



# European Cities Growth Index (ECGI): 2023

September 2023



# Key stories

**London and Paris** rank first and second; together they are expected to drive as much absolute growth as the next 9 cities combined.



The Nordic cities of **Stockholm and Copenhagen** rank in the top 5 as a result of their bright long term demographic outlook and growth of their world-leading green export industries.



Most **German** cities decline in rank due to the impact of an aging population. Yet **Munich** and **Stuttgart** continue to rank highly and **Berlin** has bucked the trend as a steady improver.



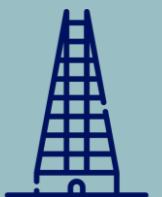
**Rome** and other Italian city rankings are most impacted by taking into a new measure of change in extreme heat days over the next 50 years.



The **gap between leading and lagging** cities in ECGI has risen to a record spread, with expected growth more concentrated than ever.

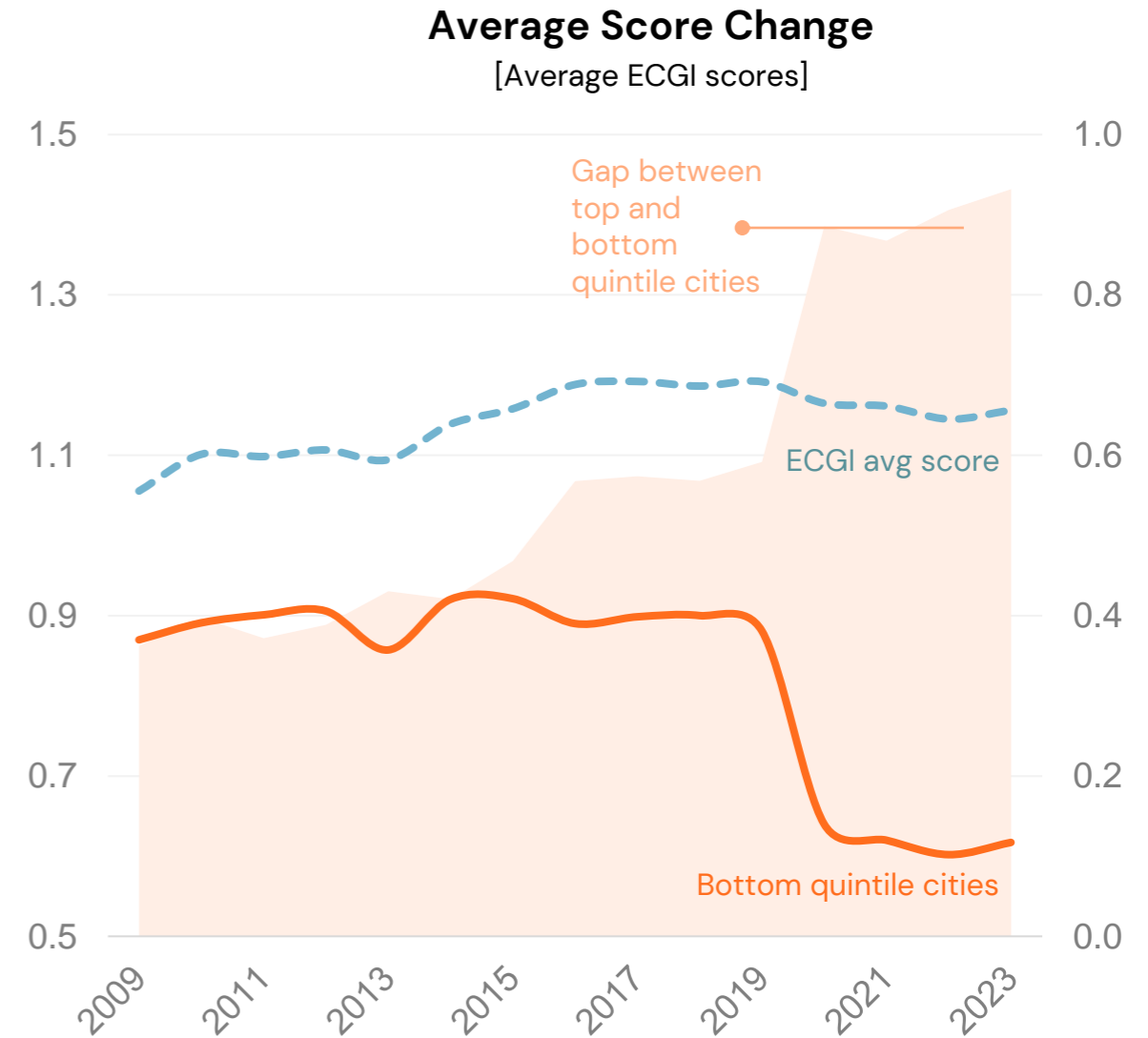
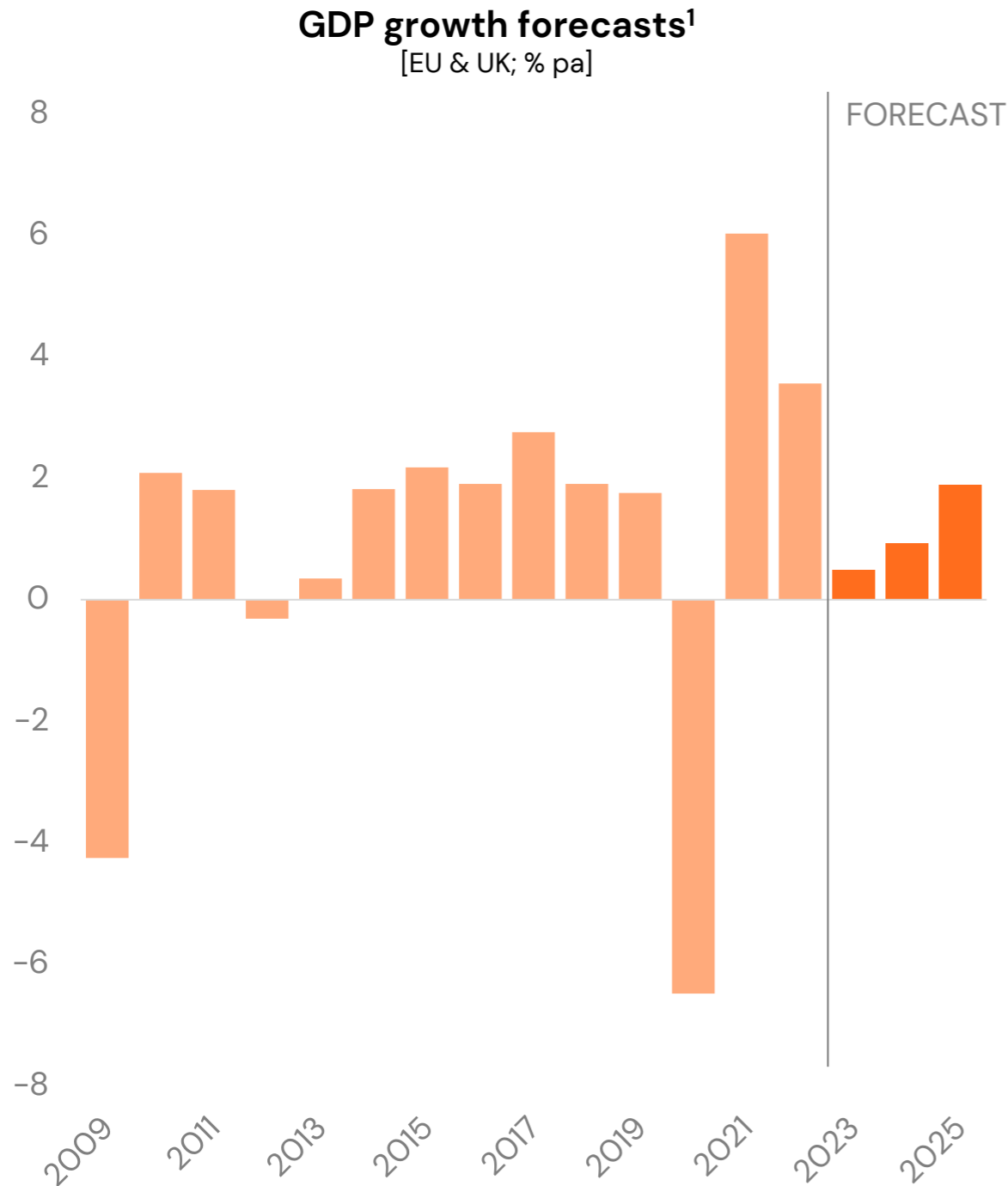


Wide polarization between London and **UK regional cities** with exception of **Bristol** and its improving economic profile.



