EUROPEAN CITIES MONITOR 2008

CUSHMAN & WAKEFIELD®
Global Real Estate Solutions

Front cover picture: Düsseldorf

EUROPEAN CITIES MONITOR

Introduction

Cushman & Wakefield has conducted this survey on Europe's major business cities each year since 1990. The underlying data was researched independently for Cushman & Wakefield by TNS (Taylor Nelson Sofres) and senior executives from 500 European companies gave their views on Europe's leading business cities.

Cities are recognising that they are increasingly in competition with each other to attract inward investment and *European Cities Monitor* examines some of the issues they need to address and indicates how effectively each European city performs and where improvements have been made.

If you require any assistance on your location strategy or with your property, please contact the Location Analysis Team featured on page 41, who will be happy to discuss how we might help.

October 2008

HIGHLIGHTS FROM THE FINDINGS

The leading cities for business

- In the overall rating of best cities for business, the top cities of London and Paris continue to lead by some margin. London's lead over Paris in terms of actual score is slightly reduced.

- Frankfurt consolidates its position in third place, but the cities below jostle for position.

- Brussels moves up two places in the ranking into fourth place, with Barcelona and Amsterdam completing the top six cities.

- The other cities to move up this year are: Zurich (13th to 10th), Geneva (12th to 11th), Düsseldorf (16th to 12th), Manchester (18th to 14th), Hamburg (20th to 17th), Stockholm (22nd to 20th), Budapest (23rd to 22nd), Copenhagen (25th to 23rd), Rome (27th to 25th) and Leeds (30th to 28th).

- Valencia, Marseilles and Edinburgh head the list of other cities that are well known business locations and threaten to break into the rankings.

Key factors in deciding where to locate

- The top four factors remain some way ahead in terms of their importance and overall the top five factors remain constant.

- The availability of qualified staff is ahead of easy access to markets, customers or clients as the single most important factor. The quality of telecommunications remains marginally ahead of national and international transport links.

- Quality of life factors are the least significant but freedom from pollution sees an improvement in the proportion of respondents classifying it as absolutely essential.

- London is the top rated city in half of the 12 major rankings, including access to markets, the availability of qualified staff, international transport links, internal transport links, telecommunications factors and for languages spoken.

- Warsaw retains the top position for the cost of staff overtaking Bucharest, while Leeds moves into first place for value for money of offices.

- Dublin again comes top for the climate created by government, Barcelona for quality of life, and Berlin for availability of office space. Oslo moves into first place for freedom from pollution.

Impact on business

- Companies were asked which of a series of factors is most likely to impact on their business over the next ten years. The performance of the European economy is seen as having the greatest impact on business over the next 10 years, while economic growth of Central and Eastern Europe is the second most significant factor. The growth of China as a market for products and services is less significant compared with last year.

- Companies expect to adopt more flexible working practices to offset the possible impact of the credit crunch, followed by building consolidation. One in four say that they are likely to adopt flexible working in future, while a third will consolidate into one building.

- Business sentiment remains positive overall but is less optimistic than this time last year. Around two thirds state that they feel a lot more or slightly more positive about their business prospects.

Amsterdam

Relocation/outsourcing

- One in five companies have relocated or outsourced operations to another country over the past year.
- European countries remain the dominant destination with CEE destinations the most popular.
- Relocations to India and China rebounded over the last 12 months, following a dip in 2007, with India in particular attracting a large share of relocations.
- Just under one in five (19%) companies plan to relocate or outsource operations in the next two years, a reduced level to 2007. The new EU members continue to be the favoured destination but India rebounds as a potential destination, while there is an increase in interest in locating to Eastern European destinations.

Company expansion

- Companies expect to continue to expand across Europe, although many of the most popular European destinations are seeing a reduction in the number of companies expecting to relocate/outsource.
- Moscow can expect the biggest influx of companies over the next five years, with 44 of our sampled companies expecting to locate there.
- Prague, Warsaw, Budapest and Bucharest can also expect a healthy inflow of companies. Businesses continue to consider destinations further afield, with Istanbul in particular seeing greater interest.
- Paris, London, Madrid and Barcelona are the most popular nominations among the more established business cities.

 Stockholm

- Worldwide, Shanghai remains the clear favourite – 36 of our companies expect to expand there.

- Beijing, followed by Mumbai and New Delhi can also expect future investment from Europe. Saô Paulo has also seen a rise in popularity over the past 12 months.

City promotion

- London and Paris remain the best known cities, but the gap has been closed this year by Barcelona and Brussels. This year only 10 of our top cities are known very or fairly well by at least half the companies sampled, a slight fall on the last two years and suggests that cities need to promote themselves more effectively.

- Barcelona, Madrid and Prague are seen as the cities doing the most to improve themselves as business locations. These cities have been the top three locations for the last four years.

Environmental issues

- Most companies either already occupy or would like to occupy a green building.

- The most important factor in choosing an environmentally friendly/green building is to take advantage of the reduction in energy and water consumption in use.

- The main barrier to why businesses don't occupy green buildings is the lack of available environmentally friendly buildings, followed by the perceived increased cost of renting a green building.

Madrid

Best cities to locate a business today

London remains the leading city in which to do business today, although its score is slightly down on 2007. Paris retains second place, with a stable score. These two cities are still well ahead of their nearest rival Frankfurt, which holds onto third place but the gap closes as Brussels moves up two places to fourth with an increase in score. The Swiss cities both move up in the ranking, although Zurich overtakes Geneva this year, while both Düsseldorf and Hamburg also perform well. Manchester continues its rise up the ranking, moving up four places, while Leeds also moves up two places. The Scandinavian cities of Stockholm and Copenhagen also are perceived more positively in 2008.

Zurich

 Frankfurt

Location	**2008 Rank**	**2008 Score**	2007 Rank	2007 Score	1990 Rank
London	**1**	**0.80**	1	0.92	1
Paris	**2**	**0.57**	2	0.57	2
Frankfurt	**3**	**0.32**	3	0.32	3
Brussels	**4**	**0.28**	6	0.25	4
Barcelona	**5**	**0.26**	4	0.25	11
Amsterdam	**6**	**0.24**	5	0.25	5
Madrid	**7**	**0.22**	7	0.22	17
Berlin	**8**	**0.20**	8	0.22	15
Munich	**9**	**0.20**	9	0.18	12
Zurich	**10**	**0.13**	13	0.12	7
Geneva	**11**	**0.12**	12	0.13	8
Düsseldorf	**12**	**0.12**	16	0.09	6
Milan	**13**	**0.11**	10	0.14	9
Manchester	**14**	**0.11**	18	0.09	13
Dublin	**15**	**0.10**	11	0.13	-
Lisbon	**16**	**0.10**	15	0.10	16
Hamburg	**17**	**0.10**	20	0.08	14
Lyon	**18**	**0.09**	17	0.09	18
Prague	**19**	**0.08**	14	0.11	23
Stockholm	**20**	**0.08**	22	0.08	19
Birmingham	**21**	**0.08**	21	0.08	-
Budapest	**22**	**0.08**	23	0.07	21
Copenhagen	**23**	**0.07**	25	0.06	-
Warsaw	**24**	**0.07**	19	0.09	25
Rome	**25**	**0.06**	27	0.05	-
Vienna	**26**	**0.05**	24	0.06	20
Glasgow	**27**	**0.05**	26	0.05	10
Leeds	**28**	**0.05**	30	0.04	-
Istanbul	**29**	**0.04**	-	-	-
Helsinki	**30**	**0.03**	29	0.05	-
Bucharest	**31**	**0.03**	28	0.05	-
Moscow	**32**	**0.03**	31	0.04	24
Oslo	**33**	**0.03**	32	0.03	-
Athens	**34**	**0.03**	33	0.03	22

In 1990 only 25 cities were included in the study. The number of cities has increased to 34 this year, with the inclusion of Istanbul.
Base: 500

Essential factors for locating a business

Companies were asked to think about which factors they consider in deciding where to locate their business and the relative importance of these factors.

The availability of qualified staff remains the most important factor in deciding where to locate a business, closely followed by easy access to markets, customers or clients. The quality of telecommunications is placed third, ahead of national and international transport links. More than half of the sample class these four factors as absolutely essential when deciding where to relocate.

