

ENSURING HEALTHY HOMES FOR BRITISH COLUMBIANS: PROVINCIAL STANDARDS FOR REMEDIATION AND CERTIFICATION



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Executive Summary

A report commissioned by the British Columbia Real Estate Association (BCREA) in 2018 noted the health risks associated with residential homes involved in drug production and recommended a standardized provincial approach to addressing the remediation of these residential homes. The health hazards and safety issues associated with drug production in residential homes are complex, as the risks of exposure and safety issues may vary by drug type. More broadly, there are increased health and safety concerns when the residence has been used for the production of synthetic drugs because of the presence of contaminants, the ability of labs to tests for certain contaminants, the introduction of new drugs being produced, the ability of health and safety standards to keep up to date, the certification of companies undertaking the remediation process, and the varying municipal standards for residential remediation across British Columbia. This report provides an update to the 2018 report and includes the following: a review of RCMP police data on the number of illegal grow operations and synthetic drug labs in residential properties in RCMP police jurisdictions; a review of policies and practices across British Columbia to address the remediation of residential properties used in drug production; and interviews with various experts and stakeholders. Police data indicated that most incidents occurred in a single detached house, townhouse, or duplex and the most common drugs involved in residential drug production were marijuana and methamphetamine. A review of 20 municipal bylaws across British Columbia found consistency in terms of the minimum standards for declaring a residence as safe to occupy, but differences in how municipalities defined a controlled substance property, whether those tasked with remediation should be certified or licensed, and the level of detail with respect to remediation requirements. Interviews with 14 experts and stakeholders who had direct experience working on the issue of residential homes used in drug production in terms of legislation, policy development, oversight, or investigations revealed support for a provincial standard on policies and procedures related to the remediation of drug-involved homes, as well as certification and licensing of those who do remediation work and training for home inspectors. There was less consensus on the issue of whether remediated homes should be subject to continued disclosure on the Property Disclosure Statement given concerns associated with stigma. From a health and safety perspective, standardization and regulation are important and whatever provincial-wide policies and procedures are implemented need to consider the evolving nature of science and research, limits on technology related to testing of samples, legal liability, efficient timelines, and costs, and balance the rights of buyers and sellers.

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Introduction

In 2018, the British Columbia Real Estate Association (BCREA) commissioned a report to examine the effect of drug production on residential homes, existing federal and provincial policies addressing the remediation of residential homes used in drug production, and recommendations for a standardized provincial remediation process to restore residential homes for safe occupancy. The report, “Ensuring Healthy Homes for British Columbians: Toward a Provincial Standard for the Remediation of Residential Properties Used in Drug Production” (Schenk, Geuze, & McCormick, 2018), reviewed literature on the consequences associated with residential homes involved in drug production and noted that there were health risks, stigma that may contribute to devaluing properties, and financial challenges with respect to securing mortgages. Considering these issues and that municipalities may differ with respect to addressing the remediation of residential homes involved in drug production, Schenk et al. (2018) recommended a standardized provincial approach. More specifically, they recommended a four-step process that should be implemented upon discovery of a residential home used in drug production: Inspection #1, Remediation, Inspection #2, and Designation. A standardized approach would be consistent with the provincial approach taken when there are concerns with contaminated land, water, and air where the Ministry of Environment and Climate Change Strategy is responsible for “the investigation and remediation of contaminated sites in B.C. under the *Environmental Management Act (EMA)* and Contaminated Sites Regulation” (Ministry of Environment and Climate Change Strategy, 2023, p. 3).

Since this report, the federal government implemented the *Cannabis Act* that allows citizens aged 18 years and older to grow up to no “more than four cannabis plants at any one time in their dwelling-house” (Government of Canada, 2018, s.12(4)(b)). Although one impetus for this change was to improve public health and safety (Fischer, Jutras-Aswad, & Hall, 2023), it is unclear whether the health hazards and safety issues associated with growing marijuana and the production of other drugs inside residences have been fully considered. This issue is complex, as the risks of exposure and safety issues may vary by drug type. For example, typical concerns associated with marijuana grow operations include mould and fungus (RCMP, 1999), whereas synthetic drug labs pose additional risks involving explosions and fires (RCMP, 2020). In addition, it is unclear whether and how this change to the *Cannabis Act* negatively affects the residential real estate market in terms of the ability to sell a property involved in marijuana grow operations and the responsibility of real estate agents in disclosures of such properties. As an example, in a 2010 case involving Westwin Realty Ltd., a limited dual agent was found to have committed professional misconduct under the *Real Estate Services Act* in relation to a residence that was involved in a marijuana grow operation (Westwin Realty Ltd., 2010). The agent, Ms. Schmaltz, took over the listing of the residential property from another agent, Ms. Petrie, in the same brokerage firm. The seller of the property was convicted of marijuana possession for the purposes of trafficking and, although the grow operation was largely confined to the garage, a bedroom in the residence was utilized for growing and storage. When the property was first listed for sale, the seller completed the Property Disclosure Statement and answered affirmatively to the question about the premises or property having been used as a marijuana grow operation. After being charged, renovations to the property were completed, such as replacing the garage drywall, repairing moisture damage, and painting the house. When the seller completed the second Property Disclosure Statement as part of the process

of relisting the property for sale, the question about drug production was answered in the negative. There was conflicting testimony provided by the seller, the original agent, Ms. Petrie, and the new agent, Ms. Schmaltz, as to whether Ms. Schmaltz was aware that the property had been used as a marijuana grow operation. The seller stated that he was about to answer the question in the affirmative when Ms. Schmaltz noted that he could answer in the negative because it had been over one year since marijuana had last been grown in the residence and the house had been remediated to the satisfaction of the municipality. Ms. Petrie was not certain whether she communicated to Ms. Schmaltz that the residence had been used as a grow operation. However, Ms. Schmaltz stated that she had heard a rumour about the property being used as a grow operation and asked the seller about this. According to Ms. Schmaltz, the seller stated that he had a few marijuana plants for his own use and Ms. Schmaltz did nothing further with this information. The managing broker testified that typically, all copies of documents are kept with the listing file and are provided to the new licensee when there is a change in licensee. In this case, a copy of the first Property Disclosure Statement was not included in the file and Ms. Schmaltz did not review the previous listing file.

The disciplinary committee ultimately accepted that Ms. Schmaltz was not aware that the house and property had been involved in a marijuana grow operation and that she did not advise the seller to answer in the negative on the Property Disclosure Statement. Still, the committee ruled that Ms. Schmaltz committed professional misconduct in that she had an obligation to disclose this information to the buyers. Although there were rumours about the property, Ms. Schmaltz should have made “further inquiries in relation to the information that had come to her attention” (Westwin Realty Ltd, 2010, p. 26) and accessed and reviewed the original brokerage files related to the residence. This case illustrates some of the complexities in understanding real estate agents’ obligations, potential issues with the Property Disclosure Statement form, and both the health and financial concerns with properties involved in drug production. More broadly, there are increased health and safety concerns when the residence has been used for the production of synthetic drugs related to the presence of contaminants, the ability of labs to tests for certain contaminants, the introduction of new drugs being produced, the ability of health and safety standards to keep up to date, the certification of companies undertaking the remediation process, and the varying municipal standards for residential remediation across British Columbia.

Objectives of the Project

The purpose of this project was to provide an update to the 2018 report towards the goal of confirming whether the original recommended process for remediation remains appropriate or requires revisions to address updated research, policies, and practices.

Project Methodology

The objectives of this project were achieved through a variety of quantitative and qualitative methods, including RCMP data on the number of illegal grow operations and synthetic drug labs in residential properties that the police are aware of in RCMP jurisdictions, a review of policies and

practices across British Columbia to address the remediation of residential properties used in drug production, and interviews with various experts and stakeholders.

