

# Real Cost of Rentals?

Property: 2000 sqft SFH in NC, 3 bed 2 bath  
 Rent: \$1,500/month

	Active	Semi Active	Passive Active	
Price <sup>1</sup>	\$300,000	\$300,000	\$300,000	
Rent <sup>2</sup>	\$18,000	\$18,000	\$18,000	
Interest	7%	7%	7%	
Downpayment	25%	25%	25%	
Downpayment	\$75,000	\$75,000	\$75,000	
Interest Expense	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$15,750</b>	\$1,313/month
Property Tax	\$2,482	\$2,482	\$2,482	
Painting <sup>3</sup>	\$2,200	\$2,200	\$2,200	\$2.75 per square foot, repainted every 2-3 years Costs \$5500
Insurance <sup>4</sup>	\$1,247	\$1,247	\$1,247	
AC	<b>\$343</b>	<b>\$343</b>	<b>\$343</b>	Average cost 6k, replaced every 15-20 years Costs \$3,882 and \$7,905 15-20 years
Roof	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	Average cost 12k, replaced every 12 years Costs \$12,000 asphalt shingles – lasts less than 12 years
Water Heater	<b>\$122</b>	<b>\$122</b>	<b>\$122</b>	Average cost 1.2k, replaced every 8-12 years Costs \$1217 – lasts 8-12 years
Washer and Dryer	<b>\$139</b>	<b>\$139</b>	<b>\$139</b>	Average cost 1.6k, replaced every 10-13 years Washer and dryer prices are \$1,000 to \$2,300 per set
Deck		<b>\$880</b>	<b>\$880</b>	Average cost 11k, replaced every 10-15 years
Water and Sewer <sup>5</sup>	\$696	\$696	\$696	
Plumbing and Repair <sup>6</sup>	\$180	\$360	\$360	\$125 – \$450 average plumbing job cost; assuming 2% of rental income; 1% if DIY for materials only
Landscaping / Snow Removal <sup>6</sup>		<b>\$1,200</b>	<b>\$1,200</b>	\$100 per month
Commissions	\$750	\$1500	\$1500	Only pay renter's agent commission, or both renter's and listing agent's
Vacancy	\$1500	\$1500	\$1500	
Management Fee			\$1,440	
Net Operating Income (NOI)	<b>\$7,341</b>	<b>\$4,331</b>	<b>\$2,891</b>	
NOI per month	<b>\$612</b>	<b>\$361</b>	<b>\$241</b>	

<sup>1</sup> <https://www.gobankingrates.com/investing/real-estate/cost-to-own-3-bedroom-home-every-state/>

<sup>2</sup> <https://www.rentdata.org/states/north-carolina/2023>

<sup>3</sup> <https://www.improovy.com/interior-painting-cost/>

<sup>4</sup> <https://www.moneygeek.com/insurance/homeowners/cost-cheap-homeowners-insurance-north-carolina/>

<sup>5</sup> <https://www.rentcafe.com/blog/apartment-search-2/money/apartment-utilities-breakdown/>

<sup>6</sup> <https://homeguide.com/costs/plumber-cost#:~:text=average%20hourly%20rate-,%24125%20%E2%80%93%20%24450%20average%20job%20cost,the%20first%20hour%20of%20work>

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Rent: <https://www.rentdata.org/states/north-carolina/2023>

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Be sure to speak with a financial professional to ensure that the proper strategy is put in place for your situation.