



For and on behalf of
Hastings Borough Council and Rother District Council

Housing and Economic Development Needs Assessment Update

Prepared by
Research and Analysis
DLP Planning Ltd

with
Edge Analytics Ltd

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CONTENTS	PAGE
1 Introduction	4
2 Changes to National Policy	8
3 Updated Local Housing Need and Demographic Scenarios	12
4 Affordable Housing Needs	48
5 Housing Mix	74
6 Needs of Looked After Children	110
7 Economic Baseline and Key Job Sectors	119
8 Employment Land Need	136
9 Supply and Demand Balance	172
10 Summary of Updated Recommendations	181
 Appendix A Affordability & Income	
Appendix B Committed Supply	
Appendix C HEDNA 2024 Affordable Needs Comparison	

1 INTRODUCTION

Purpose of the Update

- 1.1 The Rother and Hastings Housing and Economic Development Needs Assessment Update was finalised in February 2024. It provides an assessment of housing needs, including the type and tenure of housing required and the specialist housing needs of different groups, together with an assessment of future economic growth and employment land needs across Hastings Borough and Rother District.
- 1.2 Since the publication of the 2024 HEDNA, both Councils have progressed their respective Local Plans and have amended the plan periods which underpin the emerging spatial strategies. The Hastings Local Plan now covers the period 2023–2041, while the Rother Local Plan covers the period 2025–2042. This has implications for the HEDNA evidence, as a number of the housing and employment calculations are sensitive to the relevant base date, end date and monitoring period applied.
- 1.3 The revised plan periods affect the period over which local housing need, demographic modelling outputs, affordable housing need and employment land requirements are considered. Particularly in relation to needs for economic development they also affect the treatment of past completions, committed supply, delivery since the previous HEDNA base date, flexibility margins and any replacement allowance for losses of employment floorspace. The purpose of this Addendum is therefore to update the relevant elements of the 2024 HEDNA so that they align with the revised plan periods and the latest available evidence.
- 1.4 The December 2024 version of the National Planning Policy Framework also introduced a number of changes which are relevant to the assessment of housing and economic development needs. These include changes to the Government's Standard Method for calculating local housing need; the inclusion of looked after children within the list of groups whose needs should be assessed and reflected in planning policies; the removal of the requirement for a minimum of 25% of affordable housing to be delivered as First Homes; and an updated list of sectors whose specific locational requirements should be considered in planning for economic development.
- 1.5 An Evidence Note was prepared in October 2025 for Hastings Borough Council's Regulation 18 draft Plan consultation (February 2026 - April 2026). This note set out the implications of the December 2024 NPPF for the then-current HEDNA evidence base. That note identified the elements of the 2024 HEDNA which required review, including local housing need, demographic modelling, affordable housing need, housing mix, older persons' housing, the needs of other specific groups, employment land supply and

demand, flexibility margins and replacement allowances. This Addendum takes forward that review and provides updated evidence to inform the Regulation 19 versions of the Hastings and Rother Local Plans.

- 1.6 The Addendum does not replace the 2024 HEDNA in full. Rather, it should be read alongside the 2024 HEDNA and only supersedes those sections, paragraphs, tables and recommendations identified in Section 2 of the addendum. Where no update is identified, the conclusions of the 2024 HEDNA remain unchanged, particularly in terms of observations on the housing needs of different groups.

Scope

- 1.7 The scope of this Addendum is to:
- update the local housing need position for Hastings and Rother using the current Standard Method;
 - update the demographic modelling outputs required to support the assessment of housing mix and the needs of specific groups;
 - recalculate affordable housing need using the methodology applied in the 2024 HEDNA, taking account of the removal of the First Homes requirement;
 - consider the needs of looked after children, separated children and care leavers, drawing on evidence provided by East Sussex County Council Children's Services;
 - update the employment land need calculations to reflect the revised plan periods, recent completions, committed supply, flexibility margins and loss replacement assumptions;
 - provide a light-touch review of priority sectors and relevant employment market signals, including the specific locational requirements of sectors identified in national policy; and
 - set out updated recommendations for housing and employment land policy, identifying where these replace or supplement the 2024 HEDNA conclusions.
- 1.8 A schedule of superseded and updated sections is provided below to ensure that the relationship between this Addendum and the 2024 HEDNA is clear for plan-making purposes.

Table 1. Summary of superseded sections of the HEDNA as part of this Addendum

HEDNA (2024) Section	Subject	Status	Addendum Section
Section 5	Local Housing Need	Superseded insofar as the Standard Method calculation is updated to reflect the current methodology and latest inputs.	Section 3
Section 6	Housing Growth Scenarios	Partially superseded where demographic scenarios are updated to reflect the revised local housing need and revised plan periods.	Section 3
Section 7	Affordable Housing Needs	Superseded where affordable housing need is recalculated using the same methodology, updated inputs and removal of the First Homes requirement.	Section 4
Section 8	Housing Mix	Partially superseded where updated demographic modelling and differences in projected trends in household formation changes the recommended size and tenure mix.	Section 5
Section 10	Meeting the Housing Needs of Other Specific Groups	Supplemented to address looked after children, separated children and care leavers.	Section 6
Section 12	Economic Policy Context and Literature Review	Partially updated to reflect the December 2024 NPPF priority sectors and any relevant local economic evidence.	Section 7
Section 13	Economic Baseline	Partially updated through the light-touch market and sector review, where relevant.	Section 7
Section 14	Commercial Market Signals and Completions Trends	Partially superseded where updated completions, losses and pipeline information is used.	Sections 7, 8 and 9
Section 15	Future Economic Growth	Partially updated where priority sectors and local sector projections are reviewed.	Sections 7 and 8
Section 18	Future Employment Land Needs	Superseded where employment land need calculations are updated to reflect revised plan periods, completions, flexibility margin and loss allowance.	Section 8

HEDNA (2024) Section	Subject	Status	Addendum Section
Section 19	Supply/Demand Balance to Address Future Needs	Superseded where the updated employment land supply/demand balance is presented.	Section 9
Section 20	Conclusions on Economic Growth and Employment Land Needs	Superseded where updated employment land recommendations are provided.	Section 10
Executive Summary and Section 11	Summary conclusions	Superseded only where conclusions are directly updated by the Addendum.	Section 10

2 CHANGES TO NATIONAL POLICY

- 2.1 Since the 2024 HEDNA was prepared, there have been a number of changes to national planning policy and guidance which are directly relevant to the assessment of housing and economic development needs in Hastings and Rother.
- 2.2 The National Planning Policy Framework was updated in December 2024, replacing the previous December 2023 version. The Planning Practice Guidance has also been updated, including the guidance on the Standard Method for assessing local housing need.
- 2.3 These changes do not require the 2024 HEDNA to be replaced in full. However, they do require an update to those parts of the evidence base which are affected by the revised national policy position, updated Planning Practice Guidance, amended Local Plan periods and the latest available monitoring evidence. The key changes relevant to this Addendum are set out below.
- 2.4 This Addendum has been prepared to support the emerging Hastings and Rother Local Plans, which are being progressed under the legacy plan-making system. The assessment was prepared substantially during the period in which the December 2024 National Planning Policy Framework was the relevant version of national policy for those Plans, and the evidence, terminology and policy references in this Addendum are therefore framed by that version of the Framework and the associated Planning Practice Guidance.
- 2.5 The August 2026 National Planning Policy Framework is acknowledged; however, the emerging Hastings and Rother Local Plans are not being prepared under the new plan-making system. Accordingly, the August 2026 Framework does not form the basis for the preparation of this Addendum or the emerging Local Plans, save where expressly referenced for context. This Addendum should therefore be read as updated evidence prepared to inform Local Plans progressing under the legacy arrangements and the applicable December 2024 Framework.

Revised Standard Method

- 2.6 The most significant change for the housing need assessment is the revised Standard Method for calculating minimum local housing need. The 2024 HEDNA was prepared using the previous Standard Method, which used (2014-based) household projections as the demographic baseline, with an affordability adjustment then applied. The revised Standard Method has moved away from a household projection-led baseline and is now based on existing housing stock.

- 2.7 Planning Practice Guidance¹ now states that the first step in the Standard Method is to set the baseline at “0.8% of existing housing stock” for the local authority area. Further details of this are set out in Section 3 of this report. This is then adjusted to take account of affordability, using the mean average of the median workplace-based affordability ratio over the five most recent years for which data is available. PPG² explains that housing stock provides a “*stable and predictable baseline*” and that the affordability adjustment directs more homes to where they are most needed.
- 2.8 The revised Standard Method calculation is therefore considered in detail in Section 3 of this Addendum. The updated local housing need figures also inform the associated demographic modelling, household projections, affordable housing and housing mix assessments.

Looked-after children and specific housing needs groups

- 2.9 The December 2024 NPPF also includes changes to the way the housing needs of different groups should be assessed and reflected in planning policies. Paragraph 63 states that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. The list of groups now expressly includes “*looked after children*”.
- 2.10 This is an additional group to those considered in the 2024 HEDNA. The Addendum therefore includes a focused assessment of looked after children needs in Section 6. This assessment draws on national policy, published Department for Education data and additional evidence provided by East Sussex County Council.
- 2.11 The Addendum does not identify a numerical requirement for looked-after children’s accommodation in Hastings or Rother, as these needs are planned and commissioned at county level and are influenced by placement availability across East Sussex. However, the evidence is used to inform whether additional supporting text or policy wording may be required as the Local Plans progress particularly in relation to supporting and managing future supply through changes to the use of land or buildings.
- 2.12 The other specific groups considered in Section 10 of the 2024 HEDNA have not been reassessed in full as part of this Addendum. The purpose of the Addendum is to provide a focused update where changes to national policy, revised plan periods or new evidence materially affect the conclusions of the 2024 HEDNA. With the exception of looked-after children, separated children and care leavers, the December 2024 NPPF does not introduce additional specific housing needs groups which were not already considered through the 2024 HEDNA.

¹ PPG Reference ID: 2a-004-20241212

² PPG Reference ID: 2a-005-20241212

- 2.13 Methodologically it remains appropriate to consider the needs of other groups assessed previously in undertaking the next steps of plan-making. These assessments exist independently to stock-based assumptions for the revised standard method. They remain a robust guide to the types of development that should be supported to address these needs in accordance with national policy and guidance and to inform the potential proportions of provision that might be secured through policy to deliver these on qualifying sites (and to inform viability testing, where appropriate).
- 2.14 The updated demographic modelling and housing mix evidence presented in this Addendum continue to provide relevant context for the needs of different groups, including older people, people with disabilities, families with children and households requiring different sizes and tenures of accommodation. However, no evidence has been identified through this focused review which indicates that the broader conclusions and recommendations of the 2024 HEDNA for these groups require replacement. Those elements of the 2024 HEDNA should therefore continue to be read alongside this Addendum, with the new assessment of looked-after children, separated children and care leavers supplementing the previous evidence.
- 2.15 In presenting the details of provision for the needs of other groups as part of specific policies and assumptions on supply as part of the final selected housing requirements the Councils may in due course (for example as part of Topic Papers) wish to evaluate whether the latest indicators of household and population change have any bearing on the overall scale of needs and whether these would be met in full. This does not in itself prevent robust policies being prepared and consulted upon based on the outputs from this Update applied in-tandem with the broadly comparable (for qualifying groups) indicators of population and household change applicable to the 2024 HEDNA.

Affordable housing, Social Rent and First Homes

- 2.16 Affordable housing policy has also changed since the 2024 HEDNA was prepared. Paragraph 64 of the NPPF now states that, where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, including the “minimum proportion of Social Rent homes required”. Paragraph 66 also refers to the need for the affordable housing mix to meet identified local needs across Social Rent, other affordable housing for rent and affordable home ownership tenures.
- 2.17 Footnote 31 also confirms that the previous national requirement for a minimum of 25% of affordable housing secured through developer contributions to be delivered as First Homes “*no longer applies*”. Delivery of First Homes can continue where local planning authorities judge that they meet local need, but they are no longer a nationally required component of the affordable housing tenure mix.

- 2.18 These changes mean that the affordable housing need and tenure recommendations in the 2024 HEDNA should be reviewed. The Addendum therefore updates the affordable housing evidence and considers the appropriate tenure mix considering the latest national policy position and local evidence.

Employment land and the modern economy

- 2.19 The December 2024 NPPF also places greater emphasis on planning for the needs of a modern economy. The addition of Paragraph 86c requires planning policies to pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.
- 2.20 Paragraph 87 also requires planning policies and decisions to recognise and address the specific locational requirements of different sectors. This includes provision for knowledge and data-driven industries, data centres and grid connections, storage and distribution operations, and industries of local, regional or national importance.
- 2.21 These changes are relevant to the employment land evidence because they require consideration not only of the overall employment land required, but also the type, quality and location of land needed to support different economic sectors. Particularly for the logistics sector the changes also recognise that the nature of future needs is different at different scales. The Addendum will therefore cover this requirement in part through updating the employment evidence, including updated key sectors, BRES and Location Quotient evidence, stakeholder feedback, market signals, updated forecasts and the latest employment land monitoring position. The quality, suitability and deliverability of proposed employment sites are considered through the respective authorities' land availability assessments. This includes the Hastings Strategic Housing and Employment Land Availability Assessment (SHELAA) 2025 and the Rother Housing and Economic Land Availability Assessment (HELAA) 2026, together with the wider Local Plan site selection and allocation process.
- 2.22 The Addendum has therefore been prepared as a focused update to the 2024 HEDNA. It updates those elements of the evidence base affected by changes to national policy, updated guidance, revised plan periods and the latest monitoring evidence. It does not supersede all elements of the 2024 HEDNA where for the purpose of the current stage of plan-making the Councils have determined that the previous evidence and recommendations remain appropriate.

3 UPDATED LOCAL HOUSING NEED AND DEMOGRAPHIC SCENARIOS

3.1 The 2024 HEDNA calculated local housing need using the then-applicable Standard Method. This identified a minimum local housing need figure of 737 dwellings per annum for Rother and 481 dwellings per annum for Hastings, using a 2022 base year.

3.2 Since the publication of the 2024 HEDNA, the Standard Method has been amended. The most recent indication of minimum local housing need for both authorities is therefore provided by the current Standard Method set out in national planning practice guidance.

3.3 Paragraph 62 of the National Planning Policy Framework states:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”

3.4 The Planning Practice Guidance³ (PPG) confirms that the Standard Method should be used to assess housing needs for strategic policy-making purposes. It states that the Standard Method identifies a minimum annual housing need figure and ensures that plan-making is informed by an unconstrained assessment of the number of homes needed in an area. It also confirms that the Standard Method does not produce a housing requirement figure⁴. The housing requirement is the minimum number of homes that a plan seeks to provide during the plan period, having regard to land availability, constraints on development and any other relevant matters.

3.5 The PPG⁵ further states that the Standard Method should be used to assess housing needs, although there may be specific circumstances in which an alternative approach could be justified. No such circumstances are considered to affect Rother or Hastings, consistent with the approach to the 2024 HEDNA.

Standard Method Calculation

3.6 The PPG¹ sets out the calculation of the standard method. The current Standard Method comprises two steps:

³ PPG Reference ID: 2a-002-20241212

⁴ PPG Reference ID: 2a-040-20241212

⁵ PPG Reference ID: 2a-003-20241212

- **Step 1:** setting the baseline, based on 0.8% of the existing housing stock for the local authority area; and
- **Step 2:** applying an affordability adjustment, based on the five-year average median workplace-based affordability ratio.

3.7 The affordability adjustment is applied where the five-year average affordability ratio is above 5. The adjustment factor is calculated as follows:

$$\text{Adjustment Factor} = ((\text{five-year average affordability ratio} - 5) / 5) \times 0.95 + 1$$

3.8 The minimum annual local housing need figure is then calculated by multiplying the housing stock baseline by the adjustment factor.

3.9 The latest Standard Method calculation for Hastings and Rother is set out in the table below.

Table 2. Standard Method calculation May 2026

Calculation	Hastings	Rother
Step 1		
Dwelling stock including vacant dwellings	45,017	47,423
0.8% of housing stock	360	379
Step 2		
Five-year average affordability ratio	9.76	12.15
$((\text{five-year average affordability ratio} - 5) / 5) \times 0.95$	0.9	1.36
Affordability uplift + 1	1.9	2.36
Minimum annual local housing need	686	895

Source: DLP analysis of MHCLG (Table 125), ONS ([median workplace-based affordability ratios](#))

3.10 The calculation identifies a minimum annual local housing need figure of 686 dwellings per annum for Hastings and 895 dwellings per annum for Rother.

Comparison with the 2024 HEDNA

3.11 The updated Standard Method calculation increases the minimum annual local housing need figure for both authorities when compared with the position identified in the 2024 HEDNA. For Hastings, the figure increases from 481 dpa to 686 dpa. For Rother, the figure increases from 737 dpa to 895 dpa.

Table 3. Comparison with the 2024 HEDNA local housing need figures

Authority	2024 HEDNA LHN	Standard Method LHN (May 2026)	Change	Percentage change
Hastings	481	686	205	42.6%
Rother	737	895	158	21.4%

Source: DLP of standard method outcome and HEDNA 2024

Local Housing Need Over the Plan Period

- 3.12 The updated Standard Method figures represent minimum annual local housing need. They do not represent the housing requirement for either Local Plan. The housing requirement will be determined through the plan-making process, taking account of the local housing need figure, land availability, development constraints, unmet needs and any other relevant matters.
- 3.13 For the purpose of understanding the scale of need over the plan period, the annual Standard Method figures have been projected across the emerging plan periods for each authority.

Table 4. Updated local housing need over the plan period

Authority	Plan period	Length of plan period	Updated annual LHN	Total LHN over plan period
Hastings	2023-2041	18 years	686	12,348
Rother	2025-2042	17 years	895	15,215

- 3.14 The figures in the table above provide the updated minimum local housing need position for each authority based on the current Standard Method. They should be read as an unconstrained assessment of housing need and not as the final housing requirement to be included in the Local Plans.

Demographic Scenarios

- 3.15 The 2024 HEDNA was informed by demographic modelling prepared by Edge Analytics. For the purposes of this Addendum, Edge Analytics has updated the demographic modelling using the same broad demographic forecasting framework, but with updated inputs to reflect the revised plan periods, latest available demographic evidence including the context provided by the 2022-based subnational population projections, updated

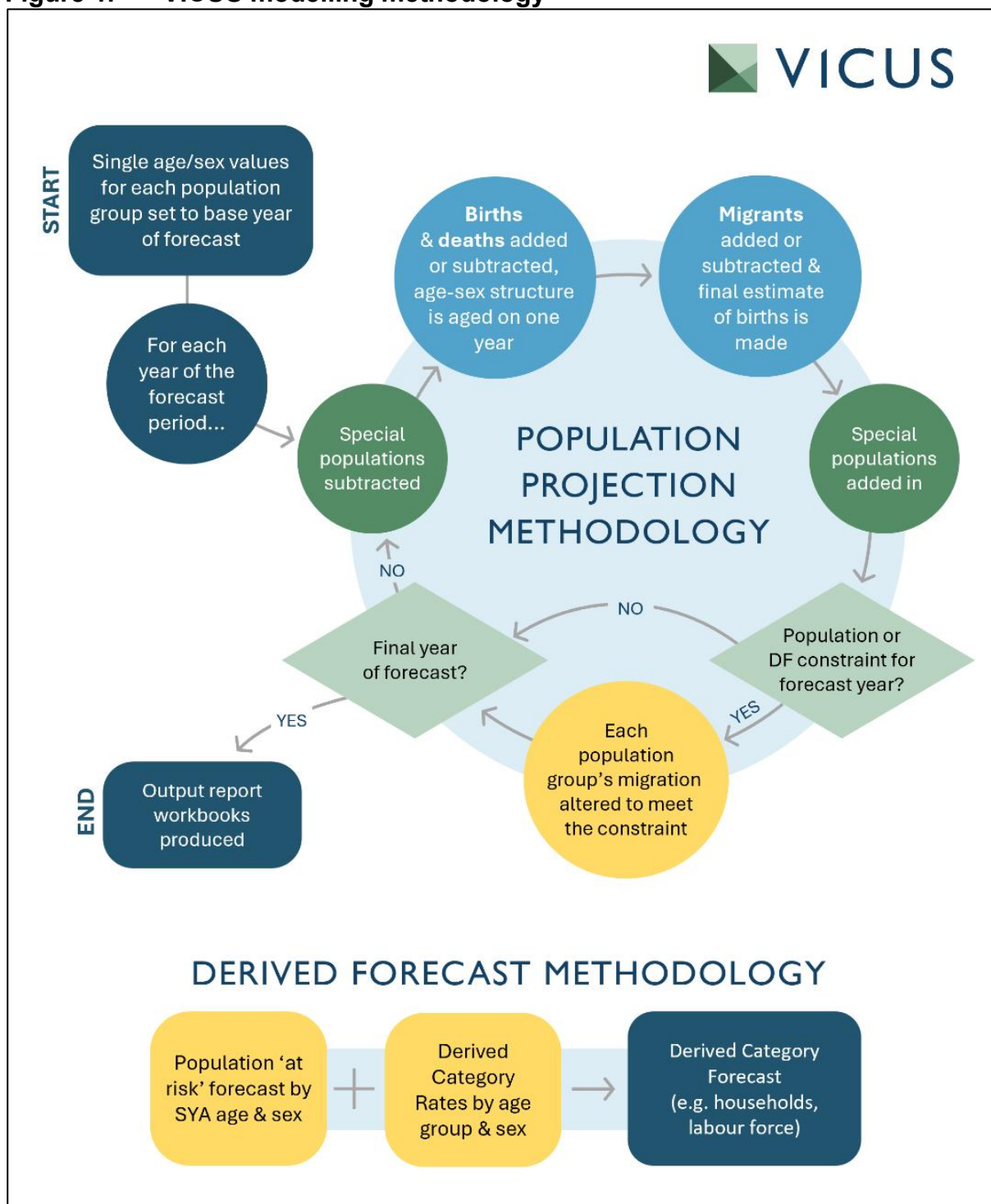
(2022-based) household headship assumptions and the revised Standard Method local housing need figures. The updated outputs are presented in this section and are used to inform the assessment of affordable housing need, housing mix and the needs of specific groups.

- 3.16 The Standard Method provides the minimum annual local housing need figure for each authority, but it does not provide a demographic profile of the population and household change associated with different levels of housing growth. The updated modelling therefore provides an indication of how population, households, dwellings and labour force may change under a range of demographic, dwelling-led and employment-led scenarios.

Forecasting Methodology

- 3.17 A range of demographic scenarios has been developed using Edge Analytics' in-house forecasting models, VICUS.
- 3.18 The main VICUS model is a 'cohort component' model, which enables the development of population forecasts by single year of age and sex using assumptions related to fertility, mortality and migration (internal and international in and out flows), in line with the methodology used by the Office for National Statistics (ONS) and other statistical agencies.
- 3.19 Alongside this is the VICUS-DF ('derived forecast') model, providing a headship / membership rate model for household and dwelling projections and an economic activity rate model for labour force and employment projections.

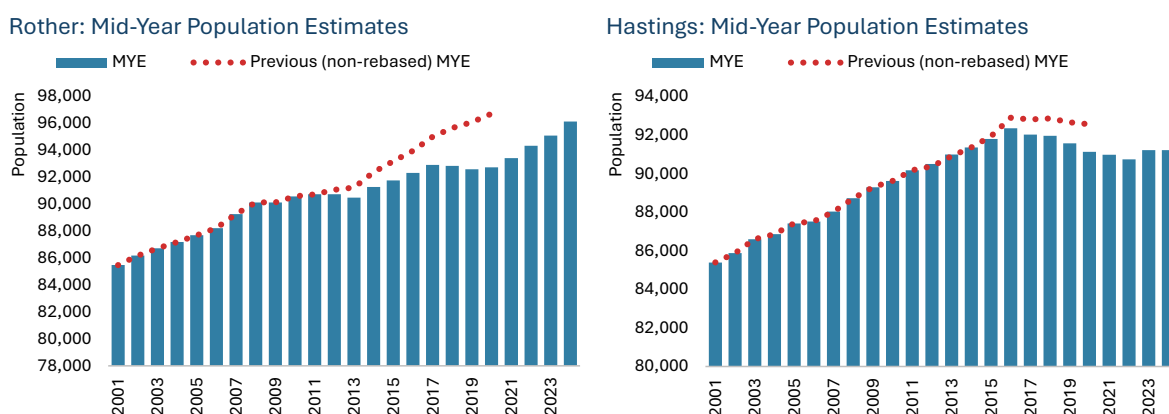
Figure 1. VICUS modelling methodology



Mid-Year Population Estimates (MYE)

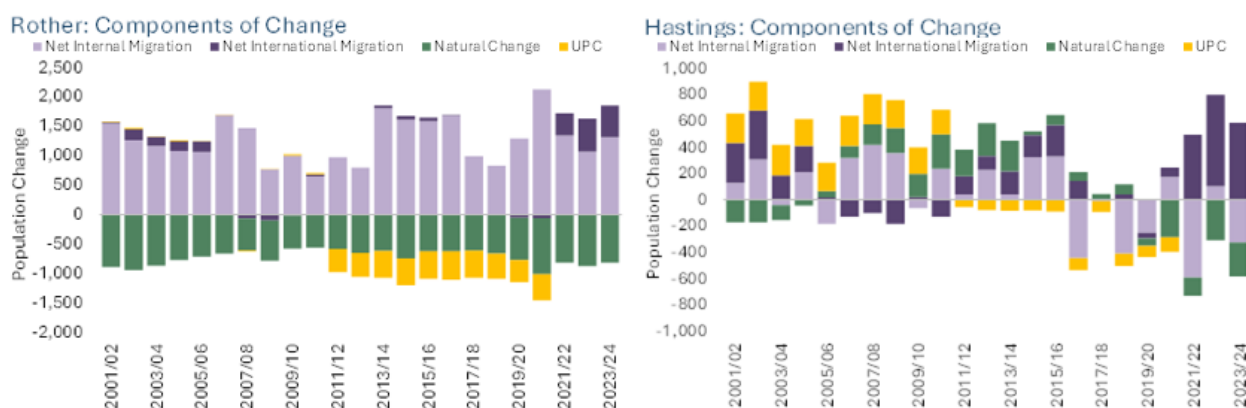
- 3.20 Detail is provided below on the scenario inputs and assumptions. A range of fertility, mortality and migration assumptions have been derived from the ONS historical mid-year population estimates (MYE) (Figure 2) and the associated components of change (Figure 3) for Hastings and Rother.

Figure 2. Mid-year population estimates 2001–2024



Source: ONS

Figure 3. Components of change 2001/02–2023/24



Source: ONS

- 3.21 The 'UPC' adjustment in Figure 3 relates to 'unattributable population change', which is an adjustment that is included in the rebased MYE published by ONS after the 2021 Census. ONS does not assign it to any one of the components of change (natural change, net internal migration, net international migration), suggesting it could be due to the migration estimates and/or issues with the Census estimates.

- 3.22 Edge Analytics considers that UPC is most likely associated with the misestimation of international migration, as this is the component that is the most challenging to estimate. The UPC adjustment is therefore included within the international migration history for the purposes of configuring the Edge Analytics scenarios. Note that ONS does not account for UPC within its population projections. The Edge Analytics approach aligns with that adopted by the Greater London Authority (GLA) in the production of their population projections for London and local authorities in England.⁶
- 3.23 To ignore UPC misrepresents the historical profile of population growth in an area. In both Hastings and Rother, the inclusion of the 2011-2021 UPC adjustment decreases the net international migration over this time period. For Rother in particular the application of the UPC adjustment effectively results in historic estimates of a negative net change in population from international in- and out-migration. The precise source of differences between previous intercensal MYPEs and revised MYPEs following the Census 2021 may not correspond exactly to this pattern of negative net international migration. For example, there could be differences within other administrative sources used to inform MYPEs. However, the effect of accounting for UPC gives a more robust profile for the demographic characteristics of the area (and the characteristics of resulting natural change and change through migration by age and sex) from year-to-year.
- 3.24 The higher levels of net international migration evident in the component history from 2021/22 reflect changes seen at a national level; since 2021, the UK has seen unprecedented levels of net international migration⁷, linked to migration through humanitarian routes, non-EU work-related migration in the health and social care sector, and an increase in the number of dependents arriving with non-EU workers on long-term work visas.⁸ The ONS highlights that pent-up demand for study following the COVID-19 pandemic also impacted the net migration figures.
- 3.25 Within estimates for year ending (YE) December 2024, net international migration to the UK was estimated to have nearly halved from its 2023 peak.⁹ In November 2025, ONS further revised the December 2024 UK estimate downwards from 431,000 to 345,000. This adjustment has been made following changes to the methods used to estimate EU+ and British national migration.¹⁰
- 3.26 The latest ONS data further reinforces this reduction: long-term international net migration for YE December 2025 has nearly halved from YE December 2024 (updated to 331,000). ONS states that this level was last seen when the new immigration system was introduced

⁶ GLA (Aug 2025) [ONS 2022-based Subnational Projections](#)

⁷ ONS (Nov 2024) [Long-term international migration, provisional: year ending June 2024](#)

⁸ ONS (Nov 2023) [Long-term international migration, provisional: year ending June 2023](#)

⁹ ONS (May 2025) [Long-term international migration, provisional: year ending December 2024](#)

¹⁰ ONS (Nov 2025) [Improving long-term international migration statistics](#)

in early 2021, and the coronavirus (COVID-19) pandemic travel restrictions were still in place.¹¹

- 3.27 Accounting for the uncertainty around future levels of international migration and the unprecedented levels seen between 2021 and 2024, Edge Analytics has developed three alternative trend scenarios, based on a 5, 10, and 15-year history.
- 3.28 Caution should be exercised when relying on short-term migration trends as a basis for planning, as the levels of international migration seen between 2021 and 2024 are unprecedented and are unlikely to return in the short-term.

Scenario Definition

- 3.29 A range of scenarios have been configured for Hastings and Rother (Table 5), including trend, dwelling-led and employment-led (Figure 5).
- 3.30 The official benchmark is provided by the 'migration category' variant of the 2022-based subnational population projections (SNPP) from ONS (SNPP-2022-MigCat). The migration category variant is recommended by ONS in place of the principal projection due to the inclusion of "updated migration data".¹²
- 3.31 With an additional two years of mid-year population estimate (MYE) evidence, the Edge Analytics alternative Trend scenarios are based on a 5, 10, and 15-year migration history.
- 3.32 The Dwelling-led LHN scenario is driven by the Standard Method local housing need (LHN) figures for Hastings and Rother. The Dwelling-led Plan scenario is driven by the Regulation 18 Local Plan housing targets. In a dwelling-led scenario, net internal migration is used to balance between dwelling and population growth.
- 3.33 The Employment-led scenario is driven by forecast employment growth for Hastings and Rother. Detail on the scenario inputs and assumptions is provided below. In this type of scenario, net internal migration is used to balance between employment and population growth.

¹¹ ONS (May 2026) [Long-term international migration, provisional: year ending December 2025](#)

¹² PPG Reference ID: 2a-020-20190220

Table 5. VICUS scenario definitions

Name	Description
SNPP-2022-MigCat	Reproduces the ONS' 2022-based migration category subnational population projections (SNPP) for Hastings and Rother. Fertility, mortality and migration assumptions consistent with the official projections. Scenario base year of 2022.
Trend-5yr	Trend-based scenario with a 2024 base year. Migration assumptions calibrated from a 5-year historical period (2019/20–2023/24). Fertility and mortality assumptions from a 5-year history.
Trend-10yr	Trend-based scenario with a 2024 base year. Migration assumptions calibrated from a 10-year historical period (2014/15–2023/24). Fertility and mortality assumptions from a 5-year history.
Trend-15yr	Trend-based scenario with a 2024 base year. Migration assumptions calibrated from a 15-year historical period (2009/10–2023/24). Fertility and mortality assumptions from a 5-year history.
Dwelling-led LHN	Population growth from 2024 driven by the annual change in the number of dwellings, derived using the government's Standard Method for calculating local housing need (LHN). The May 2026 LHN for Rother is <u>895</u> and for Hastings, <u>686</u> . Migration assumptions calibrated from a 10-year history (2009/10–2023/24). Fertility and mortality assumptions from a 5-year history.
Dwelling-led Plan	Population growth from 2024 driven by the annual change in the number of dwellings, drawn from the respective 2026 Reg.18 Local Plans, at a rate of 495 dwellings per year in Rother, and 187 per year in Hastings. Migration assumptions calibrated from a 10-year history (2009/10–2023/24). Fertility and mortality assumptions from a 5-year history.
Employment-led	Population growth from 2024 onwards driven by the annual change in employment, derived from workforce jobs forecasts for Hastings and Rother (provided by DLP). Double jobbing adjustment derived from Annual Population Survey (APS) statistics. Migration assumptions calibrated from a 10-year history (2009/10–2023/24). Fertility and mortality assumptions from a 5-year history.

Figure 4. VICUS modelling methodology: trend scenarios

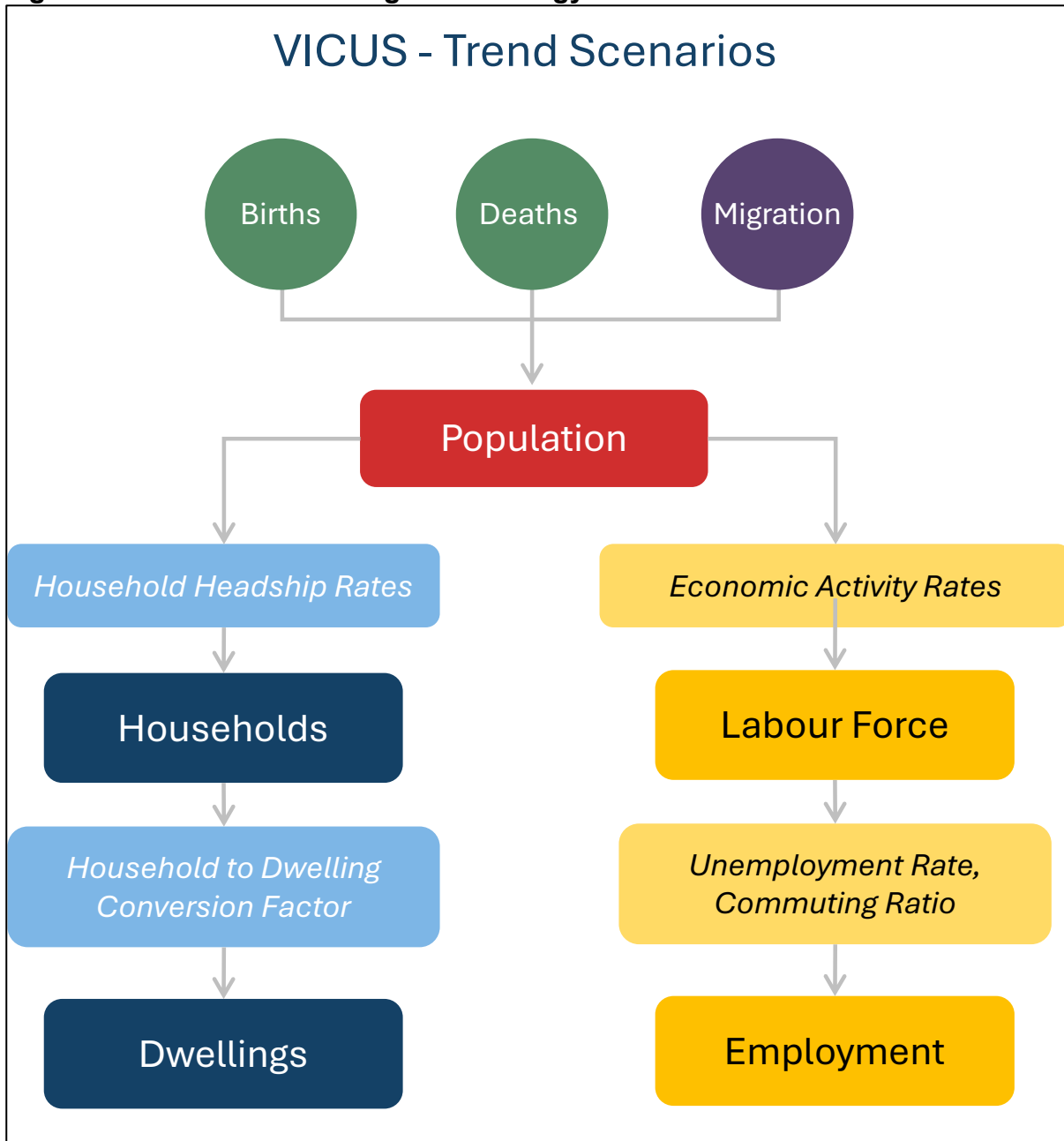
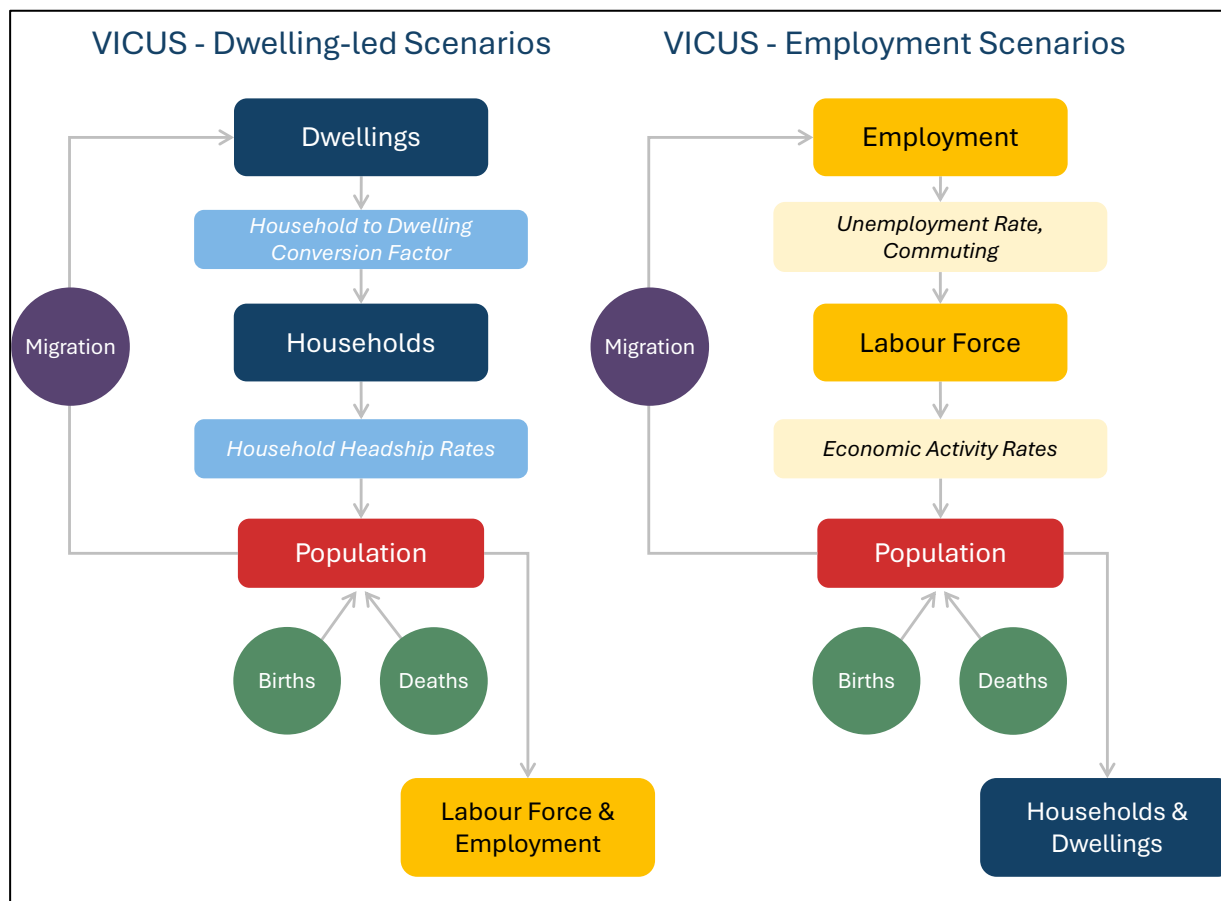


Figure 5. VICUS dwelling-led and employment-led scenarios



Scenario Assumptions

Population

- 3.34 In the SNPP-2022-MigCat scenario, the official population projection from ONS is replicated in all years from 2022 onwards.
- 3.35 In all other scenarios, the forecast base year is provided by the 2024 ONS MYE, disaggregated by single year of age and sex. From the 2024 base year onwards, future population counts are estimated by single year of age and sex, using the defined assumptions on fertility, mortality, migration outlined below.

Births & Fertility

- 3.36 In the SNPP-2022-MigCat scenario, future counts of births are reproduced to ensure consistency with the ONS 2022-based SNPP migration category projection up to 2047.
- 3.37 In all other scenarios, an area-specific and age-specific fertility rate (ASFR) schedule is derived from a five-year history of historical births data (2019/20–2023/24). In combination with the ‘population at risk’ (i.e. all women between the age of 15–49). From 2024/25, the

ASFR is adjusted to reflect the area-specific annual rate of change in the long-term fertility assumptions of the 2022-based SNPP.

Deaths & Mortality

- 3.38 In the SNPP-2022-MigCat scenario, future counts of deaths are reproduced to ensure consistency with the ONS 2022-based SNPP migration category projection up to 2047.
- 3.39 In all other scenarios, an area-specific and age-specific mortality rate (ASMR) schedule is derived from a five-year history of historical deaths data by sex (2019/20–2023/24). In combination with the ‘population at risk’ (i.e., the total population). From 2024/25, the ASMR is adjusted to reflect the area-specific annual rate of change in the long-term mortality assumptions of the 2022-based SNPP.

Internal Migration

- 3.40 In the SNPP-2022-MigCat scenario, future migration counts are consistent with the ONS’ 2022-based SNPP migration category projection up to 2047.
- 3.41 In the Trend scenarios, an area and age-specific migration rate (ASMigR) schedule is derived from a defined number of years of historical internal migration data up to 2023/24, which determines the age/sex distribution of internal in- and out-migrants over the forecast period. A 5, 10 and 15-year trend have been considered.
- 3.42 The internal migration assumptions in the Dwelling-led and Employment-led scenarios are consistent with the Trend-15yr scenario. These longer-term migration trend assumptions are generally considered to be more appropriate than shorter-term trends owing to the unprecedented levels of net international migration seen over the last few years, as well as the impact that the COVID-19 pandemic had on mobility and migration within the UK. Rother and Hastings are both atypical in respect of extremely low levels of net international migration in longer-term series.
- 3.43 In a dwelling-led or employment-led scenario, the level of internal migration is altered by the model to meet defined annual dwelling or employment growth targets respectively.

International Migration

- 3.44 In the SNPP-2022-MigCat scenario, future migration counts are consistent with the ONS 2022-based SNPP migration category projection up to 2047.
- 3.45 In the Trend scenarios, from 2024/25 onwards, future international migration counts are based on the area-specific historical migration data, using 5-, 10-, or 15-year migration history to mid-year 2024. An ASMigR schedule of rates is derived from the migration history and used to distribute the future counts by single year of age.
- 3.46 The international migration assumptions in the Dwelling-led and Employment-led scenarios are consistent with the Trend-15yr scenario. These longer-term migration trend

assumptions are generally considered to be more appropriate than shorter-term trends owing to the unprecedented levels of net international migration seen over the last few years, as well as the impact that the COVID-19 pandemic had on mobility and migration within the UK.

- 3.47 Within the historical rebased MYEs (released November 2023), which better align the population estimates between the 2011 Census and 2021 Census, there is an unattributable population change (UPC) component. ONS considers it likely that UPC is associated with migration, either internal and/or international, although it does not assign it to any flow in particular. Within the scenarios presented here, UPC is included within the historical international migration flows as this has historically been the most difficult component to estimate.

Households & Dwellings

- 3.48 The Census defines a household as, *“one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area”*. In the modelling, a dwelling is defined as a unit of accommodation which can either be occupied by one household or can be vacant.
- 3.49 The household and dwelling growth implications of employment-led and trend scenarios are estimated through the application of communal population statistics, household headship rates and a household to dwelling conversion factor. In a dwelling-led scenario, these assumptions are used to derive the level of population growth required to meet the defined dwelling-growth target.

Household Headship Rates

- 3.50 A household headship rate is defined as the proportion of individuals in a specific group considered the head of household. The household headship rates used in the VICUS modelling have been drawn from the ONS 2022-based household projection model, which is underpinned by the ONS 2022-based SNPP. The ONS household projections are derived through the application of projected headship rates to a projection of the private household population (i.e. the total population minus the communal population). The methodology used by ONS in its household projection models consists of two stages:
- **Stage One** produces the national and local authority projections for the total number of households by sex, age-group and relationship-status.
 - **Stage Two** provides the detailed ‘household-type’ projection by age-group, controlled to the previous Stage One totals (Table 6).