# Looking through the current economic cycle

In a low growth environment, winners distance themselves more from the weakest cities



The slow near-term growth is offset by pockets of growth in ECGI winning cities. The gap between cities in top and bottom quintiles has widened. The weak cities struggle to recover post Covid while the top quintile cities distance themselves further.

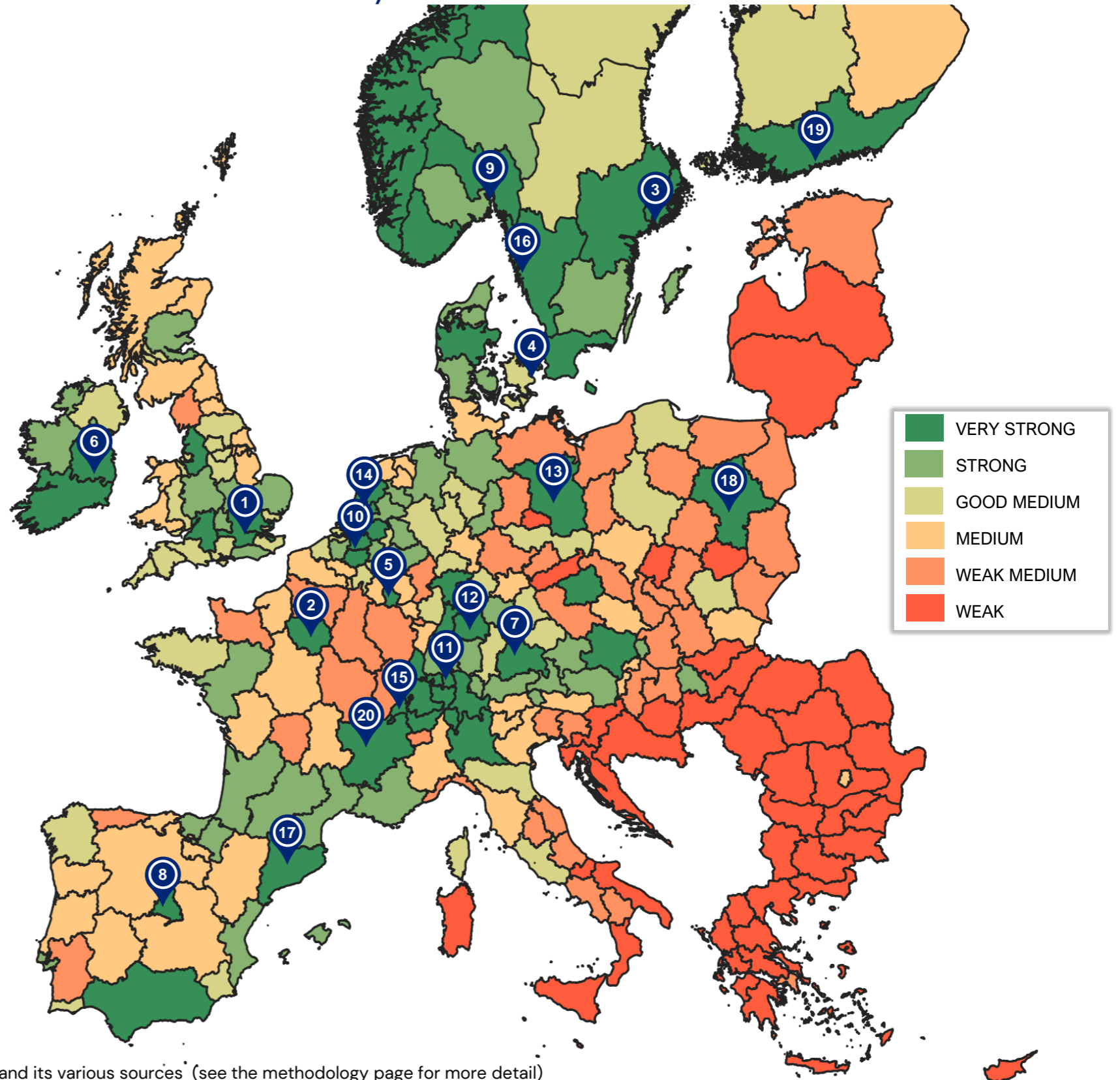
Source: LaSalle (08/23), Oxford Economics, European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

No assurances are given that these forecasts will materialize as forecasted. Nothing herein constitutes a guarantee or prediction of future events or results and accordingly the information is subject to a high degree of uncertainty.

# London & Paris maintain top positions

Copenhagen reached top 5 for the first time in the history of the index

ECGI 2023 Top 20 Cities
London
Paris
Stockholm
Copenhagen
Luxembourg
Dublin
Munich
Madrid
Oslo
Brussels
Zurich
Stuttgart
Berlin
Amsterdam
Geneva
Gothenburg
Barcelona
Warsaw
Helsinki
Lyon



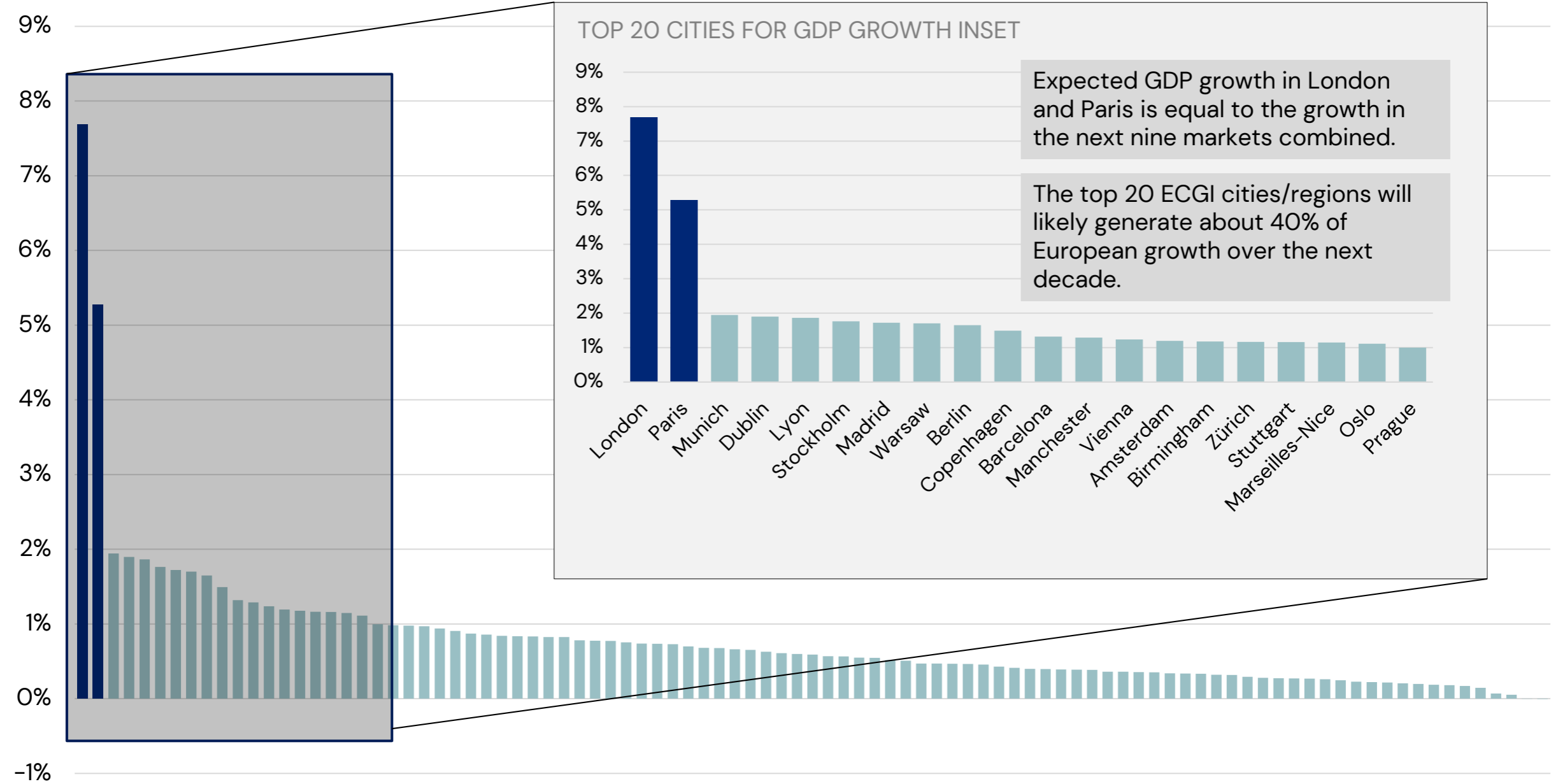
Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

