



Priced out of local
communities:
**The hidden cost of
housing insecurity for
key workers**

Autumn 2025

BACKGROUND

Research highlights that nearly 50% of NHS staff in Hampshire and Isle of the Wight¹ are currently financially stretched by housing costs, with 41% considering leaving. Too many staff are struggling to pay the rent on a home for their family size, with many downsizing, moving to cheaper areas and/or returning to live with parents/family while others are trapped in poor quality, expensive private sector rentals.



In considering the scale of the challenge, modelling shows 12,446 affordable homes are needed across the Hampshire & Isle of Wight locality to support NHS key worker retention with discounts ranging from -20% to -64% depending on household type².

A comprehensive study funded by the Cabinet Office (through One Public Estate) and the Hampshire and Isle of Wight (HIOW) Integrated Care Board (including Portsmouth and Southampton) analysed 45,000 NHS contracts and 5,000 housing need surveys triangulating staff lived experience with local housing market data.

The study identified that:

- 18,000 (41%) of NHS staff are considering relocating due to housing pressures
- 22,000 (49%) are financially stretched, with 16% very stretched
- 12,900 (29%) are unable to sustain the market rent for a home for their family size
- c.400 staff are experiencing homelessness

Despite these issues many NHS staff are unable to access social housing – often not meeting the threshold tests of local connection and/or priority need or are often deemed adequately housed despite being financially overstretched. The pressure for some groups is particularly acute: single parents, single people, young people, couples with children and those new to the UK recruited from overseas.

¹ Research achieves 95% statistical confidence. Triangulating 45,000 staff contracts; 5,000 Housing Needs survey returns; overlaid by housing market analysis across six core market areas.

² **NOTE:** Statistical confidence in the research means we could extrapolate findings to other public services such as social care, police, fire, teaching etc to safeguard the resilience of wider public sector services and create critical mass around site specific opportunities.

IMPACT AND CHALLENGES

Despite a broader focus on housing by the Government, there remains no clear initiative that focuses on key workers who remain priced out of local housing markets at a time when surplus/dormant NHS and public land assets remain underused, failing to contribute to local growth and Government targets for social and affordable housing delivery.

Targeted Government support can overcome the following challenges:

- The novel nature of affordable housing solutions on NHS land requires ONS determination of the accounting treatment, but national benchmarking suggests this can only be considered at full business case
- Uncertainty over balance sheet treatment of land leases
- Ambiguity within Estates Code between social value (retention, productivity) vs. 'best price'
- Uncertainty that private investment on NHS land is exempt from Capital Development Expenditure Limits (CDEL) constraints
- Concerns over Public Dividend Capital calculations and financial liabilities of NHS land leased for staff housing
- Lack of local plan recognition for ring-fenced key worker housing
- Site viability gaps may require flexible Affordable Homes Programme (AHP) funding if the final rental price point is to remain affordable



With HIOW research complementing the development of a Ministerial White Paper by the NHS Homes Alliance³, we are pioneering new financial models that unlock existing land value of surplus and dormant land.

Key features:

- NHS/public land leased, not sold
- Investor bears all financial risk – no financial risk to NHS landowners as 'off balance sheet'
- CDEL compliant
- Properties ring-fenced for key workers on a cascading nominations basis to maximise occupancy via a nominations portal
- Supported by ICBs as regional convenors, simplifying delivery and governance

This model turns underperforming public assets into growth-driving housing infrastructure, using strategic land management of NHS assets to relieve the pressure on NHS workforce retention, increasing productivity and retaining public land in public ownership.

³ nshomesalliance.co.uk

POLICY REFORM

With clarity, we could unlock a pipeline of affordable homes ring-fenced for key workers complementing not competing with social and affordable housing supply, accelerating the impact of the public sector land taskforce⁴.

Contributing to the Government's house building targets for 1.5m homes by the end of this Parliament on public sector land that would ordinarily be sold to the open market to the highest bidder – central to the Government's ambition to drive 2.5% long-term trend growth.



WE URGE GOVERNMENT TO:

Clarify financial and accounting rules to enable NHS and public sector land to be used for affordable housing for key workers, not sold to the highest bidder.

Make housing a key enabler of workforce strategy, embedding it in NHS and public sector planning to boost stability and productivity.

Back innovative housing models within the Affordable Homes Programme to deliver a dedicated pipeline of key worker homes to support regional delivery of national housing targets.



FOR MORE INFO, PLEASE CONTACT US ON:

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Shared Ventures specialise in working as trusted system partners bringing together housing, health, social care, policy, fire, justice and other statutory, charity and voluntary agencies, around common yet complex system problems to find solutions that help the communities we serve to thrive.

⁴ www.gov.uk/government/news/public-land-unlocked-for-the-next-generation-of-home-owners