ACCELERATING INNOVATION IN LONDON

A PLAN TO BOOST SCIENCE REAL ESTATE

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London has the all the ingredients to be a world-leading science and technology growth hub. This can bring huge economic benefits – but we need more ambition to achieve this.

The UK has aspirations to be a global leader in science, with London poised for growth.

London stands at the heart of the Golden Triangle: already the epicentre of tech in Europe, with an outstanding science sector, world-leading academic and research institutions and creative industries, as well as being the home of both regulation and capital raising.

The co-location of these factors puts the city in a globally unique position, with huge opportunity to capitalise on growth in science sectors responding to global mega trends – but much more can be done to cement the city's status as a global science superpower.

New findings that build on our 2023 nationwide report[1] *Accelerating Innovation: a five point plan to boost life sciences real estate* show we are not realising our full potential, and a key blockage is the availability of lab space, especially in London. Planning delays and lack of coordinated and inward investment strategy are limiting the growth of this critical sector.

Looking at evidence from high growth markets in the US, plus future real estate requirements as science and technology converge and AI accelerates scientific discovery, we show how the right lab space with the right specifications in the right places will result in higher and sustained economic growth, employment and investment for London.

THE OPPORTUNITY IS HUGE

If we pursued the same levels of projected growth for the science real estate market in London[2] as expected in **New York's science sector**[3], equivalent lab space growth in London to 2035 would mean:

More jobs

52,000+

more people in high-skilled, high wage employment

More economic output

£3.1bn

a year in additional GVA

More tax revenue

£850m

a year extra in funding for public services

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

CASE STUDY

SCIENCE REAL ESTATE IN LONDON – BRITISH LAND EXAMPLES

Increased urban science 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 spaces in London are leading this trend in the sector. Crucially, we provide spaces that are ready to occupy, fully serviced and catering for growth, supporting scale-ups to be the growth businesses of the future and achieve their commercial, research and sustainability aims.

Regent's Place is a campus at the heart of the Knowledge Quarter – one of the world's great innovation clusters, with high profile research and academic institutions, such as the Francis Crick Institute, UCL and UCLH, and hundreds of innovative businesses, such as Google and DeepMind, all based within a few streets. Recognising the critical importance of collaboration and knowledge exchange for growth and innovation in this sector, we have established exciting partnerships with UCL, the Francis Crick Institute and the Knowledge Quarter to consolidate Regent's Place as an outstanding science and technology hub.

The new, state-of-the-art laboratory spaces at Regent's Place are designed and fitted by specialists, come with advice on how to acquire necessary licenses and certifications and are at the heart of a world-leading science and technology cluster, providing access to an ecosystem of knowledge and partnership.

FabricNano, Regent's Place

The Paper Yard, Canada Water

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

The building has strong sustainability foundations. It was constructed with a mix of existing components and materials that can be disassembled and repurposed following construction, minimising whole life carbon. An embedded skills service, Canada Water Connect, links local people with the site's current and future employment and training opportunities.

The space is one of London's first purpose-built science buildings and 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 urban science in which AI-driven computational research and experimental lab-based research converge, and demand for the space has been high. The Paper Yard is now home to businesses including Chemastery and Prosemino.

RECOMMENDATIONS:
ACCELERATING INNOVATION IN LONDON

Real estate is a critical enabler of London's ambitions to secure sustained economic and productivity growth in science. Global leadership is only achievable if its real estate offer caters for the sector's current and future needs and can meet specialised requirements across the value chain.

To accelerate innovation we recommend the following:

1 Set ambitious targets for science growth in London and collaborate to attract world-class anchor tenants

London has the ingredients to lead the world in science; but the sector needs clear, actionable targets for delivery. We recommend that:

a. London should aim to grow the sector in GVA terms by at least 40% and triple the value of inward FDI by 2035.

b. The public and private sectors should work together to attract world-class anchor tenants, for example NYCEDC and SPARC Kips Bay's bid for a life sciences innovation, career and education hub in New York City.[4]

2 Enable planning delivery

Refresh London's Opportunity Areas to accelerate the growth of London's science and technology clusters, meet the need for additional laboratory space, prioritise innovation-led regeneration, and enable delivery with a GLA expert taskforce, to support local planning departments and decision-makers.

3 Embed sustainability into science real estate to secure good growth

This is an opportunity to lead the way for the global science sector, leveraging sustainability whilst mitigating commercial and regulatory risk, securing talent pipelines and increasing operational efficiencies.

a. Employment and skills

London has a deep pool of graduate and postgraduate talent, but the sector should work with local partners to inspire, connect and create opportunities for London's diverse communities and ensure inclusive economic growth.

The public and private sectors must work together to expand employment, skills and training opportunities at all levels; for example, through collaboration to design apprenticeships and vocational training programmes.

b. Whole life carbon

Raising awareness of and adopting standards and guidance to support the reduction of embodied and operational carbon in science real estate; for example, the UK Net Zero Carbon Building Standard.

FabricNano, Regent's Place

Partnerships to build on

British Land aligns **education and employment targets** with its new developments and priority sites, partnering across supply chains, customers and communities to provide employment opportunities, apprenticeships, work placements and upskilling through its **Bright Lights skills and employment** programme. Cross-sector partnerships with knowledge institutions such as the Francis Crick Institute are critical to achieving mutually beneficial outcomes.

Local authorities are coordinating cross-borough partnership initiatives supporting residents to access opportunities in the knowledge economy, such as **LIFT** (in Camden, Tower Hamlets, Hackney and Islington) and **SC1** (in Southwark and Newham).

METHODOLOGY

The process for modelling the opportunity in London

1. Identify the current stock and future pipeline of laboratory space in London up to 2030, and assume all new stock under consideration or development is transacted/approved (Source, Savills UK: here)
2. Apply the annual New York growth rate of 9.7% of laboratory square footage from 2030, based on the US market reporting, to the London figure calculated from (1) (Source, CBRE: here)
3. Apply assumption about the number of employees per sq ft of life sciences laboratory space (Source, Savills UK: here)
4. Apply assumption about GVA per employee in the life sciences sector (Source, ABPI: here)
5. Apply assumption about the vacancy rate of the laboratory space (Source, CBRE: here)
6. Apply tax assumption as a proportion of GVA to calculate revenue implications (Source, ABPI: here)

SOURCES

[1] https://www.britishland.com/sites/british-land-corp/files/2023-11/Accelerating-Innovation-Report-Nov-2023.pdf

[2] London's pipeline laboratory real estate current under consideration is calculated by research from Savills: https://www.savills.co.uk/research_articles/229130/350489-0

[3] The New York annual growth rate of 9.7% for its laboratory real estate market is calculated by CBRE: https://mktgdocs.cbre.com/2299/319d505b-6d9d-4558-99a5-e6ebb83ca369-362256098/2023_US_LifeSciences_Outlook.pdf

[4] NYCEDC Seeks Anchor Tenant to Establish Cutting-Edge Life Sciences Center at SPARC Kips Bay: https://edc.nyc/press-release/nycedc-seeks-anchor-tenant-establish-cutting-edge-life-sciences-center-sparc-kips-bay

FIND OUT MORE

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