



WORLDWIDE ERC® WEBINARS

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WEBINARS

Scary Good!

An Update on Market Trends and Mobility Activity in Three of North America's Economic Hotspots: San Francisco Bay Area, Mexico City, and Vancouver

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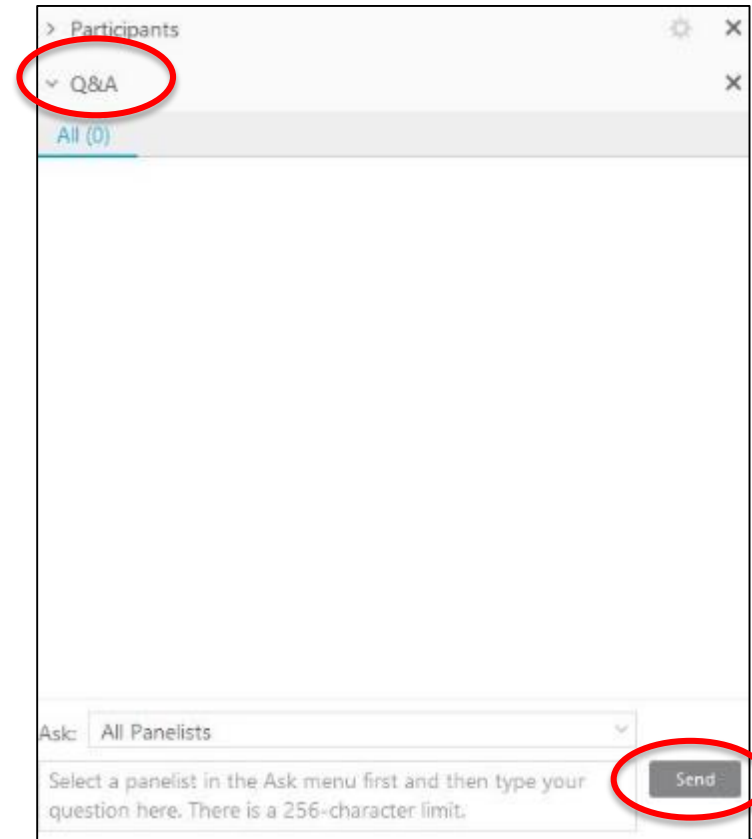
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Today's Presenters



Director, Global Account Management
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VP, Dwellworks Canada



Scary Good!

North America's first recorded instance of dressing in disguise on Halloween was in Vancouver, BC in 1898



Trick or Treat?

What's really scary?

Being under-prepared for a move to a high-demand market like Mexico City, San Francisco, or Vancouver



Mexico City Market at a Glance

- Largest metro area in North America, one of the world's largest, with over 22 million people
- In ex-pat preferred communities, rentals start at \$2,000 USD per month and can go well beyond \$10,000 for a 3 to 4 bedroom property
- A guarantor is expected for all leases and if not possible, there are insurance company bonds that can be purchased at an additional cost

Considerations	Findings	Comments
Housing Availability	Low to Moderate	
Current Vacancy Rate	Low	Rates are low, especially at lower rental brackets
Owner Paid Real Estate Fees	No	
Typical Lease Length	12 Months	
Typical Security Deposit	One month	One month limit on a one year lease; no limit if lease > one year
Early Termination Clauses	Yes	Early release clauses are commonly available
Negotiation of Lease Terms	Yes	



Relocation Challenge:

Market Volatility

Don't be *frightened* by the unexpected!

- Cancellations of scheduled visits can happen during the search without notice
- Landlords keep showing properties until they have a signed lease and can end negotiation for a better offer at any time
- No way of knowing if there is a pre-existing offer in place



San Francisco Market at a Glance

- Second-most densely populated metro area in the U.S. after New York City: 7 million people
- Average rental cost = \$3,680 USD; highest in nation
- No dedicated MLS for rentals; prolific resources for listings

Considerations	Findings	Comments
Housing Availability	Low	Availability changes daily; lowest vacancy during summer
Current Vacancy Rate	2.8%	
Owner Paid Real Estate Fees	No	If there is an agent fee, it is usually one to two months' rent
Typical Lease Length	12 Months	
Typical Security Deposit	1-2 Months Rent	
Early Termination Clauses	Limited	Due to tight rental market
Negotiation of Lease Terms	Low	Extremely rare due to highly-competitive market



Relocation Challenge:

Availability of Rental Housing

A Bay Area home search can be *spooky*, if your ex-pat:

- Is a “Lookie-Lou”
- Has rigid expectations and inflexible rental parameters
- Is not ready to compete against other applicants
- Arrives unprepared for the “new normal” in rental scene



Vancouver Market at a Glance

- Third largest metro area in Canada: 2.5 million people
- Average rental cost = approx. \$3,000 USD
- Most landlords or property managers require proof of renter's insurance that covers possessions and liability

Considerations	Findings	Comments
Housing Availability	Low	
Current Vacancy Rate	0.6%	Affects choice of available properties and monthly rates
Owner Paid Real Estate Fees	No	Landlord pays 1 month commission
Typical Lease Length	12 Months	Lease term may be changed from fixed to month-to-month after fixed term is complete
Typical Security Deposit	One-half month	
Early Termination Clauses	Difficult	Very few landlords will agree to a cancellation clause
Negotiation of Lease Terms	Low	



Relocation Challenge:

Affordability

Homes are out there – it's the price that may *shock* you

- 1 bedroom apartment or condo: \$2,200
- 2 bedroom average: \$2,700
- 3 to 4 bedroom single family house: \$4,500-6,000



Larger houses in well-established neighborhoods can cost up to \$15,000 per month!



Haunting Destination Service Trends



- Shorter and shorter “bundled service” requests
 - 1.5 days to 3 days “full service” support to include area orientation, home search, settling-in assistance
- Requests for “VIP Support” without outlining scope or expectations
- Requests for “desktop” or virtual home search for expats
- Cross border moves are *international* moves
- Shorter term lease length requests (3 to 6 months)



Average Time Per Task – All Cities

Basic support:

- Area Orientation: 1 Day
- Home Finding: 2-3 Days
- Settling-In: 1-2 Days
- School Search: 1-2 Days

Worrisome factors

- Traffic
- School Availability
- Delays / Wait Times
- Application Denied
- Family Size



Rental Home Search Best Practices



- 2 days minimum; 3 days recommended
- Include enough time for lease consultation and thorough, accompanied move-in walk through to protect security deposit
- It is suggested to have a second or third choice ready in case the first falls through



Fearsome Factors Impacting a Rental Search

- Multiple pets, large breed dogs
- Large families with varied schooling needs
- Single family house vs. apartment search
- Application denied requiring new home search
- Shifting or changing rental parameters or expectations requiring new search
- Large metro market and desire to see options throughout rather than focus on two or three communities
- Safety and security considerations



Take the *Scare* Out of School Finding

- Mexico City
- San Francisco
- Vancouver



Key Government Compliance Timeframes to Apply

- Government Registration = ½ day
- Driver's License = ½ day - 1day



Service
Canada



Don't Be *Afraid* of Cross Cultural Support!

Cultural proficiency has proven essential to the success of an international assignment

- Add Intercultural Training to Destination Support for easier and better settling-in experience
- Provide the tools for long-term assignment success
- Lower cost, virtual training or coaching solutions are also available



Questions & Answers

Q
and
A



Thank you for attending!

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