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Working from home: Is it changing where we live?

85 POLICY BRIEFING MAY 2025

Working from home has become more common, especially among graduates and those in high-skilled roles. While this might be expected to free households to move to new locations, our research finds that, while working from home is one of several complex factors in residential mobility, it has not, so far, played a major role in changing where people live. Decisions about moving are still mainly influenced by factors like age, relationship status, and housing.

This briefing looks at what drives mobility among high-skilled workers and what it means for tackling regional inequalities and boosting economic growth across the UK.

Key Points:

- *Working from home has increased since the pandemic, but it is still mainly done by high-skilled workers.*
- *Older workers are more likely to work from home than younger ones.*
- *Working from home is more common in London than other parts of the UK.*
- *Although more people are working from home, which could make it easier to move, it has not led to much change in where people live.*
- *There is no strong evidence that working from home will cause major changes in high-level skills distribution across the country. It is also unlikely to boost lagging areas by bringing in more high-skilled workers.*
- *Policymakers should invest in digital infrastructure and support flexible work hubs in second-tier cities to spread economic activity more evenly across the UK. They should also address housing shortages and costs to remove barriers to mobility and improve access to working from home opportunities.*

Introduction

Remote and hybrid work practices have changed how people engage with work, raising important questions about the impact on regional economies, labour mobility, and urban development. In the UK, where regional inequalities persist and many second-tier cities underperform, it is crucial to understand how these new working practices are impacting where high-skilled individuals live and work.

Using data from the UK Household Longitudinal Study (UKHLS), this study examines the relationship between working from home and residential mobility among high-skilled workers.

The findings add to the evidence on the limits of working from home as a tool for creating a more balanced and resilient economic landscape across the UK.

The study

This study forms part of a wider research project exploring how changes in working practices influence the residential and spatial mobility of high-skilled workers in the UK.

It responds to long-standing policy concerns about regional inequalities, productivity challenges, and the underperformance of the UK's second-tier cities. The Covid-19 pandemic led to a sharp increase in remote and hybrid working, prompting fresh questions about whether greater flexibility in where people can work is changing where they live.

This part of the project assesses recent trends in the relationship between working from home and home moves in the UK. The analysis used UKHLS data and focuses on high-skilled labour, defined by occupation using the National Statistics Socioeconomic Classification (NS-SEC) i.e. those in Management and Professional occupations.

Main findings

Who is working from home?

Working from home (WFH), defined as people who list their home as their main place of work, rose significantly during the pandemic and has since declined only slightly. Around 23% of all workers and 35% of high-skilled workers continue to WFH post-pandemic. Figure 1 shows the likelihood of WFH across different groups, for both the full workforce and high-skilled labour (HSL). The red vertical line represents the average probability of WFH for all groups. For each characteristic, solid circles show the predicted probability, with horizontal lines indicating the confidence interval of that probability.

Younger workers (18–29) are the least likely to work from home, though this age effect is less pronounced among high-skilled workers. Gender has little effect. Married individuals and those with young children (under five) are more likely to WFH.

Educational attainment is strongly linked to WFH: those with university degrees or higher are significantly more likely to WFH than those with lower education levels. Occupation is also an important factor: high-skilled occupations have the strongest link with WFH, while public sector employees are less likely to work from home than their private sector counterparts.

Geographically, WFH is more common among workers living in London, particularly among high-skilled workers.

WFH and residential mobility

Table 1 shows residential mobility rates among individuals in high-skilled occupations across three periods: pre-pandemic, pandemic, and post-pandemic. When looking at the HSL, the overall mobility rate fell from 9.1% pre-pandemic, to 8.4% during the pandemic, and stabilised at 8.4% post-pandemic.

