



# THE LOCATION ADVANTAGE



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As skilled workers become harder to find and retain, companies are rethinking where they locate. We explore how businesses are spreading their operations across multiple hubs – and look at some of the cities that are benefiting

**T**he past decade has brought some of the most profound changes to working practices since the Industrial Revolution. Labour scarcity, slowing cross-border migration of skilled workers and macroeconomic volatility have made finding and retaining talent more complex. At the same time, maturing digital technology has enabled companies to spread functions across different cities.

Traditionally, businesses clustered in a select few leading global cities, drawn by deep talent pools, access to capital and proximity to clients.

Today, a new corporate geography is emerging. These major global cities remain important, but are now part of wider office networks that support growth, provide access to talent and improve cost efficiency.

This has flipped the traditional relationship between workers and jobs: increasingly, companies are not asking talent to relocate, but are moving to where they can find skills matched to their strategy. In boardrooms across the globe, corporate expansion plans are driven by the question: where can we find – and keep – the right people? ▶

# City archetypes: the locations attracting global businesses

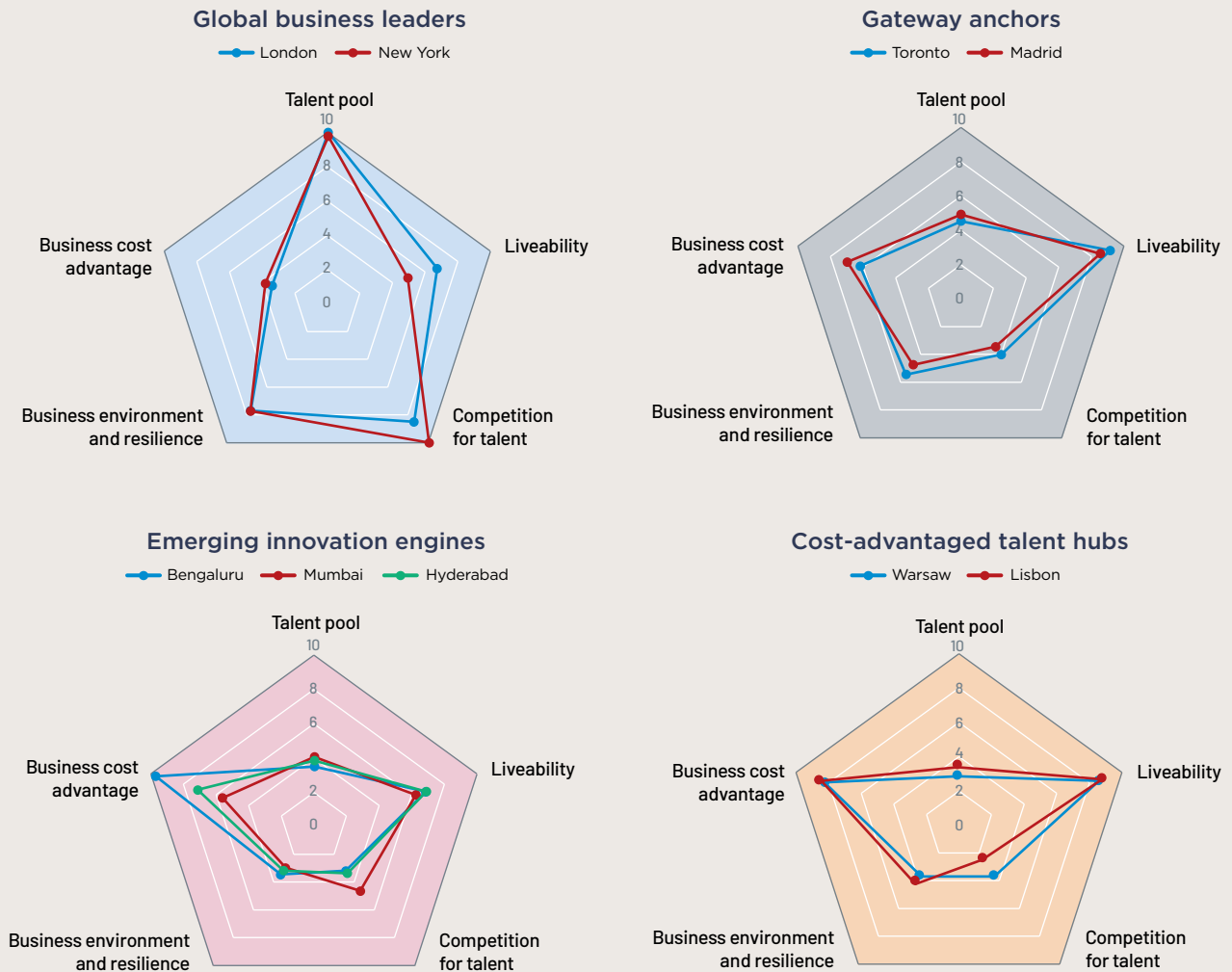
To understand the evolving role of cities, we have examined their position in the broader talent ecosystem. Our Savills Talent Cities Index analyses global business hubs according to five categories: access to talent, liveability, local competition, economic resilience and business cost advantage (including salary and real estate costs).

