

# 10 Temporary Living Rules to Live By

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## Introduction

We've been talking a lot about temporary living lately – and with good reason. As we know, temporary living is one of the bigger line items in the relocation budget. Employers, capped-budget transferees, and even those who really do care how much their move costs their company (yes, some really do!) can find themselves sticker shocked from temporary living totals.

Temporary living has always been a challenge but we've noticed several emerging trends this summer, including tight inventory and sky-rocketing rents and fees. Further, in discussing temporary living, we would be remiss if we did not point out an issue that seems to exacerbate during the peak relocation season. For one reason or another, there seems to be a growing trend towards last minute hires. As such, there were many cases where transferees were initiated in the same week as their start date, leaving very little time to adequately counsel the transferee and effectively set up relocation benefits. Given the already challenging temporary living climate, this set the transferee up for a lot of frustration and angst, not to mention a more expensive relocation.

We always encourage companies to try and get ahead of last minute moves whenever possible. We do understand, however, that last minute moves cannot be avoided. Further, there is no getting around high prices and low inventory. But, there are some steps that we can take collectively to minimize both the financial and emotional impact that temporary living can have on the transferee and, consequently, the company.

That's why we think it's time to do a deep dive into what companies, and their corporate transferees, should know about temporary living accommodations.

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## Take the Search for Suitable Temporary Living Accommodations Seriously

### 1. The sheer expense of temporary living continues to rise with no ceiling in sight.

As you may know, the U.S. rental market is on fire these days. As the demand for traditional rentals increase, landlords and management companies increase the monthly short term temporary living rates as well. The only difference is, they increase exponentially. In most cases, temporary living rates are often more expensive than annual rates in the traditional rental market. Today, temporary living rates in popular markets are sky-high with no ceiling in sight. For this reason, it's even more important that companies employ a quality home sale program so that transferees spend less time in temporary housing.

Just because the rates are high, does not mean you should stop providing this benefit. What it does mean, however, is that you need to prepare your budget accordingly and be upfront about the expense with your team and superiors. You should also ensure that your team, whether in-house or outsourced, is on top of current temporary living rates as they may have changed dramatically over the past couple of years.

### 2. Present options that make sense for the transferee.

While the main purpose of temporary living is to provide accommodation should the transferee need to be in the new location prior to severing financial ties in the origin location companies should also seize this opportunity to provide transferees with a chance to assimilate to their new community. For this reason, your relocation provider should interview the transferee prior to providing temporary housing options. Some questions to consider include:

- Does the transferee want to be close to the office?
- Does the transferee prefer to be close to town or out in the suburbs?
- Is it important that the temporary home is in a certain school district?
- How long of a commute is acceptable?
- Are there any pets?

While the goal is to always put transferees somewhere they can be reasonably happy, it's equally as important to manage expectations, especially if the transferee is moving to a very remote location.

### 3. Availability during peak periods and/or remote areas can be spotty.

We manage a wide variety of relocation programs for firms in a wide variety of industries. Sometimes, we are charged with moving employees to very remote locations with few relocation resources. Interestingly, because the rental market is so tight, and because temporary living rates are rising across the board, we are finding it equally as challenging to find adequate temporary living options in popular markets, or during peak seasonal periods.

The main issues in both of these cases are selection, price and availability. If possible, there are a couple ways to make finding temporary living a little easier, and less expensive.

For one, you can limit temporary living to the transferee only. Out of convenience, some employers accommodate the entire family and pets during temporary living. This unnecessarily increases a company's relocation costs – multiple bedrooms and pet fees not only add up but, because they are taxable, you need to be prepared for the increase in tax assistance expenses as well. Also, this further limits availability options. Multiple bedroom units, and units that accept pets, are limited. If finding good housing is becoming a huge obstacle, then it may be necessary to tighten up the allowable benefits.

*As the economy comes back, we are beginning to see increased relocation program activity.*

Next, it's always a good idea to coordinate the start date of the new position with the timing of the offer to the transferee. Whenever possible, give the transferee as much lead time as possible before the start of the new job and when you extend your offer. This will afford your transferee more time to sell their home or if renting to give their landlord ample notice of their intent to cancel their lease. This saves in temporary living, storage and other miscellaneous expenses.

Last, but not least, manage expectations. If temporary living is going to be a major challenge, it's a good idea to give the transferee a heads up that they should prioritize their needs and be prepared to make a selection quickly. There's nothing worse than finding a suitable spot, only to lose it when the transferee doesn't approve it soon enough.

## Preparation and Knowledge is Critical for a Good Temporary Living Experience

### 4. Prepare for arrival in advance.

The more prepared the transferee is prior to arrival, the better the check-in process will go. The transferee should not only be made aware of the provider's hours, but should also be given a 24 hour contact number of someone associated with the property in the case of late arrival. If the transferee is bringing enough stuff to require an elevator or longer move-in process (even if it's just carrying boxes up the stairs), he or she should be encouraged to make every effort to show up during normal business hours.

