

December 2023



Travel in London 2023

Consolidated estimates of total travel and mode shares

MAYOR OF LONDON



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS

Travel in London 2023

Consolidated estimates of total travel and mode shares

2023 update

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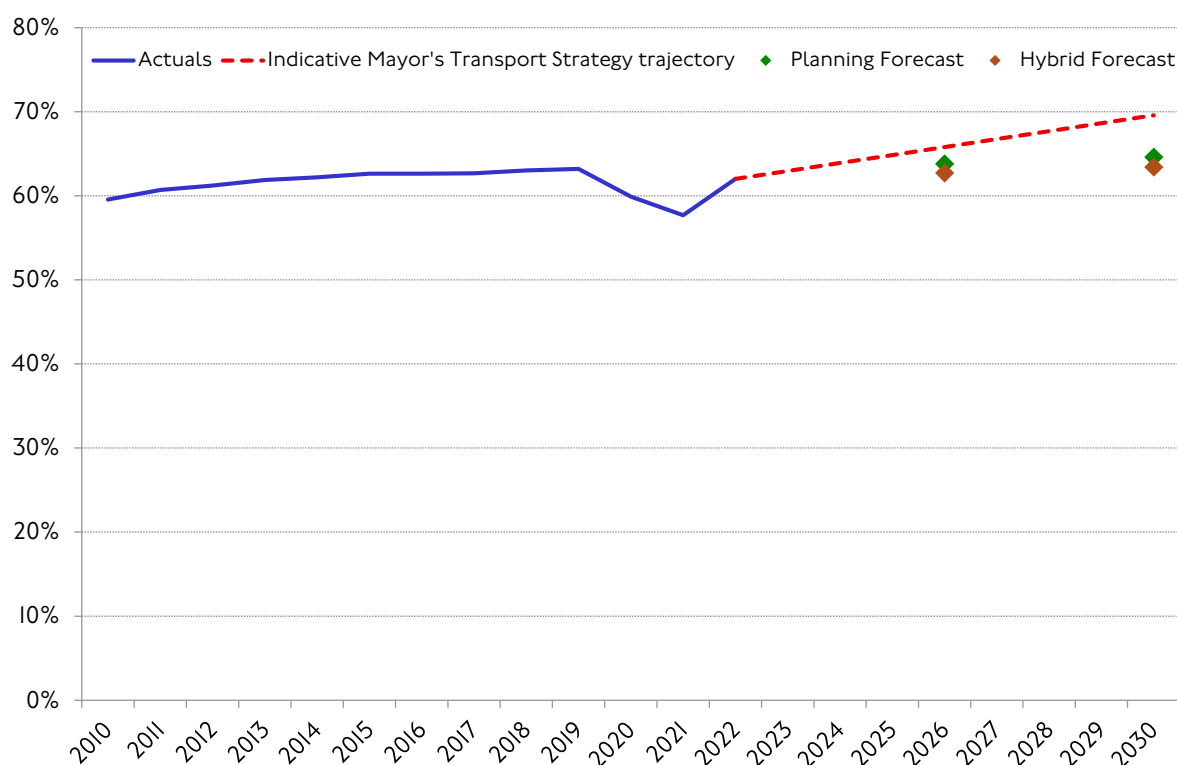
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Summary of key findings

This report looks at trends in total travel in London and the main factors affecting them over the longer term, including during the pandemic and early travel demand recovery. This report covers all travel in London, including residents, commuters and visitors.

- The last 18 months have seen a continued recovery of travel demand in London from the unprecedented lows of the coronavirus pandemic. Overall travel demand, however, remains short of pre-pandemic levels, particularly on public transport.
- By October 2023, road traffic volumes had recovered to around 92 per cent of the pre-pandemic levels, but public transport demand has been slower to return. As at October 2023, representative London Underground and bus demand were both around 84 per cent of pre-pandemic levels.
- In 2022 there were an estimated 24.7 million daily trips on an average day, an increase of 14 per cent on 2021. The year was mostly free of mandated pandemic-related restrictions, except for the first quarter which was still impacted by some restrictions associated with the Omicron variant.
- Daily journey stages in London in 2022 were 28.0 million, up from 24.0 million in 2021 (17 per cent increase) but remain 12 per cent lower than the pre-pandemic level in 2019.

Figure I Active, efficient and sustainable trip-based mode share in London, 2010-2030.



Source: TfL Strategic Analysis, Transport Strategy & Policy.

Note: The Planning Forecast represents our best modelled assessment of the future taking into account macroeconomic trends (population, economy, etc.) as well as committed and funded changes to the transport network. The Hybrid Forecast also incorporates our best assessment of the current position within the envelope of uncertainty defined by our forecasting scenarios.

- In 2022, the active, efficient and sustainable mode share increased by 4.5 percentage points, relative to 2021, to 62.3 per cent (figure I), and has improved further during

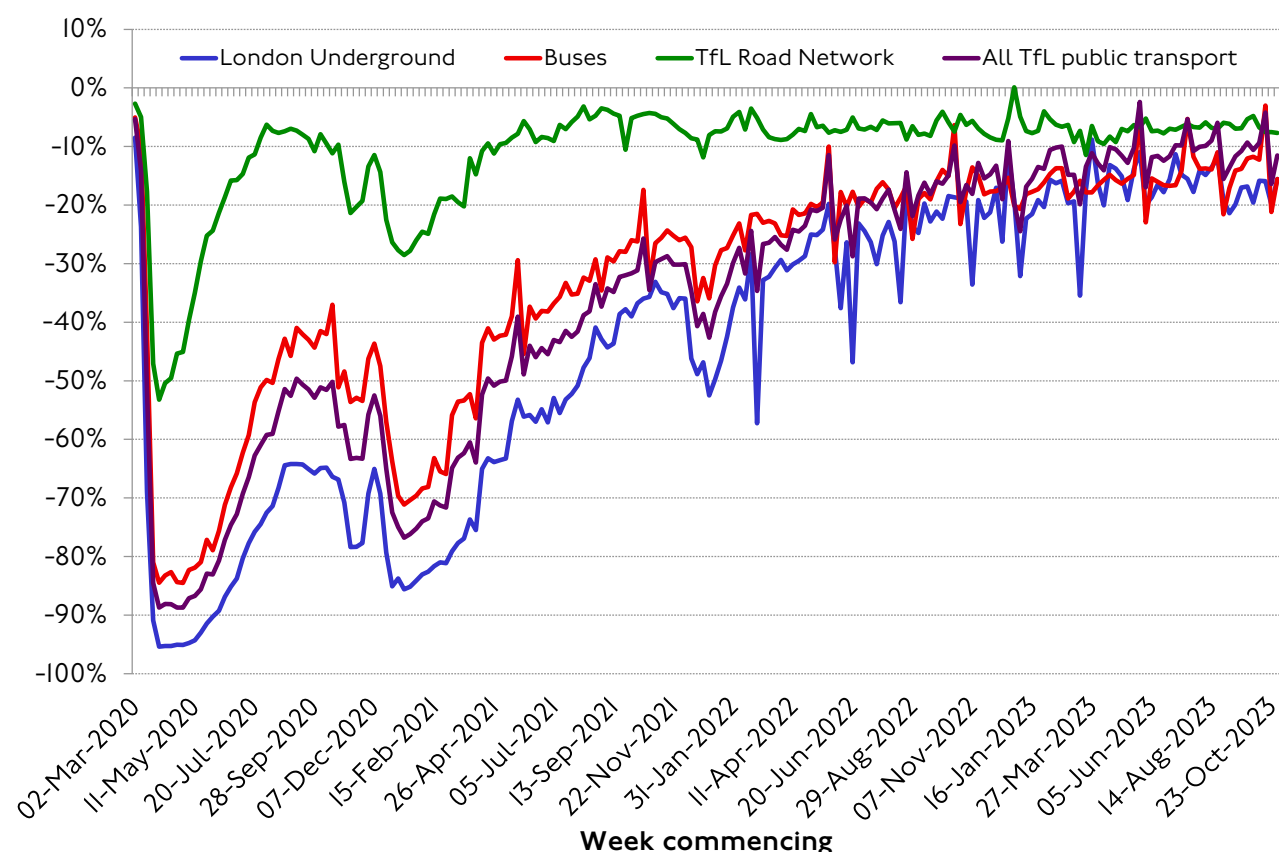
2023. This was mainly due to the strong recovery in public transport trips throughout 2022. However, it remained lower than the 2019 pre pandemic value of 63.6 per cent.

- Both walk and cycle mode shares remain higher than before the pandemic, with 27 per cent of all trips in 2022 being walk trips. Cycle mode share increased to 4.5 per cent in 2022, up from 3.6 per cent in 2016, albeit in the context of lower overall travel.
- Despite the recovery in public transport demand in 2022, it is now clear that the pandemic legacy of lower overall demand for public transport is affecting progress towards the mayor's aim for 80 per cent of all trips in London to be made by active, efficient and sustainable modes by 2041.
- The latest Census of Population was conducted across the UK in March 2021, during the latter stages of pandemic restrictions. The population in London was estimated at 8.8 million. Although this was an increase of 7.7 per cent compared with 2011 (8.2 million), the rate of increase over the preceding decade was slower than 2001-2011 (14 per cent), and two per cent lower than contemporary mid-year estimates. However, it is also possible that the later stages of the pandemic affected this estimate (March 2021).
- London's economic recovery post-pandemic has been strong – at the end of 2022 London's Gross Value Added (GVA) was four per cent higher than in 2019. However, inflationary pressures and the resulting cost-of-living crisis may dampen growth in the medium term.
- In August 2023, a fifth of Londoners were reported to be struggling financially, this increases to 30 per cent of Londoners aged 25 to 34. Low-income Londoners are facing the largest squeeze on their finances – with 45 per cent of low-income households (<£20,000) reporting struggling financially.

Recent travel demand trends and the pandemic recovery

There has been a continued recovery of travel demand in London from the unprecedented lows of the coronavirus pandemic during 2022 and 2023. Overall travel demand, however, remains short of pre-pandemic levels, particularly on public transport.

Figure 2 Average weekly demand on the main transport networks compared to the equivalent week before the pandemic, Mar 2020-Oct 2023.



Source: TfL Strategic Analysis, Transport Strategy & Policy, based on TfL operational data.

Note: Public transport trends are calculated as change in seven-day average journeys from the equivalent week in 2019, where the averages have been adjusted to account for bank holidays on a like-for-like basis. The TfL Road Network trend, on the other hand, is an average of the day-to-day change from the equivalent date in 2019 for each of the weeks, adjusted to account for bank holidays in the same way. From 1 April 2023, the TfL Road Network trend source data was re-baselined to the equivalent week in financial year 2022/23 instead of before the pandemic. However, for comparability with earlier data and with the other modes the trend presented in the graph has been adjusted to represent change from the equivalent week before the pandemic.

Figure 2 shows the trend in travel across the pandemic and subsequent recovery, in terms of values indexed against representative pre-pandemic baselines for the principal modes. Full details of travel trends during the pandemic were given in previous [Travel in London reports](#). The key point of interest is the trend from mid-2022 to date, representing a sustained recovery from the pandemic. Towards the end of 2023:

- Road traffic volumes had recovered to around 92 per cent of the pre-pandemic levels. The relatively earlier return of road traffic, and to relatively higher levels during the pandemic itself, have previously been noted.

