HEALTH CHECK

AN ANALYSIS OF HEALTH WORKERS LIVING IN PRIVATE RENTAL HOMES

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An assessment of health workers living in private rental homes

There are around 1.4 million NHS workers across England. In 2023, one in 20 renters starting new tenancies in the UK were employed in the NHS. These key workers often have anti-social hours and are relatively low paid. The urgent need to offer affordable housing is widely recognised and there is growing interest from investors and providers in addressing this need.

In this short paper, we present some stark statistics to shed light on this key segment of our social infrastructure and the critical need in our housing market.

Key findings

It is unsurprising that those working within the NHS would like to live close to work. We found that renters who work within the NHS live, on average, twice as close to their place of work as other renters.

How close they live depends on the availability of affordable housing. In places where rents are higher, there is clear evidence that they are being squeezed out and living much further away from their workplace.

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"NHS workers renting in London face considerable pressures and there is a clear opportunity for the private rental sector to cater better for this valuable community".

Sandra Jones
Managing Director, PriceHubble UK

NHS renters test results

We were able to identify over 30,000 NHS workers moving into private rented homes in 2023 within the Dataloft Rental Market Analytics (DRMA) dataset. They represent 5% of renters who took new leases in 2023 and, unsurprisingly, they are clustered within reasonable distances of large hospitals. How close depends, in part, on the availability of affordable rental housing.

Close to work

Compared to the wider population of private renters, NHS workers live significantly closer to their place of work. We found 35% of NHS workers in the private rental sector live within 2 miles of their workplace, compared to 22% of non-NHS workers. The median distance is 3.6 miles for an NHS worker and 6.2 miles for other renters. Lower paid NHS workers tend to live closer to their workplace than those on higher incomes, underlining the importance of affordable housing.

Acute commute assessment

NHS workers live closer to their place of work, but in high value areas, that relationship breaks down.
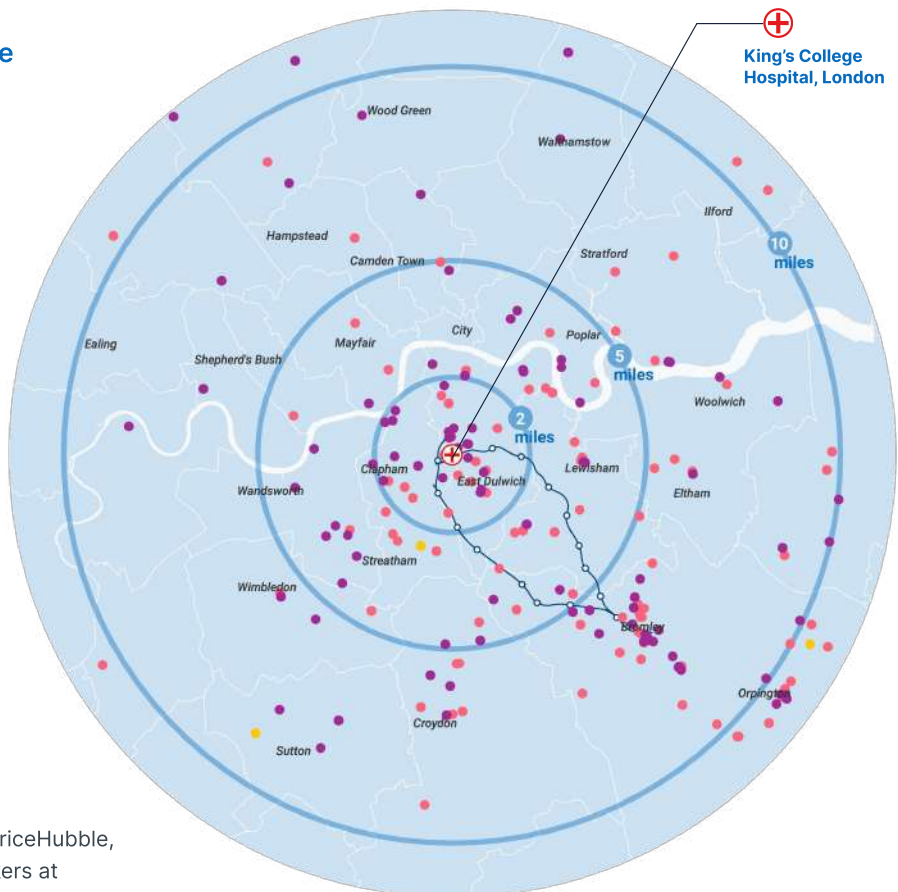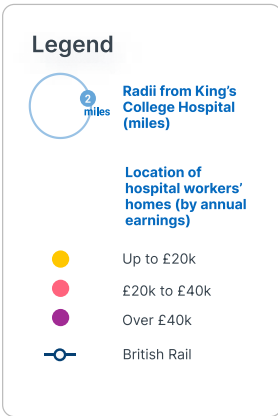
We analysed the home locations of NHS workers from King's College Hospital living in the private rental sector. While there is a cluster close to the hospital, these NHS workers have dispersed into more affordable areas further from the hospital.

