has increased housing support costs. In one year alone, the number of people seeking

temporary accommodation has risen from 240 (2022) to 513 (2023). Most of the growth can be explained by the increase in those requiring a one-bedroom flat, with this rising from 71 people in 2018 to 213 people in 2024. There has also been a rise in those in temporary accommodation within 2-bed units, with it rising by 103 from 2021 - 2023. The number on the housing register currently stands at 1,547, with 615 people assessed as a very high priority for housing support. Further, despite efforts to reduce these numbers, there are still 560 temporary accommodation households in 2024[38]. The council only has enough housing units to support 500 people (which were already full before this temporary housing crisis materialised), meaning the authority has been required to house these renters outside of the town, which comes at a premium price[39].

According to the council, 490 of these households are in the private rented sector, 88% of all temporary accommodation households, meaning the council is exposed to very high renting costs[40]. The council now has so much work on this matter that it has been forced to divert most of its staff into the housing department. This now makes housing the biggest department, when 10 years ago it was one of the smallest. All this has increased the council's housing bill from £0.73m in 2019-20 to £6.7m in 2023-24 (an 817% increase). This meant that before new government subsidies were introduced in 2024/25, this comprised a third of the borough's entire spending capabilities[41]. These figures have risen from a previously anticipated £4.5m since April 2023, showing just how rapidly costs are escalating. Indeed, the council has a deficit of £1.9 million in the amount that has been allocated to

HOUSING

the housing budget[42]. These costs are now eating into the borough's reserves, and a possible section 114 notice is being discussed by the Local Government Association and regional media reports[43]. According to such reports, if these costs continue at the current rate of spending, the council will only remain financially viable for two more years.

Luckily, some landlords locally help with the toughest cases (such as people with drug problems) and have assisted in making units accessible to disabled people. Yet, there are not enough of these landlords who can offer accommodation in the Hastings area. HBC has adapted 129 properties to reduce costs and provide much-needed homes, but more are needed to meet housing demand and save costs[44]. This lack of suitable housing is forcing the council to send people to Sevenoaks, Lewes, Eastbourne, Tunbridge Wells and Rother, which are more expensive areas and charge premium prices to councils. Even when local places can be found, they are often Air B&Bs and hotel spaces, which are just as expensive. Therefore, the council has been required to think more innovatively and seek additional external funding to address the crisis.

More recently, the council is combating these costs by seeking to build 500 temporary accommodation units. This will be done by working with local housing associations to build more affordable rental units by building a mixture of private and subsidised housing[45]. However, it should be noted that this target is far from being reached, and new social housing builds have stalled within the town, see Figure 2.7. This target will also be achieved through a central government grant of £22.8m to buy available housing, as central government now acknowledges that the tough housing position the area faces

FIXING HASTINGS & RYE

is not financially sustainable[46]. The theory is that this can reduce the authority’s housing expenditure as the council can offer a better price for itself than compared to more expensive accommodation found outside the town.

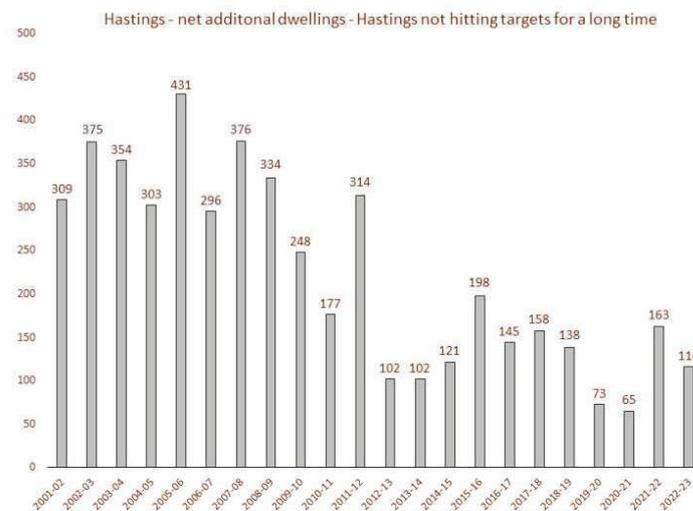


Figure 2.7: The graph shows that House builds stalled in recent years (mostly due to stagnant economics, local opposition, limitations from its geography, and Hastings not attracting new builds)[47]. It has also been found that Hastings and Eastbourne recorded the fourth and fifth worst performances among all English local authorities. This demonstrates how unlikely Hastings is to meet its new higher housing targets any time soon, and the challenge of increasing new builds in the town. Source: reported by Hastings Online Times.

