

Risk assessment and mitigation strategies

of real estate management

Gaining awareness of *risks* and effectively managing them enables *property managers* to minimize both their exposure to risk and *liabilities* while enhancing the experience for their tenants.

Contents

| | |
|---|-----------|
| Introduction | 1 |
| Risk assessment is essential | 2 |
| Emergency plans | 4 |
| Managing the security of your property | 5 |
| Important points to keep in mind | 6 |
| Mass notification system | 7 |
| Surveillance and intrusion detection systems..... | 8 |
| Conclusion | 10 |

Introduction

As a property manager, you are not only responsible for managing the daily operations of the real estate you oversee. You are also challenged with safeguarding the property and its inhabitants and protecting yourself from risk and eventual liabilities. Diminishing and managing the risk against the property is an obligation that should not, under any circumstances, be neglected. In order to avoid tenant complains and potential lawsuits, property managers must be aware of the risks that exist and identify ways to manage those vulnerabilities.

A serious legal liability is when accidents occur in the property and the injured person can prove that the owner or manager was negligent. Also, when harm results from crimes on or near the property. Generally, landlords have some degree of responsibility in the protection of an occupant's health and safety. Taking these factors into consideration and conducting a meticulous risk assessment can provide a better picture of the level of security needed in the building.

Owners and managers must take appropriate precautions and reasonable steps in order to provide safe premises, which besides a risk assessment and emergency plan include the implementation of solid physical security solutions, especially catered for the Property Management industry. To avert critical scenarios and truly protect tenants and assets, access control, mass notification systems, sophisticated video surveillance, and intrusion detection systems are necessary.

Being aware of risks and properly controlling them can allow property managers to reduce their risk and liabilities and enhance their tenants experience.

Risk assessment is essential

Property managers must take care of negotiating, signing, and enforcing leases, collecting rents, making repairs, conducting routine maintenance, and very importantly, ensuring the safety of tenants and guests. Each of these responsibilities comes with its own set of risks, which tend to grow as your portfolio expands. Strategically assessing and managing risk is key as it can avoid financial loss, fall of brand reputation, and expensive lawsuits.



Since some areas are exposed to higher risk than others, it is necessary to evaluate the three-tier risk management strategies:

- **Risk avoidance:** The best way to reduce risk is to avoid taking part in any risky action. For instance, removing a hot tub or pool from the property, as the additional rental income is not worth the cost of insurance or possible liabilities involved. Or establishing a comprehensive employee and tenant screening process.
- **Risk transfer:** This strategy shifts responsibility onto another party, such as an insurance company or a tenant. This is the most common way of dealing with risk.
- **Risk mitigation:** It is when proactive actions are taken to minimize unavoidable risks. For example, in case the hot tub is installed, then a coded lock and a fence can be placed to avoid any accidents in the future.

Ideally, a combination of these three strategies is utilized to manage risk. In addition, there are different types of risks that property managers often have to deal with. The below are some of them:

Administration risk

Especially when managing multiple properties, not having a proper system for handling contracts, rent rolls, list of tenants, maintenance tasks, incidents, and claims will delay actions, miss deadlines, impede easy access, and will make it very difficult to manage all information. All of this can cost a significant amount of money and legal issues.

Thereby, it is recommended to have an efficient system able to store, organize, and analyze information. It should be easily accessible, allow for collaboration, and provide reminders and notifications.

Physical damage

When renting a property, there is always a risk of damage. Broken furniture, scratched painting, and other issues cannot be completely avoided, but there are some risk-control strategies that could mitigate the damage, such as conducting regular inspections to identify small physical damages before they become more serious or having repairs and maintenance done by professionals.

Tenant injuries

Property managers are responsible for the safety of their tenants. A tenant harmed at the property may claim negligence and seek legal action. Apart from having the right insurance coverage, make sure you work in collaboration with security experts to adopt the right technologies capable of safeguarding renters.

EMERGENCY PLANS

Most organizations have emergency plans which are dangerously defective. They do not comply with federal and state regulations, ignore personnel, and do not consider visitors. In addition, they do not stipulate any type of coordination with first responders and omit staff trainings.



An emergency plan is, nevertheless, a way to efficaciously protect your property and tenants. Since risk never goes to sleep and is always multiplying, having a clear outline of rules and procedures to be adhered to during a critical event is of the utmost importance. Doing so can prevent the fallout of your property management business and help you comply with regulations.

Preferably, an all-hazards approach is used to create the emergency plan. That means that your program cannot longer address just fire, for example, but must take into account at least three of the most foreseeable circumstances, like terrorism, structural failure, explosion, hostage, active shooter, chemical spills, shelter in place, flood, and power failure, among others.

When developing your emergency plan, make sure that you do not ignore visitors, contractors, or weekend employees and that the emergency team is large enough to command and control all occupants in the building. Moreover, consider carefully the special needs of disabled personnel or those who move slowly, are hard of hearing, or pregnant.



Managing the security of your property

Strategically protecting your property can impede financial loss and increase the reputation of the building in the long run. However, as a property manager, you are probably always on the go, which makes efficiently managing your portfolio a challenge. Advanced physical security solutions are an outstanding way to help you stay on top of security, even if you manage multiple locations.

With a mobile security management system that integrates access control, mass notification, video surveillance, and intrusion detection, protecting property and occupants from crime is easier than ever. In addition, it can improve productivity and performance, by enabling you to manage your security remotely.

