QUY TECH

LAND TO THE NORTH OF THE A14, STOW CUM QUY

Commercial Property Demand and Need Review

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Quy Tech – Land to the north of the A14, Stow cum Quay

Commercial Property Demand and Need Review

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SECTION 1 -

EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

This report considers the need for employment development at 'Quy Tech' based on market evidence and analysis for both the office and industrial sectors within the South Cambridgeshire sub-market.

The report sets out the scale of the proposals and then goes on to review the local employment market including:

- Supply - Existing / Under Construction / Under Renovation / Proposed
- Construction
- Availability / Vacancies
- Leasing Activity
- Vacancy Rates
- Rent
- Sales

The central jobs forecast informing the Draft Greater Cambridge Local Plan assumes growth of around 4,000 additional jobs per annum. Draft policy S/JH therefore identifies a need for 73,300 additional jobs over the period 2024-2045. Need is specifically identified for:

- 302,600 sqm offices and 600,000 sqm of Research and Development (R&D) space
- 317,000 sqm of industrial / warehousing (use classes B2/B8).

We have significant concerns that the needs identified do not reflect Cambridge's potential and are not sufficiently ambitious.

The Employment and Housing Evidence Update 2025(EHEU), which informs the Draft Greater Cambridge Local Plan, assumes a 'central' rather than a 'high' jobs growth scenario, in effect downgrading growth to a lower longer term growth trend (the last 20 years) rather than the higher rate of growth seen in Greater Cambridge over the last 10 years. The EHEU assumes that this is the most realistic scenario on the basis of the anticipated housing delivery.

It is not clear in the context of the Government's ambitions for Greater Cambridge, reflected in the establishment of the Cambridge Growth Company, why the draft Cambridge Local Plan would assume an impediment to the higher growth scenarios and adopt the 'central' scenario.

It is clear for example that scenarios modelled in the Government's research identify need for employment floorspace going forward in excess of that aspired to the in draft Greater Cambridge Local Plan.

According to the Government's "*Greater Cambridge: Growth Scenarios*" research additional activity in knowledge intensive sectors and housing delivery could enable a substantial increase in employment. Their growth scenarios research identified that Greater Cambridge could support 380,000 to 465,000 jobs by 2050 - almost doubling of the size of the existing Greater Cambridge workforce with employment around 20% to 45% higher than in the baseline forecast.

The growth scenarios represent faster employment than observed historically with the increase in employment primarily driven by knowledge intensive sectors which the economic strategy of the Greater Cambridge Local Plan is focussed on. It is evident that the strategy of the draft Greater Cambridge Local Plan is not as ambitious as it should be and critically not as ambitious as the Government would like it to be.

This Assessment concludes that:

- The need for employment, and especially knowledge-intensive employment in Greater Cambridge, is much greater than that identified and allocated for in the draft Local Plan.
- The identified needs in the evidence base underpinning the draft Greater Cambridge Local Plan do not reflect new and emerging trends.
- The conclusions drawn in the evidence base to the draft Greater Cambridge Local Plan are primarily quantitative i.e. simple floorspace figures, without qualitative assessment of the location, nature and setting of accommodation needed. Fundamentally, this work fails to recognise the growing need for campus based contemporary commercial floorspace.

We are extremely concerned that the economic forecasts for the Draft Greater Cambridge Local Plan are not as ambitious as they should be and do not match up to the Governments aspirations for the area. As a result, too few sites are allocated for employment development. There is a strong argument for Greater Cambridge to look again at the evidence which underpins the economic strategy and to positively plan for more economic development growth.

The report concludes that there remains a gap in the commercial / employment land market for ‘Quy Tech’ – especially if targeted at the ‘mid-tech’ sector given the lack of proposed accommodation towards the east of Cambridge with direct access to the A14.

There are established commercial business and science parks north of Cambridge (e.g. Cambridge Science Park, Cambridge Business Park, St John’s Innovation Park) with redevelopment of older buildings on these sites focusing on the provision of multi-storey office / R&D / laboratory space primarily. Proposals for Cambridge North have also primarily focused on this sector (alongside the reprovision of warehouse / manufacturing accommodation).

Constraints to delivery however, including obtaining vacant possession and finding solutions to either relocate or consolidate major infrastructure to facilitate development, have hampered delivery to date. As a result, occupiers located to the north / east of Cambridge seeking mid-tech / production / hybrid spaces have been forced to seek relocation options further and further out of the City including at Cambridge Research Park, Waterbeach or further still at Lancasterway Business Park, Ely. Businesses located elsewhere in the city have followed this pattern taking space at locations such as Bourn Quarter, Cambourne, Barr Hill or Sawston.

Furthermore, the proposed relocation of Marshall Group from Cambridge Airport to Cranfield University, Bedford could have freed up space for the delivery of some 20,000m2 (gross internal area) of B2/B8 employment floorspace alongside mid tech space. However, their decision in October 2025 to instead stay will prevent that much needed supply from coming forwards. This gives rise to the opportunity for Quy Tech to support the continued delivery of residential accommodation towards the east of Cambridge with much needed employment space.

The provision of mid-tech accommodation at Quy Tech will complement the growth and redevelopment of the established northern business and science parks. It will offer hybrid accommodation that enhances the office / R&D / lab focused offer at these northern parks whilst providing an alternative to long distance relocations helping to retain businesses within the immediate

Cambridge area. It has the ability to provide highly accessible accommodation where needed with the importance of this increasing given the constraints to delivery at other sites including Cambridge Airport.

There is a clear shortage of large-scale office, R&D, and mid-tech space in the eastern Cambridge corridor, where the subject site is located. Industrial and light industrial provision is similarly constrained, with few options for units above 50,000 sq. ft. This site represents a development opportunity well located to bring forward, high-quality space to meet these unmet needs.

The potential exists to grow further Cambridge's innovative commercial sector. It is evident however, especially having regard to current construction activity, that the aspirational growth in economic activity sought by the Government for Greater Cambridge will require specific catalysts such as the provision of a new multi-faceted employment campus for greater Cambridge, able to provide the modern flexible floorspace and complimentary facilities, including housing, that the innovative sector requires. It is evident that new operators simply won't locate in Cambridge without contemporary accommodation tailored to their needs.

No site in Greater Cambridge has been identified to provide a new campus-based employment facility able to offer complementary facilities, such as housing targeted to the needs of the employment operators. This represents a lost opportunity. It is unclear how policy will deliver Greater Cambridge's Vision to maintain Cambridge's global reputation without such forward thinking, innovative proposals able to tap into contemporary commercial needs and attract new operators to Greater Cambridge.

East Cambridge is a clear direction of travel for growth in Greater Cambridge. The failure to recognise the east of Cambridge as a wider gateway opportunity, with the necessary infrastructure and connectivity already in place, to sustain greater levels of economic and residential growth represents a wasted opportunity.

It requires forward thinking, proactive policy that responds to market demands to provide the necessary conditions to attract future innovative businesses not reliance simply on past trends and historic economic growth rates. Cambridge East, and namely Quy Tech, provide the perfect environment in which to bring forward the necessary employment multi-faceted campus facility.

Quy Tech is just 250m north of the Cambridge East allocation and ideally located to connect into and complement new development to the east of Cambridge, including at Marleigh and Springstead Village. In terms of wider connectivity, the site has direct access to the A14, whilst the Cambridge East development, Newmarket Road travel hub and Cambridge North are all directly accessible from the site by standalone foot and cycle routes. Focusing on the mid-tech sector will attract advanced engineering, technology and life science firms not currently present to the east of Cambridge, supporting further the residential development proposed in the area.

Quy Tech offers the unique opportunity to create a campus that prioritises mid-tech facilities, requiring adaptable floorplates to cater to hybrid occupiers and the flexibility of office, lab, and light manufacturing capabilities. It is then proposed that the Site can be supplemented by a proportion of office / R&D space with supporting amenities.

It is proposed that Quy Tech comprise not only employment accommodation, but bespoke housing able to complement the employment uses i.e. short term leases to attract global researchers, and other wider ancillary facilities demanded by innovative and global operators. Furthermore, Quy Tech offers the opportunity for this new floorspace to be self-powered through an onsite solar farm. A completely self-sufficient and sustainable approach to energy requirements.

Quy Tech offers real potential to underpin wider growth aspirations to the east of Cambridge with the ability to integrate, through strong physical linkages, and support both the residential and employment uses to come forward as part of the Cambridge East allocations. In this respect the site would both help promote and sustain the City's innovative global reputation whilst also supporting sustainable growth and in so doing respond positively to the development vision as set out through the draft Plan. Furthermore, the development has potential to integrate renewable energy solutions, largely self-powering through the proposed solar, and prioritise green transport options alongside designing buildings to meet high environmental standards (e.g., BREEAM Excellent or Outstanding).

It is on this basis that Quy Tech is recommended for allocation for employment development in the draft Greater Cambridge Local Plan.

SECTION 2 -
SITE OVERVIEW

2. SITE OVERVIEW

2.1 Location

Land to the north of the A14, Stow cum Quy.

2.2 Site Plan

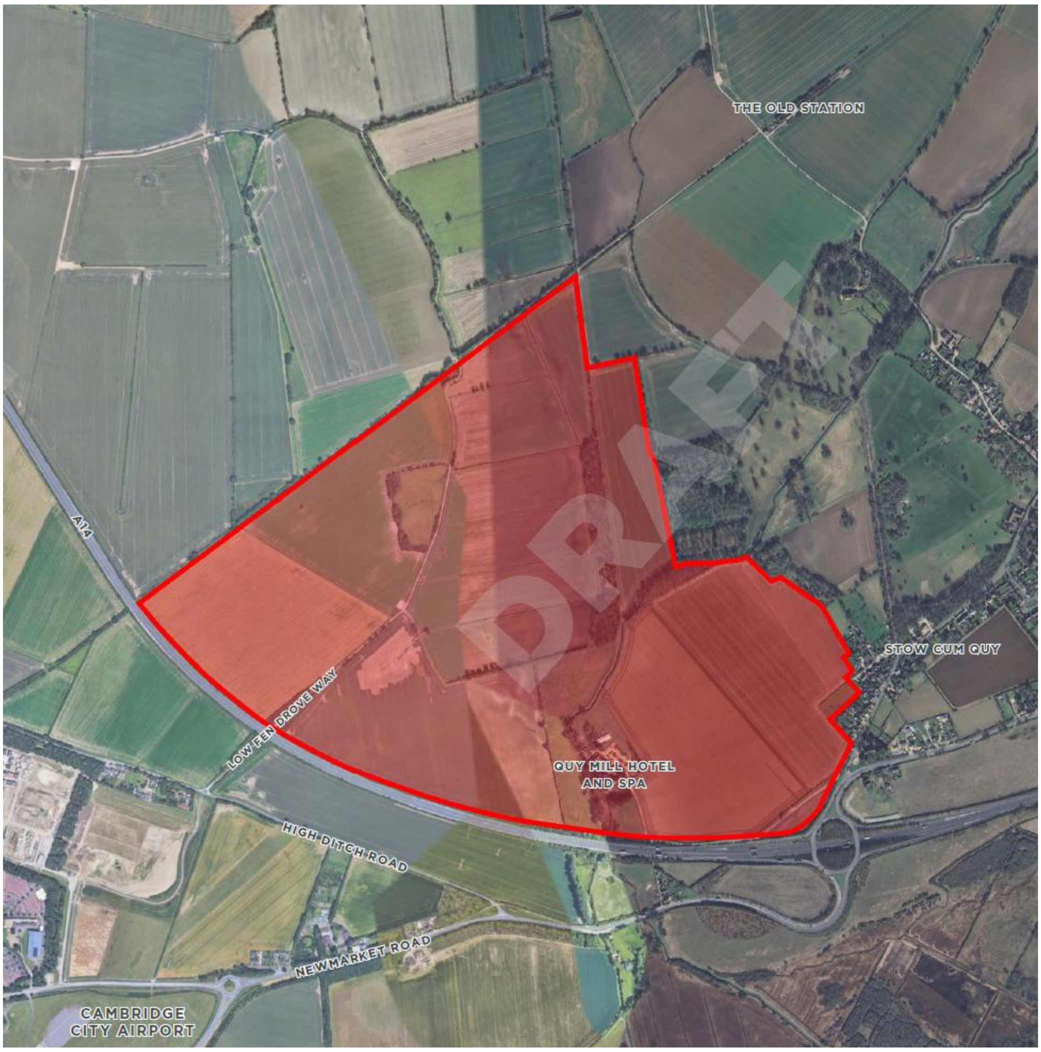


Figure 1 – Site Plan

2.3 Local Planning Authority

South Cambridgeshire District Council (Greater Cambridge Shared Planning Service).

2.4 Site Description

- The site is located within the Green Belt.
- Central areas of the site fall within flood zone 2 and 3.
- The site is within a sand and gravel, and limestone minerals safeguarding area.
- Proposals for the site to preserve and enhance the setting of nearby heritage assets.
- Potential for access via junction 35 of the A14.
- Land at Cambridge East is located to the south west of the site on the opposite (southern) side of the A14 and is allocated for:
  - a. Land north of Newmarket Road will deliver approximately 1,300 dwellings during the plan period.
  - b. Land north of Cherry Hinton will deliver approximately 420 dwellings during the plan period (it adjoins land allocated in Policy 13 of the Cambridge Local Plan for 780 dwellings).
- Opportunities to provide a large area of open recreational space/country park.
- Opportunities to provide a solar farm.

2.5 Description of the Proposed Development

- The site is considered to have potential for the development of a mixed use campus including commercial, campus housing, campus amenities and solar.

Figure 2 – Indicative Development Framework Plan

- There is a clear shortage of large-scale office, R&D, and mid-tech space in the eastern Cambridge corridor, where the subject site is located. Industrial and light industrial provision is similarly constrained, with few options for units above 50,000 sq. ft. This proposal seeks to provide flexible, high-quality, space to address these unmet needs.

- Creating a campus that prioritises mid-tech facilities that includes adaptable floorplates to cater to hybrid occupiers requiring office, lab, and light manufacturing capabilities is the principal focus of this opportunity. It is intended that this can also then be supplemented by a proportion of office / R&D space with supporting amenities.

- Focusing on the mid-tech sector will help positioning the scheme to attract advanced engineering, technology and life science firms.

SECTION 3 –

OVERVIEW OF PRIMARY CAMBRIDGE BUSINESS & SCIENCE PARKS

3. OVERVIEW OF MAIN CAMBRIDGE BUSINESS & SCIENCE PARKS PLUS PRINCIPAL INDUSTRIAL ESTATES

3.1 Overview of the Main Cambridge Business & Science Parks

Below is a list of the main business, science and technology parks in and around Cambridge, grouped by location and focus.

3.1.1 Core Cambridge Science & Tech Parks (City / Immediate Fringe)

- **Cambridge Science Park**
  - **Location:** North Cambridge (near A14 / Milton)
  - **Established:** 1970 (UK's first science park)
  - **Focus:** Life sciences, deep tech, AI, hardware, R&D
  - **Notable occupiers:** AstraZeneca (historic), Philips, Broadcom, many scale-ups
  - **Scale:** ~150 acres
  - **Profile:** Flagship park; highly institutional ownership

- **Cambridge Biomedical Campus**
  - **Location:** South Cambridge
  - **Focus:** Life sciences, biomedical research, healthcare
  - **Key institutions:** Cambridge University Hospitals (Addenbrooke's), AstraZeneca HQ, MRC, Cancer Research UK
  - **Profile:** One of Europe's largest biomedical clusters
  - **Often treated as:** Its own market within Cambridge

- **Cambridge Business Park**
  - **Location:** North Cambridge, off Milton Road
  - **Focus:** Tech offices, R&D, HQ space
  - **Notable occupiers:** Amazon, Arm (historically), Bright Horizons
  - **Profile:** Established, high-quality office campus
  - **Nearby:** Cambridge Science Park

- **St John's Innovation Park**
  - **Location:** North Cambridge
  - **Focus:** Innovation, spin-outs, early-stage to mid-scale companies
  - **Profile:** University of Cambridge-linked
  - **Strength:** Incubator and grow-on space

- **Other City Centre Developments**
  - **CB1** – Station Road and Hills Road – mixed [predominantly HQ offices]
  - **Brooklands** on Shaftesbury Road 6,410 sq. m (69,000 sq. ft) – development [offices]
  - **Botanic Place** (100-112 Hills Road) 28,799 sq. m (310,000 sq. ft), consented but not yet under development [offices]
  - **1-3 Hills Road** 23,504 sq. m (253,000 sq. ft) proposed potential subject to planning [development site being marketed for office or life science use]
  - **Grafton Centre** – shopping centre recently sold with plans for redevelopment into office / laboratory accommodation.

3.1.2 South & South-East Cambridge (Life Sciences Corridor)

- **Babraham Research Campus**
  - **Location:** South-east Cambridge
  - **Focus:** Life sciences, bioscience, agri-bio
  - **Profile:** World-class research + commercial spin-outs
  - **Scale:** Major expansion ongoing / planned
  - **Investor view:** Prime life-sciences real estate

- **Granta Park**
  - **Location:** Great Abington (A1307)
  - **Focus:** Life sciences, pharma, biotech
  - **Notable occupiers:** Illumina, TTP, Abcam (historic)
  - **Scale:** ~120 acres
  - **Profile:** Leading South Cambridge science park

- **Wellcome Genome Campus**
  - **Location:** Hinxton (south of Cambridge)
  - **Focus:** Genomics, bioinformatics, data-led life sciences
  - **Institutions:** Wellcome Sanger Institute, EMBL-EBI
  - **Profile:** Global significance, heavy R&D bias

- **Capital Park (Fulbourn)**
  - **Location**: Fulbourn, east of Cambridge (A14 / A11 access)
  - **Focus**: IT, life sciences, hi-tech R&D and light manufacturing
  - **Profile**: Small-to-mid scale business / technology park
  - **Occupier type**: Owner-occupiers, specialist SMEs, spin-outs
  - **Building stock**: Low-rise office, R&D, hybrid industrial
  - **Market position**: Secondary but established Cambridge fringe location

- **Peterhouse Research Park**
  - **Location:** Trumpington, south Cambridge (near M11 / A10)
  - **Ownership:** University of Cambridge (Peterhouse College)
  - **Focus:** IT, software, digital technology, research-led businesses
  - **Occupier profile:** Early-stage to mid-scale tech firms
  - **Scale:** Small park / campus environment
  - **Strength:** University association and South Cambridge proximity
  - **Market tone:** Niche, innovation-focused rather than prime institutional

- **Cambridge International Technology Park (Cherry Hinton)**
  - **Location:** Cherry Hinton, south-east Cambridge
  - **Status:** Allocated / emerging development land rather than fully developed park
  - **Intended uses:** Technology, R&D, employment-led development
  - **Planning context:** Sensitive edge-of-city location; subject to planning and delivery constraints
  - **Market role:** Future employment growth site
  - **Investor interest:** Medium / long-term development play rather than income-producing asset

- **Chesterford Research Park**

        - **Location:** Little Chesterford, south of Cambridge (M11 J9)
        - **Focus:** Life sciences, diagnostics, IT, applied research
        - **Scale:** One of the larger parks in the South Cambridge sub-region
        - **Notable strength:** Strong transport connectivity (M11 + rail)
        - **Occupier mix:** R&D-led businesses, some lab-capable accommodation
        - **Market perception:** Established and growing; slightly more commercial than academic campus parks
        - **Investment view:** Considered a core South Cambridge satellite location

    - **Harston Mill & Sagentia Innovation Campus**
        - **Location:** Harston, south-west of Cambridge (A10 corridor)
        - **Focus:** Technology innovation, engineering, applied R&D
        - **Anchor occupier:** Sagentia Innovation
        - **Profile:** Specialist innovation campus rather than conventional business park
        - **Building type:** Adapted mill / campus-style R&D space
        - **Appeal:** Companies needing high-value R&D collaboration environment

    - **Melbourn Science Park**
        - **Location:** Melbourn, south-west of Cambridge (near A10)
        - **Focus:** Life sciences, diagnostics, hi-tech manufacturing
        - **Occupier profile:** Owner-occupiers, scale-ups, medical device firms
        - **Building stock:** System-built labs, R&D and light industrial
        - **Market position:** Established satellite science park
        - **Strength:** Space for specialist facilities at lower occupational cost
        - **Constraint:** More limited public transport connectivity than core Cambridge

    - **Unity Campus, Sawston**
        - **Location:** Sawston, south of Cambridge
        - **Ownership:** Mission-driven / innovation-led campus
        - **Focus:** Life sciences, med-tech, IT, impact-driven enterprises
        - **Occupier type:** SMEs, spin-outs, social and science-led businesses
        - **Profile:** Campus-style environment with onsite amenities
        - **Market perception:** Emerging innovation campus rather than prime science park
        - **Appeal:** Community-led offer, collaboration, affordability

3.1.3 West Cambridge

- **West Cambridge Campus (University Led Estate)**
    - **Location:** Madingley Road (A1303)
    - **Focus:** Engineering, physical sciences, quantum, AI
    - **Profile:** University of Cambridge owned
    - **Includes:** Departmental buildings + commercial R&D partners
    - **Development:** Ongoing intensification

- **Cambourne Business Park**
    - **Location:** West of Cambridge
    - **Focus:** Business park / tech offices
    - **Profile:** More cost-effective than city locations

3.1.4 North & North-East Fringe / New Settlements

- **Cambridge North / Chesterton Fringe (emerging cluster)**

    - **Location:** Around Cambridge North Station
    - **Focus:** Tech offices, labs, scale-ups
    - **Key schemes:** IQ Cambridge, One Cambridge Square
    - **Profile:** Transport-led growth node

- **Cambridge Research Park**
    - **Location:** South Cambridge, near Babraham
    - **Focus:** Life sciences, biology, chemistry-led research
    - **Profile:** Smaller, specialist park

- **Waterbeach Barracks / Waterbeach New Town (future hub)**
    - **Location:** North of Cambridge
    - **Focus:** Mixed-use with significant employment space
    - **Profile:** Long-term opportunity rather than established park

- **Vision Park, Histon**
    - **Location**: Histon, north-west of Cambridge (A14 / A10 access)
    - **Focus**: Mixed-use business park including offices, R&D, technology and light industrial
    - **Scale**: Large, established business park extending over multiple phases
    - **Occupier profile**: Broad mix of tech companies, professional services, light manufacturing and HQ functions
    - **Building stock**: Modern offices, flex space, some larger footprint buildings
    - **Market position**: Established Cambridge fringe business park
    - **Appeal**: Good road connectivity, mature landscaping, wider occupational mix than pure science parks
    - **Limitations**: Less life-science-intensive than core South Cambridge locations

- **Cambridge Innovation Park, Waterbeach**
    - **Location**: Waterbeach, north of Cambridge (A10 corridor, near Waterbeach station)
    - **Focus**: Mixed employment uses including innovation, technology, R&D and supporting business space
    - **Status**: Emerging / evolving employment location rather than a fully mature science park
    - **Context**: Sits adjacent to significant residential-led growth (Waterbeach New Town)
    - **Occupier profile**: Early-stage and grow-on occupiers, innovation-led businesses
    - **Market role**: Long-term strategic employment hub linked to major housing delivery
    - **Appeal**: Future growth potential and transport connectivity
    - **Investor view:** Medium- to long-term play rather than established prime cluster

- **Cambridge Compass Enterprise Zone, Northstowe — Development Site**
    - **Location**: Northstowe, north-west of Cambridge (A14 corridor)
    - **Status**: Allocated Enterprise Zone employment land
    - **Intended uses**: Technology, innovation, R&D, advanced manufacturing and supporting commercial uses
    - **Planning context**: Delivery aligned with wider Northstowe new town development
    - **Incentives**: Potential Enterprise Zone benefits (e.g. business rate relief, simplified planning)
    - **Market role**: Strategic future employment node serving Greater Cambridge
    - **Stage**: Development / pipeline rather than income-producing

- **Investor and occupier profile**: Forward-looking businesses seeking scale and value outside core Cambridge

3.2 Overview of the Main Cambridge Industrial Locations

Below is a list of the main industrial parks / zones in and around Cambridge, grouped by location and focus.