- Public transport demand has been slower to return. As at October 2023, London Underground and bus demand were at around 84 per cent of pre-pandemic levels.
- Overall public transport demand (all public transport modes) was estimated at almost 90 per cent of the pre-pandemic baseline in October 2023.

2023 as a year has been particularly notable for a variety of external factors likely to affect travel demand, for example prolonged industrial action, international and ceremonial events, and increased cost-of-living pressures. Despite these factors, figure 2 suggests a relatively stable picture and it is therefore increasingly likely that patronage at about these levels relative to before the pandemic is representative of post-pandemic demand conditions. It may however be the case that cost-of-living pressures are continuing to suppress an element of the post pandemic recovery.

Our London Travel Demand Survey (LTDS), which measures travel for London residents only, recorded an overall average trip rate of 2.07 trips per person per day for financial year 2022/23, only six per cent lower than before the pandemic (2019/20). This suggests a relatively more complete recovery from the pandemic than shown by figure 2, albeit in terms of daily averages.

It is therefore likely that the continuing relative shortfall in public transport demand reflects a combination of changes to the nature of trips and a continuing relative shortfall of travel on public transport into London by non-London residents. In addition, these averages conceal important post-pandemic trends, such as shifts in demand by day of week.

It is still too early to conclude that the transport recovery from the pandemic has fully run its course, but it is increasingly clear that there are some important legacies from the pandemic that are likely to continue to affect travel demand in London for some time. The greater facility for hybrid working among a proportion of the workforce is key among these, particularly affecting commuter and business travel demand on public transport, and also having other consequences for the nature of trips made, such as trip purpose and trip length, and for travel demand on different days of the week.

Consolidated estimates of travel demand

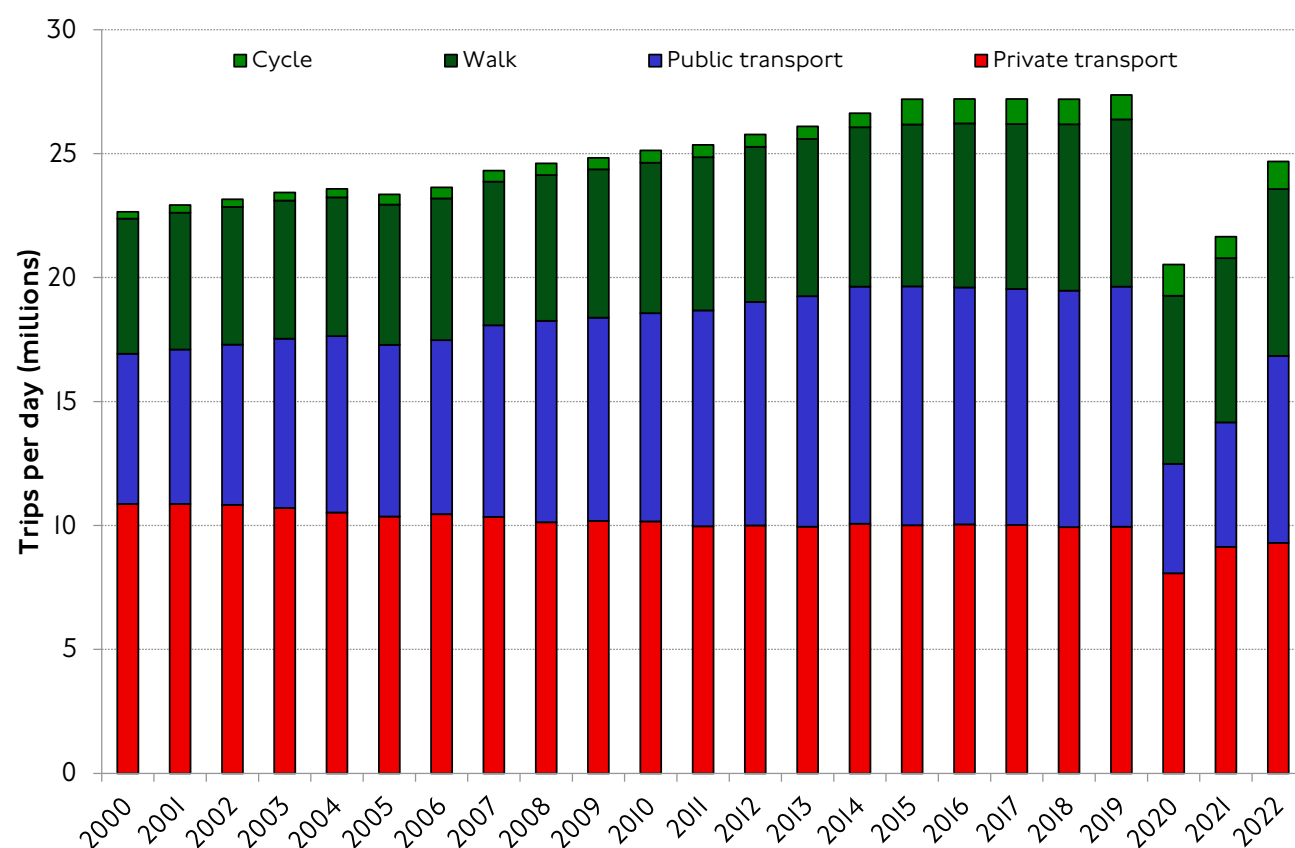
Total travel (trip) estimates

Between 2000 and 2019, total trips in London increased by 21 per cent overall, with particularly notable increases of 84 per cent in rail trips and 53 per cent in bus trips, with cycle trips (as main mode) increasing by 258 per cent over this period. Included in these totals are all trips with an origin, a destination, or both, in Greater London by London residents and by non-residents, including commuters and day visitors from outside London as well as overnight visitors and tourists (figure 3 and table I).

From 2015 onwards however, there was a general slowing down of travel demand growth in London, with a net increase in trips of just 0.7 per cent between 2015 and 2019 compared with an estimated population increase of three per cent over the same period. This suggests that the pre-pandemic trend was for people to make fewer trips per day, on average, mirroring the trend seen amongst travel by London residents only from our London Travel Demand Survey.

In 2022 there were an estimated 24.7 million trips on an average day (seven-day week), an increase of 14 per cent on 2021. The year was mostly free of mandated pandemic-related restrictions, except for the first quarter which was still impacted by some restrictions associated with the Omicron variant.

Figure 3 Estimated daily trips by mode, seven day-week average, 2000-2022.



Source: TfL Strategic Analysis, Transport Strategy & Policy.

Table I **Estimated daily trips (millions) in Greater London by main mode of travel, seven day-week average, 2000–2022.**

Year	NR/ LO	LU	Bus/ tram	Taxi/ PHV	Car driver	Car passenger	Motor- cycle	Cycle ^I	Walk	All
(2000)	(1.7)	(2.0)	(2.4)	(0.3)	(6.8)	(3.6)	(0.2)	(0.3)	(5.5)	(22.7)
2013	2.7	2.5	4.1	0.3	5.8	3.6	0.2	0.5	6.3	26.1
2014	2.8	2.6	4.1	0.3	5.9	3.7	0.2	0.6	6.4	26.6
2015	3.0	2.8	3.8	0.3	5.9	3.6	0.2	1.0	6.5	27.2
2016	3.0	2.8	3.7	0.4	5.8	3.6	0.2	1.0	6.62	27.2
2017	2.9	2.8	3.8	0.4	5.8	3.7	0.2	1.0	6.6	27.2
2018	3.0	2.8	3.7	0.4	5.8	3.6	0.2	1.0	6.7	27.2
2019	3.1	2.9	3.7	0.4	5.8	3.6	0.2	1.0	6.8	27.4
2020	1.2	1.2	2.0	0.2	4.7	2.9	0.2	1.3	6.8	20.5
2021	1.3	1.4	2.3	0.2	5.3	3.3	0.3	0.9	6.6	21.6
2022	2.3	2.2	3.1	0.2	5.4	3.3	0.3	1.1	6.7	24.7
Change 2000– 2022 (%)	35.9	11.4	27.3	-21.7	-20.0	-7.5	59.8	305.8	23.4	9.0
Change 2012– 2022 (%)	-12.2	-7.4	-24.2	-31.3	-7.2	-8.6	73.4	123.0	7.5	-4.2
Change 2021– 2022 (%)	72.0	58.5	33.1	3.8	2.0	0.0	15.5	29.2	1.5	14.0

Source: TfL Strategic Analysis, Transport Strategy & Policy.

Notes: Trips are complete one-way movements. They may include several modes and journey stages but are classified by the mode that is typically used for the longest distance. Round trips are counted as two trips: an outward and an inward leg.

I: Cycle trips have been revised back to 2015 following a change in methodology.

Reflecting the pandemic recovery, the biggest increases in 2022 relative to 2021 were all on public transport modes, particularly on Rail and London Underground (increases of 72 and 58 per cent respectively), partly driven by the opening of the Elizabeth Line between Paddington and Abbey Wood in May 2022. Bus demand also increased, with 33 per cent more trips than in 2021. In contrast, car driver trips increased by just two per cent over 2021, having already seen a much faster recovery from the pandemic in 2021.

Despite the strong increase in public transport trips in 2022, overall travel demand remains lower than in 2019. Rail and London Underground trips were around a quarter below pre-pandemic levels, and bus trips 17 per cent lower than in 2019. In contrast, car driver trips were six per cent below 2019 levels, and overall travel demand was around 10 per cent lower than in 2019.

Journey stages

Journey stages are the component parts of trips by a single mode. Daily journey stages in London in 2022 were 28.0 million, up from 24.0 million in 2021 (an increase of 17 per cent) but remaining 12 per cent lower than the pre-pandemic level in 2019. Table 2, figure 4 and figure 5 show the historic trend in total travel at the journey stage level.

