

UK Commercial - March 2022

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SPOTLIGHT  
Savills Research

# Life Science Capital Raising in Oxford



Life Sciences • Venture Capital • Global Comparison



“ Understanding the flow of money into and between companies is vital to understand the future direction and quantum of occupier demand within the Oxford life science commercial property market. The capital ignites headcount growth and real estate need in the short to medium-term. ”

**Corporate investment in Oxford in 2021**

In total, corporate investment raised by companies headquartered in the Oxford area totalled around £4.8 billion during 2021, of which over 58% was related to life sciences. Companies in this sector include ‘drug discovery’, ‘discovery tools’ and ‘electronic equipment and instruments’, a category that Oxford Nanopore Technologies, who IPO’d last year, sits within.

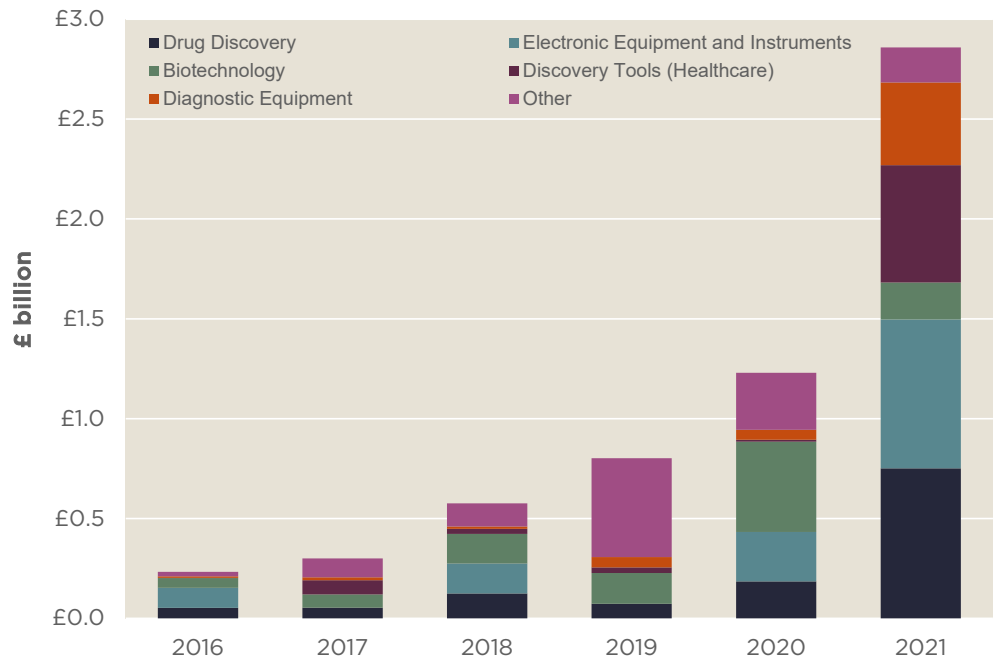
Early and later-stage fundraising, for start-up and scale-up life science companies, often involves venture capital (VC) funding. Capturing and assessing the opportunities of this type is important to track the growth and formation of future companies. In total, during 2021, just over £1 billion was recorded as VC for Oxford. Key deals include Evox Therapeutics and Vaccitech, the latter of which did later-stage VC in 2021 and then an IPO.

The bottom bar chart shows the 2021 VC raised for the life science sector but by global city. For Oxford, sitting in 13th place is an incredible achievement and testament to the city’s global recognition as a centre of life science research and development. This will support the real estate markets in the future.

There is clearly a need to look beyond the Oxford(shire) region to understand the prospects and identify the future occupiers. The combined ‘golden triangle’ of London, Oxford and Cambridge would place it 3rd on the chart, which is impressive and there will be additional occupiers from across the globe that will look to locate in Oxford in the future.

