

Q1 2025



UK Science & Innovation Insight Report

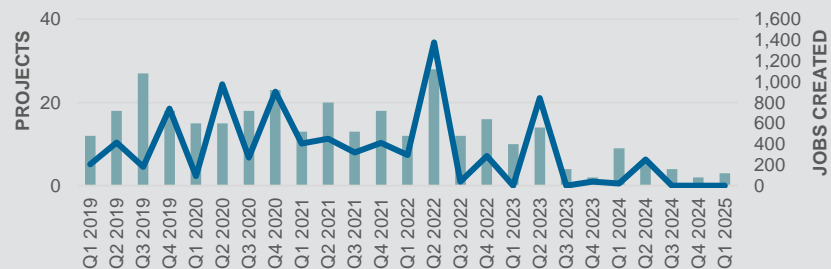
Sector performance

Q1 2025



FDI: UK ranks fourth globally for inbound investment

UK INBOUND FDI PHARMA AND HEALTHCARE

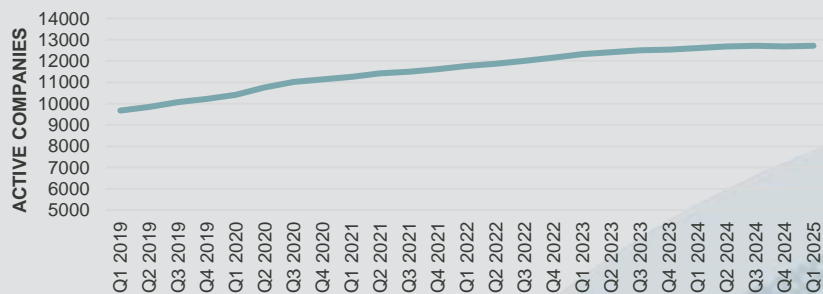


Source: GlobalData and Knight Frank Research. Parent company only. Job creation figures are included where available, as not all announcements provide an estimated number of jobs.

As of Q1, the UK ranked fourth globally as a destination for inbound investment, behind the US (11 projects), Canada (6), and India (5). Notable Q1 announcements included: Finland's Orion Corporation establishing a new R&D centre in Cambridge; Ireland-based diagnostics manufacturer EveryBaby opening a subsidiary office in Chadwell Heath; and Denmark's Ascendis Pharma launching a new office in London.

Active companies: Marginal growth as cessations cloud the outlook

NUMBER OF ACTIVE UK LIFE SCIENCES COMPANIES



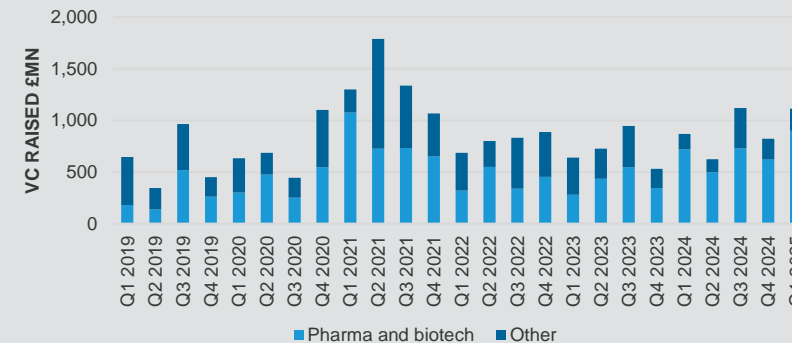
Source: Beauprest and Knight Frank Research.

The number of active life sciences companies in the UK grew a modest 0.26% quarter-on-quarter to reach just over 12,700.

The slowdown was largely due to the fact that the number of company cessations reached its second highest level in a decade.