In the case of an after-hours check-in, we strongly advise that the transferee coordinate with the property or leasing agent prior to arrival, the check-in procedures and lease terms and any other information that will make their stay more comfortable.

### 5. Understand the renewal process.

Most landlords will require that tenants give them 60 day notice if they want to extend the lease. This is pretty reasonable, but can get tricky if the tenant is going month to month. Relocation companies typically have strong enough working relationships with temporary living providers to handle this situation in the case that the period of stay is shorter than the 60 day notice clause. The same may not be true if a transferee is working directly with a local landlord or local property management company. That said, if transferees know exactly how many days of temporary living they are being given by the company, they will be able to manage this on their own. Of course, if the lease has both a 60 day holdover clause, things can get confusing fast. Which brings us to our next point.

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## 6. Don't trust the lease terms.

Yep, we said it. At times, we consider temporary living a necessary evil, as opposed to a benefit. Semantics, to be sure, but nothing turns us off more than landlords or property management companies who pack their lease agreements with fine print clauses designed to “trap” distracted transferees into a longer lease term and/or additional fees. It's a shame and it's bad business but, unfortunately, it happens. Relocation providers, transferees and companies must know what to look for when it comes to these “gotcha” clauses, especially renewal clauses such as the one discussed above and holdover clauses. We faced this situation over the summer. Here is the story:

We had a transferee moving to a popular area for the summer. Budget was limited, so the transferee knew from the beginning of her stay that she would max out after three months. As such, the lease terms clearly stated in bold that her lease was from May 31– August 27th, with a move-out date of August 27th. The transferee was aware that if she wanted to renew the lease, she would have to give 60 days of notice. No one told her, however, about a holdover clause buried in the fine print that said she would have to notify the property of her vacate date 60 days in advance or else her lease would extend a month. Thinking all was well because she did not give renewal notice, she went about her summer. At the end of July she was notified that she would be charged for September's rent. GOTCHA!

The absurdity of this catch 22 is real. Since the transferee's lease automatically renewed without the 60 day vacancy notice, why would she have to give renewal notice in the first place? Since the lease terms were very clear, why would the vacate date not default to the vacate date listed at the beginning of the lease? It's not a logical policy.

Unfortunately, sometimes we have to work directly with landlords or leasing management companies that take advantage of short term renters in this way. In order to counter such terms, we advise that transferees with a set end date review the cancellation/renewal notification terms and, if need be, sign the vacancy paperwork at the time of check-in. This way, the company cannot come back after the employee later on during the stay.

## Be Prepared for Additional Charges

### 7. Be prepared to pay extra if you exceed “normal” energy usage.

Yes, this happens.

Some leases may have this clause buried in the fine print – especially if the monthly rent rate includes utilities. Transferees who exceed “normal” energy usage will be assessed an additional charge. But, what’s normal? This is, of course, fairly subjective which makes this a tricky fee to understand and avoid. Further, it’s very difficult to determine whether the company or the transferee should pay the charge. Here’s the reason why:

This summer, we had a transferee, his wife and his three young children in temporary living accommodations. The kids were out of school for the summer, and his wife was a stay-at-home parent, so the AC and electrical appliances typically ran all day long. Given the fact that the stay occurred in the dead heat of summer, and that the entire family was permitted to stay in temp living which required a two-bedroom unit, the family exceeded “normal” energy usage and was charged accordingly. This makes sense. But, here’s the hard part. Should the family be held responsible? Let’s look at the questions.



**Did this family do anything wrong? No.**

**Would this family have had to pay this fee in their own home? Possibly.**

**Would this family have to pay this fee if it was spring, not summer? Probably not.**

In this case, it’s probably in the company’s best interest to cover the additional fee and move on. Since the company agreed to allow the family to accompany the transferee, the company should be prepared to absorb any additional expenses as a result. After all, the family is being uprooted for the company’s benefit. Nickel and diming them over reasonable (albeit beyond normal) electricity charges that they otherwise may not have had to pay is not a good way to start a successful engagement.

In a similar situation, the result was very different. We have a client that hires college interns for the summer and has us coordinate temp living. The interns are all single and work out of the home every day. We coordinate the rentals directly with a landlord and their monthly rental rate includes electricity. Having been surprised prior for excess electricity charges, we emphasize to the students to make sure the air conditioning units and lights are turned off while they are out of the apartment. Should there be excess usage charges, the students are advised the additional cost is on them.

“*Transferees who exceed “normal” energy usage will be assessed an additional charge. But, what’s normal?*”

## 8. Rental furniture is a necessity, but be prepared for extra cleaning charges.

There may be circumstances where a transferee has to rent furniture instead of shipping some of their household goods early or renting a furnished unit. In some cases, this may be the most cost effective option. This isn't to say that renting furniture is cheap. Furniture rental can range from \$300 a month to thousands a month, depending on what is needed and the size of the home/apartment. Further, most furniture rental companies will have monthly minimums, so opting to rent just a bed and a chair won't cut it, either.