1. QUANTITATIVE DATA ANALYSIS

The RCMP 'E' Division Data Analysis Unit with the Operations Strategy Branch generously provided police data on the number of founded cases of British Columbia residences within RCMP jurisdictions involved in drug production between 2021 and 2023. In addition, the RCMP 'E' Division Federal Serious and Organized Crime Border Integrity Unit provided police data on the number of British Columbia residential clandestine laboratories dismantled by the Clandestine Laboratory Enforcement and Response (CLEAR) Team between 2018 and 2023.

2. REVIEW OF EXISTING POLICIES AND PRACTICES

Municipal bylaws from the following 20 municipalities and districts were reviewed to assess how they addressed the remediation of residential properties involved in controlled substances: Abbotsford, Burnaby, Chilliwack, Coquitlam, Delta, Hope District, Kelowna, Kent District, Langley City, Maple Ridge, New Westminster, North Vancouver City, North Vancouver District, Port Coquitlam, Port Moody, Prince George, Richmond, Surrey, West Vancouver, and White Rock.¹ The municipalities included in the review were the cities that had the most residential clandestine laboratories dismantled by the CLEAR Team between 2018 and 2023.²

3. QUALITATIVE INTERVIEWS

Interviews with experts and stakeholders were conducted through online video conferencing between January 2024 and April 2024. All interviews were conducted by the principal investigators using a semi-structured approach with open-ended questions. These interviews allowed participants to talk about their experiences in their own words. This also aided in understanding participants' roles, knowledge, experience, and points of view regarding the remediation of residential properties involved in drug production. Broadly, the themes discussed in the interviews were the participant's professional experience dealing with residential properties used in drug production, their concerns with the remediation process, recent trends, gaps in legislation, policies and practices related to the remediation of homes used in drug production, and government and industry responsibilities related to remediation.

¹ Vancouver was excluded as it has a unique system involving a City of Vancouver Charter. Communication with the City Clerk's Office noted that residential homes involved in illegal drug production would fall under the Vancouver Building Bylaw as an unsafe condition.

² A bylaw for Mission was not found, but there was reference to a Public Safety Inspection Team (PSIT) program that was in place from April 2008 to January 2011. A PSIT file was the only record of a controlled substance property.

The ethics of the research project, including the interview schedule and project methodology, were reviewed by the University of the Fraser Valley's Human Research Ethics Board prior to any data being collected. Participation in the interviews was voluntary and those willing to participate were provided with an information sheet prior to the interview that included a detailed overview of the purpose of the interview. Immediately before the interview began, the information sheet was discussed with all participants, and they were asked to verbally consent to their participation in an interview. Interviews were not recorded using video or audio recording devices and all information provided by participants was anonymized prior to analysis.

Once the interviews were completed, all the anonymized information was amalgamated into a Microsoft Word document and analyzed for common themes. The analyses focused on themes emerging from the specific content provided by respondents during their interviews, in addition to latent content illustrating any underlying themes.

Police Data

Based on the three years of data provided by the RCMP between 2021 and 2023, in total, there were 204 founded cases of drug production in a residence. In 2021, there were 115 cases of residences involved in drug production.³ The number of cases decreased in 2022 and 2023, with 52 cases and 37 cases, respectively. In other words, between 2021 and 2023, there was a decrease of 67.8 per cent in the number of founded files of residential homes used in drug production. Of note, for a file to be included in this database, the residential home had to be in an RCMP police jurisdiction, the residence had to come to the attention of the police, and, upon police investigation, the residence had to be found to be involved in drug production.⁴

Most of the incidents (81.4 per cent) involved a single detached house, townhouse, or duplex. Broken down by year, in 2021, 87 per cent of residences used in drug production were a single detached house, townhouse, or duplex. This proportion dropped to 71.1 per cent in 2022 and increased to 78.4 per cent in 2023 (see Table 1). A residential dwelling unit, such as an apartment, condominium, rooming house, or dormitory was used for drug production in 15.7 per cent of total files and demonstrated a different pattern than that found for a single detached house, townhouse, or duplex over the three years of data collection. More specifically, an apartment, condominium, rooming house, or dormitory was used for drug production in 11.3 per cent of the files in 2021, increased to 23.1 per cent in 2022, and decreased slightly to 18.9 per cent in 2023. It was very uncommon (2.9 per cent) for a private property structure, such as a shed or a detached garage, to be used for drug production.

³ In 2021, the 115 files represented 113 unique residential addresses. For both 2022 and 2023, each file was associated with a unique address; there were no duplicate addresses.

⁴ According to the Manager of the RCMP 'E' Division's Data Analysis Unit, it is likely that the number reported above does not include every residence involved in drug production founded by the police because of how the data is recorded in the Police Records Information Management Environment (PRIME). Still, it was felt that the data did account for most residences involved in drug production known to the police.

TABLE 1: TYPE OF RESIDENCE USED IN DRUG PRODUCTION 2021 – 2023 (N = 204)

	Total (N = 204)	2021 (N = 115)	2022 (N = 52)	2023 (N = 37)
Private Property Structure	2.9%	1.7%	5.8%	3.4%
Residential Dwelling Unit	15.7%	11.3%	23.1%	18.9%
Single Home, Townhouse, or Duplex	81.4%	87.0%	71.1%	78.4%

With respect to drug type, the most common substance was marijuana (63.2 per cent) followed by methamphetamine (9.8 per cent), ‘other’ Schedule I substances⁵ (9.3 per cent), ‘other’ Schedule III substances⁶ (7.4 per cent), and fentanyl/analogs (4.4 per cent). In total, these five categories of drugs accounted for 94.1 per cent of the files.⁷ Considering this data by year, in 2021, 72.2 per cent of files involved marijuana, 51.9 per cent of files in 2022 involved marijuana, and 51.4 per cent of files in 2023 involved marijuana (see Table 2). The next most common drug type varied across the three years. For example, in 2021, after marijuana, the next most common drug type used in residential drug production was methamphetamine (9.6 per cent). Methamphetamine was also the most common drug in 2022 (11.5 per cent) shared with ‘other’ Schedule I substances. However, in 2023, ‘other’ Schedule I substances were the most common (18.9 per cent) followed by ‘other’ Schedule III substances (10.8 per cent). Again, all other drug types were much less common each year than marijuana. The gap between marijuana and all other substances was somewhat surprising given the change in legislation allowing for the growing of small amounts of marijuana for personal use. Two possible explanations for this finding are that larger scale marijuana grow operations are easier to detect compared to the production of other drugs and/or the ability to grow marijuana for personal use did not have an effect on reducing commercial grow operations that used residential properties.

TABLE 2: TYPE OF DRUG USED IN DRUG PRODUCTION 2021 – 2023 (N = 204)

	Total (N = 204)	2021 (N = 115)	2022 (N = 52)	2023 (N = 37)
Marijuana	63.2%	72.2%	51.9%	51.4%
Fentanyl/Analogs	4.4%	1.7%	9.6%	5.4%
Methamphetamine	9.8%	9.6%	11.5%	8.1%
Production – Other Schedule I	9.3%	5.2%	11.5%	18.9%
Production – Other Schedule III	7.4%	6.1%	7.7%	10.8%

⁵ Schedule I substances include, but are not limited to, opium, cocaine, fentanyl, methamphetamine, and amphetamines.

⁶ Schedule III substances include, but are not limited to, methylphenidate, LSD, psilocybin, and mescaline.

⁷ There were very few homes involved in the production of anabolic steroids (n = 1), cocaine (n = 1), and heroin (n = 1) over the three years.

