



European Cities Growth Index (ECGI)

October 2022

Investing today. For tomorrow.

New name as of 2021

European Cities Growth Index (ECGI)



Launched in 2000

- Shows relative economic performance compared to the European average



Europe-wide coverage

- 30 countries
- 265 European regions
- Ranking of 93 cities



Frameworks for real estate strategy

- Proxy for office occupier demand

This is not our real estate view but the first step of an investment strategy.

Methodology & components

European Cities Growth Index (ECGI)

45%



Economic growth

- Gross domestic product (GDP)
- Service employment

35%



Human capital

- Skilled labor force
- Creativity and patents
- Population wealth

20%



Business environment

- Political stability
- Sovereign default and trade credit risk



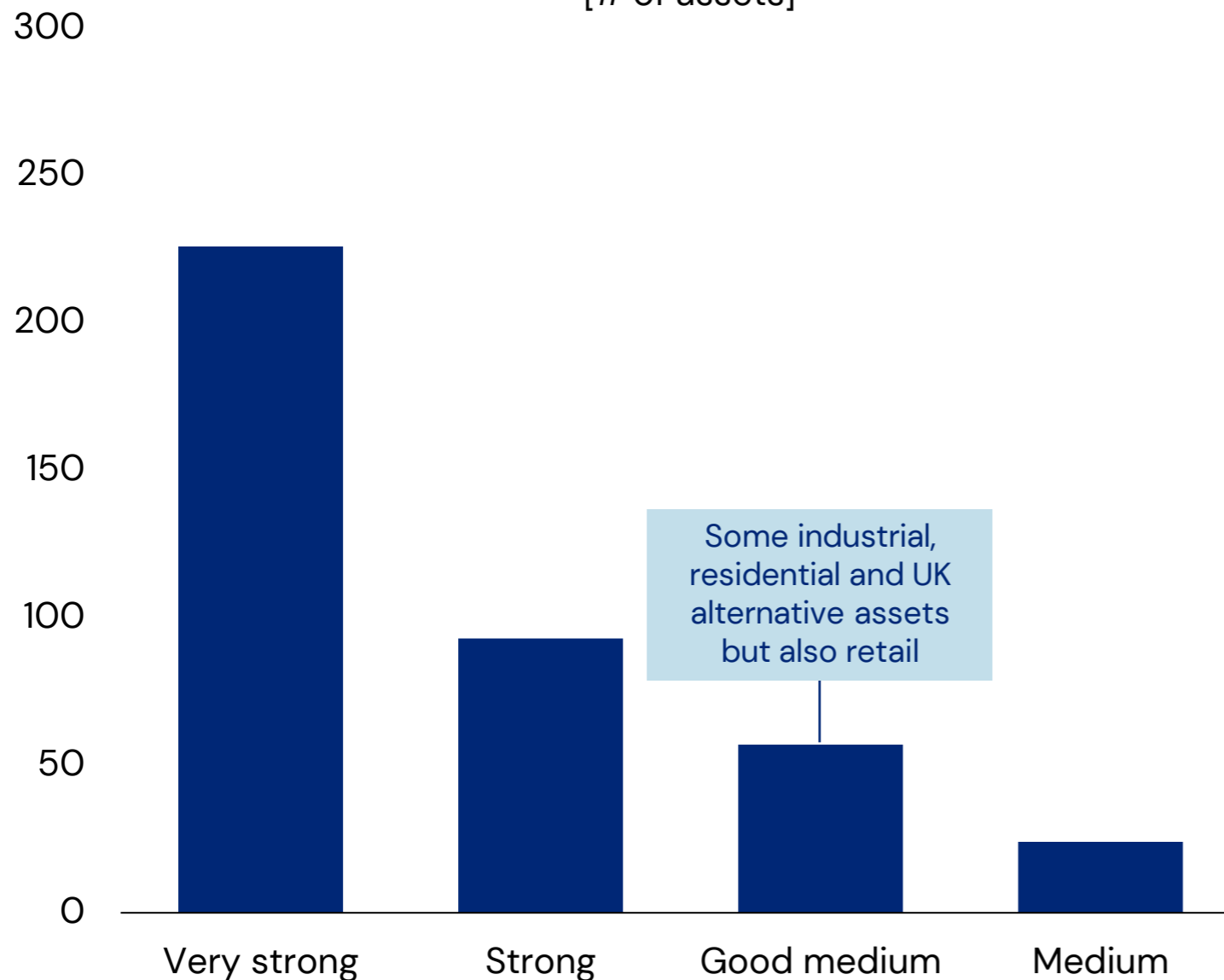
Transparency

JLL Transparency Index

LaSalle broadly follows ECGI's key principle

The ECGI growth matrix as a valuable tool in optimizing our portfolios

LaSalle Europe AUM by ECGI Score
[# of assets]



LaSalle Europe AUM by ECGI Score:
[% share of LaSalle's AUM in Very strong & Strong locations]

90%

Office

67%

Retail

82%

Industrial / logistics

80%

Residential

79%

Hotels / student housing / other (&mixed)

Key stories

London and Paris sustain the leading position together with **Munich** all scoring consistently in top 10 since the inception of the index



Secondary markets (eg **Barcelona, Vienna, Rotterdam**) experiencing influx of new skilled and professional labour.



German cities prove to be less volatile in economic crisis with cities complementing each other across the economic offering



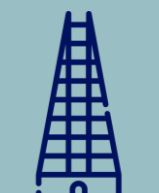
Strong improvements across **major cities in CEE** thanks to nearshoring and solid population growth



