

CHEFFINS

200 YEAR ANNIVERSARY

DATAPOINT 2024

ANNUAL REVIEW OF THE BUSINESS SPACE MARKET IN CAMBRIDGE

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This latest report reviews the past 12 months of activity in the industrial, office, and life science property markets around Cambridge. It provides an in-depth analysis of key transactions, accompanied by insightful commentary on trends and developments within each sector.

Over the past 12 months, the Cambridge industrial, office, and life sciences property markets have undergone significant shifts. The industrial sector has performed strongly, with high take-up and new rental benchmarks set across the region. In contrast, the office and life sciences markets have faced greater challenges. Despite these headwinds, we remain confident in Cambridge's long-term prospects, a view reinforced by the government's recent commitments to supporting the region.

This report provides an in-depth analysis of key transactions, offering insights into emerging trends and sector developments.

Finally, entering 2025, we are proud to celebrate Cheffins' 200th anniversary – a significant milestone that highlights our rich heritage and unwavering commitment to the region.

This landmark year offers an opportunity to reflect on the achievements of the past while looking forward to an exciting future building on our legacy of success for many years to come.

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Laboratories

After a record level of take-up of approximately 260,000 sq ft in 2023 there was an element of famine following feast in the last 12 months with take up in 2024 falling to 70,245 sq ft.

The previous years' activity has often been constrained by lack of availability, this was not the case over the last year.

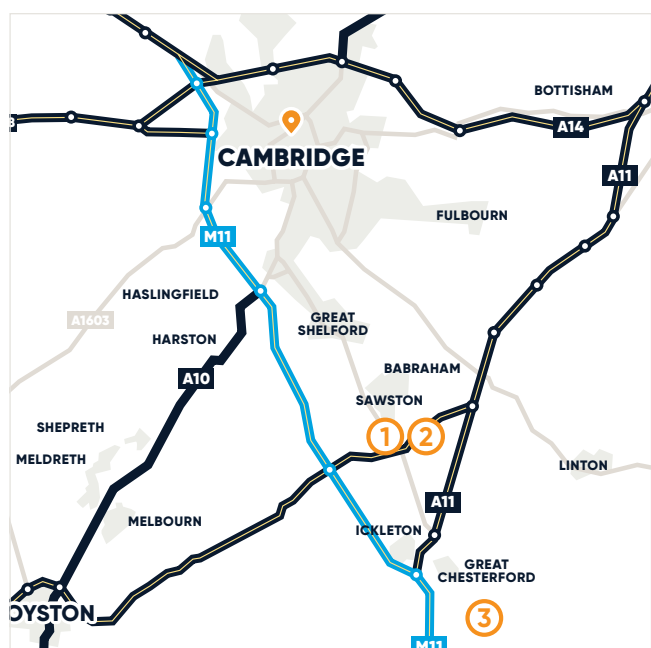
The largest deal of the year was the letting of the 31,000 sq ft Orion Building at Unity Campus to Wellbeck Health, which is a healthcare operator and will be adapting the space for its own use. Other significant deals include Biocrucible doubling its footprint at Chesterford Research Park to circa 19,500 sq ft by expanding into the suite adjoining their existing space in the Emmanuel Building and Vianautis taking a newly fitted space of 10,800 sq ft also at Unity Campus.

Whilst the high level of activity in 2023 will have reduced the backlog of pent up demand, the significant reduction in take up during 2024 is primarily due to wider economic concerns and uncertainties, including elections in both the UK and the US, which has led to low business confidence and reduced availability of funding. The latter is particularly relevant to the type of early stage life science companies which abound in Cambridge and which typically depend on external finance to develop their businesses.

On a more positive note, there were green shoots of positivity towards the end of the year with significant funding deals being announced by a range of companies including Nuclera, BitBio and Constructive Bio and hopefully this trend will continue and lead to increased property requirements during 2025.

Deals have continued to be based on fitted rents with landlords either physically fitting out space to the required specification or providing fit out contributions for tenants to do the works themselves. Rents remained largely unchanged through the year with prime rents for fitted space at £68 psf.

Supply of laboratory accommodation at the end of the year stood at approximately 260,000 sq ft (up from around 140,000 sq ft) and was boosted by delivery of ONE Granta at Granta Park in September, where three floors totalling 79,670 sq ft remain available with T-Therapeutics fitting out the third floor.