As mentioned in the methodology section, a second source of data about residential drug production was provided by British Columbia's CLEAR Team. This team is the only full-time team in Canada responsible for responding to and dismantling synthetic drug labs in British Columbia that pose a hazard to the public. Of note, if a synthetic drug lab that poses a hazard is discovered in an RCMP jurisdiction, the CLEAR Team must be called to deal with the lab; however, in municipalities policed by a municipal police department, such as Vancouver, Abbotsford, Delta, Victoria, or New Westminster, there is no requirement that the CLEAR Team be notified. The team works with a hazardous material company, and once the lab has been dismantled to the point that it is deemed safe, the CLEAR Team is no longer involved in the file. The CLEAR Team focuses on removing from the residence everything that is a Class A or B synthetic drug precursor⁸, items or other objects that could pose a danger to the public, such as waste byproducts of drug production, and any illegal, contaminated, or drug-related equipment involved in the commission of an offence. It is interesting to note that the team has an obligation to notify the homeowner and the municipality when they deem a property unsafe.

Between 2018 and 2023, the CLEAR Team attended and dismantled clandestine laboratories in 49 residences in British Columbia. Nearly all these clandestine laboratories were in the Lower Mainland District (87.8 per cent; n = 43), followed by the Southeast District (6.1 per cent; n = 3), Island District (4.1 per cent; n = 2), and North District (2 per cent; n = 1). The cities with the most laboratories dismantled included Richmond (18.4 per cent; n = 9), Surrey (10.2 per cent; n = 5), Abbotsford (10.2 per cent; n = 5), Mission (8.2 per cent; n = 4), Langley (8.2 per cent; n = 4), and Kelowna (6.1 per cent; n = 3). With respect to drug type, the most common labs involved marijuana (32.7 per cent, n = 16), methamphetamine (24.5 per cent, n = 12), and fentanyl (22.4 per cent, n = 11).

In just considering the same period as the information provided by the RCMP (2021 to 2023), the CLEAR Team dismantled a total of 24 drug labs in residences, with only three of these residences being outside of the Lower Mainland. Unfortunately, the type of drug was not broken up by year. Nonetheless, what the data provided by the RCMP and the CLEAR Team indicates is that there are not a large number of residential properties that come to the attention of the police involved in drug production; however, when police do become aware of a residence used in drug production, it is most commonly associated with marijuana followed by methamphetamine production.

Municipal Bylaws Related to the Remediation of Homes Used in Drug Production

As noted above, the municipal bylaws, as they relate to the remediation of residences, for several cities and districts across British Columbia were reviewed. While all the municipal bylaws shared

⁸ Class A and Class B precursors are defined in Schedule VI of the *Controlled Drugs and Substances Act* (S.C. 1996, c. 19). This includes chemicals, such as hydriodic acid, ephedrine, acetone, ethyl ether, hydrochloric acid, and sulphuric acid. See <https://laws-lois.justice.gc.ca/eng/acts/c-38.8/page-14.html#h-95824>.

fundamental commonalities, such as citing the *Controlled Drugs and Substance Act, 1996 c. 19*, fees imposed for violating the Act, and a working definition of what constitutes a hazardous condition, there were some noticeable discrepancies in individual municipalities. Before addressing such differences, it is important to note that not all the 20 bylaws reviewed detailed clearly what standards were used to determine that a property was unsafe to reside in for all occupants, the necessary steps the owner(s) must follow to make a property safe for occupancy, and a working time frame for the completion of each step. The first notable difference amongst the various municipalities is in how they define what constitutes a controlled substance property, if at all. For instance, Chilliwack, Coquitlam, Maple Ridge, and New Westminster provide both a clear definition and set of criteria for what constitutes a property to be regarded as a controlled substance property. As an example, section 2 of the City of Maple Ridge Bylaw No. 6274-2004 deems a controlled substance property as:

- (a) a Parcel contaminated by chemical or biological materials used in or produced by the trade or manufacture of a Controlled Substance; or
- (b) a Building or other Structure Altered to trade or manufacture a Controlled Substance; or
- (c) a Parcel which has been used for the manufacture, growing, sale, trade or barter of a Controlled Substance therein or thereon; and which does not meet applicable safety standards under the British Columbia Building Code, Gas and Electrical Codes, per B.C. Safety Standards Act, British Columbia *Fire Code*, *Health Act*, or other applicable safety regulations including any bylaw requirements of the District, all as amended from time to time.

In contrast, the cities of Burnaby and Delta, while citing their bylaws as Controlled Substance Property Bylaws, refer to what a controlled substance is, but do not define what a controlled substance property is. In effect, a review of the bylaws for the 20 municipalities indicated that there was some degree of variance, with some municipalities providing a comprehensive definition, others providing a somewhat broad definition, and others providing no definition at all. Given this, **all municipalities should have a distinct Controlled Substance Property bylaw.**

The second area of notable variance is about cleanup protocols once a grow operation or clandestine lab inside a residential home has been identified. For instance, some cities, such as Abbotsford, Langley City, Port Coquitlam, and Richmond, require the professional cleaning service to hold specific certifications and/or to be licensed, but most do not specifically reference controlled substances. For example, Abbotsford and Port Coquitlam define a professional cleaner as “a person experienced in removing contaminants from a property who possesses a Building Services Worker Certificate and is trained in the Work Place Hazardous Materials Information System (WHMIS).” In contrast, Langley City defines a professional cleaner as “an individual or corporation experienced and qualified in removing from buildings moulds, fungi, and contaminants, including pesticides, fertilizers or chemicals used to manufacture or grow controlled substances, if the removal is required under sections 5.2 and 5.3.” Moreover, a written Certification Form must be filled out by a certified individual stating that the property is free from fertilizers, pesticides, toxic substances, moulds, or fungi prior to re-occupancy or occupancy; however, there is no information in the bylaws about the level to which a residence must be free from the aforementioned potential contaminants. Still, some jurisdictions outline what is meant by a qualified professional. For example, Langley City defines a qualified professional as an individual or corporation who:

- (a) is a certified industrial hygienist (CIH), a registered occupational hygienist (ROH), a registered professional biologist (R.P.Bio), or a Ph.D. mycologist, and
- (b) carries environmental liability insurance in the minimum amount of \$1,000,000.00.

In addition, Burnaby and Delta, for example, provide no details regarding the cleanup process whereas New Westminster and Port Moody note minimal remediation requirements, such as paying for service costs associated with disassembly, removal, and disposal of substances, material, and paraphernalia due to city intervention. In general, outside of a few of the municipal bylaws reviewed, there seems to be a lack of step-by-step guidelines for remediation and there is a general lack of consistency about the certification or licensing of remediation companies and the standards used to deem a property safe for occupancy.

The final area where there is a lack of consistency between municipalities pertains to the steps for remediation once a property has been declared a health hazard. Abbotsford, Chilliwack, Langley City, and Surrey, for example, clearly outline the required steps the owner(s) must take once a declaration has been made. These bylaws also clearly outline the penalties that will be imposed on every person who contravenes the bylaw. For instance, the bylaws for Abbotsford, Chilliwack, Langley City, and Surrey provide a clear timeline ranging from 14 to 30 days whereby the owner(s) must satisfy remediation requirements once notified by the city that the residence is unsafe. As an example, section 5.2 of the City of Abbotsford Bylaw No. 1611 states that the owner, within 30 days of receiving notice, must:

- (a) engage a Professional Cleaner to clean and disinfect the Property, including, but not limited to:
 - (i) floor and window coverings;
 - (ii) heating and ventilation distribution systems;
 - (iii) walls and ceilings; and
 - (iv) countertops and cabinets.

In summary, a review of 20 bylaws found that all 20 clearly defined what a hazardous situation and controlled substance was, and 17 of the 20 bylaws accounted for what a controlled substance property was. Additionally, 14 of the 20 bylaws referred to licensed and/or certified cleaners and 17 of the 20 bylaws provided step-by-step remediation requirements once the property had been identified as a hazard. Interestingly, only 11 of the 20 bylaws stated that the owner must directly notify all prospective occupiers of the property in writing that the property was used as a controlled substance property and that requirements of the bylaw had been met. The above review demonstrates that the current bylaws in place across 20 British Columbia municipalities regarding drug production in residences exhibited some limitations and inconsistencies, particularly regarding remediation. While consistency is shown in terms of the language used and penalties imposed, there was a general lack of direction. For instance, of the 20 bylaws, none defined the criteria for what a healthy home entailed, instead citing various codes, including the *BC Building Code*, *BC Fire Code*, *BC Plumbing Code*, and *Health Act*.