Amsterdam is to rise as it joins the top 10 for the first time in two decades



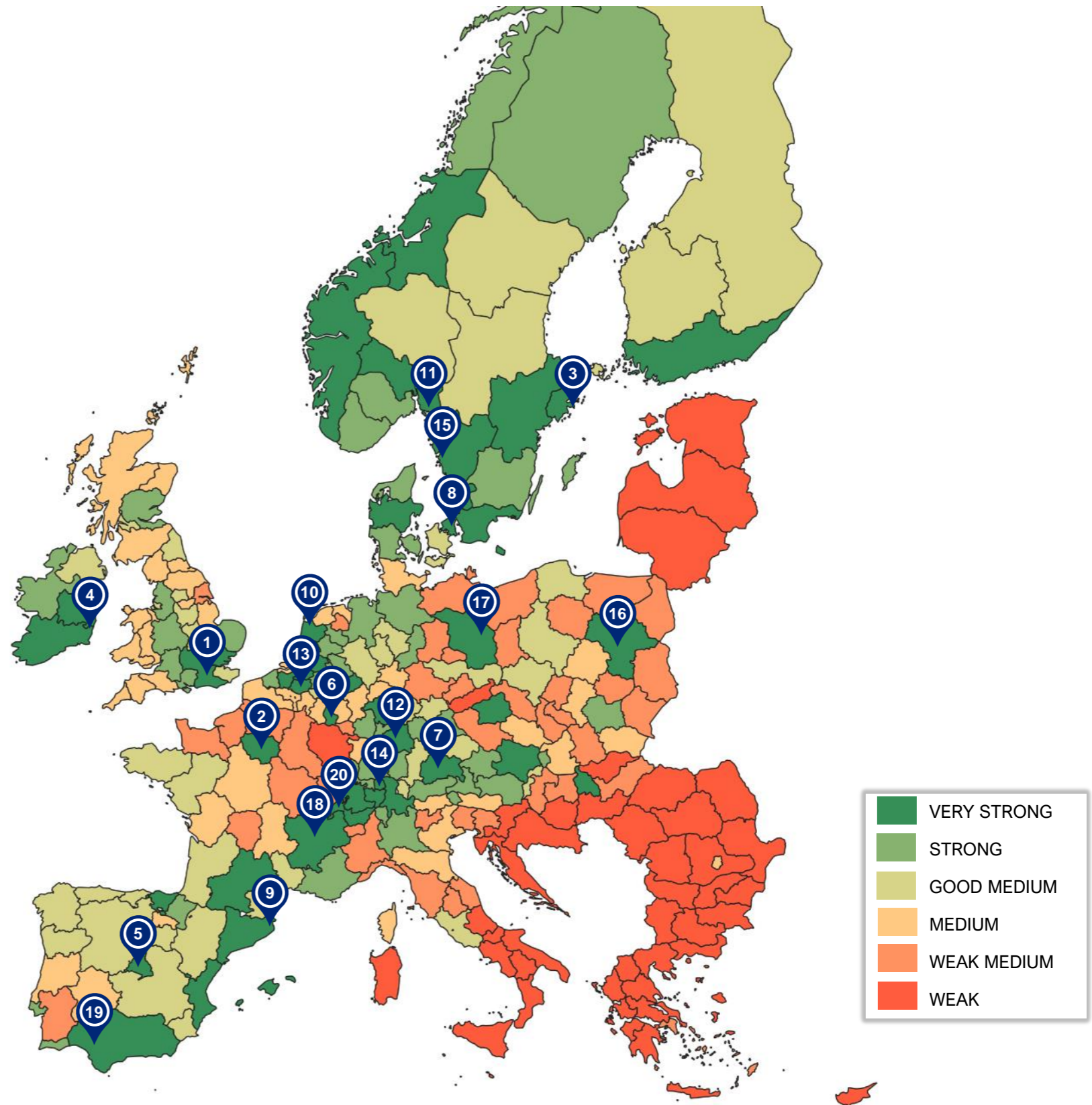
Polarization between London and **UK regional cities** widens



London & Paris maintain position as the “Big Two”

Amsterdam and Dublin joins the top ranks owing to stronger economic growth prospects

ECGI 2022 Top 20 Cities
London
Paris
Stockholm
Dublin
Madrid
Luxembourg
Munich
Copenhagen
Barcelona
Amsterdam
Oslo
Stuttgart
Brussels
Zürich
Gothenburg
Warsaw
Berlin
Lyon
Seville
Geneva



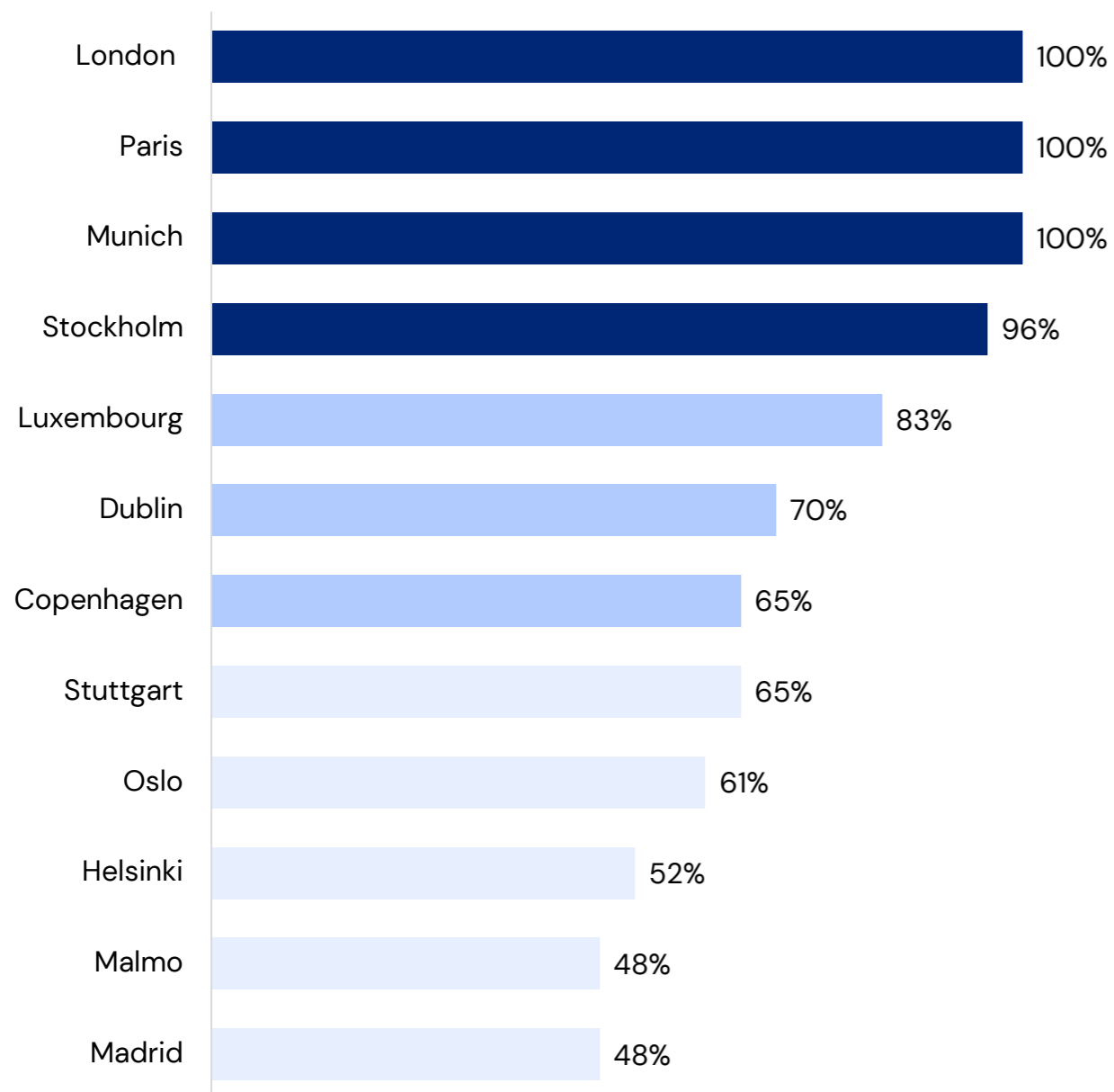
Source: LaSalle (10/22)

London, Paris & Munich consistently in top 10 since the inception of the index

However, scores worsened in the largest group of cities in light of weak economic conditions

