

## **Employee Relocation and Today's Financial Landscape**

The current economic realities of the American and global economies has had a definite effect on employee relocation. For cost management purposes, both the employer and the employee have been forced to reevaluate the pros and cons of relocating.

A major factor for the employee has been the downturn in the housing market. Whereas most employees could previously expect to make a profit on the sale of their homes, many who are relocated today must sell their homes at a loss. Indeed, many employees turn down relocation opportunities because the potential asking price for their homes would not be sufficient to pay off existing mortgages.

Family concerns are another major factor for employees. Expecting a spouse to put a career on hold is arduous at the best of times; in the wake of the financial collapse, it is even more so.

For employers, it means a much greater risk that the employee who is their first choice for the job will turn down the position. Not only do companies have to settle for their second or third choice (or worse), they must also invest time, energy, and resources into pursuing each one.

A couple strategies in particular have helped employers adjust to employee relocations in the new economy.

First, companies can enlist (or advise employees to recruit) the services of real estate agents familiar with the demands of employee relocation. Using the real estate services of someone trained and experienced in the art of relocation—is a good way to accomplish this.

Employers can also take steps to assist employees in selling their existing homes as quickly as possible, for the best possible price. For instance, employers can invest an allowance toward attending to repairs and upgrades to the home in preparation for selling it. Fixing leaky faucets and applying a fresh coat of paint can work wonders. Particularly in a slow economy when homebuyers can be selective in purchasing homes that require the least amount of work, having a home in tiptop shape makes it all the more attractive to buyers.

In determining the asking price for the home, a Broker Market Analysis can guide sellers in setting an appropriate price. These are based chiefly upon other recent sales in the area, current listing prices, and the length of time listings remain on the market.

As the financial recovery stretches on, corporations—both domestic and international—are becoming more intentional and strategic regarding the relocation of employees. Not wanting to relocate an employee unless absolutely necessary, companies are first making sure that the position cannot be filled locally. Cost certainty on behalf of the corporation and the employee is a much greater concern now than it was before the economic collapse.

The employee relocation market remains slow compared to where it was a decade ago. As the economy recovers, though, it will likely rebound. Until then, employers, employees, moving

companies, and real estate agents must work together to successfully relocate employees while minimizing the fallout.