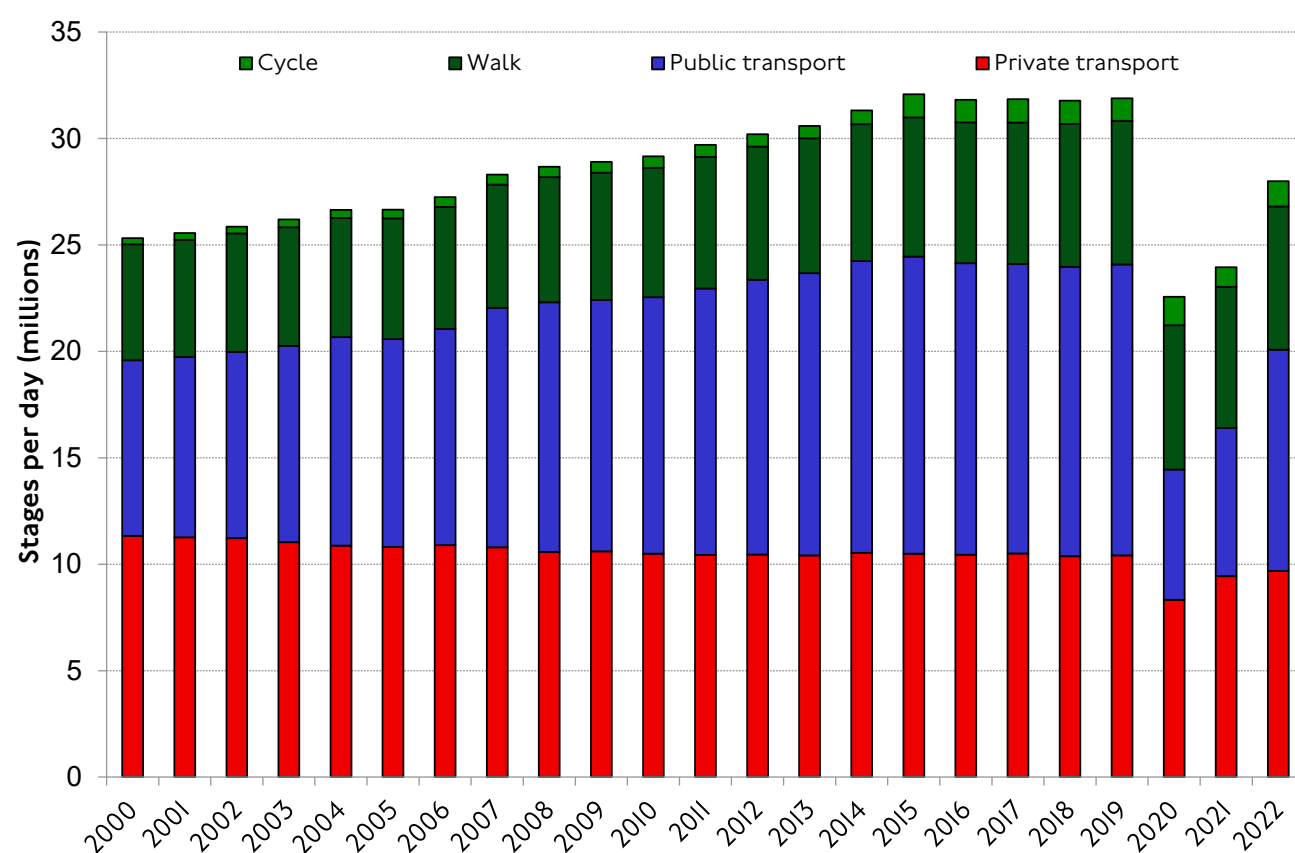
Until 2019 there was a steady increase in journey stages, with a 26 per cent increase from 2000. Over the same period National Rail stages were up by 91 per cent and buses by 64 per cent, despite a fall in patronage in more recent years.

Annual average journey stages in 2022 increased on almost all modes relative to 2021, with the strongest increases on public transport modes. There were increases of 64 per cent on London Underground, 71 per cent on National Rail and 34 per cent on buses. Cycle stages increased by 29 per cent, following a decrease in 2021.

The longer-term trend up to 2016 shows a strong increase in demand across rail-based public transport modes, all growing faster than the population, reflecting changing mode shares and substantial investment in public transport.

National Rail journey stages increased by 33.2 per cent between 2010 and 2016, partly helped by the opening of TfL's London Overground network. London Underground growth was also strong over this period, increasing by 26.7 per cent, reflecting the completion of upgrades to several lines, which added extra capacity to the network. Since 2016, growth has been more modest on both these modes.

Figure 4 Estimated daily stages by mode, seven day-week average, 2000-2022.



Source: TfL Strategic Analysis, Transport Strategy & Policy.

Table 2 Estimated daily journey stages (millions) in Greater London by mode, seven day-week average, 2000-2022.

Year	NR/ LO	LU	DLR	Bus/ tram	Taxi/ PHV	Car driver	Car passen- ger	Motor- cycle	Cycle ¹	Walk	All
(2000)	(1.8)	(2.6)	(0.1)	(3.7)	(0.4)	(7.0)	(3.8)	(0.2)	(0.3)	(5.5)	(25.3)
2013	3.1	3.4	0.3	6.5	0.4	6.0	3.8	0.2	0.6	6.3	30.6
2014	3.2	3.5	0.3	6.67	0.4	6.1	3.9	0.2	0.6	6.4	31.3
2015	3.4	3.7	0.3	6.5	0.4	6.0	3.9	0.2	1.1	6.5	32.1
2016	3.4	3.7	0.3	6.2	0.4	6.0	3.8	0.2	1.1	6.6	31.8
2017	3.3	3.7	0.3	6.2	0.5	6.0	3.9	0.2	1.1	6.6	31.9
2018	3.4	3.7	0.3	6.1	0.4	6.0	3.8	0.2	1.1	6.7	31.8
2019	3.5	3.8	0.3	6.0	0.4	6.0	3.8	0.2	1.1	6.8	31.9
2020	1.4	1.4	0.2	3.2	0.2	4.8	3.1	0.2	1.3	6.8	22.6
2021	1.5	1.7	0.2	3.6	0.3	5.4	3.5	0.3	0.9	6.6	24.0
2022	2.6	2.7	0.2	4.8	0.3	5.6	3.5	0.3	1.2	6.7	28.0
Change 2000- 2022 (%)	43.2	3.7	141.6	30.6	-29.0	-19.8	-7.5	59.0	202.6	23.4	10.6
Change 2012- 2022 (%)	-10.0	-17.8	-6.8	-25.1	-34.6	-7.2	-8.9	73.4	48.9	7.5	-7.3
Change 2021- 2022 (%)	70.8	63.8	31.6	34.1	-1.1	3.4	0.6	15.5	29.2	1.5	16.9

Source: TfL Strategic Analysis, Transport Strategy & Policy.

Note: Journey stages are parts of trips by a single mode. Each rail (but not London Underground) interchange between train operating companies or bus boarding is a new stage. Walks are counted only when they are complete (all-the-way) trips.

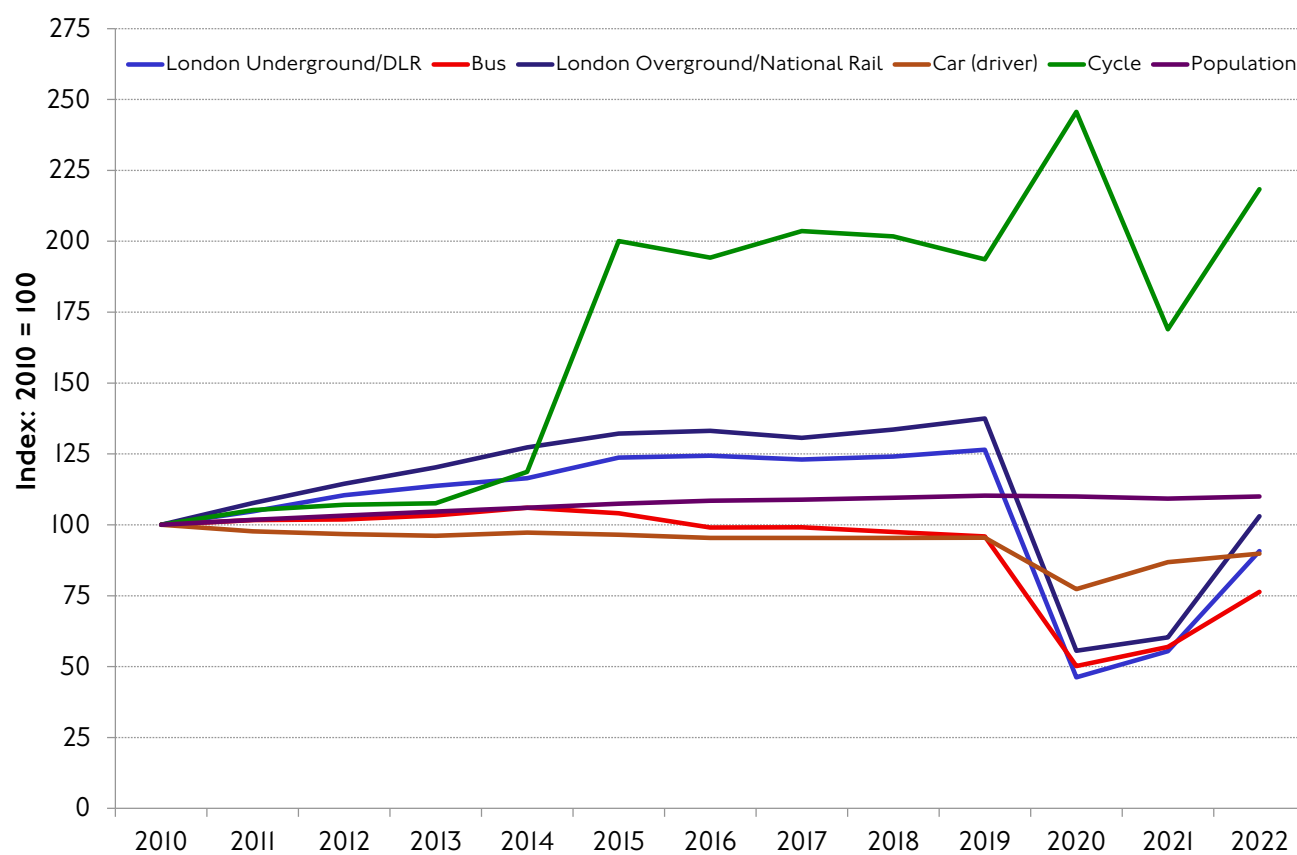
1: See note 1 on table 1.

In contrast, bus demand followed population growth between 2010 and 2014, but has declined since. In 2019, bus stages were 4.1 per cent lower than in 2010. Car driver stages in 2019 were 4.5 per cent below the 2010 level. Growth has also been high in cycle journey stages.

The effects of the pandemic are clear in 2020 and 2021, with demand falling heavily on all public transport modes, before a slight recovery in 2021, followed by stronger growth in 2022.

While car journeys also decreased during the pandemic, the rate of decrease was much lower than for public transport. Most noticeable on the chart is the sustained increase in cycle journeys, as Londoners made shorter, more local journeys.

Figure 5 Change in journey stages on selected modes, 2010-2022.



Source: TfL Strategic Analysis, Transport Strategy & Policy.

Mode share estimates

Mode shares reflect the choices that people make for travel in London given the connectivity provided by transport networks.

The Mayor's aim is for 80 per cent of trips in London to be made by active, efficient and sustainable modes (walking, cycling and public transport) by 2041. This section looks at historic trends in mode share and recent changes to this.

The previous decade saw steady progress in the proportion of travel in London undertaken by active, efficient and sustainable modes. Public transport accounted for 35.4 per cent of trips in 2019, up from 26.8 per cent in 2000 and 33.4 per cent in 2010. Correspondingly, private transport (mainly car) accounted for 36.4 per cent of trips in 2019, down from 48.0 per cent in 2000 and 40.4 per cent in 2010 (table 3). In later years the pace of change had slowed, however, largely reflecting subdued growth or decline in public transport patronage on some modes.

The following two sections give the mode share of all trips in London based on trips and journey stages, and more detail on the active, efficient and sustainable mode share follows.

Trip-based mode share estimates

The estimates for 2022 (figure 6) reflect the recovery of public transport demand, with public transport mode share increasing from 23 per cent to 31 per cent. Despite the increase in public transport trips from pandemic lows, the public transport mode share remained below pre-pandemic levels, with private transport making up 38 per cent of all trips on an annual average basis, higher than in 2019.

