



ILLEGAL CULTIVATION OF CANNABIS

Understanding the risks to property



INTRODUCTION

According to a report published in 2018 by the Institute of Economic Affairs, the black market in cannabis in the UK is estimated to be worth £2.6 billion per annum, with 255 tonnes sold to over three million users.

Against this background, there has been an explosion in the number of clandestine, indoor cannabis growing operations.

Many property owners have unknowingly had their premises converted into cannabis farms, leading to significant risk and damage. This guide highlights the kind of the risks faced, some of the warning signs to look out for and control measures property owners can put in place.





UNDERSTANDING THE RISKS

The kind of the premises in which illegal cannabis farms are established can vary considerably, ranging from converted rooms in residential buildings to large scale production in unoccupied commercial or industrial properties.

Premises known to have been converted for cannabis production include shops, offices, public houses, restaurants, former mill buildings and even a nuclear bunker and a leisure centre. Unsuspecting property owners often do not know their premises have been used for cannabis production until extensive damage has occurred and the operators have fled.

In all cases, illegal cannabis cultivation presents a significant risk of damage and cost to the property owner from fire, explosion, escape of water, structural damage and, in some cases, asbestos contamination. Rot, mould or infestation damage can also occur arising from moisture from irrigation systems. Clear up and repair costs in the aftermath of a cannabis farm can be considerable, involving loss of rent. Hazardous features associated with illegal cannabis cultivation include:

- Electrical fire hazards arising from the use of temporary electrical supplies often bypassing the electricity meter (cases have been recorded of digging underground to connect into street lighting)
- The use of high-powered lighting, heaters and other electrical equipment, temporarily installed with little recognition of safety
- Bypassing of gas meters to provide natural gas for use in CO² generators to assist the growing process
- Explosion hazards arising from the use of gas in the production of Butane Hash Oil
- Compromising structural fire safety design by the removal or breaching of fire compartmentation

Commercial cannabis growing has strong links to organised crime, use of firearms, illegal immigration, modern slavery and the exploitation of vulnerable adults and children. Many employ Vietnamese nationals who are forced to work in order to pay off debts to people traffickers.

Under section 8 of the Misuse of Drugs Act, 1971, property owners that knowingly allow a property to be used for the cultivation or supply of cannabis, face prosecution and possible imprisonment.



RISK RECOGNITION

Warning signs that a property is being employed for illegal cannabis cultivation, or are intended for this purpose, are numerous and can include:

- A tenant wishing to pay for several months' rent in advance, in cash
- Sudden heightening in the fortification of the premises
- Requests not to visit the premises
- Evidence of tampering with the electrical installation
- Windows shuttered, blacked out or otherwise obscured
- Powerful interior lighting in operation 24/7
- A sudden rise or fall in electricity consumption
- Constant whirring of ventilation fans and presence of ducting protruding out of walls and windows
- Evidence of a pungent and sickly-sweet smell within or emanating from the property
- Little evidence of movement in or out the property, or visits made during unsociable hours
- External accumulation of bagged rubbish, particularly potting soil, plant fertilizers & insecticides packaging and spent vegetation
- Rapidly melting snow on roof surfaces, or birds gathering on the roof in cold weather arising from escaped heat from cannabis cultivation

It is important to recognise that no single one of these signs provides conclusive evidence that illegal cannabis cultivation is being undertaken, but several may be enough to sound an alarm.

In cases of genuine concern, property owners or their agents should immediately contact the Police or Crimestoppers, refraining from tackling the occupants personally.



RISK MITIGATION

In an effort to mitigate the ever-present risk of premises being taken over for illegal cannabis production, property owners should consider the following measures as recommended best practice:

- References should be obtained for all persons named on the tenancy agreement. These should come from an employer and a previous landlord (if applicable), or a Tenant Referencing Service. References should always be requested in writing and should be followed up to confirm their legitimacy
- Avoid taking payment for deposits and advanced rent in cash, insisting that payment is made by cheque or bank transfer
- Specify in the lease that inspections of the premises are carried out following initial occupation and at least once every three months thereafter
- Wherever possible, get to know the neighbours and ask them to keep an eye out for anything suspicious
- Avoid sub-letting
- Pay close attention to the security of vacant buildings for which a range of products and services are available, such as perimeter protection, security door and window screens, manned guarding, wireless monitored intruder alarms, CCTV towers, vacant property inspection services, live-in guardians etc

In many cases it will be advisable to consult a specialist company providing vacant property risk management services and one which is a member of the British Security Industry Association. Details of these organisations can be found at: <https://www.bsia.co.uk/sections/vacant-property/members.aspx>

The risk of premises being taken over for the illegal cultivation of cannabis, resulting in significant property damage and loss of rental income should not be under-estimated. To counter this threat, it is recommended that property owners take on board the advice in this White Paper as part of their risk management programme.

ABOUT US

RiskSTOP is no ordinary risk management company. As well as leading the way through Quality Assurance and Service Level Agreements, our compliance with rigid standards means we now set the benchmark among insurance industry risk management service providers.

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