2012 Olympic Games - Impact on Relocation

This issue is the first in a series of Cartus communications, providing information and policy and programme advice on the impact of the London 2012 Olympics on UK based international assignments.

The London 2012 Olympic Games is less than two years away and with travel and logistical disruption inevitable, now is the time to start to consider what advance planning you should make to your UK based mobility programmes during the summer of 2012. The Olympic and Paralympic Games take place for a six week period primarily in London in the summer of 2012. However, the Games are not the only major summer event scheduled:

**Queen’s Diamond Jubilee**
Celebratory events being held over four days during the first weekend of June 2012 with a special Bank Holiday.

**Olympics**
Friday 27 July to Sunday 12 August 2012.

**Paralympics**
Wednesday 29 August to Sunday 9 September 2012

Summer 2012 will be a busy time in the UK, with London especially impacted. The busiest period is expected to run from the beginning of June with a special four-day Bank Holiday weekend in honour of the Queen’s Diamond Jubilee through the annual Wimbledon Tennis Open Championships at the end of June to the close of the Paralympics on 9 September. An estimated eight million tickets are to be sold for the Olympics and two million for the Paralympics, with 250,000 people expected to visit the UK during summer 2012. Whilst most disruption is expected in London, some events are taking place in other parts of the UK.

### 2012 Olympic & Paralympic Games - Locations & Dates

<table>
<thead>
<tr>
<th>Events in London</th>
<th>Venue</th>
<th>Location</th>
<th>Olympics Dates</th>
<th>Paralympics Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening/closing ceremony, athletics</td>
<td>Olympic Park Stadium</td>
<td>Olympic Park, East London</td>
<td>Duration of the Games</td>
<td>Duration of the Games</td>
</tr>
<tr>
<td>Swimming, diving,</td>
<td>Aquatic Centre</td>
<td>Olympic Park, East London</td>
<td>28 July - 12 Aug</td>
<td>30 Aug - 8 Sept</td>
</tr>
<tr>
<td>Track cycling</td>
<td>Velodrome</td>
<td>Olympic Park, East London</td>
<td>28 July - 12 Aug</td>
<td>30 Aug - 2 Sept</td>
</tr>
<tr>
<td>Football finals</td>
<td>Wembley Stadium</td>
<td>North West London</td>
<td>11 Aug</td>
<td>N/A</td>
</tr>
<tr>
<td>Tennis</td>
<td>Wimbledon</td>
<td>South West London</td>
<td>28 Jul - 5 Aug</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Events Outside London

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Venue</th>
<th>Location</th>
<th>Olympics Dates</th>
<th>Paralympics Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sailing</td>
<td>Portland Harbour</td>
<td>Weymouth, Dorset (South of England)</td>
<td>28 Jul – 11 Aug</td>
<td>1 Sept - 6 Sept</td>
</tr>
<tr>
<td>Football</td>
<td>Hampden Park</td>
<td>Glasgow, Scotland</td>
<td>25 Jul – 11 Aug</td>
<td>N/A</td>
</tr>
<tr>
<td>Football</td>
<td>Millennium Stadium</td>
<td>Cardiff, Wales</td>
<td>25 Jul – 11 Aug</td>
<td>N/A</td>
</tr>
<tr>
<td>Football</td>
<td>Old Trafford</td>
<td>Manchester, North West England</td>
<td>25 Jul – 11 Aug</td>
<td>N/A</td>
</tr>
<tr>
<td>Football</td>
<td>St James’ Park</td>
<td>Newcastle, North East England</td>
<td>25 Jul – 11 Aug</td>
<td>N/A</td>
</tr>
<tr>
<td>Football</td>
<td>Villa Park</td>
<td>Birmingham, Midlands</td>
<td>25 Jul – 11 Aug</td>
<td>N/A</td>
</tr>
<tr>
<td>Football</td>
<td>City of Coventry Stadium</td>
<td>Coventry, Midlands</td>
<td>25 Jul – 11 Aug</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Past Experience

Cartus is well placed to understand the impact that major sporting events can have on international assignee moves. Most recently, the 2010 World Cup tournament in South Africa, the last Olympics in Beijing in 2008 and the annual Wimbledon Tennis Championship have each presented a number of challenges for ourselves and our clients.

**World Cup Tournament – South Africa**

From Cartus’ experience at the World Cup in South Africa, temporary accommodation, especially in the furnished sector was limited months before the tournament started. This was due to a large media contingent and other businesses linked to the event booking in advance, rather than sports people or spectators reserving accommodation.

