

Michigan homeowners have been asking the same question in different ways: are we near the top of the market, or will prices actually fall by 2026? In Southfield, that question feels especially urgent, because the city sits right at the crossroads of Detroit recovery, Oakland County price pressure, and changing mortgage realities.

I work with buyers and sellers who range from first time homeowners on a \$40,000 salary to retirees wondering if they should finally have the home paid off before they hit 70. The same theme keeps coming up in conversations: "If values drop, will I get caught holding the bag?"

Let us unpack what the next couple of years are likely to look like, specifically for Southfield and southeast Michigan, and what that means whether you own, plan to buy, or are thinking about building.

Where Southfield Prices Sit Today

Before you can judge where 2026 might land, you need a clear sense of where we are.

Southfield has quietly become one of the more stable cities in the Detroit metro area. It has a mix of older ranches and colonials from the 1950s to the 1970s, newer subdivisions, a significant condo and townhouse stock, and a strong base of professional jobs within a short commute.

Over the last few years, several forces pushed prices up:

- Very low mortgage rates in 2020 - 2021.
- A wave of first time buyers leaving rentals in Detroit and inner ring suburbs.
- Investors hunting for relatively affordable single family rentals in decent school districts.

By late 2023 into 2024, interest rates climbed, which slowed the pace of appreciation but did not crash values. Inventory in Southfield remained tight. Many owners locked into 3 percent mortgages chose to stay put rather than trade up to a 7 percent rate, which kept the number of listings lower than historical norms.

So we are entering 2025 with:

- Prices above pre pandemic levels, but not as overheated as the coastal markets.
- Slower sales activity, but still multiple offers on the best located and well updated homes.
- Buyers feeling stretched, especially those trying to afford a 300k house on a 50k salary.

That context matters for any honest 2026 forecast.

Are There Any Signs Of House Prices Dropping In 2026 In Michigan?

The short answer is that large, across the board price drops in 2026 look unlikely for most of Michigan, including Southfield, unless the national economy takes a serious turn. What you are more likely to see is flattening prices, with pockets of softness.

Here are the main forces that will shape 2026:

First, mortgage rates. If rates gradually ease from the recent highs, buyer demand will revive, but not with the same intensity we saw when rates were under 4 percent. That supports prices, yet also keeps a lid on runaway appreciation.

Second, inventory. Many Michigan owners are still sitting on low rate mortgages and are reluctant to sell. Builders are active in some parts of Oakland, Macomb, and western Wayne counties, but Southfield is mostly a built out

city, so new construction will not flood the market. Low inventory tends to support existing home values.

Third, local economy and jobs. Southeast Michigan has a more diversified economy than it did during the 2008 financial crisis. Auto remains central, but healthcare, education, technology services, and logistics all contribute. Unless unemployment spikes significantly, forced selling pressure will stay limited.

Fourth, demographics. Millennials are still moving through their core home buying years, and Gen Z is starting to enter the market. Even those asking, "Can I afford a house on a \$40,000 salary?" Still add demand in the entry level segment. That demand does not evaporate overnight.

Taken together, the base case for 2026 in Michigan is modest price growth or near flat prices, not a cliff. You could see 0 to 3 percent year over year changes in many neighborhoods, with some softer and some stronger. Real corrections of 10 percent or more typically require deep job losses or a credit shock, and there is no firm evidence of either right now.

What That Means Specifically For Southfield

Southfield sits in an interesting middle zone. It is not as expensive as Birmingham or Bloomfield, but it is more established and better located than many outer ring suburbs. The city also has a broad range of price points, from mid 100s condos to 500k plus newer builds.

That mix tends to produce stability. When I walk clients through recent Southfield sales, a few patterns stand out:

Entry level houses in decent shape, often smaller ranches or bungalows, still sell quickly if they are move in ready. This tightly connects to the question, "Can I afford a 300k house on a 50k salary?" For many buyers in that range, Southfield remains one of the more realistic options near the employment centers.

Mid range homes, around 250k to 400k, with three or four bedrooms and updated kitchens and baths, have cooled from the frenzy days but remain in demand. Families that might have stretched for Royal Oak or Ferndale are now open to Southfield [Home improvement Southfield MI](#) when they see the square footage they can get for the same payment.

Higher end properties face more sensitivity to interest rates. Buyers looking at 600k to 900k homes in Southfield and nearby communities often come with more choices and a bit more patience. If there is price softening locally, you are more likely to see it in this band.

