

RELOCATION

DURING A GLOBAL PANDEMIC

Challenges and solutions

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As the world and the right of way profession deals with the COVID-19 crisis, the effect of the crisis on business displacees cannot be underestimated. The business relocation process is challenging even during normal times; but these challenges have been magnified during the pandemic.

Specific Difficulties

There are currently a variety of potential COVID-related problems for displaced businesses. Finding replacement sites has become more difficult. In some states, real estate transactions have been disrupted due to COVID-19. Others have curtailed real estate transactions as non-essential activities and have limited them. Furthermore, some states have limited property inspections. These inspections are necessary for a business to effectively evaluate replacement sites. Wide fluctuations in commercial real estate prices have also made securing replacement sites more difficult.

It will be increasingly difficult to assess and find replacement sites with a necessary customer base for relocated businesses. With many people working from home, traditional potential business replacement sites near large office buildings and commercial centers do not have the ready-made customer bases they used to.



This situation will require the relocation professional to put more effort into advisory services and site searches for the displacee. Relocation professionals will need to leverage their knowledge of the local real estate market and their relationships with local realtors.

In addition, title companies may have also curtailed services and may not be open to the public. This condition can slow down escrow closings on a displaced business' replacement site. This delay in securing a replacement site can have overall project impacts to the construction schedule.

A displaced business' supplier relationships could also be disrupted because of the move. Due to the pandemic and economic downturn, the business' suppliers may have limited delivery areas and may not be at full capacity. If the business moves farther away from its suppliers, these suppliers may not be able to provide service to the displaced business at all. The suppliers themselves may have breakdowns in their own supply chains that may lessen their abilities to reach customers.

Likewise, manufacturers of specialized equipment needed at the displaced business' replacement site might not be fully operational. This could hamper the relocated business' ability to re-open at the new site. This inability to re-open could hurt the business' efforts to attract new customers. A delayed opening can also lead to a default on existing contracts and losing established customers.

An Even Bigger Picture

Economic downturns caused by the virus will have other more broad impacts upon the business displacee. Businesses may have less liquid cash on hand to devote to relocation expenses that are not covered by the Uniform Relocation Assistance and Real Property Acquisition Act (1970) (URA) and associated state relocation laws. Furthermore, a loss in sales can erode the business' credit worthiness and hurt its ability to apply for loans to meet move expenses. The business may have a hard time showing an ability to repay a loan or have difficulty in proving projected revenue. Lending institutions may also be operating with fewer staff people, which may further delay loan processing. Because of the general economic downturn, the displaced business may have issues with getting timely moving bids. Social distancing is still mandated in many states and this may restrict the ability to provide bids. Likewise, layoffs at moving companies may restrict the personnel available to prepare bids or perform moves.

Alleviating the Situation

The relocation professional should be thoroughly familiar with any federal or state COVID-related benefit programs the business may be taking advantage of. These programs include the federal Paycheck Protection Plan. The relocation agent should be confident that receiving relocation benefits will not interfere with the terms of these programs.

One of the best solutions to these potential problems is early and thorough relocation planning. A well-crafted relocation plan should consider all of these virus-related problems. A detailed review of all possible local, state and federal relocation programs that could help the displacee should be included. More thorough replacement site searches should also be detailed in the plan. Flexible procedures for advance relocation benefit payments should be explained. Relocation timelines in the project schedule will have to be appropriately extended to account for COVID-related slow-downs.

Although many states are beginning to re-open local economies, the effects of COVID-19 on business displacees could be felt for months. It is important that the relocation professional become knowledgeable of these impacts and develop strategies in coordination with the displacee to overcome them. 🌟



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