

Return to the office

How London compares to other global cities, and why this matters

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September 2024

ED-OFF3



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Acknowledgements

The authors would like to thank Paul Swinney for his research assistance, FocalData and Savanta for conducting surveys, QuestionPro for providing a scripting and data platform for Toronto and Sydney surveys, and TfL for providing commuting data.

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Executive summary

The pandemic-induced lockdowns and subsequent shift to fully remote working for many workers brought with it predictions of the end of the office. With the economy now fully reopened, these predictions have not come to pass for most workers. At the same time, the world of office-based work looks different to what it was in the first couple of months of this decade.

But what does hybrid working actually look like, how has it changed, and what are people's experiences around the world? This report builds on Centre for Cities' 2023 report on central London workers, to see how the world of office work continues to shift. It introduces two further innovations: it surveys workers not just in central London but in the Central Business Districts of New York, Paris, Singapore, Sydney and Toronto; and it collects from the views of decision makers in companies as well as employees.

The return to the office is a global trend with Paris at the forefront

The picture for central London is a one of a continued return to the office since spring 2023. Days spent in the workplace are up from 2.2 to 2.7 days on average for full-time office workers. Predictions in 2020 that Covid would unleash fully remote working have proved to be well wide of the mark. And mandates to be in work have tightened too. Just over a year ago, 25 per cent of workers had no mandate to be in at least one day a week; that has fallen to 7 per cent.

But London has the second lowest office attendance of any of the six global cities surveyed. Paris comes out on top, with 3.5 days spent in the office. Even in central New York, the centre of many stories about a reluctance to return to the workplace, employees reported that they go to the office 3.1 days per week. Only Toronto had lower office attendance, coming in just below London's 2.7 days.

Fully remote working hasn't persisted because employers and employees recognise the benefits to in-person working

The shift back to the office from fully remote working has resulted from both employers and employees increasingly understanding the value of being in the office. Tightening mandates show this on the employer side. But 95 per cent of workers surveyed (across all cities) said there were benefits to being in the office, with the benefits of collaboration between and building relationships with colleagues being the most widely recognised. And while they would come in fewer days than currently required if no mandate were in place, workers would still spend at least part of the week in the office of their own volition. Prevailing attitudes from employees appear to have shifted from 'I can do my job anywhere' to 'I don't need to be in the office every day'.

This suggests two factors that have shaped the discussion about the return to the office are much less important than conventionally understood. The first is that companies must redesign their offices and offer a menu of perks to entice their staff to come in. In reality, workers already recognise the benefit of coming in and very few say they dislike being in the office. The second is that employers appear to have more scope to increase mandates than they may think. Much smaller shares of London workers (9 per cent) say they would look for another job if employers increased in-office mandates, compared to 37 per cent of London employers not increasing mandates for fear of staff quitting. And this gap is larger in most other international cities.

It's unclear whether we have now reached a 'new normal'

Despite this recognition of the value of face-to-face interaction in the office, there are no strong indications that there is a push for a higher return in central London. When asked to think about the impact of home working on productivity today, many employers and employees do not see any negatives. But when queried about future downsides, things that will ultimately affect productivity (skills) and markers of increased productivity (promotion and pay) were raised as potential issues.

This contradiction, at the very least, raises questions about how fixed employer views are on the benefits of home working. These have already seemingly shifted a long way since the last Covid lockdown. It is plausible – given these longer-term concerns – that they will shift again.

Extensive home working could pose a long-term challenge to London and the UK economy

If not, London's return to the office may even be leapfrogged by bottom-placed Toronto. If employers were to enforce existing mandates more, and increase mandates either as planned or in light of not having to worry so much about staff retention, there is much less room for manoeuvre in London than elsewhere. This is mainly because employees in central London are already much more likely to adhere to (albeit relatively less strict) mandates than in other city centres. With these changes, other cities could see office working levels almost return to pre-pandemic levels while London would reach 80 per cent.

Why would this matter? There is plenty of evidence that high-skilled firms and workers derive productivity benefits from being located close to one another, consistent with agglomeration theory. For workers in city centres, this is particularly through learning (or ‘knowledge spillovers’) – dense environments and face-to-face contact leading to greater transfers of information, knowledge and skills. The responses discussed above show this is something both employees and employers recognise. Less frequent face-to-face interaction between employees in central London would put the city at a productivity disadvantage relative to other global cities.

And it may be something that harms younger workers in particular. Those aged under 35 are more likely to come into the office than older workers. This is because younger workers tend to think they are most productive in the office, while older workers are less likely to perceive decision-making benefits of office working, valuing the flexibility of home working more. Then there is the issue of skills: early-career workers’ development may suffer if their senior colleagues’ corner offices are empty.

To address this, politicians, businesses and business groups should do the following to reap the longer-term productivity benefits that office working can bring to support both London’s and the UK’s economy:

- Both **national government and the Mayor of London should continue to work with businesses to increase minimum number of days expected in the office.** This could take the form of the Mayor’s post-lockdown ‘Let’s Do London’ campaign, and complement the City of London’s existing ‘Destination City’ campaign attracting business and footfall to the Square Mile.
- **The Government can have a direct influence on increasing office attendance of civil servants in central London.** There is precedent: Sydney public sector workers have recently faced a directive to return to the office.
- **TfL should resume its off-peak Fridays trial.** It should be accompanied by an awareness campaign to overcome the limitations of the previous trial.
- **The Government should be more proactive in attempting to measure the impact of hybrid working on productivity** to inform future decisions on land use and transport investment. **The Mayor of London should contribute to this through setting up a Productivity Advisory Council** (akin to the Chancellor’s recently assembled council of economic advisers).
- **Local and national government should continue with plans for investment in commuter transport infrastructure.** This is in the face of continued shifts in commuting patterns in just the last year, and the benefits of getting workers as quickly and cheaply into the city centre as possible, particularly among commuters from the Home Counties.
- **Firms should clearly consider the role of mandates in office attendance.** Attendance could be improved more by **enforcing rather than raising existing mandates.** That said, London has the lowest mandates internationally, so a combination of the two may work best.

- **Firms should internally review the productivity impacts of hybrid working** to ensure that the organisation's working practices are most conducive to firm-level productivity.
- **Business leaders should lead by example.** More senior staff coming into the office could improve decision-making, productivity, and the development of less senior workers.
- **Firms should consider redirecting budgets for office reconfigurations and perks to subsidising travel instead.** Travel costs are a far larger barrier to office working than workers not liking their office environment.

01

Introduction

Just after the start of the pandemic, many commentators said the world of work had changed forever. UK surveys in 2021,¹ and then 2022,² made predictions that the working patterns in the immediate wake of the pandemic were here to stay, permanently.

The pandemic did change working patterns. But what it did not do was suspend the workings of agglomeration that shape the geography of the economy. Ideas are still shared and generated through face-to-face interactions. So fully remote working, particularly for high-productivity, knowledge-intensive activities that concentrate in city centres, was unlikely to become the dominant model post-pandemic.

This report is a follow-up to Centre for Cities' first report in 2023 describing the world of work post-Covid.³ It summarised the agglomeration literature, and how this phenomenon concentrated the UK's knowledge-intensive activities into central London. These established, long term economic forces explain why predictions of a shift to fully remote working post-pandemic have not materialised.

The report undertook a survey of central London office workers in April 2023, finding that there had been a strong return to the office from almost zero commuting during the first round of restrictions in 2020.

That survey provided a valuable baseline. However, at the time, the last Covid restrictions had ended only a year prior. A year further on, there has been more time for the dust to settle. As the direct influence of the pandemic fades, this report answers the following questions:

- How have working patterns for central London office workers changed since last year?
- How does London compare to other large global cities?
- If there has been a return to the office, why? What is the role of mandates versus worker preferences in setting working patterns?

1 'Hybrid working is here to stay, say managers', BBC News, 18 February 2022.

2 ONS (2022), [Is hybrid working here to stay?](#), London: Office for National Statistics.

3 Swinney P and Vera O (2023), [Office politics: London and the rise of home working](#), London: Centre for Cities.

- How close are we to the ‘new normal’ of office working patterns, if at all?
- What does this mean for the future of city centre office working?

Centre for Cities commissioned follow-up surveys in June 2024 on employees but also employers in central London offices, to compare the roles of both. This report also casts the net wider, with comparable surveys in five other global cities: Paris, New York, Singapore, Sydney, and Toronto (see Box 1). These are a sample of London’s international competitor cities when it comes to high-skill, high-productivity city centres made up of office-based, knowledge-intensive activities.

Section 1 considers how working patterns in London have evolved since Covid, while Section 2 considers London’s position internationally. Section 3 looks at why the return to the office has occurred through the roles of employers and employees. Section 4 considers the future of working patterns to understand how current working patterns are approaching the ‘new normal’. Finally, Section 5 summarises and provides policy recommendations.

Box 1: Surveys

Six worker and six decision maker surveys were conducted by Savanta (for Toronto and Sydney) and FocalData (for all other cities) on behalf of Centre for Cities. The Paris survey was translated to French; all other surveys were in English.

Sample size: For each city 1,000 workers and 250 decision makers were targeted, except in Singapore (400 workers and 100 decision makers).⁴

Sample selection: All workers surveyed were office workers aged 18 and above, with contracted days between Monday and Friday and with offices within the Central Business District (CBD) of their city (see Figure 1).⁵ In each city, commuting data was analysed to determine the target proportion surveyed inside and outside the metropolitan area.⁶ The same applied to surveyed employers, but restricted to those who described themselves as a director, manager, or decision maker.⁷

Weighting results: All results were weighted by industry and gender, taken from national employment statistics covering the CBD areas.⁸

Identifying CBDs: CBDs for each city were identified using data on employment density clusters in each city (see Figure 1). London’s CBD includes Canary Wharf.

4 After data cleaning, in each city this led to the following sample sizes: London (1,023 workers and 256 decision makers); Paris (1,041 and 260); New York (1,034 and 251); Singapore (398 and 100); Sydney (1,061 and 263); and Toronto (1,053 and 329).

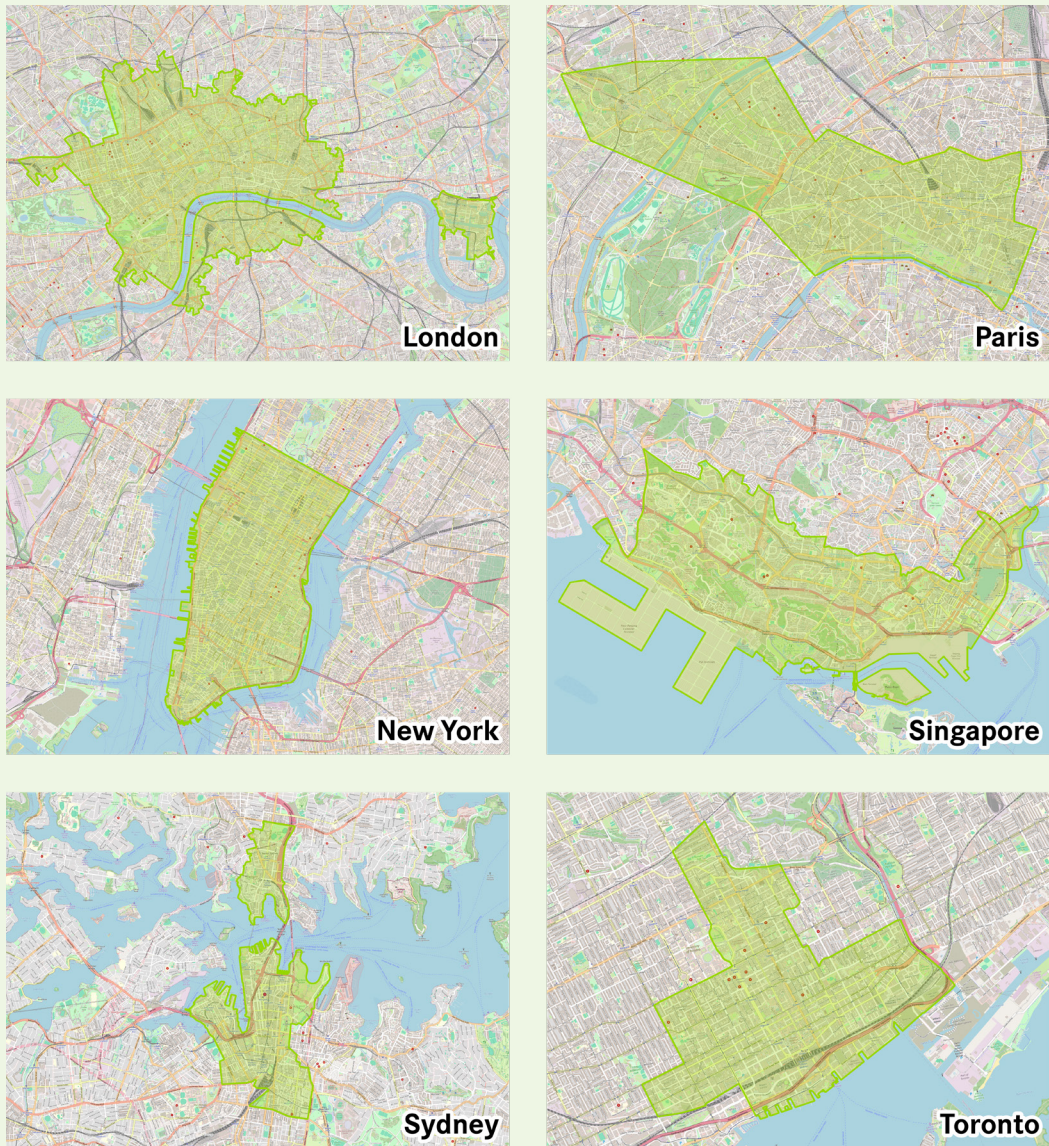
5 This included fully remote workers, who would otherwise perform their work in an office in the CBD if they were not fully remote.

