The recent years have witnessed a new generation of Makers working with new ways of knowledge generation for creation and sharing of digital and physical products. While this development has started within collaborative and grass roots organised networks; educational institutions have also embraced it by opening makerspaces and adopting elements of the Maker Movement in their offerings. This paper investigates how university driven makerspaces can affect engineering design and product development education through a case study. We provide our findings based on interviews and data collected from educators, students, the administrative and workshop staff of the makerspace. The findings are used to outline the challenges in incorporating the offerings of makerspaces. By discussing these challenges we identify opportunities for turning university makerspaces into innovation hubs and platforms that can support engineering design education.