

HD London overtakes HK as world's most expensive city

WC 503 words

PD 24 September 2014

SN The Financial Express (Bangladesh)

SC FNEXBD

LA English

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Bangladesh, Sept. 24 -- London has overtaken **Hong Kong** as the world's most expensive city to live and work in, with a new study suggesting it is almost twice as pricey as Sydney, and four times more than Rio de Janeiro, according to report published at theguardian.com

The **estate** agent Savills said the combined typical cost of renting somewhere to live and leasing an office to work for a year in London had risen to almost £74,000 per employee. That puts the UK capital well ahead of other global hubs such as New York, Paris and Tokyo.

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London's rise to first place in the rankings was blamed on big increases in office rents, plus the pound's strength against the dollar, prompting Savills to warn that it risks becoming less competitive as a result.

By contrast, falling **residential** rents and a weakening currency contributed to **Hong Kong**, which had previously topped the ranking five years running, dropping to second place.

Savills' 12 Cities report is designed to help companies assess the costs of relocating employees. It measures the total cost per employee in US dollars of renting living and working space in some of the world's global hubs. The calculations are based on the cost of two seven-strong staff teams that are representative of start-up businesses, one based in a "prime financial sector location" and the other in a slightly less prime or creative area, in order to give a representative figure.

The annual cost per employee in London was put at \$120,568 (£73,800), with **Hong Kong** close behind at \$115,717. New York and Paris were in third and fourth place, at \$107,782 and \$105,550 respectively. Sydney came eighth at \$63,630, Shanghai tenth at \$43,171 and Rio eleventh at \$32,179. Mumbai was bottom of the table at \$29,742.

"Despite its climb in the rankings from fifth to first place since 2008, London is still a way off the live/work accommodation costs record, set by **Hong Kong** in 2011 at \$128,000 a year," Savills said, adding that **Hong Kong** was still "by far the most expensive city" in which to **buy** a home, with prices 40% higher than London - although the gap was narrowing.

"Comparatively affordable" Rio and Sydney had seen significant increases in live/work costs since 2008 - up 85% and 58% respectively - but Savills said Rio still looked "highly competitive".

Yolande Barnes, the **company's** director of world research, said: "This year has seen much more modest real **estate** price growth in nearly all our world cities, and some have shown small falls. We expect this subdued trend to continue as investor interest and market activity shifts to second-tier cities.

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PUB International Publications Limited
AN Document FNEXBD0020140924ea9o0002y