EnviVault

How-To

Phase I ESA Planning Checklist

A step-by-step guide to planning, commissioning, and managing your Phase I Environmental Site Assessment

- Pre-assessment planning checklist (what to gather before contacting a consultant)
- Timeline management — aligning Phase I with your transaction schedule
- Information the consultant needs from you (the "User")
- Post-report decision framework (clean report vs. RECs identified)

envivault.com | Free download — Updated 2026

Commercial real estate developers, lenders, property acquisition teams, and environmental compliance officers

Pre-Assessment Planning Checklist

Property Information to Gather Before Contacting a Consultant

- [ ] Property address and legal description
- [ ] Tax parcel number(s) / APN
- [ ] Property acreage or square footage
- [ ] Current use of the property (office, retail, industrial, vacant, etc.)
- [ ] Type of structures on-site (buildings, tanks, pits, wells, outbuildings)
- [ ] Year of construction for all structures
- [ ] Names and contact information for current occupants / tenants
- [ ] Name and contact information for current property owner
- [ ] Available site maps, surveys, or plats

Transaction Information

- [ ] Target closing date (Phase I must be completed before closing)
- [ ] Lender name and lender-specific environmental requirements (if any)
- [ ] Is lender requiring any add-ons beyond standard ASTM E1527-21? (vapor, radon, asbestos, wetlands)
- [ ] Previous environmental reports on the property (if any — provide copies)
- [ ] Purchase price (needed for environmental lien assessment)
- [ ] Intended use of the property after acquisition

Known Environmental Information

- [ ] Any known current or historical environmental issues on the property

- [ ] Any known contamination on adjacent properties
- [ ] Any underground storage tanks (USTs) — current or historical
- [ ] Any above-ground storage tanks (ASTs)
- [ ] Any environmental liens, activity and use limitations, or deed restrictions
- [ ] Any ongoing remediation or monitoring activities
- [ ] Any government notices or letters regarding environmental conditions

ASTM E1527-21 Section 6 requires the "User" to provide specific information to the Environmental Professional.

If you (the buyer/lender) withhold known environmental information, you may jeopardize your CERCLA innocent landowner defense — even if the Phase I report is otherwise clean.

Timeline Management

Aligning Your Phase I ESA with the Transaction Schedule

Typical Phase I Timeline

Week	Activity	Your Role
Week 1	Consultant authorized; environmental database report ordered; historical records requested	Provide property info, site access, owner/occupant contacts
Week 2	Database report received; historical research in progress; site visit scheduled	Coordinate site access with owner/occupants; provide keys/codes
Week 3	Site reconnaissance completed; interviews conducted; report writing begins	Be available for User interview (ASTM requires it)
Week 4	Draft report delivered for review; revisions incorporated; final report issued	Review draft; flag any errors in property description or known info

Rush Timeline

Week	Activity
Week 1 (Days 1–3)	Database ordered, site visit conducted, interviews initiated
Week 1–2 (Days 4–10)	Historical research, report writing, draft delivered
Week 2 (Days 10–15)	Final report delivered

Critical Deadline Management

Rule	Timeframe	Implication
Phase I report shelf life	180 days from report date	Report expires 180 days after the EP signs it
Database search currency	180 days from transaction date	Environmental database search must be within 180 days of closing
Government records currency	180 days from transaction date	Government record reviews must be within 180 days

Rule	Timeframe	Implication
Interviews currency	1 year from transaction date	Interviews may be up to 1 year old
Site reconnaissance currency	180 days from transaction date	Site visit must be within 180 days of closing

Plan backward from your closing date.

If closing is April 15, you need the final Phase I report by approximately March 30 (allow 2 weeks for lender review). A standard 4-week Phase I should be authorized by March 1 at the latest. Account for holidays and potential delays.

User Responsibilities Under ASTM E1527-21

What YOU Must Provide to the Consultant

ASTM E1527-21 Section 6 requires the User (you) to provide the following

- ☐ **Environmental liens** — Conduct a title search or review for environmental liens or activity/use limitations (AULs)
- ☐ **Specialized knowledge** — Disclose any information you have about environmental conditions on or near the property
- ☐ **Relationship of purchase price to fair market value** — If the property is being purchased at a significantly below-market price, disclose this (it may indicate environmental issues)
- ☐ **Commonly known or reasonably ascertainable information** — Information that is publicly available or commonly known in the community about the property's environmental history
- ☐ **Obvious indicators** — Report any obvious signs of contamination you've observed (staining, odors, distressed vegetation, abandoned drums)

> **Failing to fulfill User responsibilities can void your CERCLA protection.**
>
> The innocent landowner defense requires that the buyer conducted All Appropriate Inquiries — which includes the User's obligations under Section 6. If you knew about contamination but didn't disclose it to the consultant, the defense fails.

> Ask your real estate attorney to coordinate the environmental lien search with the title search. This is a straightforward add-on to the title process and satisfies the ASTM requirement at minimal additional cost.

