

Project name: Cambridge North  
Client name: Brookgate  
Appeal Reference: APP/W0530/W/23/3315611  
Author: Max Bryan  
Expert Area: Office & Lab Agency  
Date: May 2023



# PROOF OF EVIDENCE

**MAX BRYAN** MA BARCH (HONS) MRICS

---

# Table of Contents

1.0	Qualifications and Experience	2
2.0	Introduction	3
3.0	Cambridge Market Evolution & Occupier Needs	6
4.0	Office & Lab Market Analysis & Need for Cambridge North	12
5.0	Conclusion	22

**Appendix 1**  
CAMBRIDGE OFFICE & LAB DATABOOK

# 1.0 Qualifications and Experience

1.1 I graduated from University of Nottingham with a BArch Hons degree in Architecture in 2002 and from City University with a MA Hons degree in Property Valuation & Law in 2004.

1.2 In September 2004, I started work at Cushman & Wakefield (C&W), a global real estate consultancy, working within the City Agency team based in London focussed on the office market. In 2006, I moved to the Global Occupier Services (GOS) team focusing on delivering real estate strategy and transactions for UK and international businesses across their property portfolios. During 2006 I passed my APC qualifying as MRICS.

1.3 Between 2006 and 2013, I worked in C&W GOS as account and transaction manager for international corporates including: Ericsson, Thomson Reuters, Sky, Morgan Stanley, US State Dept, BDO, Cambridge Silicon Radio, Monsanto, Deutsche Bank, BT and Disney.

1.4 In 2014, I moved to the C&W Southeast Agency team. As a partner in the team, I was tasked with three key areas of business:

- Building Occupier Representation Services
- Growing C&W presence in key Southeast markets with a particular focus on Cambridge; and
- Building Research & Development (R&D) specialism for Life Sciences and Tech sector

We had good success across all these areas and in so far as they relate to Cambridge, became the most active acquisition agent for a number of years representing many of the fast-growing businesses acquiring office/R&D and Lab space in the city. During the period, I advised the likes of Apple, Illumina, Amazon, Huawei, Lonza, Sentec/Xylem, Oracle but also professional services businesses upgrading accommodation in the City. In parallel C&W grew a landlord book of agency instructions with mandates such as Granta Park for BioMed, providing commercial agency advice to support the planning application for the Wellcome Genome Campus expansion and delivering the largest letting in Cambourne for a decade. With my experience of the Cambridge lab market, I was a founding member and agency lead for C&W UK Life Sciences sector group.

1.5 In September 2019 I moved to Bidwells in Cambridge as a Partner and Head of Office & Laboratory Agency, within the wider Bidwells Business Space Agency (BSA) team. Bidwells are the leading agency for Office & Laboratory space in Cambridge, as measured each year by sq ft transacted. Bidwells have the largest agency team based in the City specializing in the Office & Laboratory sectors.

- 1.6 Since 2021 I have also led the Bidwells Science & Technology (S&T) sector group coordinating the firm's services across disciplines to support the important S&T sector across the markets Bidwells operate in Cambridge and the wider Golden Triangle (between Cambridge, Oxford and London).
- 1.7 During my time at Bidwells in Cambridge, I have been involved with many of the significant developments delivered in Cambridge, performing the role of leasing advisors for offices/R&D and laboratory space. Examples include:
- Brookgate's Development of Station Road known as CB1 and One Cambridge Square, Cambridge North.
  - RailPen development of Botanic Place and Devonshire Gardens, the former of which received planning consent in 2022 and will commence on site in 2024 to deliver much needed office space in CB1.
  - Wrenbridge and M&G office development at Brooklands which is onsite and already partially pre-let.
  - ProLogis Lab development of 1000 Discovery Drive, Cambridge Biomedical Campus which is onsite and already 100% under offer.
  - BioMed and TWI leasing agents for Granta Park of existing stock and new developments such as One Granta that secured consent in 2022 and will start on site in Q2 2023.
- 1.8 I have worked with Brookgate since I joined Bidwells. The agency instruction with Bidwells predates my joining Bidwells, who have been the long-standing leasing agent advising on both the CB1 Estate and Cambridge North developments. Prior to joining Bidwells, I acted for occupiers that acquired a number of spaces at Brookgate's CB1 estate development. I continue to advise Brookgate for leasing agency services for the appeal site.
- 1.9 During my time at Bidwells, the Bidwells BSA team has won many accolades including awards for most active disposal agent year on year for the last decade. In Q1 2023 we were responsible for c. 80% of office and lab transactions in Cambridge as measured by sq ft.
- 1.10 I have been involved with and tracked the Cambridge property market throughout my 20-year property career, but with particular focus on the market since 2014. I am one of the most experienced agents operating and based in the Cambridge office and lab market and have been involved in the majority of larger leasing transactions and pre-lets of recent years. It is a dynamic City with a growing office and lab market that attracts the attention of global occupiers and investors which I am fortunate to work in.

## 1.11 Statement of Truth

I am a chartered member of the Royal Institute of Chartered Surveyors (RICS) and confirm that my evidence is provided in accordance with the Institute's Rules of Conduct. My evidence is presented in accordance with the RICS practice statement and guidance note "*Surveyors acting as expert witnesses 4th edition, amended August 2020*". For the avoidance of doubt, I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

## 2.0 Introduction

2.1 I am instructed by Brookgate Land Limited.

2.2 My proof of evidence focuses on the Cambridge Office & Laboratory market where I have been actively involved for the past decade and draw on my longer broader experience advising leading R&D occupiers for approaching 20 years.

2.3 The evidence provides analysis of the growth of the Cambridge office and laboratory occupational market since the beginning of the millennia. As the economy has grown the provision of office and laboratory space has consistently not met the demand of both scaling local and large corporates seeking to grow their businesses within the Cambridge cluster. This evidence provides data in relation to the supply versus demand imbalance of office and lab space which has been a sustained problem for the growth of the City's commercial occupiers. At extreme points in time there have been extended periods of nil availability of lab space.

2.4 The delivery of new commercial office and laboratory space at the appeal site, adjacent to Cambridge North Station and connected by busway and cycle network is required to provide much needed commercial space. The Proposed Development is described in the Statement of Common Ground.

