

CHEFFINS

DATAPOINT 2025

ANNUAL REVIEW OF THE BUSINESS SPACE MARKET IN CAMBRIDGE

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Laboratories Office Industrial

Welcome to our annual review of the property market around Cambridge in which we provide details of the key transactions together with supporting commentary and analysis for the office, life science and industrial sectors.

The past 12 months have not been without their challenges, with businesses taking a more cautious approach and decision-making often taking longer than usual. However, there are signs that activity has started to pick up and there is a growing sense that the market is beginning to turn a corner, particularly in the office and industrial sectors.

There is evidence that more deals are being agreed, occupier confidence is slowly improving and high-quality, well-located space is attracting increasing interest. These signs of progress reflect the underlying strength of the Cambridge market, driven by its global reputation for innovation, science and technology.

Looking ahead, sentiment remains positive. Cambridge has consistently demonstrated its ability to adapt and recover and, with improving confidence and strong long-term fundamentals, 2026 has the potential to be a year where momentum continues to build.

Should you wish to discuss any of the content within this report, please don't hesitate to contact me or one of the team.

A handwritten signature in black ink, appearing to read 'Michael Jones'. The signature is fluid and cursive, with a large initial 'M' and 'J'.

Michael Jones, Director, Head of Commercial
07879 497141 | michael.jones@cheffins.co.uk





Cambridge Laboratory market 2025 – another challenging year

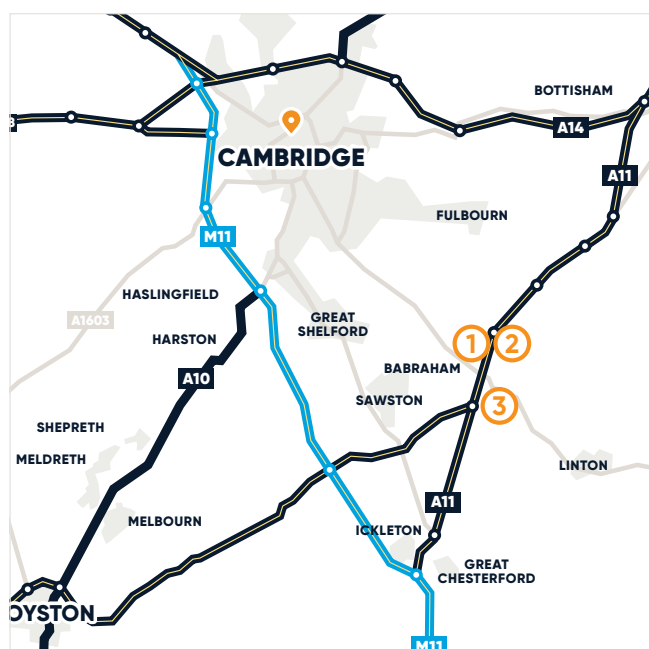
2025 saw a continuation of the previous year's turgid conditions in the life science sector with take-up of space totalling 78,300 sq ft. This was largely attributed to the wider global economic picture and ongoing funding challenges denting confidence as well as a focus on maximising existing resources/capital, rather than expansion, for many of the business types which have been driving this sector.

However, more positively, funding has increased by over 10% on the previous year's total and there were some signs of increased real estate activity towards the end of the year, with over a third of the year's deals completing during the final quarter. These included lettings to Trimtech Therapeutics and Tagomics – amongst others – at Babraham and also Nxera expanding its occupation at Granta Park. It was noticeable that activity during the year focussed on established locations offering bespoke and amenitised accommodation.

The 18 deals completed during the year were a significant improvement on 2024's total of 10 and produced an average deal size of 4,349 sq ft. As well as the welcome increase in activity, demand was from the type of early stage companies which Cambridge has traditionally produced and hopefully represents the start of a renewed demand base.

Whilst we expect the market in 2026 will continue to focus on local companies and local demand, this will require both business confidence and the availability of capital to support expansion. The fact that the lettings highlighted above coincided with significant funding being secured to allow them to go ahead together, it is hoped that recent announcements in the press from the likes of Bitbio and Nuclera are a further sign of some easing in this sector.