VC funding: Best Q1 performance since 2021 peak

VC FUNDING INTO UK LIFE SCIENCES COMPANIES £Mn

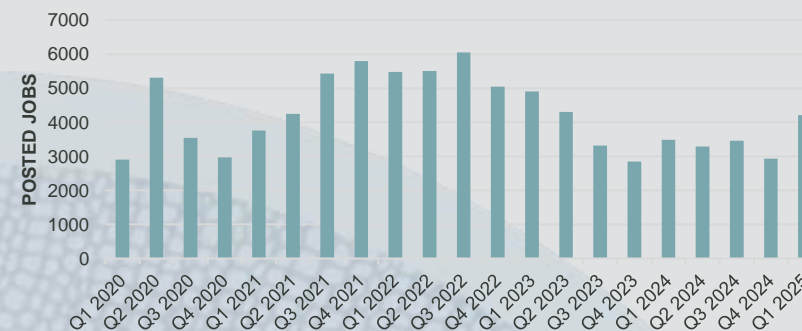


Source: PitchBook and Knight Frank Research. HQ only. Completed deals and full transactions only. Covers: Biopharma, MedTech and Digital health. Data as at 10/04/2025. The data in PitchBook is continuously updated to reflect the most current information. As a result, historical data may change over time.

UK life sciences venture capital reached £1.1bn in Q1—the strongest first quarter since the pandemic peak of 2021 and a 35.63% jump from Q4 2024. Investment was heavily concentrated, with Isomorphic Labs and Verdiva Bio alone securing nearly £800mn in total. The strong appetite for AI-driven innovation was clear—six of the top ten deals went to AI-powered companies.

Vacancies: Job postings jump in Q1

POSTED JOBS – PHARMA SECTOR ONLY



Source: GlobalData and Knight Frank Research. Data is sourced from company websites. This covers all occupations.

In Q1 2025, there were 4,209 jobs posted—up 43.65% from Q4 2024 and 20.81% higher than Q1 2024. Compared to the historical Q1 average, Q1 2025 was slightly above by 2.50%, but just below the overall quarterly average by 0.50%. This suggests a strong rebound from last quarter, though still aligned with broader long-term trends.

Occupier prospecting

Q1 2025



A data-led approach to identify and qualify life sciences prospects

Knight Frank are actively tracking the following metrics in order to maintain a watch list of the most promising UK life sciences occupiers:

- Venture capital funding
- Private equity financing
- Changes in employment
- Changes in financial performance
- Corporate announcements (such as restructuring or expansion plans)
- University spin-outs
- Clinical trials activity
- Patents
- New company registrations
- M&A activity
- IPO listings
- Public funding
- Other sources of research funding, such as via charities and industry

Job postings rose quarter-on-quarter in Q1 2025, but where is recruitment activity most concentrated—and who's hiring? The top pharma recruiters across key Golden Triangle locations over the past quarter include major pharma players like AstraZeneca, leading contract research organisations, and dynamic, high-growth mid-sized companies.

Top two leading employers by Q1 2025 job postings in each Golden Triangle location

COMPANY	JOBS POSTED	CITY
AstraZeneca	155	Cambridge
TTP	56	Cambridge
Oxford BioMedica	25	Oxford
PSI CRO	23	Oxford
GSK	44	London
Medpace	31	London

