

5 Areas

to Reduce Renter
Lump Sum or Managed
Relocation Costs



The biggest way to reduce your program costs - whether a complete relocation, a short or long-term assignment, homeowner or renter, or position within the company - **is by ensuring your talent has an address (or rental-finding policy)**. When this is in place, you'll find opportunities exist for reductions in these five areas, and we have the stats to prove it:





Reduce or Eliminate Temporary Housing Requirements

Temporary or sometimes what is referred to as **corporate housing**, is **one of the largest expenses** associated with the relocation process. According to published resources, 68%¹ of companies provide this as a benefit for lump sum program transferees. The percentage for fully supported programs is estimated to be closer to 92%. As you look at your tiered policies, take note of the following and perhaps you will find impactful techniques to reduce costs for your organization:

67% of transferees renting in their destination indicated they preferred to move directly into their homes and by-pass temporary housing.

Two studies conducted in 2003 and a decade later in 2013, show consistent results that **providing rental finding assistance reduced the need for temporary housing by 11.4 days or \$1493 per transferee.**

2.

Reduce or Eliminate Household Goods Storage

A smaller percentage of lump sum policies include household goods storage¹ for 30 days; however, whether it is included or not depends on the position within the company and if a homeowner in the origination city. Monthly costs to store furniture are²:

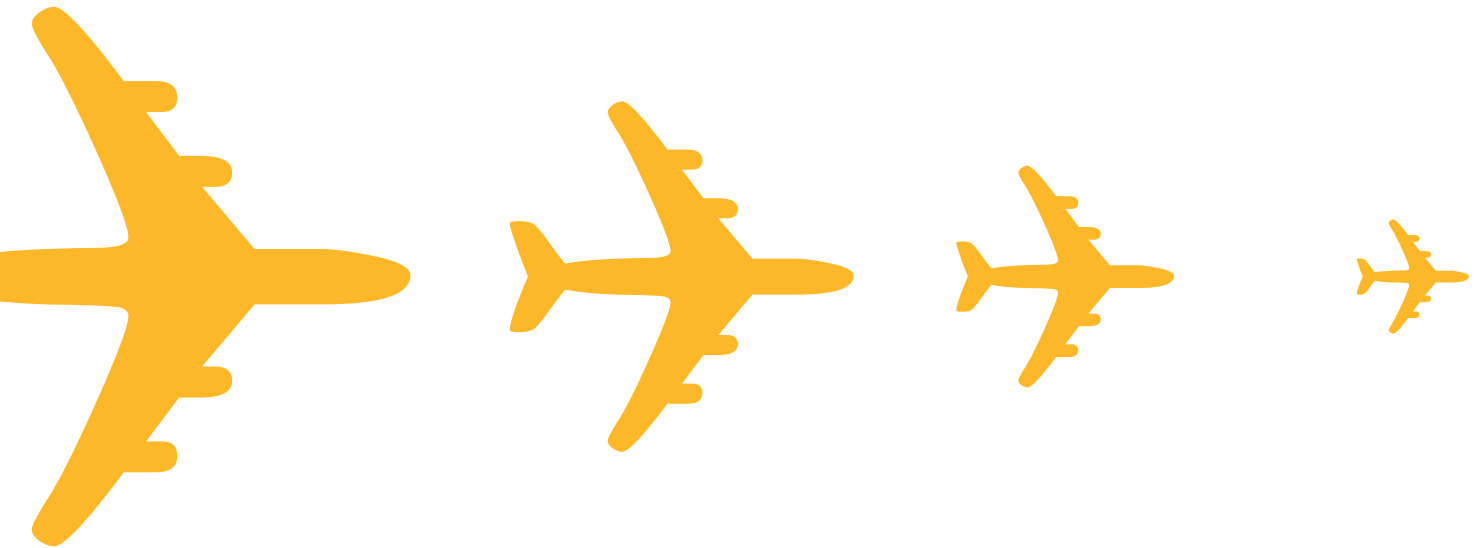
| Size | Standard Unit | Climate-controlled |
|-------------|----------------------|---------------------------|
| 10x20 | \$95 to \$150 | \$120 to \$180 |
| 10x25 | \$100 to \$165 | \$200 to \$275 |
| 10x30 | \$120 to \$195 | \$285 to \$350 |



3.

Reduce or Eliminate the Need to Incur Return Home Trip and Additional Hotel Expenses

When the transferee is required to start his new position before finding a new home, it is often necessary to go ahead of the rest of the family to their new destination. This of course requires lodging and frequently entails multiple trips home to assist with the sale of a home and more importantly, spend time with their families. The travel and hotel expenditures experienced in these situations can be quite substantial, and 54% of policies reimburse for these expenses¹. **Getting transferees into their new rental homes in the most expedient manner possible will reduce costs**, and just as importantly, make for a much happier family life for all.





4.

Identify and Illustrate Ways You May be Coming in Under Budgeted Expenses

In a case study performed over consecutive years for a client providing a 2-day rental finding benefit, the client found that 47% of the benefit was not used or billed, saving them hundreds of thousands of dollars that was already budgeted. Just because you offer a benefit does not mean everyone is always using it. Be certain to ask your providers for this type of reporting.

5.

Reduce Gross Up

As a result of employing some or all of these various strategies, costs decrease in conjunction with other expenditures and logically the overall spend decreases. The result being that taxes, or the gross up for taxes will be less, particularly on full service or managed lump sums.

Footnotes:

1 - statistics from All for One and One for All: an Examination of Lump-sum Programs Mobility magazine, April 2011

2 - pricing from How Much Does Furniture Storage Cost, January 2017 and Moving Four Bedroom House Costs, March 2013





We hope you enjoyed 5 Areas to Reduce Renter Lump Sum or Managed Relocation Costs.



You might also like to learn more about the dynamic changes of the rental market, in our e-book entitled, **“Time for a Change? 6 Commitments Relocation Managers Count on When Choosing PorchLight As A Rental Relocation Partner.”**

Inside you learn more about the rental market landscape and the reasons why you don't need to accept the pitfalls in today's economy. Plus, you'll gain insight on what to expect when choosing PorchLight as a Rental Relocation Partner.