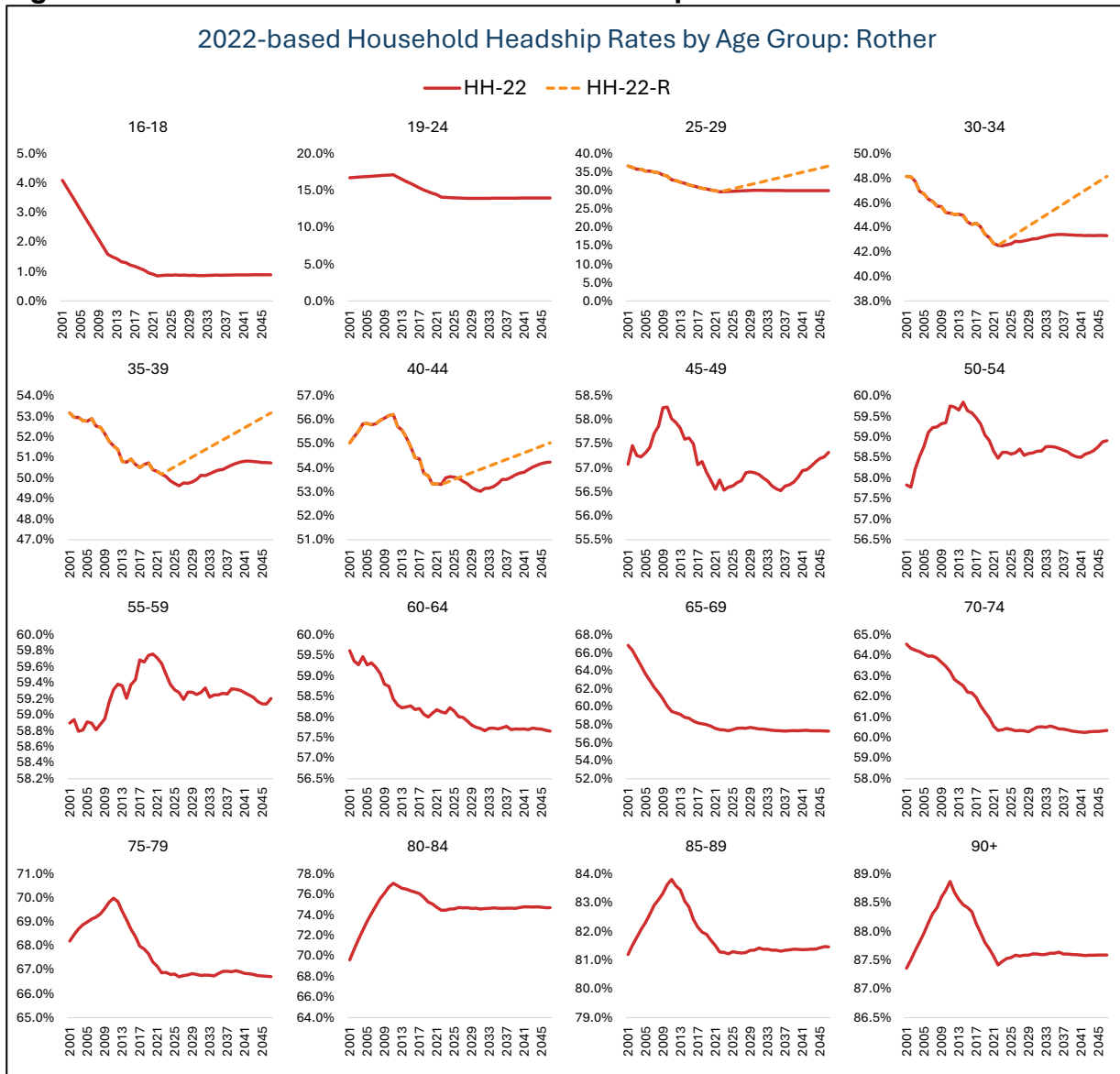
Table 6. ONS 2022-based Stage Two household type classification

MHCLG Category	Description
One person male	One person households: Male
One person female	One person: Female
One child	Households with one dependent child
Two children	Households with two dependent children
Three+ children	Households with three or more dependent children
Other households	Other households with two or more adults

Source: ONS

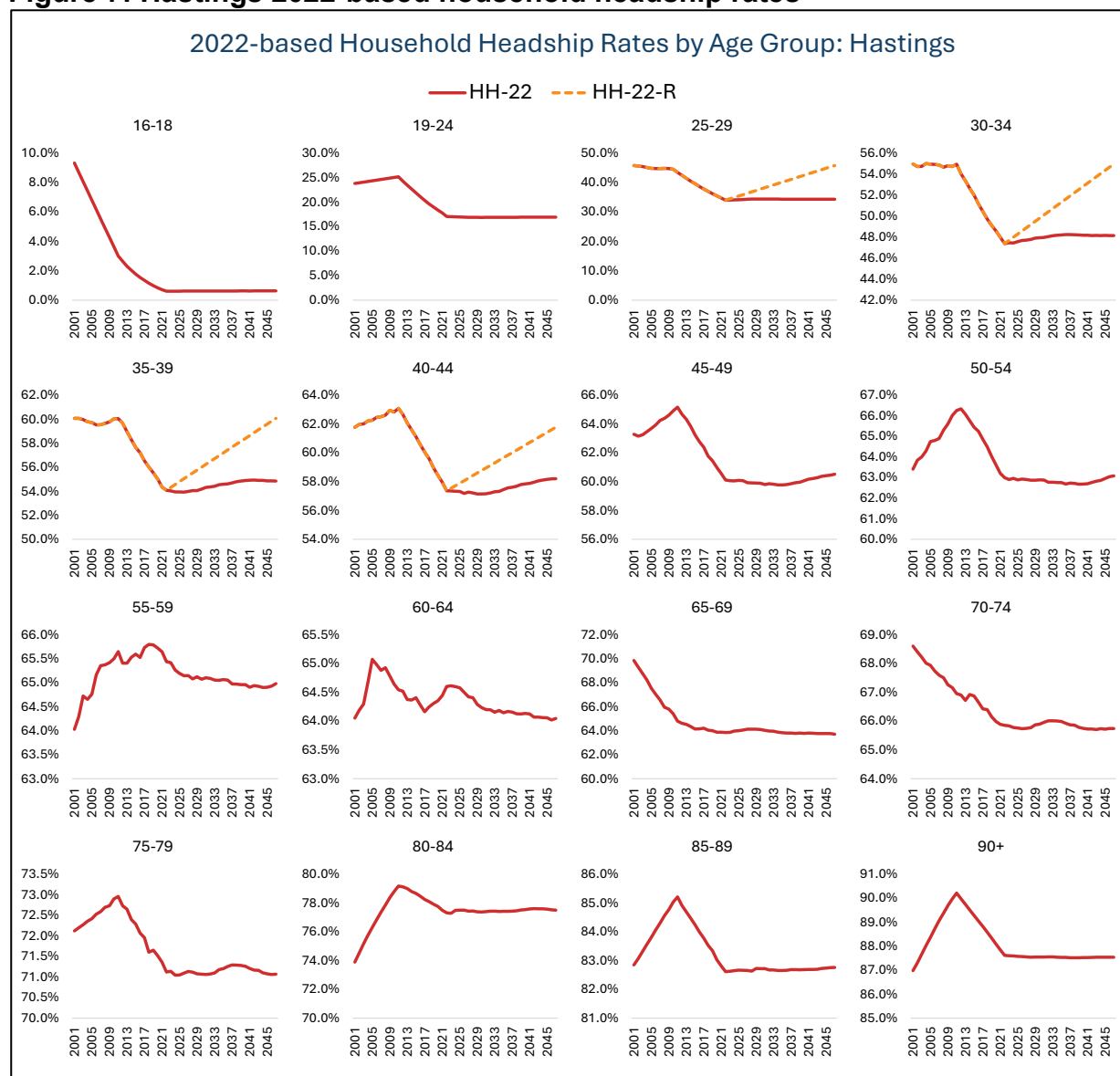
- 3.51 In all scenarios, the 2022-based Stage Two headship rates have been applied. These scenarios are identified with a HH-22 suffix. An alternative set of household headship rates has also been used in which the rates for the 25–44 age groups are ‘returned’ over the ONS household projection forecast period (2022–2047) to the higher levels of household formation experienced in 2001. All other age-groups remain unadjusted. These headship rates are referred to as HH-22-R (i.e. ‘return’ rates) (Figure 6, Figure 7).

Figure 6: Rother 2022-based household headship rates



Source: ONS, Edge Analytics

Figure 7: Hastings 2022-based household headship rates



Source: ONS, Edge Analytics

- 3.52 Assessments of demographic change, including the characteristics determining how the population of an area forms households, remain key components of the housing need assessment process. The Government has not amended key references in existing Planning Practice Guidance that requires looking at the needs of certain groups relative to the existing population and projected future change¹³. Projected change in households also remains a critical input for assessing future needs for affordable housing as a separate calculation to any method for calculating local housing need¹⁴. Draft guidance

¹³ Paragraph: 001 Reference ID: 67-001-20190722

¹⁴ Paragraph: 021 Reference ID: 2a-021-20190220

issued to inform the new system of Local Plan preparation also recommends analysing projected population trends as part of the evidential baseline¹⁵.

- 3.53 The number of homes to be planned for under local housing need, calculated using the standard method, is derived separately from consideration of current or expected future demographic trends. However, the demographic effect of providing a given level of housing cannot be considered in isolation. The characteristics of population and household change that might realistically occur relative to other scenarios and the baseline position ultimately determine the effectiveness of the housing requirement and its relationship with evidence of housing need including those types of need specified at NPPF2024 paragraph 63. Outcomes for population and household change occur and may vary in-combination under any housing requirement scenario.
- 3.54 The principles of the current standard method reflect this reality even without the direct application of demographic inputs. Providing for a baseline level of growth in housing stock may depart (positively or negatively) from existing supply trends that vary nationally. An affordability adjustment, in-part, reflects that existing levels of housing stock are a function of past supply trends and provides for higher rates of growth where homes may be most needed including to address past undersupply¹⁶. This implies that past rates of stock growth may have impacted upon the growth and characteristics of households and household formation. The alternative series for household formation applied through this assessment is consistent with the principles of the Standard Method and PPG and illustrates how these characteristics would be most likely to change in less constrained supply scenarios.
- 3.55 The PPG also sets out that “people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.” This establishes that provision for increased levels of housing may directly impact levels of population change. It remains relevant to consider the characteristics of this change. Firstly, in terms of the most reasonable assumptions for household formation (which may equally anticipate an improvement in household formation amongst additional population change relative to any constraints in household formation that have already occurred locally within the existing population). Secondly, the likely demographic profile of additional residents (accounting for factors such as impact on the labour force and expected levels of economic development) relative to existing trends.
- 3.56 The absolute total change and relative impact of assumptions such as increased household formation associated with the affordability adjustment may appear particularly significant and reflect a relatively greater departure from existing trends under scenarios that would reflect a housing requirement based on the current standard method. This

¹⁵ [Gathering baselining information to inform a local plan - GOV.UK](#)

¹⁶ Paragraph: 006 Reference ID: 2a-006-20241212

includes in terms of the additional population growth that may occur. The assumed rate of population change may be unprecedented relative to any past level of population change through migration or in terms of the level of natural population change (births and deaths) that may result from the population in future.

- 3.57 The provision for housing at a given level, together with policies intended to support its sustainable delivery, should therefore take as their starting point a realistic depiction of demographic and household change. This is provided to inform the characteristics of housing need that best reflect given trends and inputs to the assessment. Testing scenarios through this housing need assessment is not intended to suggest alternatives to local housing need calculated using the standard method.
- 3.58 Scenario testing means that policy recommendations are informed by realistic assumptions even where provision for supply is set at a level higher than supported by existing population and household trends. This would have the effect that further boosting the supply of housing would support a pro-rata further increase towards different characteristics of housing need (for example by mix and type) and reflecting the needs of different groups (such as ensuring provision for accessible and adaptable homes) as well as potentially meeting a greater proportion of affordable housing need. In this regard the precise outcome from the provision of additional supply is less important. There is inherent uncertainty in whether this may for example provide for additional population growth or further improvements in household formation to a greater or lesser extent.

Communal Population

- 3.59 Household projections in VICUS exclude the population 'not-in-households' (i.e. the communal/ institutional population). These data, based on the 2021 Census, are drawn from the ONS 2022-based household projections (migration category variant). Examples of communal establishments include prisons, residential care homes, student halls of residence, and certain armed forces accommodation.
- 3.60 For ages 0–74, the number of people in each age-group 'not-in-households' is fixed throughout the forecast period. For ages 75–85+, the population 'not-in-households' varies across the forecast period depending on the size of the population.
- 3.61 Note that in its 2022-based household projections, the ONS has kept the communal population fixed across all age groups throughout the 25-year projection period, marking a change in methodology compared to previous rounds of projections (where the 75+ age group assumptions were not fixed). With an ageing population, it is not considered likely that the communal population will remain a static size and therefore the number of people in communal establishments aged 75+ is derived using the proportion from the projection base year.

Household to Dwelling Conversion Factor

- 3.62 The relationship between households and dwellings is modelled using a ‘vacancy rate’ conversion factor. The following vacancy rates, derived from council tax records, have been used in all scenarios and are fixed throughout the projection period:
- Rother = 4.6%
 - Hastings = 6.6%
- 3.63 The 2024 HEDNA also applied a vacancy rate to convert households into dwellings, but this was derived from the 2011 Census and applied rates of 7.1% for Rother and 3.8% for Hastings.
- 3.64 The updated modelling therefore applies a lower vacancy rate in Rother and a higher vacancy rate in Hastings than the 2024 HEDNA. This is relevant because the vacancy rate affects the number of dwellings required to accommodate a given level of household growth: a higher vacancy rate increases the dwelling requirement associated with a given household growth figure, while a lower vacancy rate reduces it. The updated rates are derived from Council Tax records and are therefore considered to provide the most appropriate basis for the Addendum. It is important to note that the household to dwelling conversion factor is applied consistently across all scenarios, and the adjustments for dwelling vacancy are not themselves part of the Government’s standard method to calculate local housing need.

Labour Force & Employment

- 3.65 The labour force and employment growth implications of the trend and dwelling-led scenarios are estimated through the application of economic activity rates, commuting ratios and unemployment rates. In the employment-led scenario, these assumptions are used to determine the size of the labour force and population growth required to support the defined level of employment.

Converting Workforce Jobs to People-based employment

- 3.66 The jobs-based employment forecasts for Hastings and Rother (provided by DLP) have been converted to a people-based measure of employment by applying a double-jobbing adjustment, derived from Annual Population Survey (APS) data. The proportion of people with a second job is estimated at 6.2% in Rother and 5.2% in Hastings (based on a 5-year average).

Economic Activity Rates

- 3.67 Economic activity rates are the proportions of the population that are actively involved in the labour force, either employed, or unemployed and looking for work. In each scenario, economic activity rates by five-year age group (16–89) and sex have been derived from 2021 Census statistics for Hastings and Rother.

- 3.68 To take account of changes to the state pension age, adjustments have been made to the Census rates in line with the Office for Budget Responsibility's (OBR) participation rate long-term forecast published in 2025.

Unemployment Rate & Commuting Ratio

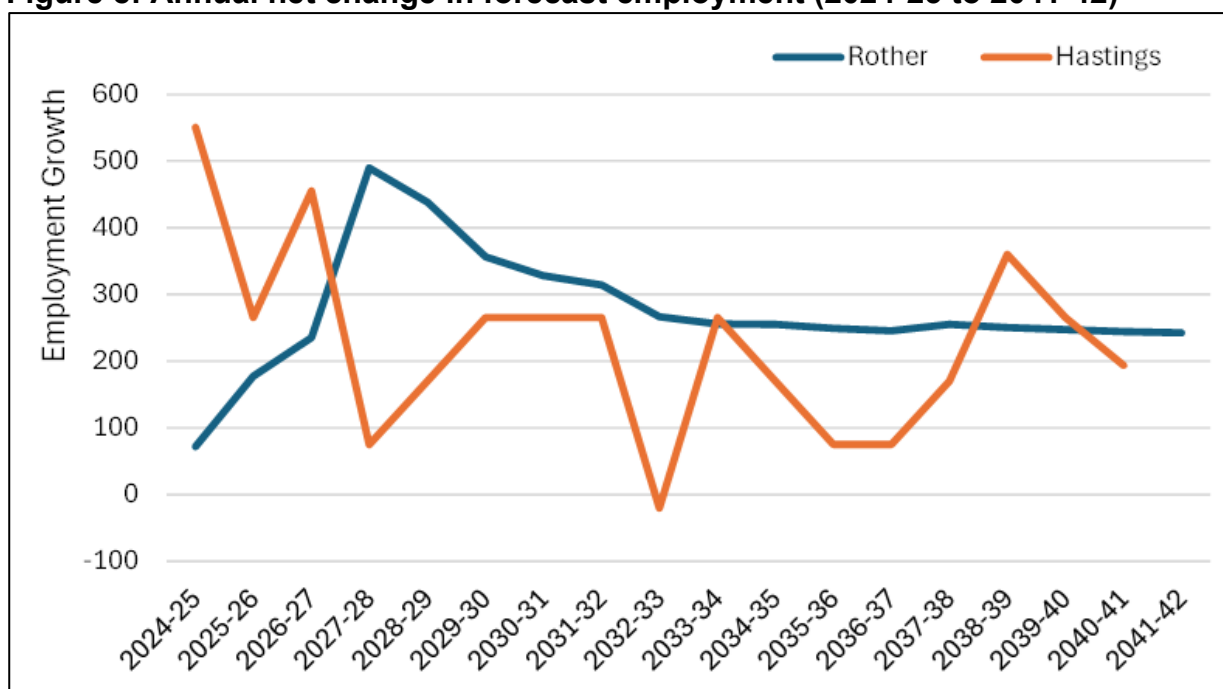
- 3.69 In all scenarios, a 5-year average unemployment rate has been derived from ONS model-based estimates of unemployment. For Rother, a figure of 2.8% has been applied, fixed throughout the forecast period. In Hastings, the unemployment rate is 6.3%.
- 3.70 In all scenarios, the 2011 Census commuting ratios have been applied, fixed throughout the forecast period. In both instances, these indicate a net out-commute:
- Rother = 1.17
 - Hastings = 1.10
- 3.71 The use of the 2011-based ratio provides a consistent baseline, recognising that commuting patterns recorded in the 2021 Census were influenced by temporary changes in working behaviour associated with the COVID-19 pandemic. ONS cautions use of the 2021 Census origin-destination travel to work data for this reason.
- 3.72 In the case of Rother the Census 2021 commuting ratio would generate a figure of 1.06, with Hastings a ratio of 1.05. The Hastings ratio for 2021 is relatively similar. While the borough is a source of net out-commuting the ratios in 2011 and 2021 are both relatively more balanced. The borough has a higher proportion of jobs in sectors such as retail, accommodation and food services less likely to have seen a long-term increase in rates of home-working, whereas increased economic inactivity overall could also negate some of the effect of a higher proportion of previously out-commuting residents reporting working from home. Irrespective of the commuting ratio applied the labour market dynamics in Hastings would appear broadly similar.
- 3.73 The significantly lower ratio recorded in Rother in 2021, where the district has historically been a significant generator of net out-commuting, is unlikely to be representative. The residence-based employment market reflects a higher proportion of residents and out-commuters working in industries still significantly affected by home-working following Coronavirus lockdowns.
- 3.74 There is relatively limited evidence for a shift in labour market dynamics resulting in a lower net out-commute. In deriving the employment change locally from a fixed total of dwellings or projected demographic trends it is appropriate to model an absolute increase in out-commuters in-line with maintaining the commuting ratio at 2011. This could mean that relatively lower levels of employment are assumed from a given level of population change, for example if some element of the lower 2021 commuting ratio reflected employment growth locally and a stronger relationship with providing for economic development supporting the jobs market in Hastings (for example at the Bexhill Fringe).

Nevertheless, there is insufficient evidence that the 2021 ratio should be used to indicate a stronger balance between jobs and homes than indicated by the 2026 HEDNA Addendum Update.

Employment Growth

- 3.75 In the Employment-led scenarios for Hastings and Rother, employment growth targets have been applied from mid-year 2024 onwards (Figure 8).

Figure 8: Annual net change in forecast employment (2024-25 to 2041-42)



Source: ONS, Edge Analytics

Scenario Outputs: Hastings

- 3.76 The population growth trajectories for each of the scenarios is illustrated in Figure 9, with a population growth summary provided in Table 7, household and dwelling growth in Table 8 and labour force and employment growth in Table 9.

Figure 9. Hastings population growth outcomes, 2001–2041

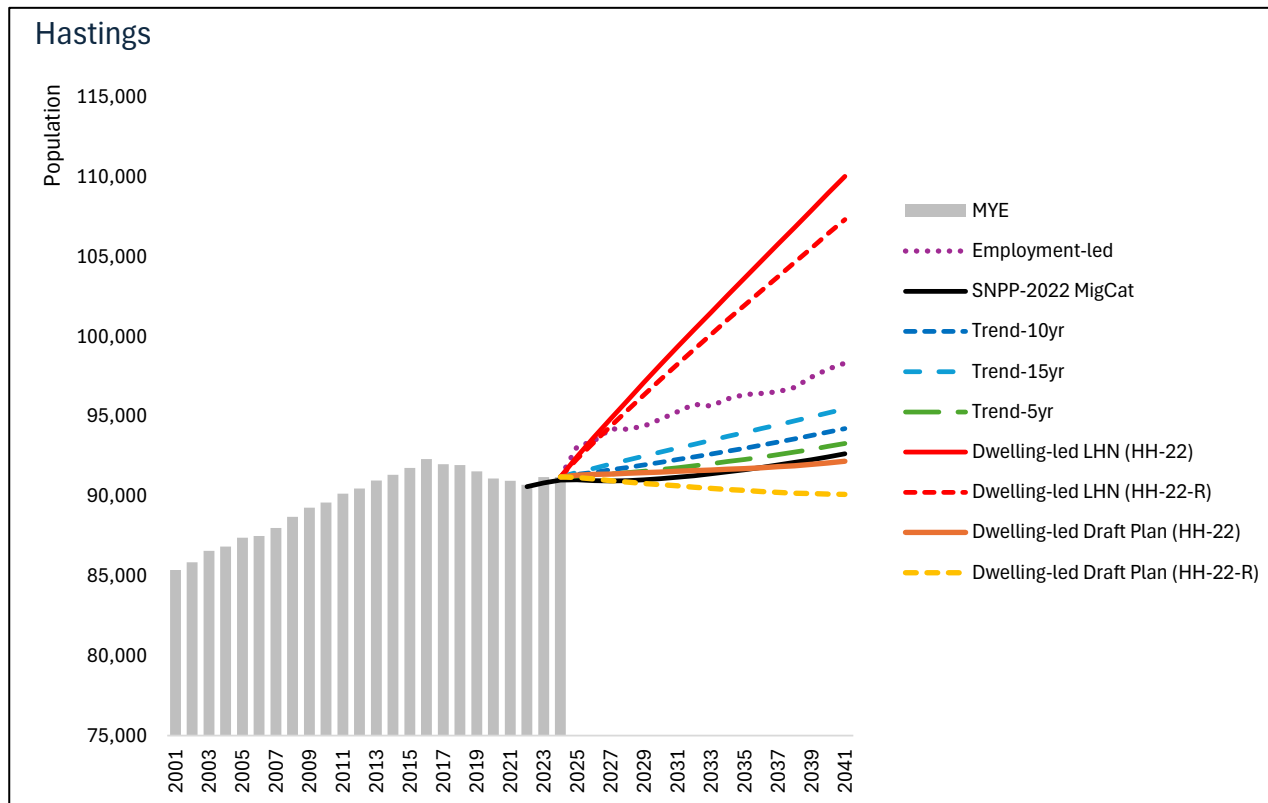


Table 7. Hastings scenario population summary, 2023-2041

Scenario	Change 2023– 2041	Change 2023– 2041	Average per year 2023– 2041	Average per year 2023–2041	Average per year 2023– 2041	Average per year 2023– 2041
	Pop. Change	Pop. % Change	Net Internal Migration	Net International Migration	Net Migration	Natural Change
Dwelling-led LHN (HH-22)	18,839	20.7%	1,171	197	1,368	-321
Dwelling-led LHN (HH-22-R)	16,134	17.7%	1,025	197	1,222	-326
Employment-led	7,132	7.8%	541	197	738	-342
Trend-15yr	4,276	4.7%	401	172	573	-335
Trend-10yr	3,034	3.3%	321	197	518	-349
Trend-5yr	2,107	2.3%	143	335	478	-361
SNPP-2022 MigCat	1,838	2.0%	329	157	486	-384
Dwelling-led Plan (HH-22)	979	1.1%	210	197	+407	-352

Table 8: Hastings scenario household & dwelling growth summary, 2023–2041

Scenario	Household Growth 2023– 2041, Change	Household Growth 2023–2041, % Change	Average Dwellings per year
Dwelling-led LHN (HH-22-R)	11,143	27.5%	+662
Dwelling-led LHN (HH-22)	11,074	27.4%	+658
Employment-led (HH-22-R)	7,019	17.4%	+417
Employment-led (HH-22)	5,903	14.6%	+351
Trend-15yr (HH-22-R)	5,482	13.6%	+326
Trend-10yr (HH-22-R)	5,116	12.6%	+304
Trend-5yr (HH-22-R)	4,737	11.7%	+282
Trend-15yr (HH-22)	4,396	10.9%	+261
SNPP-2022 MigCat (HH-22)	4,387	10.9%	+261
Trend-10yr (HH-22)	4,058	10.0%	+241
Trend-5yr (HH-22)	3,691	9.1%	+219
Dwelling-led Plan (HH-22)	3,147	7.8%	+187
Dwelling-led Plan (HH-22-R)	3,216	8.0%	+191

Table 9: Hastings scenario labour force & employment growth summary, 2023–2041

Scenario	Labour Force Growth 2023–2041 Change	Labour Force Growth 2023–2041 % Change	Average Employment per year
Dwelling-led LHN (HH-22)	11,241	25.8%	+478
Dwelling-led LHN (HH-22-R)	9,797	22.5%	+410
Employment-led	4,989	11.4%	+183
Trend-15yr	3,533	8.1%	+114
Trend-10yr	2,850	6.5%	+82
Trend-5yr	2,521	5.8%	+66
SNPP-2022 MigCat	2,277	5.2%	+55
Dwelling-led Plan (HH-22)	1,755	4.0%	+30
Dwelling-led Plan (HH-22-R)	658	1.5%	-22

Scenario Outputs: Rother

- 3.77 The population growth trajectories for each of the scenarios is illustrated in Figure 10, with a population growth summary provided in Table 10, household and dwelling growth in Table 11, and labour force and employment growth in Table 12.

Figure 10: Rother population growth outcomes, 2001–2042

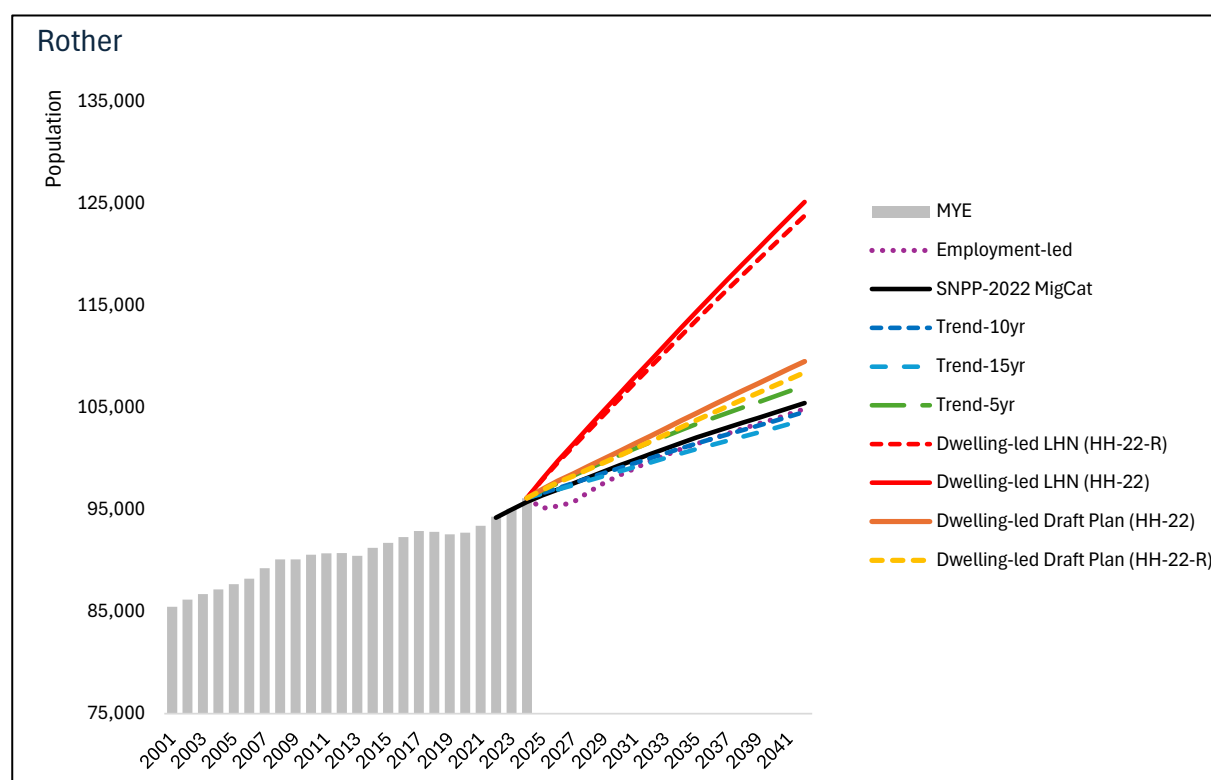


Table 10: Rother scenario population summary, 2025–2042

Scenario	Change 2025– 2042 Populati on Change	Change 2025– 2042 Populati on % Change	Average per year 2025– 2042 Net Internal Migration	Average per year 2025– 2042 Net Internati onal Migration	Average per year 2025– 2042 Net Migration	Average per year 2025– 2042 Natural Change
Dwelling-led LHN (HH-22)	27,198	27.8%	2,751	-163	2,588	-988
Dwelling-led LHN (HH-22-R)	25,917	26.5%	2,676	-163	2,513	-988
Dwelling-led Plan (HH-22)	12,552	12.9%	1,883	-163	+1720	-981
Dwelling-led Plan (HH-22-R)	11,533	11.9%	1,822	-163	+1659	-980
Trend-5yr	10,260	10.6%	1,429	109	1,537	-934
Employment-led	9,764	10.3%	1,713	-163	+1549	-975
SNPP-2022 MigCat	9,055	9.4%	1,401	86	1,487	-954
Trend-10yr	7,963	8.2%	1,609	-163	1,446	-978
Trend-15yr	7,265	7.5%	1,608	-186	1,422	-995

Table 11: Rother scenario household & dwelling growth summary, 2025–2042

Scenario	Household Growth 2025– 2042 Change	Household Growth 2025– 2042 & Change	Average Dwellings per year
Dwelling-led LHN	14,514	32.8%	+895
Dwelling-led Plan	8,028	18.3%	+495
SNPP-2022 MigCat (HH-22)	7,128	16.2%	+440
Employment-led (HH-22)	7,103	16.4%	+438
Trend-5yr (HH-22-R)	6,897	15.7%	+425
Employment-led (HH-22-R)	6,669	15.5%	+411

Scenario	Household Growth 2025–2042 Change	Household Growth 2025–2042 & Change	Average Dwellings per year
Trend-5yr (HH-22)	6,436	14.7%	+397
Trend-10yr (HH-22-R)	6,411	14.6%	+395
Trend-15yr (HH-22-R)	6,182	14.1%	+381
Trend-10yr (HH-22)	5,984	13.7%	+369
Trend-15yr (HH-22)	5,768	13.2%	+356

Table 12: Scenario labour force & employment growth summary, 2025–2042

Scenario	Labour Force Growth 2025–2042 Change	Labour Force Growth 2025–2042 & Change	Average Employment per year
Dwelling-led LHN (HH-22)	14,355	34.1%	+701
Dwelling-led LHN (HH-22-R)	13,719	32.6%	+670
Dwelling-led Plan (HH-22)	7,130	17.1%	+348
Dwelling-led Plan (HH-22-R)	6,630	16.0%	+324
Trend-5yr	6,344	15.3%	+310
Employment-led	5,847	14.4%	+286
SNPP-2022 MigCat	5,135	12.4%	+251
Trend-10yr	4,873	11.8%	+238
Trend-15yr	4,371	10.6%	+213

- 3.78 DLP analysis of the Edge Analytics scenario outputs and implications in terms of the planning for local housing needs and the housing needs of different groups is set out below. This focuses on the implications of the scenarios for the assessment of housing needs, housing mix and the emerging Local Plans.
- 3.79 The appropriate trend-based scenario differs between the two authorities. For Rother, the Trend-5yr scenario is considered the most appropriate demographic basis for assessing the profile of housing needs, reflecting the particular local demographic evidence and the issues identified in relation to longer-term trends notably in relation to international migration. For Hastings, the Trend-15yr scenario is considered the most appropriate trend-based scenario in the first instance, as it provides a more typical and representative basis

factoring different characteristics of population change over time. This avoids some of the short-term volatility arising from both housing market and affordability pressure and international migration.

- 3.80 In both cases, the dwelling-led LHN scenarios remain important contextual outputs, as they illustrate the demographic implications of delivering the full Standard Method local housing need figure.

Rother

- 3.81 For Rother, the updated modelling covers the period 2025-2042. The scenario outputs show a wide range of potential outcomes. The dwelling-led LHN scenarios generate the highest level of population and household growth, reflecting the scale of the current Standard Method figure. The trend-based and employment-led scenarios produce lower levels of growth and are more closely aligned with recent demographic and labour market trends, with the alignment between jobs and homes closer when comparing projected population change from short-term trends. This indicates that at least to some extent the evidence for economic growth explored through the HEDNA Addendum is consistent with relatively greater levels of population change recorded recently.
- 3.82 The employment-led scenario also sets a useful benchmark to indicate where changes in demographic trends could reflect a barrier to economic development. This could occur, for example, should projected levels of population change reduce in-line with the lower dwelling-equivalent outputs from other trend-based scenarios.

Table 13. Rother demographic scenario outputs (2025-2042)

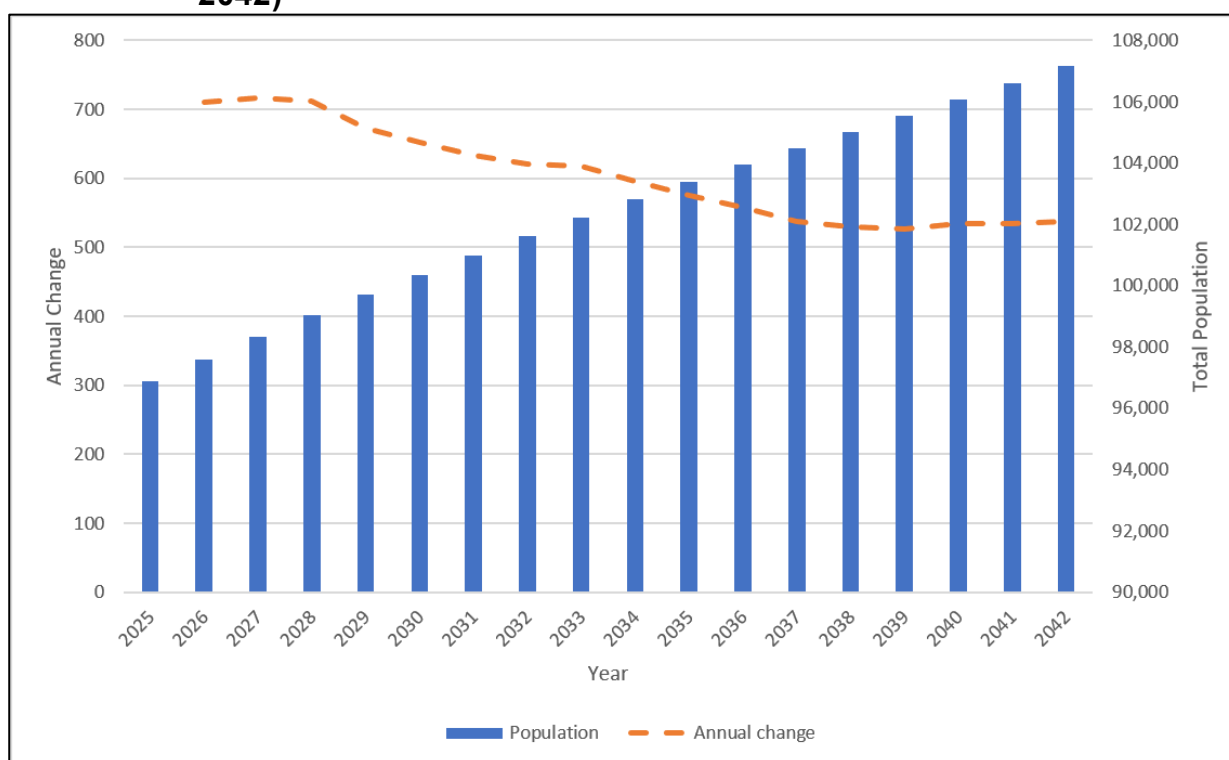
Scenario	Pop Change	Pop Annual Change	Pop % Change	HH Change	HH Annual Change	HH % Change	Dwellings p.a.
Trend-5yr (HH-22)	10,260	604	10.6%	6,436	379	14.7%	397
Trend-5yr (HH-22-R)	10,260	604	10.6%	6,897	406	15.7%	425
Employment-led (HH-22)	9,764	574	10.3%	6,669	392	15.5%	411
Employment-led (HH-22-R)	9,764	574	10.3%	7,103	418	16.4%	438
Dwelling-led Draft Plan (HH-22-R)	11,533	678	11.9%	8,028	472	18.3%	495
Dwelling-led LHN (HH-22)	27,198	1,600	27.8%	14,514	854	32.8%	895
Dwelling-led LHN (HH-22-R)	25,917	1,525	26.5%	14,514	854	32.8%	895
SNPP-2022 MigCat (HH-22)	9,055	533	9.4%	7,128	419	16.2%	440
Trend-10yr (HH-22)	7,963	468	8.2%	5,984	352	13.7%	369
Trend-10yr (HH-22-R)	7,963	468	8.2%	6,411	377	14.6%	395
Trend-15yr (HH-22)	7,265	427	7.5%	5,768	339	13.2%	356
Trend-15yr (HH-22-R)	7,265	427	7.5%	6,182	364	14.1%	381

Source: Edge Analytics, Pop = Population, HH = Household

- 3.83 The Trend-5yr scenario identifies population growth of 10,260 people, equivalent to 604 people per annum and a 10.6% increase over the plan period. Under the HH-22-R variant, household growth increases from 6,436 households to 6,897 households, reflecting the allowance for improved household formation.
- 3.84 The employment-led scenarios produce a broadly similar level of population growth, with 9,764 additional people over the plan period. This indicates that the latest employment-led scenario is broadly aligned with the short-term demographic trend. The dwelling-led Draft Plan scenario results in slightly higher population and household growth than the Trend-5yr scenario, while the Dwelling-led LHN scenarios generate a materially higher level of growth, with population growth of between 25,917 and 27,198 people.

- 3.85 Figure 11 below shows the annual population change projected for Rother under the Trend-5yr scenario over the 2025–2042 plan period. The scenario identifies positive population growth in each year of the plan period, with the population increasing from around 96,900 in 2025 to around 107,200 in 2042. This is equivalent to total growth of around 10,260 people, or approximately 604 people per annum.
- 3.86 The annual profile shows that population growth is strongest in the early years of the projection period, with annual growth of over 700 people in 2026 and 2027. The level of annual growth then gradually reduces over the remainder of the period, falling to around 530-540 people per annum by the end of the plan period and associated at least in-part with ageing and increased mortality. This indicates that while the Trend-5yr scenario projects continued population growth in Rother, the rate of growth is expected to ease over time even with a relatively high level of dwelling-equivalent housing growth associated with shorter-term trends.

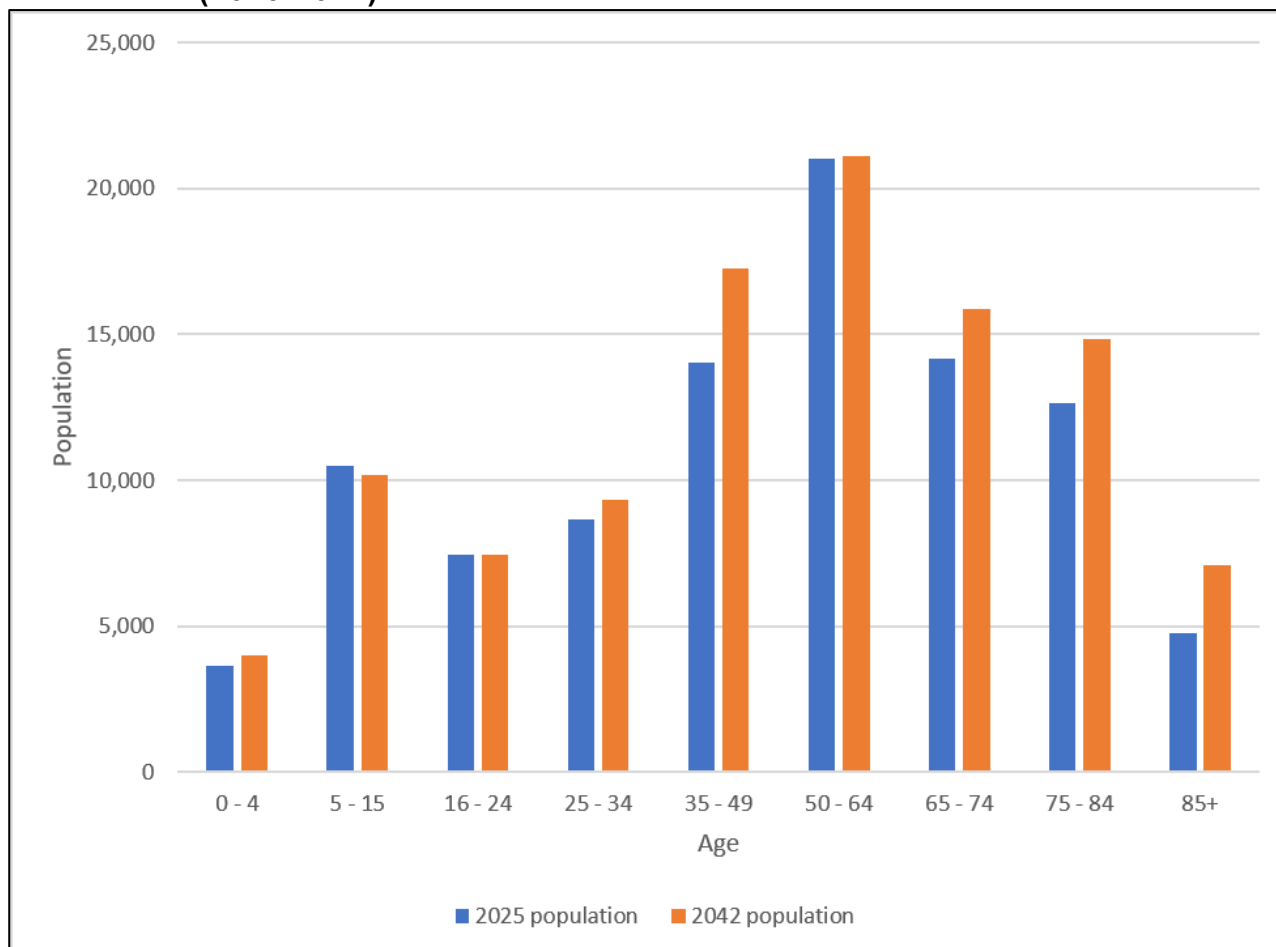
Figure 11. Rother annual population change under Trend-5yr scenario (2025-2042)



Source: Edge Analytics

- 3.87 Figure 12 shows the projected change in population by age cohort under the same Trend-5yr scenario.

Figure 12. Rother population change by age cohort under Trend-5yr scenario (2025-2042)



Source: Edge Analytics

- 3.88 This indicates that population growth in Rother is not evenly distributed across age groups. The largest absolute increase is projected in the 35-49 age group, which increases by around 3,216 people, accounting for approximately 31% of total population growth. This indicates continued growth in family-forming and working-age households, which will remain relevant to the need for family housing over the plan period.
- 3.89 The older age groups are also projected to increase substantially. The population aged 65 and over is projected to increase by around 6,218 people, accounting for approximately 61% of total population growth. Within this, the 85+ age group records the strongest proportional increase, rising by around 2,335 people (48.9%). The 75-84 age group is also projected to increase by around 2,180 people, equivalent to growth of 17.2%. This points to a continuing need to plan for accessible and adaptable housing, specialist older persons' accommodation, and housing options which allow older households to downsize or remain living independently for longer.

- 3.90 By contrast, the younger age groups are projected to remain relatively stable or decline. The 5-15 age group is projected to fall by around 308 people, while the 16-24 age group is projected to remain broadly unchanged. The 0-4 age group is projected to increase modestly, by around 356 people. This suggests that the main drivers of population growth under the Trend-5yr scenario are not school-age children or young adults, but older working-age households and older persons.
- 3.91 The Trend-5yr scenario indicates that Rother is projected to experience steady population growth, but with a clear ageing component and a significant increase in the 35–49 age group. The implications for housing mix are therefore twofold. First, there remains a need for a balanced supply of family housing to accommodate growth in family-forming age groups. All of the short-term trend scenarios, employment-led scenarios and Dwelling-led Draft Plan scenarios (together with LHN) are associated with relatively greater levels of population change from net internal and international migration supporting growth in the population of working-age adults. Second, the scale and proportion of growth in older age groups reinforces the need for accessible, adaptable and specialist housing options across all scenarios. This demographic profile is considered further in the housing mix analysis.

Hastings

- 3.92 For Hastings, the updated modelling covers the **2023-2041** plan period, although the forecast profile is projected from the 2024 Mid-Year Estimate base. The scenario outputs show a wide range of potential outcomes. The Dwelling-led LHN scenarios produce the highest population and household growth, reflecting the significant increase in the current Standard Method figure compared with the 2024 HEDNA. For Hastings, the Trend-15yr scenario is considered the most appropriate demographic trend scenario in the first instance, as it provides a more typical and representative basis over time.

Table 14. Hastings demographic scenario outputs (2023-2041)

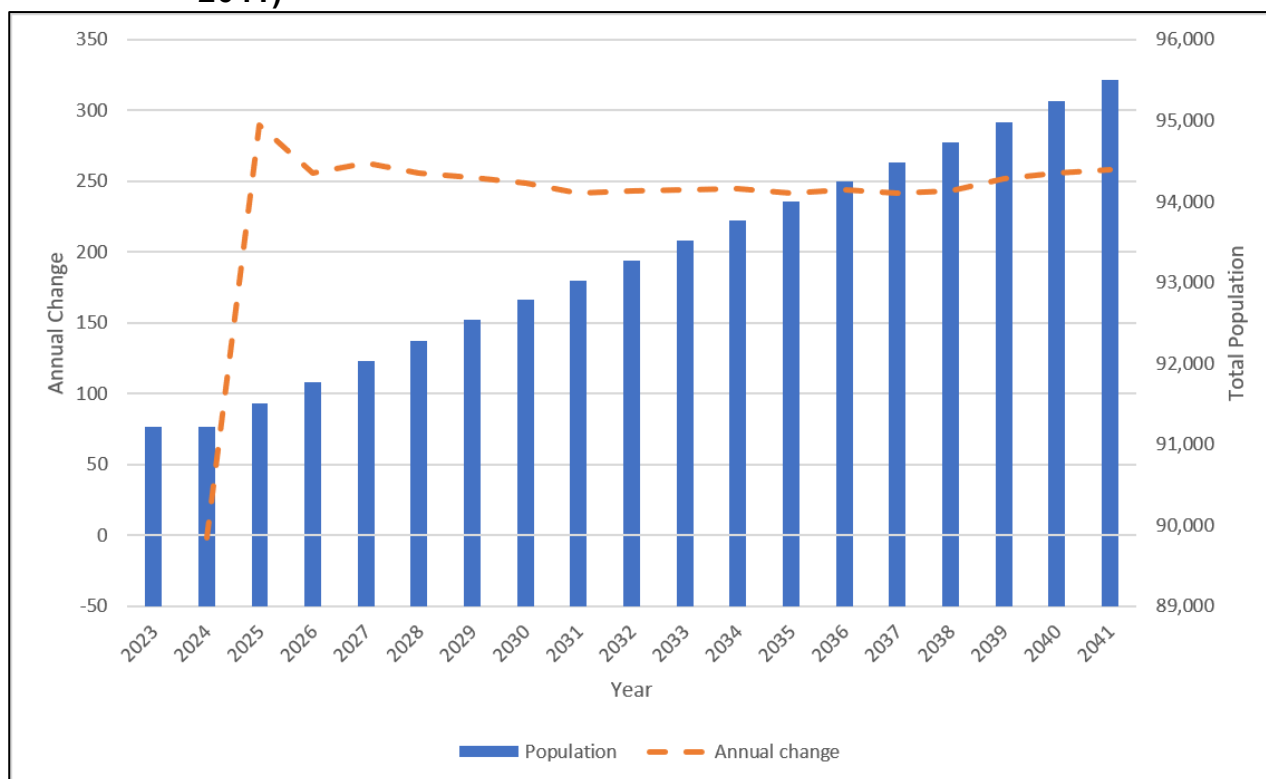
Scenario	Pop Change	Pop Annual Change	Pop % Change	HH Change	HH Annual Change	HH % Change	Dwellings p.a.
Trend-15yr (HH-22)	4,276	238	4.7%	4,396	244	10.9%	261
Trend-15yr (HH-22-R)	4,276	238	4.7%	5,482	305	13.6%	326
Employment-led (HH-22)	7,132	396	7.8%	5,903	328	14.6%	351
Employment-led (HH-22-R)	7,132	396	7.8%	7,019	390	17.4%	417
Dwelling-led Draft Plan (HH-22)	979	54	1.1%	3,147	175	7.8%	187
Dwelling-led Draft Plan (HH-22-R)	-1,094	-61	-1.2%	3,216	179	8.0%	191
Dwelling-led LHN (HH-22)	18,839	1,047	20.7%	11,074	615	27.4%	658
Dwelling-led LHN (HH-22-R)	16,134	896	17.7%	11,143	619	27.5%	662
SNPP-2022 MigCat (HH-22)	1,838	102	2.0%	4,387	244	10.9%	261
Trend-5yr (HH-22)	2,107	117	2.3%	3,691	205	9.1%	219
Trend-5yr (HH-22-R)	2,107	117	2.3%	4,737	263	11.7%	282
Trend-10yr (HH-22)	3,034	169	3.3%	4,058	225	10.0%	241

Scenario	Pop Change	Pop Annual Change	Pop % Change	HH Change	HH Annual Change	HH % Change	Dwellings p.a.
Trend-10yr (HH-22-R)	3,034	169	3.3%	5,116	284	12.6%	304

Source: Edge Analytics, Pop = Population, HH = Household

- 3.93 The Trend-15yr scenario identifies population growth of 4,276 people, equivalent to 238 people per annum and a 4.7% increase over the plan period. Under the standard HH-22 assumptions, this results in household growth of 4,396 households, equivalent to 244 households per annum. Under the HH-22-R variant, which allows for improved household formation, household growth increases to 5,482 households, equivalent to 305 households per annum. This produces an implied dwelling need of 326 dwellings per annum under the Trend-15yr HH-22-R scenario.
- 3.94 The employment-led scenario produces a higher level of population growth, at 7,132 people, equivalent to 396 people per annum. This indicates that the demographic change associated with supporting employment growth is slightly above the Trend-15yr demographic baseline. There is therefore evidence that levels of projected population change, including those potentially associated with dwelling-equivalent housing supply from trend-based or the dwelling-led draft Plan scenario, could represent a barrier to economic development in terms of the balance between jobs and homes. These are not new circumstances relative to the conclusions of the 2024 HEDNA, but in relation to potential unmet needs does serve to reaffirm that there are potential demographic implications for planning for a reduced level of economic development, and vice-versa.
- 3.95 The Dwelling-led LHN scenarios generate a much higher level of growth, with population growth of between 16,134 and 18,839 people, reflecting the scale of the current Standard Method figure. These higher dwelling-led scenarios are useful in illustrating the potential demographic implications of delivering the full Local Housing Need figure, but they are not treated as the principal demographic basis for assessing the profile of housing need in Hastings.

