



Three Ways to Keep Relocation Low-Stress in a Tough Real Estate Market

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It's no secret that it's hard to sell a home in many areas of the country. Stringent loan requirements, high foreclosure rates, short sales and dropping prices make it hard for sellers to achieve an optimum sales price.

Homeowners frequently decide to stay put rather than take a loss on the sale of their home. But employees who receive an offer for relocation are faced with more difficult choices: stay and forfeit their job, rent out their home and become an absentee landlord or sell their home in a buyer's market?

Of course, companies don't want to lose top talent. What's the solution? There are answers – if HR departments and those involved in relocation policies accept that the real estate market has changed the realities – and often, the policies – of relocating companies in areas like the Midwest and beyond.

Pre-marketing Bonus Programs

A company always has the option of buying an employee's home and then selling it through a real estate firm. This is a costly and risky option in today's market though. A good relocation policy will provide employees with every advantage and tool to sell their home, but will still place the responsibility of a quick sale on the employee.

It's important to recognize, when striving for low-stress relocation, that every employee and every situation is different. That's why CapRelo has a variety of home sale programs we tailor to our clients' specific needs and corporate culture.

For many employees, pre-marketing bonus programs are incentive enough to get their house looking good and on the market quickly. Bonuses for a quick sale level the playing field, encouraging sellers to take less for the home because the bonus makes up the difference.

Ideally, the home will sell before the employee has to move; in the event it doesn't, a full-service relocation company can help with preparations like staging and showing the home from afar in order to optimize the appeal of the home – both for a quick sale and a higher selling price. Even so, the emphasis should be on a quick sale rather than getting a specific sales price.

CapRelo has a Realtor® network we turn to for the quick sale of homes in a variety of areas nationwide. Our goal is to make it easy for the employee to get that bonus, resulting in a happier employee and a low-stress move.



Temporary Housing Solutions

Sometimes, it's necessary to have an employee on-site at the new location prior to the sale of their home. With support from CapRelo's network of real estate firms this doesn't have to present a challenge. It also doesn't have to cost the relocating company a lot of money.

Our deep experience in the relocation industry and our connections in the temporary housing market make it easy for us to find employees the right temporary housing at the right price. We make decisions regarding temporary housing easy for employees by streamlining their choices. Consolidating temporary housing options allows us to offer volume discounts. The lower costs of this high-quality temporary housing actually help pay for the quick-sale bonus.

If you've always viewed temporary housing as an expensive, less-than-desirable solution for relocating employees, it doesn't have to be that way with the right relocation service provider handling the details.

Loss-on-Sale Programs

Loss-on-sale programs are, perhaps, the most common solution companies consider when faced with the challenge of helping employees sell their homes in this market. The concept is simple: If your employee would have to take a loss on the sale of his home, the company would cover that loss, or a portion thereof.

Obviously, this can be costly, especially if combined with a pre-marketing bonus. The key is to make sure the employee doesn't "undersell" the house without maximizing its value first. Setting standards for loss-on-sale reimbursements can help make sure employees do their best to receive fair market value for their home.

In other words, if an employee works with a specific choice of real estate firms and staging companies, and follows certain measures designed to encourage a sale at the asking price, loss-on-sale compensation may be lower.

Loss-on-sale programs are not a one-size-fits-all solution for relocating companies. It's important to do a thorough analysis – part of CapRelo's Low-Stress Relocation six-step process – to make sure it really benefits the company. Some factors to consider include:

- **The actual number of declined moves due to the expense of a real estate loss**
- **The quality/cost of talent declining to move (i.e., the cost of retaining the employee versus the cost of hiring and training a new employee)**
- **The retention rate of relocated employees following a loss-on-sale program**



As part of CapRelo's Low-Stress Relocation Process™ (LSRP™), we evaluate these factors to set up a customized loss-on-sale program not just for your company, but for individual employees.

We set benchmarks for performance and then, in the Refinement stage of the LSRP™, we make changes to improve the program, increase employee satisfaction and reduce costs for the relocating company.

How a Relocation Service Company Can Help

Even when you know the steps to take in order to help employees' homes sell faster in today's market, it can be a daunting task for an HR department to take on alone. A relocation service company has the knowledge and industry connections to get the best prices and best service for home staging services, real estate firms, and temporary housing. We have a large stable of supply chain partners in your area, and we don't form exclusive relationships with any relocation service provider, in order to provide the best fit and best value for our clients.

The LSRP™ looks at all aspects of a move – including the sticky situation of employee housing and home sales.

The process includes benchmarks so you know what to expect from a relocation in terms of cost, employee satisfaction and employee retention. After implementing procedures tailored to your company needs, we evaluate the results and then refine the process for even greater success and lower costs for you. If employee home sales have been a major stumbling block in your company's relocation policies, CapRelo can help.

CapRelo provides relocation management services to many well-known Fortune 1000 companies. We guide companies just like yours through relocation policy decisions so they remain competitive and attract talent while trimming overall relocation expenses.

Please visit our website www.caprelo.com for more information or call 703.996.1286 for immediate assistance.