




**BRISTOL**  
GLOBAL MOBILITY

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## SPAIN: LEISURELY LUNCHES AND HIGHLY CHALLENGING HOME FINDING

Find out how Spain's quick-moving rental market and slow-moving visa processing impacts assignees, what can be done to set expectations accordingly, and how the country is accepting the influx of families leaving Russia.

For insights into the relocation trends and challenges in Spain, Bristol spoke to Eres Relocation Services (eres). Through eres' nine offices in Amsterdam, Barcelona, Hamburg, Lisbon, Madrid, Malaga, Milan, Paris, and Porto, the company covers any destination in Spain, Portugal, France, Italy, The Netherlands, and Germany. Eres provides comprehensive destination services and a full range of immigration services.



Bristol is an independently owned and operated global relocation management company headquartered in Phoenix, Arizona. Bristol's autonomy allows our associates to focus on delivering a complete breadth of domestic and global mobility services with our full attention and flexibility. We excel when it comes to intelligently integrating all mobility constituents in ways that create consistent value on behalf of our clients and meaningful move experiences for their relocating employees. The experience Bristol delivers isn't just fueled by the data of best practices nor the expertise gained through our 25 years in mobility, but a genuine need to connect with our clients and their relocating employees in a meaningful way. This is our relationship-centered philosophy of **Connecting with, versus Controlling People.**<sup>SM</sup>

# TRENDS & CHALLENGES: RAPID RENTALS, SLOW IMMIGRATION

## HOUSING IS IN HIGH DEMAND

Spain's property market is no different than in most European countries in that housing availability is slim. This shortage of rental accommodations currently creates the biggest relocation challenge for companies sending assignees into Spain.

The influx of people arriving first from Ukraine and then from Russia means that Europe has been responding to groups of thousands of people looking for homes at once. This huge demand comes on top of the backlog the pandemic caused, with company-sponsored moves halted and now restarted alongside tourism's comeback as well. Together, these factors mean that between 10-30 people can be interested in a single property in Spain, and rather than assignees selecting the rental property, the landlords select their preferred tenants these days. This struggle is especially acute in Barcelona, Spain (as well as European cities like Lisbon and Berlin), but other cities are catching up (like Madrid, Paris, and Milan) with less properties being available and prices going up.

As some consolation for companies looking to move talent into the country, when expert destination services providers are contracted to help assignees on the ground, navigating the housing market is made much easier. Eres Relocation Services (eres), for instance, leverages their relationships with estate agencies to ensure that their assignees are the first in line to see available properties. This provides an advantage over individuals moving on their own into or within Spain who likely don't have such connections in place in the market to help them.

Construction of affordable housing and the rehabilitation of old apartments is helping to ease this highly competitive market, but only to a very limited extent. In some cases, construction opportunities are restricted based on geography and terrain. Barcelona, for instance, is nestled between the mountain and the sea, and this limits expansion of new properties. The only way to expand is up the mountain, which is happening to some degree, but construction of homes cannot keep pace with the international arrivals. Meanwhile, next door in Portugal, the country's infrastructure (e.g., its airports) struggles to cope with the huge influx of international inhabitants as well.

This extremely tough market makes it more and more difficult to set accurate expectations with assignees. Eres was accustomed to gently guiding assignees through the process to secure housing in Spain, but now it feels more like they are preparing their assignees for a fight to find housing—a fight that eres will help them to win. Clear expectation setting is key, and eres take a firm stance with assignees to ensure that they have the best possible chance of securing a property as painlessly as possible. Assignees are advised to listen to their eres home finding consultant and follow their lead for the best chance of avoiding disappointment.

To keep stakeholders informed in this area, eres issues a monthly housing bulletin in each of their coverage areas to keep all stakeholders continuously aware of the shortages impacting assignees. One recent bulletin offers a few key points to be aware of:

- ◆ The average rental price per month in Spain has increased by 21% (from January to June, according to official records).
- ◆ Landlords are asking for never-before-seen requirements like the pay slips of the last 12 months in the same company, motivation letters, and up to five months' advanced payment of the rental price.
- ◆ Assignees with children also face the added stressor of possibly needing to make housing decisions without having confirmed school placement.



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## MORE TEMPORARY LIVING, LESS ONLINE RENTAL SEARCHING

Temporary living accommodations are also in short supply, and because it is taking longer to deliver home finding with lack of inventory creating days' gaps between property viewings, temporary accommodation needs to be at least 60 days versus the more standard 30 days. Eres is trying to educate companies that in today's climate, 30 days of temporary living won't work just like one-day of home finding won't either—assignees need to be given at least three days to find their rental homes. Of course, less availability of temporary living accommodations coupled with the need for more time in them is not ideal, but it's the reality in Spain and many major European cities at the moment.

As it relates to the greater wait times between property viewings, some assignees may wonder why their destination services provider didn't book any visits for a day and think that there should be more properties available to visit because of the hundreds of listings they can access online. Eres sets expectations with assignees to avoid this confusion, explaining that the seemingly available wealth of properties is a myth, as many of the advertised properties are already rented but have not been taken offline.

## TRAVEL AND TRENDS POST-PANDEMIC, PLUS THE WAIT FOR GOVERNMENT PROCESSING



COVID-19-related restrictions have mostly faded. The conversation destination services providers have with assignees no longer includes pandemic response and compliance requirements. In Spain, some forms of public transport are upholding the requirement to wear masks, but that's about the extent of the impact.