Real estate activity

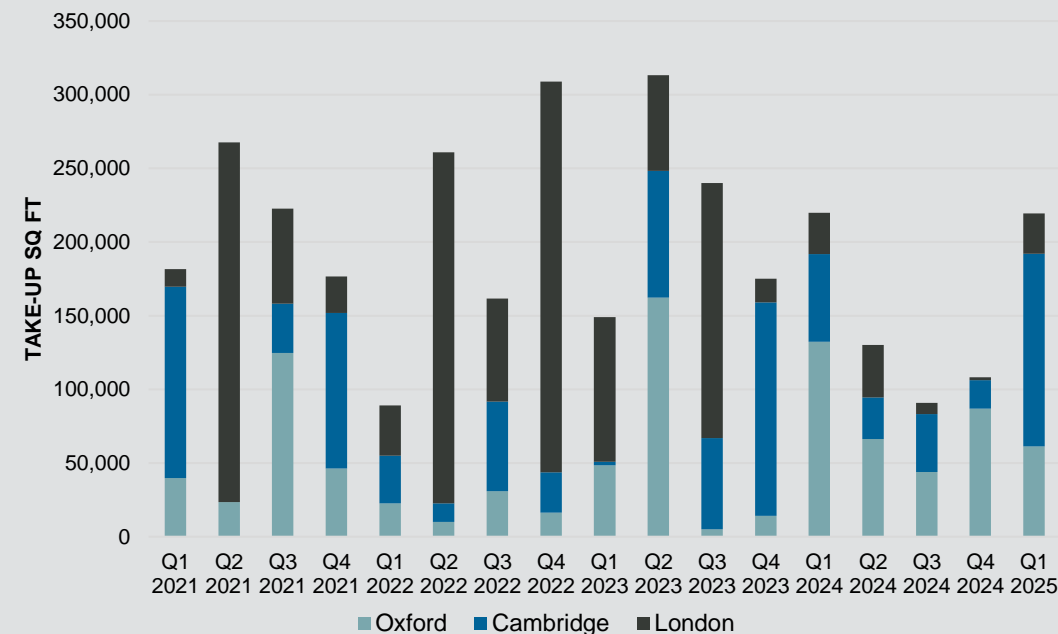
Q1 2025



Select leasing deals Q1 2025

OCCUPIER	PROPERTY TYPE	BUILDING	CITY	SIZE (SQ FT)	RENT IF AVAILABLE (£ PSF)
ARM	Pure Office	The Optic, Peterhouse Technology Park (Entire Demise)	Cambridge	95,709	£48.00
Ellison Institute of Technology	Fully Fitted Lab	Iversen Building	Oxford	33,369	£85.00
Immaterial	Tech Box	Accelerator Park	Cambridge	12,529	Confidential
Nuvia	Pure Office	85 Park Drive, Milton Park	Abingdon	10,200	Confidential
Beacon Therapeutics	Fully Fitted Lab	Rolling Stock Yard	London	7,322	£110.00
Mina Tx	Fully Fitted Lab	I-Hub	London	7,239	£88.00

Life sciences leasing volumes, Golden Triangle



	Q1 2025 TOTAL	2024 TOTAL	2023 TOTAL
Golden Triangle	219,452 SQ FT	548,882 SQ FT	877,472 SQ FT
Oxford	61,297 SQ FT	329,321 SQ FT	229,788 SQ FT
Cambridge	130,856 SQ FT	146,753 SQ FT	295,272 SQ FT
London	27,299 SQ FT	72,808 SQ FT	352,412 SQ FT

Source: Knight Frank Research. Take-up includes both offices and lab space. In London, take up includes science sector, office and lab take-up + healthcare + academic space, if there is a science component.

