

EASTBOURNE TOURIST ACCOMMODATION STUDY



*Image 1 - Grand Parade Eastbourne
(Shutterstock)*

FINAL REPORT

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1 Executive Summary

- 1.1. This Report was commissioned by Eastbourne Borough Council to inform the preparation of a new Local Plan and provide an up-to-date view of tourist accommodation in the town. The study includes an appraisal of tourism and accommodation trends, commentary on the visitor economy in Eastbourne and an audit of the town's current accommodation stock together with an analysis of its performance. The main part of the report provides an overview of current planning policy, impacts and their relevance before examining future development opportunities. Its conclusions and recommendations can help tourism to continue to be an important and vibrant part of the local economy.
- 1.2. The COVID-19 pandemic inflicted huge damage on the sector with a number of lockdowns over a 14-month period from March 2020 effectively removing the entire travel and tourism market. Since late 2021, the UK's cost-of-living crisis has had a further profound effect, depressing real incomes and reducing discretionary spending, particularly dampening demand for higher value purchases like tourism services. These two crises have also combined with a long-term, structural decline in the market. Eastbourne's staying visitor market has shrunk by almost a third over the decade to 2019. This has been accompanied by a wholesale shift both in the way people buy tourism services and changes in visitors' accommodation preferences. **To fully recover from the effects of these circumstances requires a strategic and longer-term response.**
- 1.3. For decades, Eastbourne's traditional tourism offer has been underpinned by numerous hotels offering a high-quality serviced offer to many different markets. Part of this offer has been characterised by a focus on the seniors group tour market. The last decade has seen a decline in this 'coaching' market which has unsurprisingly affected the nature of the offer. Likewise demand for the typical seaside B&B has declined as visitors seek more flexible options that combine convenience with unique experiences. Fewer people visiting and a greater interest in non-serviced accommodation, typically self-catering houses and flats offered for short-term rental, has meant that **much of the traditional serviced accommodation offer has less appeal, meaning that rooms may go unsold, reducing room occupancy levels and related revenues.**
- 1.4. The UK tourism market has changed since the COVID-19 pandemic with rapidly evolving consumer preferences that includes greater concern for climate, social equity and the economy. Trends include last minute booking patterns made through

third-party channels, a growing interest in luxury, boutique and aparthotels hotels, a focus on wellness and a need for greater accessibility as the boomer generation ages. Equally local authorities have played an increasing role in supporting the development of new accommodation in places such as Edinburgh, Liverpool, Peterborough and Sheffield. As the climate changes over the next two decades, there is also likely to be an increasing shift in preference away from the southern Mediterranean towards destinations closer to home, particularly for older travellers. **There is an opportunity for Eastbourne to reposition its offer using new accommodation formats and become a viable alternative to southern European resorts.**

- 1.5. In 2014, there were 106 serviced properties in Eastbourne and some 50 non-serviced, the majority of them self-catering establishments. At that time, hotels and B&Bs made up 68% of all accommodation stock. A decade later there are 72 serviced properties and 343 non-serviced, with the former now making up 17% of total stock. It is however important to note that many of these recent non-serviced properties have very few rooms – so even today the hotels operating along and around Grand Parade, Marine Parade and Royal Parade are offering well over two thirds of the town’s available rooms. **Over this decade, and despite the large increase in the number of non-serviced establishments, there has only been a 3% increase in the total number of rooms offered in the town.**
- 1.6. If Eastbourne’s visitor market had grown in line with UK economic growth it would be 14% larger today than in 2015. Instead staying visitor numbers have declined by 12% since 2015 and by 29% when considering the decade to 2019. **The dislocation between steadily falling demand and a traditionally large number of rooms is at the heart of the current challenge faced by Eastbourne’s accommodation sector.**
- 1.7. As residents, second home owners, businesses and agencies have discovered the opportunities in the new sharing economy, new accommodation has been opened in other parts of town. While 63% of accommodation establishments are to be found in Devonshire and Meads ward, a further 28% is found in Sovereign and Upperton wards. In the decade from 2014 short-term accommodation offered in Sovereign Harbour has risen five-fold from 19 properties to 98 today but without a huge increase in room numbers given that on average these properties offer 1.5 rooms. Rapid growth in short-term lets in the early part of the decade has reduced since the COVID-19 pandemic. **Eastbourne’s current ratio of serviced to non-serviced accommodation is similar to the proportion seen in the wider South East region.**

- 1.8. Visitors come to Eastbourne for a range of reasons, for leisure and holidays, to visit friends and relatives (VFR) and for business, including corporate meetings, conferences and events. The cost-of-living crisis has put continued pressure on the leisure market while those that visit friends and relatives are likely to have only limited effect on the accommodation sector, often for budget hotels and sharing economy properties. Typically, the catchment for visitors to the town live on the south coast, in London and the wider South East region. Half of all visitors to Eastbourne come from 23 local authorities in the region including Sussex, Kent and London. Only 5% of visitors travel from over 100 miles away or overseas. **Both leisure and business markets have opportunities for growth, with meetings, conferences and events, underpinned by new investment in the Devonshire Quarter and a growing and broadening economy, important for future success.**
- 1.9. The study has identified a number of poor-quality hotels, particularly in the eastern part of the TAA, which has proportionately a higher number of low standard properties. There is a risk to the town in terms of its reputation and so action to raise standards in these properties would be timely. Without doubt there are many excellent hotels in Eastbourne but a large minority is dragging down the quality of the offer and putting off repeat visits. **There are a sizeable number of hotels that are simply not good enough, often trading on price rather than quality.**
- 1.10. The Tourism Accommodation Area (TAA) was designated in 2003 and restricts the change of use within the area from tourist accommodation to any other use. It was reviewed in 2009 and continued as part of the 2013 Core Strategy, where retaining existing holiday accommodation is set out as a key spatial objective. A Supplementary Planning Document (SPD) was published in 2017 to provide an up-to-date interpretation of the policy. It identified Primary and Secondary sectors with stricter criteria for justifying loss of accommodation in the primary sector, usually those properties benefitting from a sea-view. There are 122 establishments in the TAA, of which 88, or 72%, are in the Primary Sector. A total of 48 are serviced properties with 40 non-serviced. **The TAA offers a total of 2,771 rooms, some 75% of Eastbourne's total visitor accommodation, of which 84% are serviced and 16% are in non-serviced properties.**
- 1.11. For 20 years the TAA has been an appropriate policy to protect tourism accommodation stock from loss. It has been an effective measure that has combined with a range of other policies, for example resisting inappropriate uses within the TAA. The SPD provides details of how the policy should be interpreted and also allows for the conversion of serviced accommodation to non-serviced accommodation. While the current policy has worked well it is clearly blind to

structural shifts in the market and new visitor trends and so is now less appropriate. **By restricting change of use in a declining market, the TAA has kept room numbers higher than the market demands which has lowered room occupancy levels, reduced levels of quality and profitability.**

- 1.12. A previous consultation by government proposed new planning policies that offer the opportunity to better plan for the sector's growth. This included a statutory registration scheme for all types of accommodation and the introduction of a C5 use-class to enable local authorities to exercise greater control over short-term accommodation developments. It is not known if these measures will be progressed by the new government. Properties offering short-term lets have increased seven-fold in Eastbourne over the last decade and this type of offer is seen throughout the town, with growth prevalent in areas such as Sovereign ward. **The total number of rooms added as a result of these new sharing economy properties however has been modest when compared with the serviced offer in the TAA.**
- 1.13. Any new planning policy should be based on the most accurate data possible. Previous policy has been built on estimates of tourism revenue and employment that have been derived from a multiplier model. This typically can add over 30% more employment impact by reporting both indirect jobs and induced jobs (i.e. those jobs created by the spending of tourism employees in the economy). **This maximalist approach of calculating the sector's economic value may not serve Eastbourne well in the long term as it exaggerates the impact of the visitor economy to the town.**
- 1.14. The performance of Eastbourne more generally over the last decade has been mixed but there is significant potential opportunity for new forms of accommodation to help boost the town's wider economy in the future. Boutique hotels, serviced apartments, high quality serviced accommodation and properties in the sharing economy can be a successful combination, meeting future demand whether it be for business, leisure or relocation. **Improving quality by reducing stock, incentivising the move to new formats and refining to a more a supportive planning policy will all help the longer-term resurgence of the town's offer.**
- 1.15. **Tourism recommendations** include the need for a clear and shared plan that sets out and resources the long-term strategy for the visitor economy in Eastbourne. New accommodation formats and national brands should be part of this mix, as well as a revitalised visitor offer that is accessible and suitable for all ages, high quality public realm and greater attention to the town's heritage and more resources for the management of the town centre. It is recommended that the Council become more proactive by leading on a range of partnerships to stimulate new tourism-related

accommodation working closely with the private sector to facilitate and incentivise new investment.

- 1.16. **Planning Recommendation** include consideration of an overall target to reduce the current supply of serviced stock, along with a range of options to consider that can modernise the Tourism Accommodation Area to take account of the major changes to both demand and supply seen over the last decade. This needs to make it easier to change use in some parts of the current TAA and recognises the need to support new investment in tourism services and facilities along the seafront.

2 Introduction

- 2.1 This document is the Final Report relating to a project commissioned by Eastbourne Borough Council in February 2024. The aim of the work is to provide up to date evidence on tourist accommodation to support the preparation of a new Local Plan and enable the Council to react appropriately should any changes to permitted development rights be introduced.
- 2.2 Eastbourne has a very significant stock of hotels and guest houses, together with a number of holiday lets and self-catering apartments. The town's economy is heavily reliant on tourism and so it is important that the appropriate quantity and quality of tourist accommodation is provided. However, this also needs to be balanced against the physical and environmental constraints that mean that Eastbourne has limited opportunities to meet its high housing and development needs, plus changing trends in tourism over recent years and in the future.
- 2.3 The objectives of the study are to assess:
- the current supply and demand for hotel and visitor accommodation in Eastbourne and how this has changed over recent years specifically looking at:
 - the impacts of the Covid-19 pandemic and changing visitor behaviour on the market for tourist accommodation in Eastbourne;
 - the impacts of the growth of Online Travel Agents (OTAs) on the tourist accommodation market;
 - impacts of the growth of short-term holiday lets and sharing economy platforms such as 'Airbnb' on the tourist accommodation market;
 - the potential for growth or reduction in demand for accommodation;
 - the scope for investment in the accommodation offer in the town; and
 - the scale of the problem in terms of the loss of accommodation stock and the pressure for residential conversion.
- 2.4 Key requirements included reviewing national and local policy and strategy; auditing the supply of serviced and non-serviced visitor accommodation ¹, assessing gaps and types; assessing market demand, forward trends and likely market potential; reviewing planning issues, related planning applications and recommending strategies that provide flexibility in dealing with both short and longer-term issues.

¹ **Serviced Accommodation:** These establishments provide daily services such as cleaning, housekeeping, and reception. Common examples include hotels, guesthouses, bed and breakfasts, and serviced apartments.

Non-Serviced Accommodation: This category includes self-catering options such as holiday cottages, campsites and short-stay apartments where guests are generally responsible for their upkeep during their stay.

- 2.5 The report has ten sections covering current UK tourism and accommodation trends; the visitor economy in Eastbourne; the nature and extent of tourist accommodation supply in the town; and its current performance. The document then reviews current planning policies, their relevance and likely changes to national legislation. Future development opportunities are covered before conclusions and recommendations are set out. A range of Appendices present extra detail, particularly relating to planning policy and a range of options for further consideration.
- 2.6 The report is supported by an Asset Audit which provides more details of the policy review, the assessment of market demand, accommodation supply together with the results of various surveys and other enquiries carried out as part of the project. A total of 320 residents and 38 accommodation businesses responded to an online survey in Spring 2024 containing questions on the benefits of tourism to the town, key concerns and opportunities. A further 13 in-depth interviews were conducted with senior representatives of accommodation establishments, as well as property agents, Eastbourne Hospitality Association and East Sussex County Council.

*Image 2 - The Grand Parade West of the Pier & Burlington Hotel
typical of much of the town's accommodation stock*



3 UK Tourism & Accommodation Trends

- 3.1. This section provides an overview of recent and current tourism trends in the United Kingdom and provides information on accommodation performance focussing on serviced and non-serviced formats. Over the last decade there has been a huge change in the market towards non-serviced and self-catering properties driven by new booking platforms such as Airbnb. In Eastbourne 83% of establishments are non-serviced in terms of the total number of accommodation establishments. The picture is reversed when looking at rooms, where serviced accommodation provides 71% of all rooms in Eastbourne, reflecting a number of large hotels on the seafront.

UK Tourism Trends

The Challenge and Opportunity for Domestic Tourism

- 3.2. The UK tourism market is experiencing significant change due to evolving consumer preferences and external factors including climate concerns and economic pressures. Overall, the longer-term visits to resorts are in decline but there is also renewed interest in domestic trips with over half of domestic holidaymakers saying they are now likely to choose staycations above holidays abroad for climate-related reasons.²
- 3.3. This could ultimately result in traditional domestic options like the British seaside holiday becoming more popular, as well as the possibility of new niche markets emerging such as visitors interested in wine tourism³ which thanks to new vineyards in South East England is an expanding sector.
- 3.4. The volume of domestic holidays is estimated to have fallen 5% in 2023, reaching 41 million trips. The domestic tourism market has been returning towards pre-COVID-19 pandemic levels of demand over the past two years. It now faces further challenges on two fronts. The cost-of-living crisis has forced some households to cut back, and there has been a reduction in trip frequency. At the same time, there is a strong bounce-back in overseas holidays, which suffered a heavy slump during the pandemic.
- 3.5. Volumes are forecast to rise 2% in 2024. However, the impact of the cost-of-living crisis and a sluggish economy will slow growth and the market is not expected to fully

² Paragraphs 1-5 Source Mintel (2023) Domestic Tourism (2023) Pg. 46.

³ Sussex Wine Tourism. The [Prospectus](#) for growth was published in June 2023 and sets out the steps to develop the county's wine tourism offer and secure Sussex's place as the UK's leading wine destination.

recover to pre-pandemic volumes until the second half of the decade. Spending on domestic holidays is estimated to have fallen by 2% in 2023, reaching an estimated £13.8 billion. However, market value is still 17% ahead of pre-COVID-19 pandemic levels in 2019 in nominal terms, most of this due to high inflation over this period. Value is forecast to reach £15.9 billion by 2028.

- 3.6. 59% of domestic holidaymakers with children under 12 have taken more staycations than trips abroad since the COVID-19 pandemic, while 53% of this family group have discovered a new UK destination as a result of the pandemic. Two thirds of this group also prefer destinations less than 3 hours distance from home. The unpredictability of UK weather may exacerbate the trend for last-minute booking patterns.

The 'Purple Holiday Pound'

- 3.7. Some 7% of UK holidaymakers prioritise finding a disabled-friendly holiday. Those seeking disabled-friendly accommodation or visitor attractions are found across all demographics, but this priority rises to 11% amongst those aged 75 and over. The older and affluent 'purple pound' will become increasingly influential as an ageing population looks for ways to continue lifelong holiday habits alongside managing a disability – especially as the travel-hungry 'Boomer' cohort advances into an elderly life stage. According to Mintel, there are opportunities for specialist brands offering fully-serviced and supported holiday accommodation in coastal beauty spots. Eastbourne has in the past over-relied on the older, retired market but, with effort, can offer a competitive product for this market.
- 3.8. When considering accessibility, it is important to note that only 7% of disabled people in the UK are wheelchair users – the other 93% have a wide range of accessibility requirements, including physical, sensory and cognitive impairments. It is therefore important to consider other issues of accessibility and not just wheelchair access.⁴

UK Accommodation Performance Trends

Hotels⁵

- 3.9. *Market Dynamics* - The hotel sector saw a decline in domestic stays in 2023, with 50% of UK adults staying in a hotel, down from 55% in the previous year. This decline is partly due to the increased confidence in international travel and the higher cost of living. Furthermore, the competition from short-term rental properties has

⁴ [Visit England](#)

⁵ Source Mintel (2023) Hotels - UK - 2023

intensified, with 19% of UK adults opting for rental accommodation, this is 1.5 times higher than pre-pandemic levels.

- 3.10. *Booking Trends and Customer Preferences* - Over half of hotel bookings were made through third-party channels. There is a notable interest in luxury and boutique hotels, with 11% planning to stay in such accommodation in 2024, up from 8% the previous year. Much of the business travel market is also expected to recover, with an increase from 7% to 11% of UK adults planning business hotel stays.
- 3.11. *A Focus on Wellbeing* - Increased competition with holiday rental properties will require hotels to give distinctive reasons to stay in hotels. One area with great potential is a greater focus on guests' wellbeing so they feel more relaxed during and rejuvenated after their stay. The hotel sector has the opportunity to strengthen its position among older travellers who prioritise comfort and convenience, aligning with the UK's ageing population trends.
- 3.12. *Leading Brands* - Premier Inn and Travelodge, the largest hotel operators in the UK, are expanding aggressively. Premier Inn aims to increase its rooms from 83,500 to 125,000 in the longer term (i.e. 5+ years), and Travelodge plans to open hotels in approximately 300 new locations (opening 15-20 hotels per year when real estate market conditions improve). In response to inflationary pressures, luxury hotel chains are launching more affordable brands. For instance, Marriott's Four Points Express by Sheraton and Hilton's Spark are new midscale and premium economy options.
- 3.13. Premier Inn and Travelodge have a similar share of individual users compared to before the pandemic, while Airbnb expanded its customer pool significantly to become the second most used brand (ahead of Travelodge) over the past year. 19% of UK adults used the brand in the year to November 2023, up from 12% in the year to November 2019. Airbnb also started running its "Get and Airbnb" campaign in August 2023, in which it shows the benefits it offers compared to hotels. A series of 15 second videos highlight, among other things, more space, amenities, and privacy at a better value, as advantages as part of Airbnb's reaction to the Pandemic and its efforts to reconnect with hosts, guests, and homes.
- 3.14. Brands launched for long-stay guests include Hilton's new extended-stay brand under the working title Project H3, an apartment-style accommodation for those typically staying 20 nights or more. Elsewhere, Hyatt Hotels Corporation launched extended-stay brand Hyatt Studios.

3.15. *Outlook* - With hotel guests skewed towards older demographics, the growing and aging population presents some opportunity, and with further investments in features that make a stay more convenient, such as support with accessibility needs, the town will be better placed to take advantage of the UK's ageing population. Innovations around sustainability can also help attract new Millennial and Gen Z markets that can also underpin future growth. In general the resort should continue the work to diversify away from its traditional coaching market.

Holiday Rental Properties ⁶

3.16. *Market Growth and Trends* - Holiday rental properties have shown the highest resilience and growth potential among accommodation types. The COVID-19 pandemic accelerated the trend towards self-catering rentals, favoured for their affordability and personal space. In 2023, domestic holiday rental stays increased by 1.1%, with spending growing by 3.2% to £3.3 billion. The segment's growth, though slightly slower than the previous year, is expected to continue, driven by the easing of inflation and moderate economic recovery.

3.17. The pandemic significantly boosted the use of holiday rental properties, with 29% of UK adults having stayed in such accommodations in the three years to April 2023, an increase from 25% in April 2017. Airbnb has introduced a new 'Rooms' category to address cost-of-living concerns. This category features affordable room options, enhancing its appeal to budget-conscious travellers. Airbnb's focus on detailed host profiles and privacy features aims to build trust and attract a broader customer base.

Summary Outlook

3.18. The domestic holiday rental property market is expected to grow to 9.1 million stays by 2028, with associated spending reaching approximately £3.6 billion. Upcoming regulatory changes⁷ including the introduction of a Host register addressing some consumers' concerns about staying in holiday rental properties, and should also help to protect communities⁸. However, these changes could also affect the willingness or ability of hosts to rent out their property.

⁶ Source Mintel (2023) Holiday Rental Property - UK - 2023

⁷ The new regulations include a new planning class for short-term rentals with a full-time holiday let likely to be reclassified as use class C5, a policy that will see holiday let properties require planning permission from the local authority, as well as the introduction of a national register for short-term lets from summer 2024, and the abolition of the furnished holiday lettings regime (tax relief for owners of FHLs) from April 2025. Process foreseen delayed due to the election.

⁸ <https://www.gov.uk/government/news/short-term-lets-rules-to-protect-communities-and-keep-homes-available>

Impact of OTAs (Online Travel Agencies)

- 3.19. The rise of OTAs has significantly influenced the tourist accommodation market. These platforms offer greater accessibility and convenience for consumers, allowing easy comparison and booking of various accommodation options. In 2023 36% of hotel guests made their most recent booking via an OTA⁹. Airbnb is the largest booking channel for holiday rental properties, accounting for 27% of consumers' most recent holiday rental property booking made in the three years ending April 2023¹⁰. Generalist OTAs, such as Booking.com and Expedia, accounted for 23% of consumers' most recent holiday rental property bookings. These platforms have intensified competition among accommodation providers by highlighting price and availability, pushing hotels and rental properties to offer competitive rates and added value. This transparency benefits consumers but pressures providers to maintain high standards and competitive pricing.
- 3.20. Accommodation providers are adapting by enhancing their direct booking capabilities and offering exclusive perks for direct bookings. Additionally, hotels and rental properties are leveraging OTAs for marketing and broader reach while developing loyalty programs to retain customers.

*Image 3 - Colourful Beach Huts – Sovereign Harbour Eastbourne
(Shutterstock)*



⁹ Source Mintel (2023) Hotels - UK - 2023

¹⁰ Source Mintel (2023) Holiday Rental Properties - UK - 2023

4 The Visitor Economy in Eastbourne

- 4.1. This Section gives an overview of the performance of the visitor economy today, the impact that the COVID-19 pandemic had on the sector and summarises the Council's current plans for tourism development. Eastbourne has been one of England's premier seaside resorts for many years with tourism being important since royal patronage in Georgian times and the planned development of the resort in the 19th century.
- 4.2. Eastbourne's wider economy has been growing, albeit slowly, over recent years. The number of jobs within Eastbourne is increasing, though these have tended to be in the lower paid sectors. According to Eastbourne Council's Corporate Plan, the town has traditionally been seen as a tourist destination and the aspiration is for this to continue to be the case. However, over the next four years, economic diversification will be supported in particular seeking to bring more investment from IT, digital and creative sectors into the town.¹¹ Delivery of projects through government's 'Levelling up' funding included a cultural and education centre at Black Robin Farm, improvements to Victoria Place and significant public art engagement and learning project in conjunction with The Towner.
- 4.3. The Town Centre is the focus of much of Eastbourne's economy. It contains most of the office space and just under half of the retail space in the Borough. Retail vacancies in Eastbourne were slightly elevated relative to the five-year average during the fourth Quarter of 2022, but have remained effectively unchanged from this time last year. According to PMA Promis data, the vacancy rate in Eastbourne town centre was at 15.9% of all units, compared with an average of 19.1% for the UK as a whole.¹²
- 4.4. Tourism is a cornerstone of Eastbourne's economy, with the town benefiting from its picturesque seafront, Victorian architecture, and natural attractions on its borders like the South Downs National Park. Key attractions include the Pier, the Towner Art Gallery together with annual events such as the Eastbourne International Airshow and the international tennis tournament. The hotels along the seafront, particularly those west of the pier, are important in maintaining the look and feel of Eastbourne as a destination.

¹¹ Eastbourne Borough Council – [Eastbourne Corporate Plan 2024 - 2028](#) Economic development and tourism

¹² Eastbourne Borough Council – (2022) [Eastbourne Borough Retail and Leisure Study](#) December

- 4.5. In 2019, £408.9m was reportedly spent by tourists and day visitors, up 6% compared to 2018. Some 28% of employment is reported as tourism related in the report referenced in the following footnote.¹³ While tourism remains important, its potential for employment has been somewhat overstated during the last decade due to the methodology employed. The Council's plans to diversify the economy away from tourism is likely to be an appropriate strategy.
- 4.6. The hospitality sector, comprising hotels, restaurants and entertainment venues, thrives on the influx of visitors, contributing significantly to local employment and business revenue. Jobs in accommodation and food service activities account for over 10% of total employment in Eastbourne.¹⁴
- 4.7. The retail sector in Eastbourne is another vital component of the local economy, making up 21% of total employment.¹⁵ The town centre features a variety of shops ranging from independent boutiques to major national chains, particularly concentrated around The Beacon, following its redevelopment in 2018. This retail offer attracts both locals and tourists, supporting numerous jobs and fostering a range of other economic activity.
- 4.8. Eastbourne has a growing presence in the creative industries and a range of SMEs in various fields. The town's strategic location, with good transport links to London and other major centres, enhances its attractiveness for business investment and development. Sectors such as construction, retail, transport, ICT, professional services, the arts, residential and social care are all forecast to grow, albeit slowly.¹⁶
- 4.9. Findings from the survey of accommodation operators showed that 22% of guests are visiting for the purpose of business tourism. This is split into 14% for general business meetings and 8% for conferences and events. This is a good performance relative to many other resorts, and the town's facilities particularly the Devonshire Quarter, offer the opportunity to grow this market. Figure 2 below, drawing from the national domestic survey, shows this strong business tourism performance clearly.

