

If you live in Southfield and scroll real estate TikTok or auction sites, you have probably seen the \$1,000 Detroit house headlines. The numbers look almost comical. A whole house for less than a used Honda. From a quiet street off Evergreen in Southfield, the fantasy feels close enough to touch: keep your stable suburb life, pick up a Detroit place for next to nothing, fix it up on weekends, then either rent it out or sell at a profit.

I have watched versions of that story play out for years, both successfully and painfully. The gap between the sticker price and the real cost is where people either build long term wealth or burn through their savings and their sanity.

This is a grounded walk through that gap. It is written with the Southfield commuter in mind, but the numbers, tradeoffs, and pitfalls apply across metro Detroit.

The \$1,000 Detroit House: What That Price Really Buys

You can buy a house in Detroit for \$1,000. That part is technically true.

You usually find these in three places:



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1. Wayne County tax auctions, where tax delinquent properties get sold, often online.
2. Detroit Land Bank Authority, where vacant, often distressed homes are listed.
3. Private off market sales in heavily disinvested neighborhoods.

Here is the part most listings do not emphasize. At \$1,000, you are not really buying a house. You are buying a problem wrapped in brick and plywood.

Common realities at that price point:

- The property has substantial tax, water, or demolition liens attached, or serious code issues. Sometimes the liens are wiped at auction, sometimes not. You must verify.
- The house often needs a full gut: roof failure, stripped electrical, stolen plumbing, fire damage, or long term water intrusion.
- In many cases, the property has been vacant for years. That means mold, animal infestation, illegal dumping, and vandalism.

If you live in Southfield and work full time, the question is not just "Can I buy a house in Detroit for \$1,000?" But "Do I have the time, cash, and tolerance for risk to turn that \$1,000 shell into something livable and legal, while commuting from the suburbs?"

For most people, the enemy is not the purchase price. It is underestimating the total rehab cost plus holding costs and taxes.

What It Took To Bring One 1,500 Sq Ft House Back

A real example works better than theory.

A few years ago, a client of mine bought a brick 1,500 square foot bungalow on Detroit's west side for \$3,500 at auction. Not quite \$1,000, but the same category: distressed, vacant, and cheap.

The house had a partial roof collapse, no working mechanicals, broken windows, and the interior had been stripped. The neighborhood was mixed: a few renovated rentals, some occupied older homes, and plenty of boarded houses.

From the Southfield place off 10 Mile, it was a 20 to 25 minute drive each way, more with traffic. He planned to keep his day job, do some work himself, and hire out the trades.

Here is how the budget shook out, rounded and simplified, for a typical 1,500 square foot Detroit rehab of that kind.

A realistic rehab budget for a 1,500 sq ft Detroit house

This is one of the rare places where a short list helps more than paragraphs. These ranges are based on 2023 - 2024 contractor pricing in Metro Detroit for full gut rehabs, not luxury finishes:

1. Roof, exterior, and structure: \$12,000 - \$30,000
2. Systems (electrical, plumbing, HVAC): \$25,000 - \$45,000
3. Interior (insulation, drywall, flooring, kitchens, baths): \$35,000 - \$60,000
4. Soft costs (permits, inspections, utility hookups, insurance, interest, security): \$7,000 - \$20,000
5. Contingency (10 - 20 percent of hard costs): \$8,000 - \$25,000

For that client, the total landed between \$95,000 and \$110,000, not counting his time. He still came out ahead because he bought low in a neighborhood that was slowly improving and held the property as a rental. His monthly cash flow made sense, and his all in basis was far below what it would cost to build that same 1,500 square foot house from scratch.

That is the answer to "How much money is required for a 1500 sq ft house?" In Detroit if you are buying distressed and bringing it back: think in the \$80,000 to \$150,000 range in total project costs, depending on

condition, finishes, and how much sweat equity you contribute. The cheap purchase price just nudges you toward the lower end of that range, it does not make the hard costs vanish.

