



Rising Utility Costs and the Impact on Residents of Multifamily Housing Programs

Who is affected by rising utility costs?

Rapidly rising utility costs, especially for heat, may impact residents of Multifamily-assisted properties who are responsible for paying for some or all the household’s utility bills.

What is the data?

The U.S. Department of Energy forecasts a three-year high in 2022 for average residential costs across the U.S.¹

Utility	2020	2021	2022	Trend
Heating Oil ¹	2.44	3	3.45	↑
Natural Gas ²	10.76	12.29	12.56	↑
Electricity ³	13.16	13.72	14.26	↑

¹ U.S. Residential Average measured in dollars per gallon

² U.S. Residential Average measured in dollars per cubic feet

³ U.S. Residential Average measured in cents per kilowatthour

What should owners/agents do?

Owners of Multifamily-assisted properties for which HUD provides a utility allowance are reminded they are ***required to adjust their properties’ utility allowances every year at the time of the annual and special adjustments of contract rents.***

To do this, owners/agents must follow the guidance in [Housing Notice H-2015-04](#), which provides instructions on how to complete a Multifamily Housing Utility Analysis. Owners/agents should also review the associated [Frequently Asked Questions](#) for additional guidance.

Owners/agents are also required to submit documentation and a request for an increase in utility allowances to their Contract Administrator/HUD when changes in utility rates result in a cumulative increase in utility allowances of 10 percent or more from the most recently approved utility allowance.

What else can owners do?

- Request residents to report observed increases in utility bills and any outstanding unit repairs that could affect energy efficiency and household utility costs.
- Encourage residents with medical needs who have extraordinary utility bills to seek a reasonable accommodation for a higher utility allowance.
- Use sample sizes larger than the minimum requirements in Notice H-2015-04 to derive utility allowances that more closely reflect the utility costs for all tenants of a particular property. Stay informed about utility rate changes approved by state Public Utilities Commissions (PUC) by signing up for email or text alerts or closely reviewing owner-paid utility bills for rate-change notifications.
- Perform routine maintenance on all building systems and components to improve energy conservation measures.
- Review [Chapter 12 of HUD Handbook 4350.1](#) and the U.S. Department of Energy’s [Energy Saver webpage](#) for more tips on how to improve overall energy efficiency.

QUESTIONS?

For more information, please contact your [local HUD office](#) or [Contract Administrator](#) with questions about utility allowances.

¹ U.S. Energy Information Administration: <https://www.eia.gov/outlooks/steo/>