However, rather than focusing our analysis on a ranking of cities from best to worst, we have grouped them into a series of archetypes with shared characteristics. Six distinct profiles emerged, as outlined in the table below.

ARCHETYPE	DESCRIPTION	EXAMPLE CITIES	PRIMARY BUSINESS OPPORTUNITY	KEY CHALLENGES
<b>GLOBAL BUSINESS LEADERS</b> 	Global command hubs for capital and decision-making. These cities play host to headquarters, client engagement and leadership	New York London Tokyo Singapore	<ul style="list-style-type: none"> <li>■ Deepest global talent pools</li> <li>■ Dense corporate ecosystems and VC networks</li> <li>■ Prestige and client proximity</li> <li>■ High-quality office stock</li> </ul>	<ul style="list-style-type: none"> <li>■ Rising cost pressures for talent (living and housing)</li> <li>■ Intense talent competition</li> <li>■ High operating costs</li> <li>■ Talent retention challenges</li> </ul>
<b>GATEWAY ANCHORS</b> 	Large, globally connected cities with strong regional dominance	Berlin Madrid Toronto Atlanta	<ul style="list-style-type: none"> <li>■ Cost arbitrage vs global business leaders</li> <li>■ Strong regional talent pools</li> <li>■ 'HQ-lite' or dual-hub strategies</li> </ul>	<ul style="list-style-type: none"> <li>■ Limited talent pool depth relative to global business leaders</li> <li>■ Lower global connectivity</li> </ul>
<b>LIVEABILITY MAGNETS</b> 	Highly attractive for liveability, lower cost of living and broader talent appeal	Melbourne Copenhagen Manchester Tampa Austin	<ul style="list-style-type: none"> <li>■ Ease of attraction and retention</li> <li>■ Lower cost base vs global business leaders and gateway anchors</li> </ul>	<ul style="list-style-type: none"> <li>■ Smaller talent pools, requires greater training investment</li> <li>■ Lower density of corporate ecosystems</li> </ul>
<b>EMERGING INNOVATION ENGINES</b> 	High-growth cities with large, cost-effective and increasingly specialised talent pools	Bengaluru Hyderabad Mumbai Wuhan	<ul style="list-style-type: none"> <li>■ Access to large, specialised, cost-effective talent pools</li> <li>■ Favourable demographics</li> <li>■ Rapidly expanding innovation capacity</li> </ul>	<ul style="list-style-type: none"> <li>■ Infrastructure stress</li> <li>■ Limited supply of quality office space</li> <li>■ Growing competition for talent</li> <li>■ Wage inflation underway</li> </ul>
<b>SECTOR CLUSTERS</b> 	Cities where specific industries concentrate and form dense innovation clusters	Boston Zurich	<ul style="list-style-type: none"> <li>■ Access to specialised talent and research ecosystems</li> <li>■ Cluster-driven innovation</li> </ul>	<ul style="list-style-type: none"> <li>■ Exposure to sector-specific volatility</li> </ul>
<b>COST-ADVANTAGED TALENT HUBS</b> 	Cost-efficient delivery centres supporting global operations	Kuala Lumpur Warsaw Lisbon Guadalajara	<ul style="list-style-type: none"> <li>■ Talent cost advantage</li> <li>■ Growing skilled workforce</li> <li>■ Government incentives and outsourcing ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>■ Talent competition as hubs mature</li> <li>■ Wage inflation reducing cost arbitrage over time</li> <li>■ Variable depth of senior leadership and specialist talent</li> <li>■ Constrained Grade A office availability</li> </ul>

