



Mini competition: Site marketing in Weston super Mare.

Invitation to participate in a mini competition

Background

The following three sites, all located in the town centre area of Weston-super-Mare in North Somerset, were acquired by Homes England in March 2016 and are now undergoing final de-risking activities prior to being marketed for sale on a freehold, subject to planning basis:-

1. Phase 4, Dolphin Square
2. Sunnyside
3. Locking Road car park

1. Phase 4 Dolphin Square is a largely cleared, brownfield site extending to 0.84 ha in close proximity to the seafront and adjacent to Phase 3 Dolphin Square, a leisure and retail development. The site was acquired in three separate transactions: Dolphin Square, Oxford Street car park and the Chip Shop.

Whilst Homes England owns the freehold interest in Oxford Street and the Chop Shop, it currently owns a long leasehold interest in Dolphin Square. However, discussions are underway to acquire the freehold ownership in order that a full freehold sale can be secured next year. It is also intended to demolish the Chip Shop in early 2021. The centre of the site is occupied by a two-storey 33KV substation, which is leased to WPD. It is not intended to relocate the substation and WPD retains a number of access rights that must be accommodated in any future development proposals.

The site is identified in North Somerset Council's Weston super Mare Town Centre Regeneration SPD (2017) as allocated for the delivery of up to 220 homes in addition to retail and leisure uses. Previous proposals for high-rise apartment blocks have not been delivered on the grounds of viability and the council now accepts that lower density, market-facing schemes are more likely to be delivered. The SPD exempts sites brought forward before 31st March 2020 from CIL, S106 contributions and affordable housing, however, this exemption is now being renewed. The site is also within the Beach Lawns Conservation Area.

2. Sunnyside is located off Sunnyside Road North, adjacent to the station and bordering the Hildesheim Bridge. It is a cleared, brownfield site extending to 1.19ha.
3. Locking Road car park is a hard-surfaced pay-and-display car park with public toilets, on the other side of the A370 from Sunnyside. Part of the site extends under the Hildesheim Bridge. The site is currently leased to North Somerset Council who operate the car park, however, the lease is due to expire in March 2021. The public toilets have now closed.

Together, Sunnyside and Locking Road car park are known as the Gateway sites. Both are identified in North Somerset Council's Weston super Mare Town Centre Regeneration SPD (2017) as within the Station Gateway Area, which is allocated for the delivery of 500-600 homes. The council has now accepted that it's previous aspiration for high density, high-rise housing is not likely to come forward on viability grounds, and will consider applications for lower density, market-facing schemes. The SPD exempts sites brought forward before 31st March 2020 from CIL, S106 contributions and affordable housing, however, this exemption is now being renewed.

The three sites will be offered for sale as individual lots and bids will be accepted for one or more lots. North Somerset Council has a keen interest in seeing all three sites brought forward for development and is working with Homes England to provide individual Planning Statements that will accompany the marketing particulars for each. Bidders will be expected to submit proposals for an indicative scheme, which should include a layout plan, drawings of proposed house types, a development appraisal and a development programme. Proposals should adhere to the principles set out in the planning Statement, and bids will be evaluated on the following criteria:-

1. Pass/Fail criteria
2. Price-based criteria

1. Pass/Fail criteria:
 - Submission of tender forms
 - Financial due diligence
 - Programme
 - Assessment of the tendered scheme's prospect of achieving satisfactory planning consent
 - Assessment of design proposals, which should adopt the guidelines in the planning statement and BFL12 standards
2. Price – the bidder's tendered offer for the land will be assessed on an NPV basis. Deferred payment terms will be considered, on Homes England's standard terms.

Brief & Objectives

This mini competition seeks to commission an agent to carry out the following:

1. Stage 1:-
An initial Expression of Interest (EOI) exercise in respect of Phase 4, Dolphin Square
The objective of the EOI exercise is to promote the site across the widest possible platform and generate maximum interest prior to a full marketing campaign.
A detailed report should be provided at the conclusion of the exercise, which sets out the findings of the exercise and makes additional recommendations for Stage 2.
2. Stage 2:-
A full marketing exercise in respect of Phase 4, Dolphin Square
The objective of the marketing exercise is to secure a buyer for the freehold interest on a conditional, subject to planning basis.
3. Stage 3:-
A full marketing exercise in respect of Sunnyside and Locking Road car park.
The objective of the marketing exercise is to secure buyers for the freehold interest of both properties, each on a conditional, subject to planning basis.