Interviews with Participants

SAMPLE DESCRIPTION

From a list provided by the British Columbia Real Estate Association of potential interview participants from various relevant sectors, and those who participated in an interview providing suggestions for other potential participants, the principal investigators contacted 25 individuals to participate in the project and, in total, 14 agreed to an interview. Participants in this study represented a broad range of knowledge, expertise, and work experience dealing with residential properties used in drug production and the remediation process. This included people responsible for issuing and regulating real estate licences; those working in the financial services sector; those working within the disclosure regulations of property agreements, environmental standards, and regulations; those working in the drafting and enforcing of policies, legislation, and regulations related to land remediation; those who work in or advise law enforcement when police encounter a residential property used in drug production; people involved in the collection and testing of samples taken from residential properties involved in drug production; people involved in the remediation of residential properties used in drug production; mortgage brokers, REALTORS®, and real estate agents; those involved in insuring REALTORS® and brokers in British Columbia; and someone from the real estate board of a large municipality in British Columbia. There was also a participant from the Clandestine Laboratory Enforcement and Response (CLEAR) Team.

In discussing the overall qualifications and experience of participants, for the most part, participants had many years of experience in their respective fields and had direct experience working on the issue of residential homes used in drug production, legislation or policy development or oversight related to remediation of residential properties involved in drug production, investigating drug production in residential properties, examining samples from residential properties involved in drug production, or undertaking the remediation of properties involved in drug production.

CONCERNS OF RESIDENTIAL PROPERTIES USED IN DRUG PRODUCTION

Participants identified several main concerns related to drug production or the presence of drug labs in residential properties. One main theme was related to health and safety concerns. These concerns were related to the range of environmental and health risks associated with drug labs, including the contamination of soil and groundwater, and the air quality in and around a residence used in drug production. Some participants mentioned that those involved in residential drug production were not typically environmentally conscious in how they disposed of contaminants, which affected the air, soil, and groundwater around the property. Moreover, participants were concerned with some specific health issues related to the presence of mould and the possible exposure of residents to hazardous chemicals from drug production. On this issue, concerns were raised about new chemicals being designed and used in the production of drugs that left scientists and health experts unsure of what was a safe level of exposure or to what degree these chemicals could be present in a residence and not be harmful to those living in the home. Even for well-known substances, such as ketamine, there does not appear to be an established or accepted clearance

standard. Associated to this concern is the issue of known and unknown residual contamination and the likelihood of affecting new occupants and neighbouring properties.

Given the health and safety concerns, a second theme was related to the difficulties in thoroughly remediating properties, including the scope of the work needed to satisfactorily remediate a residence and the inability to test all areas of a residence, such as the pipes inside the house, and the surrounding properties for harmful contaminants. As will be discussed below, participants were concerned with inadequate or inconsistent remediation standards between municipalities and a lack of clear regulatory guidelines related to remediation. One way that this concern was expressed by participants was related to the complexity of ensuring that a residential property was safe after remediation given the lack of standardized clearance criteria. As such, while acknowledging the difficulties in establishing a health standard, concern was expressed that **there was not a provincial standard for safe levels of exposure** for the substances used in drug production in residential properties.

A third main concern involved legal and liability issues. There are a range of potential legal ramifications for property owners and buyers when properties previously used in drug production are not properly remediated, including health and safety issues and the potential for lawsuits. As will also be discussed below, the obligation to disclose past drug production and remediation efforts, in addition to the variability of disclosure requirements, contributed to legal and liability concerns when dealing with residential properties used in drug production. Many participants indicated that these concerns contributed to financial difficulties in obtaining mortgages for properties with a history of drug production, even after remediation. In fact, several participants indicated that many financial institutions will not lend money for a residence with a history of drug production, even if that property has been satisfactorily remediated, or that, if they do lend money, the rate is higher than it would be if the home had not been used in drug production. One of the explanations for this was that there was a stigma associated with a residential property previously used in the production of drugs. Not only did this stigma have an influence on the property's marketability and value but contributed to the reluctance of banks or other financial institutions to finance previously contaminated homes, as well as reducing the number of potential buyers who were interested in purchasing the residence. Of course, one way to reduce homeowner liability was to disclose and remediate a property used in drug production. On this point, several participants indicated that the high costs associated with remediation had a significant economic burden on property owners, which might contribute to not disclosing this information or not filling out a Property Disclosure Statement. This concern was more commonly raised in relation to rental properties where the property owner was either unaware or claimed to be unaware of how their property was being used by the renter.

Another theme identified by participants was related to operational and logistical difficulties in the remediation process. Here, participants spoke about the logistical challenges of conducting thorough inspections and remediations, especially when dealing with large properties or inaccessible areas of the residence, such as the pipes inside the house. Participants also voiced issues with **the lack of local testing facilities** and the need for more convenient and cost-effective solutions. While participants indicated that the services provided by testing companies in British Columbia and the United States did a very good job, the process could take a long time and was

expensive. With respect to operational issues, the main theme here was related to the training, knowledge, and experience of those doing remediation and the need for specialized equipment in the testing and remediation process when the property was used in the production of synthetic drugs. In particular, some participants indicated that there was a need for **more thorough inspections and more professionals to ensure both safety and compliance**.

As alluded to above, another theme identified by participants was related to regulations and standardization. Participants were very concerned that there appeared to be a lack of consistent standards for remediating different types of drug contamination that led to variability in remediation practices. Participants also stated that there was **a need for more research and standardized health guidelines for safe levels of various substances and contaminants**. While there is a provincial standard related to the remediation of land, air, and water in British Columbia, currently, each municipality determines their standards for the remediation of the home. While only a very small number of participants stated that they felt there were some municipalities that had too low of a standard, most participants stated that there should not be variability in safety standards across the province. In other words, while different standards and requirements could be found in different municipalities, for the most part, each municipality's minimum standards were sufficient. This point of view was consistent with our review of select bylaws outlined above. However, participants felt that the health and safety standards for remediation should not be left to the individual municipalities but should be set and enforced by the province.

A final theme that was related to regulations and standards was about whether one should always disclose that a residence had been used in drug production, even after remediation. Given the stigma associated with properties previously used in drug production and its effects on marketability, property values, and financial institutions' willingness to lend money for the purchase of a residence that was formerly used in drug production, participants were not in agreement about whether past drug production and remediation should always be disclosed to potential buyers. Related to this issue was the role of the Property Disclosure Statement (British Columbia Real Estate Association, 2023) and the responsibility of owners and/or REALTORS® disclosing this information, the ways in which the disclosure form could be completed, and the terminology used in the disclosure form related to drug production. These issues will be discussed in greater detail below.

RECENT TRENDS IN RESIDENTIAL DRUG PRODUCTION

It was interesting to note that most participants stated that residential drug production was not very common. Part of the explanation for this was that there was a significant decrease in illegal residential marijuana grow operations due to legislation allowing small-scale (four or less marijuana plants in residences) grow operations. Many participants indicated that because of the change in legislation they rarely encountered marijuana grow operations in residences anymore. Still, in part, because of the change in legislation, some participants indicated that there has been a shift in the types of drugs produced in residential properties. More specifically, participants believed that there was an increase in synthetic drug production, such as fentanyl and methamphetamine. Moreover, a small minority of participants indicated that there was an increase

in the growing of psilocybin (mushrooms); however, mushrooms were not nearly as prevalent as the production or growing of other drugs. Participants pointed out that the shift from residential grow operations to other drugs changed the nature of the structural damage and contamination caused by drug production, namely the waste produced by synthetic drug labs. This has also resulted in changes to the process of cleaning and remediating homes used in drug production.

