

Managed Relocation Benefit

Relocation Policies & Rental Assistance

This whitepaper highlights the importance of incorporating rental assistance into your relocation policy for domestic and international assignments. It outlines best practices, details the benefits for employers and employees, and explains how partnering with an experienced Relocation Management Company can transform the relocation journey into a seamless, high-value experience for all parties



Executive Summary

Relocation Assistance is a key component of a relocation policy for both domestic and international assignments. When relocating an employee domestically, it is essential to understand that not all employees will choose to purchase a home in the new location.

Renters are increasingly involved in the relocation process, and many homeowners are becoming renters based on financial and real estate market conditions. When relocating to a new city or state, an employee may want to rent initially and then purchase a home once they become acclimated to the area.

Additionally, when engaging a Relocation Management Company (RMC), it is important to know which services are provided by RMC and which services are provided by a rental/real estate agent (Domestic) and Destination Service Provider (DSP, International). Both play distinct but complementary roles in assisting your relocating employee, ensuring a seamless transition to a new location.



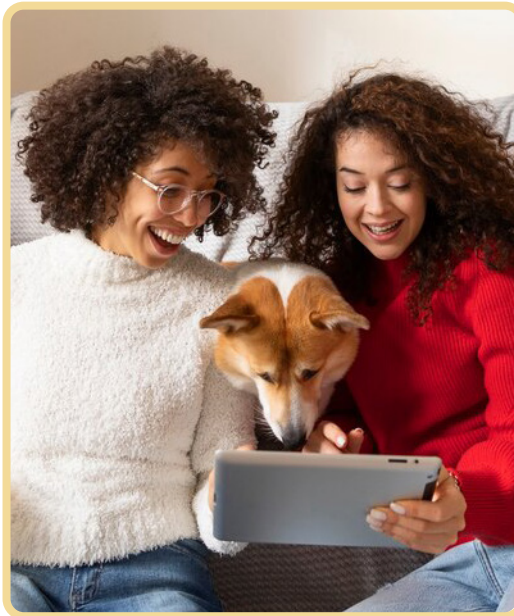
Whitepaper includes:

- Best practices including understanding employee needs, policy guidelines and Incent-to-Rent
- Benefits of Rental Assistance for both the Employer and the Employee
- How partnering with an RMC will provide guidance, coordination and can enhance the overall relocation experience

Best Practices

Understand Your Employees' Needs and Preferences:

- Every situation is unique. Is the employee single, married, or have a family or a pet?
- The answer to this question will begin to determine what type of housing arrangements are needed
- Conduct an initial assessment to determine budget, preferred location, proximity to the work location, and any other factors that may influence their decision
- If working with an RMC, they will conduct a thorough needs assessment during their initial consultation with the employee



Set Clear Policies and Guidelines:

- Make sure your relocation policy outlines what is covered and what is not. It should include details on the types of services available to them, such as consultation with a rental agent or DSP consultant, virtual or in-person property tours, how many days of assistance, etc.
- Provide details on any temporary housing benefit that may be provided while waiting for a property to become available
- Offer clear communication to ensure transparency and reduce the possibility of exceptions or dissatisfied employees

Incent-to-Rent:

- While not a common benefit, an “incent-to-rent” program offers you the ability to save significantly on future relocations
- The “incent-to-rent” benefit gives current homeowners a bonus if they decide to rent in the new location instead of purchase
- This is commonly offered to employees who relocate frequently and allows the company to avoid paying closing costs on the new home purchase and any future home sale costs

Hire an RMC:

- Establishing a relationship with an RMC provides the employee with a resource who will provide personalized support as they search for housing in their new location. These services can include everything from identifying rental properties and arranging property tours to negotiating terms and managing the return of security deposits
- This takes the burden off the employee, ensuring a smooth transition to their new home and becoming productive in their new role sooner

Additional best practices include:

- Placing caps on rental assistance ensures your company is containing costs. If an employee exceeds the cap, decide whether to provide an exception benefit on an individual basis
- Encourage employees to negotiate with landlords to insert a diplomatic clause into the lease that reduces lease break fees

Benefits of Rental Assistance



For the Employer

Incorporating a rental assistance benefit into the company's policy can offer strategic advantages and contributes to improved employee loyalty and satisfaction by alleviating one of their most significant financial burdens



Attracting and Retaining Top Talent

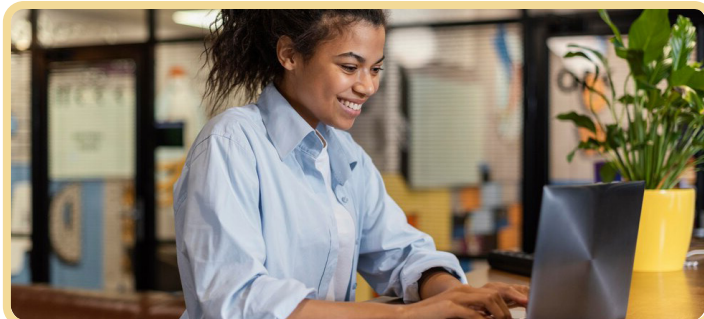
Offering rental assistance is an attractive benefit to prospective employees, particularly those relocating from different cities, regions, or countries. By providing this support, the employer demonstrates a commitment to the employee's well-being and makes the transition easier, which helps attract top-tier talent. It can also help retain employees by easing their transition into a new role, making them more likely to remain with the company long term.