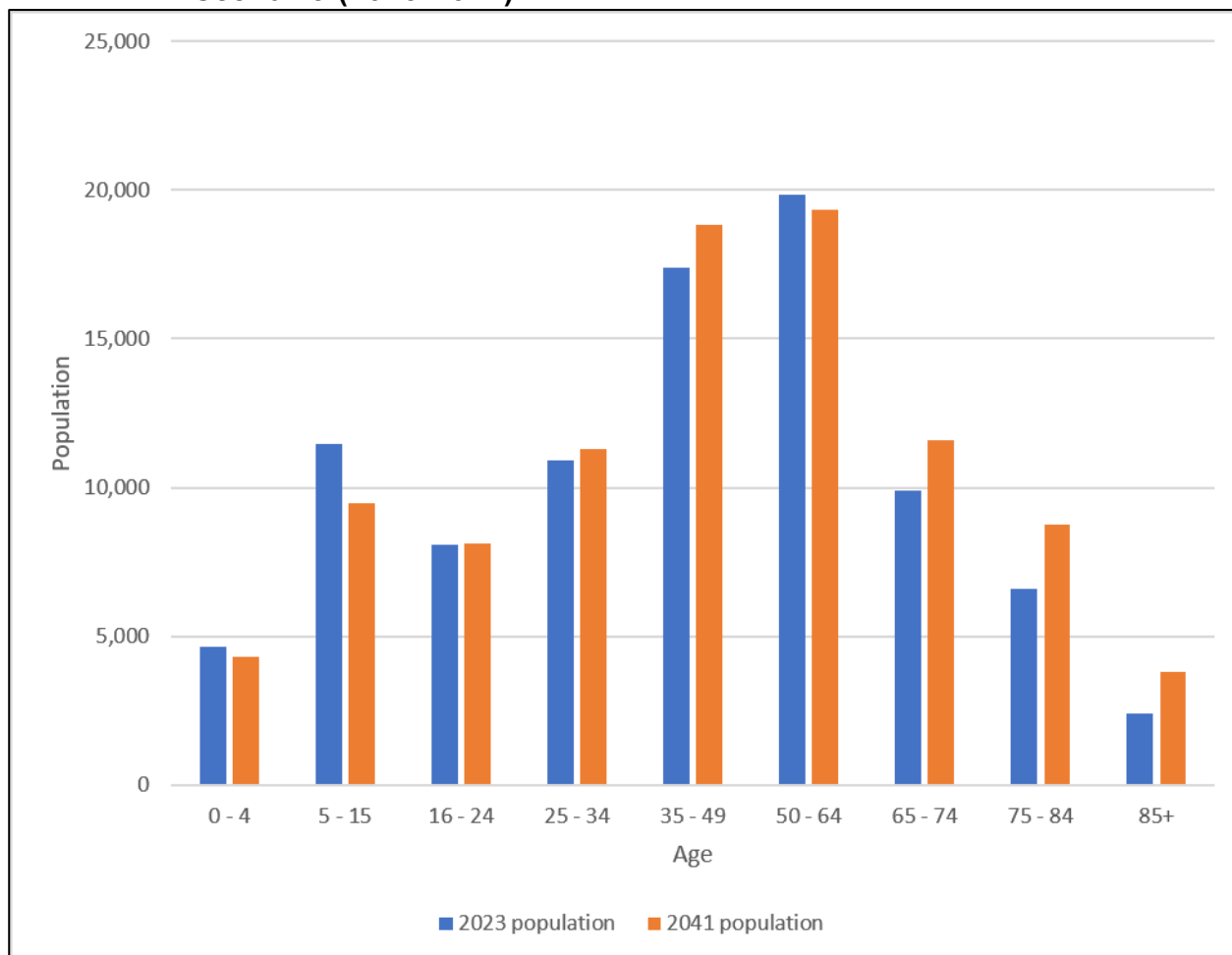
Figure 13. Hastings annual population change under Trend-15yr scenario (2023-2041)



Source: Edge Analytics

- 3.96 Figure 13 shows the annual population change projected for Hastings under the Trend-15yr scenario. The Hastings plan period runs from 2023 to 2041, but the forecast profile is shown from the 2024 Mid-Year Estimate base. The scenario identifies population growth from around 91,200 in 2023 to around 95,500 in 2041, equivalent to total growth of around 4,276 people over the plan period.
- 3.97 The annual profile shows a small reduction in population between 2023 and 2024, followed by positive growth from 2025 onwards. Annual population growth is then relatively steady, generally ranging between around 240 and 260 people per annum across most of the projection period. This indicates a more consistent growth profile than the short-term trend scenario, and supports the use of the Trend-15yr scenario as the principal demographic trend basis for Hastings.

Figure 14. Hastings population change by age cohort under Trend-15yr scenario (2023-2041)



Source: Edge Analytics

- 3.98 Figure 14 shows the projected change in population by age cohort under the same Trend-15yr scenario. The age profile shows that overall population growth is accompanied by a material shift in the structure of the population. Growth is concentrated in the 35-49 age group and older age groups, while the younger age cohorts are generally projected to decline.
- 3.99 The largest absolute increase among the working-age cohorts is projected in the 35-49 age group, which increases by around 1,447 people, equivalent to growth of 8.3%. The 25-34 age group is also projected to increase modestly, by around 379 people, while the 16-24 age group remains broadly stable. This indicates a continued need to plan for working-age and family-forming households, although this is balanced against projected reductions in children and older working-age cohorts. Derived dwelling and employment-led scenarios, which illustrate the significantly different population-equivalent implications of increasing housing supply in-line with given totals for jobs and homes, place much greater emphasis on population growth amongst younger age-groups and generally reverse the

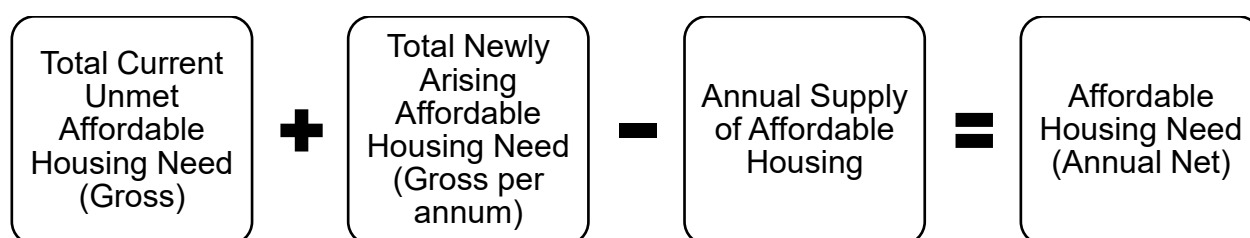
very limited change in these age groups associated with trend-based scenarios. This has implications in terms of future provision for housing mix associated with supporting planning for local housing need under the standard method as a departure from recent trends.

- 3.100 The strongest growth is projected in older age groups. The population aged 65 and over is projected to increase by around 5,226 people over the plan period. Within this, the 75-84 age group increases by around 2,163 people, equivalent to growth of 32.7%, while the 85+ age group increases by around 1,390 people, equivalent to growth of 58.0%. This indicates that Hastings is projected to experience a significant ageing of its population under the Trend-15yr scenario.
- 3.101 By contrast, the population aged 0-4 is projected to reduce by around 331 people, while the 5-15 age group is projected to reduce by around 1,996 people. The 50-64 age group is also projected to reduce by around 497 people. These reductions mean that the growth in older age cohorts exceeds the net population increase overall, as positive growth in older households is partly offset by reductions in younger age groups.
- 3.102 The Trend-15yr scenario indicates moderate population growth in Hastings, but with a clear ageing component. The implications for housing mix are therefore twofold. First, there remains a need for housing suitable for working-age and family-forming households, particularly reflecting growth in the 35-49 age group. Second, the scale of growth in older age groups reinforces the need for accessible and adaptable housing, opportunities for downsizing, and specialist older persons' accommodation.

4 AFFORDABLE HOUSING NEEDS

- 4.1 Affordable housing is defined in the NPPF as: “...*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*”. This includes affordable housing for rent (either social or affordable), discounted market sales housing, and other affordable routes to home ownership (including shared ownership, relevant equity loans, other low cost homes for sale, and rent to buy).
- 4.2 The need for affordable housing (social rent, affordable rent, affordable home ownership) has been assessed following the steps outlined in the PPG. This includes an assessment of current and future need, estimates of current affordable housing stock and potential future affordable housing supply. The total net need for affordable housing (calculated by subtracting total available stock from the gross need) is converted into an annual flow based on the plan period (Figure 15).

Figure 15: Methodology for the Assessment of Affordable Housing Need



- 4.3 This section is split into two. The first section considers the need for social and affordable rent, with the second section considering the need for affordable home ownership.
- 4.4 Within the affordable needs calculations, affordability tests are applied at certain steps to exclude those households that could afford to rent or buy in the open market. This assessment draws on data relating to local rental costs and house prices, incomes needed to afford the different housing options, and local household incomes (calculated from TransUnion CAMEO Income data) and variations by tenure. A summary of this data and assumptions used within the affordable needs modelling are provided in the Appendix.

Affordable Need: Social & Affordable Rent

Step 1: Current Need

- 4.5 As outlined in PPG¹⁷, the assessment of current affordable need should include only those households who cannot afford to access suitable housing in the market, including (but not

¹⁷ PPG Reference ID: 67-006-20190722

limited to): homeless households and those in temporary accommodation, overcrowded households, concealed households, and households in unsuitable housing. PPG suggests a range of data sources from which this evidence can be drawn, although cautions that practitioners should be aware of the risks of double counting households.

Housing Register

- 4.6 There are currently 1,611 households on the Hastings housing register and 1,529 on the Rother housing register (as of June 2026). Band A represents those households in the most housing need and Band D the least housing need.

Table 15: Households on the housing register by Band

Household on the Register	Hastings	Rother
Band A	873	383
Band B	355	429
Band C	307	398
Band D	76	318
No Band listed	0	1
Total	1,611	1,529

Source: HBC, RDC 2026.

- 4.7 Each household in the register has a listed 'Band Reason', as well as their current accommodation type and the number of bedrooms needed (Table 16).

Table 16: Households on the housing register by Bedroom size

Household on the Register	Hastings	Rother
1 bed	697	692
2 beds	406	424
3 beds	345	280
4+ beds	163	131
No bedroom need listed	-	2
Total	1,611	1,529

Source: HBC, RDC 2026.

- 4.8 The following analysis considers the need for general needs social and affordable rent and, therefore, the following households have been excluded:

- Households requiring **supported** or **sheltered** housing
- Those in **medical need**
- In **Rother**, those households in **Band D** (no identified need)

- Households that are **currently occupying social housing**; these are excluded on the basis that these households would free up existing properties if they were rehoused. In Rother, this also includes households requiring a transfer.
- Households that **currently live outside of the district**, apart from those with no listed location but with their band reason listed as homeless or in temporary accommodation, who are assumed to be currently living within the district.

4.9 For each of these categories, the number of homes excluded are summarised in Table 17. Note that households can fall into more than one category so the figures presented in Table 17 do not sum to the total number of households excluded (which takes account of the overlaps).

Table 17: Households excluded from the affordable needs calculations

Category Excluded	Hastings	Rother
Households that are currently occupying social housing	352	394
Households in medical need	502	67
Band D Households (Rother only)	-	318
Households requiring supported or sheltered housing	128	77
Households that currently live outside of the district	26	225
Total households excluded (accounting for overlap)	833	979

Source: HBC, RDC 2026.

4.10 On the basis of the above, 833 households have been excluded in Hastings, and 979 in Rother.

4.11 Note that in the register-derived estimates of need outlined below, no affordability adjustments are applied as it is assumed that tenants seeking social housing will have household incomes below the threshold required to afford to rent in the open market.

Homelessness & Households in Temporary Accommodation

4.12 In each district, an estimate of the number of households in need due to homelessness has been derived as follows. Following the exclusion of the households listed above, the number of households with the band reason listed statutory homelessness or owed a main, relief or prevention duty were counted. In Hastings, this accounts for 504 households. In Rother, with more detailed band reasons provided, this also includes those who are rough sleeping, in temporary accommodation awaiting the outcome of a homelessness application, and those that are homeless but are not owed a duty, summing to 282 households.

- 4.13 There are also a number of households that have their current accommodation recorded as either temporary or homeless but for whom the band reason is not listed as homeless. Combining these households results in 562 households in Hastings taken forward in the calculation as homeless/temporary accommodation, and 305 in Rother (Table 18).

Table 18: Homeless/temporary accommodation households

Households on the Registers	Hastings	Rother
Band Reason: homeless or in temporary accommodation	504	282
Current Accommodation: homeless/temporary or hostel	58	23
Total	562	305

Source: HBC, RDC 2026.

Overcrowded & Concealed Households

- 4.14 Households that are overcrowded households have fewer bedrooms than required. In Rother, the housing needs register records 58 overcrowded households, 50 of which are lacking one separate bedroom. In Hastings, there are 153 overcrowded households, 135 of which lack one separate bedroom. The remaining households lack two or more bedrooms.
- 4.15 Concealed households are individual family units (or individuals) living within another household, e.g. multi-generational families in one property or two unrelated families sharing a property. On the Hastings register, 11 households are listed as a family unit living within an existing family (who have insecure/unsustainable living arrangements). In Rother, 4 households comprised of a single applicant living with family and lacking/sharing a bedroom are recorded (Table 19).

Table 19: Overcrowded and concealed households

Households on the Registers	Hastings	Rother
Overcrowded: lacking one bedroom	135	50
Overcrowded: lacking two or more bedrooms	18	8
Concealed	11	4
Total	164	62

Source: HBC, RDC 2026.

Households in Hardship or At Risk

- 4.16 The Hastings housing needs register records 46 households who are in 'severe housing need as a result of cumulative circumstances' or in 'serious imminent personal risk'. In Rother, 10 households are inferred to be in hardship or at risk; these fall into categories such as high priority, hardship, medium or high risk, or victims of anti-social behaviour.

Households in Unsuitable/Unsatisfactory Accommodation

- 4.17 Unsuitable accommodation is defined here as housing that is insecure and/or lacks facilities (or requires facilities to be shared). Unsatisfactory housing includes properties that pose a risk to the inhabitants. In Hastings, 5 households fall in this category. In Rother, 71 households are identified, most of which are in insecure accommodation or lack/share facilities.

Multiple Needs

- 4.18 The Rother housing needs register includes 88 households for whom the band reason is listed as 'multiple needs' (excluding those currently in social housing or outside the district). 61% of these are currently living in private rented accommodation, with the remainder living with family/friends, owner occupied, or have no current accommodation listed.

Other households in need

- 4.19 In Hastings, there is one household that does not fit into the categories outlined above and is therefore included in this 'other' category. In Rother, 14 households fall into this category; this includes people moving on from care or supported housing.

Step 1 Summary

- 4.20 For Hastings and Rother, the housing register analysis has identified a current need for social housing (for rent) of 778 for Hastings, and 550 for Rother. Annualised over the respective plan periods, this equates to a need of 43 and 32 per year respectively.

Table 20: Step 1 Summary

Households by Category of Need	Hastings (2023-4041)	Rother (2025-2042)
Homeless & Temporary Accommodation	562	305
Overcrowded & concealed	164	62
Households in hardship or at risk	46	10
Unsuitable Accommodation	5	71
Multiple or severe needs (non-medical)	0	88
Other households in need	1	14
Total	778	550
Total annualised	43	32

Source: HBC, RDC 2026, Edge Analytics.

Step 2: Future Need

- 4.21 The second step of the affordable need calculation involves an assessment of the number of newly arising households likely to be in affordable housing need in the future which includes:
- New household formation, and the proportion of these unable to rent in the market area.
 - An estimate of the number of existing households falling into need.

New Household Formation

- 4.22 The number of newly forming households has been estimated through demographic modelling and the application of an affordability test. By considering the change in the number of households by 10-year age group and household type over 10-year periods, the annual change in the number of households aged 16–44 has been calculated. Household growth in the 45+ age groups has not been considered as new household formation is concentrated in the younger age groups.
- 4.23 Based on the preferred Trend scenarios, gross household formation averages 881 per year in Hastings (Trend-15yr (HH-22) scenario), and 798 per year in Rother (Trend-5yr (HH-22) scenario). As these estimates are based on the whole household population aged 16–44, it is necessary to apply an affordability adjustment, as a number of these households will likely have incomes that are sufficient to afford open market housing.
- 4.24 Household income profiles have been generated using TransUnion CAMEO postcode income classification data for Hastings and Rother, together with assumptions relating to the differences in household income across household types (e.g. private renter households and newly-forming households). Appendix A summarises the household

income profiles and affordability assumptions used in the modelling. The calculation steps are summarised in Table 21.

- 4.25 It is estimated that 60.3% of newly-forming households in Hastings cannot afford the income required to afford lower quartile rents. In Rother, this figure is lower, at 49.5%. Applying these proportions to the relevant gross household formation figures results in 531 newly forming households per year unable to afford open market rents over the plan period in Hastings, and 395 per year in Rother.

Table 21: New household formation

	Hastings	Rother
Lower quartile rent per month	£725	£840
Income required (30% of income spent on housing)	£29,000	£33,600
Gross household formation per year (<i>a</i>)	881	798
% of newly-forming households unable to afford lower quartile rent (<i>b</i>)	60.3%	49.5%
No. households per year unable to afford to rent in the open market (<i>a</i> x <i>b</i>)	531	395

Source: CAMEO, ONS, Edge Analytics, DLP. See Appendix A for CAMEO Income profiles and affordability assumptions.

Existing Households Falling into Need

- 4.26 The number of existing households that might be expected to fall into affordable need in the future is derived from Continuous Recording of Lettings and Sales in Social (CORE), which records information on the characteristics of new social housing tenants.¹⁸
- 4.27 By examining the previous tenure of households that have secured social housing accommodation over the last three years (2022/23–2024/25), an estimated ‘flow’ of households onto the housing registers has been calculated, averaging 93 households per year in Hastings and 80 per year in Rother.
- 4.28 This step excludes newly-forming households (those previously living with family) and those previously living in social or affordable housing (i.e., transfers). No affordability adjustment is applied, as it is assumed that all social housing tenants will have household incomes below the threshold required to afford to rent in the open market (Table 22 and Table 23).

¹⁸ PPG Reference ID: 66-004-20190722

Table 22: Existing households falling into need: Hastings

Year	Total Social Housing Lettings (a)	Previous Tenure LA or PRP/HA (b)	Newly-Forming Households (other + living with friends or family) (c)	Existing households falling into need (a-(b+c))
2022/23	145	22	106	17
2023/24	243	47	92	104
2024/25	253	61	33	159
Average	214	43	77	93

Source: MHCLG, includes general needs housing only.

Table 23: Existing households falling into need: Rother

Year	Total Social Housing Lettings (a)	Previous Tenure LA or PRP/HA (b)	Newly-Forming Households (other + living with friends or family) (c)	Existing households falling into need (a-(b+c))
2022/23	167	24	102	41
2023/24	206	47	98	61
2024/25	291	68	85	138
Average	221	46	95	80

Source: MHCLG, includes general needs housing only.

Step 2 Summary: Total Future Need

- 4.29 Adding the number of newly forming households unable to afford lower quartile rents to the number of existing households falling into need produces an estimated gross figure of 624 households per year falling into need over the plan period in Hastings, and 475 per year in Rother.

Step 3: Affordable Housing Supply

- 4.30 To calculate the net need for affordable housing, an estimate of the current and future affordable housing supply is required, to offset against the gross need figures identified above. As households currently occupying affordable rental housing have been excluded from the Step 1 calculation, there is no need to include them on the supply side of the equation. The supply of affordable housing is calculated from re-lets data, based on past trends, and committed supply (provided by the councils).

Annual Supply of Re-Lets

- 4.31 Re-lets data is drawn from the MHCLG CORE data for general needs lettings (affordable and social rent). The re-lets estimate excludes internal transfers and renewals of tenancies. Over the 2022/23–2024/25 period, the rate of general needs re-lets averaged 148 per year in Hastings, and 166 per year in Rother.

Table 24: Annual supply of relets: Hastings

Year	Total Lettings	First Lets	Re-Lets*
2022/23	145	5	109
2023/24	243	12	188
2024/25	253	58	146
Average	214	25	148

Source: MHCLG CORE, Social Housing Lettings in England.

*Categories excluded are: Internal transfers, Re-let to tenant who occupied same property as temp accommodation, and Renewal of fixed term tenancy. Numbers have been rounded.

Table 25: Annual supply of relets: Rother

Year	Total Lettings	First Lets	Re-Lets*
2022/23	167	41	109
2023/24	206	39	151
2024/25	291	9	237
Average	221	30	166

Source: MHCLG [CORE](#), Social Housing Lettings in England.

*Categories excluded are: Internal transfers, Re-let to tenant who occupied same property as temp accommodation, and Renewal of fixed term tenancy. Numbers have been rounded.

- 4.32 PPG¹⁹ also recommends considering the pipeline of affordable housing within the supply calculation, as an indication of committed supply.
- 4.33 For Hastings, the latest commitments data from the Council indicates that there is a total of 125 units for social and affordable rent in the pipeline, annualised at 8 per year (from 2025 onwards).

¹⁹ PPG Reference ID: 67-007-20190722

- 4.34 For Rother, there are 298 social/affordable properties for rent in the pipeline, annualised to 18 per year (from 2025 onwards).
- 4.35 See Appendix B for a summary of the committed supply sites for Hastings and Rother, which is reproduced in this Addendum.

Surplus Stock & Units Taken Out of Supply

- 4.36 PPG states that vacant properties can be considered surplus stock. For the purposes of this analysis, the proportion of vacant properties (local authority and private registered provider stock) has been drawn from MHCLG's Local Authority Housing Statistics (LAHS).²⁰ Over the last three years, vacancy rates have consistently been less than 3% in Hastings and Rother. Therefore, the level of surplus stock is assumed to be zero.
- 4.37 For the purposes of calculating the number of units taken out of supply/management, data on the number of demolitions of local authority and PRP have been analysed (based on Social Housing Live Tables). There are no recorded demolitions of properties of either tenure over the last three years, and the figure for this step is therefore zero.

Step 3 Summary: Housing Supply

- 4.38 The final Step 3 figure is 156 per year in Hastings (148 + 8), and 184 per year in Rother (166 + 18).

Finalising the Calculation

- 4.39 The current and future supply of affordable rental housing is subtracted from the need figure to give a net annual affordable housing need figure (to rent) of 511 dpa in Hastings and 323 dpa in Rother (Table 26). These figures are compared to the 2024 HEDNA outcomes in Appendix C.

²⁰ PPG Reference ID: 67-007-20190722

Table 26: Social and affordable rental housing need calculations.

	Step 1: Current Need	Hastings	Rother
1a	Homeless & Temporary Accommodation	562	305
	Overcrowded & concealed	164	62
	Households in hardship or at risk	46	10
	Unsuitable Accommodation	5	71
	Multiple or severe needs (non-medical)	0	88
	Other households in need	1	14
1b	Gross need (sum of above)	778	550
1c	Annual quota of current need (1b/plan period length)	43	32
	Step 2: Future Need		
2a	New household formation (gross p.a.)	881	798
2b	% newly-forming households that cannot afford to rent in the open market	60.3%	49.5%
2c	No. households that cannot afford to rent in the open market (2a x 2b)	531	395
2d	Existing households falling into need	93	80
2e	Total newly-arising housing need (gross each year) (2c + 2d)	624	475
	Step 3: Housing Supply		
3a	Affordable homes occupied by households in need (accounted for at Step 1)	0	0
3b	Annual supply of re-lets	148	166
3c	Committed Supply (annualised from 2025)	8	18
3d	Surplus stock (vacant but available for letting)	0	0
3e	Units to be taken out of supply	0	0
3f	<i>Total affordable housing supply available per year (3a+3b+3c+3d) – (3e)</i>	156	184
	Step 4: Estimate of Annual Housing Need		
4a	Gross annual affordable need (1c + 2e)	667	507
4b	Annual affordable Supply (3f)	156	184
	NET Annual Affordable Housing Need (to rent) (4a - 4b)	511	323

Note: numbers may not sum due to rounding.

Affordable Home Ownership

- 4.40 To estimate the current need for affordable home ownership in Hastings and Rother, a similar approach has been followed to that taken to calculate the need for affordable housing to rent, starting with an estimate of current and future needs, and taking into account the supply of affordable housing through re-sales.
- 4.41 Households that fall into the 'gap' between being able to afford lower quartile market rents and open market property prices are the ones targeted for affordable home ownership products (e.g. shared ownership).
- 4.42 To purchase an entry-level (lower quartile) property in Hastings, at a price of £203,750, an income of £49,480 is required (assuming a loan to income ratio of 3.5 and a mortgage deposit of 15%). Lower quartile rent is estimated at £725 per month, requiring an annual income of £29,000 (assuming 30% of a household's income is spent on housing costs).
- 4.43 To purchase an entry-level (lower quartile) property in Rother (£265,000), an income of £64,360 is required. Lower quartile rent is estimated at £840 per month, requiring an annual income of £33,600.
- 4.44 With the CAMEO Income profile adjusted to account for the incomes of private renters (the households at whom affordable home ownership is targeted at – see Appendix A), it is estimated that 20% of private renter households fall into the 'gap' between being able to afford lower quartile rents and lower quartile property prices in Hastings, and 35% of newly-forming households.²¹ In Rother, with a relatively more wealthy population, the lower quartile 'gaps' are larger, at 26% for private renters and 50% for newly-forming households.
- 4.45 The use of a 30% income threshold provides a consistent basis for assessing affordability and accords with the approach used by the ONS in measuring private rental affordability²². The ONS considers private rent to be affordable where it is equivalent to 30% or less of the median income of private renting households. However, this does not necessarily reflect the actual proportion of income spent on housing by all households in the private rented sector. In practice, some households may be renting properties at above the lower quartile rent and spending a greater proportion of their income on housing costs. The availability of properties at the lower quartile rent is also influenced by the size and turnover of the private rented stock
- 4.46 This has implications for the estimated rent/buy gap. Applying a higher proportion of income to housing costs would reduce the income required to be considered able to afford

²¹ PPG Reference ID: 2a-025-20190220

²² Office for National Statistics (2025), Private rental affordability, England, Wales and Northern Ireland.

market rent and, as a result, increase the number of households falling between the market rent and market ownership thresholds. This could indicate a greater potential need for affordable home ownership than identified using the 30% assumption alone. However, households committing a higher proportion of their income to rent may also have less capacity to save for a deposit or meet the other up-front costs associated with home ownership.

Steps 1 & 2: Current & Future Need

- 4.47 To determine the current (backlog) need for affordable home ownership, the number of households in the private rented sector has been estimated using assumptions on household occupancy from the 2021 Census and the demographic scenario modelling outputs (Trend-15yr HH-22 scenario in Hastings and Trend-5yr HH-22 in Rother).
- 4.48 Based on the housing costs and income profile, and as outlined above, it is assumed that 20% of private renter households in Hastings fall into the 'gap' between being able to afford to rent and purchase lower quartile properties. In Rother, this figure is 26%. Applied to the private rent household estimate, an estimated 2,323 households in Hastings are identified as being potentially in need, and 1,835 in Rother. Annualised, this equates to 129 households in Hastings per year, and 108 in Rother.
- 4.49 Not all of these households will remain in the private rented sector, either through choice or due to affordability issues (e.g., due to a lack of savings or inability to secure a mortgage). The English Housing Survey 2024/25 reports that over half (58%) of private renters expect to buy at some point in the future, with 23% of these expecting to buy in the next two years.²³
- 4.50 With this assumption applied to the estimate of private renters in the rent/buy 'gap', it is estimated that the current backlog of need is 17 per year in Hastings and 14 per year in Rother (see Table 27).
- 4.51 The future need for affordable home ownership is calculated by assuming that a proportion of future newly-forming households will also fall into this rent/buy 'gap'. As with the affordable need (rent) calculations, the future gross household formation assumptions are drawn from the POPGROUP scenario modelling (Trend-15yr HH-22 scenario in Hastings, Trend-5yr HH-22 in Rother). With the lower quartile 'gap' assumptions for newly-forming households applied (as outlined above, 311 households are identified in Hastings and 398 in Rother). As with the current need, assumptions are applied relating to buying aspirations.
- 4.52 The EHS indicates that around 65% of households aged 16–44 (i.e. the age range considered to be 'newly-forming') who currently rent expect to buy a property at some

²³ [English Housing Survey 2024-25](#)

point. Assuming the same proportion of these households expect to buy in the next two years (23%, as above), the annual number of households seeking to become a homeowner (but are unable to afford open market property prices) is estimated at 46 per year in Hastings and 60 per year in Rother.

Step 3: Affordable Home Ownership Supply

- 4.53 Affordable home sales data has been used to estimate the 'flow' of stock that could be offset against the identified level of need. Affordable home ownership sales data from MHCLG suggests that, on average, only 2 shared ownership properties per year have been sold in Hastings between 2020 and 2025 and 5 per year in Rother²⁴.
- 4.54 As with the calculation of affordable need for rent, an element of committed supply has been included. The latest supply data from the council suggests that there are 6 units per year to come forward from 2025 in Hastings, and 17 per year in Rother.

Finalising the Calculation

- 4.55 Combining the identified level of need with the re-sales and committed supply data results in a net annual need for 55 affordable homes (for ownership) per year in Hastings, and 52 per year in Rother (Table 27).

²⁴ MHCLG CORE

Table 27: Need for Affordable Home Ownership

	Step 1: Current Need	Hastings	Rother
1a	Current households in private rent	11,345	7,064
1b	% private renter households in gap between open market rent and purchase	20%	26.0%
1c	Private renters in gap between open market rent and purchase (1a x 1b)	2,323	1,835
1d	Annual quota of private renter households in the rent/buy gap (1c / plan period length)	129	108
1e	% private renters expecting to buy at some point in the future (EHS)	58%	58%
1f	% of those expecting to buy who expect to buy in the next two years (EHS)	23%	23%
1g	Annual quota of current need (1d x 1e x 1f)	17	14
	Step 2: Future Need		
2a	New household formation (gross p.a.)	881	798
2b	% newly-forming households in gap between open market rent and purchase	35%	50%
2c	No. newly-forming households in 'gap' open market rent and purchase (2a x 2b)	311	398
2d	Newly-forming households seeking to become a homeowner (2c x 65%) x 23%)	46	60
	Step 3: Affordable Housing Supply		
3a	Affordable resales per annum	2	5
3b	Affordable Home Ownership committed supply	6	17
3c	Total supply (3a + 3b)	8	22
	Step 4: Estimate of Annual Housing Need		
4a	Gross need for Affordable Home Ownership (1d+ 2d)	63	74
4b	Total annual supply (3c)	8	22
	NET Annual Affordable Housing Need (to own) (4a - 4b)	55	52

Note: numbers may not sum due to rounding.

Household income Sensitivity Test

- 4.56 The 30% income threshold remains the basis of the principal affordable home ownership assessment above. A sensitivity test has been undertaken which considers the effect of assuming that households spend 34% of income on private rent. This changes the rental

affordability threshold used to identify households in the rent/buy gap; it does not change the assessment of need for social or affordable rented housing.

- 4.57 At lower quartile monthly rents of £725 in Hastings and £840 in Rother, the annual income needed to afford private rent in Hastings falls from £29,000 (30% income threshold) to approximately £25,590 (34% income threshold) and in Rother from £33,600 (30% income threshold) to approximately £29,650 (34% income threshold). The proportion of existing private renter households in the rent/buy gap increases from 20% to 34% in Hastings and increases from 26% to 45% in Rother under the sensitivity test. The proportion of newly forming households in the rent/buy gap increases from 35% to 52% in Hastings and increases from 50% to 63% in Rother under the sensitivity test.
- 4.58 This wider gap indicates a larger potential pool for affordable home ownership. It does not imply that every household within it could obtain mortgage finance or save for a deposit. Equally, some households spending more than 30% of income on private rent may be able to afford an affordable home ownership product despite being unable to purchase outright.
- 4.59 As set out in the table below, under the sensitivity test net affordable home ownership need increases from 55 to 89 homes per annum in Hastings and from 52 to 78 in Rother. These figures reflect the larger estimated rent/buy gap; the estimates for social and affordable rent remain 511 and 323 homes per annum respectively.

Table 28: Need for Affordable Home Ownership (assuming 34% of income is spent on private rent)

	Step 1: Current Need	Hastings	Rother
1a	Current households in private rent	11,345	7,064
1b	% private renter households in gap between open market rent and purchase	34%	45%
1c	Private renters in gap between open market rent and purchase (1a x 1b)	3,833	3,182
1d	Annual quota of private renter households in the rent/buy gap (1c / plan period length)	213	187
1e	% private renters expecting to buy at some point in the future (EHS)	58%	58%
1f	% of those expecting to buy who expect to buy in the next two years (EHS)	23%	23%
1g	Annual quota of current need (1d x 1e x 1f)	28	25
	Step 2: Future Need		
2a	New household formation (gross p.a.)	881	798
2b	% newly-forming households in gap between open market rent and purchase	52%	63%
2c	No. newly-forming households in 'gap' open market rent and purchase (2a x 2b)	459	502
2d	Newly-forming households seeking to become a homeowner (2c x 65%) x 23%)	69	75
	Step 3: Affordable Housing Supply		
3a	Affordable resales per annum	2	5
3b	Affordable Home Ownership committed supply	6	17
3c	Total supply (3a + 3b)	8	22
	Step 4: Estimate of Annual Housing Need		
4a	Gross need for Affordable Home Ownership (1g + 2d)	97	100
4b	Total annual supply (3c)	8	22
	NET Annual Affordable Housing Need (to own) (4a - 4b)	89	78

Note: Figures may not sum due to rounding.

- 4.60 The sensitivity test therefore illustrates how the affordable home ownership estimate responds to the rental affordability assumption. However, for the purposes of the main calculations within this HEDNA Update, the 30% income threshold has been retained.

Affordable Needs Split

- 4.61 The analysis presented above has identified a net need for 566 affordable homes per year in Hastings and 375 in Rother:

	Hastings	Rother
Social and affordable rent	511	323
Affordable home ownership	55	52
Total	566	375

Affordable/Social Rent Split

- 4.62 To estimate an appropriate split between social and affordable rent, the proportion of households unable to afford each housing option has been calculated, using the CAMEO Income profile and assumptions relating to the proportion of income spent on housing costs (and Appendix A). These proportions have then been used to calculate the number of households within each income range, generating a set of proportions of households that cannot afford social or affordable rents.
- 4.63 Affordable rental costs are derived from Regulator for Social Housing and CORE lettings statistics. For affordable rented housing these data are broadly representative of Local Housing Allowance (LHA) applicable at the time. The costs modelled are sensitive to recorded details of lettings by property type and size. LHA rates are generally lower than affordable rents calculated at 80% of market rent. The absolute total of households presented in the split of needs for affordable housing for rent by social rent or affordable rent reflects all households unable to afford market housing costs. Additional contributions from tenants' other sources of income (for example wages or alternative benefits) may nonetheless be required to cover housing costs. This is dependent on how policy for affordable rent is applied in practice and where rents do not accord strictly to LHA caps.
- 4.64 As social/affordable housing is targeted towards those at the lower end of the income profile, the recommended split has been calculated using the income profile for the private rented sector.

Table 29: Housing costs and affordability

	Hastings	Hastings	Hastings	Rother	Rother	Rother
Housing Option	Cost	Income Needed	% PRS HHs unable to afford	Cost	Income Needed	% PRS HHs unable to afford
Affordable Rent	£649	£25,960	65%	£678	£27,120	44%
Social Rent	£464	£18,560	23%	£511	£20,440	14%

Source: Regulator for Social Housing and CORE, TransUnion CAMEO.

- 4.65 On the basis of these income requirements and affordability thresholds, it is estimated that the split between the need for affordable and social rent is 64%/36% in Hastings (Table 30) and 68%/32% in Rother (Table 31).

Table 30: Housing need split, Hastings

Housing Option	No.	% of total Affordable Need	% Affordable/ Social Rent Split
Affordable Home Ownership	55	10%	-
Affordable Rent	329	58%	64%
Social Rent	182	32%	36%
Total	566	100%	100%

Table 31: Housing need split, Rother

Housing Option	No.	% of total Affordable Need	% Affordable/ Social Rent Split
Affordable Home Ownership	52	14%	-
Affordable Rent	219	58%	68%
Social Rent	104	28%	32%
Total	375	100%	100%

- 4.66 The sensitivity test detailed above (which assumes 34% of income is spent on private rent) changes the overall affordable housing tenure split as set out below. Under this test, total annual affordable housing need increases to 600 dwellings in Hastings and 401 dwellings in Rother, including AHO need representing 15% and 19% of total affordable need respectively. The absolute needs for affordable rent and social rent, and the split between them, are unchanged. These alternative outputs are sensitivity results and should be

considered alongside the principal assessment and the wider policy, viability and delivery evidence.

Table 32: Housing need split, Hastings (assuming 34% of income is spent on private rent)

Housing Option	No.	% of total Affordable Need	% Affordable/ Social Rent Split
Affordable Home Ownership	89	15%	-
Affordable Rent	329	55%	64%
Social Rent	182	30%	36%
Total	600	100%	100%

Table 33: Housing need split, Rother (assuming 34% of income is spent on private rent)

Housing Option	No.	% of total Affordable Need	% Affordable/ Social Rent Split
Affordable Home Ownership	78	19%	-
Affordable Rent	219	55%	68%
Social Rent	104	26%	32%
Total	401	100%	100%

- 4.67 The following analysis summarises the implications of these outputs for Rother and Hastings, including the relationship with the 2024 HEDNA and the emerging Local Plans.

Rother

- 4.68 The updated affordable housing need output for Rother is summarised in Table 34. The Addendum identifies a total net annual affordable housing need of 375 dpa. This compares with 325 dpa in the 2024 HEDNA, representing an increase of 50 dpa.

Table 34. Rother Affordable Housing Need Comparison

Tenure	2024 HEDNA dpa	2024 HEDNA %	2026 Addendum dpa	2026 Addendum %	Dpa change	Share percentage point change %
Affordable Home Ownership	87	27%	52	14%	-35	-13
Affordable Rent	134	41%	219	58%	85	17
Social Rent	104	32%	104	28%	0	-4
Affordable / Social Rent	238	73%	323	86%	85	13
Total	325		375		50	

Source: 2024 HEDNA Table 28; Edge Analytics 2026 housing mix outputs; DLP analysis.

- 4.69 The updated output indicates that the total need for affordable/social rented housing in Rother has increased from 238 dpa in the 2024 HEDNA to 323 dpa in the Addendum. This increases the affordable/social rented component from 73% to 86% of total affordable housing need. This represents a material shift in the balance of need towards affordable housing for rent and is primarily a function of increased rents in the private rented sector.
- 4.70 The affordable rent component increases from 134 dpa to 219 dpa, while the social rent component remains unchanged in absolute terms at 104 dpa. However, because total affordable housing need has increased, social rent reduces slightly as a proportion of total need, from 32% to 28%. This does not indicate a reduced need for social rent in absolute terms; rather, it reflects the larger overall affordable housing need figure and the larger increase in affordable rent need.
- 4.71 Affordable home ownership need reduces from 87 dpa in the 2024 HEDNA to 52 dpa in the Addendum. As a proportion of total affordable housing need, this represents a reduction from 27% to 14%. This reflects the updated affordability modelling and increase in rental costs. While house prices have been relatively static, the income profile in Rother is relatively highly concentrated as has also remained broadly consistent in terms of median and lower quartile earnings. This indicates that fewer households fall within the rent/buy gap between lower quartile market rent and lower quartile market ownership.
- 4.72 The reduction in Affordable Home Ownership need should be interpreted with care. Gross needs for Affordable Home Ownership in Rother were assessed at 96 dpa in the 2024 HEDNA, compared with 74 dpa in the 2026 Addendum. This reflects evidence of reduced intentions among existing private rented sector households to buy, a smaller proportion of

households falling within the rent/buy gap, and increased assumptions for committed supply and re-sales. Of these factors supply-side adjustments affecting the net calculation are a relatively more significant factor than reduced gross needs. The higher level of committed supply during preparation of the HEDNA is itself evidence of demand for affordable home ownership.

- 4.73 The increased need for affordable/social rented housing in Rother is partly driven by a small increase in the proportion of households unable to afford lower quartile rents, alongside lower annual re-let totals.
- 4.74 The evidence continues to support the prioritisation of Social Rent, but it does not mean that affordable home ownership should necessarily be capped rigidly at 14% where a broader tenure mix would help diversify supply, support viability and meet the absolute need for Affordable Home Ownership. When the Council is able to provide a clear understanding of total expected affordable housing supply in the plan period and forecast build rates based, it may wish to revisit the approach to affordable housing contributions to set these at a level that would meet net identified needs for affordable home ownership housing in full. Options of at least 25% are still likely to be reasonable.

Table 35. Rother affordable housing need by tenure, 2024 HEDNA and 2026 Addendum

Tenure	2024 HEDNA	2026 Addendum
Affordable Home Ownership	87	52
Affordable Rent	134	219
Social Rent	104	104

Table 36. Rother affordable housing tenure split, 2024 HEDNA and 2026 Addendum

Tenure	2024 HEDNA	2026 Addendum
Affordable Home Ownership	27%	14%
Affordable Rent	41%	58%
Social Rent	32%	28%

Hastings

- 4.75 The updated affordable housing need output for Hastings is summarised in Table 37. The Addendum identifies a total net annual affordable housing need of 566 dpa. This compares with 432 dpa in the 2024 HEDNA, representing an increase of 134 dpa.

Table 37. Hastings affordable housing need comparison

Tenure	2024 HEDNA dpa	2024 HEDNA %	2026 Addendum dpa	2026 Addendum %	Dpa change	Share percentage point change %
Affordable Home Ownership	116	27%	55	10%	-61	-17
Affordable Rent	185	43%	329	58%	144	15
Social Rent	131	30%	182	32%	51	2
Affordable / Social Rent	316	73%	511	90%	195	17
Total	432		566		134	

Source: 2024 HEDNA Table 28; Edge Analytics 2026 housing mix outputs; DLP analysis.

- 4.76 The updated output indicates that the total need for affordable/social rented housing in Hastings has increased from 316 dpa in the 2024 HEDNA to 511 dpa in the Addendum. This increases the affordable/social rented component from 73% to 90% of total affordable housing need. The shift is therefore more pronounced than in Rother and represents a clear change in the tenure balance identified by the updated evidence.
- 4.77 The affordable rent component increases from 185 dpa to 329 dpa, while the social rent component increases from 131 dpa to 182 dpa. Social rent therefore increases in both absolute and proportional terms, from 30% to 32% of total affordable housing need. This supports a continued and strengthened emphasis on the delivery of genuinely affordable rented housing in Hastings.
- 4.78 Affordable home ownership need reduces from 116 dpa in the 2024 HEDNA to 55 dpa in the Addendum. As a proportion of total affordable housing need, this represents a reduction from 27% to 10%. This reflects the updated affordability modelling and indicates that the proportion of households able to access affordable home ownership products is more limited than previously identified.
- 4.79 In Hastings, total net annual affordable housing need has increased by around 31%. This should be considered in the context of the revised Standard Method. The 2024 HEDNA

affordable need figure of 432 dpa was around 90% of the former Standard Method figure, while the Addendum figure of 566 dpa is around 83% of the revised Standard Method figure. The increase is therefore substantial in absolute terms, but relatively proportionate when considered against the higher current Local Housing Need figure.

- 4.80 The greatest absolute change is in the need for Affordable Rent, which increases by 144 dpa. This reflects Hastings' relatively lower income profile, the concentration of households within lower income bands, relatively static income growth since the 2024 HEDNA, and increased private rental costs. These factors mean that relatively modest changes in private rents and lower quartile house prices can have a significant effect on the proportion of households unable to meet their needs in the market.

Table 38. Hastings affordable housing need by tenure, 2024 HEDNA and 2026 Addendum

Tenure	2024 HEDNA	2026 Addendum
Affordable Home Ownership	116	55
Affordable Rent	185	329
Social Rent	131	182

Table 39. Hastings affordable housing tenure split, 2024 HEDNA and 2026 Addendum

Tenure	2024 HEDNA	2026 Addendum
Affordable Home Ownership	27%	10%
Affordable Rent	43%	58%
Social Rent	30%	32%

- 4.81 The evidence continues to support the prioritisation of Social Rent, but it does not mean that affordable home ownership should necessarily be capped rigidly at 10% where a broader tenure mix would help diversify supply, support viability and meet the absolute need for Affordable Home Ownership. It would not be inappropriate to set the proposed proportion of affordable home ownership at a level that would seek to meet net identified needs for affordable home ownership housing in full. Options of at least 20% are still likely to be reasonable. For example, net annual affordable home ownership needs of 55 dwellings per annum would equate to 880 dwellings for a residual period 2025-2041. Even assuming that the total of local housing need is planned for over the same period total affordable housing contributions secured at 25% of this total as affordable homes would only equate to 2,744 dwellings (10,976 x 0.25). Affordable home ownership would need to

be sought at 25% of total affordable housing to meet the 880 dwellings figure in full. This illustrates the scale of need for affordable home ownership that continues to be identified.

- 4.82 The Council should ultimately revisit this illustration as part of its final selection of the proposed housing requirement, outcomes of viability testing and total forecast contributions to affordable housing.

Interpretation and policy implications

- 4.83 The updated outputs should be interpreted as an assessment of need rather than as fixed policy requirements. The level and tenure mix of affordable housing secured through development will need to be considered through the Local Plan process, taking account of viability, delivery, funding, site-specific circumstances and the need to maximise affordable housing delivery overall.
- 4.84 However, the updated evidence indicates a clear increase in the proportionate need for affordable/social rented housing in both authorities. This is particularly important in the context of the current NPPF, which requires policies to specify the type of affordable housing required, including the minimum proportion of Social Rent homes. The updated evidence therefore provides a basis for reviewing the affordable housing tenure splits currently reflected in the emerging Local Plans.
- 4.85 For Rother, the 2026 Regulation 18 Plan does not set out a detailed updated affordable housing tenure split, noting that further detail will be provided at the Regulation 19 stage. Policy HOU2 in the 2024 Regulation 18 Plan identified a starting point for discussions with the Council, informed by the previous national First Homes policy and the 2024 HEDNA. The updated evidence indicates a higher proportionate need for affordable/social rented housing than the 2024 HEDNA, and the supporting text to the Regulation 19 Plan should therefore be reviewed to reflect the Addendum outputs. However, it is not necessarily the case that aspirations for Affordable Home Ownership need to be capped at the proportion of total net need indicated by the Addendum, particularly where a broader mix can support viability, diversify supply and help meet the absolute need for this tenure.
- 4.86 For Hastings, Strategic Policy SP2 in the Regulation 18 Plan sets out an expectation for an affordable tenure mix of 70% affordable/social rent and 30% affordable home ownership. This was broadly aligned with the 2024 HEDNA, which identified a 73%/27% split between affordable/social rented housing and affordable home ownership. The Addendum now identifies a 90%/10% split. This suggests that Policy SP2 and the supporting text explaining the affordable tenure mix should be reviewed in light of the updated evidence, although it will not necessarily be the case that policy must prescriptively follow the precise percentages indicated by the Addendum.
- 4.87 The reduction in the affordable home ownership component should not be interpreted as meaning that there is no need for affordable home ownership. Rather, the evidence

indicates that affordable home ownership forms a smaller share of the updated affordable housing need than previously identified. The Councils may still choose to support affordable home ownership as part of a balanced tenure mix, particularly where it can improve access to home ownership, diversify supply and assist delivery, provided this does not prejudice the ability to meet higher priority needs for affordable rented and social rented housing.

