

LONDON LIFE SCIENCES REAL ESTATE DEMAND REPORT



In association with



CONTENTS

FOREWORD	3
KEY FINDINGS	4
RECOMMENDATIONS	5
DEMAND NOW & WHY LONDON?	6
DEMAND ANALYSIS	10
PROXIMITY TO CLINICAL SETTINGS	15
WHAT DO HIGH-GROWTH SUBSECTORS NEED?	17
GROWING SMES	21
COST AND LOCATION	22
BARRIERS TO GROWTH IN LONDON	25
WHERE ARE R&D-INTENSIVE BUSINESSES LOCATED	27
SUPPLY LEVEL NOW	28
CONCLUSIONS	30
RECOMMENDATIONS	31
APPENDIX	32
SUPPORT AND ACKNOWLEDGEMENTS	35
ABOUT MEDCITY AND CREATIVE PLACES	37

REPORT METHODOLOGY: Over the summer of 2021, over 80 companies completed the study survey. An additional 24 companies participated in focus group workshops and 30 engaged in 1-1 interviews. Businesses were involved in pharma/biotech, regenerative medicine, medtech, devices, digital health, AI, clinical trials and support service provision. Companies were typically active in more than one of these and not easily definable by one particular category or another. Over 50 of those businesses completing the survey were able to clarify requirements for floor space. The sample size of 80 businesses participating in the survey represents only a fraction of the hundreds of businesses that are R&D intensive in London. Large corporates tend to keep their plans for growth confidential until an immediate requirement for space exists, whether they may have space in London today or not. Thus the total requirements for the capital far exceed those found through this study.

FOREWORD

Neelam Patel
MedCity CEO



London is a renowned global life science hub. The co-location of world-class universities and clinical research, alongside infrastructure and access to investment for biotechs and other innovation led start-ups in medical sciences – from diagnostics to gene therapy – makes it a unique cluster of discovery. London is also home to some of the world's most prominent life sciences companies, from Novartis to Google.

When we began research for this report in May 2021, we were already aware that life sciences companies in London were finding it difficult to secure space for their healthcare R&D. Our aim was to quantify this demand for space, understand the drivers for where such space should be ideally located, and to dig deep into the specific needs of companies in AI, digital health, medtech and cell & gene therapy – some of the key subsectors in which London excels.

This deep dive expert report surveyed and questioned more than 100 companies and organisations. It reflects their views and their measurable requirements for space in London. Thanks to their valuable contribution, we now have a unique depth of understanding of the infrastructure needs of life science companies. There is a huge opportunity here to work together in creating the right places for life science companies to grow.

As the cluster organisation representing life sciences in London, our purpose is to catalyse growth. We want to ensure this by supporting supply of appropriate real estate in order to optimise the expansion of healthcare SMEs and industry, and in turn participating in the economic well-being and health of the city's communities.

KEY FINDINGS

- **Demand for space has increased fourfold.**

Over 500,000 sq ft of demand exists for life sciences real estate in London; 270,000 sq ft of that demand is for space within two years (up from 67,000 sq ft identified in 2016 in our previous report, [Planning for Growth](#)). This excludes requirements for space where property seems to have been found, such as for MSD's 220,000 sq ft requirement. The innovation in therapeutics, diagnostics and healthcare delivery spurred by the Covid-19 pandemic appears to have heightened demand for space.

- **Demand is rising faster than supply.**

London's wet laboratory innovation centres are all full. There is a desperate lack of provision for start-ups and small companies. These fast growth companies identify the lack of ready available property made fit for purpose, cost effectively and in locations that optimise their success as a primary barrier to growth.

- **Increasingly sophisticated real estate needed.**

Extract to air capability in wet laboratory space is becoming more important and clean room space for small-scale manufacture now forming part of the demand profile. Those businesses seeking more substantial suites of floor space often have to work with landlords on conversion of existing stock that can tie up limited capital in building work; there is a preference to pay higher rent for purpose-built space.

- **Access to talent is high on the agenda.**

Companies want to grow activity in London for a good number of reasons, including its research excellence and its creative people. They consistently say it is an excellent place to recruit staff – in some key roles applicant numbers and applicant quality is the best in the world, even beyond Boston. Large corporates in particular prioritise access to skilled labour over other considerations such as rental costs.

- **London is a global hub for Advanced Therapies.**

Developers of groundbreaking Advanced Therapy Medicinal Products (ATMPs) are increasingly clustering in London, but companies in this sub-sector struggle to find the sophisticated facilities needed for their core R&D and R&D-intensive manufacturing.

- **New laboratory space models are emerging.**

London is a hub of innovation beyond sciences. New ideas in design and delivery are providing solutions to this unprecedented demand for space, especially small scale lab suites. However, supply and demand visibility and strategic planning discussion are currently uncoordinated. A savvy approach by a co-ordinated group may help facilitate better supply.

RECOMMENDATIONS

1. SME SUPPORT

Create more specialist space with access to operational facilities for early-stage life science SMEs by leveraging the planning framework. Locate these spaces in key London locations alongside accelerator and incubation programmes.

2. GMP MANUFACTURING

Develop a roadmap for landlords and developers on building small scale manufacture to support the delivery of flexible, adaptable laboratories and clean rooms that are licenced and fit for purpose. Utilise the expertise of the Cell and Gene Therapy Catapult to build the roadmap via a working group that includes real estate developers and city planners.

3. ACTIVITY & DEMAND VISIBILITY

Create a dynamic resource of life science R&D demand, activity and needs across London that can be used by ecosystem stakeholders to optimise real estate development.

4. HUB CURATION & DEVELOPMENT

Build networking hubs in London in areas of high demand to allow for mobility and collaboration between innovators, clinicians, researchers, investors and developers within life science clusters in London and nationally.

5. SKILLS DEVELOPMENT

Ensure London remains a leader in attracting and growing life science talent by fostering partnerships between higher education institutes and industry that deliver a strong supply chain in skills for the future.

IMPLEMENTATION: MedCity will seek to hold recommendation-specific roundtables with stakeholders across our ecosystem over the next six months to agree how the five recommendations can best be actioned to meet demand and continue the growth of the life science sector.

DEMAND NOW & WHY LONDON

Demand is outstripping supply in life science innovation boom

All London's wet laboratory innovation centres are full and with waiting lists. In 2021, space designed for wet laboratories at Imperial's iHub in White City has been fully let; Queen Mary BioEnterprises' facility at Whitechapel has expanded to provide some additional space focussed on Medtech, AI and Digital Health; and an Innovation Gateway facility to deliver shared

wet laboratory space is under development at the Institute of Cancer Research in Sutton. However, demand is rising faster than new developments are coming online, and over the last few years property owners have been working with businesses to create laboratories out of office buildings as best they can whilst the development pipeline works to catch up.

“ Demand is rising faster than new developments are coming online ”

Why the UK and London

The UK stands out as a key location for life sciences R&D on the global stage. The UK is seen as excellent for its quality of research base, quality of dynamic SMEs and its innovative people and culture (fig. 1, overleaf). Those involved with encouraging foreign direct investment indicate that European companies see the UK as particularly good for its talent pool and access to the NHS, and ahead for therapeutic innovation. From the US, the skill level of people

and the excellence in early-stage innovation is rated highly. The fundamentals for London's life sciences R&D activity are exceptional.

London forms a critical part of the Golden Triangle cluster – particularly in relation to AI, Advanced Therapies, Medtech and Digital Health. The challenge for London now is how it can best provide for growth and use the life sciences sector's potential to maximum advantage.



LEVELLING UP

Supporting London as a hub of life science discovery can impact on levelling-up activity

- Growth in R&D and small-scale manufacture in London leads to larger-scale manufacturing in lower-cost locations outside London
- London-based companies contract out research to regional Contract Research Organisations (CROs) that can undertake R&D more cost effectively
- Relationship building with specialist manufacturers that supports advanced product development in the UK
- Facilitating two-way engagement with R&D intensive businesses outside London who need better access to the world-leading research, funding, R&D, regulatory affairs and business-building know how embedded in the capital

Fig. 1: How the UK ranks for 14 business criteria

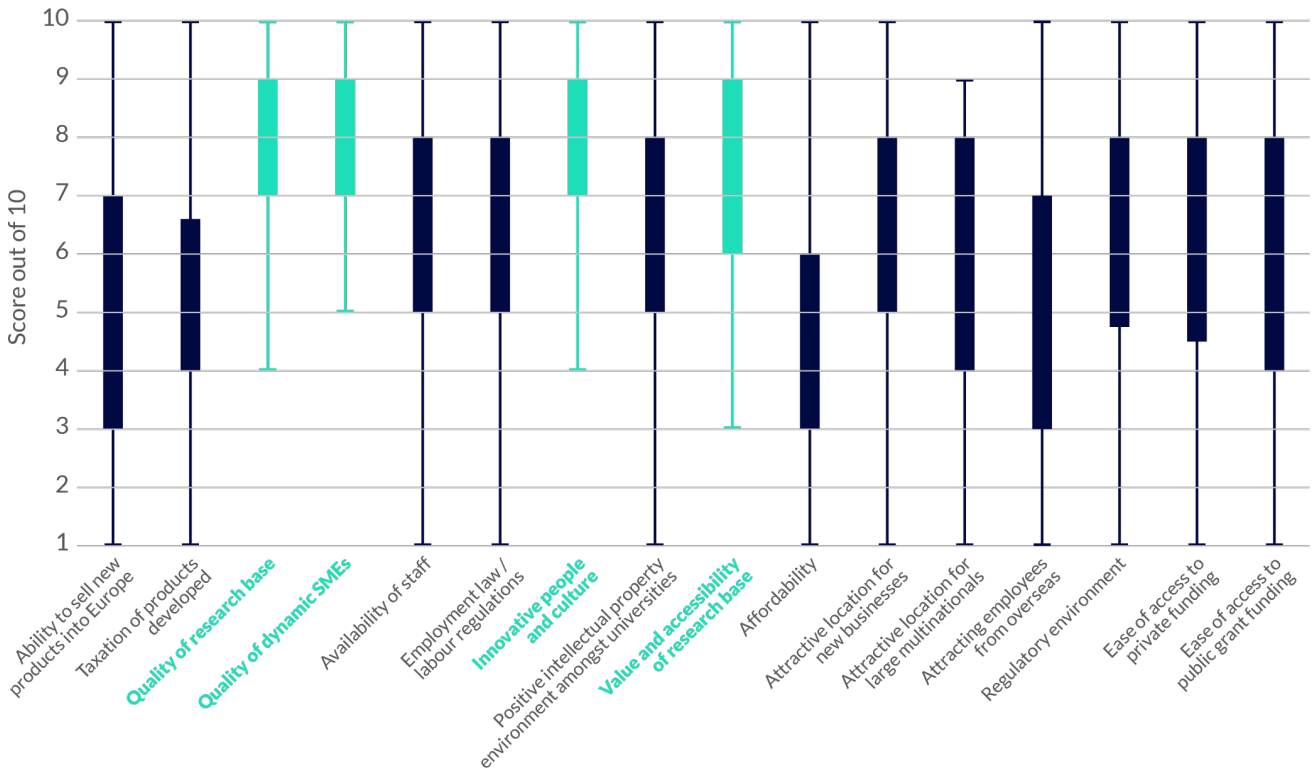
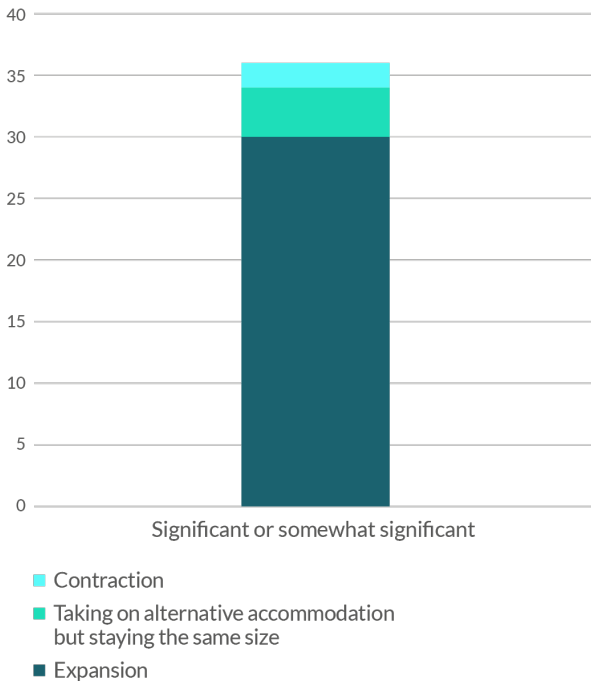


Fig. 2: Impact of Covid-19 on real estate demand



The impact of the Covid pandemic has largely been to drive towards more space, not less.