2.5 My evidence is structured as follows:

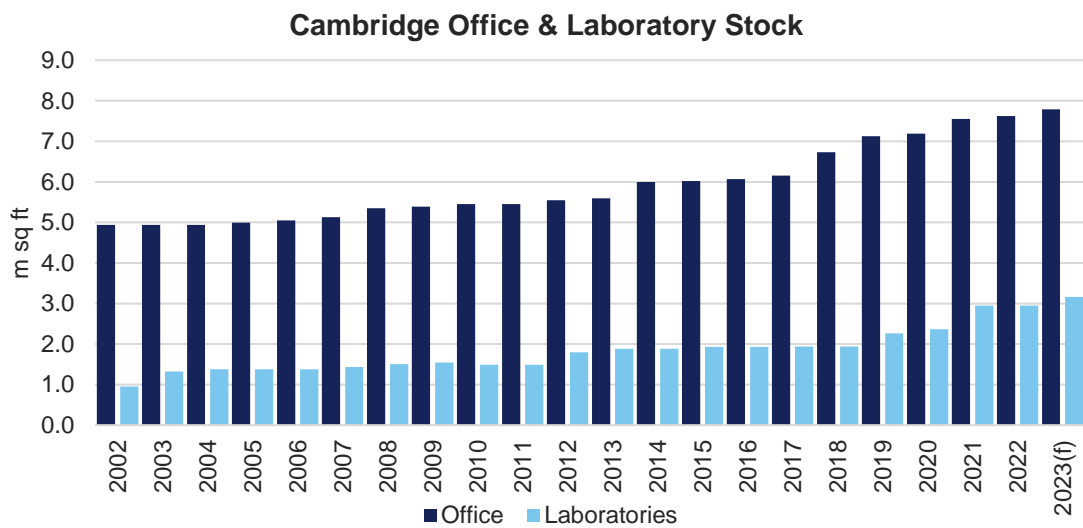
- Section 1 sets out a statement of truth and my relevant experience and qualifications.
- Section 2 introduces the evidence and its scope.
- Section 3 provides context for the Cambridge Office & Laboratory market's evolution, demand drivers and occupier needs; and
- Section 4 provides analysis on the office and lab market, and the mismatch between supply and demand. It then sets out the importance of Cambridge North as a gateway site.
- Section 5 provides brief conclusions that Cambridge North is an important scheme to deliver a new high quality mixed office and lab development to meet the demand for space from businesses in the City to grow in a connected and sustainable environment.

## 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 in significance since the start of the millennium, with total stock rising from 5.2m sq ft in 2000 to stand over 10.57 m sq ft at the end of 2022.

Figure 1: Source Bidwells



3.1.2 The growth in floor space is a reaction to the increased demand for space by the growing levels of business activity in the Cambridge area. Since 2013 over 3.0m sq ft of floor space has been added but available spaces have remained at very low levels; laboratory space having nil availability for much of 2022.

3.1.3 This increase in office and laboratory floor space has been sustained year on year as it has met the requirements of Cambridge's expanding business economy. The growth of the office and lab market size has been limited in each specific year to the completion of new developments. Occupier demand would have enabled faster growth. This is demonstrated by all significant (+50k sq ft) new speculative developments delivered in the City in recent years having been fully let during construction or very shortly following practical completion.

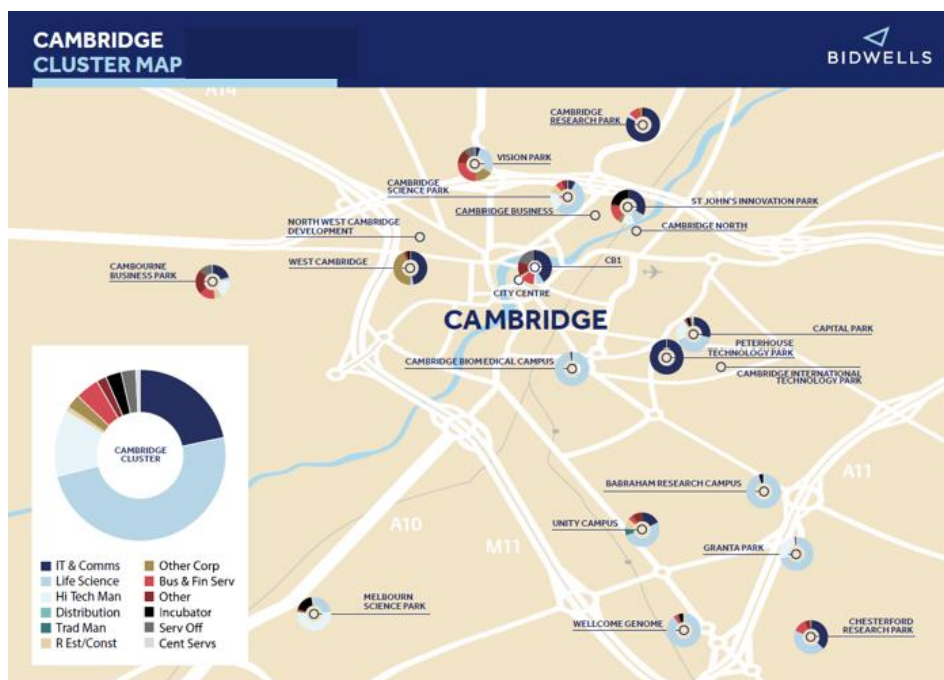
3.1.4 The growth in floor space is driven by the dynamic economy and businesses needing office/ R&D and laboratory space. There has been a significant amount of space delivered on a pre-let basis prior to construction starting on site, led by some of the largest occupiers in the market. However, the majority of the occupational market works on timeframes requiring speculative development to have progressed. Where speculative office and laboratory schemes have come forward, they have been met with strong occupier demand with all significant schemes being fully let on completion or

shortly thereafter with competition amongst occupiers to secure new high-quality space. Examples of how speculative developments have been let quickly can be seen at Brookgate's CB1 scheme, where the 129,000 sq ft One Station Square and the 156,300 sq ft 50/60 Station Road were fully let on practical completion. Similarly in the environs closer to Cambridge North, the 5 speculative buildings delivered by TUS /Trinity of 370,000 sq ft on the Cambridge Science Park (delivered since 2017) were all let on completion or within 3 months of practical completion.

3.1.5 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 in the immediate areas surrounding Cambridge North Station including Cambridge North, Cambridge Science Park, St Johns Innovation Park and Cambridge Business Park. This wider area, for which Cambridge North provides a gateway for public transport access, is the longest established commercial location in the City that has helped foster the Cambridge Phenomenon over the past half century. The attractiveness of this whole wider commercial area to occupiers is proven and has resulted in consistently low availability levels in recent years.

3.1.6 The key clusters have largely grown up around the Science and Business Parks surrounding the City. The 'Cluster Map' analysis that Bidwells undertakes provides a useful insight to the locations driving Cambridge's economic growth and the business sectors occupying space around the wider Cambridge area. The arc to the south of the City has been a primary focus for a Life Science cluster, which has grown up around Hospital / Cambridge Biomedical Campus, Babraham Research Campus and Wellcome Genome Campus with several major commercial parks in the region. Whereas the northern parks' success has been based on a broader ecosystem with a greater mix of a Life Science, Engineering & Tech occupier base and has the benefit of being located closely together and being connected on the City edge.

