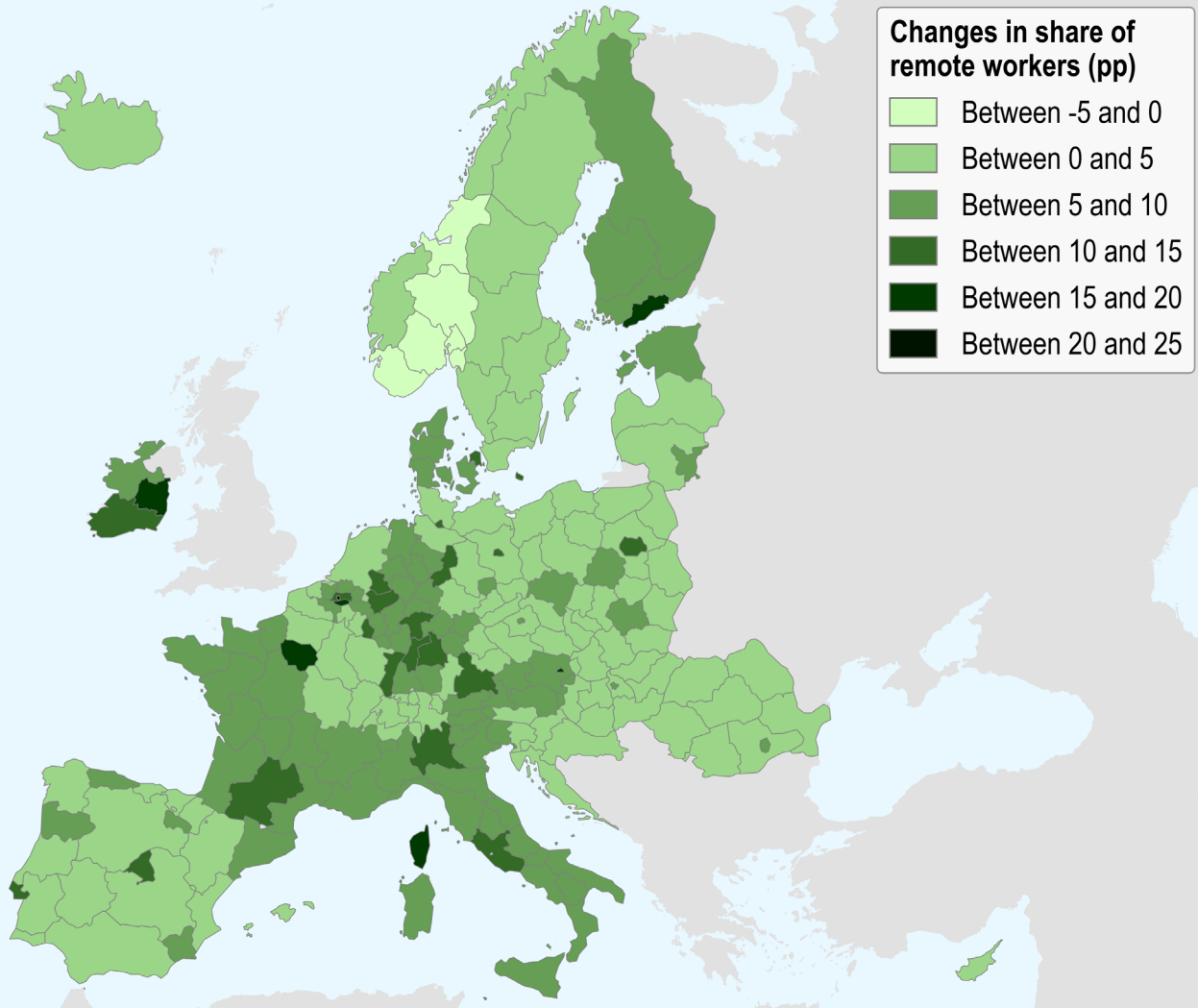




# REMOTE WORKING & SPATIAL EQUILIBRIUM

June 15 2022 – OECD Local Development Forum, Cork  
Rudiger Ahrend, Head of Division, CFE

