



Hastings Borough Council Local Plan Viability Assessment
Executive Summary (Regulation 18)

February 2026

Quality Assurance

Date of Report:	18 th February 2026
Version:	v2
Filename and path:	L:_Client Projects\2002 Hastings WPV_Hastings Borough Council_Reports\2512 Executive Summary\251216 Hastings Local Plan Viability Assessment_Executive Summary (Reg.18)_Hastings Borough Council_v0.2.docx
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Non-Technical Summary

- ES 1 AspinallVerdi have been instructed by Hastings Borough Council (hereafter referred to as “the Council”) to undertake a viability assessment of the Draft New Local Plan 2023-2041. The purpose of this assessment will be to determine whether the updated policy requirements set out in the Draft New Local Plan 2023-2041 are viable and hence deliverable. The updated assessment will also reconsider whether, in conjunction with the expanded policy requirements, there is scope to introduce a Community Infrastructure Levy for different types of development across Hastings.
- ES 2 Our viability assessment will be undertaken in accordance with the following:
- National Planning Policy Framework (NPPF)
 - Planning Practice Guidance (PPG)
 - RICS Financial Viability in Planning: Conduct and Reporting, Professional Standard, 1st Edition, May 2019
 - RICS, Assessing viability in planning under the National Planning Policy Framework 2019 for England, Professional Standard, 1st Edition, March 2021
- ES 3 This summary provides an overview of the work undertaken to date and the proposed approach to the updated testing, as of December 2025. Please note, the contents of this summary may be subject to change after further stakeholder consultation is completed as part of the Regulation 19 plan (discussed below).

Viability Assessment Principles

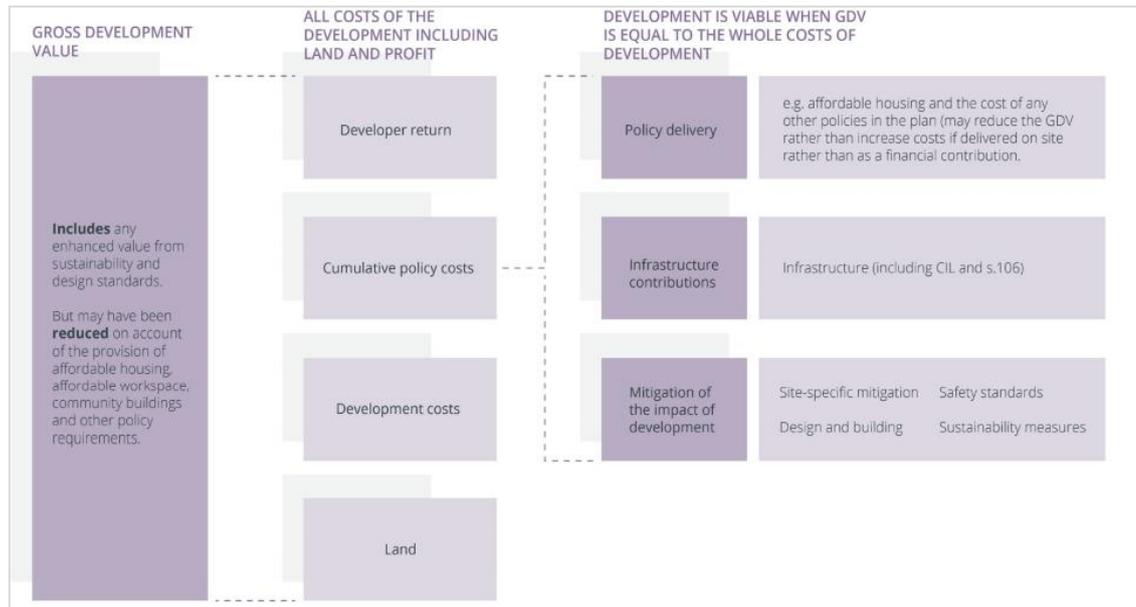
- ES 4 Paragraph 010 of the Planning Practice Guidance sets out the principles of viability assessment in planning, as follows:

‘Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.’