If you are asking about building a new 1,500 square foot house in Metro Detroit, the math is different. With current labor and material prices, reasonable midrange construction runs roughly \$150 to \$220 per square foot, sometimes higher in higher end suburbs. That means \$225,000 to \$330,000 before land, permits, and site work. New construction gives you control over layout and style, but it is not a budget move.

The most expensive part of building or rebuilding

On a custom or major rehab, most people assume finishes are what drives cost. In practice, the check you write for cabinets and counters feels painful, but the biggest chunks of money disappear into what you cannot see.

The three categories that quietly eat your budget are:

- Structure and envelope: foundation repair, framing, roofing, insulation, and windows. Problems with the envelope lead to water intrusion, which destroys everything else over time.
- Mechanical systems: electrical, plumbing, and HVAC. Rewiring an old Detroit house to modern code is not cheap, and those systems have to pass city inspection.
- Site and utility work: grading, drainage, sewer lines, water lines, and bringing utilities up to code. In old neighborhoods, sewer line replacements can easily hit five figures.

If you are trying to save money, these are exactly the things you should not skimp on when building a house or doing a full rehab. You can upgrade countertops later. Replacing a failing sewer under a new finished basement is not so flexible.

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

In Metro Detroit, a 1,500 square foot footprint is a sweet spot. Big enough for a small family, small enough to keep maintenance under control.

For livability and resale, the most practical styles around 1,500 square feet tend to be:

- A one and a half story bungalow with a finished upper floor, common in Detroit and Oak Park, works well if you prioritize charm and do not mind some sloped ceilings upstairs.
- A compact colonial with all bedrooms up and living space down fits families who want separation between public and private spaces.
- A modern ranch with an open kitchen and living area is ideal if you want aging friendly, single floor living, especially appealing to older owners who plan to stay long term.

The key in that square footage is layout. Open main living, a clear drop zone from the entry or garage, and at least one usable bedroom on the main level if you plan to age in place. That matters even more when you live in Southfield now but think about possibly retiring into a smaller Detroit or inner ring suburb home later.

For reference, the question "How many bedrooms should a 2000 sq ft house have?" Comes up often in planning. In our market, a 2,000 square foot house is typically a 3 or 4 bedroom with 2 to 3 baths. For resale and flexibility, three bedrooms is a reasonable minimum, with a fourth as either a bedroom or office. You can squeeze four bedrooms into 1,500 square feet too, but they will be small, and you risk making the house feel cramped.

Southfield vs Detroit: Taxes, neighborhoods, and daily life

People choose Southfield for a reason. You get decent services, diversity, a central location, and quicker access to suburban job centers. The tradeoff is taxes and pricing.

Are Southfield property taxes high?

Relative to some neighboring communities, yes, Southfield's property tax rate is on the higher side. Within Oakland County, Southfield taxes are generally higher than places like Troy or Royal Oak, but lower or comparable to some smaller cities with heavy millages. Compared with much of Wayne County, Southfield feels high, although Detroit's effective tax rate on homestead properties is its own complicated formula.

Two points people often miss:

- If you bought during the pandemic run up, your taxable value may be far below true market value thanks to Michigan's cap on taxable value increases. That softens the blow a bit, at least until you sell or transfer the property.
- Southfield's higher taxes are partially offset by comparatively stable services: plowing, policing, and basic infrastructure are more reliable than in stressed cities.

When clients ask "Which counties in Michigan have the highest property taxes?" The answer shifts slightly by year, but Oakland, Washtenaw, and Wayne counties often sit on the higher end when you look at millage rates plus property values. If you ask "What city in Michigan has the cheapest property taxes?" You are generally talking about lower value rural communities or smaller towns in counties with modest millages. Taxes might be lower there, but so are job opportunities and services.

What are the popular neighborhoods in Southfield?