Capital markets real estate activity

Q1 2025

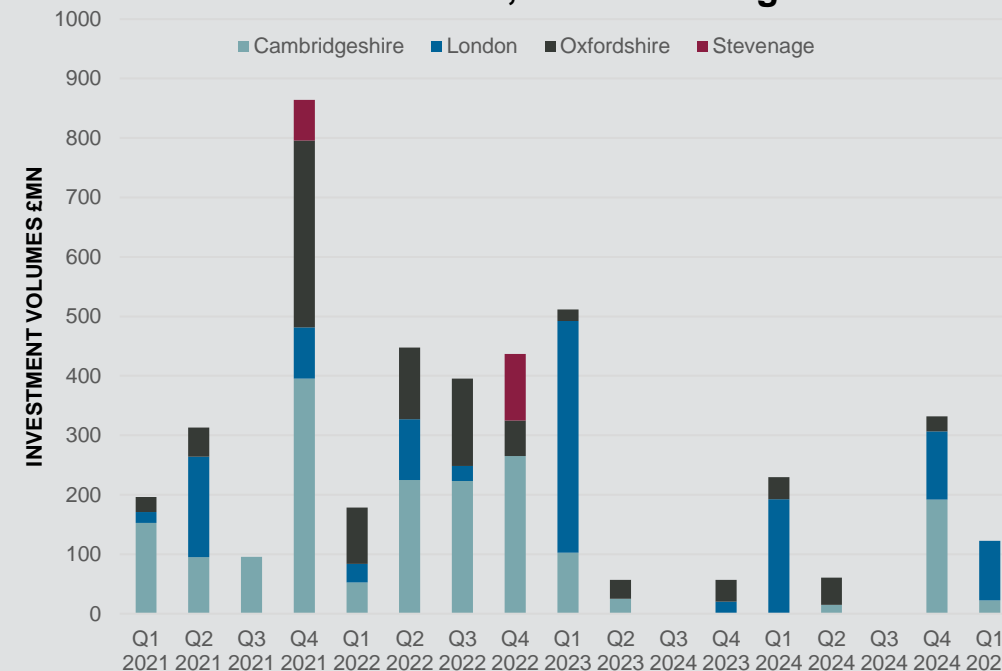


Select investment transactions Q1 2025

ADDRESS	CITY	SIZE (SQ FT)	PRICE £M	AGREED NIY %	VENDOR	PURCHASER
Royal College Place	London	600,000	£100.00	N/A	Parcelforce Worldwide	GIC
270-289 Milton Rd, Cambridge Science Park	Cambridge	40,000 (single let to Worldpay)	£22.50	4.50%	CBRE Investment Management	Brockton Everlast

With no significant assets expected to hit the market in the near term, investors are primarily focused on implementing their business plans and advancing their current development pipelines.

Investment volumes, Golden Triangle £mn



Q1 2025 TOTAL	2024 TOTAL	2023 TOTAL
£122.50mn	£622.53mn	£624.92mn

Source: Knight Frank Research. Completed deals only.

Development pipeline

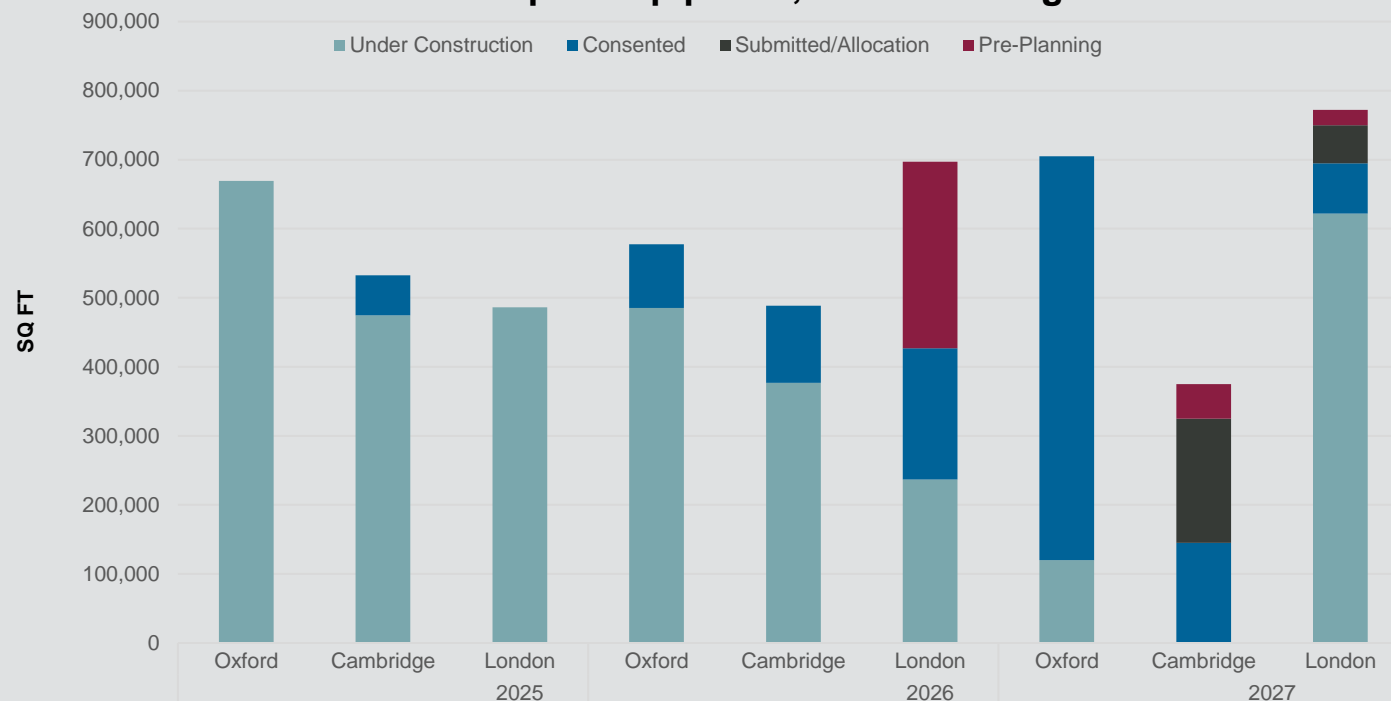
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Schemes under construction and due to complete in Q2 2025

