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SUMMARY OF PROOF OF EVIDENCE

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1.0 Qualifications and Experience

1.1 My name is Max Bryan. I am a Member of The Royal Institution of Chartered Surveyors with 20 years' experience in the commercial property sector. I am Head of Office & Laboratory Agency for Bidwells in Cambridge and lead the Bidwells Science & Technology sector group.

2.0 Introduction

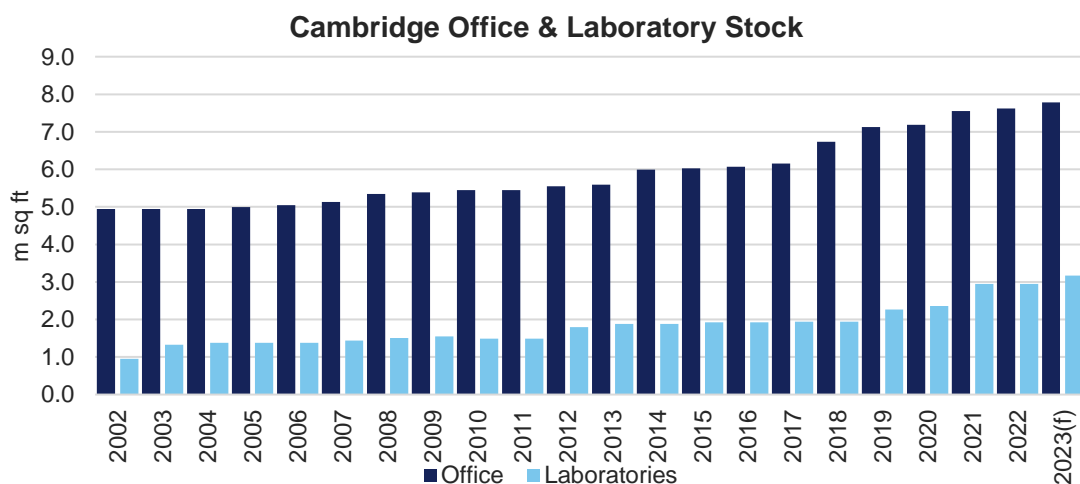
2.1 I am instructed by Brookgate Land Limited. My proof of evidence focuses on the Cambridge Office & Laboratory market and provides commentary on the growth of the occupational market. This evidence provides data in relation to the supply versus demand imbalance of office and lab spaces and the need for high quality and connected developments, so the City's occupiers have the space to grow and Cambridge remains a competitive global R&D location.

3.0 Cambridge Market Evolution & Occupier Needs

3.1 Growth of Office & Lab Stock

3.1.1 The Cambridge office and laboratory market has grown significantly since the start of the millennium, with total stock rising from 5.2m sq ft in the year 2000 to over 10.57 m sq ft at the end of 2022. The rate of growth has accelerated with +3m sq ft of the growth delivered since 2013.