Key Lab transactions 2024

- ① Orion Building, Unity Campus
31,000 sq ft to Wellbeck Health
- ② Part Cadence Building, Unity Campus
10,800 sq ft to Vianautis
- ③ Part Emmanuel Building, Chesterford Research Park
9,757sq ft to Biocrucible

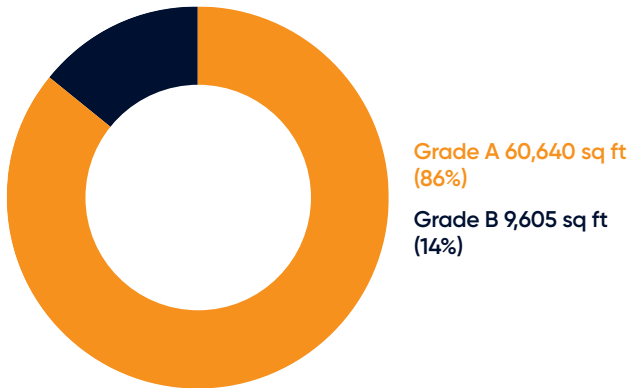
Rents Dec 2024 (per sq ft)

Prime fully fitted	£68.00
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Take up summary 2024

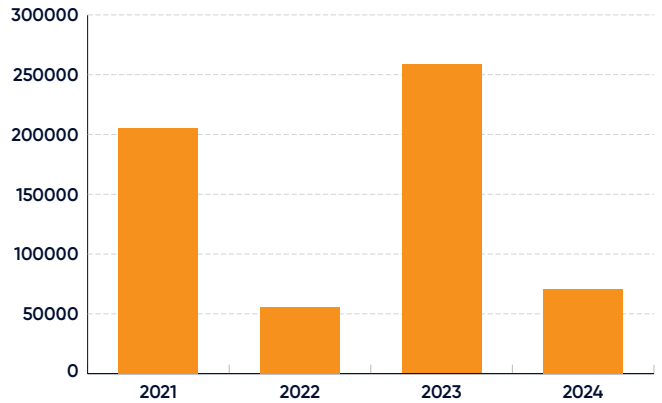
Figure 01
Cambridge area Lab take up 2024 – by grade



There is approximately 90,000 sq ft of availability on the Science Park, including Unit 310 previously occupied by AZ and Unit 316 which has been refurbished and converted from office use. Unusually, there is also availability of both new and refurbished space in a range of sizes at Babraham Research Campus and Life Science REIT have just delivered approximately 10,000 sq ft of fitted incubator space at Cambourne Park.

This figure will increase throughout the year by completion of a number of schemes currently under construction. These include at South Cambridge Science Centre in Sawston where Abstract is due to complete on almost 140,000 sq ft in April, the first phase of Cam Life and Phase 2 of the Press at Foxton. Works are also scheduled to complete in Q4 on B800 at Chesterford Research Park where there will be 59,600 sq ft of fitted space available in suites from around 2k sq ft upwards.

Figure 02
Total take up (sq ft)



In the longer term work is underway on both Vitrum and Merlin Pace on the city's northern fringe which will total almost 300k sq ft between them during 2026. Beyond that it remains to be seen whether a number of the other schemes currently being considered are delivered within the timescales originally envisaged by their promoters.

Whilst 2024 was a challenging year for the life sciences and lab market there is no doubt that the long term story for the sector in Cambridge remains as strong as ever. As highlighted above, there are signs that the funding market is improving as well as reports of increased activity in US markets (particularly on the west coast) with history suggesting that our markets follow suit relatively quickly from that.

2025 has started positively with a number of deals being progressed and, as concerns over the wider global economy hopefully ease, it is expected that this momentum will continue throughout the year.



