



October 2024

MILITARY HOUSING

DOD Should Address Critical Supply and Affordability Challenges for Service Members

Why GAO Did This Study

DOD's policy is to ensure that service members and their families have access to affordable, quality housing. About two-thirds of service members in the U.S. live off base in local communities. In recent years, the country has faced rising housing costs and increasingly competitive housing markets.

The Joint Explanatory Statement accompanying the National Defense Authorization Act for Fiscal Year 2022 includes a provision for GAO to review military housing in areas with limited housing supply. Among other issues, this report examines the extent to which DOD (1) assesses the availability of private-sector housing for service members; (2) assesses the potential financial and quality-of-life effects of limited supply or unaffordable housing on service members; and (3) coordinates with communities surrounding installations on local housing issues.

GAO reviewed DOD policies and documentation; interviewed DOD housing officials; held discussion groups with service members; performed statistical analyses; and conducted a survey of local government officials in areas near military installations.

What GAO Recommends

GAO is making six recommendations, including that DOD develops a comprehensive list of critical housing areas, obtains feedback on effects on service members living in such areas, and updates guidance on coordinating with local communities. DOD concurred with these recommendations.

View [GAO-25-106208](#). For more information, contact Alissa H. Czyz at (202) 512-3058 or CzyzA@gao.gov.

MILITARY HOUSING

DOD Should Address Critical Supply and Affordability Challenges for Service Members

What GAO Found

The Department of Defense (DOD) does not use its housing assessments to identify a comprehensive list of areas where service members and their families are most severely affected by housing supply or affordability challenges—or critical housing areas. DOD's policy is to rely primarily on the private sector to house service members. DOD officials provided GAO with some information about areas with limited housing availability from multiple sources within the department. However, the information provided was not comprehensive, and the analyses do not account for factors such as unavailability of units in areas with high numbers of vacation rentals. By identifying a comprehensive list of critical housing areas, accounting for the unique circumstances of various areas, DOD would be better able to make informed housing decisions.

DOD collects some information but does not routinely assess the negative financial and quality-of-life effects that limited supply or unaffordable housing has on affected service members. During GAO visits to selected DOD sites, some service members reported having to take on debt or commute long distances to afford quality housing. By consistently obtaining feedback from service members, DOD would be more aware of the extent of the effects of limited supply or unaffordable housing on its service members and be better positioned to identify critical housing areas.

DOD encourages coordination with communities near military installations on local housing issues, but DOD does not have clear guidance on how installation leadership should coordinate with local communities on housing. Accordingly, GAO found differences in the processes for and the extent to which installations had pursued coordination to address housing challenges. GAO's statistical analyses found that counties with higher military populations were associated with having higher median rents. Further, the majority of respondents (67 percent) to GAO's survey of about 150 local government officials from selected locations near military installations said they believed they had somewhat or very unaffordable housing (see figure). If DOD were to provide clearer guidance on coordination with local communities, it could lead to better partnerships that could improve housing affordability and availability for service members and other residents within local communities.

Survey Response Frequencies from Local Government Officials Regarding Overall Housing Supply and Affordability

Overall, how sufficient is the supply of housing for those seeking housing?



Overall, how would you describe the affordability of housing?



Source: GAO analysis of survey results. | GAO-25-106208

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Abbreviations

BAH	basic allowance for housing
COLA	cost-of-living allowance
DOD	Department of Defense
HRMA	Housing Requirements and Market Analysis
NDAA	National Defense Authorization Act
OSD	Office of the Secretary of Defense

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October 30, 2024

The Honorable Jack Reed
Chairman
The Honorable Roger Wicker
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mike Rogers
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Department of Defense (DOD) policy states that the department should ensure eligible service members and their families have access to affordable, quality housing.¹ About one-third of service members in the United States live in on-base housing, either in government-owned housing—such as barracks or dorms—or in military family housing that is owned and operated by private companies.² On-base housing is provided by the government at generally no cost to the service member.³ In its policy, DOD acknowledges that it relies on the private sector to house the remaining two-thirds of service members and their families in the

¹DOD Manual 4165.63, *DOD Housing Management* (Oct. 28, 2010) (incorporating Change 2, Aug. 31, 2018). Hereafter, we refer to this policy as the DOD housing manual.

²Almost all DOD military family housing in the United States has been privatized and is owned and operated by private companies. However, DOD continues to own, operate, and maintain (1) family housing overseas and (2) most housing for unaccompanied service members, meaning those without dependents. We use the term “barracks” to refer to unaccompanied housing across military services. We refer to military family housing that is owned and operated by private companies as “privatized housing.” DOD officials stated that some locations have privatized housing outside the installation fence line, and therefore not all privatized housing is on base.

³Section 403(a)(1) of title 37, United States Code, states that except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for housing. Therefore, all eligible service members receive a housing allowance. If a service member lives in privatized military housing, the rent is typically equivalent to the housing allowance, and their allowance is paid directly to the private company. Service members who choose to live off base may apply their housing allowance toward purchasing a home or renting a housing unit that can be more or less than their housing allowance.

communities surrounding military installations.⁴ Service members who live in off-base private-sector housing use housing allowances to help cover a portion of the monthly costs of rent (or a mortgage) and utilities.

Millions of Americans experience difficulties with obtaining housing due to affordability challenges and limited supply. Housing costs have increased steadily since 2012 and have risen sharply since 2020. As a result, housing affordability has decreased for most renter households, with the poorest households facing the most severe affordability challenges. In 2022, an estimated 50 percent of renter households were considered “cost-burdened” because they paid more than 30 percent of their income on rent and utilities, according to the Joint Center for Housing Studies of Harvard University.⁵ In addition, housing unit production fell dramatically during the 2007-2009 financial crisis and has been slow to recover since. In 2021, the number of new privately-owned housing units started nationwide surpassed a total of 1.5 million for the first time since 2006.

Since 1998, we have conducted various reviews related to military housing and reported on concerns regarding affordability and quality of housing for service members. In 2021, we identified concerns related to DOD’s ability to provide support services at remote or isolated installations, including access to affordable, quality housing.⁶ We recommended that DOD develop policy and assess risks related to support services at these installations, and it has implemented those recommendations. We also reported in 2021 that DOD’s process for setting housing allowance rates did not result in amounts necessary to cover the cost of suitable housing for service members.⁷ We recommended that DOD assess its process for setting those rates and update relevant guidance, and it has implemented these recommendations. In 2023, we reported on challenges related to appropriate oversight of privatized military housing and military barracks

⁴We are using the term “private-sector housing” to describe housing in the local communities surrounding military installations, such as homes and apartments (i.e., not privatized military housing or government-owned military housing).

⁵Joint Center for Housing Studies of Harvard University, *America’s Rental Housing 2024* (Cambridge, MA: Harvard Graduate School of Design and Harvard Kennedy School, 2024).

⁶GAO, *Military Installations: DOD Should Consider Various Support Services when Designating Sites as Remote or Isolated*, [GAO-21-276](#) (Washington, D.C.: July 29, 2021).

⁷GAO, *Military Housing: Actions Needed to Improve the Process for Setting Allowances for Servicemembers and Calculating Payments for Privatized Housing Projects*, [GAO-21-137](#) (Washington, D.C.: Jan. 25, 2021).

and recommended that DOD take steps to improve oversight.⁸ DOD concurred or partially concurred with these recommendations but has not implemented most of them as of October 2024.

The Joint Explanatory Statement accompanying the National Defense Authorization Act (NDAA) for Fiscal Year 2022 includes a provision for us to review DOD's management of military housing in areas with limited housing supply.⁹ Specifically, we reviewed the extent to which DOD (1) assesses the availability of private-sector housing for service members; (2) assesses the potential financial and quality-of-life effects of limited supply or unaffordable housing on service members; (3) responds to the effects of limited supply or unaffordable housing on service members; and (4) coordinates with communities surrounding installations on local housing issues.

To address all of our objectives, we reviewed relevant DOD and military service policies, guidance, and other documents related to the department's housing programs at domestic installations within the United States. We interviewed Office of the Secretary of Defense (OSD) and military service officials, among others. We also selected and visited a non-generalizable sample of seven installations, some virtually and some in person, where we interviewed installation leadership, housing officials, and representatives from privatized housing companies that partner with DOD and toured on-base privatized housing communities.

To determine how DOD assesses the availability of housing, we examined DOD's most recent Housing Requirements and Market Analysis (HRMA) reports for military installations across the United States. We compared the processes and frequency for developing these

⁸GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, [GAO-23-105797](#) (Washington, D.C.: Sept. 19, 2023); and *Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program*, [GAO-23-105377](#) (Washington, D.C.: Apr. 6, 2023).

⁹Joint Explanatory Statement to accompany the National Defense Authorization Act for Fiscal Year 2022, 167 Cong. Rec. H7358-7359 (daily ed. Dec. 7, 2021). The military services included in our review are the Army, Air Force, Navy, and Marine Corps. As of July 2024, Space Force housing is managed in accordance with Air Force policies, according to officials. As such, we do not report separately on the Space Force. Because we focused on DOD's management of military housing, and the Coast Guard falls under the Department of Homeland Security for these purposes, we also did not include the Coast Guard in our review.

assessments against relevant DOD and service guidance and statutory requirements in the James M. Inhofe NDAA for Fiscal Year 2023.¹⁰

To determine how DOD assesses the financial and quality-of-life effects of housing on service members, we compared DOD's efforts to obtain this information—such as through surveys—against relevant DOD and service guidance, among other criteria. We conducted 15 discussion groups with selected service members of varying ranks living both on and off base to discuss their experiences with housing. We identified strategies DOD may use to address the effects of unavailable and unaffordable housing and compared the use of these strategies against relevant DOD and service guidance, to include DOD's *Military Compensation Background Papers*, which state that military compensation should be based on certain underlying principles, including equity and fairness.

To assess DOD's coordination with local communities on housing, we compared efforts as well as service and DOD guidance against *Standards for Internal Control in the Federal Government*. We also estimated statistical models to determine if there were associations between military presence in a geographic area and outcomes on the local housing market. In addition, we developed and conducted a survey of local government officials near military installations across the United States, including Alaska, Hawaii, and Guam. Our survey included questions on local housing market conditions, the perceived effects of the military's presence on local housing markets, and the level of coordination between military and local government officials, among other topics. See appendix I for a detailed description of our scope and methodology.

We conducted this performance audit from August 2022 to October 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹⁰Pub. L. No. 117-263, § 2821 (2022).

Background

Types of Housing for Service Members

- **Private-sector housing.** DOD relies on the private sector to house about two-thirds of service members and their families living in the United States. Private-sector housing is housing, such as apartments and homes, in the local communities near installations (i.e., not DOD-owned housing). Eligible service members receive a housing allowance to contribute toward the cost of private-sector housing in the local community.¹¹
- **Privatized military housing.** In 1996, as part of an effort to improve the quality of military housing, Congress enacted the Military Housing Privatization Initiative, which provided DOD with authority to rely on private housing companies to operate, construct, repair, and renovate military family housing.¹² Since then, private housing companies have primary responsibility for approximately 99 percent of military family housing in the United States.¹³

The military departments have flexibility to structure their privatized housing projects, but typically the military departments lease land to the private housing companies for a 50-year term and convey existing housing located on the leased land to the private company for the

¹¹Officers and senior enlisted service members (with or without dependents) and junior enlisted service members with dependents receive a housing allowance and may elect to live in privatized military housing or in private-sector housing. Generally, junior enlisted service members without dependents are required to live in military barracks and do not receive a housing allowance. However, they may receive a housing allowance—and seek housing in the community instead—for two reasons: (1) if barracks have insufficient space and (2) if an installation commander grants an exception.

¹²National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, §§ 2801-2841 (1996), *codified as amended* at 10 U.S.C. §§ 2871-2894a.

¹³The initiative also allowed for the military services to privatize housing for unaccompanied service members, or those without dependents. The Army, Air Force, and Navy have privatized unaccompanied housing projects, and there are eight of these projects, according to officials. The House Armed Services Committee directed DOD to provide it with a report by July 2023 on the feasibility of privatizing barracks across all military services. According to an OSD official, DOD did not provide this report, and, as of July 2024, the official was not able to provide an updated time frame for when they would do so.

duration of the lease. The private company then becomes responsible for operating, maintaining, renovating, repairing, and constructing new housing and for the daily management of the housing units. The private company receives housing allowance payments from the service members residing in the housing.

- **Government-owned and leased housing.** DOD continues to own, operate, and maintain (1) most barracks and (2) family housing overseas. In some cases, DOD may also lease housing in the local communities surrounding installations to provide to service members.

DOD Housing Allowances

Basic Allowance for Housing (BAH). The BAH is designed to enable service members to live off base comparably to their civilian counterparts by providing a fair housing allowance to help cover a portion of the monthly costs of rent and utilities. It is one of the largest components of cash compensation for military personnel, second only to basic pay.¹⁴ Unlike landlords in the private-sector housing market, privatized military housing developers generally are prohibited from charging more for rent than the BAH rate. Therefore, if a service member lives in privatized military housing, the rent is typically equivalent to BAH. Service members who choose to live in private-sector housing rather than in privatized military housing may apply their BAH toward a mortgage or rental payment. They are permitted to keep any portion of BAH not spent on housing and, conversely, have to use other funds to pay housing costs that exceed their BAH. See appendix II for details on DOD's data collection and rate setting process for BAH.

Overseas Housing Allowance. The overseas housing allowance is a cost-reimbursement for service members assigned to permanent duty overseas that allows them to lease privately owned housing. It includes three separate components: rent, utilities/recurring maintenance, and a move-in housing allowance. Rental allowances are computed using actual rent payments as reported through local finance systems. Service

¹⁴In addition to BAH, service members may receive other types of compensation depending on where they live that they may use to manage housing costs. These include (1) the cost-of-living allowance (COLA) and (2) assignment and special duty pays. The COLA in the United States is a taxable, supplemental allowance designed to help offset expenses for service members assigned to expensive areas. An area is considered high cost if the non-housing cost of living for that area exceeds a threshold of 107 percent. Assignment and special duty pays provide the military services with flexible additional pays that can be used to address specific work force needs and other force management issues that cannot be efficiently addressed through basic pay increases.

members are reimbursed for rent up to the amount of the lease or the maximum rental allowance, whichever is less.

Roles and Responsibilities for DOD Housing Programs

OSD and each of the military services have roles and responsibilities in overseeing DOD housing programs.

OSD roles and responsibilities. The NDAA for Fiscal Year 2020 directed the Secretary of Defense to designate a Chief Housing Officer, and the James M. Inhofe NDAA for Fiscal Year 2023 directed that this position be held by the Assistant Secretary of Defense for Energy, Installations, and Environment.¹⁵ The Chief Housing Officer is responsible for the oversight of all housing and the creation and standardization of housing policies and processes.¹⁶ These include procedures related to privatized housing, private-sector housing, government-owned or controlled housing, and housing-related relocation and referral services.¹⁷ In addition, the Chief Housing Officer is to develop policy related to the availability of safe and affordable housing located on and off remote and isolated military installations.¹⁸ According to DOD documentation, the Deputy Assistant Secretary of Defense for Housing (within the Office of the Assistant Secretary of Defense for Energy, Installations, and Environment) supports the Chief Housing Officer in all statutorily defined duties. Additional OSD offices also have responsibilities related to DOD housing programs. These include:

- The Under Secretary of Defense for Acquisition and Sustainment is responsible for overall policy making and oversight responsibility for DOD real property, including housing, and for establishing overarching guidance and procedures for managing and disposing of real property.¹⁹
- The Under Secretary of Defense for Personnel and Readiness is responsible for overseeing the determination of housing allowances

¹⁵Pub. L. No. 116-92, § 3012 (2019) and Pub. L. No. 117-263, § 2807 (2022) (*codified at* 10 U.S.C. § 2851a(a)).

¹⁶10 U.S.C. § 2851a.

¹⁷DOD Manual 4165.63.

¹⁸DOD Instruction 1015.18, *Assessing and Managing Challenges Associated with Providing Critical Services at Remote and Isolated Military Installations* (May 30, 2024).

¹⁹The same office is responsible for exercising general oversight over DOD's military construction program.

and for monitoring morale and welfare aspects of quality-of-life programs, including housing.