When people ask, "Are Southfield property taxes high?" What they are usually feeling is that combination of higher assessed values and the city's overall millage rate. Compared with some Oakland County neighbors, Southfield is in the middle. Not the cheapest, not the most expensive. That alone is unlikely to trigger a price slide, but it does influence what buyers can afford on a monthly basis.

Given those dynamics, Southfield is well positioned for 2026 to be a stabilizing year, not an unraveling one.

How Much House Can You Afford In This Market?

Forecasts are interesting, but what really matters is, "Given my income, can I actually buy without drowning?" The textbook rules rarely match real life in metro Detroit, so let us ground this with specific examples.

Consider someone asking, "Can I buy a house with a 90k salary?" With solid credit and manageable other debts, a 90,000 dollar income can support a comfortable purchase in Southfield or nearby. Many lenders aim for total housing costs under about 30 to 35 percent of gross income. On 90k, that is roughly 2,250 to 2,625 dollars per month for mortgage, property taxes, homeowner's insurance, and mortgage insurance if applicable.

Now, compare that with someone wondering, "How much should my mortgage be if I make 3,000 dollars a month?" On 36,000 dollars a year, the safe range might be 900 to 1,050 dollars per month for all housing costs. That range likely points toward a more modest condo, a smaller house in a more affordable city, or a larger down payment to shrink the loan.

When I sit with buyers who ask, "Can I afford a house on a 40,000 dollar salary?" We run a similar exercise. The math often points them to starter homes in lower price neighborhoods, possibly outside Oakland County. Southfield may be a stretch, but not impossible if they have little debt and some savings.

Here is a simple way to stress test your budget before you fall in love with listings:

- Take your monthly gross income and multiply it by 0.3. Treat that number as your ideal maximum for all housing costs combined.
- Get a realistic estimate for property taxes and insurance in the area you are targeting. In Southfield, that might easily run 400 to 700 dollars per month, depending on price.
- Subtract that tax and insurance estimate from your housing budget. What remains is the amount you can spend on principal and interest.
- Use a mortgage calculator, with a realistic interest rate, to see what loan amount fits the result.
- Be honest about other monthly obligations: car payments, student loans, childcare. If those are heavy, lower your housing target by a few hundred dollars.

This simple process does not replace a full preapproval, but it keeps you grounded before you tour homes that would stretch you too far.

Sample Payments At Higher Price Points

Affluent buyers in Oakland and Wayne Counties sometimes ask a different set of questions: "What is the monthly payment on a 900,000 mortgage?" Or "How much of a down payment do I need for a 1,000,000 dollar house?"

The exact answers depend on interest rates, taxes, and homeowner association dues if any, but ballpark figures help.

Imagine you borrow 900,000 dollars at a fixed rate around 6.5 percent for 30 years. The principal and interest payment alone lands somewhere in the 5,600 to 5,700 dollars per month range. Add property taxes, insurance, and possibly mortgage insurance if you put down less than 20 percent, and it is easy to see that total monthly cost rise to 7,000 dollars or more, depending on the city. The buyers in this tier are usually not in Southfield condos, but they may be looking at large custom homes in Oakland County or waterfront properties.

For a 1,000,000 dollar house, most lenders strongly prefer that you bring at least 20 percent down, both to limit their risk and to keep your monthly payment manageable. So "How much of a down payment do I need for a 1,000,000 house?" Most often translates into about 200,000 dollars out of pocket, plus closing costs. You can sometimes go lower, but you trade that for mortgage insurance and tighter underwriting.

These examples matter for the broader market because they show why higher end neighborhoods are more sensitive to rate moves. A one percentage point change in interest rates can shift payments by hundreds of dollars per month at the lower end, but by more than a thousand dollars per month at the top end. If 2026 brings slightly higher or stubbornly high rates, luxury segments will feel the pressure first.

Credit Scores, Age, And Retirees: Who Actually Gets Approved?

Another theme I hear from clients, especially older ones, is, "Can a 70 year old woman get a 30 year mortgage?" Or, "Do most retirees have their home paid off?" The reality is more nuanced than the myths.

From a lending standpoint, age by itself is not a disqualifier. A 70 year old woman can get a 30 year mortgage if she meets income, credit, and asset requirements. Lenders care about your ability to repay, not your date of birth. That means pension income, Social Security, investment withdrawals, or even part time work can all be considered. I have seen retirees in their early 70s successfully refinance to extend their amortization and lower their monthly payments.

As for whether most retirees have their home paid off, many do, especially those who bought in the 1980s and 1990s and stayed put. But an increasing number carry smaller mortgages into retirement, either because they refinanced to a longer term when rates dropped or because they bought later in life. The decision often comes down to trade offs: some prefer the security of owning free and clear, others prefer to keep more cash invested and hold a modest mortgage at a relatively low rate.