SCHEME	CITY	SIZE (SQ FT)	DEVELOPERS
Manbre Wharf (The Refinery)	London	149,000	Brookfield (ARC West London)
Red Hall, Oxford North (Phase 1)	Oxford	42,960	Cadillac Fairview/Stanhope /St Johns College
SC1 Innovation Hub	London	27,000	Guy's And St Thomas's NHS Foundation Trust
B1 Brooklands	Cambridge	7,632 (2,239 pre-let)	M&G
334-5 Cambridge Science Park	Cambridge	36,000	Accelrys Ltd / Trinity College Cambridge

Lab development pipeline, Golden Triangle



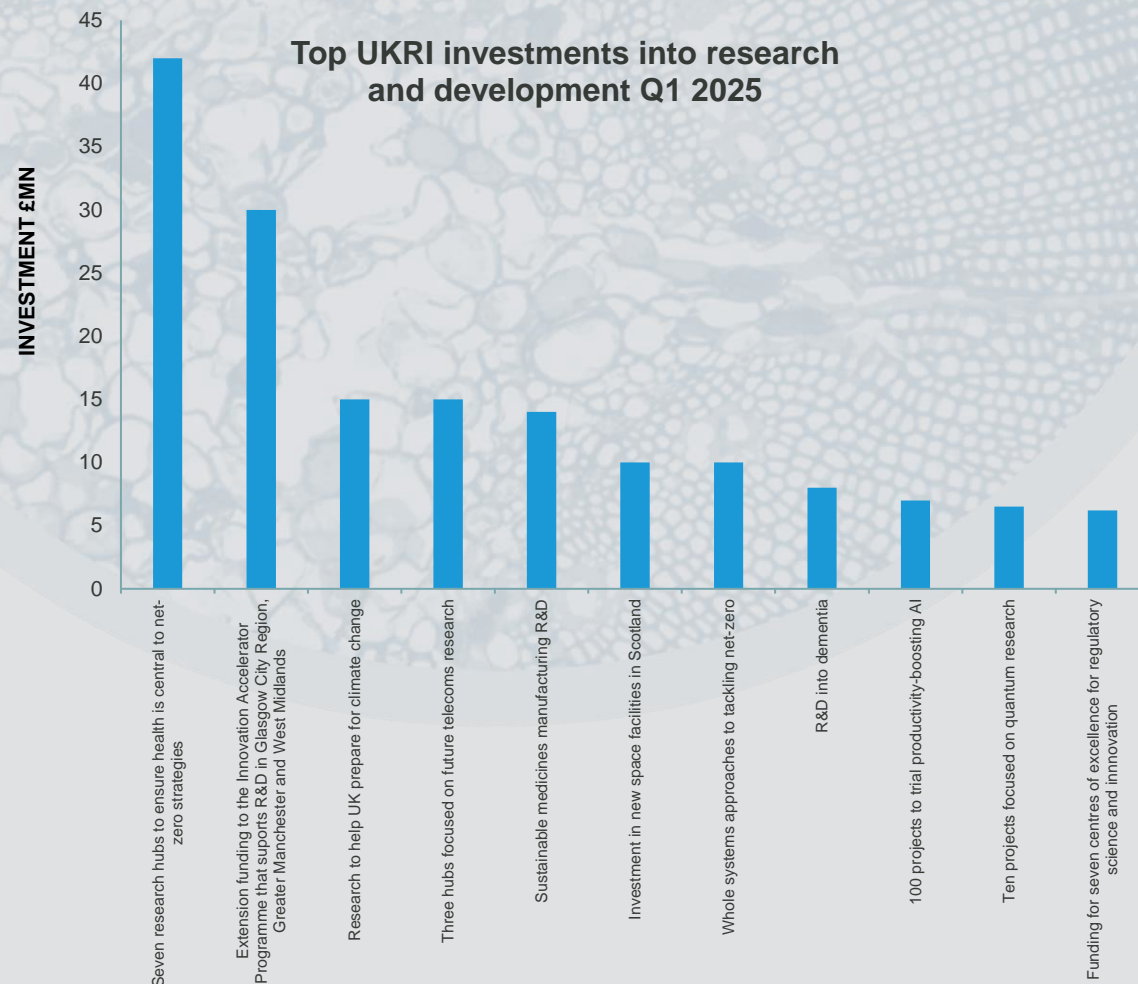
Source: Knight Frank Research.

