

OUR VIEW ON CAMBRIDGESHIRE OFFICES & LABS

Government launches 'Life Sciences Industrial Strategy'

Cambridge looks set to benefit from increased inward investment as the Government launched its Life Sciences Industrial Strategy in Q3 2017 ahead of the overall UK Industrial Strategy announced in the Autumn Budget.

The UK Industrial Strategy launched four key business sectors (life sciences, construction, artificial intelligence and the automotive industry) as the initial focus of the drive to create an economy fit for the future.

The Life Science Industrial Strategy establishes a blueprint for investment for the Government and the private sector.

Supply of Wet Lab floor space hindered by high costs

A recent report commissioned by Cambridge Ahead has highlighted the mismatch between the demand for Wet Lab space in the Cambridge area and the current supply of floor space.

The report identifies the costs of providing Wet Lab space for new start-ups and developing businesses as being a major hurdle for private sector investors, with costs far outweighing potential financial returns.

This highlights an important area where both central and local government can aid the growth of the life sciences sector in the Cambridge area.

Cambridge City Council commits to social housing as council house provision hits a 50 year low

Cambridge City Council has committed to continue to invest in the provision of social housing over the coming years at a time when council housing has declined across the UK.

The city council has delivered a total of 278 new homes in Cambridge since 2015 and intends to deliver a further 500 new council homes using the £70m secured as part of the Cambridgeshire and Peterborough devolution deal.

Underground train system the best solution to overcome congestion in Cambridge

A revolutionary new underground system has been proposed as the best solution for the City's under pressure infrastructure in a report commissioned by the Greater Cambridge Partnership.

The new system has the backing of senior officials in the government and could be operational by 2025.

The overall cost of the new system could reach £4.6bn but would also serve some of the outer villages around Cambridge.

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THE FACTS

Take up falls below trend for first time in five years as supply shortages bite

New schemes due to complete in 2019 will deliver 350,000 sq ft of office space, with 110,000 sq ft either let or under offer

£41 per sq ft

Prime office rents expected to reach this level by 2022

First pre let at CB1's 50/60 Station Road as Costello Medical take 21,340 sq ft

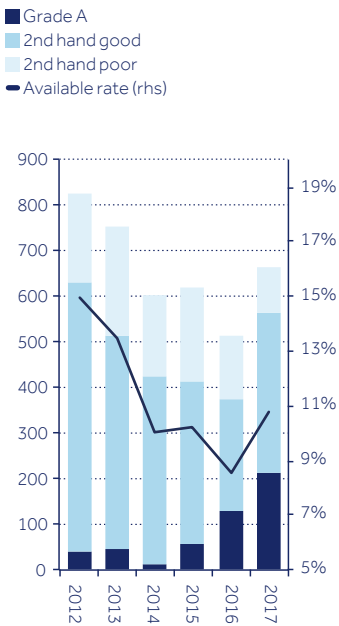
Open plan laboratory rents reach £34 per sq ft, growth of 17.2% since 2014

9.4%

Combined availability rate in office and laboratories market at end 2017

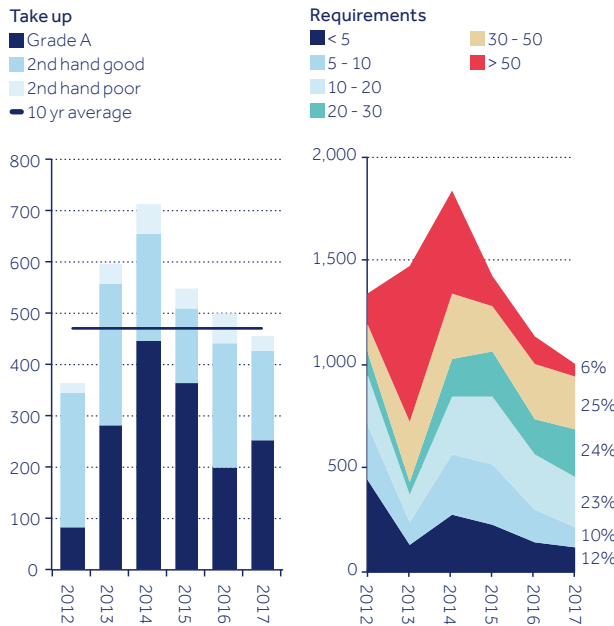
Take up of grade A space has accounted for 55% of activity since 2013

Office supply (December 2017)



