

# Best Practices for Finding, Developing, and Using Temporary Housing for Refugee Resettlement





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*This Best Practice document is written for refugee resettlement agencies and their housing partners nationwide. It draws primarily on the experience and learning of the International Rescue Committee (IRC).*

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# Introduction

In August 2021, following the United States departure from Afghanistan, more than 76,000 Afghans who worked for the U.S Government were evacuated through Operation Allies Welcome. On arrival, resettlement agencies were tasked with resettling an unprecedented number of people in U.S. cities. In addition to challenges posed by a historically tight housing market, new arrivals also faced barriers to housing access common to other disadvantaged populations in the United States.

Since 2008, [the average cost of rent in the U.S. has increased by nearly 50%](#), outpacing inflation and wage growth over the same period. Moreover, during the COVID-19 pandemic, the U.S. experienced its tightest rental market in history. According to the [State of the Nation's Housing 2023](#), published by the Joint Center for Housing Studies (JCHS) at Harvard University, between the beginning of 2020 and early 2023, asking rents in the professionally managed sector rose 23.9% while the average vacancy rates hit a four-decade low of 2.5% in 2022.

So, while the current Resettlement and Placement Program housing model empowers newly arrived refugees to directly enter the mainstream market, a shortage of housing stock and low vacancy rates make it difficult for refugees to be approved for leases that require credit, rental, and employment histories.

Even before Operation Allies Welcome, resettlement agencies were experiencing reluctance from landlords and property management companies to rent to refugees unless they had a co-signer or could pay an extra security deposit.

All dynamics of the U.S. rental housing market have made identifying permanent rental housing options for newcomers increasingly difficult, resulting in longer stays in temporary housing.

The term **temporary housing property** will be used throughout this piece to represent several options where resettlement agencies would rent or purchase residential real estate where clients would live while awaiting permanent housing. When the term temporary housing property is used, it refers to any residential real estate used as temporary housing. For example:

- A single apartment within an apartment building, a single-family residence, a duplex, or a fourplex that a resettlement agency leases through a master lease agreement.
- An entire apartment building that a resettlement agency leases through a master lease.
- A residential property that a resettlement agency purchases and uses for housing newcomers temporarily. The Resettlement Agency is the property owner, and the newcomers are temporary residents.

The word “costs” will be used throughout this piece for anticipated costs related to renting or purchasing a temporary housing property. This is not a comprehensive list, as costs will vary from project to project, but it will give an idea of some possible costs to incur when pursuing a temporary housing property. Additionally, it is essential to remember and budget for resettlement agencies being responsible for costs when a temporary housing unit or property is vacant. Some costs include, but are not limited to, these:

- Operations and vacancy costs
- Staffing (resettlement staff, property managers, custodians, plus landscaping, cleaning, and other maintenance staff)
- Rent
- Utilities and common charges
- Move-in and move-out costs
- Inspections, repairs, or renovations

For purchasing a property to use for temporary housing, there will be additional costs to consider (including what is listed above), such as:

- Acquisition costs (permits, inspections, appraisals, down payment, and closing costs)
- Ongoing costs (insurance premiums, property taxes, loan [mortgage] payments, and government fees if applicable)
- Maintenance and operational costs (occasional specialist contracts, staff salaries, contracts, materials, etc.)

## Housing Challenges and Usage of Temporary Housing in Resettlement

The priority for resettlement agencies in the U.S. is to help newcomers settle into their new lives and achieve economic self-sufficiency through employment as soon as possible. The best approach for initial housing arrangements before the arrival of newcomers is to reach out and develop partnerships with housing providers (individual landlords, apartment property management companies, *et al.*) as well as housing-focused organizations and property developers to create a steady inventory of quality affordable housing so newcomers can move directly into permanent housing upon arrival to begin their new life.

However, finding suitable housing options is challenging as the U.S. housing market remains competitive and expensive nationwide. Due to a combination of factors — high rents, low vacancy rates, landlord credit history, and employment proof requirements — combined with short arrival notices, some families with 6 or more people, and limited financial assistance provided to newcomers upon arrival, securing housing before newcomers’ arrival is increasingly unfeasible. So, temporary housing, primarily hotels and Airbnb, is used by many resettlement agencies to ensure safe and sanitary accommodation for newcomers while permanent housing is secured. In today’s U.S. rental market, experience shows that temporary housing stays may last two weeks or more before a

resettlement agency successfully secures suitable housing in some U.S. cities.

Prolonged stays in temporary housing can negatively impact the overall well-being of newcomers and delay their integration into their new communities. Temporary housing options like hotels and Airbnb's are expensive when stays exceed a week or two, which leads to increased costs to the resettlement agencies and newcomers. And, in some Airbnb cases, there are unrealistic expectations about long-term housing quality and amenities.

To help facilitate an easier transition into life in the U.S., improve service delivery, and reduce temporary housing costs, the IRC implemented an innovative temporary housing solution in 2022, leasing temporary housing properties through master lease agreements or hotel room block agreements.

