

Flexible Working Arrangements and their Influence on Location Choices and Mobility in Europe

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Long Abstract

The rapid expansion of flexible working arrangements, particularly remote and hybrid work models, has sparked intense debate about their potential to reshape residential location patterns across Europe. The COVID-19 pandemic accelerated the adoption of remote work practices, leading many observers to predict a fundamental restructuring of urban and regional settlement patterns. Popular narratives suggest that reduced commuting requirements would enable workers to relocate from expensive, congested urban centers to more affordable rural areas, potentially reversing decades of urban concentration and addressing longstanding regional inequalities. This study contributes to the growing literature on flexible working arrangements and spatial mobility. In particular, this paper examines the relationship between flexible working arrangements, mobility, and residential location choices in Europe, addressing three fundamental questions: (i) do flexible working arrangements actually increase individuals' propensity to relocate? (ii) among those willing to move, do flexible workers systematically prefer rural areas over urban centers? (iii) what is the relative importance of work flexibility compared to traditional determinants of residential mobility, such as family composition, education, and commuting patterns?

Our analysis draws on multiple theoretical traditions in urban economics and migration studies. Classical urban economic models by Alonso (1964), Mills (1967), and Muth (1969) established that reduced commuting costs lead to suburban expansion, as workers trade off transportation expenses against housing prices and space. Remote work can be conceptualized as dramatically lowering effective commuting costs, suggesting a similar centrifugal force pushing population away from city centers. Recent general equilibrium models have explicitly incorporated work-from-home possibilities into urban spatial frameworks (Behrens et al. 2024; Brueckner et al. 2023; Davis et al. 2024). Two opposing forces can be identify from the literature: a centrifugal tendency toward decentralization as commuting becomes less frequent, and a centripetal pull from agglomeration benefits that keep workers concentrated in urban areas where innovation, networking, and career advancement opportunities remain concentrated. These models

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suggest that the ultimate spatial impact of remote work depends on which force dominates, and this balance may vary across different worker types, occupations, and regional contexts.

Empirical evidence on actual location responses to remote work remains mixed. Several studies document movement toward rural areas: Correa (2025) finds evidence of rural migration among Swedish remote workers, while Jansen et al. (2024) observe similar patterns in Italy. In the United States, Ozimek (2020) and Haslag and Weagley (2024) document migration flows toward smaller cities during and after the pandemic. Wong et al. (2025) report Europe-wide stated preferences for less dense living environments among remote workers. However, other research challenges the urban exodus narrative. Muhammad et al. (2007) find no clear relationship between telecommuting and residential location in the Netherlands. Huang et al. (2018) document mixed patterns, with some remote workers actually moving closer to urban centers. Glaeser (2022) emphasizes that cities retain crucial advantages for innovation and career development that remote work cannot replicate. Rhee (2008) refers the concept of the doughnut effect, where skilled remote workers settle in suburbs while maintaining occasional access to urban centers, suggesting spatial reconfiguration rather than wholesale rural resettlement.

The residential location choice literature emphasizes that migration decisions involve multiple dimensions beyond employment. Clark and Onaka (1983) distinguish between induced moves triggered by life events such as marriage, childbirth, or job changes, and adjustment moves responding to mismatches between current residence and evolving preferences. Ettema (2010) and Coulter and Scott (2015) identify key determinants including housing characteristics, neighborhood quality, accessibility, commute time, and proximity to social networks. Critically, Ory and Mokhtarian (2006) argue that remote work functions as a facilitator rather than primary driver of relocation, enabling moves that individuals already desired for other reasons.

