

U.S. Inbound Assistance Current Practices



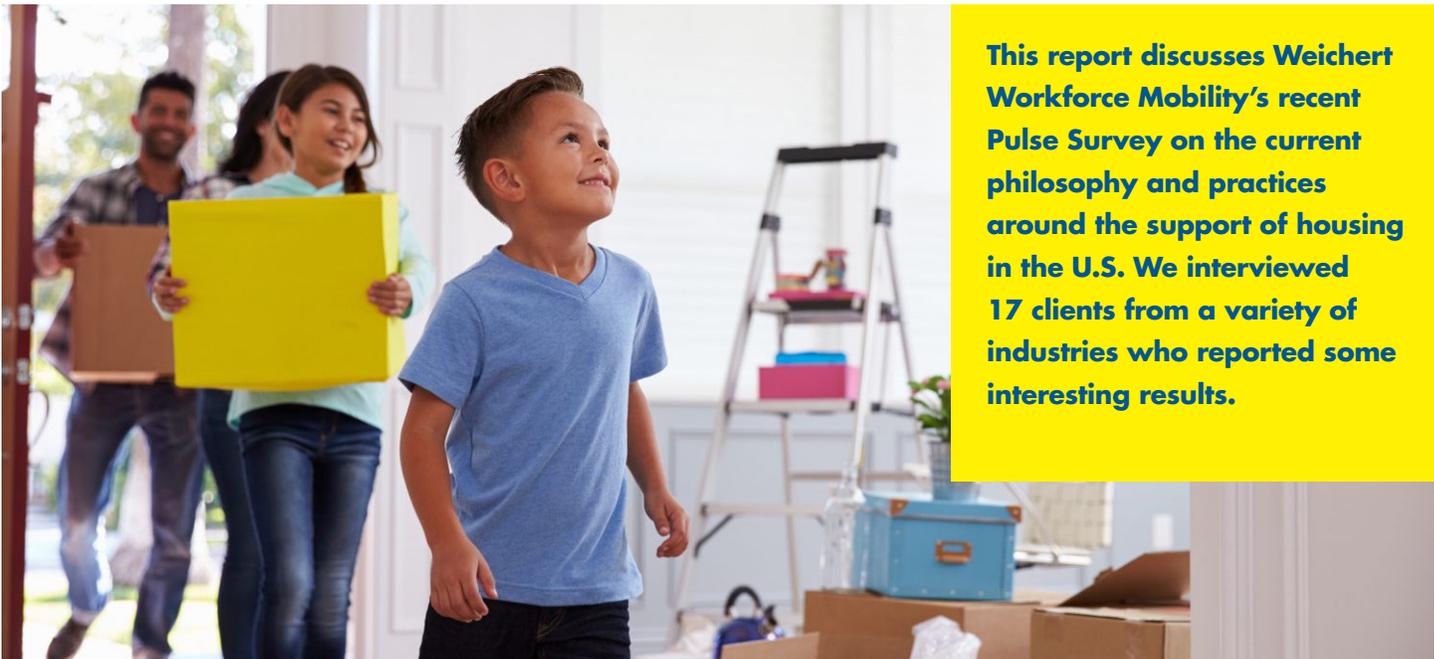
Propelling **Mobility**

U.S. HOUSING MARKET

When it comes to relocation, finding suitable housing can be one of the more stressful aspects for the family. In the U.S., in particular, the housing market is very diverse, in terms of availability, cost, and style. Communities within miles of each other offer very different ways of living. As seen in the distance and time one can expect to travel to and from work and school can differ greatly from each location.