You could also customize alerts, manage user access and site hierarchy, request service, interact with dashboards, view personalized reports, send out event notifications (e.g., repairs, maintenance) and manage the system from anywhere in the world.

IMPORTANT POINTS TO KEEP IN MIND

Some important points to keep in mind involve access control. Controlling who should and who should not gain entry into your property typically ranks as the most pressing concern for property owners and managers.

You should consider:

- Location, risk level, hours of operation, and other vulnerabilities.
- How many points of public access are there?
- Should each point assume the same level of access and restriction?
- What are the policies regarding tenant occupancy turnover?
- Who collects keys and issues new keys?
- What access control system will best fit your property needs?
- How integrated should the access control be with identity management or with video surveillance?
- Do you require mobile access that can grant or deny entry across multiple properties?
- Who will monitor the system?
- What maintenance or service agreements will be put in place?
- Who will reassess the access control for gaps?

Access control is the first point of safety that physical security provides, and it consists of obstacles that must be placed in the path of potential threats. Fortification measures include physical locks, fences, and access control technologies such as access cards, biometric identification systems, mobile authentication, and security personnel.

MASS NOTIFICATION SYSTEM



Property managers require state-of-the-art mass notification systems that helps them send out community alerts, rent reminders, and emergency messages via a variety of channels such as voice broadcast, SMS text message, email, two-way text message, and recurrent messages. It is important to note that 2-way messaging allows you to have 1-on-1 conversations with your residents as well as other property managers, where they can ask questions or inform you of any concerns regarding the neighborhood, property maintenance, or security concerns.

This type of communication is particularly valuable in times of an emergency where you need to know who needs help and who is out of danger, so you can better direct resources. Polls to residents are another application of 2-way messaging.

Further, recurrent messages are a helpful way to send out reminders to all your residents on a specific day and time. It could be used to send reminders about rent payment or the latest news regarding the community. Contact labels is a feature that enables powerful contact management and sends tenants notifications to their different forms of communication (home, mobile, emergency phone number) depending on the severity of the event.

SURVEILLANCE AND INTRUSION DETECTION SYSTEMS

Multi-tenant and mixed-use buildings face unique security challenges best addressed by controlling access to facilities and protecting them with a solid property management security solution that includes indoor and outdoor security camera systems and intercom systems.

Cameras are an efficacious deterrent of crime, reduce liabilities, create a safer environment and assist in investigative processes. With an integrated solution that includes video surveillance cameras for video monitoring, glass-break detectors for doors and windows, and motion-detection sensors to detect any movement, property managers are well equipped to guarantee the safety of their property.

It is important to consider every security risk, indoors and outdoors, before deciding what is the best solution for your building. However, IP-based cameras are an unparalleled technology. In order to ensure the physical protection of assets, employees, and tenants you need to guarantee that every part of your property is actively monitored at all times and the answer to effectively accomplish that is video surveillance.

Technological innovations such as perimeter security, video surveillance, elevator destination control, fire detection and alarms, access control, and intrusion detection systems play a key role in the security of properties. The level of integration must be acknowledged, as there are various security elements that should be able to blend easily and simply with all of these systems without a complex integration work.

That is why it is fundamental to consider your property holistically to impact it positively when a new solution is integrated. This can provoke not only enhanced safety but a better tenant experience.

Further, intercom systems are an essential part of multi-tenant and mixed-use building security. A wireless intercom improves the security of the premises, by allowing tenants to communicate with visitors to verify their identity, manage deliveries, and control access.

A two-way intercom makes it possible to have a conversation and look at guests before granting access to the building. Smart intercoms also integrate iPhone and Android mobile devices, enabling administrators to control access from wherever they are.

In order to protect the integrity of your property, in addition, you need the latest intrusion detection systems and alarm technology, which are the ideal point where you can respond to real security breaches while ignoring costly false alarms. With first class sensors security can be improved, virtually eliminating false triggers such as strong drafts, moving objects, or moving pets. Motion detectors and glass break sensors are a few of the many alternatives that could detect an intruder in the premises.



Conclusion

Risk assessment and risk management are necessary for the optimal functioning of a property management company. As liabilities can easily arise from day-to-day management activities, property administrators must do all they can to limit and control them, prevent lawsuits, and protect themselves and their tenants.

Reasonable and prudent strategies should be adopted to avoid charges of negligence and eliminate the possibility of any injured or harmed person on the property. In addition to risk mitigation, an emergency plan that complies with federal and state regulations is required to reduce the organization exposure to threats.

Besides having the right protocols in place and implementing best security practices, property managers must guarantee the safety of their tenants by incorporating advanced physical security technologies such as access control, mass notification, video surveillance, and intrusion detection systems. Primarily, physical security is the most effective way to protect your organizational assets, including tenants and employees, property, systems, and other infrastructure. With the right technologies liabilities can decrease dramatically and tenant experience can be enhanced.

A lot of proactive planning and even creativity is needed to face the unique dangers that buildings often face. Theft, rioting and looting, loitering, vandalism, and workplace violence are common in public, private, and semipublic buildings. To truly protect our property management business, determine the level of security needed in your property with a risk assessment, mitigate those vulnerabilities with the right technological tools, and seek out expert help from a security professional.

Contact your local office today for an on-site, no-cost security assessment.
For more information call **800.261.2041** or visit security101.com