The first phase of the project has purchased 50 properties back

HOUSING

from the private sector with national government money, which to date has saved just under £600,000 in temporary accommodation and maintenance costs[48]. The second phase of the plan seeks to purchase another 124 homes, meaning around 175 homes should be secured by the time the one-off payment runs out[49]. This should save HBC £2m a year, which in ten years will mean the policy won't cost the taxpayer anything as it will avoid the council paying out £20m in temporary accommodation costs over a decade[50]. HBC have also saved money by preventing 117 households from becoming homeless, such as helping people out of debt arrears. Such work has avoided temporary accommodation costs of £659,160.

However, despite the council being granted this ability to secure new housing through unprecedented government investment, it is still debatable whether costs can be reduced in time to save the council from a section 114 notice. As of September 2024, there were still 560 temporary accommodation households, costing HBC £6.5m a year, meaning temporary accommodation costs have actually increased by £1m in the last year[51] (although it should be noted this is a smaller rise than if the council had done nothing). Indeed, it is expected that this will increase by another £430k this financial year, bringing costs to over £7m[52]. These costs still reflect how HBC is spending over a third of its available spend on housing costs, meaning more savings are needed. Without a plan to reach the 700-home-a-year target and local opposition to building on green fields, the council may be permanently subject to these very large housing costs. This means that for the long term, the housing crisis will eat up public funds, and this will mean less funding for other

essential local services. Consequently, poorly performing local services likely won't improve.

How the problem has been worsened:

The housing crisis has been made worse this year due to rapidly increasing interest rates, making mortgage repayments harsher and less affordable. In Hastings, this has resulted in the average interest rate rising from 2% to 6% within a few months, costing mortgage holders an anticipated extra £3,200 a year [53]. This has caused some to feel they cannot afford the higher mortgage payment costs, leading to a flurry of people trying to sell houses. In September 2024, there were 995 houses for sale on Zoopla, with estate agents locally estimating over 2,000 houses being on the market[54]. The largest seller, PCM, has over 350 properties for sale. This means that currently there is more supply than demand, the opposite problem that Hastings has experienced in recent years. This has created a static market with there being no visibility in terms of understanding the direction it could go in. Consequently, estate agents are advising landlords not to sell, meaning many are sitting still and leaving their properties empty so they will be ready to sell when buying activity picks up. Yet, as house prices decrease and mortgage costs rise in London, fewer DFL buyers are coming to Hastings.

Further, with the rise in the cost of living and growing mortgage costs, there are very few local buyers in Hastings. Also, the current interest rate climate is disincentivising purchases even amongst those who can afford to buy. With rapidly rising supply and weakening demand, this means that the many owners wishing to sell are now stuck, leaving many

HOUSING

properties empty, worsening the rental market affordability problem. This has only helped to increase the demand for temporary accommodation and contributed to the council's worsening financial position, again ensuring less money for public services.

This incompetence has created a very inefficient market:

The trend of increasing prices has not abated and is showing no signs of doing so. The housing crisis in Hastings has become particularly acute due to the market being transformed from relative affordability to unaffordability within a short time, putting Hastings on the extreme end of the housing crisis. The continued rise in house prices, growing cost of living pressures and harsher mortgage repayments has created economic anxiety. This uncertainty in the market means a greater number of people in a low-income town are being forced to confront an unaffordable market with little time to adapt.

Even homeowners are now finding they are not shielded from this unaffordability. Figure 2.8 shows how desirable central coastal areas have increased in home ownership, meaning that these areas are particularly exposed to these cost-of-living pressures. Some local estate agents report that this has left many homeowners thought of as affluent DFLs worse off. This is because people who are unable to sell their larger houses are now finding themselves paying a greater proportion of their income on mortgage repayments and higher heating bills. This is especially the case amongst those who purchased older Edwardian housing, of which the central coastal parts of the town has much of. In some cases,

FIXING HASTINGS & RYE

landlords have come across people selling due to fears of defaulting on mortgage payments. In extreme cases, people have not been able to sell in time and have defaulted on their mortgage, leaving them requiring housing support.