Factor	**2008** %	2007 %
Availability of qualified staff	**60**	62
Easy access to markets, customers or clients	**59**	58
The quality of telecommunications	**54**	55
Transport links with other cities and internationally	**53**	52
Cost of staff	**40**	36
The climate governments create for business through tax policies or financial incentives	**27**	27
Languages spoken	**27**	29
Value for money of office space	**26**	26
Ease of travelling around within the city	**25**	24
Availability of office space	**24**	26
The quality of life for employees	**21**	21
Freedom from pollution	**18**	16

'Absolutely essential' responses only are included here.
Base: 500

Essential factors by type of business

The importance of factors varies a little by type of company. Availability of qualified staff is the most important factor across all sectors but it is more essential to industrial companies than to either consumer, retail, distribution or professional services. Easy access to markets, customers or clients is more important to industrial companies, along with transport links with other cities internationally and language skills. The quality of telecommunications is valued just as highly by consumer, retail and distribution firms while they place greater emphasis on value for money of office space and quality of life than the other sectors. The cost of staff and availability of offices are more important to professional services companies.

Factor	Industrial %	Consumer Retail & Distribution %	Professional Services %
Availability of qualified staff	64	57	60
Easy access to markets, customers or clients	62	55	57
The quality of telecommunications	50	57	56
Transport links with other cities and internationally	55	53	51
Cost of staff	39	40	43
The climate governments create for business through tax policies or financial incentives	27	30	23
Value for money of office space	19	31	29
Languages spoken	32	22	22
Availability of office space	20	25	28
Ease of travelling around within the city	21	29	28
The quality of life for employees	17	27	21
Freedom from pollution	19	18	15

‘Absolutely essential’ responses only are included here.
Base: 500

Familiarity with cities as a business location

Companies were asked how well they know each of the cities as a business location.

London is still the most well known city across Europe and is followed by Paris. Nevertheless, both cities are less well known compared with last year and Barcelona and Brussels have marginally closed the gap on the top two. Overall, the top cities retain their order of familiarity, but Rome is less well know this year and falls outside the top 10, replaced by Berlin.

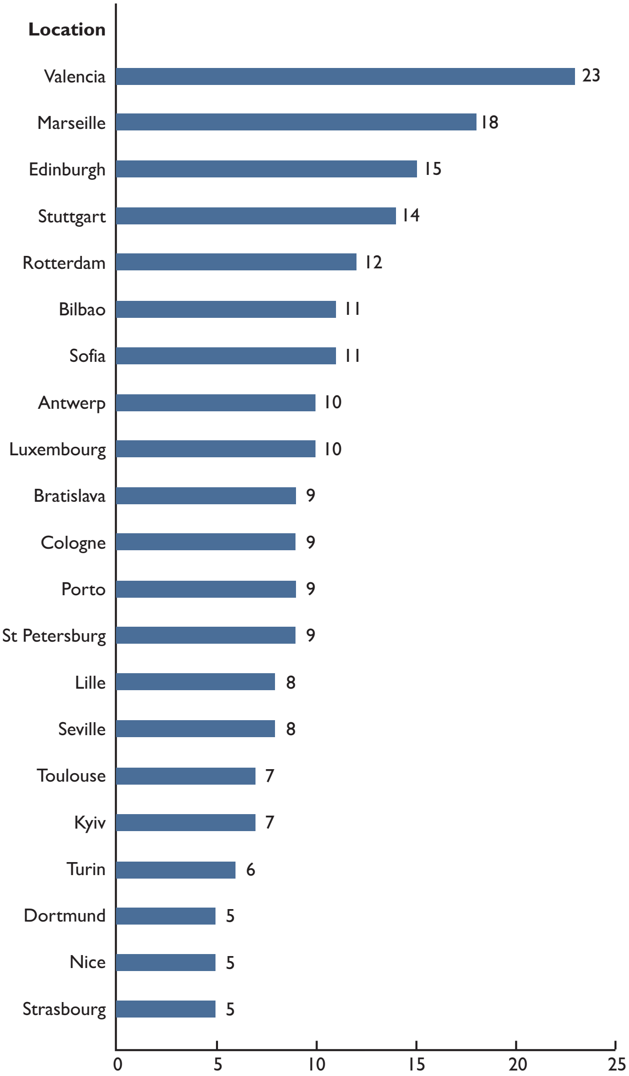
Location	**2008**	2007	1990
	%	%	%
London	**82**	86	94
Paris	**77**	81	94
Barcelona	**65**	68	64
Brussels	**65**	67	85
Frankfurt	**59**	64	78
Madrid	**55**	63	68
Milan	**52**	62	74
Amsterdam	**51**	52	67
Munich	**51**	54	64
Berlin	**50**	52	43
Düsseldorf	**48**	50	61
Geneva	**44**	47	69
Rome	**43**	53	-
Zurich	**40**	44	67
Vienna	**39**	42	50
Hamburg	**38**	41	58
Lyon	**37**	44	43
Lisbon	**36**	44	44
Dublin	**34**	41	-
Prague	**34**	42	16
Manchester	**31**	37	32
Copenhagen	**30**	32	-
Birmingham	**28**	32	-
Budapest	**27**	30	20
Stockholm	**26**	32	40
Glasgow	**24**	27	26
Istanbul	24	-	-
Moscow	**23**	31	24
Warsaw	**23**	29	15
Helsinki	**20**	24	-
Athens	**19**	21	25
Leeds	**18**	22	-
Oslo	**18**	22	-
Bucharest	**14**	20	-

The percentages are the proportion of all respondents who know each city very or fairly well.

Base: 500

Familiarity with other European cities

Our study this year allows for 34 major cities to be studied in depth. The list of important business cities is, of course, very much longer. Companies were asked which other European cities they feel are important as business locations and how well they know them. This year the list is headed by Valencia followed by Marseille and these two tend to feature amongst the best known cities each year. This year Edinburgh moves into third place, followed by Stuttgart.

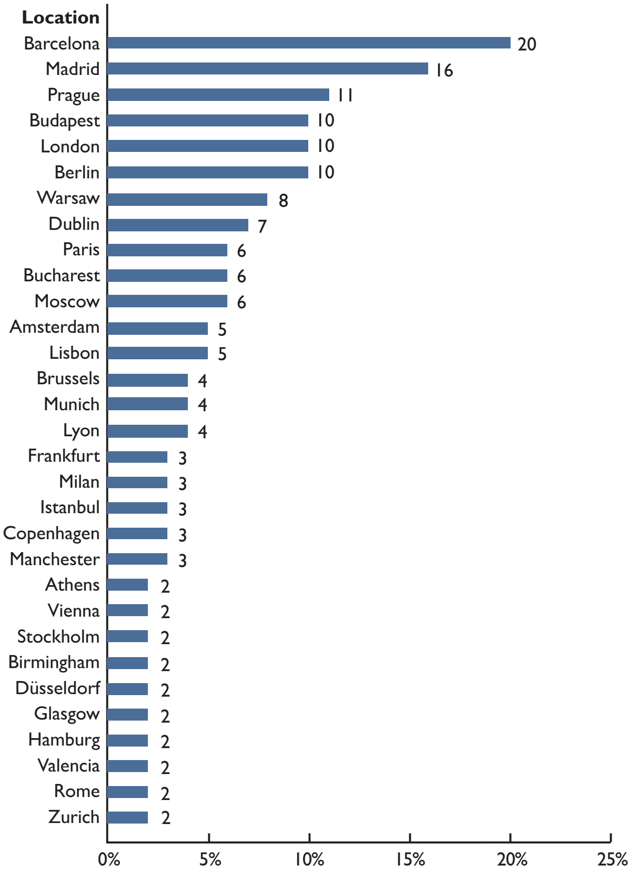


Base: 500

Cities improving themselves

Companies were asked which cities they think are doing the most to actually improve themselves.

This year the Spanish cities head the list with Barcelona ahead of Madrid. These two cities are some way in front of Prague, in third place. Opinion is divided this year and while the top three retain the same order, there is movement below. London, Budapest and Berlin now follow closely behind Prague, ahead of both Warsaw and Dublin.



Base: 500

Greatest impact on business

Companies were asked to consider which factors they think will have the greatest impact on business over the next ten years.

Given the current economic climate, it is perhaps no surprise that corporates are focused on economic growth. The performance of the European economy is seen as having the greatest impact on business over the next 10 years, with more than one in five nominating this factor, while economic growth of Central and Eastern Europe is placed second. The growth of China as a market for products and services which was the most important factor 12 months ago has seen a sharp fall in those thinking that it will have the greatest impact on business and it is now in third place.

