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RADON AND REAL ESTATE PROGRAM

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ABSTRACT

Most of the radon testing of homes in New Jersey is done at the time of a real estate transaction but only about twenty five percent of the homes sold are tested for radon. As a result of this, the New Jersey Department of Environmental Protection (NJDEP) contracted the Gallup Organization to conduct a survey of recent home buyers, real estate agents, lawyers and mortgage lenders in high risk areas of New Jersey. One-third of home buyers surveyed reported that they did not receive any information about radon from realty agents. To address this problem, the NJDEP has set up a working group of realty professionals consisting of representatives from the New Jersey Association of Realtors, the New Jersey State Bar Association and the Mortgage Bankers Association. This is a voluntary effort between government and the private sector to institutionalize radon testing.

INTRODUCTION

Mandatory certification of radon measurement and mitigation businesses became effective in New Jersey on May 13, 1991. These regulations require that radon measurement businesses submit the results of all radon and radon progeny measurements to the NJDEP on a monthly basis. They are required to indicate whether the test was performed in a residential or non-residential building and whether the test was conducted as part of a real estate transaction. This information has been placed into the Radon Program's database and it has shown that about eighty percent of the radon tests conducted are associated with a real estate transaction. This has confirmed that the real estate market is a driving force for much of the radon testing that is done. However, only about twenty five percent of the homes sold in a year in New Jersey are tested for radon.

THE GALLUP ORGANIZATION SURVEY

In 1991 the NJDEP's Radon Program contracted the Gallup Organization of Princeton, New Jersey to conduct a study of Real Estate and Radon in New Jersey. The study was conducted in 1992 and was funded through a State Indoor Radon Grant from the United States Environmental Protection Agency (USEPA). Its objective was to determine what role, if any, radon played in real estate transactions. It was also designed to determine what the following groups knew and thought about radon: recent home purchasers, lawyers, real estate agents, and mortgage lenders.

Interviews were conducted with 203 people who purchased a home in a Tier One municipality during 1991. (A Tier One municipality has high potential for radon contamination as at least 25 percent of the homes that have been tested are above 4 pCi/L.) In addition, approximately 150 lawyers, 150 real estate agents, and 150 mortgage lenders serving the same municipalities were interviewed.

The survey results indicated that more than one-third of the home buyers did not remember receiving information about radon testing. Additionally, the survey found that one-third of the homes were not tested or the home buyers did not know whether tests were conducted. In contrast, approximately eighty percent of real estate agents and lawyers claimed that they always recommend home buyers conduct a radon test.

FORMATION OF THE RADON AND REAL ESTATE WORKING GROUP

Every home buyer should be aware of the need to test for radon. As many as 500 cases of lung cancer in the state annually may be due to radon exposure. The home buyer needs to have information about radon, its risks, how to test for it and how to remediate for it before buying a home. The real estate market has been a driving force for much of the radon testing in New Jersey. However, the Gallup Survey has shown a need for more effective communications about radon and testing at the time of sale.

In November 1993, the NJDEP announced a voluntary effort to have more homes tested for radon at the time of a real estate transaction. A working group involving members from the NJAR, the NJSBA, and the MBA was formed. They were joined by participants from the New Jersey Public Interest Research Group (NJPIRG) and the American Association of Radon Scientists and Technologists (AARST). Representatives from the NJDEP's Radon Program and USEPA, Region II, Radiation Branch, are also part of the working group.

WORKING GROUP INITIATIVES

The Radon and Real Estate Working Group has been developing informational materials for members to use to encourage radon testing of homes. A one page radon fact sheet for buyers and sellers which will be distributed to real estate professionals has been written and approved by the working group. The purpose of the fact sheet is to provide buyers and sellers with some basic information about radon including risk, testing and mitigation, the potential for test interference, and certification requirements as well as the NJDEP's Radon Information "800" number.

The Radon Program's radon testing guidance brochure has been rewritten. It contains more in-depth information on health risks, types of radon testing, mitigation, the potential for and methods to avoid test interference, certification in New Jersey, and radon in water. In addition, it includes a section specific to home buyers.

The NJAR is a member of the Radon and Real Estate Working Group and has been actively working with the NJDEP to promote radon testing. However, only about forty percent of the licensed real estate agents in New Jersey belong to the NJAR. To reach the real estate agents who are not members of NJAR, the Radon Program has been working with the New Jersey Real Estate Commission (NJREC). The NJREC is the state agency that licenses real estate agents, brokers and instructors. The NJREC has agreed to mail copies of the radon fact sheet for buyers and sellers with their Real Estate Commission News which is published quarterly. The Radon Program also plans to speak at a seminar for real estate instructors later this year.

Another initiative this group has been working on is development of an interference resistant testing protocol. AARST has agreed to combine their test interference material with the Radon Program's test interference resistant protocol. This protocol will be distributed to radon measurement businesses.

The NJSBA is developing standard radon disclosure clauses to be inserted after a sales contract is prepared. It is possible to routinely place a radon disclosure clause into a form contract. However, there is no standard sales contract used by realtors throughout the state and radon is not as much a concern in the southern part of New Jersey.

In addition, the NJPIRG has agreed to prepare a standard radon disclosure clause for leases and to work on institutionalizing its use. Rental units now make up over one-third of all housing units in the country. Many of these buildings are multi-occupancy potentially exposing a large number of people to radon.

PROGRESS OF WORKING GROUP

The Radon and Real Estate Working Group held three meetings in the first half of 1994 and discussed methods to institutionalize radon testing. Most members of the working group feel that the best way to increase testing of homes for radon is through educational means rather than through legislation.

It has been suggested that testing for radon be incorporated into the appraisal process for a home. Mortgage bankers do not feel this is necessary as the presence of radon does not decrease the value of a home. They consider it a health related matter and not a property issue.

Members of the Radon and Real Estate Working Group have been requested to institutionalize their radon position and procedures by developing and promoting internal policies. The New Jersey Association of Realtors has prepared a handbook titled "Environmental Issues for Home Buyers and Sellers" which has been distributed to its members. It contains a section on radon.

An article on the Radon and Real Estate Working Group and its initiatives was published in the Summer 1994 issue of NJDEP's "New Jersey Outdoors" magazine.

The radon fact sheet for buyers and sellers is undergoing final departmental review. The Radon Program hopes to have this document, the revised radon testing guidance brochure, a interference resistant testing protocol, and radon disclosure clauses finalized and ready for distribution by the end of this year.

The Radon Program will continue to work with the various real estate professional groups to promote use of radon testing and informational materials. This includes attending local realty group meetings and development of educational seminars for real estate professionals.

REFERENCES

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