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Technology Helps Industry Develop Security Solutions

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Like all other industries, the real estate industry has been tremendously affected by the tragic events of September 11th. Security concerns are now dominant in the minds of owners and managers. Debates are ongoing, even at the highest levels of the industry, about how to fully protect the physical safety of personnel, buildings and their occupants, as well as how to ensure the security of corporate information systems and other technology investments.

Real estate companies within each sub-market of the real estate industry, including the multifamily, commercial office and industrial sectors, are focusing on possible preventative and response/crisis management measures. The ultimate goal is to establish company-wide comprehensive security plans and disaster recovery procedures for personnel, real estate assets and mission critical enterprise information and infrastructure. These disaster preparedness efforts encompass both macro approaches, including portfolio wide and corporate level plans, and micro measures, involving site specific actions to be taken on a building by building or project by project basis.

Owners and managers that integrate existing and future technology and telecom solutions into the systems and strategies they are developing to tackle these immediate and serious concerns will be best empowered to identify, implement and broadly communicate the most advantageous security and crisis response policies to their personnel and constituent tenants and residents.

Macro-Level Priorities

On a macro level, and as one of their highest priorities, companies are in the process of reviewing and, if needed, developing emergency security procedures and manuals to address terrorism concerns and other security threats, such as fires, floods and other casualties, all of which are now being looked at with heightened awareness. As the first part of this process, many owners and managers are developing checklists that identify the types of risks they might face, such as chemical and biological threats, bombs and other acts of warfare, and the measures to adopt in an attempt to address them. The use of the Internet as an information source and research tool is one of the key ways owners and managers can get a handle on the scope of these risks and stay apprised about how other similarly situated companies are formulating strategies to address them.

Where security procedures and manuals already exist, owners and managers are now dusting them off the shelves and giving them strict scrutiny. Companies without previous plans are hiring consultants and turning their immediate attention to the preparation of comprehensive security procedures. These include, among many others efforts: · the development of evacuation procedures, especially for high rise buildings, · the adoption of tighter tenant and resident-screening policies and employee background checks designed to minimize terrorist risks, · the evaluation of future building structural designs to better prepare them to absorb catastrophic attacks, · the establishment of systems for on-going dialogues with city emergency personnel to coordinate crisis management efforts, · the

performance of routine lessons learned analyses to continuously improve security measures, and · the establishment of sound company-wide communications plans to keep all personnel, tenants and residents informed of best security practices.

Micro-Level Approaches

From a micro and property specific perspective, owners and managers are reviewing assets on a case-by-case basis to determine their vulnerabilities. Depending on their needs and financial resources, companies are implementing measures that include: · enhanced access control systems with 24/7 monitoring devices for buildings, parking lots, loading docks and other common areas, · more frequent fire alarm tests and evacuation drills, · stricter policies requiring identification from all persons entering the buildings, including building tenants, residents, employees, and visitors, · increased presence of on-site security personnel, and · procedures for scrutinizing all building deliveries. In addition, owners and managers of high-risk properties, such as landmark and high-rise buildings, are struggling to develop specific security tactics addressing the unique risks these facilities present. These comprise physical building barriers, motion sensors and outside venting systems utilizing filtration mechanisms and monitors which have the capacity to shut down and secure outside air vents to prevent chemical and biological terrorism.

Technology and Telecom Options

To ensure success both in terms of effectiveness and return on investment, before implementing any enhanced security measures real estate companies should engage in a studied assessment of which combination of technology solutions and manned personnel staff is the best alternatives to achieve their objectives. The use of existing telecom and technology options, as well as new "state of the art" solutions currently in development, can enhance the ability of owners and managers to implement best practices security procedures.

Examples of currently available facilities-based, high tech alternatives include: · high-quality video cameras aimed at every building entrance and all access controlled gates, · high-end scanners monitored on a 24/7 basis, · face recognition systems based on 80 unique facial aspects, · fingerprint and voice recognition access control equipment, · x-rays for package deliveries, · mail screening and other package control systems to reduce bio terrorism by mail, · electronic keys and keyless entry systems, such as card readers, and · personal security systems that work in conjunction with global positioning satellites.

