

MARKETBEAT GOLDEN TRIANGLE LIFE SCIENCES

Q1 2025

REFLECTIONS FROM OUR VISIT TO BOSTON

Earlier this month, Jamie Renison and Harry Blanshard from our UK-based science and innovation real estate team travelled to Boston to gain first-hand insight into the current market sentiment in the world’s leading biotech hub. Their findings revealed a mixed picture of cautious investment sentiment and attractive real estate opportunities.

One of the prevailing themes is the ongoing struggle for funding. The majority of science and innovation companies are in need of capital, yet venture capital firms are largely holding back on deployments. This hesitancy stems from the broader market uncertainty, with investors adopting a ‘wait and see’ approach before committing further funds.

Despite this caution, VCs are still actively assessing opportunities, but their criteria have become increasingly stringent. There is a clear focus on companies with credible data and strong, experienced, leadership teams. The bar has been raised, and only the most robust ventures are making it through the investment committee reviews.

From a real estate perspective, the market in Boston and Cambridge, Massachusetts, presents a stark contrast. There is currently a significant oversupply of lab space, coupled with a notable lack of demand from occupiers. As a result, tenant-friendly deals are now more accessible than ever, offering a unique window of opportunity for companies in a position to act.

The big news comes from Biogen who announced plans to consolidate its Cambridge operations by signing a 15-year lease for approximately 585,000 square feet at 75 Broadway Street, part of the new Kendall Common development. This move will bring together Biogen’s research, development, and commercial teams into a single, state-of-the-art facility, due to open in 2028

While the general mood across the market is subdued, there are still flickers of optimism. For those with the resources and resilience to navigate the current climate, there is opportunity to secure both capital and space on favourable terms, setting the stage for growth when the market stabilises.



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KEY TAKEAWAYS



Take-up in Q1 totalled 97,500 sq ft, which represents a 32% decline on the previous quarter.



Prime quoting rents increased to £70.00 psf in Oxford and £140.00 psf in London, while remaining stable at £77.00 psf in Cambridge.



Seven schemes totalling 554,000 sq ft were completed across the Golden Triangle during Q1. A further 4.0 million sq ft of lab space remains under construction and due to be delivered before the end of 2027.



UK life science companies secured an additional £1,251 million in venture capital funding, the highest quarterly total on record, but the lowest number of raises since Q4 2020



Investment volumes in the Golden Triangle life sciences real estate market reached £121.5 million across two transactions for Q1 2025.

MARKET FUNDAMENTALS

	YoY Chg	Outlook
97,500 Take-up, Q1, Sq Ft	▼	▲
183,900 Under offer, Sq Ft	▲	▲
4.0m Under construction, Sq Ft	▲	▼

PRIME QUOTING LAB RENTS

Asset Location	Q4-24	Q1-25	Outlook
Cambridge	£77.00	£77.00	▬
Oxford	£62.50	£70.00	▲
London	£130.00	£140.00	▬

All rents reflect values for Lab Enabled spec (shell & core + tenant improvement allowance) and are per sq ft quoting rents on an NIA basis. These are quoting rents, and not our opinion of market rents.

TAKE-UP

Take-up across the Golden Triangle in Q1 totalled 97,500 sq ft, marking a 32% decline from the strong leasing performance recorded in Q4 2024. This figure also sits 37% below the five-year quarterly average, indicating a slower start to the year.

As in Q4, Oxford led the Golden Triangle in leasing activity, accounting for 41,000 sq ft or 42% of all space transacted. Cambridge followed with 36,500 sq ft (37%), while London saw 20,000 sq ft leased, representing the remaining 20% of activity. Leasing in Q1 was driven by 13 deals. The largest involved the Ellison Institute, which took 29,000 sq ft at The Iversen Building in Oxford, which also hosted the largest lease in Q4 2024. The second and third largest transactions occurred in Cambridge and London, with 42 Technology occupying 17,200 sq ft at Cambourne Science Park, and MINA Tx leasing 7,200 sq ft at I-HUB.

At the end of Q1, 183,900 sq ft was under offer across the Golden Triangle, pointing to sustained transactional momentum into 2025. This included 145,900 sq ft in London, 24,800 sq ft in Oxford, and 13,300 sq ft in Cambridge.