TOTAL UNDER CONSTRUCTION AND DUE TO COMPLETE BETWEEN NOW AND 2027

GOLDEN TRIANGLE	3.47mn SQ FT
OXFORD	1.27mn SQ FT
CAMBRIDGE	851,324 SQ FT
LONDON	1.35mn SQ FT

Government investment tracker

Q1 2025



Annual review of UKRI spending

UK Research and Innovation (UKRI) committed £9.1bn to the UK's research and innovation system in the 2023-2024 financial year, up from £8.4bn the previous year. Notably, half of this investment was directed to regions outside the Golden Triangle, highlighting a strategic expansion towards regional development while still maintaining strong support for established hubs within the Golden Triangle. Regions such as the North West, West Midlands, and East Midlands recorded substantial absolute funding increases. At the same time, Northern Ireland, the East Midlands, and the North West experienced the highest proportional growth.

Other Government Initiatives

In a positive shift, the UK government seems to be responding to industry concerns by fast-tracking sector growth initiatives and revisiting contentious regulations.

Notable steps include reviving plans to build a "Silicon Valley" between Oxford and Cambridge, with major investment in housing, lab space, and the East-West Rail. This initiative could boost the UK economy by up to £78bn by 2035. Sir Patrick Vallance also stressed that the vision extends beyond this corridor, aiming to connect innovation clusters nationwide.

Additional measures include a target to reduce clinical trial setup times from over 250 days to 150 days by March 2026. A new £600mn health data research initiative, in partnership with the Wellcome Trust, has also been announced. NICE is proposing its most significant reforms to date, aimed at accelerating access to new treatments and strengthening the NHS's position as a partner in innovation. Meanwhile, the government has confirmed that DSIT's R&D budget, which includes UKRI, will increase from £12.5bn in 2024–25 to £13.9bn in the next financial year. Other developments include a rapid review of the NHS's VPAG pricing scheme, and new MHRA guidance on decentralised cell therapy manufacturing—potentially giving the UK a competitive advantage in this emerging field.

There was also investment in an array of innovation-led sectors. The UK is boosting innovation with increased defence R&D. An AI plan includes establishing "growth zones", expanded computing power, a National Data Library, and an AI Energy Council to support infrastructure needs. The UK also secured £80mn more than its contribution in ESA contracts. It is expected to deliver £1bn in value and support 3,800 jobs in the space sector. Finally, a two-year regulatory initiative will assess and ensure the safety of lab-grown meat.

