

# Proactively Managing Risk in Property Management

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Implementing robust procedures can prevent issues from escalating and limit loss and litigation, observes K. David Meit.

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In my experience as an expert witness in the standard of care in property management, I have meticulously analyzed numerous cases, discerning the intricacies that often culminate in litigation. Drawing upon more than three decades of experience managing diverse portfolios encompassing multifamily, mixed-use and retail properties, the implementation of robust risk management and loss prevention measures could have avoided many disputes.



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## Nothing happens by accident: The significance of the Standard Operating Procedure

I have witnessed the pivotal role played by Standard Operating Procedures in averting potential crises. Property management transcends the mere oversight of properties and demands acute attention to

detail. A precisely crafted SOP serves as a guiding beacon, preventing issues from escalating into legal disputes.

The SOP functions as the backbone supporting all operations. Consider it a recipe for consistency in service delivery, akin to the meticulous processes that ensure McDonald's fries taste the same worldwide. Composing an effective SOP is crucial, especially in the face of a plaintiff, as it unveils procedural lapses, laying the foundation for potential litigation.

## **Management by walking around: An imperative in risk management**

The concept of "management by walking around" cannot be overstated. While overseeing portfolios ranging from tax credits to ultra-luxury properties, I learned that proactive risk management involves regular property inspections, in a strategic effort to identify potential hazards before they turn into liabilities.

## **Liability is all about notice: Understanding the legal definitions**

One key lesson that surfaces repeatedly in my expert witness cases is the critical importance of proper notice. Legal definitions of notice often become the linchpin in property management disputes. If a hazard was documented on an inspection sheet, did anyone take action to rectify it? Liability hinges on the concept of notice—not just the existence of an issue but also the steps taken to address it.

## **Standard of care: A call to action for property managers**

The rallying cry for property managers is to uphold the "standard of care." When I coach property managers to conduct inspections, I am not assigning busy work. It's a proactive measure to understand property conditions, facilitate preventive maintenance and, most importantly, mitigate potential risks. The responsibility extends to resolving such issues and ensuring they don't recur.

## **Collective wisdom from industry colleagues**

Within the field of property management, collaboration is key, as is actively seeking input and insights from industry colleagues. Embracing the philosophy of continuous learning, I often sum it up as: "Strive to be a lifelong learner." Property management is a dynamic field, and continuous learning ensures that professionals remain abreast of changes in codes, regulations and best practices. Negligence lies not in the absence of resources but in the failure to leverage the abundant knowledge available.

In conclusion, my tenure as an expert witness has underscored the paramount importance of proactive risk management and loss prevention. Property management is not a desk job; the profession entails engaging with the physical aspects of a property, identifying potential hazards and taking corrective action. SOP, inspections and a commitment to the standard of care form the trifecta that shields property managers from unnecessary litigation.

Embrace the mantra of “manage your risk” and let it navigate you through the intricate landscape of property management, ensuring the safety and satisfaction of all stakeholders involved.