3.2.1 Northern Cambridge & A14 Corridor

- **Cambridge Industrial Estate (Chesterton / King's Hedges)**
  - Largest concentration of mainstream industrial stock
  - **Profile**: The core, traditional industrial estate serving Cambridge city.
  - **Uses**: Light industrial, trade counter, workshops, storage, last-mile logistics.
  - **Tenants**: Mix of SMEs, trade operators, service businesses.
  - **Why it matters**: Closest large-scale industrial area to the city centre. Extremely tight supply and strong rental growth.
  - **Constraint**: Little scope for expansion due to surrounding residential areas.
- **Nuffield Road Industrial Area (King's Hedges)**
  - **Profile**: Older but highly functional light-industrial cluster.
  - **Uses**: B1(c), B2, B8, automotive, fabrication, storage.
  - **Strength**: Excellent access to A14 and Cambridge North. Popular with local operators priced out of science parks.

- **St John's Innovation Park – Industrial Edge**
  - **Profile**: Primarily tech/R&D but includes hybrid production / prototyping units.
  - **Uses**: Small-scale manufacturing tied to tech companies.
  - **Role**: Blurs the line between R&D and light industrial.

3.2.2 Eastern Fringe & Airport / Newmarket Road

- **Airport Business Park & Coldhams Lane Area**
  - **Profile**: Cambridge's most established hybrid industrial location.
  - **Uses**: Light industrial, R&D-enabled production, logistics, trade.
  - **Tenants**: Mix of local manufacturers and technology-linked occupiers.
  - **Why important**: One of the few places accommodating true industrial use close to the city. Strong demand from engineering, electronics, and med-tech supply chains.

- **Cambridge International Technology Park (CITP), Cherry Hinton**
  - **Profile**: Former industrial land transitioning to advanced manufacturing / R&D-led industrial.
  - **Uses**: Light industrial, tech assembly, hybrid lab-industrial.
  - **Status**: Partly redevelopment-led, but remains an important employment location.

3.2.3 Southern Fringe & A1307 / A11 Corridor (Most popular for hybrid R&D–industrial)

- **Harston Mill (Harston)**
  - **Profile**: Adaptive reuse of former mill and estate.
  - **Uses**: R&D, consultancy, light engineering, design/manufacturing support.
  - **Strength**: Attractive environment. Suits small, high-value light-industrial occupiers.

- **Unity Campus (Sawston)**
  - **Profile**: A modern science-industrial hybrid campus.
  - **Uses**: Light industrial. Lab-enabled manufacturing. Tech assembly and prototyping.
  - **Why it matters**: One of the best-designed environments for companies scaling from lab to production. Increasingly competitive with urban industrial estates.

- **Abington / Granta Road Industrial Areas**
  - **Profile**: Pockets of light industrial alongside major science parks.
  - **Uses**: Storage, fabrication, supplier industries supporting Granta Park / Babraham.
  - **Function**: Enables supply-chain proximity to life-science campuses.

3.2.4 Western & Sub-Regional Markets (Scale & Expansion)

- **Cambourne Business Park / Cambourne Park**
  - **Profile**: Large-format business and industrial estate west of Cambridge.
  - **Uses**: Light industrial. Warehousing. HQ-style offices with industrial components.
  - **Strength**: Lower occupational costs. Much greater availability of larger units.
  - **Weakness**: Less attractive for businesses needing daily Cambridge access.

- **Bar Hill & Longstanton Industrial Areas**
  - **Profile**: Established industrial estates north-west of Cambridge.
  - **Uses**: B2/B8, trade, regional distribution, light manufacturing.
  - **Role**: Relieves pressure on Cambridge city industrial supply. Popular with logistics and trade operators.

3.2.5 Emerging & Strategic Industrial Locations

- **Cambridge Research Park (Landbeach / Waterbeach)**
  - **Profile**: Traditionally business/R&D, increasingly light-industrial friendly.
  - **Uses**: Advanced manufacturing. Clean production. Tech-led industrial occupiers.
  - **Catalyst**: Proximity to A10/A14 and Waterbeach new town.

- **Waterbeach New Town / Former Barracks**
  - **Profile**: Major future employment zone.
  - **Uses (emerging):** Research-led industrial**.** Advanced manufacturing**.** Supporting logistics.
  - **Time horizon**: Medium- to long-term delivery, but strategically critical.

- **Northstowe Employment Zone (Compass Enterprise Zone)**
  - **Profile**: One of the few policy-backed areas explicitly encouraging industrial employment.
  - **Uses**: Light industrial. R&D-enabled production. Sustainability-led manufacturing.
  - **Strategic importance**: Addresses Cambridge's chronic industrial land shortage. Strong local authority backing.

SECTION 4 –

COMMERCIAL PROPERTY MARKET ANALYSIS

4. COMMERCIAL PROPERTY MARKET ANALYSIS

4.1 Overview

This analysis focuses on general market trends in the office / industrial sectors before, in Section 5, considering how these trends are reflected in Cambridge and its hinterland. The need for new commercial floorspace is then considered in Section 6.

4.2 National Market Statistics & Trends

4.2.1 Office / R&D Occupier Market

- Most businesses have now passed the post-pandemic period of office floorspace downsizing, and some are actively adopting policies to encourage (or mandate) employees to return to the office. The provision of high-quality offices remains important to assist with recruitment, retention, and productivity strategies, as well as to enhance staff health & wellbeing. This is reflected in the continued robust demand for prime space.

- Occupier demand is focused on buildings that are sustainable and energy efficient, as occupiers try to meet their ESG (Environmental, Social and Governance) aspirations. This is being accelerated by the next round of tightening to MEES regulations, with a minimum EPC rating of C currently due to take effect from April 2027.

- In many key city centre markets, a constrained volume of office development since the pandemic relative to grade A demand means there is now a considerable shortage of prime supply. This is particularly true in central London districts such as Mayfair and St James's, which have a long-standing undersupply due to their inbuilt physical and planning constraints. But even the core City of London, which is more able to accommodate large-scale high-rise schemes, is now running low on quality floor space.

- In addition to the shortfall of immediately available space, there are only limited options to lease buildings currently under construction. A high number of pre-lettings, in reaction to low immediately available stock, have taken much of the potentially available new supply out of the market.

- We are seeing continued strong demand for serviced and co-working provision from established businesses that wish to lease short-term space, pending a move to longer-term conventional office space. This trend is being accentuated by the uncertain global economic outlook.

- The Q3 2025 RICS UK Commercial Property Survey reports office occupier demand slipping into negative territory at -4%, down from +2% in Q2. While this indicates a softening in sentiment, the reading remains far less severe than the heavily negative balances recorded immediately after the pandemic.

- Prime rental levels have proved highly resilient, reflecting the supply / demand imbalances for quality stock. Recent development schemes have set new benchmarks in several central London districts and regional city centre markets.

- According to the MSCI Monthly Index, average annual rental value growth for all UK offices has strengthened further, rising to a new high of 3.3% in November, up from the earlier high of 2.8% recorded in March 2024 and following a period of relative stability in the 2.1%–2.6% range.

- In the West End / Midtown submarket, annual rental growth has accelerated sharply, rising to 7.3% in November, surpassing the previous peak of 6.7% recorded in July 2024. By contrast, rental growth in the City of London remains materially weaker but has firmed to 2.8% per annum, indicating gradual improvement, according to the MSCI Monthly Index.

- The rest of the southeast recorded average annual office rental growth of just 1.0% in November 2025. Growth in the regional markets is stronger at 3.6% (MSCI Monthly Index).

4.2.2 Industrial Occupier Market

- Although letting activity has been relatively subdued compared to previous years, 2025 saw some significant lettings, including M&S taking 1.3 million sq. ft. for its National Distribution Centre at Daventry International Rail Freight Terminal, and DSV taking 605,000 sq. ft. at Mercia Park 2, Swadlincote.

- Demand continues to be shaped by a variety of economic, political and technological drivers, including requirements for logistics and last-mile distribution hubs, with the gradual shift online likely to continue. Supply chains will continue to evolve, and we expect to see more retailers outsourcing logistics functions to 3PLs, who can use their expertise to reduce costs and delivery times, and increase reliability and sustainability credentials.

- Logistics operators continue to face a shortage of labour in many parts of the UK. Labour costs are increasing, with wages continuing to rise in real terms, on top of April's rise in the National Living Wage and employers' National Insurance contributions.

- The Q3 2025 RICS UK Commercial Property Survey shows industrial occupier demand weakening further, moving into negative territory with a net balance of –6%, down from +4% in Q2. This marks the first negative reading for the sector since 2012, excluding the initial Covid-19 lockdown period.

- Vacancy rates have been rising over recent quarters, due to a combination of slowing demand and rising supply, with several retailers and 3PLs closing distribution centres as they look to consolidate their operations. However, vacancy at the national level now appears to be levelling off, and with a positive outlook for demand and relatively little speculative supply coming through, we think vacancy will peak this year and begin to decline.

- Demand remains focused on prime, energy-efficient space, particularly as many logistics operators are promoting their ability to maximise their clients' sustainability credentials within the supply chain. Whilst new schemes are coming forward, the overall development pipeline is restricted, with a low number of construction starts in recent quarters. The relative shortage of large high-quality units in some markets will therefore continue.

- Competition amongst occupiers for existing and new build product has helped maintain upward pressure on rental values despite the lower overall demand levels. According to the MSCI Monthly Index, average annual industrial rental value growth has decelerated from an unsustainably high peak of 13.2% in summer 2022, to 4.9% in November 2025, still above general inflation.

SECTION 5 –

CAMBRIDGE ECONOMY

CAMBRIDGE OFFICE & INDUSTRIAL MARKET ANALYSIS

5. CAMBRIDGE ECONOMY & COMMERCIAL PROPERTY MARKET ANALYSIS

5.1 The Cambridge Economy

Cambridge stands as a global hub for innovation, technology, and academia. The city's economy is characterised by a blend of traditional industries, cutting edge research, and entrepreneurial ventures, contributing to its growth and relative stability. Its world-class academic institutions, primarily the University of Cambridge, are at the core of Cambridge's economy. The university serves as a breeding ground for groundbreaking research and intellectual capital. Its close ties with industry foster collaboration and innovation, driving economic growth in various sectors. Cambridge's economy is also bolstered by the technology sector, often referred to as "Silicon Fen," a nod to California's Silicon Valley. This area is renowned for its high concentration of tech companies, startups, and research institutions. Key sectors include biotechnology, software development, and engineering, with many companies benefiting from close ties to the university.

While the region's economy contracted further than the UK aggregate in 2023, its rebound in 2024 has outperformed the national average. The Cambridge economy is estimated to have grown by 1.4% in 2024, compared to a 1.1% national growth rate. The outperformance is forecasted to continue in 2025, during which the region's economy is expected to expand by more than 2%, more than 30 basis points above the UK. Office-using industries will provide much of the impetus for growth. The sector is forecast to expand by 2.5% in 2025, outpacing the average growth rate for office-using industries across the UK.

According to a recent analysis by London Economics, the University of Cambridge, a world-renowned institution, contributes around £30 billion to the UK economy each year. About three-quarters (£23 billion) comes from spinout and startup companies, such as microchip giant ARM, fast-charging battery firm Nyobolt, and global life sciences business Abcam. The recently created Start Accelerator programme will provide startups with funding from a £2 million pool provided by the University of Cambridge and Parkwalk Advisors. The university is estimated to support 86,000 jobs across the UK, including 52,000 in the East of England, one of only three regions that contribute to the Exchequer.

On the labour market side, office employment grew by 1.5% over the last 12 months, below the national average of 0.9%.

Looking ahead, the National Infrastructure Commission aims to increase the economic contribution of the Cambridge-Milton Keynes-Oxford corridor by more than £160 billion per year by introducing an East-West Rail line connecting Cambridge and Oxford. The city council has set a goal of 2030 for the rail service, which will enable continued growth along the corridor, thereby further expanding Cambridge's labour force and economy.

5.2 Cambridge Market Overview

Cambridge and its immediate surrounds falls within the 'South Cambridgeshire Submarket' (as shown shaded in blue in Figure 3). Within this peripheral outer area are three other submarkets including the 'Northern Cluster', the 'City Centre Periphery' and the 'Prime Central' submarkets.

Figure 3 – South Cambridgeshire Market (Including: 'Out of Town', The 'Northern Cluster', The 'City Centre Periphery' And The 'Prime Central' Submarkets) (Source: CoStar)

5.3 Cambridge Market Trends Office / R&D / Laboratory

5.3.1 Supply - Existing / Under Construction / Under Renovation / Proposed

- Across the whole of the South Cambridgeshire Submarket, there are, according to CoStar data, around 458 office / R&D properties that are existing / under construction / under renovation / proposed providing a total of 19.25m sq. ft. of space. This is broken down as follows:

Building Status	Total Size Sq. Ft.	No. of Spaces	Average Size Sq. Ft.
Existing	14,223,145	907	15,682
Under Construction	933,816	8	116,727
Under Renovation	166,507	3	55,502
Proposed	3,926,701	23	170,726
Total	**19,250,169**	**941**	

Table 1 – Total Office Supply Across Whole South Cambridge Market (Source: CoStar)

- Broken down below is a summary of the office / R&D buildings by submarket location and status.
- The greatest supply of existing office / R&D accommodation is located within the 'Out of Town' area which is reflective of its scale compared to the other submarket sizes. These buildings

are primarily located within the established business / science parks around Cambridge to the south, west and north of the city. There is a limited supply to the east.

- The Prime Central submarket has the greatest amount of space that is under construction followed by the Northern Cluster.
- The 'Out of Town' submarket offers most of the proposed office & R&D space although this is not located towards the east of the city instead in locations such as Granta Park, South Cambridge Science Centre Sawston, Cambourne Business Park and Cambridge Research Park. See Figure 5.
- These 23 proposed office / R&D buildings range in scale from 44,650 sq. ft. to 538,195 sq. ft. Most purely focus on the office / R&D / laboratory sectors with limited 'mid-tech' provision to cater for hybrid requirements that need an element of production / product testing as part of the end occupiers activities.

Building Location	Building Status	Total Size Sq. Ft.	No. of Spaces	Average Size Sq. Ft.
Prime Central	Existing	1,835,586	67	27,397
	Under Construction	463,778	4	115,945
	Under Renovation	-	0	-
	Proposed	-	0	-
	Sub Total	**2,299,364**	**71**	
City Centre Periphery	Existing	4,205,223	348	12,084
	Under Construction	137,551	2	68,776
	Under Renovation	-	0	-
	Proposed	1,508,314	5	301,663
	Sub Total	**5,851,088**	**355**	
Northern Cluster	Existing	3,041,789	90	33,798
	Under Construction	332,487	2	166,244
	Under Renovation	-	0	-
	Proposed	614,829	5	122,966
	Sub Total	**3,989,105**	**97**	
Out of Town	Existing	5,140,547	402	12,787
	Under Construction	-	0	-
	Under Renovation	166,507	3	55,502
	Proposed	1,803,558	13	138,735
	Sub Total	**7,110,612**	**418**	

Table 2 – Breakdown of Office / R&D Supply by Submarket within South Cambridgeshire Market (Source: CoStar)

Figure 4 – Office & R&D Supply (All Building Status) – Available (Blue Marker) & Unavailable (Grey Marker) (Source: CoStar)

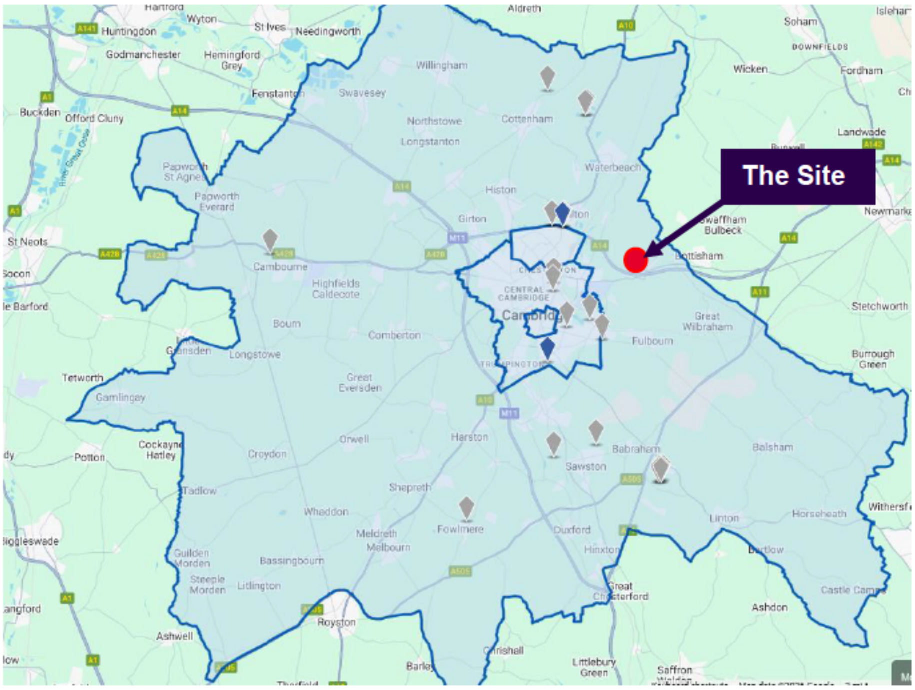


Figure 5 – Proposed Office / R&D Accommodation (Source: CoStar)

5.3.2 Construction

- Cambridge's office stock has grown by around 4.81% over the last three years, significantly higher than the growth across the wider UK, which grew by 0.46% over the same period. The construction boom was fuelled by strengthening demand for lab space from Life Sciences firms, clustering around the University ecosystem.
- Construction levels have remained stable since the beginning of 2025 at 930,000 sq. ft. (see Figure 7), although this is the highest ever recorded in this market. Most of the space currently underway will be delivered in 2026, when over 500,000 sq. ft. of net new space will be completed. The space currently under construction represents approximately 6.2% of Cambridge's existing inventory, the highest of any of the UK's office markets, and far higher than the UK average of 1.5%.
- The market's major speculative schemes target Cambridge's life science and technology sectors. The most recent development to commence on site is Railpen's Botanic Place, a 325,000 sq. ft. scheme in two buildings, due for completion in 2028. The £242 million project is the largest speculative office development to begin in the Southeast and East of England this year. The development is targeting BREEAM Outstanding, WELL 'Platinum', and WiredScore 'Platinum' ratings.
- Key projects already underway include Vitrum by Breakthrough at St John's Innovation Park, a 165,000 sq. ft. building that will provide flexible laboratory, office, and amenity space and is expected to be completed in early 2026.
- In addition to the new schemes under construction, significant refurbishment is underway at the Capital Business Park, where PSP is renovating three buildings totalling more than 150,000 sq. ft to facilitate office and laboratory-enabled space.