Source: Savills Research

## How archetypes compare: scores from the Savills Talent Cities Index



Source: Savills Research

### Trends reshaping the working world

Talent competition has intensified. [Our 2025 survey, conducted in collaboration with CoreNet Global, found that almost two-thirds of organisations reported a reduction in talent availability in their headquarters location](#), rising to 73% in the technology sector. This catalyst is driving companies' willingness to relocate or expand into new markets to access skills.

But acquiring talent is complex: unemployment across advanced economies is close to historic lows, while ageing populations mean more workers are retiring than entering the labour market.

The cities with the highest concentrations of talent are also among the most expensive places to live and work. There is significant skills availability, but it comes with intense competition. You can hire great people, but can you afford to

keep them? Are they doing their best work? In many competitive markets, long commutes and high living costs take a toll on retention and day-to-day engagement.

For many, the answer is not to abandon the **global business leader** cities, but to rebalance their footprint. Headquarters remain anchored in major hubs where senior decision-makers can connect with key clients and raise capital, while growth, innovation and

operations are increasingly distributed across talent-matched locations.

There is an inherent tension in the data. Cities that score highest for liveability tend to score lowest on the depth of their talent pools and the presence of competitor businesses. That might seem to be a weakness, but viewed through the lens of retention, less competition for staff means lower attrition, and a better quality of life means more engaged employees.

As Michelle Needles, Global Head of Enterprise Solutions, Global Occupier Services, Savills, explains: "When everyone goes to the same place for talent, there is no competitive advantage left. Instead, we find saturated hiring markets, wage inflation already underway and talent with too many options, which makes operations more fragile."

"If your location map mirrors your competitors', your challenges will too," Needles adds. "The best talent strategy often involves places your competitors haven't validated yet."

### Cities in focus

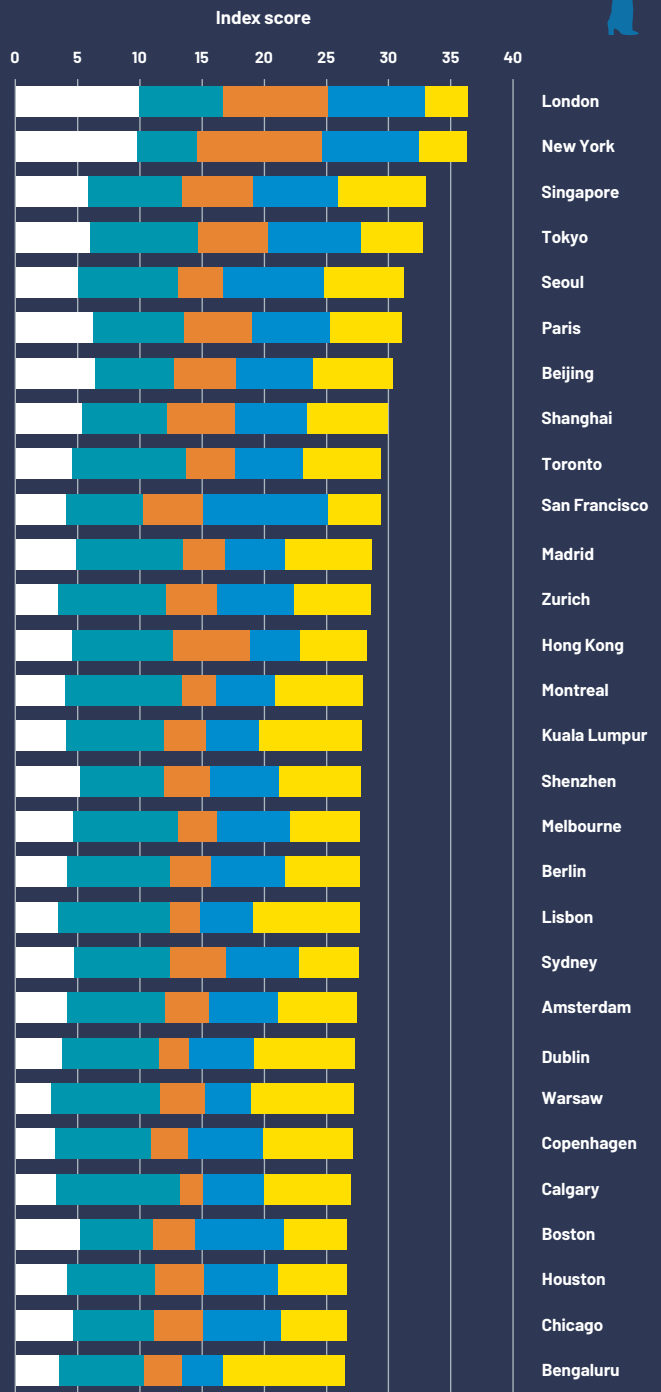
The shift towards a 'talent-first' location strategy is causing cities to move between archetypes. Locations that were once primarily **cost-advantaged talent hubs** have capitalised on their talent pipelines, moving up the value chain. Others that were traditionally seen as secondary or tertiary cities are becoming prominent hubs in their own right. Here are three cities on the move.