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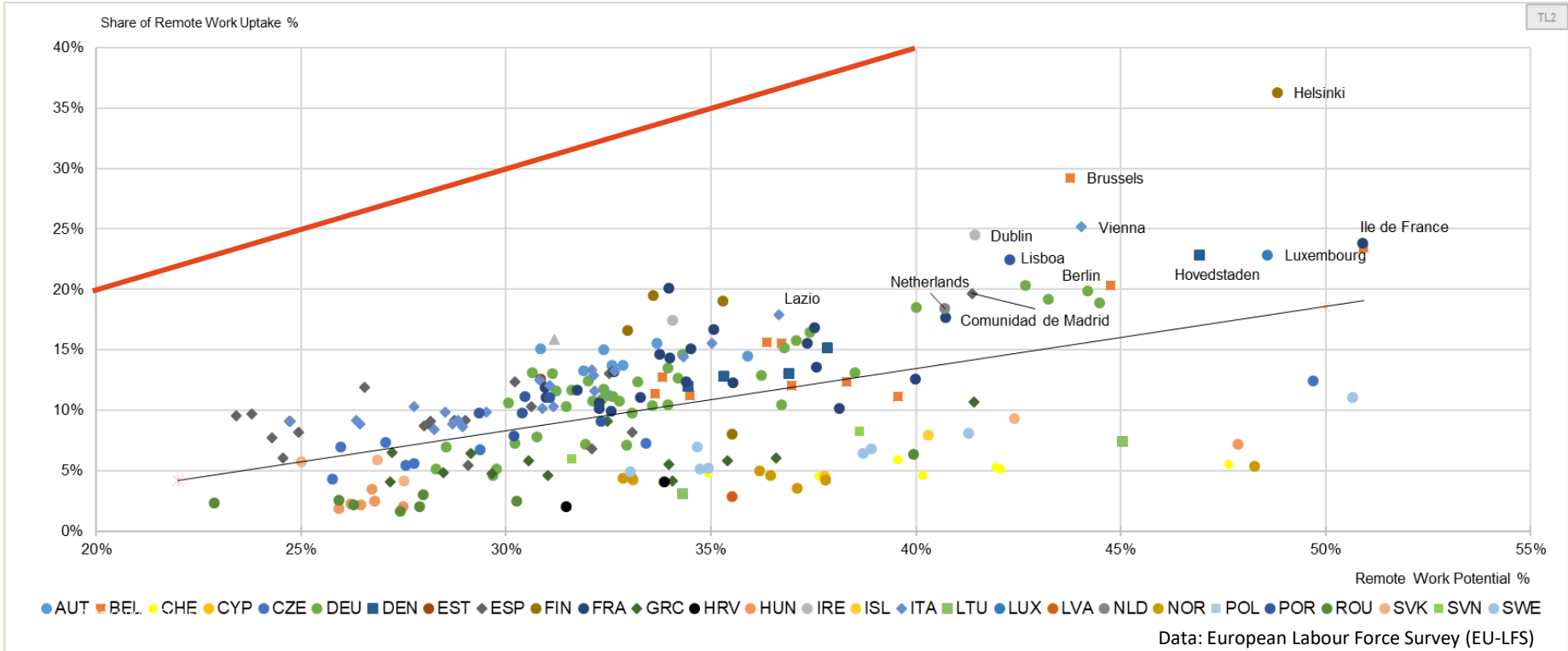
# Remote working increased universally

