

ACCELERATING INNOVATION

A FIVE-POINT
PLAN TO BOOST
LIFE SCIENCES
REAL ESTATE



SUMMARY

There should be no limit to the ambitions of the UK life sciences sector.

Its academic strength, skilled workforce, R&D spend and cutting-edge clusters are a platform to take advantage of increased global demand for health services and the scientific and technological advancement that is transforming diagnosis, treatment and drug development.

With so much in the UK's favour, the sector's success should be a given – but only with the right conditions.

This means attracting internationally mobile life sciences capital to the UK over and above the US or European markets with a favourable business environment, strong cultures of entrepreneurship, clear innovation pathways, a competitive tax system and the right real estate to foster growth.

Yet for the UK, there is evidence that the supply of life sciences real estate is failing to keep up with demand, particularly for early stage business with high growth potential. The UK risks missing out. Quickly enhancing the UK's life sciences real estate offer would help to attract life sciences investment.

The right life sciences facilities with the right specifications in the right places will mean higher and sustainable economic growth, employment and R&D.

The UK's life sciences sector ultimately needs more room to innovate and more room to grow.

There is a huge opportunity from increasing the supply of life sciences real estate. It could mean 67,000 jobs and £4bn a year in additional economic output by 2035.



Peterhouse Technology Park, Cambridge

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LIFE SCIENCES REAL ESTATE - THE ECONOMIC OPPORTUNITY

ACCELERATING INNOVATION INSIDE THE GOLDEN TRIANGLE

The pre-eminent life sciences cluster in the UK – the ‘Golden Triangle’ of Cambridge, London and Oxford – has a shortage of specialist laboratory space. The flourishing life sciences sector in the US is an illustration of the growth the UK could achieve:

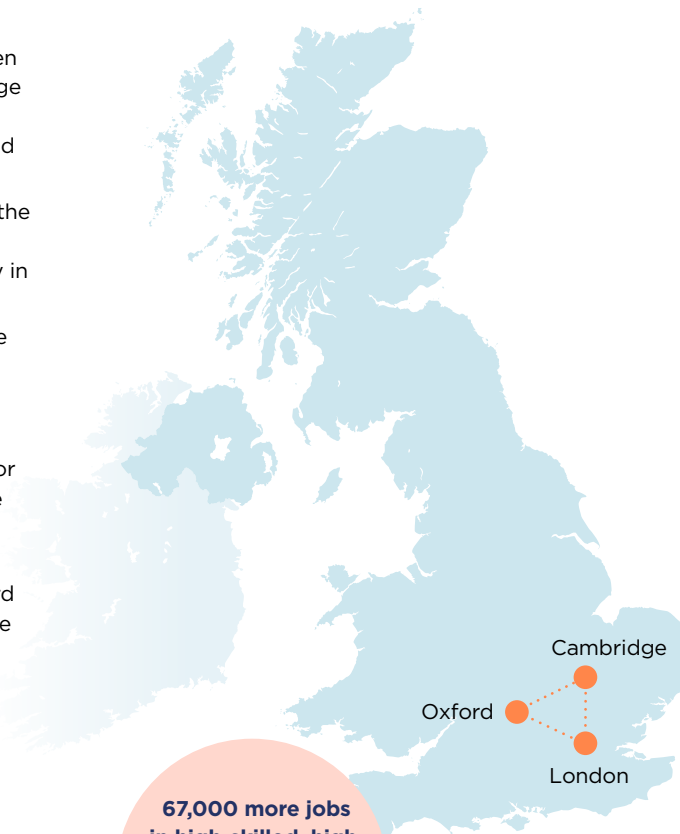
- **The US has more stock in key places.** Oxford – home to the 4th best ranked university for life sciences in the world – has less laboratory space than Denver (with no university in the top 100).
- **The US can deliver more space more quickly.** The square footage of new laboratory space delivered in Boston in 2022 was more than half the square footage of current laboratory space in the Golden Triangle.

On current trajectories, the UK will continue to miss out. For example, construction is underway that would increase the supply of laboratory space by 5.2% a year in Oxford and Cambridge; compared to 8.9% a year in Boston.

