

At the start of the pandemic, the global mobility supply chain was greatly impacted, with delays and a lack of capacity only becoming worse with time. This 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

- Constantly changing COVID-19 regulations and restrictions make it challenging for destination services providers (DSPs) to schedule programs and determine what can be delivered face-to-face or virtually.
- Government office closures and 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.)
- As more shift to remote work options, demand for larger properties has increased and overall, property markets around the world are currently more competitive.
- A lack of availability in rental markets in many locations has made home finding challenging and has also increased prices.

WHAT IS CARTUS DOING?

- Working closely with our destination services providers 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 top property and neighborhood choices

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
- Navigating self-quarantine requirements
- Pre-travel and post-arrival COVID-19 testing
- Border closures and 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.



TEMPORARY LIVING

CURRENT CHALLENGES

- High demand and less flexible lease terms are having an impact on the number of units available, the cost of corporate housing, and our suppliers' ability to grant extensions.
- It can be challenging to try to find a property to rent for only 30 days, with many requiring longer lease terms.
- Fewer corporate housing suppliers are holding long-term inventory in an effort to reduce the risk of vacant units, while others are 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, overall we continue to be able to offer choice in short-term accommodations and can provide hotel options when absolutely necessary.



WHAT CAN YOU DO?

- We recommend temporary living is requested four to five weeks before an expected move-in date.
- Where possible, organizations should try to ensure their relocation program has the flexibility to adapt to the current challenges (e.g., flexible start/end dates, longer lease terms, wider scope of area to search, and budgets) that reflect potential extra costs.
- Set employee expectations before the relocation process begins. Temporary living is an alternative to a hotel and does not typically offer the larger units available for long-term leases.
- Once a relocating employee has found suitable accommodation, we recommend they make a decision quickly (within hours instead of days).
- To increase the chances of securing an extension, advise your relocation services provider or temporary living supplier as early as possible.

RENTAL ASSISTANCE

CURRENT CHALLENGES

- Rental markets around the world continue to see an imbalance between low stock availability and rising demand.
- Demand in the U.S. real estate market is especially high due to pent-up demand during the pandemic, low interest rates, and a rise in remote work options. This activity has led some prospective landlords to sell investment homes rather than rent them out, depleting available rental stock further.
- Other homeowners are choosing to sell their property for profit and rent until house prices settle, exacerbating an already crowded rental market.
- Leading U.S. property management companies estimate the U.S. real

estate market's supply-demand imbalance will drive rental rates up by 4% to 5% in key markets this year.

- There are not as many new rental properties being built due to delayed supply chains impacting construction material deliveries.

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.

WHAT CAN YOU DO?

- Set expectations with employees. Once they have found a suitable property, we recommend they make a quick decision (within hours instead of days).

The U.S. real estate market's supply-demand imbalance is expected to drive rental rates up by 4% to 5% in key markets this year.

- 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.
- We recommend three to four weeks' notice to book a rental tour.
- Build extra time into relocation programs to include the time it takes to search and secure a property. In popular U.S. markets, most apartment rentals average three to six months to secure.
- Stagger groups of renters moving into one location so they are not competing with each other for limited inventory.

U.S. HOUSEHOLD GOODS

CURRENT CHALLENGES

- It is peak season, which looks likely to extend through to September.
- Increasing demand among all customer-types has created capacity challenges and delays.
- 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 as well as training schools being temporarily closed last year.

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.
- Relocating employees may have to wait longer for their household goods to arrive and they should be told of this before the move.
- Ensure your relocation budget reflects potential extra costs. For example, employees who quickly sell their house may have to move to temporary accommodation to allow for more time to house hunt.
- 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.
- Productivity at international ports has decreased as the number of dockworkers reduce to adhere to social distancing restrictions.
- The rise in online shopping by global consumers and the fact many items purchased online originate from Asia may have contributed to especially long delays in the region.
- 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.
- Our suppliers anticipate Q4, 2021 to be particularly impacted due to the increase in Christmas merchandise shipments and deliveries.

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 will 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).

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](#).