## Don't write off cities just yet: they will survive COVID

How we work is changing, and the full impact of the pandemic on cities is not yet clear. But the collaboration they allow will still be indispensable, say **Jean-Louis Missika** and **Ricky Burdett (LSE)**.

The media has been quick to predict the premature demise of New York, London or Paris. Yet it is difficult to learn lessons about the impact of the pandemic on major cities, because it is not over. Surveys and statistics are very popular, but often misused. A recent study noted that around 90% of executives plan to leave the Paris region, forgetting to mention that in the same annual survey, numbers were equally high in previous years: 82% in 2019, 84% in 2018 and 80% in 2016 – that is, long before the words "COVID-19" were ever uttered. Some wild projections suggest that the double whammy of COVID and Brexit has led to 700,000 mainly foreign-born people leaving London in 2020, while more realistic estimates put that figure at far less. In fact, London's consistent annual growth over the last decades is set to continue, slowed down by COVID but not reversed.

In ordinary times, the desire to leave and go elsewhere affects us all in one way or another. Is it surprising that this desire is heightened in times of crisis, especially when lockdowns make us more aware of the benefits of the open countryside, the mountains, or the sea? At the same time, we become awkwardly conscious of the limited size of flats in dense cities and are seduced – at least, those who can afford to be – by the potential of remote working. The Parisian survey tells us that one in two French executives "had started thinking about where they want to live", but to start to think about it does not mean reaching a decision to make the change.

The collective impact of millions of individual micro-decisions will redraw the distribution map of where people will live in France, the UK and elsewhere. Yet these life-defining decisions have not yet been taken, as most people are waiting to better understand what the post-COVID world might look like, depending on whether the majority of the population is vaccinated, and – critically – whether we regain confidence in using public transport. While some decisions will be determined by public policy, many will be shaped by companies, employers and business leaders who are rethinking the value and distribution of their real estate assets. The work-live dialectic remains central to this new deal.

We already know that remote working is only possible for a minority of employees. According to a <u>study</u> by the French Ministry of Labour, 39% of employed people say that their current job cannot be done virtually (via teleworking), against 36% who say they can work remotely without difficulty and 25% who can work from home but with difficulties. And this minority who can telework 'without difficulty' is itself divided between those who enjoy teleworking and those who suffer from it. The same study tells us that 58% of employees who have worked completely from home would prefer to come to their workplace at least one day a week, and that four out of 10 employees who worked remotely during the week of the study feel isolated, while a third declare that they have a bad experience of teleworking on a daily basis. This divide has a strong social dimension, with senior managers and men preferring to work remotely. In the <u>Terra Nova survey</u>, the 25% of respondents who were not satisfied with remote working were mainly women living with small children in cramped conditions and who were experiencing teleworking for the first time. The unequal distribution of domestic tasks seems to have played an important role in their frustration.

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You do not transform a city dweller into a gentleman farmer overnight. The *gilets jaunes* crisis in France has shown us that the condition of being "rurban" (rural + urban) brings suffering and frustration, even though a dream of "rurbanity" is driving the desertion of big cities. The results of the 2020 US election have once again illustrated how the choice of where you live is a political and cultural decision as well as an economic one: the mapping of results illustrates the contrast between metropolitan areas that vote Democrat and others that vote Republican. People are not New Yorkers or Texans by accident. Attitudes towards multiculturalism, diversity, gender equity, abortion, or morality are important factors for those who are able to choose where they live, just as much as proximity to the workplace or good schools. While exposure to health risks has become a factor in some people's choices, it does not make all other criteria disappear. If anything, the spatial correlation of poverty and race in areas with high levels of COVID infection and mortality underscores the presence of enduring patterns of inequality that exist and persist in many global cities.



View from the Arc de Triomphe in Paris, which is wrapped in recyclable polypropylene fabric . Photo: Yann Caradec via a CC-BY-SA 2.0 licence

We still do not yet know how the pandemic will transform big cities. It is not surprising that some Parisians or Londoners temporarily moved out when bars, restaurants, cinemas, theatres, opera houses, museums, nightclubs, sports clubs and clothes shops closed down or major sporting events took place behind closed doors. The essential ingredients that attract people to cities have largely disappeared for almost two years. These are the trade-offs that make us agree to pay higher rents and live in smaller apartments.