Figure 2: Source Bidwells





## 3.2 Market Evolution & Demand Drivers

- 3.2.1 The reasons why Cambridge has changed immeasurably from a relatively immature office and lab market to a globally important centre for R&D, are multiple and complex, but are broadly a result of the following:
- 3.2.2 **University Effect** - Cambridge University remains one of the top 5 universities in the world. It is particularly strong in all forms of science, technology, engineering and mathematics. It has also been visionary in its approach to partnering with the private sector to foster numerous successful companies. Cambridge Science Park was visionary in this regard and has provided a platform for many companies and continues to do so. The University remains globally recognised and it will continue to attract the top intellectual talent from around the world both for students and academics. This provides access to an incredibly talented employment pool but also areas of research that will make a difference around the world. This attracts companies who will wish to partner or invest in this research and locate in close proximity to the University. Companies see the ability to leverage their businesses in world class talent pools as important in developing products or services and will always be attracted to cities like Cambridge, provided we can accommodate them here.
- 3.2.3 **Buy Outs** - Given the success of Cambridge to grow companies, it naturally became a focus for international companies to purchase these companies for their intellectual property (IP). Historically the purchasing companies tried to bring back the IP to their home countries, but this often resulted in the loss of the staff from the company itself. The value of the companies has always been in part the people; so now companies are purchased and invested in to enable continued growth in the Cambridge ecosystem.
- 3.2.4 **Indigenous Growth and Access to Funds** - Cambridge companies have been more inclined to grow indigenously and less inclined to sell out their technology and expertise. This has meant they have grown in size in Cambridge in their own right. This again has significantly pushed up requirement sizes. This has been helped by a significant entrepreneurial market that is prepared to invest and nurture the growth. A lot of this money has come from serial Cambridge entrepreneurs who have historically grown and sold businesses, thus recycling their money. This is further fuelled by two significant investment sources namely a sophisticated venture capital market and large corporates investing directly in smaller companies. The reasons for this are that it is far easier to grow a company exponentially in a location such as Cambridge given the talent pool and knowledge of the wider location.
- 3.2.5 **Life Science Sector** - The emergence of the Life Science Sectors over the past 20+ years has added another significant dimension to the market. This emerged at the end of the 90's and whilst only totals circa 3 million sq ft of dedicated lab space, it is the largest concentration in the UK giving Cambridge the label of Life Sciences Capital of the UK.

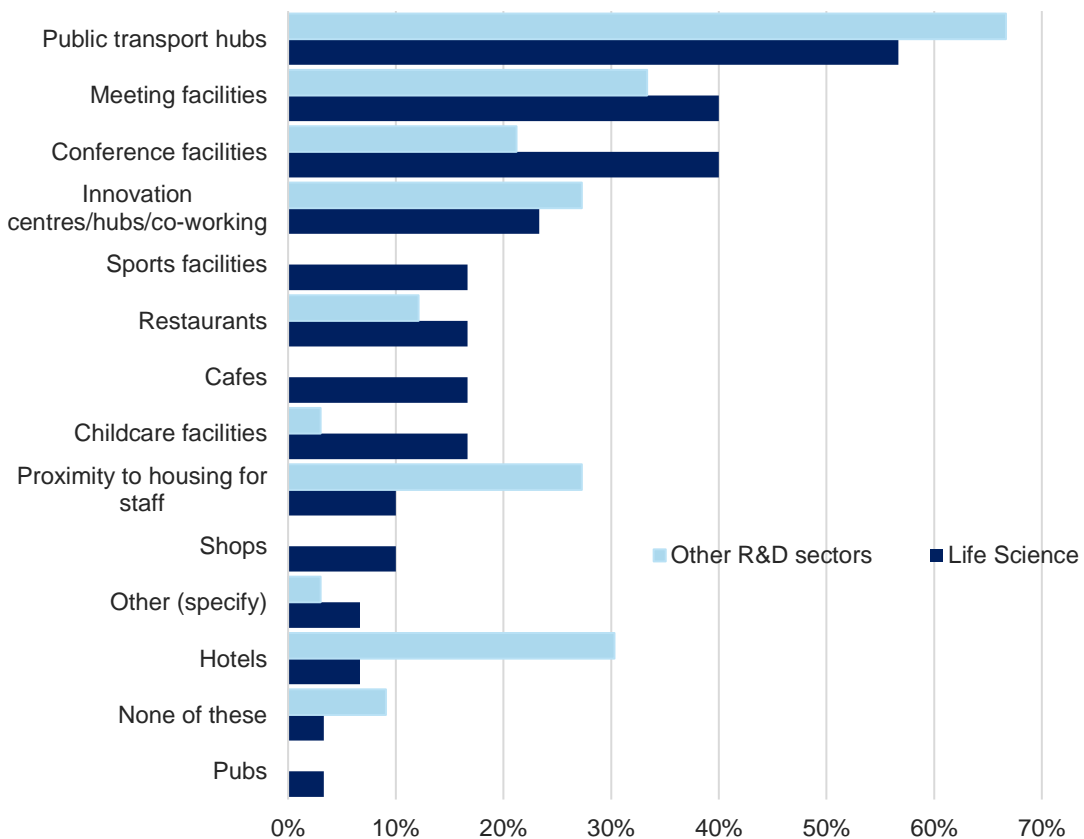
- 3.2.6 **Clustering** - Overarching all of the above is the recognition by Research and Development sectors of the importance of clustering. The importance of technology companies to be proximate to like-minded businesses, a world class University and a very skilled labour pool is a fundamental decision determining business location. Cambridge has benefitted hugely from this, being recognized as one of the leading UK and European Hubs. By example, the Cambridge cluster is the leading City in the UK for patent applications per 100,000 population, which will drive future growth. Cambridgeshire saw a record high of £1.45bn of business fundraising in 2021, across 197 companies. The average value of this fundraising was £3.84m, reflecting the maturity of the cluster's life science and tech sectors (Beauhurst, 2022).
- 3.2.7 This has all fuelled office and lab demand for Cambridge over the last decade. The global tech brands have largely focused attention on locations with good communications and close to stations. The Life Sciences businesses in Cambridge have had fewer urban opportunities for lab space and focussed on park locations. Demand for well-connected urban environments where tech and life Sciences can coalesce is high and been very successful where delivered at scale in other R&D centres that Cambridge competes with on the global stage.
- 3.2.8 Cambridge has established itself as a leading R&D location globally for the Science and Technology sectors. Looking forward, the demand for office and lab space will intensify; this is not only based on extrapolating historical trends of the past 20 years but supported by the existing established occupier base that grows and new occupiers seeking to be a part of the successful cluster. This forecast is reinforced with data showing current occupier combined office and lab demand at near all-time highs. The Pandemic may have brought about a change in occupiers' thinking about the space that they want to occupy, but the data shows office take up did not stop, in fact it continued broadly consistent with the long-term trend but with occupiers seeking quality and connected locations. In parallel, laboratory demand has strengthened strongly, benefitting from investment into the sector, although with demand not yet at the levels of previous peaks over the past 10 years. This shows a sustained resilience in occupier lab demand and the clear desire of occupiers to locate and grow in the Cambridge ecosystem over the long term.