From folks I work with who commute downtown or to the northern suburbs, certain Southfield pockets consistently come up:

- The area around Lathrup Village and the Northland redevelopment corridor, where people hope to see long term retail and mixed use improvements.
- The Franklin and Northwestern Highway corridor, thanks to access and a more suburban feel with mature trees and larger lots.
- Pockets near 12 Mile and Evergreen or Lahser, where you can still find mid century ranches and colonials that respond well to thoughtful updates.

If you are weighing a \$1,000 Detroit house as an investment while you live in Southfield, think about your own bandwidth. A 25 minute drive for every inspection, contractor walk through, or emergency call adds up quickly.

Property taxes, exemptions, and that \$6,000 senior credit question

The phrase "How to not pay property tax in Michigan" tends to float around investor circles. There is no legitimate, universal way to simply avoid property taxes on a home you own. Michigan funds local services heavily through property tax, so the system is not designed to let people opt out.

What you can do is reduce the burden if you qualify:

- A principal residence exemption (PRE) can significantly lower the taxable rate on your primary home.
- Low income homeowners and renters can qualify for the Michigan Homestead Property Tax Credit, which refunds part of your property tax or rent through the state income tax return.

- Some seniors and disabled homeowners qualify for additional relief or deferments, sometimes described in shorthand as senior tax credits, with benefit amounts that can approach several thousand dollars, depending on income, taxes, and local programs.

When people ask "Who is eligible for the \$6,000 senior tax credit?" They are usually mixing details from various tax relief programs and social media snippets. Michigan's rules are complicated, change periodically, and interact with federal tax law. The safest move is to talk with a Michigan based tax professional or experienced preparer and bring your income details, property tax bills, and homestead information. That is not a dodge, it is a recognition that guessing here can cost you real money or trigger problems later.

If you are retired, there is a related question: "Do most retirees have their home paid off?" Nationally, more retirees are carrying mortgages than in past decades, especially those who bought later in life, refinanced heavily, or moved up in expensive markets. In Metro Detroit, many long time owners in older suburbs and city neighborhoods do have paid off homes, which gives them tremendous flexibility. But a significant share of younger retirees still carry a mortgage. The key is whether the payment fits easily within your fixed income.

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

Yes, age itself is not a legal barrier. Under federal fair lending rules, lenders cannot deny a mortgage simply because the borrower is 70. What they care about is your ability to repay: steady income, credit history, assets, and debts.

A 70 year old woman with a pension, Social Security, and retirement assets can qualify for a 30 year mortgage if those numbers make sense to the underwriter. In practice, sometimes the lender will suggest a shorter term or structure the loan conservatively, but the 30 year option is not off the table solely because of age.

The question you should ask is not "Will the bank give me this?" But "Does a long term mortgage align with my health, income stability, and plans for the property?" In some cases it does, especially if you intend to leave the home to heirs or plan to sell well before 30 years. In others, a smaller, fully owned home in Detroit or an inner ring suburb is a better stress reducer.

How much house can I afford on my income?

When I sit down with clients in Southfield or Detroit, income and affordability questions cover the same ground, just with different numbers.

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

With a \$90,000 gross annual income, a reasonable, conservative target in our market is a total monthly housing payment (mortgage, taxes, insurance) in the \$1,900 to \$2,300 range, assuming limited other debt. That typically supports a purchase price anywhere from roughly \$275,000 to \$375,000, depending on interest rates, down payment, and taxes. Southfield's higher tax rate means the same monthly budget might buy slightly less house than in a lower tax city, but the general range holds.

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

At \$40,000, affordability tightens. A safe total housing payment might be closer to \$900 to \$1,200 per month, again depending on debts. That points more toward:

- Modest starter homes in parts of Detroit, Redford, Inkster, or older Southfield condos.
- Homes that need some cosmetic work, if you have repair skills and patience.

The same logic answers "Can I afford a 300k house on a 50k salary?" In most cases, the answer is no, at least not without stretching uncomfortably, taking on a large down payment, or assuming very low property taxes. A safer target would be lower, or you would need a co borrower, side income, or substantial cash.

