

**U.S. Department of Housing and Urban Development**  
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Dated : 7/17/2025



OFFICE OF PUBLIC AND INDIAN HOUSING  
REAL ESTATE ASSESSMENT CENTER  
FINANCIAL MANAGEMENT DIVISION

**Calculation of Utilities Expense Level (UEL) Inflation Factor for Calendar Year (CY) 2026**

The data for calculating the UEL Inflation factor for CY 2026 is extracted from the Bureau of Labor Statistics (BLS) 'Consumer Price Index for All Urban Consumers (CPI-U)'. The reporting periods for operating subsidy calculation run from July 1 to June 30. Using the monthly indices for the 12-month period, an average index is calculated for each of the reporting periods, by utility type. Nationally, the weighted change in utility price between the CY 2025 and CY 2026 reporting periods (weighted by the percentage of total public housing spending on utilities, by type) was 2.65% (see Table 1).

The rate of change in the reporting period (2.65%) is then multiplied by 1.5 to reflect the anticipated rate that PHAs will pay during the funding period. In essence, the funding period lags the reporting period by 18 months (1.5 years). As shown below, this calculation results in a CY 2026 UEL inflation factor of 3.98%. The 2.65% (weighted rate of change in reporting period) x 1.5 (18 month lag) = 3.98% (2026 UEL Inflation Factor). **The inflation factor to be used on the CY 2026 HUD-52722 is 1.0398, (1 + 0.0398).**

**Table 1: Calculation of CY 2026 UEL Inflation Factor**

Utility Type	Percent of Total Utility Costs	July 2023-June 2024 CPI Average	July 2024-June 2025 CPI Average	Inflation Factor	Weighted Inflation Factor
[a]	[b]	[c]	[d]	[e] = ((d)-[c]) ÷ [c]	[f] = [b] x [e]
Water	40.80%	\$676.04	\$710.23	5.06%	2.06%
Electricity	31.68%	\$273.94	\$283.98	3.66%	1.16%
Gas	12.44%	\$227.27	\$241.92	6.45%	0.80%
Fuel	13.10%	\$392.72	\$349.19	-11.09%	-1.45%
Other Utilities	1.98%	\$309.68	\$322.21	4.05%	0.08%
<b>Total Utility Costs</b>	<b>100.00%</b>				
<b>Weighted Average Inflation Factor</b>					<b>2.65%</b>
<b>CY 2026 UEL Inflation Factor - Using 18-months Adjustment</b>					<b>3.98%</b>

See Table 2 for details on the computation of utility specific CPI indices.

Table 2: Calculation of Inflation Factor by Utility Type Using CPI-U

Dated : 7/17/2025

Reporting Period	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Average Index	Inflation Factor
<b>Water &amp; Sewerage Maintenance</b>														
CY 2025 (Jul 23 - Jun 24)	659.223	665.008	666.141	667.177	668.597	669.069	680.466	684.121	685.789	688.533	688.641	689.664	<b>676.036</b>	
CY 2026 (Jul 24 - Jun 25)	693.390	696.471	700.572	703.603	706.461	706.852	712.535	716.632	718.521	720.997	721.768	724.990	<b>710.233</b>	<b>5.06%</b>
<b>Electricity</b>														
CY 2025 (Jul 23 - Jun 24)	270.268	270.752	272.401	268.342	267.545	269.170	276.698	276.384	278.233	276.653	277.584	283.250	<b>273.940</b>	
CY 2026 (Jul 24 - Jun 25)	283.415	281.333	282.522	280.470	275.801	276.700	281.888	283.194	285.983	286.652	290.055	299.728	<b>283.978</b>	<b>3.66%</b>
<b>Utility (Piped) Gas Service</b>														
CY 2025 (Jul 23 - Jun 24)	223.29	224.539	221.045	222.955	231.976	230.862	234.515	236.218	230.601	221.729	222.024	227.478	<b>227.269</b>	
CY 2026 (Jul 24 - Jun 25)	226.593	224.259	225.366	227.463	236.179	242.224	246.117	250.380	252.218	256.501	255.981	259.734	<b>241.918</b>	<b>6.45%</b>
<b>Fuel Oil</b>														
CY 2025 (Jul 23 - Jun 24)	364.304	397.444	431.201	427.572	416.239	393.189	390.877	396.859	388.191	381.962	368.137	356.646	<b>392.718</b>	
CY 2026 (Jul 24 - Jun 25)	363.140	349.383	334.792	338.453	335.113	341.794	370.297	376.776	358.803	345.315	336.589	339.767	<b>349.185</b>	<b>-11.09%</b>
<b>All Utilities (Fuels and Utilities)</b>														
CY 2025 (Jul 23 - Jun 24)	304.077	305.887	306.948	304.885	306.379	306.768	313.469	314.229	314.168	311.410	311.649	316.248	<b>309.676</b>	
CY 2026 (Jul 24 - Jun 25)	316.671	314.948	316.243	315.866	315.136	317.180	322.407	325.104	327.077	328.138	330.265	337.495	<b>322.211</b>	<b>4.05%</b>

