
Best practices for residential utility billing





Understanding utility billing solutions

Utilities are often a property's largest controllable operating expense. For a typical two-bedroom apartment, annual utilities cost an average of \$1,300. Finding the right solution to manage utility expenses helps you avoid leaving money on the table and protect net operating income.

Many residential operators move from absorbing utilities to billing residents to better control costs. This approach can reduce unnecessary consumption and improve recovery when billing is accurate, timely and easy for staff to manage.

Most property managers aren't utility experts, so they look for ways to approach utility billing:



In-house billing with spreadsheets and flat fees may look inexpensive, but it is slow, error-prone and hard to scale.



Point solutions automate some steps but live outside your core platform, so data transfers can cause delays, errors and incomplete resident records.



Built-in utility billing runs in the same system as leases, payments and accounting, automatically pulling resident data, calculating charges and posting them to ledgers without duplicate entry.



How do you control utility costs?

The goal of utility billing is simple: recover the appropriate costs from residents and encourage conservation without adding unnecessary work for staff.

To do this effectively, you need to:

- Capture accurate usage or allocation data for each unit
- Apply the right billing method for each property and utility
- Align charges with move-in and move-out dates
- Present clear, consolidated statements residents understand



How do you maximize recoveries and stay compliant?

Maximizing recovery is more than simply calculating charges.

Manual or fragmented processes make this difficult. Staff must track different rules, update spreadsheets and verify charges on their own. This increases the potential for underbilling, missed charges and noncompliant bills.

A built-in utility billing solution helps by:

- Automating charge calculations based on preconfigured rules for each property
- Supporting both submetered and allocation-based billing
- Tying final bills into deposit accounting so move-outs do not leave unrecovered balances
- Aligning charge periods with real-time resident activity from your core system
- Providing access to specialists who monitor utility billing regulations and adjust configuration as requirements change

When regulatory expertise and automation work together, you can increase legal and accurate recovery while reducing risk.



Improving the resident experience

Utility billing affects residents directly, so the way charges are presented and paid matters. With in-house or disconnected systems, residents might:

- ✗ Receive separate bills for rent and utilities
- ✗ Have limited visibility into how charges were calculated
- ✗ Need to contact different teams or vendors to ask questions or resolve issues

A built-in approach simplifies this by combining rent and utilities on a single statement and providing one place for residents to view details and make payments. Residents can:

- ✓ See itemized utility charges alongside rent
- ✓ View usage information where submeter data is available
- ✓ Pay online or through a mobile app using their preferred method
- ✓ Submit questions or maintenance requests through the same portal

This convergent experience improves transparency and convenience for residents and reduces workload for site staff.

How do you extend value beyond billing?

Recovering utility costs from residents is only part of the picture. A complete energy and utility strategy also looks at the bills you receive from the utility and the data behind them.

On a single platform you can:

1. Automate utility invoice processing

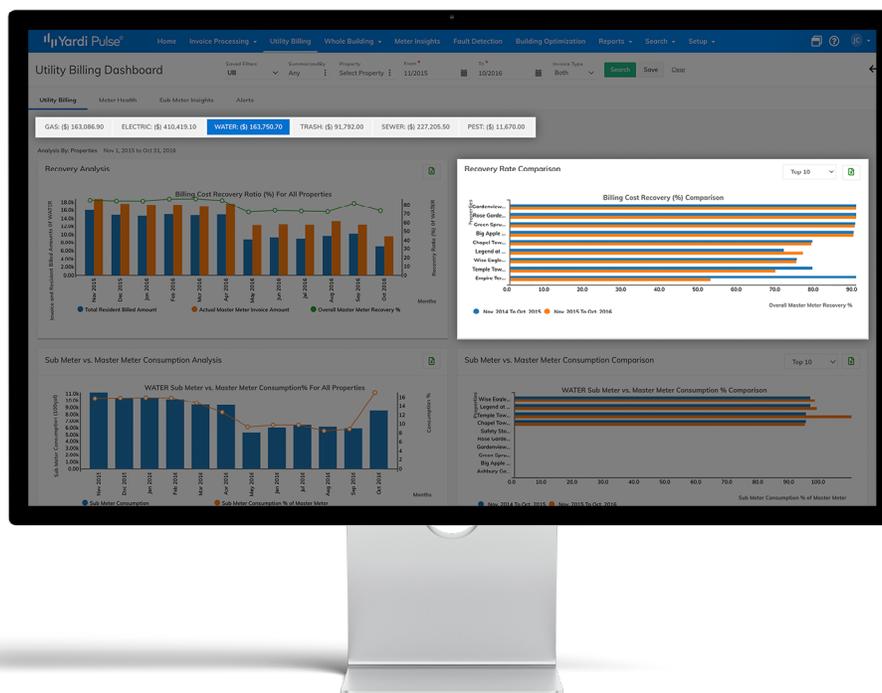
- Receive, digitize, validate, pay and store utility invoices in your core accounting system to reduce late fees, improve accuracy and streamline payables.

2. Connect expense management with resident billing

- Use invoice data and submeter reads to inform billing calculations so you recover the right costs from the right residents and monitor overall spend at the same time.

3. Support sustainability goals

- Aggregate utility data for recovery reporting and benchmarking, track costs and consumption across the portfolio and identify opportunities to reduce usage and emissions.





CHOOSE THE RIGHT APPROACH FOR YOUR PORTFOLIO

When you evaluate utility billing options for your residential properties, consider how each approach will:

- **Maximize** accurate cost recovery
- **Simplify** regulatory compliance
- **Improve** resident communication and satisfaction
- **Integrate** with your property management and accounting platform

Many operators find that a single connected solution with built-in utility billing delivers the best balance of control, efficiency and resident experience.

Learn more about built-in residential utility billing and see how it works with Yardi Voyager or Yardi Breeze.

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