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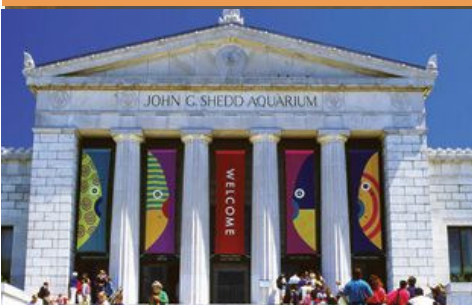
All Relocation Services
Allstate Insurance Co.
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Diversity Moving LLC

Short Sales

Presented by

Joe Ohayon

Wells Fargo Home Mortgage



What should Homeowners who have challenges meeting mortgage payments do?

- **Homeowners having difficulty making their mortgage payments should talk to their mortgage servicer or a housing counselor as early as possible.**
 - The servicer may not be the same company that originated the homeowner's mortgage.
 - The servicer will work with their customers to find viable alternatives to foreclosure where possible.
 - A servicer may own the loans they service and/or service the loans for investors so the ultimate decision as to what alternatives can be provided may not be up to the servicer.
- **Homeowner options include:**
 - Refinancing
 - Repayment plans
 - Loan modifications
 - Short sales
 - And other options



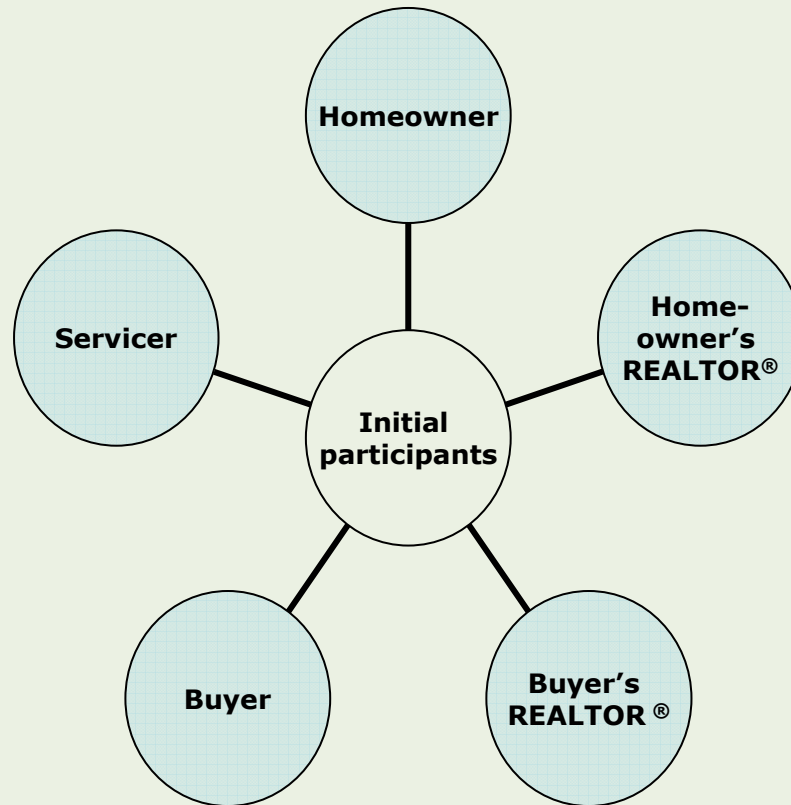
What is a short sale?

- A short sale is a program that allows homeowners to sell the home for less than the amount owed on the mortgage.
- Homes are sold at fair market value and the proceeds are used to payoff the mortgage.
- Borrowers must qualify to be considered for a short sale.
 - Qualification does not guarantee short sale approval.

