

As COVID-19 and other world events unfold, the global mobility supply chain continues to be stretched. Our latest Guide looks at the specific supply chain challenges within the wider industry, what Cartus is doing to meet these challenges, and key recommendations to help organizations reduce the impact they have on their relocation programs.

WHAT CARTUS IS DOING ACROSS ALL AREAS OF SUPPLY CHAIN

- Working closely with on-the-ground Cartus suppliers to garner critical supply chain information, relaying these updates to impacted clients, and working with them to mitigate challenges.
- Ensuring our clients receive the right level of support in locations with increased volume.
- Updating our Cartus consultants on the current challenges so they can manage expectations when counseling relocating employees.

DESTINATION SERVICES

CURRENT CHALLENGES

- Government office closures staffing shortages, and significant backlogs have resulted in certain aspects of the settling-in process being delayed (e.g., local registration, driver's license applications, social security, and bank account set-up.)
- Moves that were previously on hold during the pandemic are now being implemented, which means volume continues to increase. This not only impacts supplier capability, but also increases the number of relocating employees entering already congested rental markets and further contributes to registration process backlogs.
- A lack of availability in rental markets in many locations has made home finding challenging and has also increased both initial rental prices and lease renewals.
- As a result of the competitive market, we are seeing an increased trend of landlords imposing limitations with homefinding services (e.g., virtual tours only or limiting the number of attendees).
- Construction of new properties is taking place in many locations however the process for completion is lengthy and is not able to meet current demand.

WHAT IS CARTUS DOING?

- Working closely with our destination services providers to offer technical solutions to improve the customer experience, including:
 - Ensuring adequate supplier coverage to meet increasing demand.
 - Access to customized, local destination information (interactive maps, street view, local images).
 - Efficient and focused home finding that begins prior to arrival, saving limited in-person visit time to focus on an employee's top property and neighborhood choices.
 - Helping to set assignee expectations on market nuances.

WHAT CAN YOU DO?

- Build extra time into relocation programs to allow for potential delays in the authorization of DSP services.
- Regularly review housing budgets to ensure they align with current market conditions.
- To maximize time spent with the DSP, encourage relocating employees to use the technology and resources provided to pre-screen properties and research the location they are moving to.
- Set expectations with your relocating employees. Local market conditions and government restrictions may make it challenging for the DSP to meet tight timelines and impact their ability to deliver according to expectations.



IMMIGRATION

CURRENT CHALLENGES

- Securing visa appointments at consulates.
- Pre-travel and post-arrival COVID-19 testing.
- Proof of COVID-19 vaccination/recovery.
- Travel restrictions.
- Ongoing changes and revisions to the challenges outlined above.

WHAT IS CARTUS DOING?

- Providing clients with timely updates on current COVID-19 restrictions.
- Ensuring internally, Cartus employees are kept up to date with supply chain trends so that they can help clients mitigate current challenges.

WHAT CAN YOU DO?

- Stay up to date on current regulations in locations where you send employees (e.g., vaccination and quarantine requirements, travel restrictions, and lockdowns.)
- Work with your relocation services and immigration providers to understand current processing times and potential challenges.
- Visa consular and government office closures may impact anticipated assignment start dates so flexibility is critical.
- Regularly reassess remote work policies to ensure they comply with the ongoing government revisions around COVID-19 requirements.
- Be aware that additional compliance rules (e.g., collecting and sharing employee's vaccination status and/or positive COVID-19 status) may be triggered by authorities with little notice, depending on jurisdiction.



TEMPORARY LIVING (GLOBAL)