London's start-up formation is among the very best in the world. The Global Entrepreneurship Network Report of September 2021 shows London's start-up ranking is second only to Silicon Valley (fig 3.), and tops the table for life sciences talent (fig. 4).

Fig. 3: London ranks 2nd to Silicon Valley for its start-up ecosystem

	Ranking	Performance	Funding	Connectedness	Market Reach	Knowledge	Talent
Silicon Valley	#1	10	10	10	10	10	10
London	#2 (tie)	9	10	10	10	7	9
New York City	#2 (tie)	10	10	10	10	5	10
Beijing	#4	10	9	5	9	10	10
Boston	#5	9	9	9	9	5	10
Los Angeles	#6	9	10	3	9	7	9
Tel Aviv	#7	8	9	8	10	4	8
Shanghai	#8	10	7	1	9	10	9
Toyko	#9	8	9	1	8	9	9
Seattle	#10	9	7	7	8	7	8

Fig. 4: London ranks top for life sciences talent

	Talent						
	Tech		Life Science			Experience	
	Cost	Quality & Access	STEM Access	LS Access	LS Quality	Scaling Experience in Ecosystem	Start-Up Experience in Ecosystem
Silicon Valley	5	10	2	5	10	1	2
London	5	10	10	10	10	10	10
New York City	3	10	10	10	5	6	8
Beijing	9	8	10	10	4	10	10
Boston	5	10	8	9	9	7	7
Los Angeles	3	10	7	7	7	6	7
Tel Aviv	6	5	6	8	2	8	7
Shanghai	9	7	10	9	3	10	10
Toyko	1	7	10	9	1	10	10
Seattle	1	9	1	1	10	2	2

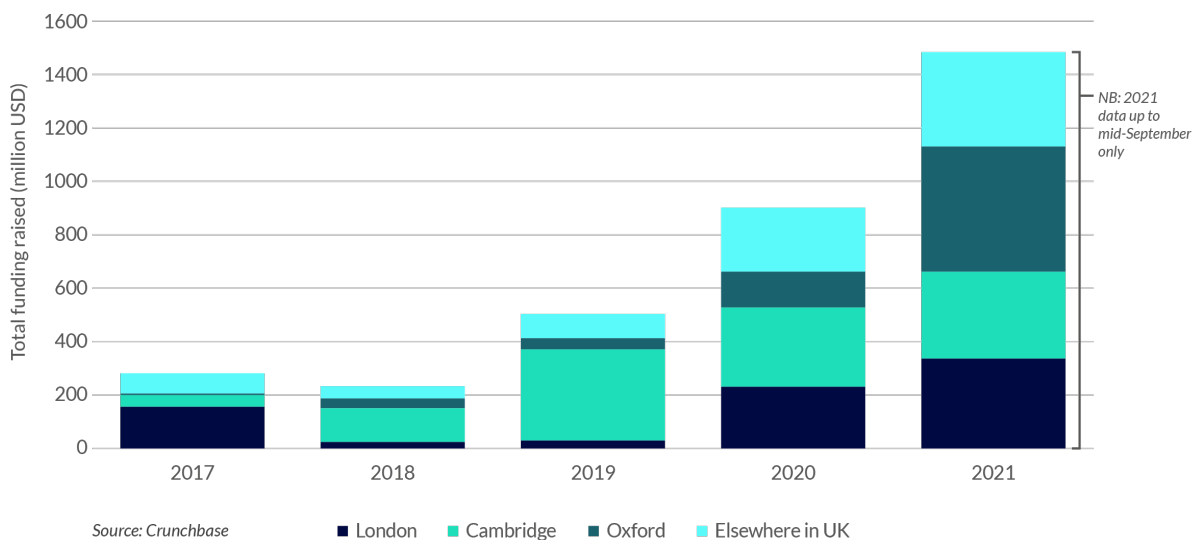
Source: The Global Entrepreneurship Network Report, September 2021

“ For MSD, place is very important for many reasons. The greatest factor in London’s favour as a destination for scientific research remains the ability to attract and retain leading talent. London’s connectivity to the rest of the UK and to the rest of Europe is a notable benefit, from a talent perspective, but also when it comes to establishing research collaborations. ”

– Dr Virginia Acha, Associate Vice President – Global regulatory, MSD
(MedCity advisory board member)

Within the life sciences, we see that UK businesses, and those in London, particularly, are raising very significant and growing sums of money, which will impact on real estate demand. International money pouring in at ever greater scale is a significant pointer to a greater need for property into the future.

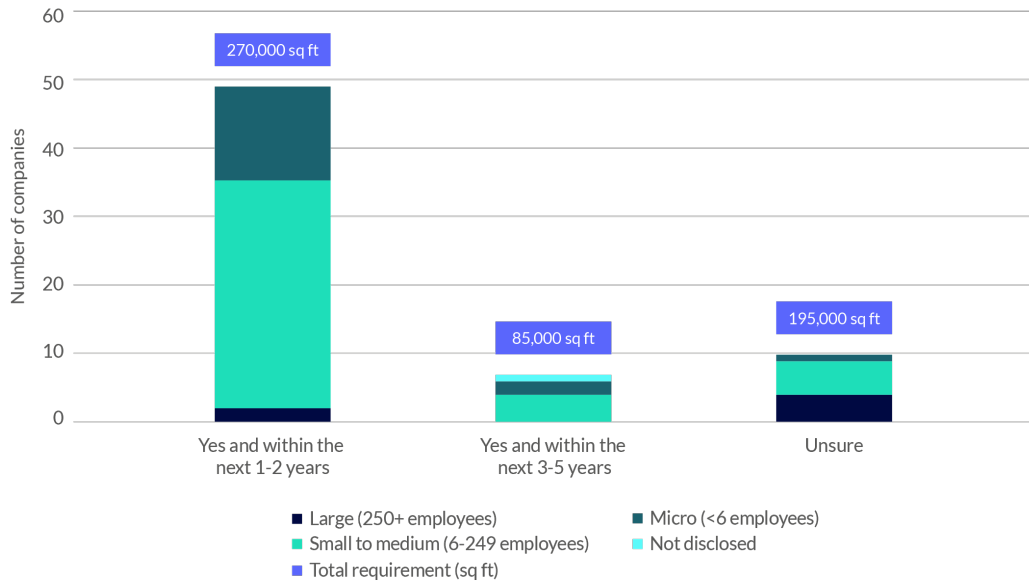
Fig. 5: Series A to C funding raised by UK life sciences SMEs in the last five years



DEMAND ANALYSIS

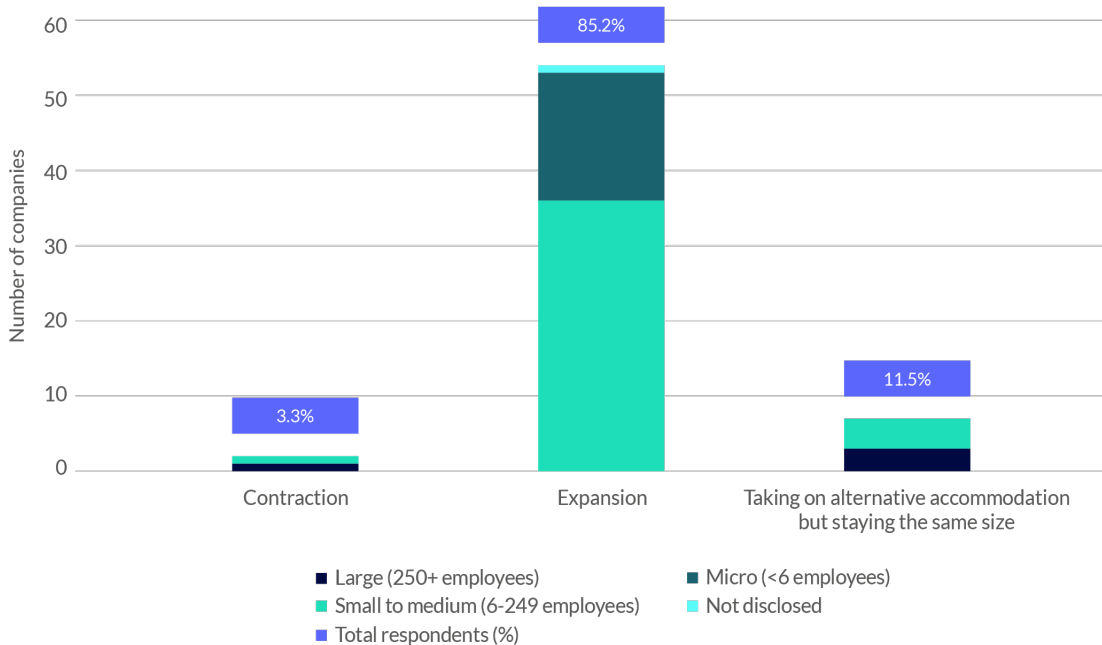
The amount of property required can be broken down into time horizons for analysis.

Fig. 6: Identified property demand



Overall, the real estate footprint is expanding. Large corporates tend to be driven by relocation and rationalising space; SMEs and micro businesses are expanding their real estate footprint.

Fig. 7: Space requirement driver



Life science businesses in 2021 need ever more technically advanced facilities. A significant proportion need 'extract to air' capability in their laboratories and some even need clean rooms for early stage, small-scale manufacture. This comes as new ways of developing therapies evolve, necessitating new ways of creating the material required. The manufacture itself is highly R&D intensive and intrinsically linked to the work to find therapies for life-threatening diseases. Companies need space that allows for this type of specialist small-scale manufacture.

Fig. 8: Companies with requirements for accommodation (high to low specification)



What is the significance of wet lab space with extract to air?

Wet laboratory space with extract to air is typically needed where potentially hazardous substances are involved and require much more building plant, ducting and chimney flues. Sub-sectors that may need it include Advanced Therapies and those working in vaccine development. Growing needs for wet laboratory space that can deliver extract to air capability are a challenge for the property industry and planning authorities.

