

## Corporate Housing “By Owner” Fills Gap in Corporate Housing Sector

Nearly 10 percent of corporate housing is provided by property owners, according to Kimberly Smith, founder of Corporate Housing by Owner (CHBO). The “By Owner” segment is growing rapidly, earning \$1 billion in gross rents in 2009—as compared to the \$2.3 billion earned by the traditional corporate housing sector.

CHBO connects property owners and providers of fully furnished residential rentals with tenants. The company today has more than 20,000 registered users and more than 4,000 fully furnished rental property listings.

“We believe the corporate housing provided by individual owners is a segment that will only continue to grow as corporate housing demand changes, such as corporations offering lump sum relocations and more renters turning to the Internet to find housing solution to meet their needs,” said Smith.

### Benefits of “By Owner” Properties

Nearly half of “By Owner” houses are purchased by investors as long-term investments, according to the *By Owner Corporate Housing Report 2009*, conducted by The Highland Group. Another 14 percent of the owners are landlords renting out the property to offset costs while waiting for the residential market to improve.

“By Owner” properties differ from traditional corporate housing, according to the report.

Nearly 38 percent of “By Owner” rentals, for instance, have two bedrooms, and another 30 percent have at least three bedrooms. The highest percentage of rentals in

the full service corporate housing industry include one-bedroom apartments.

Most corporate rentals are apartments. Only one-tenth of “By Owner” rentals are apartments. About 36 percent of “By Owner” properties are located on a residential street in the suburbs and nearly 12.9 percent are located in resort communities. “If you are a spouse looking for schools and a house with a back yard, you’re better off moving into a By Owner property,” said Smith.

“By Owner” housing is often less expensive than traditional corporate housing, the report stated. Multi-monthly rental rates for “By Owner” rentals were 10 percent to 20 percent less than month-to-month rates, creating longer fixed rental stays.

The length of stay differs as well. Twenty-one percent of all tenants in “By Owner” rentals stay one year or longer—as opposed to 80

### Ideal Candidates for CHBO Occupancy

Relocating employees on lump sum budgets can benefit from staying in “By Owner” properties. Others who benefit from “By Owner” corporate housing include: 200,000 traveling nurses in the United States, professional athletes traded from one team to another, oil rig explorers, and military personnel awaiting base housing vacancies.

days, the average stay time in the full-service corporate housing industry.

Most of “By Owner” landlords use the Internet to promote their website. Sixty-seven percent use Craig’s List and 55.4 percent use CHBO’s website. “By Owner” landlords are also beginning to use social media websites, including YouTube and virtual tour websites, to market their properties.

### ABF Freight System Parent Company Reports Fourth Quarter 2009 Losses

To cut costs, Arkansas Best Corporation, ABF Freight System’s parent company, suspended its 401(k) company match, lowered costs associated with pension and postretirement plans, made structural changes to the company’s health care plans and changed certain executive benefits plans to “further align our executive compensation with the performance of the company,” according to a company’s Jan. 28 press release.

The company announced a fourth quarter 2009 net loss of \$88.7 million. Its president and CEO, Judy McReynolds, said Arkansas Best’s fourth quarter results “illustrate the impact of an extremely weak and uncertain freight environment that has continued now for 40 months. The economic recession has been unprecedented in its length and depth.”

Despite the challenges, she added, “the strength of our balance sheet and the depth and experience of the ABF team have allowed us to continue our focus on enhancing services to customers.”