- ES 5 This assessment will therefore consider whether the costs of delivering new development in Hastings, including those associated with the updated policy requirements in the Draft New Local Plan and potential CIL or Section 106 obligations, are offset by the values generated upon completion. In turn, recommendations can be made on the extent of policy requirements sought from new development in Hastings, as well as the scope to introduce a CIL Charging Schedule.
- ES 6 We have run a series of development appraisals using a bespoke Microsoft Excel model as part of the previous Draft Local Plan Viability Assessment, starting in 2019 and updated to 2025. These will be updated again in 2026 to support the Regulation 19 Local Plan. The appraisals will consider the expected costs and values associated with delivering different types of development across Hastings, including residential, employment and commercial uses.

ES 7 Figure ES 1 summarises the key components within the Excel Model that are required to assess viability.

Figure ES1 - Viability Assessment Components



Source: RICS, March 2021.

ES 8 The model calculates the viability surplus (where values meet or exceed the costs) or deficit (where costs exceed the values) for each development scenario. Each appraisal is also supported by a series of sensitivity tables demonstrating how the outcomes could change in response to adjustments to the cost and value inputs, or levels of policy contributions (e.g. affordable housing / S106 / CIL).

ES 9 The cost and value inputs included within the appraisals will be updated and informed by a robust review of market evidence, as well as industry-standard assumptions and our experience of undertaking site-specific viability assessments at the application stage. The updated assumptions will also be presented to stakeholders to invite feedback and evidence from the development industry.

ES 10 In the sections below, we summarise the proposed approach to define and update the cost and value inputs in the testing.

Gross Development Value (GDV)

ES 11 The residential and commercial values adopted within our appraisals will be based on an updated analysis of the local property market in Hastings and supported by separate market reports. This will follow on from earlier residential and commercial market research undertaken in support of the local plan viability assessment.

ES 12 The market reports draw on published data from the Land Registry, marketing portals (Rightmove, Zoopla), CoStar (commercial property database) and market commentaries, as well as consultations with locally operating estate agents. This data will then be used to inform the value assumptions for the development typologies

assumed in the testing, including market sale housing, build-to-rent, older persons housing, retail, office and employment uses.

ES 13 The GDV component also includes the values associated with the provision of on-site affordable housing, as expected to be sought in the Draft Local Plan. The values applied to the affordable housing within each appraisal will be based on the tenures sought by the Council and will be discounted accordingly.

Development Costs

ES 14 The base construction costs will be updated and informed by data published on the RICS Building Cost Information Service¹ (BCIS), benchmarked against other schemes being delivered across the Borough. Additional percentage-based allowances will be made to reflect the costs of external works, professional fees and contingencies, along with a generic clearance / remediation cost for brownfield sites.

ES 15 Other non-construction related costs within the appraisals will include disposal costs (marketing, agency and legal), development finance, planning fees (including surveys & reports), empty property costs, Building Safety Levy, Future Homes Standard, land acquisition fees (SDLT, agency and legal) and a benchmark land value (discussed further below).

Cumulative Policy Costs

ES 16 We will review the policy requirements proposed in the Draft Local Plan. Those policies that will have a direct cost to development will be reflected in the appraisals. In previous iterations of the plan viability testing in Hastings (2021 – 2025), this has included the following policy requirements:

- Affordable housing
- Biodiversity net gain
- Accessibility standards – M4(2) and M4(3)
- Water efficiency standards
- Sustainable construction standards and carbon reduction
- Section 106 contributions

ES 17 From this baseline, we can make recommendations on the overall quantum of affordable housing, the specific types of affordable tenures which are viable across Hastings, as well as whether a CIL rate can be levied on private residential floorspace.

ES 18 In December 2023, a written ministerial statement (WMS, REF: UIN HCWS123) made by then Housing Minister, Lee Rowley, set out the Government's expectations on local energy efficiency standards. The statement discourages plan-makers from setting local standards that go above and beyond current or planned building regulations, advising that such policies should be rejected at examination unless they have a well-reasoned and robustly costed rationale which does not undermine viability, housing supply and affordability. Further, where local policies expect higher standards than those set out in

¹ As recommended by the PPG and RICS Professional Standard. Data obtained in December 2025.

building regulations, they should be applied flexibly in decision-making for applications and appeals.