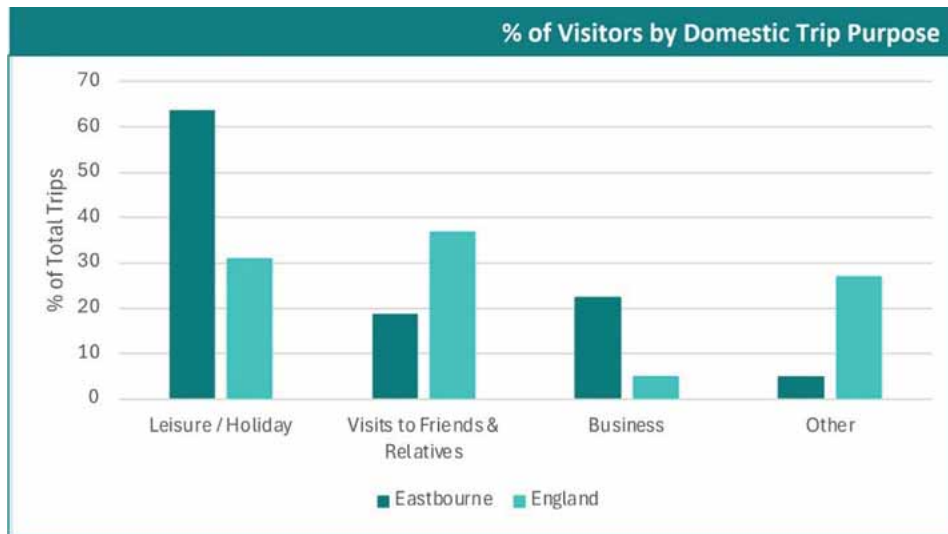
¹³ Tourism South East – (2021) The Economic Impact of Tourism on Eastbourne Borough

¹⁴ ONS (2024) NOMIS

¹⁵ Office for National Statistics (2022) Business Register and Employment Survey on [NOMIS](#) – Labour Market Profile – Eastbourne – see Employee Jobs (2022) table

¹⁶ Icení (2022) Employment and Economic Study for Eastbourne and Wealden Councils - Table 7.6 Pg. 109

Figure 2 - Visitors by Domestic Trip Purpose (VisitBritain (2023) Great Britain Tourism Survey)



Impact of the COVID-19 Pandemic on the Visitor Economy

Visitor Accommodation

- 4.10. During the height of the COVID-19 pandemic, lockdowns and travel restrictions led to a significant decrease in occupancy rates. Hotels, bed and breakfasts, and other accommodations faced severe downturns as bookings were cancelled and potential visitors were unable to travel.
- 4.11. The drastic fall in visitor numbers resulted in substantial revenue loss for accommodation providers. Many establishments struggled to cover operational costs, leading to layoffs, furloughs and in some cases, permanent closures.
- 4.12. To regain consumer confidence, accommodation providers had to adapt by implementing stringent hygiene and sanitation protocols. This included enhanced cleaning regimes, contactless check-in/check-out processes, and modifications to communal areas to ensure social distancing. With international travel heavily restricted, there was a shift towards domestic tourism.
- 4.13. Eastbourne saw an increase in domestic visitors when lockdowns eased, as UK residents opted for staycations over foreign holidays. This shift helped to partially mitigate the decline in international visitors.

Visitor Behaviour

- 4.14. At this time, visitors preferred outdoor activities and open spaces to reduce the risk of infection. Eastbourne, with its seafront, parks, and proximity to the South Downs

National Park, saw an increase in visitors engaging in walking, hiking, and other outdoor pursuits. Uncertainty around travel restrictions led to shorter booking windows. Visitors tended to make last-minute bookings to avoid potential cancellations, impacting the planning and operational logistics for accommodation providers.

- 4.15. Safety and hygiene became top priorities for travellers. Accommodation and attractions that could demonstrate strong health and safety measures were more likely to attract visitors. The pandemic accelerated the adoption of digital technologies. Visitors increasingly used online platforms for bookings, information, and payments, favouring establishments that offered contactless services.

Local Tourism Economy

- 4.16. Eastbourne was particularly impacted by the COVID-19 pandemic in terms of employees being furloughed. This is likely to reflect the nature of employment in the local authority area (e.g. a higher percentage of employment in tourism-related sectors). Seasonal tourism was also hit hard. As the visitor economy recovers, the tourism sector faced a labour shortage which continues today. Business continuity and resurgence in sectors such as hospitality and tourism are vital, as they are a significant sector and employer for the local area.¹⁷
- 4.17. The local tourism economy in Eastbourne suffered a significant downturn due to the reduction in visitor numbers, affecting businesses reliant on tourism, such as restaurants, cafes, shops, and attractions.
- 4.18. To mitigate the economic impact, various government support measures were introduced, including grants, loans, and furlough schemes. The local community and businesses adapted somewhat by promoting local attractions and emphasising the benefits of supporting local enterprises. Initiatives to encourage local tourism and community engagement were launched to stimulate the economy.
- 4.19. The pandemic has led to long-term changes in the sector. There is an increased focus on sustainable tourism and resilience planning to better prepare for future disruptions. Local authorities and businesses are likely to continue investing in measures that enhance the safety and appeal of Eastbourne as a tourist destination.

¹⁷ Employment and Economic Study Eastbourne and Wealden (2022) Icen Projects Limited on behalf of Eastbourne and Wealden District Councils

The Conference Market

- 4.20. The UK conferencing and events market experienced a strong rebound from COVID-19 in 2022, but faced a more varied performance in 2023. While certain sectors thrived and the demand for in-person events remained robust, the market was challenged by a tough economic environment, rail strikes and ongoing post-pandemic shifts, such as health and safety concerns and increased demand for more 'sustainable' i.e. online meetings.¹⁸
- 4.21. In 2023, the value of the UK events market reached £34.3 billion, which was still below the pre-pandemic figure of £38.9 billion in 2019. The industry continues to face several obstacles, such as staffing shortages, short lead times, an uncertain economy, and rising costs, although inflation is beginning to ease.
- 4.22. To navigate these challenges, operators must demonstrate flexibility in planning, enhance efficiency across business operations, and focus on delivering value to clients. The adoption of advanced technology will help improve efficiency, offer data-driven insights, increase accessibility, and enrich and personalise attendee experiences in the events industry. The 2024 UKCAMS research found that only 51% of venues were developing anything to meet trends in AI. Additionally, the increasing importance of sustainability and diversity, equity, and inclusion (DEI) presents opportunities for operators to differentiate themselves from the competition.
- 4.23. The corporate sector accounted for over half of events in the UK (55% compared to 46% in 2019). The next most significant group was government and the public sector (27%). Associations accounted for 17% of the market.
- 4.24. Eastbourne has made concerted efforts to enhance its appeal as a destination for business and professional events. Conferencing, and other venues in the Devonshire Quarter, underwent a £54 million redevelopment completed in 2019, and has played a crucial role in this growth. The quarter includes the Welcome Building (encompassing exhibition halls and event space), the Congress Theatre, Winter Gardens, the International Lawn Tennis Centre and the Towner Gallery, all of which are popular for hosting a variety of events from corporate meetings to large-scale exhibitions and conferences. In addition, the five-star Grand Hotel Eastbourne has 17 meeting rooms, the largest having a capacity of 350.

¹⁸ Sources [VisitBritain](#) , [Mintel](#) , [UK Conference and Meeting Survey \(UKCAMS\)](#)

4.25. Eastbourne hosts a diverse range of events, including business conferences, trade shows, exhibitions, public events, and cultural festivals. Events such as the annual Eastbourne International Airshow and tennis tournaments, though primarily public events, also attract business delegates and contribute significantly to the town's economy. Typically business travellers will be booked to stay in either budget or four-star accommodation, with brands often favoured. There is currently less branded accommodation in Eastbourne when compared to other towns and cities.

Current Development Plans

- 4.26. Among traditional Council's aims¹⁹ is to be outstanding in tourism and leisure. Some of the developments through which it plans to achieve this aim include delivery of:
- A new overarching strategy for tourism and economic diversification.
 - A range of arts, events and cultural projects and the establishment of a company to support the Devonshire Quarter and increase the numbers of conferences and exhibitions.
 - An integrated property strategy that addresses future asset requirements and tackles the challenges of the town's heritage assets.
 - Continued improvement to the public realm.
 - Stronger partnership working to increase event promotion, reduce antisocial behaviour, support high-speed rail from London and improve other transport links.

Image 4 - Towner Eastbourne – also offers function space within the Gallery



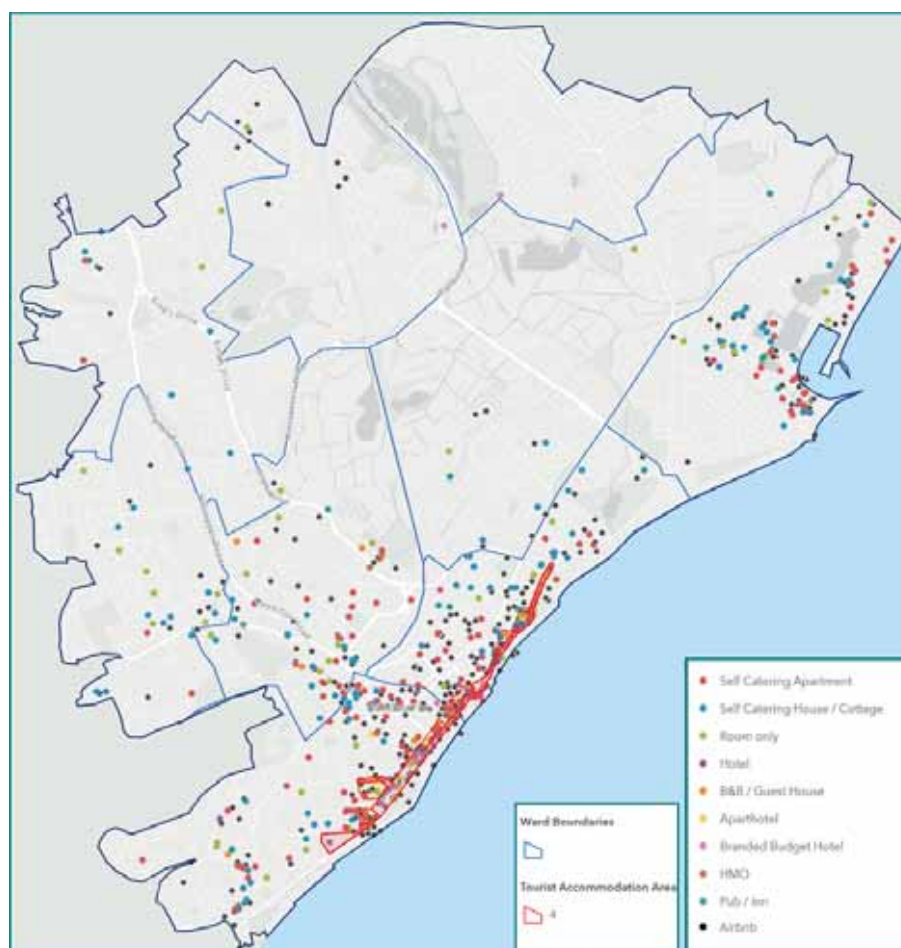
¹⁹ Eastbourne Borough Council [Corporate Plan 2024 – 2028](#)

5 Tourist Accommodation in Eastbourne - Supply

Tourist Accommodation Supply

5.1 This Section gives an overview of visitor accommodation within Eastbourne's planning boundary. It does not include any accommodation that lies within the National Park. It details various aspects of the visitor accommodation sector quantifying the extent, distribution and types. Figure 3 below gives a high-level view of the distribution of visitor accommodation within the planning district, identified during the audit – showing all assets by sub-category. A fuller assessment of accommodation supply is given in the Asset Audit.²⁰

Figure 3 - Visitor Accommodation in Eastbourne



²⁰ A detailed Asset Audit supports this Final Report and is available for download until 31.12.24, on provision of an email address, at this [link](#).

- 5.2 A comprehensive audit of Eastbourne’s accommodation drew on a wide range of sources including specialist data providers, web-based resources, previously published reports, other corporate material and internal resources. It can be safely assumed that the audit covers over 95% of all the supply in the town.
- 5.3 In terms of the longer-term trend, Table 1 draws from a variety of sources to show the change in both serviced and non-serviced properties and rooms over the last decade – reflecting the decline in serviced accommodation and the increase in non-serviced accommodation. We use the 2015 Tourism Accommodation Study as the benchmark for comparison, as this is the most accurate previous research.

Table 1 - Accommodation Stock Estimates in Eastbourne

Table 1	Source	Serviced	N/Serviced	Total	Growth in Est. (%)	Rooms	Growth in Rooms (%)
2015	Tourism Accommodation Study	106	50	156		3,594	
2016	Visit England Stock Audit	157	42	199	28%	5,443	51%
2022	Eastbourne Retail and Leisure Study	66				3,000	-17%
2024	Tomorrow's Tourism	74	344	418	168%	3,704	3%

- 5.4 Interviews conducted as part of this study indicated a concern that accommodation supply has vastly increased since the Eastbourne Tourist Accommodation Study was undertaken in 2015 as a result of the introduction of new platforms such as Airbnb. Nationally, the accommodation sector has certainly been transformed to one that relies to a far greater extent on non-serviced accommodation, facilitated by the rise of sharing economy platforms. Table 1 shows the growth in the number of non-serviced establishments growing almost seven-fold over what was available in 2015. However, this has only resulted in a growth of 3% in the overall number of rooms.²¹ This implies a significant reduction in the average number of rooms per property which is the case given the very large numbers of smaller properties now in the market place. The average room size of a property sold through Airbnb in Eastbourne is 1.5 rooms. while the average number of rooms provided in serviced hotels is 58 and in B&Bs 10.
- 5.5 The number of serviced hotels has declined from 106 in 2015 to 74 today. The current serviced stock has an average room size of 50, up from 31 a decade ago. This implies that a number of smaller serviced accommodation properties have come out of the market. These smaller accommodation businesses have particularly felt the effects of greater competition from non-serviced formats which have been driven by new platforms which have both responded to and influenced market trends.

²¹ Eastbourne Tourist Accommodation Study Final Report May 2015

5.6 Eastbourne has been subject to other market changes as its core coaching business was decimated by the COVID-19 pandemic with much of it not returning. Shearings Holidays for example at one time owned / operated a range of hotels in the town providing a steady supply of coach tour business from their own operations augmented by other domestic tour operators. This market has reduced significantly with two of Shearing’s Eastbourne properties, the Burlington and the Majestic, sold as a result of its liquidation during the COVID-19 pandemic. Table 2 categorises the stock into a number of different sub-categories. The main categorisation is Serviced / Non-Serviced which are then split into different but related accommodation types.

Table 2 - Eastbourne’s Accommodation Supply (2024)

Table 2		Accommodation Supply in Eastbourne							
Category	Properties	% Total	Sub-Category	Nos. Establishments	% of Sub-Cat	Units	Rooms	%	Beds
Serviced	72	17.3%	Hotel	34	47%		1,965	75.8%	3,854
			B&B / Guest House	30	42%		286	11.0%	538
			Branded Budget Hotel	5	7%		327	12.6%	714
			Pub / Inn	3	4%		14	0.5%	28
			Hostel	0	0%		0	0.0%	0
			Total	72	17%				2,592
Non-Serviced	343	82.7%	Aparthotel	8	2%	6	190	17.6%	232
			Self Catering Apartment	156	45%	210	375	34.7%	841
			Self Catering House / Cottage	121	35%	122	324	29.9%	635
			Room only	58	17%	50	193	17.8%	376
			Total	343	83%		388	1082	29%
Total	415			415		338	3,674		7,218

5.7 The town has 415 accommodation establishments offering some 3,700 rooms and 7,200 beds. The majority of rooms are seen in the serviced sector with 72 establishments offering 2,592 rooms. The average hotel / budget hotel has 59 rooms.

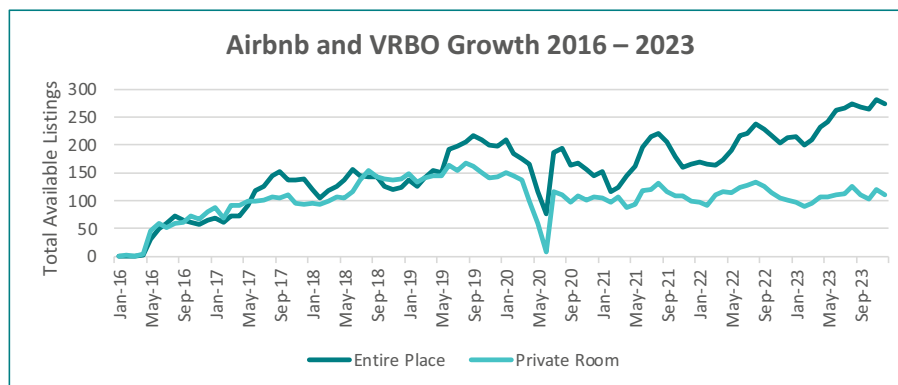
5.8 Distribution of visitor accommodation across the Borough is predominantly in the central Devonshire and Meads wards with more recent growth shown, at least in terms of establishments, in Sovereign ward as shown in Table 3 below.

Table 3 - Accommodation by Ward

Table 3 Accommodation By Ward		
Ward	No. of Establishments	%
Devonshire	121	29.2%
Hampden Park	1	0.2%
Langney	1	0.2%
Meads	138	33.3%
Old Town	20	4.8%
Ratton	11	2.7%
Sovereign	64	15.4%
St Anthony's	7	1.7%
Upperton	52	12.5%
Total	415	100.0%

5.9 The Sharing Economy in Eastbourne has grown significantly since the last accommodation study was undertaken in 2015 as Figure 4 below shows. That growth has resulted in a maximum of 582 establishments operating in the (planning) borough in 2023, defined as offering at least one bookable night and being available for booking.²² Properties are small with an average of 1.7 rooms. The sector is highly dynamic in that many properties are not always available for letting nor have confirmed reservations.

Figure 4 - Growth in Sharing Economy 2016-23 (Source AirDNA)

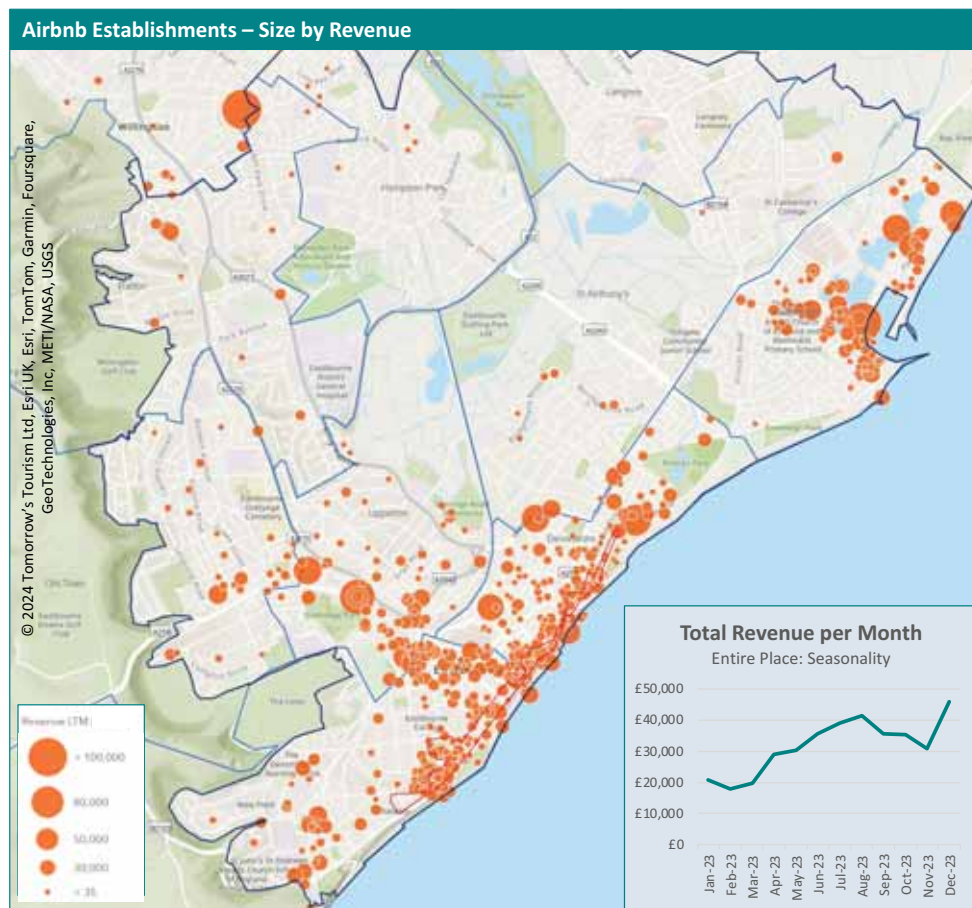


5.10 Figure 5 overleaf shows the distribution across Eastbourne of 582 properties marketed on Airbnb or VRBO offering at least one room night and being available for bookings over the last year. The full dataset for Eastbourne of all properties that have been marketed on Airbnb or VRBO over the last 8 years is 1,582 units run by

²² The primary source was from AirDNA that track Airbnb and VRBO properties, augmented by other platforms such as Booking.com. At the time of review 1,663 properties were registered on the AirDNA platforms but 48% of them had zero bookings in the past year. The definition used in para 5.9 focusses on those businesses that are trading. The dynamic nature of this supply means a lot of churn into and out of the sector by such establishments.

760 hosts with an average of 1.5 rooms. The map shows total income per unit in 2023 with the size of the circle denoting scale of turnover.

Figure 5 - Revenue (last twelve months) of properties marketed through Airbnb & VRBO platforms



- 5.11 The majority of these operations are small and located towards the seafront / Tourism Accommodation Area but with a notable cluster also in Sovereign Harbour. The majority of these will be householders with either a separate annex, a buy to let property or, and increasingly less likely, a private room to let. Alongside these residents there are a small number of professional landlords who have a number of properties or manage properties on behalf of the owners. Total revenue in 2023 was £1.68m with average daily rate of £71. Average occupancy across 2023 of those trading was 65%. Note the atypical revenue chart peaking in December which may denote high VFR usage.
- 5.12 There are now 98 units offering short-term lets in Sovereign Harbour, a 515% growth rate over the decade since the Tourism Accommodation Study of 2015, where there were circa 19 short-term lets. Today's level is 2.7% of the total housing stock in the

harbour.²³ Such growth, if continued might warrant amends to planning policy in this part of Eastbourne. It is also the case however that the major growth has potentially passed, as the rate of growth for this type of short-term lets (across Eastbourne) from September 2019 to February 2023 was 19.8%. Appendix IV – F geolocates the current supply in more detail.

The Tourist Accommodation Area

- 5.13 The current Tourist Accommodation Area (TAA) designation was made within the 2003 Eastbourne Borough Plan to reflect the area of greatest demand for tourist accommodation at that time. (Policy TO2 of the Borough Plan 2003).
- 5.14 The TAA was reviewed as part of the preparation of the Core Strategy when a Hotel & Visitor Accommodation Futures Study (2009) found that there was a ‘clear case for retaining the policy to resist loss of tourist accommodation in the Tourist Accommodation Area’. As such the TAA designation was retained through Policy D3 of the Core Strategy 2013.
- 5.15 Following the adoption of the Town Centre Local Plan in 2013, the TAA was due to be reviewed as part of the Seafront Local Plan. A Tourist Accommodation Study was commissioned and finalised in 2015, however at this time it was decided not to continue with preparation of the Seafront Local Plan. Thereafter, in 2016 a Tourist Accommodation Retention Supplementary Planning Document (SPD) was prepared to provide an up-to-date interpretation of the existing policy on retention of tourist accommodation in the TAA, based on the evidence provided by the Tourist Accommodation Study.
- 5.16 The Tourist Accommodation Retention SPD identifies Primary and Secondary sectors within the TAA, with stricter criteria for justifying loss of accommodation in the primary sector and a more flexible approach in the secondary sector, which are often those areas which do not have a sea-view. There are 122 accommodation establishments in the TAA, of which 88, or 72%, are in the Primary Sector. A total of 48 are serviced properties and 40 non-serviced. The TAA offers a total of 2,771 rooms, some 75% of Eastbourne’s total, of which 84% are serviced and 16% are in non-serviced properties. The eastern part of the TAA has marginally more stock than the western but properties are smaller and the west has 58% of the serviced rooms.

²³ Eastbourne Borough Council (2013) Sovereign Harbour Supplementary Planning Guidance, section 2.2. Figure based on 3,600 dwellings and 98 STLs. A figure of 2.7% holiday lets to dwellings is relatively high, when for example, compared to tourism destinations such as Derbyshire Dales where the figure is 2.4%.

5.17 Table 4 shows visitor accommodation stock levels split into the primary and secondary sectors, as well as split by eastern and western sections and inside / outside of the TAA (but within the Borough’s planning boundary). It also shows the breakdown by serviced and non-serviced stock. Note that the high number of properties outside the TAA, at 71% of the total, represents many micro- businesses which do not have the number of rooms of the typical hotels in the TAA.

