Life Sciences
Market Outlook 2026



LONDON & PARTNERS

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Introduction

London’s life sciences sector is entering a new phase of growth. The capital’s strengths in research, personalised medicine, genetic testing and artificial intelligence provide a strong base for developing new treatments and health technologies. The opportunity is to turn those strengths into companies that scale, innovations that reach patients and more value captured in the UK.



Three trends *to watch*

1. Translating scientific discovery into faster commercial growth and scale

London is creating valuable companies. The challenge is helping more of them secure growth-stage investment, scale in the UK and bring products to market.

2. AI is transforming life sciences innovation

Investment and new company formation show growing activity. The question is whether this leads to lasting research operations, new treatments and wider use in healthcare.

3. Infrastructure emerges as a key competitive differentiator

Labs, data facilities and skilled people all matter. The test is whether planned space is delivered and gives companies what they need at a price they can afford.



The market *at a glance*

Three trends shaping the sector's next frontier in London.

London Life Sciences: The Direction of Travel

Trend one: Translating scientific discovery into faster commercial growth and scale

£24.6bn

Turnover generated by London-registered life sciences companies in 2024/25, **up 8% year-on-year.**
Source: Office of Life Sciences

$2.4bn

VC investment in London life sciences in 2025, **almost double the 2024 level.**
Source: Dealroom

$11.9bn | 41 exits

London health-sector exit value in 2025, placing the city **third globally** and **first in Europe** by exit value.
Source: Dealroom

13 London life sciences

companies have achieved **unicorn status** since 2015.
Source: Dealroom

Trend two: AI is transforming life sciences innovation

$1.22bn | 83 deals

Investment in London's AI-enabled life sciences companies in 2025, **placing the city fourth globally**, with funding more than doubling year-on-year. *Source: Dealroom*

38% | AI-tagged companies

Share of London life sciences companies **launched in 2025** that have an AI focus.
Source: Dealroom

200

AI-enabled life sciences companies headquartered in London, accounting for **45% of the UK total**.
Source: Dealroom

$22bn

Combined valuation of London's AI-enabled life sciences companies in 2026, **double the 2024 value**.
Source: Dealroom

Trend three: Infrastructure emerges as a key competitive differentiator

6.6m sq

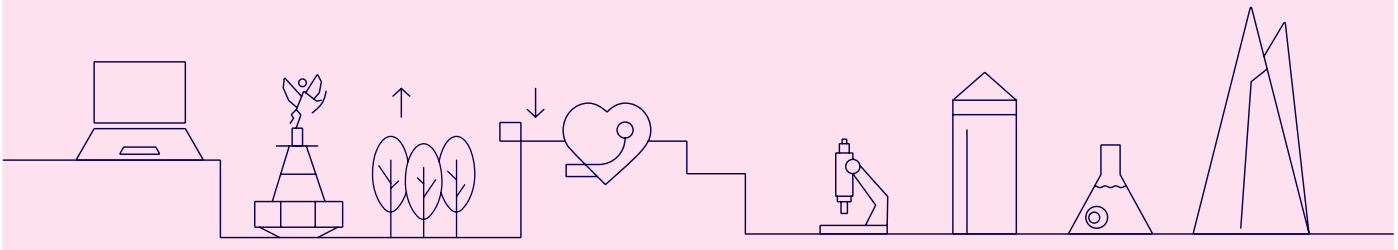
of new lab & R&D space under construction across London across 31 projects, **4x London's current inventory**. *Source: CBRE, European Life Sciences Ecosystems: Sector Guide 2026*

The one-mile innovation

London's **Knowledge Quarter** brings together research institutions and science and technology businesses within a **one-mile radius of King's Cross station**.
Source: London Property Alliance

Over 70%

of **London's life sciences headquarters** are concentrated in its central innovation clusters: the Knowledge Quarter, the TechBio City Fringe and the Westminster Core. *Source: Beauhurst*



The market *at a glance*

1. London life sciences companies are attracting more investment

In 2025, they attracted £1.8bn ($2.4bn) in venture capital funding, almost double the 2024 level,[1] with 13 London life sciences companies reaching a private valuation of $1bn or more since 2015.

