

Swiss Life Asset Managers launches its European Thematic Cities Index

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The Swiss Life Asset Managers' European Thematic Cities Index 2021 reveals London on the number one spot for real estate investments, closely followed by Paris and Amsterdam. The proprietary index measures European cities against five core city themes that are aligned with major trends shaping a city's real estate market. The Index is an important research-driven tool that supports long-term real estate investment strategy decisions and adds to the asset managers' expertise as a leading European real estate investor.

The European Thematic Cities Index is a composite indicator that quantifies the ability of cities to address transformative structural trends that shape real estate demand, categorised into the following five themes:

- **Dynamism** – the ability and means to adapt to and embrace changes;
- **Healthiness** – the ability to build resilience to a shifting climate and support the wellbeing of citizens;
- **Networks** – the ability to support and grow professional and personal communities;
- **Cosmopolitanism** – the ability to meet changing consumer demands of multicultural residents; and
- **Accessibility** – the ability to connect citizens to the physical and digital world.

The index provides an overall ranking for 137 European cities from 29 countries based on 49 attributes, which can be split into five sub-indices representing each of the five themes.

"With this proprietary city score that focuses on structural themes that shape the real estate market, Swiss Life Asset Managers is able to set itself apart. The score includes many smaller cities and takes potential for further strengthening in core themes into account, which is particularly useful for a forward-looking investor. We currently invest in real estate projects in 31 out of the top 40 cities of the 2021 ranking and the high scores of Nordic cities support our ambition to increase our presence in this market", comments Stefan Mächler, Chief Investment Officer, Swiss Life.

The European Ranking 2021

The top-ranked city in the European Thematic Cities Index this year is London. It ranks first among European cities in Dynamism, Networks and Cosmopolitanism as it combines an unparalleled concentration of companies, talent and opportunity. Amsterdam ranks second overall, with very high Healthiness supporting the wellbeing of its citizens and strong Networks mirroring viable business clusters. Paris, which takes the third spot overall, has the second highest score for Dynamism as it exhibits very solid economic fundamentals. At the bottom of the chart are cities such as Gjöń, Brno and Grenada – these cities are not necessarily unattractive for real estate investment but lend themselves to tailored strategies to enhance performance and protect the downside.

All six Swiss cities within the TCI rank among the top 50 European cities, exhibiting thematic strength in City Networks, City Cosmopolitanism and City Accessibility. Among Swiss cities, Basel is the most cosmopolitan, Zurich the healthiest, Lausanne the best networked and most dynamic and Bern the most accessible city.

Francesca Boucard, Head Real Estate Research & Strategy at Swiss Life Asset Managers adds "This joint project among our real estate research teams based in our four core markets combines our long-standing real estate expertise with a comprehensive set of city-level attributes. While the TCI cannot directly be translated into specific investment decisions, the detailed,

quantitative comparison of cities on the attribute-level offers valuable information from a top-down perspective."

Underlining Swiss Life Asset Managers' pan-European research expertise

The index has been designed to provide one of the building blocks to support research driven investment strategy. It adds to the well-established research expertise and underlines the pan-European investment approach. The purely data driven score will inform the Swiss Life Asset Managers' house view, which influences investment decision across the business. It can serve as a starting point to gain a first understanding of the relative strengths and weaknesses of cities across the core themes.

The results of the index can be overlaid with qualitative and quantitative information about submarkets and specific real estate projects to determine the optimal target cities and segments for investment.

Advantages for investors

The European Thematic Cities Index enables investors to allocate capital to thematically stronger cities that are expected to outperform. Cities can also be selectively targeted based on specific investment strategies. A focus on environmental sustainability can for example lead to a prioritisation of cities with superior ecological credentials by weighing healthier cities more heavily. Investors can use the index to review their current portfolios and determine their exposure to cities best aligned to structural change. Ultimately, value can be derived from getting a deeper understanding of city strengths and weaknesses and tailoring portfolios accordingly.

More detailed information on the Swiss Life Asset Managers' European Thematic City Index can be found on our [website](#).

Information

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Swiss Life Asset Managers

Swiss Life Asset Managers has more than 160 years of experience in managing the assets of the Swiss Life Group. This insurance background has exerted a key influence on the investment philosophy of Swiss Life Asset Managers, which is governed by such principles as value preservation, the generation of consistent and sustainable performance and a responsible approach to risks. That's how we lay the groundwork for our clients to make solid, long-term plans – in self-determination and with financial confidence. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg and the UK.

As at 30 June 2021 assets under management for third-party clients amount to CHF 98.9 billion. Together with insurance mandates for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at CHF 274.4 billion. Swiss Life Asset Managers is a leading real estate manager in Europe¹. Of the assets totalling CHF 274.4 billion, CHF 81.8 billion is invested in real estate. In addition, Swiss Life Asset Managers, in cooperation with Livit, manages real estate totalling CHF 28.8 billion in value. Total real estate under management and administration at the end of June 2021 thus came to CHF 110.6 billion.

Swiss Life Asset Managers employs more than 2400 people in Europe.

¹ INREV Fund Manager Survey 2021 (AuM as of 31.12.2020)