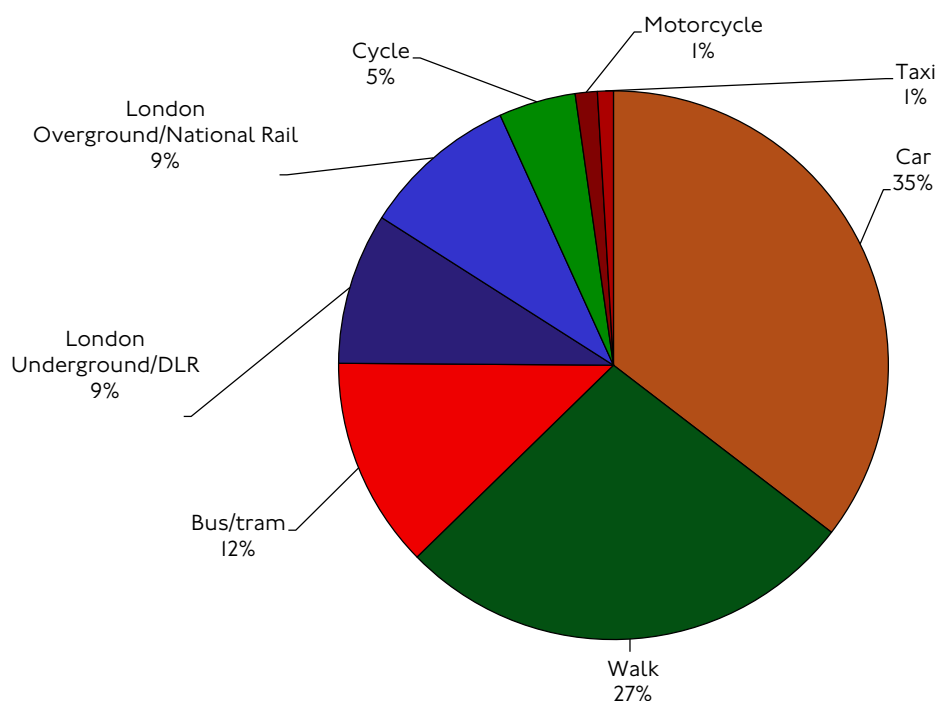
Both walk and cycle mode shares remain higher than before the pandemic, with 27 per cent of all trips in 2022 being walk trips. Cycle mode share increased to 4.5 per cent in 2022, compared to 3.6 per cent pre-pandemic in 2019.

Table 3 Trip-based mode shares by type of transport, 2000 and 2013-2022.

Year	Public transport	Private transport	Cycle	Walk
(2000)	(27%)	(48%)	(1.2%)	(24%)
2013	36%	38%	1.9%	24%
2014	36%	38%	2.1%	24%
2015	35%	37%	3.7%	24%
2016	35%	37%	3.6%	24%
2017	35%	37%	3.7%	24%
2018	35%	37%	3.7%	25%
2019	35%	36%	3.6%	25%
2020	22%	39%	6.1%	33%
2021	23%	42%	4.0%	31%
2022	31%	38%	4.5%	27%

Source: TfL Strategic Analysis, Transport Strategy & Policy.

Figure 6 Mode share of daily trips in London, 2022.



Source: TfL Strategic Analysis, Transport Strategy & Policy.

Stage-based mode share estimates

As shown in table 4, in 2022, some 37 per cent of journey stages in London were made by public transport, compared with 35 per cent by private transport. Public transport mode share increased significantly compared to 2021 but remained well below pre-pandemic levels.

In contrast, private transport mode share declined, and in 2022 was just two percentage points higher than in 2019. Despite a decrease in walk mode share compared to 2021, active travel mode shares at the journey stage level remained well above pre-pandemic levels, at 24 per cent for walk and 4.2 per cent for cycling.

Table 4 Stage-based mode shares by type of transport, 2000 and 2013-2022.

Year	Public transport	Private transport	Cycle	Walk
(2000)	(33%)	(45%)	(1.1%)	(22%)
2013	43%	34%	1.9%	21%
2014	44%	34%	2.1%	21%
2015	44%	33%	3.4%	20%
2016	43%	33%	3.3%	21%
2017	43%	33%	3.5%	21%
2018	43%	33%	3.4%	21%
2019	43%	33%	3.3%	21%
2020	27%	37%	5.9%	30%
2021	29%	39%	3.8%	28%
2022	37%	35%	4.2%	24%

Source: TfL Strategic Analysis, Transport Strategy & Policy.

Active, efficient and sustainable mode share

Active, efficient and sustainable modes are defined in the Mayor's Transport Strategy as walking, cycling and public transport. The active, efficient and sustainable mode share is calculated in terms of all trips, by all people (including residents and visitors) travelling in London, on an annual average day.

There was a continuous year-on-year increase in the active, efficient and sustainable mode share between 2000 and 2019, but with the pace of change slowing over more recent years (table 5).

In 2022, the active, efficient and sustainable mode share increased by 4.5 percentage points, relative to 2021, to 62.3 per cent. This was mainly due to the strong recovery in public transport trips throughout 2022, compared to private transport trips which increased by a relatively small amount.

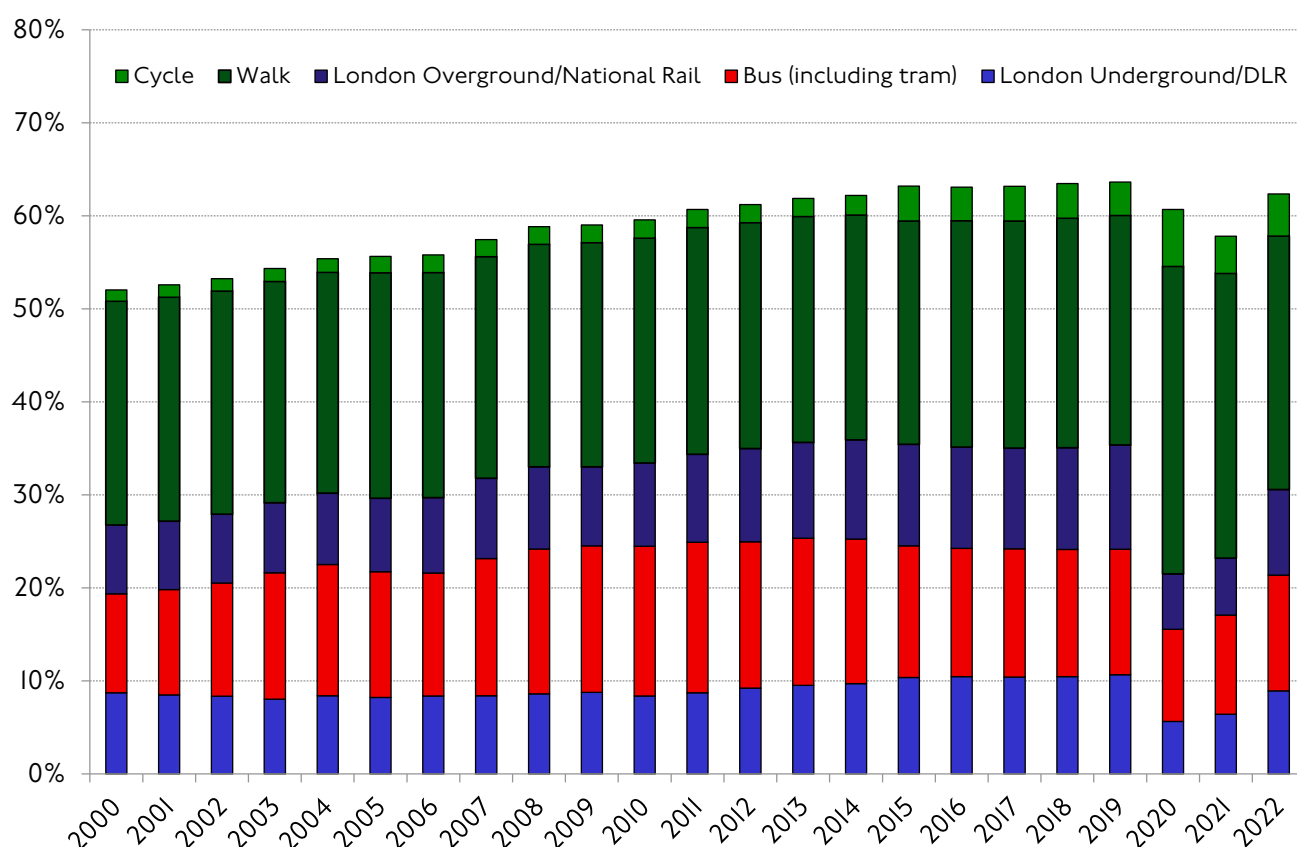
Table 5 Proportion of trips and journey stages made in London by active, efficient and sustainable modes, 2015-2022.

Year	2015	2016	2017	2018	2019	2020	2021	2022
Trips	63.2%	63.1%	63.2%	63.5%	63.6%	60.7%	57.8%	62.3%
Journey stages	67.3%	67.2%	67.0%	67.3%	67.3%	63.1%	60.6%	65.4%

Source: TfL Strategic Analysis, Transport Strategy & Policy.

Figure 7 shows the active, efficient and sustainable trip-based mode share trend in the historic context.

Figure 7 Active, efficient and sustainable trip-based mode shares, 2000-2022.



