Q3 2026

Knight Frank

# UK Science & Innovation Insight Report

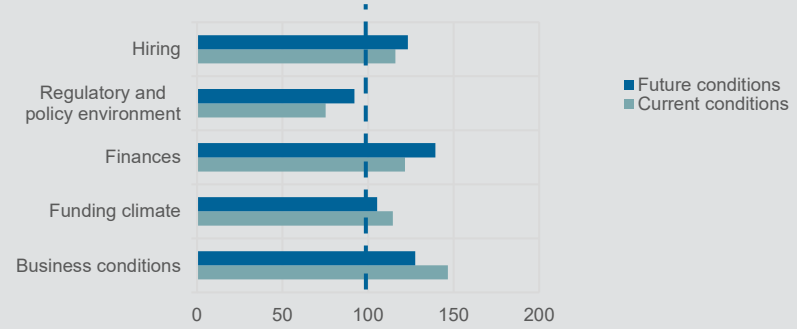


# Sector performance

## Q3 2026

### Biopharma sentiment: Deals lift biopharma's mood

Q3 BIOPHARMA SENTIMENT SURVEY

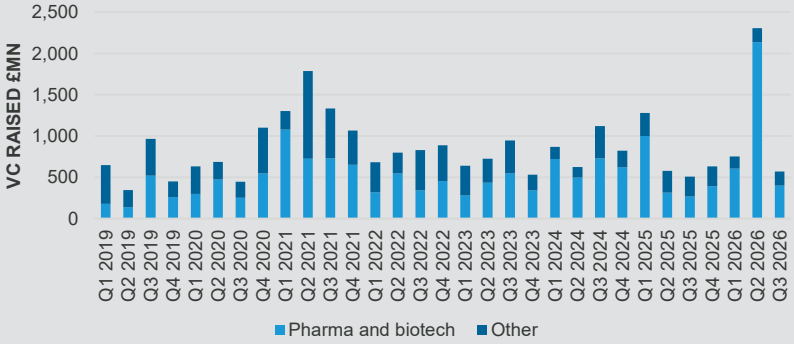



*Source: Endpoints Signal. Each quarterly survey seeks a minimum of 1,000 respondents. The survey consists of five paired questions that form the backbone of the index. Each question is posed in two forms: one focused on current conditions and another framed as expectations for the year ahead. The index is normalised to 100. A score below this indicates pessimistic conditions and a score above 100 indicates net optimistic.*

The Endpoints Biopharma Sentiment Index rose to 105 in Q3 2026, up from 96 in Q2, moving into positive territory as dealmaking remained the sector's main source of optimism. Hiring intentions diverged sharply, demonstrating nuance within the sector: 52% of biotech respondents expect headcount growth, while 44% in big pharma anticipate cuts. AI also supports confidence, with 76% expecting improved drug-discovery productivity over the next year.

### VC funding: Life sciences funding holds near record highs

VC FUNDING INTO UK LIFE SCIENCES COMPANIES £MN

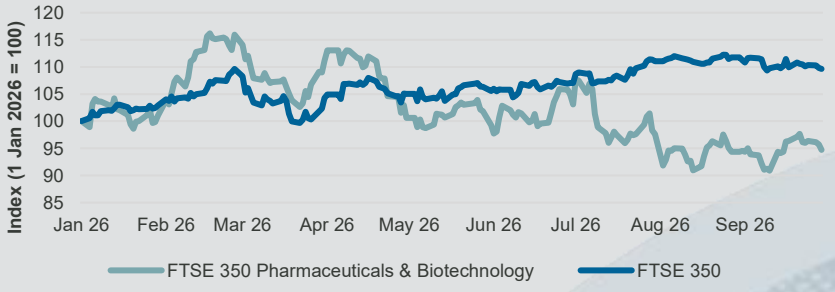



*Source: PitchBook and Knight Frank Insight. HQ only. Completed deals and full transactions only. Covers: Biopharma, Medtech and Digital health. Data as at 12/10/2026. The data in PitchBook is continuously updated to reflect the most current information. As a result, historical data may change over time.*

UK life sciences funding in Q1 to Q3 2026 was the second-highest Q1 to Q3 total on record, behind 2021. Q3 life sciences VC funding totaled £571.55mn, down 75% from Q2's £2.31bn but up 13% year-on-year. It should be noted that Isomorphic Labs' £1.6bn deal accounted for 69% of the Q2 total. Pharma and biotech raised £400.57mn (70%) in Q3, while other life sciences companies raised £170.98mn. The top five deals represented 49.3% of Q3 funding.

