



Canada's economic slump won't last

by Dr. Peter Andersen

It seems that, for all intents and purposes, Canada has been in a recession since the end of 1994, as a result of last winter's interest rate spike and the substantial slowing of the U.S. economy.

The impact of the jump in interest rates was magnified by the lack of inflation in labour income in Canada. Unlike the U.S., where consumer confidence held up relatively well, Canadian consumers were deeply shaken by renewed worries about job security, especially in the public sector.

Exports have also been a negative factor, as demand in the U.S. softened. Even after the end of the rail and dock strikes, exports kept going down. Also, Canada appears to have a more serious inventory problem than the United States, which will take longer to work off.

As a result, real Gross Domestic product (GDP) in Canada declined at approximately 1.0 per cent annual rate in the second quarter, following virtually no growth in the first. We are betting that the third quarter will be basically flat again.

Fall recovery: export-led, Ontario-based

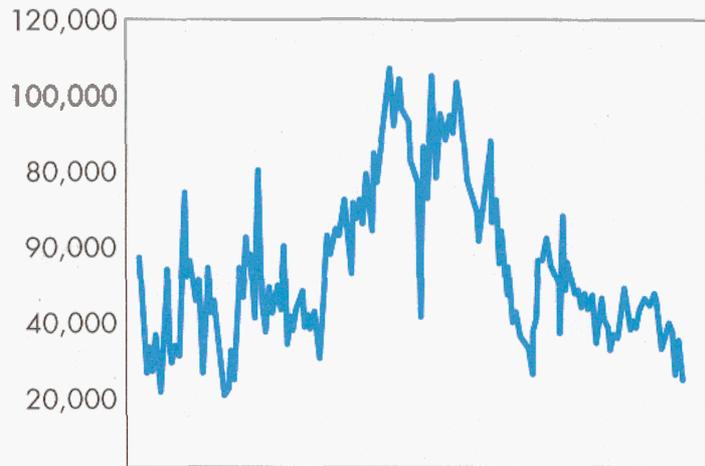
Our forecast is that Canada will experience an upturn in the fall. It will feed off the rebound that is now appearing in the U.S., with renewed strength in exports helping to support domestic growth. Most of that growth will be centred in the Ontario automotive/manufacturing sector: weak energy prices are still affecting Alberta, while troubles in Japan are keeping B.C. growth at a slower pace.

Still life in U.S. auto cycle

Earlier this year, an accumulation of vehicle inventories in the U.S. forced many manufacturers to cut back production. Indicators for the auto sector suggest that the inventory correction has now been completed. U.S. auto production is scheduled to show a slight increase in the third quarter — which is good for Canadian auto sector exports.

Ontario's home starts lowest in thirteen years

Monthly SAAR, centres 10,000 plus



1980 82 84 86 88 1990 92 94 96

Source: Canada Mortgage and Housing Corporation

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U.S. consumer spending rebounds

The view of the U.S. consumer is much more positive now. Retail sales there show two consecutive solid monthly increases in May and June following six months of near stagnation.

Growth heads north

Real growth in the U.S. GDP came in at 0.5 per cent in the second quarter; it should rebound to 3.0 per cent in the final quarter of this year. For 1996 (fourth quarter over fourth quarter), we expect real GDP growth at a still-healthy 2.2 per cent, with the U.S. expansion continuing into 1997.

Upturn in Canada

Renewed U.S. growth and relatively moderate interest rates point to a Canadian

upturn. Although there is not much room for further declines in interest rates, they are already low enough to permit recoveries in consumer durable spending and in housing. Backlogs of demand are waiting to be satisfied. The missing elements — job creation, income growth and confidence — will come as renewed export growth feeds into the domestic market. The big question is “when?” We think the answer is “before the end of this year”.

Solid growth in 1996

While real GDP in Canada is forecast to increase by only 0.5 per cent this year (fourth quarter over fourth quarter), next year should see an increase of 3.0 per cent. Foreign trade will begin to contribute to growth again, fed by a strong global demand for metals, wheat, pulp and paper. After declining from \$22.3 billion (Cdn) in

1994 to an anticipated \$18 billion this year, the current account deficit should come down to \$16 billion in 1996. Business investment in machinery and equipment will be an important contributor to economic growth.