6 E.g., for London this was 75 per cent inside Greater London, and 25 per cent outside.

7 Decision maker surveys additionally restricted respondents to being 25 or over.

8 Sources: NOMIS (London), Insee (Paris), US Census Bureau (New York); SingStat (Singapore); ABS (Sydney); and StatCan (Toronto).

Figure 1: Map of Central Business Districts across all six surveyed cities



Source: OpenStreetMaps contributors, Centre for Cities' calculations.

02

How have London working patterns changed since the pandemic?

Centre for Cities' survey of London office workers in April 2023 compared working patterns to what was the norm just before the pandemic struck. At that time, the final Covid restrictions had only ended a year prior, and offices were still adjusting to the shock to working patterns that the pandemic had brought about.

Using these findings as a baseline, this section evaluates what the 2024 survey results for London tell us. It shows, far from a 'new normal' being reached in 2023, patterns have shifted back toward the office in the past year.

The return to the office in central London has been slowing down

In June 2024, full-time central London office workers were spending 2.7 days per week in the office – half a day longer than a year prior (2.2 days in April 2023).⁹ This is down from 3.9 days on average in January 2020.

This means that **central London office workers are now spending more than half their week in the office**. Working patterns in 2023 had not settled into any kind of 'new normal' – work patterns are still shifting towards the office.

But the return to the office has slowed down since the pandemic. Figure 2 puts these survey results in context, including the trend of morning rush hour tube tap outs at central London TfL stations.¹⁰ This should mostly track central London office worker behaviour (though will include other workers and tourists).

⁹ This is based on full time workers only. The average number full-time equivalent days for all workers, including those part time, was 2.3 days, as reported in the 2023 report.

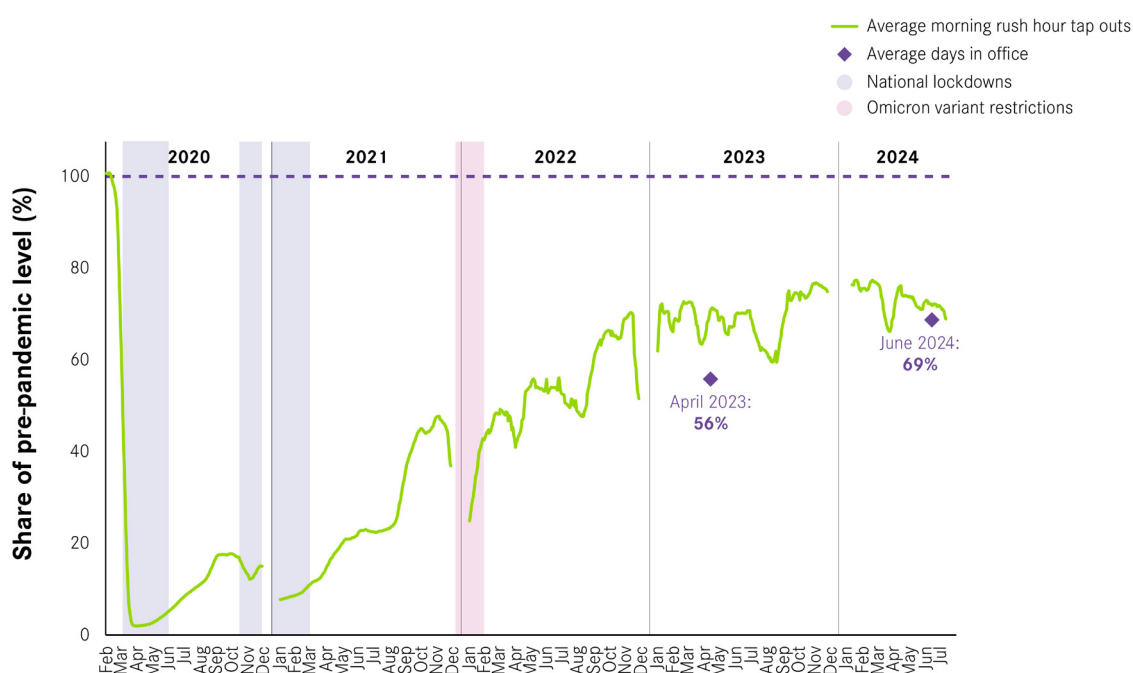
¹⁰ These are stations around the City of London and Canary Wharf. Some stations that fall within the London CBD, defined in Box 1, are excluded to avoid contamination from non-work-related trips (e.g., tourism). The stations included are: Aldgate; Aldgate East; Bank / Monument; Barbican; Blackfriars; Canary Wharf (including the Elizabeth Line station from May 2022); Cannon Street; Chancery Lane; Farringdon; Heron Quays; Holborn; Liverpool Street; London Bridge; Mansion House; Moorgate; Old Street; St. Paul's; Temple; and West India Quay.

Average days in the office recorded in the 2023 and 2024 surveys, restated in Figure 2 as a proportion of January 2020 days in the office, broadly track the commuting data. But the increase over this period marks a slowdown from before. Commuting recovered from essentially zero in April 2020 up to around 60 per cent of pre-pandemic levels around September 2022. This only increased to just over 70 per cent by summer 2024.

London has seen a return to the office since the nadir of spring 2020. But there seems to be a loss of momentum in the past two years. Whether this September sees a spike in commuting activity, like the previous three years, remains to be seen.

Figure 2: TfL data shows the return to the office has been slowing down

Central London tap outs versus average days in office, share of pre-pandemic levels



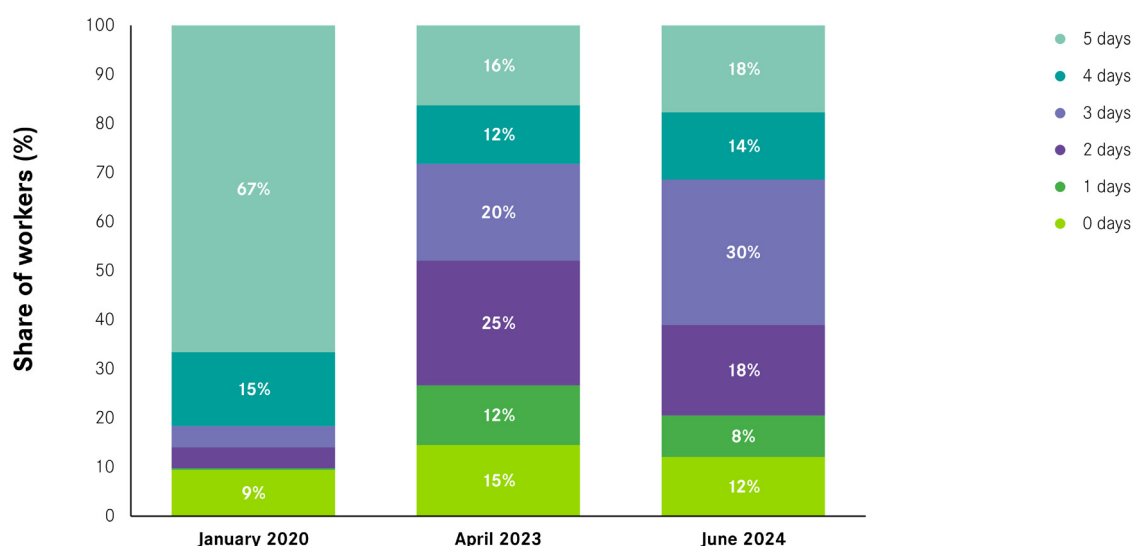
Source: TfL, FocalData / Centre for Cities, 2023 & 2024. • Notes: All figures stated as a proportion of pre-pandemic baselines (marked by the horizontal dashed line at 100%). The pre-pandemic baseline for tap outs is average tap outs between 3 February and 6 March 2020. The pre-pandemic baseline for days in the office is from January 2020. Tap outs are reported as three-week rolling averages, adjusted for bank holidays and strike days, and with Christmas periods removed.

There has been no permanent shift to fully remote working

Days in the office being 30 per cent down on pre-pandemic levels **has been driven by full-time office workers pre-Covid reducing numbers of days in the office post-Covid, rather than a wholesale shift to fully remote working** (Figure 3).

Figure 3: Three days in the office is most popular in 2024, up from two in 2023, while fully remote working is barely above pre-Covid levels

Most common number of days spent in the office, full time central London office workers



Source: FocalData / Centre for Cities, 2023 & 2024. • Notes: Full time workers only. Question: 'On average how many days per week do you work remotely?'.

Increases in the share of workers who never or almost never come into the office in 2023 (relative to before Covid) have been eroded as of June 2024. The most popular pattern this year is three days in the office (30 per cent). 18 per cent are in 5 days a week, while 12 per cent never go in. In a year, the most common number of days in the office has increased from two to three days. Now almost two thirds of workers are going in at least three days, up from less than half last year.

There has been no permanent shift to fully remote working since the pandemic.

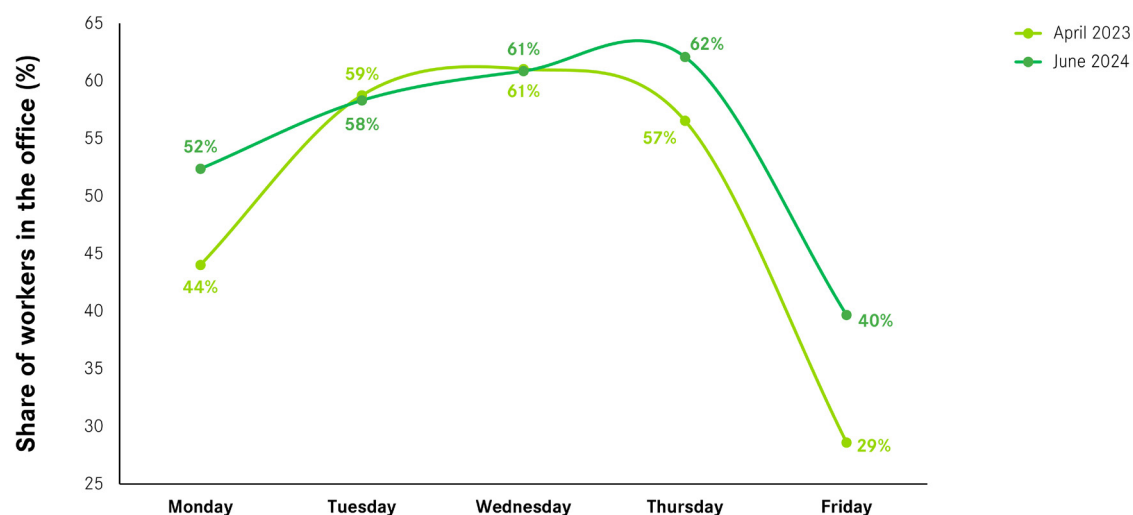
Fully remote working in 2024 is barely above pre-Covid levels and has declined since last year. The lasting effect of the pandemic has been a reshuffling of those predominantly coming in five days a week (two thirds in January 2020) to somewhere between two and five days.

Increased office attendance for full-time workers is driven by Mondays and Fridays, though the end-of-week drop off persists

Tuesday, Wednesday, and Thursday are still the most popular days in the office – around 60 per cent of full-time office workers are in on these days (Figure 4).

Figure 4: The end-of-week drop off for office attendance persists

London days in across the week, changes in past year



Source: FocalData / Centre for Cities, 2023 & 2024. • Notes: n=437 for 2023, n=688 for 2024. Full time workers only. Question: 'Which days are you usually in the office?'

But there is a significant drop off at the end of the week. Only 40 per cent of central London office workers come in on Friday, a 21-percentage-point reduction relative to the Tuesday-Thursday average. There is also a small dip on Mondays (an 8-percentage-point decrease).

Comparing the pattern to last year shows that **most of the recovery in days in the office over the period has been driven by changes in attendance at either end of the working week.** Monday attendance has recovered from 44 to 52 per cent, and Fridays from just 29 to 40 per cent. Midweek has stayed relatively stable, with a slight uptick on Thursdays.

Older workers, in-commuters, and public sector workers spend less time in the office

Within these averages, different worker demographics are coming in different amounts.