### Equities performance: Signs of stabilisation

FTSE 350 PHARMACEUTICALS & BIOTECHNOLOGY VS FTSE 350, REBASED TO 100 AT 1 JAN 2026

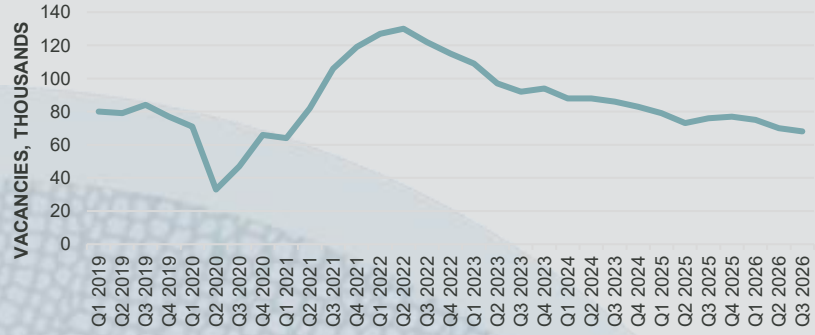



*Source: Macrobond and Knight Frank Insight.*

The FTSE 350 Pharmaceuticals & Biotechnology index declined 9.7% in Q3, underperforming the broader FTSE 350. Having peaked at around 16% above its year-opening level in mid-February, the sector came under sustained pressure through the spring and summer as uncertainty around US drug pricing and potential tariffs weighed on sentiment. The sell-off bottomed out in September before the index recovered around 4%, supported by easing policy concerns.

### Vacancies: Vacancies fall to 68,000 as hiring cools

VACANCIES – PROFESSIONAL, SCIENTIFIC AND TECH, THOUSANDS




*Source: ONS and Knight Frank Insight.*

Professional, scientific & technical vacancies fell to 68,000 in Q3 2026, down 2,000 (2.9%) on Q2 and 8,000 (10.5%) year-on-year. Vacancies in the sector are now 27.2% below their trailing five-year quarterly average. Across Q1 to Q3, vacancies averaged 6.6% below the same period in 2025, pointing to sustained cooling in hiring demand. It should be noted that UK-wide vacancies also fell to their lowest level since April 2021.

# Occupier prospecting

Q3 2026

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

**Knight Frank is actively tracking the following metrics in order to maintain a watchlist 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 trial activity
- Patents
- New company registrations
- M&A activity
- IPOs
- Public funding
- Other sources of research funding, such as via charities and industry

The Industrial Strategy update for Q3 2026 records over £6.5bn of investment commitments into the eight growth sectors. The British Business Bank, Sovereign AI Fund and National Wealth Fund are backing the science and innovation companies government sees as the UK's next winners, while commitments such as GSK's show where private capital is landing: the firms most likely to scale, hire and need space.

## Five companies to watch

| COMPANY | NOTES |
|---|---|
| GSK | £400mn over three years for a new 300,000 sq ft flagship R&D centre at Cambridge Biomedical Campus, housing more than 1,000 scientists. |
| Chemify | £89.9mn package (£67.9mn private, £16mn Scottish Enterprise, £6mn UK Government) for a new global HQ and R&D centre at Glasgow's Health Innovation Hub and expanded automated manufacturing. Up to 300 new jobs, taking the Scottish workforce from 152 to around 450. |
| CuspAI | Cambridge-based AI materials-discovery company raised a $450mn Series B at a $2.6bn valuation, with the Sovereign AI Fund investing. Funds will expand its research capabilities and take the platform into industrial applications at scale. |
| Basecamp Research | London-based AI drug-design company closed a $140mn Series C led by S32, joined by Nvidia, the Menlo Ventures Anthology Fund and the Sovereign AI Fund, taking total funding to $225mn. The money will train new AI models and advance a pipeline of AI-designed therapeutics. |
| Alchemab Therapeutics | Cambridge clinical-stage antibody biotech secured £25mn from the British Business Bank, its largest direct life sciences investment, extending its Series A to £109mn. Funds will take two further wholly owned programmes into the clinic and double its antibody database. |

