

If you spend any time on real estate forums, you will eventually see someone bragging about buying a house in Detroit for \$1,000. At the same time, Southfield listings look tame and predictable by comparison: higher sticker prices, suburban taxes, solid schools, and a lot fewer surprises.

I work with buyers who get pulled in both directions. The \$1,000 Detroit house promises a shortcut to wealth. The Southfield home looks boring but safe. The truth sits somewhere in between, and the difference often shows up in renovation budgets, property taxes, and finance math that people do not run until it is too late.

This is a grounded walk through what those choices actually look like in dollars, risk, and effort, using real-world numbers common in southeast Michigan.

## **The \$1,000 Detroit House: What You Are Really Buying**

You absolutely can buy a house in Detroit for \$1,000. Usually that means one of three things:

You bought from the Detroit Land Bank Authority at auction.

You bought at the Wayne County tax auction. You bought a private sale where the seller gave up on the property.

The purchase price is the cheapest and least important part. You are not buying a home; you are buying a project. Most of these homes have been vacant for years. That means frozen pipes, roof leaks, theft of copper and furnaces, broken windows, and sometimes structural movement.

Typical hidden or underestimated costs for a \$1,000 Detroit house include:

1. Structural and envelope repairs
2. Systems replacement
3. City compliance and legal issues
4. Holding and carry costs
5. Neighborhood risk and value ceiling

Let us pull those apart with typical ranges I see in southeast Michigan.

### **Structure, roof, and water damage**

Water is the real enemy in our climate. If the roof has been leaking for several winters, you may be dealing with rotted sheathing, damaged rafters, and mold. Even on a small house, a full roof with lumber repair can run \$12,000 to \$20,000. Add another \$5,000 to \$15,000 if you need major foundation, sill plate, or load-bearing wall work.

That is before you get to insulation, drywall, and finish surfaces that were damaged by moisture.

### **Mechanical systems and utilities**

A typical vacant Detroit house has lost:

Furnace

Water heater Copper plumbing Sometimes the electrical panel and wiring

Realistic replacement costs, not investor fantasy numbers, often look like this:

Furnace and ductwork corrections: \$5,000 to \$9,000

Central AC (if you add it): \$4,000 to \$7,000 Plumbing rough and fixtures: \$8,000 to \$15,000 Electrical rewire and panel: \$8,000 to \$18,000

If the house still has some of these pieces, assume you are replacing them within a few years anyway. Very few insurance carriers want to cover 60-year-old knob and tube wiring or a 40-year-old furnace.

## **City code, inspections, and legal issues**

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This is where first-time buyers get blindsided. Detroit and many suburbs require rental certificates or certificates of occupancy. That includes:

Permits for structural, electrical, plumbing, and mechanical work

Inspections and reinspections Possible requirements for safety items like handrails, GFCI outlets, and egress windows

Budget several thousand dollars for permits, inspection fees, and the corrections required to pass them. If there are back taxes, demolition orders, or liens, you may need to clear those too. Never assume that a \$1,000 deed comes with a clean slate.

## **Holding costs while you renovate**

Houses do not sit for free while you work on them. Count on:

Property taxes (even if low, they are not zero)

Insurance, which can be expensive on vacant or distressed properties Utilities during construction Board-up or security costs if theft is a risk

If your project takes 12 to 18 months, these add up. Many people ask how to not pay property tax in Michigan. They usually mean how to reduce or manage it, not evasion. In Detroit, you may qualify for poverty exemptions, hardship reductions, or special programs, but you still need to apply, prove eligibility, and stay current.

## **The neighborhood value ceiling**

You might spend \$80,000 to make a house livable, but if renovated homes nearby only sell for \$60,000, your appraisal will not care about your receipts. That is the hardest part emotionally. You did nothing "wrong," yet market data caps your value.

So yes, you can buy a house in Detroit for \$1,000. The better question is what your all-in budget will be, and whether the neighborhood supports that investment.

## **What a 1,500 sq ft House Really Costs to Build or Fully Renovate**

A lot of people ask how much money is required for a 1,500 sq ft house. They might be comparing new construction in a suburb like Southfield to gutting a Detroit shell.

Costs vary with finishes, site conditions, and code requirements, but you can use some practical ranges for southeast Michigan.

For a full, down-to-the-studs renovation of a 1,500 sq ft house, figure roughly:

Modest, investor-grade: \$90 to \$130 per sq ft

Better quality owner-occupant level: \$130 to \$200 per sq ft

So your total might sit between \$135,000 and \$300,000, not counting land, permits, or extraordinary structural work. I regularly see ambitious buyers underestimate by half, then run out of money just as the project becomes habitable.

