



EUROPEAN CITIES MONITOR 2007



**CUSHMAN &
WAKEFIELD**[®]
Global Real Estate Solutions



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Front cover picture: London, United Kingdom

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 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. 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 37, who will be happy to discuss how we might help.

October 2007.

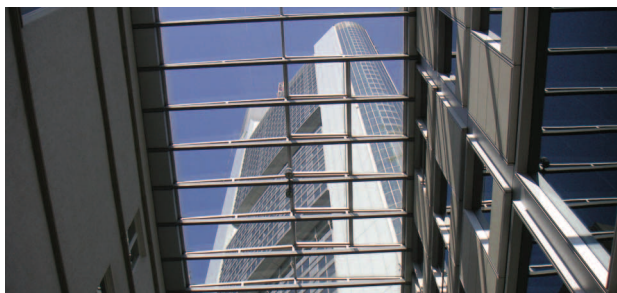
HIGHLIGHTS FROM THE FINDINGS

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 increases its lead yet again over Paris in terms of actual score.
- Frankfurt and Barcelona consolidate their positions in third and fourth place, although Barcelona's meteoric rise up the ranking slows. In fact, Amsterdam and Brussels scores are virtually on a par with Barcelona this year, as both cities see a marginal improvement in their scores.
- Amsterdam moves up one place in the ranking into fifth place, while Milan also saw a rise up the ranking into the top 10.
- The other cities to move up this year are: Geneva (20th to 12th), Lyon (24th to 17th), Manchester (21st to 18th) and Copenhagen (27th to 25th), while Bucharest, Helsinki and Oslo all move up one place to 28th, 29th and 32nd respectively.
- Valencia, Turin and Marseilles 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 although there is some change in the order.
- This year the availability of qualified staff moves ahead of easy access to markets, customers or clients as the single most important factor.
- The quality of telecommunications sees its importance increase ahead of national and international transport links.



- Quality of life factors are the least significant but see an improvement in the proportion classifying them 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.
- Bucharest is top for the cost of staff overtaking Warsaw, which comes first for value for money of offices.
- Dublin again comes top for the climate created by government, Barcelona for quality of life and Stockholm for freedom from pollution. Berlin moves into first place for availability of office space.
- As is to be expected, the importance of factors varies a little by type of company. The cost of staff is less important to professional companies, while telecommunications, availability of qualified staff and offices are more important for this sector. The climate governments create for business through tax and the availability of financial incentives is more important to industrial companies, along with transport links with other cities and easy access to customers and clients. Consumer, retail and distribution companies pay greater heed to ease of travelling around within the city and value for money of office space.

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. Asia continues to be seen as an opportunity with the market prospects offered by the burgeoning economies of China now seen to be the most significant factor.
- The enlargement of the EU is the second most significant factor, while competition from Asia and the opportunities offered by India are seen as more significant compared with last year.



Barcelona, Spain

- Companies were asked which locations within Eastern Europe are likely to provide the greatest business opportunity for their company. Eastern cities outside the EU are still seen as offering greatest prospects for business. Moscow increases its lead as the most important from Bucharest and Istanbul.
- Companies expect to adopt more flexible working practices to offset rising operating costs, followed by building consolidation. Half say that they are likely to adopt flexibility in future, while a third will consolidate into one building.
- Business sentiment is more positive than this time last year, with over two thirds stating that they feel a lot more or slightly more positive about their business prospects.

Relocation/outsourcing

- More than a fifth (22%) of companies sampled had relocated or outsourced operations to another country in the last 12 months. On an annual basis this continues the rising trend seen in previous surveys.
- The new EU members continue to be the favoured destinations. Against recent trends there is a drop in relocations to China and India, while there is an increase in relocations to other Western European destinations.
- One in five companies (22%) plans to relocate or outsource operations in the next two years, a similar level to 2006. Again the new EU countries are the favoured destinations, followed by China and other Western European destinations.
- Companies have, and intend to relocate or outsource a range of their operations but production & assembly is the most common, followed by admin & support.



Company expansion

- An increased rate of future expansion is noted this year across Europe, with the majority of European destinations seeing a rise in the number of companies expecting to relocate or outsource.
- Moscow sees an increase in popularity and the city can expect the biggest influx of companies over the next five years, with 63 of our sampled companies expecting to locate there.
- Prague, Warsaw, Budapest and Bucharest can also expect a healthy inflow of companies, with Prague seeing a significant rise in interest year on year. Companies continue to consider destinations further afield, with Kiev, St Petersburg and Sofia seeing greater interest.
- Paris, London, Brussels, Barcelona and Lisbon are the most popular nominations among the more established business cities.
- Worldwide, Shanghai remains the clear favourite – 34 of our companies expect to expand there.
- Beijing, followed by Mumbai and New Delhi can all also expect future investment from Europe. New York also sees a rise in popularity over the year.

City promotion

- London and Paris remain the best known cities, opening a considerable gap on the other cities. This year only 12 of our top cities are known very or fairly well by at least half the companies sampled, a slight fall on the last 2 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 were the top three locations in 2005 and 2006. Warsaw moves ahead of Berlin and Budapest in terms of promotion.



Paris, France

Best cities to locate a business today

London remains the leading city in which to do business today, marginally extending the gap between second placed Paris. These two cities are still well ahead of their nearest rival Frankfurt, which holds firmly onto third place. The chasing pack continues to hustle for position. Amsterdam moves into fourth place but there is little to differentiate the scores for Barcelona, Amsterdam and Brussels this year.

