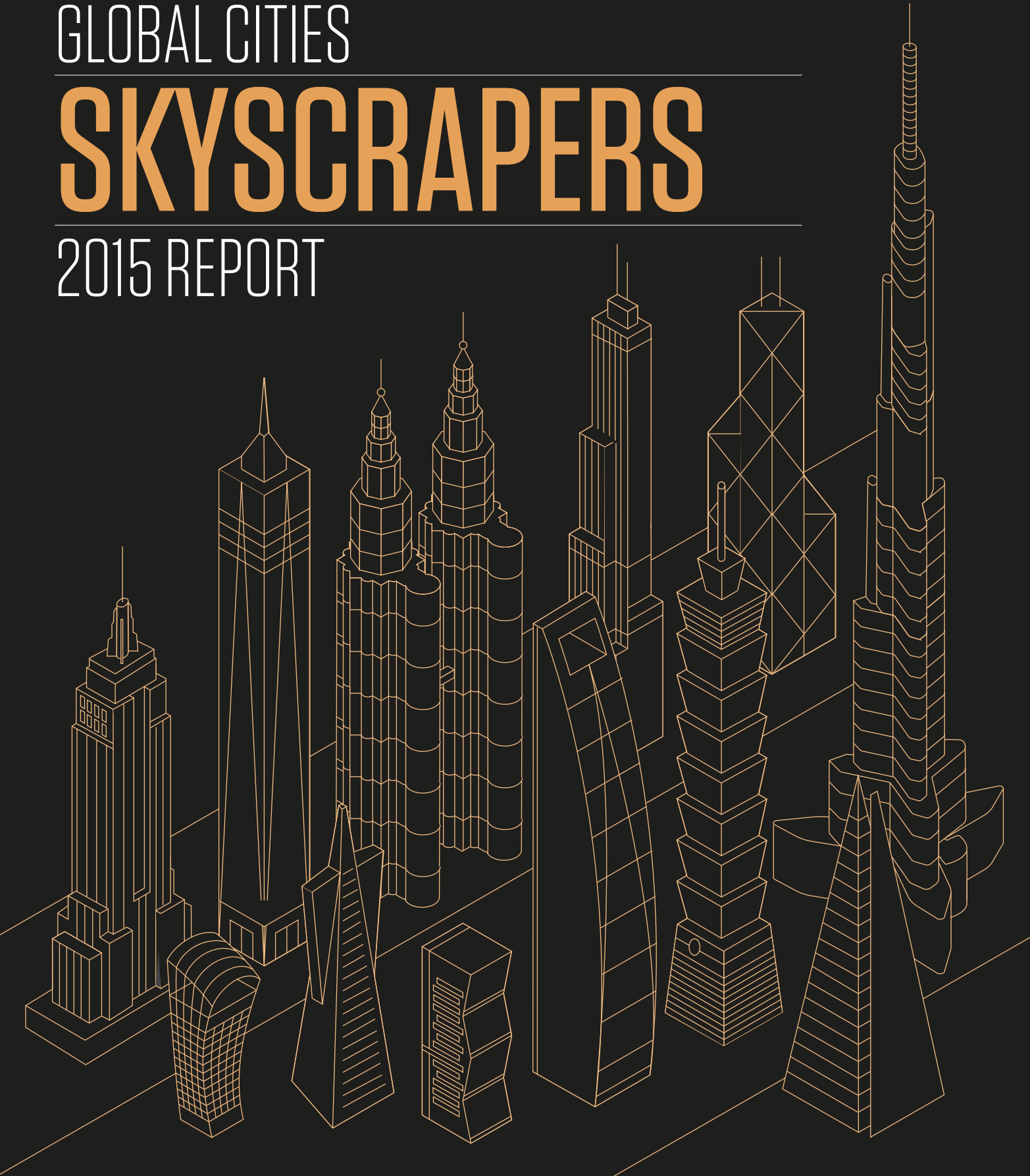


GLOBAL CITIES

# SKYSCRAPERS

2015 REPORT





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## TOWERING ABOVE THE REST

Firms are increasingly focused on keeping their staff happy, and the skyscraper delivers an office people want to work in.



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What are the global trends that are sending city skylines across the world ever higher?



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## ABOUT THE GROUP



# LOOK SKYWARDS

*The world's cities are in the midst of a skyscraper building boom and this report addresses the question, why do we need these giant buildings?*

**INTRODUCTION BY** — **JOHN SNOW**  
Head of Commercial,  
Knight Frank

**JAMES D. KUHN**  
President,  
Newmark Grubb Knight Frank

Our analysis shows that skyscrapers are the optimum means of addressing major economic and geographic challenges facing cities today. These are:

» In order to accommodate economic and population growth a city can either move outwards or upwards. Moving outwards breaks up business clusters, and creates political problems, like allowing development on green fields around cities. This moves the pendulum of debate in favour of building upwards to provide more homes and business space.

» For companies today, staff retention is high up the agenda. Losing star fee-earners is damaging for business, and even the cost of replacing support staff can be higher than the rent paid on their workstations. Skyscrapers are one of several means firms have found to make the office an exciting place to be. Also, an inspirational office can encourage staff to interact and share knowledge, thus driving up productivity.

» As well as creating a better working environment, skyscrapers can make the city a better place to live. If more homes can be built near to work, commuting times

are cut, which benefits social and family lives. When offices and homes are lifted above street level, the ground floors and basements of buildings are freed up for shops and leisure facilities. The spaces between tower clusters can be developed as parks and public areas; while skylines are enlivened with iconic architecture.

» Global real estate capital markets are seeing more activity from those who wish to deploy money in very large sums (above the \$1 billion mark). The size of skyscrapers makes them attractive to such investors, and this will encourage a movement towards developing in scale.

Recent enthusiasm for skyscrapers reflects a shift in the global economy towards city centres, as automation in factories means that more humans do knowledge jobs in offices. Today's knowledge workers increasingly want to live near work, while firms want staff to feel inspired by their workplace. The skyscraper is successfully delivering the volume and type of homes and offices our cities require.

