

ECONOMY • HOUSING

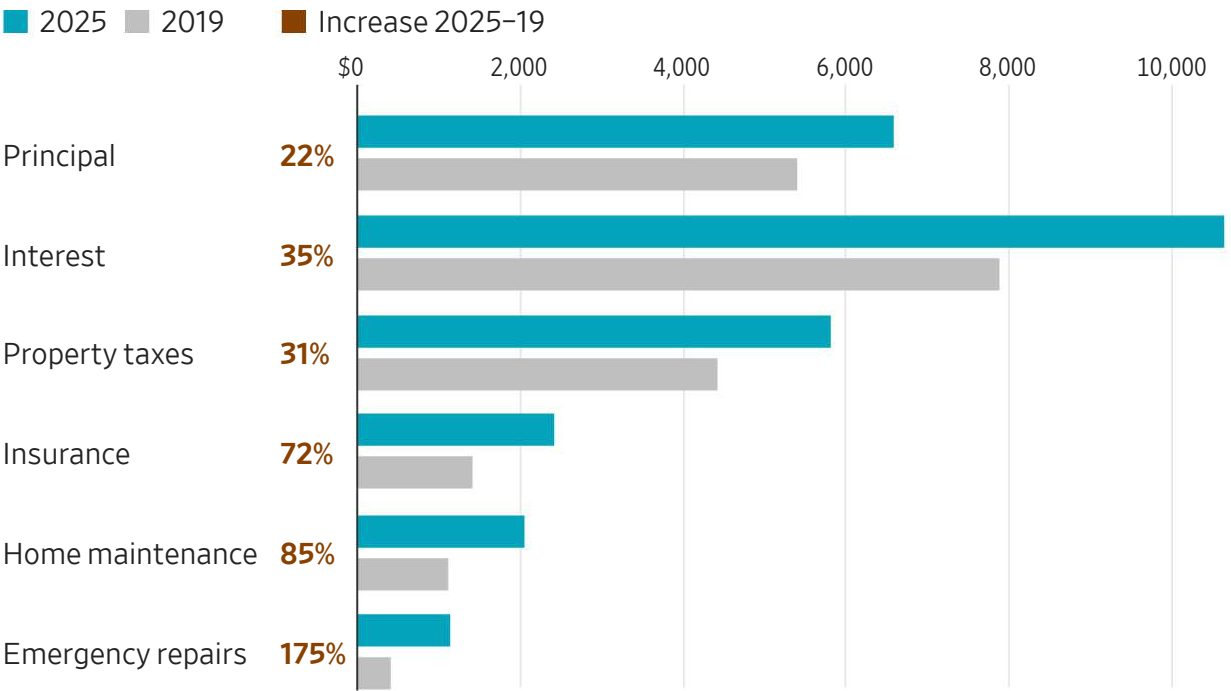
See How Owning a Home Is Getting More Expensive in Every Way

The long list of spiraling costs includes property taxes, insurance, maintenance and home improvements

By Nicole Friedman and Alana Pipe

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Homeownership costs in 2025 vs. 2019



Total annual bill	39%	\$28,596	Consumer-price index	26%	321.9
		\$20,618			255.7

Note: Data on principal, interest, insurance and taxes are for December of each year and based on single-family mortgages that escrow property-tax and home-insurance payments. Data on home maintenance and emergency repairs based on online surveys of 5,000 respondents.
Sources: Intercontinental Exchange (principal, interest, insurance, property taxes); Angi (home maintenance, emergency repairs); Labor Department (consumer-price index)

Quick Summary

- Annual homeownership expenses—including mortgage, taxes, and insurance—rose from about \$20,000 in 2019 to over \$28,500 by 2025, outpacing inflation.

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For many Americans, the math of homeownership doesn't add up any more.

A home buyer in 2019 could expect to spend about \$20,000 a year on basic homeownership expenses: mortgage payments, property taxes, insurance, maintenance and repairs, according to data from [Intercontinental Exchange](#) and home-services marketplace [Angi](#).

By 2025, that annual bill had soared above \$28,500, outpacing inflation and keeping many would-be buyers [out of the market](#). Homeowners who wish they could sell and move elsewhere are also staying put, turned off by the cost of purchasing today.

