Life and work
How the appreciation of the US dollar is affecting global real estate costs. **p6**

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SAVILLS WORLD RESEARCH
H1/2015

12Cities

Investing and occupying world city real estate

US CITIES SPECIAL:
AMERICAN DREAM
The regeneration of cities signals a new dawn in real estate

savills

12 Cities
US edition

As the US economy strengthens and the dollar appreciates against a wide range of world currencies, now is a good time to take a closer look at several of its world cities. So, in this issue, we have added Chicago, Miami, Los Angeles and San Francisco to our usual world city mix. As a result, Rio, Sydney, Mumbai and Dubai are taking a bit of a back seat in this issue of *12 Cities*, but they will return in the next edition.

Each of the additional US cities we have selected, alongside *12 Cities* regular New York, have very different characteristics but all are globally renowned. As such, they command world city status and attract, for different reasons, a wide variety of overseas investment while playing host to a wide range of international companies and enterprises.

US WORLD CLASS CITIES AT A GLANCE

Chicago: Finance, publishing, medical services
San Francisco: Technology, tourism, bio-tech
Los Angeles: Media and entertainment, port services, education
Miami: Tourism, construction, Latin American regional HQs
New York: Finance, business services, entertainment

It is perhaps appropriate that our special feature is about the physical form of world city urbanisation. US real estate trends often lead the way for other parts of the globe and the repopulation, regeneration and city renaissance experienced in so many US cities over the past 20 years has been echoed in Europe and other 'old world' regions, while the urban growth in many 'new world' cities has tended to emulate an earlier, mid-20th century auto-oriented and high-rise US model of city-making.

We explore the latest trends and urbanisation issues faced by each of our world cities, examine the challenges they have in common, how some of them have been solved and consider what lessons can be learnt from different parts of the world. ■

'US real estate trends often lead the way for other parts of the globe'

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> ‘In the 21st century the emphasis on and need for human interaction on city streets is as great as ever’

RESEARCH METHODOLOGY

In order truly to compare the cost of residential and commercial real estate across different global cities, we use the Savills Executive Unit (SEU), which measures the cost of housing an identical group of people living and working in different countries.

The people who make up our SEU include one middle-aged expat CEO, one senior expat director, a locally employed director and four locally employed administrative staff. They each live in different types of household and each member of the group chooses different types of locations and different types of property in which to live.

To measure office costs, we place the same seven people in an office of a small financial services firm and again in a creative start-up – each located in the most appropriate district for their industry type.

COVER: JASON HAWKES

Snapshot of how the US compares with rest of the world

ECONOMY

Speed of US recovery sees its investors back in driving seat

The US economy is in its fifth year of recovery – having moved out of recession it grew at a faster-than-world-average rate in 2014 and significantly out-paced the European Union (see *fig. 1*).

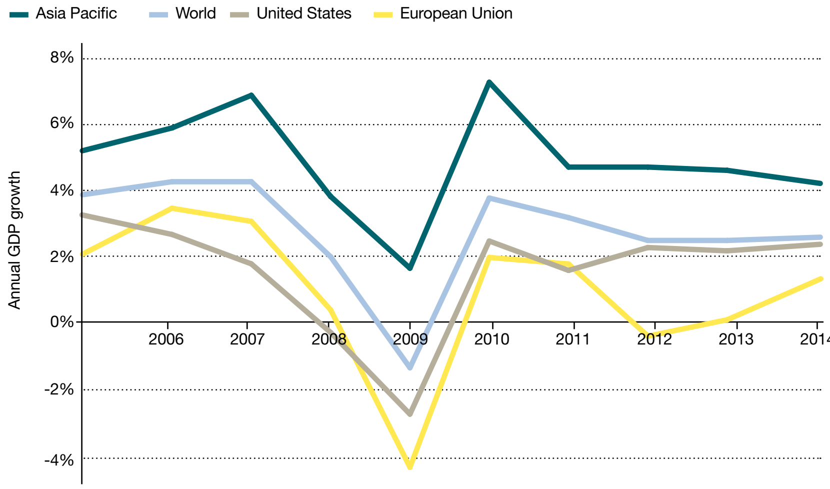
As a consequence, real estate investment and development became fundable in many US locations where it had remained moribund since 2008.

Economic recovery and the tapering of quantitative easing have seen a pick up in the dollar exchange rate against a basket of world currencies, notably the euro (see *fig. 2*). This has put US companies back in the driving seat when it comes to making overseas investments, both in new set-ups, scale-ups and start-ups, and in real estate purchase and leasing.

Right: San Francisco has attracted a lion's share of new investment in the digital economy.

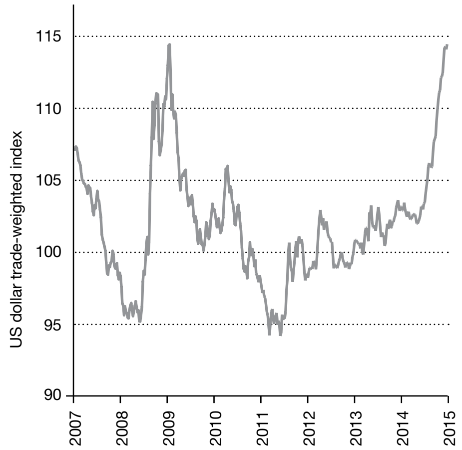
GETTY IMAGES

FIG. 1: US, China, EU and Asia Pacific economic growth 2009-14



Source: World Bank/Oxford Economics

FIG. 2: US dollar trade-weighted index



Source: Federal Reserve

FIG. 3 Real estate investment in world cities during 2014

Ranked by size of cross-border investment	City	Public listed / REITS	Institutional	User / other	Private	Cross-border	Total investment (US$million)
3	New York	22%	20%	7%	37%	13%	44,827
1	London	3%	17%	3%	8%	68%	37,182
4	Tokyo	41%	9%	14%	19%	17%	28,420
5	Los Angeles	12%	26%	8%	44%	11%	23,163
6	San Francisco	19%	38%	14%	21%	8%	21,471
2	Paris	15%	22%	7%	9%	46%	20,292
9	Chicago	14%	27%	8%	41%	9%	11,997
8	Hong Kong	16%	11%	19%	41%	13%	8,720
11	Singapore	64%	0%	8%	23%	5%	4,392
10	Moscow	0%	7%	25%	57%	11%	4,059
12	Miami	15%	27%	6%	49%	3%	3,531
7	Shanghai	2%	23%	40%	8%	26%	3,245

Source: RCA, Deals over US$10m apiece

REAL ESTATE

US cities are some of the biggest markets for property owners

Global investors and occupiers are now more focused on the US as a region as it looks relatively sheltered from some of the headwinds blowing across the rest of the world. It may have remained longer in recession and seen its real estate markets fall significantly after 2007, but both the economic and real estate recovery have been marked.

US cities did not have the highest levels of cross-border inward investment in real estate during 2014 – that honour belongs to London and Paris – but they do have among the highest levels of overall investment (*see fig. 3*).

This is because the size of the domestic real estate market is the largest in the world. New York tops the league at $44.8 billion in big deals in 2014, while Los Angeles and San Francisco were the fourth and fifth most invested world cities at $23.2 billion and $21.5 billion respectively.

Most of these big deals were indigenous: US property owners selling to US property buyers. This makes the US cities some of the biggest world markets but with far less reliance on global players than other world cities.

POPULATIONS

San Francisco and Miami set for double-digit population growth

The rate of economic growth in US cities over the past five years has generally not been as rapid as in many of the other cities that we look at, but they may have more wind left in their sails as a result.

US cities generally represent stable, 'old world' rates of economic growth, but have also been suppressed of late by the broader economic malaise experienced through the rest of the country. The out-performer has been San Francisco, which has led the US tech-based economic recovery.

Most notable is the forecast rate of population growth that San Francisco and Miami are set to see in the next 15 years, which approach those forecast for Shanghai and London (*see fig. 4*).

Meanwhile, Chicago, Los Angeles and New York, with a metro population of 43 million between them, are set to show slower population growth, but already have critical mass to easily compete on the economic stage of world metropolises.

FIG. 4 Global forecasted population growth 2014-2030

City	Forecast % population growth 2014-2030
TOKYO	0.4%
SHANGHAI	17.1%
NEW YORK	9.2%
MUMBAI	24.2%
LONDON	16.9%
LOS ANGELES	6.8%
PARIS	6.5%
RIO DE JANEIRO	7.7%
MOSCOW	3.5%
CHICAGO	5.2%
HONG KONG	8.5%
MIAMI	15.2%
SINGAPORE	22.4%
SYDNEY	14.2%
SAN FRANCISCO	12.7%
DUBAI	51.7%

Accommodating the city

The appreciation of the US dollar has seen a fall in annual desk-and-bed space costs

The cost of accommodating a workforce in both residential and commercial premises in world cities has fallen over the past year. The Savills Executive Unit – a workforce of 14 people and their families – now costs an average of US$75,738 per year per person in rents and property costs, compared to US$78,831 a year previously.

