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CCH Case Study: The Hastings Commons | Researcher: Nic Bliss | Date: July 2020

The Hastings Commons

A large scale urban community led housing ecosystem



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At a glance

- **The Hastings Commons is a collection of buildings and values in the White Rock area of Hastings**
- **The Hastings Commons is being developed by White Rock Neighbourhood Ventures (WRNV), a partnership between Jericho Road Solutions, Meanwhile Space and the Heart of Hastings Community Land Trust**
- **The Hastings Commons will incorporate some 3000+ sqm workspace, up to 400 jobs, 30 affordable homes, unique opportunities for retail, artisan, creative, leisure and cultural activity**
- **Rock House was bought in 2014. A local builder was used to develop Rock House which enabled flexibility and the use of local labour. Funding was not available to both buy the building and develop it using standard approaches**
- **It was developed through organic phased development, floor by floor over its nine floors, reaching steady state in 2018**
- **WRNV has tendered for an architect and full professional team to lead the development of the Observer Building, bought for £1.15m in 2019. They will arrange tenders for contractors in September 2020 with a view to being on site in November 2020**

Photos







Overview

Centred around two large former Hastings Observer buildings – Rock House and the Observer Building – alongside other buildings in the White Rock neighbourhood – the Hastings Commons is a collection of buildings and values being developed through White Rock Neighbourhood Ventures (WRNV).

Built in the 1920s to house a local newspaper, the Hastings and St Leonards Observer, the Observer Building became a local landmark. The Observer moving out in 1985 taking 500 jobs with it, was a prelude to the White Rock area becoming deprived. A conservation area with significant assets, it suffers from problems of derelict and abandoned buildings, houses in multiple occupation and absentee landlords. Some local improvement activity has taken place, but there are concerns about gentrification because of comparatively low land values attracting more affluent people.

Overview (Continued)

WRNV grew out of a community campaign to save Hastings Pier as an economic asset and as a well-loved local totem. The pier was reopened in 2016 and whilst now in private ownership, assembling its former 5,000 shareholders built the local community and led to the establishment of the White Rock Trust to develop the neighbourhood.

Governance problems resulted in the closure of the Trust and WRNV's development as a partnership between Jericho Road Solutions (JRS – a company specialising in helping local leaders make better neighbourhoods led by Jess Steele – a grassroots activist and entrepreneur with 25 years' experience of working with neighbourhoods), Meanwhile Space (a national social enterprise Community Interest Company set up to develop underused or redundant space for benefit of community cohesion, placemaking and enterprise) and the charitable Heart of Hastings Community Land Trust (HoH CLT). The long-term aim is that ownership of Hastings Commons properties will transfer to the CLT.

Rock House was bought in 2014 for £276K with a grant through Meanwhile Space and Jess Steele's personal equity accrued from house price inflation. After purchase, with about £80k remaining and a Quantity Surveyor's report saying that conversion would cost £1.89m, it was clear that it couldn't be developed in a normal way. WRNV has come to refer to their method of development as "organic phased development" – ie. working on one of the nine floors at a time. Work was done on the first and third floors and commercial tenants moved in. The second floor was granted to an art school for a one-year period.

Those moving in brought rent income to the Commons, but as well as having selection criteria about need and local connection, they were also selected for their enthusiasm for the ethos and to become part of the community self-management team. Jess Steele's background meant that she was aware of emerging funding sources, resulting in funding for White Rock developments coming from a patchwork quilt of over 20 different funders including the National Lottery Community Fund, the Coastal Communities Fund, a Big Issue Invest Loan and significant funding from Power to Change that enabled essential core building works. This, together with an ongoing quarter year lease on the building when bought, a dilapidations claim, and rental income from tenants, meant that Rock House reached "steady state" (ie. earning profit) by 2018.

The Hastings Observer's departure in 1985 had led to a chequered ownership for the main Observer Building, with 13 owners each making money out of its increasing value, but none doing necessary repairs. The building's value collapsed in 2013 after threat of compulsory purchase. WRNV tried unsuccessfully to buy it in 2014 at auction, but they negotiated purchase from the subsequent owner in 2019 for £1.15m.

Given legislation to enable conversion of office developments into residential units, Rock House did not require planning permission. There have been multiple planning issues in relation to the Observer Building, but because WRNV is committed to preserving the historic façade, there has generally been support for their proposals. WRNV's plans to charge the same living rent across all tenancies were challenged by requirements to include 25% 'affordable rent' (80% market value) tenancies and a report was required that showed that this approach was unviable.

The Hastings Commons build model has to date been far from ordinary. There was no obligation to tender for the Rock House development and so an engineer was appointed to lead a professional team that included an architect and Meanwhile Space were appointed as project managers. A local builder has delivered most of the building work enabling local labour employment and flexibility through scaling contracts back when resources have not been available and scaling them up when funds are secured.

It is not possible for WRNV to adopt the same build model for the larger Observer Building project and so architects and a full professional team have been tendered for and the main contractor will be chosen through tender in September 2020, with the scheme scheduled to be on site in November. The flexibility of "organic phased development" is not possible under this approach, but there will be a phased contract where there is currently less certainty as to when second and subsequent phases can proceed. They hope to retain the services of the local builder, who may not have the scale for the whole project, through tender clauses requiring local labour and sub-contractors.

Development of the Hastings Commons has been dependent on the skills and enthusiasm of the WRNV team - Jess Steele working with two Meanwhile Space directors with considerable development experience, the staff member at Heart of Hastings and the WRNV general manager who has both managed the steady state buildings and acted as the client representative for the developments. Nine members of staff are now employed, some through WRNV and some through HoH CLT.

The Hastings Commons was set up to provide capped rents. Commercial rents were set at low to mid-range market levels in 2015 and have increased with inflation since then. Residential rents are based on a third of median local income (also increasing by inflation) leading to slightly less than market rents for stable tenancies in homes of a quality far superior to local private rental housing

Quotes

"Alongside the many hours and skills I've put into the project, I hadn't earned the equity on my house, it just happened. I didn't need it – and so I wanted to make it work for my community, partly to show others that it could be done. We don't expect Hastings Commons tenants to contribute financially in this way, but we do expect everyone involved to contribute time and skills. The Hastings Commons aims to establish a new social norm, where it is considered normal to know your neighbours and contribute personally to the upkeep of the area."

Jess Steele
Jericho Road Solutions

"Our capped rents are really important to us. They will mean that a broad diversity of people will still be able to live and work in the centre of Hastings as the area starts to gentrify. But our values go beyond capped rents. The Hastings Commons is about shared values, sharing culture and organic development of a broad ecosystem of residential, commercial and public amenities through community ownership, agency and power in an environment previously suffering dereliction and abandonment. We are gradually being recognised as the beating heart of the Hastings community."

James Leathers
Heart of Hastings Community Land Trust

Learning points

- **The scale of community ambition demonstrated in the Hastings Commons is potentially possible and desirable anywhere**
- **Community redevelopment of large urban buildings and fine-grain neighbourhoods is possible if community agents adopt a flexible and locally supported approach to redevelopment**
- **Organic phased development is a means of ensuring that large and complex community projects can be delivered. Working with a committed local builder can enable flexibility and local labour**
- **Assembling the right community team – people with skills, experience and enthusiasm – collected within a practical delivery structure is important to enable ambitious projects**
- **Whilst assembling funding can be complex and time-consuming, grants and loans are available from a variety of sources for imaginative schemes that attract and stimulate public and neighbourhood vision**
- **Conversion from commercial to residential properties usually does not now require planning permission**