Other news/trends



University spinouts continue to play a vital role in driving innovation. According to the Spotlight on Spinouts 2025 report, these ventures attracted a record £2.6bn in equity investment in 2024. Life sciences and AI lead the way, and since 2011, 1,609 active spinouts have been identified across all sectors—more than half of which are still at the seed stage. Cambridge and Oxford continue to lead the charge underpinned by significant investment. Cambridge Innovation Capital launched a £100mn Opportunity Fund. Oxford Science Enterprises attracted £15mn from Aviva, reinforcing the market's faith in university-linked startups. Elsewhere, the Northern Gritstone raised £50mn in funding from a syndicate of asset managers and pension funds.

The UK's research landscape is advancing with several new centres of excellence planned or launched in Q1:

- Queen Mary University of London opened one of Europe's largest organ-on-a-chip facilities, promising major progress in reducing animal testing.
- The University of Manchester launched a new £4mn cardiovascular research hub as part of a £35mn UK-wide effort to tackle heart disease.
- A £10mn investment in Edinburgh will expand lab space at the UK Astronomy Technology Centre.
- Kyndryl is opening an AI and tech hub in Liverpool, which is expected to create 1,000 jobs and strengthen the city's innovation profile.

Despite the positives, leading life sciences firms are voicing concerns over the UK's regulatory and pricing environment—particularly the VPAG pricing scheme, which caps NHS spending on branded medicines. As mentioned earlier, the government has committed to revisiting this issue. The UK life sciences sector also faces a looming talent shortfall. A new report warns that the UK must fill 145,000 new and replacement jobs in life sciences over the next decade to sustain its leadership. The report estimates that if current growth trends continue, up to 70,000 new roles will be required by 2035—33,000 in biopharma and 37,000 in MedTech. At the same time, 75,000 additional hires will be needed to replace those exiting the workforce.

The latest Times rankings highlight the UK's academic strength in life sciences, with Cambridge ranked 2nd and Oxford 4th globally. Other top-performing UK universities include Imperial, UCL, University of Edinburgh, King's College London, and University of Manchester. To fully leverage this excellence, the focus must shift to translating research into real-world economic impact, supported by the right infrastructure, collaboration and funding.

According to the latest Evaluate Global Pharma report, global pharma sales are set to grow by \$82bn in 2025. China has rapidly emerged as a biotech leader, hosting the most planned clinical trials and participating in a growing share of major pharma deals. Meanwhile, pharma firms are shifting towards smaller, bolt-on acquisitions, as seen in recent moves by Merck and Novartis.

Building successful innovation clusters goes beyond infrastructure—it requires strong collaboration between academia, industry, clinicians, and government. Recent partnerships, such as GSK with the University of Oxford, Bupa with the University of Manchester, Flagship Pioneering with Cambridge University Health Partners (CUHP) and the Milner Therapeutics Institute (MTI), demonstrate this model.

Beyond the revival of the Oxford-Cambridge Arc, several other significant investments were announced to strengthen the UK's life sciences and innovation ecosystem. The Mayor of London unveiled the London Growth Plan, which outlines targeted support for frontier sectors, including life sciences. Key actions include expanded access to finance and the launch of London Life Sciences Week as a flagship global investor event. A "Quantum Silicon Valley" is taking shape on the South Coast. Led by the University of Sussex and Greater Brighton, the region already hosts the Centre for Quantum Technologies and a £100mn backed spinout, Universal Quantum. In the West Midlands, £16mn has been allocated to develop the Birmingham Knowledge Quarter and Wolverhampton Green Innovation Corridor, set to create over 23,000 jobs. A further £23mn will go toward a battery manufacturing hub at Coventry and Warwick Gigapark, reinforcing the region's role in advanced manufacturing and health tech. Liverpool will soon be home to new AI-powered robotic labs thanks to £10mn innovation zone funding, and Leeds, Huddersfield and Bradford have been selected as flagship innovation sites within West Yorkshire's new Investment Zone.

Knight Frank Life Sciences & Innovation team contacts



Our UK network of offices is aligned to the Life Sciences and Innovation sector, operating across London, the Golden Triangle and the UK Cities markets where innovation and research ecosystems thrive. These teams connect with our wider global platform. Whatever your requirements, our team of market experts, supported by deep research capabilities, can help meet your real estate demands within the Life Sciences and Innovation sector.

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