

WD GENERAL GUIDE ON BUYING AND SELLING OF LAND

Background

Current UK legislation on land *contamination* generally is based around the principle of “suitable for use”. That is to say that there should not be any unacceptable risk to human health, groundwater, surface waters and to the environment posed by the site. Under the planning regime there is a similar requirement to ensure that the land is made suitable for the intended use prior to the development.

Potential *contamination* issues can have a significant influence on determining the true net worth of land. Remediation costs can sometimes be the major factor in agreeing on the purchase price for land. It is therefore imperative that these potential costs are determined as early on as possible to allow for informed negotiations to take place.

What does this mean to me?

If you are a land owner who is looking to sell then it would be advisable to commission an assessment of your land to be made aware of potential *contamination* issues. This will prevent unrealistic purchase offers based on overly conservative remedial assumptions. Potential purchasers will tend to exaggerate potential remedial costs during the negotiations and an assessment report will enable a more realistic amount to be estimated and agreed upon.

If you are potential purchaser of land and you want to know how much money you should set aside for *contamination* issues then you should commission an environmental assessment prior to purchase. With most land sales, the onus will be on the buyer to ensure that the price offered reflects the true net worth (i.e. the buyer beware principle). Once you have bought the site with information on contamination provided, you have in effect bought the *contamination* as well and it will become your responsibility.

If you are a land owner where there is or has been an industrial process, there may be a requirement by the Local Authority to assess the potential risk of contamination on your land. If any *contamination* is revealed then you may be forced to pay for the remedial works.

What should I do?

WD Environmental is able to advise you on any contamination issues associated with land acquisition or divestment and would invite you to contact us at contact@wdenvironmental.com