



Modern Mobility ★ 33rd Annual Conference ★ April 28, 2017 ★ The Depot Minneapolis

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# Trends and Costs of Temporary Housing

# Corporate Housing Industry Update

**Julie Rice**  
**Senior Global Mobility Advisor**  
**National Corporate Housing**  
**18 Years**



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# Corporate Housing Industry Update



**Brad McDonald**  
**Manager Corporate Housing**  
**SIRVA Corporate Housing**  
**18 Years**

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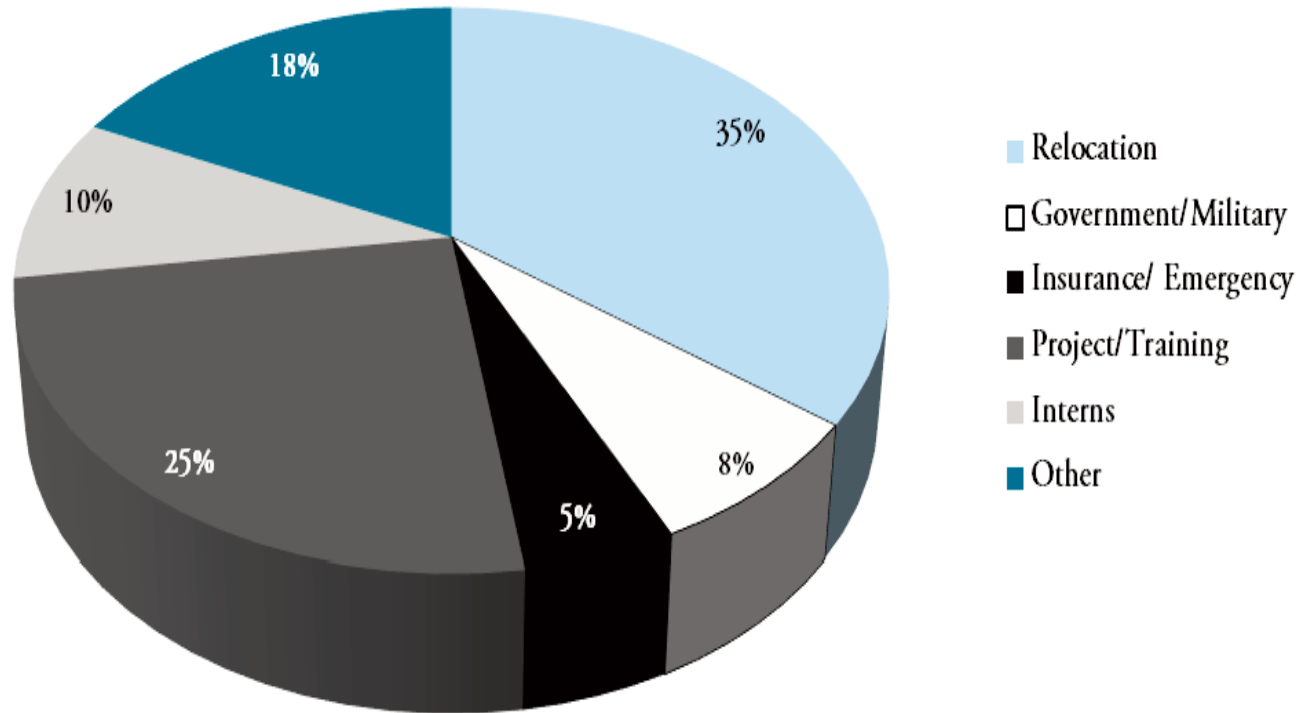
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# 2016 Corporate Housing Overview

- **\$3.2 billion US industry**
- Up 10.2%
- Units: US 66,863
- Average Stay (nights): US 86
- Occupancy: 87.7% US up from 2015
- US: Relocation #1; Project/Training #2
- ADR: US \$150.44 up 6.3%