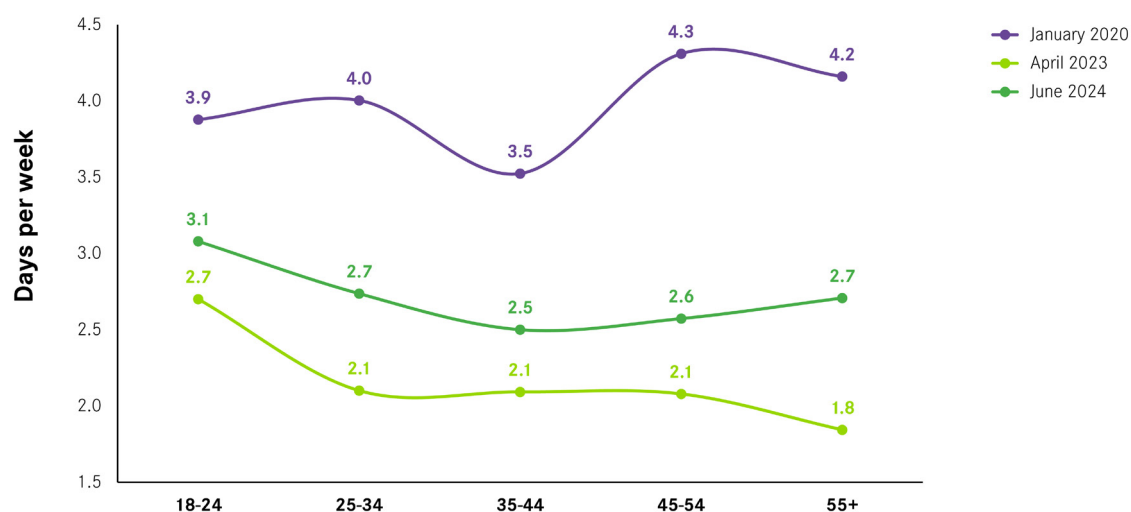
Younger workers are in the office more than their older counterparts. 18- to 24-year-olds are in most, at 3.1 days on average, declining to just 2.5 days for 35- to 44-year-olds.¹¹ This trend rebounds slightly up to 2.7 days for those 55 and over.

This 'negative age gradient' was not present before Covid. Younger workers were in the office less than older workers in January 2020, though still with a dip among 35- to 44-year-olds, likely related to childcare (Figure 5). This means the greatest drop off in office attendance has been among older workers – an almost two-day decrease for 45- to 54-year-olds, compared to a 0.8 day decrease for 18- to 24-year-olds. **This runs against narrative that reluctance to return to the office is driven by younger workers.**

¹¹ Childcare seems to factor into less office attendance for these mid-career workers. A quarter of this age group cited childcare as a benefit of hybrid working, versus only ten per cent of 18- to 24-year-olds.

Figure 5: Older workers working from the office less is a post-Covid phenomenon

London days in across the week, changes in past year



Source: FocalData / Centre for Cities, 2023 & 2024. • Notes: Full time workers only. January 2020 numbers are assessed on age categories that the respondent was in in April 2023. Consequently, January 2020 numbers are for age groups effectively shifted down by three years. January 2020 do not include those who were in full-time study at the time.

This age gradient was already present in April 2023, suggesting it was the pandemic that has inverted the age-attendance relationship. Since then, days in the office have recovered among all age groups, particularly for those 55 and over.

Those commuting in from the Home Counties have not returned to the office over the past year. There is a big difference in office attendance between those living within versus outside Greater London – 2.9 versus 2.1 days per week on average. This is because while office working for Greater London residents has increased from 2.5 days in April 2023, it has stalled for in-commuters – the latter were already coming in only 2.1 days in April 2023. This suggests that, for central London workers, location has a big effect on time spent in the office post-pandemic. It also fits with the age findings – workers aged 35 and over are overrepresented in those living outside Greater London.¹²

Government workers' office attendance lags behind the private sector.¹³ They come in just 2.2 days per week, below the 2.6-day private sector average.

Finally, **finance workers are also at home more than average**, coming in at 2.4 days per week. This is somewhat surprising given widely publicised stories of central London finance firms cracking down on home working.¹⁴

¹² For example, those aged 55+ make up almost twice the share of those living outside Greater London (17 per cent) than living inside (nine per cent).

¹³ In this report, 'government workers' are those who listed their sector as 'public administration and defence'. This excludes health and education sector workers.

¹⁴ For example: '[UK banks tighten up on work from home](#)', Financial Times, 4 September 2023.

03

How does London compare internationally?

London office workers have shifted back to the office in the last year. But is where London finds itself in 2024 ‘typical’?

This section sets London against five comparator cities from around the world: Paris, New York, Singapore, Sydney and Toronto. These are large, global cities with high-skill labour markets and knowledge-intensive, high-productivity activities concentrated in their CBDs. Comparable surveys were conducted on city centre office workers and employers in each city (see Box 1).

Comparing London’s working patterns to these other cities shows that London’s return to the office **has fallen behind its global competitors.**

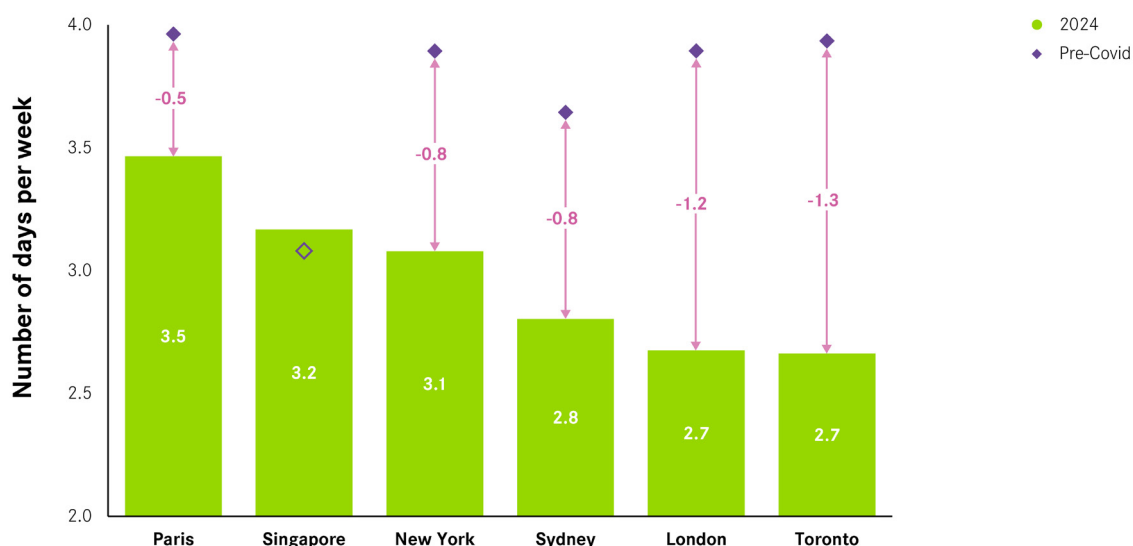
Only Toronto has seen a slower return to the office than London

The return to the office is an international phenomenon. Of the five comparator cities also surveyed for this research, all have seen a strong bounce back from the lockdowns imposed due to the pandemic.

Responses to the surveys suggest that this bounce back has been even stronger than in London. Londoners are in the office the second least of all six cities. Its 2.7 days average in the office is just ahead of Toronto, but behind all other cities, and far behind the Paris average of 3.5 days (Figure 6).

Figure 6: London trails the pack when it comes to office working among global cities

Average days in the office per week & change since Covid, full time city centre workers



Source: FocalData / Centre for Cities, 2023 & 2024; Savanta / Centre for Cities, 2024. • Notes: 2024 averages for all full-time workers surveyed. Pre-Covid averages are assessed on working patterns in January 2020. Pre-Covid data for London is taken from Centre for Cities' 2023 survey. For other cities, it is assessed on all workers who were full time in January 2020, from the 2024 survey. Singapore's January 2020 average days in the office are anomalous (see Footnote 15).

Figure 6 also shows that most cities had similar starting points for office working in January 2020, meaning that **only Toronto has seen a larger drop off from pre-pandemic levels than London's 1.2-day average decline**. Paris, with a similar starting point, has maintained much of its office working. Sydney started from a slightly lower baseline, and so experienced a smaller drop off. Singapore's pre-pandemic working patterns are likely anomalous.¹⁵

Several factors contribute to the variation across cities

To understand why London's return to the office is falling behind other global cities, the rest of this section considers the role of different hybrid models, working week patterns and responses of age groups and sectors across cities.

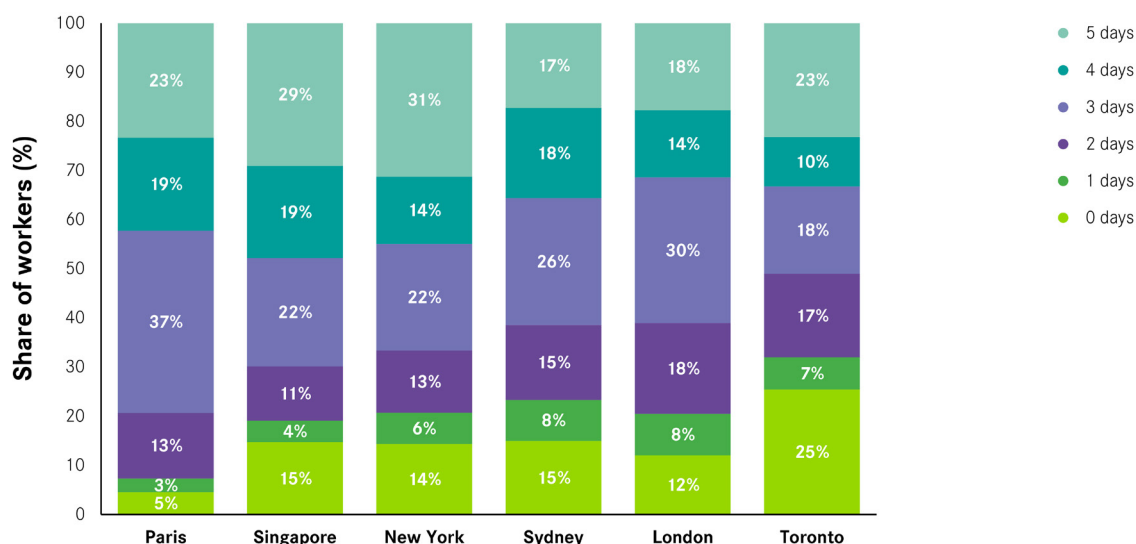
Different hybrid working models explain some international differences in average office attendance

London's average **is lower because of the large share of workers attending the office infrequently** – over a quarter of London workers only go in one or two days a week, the most of all surveyed cities (Figure 7). And despite 62 per cent of Londoners coming in at least three days, almost 80 per cent of Parisians do the same.

¹⁵ The vast majority of office workers surveyed in Singapore did go into the office five days a week pre-pandemic, but an unusually high proportion (30 per cent) reported they worked fully remotely in January 2020. From comparison to official Ministry of Manpower statistics on home working and research into Singapore's Tripartite Flexible Working Arrangement legislation, this statistic is not likely to give an accurate picture of pre-pandemic working arrangements. This may arise from sampling error, given Singapore's smaller sample size than the surveys for other cities. The result is included for completeness, but no conclusions are drawn from it in the report.

Figure 7: More Londoners come in just one or two days than any other city

Share of workers coming in x days per week



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on full time workers for each city.

In Paris, Sydney and London, three days in the office is the most common hybrid working pattern. But Paris' average is brought up by far fewer people working fully remotely (5 per cent, versus 12 and 15 per cent in London and Sydney) and almost a quarter of people working fully in the office.

In New York and Singapore, where average days in the office are also above three days a week, full-time office working is the most common pattern – almost one in three Manhattan workers do so.

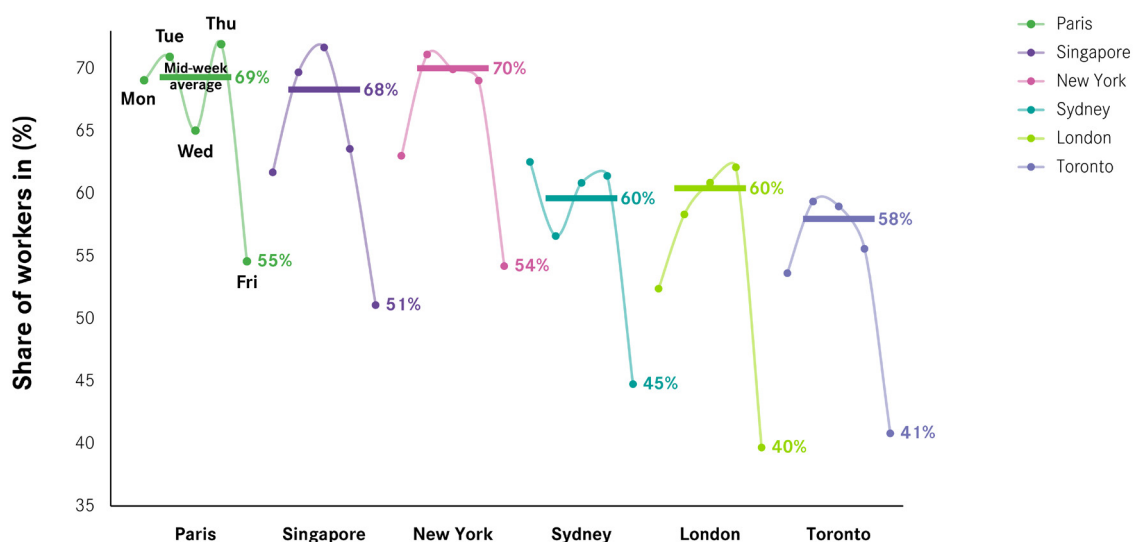
And despite Toronto being comparable to London in terms of average office attendance, its distribution of hybrid working patterns is far more polarised. While a quarter are fully remote, almost as many are full-time in the office, with the rest in between.

