

Walk through North Southfield on a Saturday afternoon and you will see the new reality in southeast Michigan: luxury colonials tucked behind mature trees, expanded ranches with full modern makeovers, and the occasional custom new build replacing a postwar original. Prices that would once have sounded absurd for Southfield now show up in actual closed sales.

So is a 900,000 dollar mortgage in Southfield financial overreach, or is it simply what it costs to play in the high end of a solid inner ring suburb? The honest answer depends on three things: your income, your risk tolerance, and what you are actually buying for that price in this specific market.

I will walk through what a 900,000 dollar loan really means month to month, how it fits into typical incomes, how Southfield stacks up on property taxes, and when it makes more sense to stay smaller or even build instead of buy.



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The advertisement features a QR code in the bottom left corner. On the right side, there is a circular inset image showing a well-maintained wooden deck with a dining table and chairs, surrounded by potted plants and a wooden fence in the background.

## What a 900,000 dollar home really looks like in Southfield

Southfield is not Bloomfield Hills or Birmingham, but it has pockets that behave like mini versions of those markets, especially in northern neighborhoods and along certain golf course and wooded areas.

When you hear about a home that warrants close to a 900,000 dollar mortgage in Southfield, it usually falls into one of three buckets:

1. A larger custom or near custom build in a premium subdivision or cul de sac.
2. A fully renovated executive style colonial on a large lot with high quality finishes.
3. A multi generational or multi suite layout with extensive square footage, often 4,000 square feet or more.

Buyers asking, for example, how many bedrooms a 2,000 square foot house should have tend to sit in a different price tier. For typical Southfield floor plans, 2,000 square feet usually means 3 to 4 bedrooms, 2 to 3 baths, and a standard lot. That kind of home tends to sit well under the 900,000 mark unless it is new construction with luxury finishes.

Southfield's more popular neighborhoods for move up and high end buyers include areas near Lawrence Tech, some of the subdivisions off Lahser and Evergreen, and the more established pockets near the Franklin border. If you push toward the city's top end, your mortgage and taxes will feel much closer to Oakland County's well known luxury suburbs than to older narratives about "affordable Southfield."

## **What is the monthly payment on a 900,000 dollar mortgage?**

Let's talk numbers, because that is where reality hits.

Assume a standard 30 year fixed mortgage at a rate in the 6.5 to 7.5 percent range, which has been typical in recent cycles. Rate quotes move constantly, so use this as a ballpark, not a locked quote.

At around 7 percent interest, a 30 year mortgage payment on 900,000 dollars of principal sits roughly near:

- About 5,900 to 6,100 dollars per month for principal and interest only.

That figure is before you add:

- Property taxes.
- Homeowners insurance.
- Mortgage insurance, if your down payment is low.
- Any HOA dues.

In Southfield, property taxes are not the highest in Michigan, but they are not cheap either. A high end home with a true cash value around 900,000 dollars could easily see taxes in the mid teens per year, although the exact amount depends heavily on millage rates, homestead status, and how long the property has been owned.

A reasonable quick estimate for taxes and insurance on a 900,000 dollar Southfield home might be anywhere from 13,000 to 20,000 dollars per year combined. That works out to roughly 1,100 to 1,700 dollars per month on top of your mortgage payment.

So an all in monthly obligation on a 900,000 dollar mortgage in Southfield, including taxes and insurance, often lands in the 7,000 to 7,800 dollar range. Some homes will be a bit lower, some higher, but this is roughly the zone.

## **Can your income support that kind of payment?**

Here is where it gets personal.

Lenders usually look at two key ratios: your housing cost as a share of your gross monthly income, and your total debt payments as a share of that income. While guidelines vary by loan program and compensating factors, a conservative target is to keep your total housing payment below about 30 percent of your gross income.

That rule of thumb helps answer several common affordability questions.

## **How much should my mortgage be if I make 3,000 dollars a month?**

If your gross income is 3,000 dollars a month, a comfortable housing budget is typically in the 900 to 1,000 dollar range. Maybe 1,200 dollars if you push it and have no other debt. That income tier is in rental or modest entry

level purchase territory, not in the realm of a 900,000 dollar mortgage.

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

At 40,000 dollars per year, you are taking home roughly 3,300 dollars per month before taxes. A reasonable mortgage payment, including taxes and insurance, is often around 1,000 to 1,200 dollars. That might support a loan somewhere in the 130,000 to 180,000 dollar range, depending on rates and down payment.