"How much should my mortgage be if I make \$3,000 a month?"

If \$3,000 a month is gross income, a conservative target for total housing cost is roughly \$750 to \$1,000. If that is net income after taxes, you are even tighter. At that level, you are generally looking at:

- Very modest homes in low cost Detroit areas.
- Small condos, manufactured homes, or shared ownership.
- Or delaying purchase while you build income and savings.

Lenders may be willing to approve you at higher ratios, but their approval threshold is not a promise that your budget will feel comfortable once you move in.

Monthly payment on a \$900,000 mortgage

People also ask at the high end: "What is the monthly payment on a \$900,000 mortgage?" The answer depends on the rate and term, but as a rough illustration:

- At a 6.5 percent interest rate over 30 years, principal and interest alone land around \$5,700 to \$5,800 per month.
- Once you add taxes and insurance, you are in the \$6,500 to \$7,500 range in many Michigan communities, possibly higher in high tax areas or with expensive insurance.

That figure dovetails with another frequent question: "How much of a down payment do I need for a \$1,000,000 house?" A traditional 20 percent down payment is \$200,000 plus closing costs. Some lenders and jumbo products allow smaller downs with higher rates or mortgage insurance, but you still need real cash.

At these levels, even a professional income household in Southfield or Birmingham needs to think carefully about job security, lifestyle priorities, and long term plans.

What credit score is needed for a home loan?

Technically, some FHA and specialized programs will underwrite loans to borrowers with scores in the low 600s or even high 500s, but it gets more expensive and restrictive. In real Metro Detroit deals, a mid 600s score can open doors, while a 700 plus score provides better rate options and smoother underwriting. That does not mean you must chase perfection, but if your score is in the low 600s or below, working on credit before buying generally pays off.

Where is housing cheapest in Michigan?

If "Where's the cheapest place to buy a house in Michigan?" Is your guiding question, Detroit often shows up simply because of its vast stock of older housing and long history of disinvestment. Small cities and rural areas in mid Michigan and the Upper Peninsula can also be very inexpensive.

The missing piece is the total cost picture:

- In Detroit, you might find a house for \$20,000. But if it needs \$80,000 of work and sits in a weak rental market, your "cheap" deal gets expensive or stagnant.

- In very low tax rural counties, you can own a small house outright and pay a few hundred dollars a year in property tax. But jobs may be scarce, amenities sparse, and medical care far.

For Southfield based buyers, the best blend often lies in:

- Still affordable Detroit neighborhoods where your commute is reasonable and you see some signs of reinvestment: new roofs, occupied homes, a mix of older residents and younger families.
- Inner ring suburbs like Oak Park, Redford, or Hazel Park, where entry prices are lower than Southfield, but you still have county level services and closer proximity.

That mix matters more than targeting the absolute lowest taxes or sticker prices.

What devalues a house most?

In the Detroit and Southfield areas, I routinely see the same issues eating into value:

- Foundation problems and persistent water intrusion, especially in basements, scare buyers and appraisers faster than almost anything else.
- Outdated mechanicals and knob and tube wiring limit financing options and raise immediate cost concerns.
- Poor layouts, such as walking through a bedroom to reach another, or kitchens cut off from the rest of the house, reduce appeal.
- Unpermitted additions or DIY structural changes create appraisal headaches and safety worries.
- Location adjacent to chronic problem properties or long vacant, collapsing houses can cap your upside even after you renovate beautifully.

You can control condition, layout tweaks, and permitting on your own property. You cannot fully control the neighboring parcel that has been vacant for 10 years, but you can research nearby vacancy rates, demolition plans, and recent sales before committing to your \$1,000 Detroit "bargain".

What not to skimp on when building or doing a major rehab

There are places where a modest budget works fine: basic shaker cabinets, solid but affordable flooring, standard tile. There are other components where being cheap almost guarantees you will pay twice.