Other identified trends included the movement of larger marijuana grow operations from urban to rural areas to make them harder to detect and because of the space needed. Moreover, one participant indicated that it is very easy to smell the production of fentanyl so detection would be easier if production was in a townhouse complex or a densely populated housing development. In another example, one participant indicated that, while it was more common for the basement or one room in the house to be used for drug production in the past, it has become more common for the entire house to be used for this purpose. Moreover, drug producers are interested in larger houses so that there is more square footage available for drug production. These factors have contributed to the move to more rural locations and the newer phenomena of large, expensive homes in 'good' neighbourhoods being used exclusively for drug production. Other participants also indicated that there were recent differences in drug production patterns based on location with more synthetic labs found in apartments, condominiums, and hotels than in the past. Still, the consensus was that there were not enough homes involved in drug production and caught up in the legal system or the remediation process to have a significant effect on the housing market supply.

THE COST, TIME, AND PROCESS OF REMEDIATION

Participants reported that there was the possibility of significant financial and logistical costs involved in the remediation of properties previously used for drug production, emphasizing the variability in costs and time frames depending on the specific circumstances of each case. While there is no such thing as a typical remediation of a residence involved in drug production, for the most part, participants indicated that, at the high end, costs for remediation could be over \$1 million based on the size of the residence and the degree of contamination. A super lab involved in synthetic drug production was provided as an example of a remediation process that could cost \$1 million. When asked to consider the more typical residence requiring remediation, the average cost to remediate a residential home involved in drug production was reported by participants to be between \$75,000 and \$100,000 for an average size home (approximately 2,500 sq. ft.). To break this cost down further, participants estimated that marijuana grow operations typically cost between \$10,000 to \$50,000 to remediate. Given that drug labs tend to have widespread surface contaminants, participants indicated that it is typically more expensive to remediate residences used in this type of drug production compared to grow operations, which primarily deal with mould issues. It was estimated by participants that drug labs cost, on average, between \$50,000 and \$100,000 to remediate. Of note, regardless of the type of drug production, costs to remediate are typically borne by the homeowner, though insurance may sometimes cover certain expenses.

Much like cost, it was difficult to estimate the amount of time it typically takes to remediate a residential home because of all the factors that contribute to the time frame. In general, participants indicated that the amount of time required for remediation could vary greatly, but typically ranged

from two months to over one year. In addition, once the remediation process was completed, there could be delays in receiving approval to put the residence on the market or to be deemed safe to occupy. Participants indicated that this approval process could take up to one year. Overall, participants estimated that the typical residential marijuana grow operation took between a few weeks to six months to remediate, while drug labs took between six months to over one year to remediate.

In terms of the remediation process itself, participants reported that the process typically began with an initial inspection that included a visual inspection to assess the degree of contamination and to plan the scope of work. Depending on the nature of the drug production, this step could also include taking samples to be sent to the lab for testing. This was followed by content removal. Here, priority is commonly given to removing all porous materials that cannot be cleaned, such as carpets and window coverings. Once this step is complete, the remediation process moves to the cleaning and replacement phase of the project. Here, decisions are made based on the porosity of materials on whether items and surfaces can be cleaned or whether these things need to be replaced. The final stage of the process commonly involves testing surfaces and items after the cleaning process. This can involve multiple stages of testing and cleaning to ensure that the residence has been fully remediated. Several participants indicated that it was rare for a property to pass on the first post-remediation test, which increases the cost and time associated with the remediation process.

On the issue of what factors should trigger a remediation process, participants highlighted several factors that focused on the importance of transparency, safety, and regulatory compliance, while emphasizing the need for thorough inspection, remediation, and certification processes. To begin, participants reported that, for the most part, the leading factor that triggered a remediation process was a police bust related to drug production. Commonly, a police bust triggers municipal bylaws that initiate a series of regulatory responses, including remediation. Another factor that can initiate the remediation process is a request from a credit union or some other financial institution for a safety certificate for a home previously used as a grow operation to ensure the property is safe for occupancy. It was interesting to note that there was a lack of consensus among participants on the issue of whether the transfer of property that was used for the cultivation of a small number of marijuana plants in compliance with the law should trigger the same remediation requirements as illegal grow operations. One way to address this issue, while costly and time consuming, is to require that **all homes used for personal marijuana cultivation, legal or illegal, must receive a safety certificate prior to being put on the market.** Similarly, some participants believed that there should be a **title transfer policy for properties known to have been used in drug production**, ensuring transparency in property transactions.

Of note, while most participants indicated that, based on their knowledge and experience, there were not a lot of residential properties used in drug production, some participants felt that it was important for **education and training to be provided consistently to home inspectors** so that they were more aware of the signs of drug production. It was felt that providing ongoing training to home inspectors and certifying them on the topic of drug production might provide more confidence to insurance companies and lenders who might be hesitant to insure or provide a mortgage for a home that was previously used in drug production and had been remediated. Moreover, it was believed that buyers might feel more confidence purchasing a remediated home

that was previously involved in drug production if the inspection report was completed by someone with expertise in this area. It was also felt that this might contribute to reducing the stigma that some buyers and lenders feel about a residence that had been previously used in drug production.

CHALLENGES WITH REMEDIATING HOMES USED IN DRUG PRODUCTION

When discussing remediating residential homes used in drug productions, participants provided several main themes that emphasized the need for clear, consistent standards and regulations to manage the remediation and disclosure of properties, as well as addressing both the technical challenges and the social stigma associated with these properties. In effect, participants highlighted the complexities and requirements of disclosing, remediating, and certifying properties used for drug production.

As alluded to above, some participants indicated that they would like to see **clear provincial standards for what constitutes remediated** as, currently, each municipality sets its own standards. While not being critical of any specific municipality's standards, it was mentioned that some cities have more stringent requirements than others. Given the evolving nature of drug contaminants, it was felt that leaving this in the hands of each municipality was not ideal. Moreover, every time a new synthetic drug was developed, there was the potential for new chemicals or other kinds of waste being produced. This contributed to making it extremely difficult to maintain effective standards for what is clean and safe for this new or unknown waste. In effect, the environmental and health impacts of residential drug production necessitate not only rigorous remediation but continuous monitoring, which might be better managed at a provincial level. Clearly, emerging drugs pose challenges due to unknown contaminants. Given this, policies and standards need to be adaptable to address new contaminants effectively and this information needs to be shared as quickly and broadly as possible. As such, it was felt that the province needed to take responsibility for setting health and safety standards rather than leaving this responsibility to each municipality and/or remediation company.

On the issue of setting health standards, some participants highlighted that it was not clear how safety standards were being established. For example, one participant stated that Alberta set a standard for one nanogram per 10x10 cm of surface for fentanyl and methamphetamine as the acceptable health and safety standard, but it was suggested that this standard was not set based on health research but on the lowest level currently detectable for this chemical in the lab. In effect, the limits of science rather than health research are likely being used to set standards for safe levels of a chemical on surfaces or for ingestion and inhalation. Moreover, as discussed above, new drugs create unknown contaminants, posing challenges for existing remediation standards and testing capabilities, as well as making it impossible for labs to test for the presence of new drugs that they are unaware of. So, the current methods of setting standards combined with the general stigma that some participants indicated existed for a residence that had previously been used in drug production can have a deterrent effect on buyers and lenders, highlighting the importance and need for clear, trusted standards.