A significant component of this falling cost is the US dollar's appreciation against other world currencies, which makes annual property costs look cheaper in dollar terms. But, even in local currencies, several countries have seen falling rents, while others are experiencing static or low growth. This is good news for companies who occupy office space and have to house their employees – or pay wages commensurate with local housing costs. These companies had seen the total cost of living and working accommodation rise by 9.4% in local currency terms during the five years to December 2013, but are now enjoying dollar costs back to 2011 levels.

The three most expensive cities – London, Hong Kong and New York – are distinctly more expensive than the rest, revealing their status as dominant world-class metropolises (*see fig. 5*). Rents in these cities have been pushed to high levels in the past by a supply-demand mismatch, but are sustained by the very strong economic growth and rewards companies have enjoyed from locating in these cities.

Still looking expensive in light of its recent, relatively lacklustre, economic performance is Paris. This is largely the result of growing demand for central Parisian accommodation from a variety of companies – some of whom are seeking to 're-relocate' back from the suburbs, but finding a limited number of premises. Landlocked by its inner suburbs, Paris does not enjoy the same extent of regeneration potential that vacant docklands and post-industrial sites have afforded, say, London, Tokyo and New York, so has a limited commercial offering – particularly for creative businesses.

The biggest changes in our rankings in the past six months have been seen in the dollar costs of the lower-tier cities, with Moscow the most notable example. The plummeting value of the rouble has demoted Moscow from seventh to eighth place, still above Shanghai but now cheaper than Dubai and Sydney (not featured on the chart this issue), thanks to 25% cost falls between June and December 2014.

$69,000

Average cost per person to accommodate a workforce in the five US cities

Tokyo remains competitive thanks to yen depreciation against the dollar and despite a modest rise in office and residential rents in yen terms. This has allowed Singapore to rise in dollar expense terms, with it remaining in sixth place. This rise is the result of the pegged Singapore dollar staying strong against the US dollar – but also rising office rents. Singapore is a city that is still attracting global businesses, but one where the supply of office stock has not increased at the same pace as occupier demand – or residential stock. ■

SAVILLS LIVE/WORK INDEX

Businesses occupy different spaces in different buildings and these change from city to city – even if they are occupied by the same company. Similar-sized companies in different industries may also occupy very different spaces in the same city. This means that headline comparisons of grade A rents per square metre are inadequate. Office workers in the finance sector are more likely to be densely packed into a small unit in Tokyo, but take far greater space in Dubai, for example. To build a true picture, a variety of property and locations should be taken into consideration.

Employers are also interested in the cost of living accommodation for their workers. This is particularly relevant as upward pressure on wages may be stronger in locations where the residential cost of accommodation is high. It will also be easier to attract the best staff in the most liveable, vibrant and stimulating living spaces.

The Savills Executive Unit (SEU) measure of accommodation costs takes all this into account, as well as additional costs such as local taxes and rates. We think this is a more effective measure of city competitiveness and value for real estate.

GETTY IMAGES

Chicago is the second cheapest for living and work accommodation.

FIG. 5:

SAVILLS LIVE/WORK INDEX

Ranking the cost of renting residential and commercial space in 12 global cities, including the five US cities

Rank	SEU Live/work cost per employee per year
1	LONDON $118,085
2	HONG KONG $113,019
3	NEW YORK $111,811
4	PARIS $97,198
5	SAN FRANCISCO $85,598
6	SINGAPORE $71,862
7	TOKYO $66,699
8	MOSCOW $53,163
9	LOS ANGELES $52,137
10	MIAMI $48,962
11	CHICAGO $46,588
12	SHANGHAI $43,729

Source: Savills World Research

'Old world' countries, such as those is North America, Europe and Japan, have seen the rediscovery of the city.

GETTY IMAGES

City building – a force in real estate

The growth of urbanisation is a global phenomenon. Half of the world's population now live in cities and this is forecast to grow to nearly three-quarters by 2050. In this special feature we look at how our 12 cities are being extended, regenerated and rebuilt, what is working and what threatens their future, and how the availability of land, or lack of it, is playing out in these global real estate markets

The importance of cities for many aspects of life – not just the world of real estate – is increasing, but what we mean by 'city' varies greatly from location to location. In some places, it is the first-time experience of dense urban living resulting from migration from rural areas; in others, it is the rediscovery and reuse of centuries-old centres of economic and human activity. Each gives rise to a different range of social, economic and real estate tensions and can result in some very different built forms.

The predominant theme in the West, or rather in the 'old world' – the pre 20th century cities of North America, Europe, Australia and Japan – has been the rediscovery of the city. Since the 1990s, patterns of depopulation dating from various points in the 20th century have been almost universally reversed in these old cities and businesses of many types have once again created revenues and wealth after previous decades of population decline, and in some cases, urban decay.

The shift in city economies during the mid-1980s away from manufacturing and toward financial and business services made the location of goods and markets less important and once again put the interactions of people at centre stage. This has given cities a new currency: there is value in human interaction and the marketplaces that cities provide. Little wonder that London and New York rose from the ashes at this time to dominate the world city scene. This economic, geographical and financial phenomenon had big impacts on the real estate industry and these cities remain heavily invested by institutions, funds, private companies and individuals.

In the 21st century, the emphasis on and need for human interaction on city streets is as great as ever. The rise of new technologies and the creative, entrepreneurial and agglomerating industry that has been spawned by them is particularly in thrall to the city. Cities not only allow for the inception, nurturing, funding and development of new ideas and products, but actively provide the human experiences and

37 million

The metro area population of Tokyo (pictured) in 2014

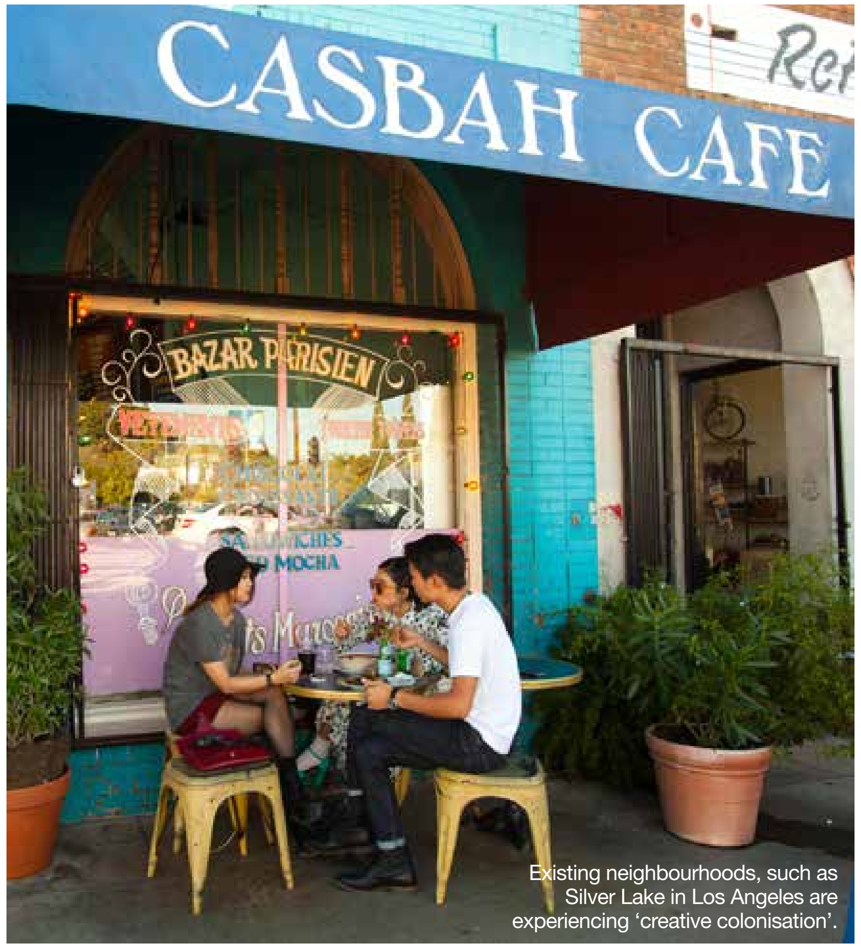
interactions that spark the disruptors in the first place.

