

For most Michigan homeowners, the mortgage is not what keeps them awake at night. It is the property tax bill. You can refinance a mortgage, stretch the term, or pay it off early. Property taxes sit there, year after year, climbing quietly in the background.

If you are looking at Southfield and wondering whether its taxes are high, or you are trying to choose between Oakland County and a cheaper rural county, you are really asking one core question: how does my tax bill change if I move?

I will walk through that question using real numbers, Michigan's specific rules, and some lived experience watching Southeast Michigan buyers discover the true cost of ownership long after closing.

## **How Michigan property taxes actually work**

Before comparing Southfield to other counties, it helps to understand the moving parts of a Michigan property tax bill. If you skip this step and just compare "millage charts" off Google, you will confuse yourself.

Three pieces matter most:

First, taxable value. For a primary residence, taxable value is roughly half of the market value when you buy, but it is capped after that. Under Proposal A, taxable value can only increase by the inflation rate or 5 percent a year, whichever is lower, until you sell. When ownership transfers, uncapping happens and taxable value jumps up to match current market reality. That is why the long-time neighbor in a similar Southfield ranch may pay far less tax than you would if you bought the same house today.

Second, the millage rate. A "mill" is \$1 of tax per \$1,000 of taxable value. Cities, townships, counties, school districts, community colleges, and various authorities all stack their mills on top of each other. Southfield's total millage is higher than many suburbs, partly because it has both city and school needs, plus county and regional levies. High-tax counties typically have a combination of strong school millages, county services, and city or township add-ons.

Third, exemptions. If the house is your primary residence, you can claim the Principal Residence Exemption, sometimes called the homestead exemption. This knocks off the school operating millage on your tax bill, which is hefty. There are also special exemptions and credits for low-income households, seniors, and disabled homeowners that we will get to later when we talk about how to not pay property tax in Michigan, or at least how to reduce it.

Once you see those three parts, the rest of the comparison across counties starts to make sense.



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**Alexandria Home  
Solutions**

24293 Telegraph Rd #180, Southfield, MI 48033  
248-277-5700  
<https://www.alexandriahomesolutions.com/asphalt-roofing/>



## Are Southfield property taxes high?

Short answer: yes, Southfield sits on the higher side for Michigan, especially compared with rural counties and many smaller suburbs, but it is not an outlier within Oakland County.

In practice, there are two reasons people feel Southfield taxes in their wallet.

The first is the combined millage rate, which is relatively high. The second is Oakland County home values. Even a modest brick ranch in a popular Southfield neighborhood can carry a taxable value that keeps the annual bill in the 5,000 to 8,000 dollar range if you are buying now rather than inheriting an old capped value.

If you are comparing Southfield to Birmingham or Bloomfield, your tax rate might be similar or a bit lower, but the purchase price in those cities is often much higher. So the actual annual tax bill in Southfield can be lower even if the rate looks stiff.

Where people get nervous is when they compare Southfield to low-tax townships in places like Livingston County, or to rural counties in the northern Lower Peninsula where homes cost less and millages are lighter. If you are relocating from those areas, Southfield will almost certainly feel high.

## How Southfield compares with high-tax Michigan counties

When someone asks, "Which counties in Michigan have the highest property taxes?" the answer depends on whether you look at the rate, the average bill, or taxes as a percent of home value.

Counties that usually show up near the top in at least one of those categories include Wayne, Oakland, Washtenaw, Genesee, Ingham, and a cluster of mid-Michigan counties with relatively high rates and modest

values. Wayne County, for example, mixes very high millage in parts of Detroit and its inner suburbs with lower home values, which produces some of the highest effective tax burdens relative to value in the state.

Here is how Southfield, in Oakland County, tends to compare:

### Wayne County

Detroit's city millage is heavy, and many inner-ring suburbs like Harper Woods or River Rouge layer on additional school and city levies. For a buyer today, a house in Southfield can have a similar or slightly lower tax rate than some Detroit neighborhoods, but the taxable value resets higher because Southfield home prices have climbed. That means the dollar amount you pay might actually be comparable, even if the house is smaller.

### Washtenaw County

Ann Arbor and its surrounding communities support strong public services and schools, and residents pay for that. High market values plus solid millage put average property tax bills near the top in the state. If you are moving from a 500,000 dollar house in Ann Arbor to a 350,000 dollar house in Southfield, your tax bill may drop, even if the rate is similar, simply because the base value is lower.