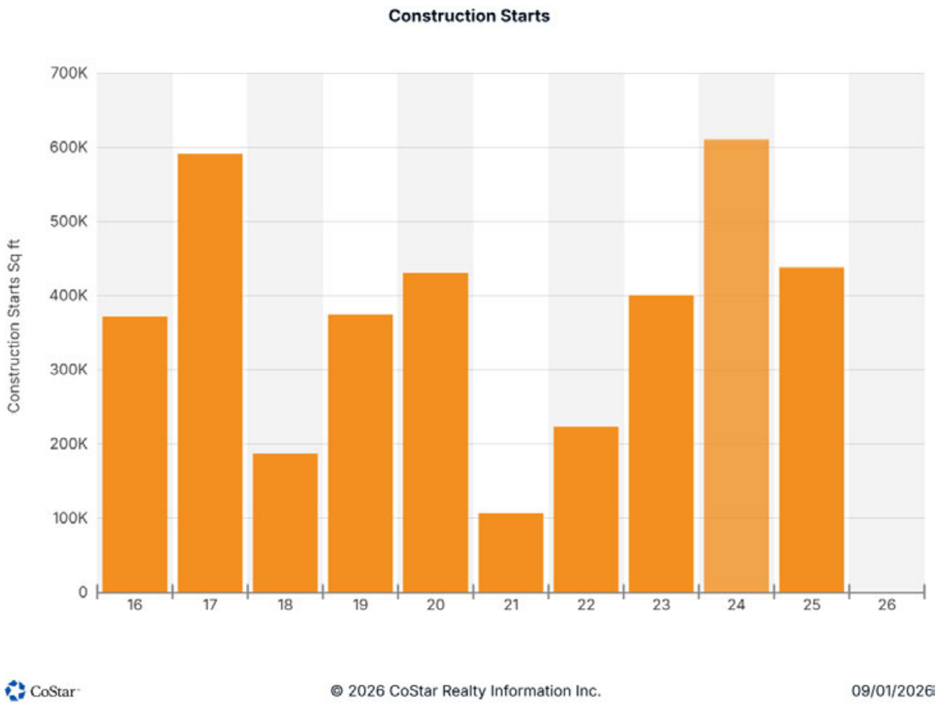


Figure 6 – Office Construction Starts - South Cambridgeshire Market (Source: CoStar)

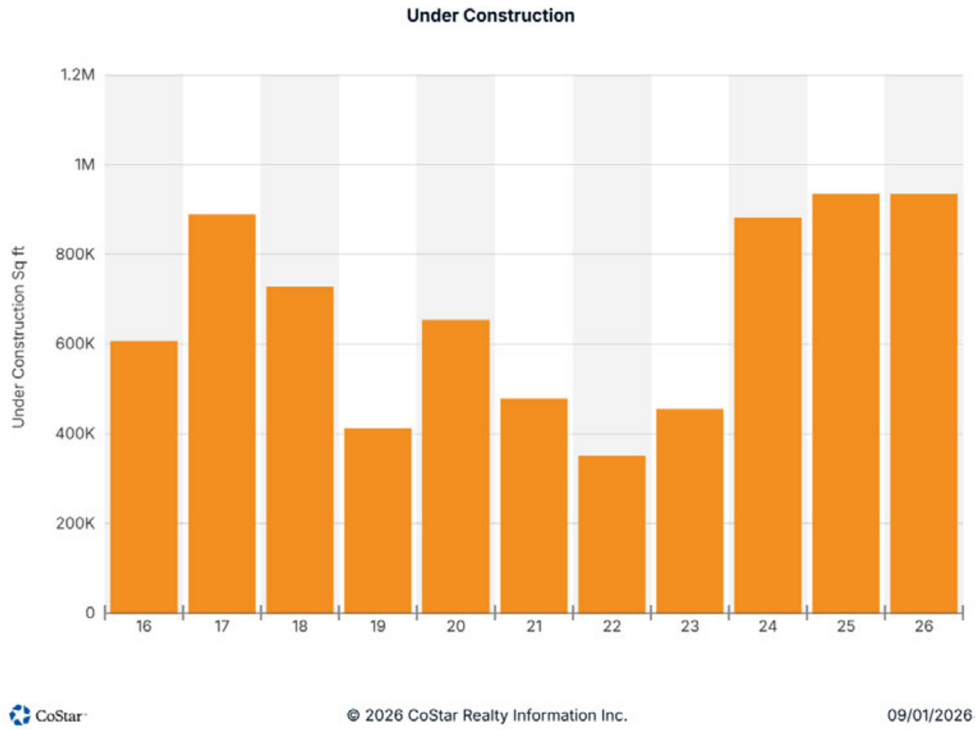


Figure 7 – Offices Under Construction - South Cambridgeshire Market (Source: CoStar)

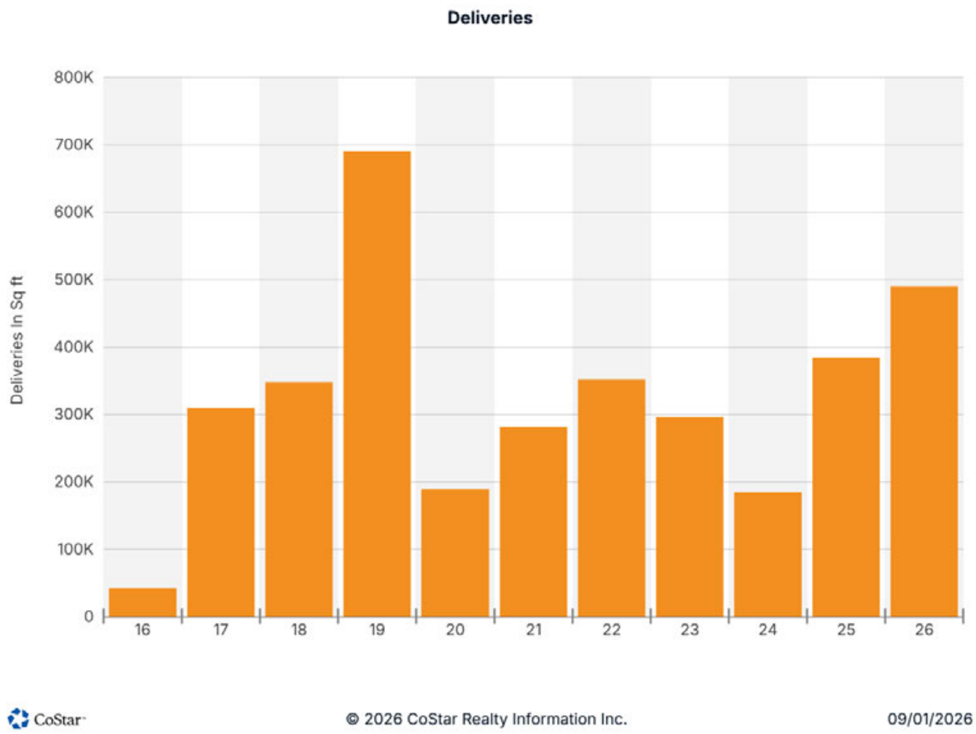


Figure 8 – Office Deliveries - South Cambridgeshire Market (Source: CoStar)

5.3.3 Availability / Vacancies

- This section of the report highlights the lack of larger scale (i.e. 25,000 sq. ft. plus) office / R&D accommodation that exists and is available across the South Cambridgeshire submarket given that the framework plan anticipates all bar one building being of this scale or more.
- There is approximately 1.908m sq. ft. of existing office / R&D type accommodation available to let across the South Cambridgeshire market. This ranges in scale from sub 1,000 sq. ft. to over 143,000 sq. ft. and falls within the following size brackets.

Size Bracket (Sq. Ft.)	Total Available Sq. Ft.	No. of Spaces	Average Size
1 - 10,000	378,336	104	3,638
10,001 - 25,000	511,175	34	15,035
25,001 - 50,000	511,605	14	36,543
50,001 - 75,000	243,063	4	60,766
75,001 - 100,000	-	0	-
100,000 +	263,370	2	131,685
Total	**1,907,549**	**158**	

Table 3 – Existing Office Availability – South Cambridgeshire Submarket (Source: CoStar)

- Most of this existing office accommodation is located within the 'Prime Central' / 'City Centre Periphery' and 'Northern Cluster' with a scattering across the wider submarket outside of the immediate city boundary.
- The largest existing and available offices with 'Prime Central' are situated on Station Road including 10 Station Road (50,444 sq. ft.) and 20 Station Road (65,000 sq. ft.).
- There are limited examples of offices within the 'City Centre Periphery' offering large scale space (i.e. more than 25,000 sq. ft.) with only example being 72-80 Hills Road (25,251 sq. ft.).
- The 'Northern Cluster' has a greater concentration of larger scale offices mainly located on Cambridge Business Park (including Building B – 40,305 sq. ft. available / Newnham House – 40,217 sq. ft. available) or Cambride Science Park (Building 310 – 58,263 sq. ft. available / Building 101 – 41,594 sq. ft. available).
- Across the wider 'South Cambridgeshire Submarket' the largest available offices are located on the established business parks including Granta Park (Franklin Building - 55,400 sq. ft.), South Cambridge Science Centre, Sawston (120,252 sq. ft. in Building 10 built in 2025), Cambourne Business Park (Building 1010 – 31.588 sq. ft.), Vision Park, Histon (Compass House – 34,839 sq. ft.) and Cambridge Research Park (Building 5100 – 22,678 sq. ft.).
- There is a lack of existing available office accommodation to the east of Cambridge.

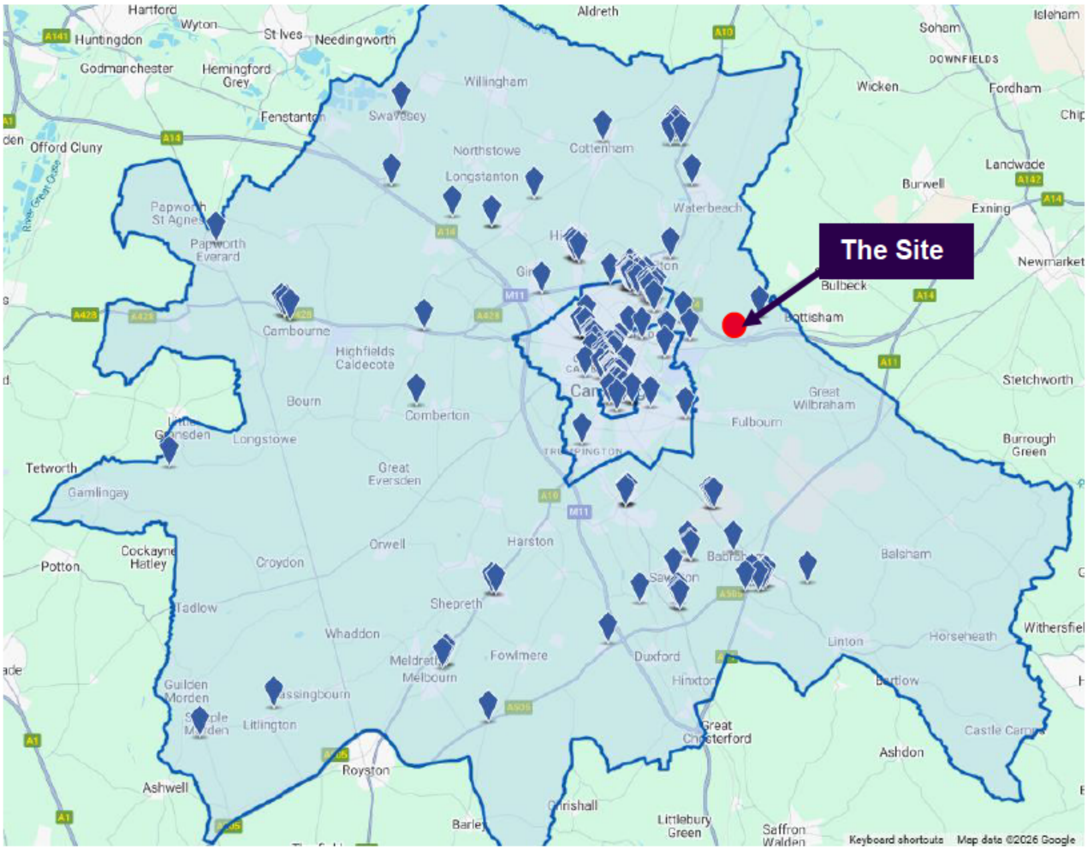


Figure 9 – Existing Office Availability – Cambridge Submarkets (Source: CoStar)

- Considering offices that are under renovation or under construction – according to CoStar data there are only 10 properties that fall within this category providing a total of 61 spaces.
- Four of these buildings are located within the 'Prime Central' submarket and include One and Two Botanic Place, Hills Road (146,841 – 178,595 sq. ft. due to complete by March 2028) and Mill Yard, Devonshire Road (118,675 sq. ft. due to complete by March 2027).
- There is one office building under construction within the 'City Centre Periphery' submarket which is the 111,933 sq. ft. 'Building 2000 Discovery Place', Dame Mary Archer Way. This is situated within the Cambridge Biomedical Campus.
- There are two buildings under construction within the 'Northern Cluster' submarket. These are: Vitrum Building, Cowley Road (176,410 sq. ft. due to complete by April 2026 with 117,407 available) and Merlin Place (156,077 sq. ft. due to complete by July 2026 with 139,141 sq. ft. available).
- There are only three existing offices located further afield (i.e. within the wider South Cambridgeshire Submarket) that are under renovation. These are located at Capital Park, Fulbourn where 'CamLIFE 1' (75,197 sq. ft.) / 2 (54,509 sq. ft.) and 3 (36,801 sq. ft.) are being refurbished.

Figure 10 - Botanic Place (Left) and Mill Yard (Right) - Prime Central Offices Under Construction

Figure 11 - Building 2000 Discovery Place - City Centre Periphery Office Under Construction

Figure 12 - Vitrum Building & Merlin Place - 'Northern Cluster' submarket Offices Under Construction

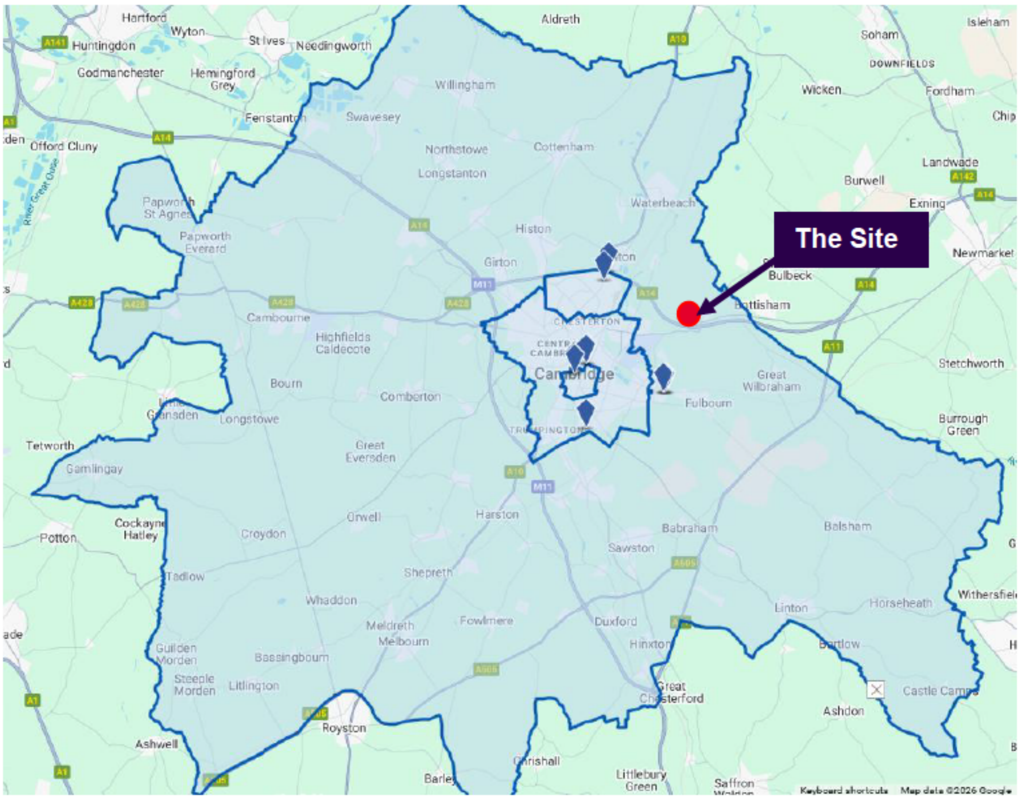


Figure 13 – Offices Under Renovation & Under Construction (Source: CoStar)

- According to CoStar data, there are three proposed office / R&D buildings that are being marketed as having available space. These include:
  - Building 3000 Discovery Drive, Dame Mary Archer Way (City Centre Periphery submarket): 101,340 sq. ft. proposed and available.
  - Dirac Building, St Johns Innovation Park (Northern Cluster submarket): 85,570 sq. ft. proposed and available.
  - Building 6200, Cambridge Research Park (wider South Cambridgeshire Submarket): a 15,000 sq. ft. proposed office / R&D building that is available.

Figure 14 – Dirac Building (Left) & Building 6200 (Right) - Proposed and Available Office & R&D spaces (Source: CoStar)

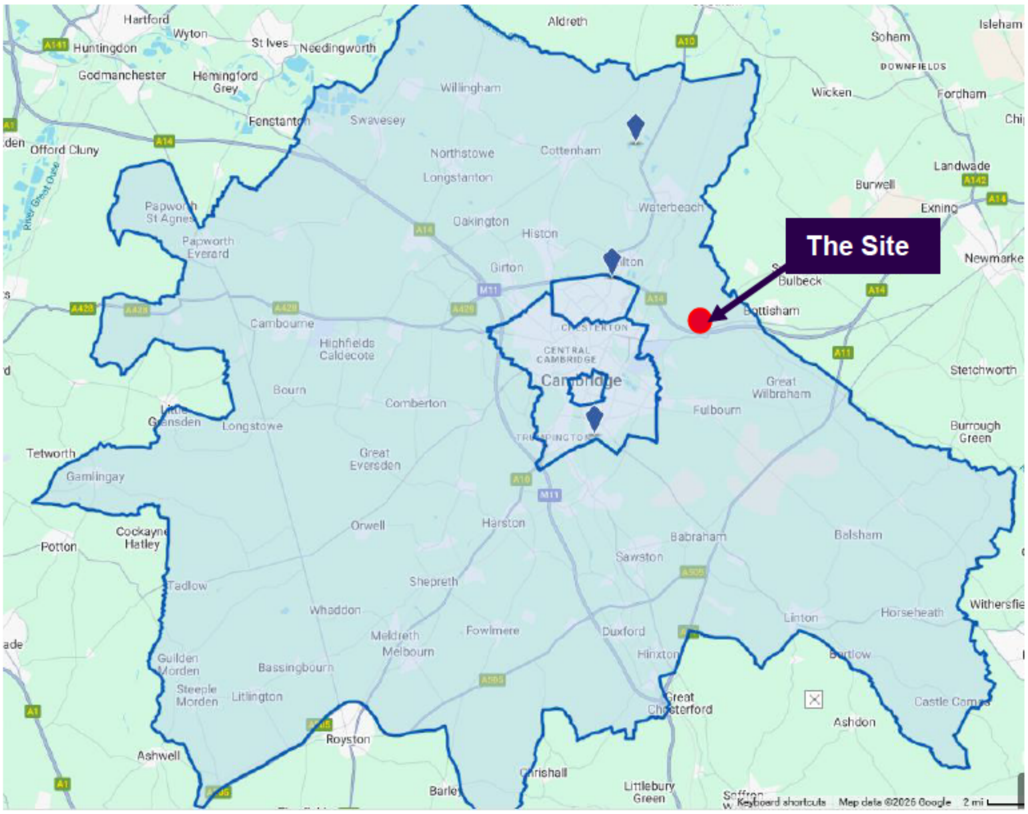


Figure 15 – Proposed Office / R&D Buildings with Availability (Source: CoStar)

5.3.4 Leasing Activity

- Demand for office space from technology and engineering occupiers in the first three quarters of 2025 had driven the years leasing activity to its highest level since 2021, with levels rising further in the final quarter of the year.
- Lab space leasing, a key driver of Cambridge's occupier market over the past few years, declined in 2025. At the end of the third quarter, year-on-year lab space leasing had fallen by more than 70%, reflecting a similar slowdown at the national level. Sentiment was negatively impacted by AstraZeneca's announcement that it had paused a planned £200 million investment in Cambridge, citing “increasingly challenging” conditions in the UK for drug development. In addition, a ‘pause for breath' after the record-breaking level of lab space leasing across the UK in 2024 was inevitable.
- However, the decline in lab space leasing was offset by growth in the technology and engineering sectors. Cambridge's business and science parks remain hotbeds of activity, with new and refurbished space in demand. Computing giant Arm acquired a 95,000 sq. ft. building in January 2025, taking its footprint at Peterhouse Technology Park, where it already occupies six buildings, to 425,000 sq. ft. In June, Microsoft renewed its lease at Station Road, while in March, German manufacturing firm Zeiss extended its 43,300 sq. ft. lease at Cambourne Park by five years from 2028 to 2033.
- Across the South Cambridgeshire market, a total of 211,900 sq. ft. of office / R&D space was leased in 2025 – higher than the 177,400 sq. ft. leased in 2024 although comparable to the 234,800 sq. ft. leased in 2023.

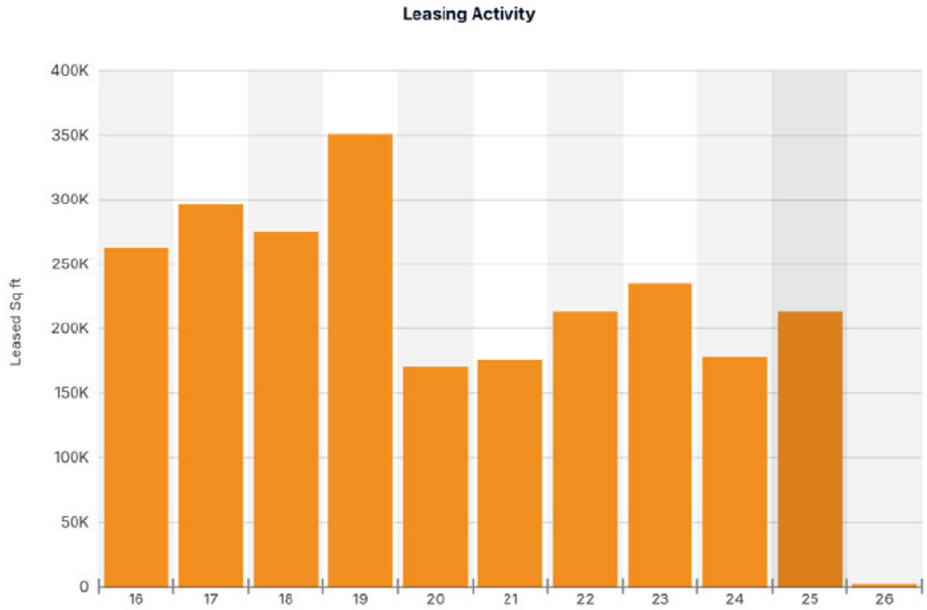


Figure 16 – Office / R&D Leasing Activity - South Cambridgeshire Submarket (Source: CoStar)

- Within the last 5 years, there have been 424 office / R&D lettings recorded on CoStar with a total of 2.63m sq. ft. leased over this period and within this area. These lettings ranged in scale from sub 1,000 sq. ft. to 116,461 sq. ft.
- Most of the lettings involved less than 10,000 sq. ft. of space however there were sixty lettings that involved between 10,001 and 50,000 sq. ft. of space.

Size Bracket (Sq. Ft.)	Total Space Leased Sq. Ft.	No. of Spaces	Average Size
1 - 10,000	903,826	359	2,518
10,001 - 25,000	678,214	43	15,772
25,001 - 50,000	585,225	17	34,425
50,001 - 75,000	174,848	3	58,283
75,001 - 100,000	174,516	2	0
100,000 +	116,461	1	1
Total	**2,633,090**	**425**	

Table 4 - Office / R&D Leasing Activity - South Cambridgeshire Submarket (Source: CoStar)

- The lettings occurred across the city centre with noticeable take up within the northern quarter as well as the established 'out of town' science and technology parks. See Figure 17.