Location	2007 Rank	2007 Score	2006 Rank	2006 Score	1990 Rank
London	1	0.92	1	0.91	1
Paris	2	0.57	2	0.59	2
Frankfurt	3	0.32	3	0.36	3
Barcelona	4	0.25	4	0.27	11
Amsterdam	5	0.25	6	0.23	5
Brussels	6	0.25	5	0.24	4
Madrid	7	0.22	7	0.20	17
Berlin	8	0.22	8	0.18	15
Munich	9	0.18	9	0.18	12
Milan	10	0.14	12	0.13	9
Dublin	11	0.13	11	0.14	-
Geneva	12	0.13	20	0.08	8
Zurich	13	0.12	10	0.16	7
Prague	14	0.11	13	0.12	23
Lisbon	15	0.10	15	0.10	16
Düsseldorf	16	0.09	14	0.11	6
Lyon	17	0.09	24	0.07	18
Manchester	18	0.09	21	0.08	13
Warsaw	19	0.09	18	0.09	25
Hamburg	20	0.08	16	0.10	14
Birmingham	21	0.08	19	0.09	-
Stockholm	22	0.08	17	0.09	19
Budapest	23	0.07	22	0.08	21
Vienna	24	0.06	23	0.08	20
Copenhagen	25	0.06	27	0.06	-
Glasgow	26	0.05	25	0.06	10
Rome	27	0.05	26	0.06	-
Bucharest	28	0.05	29	0.04	-
Helsinki	29	0.05	30	0.04	-
Leeds	30	0.04	28	0.05	-
Moscow	31	0.04	31	0.03	24
Oslo	32	0.03	33	0.02	-
Athens	33	0.03	32	0.03	22

In 1990 only 25 cities were included in the study.

Essential factors for locating a business

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

The availability of qualified staff moves ahead of easy access to markets, customers or clients. The quality of telecommunications increases in importance and is now 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	2007 %	2006 %
Availability of qualified staff	62	59
Easy access to markets, customers or clients	58	63
The quality of telecommunications	55	50
Transport links with other cities and internationally	52	55
Cost of staff	36	36
Languages spoken	29	27
The climate governments create for business through tax policies or financial incentives	27	31
Value for money of office space	26	29
Availability of office space	26	27
Ease of travelling around within the city	24	26
The quality of life for employees	21	19
Freedom from pollution	16	15

'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. The cost of staff is less important to professional companies, while telecommunications, availability of qualified staff and offices are all important for this sector. The climate governments create for business through tax and the availability of financial incentives is more important to industrial companies, along with transport links with other cities and easy access to customers and clients. Consumer, retail and distribution companies pay greater heed to ease of travelling around within the city and value for money of office space.

Factor	Industrial	Consumer Retail & Distribution	Professional Services
	%	%	%
Availability of qualified staff	66	54	64
Easy access to markets, customers or clients	63	60	50
The quality of telecommunications	52	54	59
Transport links with other cities and internationally	59	55	42
Cost of staff	40	32	35
Languages spoken	35	28	23
The climate governments create for business through tax policies or financial incentives	30	25	26
Value for money of office space	23	30	28
Availability of office space	21	29	29
Ease of travelling around within the city	19	32	25
The quality of life for employees	24	18	19
Freedom from pollution	18	19	13

'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 the most well known city across Europe, but the gap closes between second placed Paris. The order of familiarity changed very little over the last 12 months and these two cities continue to be some way ahead of the rest of the sample.

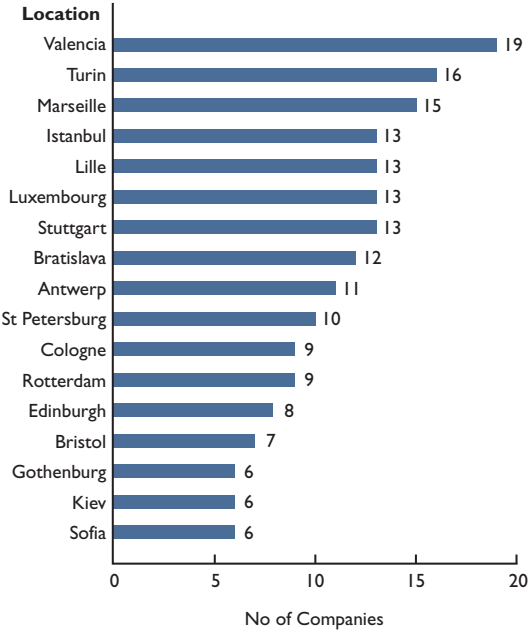
Location	2007 %	2006 %	1990 %
London	86	88	94
Paris	81	80	94
Barcelona	68	67	64
Brussels	67	67	85
Frankfurt	64	69	78
Madrid	63	61	68
Milan	62	62	74
Munich	54	60	64
Rome	53	51	-
Amsterdam	52	52	67
Berlin	52	55	43
Düsseldorf	50	54	61
Geneva	47	48	69
Lisbon	44	48	44
Lyon	44	43	43
Zurich	44	49	67
Prague	42	41	16
Vienna	42	44	50
Dublin	41	45	-
Hamburg	41	49	58
Manchester	37	38	32
Birmingham	32	34	-
Copenhagen	32	50	-
Stockholm	32	34	40
Moscow	31	28	24
Budapest	30	28	20
Warsaw	29	27	15
Glasgow	27	28	26
Helsinki	24	22	-
Leeds	22	23	-
Oslo	22	24	-
Athens	21	28	25
Bucharest	20	15	-

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 33 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 felt were important as business locations and how well they know them. This year the list is headed by Valencia followed by Turin and Marseille and these three locations tend to feature amongst the best known cities each year.

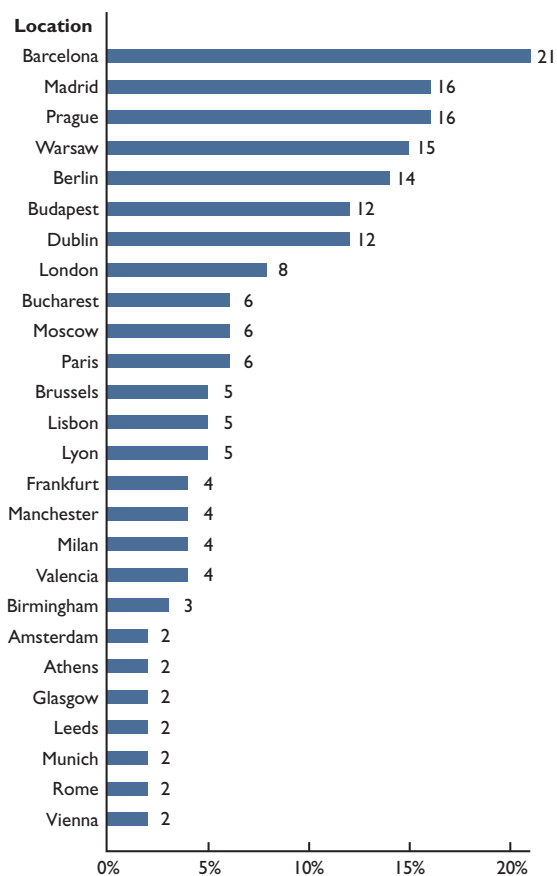


Base: 500

Cities improving themselves

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

Once again, the Spanish cities head the list with Barcelona in first position followed by Madrid. Prague maintains its position in third place and Warsaw moves ahead of Berlin into fourth place.