In addition to the rental charge, companies should also be prepared for the delivery and pickup charges (usually totaling about a month's rental fee). Last, but not least, be prepared for additional fees to be levied upon returning the furniture. Pet cleaning fees, for example, are often applied even if there is very little hair. Or, an innocent scratch on a dresser can cost a few hundred dollars.

Ultimately, pet hair, scratches and broken plates happen. The best way to prepare for these charges is to determine who will be held responsible at the beginning of the rental period. If the company is not willing to pick up the charges, for example, it's important to tell the transferee BEFORE the rental engagement that they will be held liable. That way, they can make the best decisions for their personal situation.

## 9. Excessive wear and tear on the property will not be covered by the company.

There are many reasons why a transferee may cause excessive wear and tear on a temporary home or apartment. The reasons can range from the completely innocent (too many people in a small space) to issues that are seemingly more passive aggressive.

Sometimes, transferees who are used to living in their own home may forget what is like to be renting a home – and their responsibility to maintain the property as best they can. Gently reminding them at the beginning of their term may help them realize that they need to take care with the home.

Another common issue that causes wear and tear is pet anxiety. Animals do not deal well with disruptions to their ordinary routines. Moving places a huge amount of stress on pets, which they may, in turn, take out on the property.

A few years ago, for example, we had a transferee move to temporary living with his boxer. Contrary to his previous experiences with this pet, his boxer did not like the new digs and made a concerted effort to ensure everyone knew about it. His behavior of choice? Chewing. Everything. By the time the temporary living period was over, the cabinetry in the home was completely destroyed and the transferee was stuck with a major bill.

In the case of pets, we highly recommend that transferees be honest with themselves about what their pet is, and isn't capable of dealing with. If your transferee has a huge dog that is used to a backyard, and is moving into a 600 square foot apartment, chances are it won't work out well. In this case, it may be better for everyone that the transferee finds a loved one to take the pet for the duration of the stay in temporary living. If this is not possible, the transferee should discuss anti-anxiety options with a veterinarian.

In the worst case scenarios, some transferees who are frustrated by the move, or dislike their temporary living situation, may take their aggravation out on the facility. This behavior is completely unacceptable and should be considered an HR issue.

For all of these reasons, it's important to remind the transferee that they will be held liable for any charges related to excessive wear and tear on the home – no exceptions. Typically, when they realize that they will be responsible for the bill, they work harder to ensure the property's upkeep.

*Furniture rental can range from \$300 a month to thousands a month, depending on what is needed and the size of the home/apartment.*

## Don't Ignore the Psychological Impact

### 10. The psychological impact of living in temporary housing can wear on your transferee.

There's no doubt that temporary living benefits are a critical piece of the relocation puzzle for your transferee. In fact, we would argue that a good temporary living program is part of the ultimate relocation trifecta that includes home sale and purchase support, household goods moving coordination and, of course, temporary living accommodations for a suitable period of time.

It's important to also remember that temporary living benefits can serve a bigger purpose than acting as a holding cell for the transferee. For example, it will afford your transferee the time to get a better sense of the area before purchasing a home; it will relieve some of the pressure and financial burden of finding a new home immediately, which can reduce some stress and, last but not least, it will help reluctant transferees ease in to the new location at a slower pace.

All this being said, however, as relocation managers and human resource professionals, we also have to be aware of the psychological impact that temporary living accommodations can have on some transferees. While a negative impact should not prevent HR from offering this benefit, being aware that not every transferee will adjust well in a temporary environment will go a long way towards supporting an employee who seems to be having a tough time.

#### So, what is the psychological impact?

If you love your home, you know how great it is to come home to a space that's the right size, decorated your way and containing all of your "stuff." After a long day at work, there's nothing better than cooking in YOUR kitchen, sitting on YOUR couch and going to sleep in YOUR bed. Now, imagine all of that is gone for an undetermined period of time. And to further exacerbate that emptiness, the family is still back in the origin location. That's what your transferee is facing during the time they are in temporary housing and it's emotionally draining.

Now, this will impact some transferees more than others. If your transferee is concerned about the impact that temporary living and the separation from the family will have on them, be empathetic and make some good suggestions. Here are some things they can bring that may help them feel better:

- Bedding – for example their pillow or a favorite blanket or comforter
- Throw blankets and pillows for the couch, even if they are renting the couch
- Picture frames with pictures of loved ones
- Favorite games or sports accessories
- If they do have no choice but to bring their pet, remember a dog bed, cat tree, etc.
- Favorite books and/or magazines

If your transferee is having a hard time in temporary living, it's also helpful to get them out of the house. Tap into your local employees to develop a list of places to explore, fun things to do around town and networks to join.

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So, that's it. Our top 10 temporary living rules to live by! Do you have any to add? If you have thoughts to share, or would like to be a guest blogger please let us know. You can contact Paige Holden at [pholden@xonex.com](mailto:p Holden@xonex.com) to share your insights and be a part of our community.

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