

The True Cost of Owning a Home in 2025



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💰 What's the true cost of owning a home in 2025 beyond mortgage payments?



The average American homeowner pays over \$24,000 per year *in addition* to their mortgage payment on costs such as utilities, repairs, maintenance, property taxes, and homeowners insurance.

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Whether they're renting, living with family or friends, or making do with another housing situation, owning a home is a common and significant goal for tens of millions of Americans.

Homeownership represents many things to different people, including independence, stability, and a chance to build long-term wealth. However, those who own their homes know those benefits, while real, don't come for free — literally.

Although some owners focus mostly on their mortgage payments, other critical and regular costs, including homeowners insurance, property taxes, utilities, repairs, and maintenance, can cause big problems for the financially unprepared.

These expenses reach an average of \$24,529 per year (\$2,044 monthly) among the 1,000 American homeowners Clever surveyed.

Those who are part of a homeowners association (HOA) are responsible for an average of \$3,077 extra for a total of \$27,606 annually.

What is the true cost of homeownership in 2025?

 Average annual cost on top of a mortgage: **\$24,529**

Utility costs come from This Old House data. Maintenance, renovation, and HOA costs come from Real Estate Witch survey data. Property taxes come from the U.S. Census Bureau. Insurance costs come from Bankrate.

Source: Real Estate Witch – True Cost of Homeownership 2025, November 2024

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These numbers are why 81% of homeowners surveyed say the costs of owning a home are higher than expected, while over two-thirds (69%) have regrets about their home and the costs related to it.

Meanwhile, owners also shed light on the startling amount of time spent on maintenance and repairs each week, as well as some stark differences between older and younger owners, first-timers and repeat buyers, and those who purchased before and after 2020.



True Cost of Owning a Home Statistics

- The typical American homeowner spends an average of \$24,529 per year on non-mortgage home expenses — the equivalent of \$735,870 over a 30-year mortgage:
 - Utilities: \$7,319
 - Maintenance: \$6,087

- Renovations: \$5,762
- Property taxes: \$3,057
- Homeowners insurance: \$2,304
- Those who are part of a homeowners association (HOA) are responsible for an average of \$3,077 extra for a total of \$27,606 annually.
- Roughly 81% of American homeowners say the costs of homeownership are higher than they expected.
- Nearly half (44%) believe it's easier to be a renter than a homeowner.
 - Almost 1 in 4 millennial homeowners (23%) say the costs of homeownership have made them want to go back to renting, more than 2x the percentage of boomers who have felt this way (10%).
- A majority of homeowners (56%) believe owning a home is not attainable for the average American.
- Over two-thirds of American homeowners (69%) have regrets about their house and its associated costs.
- About half of American homeowners (48%) would have had a different approach to the home-buying process had they known the actual cost of maintaining their home.
- Almost half of owners (46%) say they don't feel their property taxes accurately reflect their home's value.
- More than half of homeowners (51%) are stressed by the rising cost of home insurance, and 1 in 8 (13%) worry they could lose insurance on their property.
- A majority of American homeowners (59%) would not be able to pay for a \$5,000 emergency home repair without going into credit card debt.
- Almost half of homeowners (46%) admit they don't actively budget for unexpected repairs.
- American homeowners spend an average of 6.9 hours per week on personal home repairs, maintenance, and improvements.
 - That adds up to more than 1 year and 83 days over the course of a typical 30-year mortgage.

- Nearly half of homeowners (46%) say they did not accurately estimate the cost of repairs and improvements before buying.
- More than 1 in 3 homeowners don't think the previous owner of their home was upfront about the cost of maintenance (36%). The same percentage believe the previous owner cut corners when it came to maintenance (36%).

Extra Homeownership Costs Nearly Match Annual Mortgage Payments

There's a lot more to homeownership than just making sure the mortgage gets paid. In addition to their mortgage, the average American homeowner pays \$24,529 per year in extra costs, such as utilities, repairs, maintenance, property taxes, and homeowners insurance.

That's almost as much as the typical household spends on the mortgage itself ([\\$26,508](#)) and [over \\$547 per month more than in 2024](#). Over the course of a 30-year mortgage, this totals \$735,870 in additional expenses.

This year, a typical homeowner spent:

- Utilities: \$7,319
- Maintenance: \$6,087
- Renovations: \$5,762
- Property taxes: \$3,057
- Homeowners insurance: \$2,304

What's more, those who are part of a homeowners association pay an additional \$3,077 on average for a total of \$27,426 annually.

