



**GAO**  
Accountability Integrity Reliability

# Highlights

Highlights of [GAO-04-556](#), a report to the Secretary of Defense

## Why GAO Did This Study

The Department of Defense (DOD) plans to spend about \$9.8 billion in fiscal year 2004 to provide housing for about 711,000 families of active-duty military personnel in the United States. DOD's policy for some time has been to rely on housing in the local communities and provide military-owned or privatized military housing when the communities cannot satisfy requirements. Historically, DOD has viewed private sector housing as more cost-effective. In January 2003, DOD approved a revised housing requirements determination process designed to provide a solid basis for justifying on-base family housing needs. GAO looked at whether (1) reliance on community housing remains cost-effective, (2) the revised process has resulted in consistent and reliable needs assessments, and (3) DOD's top-level review of military housing construction proposals could be improved.

## What GAO Recommends

GAO recommends that the Secretary of Defense (1) expedite efforts to provide more detailed guidance on the requirements determination process, (2) review the rationale for allowed exceptions to using community housing, (3) update information on servicemember housing preferences, and (4) apply a more consistent top-level review for housing construction and privatization proposals. DOD generally agreed with the recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-04-556](http://www.gao.gov/cgi-bin/getrpt?GAO-04-556).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-5581 or [holmanb@gao.gov](mailto:holmanb@gao.gov).

## MILITARY HOUSING

# Further Improvements Needed in Requirements Determinations and Program Review

## What GAO Found

DOD's policy of relying primarily on local community housing to meet military family housing needs has been and continues to be cost-effective for the federal government. GAO's analysis of DOD's fiscal year 2004 estimated housing costs showed that the annual costs to provide housing for a typical military family were about \$13,600 for local community housing, \$16,700 for privatized military housing, and \$19,000 for military-owned housing.

Although DOD's revised housing requirements determination process represents a significant step in the right direction, the process has not resulted in consistent and reliable estimates of military installation housing needs and does not require the services to maximize reliance on local community housing—the least costly housing option. Because DOD has not provided the services with timely detailed guidance addressing the particulars of performing housing requirements assessments, the services often used inconsistent methodologies, questionable assumptions, and outdated information in performing these assessments. Further, although the use of military-owned or privatized family housing is clearly justified when local community housing is not acceptable or available, or to meet military mission requirements, the process provides the services with several exceptions to community housing use that may allow the services to build or retain more military housing than necessary. It is also unclear whether servicemembers' housing preferences have changed in view of recent changes, such as increases in housing allowances and the increase in the number and length of deployments.

DOD could improve the top-level review of proposed military housing construction projects. DOD has different top-level review and approval processes for service proposals for military housing construction and housing privatization projects with the process for privatization proposals including additional steps, for example, a top-level review of the adequacy of the associated housing requirements analyses.

### Privatized Military Family Housing at Fort Hood, Texas, and Elmendorf Air Force Base, Alaska



Source: DOD.  
Fort Hood, Texas



Source: Air Force.  
Elmendorf Air Force Base, Alaska