### Genesee and Saginaw Counties

These mid-Michigan counties have high millage rates combined with lower home values. Buyers sometimes assume their taxes will be low there because homes are cheaper. The bill may be lower in dollar terms, but not always as low as you would expect once you look at the percentage of home value. If you come from Flint or Saginaw to Southfield, your tax as a percentage of value may be similar, but the absolute bill will usually rise because you are moving into a higher-priced market.

### Oakland County suburbs

Within Oakland County itself, Southfield's effective tax rate is on the higher side, but not uniquely so. Cities like Oak Park and Hazel Park often show similar or even higher tax burdens relative to value, while places like Troy or Novi have somewhat lower total millage but higher average sale prices. Buyers who choose Southfield often do so because they like the central location, the diversity, and the range of housing styles, and they accept the tax bill as the price of that mix.

The key is to run actual numbers for your price point, not just compare county labels. A 275,000 dollar colonial in Southfield and a 275,000 dollar ranch in a neighboring city can carry tax bills that differ by more than a thousand dollars a year, even within the same county.

## What your property tax bill looks like when you move

Let us ground this in a couple of simple, realistic scenarios. These are approximations based on typical millage patterns, rounded to keep the math readable. Actual numbers will vary by exact location and year, but the relationships hold up.

### Scenario A: Moving from Detroit to Southfield

Say you are in Detroit in a house worth 150,000 dollars, which you have owned for ten years. Because of Proposal **Home Improvement Southfield MI A**, your taxable value might be only 80,000 dollars. At a combined Detroit rate that puts you, for example, roughly in the 70 to 80 mills range, your annual bill might be in the ballpark of 5,600 to 6,400 dollars.

You sell and buy a 250,000 dollar house in Southfield. Your taxable value uncaps and starts at roughly 125,000 dollars. Southfield's total millage **Home Improvement Southfield MI** for a homestead is lower than Detroit's

peak, but still substantial. If we use a rough example of something like 60 to 65 mills, your annual bill might land somewhere between 7,500 and 8,200 dollars to start.

So you moved to a more expensive house in a suburb with a moderately high rate, and your yearly tax bill climbed by maybe 2,000 dollars. However, as you stay longer, Southfield's taxable value growth is capped, and the bill's rate of increase becomes more predictable.

Scenario B: Moving from Ann Arbor to Southfield

You are in a 500,000 dollar Ann Arbor home with a taxable value around 250,000 dollars. With strong school and city millages, it is easy for that bill to live in the 10,000 to 12,000 dollar range. You decide to downsize to a 350,000 dollar house in a popular Southfield neighborhood. Your new taxable value is about 175,000 dollars.

Even with Southfield's higher effective rate than some Oakland suburbs, you might see that tax bill drop into the 8,500 to 9,500 dollar range. The move to Southfield actually saves you property tax dollars year over year, even though the city has a reputation for being "expensive."

These are the kinds of trade-offs you need to model with a local tax estimator or by asking the city assessor's office for millage and typical bills on comparable homes.

## **Popular Southfield neighborhoods and what you pay for**

When people ask, "What are the popular neighborhoods in Southfield?" they usually have a second question hiding behind it: which areas feel worth the tax bill?

Some of the consistently sought-after areas include older brick ranch neighborhoods in central Southfield, clusters of larger colonials closer to the Beverly Hills and Lathrup Village borders, and pockets near major employers that offer quick commutes. You also have condominium complexes that appeal to downsizers and first-time buyers who are trying to keep overall costs manageable.

Taxes tend not to vary wildly within the city based purely on neighborhood, since the core millage is the same. Where they vary is on value. That three-bedroom brick ranch that sells for 260,000 will carry a very different tax load than a five-bedroom colonial at 450,000, even if they are a couple of miles apart.

If you are choosing between Southfield and another Oakland County city, pay attention not only to advertised millages, but also to where values are headed. A neighborhood on the rise in Southfield might mean higher initial taxes but better appreciation, which can matter when you sell.

## **Where is property tax cheapest in Michigan?**

If your priority is finding the cheapest place to buy a house in Michigan and you focus heavily on property tax, you are usually looking at rural counties with both low values and lighter millage.