Our analysis uses data from the MOBI-TWIN survey, a comprehensive questionnaire designed to assess spatial mobility in relation to Europe's twin digital and green transitions. The survey was conducted in 2023 and collected approximately 9,000 valid responses across EU countries. The survey employed quota sampling to ensure representativeness and included detailed questions on demographics, migration history, relocation intentions, preferences for traditional and digitalization-related location factors, and working arrangements. Respondents indicated their probability of relocating across four time horizons using a five-point Likert scale. Our analysis focuses on the five-year horizon, where 40 percent of respondents reported moderate to high relocation probability. Among those expressing willingness to move, respondents indicated preferred destination types: capital metropolitan regions, large cities, small towns, or rural villages. The survey measured flexible working arrangements through questions about actual work experiences during the previous twelve months. We also measured preferences for flexible work support infrastructure in potential destination communities. Individual-level data were geocoded to NUTS3 regions and merged with regional characteristics including economic indicators, living conditions, and social engagement measures.

We employ a two-stage modeling approach that explicitly addresses sample selection concerns. In the first stage, we estimate probit models for the binary decision of whether to express moderate-to-high relocation

intentions within five years. The model includes individual socio-economic characteristics such as age, gender, education, children, life satisfaction with current residence, and commute time from current residence to workplace, along with flexible working arrangement measures and country fixed effects. We estimate two specifications: one using actual flexible work experience, another using stated preferences for flexible work support in destination communities. The second stage analyzes destination choice among the four location types conditional on expressing willingness to move, using multinomial probit models with capital metropolitan regions as the base category. To correct for potential sample selection bias arising because destination preferences are only observed for individuals willing to relocate, we include the Inverse Mills Ratio computed from first-stage probit estimates.

The first-stage probit models reveal that experiencing flexible working arrangements significantly increases the probability of expressing moderate-to-high relocation intentions, with statistical significance at the one percent level. This effect is substantial and robust to controls for individual characteristics and country fixed effects. However, merely preferring flexible work support in potential destinations shows no significant relationship with relocation intentions is not statistically significant. This suggests that actual experience with flexible work, rather than aspirational preferences, drives mobility.

Several traditional factors emerge as powerful determinants of relocation intentions. The presence of children strongly reduces mobility: having one or more children decreases relocation probability. Life satisfaction with current residence substantially anchors individuals as does having a short commute from current residence to workplace. These findings suggest that family obligations, place attachment, and established daily routines create powerful inertia against relocation, even among those with flexible work options. Higher educational attainment facilitates mobility, this is consistent with theories predicting that educated workers have broader geographic opportunity sets.

The multinomial probit models analyzing destination choice among potential movers yield particularly striking results. We find no evidence that flexible work experience systematically increases preferences for rural villages, small towns, or large cities over capitals. The coefficients for flexible work across all destination types are statistically insignificant, suggesting that among those willing to relocate, work flexibility does not redirect preferences toward less urban locations. Even more tellingly, the specification measuring preferences for flexible work support infrastructure in destination communities shows a significant negative relationship with rural village preference. This suggests that individuals valuing flexible work support infrastructure may actually avoid rural destinations, possibly because they perceive such infrastructure as more developed in urban areas. This finding directly challenges assumptions that remote work enables rural resettlement. Age emerges as a significant predictor: older potential movers prefer larger cities over capitals. Current residence commute time strongly predicts destination choice: those with short current commutes are significantly less likely to consider smaller towns at the five percent significance level, suggesting that workers who have optimized their current commute are reluctant to trade this for uncertain future arrangements.

Our findings challenge popular narratives about flexible working arrangements fundamentally reshaping European settlement patterns. While flexible work experience does increase general mobility propensity, it

does not systematically redirect location preferences toward rural areas. Indeed, valuing flexible work infrastructure may actually reinforce urban concentration if such infrastructure is perceived as primarily urban-based. Traditional determinants of residential location continue to dominate decision-making even in an era of increased work flexibility. Remote work appears to function as a facilitator enabling moves that individuals desire for other reasons, rather than as a primary driver creating new migration patterns.

For policymakers, these results suggest that flexible working arrangements alone are unlikely to reverse longstanding urban-rural imbalances. Regional development strategies cannot rely solely on remote work diffusion but must address fundamental barriers through comprehensive infrastructure investment in digital connectivity, coworking spaces, quality schools, and amenities.

Keywords: flexible working arrangements, residential mobility, location choice, remote work, Europe

JEL Codes: R23, J61, J81

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