Unity Campus



Availability summary 2024

Figure 03
Cambridge area Lab availability 2024 – by grade

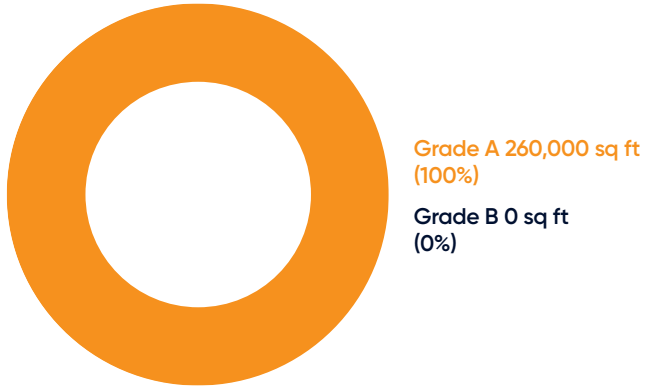
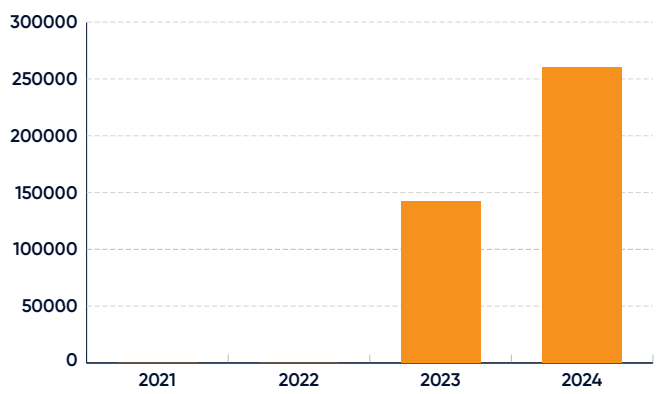


Figure 04
Total availability



One Granta



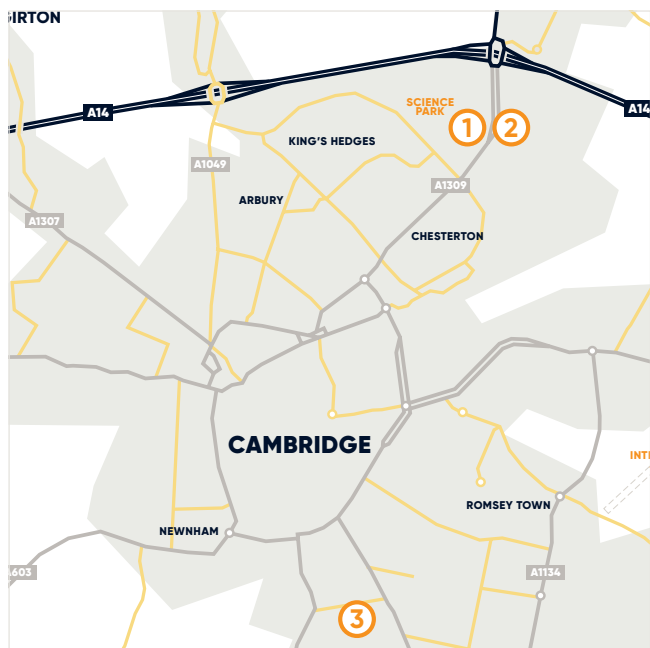
The Cambridge office market faced significant challenges in 2024, with office take-up declining by 59% to approximately 240,000 square feet. This marks a sharp drop from the 2023 figure of 380,000 square feet, highlighting the ongoing struggles in the market. The 2024 take-up is not only significantly below the previous year's level but also falls markedly short of the average take-up over the last five years.

The sharp decline in take-up can be attributed to several factors, including the ongoing impact of hybrid working models, rising operational costs and cautious decision-making by occupiers amid economic uncertainty. Nevertheless, take-up during the first half of the year was notably strong, accounting for 72% of the year's total activity.

The technology sector led the way, highlighted by the largest transaction of the period: the assignment of 196 Cambridge Science Park to Advanced Micro Devices (AMD), which secured 44,569 square feet. It is worth mentioning that this deal was driven by a forced relocation, further emphasizing the dynamic nature of the market.

Despite this, the transaction underscores the enduring appeal of Cambridge for high-profile technology firms, even in the face of broader market challenges. Notably, four of the largest deals in H1 were driven by companies in the technology sector.

Moving into the second half of the year, transactions slowed significantly as occupiers adopted a more cautious approach amid ongoing economic uncertainty and rising operational costs. The initial momentum seen in Q1 and Q2 was not sustained, with fewer large-scale deals being completed.