### 3.3 Occupier Needs

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

3.3.2 The research underlines the location specific nature of these businesses with exacting requirements to be in close proximity to the centres of research where the ideas, collaboration and the talent are focused.

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



3.3.3 According to the Bidwells/YouGov research, over half of life science R&D businesses stated their ideal location would be in a City district. Aligned to this 67% of R&D businesses (57% of Life Sciences) see public transport hubs as the most important facility they require, up from 48% of R&D sector in 2018. This preference for central, highly accessible locations supports both collaboration across and between sectors, but also extends the recruitment reach of companies.

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

3.3.5 The R&D generated in Cambridge already benefits from the close relationship between tech and life science. Almost half of Cambridge office and lab floorspace is occupied by life science sector

companies, with a further 35% in the IT sector. Combined, these sectors have seen their dominance of the Cambridge office and lab market increase over the last two years, rising from 76% to 84% of total floorspace. The future strength of the cluster depends on supporting the growth of both sectors, in close proximity, in order to support interaction that drives collaborative innovation. Cambridge North with its accessibility is a gateway to the largest concentration of commercial floorspace at Cambridge Science Park, St John's Innovation Park & Cambridge Business Park and also provides direct link to CB1 by train and in due course onto the Cambridge Biomedical Campus when Cambridge South Station opens. 27% of life science companies that responded to YouGov research want to be located in easy commute from a hospital or other medical facility and similarly, 27% of R&D companies want to be in close proximity from an academic or research institution. Cambridge North meets these demands being a connected urban location for the City. Significantly, the importance of close proximity to collaborators has increased significantly since the 2018 study. The most notable shift relates to collaboration between the life science and tech software sectors. 69% of life science companies reported they are collaborating with tech software businesses now, or expect to do so in the future. This reflects the acceleration of advances in the life science sector which are increasingly facilitated by data and computing power, a development which is only going to grow.

3.3.6 Aside from property specific aspects, the YouGov research finds that recruitment and retention of staff is by far and away the greatest priority for global R&D businesses. This is noted as a key driver of location decision making by 77% of life science companies and 71% of business working in other R&D sectors. A concentration of activity positions the cluster as a viable option for global top talent - individuals will make the move if they know there are further opportunities to build their career and their future. Cambridge North is the Gateway location to established parks in the area and will add to the ecosystem providing expansion space and connected high quality spaces R&D businesses seek.

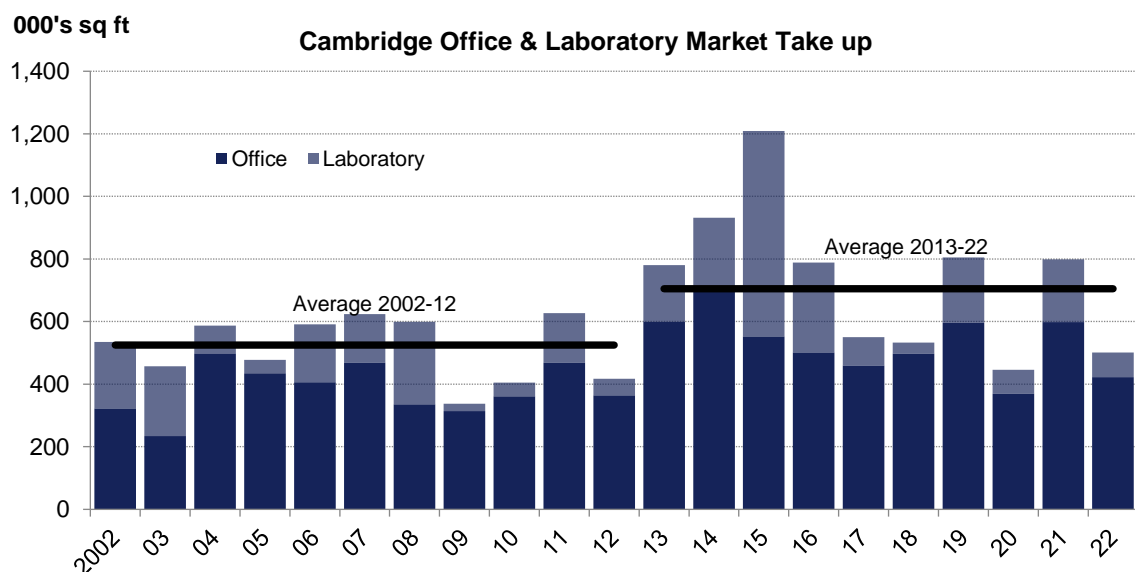
## 4.0 Office & Lab Market Performance & Need for Cambridge North

### 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. In 2021 take up rebounded strongly from the pandemic at just under 800,000 sq ft of combined office and lab take up, and in 2022 take up was just over 500,000 sq ft; this total figure was restrained by there being close to nil available lab space during the year and no large office buildings (+50k) sq ft available).

4.1.2 2023 has seen an active Q1 with 118,127 sq ft take up (90.3% Office: 9.7% Lab). There is a considerable amount of space under offer early in Q2 (in excess of c.250k sq ft) and we are forecasting a year close to the 10 year average. Although there is increased delivery of new space from speculative supply being delivered in 2023 versus 2022 it still does not meet demand. With more supply, the occupier demand would support higher take up.

Figure 4: Source Bidwells



4.1.3 Take up is driven by the key science and tech sectors that drive the Cambridge economy. The vast majority of occupiers are seeking Grade A space in modern sustainable new buildings. The take up numbers across both offices and in particular laboratories have been constrained by the limited number of completions and supply not being delivered at the rate required by Cambridge businesses.

