

Bankrate

Hidden Costs of Homeownership For a Typical Single-Family Home Total Over \$18,000 Per Year

Average costs of owning and maintaining a home have risen 26% since 2020

NEW YORK - June 10, 2024 - The average annual cost of owning and maintaining a single-family home in the U.S. is 26% higher now compared to four years ago, according to Bankrate's new Hidden Costs of Homeownership Study. Bankrate calculated the average costs of property taxes, homeowners insurance, home maintenance costs and electricity, internet and cable bills and found that they add up to \$18,118 a year for a typical single-family home (valued at \$436,291 per Redfin) in all 50 states, not including the District of Columbia. Nationally, that is an additional \$1,510 per month on top of a mortgage payment. In 2020, those same expenses totaled \$14,428 annually for a typical single-family home, equivalent to \$1,202 per month. Click here for more information:

<https://www.bankrate.com/mortgages/hidden-costs-of-homeownership-study/>

The states with the highest average hidden costs of homeownership are located in the West or Northeast, while the states with the lowest hidden costs are all in the Southeast or Midwest.

States with the highest hidden homeownership costs in 2024	
State	Average hidden homeownership costs
1. Hawaii	\$29,015
2. California	\$28,790
3. Massachusetts	\$26,313
4. New Jersey	\$25,573
5. Connecticut	\$23,515

States with the lowest hidden homeownership costs in 2024	
State	Average hidden homeownership costs
1. Kentucky	\$11,559
2. Arkansas	\$11,692
3. Mississippi	\$11,881
4. Alabama	\$12,258
5. Indiana	\$12,259

“Homeownership is an important wealth-builder for many Americans, but it ain’t cheap,” said Bankrate Analyst Jeff Ostrowski. “These numbers show that the costs of owning a home are at the same level as buying a used car every year. While homeownership is worth the financial sacrifice, homeowners also need to be aware of the ongoing expenses that go along with owning property.”

While average hidden costs of homeownership are up 26% nationally, the three states with the biggest percentage increases from 2020 to 2024 are Utah (44%), Idaho (39%), and Hawaii (38%). Conversely, Alaska, Texas, and Louisiana had the smallest percentage increases from 2020 to 2024 in hidden homeownership costs, with Alaska and Texas both experiencing a 14% increase, and Louisiana having 15%.

Home maintenance can be a costly, but a necessary, expense for homeowners, and can be a contributing factor to the hidden costs of homeownership. Assuming single-family homeowners spend 2% of their home’s value on maintenance every year, Hawaii and California have the highest cost of home maintenance in the country, at \$19,860 and \$16,966, respectively. On the other hand, Iowa and Oklahoma have the lowest typical home maintenance costs, totaling \$4,596 and \$4,844, respectively. These maintenance costs are just part of the total hidden costs of homeownership in Hawaii, California, Iowa, and Oklahoma.

“No matter where you live, make sure you include some cushion in your monthly budget to absorb the shock of unplanned expenses,” Ostrowski added. “After you achieve homeownership, you need to fatten up your emergency savings account for all those surprise repairs.”

<https://www.bankrate.com/mortgages/unexpected-costs-of-homeownership/>

Methodology:

Bankrate's Hidden Costs of Homeownership Study analyzes the average annual expenses associated with owning and maintaining a single-family home nationwide and in every state in 2024 compared to 2020. Bankrate defines those expenses as costs that go beyond a mortgage, including property taxes, homeowners insurance, energy costs, internet and cable bills and home maintenance.

Average annual nationwide and statewide home maintenance costs were estimated using the 2% rule of thumb multiplied by national and statewide median sale prices for single-family homes as of March 2020 and March 2024. Bankrate accessed Redfin's national and statewide median sale price data for single-family homes as of March 2020 and March 2024 on May 1, 2024. Average annual national and statewide electric bills, which include electricity, natural gas, propane and fuel oil or kerosene costs, were collected using 2020 data from the U.S. Energy Information Administration. Average annual national and statewide internet and cable bills were collected using 2021 and 2023 data from bill payment company Doxo. Average annual national and statewide property taxes were collected using 2020 and 2022 data from ATTOM, a provider of nationwide property data. Bankrate used national and statewide 2020 and 2021 data from the National Association of Insurance Commissioners (NAIC) to aggregate average annual homeowners insurance premiums.

To accurately determine hidden homeownership expenses in 2024, Bankrate adjusted the most up-to-date national and statewide figures for property taxes, energy costs, internet and cable bills and homeowners insurance premiums for inflation using the Consumer Price Index. In the 2020 portion of the analysis, national and statewide 2021 figures for internet and cable were converted to 2020 dollars using the Consumer Price Index. Bankrate's study did not include mortgage payments or any other monthly expenses or debts.

About Bankrate:

Bankrate has guided savers and spenders through the next steps of their financial journeys since 1976. Whether it's rates or information on mortgages, investing, credit cards, personal loans, insurance, taxes or retirement, the company offers various free resources to help consumers reach their goals. From product comparison tools to award-winning editorial content, Bankrate provides objective information and actionable next steps. Bankrate also aggregates rate information from over 4,800 institutions on more than 300 financial products, with coverage in more than 600 local markets. It's why over 100 million people put their trust in Bankrate every year.

For more information:

Fontaine Gwynn
Publicist - Bankrate

fontaine.gwynn@bankrate.com

(917) 267-8710