Whilst Astex is understood to be in negotiations on a shell and core basis for its long standing 90,000 sq ft requirement based around the Science Park, deals completed during the year have continued to be on a fitted basis with prime headlines rents being largely maintained: the lettings at Building 960, Babraham Research Campus to Trimtech and Tagomics were both at £66 sq ft.



Key Lab transactions 2025

- ① Suite D, Building 960, Babraham Research Campus
5,258 sq ft to Trimtech
- ② Suite E, Building 960, Babraham Research Campus
5,269 sq ft to Tagomics
- ③ Cori Building, Granta Park
13,000 sq ft to Nxera

Rents Dec 2025 (per sq ft)

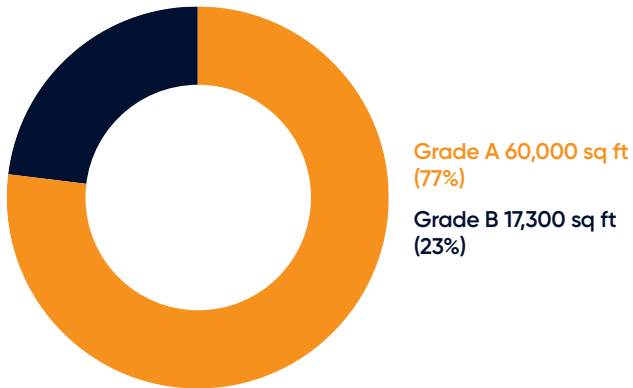
Prime fully fitted £66.00





Take up summary 2025

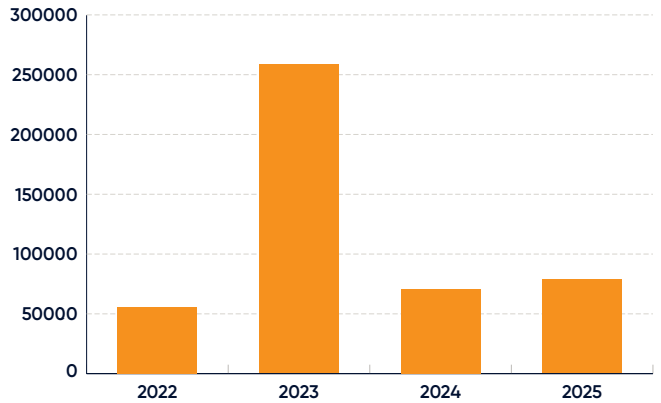
Figure 01
Cambridge area Lab take up 2025 – by grade



It remains to be seen whether some of the high incentive levels have increased particularly in less prominent or established locations as there were signs of increasing differentiation in overall deal terms depending on location and building age and quality.

Supply rose significantly during the year and, at the year end, stood at circa 550,000 sq ft – double the previous year’s total. The figure was largely driven by the delivery of new stock at the likes of Cam Life, 316 Cambridge Science Park, The Press at Foxton and South Cambridge Science Centre. This figure will further increase during the year with 110,000 sq ft due for completion at 2000 Discovery Drive in 2027, 130,000 sq ft at Vitrum (St John’s Innovation Park) and a similar amount in Merlin Place in 2026 as well as further space at Cam Life and circa 80,000 sq ft at The Sidney Sussex Building at Chesterford Research Park. Of these, it is only the latter and some of Vitrum which are being delivered as fitted space in the smaller size range where recent activity has been greatest and only time will tell how some of these larger footplates are taken up.

Figure 02
Total take up (sq ft)



One alternative option being seen is a pivot to office use as evidenced at One Granta where deals are being progressed on two floors totalling circa 39,000 sq ft with office rents combined with lower fit out costs for this use to achieve the same return on capital invested.



