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Affordable housing the major concern of citizens worldwide, finds IMD 2025 Smart City Index

Annual report says the issue cuts across levels of development and geographical location

- **Zurich** retains the top spot in this sixth edition of the annual report. **Oslo** remains in second place. **Geneva** moves up to third place from sixth.
- **Dubai** (12th in 2024) and **Abu Dhabi** (10th in 2024) both enter the top five, at fourth and fifth, respectively.
- **Ankara, Buenos Aires, Cairo, Seattle, and Stockholm** experience decline in smartness over last three years.
- **Doha, Chongqing, Hangzhou, Riga, and Zagreb** experience greater levels of smartness over last three years.

Lausanne, Tuesday 8 April 2025 – City dwellers’ ability to find affordable housing is on the decline worldwide, meaning prosperity isn’t being shared inclusively. This is greatly impacting the overall quality of life of a wide cross-section of the urban population, the [2025 IMD Smart City Index](#) finds.

Its report, entitled “The Housing Affordability Challenge: A Growing Concern in Smart Cities” assesses six new cities in 2025 – **AlUla** in Saudi Arabia, **Astana** (formerly Nur Sultan) in Kazakhstan, **Caracas** in Venezuela, **Kuwait City** in Kuwait, **Manama** in Bahrain, and **San Juan** in Puerto Rico – bringing the total to 146.

The Index, published by IMD’s [World Competitiveness Center](#) (WCC), is derived from 39 survey responses collected from residents representing various levels of

society. Answers to the question “Is finding housing with rent equal to or less than 30% of the average monthly salary a problem in your city?” shaped the direction of the report.

It elaborates on how higher tariffs on steel and potentially lumber – part of the aggressive trade stance adopted by the United States this year – are expected to increase development costs, putting further stress on an already-constrained housing supply.

Direct participants in the trade war will likely experience economic losses that could outweigh any benefits, the report says. Consequently, rising inflation could damage industries heavily reliant on imported materials – construction being one.

"While cities are engines of economic growth and attract significant talent, this very success often drives up living costs," said Director of the WCC Arturo Bris. "We observe a persistent gap between wage growth for many urban dwellers and the escalating price of housing, whether renting or buying."

Factors like gentrification in diverse neighborhoods, a lack of affordable units being constructed, and speculative investment patterns are major factors behind the trend, the report finds. It also underlines that the crisis is more keenly felt in urban areas largely due to growing immigration influxes.

There are minimal shifts since last year's ranking among the top 20 cities; notably Taipei City slid from 16th in 2024 to 23rd in 2025, and Ljubljana jumped from 32nd to 16th.

A unique feature of IMD's report is that it avoids comparing two cities at very different stages of development; survey responses are rescaled according to how they rank in the Global Data Lab's [Subnational Human Development Index \(SHDI\)](#).

The Chinese cities of Tianjin and Zhuhai did not meet the WCC's robust data sample requirements and so were unable to be assessed this year.

The WCC defines a Smart City as one that strikes a good balance between its economic prowess (e.g., jobs and housing), applied technology, environmental concerns, and inclusiveness to facilitate its citizens' quality of life.

Its next ranking will be the 2025 [World Competitiveness Ranking](#), out on 17 June.

2025, 2024, Smart City Index comparison

City	2025	2024	1 yr change
Zurich	1	1	—
Oslo	2	2	—
Geneva	3	4	▲ 1
Dubai	4	12	▲ 8
Abu Dhabi	5	10	▲ 5
London	6	8	▲ 2
Copenhagen	7	6	▼ 1
Canberra	8	3	▼ 5
Singapore	9	5	▼ 4
Lausanne	10	7	▼ 3

Full results tables can be found in the media pack.

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