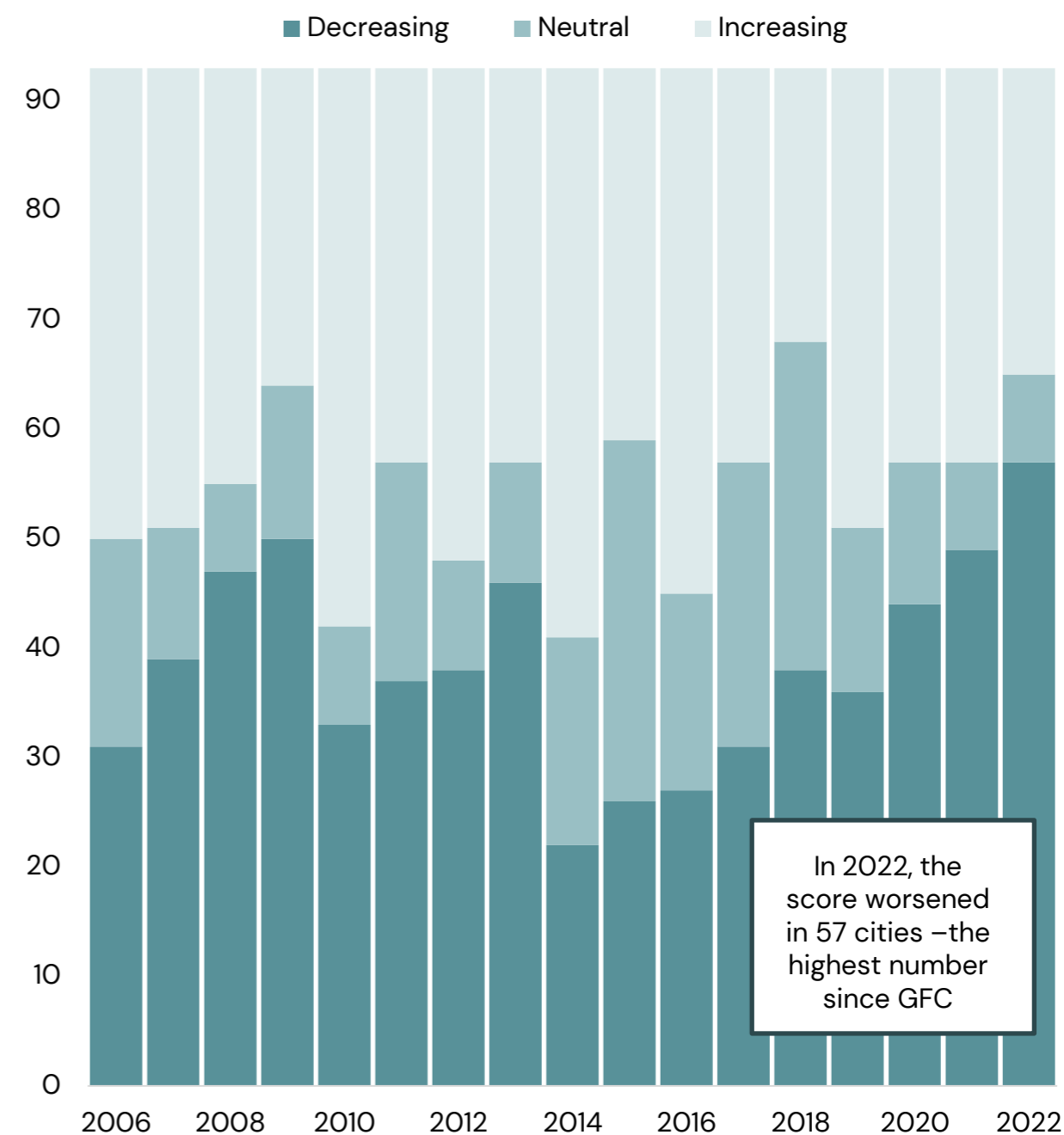
In Top 10 position since ECGI inception

[% of times in the top 10 since 2000]



City movers

[# of cities, ECGI historic score changes of all cities]

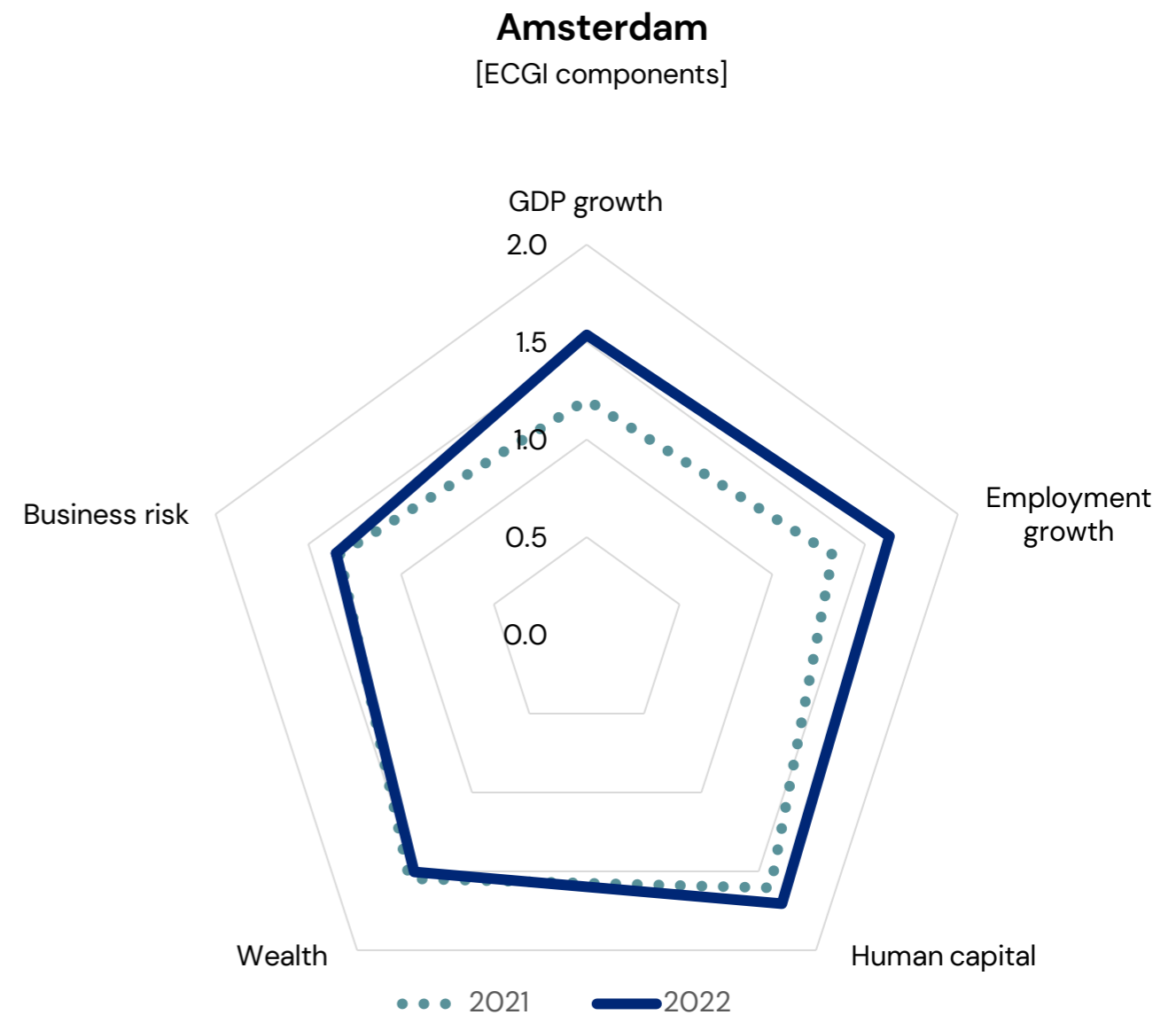


In 2022, the score worsened in 57 cities – the highest number since GFC

Source: LaSalle (10/22)