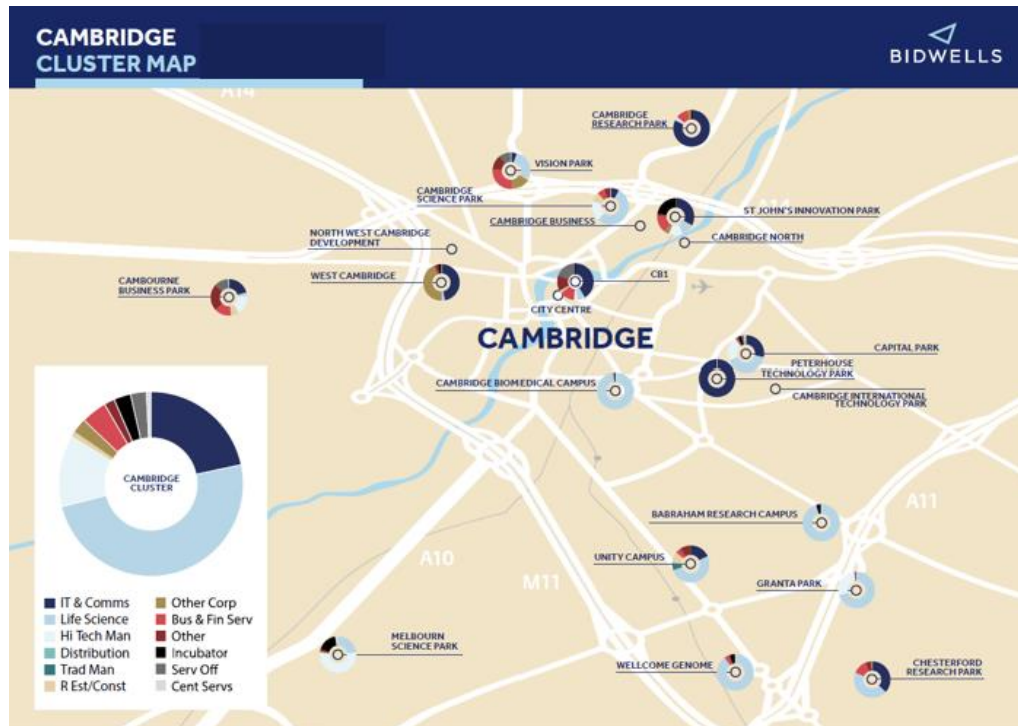
Figure 1: Source Bidwells



3.1.2 The growth of the market size has been limited by completion of new developments. Occupier demand outstrips completions. This is demonstrated by all significant new developments in recent years having been fully let during construction or shortly following practical completion.

3.1.3 Over time, there has been a development of clusters within the wider Cambridge area. The largest single concentration of office/R&D and lab stock is located surrounding Cambridge North Station including Cambridge North, Cambridge Science Park, St Johns Innovation Park and Cambridge Business Park. Cambridge North provides a gateway for public transport access to this wider area.

Figure 2: Source Bidwells



3.2 Market Evolution & Demand Drivers

3.2.1 Over the past 20 years, Cambridge has become an important global centre for R&D, built on the following:

3.2.1.1 **University Effect** - Cambridge University is a global leader providing access to an incredibly talented employment pool and world leading research.

3.2.1.2 **Buy Outs** – Cambridge companies are a focus for international companies to secure their intellectual property and talented people. As the Cambridge ecosystem has developed the acquiring business have often further invested into Cambridge.

3.2.1.3 **Indigenous Growth and Access to Funds** – Access to funding has become greater and more diverse making it far easier to grow a company exponentially.

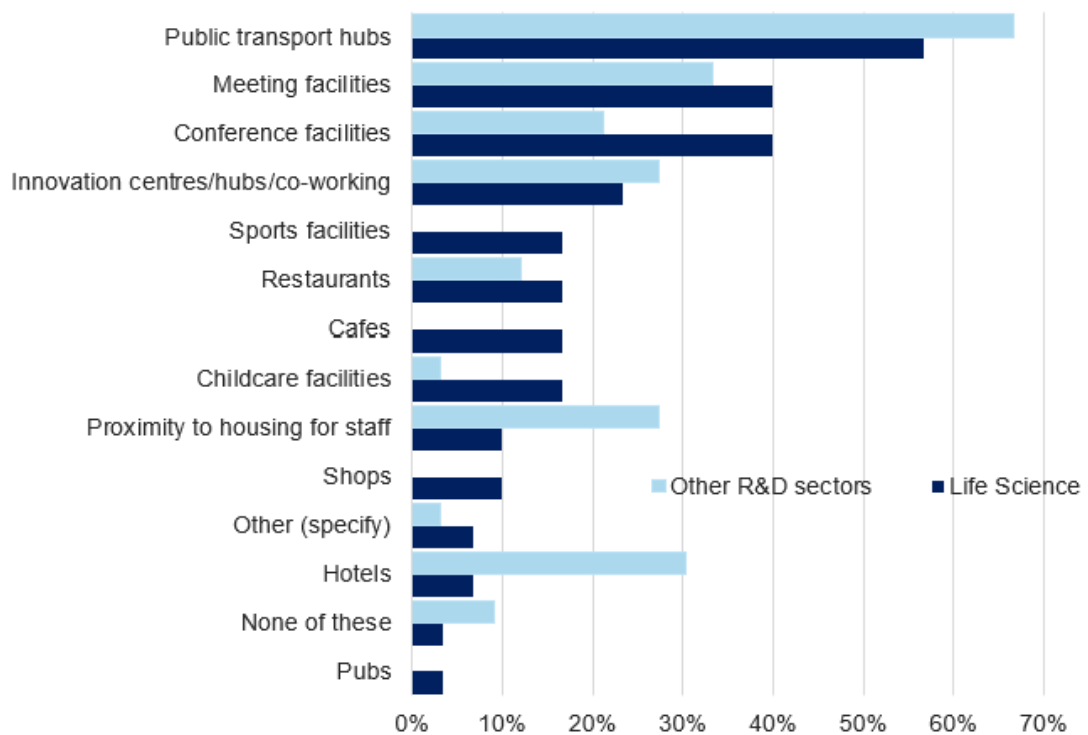
3.2.1.4 **Life Science Sector** - The emergence of the Life Science Sectors over the past 20+ years has added another significant dimension to the market. Cambridge has the largest concentration of life sciences lab floorspace in the UK.