- ES 19 The Regulation 18 - Preferred Options version of the Local Plan seeks to promote robust climate change mitigation and adaptation measures, with policies for carbon reduction, water efficiency, energy infrastructure and sustainable drainage under consideration (amongst others). Hence, our testing will consider the costs associated with any increases to construction and design standards. This will incorporate any specialist advice sought by the Council regarding the cost of meeting improved energy efficiency standards. It is noted, however, that the Council may need to take a flexible approach to ensure the costs do not undermine viability at the decision-making stage.
- ES 20 For all other policy requirements, we will include specific costs within our appraisals informed by recognised sources, other local plan viability studies and publicly available data. As noted, these costs will also be consulted on again as part of our update of stakeholder workshop, inviting feedback from landowners, developers and consultants. A full breakdown of the finalised assumptions will be included within the main body of the full viability report. Please refer to the end of this summary for further information on the stakeholder workshop.

CIL

- ES 21 As noted in the introduction, the updated viability assessment will reconsider the ability to introduce a CIL charge on certain types of development across Hastings. In our previous viability assessment (January 2021) it was recommended that a CIL charge should not be introduced in order to protect the delivery of other policy requirements, such as affordable housing. Nonetheless, we will update and re-test a range of residential and non-residential development scenarios (referred to as 'typologies') to establish the ability to introduce rates whilst maintaining the policy requirements set out in the Draft Local Plan.
- ES 22 The combined costs of the updated policy requirements and CIL contributions will need to be balanced to ensure that development in Hastings remains viable and deliverable. For example, if the Council wish to pursue the introduction of a CIL charge, then this may need to be balanced against a reduced package of policy requirements. Conversely, if the updated policy requirements within the Draft Local Plan substantially increase the costs of development, then CIL rates may need to be adjusted to maintain viability.

Developer's Return / Profit

- ES 23 The testing will reflect the range of developer's profit set out in the Viability PPG of between 15% - 20% on GDV. It is widely accepted that the risk profile on affordable housing is lower as developers have an end-user and benefit from a golden brick payment structure (i.e. income received during the construction period).
- ES 24 Similarly, the target returns adopted for any commercial uses and specialist residential accommodation (e.g. BTR and older persons housing) will be adjusted to ensure they reflect the specific type of development being tested and associated risk profiles. These risk profiles will vary from site-to-site and may need to be considered at the application stage.

Land Value

- ES 25 The benchmark land values (BLVs) will be determined using the Existing Use Value plus Premium method (EUV+) – as set out in the PPG. We have previously undertaken an assessment of land values across Hastings to inform the BLVs adopted in earlier versions of the viability testing. A separate Land Market Paper has been prepared and will be updated to reflect any new evidence as part of the Regulation 19 version of the Local Plan (including feedback from stakeholders).
- ES 26 It is important to note that the BLV should not be expected to equate to the market value of land, nor the price expected to be paid in a marketplace. It is instead a mechanism against which the viability of developer contributions and policy requirements can be assessed.² Further, should any development incur additional site-specific or abnormal costs beyond those identified in this study, then it would be expected that these would be reflected in a reduced land value. This follows the approaches promoted in both the Viability PPG and RICS Professional Standard.

Approach

- ES 27 The viability testing will consider both residential and non-residential growth identified in the Draft Local Plan, as follows:

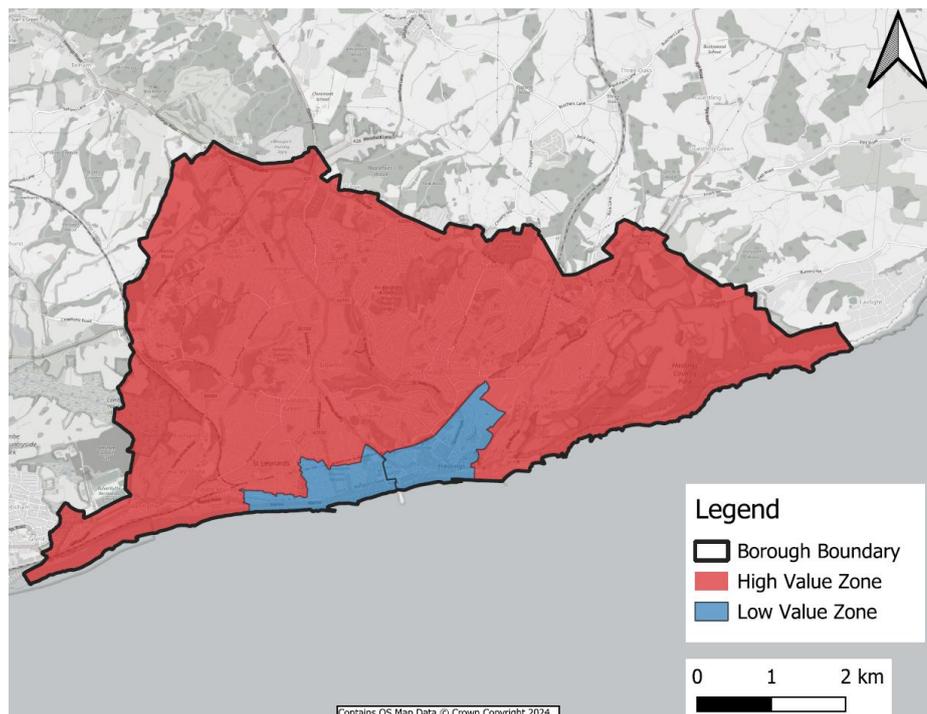
Residential

- ES 28 For plan-making, it is not necessary to individually test the viability of every site allocated within the plan or expected to come forward over the plan period. Instead, the Viability PPG promotes a typology approach, which allows sites to be grouped based on similar characteristics such as location, size, density, value zone and whether they are brownfield or greenfield.
- ES 29 The typologies previously formulated were informed by a list of sites provided by the Council for consideration as part of the plan making process. We understand these sites had been through a preliminary assessment and screening process to consider those which have a higher prospect of coming forward for development over the plan period. The list also included a number of windfall sites which have received consent across Hastings in recent years which are representative of the type of development which would be acceptable, in principle. These typologies will be updated to reflect any changes in the Regulation 19 version of the Local Plan, recognising that circumstances with some sites may have since changed (e.g. densities), but also considering the most up-to-date housing need across the Borough.
- ES 30 There were previously no specific sites within the plan which required the provision of specialist types of residential accommodation, notably older persons' housing and build-to-rent. Accordingly, we will instead develop generic development typologies based on the typical expectations of these types of housing developer / provider.

² RICS, Assessing viability in planning under the National Planning Policy Framework 2019 for England, Professional Standard, 1st Edition, March 2021

ES 31 In determining the residential typologies, the guidance allows us to vary the testing by value zone. We will review the new-build sold prices of schemes across Hastings, including an analysis of individual unit prices, sizes and £ / psm rates. Based on our updated residential market review, we will then devise value zones to adopt in the testing. From previous versions of the viability work, we had intended to adopt two value zones given the limited variation in values and the size of the Borough, as shown in Figure ES2. We will review this approach in light of the updated evidence and feedback from stakeholders.

Figure ES2 – Previous Value Zone Proposals



Source: QGIS, 2024.

ES 32 The guidance also allows us to vary the testing by greenfield and brownfield development. We will therefore reanalyse the pattern of proposed development in each of the value zones by land type and size. If necessary, we will create typologies representative of development not covered by sites allocated in the plan, such as those below the major development threshold. A breakdown of the typologies will be appended to the main report.

Non-residential

ES 33 As with the residential sites, these will be reconsidered and grouped where appropriate to form typologies based on common characteristics. We will develop generic commercial typologies based on the most common types of non-residential development, which will be varied subject to size and location (i.e. greenfield or brownfield).

ES 34 As with the residential testing, these models will identify whether the updated policy requirements for non-residential development in Hastings are viable, and also whether there is scope to introduce CIL on different types of non-residential development.

Stakeholder Consultation

ES 35 After reviewing the proposed obligations and updated site typologies, we will update our previous evidence base to account for the latest data, we will then host a stakeholder workshop to present the emerging assumptions and invite feedback, comments and representations which can be considered as part of the viability testing.

ES 36 Working with the Council, the updated assessment will seek to identify stakeholders who may hold an interest in the outcome of the viability work. This typically includes (but is not limited to) developers, landowners, consultants, applicants, agents, promoters, investors, registered providers, regulatory bodies, local interest groups and infrastructure leads.

ES 37 This will be hosted virtually / online, and will seek to present an overview of the viability process, work undertaken to date and the proposed cost and value assumptions to adopt in the testing. We will then invite feedback and written representations to be submitted after the workshop for consideration as part of the viability assessment. Crucially, we will seek any comments to be supported by appropriate evidence.

ES 38 If you would like to attend the workshop, please advise the Council's Planning Policy Team at fplanning@hastings.gov.uk

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