If you ask whether you can afford a 300k house on a 50k salary, the answer is usually no without a major down payment and very low other debts. 50,000 dollars a year gives you about 4,200 dollars gross income per month. A safe housing payment is typically 1,300 to 1,600 dollars. At today's interest rates, that rarely stretches cleanly to 300,000 dollars unless you bring a large down payment or accept being "house poor."

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

Now we are closer to the range where nicer Southfield homes become realistic. With a 90,000 dollar salary, your gross monthly income is about 7,500 dollars. Many lenders will approve a housing payment up to 2,600 to 3,000 dollars if your other debts are modest.

That could support a purchase price around 350,000 to 450,000 dollars with a solid down payment, again depending on rates and taxes. It is still nowhere near a 900,000 dollar mortgage, but it opens a wide portion of the Southfield market, especially if you choose neighborhoods slightly away from the top tier.



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The advertisement features a circular inset image of a modern outdoor patio with a round table, chairs, and a ceiling fan, overlooking a scenic view of trees and a sunset. The background is a light blue and white gradient with a blue wave-like shape at the top left.

## What about high earners and dual incomes?

For a 900,000 dollar mortgage, the total payment in the 7,000 dollar plus range suggests a household income in at least the 260,000 to 300,000 dollar range if you want to stay near the 30 percent rule. Some high earners will

stretch that, but I rarely see long term comfort with a 7,000 dollar housing payment below about 220,000 dollars of combined income, unless you have no other debts and sizable liquid assets.

Here is a compact reality check you can run before you fall in love with a 900,000 dollar home.

- If your combined gross monthly income is below 20,000 dollars, a 7,000 dollar housing payment will likely feel very tight.
- If you carry student loans, car payments, or childcare, you need even more income to safely handle 900,000 dollars of mortgage.
- If one spouse plans to step back from work, underwrite the home on a single income, not today's dual earnings.
- If you are self employed or in a volatile industry, give yourself more margin than the bank's maximum.
- If you lose sleep over volatility in your retirement accounts, you are not a good candidate for stretching to the top of your approval range.

The bank's "yes" and your own comfort are two different things.

## **Retirees, age limits, and big mortgages**

A common concern among older buyers, especially those downsizing from long held homes, is whether age cuts off financing options.

Can a 70 year old woman get a 30 year mortgage? Yes, if she otherwise qualifies. Federal law does not allow lenders to deny a mortgage simply based on age. What the underwriter will look at instead is income stability (pensions, Social Security, withdrawals from retirement accounts) and overall assets.

Do most retirees have their home paid off? Many do, but not all. Surveys often show roughly half to two thirds of retirees owning homes free and clear, with the rest carrying either a small remaining balance or a deliberate mortgage for tax or liquidity reasons. In southeast Michigan, I frequently see retirees with modest remaining mortgages they plan to pay off when they sell and downsize.

The question for a retiree considering a high end Southfield purchase is not whether the bank will approve the loan. It is whether you truly want a 5,000 to 7,000 dollar monthly commitment competing with travel, healthcare, and helping the next generation.

For many retirees in Oakland County, the sweet spot is selling a paid off or nearly paid off larger family home, then buying something in the 350,000 to 550,000 dollar range with a small mortgage or none at all.

## **Down payments, credit scores, and the million dollar mark**

If you are thinking about a 900,000 dollar mortgage, you are likely also considering homes around 1,000,000 dollars in price.

How much of a down payment do you need for a 1,000,000 dollar house? Technically, you can find programs with 5 or 10 percent down, but for a jumbo loan or anything near it, most banks want at least 10 to 20 percent. Put differently, on a 1,000,000 dollar home, you are usually bringing 100,000 to 200,000 dollars to the table, plus closing costs.

What credit score is needed for a home loan at this level? For mainstream conventional financing, scores above 740 get the best pricing. You can be approved with scores in the mid 600s, but the rates and fees may be

noticeably worse. For jumbo loans touching the higher price points in Southfield, underwriters typically prefer scores in the high 600s to 700s and evidence of reserves.

You do not need perfection, but the luxury end of the market is not where you want to test the bottom of the approval barrel. Clean up consumer debt and collections before you shop in this range.

## Property taxes: Southfield in the Michigan picture

When buyers ask “Are Southfield property taxes high?” they are usually comparing three things:

- Other Oakland County communities.
- Nearby Wayne County cities like Detroit.
- The lowest tax pockets in Michigan.