If the life sciences real estate markets of Cambridge, Oxford and London were to match their counterpart markets in the US, by 2035 it would mean:

- **More jobs.** 67,000 more in high-skilled, high wage employment.
- **More economic output.** £4bn a year in additional GVA.
- **More tax revenue.** £1.1bn a year extra in funding for public services.

This opportunity is within reach. Across Cambridge, Oxford and London there is 11.6m sq ft of laboratory space waiting for a planning decision or in the pipeline. Accelerating delivery of these projects would unlock significant economic benefits.



67,000 more jobs in high-skilled, high wage employment could be created in the Golden Triangle alone

ACCELERATING INNOVATION OUTSIDE THE GOLDEN TRIANGLE

The limitations impacting growth in the Golden Triangle will also constrain life sciences growth in emerging clusters across the rest of the UK.

It is already the case that the number of life sciences R&D facilities are growing at a slower rate outside the Golden Triangle than within it. If the growth of R&D facilities outside the Golden Triangle regions were to match those within Golden Triangle regions to 2035, it would mean:

- **Additional R&D facilities.** Around 390 more facilities outside the Golden Triangle regions.
- **More employment.** 14,500 more jobs in the life sciences sector outside the Golden Triangle regions.



LIFE SCIENCES REAL ESTATE - BARRIERS TO OVERCOME

The life sciences sector operates in a network of complementary partners and services.

Wherever life sciences clusters are located, the local commercial property market must cater for diverse real estate needs:

- **Start-up and scale-up spaces** that are ready to occupy and fully-serviced, often close to universities and hospitals.
- **Laboratories** with bespoke structural services and connectivity requirements.
- **Manufacturing facilities** with good transport links and skilled people to run them.

But the sector faces the following barriers to expansion:

- **Availability of funding.** In 2022, the UK's life sciences industry raised the fourth highest amount of equity finance in the world, ranked 7th for the number of global life sciences Initial Public Offerings (IPOs), and ranked 10th in terms of amount raised in IPOs. Intense international competition could see the UK slip down these international standings.
- The UK is currently a **less attractive** place for life sciences Foreign Direct Investment (FDI) due to stringent NHS price caps on medicine sales and an unfavourable tax environment.
- An **over-burdened planning regime** adds complexity and delays development.

Policy action to overcome these barriers would be a bold statement of intent, sending a message to the world that the UK has significant life sciences ambitions and is serious about accelerating.



For the UK life sciences sector to achieve its potential, we recommend a **five-point plan** that could be implemented quickly:

1

Set ambitious targets for life sciences growth

The UK should aim to grow the sector in GVA terms by at least 25% and double the value of inward FDI by 2035. In addition, the Office for Life Sciences should work with the relevant parts of industry to measure and report on the availability of laboratory space outside the Golden Triangle.

2

Focus on infrastructure

The Government should commit to building the East West Rail route in full as a priority to support the growth of the Golden Triangle.

3

Enable planning delivery

The Department for Levelling Up, Housing and Communities (DLUHC) should set up a life sciences task force to upskill local authorities and use the planning 'super squad' (identified by Government to support the delivery of large sites in Cambridge) to ensure that major infrastructure issues such as access to digital connectivity, sustainable transport, power and water neutrality do not impede progress. At a strategic level, Development Corporations could support innovation-led regeneration in economic growth corridors across the country, particularly where these corridors cross local authority boundaries.

4

Use the tax system to support life sciences real estate growth

The Government should expand R&D tax credits to include relief for capital expenditure on laboratory space, to accelerate delivery of specialist life sciences real estate, and provide long-term certainty on capital allowances for the sector. Moreover, the UK should learn from other life sciences markets – such as New York – about how tax incentives can encourage the supply of appropriate laboratories.

5

Use life sciences real estate to support local skills development and create inclusive growth

The public, private and non-profit sectors should collaborate to create local, sector-specific training and employment programmes that grow the industry's talent pool. Weaving local labour markets into the sector's growth will strengthen talent pipelines and ensure that the high-skilled, high-wage job opportunities benefit the communities in which they are based.