For those companies that seek manufacturing and extract to air wet laboratory space, the amount of space dedicated to these activities within the total amount of space they lease (or may own) is a key consideration in designing a building’s capability. Percentages required vary significantly.

Fig. 9: Ranges of space required by companies with a need for manufacturing facilities

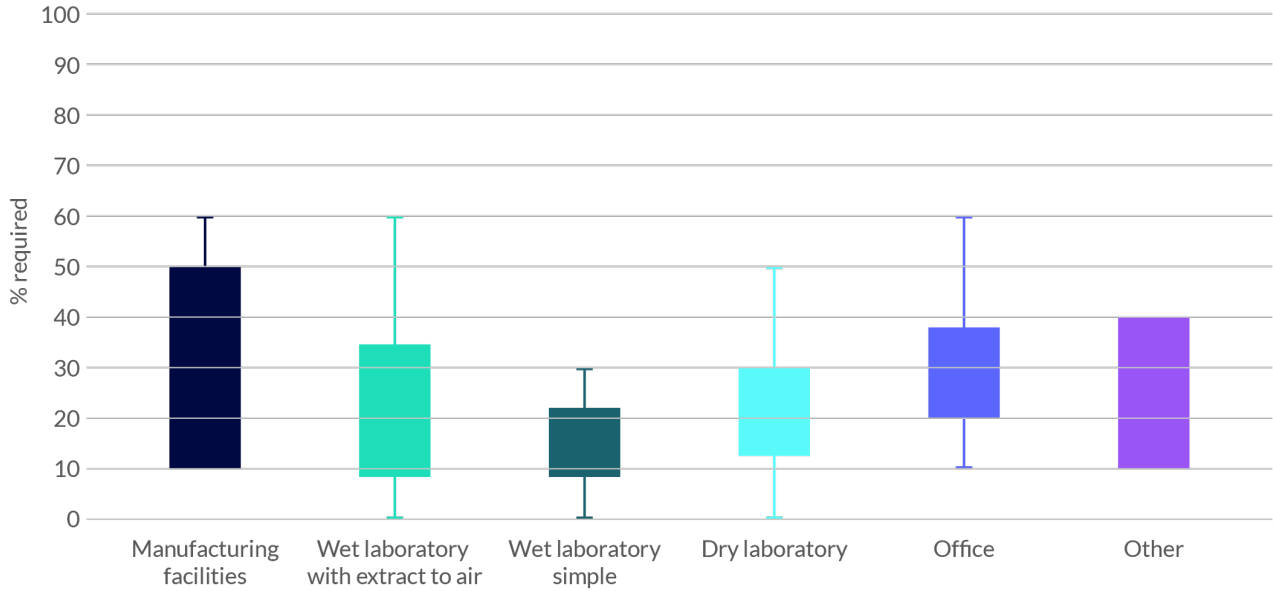
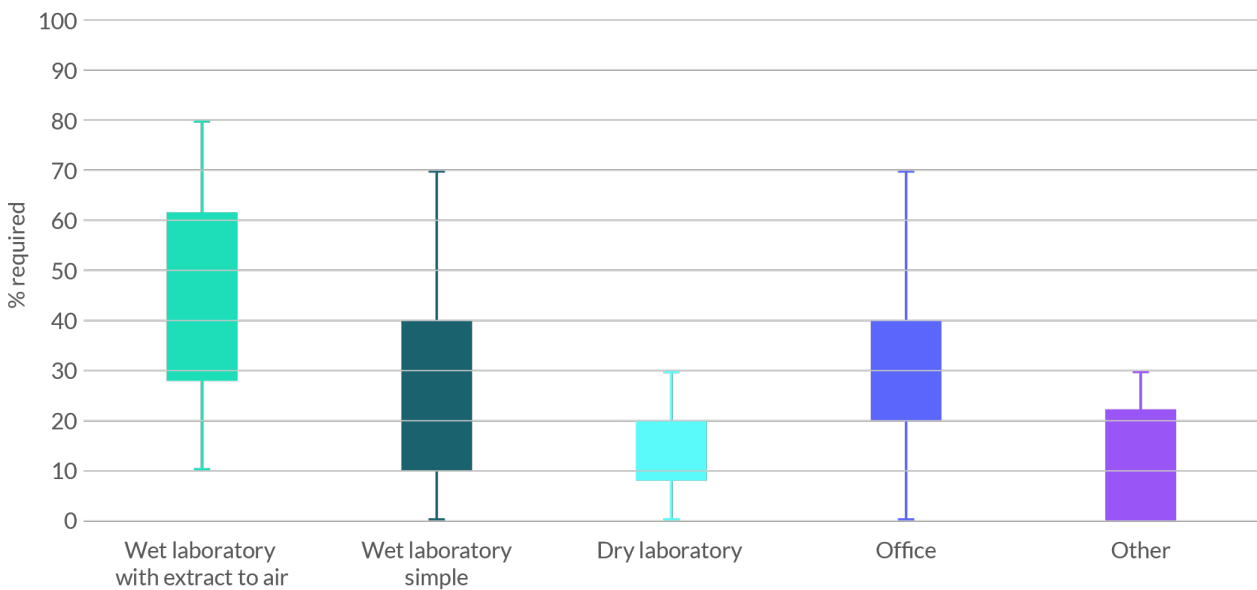
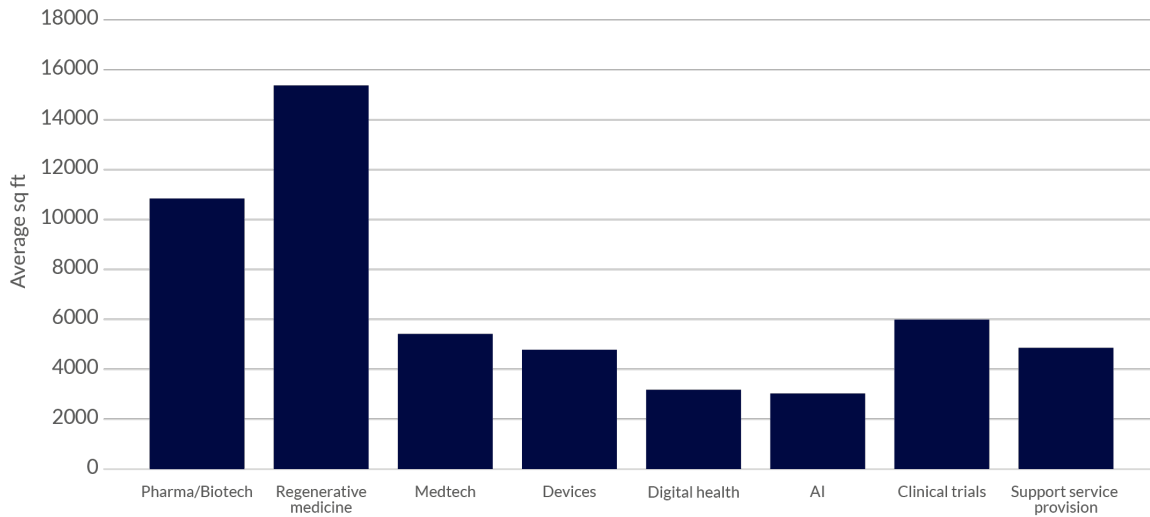


Fig. 10: Ranges of space required by companies with a need for extract to air wet laboratory space, but no manufacturing space.



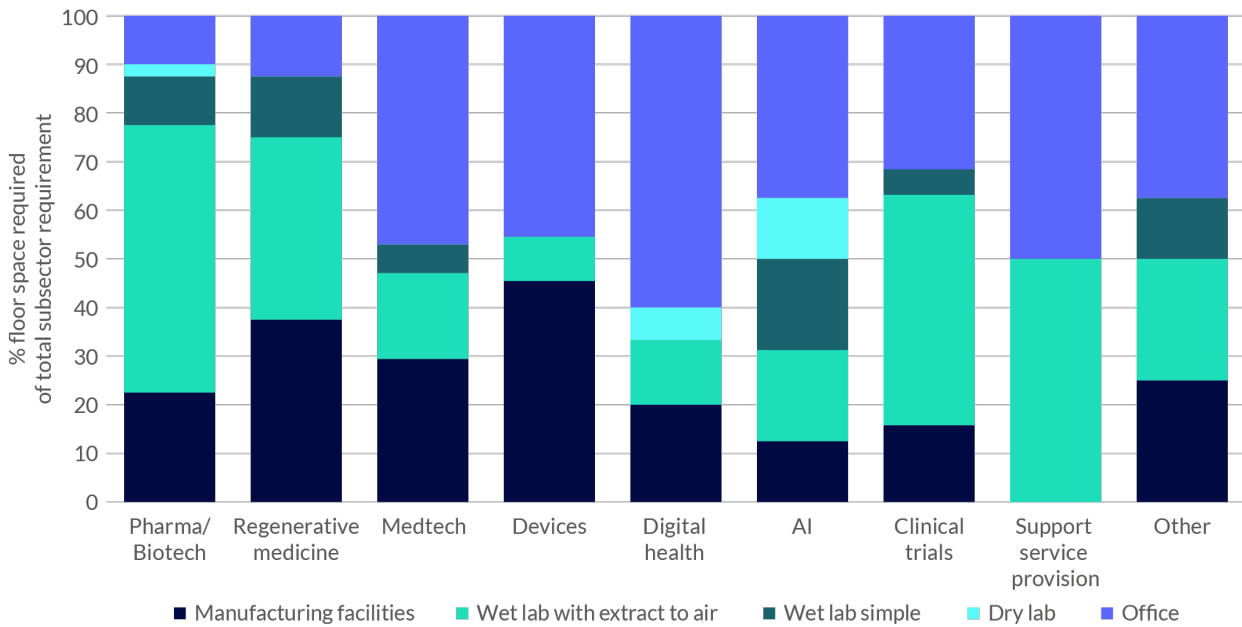
Analysis of the subsectors that require most space is challenging, given the way that many businesses have overlapping subsectoral activity. However, those working in pharma/biotech and regenerative medicine may need larger suite sizes than other subsectors.

Fig. 11: Average floor space required by companies working in each subsector



Those working in various life sciences fields tend to have different accommodation needs when it comes to make up of property.

