Unlocking Laboratory Space for
the North East Life Sciences Sector

Case study

Aelius Biotech

North East Combined Authority | Kim McGuinness North East Mayor

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To support the continued growth of the health and life sciences sector in the North East Combined Authority area, and to meet the ongoing demand for more space in the region, a feasibility study was commissioned by Invest Newcastle and Invest North East England to explore how existing buildings in Newcastle upon Tyne and the wider area could be converted and adapted into new laboratory space.

Developed by Ryder Architecture, Monstalab, Naylors Gavin Black and Dome, it shows the potential for over 40 sites across the region to become state-of-the-art laboratory, write up, office and meeting spaces.

Aelius Biotech – a Newcastle University spin-out specialising in gut modelling – is one of the region's pioneering life sciences start-ups that has benefitted from the study.

Company background

Founded in 2018 at Newcastle University School of Medicine, Aelius Biotech developed an in vitro ‘model gut system’ that avoided the need for animal testing. Seeing the commercial potential of the new system, the company founders – Dr Peter Chater, Dr Matt Wilcox and Professor Jeff Pearson - went on to create the Aelius Biotech integrated model gut system - the first gastrointestinal model to simulate digestion, mucus permeation and epithelial absorption in a single system.

The Challenge

After securing investment in 2023 – including a grant from the North East Combined Authority’s Business Growth Fund - Aelius Biotech wanted to expand out of Newcastle University and began the search for a new laboratory and office space in the North East. They initially faced some challenges in securing space within some of the more established and specialist laboratory sites in the region, as Dr Matt Wilcox explains.

“Some of the existing laboratory spaces we looked at didn’t provide the flexibility we needed as a new business, and securing somewhere that provided a good return on investment was a priority for both us and our Board. We also had the added complexity of finding a site that could accommodate our ambitious growth plans. If we’d moved into some of the more established locations, we would have to again after a few years.”

The Solution

Aelius Biotech were introduced to the laboratory/office space feasibility study by Invest Newcastle, and it was this interaction that led them to find their new laboratory and office space at Blandford Square in Newcastle city centre.

"When we first looked around the site it just made a lot of sense," said Matt. "It offered a great location in the centre of the city, and it provided exactly what we needed in terms of size, space and access. The other huge selling point was that it offered room for the business to grow – both in the laboratories and in the main office space."

Aelius Biotech's new home at 12 Blandford Square provides three specialist labs, a store room, shower room, and a main office with meeting rooms and a kitchen. Street level access at the back of the building was a key selling point for the new site. Secure and controlled access has also been fitted throughout the building to protect the confidential nature of the company's work.