INTRODUCTION

ROOM TO INNOVATE AND ROOM TO GROW

There should be no limit to the ambitions of the UK life sciences sector. It has renowned academic strength, a highly skilled workforce, high levels of R&D spend, cutting-edge clusters of activity and a unique health data partner in the NHS.

These attributes are a platform for UK life sciences to take advantage of the sector's expected evolution and transformation:

- **Growing and ageing populations will increase the demand for health services.** The global market for pharmaceutical manufacturing is expected to triple in size by 2030.¹
- **Technological and scientific advancement is occurring at a rapid rate.** In the near future, there will be fundamental changes to diagnosis and treatment, and how data supports clinical decisions, monitoring and drug development.²

But there is no guarantee that UK life sciences will take advantage of these trends. Internationally mobile life sciences capital will be invested in places where there are cultures of entrepreneurship, supportive regulatory regimes, clear innovation pathways, a pipeline of skilled workers and a competitive tax system.

If the UK cannot become more attractive to investors in these areas, then life sciences activity will simply take place elsewhere in the world.

While many factors will influence investment decisions, this report focuses on how quickly developing life sciences real estate could boost the UK economy. The life sciences sector ultimately needs more room to innovate and more room to grow.

The right life sciences facilities with the right specifications in the right places – particularly for early-stage businesses with high-growth potential – will mean higher and sustainable economic growth, employment and R&D. London is already showing how these facilities can be delivered (see Case Study, p7), and numerous other places across the country could follow suit.

Within this context, the rest of this report is structured as follows:

Chapter 2 presents the economic opportunity from supporting life sciences real estate.

Chapter 3 sets out the requirements behind life sciences real estate today.

Chapter 4 outlines a five-point plan to accelerate the delivery of life sciences real estate.

The contents of these chapters will be of interest to those working in the life sciences, R&D and real estate industries, and those interested in supporting the growth of clusters.



SURREY RESEARCH PARK

140,000 sq ft of innovation space, including 90,000 sq ft of labs and workspace



LIFE SCIENCES REAL ESTATE - THE ECONOMIC OPPORTUNITY

Real estate is a critical enabler of the UK's ambitions to be a world leader in life sciences.

It has an ecosystem with globally revered academic capability, large amounts of money committed to R&D, a highly-skilled workforce, proven ability to attract inward investment, a regulatory regime conducive to growth, and the unique attributes of the NHS.³

This ecosystem is driven by cutting-edge clusters of life sciences activity. The 'Golden Triangle' of Cambridge, London and Oxford is the UK's pre-eminent life sciences cluster, which is anchored by world-leading life sciences universities and teaching hospitals. Of the 280,000 people directly employed in the UK life sciences sector, 48% are employed in the regions of the Golden Triangle.⁴

Outside the Golden Triangle, with 52% of the sector's jobs, there are powerful examples of influential and growing life sciences clusters:

- The **Manchester City Region** has control of a £6bn health and social care budget and a dedicated health innovation body.⁵
- The West Midlands has the **Birmingham Health Innovation Campus**, which has been designated a life sciences 'Opportunity Zone' that focuses on attracting investment.⁶
- In **West Yorkshire**, a cross-sector Healthtech Leadership Group has been established to support Healthtech programmes, events and partnerships with other regions.⁷

Strengthening the sector nationwide and ensuring that existing clusters have room to grow will mutually benefit all regions. The Cambridge Biomedical Campus, for example - a global leader in medical sciences, research, education and patient care - supports 22,400 jobs in the East of England, and a further 8,400 jobs across the rest of the UK.⁸

AstraZeneca is similarly clustered, with a strategic R&D Centre in Cambridge, a manufacturing facility in Macclesfield and vaccine development capability in Liverpool.⁹

This multiple-cluster approach can be seen in the US, where several cities are benefiting from flourishing life sciences sectors. Boston, San Diego and San Francisco have some of the best research institutions and spin-out activity, whilst places like Denver, Houston, Raleigh-Durham and Chicago also have vibrant life sciences ecosystems. Comparing the stock of laboratory space in these cities to the UK's Golden Triangle highlights the relative capacity for growth of different places, and the potential to be realised across the UK (see Table 1 for a comparison).