Inflation will remain low

The temporary jump in consumer price inflation appears to have peaked. It should stabilize in 1996 at approximately 2.5 per cent. Unit labour costs are expected to increase by only 1.6 per cent in 1996. Personal income growth should be somewhat stronger: up 2.5 per cent in real terms.

Ontario policies are positive

The private sector seems to be taking heart from the Conservatives' focus on removing disincentives to job creation. The cancella-

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tion of the Employee Health Tax, a fairly significant payroll tax, should have the most impact in the small business sector — which is being relied upon for job creation. In addition, the promise to scrap the NDP government's labour legislation, Bill 40, appears to be improving confidence among international investors. We may see some announcements in the near future.

Impacts on Commercial/Industrial

With the improvement in Canada/U.S. trade, rents in the industrial sector are now high enough to justify new construction of some light industrial space with ceiling heights of 24 to 30 feet. It's unlikely there will be any significant vacancy-led demand for office space until the year 2,000. However, at least one spec building is going ahead in downtown Toronto, banking on an unmet need for large, contiguous areas of first quality space.

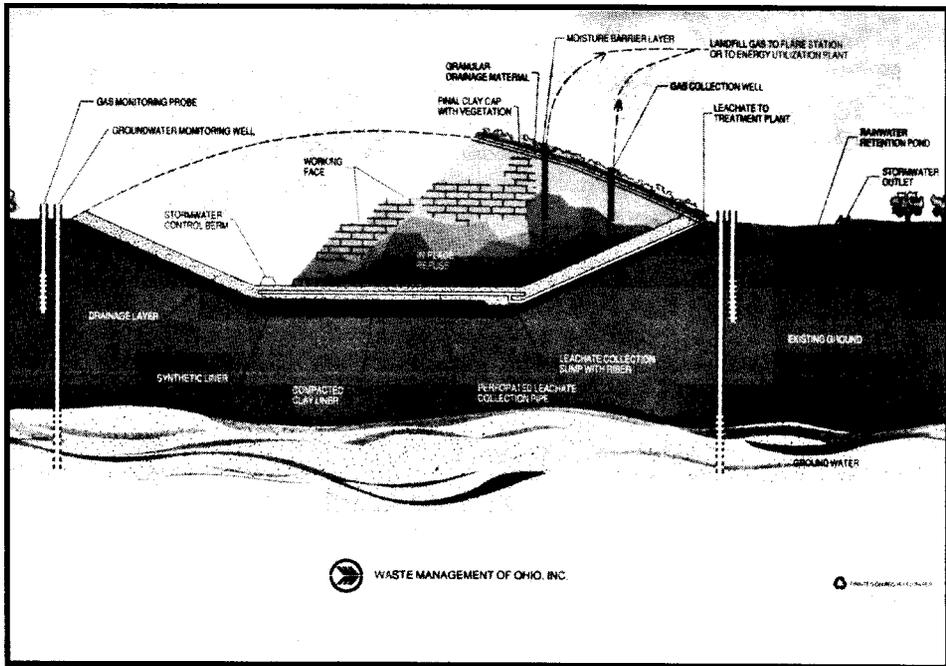
Housing is finally picking up

Resale housing is picking up — particularly in Ontario. Total resales in Canada's 25 major markets in June just about equalled the number in June of 1994 — a big improvement from the average 28 per cent year over year decline through the first half of the year. Centres such as Greater Toronto, Oshawa and Kitchener-Waterloo are showing better than average year over year gains in resales.

With growing demand, activity should start spilling over into the new home market soon. That should mean Ontario's plunge in housing construction — starts in the second quarter reached their lowest level in almost 13 years — will finally start to reverse. In 1996, we expect a 30 to 40 per cent increase in starts of single and semi detached homes in the province.

For the country as a whole, the rate of new housing starts should approach 140,000 in the fourth quarter.

Dr. Peter Andersen is president of Andersen Economic Research Ltd., Toronto, a firm specializing in economic forecasting and research for the real estate and investment industry.



Typical modern sanitary landfill cross section

Why are disposal alternatives being ignored?

