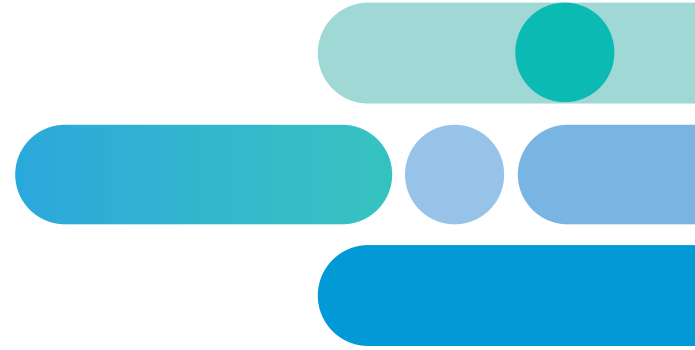


# mobility supply chain guide

2023



With high customer service expectations and ongoing market challenges, the supply chain management process has never been as critical to relocation success as it is today. 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 their impact 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 collaborating 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

- There continues to be more renter demand than housing supply. Assignees are competing with a growing population of local renters.
- In many cases, the current allocated housing budgets are not aligned with current rental market conditions.
- In high volume locations, it remains a “landlord’s market,” which means they can afford to be selective with tenants and less willing to negotiate.
  - Properties are generally rented “as is,” with bidding wars and group viewings becoming more common.
  - There is a rise in landlords requesting additional financial guarantees to secure a property.
- Escalating cost of living expenses contributes to increasing spend on essentials, such as utilities.

### what is cartus doing?

- Ensuring adequate supplier coverage to meet increasing demand.
- Helping to set assignee expectations on market nuances.
- Working closely with our destination services providers (DSPs) to offer technical solutions to improve the customer experience, including:
  - 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 most favored property and neighborhood choices.
- Directing our DSPs to leverage relationships with local real estate agents, to gain access to properties that are not yet online.
- Ensuring our DSPs act as an advocate for our clients to negotiate favorable lease terms, where feasible.

### what can you do?

- Provide advance notice on potential volume including group moves, moves into new or remote locations, and VIP moves.
- 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 host location.
- 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

- With restrictive policies waning, there is a trend toward economic sustainability and a shift toward more hybrid and remote work solutions.
- Global competition for talent is at an all-time high, resulting in an increased focus on flexibility and the implementation of hybrid and improved skilled talent pathways.
- The industry's digital transformation continues with the implementation of online systems and a rise in the usage of digital identities and remote visas.
- Continued delays at government offices due to workforce shortages, new online program implementations, and caseload backlogs, which are prolonging processing times.

## what is cartus doing?

- Educating our client services teams on immigration trends so they can help to set appropriate expectations on timelines and impact on clients.
- Continuing to share thought leadership in conjunction with our suppliers on immigration trends and strategies to meet current challenges.
- Managing our Cartus supplier partners to ensure they meet our performance requirements and service standards.

## what can you do?

- Educate leadership about immigration options, responsibilities, and workforce challenges with a focus on compliance requirements.
- Prepare for technological shifts. Stay current by following government publications about the use of technology and review government websites often (particularly immigration departments) to understand the perspective of the countries where you most frequently send your employees.
- Understand the implication of remote work and review your remote work policies against relevant laws (immigration, tax, labor) and other operational considerations.
- Plan and identify options ahead of time for business-critical moves.



Listen to our Cartus webinar recording:  
**"Crisis Management—Lessons Learned in Immigration and Mobility."**



Source: *Fragomen Worldwide  
Immigration Trends Report 2023*

# global temporary living

## current challenges

- The booming rental market demand in the U.S. and other locations around the world, has made it challenging to source temporary accommodation for relocating employees as all competition types for rental placement remains high.
- 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 eager to avail their inventory to corporate short-term rentals and prefer long-term tenants.
- 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 2023 in key markets.
- Family-sized apartments continue to be scarce for short-term accommodations.
- The impact of increased energy prices is another factor driving costs. Given the increased cost of operating and increased demand for long-term rentals generally, we expect availability to be challenging especially in the peak summer season.
- The uncertainty about the situation in Ukraine continues to make it challenging to secure inventory in certain European markets.

## 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 challenging locations, we continue to offer choices in short-term accommodations. We can provide and offer hotel options, when necessary, as a good alternative.
- Using our strong local supplier relationships allows us to provide proactive updates to help set realistic expectations around timing, market availability, events, and rates.
- We are working with clients to establish revised corporate housing budgets to reflect evolving market 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 and their relocating employees with more accommodation options.
- Cartus uses a technology platform that facilitates a competitive bid process, managing each of our client's temporary housing spend, while allowing employee choice. Multiple suppliers are sourced in each market and each supplier presents the best options and pricing available at that point in time. This model allows for customization based on the company's policy and relocating employee's requirements.
- Strategically expanding the network to improve the quality and number of housing options offered.

## 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-six-week lead time is recommended.
- Use the tools and market updates provided by your Supply Chain Management team to manage expectations of your customers and clients. For example, lack of options in remote locations, limited availability of family size homes, etc.
- 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, the relocating employee needs to advise their company's relocation services provider or the corporate housing supplier as early as possible.