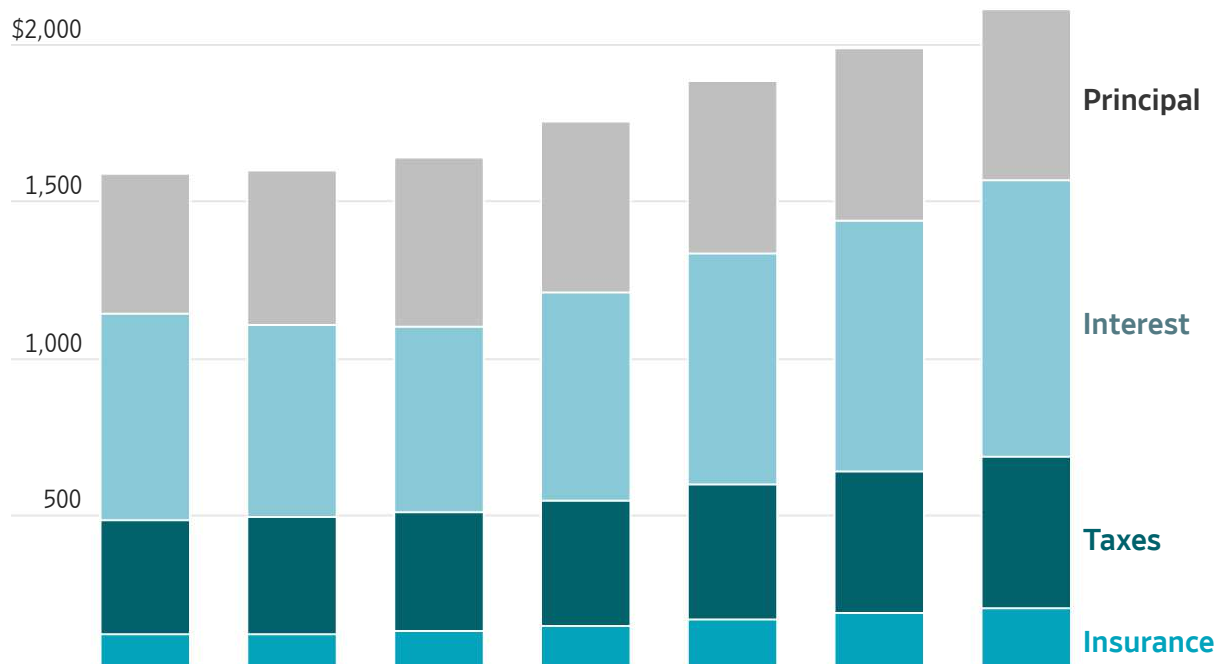
The affordability challenges are keeping the [housing market in a slump](#) for a fourth straight year.

Sales of previously owned homes have held around 4 million a year since 2023, the lowest level in decades and down from a prepandemic norm of between 5 million and 5.5 million a year, according to the National Association of Realtors.

That means fewer prospective buyers are accessing homeownership, which has historically been a [key wealth-building tool](#) for America's middle class.

And many of those who are buying homes are stretching their budgets to do so. Those new homeowners are [vulnerable to falling behind](#) on payments if their incomes drop or they face unexpected jumps in homeownership costs.

Monthly payments for insurance, taxes, interest and principal, national average



Note: Single-family mortgages that escrow property-tax and home-insurance payments. Data is for December of each year.

Source: Intercontinental Exchange

After dropping below 3% during the Covid-19 pandemic, mortgage rates climbed above 6% in 2022 and have largely held above that level ever since. That makes a huge difference in a buyer's purchasing power.

A buyer with a \$2,500 monthly budget and a 20% down payment can afford to buy a \$517,500 home at a 3% mortgage rate, according to real-estate brokerage Redfin. At today's rate around 6.5%, that same buyer can only afford a \$384,000 home.