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.

The growth of China is seen to have the greatest impact on business over the next ten years, a position that has not changed over the last three years. This year European companies place more emphasis on the enlargement of the EU, competition from Asia and Corporate Social Responsibility than a year ago. Conflict and terrorism are seen as having the least impact on business, lagging some way behind other factors.

Factor	2007 %	2006 %	2005 %
Growth of China as markets for your products or services	23	26	25*
Performance of economies which have adopted the Euro	11	13	15
Enlargement of the EU	15	11	11
Relocation/outsourcing to cheaper global areas	5	10	10
Performance of US economy	8	9	12
Competition from Asia	13	9	12
Corporate Social Responsibility/ Corporate Governance	11	8	10
Growth of India as markets for your products or services	9	6	25*
Conflict/Terrorism	2	3	-

* Combined question.

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 third year in succession, ahead of the Indian cities of Mumbai and New Delhi.

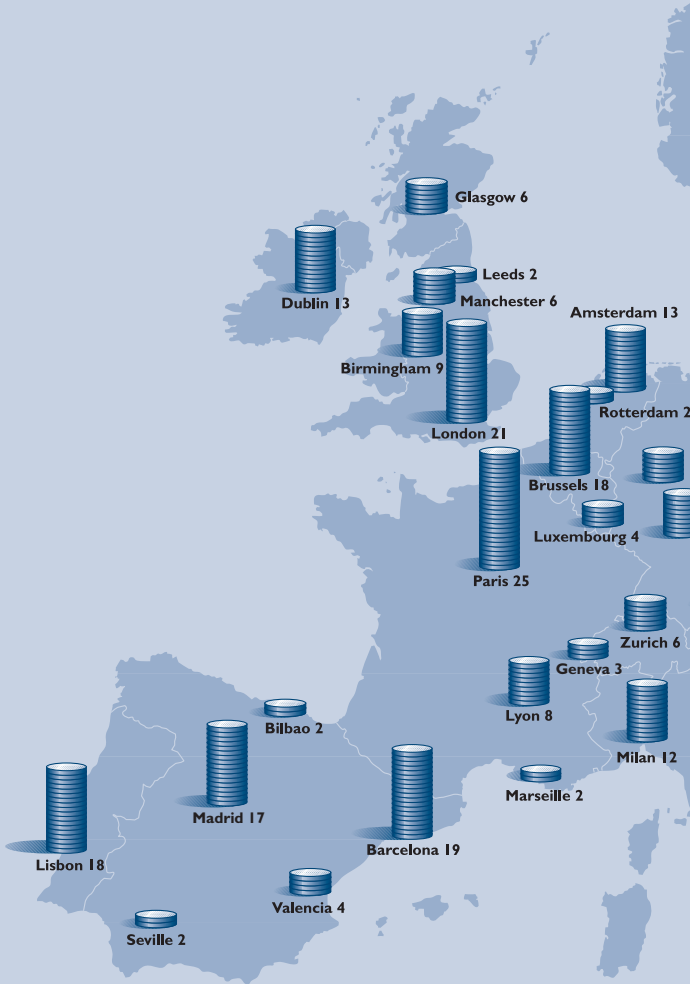
New York completes the top five destinations.