Figure 17 – Office / R&D Letting Locations Within Last 5 Years South Cambridgeshire Submarket (Source: CoStar)

- Despite the strong levels of leasing activity, net absorption rates were negative throughout 2025 due to the wave of newly developed space that has been delivered to the market in recent years.
- Annual net absorption of office space for 2025 was negative however CoStar are forecasting a change in net-absorption rates to a positive levels throughout 2026 onwards with vacancy rates declining in parallel.

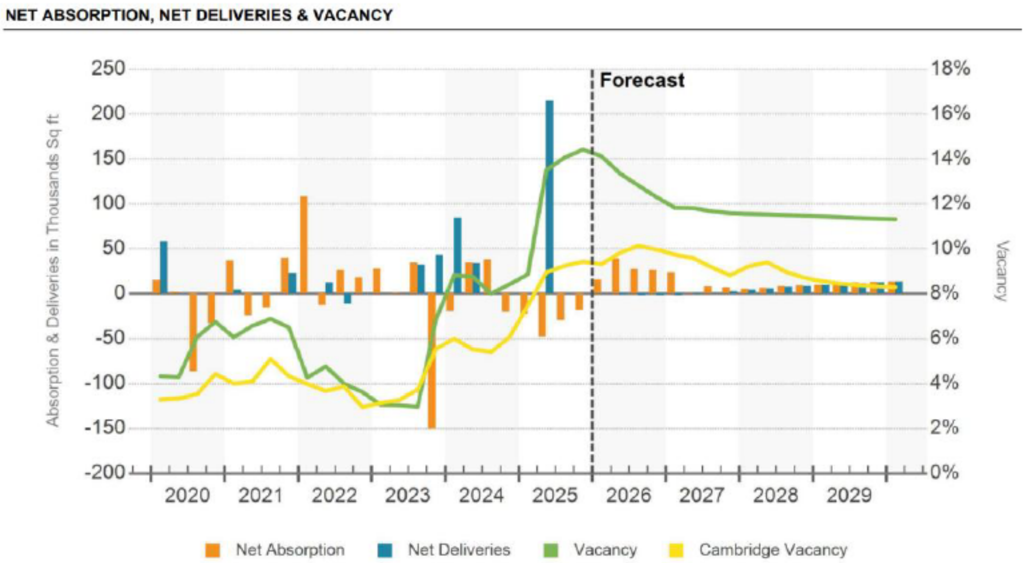


Figure 18 - Office / R&D Net Absorption Rates - South Cambridgeshire Submarket (Source: CoStar)

5.3.5 Vacancy Rates

- The South Cambridgeshire office submarket has a vacancy rate of 14.4%. This vacancy rate is 5.9% higher than it was this time last year.
- Vacancy is 32.7% in 4 & 5 Star buildings, and 18,000 sq. ft. has been absorbed in this asset class over the past year. Within 3 Star buildings, vacancy is 12.3% and there has been 140,000 sq. ft. of negative absorption. Currently, 3.5% of 1 & 2 Star space is vacant, and 2,700 sq. ft. has been absorbed in this space type over the past 12 months.
- Current vacancy is higher than its trailing three-year average of 8.9%, which is higher than the 6.4% trailing three-year average of the Cambridge market.

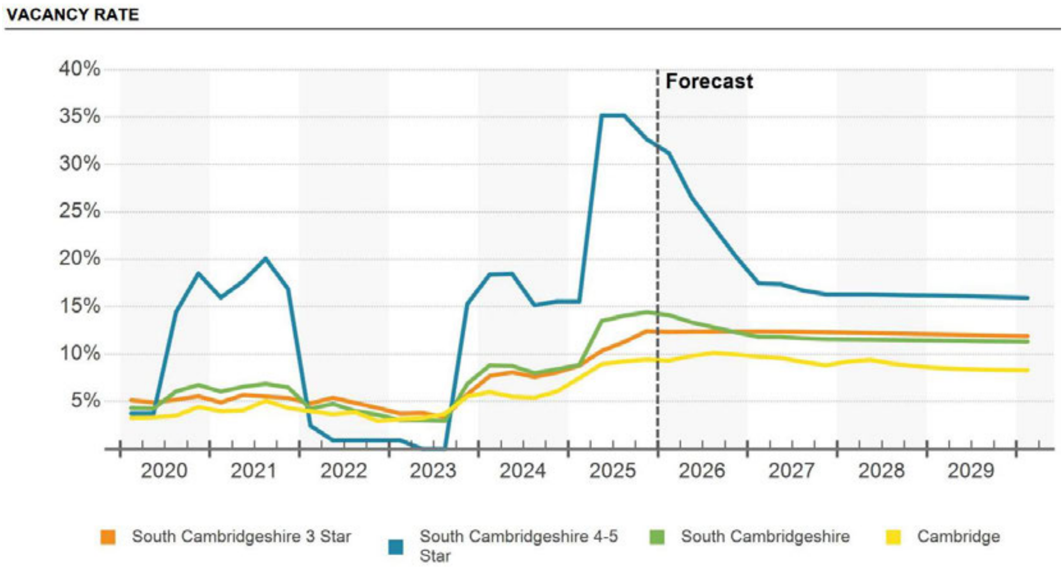


Figure 19 – Office / R&D Vacancy Rates - South Cambridgeshire Submarket (Source: CoStar)

5.3.6 Rent

- Cambridge remains one of the UK's most expensive office markets outside London, underpinned by its global reputation as a hub for life sciences and technology. Average rents have surged by 70% over the past 15 years, reflecting sustained demand from occupiers seeking proximity to the city's research ecosystem. However, the market has entered a period of adjustment.
- After years of strong growth, rental momentum has slowed with an average rent growth of -1.7% compared to a UK average of 0.7%. However, prime rents for 4- and 5-star offices are holding firm at around £60–£65 per sq. ft., with exceptional deals for lab-enabled space occasionally exceeding this level.
- The standout deal of the last six months is Frontier IP's acquisition of its 18,000 sq. ft. at South Cambridge Science Centre. The headline rent has not been confirmed but is thought to be above £60 per sq. ft. Frontier confirmed that it had taken a 20-year lease and that the landlord Abstract has paid an upfront cash payment of £1 million and will provide the space rent free for the first 12 months of Frontier IP's occupancy.
- Looking ahead, the outlook for rental growth is muted. A robust development pipeline driven by schemes such as Railpen's proposed 1 million sq. ft. Beehive project and expansions at the Wellcome Genome Campus will add significant supply over the next few years – albeit in different markets to the space proposed at the Quy Tech site. While demand from science and tech occupiers remains resilient, the sheer volume of high-quality space could cap further

rental escalation. Nonetheless, Cambridge's fundamentals; tight labour markets, world-class research institutions, and clustering effects should continue to support prime rents at current levels, even as the broader market recalibrates.

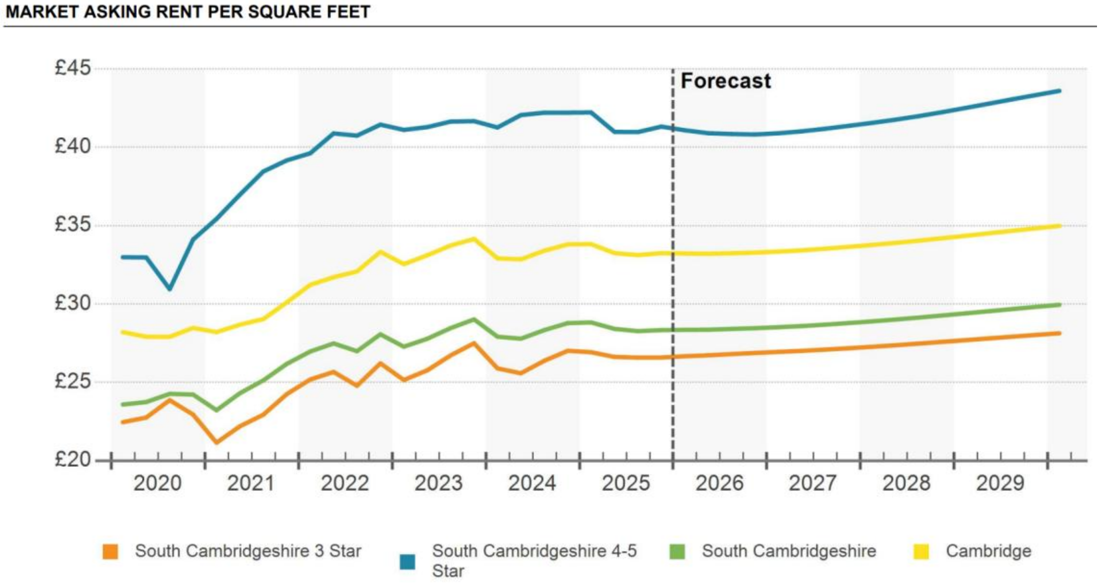


Figure 20 – Office / R&D Market Asking Rent Per Sq. Ft. - South Cambridgeshire Submarket (Source: CoStar)

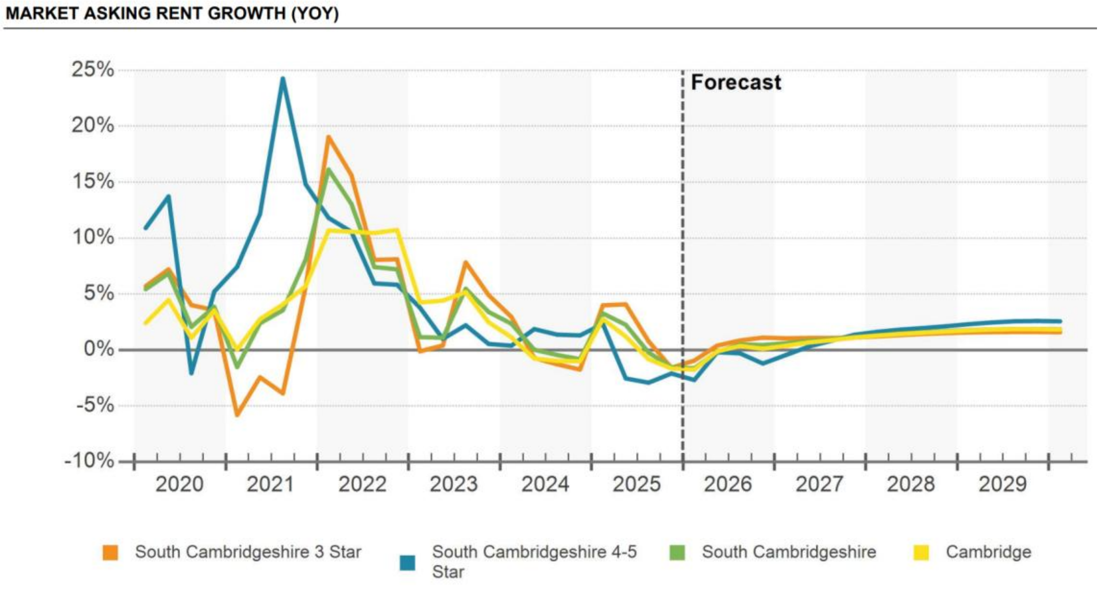


Figure 21 – Office / R&D Market Asking Rent Growth (Year on Year) (Source: CoStar)

5.3.7 Sales

- Investment activity in Cambridge's office market was subdued through much of 2025, reflecting the broader caution across UK capital markets. Elevated borrowing costs and tighter lending standards have continued to weigh on transaction volumes, although recent interest rate cuts have begun to stabilise sentiment.

- The market remains characterised by smaller lot sizes, with institutional investors largely on the sidelines and private equity and overseas buyers driving the limited activity.
- The last significant transaction over £10m in Cambridge was Brockton's purchase of the long leasehold interest at the Parallax Building on Cambridge Science Park from Dorset County Council at the end of 2024. The building was sold for £22.35 million, reflecting a net initial yield of 4.5%. The space, at the time, was fully leased to WorldPay until the end of 2024. The deal reflects the enduring appeal of life sciences and technology clusters.
- Despite the muted transaction environment, Cambridge remains a strategic target for capital seeking exposure to knowledge-based economies. The city's robust occupier fundamentals, anchored by global tech and biotech firms, provide a degree of resilience that few regional markets can match. Looking ahead, improving credit conditions and a narrowing bid-ask spread could unlock pent-up demand in 2026. However, the pipeline of large-scale investment opportunities remains thin, and competition for best-in-class assets is expected to remain intense. For now, Cambridge's investment market is in a holding pattern, awaiting clearer signals on interest rates and economic growth before a more pronounced recovery can take hold.
- There have been 4 sales in the South Cambridgeshire office submarket over the past year, amounting to £3.8 million of volume and 24,000 sq. ft. of stock. These sales have averaged £181 per sq. ft., which is below the estimated submarket price of £330 per sq. ft. During this time, trailing one-year price per sq. ft. averages were as high as £306 per sq. ft. and as low as £181 per sq. ft.
- Over the past three years, South Cambridgeshire has averaged 10 sales per year, £53.6 million of volume per year, and 190,000 sq. ft. of stock per year. The 4 sales in the past 12 months include 2 buildings rated 3 Star, and 2 buildings rated 1 & 2 Star.
- The 3 Star buildings traded for £3.3 million, or £181 per sq. ft. on average. The 1 & 2 Star buildings traded for £500,000, or £176 per sq. ft. on average.
- The market yield, or the estimated yield for all buildings in the submarket, is 7.9%, above the wider market average of 7.5%. Within South Cambridgeshire, 4 & 5 Star buildings have a market yield of 6.7%, 3 Star buildings have a market yield of 7.8%, and 1 & 2 Star buildings have a market yield of 9.5%.

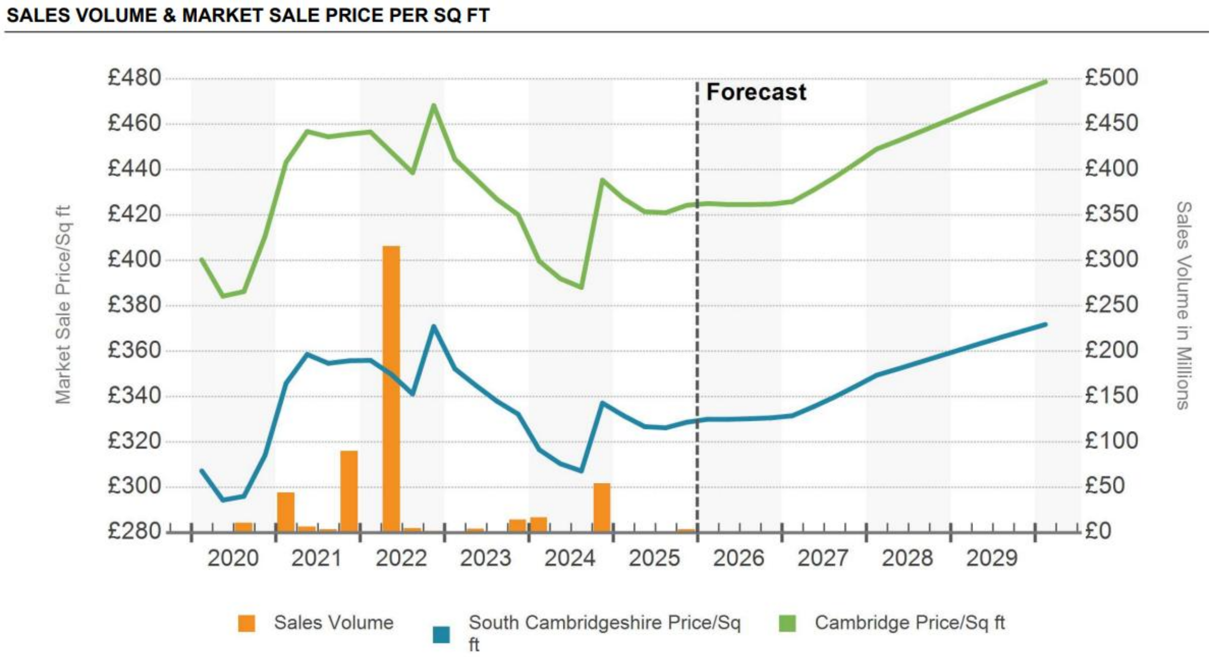


Figure 22 – Office / R&D Sales Volume & Market Sale Price Per Sq. Ft. (Source: CoStar)

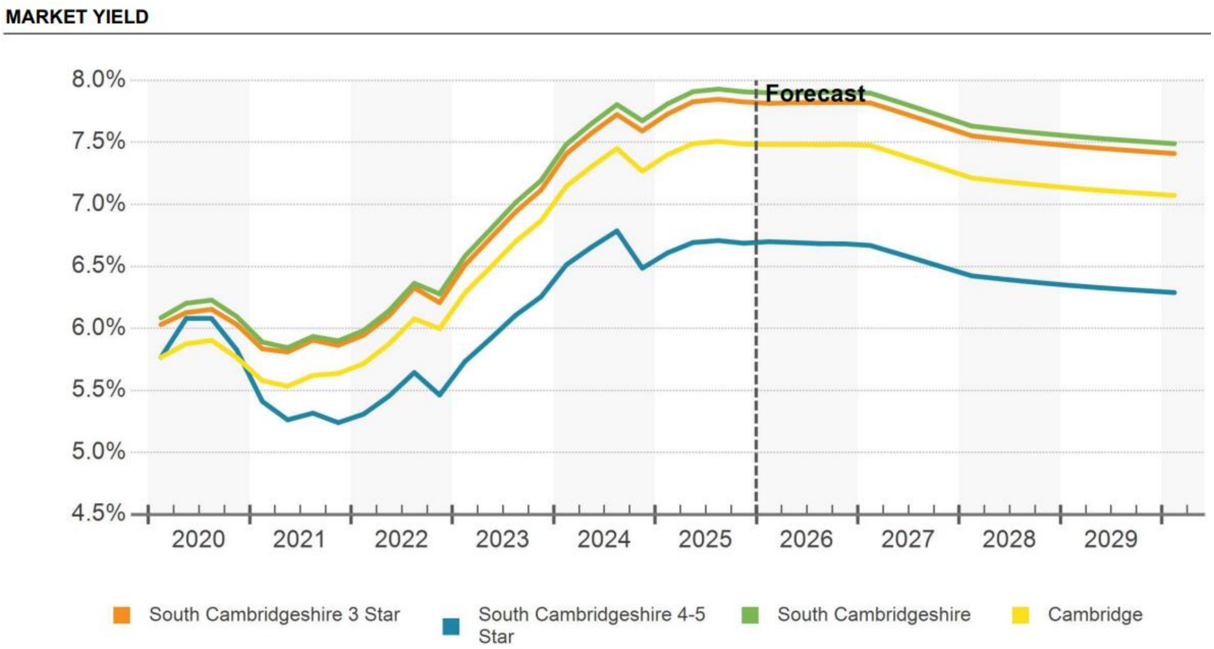


Figure 23 - Office / R&D Market Yield (Source: CoStar)

5.4 Cambridge Market Trends – Industrial / Logistics

5.4.1 Market Overview

Cambridge's relatively small industrial market serves local occupiers and the city's science and technology sectors, which require mid-tech and R&D-type space to accommodate a mixture of office, lab and manufacturing uses. Pharmaceuticals giant AstraZeneca, composite materials manufacturer Hexcel Corporation and food company Hain Daniels are among the firms with a significant local industrial footprint.

The Cambridge industrial submarket is made up of the 'Cambridge Core' and the wider 'South Cambridgeshire' submarkets.

Figure 24 – 'Cambridge Core' and 'South Cambridgeshire' Industrial Market Boundaries (Source: CoStar)

5.4.2 Supply - Existing / Under Construction / Under Renovation / Proposed

- Across the 'Cambridge Core' and 'South Cambridgeshire' submarkets there are 629 industrial / light industrial properties that exist / are under construction / are under renovation or proposed providing a total of 13.803m sq. ft. of space broken down as follows:

Building Status	Total Size Sq. Ft.	No. of Spaces	Average Size Sq. Ft.
Existing	13,006,459	611	21,287
Under Construction	90,416	1	90,416
Under Renovation	0	0	0
Proposed	751,947	13	57,842
Total	**13,848,822**	**625**	

Table 5 – Total Industrial / Light Industrial Supply Across 'Cambridge Core' and 'South Cambridgeshire' Industrial Markets (Source: CoStar)

- Broken down below is a summary of the industrial / light industrial buildings by submarket location and status.

- The greatest supply of existing industrial / light industrial accommodation is located within the 'South Cambridgeshire / Out of Town' submarket area which is reflective of its scale compared to the 'Cambridge Core' submarket.
- These existing buildings are spread across the submarkets although concentrated in established business parks or within the towns / villages that surround Cambridge. East of Cambridge, there is an existing supply near Fulbourn and Great Wilbraham although a noticeable gap around Stow Cum Quy – despite the proximity to the A14.
- The existing supply within the Cambridge Core is concentrated in a relatively small number of areas including Coldhams Lane, Clifton Road, Cherry Hinton Road, Coldhams Road, Mercers Row, Cowley Road and Nuffield Road.
- The 'South Cambridgeshire / Out of Town' submarket includes around 90,000 sq. ft. that is under construction at Cambridge Research Park although there is no such development occurring in the Cambridge Core.
- Both submarkets contain a similar amount of proposed space. This space is located on Coldhams Lane (Units A – D) and Mercers Row (two warehouse / manufacturing buildings) within the Cambridge Core. There are two proposed buildings on the periphery of Sawston, two at Buckingway Business Park, Swavesey and one at Cambridge Research Park.
- These proposed buildings range in scale from 15,000 sq. ft. to 217,000 sq. ft. although only four can offer more than 50,000 sq. ft. of space.

