

## **Hastings – Booming or Bubble about to Burst?**

No doubt if you read the national press you will at some time have seen Hastings discussed as one of the country's property hotspots. Investors have bought in their droves, attracted by the relatively cheap prices and the coastal location. And prices have certainly rocketed as a result. But is it still a good place to invest? Or has this local bull market run its course?

Well there are certainly arguments to support both camps. Many local investors believe it is too late and the money has been made by those who were canny enough to have bought several years ago. And signs of a glut of property on the rental market are definitely showing.

Even worse for investors looking for income, the rents achieved just don't stack up in the short term, and in most cases are not enough to support the multiples required for an 85% buy to let mortgage.

However, prices here just do not stop rising. The price of flats seems to increase weekly, and people are still buying.

So what is there to attract the buyers? One of the things that property investors look for are areas that are being regenerated. And Hastings is certainly one of those. The local regeneration plans cover transport, business initiatives, education, culture and housing. All of which give encouraging signs that this area is still "up and coming". For example the South East England Development Agency (SEEDA) had allocated £38million to the local task force for regeneration over the next three years.

There are plans for a showcase hotel and office development on the seafront, upgrading of the station, railway routes and roads, new business centres, new education facilities linked to local universities and so on. Seaspace – the organisation delivering the regeneration- is committed to bringing a new vibrancy and economic growth to the area.

Many properties in poorer areas are being bought by private landlords and redeveloped or upgraded, and grants are available in some wards.

People are moving in from London and Brighton because it is so much cheaper in comparison. In fact Hastings is believed in some circles to be the next Brighton, expected to become a thriving cosmopolitan area.

And the word on the street is that prices in Hastings have along way to go to catch up with Brighton, so local agents are not expecting any cooling off in price rises, whatever happens elsewhere in the country.

So should you buy there?

Well, if it fits in with your investment strategy then yes. But at the moment you need to be looking for capital growth rather than income, and realistically have more than 15% available to put down as a deposit. And if you do intend to let to cover your costs, then do make sure your property is clean, tidy and up to date inside. There is a lot of competition in the market, so you must present your property well.

Or, if you like the idea, but want a mix of capital and income, try looking in the surrounding areas where prices are a bit lower and rentals are a little higher, giving a better all round return.

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