



June 19, 2025

We have received questions regarding the sale or purchase of property with a special assessment. ***As each situation is different, please seek the advice of a qualified real estate attorney and a licensed real estate agent.***

The Secord Lake Association is not positioned to provide real estate advice. However, we are blessed to have real estate professionals as Members offering this perspective for your consideration:

Since a Special Assessment on the Four Lakes is new and real estate is notoriously irregular, we can never predict the future with complete accuracy; there is always an element of uncertainty as to how the market handles the Special Assessment. At best, we base predictions on past behavior—real estate appreciates in value, people desire lake properties in northern Michigan, and the market will determine the price.

The most likely scenario will be the Buyer assuming the remaining years of the Special Assessment. If the Seller has paid 2 years, then the Buyer purchasing the property will pay the next 38 years. Or, until they sell it, and the new Buyer pays the remaining years. This is not a huge surprise, nor unusual, nor unique. The Michigan Association of Realtors anticipates Special Assessments by referencing payment in its form Purchase Agreement:

“SPECIAL ASSESSMENTS: All special assessments for municipal improvements which have become a lien on the property shall be paid by the Seller, provided, however, that in the event a special assessment is payable in installments, current and future installments shall be either [] allocated between Seller and Buyer using the same method for the proration of real estate taxes in paragraph 7 above; or [] paid in full by Seller at closing. (Choose one.)”

Lakefront property is an extremely limited resource. While we can build more subdivisions, and apartment buildings, or warehouses, we cannot build more lakefront properties. And the market is bearing an increase in price for a person to own northern Michigan lakefront property.

Like all real estate, the additional Special Assessment has become a feature of the Four Lakes, taken into consideration by Buyers as to purchasing property. Some people want to be closer to Detroit, others want larger lakes, some want a golf course, others want certain communities. All these factors are folded into purchasing property, and the assessment will be an additional factor for Buyers to consider.

Will a Buyer’s mortgage company require the Special Assessment to be paid off? Mortgage companies (while regulated) are private entities and have their own internal policy requirements in providing mortgages. There is no possible way to state what every mortgage company will or will not do.

It is most likely the mortgage companies will fold the Special Assessment into the monthly escrow amount (like taxes and insurance), and Buyers will consider their monthly payment in making offers.

Buyers will do what they need to do purchase lakefront, (including assuming the assessment) and mortgage companies will facilitate purchases (including adding the assessment in the escrow payment) to increase their sales and profits.

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