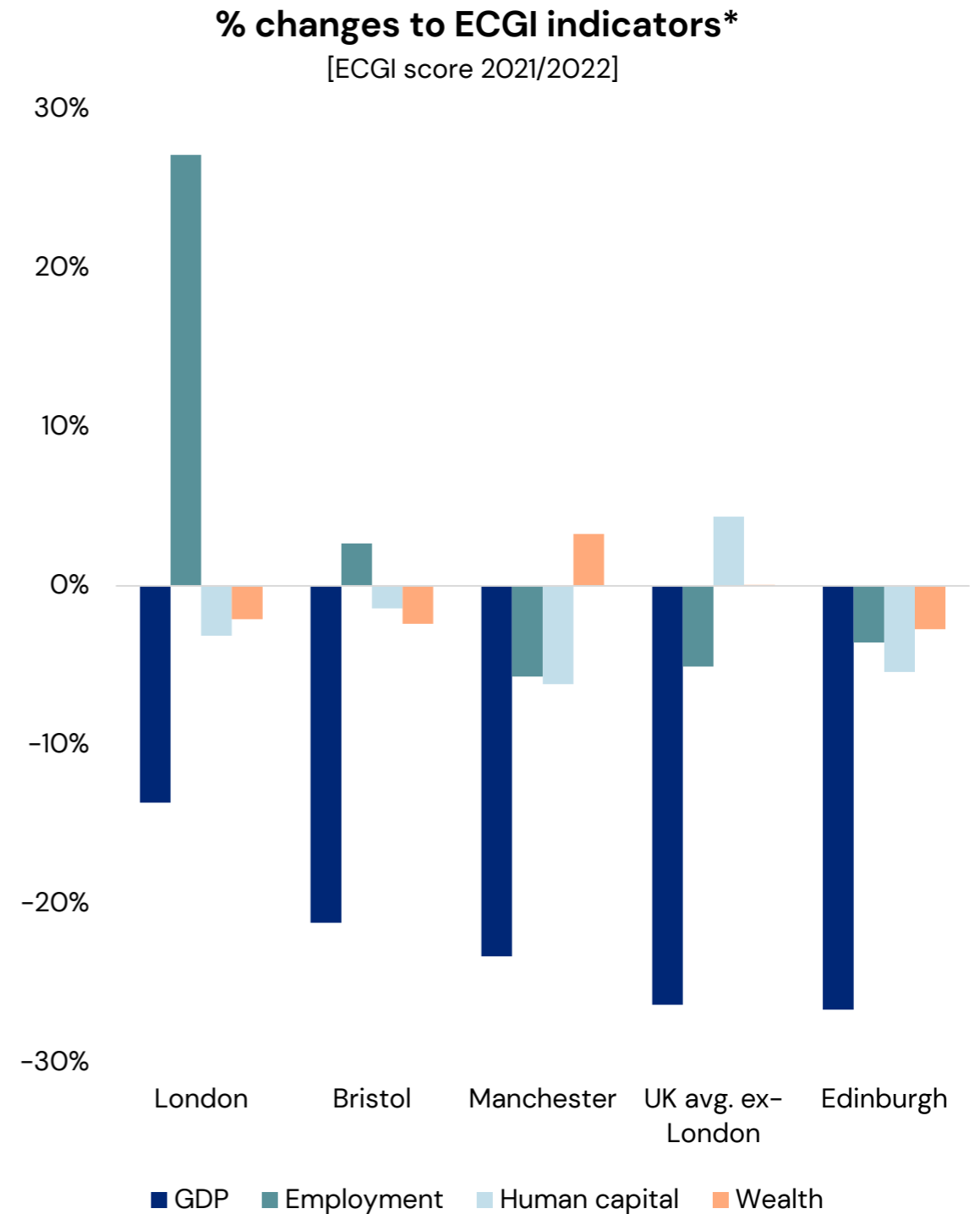
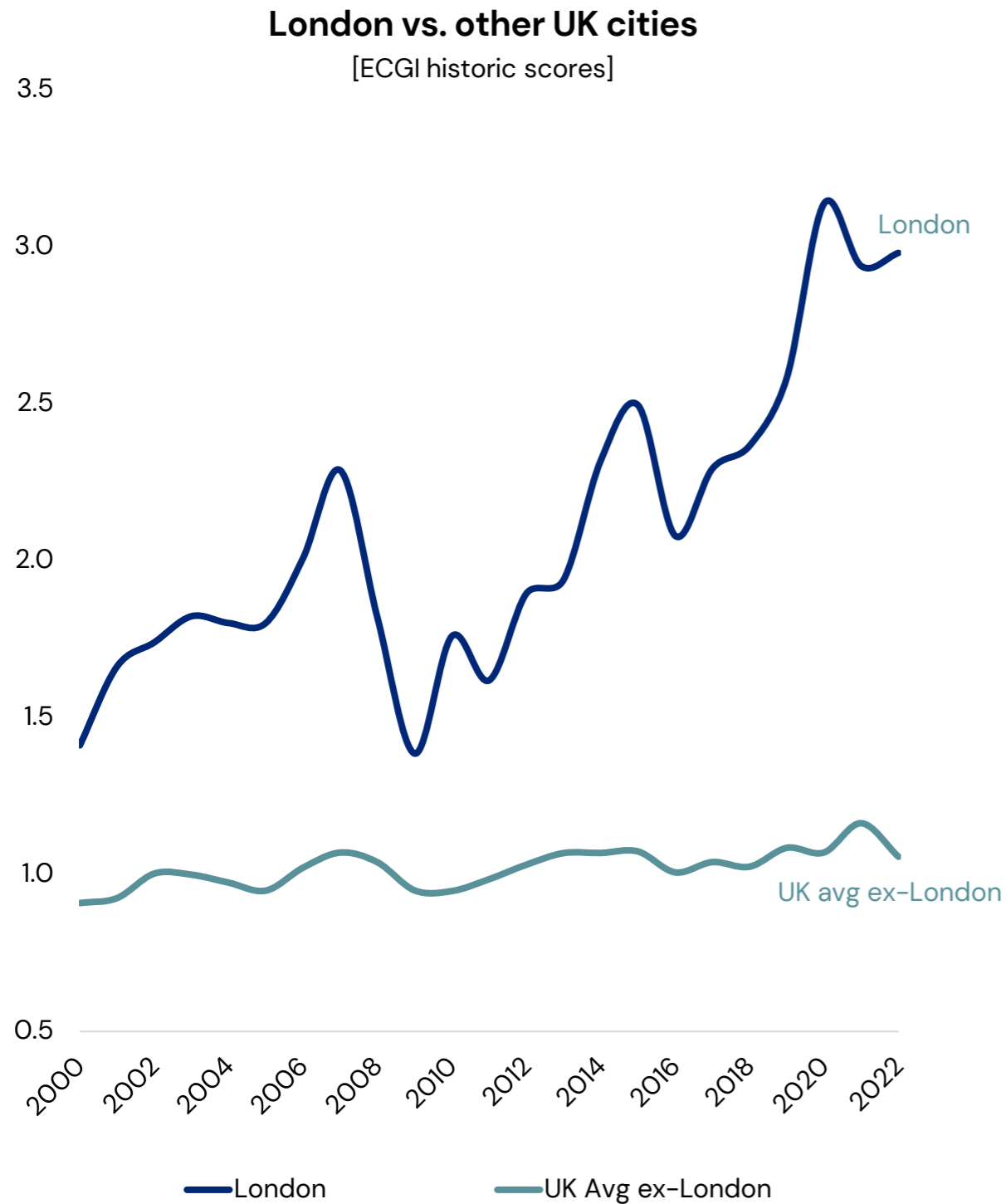
Amsterdam enters Top 10 after two decades