For ground-up new construction on a 1,500 sq ft home on a basic lot, current ranges in metro Detroit for typical residential quality are roughly \$180 to \$300 per sq ft, again not counting expensive lots or high-end finishes.

## **What style is best for a 1,500 sq ft house?**

At that size, layout matters more than exterior style. I often suggest:

A compact two-story colonial or modern farmhouse with a simple rectangular footprint. That keeps rooflines and foundations straightforward.

An efficient ranch with minimal hallways if you need one-level living.

Open concept sounds attractive, but do not sacrifice storage or wall space in every room. Think of a 1,500 sq ft house as a test of discipline. Every room must earn its keep.

## **What Not to Skimp On When Building or Rebuilding**

Buyers often ask what is the most expensive part of building a house. Materials costs swing, but the usual heavy hitters are foundations, framing, and mechanical systems. However, the right framing package rarely "shows," so people are tempted to cut where it will hurt them later.

Here are the areas where, in my experience, cutting corners becomes very expensive over time:

1. Structural work and foundations
2. Roof and building envelope
3. Electrical and plumbing systems
4. Windows and exterior doors in our climate
5. Drainage, grading, and waterproofing around the house

Cosmetics - cabinets, flooring, lighting fixtures - can be upgraded later. Mold in the walls or a shifting foundation cannot.

On the flip side, if you are asking what devalues a house most, you see the same pattern in reverse: obvious structural problems, water in the basement, unsafe electrical, and poorly executed DIY work. The market will punish that a lot more than an outdated countertop.

## **Southfield: Sticker Price vs Total Cost of Ownership**

Now let us look at Southfield. On paper, it feels like the grown-up choice: suburban, diverse, centrally located, with easy access to major freeways and jobs. Instead of a \$1,000 shell, you might see a \$250,000 to \$350,000 move-in ready home.

Many buyers ask bluntly: are Southfield property taxes high?

Relative to some rural Michigan areas, yes. Relative to other inner-ring suburbs in Oakland County, Southfield sits in the middle. Oakland, Wayne, and Washtenaw counties tend to have some of the highest property taxes in

Michigan, especially when you consider both millage rates and home values. Some smaller UP and northern counties often rank as the cheapest for both values and effective tax burden.

Among cities, the cheapest place to buy a house in Michigan, combining price and taxes, will usually be in certain [Home Improvement Southfield MI Alexandria Home Solutions](#) rural communities or struggling small towns, not in metro Detroit. On the opposite side, high-value suburbs in Oakland County carry some of the steepest property tax bills in the state because you are taxed on higher home values even if rates are similar.

In Southfield, you will likely qualify for the Principal Residence Exemption if you live in the home, which reduces the school operating portion of your tax bill. That is the legal path people are referring to when they ask how to not pay property tax in Michigan; they mean how to minimize it using exemptions and credits.

For seniors, Michigan does offer a Homestead Property Tax Credit, and there are additional programs for older or lower-income homeowners. You will sometimes see references to a \$6,000 senior tax credit, usually describing the maximum possible credit under certain income and tax-paid scenarios. Actual eligibility depends on factors like age, household income, property taxes paid, and whether you are a renter or owner. This is where talking to a Michigan tax professional quietly saves you thousands.

## Popular Neighborhoods in Southfield and What You Get

When people ask what are the popular neighborhoods in Southfield, they usually care about three things: school options, commute, and general feel.

Areas near the Civic Center often appeal to buyers who want proximity to amenities, parks, and city services. Some of the older subdivisions south of 10 Mile Road offer solid mid-century homes with larger lots and mature trees. North of 10 Mile, closer to 12 Mile and the Lodge or Telegraph, you find neighborhoods that draw commuters who need quick access to downtown Detroit, Royal Oak, or Novi.

You are typically looking at 1,500 to 2,500 sq ft homes built between the 1950s and 1980s. Many have three or four bedrooms and two or more baths. Compared to trying to rehab a \$1,000 shell in Detroit, you are buying predictability: known resale values, standard inspections, conventional financing, and normal insurance.

## How Many Bedrooms Should a 2,000 sq ft House Have?

This comes up a lot when people sketch their “forever” house. For about 2,000 sq ft in our market, the sweet spot is usually:

Three bedrooms plus a flex space or office, or

Four smaller bedrooms with good closet space and a practical main living area

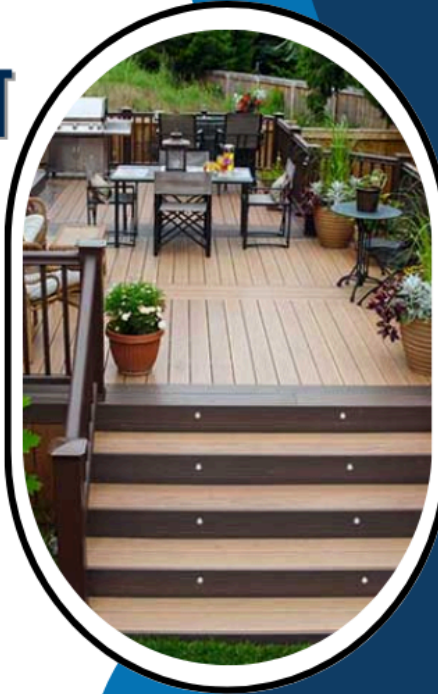
Anything past four bedrooms at that size tends to shrink living areas or storage uncomfortably. Lenders and appraisers also like the three-bedroom configuration when they compare your home to others.



