

Buyer Beware!

The Hidden Costs of Relocation



For the better part of five years, nearly every cost component associated with employee relocation has experienced significant inflationary pressure. Household goods transportation, temporary housing, rental costs, business travel, real estate transactions, labor, insurance, technology, equipment, and regulatory compliance expenses have all increased materially. Industry-wide household goods transportation expenses alone have generally increased by approximately 25%–40% since 2020, with additional cost increases reported during 2026.

Yet despite these realities, many corporate mobility buyers continue to encounter relocation management companies (RMCs) that claim they can significantly reduce costs through lower fees, lower supplier pricing, or dramatic program savings.

This presents a fundamental question:

If the costs of moving employees continue to increase across virtually every input category, how can one provider sustainably deliver materially lower costs without creating risk somewhere else in the process?

The purpose of this paper is not to suggest that organizations should abandon cost control efforts. On the contrary, in today's environment, thoughtful cost management is more important than ever.

Rather, this paper argues that mobility leaders should approach extraordinary promises of cost savings with appropriate skepticism. The Latin phrase *caveat emptor* - "let the buyer beware" - has rarely been more applicable. In an environment where virtually every underlying cost driver is increasing, buyers must understand what may be sacrificed when relocation services are sold primarily on price.

The question is no longer simply:

"How much will this provider save me?"

The more important question has become:

"What risks am I assuming in exchange for those savings?"

The Inflationary Reality Facing Global Mobility

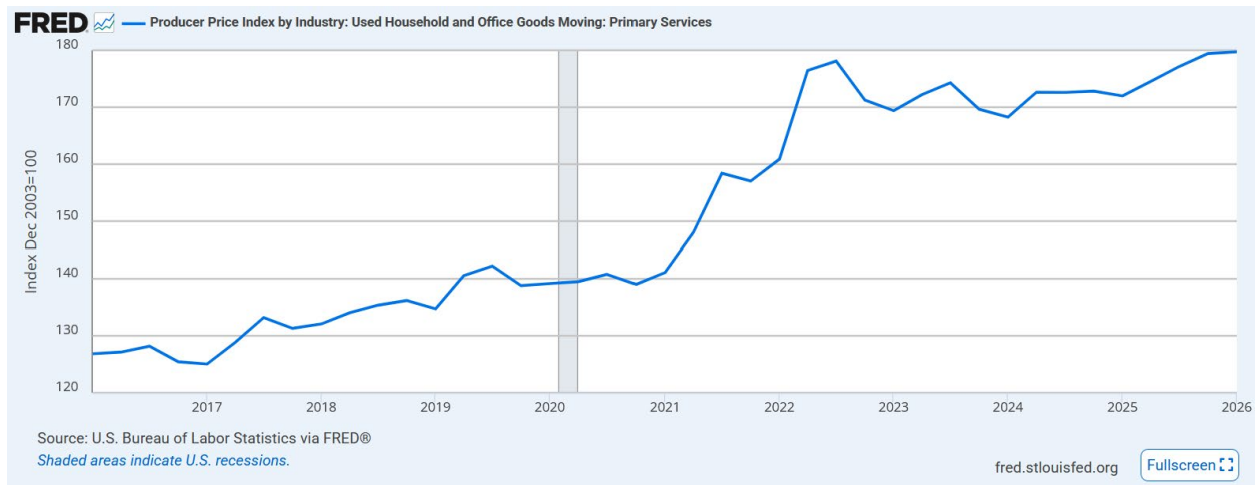
Inflation has reshaped the economics of relocation.

The cost increases have not been isolated to a single service category. Instead, they have impacted virtually every component required to successfully relocate employees domestically and internationally.

Among the most significant areas of increase:

Household Goods Transportation

Household goods transportation costs have generally increased approximately 25%–40% since 2020, with further increases occurring throughout 2026. These increases have been driven by rising labor costs, fuel expenses, equipment costs, warehousing requirements, insurance premiums, and transportation capacity constraints.