26%

NHS workers at King's College Hospital live within 2 miles

35%

All NHS renters live within 2 miles of work

Legend

Radii from King's College Hospital (miles)

Location of hospital workers' homes (by annual earnings)

- 🟡 Up to £20k
- 🔴 £20k to £40k
- 🟣 Over £40k
- ⊸ British Rail

King's College Hospital, London

Dataloft Rental Market Analytics by PriceHubble, showing home locations of NHS workers at King's College Hospital

Impact of rents

We found that rental values in a local market had a significant impact on the distance NHS workers would live from their workplace. In places with the largest clusters of NHS workers, where median rents were below £1,250 per month, 38% of workers lived within 2 miles. In those places where median rents were higher than £1,250 per month, 22% lived within 2 miles of work.

Income and workplace proximity

NHS workers who rent live closer to work, especially lower earners.

NHS workers earning between £25,000 and £40,000 are twice as likely to live within 2 miles of their workplace than other renters in the same income band.

42%

NHS workers earning £25k to £30k live within 2 miles of work

23%

Non-NHS workers earning £25k to £30k live within 2 miles of work

15%

Homes rented in 2023 that were affordable to an NHS worker on pay-scale 5 or below

Proportion of renters living less than 2 miles from work, by income band

NHS
Non-NHS

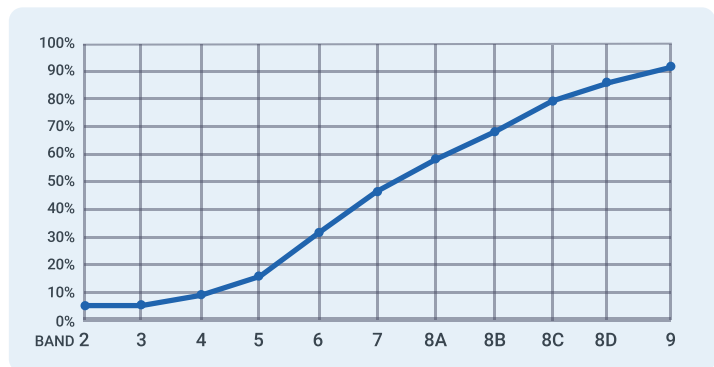Proportion of rental market accessible to NHS workers on the NHS payscale

NHS

Affordability

We calculated what proportion of private rentals in 2023 were let at a rent that would have been affordable for an NHS worker solely responsible for the rent, assuming they could spend up to 30% of their income on rent. For an NHS worker on Band 5 or below, less than 15% of rental homes were let at a rent they could cover on these terms.

The average income of an NHS employee in the UK is £31,514 pa, which falls between Band 5 and Band 6 of the NHS pay scale. Of all the homes rented in 2023, almost 78% would have been beyond the budget for a single-income household with earnings of £31,514. In London, only 2% of rental homes are affordable. Even with the additional allowance, NHS workers renting in London face considerable pressures.

Health workers in private rental homes – Spring 2024

Methodology

This study was conducted by PriceHubble, and all rental market analysis in this report is based on the Dataloft Rental Market Analytics (DRMA) dataset of achieved rents and renter demographics. The data is aggregated from multiple tenant referencing companies and includes over 7 million lines of data with 100 million datapoints, adding around 50,000 new lettings every month. It covers the whole private rental sector and includes some Build to Rent accommodation. We estimate coverage of around 50% of all new tenancies started across the UK each year. For the purposes of this report, we used data for new tenancies started during 2023.

Data sources:

- Rental data: Dataloft Rental Market Analytics
- House prices: Land Registry
- Incomes: Office for National Statistics (ONS). Household incomes are assumed to be 1.5 times individual earnings
- Mortgage Rates: Financial Conduct Authority (average rate for new lending on fixed terms)
- Population: Office for National Statistics

About PriceHubble

PriceHubble is a European B2B company that builds innovative digital solutions for the financial and real estate industries based on property valuations and market insights. Leveraging big data, cutting-edge analytics and great visualisation, our products suite brings a new level of transparency in the market, enabling their customers to make real estate and investment decisions based on the most accurate data-driven insights (such as valuations, market analyses, value forecasts or building simulations) and enhance the dialogue with end consumers. PriceHubble's digital solutions are designed to help all players across the entire real estate value chain (banks, asset managers, developers, property managers and real estate agents). PriceHubble is already active in 11 countries (Switzerland, France, Germany, Austria, Japan, Netherlands, Belgium, Czech Republic, Slovakia, the United Kingdom and the United States) and employs more than 200 people worldwide.

If you have any questions or would like further analysis,
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