

## Renters, subsidies more common

BY MELANY NITZSCHE

Employees relocating to new cities are more likely to be renters than buyers these days. That's just one of the shifts corporate relocation specialists are seeing. The issues surrounding shelter have prompted other changes, especially from the employers' side and the benefits they offer.

Courtney Middleton said she might have seen one or two would-be buyers change to renters per year in her 13 years as director of relocation services at Coldwell Banker Gundaker. Now, the company had 19 in 2010 and 14 already this year. She also noted employers are starting to pick up the tab for tours of rental possibilities.

Patricia Schuettenberg, Monsanto relocation manager, said Monsanto has seen an increase of about 14 percent of relocating employees deciding to rent versus purchasing a new home. Monsanto provides employees with rental services through local real estate agencies.

Relocating employees who are housing-distressed are also seeking to rent their house in their old city to help with expenses. "Providing a rental subsidy program in lieu of homeowner benefits is a big change we're seeing," in what companies offer, said Sandy McKinney, vice president of business development for Altair Global Relocation.

In May, CoreLogic, a Santa Ana, Calif.-based business data company, reported that 23.7 percent of homeowners were upside-down, or underwater, on their mortgages, meaning they owed more on their mortgages than their homes were worth.

An upside-down mortgage can be especially precarious for a relocating employee who needs to sell but does not have the cash

to make up for the deficit in equity. Middleton said, "We are seeing transferees in a short sale situation being offered direct reimbursement of expenses instead of the traditional benefits of a home buyout program."

This isn't a feasible scenario for all companies. "Some companies that don't have money for a more robust package are offering a lump sum payment and letting families deal with housing issues on their own," said Lauren Herring, president and CEO of career management firm Impact Group.

Because of the costs involved in a reloca-

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Courtney Middleton | Coldwell Banker Gundaker

tion (see chart above), some companies have predecision programs that help families evaluate ahead of time the financial implications of a move to help them decide whether to accept the transfer. A key component is a property price opinion and market analysis, which, Middleton said, ideally is provided up front by trained relocation specialists, such as her firm's, to help address problems.

Predecision programs have been successful but are not yet widespread. According to a Worldwide Employee Relocation Council study completed in May, 56 percent of companies surveyed did not have a predecision program in place.

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