Key Office transactions 2024

- ① **196 Cambridge Science Park**
44,569 sq ft to AMD (Lease assignment)
- ② **306 Cambridge Science Park**
21,014 sq ft to Cambridge Mechatronics
- ③ **B1 Brooklands**
1,991 sq ft to Penningtons Manches Cooper

Rents Dec 2024 (per sq ft)	Prime	Secondary
City	£65.00	£38.00
Edge of town	£42.00	£36.00



Take up summary 2024

Figure 01
Cambridge area Office take up 2024 – by grade

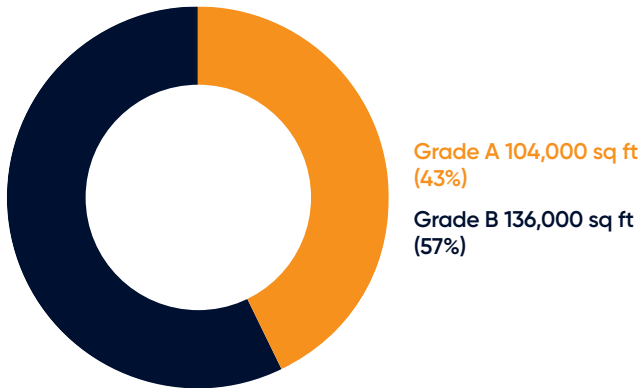
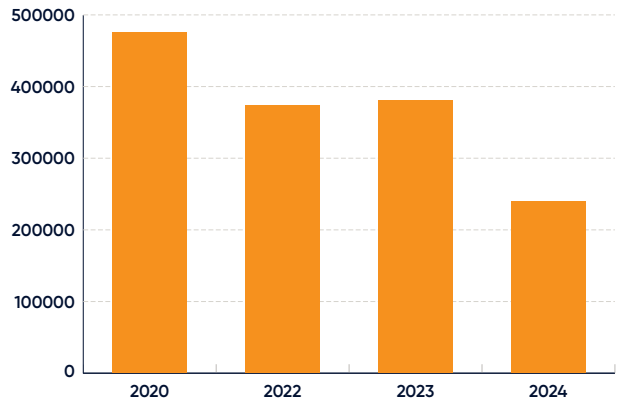


Figure 02
Total take up (sq ft)



This slowdown further emphasized the market’s evolving dynamics, where traditional office demand softened and occupiers became increasingly selective, prioritizing flexible, high-quality spaces to align with their strategic goals.

Key larger transactions in H2 were centred on flexible serviced office options, reflecting occupiers’ shifting priorities toward adaptability and cost efficiency. A notable deal was Luminance securing 6,200 sq ft at FORA, underscoring the growing demand for well-equipped, flexible spaces that cater to evolving business needs. This trend highlights how occupiers are increasingly gravitating toward solutions that offer agility in uncertain economic conditions.

Historically, securing a prime CB1 address has been challenging for many companies, with nearly all previous new-build developments being fully pre-let prior to completion. However, recent shifts in the market have created a unique opportunity for businesses to secure space in this highly sought-after location as availability has increased.

This change presents a rare chance for companies to establish themselves in a prime position, capitalizing on the availability of high-quality spaces that were previously inaccessible.



306 Cambridge Science Park



Brooklands



Office stats and overview



There is currently no new stock due to come to the market in 2025, however Devonshire Gardens is due to complete in 2027 which is circa 110,000 sq ft.

Looking ahead to 2025, there is a sense of optimism in the Cambridge office market, with over 170,000 sq ft of office transactions expected to complete in Q1 alone. Leading this wave of activity is Arm, which is set to take 90,000 square feet at The Optic, an expansion that connects to their existing site at Peterhouse Technology Park.

These Q1 transactions alone would account for 70% of 2024's total office take-up, signalling a potential rebound in market activity and renewed confidence among occupiers. This early momentum suggests that businesses may be adopting a more decisive approach to their real estate strategies, particularly in Cambridge's tech-driven economy.

