

Valuing Contaminated Property

Article By:

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If you know contaminated industrial property would be worth \$X clean, what is the proper way to value the contamination? Maybe it is just the “cost to cure,” but that does not capture any “stigma” that may stay with the property. And then there is a wrinkle if the property is the subject of an agreement under which specific parties have promised the government that they will perform the clean up. In that case, any later buyer of the property would have some degree of confidence that the clean up will occur. Should there be no reduction in value for the contamination in that case? Should there be some reduction on account of risk? Should that be like the “stigma” reduction?

The Pennsylvania Commonwealth Court wrestled with these issues last month in [*Appeal of Harley-Davidson Motor Co., No. 159 C.D. 2013 \(Pa. Commw. Ct. Oct. 30, 2013\)*](#). (Caution: If you are reading this blog, you probably have an interest in things environmental. This is a property tax case. We categorically deny reading property tax cases for fun, and so should you. It just happens to be interesting for this purpose. Prepare your alibi before clicking.)

I consider that case in my November column for the [Pennsylvania Law Weekly/Legal Intelligencer](#). Read *A Case Study in Valuing Contaminated Property*, 36 Pa. L. Weekly 1030 (Nov. 19, 2013), by clicking [here](#).

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National Law Review, Volume III, Number 324

Source URL: <https://natlawreview.com/article/valuing-contaminated-property>