- The Under Secretary of Defense, Comptroller is responsible for providing guidance and procedures on financing, budgeting, and accounting for DOD housing programs.

Military service roles and responsibilities. The military services are responsible for managing their respective housing programs. These responsibilities include determining DOD housing requirements for each installation, exercising oversight of the management of privatized housing, and establishing criteria to determine which service members are required to live in DOD housing.

Further, military installations' commanders and housing offices have defined roles for managing housing programs. Installation commanders are to ensure all service members have access to suitable housing and services; manage, operate, and maintain government-owned housing units; and provide assessment of privatized housing. Military housing offices manage government-owned or controlled housing, conduct oversight of privatized housing companies, and provide information on available private-sector housing to incoming service members and their families.²⁰ Further, these offices participate in the collection and review of information about housing within the market area and in BAH data collection.

DOD Assessments of Housing Availability for Military Installations

DOD's guidance on housing management (the DOD housing manual) requires that the military services perform housing requirements and market analysis (HRMA) for their respective installations to determine whether there is enough housing in the area to accommodate the needs of the military at an installation. The HRMA is a structured analytical process that is to assess both the availability and suitability of the private sector's rental market, assuming specific standards related to affordability, location, features, and physical condition, and the housing

²⁰The military services have different terms for military housing offices. The Air Force and Marine Corps use the term "military housing office;" the Navy uses "housing services center;" and the Army uses "housing services office." For purposes of clarity and consistency across our report, we refer to installation offices performing these functions as "military housing offices," regardless of service.

requirements of the installation's total military population.²¹ HRMAs are to include an assessment of current and projected economic trends that could affect housing supply and demand in the market area including trends in population, employment, and housing. DOD uses a contractor to collect the data and perform the analyses.²²

The American Community Survey's vacancy rates are used as part of HRMAs.²³ Vacancy rates refer to the percentage of units available for new occupants.²⁴ Very low vacancy rates tend to indicate that demand for housing is higher than the existing level of inventory can accommodate. Vacancy rates have decreased since the housing market crash and financial crisis of 2007-2009, followed by additional decreases during the COVID-19 pandemic, according to the U.S. Census Bureau.²⁵ This has resulted in housing vacancy rates that were at or near historic lows across rental and owner-occupied housing as of May 2022, which reflects decreasing housing availability. As of April 2024, the nationwide vacancy rate in the United States for rental housing was about 7 percent and less than 1 percent for owner-occupied housing, according to the U.S. Census Bureau.

The availability of suitable housing in the defined market area is based on information collected through a variety of military and public sources,

²¹According to the DOD housing manual, the boundaries of the market area used to determine the supply of available housing may be based on a 20-mile radius or 1-hour commute during peak traffic and adjusted to satisfy local needs as recommended by the installation commander. To be considered suitable for service members, private-sector housing must meet specific standards for affordability, location, features, and physical conditions. Housing is considered affordable if it does not exceed maximum acceptable housing cost, which is typically equal to BAH. Suitable housing units must have room patterns, floor areas, and amenities consistent with housing in the market area. They also must not pose health, safety, or fire hazards; must meet configuration standards, such as having adequate bedrooms, bathrooms, and kitchens; and must have adequate utility systems and services.

²²DOD has generally used one contractor across the department to conduct HRMAs and collect data for the BAH program. According to DOD, this contractor has served as the primary BAH contractor since 2013.

²³The U.S. Census Bureau's American Community Survey is the largest household survey in the United States and Puerto Rico. This survey provides estimates of vacant units by type of vacancy and calculates estimates of rental and homeowner vacancy rates for most areas included in the decennial census.

²⁴Rental vacancy is the share of rental units that is available for rent, and homeowner vacancy is the share of the homeowner inventory that is available for sale.

²⁵U.S. Census Bureau, *Housing Vacancy Rates Near Historic Lows* (May 12, 2022).

including housing market area surveys, U.S. Census Bureau data, local government agencies, local real estate professionals, and residents within the market area. Additionally, installation commanders and military housing offices are encouraged to participate in the collection and review of information about the availability and condition of the housing within the market area and recommend suitable housing options for service members.

DOD Does Not Consistently Assess the Availability of Private-Sector Housing or Identify Areas with Critical Supply and Affordability Challenges

The military services have not consistently completed HRMAs to assess private-sector housing availability in a timely manner, and DOD was late in fulfilling a statutory requirement to submit to Congress the military services' plans for completing HRMAs for fiscal years 2023 and 2024. In addition, DOD does not use its housing assessments and other information to identify and regularly update a comprehensive list of military housing areas with critical availability and affordability challenges. As a result, DOD has limited information on areas in which housing availability and affordability challenges most severely affect service members and their families.

The Military Services Have Not Consistently Assessed Private-Sector Housing Availability

The military services use HRMAs to determine housing availability in areas around installations. However, they have not consistently assessed private-sector housing availability in a timely manner or used these assessments to make informed housing decisions.

Timeliness of HRMAs. The DOD housing manual states that HRMAs must be performed “within a minimum 4-year interval” and must be updated as necessary to reflect major changes in military force structure or changes to the local community that could significantly alter the interaction of supply and demand forces. However, this guidance does not clarify whether HRMAs must be conducted no less than every 4 years or at most every 4 years.

Without clear OSD direction on the required frequency for HRMAs, the services have generally followed their own guidance for conducting HRMAs. Each service's guidance requires different frequencies for HRMAs, which range from every 3 years to every 6 years, or as needed. As a result of differing requirements in guidance, the frequency with which the services have conducted HRMAs has varied, and some HRMAs are outdated. For example, when we asked the services to provide the most

recent HRMAs for all installations in February 2023, the age of HRMAs we received varied by service (see table 1).

Table 1: Percentage of Housing Requirements and Market Analysis (HRMA) Reports by Age Grouping for Each Service

Age of HRMA report ^a	Military service			
	Army	Air Force	Navy	Marine Corps
5 or fewer years old	86%	5%	100%	73%
Between 5 and 10 years old	9%	6%	0%	13%
Greater than 10 years old	5%	89%	0%	13%

Source: GAO analysis of DOD HRMAs. | GAO-25-106208

Note: The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 required the military services to complete HRMAs at least every 5 years. We received and reviewed HRMAs for 180 installations in the United States, including Alaska, Hawaii, and Guam. Of those, 56 were Army; 63 were Air Force; 46 were Navy; and 15 were Marine Corps. Percentages are rounded to the nearest whole number and therefore may not add up to 100 percent.

^aWe determined the age of each HRMA we reviewed by comparing the date we received them to the publication date of each HRMA.

As shown in the table above, Navy HRMAs we reviewed were no more than 5 years old. However, housing officials at Naval Air Station Key West told us even an HRMA conducted as recently as 2021 was outdated given rapid changes in the local housing market in their area. Similarly, officials at Marine Corps Base Hawaii told us the existing HRMA accurately reflected housing requirements at the time the HRMA was conducted in 2018, but the age of the HRMA limited the installation’s ability to effectively plan for more updated housing requirements. Both Naval Air Station Key West and Marine Corps Base Hawaii have recently had or will soon have new HRMAs conducted, according to Navy and Marine Corps officials.

In an effort to standardize the frequency with which the services conduct HRMAs, the James M. Inhofe NDAA for Fiscal Year 2023 required all military services to conduct HRMAs for every installation by 2027 and to complete HRMAs at least every 5 years.²⁶ Officials from all services told us they were currently conducting HRMAs to fulfill these requirements. However, OSD has not updated the department’s guidance on the frequency of HRMAs to reflect this statutory requirement, and OSD officials told us its housing guidance is outdated.

²⁶Pub. L. No. 117-263, § 2821 (2022) (codified at 10 U.S.C. § 2837).

Submission of Plans for HRMAs. The James M. Inhofe NDAA for Fiscal Year 2023 required the secretaries of the military departments to submit the military services' plans for HRMAs to be completed in fiscal year 2023 no later than January 2023. It also required the Secretary of Defense to submit the military services' plans for HRMAs to be completed in each fiscal year, beginning in fiscal year 2024, as part of the department's annual budget request for each year.

However, while OSD received information from the military departments on the HRMAs planned for fiscal years 2023 and 2024, as of July 2024 it could not confirm that these HRMAs have been or will be completed in the identified time frames, according to an OSD official.²⁷ This official told us in July 2024 that, because OSD had not verified its information regarding these HRMAs was up to date, neither the military departments nor the Secretary of Defense had submitted this information to Congress, as required. The official added that, because HRMAs are not visible to OSD in DOD's Enterprise Military Housing system, OSD must instead request each HRMA from the services, limiting its ability to verify that planned HRMAs were completed or were underway.²⁸ The military departments did, however, include their plans for HRMAs to be completed in fiscal year 2025 in the departments' budget submissions for that year.

OSD has broad oversight responsibilities for DOD's housing programs as defined in statutory requirements.²⁹ In addition, *Standards for Internal Control in the Federal Government* states that management should obtain data from reliable sources in a timely manner, use quality information to make informed decisions, and implement control activities through policies described in appropriate detail.³⁰

However, OSD has not clearly defined its specific oversight role for the HRMA process in guidance. An OSD official told us that they have not exercised sufficient oversight of the services' HRMA processes because

²⁷OSD notified us in October 2024 that these plans had been submitted to Congress in September 2024.

²⁸DOD's Enterprise Military Housing system is a department-wide information management system used by the military departments to operate and manage military housing and document oversight of privatized family housing, among other things.

²⁹See, e.g., Pub. L. No. 116-92, § 3012 (2019) and Pub. L. No. 117-263, § 2807 (2022) (*codified* at 10 U.S.C. § 2851a(a)).

³⁰GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

the DOD housing manual assigns responsibility for conducting HRMAs to the military services. This official also told us the Deputy Assistant Secretary of Defense for Housing is working toward increasing oversight of HRMAs, such as by more regularly reviewing HRMA information requested from the services, but that this oversight has not been consistent.

Improved OSD oversight of the services' HRMA process—such as ensuring that HRMAs are conducted in a consistent and timely manner and that DOD submits to Congress the military services' planned HRMAs for each fiscal year—would better position the department to fulfill relevant statutory requirements. By clearly defining OSD's oversight role for the HRMA process in guidance, DOD will be better able to ensure that the military services conduct HRMAs in a timely manner and at the required frequency. Further, with improved oversight, DOD would be able to provide more timely information about planned HRMAs to Congress, which would better position DOD and Congress to make fully informed decisions about housing.

DOD Assessments Are Not Used to Identify a Comprehensive List of Military Housing Areas with Critical Availability or Affordability Challenges

DOD's policy is to rely primarily on the private sector to house service members, and DOD policy states that remote and isolated areas may pose particular challenges to providing safe and affordable housing.³¹ However, the department does not have a comprehensive list of military housing areas in which limited housing supply or affordability challenges most severely affect service members and their families.³² For the purposes of this report, we will refer to these areas as critical housing areas.³³

³¹DOD Manual 4165.63 and DOD Instruction 1015.18.

³²Military housing areas are determined geographically by zip code within the United States and are identified by a combination of a two-digit code for the state and a three-digit numerical designation within the state. For small military population areas, zip codes are aggregated into areas of similar housing cost and designated as county cost groups.

³³The Coast Guard designates areas within the continental United States where military and community family housing are in critically short supply as critical housing areas. Although the Coast Guard is part of the Department of Homeland Security, it has some similarities with DOD processes for housing its service members, and it uses DOD's BAH rates. As of March 2023, the Coast Guard had 31 critical housing areas affecting approximately 285 family housing units across the continental United States. This represents about 11 percent of the Coast Guard's total active housing inventory (i.e., housing units currently in use). See GAO, *Coast Guard: Better Feedback Collection and Information Could Enhance Housing Program*, [GAO-24-106388](#) (Washington, D.C.: Feb. 5, 2024).

DOD Information on Areas with Housing Shortages Varies

OSD and the military services provided us with some information about areas they stated had limited housing availability from various sources, but this information varies by source. For example, the Defense Travel Management Office maintains a list of locations with approved temporary lodging expense extensions. Officials told us locations on this list have been approved for temporary lodging expense extensions due to issues with housing availability and therefore generally represent a list of areas with housing shortages.³⁴

However, certain locations with persistent housing availability challenges may not be identified as areas with housing shortages because they do not meet the specific criteria required for temporary lodging expense extensions to be approved.³⁵ For example, Key West, Florida—a location where officials and service members we met with told us that housing affordability and a limited housing supply are critical problems—is not included on the list of locations with approved temporary lodging expense extensions because it does not meet these criteria.³⁶

Further, the Army provided us a list of locations in which service members and military housing offices had directly reported a lack of adequate, affordable off-base private-sector housing. However, Army officials told us this list was compiled specifically as part of an effort in 2022 to review the models used to calculate BAH rates, rather than an effort to identify

³⁴Temporary lodging expenses are allowances paid to partially reimburse service members for lodging and meal expenses while staying in temporary lodging during a permanent change of station.

³⁵DOD's Joint Travel Regulations and instructions issued by DOD's Per Diem, Travel, and Transportation Committee require locations with housing shortages to meet specific criteria for approval of temporary lodging expense extensions. Specifically, the percentage occupancy of government-owned or controlled and privatized housing units must be equal to or greater than 98 percent; the rental vacancy rate in the area must be equal to or less than 3 percent; and the location must provide data comparing the service member population to rental availability to substantiate the existence of a housing shortage in the area.

³⁶The criteria regarding housing occupancy and rental vacancy rates DOD used for approval of temporary lodging expense extensions are the same criteria used by the Coast Guard to identify critical housing areas, which are defined in Commandant Instruction 11101.15A, *Critical Housing Areas (CHA)* (Nov. 30, 2020). Therefore, the Coast Guard also does not include Key West on its list of critical housing areas. However, this guidance also states that areas not meeting military housing occupancy and rental vacancy rate criteria may request designation as a critical housing area based on other considerations, such as affordability of private-sector housing.

Limitations Exist with Current Analyses of Housing Areas

critical housing areas in the Army, Air Force, Navy, and Marine Corps officials we met with identified some locations they stated had housing shortages but told us their services have not tracked critical housing areas through a structured analysis.

As described previously, all services conduct HRMAs to determine the extent to which housing in local communities can accommodate service member populations and to establish requirements for DOD housing. While timely and high-quality HRMAs could provide DOD and the services with important information about military housing areas, we identified limitations of relying solely on HRMAs to identify critical housing areas, particularly in areas with unique characteristics. Further, DOD has not performed a structured analysis to develop a comprehensive, department-wide list of critical housing areas. As a result, DOD has limited department-wide information regarding which military housing areas have the most significant challenges with housing availability and affordability.

Challenges with vacancy rates in areas with high vacation rentals.

Despite reportedly high vacancy rates, private-sector housing may be particularly difficult to obtain in areas that have a high density of vacation rental properties. However, HRMAs may identify housing surpluses at installations in these vacation rental areas. As a result, DOD may not have a full picture of the availability of housing. We previously reported that Coast Guard service members identified housing related challenges they experience in high vacation rental areas.³⁷ For example, they identified that property owners do not offer year-round leases because property owners can command higher monthly rents during peak seasons or use the properties themselves during part of the year. DOD service members we interviewed during this review identified similar challenges.

The American Community Survey's vacancy rates used as part of HRMAs are to exclude vacation and short-term rentals in the estimated number of vacant units. We selected Naval Air Station Key West as one of our site visit locations because the vacancy rate for the county encompassing that military housing area was about 19 percent, according to data from the U.S. Census Bureau's 2021 American Community Survey. This should reflect a housing market with ample available rentals as compared to the national average of about 6 percent. However, service members stationed at this location described significant

³⁷[GAO-24-106388](#).

challenges finding available and affordable housing, despite the most recent HRMA showing a surplus of housing. In addition, installation officials stated that housing availability and affordability are critical challenges in Key West because of the large share of vacation rentals in the market, which would be cost-prohibitive to rent long-term for many service members.