Table 4 - Tourist Accommodation Area – Total Stock

Table 4	Tourism Accommodation Area - Total Stock					
TAA Stock	Total	%	Serviced	%	Non-Serviced	%
TAA Primary Sector	88	72%	48	83%	40	63%
TAA Secondary Sector	34	28%	10	17%	24	38%
TAA Total	122		58		64	
TAA West	55	45%	25	43%	30	47%
TAA East	67	55%	33	57%	34	53%
TAA Total	122		58		64	
Inside TAA	122	29%	58	52%	64	21%
Outside TAA	293	71%	54	48%	239	79%
	415		112		303	

5.18 The maps in Figures 6 and 7 overleaf show the TAA as a relatively small thin strip along the seafront of some 0.23 km². The Western section is in Meads Ward while the Eastern section is in Devonshire Ward. The main hotels are featured in blue with the size of the circle indicating number of rooms. The circles are non-serviced properties with properties marketed through Airbnb shown in black.

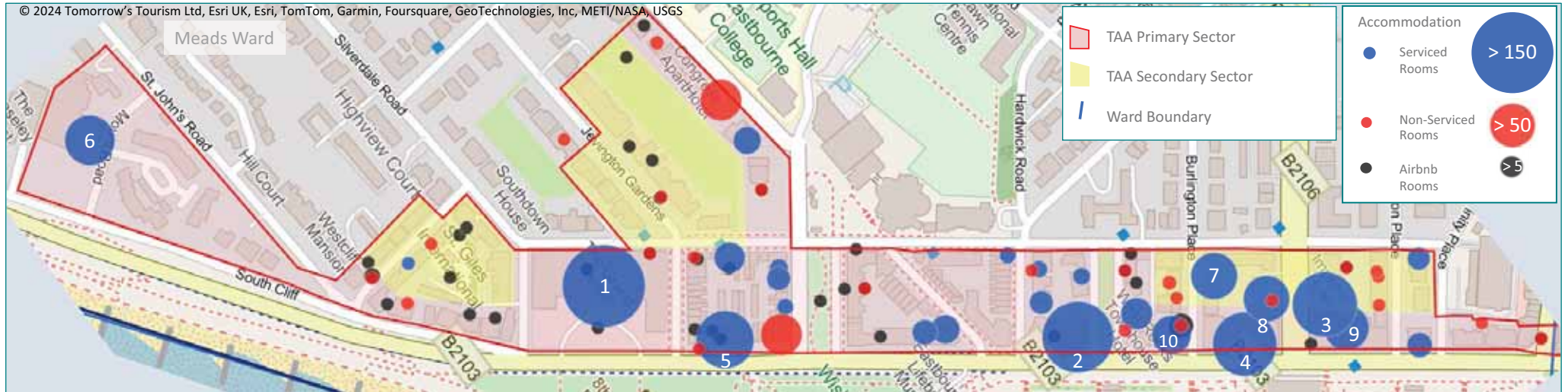
5.19 Table 5 below shows that when looking at Rooms the picture is different with the major hotels on the seafront within the TAA Primary Sector offering 75% of all the rooms in the town.

Table 5 - Tourism Accommodation – Total Rooms

Table 5	Tourism Accommodation Area - Total Rooms					
TAA Rooms	Total	%	Serviced	%	Non-Serviced	%
TAA Primary Sector	2,279	82%	1,993	85%	286	65%
TAA Secondary Sector	492	18%	341	15%	151	35%
TAA Total	2,771		2,334		437	
TAA West	1,602	58%	1,260	54%	342	78%
TAA East	1,169	42%	1,074	46%	95	22%
TAA Total	2,771		2,334		437	
Inside TAA	2,771	75%	2,334	90%	437	40%
Outside TAA	903	25%	258	10%	645	60%
Total	3,674		2,592		1,082	

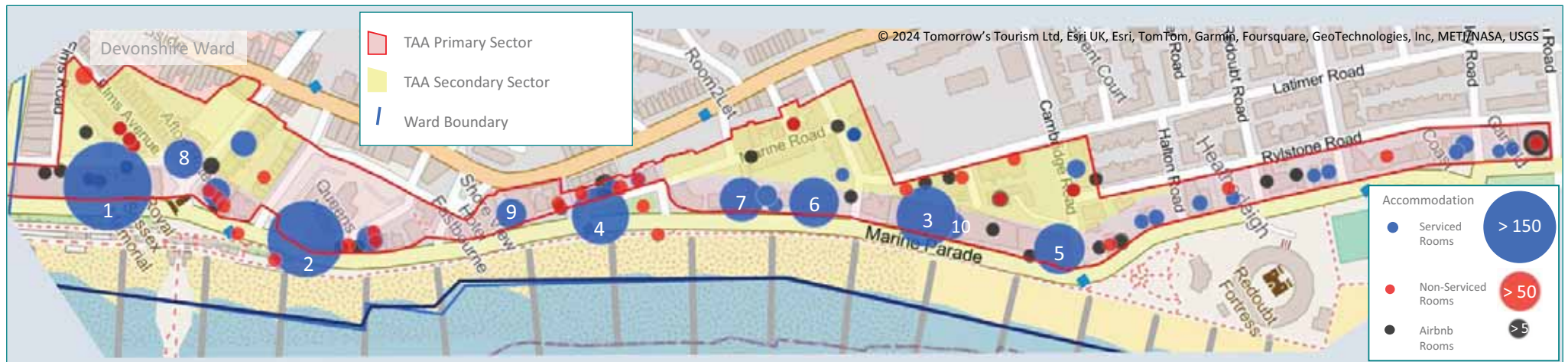
5.20 The Western end of the TAA has 25 serviced and 30 non-serviced properties with 1,260 and 341 rooms respectively. The 1,260 rooms in the serviced sector in the western section represents 45% of all serviced accommodation in the Borough. When considering the entire zone in terms of rooms, the TAA represents 90% of all serviced accommodation in Eastbourne but only 40% of non-serviced accommodation.

Figure 6 - The Tourist Accommodation Area – West – featuring the larger hotels



Map Ref	Serviced by # Rooms - TAA West	Address	Postcode	Rooms
1	Grand Hotel	King Edwards Parade	BN21 4EQ	152
2	The View Hotel	Grand Parade	BN21 4DN	126
3	Imperial Hotel	16 Devonshire Place	BN21 4AH	113
4	Cavendish Hotel	38 Grand Parade	BN21 4DH	111
5	The Lansdowne Hotel (BW)	King Edward's Parade	BN21 4EE	98
6	Hydro Hotel	Mount Road	BN20 7HZ	82
7	Hadleigh Hotel	14-22 Burlington Place	BN21 4AR	75
8	Haddon Hall Hotel	17 Devonshire Place	BN21 4AJ	74
9	Cumberland Hotel	34-36 Grand Parade	BN21 3YT	72
10	Albany Hotel / OYO Diamond	42-43 Grand Parade	BN21 4DJ	59
				962

Figure 7 - The Tourist Accommodation Area – East – featuring the larger hotels



Map Ref	Serviced by # Rooms - TAA East	Address	Postcode	Rooms
1	Burlington Hotel	Grand Parade	BN21 3YN	159
2	Queens Hotel	Marine Parade	BN21 3DY	127
3	Majestic Hotel	26-34 Royal Parade	BN22 7AN	95
4	Shore View Hotel	20 Marine Parade	BN22 7AY	90
5	Langham Hotel	43-49 Royal Parade	BN22 7AH	77
6	York House Hotel (Best Western)	14-22 Royal Parade	BN22 7AP	75
7	Glastonbury Hotel	4-9 Royal Parade	BN22 7AR	64
8	Afton Hotel	2-8 Cavendish Place	BN21 3EJ	54
9	Eastbourne Riviera Hotel	26 Marine Parade	BN22 7AY	37
10	East Beach Hotel	23-25 Royal Parade	BN22 7AN	32
				810

- 5.21 83% of the serviced stock and 85% of the rooms are in the TAA's Primary Sector. The non-serviced stock is more spread out across the primary and secondary sectors. The top 10 hotels referenced in Figure 6 above offer 962 rooms which equates to 74.8% of the total serviced room stock in the western part of the TAA. This is almost identical in the eastern section, meaning that the remaining 16 hotels account for just 25% of rooms (325).
- 5.22 The average size of serviced hotels in Eastbourne is 59 rooms with budget hotels slightly higher at 65 rooms. The average size of a Top 10 property in the western part of the TAA is 96 rooms, where this falls to an average of 7 rooms for hotels that fall outside of the Top 10. This can be seen visually in Figures 6 and 7 above. The Airbnb rooms²⁴, most of them single, give an indication of the penetration of this type of accommodation which is marginal in terms of rooms but significant in terms of the number of units. Much of the room-stock in the TAA is in heritage or listed properties which are less efficient and may not always meet today's customer expectations. In general terms, the western section of the TAA has more potential than the eastern section.
- 5.23 The branded budget category sees a range of national brands including Premier Inn and Travelodge. The seafront stock within the TAA is generally owned independently and national brands are not in evidence, albeit some hotels are members of international marketing consortia – the Grand Hotel's partnership with *Small Luxury Hotels of the World* being an example. The lack of branded hotels in the key seafront area is a disadvantage for the town. The primary reason for their lack of interest is likely to include a perceived lack of viability as a result of over-supply / low occupancy, coupled with other factors such as the difficulty of converting existing buildings.

²⁴ In Figures 5 and 6 above, Airbnb units and rooms are reported on separately to non-serviced to provide an insight into the size of each segment of the market

6 Tourist Accommodation in Eastbourne – Current Performance

6.1 This Section summarises the current performance of accommodation in the town with the overview covering occupancy levels and average day rates, impact on employment, as well as quality and whether accommodation meets current customer needs in respect of accessibility and other requirements. It was informed by a survey of accommodation providers undertaken as part of the project.

Annual Occupancy and Achieved Daily Rate

6.2 Table 6 shows annual average occupancy for serviced accommodation Eastbourne in 2023 at 66%, below the average for England (76%), the region (77%) and other seaside destinations (74%).²⁵ The annual average occupancy since 2019 was 57%, which includes a dip during COVID-19. Average Daily Rate (ADR) for Eastbourne²⁶ in 2023 was £79.40, which is also below that for England and the South East region. Table 6 summarises these figures.

Table 6 - 2023 Average Room Occupancy & Average Day Rate

Table 6	2023 Average Room Occupancy & Average Day Rate			
	Eastbourne	South East	England	Seaside Destinations
Average Room Occupancy	66%	77%	76%	74%
Average Day rate	£79.40	£92.20	£121.50	n/a

6.3 Figure 8 below shows the change in average annual occupancy and Figure 9 the change in average day rates since 2019. Broadly in terms of occupancy, Eastbourne is underperforming both the region within which it sits and its peer group of seaside destinations. The former is unsurprising given the inclusion of better performing urban areas. The latter is more likely to be the comparison of different survey methods than a fundamental weakness in Eastbourne when compared with its peer group. Further analysis later in this report supports this hypothesis.

²⁵ VisitEngland England Occupancy Survey

²⁶ Eastbourne occupancy and ADR figures are gross annual averages derived from the Survey of Accommodation Providers

Figure 8 - Average Annual Occupancy

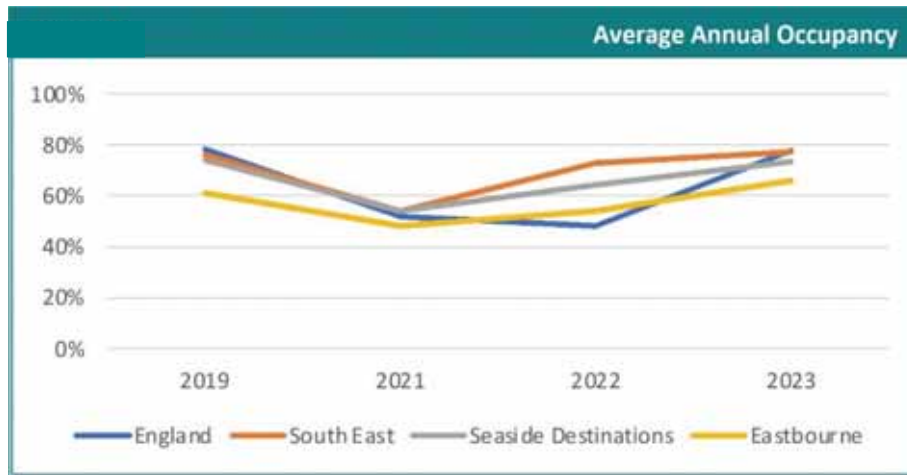
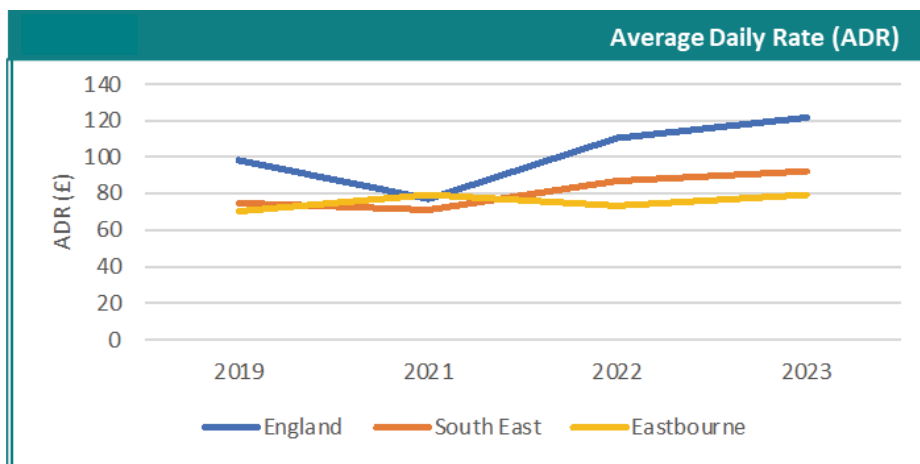


Figure 9 - Average Daily Rate (ADR)



Weekly Demand Patterns

- 6.4 Figure 10 below show the average typical demand share between weekday (Monday to Thursday) and weekend (Friday to Sunday) visits to serviced accommodation establishments in Eastbourne.
- 6.5 Based on the occupancy rates reported by respondents to the survey, hotels manage to keep a relatively even balance between weekday and weekend visitors throughout the year, while B&Bs tend to see significantly more preference for weekend visits particularly during the winter months. A similar pattern was reported in the 2015 Eastbourne Tourist Accommodation Study. Visitors to Eastbourne for meetings,

events and as part of group travel are more likely to use hotels and visit during the week, whereas visitors to B&Bs tend to serve the leisure market, which is more likely to travel at weekends.

Figure 10 - Weekly Demand Patterns



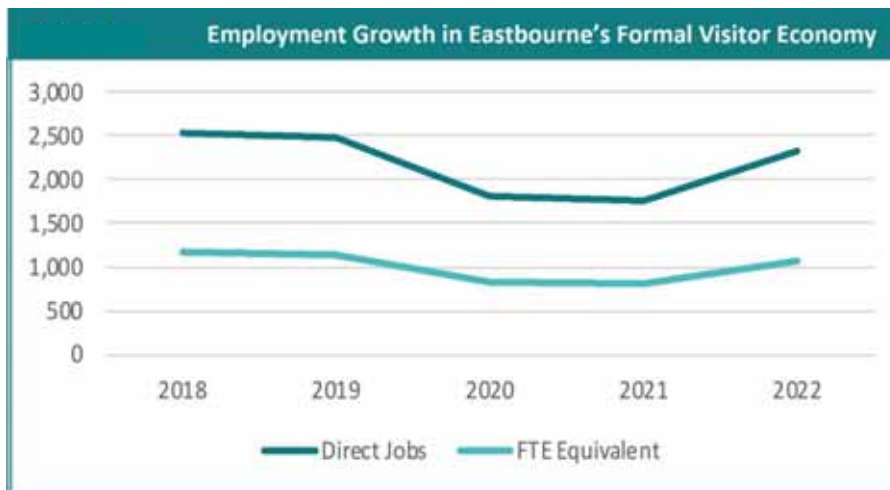
Employment

- 6.6 According to the Office for National Statistics (ONS)²⁷ around 44% of jobs in Eastbourne’s visitor economy are provided by the accommodation sector. There was a reduction of 27% in full time employment from 2019 to 2020, reflecting the COVID-19 crisis. By 2022 this figure was back up to just 7% below pre-pandemic levels.
- 6.7 Direct tourism related jobs across the Borough equate to 1,332 jobs when measured on a Full Time Equivalent basis (FTE). A further 500 FTE jobs are derived from working owners and 118 FTE posts are estimated to be created by the 296 non-serviced accommodation establishments operating via Airbnb and Vrbo. These businesses are not likely to operate payroll and are less likely to be VAT registered. Total tourism related FTE jobs is estimated at 2,065 or some 7% of all FTE jobs in Eastbourne.²⁸ Figure 11 overleaf shows the trend.

²⁷ The dataset is the ONS Business Register and Employment Survey 2022 (NOMIS accessed 1/5/24). It is a survey of the number of jobs held by employees and the figures include businesses registered for PAYE. The employment numbers include both full-time and part-time. The geographic area covered by the data is Eastbourne Borough.

²⁸ Tourism South East (2015) The Economic Impact of Tourism Eastbourne, using the Cambridge model, reported much higher FTE employment impact at 5,852 jobs including additionally indirect and induced employment (which implies that the visitor economy makes up 15% of FTE employment). This is taking into account supply chain impact and the spending of tourism employees within the local economy which would typically give rise to a multiplier of 0.3 – i.e. +30%.

Figure 11 - Employment Growth in Eastbourne's Formal Visitor Economy



- 6.8 The majority (80%) of accommodation businesses in Eastbourne are small, directly employing between 0 and 9 staff.
- 6.9 The sector is currently facing significant recruitment difficulties which is the result of post-COVID trends with many who left the workforce at that time not likely to return. Eastbourne is not alone – this issue is being experienced within all G7 countries. A range of measures can be put in place to encourage people back into the industry such as recruitment drives, new ways to professionalise the industry, training and career advancement options and offering additional benefits such as staff accommodation.

Booking Channels

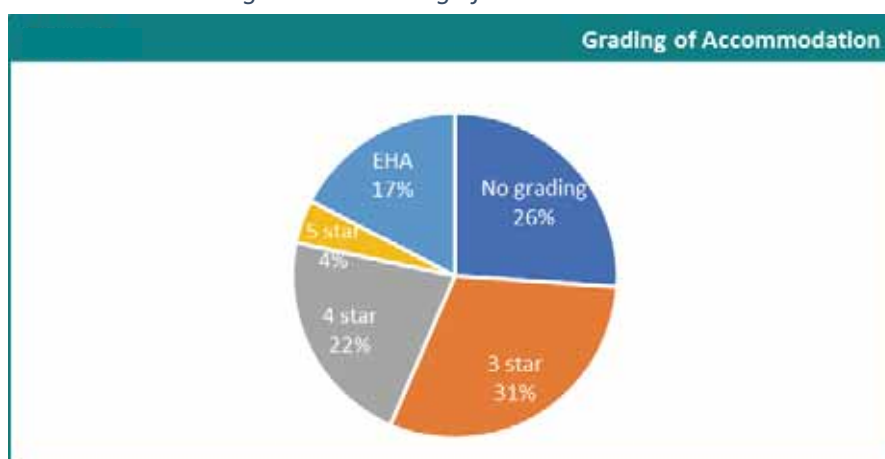
- 6.10 All the properties identified in the accommodation audit use online booking channels (the majority being Booking.com, Airbnb and TripAdvisor). 88% of those who responded to the survey question also have phone or email booking available.
- 6.11 In general, Online Travel Agencies (OTAs) have significantly transformed the tourism accommodation sector by reshaping the way travellers book their stays and how properties manage their bookings. OTAs play an important role in matching evolving consumer demand with available supply. They have expanded the reach of tourism businesses by allowing small and medium-sized enterprises to showcase their offerings to a global audience. The issue for many businesses however is the high commission rates charged by the OTAs, and as a result of these rates Visit Eastbourne and its partners at the Eastbourne Hospitality Association have been active in offering an alternative and lower cost booking route to support the local industry.

- 6.12 The increased visibility and ease of booking through OTAs can also create issues, as reported by some respondents of the business survey. Many business respondents, resident in Eastbourne, feel that Airbnb and similar channels have had a negative effect on the long-term rental market or an impact on the local area where they live. However, residents were generally more positive with only 15% believing that Airbnb has had a negative impact on Eastbourne.
- 6.13 Some believe there is an oversupply of properties available through such channels, which is keeping rates too low for business owners, while pushing up rent in the long-term rental market which has been diminished as a result. Various respondents also reported the existence of holiday rentals in areas or buildings which they believe are not permitted for such use.

Grading, Quality and Awards

- 6.14 Respondents to the business survey were asked to confirm the grading of their accommodation either offered by the AA or VisitEngland or self-assessed on the basis of industry norms, such as via the Eastbourne Hoteliers Association. Results are shown in Figure 12 below.²⁹
- 6.15 Using online reviews from May 2024, the quality score for accommodation in Eastbourne is generally good with 91% being in the top quartile. Quality is assessed by taking reviews from 366 accommodation establishments on TripAdvisor / Booking.com and giving each a percentage score based on the number of ‘excellent’ and ‘very good’ ratings combined as a proportion of total ratings. These are then sorted into Quartiles as per the bar chart in Figure 13 below.

Figure 12 - Grading of Accommodation



²⁹ May 2024 – Survey of Accommodation Providers n=26

Figure 13 - Quality of Accommodation – Online Rating



6.16 Figure 13 shows consumer grading proportions across predominantly the serviced sector. As the bar chart shows, only 3% of businesses fall into the bottom two quartiles with a further 6% in the second quartile.

6.17 A low number of businesses (just 15%) responded to the survey question about awards, three of which have a VisitEngland or AA award, and two have a Green Tourism Programme Award. The audit also captured just one each of the following awards: AA Breakfast Award, VisitEngland Silver Award, Green Tourism Silver Award, VisitEngland Pets Welcome. Among the Airbnb properties, 22% have 'Superhost' status, a badge the platform automatically awards to top-performing Hosts.³⁰

Poor Quality Hotels

6.18 The Asset Audit identified some poor quality but larger hotels that are dragging down the overall standard of experience. There is a risk to the town in terms of its reputation and so actions to raise standards in these properties would be timely. Four of these hotels are owned by the OYO Group, which has acted as a middle man in the use of hotels for migrants and asylum seekers.³¹ This type of usage may reduce the quality of experience for other types of visitors and may make it more difficult to raise standards for the resort more generally.

³⁰ Details of Airbnb's Superhost requirements can be found [here](#)

³¹ [The Sunday Times](#) 21 July 2024

Table 7 - Poor Quality Hotels

Table 7 Poor Quality Hotels	% of Very Good + Excellent Ratings
Albany (Lions) Hotel / OYO Diamond Hotel Eastbourne	42%
Cavendish Hotel	48%
Majestic Hotel	49%
Glastonbury Hotel	53%
OYO Marine Parade Hotel	56%
Burlington Hotel	65%
OYO Oban Hotel	65%
Citrus Hotel	65%
Hadleigh Hotel	66%
OYO Carlton Court Hotel	68%

Image 5 - Glastonbury Hotel Frontage Marine Parade



Accessibility

- 6.19 At the time of the review 47 (11%) of properties in Eastbourne are listed on Booking.com as having units on the ground floor or accessible by lift. Only 8% state more specific accessibility measures.
- 6.20 A report by VisitBritain³² estimated that 30% of establishments in the UK were accessible ('accessible' was defined as having a step-free access and at least one room for wheelchair users). However, it also found that nearly two thirds (63%) of businesses which provide for accessibility needs say they do not promote the fact that they do.

³² National Survey on Accessibility Provision (2015)

- 6.21 Travellers with accessibility requirements make up a significant part of the potential tourist market, and typically spend a higher-than-average number of nights in a destination. VisitBritain found that in 2018, 19% of the GB population had a health impairment, and the most common was a long-term illness. Long domestic holidays (4+ nights) were the most common type of trip for those with a health impairment.
- 6.22 About a third of UK properties listed on Booking.com are now listed as “pet-friendly”, while 70% of owners take their dog with them on holiday³³. The ‘holi-dog’ boom began after dog ownership soared during lockdown. Since Brexit it has become expensive and complicated to take a dog to continental Europe, further increasing demand for domestic dog-friendly holidays. Friends of Eastbourne Seafront and VisitEastbourne have been proactive in promoting this market through its Dog Friendly Guide. 14% of Airbnb properties in Eastbourne allow pets, Around 44% of accommodation providers responding to the business survey allow dogs with over 70% of hotels doing so but only 23% of B&Bs.