WMI Waste Management of Canada Inc. couldn't even get a meeting to discuss shipping Greater Toronto area garbage to its Ohio site when the NDP government was in power, says Robert Webb, manager of business development.

The company had developed a proposal in response to Metro's request for a "willing landfill site host", in case the Interim Waste Authority couldn't come up with an acceptable site. However, the NDP was determined the area should handle its own garbage.

Since Webb's presentation to the June seminar, Ontario has elected a new Conservative government, which has lifted the NDP restrictions against shipping GTA garbage — potentially changing the whole playing field. Contacted in July, Webb was again trying to drum up interest in his proposal. "Metro's interests are all focused on the Kirkland Lake site," he said. But newspaper reports suggest the communities around the Adams mine site are less than "willing hosts", he warned. "They (Metro) need to take a look at all the options."

Here's how Webb summed up the proposal in June: "it's environmentally sound, there's no GTA capital requirement, it would create jobs in the GTA, no Environmental Assessment is required, and there are favourable host agreements (in all the affected communities)."

In the proposed system, municipalities would continue to collect garbage and deliver it to the existing waste transfer station in Metro and new ones built in York, Durham and Peel. Recycling would be encouraged wherever possible.

Garbage would be compacted into rail haul containers and then double stacked onto rail cars by CP Rail, for one run a day via Buffalo, Cleveland and Adena, Ohio, to the Hemck Valley Recycling and Disposal Facility.

At the 1,400-acre site, the permitted capacity is sufficient to handle Metro's wastes for more than 20 years. Construction and management plans meet or exceed Ontario's requirements for landfill sites, Webb said.

The disposal area would have a full liner, leachate collection system and surface water diversion. Piping would take off methane, which would be used to generate electricity. The site is located over the "Conemaugh" formation, which has such a low horizontal hydraulic conductivity (a measure of ground water movement) that it could meet the requirements for clay liners at the site.

WMI Waste Management Inc. is offering municipalities a full indemnification against all environmental liabilities.

An International Setting Up Business

The international marketplace offers a wealth of opportunities: its markets dwarf those available in Canada and even North America. The lure of international work is based on both the personal and business benefits that can accrue from the enormous opportunities, potentially lucrative contracts and experiences of world travel. However, to be successful you must be prepared to commit the finances, time and effort that it takes to establish and operate a sustainable international business. In addition, you must be able to adapt to significant business and cultural differences.

Late last year, Keir Consultants Inc. of Etobicoke, Ontario, Gartner Lee International Inc. of Markham, Ontario, and HICOM Berhad of Malaysia ended twelve months of negotiations with the signing of a joint venture agreement to set up a new firm and establish an office in Kuala Lumpur, Malaysia.

Keir Consultants is a 15-person firm specializing in environmental impact assessment, socioeconomic analyses, land use planning and information management using geographic information systems (GIS). Gartner Lee is an 80-person firm specializing in environmental planning, ecological and geosciences and engineering. HICOM is one of Malaysia's largest industrial conglomerates, with diversified industrial, real estate and transportation interests throughout Malaysia and into India, Indonesia, the Philippines and Europe.

The new joint venture, HICOM Environmental, serves the environmental and GIS needs of the HICOM group of companies and also provides services to other private and public sector interests in South East Asia. With a year of negotiation and nine months of active project work behind it, HICOM Environmental is currently involved in waste management, industrial real estate and tourist resort development, and GIS applications for transportation, power and plantation projects.

Over the course of company formation, all involved parties experienced a significant learning curve. The following brief discussion presents some key findings from Keir Consultants' experience with the trials and tribulations of establishing an on-going consulting service overseas.



Waste disposal site in Malaysia

1. Market Intelligence

International markets are vast and multi-disciplinary. It is essential that you clearly identify your market in terms of both geography and sector, establish a marketing niche so that you are able to set yourself apart from your competition, learn the ins and outs of that niche to the greatest extent possible and create a focused marketing plan around it.

Contacts are essential, to identify markets and introduce you to appropriate people. Keir Consultants participated on two trade missions to South East Asia that were sponsored by the federal government. On these missions, the Canadian consulate pre-arranged a number of meetings with government and key businesses by matching Canadian skills with international interests. Contacts made on these trade missions led to our current joint venture.