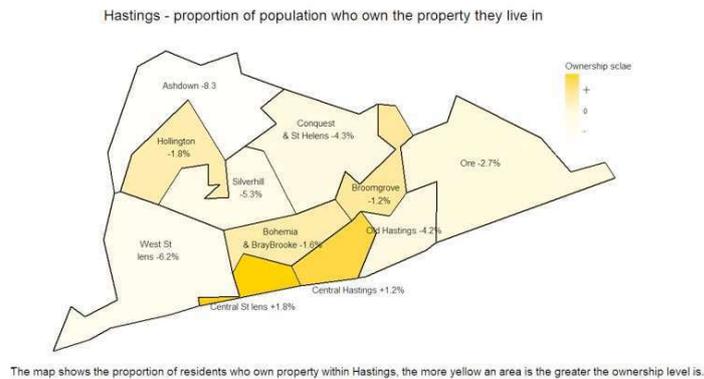


Figure 2.8: Change in the proportion of residents in the town who own property between 2011-2021. Source: Census data.

This trend is reflected in HBC data, with there being 49 more families requiring a 3-bedroom house being made homeless in the course of a year than in 2023/24 than was the case in 2018/19 (20 to 69, a 245% increase). This is particularly costly for the council because it costs more to house people in three-bedroom flats due to it being harder to find suitable accommodation for such cases, and these families often require longer support. With a recent report from Shelter showing that 1 in 28 children are living in temporary accommodation (the highest outside of London)[55], this explains recent rises

HOUSING

in temporary accommodation costs.

Due to the ongoing rental market restrictions, average rent prices have continued to rise, with Hastings being in the top five constituencies for the highest rental increases in the last year, according to some estimates[56]. Recent updates from landlords have indicated that the rental market likely won't pick up due to house prices increasing again. This is disincentivising owners to move into the rental game and encouraging them to put their properties on the market in the hope someone will buy. Therefore, the rental market continues to be inefficient and inflated. Partly because of these continued pressures, the council continues to report increases in people needing or using temporary accommodation.

Therefore, recent developments in both house and rent prices have continued to provide a further unwelcome squeeze on living costs and council finances. Importantly, these trends continue to leave some people with significantly less money to spend in the local economy. This provides the council with less money to run services, invest in attracting tourism and develop the local economy. This is worsening the local economic landscape and service delivery, again showing how tackling the housing crisis is crucial to improving cost-of-living conditions, supporting the local economy and protecting local services. Therefore, without tackling the crisis, housing will continue to be a cyclical problem that will restrict the town's economic potential and its council's finances.

Policy solutions:

Firstly, it must be acknowledged that the housing crisis in Hastings is a bubble, and it does not reflect the national picture. This means that, as coastal communities such as Hastings are outliers, they will require some specific solutions to ensure that they can also be freed from the housing crisis. These solutions will need to be both short-term and long-term. In the short term, temporary housing will need to be expanded to free the council from its immediate financial difficulties.

Yet, the core reason it is in this financial predicament is because of the huge housing costs that are being forced onto the borough by a housing crisis that has largely been created by long-term factors outside the town. Importantly, this means that the council has mostly been powerless to prevent this problem from arriving on their doorstep due to consistently poor policies on housing at a national level. Therefore, better regulation and policies need to be made at a national level to address these long-term problems and ensure councils in coastal communities do not continue to spend a large proportion of their budget on housing support long into the future. A failure to do this may result in Hastings Borough Council, amongst many others in coastal communities, being unable to afford other services. This potentially will worsen services and the local economy for many years to come.

HOUSING

In the short term:

It will take a long time to build the housing that is required to fix the housing crisis. Yet, there are some reforms that can be made to alleviate the pressures the crisis is placing upon people and councils. Therefore, in the short term government could:

Dealing with empty homes:

- Tax homes that are empty to incentivise owners to rent.

Due to rising interest rates, house prices have dipped, leaving sellers who bought at the peak of the market unwilling to sell. In Hastings, estate agents have taken to social media advising these sellers not to leave their homes empty and move into the rental market. Taxing these empty homes could incentivise more owners to rent, thus increasing supply. Under this policy, owners of properties that have been empty for more than three months would be required to report it to the local council, and failure to do so would result in fines. Revenue raised from this policy would go to local councils to help build more socially rented units.