We hope you find this report informative, and if you wish to discuss any of the issues raised, please do not hesitate to contact us.

## THE WORLD'S TALLEST BUILDING TIMELINE

**2019**

Kingdom Tower,  
Jeddah

**2010**

Burj Khalifa,  
Dubai

**2003**

Taipei 101,  
Taipei

**1998**

Petronas Towers,  
Kuala Lumpur

**1974**

The Sears Tower,  
Chicago

**1972**

World Trade Center,  
New York

**1931**

The Empire State Building,  
New York

**1930/31**

The Chrysler Building,  
New York

**1930**

Bank of Manhattan  
Trust Building,  
New York

**1913**

The Woolworth Building,  
New York



# TOWERING

## ABOVE THE REST

*From New York to Shanghai, companies want exciting new work places to inspire staff, while more people want to live near work. The skyscraper is seen as the best way to achieve these goals.*

**WRITTEN BY** — JAMES ROBERTS  
*Chief Economist, Knight Frank*

Skyscrapers are a rising tide in the modern global city. London has added 23 new skyscrapers (a building over 350 feet high) since the turn of the millennium, compared to 17 in the preceding forty years. While New York added four new towers in 2014 alone, including the iconic One World Trade Center. This sounds impressive until one considers that Dubai has built nearly 190 skyscrapers since 2000, and Shanghai over 90.

The new enthusiasm for skyscrapers is partly one of city status. Less mentioned are recent changes in how firms perceive offices, particularly in relation to their workers.

In the past, offices were typically viewed as a cost that companies wanted to minimise, with little thought given to how they could boost productivity. Consequently, in the 1970s and 1980s, offices that

were out-of-town and low rise, and thus cheaper, were growing in popularity with companies. Skyscrapers like the city centres they occupied were viewed as expensive and in decline.

However, firms today increasingly view real estate as a means of controlling a much bigger cost, namely staff retention. This has coincided with a movement of people back into cities, reversing the preceding exodus to the suburbs – New York City's population has increased by 19% since 1980.

### SKYSCRAPERS: IT'S ALL ABOUT PEOPLE

For private sector services firms (the mainstay of city office occupation) salaries typically account for around half of operating expenses. However, an unquantifiable cost is the loss of value when successful staff leave, and the additional expense of replacing them.



▲ Chicago's Willis Tower (formerly Sears Tower) was the world's tallest building from 1974 to 1998



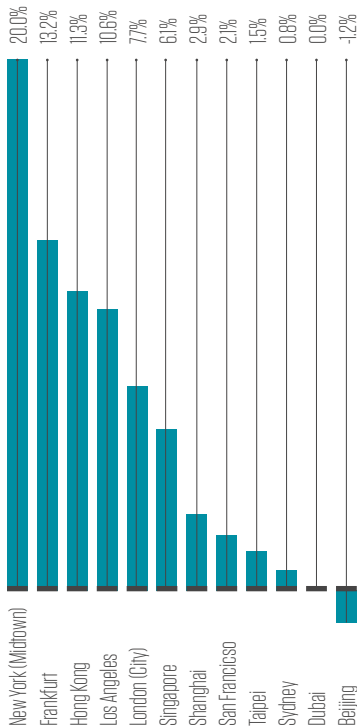
▶ 20 Fenchurch Street, one of London's new wave of towers

Dubai: The city has added almost 190 skyscrapers since 2000



## SKYSCRAPER (UPPER FLOORS) RENTAL GROWTH SIX MONTHS TO END OF 2014

Source: Knight Frank Research, Newmark Grubb Knight Frank Research



For a worker earning over £35,000 p.a. in London's The City financial district, should they leave, the fee paid to a recruitment consultant to replace them is greater than the annual rent on their office work station; and that head-hunter charge is just a small part of the overall staff turnover cost. This means that even for staff in support roles the expense of replacement overshadows property costs, and this is before considering the effect an enhanced working environment can have on productivity.

As a consequence firms when approaching property now strive for:

- 1 The office as the place to be:** Firms aim to create offices that staff want to spend time in. This is partly achieved by innovative fit-out, ranging from games rooms, to buffets and cafés, to private work areas. Being in a skyscraper is another way to give the office wow factor in the eyes of staff.
- 2 The office as a catalyst of integration:** This is where firms use the office to bring about changes in working habits, so people mix and interact to create a greater sense of community. Staff are encouraged to leave desks and move around the office and speak face-to-face. Moving to a new tower can offer a sense of a new beginning that will encourage staff to embrace change.
- 3 The office which is close to home:** This final point in particular has brought offices back into city centres from out-of-town locations, which makes skyscrapers important to re-introduce more business space into crowded CBDs.

Many firms now want to support the work/life balance, and try to fit the office around lifestyles. For instance, locker-rooms and showers

for staff who wish to jog or cycle to work are becoming common, as is replacing car parking spaces with bike racks. A gym in the building, and eating establishments are also now increasingly valued by tenants. Extensive basement areas and retail concourses that are typical among skyscrapers can help on these issues.

“  
MOVING TO A NEW TOWER  
CAN OFFER A SENSE OF A  
NEW BEGINNING THAT WILL  
ENCOURAGE STAFF TO EMBRACE  
THE CHANGES.  
”

To this backdrop, skyscrapers are flourishing. They are seen as a way to give staff a workplace that feels special, and promotes esprit-de-corps – an office you want to tell people about at a dinner party.

### EVERYONE GETS LIGHT

Insurance firm, Markel, has recently moved their London office into 20 Fenchurch Street, a Rafael Viñoly designed tower. Andy Davies, the COO and CFO, sees being in a skyscraper as a way of improving the workplace experience.

Markel found a tower floor plate has an advantage over a conventional building as there are no desks remote from a window. According to Davies: “Wherever you go in the new office, everyone gets natural light, even at their desk; and the views are spectacular.”