Gaining entry to select organizations is essential and entry at the appropriate level is critical. It may well take formal assistance such as a trade mission to ensure that you are in the right place and at the appropriate level of decision making and authority.

2. Presence

The need to establish an ongoing presence in foreign countries cannot be overstressed,

particularly if it is your goal to maintain continual operations. It is difficult, if not impossible, to secure contracts without face-to-face negotiations, and an ongoing physical presence is vital for maintaining relationships.

Although in many countries a handshake can mean more than a contract, it is not unheard of to leave for home with what you thought was a commitment, only to find out that the project has gone to a competitor in your absence.

3. cost

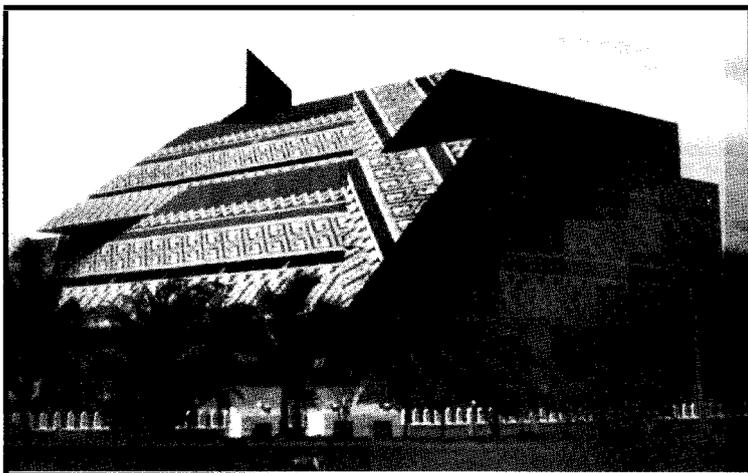
The cost of international work is threefold. It takes money, time and an absence from your principal business operations.

First, to gain entry into foreign markets in a visible manner, you will likely require new high quality marketing materials and have to embark on numerous costly business development trips. Air fares alone can amount to \$5,000 per trip. The establishment of a local office will also need to be considered over time.

Second, real time working the prospect and overall elapsed time can be substantial and should not be underestimated. You must recognize that your priorities and deadlines may not necessarily be those of your prospective associates.

Learning Curve Less in Malaysia

by Michael Telawski, MCIP, RPP, PLE



Distinctive Malaysian architecture

Third, time devoted to international pursuits diverts attention from your primary business. It requires a balancing act to ensure that your domestic business ventures do not suffer due to an absence caused by international pursuits.

4. Government Funding and Assistance

Government sponsored trade missions and resultant foreign contacts and agency funding can be instrumental in the development of international successes. However, an international marketing effort cannot be solely predicated on securing funds and projects through government development agencies. The competition for the available funds and work is stiff, and you may also find that the pace at which you will be required to act will not allow the luxury of waiting for government funding to be secured.

5. Domestic and International Staffing

While domestic staff can be sent overseas to undertake short term, project-specific work, long term commitments to specific countries will inevitably require the permanent relocation of staff.

Despite the glamour that is often associated with international work, staff actually are placed in demanding, high pressure situations. Limited resources, budget and time frame quickly turn into six- to seven-

day weeks of twelve-hour work days. Sightseeing is generally limited to the office and hotel. Constraints and performance expectations must be clearly communicated to staff.

A long term commitment to a region requires the placement of management level staff to maintain a local presence,

manage operations and secure future work. You will also have to hire local staff, as the importation of numerous staff will be unacceptable to international partners and clients.

6. Adapting to Local Culture and Business Procedures

Perhaps one of the most difficult issues to deal with when working internationally is the adaptation to local cultures and daily business procedures. While a straightforward "all business" approach may win you contracts and respect at home, this may need to be toned down in favour of an approach stressing friendship and trust when dealing in places such as Asia.

Similarly, Asians insist on doing business with senior management and company principals. As a result, your most trusted and competent staff member may not get through the front door in foreign countries.

Adaptation to an entire culture and not just the business aspects is key to successful relationship building. For example, many nations place religious pursuits well above business. No matter what your schedule or deadline, religious events will take precedence.