- Convert empty government office units into temporary accommodation.

With a decade of public sector cuts and the pandemic encouraging many organisations to work from home, many local authorities have large offices that are sitting empty for long periods. These offices could be converted into temporary

accommodation to help deal with the recent increase in homelessness.

- Give councils greater powers to compulsorily purchase housing units that are empty for more than a period of two years.

This will help push more units into the housing market without taking up more land space. There could be a separate system from the courts to do this due to the court backlogs currently making this process very time-consuming. Once renovated, the house could be sold on the private market to ensure a return to full occupancy.

- Acknowledge that the high street is not as large as it once was and that empty shopping units can be converted into one-bedroom housing units, of which more are needed in many coastal communities.

Again, this will help increase housing stock without using more land space. It will also help regenerate the high street as it will look less shabby, and there will be greater footfall on the street.

HOUSING

Giving financial incentives to sell privately owned property into the rental market.

- Give tax breaks to those who sell to buyers who will rent out their new property. This will incentivise sales that will increase rental market capacity.
- Increase incentives to move into renting, especially for property owners who currently have properties sitting empty.

This will help increase the supply of rental properties during times when there is sustained high demand. This could be done by enforcing longer rental contracts to stop quick-selling practices that result in many properties being empty. This will also help increase footfall all year round and will be commercially beneficial as it will increase the number of people living in the town. It may also increase disposable income by limiting the amount people spend on rent.

- Explore ways to increase the opportunity for downsizing for older people, so they can live independently for longer. (This was explored by Labour approaching the last general election.)

This will help create better efficiency in the market as it will free up bigger units for younger families to move into, helping to limit cost rises.

Protecting renters:

- Protect the housing cost element of Universal Credit (especially for younger families and people struggling to afford rental accommodation).

This will help reduce the number of people who will require housing support, helping councils to support a more manageable caseload.

- Ban letting agent fees paid by tenants and encourage councils to set up local letting agencies in their area.

This will give more consumer rights and should cut renting costs.

Maintaining quality:

- Extend the Grotbuster policy, giving councils more powers to force action on poor-quality accommodation.
- Increase council funding for retrofitting poor housing units into better, environmentally friendlier units.

This will deal with housing stock that has poor maintenance (such as mould problems), whilst also helping to decrease emissions that such housing creates.

- Change building regulations for older houses that are protected by heritage orders. For example, allow these homes to make changes for insulation and maintenance purposes.

HOUSING

These units are becoming expensive to heat and maintain, and many homeowners can't afford to live in these buildings. Making it easier to heat and maintain these homes could help stop people from moving into new, more affordable modern units. This will aid in stopping the trend of rising demand for new units, of which is inflating house prices. Therefore, this could help reduce house prices for more modern units.

- Convert more units into disabled-accessible units (especially in temporary accommodation) to ensure that there is a large enough housing market for disabled people.

This is relatively easy and affordable to do, as these units often only need bathroom accessibility and a bed with disability access. Local estate agents sometimes do this, but it relies on goodwill and may require council intervention. Crucially, this should increase diversity in housing stock and better reflect needs.

Protecting and helping first-time buyers:

- Cut stamp duty to zero for first-time buyers on up to the maximum value of the local average, £300,000. Local buyers to have 'first dibs' on new homes within the constituency they live in, with discounts being available for homes made as First-Buy Homes. Such homes should be built to be affordable for local average incomes. (This is now government policy.)

This will lower the financial barrier for first-time buyers and help address the balance between supply and demand, which

should make the market more efficient and affordable than it currently is.

- Create a mortgage guarantee scheme to help first-time buyers pay the mortgage if they lose their job (this was Labour's policy approaching the last general election). This should help stabilise the market in times of crisis and keep home ownership levels higher than they currently are.

Maintaining an efficient housing market:

- Increase quality controls in planning regulations around HMO units. Currently, it is very easy to convert HMO units into larger apartments once planning regs are secured, giving limited quality control.

Giving councillors democratic control over converting HMO units into larger apartments could prevent the rapid transformation of local housing markets in future. This will avoid the problem of a lack of one-bedroom properties in coastal communities.

- Commit to tackling Air B&B and holiday homes that are sitting empty most of the year. To stop this, the council will need additional powers. This will help tackle the streets that have the most empty units and inefficient use of their housing stock. To achieve this, people who advertise a unit they own as an Air B & B will have to register it with the council. This will help the council tax such units (if needed) and understand how much hotel

HOUSING

space the town has. (This will help the council to plan for Tourism by enabling them to understand if they need to expand hotel space).