RENTAL VALUES

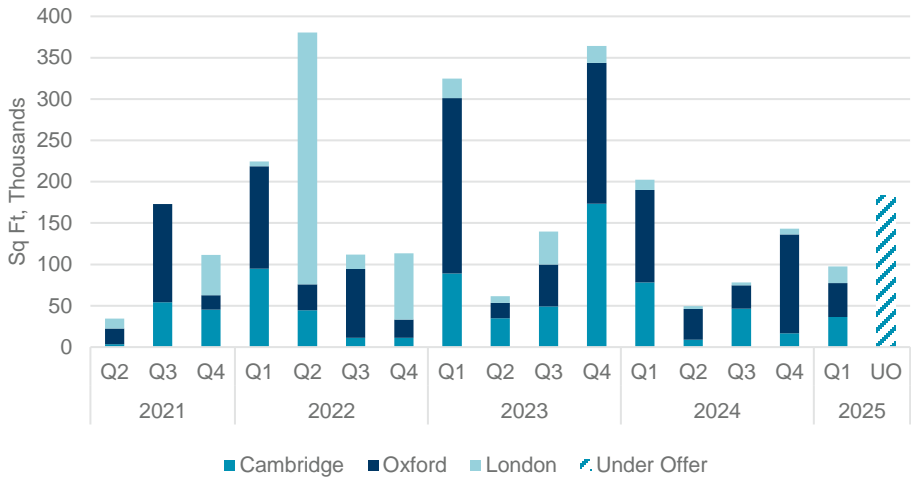
After remaining stable for three consecutive quarters, prime quoting rents across the Golden Triangle saw some growth, with Oxford rising to £70.00 psf and London rising to £140.00 psf, a result of new market evidence, with rents in Cambridge remaining stable at £77.00 psf*.

The rental gap between Oxford and Cambridge has begun to narrow, with momentum in Oxford continuing to build following more robust leasing performance.

Whilst the gap between prime quoting and achieved rents has widened over recent quarters, rents are now beginning to realign across the Golden Triangle. Oxford has surpassed its previous highs for fitted rents and has overtaken Cambridge, while London is awaiting the signing of a couple of long-anticipated prime deals, which should help to narrow the gap between quoting and achieved levels.

*based on a shell-and-core lab-enabled handover condition with a tenant improvement allowance

QUARTERLY TAKE-UP BY MARKET



OCCUPIER DEAL WATCH

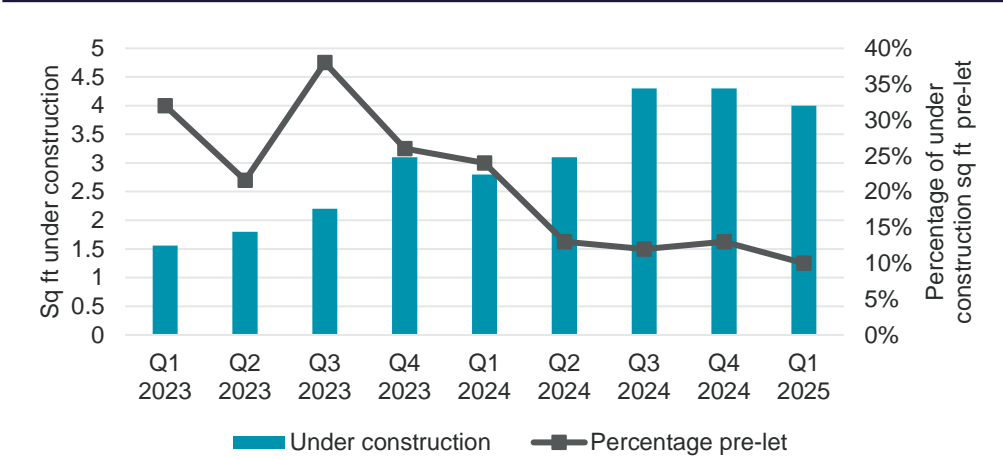
The Iversen Building, Oxford
Tenant: Ellison Institute, Landlord: TOSP
£Conf. 29,000 sq ft, Lab Ready (Fitted)

I-HUB, West London Cluster
Tenant: MINA Tx, Landlord: Imperial College London
£88.00, 7,200 sq ft, Second-hand Fitted Wet Lab

I-HUB, West London Cluster
Tenant: London Biofoundry: Imperial College London
£88.00, 5,700 sq ft, Second-hand Fitted Wet Lab

Babraham Research Campus, Cambridge
Tenant: Orion Corp, Landlord: Babraham Institute
£58.00. 7,100 sq ft, Second-hand Fitted Wet Lab