Markel installed internal staircases that pass through the floors to encourage staff to circulate in the office rather than remain tied to desks. This increased the incidence of chance encounters where knowledge can be shared. Again, the open environment and natural light facilitate this cultural change – according to Davies, “in the new office, you can't hide”.

CONTINUED ON — 06-07



CONTINUED FROM — 04-05

ICONIC IS NOT ENOUGH

Martin Jepson, President & COO for Brookfield's UK division, believes that the best means of achieving the staff-friendly skyscraper is via a very efficient floor plate. "Building iconic for the sake of it is not sustainable. Offering efficiency of floor occupation and flexibility is what tenants are seeking first and foremost." This creates a blank canvas on which the occupier can set out a bespoke office that matches their business practices.

“  
BUILDING ICONIC FOR THE SAKE  
OF IT IS NOT SUSTAINABLE.  
”

Another important factor, according to Jepson, is offering an entrance to the building that suits the tenant's needs. "At 100 Bishopsgate we have the luxury of almost 17,000 sq ft of reception at ground level, so we can offer some tenants their own identity. We don't scrimp on the ground floor space". This brings out the importance of an appropriate public realm for skyscrapers, where impressions are often shaped before the front door is even reached.

Particularly in London's EC3 insurance district, utilising towers to raise a firm's profile has played a role in generating office demand. Swiss Re famously chose The Gherkin (aka 30 St Mary Axe) in order to leverage the publicity value of being in such an iconic building. This set in motion a domino effect of innovative towers in EC3 signing up insurance tenants, such as The Leadenhall Building, with its tapering design, drawing US giant, Aon.

SKYSCRAPER PRIME YIELD SPREAD OVER  
10 YEAR BONDS (BASIS POINTS)

Source: Knight Frank Research,  
Newmark Grubb Knight Frank Research, Thomson Reuters

SHANGHAI'S SUPER TOWER

The Shanghai Tower, which is now the tallest building in China, is part of this movement towards skyscrapers that allow staff to interact, according to the building's Marketing Director, Wendy Yu. "The office floors connect with the 21 sky lobbies and courtyard gardens, providing people with spaces to interact. Amenities like cafés, convenience stores, ATMs, and entertainment facilities are also distributed throughout the The Shanghai Tower." A super-tall building of 6.2 million sq ft, the sense of community is facilitated by breaking the tower into several vertical communities, each with its own atrium.

Shanghai's skyscraper cluster is found in the Lujiazui CBD, part of the city's Pudong district whose futuristic skyline has become symbolic of China's economic success. In 1993, Pudong was largely warehouses and farmland. By 2000 the population had mushroomed to over 3 million, before rising above 5 million at the time of the 2010 census. Around 40% of people living there originate from elsewhere in China. This makes Pudong a case study in the urgent need for emerging market cities to go skywards to cope with rapid economic change.

TOWERING AMBITIONS

Inevitably other cities have ambitions to replace the Pudong towers as the Chinese skyline photo that appears in foreign newspapers. In Shenzhen, the Ping An International Financial Centre is under construction and is set to



A	PARIS	492	B	FRANKFURT	421
C	CHICAGO	381	D	SYDNEY	265
E	LONDON	246	F	SHANGHAI	245
G	HONG KONG	190	H	NEW YORK	181
I	SAN FRANCISCO	181	J	SINGAPORE	114





◀ Manhattan is seeing two new tower clusters developed

overtake The Shanghai Tower in height in 2016. Its design includes a three storey 'retail bridge' that will connect the tower to future neighbouring developments. Guangzhou has constructed a purpose built CBD, the Zhujiang New Town, which incorporates skyscrapers like the Guangzhou Twin Towers (the second of which completes next year).

Other Asian towers completing this year include Jakarta's Cemindo Tower (which will be the tallest building in Indonesia), and the IB Tower, and the Naza Tower in Kuala Lumpur (these will be the city's third and fourth highest skyscrapers, respectively).

Over the next two years, Sydney will add to its skyline the triple skyscraper International Towers cluster at Barangaroo, a major dockside redevelopment. Anchor tenants include HSBC, KPMG, PwC and Westpac. The complex will include more than 800 apartments, a hotel, and shops, while Renzo Piano has been commissioned to design three new residential towers at Barangaroo South.

## REINVENTING THE CITY

Barangaroo, much like London's Canary Wharf, is an example of former-industrial land in a dense city centre being wholesale redeveloped to match economic changes.

Where there is a large swathe of industrial land, regenerating piecemeal is often not an option. A small office building constructed in the midst of redundant warehouses will struggle to sign a tenant, and the local transport authority is unlikely to add it to their routes. Redevelopment has to be en-masse to get the buy-in from municipal authorities to add infrastructure, and with architecture of a quality that will draw big name tenants as anchor pre-lets; which in turn persuades other firms to move to the new district.

Skyscrapers have the gravitas and quality of offices that attract Fortune 500-type firms, which gives the confidence to other potential stakeholders (such as the local government, retail and leisure tenants, and investors) to back a major regeneration scheme. That a growing number of large companies are willing to be that pre-let anchor tenant, even if it means moving to another part of the city, is behind a new wave construction around the world. New York City has several examples of this.

## NYC'S NEW TOWER CLUSTERS

New York is benefiting from the arrival of two new skyscraper clusters, found in Downtown and western Midtown.

In Downtown, there is the new World Trade Center complex, where 5.3 m sq ft of office space has already completed, with a

CONTINUED ON — 08-10



◀ Hong Kong has the highest skyscraper office rents in the world

▲ The Shanghai Tower is currently China's tallest building



CONTINUED FROM — 06-07

further 5.3 m sq ft to follow. This is complemented by 565,000 sq ft of retail at Brookfield Place, and Westfield's World Trade Retail.

The new office stock is coinciding with a transformation of the Downtown market, with more technology and creative firms moving in. Conde Nast, the publisher of Vogue, is the anchor tenant for One World Trade Center. Other firms signed up include ad agency KiDS Creative, and tech companies High 5 Games, Tinypass, and xAd, demonstrating the changing tenant profile of a district once associated with finance.