#### NORTH AMERICA: TORONTO

Our research identifies Toronto as a **gateway anchor**: a city that offers strong regional talent alongside cost savings. Canada's largest city has become a focal point for global companies seeking skilled and engaged talent. Toronto ranks fourth for liveability in our Savills Talent

## Savills Talent Cities Index

■ Talent pool
 ■ Liveability
 ■ Intensity of competition
 ■ Business environment and resilience
 ■ Business cost advantage



Source: Savills Research, top 30 cities in Savills Talent Cities Index

Cities Index, with many amenities, short commutes and reasonably priced housing.

A key structural advantage for Toronto is Canada’s migration policy. Canada tops our Savills Ease of Migration Tracker thanks to its points-based immigration system, helping companies to recruit international talent more easily.

According to Devon Munos, Senior Vice President, Head of Americas Research, Savills, leasing activity in the city has been well above average for the past three years. She says that the first quarter of 2026 has been “structurally transformational”, with record levels of deals.

Toronto is the city of choice for many tech firms looking to grow their operations. Microsoft has expanded its engineering team in the city, Uber has built an AI research centre and Google is developing a large-scale campus.

“Global employers are drawn to Toronto’s well-educated workforce and its relative affordability, which support resilient and scalable operations,” says James Butchard, Executive Vice President, Savills Downtown Toronto. The city may be a **gateway anchor** today, but it could be a **global business leader** of tomorrow.

Elsewhere in North America, Dallas and Atlanta have become increasingly attractive locations. These cities offer a compelling mix of lifestyle, affordable quality housing and career opportunities. Nashville is also emerging as a strong regional hub, with Starbucks recently announcing its new \$100 million headquarters in the city.

**ASIA-PACIFIC: BENGALURU**

Once a **cost-advantaged talent hub**, Bengaluru (formerly Bangalore) has taken on the more strategic role of an **emerging innovation engine**. In recent years, it has become a

hotspot for the global technology industry and [the country’s primary base for global capability centres](#).

Naveen Nandwani, Managing Director, Commercial Advisory and Transactions, Savills India, has been working in this market for 20 years. “Bengaluru and Hyderabad are moving beyond their traditional roles as outsourcing centres to become deeply embedded within global operations, taking on R&D and innovation-led roles,” he says.