Current Market Trends

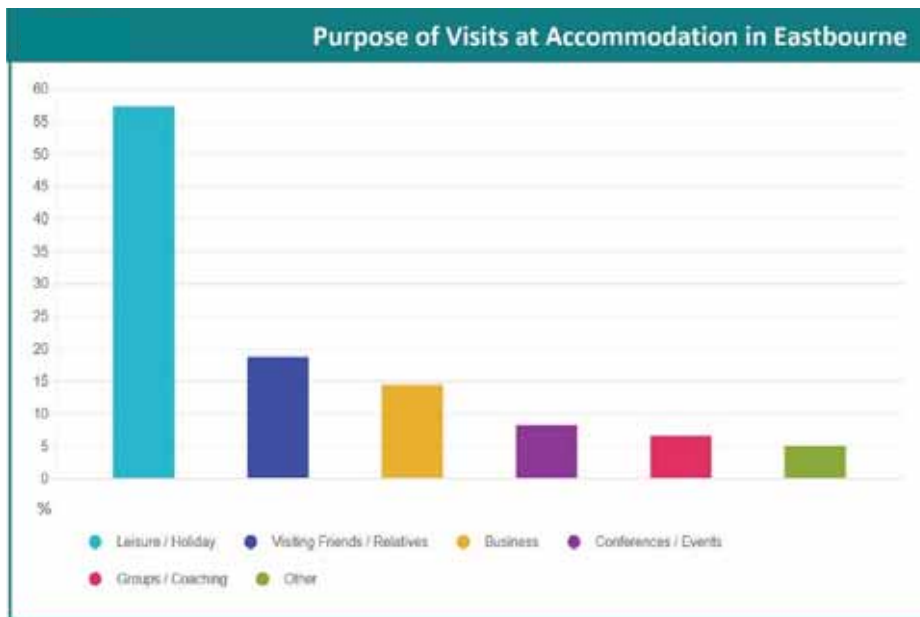
- 6.23 The survey of tourism accommodation operators identified the leisure/holiday market as the main source of visitors to accommodation in Eastbourne, with almost 60% of the share. The national average for holiday trips is 31%.³⁴ Business travel is also higher in Eastbourne than average at 22% (combining ‘business’ and ‘conferences/events’), compared with 5% for England. Visiting Friends and Relatives (VFR) is the other sizeable market. See Figure 14 overleaf.
- 6.24 The Market Review undertaken as part of the study analysed the home location of mobile phones and other devices, (and the anonymized visitors that carry them), at three locations in Eastbourne. The sample data relates to trips taken in 2023 to The Beacon shopping centre; the lobby of the Grand Hotel; and Redoubt Car Park on the seafront. These venues were selected as being broadly reflective of residential, staying visitor and domestic day visitor markets. The dataset does not reflect total trips but a sample size of over 35,000 makes the findings accurate.³⁵

³³ Dogs Trust, The Guardian (2024)

³⁴ VisitEngland (2023) Great Britain domestic overnight trips

³⁵ A more detailed report on the market review can be found in the Asset Audit – see Footnote # 19 for link

Figure 14 - Purpose of Visits to Accommodation in Eastbourne



- 6.25 The Beacon’s larger sample indicates higher footfall, reflecting its popularity as a retail, food, drink and entertainment venue. Residents, defined as people living within two miles of any site, are also included in the analysis. However nearby residents may be under-reported in the data as they are less likely to use apps (such as mapping) so close to home.
- 6.26 As the bar chart in Figure 15 overleaf and the heatmap on page 42 show, Eastbourne draws from a relatively local catchment but also attracts visitors from the wider South East region including London. The data shows flows particularly from main centres of population but only a little over 5% of visitors are travelling from over 100 miles away or from overseas. Usually these visitors will be staying, either with friends and relatives (VFR) or in commercial accommodation.
- 6.27 The Grand Hotel receives visitors largely from the local and regional areas, living within 100 miles (which includes Greater London). The hotel has the highest ratio of visitors who live between 20 and 100 miles away – showing its importance as a regional and to some extent a national attraction as it also receives the highest proportion of visitors from over 100 miles away (7.4% of total) when compared with the other review areas. Just under 8% of visitors were from further afield, but surprisingly only 0.2% recorded from overseas. The study location was the hotel lobby, so the count will include day visitors to the restaurants, spa and events in addition to overnight visitors.

Figure 15 - Origin of Visitors to Grand Hotel



6.28 The overseas league table shown below shows the top 10 overseas markets to the three sites in Eastbourne, generally reflecting the UK norm.³⁶ The exceptions are France and Spain where Eastbourne is significantly over-represented which may be due to the language school market, key events such as the tennis, or reflect the movement of ex-pats arriving back home for a trip.

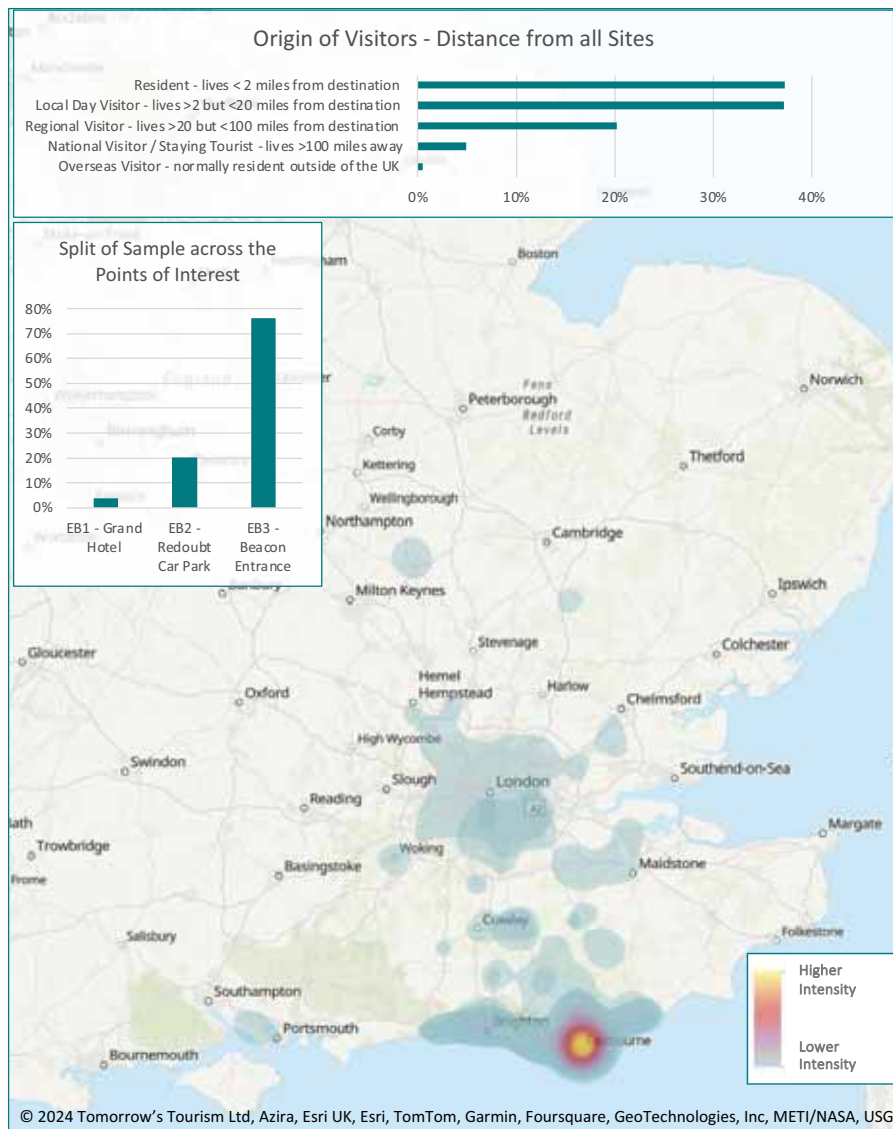
Table 8 - Overseas Markets relative to England as a whole
(Source (2023) Tomorrow's Tourism / Azira)

Table 8 Overseas Market			
Country	Count (value)	% Share	EB v. ENG
ESP	29	15.9%	8.2%
FRA	29	15.9%	5.1%
USA	23	12.6%	-5.0%
ITA	12	6.6%	1.5%
DEU	10	5.5%	-3.1%
NLD	10	5.5%	-0.8%
CHE	6	3.3%	0.0%
SAU	6	3.3%	3.0%
BEL	5	2.7%	0.1%
MEX	4	2.2%	1.9%

6.29 Ireland and the USA are under-indexed meaning that the town attracts proportionally fewer of these visitors than other parts of the UK. The relatively poor showing of Ireland is likely to be geographic as the North West traditionally receives a high level of VFR traffic (Visiting Friends & Relatives) from Ireland. Over-indexing of French and Spanish markets may be a result of the established language school business and can be further developed via marketing partnerships with VisitBritain, Tourism South East and other partners.

³⁶ Top Overseas markets compared with VisitBritain's IPS Total UK Summary 2022 available [here](#) together with a decade of IPS Top Towns data. EB V ENG column shows the relative strength of Eastbourne when compared with what the UK as a whole receives from the market. 2022 was still COVID-19 affected so may not be illustrative of the longer-term trend.

Figure 16 - Origin of Visitors to Eastbourne



Key Issues for Eastbourne's Accommodation Sector

6.30 The cost-of-living crisis has been a relatively recent but fundamental constraint to growth for Eastbourne's accommodation providers. Also seen as important constraints for those businesses completing the survey are regulations as regards taxation, planning and other government requirements as well as the difficulty of attracting new investment and challenges in finding staff. These issues mirror the wider UK visitor economy and have been created by a combination of the aftermath of the COVID-19 pandemic, high inflation and low growth. The cost-of-living crisis has had a much more severe impact on the hospitality sector than other sectors and this is still being felt in restaurants and accommodation. Cafés and take-away establishments where spend is lower have done better in such an environment.

6.31 In Eastbourne's case these macro-economic factors have combined with a structural decline in visitor numbers which has exacerbated an already difficult context. There were other concerns expressed by interviewees about the sharing economy (lack of a level playing field) and the trend towards residential conversion and Houses of Multiple Occupation use which is seen by many as a threat to the ambiance of the visitor experience.

Changes to the Property Mix over time

6.32 A range of reports have identified Eastbourne's stock over the last decade of which the most comprehensive is the Eastbourne Tourist Accommodation Study produced in 2015.³⁷ We have used the 2015 study as the benchmark as we are not sure of the derivation of some of the other reported data, for example from VisitEngland.

6.33 The accommodation mix has changed significantly over the decade as Table 9 overleaf shows. When considering establishments (Est.), there has been significant switch in category from serviced to non-serviced. The former declined from 106 to 69 properties, while non-serviced has increased from 98 units to 343.³⁸ This level of increase is following national trends with the proportion of serviced to non-serviced units moving from 52:48 to 17:83.

6.34 This increase in non-serviced visitor accommodation in the UK over the last decade is driven by a number of factors, including the rise of digital platforms and the sharing economy (particularly Airbnb), changing traveller preferences, economic considerations and the impact of the COVID-19 pandemic. Meanwhile, serviced accommodation has faced challenges such as rising costs, staff shortages, changing consumer behaviour and increased competition from non-serviced alternatives. This trend is structural and is unlikely to be reversed which has greater implications for resorts such as Eastbourne that have a high amount of serviced stock.

6.35 When looking at room numbers, however, a different picture emerges. Rooms have not increased to the same degree with only a 3% overall growth over the decade since 2015. Visitor numbers have declined by a third which is what has made it much harder work for accommodation providers. A number of businesses made the point that Airbnb has created an unlevel playing field which is correct, but it is not necessarily the case that Airbnb has added a lot of additional rooms. Rather it should

³⁷ See Table 1 on Page 12

³⁸ The churn figure is indicative only, 2015 data does not allow a fully accurate assessment of the non-serviced category.

be regarded as a sales channel that both businesses and residents have used in order to more effectively distribute their offer.

Table 9 - Accommodation Mix Change

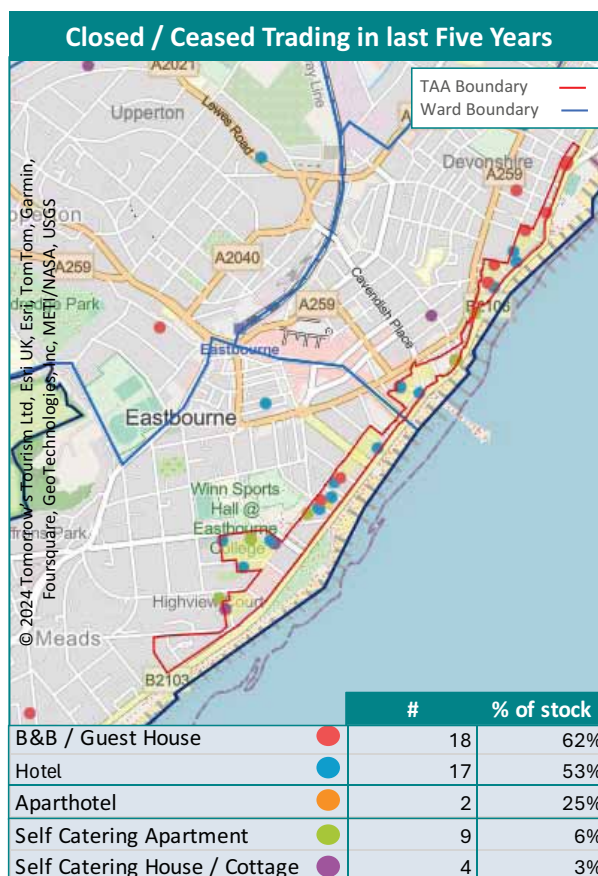
Table 9 Accommodation Mix Change						
Sub Category	2015 Est.	2024 Est.	Trend	2015 Rooms	2024 Rooms	Trend
Serviced						
Hotel	42	34	-19%	2,613	1,965	-25%
B&B / Guest House	60	30	-50%	486	286	-41%
Branded Budget Hotel	4	5	25%	229	327	43%
Non Serviced						
Self-Catering house / flat	98	343	250%	266	892	235%
Total - all categories	204	415	103%	3,594	3,674	2%

- 6.36 In terms of the churn in the number of rooms over the last five years, 9% of survey respondents (only hotels) reported an increase, while 22% (mainly B&Bs) reported a decrease. 4% reported an increase in the number of bed spaces and 30% a decrease. This reflects the trend. Some 10% of properties surveyed reported a change of ownership in the last five years.
- 6.37 Appendix IIA of this report plots the churn of C1 stock in Eastbourne via planning applications which proposed a change of use from C1 to other use. The applications within the study were all those recorded on the Council's planning register. The date range extends from 2016, in order to include representation of the situation prior to the adoption of the SPD.³⁹ The plot reflects the validation dates of 43 planning applications, most of which relate to a proposed change of use for part or all of an existing C1 site. A smaller number of applications proposed a change of use to C1 from another use or the enlargement of an existing C1 site. The plot excludes applications that are immaterial to this study, such as those for minor alterations, and any applications for Listed Building Consent where the full planning application is already included on the plot. Appendix IIB overlays the preceding plot with information on economic trends and socio-political events which may potentially have influenced the pattern of applications.
- 6.38 The majority of accommodation closures have been in the TAA or the immediate area (see Figure 17 below). This continues the trend identified in the 2015 Tourist Accommodation Study. There has been a significant churn over the last 5 years for the serviced offering reflecting the wider trends reported in Table 9 above. The fact

³⁹ Tourist Accommodation Retention – Supplementary Planning Document

that the majority of closures have occurred in the TAA indicates commercial pressures caused by a decline in the market. It should be noted that some of the smaller B&Bs are likely to have converted to non-serviced offer during this period.

Figure 17 - Visitor Accommodation Closures

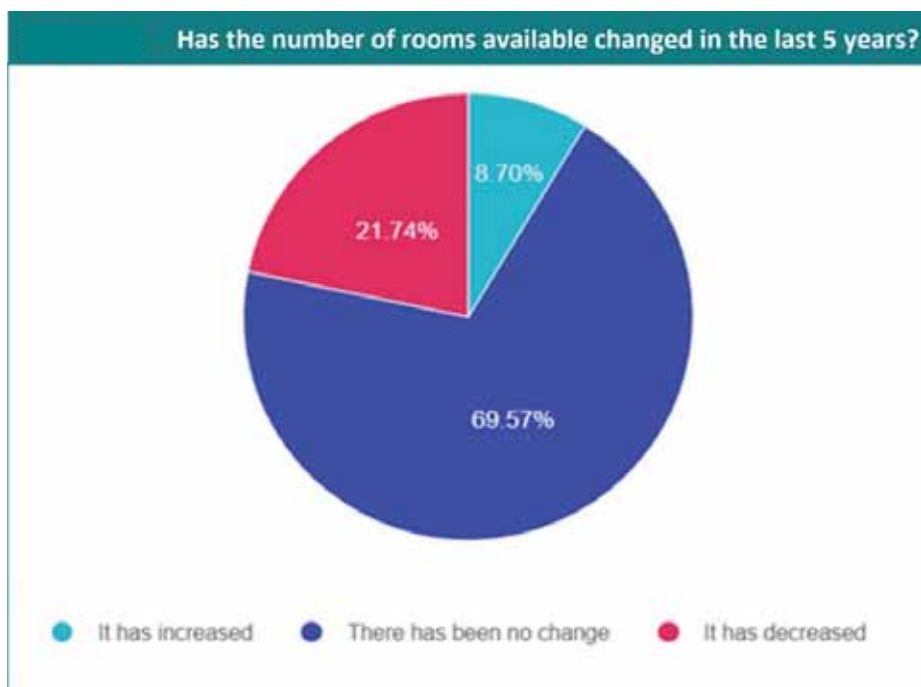


6.39 Details of closed properties (see Appendix V for a reference listing) have been sourced from a range of sources and it is often that a digital trail remains. We assume that many of the guest-houses and bed and breakfast have been subject to the normal churn, i.e. retired / resold / rebranded or changed category to non-serviced. Without evidence to the contrary however the majority have been allocated to the *Closed Unknown* category.

6.40 Figure 18 below, drawn from the Survey of Accommodation Providers, shows the picture relating to rooms which can be considered a robust result. A net decrease of -13 shows the trend for closures repeated in rooms although it does show some operators are seizing new business opportunities and expanding the size of their businesses. While some operators are expanding, these efforts have not been enough to counterbalance the overall decline.

6.41 The survey of accommodation operators revealed that two (from 23) indicated that the ownership of the accommodation had changed in the last five years. Over the last five years, planning permission had been sought by four of the businesses responding to the survey (17%) with three being successful and one unsuccessful. A total of 19 businesses (or 82%) had made investments over the last five years averaging £189,000 per property with a median spend by property of £35,000 suggesting that while a few businesses have made substantial investments, many others have made only modest upgrades. Forward investment plans are hampered by current economic conditions. This could mean fewer improvements or expansions in the near future, which may affect the quality and availability of accommodations.

Figure 18 - Has the number of rooms available changed in the last 5 years?



7 Overview of Planning Policy, Impacts & Current Relevance

- 7.1 This Section provides an overview of existing Tourist related Planning Policy (and associated guidance) within the Development Plan (Eastbourne Core Strategy (2013) and Eastbourne Borough Plan (2003, saved policies)). Following the policy overview, an analysis is made of historical planning applications relating to C1 use. The objective has been to understand the general patterns of approval/refusal over time, the distribution of applications in regards to the Tourist Accommodation Area (TAA) and how decision-makers have been applying the TAA-related policies in practice. This acknowledges the background context has changed since adoption of these policies and the appropriateness of these policies is considered in the current day climate. Potential changes to national policy and legislation and their potential impacts are then considered.

Planning Policy Overview

- 7.2 The following summarises the current development plan policies insofar as they relate to tourism – in particular, focusing on those involving change of use / retention of existing holiday accommodation. Note that additional tourism and related policies are listed in the relevant section.
- 7.3 The current Development Plan Policies pertaining to tourist accommodation are summarised below. This is followed by a summary of wider tourism related policies.

Eastbourne Core Strategy (2013)

- **Policy D3: Tourism and Culture** recognises *‘the vital role that tourism and culture play in Eastbourne’s current prosperity. It identifies clear ways in which the Council will seek to maintain and enhance tourism and visitor facilities in the town.’*
- Importantly, it seeks to *‘Resist the loss of visitor accommodation through the retention of a tourist accommodation area* and protection policy (amongst other criteria)’.*

Eastbourne Borough Plan (2003, saved policies)

- **Policy TO1 ‘Tourist Accommodation Area’** states that ‘within the tourist accommodation area⁴⁰, shown on the Proposals Map, planning permission will be refused for proposals which are incompatible with the tourist accommodation use’.
 - Examples of incompatible uses include, for example, proposed HMO uses. It is not considered appropriate to permit houses in multiple occupation in the tourist accommodation area - see Borough Plan H014, which states that: ‘HMOs will not be permitted in the tourist accommodation area defined in Policy TO1.’
- **Policy TO2 ‘Retention of Tourist Accommodation’** states that within the Tourist Accommodation Area (TAA), identified on the Proposals Map, planning permission will not be granted for the redevelopment or change of use of tourist accommodation to any other use.

7.4 In this Policy “tourist accommodation” means serviced tourist accommodation (Class C1 use) and non-serviced tourist accommodation. The loss of tourist accommodation is strongly resisted by Policy TO2, although this policy seeks to retain tourist accommodation within the tourist accommodation area, alternative use of the premises can be allowed if it has been demonstrated that continuing the C1 use is not viable. Several factors are taken into account in determining viability, including location, and economic factors such as costs of repair, refurbishment and market value (amongst other factors).

The Tourist Accommodation Retention SPD 2017

- 7.5 the Tourist Accommodation Retention Supplementary Planning Document (SPD) 2017 is of particular importance in the assessment of planning applications. This SPD provides additional detail on the interpretation of the following adopted local planning policies:
- **Eastbourne Borough Plan Policy TO1: Tourist Accommodation Area**
 - **Eastbourne Borough Plan Policy TO2: Retention of Tourist Accommodation**
 - **Core Strategy Policy D3: Tourism and Culture**

⁴⁰ The Tourist Accommodation Area is identified in Appendix IV:

- The Proposals Map (Borough Plan 2003);
- The Policy Map accompanying the Eastbourne Core Strategy 2013 and;
- The Tourist Accommodation Retention SPD2017 (it is noted that, unlike the Proposals and Policy Map, the SPD further divides the Tourist Accommodation Area into Primary and Secondary Sectors).

7.6 As noted in paragraph 4.12, the SPD divides the Tourist Accommodation Area into Primary and Secondary Sectors. This is to ensure that the tourist accommodation that is within the prime and most popular areas is retained and lesser quality stock in less prominent locations can be reduced over time.

7.7 The SPD indicates that the areas of poor-quality stock are those in less prominent locations - i.e. those behind the seafront that do not have views onto the sea or front garden spaces:

'It is in these locations where there is a large concentration of lower quality accommodation that is struggling to compete, and this is where there should be a gradual reduction of poor-quality stock that will not be fit-for-purpose in the medium to long term, which in turn should help stimulate investment in better quality accommodation appealing to a broader range of visitors.'....

In order to ensure that that tourist accommodation that is within the prime and most popular areas is retained, and poor-quality stock in less prominent locations can be reduced over time, it is considered that the Tourist Accommodation Area should be divided into Primary and Secondary Sectors.'

7.8 It is important to note that the full TAA remains relevant in assessing the appropriateness of proposed uses within the TAA, despite the identification of both Primary and Secondary areas. This means that, even if it can be demonstrated that a tourist accommodation unit is no longer viable against the relevant criteria set out in the SPD, a change of use to HMO would not be permitted due to its incompatible use (See HO14).

7.9 Further Relevant Policies include:

- **Borough Plan Policy TO3:** Tourist Accommodation Outside the Designated Area - Outside of the tourist accommodation area planning permission will be granted for the change of use of tourist accommodation to class C3 use (dwellinghouses) subject to Policy HO9 of this Plan.
- **Borough Plan Policy TO4:** Improvements to Existing Accommodation - Developments and alterations which upgrade and improve the quality accommodation and other related facilities will be granted planning permission, subject to the residential and visual amenity considerations set-out in Policies HO20 and UHT4.
- **Borough Plan Policy TO5:** New Tourist Accommodation - Within the tourist accommodation area planning permission will be granted for additional serviced (use class C1) and un-serviced tourist accommodation, subject to the residential and visual amenity considerations set-out in Policies HO20 and UHT4. This policy

is in accordance with the NPPF – see 7.10 below. In exceptional circumstances planning permission will be granted for new class C1 uses (hotels and guest houses) outside the tourist accommodation area where it can be satisfactorily demonstrated that:

- a) there is a need for the proposed development that cannot be met within the tourist accommodation area;
 - b) the development would link to and complement an existing or proposed tourism or leisure facility;
 - c) there would be no detrimental effect on residential, visual or environmental amenity including views from the Downland.
- **Borough Plan Policy TO9: Commercial Uses on the Seafront – Planning permission will not be granted for the change of use of properties in King Edwards Parade, Grand Parade, Marine Parade, Royal Parade and Prince William Parade, to commercial or retail uses other than hotels and guest houses and their ancillary restaurants/bar facilities, unless the external appearance is unaltered and the proposed use is compatible with tourist accommodation.**
 - **Policy HO14: Houses in Multiple Occupation** - Planning permission will be granted for the establishment and retention of Houses in Multiple Occupation (HMOs) provided they comply with residential, visual and environmental amenity considerations set-out in Policies HO20, UHT4 and NE28. HMOs will not be permitted in the tourist accommodation area defined in Policy TO1.
 - **Eastbourne Town Centre Local Plan 2013** - The TCLP identifies objectives for the town centre including Objective 8 (Supporting tourism and business) which seeks to ‘ensure the regeneration of the Town Centre contributes to Eastbourne as an important tourist and business destination including opportunities for providing a range of hotel uses through retention and enhancement of existing stock and through new development’. However, the policies of the TCLP do not specifically relate to tourist accommodation.