With the pandemic, the share of remote workers **doubled** in European regions

5.5% in 2019  
=> 12.2% in 2020

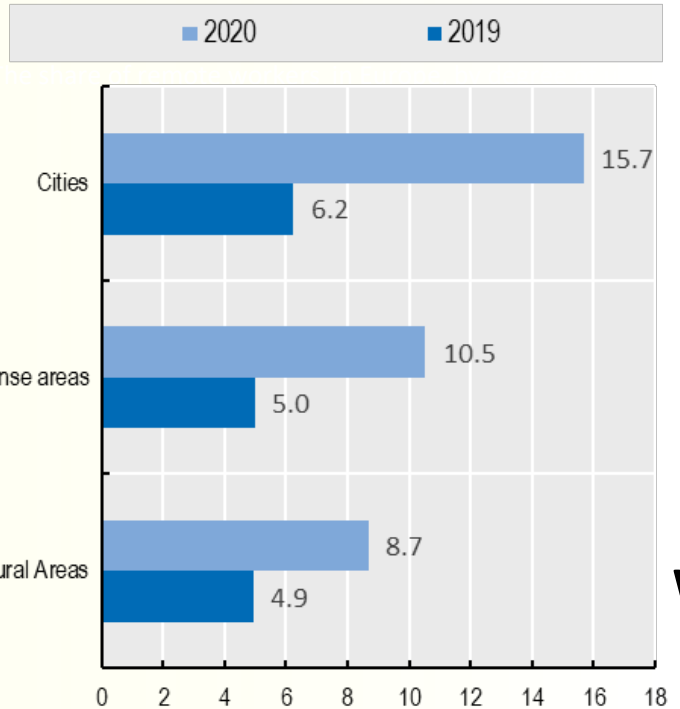


# Remote working during COVID-19 remained far below potential everywhere





# Uptake in remote working differed across space



Data: European Labour Force Survey (EU-LFS)

Share of remote workers (%)

- Prior to pandemic, share of remote workers roughly the same in all types of regions.
- During the pandemic remote work
  - almost **tripled** in cities
  - **doubled** in towns & semi-dense areas
  - increased by **70%** in rural areas

**Workforce composition (occupation, industrial sector, education, age, gender) most important driver of level of remote working**

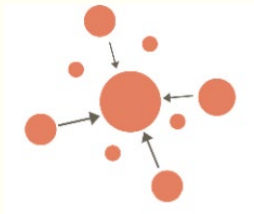


# Has COVID-19 and the jump in remote working triggered an urban exodus?

- During the pandemic, containment measures might have increased the value of housing space and decrease attractiveness of urban centres
- Remote working adoption makes commuting time less important, allowing people to live farther away from their place of work
- Working from home requires more housing space, which is more affordable in less central and dense areas



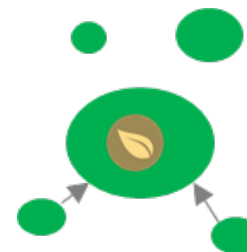
# Context -- Post-pandemic scenarios



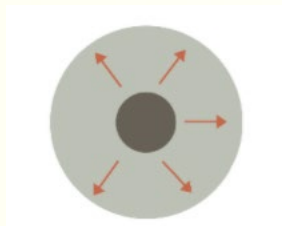
Business as usual



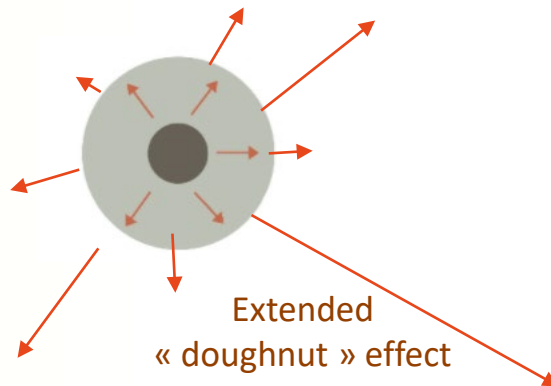
Widespread rise of rural



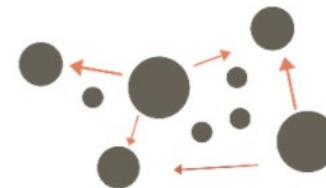
Renewal of city growth



Doughnut effect



Extended « doughnut » effect



Rise of intermediary cities

Not mutually exclusive

Source: Enlarged from OECD, 2021, Implications of Remote Working Adoption on Place Based Policies: A Focus on G7 Countries <https://doi.org/10.1787/b12f6b85-en>

<https://www.oecd.org/regional>

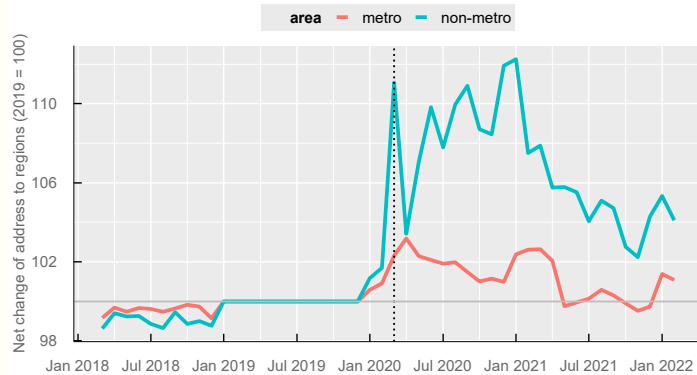


# Results of preliminary analysis

## US net change of address to 2019

Based on US postal service data:

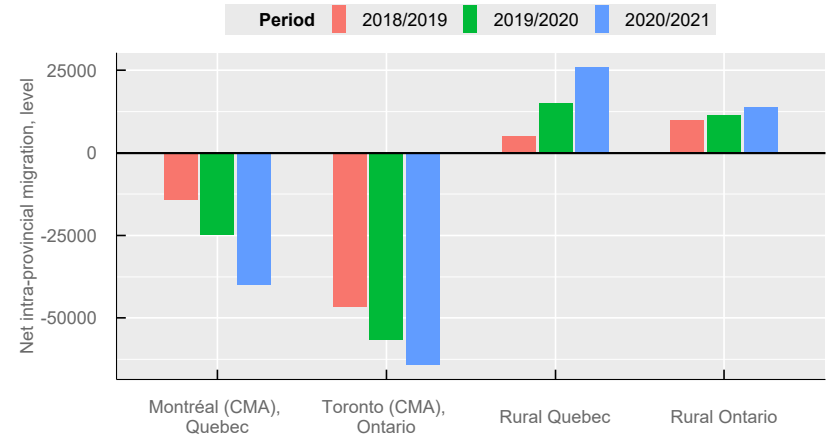
- Stronger growth in non-metro regions in address changes than in metro regions, relative to 2019
- Heightened growth ongoing
- Largest cities in US saw significant decline in net address change



## Canada net intra-provincial migration

Based on Statistics Canada migration (in-outflows):

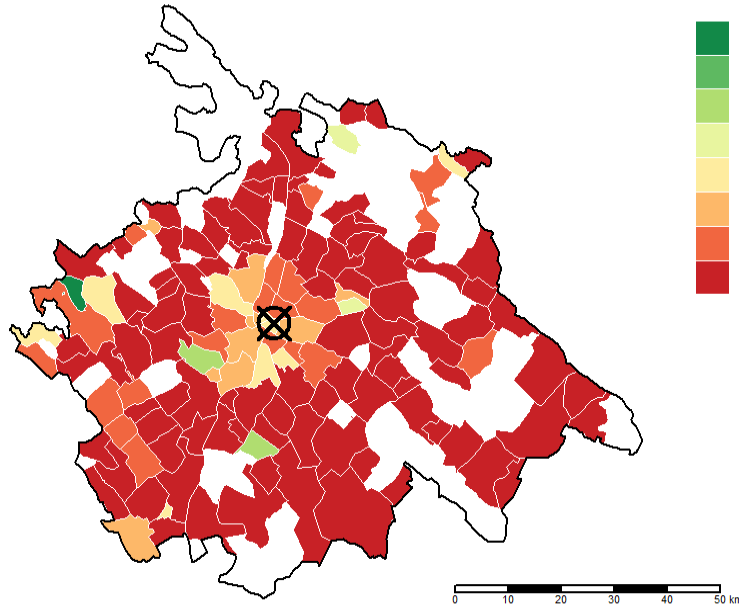
- Departure from urban centers ongoing since 2019
- Some rural regions in same province capture outflow
- Teleworking contributes to rural population growth