Average rate on a 30-year fixed mortgage



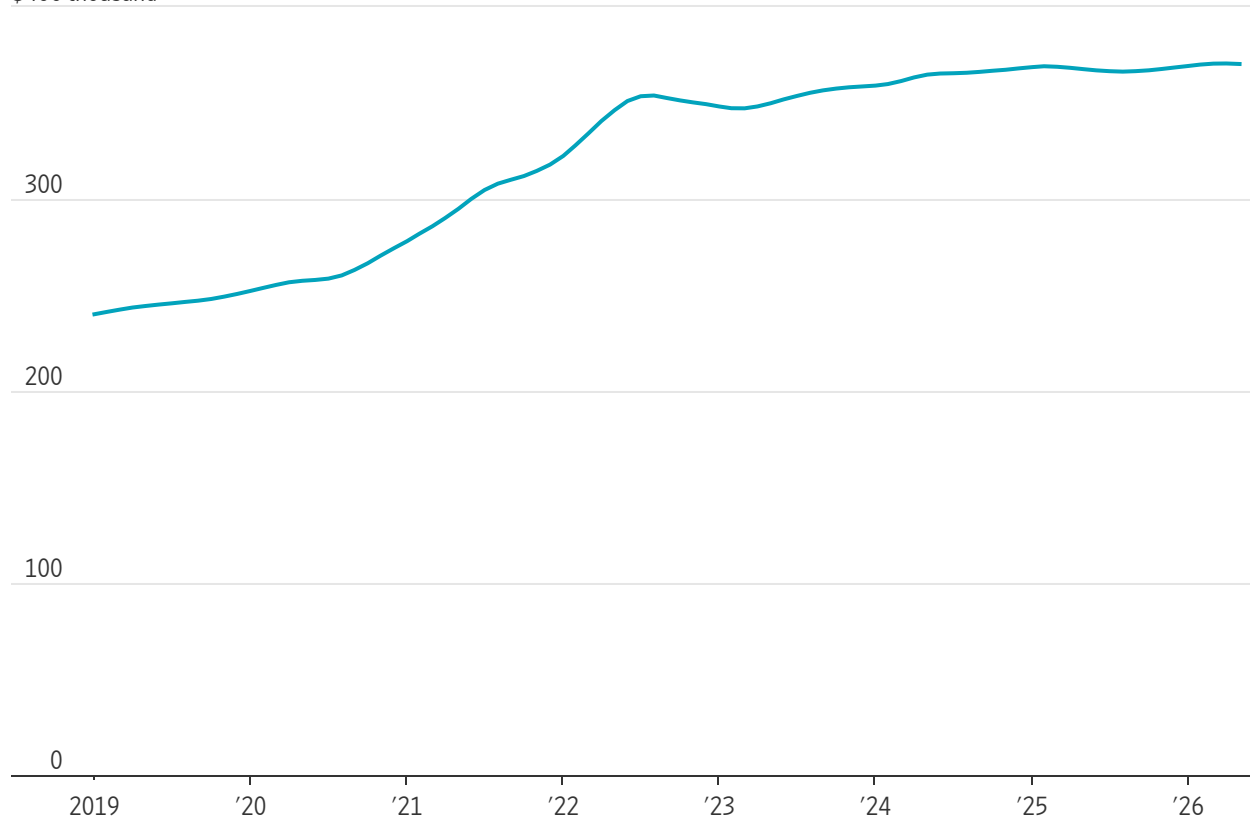
Source: Freddie Mac

Even though rates have climbed, typical home values remain near record highs, according to Zillow, confusing many buyers who have been waiting for prices to fall.

That's because many homeowners don't want to give up their low mortgage rates and are choosing not to sell. The inventory of homes for sale remains lower than the prepandemic norms.