CURRENT CHALLENGES

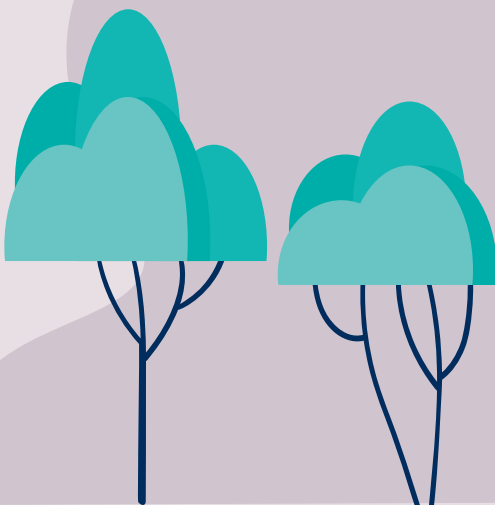
- The booming property market in the U.S. and other locations around the world, has made it challenging to source temporary accommodation for relocating employees.
- Our corporate housing suppliers are subject to the same market conditions impacting the wider industry. Our supplier partners continue to leverage their volume but many properties are no longer keen on corporate short-term rentals.
- High demand and less flexible lease terms continue to have an impact on the number of units available, the cost of corporate housing, and our suppliers' ability to grant extensions. This trend is expected to continue throughout 2022.
- Corporate housing suppliers are strategically rebuilding long-term inventory based on anticipated volume while others are sourcing through their supply chain and/or moving to a "match lease" model that allows them to rent a property for a specific customer need.
- Although it may be difficult to work from home in a one or two-bedroom apartment, three-bedroom units are scarce for short-term accommodations.

WHAT IS CARTUS DOING?

- We are working closely with our temporary living suppliers to create unique solutions such as sourcing single family homes.
- Although there are some challenging locations, we continue to offer choice in short-term accommodations and can provide hotel options when absolutely necessary.
- We are providing proactive updates (e.g., Cartus blog), to help set realistic expectations around timing, availability, rates etc.
- We are working with clients to establish revised corporate housing budgets, to reflect the changing marketing conditions.
- We continue to work closely with our network of temporary living providers, who each have a different core inventory, allowing us to provide clients with more accommodation options.
- Cartus' technology platform facilitates a competitive bid process, managing temporary housing spend aligned with a client's policy, while allowing employee choice. This model allows for customization based on client policy and customer requirements. The Request for Housing (RFH) is sent to multiple suppliers covering specific markets at one time. The environment creates a model where suppliers present the best pricing at that point in time, based on a match percentage score.

WHAT CAN YOU DO?

- Set employee expectations before the relocation process begins. Temporary housing is an alternative to a hotel and does not typically offer the larger units available for long-term leases.
- Allow sufficient time to source temporary housing. A four to five week lead time is recommended.
- Where possible, organizations should try to ensure their relocation program has the flexibility to adapt to current challenges (e.g., flexible start/end dates, longer lease terms, wider scope of area to search, and budget).
- Once suitable accommodation has been found, encourage a quick decision (hours instead of days).
- To increase the chances of securing an extension, advise your relocation services provider or corporate housing supplier as early as possible.



RENTAL ASSISTANCE (U.S.)

CURRENT CHALLENGES

- Economists predict a 7.1% growth in U.S. rental rates in the next 12 months, along with a continued competitive rental landscape.
- Realtor.com predicts home prices will keep rising in 2022. An increasingly competitive homebuying market means those who cannot compete for a home purchase will likely continue to rent, increasing the demand for rentals.
- During the pandemic, landlords were faced with limited options to offset missed rent. To help recoup lost rental income, some landlords may now sell their rental properties rather than raise rent, further reducing the supply of rental housing.
- In some locations, such as Southern California, it has become customary for prospective tenants to submit a leasing application before leasing companies/landlords permit a property viewing. Some leasing companies/landlords may grant property viewings without an application, although this is becoming increasingly rare.
- In the second half of 2021, first-time home buying was more affordable than renting in almost half of the U.S. This trend is set to continue in 2022 as rental rates continue to rise.