Availability summary 2024

Figure 03
Cambridge area Office availability 2024 – by grade

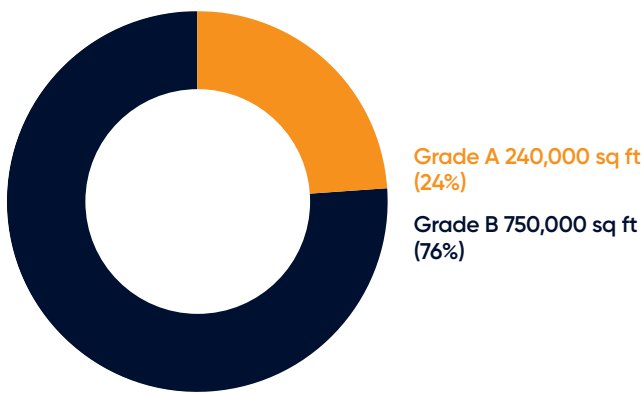
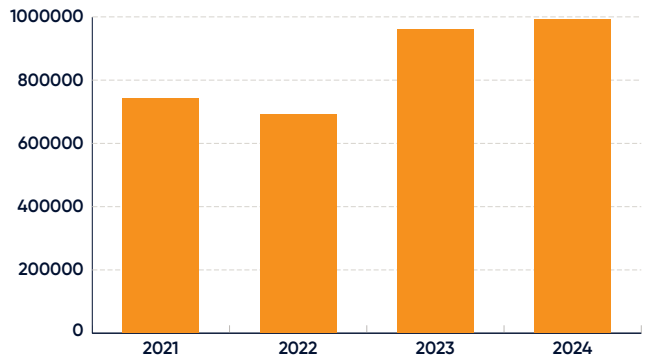


Figure 04
Total availability



26 Cambridge Science Park

Industrial

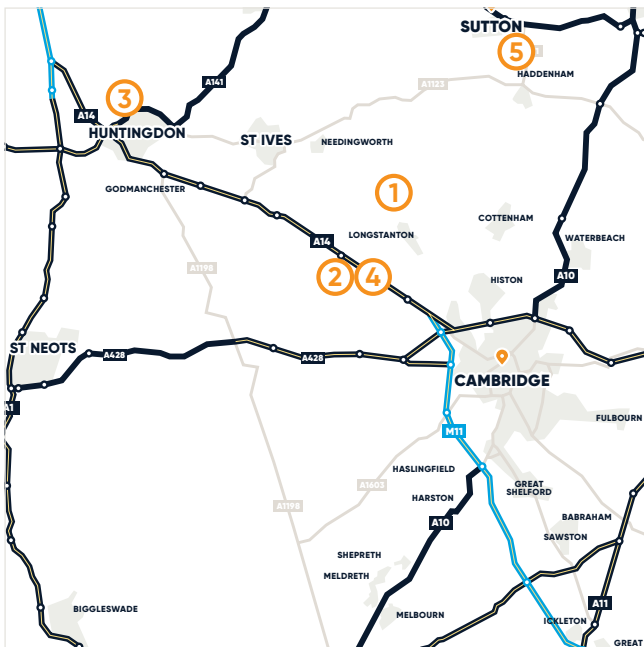
Throughout 2024, sentiment across the local industrial market was negative and you could be forgiven for expecting annual take up to fall below the five year average. However, now that the 'results are in', we are pleased to report the second highest annual take up figures for Cambridge city and the ten-mile radius, since 2020.

In December, a new rental tone was achieved in the city centre with the letting of a refurbished unit on the Clifton Road Industrial Estate to Cambridge Aerospace, reflecting a headline rent of £21.50 per sq ft. Outside of the city, the final letting of Bourn Quarter's 'Phase 1' units occurred with a private company leasing just under 11,000 sq ft of space at a headline rent reflecting £18 per sq ft.

The resilience in the market is clearly a reassurance to all participants but there is a note of caution as we step into 2025 with new prime schemes soon to reach practical completion. Will the upwards trajectory of rents continue?