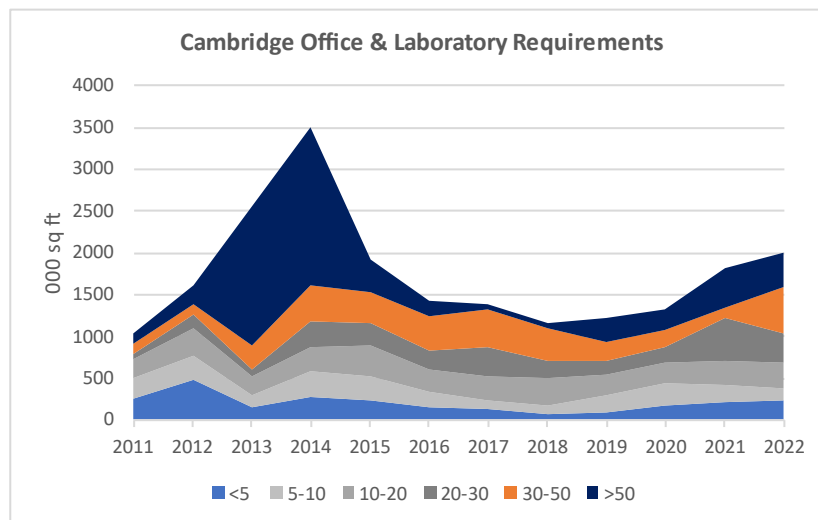
4.1.4 The growing Cambridge economy and increasing occupier demand year on year is expected to lead to a further step change and increase of average take up over the coming decade. Bidwells have undertaken projection analysis of where take up will likely shift to. In order to estimate total

potential take up, it is therefore necessary to assume a portion of unsatisfied requirements would translate into take up if suitable stock were available. Analysis of historic requirements trends suggests a high conversion rate in Cambridge, relative to other southeast markets. This is because a requirement for office or laboratory business space in Cambridge is generally for quite specific operational reasons, often related to specific R&D or skills factors, and is unlikely to be fulfilled in another city. Taking a cautious approach however, and assuming a better functioning marketplace with better but still constrained supply a similar step change in take up for the next decade of an additional 150k sq ft pa moving total average take up to c.850k sq ft pa could reasonably be expected.

## 4.2 Demand for Cambridge Floor space

4.2.1 There was just over 2m sq ft of office and laboratory space being sought across Cambridge by occupiers, including just over a million sq ft of laboratory space at YE 2022 (See Appendix 1: January 2023 Cambridge Databook, Source Bidwells). This active demand has made up of 935,000 sq ft of office and 1,071,000 sq ft of laboratory demand. The makeup of demand by size band is detailed and is split out for offices and laboratories in the appendix and a total demand picture over time shown below:

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



4.2.2 The latest full year market data (YE 2022) recorded the highest volume of combined office and laboratory floorspace requirements since those of Cambridge Assessment, Sepura, Arm and Astra Zeneca in 2014/5. However, while activity during the last mid-decade period was dominated by a limited number of significant and very large business requirements, there is now much greater depth across a broad range of requirement sizes delivering a more resilient depth of occupier demand type.

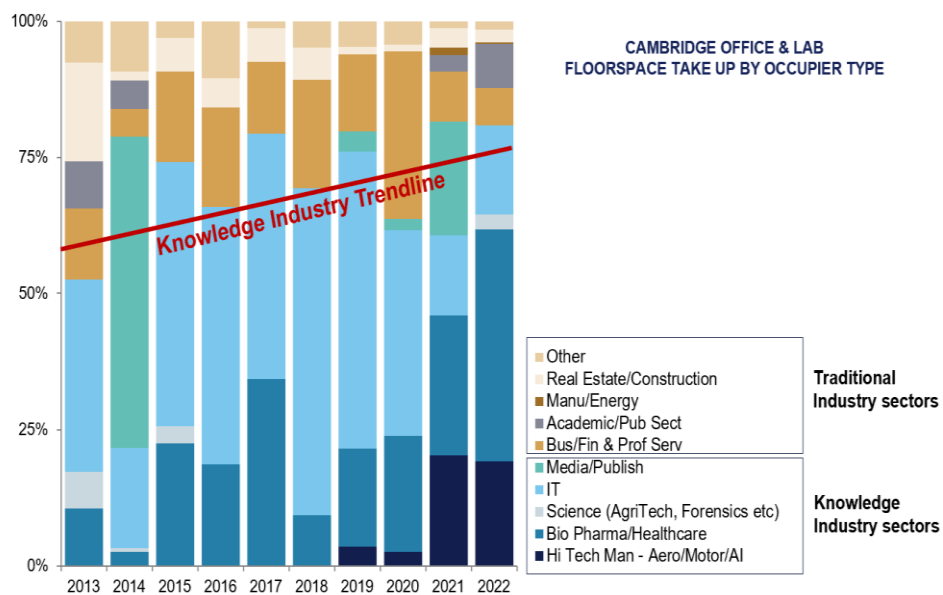
4.2.3 During Q1 2023 demand has continued to grow for laboratories, with acute supply shortage unable to alleviate pent up demand, and office demand was stable with new requirements replacing the take up seen over the quarter:

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

Source: Bidwells Databook series

4.2.4 Demand for floor space is dominated by the Life Science and Tech sectors. 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. However, it is worth noting at this point that there is a growing blurring of distinction in sector demand, with many Tech occupiers who focus on machine learning and artificial intelligence applying their technology to the Life Science and BioPharma sectors. The growth in importance of these Knowledge Industry sectors to Cambridge over time is shown by a steadily increasing percentage of overall take up.

Figure 6: Source Bidwells



4.2.5 The past 3 years has seen a sustained growth in number of requirements and total demand for space in Cambridge driven by laboratories but supported by an office market recovering in confidence post pandemic.

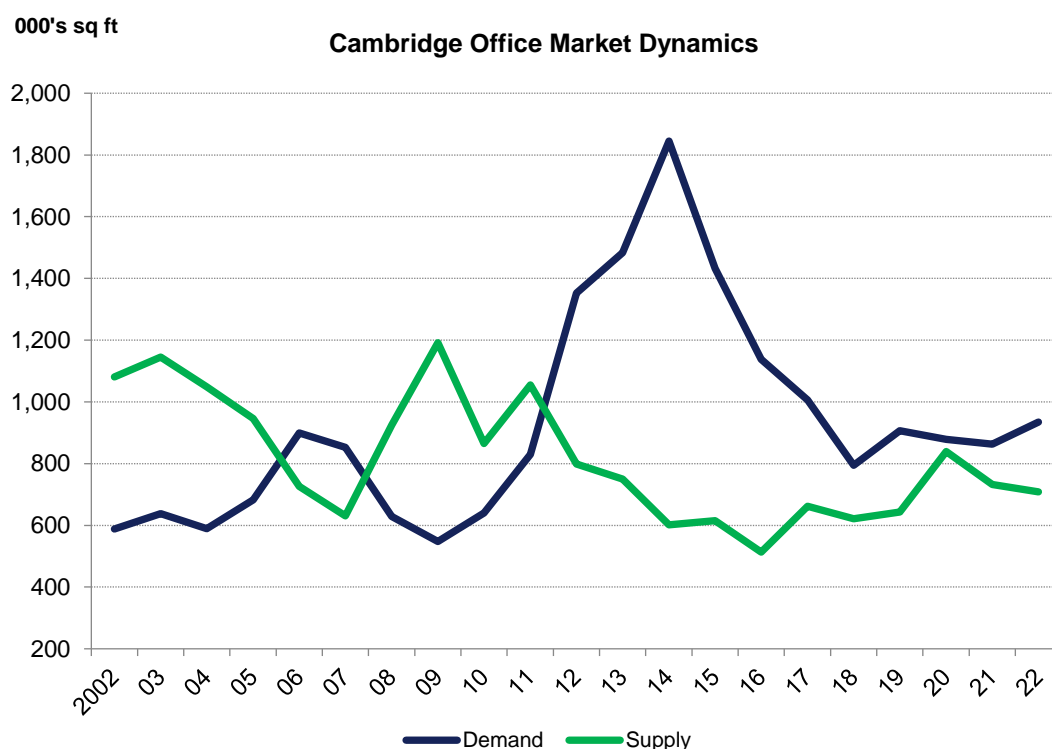
4.2.6 There has been a return of the largest requirements (+50k sq ft) which can create challenges. As new buildings are delivered, the larger space requirements will often lease the entire new building as a single let limiting further opportunities for medium and smaller requirements seeking new quality spaces. Where multi-let opportunity have been delivered there is then increased competition and rent inflation within short periods within just a single multilet building.

