

If you work in or near Southfield, you sit in the center of one of southeast Michigan's strongest job corridors. The problem is that the housing market around it has tightened, and the combination of rising prices, higher interest rates, and solid but not spectacular wages has made it tough to find something that feels both comfortable and financially sane.

The good news: there are still pockets of genuine value within a reasonable commute. You just have to balance taxes, commute time, school districts, and the real cost of "cheap" homes.

This guide walks through those tradeoffs in practical terms, with actual numbers and examples pulled from how buyers, sellers, and builders are operating in Michigan right now.

## **What "Affordable" Really Means Near Southfield**

Before you chase the cheapest zip code, it helps to anchor what you can realistically afford. I see a lot of buyers looking at list prices without running the full monthly picture: mortgage, taxes, insurance, and utilities.

### **How much house can you afford on common Michigan incomes?**

Mortgage lenders still lean on a rule of thumb: total housing payment (principal, interest, taxes, insurance, and mortgage insurance if applicable) at or below roughly 30 percent of gross income. It is not a law, but it is a good safety rail.

Use that to translate a few common scenarios.

If you make \$3,000 a month

A frequent question is "How much should my mortgage be if I make \$3,000 a month?" Thirty percent of that is \$900. At current interest rates, \$900 per month usually supports a loan around the low \$100,000s if taxes are modest and you keep insurance lean. Around Southfield and Oakland County, where taxes and insurance run higher, you may be limited to closer to \$90,000 in loan amount unless you have a larger down payment. At this income, you are often looking at condos, small starter homes in outlying towns, or house hacking with a roommate to stay safe.

Can I afford a house on a \$40,000 salary?

Forty thousand a year is about \$3,333 a month before taxes. Using that same 30 percent rule, you are targeting about \$1,000 a month on the full housing payment. In much of metro Detroit, that typically supports a purchase in the \$130,000 to \$160,000 range with a reasonable down payment and average taxes. You can find that price point in pockets of older suburbs and in some of the hidden bargain towns we will talk about, but not in the most in-demand school districts.

Can I afford a 300k house on a 50k salary?

At \$50,000 a year, your gross monthly income is about \$4,167. Thirty percent of that gives you roughly \$1,250 for housing. At current interest rates, a \$300,000 house, even with a standard 5 percent or 10 percent down payment, often translates into a total monthly payment well above that target once you add Southfield-level taxes and insurance. To make \$300,000 comfortable on \$50,000 income, you either need a very low tax municipality, a much larger down payment, or other household income. Many buyers at this salary point end up in the \$200,000 to \$250,000 range, or they move farther out to find lower taxes and prices.

Can I buy a house with a \$90k salary?

With \$90,000 a year, your gross monthly income is about \$7,500. A 30 percent housing budget gives you \$2,250 per month. If you keep other debts modest, that can comfortably support a purchase in the \$350,000 to \$450,000 range in many parts of Michigan, depending heavily on taxes and how much you put down. In towns with lower millage rates than Southfield, you might stretch closer to the top of that range and still be within a safe budget.

Do most retirees have their home paid off?

Nationally, roughly half of homeowners reach retirement with their home fully paid off, and the other half still carry some level of mortgage or home equity debt. In Michigan, with our older housing stock and long-term owners, it may skew slightly more toward paid-off homes, but it is far from universal. Many retirees are downsizing, tapping equity, or even taking out a new mortgage in their 60s and 70s to get a more suitable home.

## **Credit, Down Payments, and Those Big-Mortgage Questions**

Several of the questions I hear most often involve big round numbers: \$900,000, \$1,000,000, or simply “how much down payment do I really need?”

What credit score is needed for a home loan?

Most conventional loans prefer a 620 or higher credit score. FHA will go lower, sometimes into the high 500s, but the pricing gets harsher, and you will pay more each month. Realistically, if you want competitive rates and a smoother approval, aim for 680 or above. For the best pricing, 740 and higher still matters.

How much of a down payment do I need for a \$1,000,000 house?

You do not technically need 20 percent, but if you are asking about a million-dollar purchase, most lenders and sellers will expect substantial skin in the game. At 20 percent, that is \$200,000 down. Some jumbo programs allow 10 percent down or even slightly less, but the monthly payment jumps, and the underwriting is more rigid. On a purchase that large, the real question is not “What is the minimum?” but “What keeps my monthly obligation at a level that lets me sleep at night?”

What is the monthly payment on a \$900,000 mortgage?

Assume a fixed 30 year loan at 7 percent interest, which is within the range we have seen in the mid 2020s. Principal and interest alone on \$900,000 comes out around \$5,990 per month. Once you add property taxes and insurance, you may be near \$7,000 or more, especially in high tax areas. Very few households in Michigan can support that comfortably unless their income is deep into the six figures. For most Southfield workers, these kinds of loans are simply not the relevant part of the market.

