



Media Contact

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## The Paradox of Relocation Pricing

*HomeServices Relocation announces release of new video*

MINNEAPOLIS (June 24, 2019) - HomeServices Relocation, a division of HomeServices of America, a Berkshire Hathaway affiliate, announced today the public release of a video describing how traditional relocation industry pricing creates conflicts of interest inconsistent with the fiduciary responsibility and standards of care required by clients of a professional Relocation Management Company (RMC).

Most corporations are unaware how RMCs earn revenue. Historically, RMCs were open about fees for service. Over time, competition to reduce fees has driven an increase in income sourced through supply chain commissions, rebates and mark-ups. “No fee” pricing became an attractive draw to companies using the services of an RMC, but full transparency in invoicing disappeared, making it difficult to understand the true cost of RMC services.

In addition, recent tax changes ushered in by the 2017 Tax Cuts & Jobs act, have added to the complexity of what is considered taxable income to a transferee, thereby creating consequences in pricing that needlessly result in an increase in gross-up costs to the employer.

HomeServices Relocation has released a new video, “The Paradox of Relocation Pricing” that reveals the underlying inconsistencies and conflicts in traditional RMC pricing models.

“The relocation industry was founded on the premise of helping employers lower their tax gross up and manage costs,” says Steven John, SCRP, SGMS-T, President and CEO of HomeServices Relocation. “Due to the evolution of pricing models and the unintended consequences of the

2017 Tax Cuts Act, the lines between what an RMC adds in value to a relocation program are being blurred. This is at odds with our core mission.”

As part of HomeServices Relocation’s True Partner plan which advocates for minimizing the stress associated with administration of relocation programs, reducing relocation tax burdens for the employer and working in the clients’ best interest to control costs, the video outlines the benefits associated with a return to fee structured pricing.

Steven John adds, “Transparency in pricing, disclosing the true costs of an employee relocation, offers an RMC the ability to pass along savings to the employer, while still earning non-taxable management fees for services rendered.”

[View the video here.](#)

About HomeServices Relocation, LLC:

HomeServices Relocation, LLC is a full-service relocation management company that designs flexible relocation management solutions for corporations worldwide. Through its national network of relocation associates, HomeServices Relocation offers clients integrated relocation services including brokerage, mortgage origination, title, insurance, closing and other home-related services. HomeServices Relocation is a division of Minneapolis-based HomeServices of America, a Berkshire Hathaway affiliate and ranked as the largest real estate company in the United States.

Information about HomeServices Relocation is available at [www.homeservicesrelocation.com](http://www.homeservicesrelocation.com)

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