Executive relocation policies tend to be company-specific, but typically address the most burning concerns of employees relocating to a new area. Just as many employers are hiring (finally), various relocation programs that scaled back during the recession are expanding.

While there are many well-qualified executives on the market, companies that want to recruit the best-of-the-best are re-examining their relocation policies to offer the benefits executives want. C-level management is asking, "Are our relocation packages attractive enough to capture the interest of the best executives?" Also vital, "Do our relocation policies address the most pressing current executive concerns?"

Executive Concerns and Apprehension
Because of the housing crash of 2007, many outstanding executives have real estate concerns at the top of their apprehension list. Relocating in a down economy comes with risks not prevalent during hot economies. An organization's executive relocation program should address these concerns.

- Can I sell my home in a timely manner without losing money or equity?
- Can I get a mortgage in my new location?
- Are outstanding school systems in my new area?
- What quality of life can my family expect in the new city/town/county or country?

Executive relocation policies that fail to address these concerns may prove less than attractive, fraught with lifestyle and financial risks, to a new executive candidate or current employee. Employers must understand this reality and carefully design a cost-effective relocation program that minimizes executive risk or hire a third-party firm to manage the program for them.

Among the most important components are as much real estate help your company can afford, moving household and personal goods and structuring favorable tax treatment and filing for your executive. These features are vital to a marketable relocation policy in this environment.
**Home Selling Help**

While some employees resist relocation regardless of the prevailing real estate market, instead of pure personal preference, many executive homeowners are skeptical because of the moribund housing situation. Millions of executives, who purchased their current homes near the "top" of the hot real estate market in the early 2000s, now find themselves underwater, with their mortgage balance higher than the current fair market value (FMV) of their home.

These professionals realize that they risk losing many thousands of dollars if they must accept an unsatisfactory purchase offer because they are relocating. However, executive relocation programs that feature loss-on-sale compensation, fast sale bonuses, buyer incentives and any other outside-the-box home sale benefits will attract and motivate more outstanding candidates to consider your organization.

**Household Goods and Personal Possessions Movement**

Attractive relocation programs may feature lump sum payments or direct, full reimbursement of expenses for moving your executive's goods and possessions. However constructed, this feature should be resident in all effective relocation programs. Also, become familiar with the benefits your main competition offers to ensure you design a marketable relocation package.

For example, if your prime competition only offers do-it-yourself moves, you might negotiate with trusted van lines or outsource to a move management organization. Either of these options will give your company an edge that might tip the scales in your company's favor with executives and other employees.

**Tax Considerations**

Relocating involves many diverse expenses. Two issues dominate this area of concern. Good executive relocation programs address these issues.

*Expense reimbursement*  
Whether the employer prefers lump sum payments or individual expense reimbursements, they must meet their obligations to their executive quickly and accurately. Forcing the executive to wait long periods for expense reimbursements sends the wrong message to valued employees. Focus on having a new hire or transferred employee start their new position with as much comfort, confidence and positivity as possible. Delayed moving expense reimbursement can negatively impact the employer's and the executives' goals.

*Expense tracking and recording*  
Because of the volume and diversity of costs involved, moving expenses must be tracked and recorded carefully. As the employee monitors, organizes and submits expense receipts, they can be challenged
to self-track these costs. This situation can expand into a nightmare at end-of-year tax time. Employers should offer accurate record-keeping and tax filing assistance to help relocated executives remain stress-free, at least in this area of concern.

Recent Corporate Relocation Survey Shows Optimism
As the global economy strains to recover from the deep recession, there are some signs of employee relocation program budgets getting stronger and volume increasing. Atlas Van Lines completed its 45th Annual Corporate Relocation Survey, with 361 respondents submitting data.

Most respondents (82 percent) were human resource, relocation or mobility services professionals in various industries, including the government and military. Company size, defined by number of salaried employees, was evenly split between small, mid-size and large organizations. Some examples of real-world results follow.

Almost one-half of surveyed companies witnessed relocation volume increases, with over 33 percent reporting budget increases, also. Not surprisingly, large employers, with more than 5,000 salaried employees, had the largest volume and budget increases. Almost two-thirds of these firms had a higher volume of relocations and around one-half increased their budgets over 2008 through 2010.

Relocation volume is still markedly lower when compared to 2004 through 2005, but showing signs of increase and stability. Most employers, however, remain cautious about expressing estimates of a strong increase in volume or budgets. Still, for the first time since the recession, general optimism rules the day.

Projected budget increases showed consistency among all employer size categories, with more than one-half of respondents expecting stability, at a minimum. Firm size, however, showed a difference in volume expectations. More than one-third of large employers predict ongoing volume increases, while less than one-quarter of small and mid-sized company respondents agreed with their larger peer firms.

International Relocation Projections Similar to Domestic Volumes
Although a bit lower than domestic relocation volume, 42 percent of international firm respondents reported 2011 increases that should continue in 2012. All international firms, regardless of size, held this more optimistic outlook.

Over one-half expect at least similar volume as in 2011; while one-quarter of respondents believe relocations will increase over last year's results. Interestingly, almost 18 percent of international respondents foresee a decline over 2011 volumes. Does this indicate that small and mid-size employers continue to scale back their international operations because of cost or risk?
Market Pressures Lessening

Executive relocation is finally enjoying lowering economic and market pressure. For example, during 2008 and 2009, around 40 percent of employers decreased relocations, particularly with new hires and middle management employees. During 2011, less than 20 percent of employers felt the need to cut back on relocation.

Employers feeling economic pressure to lower senior management/executive relocations decreased to 13 percent in 2011. This data seem to indicate that corporate "bunker mentality" is dissipating.

Although some respondents feel that international market pressures may be less daunting than domestic economic challenges, outside of large employers, few respondents seem to be focusing on international executive relocation. Results indicate that duration of executive assignments (short-term or long-term) make little difference in increasing or decreasing relocation activities.

Employers who address the primary concerns of transferred executives will enjoy successful relocations. Hopefully, their renewed confidence in an economic recovery is well-founded. Simply increasing a relocation budget is not enough, however. Employers, large and small, must include those components, as herein noted, in their executive relocation programs to alleviate the current concerns and apprehensions of new hires and relocated current employees.

If these employers restore, establish or continue reasonable relocation policies, they will manage their affairs better, resulting in stronger bottom lines. Those that do not employ experienced professionals on staff, can partner with experienced, reliable third-party firms that specialize in full-service employee relocation.

For More Information about how CapRelo can assist you with rental services, please visit our website at www.caprelo.com or call 888.622.8278