

Breaking Down Foreclosure



So What Can You Do?

TO FIND OUT IF A PROPERTY OWES BACK TAXES:

Text "detroit" to 73224 to check the tax status of any Detroit property and connect directly with a journalist who can answer questions. You can also find tax info on the county Treasurers website.

TO FIND OUT WHO DOES, OR DID, OWN A PROPERTY:

Anybody can search the Wayne County Register of Deeds website for free by name or by address for a small fee. They have records of all foreclosures and most sales.

TO FIND OUT WHO OWNS THE COMPANIES BIDDING OR BUYING IN THE AUCTION:

You can search all registered companies by name at www.michigan.gov/lara but not everyone registers. If you need help finding out who is behind a company text "detroit" 73224.



November

Wayne county puts "yellow bags" on homes with tax foreclosure risk. It only takes one year of back taxes to be foreclosed, but that debt must be three years old. Owners can start getting on tax payment plans with the county this month.

March

Addresses without a payment plan are foreclosed by a state judge and are now owned by the county. If landlords collect rent after this date they need to keep the utilities on and make repairs.

March through June

The city and county decide if they want to keep any properties on the auction list — a privilege called "right of refusal"

June

To avoid auction set up a payment plan by the deadline early in the month or pay back tax in full by the end of the month.

July-August

Renters and land contract holders living in a home on the auction list can work with the United Community Housing Coalition to buy their house before the auction for a price they can afford.



September

Auction bidding starts online. Bidders pay a deposit of at least \$5K. Each round of the auction lasts a few days. The highest bidder wins the property.

October

Second round of the tax auction for properties not sold in September. The minimum bid for these properties is \$500.

October-November

Deeds are transferred from the county to the new owners. Yellow bags go out again for next year's tax auction. Foreclosed properties that were not sold are transferred back to the city of Detroit, to the Land Bank.

Detroit Foreclosure History And Why It Matters

IN THE 2017 AUCTION,
AN OCCUPIED HOME
ON 24TH STREET HAD

\$505
IN TAX DEBT

AND SOLD FOR
\$108K
IN THE AUCTION.

THE EXTRA \$107K WENT
TO THE COUNTY GENERAL
FUND, NOT TO THE FAMILY
WHO LOST THE HOUSE.



LAW CHANGES

State law changes. Any property with tax debt over three years old will now be auctioned off by the county or the state.

DETROIT ON SALE

In part because of the Great Recession, the tax auction was at its largest during these years. More than 15,000 Detroit properties were auctioned each of these two years. These low prices attracted investors from across the world.

HOUSING FLIPS

For the first time since 1950 more Detroiters became home renters rather than owners. In Michigan, when a home is sold at tax auction, the former owner gets no money back even if the auction price is more than the tax debt.

1999

2002

2012
TO
2013

2013

2017

2018

AUCTIONS BEGIN

Wayne County Treasurer's office held their first of these new tax auctions with 242 Detroit properties on the auction block.

LAND BANK GROWS

Any Detroit property not sold in the tax auction will now go to the Detroit Land Bank Authority, a city agency. The DLBA now owns more than 60,000 empty lots and close to 25,000 empty structures across the city. The land bank sells only about 1 in 100 of these homes. Most sit vacant for years.

WHERE ARE WE NOW

Just over 2,400 properties were sold at auction, half of them bought by the same 48 buyers. The 2018 tax auction was the smallest in years. Still, two and a half times more houses sold at auction than were bought with mortgages inside Detroit during the entire year.



**OUTLIER
MEDIA**

JOURNALISM YOU NEED
TEXTED TO YOUR PHONE