Beginning October 2022, citizens of Spain and the EU, foreign residents of the EU and associated Schengen countries, and foreigners with a long-term visa began entering Spain normally, the same as before the pandemic.

Getting into the country is not as simple as it was pre-pandemic, however, as tremendous move volumes now add to the backlog. Wait times for immigration appointments, identity cards, driver's licenses, etc., are a lot longer than they ever were.

One trend, though, which has subsided along with pandemic-related restrictions is the use of virtual services. Eres experienced a big push for virtual services during the height of the pandemic, and it was believed that this would continue thanks to the method's many efficiencies; however, that's not the case, and eres has seen very little continuation of the use of virtual home-finding services. It seems that people couldn't wait to get away from it and go back to in-person housing visits. Virtual delivery is still an option eres offers, but they understand that when people are choosing their home, they want to feel it, touch it, and see it with their own eyes.



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## THE COST OF LIVING

The prices for gas and electricity have gone up significantly in Spain recently, and eres works to help assignees come to terms with this. There was a time where it seemed prices had jumped overnight, and eres had to ensure close communication with assignees—especially those coming from countries where energy prices had not yet begun to increase. When things are changing quickly, providers must rise to the occasion and communicate more agilely in order to set accurate expectations and protect the wellbeing and satisfaction of relocating employees.



## CITIZENS AND INDUSTRIES MOVING TO SPAIN

Eres is seeing more assignees originating from Eastern Europe, specifically as IT talent. Many IT companies are bringing talent into Spain along with many companies in the pharmaceutical and textile industries, but the industries represented by eres' entire client base that have moves into Spain are numerous and diverse.

## RUSSIA'S WAR IN UKRAINE IS BEHIND THE INFLUX OF ASSIGNEES

Eres is focused on helping large numbers of their clients' Russian assignees and recognizes that many of them are feeling somewhat emotionally fragile upon their arrival in Spain. Some have left their home country very quickly, looking to avoid friction, and others have left their families behind because of immigration restrictions, believing their families will arrive later. Eres is focusing on leading the Russian assignees through the relocation process step-by-step in a very secure, sensitive, and empathic way, and this includes having Russian-national field consultants manage their services when possible.

Navigating the emotional nuances while helping Russian assignees come to terms with the housing market and the process to open a bank account is a challenge. Spanish banks can be very restrictive around allowing Russians to have a bank account and access funds, and this has made practical day-to-day life naturally very difficult for them. Russian expectations of banking are high on the customer service scale, too, as at home in Russia, the banks have 24/7 availability and "roll out the red carpet" so to speak, but in Spain there are a great deal of requirements and checks for Russians opening accounts. Eres has had to be very creative and persuasive with the banks, and as time has gone by, the banks have gradually relaxed some of the regulations and lowered the bar on requirements.

Eres works hard to ensure the Russian assignees understand the challenges they face and how hard eres is working on their behalf to overcome the obstacles. One example of such obstacles was that landlords in Spain initially showed some resistance to rent their properties to Russians, but they began to realize it is actually a good cause to help them.



# ON-THE-GROUND INSIGHTS THE ASSIGNEE EXPERIENCE

## DESPITE THE CHALLENGES, IT'S IN OUR POWER TO ENHANCE THE EMPLOYEE EXPERIENCE

Eres believes that the closer relocation management companies (RMCs) and destination services providers (DSPs) work together, the higher the satisfaction levels of relocating employees. Recognizing that properly setting assignee expectations is critical to assignment success, it would be highly impactful if RMCs and DSPs could follow a process whereby the DSP informs the RMC of the expectations the DSP needs to set with the assignee, the RMC introduces them, and then the DSP focuses on emphasizing them to the assignee. Even more impactful would be if the assignee's employer sets some expectations from the onset (emphasizing flexibility and open-mindedness during the home-finding process) so that the assignee hears the same message three times and can adjust to accepting the difficult realities of the housing market in Barcelona, for example.

The war on talent has been known to cause instances of recruiters promising that an assignee's salary will get them a three-bedroom home in Barcelona without worry when the reality is it will get them much less, and the process for even that won't be easy. It does set DSPs up for failure when they are in the position of dispelling those myths and then establishing the reality. Eres has seen instances of assignees canceling their moves after seeing the reality of what they can afford in Spain. Overpromising the potential and affordability of cities like Barcelona inevitably leads to disappointment.

## CULTURAL AWARENESS

Cultural differences are relative, of course, but for Anglo Saxon people coming to Spain or for people used to direct and efficient communication, they'll find communication in the country is much more circular and responses are not so direct, while planning is less important, and spontaneity and flexibility are more prevalent in many aspects of life. The wonderful lifestyle, attention to the quality of life, and the importance of family are key values in Spain while efficient habits and sticking to plans may be less so. Eres' field consultants in Spain are trained in cross-cultural communication so that they can gently encourage assignees to think in a more open and positive way when they get frustrated over how "chaotic" things may seem, how conversations seem to go around in circles, or how long it takes for lunch. Having field consultants trained in this way is ideal because they can lead the assignee through all the practical aspects of the process while being aware of all of the emotional challenges that also require attention. Adapting to the new cultural rules is a key component of any successful move to a new country. Once assignees from cultures where efficiency and planning/organization are highly valued can see the positive side of a more fluid, less structured way of doing things, they are well on their way to thriving in their new environment and to being successful both professionally and personally in Spain.

*Thanks to co-founder and Global  
Managing Partner Elaine Héry  
of Eres Relocation Services  
for the information!*



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