Building Location	Building Status	Total Size Sq. Ft.	No. of Spaces	Average Size Sq. Ft.
Cambridge Core	Existing	3,608,855	218	16,554
	Under Construction	0	0	0
	Under Renovation	0	0	0
	Proposed	323,063	7	46,152
	Sub Total	**3,931,918**	**225**	
South Cambridgeshire (Out of Town)	Existing	9,397,604	393	23,912
	Under Construction	90,416	1	90,416
	Under Renovation	0	0	0
	Proposed	383,884	6	63,981
	Sub Total	**9,871,904**	**400**	

Table 6 – Breakdown of Industrial / Light Industrial Supply by Submarket (Source: CoStar)

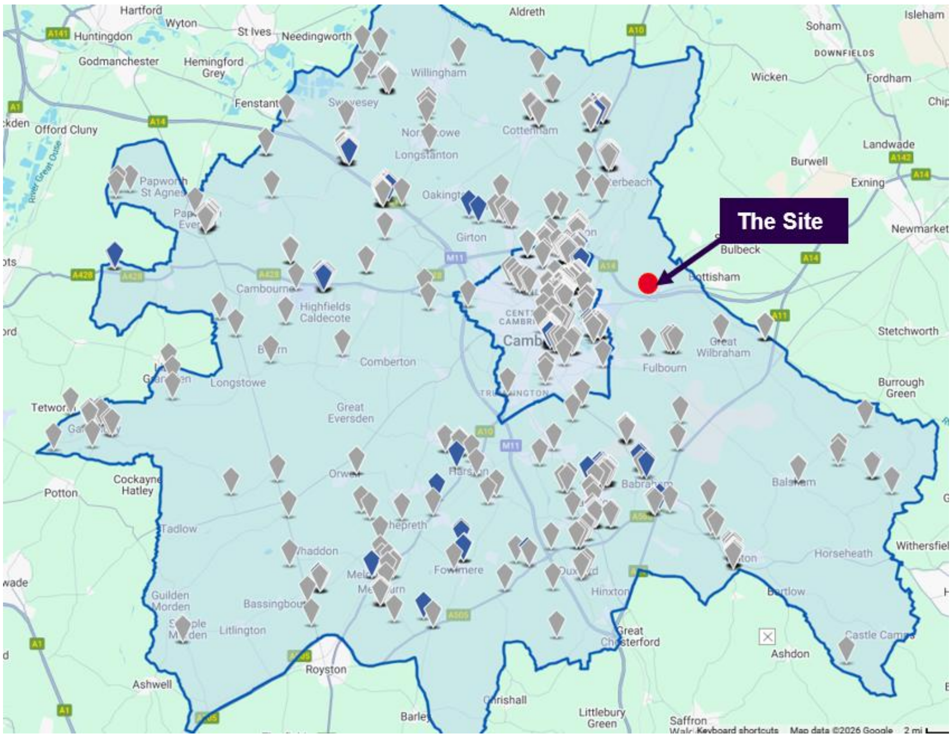


Figure 25 – Industrial / Light Industrial Supply (All Building Status) – Available (Blue Marker) & Unavailable (Grey Marker) (Source: CoStar)

Figure 26 – Proposed Industrial / Light Industrial Accommodation (Source: CoStar)

5.4.3 Construction

- The amount of construction starts (Figure 27) have been on the increase since 2022 (when 45,757 sq. ft. started) following a peak in activity in 2021 (when 399,582 sq. ft. started). By 2024 circa 331,166 sq. ft. had started being built. There were no buildings started to be built in 2025.
- In 2025 circa 249,134 sq. ft. was delivered which exceed the amount of space delivered in 2024 (198,888 sq. ft.) and 2023 (152,507 sq. ft.). These buildings were delivered in locations south of Cambridge (around Sawston and Melbourn) and west / northwest of Cambridge (Cambourne and Bar Hill).
- Deliveries are forecast (according to CoStar) to be subdued in 2026 with 90,416 sq. ft. under construction at Cambridge Research Park alongside additional proposed space that is potentially deliverable in 2026 at Buckingway Business Park.

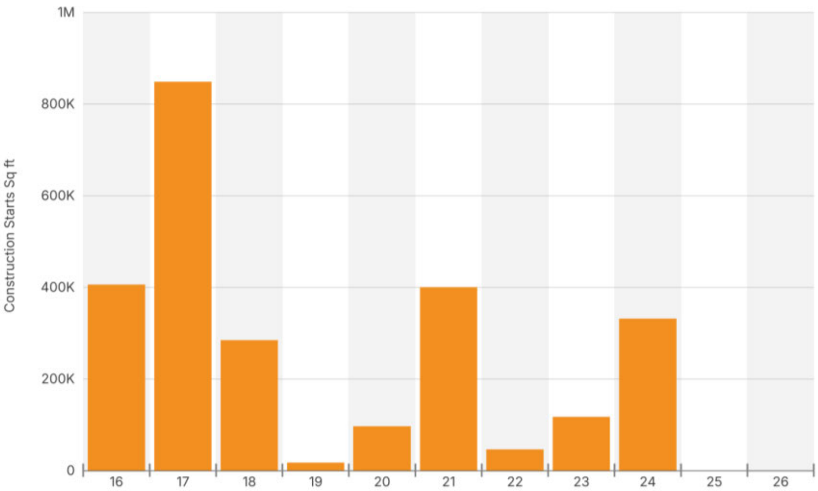


Figure 27 – Industrial / Light Industrial Construction Starts - South Cambridgeshire & City Core Markets (Source: CoStar)

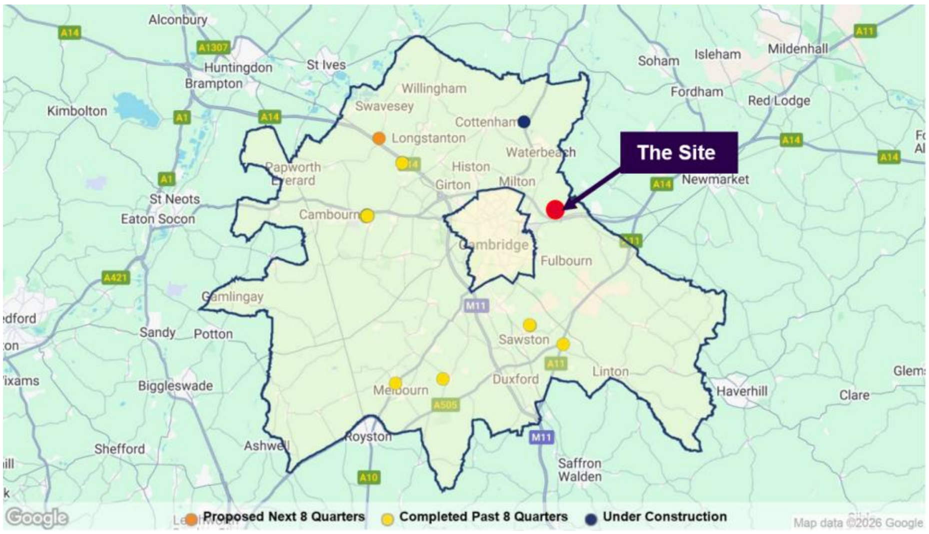


Figure 28 – Industrial / Light Industrial Completions / Proposed / Under Construction - South Cambridgeshire & City Core Markets (Source: CoStar)

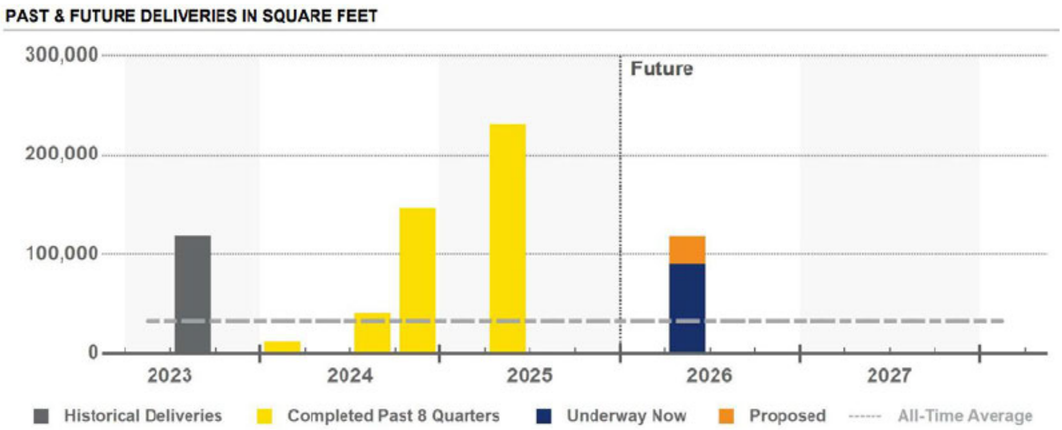


Figure 29 – Industrial / Light Industrial Completions / Proposed / Under Construction - South Cambridgeshire & City Core Markets (Source: CoStar)

5.4.4 Availability / Vacancies

- There is approximately 992,000 sq. ft. of industrial / light industrial accommodation available to let across the 'Cambridge Core' and 'South Cambridgeshire' submarkets including space that is existing / proposed / under construction.
- Of this, the majority (c. 852,000 sq. ft.) exists with only 139,865 sq. ft. (split over four buildings) being marketed as proposed and available ranging from 15,000 to 57,511 sq. ft.
- Combined, these available spaces range in scale from sub 1,000 sq. ft. to over 79,600 sq. ft and fall within the following size brackets:

Size Bracket (Sq. Ft.)	Total Available Sq. Ft.	No. of Spaces	Average Size
1 - 10,000	147,381	35	4,211
10,001 - 25,000	287,438	18	15,969
25,001 - 50,000	359,190	11	32,654
50,001 - 75,000	118,386	2	59,193
75,001 - 100,000	79,670	1	79,670
100,000 +	0	0	0
Total	**992,065**	**67**	

Table 7 – Available Industrial / Light Industrial Availability – South Cambridgeshire & City Core Markets (Source: CoStar)

- Nearly 80% of this available space offers less than 25,000 sq. ft. with few options available for businesses seeking space in excess of this.
- Most of this existing and available accommodation within the 'City Core' is situated towards the east of the city centre in the established industrial districts. Most of the South Cambridgeshire existing and available space is situated to the south / southwest or north of the city with a clear lack towards the east of the city.

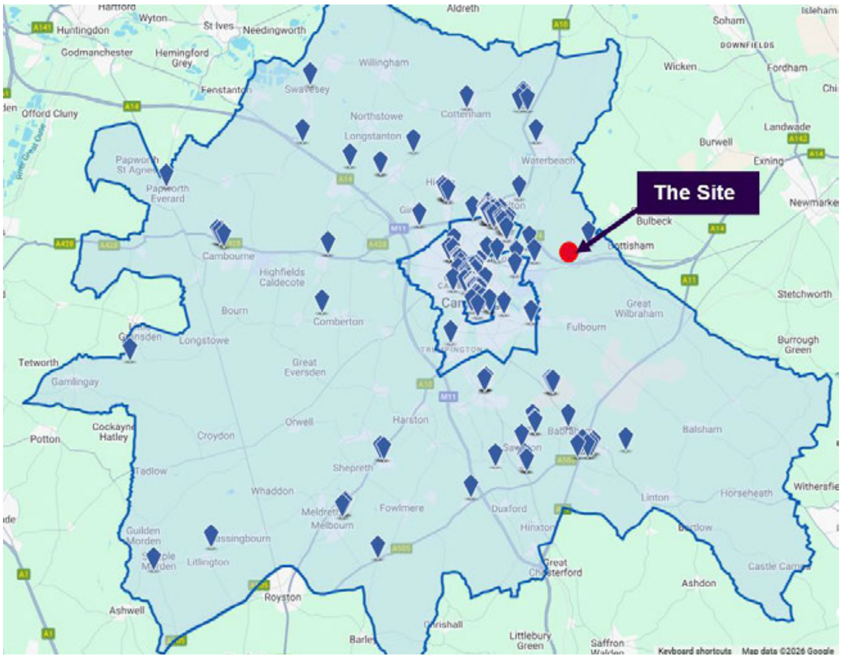


Figure 30 – Available (Existing and Proposed) Industrial / Light Industrial – South Cambridgeshire & City Core Markets (Source: CoStar)

- There are limited examples of large scale industrial / light industrial buildings within the City Core submarket with Unit 9 Norman Way (73,274 sq. ft.) and Unit 8 Coldhams Road (17,541 sq. ft.) being the largest two that are existing and available.


Figure 31 - Unit 9 Norman Way & Unit 8 Coldhams Road – Available & Existing Industrial / Light Industrial Space – City Core

- The two largest industrial / light industrial buildings outside of the City Core are Unit 300, Buckingway Business Park (36,301 sq. ft.) and Accelerator Park, Sawston (46,165 sq. ft.).


Figure 32 - Unit 300, Buckingway Business Park & Accelerator Park, Sawston Available & Existing Industrial / Light Industrial Space – South Cambridgeshire Submarket

- The lack of any significant schemes in the development pipeline will likely ease vacancy pressures moving into 2026.
- The two proposed and available industrial / light industrial buildings in the City Core submarket are ‘The Row’ (33,686 sq. ft.) and Unit 2, Mercers Row (33,668 sq. ft.) with ‘Artemis, Pampisford (a 57,511 sq. ft. multi-storey light industrial building) and Building 6,200 Cambridge Research Park (15,000 sq. ft.) located in the wider South Cambridgeshire submarket (south and north of the city).

Figure 33 – Available & Proposed Industrial / Light Industrial – South Cambridgeshire & City Core Markets (Source: CoStar)

Figure 34 - ‘The Row’ (Top Left) / Building 6,200 (Bottom Left) / Artemis (Right) – Available & Proposed Industrial / Light Industrial – South Cambridgeshire & City Core Markets

5.4.5 Leasing Activity

- Leasing activity throughout 2022 to 2024 has broadly been similar with between 244,000 and 304,000 sq. ft. leased between these years. 2025 saw a decline in leasing activity (dropping to 99,700 sq. ft.).

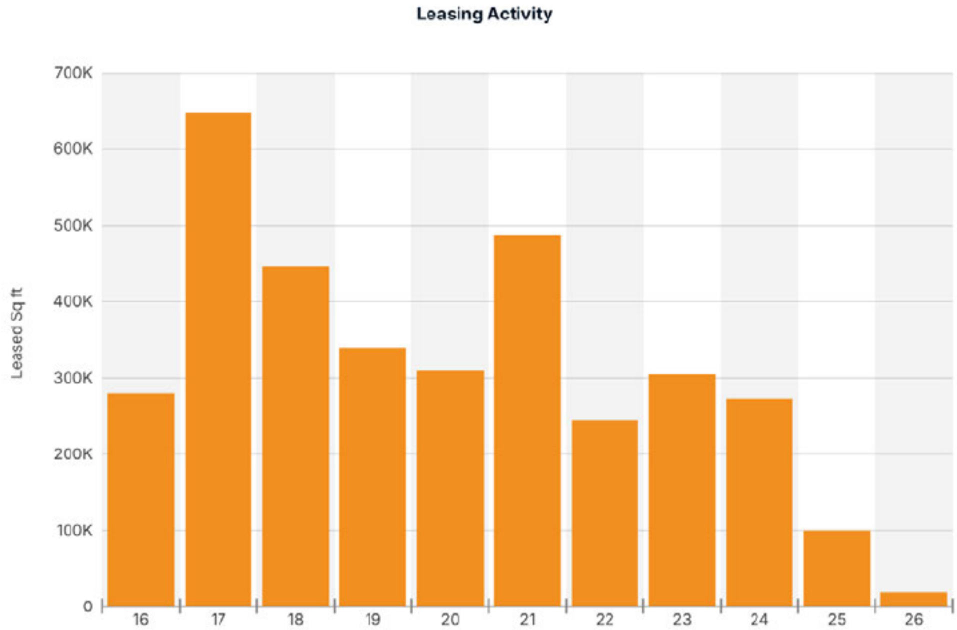


Figure 35 – Industrial / Light Industrial Leasing Activity - South Cambridgeshire & City Core Markets (Source: CoStar)

- In the last 5 years there have been 171 leasehold deals recorded within the industrial / light industrial sectors across the submarkets equating to circa 1.42m sq. ft. These ranged in size from sub 1,000 sq. ft. to 253,882 sq. ft.
- Most deals have involved no more than 10,000 sq. ft. with a limited amount (circa 16%) taking between 10,000 and 50,000 sq. ft.
- These lettings have occurred in established locations within the City Core business districts, to the south / southwest of the city and north of the city.

Size Bracket (Sq. Ft.)	Total Space Leased Sq. Ft.	No. of Spaces	Average Size
1 - 10,000	526,216	142	3,706
10,001 - 25,000	281,654	18	15,647
25,001 - 50,000	305,698	10	30,570
50,001 - 75,000	56,430	1	56,430
75,001 - 100,000	0	0	0
100,000 +	253,882	1	1
Total	**1,423,880**	**172**	

Table 8 - Industrial / Light Industrial Leasing Activity Past 5 Years – South Cambridgeshire & City Core Markets (Source: CoStar)

Figure 36 - Industrial / Light Industrial Lettings Past 5 Years – South Cambridgeshire & City Core Markets (Source: CoStar)

- Annual net absorption of industrial / light industrial space became negative in two quarters of 2025 following earlier peaks in net deliveries. However, net absorption returned to a positive by quarter 4 and is forecast to remain positive throughout 2026 and beyond. Coinciding with this is a forecast decline in vacancy rates throughout 2026 and beyond.

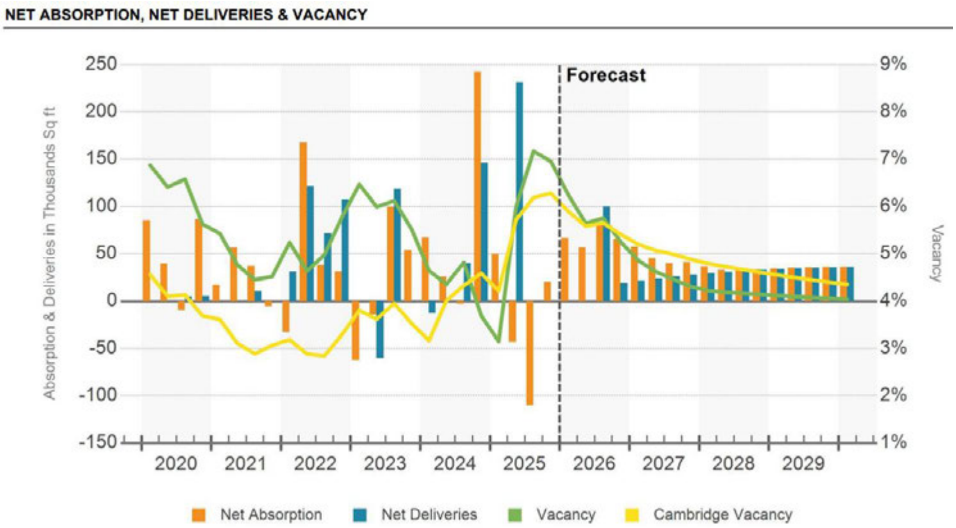


Figure 37 - Industrial / Light Industrial Net Absorption Rates - South Cambridgeshire & City Core Markets (Source: CoStar)

5.4.6 Vacancy Rates

- Vacancy in the South Cambridgeshire industrial submarket is 6.8% and has increased 3.2% over the past 12 months.
- The South Cambridgeshire industrial / light industrial market has a vacancy rate of just over 6% with the lowest vacancy rate within the specialised sector. Both the light industrial and logistics sectors have seen increases in vacancy rates from the middle of 2024 although peaked in mid-2025 with rates falling subsequently.

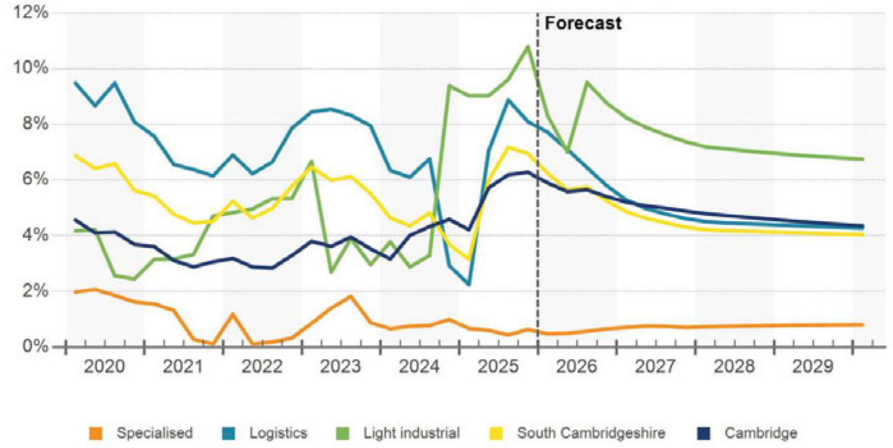


Figure 38 – Industrial / Light Industrial Vacancy Rates - South Cambridgeshire & City Core Markets (Source: CoStar)

5.4.7 Rent

- Fuelled by multiple years of largely positive net absorption and relatively tight vacancy, rents are growing steadily at 3.3% over the past year, to around £11.40 per sq. ft. This is likely to continue given the continued tightening of vacancies due to the lack of new space in the pipeline. According to local market participants, prime industrial rents in Cambridge exceed £19/SF.
- In the past three years, rents have increased a cumulative 16.7%. This submarket is slightly more affordable than the market as a whole, where average rents are £11.70 per sq. ft.

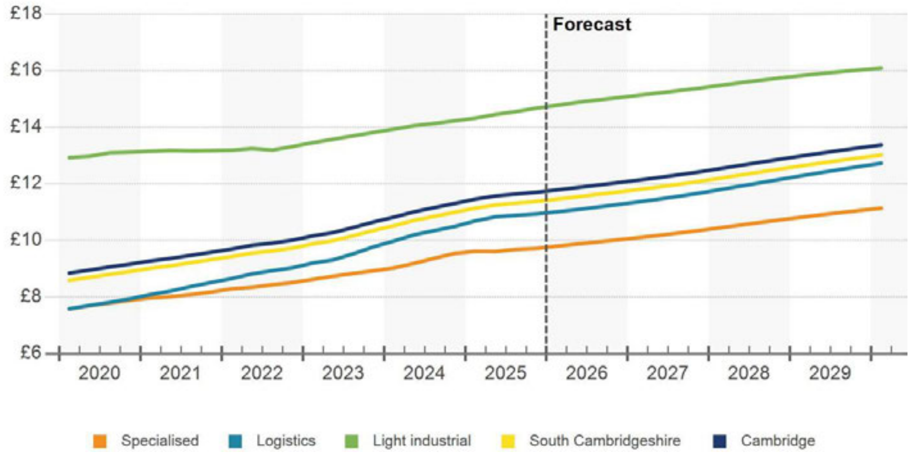


Figure 39 – Industrial / Light Industrial Market Asking Rent Per Sq. Ft. - South Cambridgeshire & City Core Markets (Source: CoStar)

5.4.8 Sales

- The strong occupational market outlook is likely to remain attractive to investors in the coming years. Forecasts from Oxford Economics suggest that Cambridge will generate more than 10,000 innovation led jobs over the next decade, which will likely reduce vacancy risks in better-quality stock.
- There have been 8 sales over the past year within the two submarkets.
- Over the past three years, there have been 28 sales, which have traded for approximately £44.2 million.
- The market yield in Cambridge is estimated to be 6.8% making it one of the UK's more expensive markets for industrial stock. The market yield for South Cambridgeshire is 7.0%, moderately above its trailing three-year average of 6.6%.