So cities with growing tech sectors would appear to have assured futures, but only if they can continue to attract young, creative and entrepreneurial workforces and residents. Real estate developers and investors need to understand the drivers of city success in these circumstances if their location decisions are to be profitable, and the type of real estate they provide adds to the city's success rather than detracts from it.

RENAISSANCE OR NAISSANCE?

It is perhaps appropriate to be looking at city development and expansion in this special US edition of *12 Cities* because so many real estate trends have emanated from that country. Not only has the US given the world the first new 'automobile cities' zoned and organised around the movement of traffic, but some of the older colonial and industrial-age cities have introduced 'regeneration' and 'gentrification' to the lexicon of real estate through the repopulation, reuse and reinvigoration of previously run-down inner-city areas.

It is impossible to separate the influx of investment in cities from the influx of workers, residents and visitors; they are all part of the same phenomenon – city renaissance. But in the 'new world', especially the emerging economies of Asia, the story has not been so much of renaissance as 'naissance' – the birth of whole new cities of a type and scale the world has not seen before, sometimes from the rubble of what was there before and sometimes on rural farmland.



Existing neighbourhoods, such as Silver Lake in Los Angeles are experiencing 'creative colonisation'.

The Venetian Islands in Miami are a good but expensive example of city building.

ALAMY, GETTY IMAGES

The seven 'Cs' of city building

Closer examination of development and building within all our world cities (including the US cities) reveals a rich mixture of urban forms and a great many districts with different characters and a vast mix of commercial, retail, visitor and other uses. All human life is there and the best cities are noticeable for having a wide variety of districts, all catering for a wide range of different occupants. The following pages give a few examples of the different types of building we found going on in our world cities.

4.7million

Forecast additional population in the five US cities combined by 2030

1 COUNTRYSIDE

The development of surrounding natural land as city or suburbs is most common in the emerging economics of the new world. A few cities, such as Shanghai and Dubai, are still expanding into surrounding countryside and desert.

2 CHANGE

Some cities, notably Shanghai and Moscow, have demolished significant swathes of the city to build new sectors. Tokyo also has a high rebuild rate but at an individual plot level, as does Hong Kong.

3 SEA STEALING

Some cities are so land-constrained that they have created it by forming islands or an extended shoreline in the sea. This type of expensive development is found most frequently in 'new world' cities such as Hong Kong, Dubai and Singapore, but has also taken place in older Asian cities such as Tokyo, and we even found early 20th century examples of island-making in Miami.

4 CONVERSION

The story in most old, established cities in Europe and the US is of an extensive and fully developed urban landscape offering limited opportunity restricted by planning policy, for physical expansion. Economic development, therefore, depends on the effective use and reuse of existing land supply. We see in almost every case where land is constrained that old industrial land is being reused. London's old docks in the east and its disused manufacturing sites in the outer boroughs are good examples of this type of redevelopment and regeneration, but this can be capital intensive and costly, especially when infrastructure projects, such as roads, transit and decontamination, are needed to open up these sites for public use.

5 GAME CHANGING

Four of our world cities – Sydney, London, Rio and Tokyo – have either had or will have an injection of public money for regeneration projects by hosting the Olympic Games in the recent past or future. This can, and has, been the catalyst for infrastructure projects that these cities need and has or will open up new areas for more intensive urban development.

6 CREATIVE COLONISATION

World cities have responded to restrictions on sprawling development by re-using and reinventing existing run-down neighbourhoods and districts. Economic regeneration is often led by creative people: artists, designers and tech entrepreneurs who agglomerate in a cheap, run-down city sector, attracted by low rents. When successful, many of these districts become reinvigorated, with more jobs and higher economic activity.

7 CONSERVATION

Another response to limited land supply is to both preserve what is already in place and re-use and intensify its use, recreating it as a visitor attraction and economic generator. The conservation and preservation of old buildings and city districts is often organised at a city level (or international level in the case of World Heritage sites). It goes against the short-term consequences of land price inflation and resists high bid rents for the longer-term legacy of historic quarters. Perhaps an unintended consequence is that this has helped create some of the highest value areas, as this legacy is valued by visitors and occupants and eventually becomes monetised.

SPECIAL REPORT

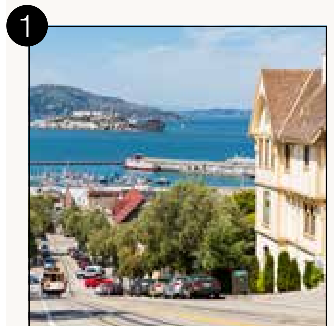
City building

From land reclamation to big catalyst projects, we examine the seven 'Cs' of city building that are transforming our 12 cities

KEY

- Countryside
- Sea stealing
- Change
- Conversion
- Game changing
- Creative colonisation
- Conservation

1 SAN FRANCISCO



- San Francisco Bay (Financial District)
- Bayview
- Mission Bay (above), Hunter's Point Shipyard
- Hayes Valley/Fillmore, Mission District
- Presidio

HUNTER'S POINT SHIPYARD: former Navy shipyard under redevelopment as a new neighbourhood for San Francisco, characterised by low rise townhouses, parks, retail and office space.

2 LOS ANGELES

- Port of Los Angeles
- Downtown, Bunker Hill
- Central City East
- Silver Lake, Echo Park
- West Adams

3 CHICAGO

- Shoreline
- Bucktown/Wicker Park River North
- Bloomingdale Line

4 NEW YORK

- Battery Park
- Hudson Yards (above)
- Williamsburg, Brooklyn
- The High Line

HUDSON YARDS: a 28-acre mixed-use development over rail yards, comprising of 16 towers containing more than 12.7 million sq ft of office, residential and retail space, including a subway extension, underpinning wider regeneration of Manhattan's west side.

5 MIAMI

- Hibiscus, Palm and other islands (circa 1922)
- Downtown/Bayfront
- Wynwood
- Miami Beach Art Deco District (above)

MIAMI ART DECO DISTRICT: designated a US historic district, comprising 960 historic buildings in Miami Beach. The postcard view of Miami, it attracts tourists to the bars, restaurants and hotels they house, and investors to the condominium developments that surround it.

6 LONDON

- Docklands and Thames Gateway
- 2012 Olympics
- Shoreditch, Dalston
- Covent Garden

7 MOSCOW

- Park Rossii
- Ostozhenka, Patriarshie Prudy
- Moscow City
- 2018 FIFA World Cup
- ArtKvartal, Gorky Park
- The Bolshoy Theatre, Detskiy Mir

8 PARIS

- 13th arrondissement
- La Defense
- Grand Paris (above)
- Canal St Martin, Belleville
- Musée D'Orsay

GRAND PARIS: a strategic plan for the Paris metropolitan region, aiming to develop the inner suburbs, reduce inequalities and expand the city through urban planning, governance and investment in transport infrastructure.

9 TOKYO

- Tokyo Bay
- Toranomon
- Tokyo Bay
- 2020 Olympics (above), Tsukiji fish market relocation
- Shibuya, Harajuku, Minami-Aoyama
- Tokyo Station, Marunouchi/Hongo, 'Yanesen'

2020 OLYMPICS: the majority of new infrastructure will be located in the Tokyo Bay area, with the athletes' village on the Harumi waterfront. The games are anticipated to be a catalyst for new condominium and commercial development in this traditionally overlooked area.

10 HONG KONG

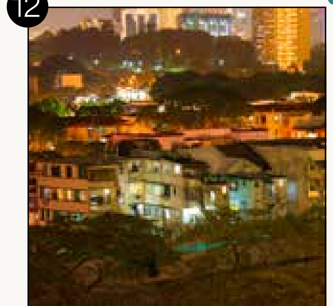
- Hong Kong International Airport
- Most of central
- Kennedy Town
- Sheung Wan

11 SHANGHAI

- Numerous locations
- Yangshan Deep Water Port (above), Nanhui New City
- Jing'an, Xujiahui, Dongjiadu
- Expo Site, New Jiangwan town, CITIC Pacific Shipyard
- 2010 Expo, Shanghai Free Trade Zone in 2013, Pudong New Area
- Tianzifang, Moganshan Rd
- The Bund/Xintiandi, Jewish Quarters, Former French concession

YANGSHAN DEEP WATER PORT: built to allow the expansion of the Port of Shanghai given shallow waters close to shore. Constructed on reclaimed land attached to islands in Hangzhou Bay, it is connected to Pudong New Area by one of the longest sea bridges in the world.

12 SINGAPORE



- Punggol
- Marina Bay
- Jurong
- Singapore Sports Hub
- Tiong Bahru (above)
- Peranakan, Joo Chiat and Katong Districts

TIONG BAHRU: one of the oldest housing estates in Singapore, it achieved heritage status in 2003. Home to markets, independent bookshops and cafés, it has been revitalised by 'hipster' culture.

