

THE NEXT PHASE OF UK LIFE SCIENCES GROWTH

Senior figures from across the built environment industry join Dentons and *BE News* to discuss how to turn the UK into a true global life sciences superpower



INDUSTRY GUESTS:

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Daniel Parker, principal, science and technology practice lead, Perkins&Will

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Andrew Somerville, science and technology lead, Cundall

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Jinjie Wang, director, science and innovation, Canary Wharf Group

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The UK is arguably already a global life sciences superpower. However, the recent Pharmaceutical Competitiveness Framework reveals that the UK has tumbled down the rankings for pharma investment and research to seventh from a high of second in 2017.

Meanwhile, costs continue to rise and geopolitical pressures, particularly from the US, continue to have an impact.

So, what needs to happen to improve the medium-term outlook for the UK life sciences sector? And how do we turn the UK

into a true global life sciences superpower? These were some of the issues debated by leading industry commentators at a roundtable event hosted by Dentons.

QUESTION: Was 2025 a good or a bad year, and what are the feelings about the short-term outlook in 2026? Will this year be a potential turning point for the sector?

PARKER: It's been a good year in many ways. The formation of Equinox in Oxford is a positive move and well overdue, linking the institute, local government, government and developers and occupiers. This is



Paul Singh



Daniel Pagella



Guy Douetil

hopefully a consistent and considered approach in a region.

SINGH: I've spent a lot of time with foreign investors in real estate coming to London, and in 2023-24, it was easy for me to sell life sciences. Whereas now, no one mentions putting money into life sciences. They are talking about commercial buildings in the City, the West End and high-end residential. Those that have already invested in life sciences will be the ones to drive it forward, while those new to the sector are more apprehensive.

PAGELLA: The wider industry is still learning how to accommodate early-stage,

high-growth businesses, as are real estate investors, because many of us have spent time building bespoke facilities for big end users, whether that's institutions or big pharma.

It is a new market. It is a new facility and a new thing to construct buildings that can be adapted and used for different purposes time and again.

A positive is designating laboratories as critical infrastructure and giving them that designation through the planning process. But the government needs to make the route to developing facilities in the UK less of an international embarrassment for investors potentially coming in. It is so convoluted now and a barrier to entry.



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Daniel Pagella

DOUETIL: It's not just the planning. It's the whole 'am I welcome?' Many countries are rolling out the red carpet. They're asking: "What do you want? How do I make your life easier?" The UK isn't. If there is a red carpet, who is on it and where is it, because I doubt anybody here knows where it is. There might be small ones. It's got significantly worse over the last 12 months in terms of the conditions.

QUESTION: What types of building should we be constructing?

PARKER: Buildings should be attractive – not just a science park. Occupiers want vibrant, horizontal, vertical, connected communities with great facilities. It's an interesting





Chris Walters



Daniel Parker



Dr Angela Kukula

challenge because your space must be adaptable as opposed to flexible for new technology in terms of research, energy and power.

WALTERS: Some challenges have, unfortunately, been around a long time and are outside the direct control of everyone in this room. This includes transport, power, water and planning. We can only present those challenges and hope the collective voice is strong enough, and it is starting to resonate more through initiatives like the Oxford-Cambridge Supercluster Board.

One thing to remember, whether it's a

local or a regional initiative, is we are still fighting as UK plc, so we need to be better as an industry around building the right type of product that suits a company, a cluster of companies in an area, and helps them to grow over time.

QUESTION: Should there be more collaboration between occupiers and the real estate sector, and the circle of what you can control rather than what you can't?

KUKULA: That comes back to the investment. Don't forget, grassroots life science is doing well. We're making breakthroughs in many

places that we didn't think would ever be achieved, like brain science, dementia, some of the cell therapies. And London is the best city in the world for life sciences and AI.

The struggle is with lots of small companies and growing those into big companies, which is an investment angle.

While some are still going overseas to the likes of the US, many companies have also scaled in London and in the rest of the UK, but there needs to be the investment, and there isn't enough.

WANG: From our experience, working with companies like Revolut, they started with



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Priya Shah

two people, then in 10 years' time they were taking 100,000 sq ft. That's the story you want regarding the entrepreneurship experience: the success of Revolut generates 30-plus other spin-outs. Then you have the exponential factors.

Now, how can we replicate that in life sciences? We're looking at companies like therapeutics that have been quite successful this year, raising funds. It's back to the point of how we can help them to continue to grow and scale and stay in the play.