The city's human capital and employment growth prospects are exceptionally strong



Strong polarization between London and the rest of UK

Regional UK cities feel more pressure from sharply increasing energy costs



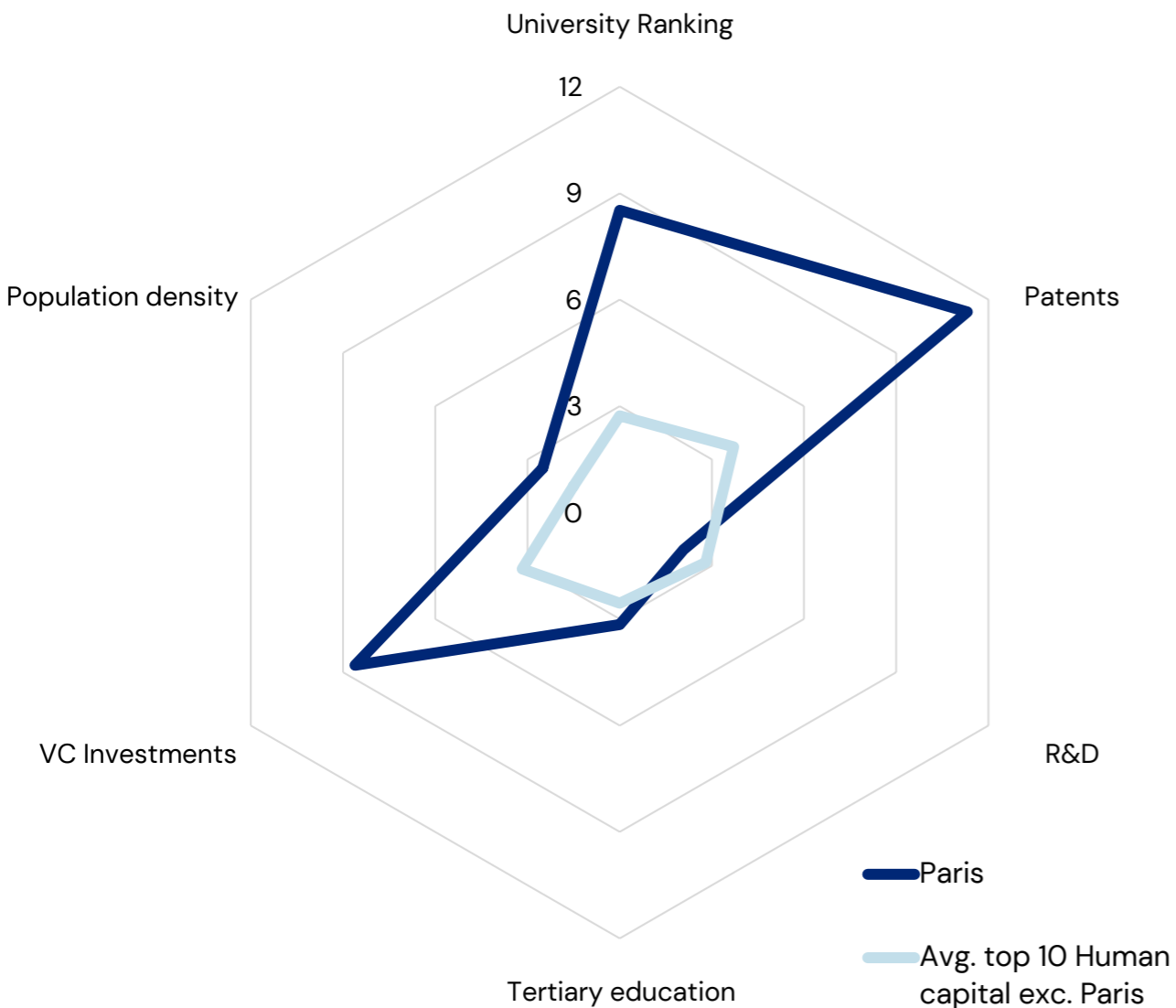
* Excluding business risk indicator
Source: LaSalle (10/22)

Paris leads on the Human Capital Index

Further establishing itself as one of Europe's key innovation and tech hubs as well as globally

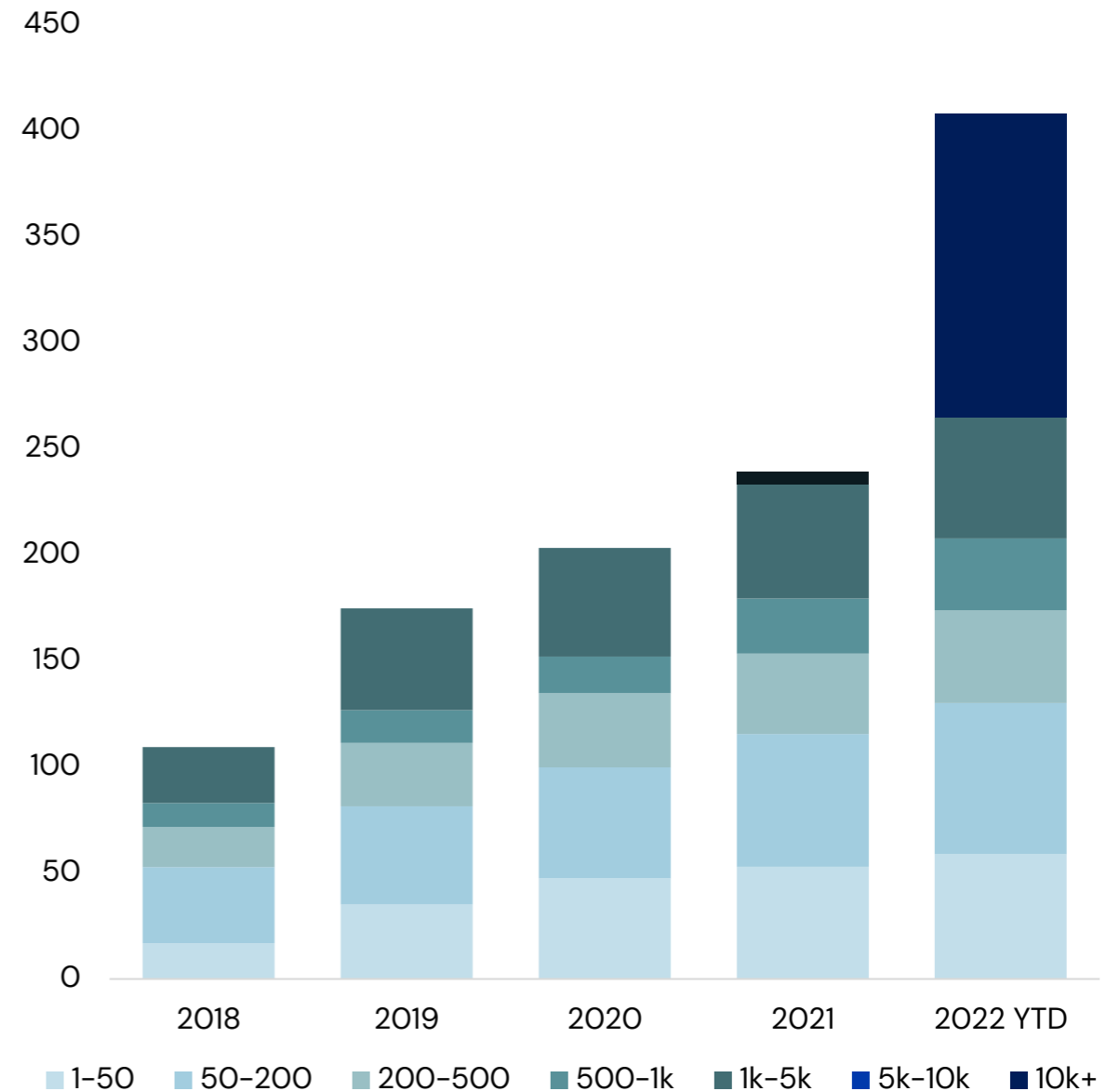
Paris vs. Top 10 human capital cities*

[Human capital components]