3.2.1.5 **Clustering** - Recognition by R&D sectors of the importance of clustering and for companies to be proximate to like-minded businesses, a world class University and a very skilled labour pool is a fundamental decision determining business location.

3.3 Occupier Needs

3.3.1 Bidwells have undertaken research with YouGov to understand what occupiers are seeking when choosing where to locate their office/R&D and laboratories facilities.

Figure 3: Source: Bidwells, YouGov (survey completed November 2021)



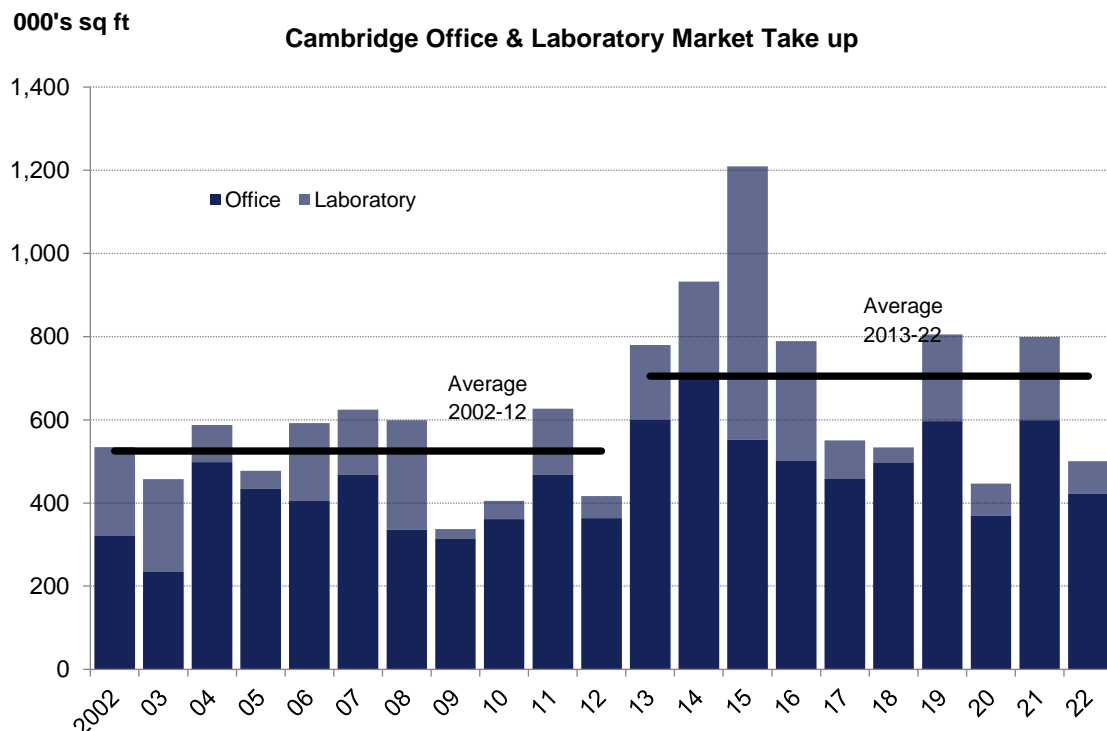
3.3.2 The research shows the importance of highly accessible locations, collaboration across sectors, bringing lab and office occupiers together, close proximity to good amenity including hotels with conference facilities and proximity to housing. Cambridge North provides these key occupier needs from day 1.