In terms of the certification of companies, currently, there are no licensing requirements for consultants and cleaners dealing with the remediation of drug production homes. While it is recognized that developing training standards and creating a licensing or certification process might be costly and would create another level of bureaucracy and potential liability, participants stated that there was a need and expressed support for the development of a process to train and certify or license companies involved in the cleaning of residences involved in drug production, as long as the overall policy and procedures were appropriate and did not contribute to an unreasonable increase in the length of time it took to remediate a property. In effect, many participants, including those representing remediation companies, indicated a need for professional accountability and industry standards to ensure quality and safety. This notion was based on participants' concern that there was likely variability in the safety standards between remediation companies and that, given the cost of remediation, sellers might be incentivized to hire the cheapest company to do the remediation, rather than the most qualified, experienced, or professional company. Of note, Alberta does have a certification body for restoration companies for drug cleanup. Moreover, WorkSafeBC certifies companies for asbestos cleanup that could serve as a model for British Columbia to follow if the province was interested in creating a licensing or certification process for remediation companies engaged in drug production cleanup of residences. In this way, collaboration between the industry and government is necessary to create effective standards and policies and develop a training and certification process **to ensure accountability and standardized practices across the industry**. This includes having a recognized certification that buyers, sellers, insurance companies, and lenders can trust to help everyone feel more secure about the safety and quality of remediated properties previously involved in drug production.

DISCLOSURE OF REMEDIATED HOMES INVOLVED IN DRUG PRODUCTION AND THE PROPERTY DISCLOSURE STATEMENT

One of the issues where there was a general lack of consensus was on whether disclosure of past drug production should always be required, regardless of how long ago this occurred and the extent of remediation. Some participants believed that disclosure should be permanent and always happen, even though, currently, common law does not require disclosure if a home that had been used in drug production was remediated to the degree that the home no longer had a latent defect. There was the suggestion that in the case of a residence that was used in drug production, in addition to always disclosing this fact, sellers should also always attach information about what efforts were made to remediate the home. Similarly, there was the suggestion that the province maintain a publicly accessible site registry for homes used in drug production that includes information about the nature and time frame that the residence was used in drug production, when the remediation occurred, and the extent of the remediation, if it was remediated, to ensure transparency and allow potential buyers to make informed decisions. However, other participants indicated that if a home had been remediated and/or a third-party consultant inspected and signed off that the remediation was completed, the fact that a home had previously been used in drug production need not be disclosed and no record that the home had ever been used in drug production should be maintained by the municipality or the province. In effect, the general argument was that once a residence had been remediated, there was no need to disclose that the

residence had previously been used in drug production, as there currently are satisfactory regulations and rules about disclosing latent defects, and there might be some unwarranted stigma associated with the home previously being involved in drug production. Given this, some participants argued that there should be a recognition within the industry that remediated residential grow operations and drug labs, unless there were remaining defects, should not have to be disclosed, and that the potential stigma associated with residential drug production is not a sufficient reason to compel disclosure. It was felt that the industry could play a greater role in educating the public about the importance of site checks and having homes inspected by licensed inspectors, and that the industry should also play a larger role in helping buyers understand the process of remediation to reduce the stigma or concerns that buyers might have about a remediated home. However, if financial institutions and credit unions continue to refuse to lend to buyers interested in a remediated home that was previously used for drug production, these efforts will likely not be very effective.

One area where there was widespread consensus was around the Property Disclosure Statement (British Columbia Real Estate Association, 2023). While there was recognition that real estate agents, mortgage brokers, and other professionals play a role in ensuring proper disclosure and due diligence, there was some debate on how much responsibility should be placed on these professionals versus buyers and sellers. Currently, broadly speaking, the seller makes representations about the property that is given to the buyer and/or the buyer's agent. However, the Property Disclosure Statement is a voluntary document. Moreover, in terms of the questions asked on the Property Disclosure Statement regarding drug production, this is limited only to the following: "Are you aware if the Premises have been used to grow cannabis (other than as permitted by law) or to manufacture illegal substances?" The concern raised by participants was with the wording "are you aware", which some participants felt was too nebulous. However, changing the language in the Property Disclosure Statement would have legal and liability implications that need to be considered.

There was also concern around the notion of not needing to disclose a legal grow operation, even though it was indicated by one participant that sellers typically disclose marijuana grow operations if they were legally registered. Of course, growing four or less plants of marijuana is legal and, therefore, by law, does not need to be disclosed. However, there was concern raised by some participants around health concerns for those buying a home that was used to legally grow marijuana. Of note, some participants also indicated that, even if the grow operation was legal, some financial institutions would not lend money for that property, so some sellers might not even disclose legal grow operations, which could pose a health and safety risk to buyers.

Most participants felt that the Property Disclosure Statement (British Columbia Real Estate Association, 2023) should not be voluntary, nor should it be permitted for the seller to simply cross

out the form.⁹ While there was some recognition among participants that things could fall through the cracks because an owner legitimately does not have the knowledge or information needed to accurately fill out the form, it was felt that the disclosure requirements on the seller were rather minimal, resulting in a buyer-beware situation. In effect, the consensus was that there was a **need for clear, standardized disclosure requirements to ensure transparency and protect buyers**. For some participants, this included disclosing that the property was used in drug production, even if it was remediated, and even if the drug production was legal.

RESPONSIBILITY FOR OVERSEEING THE REMEDIATION OF RESIDENTIAL PROPERTIES USED IN DRUG PRODUCTION

When participants were asked which level of government and/or ministry should be responsible for overseeing the remediation of residential properties used in drug production, there was some debate about whether responsibility for certifying and managing the remediation should lie with local municipalities or be handled by a provincial body. As outlined above, currently, unless the remediation involved the land, air, or water around the property, municipalities handled and oversaw home remediation because they issue occupancy permits and have a direct stake in the health and safety of the local community. Still, it was acknowledged that effective remediation needed to address both the structural issues of the property and environmental concerns, such as waste dumped into the ground. Nonetheless, some participants felt that it would be too challenging for one ministry to be responsible for the remediation of the home, land, water, and air. Of note, the Ministry of Environment and Climate Change Strategy sends a certificate of compliance to the municipality when they have remediated the land, air, and/or water associated with drug production. In effect, the Ministry of Environment and Climate Change Strategy treats residences similar to industrial sites when it comes to contaminated sites.

In general, there was a call for consistent policies and standards across the province to avoid the current patchwork approach. Given this, there was strong support for **provincial standards for remediation to ensure consistency across municipalities** and to address gaps, especially in rural or unincorporated areas. It was also felt that it was important **to certify companies involved in remediation to ensure that those doing remediation meet health and safety standards**. It was generally felt that certification should be established, maintained, and overseen by a provincial body. Of note, insurance companies were identified as key stakeholders who would support a standardized provincial approach due to the financial risks involved in residences that were used in drug production.

Since health risks are a primary concern, the involvement of health authorities was seen as crucial. Given this, some participants felt that jurisdictional health authorities should be responsible for

⁹ According to many participants, crossing out the Property Disclosure Statement was a somewhat common practice used by the seller to indicate that they had no real knowledge about the property and the buyer needed to do their own due diligence when this should be reserved for specific circumstances, such as a rental property where it may be difficult for an owner to be fully aware of how the property was being used or when someone took over ownership of a property as an executor in the event of someone's death.

overseeing the remediation process, such as the Fraser Health Authority, because of the health risks associated with drug production sites, such as mould and chemical contamination. Others proposed WorkSafeBC as the more appropriate body because they already handle work orders, certifications, and compliance with standards. It was also suggested that perhaps the Ministry of Housing would be appropriate to manage these types of files. It was recognized by participants that both local and provincial governments face challenges related to human resources, expertise, and costs. So, there was the concern that creating a body or giving the responsibility of training, certifying, oversight, and record keeping to a provincial agency, and establishing a provincial standard, might slow down the process of certifying a property as being remediated and make the entire process too expensive for sellers and buyers. In effect, participants highlighted the complex and multi-faceted nature of managing and certifying the remediation of drug production sites in residential properties, with an emphasis on the need for clear, consistent standards and the involvement of appropriate authorities to ensure public health and safety.

