I. “Haunted” Houses

My wife and I were watching a program on TV several years ago with some friends of ours, about a couple that bought a house that was supposedly haunted and later found out the sellers knew of the abnormal activity. Someone with us said to me, “Couldn’t you sue them for not disclosing that a house is haunted?” I said, “Well, probably not successfully because you’d have to ‘prove’ that the house is/was in fact, haunted, and I don’t know how you’d do that -- but you might be able to rescind the transaction for willful failure to disclose, depending on the factual circumstances.” This led me (of course) to research the issue (after all, it was only a few weeks before Halloween!), upon which I uncovered the following:

Courts have not limited disclosure obligations in residential (and even commercial) transactions to the presence of physical defects. The duty to disclose has been extended to include nonphysical defects that detrimentally affect property values. For example, in a widely discussed and analyzed case, Stambovsky v. Ackley, 572 N.Y.S. 2d 672 (N.Y. App. Div. 1991), the court held that the seller had a duty to disclose that the house was reputed to be haunted. According to the court, the buyer had no reason to inquire about the apparition and could not have discovered its presence through a reasonable inspection. The court reasoned that because both local and national publications had reported the alleged hauntings at the house, the defendant was estopped to deny the existence of the apparitions. The court concluded that “as a matter of law, the house [was] haunted.” Id. at 256.
For commentary on this case, see Thomas Van Flein, *Bad Cases Make Good Humor*, 24 AK. BAR RAG 2 (Alaska Bar Association, November/December 2000), which contains, at *2, the following summary of the *Stambovsky v. Ackley* decision:

*Stambovsky v. Ackley*, 572 N.Y.Suppr.2d 672 (N.Y. App. 1991), involved the purchase of a house, and a subsequent suit for rescission when the buyer learned that the house was haunted. The court ultimately concluded that, “as a matter of law, the house is haunted.”

The appellate court started off by explaining that “Plaintiff, to his horror, discovered that the house he had recently contracted to purchase was widely reputed to be possessed by poltergeists.” The decision turned not on whether the house was in fact haunted, but on the seller’s knowledge that it could be (based on the seller’s prior public statements) and the seller’s failure to disclose this: “Whether the source of the spectral apparitions seen by defendant seller are parapsychic or psychogenic, having reported their presence in both a national publication (“Readers’ Digest”) and the local press...defendant is estopped to deny their existence and, as a matter of law, the house is haunted.”

Although the court was “moved by the spirit of equity to allow the buyer to seek rescission of the contract of sale and recovery of his down payment,” the court stated that the plaintiff’s claim for misrepresentation did not have “a ghost of a chance.” The equitable remedy of rescission was determined to be the appropriate response to “a very practical problem with respect to the discovery of a paranormal phenomenon: ‘Who you gonna’ call?’ as the title song to the movie ‘Ghostbusters’ asks. If you can’t call on the court of equity, presumably you are left with Bill Murray as your only remedy.”

The court rejected the doctrine of caveat emptor (buyer beware) since to apply it in this context “conjures up visions of a psychic or medium routinely accompanying the structural engineer and Terminix man on an inspection of every home subject to a contract of sale. It portends that the prudent attorney will establish an escrow account lest the subject of the transaction come back to haunt him and his client—or pray that his malpractice insurance coverage extends to supernatural disasters.” The court’s ruling intended to dispel “the notion that a haunting is a condition which can and should be ascertained upon reasonable inspection of the premises” as a “hobgoblin which should be exorcised from the body of legal precedent and laid quietly to rest.”
See also Stuart C. Edmiston, *Secrets Worth Keeping: Toward a Principled Basis for Stigmatized Property Disclosure Statutes*, 58 U.C.L.A. L. REV. 281 (2010). In this article, the author states that “Since the late 1980s, a majority of states have enacted statutes protecting nondisclosure of stigmas affecting property in residential real estate transactions.” The author also states that: “The class of stigmas that do not plausibly indicate a continuing risk of direct physical harm to the occupant might be defined as ‘including, but not limited to’ a reputation for being haunted, a previous occupant’s natural death or suicide, the HIV/AIDS status of a previous occupant, and so forth. Such a list resembles, but does not precisely mirror, the lists included in the sweeping formulations found in many current stigma statutes.” *Id.* at 316. The author discusses the *Stambovsky* case and notes that, with respect to the rental of a “haunted” dwelling:


*Id.* at fn. 60.