In light of this, it's apparent why **81% of homeowners say the costs of homeownership are higher than they expected.**

Specifically, 37% of homeowners point to higher-than-anticipated property taxes, and 32% blame homeowners insurance. Another quarter (23%) say home improvements or renovations are more costly than they thought.

Which costs of homeownership have been more expensive than you originally expected?

Meanwhile, 81% also say they have concerns about the cost of homeownership. This includes 29% who say their biggest concern is unexpected maintenance or repairs, 23% who say their biggest concern is rising property taxes and 14% who say their biggest concern is rising homeowners insurance costs.

These expenses have forced a significant number of homeowners to update their budgets to find the money to pay for home-related expenses.

More than 1 in 5 homeowners (21%) have had to eliminate non-essential spending on vacations or other big purchases. About 1 in 8 (12%) have even dipped into their retirement savings, a move that could lead to more significant financial issues down the road.

Even with all these options, 1 in 12 (8%) still say they can't afford basic home maintenance.

Considering all these costs, nearly half of American homeowners (44%) believe owning a home is too expensive, and a majority (56%) believe owning a home is not attainable for the average American.

That's a good explanation for why 44% say it's easier to be a renter than a homeowner and why more than 1 in 7 (15%) have even wanted to go back to renting at some point due to the cost of owning a home.

Over Two-Thirds of Homeowners Have Regrets About Their House

Plenty of homeowners still aren't completely satisfied with owning, especially when it comes to the true cost of homeownership.

Over two-thirds (69%) have regrets about their house and the associated costs, the most common of which are that their property taxes are too high (30%), their

homeowners insurance costs keep increasing (29%), and their utility bills are too high (20%).

What regrets do you have about your house?

Almost a quarter of homeowners (24%) report that homeownership has negatively impacted their finances, including more than a third (35%) who bought their homes after 2020, when real estate demand and prices spiked, followed by increases in mortgage rates from record lows. **Nearly half (45%) even admit they've felt buyer's remorse about their home.** This number rises to 56% for post-2020 buyers.

Meanwhile, 48% of all owners and 59% of those who bought after 2020 would have taken a different approach to the home-buying process had they known the actual cost of maintaining their property.

Respondents say there's no single change that would have prevented their issues, however. About 1 in 8 would have purchased a more energy-efficient home (12%), would have purchased a home that required less maintenance (11%), or would have purchased a new home (11%), among other strategic choices. While just 4% each wish they'd waited until mortgage rates or home prices fell, would-be buyers should also remember they can save during the process by [negotiating their Realtor fees](#).

First-Time Buyers Face the Toughest, Most Unexpected Challenges

The old saying about experience being the best teacher certainly seems to apply to the costs of homeownership, whether it's the price of the house, the [real estate agent commissions](#), or ongoing expenses. Over half of first-time homeowners (54%) admit they were surprised by the costs of maintaining a home, while barely 1 in 4 of those who have owned before (28%) say the same.

More than half of first-timers (53%) also say they would have approached buying their home differently if they had known ahead of time the actual cost of maintaining it. That's true of just 44% of those who had bought before.

In some cases, this difference in preparation may have significant consequences for the home's condition. Roughly half of first-time buyers say they've skipped a home repair or

maintenance project because they didn't have the money (46%) or can't afford to make major home renovations right now (53%).

Only 31% and 39% of those who've previously owned a home feel this way, respectively.

Altogether, it creates a stark difference in the mindset of these two groups.

About 40% of first-time buyers feel stressed by the cost of homeownership — 14 percentage points higher than repeat owners (26%). First-timers (12%) are also 2x more likely than repeat homeowners (5%) to say owning a home has negatively impacted their mental health.

There's an almost identical split when it comes to those who say owning a home isn't worth the cost — 11% for first-time owners and 6% for repeat ones — and those who say it's not worth the time required — 11% versus 5%, respectively.

There's also a notable gap between the percentage who believe it's easier to be a renter than a homeowner: 49% for first-time buyers and 40% for those who have owned before.

Property Taxes Are the Biggest Surprise Cost for Homeowners

Among all the associated expenses of homeownership, the bill for property taxes seems to shock owners the most. Almost a third (31%) say they're the most surprising cost of ownership — the highest percentage among all costs evaluated.

They're a particular shock to first-time homeowners, 40% of whom say they were surprised by their tax bill.