Within Oakland County, Southfield’s millage rates are on the higher side, particularly compared with some of the smaller, wealthier suburbs that rely heavily on state revenue sharing and have strong commercial tax bases. You feel that in the bill, especially if you buy a recently sold home at a much higher taxable value than the previous owner.

Which counties in Michigan have the highest property taxes? Counties with significant urban or high service level communities, such as Wayne, Oakland, Washtenaw, and parts of Macomb, tend to sit in the upper tier. On the flip side, if you ask what city in Michigan has the cheapest property taxes, you are looking at smaller or more rural municipalities in counties where property values are low and service expectations are limited. Portions of the Upper Peninsula and far northern Lower Peninsula often fit this description.

Where is the cheapest place to buy a house in Michigan overall? Usually not metro Detroit. You will see low sticker prices in some Detroit neighborhoods, Saginaw, Flint, and parts of northern and central Michigan, but you often trade purchase price for higher maintenance risk or weaker job markets.

## How to not pay property tax in Michigan, legally

Nobody truly avoids property tax altogether if they own real estate, but Michigan does offer targeted relief.

Common tools include:

- Principal residence exemptions, which already lower the tax rate on your primary home.
- Poverty exemptions at the local level for qualifying low income owners.
- Veteran exemptions for qualifying disabled veterans.
- Senior credits, including the state’s homestead property tax credit.

Who is eligible for the 6,000 dollar senior tax credit you sometimes hear about? That usually refers to enhanced homestead or circuit breaker style credits for seniors with low to moderate incomes, not a flat 6,000 dollar check every year. The exact thresholds and maximum amounts change with legislation, so it is wise to check the current Michigan Department of Treasury guidelines or speak with a tax professional instead of relying on outdated headlines.

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The takeaway for a 900,000 dollar Southfield buyer is simple: plan on a meaningful tax bill. Exemptions may trim it at the margin, but they will not transform the economics of a high end home.

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

Anyone who tells you with certainty where prices will be in 2026 is guessing, no matter how confident the tone.

What we can say:

- Michigan's prices have climbed strongly from the 2010s bottom, but still sit below coastal extremes when adjusted for income.
- Supply in many desirable suburbs, including Southfield, has remained tight due to slow new construction and owners locked into low old mortgages.
- Mortgage rate movements and local job growth in sectors like autos, healthcare, and tech will heavily influence demand over the next few years.

Are there any signs of house prices dropping in 2026 in Michigan? There are certainly scenarios where higher unemployment or a prolonged high rate environment could flatten or nudge prices down modestly. Yet, in most models I have seen, you do not get a 20 or 30 percent crash in well located suburbs without a severe national recession or financial shock.

So if you are considering a 900,000 dollar mortgage, you should build your plan around the idea that values may move sideways, up a bit, or down a bit over the next several years, but you cannot rely on rapid appreciation to bail out an overextended budget. Buy because you can genuinely afford the payment and will use the house.

## Detroit bargains, 1,500 square foot homes, and building versus buying

Every Southfield or Oakland County conversation eventually runs into the viral stories from Detroit: "Can I buy a house in Detroit for 1,000 dollars?"

You technically can acquire property for 1,000 dollars through Detroit land bank auctions or similar channels. The problem is what you get. Most of these structures are gutted, stripped of copper, vandalized, and often require 80,000 to 200,000 dollars of work to become safely habitable under current codes. They also sit in neighborhoods where appraised values make it hard to get rehab financing or recover your investment.

If your budget is tight and you are simply trying to answer "How much money is required for a 1,500 sq ft house?" you usually have three paths:

- Buy an existing 1,500 square foot home in a middle market area such as parts of Southfield, Oak Park, Redford, or similar suburbs. Depending on condition, you may see price ranges from the mid 100s up through the 300s.
- Build new on an infill lot, which, once you add land, permits, and utilities, could easily cost 200 to 250 dollars per square foot or more for a decent, not ultra luxury, finish level. That puts a 1,500 square foot new build in the 300,000 to 400,000 dollar zone in many Michigan locations, sometimes higher in inner suburbs.
- Go to a lower cost market in the state where both land and trades are cheaper, trading commute convenience and amenities for a lower all in number.

