



# The Housing Crisis

## A Digital Solution

A report by Citrix

tech<sup>UK</sup>

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## Foreword

The UK is currently suffering from a housing crisis. And beyond all the political excuses and accusations of greenbelt capacity, planning restrictions, and reduced construction, urban areas have been particularly badly affected by this shortage.

This housing deficit doesn't only impact how close people are able to live to their place of work, but it significantly increases the cost of living. In fact, the minimum budget for a single working-age adult is 47 percent higher in Inner London than the rest of the UK, with housing making up almost half the living costs for a single person.<sup>1</sup>

For many people, this increased expense is a barrier to seeking work in large cities. This not only reduces their professional opportunities, but further diminishes the talent pool available to companies, amplifying the challenges of plugging the skills shortage that many industries are facing.

While there is no immediate solution to the UK housing crisis, it is important that other avenues are explored which may alleviate its impact.

Greater investment in technology – both in terms of infrastructure and culture – has the potential to reduce the number of people living in large cities solely for employment purposes, decentralising traditional corporate working patterns.

By harnessing the economic and social benefits of the 'working from anywhere' culture, organisations can tap into potential talent pools from across the country and reduce the wider demand for urban resources and infrastructure.

With an intelligent solution to the urban housing problem at our fingertips, we have commissioned this report to shine a light on how technology can abate this issue by bringing down the number of professionals gravitating to cities for work.

In highlighting widely-accepted expectations that professional success is confined to cities, this report considers how with technological and transportation investments, and significant changes to corporate culture, flexible working presents a viable approach to alleviate the burden on cities.

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<sup>1</sup> A Minimum Income Standard for London: full report 2015

<http://www.trustforlondon.org.uk/wp-content/uploads/2015/05/New-London-MIS-Full-report.pdf>

### Chapter One: The magnet for success

UK cities have long been a source of wealth, providing an economic powerhouse that is critical to the country's economy. This prosperity has long attracted the best and brightest talent from across the country and around the world, as they seek the exciting career opportunities on offer.

In fact, it has become widely expected and accepted that for many in the UK, professional success is largely dependent on them living in a large city. And with its innumerable prospects, it is hardly shocking that the YouGov research commissioned by Citrix found that 59 percent of UK knowledge workers – those that can work flexibly - believe they have better potential for securing employment in a large city.

This opinion reflects findings from the Adonis Growth Review, which indicated that as many as 96 percent of the net private sector jobs which have been added to the economy since 2010 were in city regions.<sup>2</sup> And the gravitational pull of large cities has had a significant impact on all industries, with roughly three quarters of the UK's high skilled jobs now located in cities.

It is therefore unsurprising that half of workers in the survey (49 percent) think that living in a large city has an effect on their career opportunities and progression. A greater number of employers, more large organisations with greater scope to promote employees, and more networking opportunities to meet useful contacts were all cited as reasons for this (76 percent, 71 percent, and 62 percent respectively).

This pull significantly impacts young graduates in particular, with 25 to 34 year olds accounting for 33 percent of London's employed population.<sup>3</sup> Other large British cities follow the same trend, with 20 to 34 year olds making up a high proportion of the population in

Manchester, Liverpool and Nottingham (33.5 percent, 27 percent, and 30 percent respectively).<sup>4</sup>

The draw of large cities also extends to expectations of greater benefits in employment, with 62 percent of workers believing that they have a better opportunity of earning a higher salary, while 53 percent indicated that an easier commute was a further benefit of city life.

These findings underline the significant dominance that large cities have in enabling professional workers to secure work and progress their career.

But with their professional magnetism, large cities effortlessly become the primary choice for aspiring employees looking to progress their careers. This ultimately increases urban populations and contributes to the strain on resources and infrastructure.

It is therefore important that we look towards intelligent solutions to create a more geographically balanced economy. With the right technology strategy, not only is it possible to disseminate skilled industry to reduce the burden on cities, but also to spark more even growth across the UK.

<sup>2</sup> Adonis Growth Review: Mending the Fractured Economy  
<http://www.policy-network.net/publications/4695/Mending-the-Fractured-Economy>

<sup>3</sup> Regional labour market: X01 - Estimates of employment by age, December 2015  
[http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/publications/re-reference-tables.html?newquery=\\*%&newoffset=25&pageSize=25&edition=tc%3A77-386837](http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/publications/re-reference-tables.html?newquery=*%&newoffset=25&pageSize=25&edition=tc%3A77-386837)

<sup>4</sup> CBRE: British living A town and city compendium  
<https://www.cbreresidential.com/uk/sites/uk-residential/files/British%20living%2C%20a%20town%20and%20city%20compendium%202015.pdf>

## Chapter Two: Technology as an enabler for decentralised working

The fact that professionals are drawn to the UK's large cities is not inherently bad. Indeed, we should be proud that booming British cities like London, Birmingham and Manchester act as beacons of success and career opportunities.

And cities offer far more than just professional benefits to attract a thriving population. A third of workers (33 percent) enjoy the fast pace of life, while access to local amenities and social life were also cited as key advantages (65 percent and 58 percent respectively).