Moreover, scientist salaries in Cambridge and Oxford are half those in San Francisco;¹⁰ an attractive proposition for investors - if space is available.

While large volumes of investment in some US markets may see supply for laboratory space outstrip demand in some cases, the chronic under supply of laboratory space in the Golden Triangle means there is little prospect of this happening in the UK in current conditions.

The Golden Triangle regions are home to 48% of those directly employed in the sector

Table 1: Laboratory stock in the Golden Triangle and selected US cities¹¹

City	2023 lab stock
Boston	52.7m sq ft
San Francisco	33.7m sq ft
San Diego	23.9m sq ft
Cambridge	3.5m sq ft
New York	2.7m sq ft
Oxford	1.7m sq ft
London	0.2m sq ft



CASE STUDY

LIFE SCIENCES REAL ESTATE IN LONDON – BRITISH LAND EXAMPLES

Increased urban life sciences activity has been driven by factors such as the impact of technology on the sector and the growth of outsourced R&D models.

British Land's lab enabled spaces in London are leading this trend in the sector. Crucially, the spaces are ready to occupy, fully serviced and cater for growth, supporting scale-ups to be the businesses of the future and achieve their commercial, research and ESG aims.

Regent's Place is a campus at the heart of the Knowledge Quarter – one of the world's great innovation clusters with hundreds of academic, scientific and cultural organisations based across a few streets with institutions such as the Francis Crick Institute, University College London and DeepMind.

There are good transport links to Oxford and Cambridge, as well as to several international airports. The new, state-of-the-art laboratory spaces sit within existing office spaces, are

designed and fitted by specialists, and come with advice on how to acquire necessary licenses and certifications.

The Paper Yard is a project featuring 33,000 sq ft of fitted and lab-enabled space at Canada Water in South East London. Delivered in just nine months, it was built using modular construction techniques that can be scaled and adapted.

The building also meets sustainability requirements, constructed with a mix of existing components and materials that can be disassembled and repurposed following construction.

The space was designed to meet complex scientific requirements, including:

- **Dedicated extraction capabilities**
- **Safe storage for chemicals**
- **Secure power supply with backup**
- **Multi-use including lab space with co-located workspace**

Canada Water is uniquely placed to deliver the new era of life sciences research in which AI, data and laboratory research converge, and demand for the space has been high. The first pre-let of The Paper Yard was achieved in July 2023 to Chemastery, a start-up focused on increasing the efficiency of chemical research and manufacturing, which has taken more than 2,000 sq ft of office and lab space.



FabricNano, Regent's Place



Space is ready to occupy, fully serviced and caters for growth to support scale-ups

The Paper Yard, Canada Water features 33,000 sq ft of lab-enabled space in South East London

ACCELERATING INNOVATION INSIDE THE GOLDEN TRIANGLE

There is a shortage of space in the Golden Triangle. Laboratory rents in Oxford and Cambridge roughly doubled between 2021 and 2023. Laboratory vacancy rates are just 1% in Cambridge and London, and 7% in Oxford.¹²

Comparisons between the Golden Triangle and the US highlight a gulf in life sciences real estate:

- **More stock.** Oxford (home to the 4th ranked university for life sciences in the world) and London (home to the 14th ranked university for life sciences in the world) have less laboratory space than Denver, which has no university in the top 100.¹³
- **Faster delivery.** The square footage of new laboratory space delivered in Boston in 2022 alone was more than half the square footage of current laboratory space in the Golden Triangle.

On current trajectories, the UK is likely to fall further behind the US:

- **Comparing Oxford and Cambridge to Boston, MA**
Construction is underway that would increase the supply of laboratory space by 5.2% a year in the established Golden Triangle markets. In Boston construction is underway to increase laboratory space by 8.9% a year.
- **Comparing London to New York.** Laboratory space in London is set to grow significantly in the next few years, but from a low base. If London were to match New York's current laboratory space by 2030, it would need square footage to grow by 25% a year on average.¹⁴

Yet with the right approach and conditions recommended in this report, the UK could catch-up with the US.

