

Observer Building – community ownership bid (led by White Rock Neighbourhood Ventures)
FAQ Document – last updated 6/11/18

This document is made up of questions asked at the community meeting on 24 Sept 2018 to discuss the proposal to of community led regeneration of the Observer Building. We will add more questions and answers from community members as the project develops. If you have a question, please contact info@theob.org.uk

THE PROPOSAL

Who is the “we” you refer to?

Currently, the project to put the Observer Building (OB) into community ownership and regenerate it is being driven by White Rock Neighbourhood Ventures, local neighbourhood developer and creator of Rock House, plus a group of connected local organisations (Heart of Hastings CLT, Project Artworks, Living Rents, Jericho Road Solutions) and a few local people ready to get going. Going forward there would need to be a groundswell of community support, and perhaps a new organisation altogether. – you tell us!

What are you proposing?

The proposal, underdevelopment by the team at White Rock Neighbourhood Ventures, involves:

1. securing initial loans of £1.65m to purchase the building and carry out urgent works.
2. refinancing this with a series of grants and social investments to bring the building into stable community ownership and reduce interest on loan repayment terms
3. deliver a phased, community-led redevelopment of the building over 10 years to create ongoing revenue to meet the repayment terms.

The eventual business model envisages a mix of community/creative work space, cultural and leisure space alongside 15-20 capped rent homes with affordable rents pinned to local incomes. Eventually, there could be limited housing priced at open market rates to ensure the model is sustainable. The plans could see our partner charity Heart of Hastings CLT deliver the capped rent housing. This partnership is under discussion at present.

You can read our manifesto here: <https://theobserverbuilding.org.uk/our-plans/>

The property is valued at £1.5 million. Is that realistic?

It is a high valuation, but Savills have completed a valuation of the building for us and we're negotiating based on that. If we are successful, the value will only increase over time.

What are the risks?

This is a risky venture. We may not get the money to buy the building, and, if we do, we may not be able to generate enough income (up to £6000 pcm just to pay the loan interest) to progress. WRNV would take on the liability. If Rock House is used as collateral, than RH could be at risk. We have been working with social lenders and professional advisors to understand and mitigate these risks. Ultimately this rides on the building being economically productive from the word go, which depends on a community wide effort.

What would the rent be?

It would start low for meanwhile uses. As the building becomes productive, the rents would rise slowly and transparently to generate income to pay for redevelopment and loan interest. To give you an idea, Rock House rent is £80 per sq metre for work space, plus service charge.

When Rock House first opened, there were community members / businesses who used the space at the beginning for cheap rent or for free but unfortunately were never able to generate enough income for their ideas to pay the full rent. They couldn't stay paying nothing or discounted rents in the place of tenants who could pay the full capped rent – the building has to pay for itself. Even so, the building acted as incubation space for these local creatives and enterprises and we intend that the OB do this too through meanwhile use.

Rock House Capped Rents are not affordable, what do you plan to do about truly affordable rents?

Rock House capped rents were higher than some people could afford, but we would use the Heart of Hastings model - 1/3 of median income in Hastings. As rents will be capped in perpetuity, stay stable and only rise with inflation as private rents sky rocket – they will effectively get cheaper in comparison to the market. Heart of Hastings and Rock

House both reserve some flats for Local Housing Allowance rates, which is something we may consider for the Observer too.

Would you become a social housing provider?

Heart of Hastings CLT has looked into this previously but being a registered provider (the new name for housing associations) has as many challenges as benefits.

How does this vision fit into the housing/ homelessness crisis?

We recognise there is a massive housing crisis in Hastings. Hastings Council is not building any homes, the social housing waiting list is huge, people are at risk of homelessness because of high rents. The OB would not solve the whole problem, but it would allow us to provide a number of high quality, genuinely stable and affordable homes and be part of the solution, not part of the problem.

Who do you want in the workspace?

We want lots of different enterprises. Office based, creative and light engineering, a music/events venue, art space. But we want to hear from you on this. Potential tenants get in touch on our website:

www.theobserverbuilding.org.uk

Would a bar conflict with the planned and existing residential tenants?

We would plan for that to minimise the effect, but it would be 'town centre living' so some noise is to be expected.

What are the caves?

The caves run alongside the building and in the alley way. At the moment we think they could be used partly for more effective waste management for all the businesses backing onto the alley, the OB included. We are in consultation with Hastings Borough Council about this. There may be ways to put them to other community uses – ideas welcome!

The OB has planning permission to build above the current height of the building. Would you extend the roof?

Not initially, but possibly long term, 10 years, to realise the value of the building.

Are the council supportive?

Some individual councillors are supportive, and the leader of the council has expressed support for the building to come into community use and provide affordable housing. Some of the funding for the residential floors could come from the Community Housing Fund.

Heart of Hastings CLT applied to get the building listed as an asset of community value. This would give us a 6 month moratorium to make a bid, and it would possibly devalue the building. Unfortunately this was not accepted by the council but we continue to have conversations with them about how they might be able to get behind the project.

Is there any scope for a "letter of comfort"? It is something we can look into.

[https://en.wikipedia.org/wiki/Letter_of_comfort_\(contract_law\)](https://en.wikipedia.org/wiki/Letter_of_comfort_(contract_law))

What are you asking for?

We (White Rock Neighbourhood Ventures and partners) are busy sorting out the funding, surveys, valuations and (hopefully!) purchase into community freehold.

We are asking from the community for two things:

1. a core team who can offer their skills and time to jointly create and implement a sustainable plan to prepare the building for immediate use if we get the keys. Your involvement could be:
 - Supporting with community engagement and consultation
 - Communications like web design or social media management
 - Design work for marketing materials

- Construction or decorating work to help with physical renovation
 - Becoming a rent paying tenant
 - Volunteering to staff the space so we can start making use of it as soon as we get the keys...
2. wider community involvement at any level, this could be anything from responding to consultations to putting up posters to talking to your neighbours to sharing on Facebook.

You can let us know how you'd like to be involved on our website – www.theobserverbuilding.org.uk