### **Benefits of Using a Temporary Housing Property**

- Because temporary housing properties are typically centrally located, client services, transportation, counseling, and other activities are easier to coordinate. And meetings and orientation/training sessions can be held in group settings when appropriate.
- Newcomers can more easily build friendships and establish a sense of community.
- Resettlement agency staff can set up on-site offices, e.g., in a hotel or apartment building, to provide increased access to services for residents in the temporary housing property. Meetings with caseworkers or housing specialists can occur on-site, reducing travel time between locations for staff and newcomers while minimizing barriers created by lack of vehicles and commuting.
- Frequent interaction among on-site resettlement agency staff and newcomers facilitates rapport-building and improves newcomers' understanding of resettlement services.
- When a property is in an area with social services, non-profit organizations, businesses, community-based organizations, mosques, and churches, the proximity creates opportunities to build external partnerships that provide volunteers to support newcomers settling in.
- If resettlement agencies can negotiate favorable monthly costs through master leases or room block agreements, it can help reduce temporary housing costs. For example, the nightly rate for one of the IRC temporary housing properties was less than \$50 per night for each occupied apartment or hotel room, which is less than half of the average nightly rate at hotels or Airbnb.

### **Before Implementing a Temporary Housing Property Solution**

- Analyze arrival statistics and local housing market data to determine agency temporary housing needs, i.e., how many units are needed per month and for how long the units will be continuously occupied.
- Analyze historic data on temporary housing use in hotels and Airbnb's to understand temporary housing expenses.

- Assess temporary housing needs and temporary housing expenses to decide if using a temporary housing property is necessary, and if it is, how many units are needed.
- If the agency does not have staff who can do this assessment, engage a consultant.
- Prepare realistic cost estimates for the temporary housing project, including rent and other costs (see above for a list of possible costs to anticipate). Be realistic about vacancy assumptions, i.e., the number of days a dwelling unit might not have newcomer occupants.
- Determine funding needs to pay for the temporary housing property and identify funding gaps and then work with relevant fundraising colleagues to find ways to fill these gaps.

## Implementing a Temporary Housing Property Solution: Things to Consider

### Finding a Property

- Reach out to property owners, developers, and local housing organizations to see if there is currently residential real estate in their portfolio that would possibly fit program needs based on analysis. Or engage a licensed commercial real estate broker to help find a property.
- Once a property is identified, check zoning and permit requirements to move forward and include the cost of these requirements in your budget. If there is a homeowner's association or co-op, verify that temporary housing is allowed by HOA or co-op rules and regulations.
- Tour and inspect building(s) to determine suitability for housing and to identify safety and security risks. Add the cost of eliminating or mitigating these risks to your budget.
- Ensure the property you are considering meets all Cooperative Agreement requirements (for resettlement agencies) and complies with the government zoning code, occupancy standards, building code, and other applicable government regulations.

### Budget and Cost Estimates

Actual budgets and costs will depend on the property and agreement. Anticipated costs include, but are not limited to, these:

- Renting a Property
  - Finalize a budget by analyzing project start-up costs and ongoing operational costs (see above list for some anticipated costs), including the cost during the period between executing an agreement and moving newcomers in.

- Buying a Property
  - Consider acquisition and related costs, ongoing costs to the organization as a property owner, and maintenance/operations costs (see the above list for some anticipated costs).

## **Negotiation and Contract Execution**

If your agency does not have a real estate department to lead or support negotiations and contract execution, engage a real estate attorney and realtor.

Important points to consider for the contract negotiation and signing:

- Whether leasing or purchasing, research the local real estate market to ensure fair pricing.
- Based on inspections, which are a cost to be shared or paid by the seller/owner of the buyer/lesser, identify repair or renovation needs, and any defects or shortcomings that can be used to negotiate a better price and better terms.
- If leasing a property, clearly define the roles and responsibilities of signatories, the usage of the property, and the term (duration) of the agreement and processes for extension or termination. Ideally, resettlement agencies should have the authority to determine residents without approval from the property owner.
- For leasing a property, the monthly cost (rent) is the main negotiation point. But routine and emergency repairs/maintenance, safety and security features and/or enhancements, and cleaning costs can be negotiated, too, along with ongoing property management or the addition of amenities, such as in-unit washers and dryers or all-building Internet.
- Discuss any additional space the property owner would like to offer, such as conference rooms, office spaces, parking, and other common areas, and their costs.

## **Operating Temporary Housing**

- Alongside the benefits of having agency-controller temporary housing, the costs as well as risks and potential challenges, including conflicts, must be thought through before purchasing or leasing a property.
- Do a cost/benefit analysis of hiring a property management company with experience and expertise in managing a property of comparable size and in working with social service agencies that support tenants.
- Setting clear guidance and roles/responsibilities for property managers, social service providers, and all other staff — agency or external — involved will mitigate potential misunderstandings, challenges, and conflicts.

- Having a Standard Operating Procedure (SOP) for property management and housing operations will help ensure high-quality temporary housing operations.
- Even with documented roles, responsibilities, and standards, be prepared when the owner (in a leasing situation) and/or maintenance and operations staff fail to meet their contractual obligations. Have plans and point people for troubleshooting.

### ***Other Key Considerations***

- Draft, vet, and share house rules (in relevant languages) and have an agreement for residents to review (with translation as needed) and sign before occupancy so there are clear, agreed expectations before moving in.
- Account for occupancy gaps when newcomer arrival numbers are low, as there are costs associated with vacant units. If the vacancy rate exceeds the original estimate, this will impact the budget. Plan to account, operationally and financially, for occupancy gaps to reduce impact.

## **Conclusion**

Temporary housing is not a one-size-fits-all solution and will vary greatly depending on programs and clients. While identifying and securing permanent housing is resettlement agencies' priority — in locations with severe housing shortages — using a temporary housing property can improve client well-being and program delivery. Compared with other temporary housing options — and with thoughtful and careful planning and execution — agency-controlled temporary housing properties — rented apartment buildings or residences, extended stay hotel room blocks, single-family homes, duplexes, or four-flexes — are one solution resettlement agencies can consider.





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