

MAY 2009

Letter From The President

Mark Hendrickson

When we began the year, there was much uncertainty and doubt. Either personally or through our network connections we witnessed family, friends and colleagues finding themselves out of work. Our business volumes have been declining and the mobility industry as we once knew it was a different world. Despite the many challenges that we all face today, I present a vision of hope and optimism. We need to spread the word that all is not lost and we will overcome these obstacles.

Repeat these words, "I do believe life will improve." It really does start with each person. You must persevere and sort through all of it and decide what is most important to you. What makes you happy and how can I share the same joy with my own network. Take a step back and reflect on your own profession and lifestyle. If you have not already done this, take stock of your personal strengths and weaknesses and what can you do to improve in all areas. Do you need additional training and where can I find resources to improve?

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Dear DRRC Members:

Spring is here!!! Hard to believe we'll all be enjoying the summer months before we know it. With that comes a busy schedule for the DRRC! Our Programs committee, fresh off of a great inspirational meeting from "Life Coach" Barry Demp at The Somerset Inn on April 30th, will continue to offer the highest quality of business programs, relevant education and CRP credits.

We encourage your involvement in our various committees: Membership, Media, Golf, and September's Great Lakes Relocation Conference at the Dearborn Inn.

The Board of Directors is extremely proud of the growth and success of the DRRC. Thank you to all the members and committee participants for making this the best relocation source in Metro-Detroit!

-2009 DRRC Board Of Directors



Giving back to the community is a top priority of DRRC.

Our commitment to helping others began in 1994 when we started our annual holiday party for the children at the St. Vincent and Sarah Fisher Center. In 2008 we hosted a similar event at The Methodist Children's Home Society where the children painted sweatshirts, ate pizza and were entertained by a magician.

In addition to our annual party, we also collect donations for various charities at each of our business and social functions.

All member input is important. We encourage charitable recommendations and welcome members to serve on the Charities Committee.



DRRC President Mark Hendrickson



Short Sales Changing Corporate Relocations

Once upon a time a corporate relocation meant potential growth for the transferee and his/her family and an opportunity to better both family life and corporate life. Once the dust settles most corporate relocations turn out to be very positive experiences. That's not to say the experience won't be stressful...no, far from it. Some of life's more stressful moments are death, divorce...and corporate relocations.

Difficult economic times face homeowners both here in Michigan and across the country. In this culture of declining home values and negative equity situations, i.e., a homeowner owing more for their home than it is worth, an entire new set of challenges greet the corporate transferee.

Over the last year and a half, and especially noticeable in 2009, are the increasing number of short sales. The term short sale, once an isolated situation that neither agents nor prospective home owners knew anything about or cared to know anything about, has evolved into a term many home owners, agents and bankers dread. Not to long ago it was a pushed aside subject due to the rarity of the short sale and the lack of knowledge regarding how to handle a home sold/bought under short sale circumstances. The economic climate of 2009 has brought short sales into the forefront and they increasingly have to be dealt with whether the transferee or the corporation wants to or not.

A transferee usually has little say-so as to when and where he/she might be moved by his/her company. When this event happens the transferee is often faced with little alternative but to consider a short sale or refuse the transfer altogether. There was a time when corporations offered Loss-On-Sales for the transferee's home if moving would cause a financial burden to the employee to where he/she could not purchase a new home in the new location. These days transferees can only hope that any loss they may incur on the selling side can be recouped in the new location by purchasing a home there at a reduced price. But transferees are often dismayed when they find many of those available homes that seem like a bargain on the surface are short sale properties.

If a transferee has the luxury of patience, short sales can often mean "great deals" for the home purchaser. But short sales have changed the buying climate, especially regarding the corporate transferee, due to cumbersome and time consuming procedures. There is often more paperwork to sign and more scrutiny given to offers by the home owner's bank. Short sale home offers can sometimes be tied up for weeks at a time as the bank decides if that offer is in the bank's best interest. Banks are obligated to make up as much loss as they can through the short sale process. They can hold onto a transferee's offer until a "better" offer is presented. This process can lead to multiple offer situations and suddenly that "great deal" isn't so great any more and the transferee has wasted important days, even weeks, to find that out.

Transferees are often on a limited time frame for both buying and selling during their relocation. Typically, they are given 30-60 days for temporary accommodations while they search for a home and the same period of time to sell their current home on the open market before a corporate buy-out of their home kicks in. Although "market-value" corporate buy-outs can be helpful to a transferee these offers are often far below what a transferee needs or expects for their home. Sometimes the only way a transferee can get out from under their financial commitments is to go the short sale route but the short sale process can take up to 60 days, or longer, to come to fruition. This could make an already stressful situation much worse. Instead of the transferee owning the leverage in the negotiating process the bank is suddenly in charge and that is not in the transferee's best interest.



Short sale homes, more often than not, are in pretty decent shape. Some of these homes are vacant and some are occupied and most banks offer these homes in "as is" condition. Unfortunately, due to human nature and the long foreclosure/short sale process homes may not be in the same condition the buyer initially saw it at the time of their offer and upon closing. Like REO properties, some owners have a careless disregard for the condition of a home during the short sale/ foreclosure period and because of the "as is" status it is difficult for buyers to negotiate any repairs that may need to be completed.





