CLARITY FOR THE DECISIONS AHEAD

Inherited Property Decision Guide

A practical guide for families navigating one of life's biggest decisions

Jessica Juel

Associate Broker, Real Estate Advisor, REALTOR®
Arterra Luxe

248.878.1961 | jessica@jessicajuel.com
jessicajuel.com

Take the time you need

Inheriting a home is about much more than real estate.

For many families, it follows the loss of someone they love. Along with grief often comes paperwork, legal questions, financial decisions, and pressure to determine what happens next.

You do not have to choose a long-term plan today.

You do need to protect the home, maintain essential payments, and ask your attorney about any deadlines.

This guide helps you compare your options and prepare questions for your Michigan estate attorney, CPA, and real estate advisor.

Before you make any decisions

Before deciding whether to keep or sell the property, take a moment to protect both the home and your family's interests.

- ☐ Secure the home without disrupting an occupant’s legal rights.
- ☐ Notify the insurer of the death and any vacancy; confirm appropriate coverage. [6]
- ☐ Gather the deed, will or trust, mortgage records, and death certificate.
- ☐ Confirm who has legal authority to act with an estate attorney. [1]
- ☐ Coordinate mortgage, tax, utility, and association payments.
- ☐ Inventory belongings before disposing of them.
- ☐ Address urgent safety or damage concerns; evaluate major renovations before spending.

Sell the home as-is

There is no single “right” decision. The best choice depends on your financial goals, family circumstances, and long-term plans.

This may be right if

- You need access to funds.
- The property requires significant repairs.
- You live out of town.
- You do not want the responsibility of ownership.

Benefits

- May reduce preparation time
- Avoids elective renovation spending
- Ends carrying costs after closing
- Can simplify the next chapter

Things to consider

- Compare expected net proceeds, not just price. Speed and price are not guaranteed.
- Confirm title, signing authority, and any restrictions before listing. [1]
- As-is terms do not automatically remove legal disclosure duties; estate exceptions depend on the facts. [7]
- Review inherited tax basis and sale reporting with your CPA. [2]

Renovate before selling

This may be right if

- Local comparable sales support an improved condition.
- Estimated added value exceeds project costs and carrying costs.
- The authorized decision-maker has funds available.

Benefits

- May attract more buyers
- Potential for a higher selling price
- Opportunity to improve presentation

Things to consider

- A higher price does not guarantee a higher net return.
- Obtain written estimates and check permit requirements.
- Include contingency funds, holding costs, and project time.
- Market conditions and contractor availability may change.

Keep the home as a rental

This may be right if

- Rental demand supports the expected rent.
- A budget works after mortgage payments, taxes, insurance, repairs, and vacancy.
- You can manage the property or hire a manager.

Benefits

- Potential rental income
- Potential appreciation, with market risk
- Possible deductions or depreciation; ask your CPA

Things to consider

- Income and appreciation are not guaranteed.
- Check rental registration, licensing, inspections, and association restrictions.
- Arrange appropriate landlord insurance.
- Budget for vacancy, repairs, management, and tax changes. [3]

Move into the home

This may be right if

- The home fits your family’s needs.
- You want to remain connected to the property.
- Ownership, financing, and any co-heir arrangements are resolved.

Benefits

- May avoid purchasing another home
- Emotional connection
- Potential financial savings

Things to consider

- Budget for debt payments, maintenance, and updates.
- Review title and mortgage arrangements before moving. [5]
- Update insurance for actual occupancy. [6]
- Confirm property taxes and principal residence exemption eligibility. [3, 4]

Transfer the home to a family member

This may be right if

- Another heir wishes to keep the home.
- The family wants to preserve ownership.
- The proposed transfer fits the estate or trust documents.

Benefits

- Keeps the home in the family
- May simplify long-term planning

Things to consider

- Use an agreed valuation; obtain an appraisal when appropriate.
- Document buyout terms and financing with an attorney.
- Review taxes, title, and mortgage requirements before signing.
- A fiduciary buying estate property may create a conflict of interest requiring legal review. [1]

Wait before deciding

This may be right if

- The loss is recent.
- Family members need time.
- The market is uncertain.
- You need professional guidance before moving forward.

