

If you have driven through Detroit and Southfield lately, you have probably noticed two very different housing stories. Detroit still has scattered homes listed for a few thousand dollars, sometimes even near that famous “Can I buy a house in Detroit for \$1000” price point. Just up the Lodge or Telegraph, Southfield has stable neighborhoods, stronger schools, and property tax bills that make people wince but not panic.

So the question people quietly ask in consultations is simple: can I scoop up one of those cheap Detroit houses as an “investment” while I keep living a comfortable life in Southfield, MI? And if so, does that move you closer to owning a home outright by retirement, or deeper into a money pit?

I have watched people do both.

This article walks through what those \$1,000 Detroit deals really are, how they interact with Southfield life and taxes, and how to think about affordability more broadly for incomes like 40,000, 50,000, and 90,000 dollars a year. We will also touch on building versus buying, property tax questions that come up all the time in Michigan, and the bigger picture of planning for your later years.

What a “\$1,000 Detroit House” Actually Is

The short answer: the sale price is only the tip of the iceberg.

Most Detroit homes advertised around 1,000 to 5,000 dollars fall into a few categories. Bank owned foreclosures that have sat vacant for years. Tax foreclosure auctions where the previous owner could not pay property taxes and walked away. Heirs selling a property they have never visited and do not want.

On paper, the recorded sale might be 1,000 dollars. Practically, you are often looking at:

- Significant deferred maintenance or full gut rehab
- Back taxes, liens, or unpaid water bills that may exceed the sale price
- Neighborhoods with weak rental demand or high vacancy

A client once proudly told me they had “won” a Detroit auction property for under 2,000 dollars. By the time we pulled title work, caught up on a city demolition lien that had attached by mistake, replaced the collapsed porch, boarded windows, and dealt with illegal dumping on the lot, the “2,000 dollar deal” was closer to 18,000 dollars, and that was before making it truly habitable.

If you are curious whether “Can I buy a house in Detroit for \$1000” is literally possible, the answer is yes. Whether it is wise depends on how you value your time, your tolerance for risk, and your ability to manage a distressed property remotely from Southfield.

Can You Live in Southfield and Own a Cheap Detroit House?

You absolutely can, and many people do. The bigger question is whether it fits your goals.

Southfield offers a very different experience from much of Detroit. The city has a healthy mix of single family homes, condos, and townhomes. Commuting to the Southfield office corridor is easy. Services are fairly reliable. So when people ask, “Are Southfield property taxes high?” the honest answer is that compared with some national averages, yes, the millage rates and effective tax burden can feel heavy, but in context of Oakland County and the amenities, they are not outrageous.

What makes the Detroit plus Southfield combination tricky is mental bandwidth. From Southfield, you might be 20 to 30 minutes away from a Detroit property, but emotionally it can feel like another world. You handle your own home repair schedule, your job, your family, and now a distressed investment that may need constant supervision.

If you plan to hold the Detroit property as a rental, you need to treat it as a business. That means screening tenants, budgeting for higher turnover, and understanding you may have months with zero income while repairs or court issues play out. If you plan to rehab and sell, you are gambling on your ability to manage a project in a city where permitting, inspections, and contractor reliability are all very local. Experience matters more than any spreadsheet.

For someone living comfortably in Southfield, it often makes more sense to buy a modest but solid Detroit property at 40,000 to 70,000 dollars in a stable pocket, instead of chasing the 1,000 dollar “deal” that becomes a money sink.

Pros and Cons of the \$1,000 Detroit Strategy

Here is a compact look at the potential upside and the real friction points if you try to live in Southfield while owning a very cheap Detroit house.

1. Potential pros

A tiny purchase price can multiply your return percentage if the neighborhood improves and you manage to stabilize the property. You get a low barrier to entry for first time investors who cannot yet afford Southfield prices. The experience of managing a tough project can be valuable if you want to grow into real estate as a side business.

2. Potential cons

Rehab costs can exceed what the home will appraise for, especially in blocks with widespread vacancy. Financing is difficult, since lenders rarely touch properties in that condition, so you rely on cash or high interest private loans. Your time and stress load climb, particularly when you live in another city and work a full time job. Resale can be slow in weak markets, even if the house looks nice, because buyers worry about surrounding conditions.

If you view a cheap Detroit house as a lottery ticket, do not buy it. If you approach it as a demanding project with realistic numbers and a backup plan, then it can be part of a larger portfolio, but not a shortcut.

Understanding Southfield Housing: Neighborhoods, Taxes, and Value

People considering this strategy often already live in Southfield or are house hunting there. They ask two types of questions: “What are the popular neighborhoods in Southfield?” and “Are Southfield property taxes high compared with other areas?”