Challenges with availability of on-base housing. In addition, HRMAs may identify housing surpluses even if a portion of the on-base housing inventory is not available for service members. For example, the most recent HRMA for Naval Air Station Key West showed a surplus of over 200 housing units on base. However, officials told us some of these units have limited availability. Specifically, installation officials told us 222 of their 733 on-base homes are designated specifically for DOD civilians rather than service members. This can exacerbate challenges with housing availability for service members.³⁸ In addition, on-base housing units are sometimes temporarily unavailable due to systemic maintenance challenges that require long time frames to address, such as problems with heating, ventilation, and air conditioning ducts, according to officials.

Limited coordination in completing HRMAs among services sharing military housing areas. Also, each service may complete its own HRMA rather than coordinating to complete a single HRMA for an entire military housing area with multiple services' installations. As a result, DOD may not have a clear picture of overall housing requirements and availability for the military housing area on the island of Oahu, Hawaii. For example, each service separately completed the most recent HRMAs for installations on Oahu even though they share the same military housing area. The most recent HRMAs we received for Joint Base Pearl Harbor-Hickam (2021) and Marine Corps Base Hawaii (2023) identified projected housing surpluses, while the most recent HRMA for U.S. Army Garrison Hawaii (2022) identified a projected housing deficit.

Differences in housing requirements and housing demand.

According to DOD's HRMA contractor, DOD has limited information on the differences between the housing requirements identified through the HRMA process and the housing demand revealed by service members'

³⁸According to installation officials, service members at Naval Air Station Key West can rent on-base homes designated for civilians, if available. However, officials also said few service members currently occupy these units because they are typically only available to service members when there are no civilians on wait lists.

preferences and behavior. Specifically, the contractor stated that the services have varied in the extent to which they have conducted personnel housing surveys to gather information on service members' actual housing decisions and preferences to support HRMAs. For example, the Army and Marine Corps last conducted such surveys in 2011 and the Air Force last did so in 2015, according to this contractor. However, according to officials, the Navy is conducting military personnel housing surveys in conjunction with the HRMAs it is conducting for fiscal year 2024 as an effort to further validate housing requirements at its installations. Navy officials told us this survey supplements an HRMA by providing information and data that otherwise would not be available, such as homeownership rates, actual rent and utilities costs paid by service members, and information pertaining to service members' experiences with housing in the area.

Standards for Internal Control in the Federal Government states that management should obtain data from reliable sources in a timely manner and use quality information to make informed decisions.³⁹

However, DOD has not performed a structured analysis to develop a comprehensive, department-wide list of critical housing areas. As a result, DOD has limited department-wide information regarding which military housing areas have the most significant challenges with housing availability and affordability, such as those with high rates of vacation rentals. As DOD's needs and housing markets may change over time, regular updates of such a list would provide the department with timely information. An OSD official told us developing and updating such a list would benefit DOD by providing this information. By performing a structured analysis to develop a list of critical housing areas—incorporating information from multiple sources—and regularly updating the list, DOD and the military services would be better positioned to make more informed housing decisions and to better focus efforts to address housing availability and affordability challenges for service members and their families living in identified critical housing areas.

³⁹[GAO-14-704G](#).

DOD Does Not Fully Assess Negative Effects of Limited Supply or Unaffordable Housing on Service Members

Service members experience negative financial and quality-of-life effects in areas lacking available, affordable housing, but DOD does not routinely assess these effects. In addition, DOD and the services generally have not used service member feedback on financial and quality-of-life effects.

Service Members Report Experiencing Financial and Quality-of-Life Effects in Areas with Limited Supply or Unaffordable Housing

DOD has stated that many service members and their families experience challenges related to increasingly competitive housing markets, such as extended wait times for housing, reduced housing inventories, and sudden, sharp increases in rental or purchase costs.⁴⁰ DOD has taken some steps to assist service members with the challenges they may face in finding affordable housing, such as increasing allowances in areas with significant increases in housing costs.

A 2021 DOD memorandum described the broad financial and quality-of-life effects experienced by service members and their families, as a result of increasing costs of housing and competitive housing markets across the United States. Similarly, an official from OSD's housing office stated that roughly one-quarter of about 200 installations with military housing offices have expressed concerns about challenges with housing availability and affordability, as well as the resulting effects on service members.

Across all site visit locations, we heard from installation officials and service members about various negative effects experienced by service members due to limited housing availability and affordability, including financial and quality-of-life effects. For example, in all 15 discussion groups we conducted with service members living in privatized housing or in private-sector housing, at least one or more participants indicated they felt housing in the area around their installation was generally unaffordable.

However, we observed differences by location. For example, all discussion group participants in Key West and Oahu stated that housing

⁴⁰Secretary of Defense Memorandum, *Strengthening Economic Security in the Force* (Nov. 17, 2021).

was unaffordable and many also stated that housing availability was limited. Discussion group participants at Mountain Home Air Force Base all agreed that housing was limited near base, and as a result, many service members seek housing about 50 miles away in Boise, Idaho. Conversely, several discussion group participants in Fort Bliss and Camp Lejeune stated that they were able to generally find and afford housing in the area.

Selected Discussion Group Perspectives Regarding Effects on Finances

To get better quality homes, we have to pay up to \$1,000 per month over BAH.

We are expected to be on high alert for 8-hour shifts on base, then have to go to a second job for multiple hours, which causes anxiety and stress.

I bought a house years ago, but if I tried to buy it today—or even just to rent it—I would not be able to afford it.

Source: GAO discussion groups. | GAO-25-106208

Financial impacts. While individual experiences varied by location and rank, across all 15 discussion groups, many participants described similar financial challenges due to limited housing availability and high housing costs. For example, at all seven locations we contacted, we heard that some service members paid significant amounts—in some cases hundreds to a thousand dollars—more than their BAH each month to afford housing because of limited availability of housing at costs close to or under their BAH rates. However, some service members in locations with more abundant housing told us they were able to find housing at or below their BAH rate.

Participants in discussion groups at five installations told us they had to use savings, take on significant credit card debt, or obtain second jobs to afford housing and other related expenses. For example, service members in Key West—where long-term rentals are scarce and typically require significant up-front move-in costs—described having to withdraw retirement savings, incur significant credit card debt, or secure additional employment to afford the high costs of rent, utilities, and other items, such as gas and groceries. Participants in 11 of the 15 discussion groups noted that they or others they knew had second jobs to supplement their income given high costs of housing and living expenses. Some installation commanders we interviewed expressed concern that service members' seeking additional employment could negatively affect their quality of life and work performance in the military.

Selected Discussion Group Perspectives Regarding Effects on Quality of Life

It doesn't make sense that we have to work rigorous jobs and still worry about surviving—it leads to service members experiencing financial and mental struggles.

The wait time for on-base housing was a year, so I had to settle for a poor-quality home out in town—with major termite issues—just to have somewhere to live.

To live in an affordable area, I often have to commute 2 hours each way in traffic.

Source: GAO discussion groups. | GAO-25-106208

Quality-of-life concerns. Across discussion groups we held, participants described negative effects on their quality of life due to limited housing supply and affordability challenges. Some participants described positive effects from having quality housing on or near base. However, other participants reported negative effects such as living in homes with poor conditions or below suitability standards, living with roommates, leaving families behind in other states, or living farther from their installation and experiencing long commute times.

Some discussion group participants told us they had to choose to live in homes below suitability standards or with poor conditions due to a lack of available and affordable housing in their area. For example, at two installations, discussion group participants told us they lived, or knew others who lived, in recreational vehicles due to availability and affordability challenges. Additionally, some discussion group participants told us they had to live in homes without air conditioning in hot, humid climates or in neighborhoods where safety is a concern because they had few private-sector options available when searching for housing.

At two installations, we heard from some discussion group participants that they decided to leave their families behind in other states because they could not find affordable housing of the size needed to comfortably house their families, and it would be financially easier to rent a single room in a shared home or a studio apartment on their own. These service members said living far away from their families negatively affected their quality of life. Service members also described having to live with multiple roommates to afford housing.

Effects on performance and mission. Service members and installation officials also reported that limited housing supply or unaffordable housing can result in negative effects on performance and mission, especially for lower ranked, junior personnel. In some cases, service members may be unable to get to work if they have to commute long distances in dangerous weather conditions. For example, an Air Force official stated that the interstate that many service members use to commute between Boise and Mountain Home Air Force Base is shut down several times a year due to traffic accidents and weather issues.

Further, installation officials told us DOD civilians may also face challenges with housing availability and affordability. Installation commanders at all three installations we visited in Hawaii, as well as at Mountain Home Air Force Base, told us challenges with housing availability and affordability negatively affect their installations' ability to

recruit and retain a qualified civilian workforce necessary to support the installation. At installations in Hawaii—where housing can be scarce and expensive—officials said civilians often face difficulties with housing affordability because they do not receive a housing allowance, resulting in higher turnover and fewer qualified civilian staff. Similarly, officials at Mountain Home Air Force Base told us that while service members' housing allowances have increased over 100 percent since 2017, civilian locality pay for that location has increased only 2 percent, despite the area's increased cost of living. As a result, according to these officials, there is little incentive for civilians to move to or stay in the area to fill civilian positions that provide important support of service members living and working on base and are also key in meeting DOD's mission.

Issues related to privatized housing. Service members may perceive privatized housing to be a better value than private-sector housing in areas with limited availability or particularly high housing costs because the cost of privatized housing is typically equal to service members' BAH rates.⁴¹ For example, service members living in privatized housing in 10 discussion groups told us they lived there because they would not be able to find similar quality private-sector housing in the local community at their BAH rates.

However, some service members living in privatized housing described issues with maintenance quality and timeliness.⁴² In 10 discussion groups we conducted with residents of privatized housing, participants told us having to submit multiple maintenance requests for persistent problems

⁴¹According to Office of the Under Secretary of Defense for Personnel and Readiness officials, assignment and size standards for privatized housing may differ from what service members' BAH rates allow them to afford at private-sector housing. For example, privatized military housing units typically have three bedrooms, whereas the BAH rate for junior service members may only be tied to the local rental costs for a two-bedroom apartment. As a result, service members may believe their BAH rates are inadequate to obtain private-sector housing of a similar size to privatized military housing, according to officials.

⁴²At installations we visited, officials from privatized housing companies told us difficulty obtaining needed materials and labor may limit their ability to fully address maintenance challenges quickly. However, according to these officials, each privatized housing company adheres to requirements to respond to maintenance requests within established time frames. These time frames vary by maintenance category, such as whether a maintenance work order is considered routine or an emergency. In addition, these officials generally told us residents of privatized housing may be moved into temporary lodging during ongoing maintenance work.

or low-quality maintenance work negatively affected their quality of life.⁴³ In some cases, discussion group participants described potentially serious problems, such as moisture damage and the presence of possible mold in their homes. For example, at Naval Air Station Key West, installation officials told us persistent challenges with moisture contributed to a leak in the ceiling of one home, and the immediate maintenance response was to brace the damaged ceiling with fence pickets (see fig. 1).

Figure 1: Ceiling with Hole Braced with Fence Pickets in Privatized Home on Naval Air Station Key West



Source: Department of Defense. | GAO-25-106208

⁴³We previously reported in [GAO-23-105377](#) that residents of privatized military housing we interviewed told us they had unresolved maintenance issues. Further, we reported that the Fiscal Year 2020 NDAA required DOD include in a Tenant Bill of Rights for privatized military housing a provision granting residents the right to enter into a formal dispute resolution process for seeking resolution of disputes with their private housing company. These formal dispute resolution processes are intended to ensure the prompt and fair resolution of disputes that arise between landlords and tenants, including issues concerning maintenance and repairs.

Service members and installation officials at all installations we visited told us availability of privatized housing was also limited, exacerbating quality-of-life and financial effects on service members. For example, we heard from discussion group participants that they sometimes had to remain on privatized housing waitlists for long periods given limited availability, and in some cases had to live for extended periods in hotels or short-term rental housing.⁴⁴ However, in other cases, service members we spoke with told us they quickly secured privatized housing.

At some installations, discussion group participants told us the quality of homes varied by community, contributing to longer wait times for communities perceived to be higher quality. During site visits to three installations in Hawaii, we observed privatized homes in varied conditions (see fig. 2). Specifically, officials told us that some privatized housing communities perceived to be higher quality had long waitlists (see fig. 2, example 1), while in others, privatized housing companies offered concessions on rent—offering them at costs below BAH rates—for homes with quality challenges, such as older homes, or in less desirable communities (see fig. 2, example 2). Discussion group participants described the financial challenges they would face if they tried to pursue private-sector housing in the local area while continuing to wait for homes in desirable on-base communities to become available.

⁴⁴Depending on availability, service members applying for privatized housing may be placed on waitlists. At installations we visited, officials told us the waitlist length and time frames may depend on a variety of factors. These factors include demand for a particular privatized military housing community and the number of service members at certain ranks applying for privatized military housing after receiving permanent change of station orders to the installation. We heard about waitlists ranging from a few weeks of wait time to many months—up to a year—for some communities at some installations.

Figure 2: Examples of Varied Conditions of On-Base Privatized Homes in Hawaii

Example 1



Example 2



Source: GAO. | GAO-25-106208

In some cases, the lack of available privatized family housing could be the result of broader challenges. For example, at Naval Air Station Key West, officials told us many housing units were down for maintenance due to systemic issues or were designated for DOD civilians, and thus unavailable for service members, leading to longer wait times for service members to obtain privatized homes. At Camp Lejeune, officials told us it took years for some housing on the installation to be fully repaired after hurricane damage, resulting in fewer available homes (see fig. 3).

Figure 3: Significant Roof Repair to On-Base Privatized Homes at Camp Lejeune after Hurricane Damage



Source: U.S. Marine Corps/Cpl. T. W. Cooper. | GAO-25-106208

DOD Collects Some Feedback but Does Not Fully Assess the Effects of Limited Supply or Unaffordable Housing on Service Members

DOD employs some methods at the service and installation levels to obtain service member feedback on housing, but these methods focus on residents of privatized military housing and vary by installation. DOD does not routinely assess the effects that limited supply or unaffordable housing has on all affected service members.

Tenant satisfaction survey. The NDAA for Fiscal Year 2020 required each military installation to administer the same tenant satisfaction survey for service members living in all privatized military housing.⁴⁵ As such, all military services conduct this survey annually for residents of privatized or government-owned or controlled family housing. Service and installation officials told us the survey provides useful feedback on service members' experiences with DOD housing, which installations use to identify problems and potential solutions for DOD housing. However, the tenant satisfaction survey is not administered to service members who live in private-sector housing—the majority of service members—which limits the services' ability to understand the financial and quality-of-life effects of

⁴⁵Pub. L. No. 116-92, § 3058 (2019).

limited supply or unaffordable housing on all affected service members.⁴⁶ Moreover, it does not include questions related to affordability or any negative financial or other quality of life effects associated with a limited supply of housing.⁴⁷

Installation-specific feedback methods. Installation officials at all site visit locations described installation-specific methods of gathering feedback on the financial and quality-of-life effects of housing on service members. For example, installation commanders told us they conduct regular town hall meetings during which service members can raise issues with DOD housing. Installation commanders also described other methods for feedback on housing, such as emails, maintenance surveys, and interactive customer evaluation comments.⁴⁸ Army officials told us that many installation commanders conduct regular “walking” town halls—during which installation leaders visit and meet with residents of on-base housing communities—and that the format has been successful in identifying common housing challenges on installations and bringing greater attention to them given installation leadership’s presence in the on-base housing communities. However, these installation-specific methods focus on residents of privatized housing rather than all service members, and officials across the services stated that feedback from these installation-specific methods is generally not used to identify and develop strategies to address the effects of limited housing supply service-wide.

⁴⁶As it is DOD’s policy to rely on the private sector as the primary source of housing for service members and their families, we previously reported in January 2021 that about two-thirds of service members in the United States live in private-sector housing.

⁴⁷Affordability of housing is less relevant for service members who live in DOD housing because the cost for this housing is typically free to the service member in the case of government-owned housing (and the service member does not receive a housing allowance) or automatically equal to a service member’s housing allowance in the case of privatized housing.

⁴⁸DOD’s Interactive Customer Evaluation system is a web-based tool that collects feedback on services provided by various organizations throughout DOD, allowing customers to submit online comments to provide feedback on the service providers they have encountered at military installations. According to officials we interviewed, some service members submit comments related to on-base privatized housing, which officials can use to obtain insight into satisfaction with and quality of housing and related services. In addition, residents of on-base privatized housing generally receive surveys after maintenance work is conducted to provide an opportunity for service members and their families to submit feedback on the quality and timeliness of maintenance work on their homes, according to officials.

