

COMMERCIAL REAL ESTATE TRANSACTIONS - PART III

What is an environmental site assessment?

An environmental site assessment is an assessment of real property to determine whether there are any hazardous waste materials or hazardous waste contamination on the property. There are different types of environmental site assessments. A Phase I assessment, for example, generally involves an inspection of the property and a review of certain records, but it doesn't actually involve any boring or drilling, or testing of water or soil samples. A Phase II assessment, however, does involve the drilling and testing activities and can be quite expensive.

If I am buying commercial real property do I need an environmental site assessment?

Some lenders may require an environmental site assessment, and there are certain situations where it makes sense to get one, for example if you are buying a service station or business dealing in manufacturing. Otherwise, though, it may be tempting to pass on an expensive environmental assessment. However, if you do not obtain such an assessment, you may be doing yourself a disservice, as any environmental problem that arises could result in great liability exposure, even if you did not directly cause the problem.

To view the above discussions on video, visit <http://schechterrealestatelaw.com/video-faq/commercial-real-estate-law/> as featured on Law.TV.