7.10 Within the NPPF, ‘Tourism development’ is identified as a ‘Main town centre use’. Tourism development includes theatres, museums, galleries and concert halls, hotels and conference facilities. Paragraph 91 of the NPPF states:

‘Local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.’

7.11 The TCLP identifies objectives for the town centre including Objective 8 (Supporting tourism and business) which seeks to ‘ensure the regeneration of the Town Centre contributes to Eastbourne as an important tourist and business destination including opportunities for providing a range of hotel uses through retention and enhancement of existing stock and through new development’. However, the policies of the TCLP do not specifically relate to tourist accommodation.

Observations

7.12 The Eastbourne Core Strategy (2013) identifies the ‘*retention of existing holiday accommodation*’ as a **Key Spatial Objective** (Key Spatial Objective 5: Tourism) together with policy D3 (Tourism and Culture) which seeks to ‘*resist the loss of visitor accommodation through the retention of a tourist accommodation area and protection policy*’.

7.13 This is reinforced through TO2 of the Eastbourne Borough Plan 2003, which states that:

‘Within the tourist accommodation area identified on the Proposal Map planning permission will not be granted for the redevelopment or change of use of tourist accommodation to any other use....only in exceptional circumstance will planning permission be granted for any other use, this means that the applicant must demonstrate that the continuing use of the land as tourist accommodation is not viable.’

7.14 Furthermore, the following policies are also extant:

- **TO1 of the Eastbourne Borough Plan 2003** seeks to resist inappropriate uses within the identified Tourist Accommodation Area.
- **The ‘Tourist Accommodation Retention SPD2017’** (SPD) details on how the aforementioned policies (TO1, TO2 and D3) should be interpreted.

7.15 Thus, while it can be seen that the Council does have an appropriate range of policies within their development plan to protect tourist accommodation stock and the SPD supports conversion of serviced accommodation to non-serviced before full loss, these policies need updating in the light of changes to demand. The effectiveness of these policies (and accompanying SPD) is considered in the following Section and later recommendations set out alternative policies.

Planning Impacts Overview

- 7.16 An analysis has been made of historical C1 planning applications in Eastbourne. The analysis includes all identified relevant decisions made after the adoption of the Tourist Accommodation Retention SPD (22 February 2017). The analysis also extends into 2016, to provide a representation of the time prior to the adoption of the SPD. The objectives have been to understand the general patterns of approval/refusal over time, the distribution of applications in regards to the Tourist Accommodation Area (TAA) and how decision-makers have been applying the TAA-related policies and guidance in practice. See Appendix IIA and IIB which summarise the findings.
- 7.17 The data reflect the submission/validation dates of the applications. It should be noted that the data relate to planning decisions and that the approvals presented on the plots have not necessarily been implemented.
- 7.18 There has been a very modest amount of approved C1 gains within the TAA subsequent to the adoption of the SPD, as follows:
- 170242 - Proposed conversion of an HMO to 9no rooms of holiday accommodation;
 - 230269 - Proposed a 4th storey resulting in 12no new guestrooms;
 - 220656 - Proposed a net gain of 1no guestroom from the merger and extension of 2no adjoining hotels).
- 7.19 However, applications have predominantly proposed a reduction in C1 floorspace/rooms and the majority have been approved. These have been a mixture of partial and total loss of the hotel (or guesthouse) and most have proposed a change of use from C1 to C3.
- 7.20 Most applications have related to sites in the Secondary Zone of the TAA. The principle of the loss of C1 accommodation has generally been accepted with consideration of the SPD, which supports a gradual loss of visitor accommodation in this zone in order to reinforce the viability of the TAA overall. Generally, approvals have been given where applicants have been able to demonstrate non-viability in accordance with the criteria of the SPD. Where applicants have not presented sufficient viability data, they have either been refused or pressed to provide more information.
- 7.21 The LPA has also readily acknowledged the relevance of 11d) (of the NPPF) in these decisions. For some applications a reduction in hotel size was considered to be an

'improvement' (in accordance with the SPD) as the remaining hotel would become more viable.

- 7.22 The most significant approved loss in the Secondary Zone was for ~48no rooms (ref no.220579). The description of the proposal was:

'Various extensions and alterations to rear up to fifth-storey level, alterations and opening up of lower ground floor to front elevation and change of use from hotel (C1) to 16 x residential flats (C3) and 12 x holiday let flats (C3).'

The applicant submitted economic data indicating the hotel operation was no longer viable.

- 7.23 The second largest loss (ref.no 200280), was:

'Outline planning application (Access, Appearance, Layout and Scale) for the conversion of rear of hotel at 15-21 Hartington Place to 21N° two-bedroom flats (Listed Building Consent under reference 200308).'

This was approved at committee and in fact retained most of the hotel.

- 7.24 Refusals/dismissed appeals in the Secondary Zone were mostly HMO applications. 3no of the applications (200391 (HMO), 210711 (HMO) and 200583 (sui generis assisted-living)) were during the Covid-19 pandemic – in each case the LPA/Inspector found them to be an incompatible use for within the TAA and therefore in conflict with the SPD and HO14. The loss of hotel, though, was accepted with consideration of the SPD. A fourth pre-Covid example (170958) was also refused due to the incompatibility of an HMO, but additionally because the applicant did not present viability data in accordance with the SPD.

- 7.25 Five applications for change of use to C3 were approved within the Primary Zone. For two of these (220012, 220870) it was accepted that the principle for loss of hotel at the site had already been established by previous decisions. For a further two applications (180232, 190665) Officers and Committee agreed that the applicants had demonstrated the non-viability of the site (including for 190665 that the C1 use was abandoned due to prolonged vacancy). The remaining example (180476) proposed loss of function space rather than hotel rooms and as such it was considered that Saved Policy TO2 did not apply in this instance.

- 7.26 Regarding the only prominent refusal in the Primary Zone (210711), the LPA objected to the loss of a hotel in a primary position and, further, found that the marketing evidence requirements had not been met (in conflict with TO2 and D3).

- 7.27 Applications outside of the TAA have been accepted in the absence of a policy resisting loss of tourist accommodation outside of the TAA. This has included applications for change of use from C1 to HMO.
- 7.28 It is noted that there were also HMO applications for Lawful Development (existing use) approved in the TAA (160528, 220375 and 220695) on the basis that they have been used as an HMO for the previous ten years and were therefore immune from enforcement action and considered lawful. There were similar lawful development approvals for former C1 sites that are now C3 dwellings (200130, 200307, 230528 and 230534). It must be noted that a lawful development certificate (LDC) is not a planning application and that policy and guidance is not applicable. LDCs were not included in Appendix IIA.
- 7.29 In summary:
- the Tourism Accommodation Retention Supplementary Planning Document appears to have been an effective mechanism for controlling and managing changes in tourist accommodation in the TAA;
 - Decision takers (LPA and Inspectorate) have routinely identified the SPD as relevant and applied the wording and criteria in their decision making;
 - Losses in the Primary Zone have only been permitted where non-viability has been demonstrated (and only C3 uses have been approved);
 - Many losses have been approved in the Secondary Zone (to C3 uses only) in line with the intentions of the SPD.

Commentary on national and international events

- 7.30 Some preliminary consideration has been given to potential influencing factors for the applications documented here. Significant national and international events have occurred in the studied interval.
- 7.31 It is recognised that each case reflects unique personal circumstances which have led the applicant to make the submission and this case-specific context often cannot be readily discerned from the application documentation. Nonetheless, these applications all relate to C1 businesses and it is reasonable to consider the wider economic /political /social factors that may cause business owners to expand or contract their operations (noting again that the charts in Appendix II are based upon the submission dates of the applications). The apparent clustering of submissions further indicates that such an analysis is warranted.

7.32 Thus, Appendix IIB modifies the preceding Appendix IIA by overlaying information on political and social events that are thought to have influenced the national economy. The nature of the apparent correlative economic impact is indicated by a plot of Sterling performance during this time interval (£GBP to \$USD exchange rate). Particularly, this period includes events relating to Brexit and the Covid pandemic. It is valid to note that the number of applications is relatively low for an analysis of this nature - nonetheless, some possible patterns and correlations can be speculated upon, where a number of applicants have synchronously sought to reduce or close their businesses. These include:

- Q2 2018 - immediately subsequent to the announcement of the Brexit plan;
- Q3-Q4 2019 - immediate buildup to leaving the EU;
- Q2 2020 - subsequent to leaving the EU and onset of Covid pandemic;
- 2021 – emerging/aftermath of Covid pandemic;
- Q3-Q4 2022 - period of ‘mini-budget’ and the related economic uncertainty.

7.33 It is relevant to note that, throughout these times, the Tourist Accommodation Retention SPD has largely remained effective in precluding the loss of tourist accommodation from the TAA Primary Zone, despite the extreme and potentially mitigating events of recent years. At the same time, the intended reduction of sites in the Secondary Zone has been enabled. This indicates that policy (with the SPD) is an effective tool for controlling and managing changes in tourist accommodation in Eastbourne – i.e. based on the evidence, the policies and SPD are working as intended.

Appropriateness of the Tourist Accommodation Area Policy Today

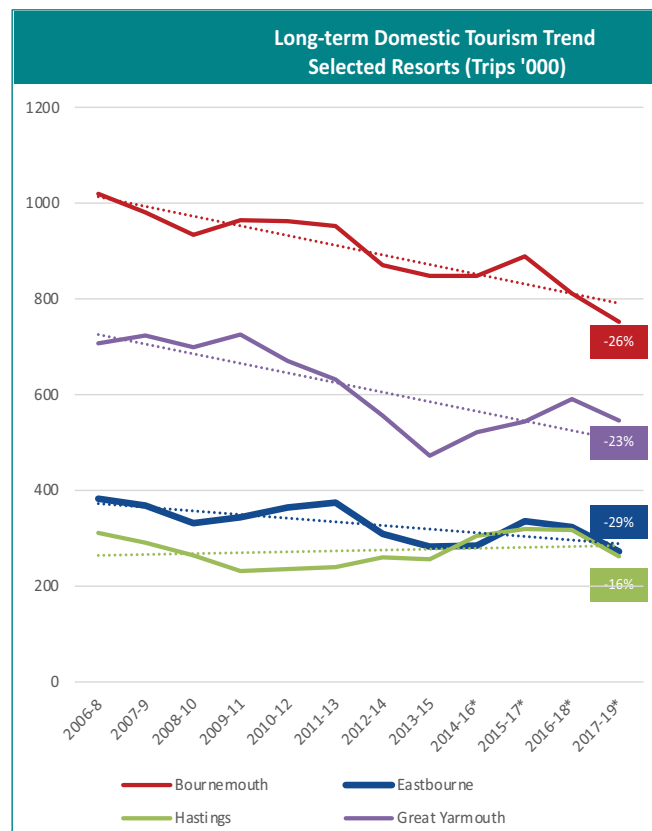
7.34 Both the policies and associated guidance have been adopted for a considerable time. In this time the market has changed dramatically. Previous sections of this report have commented on both current levels of supply and customer trends. In summary over the last decade:

- There has been a switch by consumers away from serviced accommodation towards non-serviced formats with this change being structural in nature;
- There has been continued decline in the market for tourism. Figure 19 below shows that generally resorts have seen a decline in tourism staying visits of between 15% and 29% over the period 2008-19;
- While the number of rooms available in Eastbourne has remained broadly constant over the last decade, many new smaller operators have entered the

market. These properties are spread out across Eastbourne, with around half of these establishments operating outside of the TAA;

- Table 2 on page 24 shows that there are 1,965 rooms available in 34 larger serviced hotels, most of which are in the TAA. The average size of hotel is 58 rooms. A significant percentage of this stock is not of the requisite quality and will not meet the needs of contemporary visitors, such as those attracted to events or conferences;
- Valuable high quality accommodation stock does exist, which needs to be retained;
- Table 6 on page 32 shows that the serviced accommodation occupancy rate of 66% in Eastbourne is both lower than the South East (77%) and other seaside resorts (74%). This occupancy rate is likely to be precluding new investment as it restricts viability and indicates over-supply, particularly of serviced accommodation;
- Table 7 on page 38 shows a list of poor-quality hotels currently operating in Eastbourne. These types of establishments are likely to be reducing the quality of the visitors' experience and also reducing the frequency of repeat visits. Six of these hotels are in the western part of the TAA with four in the eastern section.

Figure 19 - Long-term Domestic Tourism Trends – Selected Resorts
(Trips '000s - VisitBritain 2021 GBTS 2008-2019)



- 7.35 The findings earlier in this Section indicate that the planning policies which seek to retain tourist accommodation are ‘working’ to their intended purpose, that is they are prohibiting proposed changes of use of tourist accommodation without the relevant demonstrated non-viability evidence, this then brings into question the appropriateness of such policies in the current context.
- 7.36 The conclusions set out in paragraph 7.34 above show that there is too much supply for current demand and that some serviced stock is not offering the standard required. Reducing the number of rooms by the 29% reduction in demand seen over the period 2008-19 implies the reduction (or major reinvestment) of some ten to twelve hotels within the TAA. The current policy is preventing this from taking place.
- 7.37 Notwithstanding this, it is important to acknowledge the importance of Eastbourne’s tourism economy and the continued importance of retaining an appropriate level of accommodation – in particular the higher quality stock, much of which is positioned westwards. The Georgian and Victorian merits of this area and particular hotels are noted and the economic benefits in terms of employment and income for the town are considerable.
- 7.38 Accordingly, the intention of the policies and guidance remains relevant to a degree in protecting valuable stock – however – due to the excess of stock, the policies and guidance are currently overly stringent – a modified approach should now be considered to allow / promote opportunities for alternative use or redevelopment.

National context – Introduction of use class C5

- 7.39 At the time of writing, a new government has recently won the UK election. A Planning and Infrastructure Bill has been announced with a focus on housing delivery. The NPPF is also expected to be amended / updated. At this point there are limited details and it is not clear if or how changes will impact on tourism and associated planning matters. Prior to their departure, the previous Conservative Government consulted on a number of changes. In relation to hotel / tourist accommodation, these included the introduction of a C5 use class and consultation on a statutory registration scheme for short-term holiday lets.
- 7.40 There is currently no formal ‘use-class’ categorisation for short-term lets within the planning system, unlike for other forms of visitor accommodation. In the current absence of a dedicated use class, ambiguity exists as to where short-term lets ‘should’ belong – currently they can be classed as C1, ‘*sui generis*’ (i.e. not classified) or, in some cases, C3 (residential dwellinghouses). The previous government sought

to create a formal use class categorisation for short term lets so that such developments could be brought properly within the planning system.

7.41 To this end, a government consultation was undertaken in 2023. The consultation proposed a new 'C5' use class for short term lets. It also proposed a statutory register of short-term lets to provide local authorities with an understanding of their extent, distribution and to enable compliance to industry norms. A response to the Consultation was due in 'summer 2024', however, in July 2024 the Ministry of Housing, Communities & Local Government confirmed that it was unable to anticipate if the new administration will take forward any of the proposals previously consulted on.

7.42 The Consultation further proposed permitted development rights for the change of use from a C3 dwellinghouse to a C5 short term let and *vice versa*. In a situation where a local authority recognises a local issue regarding the occurrence of C5 properties, the consultation stated:

'Local planning authorities may remove a permitted development right by making an Article 4 direction in line with national policy set out in paragraph 53 of the National Planning Policy Framework'.

7.43 Paragraph 53b) of the NPPF states:

'the use of Article 4 directions to remove national permitted development rights should...be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities)'.

7.44 Article 4 directions may be made as 'immediate' or 'non-immediate', with differing advantages and disadvantages to both approaches. An 'immediate' Article 4 direction benefits from its immediacy but can result in subsequent issues such as compensation payments. A 'non immediate' Article 4 might avoid such consequences but, by being non-immediate, allows for the rushed enactment of the PD right prior to the Article 4 coming into force – thus, property owners might be spurred on to enact the PD right (C3 to C5 or *vice versa*) in the awareness that the window of opportunity is limited.

7.45 It should be noted, however, that Paragraph 53 c) states that, when considering the use of Article 4 directions to remove national permitted development rights, this must '*in all cases, be based on robust evidence*'. Further, any Article 4 direction should relate to the smallest geographical area possible.

7.46 The process of developing an Article 4 direction will help the LPA to identify any potential issues. Resources must be allocated to gather evidence and to draft and propose the Article 4 direction with the supporting justification. The information gathered as a result of this study can be considered as evidence for this justification,

Statutory Registration Scheme for Short-term lets

7.47 At the time of writing there is no 'register of short-term lets' but the consultation on it was advanced as part of the last government and legislation was drafted. The Asset Audit undertaken as part of this study has illustrated the range and location of non-serviced accommodation in the town. Appendix IV indicates the number of short term lets in Eastbourne split into Airbnb and other non-serviced properties which has risen from 50 to 343 establishments over the decade from 2015. In the absence of a statutory register, the information available in this study can be used as an indicator as to the number and distribution of short term lets.

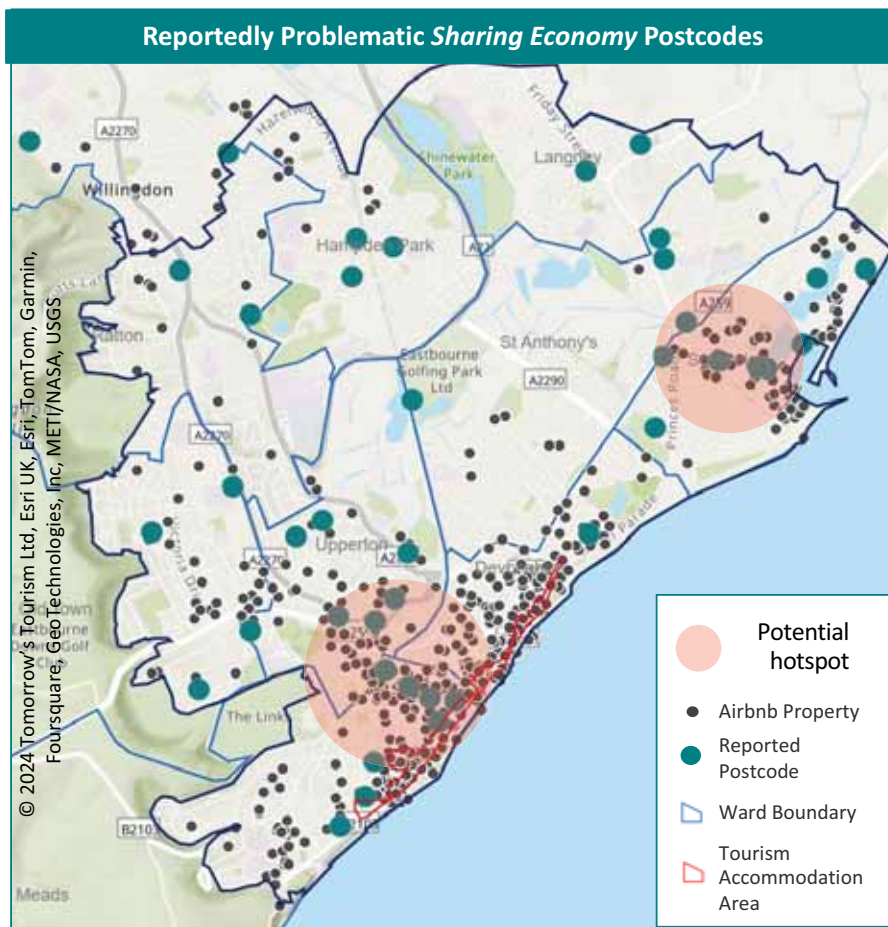
7.48 With regards to current Airbnb properties, a self-selected survey of residents undertaken as part of this study, found that 15% of respondents (49) indicated that Airbnb and other sharing economy activity created either a very negative or negative impact.⁴¹ The postcodes where issues are reported are mapped in Figure 20 below. The pink shaded circles on the map show two areas where there may be a correlation between sharing economy short-term lets and residents' concerns although it should be noted that even in those hotspots only 15 residents responded. Typically, the types of impacts that residents may become aware of include noise, late night entry and exit and refuse left outside of normal pick-up times.

7.49 This may indicate that an Article 4 Direction is necessary to protect the amenity and well-being of an area, in accordance with Paragraph 53 of the NPPF. The NPPF requires any Article 4 direction to cover the smallest geographical area possible and be based on robust evidence so identifying such an area goes beyond the remit of this study. However, as noted in Figure 20 there are pockets in residential areas – notably Sovereign Harbour – which warrants further consideration.

7.50 The likely trend is growing popularity for properties sold through Airbnb and other similar platforms across Eastbourne. This will potentially have three impacts: reduce housing stock, increase amenity issues relating to short-term lets and see a lessening of the influence of the TAA.

⁴¹ Residents Survey with total of 329 self-selected responses – *If you live in Eastbourne, has the rise of Airbnb and similar channels had an impact in the local area where you live? [If you have scored 1 or 2, please include your postcode in the box below]* n = 49 Likert scale 1 – 5 where 1 was 'very negative' and 2 was 'negative'.

Figure 20 - Reported Problematic Sharing Economy Postcodes



7.51 In addition to considering potential amenity impacts resulting from a potential change of use from C3 to C5, it is also relevant to consider the impact that the introduction of C5 use and the associated permitted development right to C3 could have on housing land supply (HLS) given that Eastbourne has consistently had a shortfall. There has been an under-provision of housing in the Borough for at least 8 years, thus constituting a prolonged undersupply.⁴²

7.52 The introduction of the C5 Use Class with the associated permitted development right would mean that further valuable C3 stock could be lost to C5 use without the need for a planning application. An Article 4 Direction could be used to resist the loss of any further C3 housing stock to the potentially forthcoming 'C5'. It is clearly indicated that the LPA should consider the introduction of an Article 4 direction on the basis of the evidence presented and the issues identified within this study.

⁴² Eastbourne Borough Council (2024) Current housing land supply figures are as follows: '22-23 – 1.4yrs; 21-22 – 1.8 yrs; 20-21 – 1.8 yrs; 19-20 – 1.8 yrs; 18-19 – 1.43yrs; 17-18 – 1.57yrs; 16-17 – 3.36yrs; 15-16 – 3.47yrs.

- 7.53 In view of the possible introduction of the C5 Use Class and potential permitted development right between C3 and C5, it is pertinent to consider potential impacts on the existing hotel stock. In view of the existing situation it is not considered that properties in the sharing economy will have significant impact on existing serviced hotel stock. With an average room size of 1.8 and wide distribution across the town the existence and anticipated future growth of such developments is not likely to have detrimental impact on existing hotel stock.
- 7.54 While Airbnb style accommodations has been identified as a threat to the amenity of residential areas and housing stock, it does not pose a major challenge to the local hotel sector in terms of the number of rooms offered. However having a level playing field in respect of compliance with regulations has been identified as a vital next step. It would be more appropriate to direct, where possible, these types of developments to the existing Tourism Accommodation Area (TAA), where they align better with the planning objectives of the TAA. The likely trend is growing popularity for properties sold through Airbnb and other similar platforms across Eastbourne and as such these are likely to continue to impact on residential amenity and impact levels of housing stock.
- 7.55 The introduction of the C5 Use Class would enable local authorities to exercise greater control over short-term accommodation developments. If appropriately managed, this control would:
- 1 Protect the residential amenity of neighbourhoods.
 - 2 Safeguard valuable housing stock.
 - 3 Direct C5 developments to suitable areas, such as the TAA.
- 7.56 Further to the above discussion on Article 4 directions, it must be also noted that an article 4 merely removes the PDR. This PDR proposed to accompany the new C5 Use Class is not definite. In the case there is either a PDR, with this right removed (via an Article 4 direction) or, there is no PDR in the first instance, a planning application for a change of use from C3 to C5 would be assessed against the relevant development plan policies. This then highlights a need for the relevant robust policies which would allow for the threefold benefits identified above.
- 7.57 The introduction of the C5 Use Class would provide local authorities with a valuable tool to manage short-term accommodation developments, mitigating their impact on residential communities and ensuring that they are situated in suitable locations. Whether or not PDR is introduced (and therefore whether or not an Article 4 is necessary), the need for appropriate policies to control applications for C5 use is

essential to maintaining the balance between housing needs and supporting appropriate tourism development.

