PLANNING SECTOR UPDATE...

How the system is treating … laboratories

The government has promised to fast track planning for laboratories as part of its bid to make the UK's life sciences sector the most competitive in Europe. How do recent policy developments, appeal decisions and market conditions align with that rhetoric?

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By Matilda Battersby. Images: Getty Images

Last year, the government's sector plan for life sciences promised to fast track planning to help get more laboratories built, amid ambitious targets for growth. The plan, part of the government's wider industrial strategy, targets securing more life sciences foreign development investment than any other European economy by 2030, and more than any other country globally (excluding the USA and China) by 2035.

"Life sciences" is a catch-all term for the research, development and manufacturing of pharmaceuticals and other biotechnology. Changes to national policy made in 2024 have sought to make it easier for projects supporting the sector, which can be major employers, to get approval, in a bid to align planning with priorities in the then-emerging government industrial strategy.

"The most recent changes to the National Planning Policy Framework (NPPF), alongside the publication of the government's industrial strategy, have shone a light on the critical importance of laboratories in supporting our economy," says Alison Tero, executive director of planning at property agent CBRE.

The government has also proposed that laboratory projects above a certain size can choose to opt out of the local authority-run town and country planning system, and instead be decided under the nationally significant infrastructure projects (NSIPs) system.

However, the process of getting a life sciences application approved can still feel like a complex experiment akin to the work going on inside them. So, what are the key issues facing such projects and what lessons can be drawn from recent decisions and appeals?

What life science applicants need

The traditional association of life science occupiers exclusively with laboratory space is changing, say commentators, attributing this to their increasing requirement for much more powerful computing and artificial intelligence (AI)-based systems.

Joanne Henderson, executive director and head of life science at CBRE, says the basic definition of the sector needs to be broadened to reflect modern times. "Historically when we talked about life sciences 'labs', in real-estate terms we were referring to 'wet' labs, which on the most basic level were places where chemistry and biology experiments were conducted," she says.

The specific features needed for laboratories include higher than normal office ceilings, vibration control, foul water and chemical management, according to experts. Wet labs have "highly technical" building infrastructure requirements that enable live experiments in controlled environments, says Henderson. But life sciences research is now increasingly featuring AI-powered "dry labs", she says, which focus instead on computational modelling and simulations.

"This is creating greater demand for the infrastructure to support both wet labs and the high power consumption demands of 'dry' labs," she says. "Most of the emerging development schemes [are] at the intersection of science, technology and healthcare, meaning the real-estate blend on these spans offices, dry labs, wet labs and, with some, clinical facilities too."

Only three-to-four years ago, developers could not have predicted the requirements of the buildings being designed today, says Michael Meadows, head of planning at property developer British Land.

He and his team gained planning permission last year to substantially refurbish London's Euston Tower, a 36-storey building that will be partially demolished and turned into a 32-storey mixed-use building, about a third of which will be "lab enabled".

Meadows says: "We're seeing increasingly in life sciences there may be a smaller lab component, or a bigger office component, because more of the science is done using AI and tech than in a wet lab.

"In terms of building spec and planning, the most important thing is flexibility. If you're in AI, you don't necessarily need everything in a wet lab – you might just need more power, and more ventilation [than a conventional office occupier]."

The market for life science projects

While the government has set ambitious targets, investment in life sciences to date has underperformed in the UK compared to our global partners since 2018, according to a 2025 study from trade body The Association of the British Pharmaceutical Industry (ABPI).

The research found that investment into the sector by foreign companies into the UK fell by 58 per cent between 2017, when it stood at £1.9 billion, and 2023.

Commentators say a bounce in investment seen in the immediate aftermath of the Covid-19 pandemic, fuelled by investment in vaccine developments, did not persist, leading to market volatility.

Last year, a number of high-profile investors pulled out of or paused planned UK developments, amid widely reported fears over low NHS drug prices and the impact of US tariffs. Pharmaceutical and biotechnology company AstraZeneca paused its plans to build a six-storey block at Cambridge Biomedical Campus.

British Land's Meadows says: "We've seen funding for life sciences soften [since 2024] and therefore occupier demand [for life science space] has softened. There are, of course, other things that play into it in the UK, such as NHS procurement, how fast the MHRA [Medicines and Healthcare Products Regulatory Agency] goes and visas. But funding is what drives demand."

The dynamics in the laboratory market ▼

In September last year, US drug manufacturer Merck, known as MSD in Europe, announced that it had scrapped plans for a London research centre that was already under construction by British Land and had been due for completion next year.

Meadows says that has prompted British Land to look at other sectors. "With MSD pulling out of their building in Knowledge Quarter, a lot of that demand has been replaced and overtaken by digital and AI," he adds.

Nonetheless, in 2026, there is some evidence the market appears to have picked up again, according to the ABPI, boosted by a pharmaceutical trade deal agreed between the UK and US. In April, AstraZeneca announced its paused planned expansion in Cambridge was back underway, along with another campus expansion in Macclesfield.

