



## **CAMBRIDGE EMPLOYERS ARE TAKING ACTION TO HELP WITH THE COST OF CITY LIVING**

As the cost of housing in high growth cities across the globe soars, many employers are stepping in to help their employees with the cost of owning or renting a home.

In the United States tech giants Microsoft, Google and Facebook have allocated funding to increase the delivery of affordable housing around key employment sites for their businesses in Seattle and San Francisco<sup>1</sup>. In China Starbucks now offers its full-time workers subsidies to cover part of their rent<sup>2</sup>. As one of the most unaffordable cities in the UK to access quality affordable housing it is perhaps unsurprising that some of the largest employers in Cambridge are also stepping in to make the city a more attractive place to live and work. High housing costs can affect recruitment and retention as well as harm business productivity. Beyond that housing is core to individual quality of life; where we are able to live, the quality of our homes and the cost of housing as a share of our income, all have a strong bearing on our overall health and happiness.

As well as the clear and obvious need to provide affordable housing to support key workers in the traditional definition of the term, as an engine of job creation it is crucial that affordable housing can be found by engineers, scientists, construction workers, and all manner of other lower or middle-income roles fuelling the local economy. Many Cambridge Ahead Members are offering direct support to address this issue in a range of interesting ways.

Perhaps the most obvious support is direct investment in the supply of new homes to be made available to employees. Cambridge University's Eddington District to the North West of the city is the largest capital project in the University's history and comprises 3000 homes. Half of these homes have been reserved for University key workers, those who have been accepted as a priority with regard to their housing need and contribution to the functioning and success of the University and its colleges. The remaining half of homes are available for sale on the open market. Accommodation will also be provided for 2000 postgraduate students.

South of the city the Wellcome Genome Campus is home to some of the world's foremost institutes and organisations in genomics and computational biology. Proposals for the expansion of the Campus include provision of up to 1,500 homes, which would be focussed on supporting the people who work on the Campus. Occupation of the homes will be limited to households where at least one member of the household is a 'campus linked worker'. This will include a mixture of housing types and tenures; 33% rent, 33% sale and 33% a mix of sale and rent including some at discounted rates subject to demand. These homes will help to support the life sciences and healthcare sector, which has been the fastest growing employment sector in the Cambridge economy in recent years, growing at an average rate of 9.9% per year in the three years to March 2020<sup>3</sup>.

Whilst some large employers are investing directly in the supply of new homes, others support employees to access existing homes by assisting with the upfront costs of rental accommodation or purchasing a new home. One example is through the provision of access to low or interest free loans to help toward the costs of deposits, either to rent or to purchase. In the case of The Crown Estate their interest free 'Rental Deposit Scheme' can be used to cover the upfront costs of entering a

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<sup>1</sup> The Centre for Social Justice, [Housing That Works: Can employers help to solve the housing crisis](#) (July 2019)

<sup>2</sup> Starbucks, [Starbucks China Announces New Partner Benefits Program](#) (November 2019)

<sup>3</sup> University of Cambridge, Cambridge Business, [Cambridge Cluster Insights](#) (2020)



privately rented tenancy where new tenants are usually required to pay a month's rent in advance in addition to the rental deposit. In other instances, support is provided to access to free legal advice, cover the costs of legal fees or to pay moving costs.

Many Cambridge workers find themselves priced out of the city. There is a significant housing "affordability gap" of households earning £25,000 - £45,000 who are more likely to pay well in excess of 30% of their income on housing in our region. Recent research commissioned by Cambridge Ahead demonstrated, as an illustration, that almost half of all households living in the Cambridge travel to work area have an income below £45,000<sup>4</sup>. This has a negative impact on the individual and it is damaging for the region's future economic success. Cambridge employers are helping to deliver new homes and supporting their staff with the mounting cost of housing. They are keen to work alongside Local Authorities to find ways to incorporate more types of affordable housing in future developments.

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<sup>4</sup> RAND Europe, [Estimating the housing affordability gap in the Cambridge travel to work area](#) (December 2020)