A BRITISH COLUMBIA MODEL FOR THE REMEDIATION OF RESIDENTIAL PROPERTIES USED IN DRUG PRODUCTION

As mentioned in the introduction to this report, in 2018, the British Columbia Real Estate Association commissioned a report to examine the effect of drug production on residential homes, existing federal and provincial policies that addressed the remediation of residential homes used in drug production, and recommendations for a standardized provincial remediation process to restore residential homes for safe occupancy. The report, “Ensuring Healthy Homes for British Columbians: Toward a Provincial Standard for the Remediation of Residential Properties Used in Drug Production,”¹⁰ recommended a process that should be implemented upon discovery of a residential home used in drug production. Participants were provided with a general summary of that process and asked whether they felt this approach would be effective. The summary was as follows:

Under the *Public Health Act*, the Ministry of Health would be responsible for the standardization of policies and practices related to remediating homes used in drug production. Upon discovery that a residential home has been used in drug production, an Environmental Health Officer would inspect the home and determine what is required to remediate the home to a level deemed healthy and safe. This would result in an order imposed on the homeowner that the home cannot be sold, lived in, or rented out until the order is lifted. The homeowner would be required to hire appropriate contractors to remediate the home. An Environmental Health Officer would conduct a second inspection to determine whether all required remediation has been completed and if so, the order lifted. This order would be kept on file with the Ministry of Health and be accessible to relevant industry professionals (e.g., REALTORS®, home buyers).

¹⁰ Schenk, A., Geuze, G., & McCormick, A. (2018). *Ensuring Healthy Homes for British Columbians: Toward a Provincial Standard for the Remediation of Residential Properties Used in Drug Production*. School of Criminology and Criminal Justice, University of the Fraser Valley. Commissioned by the British Columbia Real Estate Association.

In general, there was agreement that this process was sound and would solve many of the issues discussed in this report if implemented correctly. This process was also received positively because it served to protect consumers by ensuring that properties are thoroughly and safely remediated with an emphasis on health risks, such as chemical contamination, being more significant than a focus exclusively on structural defects. Participants also felt that this process created high standards in the remediation process that enhanced and emphasized safety and effectiveness. Another positive aspect of this process was that, given that the homeowner was required to hire appropriate contractors to remediate the home, this would reinforce the need for certified professions that were approved by the province and met the province's standards for the remediation of homes involved in drug production. Related to this point, it was indicated that this process created the necessary separation between remediation contractor work from consulting/testing work to avoid bias and ensure impartiality. Moreover, participants also highlighted the importance for this process to involve sampling and testing in the remediation process and ensure oversight by independent professionals to avoid conflicts of interest. Finally, participants felt that it was a positive step that this process included registering the remediation status on the land title for better tracking and transparency, which some participants believed might contribute to reducing stigma. However, some of the concerns raised by participants included the number of Environmental Health Officers needed, whether the lack of trained Environmental Health Officers would create bottlenecks in the system and negatively affect the timely completion of the remediation process, and how this entire process would affect the overall costs of remediating a property. There was also the concern expressed by some participants that the anticipated increases in time and cost associated with this process might lead to underreporting and non-compliance. In effect, while some participants felt that sellers would not like this process as it might be costly and prevent them from selling their property in a timely fashion, it was felt that this was outweighed by its emphasis on protecting consumers and tenants.

PARTICIPANTS' FINAL THOUGHTS

Participants' final thoughts addressed several of the main themes already outlined in this report. On the theme of disclosure and transparency, it was believed that there should be an easy way for buyers to determine if a home was previously used in drug production. To this end, it was felt by some that a report of a residential property used in drug production should be kept in an accessible database for industry professions and municipalities, even if this database is not made publicly available. In terms of the effect of residential homes used in drug production on the housing market, participants did not feel that the number of homes used in drug production or the number of homes currently undergoing some form of remediation was having a significant negative effect on the housing market supply because the number of homes was very low. While it was viewed as possible that delays in obtaining permits for remediation contributed to some housing issues, again, the number of such homes was thought to be very low. However, there was some concern that the unwillingness of lenders to finance homes with a history of drug production was affecting the housing market. In sum, it was generally felt that there is not a significant lack of supply due to lender unwillingness, remediation requirements, or stigma, especially in a hot housing market. Still, participants wanted to ensure that any remediation model or process put in place by the province

was efficient and did not contribute to any unnecessary delays that could hinder the housing market.

With respect to legal and other market dynamics, while this view was not held in consensus, one point of view among the participants was that a home that was properly remediated should have a time limit on how long this information should be disclosed to a buyer. However, the counter argument posed by several participants was that sellers should always disclose this type of information, regardless of how long ago the remediation took place. In part, this was based on a general interest in the province moving away from a buyer-beware culture to one that is more transparent and protects the health and safety of buyers. Related to the latter point, research and science are always evolving and what is considered safe today may not be considered safe in the future as new drugs are identified and better detection techniques and tools are developed. In effect, it was felt that buyers and homeowners should have the right to know the history of the property they are living in or considering buying to make the most informed decisions for themselves and their families.

Recommendations

This report highlights the complexities associated with residential homes used in drug production in terms of legislation, policies, and practices. The 2018 report focused largely on health and safety issues and this project identified that these issues need to be addressed while taking into consideration legal liability and the responsibilities of REALTORS®, real estate agents, mortgage brokers, financial lenders, buyers, and sellers. Interviews conducted with a variety of experts and stakeholders revealed that there was consensus about the health concerns and safety hazards posed by drug production in residences and the importance of remediation efforts that fully addressed these issues. In addition, there was consensus that there should be clear standards in place for what is deemed safe and fully remediated. At the same time, there was acknowledgement that should standard policies and practices be implemented, these need to consider legal liability, efficient timelines, and costs, and balance the rights of sellers and buyers. While there are several suggestions highlighted throughout the report, this section focuses on several key recommendations building off the broad consensus among interview participants that the scenario presented in the previous section was a viable model for British Columbia.

PROVINCIAL HEALTH AND SAFETY STANDARDS FOR HOME REMEDIATION RELATED TO DRUGS AND THEIR CONTAMINANTS

Recognizing that there is a need for more research on what is considered safe and healthy in the residential remediation for various drugs and that science is constantly evolving, there should be a provincial standard for what is considered safe levels of drug contaminant exposure in residential homes rather than leaving it to each municipality to determine their own standard. This recommendation is aligned with the provincial approach taken when there are concerns with contaminated land, water, and air of non-residential properties under the authority of the Ministry of Environment and Climate Change Strategy, as well as addressing the historical use of products in

the construction of residences, such as asbestos. As the focus of remediation is on health and safety, the enforcement of these standards should sit with the Ministry of Health as part of the *Public Health Act* and the development of these standards should be developed in consultation with municipalities and key industry experts, including remediation professionals. For example, provincial leadership should encourage industry experts and those responsible for the testing of samples to establish a provincial health standard related to safe surface levels, ingestion levels, and inhalation levels. While some of these standards will likely be established based on the lowest detectable limit currently possible in the lab, these standards should be revisited every few years to ensure that standards are commensurate with the state of the science. This process would contribute to rigorous and updated health regulations and standards for existing and emerging contaminants. It should be noted that establishing a specific provincial contamination standard may pose significant liability risks for the province, but it seems that this would not necessarily be any different than the liability that a municipality faces when certifying a residence was remediated to that city's health and safety standard. Moreover, as will be discussed in another recommendation below, if the certification of remediation companies is adopted, this liability could be transferred to or shared with the remediation company that performed the remediation.