LUPSON: There is a reputational factor underlying much of this, where a generic institutional investor, a pension fund, decides to participate before everyone else.

They then develop something called a lab, which hasn't sufficiently defined who its target market is. Consequently, the building remains empty. Therefore, there's damage caused because of the perception 'we won't invest in the sector because it doesn't work'.

While it didn't work in that case, a more refined and sophisticated approach would work. But piling in to spend money, to be part of the group that is investing, is resulting in some poor products being developed, which therefore results in voids, even in the so-called 'golden triangle'.

SHAH: There are some wonderful, human-centric life sciences facilities that were designed five or 10 years ago, were

constructed a few years ago and became operational in the last couple of years.

Today, some of these are not fit for purpose for the science being carried out within those facilities. This is a recurring problem because science is moving at a pace much quicker than the development of the design of the facility.

So, should there be more collaboration between occupiers and the real estate sector? Absolutely. However, the science community doesn't know what they need or they think they know, but it doesn't work from a functional point of view.

QUESTION: If companies don't know what they want or need, do we have to work it out for them?

GOODFORD: You're dealing with third-party investor-developers who are trying to guess what the end user wants. Also, you need scale or critical mass and focus.

Railpen investing in Cambridge means they are trying to provide the whole ecosystem, and they'll be long-term investors, unlike many people in 2022 who saw the opportunity, jumped in with a five- or seven-year business plan where they had to make money in that time. You can't do that in all probability.

That's not how the industry works. We must provide the commercial environment for these industries to be successful. If you



Andrew Somerville

take real estate out of the equation, all of them want to make sure that commercially they will be successful. The UK must drive to create the environment where they can be successful.

QUESTION: What has been the impact of US president Donald Trump's policies and changed narrative, particularly around ESG, and where is the UK versus the US?

KUKULA: It's been mixed. On the positive side, we've seen lots of interest in the UK from countries such as China because they feel the US is now closed to them. We've also



Matt Lee

seen British expats in the US looking to come back because of the uncertainty.

WALTERS: None of us can predict the behaviour of what happens on the other side of the pond, meaning we are in constant reaction mode. We should focus on what we have direct control over in the UK.

AREY: A successful life sciences real estate market in the UK hinges on whether life sciences firms want to be here, so it's key to address macro issues like drug pricing and availability of capital. Until those change, we'll always struggle against countries like the US.



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QUESTION: Where are the UK areas we could be focusing on for new life sciences clusters?

SOMERVILLE: Bristol is starting to see investment into AI. While Cambridge is an attractive location for science investment, there is a real struggle with water in the region. Prologis, for example, is spending £3bn to expand the Cambridge Biomedical Campus, so while there is interest from the private sector, we need the government to invest in the Fens reservoir near Cambridge. This could make more developments a reality in the region.



Dan Stafford

LEE: There is a lot going on across the wider regions. Manchester's been successful for a long time. In Liverpool, they're growing a strong offer with the combined authority putting in a lot of work with international markets. You can also look at the North East, to Newcastle, and the Teesside area with its bases in biotech and bio manufacturing, and also Birmingham based on its core research strengths.

QUESTION: How upbeat are you about the sector's prospects over the next two to three years? Do you think by 2030 it will be a true global superpower, or will it never be able to truly compete?

FROST: The UK has some great fundamentals. But we should aim to modify some of the expectations we have of the sector: considering what we are strong in and what can be achieved means we could really aim to capitalise on those strengths.

AREY: The UK has world-leading universities, deep research capability and a strong talent pipeline, so the foundations are there if we create the right environment for the companies, and the talent, to stay and thrive. There are challenges, like access to capital, power and infrastructure, to create the right ecosystems for companies' lifespans.

What hasn't helped is the constant changes of government policy, so

consistency on that front will be key to becoming a global life sciences superpower.

STAFFORD: Our corporate and private capital practice has seen a notable increase in life sciences and technology investments over the past couple of years, and that is representative of broader market trends.

We need to ensure that UK life sciences companies have better access to domestic growth capital whilst they navigate the complexity of scaling up. It is particularly important that this capital comes from non-specialist investors (who may prefer to allocate capital to other attractive, high-growth sectors like AI or technology infrastructure which are less heavily regulated).

While I'm cautious about the future, I'm also optimistic that the UK can maintain and improve upon its current international standing in this space. □



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Emma Frost



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