4.0 Office & Lab Market Performance & Need for Cambridge North

4.1 Office & Lab Take Up

4.1.1 As Cambridge's science and technology sectors have matured, we have seen a step change in average total take up to just over 700,000 sq ft since 2013.

Figure 4: Source: Bidwells,

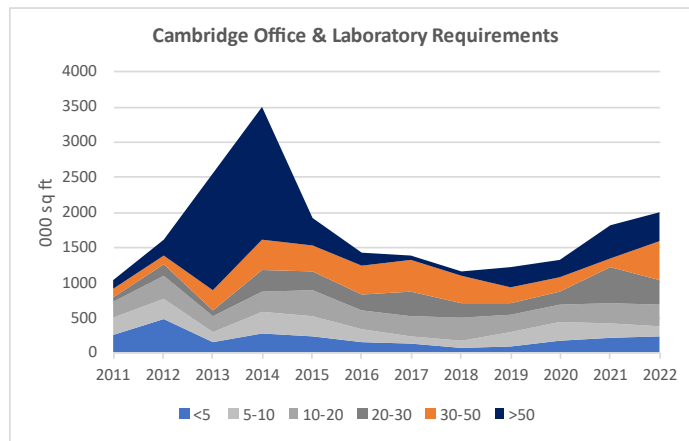


4.1.2 The growing Cambridge economy will increase demand and lead to a further step change increase of average take up over the coming decade. Bidwells have undertaken projection analysis. Taking a cautious approach, an additional c.150k sq ft pa, moving total average take up to c.850k sq ft pa, could reasonably be expected over the next decade.

4.2 Demand for Cambridge Floor space

There was just over 2m sq ft of office and laboratory space sought by occupiers across Cambridge at YE 2022 (Appendix 1: Cambridge Databook, Source Bidwells). This active demand was made up of 935,000 sq of office and 1,071,000 sq ft of laboratory demand.

Figure 5: Total Cambridge demand (office and laboratory requirements over the past decade split by size (sq ft) banding of requirements). Source Bidwells.



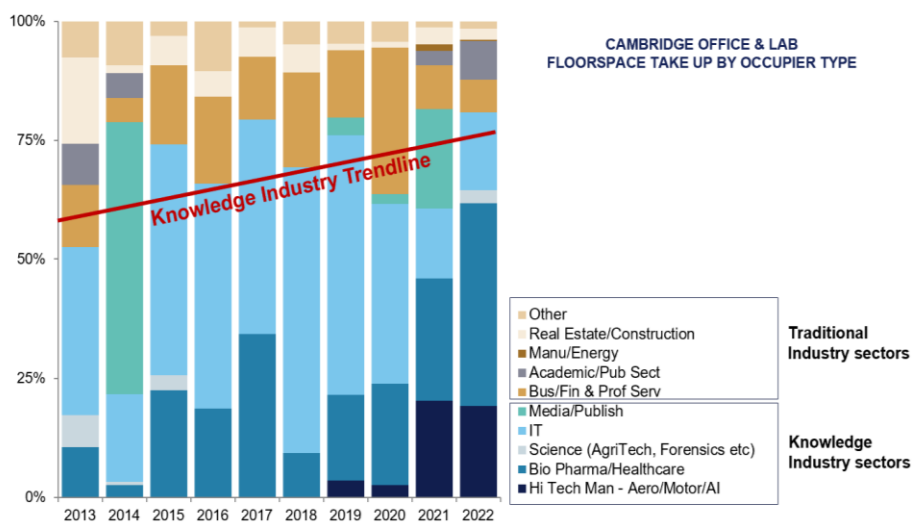
4.2.1 Year End 2022 recorded the highest volume of combined office and laboratory floorspace requirements since 2014/5. However, the demand profile today has greater resilience across a broad range of all sizes.