*Source: Department for Business, Innovation, Science and Trade, Industrial Strategy quarterly update (July to September 2026); company announcements; Knight Frank Insight*

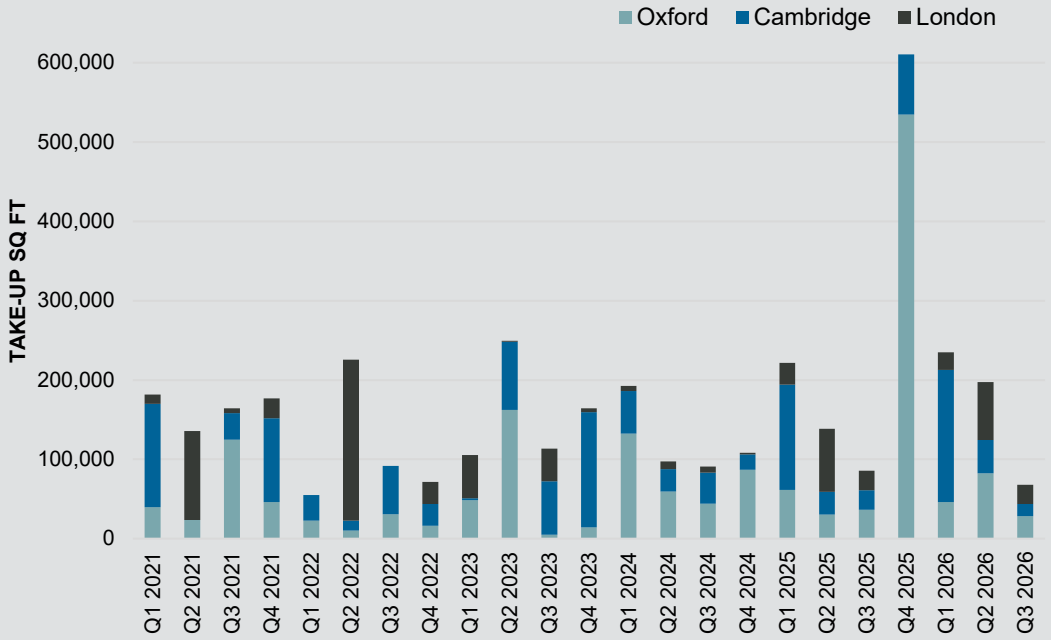
# Real estate activity

Q3 2026

## Select leasing deals Q3 2026

| OCCUPIER | PROPERTY TYPE | BUILDING | CITY | SIZE (SQ FT) | RENT IF AVAILABLE (£ PSF) |
|---|---|---|---|---|---|
| Oxford Ionics | Tech box | Unit 9A, Oxford Technology Park | Kidlington | 28,262 | £ 22.00 |
| Meatly | Lab-enabled | Victoria Industrial Estate | London | 11,000 | £ 33.00 |
| SuperDielectrics | Lab-enabled | The Press (Unit 2) | Cambridge | 9,486 | £ 47.50 |
| Confidential | Lab-enabled | I-Hub (11th Floor) | London | 8,108 | Confidential |
| Pierre Fabre | Office | Chiswick Business Park | London | 7,084 | £ 53.50 |
| Geneweaver | Lab-enabled | Granta Centre, Granta Park | Cambridge | 6,000 | Confidential |

## Life sciences leasing volumes, Golden Triangle




| | Q3 2026 TOTAL | Q2 2026 TOTAL | 2025 TOTAL |
|---|---|---|---|
| **Golden Triangle** | 67,725 SQ FT | 197,207 SQ FT | 1.06mn SQ FT |
| **Oxford** | 28,262 SQ FT | 82,239 SQ FT | 662,711 SQ FT |
| **Cambridge** | 15,486 SQ FT | 41,941 SQ FT | 261,826 SQ FT |
| **London** | 23,977 SQ FT | 73,027 SQ FT | 131,562 SQ FT |

*Source: Knight Frank Insight. Take-up includes both offices and lab space. In London, take-up includes lab space only.*

