

Sit with a group of Metro Detroit homeowners and casually mention a 900,000 dollar mortgage in Southfield. Half the room will look at you like you have lost your mind. The other half will ask which subdivision.

The reality sits in between. For some households, a 900,000 dollar mortgage in Southfield, Michigan is outright reckless. For others, it is a rational decision that fits their income, tax picture, and lifestyle priorities.

What matters is not whether the number sounds big on paper. What matters is whether the payment structure, tax burden, and long term risk line up with your actual situation.

I will walk through what a 900,000 dollar mortgage really looks like in Southfield, how much income it takes to carry it, how local property taxes play into the math, and how all of this compares to buying or building more modest homes in Metro Detroit. Along the way I will touch on several common questions people ask about Michigan housing costs, seniors and mortgages, and what not to skimp on if you are building instead of buying.

## **What a 900,000 dollar property means in Southfield**

Start with the local market. Southfield is not Birmingham or Bloomfield Hills, but it is not a bargain-bin suburb either. It is a first ring city with a large office market, solid infrastructure, and a mix of older ranches, midcentury homes, new infill developments, and a growing number of higher end builds tucked in pockets.

When people ask, "What are the popular neighborhoods in Southfield?" they usually mean the areas with:

- larger lots,
- newer construction,
- or easy access to major corridors without being right on top of them.

Some of the better regarded residential pockets include:

Northwest Southfield near the Franklin border, where you see a mix of 1960s and 1970s homes and some newer construction at higher price points.

Areas near Evergreen north of 10 Mile, where midcentury colonials and ranches get renovated into more expensive properties.

Smaller developments and cul de sacs off Eleven and Twelve Mile where builders have slotted in newer, larger homes with modern floor plans.

In those micro markets, a 900,000 dollar purchase price usually means one of three things: a new construction or recent build over 3,000 square feet with luxury finishes, a heavily renovated larger home on a prime lot, or a custom build you put together yourself.

If you are thinking about building instead of buying resale, the number that often comes up is: how much money is required for a 1,500 square foot house in this part of Michigan? For a very basic build on a standard lot, experienced builders locally will quote rough ranges like 180 to 250 dollars per square foot for decent quality, which puts a 1,500 square foot home somewhere between 270,000 and 375,000 dollars before land and soft costs. Better finishes, more complex roofs, and custom details push that cost closer to 300 to 350 dollars per square foot or more. That is how people who started out planning to spend 400,000 eventually find themselves looking at numbers double that.

## **The actual monthly payment on a 900,000 dollar mortgage**

Let us get specific about the core question: what is the monthly payment on a 900,000 dollar mortgage?

The payment heavily depends on your interest rate, property taxes, and insurance. Rates move constantly, and Southfield property taxes are higher than many outstate counties, but not the highest in Michigan.

Use some ballpark numbers just to see the order of magnitude:

Assume a 30 year fixed mortgage at 7 percent interest, with a full loan amount of 900,000 dollars. Mortgage pros use a rule of thumb that at 7 percent, principal and interest on a 30 year loan run around 6.65 dollars per month per 1,000 dollars borrowed.

Multiply:

$900 \times 6.65 \approx 5,985$  dollars per month in principal and interest alone.

Now layer in taxes and insurance. Are Southfield property taxes high? Compared with rural Michigan, yes. Compared with some other Oakland County cities, they are midrange. A realistic estimate for a 900,000 dollar home in Southfield might be 1.8 to 2.3 percent of taxable value annually, depending on the millage and what portion is homestead.

If you assume 2 percent on 900,000, that is 18,000 dollars per year, or 1,500 dollars per month. Add perhaps 200 to 250 dollars per month for homeowner's insurance.

That pushes your total monthly housing payment into something like 7,700 to 7,900 dollars per month.

Interest rates could be lower or higher. Assessments in Southfield are based on taxable value, which can lag market value, so your early years may be a little lower. But for planning purposes, any household considering a 900,000 dollar mortgage in Southfield should be comfortable with something in the 7,500 to 8,000 dollar per month range for their full PITI payment.