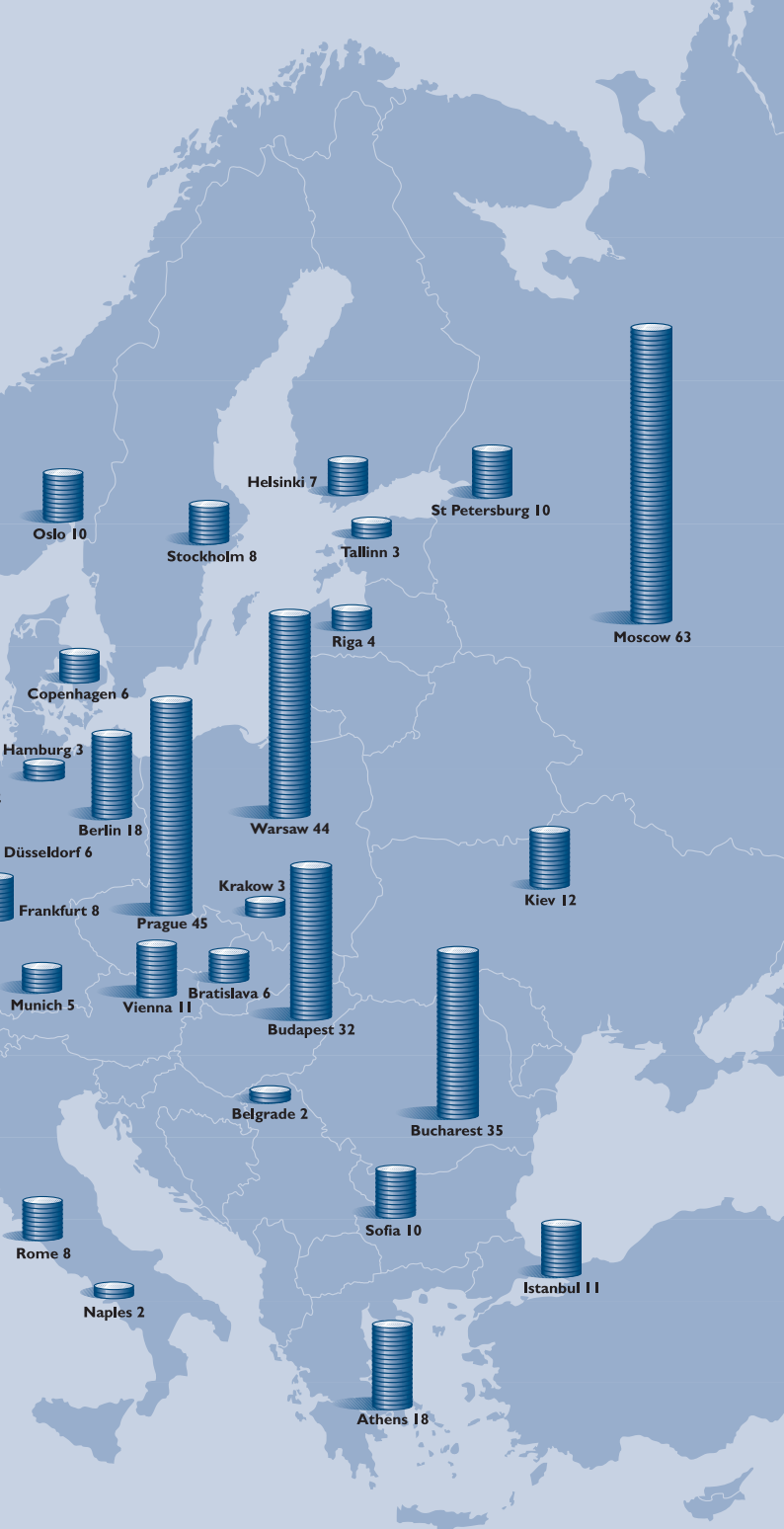
City	No of Companies
Shanghai	34
Beijing/Peking	28
Mumbai/Bombay	24
New Delhi	21
New York	19
Sao Paulo	19
Mexico City	16
Buenos Aires	15
Tokyo	14
Singapore	13
Hong Kong	11
Rio de Janeiro	11
Johannesburg	9
Sydney	9
Cairo	7
Cape Town	6
Abu Dhabi	5
Bangalore	5
Bangkok	5
Bogota	5
Los Angeles	5
Santiago	5
Seoul	5
Melbourne	4
San Francisco	4
Toronto	4
Boston	3
Caracas	3
Chicago	3
Jakarta	3
Kuala Lumpur	3
Lima	3
Miami	3
Montreal	3
Tel Aviv	3
Istanbul	2
Tripoli	2

Base: 500

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, while of the more established western cities Paris is the most popular.





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, while overall the top five shows no change over the year. Amsterdam closes the gap on third placed Frankfurt and is now some way ahead of Brussels.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	4	4	0.60	0.39
Athens	27	29	0.07	0.07
Barcelona	11	8	0.26	0.32
Berlin	10	12	0.30	0.25
Birmingham	12	10	0.25	0.27
Brussels	5	4	0.43	0.39
Bucharest	32	22	0.02	0.11
Budapest	22	25	0.13	0.10
Copenhagen	24	31	0.11	0.05
Dublin	20	22	0.14	0.11
Düsseldorf	14	10	0.22	0.27
Frankfurt	3	3	0.65	0.68
Geneva	14	27	0.22	0.09
Glasgow	27	21	0.07	0.12
Hamburg	7	15	0.32	0.19
Helsinki	26	29	0.10	0.07
Leeds	24	25	0.11	0.10
Lisbon	27	32	0.07	0.04
London	1	1	1.41	1.42
Lyon	14	15	0.22	0.19
Madrid	9	9	0.31	0.29
Manchester	13	16	0.24	0.18
Milan	6	6	0.33	0.34
Moscow	19	22	0.17	0.11
Munich	7	7	0.32	0.33
Oslo	32	32	0.02	0.04
Paris	2	2	1.02	1.10
Prague	20	18	0.14	0.17
Rome	31	19	0.06	0.16
Stockholm	27	27	0.07	0.09
Vienna	23	13	0.12	0.24
Warsaw	17	19	0.21	0.16
Zurich	18	14	0.19	0.20

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

Base: All familiar with location

Best cities in terms of qualified staff

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

London is some way ahead of both Paris and Frankfurt. The top five cities show no change in position but Amsterdam moves into sixth place ahead of Brussels.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	6	9	0.38	0.32
Athens	32	32	0.05	0.03
Barcelona	10	11	0.29	0.30
Berlin	5	5	0.41	0.33
Birmingham	9	16	0.30	0.22
Brussels	7	5	0.32	0.33
Bucharest	28	19	0.10	0.19
Budapest	29	25	0.09	0.13
Copenhagen	26	27	0.11	0.10
Dublin	11	14	0.28	0.27
Düsseldorf	16	13	0.21	0.28
Frankfurt	3	3	0.54	0.61
Geneva	19	21	0.20	0.16
Glasgow	24	21	0.12	0.16
Hamburg	14	12	0.24	0.29
Helsinki	16	28	0.21	0.08
Leeds	26	26	0.11	0.12
Lisbon	33	31	0.03	0.04
London	1	1	1.44	1.44
Lyon	20	20	0.19	0.17
Madrid	14	15	0.24	0.25
Manchester	13	17	0.25	0.21
Milan	8	9	0.31	0.32
Moscow	21	32	0.18	0.03
Munich	4	4	0.44	0.37
Oslo	24	29	0.12	0.06
Paris	2	2	0.78	0.78
Prague	23	23	0.14	0.15
Rome	31	30	0.07	0.05
Stockholm	16	5	0.21	0.33
Vienna	30	24	0.08	0.14
Warsaw	21	17	0.18	0.21
Zurich	12	5	0.27	0.33

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.