Status of Forces Survey. DOD conducts an annual department-wide Status of Forces survey to assess a range of personnel issues that affect service members and their families. The survey previously included questions on service members' experiences and satisfaction with housing, but they were removed from the survey after 2019 because housing was not a priority and to reduce survey length, according to OSD officials. The removal of these questions from the Status of Forces survey limited DOD's ability to understand the extent to which issues with housing affect service members and to identify in which areas these effects are most critical.

In September 2023, we recommended that DOD collect department-wide information on housing satisfaction, such as through the Status of Forces survey.⁴⁹ DOD partially concurred with our recommendation, stating that the Deputy Assistant Secretary of Defense for Housing had established a working group with the military departments to update and streamline DOD housing satisfaction survey questions and process. Subsequently, the NDAA for Fiscal Year 2024 included a provision requiring the department to include such questions on the Status of Forces survey.⁵⁰ As of September 2024, DOD officials stated that the Status of Forces survey has been revised to include housing-related questions and they intend to implement the next Status of Forces survey in December 2024.

The DOD housing manual states that the services should evaluate housing-related questions on service-wide or installation-specific surveys to assess the housing choices made by service members and how satisfied they are. It also states that survey results should be used as an additional tool to assess the reasonableness of projected housing requirements. Further, *Standards for Internal Control in the Federal Government* states that management should obtain data from reliable sources in a timely manner and use quality information to make informed decisions.⁵¹

The services each use some methods to gather feedback on housing, but none survey the full population of service members. Until the NDAA for Fiscal Year 2024 required that questions on housing satisfaction and affordability be added to the Status of Forces survey, there was no

⁴⁹[GAO-23-105797](#).

⁵⁰Pub. L. No. 118-31, § 2824 (2023).

⁵¹[GAO-14-704G](#).

specific requirement to collect this information on a department-wide scale for all service members, including those living in private-sector housing. In the absence of such a requirement, OSD and the services have had limited information to use to assess or respond to the effects of limited supply or unaffordable housing on all service members. An OSD official told us obtaining and using more department-wide information on such effects could enable DOD to better understand challenges in critical housing areas. Going forward, by obtaining and using feedback from all service members through the Status of Forces survey and other existing methods, DOD will be more aware of the extent of the financial and quality-of-life effects of limited supply or unaffordable housing on its service members. Using department-wide feedback will also better position DOD to identify critical housing areas.

DOD Has Not Fully Responded to the Effects of Limited Supply or Unaffordable Housing on Service Members

The services have a responsibility to provide housing referral services to help service members locate suitable and affordable housing when relocating. However, DOD is generally not using the solutions identified in its guidance to fully respond to the effects of limited supply. Additionally, although DOD uses various compensation mechanisms to assist service members with the cost of living, these mechanisms may not adequately address the challenges of critical housing areas.

Housing Offices Generally Provide Housing Referral Services to Service Members

DOD guidance requires the services to provide housing referral services when service members are relocating, and officials from the military housing offices at all seven installations we visited reported that their offices provide these services. Specifically, the DOD housing manual states that installation commanders are to ensure service members receive housing referral services to help them locate suitable, affordable, and nondiscriminatory housing in privatized housing or the local community.⁵² In addition, according to OSD, military housing offices are required to track personnel assigned to an installation and provide housing referral services to assist these service members, regardless of location. According to OSD, this assistance is to include referrals to area landlords; assistance with rental negotiations and review of leases; rental partnership programs with select local landlords who will provide discounts to service members; inspections of units for suitability based on environmental, health, and safety considerations prior to leasing; and

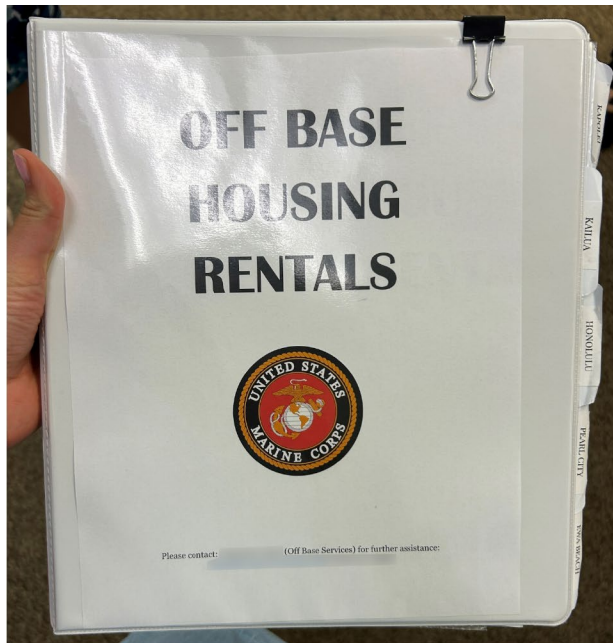
⁵²According to OSD, this function is typically performed by the military housing offices.

assistance for service members who have family members who require accessible housing.⁵³

Service officials told us installation military housing offices provide this assistance, consistent with requirements. However, during our site visits, we found that the extent to which military housing offices provided these services varied. For example, service members from multiple services we met with in Hawaii told us the military housing offices at their installations provided few resources to assist them with finding suitable off-base housing. Some of these service members said they were unaware of the services that military housing offices are required to provide. In contrast, other service members described having received helpful support from their military housing offices, such as referrals for rental partnership programs with select local landlords or other off-base housing referrals. For example, Marine Corps Base Hawaii's military housing office maintains a binder of off-base housing rentals (see fig. 4), which contained numerous available rental units when we reviewed the binder in February 2024.

⁵³Rental partnership programs are designed to help service members obtain private-sector housing at reduced cost. Under the rental partnership program, military housing offices negotiate with local landlords or property managers to obtain special reductions and benefits for service members leasing rental housing. These include payment of rent by payroll allotment at rates at or below the housing allowance or reduced or waived security deposits and fees. Landlords cannot deny service members due to bad credit history.

Figure 4: Off-Base Housing Rentals Binder at Marine Corps Base Hawaii

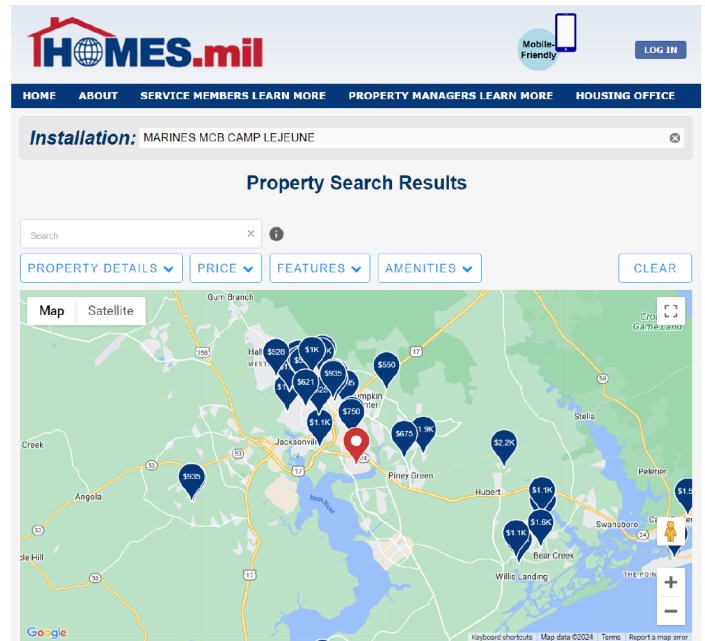
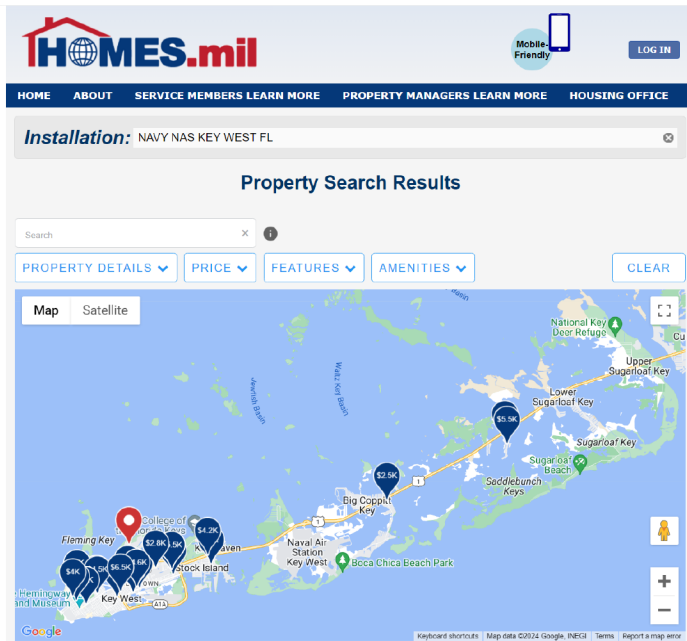


Source: GAO. | GAO-25-106208

Service officials stated that service members can also access the DOD website HOMES.mil to find a list of local rental and sale properties at each location, however the availability of affordable housing in close proximity to installations varies. Figure 5 shows an example of a comparison between two locations with varying housing availability. In addition, while service members are looking for housing or waiting on a waitlist, they may stay in temporary lodging and be reimbursed for their stay.⁵⁴ This reimbursement may be authorized for up to 60 days, depending on the location.

⁵⁴Temporary lodging is lodging that is used as a temporary place of residence, such as a hotel. Temporary lodging includes temporary lodging facilities operated by a military service.

Figure 5: Screenshots of HOMES.mil Listings for Naval Air Station Key West and Camp Lejeune



Key West

- 📍 Military installation
- 📍 Available rental property

Source: homes.mil (screenshots) and ©2024 Google. | GAO-25-106208

Note: The above HOMES.mil screenshots showing available rental properties near Naval Air Station Key West, Florida, and Camp Lejeune, North Carolina, were accessed on August 26, 2024.

DOD's Use of Identified Solutions to Respond to Housing Supply Challenges is Limited

DOD is generally not using the solutions identified in DOD guidance to respond to limited housing supply. The DOD housing manual states that when an HRMA determines that the local community around an installation cannot adequately meet the needs of the military community, the military services may pursue (1) privatization, (2) military construction, or (3) leasing to address limited housing supply. However, DOD faces challenges with these options and thus efforts to pursue them have been limited.

- **Privatization.** Since 1996, DOD has privatized 99 percent of military family housing in the continental United States, Alaska, Hawaii, and Puerto Rico. One recent example of a new privatization project is the Small Installations Privatization Initiative, an Army project in response

to limited housing supply.⁵⁵ Additionally, officials from multiple services told us there have been initial discussions about expanding inventory at existing privatized housing projects, and proposals have moved forward at several installations due to housing shortages. For example, according to officials, the Navy has advanced proposals to add nearly 200 privatized military housing units at Naval Air Station Fallon, Nevada, and Naval Air Weapons Station China Lake, California, and nearly 100 units at Naval Station Everett, Washington, due to those installations' reports of housing deficits.

However, the services and installations may face challenges attempting to build additional privatized housing, even if they have identified a need for additional housing. For example, officials at Naval Air Station Key West told us there is a desire to build additional privatized family housing on an 18-acre parcel of vacant land on the installation, but the ongoing approval process for doing so has been lengthy (see fig. 6). These officials noted this land previously contained government-owned military family housing, but it was demolished due to attrition.

Figure 6: Eighteen-Acre Parcel of Undeveloped Land on Naval Air Station Key West



Source: Department of Defense. | GAO-25-106208

⁵⁵The Small Installations Privatization Initiative project constructed privatized housing at U.S. Army Garrison Miami and U.S. Southern Command through an Army partnership with Lendlease, a privatized housing company. The Army established this project due to a housing shortfall impacting mission readiness and with negative financial effects on service members identified by U.S. Army Garrison Miami and U.S. Southern Command. Through this project, the Army also privatized existing government-owned or controlled housing at seven installations: U.S. Army Garrison Miami (FL), Rock Island Arsenal (IL), Soldier Systems Center - Natick (MA), Fort Buchanan (PR), Fort Hunter Liggett (CA), Fort McCoy (WI), and Tobyhanna Army Depot (PA).

-
- **Military construction.** DOD has existing authorities to pursue military construction for all housing. However, DOD generally no longer pursues military construction projects to build military family housing at domestic installations—even if they have identified a need for additional housing—because of the adoption of privatization across domestic installations. DOD does pursue military construction projects for barracks at both domestic and overseas installations and projects for family housing at overseas installations. However, we previously reported on DOD’s challenges in identifying funding needs for constructing new barracks for unaccompanied service members.⁵⁶
 - **Leasing.** DOD has statutory authority to lease family housing units, if necessary, but it does so only in limited circumstances.⁵⁷ The DOD housing manual states that leasing should be temporary, used primarily to assist in providing housing for lower-ranking personnel, and used only until DOD housing or private-sector housing becomes available.⁵⁸ Leasing is generally uncommon as a result, according to DOD officials. For example, Army officials told us the Army currently leases homes in a small number of more remote locations, such as recruiting stations, where the Army does not have existing housing inventory or long-term housing requirements that would justify privatized housing or military construction projects.⁵⁹

DOD officials have stated that they cannot easily pursue the three identified solutions for limited housing supply outlined in DOD guidance without going through lengthy processes that can result in the long-term financial commitment of federal resources. For example, the process for approval for new privatization projects takes years, and any new projects would be subject to Office of Management and Budget scoring requirements, requiring the services to list the full amount of the loan as

⁵⁶[GAO-23-105797](#).

⁵⁷10 U.S.C. § 2828.

⁵⁸DOD Manual 4165.63.

⁵⁹OSD officials stated that the Army’s number of domestic leases has increased from approximately 100 leases in fiscal year 2021 to more than 400 leases in fiscal year 2024.

an obligated expenditure in its budget.⁶⁰ Further, according to an OSD official, expanding privatized housing inventory beyond the number of homes required in a privatized housing project's legal agreement typically takes more than 2 years.⁶¹ This official also stated that such additional housing development typically requires either a government cash equity investment to pay for the additional homes, or the legal transfer of government-owned housing units to a privatized housing partner—both of which require congressional appropriation and authorization. Officials told us negotiating changes to the legal agreements governing privatized housing projects to add more housing can be a lengthy process, and that privatized housing companies may need to secure additional funding—such as through issuing debt—to obtain enough resources to do so. Expansions are also subject to Office of Management and Budget scoring requirements.

Officials told us longer-term solutions for limited housing supply, such as new or expanded privatization projects, may not be appropriate for short-term issues, such as housing market fluctuations or uncertain force structure decisions. For example, an OSD official stated that the department's process for identifying housing requirements at installations is intended to help DOD respond to long-term housing needs and not to

⁶⁰GAO previously discussed scoring in the context of military housing privatization in [GAO-18-218](#). In that report, we noted that the Office of Management and Budget uses scoring to determine the amounts to be recognized in the budget when an agency signs a contract or enters into a lease. Privatized housing projects are scored by the Office of Management and Budget at inception to determine the amount that must be included in the federal budget for the project. Scoring seeks to determine the cost that should be recognized and recorded as an obligation of DOD for budgeting purposes at the time a contract is signed. When the Military Housing Privatization Initiative began, developers sought private borrowing, knowing that only the government funding would be scored because a 1997 Office of Management and Budget memorandum established that private funds for the projects would not be scored as government participation or activity. However, according to a 2005 Office of Management and Budget memorandum, as of September 30, 2010, new privatized housing projects and expansions to existing projects using the limited liability company approach are subject to traditional scoring rules. These rules require projects proposing the use of a purely private entity to be scored as a private activity, and projects proposing the use of a co-owned limited liability company to be scored as government activity. In addition, we reported that Office of Management and Budget officials stated that any future federal government contributions to privatized housing projects in the form of direct loans or loan guarantees will be fully scored at the value of the loan or loan guarantee.