Cori Building, Granta Park

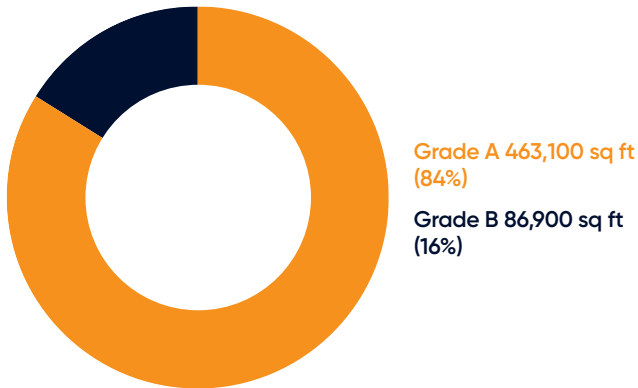


Building 960 – Babraham Research Campus



Availability summary 2025

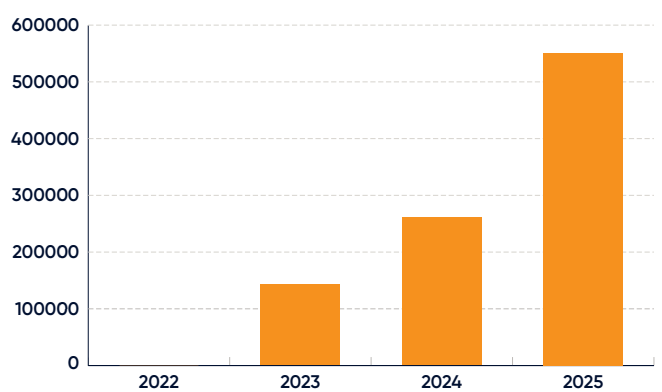
Figure 03
Cambridge area Lab availability 2025 – by grade



Beyond space currently under construction there is also over 5m sq ft of consented space and further schemes still being promoted and going through the planning process, although it is difficult to see much of this being speculatively delivered in anything like the timescale originally envisaged without a significant improvement in the wider economic picture.

Finally, there is also an increasing amount of second-hand space becoming vacant – partly due to general market churn but particularly the accommodation totalling approximately 180,000 sq ft previously occupied by Astra Zeneca. Much of this second-hand stock across the market will require some refurbishment/investment but will be an opportunity to provide cost effective space in a range of sizes often in good locations;

Figure 04
Total availability



it also includes a number of the buildings at Babraham as well as the Milstein Building at Granta Park and 20,000 sq ft in the Darwin Building at Chesterford where works are underway and due to complete during Q3.

2025 was definitely challenging for the life science and the lab markets around Cambridge. The concerns around the wider global economy and general political picture are likely to continue for some time but there are signs that demand at the smaller end of the market is starting to pick up as the world gets comfortable with the 'new norm'. This marker has previously proven to be the start of an improved market cycle and will hopefully be the same during 2026.



'The delivery of new stock... circa 80,000 sq ft at The Sidney Sussex Building at Chesterford Research Park'

Sidney Sussex Building, Chesterford Research Park

Office

Cambridge Office market 2025 – early signs of recovery, but caution remains

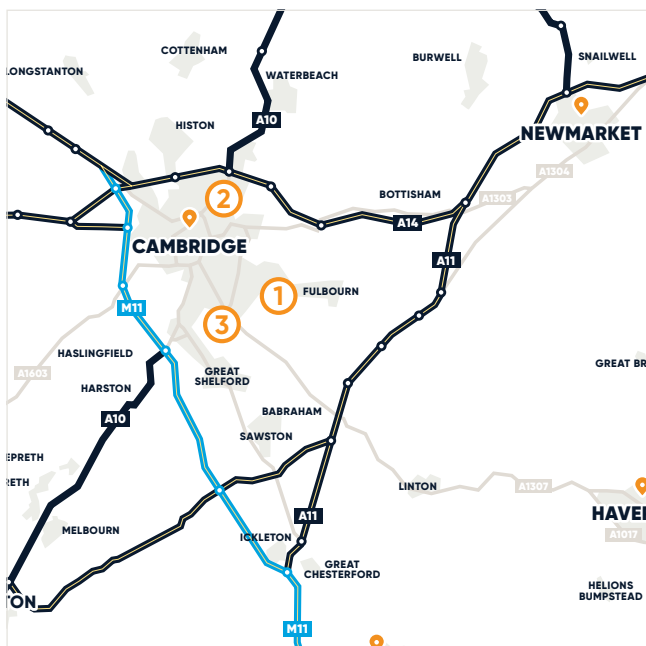
There is a growing sense that the Cambridge office market may be turning a corner, although it is still some distance from a full recovery. After a subdued 2024, activity through 2025 has been more consistent, with an increase in the number of deals completed and a gradual return of confidence. Occupiers are engaging more readily, but decision-making remains careful, with commitments taking longer to secure and scrutiny on value remaining high.