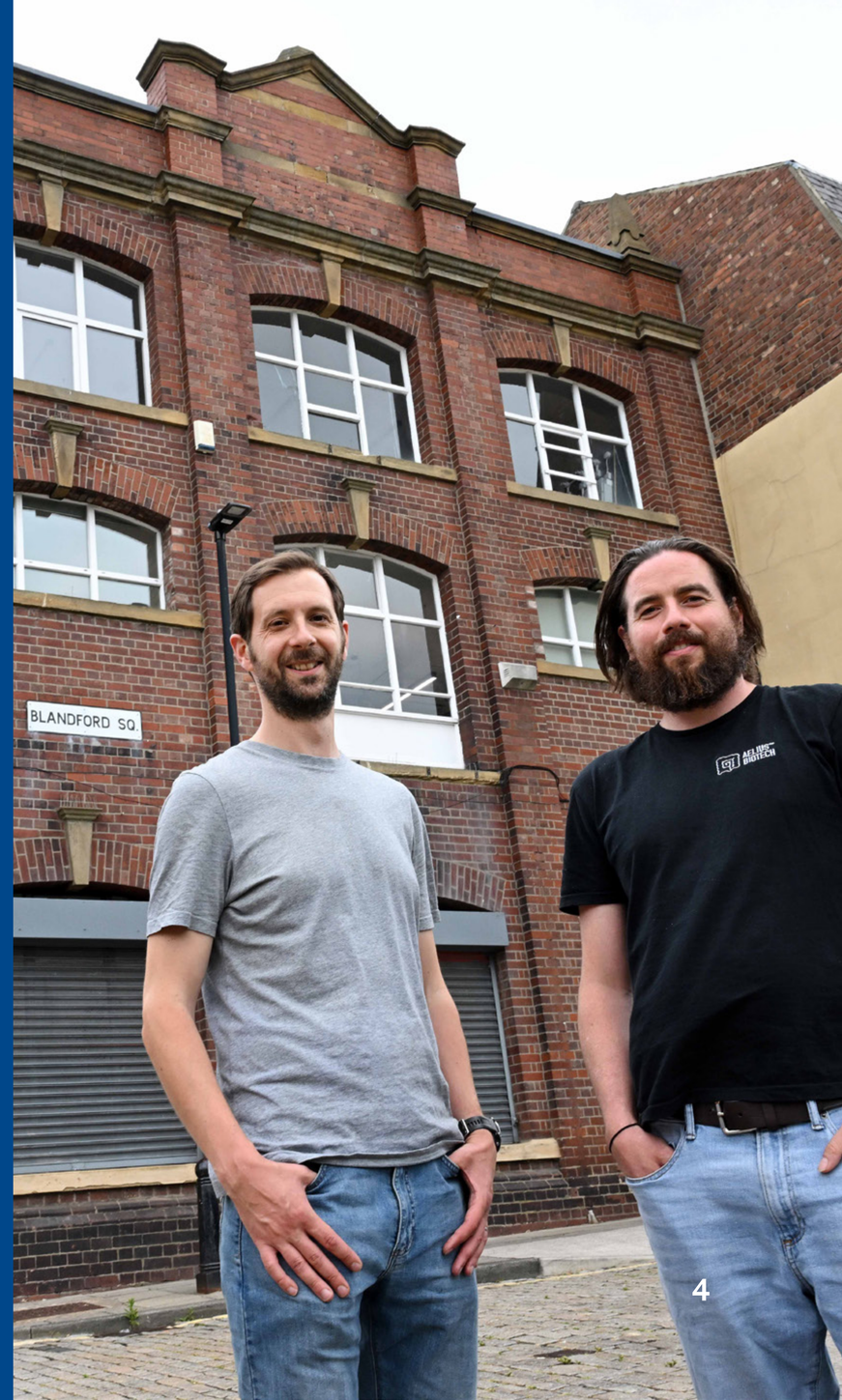
Whilst the process of choosing a non-traditional laboratory site was initially quite daunting for the company's founders, they found the support on offer from their Board and investors, as well as the building landlord and contractors, reinforced they'd made the right decision.

Matt said: "Working with good partners has been essential to this project. Method Building Consultancy and our contractors CCF helped us deliver the site on schedule and on budget. If we were to give advice to any businesses looking to do the same, definitely bring in that specialist support.

"A cost consultant can help you benchmark your investment, and a health and safety expert can ensure you're meeting all the necessary requirements. We had a really good experience working with local planning officials too."

If the company was to approach the project again, the team would bring in expert help from the outset of the project. "Their sector knowledge is invaluable and keeps the pace of the project high," said Matt.

"Anyone embarking on a new lab/office search needs to ask themselves if creating a bespoke lab and office space with room for their team to expand into is achievable in terms of time, budget and location."



The Future

Whilst Europe and the US are two key markets for Aelius Biotech, the company remains committed to growing and expanding in the North East.

“We’ve always been able to recruit very talented staff at the levels we need”, said Matt. “We have world-class universities here in Newcastle and across the wider region, and that’s proved to be very beneficial for us.

“Location has been important too. Newcastle upon Tyne is an exciting place and having a site in the heart of the city centre with great transport links makes us more attractive as an employer. Being close to Newcastle University and sites like The Biosphere is helpful for us as a business as well.

“We like to see ourselves expanding the reach of the health and life sciences cluster further across the city, and hopefully that will encourage other people to do the same.

“For me, the most positive thing to come from our move is having all the team under one roof, and in a space they’ve helped design. We’ve been able to create a great work environment.”

Key facts

Name of company	Aelius Biotech
Number of staff	15
Location	12 Blandford Square, Newcastle upon Tyne, NE1 4HZ
Duration of project	12 months
Project team (contractors)	Method Building Consultancy and CCF
Main lesson/challenge	Some of the existing and more established laboratory spaces didn’t provide the flexibility needed for a new business – particularly one with ambitious growth plans.
Main benefit to ‘doing it yourself’	Finding a space that offers exactly what you need in terms of size, space and access, but with the added benefit of providing room to grow – both in the laboratories and main office space.