London has low mid-week office attendance and the largest end-of-week drop off

Considering the days workers typically come in, London has one of the lowest rates of average mid-week office attendance. New York and Singapore get up to 70 per cent of full-time workers in Tuesday-Thursday, compared to only 60 per cent in London, only just ahead of Toronto (Figure 8).

Figure 8: London's big Friday drop off occurs from an already low mid-week office attendance

Days in across the week



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on full time workers for each city.

Most cities have a small Monday drop off. The exceptions are Paris and Sydney where respondents report that Mondays are similar to the middle of the week in terms of attendance.

Every country has a larger Friday drop off, **but London's is the sharpest**. The 21-percentage-point drop off from the Tuesday-Thursday average is greater than the 15- to 17-percentage-point drop off experienced by all other cities.

Empty desks in London offices (particularly on Friday) are not at the typical level for international comparator cities. Immediate firm- or worker-level impacts aside, this may pose concerns for local businesses and local government regarding footfall and commuter spending in central London. One measure attempting to combat this, as recommended by Centre for Cities last year,¹⁶ was a TfL trial off peak fares on Fridays. Box 2 discusses its impact as assessed through the survey.

Box 2: TfL's off-peak Friday trial changed worker behaviour but was hampered by lack of awareness

Between 8 March and 31 May 2024, TfL trialled removing peak fares on London tube and rail trips on Fridays to boost footfall in the city at the end of the working week.¹⁷

To measure awareness and impact, the survey for London workers asked if this trial had influenced workers' office attendance behaviour. Figure 9 shows that, first and foremost,

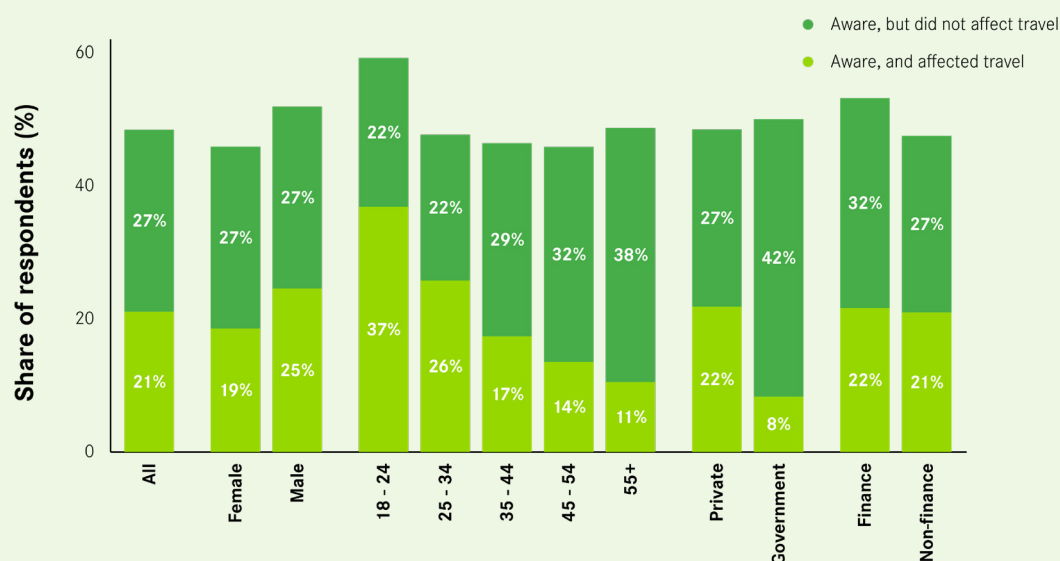
¹⁶ Swinney P and Vera O (2023), *Office politics: London and the rise of home working*, London: Centre for Cities; Section 6.

¹⁷ 'Londoners reminded to make the most of discounts as Friday off-peak fares trial ends this week', TfL press release, 29 May 2024.

only half of workers surveyed were aware of the trial. This lack of awareness no doubt curtailed its impact on commuting patterns.¹⁸

Figure 9: More than one in four workers changed behaviour due to the off-peak Friday trial, with younger workers most impacted

Impact of off-peak Fridays trial on London workers



Source: FocalData / Centre for Cities, 2024. • Notes: n=532, all respondents who were aware of the trial. 'Government' includes those who listed their sector as 'public administration and defence', excluding health and education sector workers.

But for those who were aware, **over half changed their travel patterns**. A greater raising of awareness on TfL's part could have increased the impact of the trial and had a greater effect on office attendance.

The policy seemed to particularly impact younger workers, who were both more aware and more likely to change their behaviour. Part-time workers were also likely to change their behaviour. Whether this led to a genuine increase in office attendance in these groups (which overlap) or simply a reshuffling of days is unclear.

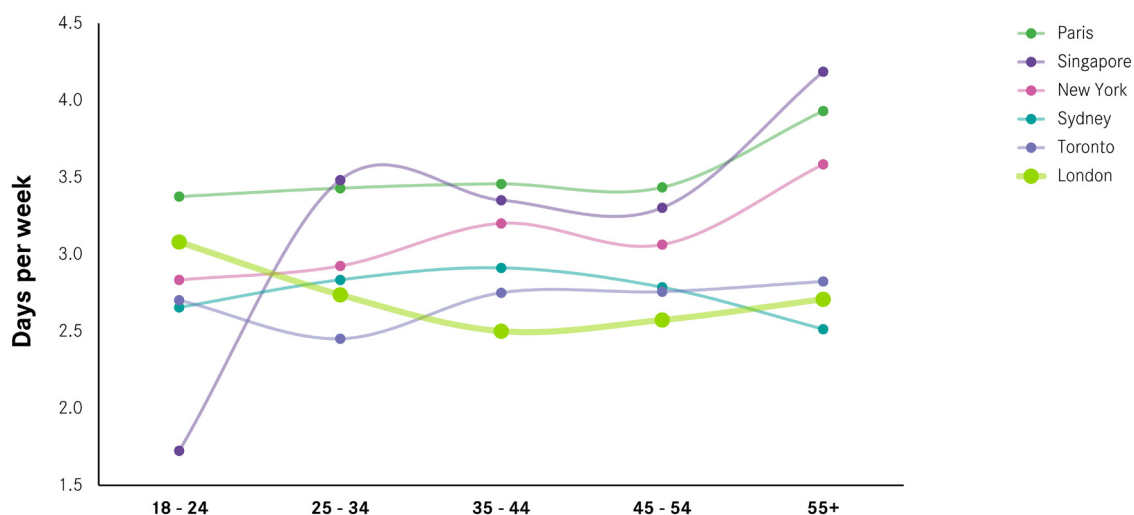
Young workers coming into the office more is unique to London

London is the only city where there is a **negative age gradient for office attendance**, with the youngest workers coming in the most and older workers the least. The opposite is true in Paris, Singapore and New York, while gradients are more even in Sydney and Toronto (Figure 10).

¹⁸ The trial was found to have increased Friday journeys by just 3 per cent over the trial period; see: '[London's Friday travel discount had limited effect on capital's commuters](#)', Financial Times, 26 June 2024.

Figure 10: London is the only international city where the youngest workers are in the office the most

Average days in the office per week, by age



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on full time workers for each city.

This means that young London workers are in the office at similar levels to Paris (the city with the highest office attendance), but numbers quickly drop off for those above 35. It is older workers who pull London's office attendance towards the bottom of the pile.

Government workers lag behind in almost all cities

Government workers coming into the office less cannot explain London's low office attendance relative to other cities. This is the case in Sydney and Toronto too, with Paris being the exception.¹⁹ Toronto and Sydney see similar deficits to London, with government workers coming in 0.3 and 0.4 days less than their private sector counterparts respectively.

¹⁹ Singapore and New York are not included in this comparison due to small sample sizes for public sector workers.

04

Why has there been a return to the office?

It is easy to forget that office working was near enough zero in many global cities halfway through 2020. In this context the return to the office has been strong.

There is plenty of literature on the effects of agglomeration to explain why this rebound should not be surprising.²⁰ This section looks more directly at the main **push** and **pull** factors that can explain this observed rebound.

Decisions by employers – particularly office mandates, which have become stricter even since last year – have **pushed** workers back to the office where they otherwise might have stayed at home.

But evidence from surveys suggests that workers have also felt the **pull** of the office, returning back into city centres of their own accord. Many see the productivity benefits and ease of collaboration and relationship building in face-to-face environments.

Yet office working is still well below pre-pandemic levels across all cities, as both employers and employees derive benefits from home working. This is the **resistance** to the return to the office, acting against the forces above.

The push – mandates are up

Employee preferences on office working will often be subordinate to what their employers mandate. This is the main lever for employers to push workers back to the office in London and its peer cities.

London mandates have increased in the last year

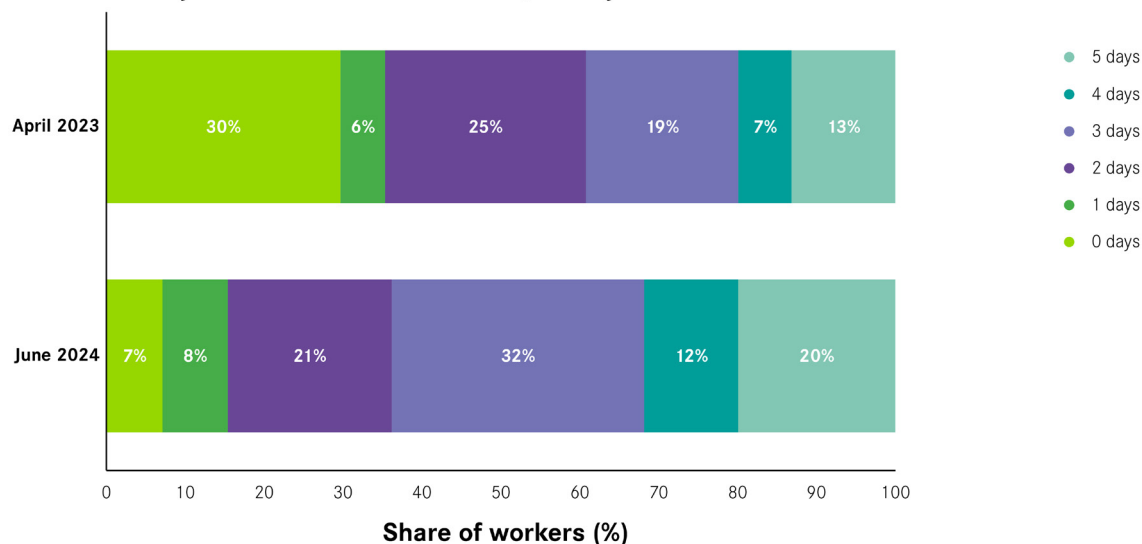
The ground is shifting in London when it comes to office mandates. Comparing surveys of London this year and last suggests that even over the course of a year, **employer mandates have crept up** (Figure 11).²¹

20 Swinney P and Vera O (2023), [Office politics: London and the rise of home working](#), London: Centre for Cities; Section 3.

21 These are the number of days mandated in the office as reported by employees. This is for comparability as only employees were surveyed in 2023.

Figure 11: The most frequent number of days mandated by employers has switched from two to three in the past year

Number of days mandated to be in office, survey of London workers



Source: FocalData / Centre for Cities, 2023 and 2024. • Notes: n=437 for 2023, n=688 for 2024. Full time workers only. Question: 'How many days does your employer require you to be in the office?'.

The most frequent number of office-mandated days has shifted up from two to three in one year. One third of workers are now asked to come in three days a week, and another third more than that. A larger change is that 30 per cent of workers weren't required to spend any days in the office in April 2023 – this has fallen to just 7 per cent. And, at the top end, the proportion of central London office workers required to come in all five days has risen from 13 to 20 per cent.

But London mandates are less stringent than in other global cities

Even with these increases, London is relatively *laissez-faire* when it comes to implementing office mandates in an international context.

The upshot is that London is not unusual in the vast majority of its city centre employers having some form of mandate (Figure 12).²² Almost all employers in all cities have at least some form of in-office mandate.

That said, London employers use mandates the least compared to international peers. Only 81 per cent of London employers mandate specific days in the office, compared to 87 per cent in Paris and New York.²³

And London is at the bottom of the pack for the average number of days mandated too. Central London employers are mandating just 3.1 days in the office on average. In

²² The mandates considered in this sub-section are mandates as reported by employers, to get an impression from the decision makers actually setting the mandates.

²³ This is even with large movements in the use of mandates in London in the past year. Just a year ago (though based on employee, not employer, reporting) only 75 per cent had mandates, and only 50 per cent were mandated specific days.