ALAMY, CORBIS, GETTY IMAGES

> **'The best cities have a variety of districts, all catering for a wide range of occupants'**

Trendsetters

How the tech industry is helping to drive the world's commercial economy, and why Moscow is a problem for global residential value

Prime grade A offices in Paris are being bought off effective yields of around 3.5%.

GETTY IMAGES

OFFICE TRENDS

HOW DIGITAL IS CHANGING THE FACE OF CITIES

The key trend this year is the continued rise of the tech industry in almost all of our world cities. The telecommunications, media and technology sector is so important to eight of our 12 cities that we have included them in our special *Tech Cities* research programme for 2015 (savills.com/techcities).

The disruption of conventional city economies by the digital economy is showing up in the changing geography of cities. The traditional financial and legal districts are no longer those experiencing the highest leasing activity, nor even the highest growth in rental levels.

Even those not featured in *Tech Cities* are seeing strong influence from digital technology occupiers, with the world city status of places like Paris and Chicago helping to attract the human talent so vital to their industry. As a result, demand for 'creative space' is rising and office rents are outstripping those for financial space in all our world cities, except Moscow.

THE RESURGENCE OF US CITIES

The American cities featured in this issue are experiencing high demand resulting from economic growth, but are singularly diverse in what they are offering occupiers. New York and San Francisco are fast-growing talent magnets and the most expensive American cities for occupiers, while Chicago continues to supply corporate headquarters for big hitters – even if they are digital companies.

Meanwhile, Miami has attracted the 'eds and meds': the research institutes and those at the forefront of medical and life sciences. It also draws in real estate investment from Latin America.

Los Angeles seems to be offering something else again: cheaper space for backroom and corporate America in an extensive and high-supply city. Whatever the story, office rental growth in 2014 was strong across all the major American cities featured here and, with continued GDP and jobs growth, is likely to continue (*see fig. 6*).

YIELD COMPRESSION – OR JUST HOT AIR?

Recent research by Savills, in conjunction with Deakin University of Australia, has taken a close look at how real income returns to grade A office investors differ from quoted market yields in cities around the world. It found that a combination of investor costs and tenant incentives, like rent-free periods or rebates, reduce investment yields – sometimes very considerably.

What at first glance appears to be a diverse range of income returns from world cities turns out, in reality, to be a much closer range of yields. The average world city 'effective yield' is 4.2%, ranging from 6% in Chicago to 2.9% in Hong Kong. What is interesting is that the range around the average between cities is smaller for these 'true yields' than the more misleading quoted market yields (which range from 3.1% to 12.5%).

It would appear that global investors do value the 'in the pocket' returns from institutional investment grade office buildings across the foremost world cities in much the same way. Prime grade A offices in New York, LA, London, Tokyo and Paris are all being bought off effective yields of around 3.5%; Sydney, Shanghai and Singapore, off 4.5%.

Fig. 7 shows how our 12 world cities fare in this measurement. It shows how an average reduction of 1.7 percentage points is experienced by grade A office investors when they receive actual rental income net of costs rather than headline rent.

Chicago has the most reduced net effective yields – 6.5 percentage points below the quoted market yields. Hong Kong, Tokyo and London (West End) see the smallest reductions from market to net effective yield at 0.3 percentage points.

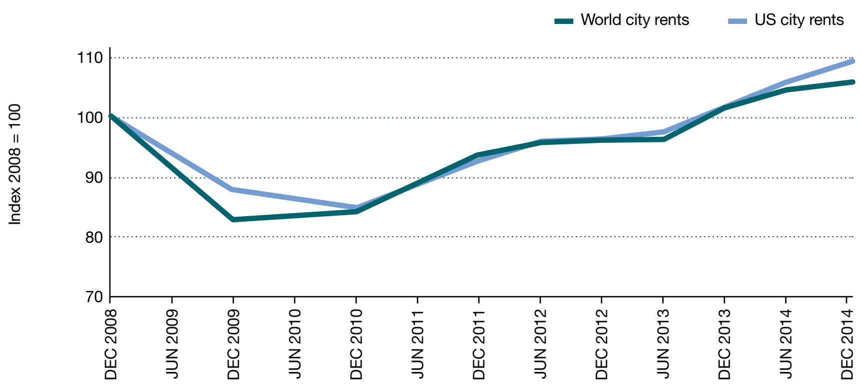
So, while yield compression does seem to have occurred in most world cities, its extent and impact does not differ as much as headline market yields might suggest.

Investors looking for 'in pocket' income returns would do well to look at net effective yields, particularly in the US where high gross market yields could be misleading. ■

4.2%

Savills' average world city net effective yield

FIG. 6 Office rental growth of American cities versus rest of our world cities



Source: Savills World Research

FIG. 7 Investment market reality

	Quoted market yield	Savills 'net effective' yield	Difference
HONG KONG	3.1	2.9	-0.3
NEW YORK (MIDTOWN)	5.0	3.3	-1.8
LOS ANGELES (WEST)	5.3	3.3	-2.0
LONDON (WEST END)	3.8	3.5	-0.3
TOKYO	4.0	3.7	-0.3
PARIS	4.5	3.8	-0.7
SYDNEY	6.6	4.2	-2.4
SHANGHAI	4.7	4.3	-0.5
SINGAPORE	5.3	4.9	-0.4
MIAMI	8.4	4.9	-3.5
SAN FRANCISCO	7.0	5.4	-1.6
CHICAGO	12.5	6.0	-6.5
AVERAGE	**5.9**	**4.2**	**-1.7**
STANDARD DEVIATION	**2.6**	**1.0**	

RESIDENTIAL TRENDS

CAPITAL VALUES

The capital value of residential properties occupied by the SEU across all 12 world cities (including US cities) fell by 1.1% in the second half of 2014 – the first overall fall since 2008 (*see fig. 8*).

This was almost entirely due to huge value reductions in Moscow, which totalled 33% in just six months in US dollar terms and pushed the all-city average down.

Small falls were also seen in Paris and Singapore in all sectors, and London's prime sector. Meanwhile, the US cities in the group were growing by an average of 3.1% across the board, with San Francisco the star performer, showing 7.1% in the six months to December 2014.

The value of all residential property occupied by the SEU now totals 31% more than it did in December 2008. Recovery occurred later in the US cities, totalling 21%, which suggests that it may have further to run.

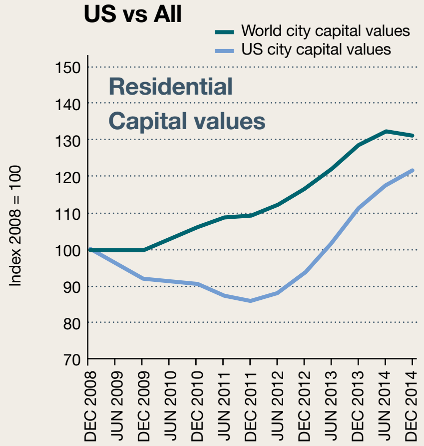
RENTS

Further evidence that US capital values have some headroom is that, while capital values were falling, rents have been rising (*see fig. 9*). The SEU average rent for the US cities is up 42.6% since 2008, compared to a 19.2% rise in our 12 cities overall.

The all-cities rental index is distorted in the short term by huge rent falls in Moscow, totalling over 50% in mainstream markets and leaving them 42% below their 2008 levels. With rent reductions greater than capital value falls, we expect yields to move out further.

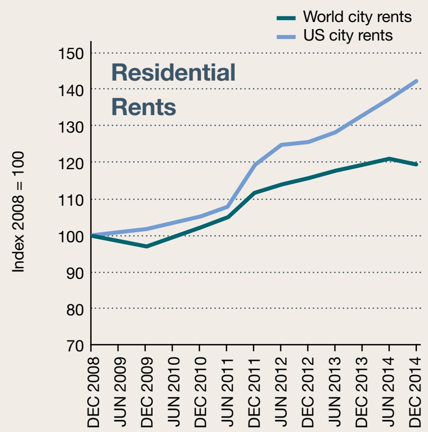
Residential yields across the rest of our cities are stable and rental growth is broadly steady. Only Singapore has experienced small rental falls across the board and Hong Kong in the prime markets. Meanwhile, Paris and Shanghai rental growth levels are low. The weaker fundamentals of occupier demand in these cities make them look vulnerable to near-term small capital value falls. ■

FIG. 8 SEU capital value index. US vs All



Source: Savills World Research

FIG. 9 SEU rents US vs All



Source: Savills World Research

Working space

As global business becomes ever more international, we take a look at the commercial property markets in our world cities

1 LONDON

The UK capital continues to be a magnet for international investors

LONDON'S OFFICE markets set new records in 2014, with £20.9 billion ($31 billion) of investment deals undertaken across central London commercial markets – figures that eclipse the volumes achieved in 2006/07.

