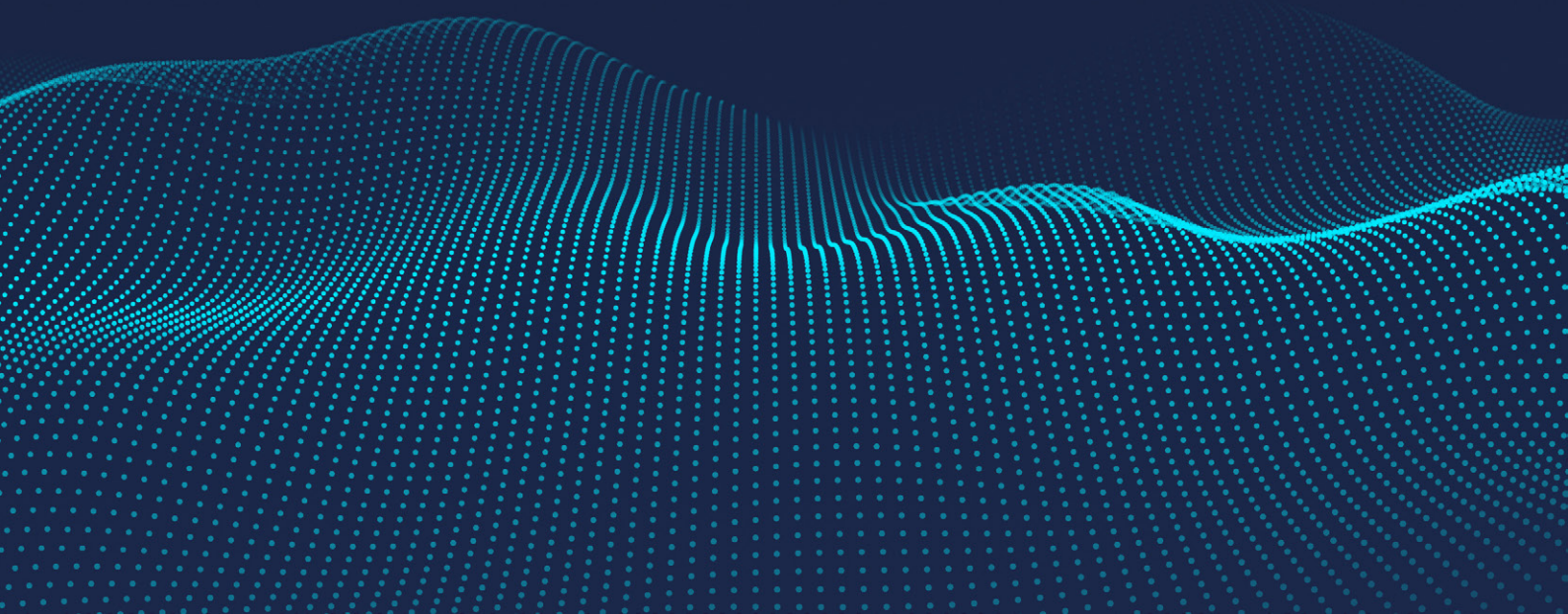
DTRE RESEARCH Q1 2023

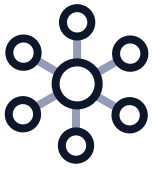
OFFICES & LIFE SCIENCE

INVESTMENT & LEASING

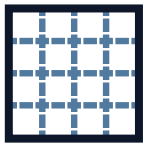
OXFORDSHIRE MARKET REVIEW



5 Things You Need to Know About Life Sciences & Offices in Oxfordshire



77% of take up was transacted in one deal, Moderna's 145,000 sq ft pre-let at Harwell Science & Innovation Campus



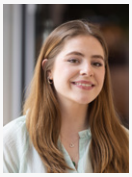
Take up is **104%** up on Q1 2022 levels and **75%** above the 5-year average

There is over **800,000 sq ft** of named life science led demand for the wider Oxfordshire Market

c.£100 million of investment deals are under offer (or available for purchase)

VC funding reached **£125 million** in Q1, according to Beauhurst, adding to the **£2.28 billion** of funding raised over the past three years

Oxfordshire Q1 2023 Report



WRITTEN BY
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Oxford is a true innovation cluster and is home to globally recognised research and development programs offered by the University.

