



Vermont Housing Finance Agency

MULTIFAMILY HOUSING - OPERATING EXPENSE GUIDELINES

October 2025

It is VHFA's policy to support the provisions from the Qualified Allocation Plan.

"As part of the compliance monitoring reporting requirements, each property owner (or syndicator) will be required to submit annual operating statements showing property income and expenses in a format acceptable to VHFA."

VHFA tracks per unit per month operating expenses (PUMO) using recent audited financials. PUMO excludes reserve deposits and debt service payments.

Operating expenses for all projects that received VHFA financing or tax credits from 2020 through 2024 were reviewed. Below is the median operating costs.

Per Unit Per Month Operating Expense	
MEDIAN	\$ 875

It is recognized that operating expenses submitted by projects at the time of application to VHFA for loans and/or tax credits may have compensating factors that could cause a variance from the expected range including but not limited to project characteristics such as tenant paid utilities versus project paid utilities, heat plant and fuel types, elevators versus no elevators, services, among many other variables. For preservation projects doing significant energy efficiency work we would expect documentation of revised utility costs. If VHFA is unable to identify the reason for the variance, the project sponsor will be asked to provide further explanation.

The plan is to analyze operating expense and project feature data regularly as the number of projects in the data set increases.