Short Sales Changing Corporate Relocations

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This is not to say that a transferee cannot take advantage of the short sale and get a good deal or perhaps get out from underneath a difficult to pay off mortgage on the selling side. This is only to say that the process can be difficult and grueling if specific time frames are involved during the relocation period. Some corporations are starting to step up to the plate in these difficult times and are allowing time extensions and even some financial help regarding negative equity situations. These instances are usually on an employee by employee basis. Most corporations, if they want an employee bad enough, will do all that they can to make that employee's transfer as painless as possible.

On the buying side, the short sale purchase can be quite rewarding if a bid is made on a home that has not generated much buyer interest but on the other hand if a transferee makes an offer on a home that is a beautiful property, one must expect other buyers feel the same way and the bank will as well. This will mean potential multiple offer scenarios where the transferee could find he/she caught up in a bidding war and many times these "bidding wars" eventually end up with a home selling over-asking price. Not only that, these "bidding war", multiple offer scenarios can mean long waits before the bank decides what offer to accept. Many transferees are simply not afforded the luxury of time...they often need to find a home right away and close right away. So there are positives and negatives to the short sale transaction.



On the selling side the corporate transferee must be aware of the risks involved when dealing with the bank. This bank needs to make up their potential loss in the best way possible so some offers that would be considered normally, may not be considered by the bank in the short sale.

So, for the corporate transferee, be extremely careful as to whether or not to travel the short sale route...either buying or selling. As a transferee you must make sure you are aware of all of the intricacies of the short sale before deciding to make a purchase or sell your current home using this process. Make sure your real estate agent is knowledgeable of this process before you make that important decision.

Michael J. Schultz, CRP

Relocation Director

Jack Christenson, Inc. Realtors

Give Us Your Articles!

The DRRC needs your talents!!!

If you have writing skills the DRRC wants YOU!!! The DRRC Newsletter needs your input...Write an article for our membership! Feature your company!!!

Name the Newsletter...

Please contact mschultz@jcirealtors.com





Letter From The President

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At our February 19 meeting, I shared how the mobility industry is continually evolving. For the short term, professional recruiters are speculating that domestic movement will be less. Though actual transferee volume reports have not been published by Worldwide ERC® projections indicate that we will continue to see declining movement in 2009 as has been the case since 2007. In addition there are moratoriums on hiring. Companies continue to think globally and therefore there is a greater emphasis and a need for international mobility experts

What does this all mean? The reality is nothing is forever and we all must recognize that change is inevitable. As the world continually evolves, we must also take steps to evolve too. You have heard the words, "sharpen the tools in your tool box". Well, now is the time to consider what tools may require sharpening and what tools that have been used less frequently, should be pulled out to increase their effectiveness. To assist you in this process, the DRRC will continue to provide the support that you have come to expect and appreciate. More than ever, our organization will be an important connection to our members and guests as they tackle the many challenges that will effect their business and their livelihood in 2009.

This year the DRRC will also host the Great Lakes Relocation Conference for members of Ohio, Pennsylvania and Michigan. The conference is scheduled for September 17-18. This 2-day conference will be yet another opportunity to network and earn CRP credits. Visit our website for more details.

I also want to know what is important to you. In the past, we have distributed membership surveys and asked for feedback. At anytime you have an idea for a meeting, a suggestion on how we can better serve you or if you want to get involved with our organization, I would like to hear from you. I invite and encourage you to send me an e-mail to Mark.Hendrickson2@gmail.com. If you would also like to present information and/or share an idea with the DRRC Board Of Directors, we would be happy to schedule you at a future board meeting.

"Hope doesn't come from calculating whether the good news is winning out over the bad. It's simply a choice to take action"

[Anna Lappe](#), O Magazine, June 2003.



First 2009 DRRC Business meeting a huge success!

The Detroit Regional Relocation Council gathered at the Somerset Inn on Thursday, February 19th for its first business meeting of 2009.

Keynote speaker, Lynn Bragg, CEO of Worldwide ERC® addressed the challenges facing Worldwide ERC® and it's members, including reduced benefits and equity for transferees, the slow housing markets, tight budgets with attendant lay-offs and hiring freezes while still needing to preserve a footprint and presence with a well-maintained workforce, and facing up to the "fear factor" of an uncertain future. Ms. Bragg made the point that now it must be "all about effective customer service" and that customers, however they may be defined, "should be celebrated daily. They are the reason we are in business."

Ms. Bragg stressed looking ahead and getting back to the basics, ensuring that customers receive the maximum benefit of the Business providers experience. "Now is when the strongest relocation industry service providers and the most skilled practitioners will be in demand." She added that one way Worldwide ERC® addresses the needs of its clients is by offering a U.S. Housing Market Toolkit, found at www.worldwideERC.org/toolkit. The Toolkit offers memberstraining and educationresources. Worldwide ERC® has plans to "keep moving forward in establishing a global footprint" and sees as essential the need to build the Worldwide ERC® brand outside the U.S. and to infuse a global perspective throughout the Worldwide ERC®

UPCOMING EVENTS

June 2009—Spring— Lunch and Learn ERC Wrap-Up

September 2009—Great Lakes Relocation Conference

October 2009-Fall— Lunch and Learn ERC Wrap-Up

October 2009 Fall Business Meeting



DRRC 2009 Board Members from L to R: Michael J. Schultz, President Mark Hendrickson, Trevor Hewes, Barb Miller, Chairman Kevin Pool, Vice-President Dave Foess, Glenn Hummon, Mike Keegan, ERC CEO and guest Speaker Lynn Bragg and Treasurer Donna Medich. Board members not shown are Carolyn Bowen-Keating and Kara Cyr.