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For 1,500 to 1,800 sq ft, three bedrooms and one-and-a-half to two baths tend to give the best balance for resale in places like Southfield.

## Can You Afford It? Salary, Mortgage Size, and Reality Checks

Internet calculators make everything look possible. Then property taxes, insurance, and real renovation costs walk in.

A few of the most common questions I hear in Michigan, with rough, practical rules of thumb:

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

In many parts of metro Detroit, a buyer with stable employment, reasonable debts, and a \$90,000 salary can qualify for a conventional mortgage, especially if their credit is solid. A common guideline is that your total housing payment - mortgage principal and interest, property taxes, insurance, and HOA if any - should not exceed roughly 28 to 31 percent of gross income.

On \$90,000 per year, that is about \$2,100 to \$2,300 per month for housing. With today's interest rates, that might support a purchase in the \$300,000 to \$400,000 range, depending on down payment and taxes. Higher-tax areas or large HOA dues will lower that ceiling.

### Can I afford a house on a \$40,000 salary or a \$50,000 salary?

At \$40,000 per year, 30 percent of gross income is about \$1,000 per month for housing. At \$50,000, it is around \$1,250. That needs to cover mortgage, tax, and insurance.

In lower-cost Michigan cities or rural areas, especially where property taxes are modest, ownership can be realistic at those incomes with a modest home and limited other debts. In higher-tax or higher-price suburbs, it becomes tighter. For example, trying to afford a 300k house on a 50k salary is usually difficult unless you have a significant down payment, no other debts, and are willing to push your ratios more than most advisors would recommend.

When someone asks how much should my mortgage be if I make \$3,000 a month, I give the same answer: try not to let your total housing payment exceed about \$900 to \$1,000, and ideally less if you have car loans or student debt. That may mean adjusting your expectations on location, size, or whether the property is move-in ready.

## **Big loans: \$900,000 to \$1,000,000 mortgages**

For perspective, what is the monthly payment on a \$900,000 mortgage? With property taxes and insurance, at current interest rates you are often looking at something in the \$5,500 to \$7,000 per month range, depending on down payment, rate, and taxes. That is not a Detroit \$1,000 house conversation; that is a jumbo loan conversation.

Similarly, how much of a down payment do I need for a \$1,000,000 house? With a standard 20 percent down, you would bring \$200,000 plus closing costs. Some programs allow less, but that brings mortgage insurance and stricter requirements. For most Michigan buyers, those numbers live in a different universe than Detroit shells and Southfield colonials, but they do shape the luxury end of the market.

## **Age, mortgages, and retirees**

You might be surprised how often someone asks, can a 70 year old woman get a 30 year mortgage? Age is not a disqualifier by itself. Lenders care about income, credit, and the ability to repay, not about whether you will be 100 when the mortgage matures. I have seen retirees take new 30-year loans to right-size into a condo or move closer to family.

Many also ask whether most retirees have their home paid off. Nationally, a large share do, but the percentage has been declining. More people carry some mortgage or home equity debt into retirement, either because they bought later in life or refinanced to pay for other goals.

That is one reason seniors become so focused on property taxes and credits. As mentioned earlier, Michigan's property tax credit and senior-focused programs, combined with homestead exemptions, can take real pressure off on a fixed income, especially in higher-tax counties.

## **Credit Scores and Loan Approval**

When buyers ask what credit score is needed for a home loan, they are really asking what they need to qualify without getting beat up on interest rates and conditions.

Minimum scores depend on loan type:

FHA loans may allow scores in the high 500s to low 600s, though lenders often add their own stricter overlays.

Conventional loans typically like to see scores of at least the mid-600s, with better rates usually kicking in at 700 and above.

In practice, if you want some negotiating leverage, the ability to choose between lenders, and decent pricing, aim for a score of at least 680 to 700. Below that, you are not shut out, but options narrow and costs climb.

## **What You Should Not Say to a Builder or Contractor**

This comes up more in new construction or heavy rehabs, but it applies to \$1,000 Detroit projects and Southfield kitchen remodels alike.