# London and Paris have unparalleled growth outlook

European cities with the most absolute growth expected in the next decade

## GDP growth forecasts

[% of all growth in the Eu and UK over next 10 years, all 95 European cities include in ECGI]



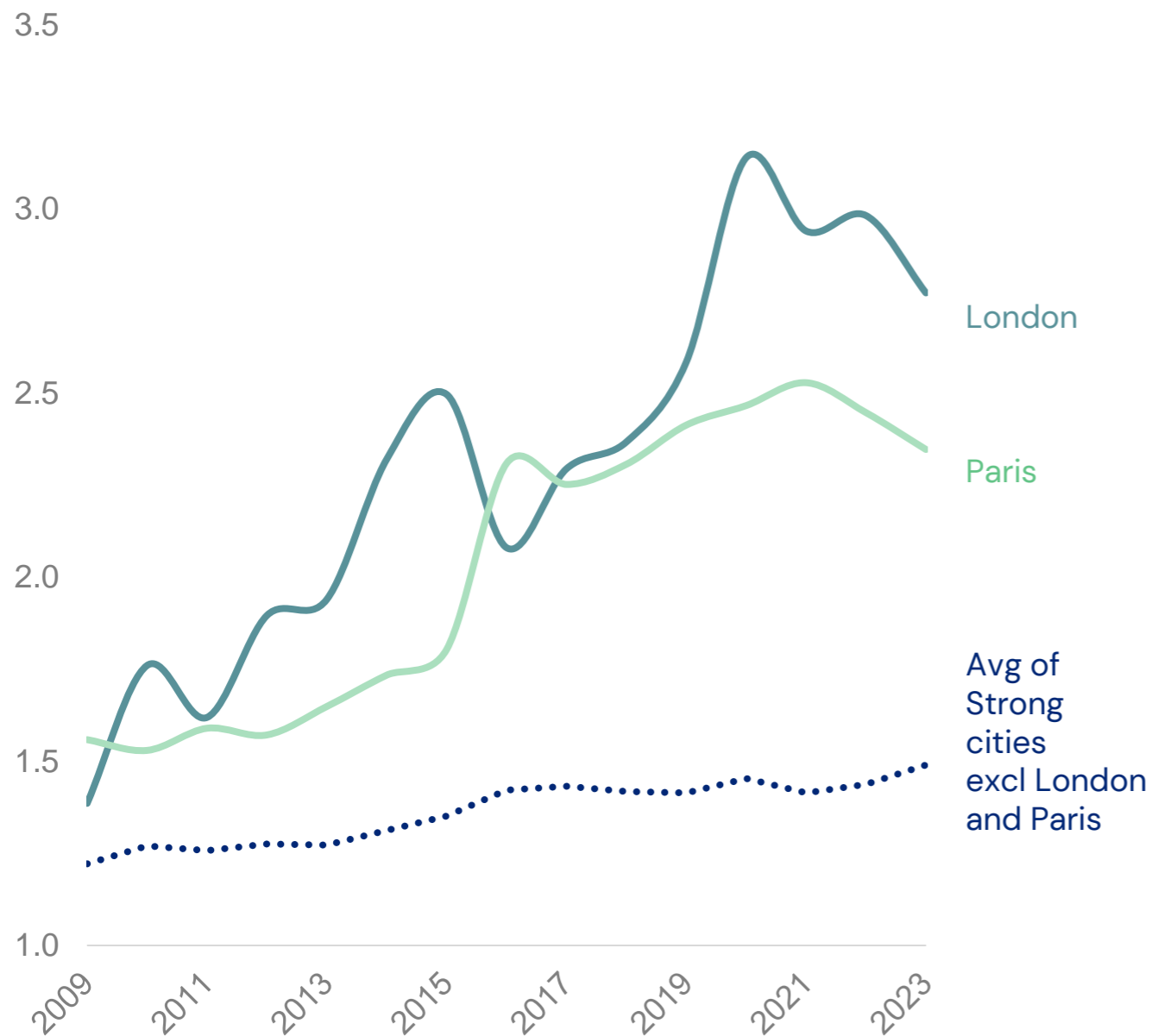
Note: LaSalle has aggregated NUTS 2 and UK ITL regions to best match functional metropolitan market regions, encompassing both the central city and its connected suburbs throughout the ECGI analysis.  
 Source: LaSalle (08/23), Eurostat, European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)  
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# “Big Two” coming off their historic peaks