As outlined throughout this report, there is a degree of variability in remediation and safety standards across municipalities and remediation companies across British Columbia. While the issues related to companies will be discussed in a separate recommendation below, to avoid discrepancies and enhance safety and health, there is a need for provincial standards for remediation that would ensure consistency across municipalities. This should contribute to reducing health risks from residual contaminants in poorly remediated properties. Although housing is the responsibility of municipalities because they issue permits and occupancy approvals, the review of select bylaws highlighted that there were no substantial differences in standards or processes across cities, which suggests that it would not be a considerable undertaking for municipalities to comply with a provincial standard, especially one that they participated in crafting. Finally, having a provincial standard would also put the enforcement of these standards with one ministry, which would also contribute to the standardization of the consequences for not meeting provincial health and safety standards.

While comprehensive health certifications for each home in the province would be extremely costly and impractical, once a home has been identified as having been used in drug production, having a provincial health and safety standard for how that home must be remediated can be established and enforced without halting industry processes. However, not establishing provincial standards results in a lack of clarity on what constitutes appropriate remediation. This ambiguity can lead to improper or insufficient remediation efforts, which may not fully address health and safety concerns. As such, implementing provincial health and safety standards will serve to eliminate variability and ensure residential remediations related to drug production adhere to the same rigorous protocols.

PROFESSIONAL CERTIFICATION FOR REMEDIATION COMPANIES AND HOME INSPECTORS

To facilitate and support provincial or municipal standards, guidelines should be developed that specify minimum professional standards across the industry for those who conduct remediation work of residences involved in drug production. Currently, there is a lack of standardized certification and training for remediation professions related to drug production. Establishing a licensing or certification process would ensure accountability and transparency, benefit both sellers and buyers, and possibly reduce the stigma associated with residential properties involved in drug production. In addition to potentially eliminating business shopping for cost effective but potential substandard testing or remediation, creating a professional certification process would contribute to high-quality remediation work that meets health and safety standards.

One approach is to certify companies involved in residential remediation so that there is a level of confidence that those doing this work meet minimum health and safety standards. It appears that WorkSafeBC is well positioned to oversee this, given that this is primarily a health and safety issue. Furthermore, WorkSafeBC recently implemented a similar approach to addressing asbestos exposure. WorkSafeBC now requires asbestos abatement contractors to be licensed and certified to operate in British Columbia; this requirement went into effect on January 1, 2024 (WorkSafeBC, 2024). The process of licensing and certification does not appear to be onerous. There are four levels of certification, and certification involves completing “a training program from an approved provider and [passing] a written exam,” and this certification is valid for a period of three years. A review of select training providers indicates that the length of training varies from four hours to four days and is delivered both in person and online. While costs vary, they are not unreasonable, ranging from \$50 to \$1,500. In effect, government certification of cleaning companies and oversight by WorkSafeBC could enhance standards, ensure consistent safety and quality standards, deliver proper training, and enforce compliance.

In addition to providing training, education, and certification of remediation companies, it is also recommended that training and education be mandatory for all home inspectors. Not only would this ensure that qualified individuals conduct inspections with enhanced knowledge about residences used in drug production, new contaminants, and best practices, but this would contribute to ensuring that inspectors remain knowledgeable about the latest safety protocols, contamination issues, and remediation processes. Of note, the industry may also benefit from REALTORS®, real estate agents, and mortgage brokers recommending that their clients obtain a thorough inspection for drug-related health and safety concerns from a certified inspector. To achieve the intended effect of ensuring a home’s health and safety, this would require further education and training for building inspectors on the indicators and consequences of drug production in residential homes. As discussed in the qualitative interview section of this report, another potential benefit of having certified inspectors and remediation companies may be a reduction in client stigma against remediated residential properties used in drug production and an increased willingness of lenders to finance these types of properties.

PROPERTY DISCLOSURE

The current wording on the Property Disclosure Statement (British Columbia Real Estate Association, 2023) is broad and focused on illegal substances. Although concerns were raised by participants about changes to the use of the term “aware” and their implications for legal liability, there was also recognition that this term and allowing the Property Disclosure Statement to be optional was not ideal. From a health and safety perspective, limiting the question to illegal substances is problematic. Given that a buyer-beware culture exists with the purchase of residential homes, one approach to consider is to revise the question as follows: “Are you aware if the Premises have been used to grow or produce drugs (e.g., marijuana, methamphetamine)?” If this is answered in the affirmative, a space is provided to list the drugs that were grown or produced. Another question would then be asked that involved awareness of remediation, such as “What efforts have been made to remediate the health and safety risks associated with drug production?” and “When did the remediation work take place?” With respect to a time frame for disclosing drug production and remediation efforts, it is currently unclear what an appropriate time frame should be. If industry standards and certification are put into place, perhaps disclosures only need to be in place for a period of five years from the time of remediation and safety approval, whereas a longer time frame (e.g., 10 years) is more appropriate if there are no standards or certification. Irrespective of the time frame, consultation needs to take place among remediation experts and may need to be adjusted as new research leads to advancements in our understanding of health and safety consequences associated with existing and new substances.

The debate over whether the disclosure of past drug production in properties should be mandatory, even if remediation has been conducted, is ongoing. While there is little debate related to the disclosure of latent defects, participants in the interviews did not share a consensus on whether remediated residences formerly used in drug production needed to be disclosed. While a Property Disclosure Statement exists, as highlighted in this report, it is voluntary and often bypassed, leaving buyers unaware of potential health and safety issues. Some participants argued that remediations of residences used in drug production, regardless of how long ago, should always be disclosed, even if there are no current latent defects. Others argued that once a home had been remediated and there were no latent defects, the fact that the residence had previously been used in drug production need not be disclosed, especially given the stigma attached to these properties and the unwillingness of financial institutions to lend against a home formerly used in drug production. While the authors of this report do not take a position on whether remediated residences used in drug production should always be disclosed, the industry and/or the province could require full disclosure of all past remediations, regardless of the time elapsed, accompanied by clear standards for what constitutes appropriate remediation, and that the work be completed by a certified remediation company. Implementing these measures would ensure that buyers have access to important information about the property’s history and the quality of remediation efforts, thus protecting their interests and enhancing the integrity of the property market. If this was the position adopted, as outlined below, the creation of a centralized registry of all remediated and non-remediated residences used in drug production is recommended.

THE CREATION OF A REMEDIATION REGISTRY TO ENHANCE CONSUMER PROTECTION AND TRUST

As mentioned by many of the participants in the interviews conducted as part of this report, the stigma associated with properties previously used for drug production can significantly influence property values, buyer perceptions, and a financial institution's willingness to lend money. It is crucial to distinguish between the stigma surrounding such properties and the actual health and safety concerns they may present. One of the primary challenges is balancing the need for transparency with the potential negative impact that stigma can have on property sales. One potential way to address the stigma associated with these types of properties is to have clear and standardized documentation of the remediation efforts undertaken and to have any drug related remediation conducted by a certified company. Moreover, establishing a centralized system to store and maintain inspection and remediation reports accessible to the public, financial institutions, and industry professionals could prove beneficial in protecting consumers and establishing a greater level of trust among lenders and buyers. Such a system could contribute to facilitating transparency and ensuring that all parties have access to critical health and safety information. In effect, ensuring buyer confidence in the remediation process and the professionals involved is paramount, which could be enhanced by a centralized database or registry to track property histories and remediation efforts.

Conclusion

This report draws attention to the multi-faceted challenges of dealing with properties used for drug production. The report emphasizes the need for consistent health and safety standards across British Columbia, the thorough remediation of properties used in drug production by licensed and/or certified remediation experts, and clear disclosure practices to protect public health and ensure consumer confidence. To achieve these goals, this report calls for better regulation and oversight by the provincial government, their creation of a training/education and certification process for industry professionals, including inspectors and those involved in home remediation, as well as improved and easily accessible records to mitigate the potential effects of stigma and facilitate informed decision-making by buyers and lenders.

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