JLL Global300, 2014

JLL’s Global300 cities are the bedrock of global commercial real estate activity
The cities which make up JLL’s latest Global300 account for more than one-third of the world’s economy, along with nearly three-quarters of global real estate investment and over 80% of the world’s prime office stock. We expect the Global300 to represent the bulk of economic and commercial real estate activity over the next decade.

Real estate activity continues to be concentrated into the Global Top30 cities
Despite the increasing choice of cities, commercial real estate activity continues to be highly concentrated into the Global Top30 cities, which are the destination of over half of total commercial real estate investment into the Global300. The cities comprising the Global Top30 have remained broadly consistent since 2012 - Manila is a new entrant to the Top30, while Madrid has fallen out, which is symptomatic of the steady shift in the balance of real estate activity towards the Asia Pacific region.

The rise of the ‘Super Cities’
Globalisation is propelling four cities into the realm of ‘Super City’ status – Tokyo, New York, London and Paris – an elite group that possesses a powerful combination of economic scale and influence, deep corporate bases, highly liquid real estate investment markets and large, diverse and high-quality commercial real estate stocks. These four cities wield significant economic might, particularly in the commercial real estate market. They account for nearly one-fifth of the office stock and commercial real estate investment volumes in the Global300.

The geography of real estate opportunity continues to expand
Emerging cities have increased their presence in the Global300. China remains at the forefront of these opportunities adding three new cities to this year’s Global300, while there are two new cities from Sub-Saharan Africa, which is now home to some of the world’s fastest-growing city economies.
**JLL Global300 cities** are the focus of global commercial real estate activity

JLL Global300 account for **72%** of real estate investment and over **80%** of commercial office stock globally

- **17%** Population
- **38%** GDP
- **51%** Retail Sales
- **72%** Real Estate Investment
- **80%** Office Stock

% of global total

JLL Global300 are derived from a weighted basket of variables covering population, GDP, corporate presence, air connectivity, commercial real estate stock and real estate investment volumes

Source: JLL, November 2014
Introducing the JLL Global300

The New Global300
Cities are the new economic and political powerhouses. There are now in excess of 1,600 major cities across the world housing 2.2 billion people … all jostling for global attention and looking for a winning edge. Competition between cities for capital, corporations and talent has never been stronger. So as to make sense of the massive opportunities that rapid urbanisation is offering the real estate industry, JLL has identified its Global300 - 300 cities that we predict will account for the bulk of economic and commercial real estate activity over the next decade. This latest Global300 represents an update of research originally undertaken in 2012, and is a key element of JLL’s Cities Research Center, a multi-year programme that assesses city competitiveness and the role of real estate.

Defining the Global300
JLL’s Global300 is based on an Index of Commercial Attraction which measures a city’s economic and real estate power and status. The Index is distinct in that it includes key real estate measures (namely investment volumes and commercial real estate stock), as well as socio-economic and business indicators such as economic output, population, air connectivity and corporate presence. The analysis is underpinned by a proprietary database of key performance indicators covering 660 cities worldwide.

The Global300 are the world’s most populous, productive and connected cities; their one billion citizens are responsible for close to 40% of global economic activity, more than the US and EU combined. They host 85% of the headquarters of the world’s 2,000 largest listed companies, generate 45% of the world’s finance and business employment, and more than 80% of the world’s air passengers pass through their airports. The Global300 represent the bedrock of commercial real estate market activity; for example, they have a combined modern office stock of over 1.2 billion m² which, we estimate, is more than 80% of the world’s total. They account for 72% of global direct commercial real estate investment and are the overwhelming focus of international retailers, international hotel brands and real estate investors.

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1 Cities over 300,000 population as defined by the UN, World Urbanization Prospects: The 2014 Revision
2 ‘A New World of Cities’. The Redefining of Real Estate Geography, JLL, January 2012
Tracking Global300 City Performance

**City Momentum Index**

1. San Francisco
2. London
3. Dubai
4. Shanghai
5. Wuhan
6. New York
7. Austin
8. Hong Kong
9. San Jose
10. Singapore
11. Shenzhen
12. Jakarta
13. Beijing
14. Chengdu
15. Los Angeles
16. Tianjin
17. Boston
18. Seattle
19. Tokyo
20. Lima

