



**BNP PARIBAS
REAL ESTATE**



IMPACT

**Is housing affordability
restricting business
growth?**

If the lack of affordable housing has become one of the defining challenges for young professionals, it is also emerging as a significant impediment to the growth of their employers.

New research from BNP Paribas Real Estate reveals that the housing crisis is moving up the boardroom agenda and is now a serious concern in companies across the country.

The headline findings are certainly eye-catching. Three-quarters of respondents believe that high housing costs are having a negative effect on their business and over half have lost staff because employees either cannot afford to live in the area or are unwilling to commute.

"We asked 1,000 company owners and executives about the impact of housing on their business and they issued a stark warning, when it comes to employing staff, high housing costs are restricting growth and profitability."

Stephanie McMahon,
Head of Research,
BNP Paribas Real Estate, UK

"When I'm speaking to clients, the wellness offering for staff is a big part of their agenda. One element of this is looking at ways to make it easier for employees to get to work, whether that's improving transport access or flexible working. All businesses are having to engage with the issues faced by their employees."

Jeremy Langridge
Occupier Solutions
BNP Paribas Real Estate



CASE STUDY:

In the UK, employers are already finding alternative ways of responding to the housing crisis. For example, Deloitte has negotiated preferential terms for its graduate intake at Get Living's East Village, London's first large-scale, build to rent scheme, located next to the Queen Elizabeth Olympic Park. Each year, around 100 recruits move in, benefitting from the ability to reserve an apartment without credit checks or deposit, before receiving two weeks' rent free.

FROM CEOS



HOUSING IS A SERIOUS ISSUE FOR BUSINESS

74% believe that housing costs for employees have had a negative effect on their business.



HOW HIGH HOUSING COSTS ARE AFFECTING BUSINESS GROWTH

- 39% higher wage costs
- 37% lack of skilled workers
- 31% slower expansion due to unfilled positions.



COST OF HOUSING FOR EMPLOYEES IS NOW A KEY FACTOR FOR CHOOSING A BUSINESS LOCATION

75% considered housing costs in the area when deciding on the location of their headquarters.



HOW BUSINESSES ARE RESPONDING TO HIGH HOUSING COSTS FOR THEIR EMPLOYEES

71% are either actively considering investing in residential areas for their employees or are thinking about doing so in the future.

FROM EMPLOYEES



HOUSING COSTS ARE DECISIVE WHEN IT COMES TO ACCEPTING A NEW JOB

85% say that housing and rent costs in the area are influential when deciding whether or not to accept a new job.



HOW HIGH HOUSING COSTS ARE AFFECTING BUSINESS GROWTH

41% of workers have left one or more jobs because they couldn't afford to live in the area.



BUT COMMUTING CAN HAVE NEGATIVE EFFECTS

- 48% are often tired
- 40% have lower productivity
- 36% have no time for a social life.



EMPLOYERS NEED TO ADAPT TO ACCOMMODATE WORKERS WHO COMMUTE

19% of employers offer flexible working.

To hear more about our housing and business research work, please contact us.

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Methodology

Online survey conducted by Atomik Research among 1,002 UK C-Level executives and business owners and additional online survey conducted by Atomik Research among 2,001 UK full-time employed adults. The research fieldwork took place between 1st-6th November 2018.

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