All Nordic capitals improved substantially in 2023 and all ranked in top 20

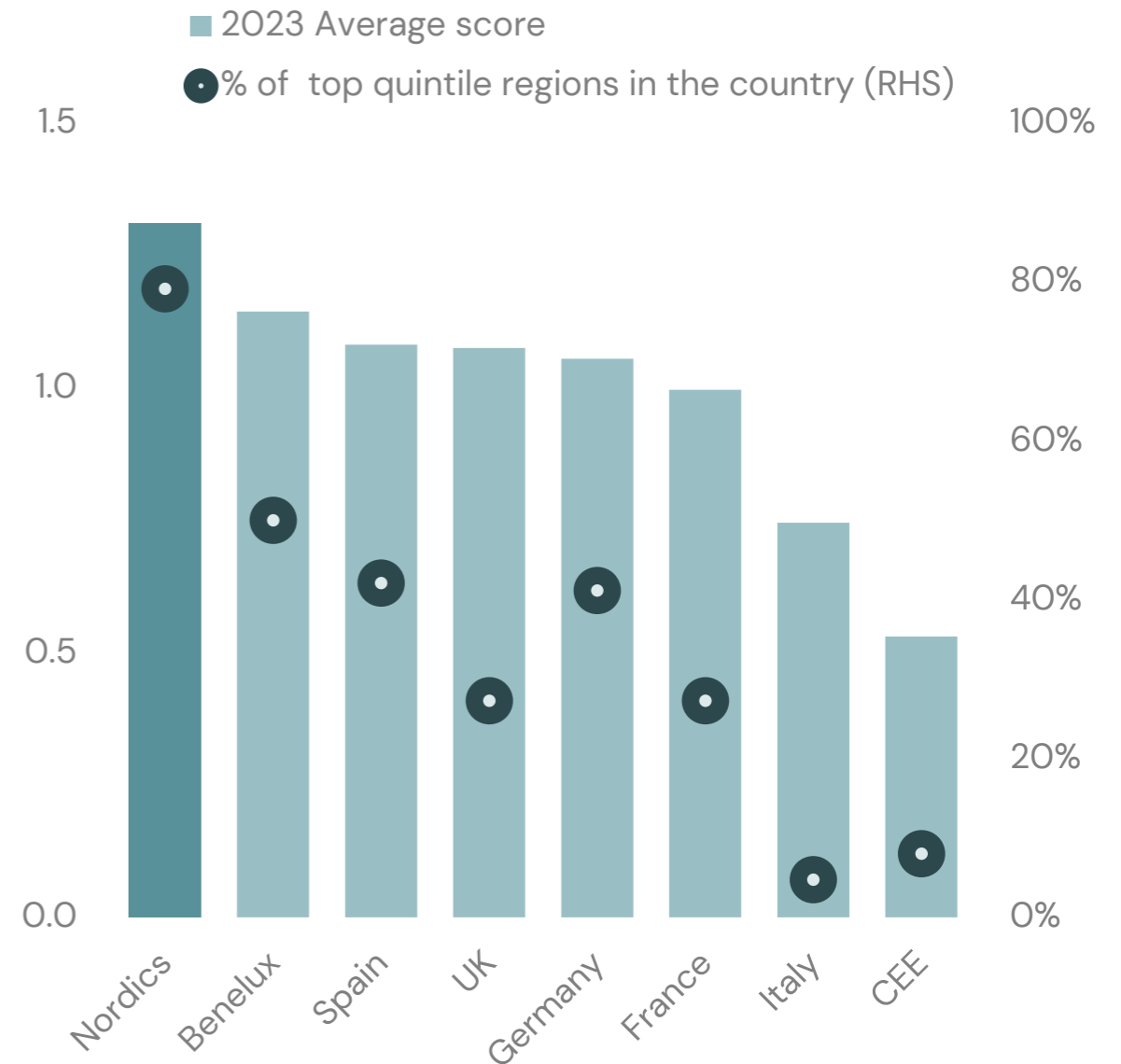
## “Very Strong” cities over time

[ECGI historic scores; the higher score, the better prospects]



## Share of top quintile cities and regions

[ECGI 2023; the higher score, the better prospects]



Wide-spread growth prospects in the Nordic cities and its regions lay in contrast to Italy and Central Eastern Europe where a major city drives growth of each country.

Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

# London drives the UK economy

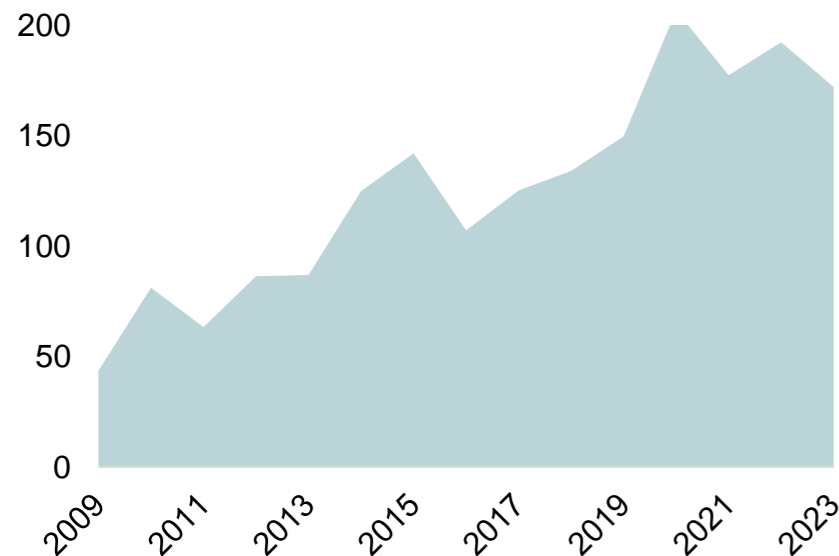
The gap between London and regional cities is opening with Bristol being a rare exception.

ECGI 2023 Top UK cities	European rank
1. London	1
2. Bristol	31
3. Manchester	33
4. Cambridge-Norwich	36
5. Birmingham	39



## London vs Regional UK Cities

[Gap between London score and UK average]



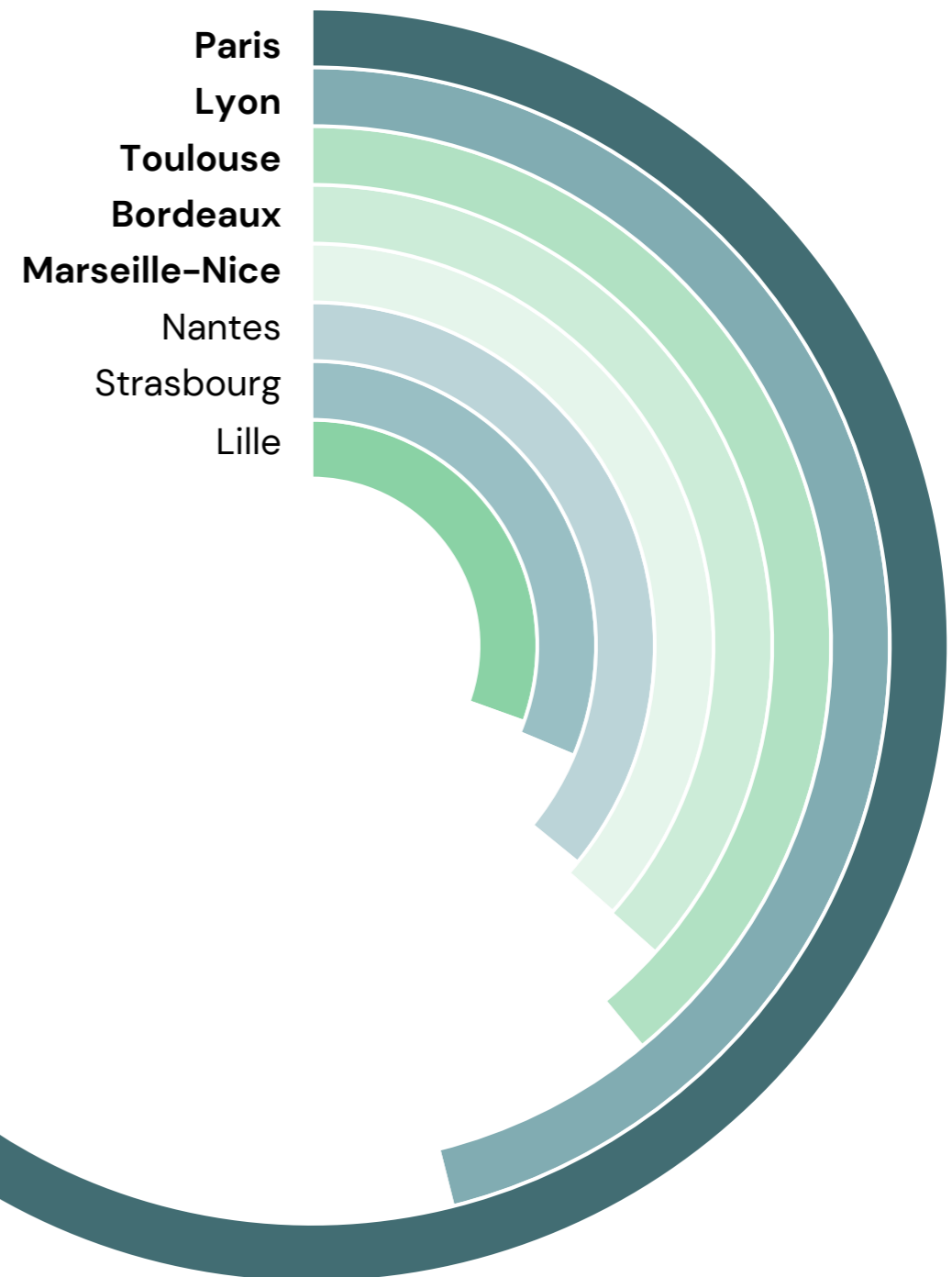
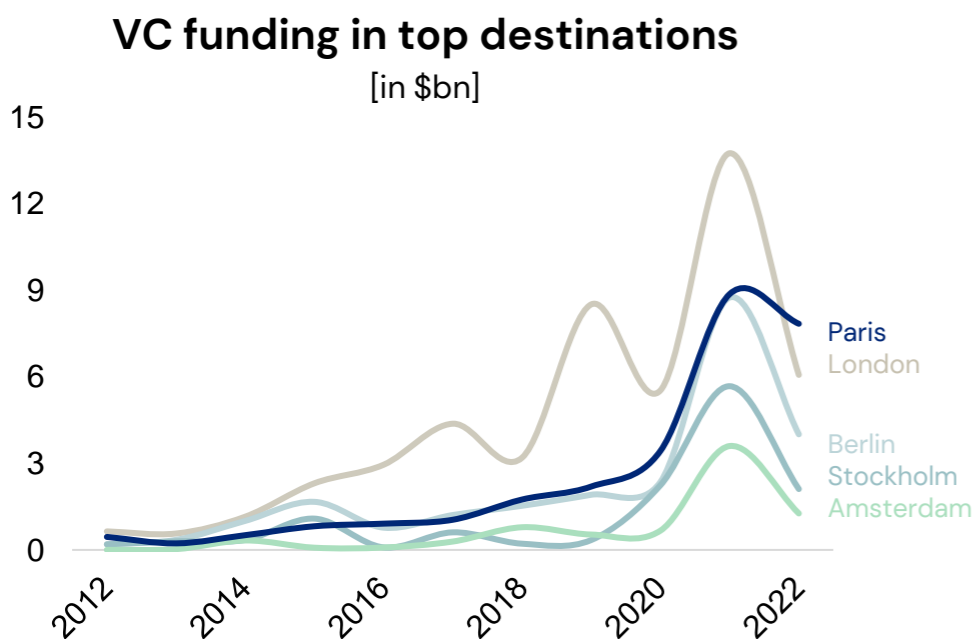
Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)