When people ask, "What city in Michigan has the cheapest property taxes?" they often mean, "Where will my overall tax burden feel the smallest?" There is no single definitive winner, but many of the least expensive bills show up in small townships and villages in northern and central Michigan. Counties in the Upper Peninsula and some sparsely populated counties in the northern Lower Peninsula often have the lowest combination of home prices and tax rates.

You can find houses in those regions where the total annual tax bill is under 1,500 dollars on a modest home, sometimes under 1,000, because the market values are so low to begin with. The trade-off is very different job markets, school systems, and access to amenities compared with Southfield or other Metro Detroit communities.

If you seek very low taxes within Southeast Michigan, some exurban townships in Livingston or Lapeer Counties can be more forgiving, though land and commuting costs will offset some of what you save on taxes.

## **Can you avoid paying property tax in Michigan?**

The phrase “How to not pay property tax in Michigan” shows up in searches a lot, but for most homeowners, the honest answer is that you cannot avoid it entirely, and you should not plan on it. Property taxes fund local schools, police, fire, and basic services. However, you may be eligible for sizable reductions or credits.

At the state level, Michigan has a Homestead Property Tax Credit program. It helps low to moderate income homeowners and renters by giving back a portion of property taxes (or the property tax portion of rent) if your tax bill is high relative to your income. The credit has different rules for seniors and disabled households and is subject to income and property value caps that are adjusted from time to time.

A lot of people ask, “Who is eligible for the 6,000 dollar senior tax credit?” There is not a single widely recognized Michigan credit that hands every senior a flat 6,000 dollars, so that phrase may be mixing older program numbers or proposals with current law. What actually exists are credits and exemptions that can reduce your effective bill by hundreds or sometimes thousands of dollars if your income qualifies. Always confirm the current rules with the Michigan Department of Treasury or a tax professional, because these programs change over time.

On the local side, some municipalities and counties offer poverty exemptions, hardship deferrals for seniors, or payment plans. Many older homeowners quietly use those when property taxes start to eat up too much of a retirement budget.

There are also exemptions for 100 percent disabled veterans and their surviving spouses, which can eliminate property tax on a primary residence. If that might apply to you, it is absolutely worth the paperwork.

But outright “not paying” with no legal basis will lead to liens, penalties, and eventually foreclosure. Detroit’s tax foreclosure crisis is a stark example of what happens when property tax becomes disconnected from residents’ ability to pay and people try to ignore the bill.

## **How income, mortgages, and taxes fit together**

A lot of the common questions about income and house prices come back to one issue: what can I safely afford once mortgage, insurance, and property taxes are all stacked up?

The old rule of thumb says housing should not exceed about 28 to 30 percent of your gross income, with total debt payments under 40 to 43 percent. Lenders use similar ratios, though their exact cutoffs vary.

If you ask, “Can I buy a house with a 90k salary?” the reply is that many people in Michigan do, but what you can comfortably afford depends heavily on your debts and your tax environment.

Say you make 90,000 dollars a year, have modest other debts, and buy a 350,000 dollar home in Southfield with property taxes of roughly 8,500 dollars a year and homeowner’s insurance of maybe 1,500 dollars. If you put 10 percent down and take a 30-year fixed mortgage at a mid-range interest rate, your principal and interest might fall around 2,000 to 2,100 dollars a month. Add taxes and insurance (roughly 830 dollars a month combined) and your total house payment sits near 2,900 dollars.

If your gross monthly income is 7,500 dollars, you are near 39 percent for housing alone, before car loans or student loans. That may pass underwriting if your other debts are minimal, but it will feel tight if you are supporting a family on that income.

When someone says, "How much should my mortgage be if I make 3,000 dollars a month?" you are clearly in a very different bracket. A safe target might be a total housing payment in the 800 to 900 dollar range, which is extremely hard to hit on a purchase in Southfield or any popular Metro Detroit suburb right now. That is where smaller markets, condos, or even manufactured homes in lower-tax counties can make more sense.

For bigger purchases, the stacking effect becomes obvious. The monthly payment on a 900,000 dollar mortgage, even at a favorable interest rate, often runs in the range of 5,000 dollars or more once you add Michigan property taxes and insurance on a high-end property. At that level, slight changes in millage or taxable value make thousands of dollars of difference over the life of the loan.

## **Salaries, price points, and realistic expectations**

When you strip away marketing, the salary-and-house-price questions tend to fall into a few patterns.