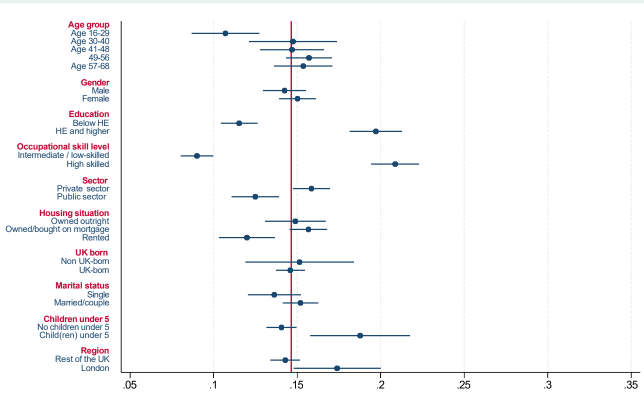

Figure 1: Predicted probabilities of working from home

Source: : Authors' calculations based on UKHLS waves 8-14

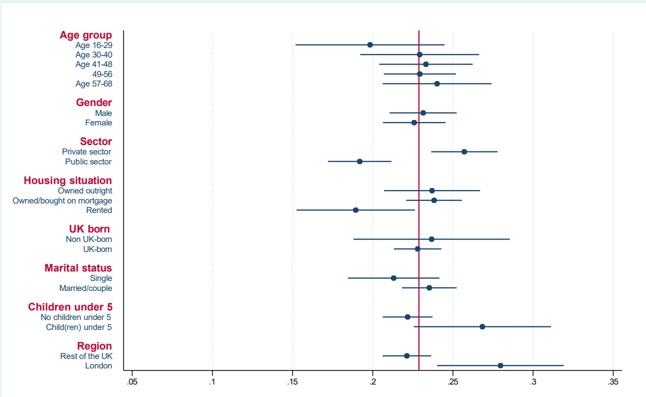

Figure 2: Predicted probabilities of working from home: High-skilled labour

Source: Authors' calculations based on UKHLS waves 8-14. High-skilled occupation is defined as the first category of the National Statistics Socioeconomic Classification (NS-SEC)

Breaking this down by WFH patterns, we find for those who don't work from home, mobility remained relatively stable, with 9.3% moving pre-pandemic, 8.5% during, and 8.4% post-pandemic. The average for this group was 9.0%.

However, among those who WFH, residential mobility rose slightly over time, though the change is not statistically significant. The overall mobility rate for this group was 7.9%, which is lower than that of non-WFH individuals.

Table 2 compares the demographic and geographic characteristics of high-skilled workers in England and Wales who moved with those who did not, over the same periods. Notably, there is no significant difference in residential mobility between those who work from home and those who do not.

Younger individuals are more likely to relocate than older ones: movers have an average age of 35, while non-movers have an average age of 43. Marital status also matters: 73% of non-movers are married or in a couple, compared to 56% of movers. This trend implies that individuals in stable relationships are less inclined to move, which interacts with married/couples also being more likely to be older.

There is little difference according to employment sector and nationality. Public sector employment is similar across both groups, with 43% of non-movers and 39% of movers working in this sector. Around 90% of both groups were born in the UK.

Housing characteristics, however, reveal more substantial differences. Two thirds (65%) of non-movers own or are buying their home with a mortgage, while only 48% of movers are homeowners. Renters make up a larger share of movers (34%) than non-movers (15%), pointing to homeownership as a stabilising factor and greater flexibility to relocate among those who rent. Movers also tend to have fewer children in their household than non-movers, suggesting that family size may limit the ability or willingness to relocate.

Geographic factors, such as local crime rates and proximity to parks and train stations, show no meaningful differences, suggesting they may not strongly influence relocation decisions. Living in London versus elsewhere in England and Wales, or living in more deprived areas, also does not significantly affect residential mobility of HSL workers.

Property value data provide additional insights: non-movers own slightly more expensive homes (average sale value of £317,100 vs. £297,800 for movers) and pay slightly more in rent (£1,164 vs. £1,104 for movers), but these differences are not statistically significant. However, they may reinforce the idea that housing stability influences relocation decisions, though the relationship is complex.