# Capital markets real estate activity

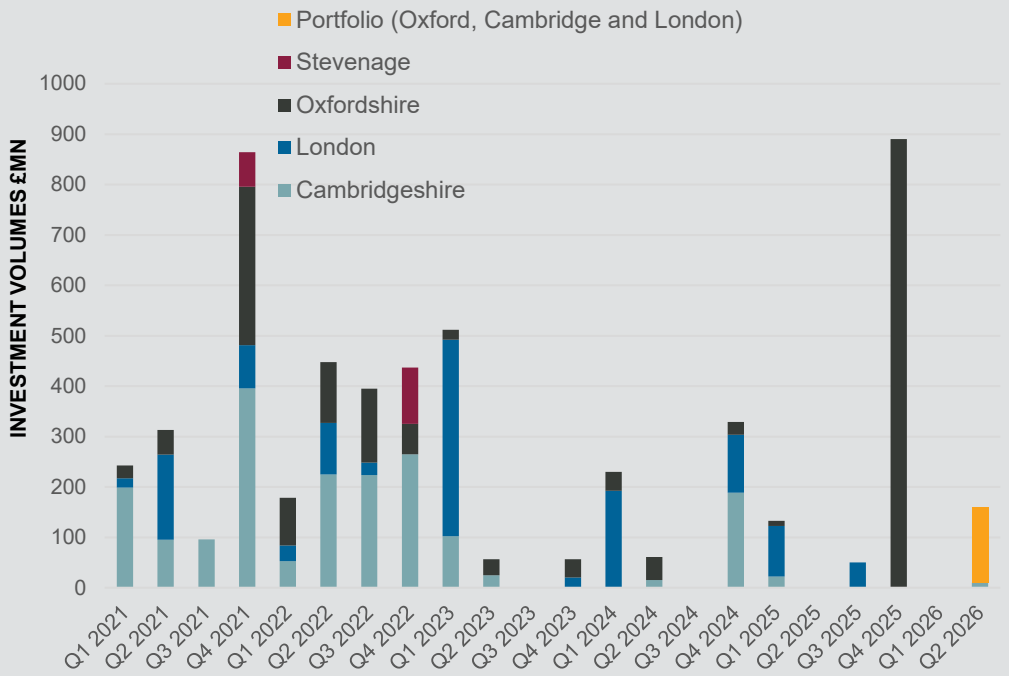
Q3 2026

## Select investment transactions, YTD 2026

| ADDRESS | CITY | SIZE (SQ FT) | PRICE £M | AGREED NIY % | VENDOR | PURCHASER |
|---|---|---|---|---|---|---|
| Coulson Building Group site, Cambridge, CB4 | Cambridge | 80,000 | £10.00 | N/A | Coulson Building Group | Investec / Wrenbridge Capital |
| Life Science REIT Portfolio | Cambridge London and Oxford | 694,300 | £150.00 | N/A | Life Science REIT | British Land |

Life sciences real estate transaction volumes are likely to remain constrained while debt costs remain elevated and uncertainty weighs on investment decisions. A more cautious environment will favour well-specified laboratory assets in established clusters, supported by credible occupier demand and tenants whose funding runway and ability to meet rental commitments can be assessed with confidence.

## Investment volumes, Golden Triangle £mn




| YTD 2026 TOTAL | 2025 TOTAL | 2024 TOTAL |
|---|---|---|
| £160.00mn | £1.07bn | £619.03mn |

*Source: Knight Frank Insight. Completed deals only.*

# Development pipeline

Q3 2026

## Top schemes under construction and due to complete in Q4 2026

| SCHEME | CITY | SIZE (SQ FT) | DEVELOPERS |
|---|---|---|---|
| 17 Columbus Courtyard | London | 190,000 | Oaktree Capital Management & LS Estates |
| 2000 Discovery Drive, Cambridge Biomedical Campus | Cambridge | 111,933 | Prologis |
| St Andrews House | Cambridge | 60,000 | HIG |