In the office sector, Asian buyers accounted for 33% of investors, with an average lot size of £156 million, reflecting demand from this group for large trophy assets. This is in contrast to an average lot size of £26 million among UK buyers, the next largest purchasing group (21%).

The London office investment market is especially international, with 65% of all investment deals coming from overseas.

Records were set in the leasing markets, too, with 8.2 million sq ft of space leased in the City of London. Rents for office space occupied by financial firms were flat in 2014, while those for 'creative' space increased by 8.3%.

The technology, media and telecommunications (TMT) sector was especially active, accounting for 32% of take-up in the West End alone, significantly ahead of the five-year average of 24%.

33%

Percentage of investors in the London office sector in 2014 from Asia

Reaffirming London's status as one of the most global centres of the creative industry, media and entertainment companies have dominated this sub-sector, and account for 35% of TMT sector take-up. This was followed by tech companies, with 28% of TMT stock absorbed, much in East London.

JASON HAWKES

EXPERT VIEW

'The drift of occupiers west to east is a trend we forsee continuing in 2015'

PAUL TOSTEVIN
Savills World Research
ptostevin@savills.com

	2014	Since 2008
Financial sector office rents	0.0%	14.3%
Creative sector office rents	23.3%	32.1%
Residential rents (for SEU)	4.1%	14.7%

2 HONG KONG

Cooling continues for office space, but rise in creative demand reflects domestic market

OFFICE RENTS in Hong Kong remained largely flat in 2014, although performance varied by sub-market. Office space of the type occupied by financial firms slid by 8% last year.

The financial services sector is pivotal to the Hong Kong office market, and occupier demand is currently coming primarily from mainland financial companies (rather than the multinationals), a trend compounded by existing occupiers expanding in-house rather than relocating.

Falling rents for financial office space were offset somewhat by a 5% growth in office rents for 'creative' space, reflecting the more domestic nature of that market.

Hong Kong's importance to China's capital markets was reaffirmed in November by the introduction of the Shanghai-Hong Kong Stock Connect, which allows investors to trade across the border for the first time. This has boosted confidence and should generate additional occupier demand from investment and securities firms from the mainland.

Meanwhile, the 'Occupy Central' protestors, which disbanded in December, appear not to have had any major lasting impact on demand in the office market sector.

3 NEW YORK

Changing city geography as affordable downtown boosts its live/work desirability

THE CONSEQUENCES of the US economic recovery, coupled with the legacy of recent recessions, are exemplified in New York City's real estate markets.

New York's office market is the largest in the US – when taken as a metro area it saw $27.1 billion of big ticket investment deals in 2014. Just 15% of these were cross-border, which is high for the US but low by international standards.

The market saw the completion of some major projects in 2014, most notably the 3.5 million sq ft One World Trade Center. In spite of this, shrinking availability characterises the office market in the wake of recessionary low supply and growing demand in an improving job market.

Areas such as midtown, which are reliant on traditional space users such as banks and law firms, are seeing reduced leasing activity, which has fallen for three consecutive quarters. Some tenants are moving to more affordable locations downtown, attracted by lower rents and tax benefits. Downtown is transforming rapidly, with a growing population, and expanding retail and entertainment offer, making it a desirable place to both live and work.

Tech is an important component of the market. Flush with venture capital, tech companies are operating with a unique set of guidelines that were not previously representative of the typical corporate occupier in Manhattan.

For these tenants, the cost of space is secondary to the pursuit of talent.

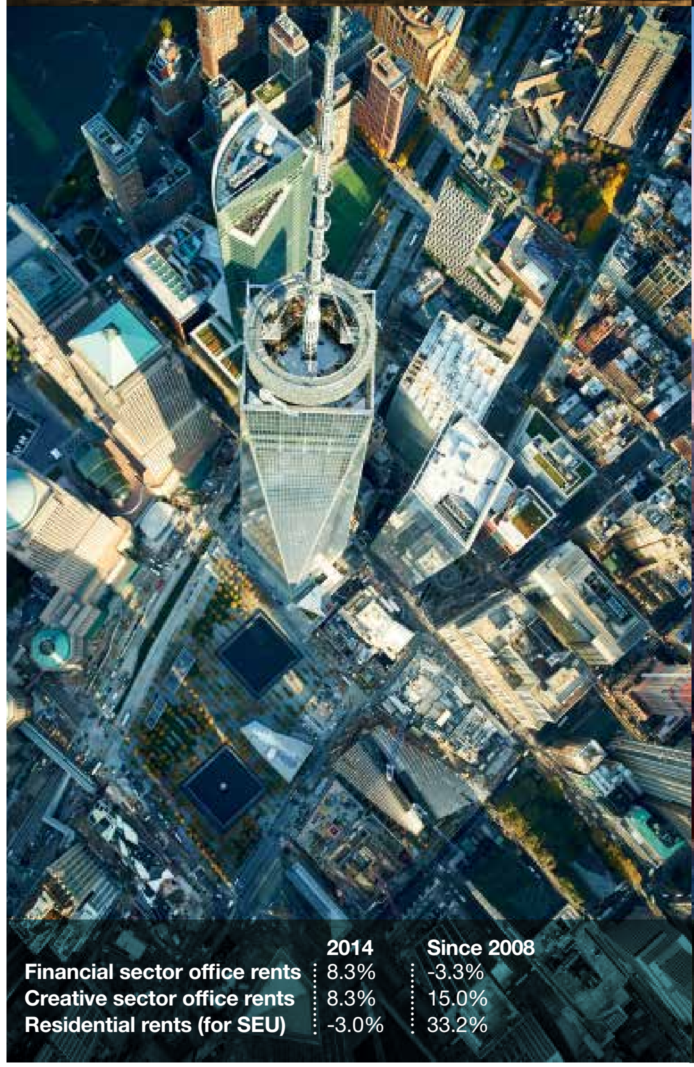
As a consequence, tech firms are paying top rents for poorer-quality space, simply to have an office in the 'right' location.

$27.1bn

Value of 2014 New York big ticket investment deals

	2014	Since 2008
Financial sector office rents	-8.0%	14.0%
Creative sector office rents	5.0%	52.4%
Residential rents (for SEU)	-10.5%	-13.0%

	2014	Since 2008
Financial sector office rents	0.0%	20.5%
Creative sector office rents	4.1%	12.8%
Residential rents (for SEU)	0.8%	7.6%



	2014	Since 2008
Financial sector office rents	8.3%	-3.3%
Creative sector office rents	8.3%	15.0%
Residential rents (for SEU)	-3.0%	33.2%

	2014	Since 2008
Financial sector office rents	2.8%	6.2%
Creative sector office rents	14.2%	40.9%
Residential rents (for SEU)	1.1%	66.1%

Clockwise from far left: Hong Kong sees creative demand; Chinese investment for Paris; San Francisco attracting tech talent; downtown transformation for New York.

4 PARIS

A Seine market as office rents show resilience and attract Chinese investment

WHILE FRANCE continues to experience a weak economic recovery, the Paris office market has proved to be resilient. This is, in part, due to limited speculative development activity, having had the effect of restricting new supply.

Parisian office rents have grown by 20.5% since 2008, although the pace did slow in 2014.

Yields stand at 5%, making the market attractive to investment, which has rebounded with a mixture of domestic and foreign players. Investment by the Chinese was up 25% in 2014 alone.

In common with other major cities, the TMT sector is an important and growing one in Paris, accounting for 15% of the annual take-up (exceeding 1,000 sq m) in the Île-de-France region over the past three years.

A Savills survey of the French market found that TMT employees are less concerned with the 'basics' of their office (levels of noise, security, lighting, etc), but give higher priority to the quality of WiFi and leisure-related facilities (gyms, games rooms, etc).

Understanding these preferences provides insight into what occupiers want from their office space and what landlords/developers need to provide to fulfil these.

5 SAN FRANCISCO

There's a gold rush on the West Coast as the city attracts talent in tech and creative

AS THE city's tech industry continues to expand, San Francisco is set to see a new peak of office workers this year, overtaking levels last achieved in the 2000 dotcom boom. Commercial rents in San Francisco, as measured by our SEU, grew by 8.5% in 2014, the fastest growth among the US cities studied here. Since 2008 commercial rents have grown 23.5%, second only to Hong Kong (33.2%).