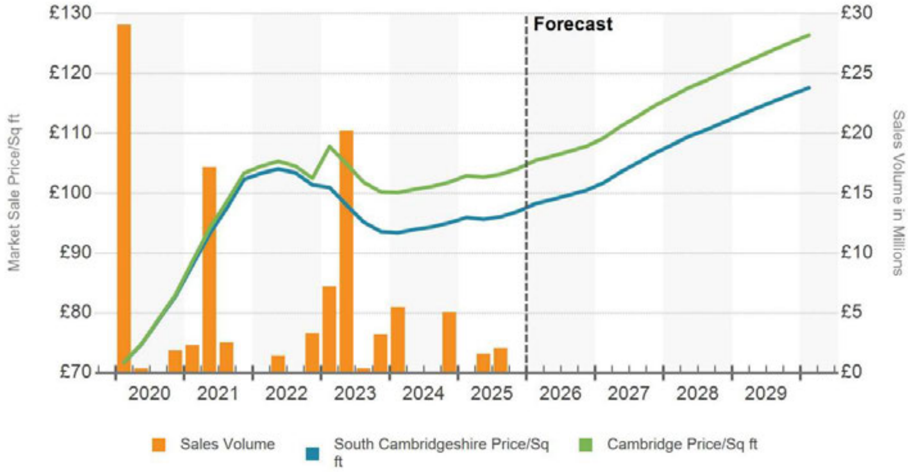


Figure 40 – Industrial / Light Industrial Sales Volume & Market Sale Price Per Sq. Ft. - South Cambridgeshire & City Core Markets (Source: CoStar)

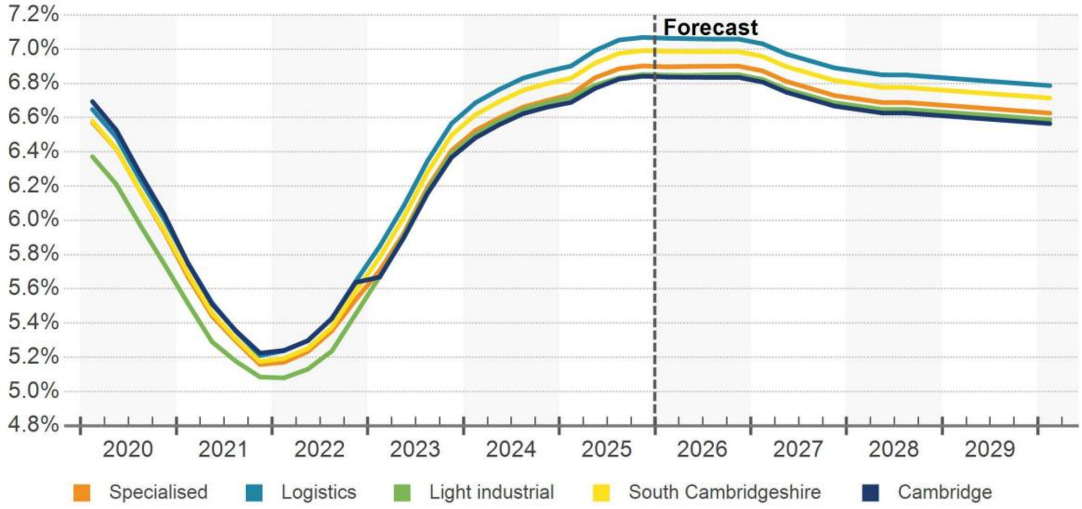


Figure 41 - Industrial / Light Industrial Market Yield - South Cambridgeshire & City Core Markets (Source: CoStar)

5.5 Summary

- Key occupiers in Greater Cambridge include AstraZeneca, Hexcel Corporation, and Hain Daniels, reflecting the strong link between industrial activity and Cambridge's innovation ecosystem. The market is split between the Cambridge Core and the wider South Cambridgeshire submarkets, with most larger-scale opportunities located outside the city centre.
- Most supply is concentrated in South Cambridgeshire, particularly in established business parks and villages surrounding Cambridge. There is a noticeable gap in provision east of Cambridge, including around Stow cum Quy, despite its proximity to the A14.
- Moving forward, proposed developments are limited and include only four buildings offering more than 50,000 sq. ft., highlighting a shortage of large-scale industrial accommodation. Forecasts indicate subdued delivery of new space in 2026, with only 90,416 sq. ft. under construction at Cambridge Research Park and limited additional pipeline space.
- The potential exists to grow further Cambridge's innovative commercial sector. It is evident however, especially having regard to current construction activity, that the aspirational growth in economic activity sought by the Government for Greater Cambridge will require catalysts such as the provision of a new multi-faceted employment campus for greater Cambridge, able to provide the modern flexible floorspace and complimentary facilities, including housing, that the innovative sector requires. It is evident that new operators simply won't locate in Cambridge without contemporary accommodation tailored to their needs.
- There is a clear shortage of large-scale office, R&D, and mid-tech space in the eastern Cambridge corridor, where the subject site is located. Industrial and light industrial provision is similarly constrained, with few options for units above 50,000 sq. ft. Quy Tech represents a development opportunity well located to bring forward a campus facility able to provide high-quality space to meet these unmet needs. There is a clear benefit to the economic fortunes of Greater Cambridge generally to create a campus at Quy Tech that prioritises mid-tech facilities to include adaptable floorplates that cater to hybrid occupiers requiring office, lab, and light manufacturing capabilities, employment focused housing, other complementary facilities and a solar farm able to self power units moving forward.

- Focusing on the mid-tech sector will help positioning the scheme to attract advanced engineering, technology and life science firms currently not present to the east of Cambridge.

SECTION 6 –

NEED

6. THE NEED FOR CONTEMPORARY CAMPUS BASED COMMERCIAL FLOORSPACE IN CAMBRIDGE

6.1.1 Context

As is considered in Section 7, Greater Cambridge is bringing forward a draft Local Plan. This seeks to allocate sufficient sites in the Greater Cambridge area to meet identified needs. There is concern however that the needs identified do not reflect Cambridge's potential and as such are not sufficiently ambitious. Equally, there is concern that the sites allocated and the nature of the development sought do not appropriate reflect ever changing needs of contemporary global research and production companies drawn to the Cambridge who need contemporary, flexible space and are looking for the associated facilities that can only be brought forward through campus styled accommodation.

6.1.2 MHCLG: Research and analysis - Greater Cambridge: Growth Scenarios

In April 2025 Oxford Economics was commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) to explore the growth potential of the Greater Cambridge economy. A subsequent report was published in November 2025[1].

Oxford Economics' approach assesses the growth potential of Greater Cambridge's knowledge intensive sectors and the wider impact this additional growth could have on local and national economic performance if commercial space and housing is provided to support this scale of growth. Alongside their baseline forecast for Greater Cambridge, Oxford Economics developed three scenarios, based on growth projections and assumptions presented by MHCLG:

Table 1. Illustrative scenario assumptions

Scenario	Housing	Commercial floorspace, million sq.ft
Low scenario	100,000	22
Medium scenario	125,000	27.5
High scenario	150,000	33

Oxford Economics' definition of the high-tech and knowledge intensive sectors comprises:

> *"**Life sciences**: this include activities that are centred around biological and medical research, including pharmaceutical, medical devices and healthcare innovation. Life sciences typically encompass all the steps of the supply chain, including research & development, manufacturing, and supporting activities.*
>
> ***Knowledge intensive market services**: this encompasses a large array of sectors, including legal and financial activities, engineering, marketing, administrative services, real estate, and transport.*

[1] Greater Cambridge: Growth Scenarios - GOV.UK

Knowledge intensive high-tech services ("tech")*: this category includes activities that would commonly be referred to as "tech", including software publishing, computer programming, wireless telecommunication activities. It also includes research & development activities.*

Other knowledge intensive services*: this includes a wide range of activities that are not necessarily related, such as education, human health and social work, arts and entertainment.*

According to the *Greater Cambridge: Growth Scenarios* research, additional activity in knowledge intensive sectors and housing delivery could enable a substantial increase in employment. According to their growth scenarios, Greater Cambridge could support 380,000 to 465,000 jobs by 2050. This represents a 60% to almost doubling of the size of the existing Greater Cambridge workforce (236,000 jobs) and would see employment around 20% to 45% higher than in the baseline forecast (321,000 jobs).

6.1.3 Greater Cambridge Employment and Housing Evidence update (2025)

The Greater Cambridge Employment and Housing Evidence Update 2025 (EHEU 2025) draws on the latest available data to identify the "central" most likely future jobs forecast taking account of what is unique about the local and regional economy. The central forecast assumes strong growth of around 4,000 additional jobs per annum or more through to 2045 – continuing the recent period of rapid growth seen in Greater Cambridgeshire's Knowledge Intensive sectors but also building in an assumption that there will be slower or contracting periods and unforeseen shocks, which are likely in most economies.

The EHEU 2025 report provides an update to the previous report of 2023. It identifies, (on the basis of recent high growth rates and strong economic prospects in each) the following key sectors:

- Health and Care
- IT Services
- Head Office and Management Consultancies
- Agricultural and Engineering services
- Other manufacturing & repair.
- Other professional services (including RD/life sciences)

The excerpt, below, from the EHEU explains a little more about "*other professional services*" and its importance to Greater Cambridge:

- **Other professional services (including R&D / life sciences):** The case for this key sector is well known for Greater Cambridge and was established in the 2020 ELEDS (see para 9.42 and elsewhere). BRES (2020) reported that 90% of this sector in Greater Cambridge is made up of 'Scientific research and development' representing life sciences activities. This a primary growth sector for Greater Cambridge. There was considered to be potential to exceed the baseline forecasts in this sector considering past performance.

Floorspace requirements are then modelled for each of these sectors with end conclusion as below – albeit notable that this is largely a quantitative modelling exercise as above to a qualitive assessment of the likely accommodation, facilities and locations required by the various sectors:

- 302,600 sqm offices and 600,000 sqm of Research and Development (R&D) space
- 317,000 sqm of industrial / warehousing (use classes B2/B8).

It is worthy of note that the conclusions of the EHEU are caveated as being conservative, and at page 19 of the report it is explained that:

> *"The* [Centre for Business Research] *CBR data presents a more positive picture of economic growth for recent years than the adjusted* [Business Register and Employment Survey] *BRES data. The BRES data indicates compound annual growth rate (CAGR) for employment in Greater Cambridge of 1.4% between 2020 and 2023. By contrast, CBR's analysis suggests that overall employment grew by 2.5% in 2020-21, 6.7% in 2021- 22, 6.3% in 2022-23, and 5.3% in 2023-24. This amounts to a CAGR from 2020-21 to 2022-23 of 5.1%.*
>
> *CBR's data also provides a more positive view of growth in key sectors in Greater Cambridge. The CBR data suggests that knowledge-intensive (KI) employment has been strong, with growth of 5.8%, 7.8% and 11.2% in 2020-21, 2021-22 and 2022-23 respectively."*

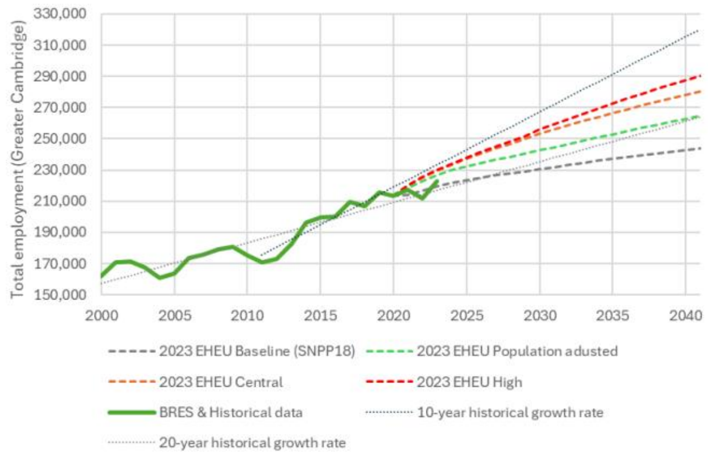
In the EHEU report it is argued that the CBR data confirms that it would not be appropriate to revise growth forecasts downwards (which latest BRES might suggest). The CBR data would instead lean towards a conclusion of planning for a high level of employment growth, and yet that higher growth scenario is not the one planned for in the emerging Local Plan.

It is also evident that even the EHEU "High figure" is below the 10-year historic growth rate and there is potential for greater alignment to 20-year growth ambitions, which would be more appropriate for a nationally, and globally important economic ecosystem such as that in Cambridge.

The excerpt below shows:

> *"...a dip in employment between 2021 and 2022 following COVID-19. While growth recovered in 2023, this recovery was not substantial enough to be in line with the previous forecasts. Nonetheless, the overall jobs position is still sitting between the 10- and 20-year growth rate trends."*

Figure 3.1 Comparison of BRES and previous forecasts (all sectors)



It is clear that R&D is a substantial growth sector in Greater Cambridge, and the emerging Local Plan will need to work hard to facilitate this growth. In order to achieve its ambitions, it is likely that the Greater Cambridge authorities will need to be flexible in allowing delivery on a range of development sites. Employment development can be delivered on new large scale business parks, but it will also need to be supported by medium scale sites – such as those explored by this report – to ensure momentum and diversity in the economic strategy.

6.1.4 Greater Cambridge Employment Land and Economic Development Evidence Study Nov 2020

The case for this sector (R&D) is cited in the employment update 2025 (above) as being established in the 2020 "Greater Cambridge Employment Land and Economic Development Evidence Study" (ELEDS) which states the following at para 9.42:

> **Research and development**
>
> 9.42 Research and development has seen consistent fast growth particularly in South Cambridgeshire since around 1999. This is a key employment sector relating to life sciences (including biotech, natural science and engineering) and linked to recent and planned growth across the various campuses including Granta Park, Babraham and Wellcome Genome Campus, as a result fast growth is expected to continue. Of note is that the sector has grown from a relatively low base of 7,600 jobs in 2001 to 17,700 jobs by 2017. This suggests that whilst the sector may continue to expand rapidly in absolute terms, in percentage terms it will slow down as it expands.

It is clear that R&D as a sector has a long tradition of growth in and around Cambridge. This growth remains strong and is an important contributor to not only the local, and regional economy, but also that of the whole UK. It is vital therefore, that the right quantum of new development is identified, but also that it is in the right places, and can support a range of occupiers.

But, with that said, it also appears that the 'update' to the EHEU is fundamentally based in a market report from some 6 years ago, in 2020. Therefore, it is not clear if the trends are properly up-to-date and if they reflect the actual needs as considered through this report.

6.2 Observations

Cambridge supports a globally competitive R&D intensive ecosystem and there is reason to believe that much of the investment it attracts in the life sciences and high-tech services industries might otherwise occur among its international competitor ecosystems.

The "*Greater Cambridge: Growth Scenarios*" research, scenarios stretch as far as 2050 (i.e. 5 years further than the EHEU work) but the growth figures therein are significantly higher, at 380,000 to 465,000 jobs, than the 73,300 new jobs envisaged by the Greater Cambridge Local Plan.

The growth scenarios represent faster employment growth (1.8% to 2.5% per year) than observed historically (1.7% per year). The increase in employment would be primarily driven by knowledge intensive sectors, which would form around two-thirds of additional employment.

The economic strategy of the Greater Cambridge Local Plan is focussed on the knowledge intensive sector, including R&D, and therefore, it would appear that the predictions and the strategy are not as ambitious as they should be, and critically as ambitious as the Government would like them to be.

Therefore, there is a strong argument for the Councils to look again at the evidence which underpins the economic strategy, and to support more economic development on site such as the proposal supported by this report.

Concerns highlighted in this report, identify that the ‘latest’ evidence upon which the Councils rely is essentially grounded in market trends as identified in 2020, which presumably in a dynamic sector will have to some extent been superseded.

The EHEU report focuses on discussions regarding “R&D” but this too, is a concept that is somewhat outdated. The suggestion that 90% of the R&D sector is made up of scientific research and development, fails to appropriately reflect growing role and demand for Mid-Tech within the sector. Mid-Tech refers to flexible, adaptable commercial spaces for growing science, tech, and R&D businesses, blending features of high-spec labs with cost-effective offices, allowing for scale-ups in areas like medical devices, robotics, and digital R&D. Therefore, the categorisation of R&D is too simplistic, and it is telling that in the EHEU report there is reference to CBR research which considers “knowledge-intensive (KI)” employment, and KI is also considered in the Government research considered above. It would appear that growth in a wider KI sector should be considered in economic growth strategies of Greater Cambridge. There is greater nuance, and greater need, across KI employment than is shown in the EHEU.

Specifically, the EHEU fails to appropriately reflect more recent mid-tech trends such as bespoke office/lab enabled on site production and distribution, as demanded by newly forming and ‘spin-out’ business in the KI sector. In qualitative terms, as is explored through this report, there appears insufficient consideration, in the EHEU, and Greater Cambridgeshire Local Plan, of the nature and location of property stock likely to be sought by operators.

Whilst the Wellcome Genome Campus, Hinxton is specifically referenced in the 2020 study no further work appears to have been done to identify the benefits of campus based space i.e. ability to provide complimentary / enabling facilities, such as in this instance the need, in a global market, for short lease housing for visiting researchers etc versus standalone accommodation.

Campuses are crucial for the UK's economy, fostering innovation, driving growth in high-tech sectors (like life sciences, AI, space), creating high-value jobs, attracting investment, and strengthening collaboration between universities, businesses, and government, essentially acting as regional innovation hubs that anchor talent and boost productivity in the knowledge economy.

Campuses are at the forefront of delivering:

Economic growth and innovation:

- Knowledge Economy Engines: Science parks, research parks, and innovation districts are essential for fostering knowledge-based businesses, with over 100 in the UK alone.
- Commercialization of Research: They provide the infrastructure needed to turn academic research into marketable products and services, bridging the gap between research and real-world application.
- Regional Development: These campuses attract investment and create high-value jobs, with some, like Science North, contributing significantly to local, regional, and national economies.
- Sector-Specific Clusters: They encourage the growth of specific sectors such as biotechnology, AI, digital health, and advanced manufacturing.

Facilitating Collaboration and Knowledge Sharing

- Industry-University Links: Science campuses connect universities with industries, facilitating collaboration, joint R&D, and technology transfer.
- Open Innovation: The physical proximity of startups, SMEs, and large corporations creates "local buzz," allowing for open innovation and the rapid exchange of ideas.
- Shared Infrastructure: They offer specialized facilities—such as labs, clean rooms, and high-tech equipment—that are often unavailable elsewhere.

Talent Attraction and Development

- Creating 'Centres of Excellence': These campuses provide a vibrant, collaborative environment that attracts and retains high-quality scientists, researchers, and engineers.
- Career Opportunities: They offer tangible career opportunities, encouraging students to pursue science and technology fields.

Sustainability and Future-Proofing

- Modern, Sustainable Design: Contemporary science campuses emphasize energy-efficient technologies, sustainability, and environmental responsibility, such as BREEAM standards.
- Flexible Infrastructure: The buildings are designed with future growth in mind, featuring adaptable, modular spaces that can be customized to meet evolving needs.
- Addressing Global Challenges: By fostering collaboration, science campuses are crucial for solving pressing challenges like climate change, pandemics, and energy needs.

Creating a "Sense of Place"

- Amenity-Rich Environments: Modern, successful science campuses go beyond just offices, including cafes, gyms, and green spaces, which are essential for employee well-being, networking, and productivity.
- Community Building: They create a "vibrant community" that encourages informal interaction and social engagement, which often sparks new ideas.

6.2.1 Summary

To conclude this section, then, it is clear that:

- The need for employment, and especially knowledge-intensive employment, is much greater than that identified and allocated for in draft Local Plan.
- The identified needs do not reflect new and emerging trends.
- The conclusions drawn are primarily quantitative i.e. simple floorspace figures, without qualitative assessment of the location, nature and setting of accommodation needed. Fundamentally therefore this work fails to recognise the growing need for campus based contemporary commercial floorspace.

SECTION 7 -

PLANNING CONTEXT:

7. PLANNING CONTEXT

7.1 Planning Policies

To provide some context to this section, outlined hereunder is the policy framework which guides these proposals and is specifically relevant to economic opportunities.

7.1.1 National Planning Policy Framework (NPPF)

The NPPF (2024) sets out the Government's economic, social and environmental planning policies for England.

Paragraph 7 of the NPPF explains that "[t]he purpose of the planning system is to contribute to the achievement of sustainable development." Paragraph 8 goes on outline the three overarching objectives to achieving sustainable development. The social objective and environmental objective are considered elsewhere in this document, but the economic objective is defined as follows:

> *"...to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure."*

"At the heart of the NPPF is a presumption in favour of sustainable development," and this is explained at NPPF paragraphs 10 and 11. Furthermore, paragraph 15 adds that Local Plans should provide "a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings"

Chapter 6 of the NPPF is where Government outlines its vision for "[b]uilding a strong, competitive economy," and specifically at paragraph 85 it states:

> *"…Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future…"*

At paragraph 86 the NPPF explains that planning policies should:

> *a) "set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
>
> *b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
>
> *c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
>
> *d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances."*

Finally, paragraph 87 requires that:

"*Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for:*

a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);

b) storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and

c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience."

The draft NPPF was issued for consultation in December 2025. This, complemented by changes to Planning legislation, signals a clear intention that Planning should be firmly supportive of new economic development. The draft NPPF confirms that the overarching objectives of planning policy are to provide the new homes, commercial development, facilities and infrastructure necessary for society.

7.1.2 Planning Practice Guidance (PPG)

A range of guidance supports the NPPF and specific to building a strong and competitive economy there is guidance for how to identify economic needs and for how to identify available land to meet that need.

PPG reference ID: 2a-025-20190220 starts by setting out that:

"Strategic policy-making authorities will need to prepare a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions. National economic trends may not automatically translate to particular areas with a distinct employment base. Where appropriate, local planning authorities can use their Authority Monitoring Report and the plan review process to ensure that their evidence base remains up to date.