There are significant economic benefits from increasing laboratory space.

If the supply of lab space in the Golden Triangle continues to grow at the rate expected over the next few years - in other words, maintaining mid-2020s business as usual - it would still mean a significant contribution to the economy:

- By 2035 **an additional 33,500 people in laboratory jobs (more than double the current level).**
- By 2035 **an additional £2.0bn in annual GVA.**
- By 2035 **an additional £540m in tax receipts.**

But there is a huge opportunity if the supply of laboratory space in the Golden Triangle were to grow at rates seen in the US.

But a stretch scenario, where laboratory space supply growth matches that of New York City, would mean:


- By 2035 **an additional 73,900 people in laboratory jobs.**
- By 2035 **an additional £4.4bn in annual GVA.**
- By 2035 **an additional £1.2bn in tax receipts.**

These scenarios are set out in Table 2.


Even business as usual growth in the supply of Golden Triangle laboratory space is not guaranteed. Only with the right conditions for the life sciences ecosystem - that caters for both new, smaller companies as well as more established, larger companies - can the benefits of growth be realised.

Yet it is possible. There is significant pent-up demand for laboratory space within the Golden Triangle and laboratory building projects that just need the go-ahead from policymakers. For instance, across Cambridge, Oxford and London there is 11.6m sq ft of laboratory space that is waiting for a planning decision or in the pipeline.


Growth matching that of Boston, MA would mean:



66,700
more laboratory jobs by 2035



£4.0bn
additional GVA a year by 2035



£1.1bn
in additional tax revenue a year by 2035

Table 2: Economic benefits from establishing greater life sciences real estate in 2035

Golden Triangle lab space supply increase (sq ft p.a.)	Additional Employment 2035	Additional GVA 2035 (£m)	Additional Tax 2035 (£m)
Business as usual (5.2% p.a.)	33,536	2,012	543
Matching the US (6.7% p.a.)	47,778	2,867	774
Matching Boston (8.7% p.a.)	66,672	4,000	1,080
Matching New York (9.7% p.a.)	73,930	4,436	1,198

CASE STUDY

WHY IS BOSTON/CAMBRIDGE, MASSACHUSETTS, SO SUCCESSFUL AT LIFE SCIENCES?



Longwood Medical Area, Boston, MA

Boston/Cambridge is the world's leading life sciences cluster. It has two of the best research universities on the planet (Harvard and Massachusetts Institute of Technology (MIT)), is home to hundreds of thousands of skilled workers, attracts billion in VC funding every year and produces successful 'spin-out' companies that commercialise research.

These characteristics are similar to those of the Golden Triangle, with Boston/Cambridge's success having developed over many years and because of concerted policy action, from which other life sciences clusters can learn.

A rich life sciences history

Since being founded in 1782, Harvard Medical School (HMS) has made numerous world-changing medical discoveries including the smallpox vaccine in 1799, the world's first heart valve surgery in 1923 and the first clinical trials of oral contraceptives in 1954.

Established in 1861, MIT has also made significant contributions to life sciences. These include five Nobel laureates in the field of cancer research and an influential research institute that has made notable advancements in brain research.

Public policy interventions

The Massachusetts Life Sciences Center (MLSC) was set up in 2007 with a mission to grow and develop the life sciences sector. The Massachusetts Life Sciences Act 2008 gave MLSC responsibility for a \$1bn investment pot to be spent over 10 years in the following ways:

- **Tax incentives.** Including investment tax credits, sales tax exemption for certain properties and deductions related to drug development for extremely rare diseases.
- **Skills.** Funding for workforce development initiatives and grants for researchers.
- **Infrastructure.** Including water and sewer systems to support particular industry needs and the building of innovative facilities.

MLSC recognises that an ecosystem comprising government, academic and industry stakeholders working together is essential to the sector's future success.



