Parts markup: the sliding scale

Markup by your part cost, with a real part at each step

YOUR COST	MULTIPLIER	MARKUP	MARGIN	EXAMPLE PART
$2	×3.00	200%	67%	PEX fittings: $2 → $6
$10	×2.75	175%	64%	Gas sediment trap kit: $10 → $28
$25	×2.50	150%	60%	Single-handle faucet cartridge: $26 → $65
$50	×2.33	133%	57%	2-gallon expansion tank: $45 → $106
$100	×2.00	100%	50%	Condensate neutralizer kit: $100 → $200
$250	×1.85	85%	46%	Touchless kitchen faucet: $250 → $462
$500	×1.60	60%	38%	1/2 HP sewage ejector pump: $510 → $815
$1,000	×1.50	50%	33%	40-gal power-vent water heater: $1,105 → $1,634
$1,500	×1.40	40%	29%	Condensing tankless, 199k BTU: $1,500 → $2,100

The cheaper the part, the higher the multiplier. Between steps the multiplier slides smoothly; above $5,000 it settles at 1.3×.

The same scale by category (part costs, October 2026)

CATEGORY	PART COSTS	MARKUP RANGE	TYPICAL PART
Water heaters	$450–$2,000	39–65%	50%
Pumps (sump, ejector)	$33–$730	55–145%	85%
Faucets and fixtures	$5–$250	85–191%	149%
Toilets and toilet parts	$5–$470	63–191%	177%
Valves	$8.50–$250	85–180%	157%
Water heater parts	$11–$170	93–173%	149%
Appliances (disposals, boxes)	$13–$330	77–170%	145%
Drains	$8–$30	147–181%	163%
Gas fittings	$4–$14	168–194%	173%
Pipe and fittings	$0.35–$12	172–200%	197%

Pass through, don't mark up

ITEM	CHARGE
Permits and inspections	At your local fee
Disposal or haul-away	Flat charge for your time and the dump fee
Drain machine or camera use	Priced as a service, not a part

Markup to margin

25% 20% margin	**50%** 33% margin	**67%** 40% margin	**100%** 50% margin
150% 60% margin	**175%** 64% margin	**200%** 67% margin	**300%** 75% margin

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Margin = Markup ÷ (1 + Markup)
Price = Cost ÷ (1 − Margin)
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Published guidance, labor rates and a worked example

What published pricing guides recommend for materials

SOURCE	WHAT IT RECOMMENDS
Housecall Pro housecallpro.com	40–60% on materials
Plumber magazine plumbermag.com	50–75% on mid-priced items, 25–40% on big-ticket items
PM Magazine pmmag.com	25–50% on install materials, at least 100% on service parts
LeadDuo leadduo.io	60–100% on small parts, 40–70% on mid-size fixtures, 20–40% on big-ticket equipment
SubcontractorHub subcontractorhub.com	Flat rate: 4–5× on parts under $25, down to 1.5–1.8× over $1,000
ServiceTitan servicetitan.com	Flat-rate multipliers of 3× to 6× on parts

Published billed labor rates, 2026

SOURCE	HOURLY RATE
Housecall Pro housecallpro.com	Most residential plumbers $80–$130
LeadDuo leadduo.io	$85–$150; $130–$200 in high-cost markets
Primex primex.it.com	Most markets support $120–$160
SubcontractorHub subcontractorhub.com	Flat-rate shops need a loaded rate of $125–$225
This Old House thisoldhouse.com	Average $100, up to $200

Starting rates in the EstimateKit book

RATE	DEFAULT
Standard labor	$125/hr
After hours	$190/hr
Helper or apprentice	$70/hr
Service call or diagnostic	$99

Labor isn't marked up: build it from what an hour costs you and your target margin. Free calculator: estimatekit.com/hvac-labor-rate-calculator (same math for any trade).

Worked example: 50-gallon gas water heater, standard tier

LINE	YOUR COST	PRICE	MARKUP
50-gallon gas water heater	$710	$1,090	54%
2 stainless flex connectors	$28	$74	164%
Gas appliance connector	$14	$37	164%
Gas sediment trap kit	$10	$27.50	175%
Labor, 3.5 hours at $125		$437.50	your rate
Remove and haul away the old heater		$75	flat
Permit and inspection	your fee	your fee	pass through

Parts at cost: **$762** Parts at price: **$1,228.50** Labor and haul-away: **$512.50** Total before permit: **$1,741**

Parts margin 38%; overall depends on what your hour costs you.