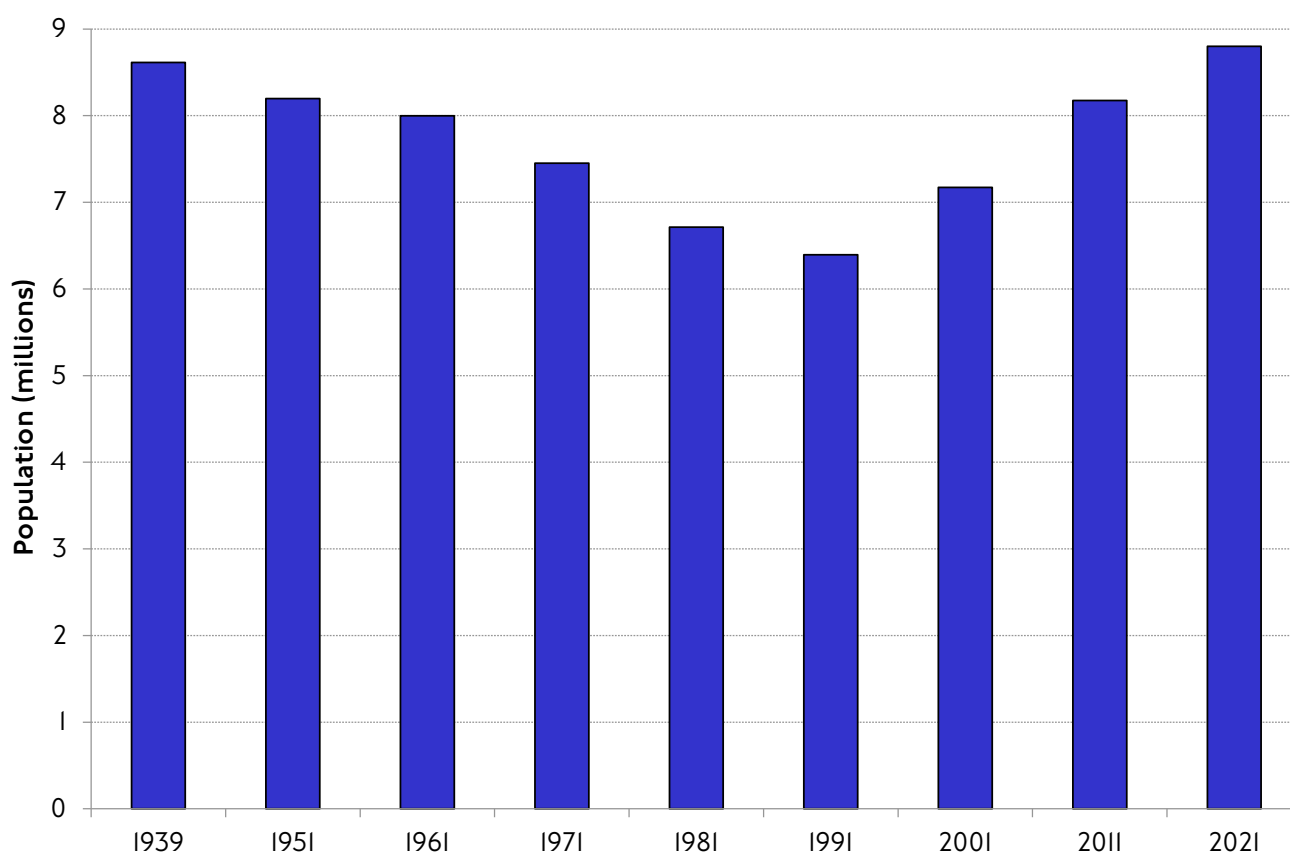
Source: TfL Strategic Analysis, Transport Strategy & Policy.

Trends in the principal drivers of travel demand

Population

The latest Census of Population was conducted across the UK in March 2021, during the latter stages of pandemic restrictions. The population in London was estimated at 8.8 million (figure 8). Although this was an increase of 7.7 per cent compared with 2011 (8.2 million), the rate of increase over the preceding decade was slower than 2001-2011 (14 per cent), and two per cent lower than contemporary mid-year estimates. At face value, this suggests that the rate of population growth may have been relatively over-estimated in the latter years of the last decade. This has implications for key indicators such as active, efficient and sustainable mode share, progress against which was partly predicated on relatively higher population growth, resulting in higher densities favouring trips by active, efficient and sustainable modes.

Figure 8 Long-term trend in London's population, 1939-2021.



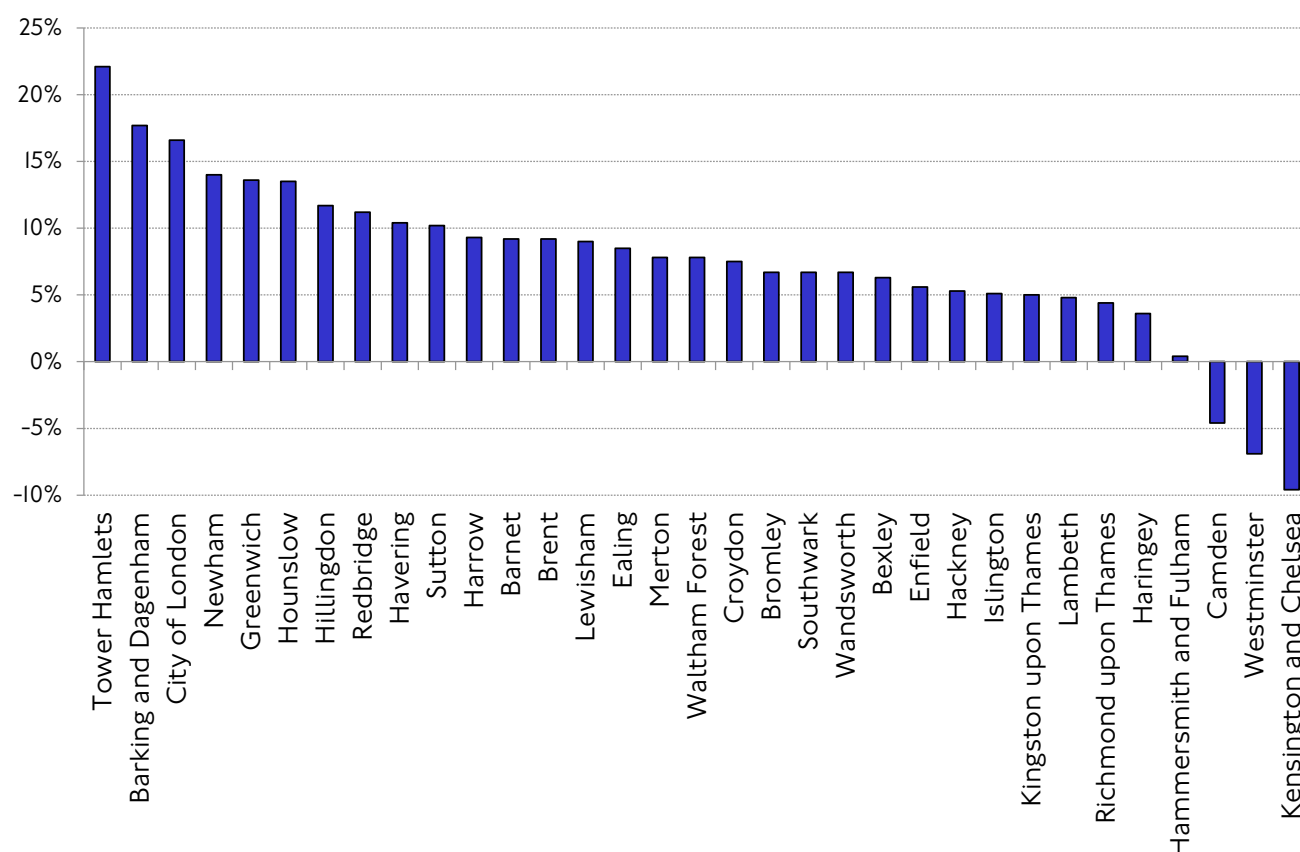
Source: Office for National Statistics.

Mid-year estimates for 2022 suggest that London's population grew by 0.7 per cent, and remains at 8.8 million, 0.3 per cent lower than in 2019. The growth was almost entirely due to natural change, with an increase in net international migration balanced out by an increase in London residents moving to other parts of the country.

Population by borough of residence

The largest percentage increases in population over 2011 occurred mainly in east London (figure 9), with Tower Hamlets increasing by 22 per cent since 2011. Barking & Dagenham, Newham, City of London, Greenwich and Hounslow all increased by more than 13 per cent, well above the London average. In contrast, Richmond upon Thames, Lambeth, Haringey and Hammersmith & Fulham all had population increases below five per cent. The populations of Camden, Westminster and Kensington & Chelsea all declined, although this could be a result of temporary changes to living arrangements during the pandemic.

Figure 9 Change in population between 2011 and 2021, by London borough.

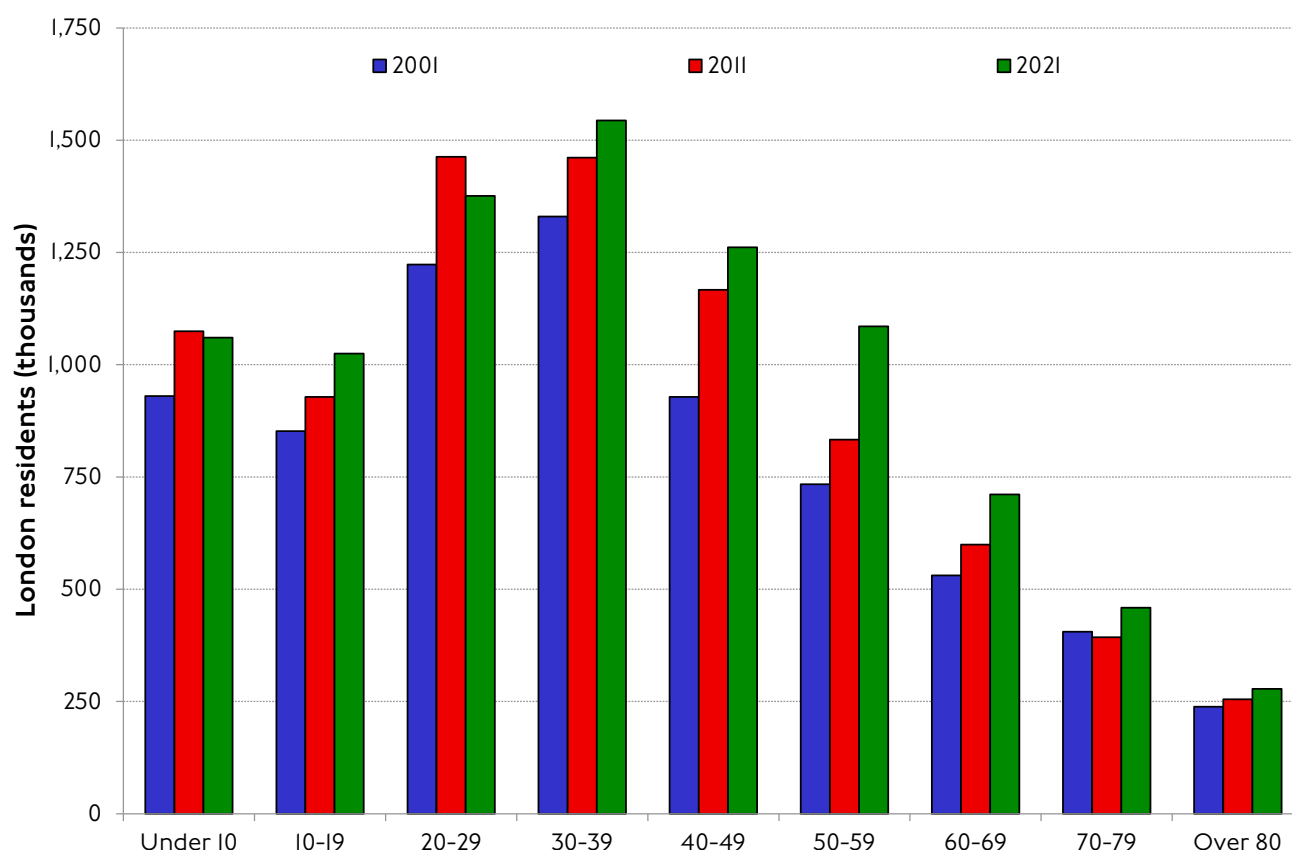


Source: Office for National Statistics.

Population by age group

London remains a young city, with just 11.9 per cent of the population aged 65 or over. The figure for England is 18.4 per cent. However, the highest growth rates between 2011 and 2021 were in people in their 50s, 60s and 70s, with the largest in people in their 50s (figure 10).

Figure 10 London's population by age group, 2001, 2011 and 2021.



Source: Office for National Statistics.

The number of people in their 20s declined, as did children under five years of age. This may have potentially important impacts on travel, as data from our travel surveys suggests that older Londoners are more likely to drive and less likely to use public transport.