On neighborhoods, a few areas come up often in buyer conversations. Evergreen and 10 Mile, with its mix of classic mid century ranches and colonials. The Northland area, where redevelopment and access to freeways draw commuters. Sections near Lahser and Twelve Mile, with larger lots and more quiet streets. Prices vary block by block, but many buyers like Southfield because they can get a brick 3 bedroom ranch at a lower price than comparable homes in northern Oakland County cities.

On taxes, Southfield sits in Oakland County, which historically ranks among the Michigan counties with the highest property taxes. Washtenaw and Wayne often appear in that discussion as well when you look at effective tax rates relative to home values. The twist is that cities like Detroit can have very high millage rates, but low

property values, which means the tax bill in dollars can still be manageable. Southfield, with stronger property values, produces larger absolute bills for a similar millage.

The question "What city in Michigan has the cheapest property taxes?" does not have a simple answer. Many of the lowest burdens show up in rural northern counties, where property values are lower and local governments levy fewer mills to fund services. But cheap taxes often go hand in hand with longer drives, fewer services, and limited job markets. Moving purely for cheaper taxes can save on the bill, yet cost you more in commuting or lost opportunities.

Affordability: Can I Buy a House with My Salary?

Once people start comparing Detroit fixer prices and Southfield move in ready prices, the next step is personal affordability. I hear variations of the same questions constantly.

Can I buy a house with a 90k salary?

The advertisement is set against a white background with blue decorative shapes on the right and bottom. At the top left is the Alexandria Home Solutions logo, which consists of a blue stylized house icon above the word "ALEXANDRIA" in a serif font and "HOME SOLUTIONS" in a smaller sans-serif font below it. Below the logo, the text "HOME IMPROVEMENT" and "SOUTHFIELD MI" are written in large, bold, blue, all-caps sans-serif font. Underneath this, "Alexandria Home Solutions" is written in a blue sans-serif font. Below the company name, the address "24293 Telegraph Rd #180, Southfield, MI 48033", the phone number "248-809-3214", and the website "https://www.alexandriahomesolutions.com/" are listed in a smaller black sans-serif font. To the left of the text is a square QR code. To the right of the text is a circular inset image showing a wooden deck with a railing, outdoor furniture, and potted plants.

Can I afford a house on a 40,000 salary? Can I afford a 300k house on a 50k salary?

Lenders typically apply a few rough guidelines. Your total housing payment, including principal, interest, taxes, and insurance, should ideally sit at or below 28 to 30 percent of your gross monthly income. Your total debt, including car loans, student loans, and credit cards, should stay under 40 to 45 percent of gross income for conventional approval. These are not absolute laws, but they shape what you hear from underwriters.

A simple way to translate that into monthly payments: if you make 3,000 dollars a month, "How much should my mortgage be if I make \$3,000 a month?" usually points to a safe housing payment of roughly 900 to 1,000 dollars, depending on other debts. That total includes taxes and insurance, not just the loan.

Someone earning about 40,000 dollars a year, or around 3,300 per month before taxes, might comfortably carry a total housing cost near that 1,000 range, assuming limited additional debt. That makes a 150,000 dollar house plausible in many Michigan markets if they have a solid down payment and good credit. Stretching well beyond that tends to put pressure on every other part of the budget.

On a 50,000 salary, which comes out to just over 4,100 dollars per month, the question "Can I afford a 300k house on a 50k salary?" is tougher. Taxes and insurance in Southfield or nearby suburbs push the payment higher, often into territory that consumes well over a third of gross income. With minimal debts and a substantial down payment, a lender might technically approve it, but from a financial planning standpoint it is aggressive. Most households in that bracket are more stable with home prices in the 200,000 range, not 300,000.

A 90,000 dollar salary is different. Around 7,500 dollars per month gross gives room for a 2,000 to 2,300 dollar total housing payment without strangling the rest of the budget. That often comfortably supports a 350,000 to 450,000 dollar home in Michigan, depending on taxes, down payment, and rate. So yes, the answer to "Can I buy a house with a \$90k salary?" is almost always yes, provided your debts and credit are in reasonable shape.

How Much House Can You Afford at the High End?

At the other end of the spectrum, some readers eye bigger purchases. They ask about the monthly payment on a \$900,000 mortgage or how much of a down payment they need for a \$1,000,000 house.

For a 900,000 dollar loan, ignoring taxes and insurance, a 30 year fixed at a mid to high single digit interest rate might run somewhere in the 5,500 to 6,500 dollars per month range, depending on the exact rate and whether you pay points. Once you add Michigan property taxes on a house in that price band, plus homeowners insurance, you could easily see total monthly costs in the 7,000 to 8,000 dollar range.