2. AI is shaping the next generation of life sciences companies

AI-tagged firms accounted for 38% of London life sciences companies launched in 2025.[2] In the same year, London attracted £900m ($1.22bn) in AI-related life sciences investment, ranking fourth globally.[3]

3. London is building the capacity for future growth

London already has around 1.6m sq ft of lab and R&D space, with plans for a further 6.6m sq ft under construction.[4] More than 70% of London's life sciences headquarters are concentrated in three central innovation clusters.[5]



Trend *one*

Translating scientific discovery into faster commercial growth and scale

London snapshot

13 London life sciences companies have achieved unicorn status, reaching a private valuation of $1bn or more since 2015.[6]

Where is London now?

London's scientific base remains one of its greatest strengths. The capital ranks among Europe's leading regions for innovation performance in 2025, performing significantly above EU benchmarks on research-business collaboration, public-private scientific partnerships and innovative SME activity.[7]

This foundation is reinforced by substantial investment in research and development. **London businesses spent £13.3bn on R&D expenditure** in 2024-2025,[8] accounting for almost a quarter of R&D spend of all UK business.[9]

London's strengths extend to commercial outcomes. **In 2025 the capital recorded £8.8bn ($11.8bn) in health-sector exits across 41 transactions**, ranking third globally behind Boston and New York, and first in Europe.[10] It's **also home to 13 life sciences companies that have achieved unicorn status since 2015**, including Isomorphic Labs, EyeBio, Verdiva Bio and Myricx Bio, the highest number of any European city.[11]

These achievements demonstrate London's ability to generate innovative companies and attract commercial interest. The next opportunity is to help more of these businesses grow into global market leaders.

What is the direction of travel?

London's life sciences sector is entering a new phase of growth. With strengths in fundamental research, precision medicine, genomics-enabled health and AI, the capital is well positioned to turn scientific breakthroughs into commercial opportunities.

Investment trends are encouraging. **UK life sciences companies raised £4bn in venture capital so far in 2026**, 13% higher than the £3.6bn raised in 2025. London life sciences companies raised £2.5bn over the same period, 40% higher than the £1.8bn raised in 2025.[13]

London is creating valuable companies, but the next challenge is helping more of them scale and ensuring the UK captures more of the value they generate. That will require later-stage venture capital to support R&D-intensive businesses as they grow, alongside faster regulatory and NHS adoption processes. Together, these would help companies validate their technologies, scale in the UK and expand internationally.



What to watch in 2027

Can London help more innovative life sciences businesses scale successfully and generate lasting economic value for the UK?

There are encouraging signs for life sciences' business environment. The **British Business Bank added £5bn** to its financial capacity in the 2026 Autumn Budget,[14] unlocking more finance for smaller businesses and innovative scaleups in the strategically important sectors across the UK, including life sciences.

This is additional to the existing **£2bn in specific public funding** set out in the UK Life Sciences Sector Plan intended to address barriers across regulation, manufacturing, investment and healthcare adoption.[15]

The average clinical trial set-up time fell by 35% to an average **100 days in the three months to March**,[16] with all trials meeting the government's 150-day target. Faster set-up can help companies generate clinical evidence sooner and progress treatments towards the market. In 2027, the test is whether that performance is sustained, can keep up with European comparators and leads to more trials.

Clinical evidence only creates commercial and patient value if innovations can then be adopted in the NHS. The NHS' London Life Sciences Strategy includes funding and procurement measures, alongside a **London Innovator Passport**. We should watch whether it reduces duplication in NHS approvals, how many organisations use it and whether more innovations move from pilots to routine use.[17]



Trend *two*

AI is transforming life sciences innovation

London snapshot

London ranked second globally for AI-enabled biotech investment in 2025.[18]

Where is London now?