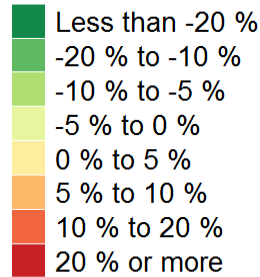
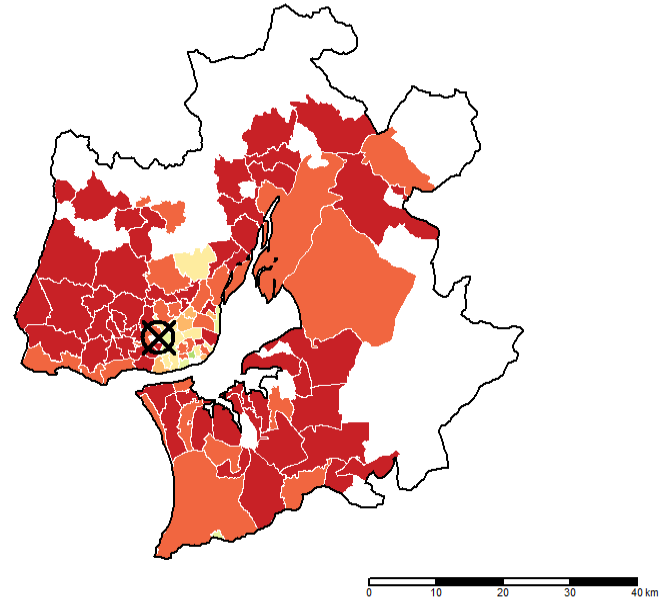


# House prices have risen more in the peripheries than in the centres of large cities

Budapest



Lisbon



Changes in prices per square meter, 2019H1 to 2021H1



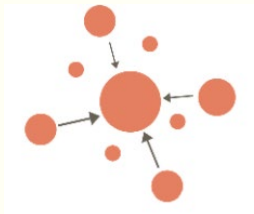


# Urban exodus and its factors

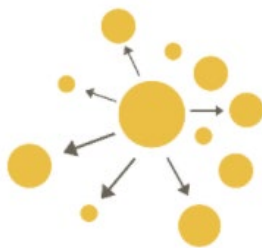
- Premium for dwellings in urban centres has decreased in most cities with more than 1.5 million inhabitants. No sign for systematic urban exodus for cities with less than 1.5 million inhabitants.
- The shift from urban cores to their peripheries has been far from universal or uniform. It has been stronger where commuting areas – compared to their city centers’ - had:
  - ✓ Higher quality of internet
  - ✓ Higher share of green areas
  - ✓ Lower population density
  - ✓ Lower pre-COVID house prices



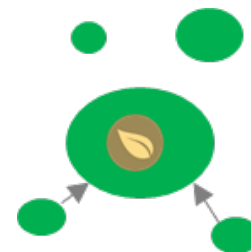
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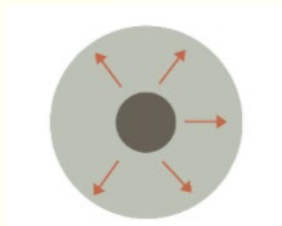
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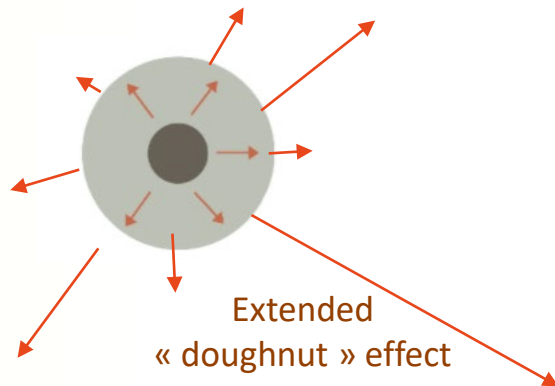
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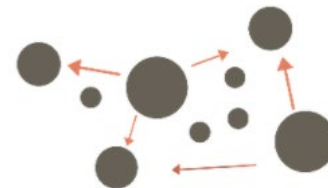
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<https://www.oecd.org/regional>

# Thank you

## Comments and suggestions?

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# Other observed post-pandemic locational trends

- **Decreased inflows** to cities and **increased outflows**
  - e.g. London, Tokyo, Paris, Toronto, Montreal
- **Multi-locality** (living in different locations throughout the year)
  - Driven by access to second homes (e.g. Finland, Sweden, Norway, France)
- Highly **selective relocations**
  - Opportunities for cities with higher quality of life, accessibility and public services, while others risk falling further behind



# General impact on more remote rural areas

- Remote working could help in dynamising and rejuvenating rural areas that have been struggling with both population decline and subdued economic growth.
- Unclear whether benefits from remote working have been limited to rural regions close to large cities, or whether this has also extended to more remote rural areas
- Certain rural areas with a particularly attractive infrastructure or geography seem to have benefitted, but so far we have little evidence that this has been a generalised feature
- But given limitations of currently available data, jury still out on this question