Turning to Midtown, near Penn Station we are seeing a new cluster of skyscrapers being developed. This includes the 28 acre Hudson Yards district, which is being developed by Oxford Properties and Related Companies. This consists of four commercial towers and two residential towers. It is complimented by Brookfield's neighbouring Manhattan West project of 5.8 m sq ft, which includes two skyscrapers of 67 storeys each.

As with the new World Trade Center, the tenants already signed up for Hudson Yards are not from the financial and professional industries who previously dominated Manhattan skyscrapers. Future occupiers will include, CNN, L'Oreal, Time Warner, and Coach (a luxury goods firm).

This transition of skyscrapers away from finance and towards creative industry occupiers is seen elsewhere in the world. In San Francisco towers are under construction to house technology jobs moving into the city from low-rise Silicon Valley. Cloud computing firm, Salesforce has pre-let a new skyscraper as its headquarters in San Francisco, and in London they also occupy space in The Heron Tower. Similarly, Al-Jazeera are

a tenant in London's The Shard, further demonstrating the media/creative interest in towers.

#### MIXED-USE MOVING UP THE AGENDA

Increasingly, mixed-use is moving up the tower agenda – indeed the majority of skyscrapers in both Manhattan and London's future development pipeline are residential. For instance, in London a residential tower cluster is being developed at Nine Elms, thanks to a new underground rail line which will terminate at the mixed-use redevelopment of the Battersea Power Station site.



**BEYOND THE LOCAL POPULATION AND WORKFORCE, AN ESTIMATED SIX MILLION PEOPLE EACH YEAR VISIT LA DÉFENSE.**



La Défense in Paris shows how skyscrapers when set in a well-designed public realm can create a destination in its own right. Beyond the local population and workforce, an estimated six million people each year visit La Défense for non-business reasons. A survey of visitors by the local tourist board found that half of all non-business visitors were there to shop, and a third were tourists from outside Paris.

La Défense is a successful example of mixing living with work, with its 25,000 local residents. The proposed Foster and Partners designed Hermitage Plaza is characteristic of this mixed-use approach. The 3.4 m sq ft project (including twin towers of 85 and 86 floors) will incorporate offices, luxury homes, a five star hotel, conference centre, and high-end retail.

The resounding message from our study of the global skyscrapers market is that they are associated with exclusivity, whether it be for commercial or residential use. This can be more of a psychological

The Shard, London  
Bridge Quarter



perception than reality, as it tends to be the upper floors, above the skyline that command the premium office rents – the lower floors tend to let on standard prime rents. The premium for views can vary from 15-20% in the City of London and Hong Kong island, to nearly double average prime rents in Midtown Manhattan.

#### NEW WAVE OF INVESTORS

Skyscrapers are not just popular with tenants, as they are also in vogue with real estate investors. This is the result of more mega-funds targeting property in recent years, sometimes sovereign wealth funds, but also national pension schemes and global private equity funds. Recent examples include Blackstone purchasing 1740 Broadway and the Park Avenue Tower in New York for a combined \$1.1 bn, while in London the Qatari Investment Authority recently combined with Brookfield to buy the majority shareholding in developer Canary Wharf Group.

For funds which have very large amounts of money to deploy sub-\$100 m deals can be too granular,





La Défense in Paris combines offices, homes, hotels, shopping and culture in an iconic skyscraper district.



however skyscrapers allow sums over the billion dollar mark to be invested in a single deal.

Changes in global capital markets are shaping the new trend, as the mega-funds have traditionally been major investors in sovereign bonds. Years of Quantitative Easing (QE) have pushed bond yields to record lows for some of the most popular triple A and double A sovereigns, making real estate yields comparatively attractive. QE has also encouraged many funds to diversify their investment portfolios,

increasing interest in real estate as an alternative to bonds and equities.

Another attraction of skyscrapers relates to the diversity of the tenancy schedule found in many towers. Multiple tenants with leases expiring at different times increases exposure to the rental cycle, creating plenty of opportunity to asset manage a tower to exploit changes in the leasing market.

Particularly for pension funds, who must match income streams with

As an island city, skyscrapers have proved ideal for accommodating Singapore's rapid economic growth



The skyline of Pudong in Shanghai has become symbolic of China's emergence as an economic giant



◀ Burj Khalifa will pass the title of the world's tallest building to Kingdom Tower in Jeddah in 2019



◀ With a population of 15 million, Shenzhen is embracing tall buildings

growth. This includes delivering more homes and additional business space. Particularly, in emerging markets this has led to a drive to build towers that are ever bigger. However, this could change as these cities reach maturity.

In western cities when skyscrapers are developed it is common practice to pre-let a large share of the commercial space either before construction starts, or early on in the development process. This is because towers in the west, which are unlikely to be backed by government money, are shaped principally by commercial decisions. This has been less of a factor in emerging markets cities, where governments have often wanted to encourage large amounts of modern business space to be developed to accelerate the modernisation of their cities.

With economic maturity we could see more cities in Asia choosing not to build very big towers in the future, but adopting the western model as the need to modernise recedes. The drive for super tall buildings may give way to a world where towers are less concerned with height and more with the financial bottom line.



long-term obligations, the longevity of skyscrapers is also an attraction. In New York, art deco towers from the 1930s still operate as modern office buildings. The prospect of a building that gains almost timeless appeal is of interest to an investor who must think very long-term.

As well as the mega funds mentioned above, we are even seeing interest in skyscrapers from private investors; as shown by Brazil's Safra family buying 30 St Mary Axe. This could suggest a new club of skyscraper investors is emerging where the status factors found in leasing tower space are similarly applied to owning one.