Permitted Development Right to allow for a Change of Use from C1 (Hotels) to C3 (Dwellings) / Class MA

- 7.58 The previous Government considered the establishment of a Permitted Development (PD) right for the conversion of 'C1' sites (hotels, boarding houses, guesthouses) to 'C3' (dwellinghouses) use. This move was considered in order to contribute towards meeting local housing demands.
- 7.59 A consultation ran in 2023 on various proposed changes to PD rights, including the change of use (COU) from C1 to C3. Although some of the proposed PD changes have subsequently come into effect, there has at this point been no action or response on the PD right for C1 to C3. It is not known if or when any changes might occur.
- 7.60 A comparable PD right termed 'Class MA' has already been established for the COU of commercial ('Class E') sites to dwellinghouses (C3). According to the consultation, the proposed C1 to C3 right could be achieved by an expansion of Class MA, to include C1, or through the creation of a separate new PD right.
- 7.61 An undesirable outcome of the existing Class MA right is noted – this is the loss of commercial units in town centres and high streets without the need for a planning application. An unintended loss of key hotels and guesthouses could similarly result from the introduction of a C1 to C3 PD right. It is noted, however, that the consultation has sought views on whether the approval process for the C1 to C3 PD right should include an assessment of *'the impacts the change of use could have on the local tourism economy'*.
- 7.62 Paragraph 53 a) of the NPPF (2023) states that 'the use of Article 4 directions to remove national permitted development rights should...where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre)'.
- 7.63 Whereas it has been noted previously within this study that there is an oversupply of tourist accommodation, it has also been identified that valuable accommodation stock exists which should be retained. Considering the introduction of the PD right

could allow for a change of use from C1 to C3 without a planning application, strongly indicates that an Article 4 direction should be considered – in particular in those areas with the most valuable stock / stock worthy of retention. There would be a clear and obvious risk of key C1 stock being lost if the PD right for C1 to C3 was introduced whilst there were no Article 4 direction in place to protect such key sites. The introduction of the PD right could result in hotel stock being lost to housing in a very short period of time and this could only be stemmed when an Article 4 direction came into force.

- 7.64 It can also be seen from the planning history that there have been six refused attempts for the change of use of tourist accommodation within the TAA since the adoption of the SPD. It is reasonable to conclude that, if the PD right was introduced, developments are likely to utilise such PD rights and accordingly prime hotel accommodation could be lost. Postulating a situation where previously refused applicants remain minded to pursue a change of use, this could indicate that a further six units and 115 rooms might be lost within the TAA in the near-term via PD rights. The scale of the near-term loss could be greater if other potential applicants have only been dissuaded by the previous refusals and/or an awareness of rigorous criteria.
- 7.65 The NPPF states that Article 4 directions should ‘apply to the smallest geographical area possible’ and, therefore, should not apply to the entire settlement. In this instance, if an Article 4 direction were to be considered, the TAA would likely be the starting point to consider as a boundary for the Article 4 direction. This might likely be further focussed on the Primary Zone of the TAA (noting that there is a surplus of C1 stock).
- 7.66 It should be noted that (as per the C5 discussion) NPPF Paragraph 53 c) requires that an Article 4 direction to remove national PD rights must ‘*in all cases, be based on robust evidence*’. The current findings of this study present a steer on the likely impacts if such a PD right were to be introduced and, therefore, indicate an Article 4 direction should be further considered if and when the detail of any PD right is known.
- 7.67 Turning back to the Housing Land Supply situation in Eastbourne, the benefits in keeping the geographical area defined in any Article 4 direction to a minimum benefit in that it would present an additional opportunity to increase housing stock.
- 7.68 It is important to note that there is no specified time if and/or when these changes will occur. At the time of writing, clarification was sought from the Department for

Levelling Up, Housing and Communities who stated they were unable to confirm if the proposed changes would be implemented by the new administration (confirmed August 2024).

Additional comments

- 7.69 In the circumstance where the PD right exists and there is no Article 4 direction in force, this could represent a relatively threatening period where C1 stock would remain relatively exposed to loss through a change of use without the need for planning permission.
- 7.70 An additional factor which may exacerbate the threat is the potential determination timeframe requirements. Considering the current Class MA Prior Approval Process, for instance, there is a requirement for the LPA to determine the application within 56 days - if this does not happen then there is deemed to be approval. This turnaround would be relatively fast, in particular when considered against the time it would take to bring a non-immediate Article 4 direction into force.

Applicability of TAA Criteria

- 7.71 To provide some additional context, a comparison has been made to the viability assessment process and requirements for two other LPAs with a comparable resort offer ('LPA A' and 'LPA B'). The findings are summarised in Table 10 below. The overall considerations are broadly equivalent for each LPA and the range of timespans for the evidence requirements are also not dissimilar.
- 7.72 LPA B has relatively stringent and extensive criteria in comparison to LPA A. The requirements for Eastbourne's Primary Zone appear most comparable to LPA B, whereas those of the Secondary Zone are less than LPA A. This appears aligned with the objectives of the Tourism Accommodation Retention SPD which are to retain sites in the Primary Zone (via more stringent criteria) whilst allowing a managed reduction of stock in the Secondary Zone (via less stringent criteria).
- 7.73 Looking at the detail beyond the summarised data in the table, it is noted that the requirements and process of the SPD are in fact more onerous and extensive than either of the comparison LPAs. A number of additional forms of evidence are sought within the viability criteria and a heightened level of structure results from the two-stage process. A level of complexity also results from the differing considerations for the various zones (Primary, Secondary, outside TAA) and the differentiation between partial and total loss.

Table 10 - Comparison of Viability Criteria

	EASTBOURNE		COMPARISON LPA A	COMPARISON LPA B
POLICY & ASSESSMENT CONTEXT				
Policy adoption date	Feb 2017 (SPD)		Mar 2016	Apr 2016 (SPD)
Dedicated TA SPD	Y			Y
Defined TA zone	Y		Y	
Expert review panel	Y			Y
Initial screening service				Y
VIABILITY CRITERIA	Primary zone	Secondary zone	Within TAA	LPA wide
Evidence of marketing for sale	24 months	12 months	12 months	18 months
Evidence of performance & costs	36 months	36 months	18 months	36 months
Evidence of prohibitive repair costs	Y			Y
Evidence of business promotion	12 months	12 months	18 months	12 months
Evidence of business plans	Y		Y	Y
Evidence repositioning is not viable	Y		Y	Y
No recent approvals for repositioning				Y
Independent expert opinion	Y			
Flexibility for lifestyle businesses	Y		Y	Y
RESTRICTIONS ON PROPOSALS				
Use must be compatible with area	Y (no HMOs)		Y	Y (no HMOs)
Must not set a precedent			Y	

8 Future Development Opportunities

- 8.1 This Section discusses the changes in demand and the future market for accommodation development. To inform likely future development opportunities, interviews were conducted with a range of property experts and accommodation specialists including Colliers, Gerald Eve, JLL and Strutt & Parker as well as local agents such as GPS-Direct, and with other experts such as the Association of Serviced Apartment Providers.

Changes in Demand for Coaching Holidays, B&Bs and Apart-hotels

Coaching Holidays

- 8.2 Eastbourne has traditionally been popular for coaching holidays, particularly among older visitors. However, there is a noticeable shift in this trend with coaching holidays declining, driven by the rise of younger travellers seeking more independent and customisable experiences. According to Mintel, consumers are increasingly favouring other types of holidays such as cottage stays, city breaks, beach/seaside holidays and camping/caravanning holidays. These types of holidays have shown greater growth potential and higher future interest, with 24% of UK holidaymakers taking cottage holidays in the last year and 44% interested in them for the future. In contrast, coach and rail touring holidays have much lower participation and interest levels.

Bed and Breakfasts

- 8.3 Traditional Bed and Breakfasts (B&Bs), are facing challenges in Eastbourne and across the UK. The accommodation audit recorded a 50% decline in B&B properties in the town. A number of factors have caused such a decline. Firstly, the number is not likely to be as dramatic as it sounds, as some B&B owners have likely made the switch to sharing economy platforms such as Airbnb and are no longer listed as B&Bs. In addition to this, the younger demographic tends to favour accommodation that offers a blend of modern conveniences and unique experiences, which they often find lacking in traditional B&Bs. This will have led to a further decline in demand from this segment.

Apart-hotels

- 8.4 Interest in new formats such as serviced apartments increased during the pandemic, as travellers wanted additional space, flexibility, and places for remote working. Such requirements remain significant to travellers and the serviced apartment sector has continued to excel even after the pandemic because it is a model that can accommodate a wide range of demand from short to long stays including leisure,

business and relocation markets. Many larger hotel groups are introducing new aparthotel brands while also expanding the reach of existing extended stay brands. Serviced apartments offer flexibility for hoteliers. Extended stay options at hotels and serviced apartments are able to combine the desire for flexible living options with the services that people are looking for.

Visitor Attractions

- 8.5 Demand for visitor accommodation also has a relationship to the type and range of visitor attractions that are in the surrounding area. The Towner Gallery and events like the international tennis tournament will support higher occupancy rates in the town's hotels. Eastbourne has fewer major attractions than its competitors, such as Brighton for example, with the city seeing eight entries into the national attractions survey with three in Lewes but none in Eastbourne.⁴³ Further analysis of the opportunities for new visitor attractions is warranted to support and inform the strategic approach advocated later in this document.

The Market for Accommodation Development

- 8.6 The occupancy rate in Eastbourne clearly varies by hotel, but the survey of accommodation providers found that in 2023 the average room occupancy across the sample was 66%, rising from 54% in 2022 and 48% in Covid-19 affected 2021. Hotels in the South East are at an average occupancy of 77.1%. Typically, developers of new hotels will look for occupancy levels of above 75% before entering a market. The current average occupancy rate in Eastbourne is not likely therefore to be attractive to new investors which is partly as a consequence of the high number of rooms. Successfully attracting developers is likely to need a strategic approach that recognises growing longer-term strengths in particular markets, such as conferencing and events and pro-actively dealing with the current oversupply.
- 8.7 Modern customer expectations include both an uplifting set of experiences and good value for money. There is growth in new formats including boutique properties, unique properties and new formats such as serviced apartments. Due to a range of advantages, Eastbourne can be an appealing canvas on which to provide a refreshed and contemporary tourism offer. However, this cannot rely on a leisure tourism market that is declining as shown in Figure 14 in Section 6 above. While the general trend for staying leisure tourism is downwards Eastbourne is very well positioned to

⁴³ VisitBritain (2024) [Visits to Visitor Attraction Trends in England 2023](#)

exploit other opportunities around conference, culture and sports as well as business tourism which can support Eastbourne's future economic development.

- 8.8 Availability of loan and equity finance has been stretched since the COVID-19 pandemic and has been at much higher cost. High street banks have generally not been lending which has forced a reliance on debt. Specialist bankers such as *Oaknorth* are becoming more important for the hotel sector with recent investment including a 222-room upper mid-scale hotel to be operated by Motel One in London SE1. A number of high-net worth investors are now interested in hotels with 19% of all transactions globally being driven by these buyers over the last year. Construction companies have been very choosy and delays are common place. Build costs are very high relative to five years ago and construction cost inflation is still higher than the Bank of England rate.
- 8.9 There are a number of examples of where local authorities have supported the development of innovative new hotel concepts. This illustrates the opportunity for Eastbourne as interest rates reduce and lenders increase their appetite for risk. Councils have for example:
- Led development with a Hotel Management Agreement (Radisson Blue 154 rooms - Sheffield)
 - Lent money - Developer was financed by a secured senior loan provided by the council (Hilton Garden Inn - Peterborough)
 - Provided a Lease "Wrap" In Edinburgh the Council is the tenant under a lease with Edinburgh International Conference Centre (EICC) is the management company with the brand franchised from Hyatt. Hyatt Centric-Haymarket, Edinburgh 349 rooms)
 - Acted as a catalyst by being a Joint Venture partners - Council owned the land subscribed to the developer Hotel operator signed (Leonardo Hotel - Liverpool).

Future Outlook

- 8.10 While budget / economy hotels can be 'easier' to provide, the examples above show that many local authorities have incentivised new build 4-star level establishments which when combined with a boutique hotel offer, can set a benchmark, also stimulating the upgrade of existing properties. In general, the town needs higher quality accommodation which includes both new build and a focus to improve existing properties. The high-quality conference offer represents a good opportunity to underpin such investment. Encouraging a small number of high-quality

restaurants to complement the town's new accommodation offer would also help improve destination quality alongside continued investment in the public realm.

- 8.11 Properties that cater for digital nomads, young professionals with few ties who often work remotely and do not necessarily have a permanent base are becoming more popular. A range of new apart-hotel concepts such as those provided by Locke hotels, *StayCity* and *Staybridge*, an IHG brand, could be lucrative for Eastbourne to explore. Currently there is little involvement by councils in this market which would also give the Council some first mover advantage. A lot of the market for these properties is business related which would build on the town's good performance in this market, as well as power the aspiration to diversify away from the leisure tourism base. One third of an apart-hotels customers are typically relocating, further supporting the Council's diversification efforts.

*Image 6 - Staybridge Suites Cardiff aparthotel offers high quality contemporary accommodation
Images credit / copyright Staybridge Suites / IHG*



9 Conclusions

Context

- 9.1 To provide context for our conclusions, we first take a look at the longer-term performance of Eastbourne over time and relative to other English seaside resorts. Examining the wider context in this way is useful because while planning policy is an important option in the toolbox there are likely to be other measures that could also be considered depending on context and opportunities.
- 9.2 Our reference framework is the Government's Benchmarking Study of 2008⁴⁴ which evaluated the performance of 37 English seaside resorts using a variety of different measures. We have assessed how Eastbourne performed in 2008 and then looked at the same measures to see how the town has fared more recently. Appendix I provides the detail.
- 9.3 In general, seaside resorts perform less well on a number of different economic and social measures than their landlocked competitors. The main reason for this include the size of the surrounding catchment which is potentially only half the size for a typical seaside resort. Other factors such as higher levels of in-migration, older populations and the nature of economic and business structures are compounded by issues such as lower wages, higher housing costs and poorer health. We understand temporary housing costs are particularly high for the Borough which leaves fewer resources for other priorities such as economic development.
- 9.4 In the 2008 DCLG study, Eastbourne was middle ranking in the table, on a par with Folkstone, Isle of Wight, Hastings/Bexhill, and St. Ives. Resorts in the upper part of the table included Exmouth, Bournemouth, Brighton and Sidmouth. Those doing comparatively worse include Clacton, Great Yarmouth, Thanet and Whitby.
- 9.5 The areas where Eastbourne was doing very well in 2008 included a growing population, positive changes in the employment rate, increased hourly earnings and higher qualifications. Where the town did less well was with indicators such as the percentage of working age employed, deprivation and the number of VAT registered businesses.

⁴⁴ Department for Communities and Local Government (2008) *England's Seaside Towns A benchmarking study* Centre for Regional Economic and Social Research Sheffield Hallam University ISBN: 978-1-4098-0620-2

- 9.6 In general Eastbourne has risen up the rankings in areas which at one time were lagging and slipped in areas where the town excelled in 2008. This is partly a function of looking at the town's relative performance against 37 other towns, where higher performance will be difficult to maintain, either against competitors or in absolute terms.
- 9.7 Areas of better performance since 2008 include pronounced reductions in various aspects of deprivation, including higher education and training attainment, as well as improving health and a shift in the balance of housing tenure. In terms of areas to watch relative to 2008, employment growth has largely petered out, there are significant barriers to housing supply and the gross employment rate has declined.
- 9.8 Greater demand for housing means there is more incentive for landlords to convert serviced accommodation to other uses, such as hostels. This is already happening to different degrees where some existing hotel stock appears to be being used as low-quality aparthotels, such as the Diamond / Albany Lions Hotel (now closed).
- 9.9 There are a small number of low-quality hotels, identified in the Accommodation Audit, that are creating a poor image for Eastbourne and would benefit from concerted enforcement action (see paragraph 6.16 for the list).
- 9.10 Driving this trend is also the decline in the number of staying visits in the last decade and prior to the COVID-19 pandemic. This has continued a long-term trend. Figure 17 (pg. 46) shows a drop of 29% in the volume of domestic staying visits to Eastbourne, the most economically significant element of tourism demand to the town. The average drop in visits over the four resorts reviewed is 23.5%. This relates more to leisure tourism rather than business tourism. This long-term trend is unlikely to change and so strategic action will be needed to reposition the resort.
- 9.11 It is important to work on a restated vision and put resources in place over the longer term to deliver on key priorities that go beyond just accommodation but uses the town's substantial tourism heritage and reputation as a way to leverage further improvement in the offer.

Conclusions

- 9.12 **Tourism Capacity:** The current oversupply in rooms and bed spaces provides pressure on often marginal businesses struggling with reduced demand and a change in visitor preferences. The nature of this change is structural and so demands a strategic response that can appropriately support a decrease accommodation supply while also improving quality.
- 9.13 **Eastbourne has too much of the wrong type of accommodation stock.** A substantial proportion of the legacy accommodation does not appeal to current or latent markets. At the moment many properties trade on price rather than quality, a trend exacerbated by the cost-of-living crisis. A reduction in the amount of stock would help to lift quality over the longer term.
- 9.14 **Incentivising Reductions in Stock:** Planning policy should consider including incentivising a reduction in poorer quality serviced stock while protecting the town's prime hotel accommodation in both Meads and Devonshire wards.
- 9.15 **Current Economic Pressures:** Allied to the reduction in visitor numbers over the longer term, the current economic environment is also making it difficult for businesses to invest and expand, which may affect the overall quality of the visitor experience. Despite the challenges, there are many opportunities for growth as evidenced by some businesses expanding their operations. However, these opportunities are often limited to those with the financial resilience to invest amid economic uncertainty.
- 9.16 **Planning and Development:** Successful planning applications indicate a supportive environment for development, but the low number of applications suggests that broader economic conditions and the economic context for the town, may be stifling more widespread growth initiatives. The Council could play an important proactive role in supporting the next stage of accommodation development.
- 9.17 The over-riding conclusion therefore is that Eastbourne must reduce the current amount of serviced tourism accommodation in the TAA as a pre-requisite to successful future development. Reducing the current levels of serviced accommodation stock will improve the viability of new developments and encourage branded and other hotels offering new formats into the market. It follows from this conclusion that the Tourism Accommodation Area policy will benefit from being updated as it has served to hold accommodation supply artificially high during which time the market has declined.

10 Recommendations

Strategic Recommendations - Tourism

- 10.1 Looking at Eastbourne's wider performance, and drawing from the interviews undertaken as part of the project, there will be benefits in adopting a broader strategic approach that should have tourism at its heart but include other economic and social objectives.
- 10.2 Eastbourne remains in the upper tier of England's resorts and, with the right strategy, can undoubtedly continue to move up the Resorts' league table and also potentially turn around the long-term decline in domestic visits. However, this is not likely to be accomplished on the basis of business as usual, some reinvention in terms of both the supply side and the market will be needed to convert the trend line back to positive. This needs to be underpinned by a renewed commitment for all the industry to work in close and coordinated partnership with the Council to agree a new strategic approach. Six strategic recommendations are given below:
- R1 Uppermost is a clear view of what the resort is setting out to achieve. A clear shared proposition relating to the entire Eastbourne offer should ideally be embodied in a new tourism strategy which also has enough resources committed to it over the medium term to deliver visible improvement. Planning policy can assist and support the delivery of such a vision and strategy.
- R2 New accommodation concepts and facilities, particularly relating to the meetings, events and sports markets, need bringing forward with continued investment in high-quality public realm in support. The lack of any national branded accommodation on the seafront area is a disadvantage for the town but this fact illustrates and reflects the current over-supply and low occupancy that makes viability a challenge. New or refurbished properties managed by national or international hotel brands can ultimately help to reposition the resort.
- R3 It is also recommended the Council builds its expertise and leads a new partnership on new accommodation development, particularly by developing the mechanisms to support new hotel investment and conversion to new formats sought by the market, such as aparthotels. Granular data prepared as

part of this study on the accommodation base, its current usage and quality provides an important basis for this work.

- R4 Offering an inclusive and fully accessible offer across the resort is not yet a priority for many operators, but is a growth opportunity and especially important given the number of older Victorian buildings where planning and other policies should take better account of the need to cater to this growing market. Many providers in Eastbourne do not currently view the accessible market as a growth opportunity. Research identifies that making it easier for people of all ages and stages to enjoy tourism trips is a good way of increasing income.⁴⁵
- R5 In addition to widening inclusion through greater accessibility, marketing activity should continue to attract younger markets that may not have considered Eastbourne, including Millennial and Gen Z visitors. Such a strategy recognises that the coaching market, for many years a staple for Eastbourne, has declined over the years and is unlikely to be a dominant market in the future.
- R6 Alongside the accommodation offer, the encouragement and investment in a selection of new or refurbished visitor attractions will help Eastbourne continue to provide a competitive offer and encourage repeat leisure visits from new and younger markets.

Strategic Recommendations - Heritage

- R7 The rich heritage of the resort and the quality of the public realm in which it sits would benefit from further focus. Work to look at the relationship between key heritage assets together and the quality of public realm is recommended within the TAA.
- i. Consider any forthcoming improvement to the public realm and its relationship to Listed Buildings.
 - ii. Identify any Heritage assets set for investment, grants, etc.
 - iii. High quality Heritage and Public Realm areas can be used to secure and strengthen the Primary TAA Sector, particularly in the Western section.
 - iv. Consider further 'declassification' on specific pockets or rows which could ultimately encourage redevelopment.

⁴⁵ VisitBritain (2024) [Discover the value of the Purple Pound](#) and for an example of growing this market see the results of the [North York Moors Accessibility Project](#) – which targeted support from accommodation, visitor attractions and experiences, marketing a refreshed offer to the Dutch market.

10.3 Note the above work could likely inform any forthcoming Article 4 directions should the aforementioned PD rights be introduced - i.e. those clusters, pockets and areas most worthy of retention will have been identified. (It is unlikely the PD rights would extend to Listed Buildings).

Planning Recommendations – Options

10.4 Based on the findings of this Report, there is an identified oversupply of accommodation. Options are presented below with planning-led solutions likely to be an important component of any future tourism strategy. There are other planning options which can be considered and various variations on the proposals below, which will benefit from further discussion amongst the Council and its stakeholders.

10.5 Appendix IV supports this Section with a breakdown of the stock levels and room numbers of different types of accommodation across a number of different scenarios:

- Appendix IV A – Full TAA – Current Geography
- Appendix IV B – Reduced TAA – Impact of Curtailment of far Eastern fragment
- Appendix IV C – Redefined TAA – Primary Sector Only (less eastern fragment)
- Appendix IV D – Redefined TAA – Eastern Section defined as Secondary sector
- Appendix IV E – Reduced TAA – to Western Section only
- Appendix IV F – Sovereign Harbour

10.6 The Western section of the TAA, situated in Meads Ward, represents the greatest potential opportunity for the town, benefitting as it does from a location nearer to a wide range of key attractions, proximity to the town centre, higher quality heritage buildings, a high standard of public realm and a broad range of accommodation types. The eastern end, in Devonshire Ward, does not have as many advantages and has suffered over the last decade from a decline in accommodation quality and overall ambiance.

10.7 While a variety of options are considered below, the general position is that the TAA has been, and can continue to be, an important policy instrument to protect accommodation stock and the economic benefits that tourism brings to the town. The change to the market seen over the last decade however warrants the exploration of refinements to the TAA's current scope and area.

10.8 One of the major advantages of the TAA is that it allows the control of incompatible uses that may impair the performance of the area as a tourism destination. Policy

TO1 states that *planning permission will be refused for proposals which are incompatible with the tourist accommodation use*. This has allowed for the prevention of particular uses, notably HMOs, in the area.

- 10.9 A prevalence of HMOs in Eastbourne has therefore largely been managed outside of the TAA and the asset audit undertaken as part of this study identified only a very small number of cases of where tourism accommodation may be being used as longer-term hostel accommodation. A high-level review of planning application data undertaken by EBC indicated at least 12 applications for change of use from tourist accommodation to HMO between 2013 and 2022, all but two of which were in Devonshire Ward. Five of these 12 applications were approved, six refused and one withdrawn.⁴⁶ There is a major cluster of HMOs in Devonshire Ward to the north of the existing TAA, some of which are likely to have been converted from tourist accommodation some years ago. The establishment of HMOs using ex-hotel stock can have an impact on tourist amenity and so any change to the area needs careful development, possibly using a master planning process for the entire area.
- 10.10 We recommend that the current criteria set out in Section 5 of the SPD relating to the assessment of viability be reviewed. This is in the light of the analysis presented in paragraph 7.17 above along with the main conclusions. Viability requirements should be retained but may be less stringent in those areas of the TAA where more radical change has been identified as potentially beneficial. The two-stage process currently required may also be usefully amended to enable and incentivise conversions to aparthotel (non-serviced) stock more rapidly.

A Target to Reduce the Current Supply of Serviced stock

- 10.11 Considering the market decline and the current oversupply of rooms, an overall reduction of between 20 and 25% in the number of serviced rooms would be an effective strategy in order for the performance of the town to improve in the longer term. The figure of 23.5% represents the average decline in staying visitors experienced by Eastbourne and three other comparator resorts over the last decade. (Eastbourne's decline has been somewhat greater than the average at 29%). A reduction in supply of 23.5% implies that 540 fewer serviced hotel rooms would be available – amounting to between 10 to 20 properties within the current TAA, depending on size. This reduction would then increase occupancy and performance enabling investment to be attracted into newer formats.