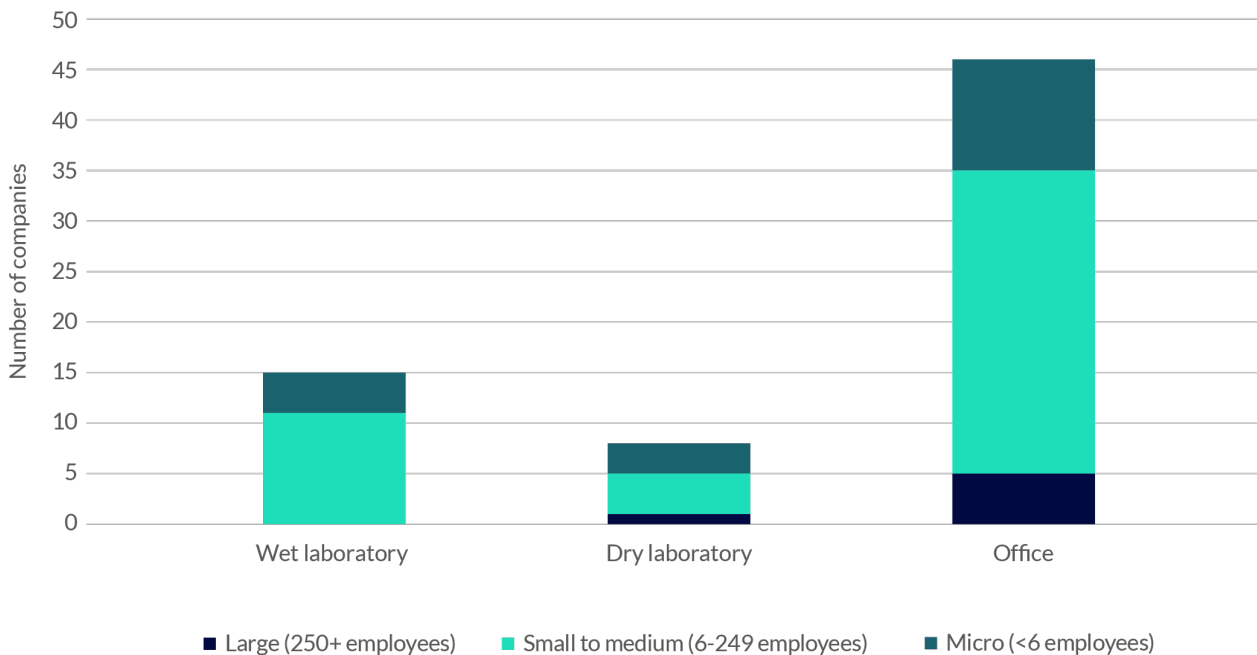
Fig. 12: Comparison of space requirements of companies in each subsector



The survey showed a very significant need for hot desk office space, fully embracing flexible working, and a reasonably high number of micro and SME companies also expressed interest in shared wet and dry laboratory space.

Agile and flexible working was repeatedly mentioned by respondents during research for this report. How London responds to needs in this area will be critical to its competitiveness. It is already a vibrant, accessible hub. Pro-active work to deliver added value to those who want to work in a flexible way could be very powerful – encouraging people in for meaningful interface with others.

Fig. 13: Hotdesking space needed (compared with wet and dry lab space)

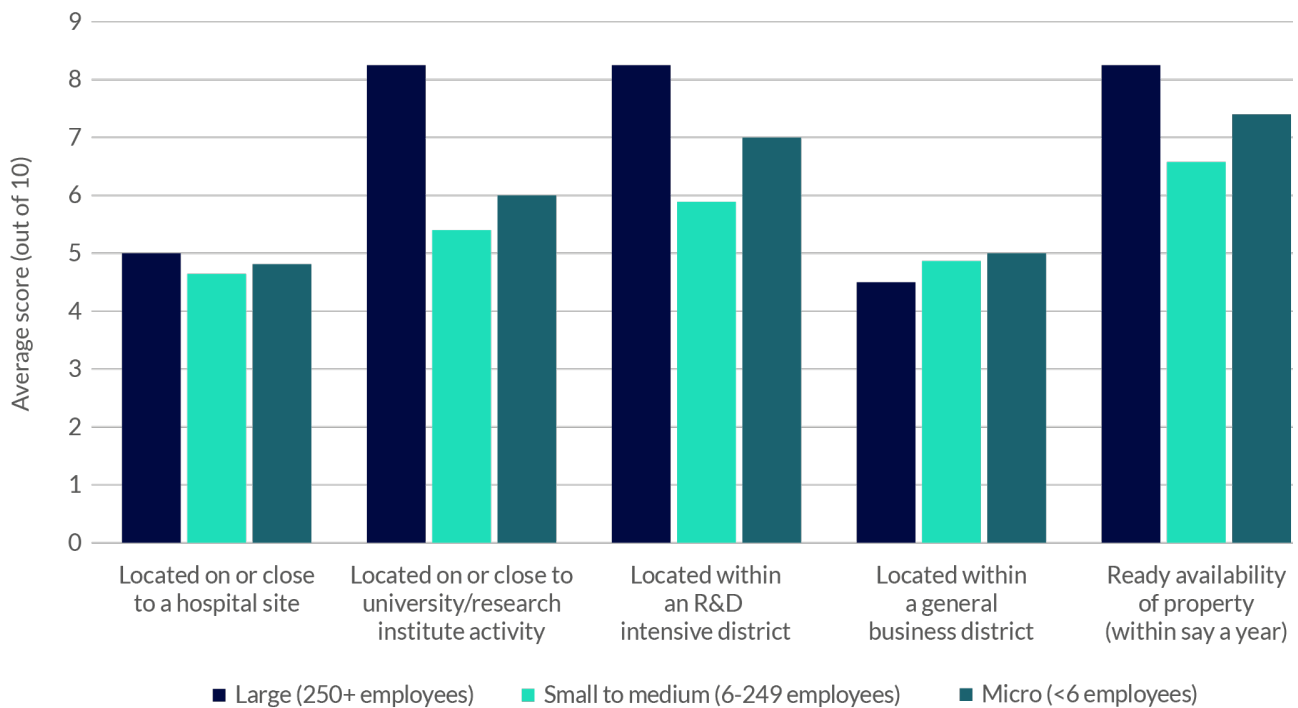


PROXIMITY TO CLINICAL SETTINGS

In 2016, a number of businesses confirmed a desire to be on, or close to, a research-intensive hospital. The 2021 study shows that whilst a good number value it, for most there are other factors that are more important. Indeed, for some who nevertheless work extremely closely with hospitals, there are significant benefits to being elsewhere.

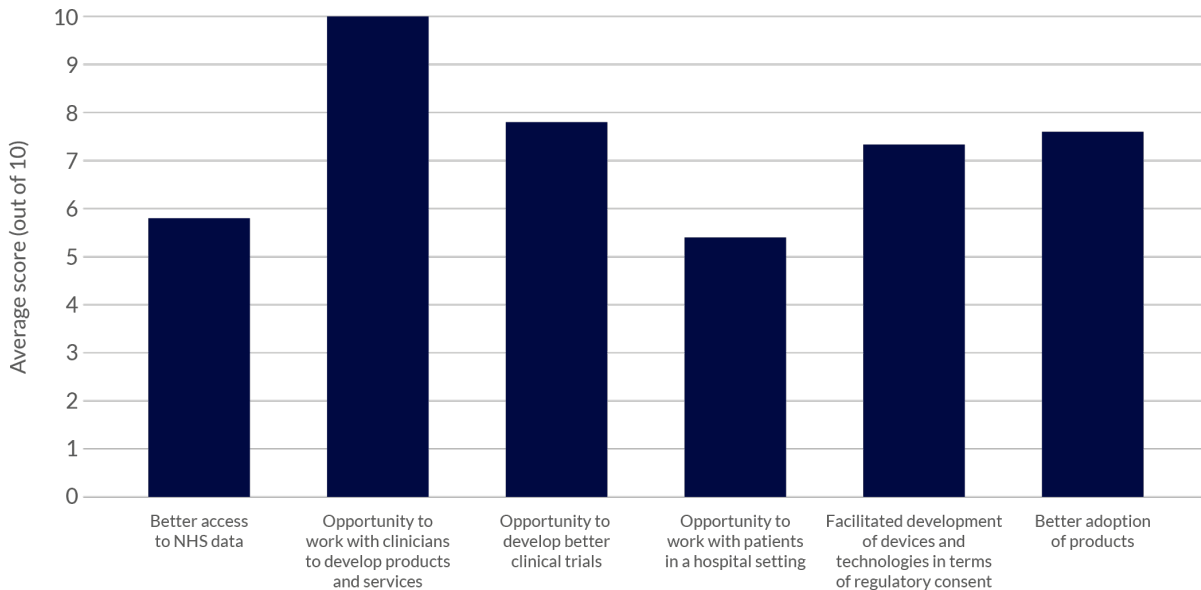
Some confirmed a preference for commercial environments that are more dynamic in being able to respond to changing property needs over time – and others to the ability of commercial environments to offer more amenities and stronger business culture. Some also said that as their work with clinicians and patients grows, they often work with a number of hospitals and ‘neutral’ territory can be helpful in this respect.

Fig. 14: Importance of co-location priorities



Micro and SME businesses are most in favour of taking space at, or close to, hospitals – possibly because they may otherwise find it harder to gain traction with key people they want to work with. Some of the multi-nationals are working with people in hospitals on an almost day to day basis without finding a need to lease space there.

Fig. 15: What businesses are looking for if hospital proximity is important



WHAT DO HIGH-GROWTH SUBSECTORS NEED?

Advanced Therapies

London and Stevenage are key locations for the sector at an international level. London has extraordinary research and skills availability. Stevenage has extraordinary manufacturing capability. With significant challenges and significant R&D required in initial small-scale manufacture, the two locations are interlinked. Companies vary in their locational preference and some will accept a split location approach.

Businesses in the sector would like to see:

- Affordable workspace for start-ups (for whom both Stevenage and London are very expensive)
- Better provision of wet laboratory and clean room space in London, available at higher specification but not necessarily at great scale
- Universities and hospitals making their equipment and facilities more usefully available, using agreed protocols around use
- Ever more endeavour to grow skills and talent



AI

Re-invention of the workplace is underway. Large companies may find a London office helpful in the competition for talent but flexibility and mobility means that virtual and international offices can pop up anywhere, around key people, for all sizes of company. Connections and dynamism are vital. Getting people involved with face-to-face creativity will be really helpful – planning around challenges and coming together to socialise, have fun and celebrate success seems to be important.

Businesses in the sector would like to see:

- A cluster of varied spaces and activities growing in a single relatively central location that gives easy access to biotech know-how, cross-domain activity and provides added value to members of the community as the space is used
- A more holistic Golden Triangle approach with easy to find, access and use, Life Sciences community spots at places like leading London hospitals
- Greater provision of biotech start-up accelerators and incubators

