Best Practices: Property Management In The Time Of Coronavirus

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The Best Practices series asks CRE leaders about how to best execute a single aspect of their business.

Best practices in businesses usually distill years of corporate experience into a set of guidelines, but with the U.S. arrival of the coronavirus, guidelines need to be devised — and updated often — for a fluid situation.

With that caveat in mind, we asked a variety of property management specialists how owners and landlords should deal with the coronavirus and the disease it causes, COVID-19, at this stage of the outbreak.

Pay Attention To Official Sources of Information

Most problematic in dealing with the coronavirus are the unknowns, property managers say. Only a month ago, the outbreak was barely on the radar for the industry. Now it is clearly on that radar, but the story seems to change from day to day.

Trustworthy sources of information, property managers say, are critical for the industry to pay attention to.

"Times like these call for the best information available as the situation evolves, and that information comes from the Centers for Disease Control and Prevention, as well as local health authorities," said Jeffrey Schwartz, managing partner at law firm Schwartz Sladkus Reich Greenberg Atlas LLP.

"These resources cover topics that include simple — but important — personal hygiene measures, but also contingency planning materials," BOMA International President and Chief Operating Officer Henry Chamberlain wrote in an email. "Working with the CDC and local health authorities to disseminate accurate information is of the utmost importance right now."
For properties with a lot of public access, such as shopping centers, it is even more important for management to share information with the public, Woodmont Co. President and CEO, Asset Services Fred Meno said.

"Display Centers for Disease Control public service announcements at mall or building entrances, and at customer service booths and kiosks," said Meno, who helps retail owners manage their investments.

**Communicate Openly**

Just as important as keeping up with the latest reliable sources of information is informing tenants and other building users about management's response to the crisis. Now is not the time to keep important information to yourself, IREM 2020 President Cheryl Gray said.

"Landlords and property managers need to be proactive when it comes to sharing information with tenants and the public: what you are going to do, or what you might do, such as closing a common area or postponing an event," Gray said. "Being open goes a long way to fight fear of the unknown."

Moreover, it isn’t enough to commit to sharing more information — someone actually has to be in charge of the job.

"Establish a team so that communication is streamlined and questions can be addressed on a timely and consistent basis, and communicate with tenants on a regular basis," Stroock & Stroock & Lavan co-Managing Partner Jeff Keitelman said via email.

Sharing information is more than just passing along what management is doing. Owners and landlords need to help tenants and occupants understand what steps they need to take, property managers say.

"Encourage your tenant population to follow the CDC guidelines within their own leased premises," Meno said.

**Establish Hygiene Protocols**

One highly visible reaction to the spread of the coronavirus has been ramped up hygiene practices. It isn't clear yet how long the virus lives on surfaces, which is all the more reason for building managers to clean surfaces...
anywhere people congregate, but especially in retail and restaurant settings.

"There should be constant and consistent cleaning and disinfecting of high-traffic areas, such as restrooms, children’s play areas, customer service booths or kiosks, door hardware, food-court furnishings and so on," Meno said.

There should also be installation and maintenance of hand sanitizer dispensers at all mall and building entrances and food court areas, he added.

"Take extra care that workers are washing their hands more regularly than usual and wearing other protective gear, like gloves and hairnets, while preparing food," said Bhavin Asher, the CEO of GRUBBRR, which specializes in restaurant tech and consulting.

"Consider setting up hand sanitizing stations by the entrance of the restaurant, and make sure bathroom soap and paper towels are being restocked," Asher said. "Also, if you have ordering kiosks or other technologies in the restaurant, make sure you're cleaning those regularly."

**Review Your Leases And Legal Obligations**

Beyond public outreach and hygiene matters, real estate owners, landlords and contractors should consider possible legal ramifications of the outbreak.

"Construction and other real estate companies need to be aware of their contractual position if faced with suspension, termination or cancellation of a contract, or a force majeure event," RLB President, North America Julian Anderson said. "It's also critical for them to know where legal responsibility lies for delays and cost overruns, and to understand their insurance coverage."

How much liability a building owner faces from an outbreak in a property is also something of an unknown.

"If an owner or manager tried to hide a case of the disease in a building, there might be litigation," Schwartz said. "But I don't think a building owner has liability for an outbreak occurring, unless they aren't sharing that information."

A possible source of litigation that owners and managers should be aware of is what happens if supply chains for building materials are disrupted by the
coronavirus, Schwatz said. In that case, for example, a building owner might not be able to fulfill their obligations for a tenant build-out.

**Keep Reviewing And Revising Your Plans**

Property managers plan for all kinds of disasters — fires, floods and dangerous weather. Considering the speed with which the virus is spreading, owners and their managers should make plans now for various contingencies, if they haven't already.

"We strongly advise a site-specific disaster plan for every project," said Anderson, whose firm specializes in surveying and construction management. "That kind of plan outlines what to do in case of delays in material delivery or labor shortages, as well as a partial or full site shutdown. It also outlines the responsibilities of the contractor, owner and other parties."

As for the day-to-day management of a building or portfolio, a continuity plan helps, Gray said.

"For example, if an employee comes home from China or Italy and into isolation, you could find yourself without the appropriate level of staffing," she said. "You need to be ready for that. What staff is essential? Have you cross-trained them?"

Being flexible in your planning is also important, Skender Director of Healthcare Design Jenny Han said, especially as the threat posed by the virus changes over time.

"We've been asked by healthcare clients not to come to their campus for meetings that can be done on conference calls, since they're concerned about their patients with underlying conditions," Han said. "That's a change for us, since we tend to interface with clients. But it's important to be able to adjust the way you do things, guided by reliable sources of information."

See Also: Can Coronavirus Travel Through Building Pipes?