



Security

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Crime Control

A step-by-step guide on how to purge your property of crime—at a price you can afford.

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When Blythe Montanaro inherited Mira Vista Apartments in 2004, she was afraid to walk the property alone—even in broad daylight. After years of poor management and neglect, the 64-unit complex in Atascadero, Calif., not far from San Luis Obispo, had become a haven for crime. In one year, the property clocked in, brace yourself, 44 reports of crime, including 11 drug and alcohol-related incidents and 21 cases of violent assault.

A helpless situation? Miraculously, no. Fast forward to 2009, and zero crimes have

been committed this year, as of August, says Montanaro, owner of Atascadero-based Montanaro Properties. “In 2004 and 2005, the police were here daily,” she says. “Now if they come, it’s because I have called them to have a chat.”

Mira Vista Apartments is one of the lucky properties. Today’s multifamily owners and managers are faced with a rising tide of on-site criminal activity as the outlaw economy of a few years ago continues to wreak havoc on the housing industry. Consider a recent study conducted by Multifamily Executive, which uncovered a striking correlation between crime levels and financially troubled apartments after cross-referencing research firm Real Capital Analytics’ “Troubled Assets Report” detailing 1,000-plus properties nationwide at risk of default against police data from the past year. What’s more, the research indicates that cash-starved owners are likely to neglect minimal upkeep on a property—be it replacing parking lot lights or trimming bushes—that can contribute to increased criminal behavior.

The good news? The seemingly impossible turnaround of Mira Vista shows that even the most distressed properties can be purged of crime—so long as the right steps are taken. With the help of the police department, Montanaro took a cost-effective, back-to-basics approach that yielded results within weeks. She credits much of Mira Vista’s turnaround to the Crime Free Multi-Housing Program, a national apartment crime-prevention program adopted by the Atascadero Police Department. “Together, we took a three-pronged approach where we addressed the type of clientele that lived there and addressed all the maintenance issues and neighborhood safety concerns,” Montanaro

addressed all the maintenance issues and neighborhood safety concerns, Montanaro says.

A similar back-to-basics approach can work for you, too. The following step-by-step guide can help significantly reduce the crime levels at your properties—at very little expense. The time to take action is now—before another crime occurs at your property and before you get slapped with an outrageously costly lawsuit. After all, the average landlord settlement for crimes such as rape and assault is \$600,000, while the average jury award is \$1.2 million, according to legal information provider Nolo. And that's a price you can't afford these days. So what are you waiting for? Read on.

STEP 1: SCREEN ALL RESIDENTS (AND PROSPECTS). EVICT THE BAD SEEDS.

Montanaro's first step? She evicted half of the resident base—people who never should have been allowed to rent a unit at Mira Vista in the first place because of poor credit and a prior criminal history, for starters. Implementing—and sticking to—a tight screening process is essential to reducing on-site crime. However, that's easier said than done, especially in a slow market where leasing agents are struggling to boost occupancy levels.

“The management team has to not panic in a bad market and think, ‘My supervisor is going to come out [to the property] because I didn't get a lot of leases so I am going to let these bad people in,’” says Bill Leseman, chairman and co-founder of Caldera Asset Management, a Denver-based consulting firm specializing in property management and stabilization services. “They have to stick to their guns. In a good or bad market, the key is to be very consistent and fair in the implementation of your policies.”

As part of the screening process, it's critical to check a prospect's rental history, criminal background, and credit worthiness, experts say. In many cases, managers neglect to call prospects' references of previous landlords, and the failure to make a quick phone call can lead to devastating results. “Most properties ask for references, but how many actually call those references?” asks Marc Bogner, a regional vice president at Philadelphia-based consultant Day & Zimmermann Security Services. “If you don't take the time to call the reference, you could be inviting in a troubled tenant.”

Additionally, require residents to sign a crime-free lease addendum. These civil contracts, whereby the rental applicant agrees to abide by the rules of the property and not to participate in or allow criminal activity to occur in his or her sphere of influence, are an effective way to keep illegal activity at bay. Sample crime-free addendums, which can be adapted to meet the legal requirements of a particular state, are available at www.crime-free-association.org. (For tips to ease the pain of the eviction process, see “Law and Order” on page 46.)

Cost: If you already have resident screening software, actually enforcing the rules costs \$0. At a single 200-unit property with the same number of qualifying applicants,

Game Plan

Four easy steps to get from crime-riddled to crime-free.

