



# The attractiveness of world-class business districts

Paris La Défense vs. its global  
competitors

November 2017



**Urban Land  
Institute**





## Executive summary

*The attractiveness of world-class business districts* is a unique study carried out for Paris's La Défense business district by EY and ULI, which were chosen for their expertise in attractiveness issues and urban development, and for their global reach.

The survey measures the comparative attractiveness of 17 leading business districts around the world. It is based upon almost 40 objective and quantifiable indicators, a global online survey of 226 members of the ULI network, and 35 in-depth interviews with experts in the 17 selected business districts.

### The factors shaping the attractiveness of business districts are changing fast

In your opinion, please rank the importance of the following drivers for companies when deciding to establish activities in a business district.

To attract and retain talent



**Access to skills is the top priority for 70% of occupiers questioned.**

To be part of an attractive urban environment



To be part of a central and global environment



**The quality of development, market proximity and economic influence are the foundations of business district attractiveness.**

To find business opportunities

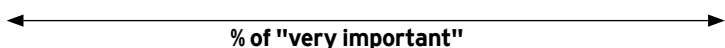


Cost competitiveness



**Cost competitiveness and the availability of high-quality offices are prerequisites, for companies when evaluating districts.**

To enjoy tailored offices



Source: EY-ULI business district e-survey, April-May 2017 (total respondents: 226).

## Paris La Défense ranks fourth worldwide and second in Europe

► **In the overall ranking, Paris La Défense takes fourth place.**

The City of London came first, followed by Midtown New York and Marunouchi in Tokyo. However, Paris La Défense comes out ahead of both London's Canary Wharf, which is ranked fifth, and the Financial District of New York, placed sixth.

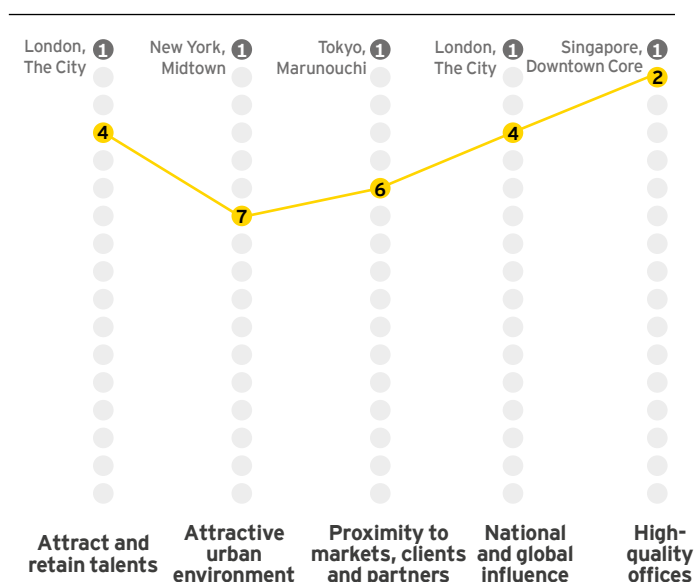
- **The ranking is heavily influenced by the economic weight of the cities where the business districts are located.** The gross domestic product (GDP) of the Île-de-France region, of which Paris is the center, is the third-largest among regions surveyed, behind those of Tokyo and New York. However, that is partly counterbalanced by its ability to exert its pull in other ways, as shown by the fact that 27 companies in the Fortune Global 500 are headquartered in Île-de-France compared with 16 in Greater London and 17 in the New York metropolitan area.

- **The exceptional capacity for innovation of Paris La Défense can be leveraged to strengthen its leadership position.** Three percent of GDP in the Paris region is devoted to research, as opposed to just 1% in Greater London. La Défense also benefits from offering continental Europe's biggest concentration of offices.

- **Paris La Défense does very well on access to talent, but faces tough competition** on this strategic issue. Although the region's population is highly qualified - 46% of the workforce have university degrees - qualification levels are even higher in New York (48%), London (56%) and Tokyo (59%).

- **Paris La Défense needs to make further improvements to the quality of its urban environment.** It ranks seventh on this measure, and falls behind other business districts in the quality of services for workers in particular. La Défense must continue structural efforts to enhance activities and promote itself more effectively.

Paris La Défense ranking according to each attractiveness criteria\*



\*When looking at costs, users are following a 'value for money' approach. Therefore cost-competitiveness criteria are not part of the general ranking but treated separately in part 2, p. 35

General ranking

Business district	Ranking	EY-ULI Index
The City - London	1	61.5
Midtown - New York	2	58.7
Marunouchi - Tokyo	3	52.1
<b>La Défense - Paris</b>	<b>4</b>	<b>50.5</b>
Canary Wharf - London	5	49.6
Financial District - New York	6	48.2
The Loop - Chicago	7	46.4
Downtown Core - Singapore	8	45.7
Chaoyang - Beijing	9	41.1
Bankenviertel - Frankfurt	10	37.3
Central District - Hong Kong	11	36.6
Zuidas - Amsterdam	12	36.6
Dubai International Financial Centre (DIFC) - Dubai	13	34.0
Pudong-Lujiazui - Shanghai	14	32.3
Paulista Avenue - São Paulo	15	20.2
Sandton - Johannesburg	16	16.9
Bandra Kurla Complex - Mumbai	17	6.0

## Five trends shaping the future of global business districts

- **Business districts are becoming ever more closely interlinked with their host city.** The location decisions of big international companies are often tied to national and city criteria, such as political stability, market proximity, transport infrastructure, and size and quality of the labor pool, over which business districts have little influence. But similarly, the success of a particular business district is often critical to the economic success and attractiveness of its host city.
- **Business districts are becoming "places to be."** Responding to the expectations of a broadening swathe of users, including tourists, consumers and residents, business districts are seeking to develop a greater functional mix and a higher-quality range of services for those who want to work, live and play.
- **The search for flexibility is transforming the way costs are perceived.** Economic competitiveness no longer hinges upon rents alone, but now embraces, in particular, the optimization

of workspace design, location, and the quality of the workplace environment as a tool to attract and retain talent. The approach to the cost equation is much more complex than simply negotiating the lowest rents.

- **International companies remain the main target clients for business districts, but start-ups increasingly form part of their ecosystem.** To attract start-ups, business districts have to offer facilities that appeal to entrepreneurs, who seek flexible leases and space, quality of life, distinctive buildings and affordable costs.
- **Perceptions of some business districts fail to recognize their strong underlying performance.** Global financial hubs still benefit from an international image and reputation founded upon their historic role and high level of specialization. The challenge for the less visible, but more diverse, business districts is to leverage their greater range of activities and uses, which seem better aligned with the changing needs of business district tenants.



**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

© 2017 EYGM Limited.  
All Rights Reserved.

EYG no. 05943-172Gbl  
Graphic studio France: 1708SG543  
ED None



In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and it is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

[ey.com](http://ey.com)

# Contacts



**Marc Lhermitte**  
Partner, EY Advisory  
Tel.: +33 1 46 93 72 76  
Email: [marc.lhermitte@fr.ey.com](mailto:marc.lhermitte@fr.ey.com)



**Vincent Raufast**  
Senior Manager, EY Advisory  
Tel.: +33 1 46 93 44 51  
Email: [vincent.raufast@fr.ey.com](mailto:vincent.raufast@fr.ey.com)



**Lisette Van Doorn**  
Chief Executive Officer, ULI Europe  
Tel.: +44 20 7487 9580  
Mail: [lisette.vandoorn@uli.org](mailto:lisette.vandoorn@uli.org)



For complementary  
information check out  
our website:

[business-districts-attractiveness.com](http://business-districts-attractiveness.com)