Benefits

- More thoughtful decisions
- Less emotional pressure
- Time to evaluate every option

Things to consider

- Deadlines and creditor obligations
- Carrying costs and payments
- Insurance and maintenance
- Property security

Questions to ask yourself

- Do we need immediate access to cash?
- Is anyone interested in living in the home?
- Could the property become an investment?
- Are multiple family members involved?
- What ongoing expenses can we comfortably manage?
- What would the person who owned this home have wanted?
- Are we making this decision from emotion, finances, or both?

If there are multiple heirs

Inherited property often involves multiple family members. Before making decisions:

- ☐ Confirm ownership and who has authority to sign.
- ☐ Establish clear communication.
- ☐ Document valuation, expenses, and decision-making expectations.
- ☐ Ask an attorney to address disagreements or fiduciary conflicts.
- ☐ Confirm which approvals are required; do not assume every heir signs every sale. [1]

Guidance for the process

Understanding probate

Probate depends on title and estate planning. Property held in a trust or with survivorship rights may follow a different process.

A will alone does not establish authority to sign a deed. Have the attorney and title company confirm the proper seller and documents.

Michigan personal representatives generally have powers to sell estate property without a separate court order, subject to restrictions, fiduciary duties, and exceptions. [1]

- Confirm probate or trust requirements.
- Review letters of authority and sale restrictions.
- Address liens, claims, deadlines, and distribution of proceeds.

Helpful professionals

You don’t have to navigate this alone. Depending on your situation, your team may include:

- Estate attorney
- CPA or tax advisor
- Real estate advisor and appraiser
- Title company
- Mortgage servicer and insurer
- Financial advisor
- Contractor or property manager
- Estate sale, organizing, and cleaning professionals

Review the numbers first

Inherited tax basis

Federal tax basis is generally the property's fair market value at the owner's death, with exceptions. It can move up or down; an inheritance does not automatically make a later sale tax-free. [2]

Ask your CPA about a date-of-death appraisal, basis records, improvements, selling costs, and who reports the sale. A current market analysis serves a different purpose from a retrospective appraisal.

Mortgage coordination

An inheritance does not erase the mortgage lien. Contact the servicer about payments, required documents, and successor-in-interest procedures. Do not assume refinancing is necessary or that ownership automatically makes you personally liable for the loan. [5]

Michigan property taxes

A transfer can uncap taxable value in the following year. Certain family transfers may qualify for an exception, depending on the relationship and use of the property. Ask the local assessor before assuming the current tax bill will continue. [3]

Ask when to file the Property Transfer Affidavit, generally due within 45 days of a transfer, and whether a principal residence exemption must be claimed or rescinded. Eligibility depends on ownership, occupancy, and other rules. [3, 4]

Coverage and carrying costs

Tell the insurer if the home is vacant, rented, or changes occupants. Paying the premium alone does not confirm appropriate coverage. Budget for utilities, winterization, taxes, insurance, debt payments, and necessary repairs. [6]

Move forward with a plan

Common mistakes to avoid

- Canceling homeowner’s insurance too soon
- Emptying the home before locating important documents
- Making major renovations before understanding market value
- Delaying necessary maintenance
- Ignoring tax implications
- Making decisions before all heirs understand their options
- Feeling pressured to sell immediately

Your next steps checklist

- ☐ Confirm legal authority and deadlines.
- ☐ Meet with a CPA about basis and reporting.
- ☐ Gather title and estate documents.
- ☐ Compare market value and likely net proceeds.
- ☐ Review debts, insurance, and tax changes.
- ☐ Discuss options and document agreements.
- ☐ Choose a path and build your team.

A conversation at your pace

Jessica Juel | Associate Broker, Real Estate Advisor, REALTOR®
Arterra Luxe | 248.878.1961 | jessica@jessicajuel.com
jessicajuel.com

Verified October 1, 2026. General education for Michigan property owners; not individualized legal, tax, or insurance advice. Confirm requirements with the appropriate licensed professional.

[1] Michigan Legislature: MCL 700.3711, 700.3715, and 700.3713 (authority and conflicts).
[2] IRS: Gifts and inheritances (basis and sale reporting).
[3] Michigan Treasury: Ownership and uncapping; Property Transfer Affidavit.
[4] Michigan Treasury: Principal Residence Exemption.
[5] CFPB: Inherited home and mortgage; 12 CFR 1024.30.
[6] NAIC: Vacant and unoccupied home insurance.
[7] Michigan Seller Disclosure Act: MCL 565.953.