Capitalised tech and creative firms are focused on securing the right space in the right location to attract talent. It is the city itself that is attracting human capital, as much as the new companies setting up in it. The cost of leasing and fitting out office space is of secondary importance to the future of the place itself. By contrast, 'traditional' space users (banks, law firms, etc) are making much more modest lease commitments at a time when many companies and residents are becoming increasingly concerned about being priced out.

On the development side, rising labour and construction costs are taking their toll on new projects. Massive new developments, such as Apple's new HQ in Cupertino, Facebook's campus in Menlo Park and Google's projects around Mountain View, are contributing to rising development costs across the bay area.

San Francisco's buoyant leasing market fuelled a surge of investment activity last year. The city was second only to Manhattan, recording an increase of 265% over 2013 volumes according to RCA.

Chinese investors have been particularly active in the market – those from Asia as a whole accounted for 42% of purchases by value in 2014.

8.5%

Rise in San Francisco's commercial rents in 2014

	2014	Since 2008
Financial sector office rents	14.9%	-41.9%
Creative sector office rents	9.1%	-21.9%
Residential rents (for SEU)	-3.7%	-6.9%

6 SINGAPORE

Stop-start in the office market as rents remain below peak of 2008

THE OFFICE market in Singapore declined significantly after 2005, which is why it was unaffected by the slowdown in GDP growth seen in 2014.

Office rents increased, on average, by 12% following a rise in office leasing and sales activity, with sustained broad-based demand from new firms and expanding businesses, mainly from the IT and telecommunications industry and legal service providers.

Demand for smaller spaces (less than 10,000 sq ft) from real economy companies (production of goods and services) continued to dominate the market.

Rents are still well below their 2008 peak so development activity has been relatively slow and the resulting tight supply situation will give landlords a window of opportunity in 2015 to maximise returns in 2016/17. However, new office supply will increase and likely suppress rental growth again. Occupier demand is being driven by new-to-market companies and those that already have a presence in the city, as opposed to international finance and business services firms seeking a regional base.

This will mean more small-space requirements with flexible leases. Savills expects CBD grade A rents for small spaces (less than 10,000 sq ft) to trend upward by an estimated 12.9% in 2015.

12%

Growth in Singapore's office rents in 2014

EXPERT VIEW

'Momentum in occupier activity is expected to be maintained through 2015 and beyond'

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7 TOKYO

Turning point as faith in future of market returns

TOKYO HAS been enjoying some major inbound investment from foreign players, attracted by Abenomics, but investment activity remained predominantly domestic in 2014. With prime cap rates approaching historic lows, questions are being asked about the sustainability of current conditions.

Nonetheless, rents remain well below their 2007 levels, lending conditions are favourable, and a cushion exists between headline office yields and the 10-year government bond interest rate. This means there is scope for Tokyo cap rates to move further into line with those of Hong Kong and Singapore; capital growth is expected.

The city continues to enjoy positive developer sentiment surrounding the 2020 Olympic Games, and the infrastructure boost and opening up of new dockside locations that will ensue. Mori Building, one of Japan's biggest developers, intends to develop 10 mixed-use projects in central Tokyo worth an estimated ¥1 trillion ($8.3 billion) over the next decade. This is a confident move and a sign of faith in the future of the city's real estate market.

Momentum in occupier activity is expected to be maintained through 2015 and beyond, on the back of cyclical and economic tailwinds. The volume of available space suitable for large-scale corporate relocations is dwindling. This will not only encourage landlords to demand higher rents for new leases, but also accelerate the absorption of buildings newly supplied to the market in the near term. Rents are rising across the market as vacancy rates fall, with particularly strong growth recorded in the creative and tech sector over the past year.

	2014	Since 2008
Financial sector office rents	0.0%	-11.1%
Creative sector office rents	10.0%	-21.4%
Residential rents (for SEU)	4.1%	-12.0%

H1 2015 ■ savills.com

Far left: Singapore sees office rents rise.
Left: Foreign investors attracted to Tokyo.
Below: Economic conditions take toll on Moscow.

8 MOSCOW

Cold snap as economic sanctions and fall in oil price take toll on market

IN MOSCOW 2014 saw a boom in new office development, with grade A and B supply exceeding more than 1 million sq m over the course of the year. But this proved to be badly timed given the economic conditions and global investor sentiment in Russia.

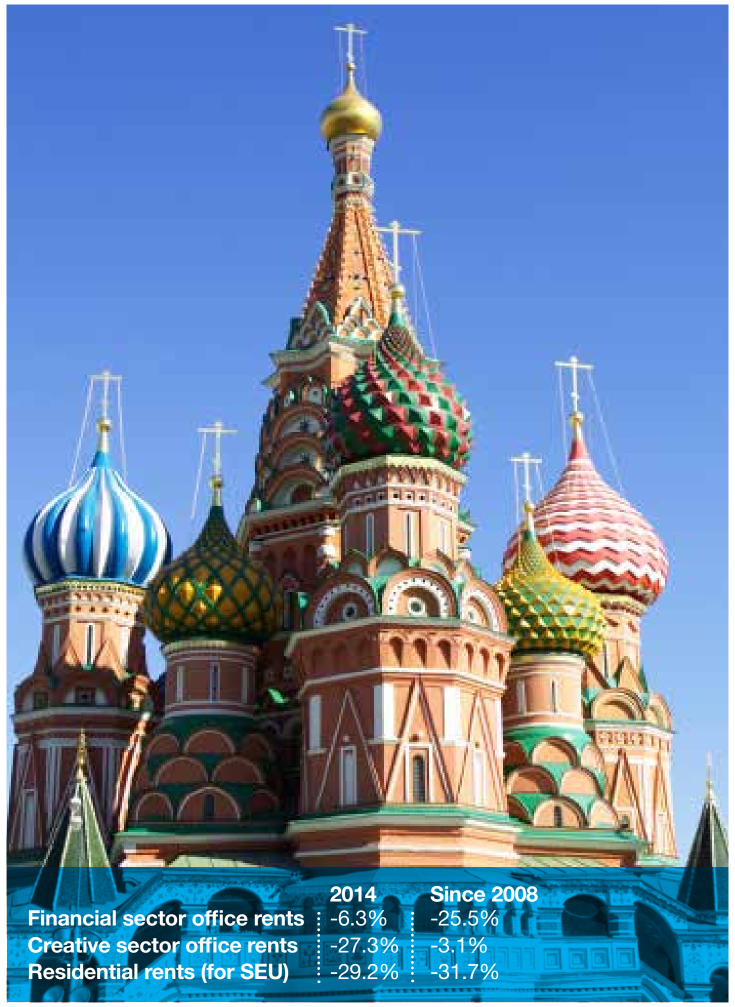
Economic sanctions and a plummeting oil price have taken their toll on the market.

Record new supply, combined with a falling number of deals, has resulted in rising vacancy rates and falling rents.

Many companies are seeking to renegotiate lease terms. Unsurprisingly, global companies, particularly those in the finance and business services sector, have seen the sharpest contraction in activity. By contrast, and in common with many of the other global centres monitored here, the TMT sector is the most active and accounted for around a quarter of all leasing activity last year.

Due to current economic and geopolitical issues, the outlook for the Moscow commercial property market is poor.

Companies are likely to be extra cautious in their activity, with expansion or relocations put on hold. This, set against the glut of new supply the market saw last year, will put further downward pressure on rents in 2016 and 2017.



	2014	Since 2008
Financial sector office rents	-6.3%	-25.5%
Creative sector office rents	-27.3%	-3.1%
Residential rents (for SEU)	-29.2%	-31.7%

GETTY IMAGES

9 LOS ANGELES

Balancing act as occupiers' market see opportunities for space-hungry companies

ALTHOUGH SUSTAINED job growth supported steady demand for office space in 2014, with leasing activity at its highest levels since 2006, Los Angeles is an occupiers' market (with the exception of Westside). The overall vacancy rate is high and tenants have multiple opportunities across various sub-markets, meaning it is a prime location for space-hungry companies seeking cost savings.

