

# Remote Work Was Supposed to Solve This: Why Housing Affordability Is Still a Retention Problem



## **The Promise That Reshaped Workforce Strategy**

When remote work moved from exception to norm, it was not just a shift in where work happened. It was widely viewed as a structural reset of the relationship between employment and geography. For HR leaders, this appeared to unlock a long-standing constraint. If employees were no longer tethered to high-cost urban centres, then one of the most persistent drivers of turnover and dissatisfaction could finally be neutralized.

The logic was compelling and, at least initially, supported by real behaviour. Employees relocated to smaller cities, rural communities, and previously overlooked regions. Early engagement scores improved. Exit rates stabilized in certain segments. Organizations began to reimagine workforce distribution, assuming that flexibility would naturally resolve cost-of-living pressures over time.

But what seemed like a solution has revealed itself to be, at best, a partial and temporary release valve.

The underlying economic forces that shape housing affordability have not been removed. They have adapted, redistributed, and in some cases intensified in new ways. As a result, the assumption that remote work would permanently decouple employment from housing pressure has not held.

## **Why Geography Still Matters More Than Expected**

One of the more subtle but important realities of the post-remote work environment is that geography has not lost its relevance. It has simply become less visible in how it influences decision-making.

Employees have not dispersed evenly across the country. Instead, many have remained within extended orbit of major urban centres. Even when they are not commuting daily, they continue to anchor themselves within regions that offer access to professional networks, career opportunities, education, and social infrastructure.

This creates what can be described as geographic gravity. The pull of major economic

hubs remains strong, even when physical presence is no longer required in the same way. For employees, this is often a rational decision. Proximity still matters for career progression, visibility, and optionality, even if it is not formally mandated.

For HR, this means that the expected redistribution of the workforce has been uneven. The pressure on housing has not dissipated. It has simply expanded outward, pushing demand into surrounding regions rather than eliminating it altogether.

## **The Spillover Effect Into Secondary Markets**

As employees sought affordability outside of traditional urban cores, smaller cities and secondary markets experienced a surge in demand. In many parts of Canada, this has led to rapid increases in housing costs in areas that were previously considered stable or accessible.

Communities in British Columbia's interior, parts of Atlantic Canada, and mid-sized Ontario cities have all seen significant upward pressure on prices. In some cases, local wage growth has not kept pace with these increases, creating new affordability challenges for both incoming and existing residents.

This dynamic has two important implications for HR leaders.

First, it reduces the effectiveness of relocation as a long-term solution. Employees who moved to improve affordability may find themselves facing similar pressures within a relatively short period of time. The financial relief is often temporary, not structural.

Second, it broadens the scope of the issue. Housing affordability is no longer concentrated in a handful of major cities. It is becoming a more widespread constraint that affects workforce stability across multiple regions.

This makes it more difficult to manage through localized strategies alone.

## **The Structural Limits of Remote Work**

While remote work has expanded flexibility, it has not done so uniformly across all roles. A significant portion of the workforce remains tied to physical locations due to the nature of their work. This includes roles in operations, healthcare, manufacturing, retail, and many service-based industries.

This creates a structural asymmetry within organizations. Some employees have the ability to respond to housing pressure by relocating or adjusting their living arrangements. Others do not. They must remain within commuting distance of their workplace, regardless of cost.

Over time, this can create divergent employee experiences within the same organization. Those with flexibility may be able to manage affordability more effectively, while those without it face increasing financial strain. This can influence not only retention but also perceptions of fairness and organizational support.

For HR leaders, this raises important questions about how policies are designed and communicated. Flexibility, while valuable, is not a universal solution. It must be considered alongside the constraints faced by different segments of the workforce.

## **The Subtle Persistence of Retention Risk**

Even in organizations that have embraced remote or hybrid models, housing

affordability continues to influence employee decisions in ways that are not always immediately visible.

Employees rarely frame their decisions in purely financial terms. Instead, housing pressure manifests through a range of secondary effects. Increased stress, reduced discretionary income, longer travel times when occasional in-office presence is required, and limited ability to plan for the future all contribute to a gradual erosion of stability.

This erosion does not typically result in immediate turnover. It builds over time, shaping how employees evaluate opportunities, assess risk, and ultimately decide whether to stay or leave.

From an HR perspective, this creates a challenge. The signals are diffuse and often indirect. Exit interviews may reference lifestyle changes, career growth, or personal circumstances, without explicitly identifying housing affordability as the underlying driver.

Yet when viewed collectively, these patterns often point to a common source.

## **Rethinking Workforce Strategy Beyond Flexibility**

If remote work is not a complete solution, then the question becomes how HR leaders should respond.

The first step is to recognize that flexibility must be integrated into a broader workforce strategy rather than treated as a standalone fix. This includes re-examining how compensation is structured, particularly in relation to geographic differences in cost of living. It also requires a more deliberate approach to workforce distribution, ensuring that roles are aligned with regions where employees can realistically sustain long-term employment.

Career progression models may also need to evolve. If proximity to urban centres continues to influence advancement, organizations must consider how to create equitable opportunities for employees who are geographically dispersed.

Perhaps most importantly, HR must develop a more nuanced understanding of how external economic factors intersect with internal workforce dynamics. This requires ongoing monitoring of housing trends, employee location data, and retention patterns, as well as a willingness to adjust strategy as conditions change.

## **A More Complex Reality Than Anticipated**

Remote work has undeniably expanded the possibilities for how organizations operate. It has introduced flexibility, broadened talent pools, and challenged traditional assumptions about where work must take place.

However, it has not eliminated the structural pressures that shape workforce behaviour. Housing affordability remains a central factor in whether employees can sustain their roles over time, even in a more flexible environment.

For HR leaders, the opportunity lies in moving beyond simplified narratives and engaging with the complexity of the current landscape. This means acknowledging both the benefits and the limitations of remote work, and building strategies that reflect the realities employees are navigating.

The organizations that do this well will not only retain talent more effectively. They will also be better positioned to adapt as those realities continue to evolve.