Listen to our "Mobility Matters" podcast episodes: ["What's Happening in the EMEA Temporary Living Arena?"](#) and ["Temporary Living Challenges Today: APAC"](#)



## U.S. rental assistance

### current challenges

- Rents are still higher than they were a year ago, but the gains are shrinking as landlords lose pricing power due to inflation.
- Rents are expected to begin to stabilize and then increase with typical spring and summer seasonality, but at a more normalized 2-3%.
- Market experts indicate we may see relief from the double-digit pace of rental growth experienced over the past three years (Realtor.com).
- Even with relief from extreme rent increases, rates are still up 23.5% from October 2019 and continue to grow faster than pre-pandemic levels.
- Some market predictions foresee a slight year-over-year decline in rental prices by mid-2023 due to supply increases, particularly in single-family rental homes.
- Midwestern markets have experienced the fastest rental growth in the past 12 months including, Indianapolis, Louisville, and Kansas City.
- Vacancy trends and rental rate increases are highly localized. Manhattan rents, for example, hit a record high in January 2023 with the average rental rate in Manhattan up 13% when compared to the previous year.

### what is cartus doing?

- Cartus is working closely with rental suppliers to keep clients up to date with local rates, inventory, and lead times.
- 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.
- Obtaining the relocating employee’s rental home criteria prior to their arrival, allows for a more tailored in-person property search.

### what can you do?

- Ensure you factor additional costs into relocation budgets. For example, 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 for and secure a property. We recommend three to four weeks’ notice to book a rental tour.
- Advise your employees to be as prepared as possible when entering the market. They should ensure they have an employment verification letter, money for applications and initial rental payments, references from previous landlords, pet resumes, and credit challenges addressed.
- Set expectations with employees to be realistic about property criteria and commute times, as well as encourage them to show flexibility regarding the times for property viewings and a lack of ability to negotiate.
- Once they have found a suitable property, we recommend they make a quick decision (hours instead of days).

# U.S. household goods

## current challenges

- While the demand for capacity has slowed, given the shift in the US real estate market the typical peak season (May to August), may continue to create capacity challenges and delays.
- As offices continue to open, delayed relocations have started to be scheduled, and stored household goods are now being shipped.
- The Californian population continues to shrink with outbound shipments far exceeding inbound moves. This leads to an imbalance of equipment, whereby the west coast is experiencing equipment shortages (container, tractors, trailers) and other areas have a surplus.
- Higher-than-normal packing crew labor shortages, including truck drivers. This is largely due to drivers deciding to retire or change jobs post-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 MicroMove<sup>SM</sup> program allows us to expedite transit times through a more efficient containerization and transportation process for customers 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 of the United States, where markets continue to be highly active.
- Relocating employees may have to wait longer for their household goods to arrive and they should be informed of this before the move.
- Last minute changes, such as 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

- Demand for global household goods services remains strong although we are seeing more availability and price competitiveness in many markets.
- Parts of Europe remain impacted by the Ukraine crisis. Alternate transportation routes have been sourced to meet this challenge, although costs remain high.
- In China, business has resumed post-pandemic. Conditions are improving as authorities have more experience dealing with the challenges caused by COVID-19.
- Air freight rates have started to normalize although fluctuations based on seasonal demand are inevitable.
- Sea freight rates have dropped significantly in some regions, especially those between Asia-Pacific as well as North America and Europe.
- Port congestion has improved since last year in most locations, typical port congestion may be seen in the summer months.

### what is cartus doing?

- Providing timely updates to clients on industry delays and cost impacts.
- Working closely with our network of supplier partners to obtain real-time information regarding capacity levels, port congestions, and other restrictions that may cause shipment delays.

### what can you do?

- Authorize your household good moves as soon as possible so Cartus can better meet scheduled timelines.
- International shipments may experience longer transit times than historically seen and this expectation should be set with all assignees.
- Although costs are stabilizing, budgets should still reflect post-pandemic market conditions.



Listen to our “Mobility Matters” podcast episode: [“What’s Happening in the Household Goods Arena?”](#)



## U.S. inspection services

### current challenges

- The competitive housing market over the last couple of years has resulted in many purchasers foregoing inspections. This low volume has increased the number of inspectors choosing to retire or go on hiatus.
- Due to the reduction in available inspectors, finding providers in certain locations is challenging and may result in longer turnaround times.
- Inspectors that are still operating are having to travel further, resulting in increased costs.

### what is cartus doing?

- We obtain daily updates, tracking all work orders to ensure they are placed in a timely fashion.

### what can you do?

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

## U.S. appraisal services

### current challenges

- Relocation appraisals are more complex and take longer than a typical mortgage appraisal.
- With an aging appraiser workforce, we are seeing a reduction in the number of qualified relocation appraisers.

### 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 obtain daily updates, tracking all work orders and property evaluation reviews to ensure they are 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 collaborate closely with our suppliers to ensure we minimize the impact of ongoing industry challenges to our clients and their relocating employees.

### for more information

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