Take Up Summary

- Demand focussed at the 10k – 20k sq ft range with no transactions above 50k sq ft for the first time in five years
- Take up outside of Cambridge almost double the previous year and significantly above the five year average
- Take up within the city remaining consistent, within 1,000 sq ft of 2023



Key Industrial transactions 2024

- ① **Heraeus Northstowe** 29,709 sq ft freehold sale to Lidl
- ② **Tesla Bar Hill** 45,000 sq ft pre-let to Tesla
- ③ **Lightning 32 Huntingdon** 32,841 sq ft new letting to Smiths Advanced Metal
- ④ **Atom Bar Hill Gateway** 32,451 sq ft new letting to UK Research and Innovation
- ⑤ **Haddenham Business Park** 20,675 sq ft freehold sale to Billingford Holdings

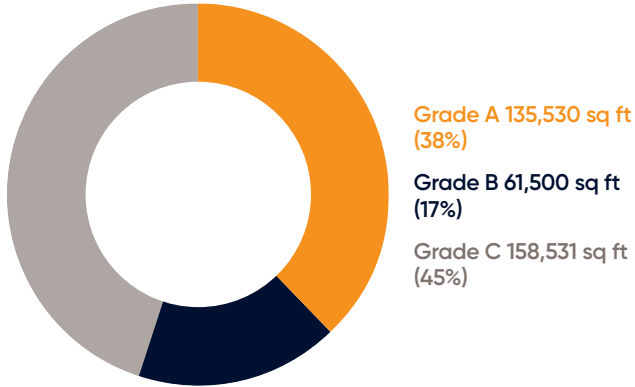
Rents Dec 2024 (per sq ft)

	Prime	Secondary
Cambridge City	£21.50	£10.00
10 miles	£18.00	£8.00-£10.00
Huntingdon	£11.50	£6.00-£7.00
St Ives	£12.00	£7.00
Ely	£12.00	£8.00
Newmarket	£10.00	£8.00
Haverhill	£9.00	£7.00-£8.00
Saffron Walden	£10.00	£6.50
Royston	£14.00-£15.00	£8.00



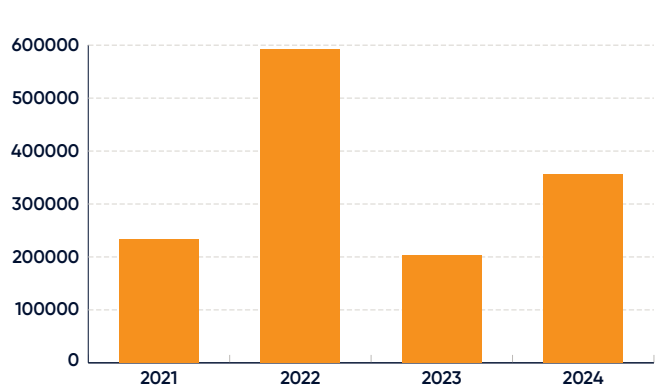
Take up summary 2024

Figure 01
Cambridge area Industrial take up 2024 – by grade



A strong set of take up results in Q1 and Q4 made up for a dismal period during the summer months, particularly within the city in Q2 where not a single new letting took place. This echoes the accepted commentary that remaining Grade A stock at Bar Hill Gateway, Bourn Quarter and Evolution Business Park was swallowed up leaving existing Grade B and C stock on the market for the remainder of the year. A couple of exceptions include 2A Gateway Bar Hill which returned to the market after the first generation tenant defaulted on its lease and Lightning 32 in Huntingdon which let just before Christmas after a longer than expected void period. Interestingly, Q4 was the busiest quarter in terms of take up with over 150,000 sq ft of transactions in the city and surrounds including the largest single transaction of the year; 45,000 sq ft to Tesla at Bar Hill. Other transactions during this period of note include the previously mentioned Lightning 32, Huntingdon letting to Smiths Advanced Metal, the investment sale of Haddenham Business Park and the sale of a 29,000 sq ft secondary grade manufacturing site in Northstowe to Lidl.

Figure 02
Total take up (sq ft)



Tech and science based occupiers looking for 'techbox' premises in 2024 gravitated towards the 10,000 – 15,000 sq ft range with the likes of Immaterial and Hide Biotech all leasing units within this size bracket at rents reflecting prime rental tone of £17-£18 per sq ft. Other examples of these 'cutting edge' occupiers include Vital Sign Solutions leasing Unit 6 Enterprise Cambridge Research Park (5,204 sq ft at £17 per sq ft) and UK Research and Innovation, a public body funded by the science budget, leasing The Atom at Bar Hill Gateway (32,451 sq ft at £13.50 psf).

Within the city, take up ended the year within 1,000 sq ft of the previous year and only one more recorded transaction occurring in 2024 than in 2023. For the first time we saw city centre industrial rents reflect rates in excess of £20 per sq ft, firstly at Coral Trading Park where Unit 23 let to Rama Global Foods and then at Clifton Road Industrial Estate where the previously mentioned refurbished Unit 26 was let to Cambridge Aerospace.