Typical home value

\$400 thousand



Note: Seasonally adjusted

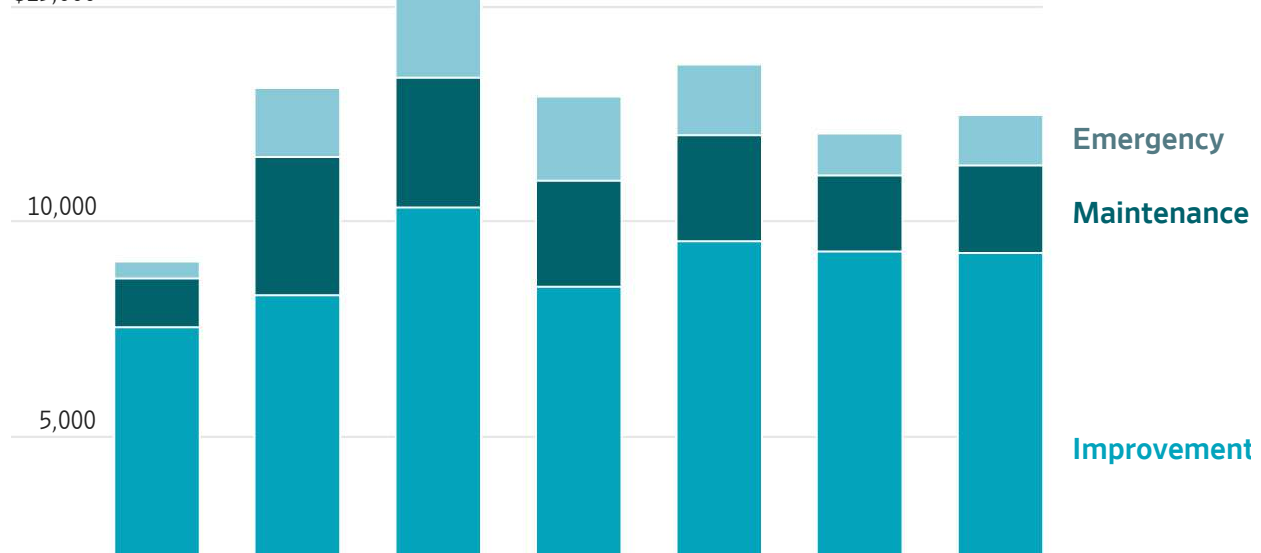
Source: Zillow

Home-insurance and property-tax costs have also climbed in many parts of the country, affecting home buyers and longtime owners alike.

Insurance costs have risen due to persistent natural disasters and increases in material and labor costs for home repairs. And rising home values have pushed up property-tax assessments, sparking pushback from voters in some states.

Average annual home project spending, by category

\$15,000





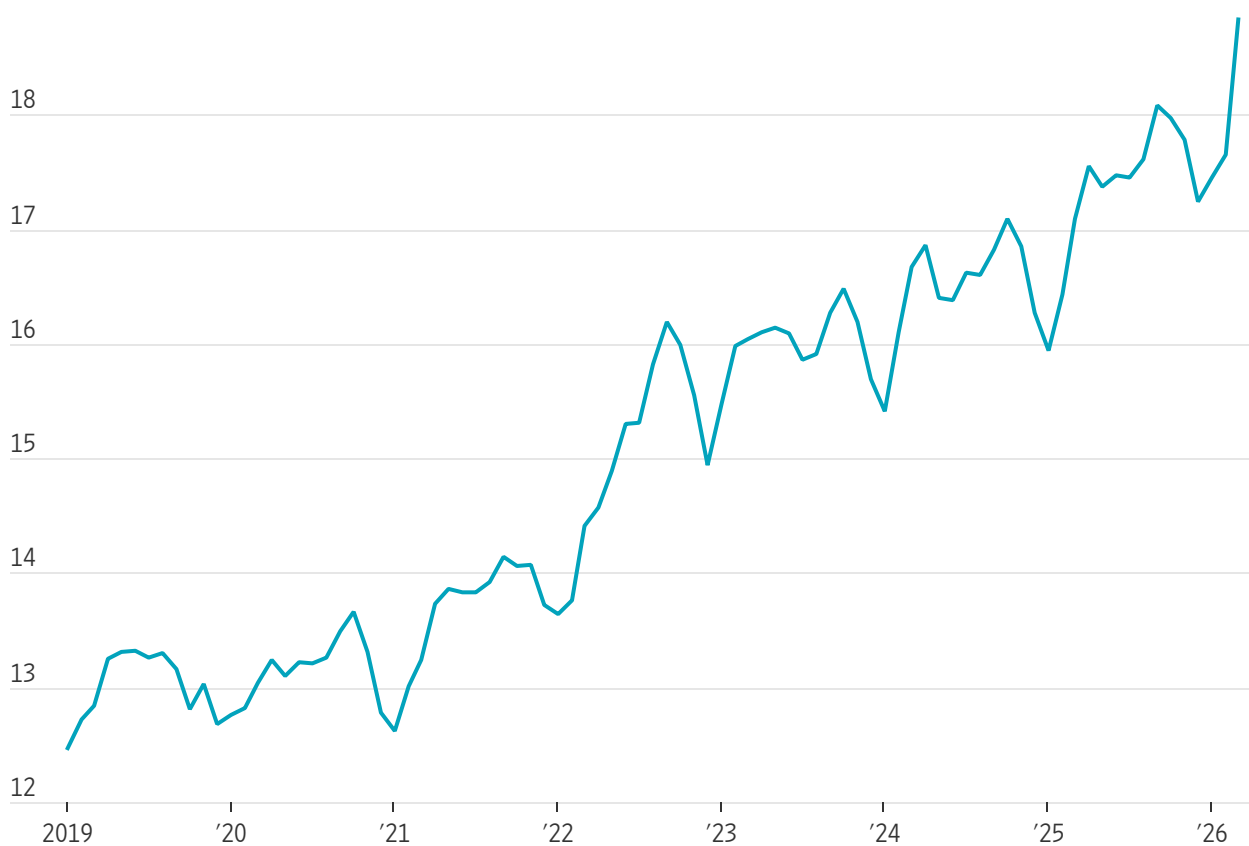
Note: Based on online surveys of 5,000 respondents
Source: Angi

Rising labor and material costs have also affected homeowners' budgets for upkeep and renovations. Households spent an average of almost \$12,500 on home improvement, maintenance and emergency repairs last year, up from about \$9,000 in 2019, according to survey data from Angi.