# Paris delivers thanks to its economy of scale and strong position as tech hub of Europe

Paris' growth boosted by venture capital funding, its high number of start-ups and scale-ups mostly in tech and life sciences. Influx of new skilled and professional labour drives Lyon to higher ranks.

ECGI 2023 Top French cities	European rank
1. Paris	2
2. Lyon	20
3. Toulouse	41
4. Bordeaux	47
5. Marseilles-Nice	48



Source: LaSalle (08/23), London Stock Exchange Group, European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

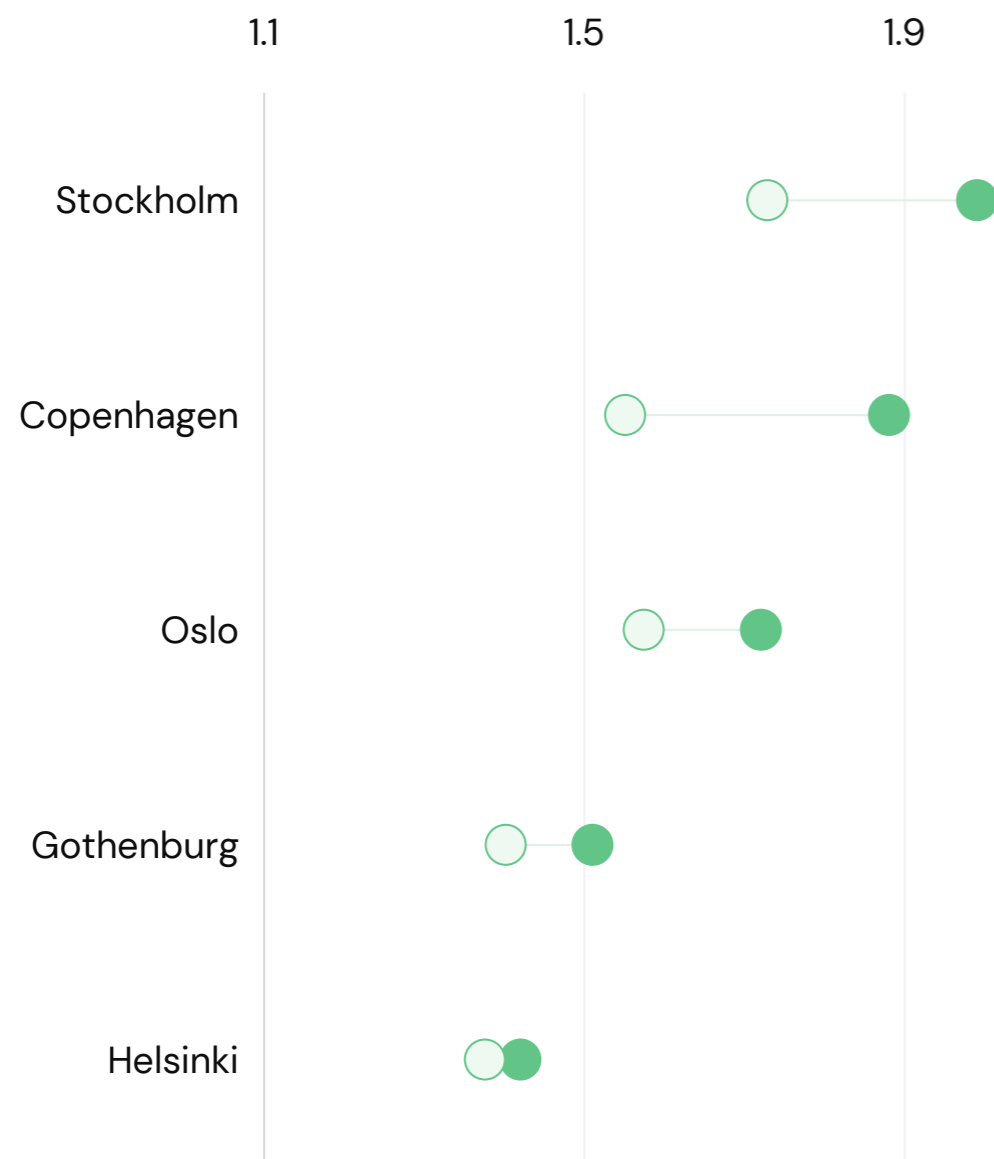


# Nordics exposed to industries with strong growth potential

Ahead of Europe, both Stockholm and Copenhagen are becoming powerful innovations leaders with their major focus on renewable energy, industrial tech, and healthcare.