AI is changing how life sciences research is conducted, from identifying drug targets and accelerating drug discovery to improving diagnostics and supporting clinical decision-making. The ability to combine AI expertise with biomedical research, clinical knowledge and health data is becoming an increasingly important source of competitive advantage.

London has a strong position at this intersection. In 2025, the capital attracted approximately **£900m ($1.2bn) across AI-related life sciences deals**, ranking fourth globally behind Boston, San Francisco and New York.[19] Within this, **AI-enabled biotechnology attracted around £750m ($1bn)**, making London the second largest destination for investment after Boston.[20]

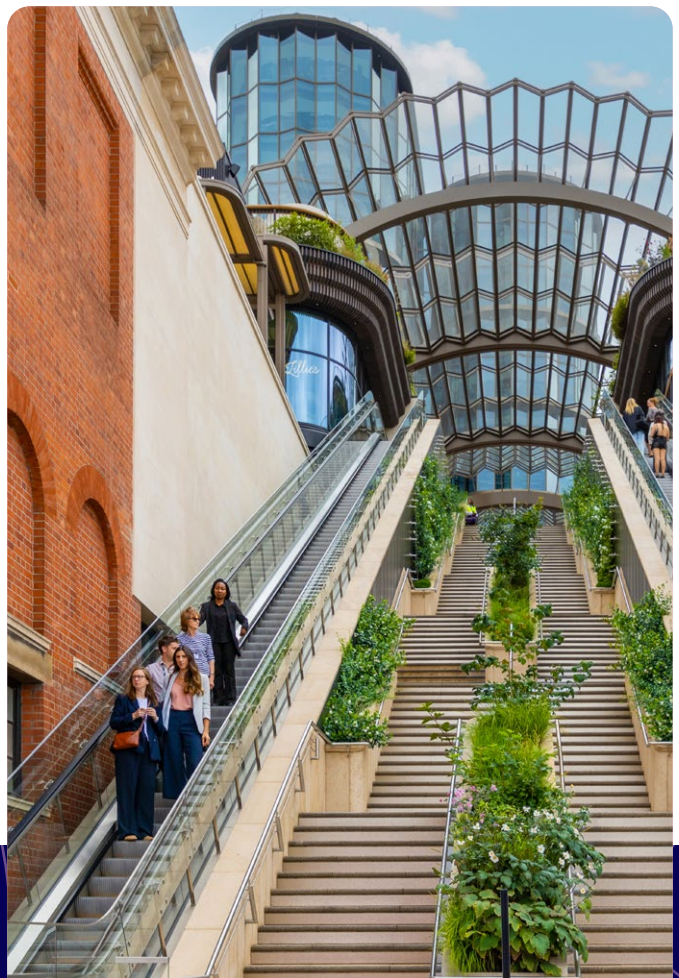
The capital's strengths extend beyond investment to the concentration of complementary capabilities. According to JLL, **London has approximately 25,000 AI professionals**,[21] alongside world-class research institutions, NHS partnerships and an established life sciences ecosystem. The **London Secure Data Environment** also provides approved researchers with a secure route to access health data for research, supporting work at the intersection of data science and healthcare.

What is the direction of travel?

Investment and industry activity point to growing momentum in London's AI-enabled life sciences sector. **Isomorphic Labs**, the AI drug discovery company originating from Google DeepMind, announced a **£1.6bn ($2.1bn) Series B funding round in May 2026, and raised a £1.6bn ($2.1bn) Series C round in October 2026 at a valuation of at least £30bn ($40bn)**.[22] While this represents investment at the upper end of the market, a vibrant pipeline of smaller and mid-sized rounds is also supporting a broader cohort of AI-enabled health businesses.