5 HOUSING MIX

- 5.1 To determine what an appropriate housing mix might be across market (owned and private rent), affordable home ownership and social/affordable rent, evidence has been combined from the Edge Analytics' Housing Mix model and demographic modelling, the 2021 Census and the council's housing register.
- 5.2 The housing mix methodology uses 2021 Census household occupancy trends and demographic modelling to generate mix profiles across property size (number of bedrooms), type (houses and flats) and tenure (owned, private rent, social rent).
- 5.3 The housing mix modelling is two-step process: Step 1 of the modelling involves using the latest available 2021 Census datasets to create a cross-classified table showing the distribution of households by tenure (social rent, private rent, owner occupied), accommodation type (detached, semi-detached, terraced, flats), and bedrooms (1-, 2-, 3- and 4-bed). In Step 2, the data from Step 1 is combined with a commissioned table that includes the age of the household head and household category, creating a probability matrix by household type, age, tenure, accommodation type and bedroom number. The resulting probability matrix is then applied to a projected household growth profile, drawn from the Edge Analytics demographic modelling.
- 5.4 It is important to note that this approach does not take account of future policy changes, nor socio-economic conditions that might influence how households occupy housing: the Housing Mix model estimates the size, type and tenure of dwellings that could be formed if current patterns of household occupancy were to continue over the plan period. The characteristics of household formation are sensitive to differences in the overall scale and nature of population change by age and sex including relative differences in tenure by age. The analysis in the HEDNA Addendum considers this in the context of current demographic trends, including differences since the 2024 HEDNA was completed. This includes considering the effect of changes to the standard method for calculating local housing need in terms of its potential effects on household formation.
- 5.5 As explained in the definition of Growth Scenarios in Section 3, this HEDNA Update utilises the latest ONS-2022 based household projections. This is an important change from the previous HEDNA, which used the 2014-based household projections underpinning the former standard method. Both studies also include an allowance for improvements in rates of household formation.
- 5.6 The 2024 HEDNA provided recommendations for housing mix based on a [former] **Dwelling-led LHN HH-14R** growth scenario in accordance with then-applicable national policy. This included providing for improved household formation (denoted by the 'R')

suffix). It is therefore appropriate for this HEDNA Addendum to consider potential future household characteristics from the **[revised] Dwelling-led LHN (HH-22-R)** that underpin this study.

- 5.7 There are, however, three important observations for this comparison. Firstly, changes in projected trends in household characteristics are defined by wider factors than change in the standard method. These factors are substantially captured by the 2022-based household projections so could be modelled in any scenario. Secondly, the revised standard method produces notably higher indications of dwellings (and therefore households) to be planned for than the former standard method. Third (and interrelated) while the former standard method utilised demographic inputs (at least to an extent tying dwelling-led LHN outputs to the same household projections used to inform housing mix) that is not the case for the revised standard method. Therefore there is relatively little certainty that future levels of population and household change are likely to occur at levels indicated by the dwelling-equivalent result of the revised standard method.
- 5.8 This does not mean that it is inappropriate to provide policy recommendations based on revised standard method dwelling-led scenarios that can be applied pro-rata to any housing requirement ultimately selected as part of plan-making. However, it does mean that it may be helpful to benchmark recommendations - both in terms of the absolute level of household change and relative split by household type or bedroom number – against other scenarios reflecting current demographic trends. What this means in practice is that the HEDNA Addendum should consider the **Trend-15Yr (HH-22-R) (2026) scenario** (for Hastings) and **Trend-5Yr (HH-22-R) (2026) scenario** (for Rother) to compare the differences in household formation that would result for planning for housing mix in accordance with the standard method. This allows any notable differences in absolute change or relative split by household type and size to be considered.
- 5.9 As well as updates to demographic projections and the overall scale of population growth, other factors such as affordability and growth in the private rented sector have some influence over the type of households that form and the size of accommodation that is occupied. All other things being equal, these factors can increase pressure on the stock of smaller properties.
- 5.10 The future housing mix for affordable home ownership in circumstances of increased pressure on affordability and current occupancy patterns is highly influenced by household characteristics in the private rented sector, related to households aspiring to ownership. However, while this may in principle indicate a higher proportion of households occupying smaller 1-bed and 2-bed private rented properties as an indicator of 'need' the reality of the market for affordable home ownership products may reflect the aim of households to be able to support future growth in household size. There is therefore relatively broad scope for discretion in applying the quantitative and qualitative outputs from the HEDNA in terms of household formation and target housing mix.

- 5.11 An ageing population may have the opposite effect where the under-occupation of housing occurs, placing pressure on the availability of larger family-sized dwellings. This applies particularly in the context of demographic scenarios that also support increased levels of population change amongst younger adults – more typically those associated provision for a higher level of dwelling-equivalent housing growth.
- 5.12 Changes in household formation trends also tend to impact occupancy characteristics in the affordable housing for rent sector. This can create tension where the immediate pressure can be for an increased proportion of lettings of smaller properties to address current needs whereas future provision to support a wider range of household types (including potential growth in family size) may suggest a more diverse housing mix. The following analysis interprets the Edge Analytics housing mix outputs by authority and considers the implications for emerging Local Plan policy.
- 5.13 A final point to reiterate is therefore that the total change in housing stock achieved by applying policies for housing mix will be highly sensitive not only to the overall level of development planned for, but also levels of delivery sought and achieved by tenure mix. This is likely to ultimately be determinative of whether some projected trends in household change and occupancy are experienced or exceeded in practice or whether the pattern of change in housing stock by type and tenure appears constrained by limits to the total change in stock.
- 5.14 This was considered in the 2024 HEDNA through delivery modelling of certain levels of change by tenure and potential levels of affordable housing supply. This approach has been retained and updated in the 2026 HEDNA but it is important to note that this is sensitive to the requirements for affordable housing that are ultimately sought. Should these differ significantly from the assumptions modelled the Councils should be prepared to illustrate the differences resulting from this in terms of how overall housing mix might change.

Rother

- 5.15 For Rother, the updated housing mix outputs have been reviewed against both the 2024 HEDNA and the latest Edge Analytics scenario outputs. The reviewed outputs indicate a high level of consistency between the 2024 HEDNA and the 2026 Addendum, with the relevant updated scenario outputs falling broadly within, or close to, the 2024 recommended ranges.
- 5.16 Comparing projections of demographic trends against the dwelling-led scenario demonstrates that both scenarios closely reflect modelling of current occupancy characteristics by household types and within tenures. It is differences in the absolute level of projected change by household type, and the subsequent apportionment of absolute change by tenure and bedroom number, that leads to differences in expected housing mix

between the scenarios. For Rother the difference between projected household growth under the **Trend-5Yr (HH-22-R) (2026)** and **Dwelling-Led LHN (HH-22-R)** scenarios is around 7,500 households.

- 5.17 This additional household growth is heavily concentrated in growth of families with children, countering a negative projected change in the demographic trend scenario. These households account for 9% of change in dwelling-led LHN scenarios compared with -1% of change in the **Trend-5Yr (HH-22-R) (2026)** projection. This has the effect that the share of change amongst all other household types is reduced, but the effect is less significant for other household types with a reference person aged under 65 that experience a higher proportion of additional population growth.

Table 40. Rother Comparison of Dwelling-Led LHN and Demographic Trend Scenarios by Households and Household Type

	HH Type	Single person 65+	Single person <65	Families with dependent children 65+	Families with dependent children <65	Other household composition 65+	Other household composition <65
Trend-5Yr (HH-22-R)	2025	9261	5217	198	8957	10917	9280
	2042	11504	6380	142	8869	12978	10853
	Change	2243	1164	-56	-88	2060	1573
	% Change	24%	22%	-28%	-1%	19%	17%
	% Share of Change	33%	17%	-1%	-1%	30%	23%
Dwelling-led LHN (HH-22-R)	2025	9342	5274	201	9068	11014	9377
	2042	13242	7417	164	10431	14960	12577
	Change	3900	2143	-36	1363	3945	3200
	% Change	42%	41%	-18%	15%	36%	34%
	% Share of Change	27%	15%	0%	9%	27%	22%

- 5.18 The overall effect of these changes results in a slightly higher proportion of growth in 3+ bedroom dwellings (54% on the dwelling-led LHN scenario versus 50% in the trend-based scenario). However, this is subject to existing occupancy characteristics by tenure being applied to both scenarios, which is unlikely to be a full reflection of affordable housing needs or the extent of growth in the private rental sector – balancing affordability pressure against the fact additional supply is principally delivered either as market housing for sale or as affordable housing.

Table 41. Rother Comparison of Dwelling-Led LHN and Demographic Trend Scenarios by Household Composition and Bedroom Number

	Split by composition	Single person 65+	Single person <65	Families with dependent children 65+	Families with dependent children <65	Other household composition 65+	Other household composition <65	Total
Trend-5Yr (HH-22-R)	Total	11504	6380	142	8869	12978	10853	50726
	1 bed	18%	28%	2%	3%	4%	5%	10%
	2 bed	38%	39%	22%	29%	28%	28%	32%
	3 bed	33%	24%	38%	40%	40%	37%	36%
	4 bed	11%	9%	38%	28%	28%	30%	22%
Dwelling-led LHN (HH-22-R)	Total	13242	7417	164	10431	14960	12577	58790
	1 bed	18%	28%	2%	3%	4%	5%	10%
	2 bed	38%	39%	22%	29%	28%	28%	32%
	3 bed	33%	24%	38%	40%	40%	37%	36%
	4 bed	11%	9%	38%	28%	28%	30%	22%

- 5.19 Another point to note is that the demographic trend-based scenario includes a higher proportion of older households. Under current occupancy characteristics this would generally equate to a higher proportion of 2-bed or fewer properties – around 50% of change by composition versus 46% under the dwelling-led scenario. However, this takes no account of a potential increase in under-occupation of existing properties as the population ages (particularly in owner-occupied tenures). This means that the future proportion of households occupying smaller properties may be overstated.

Table 42. Rother Comparison of Dwelling-Led LHN and Demographic Trend Scenarios of Change by Household Composition and Number of Bedrooms

	Change Split by composition	Single person 65+	Single person <65	Families with dependent children 65+	Families with dependent children <65	Other household composition 65+	Other household composition <65	Total
Trend-5Yr (HH-22-R)	Total	2243	1164	-56	-88	2060	1573	6897
	1 bed	18%	31%	3%	-17%	4%	5%	14%
	2 bed	38%	39%	22%	-119%	29%	30%	36%
	3 bed	33%	22%	37%	7%	40%	37%	35%
	4 bed	11%	8%	38%	229%	27%	27%	16%
Dwelling- led LHN (HH-22-R)	Total	3900	2143	-36	1363	3945	3200	14514
	1 bed	18%	30%	3%	4%	4%	5%	12%
	2 bed	38%	39%	22%	39%	29%	29%	34%
	3 bed	33%	22%	37%	42%	40%	37%	35%
	4 bed	11%	8%	38%	14%	27%	28%	19%

- 5.20 When these implications of each scenario are considered within the outputs for suggested occupancy characteristics by bedroom number and tenure the effects are relatively more significant. This is more representative of informing how future provision may look guided by housing mix recommendations by tenure. This also reflects that differences of projected change by household type and bedroom number are not evenly distributed across the tenure profile.

Table 43. Rother Comparison of Dwelling-Led LHN and Demographic Trend Scenarios by Households by Tenure

Age		Owner occupied	Private rent	Social rent	Total
Trend-5Yr (HH-22-R)	2025	32208	7099	4523	43830
	2042	37175	8316	5236	50726
	Change	4966	1217	713	6897
	% Change	15%	17%	16%	16%
	% Share of Change	72%	18%	10%	100%
Dwelling-led LHN (HH-22-R)	2025	32521	7183	4572	44276
	2042	42984	9717	6089	58790
	Change	10463	2534	1517	14514
	% Change	32%	35%	33%	33%
	% Share of Change	72%	17%	10%	100%

- 5.21 It is this profile of occupancy characteristics by bedroom number and tenure that provide an appropriate basis for comparison with the 2024 HEDNA. This is summarised in the table below:

Table 44. Rother Indicative Housing Mix by Tenure comparisons

		1- bedroom	2- bedrooms	3- bedrooms	4+ bedrooms
2024 HEDNA Dwelling-led [Former] LHN HH-14R	Owner Occupied	3%	20%	53%	23%
	Owner occupied (Market and Private, overall average)	6%	24%	49%	20%
	Affordable Home Ownership (based on PRS occupancy)	21%	44%	29%	5%
	Affordable/Social Rent	33%	40%	25%	2%
	Affordable/Social Rent (Register	49%	30%	16%	5%

		1- bedroom	2- bedrooms	3- bedrooms	4+ bedrooms
2026 Addendum Trend-5Yr (HH-22-R) (2026)	Owner Occupied	6%	34%	40%	20%
	Owner occupied (Market and Private Rent, overall average)	10%	36%	36%	18%
	Affordable Home Ownership (based on PRS occupancy)	27%	46%	22%	6%
	Affordable/Social Rent	42%	34%	22%	2%
	Affordable/Social Rent (Register)	43%	29%	20%	8%
2026 Addendum Dwelling- Led LHN (HH-22-R) (2026)	Owner Occupied	5%	31%	39%	24%
	Owner occupied (Market and Private Rent, overall average)	9%	34%	36%	21%
	Affordable Home Ownership (based on PRS occupancy)	24%	45%	24%	7%
	Affordable/Social Rent	37%	35%	26%	3%
	Affordable/Social Rent (Register)	43%	29%	20%	8%

Source: Edge Analytics; DLP analysis. Figures rounded.

- 5.22 It should be noted that in considering composition based on maintaining occupancy characteristics within each tenure the overall trend will not be realised in practice if the proportion of future change across the overall distribution of tenures differs. For example, occupancy trends within the owner-occupied sector account for around 73% of the Rother district total based on current occupancy by tenure. There is a very broad scope for occupancy characteristics to depart from the existing position within this sector (for example due to ageing and affordability). Delivery of a higher or lower proportion of accommodation within owner-occupied tenure, or if absolute change is below the totals indicated by household change anticipated under demographic trends, would also reasonably be expected to alter occupancy characteristics. However, it is also the case that current occupancy will at least in-part reflect differences in the age at which

households can form in this sector (for younger age groups) and the accommodation choices available in terms of specialist housing (particularly for older people).

- 5.23 The occupancy profile depends increasingly upon projected trends for growth in private rent – around 16% of the Rother district total based on the current tenure profile. The household and bedroom profile for this tenure reflects a concentration of younger age groups and affordability pressure – trending towards smaller household size. However, this sector also substantively captures the occupancy profile of households aspiring towards home ownership or who may be able to access market housing in future.
- 5.24 Therefore, while the Council's policies cannot necessarily control whether market housing is provided for either sale or rent (particularly over its life) and whether the existing stock will support this level of growth in the private rented sector in practice it is reasonable to consider that future market occupancy profiles for market should blend the trends observed across housing for sale and rent (albeit weighted towards the higher proportion of owner occupied accommodation).
- 5.25 For total monitoring of change by stock this also supports the monitoring of potential (particularly urban) windfall schemes and re-use of previously developed land that are more likely to yield flatted development and/or provision of housing for rent than potentially achieved through the delivery of general needs mixed-tenure housing on greenfield sites.
- 5.26 The exception to this is affordable home ownership, where it is reasonable to assume an occupancy profile derived from the private rented sector. However, this can be caveated by market evidence that households aspiring to home ownership may well ultimately seek a property that grows with family size.
- 5.27 For affordable and social rent tenures projected change is around 10% of the all households occupancy trend. However, it should be noted that at around 1,500 households under the dwelling-led LHN scenario trend-based change by tenure is not reflective of full affordable housing needs based on households unable to afford market housing. Due to the relatively small proportion of total change the occupancy profile within this tenure is more sensitive to projected change in population by age and household type. The Council Housing Register provides a useful sense-check of occupancy trends and generally records a higher proportion of 1-bed needs based on current needs e.g., for younger people. However, the register also captures need for 4+ bedroom affordable housing that is not well represented amongst existing stock or occupancy trends. However, trend-based modelling demonstrates that allowances for projected population change (particularly increased family households under the dwelling-led scenario) increases the proportion of need for 2-bed and 3-bed affordable housing. This is more likely to be a reliable indicator of the actual future profile of need as the population changes and less well-capture by current register preferences or the 2025 occupancy profile.

5.28 With these implications for total projected change across tenures appropriately qualified the following observations on composition within tenure are noted:

- The principal difference between the projections is the lower proportion of 3-bedroom accommodation across market tenures for sale and rent. This is principally a result of the latest household formation rates, changes to mortality rate assumptions and the relative growth of younger households. For example while 53% of households in owner occupied tenure in the 2024 HEDNA were modelled as 3-bedroom this was from a total household growth of 11,592 households of which 6,159 were for 3-bedrooms and of these 4,243 of the households were expected to have a reference person aged 75+. The equivalent figures for the dwelling-led LHN scenario in the 2026 Addendum are for 10,483 owner occupied households of which 4,081 are for 3-bedrooms but only 1,875 with a reference person aged 75+. The projected growth of around 2,200 3-bedroom households for those aged under 75 exceeds the c.1,900 modelled in 2024. Therefore, while the percentage change is relatively significant it is appropriate to reflect this in modelling. The projected change in 3-bedroom households also accords more closely with the starting point of around 36% of households comprising 3-bedrooms and accords with current Census data.
- There is relatively little change in occupancy characteristics for 1-bed or 4-bed owner occupied accommodation, but the dwelling-led LHN scenario is associated with a higher proportion of 4-bed properties than recorded in the 2024 HEDNA, allowing for increased population growth
- The private rental sector profile, applicable to modelling affordable housing for rent, reflects a broad range of households occupying in the market rental sector. Representation is highest for 2-bed properties (45%), with a fairly equal split of 1-bed and 3-bed accommodation (c.25%). The dwelling-led LHN scenario includes a slightly higher proportion of 3-bed households and is likely to represent a reasonable basis for a broader demographic profile of households in private rent and aspiring to affordable home ownership.
- The future occupancy profile of market housing for sale and rent indicates around 57% of households with 3+ bedrooms. This is a reduction on around 69% recorded in the previous 2024 HEDNA but this Addendum is considered to more accurately reflect occupancy trends taking account of demographic change, affordability constraints and growth in private rent. This reduction is also partly offset by the proportions of 3+ bedroom housing modelled for other tenures.
- The Council's housing register is considered to provide the most accurate indicator of affordable housing needs to be addressed by mix and type. However, it is noted that modelling of the dwelling-led LHN scenario indicates a higher proportion of 2-bed (35% versus 29%) and 3-bed (26% versus 20%) of households and as such would support prioritising around 60% of affordable housing for rent as 2-bed or 3-bed properties.

- 5.30 Based on these observations the table below summarises the total change in stock by bedroom number that may arise under different delivery assumptions, comparing with the 2024 HEDNA (specific percentage outputs shown in brackets):

Table 45. Rother Summary of Potential Total Change by Bedroom Number By Delivery Modelling and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
HEDNA Update (2024) Dwelling-led [Former] LHN HH-14R Delivery Modelling (30% AH; 33% AHO/66% Affordable Housing for Rent)	15-20% (16%)	25-30% (27%)	35-45% (40%)	15-20% (16%)
HEDNA Update (2024) Dwelling-led [Former] LHN HH-14R Projected Change by Tenure	9%	26%	46%	18%
Dwelling-led LHN (HH-22-R) (2026) (Delivery Modelling) (35% AH; 25% AHO/75% ARH)	15-20% (19%)	30-35% (34%)	30-35% (31%)	15-20% (17%)
Dwelling-led LHN (HH-22-R) (2026) (Delivery Modelling) (30% AH; 27% AHO/73% ARH)	15-20% (17%)	30-35% (34%)	30-35% (32%)	15-20% (17%)
Dwelling-led LHN (HH-22-R) (2026) Projected Change by Tenure	12%	34%	35%	19%
Trend-5Yr (HH-22-R) (2026) (Delivery Modelling) (35% AH; 25% AHO/75% ARH)	15-20% (20%)	30-35% (35%)	30-35% (31%)	12.5 – 17.5% (14%)
Trend-5Yr (HH-22-R) (2026) (Delivery Modelling) (30% AH; 27% AHO/73% ARH)	15-20% (19%)	30-35% (35%)	30-35% (31%)	15-20% (15%)

Trend-15Yr (HH-22-R) (2026) Projected Change by Tenure	14%	36%	35%	16%
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- 5.31 The Dwelling-led LHN scenarios are considered to represent the appropriate approach to modelling for the 2026 Addendum. These compare relatively closely with the 2024 HEDNA recommendations of mix by range. Different overall levels of affordable housing contribution and split of affordable home ownership or affordable housing for rent have a relatively limited effect on the mix likely to be achieved. However, higher proportions of affordable housing increase the emphasis on 1-bed and 2-bed properties but this is ameliorated to an extent at higher proportions of affordable home ownership. Given that there is some evidence of a higher proportion of need for affordable housing for rent (reasonably modelled at around 75% of the affordable tenure mix in these scenarios compared to 27% in the previous HEDNA) this supports a slightly more even balance in the overall mix expected to be achieved.
- 5.32 The indicative Rother mix remains broadly consistent with the 2024 HEDNA. The updated evidence supports continued provision of family housing in the owner occupied sector, alongside a strong need for smaller affordable rented homes and a continued need for family-sized affordable rented homes to meet larger household needs. The changes are therefore capable of being reflected through updated supporting text rather than requiring a fundamental change in policy approach. A limited amendment is suggested to the range for provision of 3-bed housing. In practice this means that up to around 55% of all housing can be expected to comprise 3+ bedrooms, compared to around 65% in the previous HEDNA. The recommended mix scenario and range for Rother are summarised below and compare with Table 37 in the previous HEDNA. Also shown are recommendations for mix by Tenure, comparing with Table 38 in the previous HEDNA:

Table 46. Recommendations for Overall Housing Mix – Rother

	1 bed	2 bed	3 bed	4 bed	Total
Households 2025	4,277	13,850	15,810	10,339	44,276
Households 2042	7,169	18,959	20,511	12,852	59,491
Change	2,892	5,109	4,701	2,513	15,215
% change	68%	37%	30%	24%	34%
Range	15-20%	30-35%	30-35%	15-20%	100%
% share of change	19%	34%	31%	17%	100%

Table 47. Recommendations for Housing Mix by Tenure – Rother

Mix by Bedroom Need	1 bed	2 bed	3 bed	4 bed	Total
Market	9%	34%	36%	21%	100%
Affordable Home Ownership	24%	45%	24%	7%	100%
Social/Affordable Rent	43%	29%	20%	8%	100%
TOTAL	19%	34%	31%	17%	100%

- 5.33 The updated Rother output indicates that owner occupied housing need remains focused on 2 and 3-bedroom properties. Compared with the 2024 HEDNA, the 2026 Addendum indicates a greater proportionate need for 2-bedroom owner occupied homes and a lower proportionate need for 3-bedroom homes, although the overall profile remains weighted towards family-sized accommodation.
- 5.34 Within market housing for sale and rent it is important to note that under both the Trend-5Yr (HH-22-R) and Dwelling-Led LHN (HH-22-R) the proportion of 1-bedroom properties marginally exceeds that recorded in the 2024 HEDNA. This applies whether considering outright owner occupation (6% or 5% versus 3% in 2024) or a blend of market sale and rent (10% or 9% versus 6%).
- 5.35 While growth in the private rented sector is a principal factor this exists alongside an ageing population and slight reductions in life expectancy. All of these factors place additional pressure on the stock of one-bedroom properties in circumstances where boosting housing supply and population growth would increase the absolute total on one-person younger households. As the precise means of relieving pressure on these sections of the market cannot necessarily be predicted with certainty (for example provision of specialist older persons housing or increased availability of rental properties within existing stock) it is recommended that policies for housing encourage the total mix of properties to include some element of one-bedroom accommodation across all tenures where possible.
- 5.36 The Affordable Home Ownership output identifies the strongest need for 2-bedroom properties, at around 45% of the affordable home ownership mix. This is driven by occupancy trends in the private rented sector and applying demographic expectations of planning for an increase in projected population change translating to a higher proportion of 2+ bedroom households overall. The mix of affordable home ownership ultimately sought by the Council within individual schemes should be considered flexibly. This represents a relatively new tenure with very limited existing stock upon which to base occupancy assumptions. The private rented sector is also accommodating an increasingly broad range of household types and ages for whom affordable home ownership provides

an important alternative. In these circumstances it would not necessarily be inappropriate to align housing mix expectations more closely with the market sector, although the proportion of 4+ bedroom properties for affordable home ownership is likely to be materially lower due to combined cost pressures associated with equity share and remaining rent.

- 5.37 The affordable/social rented mix remains strongly weighted towards smaller homes, with 1-bedroom properties accounting for around 43% and 2-bedroom properties accounting for around 29% of the need. However, there remains a continued need for family-sized affordable rented housing, with 3-bedroom properties accounting for around 20% of the need. This indicates that affordable rented need is not limited to smaller households, although the latest register-based evidence points to a particularly strong requirement for smaller affordable rented homes. As discussed above trend-based occupancy modelling taking account of demographic change indicating around 60% of affordable housing for rent comprising 2-bed and 3-bed properties is relevant evidence as is market evidence from Registered Providers who may consider more support for a lower proportion of 1-bedroom dwellings.
- 5.38 While these mix recommendations draw upon modelling of dwelling-led local housing need that may not ultimately form the Council's proposed housing requirement they are considered appropriate for applying pro-rata to any requirement based on evidence of housing need and demographic trends. A caveat attached to this is where the housing requirement and proposed policy for securing affordable housing contributions could impose constraints on the market sector for sale or rent. For example, under trend-based modelling of the Trend-5Yr (HH-22-R) (2026) scenario around 6,183 market households for sale or rent are expected to form – around 90% of the total. This is materially greater than allowed for if the total affordable housing to be delivered is around 30-35% of all development. Even allowing for a contribution from affordable home ownership (as an alternative to private rent) total delivery of market tenures would amount to only around 74%. This is within the context that affordable home ownership also represents a potential role for those who cannot afford market housing for sale and may not yet form part of current occupancy trends or assumptions for household formation. If the housing requirement was set at around the level of current demographic trends the table below illustrates why this could result in a deficit of around 1,700 homes for market sale or rent, reducing to around 1,100 households allowing for a contribution from affordable home ownership towards market totals.

Table 48. Comparison of Delivery Models and Projected Trends in Market Housing for Sale and Rent – Rother

	Split by composition	Trend-5Yr (HH-22-R)	Delivery Modelling Dwelling-Led LHN	Diff.	Delivery Modelling Dwelling-Led LHN including AHO	Diff.
All Households		6897	6897	0	6897	6897
Market Sale and Rent	Total	6183	4483	-1700	5087	-1096
	1 bed	550	399	-151	541	-9
	2 bed	2094	1519	-576	1789	-305
	3 bed	2236	1621	-615	1769	-467
	4 bed	1303	944	-358	988	-315

- 5.39 The effects of this are twofold. Firstly, taking into account the housing needs of other groups including affordable housing it is very likely that any total housing requirement proposed in-line with total household change under current demographic trends would place significant pressure on occupancy trends in market housing for sale or rent.
- 5.40 Secondly, assuming a minimum household change to sustain proposed demographic trend-based, occupancy characteristics by tenure the impact on split by bedroom number for c.1,100 additional households are not evenly distributed. The effect would principally demand an increase in 2-bed and 3-bed households as the main elements of market tenure homes for sale or rent (and around 51% comprising 3+ bedrooms). As illustrated in the table below this has the effect of slightly amending the dwelling mix that may relieve pressure on occupancy where there is undersupply in market sectors. Depending on the final housing requirement selected by the Councils the outputs in the following table may indicate an appropriate housing mix that acknowledges to a greater extent the pressure that meeting a range of housing needs can place particularly upon market housing tenures. It should be noted that the ranges for this illustrative scenario are unchanged from the central recommendations of the HEDNA 2026 and the principal difference relates to accommodating current occupancy by tenure when seeking to address a wider range of housing needs.

Table 49. Indicative Housing Mix Allowing for Projected Trends in Market Housing for Sale and Rent – Rother

All Households	Split by composition	Delivery Modelling Dwelling-Led LHN Households	Delivery Modelling Dwelling-Led LHN % Split	Delivery Modelling Plus Market Occupancy Projected Trend Households	Delivery Modelling Dwelling-Led LHN including AHO % Split
All Tenures	Total	6897	100%	7993	100%
	1 bed	1311	19%	1320	17%
	2 bed	2316	34%	2621	33%
	3 bed	2131	31%	2598	33%
	4 bed	1139	17%	1454	18%

Hastings

- 5.41 The same approach has been adopted for Hastings to assess changes in housing mix since completion of the 2024 HEDNA. This considers differences in the absolute level of projected change by household type. The subsequent apportionment of absolute change by tenure and bedroom number, that leads to differences in expected housing mix between the scenarios. For Hastings the difference between projected household growth under the **Trend-15Yr (HH-22-R) (2026)** and **Dwelling-Led LHN (HH-22-R)** scenarios is around 5,700 households.
- 5.42 As with Rother additional household growth is heavily concentrated in growth of families with children. These households account for 8% of change in dwelling-led LHN scenarios compared with a stark -6% (-623 households) of change in the **Trend-15Yr (HH-22-R) (2026)** projection. This has the effect that the share of change amongst all other household types is reduced. However, within Hastings the longer-term demographic projection captures relatively slow growth in all types of household composition with a reference person aged under 65. Together these account for only 35% of change. The potential change to demographic trends in planning for local housing need is significant and is relatively evenly distributed across younger household types, which increase to a combined 54% of change. Reflecting the occupancy characteristics of these different household types increases the degree of difference between potential implications for future housing mix

Table 50. Hastings Comparison of Dwelling-Led LHN and Demographic Trend Scenarios by Households and Household Type

	HH Type	Single person 65+	Single person <65	Families with dependent children 65+	Families with dependent children <65	Other household composition 65+	Other household composition <65
Trend-15Yr (HH-22-R)	2023	6560	7947	170	10250	5864	9661
	2041	8530	9431	122	9627	7524	10700
	Change	1970	1484	-48	-623	1660	1039
	% Change	30%	19%	-28%	-6%	28%	11%
	% Share of Change	36%	27%	-1%	-11%	30%	19%
Dwelling-led LHN (HH-22-R)	2023	6560	7947	170	10250	5864	9661
	2041	9336	10692	134	11110	8237	12085
	Change	2777	2745	-36	861	2373	2424
	% Change	42%	35%	-21%	8%	40%	25%
	% Share of Change	25%	25%	0%	8%	21%	22%

- 5.43 The overall effect of these changes results in a slightly higher proportion of growth in 3+ bedroom dwellings (45% on the dwelling-led LHN scenario versus 39% in the trend-based scenario). However, this is subject to existing occupancy characteristics by tenure being applied to both scenarios, which is unlikely to be a full reflection of affordable housing needs or the extent of growth in the private rental sector – balancing affordability pressure against the fact additional supply is principally delivered either as market housing for sale or as affordable housing.

Table 51. Hastings Comparison of Dwelling-Led LHN and Demographic Trend Scenarios by Household Composition and Bedroom Number (2041)

	Split by composition	Single person 65+	Single person <65	Families with dependent children 65+	Families with dependent children <65	Other household composition 65+	Other household composition <65	Total
Trend-15Yr (HH-22-R)	Total	8530	9431	122	9627	7524	10700	45933
	1 bed	27%	44%	3%	3%	5%	9%	18%
	2 bed	35%	33%	27%	34%	28%	31%	32%
	3 bed	29%	18%	49%	43%	44%	38%	34%
	4 bed	9%	6%	22%	20%	23%	22%	16%
Dwelling-led LHN (HH-22-R)	Total	9336	10692	134	11110	8237	12085	51594
	1 bed	27%	44%	3%	3%	5%	9%	18%
	2 bed	35%	33%	27%	34%	28%	31%	32%
	3 bed	29%	18%	49%	43%	44%	38%	34%
	4 bed	9%	5%	22%	20%	23%	22%	16%

- 5.44 Another point to note is that the demographic trend-based scenario includes a higher proportion of older households. Under current occupancy characteristics this would generally equate to a higher proportion of 2-bed or fewer properties – around 61% of change by composition versus 55% under the dwelling-led scenario. This has a more notable effect on occupancy characteristics in Hastings. While the future proportion of households occupying smaller properties may be overstated should the proportion of households remaining in larger family homes increase as the overall population ages the dynamic of a higher proportion of the ageing population living in smaller and often flatted development is an existing characteristic of housing mix dynamics.

Table 52. Hastings Comparison of Dwelling-Led LHN and Demographic Trend Scenarios of Change by Household Composition and Number of Bedrooms

	Change Split by composition	Single person 65+	Single person <65	Families with dependent children 65+	Families with dependent children <65	Other household composition 65+	Other household composition <65	Total
Trend-15Yr (HH-22-R)	Total	1970	1484	-48	-623	1660	1039	5482
	1 bed	25%	47%	3%	0%	5%	9%	25%
	2 bed	36%	33%	25%	3%	28%	32%	36%
	3 bed	30%	15%	51%	52%	44%	38%	29%
	4 bed	9%	5%	22%	45%	22%	21%	10%
Dwelling- led LHN (HH-22-R)	Total	2777	2745	-36	861	2373	2424	11143
	1 bed	26%	46%	3%	6%	5%	9%	21%
	2 bed	36%	33%	24%	56%	28%	32%	34%
	3 bed	29%	16%	52%	36%	44%	38%	32%
	4 bed	9%	5%	22%	2%	23%	21%	13%

- 5.45 When these implications of each scenario are considered within the outputs for suggested occupancy characteristics by bedroom number and tenure the effects are relatively more significant. This is more representative of informing how future provision may look guided by housing mix recommendations by tenure. This also reflects that differences of projected change by household type and bedroom number are not evenly distributed across the tenure profile. Within Hastings only 58% of projected change is amongst owner occupied tenure. This reflects further growth in the private rented sector associated with affordability constraints. Projected change in affordable housing for rent (around 14% of total change) is also higher than in Rother and reflects the existing make-up of housing stock.

Table 53. Hastings Comparison of Dwelling-Led LHN and Demographic Trend Scenarios by Households by Tenure

Age		Owner occupied	Private rent	Social rent	Total
Trend-15Yr (HH-22-R)	2023	23205	11378	5868	40451
	2041	26397	12898	6639	45933
	Change	3192	1519	771	5482
	% Change	14%	13%	13%	14%
	% Share of Change	58%	28%	14%	100%
Dwelling-led LHN (HH-22-R)	2023	23205	11378	5868	40451
	2041	29493	14644	7457	51594
	Change	6288	3266	1590	11143
	% Change	27%	29%	27%	28%
	% Share of Change	56%	29%	14%	100%

- 5.46 It is this profile of occupancy characteristics by bedroom number and tenure that provides an appropriate basis for comparison with the 2024 HEDNA. This is summarised in the table below:

Table 54. Hastings Indicative Housing Mix by Tenure comparisons

		1- bedroom	2- bedrooms	3- bedrooms	4+ bedrooms
2024 HEDNA Dwelling- led [Former] LHN HH- 14R	Owner Occupied	5%	25%	52%	18%
	Market Sale and Rent, overall average)	14%	30%	43%	13%
	Affordable Home Ownership (based on PRS occupancy)	36%	44%	18%	2%
	Affordable/Social Rent	30%	45%	23%	3%
	Affordable/Social Rent (Register)	47%	31%	17%	5%
Draft Policy SP2, Reg.18 Plan	Affordable/Social Rent	30%	35%	30%	5%
2026 Addendum (Trend- 15Yr (HH- 22-R))	Owner Occupied	9%	35%	40%	15%
	Market Sale and Rent, overall average)	21%	36%	31%	11%
	Affordable Home Ownership (based on PRS occupancy)	47%	37%	13%	3%
	Affordable/Social Rent	48%	37%	14%	2%
	Affordable/Social Rent (Register)	40%	31%	20%	9%
2026 Addendum (Dwelling- led LHN (HH-22-R))	Owner Occupied	8%	31%	41%	20%
	Market Sale and Rent, overall average)	18%	34%	33%	15%
	Affordable Home Ownership (based on PRS occupancy)	39%	39%	18%	5%
	Affordable/Social Rent	38%	36%	22%	3%

		1- bedroom	2- bedrooms	3- bedrooms	4+ bedrooms
	Affordable/Social Rent (Register)	40%	31%	20%	9%

Source: Edge Analytics; DLP analysis. Figures rounded.

- 5.47 There is a greater degree of volatility in the Hastings projections both when comparing against the 2024 HEDNA and between demographic trend and LHN scenarios in this Addendum. This is a function of a much lower proportion of projected change within owner occupied tenures, and demographic change associated with local housing need being a potentially greater departure from past trends. Given that around 29% of projected change under these occupancy characteristics is based on growth in the private rented sector there is a broad scope that should the tenure profile for delivery of additional housing be different (for example a higher proportion of market housing for sale) overall housing mix outcomes would differ. A significant degree of ageing in the population and the overall level of affordable housing need are also factors that may influence occupancy trends although these dynamics already affect the profile of housing mix and household composition in Hastings.
- 5.48 For modelling future occupancy trends for future growth in housing supply in relation to market housing for sale and rent the same approach has been adopted as for Rother district. This considers occupancy profiles for market housing should blend the trends observed across housing for sale and rent (albeit weighted towards the higher proportion of owner occupied accommodation). Despite the very high level of projected growth in private rented tenure influencing this blend (and informed by existing occupancy characteristics) this is likely to be particularly appropriate in Hastings given levels of flatted development and re-use of previously developed land. Even where higher proportions of market housing for sale are achieved affordability pressures and the profile of housing stock are likely to mean current occupancy trends within private rent influence over household characteristics.
- 5.49 For Affordable Home Ownership, where it is reasonable to assume an occupancy profile derived from the private rented sector. However, this can be caveated by market evidence that households aspiring to home ownership may well ultimately seek a property that grows with family size.
- 5.50 For affordable and social rent tenures projected change is around 14% of the all households occupancy trend. However, it should be noted that at around 1,600 households under the dwelling-led LHN scenario trend-based change by tenure is not reflective of full affordable housing needs based on households unable to afford market housing. Due to a higher representation in existing stock and across households by age and type the mix implications for different levels of growth and population change in this tenure are relatively less sensitive than in Rother. However, a relatively higher proportion

of families with children and other households under local housing need scenarios notably reduces the expected proportion of occupancy characteristics for 1-bed households from 48% of the total to 38%. This also accords more closely with the Council's Housing Register, which provides a useful sense-check of occupancy trends. For Hastings the Register records around 9% of households requiring 4+ bedroom properties and less well-captured under current occupancy trends.

5.51 With these implications for total projected change across tenures appropriately qualified the following observations on composition within tenure are noted:

- Within owner occupied tenure there is a similar marked reduction in 3-bed properties for similar reasons recorded in analysis for Rother district noting increased mortality rates and an ageing population. Under the Dwelling-Led LHN scenario 3-bed properties remain attributable for 41% of future housing mix in this tenure but reduced from 52% in 2024. This is considered to more accurately reflect demographic change and market signals.
- There is relatively little change in occupancy characteristics for 1-bed or 4-bed owner occupied accommodation, but the dwelling-led LHN scenario is associated with a higher proportion of 4-bed properties than recorded in the 2024 HEDNA, allowing for increased population growth.
- The private rental sector profile, applicable to modelling affordable housing for rent, reflects a broad range of households occupying in the market rental sector but is likely significantly affected by affordability. Under the dwelling-led LHN scenario around 39% of households occupy 1-bed accommodation with a similar 39% 2-bed accommodation. The combined proportion of households is very similar to the 2024 HEDNA, but the trend-based household projection scenario without additional population growth results in a less realistic 41% of occupancy trends associated with 1-bed property.
- The future occupancy profile of market housing for sale and rent indicates around 48% of households with 3+ bedrooms. This is a reduction on around 56% recorded in the previous 2024 HEDNA but this Addendum is considered to more accurately reflect occupancy trends taking account of demographic change, affordability constraints and growth in private rent.
- The Council's housing register is considered to provide the most accurate indicator of affordable housing needs to be addressed by mix and type. However, while the Council's draft policy seeks to achieve around 65% of affordable housing for rent as 2-bedroom or 3-bedroom property this is relatively less well-captured by the register (51% of households). Occupancy projections inclusive of population growth under the dwelling-led scenario derive a proportion of 58% 2-bed and 3-bed housing. This is relevant evidence for the Council's preferred choice of housing mix, also taking into account market evidence on Registered Provider finances and preferences.

5.52 Based on these observations the table below summarises the total change in stock by bedroom number that may arise under different delivery assumptions, comparing with the 2024 HEDNA (specific percentage outputs shown in brackets):

Table 55. Hastings Summary of Potential Total Change by Bedroom Number By Delivery Modelling and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
HEDNA Update (2024) Dwelling-led [Former] LHN HH-14R Delivery Modelling	20-25% (23%)	30-35% (32%)	30-40% (35%)	10-15% (11%)
HEDNA Update (2024) Dwelling-led [Former] LHN HH-14R Projected Change by Tenure	16%	33%	39%	12%
Dwelling-led LHN (HH-22-R) (2026) (Delivery Modelling) (25% AH; 25% AHO/75% ARH)	20-25% (24%)	30-35% (34%)	30-35% (30%)	10-15% (13%)
Dwelling-led LHN (HH-22-R) (2026) (Delivery Modelling) (20% AH; 20% AHO/80% ARH)	20-25% (23%)	30-35% (34%)	30-35% (30%)	10-15% (13%)
Dwelling-led LHN (HH-22-R) (2026) (Projected Change)	21%	34%	32%	13%
Trend-15Yr (HH-22-R) (2026) (Delivery Modelling) (25% AH; 25% AHO/75% ARH)	25-30% (27%)	30-35% (35%)	25-30% (28%)	10-15% (10%)
Trend-15Yr (HH-22-R) (2026) (Delivery Modelling) (20% AH; 20% AHO/80% ARH)	25-30% (26%)	30-35% (35%)	25-30% (29%)	10-15% (11%)
Trend-15Yr (HH-22-R) (2026) (Projected Change)	25%	36%	29%	10%

- 5.53 The Dwelling-led LHN scenarios are considered to represent the appropriate approach to modelling for the 2026 Addendum. These compare relatively closely with the 2024 HEDNA recommendations of mix by range. It is considered appropriate to retain the recommendations of the 2024 HEDNA overall in terms of ranges for recommended mix by bedroom number from total household change. The only exception is to define tighter parameters for the range of 3-bed property from 30-40% to 30-35%. The overall ranges

have tested indicated total supply of affordable housing at between 20% and 25% of total delivery and affordable home ownership at 20% or 25% of the affordable tenure split. Both variables have a negligible effect of total mix by delivery modelling, partly due to the similarity of occupancy trends within private rented alternatives.

- 5.54 The indicative Hastings mix remains broadly consistent with the 2024 HEDNA. While signals such as increased population growth and demand for family housing are important indicators in Hastings it is correct to record this as needing to be achieved alongside a broad tenure profile and occupancy characteristics. At present the effect of potential future growth in population is largely countered by expansion of the private rented sector and ageing. It is more important in Hastings to consider how the actual delivery of changes to housing mix will be achieved through housing delivery by tenure.
- 5.55 The recommended mix scenario and range for Hastings are summarised below and compare with Table 56 in the previous HEDNA. Also shown are recommendations for mix by Tenure, comparing with Table 38 in the previous HEDNA:

Table 56. Recommendations for Overall Housing Mix – Hastings

	1 bed	2 bed	3 bed	4 bed	Total
Households 2025	6,668	12,886	14,073	6,823	40,451
Households 2042	9,482	17,037	17,812	8,468	52,799
Change	2,814	4,151	3,739	1,645	12,348
% change	42%	32%	27%	24%	31%
Range	20-25%	30-35%	30-35%	10-15%	20-25%
% share of change	23%	34%	30%	13%	100%

Table 57. Recommendations for Housing Mix by Tenure – Hastings

Mix by Bedroom Need	1 bed	2 bed	3 bed	4 bed	Total
Market	18%	34%	33%	15%	100%
Affordable Home Ownership	39%	39%	18%	5%	100%
Social/Affordable Rent	40%	31%	20%	9%	100%
Total	23%	34%	30%	13%	100%

- 5.56 The updated Hastings output indicates that owner occupied housing need remains focused on 2 and 3-bedroom properties at around 67% of total households. Compared with the 2024 HEDNA, the 2026 Addendum indicates a greater proportionate need for 2-bedroom owner occupied homes and a lower proportionate need for 3-bedroom homes,

although the overall profile remains weighted towards accommodation allowing some future growth in family size.

- 5.57 The Affordable Home Ownership output identifies an equal mix of 1-bed and 2-bed properties, which is similar to the 2024 HEDNA but it is acknowledged may not fully align with market evidence seeking affordable home ownership as a long-term opportunity to potentially grow household size. It is notable that the indicative mix of 4+ bedroom affordable home ownership products has increased since the 2024 HEDNA Update.
- 5.58 The affordable/social rented mix remains strongly weighted towards smaller homes, with 1-bedroom properties accounting for around 40% and 2-bedroom properties accounting for around 31% of the need. However, there remains a continued need for family-sized affordable rented housing, with 3-bedroom properties accounting for around 20% of the need. This indicates that affordable rented need is not limited to smaller households, although the latest register-based evidence points to a particularly strong requirement for smaller affordable rented homes. As discussed above trend-based occupancy modelling taking account of demographic change indicating around 58% of affordable housing for rent comprising 2-bed and 3-bed properties is relevant evidence as is market evidence from Registered Providers who may consider more support for a lower proportion of 1-bedroom dwellings.
- 5.59 While these housing mix recommendations are informed by the dwelling-led local housing need scenario, the Council's proposed housing requirement may differ. The recommended mix can nevertheless be applied pro-rata to an alternative requirement where this is supported by evidence on housing need and demographic trends. A caveat attached to this is where the housing requirement and proposed policy for securing affordable housing contributions could impose constraints on the market sector for sale or rent. For example, under trend-based modelling of the Trend-15Yr (HH-22-R) (2026) scenario around 4,711 market households for sale or rent are expected to form – around 86% of the total. This is materially greater than allowed for if the total affordable housing to be delivered is around 20-25% of all development.
- 5.60 Even allowing for a contribution from affordable home ownership (as an alternative to private rent) total delivery of market tenures would amount to only around 84%. This is within the context that affordable home ownership also represents a potential role for those who cannot afford market housing for sale and may not yet form part of current occupancy trends or assumptions for household formation.
- 5.61 If the housing requirement was set at around the level of current demographic trends the table below illustrates why this could result in a deficit of around 325 homes for market sale or rent, reducing to around 106 households allowing for a contribution from affordable home ownership towards market totals.

Table 58. Comparison of Delivery Models and Projected Trends in Market Housing for Sale and Rent – Hastings

	Split by composition	Trend-15Yr (HH-22-R)	Delivery Modelling Dwelling-Led LHN	Diff.	Delivery Modelling Dwelling-Led LHN including AHO	Diff.
All Households		5482	5482	0	5482	0
Market Sale and Rent	Total	4711	4386	-325	4605	-106
	1 bed	870	810	-60	895	25
	2 bed	1594	1484	-110	1569	-25
	3 bed	1556	1449	-108	1488	-68
	4 bed	690	642	-48	652	-37

- 5.62 The effects of this are twofold. Firstly, taking into account the housing needs of other groups including affordable housing it is very likely that any total housing requirement proposed in-line with total household change under current demographic trends would place significant pressure on occupancy trends in market housing for sale or rent.
- 5.63 Secondly, assuming a minimum household change to sustain proposed demographic trend-based, occupancy characteristics by tenure the impact on split by bedroom number for c.325 additional households are not evenly distributed. This total has been used excluding any contribution from Affordable Home Ownership towards trend-based totals for market sale or rent. For Hastings this reflects the larger private rented sector, affordability pressures and the potential benefit of improvements to household formation all set against a relatively minor potential constraint on growth in households in market sale of rental tenure.
- 5.64 The effect would principally demand an increase in 2-bed and 3-bed households as the main elements of market tenure homes for sale or rent but this would be minor. As illustrated in the table below this has the effect of slightly amending the dwelling mix that may relieve pressure on occupancy where there is undersupply in market sectors. Depending on the final housing requirement selected by the Councils the outputs in the following table may indicate an appropriate housing mix that acknowledges to a greater extent the pressure that meeting a range of housing needs can place particularly upon market housing tenures. It should be noted that the ranges for this illustrative scenario are unchanged from the central recommendations of the HEDNA 2024 and the principal difference relates to accommodating current occupancy by tenure when seeking to address a wider range of housing needs.