Additionally, simple actions such as the use of the left hand, pointing and touching, which may be second nature to us,

can be offensive to others. Cultural research must be conducted so that you can adapt to cultural differences, while not expecting others to change to suit you.

You may also find yourself faced with situations in which your normal business expectations and performance standards are not being achieved. You should not, however, expect western standards to be replicated. Care must be taken not to import too many expectations into countries where norms are different or your area of business is still in the development stage.

Furthermore, if you vary too far from what is generally considered an appropriate level of effort, you will ultimately be outbid by local concerns that anticipate a different degree of service.

Foreign governments can also wield supreme power and influence business decisions. Aligning yourself with government or with businesses that have strong government ties can help avoid disappointment and ensure that opportunities arise on a consistent basis.

Conclusions

To date, Keir Consultants' international work experience has been largely positive. We have aligned ourselves with strong Canadian and Malaysian partners, established a staffed office in Kuala Lumpur and become active on several high profile projects. Getting to this point has involved an intensive market diversification program and international learning curve. Although it has taken significant time, effort, and financial commitment, it has been worth the effort to maintain and expand the scope of our business operations. While each international experience is different, recognition of some of the basic principles as discussed above can serve as a guide for other businesses who plan to enter into international markets.

Michael Telawski is a Senior Planner with Keir Consultants Inc. in Toronto. Michael spent time in Malaysia, contributing to HICOM Environmental's inaugural project.

Welcome public involvement

Business should welcome public involvement in development decisions, says Brian Pannell, executive director of Pollution Probe.

People voicing opposition or concerns about a project should not be viewed as “the enemy”, he told delegates to the OLE seminar on June 2. Some companies have actually paid their opposition’s legal costs when negotiating new sites or expansions — which can create a spirit of co-operation between the company and the community.

Pannell suggested that developers plan and budget for negotiations with the community. At the moment, developers and the public are approaching the process with innate nervousness; they are taking “baby steps” towards co-operation. But if the planning process is made invitational and gives comfort to the public, it enhances new projects’ chances of success, he said.

MoEE, EA Board in “open conflict”

Differing interpretations between staff of the Ministry of Environment and Energy (MoEE) and the Environmental Assessment Board have led to open conflict between the two, says Steve Rowe, senior associate with Walker Nott Dragicevic Associates Ltd., planning consultants.

In notes prepared for presentation to the June seminar, Rowe said the Environmental Assessment Act passed in 1975 has resulted in a lack of confidence among proponents, because “adopting MoEE advice does not necessarily lead to approval of projects”. Other results have been wasted time and resources, extended periods of stress, expense and uncertainty for affected communities, and negative effects of holding back projects that could help the environment.

A number of administrative changes were made in 1993, Rowe said, including streamlined planning review, increased staffing, more detailed guidelines for critical types of project and increased use of alternative dispute resolution. In addition, the Minister is using his discretionary power to approve EAs without hearings in a number of cases and more projects are coming under the simpler requirements for “Class EAs”.

However, much more could be done — from more firmly defined government policies right up to repeal of the legislation to rely instead on a standards-based approach and approvals under other Acts.