In 2022, the University of Oxford, currently ranked first in all global universities, secured the largest share of quality-related research funding in England at £164.2 million. Additionally, according to Beauhurst, £125 million was raised in Oxfordshire by life science and innovation companies this quarter, **representing 40% of total life science funding in the UK.**

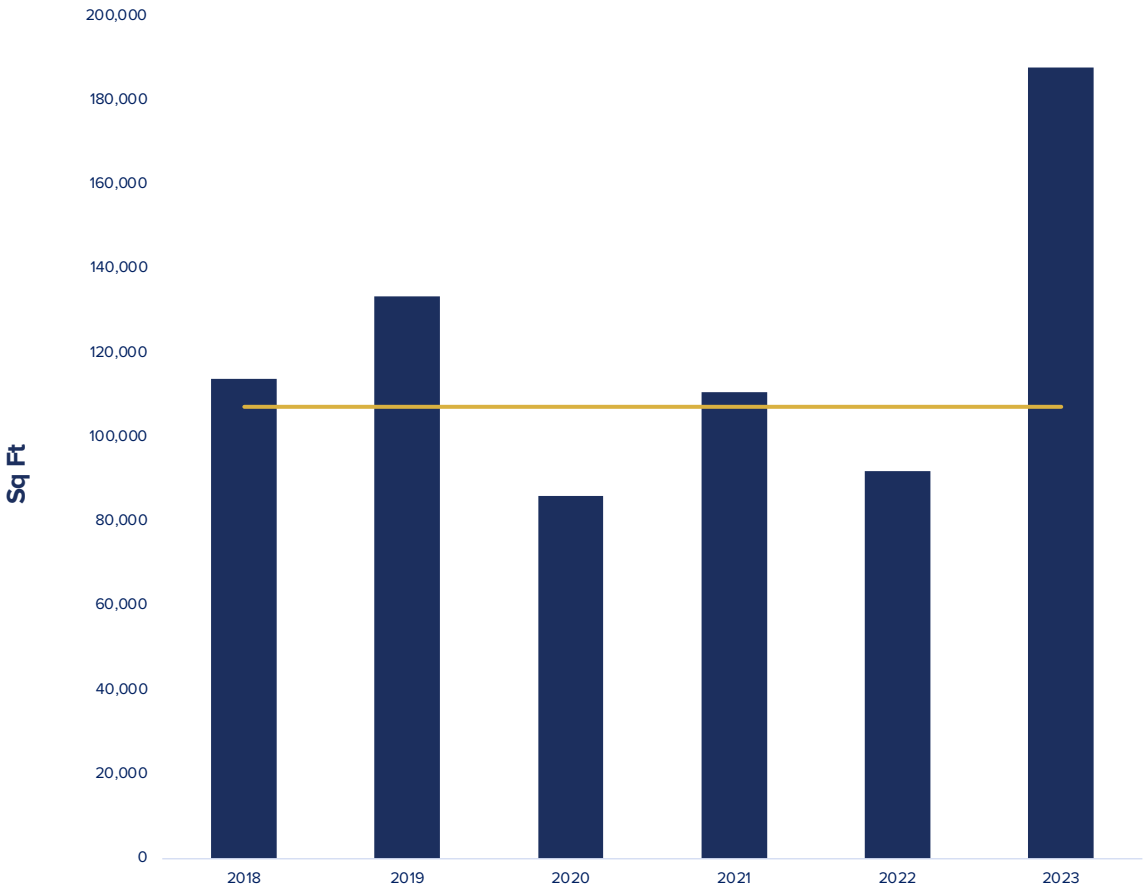
At the end of Q1, Oxford saw the University and its research arm, Oxford University Innovation, achieve the landmark of spinning out 300 companies across the life science and innovation sector.

