Markups by category

Residential equipment

EQUIPMENT	LOW	STANDARD	HIGH
Furnaces (Standard Efficiency)	35%	40%	45%
Furnaces (High Efficiency)	40%	45%	50%
Air Conditioners (14-16 SEER)	35%	40%	45%
Air Conditioners (18+ SEER)	40%	45%	55%
Heat Pumps (Standard)	35%	40%	45%
Heat Pumps (High Efficiency)	40%	45%	50%
Ductless Mini-Splits	40%	50%	60%
Air Handlers	35%	40%	45%
Condensing Units	35%	40%	45%

Commercial equipment

EQUIPMENT	LOW	STANDARD	HIGH
Package Units (5-20 ton)	25%	30%	35%
Rooftop Units	20%	25%	30%
Chillers	20%	25%	30%
Boilers	25%	30%	35%
Large Commercial HVAC	15%	20%	25%

Accessories & small equipment

ITEM	LOW	STANDARD	HIGH
Thermostats (Basic)	50%	75%	100%
Thermostats (Smart)	50%	75%	100%
Air Filters	100%	150%	200%
Humidifiers	50%	60%	80%
UV Lights	60%	80%	100%
Air Purifiers	50%	70%	100%
Zoning Systems	40%	50%	60%

Repair parts: sliding scale by your cost

YOUR COST	MULTIPLIER	MARKUP	EXAMPLE
Under $10	×4.0–5.0	300–400%	$6 part → $24–30
$10–$50	×3.0	200%	$25 capacitor → $75
$50–$100	×2.5	150%	$80 part → $200
$100–$250	×2.0	100%	$180 part → $360
$250 and up	×1.5–1.75	50–75%	$400 part → $600–700

The cheaper the part, the higher the markup: a $25 capacitor sold for $75 is normal. Price by multiplier, not by feel.

Major materials

MATERIAL	LOW	STANDARD	HIGH
Refrigerant (per lb)	150%	200%	300%
Copper Line Sets	30%	40%	50%
Flex Duct	30%	40%	50%
Sheet Metal Duct	25%	35%	45%
Insulation	40%	50%	60%
Registers/Grilles	40%	50%	70%
Electrical Components	40%	60%	80%
Condensate Pumps	40%	50%	60%
TXV Valves	50%	60%	80%

Small supplies (often not itemized)

ITEM	MARKUP
Screws, fasteners	200-300%
Tape, sealants	150-250%
Wire nuts, connectors	200-300%
Mounting brackets	100-200%
Misc hardware	200-400%

Markup, margin and labor rates

Markup to margin

25%	33%	43%	54%	67%	82%	100%	150%
20% margin	25% margin	30% margin	35% margin	40% margin	45% margin	50% margin	60% margin

`Margin = Markup ÷ (1 + Markup)  ·  50% markup → 0.50 ÷ 1.50 = 33.3% margin  ·  Price = Cost ÷ (1 − Margin)`

Standard labor rates 2026

SERVICE TYPE	LOW	STANDARD	HIGH
Installation (Residential)	$100/hr	$125/hr	$150/hr
Service/Repair	$95/hr	$120/hr	$145/hr
Emergency Service	$150/hr	$175/hr	$225/hr
Commercial Install	$125/hr	$150/hr	$200/hr
Commercial Service	$110/hr	$135/hr	$175/hr

Labor isn't marked up: it's built from the tech's burdened cost, overhead and target margin. Use the free labor rate calculator at estimatekit.com/hvac-labor-rate-calculator.

Helper / apprentice rates

ROLE	BILLED RATE
Lead tech	$125/hour
Helper	$75-85/hour
Apprentice	$65-75/hour

Disposal fees

ITEM	CHARGE
Old thermostat	$25-50
Furnace removal	$100-150
AC unit removal	$75-125
Full system removal	$200-300

Target gross margins

JOB TYPE	TARGET MARGIN
Installations	35–45%
Service work	50–60%
Commercial	30–40%