Rental Housing & Temporary Living

Average rental costs have increased an estimated 20%–30% nationally since 2020, with some metropolitan markets experiencing increases exceeding 40%. Utility expenses associated with temporary accommodations have also risen significantly, with electricity, water, and natural gas expenses increasing substantially during the same period.

Rank	City	Change in Rental Cost 2020-2026	Average Monthly Rent Jan 2026
1	Miami, FL	53%	\$2,645
2	Tampa, FL	50%	\$1,986
3	Riverside, CA	48%	\$2,464
4	St. Louis, MO	44%	\$1,409
5	Cincinnati, OH	43%	\$1,522
6	Detroit, MI	42%	\$1,455
7	San Diego, CA	41%	\$2,871
8	Atlanta, GA	38%	\$1,812
9	Chicago, IL	37%	\$2,091
10	Orlando, FL	37%	\$1,917
11	Phoenix, AZ	36%	\$1,718
12	Las Vegas, NV	36%	\$1,716
13	Charlotte, NC	36%	\$1,704
14	Philadelphia, PA	34%	\$1,849
15	Sacramento, CA	34%	\$2,197

Travel Expenses

Employee relocation travel has become more expensive as airfare, hotel rates, rental vehicles, and meal costs have increased due to inflationary pressures and energy market volatility. Airfare costs alone have increased approximately 17%–20%, while rental vehicle costs have increased approximately 30%–50%.

Real Estate Transactions

Higher home values and increased financing costs have created higher mortgage payments, larger commissions, increased transfer taxes, and higher title and insurance costs associated with relocation programs.

The Costs Behind the Costs

Mobility leaders often focus on direct relocation expenses. Less visible are the underlying operational costs that service providers themselves must absorb.

Those cost drivers include:

- Fuel
- Packing materials
- Insurance premiums
- Driver and mover wages
- Health care benefits for workers
- Tires and transportation equipment
- Truck and fleet replacement costs
- Warehouse operations
- Compliance and regulatory oversight
- Cybersecurity investments
- Mobility technology platforms
- Data privacy programs
- Artificial intelligence and automation investments



Collectively, these expenses form the economic foundation of every relocation program.

When every major cost input moves upward simultaneously, organizations should recognize a simple business reality:

Someone ultimately pays those costs.

If suppliers are not absorbing them, and clients are not paying them directly, then the costs may be reappearing elsewhere in the service model.

The Myth of the "Low-Cost" Relocation Program

Every procurement process seeks value.

However, there is a critical distinction between:

- Sustainable savings generated through operational excellence
- Savings generated through risk transfer

The best relocation providers achieve efficiencies through scale, supplier management, procurement leverage, technology investment, data visibility, and continuous process improvement.

Less sophisticated providers may generate savings through entirely different methods:

- Underinvesting in technology
- Maintaining weaker cybersecurity controls
- Employing fewer service professionals

- Limiting compliance capabilities
- Delaying infrastructure investments
- Reducing quality-control oversight
- Accepting unsustainable pricing strategies to win business

Initially, both approaches may look similar on a spreadsheet.

The difference often becomes visible only when something goes wrong.

What Happens When an RMC Becomes Financially Distressed?

One of the least discussed risks in the mobility industry is provider financial stability.

When providers operate on increasingly thin margins while facing escalating operating costs, financial strain can become a legitimate concern.

If a relocation provider or critical supplier experiences financial distress or bankruptcy, employers may suddenly find themselves confronting questions they have never previously considered.

Employee Funds and Vendor Payments

Would temporary housing providers continue receiving rent payments?

Would destination service providers continue being paid?

Would international suppliers remain willing to provide services?

Could employees suddenly become involved in payment disputes?

Household Goods in Transit

What happens to shipments already moving across the country?

What happens to household goods currently moving internationally?