Functional economic market areas can overlap several administrative areas so strategic policy-making authorities may have to carry out assessments of need on a cross-boundary basis with neighbouring authorities within their functional economic market area. Local Enterprise Partnerships (and county councils) can play a key role in this process."

At reference ID: 2a-026-20190220 the PPG also explains how strategic policy making authorities should prepare and maintain evidence about business needs as follows:

"In gathering evidence to plan for business uses, strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy, to understand their current and potential future requirements. They will need to assess:

- *the best fit functional economic market area*
- *the existing stock of land for employment uses within the area;*
- *the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);*

- *evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*
- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively"*

The assessment of market signals is given further guidance in PGG at Reference ID: 2a-027-20190220, as follows:

> "*Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:*
>
> - *sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)*
> - *demographically derived assessments of current and future local labour supply (labour supply techniques)*
> - *analysis based on the past take-up of employment land and property and/or future property market requirements*
> - *consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.*
>
> *Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios*"

And demand analysis at Reference ID: 2a-02920190220:

> *"The available stock of land can be compared with the particular requirements of the area so that 'gaps' and any over-supply in local employment land provision can be identified.*
>
> *It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.*
>
> *Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied."*

How to translate employment demand into land requirements is guided by reference ID: 2a-030-20190220 as follows:

> "*When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements:*
>
> - *Standard Industrial Classification sectors to use classes*

- *Standard Industrial Classification sectors to type of property*
- *employment to floorspace (employment density) and*
- *floorspace to site area (plot ratios based on industry proxies)"*

In terms of identifying land for employment space the PPG provides the following guidance:

> *"An assessment of land availability identifies a future supply of land which is suitable, available and achievable for housing and economic development uses over the plan period. The assessment is an important source of evidence to inform plan-making and decision-taking, and the identification of a 5-year supply of housing land. It can also inform as well as make use of sites in brownfield registers…*
>
> *…Plan-making authorities may carry out land availability assessments for housing and economic development as part of the same exercise, in order that sites may be identified for the use(s) which is most appropriate"*
>
> Reference ID: 3-001-20190722
>
> *"Plan-makers will need to assess a range of different site sizes from small-scale sites to opportunities for large-scale developments such as village and town extensions and new settlements where appropriate.*
>
> *It may be appropriate to consider all sites and broad locations capable of delivering 5 or more dwellings, or economic development on sites of 0.25 hectares (or 500 square metres of floor space) and above…."*
>
> Reference ID: 3-009-20190722
>
> *"Once the sites and broad locations have been assessed, the development potential of all sites can be collected to produce an indicative trajectory. This should set out how much housing and the amount of economic development that can be provided, and at what point in the future (i.e. within years 1 to 5, 6 to 10, and 11 and beyond). An overall risk assessment should be made as to whether sites will come forward as anticipated."*
>
> Reference ID: 3-024-20190722

7.1.3 South Cambridgeshire Local Plan (2018)

South Cambridgeshire Local Plan Policy S/5: Provision of New Jobs and Homes, identifies that:

> *"Development will meet the objectively assessed needs in the district over the period 2011-2031 for:*
> *a. 22,000 additional jobs to support the Cambridge Cluster and provide a diverse range of local jobs;*
> *b. 19,500 new homes, including affordable housing."*

Policy S/6: The Development Strategy to 2031, explains that:

> *The need for jobs and homes will be met as far as possible in the following order of preference, having regard to the purposes of the Cambridge Green Belt:*
>
> *a. On the edge of Cambridge;*
> *b. At new settlements;*
> *c. In the rural area at Rural Centres and Minor Rural Centres.*

4. Development in the rural area will be limited, with allocations for jobs and housing focused on Rural Centres and Minor Rural Centres, and rural settlement policies providing for windfall development for different categories of village consistent with the level of local service provision and quality of public transport access to Cambridge or a market town.

Given its age, and in the face of increasing housing need, and changing national planning policies the strategy of the South Cambridgeshire Local Plan is outdated. This is why the plan is due to be replaced by the Greater Cambridge Local Plan (more on this below). However, the basis of the South Cambridgeshire Local Plan is to support social and economic growth, especially where it is at the edge of Cambridge, and where it can support robust and growing economic clusters.

Specifically, Policy E/9: Promotion of Clusters, sets out that:

"Development proposals in suitable locations will be permitted which support the development of employment clusters, drawing on the specialisms of the Cambridge area in the following sectors:

• Biotechnology and biomedical;

• Computer services;

• Electronic engineering;

• High-technology manufacturing;

• Information technology / telecommunications;

• Healthcare, teaching and research;

• Research and development;

• Clean Technology;

• Other locally driven clusters as they emerge."

Also, Policy E/13: New Employment Development on the Edges of Villages, adds

"Subject to Green Belt policy, new development for employment development (B1, B2 and B8 Use Classes) will be permitted on sites adjoining or very close to the development frameworks of villages where:

a. It is demonstrated that there are no suitable buildings or sites within the settlement or nearby, or suitable buildings to reuse or replace in the countryside nearby.

b. The site comprises previously developed land. If greenfield sites are proposed they will need to demonstrate no suitable previously developed sites are available.

c. The proposal is justified by a business case, demonstrating that the business is viable.

d. There is a named user for the development, who shall be the first occupant. A planning condition will be attached to any permission to this effect.

e. The proposal is logically related to the built form of the settlement, the scale and form of the development would be in keeping with the category and scale of the village.

f. The proposal would not have an unacceptable adverse impact on the character and appearance of the area and in particular the village edge, and is in scale with the location.

g. The site can be easily accessed on foot or cycle."

This report demonstrates that the proposals are a valuable addition to the local R&D cluster around north and east Cambridge, which is part of a regional economic powerhouse. Although the site is at Stow-cum-Quay and therefore at a village, it is in a very sustainably located part of the district, adjacent to the A14, and very close to the edge of Cambridge.

The site is also a logical part of the emerging growth strategy for Greater Cambridge, a matter which is explored further in the next section.

7.1.4 Greater Cambridge Local Plan (emerging)

South Cambridgeshire District Council, along with Cambridge City Council, are working together to create a joint Greater Cambridge Local Plan. The Councils have consulted upon a 'First Conversation' (2020), a call for sites and 'First proposals' consultation in 2021, and draft Local Plan was approved for consultation at a joint Cabinet meeting between both councils on Tuesday 25 November 2025. The consultation ran until the end of January 2026.

Emerging Policy S/JH: New jobs and homes sets out strategic aims for the plan stating that development in Greater Cambridge to meet objectively assessed need over the period 2024-2045 for:

> *"a. 73,300 additional jobs to support the Greater Cambridge's knowledge intensive sectors and also provide a diverse range of local jobs*
>
> *b. A minimum of 48,195 new homes meeting the needs for the total population, including for affordable housing and the specialist accommodation needs of specific groups..."*

This policy underpins the spatial strategy and the various allocations identified in the emerging plan. It is telling that the emerging plan begins with a focus on economic growth, and a significant increase in job numbers, before housing targets are mentioned in the policy.

Economic growth is the cornerstone of the emerging Greater Cambridge Local Plan. Growth in various sectors is pursued in the emerging plan, not least of which is R&D. As is noted above in national policy, the clustering of such activities remains vital if growth is to be achieved, and the proposals are situated close to the proposed growth at Cambridge East, and so are ideally placed to make the most of a growing regional economy and to help to facilitate the delivery of the emerging local plan strategy.

Turning briefly to some of the detail of the emerging Greater Cambridge Local Plan, much of it echoes the extant development plans for the area including at Policy J/NE: New employment development proposals, which explains that:

> *"New employment development of an appropriate type, scale and character will be supported where it is appropriate to the location as set out below.*
>
> ***Cambridge***
>
> *1. Within the Defined Development Extent of Cambridge (as defined on the policies map), new employment development of an appropriate type, scale and character will be encouraged where proposals reflect the site allocation policies, opportunity areas and areas of major change included the Strategy section of this Plan. Outside these areas proposals will be considered on their own merits.*
>
> ***Towns and villages in South Cambridgeshire***
>
> *2. New employment development in accessible locations within the Defined Development Extent (defined on the policies map) within South Cambridgeshire's towns and villages will be*

supported where they are of a scale and character that reflect their location and the settlement in which they are located.

On the edges of South Cambridgeshire's towns and villages

3. Subject to Green Belt policy, proposals for employment development will be permitted on sites adjoining or very close to the Defined Development Extent of towns and villages in South Cambridgeshire (defined on the policies map) where:

a. It is demonstrated that there are no suitable buildings or sites within the settlement or nearby, or suitable buildings to reuse or replace in the countryside nearby;

b. The site comprises previously developed land. If greenfield sites are proposed they will need to demonstrate no suitable previously developed sites are available;

c. The proposal is justified by a business case, demonstrating that the business is viable;

d. There is a named user for the development, who shall be the first occupant. A planning condition will be attached to any permission to this effect;

e. The proposal is logically related to the built form of the settlement, the scale and form of the development would be in keeping with the category and scale of the village;

f. The proposal would not have an unacceptable adverse impact on the character and appearance of the area and in particular the settlement edge, and is in scale with the location;

g. The site can be easily accessed on foot or cycle."

As is observed in relation to the extant South Cambridgeshire Local Plan, the site is at the edge of a settlement in the Cambridge Green Belt, but it is very sustainably located, adjacent to the A14, and close to the edge of Cambridge. The site will be a clear, logical, and robust addition to the Cambridge East cluster.

7.2 Planning Applications

Figure 42 shows approved and undecided planning applications relating to B2 (General Industrial) / B8 (Storage / Distribution) / Eg (Business – General) / E(g)(i) Office / E(g)(ii) Research and Development / E(g)(iii) Light Industrial within the areas surrounding Cambridge.

There is a noticeable lack of applications to the east of Cambridge relating to these proposed end uses classes.

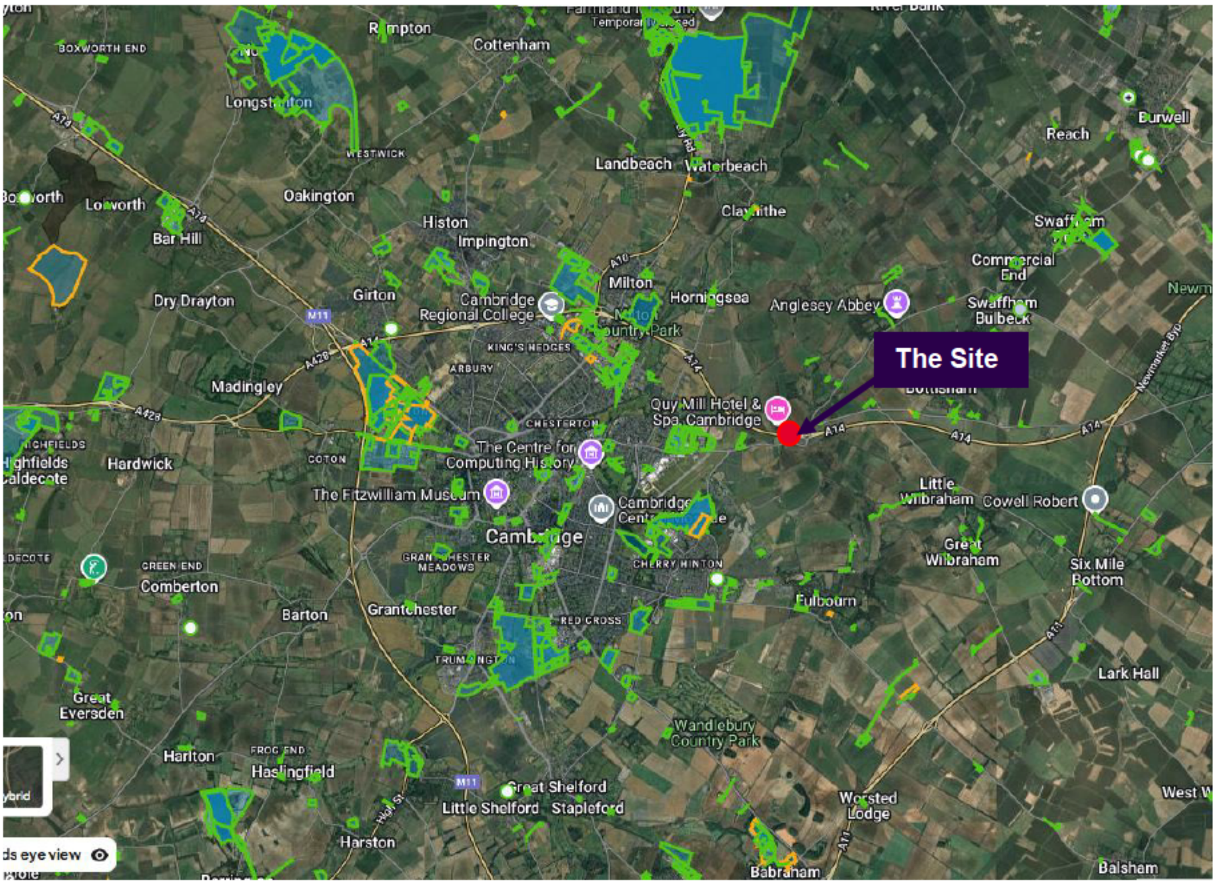


Figure 42 – Office / Industrial Planning Applications – Cambridge and Surrounds

7.3 Allocated Employment Land

The employment sites proposed to be allocated in the plan to meet the identified employment need set out in Policy S/JH: New jobs and homes and Policy S/DS: Development Strategy are listed below:

- **Policy S/NEC: North East Cambridge**
- **Policy S/CE: Cambridge East**
- **Policy S/CBC: Cambridge Biomedical Campus (including Addenbrooke's Hospital)**

Figure 43 below shows these allocations spatially:

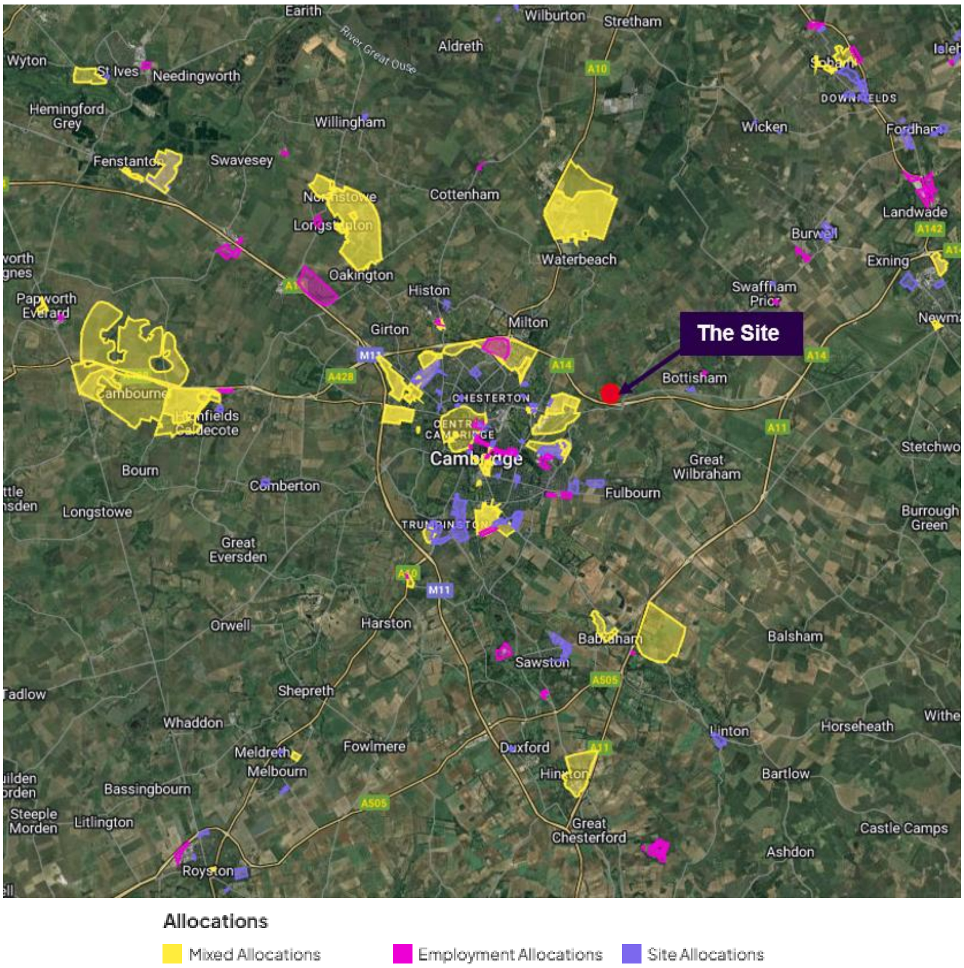


Figure 43 – Site Allocations – Cambridge and Surrounds

The allocations, relative to this opportunity, are considered below:

Policy S/NEC: North East Cambridge:

Policy seeks to transform North East Cambridge (NEC) into a thriving and inclusive new district that builds on the strengths of Cambridge's existing innovation hubs including Cambridge Science Park, St John's Innovation Park and Cambridge Business Park, while enabling them to evolve to meet future needs. At its heart will be a vibrant quarter that is walkable and low-carbon, bringing together world-class businesses, high-quality homes, services and cultural amenities, and welcoming public spaces. Designed to embed accessibility and meet every day needs locally, it will provide all that residents need and reach out to integrate and support surrounding neighbourhoods and the wider city. It is envisaged that the site would bring forward circa 320,000 square metres (GIA) of additional business floorspace and an additional 27,300 square metres (GIA) of industrial floorspace for mid-tech, light industrial and creative industries.

It is notable however that this allocation is predicated on the relocation of Cambridge Waste Water Treatment Plant, the recent plans for which have been terminated. Any issues with the deliverability of these aspirations will increase further the need for employment space elsewhere, in particular opportunities able to build on the strengths of Cambridge's existing innovation hubs.

Policy S/CE: Cambridge East:

It is the intention of the draft Local plan that Cambridge East will be a vibrant, inclusive new city district that reflects the spirit of Cambridge while shaping its future. Rooted in a unique setting, Cambridge East will offer welcoming, walkable neighbourhoods which support an intergenerational community to live well, work purposefully, learn, and thrive.

The site is allocated for mixed-use development to comprise, amongst other things, 8,000 dwellings and 'significant employment floorspace in use classes E (g) including offices and research and development focused upon the district centre, as well as a minimum of 20,000 square metres (GIA) of B2/B8 employment floorspace.

It is notable that Green Belt release was considered appropriate to facilitate this development and evident also that spatially this seeks to grow the function of east Cambridge.

Quy Tech is just 250m north of the Cambridge East allocation and ideally located to connect into and complement the new development at Marleigh and that proposed more generally through the East Cambridge allocation. Quy Tech will complement and help provide jobs and services for future residents of east Cambridge. In terms of wider connectivity the site has direct access to the A14, whilst the Cambridge East development, Newmarket Road travel hub and Cambridge North are all directly accessible from the site by standalone foot and cycle routes.

Policy S/CBC: Cambridge Biomedical Campus (including Addenbrooke's Hospital)

Much of the Biomedical Campus is an existing allocation. In addition further land is to be released from the Green Belt to facilitate its expansion. The site is identified as appropriate for a mix of uses which meet local, regional or national health care needs; or for biomedical and biotechnology research and development activities, related higher education, and sui generis medical research institutes. The Campus will include provision for additional campus worker homes and supporting services and facilities to support those that work, live, visit and pass through the Campus. Capacity is identified for approximately an additional 1000 homes on the campus and approximately 687,000 net additional square metres (GIA) of research and development floorspace relating to biomedical and biotechnology uses and clinical healthcare and hospital facilities.

Given much of the site is built out it is not clear the extent to which the floorspace referenced is identified for the expanded allocation, versus that already delivered. This will impact further need for facilities elsewhere. Whilst it is to service a different sector i.e. biomedical, it is evident that the benefits stemming from campus-based accommodation are recognised and that need for such floorspace is deemed sufficiently weighty to allow green belt release.

It is evident that none of the other employment land allocations identified in the plan specifically target a campus based mid tech offering, able to offer the complementary facilities needed to attract global operators. Equally, it is evident whilst extension of the biomedical campus is sought to the south and significant commercial proposals are targeted to the north west along the A14 Corridor and north of Waterbeach, limited future development is targeted to the east of Cambridge leaving this area underrepresented generally and failing to maximise the opportunity presented by the development of Cambridge East, access to the A14, the Eastern Access plans and the proposed Newmarket Road travel hub location.

Figure 59: Strategic vision of the edge of Cambridge

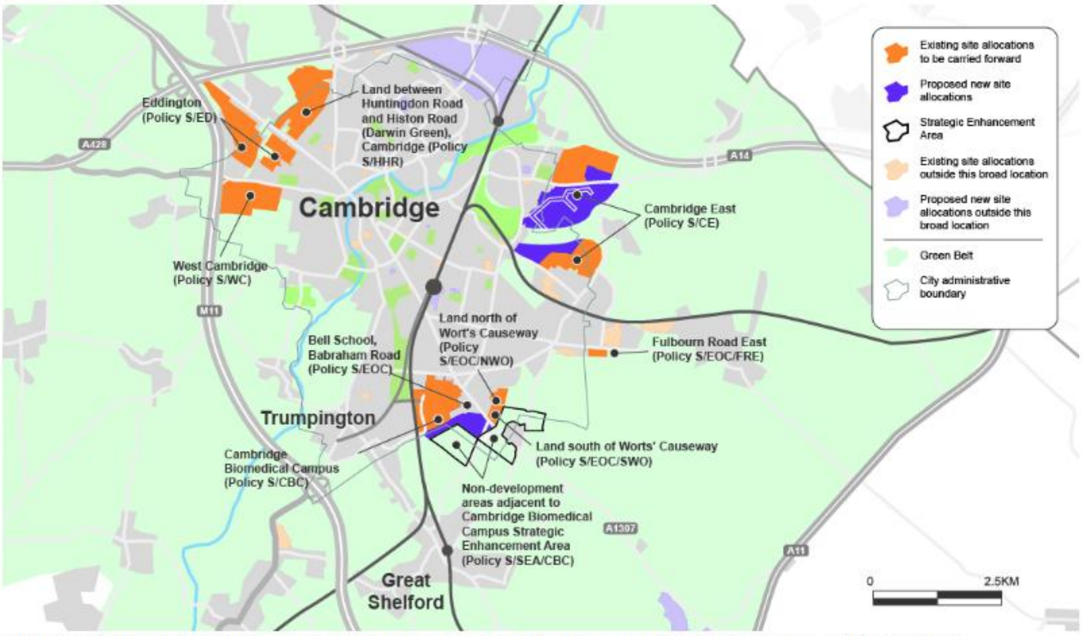


Figure 60: Map of proposed allocations and areas of major change on the edge of Cambridge

SECTION 8 -

ECONOMIC ASSESSMENT

8. ASSESSMENT OF ECONOMIC BENEFITS

GUIDANCE

The following guidance documents have been used during the preparation of this section:

- Homes and Community Agency (HCA) (2015) Employment Density Guide 3rd Edition; and,
- Homes and Communities Agency (2014) Additionality Guide 4th Edition

8.1 Construction Employment

The employment of construction workers during the construction of the proposed development will result in additional economic activity. The industry standard method of estimating the number of construction workers onsite (as measured annually by ONS through the Business Register and Employment Survey) is to divide the expected construction cost of a development by the GVA of the average construction worker.