Over the course of the year, around 360,000 sq ft of office space was transacted across 56 deals. This represents a clear improvement on 2024's 240,000 sq ft, but remains slightly below the c.380,000 sq ft recorded in 2023. The uplift points to early positive momentum rather than a return to peak conditions, suggesting the market is stabilising and beginning to rebuild rather than accelerating rapidly.

The year began with a strong Q1, accounting for more than half of annual take-up. This was largely driven by Arm's 95,000 sq ft Grade A letting at Optic, a transaction that has a material impact on the headline figures. While this deal highlights the continued appeal of Cambridge to global occupiers and demonstrates that best-in-class space can still attract significant demand, it also underlines that a small number of large transactions continue to influence overall market performance.

Away from this single deal, activity was more measured. Larger transactions during the year were predominantly focused on out-of-centre locations, where modern accommodation, flexible floorplates and more competitive occupational costs continue to resonate with occupiers. By contrast, there was very limited large-scale activity in the city centre, reflecting ongoing affordability challenges and more constrained building configurations.

Encouragingly, the market showed depth beyond the headline figures. A steady flow of smaller lettings, typically below 10,000 sq ft, underpinned activity throughout the year. This SME-driven demand remains the backbone of the Cambridge market and provides an important indicator of underlying occupier confidence, even if requirements are modest and expansion plans remain cautious.



Key Office transactions 2025

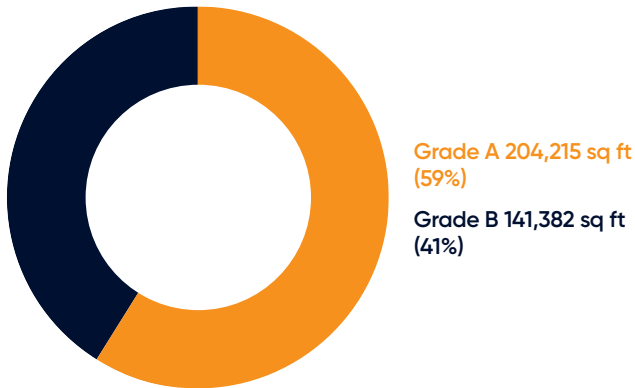
- ① Optic, Peterhouse Technology Park
95,842 sq ft
- ② Matrix House, Cambridge Business Park
22,000 sq ft to Bango
- ③ 21 Station Road
12,000 sq ft to Roark Aerospace

Rents Dec 2025 (per sq ft)		
	Prime	Secondary
City	£65.00	£45.00
Edge of town	£48.00	£36.00



Take up summary 2025

Figure 01
Cambridge area Office take up 2025 – by grade

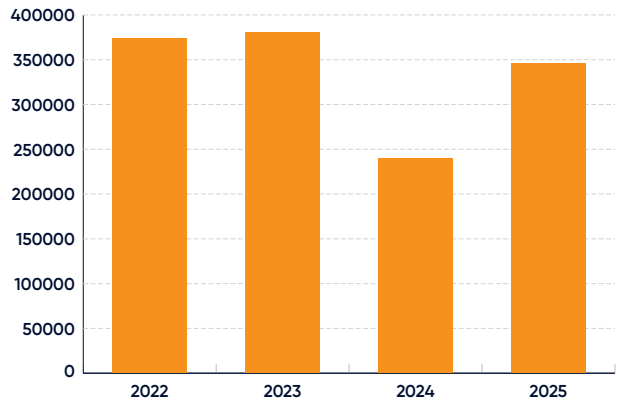


Rental performance throughout 2025 further reflects this tentative but improving picture. Prime city centre rents were achieved up to £65.00 per sq ft, demonstrating that occupiers will still pay a premium for best-in-class, centrally located space. However, secondary city centre stock continued to trade at a clear discount, with rents around £45 per sq ft, underlining the widening polarisation between high-quality and less energy efficient buildings.

A similar pattern was evident outside the city core. Edge-of-town locations saw rental growth compared with 2024, with prime stock achieving rents of up to £48 per sq ft. Secondary accommodation in these locations typically sat in the high £30s per sq ft, reinforcing that rental uplift has been selective and closely linked to quality, specification and flexibility rather than a broad-based market shift.