When Development Meets Environment

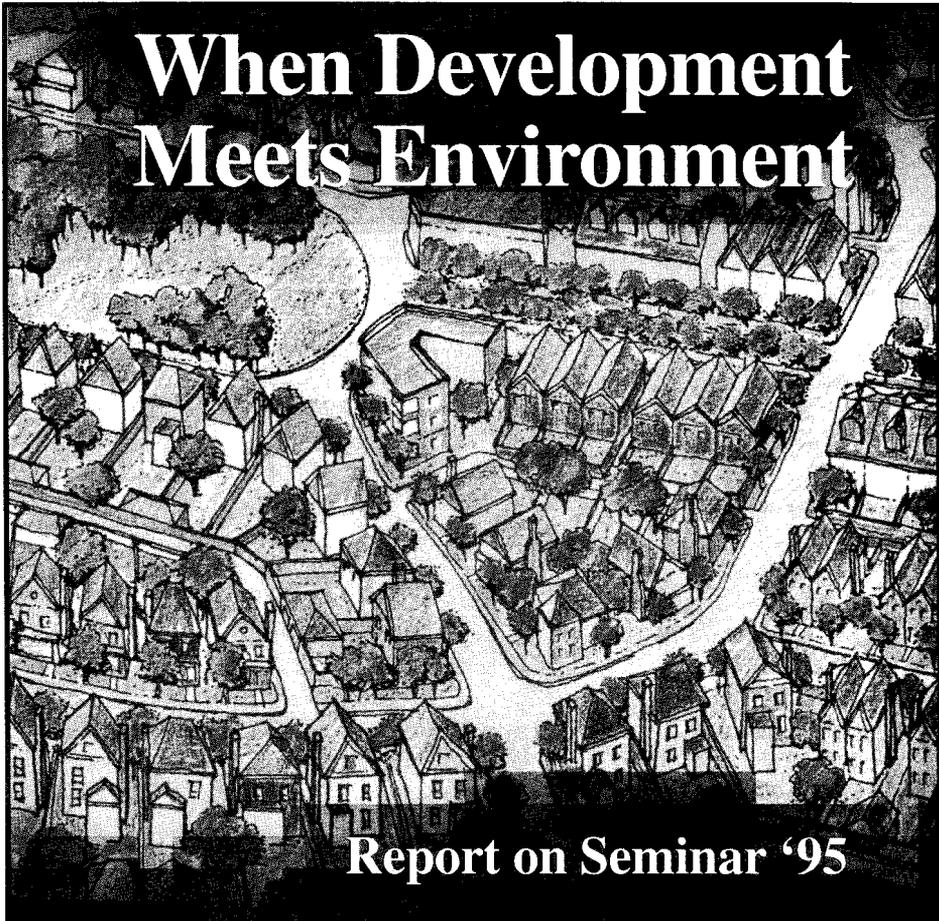


Illustration: “Making Choices”, Ontario MOH/MMA

Report on Seminar ‘95

Regulations are damaging

Current environmental regulations in Ontario are “nuts”, says Gardner Church, assistant professor at York University’s Faculty of Environmental Studies. “They are driving us away from an ecologically sustainable urban form and into one that is ecologically damaging,” he told OLE’s recent seminar.

For example, “we are spending all our money on things that piss off the neighbours” but are “minor or trivial” from an environmental point of view — like waste management issues. However, no money is spent on less visible issues like carbon dioxide, which has critical implications “within two or three generations”.

Forests are the most desirable non-urban land use, but current policies encourage farming, “or, actually, open lands that look like farms”.

Sprawl is another example, he said. If government were really concerned about the environment, it would push for redevelopment of urban land. Instead, “we allow existing residents to bugger things up” from the planning end. (He pointed to the dispute over redevelopment of Toronto’s Greenwood Race Track, which caused the potential developer to withdraw.) Also, “we have anal

retentive regulations for contaminated land” — and that makes redevelopment difficult or impossible in many urban areas.

Soils in urbanized areas must be redeveloped on a true risk assessment basis, which compares the impacts of building on those sites with the impacts of building in other areas, Church said.

He disputed the idea that neo-traditional pedestrian-oriented and bicycle-oriented development is the future of suburban development. “I don’t think it’s reasonable to expect the fringe to feel like an urban place; it’s an urbanizing place.”

Even more importantly, the current emphasis on process over outcomes is “fundamentally undermining” environmental decisions. “Highway 7 is environmentally damaging — there is no question about it,” Church said. “Yet, it can pass an environmental assessment.”

Instead of reflecting real environmental impacts, the outcome of these processes often depends on “how deep the pockets are, how stubborn the opposition is, and how lucky you happen to be in who is sitting in the chair of the Minister of the Environment”

A new approach is needed, which protects the ecological footprint of the community, ensuring clean air and clean water, Church

said. The Greater Toronto Area should establish the “green” needs for a bioregion housing 6 million people, encourage redevelopment and identify new lands for urban development. “Once we’ve done this, government’s right to throw up obstacles to new development should be zero,” Church said. “And, as far as folks further out’s intrinsic right to build — they don’t have one.”

Bring engineering, environment into harmony

Conflict between engineering requirements and environmental policies is the most difficult problem facing Ontario, says Lloyd Cherniak, executive vice president of Lebovic Enterprises.