Reducing Stress and Ensuring a Smooth Transition

Relocating employees may face challenges in finding suitable housing that meets their needs. Offering rental assistance helps reduce the stress of this process and enables the employee to settle into their new location more quickly. This means employees can focus on their work rather than worrying about housing, leading to increased productivity and a smoother transition into the new role.

Faster Integration and Increased Productivity

Employees who secure housing early in the relocation process can focus on their job responsibilities without the distraction of housing-related concerns. A well-executed relocation process ensures the employee is settled and can start contributing effectively in their new role much faster.



For the Employee

Moving to a new city or country can be stressful, costly, and complicated. A comprehensive rental assistance benefit can help ease relocation stress and ensures the employee feels supported throughout the process



Smooth transition to new housing

Securing housing is often one of the biggest challenges in a relocation. Relocation assistance often includes help finding housing, whether it is by providing rental assistance, offering temporary accommodations, or helping with house-hunting services. This ensures employees do not face the stress of searching for a home in an unfamiliar city or country, especially when rental properties are in high demand. Knowing that housing support is available allows employees to focus on other aspects of their move, such as setting into their new job and community.

Reduced stress

Relocating is inherently stressful, and housing is one of the most stressful aspects of the move. Receiving rental assistance helps to ease the stress, allowing employees to feel more comfortable in their new environment. This sense of security can lead to a smoother transition, both personally and professionally.

Improved Satisfaction and Loyalty

Providing rental assistance as part of the relocation package shows that the company values the employees' well-being and wants to make their transition as smooth as possible. This support can increase employee satisfaction, demonstrating that the company cares about their long-term success. As a result, employees are likely to feel more appreciated and loyal to the company.

Help With Lease Agreements

Leases can be confusing, especially when moving to a new city or country. With Rental Assistance, employees benefit from support with lease negotiations, ensuring they understand the lease agreement's terms. Additionally, they can also receive legal support to help with local laws, especially when relocating internationally. This assistance helps to ensure that employees understand their obligations and rights as tenants.

Dilapidation

What is Dilapidation?

On a rental property, “dilapidation” refers to the damage a tenant leaves a property in at the end of a lease, meaning that they are responsible for any damages beyond normal wear and tear and must return the property to its move-in condition as outlined in the lease agreement. This usually includes repairs, decoration, or restoring any alterations made to the property during their tenancy. Landlords often issue a “Schedule of Dilapidations” detailing the necessary repairs and their associated costs to the tenant at the end of the lease. Dilapidation is typically more of an issue with international assignments since they are for a set duration.

4 key points about dilapidation in rental properties:

1) Tenant Responsibility

The tenant is usually responsible for maintaining the property in good condition and fixing any damage caused during their tenancy, which is considered “dilapidation”

2) Lease Agreement

The lease agreement outlines the specific details of what constitutes “dilapidation,” including what repairs the tenant is expected to cover

3) Schedule of Dilapidations

When a lease ends, the landlord may issue a “Schedule of Dilapidations,” which lists all the repairs needed to restore the property to its original condition and estimates the costs

4) Normal wear and tear

Generally, the tenant is not responsible for everyday wear and tear that occurs over time, but significant damage beyond that



How to avoid Dilapidation?

Your employees can reduce the risk of dilapidation by minimizing the wear and tear of the property, saving them money in costly repairs at the end of the lease.

Prevent dilapidation charges at the end of the lease by:

Having a Well-Written Lease

- Clearly outline the tenant's maintenance responsibilities
- Specify what constitutes fair wear and tear versus tenant damage
- Include clauses about regular upkeep, reporting issues promptly, and end of tenancy expectations

Conduct Regular Inspections

- Document the property's condition with photos before, during, and after the lease period
- Address any concerns with the landlord immediately before they escalate into costly repairs
- If working with an RMC, include in your scope of work that the RMC contact the assignee 90 days before the lease is set to expire and have them work with the employee to make sure any potential dilapidations are resolved before vacating the property

Working with an RMC

A Relocation Management Company (RMC) can play a significant role in assisting your employees with finding a home, lease negotiations, and ensuring they receive their deposit back when the lease term ends.