⁴⁶ AECOM (2024) Eastbourne Houses in Multiple Occupation (HMO) Study February for Eastbourne Borough Council

A Focus on the Eastern part of the TAA

10.12 In general, the quality of many of the hotels in the Eastern section of the TAA is not to modern standards. The Section is defined as being in Devonshire Ward. Figure 21 on page 78 below shows several large hotels in this section have relatively poor ratings. The orange markers on the map show the properties with the lowest percentage of combined "Very Good" or "Excellent" ratings using the Tripadvisor platform. The lower performance of this accommodation reduces its attractiveness. Overall, 44% of the rooms offered in the Eastern section can be viewed as being of relatively poor quality.⁴⁷

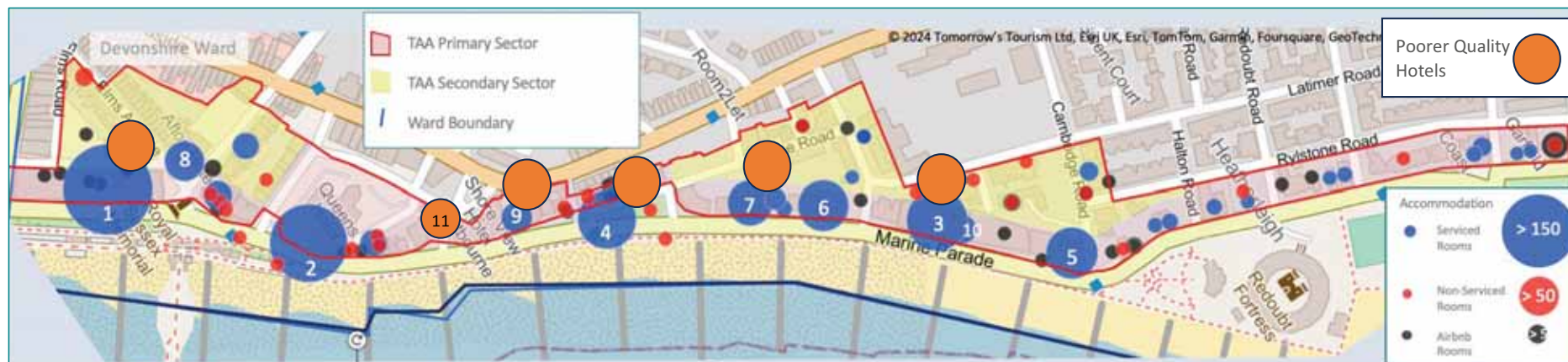
10.13 The general recommendation is that any reduction in stock is better applied in the Eastern section of the TAA with the Western section potentially left in its current form due to its existing stronger offer, position and higher potential. The options are:

- Option 1A** Eastern fragment curtailment – see Appendix IV B / C
- Option 1B** Eastern reclassification to secondary sector – see Appendix IV D
- Option 2** Remove Secondary area in its entirety – see Appendix C;
- Option 3** Remove the TAA east of the Pier from the TAA – see Appendix E

⁴⁷ This is defined as receiving a score of less than 65% when combining 'Excellent' and 'Very Good' ratings against all the ratings received on the Tripadvisor website.

Quality of Hotel Stock - TAA Eastern Section

Figure 21- Quality of Hotel Stock – Eastern Section – Tripadvisor 2024



Quality of Hotel Stock - TAA Eastern Section	% of Very Good + Excellent Ratings	# Rooms
Majestic Hotel (3)	49%	95
Glastonbury Hotel (7)	53%	64
OYO Marine Parade Hotel (11)	58%	29
Eastbourne Riviera Hotel (9)	59%	37
Shore View Hotel (4)	63%	90
Burlington Hotel (1)	65%	159
Queens Hotel (2)	68%	127
Afton Hotel (8)	70%	54
East Beach Hotel (10)	73%	32
York House Hotel (6)	86%	75
Langham Hotel (5)	92%	77

Option 1A – Curtailment of the far Eastern fragment

10.14 As mentioned in Section 5 of this report, traditional B&Bs are facing challenges in both Eastbourne and the UK due to changing consumer preferences. Younger travellers now prefer accommodation options that offer modern conveniences and unique experiences, which traditional B&Bs often lack. With the growing popularity of platforms like Airbnb, many B&B owners have transitioned to these platforms, exacerbating the decline in demand for classic B&B stays.

Image 7 - Typical property type found at the far eastern part of the TAA



10.15 Changing market preferences and the decline for traditional B&Bs means the far eastern end of the TAA is increasingly unsuited to meet the needs of today's visitors, leading to diminished viability and churn in ownership. This supports the curtailment or declassification of this fragment of the TAA.

10.16 This would involve reducing the extent of the TAA at the eastern end. This is shown in Figure 22 below and Appendix IV B shows the impact on establishments and rooms. The stock at the eastern end is of a fundamentally different type, being predominantly two or three storey Victorian residential buildings, very different from the larger hotels that are seen in much of the rest of the primary TAA. Reducing the extent of the TAA recognises this difference and the potential reduction affecting 29 units / 220 rooms is modest. When considering serviced units (which is where the

oversupply is) it would only potentially affect 11 establishments and 85 rooms, just 16% of the target of 530 rooms identified in paragraph 10.11.

Figure 22 - Curtailing the Eastern End of the TAA



Option 1B – Eastern Section Declassification

10.17 A related recommendation is that this area is ‘downgraded’ from ‘Primary Sector’ and redefined as ‘The Eastern Sector’. The same criteria would apply to the Eastern Sector as it does to the existing Secondary Sector. That is, a more relaxed viability case is accepted (as is currently for the case in the Secondary Sector when compared to Primary Sector when proposing a change of use from C1). This would mean that the number of C1 units in the Eastern segment would gradually reduce over time – as is the current intention for the Secondary Sector.

10.18 The Eastern fragment (the blue area in Figure 22) is ‘declassified’ - that is, it is not graded as Primary or Secondary Sector but remains within the TAA. This means that there would be no requirement to provide a non-viability argument for any application for a change of use from C1 to other use.

Option 2 – Remove the secondary area entirely + remove the eastern segment

10.19 Removing the Secondary zone and removing the eastern section from the TAA would then mean that the number of C1 units outside of the Primary Frontage would

gradually reduce over time, and without the requirement to demonstrate viability. The number of serviced stock / rooms in the secondary sector is relatively low at 10 establishments and 341 rooms (See Figure 23 and Appendices IV B and IV C).

- 10.20 If all the serviced assets relating to Option 1 and 2 were to change out of accommodation into other uses then this would see a reduction of 426 serviced rooms, 80% of the desired reduction target of 530 rooms suggested in paragraph 10.11.

Figure 23 - Removal of Secondary Zone & Eastern Segment – Appendix IV C



- 10.21 In strategic terms the western part of the TAA is more important given the type of stock, the complementary leisure and business assets particularly in the Devonshire Quarter, and the likely focus of the resort going forward. It would be helpful to have a plan for proactively reducing stock in the primary eastern section between the Pier and the curtailment zone to reach the target reduction of rooms. The average number of rooms per hotel in serviced stock in the eastern section of the primary TAA is 34 rooms. Reducing stock by a further 164 rooms to meet the overall target would imply a change of use for five other properties in this area.

Table 11 - Total Units and Rooms in a simplified (Primary) TAA

Units	Serviced	Airbnb	Other Non-Serviced	Total
Primary Sector	37	49	32	118

Rooms	Serviced	Airbnb	Other Non-Serviced	Total
Primary Sector	1,908	73	257	2,238

Option 3 – Remove the TAA from all of Devonshire Ward

10.22 A more radical measure would be to curtail the TAA at the boundary of Meads and Devonshire wards. This could potentially see a reduction of 33 serviced properties in the Eastern section currently offering 1,074 serviced rooms – which represents 45% of all serviced rooms in the TAA. This would mean a potential reduction of well above the optimal reduction target of 20-25% or 530 rooms and would potentially erode the offer to a potentially harmful degree given a number of higher quality hotels operating in the eastern section.

10.23 Table 12 shows the potential results of the different options

Table 12 - Effect of Planning Recommendations on Stock Levels

Effect of Options on Stock & Rooms of a Serviced Stock Reduction of 23.5%						
	Serviced Stock		Serviced Target		Cumulative Result	Appendix Ref
	Est.	Rooms	Rooms	%		
Target			-530			
Option 1A	11	85	-85	16%	16%	B
Option 2	10	341	-341	64%	80%	C
Option 3	12	648	-648	122%	203%	E
Stock / Rooms	33	1074	-1074			

NB The target of 23.5% is derived from the average reduction in demand across four English resorts, including Eastbourne, over the decade 2008-2019 (see Fig. 19). This table relates to TAA East

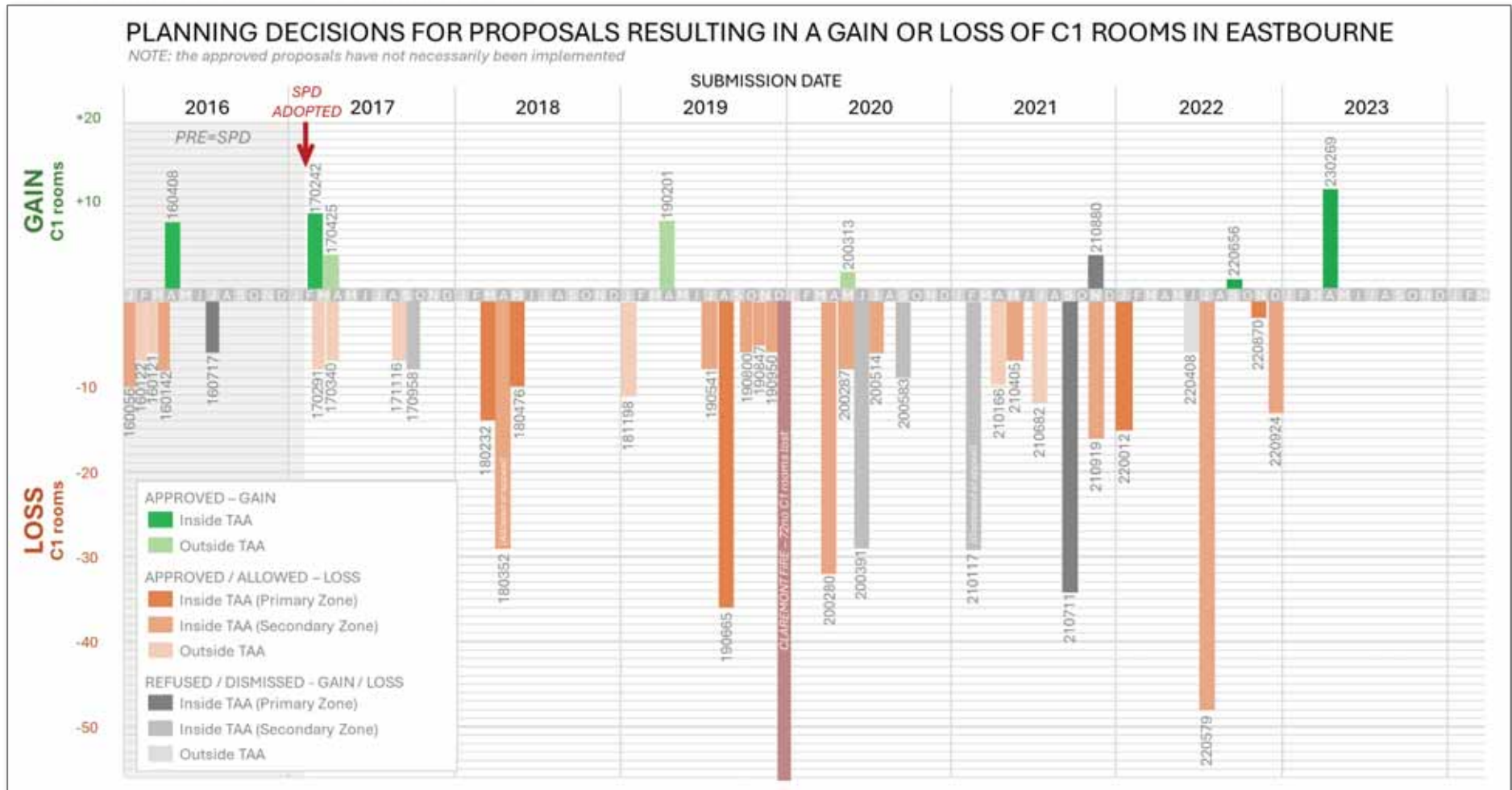
Appendices

Appendix I – Eastbourne’s Relative Economic Performance 2008 – 2024

2008 Rankings	Eastbourne - Core Indicators	A	B	C	D	E	F	G
		DCLG 2008				Tomorrow's Tourism 2024		
		Rank /37	No. Reported	Note	Source	Rank /37 relative to 2008	% Reported	Note
Bognor Regis	Population Growth	3	6%	England is 2.7	ONS mid-year population	11	2.1%	England is 3.3
Exmouth	Employment change	4	18%	England is 6.9	Annual Business Survey (ABS) (then ABI)	20	0.0%	England is 4.7
Greater Bournemouth	Median Hourly Earnings (Female) (6)	4	£8.94		Annual Survey of Hours and Earnings	10	14.2	
Greater Worthing	Qualifications - Level 4/5 (4)	5	18%	England is 21	Census	12	43.4%	England is 46.7
Sidmouth	Barriers to housing (13)	5	7812		Indices of Deprivation	21	17901.22	
Southport	Employee jobs	9	38,100		Annual Business Survey (ABS) (then ABI)	12	40,000	
Swanage	Estimated total employment	9	43,200		Annual Business Survey (ABS) (then ABI)	22	41,000	
Whitley Bay	Population (1)	10	94,900		ONS mid-year population	10	114,603	
Whitstable/Herne Bay	Occupational Structure by Profs (3)	11	24%	England is 26	Census**	11	47.1%	England is 38.2
Burnham-on-Sea	Crime (14)	11	14936		Indices of Deprivation	19	15876.62	
Dawlish/Teignmouth	Median Hourly Earnings (Male) (5)	12	£10.93	District not ward	Annual Survey of Hours and Earnings	4	17.7	
Deal	Employment rate % of working age (2)	19	72%	England is 74	Census / LFS*	22	75.4%	England is 76%
Eastbourne	Deprivation - health (11)	19	13249		Indices of Deprivation	13	17057.72	
Falmouth	Deprivation - overall (9)	20	13236		Indices of Deprivation	19	17988.45	
Folkestone/Hythe	Deprivation - income (10)	22	13792		Indices of Deprivation	21	19342.44	
Greater Blackpool	Tenure - by owner occupier (8)	28	69		Census	24	59.7	
Hastings/Bexhill	Deprivation - education & training (12)	28	16441		Indices of Deprivation	20	19186.51	
Isle of Wight	VAT registered businesses (per 10k residents) (7)	33	239		DBERR	28	276	
Minehead	* estimates based on the employment rate in each town in the 2001 Census, adjusted by the percentage point change between 2001 and 2006 in the relevant district from the Labour Force Survey							
Newquay	** (The LFS data for local areas is insufficiently robust to allow these figures to be reliably up-dated)							
Scarborough	Sources - Tomorrows Tourism 2024 (if different from 2008)							
Southend-on-Sea	(1) 2020 Population Estimates/Projections							
St Ives	(2) 2023 annual population survey / Parliamentary Constituencies							
Weston-super-Mare	(3) 2023 annual population survey /Parliamentary Constituencies							
Weymouth	(4) 2023 annual population survey / Parliamentary Constituencies							
Bridlington	(5) Annual Survey of Hours and Earnings - only available at parliamentary constituency level							
Clacton	(6) Annual Survey of Hours and Earnings - only available at parliamentary constituency level							
Great Yarmouth	(7) 2023 UK Business Counts - enterprises by industry and employment size band / MSOA/LADU							
Ifracombe	(8) Census 2021 / MSOA/LADU							
Lowestoft	(9) to (14) English indices of deprivation 2019 / Local Authority (LSOAs) / Local Authority (LSOAs)							
Morecambe/Heysham								
Penzance								
Skegness								
Thanet								
Torbay								
Whitby								

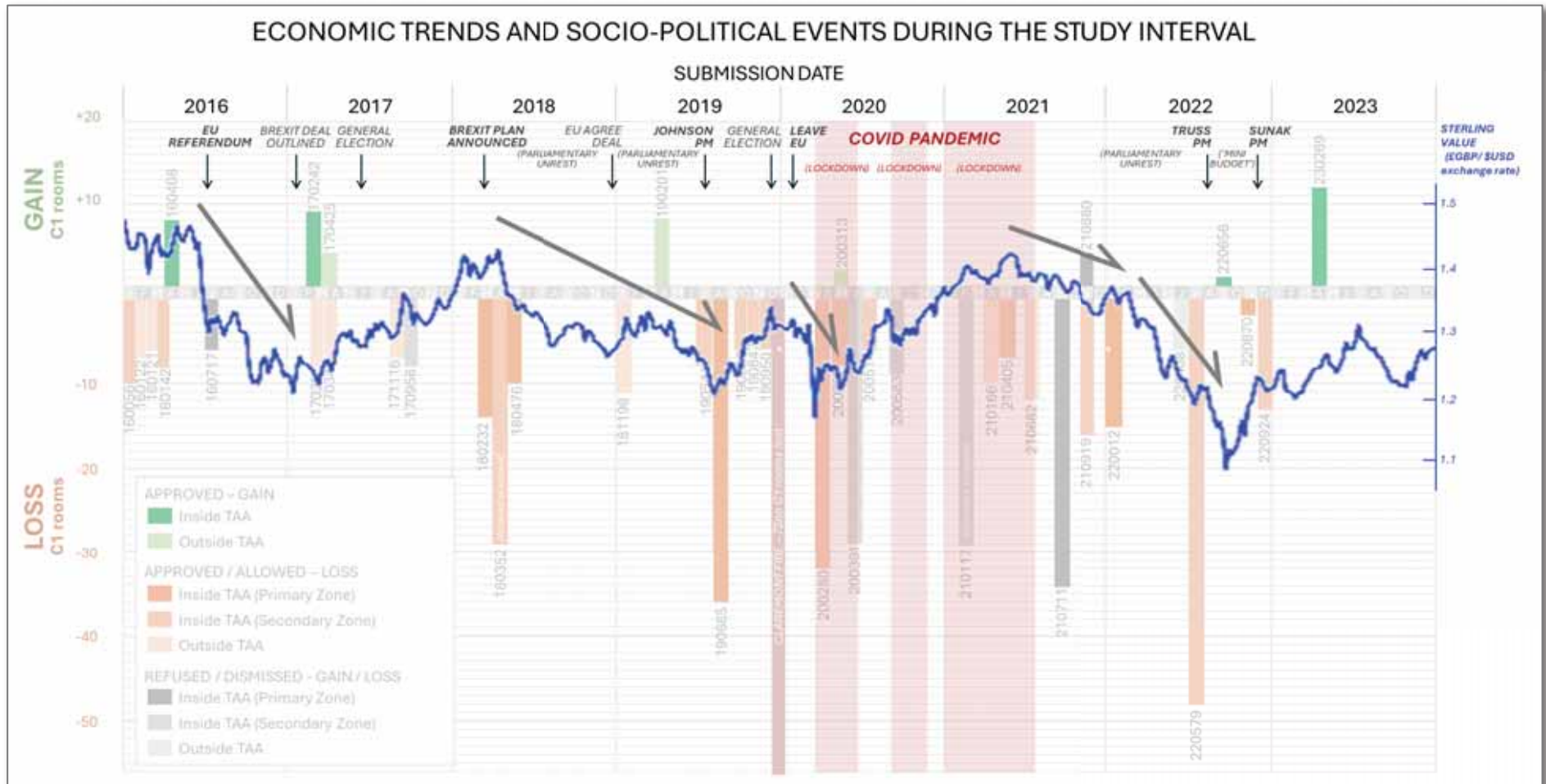
Department for Communities and Local Government (2008) England’s Seaside Towns A benchmarking study Centre for Regional Economic and Social Research Sheffield Hallam University ISBN: 978-1-4098-0620-2

Appendix IIA – History and Scale of C1-related Applications



History and scale of applications for loss or gain of C1 stock in Eastbourne BC, including the period since the adoption of the Tourist Accommodation Retention SPD. (Note that the plot is based on submission dates. Note also that approved applications have not necessarily been built out).

Appendix IIB – History and Scale of C1-related Applications – Drivers



Modified version of the previous C1 applications history plot, overlay with information on selected politico-economic events and drivers that may potentially have influenced applicants (note that the plot is based on submission dates).

Appendix III – Extension of Class MA to Include C1 Use

Overview

The previous Government considered the establishment of a Permitted Development (PD) right for the conversion of 'C1' sites (hotels, boarding houses, guesthouses) to a 'C3' (dwellinghouses) use in order to contribute towards meeting local housing demands.

A consultation ran in 2023 on various proposed changes to PD rights, including for the change of use from C1 to C3. Although some changes have come into effect, there has been no action or response on the PD right for C1 to C3. It is not known if or when any changes might occur.

An equivalent PD right termed 'Class MA' has already been established for the change of use (COU) of commercial ('Class E') sites to dwellinghouses (C3). The proposed C1 to C3 right could be achieved by an expansion of Class MA to include C1, or through the creation of a separate new PD right.

Various undesirable outcomes of the existing MA right have been noted in Section 5 and may be relevant for the proposed C1 to C3 right. The 'prior approval' process associated with the right means that key sites may be lost without a requirement for a full planning assessment. Thus, there could be an unintended loss of key hotels and guesthouses.

It is noted however, the consultation has sought views on whether the PD right would include an assessment as to 'the impacts the change of use could have on the local tourism economy.' Further, where an LPA recognises a local issue regarding the potential loss of key C1 sites, an Article 4 direction can be proposed to remove the PD right for a specified area.

Government Consultation

The Department for Levelling Up, Housing and Communities (DLUHC) consulted on a variety of potential changes to Permitted Development (PD) rights. Of particular relevance here is a proposed PD right to allow a change the use of an existing hotel, boarding house or guesthouse (use class 'C1') to a dwellinghouse ('C3'). This could potentially be within an expanded version of the existing permitted development 'Class MA' (which permits a change from commercial use (Class E) to dwellinghouse (C3) (via the prior approval process)). As opposed to expanding the existing Class MA, a specific new class could be created. The context of the existing Class MA and the proposed C1 to C3 PD right is the need to meet housing demands and an aspiration that this is in part achieved through the conversion and

optimisation of existing sites. Information on the Consultation (now closed) can be found [here](#)

The full response to the consultation has yet to be published and has potentially been impacted by the recent change of Government. We have contacted the DLUHC for an update and (at the time of writing) we are currently awaiting a response.

It is noted that some of the changes consulted on have already come into force. However, other proposed changes have not and this includes the proposed permitted development right for C1 to C3.

Why a consultation?

In the introduction to the Government consultation, it is identified that:

- ‘Hotels and guest houses play an important role in the tourism industry, helping to stimulate economic activity and drive footfall in their localities. However, in areas of high housing need, these buildings may better serve their local communities if repurposed as housing.’

What is Class MA?

The existing ‘Class MA’ is a PD right that permits commercial sites (within use-class ‘E’) to convert to a residential use (use-class ‘C3’) via the ‘prior approval’ process. Although ‘Class MA’ is defined as a permitted development right, the prior approval process does require certain key matters are still considered (such as flood risk and noise disturbance).

Class MA currently only applies to Class E being changed to C3. It does not currently facilitate the change of use from C1 to C3. The consultation sought views on whether ‘Class MA’ could be extended to include C1 uses. (Or, if a new stand-alone class was created). It is defined as per the following page.

Relevant planning use-classes - Existing use classes relevant to this discussion are as follows:

- Class C1 – Hotels: Use as a hotel or as a boarding or guest house where, in each case, no significant element of care is provided;
- Class C3 – Dwellinghouses: Use as a dwellinghouse (whether or not as a sole or main residence) by:
 - a) a single person or by people to be regarded as forming a single household (e.g. a couple or family);

- b) not more than six residents living together as a single household where care is provided for residents (e.g. supported housing scheme for those with disabilities);
- c) not more than six residents living together as a single household where no care is provided to residents (e.g. small religious community) (other than a use within Class C4 (small HMO));
- Class E – Commercial, business and service use, or part use, for all or any of the following purposes:
 - a) for the display or retail sale of goods, other than hot food, principally to visiting members of the public,
 - b) for the sale of food and drink principally to visiting members of the public where consumption of that food and drink is mostly undertaken on the premises,
 - c) for the provision of the following kinds of services principally to visiting members of the public:
 - i. financial services,
 - ii. professional services (other than health or medical services), or
 - iii. any other services which it is appropriate to provide in a commercial, business or service locality,
 - d) for indoor sport, recreation or fitness, not involving motorised vehicles or firearms, principally to visiting members of the public,
 - e) for the provision of medical or health services, principally to visiting members of the public, except the use of premises attached to the residence of the consultant or practitioner,
 - f) (f) for a crèche, day nursery or day centre, not including a residential use, principally to visiting members of the public,
 - g) (g) for:
 - i. an office to carry out any operational or administrative functions,
 - ii. the research and development of products or processes, or
 - iii. any industrial process, being a use, which can be carried out in any residential area without detriment to the amenity of that area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit

Planning observations

It has been evidenced via the current 'Class MA' PD right (Class E to C3) that Class E units may be lost through the Prior Approval process, without requiring full planning permission.