#### SKYSCRAPERS AND THE FUTURE

Turning to the future, skyscrapers offer many opportunities for crowded inner cities to address problems of how to accommodate



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IN 2009 THERE WERE

NINETEEN

SKYSCRAPERS IN  
THE WORLD WITH  
HEIGHTS OF OVER  
ONE THOUSAND FEET

---

TODAY  
THERE ARE

SEVENTY

NINE

---

40%

---

28%

OF WHICH ARE IN CHINA

OF WHICH ARE IN THE UAE



# SKYSCRAPER INDEX

● Skyscraper Prime Office Rents  
(USD/sq ft/yr)

\$150.00

\$250.50

*Hong Kong remains the world's leading city for skyscrapers, but New York is closing fast. While Asia may be building apace, economic recovery in the US is buoying demand for towers from investors and tenants in the big North American cities.*

Knight Frank's latest skyscraper index has been expanded to take into account additional measures of a city's significance as a centre of high rise business and living. The index now assigns scores to each city based on a range of indicators, including skyscraper office rents and yields, the spread offered by investment yields compared to national bonds, the number of high rises built, and growth prospects for the city.

The previous index had Hong Kong in the number one slot with a huge lead. Interestingly, despite widening the criteria assessed, Hong Kong is still top of the table, confirming that on a range of measures it is the world's leading skyscraper city. However, the lead over the competition has narrowed. In particular, stronger rental

growth for tower space has buoyed New York, where skyscrapers are proving popular with the city's fast expanding digital and creative firms.

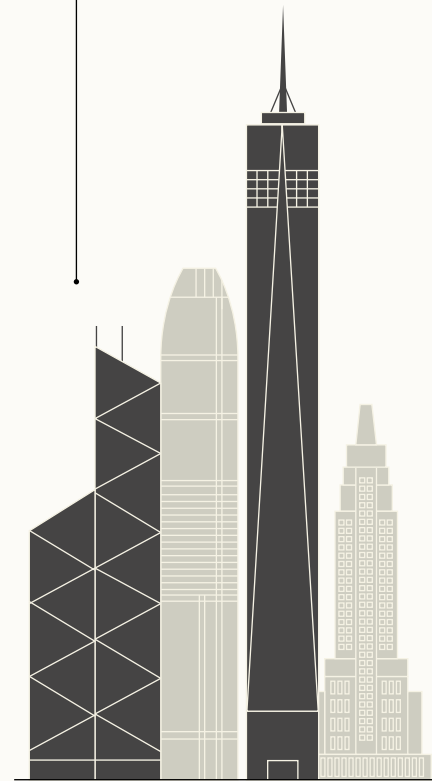
It is probably no coincidence that the cities ranked first and second have their CBDs on islands. Skyscrapers are the ideal solution for space constrained CBDs, particularly in an era when cities are repopulating, as towers are able to maximise the potential space that can be delivered on a site.

**Skyscraper Prime Office Rents:**

Source: Knight Frank Research, Newmark Grubb Knight Frank Research, Sumitomo Mitsui Trust Research Institute  
\*Illustration not to scale

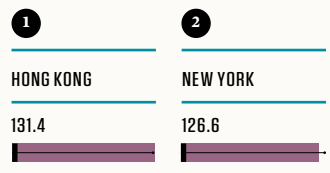
**Skyscraper Index:**

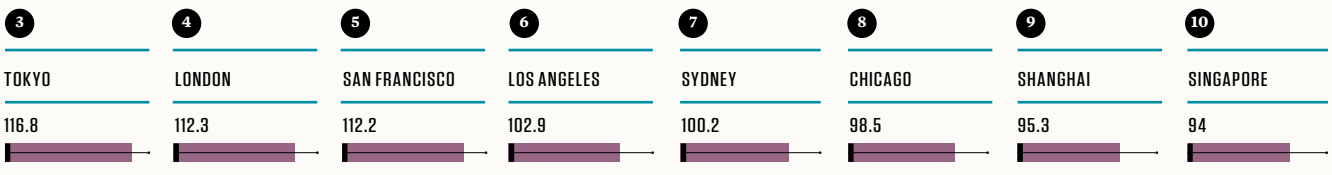
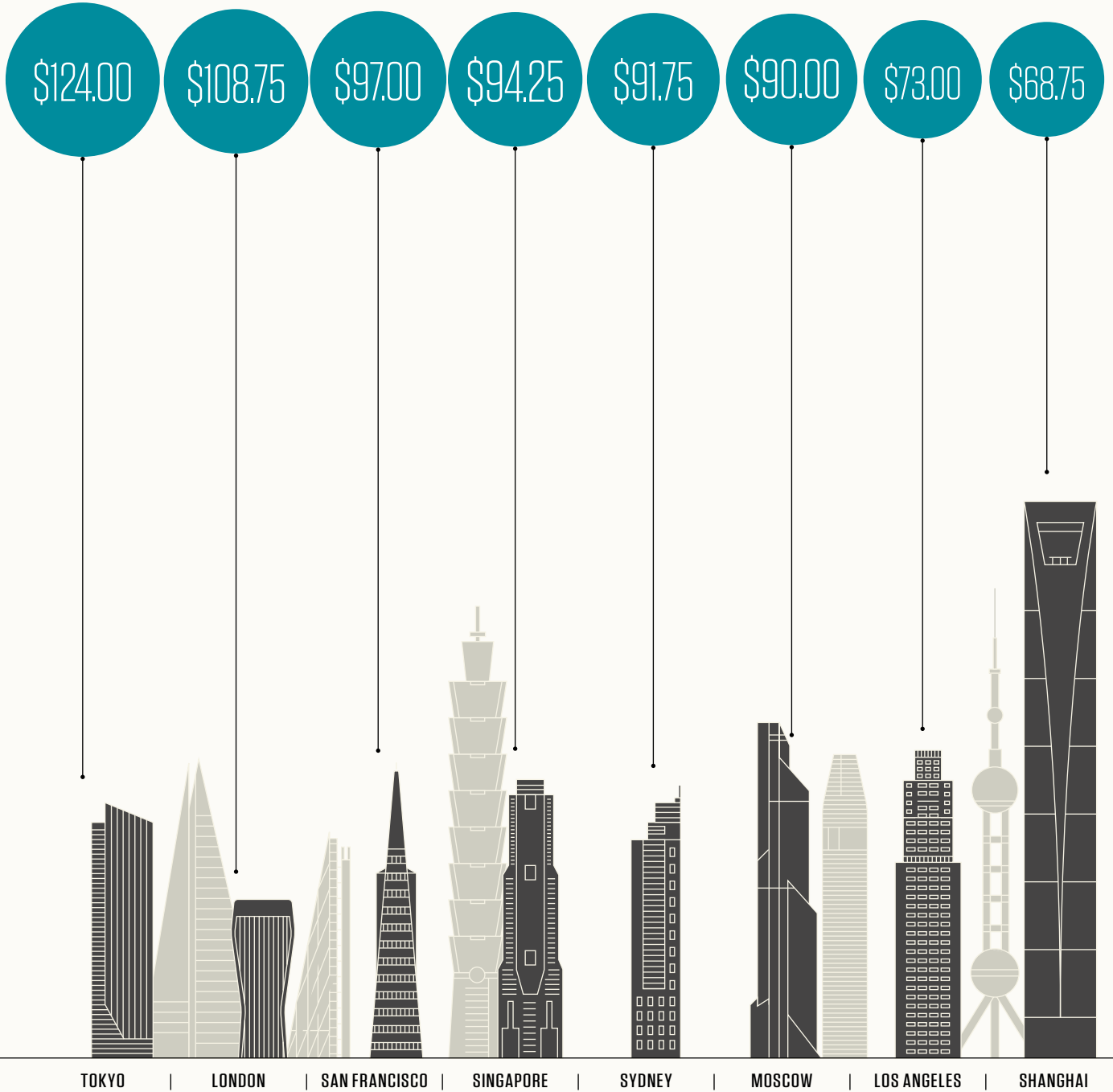
Source: Knight Frank Research, Newmark Grubb Knight Frank Research, Sumitomo Mitsui Trust Research Institute, The IMF, Thomson Reuters, JP Morgan Chase

