



REPORT: A Comparison of Costs—VMware vs Proxmox

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OVERVIEW:

Using a common SMB set up of three clustered virtual machine hosts, this paper examines and compares the costs of support subscriptions for Broadcom's VMWare and Proxmox VE along with associated costs of migration to Proxmox. The return on investment (ROI) found in doing this transition was significant.

Migrating a Three-Host VMware Cluster to Proxmox in 2026

This example models a small-to-medium business (SMB) with a three-host virtualized cluster, typical for running 50-100 VMs supporting applications like databases, web servers, and internal tools. Assumptions include:

- **Hardware:** Each host has 2 CPU sockets (e.g., Intel Xeon with 32 cores per socket), totaling 6 sockets and 192 cores across the cluster.
- **Current Setup:** Running VMware vSphere Foundation (VVF) or equivalent post-Broadcom changes, as many SMBs have been forced to upgrade from legacy Standard editions.
- **Workloads:** Standard KVM/QEMU-compatible VMs; no specialized VMware features like vSAN requiring rework.
- **Currency:** All figures in USD.
- **Support Level:** Comparable enterprise support—VMware includes basic in subscriptions; Proxmox uses "Standard" tier for fair comparison (most popular for businesses).
- **Inflation Adjustment:** Minimal 2-3% assumed for 2026, but pricing held to 2025 levels for conservatism.

VMware Pricing

Under Broadcom, VMware shifted to core-based subscriptions with minimums (e.g., 72 cores per product). For VVF (a common bundle including vSphere, vCenter, and basic features), the list price is \$135 per core annually.

- Legacy Standard (\$50/core) ended in mid-2025, pushing users to higher tiers like VVF or Enterprise Plus (\$190/core).
- No per-socket option remains.
- Base Licensing: $\$135 \times 192 \text{ cores} = \$25,920/\text{year}$.
- Support Add-Ons: Included in VVF, but premium production support can add 20-50% (\$5,184-\$12,960/year) for 24/7 access.

- Total Annual Cost: \$25,920 (base) to \$38,880 (with premium support). This excludes hardware, but VMware's inefficiency (e.g., higher overhead) according to some sources can inflate indirect costs like power and cooling by 10-20%.

Over 3 years: \$77,760-\$116,640, assuming no further price hikes (though Broadcom has increased costs 2-4x for some users).

Proxmox Costs (2026 Subscription Model)

Proxmox VE is socket-based, with no core minimums or lock-in. Subscriptions provide enterprise repo access, updates, and support tiers. Official 2025 pricing shown below is per socket/year.

- **Community** (\$124):
 - Access to Enterprise Repository
 - Stable software updates
- **Basic** (\$383):
 - Access to Enterprise Repository
 - Stable software updates
 - Support via customer portal
 - Three support tickets
 - Response time within one business day
 - Datacenter Manager Enterprise-Repository and support
- **Standard** (\$572):
 - Access to Enterprise Repository
 - Stable software updates
 - Support via customer portal
 - Ten support tickets
 - Response time 4 hours within a business day (on critical support requests)
 - Remote support (via SSH)
 - Offline subscription key activation
 - Datacenter Manager Enterprise-Repository and support
- **Premium** (\$1,144):
 - Access to Enterprise Repository
 - Stable software updates
 - Support via customer portal
 - Unlimited support tickets
 - Response time 2 hours within a business day (on critical support requests)
 - Remote support (via SSH)
 - Offline subscription key activation
 - Datacenter Manager Enterprise-Repository and support

Proxmox Support Calculations

For the three-host example, we'll use Proxmox Standard—equivalent support to VMware's (includes customer portal tickets).

- Standard: $\$572 \times 6 \text{ sockets} = \$3,432/\text{year}$.
- Support: Included in tier; higher tiers add faster response (e.g., Premium for mission-critical).
- Total Annual Cost: $\$3,432$. **NOTE:** Proxmox's efficiency (integrated Ceph, LXC containers) is reported to reduce hardware needs by 15-30%, lowering indirect costs.

Over 3 years: $\$10,296$. Community tier drops this to $\sim \$744/\text{year}$ ($\$124 \times 6$), but lacks full enterprise support—suitable for non-critical setups.

Estimated migration costs, if out-sourced. One-time fees for expert migration in 2026:

- Planning & Assessment: $\$2,000\text{-}\$4,000$ (compatibility checks, POC).
- Execution: $\$3,000\text{-}\$6,000$ (VM conversion via tools like virt-v2v, cluster setup, minimal downtime).
- Training & Optimization: $\$1,000\text{-}\$2,000$.
- Total: $\$6,000\text{-}\$12,000$. This assumes a straightforward migration; complex workloads (e.g., with NSX) could add additional costs.

Cost Savings Analysis

- Annual Savings: $\$25,920$ (VMware base) - $\$3,432$ (Proxmox) = $\$22,488/\text{year}$ (87% reduction). With VMware premium support: Up to $\$35,448/\text{year}$ (91% reduction).
- 3-Year Savings (Post-Migration): $\$67,464\text{-}\$106,344$, net of $\$6,000\text{-}\$12,000$ migration costs (total net: $\$55,464\text{-}\$100,344$).
- ROI Timeline: Migration costs recouped in 3-6 months ($\$22,488 + \text{annual savings}$). Break-even is faster with Community tier ($\sim 1\text{-}2$ months).
- Total Cost of Ownership (TCO) Benefits: Proxmox avoids vendor lock-in, reduces over-provisioning (e.g., 20% better resource utilization), and includes free features like built-in backup/HA. Industry cases show 80-95% TCO drops for similar setups.

Product	VMware Annual Cost (2026)	Proxmox Annual Cost (Standard, 2026)	Annual Savings	3-Year Savings (Net of Migration)
Base Licensing	$\$25,920$	$\$3,432$	$\$22,488$ (87%)	$\$55,464\text{-}\$61,464$
Support Add-Ons	$\$5,184\text{-}\$12,960$	Included	$\$5,184\text{-}\$12,960$ (100%)	$\$15,552\text{-}\$38,880$

Total	\$31,104- \$38,880	\$3,432	\$27,672-\$35,448 (89-91%)	\$71,016-\$100,344
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These figures are conservative; actual savings could be higher with negotiations or if your VMware renewal includes overages. A Zerowait consultation with a proof-of-concept can tailor this to your environment, ensuring compatibility and quantifying indirect gains like reduced admin time.

Contact Zerowait for your IT challenges: *Store more and worry less!* Email us at sales@zerowait.com or call our team at (302) 996-9408 to schedule a consultation.