## **How Much Money Is Required for a 1500 sq ft House?**

The answer depends on whether you are buying an existing home or building new.

For an existing 1,500 square foot home in the broader Southfield commuting area, you might see prices from the mid \$100,000s in older, more distant towns up to the low \$300,000s in stronger suburbs, with Southfield itself and neighboring cities often landing somewhere in between. Location and condition matter more than square footage alone.

If you are asking what it costs to build a 1,500 sq ft house in Michigan, a reasonable working range for basic new construction (not high-end custom) might be in the ballpark of \$150 to \$225 per square foot, depending on finishes, site work, and utilities. That means roughly \$225,000 to \$340,000, before you buy the land and pay for

permits, utility hookups, and landscaping. In practice, you can get surprises in soil conditions, material spikes, or code requirements that push things higher.

What style is best for a 1500 sq ft house?

On lots found near Southfield, three styles are common at this size:

Ranch homes appeal to both young families and aging homeowners who want single-level living. They tend to cost a bit more per square foot because you need a larger foundation and roof for the same interior area, but they are easier to live in long term.

Two story colonials conserve land cost, give you a nice separation between living and sleeping spaces, and can feel larger than the square footage suggests when designed well.

Split levels and bi-levels are the budget workhorses. They use land and building materials efficiently and often trade at a discount compared with similar square footage in traditional ranch or colonial layouts, which can make them attractive for buyers stretching their dollars.

How many bedrooms should a 2000 sq ft house have?

In this region, 2,000 square feet typically supports three or four bedrooms. Three bedrooms with a more generous primary suite and larger common areas feel luxurious for many families. Four bedrooms appeal strongly to buyers who want a dedicated office or have more than two kids. If you are building for resale value near Southfield, a 4 bed, 2.5 bath layout around 2,000 square feet hits a wide demand sweet spot.

What is the most expensive part of building a house?

On paper, it often looks like finishes are driving costs, but on the jobsite the big-ticket structural and mechanical elements add up fast: excavation and foundation work, framing and roofing, mechanical systems (HVAC, plumbing, electrical), and, increasingly, site work and utility connections. Kitchens and baths are the most expensive rooms on a per square foot basis. When you see a builder's budget sheet, those categories are where five digit numbers stack up quickly.

## **Property Taxes: Southfield vs Its Neighbors**

Many buyers focus on list price and ignore taxes until late in the process. Around Southfield, property taxes can easily swing your monthly payment by several hundred dollars, which absolutely influences where the true bargains are.

Are Southfield property taxes high?

Southfield's millage rate sits on the higher side compared with the state average and with some outer-ring suburbs, but it is not the highest in the region. Detroit and several inner-ring communities in Wayne County often show higher effective rates, especially for non-homestead properties. Still, if you look at your potential payment, you will likely find that a \$250,000 house in Southfield can have a similar monthly tax bill to a \$300,000 house in a lower tax township.

Which counties in Michigan have the highest property taxes?

Historically, Wayne, Oakland, and Washtenaw counties rank near the top for effective property tax burdens, largely because values and millage rates are higher in their urban and inner suburban cores. Some smaller counties with strong resort or lakefront markets also have pockets of high taxes. In contrast, many rural and Upper Peninsula counties have lower tax burdens simply because land values and local spending are lower.

What city in Michigan has the cheapest property taxes?

There is no single permanent champion, because millage rates and assessments shift over time. Tiny rural townships scattered across the state regularly post the lowest effective rates. These tend to be places far from job centers, with longer winters and limited services. You might save serious money on taxes, but you will pay it back in time, gas, and fewer work opportunities. That is part of why "Where is the cheapest place to buy a house in Michigan?" has a complicated answer. Cheaper up north or in distant counties is very real, but it is only a bargain if it still fits your life.

How to not pay property tax in Michigan

There is no legal way to own real estate long term and never face property taxes. What you can do is reduce or, in certain hardship situations, temporarily eliminate your bill:

Homeowners can claim a Principal Residence Exemption on their primary home, which removes the school operating tax from your bill.

Many cities and townships offer a poverty exemption for low income homeowners; when granted, it can significantly cut the tax bill, sometimes to zero for a year.

Eligible disabled veterans may qualify for a full exemption on their homestead.

Seniors in some jurisdictions can apply for tax deferral programs, which postpone, rather than erase, property taxes until the property is sold or the owner passes away.

Who is eligible for the \$6,000 senior tax credit?