**NOTES:**

- (1) CY 2026 data taken from <http://www.bls.gov/cpi/#tables> for the past 12 months beginning July 2024 and ending June 2025
- (2) CY 2025 data copied from CY 2025 table posted by REAC FMD for that funding period

Table 3. Consumer Price Index for all Urban Consumers (CPI-U): U.S. city average, detailed expenditure categories

## FDS utility Expenses

*% Total to be used as weights to CPI data*

**Table 3: FDS Utility Data**

Utility Type	2020	2021	2022	2023	2024	5 Year Total
Water	612,241,131	525,336,554	601,267,419	613,468,614	635,800,601	2,988,114,319
Electricity	493,767,745	420,608,828	427,317,616	501,695,567	477,138,652	2,320,528,408
Gas	186,811,961	161,488,573	167,691,337	203,249,419	192,008,592	911,249,882
Fuel	187,474,561	167,754,977	175,256,865	223,624,211	205,325,270	959,435,884
Other Utility Expense	27,286,816	30,362,813	29,062,333	29,708,124	28,653,869	145,073,955
<b>Total Utility Expense</b>	<b>1,507,582,214</b>	<b>1,305,551,745</b>	<b>1,400,595,570</b>	<b>1,571,745,935</b>	<b>1,538,926,984</b>	<b>7,324,402,448</b>

**Table 4: % Total FDS Utility Data**

Utility Type	2020	2021	2022	2023	2024	5 Year Average
Water	40.61%	40.24%	42.93%	39.03%	41.31%	40.80%
Electricity	32.75%	32.22%	30.51%	31.92%	31.00%	31.68%
Gas	12.39%	12.37%	11.97%	12.93%	12.48%	12.44%
Fuel	12.44%	12.85%	12.51%	14.23%	13.34%	13.10%
Other Utility Expense	1.81%	2.33%	2.07%	1.89%	1.86%	1.98%
<b>Total Utility Expense</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Table 5: Rolling Average (5-Year)**

Utility Type	2020	2021	2022	2023	2024
Water	37%	39%	40%	41%	41%
Electricity	34%	33%	32%	32%	32%
Gas	13%	13%	12%	12%	12%
Fuel	12%	12%	12%	13%	13%
Other Utility Expense	2%	2%	2%	2%	2%
<b>Total Utility Expense</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## How to Calculate the 2026 UEL Inflation Factor

**Table 1: Calculation of CY 2026 UEL Inflation Factor**

Utility Type	Percent of Total Utility Costs	July 2023-June 2024 CPI Average	July 2024-June 2025 CPI Average	Inflation Factor	Weighted Inflation Factor
[a]	[b]	[c]	[d]	[e]	[f] = [b] x [e]
Water	40.80%	\$676.04	\$710.23	5.06%	2.06%
Electricity	31.68%	\$273.94	\$283.98	3.66%	1.16%
Gas	12.44%	\$227.27	\$241.92	6.45%	0.80%
Fuel	13.10%	\$392.72	\$349.19	-11.09%	-1.45%
Other Utilities	1.98%	\$309.68	\$322.21	4.05%	0.08%
<b>Total Utility Costs</b>	<b>100%</b>				
<b>Weighted Average Inflation Factor</b>					<b>2.65%</b>
<b>CY 2026 UEL Inflation Factor - Using 18-months Adjustment</b>					<b>3.98%</b>

### Step One: Calculate the Percent of Total Utility Costs

The Department calculates the Percent of Total Utility Costs using the national level income statements (FDS Data).