For a 1,000,000 dollar home, most conventional lenders want at least 20 percent down, which means a 200,000 dollar down payment. In practice, jumbo loans often lean toward higher down payments and stricter documentation. So the answer to "How much of a down payment do I need for a \$1,000,000 house?" is that 20 percent is the bare minimum in most cases, and 25 to 30 percent will open more options.

Michigan does have properties in this range, from lakefront estates in Oakland County to significant homes in places like Bloomfield Hills and Grosse Pointe. The biggest private mansions in Michigan rarely hit the public market. When people ask, "Who owns the biggest mansion in Michigan?" they usually refer to a handful of large estates associated with well known business families. Ownership details and exact square footage change over time, and much of that information is private or speculative, so it is wise to treat the rumors you hear with caution.

Building versus Buying: Size, Layout, and Real Costs

If you are comparing a cheap Detroit rehab with building new somewhere cheaper, you need to understand building economics.

First, "How much money is required for a 1500 sq ft house?" varies enormously. In Michigan, a basic but decent 1,500 square foot new build on your own lot often lands somewhere in the 175 to 250 dollars per square foot range for total project cost, which translates to roughly 260,000 to 375,000 dollars. Custom finishes, challenging sites, and higher end mechanical systems can push that number significantly higher.

People also ask "What style is best for a 1500 sq ft house?" There is no single best answer, but one story ranches with an open kitchen living area, 3 bedrooms, and 2 baths tend to live very well in that square footage. Two story plans can feel larger because you divide living and sleeping areas, but they introduce stairs and sometimes more

wasted space in hallways. In Michigan, ranch styles remain popular with both younger families and aging homeowners because they are easier to navigate and maintain.

For a slightly larger home, “How many bedrooms should a 2000 sq ft house have?” comes up. A smart target is usually 3 or 4 bedrooms, depending on whether you also want a dedicated office. A 2,000 square foot house with 5 bedrooms often feels cramped; the rooms get tiny, and storage suffers. Resale wise, 3 bedrooms plus a flexible office or den space tends to attract the broadest market.

When building, the question “What is the most expensive part of building a house?” is fair. Structural and mechanical systems dominate the budget. Foundations, framing, roofing, and windows consume huge chunks of money, followed closely by HVAC, electrical, and plumbing. Kitchens and bathrooms are expensive per square foot, but in overall dollars the shell and systems of the house often win. Skimping on structure, insulation, or mechanicals is short sighted. If you are looking for areas where you “What not to skimp on when building a house,” put framing, roofing, windows, insulation, and mechanical systems at the top of the list. Cosmetic items can be upgraded over time. Rebuilding a failed roof or undersized HVAC system is far more painful.

On the flip side, many things can devalue a house quickly. The question “What devalues a house most?” often surprises people. Neglect is the top culprit. Roof leaks left unrepaired. Water in the basement. Peeling exterior paint. Over time, these lead to rot, mold, and structural issues that spook buyers and appraisers. Wildly personalized remodels that ignore function are a close second. Converting a garage to an extra bedroom without proper permits, or eliminating a kitchen dining area to install a huge bar, might suit one owner yet damage resale value.

Property Taxes, Credits, and the Senior Years

Everyone wants a way to “How to not pay property tax in Michigan,” but that is not a realistic goal for most people. Property taxes fund schools, roads, police, and fire services, so total avoidance is not on the menu. There are, however, legitimate ways to reduce or manage the burden, especially for older homeowners and those with low incomes.

Michigan offers a homestead exemption that caps taxable value growth on your primary residence and prevents you from paying school operating taxes. There are also poverty exemptions administered locally that can reduce or eliminate property taxes in hardship situations, though they require documentation and annual application.

The question “Who is eligible for the \$6,000 senior tax credit?” touches on evolving policy. Michigan has periodically adjusted its treatment of retirement income and property tax credits for seniors. Programs and dollar thresholds change as laws are updated, and not every county or city administers relief the same way. Anyone approaching or past retirement age should speak directly with a tax professional or local assessor’s office to understand current senior credits, homestead exemptions, and poverty exemptions in their jurisdiction.

Another concern is whether a “70 year old woman can get a 30 year mortgage.” The answer is yes. Under federal fair lending laws, lenders cannot discriminate based on age as long as the borrower can demonstrate capacity to repay. So, “Can a 70 year old woman get a 30-year mortgage?” is straightforward in principle. The bank will look at income, assets, credit, and debts, not age. Some older buyers choose shorter terms because they prefer to be debt free sooner, but it is not a legal requirement.