Michigan has made several attempts to adjust tax relief for seniors, including credits tied to age, income, and property taxes paid. The specifics and dollar amounts change as legislation changes. When you hear references to a \$6,000 senior tax credit, it usually points to a state level credit that factors in age 65 or older, Michigan residency, taxable income below a threshold, and a cap on the value of the home. The safest move is to talk with a local tax preparer or review the latest Michigan Department of Treasury guidance for the current year, because eligibility details and dollar limits move with each budget cycle.

## Hidden Bargain Towns Within Reach of Southfield Jobs

Within a 30 to 45 minute drive of Southfield, there are still towns where you can buy a livable house without feeding your entire paycheck to your mortgage and tax bill. The best bargains shift year by year, but several patterns hold.

Here are a few categories to focus on, with examples I routinely see pop up in home searches:

- Blue collar suburbs in southern Oakland and northern Wayne Counties

Think of areas just outside the "name brand" suburbs, where schools are solid but not top ranked statewide, and housing stock is 1950s to 1970s. These spots often offer 1,200 to 1,600 sq ft ranches and bungalows at a noticeable discount from neighboring hot zip codes, yet commute times to Southfield can be under 25 minutes.

- Older inner ring communities in western Wayne County

Cities like parts of Redford or Garden City can provide smaller, older homes at lower prices while still offering manageable commutes. Taxes vary, so run the numbers property by property, but total monthly costs often undercut Southfield even when the list price is similar.

- Farther out “commuter-friendly” towns along major freeways

When you follow I 96, I 75, or I 696 outwards, you hit townships where land was cheap, taxes remain moderate, and post 1980s construction dominates. You spend a bit more time in the car, but you often get a newer, slightly larger home for the same or less monthly outlay versus closer-in suburbs.

- Small cities in adjacent counties with lower tax loads

Head east into Macomb County or north toward Lapeer and Livingston and you encounter municipalities that consciously keep millage rates lower. Housing prices can be similar to Southfield, but the annual tax bill is noticeably smaller, which makes the true monthly payment more affordable.

- Up north or Thumb-region towns for remote workers and retirees

If your job does not require regular trips to Southfield, or you only need to be there a few times a month, “hidden bargains” open up across the Thumb, mid-Michigan, and the northern Lower Peninsula. Cash buyers and remote workers regularly find livable houses under \$150,000, sometimes under \$100,000. The tradeoff is distance, weather, and fewer local amenities.

Where is the cheapest place to buy a house in Michigan?

If you sort listings statewide, the very cheapest homes usually cluster in distressed neighborhoods of Detroit and Flint, struggling small towns with population loss, or rural pockets far from major employers. You can find properties advertised for a few thousand dollars, and occasionally less. Which leads to a question I hear constantly.

Can I buy a house in Detroit for \$1000?

Yes, you can sometimes find Detroit houses listed for \$1,000 or under through the Detroit Land Bank Authority or distressed private sales. But the purchase price is the smallest part of the story. Most of these properties need tens of thousands, often well over \$50,000, in repairs to be habitable and to pass city inspections for water reconnection [Home Improvement Southfield MI](#) and occupancy. You also have carrying costs: taxes, insurance, and in some areas, security measures. For a Southfield worker looking for an affordable primary home, chasing a \$1,000 house in Detroit rarely ends up cheaper than buying a modest but sound house for \$120,000 to \$170,000 in a more stable neighborhood.

## Popular Neighborhoods in Southfield, and Why Some Buyers Look Elsewhere

Inside Southfield itself, several neighborhoods draw consistent [Home Improvement Southfield MI](#) interest:

The area around Civic Center Drive and Evergreen appeals to professionals who want quick access to the office parks and Northland area redevelopments. Housing stock includes mid century ranches and newer condos.

The northwestern pockets near 12 Mile and Telegraph pull in buyers seeking a mix of residential quiet and easy freeway access, with larger lots than many newer suburbs.

Older subdivisions near 8 Mile give first time buyers a toe hold, but taxes, insurance, and sometimes deferred maintenance can offset the lower list prices.

Many buyers start their search in these popular neighborhoods, then expand outward when they realize that Southfield property taxes, while not the worst in the region, push their monthly payment higher than a slightly more distant township or city with a lower millage.

# Building vs Buying: Getting the House Right

Some Southfield area workers consider building as land becomes available in adjacent townships. Done well, this can yield a custom fit home and avoid some of the quirks of older housing stock. Done poorly, it can become a budget and stress sink.

What devalues a house most?