Combined office and laboratory take up, for space above 5,000 sq ft, in Q1 2023 reached 187,709 sq ft, a 104% increase on 2022 levels, but 60% below the 5-year average.

One £15 million plus investment transaction occurred in Q1 at the 31,500 sq ft Hinshelwood Building, The Oxford Science Park, sold by Mayfair Capital to TOSP for £19.4 million/ NIY 3.86%. Despite 1 transaction, and volumes being down year on year, we can look towards c.£100 million of deals currently under offer or in the market.

FIG 1 →

Office & Lab Quarterly Take Up



Source: DTRE Research

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Occupational

77%
Take up was for laboratory space

800K sq ft
Over 800,000 sq ft of named demand

OFFICES & LIFE SCIENCES

Take up in Q1 was dominated by Moderna's 145,000 sq ft pre-let of The Moderna Innovation and Technology Centre at Harwell Science & Innovation Campus. Making up 77% of Q1 take up, the space will include an R&D facility alongside a clinical biomarker laboratory, with construction to begin this year and complete in 2025.

WAE Technologies took Units 5A&B at Oxford Technology Park at a rent of £24.00 per sq ft across both floors. The 37,200 sq ft mid-tech space is to be opened as a new battery plant and, in **making up 20% of Oxfordshire take up, exposes how vital mid-tech space is for the growth in Oxford's innovation clusters.**

Mid-tech attractively offers occupiers the research and development space at a value alternative whilst also allowing the landlord to rent their industrial space at a higher price, including rentalising the mezzanine.

The development of additional mid-tech space will be prominent in the upcoming years, with 21,250 sq ft of mid-tech R&D space coming to market at Zeta, Harwell Science & Innovation Campus, in Q3 2023, alongside 165,000 sq ft to be delivered by 2024 at Tech Edge, also at Harwell.

Health-tech firm Arcturis leased 5,500 sq ft of office space this quarter at Building One, Oxford Technology Park, for 10 years at £28.66 per sq ft. Joining existing Oxford Technology Park tenants including Native Antigen and Oxford Ionics, Arcturis continues to demonstrate the significance of Oxford for the clustering of innovative companies, even if not solely laboratory-based.

There is **over 800,000 sq ft of named life science led demand** for the wider Oxfordshire Market, predicted to continue to grow in the wake of the last three years of strong fundraising activity for the sector, that saw £2.28 billion raised by 147 companies, as recorded by Beauhurst.

Despite impressive take up at Harwell, total take-up was restricted by limited supply, with t**otal standing availability at c.300,000 sq ft, excluding grey space**. There completely lacks available laboratory space with the largest available space in a single building being 31,700 sq ft of office space at Halley Court, Jordan Hill Business Park, now under offer.

Some of the supply demand imbalance is expected to be addressed with the completion of much needed R&D buildings in the next two quarters. 65,000 sq ft of office and laboratory space is to be completed by Mission Street at Inventa, Botley Road guiding c.£50.00 per sq ft, with a further 25,627 sq ft of laboratory space at Barton House, and 15,744 sq ft at Sovereign House, both at Kadan's Abingdon Science Park, being delivered in July and may respectively. Furthermore, the Inversen Building at The Oxford Science Park, currently under construction, will bring 110,500 sq ft of purpose built laboratory and office space by summer 2023.

Ellison Institute for Transformative Medicines also submitted a planning application for a new R&D facility on The Oxford Science Park that will focus on reconceptualising cancer treatments. The proposed design reuses much of Littlemore House alongside a new planned building on Plot 18 at the park.