Paris start-ups and scale-ups

[Number of employees by company size, thousands]

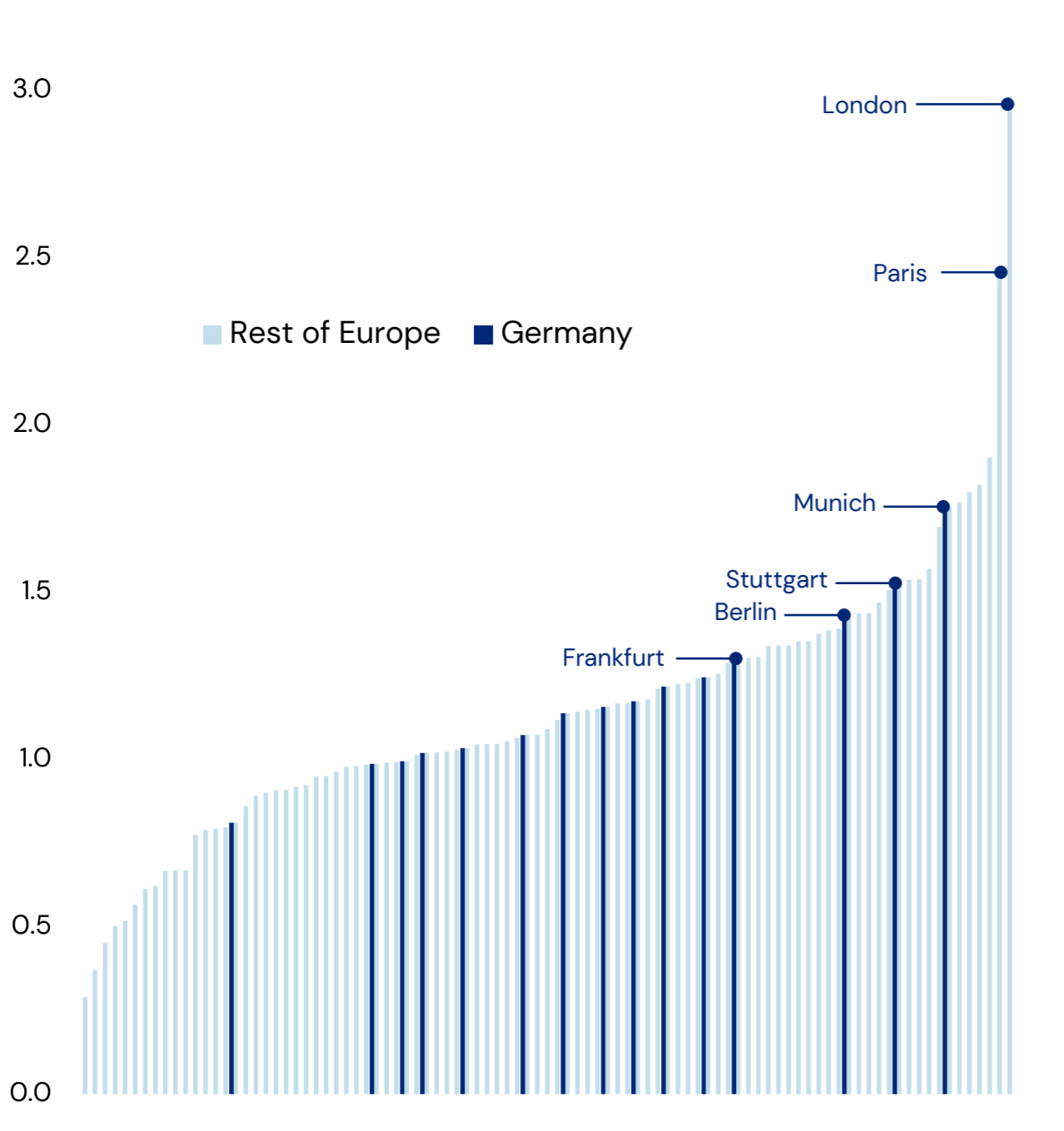


*Cities include: London, Munich, Stockholm, Stuttgart, Copenhagen, Brussels, Helsinki, Zürich, and Lyon
Source: LaSalle (10/22), La French Tech (09/22)

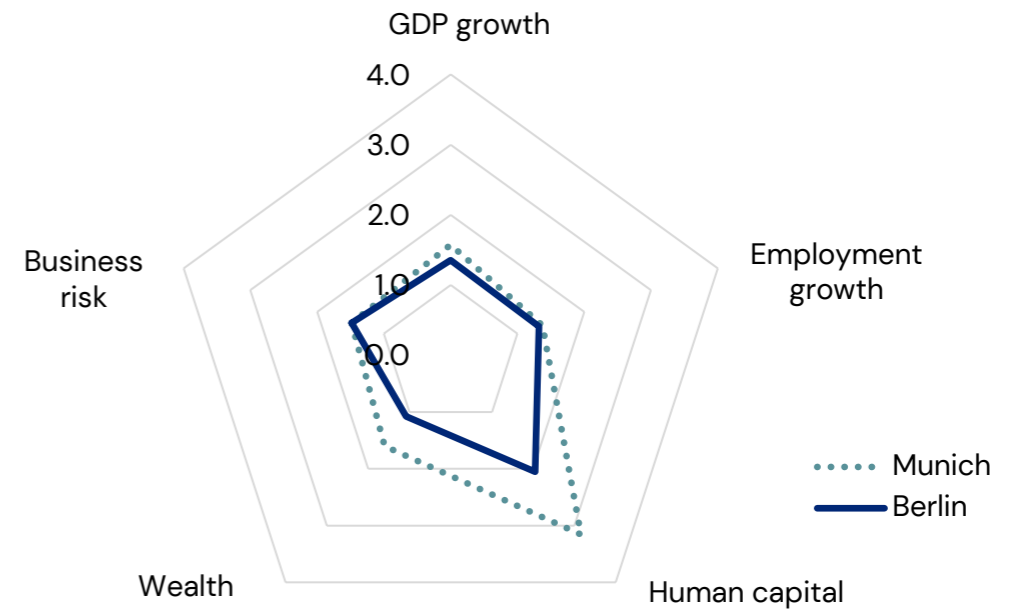
Munich and Berlin reinforce their complementary specialties

Strong human capital driven by Berlin's booming start-up scene and innovation in Munich