Other costs are rising too. Higher retail electricity prices have become a political flashpoint in some parts of the country, adding to voter frustration with data center projects.

Average retail price of U.S. residential electricity

19 cents per kilowatt-hour



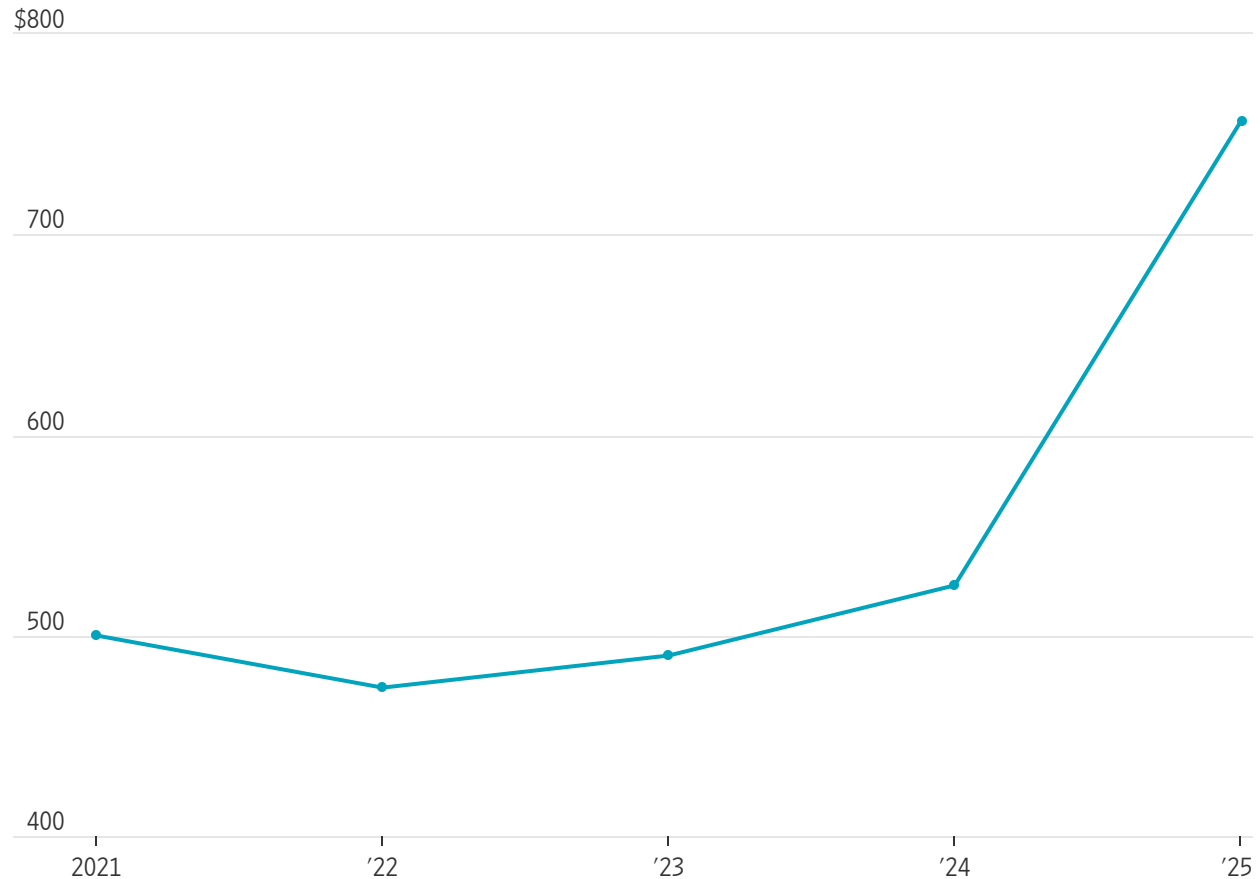
Source: U.S. Energy Information Administration

And for people living in homeowners and condo associations, higher fees are becoming a sore spot.

Typical monthly fees for those associations rose 51% from 2021 to 2025, according to HOA software company Vantaca. Those fees often partly cover

homeowners' maintenance and insurance costs, so they are being driven up by higher costs of labor and materials as well as a changing insurance market.

Median HOA monthly fee



Source: Vantaca

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