Investment & Development

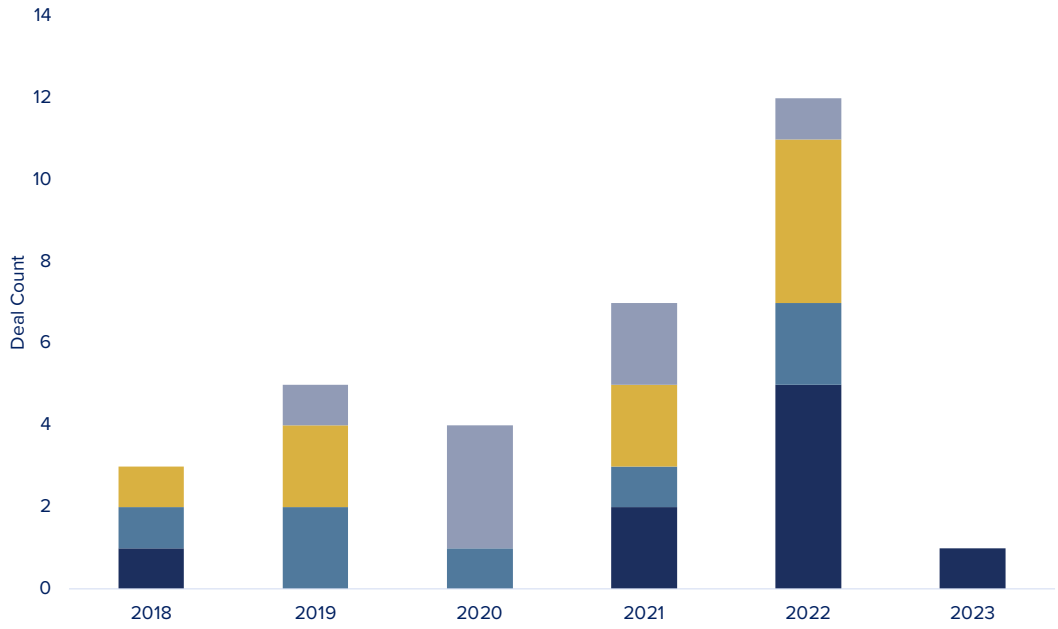
DTRE advised Mayfair Capital on the sale of the 31,600 sq ft Hinshelwood Building at The Oxford Science Park to TOSP for £19.4 million/ NIY 3.86%.

Occupied by TripAdvidor with vacant possession possible at the end of Q2 2023, this office space was marketed as an opportunity to fully reposition the asset into laboratory use.

In 2022, the largest number of deals occurred in Q1, however **the number of deals in Q1 2023 is down 90% on these levels** with just one deal above £5 million occurring.

FIG 2 →

Office & Laboratory Deal Count

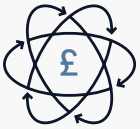


Source: DTRE Research

There is currently £40 million of office and laboratory space available, with Building 2700 on ARC's Oxford Business Park under offer after quoting £60 million. The asset can be converted into an R&D laboratory space, responding to the unsatisfied tenant demand in the sector.

Activity will increase, however, when we look to the £4.56 million package approved by Oxford City Council at the end of last year to fund the design and feasibility works involved in reopening the Cowley Branch Line to passengers. This is a key step towards the significant enhancement of rail connectivity within Oxfordshire and is vital for the life science sector. The plans will create two new passenger stations in the east and the south of Oxford with both stations to serve existing and new life science development plans. The stations are due to be located next to the Oxford Science Park and ARC Oxford.

Improving access to key areas of employment and key pools of talent, advancing on the interconnectivity between Oxford's life science clusters, and progressing on Oxford's ties with London, will project Oxford's innovation sector forwards.



c. 100 million
Office and laboratory space under offer or available

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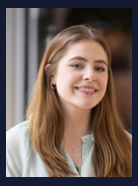

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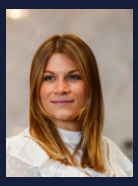

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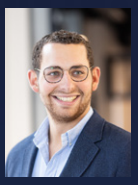

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