

News & Trending

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LANDLORDS & PROPERTY MANAGERS - DEVELOPING BEST PRACTICES DURING COVID-19

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Wayne Maiorano, Mike Thornton and Mike Frongello

The COVID-19 pandemic has raised new questions and challenges for commercial landlords and property managers. It is no longer business as usual. The goal for a landlord or property manager during these trying times should be to stay informed and prepared, but avoid panicking and creating anxiety among tenants. Education and proactive planning are critical in keeping your tenants safe and building operations functioning.

The following are practical considerations that we hope landlords (“LL”) and property managers (“PM”) will find helpful:

- Be proactive – reach out and check on tenants.
- Encourage your tenants to review and follow CDC guidelines and post this [CDC fact sheet](#) regarding COVID-19 throughout the building (e.g., near entry, in lobby, near elevators, near lavatories).
- Become intimately familiar with and appropriately implement any [governmental guidelines and orders](#) that may impact or restrict building operations and communicate with tenants to learn what impact these orders may have on their operations.
- Generally, commercial leases and property management agreements do not address viral epidemics. For example, in the standard net leased property where the tenant is responsible for its own maintenance and cleaning services, the LL's public health obligations would be limited. As such, the obligations of a LL or PM regarding limiting tenants' and guests' risk of exposure to the virus depends in large part on what services are provided at the property (e.g., amenity space, cleaning services).
 - Consider restricting use/access to certain common areas, such as fitness areas/gyms, recreational spaces and other indoor amenities.
 - Suspend public events and social gatherings, such as meet-and-greets or other activities in the building that require people to gather.
 - Request that tenants restrict any large gatherings that would cause non-tenant employees entering the building (goal being to minimize foot traffic into the building).
 - Order extra gloves and cleaning supplies and instruct staff to perform extra cleaning of common areas, hallways, elevators, stairwells, doors, lobby and reception area (including furnishings), publicly accessible lavatories and mailboxes, etc. (particularly cleaning frequently touched surfaces).
 - Have your staff follow and request that tenants reference for their own operations and benefit the Occupational Safety and Health Act requirements, set forth in Sections 13 and 14 of OSHA No. 1 of 2006, which impose various duties on the employer to ensure a safe and healthy work environment

(you should be able to find these on the internet). Not that this is the only resource and there may be other good practices, but this is instructive and should be a reasonable baseline.

- In addition to tenants, become generally aware of who is routinely coming/going from the building (e.g., cleaning companies, dry cleaning services, food services). Consider whether to establish some tracking protocol within the lobby.
- Conduct risk assessment analysis regarding building operations (e.g., security, maintenance, housekeeping, garbage, garage/parking) and make plans for staff shortages, supply chain and service interruptions. Also, make plans for a lock-down situation, in which the general public is instructed to maintain home quarantine and the tenants cease normal onsite operations (e.g., building security, tenant access).
- Review your internal communications and preparedness plan and ensure that your staff are ready, know their role and the communication protocols.
- Likewise, ensure you reinforce a good communication process with your tenants. Have each tenant identify key people with whom you will communicate and have all necessary means of contacting them and provide them with such information for your key staff contacts.
- Review lease agreements and evaluate LL and tenant obligations, rights and remedies – including access and operation disruptions and restrictions (whether self-imposed or mandated by governmental action), providing and sharing of information, cleaning of building spaces, rent payment issues (process, delays, difficulties).
- Review all insurance policies and consider scope of coverage under such policies (e.g., business interruption, cleaning of potentially contaminated spaces).
- Tenants may not have an obligation to inform the LL/PM if it has an employee diagnosed with COVID-19. Regardless, it would be prudent to discuss this issue with the tenants and considering requesting that they report (without providing personal information) the existence of confirmed cases or potential exposure as that information is helpful to the LL/PM staying informed and prepared. In the event a diagnosis is confirmed, it would be prudent to contact the local health authorities (e.g. County or State Department of Health and Human Services) to determine next steps/actions.
 - Request tenants to advise any employees who may feel sick to limit entering the building, to work from home and to seek immediate medical help.
 - It is also important to protect the identity of any affected individual so as to avoid overreaction by other tenants or disclosure of personal health information.

Ultimately, it is important to let tenants know that you are taking this situation seriously. It may be worth communicating with tenants that: (1) management is taking precautionary steps (and then outlining those steps); (2) shares information and resources on how tenants can prepare themselves (e.g., information from the CDC); and (3) letting tenants know that management is monitoring the situation and will keep them informed of any developments that affect the building operations and occupancy.

PROFESSIONALS

Wayne K. Maiorano

Michael R. Thornton

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