

GAO Highlights

Highlights of [GAO-20-280T](#), a testimony before the Committee on Armed Services, U.S. Senate

Why GAO Did This Study

In 1996, Congress enacted the Military Housing Privatization Initiative in response to DOD concerns about inadequate and poor quality housing for servicemembers. Today, private partners are responsible for the ownership, construction, renovation, maintenance, and repair of about 99 percent of housing units on military bases in the continental United States.

DOD's policy requires that the department ensure eligible personnel and their families have access to affordable, quality housing facilities. The Office of the Secretary of Defense is responsible for providing guidance and general procedures related to military housing privatization. The military departments are responsible for executing and managing privatized housing projects.

Drawing from ongoing work, GAO discusses (1) DOD's oversight of privatized military housing for servicemembers and their families, (2) efforts of the military departments to communicate their roles and responsibilities to servicemembers and their families, and (3) DOD and private partner development and implementation of initiatives to improve privatized housing.

GAO reviewed relevant policies, guidance, and legal documents; visited 10 installations; conducted 15 focus groups; analyzed maintenance work order data; and interviewed relevant DOD and private partner officials. GAO will continue its ongoing work and make recommendations as appropriate in the final report.

View [GAO-20-280T](#). For more information, contact Elizabeth A. Field at (202) 512-2775 or fielde1@gao.gov.

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MILITARY HOUSING PRIVATIZATION

Preliminary Observations on DOD's Oversight of the Condition of Privatized Military Housing

What GAO Found

Each military department conducts a range of oversight activities—some more extensive than others—for its privatized housing projects, but these efforts have been limited in key areas. Specifically, based on GAO's ongoing work:

- **The Department of Defense (DOD) conducts oversight of the physical condition of housing, but some efforts have been limited in scope.** Military departments have guidance for conducting oversight of the condition of privatized housing. This oversight generally consists of reviewing a sample of work order requests, visually inspecting housing during change of occupancy, and conducting other point in time assessments. However, GAO found that these efforts are limited in scope. For example, interior walk-throughs may have been limited to just a few homes at each installation.
- **DOD uses performance metrics to assess private partners, but metrics may not provide meaningful information on the condition of housing.** The Office of the Secretary of Defense (OSD) has recently issued guidance to ensure consistency in the framework used to measure project performance. However, the specific indicators used to determine if the metrics are being met may not fully reflect private partner performance. For example, a common measure is how quickly the private partner responded to a work order, not whether the issue was actually addressed.
- **DOD and private partners collect maintenance data on homes, but these data are not captured reliably or consistently.** DOD is expanding its use of work order data to monitor and track the condition of privatized housing. However, based on GAO's analysis of data provided by all 14 private partners, these data cannot reliably be used for ongoing monitoring of privatized housing because of data anomalies and inconsistent business practices in how these data are collected.
- **DOD provides reports to Congress on the status of privatized housing, but some data in these reports are unreliable and may be misleading.** DOD provides periodic reports to Congress on the status of privatized housing, but reported results on resident satisfaction are unreliable due to variances in the data military departments provide to OSD and in how OSD has calculated and reported these data.

Military housing offices located at each installation are available to provide resources to servicemembers experiencing challenges with their privatized housing, but GAO's ongoing work showed these offices have not always effectively communicated this role to residents. For example, residents in GAO's focus groups noted confusion over the roles and responsibilities of these offices, and military housing officials have found that residents could not readily differentiate between military and private housing officials.

DOD, working with the private partners, has made progress in developing and implementing a series of initiatives. However, both DOD and private partner officials have noted several challenges that could affect implementation, including limitations to DOD's legal authority to unilaterally make changes to the terms of the projects and limited resources to implement increased oversight.