CHANCELLOR MUST LOWER HOME OWNERSHIP BARRIERS AS HOUSING COSTS HIT RECRUITMENT AT 77% OF LARGE LONDON FIRMS

Tuesday 15 September, 2026

A survey of over 500 business leaders from the London Chamber of Commerce and Industry (LCCI) has highlighted the striking impacts of housing costs on the UK's ability to recruit and retain talent, with the price of home ownership in the capital impacting firms' hiring plans and risking the Chancellor's UK-wide growth vision.

In LCCI's Business and Youth Employment Surveys with YouGov, **77% of large London firms (those with 250+ employees) say that housing costs are damaging recruitment and retention.** These findings come alongside a pessimistic outlook for young Londoners, **with less than half (45%) of 24–35-year-olds in the capital expecting to be able to afford a suitable property in the next decade.** Such low affordability means that **while 82% of young Londoners say career opportunities are better in the capital, only 60% see their long-term future in London**

Many young professionals are instead seeking work opportunities abroad. According to ONS data, three-quarters of the 246,000 British nationals that left the UK in 2025 were under the age of 25, with the number of departing 25-34-year-olds growing steadily each year.[1]

This growing gap between Britons leaving and returning is depriving the country of valuable taxpayers who fund public services across the country, with London and the South East paying 45% of the UK's income tax bill.[2]

Businesses are responding with urgent calls to lower barriers to home ownership and offer breathing space for young people trying to get on the housing ladder. LCCI has voiced these concerns in its Budget submission to the Chancellor, calling for a raft of innovative and low-cost policy measures:

- **Enable banks and building societies to offer a 'London Mortgage'** allowing middle and higher-earning renters with strong credit scores to borrow up to 6x their income rather than the traditional 5x, helping them to break into the London housing market and more accurately reflecting today's property prices.
- **Require lenders and credit agencies to recognise rental payment history in mortgage applications**, ensuring that a strong track record of paying rent on time helps young people to leave the rental market and buy their first home.
- **Give first-time buyers the flexibility to divert tax-free pension contributions towards a deposit**, allowing young workers aged 18-28 to divert employee and employer pension contributions into a savings scheme for their first home, at no extra cost to employers.
- **Establish 'London Prosperity Zones', with targeted incentives to unlock housebuilding and redevelopment in areas where there are clear public and economic benefits**, but the cost of land makes development economically unviable. Increased business rates and council tax receipts from regenerated areas would fund the cost of targeted intervention many times over once complete.
- **Going further on the previous administration's reforms to unlock the 'grey belt'** – land with low ecological value incorrectly classified as green belt.

Karim Fatehi OBE, Chief Executive of the London Chamber of Commerce and Industry said:"Skills, access to home ownership and ensuring firms can grow must all be seen as closely linked issues if we are to achieve UK-wide growth, and these findings are a clear testament to that. Talented young people from across the globe have long aspired to live and work in London, but the challenge of owning a home here is increasingly threatening that attraction and harming businesses' ability to recruit. With international rivals snapping at the capital's heels, hypermobile young professionals are at serious risk of departing overseas, taking skills and the tax they pay with them.

"Further planning reforms to reduce the cost and bureaucracy of the planning system are positive steps, but we need to be bolder if we want young people to have the same opportunity as previous generations to buy a home of their own. We know London has a significant group of young workers who earn good salaries and have rented privately for many years, but cannot save anywhere near the average £140,000 deposit required to buy a house in the capital. The solution is a combination of getting London building by making development viable again, and reforming the mortgage system to reflect the property market as it exists today, not as it did forty years ago. "If London cannot be a city where high-quality talent can build a

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career and eventually buy a home or start a family, we will lose out to other cities and countries around the world, making the Government's own UK-wide growth mission harder to achieve."

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Notes for editors

About the London Chamber of Commerce and Industry (LCCI)

LCCI is London's hub for the business community with a 12,000 strong business network of SMEs and microbusinesses, major corporations and cultural and educational institutions. Founded in 1881 to represent London businesses and promote international trade, we support our members to drive growth and prosperity across the UK and internationally.LCCI's full Budget 2026 Submission can be found here.

About the LCCI Business and Youth Employment Surveys

- LCCI commissioned two YouGov surveys to provide insight into the experiences and views of young people and employers in the UK.
- The Youth Employment Survey surveyed 1,039 UK adults aged 24– 35, with fieldwork conducted online between 12 and 25 August 2026, after the change in Prime Minister. The figures have been weighted and are representative of UK 24–35-year-olds.
- The Business Survey surveyed 509 employers in the UK, with fieldwork also conducted online between 12 and 25 August 2026. The figures have been weighted and are representative of employers in the UK.
- Both surveys were conducted online among members of the YouGov Plc UK panel, which comprises more than 2.5 million individuals who have agreed to take part in surveys. Panellists are selected at random from the relevant base sample and invited to participate by email. Responding samples are weighted to the profile of the relevant sample definition to provide representative reporting samples, with profiles normally derived from census data or, where census data is unavailable, industry accepted data.
- YouGov is an international online research data and analytics technology group. Its panel comprises millions of registered members across 64 markets, generating millions of interconnected data points. Combined with its technology platforms, this enables the delivery of real-world insights across a range of economic, social and business issues.

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[1] The latest ONS data shows that 246,000 British nationals left the UK in YE Dec 2025, double the number that returned, with three quarters of those leaving being under the age of 35. Source.[2] London and the South East contributed 45% of the UK's total income tax bill of £240.7 billion in 2022/23, according to analysis of HMRC figures by accountancy firm UHY Hacker Young in Feb 2026. Source. #??

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