Sources 15, 16, 17, 18, 19, 20

ACCELERATING INNOVATION OUTSIDE THE GOLDEN TRIANGLE

The constraints faced by the Golden Triangle also threaten the growth of the sector in emerging clusters across the rest of the UK.

The **West of England Combined Authority** has highlighted the need to develop laboratory space for life sciences growth.²¹ The **Newcastle Helix** – a city centre building designed to support the commercialisation of life sciences ideas – reached full capacity within three years of opening.²² There are similar examples across the country; supporting the growth of the sector nationwide is crucial.

Yet, more life sciences R&D facilities were established in the Golden Triangle regions (East of England, London and the South East) between 2009 and 2021 than the rest of the UK. Of the 2,400 life sciences research and development facilities, more than half (51%) can be found in the Golden Triangle regions.²³

On current trends, this geographic concentration is only likely to intensify.

With the right environment in place, accelerating the growth of R&D facilities outside the Golden Triangle to match those within Golden Triangle regions to 2035 could create:

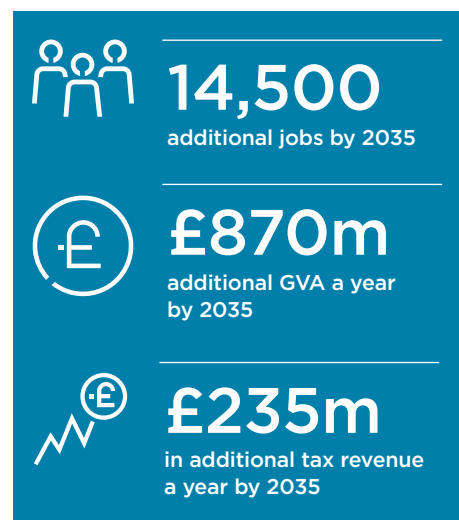


Table 3: Economic benefits of R&D site growth outside the Golden Triangle matching the Golden Triangle

	Additional life sciences R&D sites by 2035	Additional Employment 2035	Additional GVA 2035 (£m)	Additional Tax 2035 (£m)
East Midlands	58	1,972	118	32
North East	26	1,222	73	20
North West	67	2,278	137	37
Northern Ireland	11	385	23	6
Scotland	74	2,738	164	44
South West	30	570	34	9
Wales	36	1,440	86	23
West Midlands	44	1,232	74	20
Yorkshire and The Humber	45	2,700	162	44
Total	391	14,537	872	235

There are many factors that can affect the supply and demand for life sciences real estate, but the figures above illustrate the potential gains that could be made.

Of the 2,400 life sciences R&D facilities, more than 50% can be found in the Golden Triangle.



FabricNano, Regent's Place

BARRIERS TO GROWTH

Across the life sciences value chain, from an idea being conceived to a product or service eventually being mass produced, there are highly specialised real estate requirements:

- **Start-up and scale-up spaces.** Early-stage firms are often unable to commit to longer leases and tend to have rapidly changing needs as they grow.²⁴ Setting up a laboratory after attracting venture capital funding is both time-consuming and high-risk. Small, flexible, fitted laboratories are required with minimum financial and human resources. These firms then need larger spaces as they scale-up.
- **Laboratories.** Needing to accommodate work with hazardous biological and chemical agents, testing at specific temperatures and humidities, reliable and fast digital connectivity, and/or, additional air changes, vibration control and an independent energy supply.²⁵

- **Manufacturing facilities.** These facilities need large spaces, alongside the expertise and knowledge to run them. They also require access to reliable transport and logistics infrastructure, which are critical for drugs and medical products to be produced and shipped.

These types of real estate exist in an ecosystem, working in close proximity with other types of life sciences real estate. Larger companies also require office headquarters. The **NHS Estate** is often used in collaboration with life sciences companies. Specific **R&D facilities**, such as those used for prototyping MedTech products, are also needed.

The multi-site, multi-stage process that was used to develop and test the AstraZeneca Covid-19 vaccine, which was ultimately administered to millions of people, is an example of the many and varied types of life sciences real estate required (see Case Study, p12).