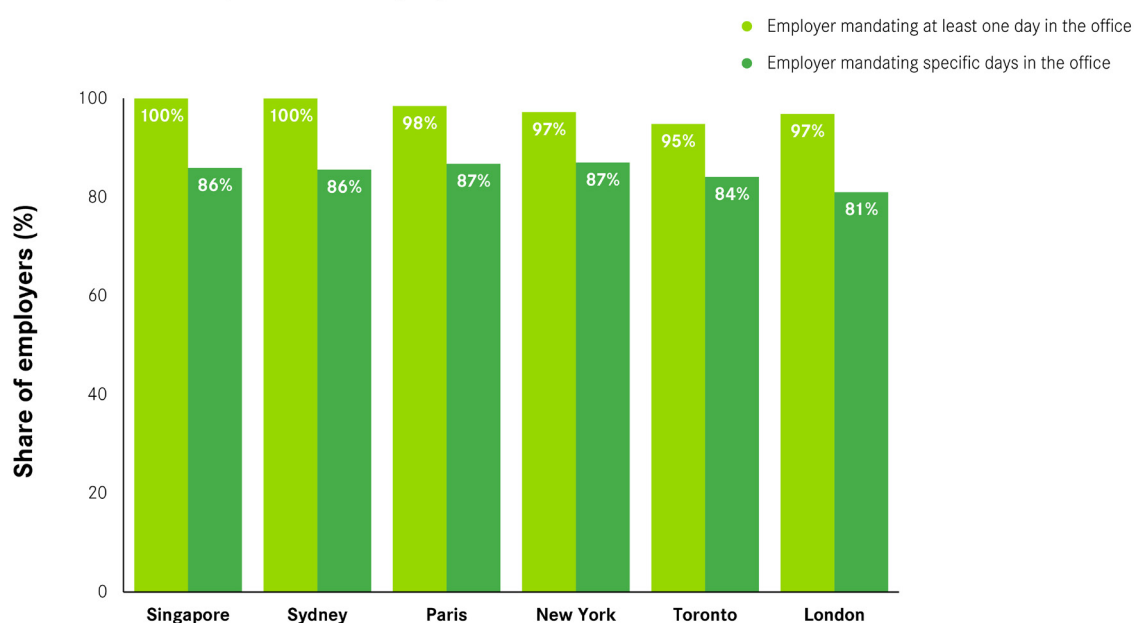
comparison, Sydney employers (4 days) mandate almost a full day more. Singapore (3.6), New York (3.4), Toronto (3.3), and Paris (3.2) also come out above.

So, in the international context, the push back to the office in London is relatively weak.

London workers do not come into the office often, and neither are they compelled to.

Figure 12: Mandates are a fixture for almost all employers in all cities

International comparison of employer mandates



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on all employers in each city. Gap between light green and dark green bars are proportion of employers who mandate some days in the office but do not specify which days.

The pull – workers themselves have wanted to return to the office

Mandates are only one part of the story. Workers themselves realise the benefit of being in the office, and so it seems that at least some of the return to the office has been driven by employees.

Workers would still come to the office even without mandates

Even without any obligation to come to the office, workers would still choose to do so. Surveyed workers were asked what their working patterns would be if their employers did not mandate office working at all. On average, workers would work in the office just under a day less a week than the status quo for all cities – a 0.8 day decrease in London and New York, 0.9 in Singapore, Sydney and Toronto, and 1.1 in Paris.²⁴

²⁴ These figures are based on all full-time employees subject to some office mandates in all cities.

Combined with current attendance rates, this would suggest that **employees in all cities would still come to the office around two days a week even with no mandates**. Fully remote working is not the default preference for most office workers in these cities. Consequently, large parts of the rebound since then have been due to worker preferences.

These preferences seem to play more of a role in the rebound than external factors, such as loosening labour markets (Box 3).

Box 3: Unemployment is unlikely to explain cross-city differences in office attendance

Labour market tightness adding to worker bargaining power has been cited as a broader reason why hybrid working patterns have persisted since the pandemic.²⁵ The theory is that when unemployment is low, workers have more options and therefore more power to negotiate hybrid working terms in their contracts.²⁶ So, different unemployment experiences in different cities could explain variation in office working patterns.

In practice, this does not appear to be the case. Table 1 shows there is no relationship between office attendance and unemployment – either in levels or changes since the pandemic – in the way that theory would predict. Unemployment levels in these cities are and have stayed relatively low pre- and post-pandemic, and do not seem to impact office workers’ working patterns.

Table 1: Unemployment rates don’t appear to be driving work from home patterns

City	Unemployment rate, 2024 (%)	Change in unemployment rate, 2019-2024 (% points)	Average days in office, June 2024	Change in days in office (Jan 2020 – June 2024)
London	5.2	0.2	2.7	-1.2
New York	4.9	1.0	3.1	-0.8
Paris	5.8	-0.8	3.5	-0.5
Singapore	1.9	-0.2	3.2	0.1 *
Sydney	4.4	0.1	2.8	-0.8
Toronto	7.3	1.3	2.7	-1.3

Source: NOMIS, NY department of Labor, Insee, MOM, ABS, and Statistics Canada • Notes: * Figure arises from Singapore’s low average days in the office for January 2020, which is likely anomalous – see Footnote 15.

²⁵ For example, see: ‘[The Return to the Office Has Stalled](#)’, Wall Street Journal, 16 May 2023.

²⁶ In a tight labour market, this could be in place of wage rises. See, for example: Doornik B, Deniz I and Kharroubi E (2023), [Labour markets: what explains the resilience?](#), BIS Quarterly Review, 77, Basel: Bank for International Settlements.

Younger London workers are more likely to think they are more productive in the office

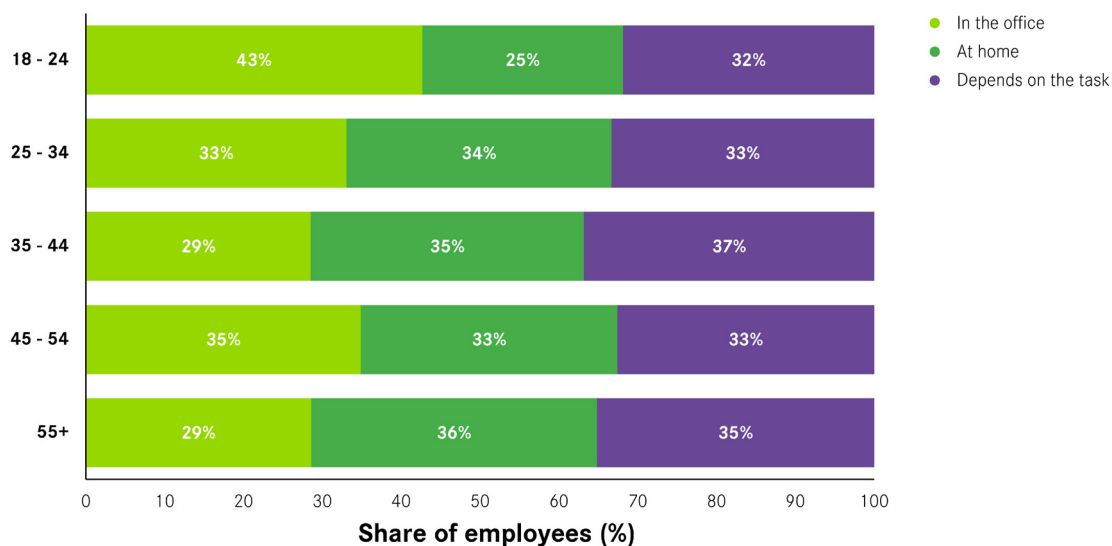
When asked where they work best, surveyed central London office workers were evenly split – a third worked best at home, a third in the office, and a third said it depended on the task. This sets a baseline – a significant proportion of workers prefer being in the office, and a majority would be there for at least some tasks.

Preference for office working broadly tracks office attendance internationally. Toronto – the city with the lowest office attendance – is more tipped towards employees working better at home than London, with 37 per cent preferring home working versus 27 per cent the office. And cities with higher attendance (New York and Singapore) have a higher share of workers preferring office working. The exception is Paris where, despite having the highest office attendance, 47 per cent of workers prefer home working. This suggests that high levels of office working in Paris are more due to the push of employers than the pull of the office.

In London, these preferences vary by age. 43 per cent of 18- to 24-year-olds say they work best in the office, compared to just 25 per cent at home (Figure 13). At the other extreme are those aged 55+, of whom only 29 per cent work best in the office, versus 36 per cent at home.

Figure 13: Younger London workers work better in the office, older workers at home

Where London employees self-report working best, by age



Source: FocalData / Centre for Cities, 2024. • Notes: n=1,023. Assessed on all workers. Question: 'On balance do you find that you can do your job better...'

This aligns with the knowledge-sharing benefits of working in the office. Younger workers, who have the most to learn from more experienced colleagues, seem more alive to this benefit. This also contextualises the findings that older workers have returned to the

office at a below-average rate in London (Figure 5), dispelling the idea that it is younger workers who are most attached to home working.

London stands out internationally here. Paris, New York, and Singapore broadly follow London's pattern of older workers reporting they work best at home, but unlike London, this does not translate into them coming in less.

Employees are aligned with employers on the benefits of office working – very few see no upsides

Only a tiny fraction (around 5 per cent) saw no benefits of office working on both the employer and employee side in London (Figure 14). In other words, **95 per cent of the capital's employers and employees alike see some benefits to office working**. This is evidence against any argument that the pandemic has brought about the end of face-to-face working, given overwhelming preferences from both workers and decision makers to keep office working.

This view does vary by age. 11 per cent of those 55+ see no benefits of office working, decreasing to less than 1 per cent of 18- to 24-year-olds.²⁷ Again, there is no evidence to suggest that young workers' aversion to the office is driving low rates of office attendance. And just 28 per cent of those 55+ cite better decision making from office working, versus over 40 per cent of under 35s – those most likely to be on the receiving end of decisions by their seniors.

Both workers and employers see **the collaborative side of working as the main benefit of being in the office**. Figure 14 shows relationships and collaboration are cited by around half of each group.

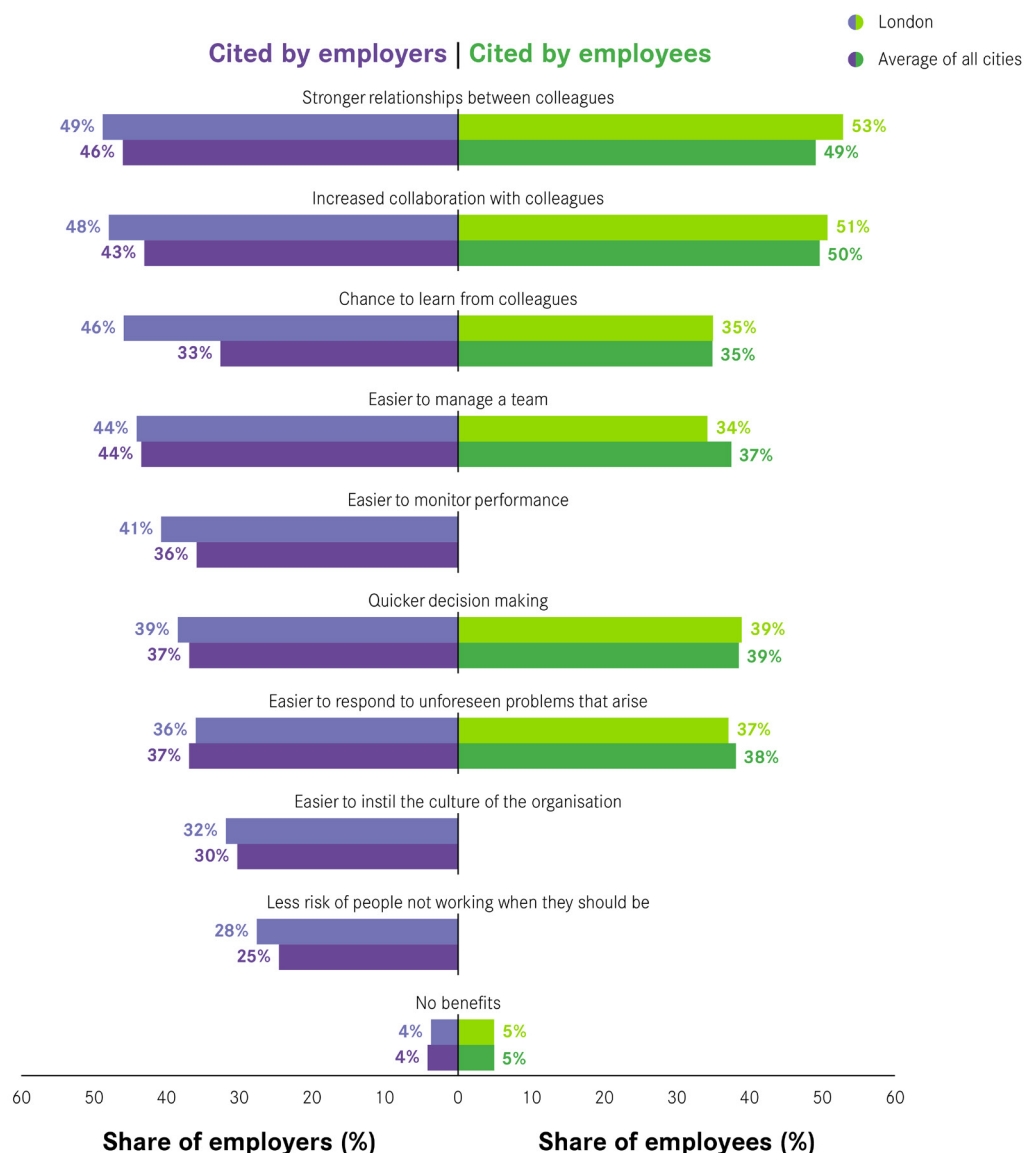
These are the top two benefits of office working cited by both groups, suggesting a large degree of alignment between workers and decision makers. Where they differ slightly is on learning opportunities – employers seem more in tune with these (46 per cent) than employees (35 per cent).