London, Paris and Frankfurt score very strongly for their links with other cities. Overall the top seven have shown no change in the ranking but Amsterdam, Madrid and Munich saw an improvement in their actual score. These cities open a clear gap between the next placed cities.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	4	4	0.71	0.60
Athens	28	33	0.03	0.01
Barcelona	8	10	0.28	0.27
Berlin	11	7	0.24	0.28
Birmingham	9	11	0.27	0.24
Brussels	5	5	0.45	0.44
Bucharest	31	30	0.02	0.03
Budapest	33	28	0.00	0.04
Copenhagen	15	15	0.14	0.15
Dublin	23	25	0.08	0.06
Düsseldorf	14	14	0.19	0.18
Frankfurt	3	3	1.04	1.24
Geneva	15	22	0.14	0.08
Glasgow	25	17	0.07	0.13
Hamburg	18	19	0.13	0.12
Helsinki	32	28	0.01	0.04
Leeds	20	17	0.11	0.13
Lisbon	26	30	0.04	0.03
London	1	1	1.75	1.70
Lyon	18	21	0.13	0.09
Madrid	7	7	0.41	0.28
Manchester	10	12	0.25	0.20
Milan	13	12	0.22	0.20
Moscow	26	27	0.04	0.05
Munich	6	6	0.42	0.32
Oslo	28	32	0.03	0.02
Paris	2	2	1.30	1.44
Prague	21	23	0.09	0.07
Rome	23	16	0.08	0.14
Stockholm	21	25	0.09	0.06
Vienna	15	20	0.14	0.11
Warsaw	28	23	0.03	0.07
Zurich	11	7	0.24	0.28

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

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. Berlin moves further up the ranking into fourth place, ahead of neighbouring Munich. Stockholm falls into sixth place as a result of an improvement in the scores of the two German cities.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	7	10	0.34	0.24
Athens	26	32	0.04	0.00
Barcelona	15	19	0.17	0.13
Berlin	4	5	0.56	0.39
Birmingham	13	12	0.21	0.22
Brussels	8	9	0.30	0.25
Bucharest	32	32	0.00	0.00
Budapest	32	29	0.00	0.01
Copenhagen	19	20	0.14	0.11
Dublin	14	20	0.20	0.11
Düsseldorf	15	14	0.17	0.18
Frankfurt	3	3	0.61	0.65
Geneva	9	20	0.28	0.11
Glasgow	22	18	0.09	0.14
Hamburg	15	13	0.17	0.20
Helsinki	9	6	0.28	0.34
Leeds	24	14	0.06	0.18
Lisbon	28	29	0.03	0.01
London	1	1	1.39	1.31
Lyon	21	24	0.12	0.08
Madrid	11	11	0.25	0.23
Manchester	18	17	0.16	0.15
Milan	19	16	0.14	0.17
Moscow	31	28	0.01	0.02
Munich	5	7	0.40	0.31
Oslo	26	23	0.04	0.10
Paris	2	2	0.84	0.80
Prague	28	26	0.03	0.05
Rome	25	26	0.05	0.05
Stockholm	6	4	0.35	0.44
Vienna	23	25	0.07	0.06
Warsaw	30	29	0.02	0.01
Zurich	12	8	0.22	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 cost of staff

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

Bucharest is the best placed city for cost of staff, moving up one place and pushing Warsaw into second place. Budapest, Prague and Lisbon all score very strongly again for cost of staff and make up the top five. The Swiss cities are seen to be the most costly for staff this year.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	17	26	0.25	0.13
Athens	6	6	0.62	0.64
Barcelona	8	8	0.54	0.61
Berlin	14	15	0.30	0.24
Birmingham	12	13	0.38	0.31
Brussels	23	22	0.15	0.14
Bucharest	1	2	1.38	1.44
Budapest	3	3	1.11	1.31
Copenhagen	29	28	0.07	0.07
Dublin	9	10	0.50	0.54
Düsseldorf	23	22	0.15	0.14
Frankfurt	21	28	0.18	0.07
Geneva	32	32	0.04	0.03
Glasgow	7	6	0.61	0.64
Hamburg	27	27	0.11	0.12
Helsinki	19	22	0.20	0.14
Leeds	11	12	0.39	0.49
Lisbon	5	5	0.95	0.93
London	25	16	0.13	0.17
Lyon	18	18	0.23	0.16
Madrid	10	11	0.49	0.53
Manchester	15	14	0.29	0.25
Milan	16	20	0.26	0.15
Moscow	13	9	0.31	0.57
Munich	30	28	0.06	0.07
Oslo	31	32	0.05	0.03
Paris	20	20	0.19	0.15
Prague	4	4	1.01	1.14
Rome	22	18	0.17	0.16
Stockholm	25	22	0.13	0.14
Vienna	27	16	0.11	0.17
Warsaw	2	1	1.29	1.47
Zurich	32	28	0.04	0.07

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

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 in being seen as having the best climate created for business. London moves into second place ahead of Prague and Warsaw, while Barcelona pushes Budapest out of the top five.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	9	11	0.37	0.32
Athens	25	29	0.11	0.08
Barcelona	5	8	0.47	0.42
Berlin	10	14	0.36	0.24
Birmingham	17	19	0.20	0.18
Brussels	10	10	0.36	0.34
Bucharest	10	7	0.36	0.43
Budapest	6	2	0.44	0.71
Copenhagen	24	27	0.12	0.09
Dublin	1	1	1.27	1.21
Düsseldorf	27	24	0.10	0.11
Frankfurt	20	26	0.16	0.10
Geneva	14	16	0.30	0.22
Glasgow	10	12	0.36	0.29
Hamburg	29	31	0.09	0.06
Helsinki	29	24	0.09	0.11
Leeds	22	13	0.14	0.27
Lisbon	16	14	0.24	0.24
London	2	5	0.60	0.54
Lyon	29	30	0.09	0.07
Madrid	8	6	0.38	0.44
Manchester	19	20	0.18	0.17
Milan	23	27	0.13	0.09
Moscow	27	18	0.10	0.19
Munich	21	20	0.15	0.17
Oslo	32	31	0.05	0.06
Paris	15	17	0.27	0.21
Prague	3	3	0.53	0.65
Rome	33	33	0.03	0.03
Stockholm	25	23	0.11	0.14
Vienna	17	22	0.20	0.15
Warsaw	3	4	0.53	0.63
Zurich	7	9	0.42	0.40

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.