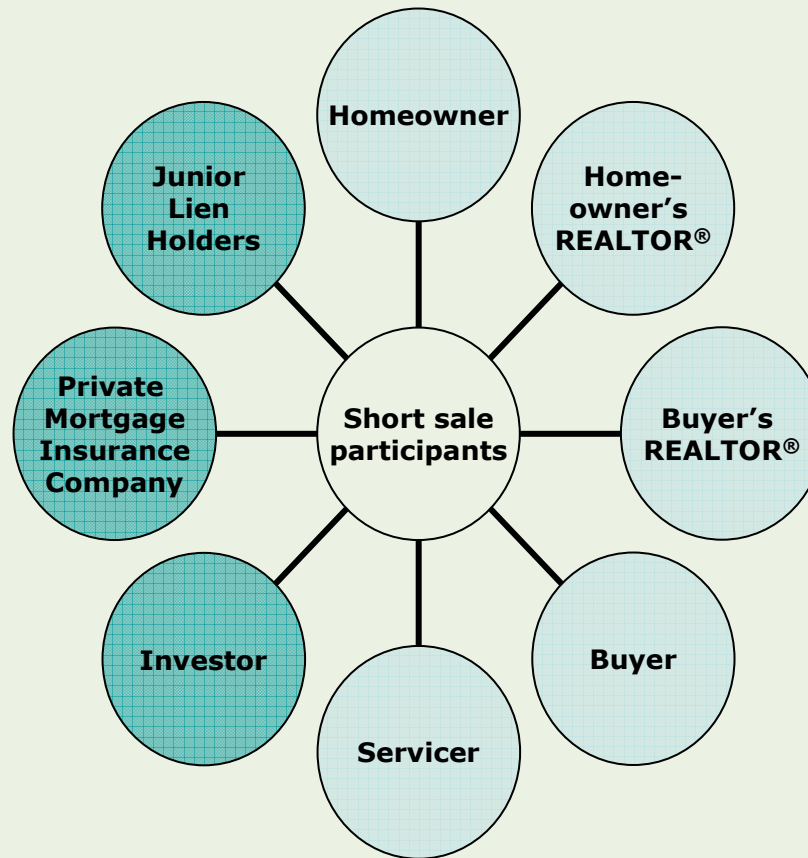
Note: A promissory note for debt not covered by the sale may be required by some investors, MI companies or junior lienholders to agree to the short sale.



Initial participants in a short sale



Participants approving a short sale



Short sale impacts

- Homeowner impacts
 - Credit report will state 'paid off in full for less than full balance'
 - Reestablishment of credit may be required to qualify for a new mortgage following a short sale
 - There may be tax implications. The homeowner should speak with their tax advisors about the tax implications of a short sale
- What else homeowners should be aware of
 - Buyers cannot be anyone the homeowner has a close personal or business relationship with, including family and friends
 - Homeowners are responsible for making their mortgage payments while the home is on the market
 - Mortgages in bankruptcy require special consideration
 - Homeowners should speak with their mortgage company to discuss their options



Short sale impacts

- **Neighborhood impacts**

- Reduced REO properties in the community
- Avoid vacancy and blight
- Keeps homes occupied which helps to stabilize neighborhoods

- **Lender**

- Better customer outcome
- May minimize the financial loss to the Investor/Lender

- **REALTOR®**

- Seller REALTOR®: Different process flow than a traditional real estate transaction
- Buyer REALTOR®: Different process flow than a traditional real estate transaction.

- **Buyer**

- Due to the non-traditional nature of the transaction and the different participants involved, transaction period may be longer than a traditional real estate transaction
- Cannot have a close personal or business relationship with the Seller



What can derail lender approval?

- Homeowners/sellers
 - Refuse to sign investor or MI required promissory note
 - Don't provide access to the property
- Junior lien holders
 - Will not approve transaction
- Buyers
 - Unable to secure financing
- Property
 - Unclear title
- Listing price
 - Too high or too low – either not generating enough offers or creating offers which are too low



Common short sale obstacles

- Unrealistic expectations
 - Timelines do not follow typical offer-to-close timeline
 - Price: 'Low ball' offers due to market conditions
 - Excessive seller concessions and costs
- Offer does not meet investor guidelines
- Mortgage insurer requiring promissory note
- Processing delays
 - Valuation delays (e.g. rural homes, interior access)
 - REALTOR® and customer required documents missing or not signed and dated properly
- Team not fully engaged
 - Buyer's REALTOR® working short sale without homeowner engaged
 - Buyer's REALTOR® often considered an unauthorized third party



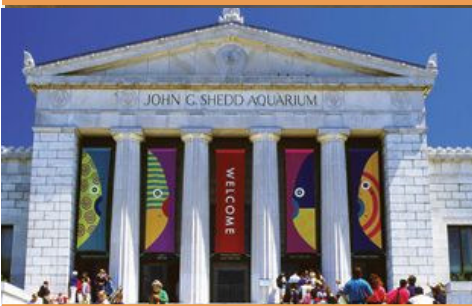


Thank You!