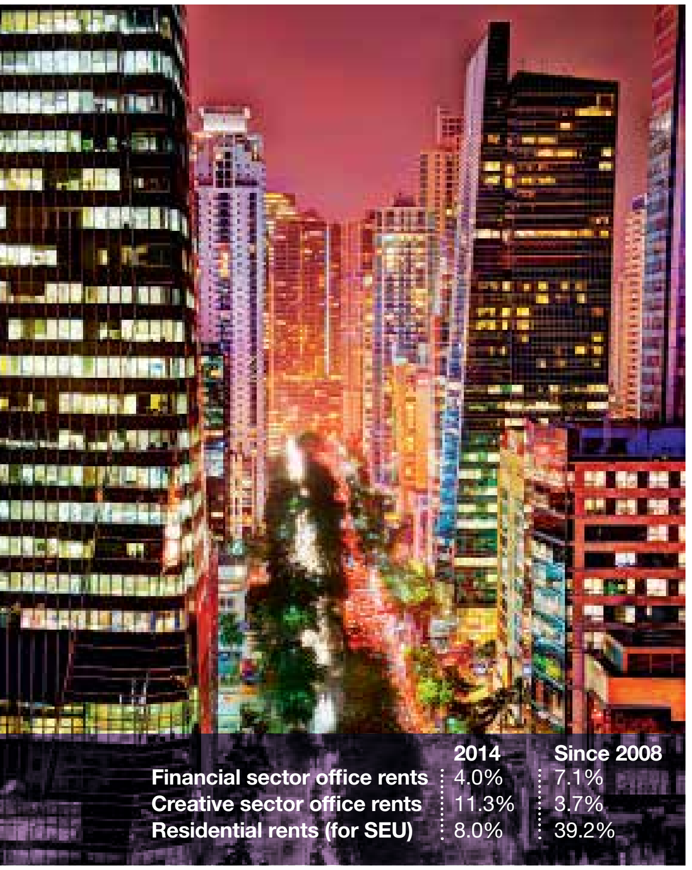
This is the one market where US dollar appreciation may be suppressing investment as it makes prices look more expensive to overseas purchasers. In the investment markets, deal volumes ended 2014 18.2% down on 2013 levels, at $7.9 billion. This is 61.1% up on 2012 volumes, but still well below the $12.9 billion achieved in 2007. Buyers from Asia, namely Hong Kong and China, dominated cross-border activity in the city (20% of all big-ticket deals last year were from overseas).

Three factors will continue to restrain activity in Los Angeles during 2015: ongoing downsizing and 'rightsizing' in the professional services and corporate sectors; the drive to less expensive space in secondary and tertiary markets; and new construction levels that are increasing in line with the economic recovery.

18.2%

Fall in LA deal volumes compared to 2013 levels

	2014	Since 2008
Financial sector office rents	2.7%	-16.2%
Creative sector office rents	8.4%	13.7%
Residential rents (for SEU)	8.4%	27.0%



	2014	Since 2008
Financial sector office rents	4.0%	7.1%
Creative sector office rents	11.3%	3.7%
Residential rents (for SEU)	8.0%	39.2%

10 MIAMI

Momentum in 'eds and meds' should help leasing activity for South Florida

HEALTHCARE HAS become an important part of many office markets around the US, including South Florida. This occupier group has been especially attracted to suburban locations within easy reach of knowledge infrastructure.

The Scripps Research Institute, the Max Planck Institute and nearby Florida Atlantic University have all been instrumental in anchoring life sciences in the region.

Momentum should help sustain leasing activity in the coming years as the region strives to become less dependent on its cyclical core sectors such as housing, construction and international banking.

Despite increasing optimism on the part of landlords, there has been limited new speculative development in the office sector.

This is in stark contrast to the boom in new condominium developments that Miami has experienced in recent years, fuelled by investment from Latin America. Those office developments that are in the pipeline are generally a component of larger, mixed-use schemes.

With cap rates plummeting in markets such as Manhattan, San Francisco and Los Angeles, many investors are turning to secondary markets such as South Florida, where yields are higher (5.5%-6% for the type of space monitored here).

In the investment market, volumes are up 64.6% on 2013, with $1.6 billion of big-ticket deals undertaken last year. Major cross-border investment has come from Hong Kong, Germany and Brazil, although in far smaller volume than the foreign investment seen in the city's residential sector.

GETTY IMAGES, SHUTTERSTOCK

Clockwise from right: Chicago shares in tech boom; Shanghai expects a year of project completion; Miami helped by 'eds and meds'; LA sees demand for office space.

11 CHICAGO

Big players in technology help to support downtown leasing market

CHICAGO IS a city where big corporate international and multi-nationals go to thrive. It is on this basis that Chicago has been sharing in the nationwide tech boom.

The city enjoyed a number of major leasing deals from West Coast-based tech firms including Google, Yelp and Uber.

Even local firms, such as Braintree Payment, had its recent expansion in Chicago enabled out-of-town by San Francisco-sourced investment. This combination of demand and capital supported Chicago's downtown leasing market throughout 2014 and resulted in average rent increases of 7.1% last year.

A wide range of domestic and international investors are supporting Chicago's investment sales market, which, in turn, is providing landlords with added incentive to maintain current asking rents.

Investment transaction volumes ended the year up 6% over 2013 levels, totalling $6.1 billion.

This is 55% above 2012 volumes, but some 41% below their heady 2007 peak when $10.3 billion big-ticket office investment deals were undertaken.

Strong market conditions are bringing with them intensified construction activity.

Developers are focusing on smaller conversions catering to tech and creative firms in River North and Far West Loop, and a separate set of more traditional glass and steel structures.

Many of the tech conversions are clustering around Google's new offices in the West Loop.

	2014	Since 2008
Financial sector office rents	2.7%	7.7%
Creative sector office rents	11.6%	10.8%
Residential rents (for SEU)	6.5%	32.0%

	2014	Since 2008
Financial sector office rents	4.1%	5.2%
Creative sector office rents	0.0%	6.8%
Residential rents (for SEU)	1.1%	18.2%

12 SHANGHAI

The dragon pauses for breath as new project completion sees high levels of supply

THE OFFICE market in Shanghai is undergoing a major transformation. This year is expected to see the completion of 15 new projects in the 'core' market, adding 9.5 million sq ft of space, and 22 projects in the 'decentralised' market, adding a further 17.4 million sq ft of new supply.

This represents levels of supply never seen before, and is likely to put downward pressure on rents, especially in the core market as cost-sensitive occupiers are drawn to projects in outer areas.

Shanghai is using large-scale infrastructure investment to unlock these decentralised business districts as it strives to meet the demands of a rapidly expanding population and economy.

Hongqiao Transportation Hub is one example, anchored by Shanghai Hongqiao Railway Station, one of Shanghai's four main railway stations, and the largest in Asia by floor space. The hub ties together the city's domestic airport with the main high-speed railway terminal, a long-distance coach terminal and two existing metro lines.

The first two office developments launched here in 2014, aiming to attract companies from industries most crucial to the development of Shanghai and the Yangtze River Delta area, spreading the economic benefits beyond the city itself.

In the short term these moves will slow rental growth further and may mean a cheaper ride for occupiers. They are designed in anticipation of and to ensure future long-term growth, so should still be of interest to far-sighted investors, despite low yields and slow income growth in the near term.

1 CITY: A COMMERCIAL ENTITY

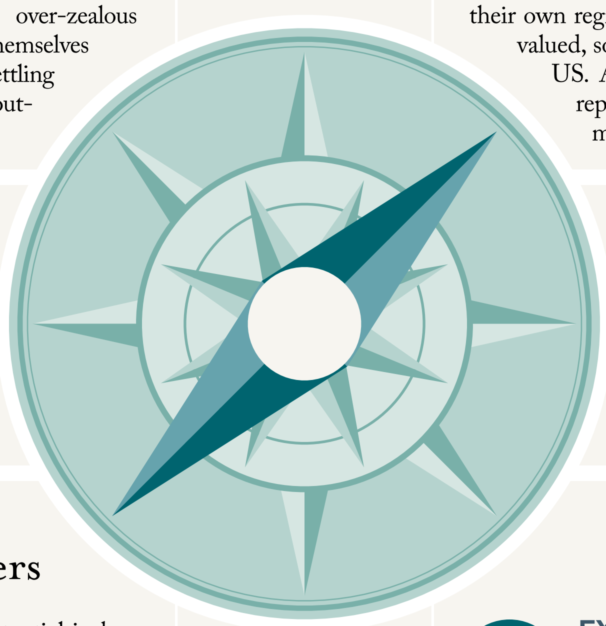
'New world' cities have been growing as a consequence of inward migration: from rural to urban areas. In the 'old world', cities seem to be experiencing inward migration because populations have returned to formerly depopulated urban areas. We see that, for some key commercial and residential users, the city itself has become a commercial entity, capable of adding more value to an enterprise than a single building or business park.

In global markets and industries where access to human capital is more important than access to monetary capital, the value of location is more about *what* a place is than *where* it is. Homogenous, out-of-town business parks do not attract the most creative, skilled and in-demand workers. If the success of an enterprise depends on creating intellectual property, then cities that allow for chance meetings, imaginative encounters and the exchange of ideas are likely to be more productive than segregated work environments.