What style is best for a 1,500 sq ft house? That depends on how you live. A compact ranch with an open kitchen and living area often feels larger than a chopped up two story. Empty nesters tend to prefer fewer stairs, while young families like a clear separation between bedrooms and main living. The "best" style is the one that fits your daily routines, not what pulls the highest price per square foot on paper.

For those considering building, the question "What is the most expensive part of building a house?" often surprises people. Structure and mechanicals usually outstrip flashy finishes. Excavation, foundation, framing

lumber, roofing, HVAC, plumbing, and electrical eat far more of the budget than cabinets or tile. Land development costs (bringing in water, sewer, and driveways) can also shock first time builders.

Here is where many owners get into trouble. They shave dollars in all the wrong places.

## **What not to skimp on when building, and how to talk to your builder**

If you are tempted to build instead of buying that 900,000 dollar Southfield home, you still need to decide what truly matters and how to manage the relationship with your builder.

From years of watching projects go sideways, these are the items you rarely want to cheap out on.

- Foundation and structure: settling or framing errors haunt you forever and are miserable to fix later.
- Roof and building envelope: a leaky shell quietly ruins everything inside, from insulation to finishes.
- HVAC and insulation: comfort and energy bills are daily realities, not optional luxuries.
- Wiring and plumbing rough in: once the walls are closed, changing layouts or adding capacity gets very expensive.
- Windows and exterior doors: poor choices here hurt comfort, security, noise, and even resale.

On the flip side, upgrades like high end countertops, designer lighting, or boutique hardware can be swapped later without major surgery.

One other topic deserves extra care: what should you not say to a builder? Avoid statements like "This is our absolute maximum budget" at the first meeting, or "We do not really care about resale value." Both encourage decisions that serve the contractor more than your long term interests. Instead, speak in ranges, prioritize features, and ask detailed questions about allowances, change order policies, and timelines.

## **What devalues a house most?**

Whether you are buying or building, you want to avoid major future value killers. Based on years watching appraisers, buyers, and inspectors react, several themes show up again and again:

Poor floor plans. Bedrooms directly off living rooms, no main level bathroom, tiny kitchens in large homes, or a 2,000 square foot house with only two bedrooms can all confuse buyers. When you ask how many bedrooms a 2,000 sq ft house should have, the market's answer is usually three or four. Deviate from that without a compelling reason and you may pay in resale.

Neglected maintenance. Roofs at the end of life, water in basements, peeling paint, and ancient mechanical systems all signal hidden problems. Even if the structure is sound, buyers mentally subtract far more than the true repair cost.

Unpermitted or low quality additions. That basement you finished without permits or the garage apartment wired by a friend may loom large during inspections and appraisals, especially in stricter jurisdictions.

Overpersonalized renovations in average neighborhoods. Dropping a high concept ultra modern remodel into a block of modest colonials can actually make your house harder to value and finance, even if it looks stunning.

Location compromises. Backing up to a freeway, heavy commercial traffic, or chronic flood zones can all weigh heavily on price. You cannot fix location with money once you close.

## **Is a 900,000 mortgage a smart move for you?**

A 900,000 dollar mortgage in Southfield is not inherently irrational. For a high earning household that loves the city's location and wants a large, customized home near work, it can be a defensible choice, particularly if you plan to stay for a decade or more.

But stack that decision against a few grounded questions:

If you make 250,000 to 300,000 dollars per year today, what happens to the plan if one income stops? If rates drop and values flatten, will you refinance for comfort or chase even more house? Do you have enough reserves so that a job loss or medical event does not immediately put your home at risk?

And consider the alternatives. A well located 450,000 to 600,000 dollar Southfield home in a popular neighborhood, with a smaller mortgage and lower property tax bill, may free up cash for investing, college funds, or simply living. A thoughtfully designed 1,500 to 2,000 square foot home in the right area, even if it lacks some custom flourishes, often delivers a better life than a stretched luxury purchase.

For perspective, even the people who own the biggest mansions in Michigan, whether it is an auto industry heir in Bloomfield or a shipping magnate in Grosse Pointe Shores, did not build wealth by treating housing as their only financial engine. Public records and news stories highlight palatial square footage and private lakes, but the foundation is diversified assets and businesses, not just the home itself.

So, is a 900,000 dollar mortgage in Southfield overkill or the new normal? At the top of the market, it is increasingly normal on paper. Whether it is sensible for you depends on numbers far more intimate than listing prices: your income, your long term plans, your appetite for risk, and how much of your life you want tied to one very nice, very expensive roof.

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