Peterhouse Technology Park, Cambridge

BARRIERS TO DELIVERY

To increase the stock of life sciences real estate, and meet the needs of occupiers, the following barriers need to be addressed:

1. Availability of funding.

The UK's life sciences industry raised the fourth highest amount of equity finance in the world in 2022, behind the USA, China and South Korea. The UK ranked 7th for the number of global life sciences Initial Public Offerings (IPOs) in 2022, and ranked 10th in terms of amount raised in IPOs.²⁶ While these statistics indicate reasonable UK performance, there is intense international competition that could see the UK slip further down the international rankings.

2. The UK has become a less attractive market for life sciences Foreign Direct Investment.

NHS price controls have become much more stringent, reaching historic and international highs. The UK has lower drug approval rates than many other competitor countries, and also completes clinical trials at a slower rate.²⁷ Furthermore, the domestic tax environment has become less favourable to investment. As a result, multinational life sciences companies, such as AstraZeneca and Johnson & Johnson, have recently made decisions to invest in other countries instead of the UK.²⁸

3. An over-burdened planning regime.

Adding stock involves numerous stakeholders. These include – but are not limited to – developers, investors, landowners, occupiers, planners, utilities companies and regulators. The variety of stakeholders involved combined with extensive planning requirements adds huge complexity to these developments.

Policy action to overcome these barriers would be a bold statement of intent, sending a message to the world that the UK has significant life sciences ambitions and is serious about accelerating innovation.

CASE STUDY

THE LIFE SCIENCES REAL ESTATE USED TO DEVELOP THE OXFORD/ ASTRAZENECA COVID-19 VACCINE

The core science behind the vaccine was developed at the Jenner Institute at the University of Oxford, and it was in Oxford that this was applied to Covid-19.

The foundational science was supported by public funding, and in particular through UK Research and Innovation. Academics then partnered with the pharma multinational AstraZeneca, headquartered in Cambridge.

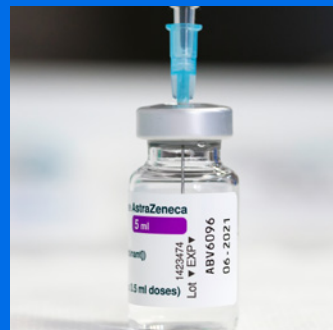
The vaccine was manufactured across the country, including in Oxford, Keele and Wrexham. There was a risk from flooding at the Wrexham facility, underlying the vulnerability of life sciences supply chains.

The first sites to manufacture the vaccine were in the Netherlands and Germany, showing how, even during the Covid-19 crisis, supply chains were fundamentally international.

The final piece of the vaccine process was the distribution through the vast NHS estate, underlining how closely the public and private sectors work together in life sciences.



AstraZeneca, Cambridge



The Jenner Institute, Oxford

RECOMMENDATIONS: ACCELERATING LIFE SCIENCES IN THE UK

Real estate is a critical enabler of the UK's ambitions to secure sustained economic and productivity growth in life sciences. Global leadership is only achievable if the UK real estate offer can meet specialised needs across the life sciences value chain.

To accelerate innovation we recommend a **five-point plan** that could be implemented quickly:

1 Set ambitious targets for life sciences growth

The Government's goal for the UK to be a global leader in life sciences is welcome. But the sector needs concrete, actionable milestones for delivery. **We suggest that the UK should aim to grow the sector in GVA terms by at least 25% and double the value of inward FDI by 2035.** With the following policies, this is eminently achievable. Policymakers and investors need the best available data on new and emerging life sciences clusters. **The Office for Life Sciences should work with the relevant parts of the real estate industry to measure and report on laboratory space outside the Golden Triangle** and set targets for life sciences growth across the UK.