This year we asked about climate change and the credit crunch and 10% believe that climate change will have the greatest impact on their business over the next 10 years, while 8% nominated the credit crunch. These come some way ahead of competition from Asia and growth of India and relocation to cheaper global areas. Conflict and terrorism is still ranked at the bottom of major influences and is seen to have a lesser impact each year.

Factor	**2008** %	2007 %	2006 %
Performance of the European economy	**22**	11	13
Economic growth of Central and Eastern Europe	**15**	-	-
Growth of China as markets for your products or services	**14**	23	26
Climate Change and Sustainability	**10**	-	-
Credit Crunch or Availability of Corporate finance	**8**	-	-
Performance of US economy	**7**	8	9
Growth of India as markets for your products or services	**6**	9	6
Relocation/outsourcing to cheaper global areas	**6**	5	10
Corporate Social Responsibility/ Corporate Governance	**5**	11	8
Competition from Asia	**4**	13	9
Conflict/Terrorism	**1**	2	3

Base: 500

Worldwide expansion

Companies were asked about global expansion and asked to consider in which worldwide cities outside Europe, where they are not currently represented, they may expand to in five years' time.

China can again expect to see the biggest influx with Shanghai and Beijing dominating plans for the fourth year in succession, ahead of the Indian cities of Mumbai and New Delhi. Hong Kong completes the top five destinations, with a surge in the number of companies considering the city. Saô Paulo is the most popular American destination, overtaking New York.

City	No of Companies
Shanghai	36
Beijing	34
Mumbai	22
New Delhi	20
Hong Kong	16
Saô Paulo	15
New York	13
Dubai	12
Mexico City	10
Seoul	9
Los Angeles	8
Singapore	8
Tokyo	8
Bangalore	7
Cape Town	7
Rio de Janiero	7
Buenos Aires	6
Cairo	6
Abu Dhabi	5
Bogota	5
Chicago	4
Jakarta	4
Miami	4
Santiago	4
Washington DC	4
Bangkok	3
Caracas	3
Johannesburg	3
Sydney	3
Taipei	3
Vancouver	3
Kuala Lumpur	2
Panama City	2
San Francisco	2
Tel Aviv	2
Tripoli	2
Chennai	2

 Base: 500

Best cities in terms of qualified staff

Companies were asked which are the top three cities in terms of recruiting qualified staff.

The top three cities show no change in position, with London some way ahead of Paris and Frankfurt. Munich retains fourth place, but closes the gap on Frankfurt, while Amsterdam moves into fifth place.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**5**	6	**0.45**	0.38
Athens	**30**	32	**0.08**	0.05
Barcelona	**14**	10	**0.31**	0.29
Berlin	**10**	5	**0.38**	0.41
Birmingham	**10**	9	**0.38**	0.30
Brussels	**6**	7	**0.44**	0.32
Bucharest	**32**	28	**0.07**	0.10
Budapest	**21**	29	**0.15**	0.09
Copenhagen	**21**	26	**0.15**	0.11
Dublin	**17**	11	**0.22**	0.28
Düsseldorf	**7**	16	**0.41**	0.21
Frankfurt	**3**	3	**0.55**	0.54
Geneva	**18**	19	**0.21**	0.20
Glasgow	**23**	24	**0.14**	0.12
Hamburg	**8**	14	**0.39**	0.24
Helsinki	**30**	16	**0.08**	0.21
Istanbul	**34**	-	**0.04**	-
Leeds	**20**	26	**0.19**	0.11
Lisbon	**33**	33	**0.07**	0.03
London	**1**	1	**1.32**	1.44
Lyon	**19**	20	**0.20**	0.19
Madrid	**8**	14	**0.39**	0.24
Manchester	**12**	13	**0.36**	0.25
Milan	**13**	8	**0.34**	0.31
Moscow	**25**	21	**0.11**	0.18
Munich	**4**	4	**0.51**	0.44
Oslo	**27**	24	**0.10**	0.12
Paris	**2**	2	**0.79**	0.78
Prague	**24**	23	**0.12**	0.14
Rome	**27**	31	**0.10**	0.07
Stockholm	**16**	16	**0.27**	0.21
Vienna	**27**	30	**0.10**	0.08
Warsaw	**25**	21	**0.11**	0.18
Zurich	**15**	12	**0.28**	0.27

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of easy access to markets

Companies were asked which are the top three cities in terms of easy access to markets, customers or clients.

London and Paris both score very strongly in terms of access to markets, with Paris showing an improved score. Frankfurt remains in third place but Brussels sees an improvement in score and overtakes Amsterdam to take fourth place.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**5**	4	**0.45**	0.60
Athens	**28**	27	**0.10**	0.07
Barcelona	**9**	11	**0.32**	0.26
Berlin	**11**	10	**0.29**	0.30
Birmingham	**17**	12	**0.21**	0.25
Brussels	**4**	5	**0.55**	0.43
Bucharest	**24**	32	**0.13**	0.02
Budapest	**22**	22	**0.14**	0.13
Copenhagen	**22**	24	**0.14**	0.11
Dublin	**32**	20	**0.09**	0.14
Düsseldorf	**12**	14	**0.28**	0.22
Frankfurt	**3**	3	**0.72**	0.65
Geneva	**19**	14	**0.17**	0.22
Glasgow	**28**	27	**0.10**	0.07
Hamburg	**17**	7	**0.21**	0.32
Helsinki	**34**	26	-	0.10
Istanbul	**24**	-	**0.13**	-
Leeds	**19**	24	**0.17**	0.11
Lisbon	**28**	27	**0.10**	0.07
London	**1**	1	**1.37**	1.41
Lyon	**12**	14	**0.28**	0.22
Madrid	**6**	9	**0.40**	0.31
Manchester	**8**	13	**0.34**	0.24
Milan	**14**	6	**0.27**	0.33
Moscow	**10**	19	**0.31**	0.17
Munich	**7**	7	**0.39**	0.32
Oslo	**33**	32	**0.05**	0.02
Paris	**2**	2	**1.11**	1.02
Prague	**21**	20	**0.15**	0.14
Rome	**28**	31	**0.10**	0.06
Stockholm	**24**	27	**0.13**	0.07
Vienna	**27**	23	**0.11**	0.12
Warsaw	**15**	17	**0.23**	0.21
Zurich	**16**	18	**0.22**	0.19

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of quality of telecommunications

Companies were asked which are the top three cities in terms of telecommunications.

London, Paris, Frankfurt are seen as having the best telecommunications and retain the top three positions. There is greater movement below the top three, with Stockholm moving up two places to fourth and Berlin dropping to fifth.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**10**	7	**0.28**	0.34
Athens	**29**	26	**0.03**	0.04
Barcelona	**13**	15	**0.22**	0.17
Berlin	**5**	4	**0.42**	0.56
Birmingham	**22**	13	**0.14**	0.21
Brussels	**8**	8	**0.31**	0.30
Bucharest	**29**	32	**0.03**	0.00
Budapest	**31**	32	**0.02**	0.00
Copenhagen	**14**	19	**0.20**	0.14
Dublin	**18**	14	**0.17**	0.20
Düsseldorf	**19**	15	**0.15**	0.17
Frankfurt	**3**	3	**0.57**	0.61
Geneva	**16**	9	**0.18**	0.28
Glasgow	**25**	22	**0.05**	0.09
Hamburg	**16**	15	**0.18**	0.17
Helsinki	**12**	9	**0.23**	0.28
Istanbul	**31**	-	**0.02**	-
Leeds	**19**	24	**0.15**	0.06
Lisbon	**26**	28	**0.04**	0.03
London	**1**	1	**1.21**	1.39
Lyon	**24**	21	**0.10**	0.12
Madrid	**7**	11	**0.34**	0.25
Manchester	**11**	18	**0.27**	0.16
Milan	**14**	19	**0.20**	0.14
Moscow	**26**	31	**0.04**	0.01
Munich	**6**	5	**0.39**	0.40
Oslo	**19**	26	**0.15**	0.04
Paris	**2**	2	**0.79**	0.84
Prague	**31**	28	**0.02**	0.03
Rome	**23**	25	**0.11**	0.05
Stockholm	**4**	6	**0.45**	0.35
Vienna	**26**	23	**0.04**	0.07
Warsaw	**31**	30	**0.02**	0.02
Zurich	**8**	12	**0.31**	0.22

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of external transport links

Companies were asked which are the top three cities in terms of transport links with other cities and internationally.