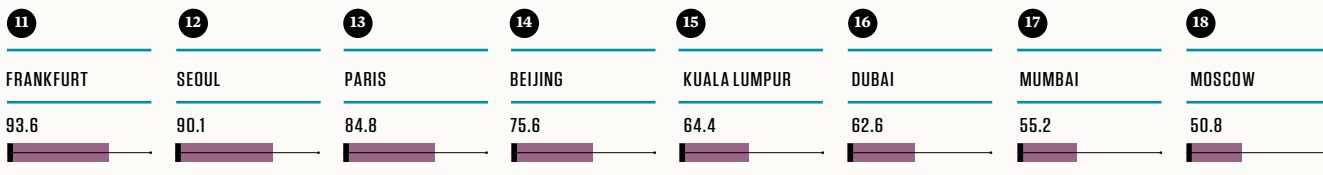
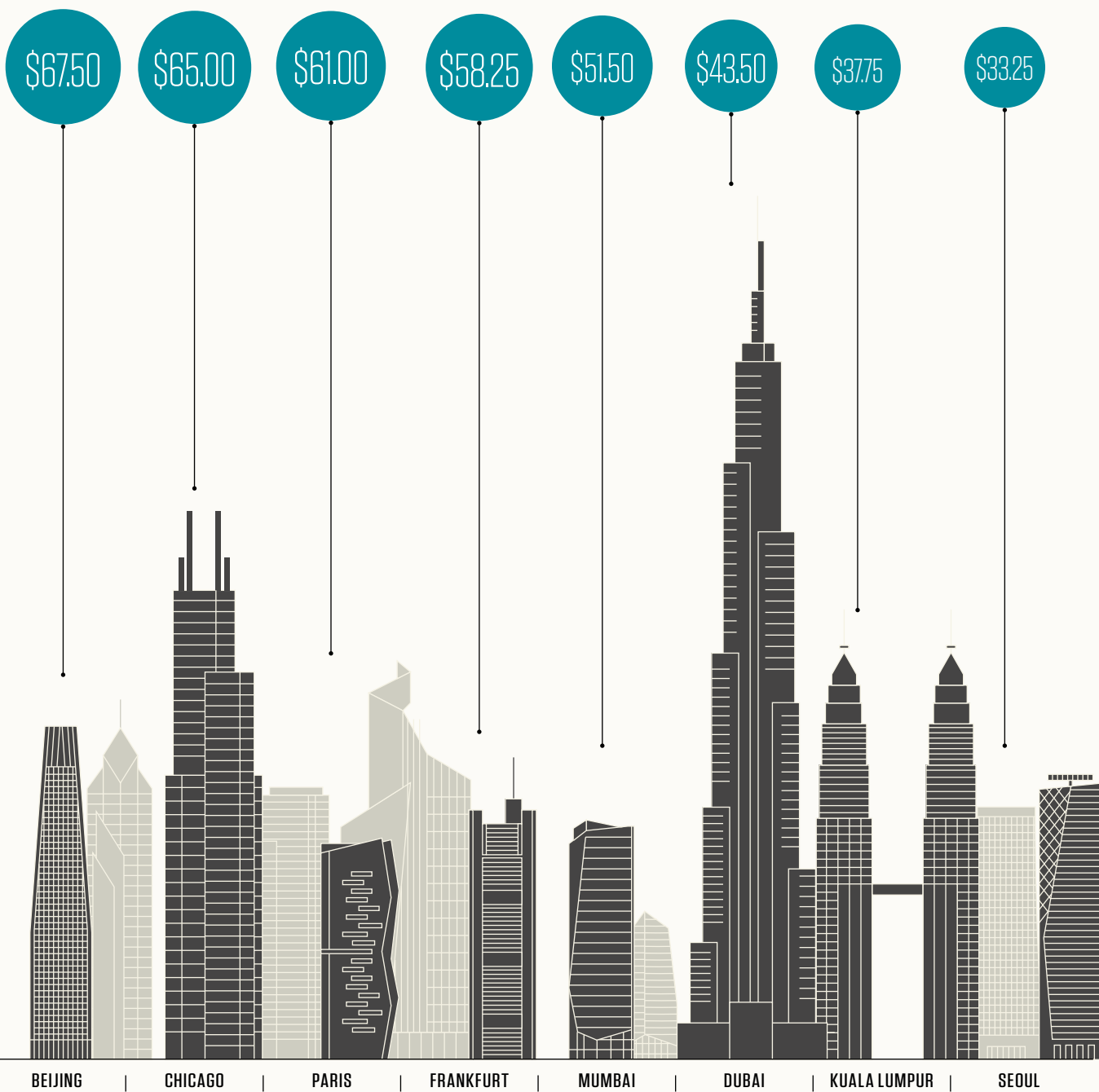