Here is a brief snapshot that helps frame it:

- Principal and interest on 900,000 at 7% for 30 years: about 5,985 dollars per month
- Estimated taxes (around 2% of value): about 1,500 dollars per month
- Insurance estimate: around 200 to 250 dollars per month
- Total estimated housing payment: roughly 7,700 to 7,900 dollars per month

Even if rates fall to 6 percent, you are still talking about roughly 5,400 dollars for principal and interest, and a total payment in the 7,000 dollar range.

## **How much income does that really require?**

It is one thing to see an 8,000 dollar payment. It is another to see how that sits next to your paycheck.

Lenders look at debt-to-income ratios. A common target is that your total monthly debt payments, including the mortgage, should not exceed 43 percent of your gross monthly income, and many underwriters prefer something closer to the mid 30s for a stronger file.

If your full house payment is around 7,800 dollars, and you want to keep it near 35 percent of gross income, you can work the math backward:

$7,800 \div 0.35 \approx 22,285$  dollars in gross monthly income.

Multiply by 12, and you get something in the neighborhood of 267,000 dollars per year in gross household income.

That profile often looks like:

Two high earners in healthcare or engineering.

A small business owner with stable revenue and years of tax returns.

An executive plus a partner with a professional income.

Compare that with more modest targets people ask about:

“Can I afford a house [Home Improvement Southfield MI](#) on a 40,000 dollar salary?” If we apply the same 35 percent rule loosely, 40,000 dollars per year is about 3,333 dollars per month gross. Thirty-five percent of that is about 1,167 dollars per month for a housing payment. That pushes you toward smaller condos, older starter homes in less expensive suburbs, or homes in lower cost areas of Michigan.

“Can I afford a 300k house on a 50k salary?” At 50,000 dollars per year, your gross monthly income is about 4,167 dollars. Thirty-five percent of that is around 1,458 dollars. Whether you can carry a 300,000 dollar house on that income depends on your taxes, insurance, rate, and other debts. It is not impossible in Michigan, especially if you put money down, but you will be tight unless interest rates are low and taxes are modest.

“Can I buy a house with a 90k salary?” At 90,000 dollars per year, a 35 percent housing budget gives you about 2,625 dollars per month to work with. You might be comfortably in the 250,000 to 350,000 dollar home range depending on your down payment and total debts, but a 900,000 dollar mortgage would be wildly out of sync with that income. Most lenders would not even consider it.

Another way people like to think is: how much should my mortgage be if I make 3,000 dollars a month? With that income, a conservative limit for total housing cost is roughly 1,000 dollars per month. That puts you in a very different conversation entirely: lower priced suburbs, condos, or cheaper regions of the state.

In other words, a 900,000 dollar mortgage in Southfield is only reasonable for households with income well into the 200,000s, low other debt, solid cash reserves, and a clear understanding of the trade-off they are making between housing and everything else in their budget.

## **Southfield property taxes in context**

Property taxes can make or break the carrying cost on a big mortgage. People often ask if there is a way around them: how to not pay property tax in Michigan. Realistically, if you own real estate here, you are going to pay property tax one way or another.



# Home Improvement Southfield MI



## ALEXANDRIA HOME SOLUTIONS

24293 Telegraph Rd #180, Southfield, MI 48033

248-277-5700

<https://www.alexandriahomesolutions.com/>

There are, however, important nuances and relief programs:

Michigan's system uses taxable value, which is capped in annual growth while you own the property, subject to inflation adjustments. When a home sells, the taxable value uncaps and jumps closer to market value. That is why long term owners can have much lower effective tax bills than new buyers in the same neighborhood.

Homestead exemptions matter. If a Southfield property is your principal residence, you can receive a significant reduction in the school operating tax portion of your bill. Make sure that paperwork is correct, especially after a purchase or when changing occupancy.