The top five remain the same for this category. London, Paris and Frankfurt score very strongly for their links with other cities. Both Paris and Frankfurt see an improvement in their scores and open a wider gap over fourth place Amsterdam.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**4**	4	**0.64**	0.71
Athens	**31**	28	**0.02**	0.03
Barcelona	**15**	8	**0.21**	0.28
Berlin	**11**	11	**0.27**	0.24
Birmingham	**9**	9	**0.30**	0.27
Brussels	**5**	5	**0.50**	0.45
Bucharest	**34**	31	**0.00**	0.02
Budapest	**26**	33	**0.04**	0.00
Copenhagen	**10**	15	**0.28**	0.14
Dublin	**25**	23	**0.09**	0.08
Düsseldorf	**12**	14	**0.26**	0.19
Frankfurt	**3**	3	**1.29**	1.04
Geneva	**12**	15	**0.26**	0.14
Glasgow	**19**	25	**0.15**	0.07
Hamburg	**15**	18	**0.21**	0.13
Helsinki	**31**	32	**0.02**	0.01
Istanbul	**26**	-	**0.04**	-
Leeds	**18**	20	**0.16**	0.11
Lisbon	**26**	26	**0.04**	0.04
London	**1**	1	**1.71**	1.75
Lyon	**20**	18	**0.14**	0.13
Madrid	**6**	7	**0.48**	0.41
Manchester	**8**	10	**0.34**	0.25
Milan	**17**	13	**0.19**	0.22
Moscow	**23**	26	**0.12**	0.04
Munich	**7**	6	**0.41**	0.42
Oslo	**29**	28	**0.03**	0.03
Paris	**2**	2	**1.39**	1.30
Prague	**31**	21	**0.02**	0.09
Rome	**20**	23	**0.14**	0.08
Stockholm	**24**	21	**0.10**	0.09
Vienna	**22**	15	**0.13**	0.14
Warsaw	**29**	28	**0.03**	0.03
Zurich	**12**	11	**0.26**	0.24

The score is derived from the nominations for best, second best and third best.

Base: All familiar with location

Best cities in terms of cost of staff

Companies were asked which are the top three cities in terms of cost of staff.

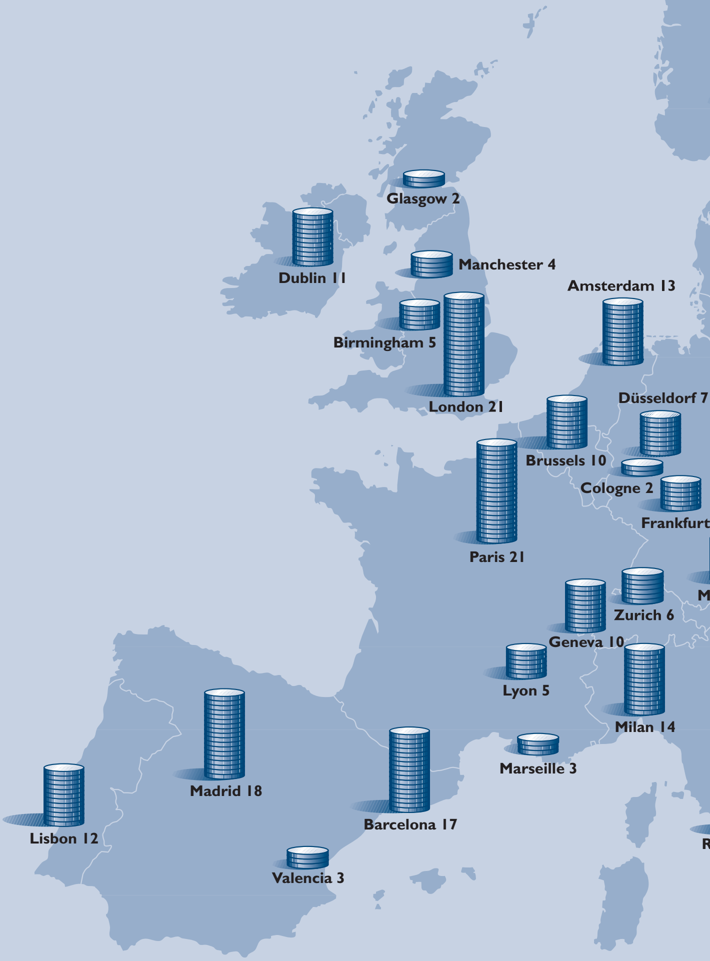
Warsaw regains first place this year, with a much improved score, and pushes Bucharest back into second place. Budapest, Prague and Lisbon all see an improvement in score and again make up the top five. Istanbul enters the ranking in sixth place, above Athens.

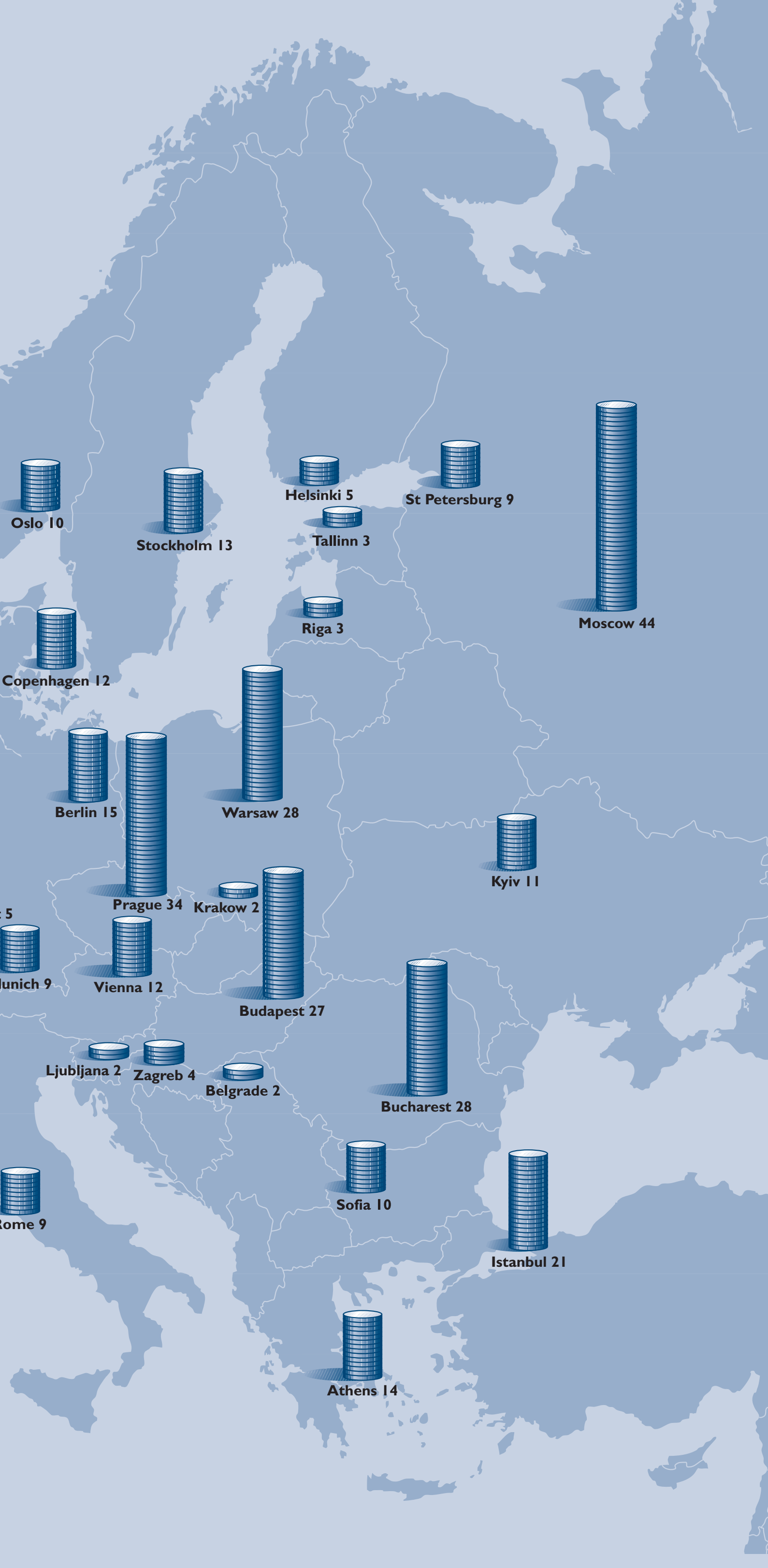
City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**18**	17	**0.25**	0.25
Athens	**7**	6	**0.69**	0.62
Barcelona	**10**	8	**0.60**	0.54
Berlin	**13**	14	**0.46**	0.30
Birmingham	**11**	12	**0.50**	0.38
Brussels	**23**	23	**0.18**	0.15
Bucharest	**2**	1	**1.33**	1.38
Budapest	**3**	3	**1.20**	1.11
Copenhagen	**29**	29	**0.11**	0.07
Dublin	**14**	9	**0.38**	0.50
Düsseldorf	**25**	23	**0.15**	0.15
Frankfurt	**29**	21	**0.11**	0.18
Geneva	**32**	32	**0.05**	0.04
Glasgow	**9**	7	**0.61**	0.61
Hamburg	**24**	27	**0.17**	0.11
Helsinki	**22**	19	**0.19**	0.20
Istanbul	**6**	-	**0.94**	-
Leeds	**8**	11	**0.64**	0.39
Lisbon	**5**	5	**0.98**	0.95
London	**29**	25	**0.11**	0.13
Lyon	**16**	18	**0.34**	0.23
Madrid	**12**	10	**0.48**	0.49
Manchester	**15**	15	**0.36**	0.29
Milan	**21**	16	**0.20**	0.26
Moscow	**19**	13	**0.24**	0.31
Munich	**25**	30	**0.15**	0.06
Oslo	**33**	31	**0.03**	0.05
Paris	**20**	20	**0.21**	0.19
Prague	**4**	4	**1.06**	1.01
Rome	**17**	22	**0.27**	0.17
Stockholm	**25**	25	**0.15**	0.13
Vienna	**28**	27	**0.13**	0.11
Warsaw	**1**	2	**1.41**	1.29
Zurich	**33**	32	**0.03**	0.04