Could the temporary become permanent? Despite some return to normality, the crisis has created, for many people, a moment of introspection, and an opportunity to question critical life choices: where to live, what work to do, which neighbourhood to choose. It has accelerated pre-existing trends. For those who have a choice there is renewed appetite for meaning and reward at work, a rejection of the "bullshit job", a quest for greater autonomy in time and space. This collective and personal reflection will lead to significant changes when the crisis truly ends, but it is difficult to identify trends from objective data today. The real estate market moves too slowly to give an accurate picture of what is going on. And opinion polls conducted during times of crisis may be heavily skewed.

The available data shows a slight correction in the price of housing in Paris, and an upward trend in the peripheral areas of the Paris region. London's average house prices remain the highest in England, but the capital continues to be the region with the lowest annual growth, while prices outside London have increased by over 10% in the last year. Many indicators confirm that the intensity of real estate transactions outside the major cities is high, even for properties that are difficult to sell and may be in less attractive districts. In France, it is not only Parisians who are buying, but also people from Lyon, Toulouse and Bordeaux who are moving away from city centres without changing region.

This is more of a rebalancing than a great upheaval in the residential property market. The only area where prices and transactions have experienced a real drop is the office and commercial sector, where demand and prices have fallen in real terms, especially in central business districts. New work-life patterns have reduced the total amount of office space required by companies, institutions and corporations, but they have put more pressure on offices to meet the (often irreconciliable) need to create a safe environment in a more collaborative setting. Quality of space, access to the outdoors, windows that open and high ceilings are now at a premium in the offices that are luring knowledge workers back.

None of this is totally new. The shift towards more flexible working patterns and reduced commuting times has informed public policy debate and corporate decisions for some time. Living and working under government-induced lockdowns has amplified the vectors that drive societal change. This is especially true for remote working. The pandemic has forced managers and employees to revisit their resistance to remote working given that productivity has not deteriorated, and in some cases has improved. Confronting the new enforced reality of working from home has led us to better understand the <u>strengths and weaknesses of the model</u>.

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The desire for autonomy in the workplace has been reinforced. We have accepted that commuting to work every weekday is not essential. Exhausting trips are not necessary, whether they are for seminars, conferences, or meetings. On the flip side, we have discovered that the home is not so adaptable, extensive videoconferencing can cause fatigue and rejection, and it becomes difficult to disconnect when working and living happen in the same space. Experts agree that remote working is most effective among an existing community of individuals who have established bonds and relationships, but it is difficult to integrate newcomers into a virtual community. In fact, it is knowledge workers belonging to the creative class who are most tempted to leave central urban areas, and their departure would diminish the sense of urbanity, richness and dynamism that defines global cities.

More broadly, as a result of remote working the physical workplace has emerged as the locus for sociability and informal relationships. It's not that we miss the formal office meetings, but we feel deprived of the buzz that surrounds them. Human emotions expressed in a Zoom or Teams meeting are much less intense than in the real world. Social connection in the workplace is informally constructed, not planned. If anything, virtual work practices have made us realise that what matters in the workplace is serendipity, unexpected discovery and solidarity, where people engage through proximity and random encounters.

Businesses and organisations have discovered late what the world of education has recognised for some time. Counterintuitive as it may seem, it is the formal lecture that can be delivered remotely, while practical work and creative thinking need the physical co-presence of students and informal interactions. One of the most noticeable trends in the reorganisation of work in a post-COVID era is that formal meetings will take place remotely while collaborative work, brainstorming and co-creation will take place in the office environment, repurposed and retrofitted to accommodate more collective activities and fewer dedicated office spaces or workstations. The workplace – especially for knowledge work – will continue to exist as a physical location and commuting distances will continue to play a part in where we chose to live. The zero-office utopia, where there is complete freedom of choice of where and when to work, is not a realistic scenario, even if remote work is a new reality for global cities.

Housing affordability and job availability, accessible public transport and green spaces, a reduction in car dependency and climate change mitigation have become even more acute in cities during the pandemic. This would involve a redefinition and restructuring of work patterns – at least in the knowledge work sector – where performance is measured by the completion of tasks rather than office hours. Even if remote work were to become necessary in the longer term, would this mean the end of the city as we know it? The Roaring Twenties grew out of the ashes of World War I, but also as a reaction to the Spanish flu epidemic that claimed 50 million lives. European cities in particular blossomed during this period. Will our cities in the 2020s experience a similar renaissance, or will we all escape to nature? After 10,000 years of continuous human habitation, it will take more than COVID to kill cities.

This post represents the views of the author and not those of the COVID-19 blog, nor LSE. It was first published in French at <u>Terra Nova</u> and has been slightly edited.