London employer and employee attitudes looks very similar when compared with the average of all other cities. Where London stands out is that employers are more likely than average to cite the relationships, collaboration, and learning benefits of office working.

²⁷ Interestingly, the most office-averse demographic in London by far are government office workers, with almost 20 per cent seeing no benefits of office working. Only ten per cent of government workers think office working leads to quicker decision making, compared to 40 per cent of the private sector.

Figure 14: Stronger relationships and easier collaboration are office benefits recognised by employers and employees alike

Benefits of working in the office



Source: FocalData / Centre for Cities, 2024. • Notes: Assessed on all employers (n=256) and all employees (n=1,023). 'Other' responses not included (1 per cent for employees, and <1 per cent for employers). Average of all cities is a simple average (i.e., not weighted by responses across cities). Question for employers: 'In your opinion, what are the benefits to the business of people being in the office?'. Question for employees: 'When you do go into the office, what do you find are the benefits of doing so?'.

The resistance – both employers and employees benefit from home working

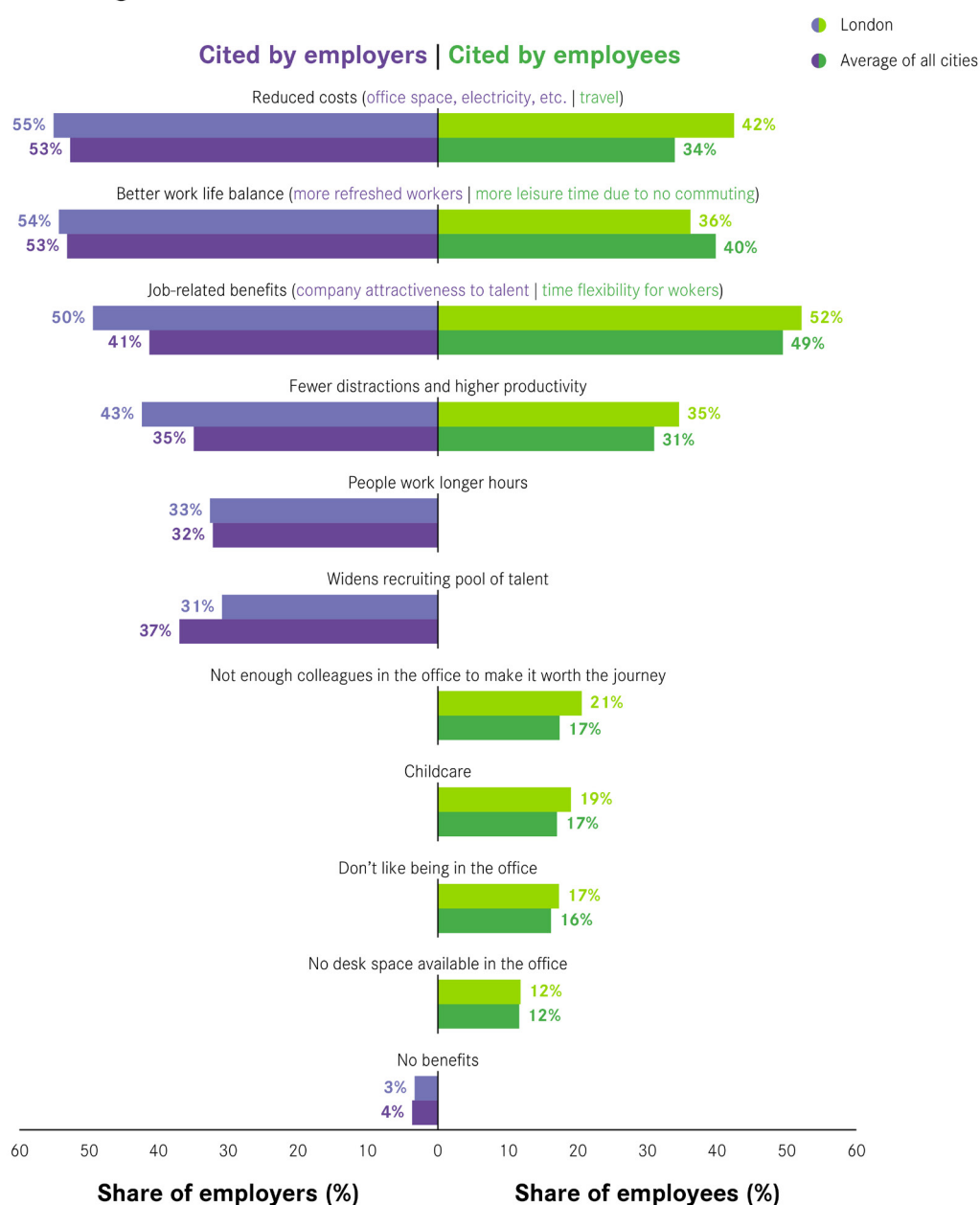
Despite the tightening of in-office mandates from employers and the pull felt by employees, office working is still well below pre-pandemic levels. There are factors at play that are resisting a full-scale return.

Simply, both workers and employers also see benefits to home working. For employers in

central London, operating costs were the most widely cited (55 per cent of respondents), while for central London workers, it was perceived benefits to time use – the top three reasons were to do with flexibility, travel costs, and leisure (Figure 15).²⁸ From both perspectives, the predominant focus is on their own individual benefit – the bottom line for business leaders, and better work-life balance for workers.

Figure 15: Central London employers like home working for reduced operating costs, employees for flexibility

Benefits of working from home



Source: FocalData / Centre for Cities, 2024. • Notes: Assessed on all employers (n=256) and all employees (n=1,023). 'Other' responses not included (3 per cent for employees, and 1 per cent for employers). Average of all cities is a simple average (i.e., not weighted by responses across cities). Question for employers: 'In your opinion, what are the benefits to the business of people not working fully in the office?'. Question for employees: 'On the days you don't go into the office, what are the main reasons for not doing so?'.

²⁸ When breaking down by age, flexibility is valued by only 38 per cent of 18-24s, compared to 64 per cent of 55+. Again, this does not support younger workers being the ones driving hybrid working through preferences for work-life balance – the opposite seems to be the case.

That said, **similar levels of both employers and employees perceive productivity benefits due to the opportunity for home working.** Getting more work done is cited by 43 per cent of employers, surprisingly higher than the 35 per cent of employees.

Few workers simply don't like being in the office (only 17 per cent), **which should give pause for thought to companies carrying out expensive office revamps to attract workers back in.** While updating office space may be beneficial for other reasons, it does not tackle the time-cost reasons most cited by employees as benefits of home working. The results suggest firms may get more bang for their buck subsidising commuting to drive office attendance.

The story is broadly the same in all comparator cities, with a couple of informative differences:

- Reduced travel costs are far less important for Parisians as a benefit of home working, cited at almost half the rate as Londoners. This seems to be a direct result of policy, as Box 4 discusses.
- For London employers, the home working benefits are for attracting the right talent (50 per cent) relative to recruiting from a wider pool of talent (31 per cent), whereas this is more even in other cities. In Sydney and Paris, the reverse is true.

Box 4: Employer obligations to cover travel costs in Paris seems to make office working much more attractive

Parisians come into the office most of all other surveyed cities. Lower transport costs seem to be a big factor – only 25 per cent of Parisians cited lower travel costs as a benefit of hybrid working, compared to 42 per cent of Londoners.

This is because Paris employers are obliged to cover a minimum of 50 per cent of what employees spend commuting on public transport or active travel, with many covering up to 100 per cent of costs.²⁹ This policy was brought in alongside the Navigo and Worklife transport payment scheme as an urban policy to encourage more use of public transport and active travel.

This takes a lot of the monetary travel cost out of the equation for Paris office workers. As these costs seem to be one of the main barriers to further returns to the office, this could be a large contributing factor to the high levels of office attendance in the French capital compared to other global cities.

²⁹ Worklife (2024), Mobility in Paris: reimbursement of the Navigo Pass by the employer, Available at: <https://en.worklife.io/forfait-mobilite-durable/titres-mobilite-remboursement-navigo-employeur>; Accessed: 08-08-2024.

05

What does this mean for the future?

The return to the office in global city centres so far has been driven both by employers and employees. This itself is a useful insight for policymakers but leaves a part of the puzzle missing. The unanswered questions are where the return to the office will go in the future, namely:

- Will the ‘new normal’ of office working patterns settle? If so, how close are current working patterns to settling into this ‘new normal’, or are they likely to further change in the near future?
- How far is this ‘new normal’ from what is ideal from an economic perspective, in terms of long-term productivity? What are the reasons for this difference, and how can this inform policy?

This section compares evidence for London and its international comparators to describe how this ‘new normal’ in London compares with other cities, and what this might mean for London’s (and ultimately the UK’s) future international competitiveness.

Commuting data and employer attitudes suggest a ‘new normal’ may be close

At a first glance, based on current attitudes and observed office working behaviour, signs would point to office working not increasing much further beyond current rates.

The commuting bounce-back has slowed in most cities

For London, the TfL data show that the sharp bounce back in morning peak tap outs in central London since the depths of the pandemic has tapered off over the last year (Figure 2).

Current trends would suggest London office working is close to a ‘new normal’. A very simple extrapolation³⁰ of the current upward but flattening trend since the nadir of the pandemic suggests commuting into the office could top out at around 80 per cent of pre-pandemic levels by summer 2025.

30 A quadratic trendline starting in April 2020.

Other global cities have seen similar slowing commuting recoveries based on comparable (though less detailed) data:

- **New York:** overall subway weekday ridership recovered to 60 per cent of pre-pandemic levels by the end of 2021 (from lows of less than 10 per cent in 2020), but only up to 70 per cent by summer 2024.³¹
- **Sydney:** Morning mid-week exits in CBD stations fell to 12 per cent of pre-pandemic levels in May 2020. This bounced back to 50 per cent by 2022, but the recovery had slowed to 62 per cent by 2023 (the latest data available).³²

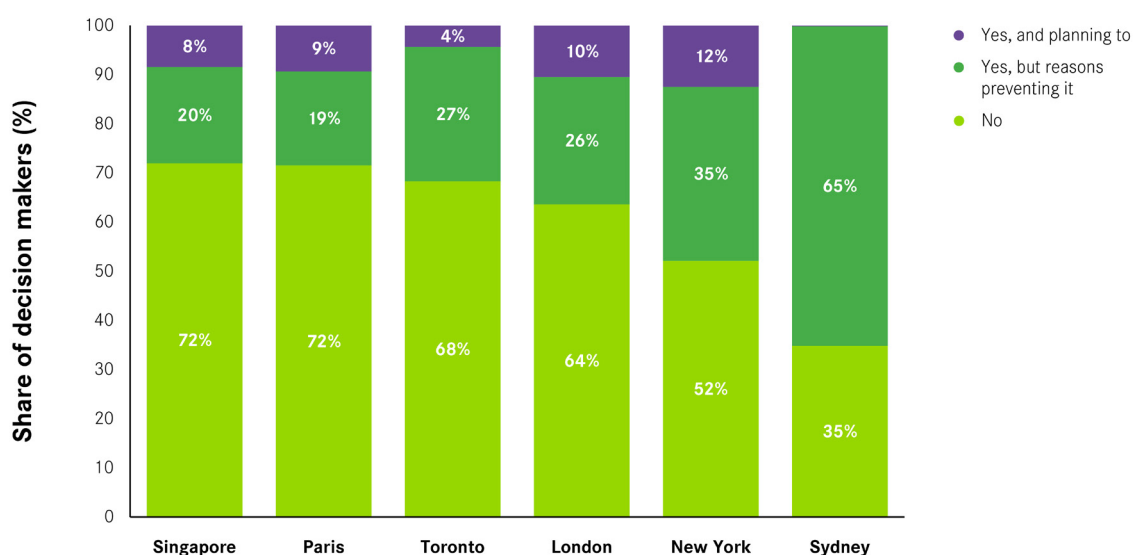
Most employers do not want to increase mandates

Though a relatively crude way of looking into the future, this broad trend in commuting data is supported by current employer attitudes which suggest a ‘new normal’ close to current patterns.

Workers would generally comply with increased mandates. But only one in three London employers want to do so. This is broadly similar to Singapore, Paris, and Toronto (Figure 16), but lower than New York, where half would like to increase mandates, and Sydney, where the proportion is 65 per cent.

Figure 16: Excepting Sydney, most employers do not want to increase mandates

Do employers want to increase mandates?



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on all employers.

³¹ From MTA Metrics on Daily Weekday subway ridership as a percentage of pre-Covid levels. Available at: <https://metrics.mta.info/?ridership/daybydayridershipnumbers>; Accessed: 20-08-2024.

³² Based on Centre for Cities' calculations on Train and Metro Station Entries and Exit Data from NSW Transport Open Data Hub.

And only a minority of employers wanting to increase mandates are actually planning to do so. Just one in ten city centre employers of office workers in central London will press on with mandate increases with current attitudes. This is similar to other cities, except for Toronto (4 per cent) and Sydney (less than 1 per cent).

This is mainly due to concerns around staff quitting and recruitment. In London, among employers who want to raise mandates but are not doing so, almost half cite these issues. Concerns about quitting are particularly high among this employer demographic in Singapore (63 per cent) and Toronto (79 per cent), though lower in New York (28 per cent).

