



Environmental Contamination & Your Real Estate

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Could my property value be affected?

When soil or groundwater contamination is discovered in a rural or urban area, one of the questions that homeowners may raise is whether such information will impact the market value of their property and if so, to what extent.

In any situation, the value of the property is influenced by a number of factors: location, property characteristics and the overall health of the real estate market are just a few. Environmental contamination may also be a factor with its own set of variables to consider – real or perceived – such as the extent and nature of the contamination, the extent of the cleanup effort, and the need for continuing mitigation action (e.g. running an in-home system).

In short, it's impossible to give a definitive answer to the question of whether environmental contamination will affect the market value of a property because of the variety of situation-specific factors that influence value.

The good news is that effects of environmental contamination – human-made or naturally occurring – can be managed. For example, in homes where radon gas is an issue, a special ventilation system can be installed to keep the gas from collecting inside the home. Such systems are widely used and generally viewed as an acceptable remedy to this naturally-occurring contamination. Similar systems or other remedies exist to mitigate contaminants of a different human-made nature (e.g., vapors from petroleum or chlorinated solvents).

Impairments to property through recent or historic environmental contamination may have some impact on property value in the short term, but eventually may have little to no impact at all if all other determining factors are working in favor of the homeowner.



Market Value is the price at which a home will sell within a reasonable period of time, and is therefore determined by the buyers in the marketplace at the time a homeowner is offering to sell.

When you're ready to sell your home or property, consider working with a licensed real estate broker and/or lawyer to assist with selling any real property, including the process of setting a value.

Property owners should know, however, that if they are to sell their home or land in the future, they may be required by Wisconsin law to disclose certain conditions about the property. The information on the other side of this factsheet sheds some light on state disclosure laws.



Wisconsin Department of Natural Resources
P.O. Box 7921, Madison, WI 53707
dnr.wi.gov, search "Brownfields"



As a seller, what am I required to disclose in Wisconsin?

If you own real estate in Wisconsin and are planning to sell, state law requires you to disclose any “defects,” as defined in ch. 709, Wis. Stats., that would:

- Have a significant adverse effect on the value of the property;
- Significantly impair the health or safety of future occupants of the property; and
- If not repaired, removed or replaced, would significantly shorten or adversely affect the expected normal life of the premises.

How do I meet the disclosure requirement?

The disclosure process varies by property type (e.g. residential, commercial, vacant land). Standard real estate forms are available to help owners of residential property and vacant land comply with legal disclosure requirements. Pre-purchase investigations and broker disclosure duties in commercial real estate transactions are typically rigorous, and should identify environmental issues.

1. The Residential Real Estate Condition Report Form includes questions regarding fuel storage tanks located on the property; unsafe concentrations of radon, radium, lead and other potentially hazardous substances on the premises; and unsafe concentrations or conditions related to hazardous or toxic substance on neighboring properties.
2. The Vacant Land Disclosure Form includes questions regarding material violations of environmental rules; the presence of underground storage tanks; subsoil conditions that would increase the cost of development; and the presence of brownfields or other contaminated land on the property.

Find contaminated properties online

You can look up the location of properties in Wisconsin where there is or was known environmental contamination, and get up-to-date information about specific investigations and cleanup efforts, using DNR’s web-based mapping system (RR Sites Map) and online database (BRRS on the Web).

Go to the sites map, zoom in to search for areas of interest, then right-click on a specific site and select “what’s here” for a link to the detailed database history file. Click on the “activity details” link to view the site history and any related documents.

dnr.wi.gov/topic/Brownfields/wrrd.html



What information is my real estate professional required to disclose to potential buyers?

State law requires listing brokers to inspect the property and to “make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property.” State law also requires listing brokers to disclose all “material adverse facts” discovered in a broker’s inspection or disclosed by the owner, in writing, in a timely manner. This requirement includes other property types in addition to residential and vacant land, such as commercial property.

For more information

Specific questions regarding Wisconsin real estate disclosure laws should be directed to independent legal counsel. This broad overview on real estate disclosure is not a substitute for receiving situation-specific professional advice. Sellers and buyers of real estate should obtain assistance from a licensed real estate broker and/or an attorney if they have questions about their legal rights and obligations in specific real estate transactions. Professional assistance with environmental investigation is also strongly recommended. Chapters 709 and 452 of the Wisconsin Statutes clarify disclosures by owners of real estate and real estate practice requirements.

This document is intended solely as guidance, and does not contain any mandatory requirements except where requirements found in statute or administrative rule are referenced. This guidance does not establish or affect legal rights or obligations, and is not finally determinative of any of the issues addressed. This guidance does not create any rights enforceable by any party in litigation with the State of Wisconsin or the Department of Natural Resources. Any regulatory decisions made by the Department of Natural Resources in any matter addressed by this guidance will be made by applying the governing statutes and administrative rules to the relevant facts. The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240. This publication is available in alternative format upon request. Please call 608-267-3543 for more information.