4.2.2 During Q1 2023 demand continued to grow for laboratories, with limited space to alleviate pent up demand. Office demand was stable with new requirements replacing the take up seen over the quarter.

- Offices: Stable (slightly DOWN from YE 2022): 903k sqft
- Labs: Stable (slightly UP from YE 2022): 1.19M sq ft
- Total: (slightly UP from YE 2022: 2.093M sq ft)

4.2.3 Demand is dominated by the Life Science and Tech sectors and their influence growing. The two occupier types have different requirements for floor space, with Life Sciences demand dominated by wet laboratory floor space, whilst IT and Communications occupiers seeking more traditional office/R&D floor space.

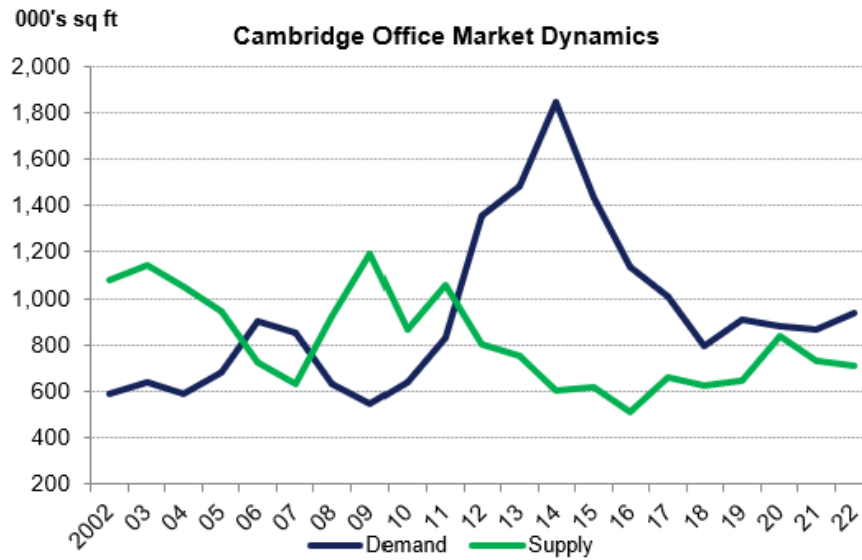
Figure 6: Source Bidwells



4.3 Mismatch of Supply & Demand

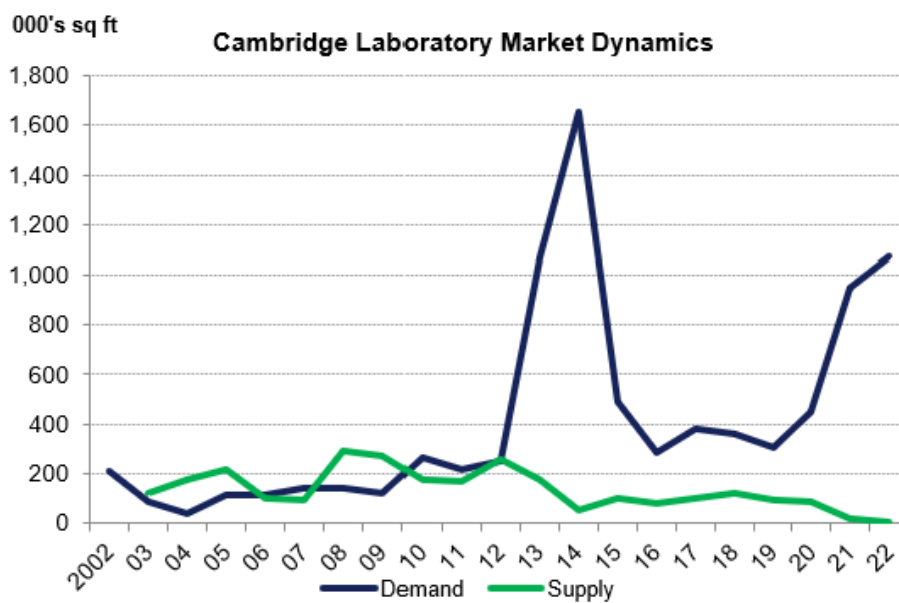
4.3.1 **Offices** – Total available space at the end of 2022 was 708k sq ft but less than 20% of the Grade A quality. Demand at the same date point was 935k sq ft.

