THE TOP THREE STEPS FOR SECURITY DUE DILIGENCE IN SITE ACQUISITION

While most property owners and managers are rightfully concerned about crime occurring on their premises, many mistakenly view crime as an inevitable act of nature – much like hurricanes and other natural disasters – as opposed to a risk that can be actively managed. Although all crime cannot be prevented, making it a point to understand and monitor a property's vulnerability to crime, as well taking measures against that vulnerability, can greatly reduce the likelihood of violence.

Integrating crime and crime liability into a property's operations risk management can help owners see crime as one of many potential business risks. The following article offers recommendations for adopting a proactive mindset on premises crime and highlights three fundamental steps for conducting security due diligence in any site acquisition.

CONDUCT PRE-ACQUISITION DUE DILIGENCE

Crime and other threats in and around a property can greatly affect its current and eventual valuation. By factoring recent crime incidents with current social, economic and demographic trends, a prospective property owner can better understand where a neighborhood is headed, as well as compare it with other neighborhoods in terms of growth, stability and ultimately, property values.

A careful site risk assessment can determine the adequacy of current security and safety systems, given the risks – from locks and alarms on gates, doors and windows to lighting of parking and common areas. Important components of pre-acquisition due diligence include:

- Inspection of security and safety systems
- Review of crime and proximity risk information
- Inspection of incident logs
- Review of litigation history

INSTALL A CRIME AND LIABILITY RISK MANAGEMENT FRAMEWORK

The Achilles heel of most property security is documentation and measurement. Spending on security and safety systems tends to be piecemeal over time, and the comings and goings of private or contract security guards is inherently difficult to track. Efficient incident tracking, which ideally includes how each incident is ultimately resolved and any costs associated with the resolution, is rare, at best.

Property owners need a framework and a set of tools to deal with both premises crime and the collateral impact of other violent events. The components of a crime liability and risk

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management framework may include:

- Site and neighborhood predictive crime mapping
- Site risk assessment (actual events, vulnerabilities and mitigation measures)
- Security and safety program documentation
- Crisis management plan and resident education
- Risk management strategy

MEASURE CRIME AND LIABILITY RISK MANAGEMENT PERFORMANCE

Developing a crime and liability risk management process and implementing the needed tools is not always difficult or particularly expensive. It does, however, require management commitment; focus on getting it done and then a workable procedure for documenting the process. Without documentation of everything – from security officer training to review and modification policies and procedures – the process and investment are less defensible and compelling.

Key components of performance measurement include:

- Incident tracking and response
- Budget rationale and ROI

The above framework and process can be as readily applied to a 500-room hotel as to a 200-unit multi-family community. The key is that they are applied consistently and rigorously across properties so that both crime-related risk and cost of risk can be measured along with the impact of proactive investments in security and safety and other risk management strategies.

CAP Index CRIMECAST Reports can assist you in evaluating crime potential at proposed location(s) at **http://capindex.com** and can be purchased at a significant discount by Willis Online Multifamily and Hotel Portal clients through the Willis Online Discount Portal.

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NO UNION, NO NOTICE, NO WAY!

On August 25, 2011 the National Labor Relations Board (NLRB) announced its final rule on the Notification of Employee Rights under the National Labor Relations Act (NLRA). This is a reminder to many employers that, even if non-unionized, certain sections of the NLRA are applicable to all workplaces. The new rule addresses the concern of the NLRB that many employees and employers are unaware of their respective rights and obligations under the NLRA.

Thus, effective January 31, 2012 (the implementation date was originally November 14, 2011, but the NLRB announced a delay on October 5, 2011), employers are required to post notices to employees informing them of their NLRA rights, together with NLRB contact information and information concerning basic enforcement procedures. The **required notice** is now available for download from the NLRB website.

Under the NLRA, an employee has a right to:

- Form, join or assist a union
- Discuss terms and conditions of employment or union organizing with co-workers or a union
- Take action with one or more co-workers to improve working conditions, by among other things, raising work-related complaints directly with an employer or with a government agency and seeking help from a union
- Strike and picket, depending on the purpose or means of the strike or the picketing

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