

TENANT TIPS

May 2014

A little **HOMEWORK** goes a long way ...

When buying property, proper Due Diligence is always recommended and an important part in avoiding costly and time consuming issues further along in the process. A Phase One Environmental Site Assessment, or ESA, is one such step in accomplishing this goal.

Sometimes referred to as a Preliminary Site Assessment or Level One Environmental Site Assessment, an ESA will identify potential or existing environmental health hazards or environmental liabilities. This inexpensive evaluation allows a buyer to purchase an asset knowing that there are no environmental liabilities associated with it both protecting and limiting their liability by discovering environmental concerns prior to the purchase. Creditors can also require an ESA to help them determine any environmental risks that could affect the value of the property or the borrower's finances.

There are three main components to **PHASE 1 ESA**.

SITE INSPECTION: A thorough visual assessment of a property's interior structure, exterior area, property lines and adjacent sites to identify any evidence of soil contamination, water pollution or other potential environmental issues.

REGULATORY RECORDS REVIEW: A historical evaluation of the property and any past instances of hazardous substances, such as oil or other waste substances, at or nearby that may have contaminated the site.

FIRST-HAND INTERVIEWS: A series of discussions with former owners, tenants and workers whose experience at the site may offer useful insights on the previous use and the current state of the property.

Don't let past property liabilities become yours. Know before you buy!

For more information or to schedule an ESA, contact Dan Caldwell of Stout and Caldwell Engineers at 856 786-2202.

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