Figure 7: Office Supply versus Demand. Source Bidwells



4.3.2 **Laboratory** - The supply of laboratory floor space was nil throughout much of 2022 against demand of over 1m sq ft. Any existing lab space that was released is re-let immediately with rents rising sharply.

Figure 8: Lab Supply versus Demand. Source Bidwells



4.4 Future Supply

4.4.1 **Offices Supply Pipeline** - The delivery pipeline of new office supply is constrained over the coming 5 years and is not expected to meet levels of occupier demand.

4.4.1.1 The majority of 23-24 supply is let or in advanced discussions. The forecast of deliverable new office supply during the period of 2025-28 totals c. 850k sq ft of new space, which does not meet current active demand without even considering the impact future new space requirements will have.

4.4.2 **Lab Supply Pipeline** - The delivery of speculative Laboratory space has been very limited for a number of years with no new space delivered in 2022.

4.4.2.1 The buildings being delivered in 2023-24, totals c.348 sq ft NIA already have significant proportions of space already under offer or in advanced discussions with occupiers; they are expected to be fully let prior to practical completion and will satisfy less than a 1/3 of current live demand. The forecast pipeline supply should improve for occupiers in 2025-2028 and will begin to alleviate the chronic supply shortage but is still not enough to meet existing and expected new demand.

4.4.3 **Historic supply** - Reviewing significant new building completions since 2016, all have been pre-let or let on practical completion or shortly thereafter. This is a unique scenario and amplifies the severe lack of new supply that has come forward to support the growing businesses of the city.

4.5 Occupier need for Cambridge North

4.5.1 There is a compelling demand case for Cambridge North from both office and lab occupiers who wish to locate to high quality buildings in a connected location. Post pandemic office employees generally have returned to the office, but fewer days a week. When at the office they want to be inspired by the environment. The quality of the workspace is therefore key and driving factors of how this is measured include:

- Sustainability
- Access to transport hubs
- A social, inspiring workplace
- Collaborative spaces for innovation to thrive

Cambridge North will deliver an environment and buildings that excels in all these areas.

4.5.2 Lab users seek the same locations and amenities as office users but to date, have limited choice. Cambridge North will deliver for lab occupiers, for the first-time, high-quality lab buildings as part of an urban environment with a mix of uses in a highly sustainable, well connected location.

- 4.5.3 The constrained development pipeline will affect a company's ability to recruit and retain talent which is detrimental to its growth. The transition to better quality, more sustainable and well-located buildings is needed by occupiers in Cambridge.
- 4.5.4 One Cambridge Square, the first office building to be delivered at Cambridge North, is very popular with occupiers. Construction will complete in the middle of 2023 and the building is already over 1/3 pre-let, 1/3 under offer with advanced conversations on the remaining spaces, proving the appeal of a connected gateway location.
- 4.5.5 Cambridge needs more quality office and laboratory buildings in connected locations which are vibrant and provide a mix of uses. The demand supply imbalance in the city is significant and needs to be addressed, through buildings such as can be delivered at Cambridge North, for the city to compete globally for the best talent and R&D businesses.

5.0 Conclusion

- 5.1 The Cambridge office & lab market has changed radically with the growing economy which continually gathers momentum. The strength of the knowledge intensive industries and Science & Tech sectors in the city is driving more demand for space. The focus of these requirements is now about the quality and location.
- 5.2 The supply demand imbalance is a hinderance to businesses growth. Only sustained levels of increased development will alleviate the supply demand imbalance over time.
- 5.3 Cambridge is an important R&D centre globally and for the UK. To continue to deliver the success it has had, it needs more quality office buildings and specialist laboratory buildings in a connected, sustainable location.
- 5.4 Cambridge North will provide a new urban district for a market that is desperate for quality offices and laboratories. The buildings will provide open plan large floor plates, with amenities that occupiers desire alongside homes for the working population, with direct access to a new Station in a sustainable connected development.
- 5.5 Cambridge North is an important scheme to alleviate some of the acute supply shortages to help meet the demand for space from businesses in the City to grow in a connected and sustainable environment.



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