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The effect of remote and hybrid working on the urban equilibrium and the chances of post pandemic urban recovery

Over the years, the Alonso-Muth-Mills model of urban equilibrium has provided a robust framework for understanding key processes and relationships in the city. With the advent of COVID-19, however, some of the urban equilibrium assumptions have increasingly failed to reflect new urban realities. As significant share of people now has the flexibility to choose between commuting to work or working remotely (WFH), the weight of distance to CBD has decreased in the urban equilibrium model. By default this increases the weight of the two other factors governing the (intra) urban equilibrium: housing price and amenities. While housing stock is fixed in short term, accessibility to amenities has become a leading indicator for the household decision to move to another neighborhood. This research presents the theoretical model that describes the impact of WFH on the urban equilibrium explaining scenarios that lead to losing or gaining new residents in different types of neighborhoods subject to dependence of accessibility to amenities. The model is empirically validated using spatio-temporal regression techniques applied to official statistics and mobility data from 2020 to 2023 in urban agglomerations like London, Orlando and Tel-Aviv. The outputs of the empirical studies are used to feed a simulation model, which builds long-term neighborhood development scenarios based on the existing housing market conditions, accessibility to amenities, share of office working population and local policies. These scenarios are expected to serve local governments in improving their decision-making in the post pandemic period.