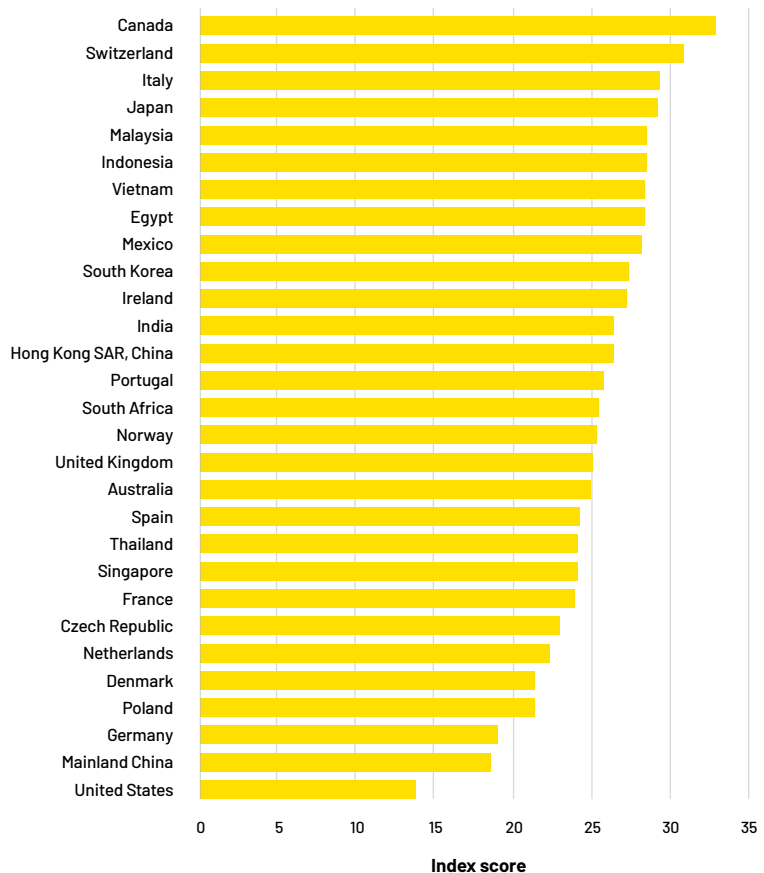
Bengaluru has abundant tech talent, thanks to its youthful population and network of prestigious engineering colleges. The city is now home to the sprawling campuses of Infosys, Accenture, Amazon, Microsoft and

more. According to Nandwani, domestic migrants – drawn by this concentration of tech companies – account for 60% of the population. Google is currently building a new 20,000-employee campus, which will attract even more skilled workers to the city.