For instance, companies like **Basecamp Research raised a £104m ($140m) Series C backed by Nvidia in September 2026** for AI protein and therapeutic design, while **Coherence Neuro secured a £33.6m ($45m) Series A backed by OpenAI** to develop neurological technologies. These and other early-growth deals further illustrate a diverse, expanding pipeline across preclinical research, diagnostics and pharmaceutical strategy.[23]

The capital is also increasingly translating its AI and life sciences strengths into international greenfield



investment. Recent wins include:

- **Boehringer Ingelheim committing £150m over 10 years** to its London AI and machine learning programme, including a new centre in King's Cross and plans to recruit 50 AI specialists by 2027.[24]
- **Medtronic** has expanded its London presence into a global hub for AI and surgical robotics, creating 100 jobs.[25]
- These investments sit alongside new operations from AI-enabled companies including **Labviva** and **Lila Sciences**.
- A wider pipeline is also emerging, with international AI and healthtech businesses raising capital to support UK expansion, including **Everlab, which raised £33.6m ($45m)** to fund UK expansion and investment in clinical and technology infrastructure.[26]

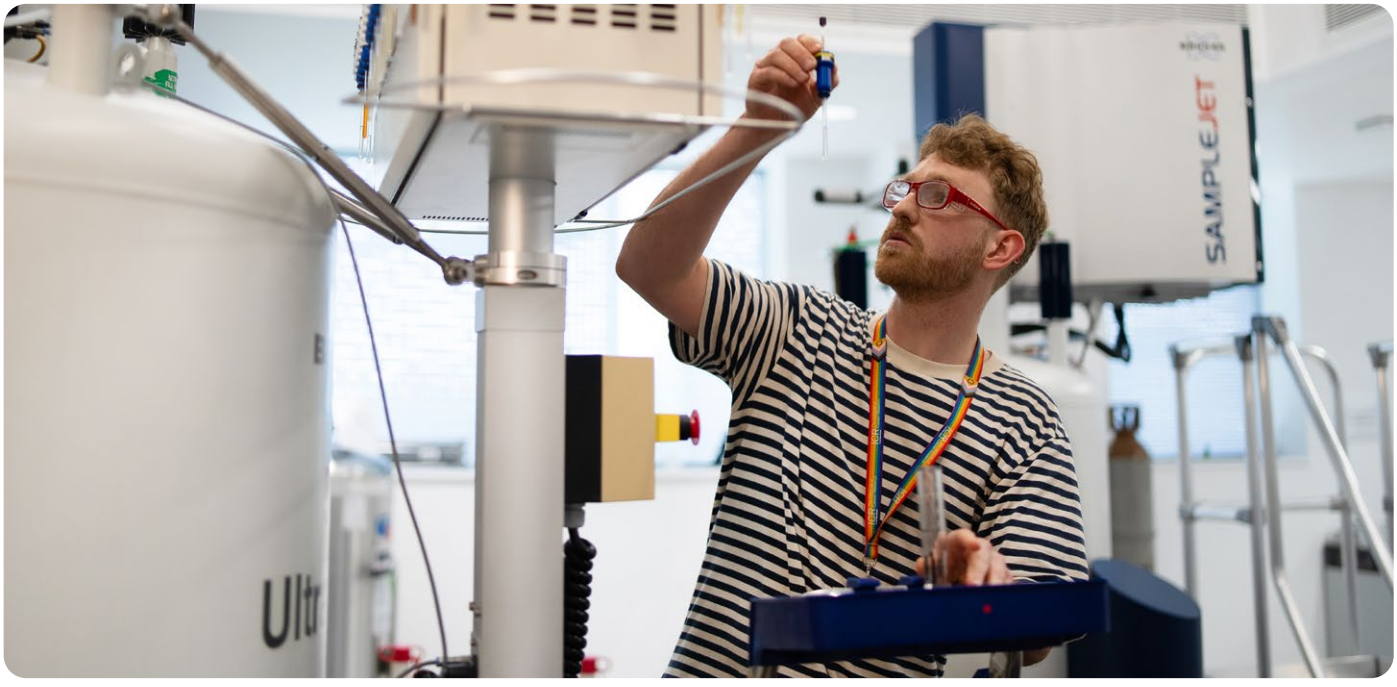
These investments also point to the next phase of AI-enabled life sciences innovation. One emerging opportunity is precision medicine. Advances in genomics, AI and clinical data could enable earlier diagnosis and more targeted treatments. London's life sciences ecosystem gives it a strong base to develop these approaches, although their long-term impact will depend on translating research into clinical practice.