When people ask what should you not say to a builder, I give a few consistent warnings:

Do not say "Do it however you think is best" without a detailed, written scope. Good builders still need clear specifications.



Alexandria Home Solutions logo: A stylized blue house icon above the text "ALEXANDRIA HOME SOLUTIONS".

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QR code linking to the website.

Image of a modern house with a stone and wood exterior and a metal roof.

Do not open with "I just want the cheapest price." You are telling the builder to cut quality and corners. Avoid "We can figure the details out as we go." That is how you end up with cost overruns and bad feelings. Never say "My budget is unlimited." It is not, and this invites problems. Finally, do not bad-mouth every other contractor you have ever worked with. A serious builder will see that as a red flag.

The best relationships come from specific expectations, clear drawings, a realistic budget, and mutual respect.

## Property Taxes, Counties, and Legal Ways to Reduce the Burden

Property tax questions never stop in Michigan, and for good reason. They affect monthly affordability as much as your interest rate.

When people ask which counties in Michigan have the highest property taxes, they usually mean where the combination of millage rates and property values produce the heaviest bills. Counties with pricier real estate and strong school millages - like Oakland, Washtenaw, parts of Kent and Ottawa - often rank near the top. Some Wayne County communities also carry a heavy millage load due to legacy costs and service needs.

On the other hand, what city in Michigan has the cheapest property taxes depends on how you measure it. Some low-value cities still have high rates, but the dollar amounts are low. Rural townships, parts of the UP, and small

inland communities often feel cheapest day to day, especially for retirees who own modest, fully paid-off homes.

If your goal is to legally minimize property taxes in Michigan, focus on:

Homestead (Principal Residence) exemptions

Poverty exemptions at the local level Veterans and disabled exemptions where applicable Senior credits and the state Homestead Property Tax Credit

Talk to your local assessor and a tax professional before filing anything. You want to reduce your bill, not trigger an uncapping event or a paperwork mess.

## Who Owns the Biggest Mansion in Michigan?

The question who owns the biggest mansion in Michigan sounds simple, but it hides complications. Do you count only private residences, or do historic estates and former family homes turned museums qualify?

Properties like Meadow Brook Hall (the former Dodge estate) and the Edsel and Eleanor Ford House are among the largest residential structures in the state, but they now operate as museums and event venues, not private single-family homes. Large contemporary estates in Bloomfield Hills, Grosse Pointe, and along certain lakes also compete for the "largest" title, and ownership can change hands quietly.

So the honest answer is that there is no single, clear, permanently correct name to give. Published rankings change over time, and a mansion that is "largest" by square footage may not be the most expensive or the most famous.

## Are Prices Likely to Drop by 2026 in Michigan?

Everyone wants a crystal ball and asks if there are any signs of house prices dropping in 2026 in Michigan. What we can say is that real estate markets are cyclical and local. Some data suggests that after rapid appreciation, many markets cool, flatten, or correct slightly. Interest rates, employment in key industries, and new construction levels all feed into that.

In southeast Michigan, including Detroit and Southfield, we have:

An aging housing stock that always needs renovation

Limited new single-family building in many built-out suburbs Steady, but not explosive, population shifts

That combination tends to support prices more than crash them. The most likely scenario over a multi-year horizon is a patchwork: some neighborhoods adjusting quietly, others holding flat, a few hot pockets still rising. What you can control is your own margin of safety: buying below your maximum qualification, allowing room for repairs, and picking locations with enduring fundamentals rather than short-term hype.

## Detroit Shell or Southfield Suburb: How to Decide

Choosing between a \$1,000 Detroit house and a ready-to-live Southfield home is less about personality and more about honest accounting.



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If you are tempted by that \$1,000 listing, sit down with a realistic renovation budget. Assume:

You will spend at least \$80,000 to \$150,000 to make a severely distressed 1,500 sq ft house fully functional and code-compliant.

Carrying costs and surprises will add another 10 to 20 percent. The neighborhood's value ceiling will cap your exit price even if you overbuild.

If, on the other hand, you buy in Southfield at \$300,000, your risks shift. Your renovation stress is lower. Property taxes are predictable, if not cheap. Financing is straightforward. Instead of hidden structural costs, your main questions are affordability on your income, long-term tax trends, and how well the neighborhood will hold its value.

Both paths can work. I have seen Detroit investors buy smart, manage contractors tightly, and build real equity. I have also seen people lose their savings to hidden damage and unrealistic expectations. I have watched families stretch a bit to buy a Southfield home in a solid neighborhood, then quietly enjoy twenty years of stable living and steady appreciation.

If you treat the \$1,000 Detroit house like a serious construction project with real money attached, and if you run your numbers on Southfield with the same discipline, the right choice for you usually becomes clear long before you pick up a hammer or sign a purchase agreement.

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