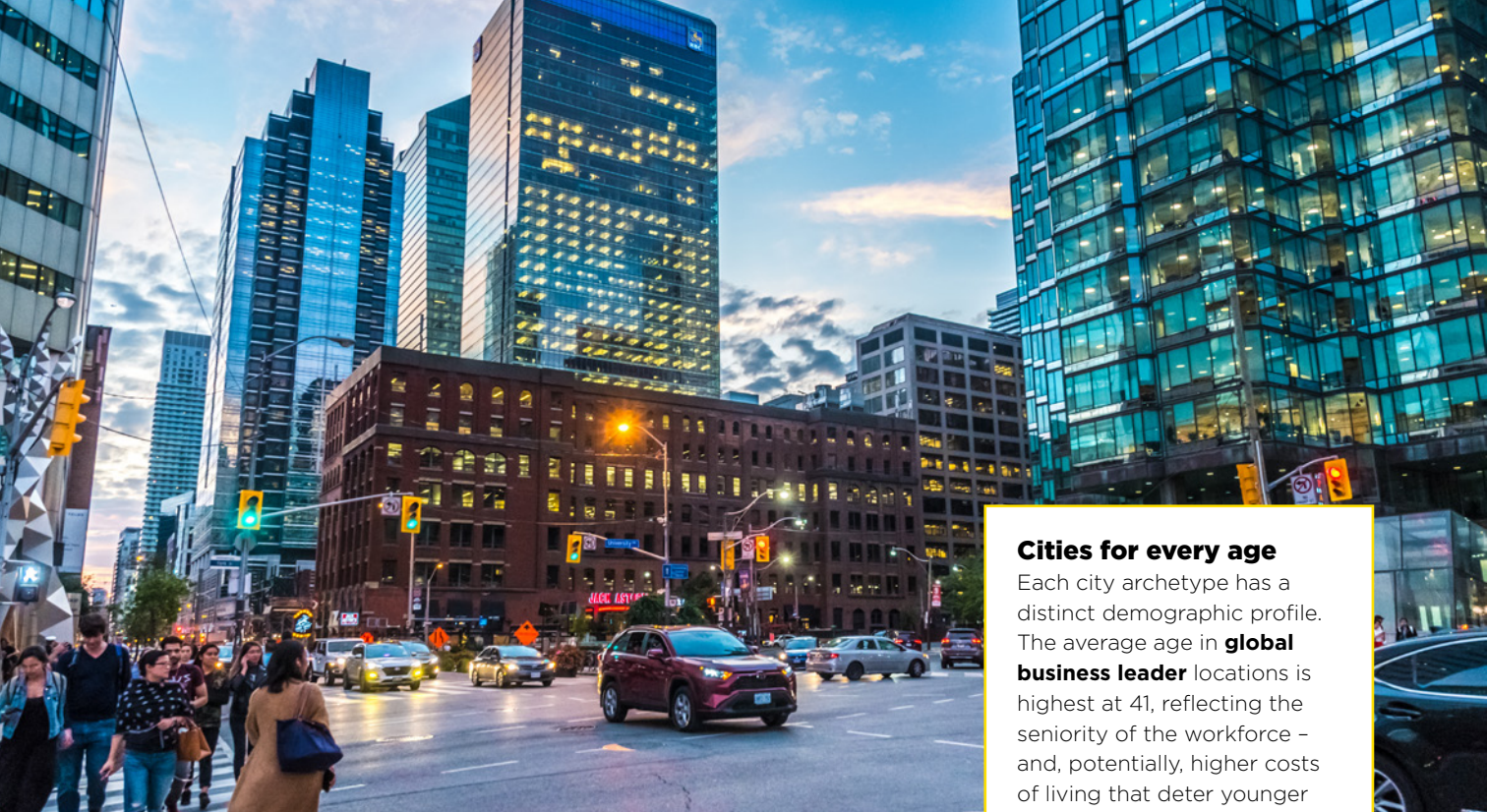
Bengaluru ranks second in the Savills Talent Cities Index for business cost advantage, giving it the edge over cities such as Mumbai. But in the short term, its growth has created infrastructure problems that are key for businesses to understand and navigate.

Beyond Bengaluru, across India, Gurugram, New Delhi and Mumbai are strengthening their position as global innovation hubs, with inflows

**Savills Ease of Migration Tracker**



Source: Savills Research



of venture capital funding into these cities increasing 400% in the past decade.

Momentum is also building in Seoul, with its highly educated workforce and deep expertise in AI, semiconductors and gaming. In China, Wuhan is emerging as a strong innovation engine, supported by a growing pipeline of highly skilled graduates.

### EUROPE: MANCHESTER

Manchester offers a combination of cost competitiveness, a strong talent pipeline and high liveability – earning it a **liveability magnet** classification. It has experienced an unprecedented residential development boom in recent years, meaning employees can live in the city centre while benefiting from lower outgoings compared with London.

“The local government is investing in public transport, cycling infrastructure and notable mixed-use developments such as Spinningfields, NOMA and Mayfield,” says Andrew Cooke, Director, UK Tenant Representation, Savills. He

adds that these projects are creating vibrant new urban neighbourhoods.

Manchester is also a major academic hub, with over 120,000 higher-education students – one of the largest concentrations in Europe. Critically, it holds on to its talent: 65% of its graduates decide to call Manchester their permanent home.

“The city has a diverse occupier base: The Hut Group, AO.com, AutoTrader and Boohoo were all born here,” says Cooke. Other notable occupiers include German fashion and sports company Puma, which moved its UK headquarters to Manchester in 2025. Travel giant Booking.com’s Manchester campus is now the company’s second-largest international office after its Amsterdam HQ.