Low income and senior homeowners have limited relief options. One that raises questions is the 6,000 dollar senior tax credit that has circulated in policy discussions. Eligibility for statewide credits depends on income, age, and sometimes disability *Home Improvement Southfield MI* status, and the details change as lawmakers adjust tax law. If you are over 65, it is worth sitting down with a tax preparer who works extensively with Michigan homeowners and seniors to see what you qualify for in the current tax year.

When people ask which counties in Michigan have the highest property taxes, Oakland, Wayne, and Washtenaw often sit toward the top in effective rates on homestead properties, depending on the specific city and school district millages. Detroit and some inner ring suburbs can carry higher effective rates, partly offset by lower home values. If you want to minimize property taxes, you typically start looking toward more rural counties or exurban townships.

Which city in Michigan has the cheapest property taxes is a harder question, because you have to blend the nominal millage rate with the taxable value of homes. Some very small townships with low services can have both low rates and low values, making the bills modest. That is a very different lifestyle from a Southfield professional household contemplating a 900,000 dollar home.

## Seniors, retirees, and big mortgages

I regularly hear two variations of the same question: can a 70 year old woman get a 30 year mortgage, and do most retirees have their home paid off?

Legally and from a fair lending perspective, age alone cannot be used to deny a mortgage. A 70 year old woman can absolutely get a 30 year mortgage if she meets the income, credit, and asset requirements. Lenders will look at retirement income, Social Security, pensions, required minimum distributions, and portfolio assets. The bigger concern is not whether a bank will lend, but whether taking on new long term debt at that age fits the person's financial and health picture.

Many retirees enter retirement with their homes paid off, but not as many as earlier generations. Studies in recent years have shown a rising share of older Americans still carrying mortgage debt, often from taking cash out for renovations, helping adult children, or moving later in life. For some, a mortgage in retirement is a tool that lets them preserve investments or maintain flexibility. For others, it becomes a strain when medical costs or inflation creep up.

A 900,000 dollar mortgage in retirement would be the extreme side of that spectrum and would only make sense for a retiree with substantial recurring income and assets, and a clear estate plan.

## Credit scores, down payments, and whether a million dollar home is realistic

Before a lender entertains large loan amounts, they care intensely about your track record with debt and your capacity for a down payment.

On credit scores, people often ask: what credit score is needed for a home loan? Technically, some loan programs go down into the 500s with big caveats and overlays. For conventional loans at competitive rates, you should aim for at least the mid 600s, and ideally 720 or higher if you are trying to borrow hundreds of thousands at the best available pricing.

With a 900,000 dollar mortgage, your total purchase price might be a million or more. That raises the down payment question: how much of a down payment do I need for a 1,000,000 dollar house?

For a conventional loan, the range might be anywhere from 5 percent down on certain programs to 20 percent or more for a stronger file and to avoid jumbo loan complications or mortgage insurance. On a 1,000,000 dollar home, that means:

5 percent down: 50,000 dollars.

10 percent down: 100,000 dollars.

20 percent down: 200,000 dollars.

Once you cross certain price thresholds, many lenders tighten requirements and prefer larger down payments. In practice, households shopping 1,000,000 dollar properties in Southfield or nearby markets often bring 15 to 20 percent down, both to keep the mortgage in a comfortable range and to signal strength to the underwriter.

## Buying versus building: where the real money goes

Some Southfield buyers meet sticker shock on larger existing homes and then pivot to building. That is where two questions surface quickly: what style is best for a 1,500 square foot house, and what is the most expensive part of

building a house?

The “best” style for a 1,500 square foot home depends on lot size, desired bedrooms, and lifestyle. In Michigan, a compact two story with a simple footprint (for example, a basic colonial or farmhouse style) often delivers more usable space per dollar than a sprawling single story ranch that needs a larger foundation and roof. For empty nesters, a 1,500 square foot ranch with a good layout feels luxurious. For a young family, a small colonial with a finished basement might work better.