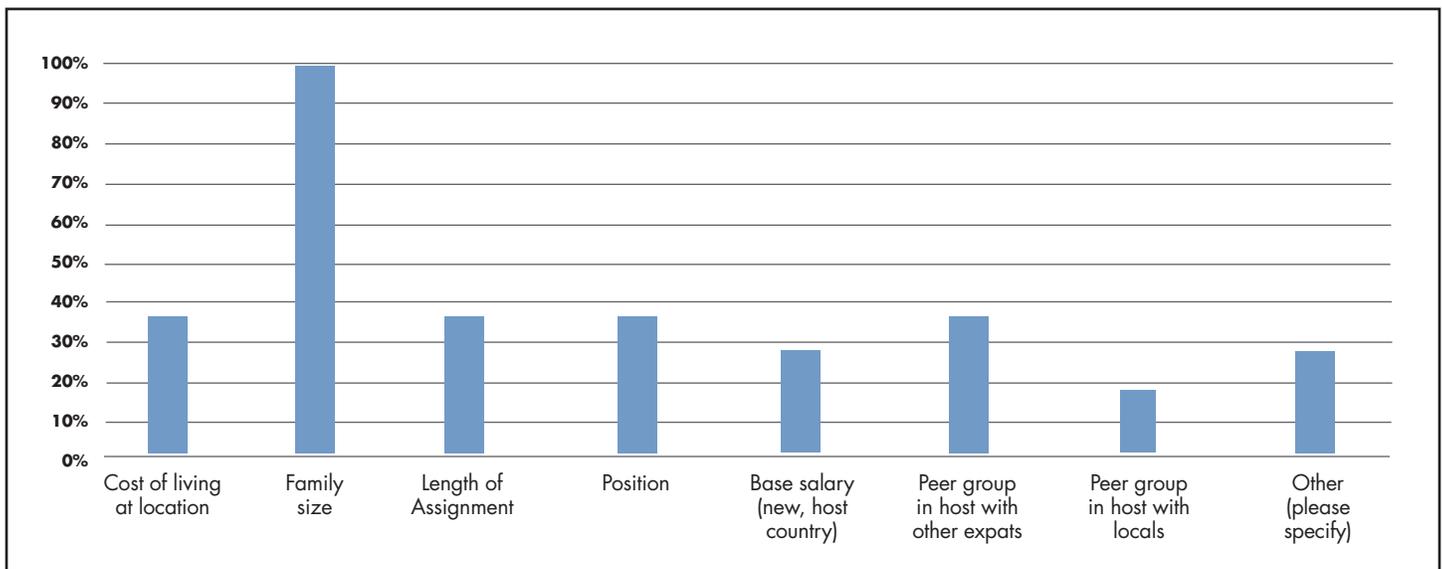
HOUSING ASSISTANCE

Weichert’s survey focused on the various factors that are considered when determining the amount and type of host country housing assistance. Not surprisingly, we learned that most companies recognize that family size is the most critical factor in determining the size of housing and the number of bedrooms required for a given assignment. Other components, such as the length of the assignment, location’s cost of living and positions were given equal weight. We found that participants deemed less important factors such as the assignee’s base salary and their peer group housing situation.



This report discusses Weichert Workforce Mobility’s recent Pulse Survey on the current philosophy and practices around the support of housing in the U.S. We interviewed 17 clients from a variety of industries who reported some interesting results.

What are the factors considered for housing assistance?



DETERMINING YOUR BUDGET

Determining the appropriate budget to use for setting a housing allowance can be challenging, especially in competitive and dynamic markets, because the available information changes rapidly. Most companies try to balance information from data providers with local management and HR to calculate amounts that are reasonable and customary for the assignee, as well as areas which he/she and their family are moving to. Destination Service Providers also bring a great source of information about markets beyond just appropriate rental values—they have first-hand knowledge of the character of the neighborhoods, schools, and other key factors that most families will look at when choosing a place to live.

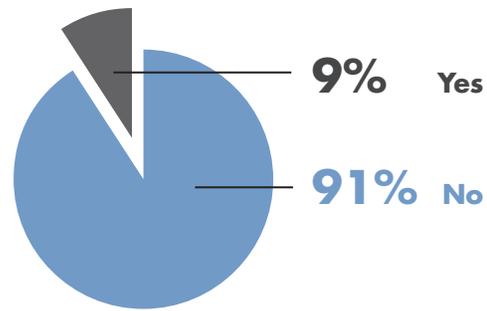
The vast majority of companies, 91%, rely on data provider information, but a significant number, 36%, use data compiled from all 3 sources—local HR, DSP and the data provider.

- 91%** **Data Provider**
(Mercer, AIRINC, etc.)
- 27%** **Destination Services Provider (DSP)**
- 27%** **Local HR Department**
- 36%** **Other**

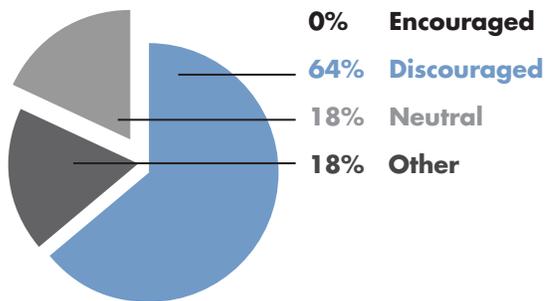


CONTROLLING COSTS

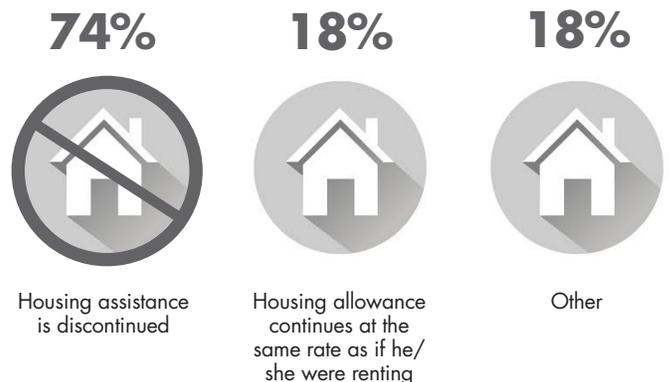
With the recent trend and emphasis on cost control and savings, companies are looking at ways to provide assignees with incentives to save them money and reap benefits. It is surprising to discover, that only 9% provide an incentive to assignees to find housing that is less expensive than the data provider’s recommendations through any sort of “savings share” scheme.



The majority of companies are discouraging home purchase, which they confirm is one mechanism for controlling costs. None of the companies encourage home purchase and 18% are neutral.



Another 18% remove housing allowance or impose other disincentives on those assignees who decide to buy.



OTHER CONSIDERATIONS

With cost consciousness on the forefront of most companies' agendas, the cost of housing is under scrutiny as it represents a significant portion of the total budget for any given move. Regardless of whether this is a permanent move or a temporary assignment. Additionally, business leaders often debate over whether the company should support housing costs in the home location as well the host. Decisions around such support really need to factor in a bigger picture:

- How much cost savings can your company reap by applying a housing contribution?
- Is the savings worth the additional burden?
- Do extenuating circumstances that result in waiving this contribution create challenging inequities amongst assignees and their local counterparts?

CONCLUSIONS

Drawing conclusions and determining the best path forward really depends on the particular size and demographic makeup of each company's global mobility program. A holistic analysis of your program at both the macro and micro levels and their factors in housing for both the home country housing, the circumstances and location of the assignment into the U.S., may yield compelling results. At the end of the day, with housing being a critical component of a smooth transition into the U.S. and thereby a successful move, it's critically important to balance the potential for cost control with the overall assignment or move experience.



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