### 4.3 Mismatch of Supply & Demand

4.3.1 **Offices** - Grade A quality new/ comprehensively refurbished office supply at the end of 2022 was limited under 20% of total available space, at only 141,838 sq ft (source: Bidwells Databook). Much of the office supply in the Cambridge market is concentrated on a limited number of out-of-town park locations without connectivity and in dated properties that do not provide high quality office space.

4.3.1.1 In the initial months of 2023, office demand has been stable. Peak office demand recorded in 2014 at 1.8m sq ft, was more than double the previous peak. Since 2011 Cambridge office demand has always been over 800k sq ft.

Figure 7: Office Supply versus Demand. Source Bidwells



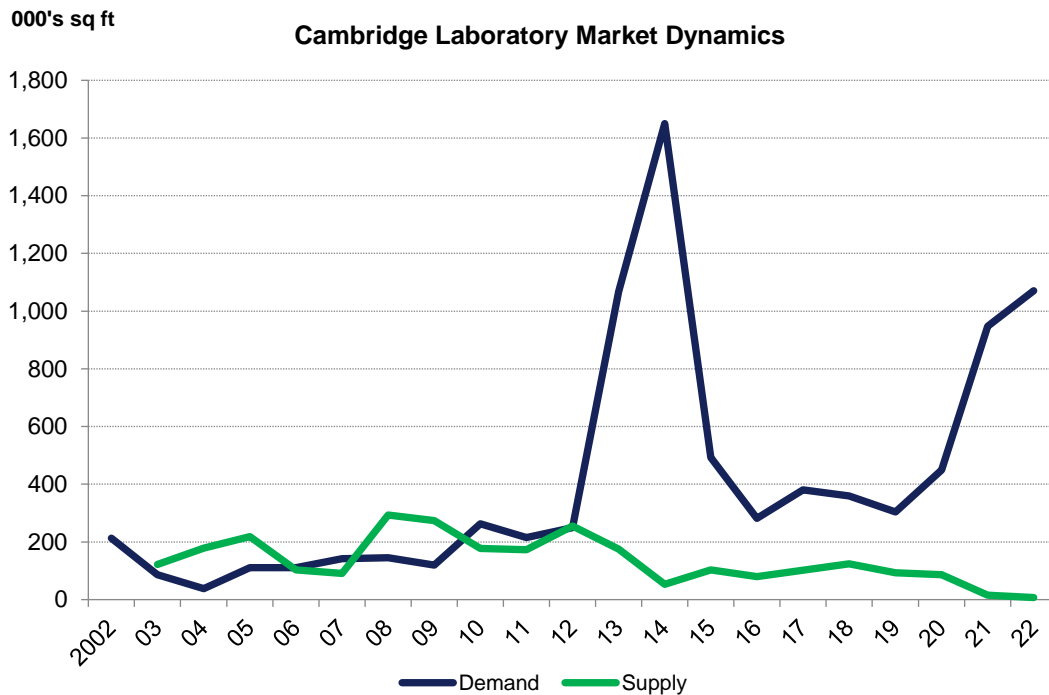
4.3.2 **Laboratory** - The supply of laboratory floor space is acutely constrained at close to nil throughout most of 2022 against demand of over 1m sq ft. Any existing lab space that is released is re-let immediately with rents rising sharply. Of the limited number of new lab schemes currently under construction and delivering later in 2023, the majority of space is already under offer with the expectation that all of this space will be fully let as they reach practical completion (PC).

4.3.2.1 Lab market demand has seen a step change in demand over the past decade compared to the years running up to 2013. Catalysed by the expansion of Astra Zeneca, demand has consistently outstripped supply over the past decade. The challenge for occupiers seeking lab space being increasingly acute during the past 3 years as supply has been at record low levels. The recent upturn in demand for laboratory space reflects the sharp acceleration in advances in specific



areas of science, in many of which Cambridge has particular expertise. Examples of this are the burgeoning gene and cell therapy sector: 79% of Cambridge laboratory floorspace take up in 2021 was by companies operating in these areas and the sector is forecast to grow significantly. (Source Bidwells Cell & Gene Therapy report March 2023)

Figure 8: Lab Supply versus Demand. Source Bidwells



#### 4.4 Future Supply

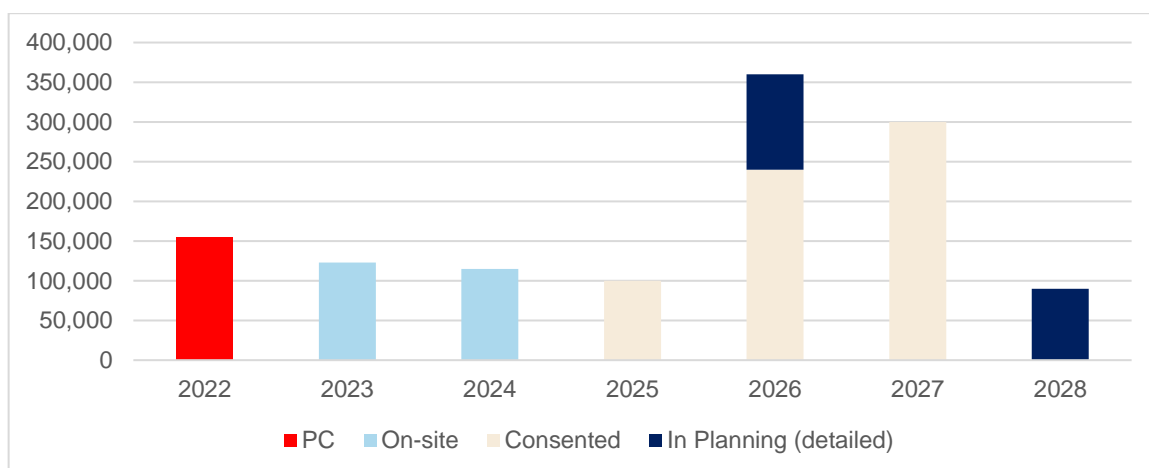
4.4.1 **Offices Supply Pipeline** - The delivery pipeline of new office supply is constrained over the coming 5 years and is not expected to meet levels of occupier demand. 5 years is the proposed timeframe during which the two new office buildings at Cambridge North would be delivered (subject to planning).