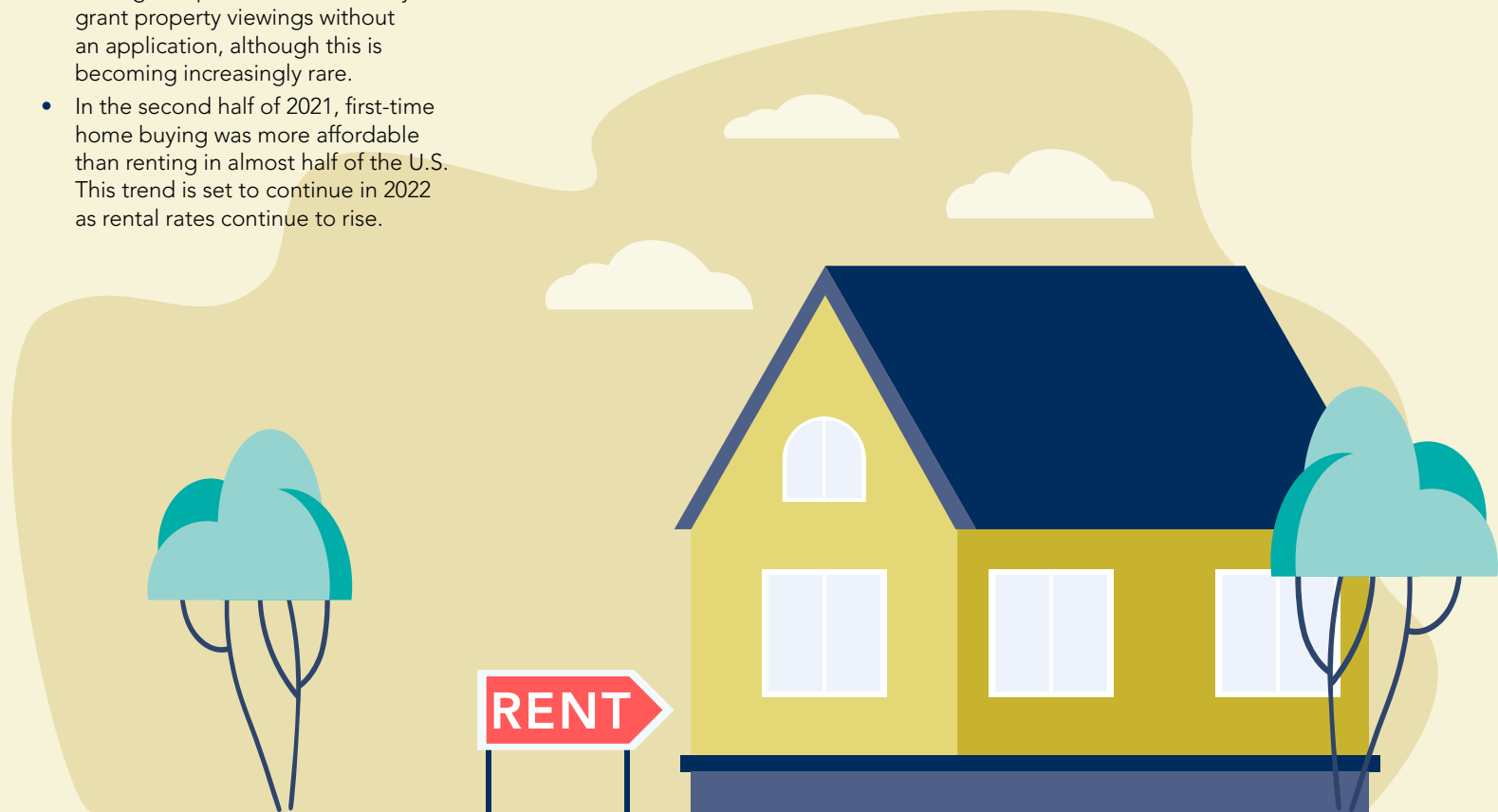
WHAT IS CARTUS DOING?

- Cartus is working closely with rental suppliers to keep clients up to date with local rental rates, inventory, and lead times.
- In many locations, Cartus' suppliers are able to provide virtual services as a standalone service or as a compliment to an accompanied rental tour.
- Our supplier partners offer technology platforms that allow relocating employees to access information on the area they are moving to, things to do, a "touring checklist" that includes information to ask before renting, a list of vetted rental options based on the customer's criteria, and arrangement of appointments with property management companies and landlords.

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WHAT CAN YOU DO?

- Factor extra costs into budgets. In addition to rising rental rates in many markets, relocating employees may be asked for a refundable deposit to secure their rental application.
- Build extra time into relocation programs to include the time it takes to search and secure a property. We recommend three to four weeks' notice to book a rental tour.
- Stagger start dates for groups of renters moving into one location so they are not competing with each other for limited inventory.
- Set expectations with employees. Once they have found a suitable property, we recommend they make a quick decision (within hours instead of days).



U.S. HOUSEHOLD GOODS

CURRENT CHALLENGES

- Continued demand among all customer-types has created capacity challenges and delays.
- As offices begin to open, delayed relocations have started to be scheduled and stored household goods are now being shipped.
- The high level of activity in the U.S. real estate market has meant the consumer segment of the household goods industry is extremely busy.
- In some states, including California, people are moving out of the area with little return traffic, which has led to an imbalance between a surplus of containers and other shipping/moving equipment in one area without the need to return to locations where they are needed.
- Higher-than-normal packing crew labor shortages, including truck drivers. This is largely due to drivers deciding to retire or change jobs during the pandemic.