- Disincentivise too many Air B&Bs. For example, allowing people in blocks of flats to collectively decide if they want an Air B&B in their block.

This will enable housing blocks to be managed according to local needs and demands, stopping entire blocks of housing along the coast from being converted into Air B&B units.

- Give councils the power to increase council tax on Air B&B units.

This will help to limit the number of houses that can be converted into Air B&B units within a short space of time. It will also help the council afford the increased housing costs it faces, partly because of these holiday homes. All homes will have to be registered with the council so numbers can be monitored. There could also be a cap on the number of Air B&Bs per thousand people to ensure there is not an excessive amount of these units coming into the market within a short period of time.

Providing more temporary accommodation:

- Get people out of temporary accommodation into assured start tenancies. This is the quickest way to reduce bills and address housing needs.
- Help councils to make the building of temporary accommodation more viable.

This will help all councils ensure that they have a backup stock of housing for when hard times fall upon a local authority. This will also mean it has the housing it needs to meet the rise in housing support demands.

- Lower the temporary accommodation list and get more people into assured start tenancies.

The current issue stems from a lack of options in the rental market. Therefore, bringing forward incentives for landlords to move into the rental sector will be required to solve this problem. This is especially the case for landlords with empty properties who are currently looking to sell.

This will help alleviate the immediate growing homelessness problem and help councils manage their growing housing support payment costs.

In the long-term:

Whilst short-term tweaks to regulation and policy can alleviate some of the worst pressures of the housing crisis, they cannot fully address the problem and prevent it from recurring. Therefore, policies designed to improve the housing market for the long term are needed if the crisis is to be overcome. Such long-term solutions could be:

Building more housing:

- Set a house building target of at least a million new homes over the next Parliament, meaning 250,000 homes a year across the UK will need to be built. This would produce a

HOUSING

target of roughly 700 homes a year in Hastings. (Current government policy).

- Build thousands of more affordable homes to rent and buy each year across the next Parliament. This would be over 100 homes a year in Hastings (Current government Policy). This will help improve affordability in the housing market in the long term.
- Carry out a big council house building programme to increase the much-needed council housing supply. (Current government Policy).
- Give councils powers to build large-scale housing projects, such as authorising new garden cities or large social housing projects. A new generation of new affordable towns and garden cities could be delivered by reforming planning laws and empowering local authorities. This will help increase the supply of housing for the long term, of which is the only way this housing crisis can be fully addressed. This will also address the issue of a lack of land being available in some smaller towns, meaning housing can be expanded where the land is most available.
- Increase loans to councils that enable them to build their own housing. Encourage councils to build temporary housing to avoid future rapid rises in temporary accommodation costs.

Creating more council-owned housing will help councils in times of crisis and lower their housing bill costs, as councils can always offer the best rate for themselves. It will also reduce their reliance on housing associations, which often do not build enough units or push prices down.

- Make it easier to obtain planning permission for new docks that contain housing units in their plans.
- Allow government to build affordable homes for first-time buyers and those struggling to secure family homes. Once these builds have been sold, the sale could pay for most of the project's costs. This will help increase the number of homeowners, whilst also assisting the government to reach housing targets at a relatively low cost in comparison to other options.

This will help increase trade in coastal communities and create much-needed space for housing. This could particularly help Hastings, as due to its natural geography of 7 connecting hills covering the town, there is limited space that can be built on. Building more housing on docks along the coast could overcome this land availability problem.

- Allow more housing to be built above declining high streets.

This will increase footfall and economic activity within the area. For example, housing could be built above Priory Meadow and Robertson Street shopping units.

Assisting long-term housing developments:

- The Department of Local Government and Housing could deliver needed reforms and house building to tackle the housing crisis. The department could have a dedicated team for housing delivery and could be responsible for delivering government targets. It could also authorise

HOUSING

builds when local government fails to do so, having the power to overturn local decisions.

Local government struggles to authorise enough house-building to meet building targets. A new government organisation could be utilised to address this problem by being given new powers to engage in large-scale house-building projects. This will allow councils to build on green fields if this is needed to meet housing targets.

