

A Shot In The Arm For The City? Life Sciences & London



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At a quick glance, the storied City of London - the nation's financial hub - has little in common with the UK's life sciences sector. It's suits, not lab coats.

But, can many of the same characteristics that make the City the country's financial engine room also power something special in life sciences?

The UK Government describes the life sciences sector as among the most valuable and strategically important to our economy, as well as being critical to the country's health, wealth, and resilience (Life Sciences Vision 2021).

With its reputation as one of the historic birthplaces of commerce and trade, the City has been making significant strides in diversifying its economy and nurturing a thriving innovation ecosystem.

The reasons are clear:

Global Financial Hub: The City's established position as a global financial hub provides a solid foundation for innovation. Its high concentration of financial institutions, venture capital firms, and angel investors have fuelled the growth of start-ups and scale-ups in the life science sector across the UK.

Infrastructure and Connectivity: The City's excellent infrastructure, including high-speed internet connectivity and resilient power network, is essential

for start-up bio-technology companies, providing them with the mission-critical elements to conduct their research and race towards the next milestone. Its central location and robust transport infrastructure make it easily accessible for talent, investors, and partners from across the capital and beyond.

Government Support and Initiatives:

Both the City of London Corporation and the UK Government have recognized the potential of the City becoming a global innovation cluster. Initiatives such as the Future City Initiative and the FinTech Strategy, along with funding programs and tax incentives, demonstrate the commitment to fostering innovation and attracting investment. These efforts enhance the City's competitiveness and attractiveness as a destination for start-ups and entrepreneurs.

Collaboration Opportunities:

The City of London offers numerous opportunities for collaboration between start-ups, established businesses, and research institutions. The close proximity of major financial institutions, law firms, and consultancy firms encourages knowledge sharing, mentorship, and strategic partnerships.

A life sciences innovation cluster in waiting, but...

There is real potential for the City of London to become an innovation cluster for life sciences in the UK – much as the Golden Triangle of London, Oxford and Cambridge acts as a pre-eminent cluster in healthcare. Between the three cities, they attract foreign direct investment and drive economic growth for the UK at large, contributing over 45% of the £94.2bn turnover generated by the sector in 2021.

An innovation cluster is defined as a geographic concentration of interconnected companies, research institutions, and supporting organizations that collaborate and innovate within a particular industry or field.

For the life science sector, innovation clusters play a crucial role in fostering knowledge exchange, and advancement in research and development. These clusters bring together various stakeholders such as pharmaceutical companies, biotechnology firms, academic institutions, teaching hospitals and venture capitalists.

The crucially missing component at present, is suitable real estate for these companies. While the technical specification of these buildings is exacting, in a market with approximately 125 million sq. ft of standing office buildings, it is inconceivable that there are not buildings that would support a conversion to laboratories.

With over one million square feet of named life science occupier demand, and availability of less than one per cent, this is an oversight and London itself should be viewed as the cluster. There is significant strength in marketing London as a cohesive cluster given its access to specialized talent pools, shared resources and infrastructure, collaboration opportunities, funding sources, and a world class transport system allowing an individual to get from Canary Wharf in the East to White City in the West in as little as 38 minutes.

As with many emerging sectors, fortune has favoured the brave, and those that move quickly stand to benefit from the current supply demand imbalance.

By embracing emerging technologies and diversifying its economic base, the city can drive forward breakthroughs in life sciences, biotechnology and related sectors, contributing to London's position as a global innovation hub.

The City of London's journey from a financial powerhouse to an innovation powerhouse is underway, and the stage is set for its emergence as a thriving and dynamic life sciences cluster in the heart of the Capital.