⁶¹Each privatized housing project is a separate and distinct entity governed by a series of legal agreements that are specific to that project, often referred to as business agreements, transaction documents, or closing documents. They include, among other things, an operating agreement, a property management agreement, and an agreement that describes the management of funds in the projects.

address short-term housing requirements, such as the market changes resulting from events like the COVID-19 pandemic. Furthermore, according to officials with DOD's contractor, if there is any risk that planned increases of military personnel at an installation may not take place, privatized housing partners may not invest in developing more housing on or near an installation without a financial guarantee from the government.

OSD, service, and installation officials told us that major challenges with housing availability and affordability have increased in recent years and are particularly challenging and persistent in some areas, and that the department should work to identify feasible solutions. According to an OSD official, for example, installations across the department have reported significant challenges with availability and affordability of housing—including installations for which DOD had not previously considered housing to be a challenge. In addition, this official told us that in some areas housing availability and affordability have been—and are likely to remain—persistent, critical challenges.

DOD's Current Compensation System Does Not Fully Account for Critical Housing Areas

DOD uses various compensation mechanisms to assist service members with the costs of living, but the mechanisms do not fully account for critical housing areas and may not adequately address the negative effects experienced by service members. We identified potential limitations with BAH, the cost-of-living allowance (COLA), and assignment and special duty pays, which may make it more difficult to use these compensation mechanisms to equitably compensate service members for challenges they face in critical housing areas.

Challenges with BAH calculation and equity. Officials across all services told us certain aspects of the BAH calculation—specifically the anchor points—may not be suitable, especially for areas with limited housing supply or high costs.⁶² DOD officials overseeing the BAH program told us the anchor point system does not work well in areas with limited housing supply, and that anchor points should be reviewed or potentially replaced. For example, they told us in military housing areas with limited housing supply, service members may receive a BAH rate based on a housing type that is unavailable for them to rent. As a result,

⁶²Anchor points are linkages between housing profiles (i.e., housing types) and military pay grades. They serve as the basis for connecting estimated rental costs of a given housing type to the military pay grade associated with that housing type, and therefore for calculating the BAH rate for that military pay grade.

they may have to choose between renting a smaller sized unit or renting a larger sized unit and pay some amount above BAH for their housing.

Challenges with anchor points also may contribute to inequity—differing experiences of financial and quality-of-life burden or benefit—among service members of the same rank based on their family status or location. DOD is in the process of completing its Quadrennial Review of Military Compensation, which an official said is estimated to be complete in January 2025.⁶³ According to officials, the process is reviewing the BAH program’s anchor points and other potential areas for improvement, and the results of this review may be used to make future changes to the BAH program.

BAH rates are based on housing costs for civilians with comparable incomes to service members in a military housing area. While officials acknowledged that the size, quality, and cost of private-sector housing vary across military housing areas, service members often have little to no control in where they are sent to serve—whether a major metropolitan area, a rural area, or a popular vacation destination. Across installations we visited, service members participating in discussion groups reported a perceived inequity resulting from their assigned duty stations. Specifically, they reported experiencing a high standard of living in some locations, compared to experiencing financial difficulty in locations with high costs of living and housing. For example, service members at some installations told us they had previously been able to afford high-quality private-sector housing for less than their BAH at previous duty stations, while at their current duty stations they had to pay significant amounts above their BAH for much lower-quality private-sector housing—despite receiving higher BAH in those more expensive locations.

Limited use of cost-of-living allowance in continental United States.

While not specifically related to housing, service members living in areas with high costs of living may receive a COLA. At six site visit locations, service members who were receiving or had received a COLA at other duty stations told us it helped them with overall expenses, reducing financial burden due to high costs of living, including high costs of housing. Further, in Hawaii, service members at all three installations we

⁶³The Quadrennial Review of Military Compensation is a review required by law every 4 years of the principles and concepts of the compensation system for members of the uniformed services. The fourteenth Quadrennial Review of Military Compensation, initiated in 2023, is to review various components of military compensation and benefits, including housing allowances, cost-of-living allowances, and special pay, among others.

visited told us they experienced financial difficulties as a result of recent decreases in Hawaii's COLA.⁶⁴ Additionally, service members in Key West—a location in the continental United States where service members do not receive a COLA—told us they felt they should receive a COLA given the extreme financial burden they experience.⁶⁵ Navy officials similarly recognized Key West as a critically challenging area given high costs and limited housing availability.

In 2024, service members living in 15 of the approximately 300 military housing areas in the continental United States were eligible to receive a COLA.⁶⁶ DOD information regarding the continental United States COLA states that the availability of military commissaries or exchanges in proximity to a service member's place of duty implies that expenditures for the member will be lower than for a comparable civilian, and that the presence or absence of facilities has an impact on the calculation of the continental United States COLA index. However, we previously reported that the savings for commissary customers within the continental United States is consistently lower than the target, and that the methodology used by the commissaries to report savings for locations outside the continental United States is unreliable.⁶⁷ Office of the Under Secretary of Defense for Personnel and Readiness officials told us the ongoing

⁶⁴Locations outside of the continental United States may receive an Overseas COLA. Overseas COLA is calculated by comparing the prices of goods and services in locations outside of the continental United States with the average prices for equivalent goods and services in the continental United States. Overseas COLA for Hawaii decreased in 2023 because prices rose faster in the continental United States than in Hawaii during the time period of data collection, according to officials.

⁶⁵Data from several sources are used to determine which continental United States locations are eligible for COLA: (1) local market price data from a private contractor; (2) information pertaining to the availability of commissaries and exchanges provided by their parent organizations; (3) average savings generated by commissaries and exchanges also provided by the parent organizations; and (4) continental United States-wide surveys, roughly every three years, that determine the utilization rate of commissaries and exchanges. Key West is not included on the list of continental United States locations approved for COLA.

⁶⁶The military housing areas eligible for continental United States COLA in 2024 were Los Angeles, Marin/Sonoma, Oakland, Sacramento, San Francisco, and Santa Clara County, California; Boulder, Colorado; Boston, Massachusetts; Long Island, New York City, Staten Island, West Point, and Westchester County, New York; Portland, Oregon; and Seattle, Washington.

⁶⁷GAO, *Defense Commissaries: Actions Needed to Clarify Priorities and Improve Program Management*, [GAO-22-104728](#) (Washington, D.C.: June 28, 2022).

Quadrennial Review of Military Compensation will also examine the processes and methodologies for calculating COLA.

Assignment and special duty pays generally not used for housing.

Military department secretaries generally possess authority to offer special duty pay to service members under eligibility conditions they can establish. However, while service members may receive these forms of compensation in especially difficult locations or for unusual assignment circumstances, the services generally do not use them to offset the financial burden experienced because of limited housing supply.⁶⁸ For example, Army officials told us the Army has increased special duty pay in some locations due to high costs, but generally has not explored the use of various compensation authorities to respond to the financial effects of limited housing supply on service members.

DOD has previously temporarily increased BAH rates in certain areas to ease the financial burden of rising housing costs for service members. However, DOD officials told us service members and installation commanders may perceive that BAH should compensate for issues outside of what BAH can address, such as a lack of housing supply. According to these officials, BAH is not specifically designed to compensate service members for the challenges they face in areas with limited housing supply. Rather, BAH is meant to provide service members additional compensation commensurate with median housing costs for housing types associated with their pay grade and dependent status in each area.

In addition, DOD and local government officials described a perception that BAH rate increases inflate housing prices and therefore disadvantage local civilians, who do not receive housing allowances. For example, we surveyed local government officials and organizations from selected areas near military installations.⁶⁹ When asked about how BAH rates provided to service members affect housing in their communities, some respondents stated that BAH can benefit local housing markets, such as by securing income for local landlords and providing access to better quality housing for service members. However, 18 of 30 survey

⁶⁸Hardship duty pay is provided in locations where living conditions are substantially below living conditions in the continental United States, such as in certain parts of Alaska. In addition, the Remote and Austere Conditions Assignment Incentive Pay is an Army-specific program for service members stationed in certain assignment locations.

⁶⁹See appendix III for a detailed description of how we developed this survey.

respondents who answered the question indicated they believed that BAH rate changes affect housing affordability in their communities. Office of the Under Secretary of Defense for Personnel and Readiness officials stated they did not share the perception that BAH rate increases inflate housing prices because the military represents only a small portion of the population in many housing areas, and overall military compensation is generally higher than the average U.S. civilian income.

Given these challenges with raising BAH rates, some DOD officials stated that other compensation mechanisms, such as assignment and special duty pays, could be more suitable to alleviate service members' financial challenges resulting from limited housing supply, especially in critical areas.

The DOD housing manual states it is DOD policy to ensure personnel and families have access to affordable, quality housing facilities consistent with pay grade and dependent status and generally reflect contemporary living standards. However, this guidance is not clear about how the department should plan to respond to and address critical housing areas. In addition, the *Military Compensation Background Papers* state that military compensation should be based on certain underlying principles, including equity and fairness.⁷⁰

The Coast Guard's guidance on critical housing areas addresses how service members' compensation may be affected by their assignment to critical housing areas.⁷¹ In contrast, DOD's guidance does not address how alternative compensation methods could be used to address the financial and quality-of-life challenges service members face due to critical housing areas.

Because solutions identified in DOD's housing policy for limited housing supply may not be feasible in certain areas, and therefore not pursued by

⁷⁰Under Secretary of Defense for Personnel and Readiness, *Military Compensation Background Papers: Compensation Elements and Related Manpower Cost Items, Their Purposes and Legislative Backgrounds*, 8th ed. (July 2018).

⁷¹Commandant Instruction 11101.15A. Coast Guard members in receipt of permanent change of station orders to an area designated as a critical housing area may request to leave their primary dependent at a previous location or relocate them to an area outside the vicinity of their new permanent duty station. If approved, members can receive BAH and the continental United States COLA, if applicable, based on their dependent's location. However, this may result in higher or lower compensation for the service member than would otherwise be received if allowances were based on the service member's duty station in the critical housing area.

the services, DOD is less able to respond to the effects of limited housing supply in these same areas. However, an OSD official told us that DOD could do more to identify feasible strategies for addressing limited housing supply. By developing a plan to identify and implement feasible solutions to address limited supply in critical housing areas, once these areas are identified, DOD and the military services will be better able to ensure that service members and their families have access to affordable, quality housing. Further, by determining whether and how alternative compensation could potentially be provided to offset the effects of limited supply or unaffordable housing in critical housing areas, the department will be better positioned to ensure that total compensation meets the principles of equity and fairness in areas with persistent and long-term housing challenges.

DOD Coordination with Local Communities to Address Housing Issues Varies

DOD's coordination with local communities varies across installations. In response to our survey, some local government officials described challenges they face in coordinating with military installation officials. In addition, through statistical analysis, we found that communities with a higher military population were associated with higher median rents. However, DOD guidance does not define how installations, including military housing offices, are to coordinate with communities on housing issues.

DOD Encourages Coordination, but the Services Vary in How They Interact with Local Communities

DOD encourages installation coordination with local communities on issues like housing, but the coordination varies across installations. The DOD housing manual states that installation commanders are encouraged to work proactively with community leaders, especially during periods of increased military movements. In addition, it states that the installation commander shall coordinate with community and government officials as part of providing member support services.

As such, although installation commanders are generally responsible for coordinating with local government officials regarding housing issues, this coordination varies across the services. Moreover, military service-specific guidance varies in the level of detail provided on how coordination with local officials is to occur. Military service guidance generally states that the housing offices should maintain relationships with local community organizations. However, Army guidance is more extensive and with clearer direction than the guidance of the other services. For example, the Army's facilities management guidance requires that installations' housing offices pursue an active role in their relationships with local community entities associated with real estate and the housing market, and it states that the housing office must be active in

local, off-post communities in an aggressive search for additional adequate housing.⁷² Further, U.S. Army Installation Management Command conducts annual training for senior level housing officials called “Housing the Force” to discuss installation housing and management for service members, according to officials (see fig. 7). Conversely, the other services’ guidance does not state in detail the responsibilities of the housing offices for engaging with local community organizations beyond maintaining relationships.

Figure 7: Army’s 2023 Housing the Force Training



Source: U.S. Army/Sgt. O. McDonald. | GAO-25-106208

Military service officials stated that, generally, housing offices at installations engage with the local community. At most installations we visited across the services, installation leaders or housing officials told us they had established and maintained strong relationships with local communities. For example, the installation commander at Fort Bliss has a quarterly discussion with community leadership to provide updates and obtain feedback on a variety of topics, including housing and BAH rates, according to officials. In addition, Camp Lejeune officials stated that community planning liaisons coordinate with local realtors and community

⁷²Army Regulation 420-1, *Army Facilities Management* (Feb. 12, 2008) (incorporating administrative revision, Aug. 1, 2024).

officials in the area and serve as non-voting members of the local Chamber of Commerce and the county planning board.

However, we found differences in the processes for and the extent to which installations had pursued coordination to address housing challenges. For example:

- Camp Lejeune has a rental partnership program in place with local property managers, which can help provide reduced housing costs to service members.
- According to housing officials at Mountain Home Air Force Base, they are working to develop a rental partnership program with an apartment complex that will begin development in fall 2024.

Conversely, according to service officials, these programs were not pursued at the installations we visited on Oahu. The DOD housing manual states that the rental partnership programs may differ from installation to installation, depending on the local needs of the military housing area.

Local Government Officials Report Some Challenges in Coordination with Installations

We surveyed local government officials from selected geographic locations to obtain their perspectives on how military installation officials coordinate with community representatives in their respective communities, among other topics.⁷³ The majority of these officials were from communities they believed had insufficient supply (51 percent) and somewhat or very unaffordable housing (67 percent) (see fig. 8).

Figure 8: Survey Response Frequencies from Local Government Officials Regarding Overall Housing Supply and Affordability

Overall, how sufficient is the supply of housing for those seeking housing?



Overall, how would you describe the affordability of housing?



Source: GAO analysis of survey results. | GAO-25-106208

Note: The percentages in the figure are rounded to the nearest whole number and therefore do not add up to 100.

⁷³See appendix III for a detailed description of how we developed this survey.

Among other things, we asked survey recipients how often they communicated with military officials to discuss housing, any challenges the community has coordinating with local military installation officials, and the level of effort taken by military officials to coordinate with local government officials on issues that affect their community. Some respondents to the survey reported effective working relationships between local government and military officials due to ongoing coordination, such as regular meetings and communication. About 41 percent of respondents indicated that military officials took “major” or “much” effort to coordinate with them on housing issues. However, more than half of the respondents stated that military officials took “some effort,” “minor effort,” or “no effort” to coordinate with them.

In response to a question about challenges the community officials face in coordinating with local military installation officials, several respondents noted a lack of continuity in military leadership. For example, one community representative stated that, due to frequent rotations, it is difficult to resolve housing issues with installation leadership. Others shared that it is unclear who to contact or that finding the right person to talk to is difficult. One respondent stated their belief that relationships need to be built before a crisis develops to be effective.

Further, as mentioned in DOD’s housing manual, this coordination may be of particular importance during periods of increased military movements. For example, DOD plans to relocate 5,000 additional Marines from Okinawa, Japan, to Guam—where a housing shortage exists, and the effect on civilians has long been a concern raised by local officials. Subsequent to our survey, we spoke with a Government of Guam official who stated that military leadership turnover and lack of consistency are problems for coordination on issues such as housing. The official stated that forward progress they make in coordination can be lost due to turnover. For example, past installation leadership in Guam has made it installation policy to require service members to live on base if there is availability, but the official stated that there is no guarantee that the next installation leadership will continue this policy regarding housing.

Existing DOD Guidance Is Insufficient to Address Military Population Effects on Local Housing Market

We performed statistical analyses to determine the effect of military populations on local housing markets. We found that counties with a higher military population were associated with having higher median rents and rent-to-income ratios.⁷⁴ These associations may have important implications for local communities experiencing changes in the size of the military personnel assigned to an installation.

We also surveyed local government officials from selected geographic locations to obtain their perspectives on the potential effects of the presence of a military installation on non-military residents. Many respondents mentioned positive effects, including economic benefits. Specifically, 39 of the 68 respondents stated that they believed job opportunities increased. For example, one respondent stated that there is a regional economic impact of the installation that is well understood by local government officials, and that the impact affords new business opportunities and jobs that would not be there if not for the presence of the installation.