- Bring more land forward for development at a lower price. This could be delivered by new government organisations responsible for delivering housing targets on behalf of the national government.

This will identify the best space for large-scale housing to be developed, enabling the delivery of the number of homes that need to be developed to fully address the housing crisis. Identifying such land is needed, as some smaller towns have reached full capacity and will struggle to find land within their towns to build the housing that is required.

This could also include the government buying land a local authority refuses to develop, so the government can advertise the land to companies with specific remits on the type of housing to be built. The money from land sales could then go back to the government to help cover costs.

- Give Borough Councils more funding and powers to build council houses.

Borough councils often do not have land and have to ask their

senior County Council for permission to buy and build on land. Giving boroughs money and powers to take land off County Councils so they can build on brownfield sites could help increase affordable housing stocks.

- Strengthen local government powers to convert empty units into new housing, such as enabling the house to be compulsorily purchased at a price closer to its existing value.

This will help councils to more rapidly turn around empty housing stock into new housing units, so supply can be increased quickly for the long term without using more land space.

- Expand the programme of funds given to councils to buy empty units; this could be directed to councils with the highest housing cost bills.

This will enable councils like Hastings to increase the number of homes they can buy and convert into council housing.

Helping renters:

- More security for private renters by giving them more consumer rights, such as making three-year tenancies the new norm. (Current Government Policy).

This will help improve options renters have in a tough rental market, give greater security when renting and help limit rapid section 21 notices that can quickly increase rental

HOUSING

market prices. This will give councils greater time to adapt to worsening rental market problems.

Helping first-time buyers:

- A 'first dibs' rule on new housing developments to ensure that homes built can be sold to local buyers. Developers will be forced to market new homes to local first-time buyers so that local first-time buyers can bid and buy before others.

This will help first-time buyers compete in markets that are attracting buyers from more expensive areas. This will assist more first-time buyers to get onto the market and, in the long term, help to increase affordability for local people seeking to get onto the housing ladder.

- A New Deal for homeowners to stop leaseholders from being ripped off.

This will help reduce long-term housing costs and help homeowners with their cost of living in tougher times by reducing home ownership payments.

Helping reduce homelessness:

- Tackle rough sleeping by the end of this Parliament and tackling the causes of rising homelessness so the problem does not materialise again and require further government action. (see chapter 8 for more detail).

FIXING HASTINGS & RYE

This will help reduce the growing homelessness support costs councils are facing, and will also help to ensure the same problems do not arise again. It will also help end homelessness and the social problems that come with this.

- Reform Section 21 to give tenants more security.

This will help to stop the rapid flurry of evictions that result in many people needing temporary accommodation support within a short period. This will also give councils more time to adapt. As such, evictions can greatly increase council costs, this can also help to save councils money.

Helping to increase quality:

- Phasing in a new zero-carbon standard for new-build homes.

This will help increase the stock of housing that can reduce our impact on the environment, whilst also making it more suited to modern living needs.

- Insulate homes, focusing on older homes that struggle to keep warmth in.

This will help to reduce living costs associated with housing, especially in coastal communities that have large quantities of old Victorian and Edwardian homes that were not built with designs that thought about insulation.

In conclusion:

One thing from all these long-term solutions is clear: it will inevitably include securing more new house builds to bring prices down. And yes, this may involve building on green spaces. A failure to increase the housing stock will condemn Hastings to an unending housing crisis, where house prices to earnings ratios will continue to be far too high. This will mean unaffordable prices for many, a long-term cost of living crisis for the less affluent residents and the council continuing to struggle to deliver and pay for basic services. This will also continue to restrict Hastings' economic potential, producing long-term cost-of-living problems for many. Therefore, many problems in Hastings & Rye are hard to address without tackling the housing crisis, meaning we must succeed in building new affordable housing.