Here is a short, focused list of areas where cutting corners usually backfires:

1. Roof and water management: A good roof, proper flashing, gutters, and grading protect every dollar you spend inside the house.
2. Electrical and plumbing rough in: Hidden work that must meet code and handle real world loads. Sloppy rough work shows up later as flickering lights, leaks, and failed inspections.
3. Structural integrity: Joists, beams, foundations, and load bearing walls are not places for guesswork or unlicensed contractors.
4. Windows and insulation in key areas: You do not always need top tier everything, but drafty windows and poor insulation make Detroit winters expensive.
5. Proper permits and inspections: Working without permits might seem cheaper, until you try to refinance, sell, or fix a serious problem and find yourself exposed.

Fair question: "What should you not say to a builder?" In practice, you avoid phrases like "Just do it the cheapest way," "We do not really need permits," or "We will figure out the details later." Those are signals that you are not clear on scope, quality expectations, or legal requirements, which tends to end badly. A better approach is to

define your budget, must haves, and nice to haves, then ask the builder where it makes sense to save and where it does not.

Are there signs of house prices dropping in 2026 in Michigan?

People understandably ask, "Are there any signs of house prices dropping in 2026 in Michigan?" Especially if they watched friends overpay during the 2020 - 2022 frenzy.

Housing forecasts are not precise, but here is what is visible so far:

- Higher interest rates already cooled some of the extreme bidding wars in 2023 and 2024, slowing price growth in Metro Detroit.
- Inventory remains relatively low in many desirable suburbs, including parts of Southfield, so sharp, across the board price drops look less likely unless there is a significant economic shock.
- Some overheated pockets and marginal rental markets may see flat or slightly declining prices, especially for properties that need work and do not pencil out at higher financing costs.

If your long term plan is solid, waiting for a perfect 2026 "crash" is risky. A more practical strategy is to buy only when the numbers work conservatively at current rates, with room for vacancies or repairs, rather than speculating on rapid appreciation.

Who owns the biggest mansion in Michigan?

This question pops up because of internet lists and clickbait videos. "Who owns the biggest mansion in Michigan?" Depends on how you define biggest and whether you count compounds, multiple parcels, or single structures.

There are enormous private residences scattered through Bloomfield Hills, Grosse Pointe Shores, and other wealthy enclaves, some owned by business leaders, auto executives, or heirs. Square footage estimates run into the tens of thousands. Precise ownership details and rankings shift as properties are sold, expanded, or demolished, and they are often kept deliberately private.

From a practical standpoint, whether some industrialist owns 35,000 or 40,000 square feet does not affect your \$1,000 Detroit house or your Southfield three bedroom ranch. It does underscore one truth: real estate outcomes in Michigan, like elsewhere, diverge widely based on timing, location, and resources.

Living in Southfield, investing in Detroit: a reality check

If you are reading this from a Southfield kitchen, wondering whether a \$1,000 Detroit house is your path to real [Home Improvement Southfield MI](#) estate wealth, here are the hard earned points:

- The purchase price is the easiest part. Expect that a 1,500 square foot distressed Detroit house will likely cost tens of thousands to make safe, functional, and code compliant, even if you land it for \$1,000.
- Property taxes, both in Southfield and Detroit, are real and persistent. Learn how Michigan's taxable value, homestead exemptions, and credits work before you buy, especially if you are close to retirement or on a fixed income.
- Income based affordability rules of thumb, such as keeping your total housing cost under roughly a third of your gross income, are more reliable than lender preapprovals that stretch you thin.
- Design choices and build quality matter more in the long run than trendy finishes. A well planned 1,500 square foot bungalow in a stable area beats a huge, poorly built house in a struggling block.

- Time, energy, and distance from your primary home are just as important as math. Fixing a Detroit place on weekends from Southfield is doable, but only if your expectations, contractor relationships, and budget align.

Used wisely, the gap between Southfield's stability and Detroit's price volatility can create opportunity. Used casually, it can become an expensive hobby. The difference lies in how honestly you answer the questions behind the headline figures.

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