Is your apartment complex ground zero for theft, burglary, and other serious crimes? Does the thought of turning around the complex seem impossible? Don't lock yourself up in your office, feeling overwhelmed. Start simply, with these four steps.

1. Get Educated Online. Visit the Crime Free Multi-Housing Program's Web site (www.crime-free-association.org/multi-housing.htm) to learn more about the crime prevention program and download a sample crime-free lease addendum.

2. Break Out the Books. Read *Crime Prevention Through Environmental Design* by Tim Crowe (Butterworth-Heinman, 2000) and *Defensible Space: Crime Prevention Through Urban Design* by Oscar Newman (Macmillan, 1972) to explore decades-old design strategies that are proven to reduce crime.

3. Start an Apartment Watch Program. Similar to the popular Neighborhood Watch, this initiative encourages residents to be more active and aware of their surroundings. The program also helps build a strong sense of community through socializing and improved communications between residents, management,

resident screening packages range from roughly \$3,000 to \$11,000. Applicant fees, however, tend to cover this expense.

STEP 2: PARTNER WITH POLICE AND JOIN THE CRIME FREE MULTI-HOUSING PROGRAM.

Next, consider establishing or strengthening, as the case may be, the relationship with your local police department. “After a crime occurs is the wrong time to start building that relationship,” Bognar stresses.

If you’ve just taken over a distressed asset, the first thing you want to ask the police for is a crime statistics report for the property that covers both the past year and the past 30 days. That way, you can spot trends and determine exactly when and where crime is occurring.

Once armed with those numbers, ask the police for their help in monitoring your site for potential illegal activity. “If you don’t include local law enforcement, you are wasting your time,” says Leseman of Caldera Asset Management. “Any time we have asked local law enforcement for help in any community, they have been there with outstretched arms.”

Many police departments offer crime-free prevention programs, including the highly-regarded Crime Free Multi-Housing Program, which is specifically designed to reduce crime, drugs, and gang activity at apartment communities. The program, developed by the Mesa Arizona Police Department in 1992, has spread to nearly 2,000 cities in 44 states and consists of three phases that must be completed under the supervision of the local police department. These include: an eight-hour property management training course taught by police; a survey of the property by police who will enforce minimum door, window, and lock standards, minimum exterior lighting standards, and landscape maintenance compliance; and, lastly, community awareness training, which includes an annual crime prevention class taught by the property manager and police. Property managers earn certification after completing training in each phase, and the property becomes a certified community upon successful completion of all three phases.

For most communities, the benefits are myriad: reduced police calls for service, a more stable resident base, and reduced exposure to civil liability, says David Rowe, executive director of the Sioux Falls, S.D.-based Crime Free Multi-Housing Program. “On a national average, we’ve seen a 70 percent reduction in crime and/or police calls in properties involved in this program,” he adds.

Furthermore, police departments tend to be more vested in protecting an apartment property that bears the Crime Free Multi-Housing Program signage, adds Andrew Stuart, a crime prevention specialist at the Glendale Police Department in Arizona. “Our patrol officers know that when they see those ‘Crime Free’ signs placed outside of the properties, it’s the closest thing to a safe haven,” says Stuart, who oversees 25 apartment properties in Glendale. “Police will stop by more and walk a property. It tells bad guys not to come to the property to commit a crime because management is working with the police, and they will get ratted out if a crime is committed here.”

Additionally, the Glendale police will routinely stop by the properties in the program to see that prospects are properly screened and all renters have signed crime-free lease addendums. As an added perk, managers in Glendale are notified when crimes are committed at their properties. “They get an e-mail alert saying, ‘John Smith was arrested from apartment 222 for the following reason, and this is the police report number. By being arrested, John Smith is in violation of the crime-free lease addendum and can be evicted,’” Stuart explains.

and law enforcement. Your local police department can help you get this program off the ground.

4. Sign up for the International Crime Free Conference. Sponsored by the Fairfield (Calif.) Police Department, next year’s event will be July 12-14, 2010, in Fairfield. (Go to www.crime-free-association.org/conference-2010.htm.)

Cost: The Crime Free Multi-Housing Program, part of the International Crime Free Association, is a free service sponsored by police departments. There may be minor administrative costs, not more than a couple hundred dollars, for hosting on-site educational classes.