According to the [U.S. Census Bureau](#), property taxes have reached a median of \$3,057 nationwide, just over 5% higher than last year. **It's enough to make 46% of owners say they don't feel their property taxes accurately reflect their home's value.**

At the same time, nearly 1 in 4 homeowners (22%) say expenses related to maintenance and repairs are the most surprising cost of owning a home. Combined, these expenses reach nearly \$12,000 annually, with owners saying they're spending 39% more on maintenance and 52% more on renovations than in the previous year.

Homeowners insurance was most surprising cost to about 1 in 5 owners (19%). **More concerning is the fact that a majority of homeowners (51%) admit they're stressed about the rising cost of insurance, and more than 1 in 8 (13%) worry they could lose insurance on their property.**

Insurance is one of only two categories of home expenses, alongside landscaping, where those who have owned homes before (15%) were more surprised by the costs than first-time buyers (10%).

American homeowners pay an **average of \$2,304**, or \$192 per month, for insurance in 2025, compared to \$1,516 in 2024. However, those in states or areas prone to natural disasters, such as floods, hurricanes, or wildfires, can pay substantially more.

Just under a third of homeowners surveyed (31%) are required to pay homeowners association (HOA) fees. **However, 40% of those who bought after 2015 are on the hook for HOA fees, compared to just 27% of those who bought that year or earlier.** This is more evidence of the increasing impact of HOA payments on home affordability as they **become more common** in new developments.

Among those who pay HOA fees, **about half (49%) spend over \$200 per month, while more than 1 in 7 (15%) pay a whopping \$500 or more monthly in HOA fees.** On average, HOA residents surveyed by Clever pay an additional \$3,077 annually, more than many non-HOA residents spend on taxes or insurance.

Typical Homeowners Spend \$6,000 and 359 Hours Per Year on Repairs and Maintenance

Although it's likely that most of those buying a home understand they'll be on the hook for regular maintenance and repair costs, few seem to truly understand the money and time actually required.

Clever found the average homeowner spends \$6,087 annually, or \$507 per month, on repairs and maintenance, not including planned renovations or remodels.

The amount of spending is particularly notable, considering **59% of American homeowners would not be able to pay for a \$5,000 emergency home repair without going into credit card debt.** Almost 1 in 4 (23%) couldn't even pay for a more modest \$1,000 emergency without turning to their credit card.

As for where all that money goes, the most common source of spending is major appliance replacement, an expense 68% of homeowners have experienced. Similar numbers have had to pay for painting and staining (67%) or plumbing repairs and maintenance (64%).

Expensive and complex problems, such as roof repairs and replacement (59%), HVAC issues (59%), and electrical issues (36%), are also relatively common.

These same issues often come up when owners are asked about the most expensive repairs, with 26% pointing to HVAC work, 20% to their roof, and 12% to replacing a major appliance.

Still, 46% of homeowners admit they don't actively budget for unexpected repairs, and 51% have put off some home maintenance or repairs due to cost reasons.

In fact, over a quarter of respondents (28%) revealed something was currently broken in their home that they had no plans to fix immediately. Even worse, 1 in 5 American homeowners (20%) have gone more than a year without fixing a major problem with their home because they couldn't afford to do so.

Whether because of cost or because they enjoy it, many Americans seem to take a do-it-yourself approach to home repairs when they can. Some caution is necessary, though. Nearly 1 in 4 (22%) have had a self-described DIY "disaster," including nearly a third of millennial homeowners (32%).

Homeownership doesn't cost just money, either. In a typical week, American homeowners spend an average of 6.9 hours on personal home repairs, maintenance, and improvements. That's equivalent to almost 15 days per year, or more than 1 year and 83 days, over the course of a typical 30-year mortgage.

Those who own their first home also seem to put in more time maintaining it than repeat buyers. First-timers spend an average of 1.59 hours more per week, which adds up to almost 3 days and 11 hours of extra work per year. Post-2020 buyers also spend a similar amount of extra time on upkeep and repairs, 1.55 hours more per week than those who bought in 2020 or earlier.

In addition, the work isn't distributed evenly among all homeowners. Almost 1 in 6 (15%) report spending one hour or less per week on home maintenance, while nearly a quarter (22%) report spending 10 hours or more. Despite this lengthy investment, 92% still say homeownership is worth the time required.

Half of Homeowners Admit They Misjudged Repair and Maintenance Costs

Still, many owners admit they may not have fully considered the impact of home repairs and maintenance on their overall financial picture.

Half of owners (50%) say they bought a home that needed some minor work but not a fixer-upper, about 5x the number who opted for a true fixer-upper (11%) or a property recently renovated by others (10%). Although this can save buyers some money upfront, it's not always the case over the long term if apparently minor work turns into larger projects or ongoing costs.