**Percent of Total Utility Costs = Five Year Average of Percent of Total Utility Costs (FDS)**

**Table 3: FDS Utility Data**

Utility Type	2020	2021	2022	2023	2024	5 Year Total
Water	\$612,241,131	\$525,336,554	\$601,267,419	\$613,468,614	\$635,800,601	\$2,988,114,319
Electricity	\$493,767,745	\$420,608,828	\$427,317,616	\$501,695,567	\$477,138,652	\$2,320,528,408
Gas	\$186,811,961	\$161,488,573	\$167,691,337	\$203,249,419	\$192,008,592	\$911,249,882
Fuel	\$187,474,561	\$167,754,977	\$175,256,865	\$223,624,211	\$205,325,270	\$959,435,884
Other Utility Expense	\$27,286,816	\$30,362,813	\$29,062,333	\$29,708,124	\$28,653,869	\$145,073,955
<b>Total</b>	<b>\$1,507,582,214</b>	<b>\$1,305,551,745</b>	<b>\$1,400,595,570</b>	<b>\$1,571,745,935</b>	<b>\$1,538,926,984</b>	<b>\$7,324,402,448</b>

**Table 4: % Total FDS Utility Data**

Utility Type	2020	2021	2022	2023	2024	5 Year Average
Water	40.61%	40.24%	42.93%	39.03%	41.31%	40.80%
Electricity	32.75%	32.22%	30.51%	31.92%	31.00%	31.68%
Gas	12.39%	12.37%	11.97%	12.93%	12.48%	12.44%
Fuel	12.44%	12.85%	12.51%	14.23%	13.34%	13.10%
Other Utilities	1.81%	2.33%	2.07%	1.89%	1.86%	1.98%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Step Two: Calculate Inflation Factor

Source: Bureau of Labor Statistics CPI-U Detailed Report Tables (<https://www.bls.gov/cpi/tables/supplemental-files/home.htm>)

Document monthly utility costs, and calculate annual growth (see Historic CPI Table)

**Inflation Factor = Annual Growth Rate for each utility (Water, Electricity, Gas, Fuel , Other Utilities)**

	Jul 22 - Jun 23	Jul 23 - Jun 24	
CPI Inflation Factor (BLS)	CY 2024	CY 2025	Inflation Factor
Water	\$676.04	\$710.23	<b>5.06%</b>
Electricity	\$273.94	\$283.98	<b>3.66%</b>
Gas	\$227.27	\$241.92	<b>6.45%</b>
Fuel	\$392.72	\$349.19	<b>-11.09%</b>
Other Utilities	\$309.68	\$322.21	<b>4.05%</b>

### Step Three: Calculate Weighted Average Inflation Factor

**Weighted Inflation Factor = [Inflation Factor] X [Percent Total Utility Cost]**

	Annual % Total Utility Costs	Inflation Factor	Weighted Inflation Factor
Water	40.80%	5.06%	2.06%
Electricity	31.68%	3.66%	1.16%
Gas	12.44%	6.45%	0.80%
Fuel	13.10%	-11.09%	-1.45%
Other Utilities	1.98%	4.05%	0.08%
<b>Weighted Average Inflation Factor</b>			<b>2.65%</b>

### Step Four: Calculate 18-months Adjustment

**CY 2026 UEL Inflation Factor - Using 18-months Adjustment = [Weighted Inflation factor] X 1.5**

<b>CY 2026 UEL Inflation Factor - Using 18-months Adjustment</b>	<b>3.98%</b>
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