

Appendix 8.17

Sales and Marketing Strategy

In November 2016, work commenced to establish a 'Baseline' financial model to demonstrate viability of the 12 Site Regeneration Programme, both on a site-by-site basis and across the entire portfolio.

The initial revenue forecast was based upon independent market research via local estate agents, supported by evidence-based land registry data, derived from comparable new build activity (where available) in the immediate localities of the 12 Sites.

These assumptions were then reviewed by Savills who led the multi-disciplinary specialist team appointed by the Council. Savills recommended base revenues would attract a regeneration factor comprising a 5% premium compounded over the development lifecycle of the project. In addition, a high level summary was commissioned from local agents Glenny and this is attached.

Bidders shortlisted to participate in the competitive dialogue procurement process have since instructed internal sales and marketing teams, and/or external sales agencies to provide detailed sales and marketing reports to inform their own financial viabilities including wider demographic data to support a sales and marketing strategy. One of the requirements of that emerging strategy was to show how the new homes being built would be targeted at local people and to evidence affordability at local income levels.

In November 2017, 'Bidder C' commissioned CBRE to undertake a comprehensive sales and marketing analysis for Phase One of the 12 Site Regeneration Programme. The report considers a broad range of factors which influence the financial outcomes, such as:

- Place-making and regeneration premium
- Pricing analysis of estate regeneration
- Characteristics of the target market
- Build specification
- Diversification of product
- Incentives
- Sales and marketing strategy

The report also included a plot-by-plot revenue analysis and forecast predicated on first sales arising in 2021. These range from £484ft² to £617ft².

Bidder C financial analysis assumes average private sales values equivalent to £513ft².