However, 40 of the 68 survey respondents said they believed the costs of housing increased as a result of the military population. Some also mentioned that they believe BAH rates impact local rental rates. When we met with military officials, they described a perception among installation officials, service members, and local community officials that the military presence drives up housing costs for non-military civilians. For example, housing officials at Camp Lejeune stated that as soon as updated BAH rates get released, landlords in the surrounding local area modify their rents to match them. In addition, Army officials in Hawaii said the installation commander speaks with local community officials who often express that the presence of the Army and military on Oahu increases housing costs because of BAH rates.

An OSD official stated that local-level coordination is necessary to address housing challenges that affect both service members and the local community, but the official has concerns it is not occurring to the extent needed to pursue solutions to housing challenges that vary by location. They further stated they are aware that steps need to be taken to clarify guidance when it comes to coordinating with communities on solutions to housing challenges. Moreover, the official stated that commanders and military housing offices need to understand they have

⁷⁴Controlling for various county-level population, household, and economic characteristics, these associations were statistically significant at the 5 percent confidence level. See appendix IV for more detail.

this coordinator role and try to fulfill that role to the best of their abilities. However, their view is that the DOD housing manual is not sufficiently detailed when describing this role and its responsibilities.

Standards for Internal Control in the Federal Government states that management should implement control activities through policies with the appropriate level of detail to allow management to effectively monitor the control activity.⁷⁵ The coordination of military installations with local communities on housing varies because DOD guidance to the services does not clearly define how coordination is to occur. Clearer guidance from DOD to the military services on how installations are to coordinate with local communities on housing could help DOD and local communities work together to better address housing challenges and may be especially helpful in critical housing areas where challenges in housing affordability and availability are more severe and pervasive. Updating DOD's guidance by clearly defining the roles and responsibilities of installation commanders and their military housing offices could lead to better partnerships on housing in local communities, which could in turn have benefits, such as improving housing affordability and availability for service members and residents within local communities.

Conclusions

Service members often have little to no control in where they are sent to serve—whether a major metropolitan area, a rural area, or a popular vacation destination. In every location, service members and their families should have access to affordable, quality housing, according to DOD policy.

The military services conduct HRMAs to determine housing needs at an installation, but these processes have not been fully performed at regular intervals across the services and OSD has not exercised sufficient oversight of the process. By clearly defining OSD's oversight role for the HRMA process in guidance, DOD will be better positioned to ensure these processes are performed in a timely manner to meet relevant statutory requirements. Furthermore, DOD does not have a comprehensive list of critical housing areas where service members and their families are most severely affected by a limited housing supply or affordability challenges. Identifying these critical housing areas through structured analysis—and consistently updating such a list—would be a step forward in addressing the negative financial and quality-of-life effects

⁷⁵[GAO-14-704G](#).

experienced by some service members and their families stationed in these areas.

At the installation level, service members are provided services to help them find affordable, quality housing, but DOD is not consistently obtaining service member feedback on housing, which could better help the department identify critical housing areas. Further, DOD guidance outlines several existing strategies to pursue to address limited housing supply, but DOD could do more to identify feasible strategies to include determining whether and how alternative compensation can be provided to offset the effects of limited supply or unaffordable housing in critical housing areas.

Local communities are affected when service members move into the area. An influx of service members can lead to economic benefits within the community, but in some cases, the housing market may be negatively affected, resulting in higher rental rates for non-military civilians. Many installation officials frequently communicate with local community officials, but clearer guidance on coordination would be another step forward in tackling the challenges of a limited or unaffordable housing supply that ultimately affects service members, their families, and local communities.

Once critical housing areas are identified, DOD will be able to focus more support and resources in those areas to respond to effects on both service members and local communities, ultimately reducing the impact that these issues have on those populations.

Recommendations for Executive Action

We are making six recommendations to the Department of Defense (DOD).

The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment clarifies the Office of the Secretary of Defense's (OSD) role in oversight of the military services' Housing Requirements and Market Analysis (HRMA) process in guidance to help ensure that the military services conduct HRMAs in a timely manner and that DOD submits to Congress required lists of planned HRMAs for each fiscal year. (Recommendation 1)

The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness, performs a structured analysis to develop a comprehensive list of critical housing areas. In conducting analysis to develop this list, DOD should consider

the unique characteristics of a location, such as vacation rental areas. (Recommendation 2)

The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness, regularly updates the list of identified critical housing areas. (Recommendation 3)

The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness and the military services, obtains and uses feedback on the financial and quality-of-life effects of limited supply or unaffordable housing on service members, through the Status of Forces survey and other service or installation-specific feedback mechanisms. (Recommendation 4)

The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness and the military services, develops a plan for how the department can respond to and address the financial and quality-of-life effects in critical housing areas once those areas are identified, such as through feasible solutions to increase housing supply or through additional strategies such as alternative compensation. (Recommendation 5)

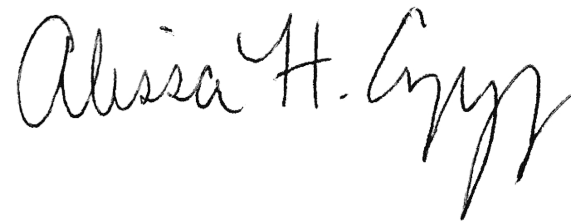
The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment provides updated guidance to the services on how installations should coordinate with local communities, including clearly defining the roles and responsibilities of installation commanders and military housing offices in addressing housing needs. (Recommendation 6)

Agency Comments

We provided a draft of this report to DOD for review and comment. In its comments, reproduced in appendix V, DOD concurred with each of our recommendations. DOD also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Secretary of Defense. In addition, the report is available at no charge on our website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3058 or CzyzA@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.

A handwritten signature in black ink that reads "Alissa H. Czyz". The signature is written in a cursive style with a large, stylized initial 'A'.

Alissa H. Czyz
Director, Defense Capabilities and Management

Appendix I: Objectives, Scope, and Methodology

The Joint Explanatory Statement accompanying the National Defense Authorization Act (NDAA) for Fiscal Year 2022 includes a provision for us to review the issue of military housing in areas with limited housing supply, stating that the GAO may focus such study on the management of military housing in certain geographical areas.¹ This report examines the extent to which the Department of Defense (DOD) (1) assesses the availability of private-sector housing for service members; (2) assesses the potential financial and quality-of-life effects of limited supply or unaffordable housing on service members; (3) responds to the effects of limited supply or unaffordable housing on service members; and (4) coordinates with communities surrounding installations on local housing issues.

For objective one, we reviewed relevant DOD and military service policies on DOD housing and assessments of private-sector housing availability. Specifically, we reviewed service policies to determine requirements for frequency of Housing Requirements and Market Analysis (HRMA) reports. Also, we met with knowledgeable DOD and service officials, as well as representatives from DOD's contractor for conducting HRMAs and basic allowance for housing (BAH) data collection, to discuss the process and the frequency with which the analyses are conducted. In February 2023, we requested the most recent HRMAs conducted for all of the services' domestic installations (we received 180). We reviewed these to identify the age of each report when we received them. Specifically, we determined the age by comparing the date we received it to the issuance date of the HRMA. Using this information, we compared the relative age across the military services to determine how frequently each had been conducting analyses. We further compared the age of HRMAs with DOD and service guidance on the process and frequency of HRMAs, as well as to statutory requirements in the James M. Inhofe NDAA for Fiscal Year 2023. In addition, we identified the number of military housing areas in the continental United States, Alaska, Hawaii, and Guam that had housing deficits, according to the HRMAs.

We reviewed relevant legislation and DOD policies that detail broad oversight of DOD housing programs. Specifically, we reviewed the broad roles and responsibilities of Office of the Secretary of Defense (OSD)

¹Joint Explanatory Statement to accompany the National Defense Authorization Act for Fiscal Year 2022, 167 Cong. Rec. H7358-H7359 (daily ed. Dec. 7, 2021). The military services included in our review are the Army, Air Force, Navy, and Marine Corps. As of July 2024, Space Force housing is managed in accordance with Air Force policies, according to officials. As such, we do not report separately on the Space Force.

positions regarding housing and discussed oversight of the services' HRMA processes with relevant OSD officials. We determined that the information and communication and control activities components of internal control were significant to this objective, along with the underlying principles that management should obtain data from reliable sources in a timely manner, use quality information to make informed decisions, and implement control activities through policies described in appropriate detail.² We assessed OSD's oversight of the HRMA process against existing policies on housing oversight and against these principles. We also reviewed responsibilities for HRMA oversight assigned to DOD in the NDAA for Fiscal Year 2023 and compared OSD's oversight activities to those statutory requirements.

We met with DOD and service officials to discuss military housing areas with critical housing availability and affordability challenges, and the extent to which DOD and the services conduct analyses to determine and regularly update a list of critical housing areas. We reviewed information provided by OSD and some of the services about military housing areas officials stated had limited housing availability. Specifically, we reviewed lists of (1) military housing areas with low rental availability from the Office of the Under Secretary of Defense for Personnel and Readiness, (2) locations approved for temporary lodging expense extensions as a result of limited housing supply from the Defense Travel Management Office, and (3) Army locations in which service members and military housing offices had directly reported a lack of adequate housing to Army headquarters. The Air Force, Navy, and Marine Corps could not provide lists of critical housing areas resulting from structured, service-wide analyses, but officials from each service told us about military housing areas they perceived to have critical housing challenges. In addition, we reviewed DOD guidance to identify the extent to which DOD has performed a structured, department-wide analysis to identify critical housing areas and compared guidance against relevant internal controls.³

Further, we conducted virtual and in-person site visits at seven installations that we selected using criteria of including at least one installation for each military service and selecting military housing areas with a variety of rental vacancy rates and proportions of military population. We conducted virtual site visits with four installations in the

²GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

³[GAO-14-704G](#).

continental United States: Fort Bliss, Texas (Army), Mountain Home Air Force Base, Idaho (Air Force), Naval Air Station Key West, Florida (Navy), and Camp Lejeune, North Carolina (Marine Corps). We then conducted in-person site visits at three installations in Hawaii: U.S. Army Garrison Hawaii (Army), Joint Base Pearl Harbor-Hickam (Air Force and Navy), and Marine Corps Base Hawaii (Marine Corps).

At all installations, we met with installation leadership, military housing office officials, and officials from the housing companies managing on-base privatized military family housing. During these meetings, we discussed private-sector and on-base privatized military housing; their opinion of the accuracy of installations' HRMAs and sufficiency of local BAH rates; the role of military housing offices; and service members' experiences and challenges with availability, affordability, and quality of housing, among other topics. At installations we visited in Hawaii, we toured multiple housing units in several on-base privatized military family housing communities to observe examples of military housing varying by size and condition. Although our observations from these site visits are not generalizable to all installations, they provide important context related to the experiences of service members and their families with privatized military family housing and private-sector housing in areas with limited housing supply or high housing costs.

For objective two, to determine the extent to which DOD assesses the financial and quality-of-life effects of limited supply or unaffordable housing on service members, we reviewed DOD and service guidance on obtaining service member feedback on experiences with military housing, strategies for addressing limited housing supply, and compensation. We met with knowledgeable DOD officials to discuss the extent to which DOD implements relevant policy and statutory requirements to obtain service member feedback on housing—such as through surveys, including the annual tenant satisfaction survey for residents of privatized military family housing and the DOD-wide Status of Forces survey for all service members. We also met with installation officials to discuss other methods they use to obtain feedback from service members about their experiences with housing. We further discussed with officials the extent to which the services and DOD use feedback from these methods to support any efforts to identify critical housing areas and to make informed housing decisions. We determined that the information and communication component of internal control was significant to this objective, along with the underlying principles that management should obtain data from reliable sources in a timely manner and use quality information to make informed decisions. We compared existing feedback methods to guidance

on surveying service members on housing in the DOD housing manual and these principles of internal control.⁴

In addition, to determine the financial and quality-of-life effects of limited supply or unaffordable housing on service members, we convened and facilitated 15 discussion groups during site visits. To identify participants in discussion groups, we asked installation officials to recruit volunteers of eight to 10 service members living in privatized military family housing and eight to 10 service members living in private-sector housing off base. At some installations, officials recruited and assembled groups that were not always separated by rank or housing type. The number of participants in these discussion groups ranged from three to 16. See table 2 for details on discussion group composition for each group. In a small number of cases, spouses attended discussion groups either alongside or to represent the service member to provide information and perspectives on their shared housing experience.

Table 2: Composition of Service Member Discussion Groups

Installation	Number of participants	Participating service member pay grade range	Residents of privatized housing, private-sector housing, or both ^a
Naval Air Station Key West	8 Navy service members	E-1 through E-8	Privatized housing
Naval Air Station Key West	4 Navy service members	E-9 through O-6	Both
Naval Air Station Key West	16 Navy service members	E-1 through E-8	Private-sector housing
Naval Air Station Key West	11 Army service members	E-6 through O-4	Both
Mountain Home Air Force Base	4 Air Force service members	E-5 through O-6	Privatized housing
Mountain Home Air Force Base	5 Air Force service members	E-3 through E-7	Private-sector housing
Fort Bliss	7 Army service members	E-7 through O-6	Both
Fort Bliss	8 Army service members	E-1 through E-6	Both
Joint Base Pearl Harbor-Hickam	6 Navy service members 1 spouse	E-3 through E-7	Privatized housing
Joint Base Pearl Harbor-Hickam	4 Navy service members	E-5 through E-8	Private-sector housing

⁴DOD Manual 4165.63, *DOD Housing Management* (Oct. 28, 2010) (incorporating Change 2, Aug. 31, 2018)—we refer to this policy as the DOD housing manual—and [GAO-14-704G](#).

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Joint Base Pearl Harbor-Hickam	7 Air Force service members	E-4 through O-3	Privatized housing
Joint Base Pearl Harbor-Hickam	3 Air Force service members	E-4 through E-5	Private-sector housing
U.S. Army Garrison Hawaii	6 Army service members	E-4 through E-8	Privatized housing
U.S. Army Garrison Hawaii	6 Army service members	E-4 through O-2	Private-sector housing
Marine Corps Base Hawaii	4 Marine Corps service members 1 spouse	E-5 through O-6	Privatized housing

Source: GAO. | GAO-25-106208

Note: We refer to military family housing that is owned and operated by private companies as “privatized housing.” We use the term “private-sector housing” to describe housing in the local communities surrounding military installations, such as homes and apartments (i.e., not privatized military housing or government-owned military housing). Two of the 15 total discussion groups included one spouse because the spouse attended the discussion group alongside or instead of the service member to provide information and perspectives on their shared housing experience.

^aBoth indicates that the discussion group included some participants who lived in privatized housing and some participants who lived in private-sector housing in the community.

At Camp Lejeune, we also facilitated a discussion group with three spouses living in privatized military family housing. These spouses attended to provide their shared housing experience in place of service members who were originally scheduled but ultimately unable to attend. In addition, six service members who were scheduled to attend one of our discussion sessions were not able to attend at the last minute. In these instances, we interviewed service members individually or received written responses to our questions. More specifically, we conducted individual interviews with two service members at Camp Lejeune and one service member at Marine Corps Base Hawaii, all of whom lived in off-base private-sector housing. In addition, we received written responses to our questions from three service members at Camp Lejeune, two of whom lived in privatized military family housing and one of whom lived in private-sector housing. In total, we heard from 99 service members and two spouses across 15 discussion groups and six service members and three spouses through interviews or written responses.

We conducted content analysis of the qualitative responses obtained from discussion groups, individual interviews, and written responses. To ensure consistency, we conducted these discussion groups using the same script and semi-structured question set and documented each participant’s responses to our questions during the discussion group. We compared responses across groups to identify recurring and common themes, such as similar experiences with the availability, affordability, and quality of housing. Following the discussion groups, we enumerated the

themes across the groups to identify the more prevalent experiences. Although the information we collected from these discussion groups is not generalizable to all service members, it provides anecdotal evidence regarding service members' experiences with on-base and off-base housing.

For objective three, to determine the extent to which DOD responds to the effects of limited supply or unaffordable housing on service members, we reviewed guidance in the DOD housing manual on strategies the military services may use to address limited housing supply. We discussed the extent to which DOD pursues these strategies with knowledgeable officials and reviewed relevant documentation of efforts to address limited housing supply at some installations—such as expanding privatized military housing inventory or developing rental partnership programs with property owners and managers in local communities. Further, we compared evidence on DOD's pursuit of these strategies to its policy to ensure personnel and families have access to affordable, quality housing.