Joe Ohayon

SVP, Community & Client Relations

Wells Fargo Home Mortgage



Real Estate Market & Inventory Management

Presented by

Howard Gimpel

Promisor Relocation

Real Estate Market Trends

Recent Happy Headlines

“Home Sales on the Rise”

“Prices Moderating”

“Foreclosures Declining”

However...



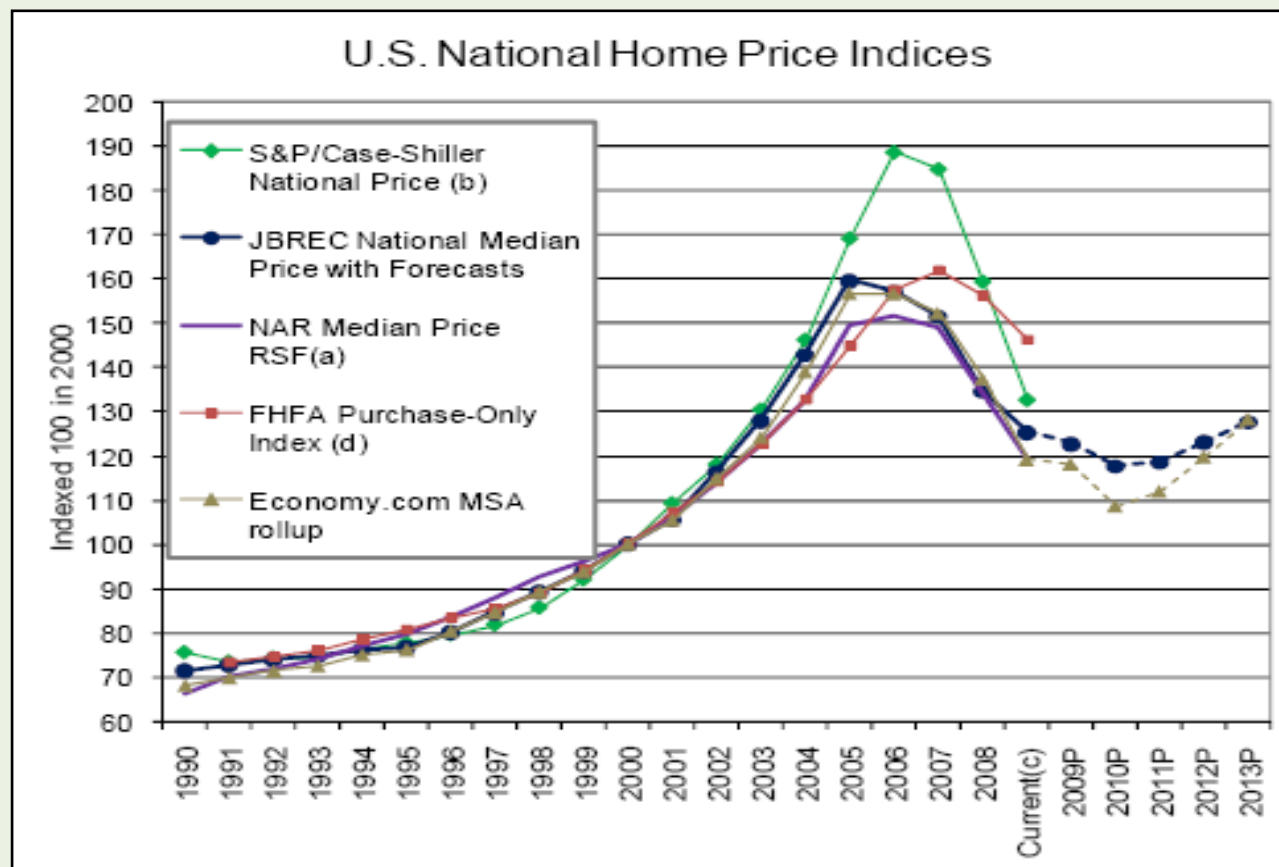
Real Estate Market Trends

Reading Beyond the Headlines...

- Prices continue to fall
- High-priced homes stagnant
- Unemployment climbing
- Lending guidelines more stringent than ever
- Highest default and foreclosure rates since 1933
- Sales volume and price gains limited to the bargain market



Real Estate Market Trends



Real Estate Market Forecast

An Inconvenient Truth *(Sorry AI)*...