HONG KONG | NEW YORK

SCORES









# WEST SIDE STORY

## NEW YORK'S NEXT SKYSCRAPER CLUSTER

*In Manhattan's Far West Side an ambitious new district is under construction, with world famous companies signed as anchor tenants.*



Images: Hudson Yards

**10 HUDSON YARDS**

THE RELATED COMPANIES

1,700,000 SQ FT

2015 UNDER CONSTRUCTION

52 STORIES

SIGNED: COACH, L'ORÉAL, SAP, VAYNERMEDIA

**55 HUDSON YARDS**

MITSUI FUDOSAN, THE RELATED COMPANIES

1,300,000 SQ FT

2017 PLANNED

50 STORIES

DESIGNED FOR LAW FIRMS

**30 HUDSON YARDS**

THE RELATED COMPANIES

2,600,000 SQ FT

2018 PLANNED

84 STORIES

SIGNED: TIME WARNER (HBO, CNN, & WARNER BROS.)

**5 MANHATTAN WEST 450 WEST 33RD ST**

BROOKFIELD PROPERTIES

1,800,000 SQ FT

2016 (RENOVATION) PLANNED

16 STORIES

SIGNED: CHASE DIGITAL MEDIA

**3 HUDSON BOULEVARD**

THE MOINIAN GROUP

1,800,000 SQ FT

2018-2019 UNDER CONSTRUCTION

66 STORIES

MIXED-USE DEVELOPMENT POSSIBLE

**509 WEST 34TH ST**

TISHMAN SPEYER

2,850,000 SQ FT

2019 PLANNED

61 STORIES

DEVELOPMENT PLANS ANNOUNCED JULY 2014

**50 HUDSON YARDS**

THE RELATED COMPANIES

2,300,000 SQ FT

2020 PLANNED

62 STORIES

PROJECT IN EARLY STAGES OF PLANNING

**1 & 2 MANHATTAN WEST**

BROOKFIELD PROPERTIES

4,000,000 SQ FT

TBD PLANNED

67 STORIES EACH

SKADDEN, ARPS SIGNED: AN LOI



# 5 FUTURE TRENDS

*When a city grows it can do so either laterally by spreading out, or vertically by building skywards thus converting air into 'land'. Below we identify five trends that will encourage the Global Cities to go upwards, making skyscrapers an essential component of urban growth.*