In a later New Jersey case, *Strawn v. Canuso*, 140 N.J. 43, 57-58 (N.J. 1995), the court stated as follows with respect to the *Stambovsky* case:

*Stambovsky*…involved “stigmatized property,” which has been defined as “property psychologically impacted by an event which occurred or was suspected to have occurred on the property, such event being one that has no physical impact of any kind.” National Association of Realtors, *Study Guide: Stigmatized Property* 2 (1990), quoted in Robert M. Morgan, *The Expansion of the Duty of Disclosure in Real Estate Transactions: It’s Not Just For Sellers Anymore*, Fla. B.J., Feb. 1994, at 31. Some states have enacted legislation to provide guidance regarding the types of nonphysical or emotional defects that are material. See, e.g., Fla. Stat. Ann. § 689.25. New Jersey has no such legislation, and we do not address the materiality of such conditions.

*See generally* Anne M. Payne, *Liability to Purchaser of Real Property for Failure to Disclose That Property is Haunted, or Was Scene of Murder, Suicide, or Other Notorious Death*, 149 AM. JUR. PROOF OF FACTS 3d 1 (Database updated April 2015) (discussing and analyzing cases regarding “haunting” or past crimes in connection with sale of real property and noting that various jurisdictions may have rules, regulations, constitutional provisions, or legislative enactments that deal with these issues); Daniel M. Warner, *Caveat Spiritus: A Jurisprudential Reflection upon the Law of Haunted Houses and Ghosts*, 28 VAL. U. L. REV. 297, 298 (Fall

In 1995, the New York Legislature passed its statute protecting transferors of psychologically impacted property and their agents who fail to disclose the fact. Around the time of the law’s passage, news stories reported that New York was passing a “haunted house” statute. However, nothing in the statute refers to haunted houses. The law is simply a psychologically impacted property statute that is similar to statutes in other jurisdictions. The clamor about a proposed “haunted house” statute has its origins in the New York case Stambovsky v. Ackley. The Stambovsky court had reasoned that no purpose was served by requiring a buyer to discover undiscoverable impacts that are within the knowledge of the seller. The buyer does have a duty to exercise due care with respect to the transaction. However, the New York court placed the burden on the seller in the case that a circumstance does not affect the physical condition of the property but materially impairs the value of the contract. This reasoning would include all other psychological impacts discussed in this article. Because these conditions do not affect the physical condition of the property, they would not be discoverable by the buyer making a reasonable inspection. Some states, not including New York, have borrowed the language of Stambovsky for their psychologically impacted property statutes. They specifically include any “act or occurrence which had no effect on the physical structure of the real property.” The New York statute does not include this language.

But see Bishop v. Graziano, 804 N.Y.2d 236, 238 (2005), where the court stated that:

The 2002 enactment of the “Property Condition Disclosure Act” attempted, somewhat unsuccessfully, to effect a sea change in a well
settled area of New York’s Real Property Law. Section 462 of the New York Real Property Law mandates a Uniform Disclosure Statement which requires sellers to make a minimum of forty-eight (48) affirmative representations concerning the condition of a residential house and property. Previously, New York was unequivocally characterized as a “caveat emptor” (buyer-beware) real property transfer state for “as is” purchases of realty, with sellers having no duty to disclose” [citing the Stambovsky case].

The author has been informed of a situation in Wisconsin that was reported to the Wisconsin Board of Realtors, where the broker was told that the walls of the listed house “bled.” As is common in most states, Wisconsin’s real-estate license law requires brokers to disclose a “haunting” only if it has an effect on the physical condition of the property. Given the alleged “physical” effect on the house, that particular “haunting” was required to be disclosed.

The California Association of Realtors is bound by the disclosure requirements of CAL. CIV. CODE § 1710.2, which states that the death or manner of death of an occupant of real property need not be disclosed if it occurred more than three years prior to the date the transferee offers to purchase, lease, or rent the real property, or that an occupant of that property was infected with the AIDS virus, unless the transferee or prospective transferee makes a direct inquiry regarding deaths on the property. Many brokerage firms have disclosure forms that specifically inquire about deaths on the real property.