Warsaw remains first in terms of offering the best value offices. Bucharest records a slight increase in score which moves the city ahead of Lisbon this year. Perceptions of the cost effectiveness of the Berlin office market are much improved and the city jumps into fourth place ahead of Budapest, which also records a rise in score.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	12	19	0.42	0.25
Athens	19	16	0.27	0.28
Barcelona	7	5	0.50	0.57
Berlin	4	8	0.63	0.47
Birmingham	10	10	0.43	0.43
Brussels	15	13	0.33	0.38
Bucharest	2	2	0.72	0.69
Budapest	5	6	0.62	0.52
Copenhagen	29	31	0.12	0.09
Dublin	12	11	0.42	0.42
Düsseldorf	17	21	0.31	0.24
Frankfurt	21	21	0.26	0.24
Geneva	31	33	0.10	0.04
Glasgow	12	7	0.42	0.51
Hamburg	23	19	0.23	0.25
Helsinki	26	18	0.18	0.26
Leeds	6	8	0.59	0.47
Lisbon	3	2	0.67	0.69
London	18	28	0.28	0.17
Lyon	9	15	0.45	0.29
Madrid	10	12	0.43	0.41
Manchester	19	14	0.27	0.35
Milan	24	29	0.20	0.15
Moscow	27	25	0.17	0.19
Munich	22	24	0.24	0.21
Oslo	33	32	0.08	0.08
Paris	16	17	0.32	0.27
Prague	8	4	0.48	0.64
Rome	29	30	0.12	0.14
Stockholm	25	21	0.19	0.24
Vienna	28	26	0.14	0.18
Warsaw	1	1	0.77	0.80
Zurich	31	26	0.10	0.18

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

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 again sees an improvement in terms of the perception of the supply of offices and moves into first place, ahead of London. Leeds sees a rise of four places to fourth, ahead of Madrid and Paris as best for available office space.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	15	15	0.28	0.26
Athens	23	30	0.17	0.08
Barcelona	8	4	0.38	0.48
Berlin	1	2	0.75	0.52
Birmingham	12	12	0.34	0.28
Brussels	10	11	0.36	0.31
Bucharest	10	9	0.36	0.32
Budapest	13	13	0.30	0.27
Copenhagen	30	31	0.10	0.06
Dublin	17	21	0.26	0.19
Düsseldorf	23	20	0.17	0.20
Frankfurt	8	6	0.38	0.41
Geneva	28	33	0.12	0.05
Glasgow	19	18	0.25	0.22
Hamburg	21	16	0.24	0.23
Helsinki	29	26	0.10	0.14
Leeds	3	7	0.45	0.35
Lisbon	14	9	0.29	0.32
London	2	1	0.57	0.64
Lyon	17	23	0.26	0.17
Madrid	4	3	0.44	0.49
Manchester	7	23	0.40	0.17
Milan	23	25	0.17	0.16
Moscow	31	28	0.08	0.11
Munich	16	13	0.27	0.27
Oslo	31	31	0.08	0.06
Paris	5	5	0.41	0.44
Prague	19	16	0.25	0.23
Rome	33	29	0.06	0.09
Stockholm	26	21	0.16	0.19
Vienna	27	27	0.14	0.13
Warsaw	5	7	0.41	0.35
Zurich	22	19	0.18	0.21

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.

London, Amsterdam and Brussels score very strongly for languages spoken, opening up a gap with fourth placed Frankfurt. Frankfurt moves up the ranking ahead of Paris and Zurich.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	2	2	1.05	0.95
Athens	31	32	0.06	0.05
Barcelona	12	11	0.26	0.25
Berlin	8	9	0.39	0.28
Birmingham	17	13	0.19	0.21
Brussels	3	3	0.95	0.90
Bucharest	25	22	0.12	0.12
Budapest	21	24	0.14	0.11
Copenhagen	8	10	0.39	0.27
Dublin	11	12	0.33	0.23
Düsseldorf	19	24	0.16	0.11
Frankfurt	4	7	0.51	0.50
Geneva	5	8	0.50	0.43
Glasgow	33	28	0.04	0.09
Hamburg	21	20	0.14	0.16
Helsinki	21	17	0.14	0.18
Leeds	30	32	0.08	0.05
Lisbon	21	30	0.14	0.07
London	1	1	1.41	1.47
Lyon	29	29	0.09	0.08
Madrid	15	16	0.21	0.19
Manchester	19	21	0.16	0.13
Milan	13	14	0.25	0.20
Moscow	27	31	0.11	0.06
Munich	14	14	0.24	0.20
Oslo	25	22	0.12	0.12
Paris	5	4	0.50	0.61
Prague	16	24	0.20	0.11
Rome	31	27	0.06	0.10
Stockholm	10	6	0.36	0.51
Vienna	27	18	0.11	0.17
Warsaw	18	18	0.18	0.17
Zurich	5	5	0.50	0.59

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

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 London moving further ahead of Paris this year. Berlin holds onto third place ahead of Amsterdam which moves up from tenth place to fourth place.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	4	10	0.50	0.30
Athens	33	33	0.03	0.01
Barcelona	5	4	0.48	0.49
Berlin	3	3	0.64	0.54
Birmingham	17	13	0.22	0.25
Brussels	13	12	0.30	0.29
Bucharest	30	32	0.09	0.03
Budapest	24	26	0.17	0.12
Copenhagen	11	19	0.31	0.21
Dublin	19	25	0.20	0.15
Düsseldorf	27	20	0.15	0.20
Frankfurt	10	8	0.32	0.35
Geneva	9	14	0.35	0.24
Glasgow	17	20	0.22	0.20
Hamburg	19	14	0.20	0.24
Helsinki	22	17	0.18	0.23
Leeds	26	20	0.16	0.20
Lisbon	29	28	0.11	0.10
London	1	1	1.20	1.17
Lyon	16	14	0.23	0.24
Madrid	7	9	0.40	0.33
Manchester	11	10	0.31	0.30
Milan	21	24	0.19	0.16
Moscow	32	31	0.07	0.04
Munich	5	5	0.48	0.48
Oslo	28	26	0.13	0.12
Paris	2	2	0.96	1.11
Prague	22	23	0.18	0.17
Rome	31	30	0.08	0.07
Stockholm	14	7	0.28	0.40
Vienna	14	17	0.28	0.23
Warsaw	24	28	0.17	0.10
Zurich	8	6	0.37	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 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. This year Geneva jumps up the ranking into second place, ahead of Madrid.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	10	11	0.43	0.35
Athens	26	30	0.15	0.12
Barcelona	1	1	1.16	1.24
Berlin	13	19	0.36	0.25
Birmingham	30	27	0.06	0.14
Brussels	18	16	0.32	0.30
Bucharest	33	31	0.00	0.03
Budapest	27	27	0.12	0.14
Copenhagen	8	20	0.44	0.24
Dublin	13	15	0.36	0.33
Düsseldorf	25	27	0.18	0.14
Frankfurt	27	26	0.12	0.15
Geneva	2	9	0.67	0.41
Glasgow	24	23	0.21	0.19
Hamburg	19	11	0.29	0.35
Helsinki	22	21	0.26	0.23
Leeds	19	22	0.29	0.21
Lisbon	17	10	0.33	0.36
London	11	7	0.40	0.48
Lyon	11	18	0.40	0.27
Madrid	3	3	0.62	0.60
Manchester	23	23	0.23	0.19
Milan	21	17	0.28	0.29
Moscow	32	31	0.04	0.03
Munich	6	5	0.50	0.56
Oslo	8	14	0.44	0.34
Paris	4	4	0.59	0.58
Prague	29	25	0.11	0.16
Rome	15	8	0.35	0.45
Stockholm	5	5	0.56	0.56
Vienna	16	11	0.34	0.35
Warsaw	31	33	0.04	0.01
Zurich	7	2	0.48	0.67