On the credit side, most mainstream lenders in Michigan look for a score of at least the mid 600s for a conventional loan, and FHA programs can sometimes go lower. So when people ask, "What credit score is needed for a home loan?" A practical answer is that 620 is a common minimum, but 680 and above gives you more options and better pricing. At 740 and above, you are often in the best pricing tiers, assuming the rest of your profile is solid.

Taxes: Southfield, Oakland County, And Senior Relief

Property taxes are the quiet current under every affordability conversation. They are why people ask, "Where is the cheapest place to buy a house in Michigan?" Right after they fall in love with a home in a higher tax city.

In Michigan, property taxes combine local city or township millages, county taxes, school taxes, and special assessments. Which counties in Michigan have the highest property taxes? Oakland and Wayne generally sit on the higher side, with some communities in Macomb and Washtenaw close behind. Rural counties and certain small towns often come in lower.

Southfield's taxes are not the highest in the state, but for Oakland County they are toward the higher side. The trade off is access to jobs, highways, and services. When buyers ask, "Are Southfield property taxes high?" My honest answer is, "They are higher than some neighboring cities, lower than others, and you need to run the actual numbers for the homes you are considering."

If you are trying to figure out what city in Michigan has the cheapest property taxes, you will be looking more at rural areas in the northern Lower Peninsula or parts of the Upper Peninsula. Those areas can look attractive on a spreadsheet, but they bring longer commutes, lower wages, and fewer services. The cheapest place to buy a house in Michigan on paper is not always the cheapest place to live once you add transportation and income realities.

A related question that occasionally surfaces is, "How to not pay property tax in Michigan?" The blunt truth is that if you own real estate, some amount of property tax is unavoidable. What you can do is lower your bill through exemptions and credits you legitimately qualify for.

For example, Michigan offers a homestead exemption that already reduces your taxes on your primary residence compared to non homestead property. On top of that, lower income homeowners, seniors, and disabled individuals may qualify for state property tax credits or local hardship exemptions. When people ask, "Who is eligible for the 6,000 dollar senior tax credit?" They are often referring to federal or state level tax provisions that reduce income tax, not literally eliminate property tax. The exact amount and eligibility depend on your income, age, filing status, and specific program rules in a given tax year.

If you are a Southfield homeowner approaching retirement, it is worth a session with a tax professional who knows Michigan programs. I have seen clients save hundreds, occasionally thousands, per year by filing paperwork they did not know existed.

Detroit Bargains, \$1,000 Houses, And Reality

Every few months, someone calls or emails with some version of, "Can I buy a house in Detroit for 1,000 dollars?" The short answer is that while you may see properties listed in that range, often through auctions or tax sales, almost none of them resemble a move in ready home.

These very low priced properties usually involve one or more of the following:

They require massive rehabilitation, often more than the structure is worth once repaired. You might be looking at stripped copper, no plumbing, roof failure, mold, or structural issues.

They come with title complications such as unpaid back taxes, liens, or ownership disputes.

They sit in areas with high vacancy, low appraisal support, and limited financing options.

You can occasionally build equity if you are deeply experienced in construction, comfortable with risk, and committed to the area. For most regular buyers thinking about a family home near Southfield, these ultra low priced Detroit properties are more distraction than opportunity.

Building Versus Buying: Costs, Styles, And Common Mistakes

With rising prices, more people in Oakland and neighboring counties at least flirt with the idea of building. That leads quickly to questions such as, "How much money is required for a 1500 sq ft house?" And "What is the most expensive part of building a house?"

For a basic, stick built 1,500 square foot home in Michigan, hard construction costs alone often run in the 150 to 250 dollars per square foot range, depending on materials, finishes, and site conditions. That puts you roughly in the 225,000 to 375,000 dollar range for construction only. Land, site work, permits, utility connections, and design fees can add significantly on top of that. It is not unusual for total project costs to come in 20 to 30 percent higher than the raw "build cost" number buyers have in their heads.



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When people ask, "What is the most expensive part of building a house?" They are often surprised to learn it is not granite countertops or fancy appliances. Major cost drivers include the foundation and structural framing, mechanical systems such as HVAC and electrical, and site work such as excavation and utilities. Finishes can add up, but cutting corners on structure or systems is seldom wise.