Chapter Endnotes:

[1] House of Commons Library data showing House prices rapidly rising, bringing it closer to the national average. <https://commonslibrary.parliament.uk/constituency-data-house-prices/>

[2] A business magazine publishing research into a trend of younger people moving from London to the coast due to improved work-life balances. <https://thebusinessmagazine.co.uk/companies/leaving-london-highest-numbers-move-out-of-the-capital-since-2006/>

[3] Data published by a website tracking property sales in England (using the Land Registry as its source). https://www.home.co.uk/sold_properties

[4] An East Sussex County Council briefing on immigration, outlining the inflow of urban arrivals. <https://www.eastsussexjsna.org.uk/media/tradfjkz/2021-census-migration-briefing-december-2023.pdf>

[5] An East Sussex County Council briefing on immigration, outlining the inflow of urban arrivals. <https://www.eastsussexjsna.org.uk/media/tradfjkz/2021-census-migration-briefing-december-2023.pdf>

[6] An East Sussex County Council briefing on immigration, outlining the inflow of urban arrivals. <https://www.eastsussexjsna.org.uk/media/tradfjkz/2021-census-migration-briefing-december-2023.pdf>

[7] An East Sussex County Council briefing on immigration, outlining the inflow of urban arrivals. <https://www.eastsussexjsna.org.uk/media/tradfjkz/2021-census-migration-briefing-december-2023.pdf>

[8] An East Sussex County Council briefing on immigration, outlining the inflow of urban arrivals. <https://www.eastsussexjsna.org.uk/media/tradfjkz/2021-census-migration-briefing-december-2023.pdf>

[9] A local News website, *The Hastings Online Times*, reporting on the struggle for the local council in meeting house building targets <https://hastingsonlinetimes.co.uk/hot-topics/home-ground/hastings-house-building-struggles>

[10] An East Sussex County Council report outlining census figures on housing unit numbers and housebuilding numbers. <https://www.eastsussexjsna.org.uk/media/5sxjftdm/2021-census-housing-and-car-ownership.pdf>

[11] Changes in housing ownership from 2011 – 2021 according to the census: Hastings data only. It shows increases in ownership and renters being pushed out. <https://www.on>

HOUSING

[s.gov.uk/census/maps/](https://www.ons.gov.uk/census/maps/)

[12] An article covering how Ministry of Justice data showed the increase in no-fault evictions in Hastings 2019 - 2023. <https://www.sussexexpress.co.uk/your-sussex/east-sussex/hastings-and-rye/more-than-150-no-fault-evictions-in-hastings-since-governments-ban-pledge-4256344>

[13] Housing market trends according to an unnamed local estate agent who gave a talk to the local Fabians.

[14] Changes in the number of housing units for 1-bed and 3+ bed houses from 2011 - 2021 according to the census: Hastings data only. <https://www.ons.gov.uk/census/maps/>

[15] A national Newspaper, *The Sun*, covering the sharp London arrivals and the sharp rise in property prices within Hastings. <https://www.thesun.co.uk/news/22046027/town-with-britains-fastest-rising-house-prices/>

[16] An unnamed local estate agent whom the local Fabians invited to give a talk in late 2023.

[17] An unnamed local estate agent whom the local Fabians invited to give a talk in late 2023.

[18] The percentage change difference in annual average house price figures according to House of Commons Library data. Source: House of Commons Library

[19] The number of responses gathered from an Air B&B website search according to local estate agents and confirmed by the following Air B & B website <https://www.hometogo.co.uk/hastings/bnbs/>

[20] Search for Air B&Bs available in the Hastings & Rye area, showing just over 1,000 units were available in September 2024. <https://www.airbnb.co.uk/s/Hastings---United-Kingdom>.

[21] An interview with an unnamed long-serving HBC councillor.

[22] House Price data over time at a ward level, according to ONS data. <https://www.ons.gov.uk/visualisations/housingpriceslocal/E07000062/>

[23] FOI request to the Ministry of Justice (MOJ) outlining the number of landlord repossession claims from Hastings going through Sussex County Court, 2004 – 2024.

[24] Data from A Hastings Borough Council presentation on the housing crisis the town faces – slide 4.

[25] Data from A Hastings Borough Council presentation on the housing crisis the town faces – slides 6 – 7.

[26] An unnamed local estate agent whom the local Fabians invited to give a talk in late 2023.

[27] An unnamed local estate agent whom the local Fabians invited to give a talk in late 2023.

[28] Data from A Hastings Borough Council presentation on the housing crisis the town faces – slide 3.

[29] A local government association article outlining Hastings local housing allowance problem. <https://www.lgcplus.com/finance/the-extreme-and-unique-challenge-facing-hastings-22-11-2023/>

[30] Nomis - local economic data (Hastings area only). [https:// ONS earnings data](https://ons.gov.uk/earnings)

[31] ONS earnings data <https://ons.gov.uk/earnings> & House of Commons Library House price trend data – Hastings & Rye data only <https://commonslibrary.parliament.uk/constituency-data-house-prices/>.