The benefits of agglomeration in world cities are the mixing and gathering of people from around the globe. The best cities combine arts, entertainment and culture with a benign business environment and wide range of finance, consultancy, administrative, legal and other support structures. In the short term, competition for assets has suppressed yields, but economic and rental growth should still provide returns for investors. Longer-term growth depends on the sustainability of these cities and their capability to continue attracting a talented workforce.

Threats to a city's magnetism might be characterised as anything that starts to drive people out. Factors could be environmental: poor living conditions, pollution or uninspiring surroundings; they could be cultural or economic: job loss, brain drain or over-zealous immigration policies. Real estate costs themselves may start discouraging people from settling and could enable cheaper cities to out-compete for talent.

Compass points



Global trends that are shaping world real estate and what they mean for developers, investors and occupiers

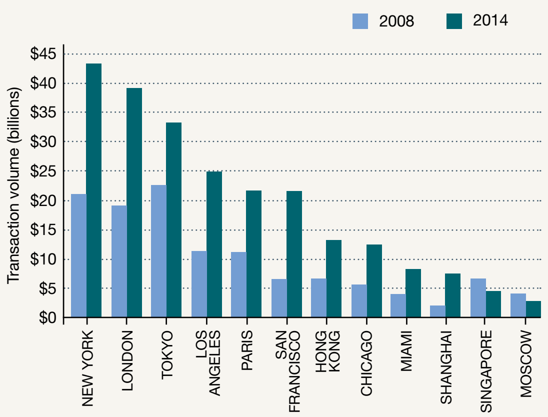
2 PRIZES FOR SECOND PLACE

Quantitative easing since 2009 has led to yield compression and a consequent surge in real estate prices, resulting in competition for opportunities in conventional asset classes in key cities. Private and sovereign wealth, as well as new Asian funds, joined the melee and demand for readily investable assets has soared – against a background of recessionary development inactivity and consequently limited supply. Yields are back to record lows in many first-tier cities.

We anticipate the rise of second-tier, second sector and secondary property as buyers seek out less heavily-invested cities showing good economic growth where returns can be achieved. Higher yields are available in secondary markets, even in first-tier cities where some prime to secondary spreads have rarely been greater.

Even the more conventional institutions will have to venture outside their comfort zones simply to become fully invested, competing with private wealth, private companies and sovereign wealth. On this basis, we like asset classes that have been less fashionable lately: main street retail in good US centres, secondary industrial estates with longer-term potential in key expansion locations, other potential change-of-use buildings and land, mixed-use development on intense urban sites, student housing in Europe, distribution warehousing and resort developments in global regions where leisured middle classes are burgeoning.

FIG. 10 Total real estate investment activity



Source: RCA

3 THE RISE OF THE US

Stronger than expected GDP growth, job creation and rising incomes have all been positive for real estate markets in the US so real estate recovery has become more firmly established in many locations.

US real estate markets are highly domestic and are not reliant on overseas investors, despite attracting foreign capital. This means that the strengthening dollar does not discourage investment, even if US real estate is becoming relatively more expensive on the world stage. Perversely, this strength will even encourage some investors looking for safe-haven stores of wealth in solid denominations.

Asian investors and others are beginning to see their own region and some world cities appear fully valued, so are now casting their net toward the US. American cities with an international reputation, and the right stock, will attract more Asian buyers in 2015, despite a stronger greenback. Domestic US funds will be pushed toward smaller cities – especially those with a particularly strong recovery, regeneration or economic story. Our world 'secondary and second-tier' prediction will therefore play out in the US as well.

> **'Overall, the prospects look good for continued real estate recovery'**

On the downside, low oil prices will suppress some growth in American cities isolated from the rest of the economy, notably Houston. Intractable socio-economic issues may continue to press on others, like Detroit. Overall, however, the prospects look good for continued real estate recovery, improved investment performance and rental growth, resulting in increasing domestic and overseas investor activity in many US cities.

4 EXPECT THE UNEXPECTED IN EUROPE

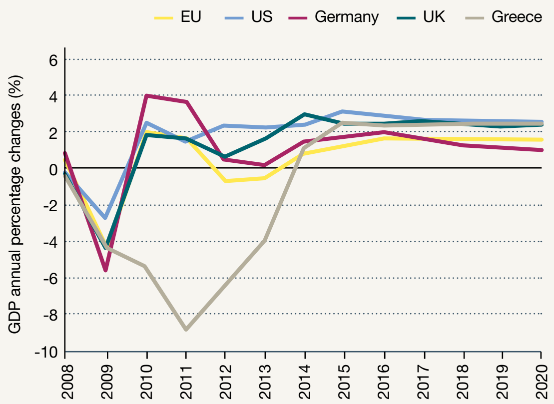
As the dollar becomes the currency of choice for real estate investors, appetite for euro-denominated assets is impaired by the ongoing saga within the European Union and the threat of a Greek exit. But this may cause some investors to miss out on excellent recovery performance in key European city real estate markets.

A very good example of second-tier city performance was shown in 2014 by Dublin. A combination of discounted values, misplaced euro worries and a stronger than expected economic recovery made it the best-performing European city of 2014.

The key drivers will be re-pricing and economic out-performance by certain cities. Germany's out-performance tends to be hidden within some dismal eurozone forecasts, but is likely to continue in 2015. German cities where wealth is created and stored, like Dusseldorf, or which attract human capital and growing population, like Berlin, are likely to out-perform.

Fully discounted European cities, where there will be some economic growth, may also surprise on the upside. A distinct characteristic of recovering markets can be sudden, high rental growth from a low base. In cities where recession has meant no development, especially those with naturally supply-limited historic cores, demand upturn is met by supply shortage putting upward pressure on rents and paving the way for capital growth.

FIG. 11 Performance and forecasts



Source: Oxford Economics

SUMMARY

The rise of the US

With rents growing in all five of our featured American cities, investors are increasingly looking Stateside

US cities are of growing interest and importance to global investors because GDP growth is strong, along with the US dollar and real estate markets.

Rents in all five US cities grew between 2009 and 2014, even though capital values were falling or weak over most of the same period. 'New world' cities led GDP growth – London was top of the 'old world', Paris and Tokyo the lowest performers.

US cities attract high levels of investment but this is mainly domestic and they have a lower proportion of cross-border deals than London, Paris and Shanghai, for example.

The costs of accommodating a workforce in the 12 cities has fallen since last year, partly due to US dollar appreciation – the average for residential and commercial accommodation is $69,000 per person per year, which is about the same as the average cost of our other world cities ($70,355).

The total accommodation costs (residential and commercial) in the top four cities – London, Hong Kong, New York and Paris – are closer than they have been for a while, all at around $100,000 per person, per year.

San Francisco is the most expensive US city after New York at $85,598 per person, per year, ranking between Paris and Singapore. It has seen high demand for living and working accommodation, largely from the tech and creative sector, but has limited space.

LA, Miami and Chicago are much cheaper on the world stage, ranking alongside Dubai, Moscow and Shanghai. The plummeting rouble has demoted Moscow to ninth place and further rent falls and currency weakness may push it even nearer the costs of its next rival, Shanghai.

The rediscovery and regeneration of urban living has been an important story for our world cities, particularly those in the older, established economies, which had seen post-industrial decline and deprivation.


One World Trade Center, New York.

GETTY IMAGES

The seven 'Cs' of city building

We have identified seven different types of city building found in our world cities:

1. Countryside
2. Sea stealing
3. Change
4. Conversion
5. Game changing
6. Creative colonisation
7. Conservation

Savills global presence

28,000 EMPLOYEES ACROSS A NETWORK OF OVER 600 OFFICES IN MORE THAN 60 COUNTRIES

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IRELAND
JERSEY
NORTHERN IRELAND
SCOTLAND
WALES

EUROPE
AUSTRIA
BELGIUM
CROATIA
FINLAND
FRANCE
GERMANY
GIBRALTAR
GREECE
ITALY
LUXEMBOURG
MONACO
MONTENEGRO
NETHERLANDS
NORWAY
POLAND
PORTUGAL
RUSSIA
SERBIA
SPAIN
SWEDEN
SWITZERLAND

ASIA PACIFIC
AUSTRALIA
CHINA
HONG KONG
INDIA
INDONESIA
JAPAN
MACAU
MALAYSIA
MYANMAR
NEW ZEALAND
PHILIPPINES
SINGAPORE
SOUTH KOREA
TAIWAN
THAILAND
VIETNAM

MIDDLE EAST & AFRICA
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ZAMBIA
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