	Moved			
	Pre-pandemic	Pandemic	Post-pandemic	All
Not WFH (78%)	9.3%	8.5%	8.4%	9.0%
WFH (22%)	6.6%	8.0%	8.2%	7.9%
Total (100%)	9.1%	8.4%	8.4%	8.7%

Table 1: Working from home and residential mobility: High-skilled workers

Source: Authors' calculations of UKHLS waves 8-14

Note: High-skilled occupation is based on the five category National Statistics Socioeconomic Classification (NS-SEC) and refers to Management & Professional. Pre-pandemic includes years 2018, 2019, and Jan-Feb of 2020; pandemic includes period from Mar-2020 to Aug-2021; post-pandemic includes period from Sep-2021 to 2024. Movers are defined based on whether the participant changed address postcode since last wave, and year of moving to current address (if reported). For new entrants and previously interviewed with unknown mover status, the year of the interview, as well as two preceding years are counted as moved. WFH is classified where the work location is specified as "at home" or "from their own home". Respective longitudinal weights applied.

	Did not move	Moved	p-value
Demographic characteristics			
WFH	0.2	0.22	0.45
Age (mean)	43	35	<.001
Female	0.48	0.52	0.22
Public sector	0.43	0.39	0.3
Born in UK	0.9	0.9	0.91
Married / couple	0.73	0.56	<.001
Owned/being bought on mortgage	0.65	0.48	<.001
Rented	0.15	0.34	<.001
Number of own children in household	0.69	0.51	<.001
Child(ren) under 5	0.15	0.19	0.1
Geographic characteristics of origin (lagged)			
Residing in London	0.15	0.12	0.22
Deprivation %	58	55	0.15
Average distance to nearest Park, Public Garden, or Playing Field (m)	943	911	0.31
Less than 30 min walk to train station	58	57	0.64
Crime per 1000 population	21	21	0.6
Property sale value (in thousands £)	317.1	297.8	0.071
Property rental value (in £ per month)	1164	1104	0.055
N	6817 (92%)	614 (8.3%)	

Table 2: Characteristics of movers vs. non-movers (England & Wales): HS – occupations

Source: Authors' regression model using UKHLS waves 8-14

Notes: High-skilled occupation is based on the five category National Statistics Socioeconomic Classification (NS-SEC) and refers to Management & Professional. Deprivation % refers to Multiple Deprivation based on the deprivation ranking of the LSOA, where areas are ranked from the most deprived area (rank 1) to the least deprived area.

WFH and residential mobility

Looking at those who expect to move, rather than those who have already relocated, the findings indicate no significant difference in expectations between WFH and non-WFH workers—both for the overall workforce and HSL. This supports the broader conclusion that WFH is not a primary driver of residential mobility.

The characteristics of those expecting to move are largely similar to those who have actually moved, with two notable exceptions. First, individuals expecting to move are less likely to work in the public sector and more likely to be employed in the private sector. Second, they are more likely to reside in London compared to the rest of England and Wales.

Policy implications

The continued high levels of WFH, particularly among high-skilled workers, highlight the need for policies that support hybrid and home working models. This includes investing in digital infrastructure, such as high-speed broadband, especially in suburban and rural areas, to better accommodate remote workers.

Local authorities, particularly in second-tier cities, should reassess urban planning strategies to enhance their attractiveness to high-skilled workers. This means improving amenities, transport networks, and housing options to compete more effectively with London and other metropolitan areas.

Since WFH remains concentrated in London, there is a risk it could worsen regional inequalities. Policymakers should consider incentives for firms to establish remote or hybrid work hubs in second-tier cities. Investments in coworking spaces and business support services outside London could help redistribute economic activity to underperforming areas. Targeted incentives for companies adopting flexible work arrangements outside major urban centres may also help balance regional growth across the UK.

As WFH does not appear to be driving major changes in where people live, policy efforts should focus on structural barriers to mobility. Limited housing availability and high costs in some regions are likely preventing greater movement, even when WFH is possible. Expanding affordable housing would help remove these constraints and support a more mobile and efficient labour market.

By taking proactive measures, the UK can leverage the changing nature of work to strengthen economic resilience and regional development.

Further research is needed to understand the wider economic effects of WFH—including its effects on consumer spending, productivity, urban development, and wage differentials.

It is also crucial to understand what current levels of geographical mobility mean for economic dynamism, both across the country and within different regions.

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