

## **Contaminated land audits- A vital consideration for property investors**

*By Lucas Psillakis, Environmental Assessor and Auditor*

With the decommissioning of Cyprus sub-standard landfill sites due to happen as the country accedes into Europe, and with old, often dangerous factory sites being bought and sold for redevelopment, the contaminated land audit is more important than ever to property investors and needs to be coupled with property and land evaluation reports to give a proper idea to investors of the true value and liability of the property they are considering to invest in.

The contaminated land audit is a specific type of merger/acquisition audit, which looks at the history of a site, as well as the present baseline environmental conditions of that site to determine the risk or likelihood ( and possible severity of the effects of ) contamination from past activities on or even near that site. Industrial activity can affect a site, as can issues of waste management on that site. No investor wishes to spend a great deal of money investing in property which can prove useless or dangerous five or ten years down the line, and whose value may decrease rather than increase because of contamination.

The contaminated land audit consists of the following four steps:

1. A desk study of the history of a site. An environmental assessor studies the history of site, such as how it was used by its previous owner, to hypothesise what forms of contamination may possibly be found.
2. An intrusive field study or audit, where measurements are made and samples are taken, to be analysed by a laboratory.
3. An assessment of the probable or possible contamination on the site and a consideration of risks involved for the investor are then made by the assessor. Consideration is then given towards what steps may be taken towards remediation. It is not in the assessor's remit to make a financial valuation of the land, but he or she will note whether the likelihood and severity of the contamination is significant enough to warrant an appreciable reduction in the sale price. It is up to the land evaluation expert to take this into account in his or her assessment.
4. The environmental expert will report his findings in a short but concise study to the investor and, optionally, also to the property valuer.

The assessor is not responsible for remediation but may be able to organise this in cooperation with remediation experts, environment chemists, geologists, engineers and other scientists.

*Lucas Psillakis is a qualified Environmental Assessor and Auditor and certified as an inspector with the Environmental Assessment Association of the USA. He holds a Bachelors with Honours in Environmental Sciences and a Masters degree in Environmental Impact Assessment and Auditing and has worked in the Environmental Sciences field in Cyprus and the UK. He is an associate member of the Institute of Environmental Management and Assessment and runs a consultancy, Psillakis Environmental, with a partner in Limassol. Psillakis Environmental has good associations with environmental scientists, engineers and other experts in Cyprus and abroad.*