- Historically sustainable real estate appreciation kept pace with rate of inflation: 2% to 3% per year.
- Localized depreciation reached 20% to 75% or more
- Recovery of lost value will take no less than 5 to 10 years
- Some markets may never recover



Real Estate Market Forecast

Selling in a Saturated Market

- Roughly 4.5 million homes currently for sale
- Nearly 6 million homes expected to sell in 2009
- Resulting Inventory Absorption Rate of 9 months

Traditionally, a “balanced” market featured an absorption rate of no more than 3 months. Anything in excess of 6 months indicated a severe oversupply. When supply approached 12 months: pretty much “code red.” Many marketplaces today exhibit absorption rates of 3 or 4 years.



Real Estate Market Forecast

The Burden of the Shadow Market

- 500,000 REO residential units
- 3.5 million homes in foreclosure
- Nearly 1 million borrowers 90+ days delinquent

Net Effect: *the shadow market doubles the inventory absorption rate from 9 months to 18.*



Selling Corporate Inventory

Starts Before Acquisition

- Mandatory, managed, benchmarked pre-marketing
- Careful selection of proven real estate agents
- Focus on showing feedback and competition
- Thorough inspections and complete repairs
- Consistent policy eligibility administration
- Challenge value and saleability assumptions



Selling Corporate Inventory

After Acquisition

- **Location, Location, Location** – Buyers have choices
- **Condition, Condition, Condition** – Buyers have choices
- **Price, Price, Price** – Buyers have choices
- **Appeal, Style, Décor, Function** – Buyers have no imagination, they want the best value at the best price, and they have choices



Selling Corporate Inventory

Think Like a Buyer – Location

- In the overcharged hot market buyers sought specific school districts or neighborhoods and paid a premium for the rare offering in their price point.
- In today's oversupplied market location concerns go from macro to micro... Is the home next door to something ugly, or too close to the subdivision entrance, or within earshot of a busy road?
- Can't be changed
- Can be overcome with price; don't hold out for the value of a premium location, be happy to achieve a sale



Selling Corporate Inventory

Think Like a Buyer – Condition

- In the overcharged hot market buyers were competing against each other and willing to accept minor – even major – defects
- In today's oversupplied market condition issues simply don't go away. The competition is willing to fix anything
- Can and should be addressed
- Lenders are rejecting finance applications for homes that require even minor repairs
- Can be overcome with price, but at a steep cost



Selling Corporate Inventory

Think Like a Buyer – Price

- Assess the competition with open eyes. We don't trade in hope. What the market says is plain to see; ignore it at your peril
- Offer value – price your 4-bed to lure the 3-bed buyers
- Lead the market – act on showing traffic and feedback or settle for being the bridesmaid
- Respond to offers quickly and reasonably – buyers don't wait long for counteroffers; the longer the wait the more stubborn they are



Selling Corporate Inventory

Think Like a Buyer – No Imagination

- First impressions count more than ever – landscape maintained, interior gleaming, windows clean, nothing broken or loose
- Odd style? Dated floor plan? Just plain ugly? – Price is the cure
- Go neutral, but stay current – obtain a consensus from agents on decorating that attracts the target buyer
- Buyer incentives have lost much of their impact – these days buyers are asking for whatever they want

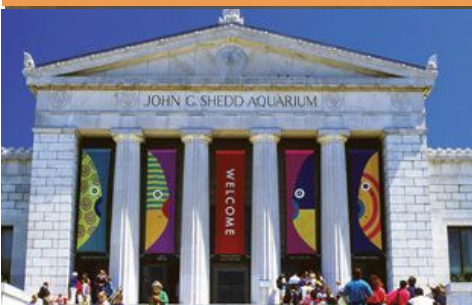


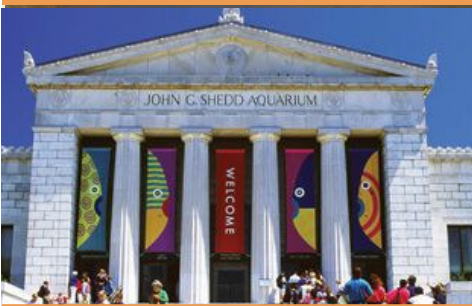
Thank You!

Howard Gimpel

Director of Real Estate & Vendor Services

Promisor Relocation





The Reluctant Transferee

Presented by

John D'Ambrogio

Baird & Warner

Broker Perspective

- What are the biggest issues in relocation today?
- What are we doing to address these issues?
- What is the “reluctant transferee” telling us?
- What are we doing to address these concerns?
- How are we communicating to transferee?