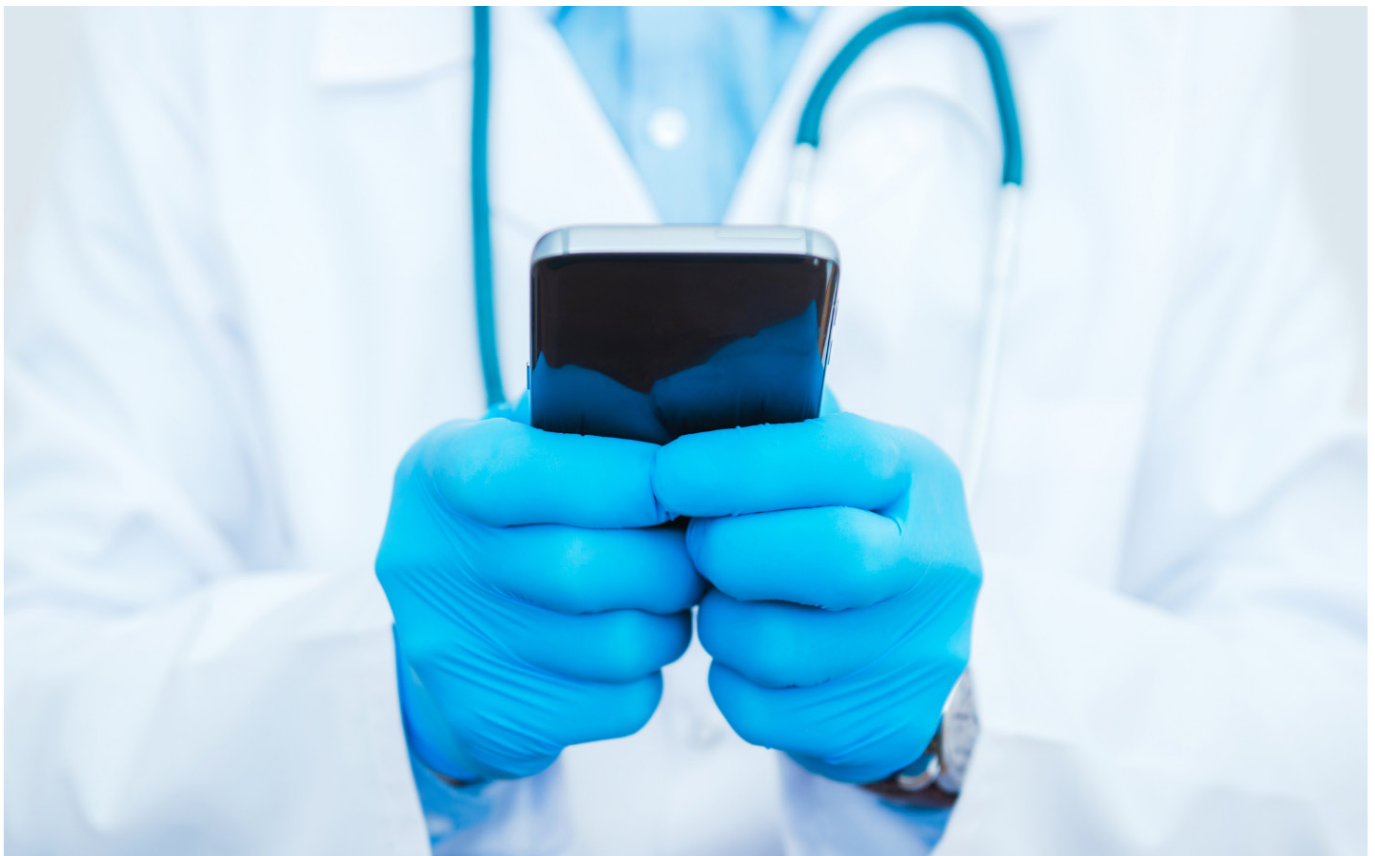


Data & Digital Health focused on NHS adoption

Businesses working in this field undertake engaging work with clinicians and others in hospital and care environments but do not find a hospital location critically important. Indeed, a neutral, well-located space, leased from the private sector can provide good opportunity to create a dynamic business environment that can cater for growth and potentially bring hospital actors together to consider some of the key issues affecting the sector. Many SMEs find relatively central London workspace prohibitively expensive.

Businesses in the sector would like to see:

- Hot-desking and meeting spaces in key locations that can be available at reasonable cost
- Centrally located space close to a major transport hub that can host regular evening networking events – to socialise ideas and hear from/meet leading community actors
- Cat 2 laboratory benching and small-scale suites readily available on a flexible basis



MedTech

Flexibility is key in the new workplace model. Those involved with medtech development seek engagement in broad and rich ecosystems and believe that more can be done to both utilise the resources that exist in London and build the ambition to scale businesses fast – at a time when it is now relatively easy to raise significant investment, particularly from the US. They would appreciate easier access to high quality manufacturing and aspire to an ever-stronger culture of idea sharing.

Businesses in the sector would like to see:

- Universities and hospitals make their equipment and facilities more usefully available, with agreed business friendly protocols around use
- Better links to high quality manufacturers within a reasonable travel distance (e.g. The Midlands)
- Grow coordination of the life sciences sector in London, involving all stakeholders



GROWING SMEs

Challenges caused by chronic lack of space

Despite London's reputation as an outstanding ecosystem for start-ups, early-stage life sciences companies in the city are being especially hampered in their efforts to scale up by lack of lab space. Emerging healthcare businesses in London are faced with minimal provision of lab benches in university and hospital facilities.

Availability has been reduced even further by the Covid pandemic. Some universities and hospitals believe that some space could be freed up (at

Guy's and St Thomas' NHS Trust and KCL, for example), yet in practice it is likely that capacity is very limited. There are huge waiting lists to get into the innovation centres that exist. At London BioScience Innovation Centre (LBIC), for every 120 enquiries received over the past 12 months, only three or four suites of space are made available. Over half of these enquiries have been made over the last four months, and the total space needed by the 120 enquiring companies totals close to 100,000 sq ft.

Seeking solutions

The SME community is keen to find solutions to the chronic space shortage. One proposed solution is to divide up large, older spaces in office, industrial or even retail buildings and convert them to R&D facilities. For those raising Series A rounds and beyond, as they outgrow innovation centres there is resistance to spending on conversion and investing in capital expenditure when space needs can change quickly. A more appealing solution to tenants is to lease space specifically designed for the use intended. A highly flexible approach to wet laboratory space, following the 'WeWork' model, enabling agile working, also has merit.

Being in a vibrant location (not necessarily life science districts) is very important to SMEs in order to support recruitment. Even good life sciences locations like White City are still not

perceived to be particularly strong in this respect at this point in time. More remote locations may be available with laboratory space at £40 per sq ft, say, but companies would typically prefer to be more central. Stakeholders in the sector need to consider how valuable such businesses are to the ecosystem and find solutions for them.

A central hub has been suggested for events with key opinion leaders, conferences, and networking. This is conceived as space to explore collaborations, business funding, areas of future development and regulatory approvals. Space could have large zoom screens to help engage virtual attendees/speakers. Networking events are seen as critical, ideally in the form of specialist meetings with entrepreneurially minded opinion leaders. Businesses want to meet more scientists. Grant funding in this area might help – for hard or soft infrastructure development.

COST AND LOCATION

Business leaders see issues around cost and location very differently

Drawing together evidence from the market, one to one discussions, feedback from our roundtable meetings and analysis of responses to our survey, it appears that:

- Large corporates are less rent sensitive and their location decisions are principally driven by proximity to, and ability to recruit, the best talent – meaning that highly accessible locations in places with leading edge research/R&D and a competitive angle on talent recruitment is more important than property cost
- SMEs have more varied drivers/creative ways of looking at their operation and working practices. They can be flexible around nature and location of accommodation and have tended to go where there is space that is or can be made available. They are keen to keep costs down – particularly any capital expenditure. However, those beyond Series A are happier to pay higher rents and secure appropriate, fit for purpose property in good locations
- Micro businesses have next to no money and need to beg, steal and borrow space today, but which appears to be in very limited supply. For those businesses being formed by lead academics and clinicians, having space very close to where they are based is of critical importance
- Small businesses not yet at series A funding rounds can only afford costs in line with innovation centre rents. Those at Series A funding levels are happier to pay rents a little above market rates for office space in a particular location, in order to have open-plan space that can be fitted for laboratories, but it needs to be delivered ready to fit out with services infrastructure available. Length of leases will typically depend on demand/supply ratios at the time and specific circumstances

Fig. 16: Attractiveness of potential locations

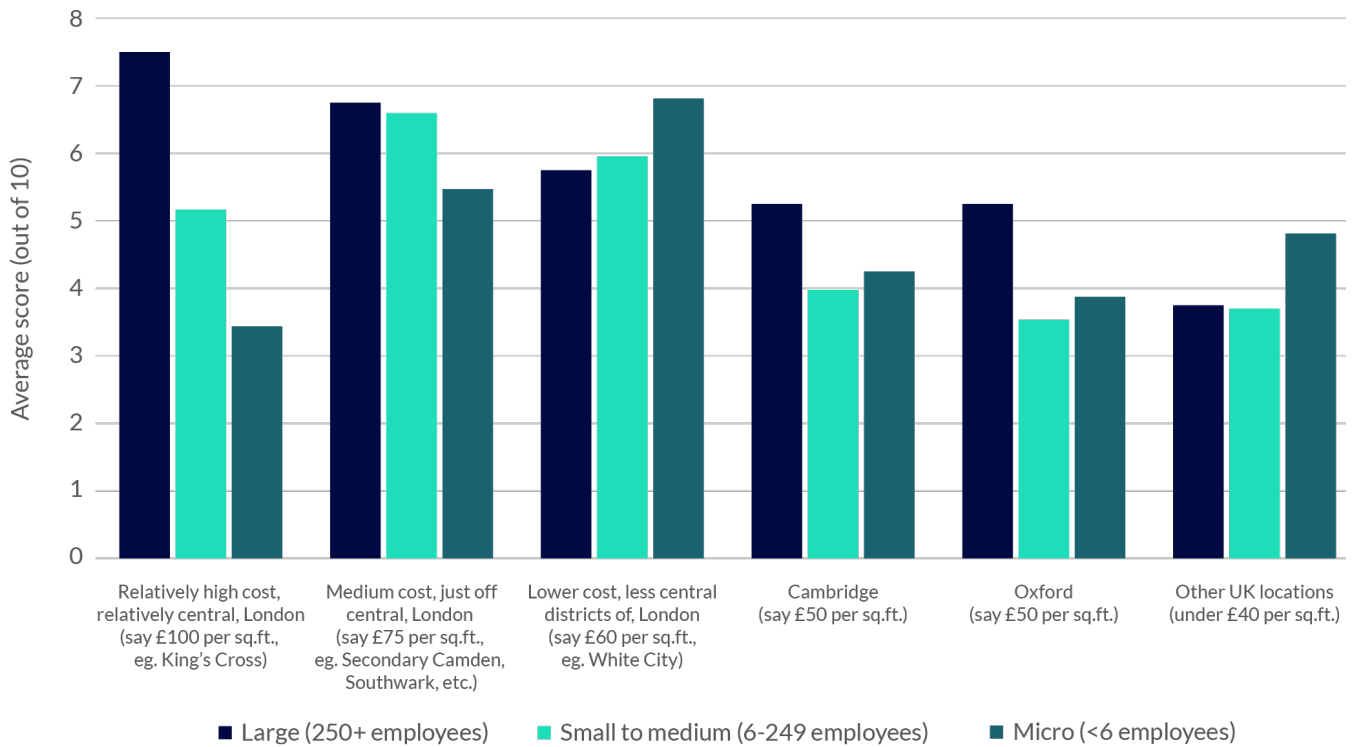
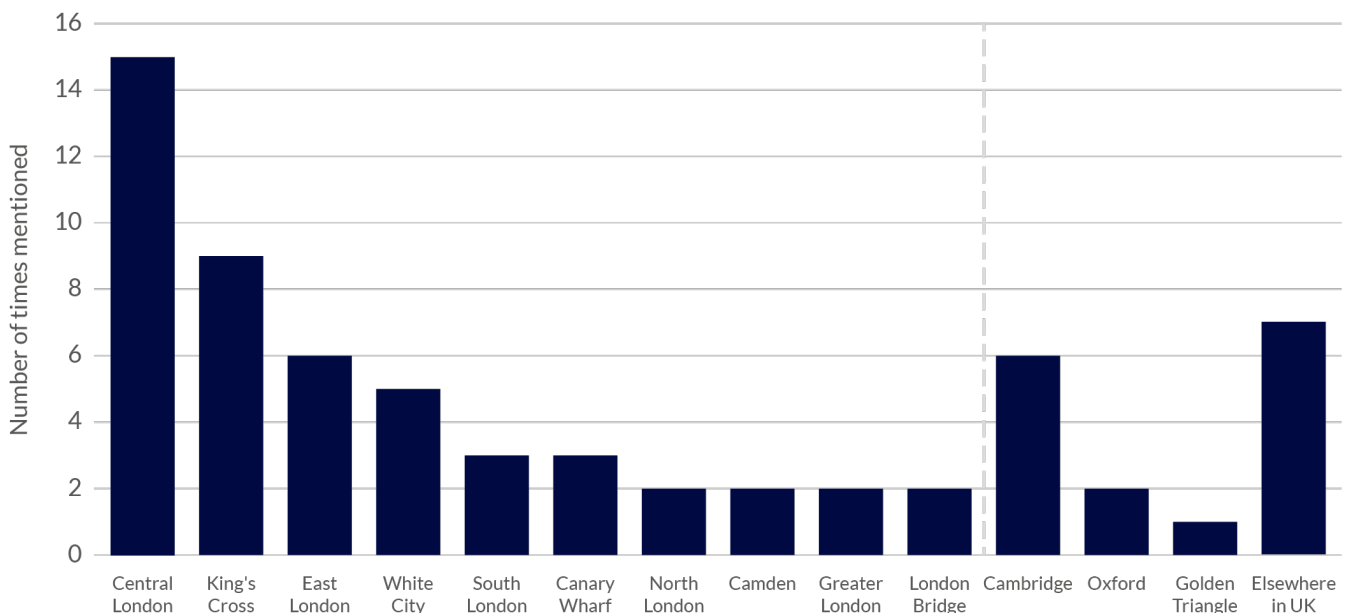
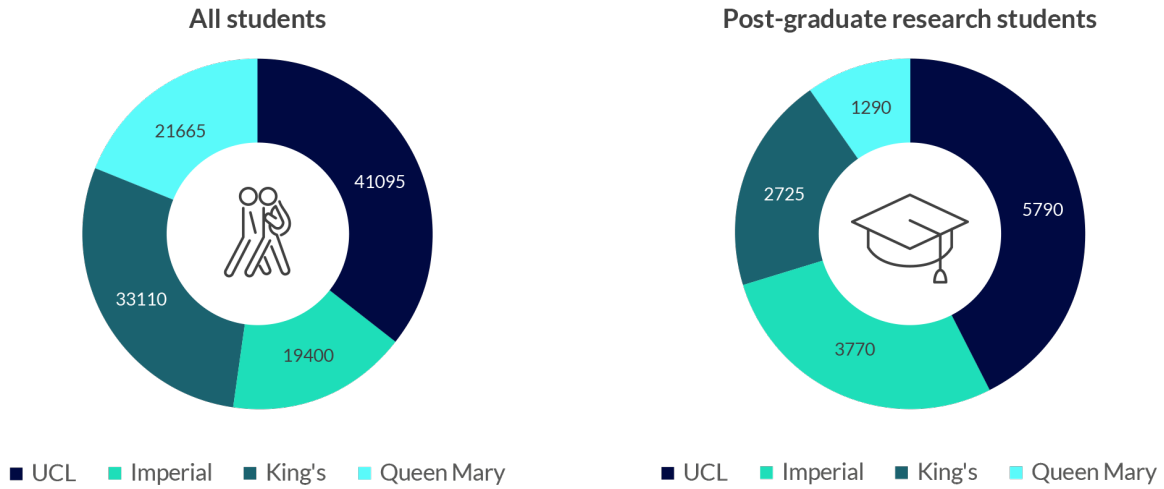