Some states even require more by requiring home sellers to disclose “stigmas” affecting a property, including proximity to homeless shelters and the scene of a violent crime. See generally Marc Ben-Ezra and Asher Perlin, Stigma Busters: A Primer on Selling Haunted Houses and Other Stigmatized Property, 19 JUN PROB. & PROP. 59, (May/June 2005). The authors note that, at the time of publication of their article, at least 21 states had enacted statutes addressing stigmatizing issues in one way or another.

Currently, about half of U.S states now have laws that deal with stigmatized properties, but most don’t require sellers to disclose if they have a ghost. See, e.g., MASS. GEN. LAWS, ch. 93 § 114(b), which does not require disclosure of “psychologically impacted” real property, including “that the real property has been the site of an alleged parapsychological or supernatural phenomenon”; MINN. STAT. § 82.68(3)(b)(2) (no duty of real estate broker or salesperson to disclose that property “was the site of a suicide, accidental death, natural death, or perceived paranormal activity”); COLO. REV. STAT. ANN. § 38-35.10 (stating that broker or salesperson is under no duty to disclose circumstances “psychologically impacting” real property). For an exhaustive analysis of state statutes that address disclosure requirements for stigmatized properties (including psychologically impacted property, murder, suicide, felonies, and paranormal events), see Michelle L. Evans, Litigation Against Seller of Real Estate and Its Agent for Failure to Disclose, 142 AM. JUR. TRIALS 193 § 4, State real estate disclosure laws (April 2016 Update).
An Illinois statute, 765 ILCS 77/35 (Disclosure Report Form), effective as of January 1, 2015, applies to sellers of residential property in Illinois. It requires disclosure of certain physical defects at the property, but does not mention any psychological or paranormal activity -- although the statute does require disclosure if the seller is aware “that the property has been used for the manufacture of methamphetamine.” The statute also states that “‘material defect’ means a condition that would have a substantial adverse effect on the value of the residential real property or that would significantly impair the health or safety of future occupants of the residential real property unless the seller reasonably believes that the condition has been corrected.”

With respect to rental properties, see Rent.com, Rent in Peace: Avoiding Common Rental Horrors (2009), available at http://www.rent.com/press-room/media/Rent+com+RIP+InfoFlash+FINAL+-+9+17+09.pdf. (referring to survey results indicating that 31 percent of renters would not live in a “haunted” rental unit even for “a million bucks”).

II. Failure to Disclose Murder, Suicide, Threats, or Former Burial Grounds

A. Murder and Suicide.

Sellers have also been held liable for failing to disclose the fact that the house had once been the site of a murder (or multiple murders). For example, in Reed v. King, 145 Cal. App. 3d 261 (Cal. App. 3d Dist. 1983), the court found that defendants’ failure to disclose the fact that murders had occurred in the house was material to the real estate contract and permitted the buyer to rescind the contract. The following is an excerpt from the court’s decision:

The murder of innocents is highly unusual in its potential for so disturbing buyers they may be unable to reside in a home where it has occurred. This fact may foreseeably deprive a buyer of the intended use of the purchase. Murder is not such a common occurrence that buyers should be charged with anticipating and discovering this disquieting possibility. Accordingly, the fact is not one for which a duty of inquiry and discovery can sensibly be imposed upon the buyer.

Reed alleges the fact of the murders has a quantifiable effect on the market value of the premises. We cannot say this allegation is inherently wrong and, in the pleading posture of the case, we assume it to be true. If information known or accessible only to the seller has a significant and measurable effect on market value and, as is alleged here, the seller is aware of this effect, we see no principled basis for making the duty to disclose turn upon the character of the information. Physical usefulness is not and never has been the sole
criterion of valuation. Stamp collections and gold speculation would be insane activities if utilitarian considerations were the sole measure of value. We note the traditional formulation of market value assumes a buyer “with knowledge of all the issues and purposes to which [the realty] is adapted.”

Id. at 267-68.

But what standards would apply to determine if a “reasonable person” would believe a specific occurrence has a significant impact on the value of the property? What if the buyer has cultural or religious objections?