In this market, the top value killers are not cosmetic. They are structural and location driven: foundation problems, chronic water issues, proximity to heavy industrial uses or high crime pockets, and poor school ratings. Inside the house, chopped up layouts, extremely dated kitchens and baths, and obvious DIY electrical or plumbing work scare off buyers or force steep discounts. If you are hunting bargains, you want properties where the issues are ugly but fixable, not fundamental.

What not to skimp on when building a house

When budgets tighten on a new build or major renovation, I recommend cutting square footage or some finish choices before you touch these items:

- Foundation, drainage, and roofing system. Leaks and movement are the most expensive surprises later.
- Electrical and plumbing rough-in quality and capacity. Undersized or sloppy work here haunts you for decades.
- Windows, insulation, and HVAC. Comfort and utility bills define how a house feels and costs to live in.
- Kitchen and primary shower waterproofing and ventilation. Hidden moisture destroys value slowly.
- Driveway and basic grading. Poor access and standing water turn off buyers and damage the structure over time.

What should you not say to a builder?

The surest way to signal trouble is to tell a builder, "Do it as cheap as possible," without a clear, written scope and priority list. It is far better to say, "Here is my firm budget and the three things I care about most. Where can we simplify without risking long term problems?" Also, avoid casually promising "more projects later" as leverage. Builders have heard that line too many times. If you treat the initial job as a complete, stand alone project, you will get more honest pricing and fewer assumptions.

## Seniors, Mortgages, and Owning Later in Life

Can a 70 year old woman get a 30 year mortgage?

Yes. Federal law prevents lenders from discriminating based on age alone. The question is not how old you are, but whether you can demonstrate the income, assets, and credit profile to afford the payment for the foreseeable future. Many lenders routinely make 30 year mortgages to borrowers in their 60s and 70s, with retirement income, Social Security, pensions, and investments all eligible to count as income. What matters is the stability and documentation of that income, plus your overall debt picture.



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Can a 70 year old woman get a 30-year mortgage if she is retired?

Again, yes, if the math works. Lenders will look at your fixed retirement income, required minimum distributions if applicable, and sometimes use an “asset depletion” method, which treats a portion of your liquid assets as imputed income. For someone living near Southfield, this can be a viable strategy to downsize into a smaller, more efficient home closer to medical services and family, even if the new loan technically runs past your life expectancy.

Many retirees still strategically choose shorter terms, such as 15 or 20 year loans, to reduce interest costs, especially when downsizing from a larger, mostly paid off home.

## **Are There Signs of House Prices Dropping in 2026 in Michigan?**

No forecast is perfect, but we can look at fundamentals: job growth, new construction, population trends, and interest rates.

In southeast Michigan, job hubs like Southfield, Detroit’s core, Ann Arbor, and the I 75 corridor continue to attract employers, especially in tech, healthcare, and advanced manufacturing. New home construction is active but not at the surplus levels seen before 2008. That means supply and demand are roughly balanced to slightly tight in many submarkets.

If interest rates stay elevated, you may see flat or gently declining prices in 2025 and 2026 in some higher priced suburbs, especially for homes that need work. On the other hand, truly affordable homes tend to hold value better, because demand at the entry level remains strong. It is more realistic to expect sideways movement or modest fluctuations than a dramatic crash.

For buyers who need to move for work near Southfield, the healthier strategy is usually to focus on buying a home that fits a long term budget, in a location with enduring appeal, rather than trying to time a perfect price dip

in 2026. If prices soften slightly, resale value may dip for a few years, but the monthly savings of owning instead of renting in that period can offset small price shifts.

## **Tying It All Together: Finding Real Bargains Near Southfield**

True housing bargains are rarely simply the cheapest listings. They are homes where:

You can comfortably afford the payment on your actual income, not on stretched lender ratios.

Property taxes and insurance are understood and built into your budget.

The structure is sound, the layout functional, and any flaws are cosmetic or easily fixable.

The commute to Southfield or your main job center is tolerable over the long haul.

For some, this will mean a modest, older home in a less flashy suburb with lower taxes. For others, it may mean driving 15 or 20 minutes farther in exchange for a newer build or larger lot. A few will choose to build a 1,500 to 2,000 sq ft home on the fringe, paying close attention to what parts of the build they must not skimp on.

Finally, when people ask "Who owns the biggest mansion in Michigan?" they are usually thinking of grand estates like Meadow Brook Hall in Rochester or the Edsel and Eleanor Ford House in Grosse Pointe Shores. Both are now institutions, not private family homes. The contrast is instructive. Most Michigan families do not need or want a palatial estate. They want a solid, efficient, well located home that lets them build a life, not a monument.

If you keep your eye on monthly cost, tax load, commute, and future resale appeal, and you are realistic about your income, you can still find that kind of home within reach of Southfield's job base, without sacrificing your financial stability for a roof over your head.

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