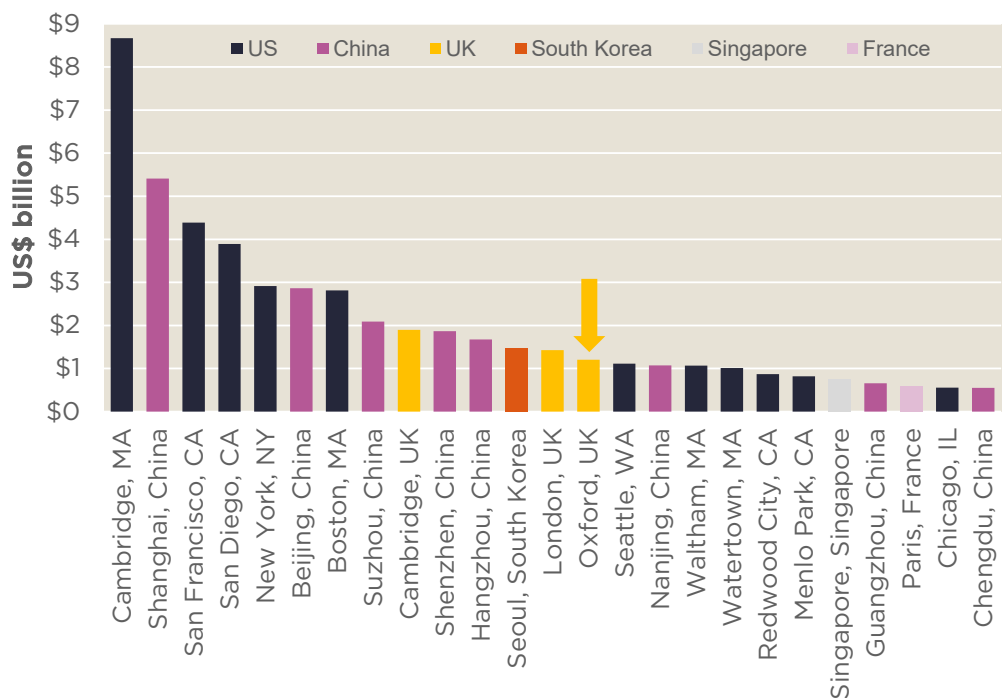
The map shows distinct clustering of capital raises in 2021. Note that the deal symbols in some locations have been spread out to show the quantum rather having the deals sitting on top of each other.

**Oxford capital raises, including IPOs, M&As and Venture Capital by ‘life science’ related companies** The total increased an impressive 133% in 2021



Source Savills, PitchBook Data, Inc. (Data has not been reviewed by PitchBook analysts)

**Global perspective** Looking outside of the UK is key to understanding this market. Savills global network enables a deeper understanding of trends that will affect ‘home’ markets - The US dominates VC raised, but China has seen significant deals