2 Focus on infrastructure

Catalysing clusters requires a broad range of activity. The availability of affordable housing and efficient transport links is particularly vital to cluster growth.³³ **The Government should commit to building the East West Rail route as a priority to support growth of the Golden Triangle.**

3 Enable planning delivery

Enhance planning capacity and capability to accelerate delivery. We welcome proposals to make specific reference to meeting R&D needs, including the need for additional laboratory space, in national planning policy. This should be supported by Planning Practice Guidance, which recognises the requirements of life sciences real estate. **DLUHC should set up a life sciences task force, with the objective of speeding up planning for life sciences projects and use the planning 'super squad'** (identified by Government to support the delivery of large sites in Cambridge) to ensure that major infrastructure issues such as digital connectivity, sustainable transport, power and water neutrality do not impede progress. This could help to upskill local authority planners and members in areas of high life sciences demand.

A similar life sciences task force was set up to aid the deployment of super-fast broadband and 5G technology. Development Corporations could be used support innovation-led regeneration in economic growth corridors across the country, particularly where these corridors cross local authority boundaries.

4 Use the tax system to support life sciences real estate growth

Make the tax environment conducive to life sciences real estate growth. This is critical to attracting both domestic and international investment across the country, and catalysing physical infrastructure and development delivery. We propose that the Government should expand R&D tax credits, to include relief for capital expenditure on laboratory space, to accelerate delivery of specialist life sciences real estate, and provide long-term certainty on capital allowances for the sector.³⁴ Moreover, the UK should learn from other life sciences markets – such as New York – about how tax incentives can encourage the growth of life sciences real estate.

5 Use life sciences real estate to support local skills development and create inclusive growth

Successful local skills initiatives are built on partnerships between public, private and non-profit organisations. Commercial real estate provides the physical space for these initiatives to thrive, opening labour market opportunities to local people. British Land already aligns education and employment targets with its new developments, which include providing apprenticeships, work experience placements and upskilling programmes. A similar national, sector-wide training and employment strategy will ensure that communities benefit from the sector's growth on their doorstep, and that the sector benefits from a diversity of talent.

Two approaches are required for these opportunities to be made available to the broadest cross-sections of society:

- **National policymakers: accelerate the devolution of education and employment budgets**, so that there is more localised control.
- **Local policymakers: consider how to tailor localised programmes to meet the bespoke, place-based needs of the sector and its local community.** For example, the Mayor's Academies Programme in London focuses on key sectors to the regional economy, to raise sector profiles, gain specific insights, and enable Further Education providers to deliver industry relevant courses that align with employer needs.

METHODOLOGY

The process for modelling the life sciences opportunity in the Golden Triangle:

1. Identify current stock and future pipeline of laboratory space in Cambridge, London and Oxford (Source: Savills UK data).
2. Use current stock and guaranteed future pipeline (laboratory space that is under construction) to calculate a 'Business As Usual' (BAU) annual growth rate in laboratory square footage.
3. Apply an annual growth rate to laboratory square footage based on the US market, i.e. growth rates that are higher than BAU (Source, CBRE: [here](#))
4. Apply assumption about number of employees per sq ft of life sciences laboratory space (Source, Savills UK, [here](#))
5. Apply assumption about GVA per employee in the life sciences sector (Source, ABPI, [here](#))
6. Apply assumption about the vacancy rate of the laboratory space (Source, CBRE: [here](#))
7. Apply tax assumption as a proportion of GVA to calculate revenue implications (Source: ABPI, [here](#))
8. Make comparisons between the results from steps 2 and 3.

All figures throughout the report have been rounded.

Further information on methodology and sources is available on request.

The process for modelling the life sciences opportunity outside the Golden Triangle:

1. Identify current stock of R&D sites outside of the Golden Triangle using regions as a proxy, which includes regions outside of the East of England, London and the South East (Source: OLS, [here](#))
2. Look at historical growth rates in R&D sites within regions associated with the Golden Triangle and regions outside the Golden Triangle (Source: OLS, [here](#)).
3. Make comparisons between BAU historic growth rates of R&D sites outside the Golden Triangle and if it matched growth rates of the Golden Triangle.
4. Apply assumptions about geographic split and employee per site based on historic rates (Source: OLS, [here](#))

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FIND OUT MORE

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