If current attitudes hold, this would suggest that only a small proportion of employers will be continuing to raise mandates in all cities in the near future.

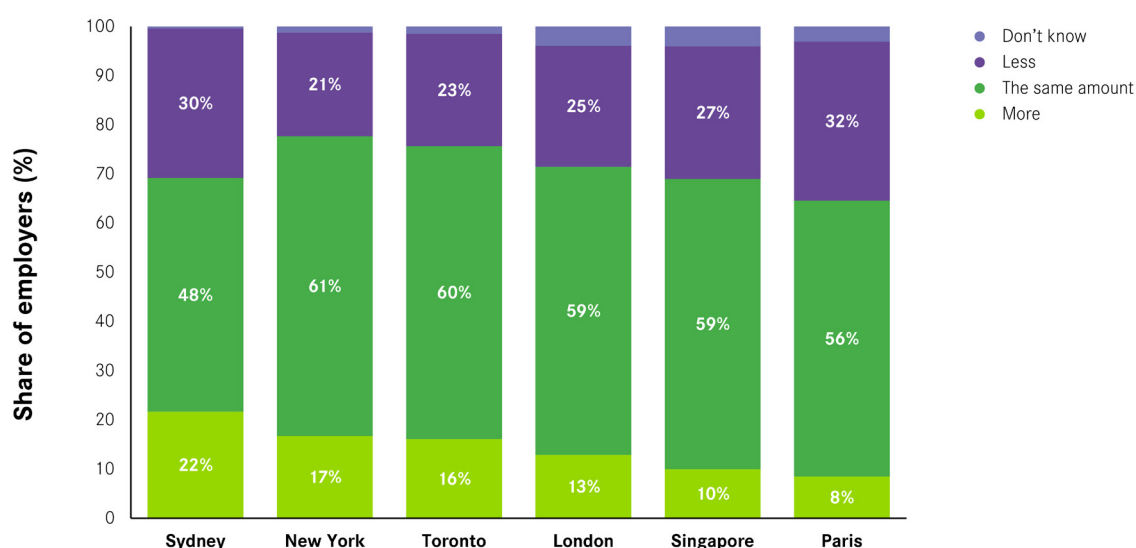
Most employers think current working patterns are here to stay

Employers in each city were asked to predict what the working week would look like three years on – as key decision makers on working patterns, current attitudes will likely reflect their intentions for office working.

Most employers predict no change to working patterns in three years' time (Figure 17). In London, 59 per cent think the current office working patterns are here to stay, and 85 per cent think that workers will be coming in no more than they are currently.

Figure 17: Most employers in all cities do not see office working increasing in the near future

In three years' time, how much of the working week will be spent in the office? Employers



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on all employers in each city. Question: 'In three years' time, do you expect that people in your organisation will be spending...'

Similar patterns emerge in the other cities. In every city except Sydney, a majority of employers think working patterns will stay largely the same. Of those who think it will change, more lean towards less time in the office. As far as employers are concerned, the new normal is just around the corner.

But current ‘mismatches’ in behaviour and attitudes suggest there is headroom for office working to increase further

The idea that current patterns point to a ‘new normal’ assumes current attitudes towards office working are largely fixed.

But attitudes could still shift. There are four pieces of evidence from the surveys that current working patterns are possibly being sustained by **mismatches** in the understanding and attitudes of employers and employees. If these were resolved, office attendance could increase further and the ‘new normal’ of office working may be higher than current levels might suggest.

Mismatch #1: Mandates don’t seem to be mandatory

In every city except Paris, workers come in less than their employer requires. The shortfall is more than half a day in in Singapore, Sydney and Toronto as reported by employees (Figure 18). Londoners are relatively more compliant coming in just 0.1 days less than their mandate on average.³³

Figure 18: Employees come in less than their mandates, and less than their employers perceive

Average days in above mandates, employee versus employer reporting



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on all employers who set mandates, and all full-time employees with mandates in each city.

³³ Those not meeting mandates in each city are mainly those with four- or five-day mandates. In all cities, workers mandated up to two days comply on average (New York excepted). London and Paris workers are relatively compliant for all mandate sizes.

Figure 18 also shows that while decision makers are conscious of mandate shortfalls, they tend to perceive workers sticking to mandates more closely. This suggests **mandates are both loosely enforced and loosely monitored** in most cities. London and Paris are unusual in that employers have a fairly accurate picture of mandate compliance.

So while mandates clearly affect office attendance, workers in many cities show that they can bend the rules (whether managers are aware or not). This shows employers' ideal levels of office working are below what plays out currently. Increases in monitoring and enforcing mandates in cities could therefore resolve this mismatch and bring about a further return to the office without mandate sizes changing.

Mismatch #2: Some employers are going to raise mandates anyway

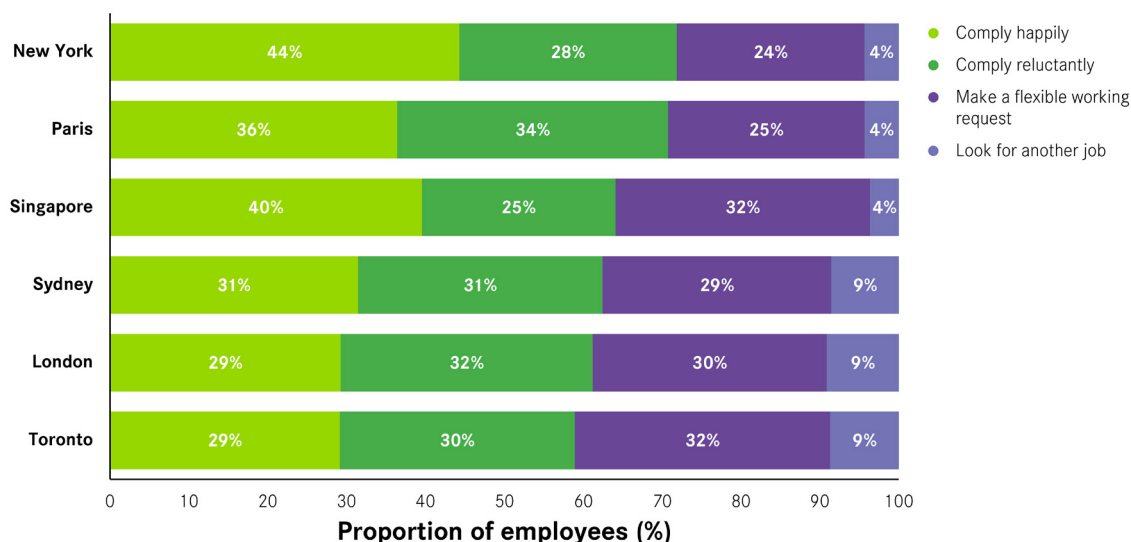
As Figure 16 shows, a small proportion of employers in each city are explicitly planning to raise their current mandates anyway. This is around one in ten of all employers in London, Singapore, Paris, and New York. This is not a 'mismatch' as such but a gap between current actions and intentions, and one that is likely to be resolved.

Mismatch #3: Employers' concerns about rising mandates leading to staff quitting seem out of proportion

Fewer than one in ten workers in all cities would consider a move if their current mandate was increased (Figure 19). Above 60 per cent in every city would comply, and more would do so happily than reluctantly.³⁴ The rest would put in a flexible working request (between a quarter and a third of workers in every city). Whether this would be granted by employers is unclear.

Figure 19: Most workers in each city would comply with increased mandates; very few would consider moving jobs

How employees would react if mandate increased



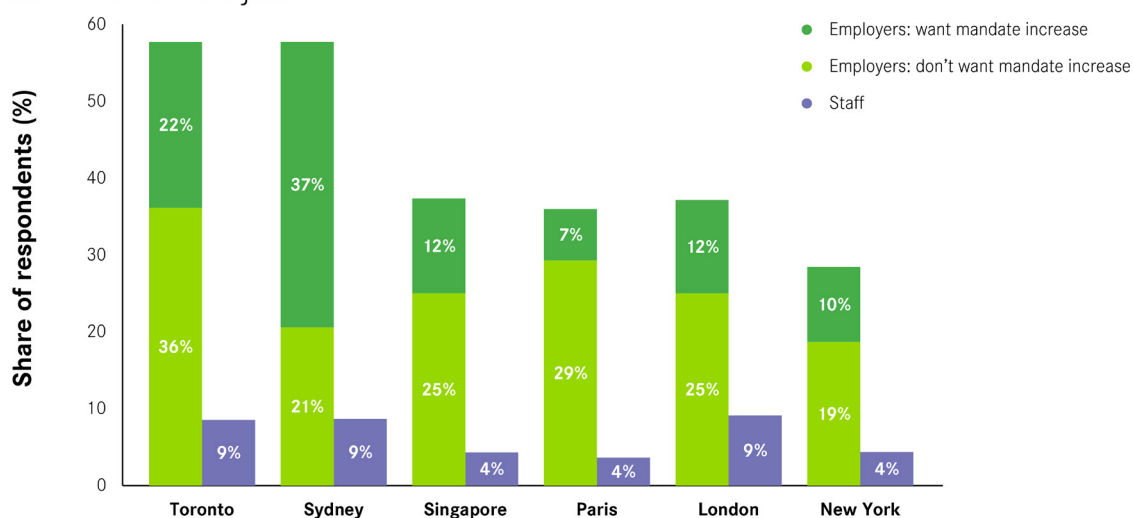
Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on all full-time employees not subject to five-day mandates. Question: 'If your company increased the number of mandated days in the office, what would you do?'.

³⁴ That said, London is among the most resistant of international cities. Despite having the lowest average mandates it has the highest proportion of workers who would look elsewhere, and the highest share of compliers who would do so reluctantly.

This reluctance to look for new jobs does not tally with employer worries over staff quitting. While 9 per cent of London workers would look for another job if mandates increased, 37 per cent of London employers cited quitting as a concern (Figure 20). The gap is even larger in Sydney and Toronto, where the majority of employers cited quitting as a concern, versus less than one in ten workers who would look for a new job.

Figure 20: Employers are far more concerned with staff quitting over mandate increases than staff are themselves

If mandates increased: employers concerned about staff quitting, versus workers who would look for new jobs



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on all employers setting less than five-day mandates, and all full-time employees not subject to five-day mandates.

Some gaps could be explained by employers taking a broader view on staff retention than an individual worker, and worker job changes may differ from these reports (e.g., reluctant compliers may eventually look for new jobs), but the size of the mismatch here suggests that employer concerns about quitting in the face of mandate rises are out of proportion.

Mismatch #4: Perceived productivity impacts of hybrid working in the short- versus long-term differ

There also seems to be variation in the perceived benefits and costs of hybrid working, depending on whether employers and employees take a short- or long-term view.

London serves as a case study in how this mismatch plays out. Many London workers and employers appear relaxed about the productivity impacts of home working in the short term:

- Employers seem broadly unconcerned with productivity impacts of home working when considering whether to raise mandates. Of the two thirds of employers who do not want to increase mandates, 63 per cent believe employees are at least productive at home.

- A third of workers think they are more productive at home day-to-day, and two thirds feel more productive at home for at least some of their tasks, as reported in Section 3.
- Both employers and employees also see immediate productivity benefits to home working. Getting more work done is cited by 43 per cent of employers, and 35 per cent of employees.

However, when employers and employees take a longer-term perspective, there are more negative views on the productivity impacts of not being in the office:

- Over two thirds of workers surveyed thought that workers spending more time at home over the next five years would see negative impacts. Top reasons cited by these employees were its impact on learning new skills (42 per cent), having new opportunities (40 per cent), and concerns about promotion (40 per cent).
- Decision makers are even more clear on the long-term skills benefits of office working. **Less than one in five see no negatives for people coming into the office less over the next five years**, a far smaller proportion than workers. Of the remaining majority, skill development is the main draw for office working over the long term (67 per cent), followed by higher pay (50 per cent).

This is not just London – a similar story plays out in comparator global cities.³⁵

This uncovers an important contradiction. When asked to think about the impact of home working today, concerns about productivity are small. But when thinking about future downsides of home working, points raised are ones **that will ultimately affect productivity** (skills) and **markers of increased productivity** (promotion and pay).

This contradiction raises questions about how fixed employer views are on the benefits of home working, views which have already seemingly shifted even in the last year, let alone since the last Covid lockdown.

Working patterns could return close to the pre-pandemic world if these mismatches are resolved – except in London

These mismatches mean there is some uncertainty in how the return to the office may continue in London and other global cities, if at all.

Estimating what would happen to office working if these mismatches were resolved – whether through employer action, wider policy, or natural alignment – could provide an indication of return to the office trends in the near future.

Table 2 sets out a simple exercise based on tractable assumptions that resolve the first three mismatches.

³⁵ Of decision makers who do not want to increase mandates in other cities (a majority everywhere except Sydney, as shown in Figure 16), the proportion unconcerned with short-term productivity ranges from 56 per cent (New York) to 77 per cent (Sydney). In contrast, less than one in ten employers in New York and Sydney see no negatives from lower office attendance in the long-term. And all cities except Sydney (where higher pay tops out) see skill development as the most important long-term casualty of lower office working.