## Lab development pipeline, Golden Triangle

*Source: Knight Frank Insight.*

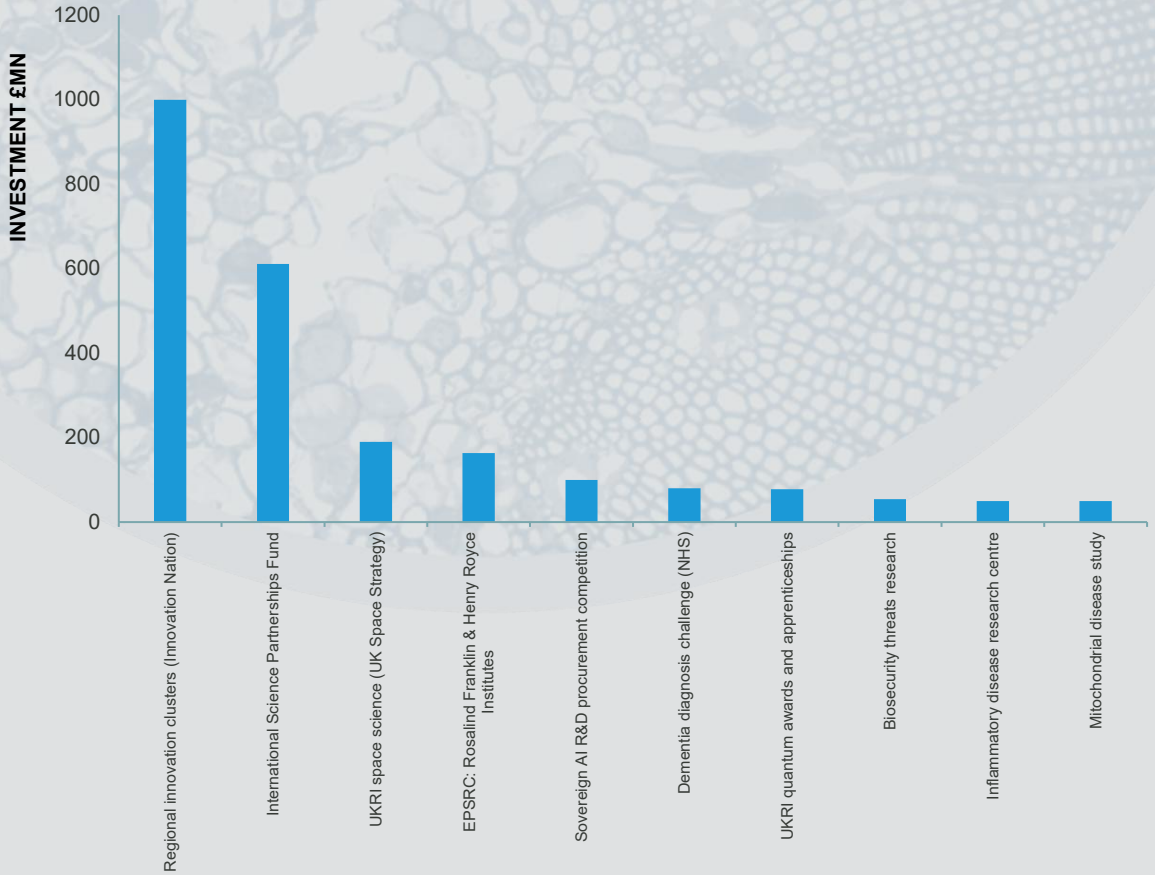



| | TOTAL UNDER CONSTRUCTION AND DUE TO COMPLETE BETWEEN NOW AND 2028 |
|---|---|
| GOLDEN TRIANGLE | 2.39mn SQ FT |
| OXFORD | 428,960 SQ FT |
| CAMBRIDGE | 409,933 SQ FT |
| LONDON | 1.55mn SQ FT |

# Government investment tracker

Q3 2026

## Top government investments into research and innovation Q3 2026




### Other Government Actions

**Machinery of government:** A day after taking office, Andy Burnham abolished the Department for Science, Innovation and Technology, folding its responsibilities, including UKRI and the Sovereign AI Fund, into an expanded Department for Business, Innovation, Science and Trade; Chris McDonald replaced Patrick Vallance as science minister. AI moved to the centre: AI minister Kanishka Narayan attends Cabinet, Vallance chairs a new AI Taskforce in the Prime Minister's office, and the AI Security Institute moves to the Cabinet Office.