In remarks prepared for presentation to the OLE seminar, Cherniak, who is also vice chairman of the Urban Development Institute of Ontario, pointed to a number of government decisions that have affected growth in the east of the GTA:

- the 8,000 acre Rouge Park and its expansions
- the 8,000 acre agricultural area in Pickering
- the Altona Forest lands
- the Federal airport lands, and
- the Oak Ridges Moraine, which covers some 300,000 acres in the GTA and has been identified as an area of Provincial interest under the new Planning Act. In the Moraine’s recharge areas, 30 per cent of land must be left in a natural state.

Cherniak compared these areas with a map of the catchment area for the York-Durham sewer system — designed as “an orderly, economic and environmental but engineered solution” to infrastructure needs. When you overlay the two maps, you see how much of the serviceable land has been “virtually sterilized”, he said.

At the subdivision design level, current storm water management and rear lot drainage requirements usually result in “a complete cut and fill, removing most of the vegetation,” Cherniak said. “We end up with a very high quality house in an engineered environment ... (but we) preserve less of the natural setting.”

Huge cost increases for subdivision engineering, a percentage of affordable housing in all new communities, higher development charges including soft costs and education, the Goods and Services Tax and growing dedications of land for various purposes, “have drastically reduced the value of development land for the first time in the history of the GTA,” he said.

New ways to make planning functional, he continued. For example, in one site next to an environmental corridor, the Ministry of Natural Resources accepted 35 feet of undisturbed woodland, and the Town agreed to reduce front yard setbacks and road width in return for 15 feet for recreation along the corridor — after negotiations. This kind of innovation can make the system work, Cherniak said — “but at what cost? what delay?”

Practices differ around world

There have been three main forces behind environmental legislation around the world, says James Appleyard, recently retired director of Slough Estates Canada Ltd.

The Dutch were the first to bring in standards, procedures and guidelines, spurred (like much of Europe) by a lack of alternative lands for development. In the U.S., specific events like the Love Canal have driven the regulations. Here in Ontario, it has been public pressure.

American paranoia led to particularly onerous legislation, with huge potential liabilities. However, recent attempts to encourage redevelopment of public lands, particularly ex-military sites, have led the federal government to try to “soften the burden of carrying out redevelopment on those sites.”

Both in the U.S. and in Canada, there is fear over the “moving goalposts syndrome”, where required cleanup standards can (and probably will) be changed sometime in the future.

Owners have to keep abreast of tenants’ activities, or they can take on unexpected liabilities, Appleyard warned. In one case, an owner had to have the walls chemically washed and floors and ceilings replaced in his building. In the end, this is not a guaranteed solution to the problem — and the occupier didn’t pay.

Government must avoid the “deep pockets” solution to clean up (where those with the most money end up paying). In any event, “developers do not have such deep pockets now as they had before.”

Instead, owners need better training and greater use of environmental consultants with every transaction. Government authorities need to be “more informed and more decisive”, Appleyard said. “We need to educate people as to the real dangers, not the imagined dangers. And we should collect a pool of funds to deal with remedial work ... perhaps there should be a development fee.”

“Stigma” must be valued

The stigma effect is critical in valuing environmentally impaired real estate, Drivers Jonas senior valuer Peter Fodor told seminar delegates.

Even after remediation, a property can quite literally be “branded” as problematic and risky, Fodor explained. This is based on fear that the clean up was not done completely — or that government requirements could change later, requiring further clean up.

Stigma can result in reduced marketability, reduced net operating income, and other factors such as difficulty in finding financing, deferred utility during remediation and the “trouble” factor. Most effects, Fodor said, “can only be measured indirectly, because participants in the market perceive the attendant risks differently”.

(For a more complete discussion of these issues and how they can affect valuation, see Fodor’s article in *The Land Economist*, Spring 1995).

Practical information needed

A lot of work needs to be done on the medical and biological assessment of risks for soil contamination, says Murray Sarafinichin, principal of Sarafinichin Associates Ltd., geotechnical/environmental consultants. Concentrations of contaminants set out in guidelines and regulations “should be challenged more often. (We should) ask ourselves whether they are reasonable or unreasonable.”

In Ontario, the most common approach to remediation is to “dig and dump”, because of the way regulations are written. Natural attenuation, which can be effective in some cases if time permits, is often not accepted.