An additional and increasingly influential factor in occupier decision-making has been car parking provision. Over the past 12–18 months, this has re-emerged as a key requirement for many tenants, particularly those adopting hybrid working patterns and seeking to draw staff back into the office.

Figure 02
Total take up (sq ft)



The market has seen a noticeable shift away from units offering little or no parking, with occupiers placing greater value on schemes that can provide convenient, reliable access for employees and visitors. This trend has further supported demand for edge-of-town and campus locations, where parking ratios are typically stronger, and has added another layer of challenge for city centre buildings unable to accommodate this requirement.

Following the strong start, Q2 saw activity slow to a more subdued but stable pace; deal sizes reduced and occupiers became increasingly selective, with Grade B space playing a greater role often with existing fit out in-situ. While this phase echoed some of the hesitancy seen in 2024, the tone had shifted. Businesses were still transacting, but with a sharper focus on flexibility, efficiency and short- to medium-term certainty.

By Q3, confidence had improved slightly, with a mix of Grade A and Grade B transactions, including larger deals over 15,000 sq ft involving Huawei, Autodesk and Gearset, helping quarterly take-up exceed 90,000 sq ft.

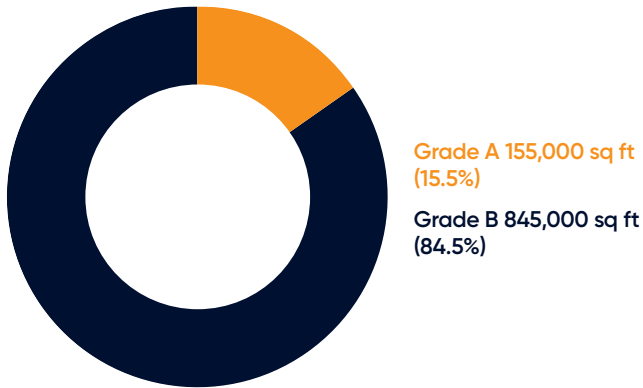


Optic, Peterhouse Technology Park



Availability summary 2025

Figure 03
Cambridge area Office availability 2025 – by grade



This activity, again largely concentrated in edge-of-city and campus locations, suggested that occupiers were becoming more comfortable committing, albeit still in a controlled and pragmatic way.

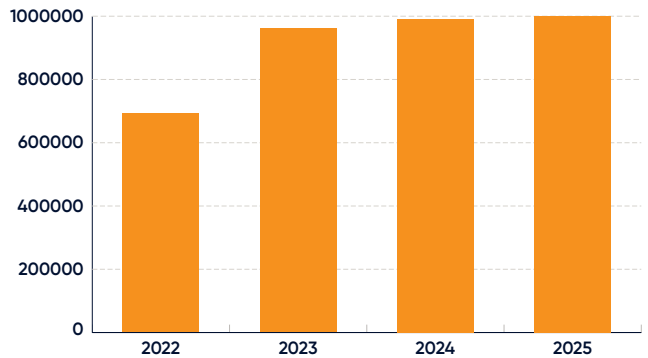
Momentum eased again towards the end of the year. Q4 delivered fewer deals and smaller average sizes, reinforcing the message that the market remains sensitive to economic conditions. High-quality space continued to outperform, but occupiers, particularly in professional services and engineering, generally opted for consolidation or incremental growth rather than large-scale expansion.

Set against recent years, 2025 can be viewed as a year of gradual repair. The c.380,000 sq ft recorded in 2023 was supported by pent-up demand, while 2024's 240,000 sq ft reflected the impact of higher interest rates and wider economic uncertainty. At c.350,000 sq ft, 2025 sits between these two points, signalling improvement but not a full return to pre-slowdown levels. Even excluding the Arm letting, take-up



Matrix House, Cambridge Business Park

Figure 04
Total availability



was stronger than in 2024 signalled by an increase in number of transactions, pointing to a healthier underlying market.

Looking ahead, the outlook is cautiously improving. Cambridge remains fundamentally attractive, underpinned by its talent base and innovation-led economy. Interest rates have begun to ease and occupiers are engaging earlier in the decision-making process. However, confidence is still fragile and the market remains dependent on the right mix of pricing, flexibility and quality to unlock demand.