Table 59. indicative Housing Mix Allowing for Projected Trends in Market Housing for Sale and Rent – Hastings

All Households	Split by composition	Delivery Modelling Dwelling-Led LHN	Delivery Modelling Dwelling-Led LHN	Delivery Modelling Plus Market Occupancy Projected Trend	Delivery Modelling Dwelling-Led LHN including AHO
		Households	% Split	Households	% Split
All Tenures	Total	5482	100%	5807	1
	1 bed	1249	22.8%	1309	22.5%
	2 bed	1843	33.6%	1953	33.6%
	3 bed	1660	30.3%	1767	30.4%
	4 bed	730	13.3%	778	13.4%

- 5.65 The updated Hastings output identifies an owner occupied housing mix weighted towards 2 and 3-bedroom properties, which together account for around 67% of the indicative owner occupied mix. Compared with the 2024 HEDNA, the proportionate need for 1-bedroom owner occupied homes reduces, while the proportionate need for 2-bedroom homes increases. The overall profile remains broadly consistent with the 2024 evidence.
- 5.66 The indicative Hastings mix supports a balanced approach which provides smaller homes to meet the needs of single person and smaller households, while retaining sufficient family-sized housing to meet ongoing household growth and affordable rented need. The overall housing mix recommendations remain broadly consistent with the 2024 HEDNA, but the tenure-specific outputs indicate that the affordable/social rented bedroom mix in the emerging Plan should be reviewed against the latest register-based evidence.

Implications for policy

- 5.67 The updated housing mix outputs should be read in the context of the emerging Local Plans. In both authorities, the updated overall bedroom mix is broadly consistent with the findings of the 2024 HEDNA. The Addendum therefore does not indicate a need for a fundamental change in the overall approach to housing mix. However, the updated outputs should be used to refresh the supporting text and any indicative mix tables, particularly where emerging policy refers to the 2024 HEDNA evidence.

Rother

- 5.68 In Rother, the 2024 Regulation 18 Plan set out a flexible approach to housing mix. The supporting text included the 2024 HEDNA mix recommendations, but also made clear that the actual mix to be delivered on development sites would be determined on a site-by-site basis. Policy HOU1 also set out high-level principles, including that housing development

should contribute to current and projected housing needs, that at least 30% of market housing should comprise one and two-bedroom dwellings, and that the exact affordable housing size mix should be identified through discussions with the District Council.

- 5.69 The updated Rother outputs are broadly consistent with that flexible approach. The overall mix remains close to the 2024 HEDNA, with the main change being a slightly stronger role for two-bedroom homes and a slightly lower proportion of one-bedroom homes. The updated tenure-specific outputs also support the continued need for smaller affordable rented homes, alongside a continuing need for family-sized affordable rented accommodation. The existing policy approach, which avoids applying the mix rigidly and allows the final mix to be considered through site-specific discussions, remains appropriate.
- 5.70 The recommendation for Rother is therefore that no fundamental change is required to the overall housing mix policy approach. However, the Regulation 19 supporting text should be updated to reflect the latest Addendum outputs. The requirement for at least 30% of market housing to comprise one and two-bedroom dwellings remains supported by the updated evidence and has been somewhat strengthened by the latest occupancy characteristics of market housing for sale and rent. Sources of one-bedroom and two-bedroom supply within market tenures should be closely monitored. Consistent with the observations of projected trends in paragraph 5.33 it is recommended that policies for housing encourage the total mix of properties to include some element of one-bedroom accommodation across all tenures where possible.
- 5.71 Any accompanying HEDNA-derived mix table should be refreshed within the Plan itself. The affordable housing size mix should continue to be determined through discussion with the Council, informed by the latest HEDNA Addendum outputs, housing register evidence, site characteristics and viability.

Hastings

- 5.72 In Hastings, the emerging Regulation 19 Plan takes a flexible approach to overall housing mix, recognising that mix should not be applied formulaically and should take account of site size, location, feasibility, viability and local character. The updated Addendum outputs are broadly consistent with this approach at the level of total housing mix, with the Dwelling-led LHN and trend scenarios both remaining close to the 2024 HEDNA recommended ranges.
- 5.73 However, the position is different for the affordable/social rented bedroom mix. The Regulation 18 Plan identifies a specific affordable/social rented mix of 30% one-bedroom, 35% two-bedroom, 30% three-bedroom and 5% four-bedroom homes. This policy-on choice appears to remain broadly appropriate and is supported by evidence from the Council's Housing Register and the projected trends in occupancy in affordable tenures allowing for additional population growth.

- 5.74 The recommendation for Hastings is therefore that the overall housing mix approach can remain flexible and broadly as drafted. It may be appropriate to review the affordable/social rented bedroom mix in Policy SP2 and its supporting text should be reviewed to state the range of inputs that broadly support the policy aim of around 65% of accommodation in affordable housing for sale or rent. The Addendum indicates a stronger need for 1-bedroom affordable/social rented homes and a lower proportionate need for 3-bedroom affordable/social rented homes than the emerging policy currently assumes. If the current policy mix is retained, the supporting text should explain the role of other considerations, including viability, engagement with housing colleagues, the need to optimise affordable housing delivery and the potential benefit of delivering some larger affordable family housing.
- 5.75 The Addendum supports retaining a flexible, site-by-site approach to housing mix in both authorities. In both cases, the updated mix outputs should be treated as evidence of need and a starting point for policy consideration, rather than as fixed requirements to be applied irrespective of site context, viability or scheme design. The Councils should also consider the interaction between the mix of affordable rented homes, the reduced supply of re-lets and the ageing population, including the potential role of specialist older persons' housing in easing pressure on smaller affordable housing stock. This is particularly important where the HEDNA Addendum demonstrates that for some housing requirement scenarios the total change in housing mix recorded across expected delivery by tenure could place additional constraints on household formation in market housing for sale or rent.

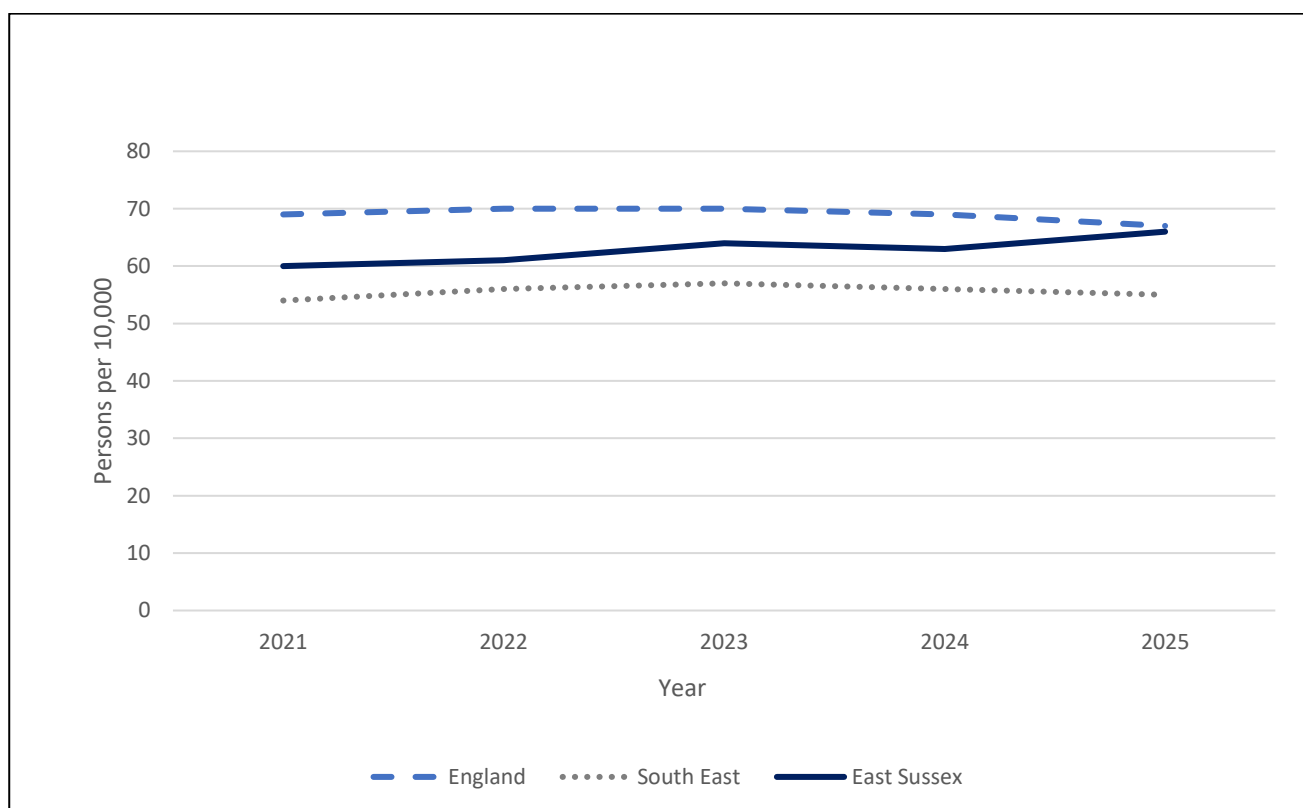
6 NEEDS OF LOOKED AFTER CHILDREN

- 6.1 Since the 2024 HEDNA was prepared, the NPPF has been updated to include looked-after children within the list of groups whose housing needs should be assessed and reflected in planning policies. Paragraph 63 states that, in establishing housing need, the size, type and tenure of housing needed for different groups in the community should be assessed, including looked-after children.
- 6.2 Under the Children Act 1989, local authorities have a legal obligation to provide care for looked after children. Sections 22A to 22D and 22G set out the duties local authorities have regarding the accommodation and maintenance of children:
- Section 22A states that it is the duty of local authorities to provide accommodation when a child is in their care;
 - Section 22B states that it is the duty of local authorities to maintain the child they are looking after in other respects apart from accommodation provision;
 - Section 22C sets out the ways the looked after child is to be accommodated and maintained;
 - Section 22D states that a review of the child's case must be made before making alternative arrangements for accommodation; and
 - Section 22G details the general duty of the local authority to secure sufficient accommodation for looked after children.
- 6.3 In May 2023, the Housing and Planning Minister released a Written Ministerial Statement reminding local authorities of the requirement to assess the housing needs of different groups, including those of looked after children and care leavers in need of social services care. This statement also said that local planning authorities should be supportive of applications for all types of accommodation for looked after children.
- 6.4 The publication of the NPPF in December 2024 included an addition within Paragraph 63 to explicitly include looked after children as a group whose housing size, type and tenure needs should be assessed and reflected in planning policies.
- 6.5 Data relating to looked after children is not published at district level for Rother or Hastings. Children's social care functions are administered by East Sussex County Council rather than Rother District Council or Hastings Borough Council. Therefore, the most robust and relevant evidence base is East Sussex-wide data, which reflects the strategic geography at which accommodation needs are assessed, commissioned and managed.

- 6.6 East Sussex County Council was contacted to provide additional updated evidence for this study. The assessment is therefore based on the latest published data from the Department for Education and the point-in-time East Sussex County Council data provided to inform this Addendum. East Sussex County Council is responsible for planning and commissioning placements across the county, including foster care, residential children's homes, supported accommodation and semi-independent living arrangements.

Department for Education Data

Figure 16: Rate of Looked After Children per 10,000 children aged under 18, year ending on 31 March (2021 - 2025)



Source: Department for Education

- 6.7 The Department for Education data indicates that the number of children looked after in East Sussex has increased over the past five years, increasing from 60 looked after children per 10,000 in 2021 to 66 per 10,000 in 2025. In 2025, there were 688 looked after children in East Sussex, equivalent to a rate of 66 per 10,000 children aged under 18. This is notably higher than the South East (55 per 10,000) but broadly in line with the rest of England (67 per 10,000), indicating that East Sussex experiences comparatively higher levels of proportional need regionally but not nationally.

Table 60. Age Composition of Looked After Children in East Sussex compared to the South East and England (2021-2025)

		2021	2022	2023	2024	2025
Under 1 year	England	3,930	3,960	3,830	3,730	3,630
	South East	460	500	440	410	430
	East Sussex	22	22	27	22	17
1 to 4 years	England	11,630	11,300	11,080	10,740	10,030
	South East	1,190	1,210	1,200	1,080	1,130
	East Sussex	77	83	69	69	84
5 to 9 years	England	15,000	14,870	14,890	15,010	15,110
	South East	1,780	1,790	1,770	1,730	1,750
	East Sussex	104	113	114	105	117
10 to 15 years	England	31,340	31,690	31,880	31,430	30,930
	South East	4,220	4,320	4,420	4,320	4,290
	East Sussex	249	258	267	283	286
16 years and over	England	18,880	20,270	22,070	22,620	22,060
	South East	2,830	3,020	3,420	3,610	3,460
	East Sussex	158	151	177	180	184

Source: Department for Education

- 6.8 The age profile of looked after children in East Sussex is broadly consistent with national trends, with the largest cohort comprising children aged 10 to 15 (286 in 2025), followed by those aged 16 and over (184 in 2025). This older cohort is particularly relevant in housing terms, as it generates demand for supported accommodation and transitional housing for care leavers approaching adulthood. In absolute terms both locally and nationally totals of looked after children in the 16 years and over category have increased most since 2021. East Sussex is relatively distinct in also showing more significant absolute growth in the 10 to 15 age bracket. This is likely to project forward into sustained levels of 16 years and over looked after children in future years whereas nationally and regionally totals in the 10 to 15 age bracket have stabilised in recent years.

Table 61. Placement of Looked After Children (2021-2025)²⁵

		2021	2022	2023	2024	2025
Foster placements	England	56,990	57,170	56,610	55,960	54,820
	South East	7,300	7,460	7,490	7,230	7,200
	East Sussex	423	447	424	410	420
Placed for adoption	England	2,490	2,350	2,230	2,120	1,660
	South East	320	310	250	270	160
	East Sussex	24	17	18	14	17
Placed with parents or other person with parental responsibility	England	6,070	5,710	5,830	5,390	4,970
	South East	560	550	580	510	500
	East Sussex	22	22	30	27	33
Secure homes and children's homes	England	7,440	7,610	8,020	8,710	9,480
	South East	1,130	1,110	1,180	1,300	1,420
	East Sussex	73	75	90	111	127
Independent and semi-independent living arrangements/supported accommodation	England	6,070	7,470	8,620	6,080	7,520
	South East	1,010	1,210	1,460	890	1,230
	East Sussex	65	64	82	73	75
Residential schools	England	120	100	90	90	100
	South East	40	30	30	30	40
	East Sussex	c	c	c	c	c
Other residential settings	England	1,010	960	1,170	1,170	1,170
	South East	110	110	140	120	130
	East Sussex	c	c	c	c	c
Other placements	England	600	710	1,180	4,020	2,050
	South East	30	70	130	810	380
	East Sussex	0	c	c	23	15

Source: Department for Education (c = suppressed in line with statistical disclosure controls.)

- 6.9 In terms of placement type, the majority of looked after children in East Sussex are accommodated within foster placements, accounting for 420 placements in 2025. Smaller proportions are accommodated within residential children's homes (127), supported or semi-independent accommodation (75), and other placement types. This distribution highlights that most accommodation needs are met within general housing stock (through foster care), with a more limited but important requirement for specialist and supported accommodation.

²⁵ Some values within the dataset are suppressed (denoted as 'c') in line with statistical disclosure controls.

Table 62. Distance between home and placement and locality of placement

		2021	2022	2023	2024	2025
1. Placed inside the LA boundary, 20 miles or less from home	England	40,860	40,210	39,810	38,980	38,500
	South East	4,980	4,910	5,000	4,850	4,780
	East Sussex	396	424	413	411	416
2. Placed outside the LA boundary, 20 miles or less from home	England	18,460	18,740	18,420	18,620	18,160
	South East	1,570	1,550	1,400	1,400	1,390
	East Sussex	12	12	17	19	23
3. Placed inside the LA boundary, more than 20 miles from home	England	3,420	3,410	3,570	3,410	3,460
	South East	690	710	800	730	800
	East Sussex	37	31	41	35	31
4. Placed outside the LA boundary, more than 20 miles from home	England	13,440	13,610	14,090	14,620	14,660
	South East	2,300	2,390	2,360	2,450	2,550
	East Sussex	107	99	111	118	146
5. Placed inside the LA boundary, distance not known or not recorded	England	2,420	3,100	3,700	3,630	3,460
	South East	570	690	880	840	770
	East Sussex	49	50	61	65	63
6. Placed outside the LA boundary, distance not known or not recorded	England	2,170	3,020	4,160	4,290	3,530
	South East	370	600	820	890	770
	East Sussex	9	11	11	11	9

Source: Department for Education. Note: Data are reported by responsible local authority. "Outside the LA boundary" means outside the boundary of the responsible local authority. Distance is measured between the child's home address and placement.

- 6.10 The data also indicates that a proportion of children are placed at a distance from their home area. In 2025, 177 children in East Sussex were placed more than 20 miles from home, with most of these placements occurring outside the local authority boundary (146 in 2025). This reflects ongoing pressures in securing sufficient local placement capacity and the need for a flexible supply of accommodation across the wider area.

Table 63. Unaccompanied asylum-seeking children

		2021	2022	2023	2024	2025
Children excluding unaccompanied asylum-seeking children	England	76,630	76,410	76,340	76,090	75,240
	South East	9,660	9,690	9,700	9,550	9,610
	East Sussex	554	568	583	584	616
Unaccompanied asylum-seeking children	England	4,150	5,680	7,410	7,440	6,540
	South East	820	1,160	1,560	1,610	1,440
	East Sussex	56	59	71	75	72

Source: Department for Education

- 6.11 The number of unaccompanied asylum-seeking children in East Sussex has grown in recent years, increasing from 56 in 2021 (9.1% of all looked after children) to a peak of 75 in 2024 (11.3%), before decreasing slightly to 72 in 2025 (10.5%). The proportion in East Sussex has remained above the national average in recent years, although below the wider South East average since 2022. This should also be considered in the context of the broader increase in the overall number of looked after children in East Sussex. Whilst forming a relatively small proportion of the total cohort, this group may require specific forms of supported accommodation.

Additional local evidence from East Sussex County Council

- 6.12 East Sussex County Council has since provided a point-in-time extract from the 2024/25 903 Return and the Ofsted Fostering Dataset. This does not comprise the wider information requested and does not provide projections, historic district-level trends or an updated assessment of placement sufficiency. It nevertheless provides useful local context on the distribution of looked after children, placements, care leavers and approved fostering households as at 31 March 2025. The assessment therefore considers this local snapshot alongside the Department for Education trend data.
- 6.13 The local data identifies the district or borough in which children were living before entering care and the location in which they were placed as at 31 March 2025. The two measures are presented together below to provide an indication of the geographical distribution of children and placements across East Sussex.

Table 20. Distribution of looked after children by home and placement address at 31 March 2025

District/Borough	Home address	%	Placement address	%
Eastbourne	168	24.4%	113	16.4%
Hastings	182	26.5%	124	18.0%
Lewes	77	11.2%	75	10.9%
Rother	58	8.4%	102	14.8%
Wealden	118	17.2%	96	14.0%
Outside East Sussex	13	1.9%	178	25.9%
Not applicable – unaccompanied asylum-seeking children	72	10.5%		
Total	688		688	

Source: East Sussex County Council. Percentages may not sum due to rounding.

- 6.14 Hastings accounted for 26.5% of the East Sussex children looked after cohort by recorded home address, compared with 8.4% for Rother. However, the distribution of placements was more balanced, with 18% located in Hastings and 14.8% in Rother. At the assessment date, Rother accommodated 102 placements, which was 44 more than the number of children whose recorded home address was in Rother. Conversely, Hastings accommodated 124 placements, which was 58 fewer than the number originating from the Borough. This indicates that Rother accommodated a comparatively larger share of East Sussex placements relative to the number of children originating from the District at that point in time.
- 6.15 This comparison should not be interpreted as demonstrating a sustained net movement of children or the relative prevalence of children entering care in each authority. The data do not identify movements between individual authorities, the duration of placements or changes over time. In addition, the percentages represent each authority's share of the East Sussex cohort rather than a rate relative to its resident child population.

Table 21. Placement types in Hastings and Rother at 31 March 2025

Placement type	Hastings	% distribution	Rother	% distribution
Children's home	3	2.4%	10	9.8%
Foster placement	94	75.8%	82	80.4%
Other placement	1	0.8%	9	8.8%
Placed with parents	15	12.1%	1	1.0%
Supported accommodation	11	8.9%	0	0.0%
Total	124		102	

Source: East Sussex County Council

- 6.16 Foster care was the principal placement type in both authorities, accounting for 75.8% of placements in Hastings and 80.4% in Rother. Rother had a higher proportion of placements within children's homes and other placement types, while Hastings had higher

proportions of children placed with parents and in supported accommodation. These differences describe the location and composition of placements at the assessment date but do not, in isolation, demonstrate unmet accommodation need or available placement capacity.

Table 22. Care leavers and fostering households in Hastings and Rother at 31 March 2025

Measure	Hastings	% of ESCC	Rother	% of ESCC
Care leavers aged 17–21	97	22.9%	32	7.5%
Care leavers aged 22–25	57	20.4%	18	6.4%
All care leavers	154	21.9%	50	7.1%
Approved fostering households	61	22.0%	54	19.5%

Source: East Sussex County Council. Totals and proportions for all care leavers have been calculated from the two age groups.

- 6.17 Hastings accommodated a substantially higher proportion of East Sussex care leavers than Rother. However, the distribution of approved fostering households was more comparable, with 61 households in Hastings and 54 in Rother. Rother therefore had almost as many approved fostering households as Hastings, despite accounting for a considerably smaller proportion of children by home address. This may partly explain its comparatively larger share of placements, although the data do not identify household capacity, occupancy or whether placements were available at the assessment date. Overall, the evidence provides useful contextual information but does not provide a basis for projecting future demand or apportioning a numerical requirement between Rother and Hastings.

Recommendation

- 6.18 The county-wide and local evidence provides an appropriate indication of the scale and nature of accommodation needs associated with looked after children and care leavers. Most looked after children are accommodated through foster care and therefore within the general housing stock, although there remains a smaller but important requirement for children's homes, supported accommodation and other specialist provision.
- 6.19 The local data indicates differing patterns within the two authorities. Hastings accounted for a larger proportion of children by home address and care leavers, while Rother accommodated a comparatively larger share of placements relative to the number of children originating from the District and contained a similar number of approved fostering households. However, these data represent a single point in time and do not demonstrate historic trends, available capacity, unmet need or future requirements.
- 6.20 The HEDNA therefore does not identify separate numerical requirements for Rother or Hastings. Accommodation needs are assessed and commissioned principally at East Sussex County Council level and are influenced by movements between authorities and

placements originating from outside the study area. Provision through the Standard Method housing requirement should provide flexibility within the general housing stock to support foster care, but this should not be treated as a substitute for specialist provision where a specific need is identified.

- 6.21 Local planning policies should adopt a flexible and supportive approach towards appropriate accommodation for looked after children and care leavers, including children's homes, supported accommodation and other specialist provision. Both Councils should include a positively worded, criteria-based policy which supports proposals for accommodation for looked after children and care leavers where a need is identified. This should include support for proposals for small children's homes within existing residential properties, where planning permission is required, alongside proposals for new or expanded specialist and supported accommodation. Proposals should be considered having regard to identified need, their location, the suitability of the accommodation and relevant development management considerations. The policy should seek to facilitate suitable provision rather than apply a restrictive approach solely on the basis of the type of accommodation proposed. Given that neither emerging Local Plan currently includes a specific positive policy approach for these needs, the Councils should consider additional supporting text or policy wording to reflect the updated NPPF and the evidence set out in this Addendum.
- 6.22 The policy should also recognise the differing characteristics identified within the two authorities. In Rother, the comparatively high level of foster placements and children's home placements indicates that the planning framework should support the continued provision of appropriate smaller-scale accommodation, including through the suitable use of existing residential properties. In Hastings, the larger number of children by home address and substantially greater number of care leavers, together with the presence of supported accommodation placements, indicates a particular need to support the retention, improvement and expansion of suitable supported and specialist accommodation. These differences do not amount to separate numerical requirements but provide an appropriate basis for the emphasis of local policy and supporting text.
- 6.23 Rother District Council and Hastings Borough Council should continue to engage with East Sussex County Council when preparing and reviewing their Local Plans. This should include consideration of any updated Children's Social Care Sufficiency Strategy or equivalent evidence, particularly where it identifies changes in placement capacity, care-leaver accommodation or the geographical distribution of need.

7 ECONOMIC BASELINE AND KEY JOB SECTORS

- 7.1 The 2024 HEDNA considered the sectoral structure of the Hastings and Rother economies as part of the wider assessment of employment land needs. Since the HEDNA was prepared, the national policy context for economic development has been updated, with greater emphasis placed on planning for the needs of a modern economy and recognising the specific locational requirements of key sectors. This position has been further strengthened by Policy E2 of the August 2026 NPPF, which requires substantial weight to be given to the economic benefits of commercial development proposals which allow businesses to invest, expand and/or adapt
- 7.2 NPPF paragraph 86(c) now requires planning policies to have particular regard to facilitating development to meet the needs of a modern economy, including laboratories, gigafactories, data centres, digital infrastructure, freight and logistics. Paragraph 87 also requires planning policies and decisions to address the specific locational requirements of different sectors, including knowledge and data-driven industries, data centres and grid connections, storage and distribution operations, and industries of local, regional or national importance²⁶.
- 7.3 This does not require the 2024 HEDNA economic baseline to be replaced in full. However, it does mean that the Addendum should review whether the key employment sectors identified in the previous assessment remain appropriate in light of updated evidence, recent employment trends and the stronger policy emphasis on modern economy sectors, storage and distribution, digital infrastructure and locally important industries.
- 7.4 The analysis below therefore provides a focused update to the key employment sectors evidence for Hastings and Rother. It considers the latest available Business Register and Employment Survey data and updated Location Quotient analysis, alongside the stakeholder feedback and forecast evidence considered elsewhere in this section. The analysis is presented for both authorities together, reflecting their functional relationship and the fact that some sectors, particularly industrial, manufacturing and storage / distribution activity, operate across the wider Hastings and Rother FEMA.

²⁶ The August 2026 NPPF carries these principles forward through Policy E1, 'Providing the conditions for long-term economic growth', which continues to require planning for the differing needs and locational requirements of economic sectors and broadens the policy context to recognise other locationally specific industries, including tourism.

Stakeholder Engagement

- 7.5 As part of this Addendum, a further stakeholder engagement session was undertaken specifically to inform the employment land element of the study. The session was held via Microsoft Teams in June 2026 and was attended by 15 stakeholders, comprising a mix of developers, commercial agents and officers from Hastings Borough Council and Rother District Council.
- 7.6 The discussion focused on current commercial property market conditions, demand for employment land and premises, priority sectors, specific locational requirements, employment land supply, site delivery, plot ratios and the relationship between Hastings and Rother as a functional employment market. A summary of the key points raised by stakeholders is provided in the table below. The table is anonymised and reflects the main themes raised during the discussion.

Table 64. Summary of Stakeholder Comments

Theme	Summary of responses
Commercial property market conditions	Stakeholders identified a clear distinction between the local office market and the industrial / light industrial market. Demand for traditional office space was generally described as limited, particularly for larger office formats. However, stakeholders identified continued demand for flexible office space, including space offered on shorter and more flexible lease terms. By contrast, demand for modern, flexible industrial and storage / distribution premises was identified as stronger.
Demand for industrial and storage / distribution premises	The strongest demand was identified for small and medium-sized flexible industrial units, particularly within the broad range of around 185-930 sqm. Stakeholders also noted that demand is not limited to smaller units, with some larger requirements identified, including requirements of around 3,700-7,400 sqm.
Existing employment stock	Stakeholders noted that parts of the existing industrial stock, and some office space are dated, particularly in Hastings. Older stock was considered less likely to meet modern occupier requirements and may require investment to remain attractive and lettable.
Energy performance and older stock	Stakeholders identified energy performance requirements as a potential issue for older commercial premises. The current minimum standard for non-domestic privately rented property is Energy Performance Certificate (EPC) E, unless an exemption applies. Government has consulted on tightening this standard, including a proposed move towards EPC B ²⁷ for larger privately rented non-domestic premises. This

²⁷ The current Minimum Energy Efficiency Standards (MEES) for non-domestic privately rented property require a minimum EPC rating of E, from 1 April 2023 Government has consulted on strengthening non-domestic MEES. The latest interim response confirms

Theme	Summary of responses
	may increase pressure for refurbishment, redevelopment or churn within older commercial stock.
Latent demand and business churn	Stakeholders noted that occupier demand is not always formally recorded, as businesses do not necessarily notify the Councils when they are constrained or seeking to relocate. The need for move-on space was emphasised, particularly to support local business expansion, consolidation and churn within the market.
Priority sectors	Stakeholders identified advanced manufacturing and defence-related activity as locally important sectors, which occupy B use premises. Electronics, optics, manufacturing and engineering-related businesses were also referenced. Demand was described as diverse, and stakeholders did not identify one single dominant sector.
Specific locational and operational requirements	Stakeholders identified power supply, floor loading, flexible layouts, expansion space, accessibility and the ability to consolidate operations as important requirements for some occupiers. Data centres were noted as having significant power requirements, with stakeholders identifying the availability of sufficient power supply as a potential constraint on their realistic potential locally. Strategic logistics was considered less likely than local or regional logistics.
Hastings employment land market	Hastings was described as constrained due to a limited number of main industrial estates, older stock and wider transport accessibility issues. Some smaller business space was reported to perform well, but stakeholders identified limited opportunities for new employment development within the Borough.
Rother and Bexhill employment land market	Stakeholders identified stronger observed and latent demand in Rother / Bexhill locations, particularly for flexible industrial and storage / distribution space. Recent and current employment locations in and around Bexhill were viewed as important in meeting demand within the wider functional employment market.
Rural employment needs	Stakeholders identified demand for smaller flexible units in rural parts of Rother. However, the High Weald National Landscape (HWNL) which is an Area of Outstanding Natural Beauty (AONB) and rural context were also identified as constraints on the scale and location of new provision.
Site delivery and viability	Viability was identified as a recurring issue. Stakeholders referred to build costs, borrowing costs, achievable rents, yields, pre-let requirements, infrastructure, drainage, biodiversity net gain, utilities and

intention to implement a proposed EPC B requirement from 2031 for privately rented non-domestic buildings over 1,000 square metres in England and Wales, where cost-effective. This remains subject to implementation through the relevant regulatory process and should not be read as a current requirement applying to all commercial premises.

Theme	Summary of responses
	site preparation costs. Brownfield sites were identified as particularly challenging where remediation costs affect viability.
Plot ratios and site capacity	Stakeholders suggested that previous plot ratio assumptions for parts of Rother may be conservative, particularly around Bexhill. A plot ratio of around 40% was identified as potentially achievable in some circumstances, with higher ratios possible on some sites depending on site-specific constraints. Stakeholders also cautioned against applying rigid plot ratio assumptions without regard to commercial reality, infrastructure, drainage, biodiversity net gain and viability.
Relationship between Hastings and Rother	Stakeholders indicated that Hastings and Rother operate as a linked employment market in practice, particularly for industrial and manufacturing occupiers seeking space within the wider Hastings / Bexhill area. Constraints in Hastings may increase the role of nearby Rother / Bexhill locations in meeting some business needs.
Long-term market outlook	Stakeholders emphasised that market conditions are cyclical. Although current conditions are challenging, they cautioned against reducing employment land provision too far in response to short-term market weakness. Demand for flexible industrial space was expected to remain the strongest part of the market.

- 7.7 Stakeholders welcomed the opportunity for further engagement through the Local Plan process. Developers and commercial agents noted that ongoing dialogue would assist the Councils in maintaining an up-to-date understanding of market conditions, occupier demand, delivery barriers and emerging investment opportunities.

Employment Floorspace and Vacancy

- 7.8 The 2024 HEDNA considered commercial vacancy principally through stakeholder engagement rather than through a quantified assessment of vacant employment floorspace. Stakeholders identified an “extremely low vacancy rate or ‘headroom’ for both office and industrial units”, which informed the conclusions and recommendations of the Previous Study. The updated assessment provides an opportunity to supplement this qualitative evidence with the latest VOA floorspace data and a review of currently marketed office and industrial premises.
- 7.9 Since the Previous Study was prepared, updated Valuation Office Agency (VOA) business floorspace data have become available. The 2025 VOA business floorspace statistics apply an updated methodology. This is largely due to the latest statistics using a measure intended to capture the total recorded floor area of a property, rather than only the area in use, as the basis for valuation. The VOA notes that this provides a more comprehensive measure of property size and is expected to increase recorded floorspace compared with previous releases. The methodology also changes the treatment of property categories

included within the statistics. The figures are therefore not directly comparable on a like-for-like basis and the apparent changes should not be interpreted solely as physical gains or losses of employment floorspace. The figures therefore provide useful contextual evidence but should not be interpreted as a direct measure of net completions and losses between 2022 and 2025.

- 7.10 Table 65 compares the office and industrial floorspace reported in the Previous Study for 2022 with the latest published position for 2025.
- 7.11 The 2025 VOA business floorspace statistics apply an updated methodology²⁸. This is largely due to the latest statistics using a measure intended to capture the total recorded floor area of a property, rather than only the area in use, as the basis for valuation. The VOA notes that this provides a more comprehensive measure of property size and is expected to increase recorded floorspace compared with previous releases. The methodology also changes the treatment of property categories included within the statistics. The figures are therefore not directly comparable on a like-for-like basis and the apparent changes should not be interpreted solely as physical gains or losses of employment floorspace. The figures therefore provide useful contextual evidence but should not be interpreted as a direct measure of net completions and losses between 2022 and 2025.

Table 65: Changes in VOA office and industrial floorspace²⁹

Changes in VOA floorspace	Office 2022 (sqm)	Office 2025 (sqm)	Office Change (sqm)	Industrial 2022 (sqm)	Industrial 2025 (sqm)	Industrial Change (sqm)
Rother	50,000	48,000	-2,000	276,000	374,000	98,000
Hastings	84,000	62,000	-22,000	303,000	327,000	24,000
FEMA total	134,000	110,000	-24,000	579,000	701,000	122,000

Source: Previous Study and VOA Business Floorspace Statistics.

- 7.12 Based on the published data, office floorspace across the FEMA has reduced by approximately 24,000 sqm since 2022, with 91.7% of this reduction recorded in Hastings. Conversely, the published industrial floorspace total has increased, particularly in Rother. These changes should, however, be treated with caution.

²⁸ [Valuation Office Agency, Non-domestic Rating: Floorspace Background Information, December 2025](#). The 2025 release applies a revised methodology for defining the stock included in the statistics and introduces an alternative variable to measure total floorspace.

²⁹ Note: Floorspace figures are expressed in square metres (sqm). VOA Business Floorspace Statistics classify the stock as 'Office' and 'Industrial'. These categories include premises within the former B1 use classes, now E(g) (i and ii), together with E(g)(iii)/B2 and B8 industrial uses, as applicable.

- 7.13 To provide additional context on the availability of employment premises within the existing stock, it is also important to consider the availability of employment premises, currently marketed office and industrial floorspace has been compared with the latest VOA stock figures. This provides an indicative marketed vacancy rate for each authority and the FEMA as a whole. The calculation relates to identifiable, physically available and marketed employment floorspace and should not be interpreted as an audited measure of all vacant premises, including any off-market vacancy.

Table 66: Indicative marketed employment floorspace vacancy rates

	Office Stock (sqm)	Office Marketed Vacancy (sqm)	Office Vacancy Rate	Industrial Stock (sqm)	Industrial Marketed Vacancy (sqm)	Industrial Vacancy Rate
Rother	48,000	2,416	5.0%	374,000	21,728	5.8%
Hastings	62,000	4,314	7.0%	327,000	10,381	3.2%
FEMA	110,000	6,729	6.1%	701,000	32,109	4.6%

Source: VOA Business Floorspace Statistics and review of currently marketed commercial premises (Prime Location/Rightmove/Local Property agents).

- 7.14 A guideline for a healthy vacancy rate is generally considered to be around 7.5%³⁰. Vacancy at this level provides an element of choice and flexibility within the market, allowing businesses to establish, relocate or expand without requiring new premises to become available before a move can take place.
- 7.15 The updated evidence indicates that marketed vacancy remains below this guideline across the FEMA. The overall office vacancy rate is approximately 6.1%, while industrial vacancy is lower at approximately 4.6%. This broadly supports the qualitative findings of the Previous Study that there is relatively limited headroom within the commercial property market.
- 7.16 The position varies by authority and type of premises. In Hastings, marketed office vacancy is approximately 7.0%, which is close to the 7.5% guideline and indicates a broadly healthy level of availability, providing a reasonable degree of choice and flexibility within the office market. Industrial vacancy is substantially lower at approximately 3.2%. This indicates particularly constrained availability of industrial premises³¹. In Rother, the

³⁰ Planning Advisory Service, *Housing & Economic Development Needs Assessment Technical Advice Note Volume 3: Economic Development*, April 2016.

³¹ The identified marketed industrial vacancy is also weighted towards smaller premises. Of the 24 identified industrial listings in Hastings with a stated floorspace, 17 are 500 sqm or smaller, with only seven above 500 sqm and one above 1,000 sqm. This further limits effective market choice for occupiers seeking larger premises.

estimated office vacancy rate is approximately 5.0% and industrial vacancy approximately 5.8%, both of which remain below the guideline.

- 7.17 The updated quantitative evidence therefore provides greater context to the findings of the Previous Study and increases confidence in the market movement and limited headroom identified through the updated stakeholder evidence. While it is not possible to identify whether vacancy has increased or decreased since the Previous Study because no numerical vacancy rate was established at that time, the current position continues to indicate a relatively tight market, particularly for industrial premises. This is consistent with stakeholder evidence identifying constrained availability and limited occupier choice within the industrial market. This should be considered alongside the updated stakeholder and commercial market evidence when assessing the need to maintain sufficient choice and flexibility within the employment land supply.

BRES data

- 7.18 BRES provides a useful observed measure of employment by industry and is regarded by ONS as the best estimate at detailed regional and industrial level. The additional years of data now available are particularly useful because they provide a fuller picture of the post-pandemic recovery period than was available when the 2024 HEDNA was prepared. However, BRES should not be treated as a forecast and should be interpreted with caution. It is a point-in-time survey, and published BRES estimates are subject to disclosure-control rounding, which can affect the apparent scale of employment and year-on-year change, particularly in smaller sectors. As a result, a value reported as zero should not necessarily be interpreted as indicating that there are no employees in that sector. Businesses undertaking related activities may also be classified within other SIC sectors according to their principal activity..

Table 67. BRES employment by broad sector, 2024

	Hastings 2024	Hastings %	Rother 2024	Rother %
A : Agriculture, forestry and fishing	100	0.3%	1,250	4.1%
B : Mining and quarrying	0	0.0%	40	0.1%
C : Manufacturing	2,500	7.5%	1,250	4.1%
D : Electricity, gas, steam and air conditioning supply	0	0.0%	0	0.0%
E : Water supply; sewerage, waste management and remediation activities	150	0.5%	200	0.7%
F : Construction	1,750	5.3%	2,250	7.3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	5,000	15.0%	4,000	13.0%
H : Transportation and storage	1,500	4.5%	800	2.6%
I : Accommodation and food service activities	3,000	9.0%	4,000	13.0%
J : Information and communication	800	2.4%	500	1.6%
K : Financial and insurance activities	350	1.1%	3,000	9.8%
L : Real estate activities	700	2.1%	700	2.3%
M : Professional, scientific and technical activities	1,750	5.3%	2,000	6.5%
N : Administrative and support service activities	1,250	3.8%	1,750	5.7%
O : Public administration and defence; compulsory social security	2,250	6.8%	600	2.0%
P : Education	2,000	6.0%	2,500	8.1%
Q : Human health and social work activities	9,000	27.0%	4,500	14.6%
R : Arts, entertainment and recreation	800	2.4%	600	2.0%
S : Other service activities	400	1.2%	800	2.6%
T : Activities of households as employers	0	0.0%	0	0.0%
U : Activities of extraterritorial organisations and bodies	0	0.0%	0	0.0%
Total	33,300		30,740	

Source: BRES, DLP Analysis

- 7.19 The table above sets out the most recent BRES data by broad sector in Hastings and Rother.
- 7.20 Not all major employment sectors generate demand for conventional employment land in the same way. Health, education, retail and accommodation / food services are important labour-demand and population-serving sectors, but generally have more limited direct

implications for office, industrial or storage and distribution land requirements. Whereas, manufacturing, transport and storage, professional / business services, information and communication, and some elements of construction are more directly relevant to the assessment of future industrial, storage / distribution, office and flexible workspace needs.

- 7.21 In Hastings, the employment base is particularly influenced by health and social work, wholesale and retail trade and the repair of motor vehicles and motorcycles, accommodation and food services, public administration, education and manufacturing. Manufacturing accounts for around 2,500 jobs, equivalent to 7.5% of total employment, and remains particularly relevant to the assessment of industrial and light industrial land needs. Transport and storage also accounts for around 1,500 jobs, equivalent to 4.5% of employment, and is relevant to the consideration of storage, distribution and operational land requirements.
- 7.22 In Rother, the employment base includes a strong visitor economy and local service component, with accommodation and food services and wholesale and retail trade and the repair of motor vehicles and motorcycles each accounting for around 4,000 jobs. Taken together, these two sectors account for around 8,000 jobs in Rother, the same combined level as in Hastings, indicating that they represent a significant component of employment across the FEMA as a whole. Rother also has a notable concentration of financial and insurance employment, accounting for around 3,000 jobs, or 9.8% of total employment, alongside professional, scientific and technical activities, construction, health, education and land-based activity. This provides important context for interpreting the forecast evidence, particularly in relation to visitor economy activity, business services, construction and rural employment.

Table 68. Change in employment by broad sector, Hastings and Rother, 2020-2024

Broad sector	Hastings 2020	Hastings 2024	Hastings Change	Hastings CAGR %	Rother 2020	Rother 2024	Rother Change	Rother CAGR %
A : Agriculture, forestry and fishing	125	100	-25	-4.4	1,500	1,250	-250	-3.6
B : Mining and quarrying	0	0	0	0.0	30	40	10	5.9
C : Manufacturing	3,000	2,500	-500	-3.6	1,500	1,250	-250	-3.6
D : Electricity, gas, steam and air conditioning supply	0	0	0	0.0	0	0	0	0.0
E : Water supply; sewerage, waste management and remediation activities	175	150	-25	-3.0	125	200	75	9.9
F : Construction	1,500	1,750	250	3.1	2,250	2,250	0	0.0
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	5,000	5,000	0	0.0	4,000	4,000	0	0.0
H : Transportation and storage	1,000	1,500	500	8.4	700	800	100	2.7
I : Accommodation and food service activities	2,500	3,000	500	3.7	3,500	4,000	500	2.7
J : Information and communication	600	800	200	5.9	500	500	0	0.0
K : Financial and insurance activities	500	350	-150	-6.9	2,250	3,000	750	5.9
L : Real estate activities	800	700	-100	-2.6	700	700	0	0.0
M : Professional, scientific and technical activities	1,250	1,750	500	7.0	1,750	2,000	250	2.7

Broad sector	Hastings 2020	Hastings 2024	Hastings Change	Hastings CAGR %	Rother 2020	Rother 2024	Rother Change	Rother CAGR %
N : Administrative and support service activities	1,250	1,250	0	0.0	1,500	1,750	250	3.1
O : Public administration and defence; compulsory social security	2,000	2,250	250	2.4	500	600	100	3.7
P : Education	2,500	2,000	-500	-4.4	3,000	2,500	-500	-3.6
Q : Human health and social work activities	8,000	9,000	1,000	2.4	4,500	4,500	0	0.0
R : Arts, entertainment and recreation	800	800	0	0.0	600	600	0	0.0
S : Other service activities	500	400	-100	-4.4	800	800	0	0.0
Total	31,500	33,300	1,800	1.1	29,705	30,740	1,035	0.7

Source: BRES, DLP Analysis

- 7.23 The Table above shows that both authorities recorded employment growth between 2020 and 2024. In Hastings, total employment increased from around 31,500 jobs in 2020 to around 33,300 jobs in 2024, representing growth of approximately 1,800 jobs, or 1.1% per annum. In Rother, employment increased from around 29,705 jobs to around 30,740 jobs over the same period, representing growth of approximately 1,035 jobs, or 0.7% per annum. This indicates that both authorities have experienced a degree of post-pandemic employment recovery. For comparison, employment increased at an average annual rate of approximately 1.6% across England and 1.1% across the South East between 2020 and 2024. Hastings therefore broadly reflects the regional rate of employment growth over this period, while growth in Rother was more modest.
- 7.24 In Hastings, the strongest absolute growth was recorded in human health and social work activities, which increased by around 1,000 jobs. Growth was also recorded in transportation and storage, accommodation and food services, and professional, scientific and technical activities, each of which increased by around 500 jobs. The growth in transportation and storage and professional, scientific and technical activities is particularly relevant in the context of paragraphs 86(c) and 87 of the December 2024 NPPF, which identify freight and logistics and knowledge and data-driven industries as sectors requiring particular consideration through plan-making. These principles are carried forward through to Policy E1 of the August 2026 NPPF, with freight and logistics also addressed specifically within Policy E3. Construction, information and communication, and public administration also recorded positive growth.
- 7.25 Hastings also recorded declines in a number of sectors. Manufacturing and education each declined by around 500 jobs between 2020 and 2024. BRES does not identify the causes of these changes; however, the decline in manufacturing employment should be considered alongside stakeholder evidence identifying constraints on the availability of suitable larger, move-on premises for manufacturing businesses. Smaller reductions were recorded in financial and insurance activities, real estate, agriculture, water / waste-related activities and other services.
- 7.26 In Rother, the strongest absolute growth was recorded in financial and insurance activities, which increased by around 750 jobs. Accommodation and food services also increased by around 500 jobs, while professional, scientific and technical activities and administrative and support services each increased by around 250 jobs. Rother also recorded modest growth in transportation and storage, public administration, and water / waste-related activities, while a number of sectors remained broadly stable, including construction, wholesale and retail, information and communication, real estate, health and social work, arts and recreation, and other services. Declines were recorded in agriculture, manufacturing and education.
- 7.27 The BRES evidence indicates that both Hastings and Rother have experienced employment recovery since 2020, but with different sectoral drivers. In Hastings, recent

growth has been particularly associated with health, transport / storage, hospitality and professional services. In Rother, growth has been more strongly associated with financial services, accommodation and food services, and professional / administrative business services. These patterns provide useful context for the updated Local Growth Scenario and for considering which sectors may have implications for future office, industrial, flexible workspace and storage / distribution floorspace.