**Investment Intensity Index**

1. Oslo
2. Munich
3. London
4. Stockholm
5. Sydney
6. Copenhagen
7. Gothenburg
8. Paris
9. Frankfurt
10. Warsaw
11. San Jose
12. Brisbane
13. San Francisco
14. Taipei
15. Dublin
16. Austin
17. Singapore
18. Boston
19. Melbourne
20. Berlin

**Real Estate Investment**

1. London
2. New York
3. Paris
4. Tokyo
5. Los Angeles
6. Chicago
7. Washington DC
8. Boston
9. San Francisco
10. Seoul
11. Hong Kong
12. Shanghai
13. Singapore
14. Sydney
15. Dallas
16. Houston
17. Seattle
18. San Jose
19. Toronto
20. Munich

**Cross-Border Investment**

1. London
2. New York
3. Paris
4. Tokyo
5. Los Angeles
6. San Francisco
7. Washington DC
8. Chicago
9. Shanghai
10. Boston
11. Sydney
12. Stockholm
13. Munich
14. Houston
15. Dallas
16. Moscow
17. Seattle
18. Seoul
19. Frankfurt
20. Atlanta

**Office Rental Growth**

1. Dublin
2. Singapore
3. Lyon
4. Wellington
5. Houston
6. Jeddah
7. Taipei
8. Boston
9. San Francisco
10. Auckland
11. Ho Chi Minh City
12. Bangkok
13. Mexico City
14. Abu Dhabi
15. Austin
16. Tokyo
17. Manila
18. Portland
19. Tampa
20. Los Angeles

**JLL City Momentum Index** - Covers 111 cities and measures socio-economic and commercial real estate momentum. January 2014

**JLL Investment Intensity Index** compares the volume of direct commercial real estate investment over a three-year period (to Q3 2014) relative to a city’s economic size. The Index provides a measure of real estate market liquidity.

**JLL Office Index** measures Grade A rental performance of 95 major markets year to Q3 2014.

Source: JLL, November 2014
Profiling the Global300

The regional composition of the Global300 is heavily focused on the three core regions of North America, Western Europe and Asia, but the balance is steadily shifting towards emerging cities in Asia, as well as Africa.

Asia Pacific
Asia Pacific cities now account for almost one-quarter of commercial real estate investment into the Global300. China has added three cities to this year’s list, despite slowing national economic growth. Recognising the enormous potential of Chinese cities, JLL will be launching its China60 research in March 2015 – covering 60 secondary and tertiary cities that are being transformed by unprecedented levels of urbanisation, and which are the strong focus of corporate occupiers, international retailers and hotel operators.

Europe
Europe represents 44% of cross-border investment into the Global300, with investors attracted by the intrinsic qualities of the region’s cities relating to stability, sustainability and transparency. Economic restructuring is resulting in even greater divergence between the city winners and losers – with some smaller regional cities such as Genoa and Liverpool falling out of the Global300. However, those cities with strong ties to international markets and the capacity to innovate remain well-placed to compete. JLL’s Investment Intensity Index, which measures real estate investment volumes relative to economic size, highlights the continuing attractiveness of European cities such as Oslo, London, Munich and Stockholm, whose robust capacity for high-value growth and innovation make them well positioned for the future.

North America
U.S. cities, which attract over 40% of total real estate investment into the Global300, have notable pockets of dynamism, with some of the world’s fastest-growing mature cities over the next decade likely to be in the United States – cities such as San Jose, Austin and Seattle – driven by technology, high-value activities and a remarkable capacity for innovation. The dynamism of U.S. cities stands out in JLL’s City Momentum Index, which measures the speed of change of city real estate markets and economies around the world, with 6 of the top 20 positions held by tech-rich U.S. cities.