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. Stockholm again leads from Helsinki and Oslo as this year's cleanest city and extends the gap between first and second place.

City	Rank		Score	
	2007	2006	2007	2006
Amsterdam	9	12	0.49	0.36
Athens	30	30	0.07	0.04
Barcelona	11	9	0.43	0.51
Berlin	19	20	0.24	0.17
Birmingham	27	22	0.09	0.11
Brussels	18	15	0.26	0.29
Bucharest	32	32	0.04	0.01
Budapest	25	26	0.10	0.09
Copenhagen	5	5	0.81	0.81
Dublin	8	7	0.50	0.64
Düsseldorf	16	19	0.27	0.20
Frankfurt	22	21	0.17	0.14
Geneva	4	6	0.95	0.73
Glasgow	16	17	0.27	0.24
Hamburg	15	13	0.28	0.34
Helsinki	2	3	1.00	0.95
Leeds	12	15	0.40	0.29
Lisbon	13	10	0.38	0.40
London	29	26	0.08	0.09
Lyon	14	18	0.29	0.23
Madrid	23	24	0.14	0.10
Manchester	21	24	0.18	0.10
Milan	31	30	0.06	0.04
Moscow	33	32	0.01	0.01
Munich	7	8	0.51	0.53
Oslo	3	2	0.98	0.98
Paris	24	29	0.13	0.08
Prague	19	14	0.24	0.30
Rome	27	22	0.09	0.11
Stockholm	1	1	1.15	1.01
Vienna	10	11	0.48	0.38
Warsaw	25	26	0.10	0.09
Zurich	6	4	0.72	0.92

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

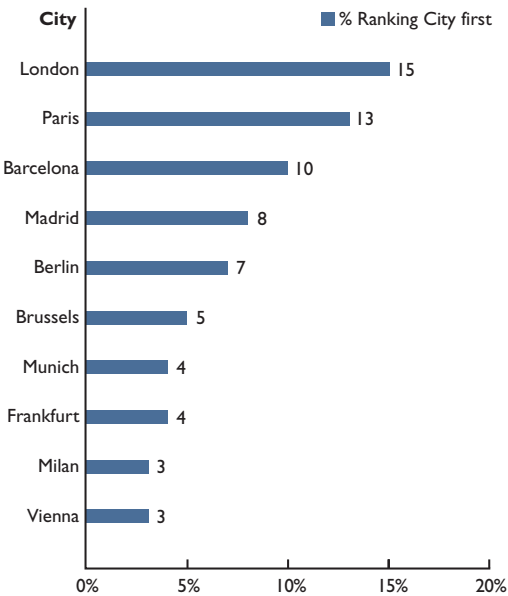
Base: All familiar with location

Best cities in terms of hotel accommodation

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

London and Paris perform well in terms of choice and value of hotel accommodation, while the Spanish cities of Barcelona and Madrid score well and are third and fourth respectively.

Top ten ranked by % of first place mentions



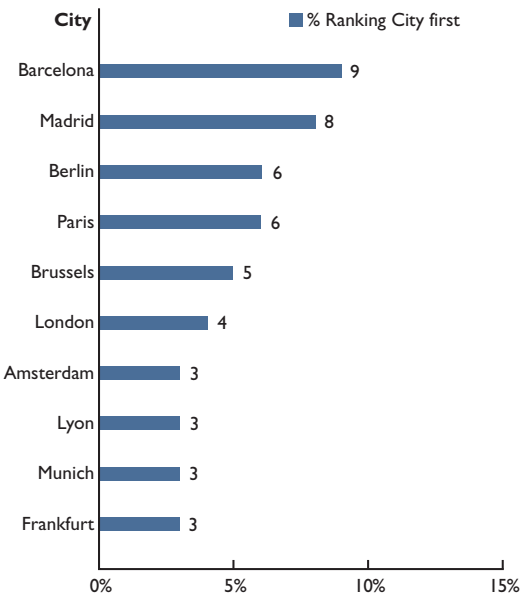
Base: 500

Best cities in terms of residential accommodation for expats

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

No one city really stands out for this factor, with no destination commanding more than 10% of first place nominations. Overall the Spanish cities perform relatively well, with Barcelona in first place ahead of Madrid. Berlin also scores well.