What happens to shipments sitting in ports, warehouses, or storage facilities?

Who has responsibility for those assets during a disruption?

Storage Facilities

Can your organization immediately identify where employee household goods are being stored?

Can you generate global reporting identifying impacted employees within minutes?

Can employees retrieve their possessions without disruption?

Technology: The Risk Buyers Often Overlook

Technology has become mission critical within mobility management.

Yet technology remains one of the easiest areas for providers to underinvest when attempting to offer lower prices.

Corporate mobility leaders should ask:

- Is the provider operating on a modern mobility platform?
- Are workflows automated or heavily dependent upon manual processes?
- Does the provider still rely on paper files?
- Can clients generate reports independently?
- Is employee information accessible in real time?
- Can emergency reporting be produced immediately?

During a period of disruption, technology frequently determines whether an organization remains in control or finds itself scrambling to locate critical information.

A low-cost solution may be inexpensive until a crisis reveals the true cost of inadequate infrastructure.

Security, Privacy and Compliance: A Growing Exposure

Many organizations are increasingly focused on supplier cybersecurity, privacy, and compliance controls.

That concern is warranted.

The modern relocation ecosystem handles highly sensitive employee information, including:

- Compensation data
- Family information
- Passport details
- Immigration documentation
- Housing information

- Banking information
- Tax information

Organizations should ask:

- Is the provider ISO certified?
- Has the provider undergone independent security audits?
- What cybersecurity investments are being made?
- How often are privacy controls reviewed?
- Is the provider compliant with European privacy regulations?
- Have compliance practices been independently validated?

These investments are expensive.

Providers that consistently promise lower pricing than market realities may have to make difficult choices regarding where those investments occur.

The Hidden Cost of Service Degradation

Perhaps the most significant risk associated with low-cost relocation services is one that rarely appears in procurement analyses: employee experience.

Relocation is often one of the most personally stressful events an employee experiences.

When service quality deteriorates, the consequences extend beyond mobility budgets.

Potential impacts include:

- Longer relocation timelines
- Increased employee dissatisfaction
- Reduced assignment success rates
- Recruiting challenges
- Increased exception requests
- Poor candidate acceptance rates
- Productivity disruptions

- Greater HR intervention

The cost of a dissatisfied relocating employee can quickly exceed any short-term savings achieved through reduced program fees.

In this context, the cheapest provider can become the most expensive outcome.

The Better Question for Mobility Leaders

Organizations absolutely should demand accountability, competitive pricing, and continuous cost improvement from their relocation providers.

However, buyers should avoid evaluating proposals based solely on promised savings.

Instead, mobility leaders should ask:

How are those savings being achieved?

Are savings driven by:

- Procurement leverage?
- Supplier management discipline?
- Technology-enabled efficiencies?
- Process improvement?
- Reporting visibility?
- Service innovation?

Or are they being achieved through:

- Reduced staffing?
- Limited technology investment?
- Lower compliance standards?
- Weaker infrastructure?
- Financial risk?

The distinction is critical.

Conclusion: Caveat Emptor

The mobility industry is operating within one of the most challenging cost environments in recent history. Transportation, labor, housing, travel, insurance, equipment, technology, and compliance costs have all increased significantly.

Against that backdrop, organizations should be cautious when evaluating relocation providers that promise substantial cost reductions without a corresponding explanation of how those savings are achieved.

There is nothing unreasonable about pursuing lower costs.

There is nothing inappropriate about expecting providers to innovate, negotiate, and control expenses.

However, there is risk in assuming that market realities can simply be ignored.

The most sophisticated mobility leaders understand that successful relocation programs are built not merely on price, but on financial stability, operational resilience, technology investment, compliance discipline, employee experience, and long-term partnership value.

In today's market, buyers should absolutely seek savings.

But they should do so with open eyes.

Caveat emptor. The lowest price may ultimately carry the highest cost.

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