What are the biggest issues in relocation today?

- Shortsales / REO
 - Redefining the market
 - They are the mainstream comps!
- Proliferation of transferees who rent
 - “No one makes money and no one is happy”



Biggest Issues...

- Client Resistance - FEAR
 - Unrealistic value expectations
 - Inability to sell at origination
 - Inability to “replace home”
 - They really mean replace lifestyle
 - ...schools
 -spousal opportunities
 -amenities – commute, type of home, etc.
 - The thrill is gone
 - It’s not universally perceived as a positive
 - It’s not a way to ladder your home purchases into wealth



Biggest Issues...

- Referral Fees
 - Shrinking profit margins
 - Unrealistic expectations
 - Agent rejection of leads
 - Blanket referral agreements
 - Paradigm shift to REO/Web as the focus
 - 40% will be the new normal
 - 48% depending on who you ask!



What are we doing to address these issues?

- More frequent communication (to transferee, agent, and third party)
- More (and more persuasive) arguments on:
 - Supporting our pricing
 - Price reductions
 - Need for R & I
- Merge relo team with rental team
 - The right agent for the right job
 - Increased likelihood of “turning and retaining”



What is the “reluctant transferee” telling us?

- My spouse won't be able to find a job
- My family has to stay behind; I have to rent
- I am worried about L.O.S.
- I have to rent my origination home
- I simply can't find a house
- I can't “replace my home”



What are we doing to address these concerns?

- Pre-decision tours
- Increased rental services
- More temp housing
- Asking to be involved in interview process
 - Become a resource and advocate early on
- Delay the process when appropriate
 - i.e. until appraisal on origination home



How are we communicating to transferees?

- Talk less; listen more - EMPATHY
- Walk them through the entire process
- Share success stories
 - Anecdotes
 - Positive media



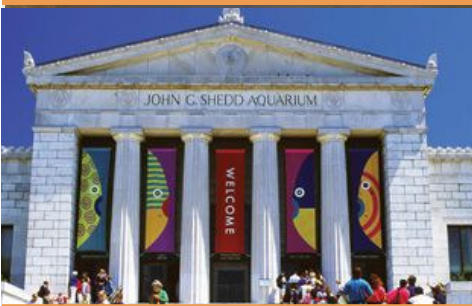
In conclusion...

- Everyone has less than ideal situation
 - Corporations
 - Third party companies
 - Brokers
 - Transferees
- Realistic expectations & a dose of perspective
- Partnering and communication make for good relocations!



P. S. I will not give as depressing a talk next time



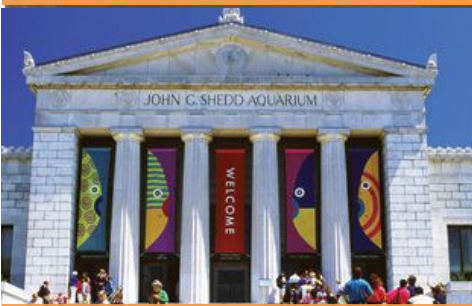


Thank You!

John D'Ambrogio

Vice President, Strategic Development

Baird & Warner



Corporate Perspective Of Relocation

Presented by

Pat Papenbrok

McDonalds

Purpose Of McD's Relocation Services

- Be a Strategic Partner
 - Align with Talent Management; HR; Hiring Managers
 - Ensure relocation is not a barrier; meeting Company's business needs
 - Allow the system to get the right person, in the right job at the right time
 - Design a quality relocation department and policy
 - Frequent benchmark
 - Let Management know how well you are doing
 - Create performance measurements for dept/suppliers



McD's Key Strategic Relo Policies

- Up front appraisals
- COLA report is run for every employee
- Inventory Management; know when to cut your losses
- Make “employee whole” is not in our program nor a commitment we can make
- Do not allow exceptions; but be flexible and reasonable.
 - Exceptions lead to expectations in next relo



McD's Innovative Relo Solutions

- Not all moves have to be “permanent”
 - Consider temp assignments
- Extend temp living; allow longer employee marketing time
- Allow employee to rent in new location and not lose homeowner status
- Prepare relo cost estimate for hiring manager and employee prior to job acceptance



Thank You!

Pat Papenbrok
Corporate Relocation Director
McDonalds