A Phase 1 environmental assessment with a professional report assessing the potential for environmental contamination, based on written records, a site visit and interviews should cost between \$2,000 and \$5,000, he said. Site visits should be properly timed (“Are you going to call the same day, or wait until the owner has cleaned up the back yard?”) And reports should contain more than just the consultant’s findings: “It should certainly state recommendations on what should be done.”

by Rowena Moyes with notes from Janina Milisiewicz and Andy Morpurgo

How three sectors handle contaminated lands

The issue of contaminated lands has spurred a whole new set of practices among financial, insurance and legal sectors of the economy, according to panelists at OLE's Seminar '95: "When Development Meets Environment".

The Royal Bank, for example, has formed an entire department to deal with the problem, which "tends to come up on a day-to-day basis now", said Murray Aust, the bank's Metro Toronto/Ontario district counsel.

Bank has new procedures

Because of the way the legislation is written, financial institutions were concerned that they could become liable for remediation costs if an owner defaults and the institution takes over the property, or if the institution works out a financial plan with an owner at risk.

Another serious concern relates to loan repayment if an existing owner is found to have an environmental problem. And it is becoming more difficult to find agents, such as receiver-managers, because of their concerns about possibly taking on personal liability. (A recent legal case found senior executives of the Bata Shoe Co. personally liable for damages relating to improperly handled wastes — and the company was prevented from indemnifying them, Aust pointed out.)

In response, the bank has developed questionnaires for potential environmental problem sites, Aust said. Account managers go out to see properties. The bank may ask to see site assessments prepared for the owner by qualified consultants. In addition, it can ask to see audits of regulatory compliance, management systems, waste minimization plans and workplace safety. And the Ministry of Environment and Energy (MoEE) "has written (guidelines)

that would allow us to go in and pay bills" without taking on risks, Aust said.

The insurance industry has also responded to the challenge. Brian Benn, environmental manager with Commerce and Industry Insurance Co. of Canada, outlined one case where an owner wanted to sell a site with more than 50 years of industrial history?, including resin tanks, five underground storage tanks which had already been removed and 500 tons of "various nasty things" which had been stored on the property until 1991. In addition, it had a gas station on one side, auto wreckers on the other side, and ground water flowing from the direction of the gas station past an old landfill down to a creek.

The owners had commissioned a Phase 2 environmental site assessment, and agreed to clean up the conditions identified in that report. However, they wanted to limit their liabilities to five years, covering only conditions which started before the date of sale, on the property itself (not off-site damages). The insurance policy was written to pay on behalf of the vendor and the purchaser any legal obligations for claims made during the life of the policy. The policy excluded known pollution conditions, fines or penalties, contractual responsibilities, nuclear or radioactive pollution, cross liabilities (so the vendor and the purchaser could not sue each other and claim insurance), and changes in regulations.

Insurance can cover risks

For this policy, with a \$5 million limit, a \$50,000 deductible and a five-year term, the premium was \$90,000. Benn said insurance policies commonly cover changes in regulations for a one year term. However, for a five-year term, "we're less inclined to do that".

On the legal end, things are straightening themselves out, said lawyer David Crocker, of Holden Day Wilson. These days, nobody should be afraid to buy or sell property because of environmental concerns, as long as they ask the right questions, he said. The system "has got a ways to go, but it's much better than it was".

It is important to understand that MoEE "is in the business of ensuring the natural environment in Ontario improves over time". They are increasing standards and "tightening their grip as technology, science, knowledge and sophistication allow them to do that".

Roles are becoming clearer

Plans for development have to be circulated to MoEE in every case. Ministry staff require the developer to provide evidence that the land is suitable, he said. Standards in the draft site remediation criteria issued last year for public comment are basically being used now to assess lands and clean up programs.

The possibility of future changes to regulations is an ongoing concern, he said. And the government is not willing to sign anything that says a proposed clean up program or completed clean up operations have made the site environmentally acceptable.

It is up to owners to send their consultants' reports to the ministry. Rather than give approval for the contents, the ministry is relying on the consultants' conclusions that say the site is or will be acceptable.

"Owners should also make sure they have solid environmental management plans intended to prevent future pollution", he said.

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