Almost half of homeowners (46%) say they weren't able to accurately estimate the cost of repairs and improvements before buying. That's in spite of the fact that over three-quarters (77%) had their homes inspected before purchasing, and 73% believe their inspection was effective at identifying potential maintenance and repair issues prior to purchasing.

Instead, they point to a familiar and easy-to-blame culprit: the home's previous owner. More than 1 in 3 homeowners (36%) don't think the previous owner was upfront about the cost of maintaining the property, and the same percentage (36%) believe the previous owner cut corners when it came to maintenance. While it may not be an issue in all cases, it's worth remembering that many sellers will naturally try to make the most amount possible from their sale, whether it's by covering up less-than-ideal maintenance or saving on their [seller closing costs](#).

Would-be buyers may be able to learn something from these experiences. An overwhelming 81% of homeowners would prefer to have a more expensive house with lower maintenance costs than a less expensive house with higher maintenance costs.

About 86% would have also paid above asking price for a home that required little to no maintenance.

83% of Homeowners Are Planning Future Upgrades

Even with many regular home expenses and a generally precarious financial situation, 83% of American homeowners plan to make renovations or improvements to their homes in the next five years.

The most common options include painting (45%), new landscaping (31%), and a bathroom remodel (29%). Another 1 in 6 (17%) are looking to the future and planning to add smart technology, such as a thermostat, lights, or locks, to their homes.

On average, American homeowners spend \$5,762 per year on various renovation and improvement projects, equivalent to just over \$480 per month.

Although home improvements always come at a cost, more than three-quarters of homeowners (79%) are willing to spend the cash upfront on certain upgrades if they are money-savers in the long run.

Almost 1 in 3 (31%) feel this way about new efficient windows, and a quarter say so about insulation (25%) and energy-efficient appliances or home systems (24%). Around 1 in 5 are also willing to invest in solar panels and backup batteries (19%) or upgrade their roof to longer-lasting, more efficient materials (19%).

Only 1 in 8 (12%) can afford these cost-saving upgrades but simply aren't interested in investing in them.

Twice as Many Millennials Overspend on Their Homes Compared to Boomers

As with many housing-related issues, an owner's perspective depends greatly on their age and the circumstances of the housing market when they were buying.

Almost two-thirds of millennial homeowners (63%) think the cost of homeownership is more than they expected — a likely result of purchasing during the hot market of the late 2010s and early 2020s. Just 37% of boomers feel the same, a 26-percentage point difference.

Another 37% of millennial homeowners believe they spent too much on their homes, which is over 2x the number of boomers who admit to overspending (15%). Almost 1 in 6 millennial owners (15%) are stretched so thin they can't afford basic home maintenance. Only 1 in 20 boomers (5%) are in the same predicament.

Despite the obvious and not-so-obvious costs of homeownership, supporters have always argued it's a tried-and-true way to grow wealth and financial security. However, 38% of millennial homeowners and 34% of Gen X homeowners say the cost of owning a

home has actually *negatively* impacted their finances — about 2x the number of boomer homeowners who say the same (19%).

It's more than just their wallets, too. Nearly 1 in 5 millennial homeowners (19%) believe owning a home has harmed their mental health, and 50% of Gen X and millennial homeowners each say homeownership causes them stress. Only 22% of boomer homeowners say the same.

Overall, 61% of millennial owners believe that owning a home is too expensive, and 1 in 5 (20%) think owning a home isn't worth the cost. That's compared to 40% and 4% of boomers, respectively.

Without significant changes, young generations may end up owning fewer homes than older ones, even as they age. Almost 1 in 4 millennial homeowners (23%) say the costs of homeownership have made them want to go back to renting, more than 2x the percentage of boomers who have felt this way (10%).

Methodology

Real Estate Witch surveyed 1,000 American homeowners about their homeownership-related expenses and their experiences dealing with homeownership costs. The survey was conducted between Nov. 27 and Nov. 30, 2024. The margin of error is +/- 3.5%.

About Real Estate Witch

You shouldn't need a crystal ball or magical powers to understand real estate. Since 2016, Real Estate Witch has demystified real estate through in-depth guides, honest company reviews, and data-driven research. In 2020, Real Estate Witch was acquired by [Clever Real Estate](#), a free agent-matching service that has helped consumers save \$82 million on realtor fees. Real Estate Witch's research has been featured in CNBC, Yahoo! Finance, Chicago Tribune, Black Enterprise, and more.

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FAQs

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What's the most surprising cost of owning a home? +

What do homeowners regret about owning their home? +

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