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'Tainted' houses can be 'scary,' complex issue

Buying and living in a house which was the scene of a murder or suicide is not everyone's cup of tea, but for some people, living in a tainted house is simply not an issue.

Last month, the would-be buyer of the house where child model JonBenet Ramsey was murdered lost out on his plans to move into the \$1.7 million property when it was taken off the market following the arrest of John Mark Karr.

In July, Mike Hatter had signed an offer to purchase the 6,866-square foot home where the six-year-old was killed in 1996. Shortly after Karr was arrested in Thailand in August, Hatter got an enail from the real estate broker in Boulder, Colo., saying the house was being taken off the market by its current owners who are unrelated to the Ramsey family.

JonBenet's parents sold the house in 1998 soon after their daughter's murder. A group of investors purchased the red-brick Tudor-style mansion at 749 15th St. for \$650,000, and the house has had four owners since then.

The most recent owners, Tim and Carol Schuller Milner, paid \$1.05 million for the house in 2004, but moved out late last year because they could no longer take the pressure of living in the glare of curiosity seekers.

The would-be buyer is not at all bothered by things that go bump in the night. In fact, he seems somewhat fascinated by the whole subject. "I'm the kind of person who likes graveyards and full moons," he told a reporter.

In the real estate industry, this kind of house is known as stigmatized or tainted. The perception is that the value of the property has been reduced by non-physical, non-scientific, irrational or even superstitious perceptions by buyers.

Colorado realtor Joel Ripmaster has represented the last four owners of the Ramsay home. Last month, he was quoted in USA Today as saying, "It's stigmatized. It's always been stigmatized."

Whether a home has been tainted by being the site of an actual nurder, or by the reputation as being haunted, its value may be affected positively or negatively.

Consider, for example, so-called haunted British castles and guest houses, where tourists flock to spend a night or two in the company of ghostly housemates. Or the bed-andbreakfast in Fall River, Mass., where guests can sleep in the room where Lizzie Borden was accused (and acquitted) of killing her father and stepmother with an axe in 1892 (http://www.lizzie-borden.com).

Usually, however, the value is adversely affected by the property's reputation.

Ontario has hundreds of homes, condominiums and apartments that were the sites of notorious and even grisly crimes some private, and some very public. Consider, for example, the site of the now-demolished Bernardo house on Bayview Dr. in St. Catharines, or the site of the Mississauga home (since destroyed by fire) where Christine Demeter was murdered in 1973.

Buyers have many reasons to shun stigmatized real estate, according to Toronto real estate appraiser and educator Barry Lebow. A frequent lecturer on haunted and stigmatized houses in Toronto, Lebow is the former owner of a house that was the site of a messy public suicide.

He unknowingly bought the home some years ago, and after renovating it, sold it outside the local ethnic community to a buyer who didn't care about its history.

There are plenty of houses alleged to be haunted right here in Toronto. They are explored in some detail in John Robert Colombo's book, Haunted Toronto (1996, Hounslow Press, \$18.99). Colombo lists many public buildings that are reported to be haunted, but he also reveals stories of ghosts, apparitions, spectres, poltergeists and unexplained happenings at many private homes. The book makes for scary reading.

Other haunted houses are reported on the website of The Toronto Ghosts and Hauntings Research Society, at http://www.torontoghosts.org.

To my knowledge, there is no comprehensive listing of local homes that have been the sites of suicides, murders or other grisly crimes.

As a result, it's statistically very easy to wind up buying a stigmatized home without knowing about it in advance. Ontario has no laws requiring the disclosure of facts which might stigmatize the property. So sellers are not obligated to volunteer information about suicides or murders and such that have occurred on site.

When the value of property is affected by psychological factors arising from superstition, prejudice and irrationality, are real estate agents required to disclose the stigma?

"Yes, 101 per cent," says Lebow, adding that a buyer not wishing to purchase a property where a grisly death occurred is not superstitious or irrational. ``It's a fact," he says. ``That property's value is not as high as one without grisly history."

Agents in Ontario are required to reveal any fact that could affect a person's decision to buy a property, the price that ought to be paid, and the ability to sell the property at a future time if the facts are within the real estate agent's knowledge. This obligation extends to the disclosure of any stigma attached to a property of which the agent is aware.

Just how long down the line that obligation extends is anyone's guess it may be a permanent obligation.

After all, stigmas and ghosts don't change addresses as frequently as the typical Torontonian.

"Virtually all American states have mandatory seller disclosure laws," says Lebow. "It's something we should be doing in Canada."

In Ontario, it's often buyer beware.

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