Although it must be interpreted in the context of the pandemic, the lower estimate of London's 'actual' population in 2021 compared to the mid-year estimates for the latter years of the last decade, has two further potentially important implications.

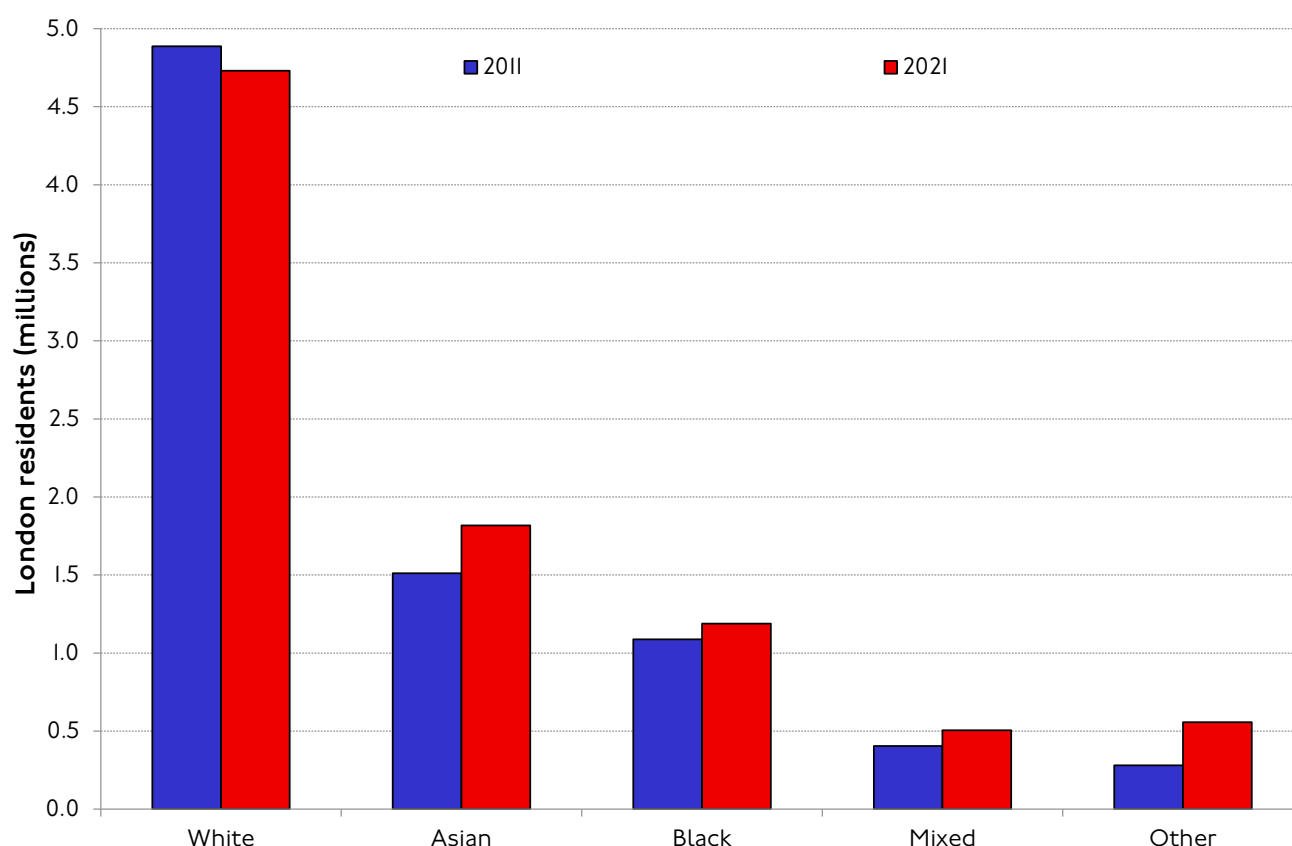
The first of these is that this 'lagging' population growth could have been a more significant factor than previously realised explaining the fall-off in demand growth for public transport that had been observed towards the end of the last decade. The second is that the trajectory to achieve the mayor's over-arching aim of an 80 per cent share for active, efficient and sustainable modes (walking, cycling and public transport) was partly predicated on London's continuing rapid population growth being accommodated in dense mixed-use developments that favoured the use of public and active transport modes over the car. To the extent that this is falling behind previous expectation, a proportionate lag in achievement of this measure may also be expected.

Further monitoring of population trends, based on non-Census sources, will be required over the coming years to establish the extent to which the 2021 census estimates were affected by the pandemic.

Population by ethnicity

London remains by far the most ethnically diverse region of England. In 2021, London's population of 8.8 million comprised 4.7 million White, 1.8 million Asian, 1.2 million Black, 0.5 million Mixed or multiple ethnicities and 0.6 million Other ethnic groups (figure 11).

Figure 11 London's population by ethnicity, 2011 versus 2021.

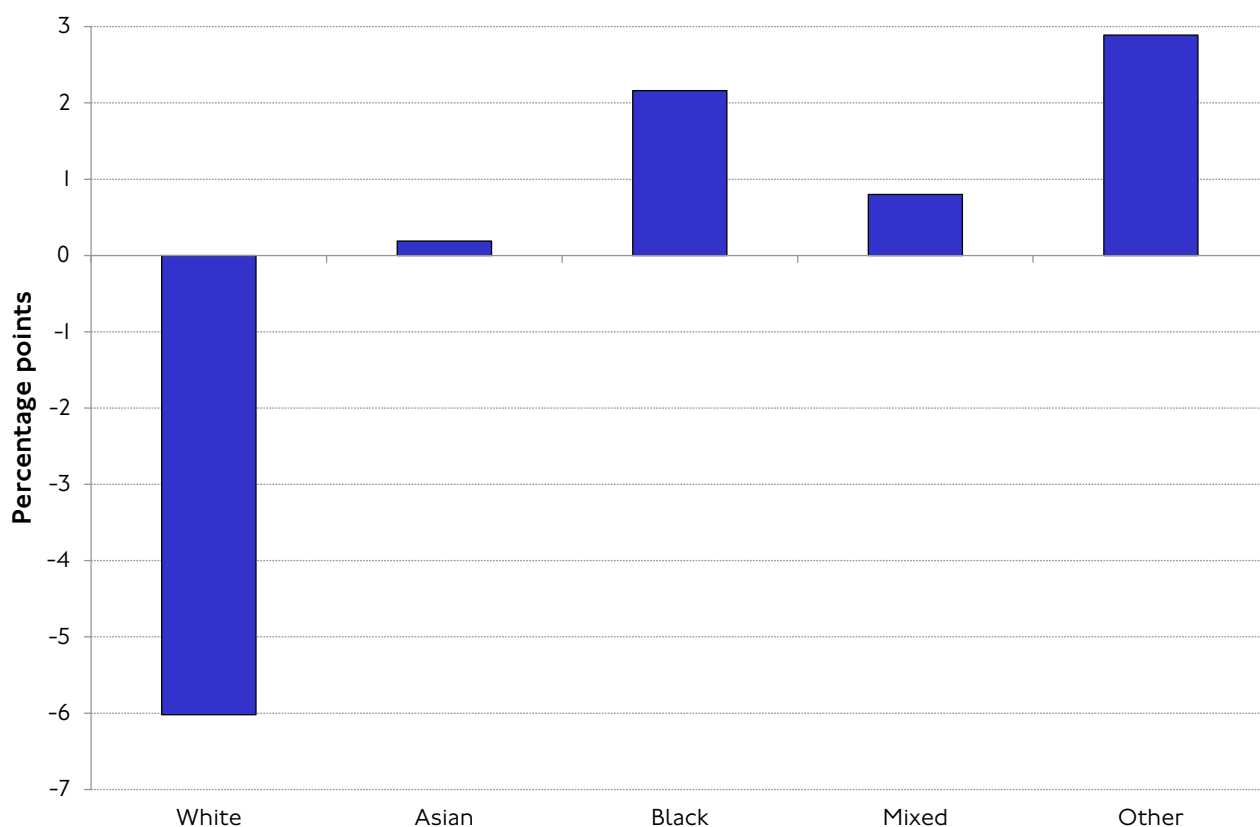


Source: Office for National Statistics.

White groups made up 54 per cent of London's population in 2021. Of the remaining 46 per cent, Asian groups made up 21 per cent, Black groups 14 per cent and Mixed groups six per cent and Other ethnic groups six per cent. The largest growth in population over the decade was in Other White groups which increased its share of London's population from 13 per cent in 2011 to 15 per cent in 2021. The largest percentage decrease between 2011 and 2021 was amongst White British groups, down by eight percentage points (figure 12).

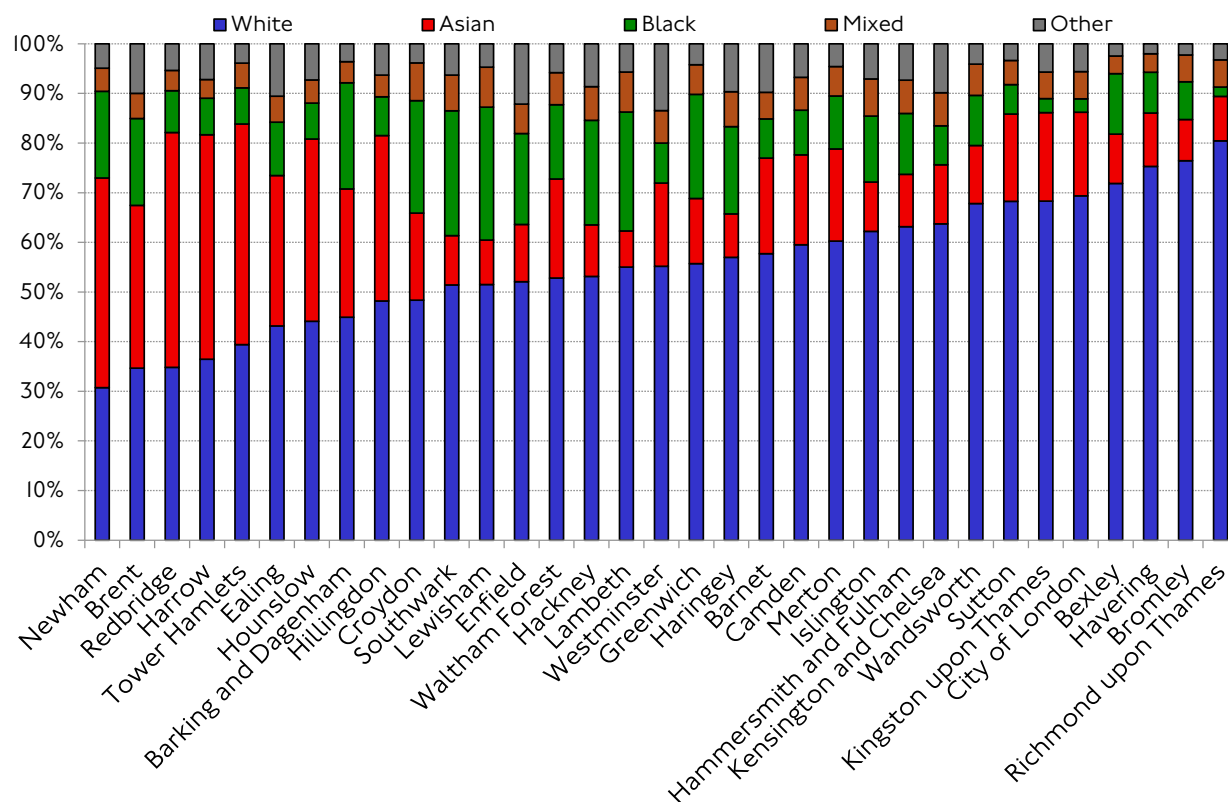
Black, Asian, Mixed and Other ethnicities made up more than half the total population in ten London boroughs: Newham, Brent, Redbridge, Harrow, Tower Hamlets, Ealing, Hounslow, Barking & Dagenham, Hillingdon and Croydon. As in 2011, Newham had the highest combined proportion of Black, Asian, Mixed and Other ethnicities of any local authority in England and Wales, 69 per cent. The lowest proportion in London was 20 per cent in Richmond upon Thames (figure 13).