In addition, we reviewed DOD guidance and documentation and prior GAO work on service member compensation, including BAH, the cost-of-living allowance (COLA), and assignment and special duty pays. We met with knowledgeable DOD and service officials, as well as representatives from DOD's contractor that collects data for the BAH program, to discuss the BAH and COLA. We further discussed the extent to which DOD has used assignment and special duty pays to compensate service members for unique challenges faced with the cost of living in areas with critically limited housing supply. In addition, we discussed these topics with service members at installations we visited to obtain their perspectives on the cost of living in their areas, as well as the extent to which the BAH, and the COLA in applicable locations, helped them afford housing and other expenses. We compared evidence on DOD's use of these aspects of service member compensation to address the financial and quality-of-life effects on service members with DOD's policy to ensure personnel have access to affordable, quality housing.⁵ We also compared evidence on service members' experiences with compensation such as BAH in different locations with the *Military Compensation Background Papers*,

⁵DOD Manual 4165.63.

which state that military compensation should be based on certain underlying principles, including equity and fairness.⁶

For objective four, we reviewed DOD and service guidance pertaining to installations' engagement with local communities and efforts to address any effects of military populations on housing. We discussed ongoing efforts to coordinate with local communities with DOD, service, and installation officials to determine the extent to which the department coordinates on a consistent basis with local communities in areas with military installations. In addition, we interviewed officials from the Office of Local Defense Community Cooperation on the extent to which, and how, DOD addresses the effects of military presence on local communities, including their housing markets. We also discussed the extent to which DOD prioritizes housing availability when making significant changes in military personnel assigned to an installation. We determined that the control activities component of internal control was significant to this objective, along with the underlying principles that management should implement control activities through policies with the appropriate level of detail to allow management to effectively monitor the control activity.⁷ We compared both DOD and service guidance on coordination with local communities to these principles of internal control.

To obtain the views of local (non-military) community leaders on the effects of military presence on local housing markets, we developed a survey and sent it to a non-generalizable selection of government officials from communities in geographic proximity to selected military installations in the United States, including Alaska, Hawaii, and Guam. The survey asked about local housing markets, zoning laws, the effects of military populations on local communities, the BAH, and coordination between local government and military officials. We sent the web-based survey to one local government official in each of 152 communities and received 68 completed surveys. We coordinated with military installation officials to obtain contact information for local government officials in communities in geographic proximity to selected installations to be potential survey respondents.

⁶Under Secretary of Defense for Personnel and Readiness, *Military Compensation Background Papers: Compensation Elements and Related Manpower Cost Items, Their Purposes and Legislative Backgrounds*, 8th ed. (July 2018).

⁷[GAO-14-704G](#).

To develop survey questions, we reviewed prior GAO surveys and interviewed DOD officials, as well as housing industry groups and experts. We analyzed survey results to identify the frequency of responses to multiple-choice questions and conducted content analyses of the information obtained from open-ended questions. We also met with an official from Guam's Housing and Urban Renewal Authority to obtain more detail regarding their responses. See appendix III for a detailed description of survey development, analyses, and results.

To examine the effect of the military population on economic and rental housing outcomes, we analyzed data from DOD, the U.S. Census Bureau, and the Bureau of Labor Statistics from 2013 to 2022. We estimated statistical models to assess the association between counties with service members and four separate county-level outcome variables: median renter household rents, median household incomes, median renter household rent-to-income ratios, and renter household vacancy rates. Due to data availability, we only evaluated counties that had an estimated total population of at least 65,000 throughout the entire time period, and we excluded the year 2020 from our analysis.⁸ To determine the reliability of the data, we reviewed supporting documentation, performed electronic and statistical testing, and interviewed knowledgeable officials. We determined that the data were sufficiently reliable to assess the direction of the association between service members and each of the four outcome variables. See appendix IV for additional details on these statistical models and results.

We conducted this performance audit from August 2022 to October 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁸We used the American Community Survey 1-year estimates of the four county-level outcome variables, which are generally only available for counties with total populations of 65,000. We excluded the year 2020 because the U.S. Census Bureau did not release county-level 2020 American Community Survey 1-year estimates due to the impact of COVID-19 on data collection.

Appendix II: Basic Allowance for Housing Data Collection and Rate-Setting Process

Process for setting Basic Allowance for Housing (BAH). The Department of Defense's (DOD) Military Compensation Policy directorate within the Office of the Deputy Assistant Secretary of Defense for Military Personnel Policy, which supports the Under Secretary of Defense for Personnel and Readiness, determines BAH rates on an annual basis for all service members who receive the allowance. These rates are set through a year-long, multistep process that relies on hundreds of officials from installations' military housing offices and a contractor. Officials collect housing cost data for approximately 300 military housing areas throughout the United States.¹

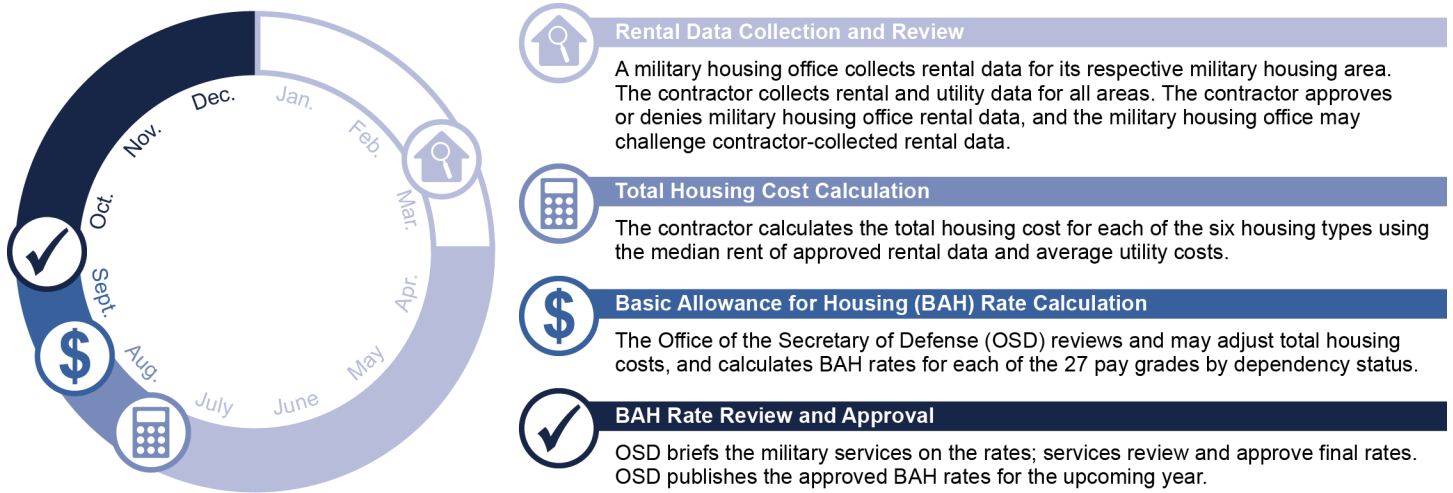
According to DOD, the BAH program is designed to compensate members for the local median rental costs and the average cost of utilities for civilians with comparable incomes to each military pay grade, thus private-sector rental housing costs are the basis for computing rates. Distinct BAH rates are set for each permanent duty location, and service members' BAH payments are based on their geographic location, pay grade, and whether a member has dependents.²

In an effort to determine appropriate rates, DOD collects data on rental properties that are considered suitable and adequate for service members of the designated rank. DOD relies on an established methodology to estimate the cost of housing in the private sector. Figure 9 describes the key steps in DOD's year-long data collection and rate-setting process.

¹Military housing areas are determined geographically by zip code within the United States. Major military population areas are further identified by a combination of a two-digit code for the state and a three-digit numerical designation within the state. For small military population areas, zip codes are aggregated into areas of similar housing cost and designated as county cost groups.

²A service member's income is determined by their rank or military grade. DOD uses six anchor points to determine the appropriate housing types for each military grade to assess housing costs. Each of the six anchor points are assigned to a pay grade and dependency status. For example, the anchor point for a two-bedroom townhouse or duplex is linked to an enlisted E-5 with dependents or an officer O-1E without dependents. For those pay grades that are not assigned to an anchor point, DOD uses interpolation (or "filling in" between anchor points) to calculate the BAH rate.

Figure 9: DOD’s Basic Allowance for Housing Data Collection and Rate-Setting Process



Source: GAO analysis of Department of Defense information (text); GAO (icons). | GAO-25-106208

Annual changes to BAH. Rates are released every January. A DOD primer on BAH states that because housing costs can fluctuate significantly and unpredictably from year-to-year for any given housing market based on demographic, economic, and housing construction trends, BAH rates are designed to reflect those changes to capture an accurate picture of true market conditions. As such, rates may fluctuate significantly from one year to the next.³ For example, DOD implemented a 12 percent increase, on average, for BAH rates in 2023, according to a DOD press release. DOD spent about \$24 billion on BAH in fiscal year 2023, according to the Congressional Budget Office.

In addition, in 2021 and 2022, DOD authorized temporary BAH increases for October through the end of both years. Specifically, in 2021, DOD authorized a temporary increase in rates for 56 military housing areas for service members who applied with a verifiable housing cost increase due to the COVID-19 pandemic.⁴ Rates were again temporarily, and automatically, increased in 2022 for service members in 28 military

³DOD, *Basic Allowance for Housing (BAH): BAH Data Collection and Rate-Setting Process Overview* (June 2023).

⁴Secretary of Defense Memorandum, *Strengthening Economic Security in the Force* (Nov. 17, 2021).

**Appendix II: Basic Allowance for Housing Data
Collection and Rate-Setting Process**

housing areas that experienced an increase in rental housing costs of more than 20 percent compared to the BAH rate.⁵

⁵Secretary of Defense Memorandum, *Taking Care of Our Service Members and Families* (Sept. 22, 2022).

Appendix III: GAO Survey of Local Government Officials in Communities Near Military Installations

Survey Development

To obtain the views of local (non-military) community leaders, we developed and administered a web-based survey to a non-generalizable selection of government officials from communities surrounding selected military installations. Potential respondents were selected for inclusion in the survey by their geographic proximity to selected installations. We developed selection criteria using data on military populations from the Defense Manpower Data Center and U.S. Census Bureau data on county populations and rental vacancy rates to identify areas with the largest military presence as well as those with extreme values of military to county population ratios and rental vacancy rates. Specifically, we identified areas with military populations greater than 10,000, as well as those with at least 500 service members and rental vacancy rates less than 2.5 percent or greater than 12 percent. We then identified the installations that are in each of these areas using Google, Military OneSource, and a list of military installations and their military housing area and county provided by the Under Secretary of Defense for Personnel and Readiness.¹ We obtained contact information for respondents from housing officials at the identified installations.

In this survey, we asked respondents about their views as local (non-military) community leaders about the local housing market, potential effects of the presence of a military installation on non-military residents, and their coordination and communication with installation leadership. To develop appropriate questions, we reviewed prior GAO surveys and interviewed Department of Defense officials, as well as housing industry groups and experts. We also reviewed relevant media reports on the perceived effects of the military on local housing markets in certain areas to inform our areas of inquiry. We developed survey questions through an iterative process in coordination with methodologists within GAO's Applied Research and Methods (ARM) team. We conducted cognitive pre-tests with four subject matter experts to ensure that the language and questions of the survey were technically accurate and clearly understood. We revised the survey following pre-tests by collectively considering feedback across the pretests. The draft survey was also peer reviewed by an independent survey methodologist from ARM.

We finalized and distributed the survey through individual email messages with unique survey links sent to points of contact selected to participate in our survey. We revised some points of contact due to

¹Military OneSource is an official Department of Defense website offering service members and their families information, resources, and support services related to a variety of topics, including housing.

feedback received from local officials during survey follow-up we conducted. Recipients of the link were allowed to share the survey link with others in their organizations to provide responses on behalf of the community and as comprehensive a response as possible. Sharing the link did not increase the total number of surveys administered. Rather, it enabled survey respondents to provide a more comprehensive response to the survey for their community by coordinating with other community officials. Each recipient's survey link was programmed to display the name of their specific community where applicable in the survey questions. Following the initial distribution of the survey on December 6, 2023, non-respondents were sent periodic reminder emails requesting their completion.

We sent the survey link to a non-generalizable selection of 152 government officials from communities surrounding selected military installations. Four respondents contacted us to inform us that they were no longer the appropriate point of contact, and their surveys were removed and resent to the identified point of contact. However, it is possible that the survey was sent to additional points of contact that were no longer appropriate or otherwise not eligible for our survey that did not respond with relevant updated contact information. Overall, we received 68 completed surveys. We closed the survey on February 26, 2024. The survey included 13 multiple-choice questions and 12 open-ended questions for narrative responses.²

Survey Analysis and Results

To determine results of our survey, we analyzed the 68 completed surveys we received to determine descriptive statistics for closed-ended questions. We included only completed surveys in our analysis, excluding 15 surveys that were only partially completed.

In addition, we conducted content analysis of open-ended question responses. To do so, two analysts independently coded each response to six of the 12 narrative response questions to categories developed based on themes identified in each survey response. For example, coding categories included key words and phrases such as "housing affordability," "housing availability," and "zoning changes," among others. After the two analysts completed initial coding, they each reviewed both sets of coding categories to reach consensus on the final groups of codes to be assigned to each survey response. After the two analysts completed

²There were 26 total questions on the survey, but the final question asked participants if they had completed the survey and wished to submit responses.

this review, a third, independent analyst reviewed coding for any responses in which consensus was not reached during initial coding. The team then analyzed the frequency with which each category appeared across narrative responses to each question to identify common themes across responses. Although the evidence we collected from this survey is not generalizable to the entire population of survey respondents or to all communities, it provided important context for the perspectives of local government officials in geographic areas with military installations about local housing markets and the perceived effects of the military on those markets, among other things.

Tables 3 through 15 below provide questions from the survey and responses to the survey's individual questions. Not all respondents answered each question. In some cases, based on survey design and responses provided, some questions were not applicable nor seen by certain respondents who were skipped out of questions based on their response to preceding questions. In addition, the completion of questions was not required for the respondent to proceed through the survey and respondents may have chosen not to answer some questions. Table 16 below lists the narrative response questions and the number of responses we received for each.

**Questions Related to Local
Housing Markets**

Table 3: Overall, how sufficient is the supply of housing in [community] for those seeking housing?

Response	Number of respondents	Estimated percent of respondents
Not sufficient	35	51.47%
Somewhat sufficient	29	42.65%
Sufficient	4	5.88%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

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Table 4: Overall, how would you describe affordability of housing in [community]?

Response	Number of respondents	Estimated percent of respondents
Very unaffordable	9	13.24%
Somewhat unaffordable	37	54.41%
Somewhat affordable	20	29.41%
Very affordable	2	2.94%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

Table 5: Over the past 5 years, how would you describe the change in costs for the following expenses in [community]?

Expense	Response	Number of respondents	Estimated percent of respondents
Purchasing a home	Significantly decreased	1	1.47%
	Somewhat decreased	0	0%
	Remained roughly the same	1	1.47%
	Somewhat increased	21	30.88%
	Significantly increased	45	66.18%
Renting a home	Significantly decreased	0	0%
	Somewhat decreased	0	0%
	Remained roughly the same	0	0%
	Somewhat increased	27	39.71%
	Significantly increased	41	60.29%
Utilities (gas, electric, water, and sewer)	Significantly decreased	0	0%
	Somewhat decreased	0	0%
	Remained roughly the same	9	13.24%
	Somewhat increased	48	70.59%
	Significantly increased	11	16.18%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

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Table 6: Overall, how much effort, if any, do you feel is being taken by relevant government officials in [community] to encourage the building of more of each housing type below?

Housing Type	Response	Number of respondents	Estimated percent of respondents
Single-family housing	No effort	2	2.99%
	Minor effort	10	14.93%
	Some effort	18	26.87%
	Much effort	23	34.33%
	Major effort	14	20.90%
Multi-family units and apartments	No effort	5	7.35%
	Minor effort	5	7.35%
	Some effort	11	16.18%
	Much effort	31	45.59%
	Major effort	16	23.53%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

**Questions Related to Zoning
Laws and Reforms**

Table 7: Does [community] currently have zoning laws?