In Milliken v. Jacono, 103 A.3d 806 (Pa. 2014), the Pennsylvania Supreme Court held, as a matter of first impression, that purely psychological stigmas are not material property defects under the state’s Real Estate Seller Disclosure Law (“RESDL”, which pertains to physical or structural problems with a property) that sellers must disclose to buyers. A murder-suicide involving the prior owners of the residential property had occurred at the property, but this was not disclosed by the current owners to the purchaser. But the court noted that “The murder-suicide was highly publicized in the local media and on the internet.” Id. at 807. The court ruled that the seller’s failure to disclose this prior event did not constitute fraud, negligent misrepresentation or a violation of Pennsylvania’s Unfair Trade Practices and Consumer Protection Law because it did not have a significant adverse impact on the value of the property or constitute an unreasonable risk to people on the property. The court noted that “the varieties of traumatizing events that could occur on a property are endless. Efforts to define those that would warrant mandatory disclosure would be a Sisyphean task.” Id. at 810. The court also noted the difficulty in fashioning an appropriate remedy for such a claim, such as rescission of the contract and repayment of the buyer’s costs (as requested in this case), or assigning a monetary value to a subjective psychological stigma. Interestingly, the court noted in a footnote that “[the buyer] understandably asserted claims against her own real estate agent and broker, which were “Settled, Discontinued and Ended.” Id. at 811, n.7.

See also Bukoskey v. Palumbo, 1 Pa. D & C 456, 463 (Pa. C.P. 2007) (stating that “The fact that the prior owner committed suicide in the master bedroom of the residence is not a legal issue that would interfere with use and enjoyment of the property.”) (Emphasis in text.); Susan Funaro, Ghoul Disclosures: Must Home Sellers Disclose Paranormal Activity? available at https://www.legalzoom.com/articles/ghoul-disclosure-must-home-sellers-disclose-paranormal-activity (Oct. 2010), where the author states that:

According to a study by two business professors at Wright University, houses where murder or suicide have occurred can take 50% longer to sell, and at an average of 2.4 percent less than comparable homes. A California appraiser who specializes in diminution in value
issues says that a well-publicized murder generally lowers selling price 15 to 35 percent.

But the author also notes that:

Sometimes, a house’s macabre past is an asset rather than a liability, especially if the gruesome past involves celebrities or legends. Ghosts can be a selling point for some towns that rely on their dead inhabitants for tourist appeal.

And of course there is the famous “Amityville Horror” haunted house. The house in Amityville, New York was the scene of six murders in 1974. Ronald “Butch” DeFeo Jr. shot and killed his parents and four siblings while they were in the house. DeFeo was convicted of second degree murder in 1975, and is serving six consecutive life sentences. George and Kathleen Lutz bought the house and moved into it in December 1975 with their three children. They stayed only 28 days, after reporting a long list of alleged malevolent paranormal phenomena. Their claims became the basis of a best-selling book, The Amityville Horror, by Jay Anson, published in 1977, which in turn was the basis of a series of films released between 1979 and 2013. But there has been controversy and lawsuits over the truthfulness of the Lutzes claims, and subsequent owners have reported no unusual activity at the house. In October, 2000, the History Channel broadcast a two-part documentary entitled Amityville: The Haunting, by writer/director Daniel Farrands. Despite serious questions about the truth and accuracy of the accounts of alleged paranormal events at the house, The “Amityville Horror” remains one of the most popular and enduring “ghost stories” in American history. George Lutz even registered the phrase The Amityville Horror as a trademark in 2002. The continuing internet discussion and analysis of The Amityville Horror has spawned a plethora of websites devoted to virtually every aspect of the house and its alleged horrors, with strong arguments either for or against the veracity of the paranormal activities. The house still exists but it has been renovated and the address changed to discourage (though not eliminate) a continual stream of harassment by curiosity seekers, horror fans, sightseers and gawkers who want to photograph and even tour the infamous house.

B. Threats

There is an interesting legal action pending in New Jersey regarding “The Watcher,” who allegedly sent an anonymous threatening letter to the owners of a home in Westfield, New Jersey, before they sold it to a couple with three children for $1,355,000 in 2014. The letter allegedly claimed that the writer claimed a right of possession and/or ownership of the home. The transaction closed without any mention of the letter, and three days later the new owners began to receive additional threatening letters from “The Watcher,” threatening the new owners and their children. The identity of The Watcher has never been established, despite intense police investigation into the matter. Following is an excerpt from an article on the history of this lawsuit by Katie Rogers, which appeared in the online New York Times on March 30, 2016 and is available at
A stately colonial home recently listed for sale in Westfield, N.J., comes with six bedrooms, wood flooring and a disturbing back story that left its last owners living in fear of a stalker who sent them a series of cryptic, threatening letters.