Figure I2 Change in population between 2011 and 2021, by ethnicity.



Source: Office for National Statistics.

Figure I3 Proportion of London's population by ethnicity and borough, 2021.



Source: Office for National Statistics.

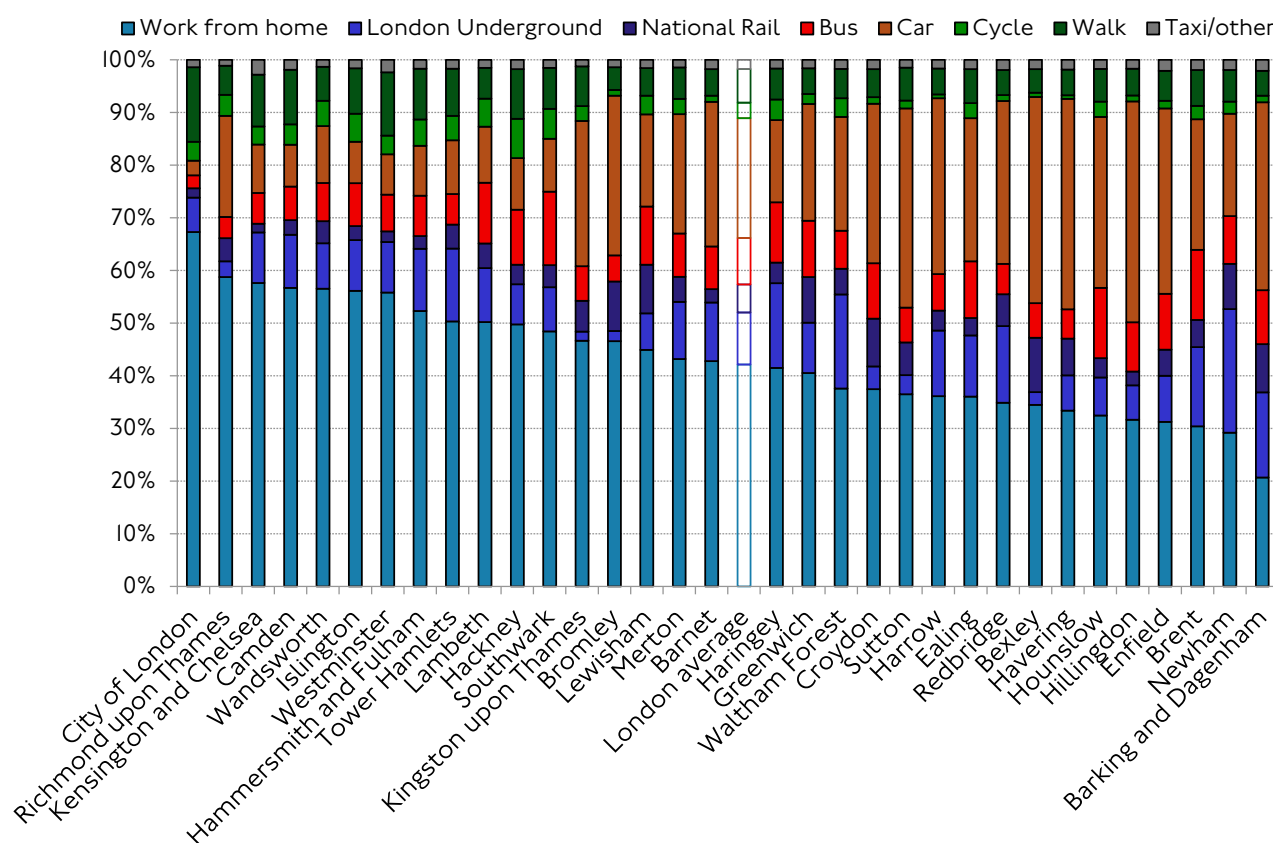
Travel to work

The available data on usual method of travel to work by London residents was heavily impacted by the pandemic, with a large increase in working from home compared to 2011 (42 per cent of people in 2021 compared with five per cent in 2011). Levels of working from home differed significantly across London, however; ten (predominantly inner London) boroughs had more than half of all workers working from home in 2021. In contrast, six boroughs in outer London had fewer than a third of residents working from home (figure 14).

Given the association of ability to work from home with predominantly ‘white collar’ employees, traditionally thought of as predominating in outer London, this is perhaps suggestive of wider structural change in London’s economy and workforce location over recent decades.

When discounting respondents that worked from home, the mode share for travel to work reflected the general travel patterns seen during the pandemic, with fewer people travelling by public transport and more people walking, cycling and using private transport. This could also reflect the types of employment that were able to be undertaken at home.

Figure 14 Mode share of usual method of travel to work by borough, 2021.



Source: Office for National Statistics.

For more information about London’s population trends visit the [demography pages](#) on the Greater London Authority’s website.

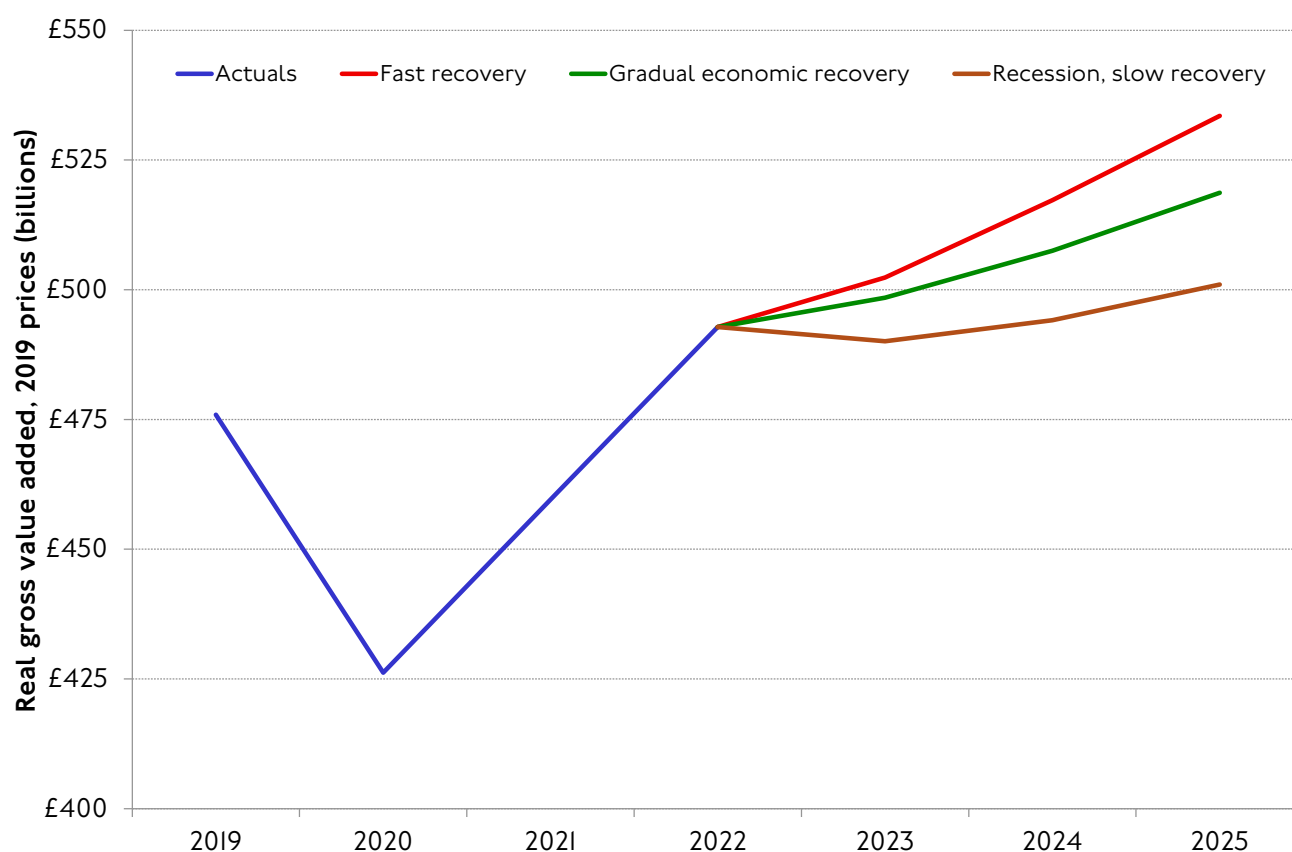
Economy

Economic trends and forecasts

London accounts for 23 per cent of the UK's economic output, based on 2021 Gross Value Added (GVA), and is home to one million private sector businesses (19 per cent of the UK total). London's economic recovery post-pandemic has been strong – at the end of 2022 GVA was four per cent higher than in 2019.

However, inflationary pressures and the resulting cost-of-living crisis are expected to dampen growth in the medium term, and consumer confidence in London decreased from (positive) 25 in September 2023, to (negative) nine in October 2023 indicating a negative outlook over the coming year. Figure I5 shows a range of medium-term forecasts of London's GVA from the Greater London Authority's [Macroeconomic scenarios for London's economy](#) report. In their gradual economic recovery scenario, it is estimated that GVA will grow between one and two per cent annually to 2025. In this scenario London's economy closes some of the gap with the pre-pandemic trend but remains below pre-pandemic forecasts over the next decade, demonstrating a degree of economic scarring in the medium to long term.

Figure I5 Gross Value Added (GVA) in London, 2019-2025.



Source: Greater London Authority.