WHAT IS CARTUS DOING?

- We are working closely with on-the-ground supplier partners to garner critical information including capacity levels and specific locations where household goods services are particularly delayed.

- The Cartus MicroMoveSM program allows us to expedite transit times through a more efficient containerization and transportation process for those who have less than 5,000 pounds of household goods.

WHAT CAN YOU DO?

- If your organization has scheduled moves that include household goods services then let your relocation services provider know as early as possible.
- We recommend household goods services are requested three or more weeks in advance. This is especially important for moves on the East and West coasts, where markets continue to be very active.
- Relocating employees may have to wait longer for their household goods to arrive and they should be told of this before the move.
- Last minute changes to things like move dates may be difficult to accommodate in the current market so try to ensure information provided to suppliers is as accurate as possible.

GLOBAL HOUSEHOLD GOODS

CURRENT CHALLENGES

- Many shipping companies have reduced the number of port departures. In some instances, weekly routes have been reduced to twice-weekly or even monthly, dependent on demand.
- The Ukraine crisis has disrupted both surface and air shipments in the region due to sanctions and air space restrictions. Increased freight costs are also expected for moves in this area.
- Rising COVID-19 cases in China and Hong Kong have resulted in stricter guidelines for packing and port operations, further adding to delays.
- The reduction of shipments has caused freight rates to rise. Subsequently this has led to a rise in air transport demand, elevating air rates too.

WHAT IS CARTUS DOING?

- Providing timely updates on industry delays and cost increases.
- Working closely with our Network partners to obtain real time information regarding capacity levels, port congestions, and COVID-19 restrictions, along with other impacts which can cause delays to international household goods services.

WHAT CAN YOU DO?

- Let your relocation services provider know as early as possible if an upcoming move includes household goods shipments. This will help to ensure any possible delays are built into your mobility schedule.
- International assignees may experience longer-than-expected wait times for their household goods to arrive and they should be told of this before the move.
- Ensure your relocation budget reflects potential additional costs, such as increased freight/air rates, longer periods in temporary accommodation, and furniture rental options (where available).

INSPECTION SERVICES (U.S.)

CURRENT CHALLENGES

- The combination of the pandemic and low volume due to quick sales, has meant many inspectors have chosen to retire or go on hiatus.
- Due to the reduction in available inspectors, finding providers in certain locations is challenging and may result in increased turnaround times.
- Inspectors that are still operating are having to travel further, resulting in increased costs.

WHAT IS CARTUS DOING?

- We request daily updates and track any work orders that are not placed in a timely manner.

WHAT CAN YOU DO?

- Be cognizant of potential extended turnaround times, especially in rural areas.

APPRAISAL SERVICES (U.S.)

CURRENT CHALLENGES

- Due to the busy housing market and refinancing, appraisers are in high demand.
- Relocation appraisals are more complex and take longer than a typical mortgage appraisal, which may be the preferred assignment.
- Appraisers are quoting turnaround times of weeks to months, or they turn down the assignment due to workload.

WHAT IS CARTUS DOING?

- Making sure our suppliers are reaching out to all appraisers to assess availability and turnaround times.
- The strong relationships across our supplier partner network helps to ensure our assignments are completed as quickly as possible.
- We require daily updates and are tracking any work orders/ PE reviews that are not completed in a timely fashion.
- We conduct random audits on completed appraisal reviews as a coaching tool for our suppliers.

WHAT CAN YOU DO?

- Be cognizant of potential extended turnaround times, especially in rural areas.



The Cartus Global Supplier Network is made up of the world's leading suppliers within their field who understand our clients' mobility needs and the importance of providing total support to the families we help relocate. Cartus will continue to work closely with our suppliers to ensure we minimize the impact this situation may have on our clients and their relocating employees.

FOR MORE INFORMATION

If you have any questions around this or any other aspect of your mobility program, please contact your Cartus representative or email cartussolutions@cartus.com. To keep up to date with current supply chain challenges within the wider industry, subscribe to the [Cartus Blog](#).