If you wonder, "Can I afford a house on a 40,000 dollar salary?" the honest assessment for Southfield and similar suburbs is that buying a detached home is extremely difficult unless you have a big down payment or very low other debts. Condos in lower price ranges or houses in less expensive counties are more feasible. Property taxes matter here because even a modest tax bill of 4,000 dollars a year means you are sending around 330 dollars a month to the local treasurer before you pay a penny of principal.

"Can I afford a 300k house on a 50k salary?" starts to bump against the same ceiling. Your gross monthly income is about 4,167 dollars. A total housing payment around 1,200 to 1,300 dollars is healthy at that income, but a 300,000 dollar home with Michigan taxes and insurance can easily sit closer to 2,200 or more each month. In a high-tax environment, that is not sustainable unless you have either extra income in the household or exceptional savings.

A better way to approach it is to decide what monthly payment you can comfortably absorb without stretching, include a realistic property tax estimate for your target area, and then work backward to a price range. You can then decide whether Southfield or one of the high-tax counties fits that budget, or whether you should expand the search to lower-tax regions.

## **Credit scores, age, and mortgages in retirement**

Two common fears for older buyers come up repeatedly: "Can a 70 year old woman get a 30 year mortgage?" and "Do most retirees have their home paid off?"

Federal fair lending rules prevent lenders from denying a mortgage solely on the basis of age, as long as the person has the income and credit to qualify and is likely to be able to meet the terms. Yes, a 70-year-old woman can get a 30-year mortgage in Michigan if she qualifies on income, assets, and credit, the same as anyone else. The question is not "Is it allowed?" but "Does this debt structure make sense for my retirement?"

Plenty of retirees still carry mortgages. Some choose to keep cheap fixed-rate loans and invest extra cash elsewhere. Others carry a small balance into retirement because they bought later in life or cashed out equity for other reasons.

Credit score requirements for a home loan vary by lender and loan type, but most conventional loans start to get comfortable around 680 and up, and become easier at 720 or higher. FHA loans can work with lower scores, sometimes in the 580 range, but you will typically pay more in mortgage insurance and might hit tighter debt-to-income caps. In a high-tax city, keeping your other debts small can matter more than squeezing out an extra 20 points of credit score.

## **Building vs buying: costs, style, and what not to skimp on**

Some people look at Southfield's older housing stock and think, "I will just build new where land is cheaper, maybe in a lower-tax county." That is possible, but not always cheaper, especially when you factor in construction costs.

If you are asking, "How much money is required for a 1500 sq ft house?" think in ranges. In Michigan, a modest 1,500 square foot home might cost anywhere from 180,000 to 350,000 dollars to build, depending on land, utility hookups, finishes, and design complexity. Construction costs per square foot vary widely, and that range does not include the price of the lot, which alone can rival property tax savings over many years.

People often ask, "What style is best for a 1500 sq ft house?" From a cost standpoint, simple shapes and straightforward rooflines are your friends. A compact two-story can give more usable space on a smaller footprint, which may cut foundation and roofing costs. A well-designed ranch with an efficient layout works well too, but more feet of foundation and roof usually cost more per square foot.

"What's the most expensive part of building a house?" surprises some folks. They expect fancy kitchens, but on many builds, the biggest chunks fall into structure and systems: excavation and foundation, framing, roofing, and mechanicals like HVAC, plumbing, and electrical. High-end finishes add up too, but you can always upgrade countertops in five years. Fixing a bad foundation or undersized HVAC later is painful.

If you are debating, "What not to skimp on when building a house," think about anything that affects safety, durability, or long-term efficiency: the building envelope, insulation, windows, roofing, and mechanical systems. Cutting corners there can devalue the house and raise monthly costs, which defeats the purpose of moving to a lower-tax area in the first place.

A common planning question is "How many bedrooms should a 2000 sq ft house have?" For resale, three good bedrooms is a minimum; four is often ideal for families in Michigan suburbs. In some markets, a well-designed three-bedroom plus an office works just as well. If you cut so much bedroom space that you hurt resale, you can undo any savings you achieved on square footage.

## **What devalues a house, regardless of taxes**

When you weigh high-tax Southfield against cheaper rural counties, remember that what devalues a house most rarely shows up on the millage chart. Persistent water problems, poor maintenance, shoddy DIY additions, bad layouts, and homes that are wildly out of step with their neighbors' condition will drag value down hard.