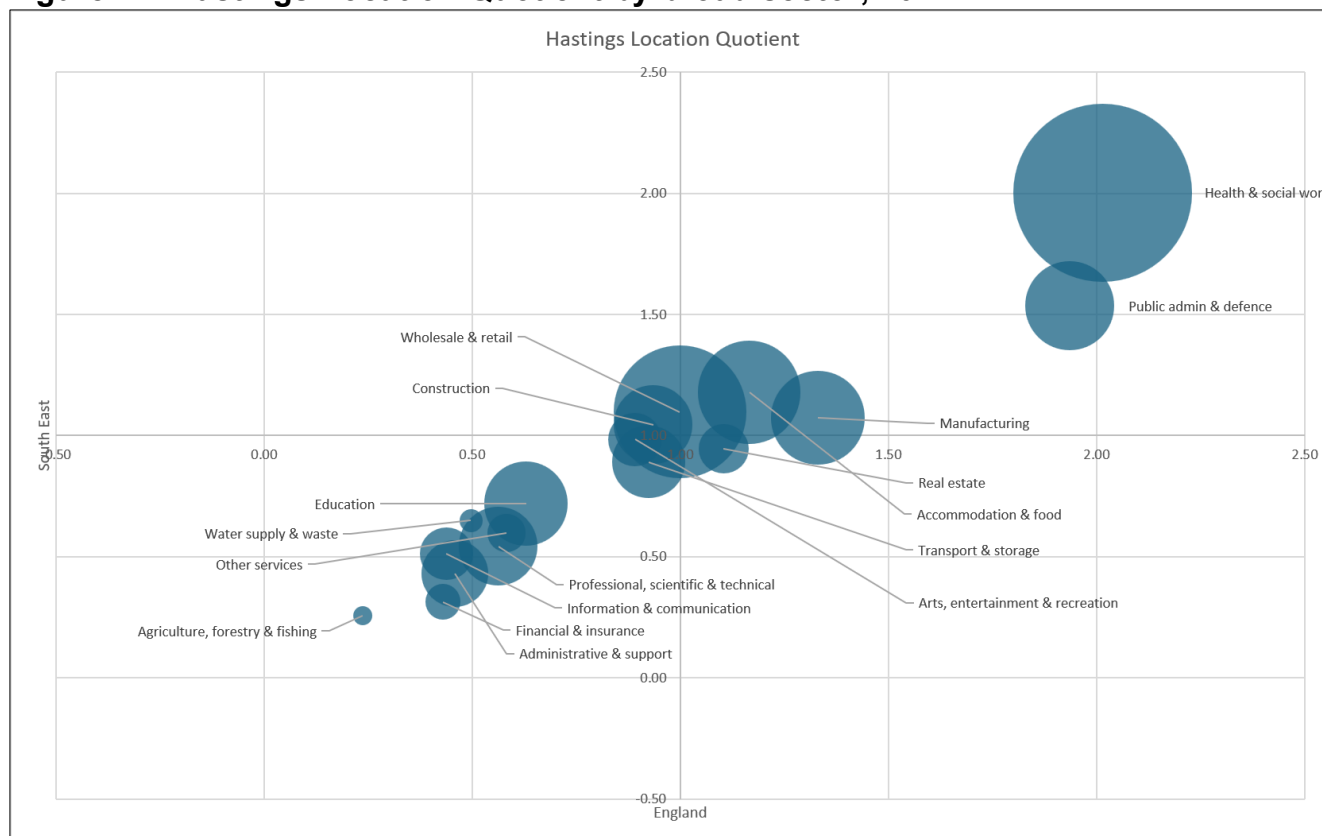
- 7.28 The figures should be interpreted with caution, particularly at sector level, because BRES is a point-in-time survey and published figures are rounded. Changes in BRES employment levels should also not necessarily be interpreted as equivalent to changes in the scale or capacity of service provision. For example, the recorded decline in education employment does not itself demonstrate a reduction in education provision. The table is therefore most useful in identifying broad employment signals rather than precise year-on-year movements. The key finding is that the latest BRES data provides evidence of post-pandemic employment recovery in both authorities, while also showing continuing sectoral change, including decline in manufacturing and education and growth in selected private service and visitor economy sectors.

Location Quotient

- 7.29 The figures below present the Location Quotient analysis by broad sector. The horizontal axis shows the sector's concentration relative to England, while the vertical axis shows the sector's concentration relative to the South East. A value of 1.0 indicates that the sector accounts for the same proportion of employment locally as it does in the comparator area. Sectors positioned above or to the right of 1.0 are therefore relatively more concentrated locally, while sectors below or to the left of 1.0 are relatively under-represented. The size of each bubble reflects the scale of employment in that sector in 2024.

Hastings

Figure 17. Hastings Location Quotient by broad sector, 2024³²



Source: BRES 2024

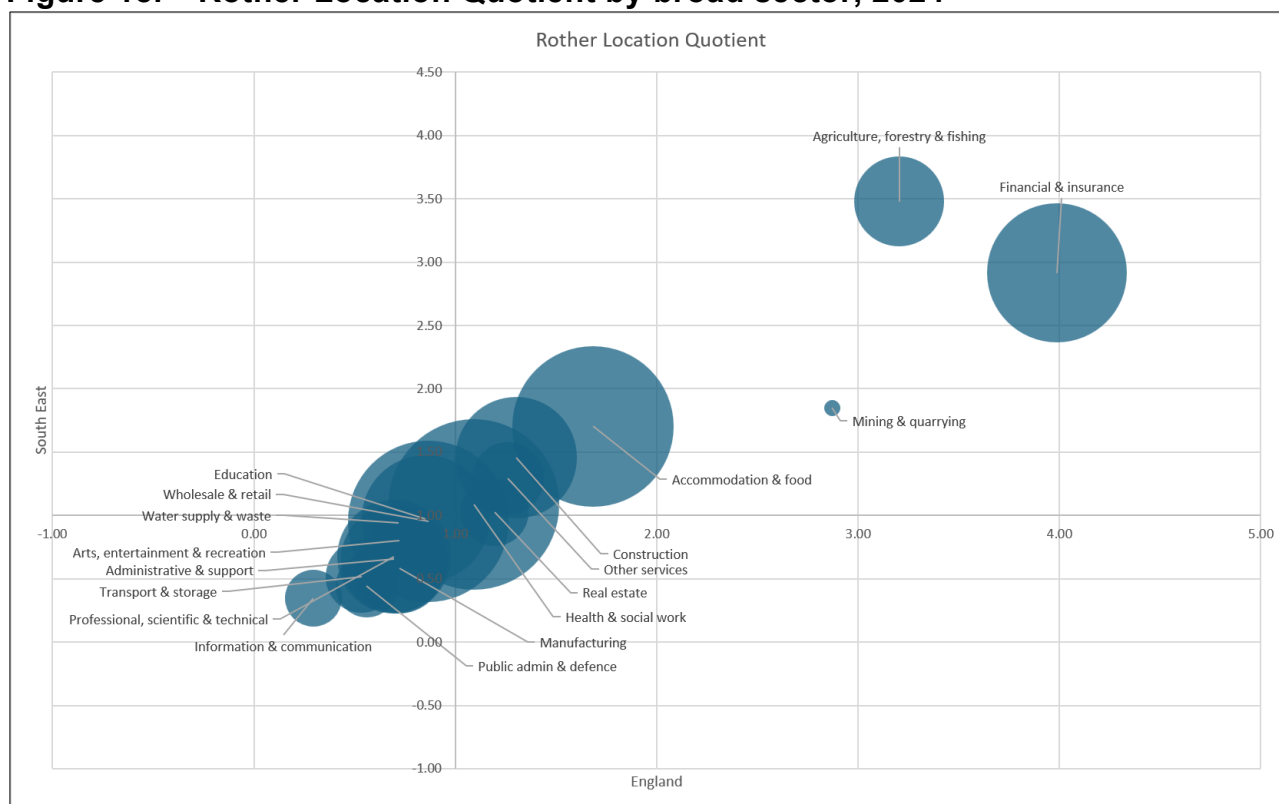
- 7.30 In Hastings, the LQ analysis identifies human health and social work as the most prominent relative concentration. The sector is both the largest employment sector in absolute terms and records an LQ of around 2.0 against both England and the South East. Public administration and defence also records a clear relative concentration, with an LQ of around 1.5 against England and 1.9 against the South East. These sectors are therefore important features of the Hastings labour market, although they have more limited direct implications for conventional office, industrial or storage and distribution land requirements.
- 7.31 From an employment land perspective, the most relevant positive signal in Hastings is manufacturing. The sector records an LQ above 1.0 against both England and the South East and accounts for around 2,500 jobs. This indicates that manufacturing remains a relative local strength as well as a meaningful component of the employment base. This

³² Note: X-axis = LQ compared with England; Y-axis = LQ compared with South East; bubble size = 2024 BRES employment

supports the continued identification of manufacturing and related industrial activity as an important sector for the purposes of employment land planning in Hastings.

- 7.32 Accommodation and food services also records an LQ above 1.0 against both comparators and accounts for around 3,000 jobs. This supports the continued importance of the visitor economy and hospitality activity within Hastings. This finding can be treated with a relatively high degree of confidence given Hastings' established role as a coastal resort town and the recognised importance of tourism, visitor accommodation and hospitality to the local economy. However, this sector is less directly related to conventional employment land needs than manufacturing, transport and storage, or office-based business sectors, and is therefore more relevant to the wider labour-demand context than to the calculation of office, industrial or B8 land requirements.
- 7.33 The LQ analysis also shows that several office-based and modern economy sectors are relatively under-represented in Hastings. Information and communication, financial and insurance activities, professional, scientific and technical activities, and administrative and support services all record LQs below 1.0 against England and the South East. This does not mean that these sectors are unimportant, but it indicates that Hastings does not currently have a strong concentration of higher-value office-based employment relative to the wider benchmarks. This is consistent with the stakeholder evidence that demand for larger-format office floorspace is limited, although there remains a role for smaller and flexible workspace.

Figure 18. Rother Location Quotient by broad sector, 2024³²



Source: BRES 2024

- 7.34 in Rother, the LQ analysis shows a more pronounced pattern of relative specialisation in a number of sectors. Financial and insurance activities is the most prominent employment land-relevant concentration, with an LQ of around 2.9 against England and 4.0 against the South East. This reflects the scale of employment in financial and insurance-related activity within the District and provides a clear signal that this sector is relatively more important locally than in the wider benchmark areas.
- 7.35 However, the implications of this for future office floorspace should be interpreted carefully. A strong LQ indicates relative concentration, but does not in itself demonstrate future growth or demand for large-format office floorspace. The finding should therefore be considered alongside the stakeholder evidence and market feedback, which points towards smaller and flexible office requirements rather than substantial demand for larger office developments.
- 7.36 Rother also records a strong relative concentration in agriculture, forestry and fishing, with an LQ of around 3.5 against England and 3.2 against the South East. This reflects the rural character of the District and the importance of land-based activity. This is relevant to the wider economic strategy for Rother, although it has more limited direct implications for conventional office, industrial or storage and distribution land requirements.

- 7.37 Accommodation and food services is also a clear local specialism in Rother, with an LQ of around 1.7 against both England and the South East and around 4,000 jobs. This supports the continued identification of the visitor economy as a key employment sector in Rother. As with Hastings, however, the sector's direct implications for conventional employment land are more limited than its importance to the labour-demand scenario and wider economic profile.
- 7.38 Construction also records an LQ above 1.0 against both comparators and accounts for around 2,250 jobs. This indicates that construction and trades-based activity are relatively important within Rother's employment base. This may have some implications for demand for small workshops, yards, depots and flexible industrial premises, although not all construction employment translates directly into a requirement for allocated employment land.
- 7.39 By contrast, manufacturing, transport and storage, information and communication, professional, scientific and technical activities, and administrative and support services are all below 1.0 against both England and the South East. This indicates that these sectors are not currently relative concentrations in Rother at the broad sector level. This is not necessarily inconsistent with the findings of the 2024 HEDNA, given Rother's large and dispersed geography, relatively small labour and commercial property market, and the different roles of its constituent settlements. This does not remove the need to consider industrial, storage or business space requirements, nor should the current LQ position be interpreted as constraining future growth in these sectors where market demand can be accommodated. If suitable provision is brought forward, particularly within and around Bexhill where the wider evidence indicates stronger demand for flexible industrial and storage / distribution space, the sectoral profile of the District may change over time. The policy implication is therefore to retain sufficient flexibility to accommodate growth across a range of employment sectors, recognising that future requirements may differ from the characteristics of the existing employment stock.
- 7.40 Mining and quarrying records an LQ above 1.0, but this is based on only around 40 jobs. It should therefore not be treated as a key sector for the purposes of the employment land assessment. This illustrates the importance of interpreting LQ results alongside absolute employment scale, rather than treating all sectors above 1.0 as equally significant.

8 EMPLOYMENT LAND NEED

- 8.1 This section provides a focused update to the employment land need assessment set out in the 2024 HEDNA. It does not seek to replace the full economic baseline assessment, but instead tests whether the previous local growth scenario and employment land need assumptions remain appropriate in light of updated evidence, stakeholder feedback, revised plan periods and recent monitoring data.
- 8.2 The 2024 HEDNA assessed three baseline economic forecasts from Cambridge Econometrics, Oxford Economics and Experian. These were then adjusted, where necessary, to produce a locally specific growth scenario for Hastings and Rother, taking account of past trends, market conditions and the performance of individual sectors. The local growth scenario identified total jobs growth of 4,150 jobs in Hastings and 3,800 jobs in Rother over the period 2020–2040.
- 8.3 The starting point for this Addendum has therefore been to review whether the 2024 HEDNA local growth scenario remains a reasonable basis for calculating employment land needs. This is necessary because the economic forecasts used in the 2024 HEDNA were prepared using historic data to 2020 and therefore reflected the initial impacts of the COVID-19 pandemic within the base data and forecast assumptions. More recent data and forecasts provide an opportunity to test whether the previous scenario remains aligned with current expectations, now that some of the short-term effects of the pandemic have normalised.
- 8.4 The methodology has comprised the following stages:
- reviewing the local growth scenario and employment land modelling assumptions set out in the 2024 HEDNA;
 - undertaking additional stakeholder engagement to understand whether there have been any material changes in the local commercial property market since the 2024 HEDNA was prepared;
 - reviewing updated economic forecasts and comparing these with the 2024 HEDNA local growth scenario, including the scale and sectoral distribution of employment growth;
 - considering whether any amendments are required to the local growth scenario in response to updated forecasts, stakeholder feedback, priority sectors and local market signals;
 - applying the confirmed or amended local growth scenario through the employment land model to update the floorspace and land requirement;
 - updating completions, losses and committed supply to reflect the latest monitoring position and revised plan periods; and

- identifying the updated employment land supply / demand balance and any implications for policy recommendations.

8.5 This methodology provides a proportionate update to the 2024 HEDNA. It recognises that the previous assessment remains recent, but that the employment land position should be tested against updated forecasts, recent market intelligence and the latest available monitoring data.

Updated Economic Policy and Skills Context

- 8.6 Since the 2024 HEDNA was prepared, there have been changes to the economic policy and skills context relevant to Hastings, Rother and the wider Sussex area. These changes do not alter the purpose of this Addendum, which is to provide a focused update to employment land needs, but they provide useful context for considering priority sectors, labour market constraints and the relationship between employment growth, skills and local economic development.
- 8.7 A key contextual change is the transition away from Local Enterprise Partnerships. The South East Local Enterprise Partnership, which previously covered East Sussex, now operates as an archived source of information, with activities formerly undertaken by SELEP being taken forward by local authorities from 1 April 2024. This means that more recent strategic economic and skills activity is now increasingly framed through county, Sussex-wide and local authority-led arrangements, rather than through the former LEP structure.
- 8.8 The Get Sussex Working Plan provides a recent Sussex-wide employment and skills framework. It brings together local authorities across Sussex, including East Sussex, West Sussex and Brighton & Hove, alongside employers, education providers and community partners. The Plan focuses on integrated support for employment, health and skills, reducing economic inactivity, supporting residents into work and helping businesses access the workforce they need.
- 8.9 The Sussex and Brighton Local Skills Improvement Plan 2026–2029, prepared through Future Skills Sussex, also provides relevant context. It identifies cross-cutting skills priorities including technical capability and innovation, digital and technological readiness, green and sustainability skills, and access, entry and progression routes. Its key sectors include engineering and manufacturing, construction, digital / IT and technology, visitor, cultural, hospitality and arts, land-based activities including agriculture and viticulture, and health and care, bio-life sciences and pharmaceutical activity.
- 8.10 This aligns with other East Sussex economic evidence, which identifies future recruitment and skills challenges in health and social care, the visitor economy and some elements of agriculture, alongside skills shortages in digital, engineering / manufacturing and

construction. It also identifies increasing IT skills requirements across sectors and a cross-cutting need for skills linked to the transition to net zero carbon.

Comparison of the Local Growth Scenario with Updated Baseline Forecasts

- 8.11 The 2024 HEDNA developed a Local Growth Scenario to provide a locally specific assessment of future employment growth. This was informed by baseline economic forecasts, past trends, market signals and local evidence. As part of this Addendum, the Local Growth Scenario has been reviewed against updated Experian forecasts to test whether it remains an appropriate basis for calculating employment land needs.
- 8.12 This is a relevant exercise because the forecasts used to inform the 2024 HEDNA were prepared relatively soon after the COVID-19 pandemic and included the initial economic impacts of that period within the base data and forecast assumptions. Updated forecasts provide an opportunity to test whether the previous Local Growth Scenario remains broadly aligned with current forecast expectations, now that some short-term pandemic-related effects have been absorbed into more recent economic data. This also provides an opportunity to evaluate the extent to which a post-Covid 'bounce' typically contained within forecasts of the vintage used in the 2024 HEDNA. This 'bounce' has typically subsequently affected by macroeconomic factors including inflation and the Ukraine-Russia war. The extent to which any 'bounce' has materialised and whether these considerations together affect the basis for previous Growth Scenario assumptions or can be considered reasonably captured in providing a longer-term outlook for relevant key sectors has also been considered including with reference to the abovementioned more recent forecasts.
- 8.13 The comparison has been undertaken over the revised plan periods for each authority. For Hastings, this covers the period 2023-2041. For Rother, this covers the period 2025-2042. The analysis compares the Local Growth Scenario with the Experian 2023 and Experian 2026 forecasts.
- 8.14 It should be noted that there are differences in forecasting methodologies between the Local Growth Scenario and the Experian forecasts, including the fact that the Local Growth Scenario was originally developed using Oxford Economics forecasts in the previous study. Notwithstanding these differences, comparing the Experian 2023 and Experian 2026 forecasts provides a consistent basis for assessing how forecast expectations have evolved over time and for sense-checking the continued relevance of the Local Growth Scenario. These includes the ability to sense-check against a more detailed series of industrial categories.

Hastings

- 8.15 For Hastings, the Local Growth Scenario identifies employment growth of around 4,750 jobs over the period 2023-2041, equivalent to around 4,700 jobs when rounded to the

nearest 100. This compares with growth of 3,100 jobs in the Experian 2023 forecast and 5,200 jobs in the Experian 2026 forecast.

Table 69. Comparison of employment growth forecasts, Hastings, 2023-2041

Sector	Local Growth Scenario (HEDNA 2024)	Experian 2022	Experian 2026	Experian 2026 difference from Local Growth Scenario
Agriculture etc	0	0	0	0
Mining & quarrying	0	0	0	0
Manufacturing	21	-100	-100	-121
Electricity, gas & water	0	0	0	0
Construction	520	300	0	-520
Distribution	180	-100	-100	-280
Transport & storage	300	0	100	-200
Accommodation & food services	1,125	1,500	1,300	175
Information & communications	100	0	0	-100
Financial & business services	941	700	900	-41
Government services	1,241	700	2,900	1,659
Other services	321	100	200	-121
Total	4,750	3,100	5,200	450

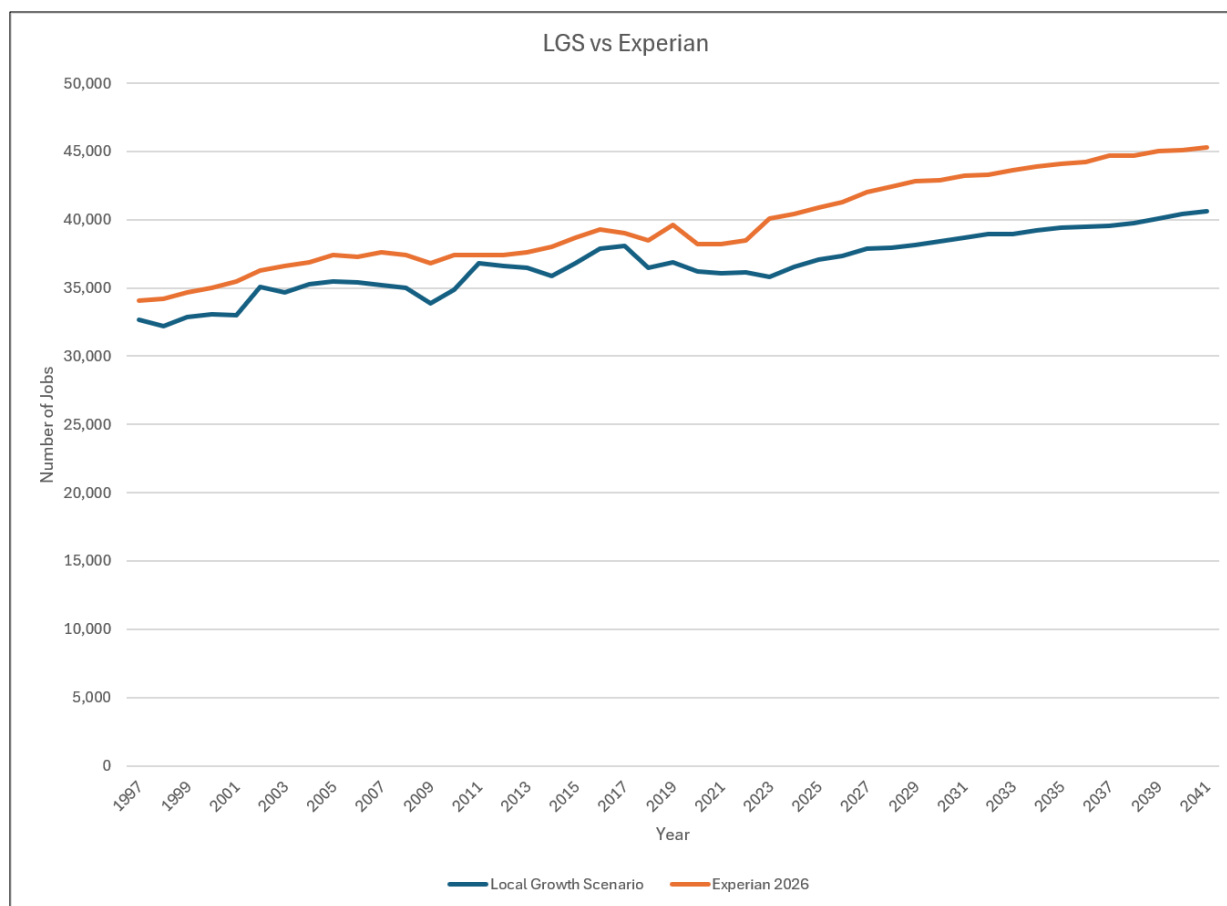
Source: Oxford Economics developed Local Growth Scenario, Experian and DLP analysis

- 8.16 The Experian 2026 forecast is higher than the Local Growth Scenario in absolute terms, identifying approximately 450 additional jobs over the plan period. However, this should be interpreted with caution, as different forecasting houses apply different methodologies, sector definitions and assumptions. The Local Growth Scenario was developed in the 2024 HEDNA using Oxford Economics as the starting point, with adjustments applied to reflect local evidence, market signals and sector-specific considerations. The Experian forecasts therefore provide a useful sense-check of the direction and scale of change, rather than a direct replacement for the Local Growth Scenario.
- 8.17 When comparing the Experian 2022 and Experian 2026 forecasts, the overall scale of change is relatively limited across most sectors. The updated Experian forecast also moves closer to the Local Growth Scenario in a number of areas. For example, accommodation and food services reduces from 1,500 jobs in the Experian 2022 forecast to 1,300 jobs in the Experian 2026 forecast, bringing it closer to the Local Growth Scenario

figure of 1,125 jobs. Financial and business services increases from 700 jobs to 900 jobs, which is also more closely aligned with the Local Growth Scenario figure of 941 jobs.

- 8.18 The two most notable differences are in construction and government services. The Experian 2026 forecast identifies no net growth in construction over the plan period, compared with 520 jobs in the Local Growth Scenario. However, recent Business Register and Employment Survey (BRES) data does not suggest that construction employment in Hastings has materially weakened since the pandemic. BRES data indicates that construction employment increased from approximately 1,425 jobs in 2020 to approximately 1,625 jobs in 2024, with growth particularly associated with specialised construction activities. On this basis, the positive construction growth assumed in the Local Growth Scenario remains reasonable, particularly given the role of construction activity in supporting development, regeneration, infrastructure delivery and maintenance over the plan period.
- 8.19 Government services is the clearest anomaly in the Experian 2026 forecast. The forecast identifies growth of 2,900 jobs, compared with 700 jobs in the Experian 2022 forecast and 1,241 jobs in the Local Growth Scenario. This represents a significant change between the two Experian forecasts and is likely to reflect modelled assumptions for public administration, education, health and related public services, rather than a clear market signal for additional employment land. It is also relevant that growth in this sector does not necessarily translate directly into demand for conventional office, industrial or storage and distribution land.
- 8.20 The Figure below compares the Local Growth Scenario with the Experian 2026 forecast over the longer-term period from 1997 to 2041. This shows that both forecasts follow a broadly similar trajectory, with the Experian 2026 forecast sitting above the Local Growth Scenario in absolute employment terms, but with a similar overall growth profile.

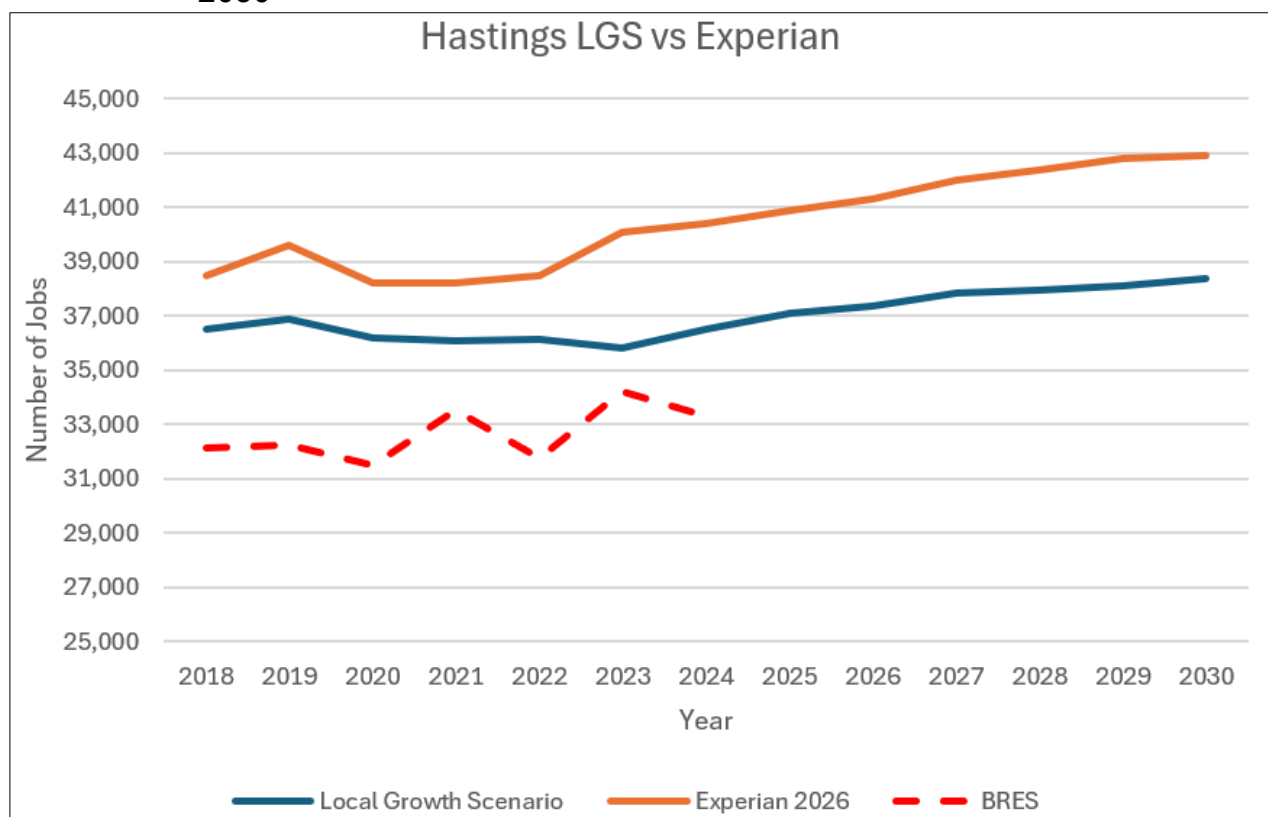
Figure 19. Local Growth Scenario and Experian 2026, Hastings, 1997–2041



Source: *Oxford Economics developed Local Growth Scenario, Experian and DLP analysis*

- 8.21 The Figure below focuses on the shorter-term period from 2018 to 2030 and also includes Business Register and Employment Survey (BRES) data. This shows that the main difference between the Experian 2026 forecast and the Local Growth Scenario is in the treatment of the post-pandemic recovery period. The Experian 2026 forecast shows a stronger recovery following the COVID-19 period, whereas the Local Growth Scenario follows a more moderated trajectory. However, the BRES data indicates a post-pandemic recovery pattern which broadly supports the direction of travel shown in both datasets.

Figure 20. Local Growth Scenario, Experian 2026 and BRES, Hastings, 2018–2030



Source: Oxford Economics developed Local Growth Scenario, Experian and DLP analysis

- 8.22 Both the Local Growth Scenario and Experian 2026 forecast then level off into a broadly similar pattern of gradual growth over the remainder of the plan period. The difference between the two forecasts is therefore primarily related to the scale and timing of the post-pandemic recovery adjustment, rather than a fundamentally different long-term growth trajectory.

Table 70. Comparison of compound annual growth rates, Hastings, 2023–2041

Sector	Local Growth Scenario	Experian 2022	Experian 2026	Experian 2026 percentage point difference from Local Growth Scenario
Agriculture etc	0.00%	0.00%	0.00%	0.00%
Mining & quarrying	0.00%	0.00%	0.00%	0.00%
Manufacturing	0.05%	-0.27%	-0.23%	-0.28%
Electricity, gas & water	0.00%	0.00%	0.00%	0.00%
Construction	1.06%	0.43%	0.00%	-1.06%
Distribution	0.20%	-0.10%	-0.10%	-0.30%
Transport & storage	1.05%	0.00%	0.41%	-0.64%
Accommodation & food services	1.79%	2.02%	1.73%	-0.06%
Information & communications	0.74%	0.00%	0.00%	-0.74%
Financial & business services	0.98%	0.78%	0.92%	-0.06%
Government services	0.46%	0.24%	0.88%	0.42%
Other services	0.97%	0.26%	0.48%	-0.48%
Total	0.69%	0.44%	0.68%	-0.01%

Source: Oxford Economics developed Local Growth Scenario, Experian and DLP analysis

- 8.23 The updated Experian forecast does not indicate that the Local Growth Scenario is materially out of step with the latest forecast evidence for Hastings. The total growth rate is closely aligned with the updated forecast, with the Local Growth Scenario identifying a compound annual growth rate of 0.69% per annum compared with 0.68% per annum in the Experian 2026 forecast. The main differences relate to sectoral distribution, rather than the overall scale of growth. On this basis, the Local Growth Scenario remains an appropriate basis for testing employment land needs, subject to the sectoral implications being considered through the employment land model.

Rother

- 8.24 For Rother, the comparison with the updated forecast evidence indicates that the 2024 HEDNA Local Growth Scenario should be reviewed rather than simply rolled forward over the amended 2025–2042 plan period. The 2024 HEDNA Local Growth Scenario identified employment growth of around 3,800 jobs over the period 2020–2040. As part of this Addendum, this scenario was first sense-checked against the Experian 2022 and Experian 2026 forecasts. This indicated that the previous Local Growth Scenario may understate employment growth over the amended plan period.

- 8.25 Given the scale of the difference between the previous Local Growth Scenario and the updated Experian forecast, updated Oxford Economics forecast data was purchased for Rother. This was considered appropriate because the 2024 HEDNA Local Growth Scenario was originally developed using Oxford Economics as the starting point, whereas the initial sense-check was based on Experian. The updated Oxford Economics forecast therefore provided a more directly comparable basis for understanding whether the higher growth position reflected a wider change in forecast expectations for Rother, or whether it was primarily a function of differences between forecasting houses.

Table 71. Rother employment forecast comparison, 2025–2042

	Local Growth Scenario (HEDNA 2024)	OE 2022³³	OE 2026	Experian 2022	Experian 2026
Agriculture etc	-136	-158	-196	-100	0
Mining & quarrying	-100	-28	-12	0	0
Manufacturing	0	-634	-518	-200	-200
Electricity, gas & water	-100	-30	63	0	0
Construction	1,025	966	1,205	700	900
Distribution	0	-33	845	300	500
Transport & storage	0	-55	-57	100	100
Accommodation & food services	708	227	384	700	900
Information & communications	0	50	-6	100	200
Financial & business services	1,118	819	2,273	1,400	1,600
Government services	507	680	155	500	1,100
Other services	343	311	391	200	200
Total	3,366	2,114	4,528	3,700	5,300

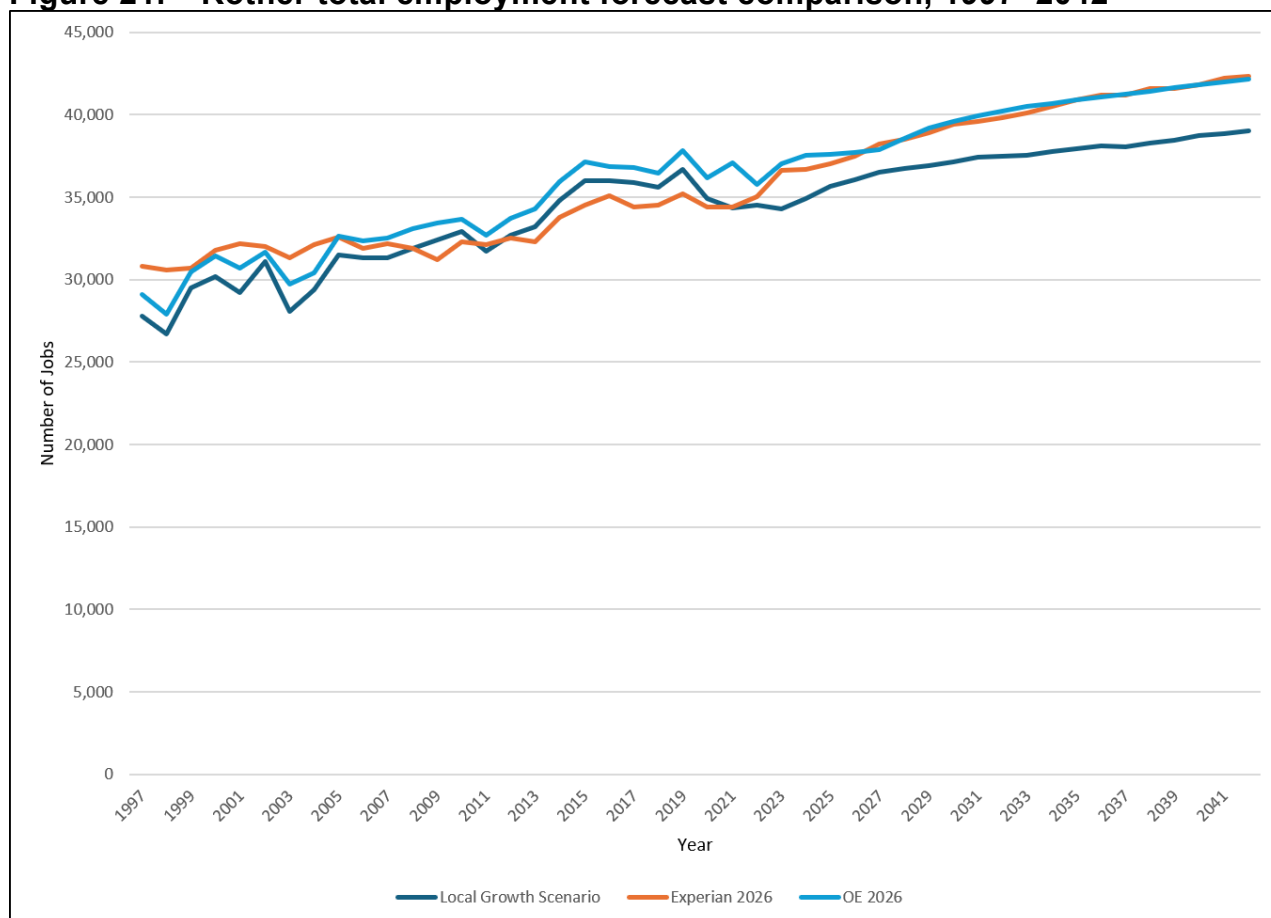
Source: DLP Analysis of OE and Experian Forecasts, HEDNA 2024

- 8.26 The updated Oxford Economics forecast identifies substantially higher growth than the previous Oxford Economics forecast used to inform the 2024 HEDNA. Over the 2025–2042 period, the previous Oxford Economics forecast identified growth of around 2,100 jobs, compared with around 4,500 jobs in the updated Oxford Economics 2026 forecast. The largest changes are in distribution, construction and financial/business services.

³³ Note: the original Oxford economic forecast went to the year 2040. In order to compare the forecasts for the period 2025-2042 the forecast has been rolled forward 2 years using a 5 year CAGR for each subsector

- 8.27 Oxford Economics confirmed that the differences from the August 2022 forecast are primarily driven by the incorporation of four additional years of Business Register and Employment Survey data, historical revisions to BRES and changes in the wider macroeconomic outlook. Oxford Economics also confirmed that the revisions are mainly driven by updated BRES data and broader changes in the national and sector outlook, rather than specific methodological changes. The revised forecast therefore provides a more current basis for considering whether the sectoral growth assumptions remain appropriate, including in the context of the stronger NPPF emphasis on the needs and locational requirements of modern economy sectors.
- 8.28 In simple terms, the higher growth outlook reflects a revised understanding of Rother's recent employment base and stronger expectations for future growth in several sectors, informed by additional BRES data, revisions to historic employment estimates and changes in the wider economic outlook. It is not driven by a single assumption about population growth or commuting.
- 8.29 On this basis, it is considered appropriate to update the Rother Local Growth Scenario rather than retaining the 2024 HEDNA scenario unchanged. The updated Oxford Economics 2026 forecast has been used as the baseline because it provides the closest methodological continuity with the 2024 HEDNA. However, it has not been accepted uncritically. The forecast has been reviewed against Experian 2026, recent BRES evidence, location quotient analysis, stakeholder feedback and local market signals.

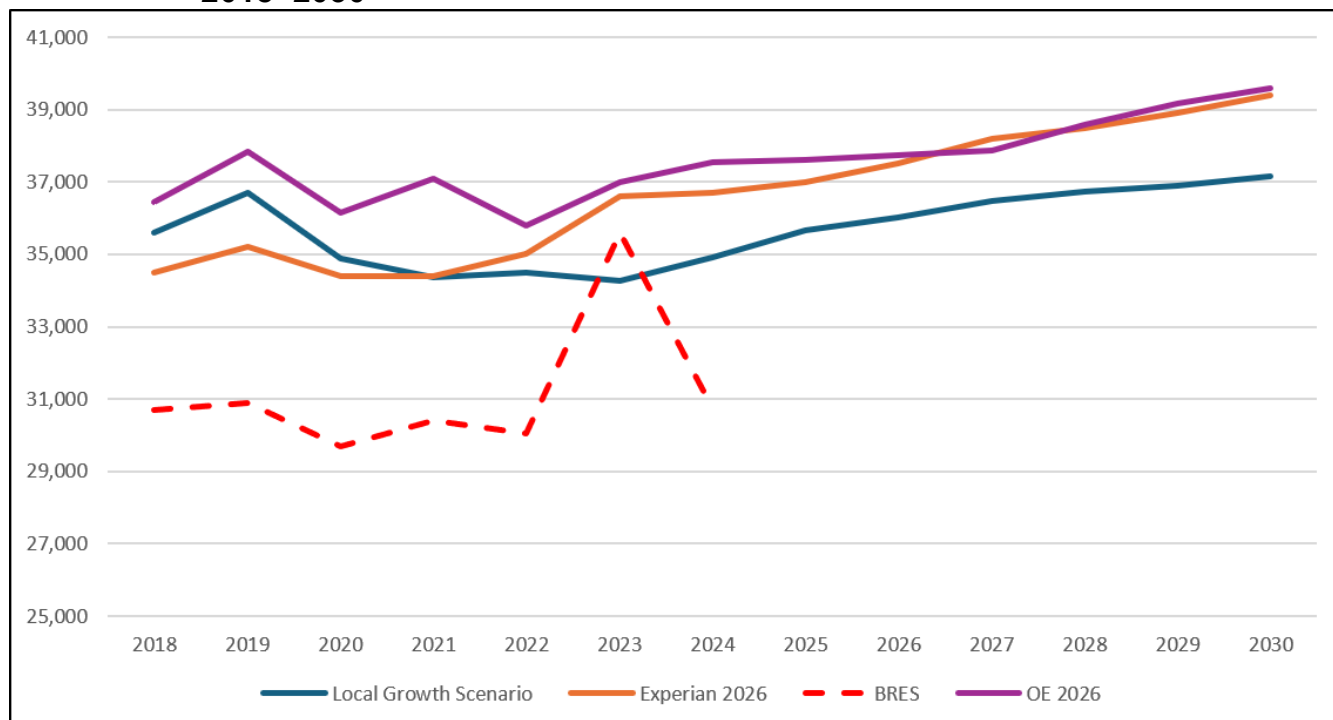
Figure 21. Rother total employment forecast comparison, 1997–2042



Source: Oxford Economics developed Local Growth Scenario, Experian and DLP analysis

- 8.30 The figure above shows that the 2024 HEDNA Local Growth Scenario is materially lower than both the updated Oxford Economics 2026 forecast and the Experian 2026 forecast over the amended Rother plan period. By 2042, the previous Local Growth Scenario reaches around 39,000 jobs, compared with around 42,100 jobs in the updated Oxford Economics forecast and 42,300 jobs in the Experian 2026 forecast. The difference is therefore not limited to one forecasting house. Both updated forecasts point to a higher employment trajectory for Rother than the previous Local Growth Scenario.
- 8.31 The comparison with Experian alone could have been interpreted as reflecting differences in forecasting methodology, sector definitions or assumptions. However, the updated Oxford Economics forecast also moves materially above the 2024 HEDNA Local Growth Scenario. Given that the 2024 HEDNA Local Growth Scenario was originally developed from an Oxford Economics baseline, the updated Oxford Economics 2026 forecast provides a more directly comparable indication that the previous scenario may now understate Rother's employment growth prospects.

Figure 22. Local Growth Scenario, Experian 2026, OE 2026 and BRES, Rother, 2018–2030



Source: Oxford Economics developed Local Growth Scenario, Oxford Economics Experian and DLP analysis

- 8.32 The Figure above focuses on the shorter-term period from 2018 to 2030 and includes BRES data. The BRES data should be treated as a trend-based comparator rather than a direct equivalent to the forecast series, as it is an observed employment dataset and does not necessarily align exactly with the total workplace employment definitions used in the economic forecasts. Nevertheless, it is relevant because Oxford Economics confirmed that BRES is a key input into its local employment forecasts, and that the inclusion of four additional years of BRES data, together with historical revisions, has materially affected the updated Rother forecast.
- 8.33 The BRES data shows that the recent employment picture in Rother has fluctuated, particularly around and after the COVID-19 period. Some caution is required when interpreting annual changes, as BRES data for some sectors is rounded, which can affect the apparent scale of change from one year to the next, particularly in smaller sectors. Notwithstanding this, the data indicates that there has been a post-pandemic recovery in employment, with the updated Oxford Economics and Experian forecasts both incorporating a stronger recovery and higher employment base than the previous Local Growth Scenario. While the scale and timing of this recovery is unusual relative to the longer-term trend, the more recent observed evidence indicates that the post-pandemic uplift has nevertheless been material. It is therefore appropriate for this change in the employment base to be reflected in the longer-term outlook rather than treated solely as a

short-term forecasting effect. The revised Local Growth Scenario therefore needs to respond to this updated evidence rather than simply rolling forward the previous, lower trajectory.

- 8.34 However, the updated evidence does not justify adopting either updated forecast wholly. The updated Oxford Economics forecast identifies particularly strong growth in some sectors, including distribution, construction and financial/business services, while the Experian 2026 forecast identifies a higher total growth position and a different sectoral distribution. The appropriate response is therefore to retain Oxford Economics as the baseline for methodological continuity, but to apply targeted sector adjustments where the wider evidence, including Experian, BRES, LQ analysis and stakeholder feedback, indicates that the Oxford Economics position is likely to be too positive or too negative.
- 8.35 On this basis, the Rother Local Growth Scenario has been revised. The purpose of the revised scenario is not to select the highest forecast, but to develop a locally adjusted position which reflects the updated evidence. The resulting scenario sits between the updated Oxford Economics 2026 and Experian 2026 forecasts and provides a more balanced basis for testing employment land needs over the 2025–2042 plan period.

Amendments to the local growth scenario

Hastings

- 8.36 For Hastings, the comparison with the updated Experian forecast and Business Register and Employment Survey data does not indicate that the Local Growth Scenario requires amendment. The overall rate of employment growth remains closely aligned with the updated Experian 2026 forecast, and the main differences relate to sectoral distribution rather than the overall scale of growth. The Hastings Local Growth Scenario has therefore been retained and rolled forward over the amended 2023–2041 plan period.

Rother

- 8.37 For Rother, the revised Local Growth Scenario has been developed from the updated Oxford Economics 2026 forecast. This provides methodological continuity with the 2024 HEDNA, as the previous Rother Local Growth Scenario was also developed from an Oxford Economics baseline. The updated Oxford Economics forecast has therefore been used as the starting point, with targeted adjustments made only where the wider evidence indicates that the baseline forecast may overstate or understate likely sectoral growth in Rother
- 8.38 This approach is consistent with the 2024 HEDNA, which did not adopt the baseline forecast without adjustment, but refined it where local evidence indicated that a sector-specific amendment was justified. In the 2024 HEDNA, the main amendments for Rother related to manufacturing, accommodation and food services, and financial / business services. The same principle has been applied in this Addendum. The updated local

growth scenario benefits from updated forecasts, recent BRES data, location quotient analysis, stakeholder feedback and updated local market intelligence.

- 8.39 The updated Oxford Economics 2026 forecast identifies materially higher employment growth than the previous Oxford Economics forecast used to inform the 2024 HEDNA, increasing from around 2,114 jobs to around 4,528 jobs (approximately a 114% increase) over the 2025–2042 period. The most notable changes are in distribution, construction and financial / business services. Oxford Economics has confirmed that the changes are primarily driven by the incorporation of four additional years of BRES data, historical revisions to BRES and changes in the wider macroeconomic outlook, rather than a specific methodological change for Rother. This provides a clear basis for updating the Local Growth Scenario rather than simply rolling forward the previous position.
- 8.40 However, the updated Oxford Economics forecast has not been accepted uncritically. The Experian 2026 forecast identifies a higher total growth position and a different sectoral distribution, while the stakeholder engagement identified stronger demand for flexible industrial, manufacturing and storage / distribution space, but more limited demand for traditional larger office formats. Stakeholders also identified advanced manufacturing, defence-related activity, electronics, optics, manufacturing and engineering-related businesses as locally important, while also emphasising the linked Hastings / Rother employment market and the role of Bexhill in meeting industrial and manufacturing needs.

Table 72. Updated Local Growth Scenario compared with OE 2026 and Experian 2026, Rother, 2025–2042

	Jobs Growth			Difference with Local Growth Scenario	
	OE 2026	Experian 2026	Updated Local Growth Scenario	OE 2026	Experian 2026
Agriculture etc	-196	0	-196	0	-196
Mining & quarrying	-12	0	-12	0	-12
Manufacturing	-518	-200	-106	412	94
Electricity, gas & water	63	0	63	0	63
Construction	1205	900	1205	0	305
Distribution	845	500	845	0	345
Transport & storage	-57	100	101	157	1
Accommodation & food services	384	900	512	128	-388
Information & communications	-6	200	199	205	-1
Financial & business services	2273	1600	1668	-604	68
Government services	155	1100	484	329	-616
Other services	391	200	391	0	191
Total	4528	5300	5155	627	-145

Source: Oxford Economics, Experian and DLP analysis.

- 8.41 The Table above shows that the revised Local Growth Scenario sits between the updated Oxford Economics 2026 and Experian 2026 forecasts in total employment growth terms. The revised scenario identifies around 5,155 jobs over the 2025–2042 period, compared with around 4,528 jobs in the updated Oxford Economics forecast and around 5,300 jobs in the Experian 2026 forecast. The Local Growth Scenario therefore does not adopt the highest forecast position, but provides a locally adjusted scenario which reflects the updated evidence.
- 8.42 The revised Local Growth Scenario applies professional judgement to the updated Oxford Economics baseline. No amendment has been made where the Oxford Economics 2026 forecast is considered reasonable in light of the comparator evidence. Adjustments have only been made where the combined evidence from Experian, BRES, location quotients, stakeholder feedback and local market signals indicates that the Oxford Economics position should be moderated or uplifted.