This cautious optimism is reflected in a measured development pipeline. Schemes such as Botanic Place, due for completion in 2028 with around 333,000 sq ft of office space, and Mill Yard, delivering a further 110,000 sq ft in 2027, will add new supply gradually rather than overwhelm the market. Together, they provide choice and optionality for occupiers as Cambridge's office market continues its slow but steady path towards recovery, albeit these schemes are expected to try and aggressively advance the rental tone in the market.



21 Station Road

Industrial

Cambridge Industrial market 2025 – green shoots of optimism for 2026

2025 saw industrial take-up dip approximately 100,000 sq ft below 2024, suggesting the resilience in this sector has weakened. However, at the end of December, approximately 268,000 sq ft of space was under offer across five transactions alone, providing some reassuring optimism for 2026.

Take up

Total industrial take-up across Cambridge and a 10 mile radius reached 243,000 sq ft in 2025, compared with 334,000 sq ft in 2024. There was a notable absence of deals above 25,000 sq ft, with only two leasehold transactions occurring above this level. A total of 39 recorded deals were completed during the year, down slightly from 41 in 2024.

In contrast with the previous two years, Grade A stock accounted for only 6.5% of take up. This marks a stark change for the mid-tech market at a time where we are seeing more new build supply coming available than at any point since we started DataPoint. In 2024, Grade A take up accounted for 38% of overall take up and 55% in 2023.



Key Industrial transactions 2025

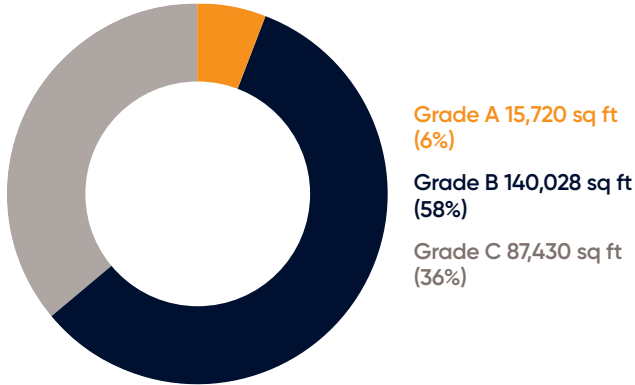
- ① Units 17 & 18, Alms Close, Huntingdon
37,986 sq ft sold to Ken Booth & Company Ltd
- ② Units B, C and D, Dales Manor Business Park, Sawston
33,381 sq ft let to Total Tools Ltd
- ③ Denmark House, Cambridgeshire Business Park, Ely
27,012 sq ft let to Sitec Infrastructure Services
- ④ Nokia Building, 3 Ely Road, Milton
17,242 sq ft sold to EMG Motor Group.
- ⑤ Units B & C, Beadle Industrial Estate, Cambridge
17,102 sq ft let to Rainbow Rocket
- ⑥ Unit 1, The Way, Fowlmere
11,015 sq ft let to Purifire Labs

Rents Dec 2025 (per sq ft)	Prime	Secondary
Cambridge City	£21.50	£10.00
Cambridge and 10 miles	£18.00	£8.00-£10.00
Huntingdon	£11.50	£6.00-£7.00
St Ives	£12.00	£7.00
Ely	£13.50	£8.00
Newmarket	£10.00	£8.00
Haverhill	£12.50	£7.00-£8.00
Saffron Walden	£10.00	£6.50
Royston	£15.00	£8.00



Take up summary 2025

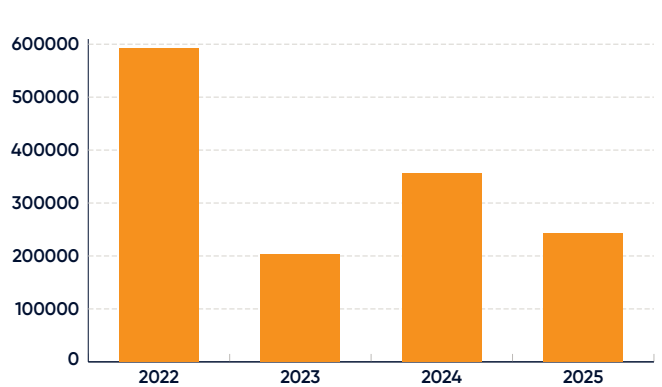
Figure 01
Cambridge area Industrial take up 2025 – by grade