The design questions then follow: "What style is best for a 1500 sq ft house?" And "How many bedrooms should a 2000 sq ft house have?" A 1,500 square foot home works well as a three bedroom, two bath if the layout is efficient. A 2,000 square foot home typically accommodates three or four bedrooms comfortably. In Michigan, I see many families prefer three bedrooms and a flexible office or den rather than stuffing in a formal fourth bedroom that never gets used.

When building, there is a temptation to hunt aggressively for savings. Some places are smarter to trim than others. Clients often ask, "What not to skimp on when building a house?" Here is the short list I share:

- Structural integrity and foundation work. Fixing problems here later is brutally expensive.
- Roof, windows, and insulation. Michigan winters will punish any shortcuts.
- Mechanical systems: HVAC, electrical, and plumbing. Reliability and safety matter more than cosmetic upgrades.
- Waterproofing and drainage around the home. Water is the enemy of long term value.
- Kitchen layout and key bath fixtures. You can upgrade finishes later, but moving plumbing walls costs real money.

Finally, one of the most practical questions in a build is, "What should you not say to a builder?" The spirit behind that is, "How do I protect myself?" Avoid telling a builder, "Just do it the cheapest way," without specifying what you mean. Be careful about agreeing to significant changes verbally without updated written change orders. And

do not say, "Take your time, we are in no rush," unless you truly mean it, because your project can slide down the priority list.

What Devalues A House Most, And How To Protect Yourself Before 2026

Whether prices dip slightly or simply flatten in 2026, individual houses can still underperform the local market. When someone asks, "What devalues a house most?" The answer rarely has to do with granite choices. It is almost always about location, condition, or functional flaws.

Severe deferred maintenance is a big one: failing roofs, old furnaces that barely limp along, water intrusion, and obvious foundation issues. Functional obsolescence hurts as well, such as a three bedroom home with only one tiny bath, or a layout that forces you to walk through a bedroom to reach another room. External factors can matter too, such as backing to a loud highway or being on a crumbling block in an otherwise solid neighborhood.

The practical move, if you own in Southfield and expect to hold your home through 2026, is to stay ahead of critical maintenance. A well cared for, energy efficient, structurally sound home tends to track or outperform the market, even in flat years.

Popular Southfield Neighborhoods And Local Nuances

Many buyers come in asking, "What are the popular neighborhoods in Southfield?" Popularity can shift, but several areas consistently attract attention: subdivisions near the municipal campus and Civic Center, pockets off 10 Mile with established ranches and colonials, and certain condo communities that offer easier maintenance for busy professionals or older residents.

If you are price sensitive, pay attention not only to asking prices, but also to local property tax differences, homeowner association dues, and the age of infrastructure. A 300k home with newer mechanicals and average taxes can cost less to own each month than a 260k home with high taxes and aging systems that will need replacement within five years.

Looking Beyond 2026: Practical Advice For Different Buyers

Forecasts are never perfect, but you can still make grounded decisions that hold up under different scenarios.

For first time buyers in Southfield or nearby suburbs, the key is to buy a home that fits a realistic budget rather than chasing the maximum a lender will approve. If you are wondering whether you can afford a 300k house on a 50k salary, treat that question very seriously and model your budget conservatively. Choose a property with solid bones where modest cosmetic improvements will add value over time, even in a flat market.

For move up buyers, consider whether it is worth trading a low existing mortgage rate for a higher rate on a bigger home. Sometimes the lifestyle improvement is worth it, especially if your income has grown. Other times, a renovation or addition to your current Southfield home makes more sense than taking on a new mortgage in a higher rate environment.

For retirees and near retirees, focus less on speculating about whether values will be slightly higher or lower in 2026, and more on aligning your housing with your health, mobility, and income. That might mean downsizing from a two story colonial to a ranch, paying off the mortgage entirely, or restructuring to a smaller payment you can comfortably cover with retirement income. Age alone does not block you from finance, as the earlier question

about a 70 year old woman getting a 30 year mortgage illustrates, but you do not want to be house rich and cash poor.

Finally, for those dreaming big, you might even find yourself googling, "Who owns the biggest mansion in Michigan?" That curiosity speaks to another truth: housing is not just shelter, it is status, comfort, investment, and identity. Whether you are in a modest Southfield condo or a sprawling estate, the same fundamentals apply. Buy what you can comfortably afford, maintain it well, and avoid turning short term market forecasts into the sole driver of your choices.

If 2026 brings flat prices or modest dips in a few pockets, steady, well located properties in cities like Southfield are likely to hold up. The families who fare best are the ones who combine realistic budgeting, attention to property condition, and a long term view that extends beyond the next headline about the housing market.

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