- 8.43 Table 73 summarises how the Updated Local Growth Scenario has been developed from the OE 2026 baseline. The adjustments are targeted and sector specific. The OE 2026 forecast has been retained where it is considered reasonable in light of the comparator evidence, while amendments have been made where the wider evidence indicates that the baseline forecast should be moderated or uplifted. This ensures that the revised scenario remains grounded in the updated Oxford Economics forecast, while also reflecting Experian 2026, recent BRES evidence, location quotient analysis, stakeholder feedback and professional judgement.

Table 73. Development of the Updated Local Growth Scenario from the OE 2026 baseline, Rother, 2025–2042

Broad sector	OE 2026	LGS	Change	Rationale
Manufacturing	-518	-106	412	Decline moderated to reflect local manufacturing, engineering and advanced manufacturing strengths, while retaining a negative trajectory.
Transport & storage	-57	101	157	Adjusted to a modest positive trajectory, reflecting Experian 2026, recent BRES evidence and local / regional storage and distribution demand.
Accommodation & food services	384	512	128	Uplift applied to reflect Rother's visitor economy role and comparator forecast evidence, while remaining below Experian 2026.
Information & communications	-6	199	205	Negative OE trajectory adjusted to reflect Experian evidence and potential for modest growth in digital / computer-based activities.
Financial & business services	2,273	1,668	-604	Strong growth retained, but OE 2026 moderated to reflect stakeholder evidence of more limited larger-format office demand.
Government services	155	484	329	Public administration and education held flat from the 2025 base, while OE health/social work growth is retained.

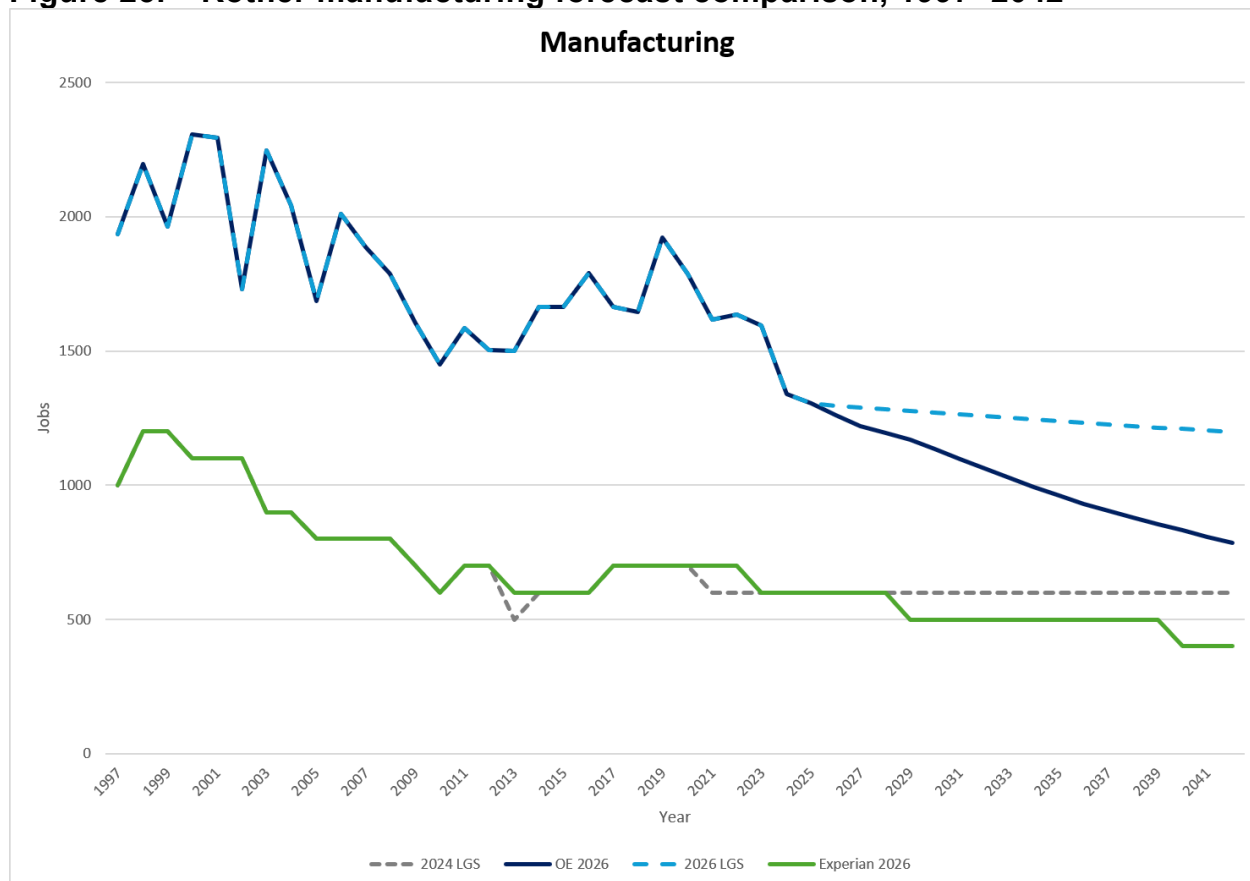
Source: Oxford Economics, Experian and DLP analysis.

Manufacturing

- 8.44 The updated Oxford Economics 2026 forecast identifies a decline of around 518 jobs in manufacturing over the 2025–2042 period. The revised Local Growth Scenario moderates this decline to around 106 jobs. This does not assume manufacturing growth, but it avoids carrying forward the full scale of decline identified in the unadjusted Oxford Economics forecast.

- 8.45 This adjustment is justified by the balance of evidence. Recent BRES evidence indicates that manufacturing employment in Rother has declined since 2020, and Experian 2026 also identifies a negative trajectory for the sector. On this basis, it would not be appropriate to assume a flat or positive manufacturing position. However, the full Oxford Economics decline is considered too severe when set against the local evidence. Stakeholders identified manufacturing, engineering, advanced manufacturing, electronics and optics-related activity as locally important sectors, and the wider employment market feedback suggested that there remains a role for Rother / Bexhill³⁴ locations in supporting industrial and manufacturing occupiers. This supports a more resilient manufacturing position than the unadjusted Oxford Economics forecast, while still recognising that the recent BRES and comparator forecast evidence does not justify assuming flat or positive manufacturing growth.

Figure 23. Rother manufacturing forecast comparison, 1997–2042



- 8.46 The revised Local Growth Scenario therefore applies a modest negative growth assumption of -0.5% per annum. This provides a balanced position which recognises

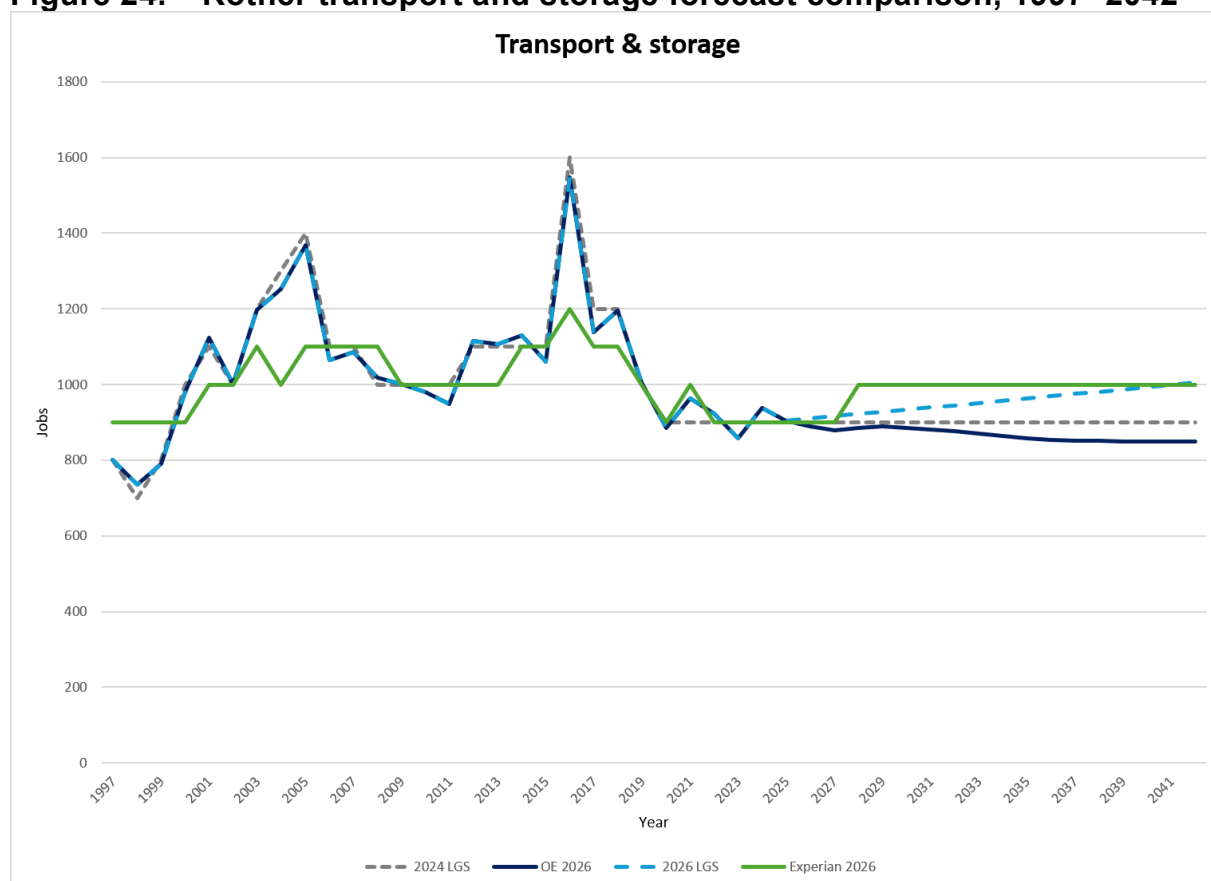
³⁴ While much of the stakeholder discussion focused on Bexhill, Rye Harbour is also an important established employment location within Rother, particularly for B2 and B8-type activity, and should be recognised alongside Bexhill when considering the district's capacity to accommodate industrial and manufacturing demand.

structural pressures affecting manufacturing employment, but also reflects the evidence that the sector remains locally important and should not be assumed to contract at the full rate identified by Oxford Economics. In employment land terms, this adjustment is important because manufacturing employment is closely linked to industrial and light industrial floorspace requirements. Applying the full Oxford Economics decline would risk understating future industrial land requirements where local evidence indicates that manufacturing, engineering and related activities remain important within the local employment market.

- 8.47 However, the resulting net employment-driven change in manufacturing is modest and provides a starting point close to a broadly stable position; this should not be interpreted as an absence of gross need for industrial floorspace. Gross requirements also reflect factors including the replacement of employment land losses, flexibility within the supply, and industrial or B2-type requirements arising from activity across other sectors. The continued importance of manufacturing and related activities therefore also supports an appropriate policy approach towards the retention, redevelopment and provision of suitable industrial premises, notwithstanding the modest negative net employment trajectory.

Transport and storage

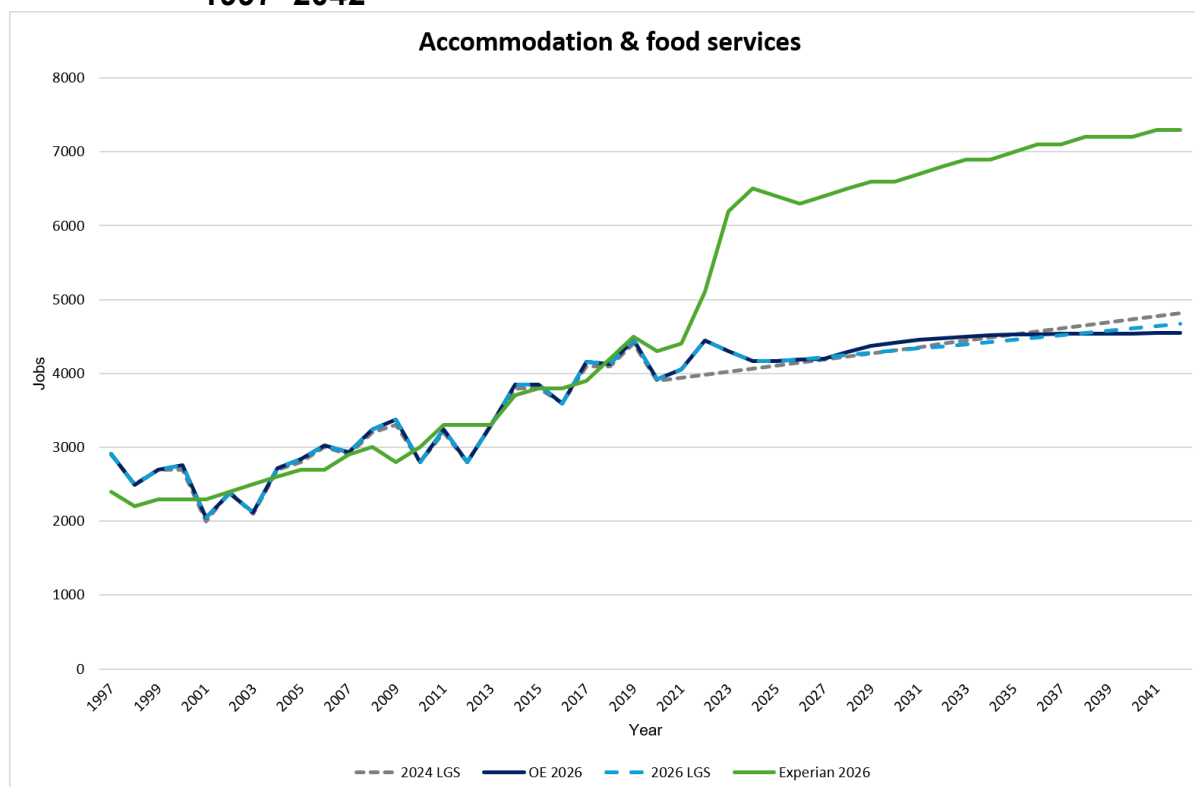
Figure 24. Rother transport and storage forecast comparison, 1997–2042



- 8.48 Oxford Economics 2026 identifies a small decline in transport and storage employment, equivalent to around **57 jobs** over the plan period. The revised Local Growth Scenario adjusts this to modest positive growth of around **101 jobs**.
- 8.49 The Oxford Economics position appears cautious when compared with the wider evidence. Experian 2026 identifies a modest positive trajectory, and recent BRES evidence also indicates growth in transport and storage employment since 2020. Stakeholder feedback is particularly relevant in this sector. Stakeholders identified demand for local and regional storage and distribution-related activity, although they did not identify strategic logistics as a major local growth driver. This supports a positive adjustment, but not a substantial logistics-led uplift.
- 8.50 The revised Local Growth Scenario therefore applies the Experian 2026 growth rate to the Oxford Economics 2026 base. This produces a modest positive trajectory which is consistent with the evidence of demand for storage, distribution and flexible industrial premises, while avoiding an overstatement of strategic logistics potential. This adjustment has a direct employment land implication because transport and storage activity contributes to demand for storage / distribution land and associated operational space. This ensures that the scenario reflects evidence of demand for storage, distribution and flexible industrial premises, while avoiding an overstatement of strategic logistics potential.

Accommodation and food services

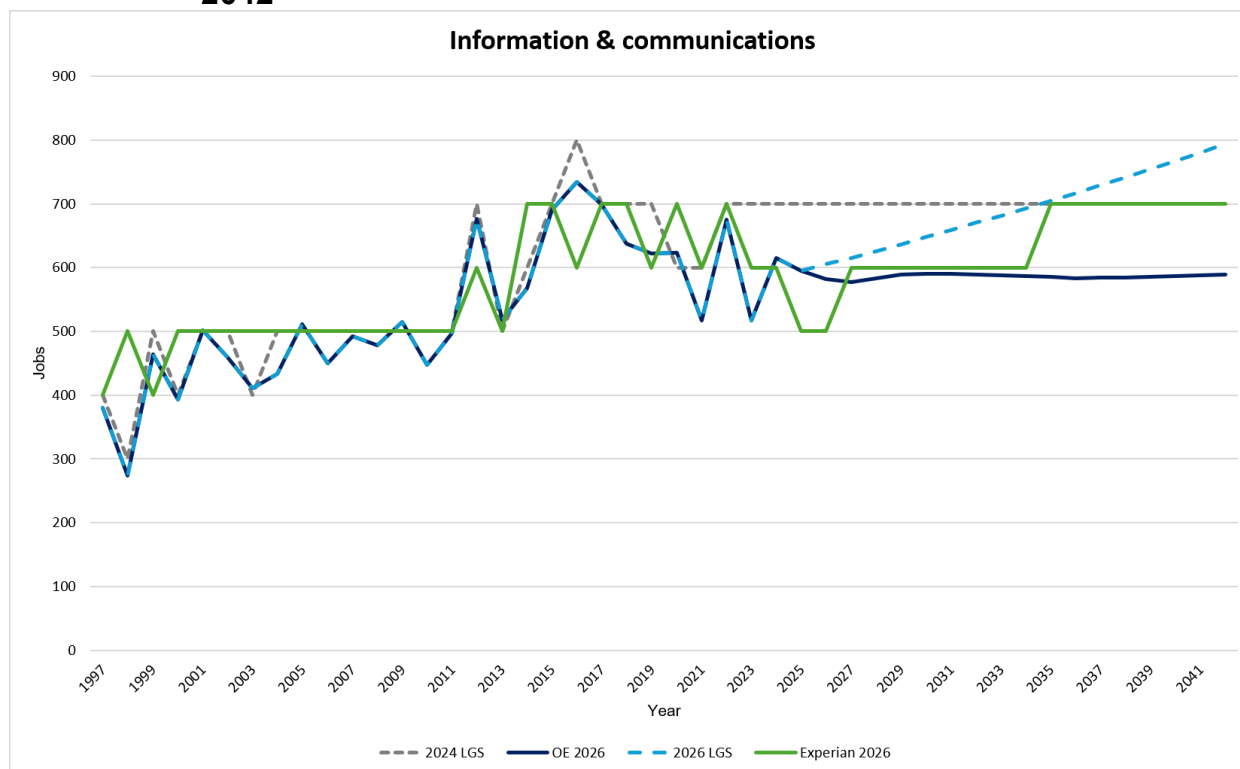
Figure 25. Rother accommodation and food services forecast comparison, 1997–2042



- 8.51 Oxford Economics 2026 identifies growth of around 384 jobs in accommodation and food services over the 2025–2042 period. The revised Local Growth Scenario increases this to around 512 jobs.
- 8.52 The Oxford Economics forecast already recognises positive growth in the sector, but the scale of growth appears conservative when considered against Rother’s visitor economy role, comparator forecast evidence and recent BRES trends. Experian 2026 identifies a higher growth position, while the LQ evidence indicates that accommodation and food services are relatively concentrated in Rother compared with wider benchmark areas. This supports the view that the sector is locally important and that some uplift above the Oxford Economics baseline is justified.
- 8.53 The revised Local Growth Scenario applies the Experian 2026 growth rate to the Oxford Economics base. This strengthens the growth profile but remains below the full Experian absolute growth position. The adjustment therefore reflects Rother’s tourism and hospitality role without overstating the sector. This is broadly consistent with the 2024 HEDNA, which identified accommodation and food services as a key component of Rother’s rural economy and recognised the role of tourism in supporting rural diversification. The 2024 HEDNA also concluded that growth in these activities does not necessarily translate directly into demand for conventional employment land and floorspace. The employment land implications are more limited than for industrial or office-based sectors, as accommodation and food services employment does not translate directly into conventional office, industrial or storage / distribution land requirements. However, it remains relevant to the overall labour-demand position. The adjustment is therefore relevant to the overall labour-demand scenario, but should not be interpreted as generating a direct requirement for conventional employment land in the same way as industrial, storage or office-based sectors.

Information and communications

Figure 26. Rother information and communications forecast comparison, 1997–2042

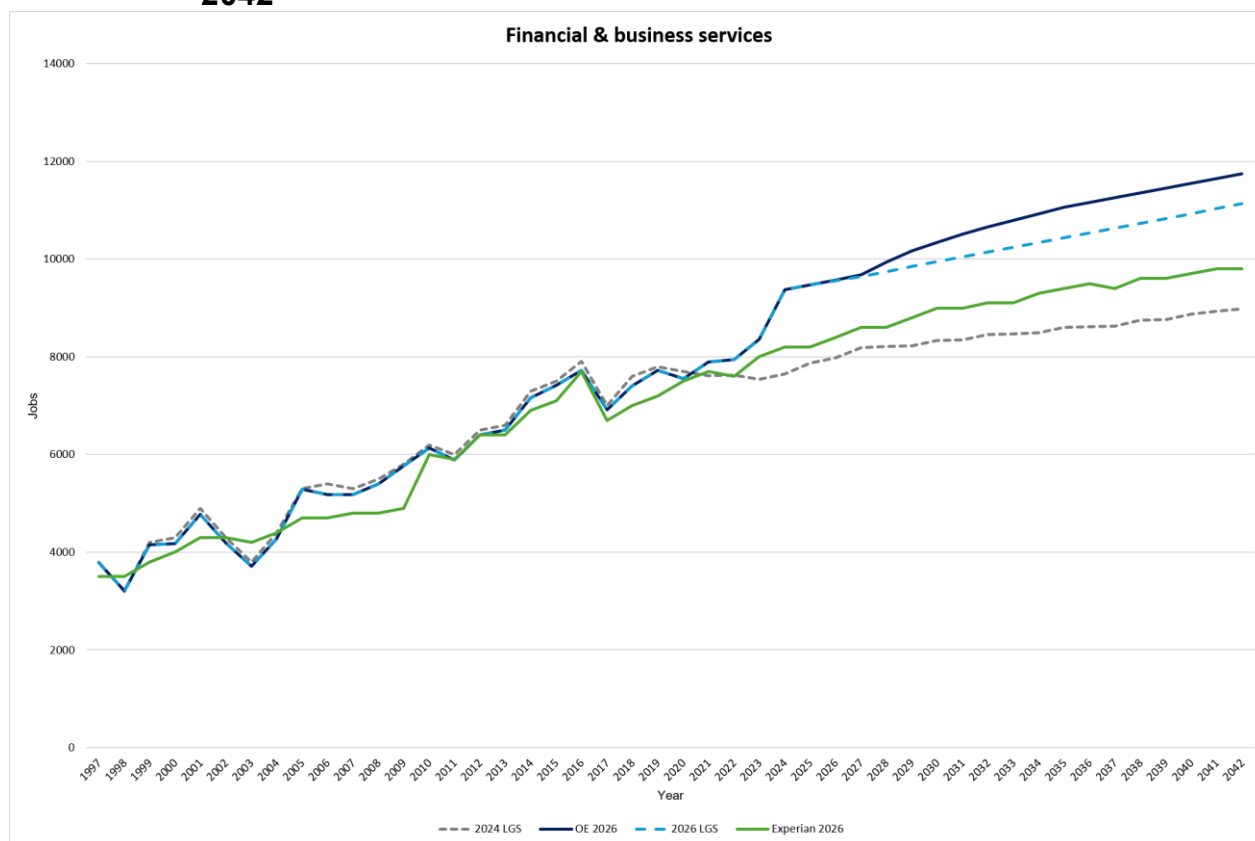


- 8.54 Oxford Economics 2026 identifies a marginal decline in information and communications employment over the plan period. The revised Local Growth Scenario adjusts this to growth of around 199 jobs.
- 8.55 The Oxford Economics position appears cautious when compared with Experian 2026, which identifies positive growth. The broad information and communications category also includes a range of different activities, and the aggregate position can be affected by weaker performance in media and publishing-related components. The sub-sector evidence indicates stronger potential in computer-based, digital and information service activities, which are more relevant to future office-based and flexible workspace demand.
- 8.56 The revised Local Growth Scenario therefore applies an adjusted growth assumption to avoid carrying forward a negative whole-sector trajectory. The scale of the adjustment remains modest in absolute terms, but it ensures that the forecast does not understate potential growth in digital, computer-based and information service activities. In employment land terms, this is relevant principally to office and flexible workspace requirements. The adjustment remains modest in absolute terms, but ensures that the forecast does not carry forward a negative whole-sector position where the wider evidence indicates potential for growth.

- 8.57 This is consistent with NPPF paragraph 86(c), which requires planning policies to have particular regard to facilitating development to meet the needs of a modern economy, including digital infrastructure, and paragraph 87, which requires planning policies and decisions to address the specific locational requirements of knowledge and data-driven sectors. While the evidence does not identify a specific local requirement for large-scale uses such as data centres or gigafactories, it is appropriate for the Local Growth Scenario to capture potential employment growth associated with digital and information-based activities. The Councils should continue to monitor any emerging land and infrastructure requirements associated with these and related sectors through the Local Plan process, including requirements relating to power supply and connectivity.

Financial and business services

Figure 27. Rother financial and business services forecast comparison, 1997–2042



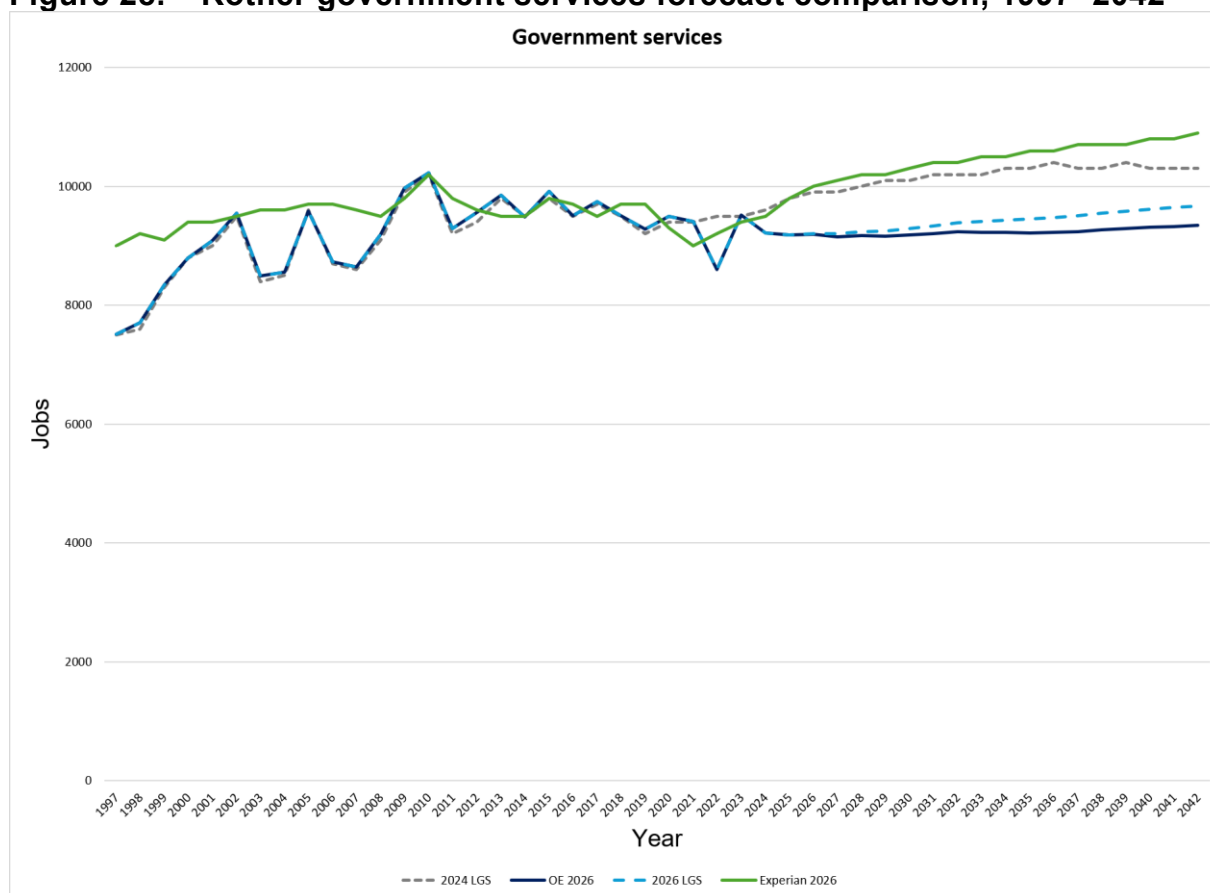
- 8.58 Oxford Economics 2026 identifies substantial growth in financial and business services, with an increase of around 2,273 jobs over the plan period. The revised Local Growth Scenario reduces this to around 1,668 jobs. This still represents strong positive growth, but moderates the scale of uplift in the unadjusted Oxford Economics forecast.
- 8.59 This adjustment is justified because the Oxford Economics forecast identifies particularly strong growth in professional, scientific and technical activities and administrative and support services. While continued growth in these sectors is reasonable, the scale of the

unadjusted forecast appears high when considered against stakeholder feedback. Stakeholders described demand for traditional office space as limited, particularly for larger office formats, and indicated that demand is more likely to be focused on smaller and flexible requirements.

- 8.60 The revised Local Growth Scenario therefore retains strong growth in financial and business services, but aligns the overall position more closely with Experian 2026. This provides a balanced approach: it recognises that financial and business services remain an important growth component, but avoids translating the full Oxford Economics uplift into a potentially overstated office employment trajectory. This is particularly important for the employment land model, as financial and business services are a key driver of office floorspace requirements. The moderated position therefore avoids overstating future office land needs while still recognising continued growth in the sector.

Government services

Figure 28. Rother government services forecast comparison, 1997–2042



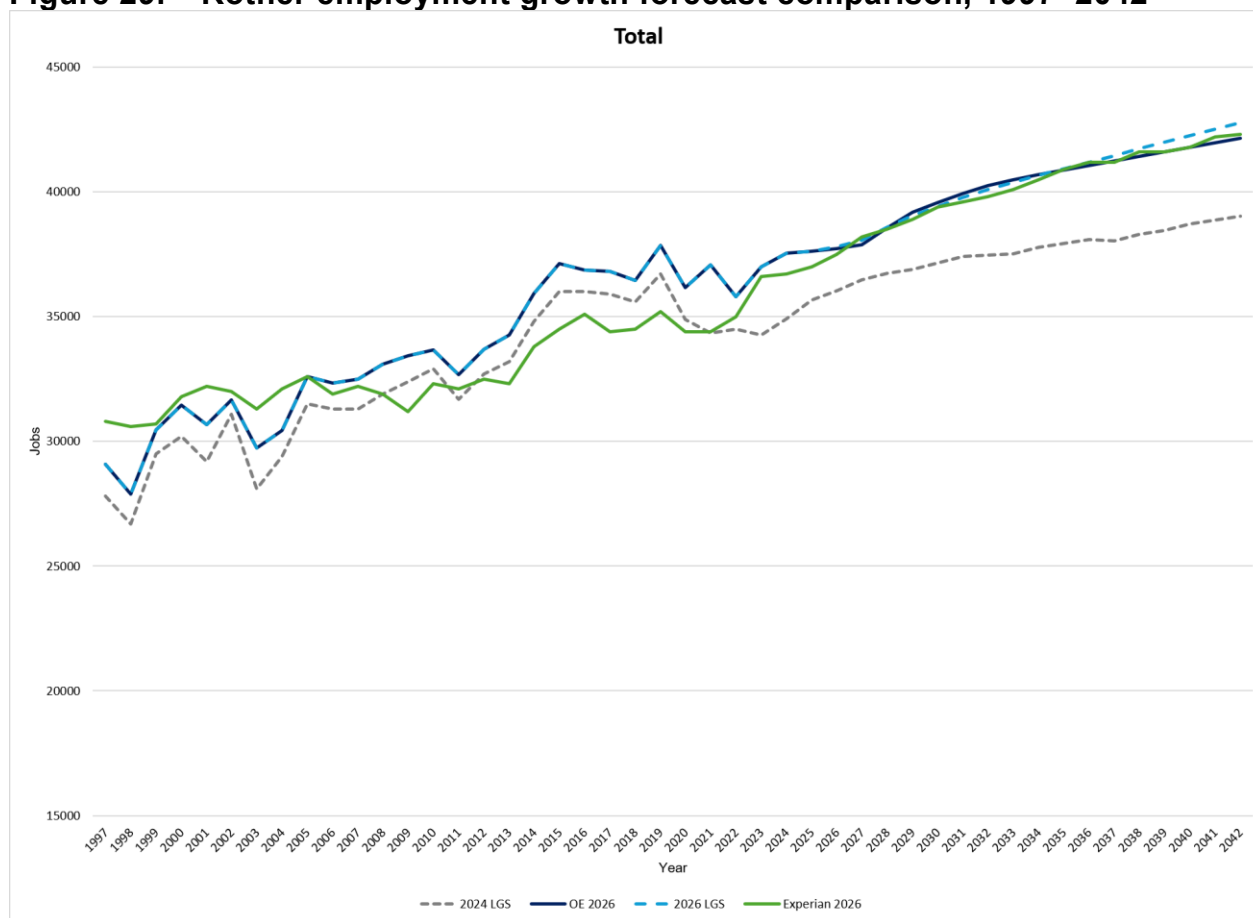
- 8.61 Oxford Economics 2026 identifies limited overall growth in government services, with growth of around 155 jobs. This reflects declines in public administration and education, offset by growth in health and social work. The revised Local Growth Scenario increases the broad government services position to around 484 jobs.

- 8.62 The adjustment is deliberately limited. The Local Growth Scenario does not adopt the much higher Experian 2026 government services forecast, as much of this sector has limited direct implications for conventional B-class employment land. However, it is also not considered appropriate to assume continued decline in public administration and education over a plan period which provides for housing and population growth. These sectors perform a population-serving role, and a flat-profile assumption is considered more appropriate than carrying forward further contraction.
- 8.63 The revised scenario therefore holds public administration and education at their 2025 base, while retaining the Oxford Economics trajectory for health and social work. This should be understood as a labour-demand adjustment rather than a direct employment land driver. It avoids understating total employment growth, but does not materially increase the requirement for office, industrial or storage / distribution land.

Summary of revised Rother Local Growth Scenario

- 8.64 Taken together, these adjustments increase the Oxford Economics 2026 baseline from around 4,528 jobs to an Updated Local Growth Scenario of around 5,155 jobs over the 2025–2042 period. The revised scenario remains below the Experian 2026 forecast of around 5,300 jobs, but above the unadjusted Oxford Economics 2026 position.
- 8.65 The revised scenario is therefore considered to provide a balanced locally adjusted forecast for Rother. It retains Oxford Economics 2026 as the methodological baseline, but applies targeted amendments where the wider evidence indicates that the baseline forecast should be refined. This reflects the approach used in the 2024 HEDNA, where baseline forecasts were adjusted to produce a locally specific growth scenario, taking account of past trends, market conditions and sector-specific evidence.

Figure 29. Rother employment growth forecast comparison, 1997–2042³⁵



Consideration of plot ratios

- 8.66 National policy does not prescribe a specific plot ratio methodology for employment land assessments. However, the NPPF and PPG provide relevant principles for considering the efficient use of land and appropriate development densities. NPPF paragraph 32 states that the preparation and review of policies should be underpinned by relevant and up-to-date evidence which is adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and which takes account of relevant market signals.
- 8.67 NPPF paragraph 85 states that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt, with significant weight placed on the need to support economic growth and productivity. NPPF paragraph 86 also requires planning policies to identify sites to meet anticipated needs over the plan period, address potential barriers to investment, and be flexible enough to accommodate needs not anticipated in the plan. NPPF paragraph 87 further requires planning policies and decisions to recognise the specific locational requirements of different sectors, including

³⁵ Note: Y Axis starts at 15,000 jobs to show clearer difference in growth

storage and distribution operations at a variety of scales and in suitably accessible locations.

- 8.68 In relation to the effective use of land, NPPF paragraph 124 states that planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses. NPPF paragraph 129 states that planning policies and decisions should support development that makes efficient use of land, taking into account the identified need for different types of development, the availability of land suitable for accommodating it, local market conditions and viability, infrastructure capacity, the scope to promote sustainable travel, local character and the importance of securing well-designed places.
- 8.69 The PPG provides further guidance on planning for higher density development. The PPG³⁶ states that a range of considerations should be taken into account in establishing appropriate densities, including accessibility, characterisation and design, environmental and infrastructure assessments, and market or site viability. The PPG³⁷ also identifies plot ratios as one measure of density, noting that they can help indicate how a development relates to its surroundings and the provision of open space within the site. The PPG does not, however, prescribe a single method for calculating employment land plot ratios or a standard plot ratio to be applied to employment uses.
- 8.70 In this context, the plot ratio assumptions used in this Addendum are modelling assumptions for converting floorspace requirements into land requirements. They are not fixed development management standards. They have therefore been reviewed on a proportionate basis, having regard to the 2024 HEDNA assumptions, stakeholder feedback, the Council's non-residential trajectory and infrastructure modelling assumptions, and the operational characteristics of different employment uses.
- 8.71 The 2024 HEDNA applied plot ratio assumptions to convert floorspace requirements into employment land requirements. The assumptions were applied consistently across the principal employment use classes, comprising E(g)(i)/(ii), E(g)(iii)/B2 and B8. For Hastings, the 2024 HEDNA applied a plot ratio of 0.4. For Rother, the 2024 HEDNA applied a plot ratio of 0.3.
- 8.72 As part of this Addendum, these assumptions have been reviewed in light of stakeholder feedback and the updated employment land evidence. The findings for each authority are set out below.

Table 74. Plot ratios applied in the employment land calculations

Authority	E(g)(i) / E(g)(ii)	E(g)(iii) / B2	B8
Hastings	0.4	0.4	0.4
Rother	0.4	0.4	0.35

³⁶ PPG Reference ID: 66-004-20190722

³⁷ PPG Reference ID: 66-005-20190722

Hastings

- 8.73 For Hastings, the 2024 HEDNA applied a standard plot ratio of 0.4 across all employment use classes. This represented a reduction from the 0.5 plot ratio used in the 2020 HEDNA for former B1a/b and B1c/B2 uses. The purpose of this adjustment was to provide additional flexibility by assuming a lower intensity of land use, reflecting evidence that recent take-up had shown very limited delivery of higher-density office or industrial floorspace.
- 8.74 The stakeholder engagement undertaken as part of this Addendum did not identify any clear evidence to suggest that the Hastings plot ratio assumption should be amended. Stakeholders described Hastings as constrained by a limited number of main industrial estates, older stock and wider accessibility issues. These factors are consistent with the justification in the 2024 HEDNA for applying a realistic and flexible plot ratio, rather than assuming higher-intensity employment development.
- 8.75 On this basis, the 0.4 plot ratio applied in the 2024 HEDNA remains appropriate for Hastings. The justification for this assumption continues to stand, and it is considered to remain reflective of the nature of employment development likely to come forward in the Borough. The 0.4 plot ratio has therefore been retained for the purposes of the updated employment land need modelling.

Rother

- 8.76 For Rother, the 2024 HEDNA applied a plot ratio of 0.3 across E(g)(i)/(ii), E(g)(iii)/B2 and B8 uses. This provided a cautious district-wide assumption, reflecting the evidence available at that time, including relatively limited examples of larger-scale employment development from which robust plot ratios could be derived and uncertainty regarding achievable development intensity across Rother's varied sub-markets, including less well-connected locations such as Rye and Rye Harbour. It also allowed for the fact that employment sites may not be developed at their maximum theoretical capacity due to access, servicing, landscaping, drainage, biodiversity net gain, infrastructure, market and viability considerations.
- 8.77 As part of this Addendum, the 0.3 plot ratio has been reviewed in light of updated local evidence. The stakeholder engagement identified that the previous assumption may be conservative for parts of Rother, particularly in and around Bexhill. Stakeholders suggested that a plot ratio of around 40% may be achievable in some circumstances, with higher ratios possible on some sites depending on their specific characteristics. However, they also cautioned against applying rigid plot ratio assumptions without regard to commercial reality, infrastructure, drainage, biodiversity net gain and viability.
- 8.78 The Council's non-residential trajectory and infrastructure modelling assumptions have also been reviewed. These apply a plot ratio of 0.4 for E(g)/B2 uses and 0.35 for B8 storage uses. The trajectory has not been used as a standalone empirical basis for

deriving plot ratios, as the implied ratios vary across sites and some entries are affected by fixed floorspace assumptions, mixed-use allocations or broader developable land areas. However, it does demonstrate that the Council has tested higher plot ratio assumptions for Rother than the 0.3 assumption used in the 2024 HEDNA.

- 8.79 Taken together, the stakeholder feedback and the Council's infrastructure modelling assumptions indicate that the 0.3 plot ratio used in the 2024 HEDNA is likely to be overly cautious for the purposes of the updated Rother employment land modelling. The Addendum therefore applies a plot ratio of 0.4 for E(g)(i)/(ii) and E(g)(iii)/B2 uses. This reflects the stakeholder feedback that around 40% may be achievable on some employment sites, particularly in and around Bexhill, and aligns with the Council's own infrastructure modelling assumptions for E(g)/B2 floorspace.
- 8.80 A lower plot ratio of 0.35 is applied to B8 uses. This reflects the Council's infrastructure modelling assumptions and the different operational requirements of storage and distribution uses. B8 development typically requires a greater proportion of land for external servicing, circulation, loading, yard space, HGV manoeuvring, parking and operational flexibility. This is consistent with wider employment density evidence, which identifies materially different employment densities for storage and distribution floorspace compared with industrial and light industrial uses. For example, the HCA Employment Density Guide identifies light industrial at 47 sqm per FTE and industrial and manufacturing at 36 sqm per FTE, compared with 70–95 sqm per FTE for B8 storage and distribution formats.
- 8.81 The revised Rother plot ratios should not be read as fixed site-capacity assumptions or as confirmation that every employment site in Rother will be developed at these densities. They are modelling assumptions used to convert floorspace requirements into land requirements at the plan-wide level. Individual site capacities should continue to be assessed through the site assessment and allocation process, having regard to site-specific constraints, infrastructure requirements, biodiversity net gain, viability, market requirements and the form of employment development proposed.
- 8.82 The Councils should also monitor employment floorspace delivery directly alongside land take-up. This will allow actual development densities to be compared with the modelling assumptions over time and will help identify where individual schemes deliver materially more or less floorspace than implied by the assumed plot ratios.

Updated Net Employment Land Needs

- 8.83 The 2024 HEDNA identified employment land needs for Hastings and Rother over the period 2020–2040. Since the publication of the HEDNA, both authorities have amended their Local Plan periods. Hastings Borough Council is now planning over the period 2023–2041, while Rother District Council is now planning over the period 2025–2042. It is

therefore necessary to update the employment land need calculations to reflect the amended plan periods.

8.84 By way of context, the 2024 HEDNA identified the following employment needs.

Table 75. 2024 HEDNA employment land Needs, Local Growth Scenario (ha)

Area	Office	Industrial	Storage / distribution	Total
Hastings	4.0	3.1	8.3	15.4
Rother	7.6	6.3	10.8	24.7

Source: 2024 HEDNA (Table 154 and 155)

8.85 The updated employment land need calculations are based on the approach set out in the 2024 HEDNA, subject to the amendments identified in this Addendum. This includes reviewing the Local Growth Scenario against updated forecast evidence and stakeholder feedback, updating the monitoring period, reflecting recent employment floorspace completions and losses, reviewing the committed supply position, and applying updated plot ratio assumptions where justified.

8.86 For Hastings, the analysis above indicates that the Local Growth Scenario remains appropriate for the amended 2023–2041 plan period. No amendments have therefore been made to the underlying Local Growth Scenario for Hastings. Instead, the previous projections have been rolled forward and applied to the amended plan period before being taken through the employment land model. As the original OE forecasts only ran to 2040 the additional year has been projected using a 5 year average CAGR by broad job sector.

8.87 For Rother, the 2024 HEDNA Local Growth Scenario has been reviewed rather than simply rolled forward over the amended 2025–2042 plan period. This reflects the availability of updated Oxford Economics forecast evidence, purchased following the review of recent BRES trends, and the scale of change between the 2022 and 2026 Oxford Economics forecasts. The updated Oxford Economics forecast identifies substantially higher total employment growth than the forecast used to inform the 2024 HEDNA, increasing from around 2,100 jobs to around 4,500 jobs over the 2025–2042 period. The largest changes are in distribution, construction and financial/business services. The updated forecast evidence therefore provides a clear basis for revisiting the Rother Local Growth Scenario.

8.88 The updated Oxford Economics forecast has been used as the baseline for the revised Rother Local Growth Scenario. However, it has not been accepted uncritically. The forecast has been reviewed against the Experian 2026 forecast, recent BRES evidence, location quotient analysis and stakeholder feedback. Targeted adjustments have been made where this evidence indicates that the Oxford Economics position is either likely to understate or overstate local growth prospects. The resulting Local Growth Scenario identifies growth of around 5,155 jobs over the 2025–2042 period. This sits between the

updated Oxford Economics forecast of around 4,528 jobs and the Experian 2026 forecast of around 5,300 jobs, and is therefore considered to provide a balanced local growth scenario for Rother.

- 8.89 The principal adjustments moderate the scale of manufacturing decline, applies stronger growth assumptions to transport/storage, accommodation/food services and information/communications, moderates the Oxford Economics uplift in professional and administrative services, and holds selected population-serving public sector activities at their 2025 base where further decline is not considered appropriate over a plan period which provides for housing and population growth.

Updated components of gross employment land needs - Hastings

- 8.90 Since the 2024 HEDNA was prepared, additional monitoring data has become available for Hastings, including further employment floorspace completions and losses. This has direct implications for the updated employment land calculation, particularly the loss replacement allowance and flexibility margin. These components are calculated using recent monitoring data and are then added to the net land needs derived from the rolled-forward employment forecasts.
- 8.91 Based on the rolled-forward forecasts alone, the updated net employment land need for Hastings is 9.8 ha over the plan period. The largest component of this relates to B8 storage and distribution, at 5.4 ha, followed by E(g)(i and ii) / former B1 office and research and development uses at 2.6 ha, and E(g)(iii) / B2 industrial uses at 1.8 ha. The B8 requirement is principally driven by forecast growth in transport, storage and distribution-related employment.
- 8.92 In accordance with the methodology applied in the 2024 HEDNA, a loss replacement allowance has also been included. This reflects recent losses of employment floorspace and provides an allowance for the replacement of employment land and premises lost to other uses over the plan period. The updated loss replacement calculation is based on average annual employment floorspace losses recorded between 2021/22 and 2025/26, rolled forward over the 18-year plan period.

Table 76. Hastings employment land loss replacement allowance

Floorspace Type	Average annual employment losses (2021/22-2025/26)		Replacement Demand (based on 18 year plan period)	
	Sqm	Ha	Sqm	Ha
E(g)(i and ii)	1,250	0.31	22,500	5.63
E(g) (iii) / B2	94	0.02	1,692	0.42
B8	78	0.02	1,404	0.35
All employment uses	1,422	0.36	25,596	6.4

Source: Hastings Borough Council monitoring data; DLP Analysis

- 8.93 This loss replacement allowance is based on recorded past losses. An alternative assessment based on known committed losses, or a vacancy margin applied to existing stock and net additional floorspace need, could result in a different allowance being applied. However, this alternative approach would require further evidence and consideration alongside the separate flexibility margin and as such has not been applied within this HEDNA, although could be an alternative approach considered within any future updates.
- 8.94 The updated loss replacement allowance amounts to 6.4 ha in total. The majority of this relates to office / former B1a/b floorspace, reflecting the pattern of recorded employment floorspace losses over the monitoring period. This does not represent additional forecast job growth, but rather an allowance to ensure that the employment land requirement makes provision for the replacement of employment floorspace lost to other uses.
- 8.95 The scale of recent office losses is comparatively high and means that this component of the requirement should be interpreted and monitored carefully. The Council should monitor future office losses and gains, alongside evidence of occupier demand, to determine whether the recent rate of loss represents a continuing trend or reflects a particular period of restructuring within the office market. This monitoring should inform whether the loss replacement allowance requires review through future plan monitoring. In policy terms, the evidence supports the retention, renewal and intensification of suitable office stock, alongside a flexible approach to new smaller and adaptable workspace. Where continued losses place strategically important office stock at risk, the Council should also consider whether targeted Article 4 Directions or other policy measures are justified, subject to appropriate supporting evidence.
- 8.96 A flexibility margin has also been applied, consistent with the approach used in the 2024 HEDNA. This is based on recent gross employment floorspace completions over the period 2021/22 to 2025/26. The flexibility margin is included to provide a reasonable allowance for choice, churn and uncertainty, recognising that not all employment land will be available, suitable or deliverable for all occupiers at all points in the plan period. It also effectively provides a 'buffer' to accommodate immediate occupier demand, providing leeway on the typical timeframes for development management and delivery that can affect the availability of supply to meet occupier needs at any given time.

