



World Cities



Bear: How did The London Landmarks Half Marathon go last Sunday?

Bull: It was the breeze.

Bear: Don't you mean – It was A breeze.

Bull: No. It was THE breeze that made the whole thing such a challenge. We were running into 40 mph gusts. I was wearing a costume of 10 Downing Street, with a Boris wig, and I was almost blown off my feet.

Bear: Well, I am pleased you all managed to finish safely. And raised so much sponsorship too. Boost must be absolutely chuffed. But, returning to our day-job, I have some bad news for you.



Would you trust this man with your property investments?

Bull: Oh, yes? What's that?

Bear: New York has toppled London off top spot in St Bride's World Cities Index 2024. It was a close-run thing, but The Big Apple has just pipped us this time.

Bull: That's a little disheartening, but not really that surprising. The US economy is so much stronger than ours and their stock market has been roaring away. That said, the Manhattan real estate market isn't great at present.

Bear: No, it isn't, but remember, the St Bride's Index focuses on the long term. And bearing in mind that we are still plotting a new course following Brexit, winning the silver medal is still highly commendable.

Bull: If you say so. What else is new in the Index?

Bear: Singapore has moved up to third spot from sixth last year, which, interestingly, is where it was when we first launched the Index back in 2012. Do you recall last year's trip? The place was absolutely buzzing. They deserve the bronze medal spot. Although it

is largely at the expense of Hong Kong, which is hanging onto its Top Twenty position by its fingernails.

Bull: Have there been any promotions and relegations this year?

Bear: Just one. Dallas is out and Copenhagen is in, arriving in seventeenth position.

Bull: That's a shame. Dallas is my sort of town ... brash, oil, horses, ranches, cowboys etc. But I can equally see why Copenhagen has got the nod. I remember visiting one of their famous Royal Copenhagen china shops a few years back.

Bear: You are not going to tell me that it was you behind the old saying - 'like a bull in a china shop'.

Bull: No. Not me Guv. That was my great grandfather! I remember him telling me that he was so excited at seeing the famous Little Mermaid that he couldn't control his tail from wagging all over the place. Apparently, the shop was a complete wreck afterwards.

Bear: Heavens. Anyway, with Copenhagen's promotion, that means the top twenty spots are populated with seven cities from North America, (but none from Canada), seven from Europe and six from Asia Pacific. I find it quite comforting that the US is not quite so dominant this year.

St Bride's World Cities Index 2024

World City	Ranking 2024	Ranking 2023	Ranking 2012
New York	1	2	4
London	2	1	1
Singapore	3	6	3
Los Angeles	4	3	13
Paris	5	7	5
Tokyo	6	4	7
Chicago	7	5	16
San Francisco	8	9	20
Berlin	9	11	12
Boston	10	8	18
Amsterdam	11	14	11
Washington D.C.	12	10	17
Munich	13	13	14
Seoul	14	15	15
Sydney	15	12	8
Stockholm	16	19	9
Copenhagen	17	24	-
Melbourne	18	18	18
Atlanta	19	16	-
Hong Kong	20	20	2

Source: St Bride's Managers, Brockwell Consulting



Bull: Me too, but I'm surprised to see that San Francisco has strengthened its ranking by one notch. Their property market is having a torrid time.

Bear: Yes, but just think how strong the tech sector has been recently.

Bull: I guess so.

Bear: Anyway, whilst London may have slipped off the top spot in terms of St Bride's World Cities Index, the UK is still ranked second as the most environmentally friendly country in the world.

Bull: You are kidding me. Even after the water companies have been spilling so much waste into our rivers? It doesn't say much about everyone else, does it? Who was number one?

Bear: Denmark.

Bull: What? Denmark, again? They seem to be making a bit of a name for themselves recently, don't they?

Bear: Yes. And what's more, they are also ranked second in this year's World Happiness Report, just behind Finland. Iceland is third, Sweden is fourth and Israel are fifth.

Bull: I'm sorry, Bear I am not having that. Just think about it. Finland borders Russia. Sweden has a maritime border with Russia, Iceland is erupting, and Israel is at war with Hamas. Who put this index together. Mickey Mouse?

Bear: No. The UN.

Bull: Oh! Okay. So, I guess there must be something in it. Anyway, where is the UK in the happiness league table?

Bear: We are twentieth, down from nineteenth last year.

Bull: Most importantly though ... did we beat the French?

Environmental and Happiness Indexes

	Most Environmentally Friendly		UN World Happiness
1	Denmark	1	Finland
2	United Kingdom	2	Denmark
3	Finland	3	Iceland
4	Malta	4	Sweden
5	Sweden	5	Israel
6	Luxembourg	6	Netherlands
7	Slovenia	7	Norway
8	Austria	8	Luxembourg
9	Switzerland	9	Switzerland
10	Iceland	10	Australia
12	France	20	United Kingdom
13	Germany	23	USA
17	Australia	24	Germany
25	Japan	27	France
43	USA	30	Singapore
44	Singapore	51	Japan
63	South Korea	52	South Korea
160	Hong Kong / China	60	Hong Kong / China

Sources: World Population Review 2024, UN Happiness Report 2024



Bear: Yes. They were twenty-seventh. And what I find interesting is that only six of St Bride's Top Twenty World Cities feature in the top twenty of all three indexes (property, happiness and environmental) - Amsterdam, Copenhagen, London, Melbourne, Stockholm, and Sydney. For instance, the US ranks a very distant forty-third in terms of environmental friendliness and Japan/Tokyo is only fifty-first in terms of happiness.

Bull: So, what are you saying? If you want to invest in a happy, environmentally-conscious, and property-friendly place, come to London?

Bear: That is exactly what I am saying. And, if you look at where London yields are now relative to where they were at the peak of the market in June 2022, it looks even more compelling than it was this time last year.

Bull: Just look at the bar chart below, Bear. Yields on prime properties in London are now just about at or above 10 year gilts. And if the consensus view is correct that UK interest rates will fall over the coming months, property yields should harden accordingly.

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London Prime Yields - June 2022 vs April 2024



Source: CBRE

Bear: I agree, but the problem now is persuading owners to sell when they know they face a haircut on their sale prices. A yield shift for prime West End offices from 3.25% to 4.00% doesn't look that much on a simple bar chart, but it translates into a capital fall of nearly 20%. And from 3.75% to 5.75% in the City is a whacking great collapse of 35%.

Bull: Hmm. But, do you know what? The sector that appeals to me most is London industrials where valuations are off 40% from their peak. Do you remember when you and I were banging the table back in 2012 for investors to pile into the sector. It feels like that all over again, to me.

Bear: Me too.

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