STEP 3: HIRE A SECURITY EXPERT TO SURVEY YOUR PROPERTY.

Whether or not you join the Crime Free Multi-Housing Program, you will want to have a trained professional—be it the police or a criminologist from a local university—survey your property and outline specific changes that you can make to the site’s physical footprint in order to help reduce crime.

The walk-through should be a team approach. “The important thing to remember is that we are not inspectors saying you flunk or pass,” says Rowe of the Crime Free Multi-Housing Program. “We all work together to make the property safer. We show owners and managers ways to make safety upgrades for as minimal costs as possible. We remind them you don’t have to put in the highest-quality product; you just need to get minimum results so long as it fits the program and does what it needs to do.”

Law and Order

Preparedness can ease the pain of eviction proceedings.

A property manager’s best ally against a problem resident is the enforcement of the lease covenant. Real estate lawyers say you shouldn’t be afraid to wield the entire weight of your legal rights. Here are four strategies to help mitigate the eviction process.

1. Have a Lawyer on Call. The most common legal misstep made by property managers is that they fail to secure an attorney in the first place, says Zachary Schorr, a partner at Los Angeles-based Schorr Law, which specializes in real estate. In the heat of battle with a boisterous, non-compliant resident, you can’t afford to spend weeks shopping for a lawyer.

2. Get Familiar with the Law.

The legalese within leases can be intimidating. With the help of your attorney, review the provisions of your lease covenant several times a year so that you completely understand your rights as a property manager. You can’t enforce the rules if you don’t know what they are.

3. Employ the Three-Day Notice.

If a policy is important enough to build into the lease, it is important enough to warrant eviction for non-compliance. When lease regulations are breached, move to evict immediately. Build a three-day eviction notice into your lease for

Many experts rely on the principles of Crime Prevention Through Environmental Design (CPTED), a concept coined in the early ’70s by criminologist C. Ray Jeffery and later published in a book, which deters criminal behavior through careful design of the built environment. Criminal behavior research shows that the decision to offend or not to offend is strongly influenced by environmental cues as to the perceived risk of being caught rather than by cues to reward or ease of entry. For example, a criminal would be less likely to steal a car from a well-lit parking lot that is visible from residents’ apartment units. Consistent with this research, CPTED-based strategies emphasize enhancing the perceived risk of detection and apprehension, and encompass the “three L’s”—lighting, locks, and landscaping. (For a complete list of requirements, visit www.cpted.net.)

Cost: Police departments and crime experts will survey your properties and offer recommendations as a complimentary service. Improvements can range from a few hundred to several thousand dollars, depending on the scope of work.

STEP 4: MAKE COST-EFFECTIVE EXTERIOR AND INTERIOR SAFETY UPGRADES.

Police departments and security experts will often make a number of recommendations as to how to improve safety on-site. But where do you begin? And what’s the most economical way to address the issues in this tight economy? Property managers suggest starting with landscaping, which is the quickest, easiest, and cheapest fix—one quick trim allows for maximum visibility. Follow the “3 foot, 6 foot” rule of thumb: All low-ground coverage should be 3 feet high, while lower tree canopies should be 6 feet and higher to maintain visibility for surveillance.

Upgrading to adequate lighting throughout the community, including in the parking lots and pedestrian

eviction notice into your lease for all policy infractions. The rapidity with which you react will only underscore the seriousness of the matter for the residents.

4. Cover Your Litigation

Costs. If eviction proceedings move into the courtroom, costs can mount, especially for jury trials. Incorporate an attorney fees clause into your lease so the resident is liable for any legal costs when the court (hopefully) finds in your favor. —Chris Wood

walkways, is a more expensive undertaking but a crucial step: Lighting is the greatest single deterrent to crime at night, according to The Pedestrian and Bicycle Information Center, a national clearinghouse for information about the health and safety for pedestrians and bicyclists. To help cut down on expenses, contact your local utility provider to learn about any low-cost lighting programs; some utility companies will install street lights around the site's perimeter free of charge, with a small monthly utility fee.

“It does increase the utility bill, but having street lights provided by local utilities allows for much higher wattage than wall packs,” says Pierce Ledbetter, CEO of LEDIC

Management, a Memphis, Tenn.-based fee manager with more than 26,000 units nationwide. “It’s a smart substitute for wall packs, which are very common, but can be easily knocked out with rocks or a stick.”