Which leads to the question, “Do most retirees have their home paid off?” Many do, but not all. National data suggests a growing share of retirees carry mortgages or home equity loans into retirement, either from buying later in life or tapping equity for other purposes. From a risk management perspective, entering retirement with a paid off primary home gives you flexibility. Your biggest fixed expense drops dramatically, and property taxes,

insurance, and maintenance become the main housing costs. That is one reason some people look for lower tax areas or downsize to a smaller, efficient 1,500 square foot layout as they approach retirement.

Michigan Market Outlook: Will Prices Drop by 2026?

People are understandably nervous about buying at the wrong time. “Are there any signs of house prices dropping in 2026 in Michigan?” comes up in almost every seminar I teach.

Forecasting specific price movements in a single year is guesswork. Michigan’s housing market hinges on local job conditions, interest rates, construction levels, and demographic trends. Some regions, especially those heavily tied to a single industry, are more volatile. Others, like established suburbs with limited building capacity and steady job bases, tend to hold value better.

Most professionals focus less on timing the peak and more on buying within a comfortable budget, in a location with resilient demand. If interest rates fall by 2026, buyers might afford more house, which supports prices. If a recession hits and unemployment rises, demand could soften. Both scenarios are plausible. The safer strategy is building in a margin of safety: choose a payment that works today, avoid maxing your budget, and do not bank on rapid appreciation to bail out an overextended purchase.

Credit Scores, Lenders, and Talking to Builders

“What credit score is needed for a home loan?” depends on the type of loan. Conventional lenders often want scores in the mid 600s or higher, with the best rates typically reserved for scores in the 740 and up range. Government backed programs can approve lower scores, sometimes down to the low 600s or even upper 500s, but those come with higher costs, stricter documentation, or both. In Michigan, where prices are generally more moderate than the coasts, moving a score from the low 600s into the 700s can meaningfully change what you qualify for and your monthly payment.

For those building rather than buying existing homes, interactions with contractors matter as much as interest rates. “What should you not say to a builder?” is almost a joke question, but there is a serious undercurrent. Avoid promising a larger budget than you have in an attempt to get attention. Do not say “Just do it the cheapest way” without clear specifications, because the cheapest way may mean shortcuts in areas you later regret. Also avoid telling a builder that permits or inspections are unnecessary or that you expect them to work around codes. Reputable builders will walk away from that kind of client, and the ones who stay may expose you to future legal and safety problems.

Clear, documented expectations and respect for the process do more to protect you than any aggressive negotiation tactic.

Where Is the Cheapest Place to Buy in Michigan?

The question “Where's the cheapest place to buy a house in Michigan?” has two parts: sticker price and carrying cost.

If you are looking at sticker price only, many small towns and rural counties in the Upper Peninsula and northern Lower Peninsula have homes that sell for far less than anything you will see in Southfield or Detroit, often well under 150,000 dollars for liveable properties. Some older houses in smaller downstate communities also fall into similar ranges.

However, extremely cheap areas sometimes struggle with job growth, healthcare access, and school quality. Long commutes, limited amenities, and older housing stock with hidden maintenance needs can eat up the savings. Also, while local tax rates might be lower, incomes in those communities are often lower as well, so the burden feels similar.

When deciding between a distressed 1,000 dollar house in Detroit and a modest but sound home in a cheaper region of Michigan, ask yourself what problem you are actually trying to solve. Are you hunting for a bargain [Home improvement services Southfield MI](#) for its own sake, or building a stable base for your life and retirement?

Making the Southfield plus Detroit Decision

If you live in or near Southfield, and you are intrigued by the possibility of snagging an ultra cheap Detroit house, frame your decision this way.

First, picture your lifestyle in five to ten years. Do you want your evenings and Saturdays to involve contractors, city inspections, and tenant calls from a distressed neighborhood? Some people thrive on that work. Others resent it within a year.

Second, run honest numbers. Include not just the purchase price, but realistic rehab costs, carrying costs during vacancy, insurance higher for distressed or vacant properties, and local taxes. Compare that to putting the same money toward extra principal payments on your Southfield mortgage, or toward a down payment on a smaller, more stable rental property.

Third, factor in aging. If you are in your 50s or 60s and asking whether you can still get a 30 year mortgage, the answer is yes. But ask also whether you want to be managing a troublesome rental at 75. Many older clients ultimately wish they had bought one solid, smaller home in a decent tax area and kept it in excellent condition, rather than chasing too many “deals.”

Finally, remember that real estate choices are as personal as they are financial. A 1,500 square foot ranch in Southfield with predictable taxes and a manageable payment might not sound as exciting as a 1,000 dollar Detroit house. Yet over decades, the steady, boring choice often wins.

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