Mid-Tech Market

Following the emergence of the Cambridge mid-tech market approximately three years ago, there was an expectation that prime rental tone would continue to increase in 2025. However, peak rents of £18 per sq ft achieved at the end of 2024 have not been surpassed. Interestingly, some of the new north and south Cambridge mid-tech schemes are quoting rents of £25 per sq ft and above, thus matching some of the established business park headline rents. We consider a key demand driver for mid-tech needs to be an affordability benefit over a traditional office or laboratory building. Historically, Cambridge R&D businesses have operated from either an industrial unit or an office. Mid-tech buildings provide an effective solution for these businesses which, from a cost perspective in our view, should sit between an industrial and office rental tone. If quoting rents remain in excess of £25 per sq ft on these out-of-town schemes, we will see this theory tested.

Figure 02
Total take up (sq ft)



Only one mid-tech deal completed during the year within 10 miles of Cambridge, which we consider to be an anomaly because the previous occupier's fit out was in-situ. At Evolution Business Park, Barocal took 9,695 sq ft of fully fitted space at £26.50 per sq ft. In addition, a scienced-based business remains under offer on the Q-Arc building at Bar Hill, comprising approximately 37,000 sq ft at a reported headline rent "in the high teens".

More take up has occurred within Cambridge city than previous years. At Clifton Road, two deals completed at rents in excess of £20 per sq ft. Two further lettings were completed at Coldhams Road Industrial Estate, one to a dark grocery operator and another to start-up Cambridge Electric Cement, both at rents close to £17 per sq ft. The largest letting within the city was at Beadle Industrial Estate, where Rainbow Rocket Climbing Centre took 17,000 sq ft, a significant expansion from its previous premises on Clifton Road.

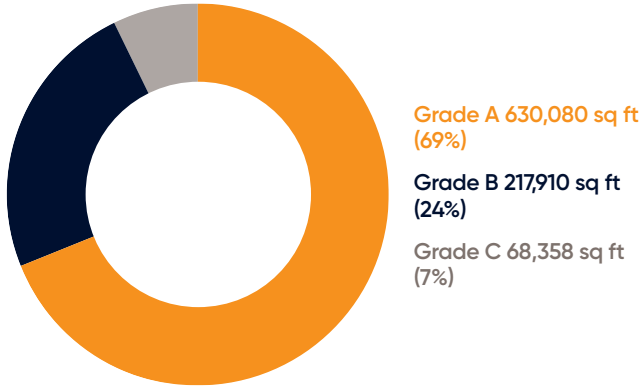


Nucleus Business Park, Newmarket, now under construction



Availability summary 2025

Figure 03
Cambridge area Industrial availability 2025 – by grade

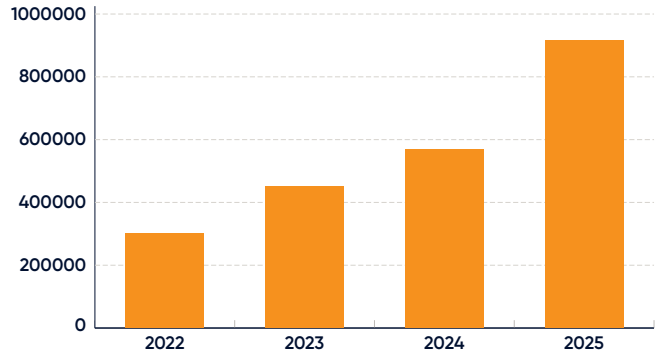


Outside Cambridge city, several larger transactions completed, with more freehold activity than in previous years particularly in the north Cambridge area. EMG Motor Group acquired the former Nokia building in Milton, comprising approximately 17,000 sq ft for £3.3 million. In May, Cheffins sold Unit 2 Convent Drive, Waterbeach (10,750 sq ft) to chemicals manufacturer, ROMIL.

