

# NEARLY 500 FAMILIES MIGRATE TO NORTH CAROLINA FROM CANADA AND FLORIDA FOR GLOBAL FORTUNE 50 COMPANY

CASE STUDY



A Global Fortune 50 organization turned to Graebel, its trusted and longtime relocation partner, to drive results for a group move of nearly 500 uniquely skilled employees. The company closed a plant in Canada as well as a large campus in Florida and needed to relocate employees to a campus that was set to expand in North Carolina.

## THE CHALLENGE

To ensure that employees' homes for sale in Canada followed the U.S. IRS guidelines and to help employees in the severely depressed real estate market in Florida overcome tremendous loss on sale, negative equity, and foreclosure competition realities.

## THE SOLUTION

As its new facility construction occurred, the client tapped Graebel one year prior to the group move and the planning commenced. Graebel and the Company teamed up to conduct extensive research and to analyze how to best accommodate

all transferees. The company's culture is one of fair and equal treatment and this was a huge factor in determining policy alterations.

Next, the lifecycle of a relocation from initiation through move-in day was carefully evaluated to ensure that no relocation would extend beyond the IRS mandated one year rule. In turn, Graebel recommended that the client authorize relocations earlier than its standard timing so that each employee would have extra time to make a decision to move prior to accepting the relocation package.

**(continued on reverse)**

## THE CUSTOMER

Global Fortune 50 environmental technologies company with over 335,000 employees at nearly 1,600 locations around the globe, including more than 175 research and development facilities.

## THE SCOPE

To relocate almost 500 families from Canada and Florida to North Carolina. The company employs many specialized engineers and other highly-skilled talent. Many employees' homes in Florida were under water or had little equity. Cross-border complexities were eminent coming from Canada. A well constructed move strategy and solid relocation benefit package and program were critical to convince employees to accept the relocation.

## WHY GRAEBEL?

Graebel is a global group move connoisseur with over six decades of experience. Graebel approaches each group move with a fresh outlook and will customize a detailed plan per each client's requirements joined with market-relevant and proven best practices. This client turned to Graebel because its service execution has been well organized, on time and without costly surprises.

**THE SOLUTION** continued

Additional analysis included a deep dive into the real estate market conditions in Florida to determine the actual loss on sale average. This resulted in an increase of the company's loss on sale benefit from \$25,000 to \$50,000 which was also grossed-up to alleviate the tax burden for each employee. The decision to increase the benefit was generous in comparison to the industry average of \$32,600 in 2010<sup>1</sup> but was deemed necessary considering the depressed market. As a measure of good faith, the client retroactivated the higher loss on sale benefit to all employees, outside of the group move, who had accepted a relocation within that year. In Canada, housing market conditions were excellent and the loss on sale benefit was not needed.

Graebel conducted a detailed Cost of Living Analysis (COLA) for both markets and each location's cost of living was similar to the destination city in North Carolina; therefore, no cost differential payments were necessary.

Because of the number of employees' moves concurrently taking place, Graebel placed a veteran consultant, already dedicated to the client, onsite in North Carolina to specifically manage the group move. This allowed for face to face interaction with the client and transferees on a regular basis and swift actions whenever needed.

**Canada**

Because this plant was closing, the relocating group needed to move quickly and all in one phase lasting less than 12 months. To the group's benefit, housing market conditions were sailing with the average days on market before an accepted offer at only 45 days.

Area tours at the new city in the U.S. were coordinated by Graebel and allowed for group site tours and individual neighborhood searches with a dedicated real estate broker.

The nearly 100 employees moving from Canada faced different challenges than their counterparts in Florida. Monthly presentations were conducted to discuss the cross-border requirements. The Graebel team lead person ensured that each employee fully understood the IRS guidelines for relocating to the U.S. from Canada and the U.S. laws regarding the sale of their home in Canada. Graebel's vendor management team worked well in advance to also ensure that the selected brokers in Canada understood the strict standards placed on Canadian moves. In that province, 'buyer beware' is the customary home sale approach; however, Graebel established early that the key elements of a successful home sale would be followed properly to safeguard all parties involved. Therefore, the best practice steps to order inspections and to obtain the homeowner disclosure agreement on each home sold was uniformly implemented.

**Florida, USA**

The moves from Florida were scheduled in multiple phases with a 24-month completion.

Seven presentations for approximately 400 employees were orchestrated by Graebel and the client onsite in North Carolina and Florida. The client's human resource manager presented the logistical relocation package information and was prepared to answer any question. Mortgage lenders offered specifics about the lending process. Real estate brokers provided a wealth of destination area information.

The dedicated Graebel team lead answered relocation and moving questions and presented:

- > Play-by-play specifics about the relocation lifecycle
- > Details about how benefits were calculated

This market warranted adding home sale listing parameters to the policy to speed results, and employees were required to list at 105-percent of the two Broker Market Analyses (BMAs) and an Appraiser Price Opinion (APO) appraisal.

**Top 5 steps for successful group move**

1. Know the market. Conduct analysis on departure and destination market conditions.
2. No two group moves are the same. Review existing policies and revise based on research and analysis. Mandate best practices.
3. Instant gratification. Position dedicated veteran consultant onsite at the client.
4. Communication is key! Conduct multiple, meaningful presentations in-person.
5. Seeing is believing. Tour the new area in groups and allow for individual exploration.

**80-Percent Accepted Move****THE RESULTS**

A higher than goal acceptance rate was achieved. 80-percent of the client's employees accepted relocation packages. All moves have been successfully executed from Canada. From Florida, 50-percent of this group's moves have been completed and results are positive; and the balance are in process and are going smoothly. The international and domestic U.S. relocation of nearly 500 families was well organized and resulted in high adoption rates and employee productivity start to finish thanks to extensive planning by Graebel with its client.

**To learn more about group move solutions and other relocation services contact Graebel today.**

**#1 in the "HRO Today" Relocation Baker's Dozen - Two Years Running, 2010 and 2011.  
Thinking Ahead. Moving You Forward. Transform Your Approach to Global Mobility with Graebel.**



<sup>1</sup>2011 Worldwide ERC U.S. Transfer Volume and Cost Survey

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