Even in lower-tax counties, a house that has been neglected, sits next to chronic nuisance properties, or lies far from jobs and services can lose appeal quickly. Buyers are willing to tolerate higher taxes in Southfield and similar cities if they feel they are getting solid schools, convenient commutes, and stable neighborhoods in return.

On the new construction side, one underrated risk is your relationship with your builder. People sometimes ask, "What should you not say to a builder?" The broader point is to avoid vague language or open-ended "do whatever is cheapest" directions. Those can lead to lowest-bid materials in places you cannot see, which affects durability and future resale. Clear specifications and written change orders matter as much as picking cabinet colors.

## **Detroit bargains, tax auctions, and the 1,000 dollar house myth**

"Can I buy a house in Detroit for 1,000 dollars?" periodically goes viral, especially when the Wayne County tax auction hits headlines. Technically, yes, you can sometimes acquire a structure for that price or even less. But a 1,000 dollar purchase price is not the same as a 1,000 dollar home.

Properties that sell for that little often have substantial back taxes if not cleared first, large repair needs, clouded title issues, or all three. You might spend 50,000 to 100,000 dollars on rehab, plus ongoing property taxes, utilities, and insurance. For some investors or buyers with construction skills, that math can work. For most typical homeowners, it is far safer to pay more for a house in better condition with a clean title, even if the initial property tax burden is higher.

If your goal is long-term stability and certainty about your housing costs, Southfield or a similar suburb with a higher but predictable tax bill often ends up being less stressful than chasing rock-bottom purchase prices in distressed markets.

## **Market outlook: are house prices dropping in 2026 in Michigan?**

Anyone who tells you exactly what Michigan housing prices will do by 2026 is guessing. The question, "Are there any signs of house prices dropping in 2026 in Michigan?" comes from a real concern about buying at the top.

What we can say is that prices in many Michigan metros, including areas like Southfield, have risen strongly over the last decade thanks to low inventory, higher construction costs, and steady demand. Interest rate changes, job markets, and national economic trends will push and pull on values, and it is entirely possible some areas see flat or modestly lower prices for stretches.

However, property taxes do not tend to fall as quickly as prices in the short term. Assessments may eventually adjust down after a significant and sustained decline, but millages often creep up to cover fixed costs, and local governments seldom cut levy rates sharply. If you move purely to escape today's prices, be careful not to trade that for an equally painful tax situation if your "cheaper" area adjusts its millages in response to a weaker market.

The better approach is to buy for a time horizon of at least seven to ten years in a location that fits your life, with a payment you can afford even if taxes tick up. That way, whether you choose Southfield or a lower-tax county, you are less exposed to short-term bumps.

## **A quick checklist before you move for taxes**

Use this as a reality check if you are comparing Southfield with another Michigan county mainly for tax reasons.

- Look up current millage rates for both locations and confirm whether they apply to principal residences, non-homestead, or both
- Estimate taxable value resets based on your target purchase price in each area, not just the seller's current bill
- Add projected property taxes and insurance to your principal and interest to see the true monthly payment in each location
- Check eligibility for homestead, senior, veteran, or hardship exemptions and the Michigan Homestead Property Tax Credit
- Weigh non-financial factors like commute, schools, health care, and neighborhood stability against the tax savings

The decision to live in Southfield versus a lower-tax county is rarely just about a single annual tax bill. It is about matching your income, your stage of life, and your tolerance for trade-offs with a community that works for you.

## **A note on ultra-high-end properties**

Curiosity about “Who owns the biggest mansion in Michigan?” pops up in conversations about wealth and taxes all the time. Ownership of very large estates changes, and many of those properties are held in entities rather than individual names. For everyday homeowners choosing between Southfield and other Michigan counties, those mega-mansions matter only in one respect: they illustrate that property tax is ultimately a local funding decision.

High-end owners in Oakland and Washtenaw counties pay very large tax bills in dollar terms, which help fund schools and services that benefit everyone. In rural counties, even the largest homes may pay modest taxes because the entire tax base is smaller and the service mix is different.

Your job is not to chase the absolute lowest or highest tax bill, but to understand exactly what you are buying into. Once you do that, choosing between Southfield and the higher-tax or lower-tax corners of Michigan becomes a strategic decision instead of a shot in the dark.

Alexandria Home Solutions

24293 Telegraph Rd #180, Southfield, MI 48033

2482775700