Congress enacted the Military Housing Privatization Initiative in 1996 to improve the quality of housing for servicemembers. DOD is responsible for general oversight of privatized housing projects. However, private-sector developers are responsible for the construction, renovation, maintenance, and repair of about 99 percent of military housing in the United States. Recent reports of hazards, such as mold and pest infestation, have raised questions about DOD’s oversight of privatized military housing.

Conference Report 115-952 included a provision for GAO to review ongoing issues within privatized housing. This report assesses, among other things, the extent to which OSD and the military departments (1) conduct oversight of privatized housing and (2) have developed and implemented initiatives to improve privatized housing. GAO reviewed policies and guidance; visited a non-generalizable sample of 10 installations; analyzed work order data; and interviewed DOD officials and private partner representatives.

DOD needs to strengthen oversight and clarify its role in the management of privatized housing. In addition, Congress established several requirements addressing privatization housing reform. However, DOD officials and private partner representatives have identified challenges that could affect implementation of these various initiatives. These include concerns that implementation could have unintended negative impacts on the financial viability of the privatized housing projects. However, DOD has not assessed the risk of the initiatives on project finances.