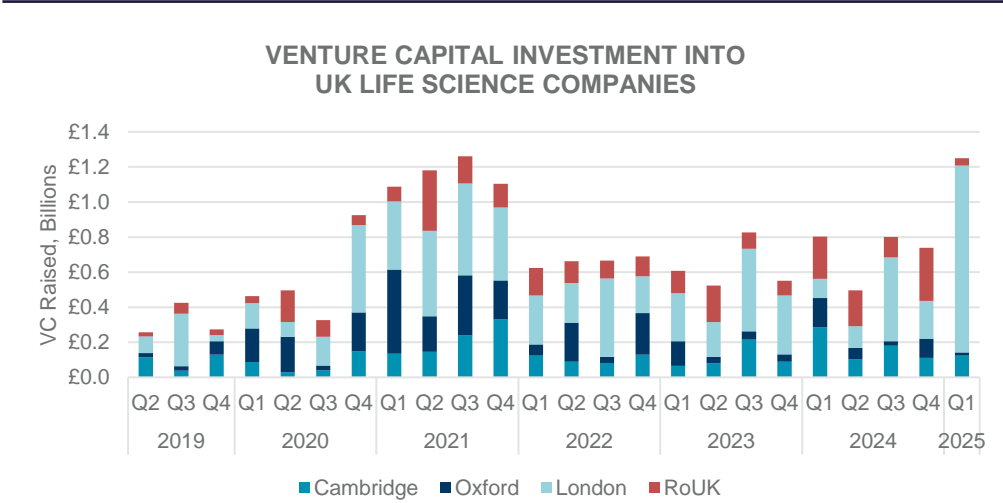
LAB PIPELINE UNDER CONSTRUCTION



DEVELOPMENT WATCH: DUE TO PC NEXT QUARTER

Address	Type	Type	Size (Sq Ft)	Developer
Victoria House	London	Conversion	196,000	Oxford Properties/ Pioneer
South Cambridge Science Centre	Cambridge	Development	145,000	Abstract Mid-Tech
Lumen House	Oxford	Conversion	17,000	Harwell/ Brookfield
CamLIFE 3	Cambridge	Conversion	37,000	Longfellow Partners

UK LIFE SCIENCES VENTURE CAPITAL INVESTMENT



SUPPLY

During Q1 2025, seven schemes totalling 554,000 sq ft were completed across the Golden Triangle, marking the highest quarterly completion volume since Q1 2024. The largest completion was Phases 1 and 2 of Tech Foundry in Harwell, which delivered a combined 123,000 sq ft of hybrid / mid-tech space to the Oxford market, with 10% of the space already let. In West London, the delivery of The Refinery at ARC West London added 130,000 sq ft of new supply. Meanwhile, the largest innovation scheme completed in Cambridge was The Optic at Peterhouse Technology Park, providing 93,800 sq ft which has been pre-let in its entirety to ARM.

The significant volume of completions in Q1 has resulted in the supply and demand imbalance that has long characterised the Golden Triangle being turned on its head, as schemes that started on site two years ago are completing at a time of difficult fundraising for science and innovation companies. Oxford is the only vacancy rate that has come in, from 11.2% in Q4 2024 to 10.5%, this quarter. While Cambridge continues to have the tightest supply, the vacancy rate has risen to 4.8%. In London where the vacancy rate is much more sensitive due to the low built stock levels, the vacancy rates have gone from 19.6% to 38.9%.