Table 77. Hastings flexibility margin based on recent gross completions

	E(g)(i and ii)	E(g) (iii) / B2	B8
Average annual gross completions (sqm)	582.0	283.0	274.0
Average annual gross completions (ha)	0.06	0.03	0.03
Flexibility margin (ha @ Table 74 plot ratios)	0.7	0.4	0.3

Source: Hastings Borough Council monitoring data; DLP Analysis

- 8.97 The flexibility margin equates to 1.4 ha in total, comprising 0.7 ha for E(g)(i and ii) / former B1a/b uses, 0.4 ha for E(g)(iii) / B2 uses, and 0.3 ha for B8 uses. This is added to the net land needs and loss replacement allowance to identify the total employment land requirement.
- 8.98 Applying the same overall methodology as the 2024 HEDNA, the updated gross employment land requirement for Hastings is therefore 17.6 ha over the plan period. This comprises 9.8 ha of net land needs, 6.4 ha for loss replacement, and 1.4 ha as a flexibility margin.

Table 78. Updated employment land requirement, Hastings

	E(g)(i and ii)	E(g) (iii) / B2	B8	Total
Net Land Needs	2.6	1.8	5.4	9.8
Loss Replacement	5.6	0.4	0.4	6.4
Flexibility Margin	0.7	0.4	0.3	1.4
Total Land Needs	9.0	2.6	6.0	17.6

Source: DLP Analysis

- 8.99 The updated requirement is therefore driven by two principal components. First, the rolled-forward forecast identifies a positive net requirement, particularly for B8 storage and distribution uses. Second, the monitoring evidence indicates that a sizeable loss replacement allowance is required, particularly for office / former B1a/b floorspace. The resulting requirement should therefore be interpreted as both a forecast-led need for additional employment land and a monitoring-led allowance to replace recent losses and provide sufficient flexibility over the plan period.
- 8.100 For Rother, the employment land calculation has been rerun using the same overall methodology as the 2024 HEDNA. However, the forecast inputs have been updated to reflect the revised plan period and the updated Local Growth Scenario set out above. The updated monitoring data also affects the loss replacement allowance and flexibility margin, which are added to the net employment land needs to identify the total employment land requirement
- 8.101 Based on the updated forecast-led calculation, the net employment land need for Rother is 16.3 ha over the period 2025–2042. The largest component of this relates to B8 storage and distribution, at 11.1 ha, followed by E(g)(i and ii) office and research and development uses at 2.7 ha, and E(g)(iii) / B2 industrial uses at 2.4 ha. The scale of the B8 requirement reflects forecast growth in sectors which generate demand for storage, distribution and related operational floorspace.
- 8.102 A loss replacement allowance has also been included, consistent with the approach used in the 2024 HEDNA. This is based on average annual employment floorspace losses recorded between 2020/21 and 2024/25, rolled forward over the 17-year plan period. The

purpose of this allowance is to ensure that the employment land requirement makes provision for the replacement of employment floorspace lost to other uses over the plan period.

Table 79. Rother employment land loss replacement allowance

Floorspace Type	Average annual employment losses (2020/21-2024/25) Sqm	Average annual employment losses (2020/21-2024/25) Ha	Average annual employment losses (2020/21-2024/25) Sqm	Average annual employment losses (2020/21-2024/25) Ha
E(g)(i and ii)	320	0.08	5,440	1.36
E(g) (iii) / B2	882	0.22	14,994	3.75
B8	153	0.04	2,601	0.74
All employment uses	1,355	0.34	23,035	5.9

Source: Rother District Council monitoring data; DLP Analysis

- 8.103 The updated loss replacement allowance amounts to 5.9 ha in total. The largest component relates to E(g)(iii) / B2 industrial floorspace, which reflects the pattern of recorded employment floorspace losses over the monitoring period. This does not represent additional forecast job growth, but provides an allowance to replace recent losses of employment land and premises.
- 8.104 A flexibility margin has also been applied using recent gross employment floorspace completions. This follows the same broad approach as the 2024 HEDNA and provides an allowance for market choice, churn and uncertainty over the plan period. For Rother, the flexibility margin has been calculated using the average annual gross completions recorded over the monitoring period and the updated plot ratios set out in Table 74.

Table 80. Rother flexibility margin based on recent gross completions

	E(g)(i and ii)	E(g)(iii) / B2	B8
Average annual gross completions (sqm)	205	1,476	1,396
Average annual gross completions (ha)	0.02	0.15	0.14
Flexibility margin (ha @ table 13 plot ratio)	0.3	1.8	2.0

Source: Rother District Council monitoring data; DLP Analysis

- 8.105 The flexibility margin equates to 4.1 ha in total, comprising 0.3 ha for E(g)(i and ii) uses, 1.8 ha for E(g)(iii) / B2 uses, and 2.0 ha for B8 uses. This is added to the net employment

land needs and loss replacement allowance to identify the total employment land requirement.

- 8.106 Applying the updated forecast evidence, loss replacement allowance and flexibility margin, the total employment land requirement for Rother is 26.2 ha over the period 2025–2042. This comprises 16.3 ha of net employment land needs, 5.9 ha for loss replacement, and 4.1 ha as a flexibility margin

Table 81. Updated Gross Land Requirements - Rother

Description	E(g) (i and ii)	E(g)(iii) / B2	B8	Total
Net Employment Land Needs (2025-2042)	2.7	2.4	11.1	16.3
Loss Replacement	1.4	3.7	0.7	5.9
Flexibility Margin	0.3	1.8	2.0	4.1
Total Employment Land Needs	4.4	8.0	13.9	26.2

Source: DLP Analysis

- 8.107 The updated requirement is therefore driven principally by the forecast-led need for B8 storage and distribution land, alongside a substantial industrial loss replacement allowance and flexibility margin. The calculation indicates that Rother’s employment land requirement is weighted towards B8 and industrial uses, reflecting both the updated forecast position and the recent pattern of completions and losses recorded through monitoring data.

Future Employment Land Requirement Based on Past Completion Trends

- 8.108 In accordance with PPG, analysis based on the past take-up of employment land and property can be used to inform the assessment of future employment land needs. PPG³⁸ further states that assessments should be informed by a range of evidence, including an understanding of business needs, market signals and the existing stock of employment land.
- 8.109 Past completions trends in Rother and Hastings have been analysed to provide an indication of future employment land requirements over the plan period
- 8.110 The trend-based calculation uses gross employment floorspace completions / gains as the headline measure of past take-up. This is considered more appropriate than net completions for this purpose because the trend is intended to reflect historic demand for new employment floorspace. Net completions can be heavily affected by one-off losses or changes of use and would also risk conflating the take-up trend with the separate loss

³⁸ PPG Reference ID: 2a-025-20190220

replacement allowance already included within the forecast-led requirement. A net completion sensitivity has therefore been prepared in the supporting workbook, but is not recommended as the headline trend indicator.

- 8.111 For Hastings, the calculation uses the 10-year period from 2016/17 to 2025/26. For Rother, the calculation uses a 7-year period from 2018/19 to 2024/25. The Rother monitoring data for 2011/12-2017/18 is available as an aggregate figure, so the 2018/19 has been used as a starting point.

Table 82. Average gross employment completions

Year	Hastings E(g)(i and ii)	Hastings E(g)(iii) / B2	Hastings B8	Hastings Gross total	Rother E(g)(i and ii)	Rother E(g)(iii) / B2	Rother B8	Rother Gross total
2016/17	72	1,484	6,750	8,306				
2017/18	255	1,210	0	1,465				
2018/19	0	347	0	347	521	1,921	19,546	21,989
2019/20	244	29	1,317	1,590	4,690	338	4,800	9,828
2020/21	0	429	0	429	319	198	1,206	1,723
2021/22	260	608	156	1,024	327	751	996	2,074
2022/23	1,797	296	296	2,389	99	2,483	3,620	6,202
2023/24	295	295	295	885	60	375	267	702
2024/25	512	0	483	995	220	3,574	889	4,683
2025/26	44	215	142	401				
Average	348	491	944	1,783	891	1,377	4,475	6,743

- 8.112 The average annual gross completions figure is then multiplied by the number of years in the relevant plan period. For Hastings, this is an 18-year period from 2023 to 2041. For Rother, this is a 17-year period from 2025 to 2042. The same plot ratios used in the Local Growth Scenario calculation have then been applied to convert floorspace into employment land requirements.

Table 83. Future employment land requirement based on past gross completion trends (ha)

Authority	Plan Period	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Hastings	2023-2041	1.6	2.2	4.2	8.0
Rother	2025-2042	3.8	5.9	21.7	31.4

Source: Council monitoring data; DLP analysis

- 8.113 For Hastings, the past completion trend generates an indicative requirement of approximately 8.0 ha over the plan period. This is materially below the updated forecast-

led (labour demand) gross requirement of 17.6 ha. The take-up trend scenario is also below the indication of net labour demand of around 9.6ha before any of the flexibility allowance and replacement demand components supporting normal operation of the property market. This reflects the constrained nature of recent employment land delivery in Hastings and reinforces the conclusion that past completion trends should not be relied upon as the principal basis for identifying future employment land needs. Even gross take-up trends are unlikely to provide a robust indicator of potentially realisable demand.

- 8.114 For Rother, the past completion trend generates an indicative requirement of approximately 31.4 ha over the plan period. This is above the updated forecast-led requirement of 26.2 ha, with the difference driven principally by the high level of recorded B8 completions within the 2018/19-2024/25 monitoring period. This provides useful evidence of historic market activity in storage and distribution uses, but should be treated as a contextual indicator rather than a replacement for the forecast-led assessment.
- 8.115 The past completion trend analysis provides a useful sense-check but does not alter the recommendation that the forecast-led employment land requirement should remain the principal basis for the Addendum. Large one-off gross take-up schemes produce comparable overall levels of floorspace change and indicators of gross demand similar to the Growth Scenario in this case. However, they are a less reliable indicator of longer-term reconfiguration of land and property needs taking account of changes within sectors and the use of stock. The similarity is therefore helpful but based in the analysis in this Addendum the Growth Scenario provides a more robust outlook to address a range of future needs.

9 SUPPLY AND DEMAND BALANCE

- 9.1 This section draws together the updated assessment of employment land needs and considers the extent to which the current pipeline of employment land supply is capable of meeting those needs in quantitative terms. It provides a basis for identifying any potential surplus or deficit in provision and, at a high level, whether there may be any mismatch between the type of supply available and the requirements identified through the updated employment land assessment.
- 9.2 The starting point is an overview of the positive employment land pipeline in Hastings and Rother. The updated employment land requirements identified in Section 8 are then assessed against completions delivered since the start of each authority's plan period and the current pipeline supply (net gains).
- 9.3 Consistent with the approach used in the 2024 HEDNA, committed or recorded losses of employment floorspace to non-employment use are not counted as supply. A separate allowance for loss replacement has already been incorporated within the overall employment land requirement. The Councils should, however, continue to monitor losses through their monitoring processes to ensure that the loss replacement allowance remains appropriate over time.
- 9.4 The plan periods differ between the two authorities. Hastings is planning over the period 2023–2041, while Rother is planning over the period 2025–2042. Completions delivered since the start of each plan period have therefore been taken into account where applicable in identifying the residual requirement. For Hastings, this includes employment land completions (net gains) from 2023/24 to 2025/26. For Rother, this includes completions (net gains) from 2025/26.

Overview of the Pipeline Supply

- 9.5 The current employment land pipeline is summarised in the tables below. This includes committed and identified positive employment land supply only. It includes allocations carried forward, extant planning permissions, schemes under construction and, where relevant, identified sites / assumed emerging allocations. It does not include employment floorspace losses, as these are already reflected through the loss replacement allowance within the updated requirement.

Table 84. Hastings current employment land pipeline supply (net gains) (ha)

Category	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Allocation carried forward	1.46	1.46	1.46	4.37
Extant planning permission not started	0.10	0.34	0.17	0.61
Extant planning permission under construction	0.30	0.30	0.30	0.91
Total current pipeline (net gains)	1.9	2.1	1.9	5.9

Source: Hastings Borough Council monitoring data; DLP analysis

- 9.6 In Hastings, the current pipeline amounts to approximately 5.9 ha. The majority of this relates to allocations carried forward, with smaller contributions from extant planning permissions and schemes under construction. The pipeline is relatively evenly distributed across E(g)(i and ii), E(g)(iii) / B2 and B8 uses.

Table 85. Rother current employment land pipeline supply (net gains) (ha)

Category	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Identified sites	1.9	2.1	1.8	5.8
Allocation carried forward	10.2	0.8	0.9	11.8
Extant planning permission not yet started	0.6	1.3	0.6	2.5
Extant permissions under construction	1.5	2.0	1.5	5.0
Total current pipeline (net gains)	14.1	6.2	4.8	25.1

Source: Rother District Council monitoring data; DLP analysis

- 9.7 In Rother, the current pipeline amounts to approximately 25.1 ha. A large proportion of this relates to E(g)(i and ii) supply, particularly through allocations carried forward. The positive pipeline for E(g)(iii) / B2 and B8 uses is more limited. This is important because the updated employment land requirement for Rother is weighted more strongly towards industrial and B8 uses in terms of a more balanced profile of future demand.

Employment Land Completions Since the Start of the Plan Period

- 9.8 Employment land completions (net gains) since the start of each plan period have also been counted as delivered supply against the full plan-period requirement. Recorded employment land losses over the same period are not deducted again from supply, as they have already been addressed through the loss replacement allowance included within the employment land requirement.

Table 86. Employment land completions (net gains) since the start of the plan period (ha)

Authority	Monitoring period included	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Hastings	2023/24–2025/26	0.2	0.1	0.2	0.6
Rother	2025/26	0.0	0.2	0.1	0.3

Source: Council monitoring data; DLP analysis

Note: figures may not sum due to rounding

Table 87. Employment land completions (net gains) since the start of the plan period (sqm)

Authority	Monitoring period included	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Hastings	2023/24–2025/26	851	510	920	2,281
Rother	2025/26	0	973	262	1,235

Source: Council monitoring data; DLP analysis

Note: figures may not sum due to rounding

- 9.9 The completions data shows that limited employment land has been delivered since the start of the relevant plan periods. In Hastings, gross completions amount to approximately 0.6 ha (2,281 sqm), with delivery spread across the main employment use classes. In Rother, gross completions amount to approximately 0.3 ha (1,235 sqm), principally relating to E(g)(iii) / B2 and B8 uses.

Supply / Demand Balance

- 9.10 The Table below sets out the updated supply / demand balance against the employment land requirements identified in Section 8. This compares the total employment land requirement with completions delivered since the start of the plan period and the current positive pipeline supply.
- 9.11 The supply / demand balance should be treated as a current and evolving monitoring position, based on the data available at the time of preparing this Addendum. It is not intended to pre-empt the final employment land strategy for either Local Plan. The Local Plans will determine the overall approach to meeting employment land needs, including the extent to which requirements can be met through existing commitments, retained allocations, new allocations, site intensification, redevelopment or other policy mechanisms. The figures below therefore provide a contextual position to inform plan-making, rather than a fixed statement of the final land supply position.
- 9.12 The identified supply will also require ongoing review through the Local Plan and monitoring process to establish its continued developability and deliverability. This is particularly relevant where supply comprises rolled-forward allocations, emerging

allocations or other identified sites where the timing, form or mix of employment development may not yet be fixed. The contribution of these sites to meeting the identified requirement should therefore be kept under review as further evidence on their planning status, site constraints and delivery prospects becomes available.

- 9.13 Where the information provided does not identify a clear employment use or use-class split, assumptions have been applied to enable the supply to be incorporated within the assessment. In these instances, the identified floorspace has been divided equally between E(g)(i and ii), E(g)(iii)/B2 and B8 uses. The resulting use-class distribution should therefore be regarded as illustrative and may change as site proposals and intended uses become clearer.

Table 88. Hastings Updated employment land supply / demand balance (ha)

	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Total requirement	9.0	2.6	6.0	17.6
Gross completions since plan start	0.2	0.1	0.2	0.6
Current pipeline supply (net gains)	1.9	2.1	1.9	5.9
Total Supply	2.1	2.2	2.2	6.5
Balance (supply - requirement)	-6.9	-0.4	-3.8	-11.1

Note: Negative figures indicate a residual requirement / deficit. Positive figures indicate an apparent surplus. Totals may not sum exactly due to rounding.

Table 89. Hastings Updated employment land supply / demand balance (sqm)

Component	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Total requirement	36,000	10,400	24,000	70,400
Gross completions since plan start	851	510	920	2,281
Current pipeline supply (net gains)	7,437	8,388	7,727	23,551
Total Supply	8,288	8,898	8,647	25,832
Balance (supply - requirement)	-27,712	-1,502	-15,353	-44,568

Note: Negative figures indicate a residual requirement / deficit. Positive figures indicate an apparent surplus. Totals may not sum exactly due to rounding.

- 9.14 For Hastings, the updated supply / demand balance identifies a residual requirement of approximately 11.1 ha. This comprises residual requirements of around 6.9 ha for E(g)(i and ii), 0.4 ha for E(g)(iii) / B2 and 3.8 ha for B8 uses. These figures reflect the Council's updated 2026 floorspace expectations for seven adopted allocations and the use-class

assumptions described above. The balance remains illustrative while the Council finalises its employment land supply..

- 9.15 The floorspace figures in Table 89 provide the square metre equivalent of the employment land requirement and supply position shown in Table 88. They have been derived using the plot ratio assumptions applied within the assessment and should therefore be read alongside, rather than separately from, the hectare-based figures. For Hastings, a plot ratio of 0.4 has been applied across each of the employment use categories. The hectare-based requirement remains the principal basis for considering the amount of employment land to be planned for, while the equivalent floorspace figures provide an indication of the scale of development that this land could accommodate. The Council should continue to monitor the plot ratios achieved as development comes forward to ensure that the assumptions applied remain appropriate.
- 9.16 The Hastings position should be interpreted carefully. A substantial component of the E(g)(i and ii) requirement relates to loss replacement rather than forecast net job growth. The identified residual requirement should not therefore be interpreted as a need for substantial new large-format office provision, particularly given the stakeholder evidence that demand for traditional office floorspace is limited. However, it does indicate that the protection, renewal and modernisation of suitable employment floorspace remains important, including smaller office, flexible workspace and business floorspace.
- 9.17 The residual B8 requirement in Hastings is more directly relevant to the need for storage, distribution and operational employment space. Given the constrained nature of the Hastings employment land market, opportunities to meet this need within the Borough may be limited even in terms of more local storage and distribution networks and supply chain considerations. This reinforces the importance of protecting existing employment land and considering realistic opportunities for flexible industrial and storage / distribution provision where suitable sites are available.

Table 90. Rother Updated employment land supply / demand balance (ha)

Component	E(g)(i and ii)	E(g)(iii) / B2	B8	Total
Total requirement	4.4	8.0	13.9	26.2
Gross completions since plan start	0.0	0.2	0.1	0.3
Current pipeline supply (net gains)	14.1	6.2	4.8	25.1
Total Supply	14.1	6.4	4.9	25.4
Balance (supply - requirement)	+9.7	-1.6	-9.0	-0.8

Table 91. Rother Updated employment land supply / demand balance (sqm)

Component	E(g)(i and ii) / B1	E(g)(iii) / B2	B8	Total
Total requirement	17,600	32,000	48,650	98,250
Gross completions since plan start	0	973	262	1,235
Current pipeline supply (net gains)	56,525	24,804	16,754	98,083
Total Supply	56,525	25,777	17,016	99,318
Balance (supply - requirement)	38,925	-6,223	-31,634	1,068

- 9.18 For Rother, the updated supply / demand balance identifies a residual requirement of approximately 0.8 ha overall. However, this headline position masks a more significant difference by use class. There is an apparent surplus of around 9.7 ha for E(g)(i and ii) uses, but residual requirements of around 1.6 ha for E(g)(iii) / B2 uses and 9.0 ha for B8 uses. These figures represent an illustration based on the Council's identified supply at 1st April 2026 and the use-class assumptions described above.
- 9.19 The floorspace figures in Table 91 provide the square metre equivalent of the employment land requirement and supply position shown in Table 90. They have been derived using plot ratios of 0.4 for E(g)(i and ii), 0.4 for E(g)(iii) / B2 and 0.35 for B8. As different plot ratios apply to the respective use categories, the overall floorspace balance does not translate directly into the overall hectare balance. The position should therefore be considered by individual use category rather than solely by reference to the aggregate floorspace total. In particular, the apparent overall floorspace surplus of approximately 1,068 sqm does not remove the identified residual land requirement of approximately 0.8 ha, nor does the E(g)(i and ii) surplus directly offset the E(g)(iii) / B2 and B8 shortfalls. The hectare-based requirement should therefore remain the principal basis for considering the amount of employment land to be planned for, while the Council should continue to monitor the plot ratios and floorspace densities achieved as development comes forward.
- 9.20 The apparent E(g)(i and ii) surplus in Rother should not be treated as directly offsetting the industrial and B8 shortfalls. Office / research and development floorspace, industrial premises and storage / distribution space serve different occupier requirements and are not necessarily interchangeable in market or operational terms. This is particularly important given the stakeholder evidence identifying stronger demand for flexible industrial and storage / distribution premises than for larger traditional office formats.
- 9.21 The Rother balance therefore points to a qualitative and use-class mismatch. While the overall quantitative residual requirement is relatively modest, the updated evidence indicates that the current positive pipeline is not aligned with the distribution of need. In

particular, the requirement is weighted towards industrial and B8 uses, whereas the positive pipeline includes a substantial amount of E(g)(i and ii) supply.

- 9.22 The residual requirement represents an identified quantitative need only. It does not assume that this level of provision is deliverable or capable of being allocated. The extent to which the identified need can be met will be a matter for the Local Plan process, including site assessment, consideration of reasonable alternatives, environmental constraints, deliverability, market attractiveness and wider planning judgement.
- 9.23 As previously identified in the 2024 HEDNA, Rye Harbour and the rural parts of Rother are also expected to continue to contribute towards meeting overall employment needs, including through windfall provision on unallocated sites. Rye Harbour provides an established concentration of industrial and B8-type activity, while rural Rother will continue to make a more dispersed contribution through smaller-scale and windfall development. No separate allowance for such provision has been included within the quantitative balance at this stage; however, the Council should continue to monitor development trends in Rye Harbour and rural areas, including the scale of windfall employment floorspace and any land-use or policy constraints affecting future provision.
- 9.24 The quantitative position should also be considered alongside the qualitative evidence set out elsewhere in this Addendum. Stakeholder feedback indicates stronger demand for flexible industrial, manufacturing and storage / distribution premises than for larger traditional office formats. As such, while some of the residual requirement is identified in office-related land, there remains a clear need to maintain and improve the supply of industrial and B8 land to support business choice, churn, local economic resilience and the needs of the wider Hastings and Rother employment market.
- 9.25 The draft strategic employment pipeline around Bexhill, including the Sea Change sites at Bexhill Enterprise Park and Bexhill Innovation Park, provides an important opportunity to deliver additional modern employment floorspace and is broadly consistent with these identified qualitative needs. However, the extent to which this pipeline addresses the identified E(g)(iii) / B2 and B8 requirements will depend on the eventual mix, form and pace of development delivered, and should therefore continue to be monitored as proposals progress.

Policy context and implications for emerging Local Plans

- 9.26 The emerging Hastings and Rother Local Plans provide the policy context for considering the implications of the updated employment land evidence. The purpose of this Addendum is not to draft the final policy wording for either authority. Rather, it identifies whether the updated evidence changes the recommendations of the 2024 HEDNA and the matters which should be considered through the emerging Local Plans.

- 9.27 For Hastings, the emerging Local Plan already contains a clear policy basis for employment land. Strategic Policy 3 (Business Development - Office and Industrial) seeks to support, protect and enhance employment land and premises, including within Strategic and Local Industrial Employment Areas. This includes the Queensway Corridor, Ivyhouse Lane, Ponswood, Bulverhythe Estate and York Road / Castleham, alongside support for office, industrial and flexible business development where appropriate.
- 9.28 The updated evidence is consistent with the overall direction of the Hastings policy approach. It continues to support the protection and improvement of existing employment land, particularly in the Strategic and Local Industrial Employment Areas, and the identification of realistic opportunities for intensification, renewal and flexible industrial / storage provision. The emerging Local Plan also identifies significant potential for new commercial and employment-generating floorspace within the Station Area, including through the mixed-use redevelopment of the identified opportunity sites. This is broadly consistent with the updated evidence, particularly where provision supports modern, flexible business accommodation; however, given the more limited evidence of demand for larger traditional office formats, the eventual scale and mix of employment floorspace delivered should continue to be monitored as proposals progress. The main policy implication is that the quantitative requirement and supply / demand balance should be updated, rather than the broad policy direction being overturned.
- 9.29 For Rother, the emerging policy direction is also broadly consistent with the updated evidence, although the implications are more substantial. The Stage 1 Regulation 18 policy framework included proposed Policy ECO1, supporting new employment development, and proposed Policy ECO2, protecting existing employment sites and premises. The Stage 2 Regulation 18 material identifies the 2024 HEDNA employment requirement as part of the evidence base for considering future employment land provision.
- 9.30 The updated evidence indicates that the Rother recommendation should be refined. The broad policy direction of supporting new employment development and protecting existing employment sites remains appropriate. However, the updated supply / demand balance no longer supports a simple conclusion that Rother has sufficient supply overall. It identifies an overall residual requirement and, more importantly, a mismatch between the type of supply available and the stronger requirement for E(g)(iii) / B2 and B8 land.
- 9.31 The original 2024 HEDNA recommendations are therefore not overturned in full. The principles of protecting viable employment land, supporting redevelopment and intensification, monitoring losses, and maintaining flexibility across the Functional Economic Market Area remain valid. This Addendum supersedes the quantitative requirement and supply / demand balance and updates the policy recommendation by identifying a stronger need to consider industrial, flexible workspace, storage / distribution

and operational land through the emerging Local Plans.

10 SUMMARY OF UPDATED RECOMMENDATIONS

Housing conclusions and recommendations

- 10.1 The housing elements of this Addendum supersede the 2024 HEDNA where they relate to the updated Standard Method calculation, demographic scenario outputs, affordable housing need, housing mix and the evidence on the needs of people with disabilities. The wider methodological principles of the 2024 HEDNA remain relevant unless expressly updated in this Addendum.
- 10.2 For Rother, the Trend-5yr scenario is used as the principal demographic trend basis for considering the profile of needs, reflecting the local demographic evidence and the issues associated with longer-term negative international migration and slow rates of population change. For Hastings, the Trend-15yr scenario is used in the first instance, as it provides a more typical and representative basis over time.
- 10.3 The updated affordable housing need evidence identifies a net annual need for 566 affordable homes per annum in Hastings and 375 affordable homes per annum in Rother. In both authorities, the updated evidence indicates a stronger emphasis on affordable and social rented housing than the 2024 HEDNA and a reduced proportionate need for affordable home ownership. The emerging Local Plans should therefore review affordable housing tenure split policy wording and supporting text in light of the updated evidence.
- 10.4 The housing mix evidence should be treated as an indication of need rather than a rigid development management requirement. Across both authorities, the market housing evidence supports a continued need for 2 and 3-bedroom homes, while the affordable/social rented evidence identifies a stronger requirement for 1 and 2-bedroom homes alongside a continued need for larger family-sized affordable rented properties.
- 10.5 The disability evidence reinforces the need for accessible and adaptable housing, wheelchair user dwellings where justified, opportunities for adaptations and specialist older persons accommodation. These needs should be considered through Local Plan policy and site-specific decision-making, alongside viability, design, location and the objective of creating mixed and balanced communities.

Employment land conclusions and recommendations

- 10.6 The employment land elements of this Addendum supersede the 2024 HEDNA where they relate to the updated plan periods, forecast inputs, loss replacement allowance, flexibility margin, plot ratios, employment land requirements, past completion trend indicator and

supply / demand balance. The wider qualitative principles of the 2024 HEDNA remain relevant unless expressly updated in this Addendum.

- 10.7 For Hastings, the updated employment land requirement is 17.6 ha over the 2023-2041 plan period. Completions and the current positive pipeline provide approximately 6.5 ha of supply, resulting in a residual requirement of approximately 11.1 ha. The updated recommendation for Hastings is therefore broadly consistent with the 2024 HEDNA in policy terms: the Local Plan should continue to protect and improve suitable employment land, support renewal and intensification of existing employment areas where appropriate, and identify realistic opportunities for flexible industrial, storage / distribution and business floorspace.
- 10.8 For Rother, the updated employment land requirement is 26.2 ha over the 2025-2042 plan period. Completions and the current positive pipeline provide approximately 25.4 ha of supply, resulting in a residual requirement of approximately 0.8 ha overall. The recommendation for Rother changes more materially than for Hastings. The 2024 HEDNA identified an overall surplus but a B8 shortfall; the updated Addendum identifies an overall residual requirement and a more pronounced mismatch between the available pipeline and the requirement for E(g)(iii) / B2 and B8 land.
- 10.9 The apparent E(g)(i and ii) surplus in Rother should not be treated as directly offsetting industrial and B8 shortfalls. Office / research and development floorspace, industrial premises and storage / distribution land serve different occupier requirements and are not necessarily interchangeable. The policy recommendation is therefore to use the supply / demand balance as a guide to the type and quality of employment land which may be required, rather than relying solely on the overall numerical position.
- 10.10 Across the Hastings and Rother Functional Economic Market Area, the updated evidence continues to support a positive approach to economic development, protection of suitable employment land, and delivery of a flexible portfolio of sites and premises. Particular emphasis should be placed on flexible industrial premises, manufacturing and engineering space, storage / distribution and operational land, and smaller / flexible office and workspace provision rather than large-format traditional office development.
- 10.11 The supply / demand balance should be kept under review through the Local Plan process. The Councils should continue to monitor completions, losses, permissions, under-construction schemes, allocation assumptions and the deliverability of pipeline sites. This is particularly important where sites are mixed-use, have uncertain use-class splits, are constrained, or are expected to contribute towards identified employment land needs over a long plan period.

Appendix A AFFORDABILITY & INCOME

House Prices & Rental Costs

- A.1 The median house prices for year ending September 2025 are summarised in Table 92. Properties are more expensive in Rother than Hastings.

Table 92: House Prices

	Lower Quartile	Median
Hastings	£203,750	£279,950
Rother	£265,000	£360,000
East Sussex	£257,450	£340,000
South East	£284,000	£383,000
England	£204,995	£300,000

Source: ONS, year ending September 2025

- A.2 Average (mean) private rent as of June 2026 was £1,006 in Hastings, and £1,165 in Rother.³⁹
- A.3 Median and lower quartile rents are used within the affordability assessment, although ONS stopped the publication of these statistics in 2025. The discontinued lower quartile, mean and median rents are summarised below for the last year of availability (2023), together with the latest average (mean) rent.⁴⁰ To provide an estimate of the latest median and lower quartile rents, the 2026 mean rental cost figures have been adjusted using the relationship between the discontinued lower quartile, mean and median rents (Table 93). This suggests a lower quartile monthly rent of £779 in Hastings, and £900 in Rother (Table 94).

³⁹ ONS [Private rent and house prices](#)

⁴⁰ ONS 2023 [Private rental market summary statistics](#)

Table 93: Private Rents

	Hastings	Hastings	Hastings	Rother	Rother	Rother
	2023 discont.	2026 published	2026 modelled	2023 discont.	2026 published	2026 modelled
Lower quartile rent	£625	-	£779	£750	-	£900
Mean rent	£807	£1,006	-	£971	£1,165	-
Median rent	£775	-	£966	£900	-	£1,080

Source: ONS Private Rental Market Statistics, ONS Price Index of Private Rents (PIPR), Edge Analytics, discont. = discontinued.

- A.4 In the previous HEDNA, lower quartile rent was recorded at £580 per month in Hastings and £700 per month in Rother. The lower quartile estimates provided in Table 93 therefore represent an increase of 34% in Hastings and 29% in Rother. Noting that this is a relatively high increase, particularly in Hastings, lower quartile rent has been capped at a 25% increase in Hastings and a 20% increase in Rother. This provides a lower quartile rent of **£725 in Hastings** and **£840 in Rother**.
- A.5 Social and affordable rents data (for General Needs) are drawn from the Regulator for Social Housing (Table 94).

Table 94: Social and Affordable Rents

	Hastings	Rother
Social rent	£464	£511
Affordable rent	£649	£678

Source: RSH, MHCLG

Housing Costs

- A.6 The incomes needed to afford each of the various housing products are a key input to the affordability assessment used within the affordable housing needs modelling.
- A.7 To calculate the income required to purchase a house (lower quartile and median), an income multiplier of 3.5 has been used with a 15% deposit (Table 95, Table 96).

Table 95: House prices and incomes needed, Hastings

Housing Option	House Price	Deposit (at 15%)	Income Multiplier	Income Needed
Median House Price	£279,950	£41,993	3.5	£67,990
Lower Quartile House Price	£203,750	£30,563	3.5	£49,480

Table 96: House prices and incomes needed, Rother

Housing Option	House Price	Deposit (at 15%)	Income Multiplier	Income Needed
Median House Price	£360,000	£54,000	3.5	£87,430
Lower Quartile House Price	£265,000	£39,750	3.5	£64,360

- A.8 To determine the income needed to afford rents, it is assumed that 30% of income is spent on housing (Table 97, Table 98).

Table 97: Rental costs and incomes needed, Hastings

Housing Option	Monthly Cost	Annual Cost	% of Income Spent on Rent	Income Needed
Median Rent	£966	£11,592	30%	£38,640
Lower Quartile Rent	£725	£8,700	30%	£29,000
Affordable Rent	£649	£7,788	30%	£25,960
Social Rent	£464	£5,568	30%	£18,560

Note that incomes needed are rounded to the nearest 10.

Table 98: Rental costs and incomes needed, Rother

Housing Option	Monthly Cost	Annual Cost	% of Income Spent on Rent	Income Needed
Median Rent	£1,080	£12,960	30%	£43,200
Lower Quartile Rent	£840	£10,080	30%	£33,600
Affordable Rent	£678	£8,136	30%	£27,120
Social Rent	£511	£6,132	30%	£20,440

Note that incomes needed are rounded to the nearest 10.

Household Income Profile & Affordability

- A.9 Local income levels are a key determinant of affordability. Household incomes have been drawn from CAMEO Income data, which classifies each postcode into one of 14 income groups. Using Census data, the household count for each listed postcode in Hastings and Rother has been used to calculate the proportion of households that fall within each income bracket (Table 99). Note that communal establishments postcodes included within CAMEO dataset have been removed when calculating the household income profile.

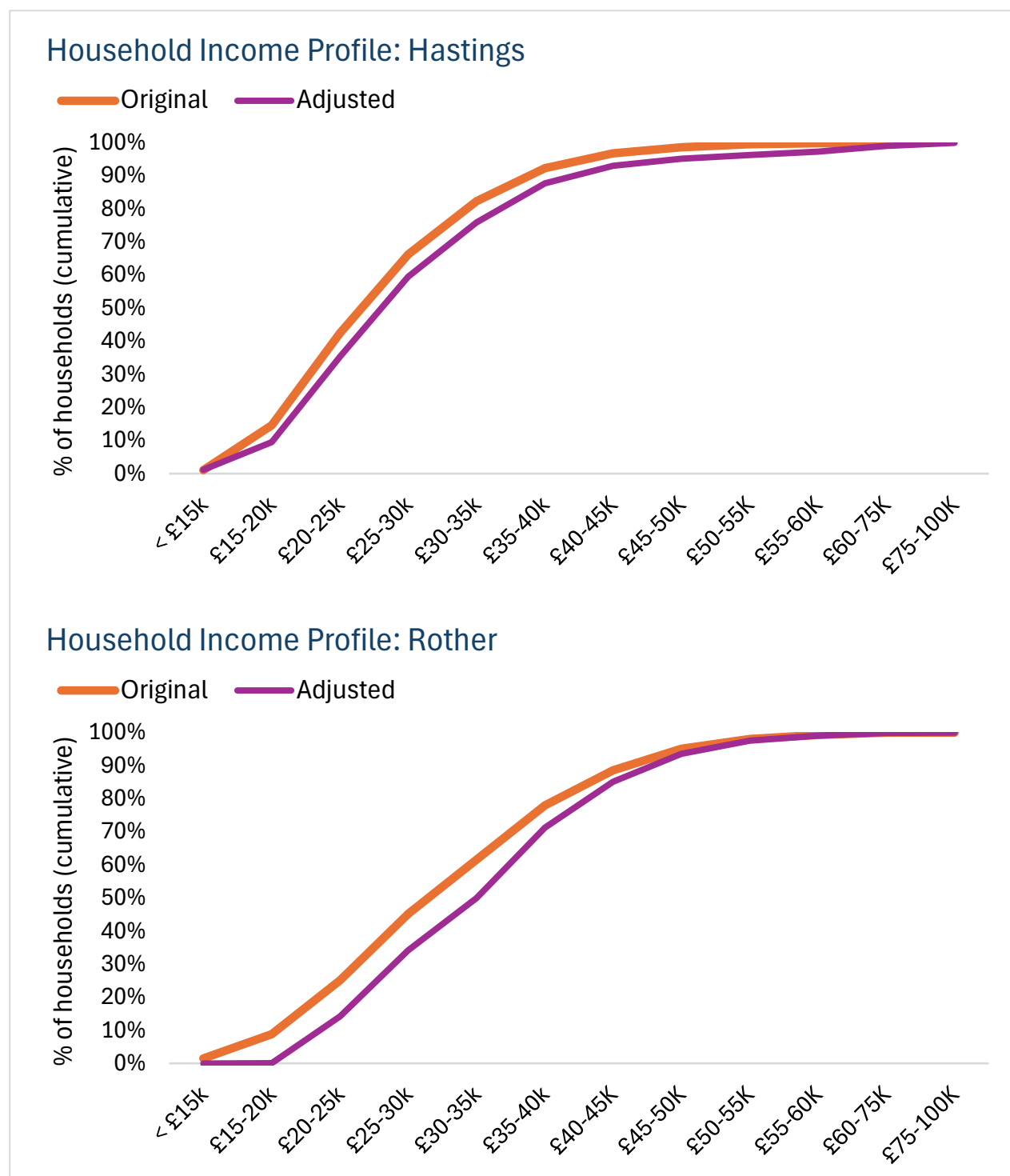
Table 99: Household income profile

	CAMEO Income Group	Rother % Households	Hastings % Households
1	Many Households with Total Income before tax of £125k+	0.0%	0.0%
2	Many Households with Total Income before tax of £100-125K	0.0%	0.0%
3	Many Households with Total Income before tax of £75-100K	0.1%	0.0%
4	Many Households with Total Income before tax of £60-75K	0.7%	0.1%
5	Many Households with Total Income before tax of £55-60K	1.2%	0.4%
6	Many Households with Total Income before tax of £50-55K	3.0%	0.9%
7	Many Households with Total Income before tax of £45-50K	6.5%	1.8%
8	Many Households with Total Income before tax of £40-45K	10.6%	4.5%
9	Many Households with Total Income before tax of £35-40k	16.3%	10.0%
10	Many Households with Total Income before tax of £30-35k	16.4%	16.1%
11	Many Households with Total Income before tax of £25-30k	20.0%	23.7%
12	Many Households with Total Income before tax of £20-25k	16.3%	27.9%
13	Many Households with Total Income before tax of £15-20k	7.3%	13.6%
14	Many Households with Total Income before tax under £15k	1.6%	1.1%

Source: TransUnion CAMEO, 2021 Census, Edge Analytics.

- A.10 The CAMEO data suggests that the median household income is approximately **£26,500** in Hastings and **£31,500** in Rother. The previous HEDNA utilised a CAMEO profile that implied a median income of £25,200 in Hastings and £31,170 in Rother.
- A.11 An additional processing step has involved adjusting the CAMEO income profiles to account for older person households. The resulting profiles are summarised in Figure 30.

Figure 30: CAMEO Household Income Profiles



Source: CAMEO, Edge Analytics, DLP

- A.12 The adjusted household income profiles have been used to estimate the proportion of households in Hastings and Rother that are unable to afford the housing options listed in

Table 34 and Table 35. The following adjustments have been made to the income profile to account for the differences in household income by age and household tenure.

- A.13 For newly-forming households, it is assumed that households earn 96% of the 'all households' income. This estimate is based on a combination of data sources, including the English Housing Survey (income by age of household reference person), ONS income estimates by age of household reference person, and household growth by age group for Hastings and Rother. Household incomes of the younger 'newly forming' age groups (i.e. under 35) are generally lower than the 'all households' figure, whereas for the older age groups (35-44), household incomes tend to be higher than the 'all households' average. With household growth more heavily weighted towards the 16-34 age groups, the EHS income estimates have been re-weighted to generate the 96% figure.
- A.14 For private renter households, it is assumed that households earn 82% of the 'all households' income (ONS ETB, based on the gross household income of private renters, both furnished and unfurnished).⁴¹
- A.15 These assumptions have been used to adjust the CAMEO Income brackets to generate income profiles for private renters and newly-forming households. As with the income profile for all households, a uniform distribution of households is assumed across each income bracket.
- A.16 The tables below summarise the outcomes of the affordability modelling for Hastings and Rother, presenting the proportion of each household group that is unable to afford each housing option.

Table 100: Affordability by housing option, Hastings

Housing Option	Income Needed	% of all households unable to afford	% newly-forming households unable to afford	% private renter households unable to afford
Lower Quartile House Price	£49,480	95.0%	95.5%	97.3%
Lower Quartile Rent	£29,000	54.8%	60.3%	76.9%
Affordable Rent	£25,960	40.0%	45.3%	65.0%
Social Rent	£18,560	7.2%	8.5%	23.2%
Lower Quartile gap	-	40.2%	35.3%	20.5%

Source: TransUnion CAMEO, 2021 Census, Edge Analytics, ONS, RSH

⁴¹ ONS (2025) The effects of taxes and benefits on household income, UK, 2023/24 - Reference Table 15

Table 101: Affordability by housing option, Rother

Housing Option	Income Needed	% of all Households unable to afford	% newly-forming households unable to afford	% private renter households unable to afford
Lower Quartile House Price	£64,360	99.3%	99.5%	99.9%
Lower Quartile Rent	£33,600	45.5%	49.5%	74.0%
Affordable Rent	£27,120	22.7%	26.8%	43.9%
Social Rent	£20,440	1.3%	3.5%	14.1%
Lower Quartile 'gap'	-	53.8%	49.9%	26.0%

Source: TransUnion CAMEO, 2021 Census, Edge Analytics, ONS, RSH

Appendix B COMMITTED SUPPLY

Table 102: Committed supply, Hastings

Site Name	Planning Ref	Affordable Rent	Shared Ownership
Land south of Holmhurst St Mary, The Ridge (LRA1/HL1)	HS/DS/17/00935 GTD 10.12.2018 & later amendments	31	0
Former The St Leonards Academy, Darwell Campus, St Leonards, TN38 9JP (FB1) (Former Grove School)	HS/DS/21/00570 GTD 09.12.2021 & 20.07.23 & later variations	9	2
Site of Mount Pleasant Hospital, 7 Frederick Road, Hastings, TN35 5AA (HOV3)	HS/FA/19/00533, HS/FA/19/00536 GTD 19.10.21 & HS/DS/21/00502 GTD 27.10.21	10	46
Harrow Lane playing fields, Harrow Lane (LRA2/HL2)	HS/DS/21/01044 GTD 24.03.2022	43	40
Astec House, 10-12 Sedlescombe Road South, St Leonards-on-sea, TN38 0TA (H24/HL64)	HS/FA/25/00328 GTD 30.10.25 (see also HS/PA/23/00731 (Schedule 2, Part 3, Class MA) GTD 21.11.23)	8	0
Land to the rear of 419 to 447 Bexhill Road, TN38 8AR (H56/HL81)	HS/DS/22/00912 GTD 09.11.23 and later variations	16	0
Land west side of, Rock Lane, Hastings	HS/FA/23/00079 GTD 24.04.26	8	0
TOTAL		125	88

Table 103: Committed supply, Rother

Site Name	Planning Ref	Affordable Rent	Affordable Ownership
Land near Bishops Lane, Robertsbridge	RR/2022/1379/P	10	6
Blackfriars, Off Harrier Lane, Battle	RR/2020/2307/P, RR/2019/604/P, RR/2023/2581/P	46	85
Fryatts Way , Bexhill	RR/2021/1656/P, RR/2024/2171/P	41	22
Spindlewood Drive, Bexhill	RR/2017/1705/P, RR/2023/1202/P	31	17
Land east of London Road, Hurst Green	RR/2022/1526/P	7	4
Land off Turkey Road, Bexhill	RR/2022/2131/P	0	27
Clavering Walk - Land lying to the north of Bexhill	RR/2018/3127/P	0	21
Cottage Lane, Westfield	RR/2022/1118/P	5	3
Worsham Farm - Phase 2 & 6, Bexhill	RR/2022/2477/P	89	65
Worsham Farm Phase 5 & 6, Bexhill	RR/2024/501/P, RR/2024/512/P	69	37
TOTAL		298	287

Appendix C HEDNA 2024 AFFORDABLE NEEDS COMPARISON

- C.1 Note that in the 2024 HEDNA households requiring supported housing were included within the need and supply sides of the calculations. The 2026 HEDNA figures refer only to general needs households. The individual figures at each step are therefore not directly comparable.

Table 104: HEDNA 2024 Comparison, Hastings

		2026 HEDNA	2024 HEDNA
	Step 1: Current Need		
1a	Homeless & Temporary Accommodation	562	315
	Overcrowded & concealed	164	182
	Households in hardship or at risk	46	205
	Unsuitable Accommodation	5	2
	Multiple or severe needs (non-medical)	0	28
	Other households in need	1	112
1b	Gross need (sum of above)	778	844
1c	Annual quota of current need (1b/plan period length)	43	37
	Step 2: Future Need		
2a	New household formation (gross p.a.)	881	783
2b	% newly-forming households that cannot afford to rent in the open market	60.3%	45.4%
2c	No. households that cannot afford to rent in the open market (2a x 2b)	531	356
2d	Existing households falling into need	93	205
2e	Total newly-arising housing need (gross each year) (2c + 2d)	624	561
	Step 3: Housing Supply		
3a	Affordable homes occupied by households in need (accounted for at Step 1)	0	
3b	Annual supply of re-lets	148	273
3c	Committed Supply (annualised from 2025)	8	8
3d	Surplus stock (vacant but available for letting)	0	0
3e	Units to be taken out of supply	0	0

		2026 HEDNA	2024 HEDNA
3f	Total affordable housing supply available per year (3a+3b+3c+3d) – (3e)	156	281
	Step 4: Estimate of Annual Housing Need		
4a	Gross annual affordable need (1c + 2e)	667	597
4b	Annual affordable Supply (3f)	156	281
	NET Annual Affordable Housing Need (to rent) (4a - 4b)	511	316

Table 105: HEDNA 2024 Comparison, Rother

		2026 HEDNA	2024 HEDNA
	Step 1: Current Need		
1a	Homeless & Temporary Accommodation	305	133
	Overcrowded & concealed	62	232
	Households in hardship or at risk	10	128
	Unsuitable Accommodation	71	4
	Multiple or severe needs (non-medical)	88	88
	Other households in need	14	130
1b	Gross need (sum of above)	550	715
1c	Annual quota of current need (1b/plan period length)	32	31
	Step 2: Future Need		
2a	New household formation (gross p.a.)	798	659
2b	% newly-forming households that cannot afford to rent in the open market	49.5%	43.7%
2c	No. households that cannot afford to rent in the open market (2a x 2b)	395	288
2d	Existing households falling into need	80	150
2e	Total newly-arising housing need (gross each year) (2c + 2d)	475	438
	Step 3: Housing Supply		
3a	Affordable homes occupied by households in need (accounted for at Step 1)	0	0
3b	Annual supply of re-lets	166	224
3c	Committed Supply (annualised from 2025)	18	7
3f	Total affordable housing supply available per year (3a+3b+3c+3d) – (3e)	184	231

		2026 HEDNA	2024 HEDNA
	Step 4: Estimate of Annual Housing Need		
4a	Gross annual affordable need (1c + 2e)	507	469
4b	Annual affordable Supply (3f)	184	231
	NET Annual Affordable Housing Need (to rent) (4a - 4b)	323	238

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