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

European Expansion

Each year we ask companies about their future expansion plans across Europe. The map shows the number of companies expecting to locate within the next five years, in the cities shown. The cities in Central and Eastern Europe will continue to see the most expansion over this period, with Moscow and Prague expected to see the greatest influx. Of the more established western cities Paris and London are the most popular, followed by Madrid.





Oslo 10
Stockholm 13
Helsinki 5
St Petersburg 9
Tallinn 3
Riga 3
Moscow 44
Copenhagen 12
Berlin 15
Warsaw 28
Prague 34
Krakow 2
Kyiv 11
Vienna 12
Budapest 27
Ljubljana 2
Zagreb 4
Belgrade 2
Bucharest 28
Sofia 10
Istanbul 21
Athens 14

Best cities in terms of the climate governments create

Companies were asked which are the top three cities in terms of the climate governments create for business through tax policies and availability of financial incentives.

Dublin maintains its clear lead, although the gap has closed between the chasing pack. There is a change to the ranking below first place, as Warsaw moves up into second place and Zurich, Budapest and Geneva enter the top five alongside London.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**12**	9	**0.37**	0.37
Athens	**31**	25	**0.08**	0.11
Barcelona	**8**	5	**0.45**	0.47
Berlin	**14**	10	**0.29**	0.36
Birmingham	**25**	17	**0.15**	0.20
Brussels	**9**	10	**0.44**	0.36
Bucharest	**11**	10	**0.43**	0.36
Budapest	**4**	6	**0.53**	0.44
Copenhagen	**18**	24	**0.20**	0.12
Dublin	**1**	1	**1.06**	1.27
Düsseldorf	**25**	27	**0.15**	0.10
Frankfurt	**21**	20	**0.17**	0.16
Geneva	**5**	14	**0.52**	0.30
Glasgow	**13**	10	**0.32**	0.36
Hamburg	**31**	29	**0.08**	0.09
Helsinki	**22**	29	**0.16**	0.09
Istanbul	**15**	-	**0.28**	-
Leeds	**22**	22	**0.16**	0.14
Lisbon	**17**	16	**0.23**	0.24
London	**5**	2	**0.52**	0.60
Lyon	**27**	29	**0.14**	0.09
Madrid	**7**	8	**0.48**	0.38
Manchester	**19**	19	**0.19**	0.18
Milan	**33**	23	**0.07**	0.13
Moscow	**22**	27	**0.16**	0.10
Munich	**29**	21	**0.11**	0.15
Oslo	**20**	32	**0.18**	0.05
Paris	**16**	15	**0.26**	0.27
Prague	**9**	3	**0.44**	0.53
Rome	**34**	33	**0.03**	0.03
Stockholm	**28**	25	**0.12**	0.11
Vienna	**29**	17	**0.11**	0.20
Warsaw	**2**	3	**0.68**	0.53
Zurich	**3**	7	**0.66**	0.42

The score is derived from the nominations for best, second best and third best.

Base: All familiar with location

Best cities in terms of languages spoken

Companies were asked which are the top three cities in terms of the languages spoken.

The top five cities in terms of languages spoken remain the same as 2007. London, Amsterdam and Brussels score very strongly maintaining a gap with fourth placed Frankfurt. The scores for the top nine cities, with the exception of London, are higher than last year.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**2**	2	**1.13**	1.05
Athens	**34**	31	**0.04**	0.06
Barcelona	**11**	12	**0.30**	0.26
Berlin	**9**	8	**0.49**	0.39
Birmingham	**15**	17	**0.24**	0.19
Brussels	**3**	3	**1.02**	0.95
Bucharest	**28**	25	**0.09**	0.12
Budapest	**21**	21	**0.14**	0.14
Copenhagen	**10**	8	**0.34**	0.39
Dublin	**11**	11	**0.30**	0.33
Düsseldorf	**21**	19	**0.14**	0.16
Frankfurt	**4**	4	**0.58**	0.51
Geneva	**6**	5	**0.55**	0.50
Glasgow	**29**	33	**0.07**	0.04
Hamburg	**16**	21	**0.22**	0.14
Helsinki	**25**	21	**0.13**	0.14
Istanbul	**33**	-	**0.05**	-
Leeds	**29**	30	**0.07**	0.08
Lisbon	**19**	21	**0.19**	0.14
London	**1**	1	**1.38**	1.41
Lyon	**29**	29	**0.07**	0.09
Madrid	**16**	15	**0.22**	0.21
Manchester	**14**	19	**0.25**	0.16
Milan	**18**	13	**0.21**	0.25
Moscow	**32**	27	**0.07**	0.11
Munich	**13**	14	**0.29**	0.24
Oslo	**21**	25	**0.14**	0.12
Paris	**5**	5	**0.57**	0.50
Prague	**21**	16	**0.14**	0.20
Rome	**27**	31	**0.10**	0.06
Stockholm	**8**	10	**0.52**	0.36
Vienna	**25**	27	**0.13**	0.11
Warsaw	**20**	18	**0.15**	0.18
Zurich	**7**	5	**0.54**	0.50

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of value for money of office space

Companies were asked which are the top three cities in terms of value for money of office space.

Leeds moves into first position in terms of offering best value for money of office space, closely followed by Lisbon. Perceptions of Budapest continue to improve and it moves into third place, while Prague also moves up two places in the ranking.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**12**	12	**0.44**	0.42
Athens	**19**	19	**0.30**	0.27
Barcelona	**14**	7	**0.41**	0.50
Berlin	**4**	4	**0.67**	0.63
Birmingham	**7**	10	**0.57**	0.43
Brussels	**17**	15	**0.35**	0.33
Bucharest	**13**	2	**0.43**	0.72
Budapest	**3**	5	**0.71**	0.62
Copenhagen	**29**	29	**0.12**	0.12
Dublin	**15**	12	**0.37**	0.42
Düsseldorf	**19**	17	**0.30**	0.31
Frankfurt	**21**	21	**0.28**	0.26
Geneva	**31**	31	**0.11**	0.10
Glasgow	**9**	12	**0.50**	0.42
Hamburg	**23**	23	**0.26**	0.23
Helsinki	**27**	26	**0.17**	0.18
Istanbul	**10**	-	**0.45**	-
Leeds	**1**	6	**0.81**	0.59
Lisbon	**2**	3	**0.80**	0.67
London	**24**	18	**0.18**	0.28
Lyon	**7**	9	**0.57**	0.45
Madrid	**15**	10	**0.37**	0.43
Manchester	**10**	19	**0.45**	0.27
Milan	**24**	24	**0.18**	0.20
Moscow	**34**	27	**0.02**	0.17
Munich	**24**	22	**0.18**	0.24
Oslo	**33**	33	**0.07**	0.08
Paris	**18**	16	**0.31**	0.32
Prague	**6**	8	**0.58**	0.48
Rome	**28**	29	**0.16**	0.12
Stockholm	**22**	25	**0.27**	0.19
Vienna	**32**	28	**0.10**	0.14
Warsaw	**5**	1	**0.62**	0.77
Zurich	**29**	31	**0.12**	0.10

The score is derived from the nominations for best, second best and third best.