Around 6.4 million workforce jobs are located in Greater London, a figure which has recovered strongly post-pandemic. Workforce jobs in London were 6.6 per cent higher in June 2023 compared to December 2019, and compared to growth of 2.8 per cent nationally over the same period. The growth in workforce jobs in London over this period varied by sector with jobs in some sectors increasing by over 15 per cent (information &

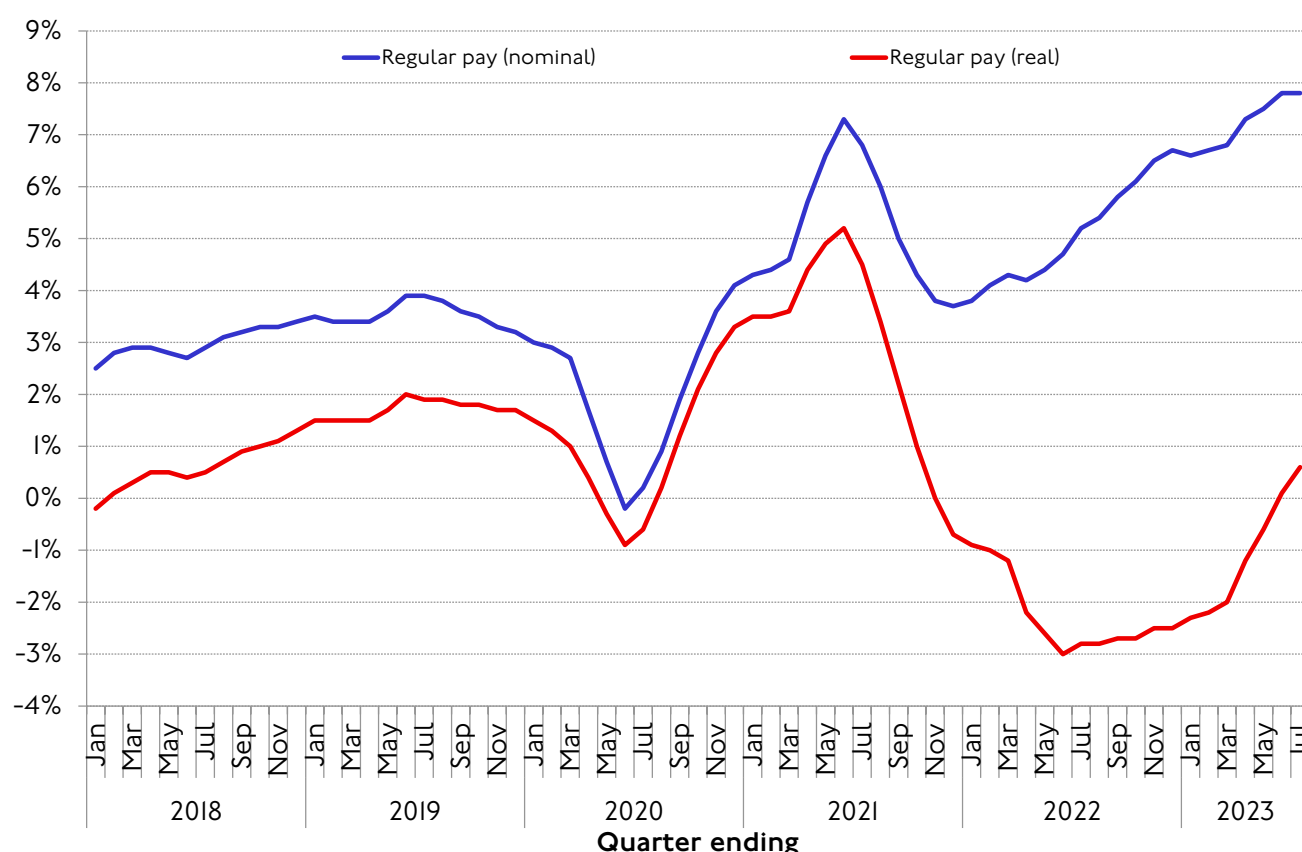
communication, and finance & insurance), compared to a 1.8 per cent increase in the accommodation and food services sector.

Recent data show a quarter-on-quarter decrease of 2.1 per cent in London's employment rate for the quarter ending July 2023, the highest of all UK regions. The Greater London Authority's [Macroeconomic scenarios for London's economy](#) report forecasts that in 2024 workforce jobs could fall by 0.4 per cent in a slow recovery scenario, or show a limited increase of 0.4 per cent or 1.6 per cent in the respective gradual and fast recovery scenarios. While London has remained resilient to pandemic and recent inflationary pressures, there remains uncertainty around the impact of a prolonged period of high inflation, as well as the response of businesses and consumers to this.

The impact of inflation on earnings

Figure I6 shows the annual change in weekly earnings for regular pay (excluding bonuses) in nominal and real (accounting for inflation) terms. This shows that whilst annual pay growth was 7.8 per cent for the quarter ending July 2023, in real terms this equates to a 1.2 per cent increase.

Figure I6 Annual change in weekly earnings, Great Britain, 3-month moving average, 2018-2023.



Source: Office for National Statistics.

This marginal real-terms pay increase has not been felt equally across employment sectors. Whilst employees in the finance and business services sector saw annual regular pay growth of 9.5 per cent for the quarter ending July 2023, construction pay growth was 5.5 per cent and regular pay growth for employees working in the wholesaling, retailing, hotels and restaurants sectors was 6.6 per cent. The means that employees in some sectors are effectively facing a fall in real terms pay as a result of rising inflation rates.

Lower-paid sectors in London have also seen weaker pay recovery following the pandemic, as shown by the [Impacts of rising cost of living on London](#) data from the Greater London Authority (GLA). Median pay in the hospitality sector fell between February 2020 and October 2022, compared to median pay in the information and communications technology sector rising 20 per cent over the same period, whilst median pay for the latter was already over 50 per cent higher than the London average pre-pandemic. The disparity in real terms pay increases between higher and lower paid industries is likely to continue to widen this gap.

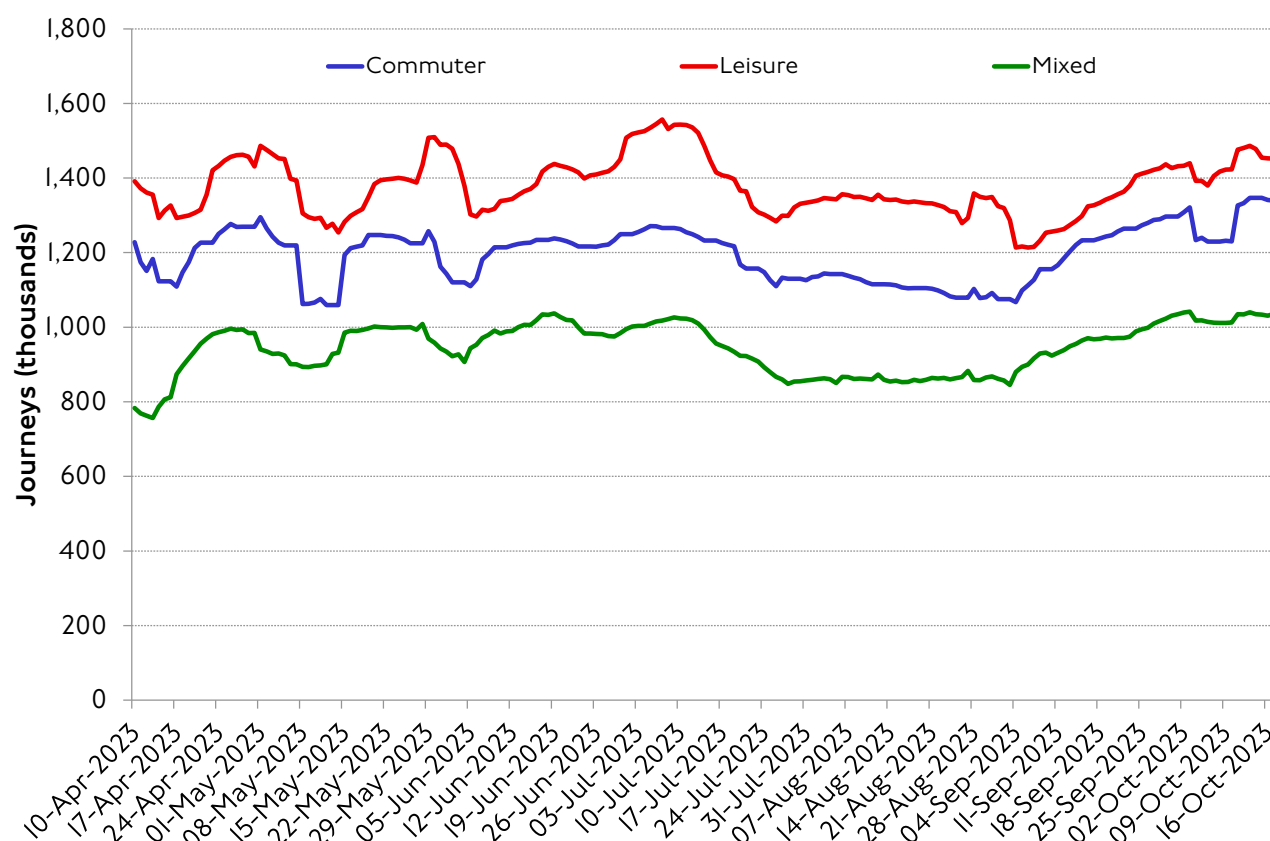
Travel demand impacts

In August 2023, a report from the GLA titled [The rising cost of living and its effects on Londoners](#) showed that a fifth of Londoners were reported to be financially struggling, increasing to 30 per cent of Londoners aged 25 to 34. Low-income Londoners are facing the largest squeeze on their finances – with 45 per cent of low-income households (<£20,000) reporting struggling financially. Londoners are adapting their habits to cope with cost-of-living pressures. Some 26 per cent are buying less food and essentials, with 34 per cent buying less, and 59 per cent spending less on non-essentials. Nationally, 43 per cent of people report reducing social or leisure activities, and 34 per cent reduced travel or petrol use.

The GLA report found that some Londoners (26 per cent) also report to be using ‘free transport’ (walking and cycling) to manage living costs. This tends to be higher for inner London residents (32 per cent) and those living in private rented accommodation (34 per cent). Whilst a shift to active travel is positive, many of these trips are likely to be shifting from the public, rather than private, transport network and thus have a limited impact on active, efficient and sustainable mode share.

This squeeze on disposable incomes will impact retail and entertainment industries in London, and this will likely impact travel demand. This is particularly important as the return of leisure travel has been a key feature of post-pandemic travel patterns. London Underground demand data categorised by trip purpose (figure 17) shows that (at mid-October 2023) trips made for commute purposes are 10 per cent higher compared to mid-April 2023. Trips for leisure purposes remain at a similar level to mid-April and on weekends they have fallen by seven per cent.

Figure 17 London Underground demand by journey type, seven-day moving average, Apr-Oct 2023.



Source: TfL Data & Analytics, Technology & Data.

The impact of Londoners reducing their spend on non-essentials in order to cope with the cost-of-living crisis can also be seen in industry data, with Open Table's 2023 [The state of the industry](#) report showing a five per cent fall in seated diners in September 2023 compared to 2022. The fall is higher on weekends, with an eight per cent fall on weekends in September 2023 compared to the previous year.

On a [press release](#) using data from May 2023, Barclaycard reported a five per cent decline in restaurant spend year-on-year, and a fall in transactions of 11 per cent. There is also a decline in clothing spend of five per cent, and a two per cent reduction in transactions, as people prioritise spending on essential goods. Shopping and leisure purposes account for over half (52 per cent) of all trips made by London residents (LTDS 2022/23), and when just looking at leisure trips for social purposes and shopping trips for non-food purposes this accounts for almost a fifth of trips (18 per cent), therefore any change to spending habits that impact the frequency at which Londoners make trips for these purposes will have an impact on overall travel demand.