Despite the city’s smaller talent pool, fewer business competitors mean the average tenure of employees in Manchester is 21% higher than in London. Our research shows the city could outgrow its classification as a **liveability magnet**, taking on the characteristics of a **gateway anchor** over the medium term.

### Cities for every age

Each city archetype has a distinct demographic profile. The average age in **global business leader** locations is highest at 41, reflecting the seniority of the workforce – and, potentially, higher costs of living that deter younger workers from putting down roots. **Liveability magnets** skew younger (35), attracting mid-career professionals and families drawn to affordability and work-life balance.

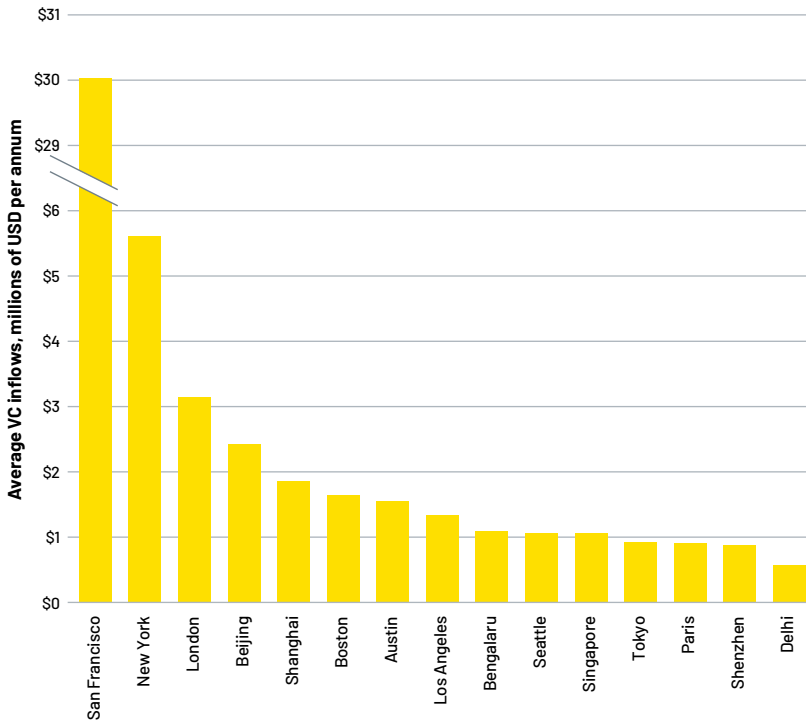
These patterns are reinforced by shifting migration flows. Net migration into **global business leader** cities has fallen sharply – from an average of 147,000 annually in the 2000s to just 24,000 in the 2021-25 period – as workers have prioritised liveability. Meanwhile, **gateway anchors** and **liveability magnets** have seen steady increases.



Elsewhere in Europe, Barcelona is also gaining traction within an evolving talent landscape. Julia Moore, Director, Global Occupier Services, Savills, has seen increasing interest from multinationals in the city as well as in Madrid and Lisbon. “Barcelona has built a strong reputation for attracting skilled

## Venture capital inflows to selected cities

Bengaluru and Delhi punch above their weight in venture capital



Source: Savills Research using PitchBook data, reflects annualised five-year average from 2000-2025. Note: Data has not been reviewed by PitchBook analysts. Scale break used for San Francisco to allow comparison across remaining cities

professionals drawn by its quality of life and growing business ecosystem,” she says.

Overall, key business hubs on the Iberian Peninsula score highly for lifestyle, with Lisbon, Barcelona and Madrid all ranking in the top 15 of our Savills Talent Cities Index for liveability.

### A network-based strategy

The way companies think about their operations across the world is changing. They are still investing in **global business leader** locations as a base for senior talent, but increasingly complementing them with networks of locations from across the city archetypes to provide the talent to deliver their corporate strategies.

“Forward-thinking companies are defining a talent-centric location strategy from first principles,” says Needles. “They are selecting the types of cities where the right talent wants to be – and will continue to want to be.” ■