Base: All familiar with location

Best cities in terms of availability of office space

Companies were asked which are the top three cities in terms of availability of office space.

Berlin continues to be the highest in terms of the perception of the supply of offices but the UK cities dominate the top five. Both Manchester and Birmingham have improved their scores this year and enter the top five at second and fourth respectively, while Leeds maintains third place.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**17**	15	**0.29**	0.28
Athens	**31**	23	**0.10**	0.17
Barcelona	**8**	8	**0.42**	0.38
Berlin	**1**	1	**0.73**	0.75
Birmingham	**4**	12	**0.51**	0.34
Brussels	**15**	10	**0.33**	0.36
Bucharest	**28**	10	**0.11**	0.36
Budapest	**9**	13	**0.38**	0.30
Copenhagen	**24**	30	**0.16**	0.10
Dublin	**23**	17	**0.18**	0.26
Düsseldorf	**21**	23	**0.20**	0.17
Frankfurt	**10**	8	**0.37**	0.38
Geneva	**28**	28	**0.11**	0.12
Glasgow	**11**	19	**0.36**	0.25
Hamburg	**18**	21	**0.28**	0.24
Helsinki	**28**	29	**0.11**	0.10
Istanbul	**24**	-	**0.16**	-
Leeds	**3**	3	**0.54**	0.45
Lisbon	**14**	14	**0.35**	0.29
London	**5**	2	**0.49**	0.57
Lyon	**16**	17	**0.31**	0.26
Madrid	**6**	4	**0.47**	0.44
Manchester	**2**	7	**0.59**	0.40
Milan	**22**	23	**0.19**	0.17
Moscow	**34**	31	**0.06**	0.08
Munich	**11**	16	**0.36**	0.27
Oslo	**27**	31	**0.12**	0.08
Paris	**7**	5	**0.45**	0.41
Prague	**19**	19	**0.27**	0.25
Rome	**32**	33	**0.09**	0.06
Stockholm	**20**	26	**0.26**	0.16
Vienna	**33**	27	**0.08**	0.14
Warsaw	**11**	5	**0.36**	0.41
Zurich	**24**	22	**0.16**	0.18

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of internal transport

Companies were asked which are the top three cities in terms of ease of travelling around within the city.

London and Paris are seen as the easiest cities in which to travel around, with Paris closing on London this year. There is a substantial gap between these cities and third ranked Berlin. Munich rises up one place into fourth, ahead of Madrid and Barcelona.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**9**	4	**0.41**	0.50
Athens	**33**	33	**0.03**	0.03
Barcelona	**5**	5	**0.51**	0.48
Berlin	**3**	3	**0.62**	0.64
Birmingham	**22**	17	**0.24**	0.22
Brussels	**13**	13	**0.34**	0.30
Bucharest	**26**	30	**0.14**	0.09
Budapest	**31**	24	**0.08**	0.17
Copenhagen	**13**	11	**0.34**	0.31
Dublin	**19**	19	**0.27**	0.20
Düsseldorf	**21**	27	**0.25**	0.15
Frankfurt	**7**	10	**0.43**	0.32
Geneva	**10**	9	**0.40**	0.35
Glasgow	**17**	17	**0.28**	0.22
Hamburg	**16**	19	**0.30**	0.20
Helsinki	**17**	22	**0.28**	0.18
Istanbul	**34**	-	**0.02**	-
Leeds	**15**	26	**0.31**	0.16
Lisbon	**29**	29	**0.12**	0.11
London	**1**	1	**1.11**	1.20
Lyon	**22**	16	**0.24**	0.23
Madrid	**5**	7	**0.51**	0.40
Manchester	**7**	11	**0.43**	0.31
Milan	**24**	21	**0.20**	0.19
Moscow	**25**	32	**0.18**	0.07
Munich	**4**	5	**0.54**	0.48
Oslo	**26**	28	**0.14**	0.13
Paris	**2**	2	**1.10**	0.96
Prague	**26**	22	**0.14**	0.18
Rome	**32**	31	**0.06**	0.08
Stockholm	**10**	14	**0.40**	0.28
Vienna	**20**	14	**0.26**	0.28
Warsaw	**30**	24	**0.10**	0.17
Zurich	**12**	8	**0.39**	0.37

The score is derived from the nominations for best, second best and third best.

Base: All familiar with location

Best cities in terms of the quality of life for employees

Companies were asked which are the top three cities in terms of quality of life for employees.

Barcelona maintains its clear lead as the city offering the best quality of life for employees. There has been some considerable movement below Barcelona this year. Munich jumps into second place, with a greatly improved score, from sixth place followed by Stockholm, which also moves up two places.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**8**	10	**0.52**	0.43
Athens	**26**	26	**0.16**	0.15
Barcelona	**1**	1	**1.14**	1.16
Berlin	**20**	13	**0.31**	0.36
Birmingham	**27**	30	**0.15**	0.06
Brussels	**17**	18	**0.39**	0.32
Bucharest	**31**	33	**0.04**	0.00
Budapest	**30**	27	**0.08**	0.12
Copenhagen	**9**	8	**0.50**	0.44
Dublin	**11**	13	**0.46**	0.36
Düsseldorf	**25**	25	**0.20**	0.18
Frankfurt	**23**	27	**0.22**	0.12
Geneva	**4**	2	**0.63**	0.67
Glasgow	**21**	24	**0.28**	0.21
Hamburg	**12**	19	**0.43**	0.29
Helsinki	**28**	22	**0.14**	0.26
Istanbul	**34**	-	**0.01**	-
Leeds	**24**	19	**0.21**	0.29
Lisbon	**16**	17	**0.40**	0.33
London	**14**	11	**0.42**	0.40
Lyon	**7**	11	**0.54**	0.40
Madrid	**9**	3	**0.50**	0.62
Manchester	**18**	23	**0.36**	0.23
Milan	**22**	21	**0.24**	0.28
Moscow	**32**	32	**0.04**	0.04
Munich	**2**	6	**0.81**	0.50
Oslo	**12**	8	**0.43**	0.44
Paris	**5**	4	**0.61**	0.59
Prague	**29**	29	**0.13**	0.11
Rome	**15**	15	**0.41**	0.35
Stockholm	**3**	5	**0.69**	0.56
Vienna	**19**	16	**0.34**	0.34
Warsaw	**32**	31	**0.03**	0.04
Zurich	**5**	7	**0.61**	0.48

The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of freedom from pollution

Companies were asked which are the top three cities in terms of freedom from pollution.

The Scandinavian and Swiss cities all score well, filling the top six places as in 2007. Oslo leads this year ahead of Stockholm and Helsinki as this year's cleanest city. Perception of Oslo increased and it moves up two places, while Zurich also moves one place ahead of Copenhagen in the top ranks.