The house was considered a dream home by Derek and Maria Broaddus when they purchased it for themselves and their three small children in 2014. But three days after they closed, a letter arrived signed by someone who went by the name “The Watcher,” according to the couple’s lawyer, Lee Levitt.

The writer claimed that the house was a family obsession: “My grandfather watched the house in the 1920s and my father watched it in the 1960s. It is now my time.”

More correspondence followed that grew increasingly threatening, and specific, according to a lawsuit filed by the Broadduses against the former owners.

The writer wanted to know whose bedroom faced the street, and criticized changes that made the home more “fancy.” The letters hinted that the writer had identified the children: “I am pleased to know your names now and the name of the young blood you have brought me.”

Fearing for their safety, the Broadduses never moved into the home in Westfield, a town of 30,000 located about 45 minutes from New York City. Instead, they hired an F.B.I. profiler, who deduced from the handwriting on the envelope that “The Watcher” was likely an older person.

The couple sent the letters to the Westfield police, who found the DNA of a woman on one envelope but never landed on a suspect.

Finally, they brought a lawsuit against the former owners, John and Andrea Woods, that said the sellers had also received an anonymous letter but had kept that information secret.

The Broadduses are seeking the nullification of their contract, punitive damages and a refund of the purchase price, with interest. A lawyer for the Woodses declined to comment, but the couple has filed a lawsuit of its own against the Broadduses, accusing the new
owners of frivolous litigation and defamation. They have also requested that the case go to trial.

The mystery surrounding “The Watcher” has generated intense internet attention and comments, especially because of the inability to determine the writer of the letters (and the motive) despite the fact that the latest technological advances have been utilized. The lawsuit by Derek and Maria Broaddus, which was filed in the Superior Court of New Jersey, Union County, on June 2, 2015, is available at http://documents.gawker.com/the-watcher-lawsuit-1713657328.

C. Former Burial Grounds

Christine Alice Corcos, in her article entitled “Who Ya Gonna C(s)ite?” Ghostbusters And The Environmental Regulation Debate, 13 J. LAND USE & ENVTL. LAW 231, 272 (Fall 1997), provides the following interesting information with respect to the effect on a home’s value where the residence has been constructed over former burial grounds:

Another theme portrayed in movies is that of hauntings substantially reducing the value of suburban neighborhood property constructed over former burial grounds. This is the theme of Poltergeist (MGM 1982) and Grave Secrets: The Legacy of Hilltop Drive (Hearst Entertainment Productions, Inc. 1992), both of which postulate venal land developers as a subgroup of avaricious business people. In Grave Secrets: The Legacy of Hilltop Drive, the unwary property owners are unable to recover from the title company, which takes the position that they knew or should have known of the prior existence of the burial ground. A sympathetic real estate attorney points out that even though the homeowners have a good case, they are unlikely to prevail at trial, and appeals will be costly. Eventually, the owners abandon the property after unsuccessfully suing their real estate agents for “abuse of corpse.” See Ben Williams et al., The Black Hope Horror: The True Story of a Haunting (Morrow 1991); see also Michele Meyer, Houston’s Haunted Houses: Spirits Leave Calling Cards All Over Town, Houston Chron., Oct. 31, 1991, at 1 (discussing the events at the Galveston Wal-Mart, said to be built over a cemetery).

See also Rhee v. Highland Development Corp., 182 Md. App. 516, 543 (2008), where the court stated that “the knowledge of the presence of the human remains underground carries a stigma that reduces the occupants’ enjoyment of the land.” The court held that the fact that the developer of the property desecrated and concealed a cemetery that existed on the property was sufficient to allege a material defect and met the essential elements of a cause of action for fraudulent concealment.
III. Duty of Owner or Operator of “Haunted House” Tourist Attraction

There are also cases dealing with the duty of an owner or operator of a “haunted house” type of tourist attraction where patrons pay money to be scared by the events at the property. See, e.g., Griffin v. The Haunted Hotel, Inc., 242 Cal. App. 4th 490 (2015). In this case the plaintiff, Scott Griffin (“Griffin”) purchased a ticket to a tourist attraction described by the court as “The Haunted Trail, an outdoor haunted house type of attraction where actors jump out of dark spaces often inches away from patrons, holding prop knives, axes, chainsaws, or severed body parts.” Id. at 493. When Griffin believed he had passed the exit to the Haunted Trail, he was confronted unexpectedly by a “final scare,” i.e., an actor who possessed a chainsaw (with the chain removed). Griffin became frightened and began to run. The actor chased after him, and Griffin fell and injured his wrist. Griffin then brought an action against Haunted Hotel alleging negligence and assault. The trial court granted Haunted Hotel’s motion for summary judgment, and the California appellate court affirmed, ruling that the trial court’s ruling was correct under the “primary assumption of risk” doctrine in California.