# Purpose of Trip - US

Trip Purpose: US Corporate Housing

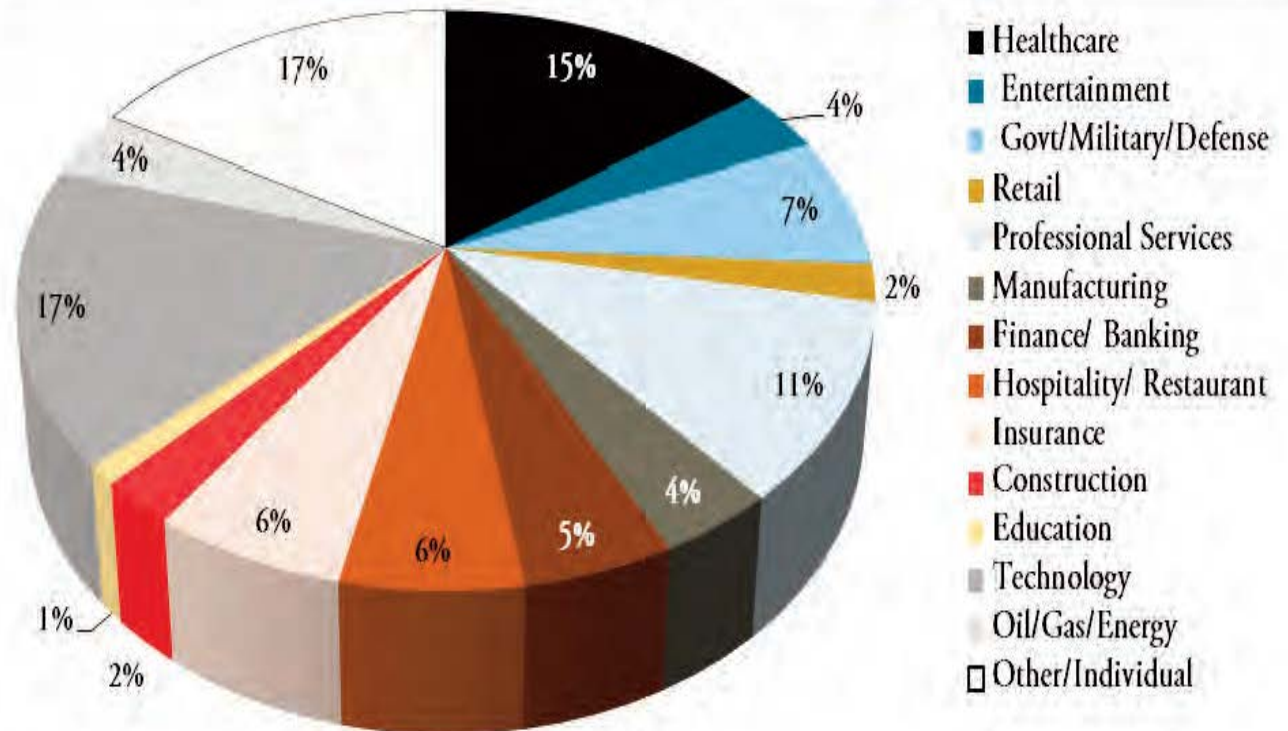


# Top Markets

- NYC ADR \$234/day
- San Francisco \$223
- East Bay Area \$204
- Boston \$204
- LA \$178
- Hartford \$159

# Corporate Housing by Industry

Guest Profile by Industry Segment: United States



# 2017 Apartment Industry Data

- **36%:** of the U.S. are renters
- **45+ million:** renter households in 2016
- **45+ million:** household renters expected in 2017
- **55+%:** Lease renewal rates (typically 30%)
- **54:** Large increase in new apartment construction expected in 54 key markets:
  - 2016 - 228,000 new units
  - 2017 - 178,000 new units
- Micro apartments on the rise
  - NYC – 300 square foot apartments starting at \$2300/month
- **2017**
  - Apartment industry growth continued to stay strong
  - Vacancy to remain 5%+
  - Rent growth 5%+



# 2017 Apartment Industry Data

- **96.5%:** U.S. rental apartment occupancy in 2016 3rd quarter - up from 96.2% a year ago!
- **4.9%:** The Class B sector's middle-tier quality units are playing the biggest role in driving overall rent growth – pricing in that product sector is up 4.9% year-over-year
- **7.7%:** Mid & small-sized markets have seen significant growth of 7.7 %
- **4%:** The national average apartment rent in 2016 increased by 4% year-over-year, reaching an average of \$1,210/month
- **6:** The number of U.S. cities where renters paid nearly an extra month of rent last year; Sacramento (12.2%), Stockton (10.2%) & Colorado Springs saw double-digit rent gains, followed by Detroit, Mesa , AZ, and Long Beach, CA
- **\$1,210:** The national average rent as of December 2016 – grew 4% year-over-year
- **96+%:** Increased occupancy expected = increased rates

# Career Road Map

Supporting a Housing program to Develop Leadership

- Flexible Programs
- Variety of Housing Options
- Company Culture and Demographics
- Policy Changes/Exceptions



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# Supporting an Integrated Housing program

- Intern Programs
- Travel
- Recruiting
- Rotational Programs
- Co-op programs Temporary Assignments
- Long Term Assignments
- Leadership Training
- Projects
- Training

# Why Use an Expert

## Using an Expert

- Inclusive daily rate
- Expenses managed
- Only pay for the days stayed
- 24 hour on call
- Maintenance issue resolution
- Fully managed

## Self Set-up/Managed

- Unvented properties
- Set up Utilities, rent, cable
- Property fees, app, deposit, admin
- Added short term rental rates \$300- \$1000/mo.
- Costs of vacancy
- Maintenance requests
- Long term furniture leases
- Cleaning, shampoo, maintenance fees
- Shutting the apartment down



# Questions - Challenges

- Why is it so expensive? Break down the cost
- I want a 4 bedroom – Studio
- I want a single family home
- I have 4 dogs!
- I just want to look at some options
- School District



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