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# Working from home: Implications for residential mobility and spatial inequalities

84 POLICY BRIEFING MAY 2025

Since the Covid-19 pandemic began in early 2020, more people have started working from home either all of the time (working remotely) or some of the time (hybrid working). In the UK, this rapid increase has been particularly noticeable among high-skill workers. This presents opportunities for addressing regional inequalities. For example, it could lead to people and businesses moving from expensive areas with overheating property markets to other relatively affordable ones, spreading skills and economic activity more evenly across the country.

This briefing assesses who works from home and where, and what this means for residential mobility and the distribution of skilled human capital across the country. The analysis finds little evidence that the rise in working from home is reshaping residential mobilities. However, limited data makes it hard to tell if the changes are simply not being captured in the available data.

## *Key Points:*

- *Working from home remains common post-pandemic, but hybrid working is far more prevalent than full remote work, meaning high-skill workers still need to live within commuting distance of major job markets.*
- *While working from home has increased, it is still mostly limited to the high-skill workforce and should not be seen as a simple solution to social and spatial inequalities, as it may actually worsen them.*
- *There is limited evidence the pandemic has changed the geographical spread of working from home, which has always been and remains most prevalent in the South East.*
- *Internal migration and residential mobility have continued to decline, but high-skill workers are still more mobile than others. High-skill workers who work from home move less than those who do not work from home, but their mobility has increased since the pandemic. When they do move, it is now increasingly for housing reasons rather than employment reasons.*
- *Policies to attract high-skill workers by improving local amenities and culture could influence economic geography, but policymaking must be based on strong evidence, requiring better data to understand the true impact of working from home on residential mobility and economic distribution.*



UKRI Economic and Social Research Council

## Introduction

*"A lot of businesses will say their motivation for being a workplace that offers [flexible working] is because it opens up a much wider group of talent that they can recruit... the UK has very significant regional inequality. It [WFH] could play a significant contribution to tackling that."*

Jonathan Reynolds, Business Secretary, September 2024

Working From Home (WFH), whether hybrid or fully remote, increased during the Covid-19 pandemic in 2020 and remains widespread. In the UK, one of the most regionally unequal high-income countries, this shift could influence spatial inequalities. As suggested by the Business Secretary, WFH may help reduce these disparities by:

- Enabling high-skill workers, who are most likely to WFH, to relocate to areas with lower housing and living costs, as proximity to urban centres becomes less crucial for job opportunities.
- Allowing businesses in more economically and geographically peripheral regions to attract and retain staff without requiring physical relocation.

The research discussed in this briefing examines how WFH affects high-skill workers' mobility and the distribution of human capital post-pandemic.

## The study

Amid concerns around regional inequalities, weak productivity, and the under-performance of the UK's second-tier cities, this study is part of a wider project examining how changes in working practices impact high-skill labour mobility, regional attractiveness, and regional economic differentials.

The wider project includes quantitative analyses of UK Household Longitudinal Study (UKHLS) data to map the evolving spatial mobility of high-skill workers before, during and after the Covid-19 pandemic. A qualitative component features case studies of Glasgow, Sheffield and Birmingham, exploring how these cities attract and retain high-skill workers and how policies can enhance appeal and long-term retention.

## Main findings

### Hybrid working increased for high-skill workers

Figure 1 shows that WFH more than doubled during the pandemic and has only slightly decreased since, with a notable higher WFH prevalence among high-skill workers.

Further analysis (not displayed here) suggests that 55% of high-skill workers WFH sometimes, 15% are fully remote, and 30% never WFH. Hybrid working from home affects spatial inequalities and the distribution of human capital differently from remote working, as most hybrid workers still need to live within commuting distance.

