



*Due to confidentiality issues, this full paper has been reduced to its general abstract / a simplified version.*

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**Session:** S06 - CO-WORKING OR CONVERSION INTO HOUSING: WHAT PERSPECTIVES FOR OFFICES?

**Title:** Working From Home and the Centrality Premium: Implications for Business Districts

**Abstract:**

This paper examines the intracity effect of Working From Home (WFH) on business districts. Using a unique dataset on the Paris metropolitan area, I develop a municipality-level WFH exposure indicator and leverage on the Covid-19 crisis as a natural experiment to implement a difference-in-differences strategy. Findings reveal a significant rise in office vacancy due to remote working, with effects more pronounced in areas (i) further from the city center, with (ii) longer commuting distances and (iii) larger firms. This especially highlights companies' use of office property downsizing as a cost-effective strategy to relocate to central locations, which remain preferred for their superior labor market access, supporting theoretical predictions. This shift exacerbates spatial disparities, particularly disadvantaging peripheral areas. The analysis also shows that investment patterns have adjusted, with a decrease in investment in areas most affected by WFH. Furthermore, I document a decline in employment and number of businesses in the local retail sector, exposing the wide-reaching effects of teleworking.

**Keywords:** teleworking, location choice, commercial real estate