**Growth strategy and the Budget:** In his first major speech, Chancellor John Healey pledged to double the number of UK unicorns, introduce economy-wide sandboxing powers from 2027 and extend judicial review reform to all major infrastructure. A fiscal devolution roadmap and white paper will accompany the Autumn Budget, building on Burnham's pledge to let mayors retain a share of locally raised income tax and business rates. His "Innovation Nation" plan commits £1bn over four years, from UKRI's existing budget, to regional innovation clusters.

**Regional rebalancing:** The Northern 500 will bring 500 of the North's most ambitious mid-sized firms into a mayor-led growth community, backed by a £150mn British Business Bank Northern Scale-up Fund. The first £52.1mn of the £140mn Local Growth Fund for Scotland was released to five regional partnerships, partly to commission high-growth commercial space, and Scottish Enterprise and the UK Government committed £22mn to Glasgow's Chemify.

**The state as venture capitalist:** UK Export Finance, the British Business Bank and the National Wealth Fund have mobilised at least £50bn over two years, lifting combined financing capacity to £193bn; the British Business Bank is now the UK's most active venture investor. The Sovereign AI Fund joined CuspAI's $450mn and Olix's $312mn rounds, the Bank anchored Molten Ventures' growth fund with £75mn, and five pension schemes formed a £1bn-plus UK Scale-up Fund with it. A £100mn Sovereign AI competition makes government the first customer for British AI firms.

**Defence, space, fusion and talent:** The £7.8bn UK Space Strategy consolidates government space spending to 2030 under a single buying approach. The government launched a Defence SME Action Plan, following a £182mn package that created a 35-university Defence Universities Alliance. New UK–US fusion agreements build on the £2.5bn five-year commitment, and the Global Talent visa was opened to commercial R&D employers.

# Other news/trends

**Defence tech goes mainstream:** Q3 saw some significant fundraising rounds: Helsing raised $1.8bn at an $18bn valuation, Tekever $580mn and Cambridge Aerospace $300mn. A White & Case survey of 250 UK defence-sector leaders found 27% plan investment of over £100mn next year and 67% plan to invest £50mn to £100mn. Three-quarters plan UK expansion and 97% rate the UK as Europe's leading defence tech destination. The investment has a property footprint: Tekever is fitting out 254,000 sq ft in Swindon under its £400mn OVERMATCH programme, Helsing is investing £350mn in Britain, including a Plymouth factory, and Anduril has based its European HQ in the UK. Demand favours secure, powered and adaptable space near talent, customers, suppliers and testing.

**AI in London:** AI occupiers have taken just under 1mn sq ft of London office space in 2026, twice the amount recorded across the whole of 2025. Knight Frank analysis finds that London is Europe's leading AI city with 866 AI companies with more than 25 employees each, around 111,000 employees and 947 AI venture transactions in the past year. AI is not only an office story: AI-native biotechs such as Isomorphic Labs, Basecamp Research and CuspAI need dry labs, wet labs and high-performance computing side by side. Robotics and physical-AI businesses such as Humanoid need powered hybrid R&D and light-industrial space.

**The life sciences sector recalibrates:** In 2024/25, 7,600 companies supported 306,700 jobs, down 2%, and generated £125.8bn in turnover, down 1% in real terms. Medtech accounts for the majority of companies (59%) and employment (52%), but biopharma remains the sector's economic engine, generating £81.5bn, or nearly two-thirds of total turnover. Manufacturing-led employment grew 2% to 120,200, while R&D-led employment declined. The UK had 8,800 life sciences sites, down 3%. The South East remained the largest regional cluster with 1,700 sites, followed by London, the East of England, the North West and the East Midlands. The North West was the only region to record employment growth, up 8%. At local-authority level, South Cambridgeshire had the largest concentration with 260 sites, ahead of Westminster, Camden, Cheshire and Cambridge.

