



Executive Summary

On April 21, we had an opportunity to tap into the expertise of some of our domestic partners to hear their insights on the U.S. and Canadian home sale markets and other related topics. Our conversation focused on what organizations can expect in the current and future real estate markets and how to minimize risks to both employees and companies.

Three consistent themes we heard during our call were:

1. The U.S. and Canadian home sale environment has slowed down during the pandemic, but we expect a full rebound.
2. New technologies are being used to minimize contact while allowing closings to proceed.
3. Changes being experienced now will likely become the new standard processes, including work-from-home options.



Moderator

Morgan Snapp
*Director, Business
Development*
Cartus



Presenter

Phil Crawford

Certified General Appraiser
Voice of Appraisal



Appraisals

- Social distancing practices have changed appraisal protocols.
- Curbside appraisals are now being implemented as a new practice to minimize contact while providing a thorough evaluation of the property
- The likely “new normal” for appraisals will involve video tours, curbside appraisals, and traditional appraisals in a varying mix.
- Forecasting the next 90-120 days is challenging in the current market, but appraisers are monitoring data, and it is uncertain if this downturn will mirror the 2007-2008 depression.



Presenter

Meighan Dutt

*Director, Corporate
Relocation*
Guaranteed Rate Affinity



Lending

- Mortgage rates are close to all-time lows, which have caused a surge in refinances and have allowed new buyers to proceed with closings.
- New technologies are assisting closing offices to keep contact to a minimum, with e-signatures and email communications leading the way.
- Canadian and U.S. markets are addressing concerns in a very similar fashion.
- Home sale volumes have decreased during the pandemic, with many areas restricting home tours. However, once restrictions ease, there is an expectation that the market will recover with many new homes being listed.
- With the CARES act, the option for forbearance on mortgages should not have an impact on credit. However, there still could be a waiting period when a borrower comes out of forbearance before they can obtain a new mortgage.



Presenter

Holly Clontz
HR Solutions Leader
Trane Technologies



Corporate

- Trane is considered an essential business, so they have allowed current relocations to progress.
- New moves are evaluated on a case-by-case basis, depending on business need.
- With work from home (WFH) being an efficient alternate choice to an office environment, Trane may consider long term WFH options for many worker groups.
- Trane has a “wait and see” approach for the stimulus credits and tax bracket adjustments, as this credit is just an advance on employees’ 2020 tax refunds.



Presenter

Pam Uhl
SVP, General Counsel
Cartus



Legal

- There is an emergence of new home sale addenda requests to protect against current COVID-19 impacts.
- Companies need to be cautious about extending offers beyond the 120-day anticipated sale time for relocation appraisals during declining markets to avoid what the IRS would classify as “directed offers”.



Additional Questions from the Webinar

1. Do we really feel that valuations are changing or just buyers’ ability to close?

The overall practice of appraisal will not change. The same principles are still applied in valuation as before the COVID-19 crisis. As new data presents itself to appraisers, the results of future valuations could be impacted greatly. Appraisers are closely monitoring this new data and overall market trends. Two important factors that could greatly affect real estate over the next four months are the overall employment landscape and the availability of credit (mortgages). The buyer’s ability to close will depend on their current financial and employment situation.

2. Is Trane doing something different from the wait and see approach with regards to how they are going to handle the stimulus payment for eligible expatriates?

Trane is not planning to do something different for expatriates. Our tax provider will inform us if an employee should have been eligible. We have already communicated this with them for 2020 filings.