City	Rank		Score	
	2008	2007	**2008**	2007
Amsterdam	**8**	9	**0.60**	0.49
Athens	**28**	30	**0.10**	0.07
Barcelona	**10**	11	**0.49**	0.43
Berlin	**19**	19	**0.25**	0.24
Birmingham	**26**	27	**0.12**	0.09
Brussels	**18**	18	**0.30**	0.26
Bucharest	**30**	32	**0.07**	0.04
Budapest	**20**	25	**0.21**	0.10
Copenhagen	**6**	5	**0.82**	0.81
Dublin	**7**	8	**0.62**	0.50
Düsseldorf	**17**	16	**0.34**	0.27
Frankfurt	**25**	22	**0.15**	0.17
Geneva	**4**	4	**0.96**	0.95
Glasgow	**15**	16	**0.36**	0.27
Hamburg	**13**	15	**0.42**	0.28
Helsinki	**3**	2	**1.06**	1.00
Istanbul	**30**	-	**0.07**	-
Leeds	**14**	12	**0.38**	0.40
Lisbon	**10**	13	**0.49**	0.38
London	**27**	29	**0.11**	0.08
Lyon	**16**	14	**0.35**	0.29
Madrid	**22**	23	**0.19**	0.14
Manchester	**21**	21	**0.20**	0.18
Milan	**32**	31	**0.06**	0.06
Moscow	**34**	33	**0.04**	0.01
Munich	**9**	7	**0.56**	0.51
Oslo	**1**	3	**1.23**	0.98
Paris	**24**	24	**0.16**	0.13
Prague	**22**	19	**0.19**	0.24
Rome	**28**	27	**0.10**	0.09
Stockholm	**2**	1	**1.10**	1.15
Vienna	**12**	10	**0.45**	0.48
Warsaw	**32**	25	**0.06**	0.10
Zurich	**5**	6	**0.95**	0.72

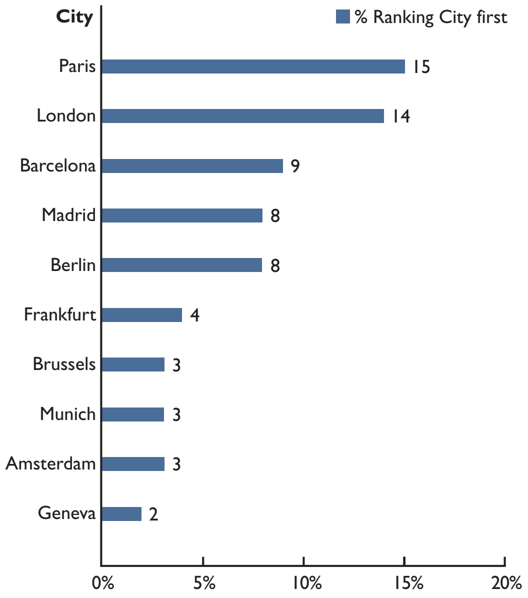
The score is derived from the nominations for best, second best and third best.
Base: All familiar with location

Best cities in terms of hotel accommodation

Companies were asked which are the best cities for providing the best hotel accommodation for business travellers.

Paris and London continue to perform well in terms of choice and value of hotel accommodation but this year Paris takes first place. The Spanish cities of Barcelona and Madrid continue to score well and are third and fourth respectively. This year Amsterdam and Geneva make it into the top ten replacing Milan and Vienna.

Top ten ranked by % of first place mentions



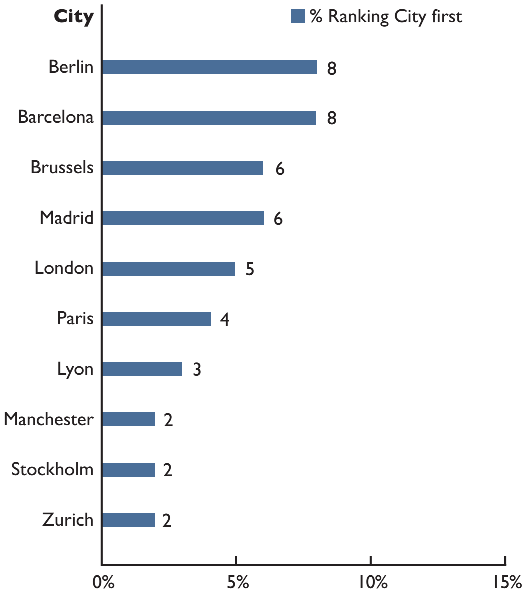
Base: 500

Best cities in terms of residential accommodation for expatriates

Companies were asked which are the best cities for providing the best residential accommodation for relocating expats.

There are very mixed views on this factor, with no destination commanding more than 10% of first place nominations. Berlin is ranked in joint first place with Barcelona, which was the top performer in 2007. Manchester, Stockholm and Zurich move into the top 10 in terms of first place mentions.

Top ten ranked by % of first place mentions



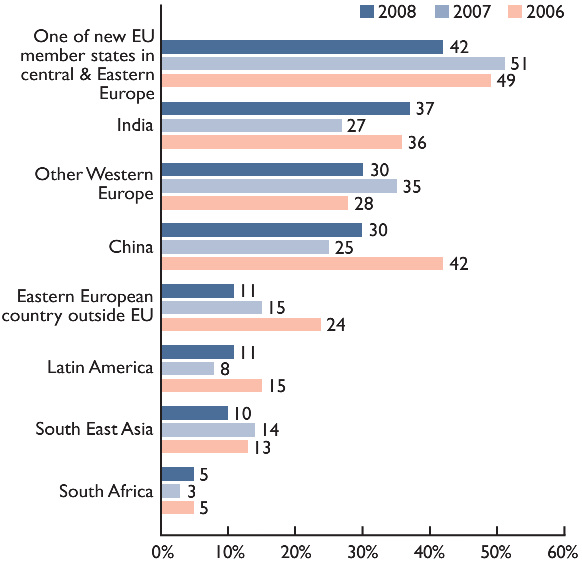
Base: 500

Relocating/outsourcing – the last 12 months

Companies were asked to consider whether they had outsourced or relocated any of their existing European operations to another country in the past 12 months.

More than a fifth (21%) of companies sampled had relocated or outsourced operations to another country in the last 12 months. This is a similar proportion to 12 months ago.

Companies continue to adopt a global view, but European countries remain the dominant destination for European companies. Just over one in four businesses had relocated to CEE, while one in three had relocated to a Western European country. Relocations to India and China rebounded over the last 12 months, following a dip in 2007, with India in particular attracting a large share of relocations.



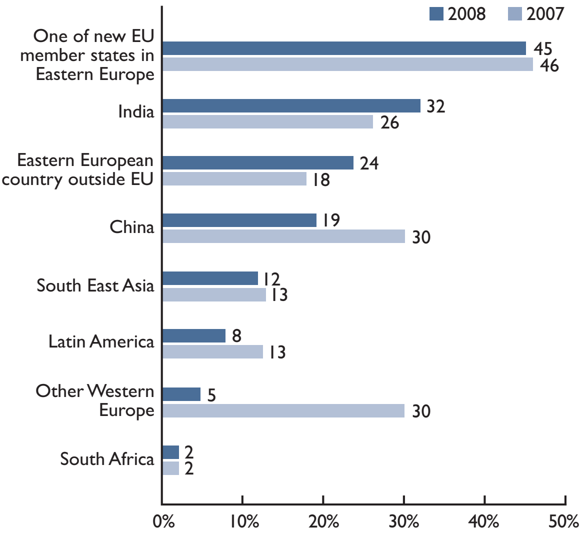
Base: 110

Relocating/outsourcing – the next 2 years

Companies were then asked whether they are thinking of outsourcing or relocating any of there European operations to another low cost location in the next two years.

One in five companies (19%) is thinking of relocating or outsourcing European activities to another country in the next two years. This is a slightly reduced proportion compared to the last two years.

Again CEE is the favoured destination but India has closed the gap as the next most popular destination. A third of companies now expect to outsource to India, while China has fallen extensively in popularity. Western European countries also see a reduction in the proportion considering them within the next 2 years but Eastern European countries outside EU are increasingly attractive.



Base: 110

Offsetting the impact or uncertainties relating to the global credit crunch

In light of recent economic activity companies were asked which course they might take to offset the impact of the uncertainties relating to the global credit crunch.

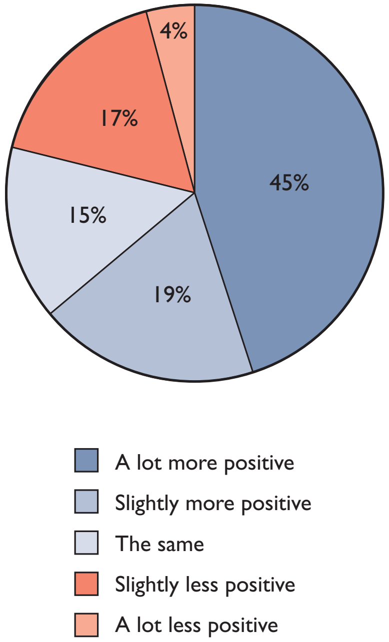
Most companies will look to property to reduce their overheads to offset the impact of the global uncertainties. Over forty percent of those sampled expect to adopt flexible working practices as a way of offsetting the possibility of the impact of the credit crunch, while one in three companies will consider consolidating into one building. More than a quarter of companies anticipate reducing space requirements while just under 23% will consider relocating to a cheaper area within the same city.