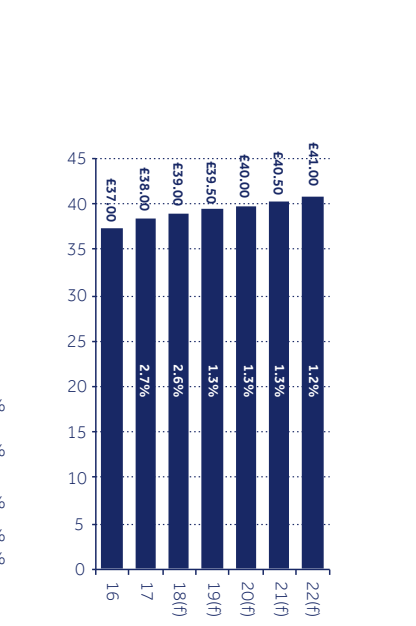
Availability 000's sq ft 662.0 ▲
Availability rate 11% ▲

Office demand (December 2017)



2017 Take up 000's sq ft 458.8 ▼
Requirements 000's sq ft 1,006.6 ▼

Office rents (December 2017)

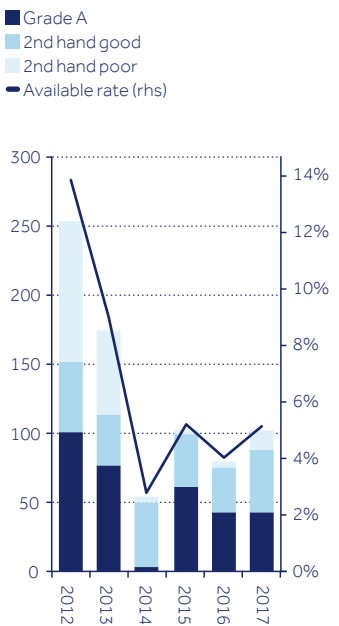


Prime Epsf £38.00 ▲▲
Secondary good Epsf £35.00 ▲▲
Secondary poor Epsf £25.00 ▲▲
Annualised growth rate 1.5% p.a

Cambridge Laboratories

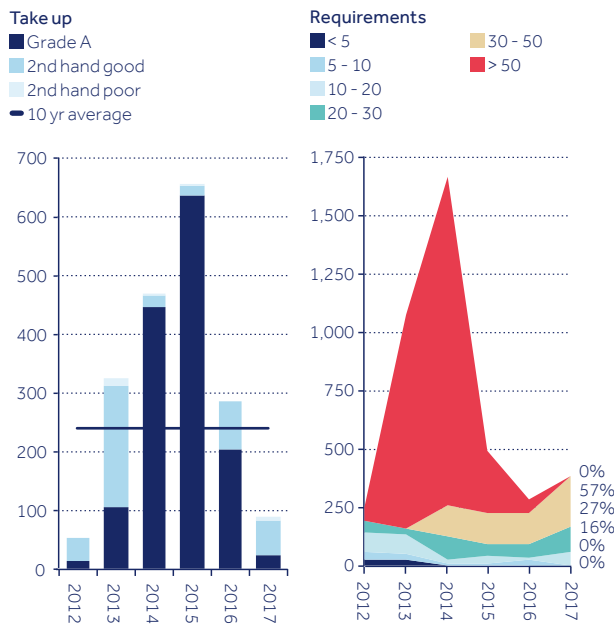
Availability edges up but grade A supply remains tight

Laboratories supply (December 2017)



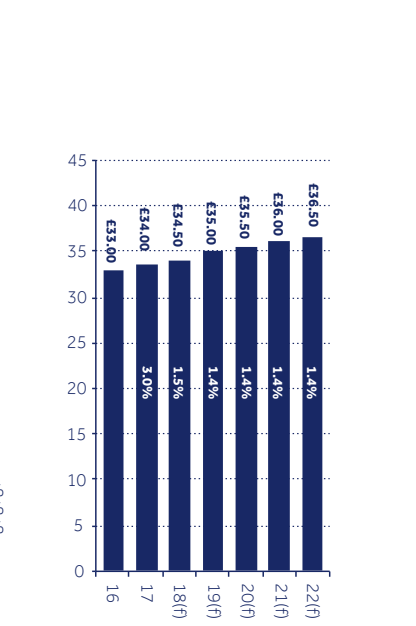
Availability 000's sq ft 101.7 ▲
Availability rate 5% ▲

Laboratories demand (December 2017)



2017 Take up 000's sq ft 91.8 ▼
Requirements 000's sq ft 380.0 ▲

Laboratories rents (December 2017)



Prime open plan Epsf £34.00 ▲
Prime fully fitted Epsf £37.50 ▲
Prime shell Epsf £34.00 ▲
Annualised growth rate 1.4% p.a