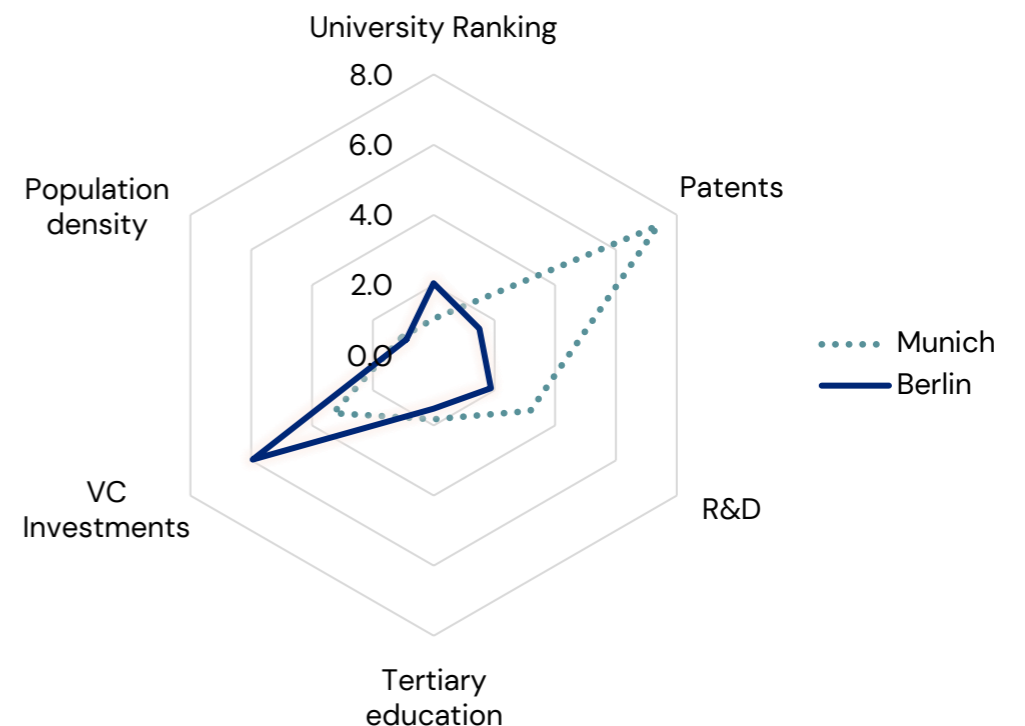
European Economic Outlook
[ECGI score; 2022]



Munich vs. Berlin
[ECGI components]



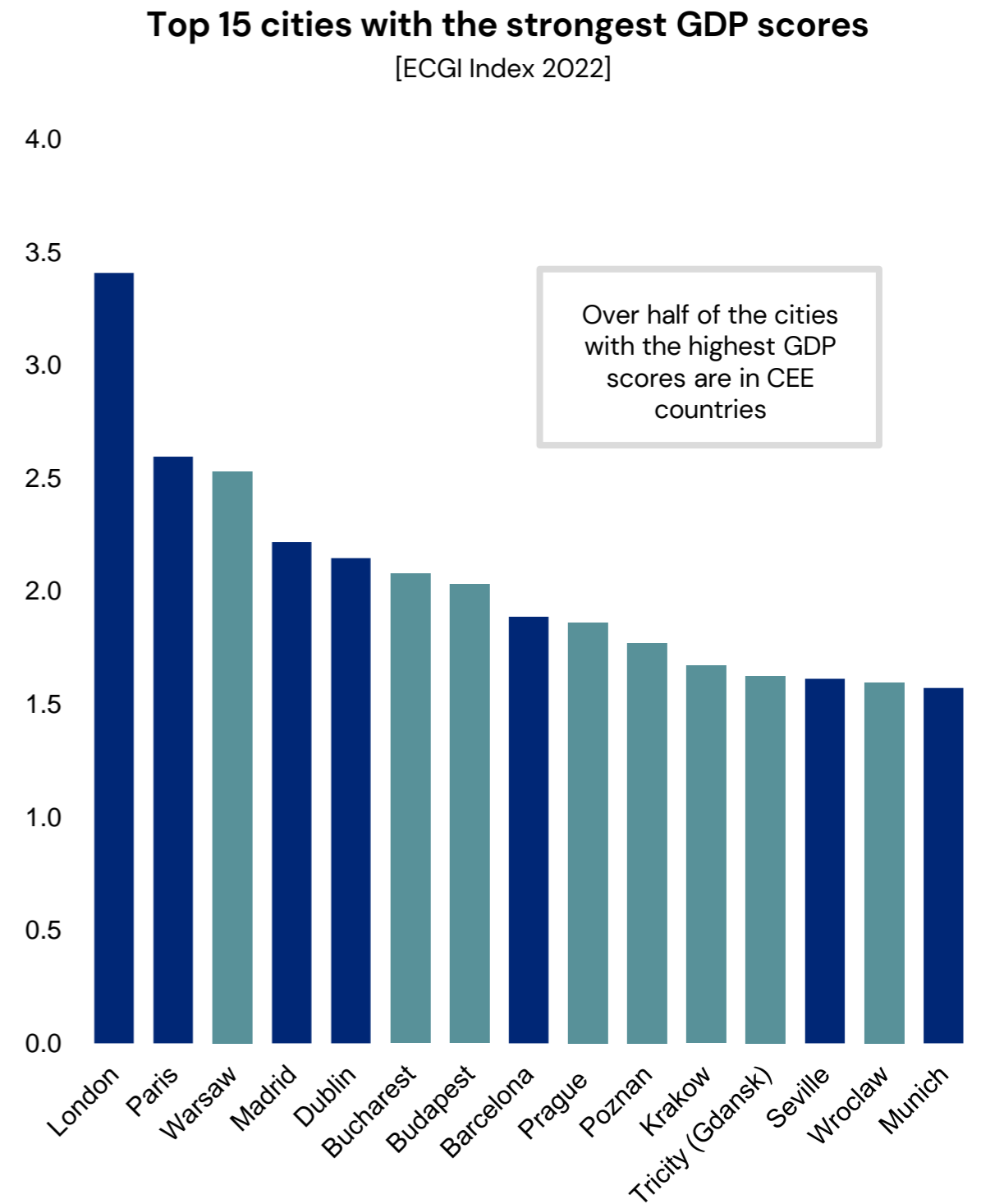
Munich vs. Berlin
[Human capital components]



Source: LaSalle (10/22)