The appellate court ruled that Haunted Hotel did not breach any duty to Griffin, and did not unreasonably increase the risk of injury beyond the inherent risks or act recklessly under the circumstances. The appellate court also held that subjective awareness is not required or relevant under the primary-assumption-of-risk doctrine, and that there were numerous disclosures and disclaimers regarding what patrons could expect and the risks involved. The appellate court noted that Haunted Hotel’s website featured actors in ghoulish costumes holding chainsaws, and that the ticket Griffin purchased stated, “This attraction contains high impact scares” and is “not suitable for people with heart conditions.” The appellate court also noted that, “The chainsaw-wielding actors are the most popular feature of the Haunted Trail,” and were prominently mentioned in both radio and television advertising for the attraction. Id. at 494. The appellate court further noted that at least 250,000 individuals had visited the Haunted Trail in its 14 years of operation, and only 15 of them fell while running from the chainsaw-wielding actor — and none of them had been injured. The appellate court commented that, “As the trial court aptly noted, [W]ho would want to go to a haunted house that is not scary?” Id. at 500. The appellate court reasoned that “an inherent risk of a fright-event such as the Haunted Trail is patrons will become frightened and run,” Id. at 505, and stated that, “At bottom, his [Griffin’s] complaint here is Haunted Hotel delivered on its promise to scare the wits out of him.” Id. at 508.

See also Galan v. Covenant House New Orleans, 695 So.2d 1007, 1008 (La. Ct. App. 1997), holding that, in a case with facts remarkably similar to the instant case (including a chainsaw-carrying actor jumping out to scare patrons “one last time”), the defendant had not breached any duty to the plaintiff. The court concluded that:

Patrons in a Halloween haunted house are expected to be surprised, startled and scared by the exhibits but the operator does not have a
duty to guard against patrons reacting in bizarre, frightened and unpredictable ways.

Id. at 1009.

Some liability insurers have taken note of cases such as Griffin and Galan, supra, and have developed specific exclusions from coverage for incidents such as occurred in these cases. See, e.g., Western World Ins. Co. v. Markel American Ins. Co., 677 F.3d 1266 (10th Cir. 2012). In this case, which involved a tourist attraction called the Bricktown Haunted House (“Haunted House”) in Oklahoma City, Oklahoma, an employee working on the evening shift at the ticket booth fell down an elevator shaft. As the court noted, “Haunted Houses may be full of ghosts, goblins, and guillotines, but it’s their more prosaic features that pose the real danger.” Id. at 1267. The employee recovered from his injuries, and sued the operator of the Haunted House for various torts. The operator then looked to Western World Insurance Company (“Western World”) and Markel American Insurance Company (“Markel”) to defend the lawsuit under two separate insurance policies, one with Western World and one with Markel. The court noted that, “no doubt wary of liability arising from its occult operation, Brewer [the operator] had attended well to its insurance needs.” Id. at 1268. The court stated that:

For its part, Western World had thought far enough in advance to exclude from its haunted house coverage “any claim arising from chutes, ladders, …naked hangman nooses,…trap doors…[or] electric shocks. But it hadn’t thought to exclude blind falls down elevator shafts.”

Id. at 1268

Western World admitted liability under its policy and then defended, and eventually settled, the injured employee’s claim. It then sued Markel for half the cost of the settlement amount after it refused to contribute toward the settlement. The court ruled that the “reasonable expectations of the insured” doctrine and the language in both of the insurance policies controlled, and that Markel was not entitled to summary judgment based on the language in its policy. This case highlights the fact that if a liability insurer has specifically excluded certain anticipated risks from coverage under a policy with respect to a “haunted house,” it likely will not be responsible for coverage or payment under the policy if such an event actually occurs. But isn’t this exactly why the owner or operator of a “haunted house” tourist attraction would purchase a general liability policy, i.e., to provide such insurance coverage?