During the Assessment: Facilitating the Site Visit

Checklist for property owners / managers

- [ ] Grant site access to the consultant on the scheduled date (interior and exterior, all buildings)
- [ ] Provide keys or access codes for all locked areas (basements, mechanical rooms, roof access, outbuildings)
- [ ] Notify current tenants of the upcoming site visit (date and approximate duration)
- [ ] Make knowledgeable site contact available (building engineer, maintenance manager, or property manager)
- [ ] Have the following information available for the consultant:
- [ ] Hazardous materials inventory (MSDS/SDS sheets)
- [ ] Underground storage tank records (installation, removal, monitoring)
- [ ] Floor plans and utility maps
- [ ] Waste disposal records (manifests, hauler contracts)
- [ ] Previous inspection or environmental reports
- [ ] Chemical storage areas and quantity information
- [ ] Stormwater, wastewater, and air permits (if any)

What the Consultant Will Inspect

Area	What They're Looking For
Exterior grounds	Staining, stressed vegetation, pits/ponds, drainage patterns, odors
Building exterior	Storage tanks (ASTs), chemical storage, floor drains, loading docks
Interior — common areas	Hazmat storage, chemical use, floor drains connected to sewer/septic

Area	What They're Looking For
Interior — mechanical rooms	Heating fuel storage, hydraulic equipment, chemical treatment systems
Interior — basements	Water infiltration, sump pumps, soil gas odors, floor staining
Roof	HVAC equipment, pigeon droppings (not environmental, but sometimes noted), roofing material condition
Adjacent properties	Visible from the subject property — gas stations, dry cleaners, industrial sites, auto repair

Post-Report Decision Framework

What to Do After You Receive the Phase I Report

Decision tree based on findings

Scenario 1: No RECs Identified

- [ ] Phase I satisfies AAI — you have CERCLA innocent landowner protection
- [ ] Provide report to lender for review and approval
- [ ] Proceed with transaction on schedule
- [ ] Archive report with transaction documents

Scenario 2: RECs Identified

- [ ] Review findings with the consultant — understand the nature and severity of each REC
- [ ] Determine if Phase II ESA (soil/groundwater sampling) is needed to quantify risk
- [ ] Phase II ESA cost: $5,000–$30,000+ (depends on number of samples, depth, contaminants)
- [ ] Phase II timeline: 3–6 weeks (sampling + lab analysis + report)
- [ ] Evaluate deal structure options:
- [ ] Request price reduction to cover estimated remediation costs
- [ ] Require seller to remediate before closing
- [ ] Negotiate environmental escrow or indemnification
- [ ] Walk away if contamination risk exceeds risk tolerance
- [ ] Consult environmental attorney if RECs involve regulatory enforcement, institutional controls, or significant liability

Scenario 3: CRECs Identified

- [ ] Contamination exists but is managed under institutional or engineering controls
- [ ] Buyer assumes responsibility for maintaining controls (deed restrictions, monitoring, vapor barriers)
- [ ] Confirm with attorney that controls are properly recorded and enforceable
- [ ] Confirm lender will accept property with CRECs
- [ ] Factor ongoing compliance costs into acquisition economics

> **RECs are not deal-killers — they're pricing tools.**
>
> A Phase I that identifies RECs gives the buyer leverage to negotiate price, require remediation, or structure environmental protection into the deal. The worst outcome isn't a Phase I with RECs — it's closing without a Phase I and discovering contamination later.

Phase I ESA: Frequently Asked Questions

Q: How long is a Phase I ESA valid?

A: The report itself has a 180-day shelf life per ASTM E1527-21. After 180 days, the database search, government records review, and site reconnaissance must be updated before the report can support a transaction.

Q: Can I use a Phase I from the seller?

A: Possibly. ASTM E1527-21 allows reliance on a previous Phase I if it meets all current standard requirements and was performed within the applicable time limits. However, the buyer should be identified as a "User" in the report. Most lenders require a new Phase I or a formal update letter.

Q: What triggers a Phase II ESA?

A: One or more RECs in the Phase I report. The Phase II involves actual sampling (soil borings, groundwater monitoring wells, soil gas) to confirm or rule out contamination. Cost: $5,000–$30,000+ depending on scope.

Q: Is a Phase I required by law?

A: Not directly — there's no law requiring you to get one. But without a Phase I that satisfies AAI, you cannot claim the CERCLA innocent landowner defense, bona fide prospective purchaser defense, or contiguous property owner defense. Most commercial lenders require it as a condition of financing.

Q: What about PFAS?

A: As of 2026, PFAS are designated as hazardous substances under CERCLA (EPA final rule April 2024). However, ASTM E1527-21 currently treats PFAS as a "non-scope consideration" — meaning they can be addressed at the consultant's or User's discretion. Given the evolving regulatory landscape, we recommend requesting PFAS screening for properties near airports, military bases, landfills, or industrial facilities that used PFAS-containing materials.

Q: What if the seller won't grant site access?

A: ASTM E1527-21 recognizes this as a data gap. The consultant must document the inability to perform a site reconnaissance and note any limitations. The report may still be issued but will include data gap language. Most lenders will not accept a Phase I with significant data gaps.

EnviVault

EnviVault

1. **Printability matters.** Commercial real estate professionals and lenders print these for deal files. Avoid large solid color areas on interior pages (waste ink). Reserve full-bleed backgrounds for cover and back cover only. 2. **Tables are the star.** These guides live or die on their reference tables. Make tables scannable, well-spaced, and easy to read at 100% zoom on screen AND when printe

Find consultants at envivault.com