Given the likely scale of the proposed development and the rage of building types on site there is the potential for a reasonably large team of construction workers.

At this stage, an element of flexibility is being retained in the proposals, so the exact cost of development is not possible to calculate. However, if a figure of £1,000 per sqm meter is estimated (an average covering lower cost construction for basic lab space, to the more expensive mid-tech, or specialised lab R&D space, with some offices) and this is applied to the overall floorspace of just over 415,000 sqm then a build cost of £415million can be assumed. This figure does not include and adjustment for location, cost efficiencies or indexation.

Therefore:

Estimated construction cost / annual output per construction worker = “construction job years”

415,000,000 / 45,750 = 9,071.04

Put simply, the number of construction workers expected on site at a given time is the ‘job-years’ divided by the expected number of construction years (15), and this equals 605 workers. However, this will peak and trough during the development programme.

This is calculated to represent an average of 40 full time equivalent jobs per annum.

8.1.1 Construction Worker Expenditure

It is not expected that the construction phase of this development will have significant local impacts. However, if a construction worker spends on average between £7 - £9 per working day (220 in a year) in the local area this could generate expenditure of around £61,600 – £79,200 per year. This would equate to £840,840 - £1,081,080 across the construction life of the scheme.

This calculation is based on a YouGov survey which was undertaken in 2005 but remains the most comprehensive and often cited study on workers spending habits. The survey found that the average worker spent £6 a day in the local economy or about 7% of their weekly earnings. According to ONS the average weekly wage has increased by about 39% since 2005 to £510 suggesting a similar 7% spend today would be £7. However, the Bank of England inflation calculator shows that goods which cost £6 in 2005 now cost £9. Hence a range has been introduced for average spend.

There is, however, a relative lack of spending options in close proximity of the site, it is likely that some workers will bring a lunch from home, therefore the expenditure figure will need to be reduced by around 50%.

8.2 Operational Employment

Using ‘employment density’ figures from the Homes & Communities Agency guide to estimate employment; this section sets out the direct employment likely to be generated by the proposed development once operational. The figures are based on the proposed floorspace of 415,128 sqm.

8.2.1 Direct Employment

The Employment Density Guide provides an employment estimate based upon the floorspace use classes. Given the diversity of uses and the current flexibility in the proposed development, a range of employment scenarios is provided below.

Different use classes are measured using different areas:

- Gross internal area
- Net internal area (GIA x 0.85)
- Gross external area (GIA x 1.25)

Assumptions have been made regarding internal and external space at this stage because the masterplans and land budgeting are still at an early iteration.

R&D space:

- Gross Internal Area: 415,128 sqm
- Net Internal Area (85%): 352,859 sqm
- Density: 40-60 sqm per job

Therefore, the site has the potential to provide in the region of 5,881 - 8,821 FTE jobs depending upon configuration and layout.

8.2.2 Worker Expenditure

When the site is fully operational if a worker spends on average between £7 - £9 per working day (220 in a year) in the local area this could generate expenditure of around £9miilion - £17.465million.

This calculation is based on the same assumptions on spend, and inflation, as set out at 8.1.1 above.

8.2.3 Gross Value Added

GVA is the additional value generated from economic activity. The potential GVA for the proposals can be calculated by multiplying the number of jobs in each sector by the annual GVA per job in that sector.

Taking an average of these (120,000) results in an estimate that workers at the proposed site have the potential to generate between £700m and £1bn additional in GVA each year.

This will be refined as the masterplan is refined.

8.2.4 Potential Net Employment

This report has identified the potential gross additional jobs and also that there will be no direct loss of existing employment as the site is currently used for agriculture. To complete the calculation of net employment ‘displacement’ and ‘multiplier’ effects must be calculated.

The Homes and Communities Agency (HCA) ‘Additionality Guide’ provides a framework for the estimation of net additional impacts of an economic proposals (an ‘intervention’ as described in the guide):

Gross emp.	-	leakage & displacement	=	Net direct emp.	x	Net indirect & induced (multiplier)	=	Total net emp.

The proportion of gross additional employment generated by the scheme which would have happened without the scheme, known as displacement (a negative impact applied to the gross figure) is considered to zero in this case. Given the market appraisal in the rest of this report, Stow-cum-Quy is identified as a ‘gap’ in the market. Therefore, it is considered that the spaces provided will not be in competition with other development locally. It is also not anticipated that the delivery of the proposed development will generate potential for other schemes to be delayed, postponed or incur increased costs due to this scheme being delivered (for example through increased demand for skilled labour / trades).

Any employment resulting from additional local spending by employees of the scheme or local supplier purchases, known as a multiplier (a positive impact applied to the net direct figure). A conservative multiplier of 1.15 has been applied to the direct employment generation calculation, to reflect additional indirect employment generation benefits arising from the scheme at the local level. This is to reflect the local service spend considered above, and also any supply chain or other ‘spin-out’ business that might be generated by the proposals.

However, a low level of leakage has been allowed for, equivalent to 10%, in recognition that the majority of indirect jobs could be supported locally, and some workers on the site itself could see its construction as an opportunity to move companies and/or relocate.

Therefore, it is expected that there will be little movement from the gross starting figure or 5,881 - 8,821 FTE jobs.

SECTION 9 -

CONCLUSIONS

9. CONCLUSIONS

9.1 Context Overview

The site is well located immediately adjacent to the A14, junction 35, Stow Cum Quy. It is an area of change with significant residential development allocations in the immediate locality. Given the strong links to the primary regional road network, proximity to Cambridge and to upcoming residential developments, the site is considered to have strong potential to deliver a range of commercial uses within a mixed-use campus set up.

Preliminary framework plans indicate the potential to deliver around 4.468m sq. ft. of multi-storey.

The site sits within the immediate surrounds of Cambridge which itself has a range of business and science parks including Cambridge Science Park, St John's Innovation Park and Cambridge Business Park close to Junction 33 of the A14 and Cambridge Research Park off the A10.These existing parks have varying focuses covering a mix of sectors including life sciences, deep tech, ai, hardware, r&d, biomedical research, healthcare, innovation, agri-bio, pharma, biotech, bioinformatics, it, hi-tech R&D, light manufacturing, software and digital technology.

In addition, there are a series of established industrial focused areas across this north / north eastern part of Cambridge. These are more focused on the light industrial, last-mile logistics, hybrid production / prototyping, R&D-enabled production, advanced manufacturing, hybrid lab-industrial, light engineering, design/manufacturing support sectors.

9.2 Cambridge Economy

Cambridge stands as a global hub for innovation, technology, and academia with a blend of traditional industries, cutting edge research, and entrepreneurial ventures.

The University of Cambridge is at the core of Cambridge's economy acting as a breeding ground for groundbreaking research and intellectual capital alongside the city's technology sector given the high concentration of tech companies, startups, and research institutions.

The Cambridge economy is estimated to have grown by 1.4% in 2024, outperforming the UK average, and is forecast to exceed 2% growth in 2025, led by office-based industries. The university contributes around £30 billion annually to the UK economy and supports 86,000 jobs.

Future infrastructure projects, including the East-West Rail, aim to further boost regional growth and connectivity by 2030.

9.3 National Market Analysis

At a national level, most businesses have now passed the post-pandemic period of office floorspace downsizing and are seeking high-quality offices that are sustainable and energy efficient to aid recruitment, retention, and productivity strategies.

In many key city centre markets, a constrained volume of office development since the pandemic relative to grade A demand means there is now a considerable shortage of prime supply with limited options to lease buildings currently under construction. As such, prime rental levels have proved highly resilient.

From an industrial perspective, although letting activity has been relatively subdued compared to previous years, 2025 saw some significant lettings at a national level. Demand continues to be shaped by a variety of economic, political and technological drivers, including requirements for logistics and last-mile distribution hubs.

Vacancy at the national level now appears to be levelling off, and with a positive outlook for demand and relatively little speculative supply coming through, it is expected that vacancy will peak this year and begin to decline.

Demand remains focused on prime, energy-efficient space. Whilst new schemes are coming forward, the overall development pipeline is restricted, with a low number of construction starts in recent quarters.

Competition amongst occupiers for existing and new build product has helped maintain upward pressure on rental values.

9.4 Cambridge Office Market

9.4.1 Supply Overview

The South Cambridgeshire office and R&D market comprises approximately 19.25 million sq. ft. of space across 941 properties, including existing, under construction, and proposed developments. Of this, 14.2 million sq. ft. is existing stock, while 933,816 sq. ft. is currently under construction and 3.93 million sq. ft. is proposed.

Most of the supply is concentrated in the established business and science parks located to the south, west, and north of Cambridge, with very limited provision to the east.

Proposed developments are largely focused on office, R&D, and laboratory space, with minimal mid-tech accommodation, highlighting a gap for hybrid spaces that combine office and production capabilities.

9.4.2 Construction Activity

Cambridge has experienced significant growth in office stock, increasing by 4.81% over the past three years, far outpacing the UK average of 0.46%. This surge is driven by strong demand for laboratory-enabled space from life sciences firms clustering around the University ecosystem.

Current construction levels stand at 930,000 sq. ft., the highest ever recorded locally, with major schemes such as Botanic Place (325,000 sq. ft., completion 2028) and Vitrum at St John's Innovation Park (165,000 sq. ft., completion 2026) targeting life sciences and technology occupiers. In addition, significant refurbishments are underway at Capital Business Park, adding more than 150,000 sq. ft. of upgraded office and lab space.

9.4.3 Availability & Vacancies

Despite the development pipeline, there is a shortage of large-scale office and R&D accommodation, particularly east of Cambridge.

Current availability totals 1.91 million sq. ft., but most options are small units under 25,000 sq. ft., with very few spaces exceeding 50,000 sq. ft.

Vacancy rates have risen to 14.4%, up from a three-year average of 8.9%, driven by recent completions. Prime 4- and 5-star buildings have the highest vacancy at 32.7%, reflecting the influx of new premium space, while lower-grade stock remains relatively tight.

9.4.4 Leasing Activity

Leasing activity in 2025 reached 211,900 sq. ft., an improvement on 2024 but below the 2023 level of 234,800 sq. ft.

Demand from technology and engineering occupiers remained strong, offsetting a sharp decline in lab space leasing, which fell by over 70% year-on-year following the record-breaking levels of 2024. Key deals included Arm acquiring 95,000 sq. ft. at Peterhouse Technology Park, Microsoft renewing its lease at Station Road, and Zeiss extending its lease at Cambourne Park.

While absorption was negative in 2025 due to new supply, forecasts indicate a return to positive absorption from 2026 onwards.

9.4.5 Rents

Cambridge remains one of the UK's most expensive office markets outside London, underpinned by its global reputation as a hub for life sciences and technology. Prime rents for 4- and 5-star offices are holding firm at £60–£65 per sq. ft., with exceptional lab-enabled deals occasionally exceeding this level. However, overall rental growth has slowed, recording -1.7% compared to a UK average of +0.7%, as the market adjusts to increased supply.

While future rental growth is expected to be muted, Cambridge's fundamentals - tight labour markets, world-class research institutions, and clustering effects - should support prime rents at current levels.

9.4.6 Investment Market

Investment activity in Cambridge's office market was subdued throughout 2025 due to high borrowing costs and cautious sentiment in UK capital markets.

The last significant transaction was Brockton's purchase of the Parallax Building at Cambridge Science Park for £22.35 million, reflecting a net initial yield of 4.5%. Market yields currently average 7.9%, slightly above the UK average, with best-in-class assets continuing to attract strong competition.

Looking ahead, improving credit conditions and narrowing bid-ask spreads could unlock pent-up demand in 2026, although the pipeline of large-scale investment opportunities remains thin.

9.5 Cambridge Industrial Market

9.5.1 Market Overview

Cambridge's industrial market primarily serves local occupiers and the city's science and technology sectors, which require mid-tech and R&D-enabled space combining office, laboratory, and light manufacturing uses.

Key occupiers include AstraZeneca, Hexcel Corporation, and Hain Daniels, reflecting the strong link between industrial activity and Cambridge's innovation ecosystem.

The market is split between the Cambridge Core and the wider South Cambridgeshire submarkets, with most larger-scale opportunities located outside the city centre.

9.5.2 Supply

The combined industrial stock across Cambridge Core and South Cambridgeshire totals 13.85 million sq. ft. across 625 properties. Of this, 13 million sq. ft. is existing, with only 90,416 sq. ft. currently under construction and 751,947 sq. ft. proposed.

Most supply is concentrated in South Cambridgeshire, particularly in established business parks and villages surrounding Cambridge. There is a noticeable gap in provision east of Cambridge, including around Stow cum Quy, despite its proximity to the A14.

Proposed developments are limited and include only four buildings offering more than 50,000 sq. ft., highlighting a shortage of large-scale industrial accommodation.

9.5.3 Construction Activity

Construction activity in the industrial sector has slowed significantly. After peaking in 2021 with 399,582 sq. ft. of starts, activity declined to 331,166 sq. ft. in 2024 and fell to zero in 2025. Deliveries in 2025 totalled 249,134 sq. ft., exceeding previous years but concentrated in locations south and west of Cambridge, such as Sawston, Melbourn, Cambourne, and Bar Hill.

Forecasts indicate subdued delivery in 2026, with only 90,416 sq. ft. under construction at Cambridge Research Park and limited additional pipeline space.

9.5.4 Availability & Vacancies

Available industrial space across both submarkets totals 992,000 sq. ft., with nearly 80% of options under 25,000 sq. ft. There are very few large-scale units, and none exceed 100,000 sq. ft.

Vacancy rates have risen to 6.8%, up 3.2% over the past year, driven by earlier completions and slower absorption.

Most availability is concentrated in the city's eastern industrial districts and in South Cambridgeshire locations to the south and north, with a clear lack of provision east of Cambridge.

9.5.5 Leasing Activity

Leasing activity declined sharply in 2025 to 99,700 sq. ft., compared to 244,000–304,000 sq. ft. annually between 2022 and 2024.

Over the past five years, 171 leasehold deals have been recorded, totalling 1.42 million sq. ft., with most transactions involving units under 10,000 sq. ft. Larger deals remain rare, with only 16% of lettings between 10,000 and 50,000 sq. ft.

Despite recent weakness, net absorption returned to positive territory in late 2025 and is forecast to remain positive through 2026, coinciding with declining vacancy rates.

9.5.6 Rents

Industrial rents in Cambridge have grown steadily, rising 3.3% over the past year to an average of £11.40 per sq. ft., with prime rents exceeding £19.00 per sq. ft.

Over the past three years, rents have increased by a cumulative 16.7%, supported by tight vacancy and limited new supply.

While the market is slightly more affordable than the UK average of £11.70 per sq. ft., the lack of development pipeline suggests continued upward pressure on rents.

9.5.7 Investment Market

The industrial investment market remains attractive due to strong occupational fundamentals and long-term growth prospects. Forecasts suggest Cambridge will generate over 10,000 innovation-led jobs in the next decade, reducing vacancy risk for high-quality stock.

There have been eight sales in the past year and 28 over the past three years, totalling approximately £44.2 million.

Market yields are estimated at 6.8%, making Cambridge one of the UK's more expensive industrial markets, with South Cambridgeshire slightly higher at 7.0%.

9.6 Need

The need for employment, and especially knowledge-intensive employment, is much greater than that identified and allocated for in draft Local Plan. Research commission by MHCLG in particular, which is predicated on strong economic forecasts, far outstrips the conclusions of the Greater Cambridge Employment and Housing Evidence Update 2025.

The identified needs in the emerging Greater Cambridge Local Plan do not reflect new and emerging trends, for knowledge-intensive employment, and the value and increasing role of campus style development in this sector.

The conclusions drawn in the Council's work, and subsequent local plan policies, are primarily quantitative i.e. simple floorspace figures, without qualitative assessment of the location, nature and setting of accommodation needed. Fundamentally therefore this work fails to recognise the growing need for campus based contemporary commercial floorspace.

9.7 Planning Context

9.7.1 Allocated Employment Land

The planning review identifies several major allocations within the Cambridge area that will shape future employment development on the city side of the A14. The most significant is North East Cambridge (Policy S/NEC). Another key allocation is Cambridge Northern Fringe East and Cambridge North railway station (Policy SS/4) as well as Cambridge East (Policy S/CE).

These allocations highlight the strategic intent to accommodate growth in technology, life sciences, and advanced manufacturing sectors across these edge of city locations. However, these allocated sites have constraints that will slow the release of land for development including existing occupiers and the potential relocation of major infrastructure (i.e. the sewage treatment works).

9.7.2 Planning Applications

The review of planning applications shows a noticeable lack of approved or pending applications for employment uses to the east of Cambridge, particularly for B2 (General Industrial), B8 (Storage/Distribution), and E(g) classes (including offices, R&D, and light industrial).

Most recent applications are concentrated in established employment zones to the north, south, and west of the city, leaving a clear gap in provision for the eastern corridor. This reinforces the strategic opportunity for the Stow cum Quy site to address unmet demand and complement existing allocations by providing flexible employment space in a location with strong transport connectivity via the A14.

9.8 Economic Benefits

9.8.1 Construction Employment

The employment of construction workers during the construction of the proposed development will result in additional economic activity.

The construction of the proposals is likely to take around 15 years with an average of 40 full time equivalent construction jobs per annum.

9.8.2 Construction Worker Expenditure

If a construction worker spends on average between £7 - £9 per working day (220 in a year) in the local area this could generate expenditure of around £61,600 – £79,200 per year. This would equate to £840,840 - £1,081,080 across the construction life of the scheme.

There is, however, a relative lack of spending options in close proximity of the site, it is likely that some workers will bring a lunch from home, therefore the expenditure figure will need to be reduced by around 50%.

9.8.3 Operational Employment

Using 'employment density' figures from the Homes & Communities Agency guide to estimate employment; this report sets out the direct employment likely to be generated by the proposed development once operational. The figures are based on the proposed floorspace of 415,128 sqm.

9.8.4 Direct Employment

The site has the potential to provide in the region of 5,881 - 8,821 FTE jobs depending upon configuration and layout.

9.8.5 Worker Expenditure

When the site is fully operational if a worker spends on average between £7 - £9 per working day (220 in a year) in the local area this could generate expenditure of around £9miilion - £17.465million.

9.8.6 Gross Value Added (GVA)

The potential GVA for the proposals can be calculated by multiplying the number of jobs in each sector by the annual GVA per job in that sector.

Taking an average of these (120,000) results in an estimate that workers at the proposed site have the potential to generate between £700m and £1bn additional in GVA each year.

9.8.7 Potential Net Employment

The market appraisal in this report demonstrates that Stow-cum-Quay is identified as a 'gap' in the market. Therefore, it is considered that the spaces provided will not be in competition with other development locally, therefore jobs created as a result of the proposals will not be moved to the site from elsewhere (or at least not without replacement).

However, a low level of leakage has been allowed for, equivalent to 10%, in recognition that the majority of indirect jobs could be supported locally, and some workers on the site itself could see its construction as an opportunity to move companies and/or relocate.

Therefore, it is expected that there will be little movement from the gross starting figure or 5,881 - 8,821 FTE jobs.

9.9 Recommendations

Cambridge supports a globally competitive R&D intensive ecosystem and there is reason to believe that much of the investment it attracts in the life sciences and high-tech services industries might otherwise occur among its international competitor ecosystems.

According to the "*Greater Cambridge: Growth Scenarios*" research[2] published by Government in November 2025, additional activity in knowledge intensive sectors and housing delivery could enable a substantial increase in employment. According to their growth scenarios, Greater Cambridge could support 380,000 to 465,000 jobs by 2050. This represents a 60% to almost doubling of the size of the existing Greater Cambridge workforce (236,000 jobs) and would see employment around 20% to 45% higher than in the baseline forecast (321,000 jobs).

Albeit that that these scenarios stretch as far as 2050 these figures are significantly higher than the 73,300 new jobs envisaged by the Greater Cambridge Local Plan.

The growth scenarios represent faster employment growth (1.8% to 2.5% per year) than observed historically (1.7% per year). The increase in employment would be primarily driven by knowledge intensive sectors, which would form around two-thirds of additional employment.

The economic strategy of the Greater Cambridge Local Plan is focussed on the knowledge intensive sector, including R&D, and therefore, it would appear that the predictions and the strategy are not as ambitious as they should be, and critically as ambitious as the Government would like them to be.

Therefore, there is a strong argument for the Councils to look again at the evidence which underpins the economic strategy, and to support more economic development on site such as the proposal supported by this report.

There is a clear shortage of large-scale office, R&D, and mid-tech space in the eastern Cambridge corridor, where the subject site is located. Industrial and light industrial provision is similarly constrained, with few options for units above 50,000 sq. ft. This site represents a development opportunity well located to bring forward, high-quality space to meet these unmet needs.
Creating a campus that prioritises mid-tech facilities that includes adaptable floorplates to cater to hybrid occupiers requiring office, lab, and light manufacturing capabilities is to be focused on. This can be supplemented by a proportion of office / R&D space with supporting amenities.

Focusing on the mid-tech sector will help positioning the scheme to attract advanced engineering, technology and life science firms.

The site can leverage proximity to the A14 and future East-West Rail project to enhance connectivity credentials whilst ensuring that is aligns with regional economic objectives and complements major allocations such as North East Cambridge and Cambridge East.

The development has potential to integrate renewable energy solutions such as solar and prioritise green transport options alongside designing buildings to meet high environmental standards (e.g., BREEAM Excellent or Outstanding).

The proposed development can be structured to appeal to institutional investors seeking exposure to Cambridge’s knowledge economy especially given the long-term growth potential driven by clustering effects and innovation-led job creation.

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