Top ten ranked by % of first place mentions



Base: 500

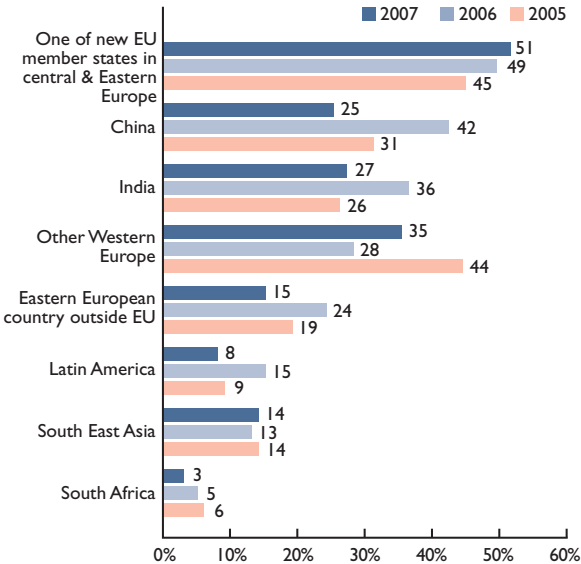
Relocating/outsourcing – the last 12 months

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.

Increasingly, companies are showing a willingness to move their operations. This movement is often international as companies adopt a global view.

More than a fifth of companies sampled (22%) have relocated or outsourced operations to another country in the past 12 months. This continues the upward trend seen from previous surveys.

Central & Eastern Europe has again been the favourite destination, with over half of companies relocating to these countries. China and India continue to attract a large share of relocations but their proportion was down as relocation to other Western European destinations was more popular.

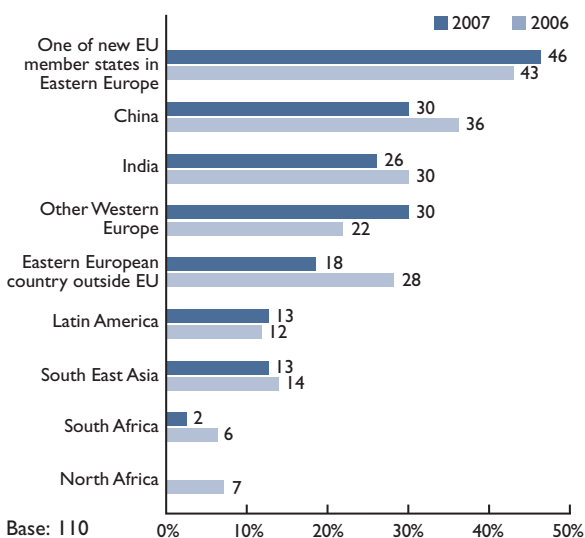


Base: 110

Relocating/outsourcing – the next 2 years

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

One in five companies (22%) is thinking of relocating or outsourcing European activities to another country in the next two years. This is a similar proportion to 2006. Again Central & Eastern Europe is increasingly the favoured destination with the gap widening between the next most popular destinations. A third of companies expect to outsource to China, but along with India both destinations see a slight fall in popularity. Companies seem to be expecting to relocate closer to home with other Western European countries increasingly attractive.



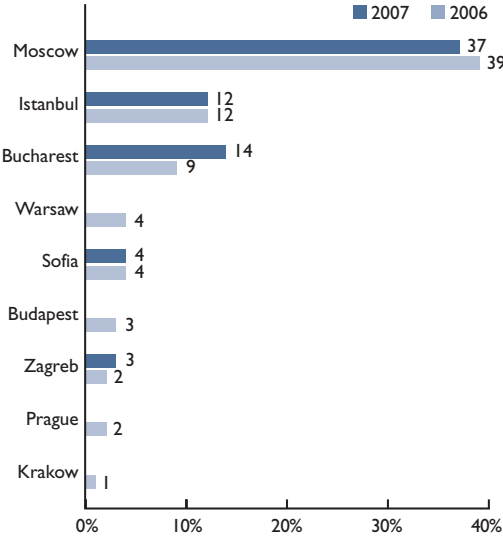
Companies expect production and assembly to be the most likely affected by relocating or outsourcing in the next two years, although this is lower than 12 months ago. Admin & support functions are likely to be outsourced in future by around a third, while an increasing proportion expects to outsource R&D.

	2007 %	2006 %
Production & Assembly	50	63
Distribution & Logistics	24	32
Admin & Support (e.g. finance, legal, IT, HR)	30	30
Research & Development	23	18
Marketing & Sales Support	16	17
Call Centre Operations	12	16
Other	8	5

Base: 104

Greatest business opportunities

In light of further expansion towards Eastern Europe, Moscow is still seen as offering the greatest prospects for business by some considerable margin. More than a third state that it is the most important market. Since joining the EU Bucharest sees its potential increase, ahead of Istanbul. These three cities are well ahead of the other eastern European cities.



Base: 500

Offsetting rising operating costs

In light of rising property operating costs, companies were asked to consider which course of action they might consider to help reduce the burden. Half of those sampled expect to adopt flexible working practices as a way of offsetting these rising costs, closely followed by consolidation into one building.

Relocation is a real option but generally within the same country. A third expect to offset costs by relocating to a cheaper submarket while 12% are inclined to relocate to another lower cost destination within the same country. Having said this, one in five expects to consider relocating to another lower cost country.

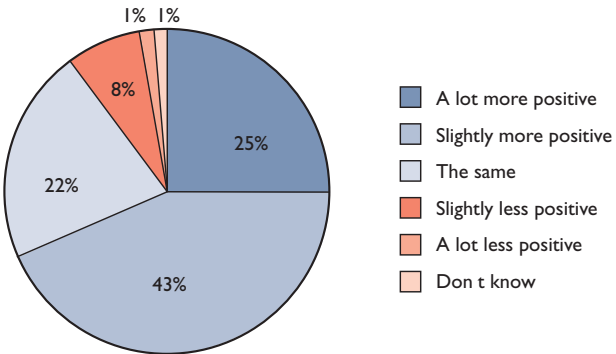
2007 %

Adopt flexible working	50
Consolidate into one building	45
Relocate within existing location to cheaper submarket	36
Relocate to another destination in same country	12
Relocate to another lower cost international destination	21
Rising costs will not affect company	5

Base: 500

Business prospects

This year we asked companies what their overall feeling regarding their business prospects is and encouragingly more than two thirds are more positive than a year ago. In fact a quarter are a lot more positive, with similar proportions across all sectors. Fewer than 10% are less positive than a year ago.



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 15,000 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 2007 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 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 33.

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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