You’re probably thinking, the more lights, the better, right? Guess again. “People think, ‘If I put a lot of lights on my property, that will solve my problem,’ but it doesn’t,” says Art Hushen a retired police officer and president of the Tampa, Fla.-based National Institute of Crime Prevention (NICP). “There is such a thing as too much light. When you walk in front of a property that has spot lights illuminating the site, and you transition away from the light onto a dark sidewalk, it can take your eyes as long as 20 minutes to recover from the bright lights.”

Hushen stresses the importance of expertly-planned lighting systems, but here are some general rules: Lights should be shielded downward, not up into the sky or sideways into people’s eyes; globe lighting and flood lights should be avoided whenever possible since they project light everywhere instead of concentrating it where it’s needed most, on the street or sidewalk; lighting should be on timers; and certain lights, including low-pressure sodium ones, result in color distortion and should never be used for lighting pedestrian areas.

Proper locks—and other security devices—round out the “three Ls.” CPTED guidelines instruct that cylinder dead bolt locks should be installed on all exterior doors; all entry doors must have 180-degree to 190-degree eye viewers; door hinges should be located on the interior side of the door; and sliding glass doors should have one permanent door on the outside and a locking device and pin on the inside door.

Additionally, for strike plates, use screws that are 1.5 inches to 3 inches long, instead of the standard 1.5-inch screws. “Longer screws reinforce the locking system,” says Stuart of the Glendale Police Department. “It would take six, seven, eight kicks to open a locked door with a long screw versus one kick with a short screw. If you say you are part of a crime-free program, stores like Home Depot and Lowes will give discounts.”

What is expensive is hiring 24/7 security guards to monitor a troubled asset. While that may be a viable solution in the short-term for severely depressed and distressed properties, your best bet is to install security cameras to keep a watchful eye on your property. Bognar recommends a 10-camera system for a 200-unit property. If feasible, a property manager or front desk guard can monitor the cameras. If not, the recorded tape can serve as evidence of alleged criminal activity. Be sure to post a notice that the cameras are recording. “Otherwise, people will assume the cameras are just being monitored,” Bognar says. The worst thing you can do? Use a fake camera. “The liability is incredible,” Bognar adds. “Secondly, criminals are relatively bright about what they are doing. They will know you are using fake cameras.”

Ledbetter suggests also installing a license plate reader at the entry to your property to capture all of the license plates coming in and out of your site. Police departments will

capture all of the license plates coming in and out of your site. Police departments will then review the data for warrants and stolen vehicles. These readers have come down significantly in price in recent years, from tens of thousands of dollars to as little as \$3,000 today, Ledbetter says.

Cost: The cost to bring landscaping, light, and security up to par varies greatly by property. The biggest expense will likely be adding a security system. A 10-camera system, which is recommended for a 200-unit property, runs in the ballpark of \$25,000.

STEP 5: INVOLVE YOUR RESIDENTS AND ON-SITE TEAM IN BATTLING CRIME.

In the mad dash to get your property outfitted with lights, locks, and security cameras, don't forget the essential role that residents play in crime prevention. "Residents are very important because they are the eyes and ears of the community," Rowe says. "They see things management doesn't have time to see, and they know who is going in and out of the property."

Encourage residents to be proactive and report any suspicious behavior to management. If residents are worried about tattling on their neighbors, assure them their comments will remain anonymous. One tack may be to consider starting an Apartment Watch program. Or, throw a "safety social" where the property management team and police can share general crime prevention tips with residents. Raffle a door prize as an extra incentive to draw residents to the meeting.

In addition, train the on-site staff, from leasing agents to the maintenance team, to be observant at all times and enforce the property's rules and regulations. Just as important, train staff to not be afraid to contact the police if they do see suspicious activity. "If you have vandalism, graffiti, or other crimes, report them," Bognar says. "Sometimes, managers won't call because they say the police won't do anything anyway, but that is the wrong approach. If you get someone to come out, just having police presence will help [deter further crime]. Additionally, police departments allocate resources based on incident rates. So, if you are not calling, you are not getting the attention you otherwise would."

Cost: Talking to residents and managers won't cost you a dime, but budget a few hundred dollars to provide food, drinks, and entertainment for a property-sponsored crime prevention social.