01

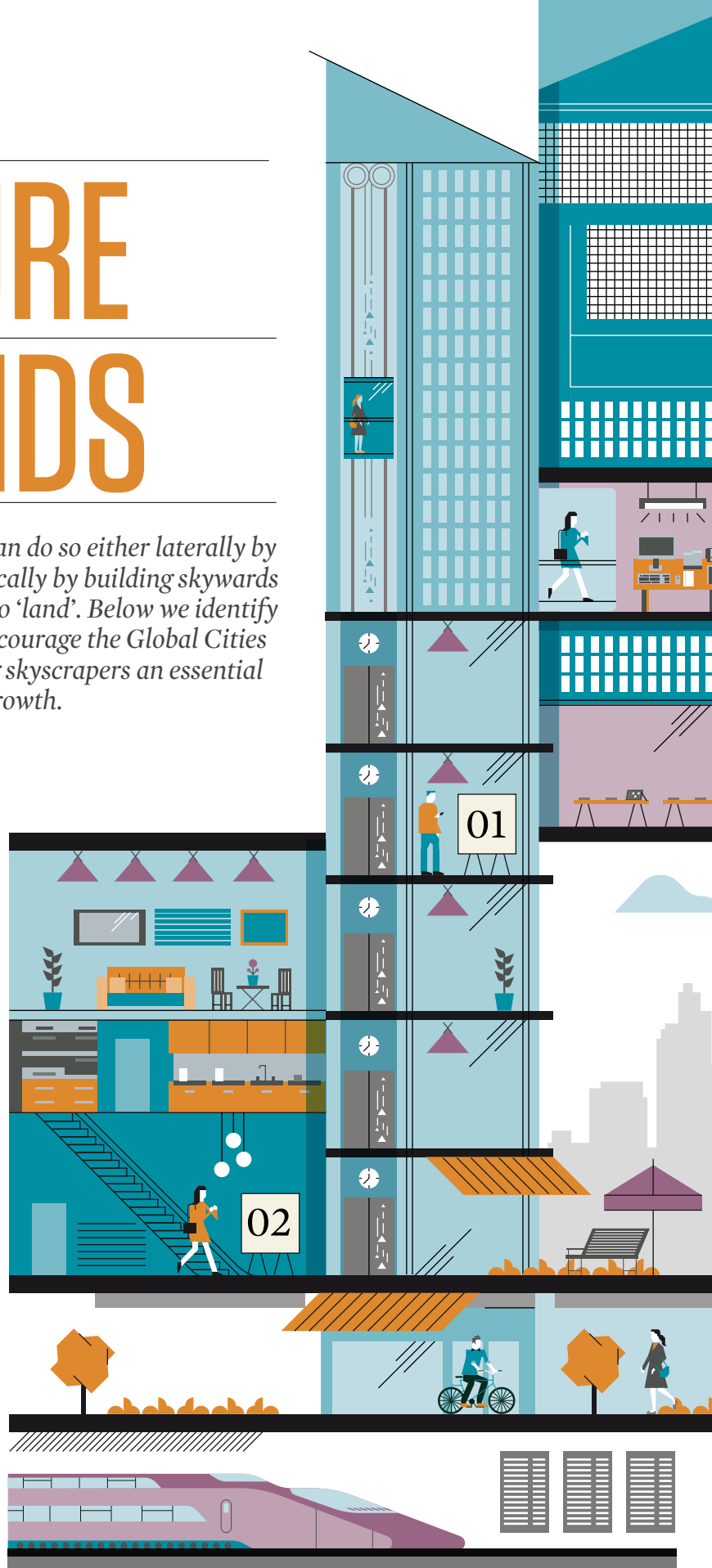
## NEW TECHNOLOGY

As buildings rise higher, new technologies are emerging to make this both possible and cost effective. With steel elevator cables, going much above 500 metres becomes problematic as both weight and energy consumption increase. Finnish company, Kone, have developed a new carbon fibre cable which can be as long as one kilometre while using less energy to hoist elevators, as it is a fraction of the weight of steel. Thyssen-Krupp are looking into an elevator that has no cable. It is based on magnet technology which would eliminate the need for a counterweight, freeing up internal space for other uses.

02

## LIVING IN THE CITY

Migration, gentrification, and growing economic opportunities have brought about rapid population growth in cities across the globe. The UN is predicting the number of mega cities (those with a population of over 10 million) to jump from 28 currently to 41 by 2030. India's urban population is forecast to nearly double to 814 million by 2050. For emerging markets cities, skyscrapers offer a means of delivering large swathes of homes and business space in response to rapid economic and population growth. For western cities towers offer a means of matching the popularity of living near work in densely developed inner cities.







03

03

### BUSINESS CLUSTERS

The rise of the internet and electronic trading was widely expected to break-up business clusters, but in most instances this has not been the case. Indeed the new wave of digital companies has shown a strong propensity to cluster in dense urban areas, whether it be SOMA in San Francisco or Midtown South in New York, suggesting clusters could be set to grow in significance in a hi-tech future. Going skywards helps to keep a cluster local. It is noteworthy that the most enduring business cluster in London, the insurance firms in the EC3 post code, is where we have seen a raft of new skyscrapers.

04

### LIMITING SPRAWL

As cities grow they typically sprawl outwards, creating problems of extending transport networks, building on green fields, and imposing longer commutes on staff. It can also create political and municipal funding problems if cities struggle to 'adopt' the suburban towns around them – a factor in Detroit's recent bankruptcy. Skyscrapers reduce the need to sprawl. More concentrated, vertical cities would allow transport networks to focus on maximising local capacity and efficiency at peak times rather than extending lines further into the surrounding countryside. Reducing sprawl also increases eco-commuting like jogging or cycling to work.

04

05

### THE COMMUNITY CITY

While media attention often falls on the skyline, the ordinary citizen encounters the city at ground level. Building offices and homes skywards frees up the ground floor frontage, and indeed basements and first floors, for retail, leisure and other amenities. Once commercial space is extending upwards not laterally, public areas interspersed with art and sculptures can be created between tower concentrations. These can be used for markets and cultural events, to improve quality of life. With towers allowing more people to live in the centre, the CBD no longer becomes a ghost town outside of office hours, encouraging a weekend and evening economy of shopping, culture and tourism.

05



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# ABOUT THE GROUP

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*Knight Frank and Newmark Grubb Knight Frank, together, is a thoroughly integrated market-leading global real estate advisor.*

The combined group have more than 12,500 property professionals, with more than 370 offices around the world; this global commercial and residential capability allows us unrivalled access to wealth, properties and occupiers in 55 countries.

Our integrated office network enables us to offer clients a dedicated service from our headquarters in London and New York City. Together, we are strengthened by the specialist desks we have created in these cities, devoted to further enhancing our global client relationships.

We have a highly developed Global Corporate Services business with hubs in London, New York and Hong Kong. Working with occupiers of commercial premises our teams are able to offer an outstanding level of service globally, regionally and at a country or city level. We excel at portfolio

strategy, leasing, workplace consultancy, tenant representation and project management.

Our Global Capital Markets teams operate from five core regions, the UK, Europe, Asia, Middle-East and The Americas. We have unrivalled access to institutional, corporate, sovereign and private wealth.

Our Office Leasing teams are appointed on some of the most high profile buildings around the world, including The Shard in London, Gateway in Sydney, SRE Finance Centre in Shanghai and the Empire State Building in New York. The strength and depth of our Leasing and Tenant Representation business enables us to offer clients a truly global service.

To complement our Capital Markets, Tenant Representation and Leasing teams we have a

highly developed and enviable Valuations business who can manage the valuation of a portfolio of global assets from a single location whilst working closely with our teams at a local level.

Our track record of trust and integrity means we, together, are becoming increasingly recognised as the advisor of choice in the global real estate market. With our best-in-class advice, and ability to deliver seamlessly in collaboration, we set ourselves apart in the global market place.

The combination of our people, network, research and technology has helped us grow our enviable track record and, for that reason, clients come back to us time and time again.

Our objective is to deliver uncompromising standards, our clients deserve nothing less.



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Within this report all figures quoted for 2014 are year-end.

This report was largely written in March 2015 based on available data and drawing from the business news and market sentiment at the time; then going to press in early April 2015.

Rent figures quoted for cities in the Americas, are prime average asking rents. Rents elsewhere are quoted normal prime achieved.

Many external sources regarding Skyscrapers have been consulted for this report, but the information has been cross referenced against Knight Frank and Newmark Grubb Knight Frank's proprietary knowledge, and information kindly provided by several firms in the development sector regarding their specific skyscraper projects. This explains any disparities between data in the report and that quoted elsewhere.

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