4.4.1.1 All new office buildings delivered in Cambridge in 2022 were let before PC. The office buildings on-site in the City and being delivered in 2023 -24 already have pre-lets on parts and will be let on PC or shortly after. There is just under 150k sq ft of new supply in 2024/25 that is not pre let against live office demand of over 900k sq ft.

4.4.1.2 The chart below shows office schemes that are either (a) on site, (b) are +40k sq ft and have secured detailed planning consent or (c) are +40k sq ft and are the subject of an application for a detailed planning consent and have clarity of being able to secure Vacant Possession, with power reserved, to enable development to progress (subject to funding).

Figure 9: Offices forecast supply. Source Bidwells.

Forecast of Deliverable New Offices Supply Pipeline		NIA est 000 sq ft	Status	5 mins walk of train
2022 (PC'd)	20 Station Road	65	O Let	Yes
	30 Station Road	80	O Let	Yes
	3 & 4 Station square	10	O Let	Yes
2023	One Cambridge Square	95	O Pt Let	Yes
	Old Swiss P2	28	O Pt U/O	No
2024	Brooklands	65	O Pt Let	Yes
	10 Station Road	50	O	Yes
2025	Peterhouse TP	100	O	No
2026	Dirac	80	O	No
	Devonshire Gardens	120	O	Yes
	F2, CB1	40	O	Yes
	Cambridge North (s 04)	120	O	Yes
2027	Botanic Place	300	O	Yes
2028	Cambridge North (S 08)	90	O*	Yes
* S08 has not submitted detailed application but meets other criteria and would be submitted on successful appeal to maintain programme for target delivery in 2028 and complete Cambridge North place making. Criteria for inclusion see 4.4.1.2. Schemes of Sub 40k sq ft ins size will not materially change forecast supply				



4.4.1.3 The forecast of deliverable new office supply for the period of 2025-28 totals c.850k sq ft of new space. This does not meet current active demand and does not consider new space requirements that occupiers will bring forward adding further to demand. The supply forecast shows an improvement in supply in 2026 which is needed and required on a sustained basis in subsequent years to ease the pent up office demand for high quality well located office space.

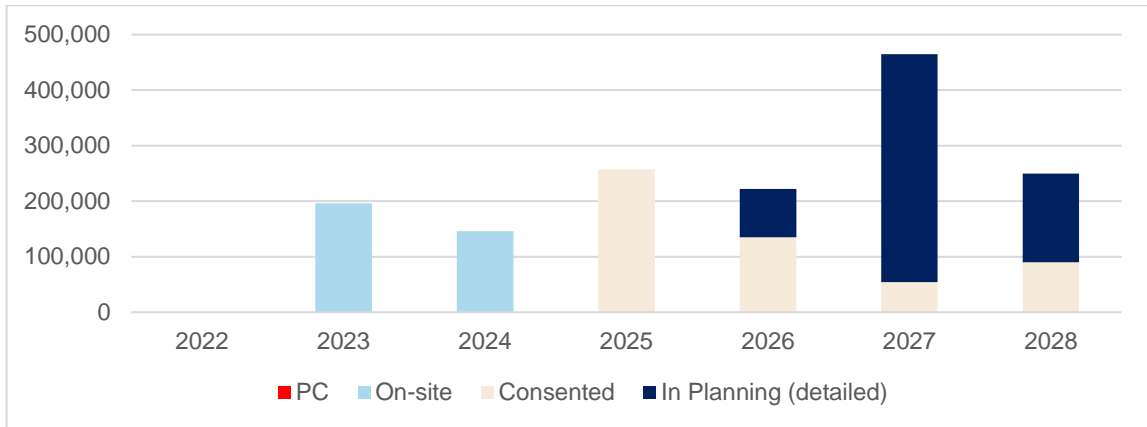
4.4.2 **Lab Supply Pipeline** - The delivery of speculative Laboratory space has been very limited for a number of years; no new lab space was delivered in 2022 with the market take up reliant on conversion or existing space being released. 2023 will see much needed supply for the market, all of which is programmed to complete construction towards the end of the year; the majority of this new space is already under offer to occupiers.

4.4.2.1 Supply of new space will remain very constrained through to 2026. Unless new schemes are in a position to start on site within the next 12 months, delivery before this date will be challenging due to construction build programmes. From 2026, subject to the approval of schemes such as Cambridge North which have detailed planning applications submitted and then securing positive determination outcomes, the expected supply position for occupiers should improve but not enough to alleviate the acute supply versus demand imbalance.

4.4.2.2 Within the timeframe that lab buildings at Cambridge North could all be built (in 2028), combining with expected delivery of all likely other lab supply this will not meet occupier demand. The chart below shows laboratory schemes that are either (a) on site, (b) are +40k sq ft and have secured detailed planning consent or (c) are +40k and are the subject of an application for a detailed planning consent and have clarity of being able to secure Vacant Possession, with power reserved, to enable development to progress (subject to funding).

Figure 10: Offices forecast supply. Source Bidwells.

Forecast of Deliverable New Lab Supply Pipeline		NIA est 000 sq ft	Status	5 mins walk of train
2022 (PC'd)	nil			
2023	1000 Discovery Drive Unity Campus The Press, Foxton (Ph 1)	102 80 14	○ U/O ○ Pt U/O ○	No* No Yes
2024	Babraham One Granta	38 108	○ Pt U/O ○	No No
2025	Zone 2 (H), Granta The Press, Foxton (Ph 2) SCSC, Sawston	81 59 117	○ ○ ○	No Yes No
2026	Zone 2 (F), Granta Chesterford RP Cambridge North (S 06)	81 54 87	○ ○ ○	No No Yes
2027	Zone 2 (G), Granta Cambridge North (S 07) Block B, Melbourn SP Vitrum Merlin Place	54 92 65 133 121	○ ○ ○ ○ ○	No Yes No No No
2028	CITP Cambridge North (S 09)	90 160	○ ○*	No Yes
*Cambridge South station once open will bring within 5 mins walk of train ** S09 has not submitted detailed application but meets other criteria and would be submitted on successful appeal to maintain programme for target delivery in 2028 and complete Cambridge North place making. Criteria for inclusion see 4.4.2.2. Schemes of Sub 40k sq ft in size will not materially change forecast supply				



#### 4.4.2.3

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 PC and will satisfy less than a 1/3 of current live demand. This new supply will be delivered to a market with close to nil immediately available lab space. The forecast pipeline supply should improve for occupiers in 2025-2028 totals c.1.2m sq ft NIA but half is still subject to securing a detailed planning consent. Occupier demand has continued to grow year on year since 2020 and for the lab market to function, a sustained number of years of lab supply is required to be provided so occupiers have available standing stock and choice.