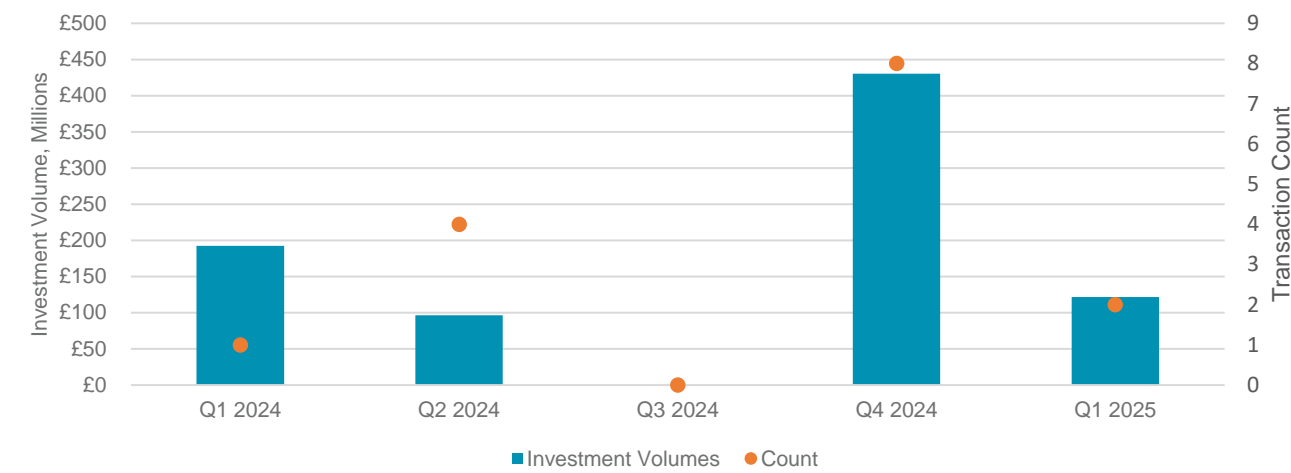
PIPELINE

At the close of Q1 2025, 4.0 million sq ft of lab space was under construction across the Golden Triangle. Of this total, approximately 10% is either pre-let or under offer, leaving 3.6 million sq ft of speculative space set to deliver over the next three years. An additional 4.9 million sq ft of pipeline space has received planning consent and could break ground , with potential completion by the end of 2028. However, not all consented schemes are expected to proceed, given elevated construction and financing costs, compounded by the economic uncertainty stemming from tariffs introduced by the US under the President’s ‘Liberation Day’ policy. Nonetheless, the broader implications of the ‘Liberation Day’ tariffs remain to be seen and may yet influence the pace and direction of future industry growth.

COMPANY INVESTMENTS

In Q1, UK life science companies secured an additional £1,251 million in venture capital funding, the highest quarterly total on record. This represents a 69.2% increase on Q4 2024 volumes. As in Q4, London led investment activity within the Golden Triangle, driven by landmark deals of £464 million into Isomorphic Labs and £327 million into Verdiva Bio. These contributed to a record-breaking total of £1,065 million, accounting for over 85% of the quarter’s total investment. Elsewhere in the Golden Triangle, Cambridge secured £124 million, while Oxford raised £43 million. Despite being a record-breaking quarter, the funding market is not in a healthy position. Q1 was in fact the lowest number of companies raising VC funding since Q4 2020 - in our view and based on conversations we are having with companies who are looking to raise funding, this statistic is much more reflective of the market. Whilst Isomorphic Labs and Verdiva Bio were both early-stage funding rounds, it is this stage of funding that is hardest to secure as VC’s and investors are looking for less risky investments that have positive clinical data or are already generating revenue. Isomorphic Labs is a spin-out of DeepMind, while Verdiva Bio is led by the former CEO of Aiolos Bio, which was acquired by GSK in 2024. Thus, their close association with past success has instilled investor confidence in their potential, even at an early stage.

QUARTERLY INVESTMENT VOLUMES



PRICING

Asset Type	Dec-24	Mar-25	Outlook
Prime	5.00%	5.00%	Inwards
Secondary	6.25%	6.25%	Stable

INVESTMENT VOLUMES

In Q1 2025, investment volumes in the Golden Triangle life sciences real estate market totalled £121.5 million across two transactions. The largest deal of the quarter saw GIC and REEF acquire Royal College Place in London from Royal Mail Group and Parcelforce to deliver a commercial led masterplan development for a little under £100m. Meanwhile, 270 Cambridge Science Park was sold by CBRE Investment Management to Brockton for £22.5 million, adding to Brockton’s expanding portfolio within the park.

Although Q1 volumes represent a 72% decline compared to the strong finish in Q4 2024, it is important to note that the 2024 year-end performance was largely driven by the completion of deals that had gone under offer in earlier quarters, with investors competing to close before year end, and therefore it represented the highest quarterly volume since Q3 2022.

YIELDS

For the fourth consecutive quarter, prime yields in the Golden Triangle have held steady at 5.00%.

In February, the Bank of England’s Monetary Policy Committee voted to reduce interest rates by 0.25 percentage points to 4.50%. Conversely, the heightened global uncertainty triggered by tariffs imposed under the U.S. President’s ‘Liberation Day’ policy may encourage the Bank of England to adopt a less cautious stance and implement further rate cuts over the course of 2025, despite setting interest rates primarily based on domestic economic conditions. While rate reductions typically improve investor sentiment, it remains unclear whether they will provide sufficient incentive in the face of the broader political and macroeconomic uncertainty coupled with a challenging occupational market.

Even so, prime life sciences assets remain resilient due to the sector’s growth potential, continued government and institutional backing, and the sector’s role in addressing structural global health challenges, although the .

DEAL WATCH

Address	Date	Price	Size (Sq Ft)	Yield	Vendor	Purchaser
270 Cambridge Science Park	Jan-25	£22,500,000	40,000	4.50%	CBRE IM	Brockton
Royal College Place, London	Jan-25	£99,000,000	65,000	N/A	Royal Mail Group Parcelforce	GIC & REEF



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