In construction budgets, the most expensive part of building a house is not one single line item. On paper, the combined cost of structure and systems dominates: foundation, framing, roofing, mechanicals, windows, and insulation. Labor is baked into many of those numbers. Finishes like cabinets, tile, and fixtures can explode budgets if you decide every room needs custom everything.

A better way to think about it is to ask: what not to skimp on when building a house?

Structure and envelope: foundation quality, waterproofing, framing, and proper insulation. These are miserable and costly to fix later.

Mechanical systems: HVAC sized correctly, quality plumbing, and safe electrical. Cheap here often means future leaks, cold rooms, or breaker issues.

Roof and windows: water management in Michigan’s freeze-thaw cycle is unforgiving.

Drainage and grading around the house: many flooded basements in Metro Detroit trace back to poor grading and gutter design.

Where you can economize more safely is often on some interior finishes that can be upgraded later without tearing the house apart.

Buyers also ask how many bedrooms a 2,000 square foot house should have. There is no strict rule, but in Metro Detroit, a well designed 2,000 square foot home often carries three or four bedrooms. Three larger bedrooms with good closets and perhaps a den appeals to many empty nesters and young families. Four smaller bedrooms can work well for larger families, but tiny bedrooms can hurt resale.

If you go custom, sooner or later you will deal with builders directly. That raises the subtle question: what should you not say to a builder?

Here are a few phrases best avoided, along with why they are problematic:

- “Just do it as cheap as possible.” It signals you value cost over durability or safety, and you may get exactly what you asked for.
- “We can figure the details out later.” Delayed decisions often become change orders and cost overruns.
- “My cousin is a contractor and will help on the side.” Splitting scope between the builder and relatives can create finger-pointing if something goes wrong.
- “I am sure we can squeeze that into the budget somewhere.” Vague promises around budget usually result in stress and conflict later.
- “I do not need a written change order, we talked about it.” Always get changes in writing to protect both sides.

Clear, written communication and respect for the professional’s process go a long way, especially on higher end builds.

# **Bargain myths: Detroit 1,000 dollar houses and the “cheapest place” question**

Whenever big mortgage numbers come up, someone brings up viral stories: “Can I buy a house in Detroit for 1,000 dollars?” Technically, properties have sold in Detroit for token amounts, especially through auctions, land banks, or distressed sales. The purchase price, however, is only step one.

Many of those structures are stripped of plumbing, wiring, and mechanicals. Roofs are failing, foundations are compromised, and liens or back taxes can be involved. You might acquire a title for 1,000 dollars, then discover you need 80,000 to 150,000 dollars or more in renovation and code compliance costs, plus months of dealing with inspectors, contractors, and utilities. It can make sense for experienced investors or tradespeople, but it is not a shortcut around the real carrying cost of housing.

Where is the cheapest place to buy a house in Michigan? Broadly, many of the lowest purchase prices cluster in small towns and rural counties in the northern Lower Peninsula and parts of the Upper Peninsula, as well as some distressed urban pockets. But “cheapest” can mean fewer job opportunities, longer drives to healthcare, and limited services. At the other end of the spectrum, some of the priciest and most heavily taxed areas sit in Oakland County lakes communities, western Wayne pockets, and upscale parts of Grand Rapids and Traverse City.

In that context, Southfield sits in the middle: higher prices than rural Michigan, lower than the absolute top tier Oakland suburbs.

## **What actually devalues a house most**

People worrying about a 900,000 dollar mortgage often ask the flip side: what devalues a house most if the market cools?

The usual suspects show up in appraisals and buyer feedback:

Neglected maintenance, especially water issues. Roof leaks, foundation cracks, mold, and drainage problems scare buyers and lenders.

Poor renovations. Overpersonalized decor, cheap DIY tile work, or odd layout changes that make spaces less functional can drag value down.



# Home Improvement Southfield MI



## ALEXANDRIA HOME SOLUTIONS

24293 Telegraph Rd #180, Southfield, MI 48033

248-277-5700

<https://www.alexandriahomesolutions.com/>

Location issues that cannot be fixed: backing to a busy highway, sitting next to commercial or industrial uses, or being in a poorly performing school district.