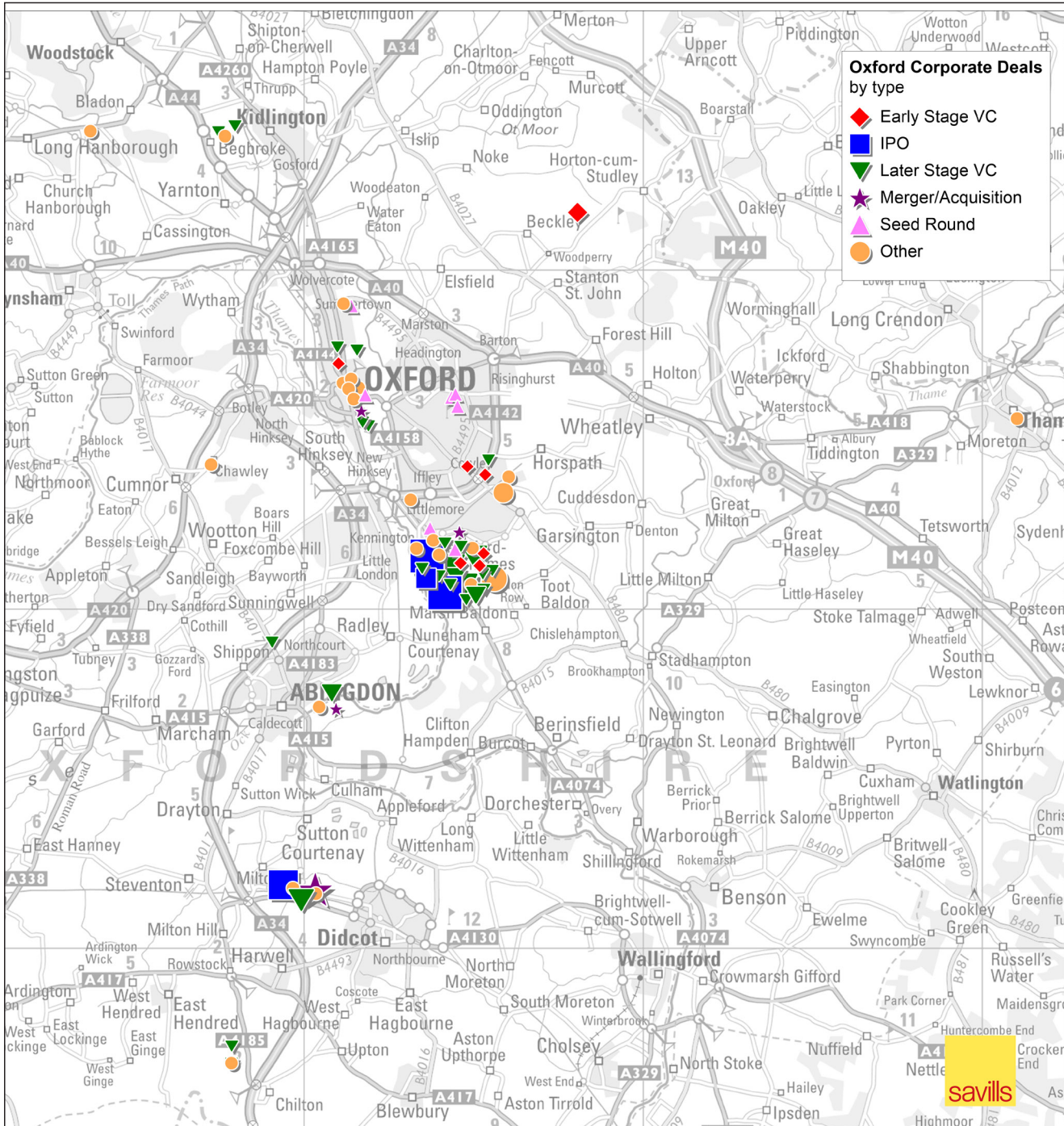


Source Savills, PitchBook Data, Inc. (Data has not been reviewed by PitchBook analysts)

**Cover image:** Oxford North, the new global innovation district - The first commercial phase outlined.

“ The delivery of new buildings in the Oxford market will see an even wider distribution of corporate investment deals in the future. ”

**Oxford(shire) corporate investment in 2021** A significant amount of IPOs activity around Oxford Science Park and Milton Park. Grants and seed funding (‘Other’) occurred primarily in the city centre



**Office market summary**

Oxford’s global reputation has increased significantly and global companies, particularly within the science sectors, will have appetite to benefit from being within the Oxfordshire ecosystem. The laboratory market in Oxford saw four deals between 18,000 and 30,000 sq ft, which shows the sign of a maturing market. These were signed at Oxford Business Park or Harwell Campus. This demand for more laboratory space saw this type of space account for 52% of total take-up in 2021. The availability of office and laboratory space rose by 18% in 2021 due to ‘grey’ space released by tenants, which was predominantly Grade B quality. Total availability stood at approximately 740,000 sq ft at the end of last year. This is expected to recede this year, but only show a 6% reduction by the end of 2022. The city centre market, in terms of rents, will continue to rise at the same trajectory seen since 2020. The limited level of supply, but high level of occupier interest, will see rents move above £50 per sq ft this year.

Source Savills



### Savills Science

Science, R&D and technology sectors all demand specific types of real estate, Savills, using data and expertise across all markets and disciplines will help clients make the best real estate decisions. Savills have established offices, with life science capability, within the key markets across the UK. Savills also has significant expertise in dealing with all aspects of life science real estate, particularly for occupiers, within the key markets in North America and Asia. Having a global understanding of these international markets, with experts 'on the ground', means that Savills can provide an enhanced offering to all types of clients, including occupiers, investors, developers and landlords.



### Savills Commercial

We provide bespoke services for landowners, developers, occupiers and investors across the lifecycle of residential, commercial or mixed-use projects. We add value by providing our clients with research-backed advice and consultancy through our market-leading global research team.

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