The full award will be made on a stage-by-stage basis, with a review at the end of Stage 1 to appoint an agent for Stage 2 & 3. Whilst it is hoped to run stages 2 and 3 concurrently, the commission should allow for flexibility with the marketing dates, which may delay Stage 2 and/or bring forward Stage 3 (see 'anticipated timeframe' below, and Programme) depending on the outcome of the ongoing technical due diligence. Homes England reserves the right to terminate the instruction following each stage.

The successful agent will propose a detailed marketing strategy that sets out its recommendations for seeking initial expressions of interest in Dolphin Square and how best to progress all three sites to the market. The proposed marketing strategy should include guide price, general approach, target market and likely purchasers, marketing material and marketing programme. Evidence of recent experience in the local market and direct knowledge and experience of the sites should also be provided.

The instruction will include site marketing and production of Information Packs for each site, developer selection, negotiation of Heads of Terms and support throughout the disposal process through to completion.

Frinking Valuations will be required in order to support Homes England's approval process for the disposal of each site at the agreed value, as at the date of disposal.

The anticipated timeframe is as follows:-

- Dolphin Square Eol exercise to commence: Q4 2020/Q1 2021
- Full marketing to commence 1st April 2021, subject to the following caveats:
 - There is the possibility that Sunnyside and Locking Road could be marketed in February 2021, pending the outcome of current technical investigations.
 - There is the possibility that technical due diligence delays could set back the marketing of Dolphin Square.

Programme

The following programme is proposed:

- Tenders to be returned by 5pm on Tuesday 3rd November 2020.
- Tenders to be assessed Thursday 5th November 2020.
- Appointment to be made on Monday 9th November 2020.
- Dolphin Square Eol to commence Wednesday 2nd December 2020 or thereafter.
- Target date for full marketing of all three sites: 1st April 2021 (subject to the due diligence factors set out in 'anticipated timeframe' above).
- Target date for exchange of conditional contracts: 31st December 2021.

Note. If you consider the proposed timeframe to be unachievable, please indicate what you consider to be reasonable and achievable, giving reasons why.

Fee

The fee proposal should include the following:-

- A breakdown of the fees for conducting each stage, securing buyers and overseeing the disposal as set out in 'Brief & Objectives' above.
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- A fixed fee for providing a detailed report that captures the findings of Stage 1.
- A breakdown of costs for the recommended marketing materials for each stage.
- A fixed fee for each Franking Valuation.
- The timing of payment of the proposed fees.

Site Information

Site plans for each of the sites are attached at Appendix A.

The appointed consultant will be given access, via Huddle, to the suite of reports that are available for each site, including constraints summaries. In addition to the reports that are currently available, a number of surveys are in the process of being completed for each site and these will be available prior to the commencement of the full marketing exercise.

Evaluation Criteria		
Submissions will be evaluated against Price and Quality criteria as follows:		
CRITERIA		SCORE
Price	<p>Stage 1:- Fee in respect of:</p> <ul style="list-style-type: none"> conducting an Expressions of Interest exercise for Phase 4, Dolphin Square cost of marketing materials providing a detailed report to Homes England of interested parties <p>Stage 2:- Fee in respect of:</p> <ul style="list-style-type: none"> marketing Phase 4, Dolphin Square and securing a buyer cost of marketing materials providing heads of terms providing Franking valuation <p>Stage 3:- Fee in respect of:</p> <ul style="list-style-type: none"> marketing Sunnyside and Locking Road car park and securing buyers cost of marketing materials providing heads of terms providing Franking valuations 	60%
Quality	<p>Total score:</p> <p>Split into:</p> <ul style="list-style-type: none"> Technical merit of proposal and understanding of the brief. Demonstration of recent agency work carried out in the local market. Demonstration of previous knowledge and experience of the sites. 	<p>40%</p> <p>15%</p> <p>10%</p> <p>15%</p>