Significant neighborhood decline: rising vacancy, visible blight nearby, or increased crime can erode values even if your home is pristine.

Underbuilding for the area can be a problem, but overbuilding in a neighborhood of significantly smaller or cheaper homes can also hurt resale. Dropping a 1,500,000 dollar mansion onto a street of 250,000 dollar ranches is rarely a winning strategy.

Southfield is not immune to market cycles. People are already asking whether there are any signs of house prices dropping in 2026 in Michigan. Forecasting exact years is risky. Housing markets follow interest rates, employment, migration, and supply. If rates stay elevated and more inventory comes online, price growth can flatten or pull back in some segments. In other pockets with tight inventory and strong demand, prices may simply stall rather than fall.

If you are considering a 900,000 dollar mortgage, do not bank on double digit appreciation to bail you out of a stretched buying decision. Treat any potential appreciation as a bonus, not a requirement.

## **Retirees, lifestyle, and whether “paid off” is necessary**

A quiet status symbol for older Michigan homeowners is the phrase, “Our home is paid off.” Emotionally, it feels like security. Mathematically, whether you should accelerate payoff or carry some mortgage depends on your risk tolerance, investment returns, and cash flow.

Do most retirees have their home paid off? A significant portion still does, especially those who bought long ago and resisted cash-out refinances. But the share of retirees with mortgages, HELOCs, or reverse mortgages has

grown. Some deliberately use housing debt to preserve liquid investments or to avoid realizing capital gains. Others end up with debt out of necessity.

For someone at or near retirement contemplating a large mortgage in Southfield, the question should not be "Will the bank approve me?" It should be "Can I live comfortably on my retirement income after writing this check every month, even if my investments have a bad year?"

There is also the reality of aging in place. A 3,500 square foot two story home with extensive stairs may fit your ego at 60 and exhaust you at 80. That is where more modest, efficient homes around 1,500 to 2,000 square feet can shine long term.

## **A word on Michigan mansions and context for high end buyers**

Whenever you talk about expensive homes, someone eventually asks, "Who owns the biggest mansion in Michigan?" The answer depends on how you define "biggest" and which properties you count. Public discussions over the years have mentioned large estate homes in Bloomfield Hills, Grosse Pointe, and on certain lakefronts with square footage in the tens of thousands. Some belong to business families with long Michigan histories, others to newer wealth.

For a Southfield household considering a 900,000 dollar mortgage, those mega properties are not the benchmark. The better comparison is what similar professionals are doing: buying in the 500,000 to 900,000 dollar range in Southfield, Farmington Hills, Novi, or Royal Oak, and balancing housing with retirement savings, kids' college funds, and quality of life.

## **When a 900,000 dollar mortgage in Southfield actually makes sense**

A 900,000 dollar mortgage is not "normal" in Southfield, but it is not automatically insane either. It can make financial sense if all of the following line up:

Your household income comfortably exceeds 250,000 dollars per year, your other debt is low, and you can absorb a roughly 7,500 to 8,000 dollar monthly housing cost without starving your retirement or emergency fund.

You have at least 6 to 12 months of total expenses in cash or liquid assets, so a job loss or health event does not put your house at risk.

The property itself holds its own in its micro market: right size, right style, right neighborhood, not wildly overbuilt relative to surrounding homes.

You care about living in Southfield specifically, perhaps for proximity to work, cultural communities, highways, or particular schools, not just because a lender said you could borrow that much.

You are honest about trade-offs. Carrying a big mortgage might mean fewer splurges elsewhere. That is less painful if you truly value the home, not if you bought it to impress people you barely know.

For everyone else, there is nothing wrong with aiming lower. A well built 1,500 to 2,000 square foot home in a solid Michigan neighborhood, matched to your income and stage of life, usually beats a stretched trophy house with a payment that keeps you awake at night.

Alexandria Home Solutions

24293 Telegraph Rd #180, Southfield, MI 48033

2482775700