Interestingly, as well as negotiating relocation services around the World Cup in South Africa, Cartus found that many assignees wanted to make sure their assignment start date coincided with attending the event. This raised problems with ensuring work permits were granted in time as immigration services were already impacted by the World Cup. This should be taken into consideration for the 2012 Olympics, as some assignees may be hoping to arrive in time to attend one or more of the Olympic events.
Wimbledon Tennis Championship - London
At a logistical level in London, the Wimbledon tennis tournament raises annual challenges of locating temporary accommodation in West and Central London and negotiating congested traffic. Our experience indicates that these challenges will be considerably magnified over London and other parts of the UK during the 2012 Olympic period.

Temporary housing & Accommodation
Finding temporary accommodation, serviced apartments or hotel rooms in the run up to the Olympics raises two key challenges: lack of availability and higher rental costs.

Lack of Availability
Temporary accommodation in London is already quite limited, so with 2012’s busy schedule fast approaching, you should aim to plan your moves into London with as much advance notice as possible. The more time that is available for sourcing temporary accommodation, the more availability there will be.

Hotel room availability will be equally difficult to obtain with millions of visitors expected during 2012. Hotels that will be sponsoring the Olympics may be block booked during this period to accommodate Olympics event staff. Furthermore, if you have corporate hotel rates do check that they will be honoured during the Olympic period; for more information on hotel booking during the Olympic Games, please check with your travel booking provider.

Block Booking
Block booking temporary accommodation for four to six months to ensure availability during the Olympic period is also an option. If your relocation provision normally includes serviced apartments, it could be cheaper to rent regular apartments on a six month let in 2012 rather than block booking a serviced apartment for the four month period of June to September.

We anticipate however, that block booking will be difficult to arrange in 2012. The economic downturn has created a slowdown in building construction, so there may be a limited number of large blocks of accommodation to book. Furthermore, most landlords will rather rent accommodation during the Olympics at a higher rental rate instead of renting their properties in advance. Currently, providers are not typically taking advance block bookings, preferring to wait, however this situation is likely to change as we enter 2011.
**Higher Rental Costs**
Temporary accommodation, hotel rooms and serviced apartments will be more expensive during the Olympics, so you should consider your organisation’s priorities. Is it more important to reserve accommodation at any cost or would delaying the start of an assignment be a more cost effective decision? If you have critical moves into London during summer 2012, consider re-evaluating your policy and programme. If the ‘30 days temporary housing’ policy is an integral part of your relocation policy, consider introducing fixed rates now to avoid paying inflated prices at the time of the Games. Alternatively, restructure your home finding programme so that assignees attend the home search, but return home until the start of the long term tenancy.

You could also include accommodation outside of London in your portfolio. Properties outside London are likely to be cheaper but will still need to be booked early, as many organisations will be looking to save costs in this way. Rental rates in London just before or during the Olympics period are likely to be higher than normal and once the rent is set at a higher rate, this will continue for the duration of the lease; long after the Olympics has finished. Also, consider extending the initial period of leases for temporary accommodation. For example if the lease commencement date was 1 July 2011 for a one year assignee, sign a two year lease instead, which could then be terminated early using an early termination clause. Alternatively, the property could be used in a rotational programme.

**Rotational Renting**
Rotational renting for short term assignees is an effective cost saving initiative. By renting accommodation on a long term lease (one to two years), short term assignees are able to live in the property on a rotational basis. With the lease agreed a significant period of time before 2012, this could keep rental costs down. However, this may only be cost effective if the lease is agreed well in advance. For further cost efficiencies, leases for furniture rentals can be extended and used in roll-over accommodation.

Rotational renting programmes are also effective when repatriates or assignees need to spend a short period in temporary accommodation before they move into a permanent residence. Taking into consideration the transport costs of a moving van, possible overseas shipments and the logistical difficulties of moving to a permanent residence during the Olympic period, temporary accommodation may be a cheaper option.

**Transport**
There will inevitably be significant travel and logistical disruption during the Olympics, as athletes, officials and spectators use London’s transport networks to move around the city. The cost of travel around the UK, especially London, may increase during this time too.

**Flights**
If you have a pricing matrix for assignee flights, reconsider pricing during the Olympic period as the cost of travel will typically increase. When arriving at UK airports during summer 2012, security protocols may take longer.

**Shipments & Cargo Flights**
There could be delays with shipments and cargo flights because of the rise in people visiting the UK in summer 2012. To manage expectations effectively, ensure assignees are prepared for delays by pre-warning them of the increased traffic.

