



The destination for cars in the post-pandemic future

Pete Kelly, Managing Director

The response to the pandemic has proven that many millions of people – especially those who have, until recently, travelled to office jobs in cities – can work from home for most, if not all, of their time. Swathes of the world's cities are half empty, with offices unused and public transport systems hugely underutilised. Many are now predicting, without really knowing, that workers will permanently leave cities to reside in the suburbs, or even further afield, while working remotely.

This makes some sense, but only up to a point. Until the pandemic hit, the conventional wisdom was that humanity's future was increasingly urban (incidentally, in a way not particularly positive for car ownership). Cities provide the highest concentrations of choice and opportunity in many areas of life: in work and play, culture and creativity, with great food, and while also being able to create a disproportionately large contribution to economic activity. In middle income countries, they have helped to lift many millions out of poverty.

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So, a question that I find difficult to answer is why – let's say in two or three years, when the pandemic has mostly, if not completely, passed – cities will not regain most of their appeal, with people moving back, if still perhaps working more flexibly? New York, London and Paris were megacities of their day in 1918, when Spanish Flu made its deadly pass through the global population, and they continued to expand in the years that followed, no doubt thanks to their enduring attraction.

Inevitably, I am interested in the implications for car markets. Right now, it would seem that the pandemic is likely to cause more driven commuting (as a percentage, where it is still necessary). Abandoning the city to live the suburban or rural life also requires, for most, access to a car. And while the grim economics of the pandemic might dictate that some people cannot afford to buy a car now, it appears that a higher proportion of people want one than before.

My guess is that what we are seeing emerge now – a trend against public transport and in favour of car usage – is going to be largely temporary. In the long run, things will not exactly return to the way they were before, but cities will be back. And, as we all know, there is a limit to how many cars you can fit in a city.