Employee Counseling

- RMC counselors contact your employee and conduct a needs assessment to determine desired location, price range, relocation schedule, and other requirements
- To provide on-location services, RMCs have a vetted supplier network that they work with who have local, on the ground staff, who will work with your employees in conjunction with the RMC counselor throughout the process. The RMC will provide the employee with a selection of available supplier partners to choose from
- The chosen supplier partner(s) (Rental Agent/Destination Service Provider - DSP) provide on the ground service

Property Viewing and Selection

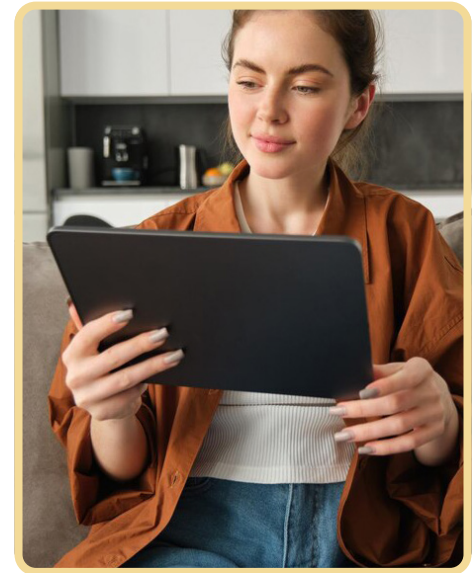
- Property Tours: Rental agents/DSPs schedule and conduct in-person or virtual property tours, showing the employee available properties that match their preferences
- Expert Local Knowledge: A rental agent/DSP typically has deep knowledge of local rental markets, helping the employee understand rental rates, neighborhoods, and trends

Lease Agreement Assistance

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Move-In Coordination

- Lease Review and Explanation: The rental agent/DSP helps the employee review and understand the terms of the lease, including clauses related to rent, deposits, pet policies, maintenance responsibilities, and termination conditions
- Negotiation with Landlords: The rental agent/DSP may assist in negotiating lease terms on behalf of the employee, ensuring terms are fair and that the employee's needs are met (e.g., negotiating rent reductions, lease durations, or including furnishings)



Move Out Coordination

- Ensuring the Return of the Deposit: As the lease term nears its end, the RMC can assist in coordinating move-out inspection with the landlord or property manager. This ensures the employee knows what to expect and resolve any issues in advance, such as dilapidation. The RMC can advocate for the employee if expectations seem unreasonable or if disputes arise
- Negotiating Deposit Deductions: In the event that the landlord proposes deductions from the security deposit (for damages, cleaning fees, etc.), the RMC can step in to mediate. They help the employee understand whether the proposed deductions are fair and help negotiate with the landlord to minimize any charges. If necessary, the RMC can also help ensure that the deposit is returned in full or that any discrepancies are resolved fairly
- Final Walkthrough: RMCs can facilitate the final walkthrough to ensure that the condition is documented. They can help the employee organize photos as evidence of the property's condition upon departure, in case of a dispute
- Dispute Resolution: If a dispute arises over the return of the deposit or any deductions made by the landlord, the RMC can guide the employee through the dispute resolution process. This may involve communicating with the landlord, providing evidence, or understand their legal rights related to rental deposits



Collaboration Between the RMC and Rental Agent/DSP

- Seamless Coordination: The RMC works closely with the rental agent to ensure the employee's housing needs are met. The RMC might coordinate the search process and make initial recommendations, while the rental agent executes the logistics of property viewings, lease negotiations, and the finalizing of the rental agreement
- Custom Solutions: RMCs can adjust the level of support based on needs, including offering more extensive services for employees with families or those moving internationally, while rental agents focus on the transactional and logistical side

Summary



Incorporating a comprehensive rental assistance program into relocation policies is essential for supporting your employees through the relocation process.

By addressing the challenges of securing suitable housing, managing lease agreements, and facilitating a smooth move, organizations can enhance the overall employee experience.

A well-executed program not only reduces employee stress, but also strengthens talent retention and productivity, reinforcing the company's commitment to employee well-being.

As workforce mobility evolves, including a comprehensive rental assistance benefit in your policy will remain a key factor in ensuring successful relocations and assignments.





Established in 1994, WHR Global (WHR) is a private, family owned, full-service international relocation management company.

We partner with human resources, travel divisions, and global mobility departments at a wide variety of organizations from Fortune 100 corporations to the US Government.

We are dedicated to Advancing Lives Forward® by providing white-glove service for employers and their global workforces. With a proprietary technology suite, WHR strives to offer cost-effective relocation benefits without compromising empathy, ethics, or service.



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Coordinates all relocations
into the Americas

Basel, Switzerland

EMEA Office
Coordinates all relocations
into Europe, the Middle East,
& Africa

Singapore

APAC Office
Coordinates all relocations
into Asia Pacific