Much market focus in life science developments remains concentrated around the so-called "Golden Triangle" of London, Oxford and Cambridge, according to property agent Knight Frank. It says 72 per cent of lettings deals for the sector were in these three locations in the first quarter of 2026.

However, CBRE's Henderson says that, while the "primary demand" is still centred around the Golden Triangle, there are several other life sciences hubs with growth ambitions, such as Manchester, Liverpool, Edinburgh and Glasgow, "albeit not on the same scale".

She adds: "With the smaller hubs, much of the demand is created organically through start-ups emerging from academic institutions, so access to funding is critical to scale these hubs. The vast majority of venture capital funding is invested into the Golden Triangle."

The policy environment for life sciences

Labour has changed planning policy to support the sector. Firstly, it has amended paragraph 86 of the NPPF to specifically support the development of laboratory schemes, with tweaks to paragraph 87(a) also supportive.

Paragraph 86(c) states that plan policies should "pay particular regard to facilitating development to meet the needs of a modern economy", saying these should identify sites for a number of specific uses including "laboratories".

Additionally, paragraph 87(a) says planning decisions should make provision for "clusters or networks of knowledge- and data-driven, creative or high-technology industries", though it does not specifically reference laboratories.

Nicola Gooch, planning partner at law firm Birketts, says the changes together are "a really helpful steer for lab projects".

However, she says the impact of this has so far been limited by the lack of local plan coverage, and these policies will have much more weight once the promised new system of subregional spatial development strategies (SDSs) is in place, given the "larger-than-local implications" of many big life science projects. "The launch of SDSs will be a game-changer," she insists.

Additionally, the Life Sciences Sector Plan states that the government will support the "fast tracking of key projects – including laboratories, gigafactories and data centres" by establishing an opt-in to the NSIPs regime set up under the 2008 Planning Act for major infrastructure schemes. This would, it says, provide "greater certainty and speed through the planning system".

In response, the Ministry of Housing Communities and Local Government has consulted and says it will change rules so that promoters of large laboratory schemes can move into the NSIPs system. However, this has not yet been progressed.

Promoters of large schemes have, in any event, since 2013 been able to choose to opt out of the usual Town and Country Planning Act system and make a specific case via section 35 of the 2008 Act for their application to be considered for development consent under the NSIPs regime, says Birketts' Gooch.

But doing this requires secretary of state approval, with factors such as whether the proposal has a significant economic impact, whether it has an impact across more than one authority and whether it is of substantial physical size affecting the decision, according to the government guidance.

Given this high hurdle, it is perhaps little surprise that, in September last year, housing minister Matthew Pennycook told Parliament no laboratories had so far opted in to the NSIPs consenting process.

Sarah McLaughlin, planning lead for local authority collective the Association of Directors of Environment, Planning and Transport, says: "Expansion of the [NSIPs] regime has been explored through consultation and policy discussions, but practical use remains limited."

The lessons from appeals

Government support has perhaps been indicated by one recent secretary of state call-in decision. Plans for the demolition and redevelopment into a life sciences facility of a 7.6-hectare retail park called the Beehive Centre, set among streets of terraced period homes, were recommended for refusal by Cambridge City Council officers in February 2025, on the basis that it would reduce light to neighbouring streets.

However, housing secretary Steve Reed agreed with the recommendations of a planning inspector that the scheme would "create enhanced provision for an internationally important cluster of knowledge and high-technology industries".

In a 122-page decision notice (DCS: 200-014-534), Reed said the economic, employment, placemaking and regeneration benefits of the scheme outweighed heritage and rights-to-light concerns.

Key appeal: Cambridge Beehive Centre ▼

Andy Moffat, planning director at property company Savills in Cambridge, says Cambridge City Council originally recommended refusal despite being generally "receptive and engaged" in terms of working with applicants. He adds: "The Beehive development was refused by the local planning authority on residential amenity, and ultimately then approved by the inspector."

According to Moffatt, the fact that such a scheme was originally recommended for refusal shows that "heritage, community and sustainability are all key considerations" despite the economic imperative of the government drive for life science growth.

However, authorities such as Cambridge are nonetheless aware of the potential benefits of these applications. Despite the officer recommendation to refuse, Cambridge City Council leader Katie Thornburrow says the authority worked "very hard" with the applicant to improve the design of the Beehive scheme during the appeal process.

"It was really substantially changed in the 12 months between the appeal judgement [and the original refusal]," she continues. "We worked really hard to get some areas pushed back away from the small terraced housing and put in what we thought was a much better open space."

In its sector plan published in July last year, the government pledged to grow the industry into the leading life sciences economy in Europe. Developers seem broadly supportive of the government's reforms but, as is often the case, change is not happening fast enough for them.

British Land's Meadows says: "We're supportive. In terms of trying to streamline the system, these are things that will benefit not just life sciences, the science and tech sectors, but all commercial developments and housebuilding. But there is a bit of a lag on planning reform."

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