What to watch in 2027

Can London's AI investment lead to lasting research operations and advance new treatments and technologies towards clinical use in 2027?

National programmes aim to strengthen the UK's AI capabilities, but we need to see whether London life sciences businesses benefit. The budget added **£140m for the Sovereign AI Unit** alongside the **£1.1bn AI Hardware Plan**[27] to strengthen UK AI capabilities. The **£8m in seed funding for the OpenBind consortium**[28] will support structural datasets for AI-driven drug discovery. In 2027, we need to watch whether these initiatives lead to any additional benefits for London's AI life sciences companies.

The government has also committed up to **£600m for the health data research service**, which aims to improve access to health data for research.[29] It will be interesting to watch how quickly the service becomes operational and whether it benefits London-based clinical application.



Trend *three*

Infrastructure emerges as a key competitive differentiator

London snapshot

An additional 6.6m sq ft of new lab and R&D space dedicated to life sciences is currently under construction.[30]

Where is London now?

As AI and life sciences converge, competitive advantage increasingly depends on more than laboratory space. Companies also need digitally enabled facilities, specialist talent, access to capital and close links to clinical and research partners.

London has substantial lab and office space with current estimates at around **1.6m sq ft**. London development pipeline is projected to add **6.6m sq ft** of space under construction. This includes 5.7m sq ft of new developments and 0.8m sq ft of conversions.[31]

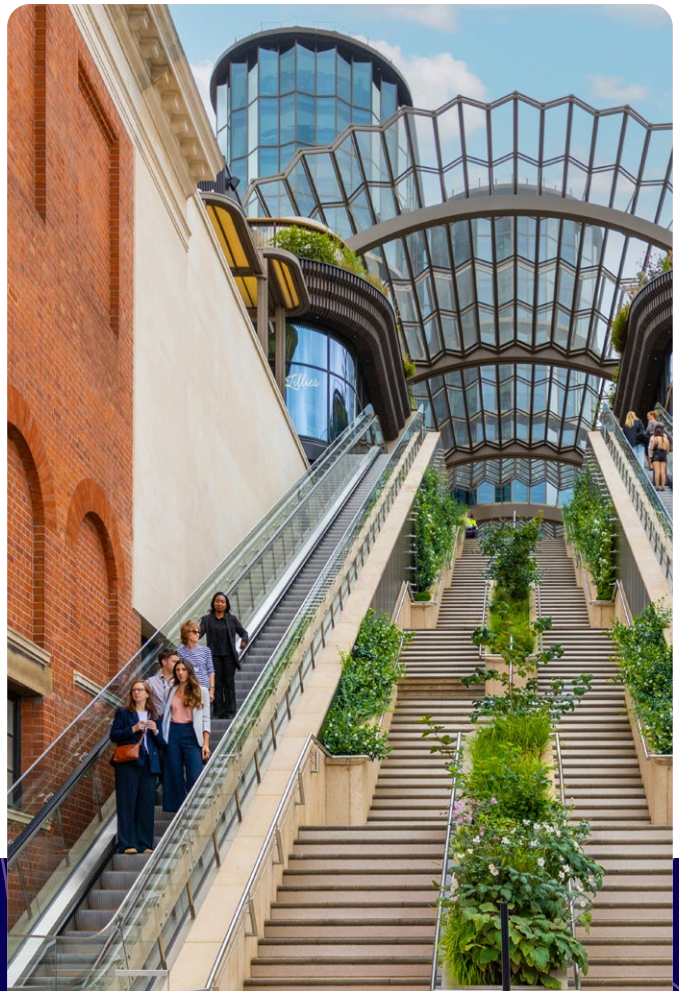
London's **Knowledge Quarter**, for example, brings together research institutions and science and technology businesses within a **one-mile radius of King's Cross Station**, while other clusters extend from the London Cancer District in Sutton to Whitechapel and Canary Wharf. Together, these clusters connect researchers, clinicians, businesses and investors. Major developments include **the £1bn expansion of the London Cancer Hub**[32] **and Canary Wharf's 823,000 sq ft One North Quay scheme.**[33]