**Industrial strategy: £6.5bn of commitments in one quarter**. The government's Industrial Strategy update for July to September 2026 records more than £6.5bn of investment commitments into its eight growth sectors, much of it focused on innovation-related sectors such as life sciences, digital and AI, defence and advanced manufacturing, alongside over £2.4bn of public finance support and around 27,000 jobs linked to those commitments. For science and innovation real estate, the headline items are GSK's £400mn, 300,000 sq ft flagship R&D centre at Cambridge Biomedical Campus for more than 1,000 scientists; Chemify's £89.9mn global HQ and automated-chemistry plant at Glasgow's Health Innovation Hub (up to 300 jobs); Rubrik's £375mn UK expansion and EMEA headquarters in London; DataVita's £300mn of data centres in the Lanarkshire AI Growth Zone; and more than £3bn of public-private life sciences investment since the Life Sciences Sector Plan launched.

**Tackling skills shortages in digital and tech:** Government forecasts suggest around 800,000 digital and technology roles will need to be filled across industrial-strategy sectors between 2025 and 2035. This is made up of 550,000 new roles in priority occupations and 250,000 roles that will need to be refilled as people leave or retire. The proposed response includes new Technical Excellence Colleges, expanded apprenticeship programmes and a Digital and Tech Skills Deal aimed at increasing early-career opportunities. Local authorities will also be tasked with working more closely with companies to match labour to demand. Birmingham, London, Gloucestershire, Milton Keynes and Manchester are cited locations for technical colleges. Companies that are already working with the government on work placement opportunities are Microsoft, Cisco, IBM, Cognizant, Arm, Kainos, QinetiQ and AtkinsRéalis.

# 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.**


### HEAD OF LIFE SCIENCES AND INNOVATION

**Nicholas Blevins**
Partner, Head of Life Sciences and Innovation – Occupational, Leasing and Development
+44 20 7861 1686
nicholas.blevins@knightfrank.com

### LIFE SCIENCES AND INNOVATION

**Aaron Seyoum**
Agent – Life Sciences and Innovation
+44 20 7861 1144
aaron.seyoum@knightfrank.com

### LIFE SCIENCES AND INNOVATION

**Katherine Russell**
Agent – Life Sciences and Innovation
+44 20 7861 5514
katherine.russell@knightfrank.com

### CAMBRIDGE

**Iain Keys**
Partner – Office Head Cambridge
+44 122 397 2912
iain.keys@knightfrank.com

### UK CITIES

**David Porter**
Partner, Office Head
+44 161 833 7725
david.porter@knightfrank.com

### CAPITAL MARKETS

**Mark Routledge**
Partner, Life Sciences Capital Markets
+44 20 3869 4788
mark.routledge@knightfrank.com

### CAPITAL MARKETS

**Tom Coaker**
Associate, Life Sciences Capital Markets
+44 20 3640 7047
tom.coaker@knightfrank.com

### VALUATION & ADVISORY

**Michael Crowe**
Partner, Valuation Advisory
+44 20 7861 5258
michael.crowe@knightfrank.com

### OCCUPIER CONSULTANCY

**Neil McLocklin**
Partner, Occupier Consultancy Life Sciences and Innovation
+44 20 3909 6836
neil.mclocklin@knightfrank.com

### RESEARCH

**Jennifer Townsend**
Partner, Research Life Sciences
+44 20 3866 8028
jennifer.townsend@knightfrank.com

### CRESA

**John Coakley**
Principal, Boston
+1 617 758 6039
jcoakley@cresa.com

### APAC

**Jonathan Rideout**
Partner
+86 21 6032 1713
jonathan.rideout@cn.knightfrank.com

### APAC

**Lawson Katiza**
Partner
+61 7 3246 8814
lawson.katiza@au.knightfrank.com

### APAC

**Sam Biggins**
Partner
+61 7 3246 8832
sam.biggins@au.knightfrank.com



**Important Notice**

© Knight Frank LLP 2026. This document has been provided for general information only and must not be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this document, Knight Frank LLP does not owe a duty of care to any person in respect of the contents of this document, and does not accept any responsibility or liability whatsoever for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. The content of this document does not necessarily represent the views of Knight Frank LLP in relation to any particular properties or projects. This document must not be amended in any way, whether to change its content, to remove this notice or any Knight Frank LLP insignia, or otherwise. Use of our data on AI platforms, for AI training or machine-learning purposes is strictly prohibited. Reproduction of this document in whole or in part is not permitted without the prior written approval of Knight Frank LLP to the form and content within which it appears.