Fig. 17: Specific locations deemed attractive (open question)



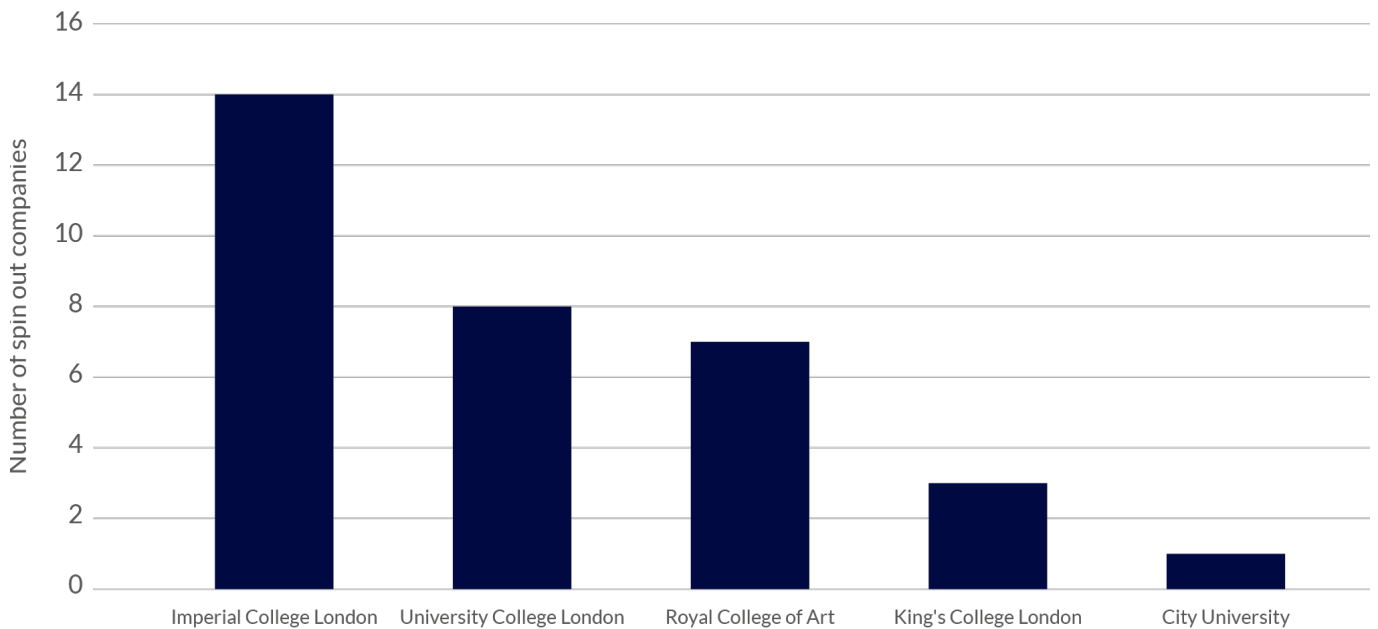
With large businesses particularly keen to know where talent might best be found, we have highlighted some potentially relevant information linked to university activity:

Fig. 18: Total students (all subjects) enrolling at some key London universities 2019/20



Source: HESA

Fig. 19: Number of Life Sciences spinouts from London universities since 2016, which are still active today

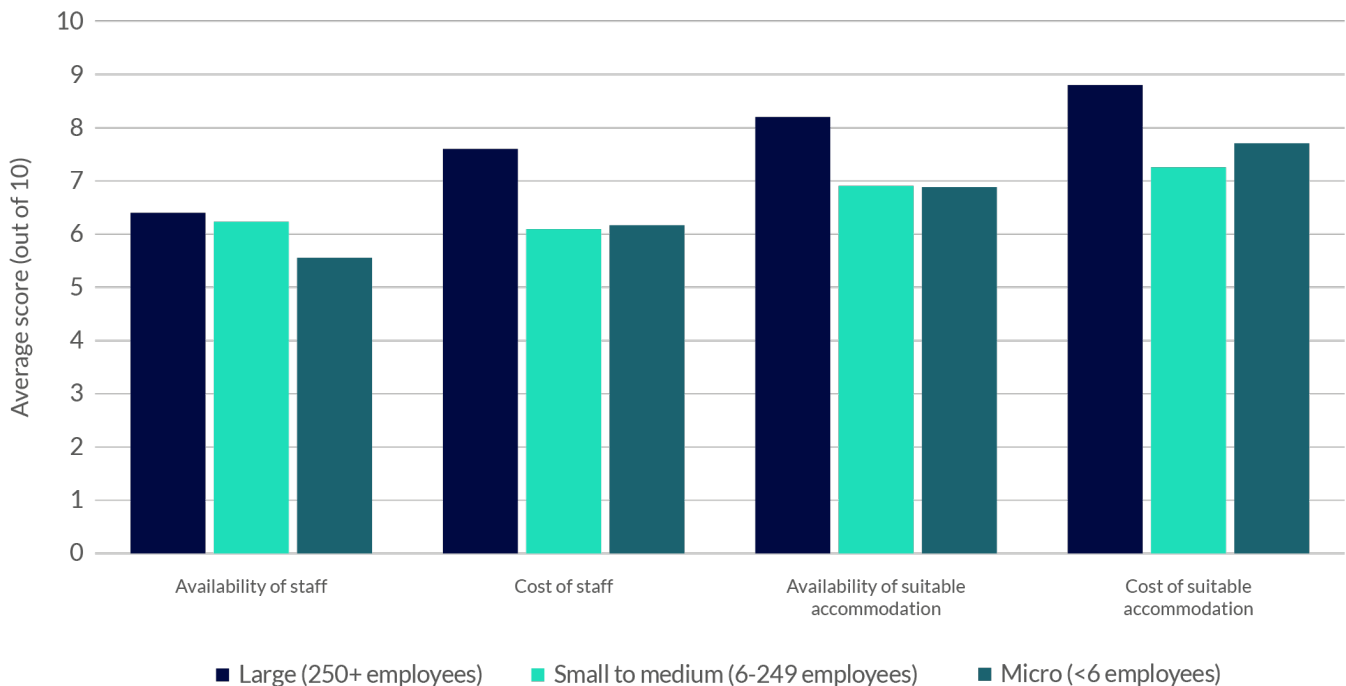


Source: Beauhurst

BARRIERS TO GROWTH IN LONDON

With an overwhelmingly positive narrative around life sciences R&D and clarity on what businesses want, it is important to consider potential barriers to success, in conjunction with what industry leaders feel they need from universities, hospitals and the public sector.

Fig. 20: Relevance of identified barriers to success as seen by companies of different sizes



“All too often, conversations around infrastructure and connecting the science community focus on big companies and large academic institutes. We need to make sure start-ups and SMEs are considered too because it’s the success of those businesses that feed the pipelines of bigger life sciences companies – the whole ecosystem needs to thrive together. At the moment, infrastructure and availability of lab space is limiting our growth.”

– Krzysztof Potempa, Founder and CEO of BRAINCURES

Businesses were asked an open question about the nature of support that would be helpful. Answers naturally fell into 5 categories.