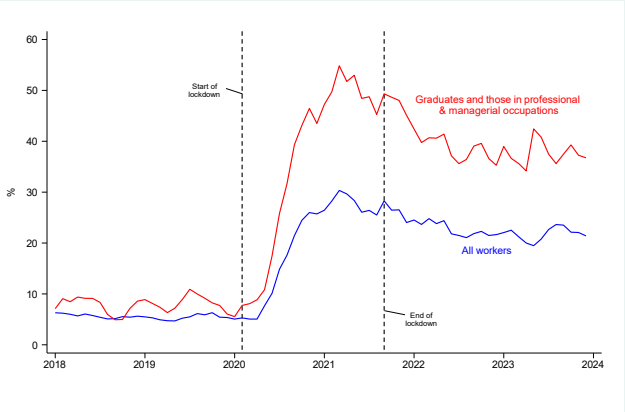


**Figure 1: Prevalence of WFH overall and by skill level, 2018-2024**

Source: Authors' analysis of UK Household Longitudinal Study

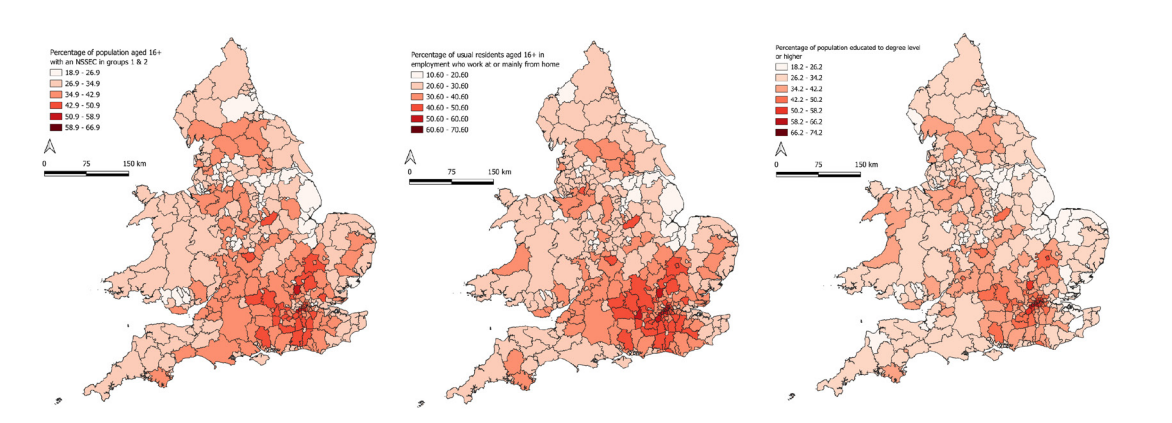


**Figure 2: Working from home among graduates and those with high-skill jobs by local authority, March 2021**

Source: Authors' analysis of 2021 Census data from England and Wales. Boundary shapes: Office for National Statistics (2022) Local Authority Districts (December 2021) Boundaries GB BFC.. Thanks to William McVean for producing these maps.

WFH is structured by socio-economic status, with 67% of WFH workers in professional or managerial roles. Graduates are ten times more likely to WFH than those with no qualifications. However, WFH is now less concentrated among workers at later career stages, with a younger age profile emerging.

## The geography of working from home

The decennial national Census is the most robust source on WFH geography. Figure 2 shows the close correlation between WFH geography and human capital in England and Wales at the time of the March 2021 Census.

Using Understanding Society survey data (also known as the UK Household Longitudinal Study) we show how the geography of WFH evolved pre-, during and post-pandemic (Figure 3). A modest sample size restricts analysis at spatial units below the regional level. Due to concerns about Labour Force Survey (LFS) data robustness, we primarily use UKHLS data. The report explores the data challenges of statistically analysing WFH and residential mobility.

Before the pandemic, WFH was concentrated in London and the South East of England. Post-pandemic, this remains largely true, but Scotland now has a relatively high WFH rate. Proportionally, WFH has increased the most in London and Scotland, with London having the highest concentration of WFH-compatible jobs.

ONS (2022) analysis of LFS data substantiates our finding that WFH increased considerably in Scotland, identifying that Scotland saw the largest WFH increase across UK regions from October 2019 to March 2022 (increasing by 204% compared to the UK average of 109%). Other research also finds WFH is more common in Scotland than other UK regions (Virgin Media Business, 2022; Scottish Financial News, 2024).

This may be due to Scotland's prolonged WFH mandate during the pandemic and the Scottish Government's relatively supportive stance on WFH post-pandemic.

Apart from Scotland, there is limited evidence of significant WFH redistribution during or following the pandemic. The changing distribution of human capital is slightly more encouraging. While graduates remain concentrated in London and the South East, other regions have seen relative growth in human capital (i.e. graduates as a share of their workforce) since the pandemic.

## Modest changes and data challenges

While not statistically significant, Figure 4 shows evidence of an ongoing gradual decline in residential mobility. As might be expected, high-skill workers are the most mobile group, before, during and after the pandemic.

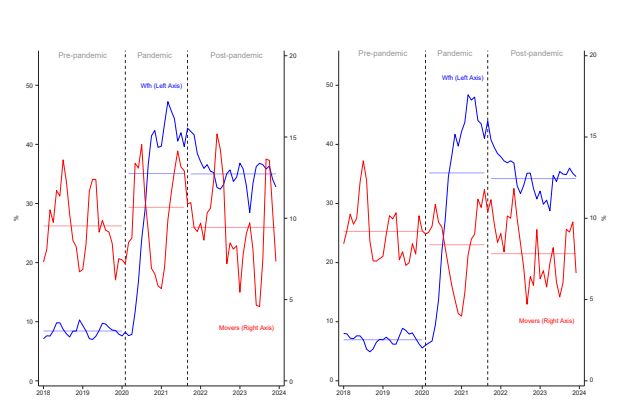


**Figure 4: WFH and residential mobility among graduates (left panel) and those in managerial and professional occupations (right panel), pre-, during & post-pandemic**