ECGI scores for CEE cities exceed pre-pandemic level

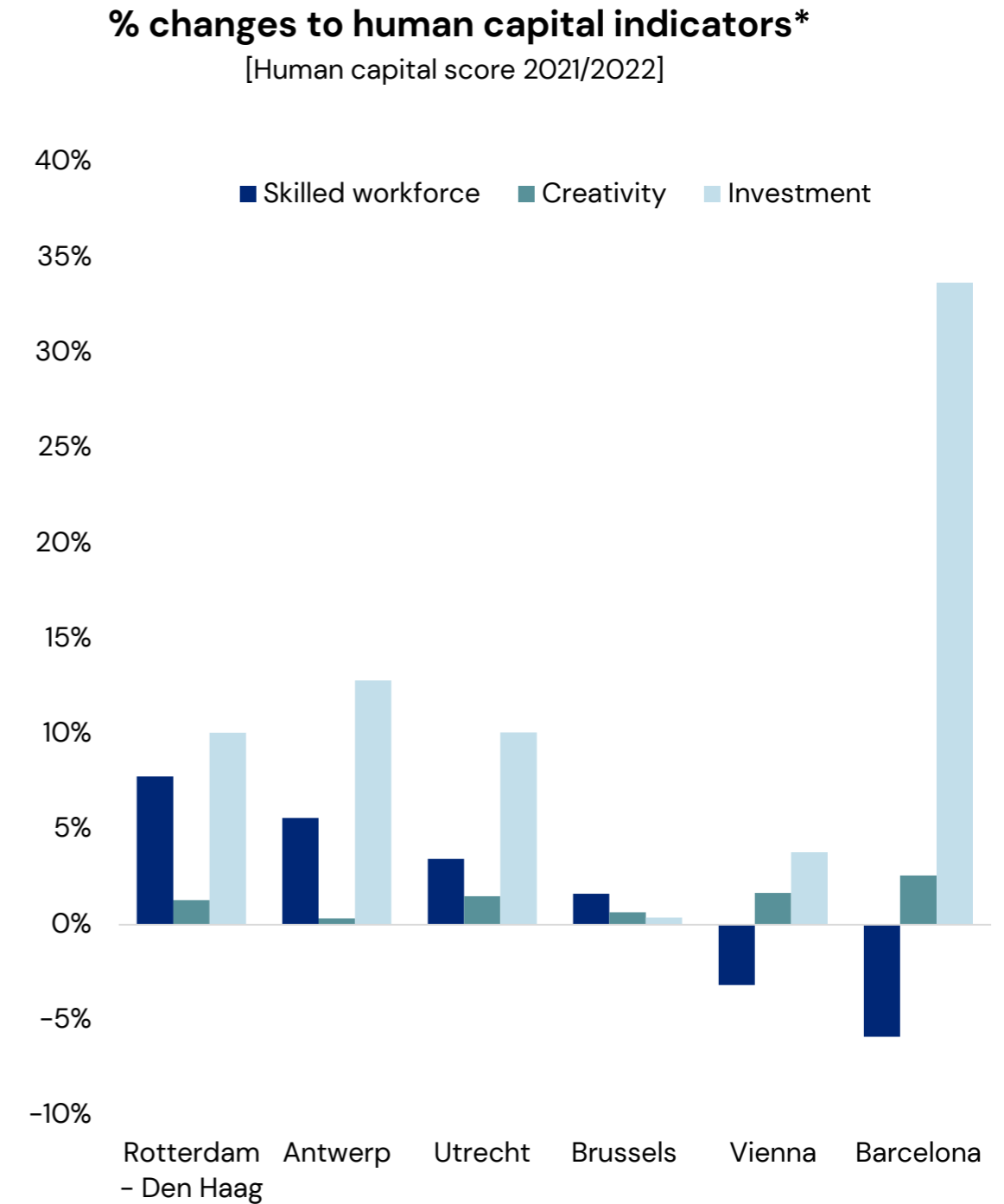
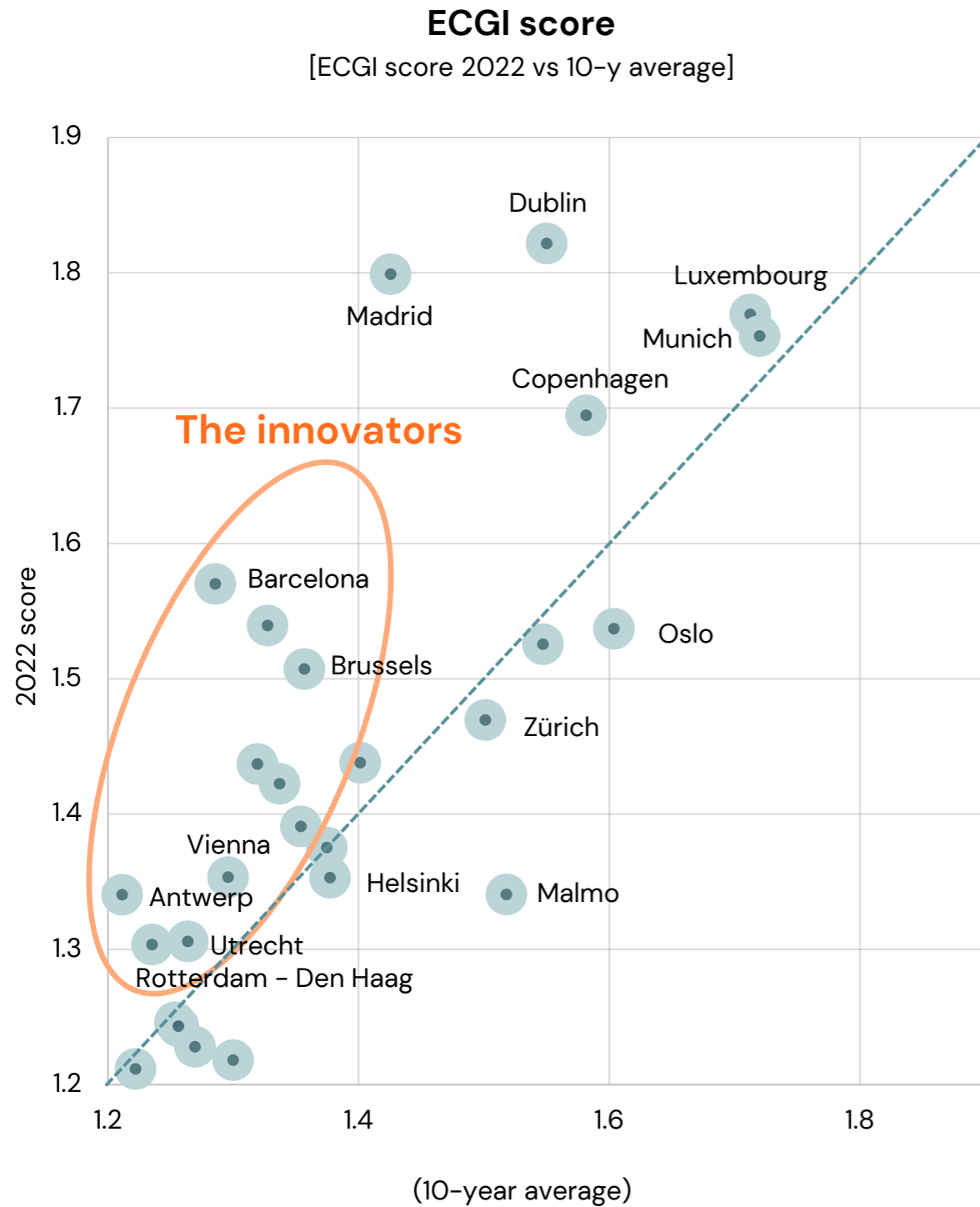
Deglobalization generates nearshoring surge in CEE, translating into stronger growth expectations



Source: LaSalle (10/22)

Migration towards secondary markets

“Innovator” cities experiencing influx of new skilled and professional labour



* Consolidated indicators, please refer to page # for category composition
Source: LaSalle (10/22)

New ideas for ECGI

Completed



**Logistics
sub-index**

Path-of-goods movement variables

In progress



Climate risk

TCS or MSCI climate risk data



**Living
sub-index**

Stages of life demographic variables



**Hospitality
sub-index**

Travel and tourism variables

Possible additions to European cities grown index methodology

Amsterdam

Atlanta

Baltimore

Chicago

Denver

Hong Kong

London

Los Angeles

Luxembourg

Madrid

Mexico City

Munich

New York

Paris

San Diego

San Francisco

Seoul

Shanghai

Singapore

Sydney

Tokyo

Toronto

Vancouver