Table 2: An exercise in estimating future return to the office by resolving current mismatches in attitudes and behaviour

	Description of mismatch	Assumptions made to resolve mismatch in exercise
Mismatch #1	Employees come to the office fewer days on average than they are required to	Employees who do not meet their mandate start coming to the office at the level they are mandated to
Mismatch #2	Some employers have not raised mandates currently, but intend to anyway	These employers raise their mandates by one day, such that employee sectors are proportionally affected
Mismatch #3	Employers are relatively concerned with staff quitting if they raise mandates, whereas very few staff would look for a new job if mandates rose	Employer concerns fall in line with reported employee behaviour on job search in the face of rising mandates. Employers who no longer have any reason stopping them raising mandates do so by one day, such that employee sectors were proportionally affected

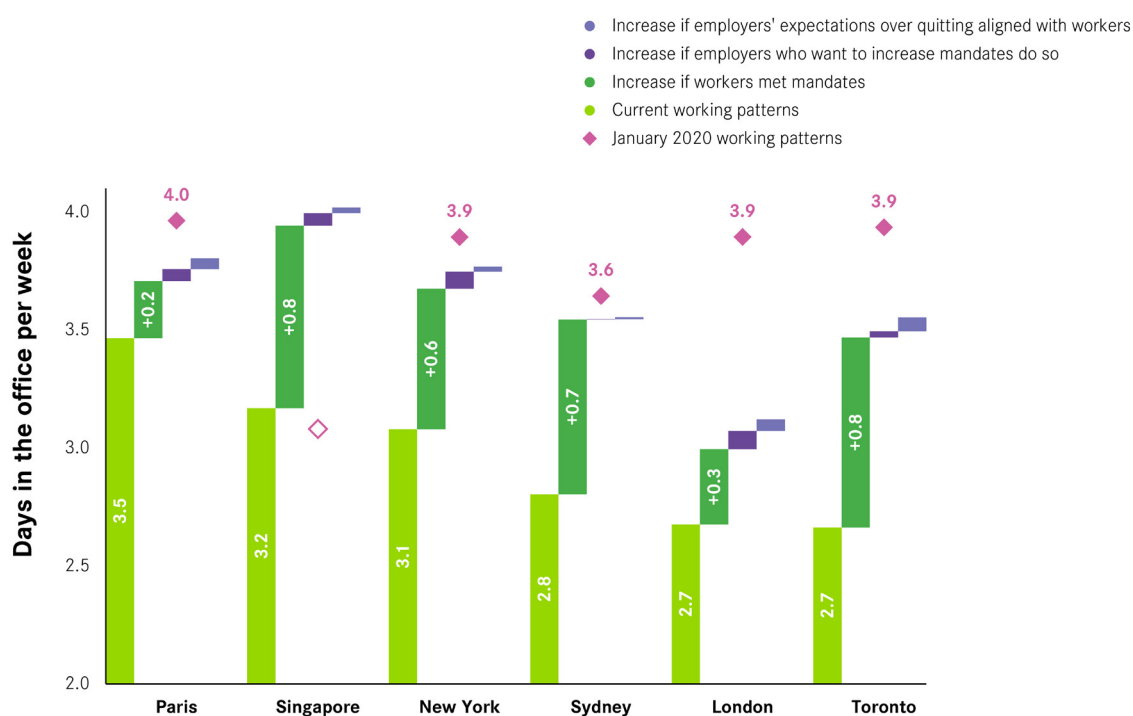
Figure 21 shows how the average days in the office observed in June 2024 would increase if each of these mismatches were resolved as in this exercise, comparing the result to pre-pandemic office working levels. This comparison raises three important points on the future of office returns in global cities:

- **London's return to the office could fizzle out the furthest below pre-pandemic levels.** For all other cities, resolving these mismatches suggest office working could return to above 90 per cent of levels in January 2020. This is just 80 per cent for London.³⁶ Aside from Paris, which is far closer to pre-pandemic levels already, London's office working patterns seem closest to a 'new normal' at present, despite having some of the lowest office attendance.
- **Current mandates being met would take working patterns most of the way back to pre-pandemic levels in most cities.** This suggests employer preferences for office working are close to what would have been seen as normal before 2020, with attendance brought down by worker behaviour. It also suggests that employers that want to increase office attendance will see more return from enforcing current mandates rather than raising them. **But London is again the exception.** This is because London workers are already relatively compliant with mandates, and mandates are already low.
- **Similar-looking cities could be on very different trajectories.** Both London and Toronto had similar office working rates pre-pandemic and in June 2024. But resolving mismatches in Toronto brings office working up to 3.6 days per week, versus just 3.1 in London.

³⁶ This is very close to the return to the office projection from TfL data.

Figure 21: London's return to the office could stall well below pre-pandemic levels, standing out from other cities

Estimating future returns to the office internationally



Source: FocalData / Savanta / Centre for Cities, 2024. • Notes: Assessed on full-time employees. Increases in average days in the office are based on Centre for Cities' calculations using survey results. Singapore's January 2020 average days in the office are anomalous (see Footnote 15).

This exercise cannot predict how the return to the office will play out over the coming years. Other potential changes in attitudes toward office working (such as those highlighted in Mismatch #4) are not considered. But London's **low starting point** and **low room for manoeuvre** on enforcement of mandates (in the status quo) sets it apart from other global cities.

Why does this matter?

There are several reasons why a 'new normal' below pre-pandemic levels of office working (particularly in London's case) may require policy interventions.

Jobs that cluster in city centres enjoy the benefits of agglomeration through face-to-face interactions

First, it is important to understand why particular kinds of office jobs clustered in city centres before the pandemic.

As discussed in Centre for Cities' previous report,³⁷ there is plenty of evidence that high-skilled firms and workers derive productivity benefits from being close to one another, as

37 Swinney P and Vera O (2023), [Office politics: London and the rise of home working](#), London: Centre for Cities; Section 3.

consistent with agglomeration theory. For workers in city centres, this is particularly through **learning** (or ‘knowledge spillovers’) – dense environments and face-to-face contact, leading to greater transfers of information, knowledge and skills. The responses above show that this is something both employees and employers recognise.

The ‘new normal’ of office working levels may be below what is best for the economy

If the ‘new normal’ of office working is similar to levels seen today in cities, this could be impact the city’s productivity as a whole, for three main reasons:

- **What is best for the individual may not be the best for the economy.** When workers decide what their individually preferred office attendance is, they are not considering the extra benefits they might impart on their colleagues through interactions. By workers choosing what is individually best for them in their own situation (with more flexibility due to lower office mandates), the wider ‘spillover’ productivity benefits – particularly from older to younger workers in London’s case – may be lost.
- **Workers themselves may not fully consider the long-term implications of their current actions** such as the mismatch between short- and long-term productivity considerations above (Mismatch #4). This could impact productivity growth in the longer term.
- **Employers may not have the right information.** If their perceptions of office working attitudes and behaviours among workers differ from reality (as in Mismatch #3), decisions made on this information (e.g., setting mandates) could be factoring in behaviour (e.g., staff quitting) that is not likely to materialise. This could lead to office working patterns set below what may be most productive.

Lower office working may particularly affect the younger generation

This report throughout has shown, particularly for London, that younger workers seem both more prepared to return to the office and more in tune with the benefits of doing so. Yet this demographic must be able to benefit from their more senior colleagues being in the office too – this is the direction of flow for most of the productivity benefits through learning. And today’s young workers are the bulk of the workforce and decision makers of the future.

So an age gap in office working habits developing today could be a problem for productivity down the line. This may be a blind spot for more senior workers, as few would have experienced their early career in a hybrid working environment. Meanwhile, many city centre workers in their twenties will have only known the post-pandemic working world.

London’s office working trajectory could affect the UK economy

All the potential productivity implications of settling in to a ‘new normal’ of office working below pre-pandemic levels makes London’s trajectory more concerning. Not only are its office

working levels relatively low at present, but its outlook may diverge from other global cities in future.

This could be bad news for the UK in both national and international contexts. London's city centre is home to some of the most productive firms in the country, and so even small impacts on their productivity could have national implications.³⁸ And London potentially taking a diverging path from other global cities could further see its competitiveness erode as an attractor of international talent and investment on the global stage.

38 Rodrigues G and Bridgett S (2023), [Capital losses: The role of London in the UK's productivity puzzle](#), London: Centre for Cities.

06

What needs to change

That there has been a return to the office in leading global cities should come as no surprise. The shockwave of the pandemic has not fundamentally altered the forces that concentrate economic activity and boost productivity in these cities.

London is no exception. Between surveys of this year and last, the return to the office among central London workers has continued, with workers spending half a day more in the office than in 2023. And while mandates have crept up, workers themselves have also been responsible for this return, recognising the productivity and networking benefits of doing so.

But London's return to the office has been sluggish when viewed internationally, and many signs point to its trajectory falling further behind its global competitor cities. The literature on the benefits of agglomeration, specifically the productivity benefits of face-to-face interactions in knowledge-intensive industries that concentrate in city centres, suggests this could lead to a productivity hit. This could impact the UK economy both in absolute terms and relative to other countries.

Where London stands out provides key areas for policymakers and business leaders to address:

- Office attendance is still way down from pre-pandemic levels for central London workers – mid-week averages are only 60 per cent of those in January 2020. This has recovered since last year, but the recovery has slowed since the depths of the pandemic. And this is low compared to other cities around the world. London having the lowest mandates of all cities no doubt plays a part.
- Considering current London employee and employer behaviour and attitudes, London's potential office working trajectory could fall well below all other cities surveyed.
- Friday attendance is down everywhere, but particularly in London.
- Older, more experienced workers are coming in less, and perceive fewer benefits of coming into the office. This is particularly true in London. As they are the group that other workers will learn from most, this poses a long-term problem for career development and future productivity.

Policymakers therefore have a role to play in London to ensure the level of office working reaches levels that are best for the capital's (and the nation's) overall productivity, and reinforce its status as a city with international appeal to talent and investment:

- Both the **national government and the Mayor of London should continue to work with central London businesses and business groups to set higher expectations of days in the office.** The drive could take the form of the 'Let's Do London' post-lockdown campaign, which focused on increasing footfall and transport ridership in the city centre. This could complement existing campaigns already driving footfall and business activity in central London, such as the City of London's 'Destination City' programme.³⁹
- As the representative of London on the world stage, **the Mayor should convene with the leaders of other global cities to understand different experiences and approaches to office returns.** Paris and New York, two cities which see significantly higher rates of office working, would be good starting points.
- **The Government can have a direct influence on increasing office attendance of civil servants in central London.** There is precedent: Sydney public sector workers have recently faced a directive to return to the office.⁴⁰
- Measures to reduce travel costs are important for office attendance, so **TfL should resume its off-peak Fridays trial**, which was hampered by lack of awareness. The new trial should be accompanied by an awareness campaign before and during the trial to ensure workers are well-informed, and be held for a year to cover all seasonal variation and allow new behaviours to bed in.⁴¹ Only then will evaluations – which should compare the cost of forgone fare revenues with benefits of increased passenger numbers and (ideally) indirect productivity benefits – be informative.
- **There should be continued investment in commuter transport infrastructure.** Assumptions about 'permanent' changes to the level of demand for public transport should not factor into future transport investment decisions. This is in the face of continued shifts in commuting patterns in just the last year, and the benefits of getting workers as quickly and cheaply into the city centre as possible, particularly among commuters from the Home Counties. This may also involve rethinking commuter rail fares as part of the Government's Great British Railways plan.⁴²
- Finally, **the Government should be more proactive in attempting to measure the impact of hybrid working on productivity.** Future decisions on land use and transport investment in a post-pandemic world must be well-informed. **The Mayor of London should contribute to this through setting up a Productivity Advisory Council**, akin to the Chancellor's recent plans to set up a council of economic advisers.⁴³

39 Destination City: Available at: <https://www.cityoflondon.gov.uk/about-us/plans-policies/destination-city>; Accessed: 22-08-2024.

40 'Minns government ends working-from-home arrangements, directs public servants to return to the office as Sydney CBD suffers', Sky News, 5 August 2024.

41 The new trial should also be set up in conjunction with relevant stakeholders, such as the Department for Transport, Train Operating Companies, London Boroughs, and central Business Improvement Districts.

42 Details on fare reform are beyond the scope of this report. For discussion, see: CFBT (2023), [A Fare Future for rail: a blueprint for fares and ticketing reform](#), London: Campaign for Better Transport.

43 'Rachel Reeves to create council of economic advisers in search for growth', Financial Times, 12 July 2024.

Business leaders themselves also have a role to play – not all changes can be from outside their organisations:

- **Firms should clearly consider the role of mandates in office attendance.** This report suggests that office attendance could be improved more by **enforcing rather than raising existing mandates**. That said, London has the lowest mandates internationally, so a combination may work best. Current worker attitudes suggest that these changes would not lead to levels of staff turnover expected by employers.
- **Firms should internally review the productivity impacts of hybrid working.** This is to ensure that the organisation's working practices are most conducive to firm-level productivity. Reviews should happen periodically (e.g., annually).
- **Business leaders should lead by example.** More senior staff coming into the office could improve decision-making, productivity, and the development of less senior workers.
- **Firms should consider redirecting budgets for office reconfigurations and perks to subsidising travel instead.** Survey results suggest that only a small proportion of workers actively dislike being in the office. Meanwhile, Paris-style commuting subsidies could remove a far more significant barrier cited by London workers to returning to the office.



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