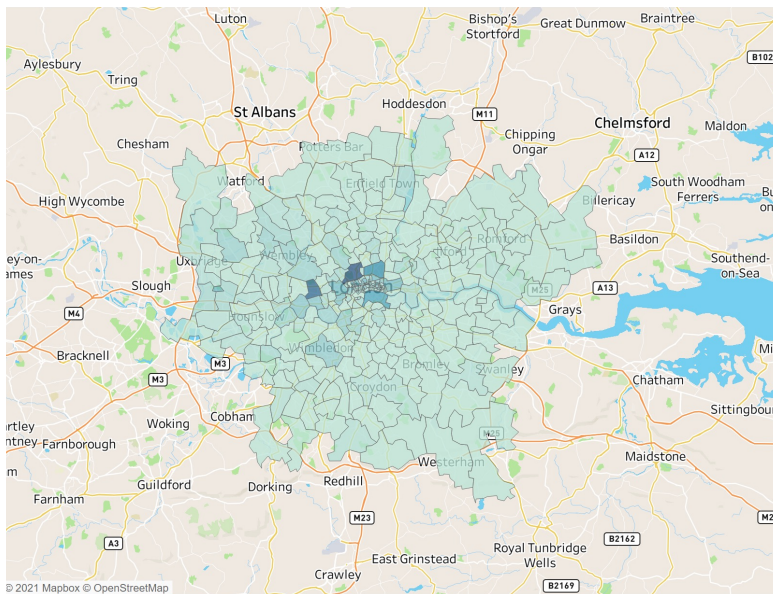
Fig. 21: Nature of support deemed to be helpful (open question)



WHERE ARE R&D-INTENSIVE BUSINESSES LOCATED?

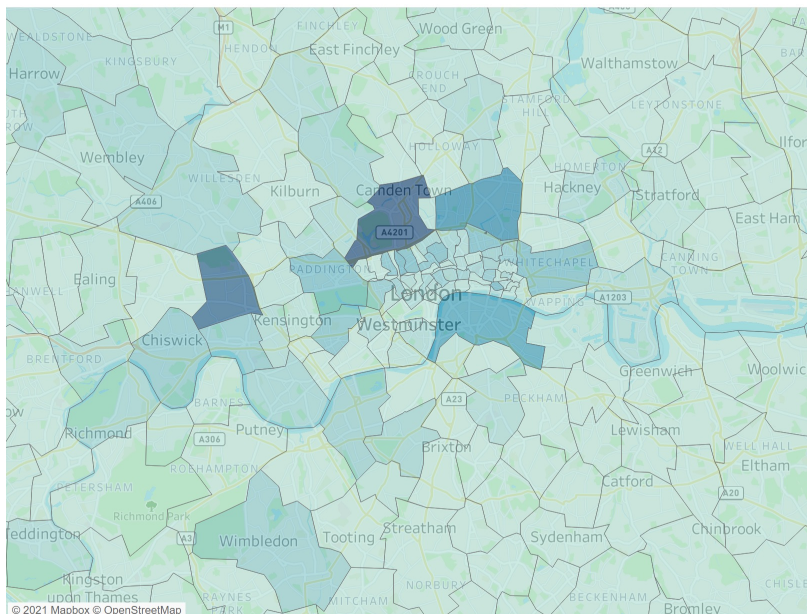
To identify the locations of businesses focused on life sciences R&D in London, investment data and primary research by KTN and Creative Places has been used to create a ‘heat map’ of activity. The following maps reflect the data found so far.

Fig. 22: Heatmap of R&D-intensive healthcare companies in London



Source: KTN and Creative Places

Fig. 23: Intensive clustering in central north London around Euston Rd and Kings Cross and a hot spot out at White City. Also evident is an indication that districts to the west appear to be stronger than those further out to the South, East and North.



Source: KTN and Creative Places

SUPPLY LEVEL NOW

Current stock is near to full

Many life sciences businesses can operate from office property and can thus locate almost wherever it suits them, but in London there is a significant, core group requiring wet laboratory space to undertake their work. This increasingly involves specialist manufacturing space, too.

Property that can provide wet laboratory space needs to have adequate service provision and this can be particularly demanding in tightly developed locations, as well as expensive. Industrial property can be adapted to serve the sector better than office property, but office

property tends to be better located – so is often the type of property converted to laboratory use in a city like London, even though it may deliver less than ideal space. Into the future it may be that retail property will see conversion work too.

Looking at property that is delivering wet laboratory space, or capable of it and being promoted as such, today all current stock is full or very close to this. A pipeline of conversion/new build is now starting to feed its way into the supply side. [See Appendix, figs. a & b].

Creating small-scale suites of flexible laboratory space

Lack of availability of small-scale suites of wet laboratory space is an ongoing problem. This has typically required grant funding in the past and there is little of this available in London today.

The London Cancer Hub initiative has managed to secure a contribution to create 6,000 sq ft at Sutton, alongside the Royal Marsden hospital, but this will make only a very small impact on the overall demand/supply imbalance. Wealthy benefactors, large international corporates, or Chinese university initiatives (such as that of Tus Holdings) may help ease the pipeline, but the offer of space may be in exchange for a stake in SME IP, and in practice public subsidy may be required before projects can actually be delivered. However, new models for SME workspace are

emerging (See Fig, 24, overleaf). Open Cell has pioneered delivery of very affordable space in shipping containers, for example. A model like this may need to evolve using more permanent structures for future sustainability to be ensured.

Other models now being explored include cross-subsidised development within larger projects, Local Authorities using their own landholdings or planning controls, or successful scientists in the communities taking risks that may ultimately lead to sustainable business space delivery. We would stress, though, that some level of public sector subsidy may be helpful. From a public sector perspective, such modest contribution may be an attractive proposition given the significantly leveraged outcomes that would result.

Fig. 24: Delivering affordable, specialist workspace for SMEs

Stakeholders in the UK's Life Sciences innovation ecosystem appear to be growing in their willingness to make bold commitments.

Emerging new models	Example	What it requires
<p>1 Large private sector developments providing small-scale suites to bring vibrancy and dynamism that will attract in bigger stakeholders</p>	Imperial White City Incubator	Sufficient critical mass and wider agendas of promoters that can effectively justify activity that may contribute very little financially
<p>2 Local Authorities using landholdings, planning direction and Section 106 Agreements to secure affordable workspace</p>	Initiatives by progressive councils like Camden and Islington that are still 'work in progress'	Commitment to a balance of affordable workspaces that may cater for various communities, and care on implementation
<p>3 Successful scientists and business creators looking to build space for the community, potentially at their own cost but with the aspiration of ultimately making the initiative sustainable</p>	Unit DX in Bristol that has now gone on to become Science Creates	Relatively wealthy or well-connected individuals with passion for the sector to work with stakeholders in a confident and risk taking manner

Where others can provide modest support this can make a significant difference to encourage such work.

CONCLUSIONS

London is a powerhouse for life sciences research and R&D. It is particularly strong in some of the key growth areas for the sector into the future. Importantly, as well as being internationally accessible, it is strategically located within the UK as a hub where transport routes converge. As such it plays a pivotal role in the way the Golden Triangle is linked, and how the country as a whole works. **London's success in life sciences R&D will have a direct impact on the rest of the UK** and it should therefore not only have the umph put behind it with the 2021 Roadmap but should also be a key plank in the government's levelling up endeavour – driven as a major contributor to the country's wealth and well-being.

Demand for specialist floor space to serve the sector exceeds supply in London. **Queues to get into innovation centres are stifling the ability of small-scale ventures to grow.** It is vital that further endeavour is put into providing affordable space that can accommodate newly forming companies and support early-stage incubation, in the very best locations. They indicate that if rental levels are high, they will locate in more remote locations – remote from the academic and clinical interface that may well be important life blood to them in their early years.

With virtually no built space available for immediate fit out to wet laboratories or clean rooms, businesses seeking suites of space at a larger scale are working with landlords to convert current stock, typically involving tenants having to invest limited capital. More should be done to help facilitate delivery of space that is well specified, and in ways that can painlessly deliver what tenants require.

Speculative refurbishment of space and new developments are expected to ease the situation within 2 to 3 years. Refurbishments are a necessary part of the delivery side. **Property providers with good quality product in desirable locations will win through, but not all will fall into this category.**

With the sector embracing flexible working and a desire within its participants to find ways that deliver real added value when teams come together, and when commutes into London are invested in, we have uncovered a real appetite for building 'community' space around Kings Cross/Euston Road and at hotspots where leading academics and clinicians are working – where **interface with thought leaders and relevant community participants can turbocharge productivity and competitiveness.**

RECOMMENDATIONS

Whilst London is short of space, the property industry and the Local Authorities in key locations within London have identified the opportunity to grow the sector so the supply pipeline should start to ease in forthcoming years. Short term constraint is clearly evident. Where most help is now required is in directing the property industry as to the nature and extent of demand, which this study starts to identify; and in supporting Local Authorities and property deliverers in how best to provide for what businesses need.

- 1.** Create more specialist space with operational facilities for early-stage life science SMEs by leveraging the planning framework. Locate these spaces in key London locations alongside accelerator and incubation programmes.
- 2.** Develop a roadmap for landlords and developers on building small scale manufacture to support the delivery of flexible, adaptable laboratories and clean rooms that are licenced and fit for purpose. Utilise the expertise of the Cell and Gene Therapy Catapult to build the roadmap via a working group that includes real estate developers and city planners.
- 3.** Create a dynamic resource of life science R&D demand, activity and needs across London that can be used by ecosystem stakeholders to optimise real estate development.
- 4.** Build networking hubs in London in areas of high demand to allow for mobility and collaboration between innovators, clinicians, researchers, investors and developers within life science clusters in London and nationally.
- 5.** Ensure London remains a leader in attracting and growing life science talent by fostering partnerships between higher education institutes and industry that deliver a strong supply chain in skills for the future.




IMPLEMENTATION: MedCity will hold recommendation-specific roundtables with stakeholders across our ecosystem over the next six months to agree how the five recommendations can best be actioned to meet demand and continue the growth of the life science sector.

APPENDIX

Fig a. Examples of developments being considered/promoted for the Life Sciences sector in London (data compiled by Creative Places)

