MILITARY HOUSING
Information on the Privatization of Unaccompanied Personnel Housing

What GAO Found

Since Congress enacted the Military Housing Privatization Initiative (MHPI) in 1996, the military services conducted several analyses and considered other factors to determine whether to privatize housing for unaccompanied personnel. These analyses were conducted between 1997 and 2011. The Army’s and the Navy’s analyses compared different scenarios—such as whether to rely on privatization or use traditional military construction funding to improve housing quality—and considered information from multiple installations in these analyses. In contrast, the Air Force and Marine Corps analyzed the feasibility of privatizing unaccompanied housing at a few selected installations. For example, the Air Force based its initial analysis on information for two locations, while the Marine Corps based its 2008 analysis on information specific to one installation. The Navy and Army concluded that privatization could be used under a narrow set of circumstances at specific installations, such as where unaccompanied servicemembers were already receiving the basic allowance for housing (BAH). The Air Force and Marine Corps concluded that privatization was not suitable for meeting any of their housing needs. For example, an April 2000 Air Force memorandum indicated that privatization could have a negative effect on building unit cohesion. Other factors also played a role in the four services’ decisions about whether to privatize housing, including (1) the limited availability of the BAH for junior unaccompanied personnel, which may result in not having a dedicated stream of income to pay rent for privatized housing; (2) the frequency or duration of unit deployments, which could affect the occupancy rates of unaccompanied housing; and (3) uncertainty about the future size of the military, and whether there would be sufficient demand for privatized housing.

Between 1996 and 2013, the Army and Navy implemented seven privatized unaccompanied personnel housing projects. The Air Force and Marine Corps have not used the privatization authorities, and are instead using military construction funds to improve the quality of their unaccompanied personnel housing. Air Force housing officials told us that Air Force unaccompanied personnel housing inventory generally meets current housing needs. According to Marine Corps officials, the Marine Corps intends to eliminate existing housing deficiencies by demolishing inadequate unaccompanied personnel housing and using military construction funds to replace or renovate housing by the end of fiscal year 2014. According to Office of the Secretary of Defense and military service housing officials, none of the services have plans to pursue any future privatized housing projects for unaccompanied personnel.