However, the problem arises when, to prosper in their career, professionals must follow a rigid path, forcing them to jump through expensive and potentially inconvenient hoops.

The traditional corporate working culture creates significant geographical barriers for those who want to advance their careers; with those who would prefer to live more rurally driven into large cities in order to reap the employability benefits. In fact, the research found that over half of workers (54 percent) would be likely to relocate to a rural area if they could still perform their role to the same level.

To change urban living from a necessity to a choice, we must consider what we can do to extend the opportunity for workers to live outside of major metropolitan areas.

Creating a digitally connected society is crucial to helping people progress in their careers wherever they are located, with 56 percent of workers highlighting the importance of high quality broadband and mobile connectivity for all. Providing universally available good quality broadband service and eliminating mobile not-spots will be important for ensuring that all

workers can maintain productivity if choosing to work offsite.

With so many British towns bursting at the seams, enabling people to live and work more rurally without compromising their careers should be a key goal for both government and industry. Not only would this reduce the burden on cities, but would also significantly contribute to the well-being and happiness of the workforce.

Greater flexible working opportunities also hold potential for major cost-savings for companies, by enabling them to reduce their corporate real estate. A report produced by BT reflecting on its flexible working project, BT Workstyle, highlighted how its office estate was successfully reduced by close to 40 percent. This saved the company over €725 million a year, of which their 11,600 home-based employees saved BT €104 million a year in accommodation costs.<sup>5</sup>

The accommodation savings that can be made within a company employing a flexible working culture can quickly offset the costs of ensuring that all home-based employees have the right technology at home and the necessary skills to work remotely.

And organisations that truly wish to harness a remote working culture can reinvest the money saved long-term through reducing real estate costs in both companies' structures and employees' home connections. This could either pay for business grade broadband products or be used for one-off upgrades to infrastructure.

With evident demand for increasing professional prospects in rural areas and further opportunity to increase the current British workforce, government and industry should

carefully consider the long term impact of a greater investment in technology. Not only could this increase prospects in deprived areas through digital jobs, but significantly contribute to closing the digital skills gap and filling the 134,000 new jobs created in the tech sector every year which remain vacant.<sup>6</sup>

<sup>5</sup> BT: Flexible working – can your company compete without it?  
[https://www2.bt.com/static/i/media/pdf/flex\\_working\\_wp\\_07.pdf](https://www2.bt.com/static/i/media/pdf/flex_working_wp_07.pdf)

<sup>6</sup> Tech Partnership Election 2015: Digital Promises  
<https://www.thetechpartnership.com/news-events/blog-listing/election-2015-digital-priorities/>

### Chapter Three: Challenges for decentralising working patterns

While there are clear socio-economic benefits of decentralising working patterns, there remain three key challenges that government and industry must first overcome: connectivity, transport and corporate culture.

#### Connectivity

Prosperous cities that are truly harnessing the potential of the digital market are often recognised by the substantial investment to their high speed digital infrastructure. As such, good Internet speeds continue to be widely perceived as a perk of living in a large city (38 percent), especially when the roll out of high quality broadband services in rural areas continues to lag. In fact, 48 percent of rural premises are still unable to receive broadband speeds above 10Mbit/s.<sup>7</sup>

High quality Internet connections are essential to ensure that those who work offsite remain as productive as those in the office. And until this is assured, for many working flexibly just isn't a viable option.

While over the past decade there have been substantial improvements in terms of digital connectivity, it is important it remains a priority policy. Whether through continued efforts to

install cables and fibre to the hardest to reach locations, or further investment in the new rural satellite broadband subsidy scheme, it is crucial that the government at least meets its targets of superfast broadband coverage for 95% of premises by December 2017.<sup>8</sup>

And with much of the rural broadband investment driven from the private sector, it is important to also consider that greater coverage could be delivered through commercial cases. By promoting remote working and encouraging more people to work in rural areas, government and industry can help drum up greater demand for high quality Internet rurally.

This demand will be essential to ensure that delivering quality broadband services to rural premises to become a greater priority to Internet providers; not only encouraging them to improve local infrastructure, but also to drive competition between providers so remote workers won't be limited to a small number of expensive packages.

<sup>7</sup> Ofcom Connected Nation report 2015  
[http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2015/downloads/connected\\_nations2015.pdf](http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2015/downloads/connected_nations2015.pdf)

<sup>8</sup> Broadband Delivery UK  
<https://www.gov.uk/guidance/broadband-delivery-uk>

#### Transport

For those who opt to move outside of large cities, there will still be certain occasions when they will need to attend meetings, networking events and other work functions. Better transport networks extending beyond immediate urban areas are important to ensure that those workers still have convenient and reliable access to cities.

The government must also continue to invest in existing infrastructure. Its recent investments in electrifying lines and support for the Digital

Railways programme will increase capacity and allow for better journeys, without the expense of building new lines.

It is also essential that time spent travelling is not wasted, especially for those commuting longer distances when visiting corporate headquarters. Addressing mobile hot-spots on transport corridors and providing robust WiFi connections on trains, buses, and other forms of public transport is important to ensure that home-workers don't lose productive time when travelling.