People are part of the infrastructure life sciences companies need. London has a significant life sciences talent pool with 41,000 employees working in the sector.[34] New labs and space will support growth only if companies can recruit people with the skills AI-enabled life sciences require. London's ability to attract and retain this workforce will shape how effectively its innovation districts support research and commercial development.

What is the direction of travel?

London is planning to expand its life sciences infrastructure, while the needs of the sector are also changing. Alongside traditional wet labs, companies increasingly need digitally enabled offices, dry labs, computing capabilities and facilities that support data-intensive research and collaboration.

Investment by companies such as **Microsoft, Novo Nordisk, Amazon Web Services and Boehringer Ingelheim** illustrates the growing convergence of life sciences and technology, and the need for infrastructure that supports both. More broadly, AI-led companies are forecast to take up as much as 4m sq ft of office space in London by 2033, up from 1.5m sq ft at the time of reporting, according to CBRE. That would amount to 43% of all unleased space currently under development in central London.[35] The opportunity is to build on London's



existing clusters and research base to create an environment where businesses can access the facilities, expertise and partners they need as they develop and scale.

What to watch in 2027

Can London deliver the right infrastructure in the right places and at a cost businesses can afford, particularly as demand grows for flexible, digitally enabled facilities alongside specialist laboratory space?

We should watch for the impact of new facilities such as One North Quay which is set to open in 2027, and how it benefits the sector and London.

Beyond dedicated life sciences hubs, the rapid convergence of AI and physical infrastructure is reshaping central London's real estate dynamics. We should monitor how high-growth tech pioneers scale within established innovation districts, such as **Jeff Bezos's AI lab**, Prometheus.

The startup, currently valued at $41bn, has been in advanced talks over a **38,000 sq ft footprint across three floors at the Jellicoe Building in King's Cross** to anchor its European research operations. This positioning places its physical-world modelling efforts directly alongside major footprint expansions by generative AI pioneers like Anthropic (securing 158,000 sq ft at One Triton Square) and OpenAI (taking 88,500 sq ft at the Regent Quarter).[36]

On the institutional side, progress on major academic-backed developments, such as Queen Mary University's planned **£750m biomedical campus** in east London, will serve as a crucial barometer for clinical and research-led spatial growth.[37]

The Budget committed **£1bn of UKRI funding to innovation clusters** across the UK.[38] We should track where this funding gets allocated and whether it supports London's life sciences clusters. More than **£1bn was announced for life sciences investment facilities** in Manchester, Oxford and Loughborough – delivery of these projects will be a useful indicator of the competition London faces for investment and talent.[39]

London's ability to attract and retain specialist talent, and to connect businesses with partners and investors, will be just as important as the volume of new space delivered. It will be worth following whether the announced workforce commitments are met, such as **Boehringer Ingelheim's plan to recruit 50 AI specialists by 2027**.

The priority is not simply to build more, but to ensure infrastructure supports companies to innovate, commercialise and grow in London.



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Currency note: Where source data are reported in US dollars, GBP equivalents have been calculated using a consistent GBP/USD exchange rate and rounded where appropriate, based on the ONS average Sterling exchange rate.

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