**Hire Cars**
If you opt to use accommodation outside of London, hire cars may be required for travel into the city. These may be more expensive with limited availability during summer 2012, so early bookings are advised.
Public Transport in London
Each Olympic and Paralympic ticket will include free travel on public transport in London for the
certem of the event; including the London Underground and London bus services. This is to encourage
spectators to use the transport system, but will have an impact on travelling around the city and
assignees’ daily commutes, if they use public transport.

Roads
During the Olympics and Paralympics, there will be a designated Olympic Route Network (ORN)
and Paralympics Route Network (PRN) linking all the competition and key non-competition venues.
Around 55,000 people are expected to require transport each day during the Olympics, with the
majority being transported by bus or coach. Most of the roads that are part of the Network will
remain fully open to general traffic, with some parts of the Network dedicating a lane to official
Olympic vehicles and emergency services only. These ‘Game Lanes’ will be a temporary measure,
mainly used on the busiest sections of the route. The Olympic Delivery Authority (ODA) has
emphasised the importance of keeping London moving during the Games, but it is important to
take the level of London traffic into account when organising assignments. For example, if a home
finding trip normally takes three days, with the time it is likely to take to travel around UK cities
during the Olympics, this may need to be extended.

Schools & Family Moves
Family moves into London in summer 2012 could also be challenging. As the Olympics coincide
with school summer holidays, both cost and convenience should be considered. If a family move
is scheduled to take place during the holidays then there could be higher cost implications. If the
move is brought forward and takes place before the holidays then the accommodation lease as well
as the school fees may need to be extended, again, increasing cost.

If the move must take place during summer 2012, assignees may want to consider having their
family join them at a later date. The lack of availability and cost of temporary living during this time
would be more problematic for a family than an individual. Any move that can be postponed until
after the Paralympics has finished (after 9 September 2012), should be considered to maintain a
cost effective relocation. If this is the case, schools should be consulted well in advance to ensure
children are able to enrol later in the school term.

Immigration & Visa Applications
In the run up to the Olympics, UK immigration will be far busier processing visitor-related
applications, including tourist, business, sports and entertainer visas for those who wish to attend
the events. There may also be an increase in employment-related visas for companies which are
supporting the Olympics, and need to temporarily relocate their employees to the UK.
In line with current practice, advance planning is advised where possible and UK visas should be
applied for within three months before the date of travel.

If you are planning assignments into the UK during the Olympics, identify the assignees, their
nationalities and the country of home location – where the visa application will be filed – to ensure
both immigration services and Cartus have as much time as possible to process relevant visa
applications.

Assignment Allowances
It is too early to determine exactly which costs will rise in London during the summer of 2012 and by
how much. However, given the likely increase in rents and hotel accommodation during this period
you might wish to consider some incremental increases in the allowances paid to your assignees
during this period. As the London Olympics draws closer, your Cartus contacts will be in a position
to provide further information on this area to you.
Managing Expectations

As Summer 2012 approaches, we advise that you consider carefully how you will manage exceptions within your relocation policy during this time. During the South Africa World Cup in 2010, we found that it was far more cost effective and easier to implement blanket exceptions across the assignee population affected as opposed to managing the process by individual exceptions. This cannot be used in all cases, for example VIP packages, but for the majority of moves, it is most effective, easier to administer and fairer for all to have one policy rule to cover moves into London during summer 2012.

Advance Planning

At this stage, with less than two years before the Olympics begin, advance planning is key to successful relocation into London during 2012. In general most relocation services are likely to take longer to deliver and it is important to take this into consideration. Although some moves are too early to plan for, graduate programmes, long term assignments and repatriations can be reviewed now. Consider monitoring the number of assignees you need to move and try to avoid start and end dates that coincide with any of the 2012 events. Once assignment dates are confirmed, you should submit authorisations to Cartus with as much notice as possible to allow us an optimum amount of time to source temporary accommodation, organise transport, and identify any challenges that need to be overcome.

If you plan a number of assignee relocations to and from London in 2012, Cartus recommends regular calls with your account manager, to monitor future moves and any changes in policies or allowances that may need to be made. We will also be in regular contact with our destination services, schools and immigration providers to advance plan on your behalf. The Olympic Delivery Authority (ODA) aims to create a ‘festival atmosphere’ in London throughout 2012, whilst still keeping the Capital and the rest of the UK moving. For assignees and locals alike, London will be a fantastic city during this time, with the opportunity to attend and be part of the 2012 Olympic Games experience.

More Information


Sources:
Visit Britain website - www.VisitBritain.com
Fragomen - www.fragomen.com

For further information on this or any other aspect of your international assignment programme, please do not hesitate to contact your Cartus representative or email trustedguidanceemea@cartus.com