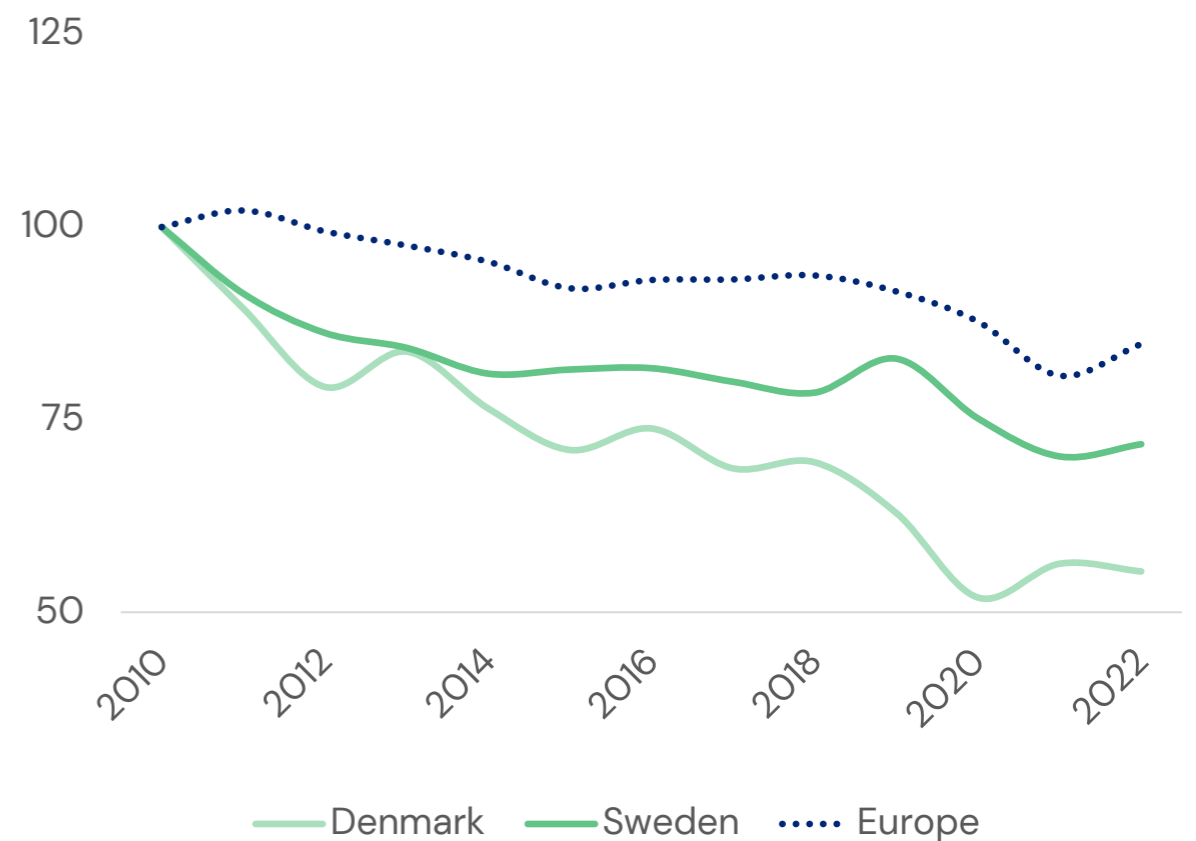
**Change in Scores over Time**

[ECGI score 2023 vs long-term average]



**Green Economic Leaders in Europe: Sweden & Denmark**

[Green House Gases emissions; Indexed to 2010]



Both Sweden and Denmark, and their relevant key cities, set to become strong green technology exporters alongside investment into decarbonization.. Sweden and Denmark have seen a rise of 27% in gross value-added products and a concurrent 36% drop in greenhouse gas emissions since 2010.

Source: LaSalle (08/23), local statistical offices, European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

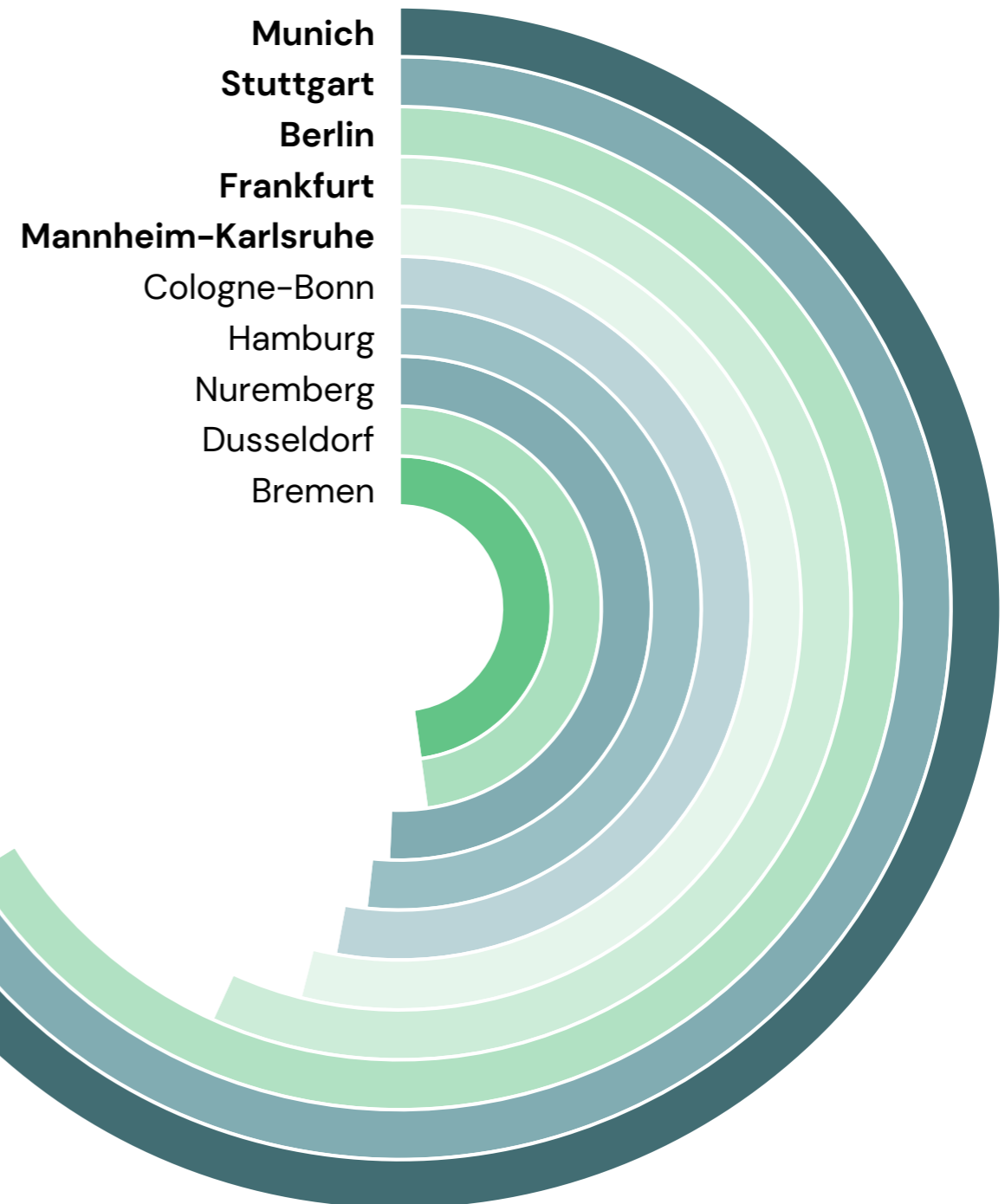
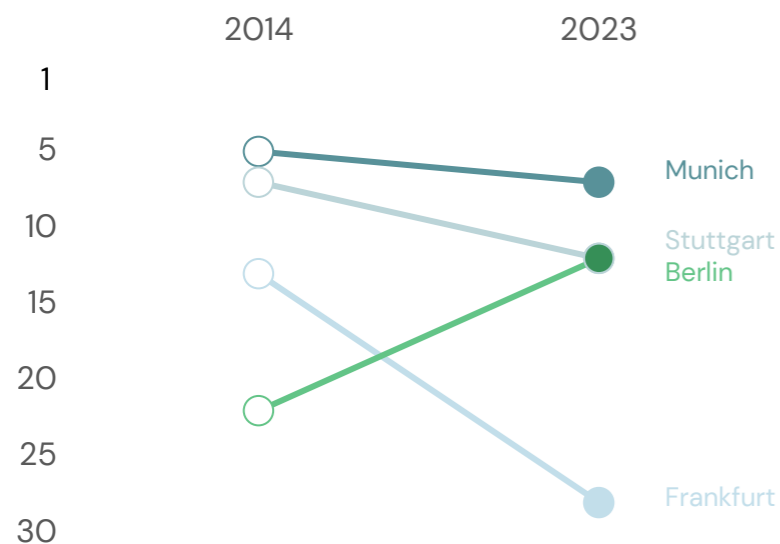
# Germany's aging population limits long term growth, but with significant market variation

