

1 of 3 DOCUMENTS

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SECTION: NEWS**LENGTH:** 633 words**HEADLINE:** Ground rents targeted in Baltimore City resolution**BYLINE:** Dori Berman**BODY:**

Baltimore City, home to a booming real estate market, may push an effort to repeal a part of the home ownership process many consider an anachronism, but others consider an important property right.

The City Council was expected last night to pass a resolution, which would ask Baltimore's delegation to the General Assembly to sponsor legislation doing away with ground rents, a quirk of the city's real estate system dating back to the 1700s.

Under the system, many Baltimore homeowners own houses on land for which someone else holds the title. In those cases, the homeowner must pay an annual ground rent — usually ranging from \$50 to \$150.

While critics of the system call it archaic and say it no longer serves a purpose, others view ground rents as a property right, and say abolishing the system would essentially amount to taking property.

Originally, the ground rent system facilitated homeownership by allowing the buyer to purchase a house without purchasing the land on which it sat.

Councilwoman Agnes Welch, who proposed the resolution, said she looked into ground rents in June after reading a story in The Sun about a woman who lost her Washington Village home for failing to pay her ground rent. With Baltimore's real estate market booming, Welch worries that ground lease owners could take advantage of the outdated system to capitalize on the growing demand for houses.

"There's no disagreement that people should pay their ground rent. They should," Welch said. "But through all kinds of reasons, some people don't get their notices. It's dangerous for the elderly. It's dangerous for the illiterate."

But the Greater Baltimore Board of Realtors has a different take.

"Typically, the position of the Baltimore Board of Realtors has been ground rent is one of those sticks in the bundle of property rights," said Carolyn Cook, vice president of government relations for the board.

Cook said a homeowner would "really have to not be paying attention to their property" for a situation like the one in Washington Village to occur.

And a number of protections have been built into the system in order to avoid such situations, according to Kathy Howard, general counsel for Regional Management Inc., which manages a number of ground rents for owners in the area.

"The concept of summarily, legislatively abolishing this kind of a system, where you would in essence extinguish a property right, is tantamount to a take," Howard said.

Title attorney and Towson University associate business law professor Ben Neil, however, believes the system is antiquated and problematic.

"They could do away with it tomorrow and make everyone's life easier," he said. "From a title attorney's perspective, lenders who are out of state often don't understand the concept of ground rents and it becomes very cumbersome."

Sometimes they feel they don't have a sense of security, so the deal sometimes falls through."

And often the holder of the ground lease is difficult to locate.

that is why legislators have put safeguards in place in recent years, Regional Management's Howard explained. She also noted a recent trend in which mortgage companies are requiring property to be sold with the ground lease included in the deal. Under current law, most ground leases require the lessor to sell the homeowner the ground lease if the homeowner asks to redeem it.

If that trend continues, Howard asserted, the system will eventually phase itself out and legislation will not be necessary.

Sen. Nathaniel McFadden, D-Baltimore City, chairman of the city's General Assembly delegation, could not be reached for comment yesterday. In June he was quoted in The Sun saying he planned to introduce legislation either abolishing or streamlining the **ground rent** system.

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