	2008 %
Adopt flexible working	42
Consolidate into one building	30
Reduce space requirements	26
Relocate within existing location to cheaper submarket	23
Relocate to another destination within your country	16
Will take steps in other parts of business to reduce cost	13
Relocate to another lower cost international destination	11

Base: 500

Business prospects

This year we asked companies what their overall feeling regarding their business prospects is and two thirds of respondents remain positive. Despite the overall upbeat view, this is marginally down on last year, when 68% were positive and a higher proportion now feel less positive overall.

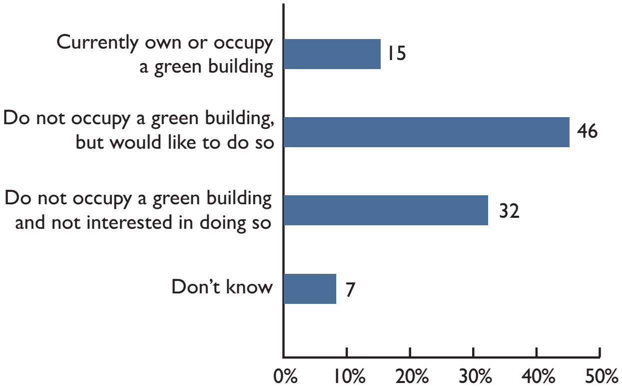


Base: 500

Occupation of green buildings

This year companies were asked whether they occupied a green building.

Only 15% of companies currently own or occupy a green building but just under half of the companies would like to occupy a green building. Despite the general consensus being in favour of occupying green buildings, almost a third state that they are not interested in doing so.

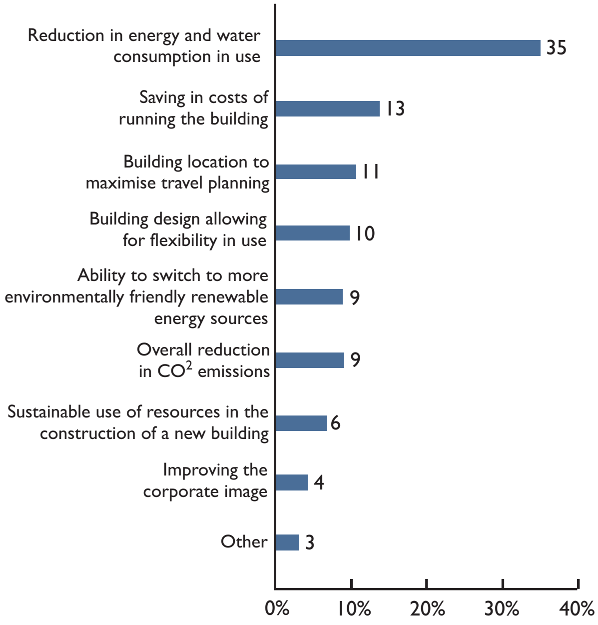


Base: 500

Factors considered when choosing a green building

Companies were asked what they considered are the most important factors to consider when choosing an environmentally friendly or green building

An increasing number of occupiers, investors and developers have recognised that green buildings are a business asset and choosing a green building will become increasingly important over the short term. When considering a building's environmental credentials, most focus is placed on energy in use rather than on the actual structure of the building. The reduction in energy and water consumption, followed by saving in costs of running the building are considered the most important factors. Just 6% thought that the use of sustainable building materials is the most important, while 4% believe that enhancing corporate image is the main concern.

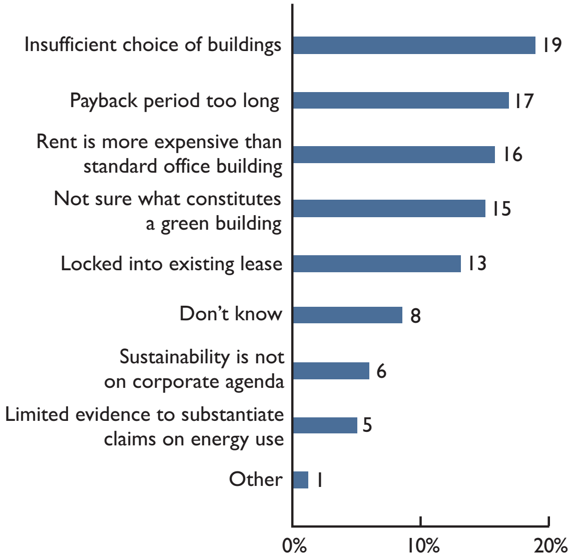


Base: 500

Barriers to businesses occupying a green building

Companies were asked which are the main barriers preventing them from occupying a green building.

As seen, most companies across Europe state that they would like to occupy a green building but the number who actually do is much lower. A lack of supply is also one of the main obstacles facing occupiers considering a green building, with one in five companies stating that this was the main barrier. Companies remain convinced that renting a green building is more expensive and that the payback period is too long.



Base: 500

How the survey was conducted

In total, 500 companies were surveyed from nine European countries. The sample was systematically selected from "Europe's largest companies".

A representative sample of industrial, consumer, retail & distribution companies and professional services companies were included. The sample changes typically by around half of the companies each year.

The interviewees were Senior Managers or Board Directors, with responsibility for location.

All interviews were conducted by telephone in June/July 2008 by mother tongue interviewers. Interviews took an average of 20 minutes to complete.

The Scores

The scores shown for each city throughout the report are based on the responses and weighted by TNS (Taylor Nelson Sofres) according to nominations for the best, second best and third best. Each score provides a comparison with other cities' scores and over time for the same city.

The Cities

The cities originally selected in 1990 for the sample were those we perceived to have the strongest business representation. Over the years of the study, we have added further cities nominated by respondents as important.

From time to time, we formally check representation in cities to ensure our main list of cities remains valid. The list of cities now stands at 34.

Further copies of this report are obtainable from:
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Location analysis service

Cushman & Wakefield can assist in identifying the best location, nationally or globally, to meet an organisation's business objectives. Using an analytical approach to distil the requisite information enables an objective, informed final location decision to be made. The service is run out of the European Research Group to provide an independent and objective analysis of potential locations.

The location consulting process investigates all the criteria that are critical to the successful operation of the organisation. A mix of qualitative and quantitative factors will invariably be the main drivers for most location decisions.

These criteria typically fall within six broad categories:

- Demographics
- Labour force availability, quality and cost
- Business costs including real estate issues such as costs, availability and lease flexibility
- Access to markets and/or existing corporate locations
- Operating environment
- Quality of life

Our process involves ranking and weighting models that measure any combination of these factors to determine the most desirable and for cost effective locations for a corporate. Typically our solutions are multi-phased, enabling macro to micro level analysis to be undertaken.

Cushman & Wakefield's extensive geographical coverage allows us to provide the most up-to-date and reliable information on a wide variety of markets – enabling corporate occupiers to respond more rapidly to changing market conditions. We continuously monitor all aspects of European property markets through our systematic collection of information on trends, rents, new developments and activities of the key players.

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THE CUSHMAN & WAKEFIELD APPROACH

We work in partnership with our clients to help them succeed. Internally we collaborate at all levels to find the best solutions for our clients' business needs, while externally we participate in local communities, taking our environmental responsibilities seriously and helping to turn young people's dreams into reality.

OUR PEOPLE

We recruit, train and retain experienced and talented professionals, then give them the flexibility and global platform needed to add value. With more than 15,000 professionals and 221 offices in 58 countries, we assess each client's needs and implement solutions to fit strategic, operational and financial goals

OUR SERVICES

We assist clients in every stage of the real estate process, representing them in the buying, selling, financing, leasing, management and valuation of assets and providing strategic planning and research, portfolio analysis, site selection and space location, among many other advisory services.

OUR RESULTS

By seeing past the immediate 'deal' and instead determining the best use of property in every situation, in every corner of the world, we provide the greatest maximum opportunity for owners, occupiers and investors.

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