[32] ONS earnings data <https://ons.gov.uk/earnings> & <https://commonslibrary.parliament.uk/constituency-data-house-prices/>

HOUSING

[33] Varbes – local statistics <https://www.varbes.com/rental-market/hastings-rental-market> & ONS earnings data <https://ons.gov.uk/earnings/data>

[34] Varbes local statistics – Hastings <https://www.varbes.com/rental-market/hastings-rental-market>

[35] ONS earnings data <https://ons.gov.uk/earnings/data> (Hastings only).

[36] UK census data <https://www.ons.gov.uk/census/maps/>

[37] ONS earnings data <https://ons.gov.uk/earnings/data> (Hastings only).

[38] Hastings Independent Press article interviewing the housing lead at HBC in September 2024 <https://www.hastingsindependentpress.co.uk/articles/news/housing-action-man/>

[39] A Channel 4 report confirming increased costs partly coming from the need to send people in temporary accommodation out of town, also confirmed by a Sky News report. <https://www.channel4.com/news/coastal-town-hastings-calls-for-housing-crisis-solutions>

[40] Data from A Hastings Borough Council presentation on the housing crisis the town faces – slide 8.

[41] Data from Hastings Borough Council and confirmed by A Channel 4 report, confirming housing costs now meet a third of the Borough's spend, confirmed by the BBC. <https://www.channel4.com/news/coastal-town-hastings-calls-for-housing-crisis-solutions>

[42] A BBC news report outlining the Local Government Association's report into HBC finances. <https://www.bbc.com/news/health/peer-review/>

[43] Hastings Borough Council bankruptcy fears outlined by a BBC South East news article <https://www.bbc.co.uk/news/uk-england-sussex-66178662>

[44] Data from A Hastings Borough Council presentation on the housing crisis the town faces – slides 20 -22.

[45] Hastings Borough Council's housing plan. <https://www.hastings.gov.uk/planning/policy/adoptedlocalplan/>

[46] A BBC South East article covering the financial award Hastings was awarded for housing by central government <https://www.bbc.co.uk/news/articles/cd19dz2rjxqo>

[47] Source: Department for Levelling Up, Housing and Communities and published by the Hastings Online Times. <https://hastingsonlinetimes.co.uk/hot-topics/home-ground/hastings-house-building-struggles>

[48] A local newspaper, *The Hastings Independent Press*, article interviewing the housing lead at HBC in September 2024 <https://www.hastingsindependentpress.co.uk/articles/news/housing-action-man/>

[49] A local newspaper, *The Hastings Independent Press*, article interviewing the housing lead at HBC in September 2024 <https://www.hastingsindependentpress.co.uk/articles/news/housing-action-man/>

[50] A local newspaper, *The Hastings Independent Press*, article interviewing the housing lead at HBC in September 2024 <https://www.hastingsindependentpress.co.uk/articles/news/housing-action-man/>

[51] A local newspaper, *The Hastings Independent Press*, article interviewing the housing lead at HBC in September 2024 <https://www.hastingsindependentpress.co.uk/articles/news/housing-action-man/>

HOUSING

[52] Data from A Hastings Borough Council presentation on the housing crisis the town faces – slide 2.

[53] Local MP candidate showing Labour's mortgage increase costs to people in Hastings <https://www.facebook.com/HelenaDollimore1066/posts/pfbid031VGuD3C7jCcRDW59hCvTsNdqPSmRZ4VCaGUNryrSAJvmTGoCwxdxoAJUEJBnkBu6l>

[54] A Zoopla search for the Hastings area & local estate agent internal data <https://www.zoopla.co.uk/for-sale/property/east-sussex/hastings>

[55] The BBC reporting on Shelter's findings that 1 in 28 children in Hastings live in temporary accommodation. <https://www.bbc.co.uk/news/articles/cd7xn540nw9o#:~:text=Shelter%20found%20one%20in%2028,increase%20in%20the%20past%20year.>

[56] A Labour Housing Group blog outlining the large rent increases in Hastings – these figures were also confirmed by the housing charity Shelter. <https://thelabourcampaignforcouncilhousing.org/2023/11/24/temporary-accommodation-crisis-hastings/>