In order to prevent the loss of commercial units in key areas (in particular, those on high streets and established business areas) many LPAs introduced 'Article 4' directions to remove this Permitted Development Right where it might create an issue (discussed further below).

It may be anticipated, therefore, that the proposed establishment of a PD right for changing C1 to C3 (either via amendment of Class MA or the introduction of a specific new PD right) could have an unintended consequence of depleting local hotel and guesthouse stock to an undesired extent. The consultation document does appear to recognise this, stating that:

'Certain elements of the development may require specific safeguards or allow for additional consideration by the local planning authority through the prior approval process. For example, it may be necessary to allow for local consideration of the impacts the change of use could have on the local tourism economy. It may also be the case that a different size limit on the amount of floorspace changing use should apply.'

It is not currently clear how such safeguards would be structured and applied in practice. We do not know currently how it is intended to assess the impacts on the local tourist economy and whether a local 'issue' can be deemed to exist – how this plays out in reality will be an important determining factor in avoiding any dramatic threat to C1 stock (in addition to the implementation of Article 4 directions).

An 'Article 4' direction would be the mechanism to remove this permitted development right and this did prove successful in many instances in stemming the loss of high street units (i.e. removing the 'Class MA' PD right from key areas). However, Article 4 directions can carry complications.

The LPA would be required to justify the need for an Article 4 direction – providing sufficient evidence could prove complicated and indeed, gathering such evidence would require resourcing. However, any Article 4 will initially require the vigilance of the LPA to identify a potential issue and it will then require the initiative and resources to gather evidence and to draft and present an Article 4 direction with the supporting justification.

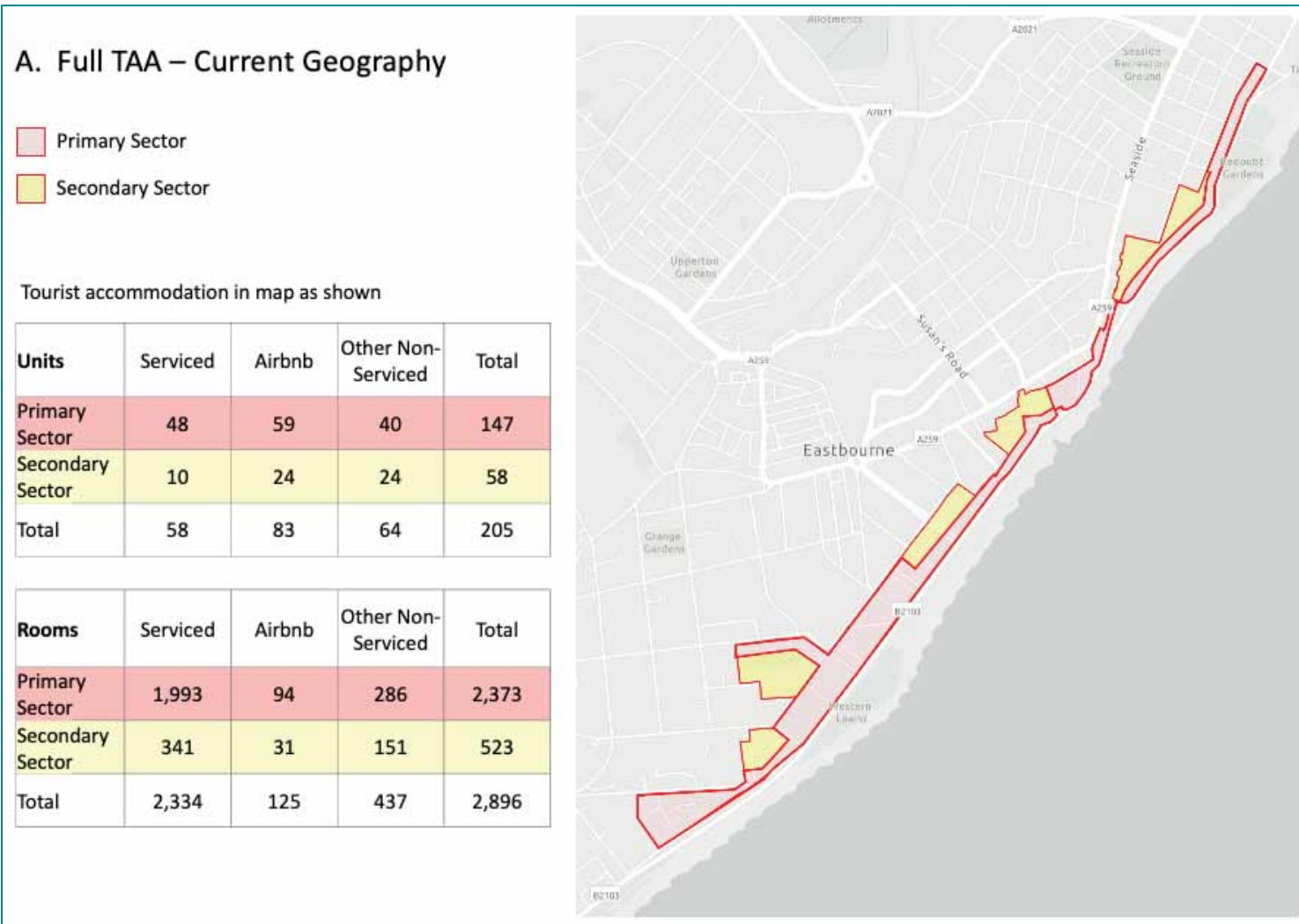
Article 4 directions may be made as 'immediate' or 'non-immediate', with differing advantages and disadvantages to both approaches. An Immediate Article 4 direction benefits from its immediacy but can result in subsequent issues such as compensation payments. A 'non immediate' Article 4 might avoid such consequences but, by being non-immediate, allows for the rushed enactment of the PD right prior to the Article 4 coming into force – thus, hotel and guesthouse owners might be spurred to enact the PD right (C1 to C3) in the awareness that the window of opportunity is limited.

Therefore, a clear and obvious risk is that key C1 stock could be lost if the PD right was amended to include C1 whilst there was no Article 4 in place to protect particular sites. Although the consultation does reference a potential consideration of impacts on the local tourism economy, it is not clear how this will play out in practice and ultimately, despite this, an Article 4 direction could still remain necessary.

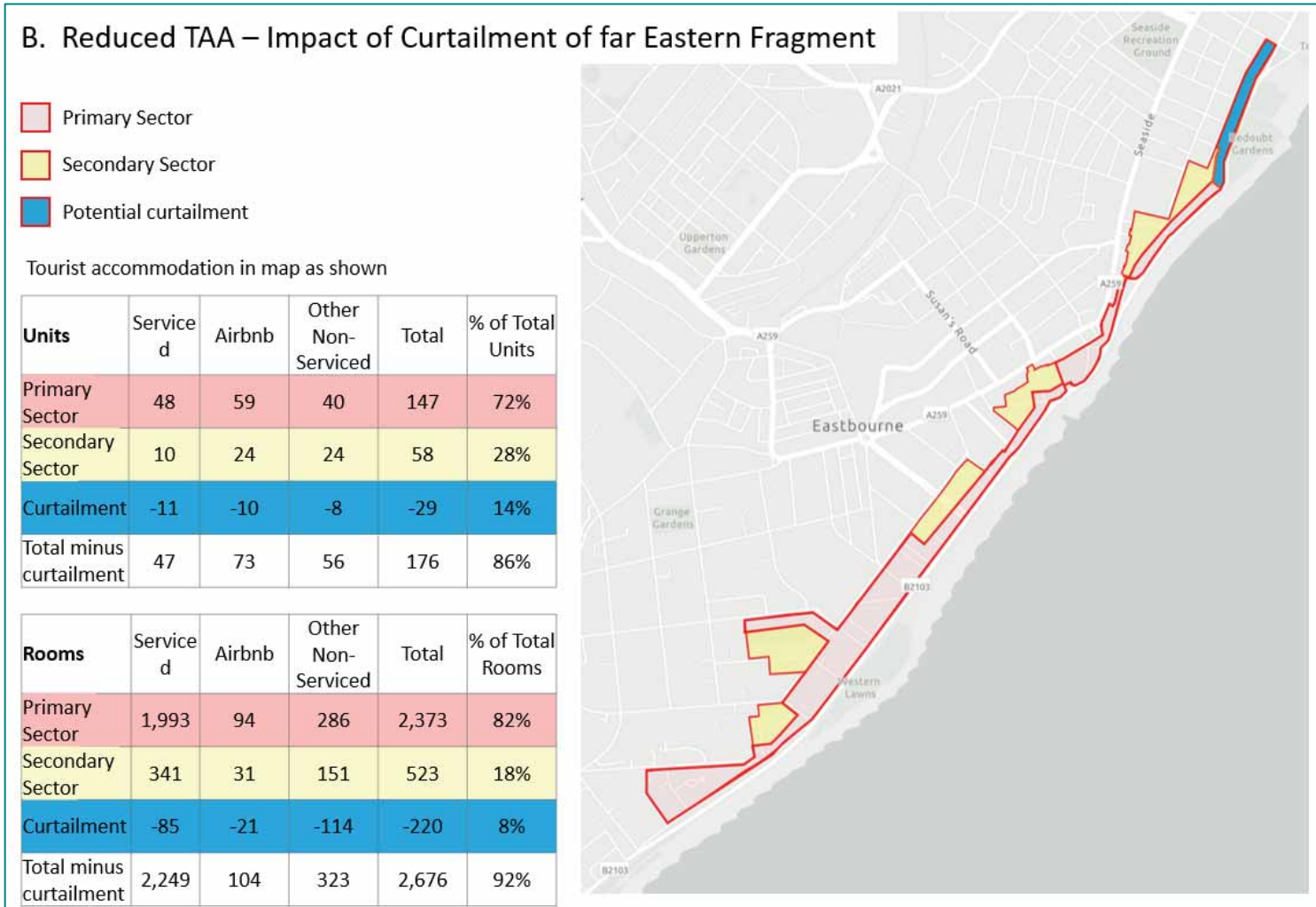
An additional factor that may exacerbate the threat is the potential determination timeframe requirements. Considering the current Class MA Prior Approval Process, for instance, there is a requirement for the LPA to determine the application within 56 days - if this does not happen then there is deemed to be approval. The turnaround is relatively fast, in particular when considered against the time it would take to bring a non-immediate Article 4 direction into force.

Considering the points above, the introduction of the PD right could result in hotel stock being lost to housing in a very short period of time and this could only be stemmed when an Article 4 came into force. In the circumstance where the PD right exists and there is no Article 4 in force, this could represent a relatively threatening period where C1 stock would remain relatively exposed to loss through a change of use. It is the case however, as the study has found, that there is currently too much outdated accommodation stock in place.

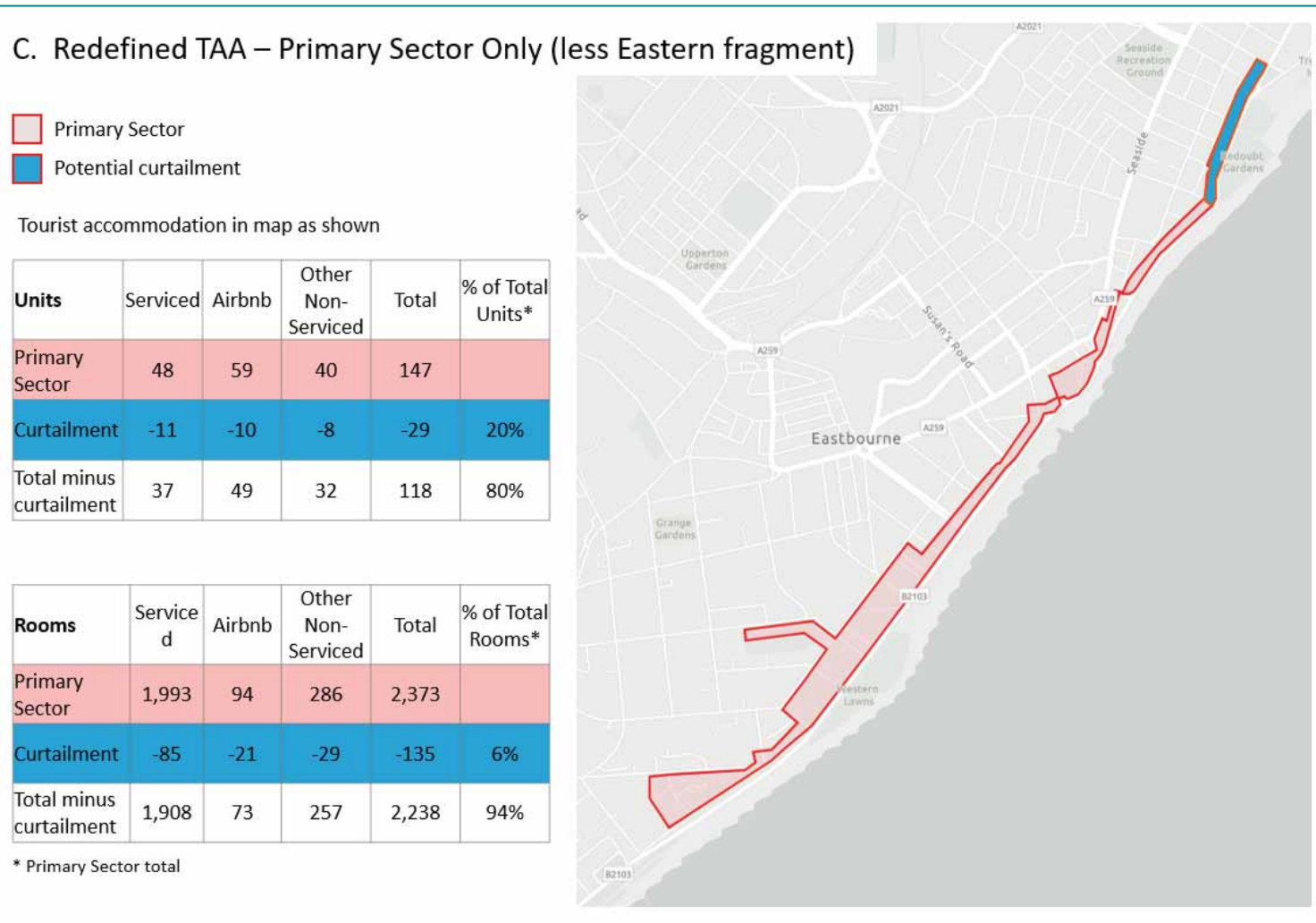
Appendix IV A – The Tourist Accommodation Area – Current Geography



Appendix IV B – The Tourist Accommodation Area – Impact of Curtailment of Eastern Fragment



Appendix IV C – The Tourist Accommodation Area – Without the Eastern Fragment



Appendix IV D – The Tourist Accommodation Area – Full TAA Primary Sector

D Redefined TAA – Eastern Section defined as Secondary sector

(Eastern Boundary of TAA with this option is the Meads / Devonshire ward boundary)

- Secondary Sector
- Potential curtailment

Tourist accommodation in maps as shown

Units	Serviced	Airbnb	Other Non-Serviced	Total	% of Total Units*
Eastern Section	30	47	36	113	
Curtailment	-11	-10	-8	-29	26%
Total minus curtailment	19	37	28	84	74%

Rooms	Serviced	Airbnb	Other Non-Serviced	Total	% of Total Rooms*
Eastern Section	1,001	71	273	1,344	
Curtailment	-85	-21	-114	-220	16%
Total minus curtailment	916	50	158	1,124	84%

* Eastern Section total



Appendix IV E – The Tourist Accommodation Area – Primary Sector – Western Section only

E Reduced TAA – to Western Section only

(Western Boundary of TAA with this option is the Meads / Devonshire ward boundary)

- Primary Sector
- Secondary Sector

Tourist accommodation in maps as shown

Units	Serviced	Airbnb	Other Non-Serviced	Total	% of Total Units*
Primary Sector	22	27	19	68	46%
Secondary Sector	6	9	9	24	41%
Total	28	36	28	92	45%

Rooms	Serviced	Airbnb	Other Non-Serviced	Total	% of Total Rooms*
Primary Sector	1,040	43	136	1,219	51%
Secondary Sector	293	11	29	333	64%
Total	1,333	54	165	1,552	54%

* Original TAA



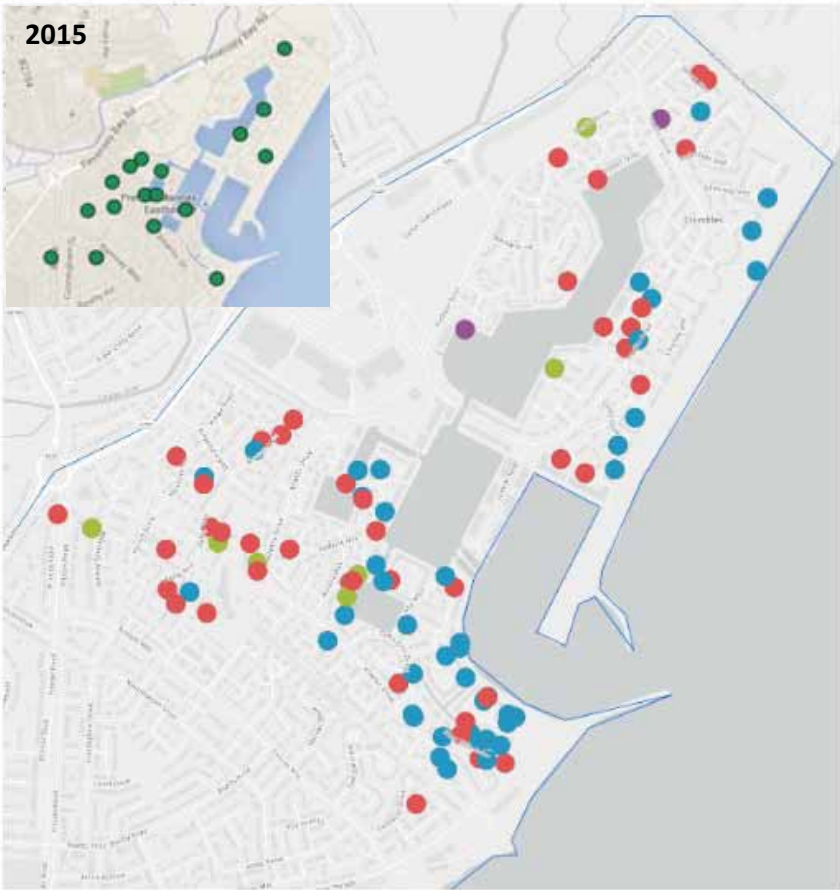
Appendix IV F – Sovereign Harbour

F Sovereign Harbour

- Self-Catering House / Cottage
- Self-Catering Apartment
- Room only
- B&B
- Sovereign Ward Boundary

Accommodation	Units	Rooms
Self Catering House / Cottage	44	103
Self Catering Apartment	43	91
B&B	2	2
Room only	9	13
Total*	98	209

* NB Properties sold through Airbnb or VRBO platforms comprise 87 of total units, and 183 of total rooms



Appendix V – Assessment of Closures

Business Name	Address	Postcode	Category	Sub Category	Re-branded	Changed use	Changed Cat.	Closed Unknown
Alfriston Hotel	16 Lushington Road	BN21 4LL	Serviced	Hotel				1
Ambassador Hotel	1-3 Howard Square	BN21 4BQ	Serviced	Hotel				1
Ambleside Private Hotel	24 Elms Avenue	BN21 3DN	Serviced	Hotel				1
Arden Hotel	17 Burlington Place	BN21 4AR	Serviced	B&B / Guest House		1		
Arundel Private Hotel (HMO?)	43-47 Carlisle Road	BN21 4JR	Serviced	Hotel				1
Ashley Grange Hotel	Lewes Road	BN21 2BY	Serviced	Hotel				1
Bay Tree Guest House	10 Elms Avenue	BN21 3DN	Serviced	B&B / Guest House				1
Bella Vista Guest House	30 Redoubt Road	BN22 7DH	Serviced	B&B / Guest House		1		
Boat House	93 Royal Parade	BN22 7AE	Serviced	B&B / Guest House				1
Boyne House Guest House	12 St Aubyn's Road	BN22 7AS	Serviced	B&B / Guest House				1
Cambridge House	6 Cambridge Road	BN22 7BS	Serviced	B&B / Guest House				1
Claremont Hotel - burnt down	5-10 Grand Parade	BN21 3YL	Serviced	Hotel				1
Coast Guest Accommodation	84 Royal Parade	BN22 7AE	Serviced	B&B / Guest House				1
Courtlands Hotel	3-5 Wilmington Gardens	BN21 4JN	Serviced	Hotel				1
Eastbourne Beach Holiday House	46 Blakes Way	BN23 6EN	Serviced	B&B / Guest House				1
Family Lodge Guest House	3 Elms Avenue	BN21 3DN	Serviced	B&B / Guest House				1
Gables Bed & Breakfast	21 Southfields Road	BN21 1BU	Serviced	B&B / Guest House				1
Gray's Hotel	18 Elms Avenue	BN21 3DN	Serviced	Hotel				1
Ivydene Hotel	5-6 Hampden Terrace, Latimer Road	BN22 7BL	Serviced	Hotel				1
La Mer Guest House (HMO!)	7 Marine Road	BN22 7AU	Serviced	B&B / Guest House				1
Lathom Hotel	4-6 Howard Square	BN21 4BG	Serviced	Hotel	1			1
Mansion Lions Hotel	Grand Parade	BN21 3YS	Serviced	Hotel		1		
Meridale Guest House	91 Royal Parade	BN22 7AE	Serviced	B&B / Guest House				1
OYO The Strand Hotel	35-42 Royal Parade	BN22 7AN	Serviced	Hotel		1		1
Park View Hotel	8 Wilmington Gardens	BN21 4JN	Serviced	Hotel				1
Pebble Beach B&B	53 Royal Parade	BN22 7AQ	Serviced	B&B / Guest House				1
Princes Hotel	Lascalles Terrace	BN21 4BL	Serviced	Hotel				1
Saffrons Hotel	30-32 Jevington Gardens	BN21 4HN	Serviced	Hotel				1
Sea Breeze Guest House	6 Marine Road	BN22 7AU	Serviced	B&B / Guest House				1
So Eastbourne Hotel	12-20 Lascalles Terrace	BN21 4BL	Serviced	Hotel	1			1
Southcroft Guest House / Southcroft Hotel	15 South Cliff Avenue	BN20 7AH	Serviced	B&B / Guest House			1	
The Meads	22 Milnthorpe Road	BN20 7NS	Serviced	B&B / Guest House				1
The Sherwood Guest House	7 Lascalles Terrace	BN21 4BJ	Serviced	B&B / Guest House				1
Tudor House Eastbourne (HMO!)	Eastbourne 5 Marine Road	BN22 7AU	Serviced	B&B / Guest House				1
Waterside Boutique Hotel (now Port Hotel)	11-12 Royal Parade	BN22 7AR	Serviced	Hotel	1			
16 San Juan Court	16 San Juan Court	BN23 5TP	Non-Serviced	Self Catering Apartment				1
Breakaway Bungalows	Kings Park	BN23 6UE	Non-Serviced	Self Catering Apartment				1
Congress Apartments (Aparthotel)	31 -37 Carlisle Road	BN21 4JS	Non-Serviced	Aparthotel	1			
Dolphin House Holiday Flats	36 Marine Parade	BN22 7AY	Non-serviced	Self Catering Apartment				1
Eastbourne Holiday Rentals	Silverdale Road	BN20 7AN	Non-Serviced	Self Catering Apartment				1
Grand Apartment	Falcondale House	BN20 7AH	Non-Serviced	Self Catering Apartment				1
Grand Lodge	Falcondale House 5 South Cliff Avenue	BN20 7AH	Non-Serviced	Self Catering House / Cottage				1
Inviting 5-bed House in Eastbourne	35 Prideaux Road	BN21 2NB	Non-Serviced	Self Catering House / Cottage				1
Kings Park Bungalow	5 Fastnet Close	BN23 6UW	Non-Serviced	Self Catering Apartment				1
Marine Court Holiday Apartments	3 Marine Parade	BN21 3DX	Non-Serviced	Aparthotel				1
Mondrian Aparthotel	31-35 Carlisle Road	BN21 4JS	Non-Serviced	Self Catering Apartment	1			
Stagedoor Apartment	The Mansions 23 Compton Street	BN21 4AP	Non-serviced	Self Catering Apartment				1
Starling Rise Holiday Apartments	8 Marine Parade	BN21 3DX	Non-serviced	Self Catering Apartment				1
Travancore Holiday Apartments	Wilmington Gardens, Travancore Apartments	BN21 4JN	Non-Serviced	Self Catering House / Cottage			1	
White Stone House	24 Bourne Street	BN21 3ER	Non-serviced	Self Catering House / Cottage			1	
					5	4	3	41