Virtually all of these security measures, as well as others to be considered by owners and managers will require some type of increase in on-site security personnel that will be satisfied through either new employee hires or the repositioning of existing employees within an organization. These staffing issues raise serious training concerns that companies may effectively and efficiently address through web-based applications, such as on-line training courses and other e-learning solutions.

Corporate Information Systems Security

The prolific use of the Internet and web-based applications has revolutionized the way companies communicate and conduct business. At the same time, Internet reliance has also substantially increased company vulnerability to viruses, corporate hackers and other similar risks. Since September 11th, the need to focus on network access control has become more even more apparent and necessary.

Owners and managers should give mission critical applications the highest security evaluation and afford them the greatest protections to prevent threats to valuable corporate information. As a first step, companies should perform "vulnerability assessments" and then determine both internally and with the assistance of their service providers how to minimize the identified risks. In addition, companies should implement formal information security policies and compliance programs to ward off computer assaults and the resulting material detrimental impact on their business functions. To be comprehensive, security plans and procedures must include a focus on information risk management.

As many real estate companies are transitioning to web-based software for their property management applications, they cannot afford any downtime. The use of telecom hotels to house Internet infrastructure, data and telecom equipment, as well as to have secure locations for back-up computer equipment and data storage and recovery centers in case of disaster, is one option that owners and managers should review to minimize the risks to the continuity of their business operations.

Personnel Safety

Looking to the future, many real estate companies will likely make greater use of telecommunications capabilities, as was the case in the days immediately following September 11th. AT&T, for example, reported a 20 percent increase in its teleconferencing business in the week following September 11th.

Business meetings that previously required face-to-face contact will probably be changed to adapt to video conferencing and other telecom based approaches to minimize the need for personnel air travel. Given today's telecom capabilities, these changes are achievable with far less difficulty than companies previously imagined. Owners and managers can also increase the amount of tele-conferencing, video conferencing and webcasting used for training purposes or internal company meetings in lieu of in person meetings and associated travel.

Communication

Going forward, companies must focus on the essential need for constant communication within and between corporate offices, among assets within a portfolio and between owners and managers about all aspects of security plans and disaster recovery procedures. The most effective way to facilitate this type of interaction is through the implementation of telecom and technology solutions. By using the Internet and available software applications, companies can even consider developing web sites and web-based portals to manage security policies, standards and procedures, and to implement security controls across their enterprises.

Any communications plans adopted by owners and managers must contemplate contractual arrangements with the best available telecom providers to ensure continuous connectivity. Emphasis on having more than one telecommunications provider for phone and data services is indispensable. When evaluating networks, companies should also assess whether their telecom providers offer redundant links so that their communications systems are not in jeopardy in case one link becomes unavailable.

Cultural Changes

To address the daunting security challenges faced by all businesses in post-September 11th America, real estate companies must build security into their day-to-day culture. The development of comprehensive security plans and disaster recovery procedures are essential for owners and managers to prevent incidents from happening and to respond as effectively as possible to crises should they occur.

Maximizing the benefits of technology and telecom solutions by integrating them into security plans and procedures can only enhance the usefulness and success of these plans. Toward this end, owners and managers should endeavor to stay in touch with and on top of new technology developments, which are emerging at a remarkable pace.

Within days after the recent attacks, countless inventors began focusing their efforts on anti-terrorism inventions to respond to the country's heightened security concerns. New technology solutions may include voice stress detectors installed at airport ticket counters that flash silent warnings when a traveler is hiding a bad case of nerves and passenger wristbands packed with sedatives so cabin crewmembers can remotely knock out travelers behaving suspiciously with the touch of a button.

While these inventions do not have a real estate industry focus, they portend that other technology advances suitable for use by owners and managers are just around the corner. The best long-term defense for owners and managers lies in developing a company-wide awareness of what it takes to keep their portfolios and their constituent tenants and residents secure. It is clear that technology will play an indispensable role in this process.

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