Businesses have lamented how poor transport links makes it more difficult to attract investment and talent.<sup>9</sup> This was echoed by workers who responded to the survey, who cited increased travel links both rurally and in urban areas as an important factor to help people succeed in their career (46% and 38% respectively).

There have already been clear investments in this area. The Elizabeth Line, HS2 and the newly announced Crossrail 2 have been planned to support London's existing transport infrastructure.

However, it is important that these investments aren't limited to the South East, but also across the UK in areas with a strong industry presence. Indeed, recent projects to electrify rail lines in Wales and in Transport for North have demonstrated the government is on the right tracks.

Beyond infrastructure investment, government and industry must also work with transport providers to encourage more flexible ticketing solutions, such as part-time season tickets. This will ensure that those who travel to the office

less frequently aren't penalised by paying more for irregular commutes than their colleagues who travel on season tickets.

<sup>9</sup> Adonis Growth Review: Mending the Fractured Economy  
<http://www.policy-network.net/publications/4695/>

### Corporate culture

Since 2014, all employees have the right to request flexible working hours, extending the privilege which was previously reserved for parents and carers. But despite this legal change, recent research from the Work Foundation, commissioned by Citrix, found that a quarter of organisations currently carry out all work on the company premises.<sup>10</sup>

This demonstrates a clear cultural barrier towards flexible working, which was echoed by the respondents of the survey. Worryingly, 35% of workers are not confident that even in a change of circumstance their employer would provide, pay and train them to use the necessary technology to continue doing their job.

To harness the advantages of flexible working, it is essential that there is change in corporate culture which not only accommodates people working anywhere, but also ends the culture of 'face time'. This is important ensure that all workers are evaluated on their output, rather than just being seen in the office.

<sup>10</sup> Work Foundation: Working anywhere: a winning formula for good work?

[http://replyonline.co.uk/Citrix/20918\\_Tipping\\_point\\_LP/landing-page/](http://replyonline.co.uk/Citrix/20918_Tipping_point_LP/landing-page/)

## Conclusions and recommendations

Due to numerous different mitigating factors, there is no one solution to address the urban housing crisis. Instead, the government must look into intelligent, digital solutions to help alleviate the pressure on cities.

By looking at the core of the problem, notably why large cities in the UK have become so overcrowded, we can better address the factors at the heart of the issue, rather than just attempting to mitigate its effects.

Decentralising the corporate work culture will give greater options to professionals seeking work and ambitious to climb the career ladder, while also reducing the burden on urban infrastructure.

But while a simple premise, there remain many challenges before we can ensure that those who don't wish to live in large cities will have the same professional opportunities and be valued on an equal footing to their onsite colleagues.

Based on the research and Citrix's extensive knowledge of the challenges in achieving real changes to traditional working patterns, we recommend the following next steps:

### 1.) Improve connectivity and digital skills to enable everyone to have the choice work remotely

- Businesses, local and central government must work together to lower the cost of investment in uneconomic areas to improve the business case.
- Think-tanks, pressure groups and businesses of all sizes must continue to lean on government to ensure that the roll-out of quality broadband service remains a priority.
- Organisations must ensure that all employees have access to programmes to develop their digital skills, so that it is not a barrier to individuals wishing to take advantage of flexible working opportunities.
- Schools, government and charities must support the digital skills development of all young people to ensure they leave education with the essential skills to harness these opportunities.

### 2.) Improve connected transport links

- Greater investment is needed in transport outside of London, to ensure that routes into all large UK cities are more convenient and reliable.
- The government must prioritise irradiating not-spots on transport corridors and work with rail providers to fulfil its targets of rolling out free Wi-Fi on trains across the United Kingdom by 2017.<sup>11</sup>
- Industry and government should work with transport providers to introduce flexible season tickets to ensure those travelling less frequently aren't required to pay more for their irregular commute than their office-based colleagues.
- The government should continue to work with regional groups, like Transport for North (TfN), to ensure that the needs of specific areas are met.

<sup>11</sup> Free wi-fi to help rail commuters stay connected

<https://www.gov.uk/government/news/free-wi-fi-to-help-rail-commuters-stay-connected>

### 3.) Decentralise corporate approaches to work

- Businesses need to end the obsessive ‘face time’ approach to work, ensuring that all employees are valued on their output rather than visibility. This should be driven by executives promoting their own approaches towards flexible working.
- Promote internal flexible working opportunities as part of the company’s external communications.
- Advertise new jobs as having the opportunity to work flexibly, to attract a wider talent pool from across the country.
- Organisations must ensure that all those working flexibly are supported by providing the necessary digital skills training, remote working technology, and IT hardware to work as productively at home as in the office.

### Methodology

Citrix commissioned the survey among 1,243 working adults in the UK, 750 of which are able to work flexibly (i.e. working outside of their usual hours and working at home/ remotely via the internet instead of a fixed workplace – e.g. an office). The research was conducted online by polling company YouGov, an international research organisation, in January/February 2016. The figures have been weighted and are representative of all GB adults (aged 18+).



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