Response	Number of respondents	Estimated percent of respondents
Yes	65	95.59%
No	3	4.41%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

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If survey respondents answered “yes” to the question in table 7, then the survey asked the question in table 8.

Table 8: How much effort, if any, is being taken by relevant government officials in [community] to reform zoning laws to allow for greater housing density?

Response	Number of respondents	Estimated percent of respondents
No effort	7	10.94%
Minor effort	4	6.25%
Some effort	17	26.56%
Much effort	16	25.00%
Major effort	20	31.25%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient’s survey link was programmed to display the name of their specific community in the survey questions.

If survey respondents answered “yes” to the question in table 7, then the survey asked the question in table 9.

Table 9: Is greater housing density necessary to help address housing issues in [community]?

Response	Number of respondents	Estimated percent of respondents
Yes	44	65.67%
No	23	34.33%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient’s survey link was programmed to display the name of their specific community in the survey questions.

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If survey respondents answered “yes” to the question in table 9, then the survey asked the question in table 10.

Table 10: Are zoning law reforms needed in [community] to allow for greater housing density?

Response	Number of respondents	Estimated percent of respondents
Yes	30	68.18%
No	14	31.82%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

Questions Related to the Impact of Military Populations on the Local Community

Table 11: Overall, how much do you feel the presence of a military installation impacts the following issues for non-military residents in [community]?

Issue	Response	Number of respondents	Estimated percent of respondents
Costs of housing	Significantly decreases	0	0%
	Somewhat decreases	0	0%
	No impact	25	36.76%
	Somewhat increases	30	44.12%
	Significantly increases	10	14.71%
	Unsure	3	4.41%
Availability of housing	Significantly decreases	2	2.94%
	Somewhat decreases	15	22.06%
	No impact	18	26.47%
	Somewhat increases	19	27.94%
	Significantly increases	11	16.18%
	Unsure	3	4.41%
Traffic	Significantly decreases	0	0%

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	Somewhat decreases	0	0%
	No impact	18	26.47%
	Somewhat increases	33	48.53%
	Significantly increases	15	22.06%
	Unsure	2	2.94%
Noise	Significantly decreases	0	0%
	Somewhat decreases	0	0%
	No impact	36	52.94%
	Somewhat increases	19	27.94%
	Significantly increases	11	16.18%
	Unsure	2	2.94%
Public school crowding	Significantly decreases	0	0%
	Somewhat decreases	0	0%
	No impact	31	45.59%
	Somewhat increases	26	38.24%
	Significantly increases	2	2.94%
	Unsure	9	13.24%
Job opportunities	Significantly decreases	0	0%
	Somewhat decreases	3	4.41%
	No impact	20	29.41%
	Somewhat increases	17	25.00%
	Significantly increases	22	32.35%
	Unsure	6	8.82%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

Appendix III: GAO Survey of Local Government Officials in Communities Near Military Installations

Questions Related to the Basic Allowance for Housing

Table 12: Are you aware of the current basic allowance for housing (BAH) rates in [community]?

Response	Number of respondents	Estimated percent of respondents
Yes	30	44.1%
No	38	55.88%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Notes: The basic allowance for housing (commonly referred to as BAH) is an amount provided to military service members on a monthly basis to help cover a portion of rent and utilities. This amount varies from community to community based on cost of living in that geographic area.

Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

Questions Related to Coordination with Local Military Installations

Table 13: On average, how often, if at all, do officials from [community] coordinate and communicate with military officials to discuss housing and any related issues?

Response	Number of respondents	Estimated percent of respondents
As needed	24	35.82%
More often than monthly	10	14.93%
Monthly	9	13.43%
Quarterly	6	8.96%
Annually	6	8.96%
Less often than annually	7	10.45%
Never	5	7.46%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

Appendix III: GAO Survey of Local Government Officials in Communities Near Military Installations

Table 14: Overall, how would you describe the level of effort taken by local officials to coordinate with military installation officials on issues that affect [community]?

Response	Number of respondents	Estimated percent of respondents
No effort	4	5.88%
Minor effort	17	25.00%
Some effort	14	20.59%
Much effort	13	19.12%
Major effort	20	29.41%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

Table 15: Overall, how would you describe the level of effort taken by military officials to coordinate with local officials on issues that affect [community]?

Response	Number of respondents	Estimated percent of respondents
No effort	6	8.8%
Minor effort	15	22.1%
Some effort	19	27.9%
Much effort	12	17.7%
Major effort	16	23.5%

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Each recipient's survey link was programmed to display the name of their specific community in the survey questions.

**Appendix III: GAO Survey of Local Government
Officials in Communities Near Military
Installations**

Narrative Response Questions

Table 16: Narrative Response Survey Questions

Question	Number of responses received ^b
Overall, what is the most pressing challenge that people seeking housing in [community] ^a face?	66
What specific efforts, if any, are being taken in [community] ^a to encourage the building of more housing?	64
What specific efforts, if any, are being taken in [community] ^a to reform zoning laws to allow for greater housing density?	63
Why do you believe [community] ^a does NOT need greater housing density?	23
What additional thoughts, if any, do you have regarding zoning reform or housing density in [community] ^a ?	64
In what other ways, if at all, has the presence of a military installation affected [community] ^a ?	63
In what ways, if at all, do changes to the basic allowance for housing (BAH) ^c rate provided to service members affect the availability and affordability of housing in [community] ^a ?	30
With which military installation(s) do you coordinate on housing and any related issues that affect [community] ^a ? ^d	57
In what ways does [community] ^a coordinate and communicate with military installation officials about issues that affect your community, such as the availability and affordability of housing?	61
What specific issues, if any, in [community] ^a do you feel require coordination with local military installation officials to address?	65
What challenges, if any, does [community] ^a face in coordinating with local military installation officials?	66
In what ways, if any, could these challenges be addressed?	63
What additional comments or concerns related to coordination on housing-related issues with military installation officials, if any, would you like to provide?	55

Source: GAO survey of local government officials in communities near military installations. | GAO-25-106208

Note: Based on survey design and responses provided, some questions were neither applicable to nor seen by certain respondents who were skipped out of questions based on their responses to preceding questions. In addition, the completion of questions was not required for the respondent to proceed through the survey, and respondents may have chosen not to answer some questions.

^aEach recipient's survey link was programmed to display the name of their specific community in the survey questions.

^bWe received a total of 68 completed surveys.

^cThe basic allowance for housing (commonly referred to as BAH) is an amount provided to military service members on a monthly basis to help cover a portion of rent and utilities. This amount varies from community to community based on cost of living in that geographic area.

^dRespondents to this question selected installations from a displayed list of options in the web-based survey to identify specific military installations with which they may coordinate in their areas. Respondents also had the opportunity to enter additional installations not among the displayed selection options.

Appendix IV: Statistical Analysis of the Effect of Military Presence on Local Housing Markets

In our statistical analyses controlling for various county-level population, household, and economic characteristics, we found that counties with a higher military population were associated with having higher median rents and rent-to-income ratios, and lower renter household vacancy rates in some of our models (see table 17).

Table 17: Military Presence Association with County-Level Economic and Rental Housing Outcome Estimates

	Median renter household rent	Median household income	Median renter household rent to income	Renter household vacancy rate
Military presence measure				
Service member share of county population	↑	–	↑	↓
Number of service members in county	–	–	↑	↓
Log service members in counties with at least 500 estimated service members	↑	↑ ^a	–	–

Legend:

↑ = Higher military presence was associated with an increase in the outcome estimate at the 0.05 statistical significance level in some of our econometric models.

↓ = Higher military presence was associated with a decrease in the outcome estimate at the 0.05 statistical significance level in some of our econometric models.

– = Higher military presence was not associated with a change in the outcome estimate at the 0.05 statistical significance level in any of our econometric models.

Source: GAO analysis of Department of Defense, Bureau of Labor Statistics, U.S. Census Bureau 1-year American Community Survey, and U.S. Census Bureau Building Permits Survey data (2013-2019, 2021, 2022). | GAO-25-106208

^aIn the only model where there was a statistically significant association between log service members and log median household income, the association was very close to 0 (a 1% increase in service members was associated with an approximately 0.003% increase in median household income).

We measured military presence in our models in three different ways: by estimating (1) the number of resident service members, (2) service members as a share of the county population, and (3) the log of service members for counties with an estimated 500 or more service members in

any year of analysis.¹ These three measures allowed us to broadly consider whether different types of variation in county military presence affected each of four outcome variables: median renter household rents, median household incomes, median renter household rent to income ratios, and renter household vacancy rates.²

Our baseline econometric specification employed county and year fixed effects to address confounding variation which respectively varied by county and year. To address confounding variation that could vary over time within a county, we also controlled for estimates of county-year variables including the average renter household or average household size and the log of the civilian population. In the income and rent-to-income ratio models we also included indicators for educational attainment. In the renter household vacancy rate models, we controlled for similar variable estimates, but substituted the civilian population growth rate for the log of civilian population in some models. In further renter household vacancy rate models, we also added controls for estimated median home value, and for the estimated number of permitted units or permitted multi-family units in each of the previous 2 years relative to the estimated number of existing renter households in the previous year. Finally, we also controlled for the potential effects of the unemployment rate on the outcomes in some models.³

We also estimated some models in which we excluded those service members who lived on base and would therefore be less likely to directly

¹We analyzed data from 2013 to 2022, excluding 2020 because of the impact of COVID-19 on American Community Survey data availability in that year, in counties with a total estimated population of at least 65,000 across 5 years. We summed county service members as of September of each year in our baseline models, and as of March of each year in additional models to assess the sensitivity of our results to the timing of the estimate of service members. In our models with log service members as the military presence measure, we excluded counties with fewer than an estimated 500 service members in every year of analysis because we did not expect counties with few service members but potentially large relative changes in service members to be able to materially affect any of the economic and housing market outcomes we studied.

²We used the U.S. Census Bureau American Community Survey's 1-year estimates for all four outcome variables. We used the log of median household income in all of our models where income was the dependent variable, and we used the log of median renter household rent in some of our models where rent was the dependent variable.

³We obtained yearly county-level unemployment rate estimates from the Bureau of Labor Statistics' Local Area Unemployment Statistics program, and we obtained permitted units and permitted multi-family units estimates from the U.S. Census Bureau Building Permits Survey. We used the U.S. Census Bureau American Community Survey's 1-year estimates for all other control variables.

affect private-sector housing outcomes. Further, we also estimated some models where we altered our econometric specification to first differences to account for the military services' potential consideration of some or all of the outcomes we studied in making service member allocation decisions.

Generally, our results showed that the service member share of county population was the measure of military presence that was most likely to exhibit a statistically significant association with the outcome variables we studied.⁴ In most of our models (seven out of eight), we found a statistically significant association between service member share of county population and median renter household rents, and in some of our models (three out of eight), we found a statistically significant association between service member share of county population and median household rent-to-income ratios. We did not find a statistically significant association between service member share of county population and median household income in any of our models.

Finally, while we found no statistically significant association between the service member share of county population and renter household vacancy rates in any of the fixed effects models, we found statistically significant negative associations between service member share and vacancy rates in most of the first difference models (two out of three). This suggests that while the military services may consider local renter household vacancy rates in making service member allocation decisions, increases in a county's service member presence over time are still likely to be associated with lower renter household vacancy rates.

These associations may have important implications for local communities experiencing changes in the size of the military personnel assigned to an installation, especially when such changes would substantially alter the service members' share of the local population.

⁴We used the 0.05 statistical significance level to determine whether associations were statistically significant in all of our models.

Appendix V: Comments from the Department of Defense



ENERGY, INSTALLATIONS,
AND ENVIRONMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3400 DEFENSE PENTAGON
WASHINGTON, DC 20301-3400

Ms. Alissa Czyz
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Czyz,

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-25-106208, "MILITARY HOUSING: DoD Should Address Critical Supply and Affordability Challenges for Service Members," dated September 12, 2024.

Enclosed is DoD's response to the subject report recommendations. Upon publication of the final report by GAO, Corrective Action Plans for each recommendation will be developed by my office with input from the Military Departments.

My point of contact for this report is Mr. Branden McGriff, who can be reached at (202) 604-7377 or branden.d.mcgriff.civ@mail.mil.

Sincerely,

COLON.MARK
C.1631845408

Digitally signed by
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Date: 2024.10.09 21:03:25
-04'00'

Mark C. Colón
Deputy Assistant Secretary of Defense
(Housing)

Enclosure:
As stated

**GAO DRAFT REPORT DATED SEPTEMBER 12, 2024
GAO-25-106208 (GAO CODE 106208)**

**“MILITARY HOUSING: DOD SHOULD ADDRESS CRITICAL SUPPLY AND
AFFORDABILITY CHALLENGES FOR SERVICE MEMBERS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS**

RECOMMENDATION 1: The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment clarifies OSD’s role in oversight of the military services’ Housing Requirements and Market Analysis (HRMA) process in guidance to help ensure that the military services conduct HRMAs in a timely manner and that DOD submits to Congress required lists of planned HRMAs for each fiscal year.

DoD RESPONSE: Concur. The Assistant Secretary of Defense for Energy, Installations, and Environment (ASD(EI&E)) will issue guidance to the Military Departments (MilDeps) that clarifies OSD’s role in the HRMA process and emphasizes the MilDep’s responsibility to conduct HRMAs in a timely manner and the requirement to include planned HRMAs in their budget materials.

RECOMMENDATION 2: The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness, performs a structured analysis to develop a comprehensive list of critical housing areas. In conducting analysis to develop this list, DOD should consider the unique characteristics of a location, such as vacation rental areas.

DoD RESPONSE: Concur. ASD(EI&E), in coordination with the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) and the MilDeps, will perform a structured analysis to develop a comprehensive list of critical housing areas.

RECOMMENDATION 3: The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness, regularly updates the list of identified critical housing areas.

DoD RESPONSE: Concur. ASD(EI&E), in coordination with USD(P&R) and the MilDeps will update, as needed, the list of identified critical housing areas.

RECOMMENDATION 4: The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the Under Secretary of Defense for Personnel and Readiness and the military services, obtains and uses feedback on the financial and quality-of-life effects of limited supply or unaffordable housing on service members, through the Status of Forces survey and other service or installation-specific feedback mechanisms.

Appendix V: Comments from the Department of Defense

DoD RESPONSE: Concur. ASD(EI&E), in coordination with USD(P&R) and the MilDeps, has incorporated questions concerning the physical condition, affordability, and availability of housing into the Status of Forces Survey (SOFS) to identify and evaluate the financial and quality-of-life challenges associated with living in areas with limited or unaffordable housing and will use other appropriate mechanisms to accomplish the same.

RECOMMENDATION 5: The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment, in coordination with the USD(P&R) and the military services, develops a plan for how the department can respond to and address the financial and quality-of-life effects in critical housing areas once those areas are identified, such as through feasible solutions to increase housing supply, or through additional strategies such as alternative compensation.

DoD RESPONSE: Concur. Once identified, ASD(EI&E), in coordination with USD(P&R) and the MilDeps, will develop an action plan to address the financial and quality-of-life challenges associated with living in a critical housing area.

RECOMMENDATION 6: The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment provides updated guidance to the services on how installations should coordinate with local communities, including clearly defining the roles and responsibilities of installation commanders and military housing offices in addressing housing needs.

DoD RESPONSE: Concur. ASD(EI&E) will issue updated guidance to the MilDeps that emphasizes the need for installations to coordinate with local communities and clearly defines the roles and responsibilities of installation commanders and Military Housing Offices in addressing housing needs.

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

Alissa H. Czyz, 202-512-3058 or CzyzA@gao.gov

Staff Acknowledgments

In addition to the contact listed above, Suzanne Perkins (Assistant Director), Nancy Santucci (Analyst in Charge), Andrew Altobello, Brady Anderson, John Bornmann, Vincent Buquicchio, Miranda Cohen, Britany Evans, David Jones, Nicole Kelleher, Elisebet Lalian, Gloria (Juyoung) Lee, Yann Panassie, and Terry Richardson made key contributions to this report.

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