#### 4.4.3 Historic supply

4.4.3.1 Looking at significant development (+40k sq ft) new building completions since 2016, delivered in Cambridge over the past 5 years all have been pre-let or let on PC or shortly thereafter. This is a quite unique scenario when compared to other UK markets and clearly amplifies the severe lack of new supply that has come forward to support the growing businesses of the City. A list of significant new office and lab completions since 2016 is provided below.

Figure 11: Offices forecast supply. Source Bidwells.

OFFICES							
Year	Address	Park	Size	Spec/D&B	Occupier	Comment	
2016	Maurice Wilkes Building	St John's Innovation	64,400	Spec	Multi	Majority let prior to PC with remainder let within 12 months	
2017	Bradfield Centre	Cambridge Science Park	53,000	Spec	Innovation Centre	Multi Occupied Serviced Operation.	
2018	One Station Square	CB1	129,000	Spec	Multi	Pre lets to prior PC	
2018	The Triangle	Centre	420,000	D&B	Cambridge Assessment	Owner occupier	
2019	50/60 Station Rd	CB1	156,300	Spec	Multi let	Let at PC	
2019	Building 22	Cambridge Science Park	60,500	D&B	Displaylink	Let at PC.	
2020	The Works	Unity Campus	60,000	Spec	Multi	50% pre let at PC. 100% let now,	
2021	1 & 2	Cambridge Science Park	220,000	Spec	2 single lettings	50% let prior to PC and 50% within 3 months	
2022	20 Station Rd 30 Station Rd 3 & 4 Station Sq	CB1	155,000	Pre let Spec Spec	4 lettings (one per building)	Let at PC.	
LABORATORIES							
Year	Address	Park	Size	Spec/D&B	Occupier	Comment	
2018	Illumina Building	Granta Park	171,300	D&B	Illumina	Pre let by Biomed.	
2019	Bio Innovation Centre	Cambridge Science Park	40,300	Spec	Muti	Innovation Centre. Fully occupied	
2019	Discovery Drive	Cambridge Biomedical Campus	102,500	D&B	Abcam	Pre let at CBC. Moved from CSP.	
2019	Flowers Building	Granta Park	93,000	D&B	Gilead	Expansion Prelet for Gilead on adjoining plot.	
2020	Biomed @ Babraham	Babraham Research Campus	100,000	Spec	Multi	Fully let once Biomed committed to creating fitted laboratories.	
2021	Portway (refurbishment)	Granta Park	100,000	Spec	2 single lettings	Full refurbishment (largely to frame). Pre let prior to PC	

4.4.3.2 The delivery of new buildings has not kept pace with occupier demand leading to rapidly rising rents and occupiers seeking to grow their business in Cambridge being constrained. Over the next 5 years, Cambridge must do better to ensure it remains globally competitive as a leading R&D centre globally.

## 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 in high quality buildings in a connected location. Post pandemic office employees in Cambridge generally have returned to the office, but probably fewer days a week. When at the office they want to feel safe and inspired by the environment that they are coming to. This brings right to the fore the quality of the workspace. Quality can be measured in many ways, but the driving factors seem to be:

- 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 Laboratory occupiers have to be in their building a higher proportion of days due to the location specific nature of activities. Lab businesses though do seek the same locations and amenities as office users but to date have had no choice on location due to the acute shortages of available space. 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. Bringing together office R&D and laboratories at a location connected by rail, guided bus, road, cycle and pedestrian routes will be excitedly received by Lab occupiers. This offer has proven a successful offer for the Life Science sector where it has been delivered in other competing centres globally.

4.5.3 The issue companies face in Cambridge is that there are not enough consented schemes that are coming through the development pipeline and therefore their choices for both offices and labs are limited. This will affect a company's ability to recruit and retain talent which will in turn be detrimental to growth. The transition to better quality more sustainable buildings, designed around their potential workforce, is exciting and will be a fantastic shift for the better for the office and lab market in Cambridge. However, it is essential that connected gateway sites with office and lab buildings are allowed to come through the planning system quickly, the failure of which has frustrated the pent-up demand that exists and limited growth.

4.5.4 Where buildings have been consented, such as One Cambridge Square, the first office building to be delivered at the Cambridge North location, the product is proving very popular with occupiers. Construction of the building is due to complete in the middle of 2023 and is already over 1/3 pre-let to Samsung, 1/3 under offer, and in advanced conversations with a variety of occupiers on the remaining space. Rents have already surpassed those achieved for new office space on the Cambridge Science Park and other surrounding parks demonstrating the appeal of the connected location and quality of the office spaces. The building will be fully let shortly after PC and establishes a new connected urban location and gateway to wider R&D parks in the wider neighbourhood.

- 4.5.5 It is clear that Cambridge needs more quality office and laboratory buildings in connected locations which are vibrant, provide a mix of uses and are high quality. The demand supply imbalance in the City is significant and has been worsening. If it is not addressed through buildings such as those that can be delivered at Cambridge North, over the coming 5 years the ability for Cambridge to compete for the best talent and businesses around the world will be diminished. The development at Cambridge North will provide a new mixed-use destination for the City and an important new gateway location that will retain and attract local and international businesses to Cambridge.

## 5.0 Conclusion

- 5.1 The data provided on the Cambridge office and Lab market covers a period of over 20 years and aligns to my working experience in the occupational market in the UK. Over the past decade I have been increasingly focused on the Cambridge market which has changed as an economy, radically and continually gathering momentum.
- 5.2 The strength of the knowledge intensive industries and S&T sectors in the City is driving more significant requirements and a greater number of them. The focus of these requirements is now about the quality and location of the product to encourage employees back to work and boost productivity in the workplace.
- 5.3 The supply demand imbalance is acute and has in recent years worsened. Only sustained levels of increased development will alleviate the supply demand imbalance over time; this is not expected to be resolved during the programme period in which the proposed Cambridge North buildings would be delivered to the market.
- 5.4 Cambridge is an R&D capital of the UK and to continue to deliver the success it has had, it needs more quality office buildings and specialist laboratory buildings in a connected, sustainable location. All speculative development that has taken place in the core locations has been let in advance or within a short timeframe of PC of new buildings.
- 5.5 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.
- 5.6 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.

## APPENDIX 1

# CAMBRIDGE OFFICE & LAB DATABOOK

---





BIDWELLS