Africa
Sub-Saharan Africa has begun to move onto the radar of international corporate occupiers and investors, led by regional hub cities like Johannesburg and Cape Town (South Africa), Lagos (Nigeria) and Nairobi (Kenya). With some of the world’s most rapidly-expanding city economies, new entrants to the Global300 include Dar es Salaam (Tanzania) and Abidjan (Côte d’Ivoire). As real estate markets across the continent continue to mature, JLL has set up an Africa Cities Research Programme which aims to identify cities with the greatest long-term potential.
Top 5 Global300 Cities

LARGEST REAL ESTATE INVESTMENT MARKETS

<table>
<thead>
<tr>
<th>City</th>
<th>Market Value (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>108</td>
</tr>
<tr>
<td>New York</td>
<td>92</td>
</tr>
<tr>
<td>Paris</td>
<td>54</td>
</tr>
<tr>
<td>Tokyo</td>
<td>54</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>41</td>
</tr>
</tbody>
</table>

MOST EXPENSIVE OFFICE LOCATIONS

<table>
<thead>
<tr>
<th>Location</th>
<th>Benchmark Prime Rents (US$/sq m/pa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luanda</td>
<td>1920</td>
</tr>
<tr>
<td>London</td>
<td>1830</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1590</td>
</tr>
<tr>
<td>Moscow</td>
<td>1100</td>
</tr>
<tr>
<td>Beijing</td>
<td>1090</td>
</tr>
</tbody>
</table>

WORLD’S LARGEST CITY-ECONOMIES

<table>
<thead>
<tr>
<th>City</th>
<th>GDP (PPP), US$ trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>1.4</td>
</tr>
<tr>
<td>New York</td>
<td>1.3</td>
</tr>
<tr>
<td>Seoul</td>
<td>0.8</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>0.8</td>
</tr>
<tr>
<td>London</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Three-year volumes, US$ billion

Did you know?

London accounts for 15% of cross-border investment in the Global300

FASTEST-GROWING OFFICE RENTS

<table>
<thead>
<tr>
<th>City</th>
<th>Q3 2014 Y-o-Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dublin</td>
<td>28%</td>
</tr>
<tr>
<td>Singapore</td>
<td>19%</td>
</tr>
<tr>
<td>Lyon</td>
<td>11%</td>
</tr>
<tr>
<td>Wellington</td>
<td>11%</td>
</tr>
<tr>
<td>Houston</td>
<td>10%</td>
</tr>
</tbody>
</table>

Did you know?

Dublin office rents have risen by 50% since Q3 2012

Source: JLL, November 2014
Global Top30

Dominance of the Global Top30 Cities
JLL has identified the Global Top30 within the Global300, a select tier of cities which between them account for 41% of the economic output, 43% of prime office stock and 60% of real estate investment activity of the Global300.

- A number of emerging cities have cemented their position in the Global Top30 – cities such as Shanghai, Beijing and Guangzhou in China, as well as Jakarta and Bangkok – with advances in real estate market transparency and maturity complementing their rates of economic growth. Manila has also joined the list as a new entrant to the Top30, experiencing strong growth as a BPO destination.

- While several emerging cities are increasing in global stature, U.S. cities continue to show their strength and dynamism with nine U.S. cities among the Global Top30. For example, tech-rich cities like San Francisco and Boston perform robustly in JLL’s City Momentum Index.

- Europe has five cities in the Top30, with Europe’s four mega-cities – London, Paris, Moscow and Istanbul – being joined by Frankfurt. Meanwhile, Madrid has fallen out of this year’s Top30 despite signs of economic recovery.

- A number of emerging cities have been steadily edging towards the Top30, led by cities such as Dubai and Shenzhen.

The Rise of the ‘Super Cities’
The combined forces of globalisation, urbanisation and modernisation have propelled four cities into the realm of ‘Super City’ status – Tokyo, New York, London and Paris – an elite group that possesses a powerful combination of economic scale and influence, deep corporate bases, highly liquid real estate investment markets and large, diverse and high-quality commercial real estate stocks.

These four cities wield significant economic might, particularly in the commercial real estate market. They account for nearly one-fifth of the office stock and real estate investment volumes in the Global300. It seems that size does matter for the real estate industry.
JLL Global Top30 - world’s largest business centres and real estate markets

Four Super Cities are the destination of over 50% of all foreign capital invested into the Global Top30

JLL Global Top30 account for 64% of Cross-Border Investment into the Global300

Source: JLL, November 2014
For more information on JLL’s Cities Research, visit www.jll.com/cities-research

Explore and Compare 300 Cities
Our City Comparison Toolkit will help you visualize the position of individual cities and compare one city against another.

Publications from JLL Cities Research Center due out in Q1 2015:

- **City Momentum Index 2015**, an examination of which cities worldwide are experiencing the fastest changes in their economies and real estate markets

- **China60**, an analysis of 60 cities which are driving China’s economy and real estate market