Occupationally, we saw consistent demand for decent Grade B space with a typical example occurring at The Way, Fowlmere, where Cheffins acted on behalf of Purifire Labs to acquire 11,015 sq ft of space at £11 per sq ft. This deal was driven by specification with the premises benefiting from 7m eaves, a gantry crane and power supply in excess of 200KVA. As costs of specification upgrades increase, we expect to see an uptick in demand for premises like this.

Looking further afield, Cheffins completed an off-market letting of 27,000 sq ft of high office content mid-tech space at Denmark House, Ely.

Figure 04
Total availability



The blended rent reflected £13.50 per sq ft, with the headline closer to £16 per sq ft, which is a new rental tone for this location. Cheffins also marketed Wells Business Park, Isleham, comprising 11,800 sq ft of industrial accommodation on a 1.4 acre site, previously let to an HGV servicing company. The majority of enquiries came from owner-occupiers, and the sale price was £1 million. In Mildenhall, Cheffins marketed a substantial building of 44,000 sq ft and yard at 52 Chiswick Avenue on behalf of Glenstone REIT. After a short marketing period, we let the property to TBI Manufacturing, reaffirming the message that there is consistent demand for Grade B stock which benefits from useful specification items (in this case two gantry cranes). In addition, MLH Transport took almost 49,000 sq ft of basic storage and distribution space at Queen Adelaide Business Park, Ely.



Brunel Court, St Ives, sold by Cheffins in December 2025





Investment

Cheffins enjoyed a strong year for freehold industrial across the region, on disposals and acquisitions. A continued lack of income-producing stock led to strong investor demand with competitive bidding driving prices above guide levels in several cases. Below we summarise some of the key investment deals this year:

- Brunel Court, St Ives was guided at £1.55M, reflecting a net initial yield ('NIY') of 8%. This multi-let terrace provided six units on an established industrial estate. Strong interest was generated from local buyers and national property companies, driven by the shortage of multi-let industrial stock in the £1–2 million price bracket. We conducted 20 viewings and competitive bidding led to a sale price of £1.8M, reflecting 6.8% NIY.
- 17/18 Alms Close, Huntingdon was guided at £1.15 million. This warehouse was let to Bensons for Beds with approximately one year remaining on the lease. Following a four-week marketing period, competitive offers were received and we sold for £1.25 million, reflecting 8.3% NIY.
- We acquired a detached unit on Pembroke Avenue, Waterbeach for a price in excess of £1 million, reflecting 6.3% NIY. The marketing period for this transaction covered two weeks and simultaneous exchange and completion took place 19 days after solicitors were instructed.
- In July, Allsops sold approximately 10,200 sq ft of income producing space on Pembroke Avenue at £1,075,000, reflecting a NIY of 6.55%.

Availability

Bourn Quarter Phase Two reached practical completion in 2025 and currently has approximately 140,000 sq ft of Grade A accommodation available. Accelerator Park Phase Two in Sawston also completed construction in H1, delivering a further 86,000 sq ft of mid-tech space.

The next schemes due to complete are The Row, Cambridge, and Enterprise Phase Two, Cambridge Research Park in Q3 2026, which will deliver around 67,000 sq ft and 90,000 sq ft respectively. Planning consent has recently been granted for 35,000 sq ft at The Paddocks on Cherry Hinton Road, where Cheffins are appointed as joint agents. Total current availability of built and under construction mid-tech accommodation now stands at just shy of 500,000 sq ft, representing 75% of out of town availability.

Outside of Cambridge, the closest new-build industrial scheme under construction is Chancerygate's Nucleus development in Newmarket. It will deliver approximately 51,000 sq ft across 10 units this summer, with individual units ranging from 3,000 to 10,000 sq ft. The units will be available freehold and leasehold, providing the first brand new industrial premises in Newmarket for more than 10 years and Cheffins are appointed as joint agents. Grade B availability remains low at sub 225,000 sq ft. Grade C is even lower, at sub 70,000 sq ft.



Denmark House, Ely, let by Cheffins to Sitec Infrastructure Services



52 Chiswick Avenue, Mildenhall, let by Cheffins to TBI Manufacturing



Unit 2, Pembroke Avenue, Waterbeach, acquired by Cheffins in October 2025



Unit 1, The Way, Fowlmere, acquired by Cheffins on behalf of Purifire Labs





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