

WHR Global Case Study: Temporary Housing Solution in Zürich, Switzerland



OBJECTIVE

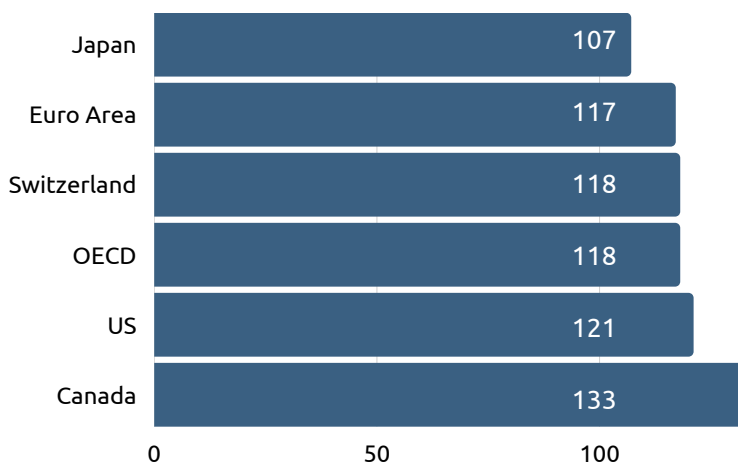
Find Temporary Furnished Housing for Clients' Employees in Zürich's Tight Housing Market.

CHALLENGE

Due to an extremely competitive & stretched Zürich (Switzerland) housing market, WHR Global (WHR) was having difficulties finding short-term housing for its clients' employees. Two multi-national WHR clients – a 44-billion-dollar pharmaceutical company & an 86-billion-dollar food manufacturing company – provide temporary housing benefits (30–90-day stays) to their relocating employees while looking for permanent or long-term housing.

Since both clients' offices are 30 minutes outside the Zürich city center – a 45-minute tram ride – it was challenging finding short-term, 2+ bedroom, pet-friendly units for employees close to their offices. The standard short-term housing vacancy rate in Zürich is approximately 0.8%, but the 2021-2022 vacancy rate is at an extremely competitive 0.15%.

Ratio of Housing Prices to Income Since 2015



“The global competition for short-term and permanent housing has been unprecedented. It has thrown assignees into disarray, and if they are slow to act during a home search, the issues can compound.

Employees can't register with local authorities, shipments can't clear customs, and expensive temporary housing is extended again at a great cost to our clients.”

Chris Lagerman
Head of Global Sales

According to 2021 data from the Organisation for Economic Co-operation and Development (OECD), the ratio of housing price to income has risen 18% in Switzerland since 2015. This ratio can be seen as a measure of affordability, with the base year 2015 (100).

OECD (2022), Housing prices (indicator).

SOLUTION

WHR proactively partnered with a regional destination services provider and formulated a plan. The partner procured long-term, unfurnished housing and converted each unit to furnished temporary housing. Then, WHR brokered an agreement with its two clients to share costs and reduce overall risk. Each client would have the right of first refusal to a dedicated number of temporary housing units, and if the units were not reserved in time, they would be available to lease on the open market.

When combining both clients, approximately 50 employees needed temporary housing annually in Zürich. WHR's provider partner procured a mass quantity of unfurnished units up front. As part of a comprehensive service offering, the partner also offered to provide furnishings, property management, local residency registration, unit cleaning, lease coordination, cable TV and internet registration, liability insurance coverage, and parking.

BENEFITS

#1 Lower Assignee Stress & Higher Productivity

The dedicated pool of apartments brings shorter commutes, nicer accommodations, and guaranteed housing at an impactful moment during the employee's relocation. Guaranteed temporary accommodations allow the employee to focus more energy on their home search, shipment, local registration, and new role in the organization. This also translates into higher employee engagement and more productive employees.

#2 Improved Recruitment & Retention

The war for talent is fierce and companies are struggling to fill open positions, particularly for highly-specialized positions with limited talent pools. Additionally, retaining good talent has become a great challenge for organizations as worker demand outweighs supply. Making an employee's life simpler by letting someone else handle all the details, plus providing employees with attractive accommodations in a desirable location is improving recruitment and retention initiatives for clients.

#3 Clients' Cost Savings

According to market research on Zürich temporary housing, 2 and 3-bedroom furnished apartments commonly range from 5,000 to 7,250 CHF (approximately \$5,150 to \$7,470 USD). With a dedicated pool of apartments, WHR expects its clients to save up to 26% per apartment booking. When extrapolated to 50 relocating employees, in total WHR expects to save its clients approximately 108,000 CHF annually (equivalent to \$111,000 USD). In addition, the dedicated apartments and the right of first refusal ensure that WHR's clients have guaranteed corporate housing from a trusted source, instead of employees sourcing options on Airbnb or another financially risky website.



According to global organizational consulting firm Korn Ferry, by 2030, "more than 85 million jobs could go unfilled because there aren't enough skilled people to take them."

More to come in Q1 2024 as we examine and release more cost-saving data.

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