IV. Conclusion

As evidenced by the cases and commentary in this article, the doctrine of caveat emptor is – with notable exceptions – alive and well with respect to “haunted” and “stigmatized” real property, at least with respect to an action for
damages as opposed to rescission of the sale of the property. There are numerous state statutes that deal directly with the issue of what must be disclosed to a purchaser of a residence, but they differ greatly and can be vague when it comes to the disclosure of alleged “psychological” or “emotional” issues or defects that may affect the value of the property, as opposed to its physical condition. It probably would not be wise for a seller of such a property to boast to friends and neighbors about the unsavory reputation of the property; then deliberately withhold such information when seeking a prospective purchaser. Perhaps the rule should be, “Once you claim it’s haunted, you can’t go back.” On the other hand, if a prospective purchaser is by nature squeamish about buying a house that may be “haunted” or “stigmatized,” then it would be wise to specifically ask the seller (and, if applicable, the seller’s real estate agent) about any “emotional” or “psychological” issues at the property past or present, such as murders, suicides, threats, alleged paranormal activity, and “disturbing” conditions or former uses of the property (such as burial or “sacred” grounds). But the existence and relevance of such matters are often in the eye of the beholder, and any clear-cut description or definition of such “defects” often can be difficult. See, e.g., 4 BR, 2 BA, 1 Ghost: What the Law Says About Selling Haunted Houses, Oct. 31, 2011, available at http://mentalfloss.com/article/29123/4-br-2-ba-1-ghost-what-law-says-about-selling-haunted-houses. The article suggests that:

Applying the strict rule of caveat emptor to a contract involving a house possessed by poltergeists conjures up visions of a psychic or medium routinely accompanying the structural engineers and Terminix man on an inspection of every home subject to a contract of sale.

With respect to legal actions against owners/operators of real property that advertise the supernatural or frightening aspects of the property and charge admission to visitors, the rule of caveat emptor applies with even more force, especially if the advertising (including a website) advises prospective patrons of the potential hazards and “scary” features of the attraction. After all, when one pays to be scared, frightened, and surprised, that is exactly what to expect. Owners and operators may feel secure that in any event they can look to their general liability insurance policies for coverage, and ultimate payment, of any successful claims against them. But as illustrated by the holding in Western World Ins. Co. v. Markel American Ins. Co., supra, this will only be true if the policies have not excluded from coverage the specific matter that is the basis of the claim.
Stigmatized property laws. Haunted homes for sale. Updated March 2, 2021. Would you be willing to share your home with a spirit from the other side? Stigmatized property laws vary across the U.S. and some states have protections in place for certain stigmas, such as previous violent death, but not others, like hauntings. It’s also worth noting that no state requires sellers to disclose a death in the home due to natural circumstances, so if dead bodies of any kind give you the heebie-jeebies, reach out to neighbors or do some online research before you buy. Beyond the scary stuff, the home is also a matter of public intrigue thanks to previous famous owners such as Ingrid Michelson and Matisyahu (although neither celeb owner has reported any paranormal experiences). Haunted in Iowa: Real Haunts and Haunted Attractions. Are you ready to get haunted in Iowa! Check out this list on Midwest Mom Life, of real haunts and haunted attractions in Iowa to experience! Bizarre Stories Scary Stories Ghost Stories Haunted Places Abandoned Places Haunted Houses Wisconsin Michigan North Dakota. Lilac Hill Mansion (Morrison Mansion) - Fayette, Missouri. Fox photojournalist Nick Petrillo was scratched by a ghost while filming a haunted Hanover, Pennsylvania property, according to homeowners Tom and Deanna Simpson. Cemetery Statues Cemetery Art Scary Stuff Cool Stuff Sleepy Hollow Cemetery Alien Worlds The Weather Channel Ghost Stories Holidays Halloween. The top 10 scariest real haunted houses in the world. Read true ghost stories and urban legends about actual haunted homes and find the best scary places to. Read true ghost stories and urban legends about actual haunted homes and find the best scary places to visit for Halloween. Housecreep is the top real estate website for finding stigmatized properties (i.e. murder houses, reportedly haunted houses, former drug labs etc.) and otherwise noteworthy homes. Easily lookup listings near you where murders and other crimes have occurred, where paranormal activity has been reported and much more. Housecreep was launched in 2013 by two brothers from Canada. Our aim is to encourage disclosure in the real estate industry, and to help home buyers and renters make informed decisions. A lot of the information on the website is crowdsourced. If you notice any inaccuracies or spam,