SCHEME	NATURE OF ADDITIONAL DEVELOPMENT	POTENTIAL SIZE (SQ FT NET)	SPACE POTENTIALLY AVAILABLE FROM	STATE OF PLAY	SPACE POTENTIALLY AVAILABLE WITHIN 3 YEARS (SQ FT NET)
King's Cross/Euston Road					
Tribeca Site, St Pancras Way (Reef and BA Pension Fund)	Redevelopment to create a mixed-use project and where the Life Sciences is to be the lead use	500,000 (beyond Apex Building already on site)	2024	Developer looking at ability to accommodate laboratory space as part of the development. Planning permission granted. Development start times dependent on securing VP	218,000 sq ft in Reflector, in addition to the Apex Building where construction is already underway
Network Building, Tottenham Court Road (Derwent)	Redevelopment in one building	112,000 sq ft	2025	Detailed planning permission granted	0
St Pancras Hospital (Argent)	Mixed use redevelopment of former hospital site that could provide space for Life Sciences activity	100,000	2025	Not yet with planning permission	0
British Library Site (Stanhope and Mitsui Fudosan)	New development that will provide space for the British Library and Alan Turing Institute and which also has the potential to create space for Life Sciences Occupiers	550,000 (420,000 sq ft levels 2 to 7, plus 130,000 sq ft offices in levels 8 to 10)	2029	Design work underway following time spent agreeing Cross Rail 2 access. Planning application submitted	0
Regent's Place (British Land)	Range of refurbishments and redevelopment possible across this estate	1 million sq ft plus	2023	Campus being re-positioned to serve innovation and Life Sciences. Individual consents to be pursued for various refurbishments/redevelopments	100,000 sq ft through refurbishment
Total		2.262 million sq ft			300,000 sq ft
White City					
Imperial College White City Campus, Wood Lane	New academic and student as well as commercial floor space planned	500,000	2025	Outline permission exists for development on land acquired by ICL	0
TFL Land, Wood Lane (TFL)	Site of underground/rail stations where there is potential to deliver development above or close to the stations	200,000	2026	Potential to introduce commercial space over the stations which given proximity to Imperial College activity might entail space for Life Sciences	0
White City Place, Wood Lane (Aurore and Stanhope and Mitsui Fudosan)	Potential further capacity could be delivered alongside White City Place development, part from space now under development, part from new build	600,000 – 500,000 sq ft of which is through new build	2022	First building (Gateway Central) 50% let to L'Oréal and remainder may be let as offices or possibly in part as wet laboratory space. Planned adjoining buildings available for rent and could potentially be wet laboratories	100,000 sq ft through fit out of space under construction at Gateway Central, available Q4 2022.
Shepherd's Bush Market area redevelopment (Voco Capital)	Land has accommodated Open Cell container initiative to start to seed the location. Redevelopment planned	250,000	2024	Master plan and planning consent need to be finalised	7,000 sq ft of containers for modest laboratory use available in the short term
Total		1.55 million sq ft			207,000 sq ft
Other London locations					
London Cancer Hub (London Borough of Sutton)	New development alongside the Institute of Cancer Research and Royal Marsden Hospital	1 million sq ft	Pilot innovation space under construction and then 2026	The site has been acquired by Sutton Borough Council. They and their partners ICR and the Royal Marsden Hospital may progress mixed use development so potentially delivering say half the million sq ft originally aspired to	0
Royal London Hospital, Whitechapel (Dept of Health and Social Care plus others)	Space physically alongside the Royal London Hospital and close to research/teaching and SME activity built up in the area	750,000	2026	Government land not yet in the hands of a developer/delivery partner and no planning consent. Some additional property may be used to bring forward Life Sciences space too	0
Stratford, Olympic Park, IGL site (Lendlease)	Potential for delivery of wet laboratory space alongside growing UCL and other education/innovation activity	1 million sq ft +	2025	Outline planning permissions granted for offices only at this point	0
Guy's Hospital environs (Guy's & St Thomas' Foundation plus others)	Development potential on sites alongside and very close to the hospital	1 million sq ft +	2025	Various properties being considered around Guy's, who themselves are looking to make some small-scale space available for early occupation	15,000 sq ft
St Thomas's Hospital environs (Guy's and St Thomas' Foundation in partnership with Stanhope, plus others)	Development alongside expanded hospital activity	1 million sq ft	2024	One plot currently being advanced with Stanhope that may deliver another 300,000 sq ft at Royal Street, alongside new hospital space.	350,000 sq ft
King's Hospital, Denmark Hill	Potential for development of property as part of GSTT/King's College Hospital/KGLRHP Innovation District initiative with Lambeth and Southwark councils	100,000 sq ft	2026	Aspiration to grow mental health research and R&D activity - Translational Medicine Hub. Various property owners have individual properties that may be suitable for Life Sciences uses and an element of this may include wet laboratory space	0
Paddington St Mary's Hospital Redevelopment	Potential for delivery of space alongside a redeveloped hospital	1.5 million sq ft	2026	Redevelopment of the St Mary's Hospital, run by Imperial College Healthcare Trust, could release land for development, part of which could be for wet laboratory space alongside the clinical activity	0
Canary Wharf	Re-purposing of office space and development of new lab space	3 million sq ft	2024	Potential to link up with St Barts Hospital and deliver space at scale	500,000
Cavendish Square	Re-modelling of an underground car park for Life Sciences related activity	100,000 sq ft	2025	Various health related uses being explored by developer Reef	0
		9,450,000 million sq ft			865,000 sq ft

Fig b. Current laboratory supply in London
Innovation Centres

	Project Name	Location	Hospital Proximate?	Commercial Space (Net)
	Imperial White City Incubator	White City. Translation and I-Hub, 80 Wood Lane. W12	Not far from Hammersmith Hospital	18,000 sq ft wet laboratory and office ALL FULL
	London Bioscience Innovation Centre	Camden/Kings Cross. 2 Royal College Street. NW1	Close to St Pancras Hospital where Moorfields is to relocate to	27,000 sq ft wet laboratory and office ALL FULL
	Queen Mary Bio-enterprises Innovation Centre	Whitechapel. 42 New Road. E1	Close to Royal London Hospital	39,000 sq ft wet laboratory and office plus 5,000 sq ft of office/dry lab space in a new extension now available for letting. ALL LABORATORY SPACE FULL
			Total	89,000 sq ft

Existing properties with wet laboratories and involving multi-occupancy (beyond innovation centre space). Further delivery may be difficult to realise.















	Project Name	Location	Hospital Proximate?	Space fitted or potentially suitable for wet lab use (net)	Description/Comments
	Imperial White City Campus Translation and Innovation Building (iHub)	White City. 80 Wood Lane. W12	Not far from Hammersmith Hospital	70,000 sq ft excluding the incubator covered above, occupied by Life Sciences businesses. A further 20,000 sq ft may become laboratory use, vacant and available to be fitted out now	A variety of specification types from shell and core to fully fitted labs. Space has been created for wet laboratory activity at levels 1, 2, 3 and 7. All occupied. Additional space has modest capacity to deliver wet laboratory space
	Scale Space, Imperial White City Campus	White City. 58 Wood Lane. W12	Not far from Hammersmith Hospital	40,000 sq ft of which 30,000 sq ft is occupied and another 10,000 sq ft is vacant and available to be fitted out now	Blenheim Chalcott delivered space. Initially targeted at Digital Tech businesses but now rebalancing to include more Life Science activity
	WestWorks and MediaWorks, Wood Lane	White City. 195 Wood Lane. W12	Not far from Hammersmith Hospital	60,000 sq ft now occupied by businesses that have fitted the suites to include wet laboratory space	Former BBC office space, part of which has been converted to provide laboratory accommodation. Mix of occupiers from Media and Fashion but have attracted a good number of Life Sciences businesses
	LondonEast-UK	Dagenham. Yew Tree Avenue. RM10	No	50,000 sq ft of wet laboratory space but area available ranging significantly over time and appears to be diminishing	Former Sanofi space now being reconfigured for various uses and non-Life Sciences activity appears to be in the ascendency
	Rolling Stock Yard,	King's Cross. 188 York Way. N7	No	40,000 sq ft of an office building that is being converted for wet laboratory use, the landlord working with 2 Life Sciences businesses	An office building that the landlord has worked with wet laboratory end user occupiers to facilitate conversion of space into laboratory use. Gyroscope have taken 2 floors
	Open Cell	Shepherd's Bush. Old Laundry Yard. W12	No	7,000 sq ft of basic laboratory facilities plus shared facilities. Delivered through the use of shipping containers. All occupied	Pioneering pilot scheme to establish affordable wet laboratory suites from 160 sq upwards on very flexible terms. Only available at the location until the site is redeveloped
			Total	287,000 sq ft of which 30,000 sq ft is vacant	

Fig b. continued

Existing buildings with potential capacity for wet lab creation and being promoted for Life Sciences use now – not a full list of those with capability

	Project Name	Location	Hospital Proximate?	Potential floor space (Net)	Description/Comments
	5-10 Brandon Road	Islington. Brandon Road. N7	No	114,000 sq ft	Site with industrial space that has planning permission for a new mixed use commercial centre. New owner Kadans will bring forward GMP manufacturing, laboratory and office space.
	85 Gray's Inn Road	King's Cross. Gray's Inn Road. WC1	Great Ormond Street Hospital proximate	27,000 sq ft	Planning application should go in shortly. Refurbishment planned and with space ready for occupiers to move into in 2022.
	Former RNIB Property, Judd Street	Kings Cross. Judd Street. WC1	No	40,000 sq ft	Planning consent required for existing building to be extended to 70,000 sq ft +. Façade retained but 3 new levels and new core envisaged. Envisaged scheme would support wet labs over up to 50% of the building.
	The Refinery	Hammersmith. Manbre Wharf. W6	No	123,000 sq ft	Property is being marketed as having scope for each floor to be fitted out for laboratory use.
	2 Redman Place	Stratford. IQL. E20	No	40,000 sq ft	Top 2 floors of a building that has accommodated Cancer Research UK.
	London Cancer Hub	Sutton. Cotswold Road, Belmont. SM2	Adjoins the Royal Marsden Hospital	6,000 sq ft	Fitted space being created as a shared laboratory facility. Space currently being delivered by Sutton BC in a repurposed existing building alongside the Institute for Cancer Research and Royal Marsden Hospital. Due to open late 2021.
			Total	350,000 sq ft, all available to let	

Property under construction and with wet laboratory potential (to varying degrees)

	Project Name	Location	Hospital Proximate?	Proposed Commercial Space (Net)	Description/Comments
	Scale Space Extension, Imperial White City Campus	White City. 58 Wood Lane. W12	Not far from Hammersmith Hospital	40,000 sq ft	Space will be ready for fitting out early 2022
	The Apex Building, Tribeca	Kings Cross. St Pancras Way. NW1	Yes Alongside St Pancras Hospital (part to be redeveloped for Moorfields Hospital)	112,000	Scheduled for completion in Q1 2023. Will be part of an overall scheme of 6 new buildings that may provide a total of circa 750,000 sq ft of Life Sciences space)
			Total	152,000 sq ft, all available to let	

SUPPORTED BY

The London Life Sciences Real Estate Demand Report has been made possible thanks to the support of the following:



ACKNOWLEDGEMENTS

We are very grateful for the support of the companies and organisations who helped bring this report to life, and we would like to thank the many the many individuals who took time to provide their insights and perspectives to contribute to the study.

In particular we would like to thank: Jonathan Burroughs, Amelia Crawley, Maryam Atakhorrami and the team at Creative Places. We are very grateful for the engagement and input from OneNucleus, SEHTA, Digital Health. London, the Cell and Gene Therapy Catapult.

IN MEMORY OF PHIL JACKSON

Our respected colleague Phil Jackson passed away earlier this year amid the planning for the 2021 Demand Report, and we would like to take this opportunity to acknowledge his contribution in kickstarting the process that has led to this publication. Phil was an enthusiastic advocate for the building of appropriate infrastructure for the companies whose daily R&D activity results in eventual healthcare breakthroughs – we hope this report will enable meaningful change to support their work.

ABOUT MEDCITY

MedCity represents the life sciences cluster for London. We boost innovation and investment in the region, securing the UK's position as a global science superpower.

Working in close partnership with London's world-leading universities, MedCity connects private industry with partners in the NHS, charity sector and research institutes to catalyse exciting new opportunities that advance cutting-edge R&D in areas such as AI, diagnostics, and rare diseases. MedCity builds collaborations to accelerate uptake of medical innovation and growth across the UK. We help policymakers understand what life sciences requires to thrive in a competitive international landscape.

www.medcityhq.com

email: office@medcityhq.com

receive our newsletter : [here](#)



ABOUT CREATIVE PLACES

Creative Places works to help create business environments that enhance innovation and enterprise. A consultancy/agency practice working with those involved with education, research, R&D, upskilling and work practices that build productivity through place and community development. Creative Places is active across all sectors requiring science and technology in product development and has a particular strength in the Life Sciences.

www.creativeplaces.com

email: enquiries@creativeplaces.com