Munich consistently has been in the top 10 while Berlin reached its historic highest score in 2023

ECGI 2023 German cities	European rank
1. Munich	7
2. Stuttgart	12
3. Berlin	13
4. Frankfurt	29
5. Mannheim-Karlsruhe	34

## Ranks of top German cities

[ECGI rank of 2014 vs 2023]



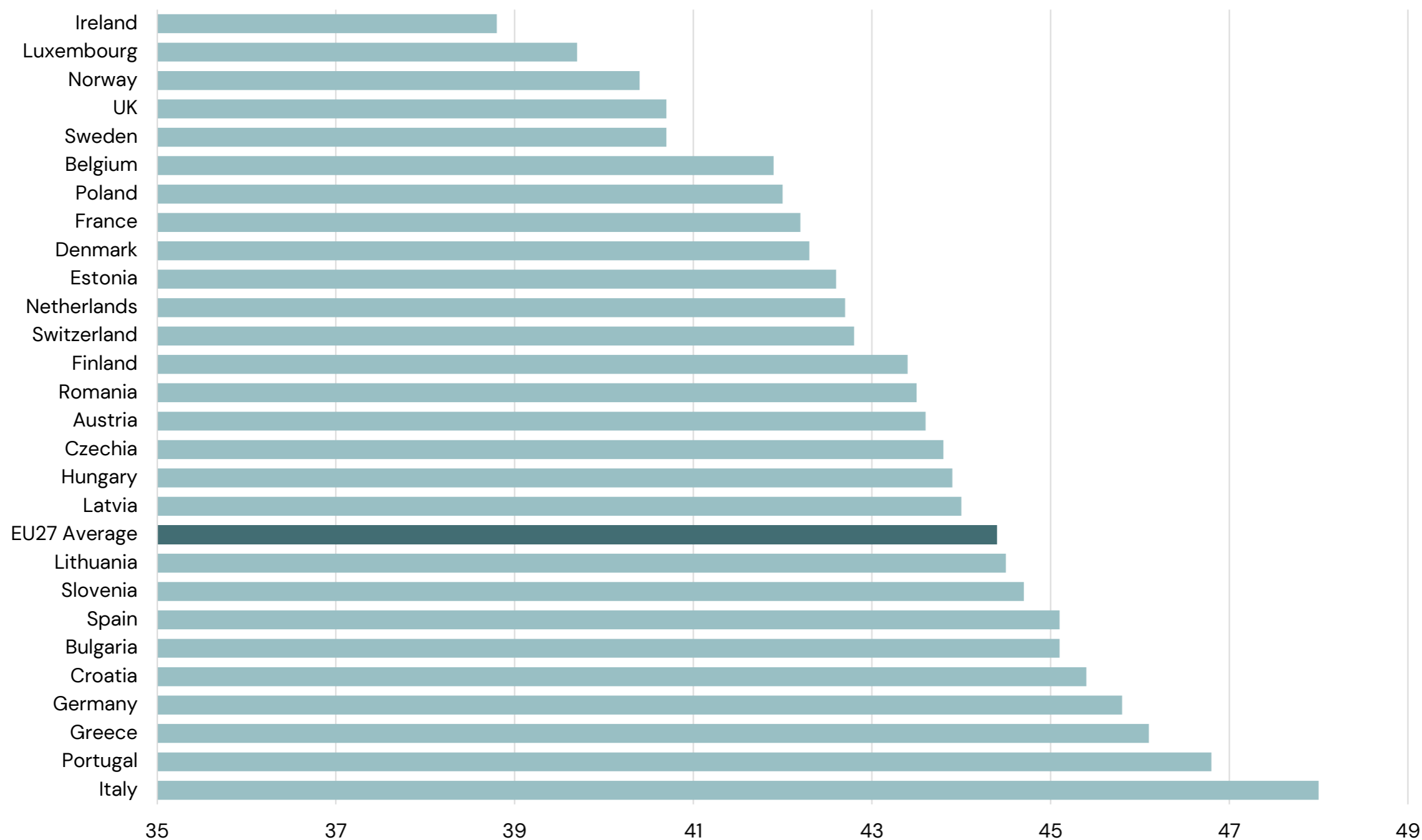
Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

# Age structure differences drive demographic outlook

The countries with faster ageing population are disadvantaged in the ECGI scores

## Median age by country

[Europe]



Source: LaSalle (08/23), Eurostat, European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)

# Outstanding cities that achieved their best score in 2023

These cities, where higher quality of life meets economic innovation, experiencing robust job growth in skilled industries

## Selective cities with highest score in 2023\*

[ECGI score at maximum in 2023 since 2009]

0.7 1.2 1.7

MORE ESTABLISHED CITIES:

2023 RANK:

**Dublin** remains cyclical but an important centre for global conglomerates:



**Brussels** benefitting from its youngest population\*\* in Europe:



**Geneva** amongst the most rich and liveable:



NEW, UPCOMING CITIES:

**Warsaw** reversing brain drain particularly in tech:



**Prague** forecast for a job boom:



**Bristol's** financial and professional services thrive:



● 2023

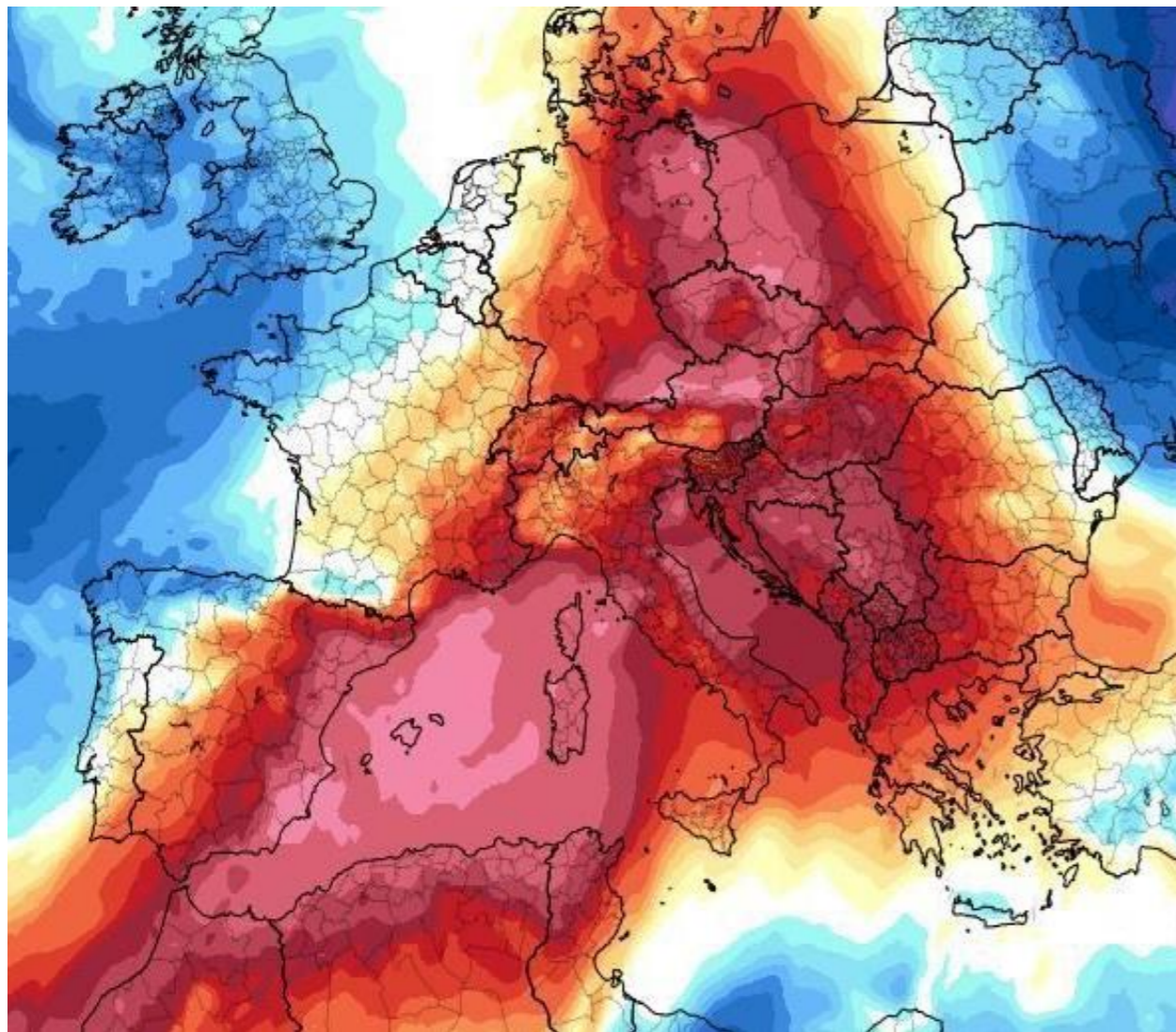
○ Min since 2009

Note:\* A number of other European cities such as Nordic capitals, or Berlin reached the highest score in 2023. Their stories are mentioned on other pages. \*\* Age 0-19  
Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) and its various sources (see the methodology page for more detail)



# Worsening weather conditions have negative impact on cities score in the index

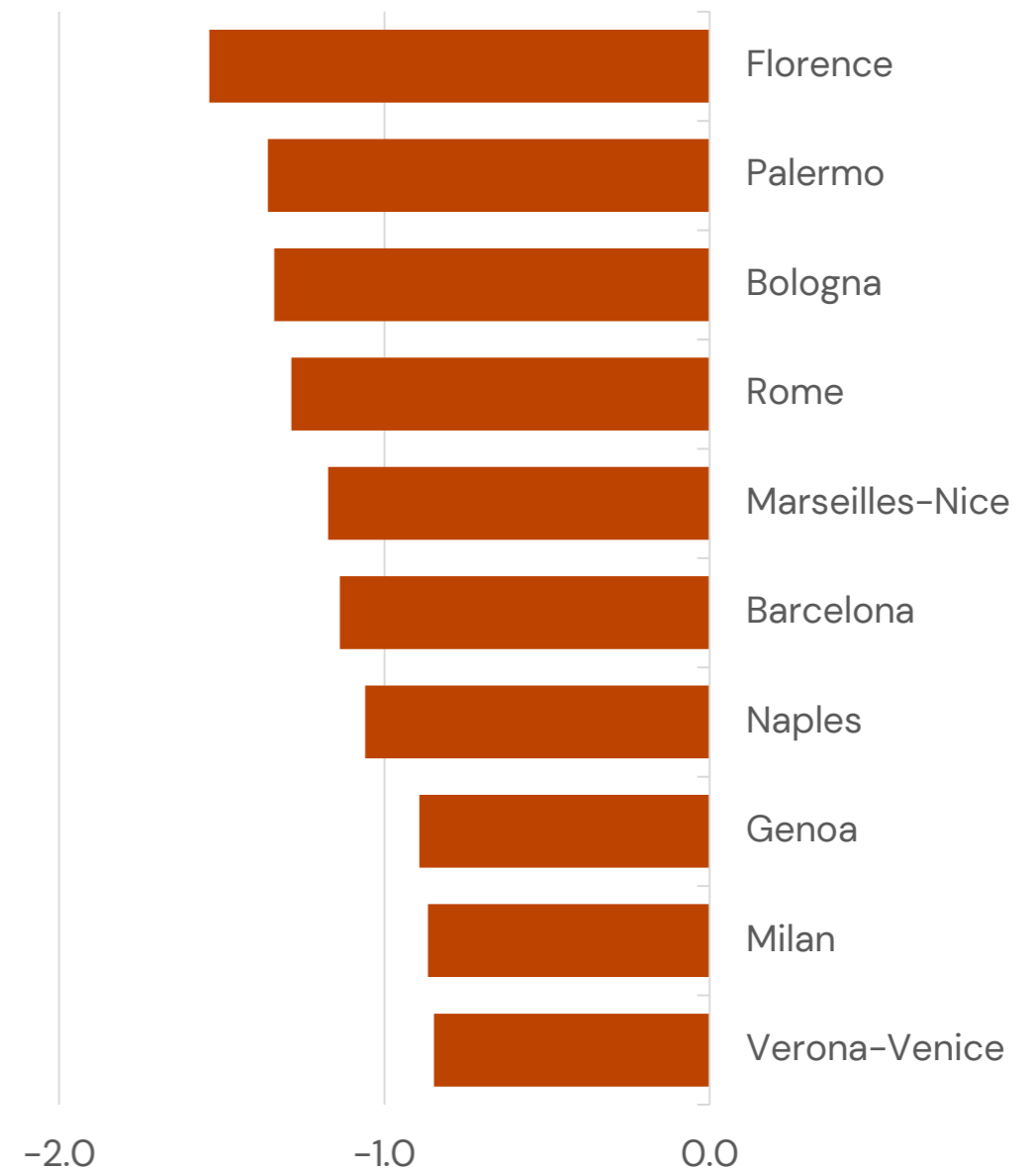
Southern Europe, Italian cities in particular, face more heat waves



The map display only for demonstrative purposes

## Cities with the highest increase in number of heat days over next 50 years

[Negative impact on ECGI score, Z-score calculated]



# European Cities Growth Index\* (ECGI)

It is LaSalle's ranking of European cities with the strongest economic future prospects



## Launched in 2000

- Shows relative economic performance compared to the European average



## Europe-wide coverage

- 30 countries
- 270 European regions
- Ranking of 95 cities



## Frameworks for real estate strategy

- Proxy for occupier demand

***Real estate value creation will not show in this or any economic index, instead ECGI is serving as a valuable tool to assess projected real estate occupier demand.***

Note: \*Renamed in 2021

Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) and its various sources such as Center for World University Rankings (CWUR) [2023], Copernicus Climate Change Service [11/2019], Copernicus Land Monitoring Service [07/2021], Eurostat [08/2023], London Stock Exchange Group (LSEG) [07/2023], The Office for National Statistics (ONS) [2023], The Organization for Economic Cooperation and Development (OECD) [06/2023], Oxford Economics [07/2023], Statistics Denmark [09/2022], Statistics of Sweden [05/2023]

# Methodology, sources and components

The methodology evolves over time to address economic and geographical changes in the region

45%



## Economic growth

- Gross domestic product (GDP)
- Employment prospects
- Population growth

35%



## Human capital

- Skilled labor force
- Creativity and patents
- Population wealth

20%



## Liveability and business environment

- Political stability
- Sovereign default and trade credit risk
- Extreme weather conditions such as heatwaves and fire weather



## Global real estate transparency index

Source: LaSalle (08/23), European Cities Growth Index (ECGI 2023) is based on the analysis of data from several sources, including Center for World University Rankings (CWUR) [2023], Copernicus Climate Change Service [11/2019], Copernicus Land Monitoring Service [07/2021], Eurostat [08/2023], London Stock Exchange Group (LSEG) [07/2023], The Office for National Statistics (ONS) [2023], The Organization for Economic Cooperation and Development (OECD) [06/2023], Oxford Economics [07/2023], Statistics Denmark [09/2022], Statistics of Sweden [05/2023]

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