



Environmental Consultants & Contractors

Asset Preservation

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Pre-positioning and Managing Environmental Risks and Liabilities

The collapse of the real estate markets and the current economic downturn has hit lenders particularly hard and has forced many to revisit existing loans, and in certain cases place some of these loans on the lenders' "watch list" prior to initiating a foreclosure action.

Environmental risks and liabilities can only exacerbate exposure of these already overvalued assets, adding further to the market slide, risks, and lower values.

However, opportunities do exist in the asset preservation, workout, and restructuring process to eliminate or mitigate environmental risks and liabilities and to lower the lender's exposure level.

In the eventuality of foreclosure, a lender can pre-position itself to avoid much of the environmental impact prior to going on title. This pre-positioning strategy improves the image, value, and marketability of a property held as loan security prior to the lender taking ownership. It also allows for a better exit strategy prior to divesting from the asset.

Implementing the right risk strategy can translate into financial savings and lower exposure for the lender.

SCS Engineers understands the entire real estate process from underwriting new loans, refinancing, and asset preservation, to foreclosure, acquisition, redevelopment, asset management, and the disposition of assets.

We develop the necessary environmental information, so that our clients avoid risks and liabilities when purchasing real estate and it also creates the best value and opportunities for properties with potential environmental impairments.

Creating, Managing, & Preserving Asset Value

Asset value can be preserved, recovered, or created through understanding, mitigating, risk shifting and pre-positioning environmental impairments in loan servicing, asset preservation, and the divestiture process.

Asset Management Services

- Property manager technical support.
- T.R.I.M.-Tenant Risk Identification & Management Program.
- Pre-lease tenant screening and risk profiling.
- Support during lease negotiations and environmental lease language.
- Tenant baseline and periodic audits, pre-lease termination inspections.
- Risk strategies, liability mitigation, and tenant risk management plans.
- Operation and maintenance plans (i.e., asbestos, lead).
- Hazardous and solid waste management, abandoned drum and waste disposal, contractor oversight.
- Environmental insurance consulting, endorsement negotiating, and claims review.
- Impaired property budget estimates.
- Remedial design, construction, operations, and maintenance.
- Tenant space decontamination, contaminated property cleanup, cost recovery.
- Volunteer clean up and innocent purchaser programs.
- Disposition exit strategy and marketing support for impaired and stigmatized properties.
- Environmental Management Systems.

For more information on this topic or any other relating to environmental responsibilities and implications of purchasing real estate, please contact: Nina G. Marshtein, P.G. nmarshtein@scsengineers.com www.scsengineers.com