Source: Authors' analysis of UK Household Longitudinal Study data
Data are displayed as three-month moving averages

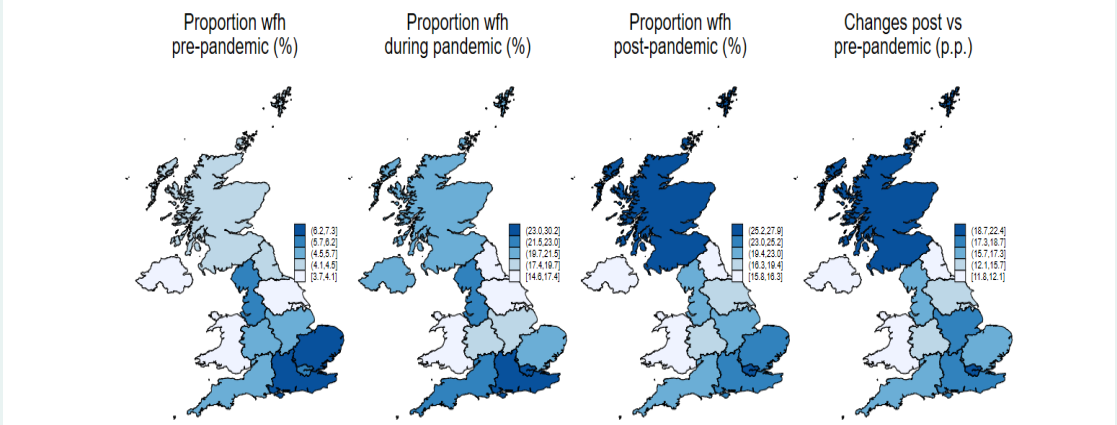


**Figure 3: Proportion of workforce WFH by region, pre, during and post-pandemic**

Source: UK Household Longitudinal Study data
Note: Pre-pandemic is 2018, 2019 and January-February of 2020. Pandemic is March 2020-August 2021. Post-pandemic is September 2021-May 2024

Since the start of the pandemic, high-skill WFH workers have become slightly more residentially mobile but remain less so than their non-WFH counterparts. The residential mobility gap between high-skill workers who WFH and those who do not has narrowed. High-skill workers' reasons for moving have also changed; there are more housing-related moves and fewer employment-driven relocations.

These findings, however, require caution due to sample size. The post-pandemic shift in residential behaviours driven by WFH is still unfolding, with changes possibly too modest for current data to detect.

## Policy implications

The rise in working from home has had limited impact on residential mobilities, and consequently, on reducing the UK's substantial spatial inequalities. Most workers do not WFH, and only a minority of high-skill workers do so fully remotely. Policymakers should therefore be cautious about overestimating WFH's potential to reshape spatial inequalities.

Hybrid working is more prevalent than full remote work, reinforcing the core-periphery economic geography model. However, place attractiveness may gain importance as WFH workers prioritise amenities over proximity to work. Policies which invest in culture and aesthetic appeal may help attract and retain talent. Yet, the link between attracting remote workers and achieving balanced and inclusive growth is unclear. Social and spatial WFH disparities are a symptom of wider structural inequalities and play a minor role in regional inequalities and related policy responses.

The new Employment Rights Bill enhances WFH flexibility, but this could mainly benefit skilled workers (and thus relatively prosperous areas). Holistic policies focusing on nationwide secure, sustainable employment are imperative, particularly given the government's Growth Mission flagship projects have so far largely focused on the already buoyant south of England.

Working from home has become part of the broader culture wars narrative, highlighting the need for robust data to aid policymaking. Despite limited evidence, many employers are imposing return-to-office mandates. The previous UK government also adopted a hostile stance towards WFH, in contrast to the Scottish and Welsh governments. Policymakers must balance employer demands with employee preferences, prioritising evidence-based decision-making over speculation.

Current data limitations have constrained our ability to make firm assertations on the nexus between WFH and residential mobilities. Practical steps can improve the evidence base, discussed Policy Briefing 87.

**Authors**

**David McCollum**
(University of St Andrews, CPC-CG)

**Jackline Wahba**
(University of Southampton, CPC-CG)

**Armine Ghazaryan**
(University of Southampton, CPC-CG)

**Anne Green**
(University of Birmingham, City-REDI)

**Ian Taylor**
(University of the Arts London)

**Jonathan Payne**
(De Montfort University, Institute for Responsible Business and Social Justice)

**Edited by Teresa McGowan and Becki Dey**
(University of Southampton, CPC-CG)

**ESRC Centre for Population Change**
**Connecting Generations**

Building 58
Faculty of Social Sciences
University of Southampton
SO17 1BJ

Tel: +44 (0)23 8059 2579
Email: cpc@southampton.ac.uk

@CPCpopulation @ConnectingGens
/CPCpopulation
@cpc-cg.bsky.social
/company/esrc-centre-for-population-change-and-connecting-generations

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