The final note of interest for take up during the period is the number of transactions. In 2024, 41 took place across the city and within a ten mile radius of Cambridge, a sizeable increase on the 36 which took place in 2023.

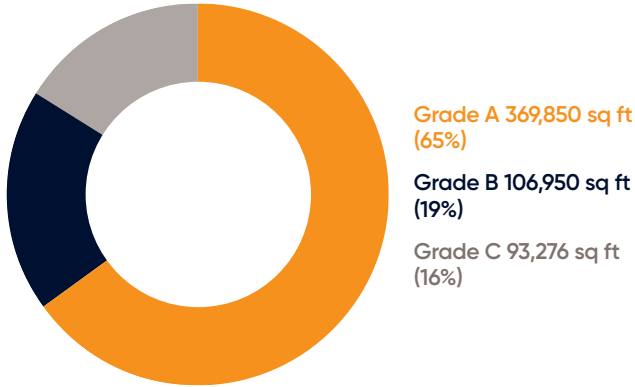


Tesla Bar Hill



Availability summary 2024

Figure 03
Cambridge area Industrial availability 2024 – by grade



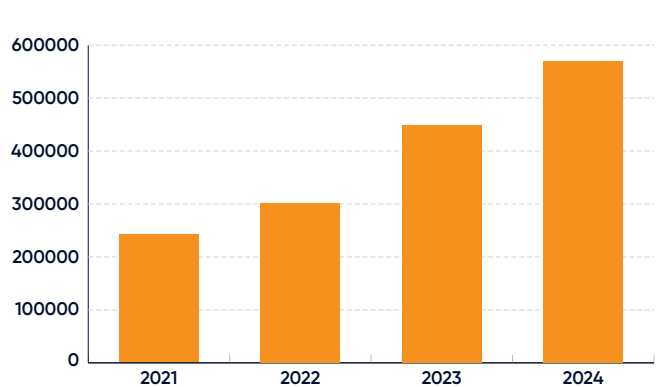
Availability Summary

- New stock soon to complete construction at Accelerator Park and Bourn Quarter 'Phase 2'
- City availability increasing for a third year in succession
- Good quality Grade B stock set to increase in 2025

By the second half of 2025, Grade A stock could account for more than 50% of total availability. In the light of the current macroeconomic challenges, we do not expect to see the same rate of rental growth throughout the lettings of these new schemes as experienced during the respective first phases. Having said this, the quality of product at the likes of Bourn Quarter is market leading and we continue to see Cambridge based businesses who require both office and manufacturing or storage functions identify this type of property as a cost-effective solution in comparison to leasing an office within the city and a separate light industrial premises.

At the time of reporting, there are almost as many Grade B units available as there were in the previous year, however, the average size of unit is down almost 50% from 13,500 sq ft to just over 7,000 sq ft. After most Grade C stock was swept up in Q4, only four units remain currently available outside of the city.

Figure 04
Total availability



Within the city, the Evonetix space in Unit 9a Coldhams Business Park is back on the market after it was leased in 2022 and this instruction alone accounts for 37% of city centre availability.

Looking Ahead

Looking to the year ahead, we expect to see some long-awaited good quality light industrial stock returning to the market including 300 Buckingham Business Park, Swavesey (36,301 sq ft) and in addition, Unit N and Unit P2 Dales Manor Business Park, Sawston which have been purchased and refurbished in 2024 by Canmoor, now forming part of Accelerator Park. Will these units benefit from quoting more competitive rents than brand new stock or will occupiers continue to prioritise Grade A premises?

Beyond 2025 there is further promising news for light industrial and 'techbox' occupiers as planning applications for new schemes are drafted and submitted at Buckingham Business Park where Goya Developments and M&G have purchased the 'Carisbrooke Court' investment; Nucleus Business Park in Newmarket where Chancerygate has just been awarded planning consent for a 50,000 sq ft industrial scheme and a new 'techbox' scheme proposed for The Paddocks on Cherry Hinton Road, Cambridge, submitted on behalf of BAE Pension Fund and Columbia Threadneedle Investments.



Haddenham Business Park





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