



OSD Housing Update

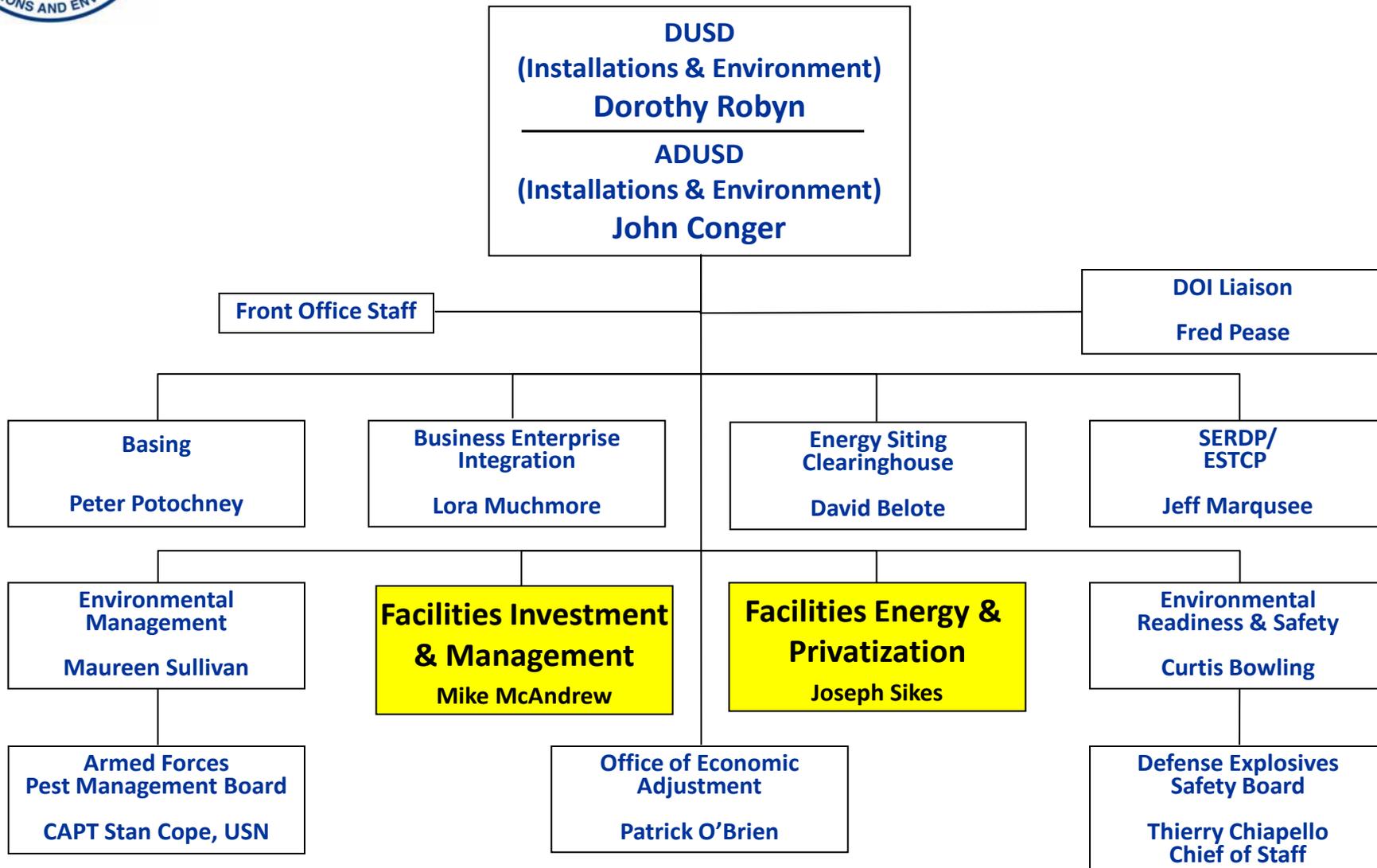
**Mr. John Conger
Assistant Deputy Under Secretary of Defense
(Installations & Environment)**

January 30, 2012



ODUSD (Installations & Environment)

Acquisition, Technology and Logistics





OSD I&E Mission

Acquisition, Technology and Logistics

- 297,000 buildings and 200,000 structures with plant replacement value of about \$760B
- 4,700 sites in the U.S. and 40 other countries
- **Family Housing**
193,000 units privatized,
53,000 government-owned
- **Unaccompanied Housing**
320,000 bedrooms
government-owned,
7,500 privatized

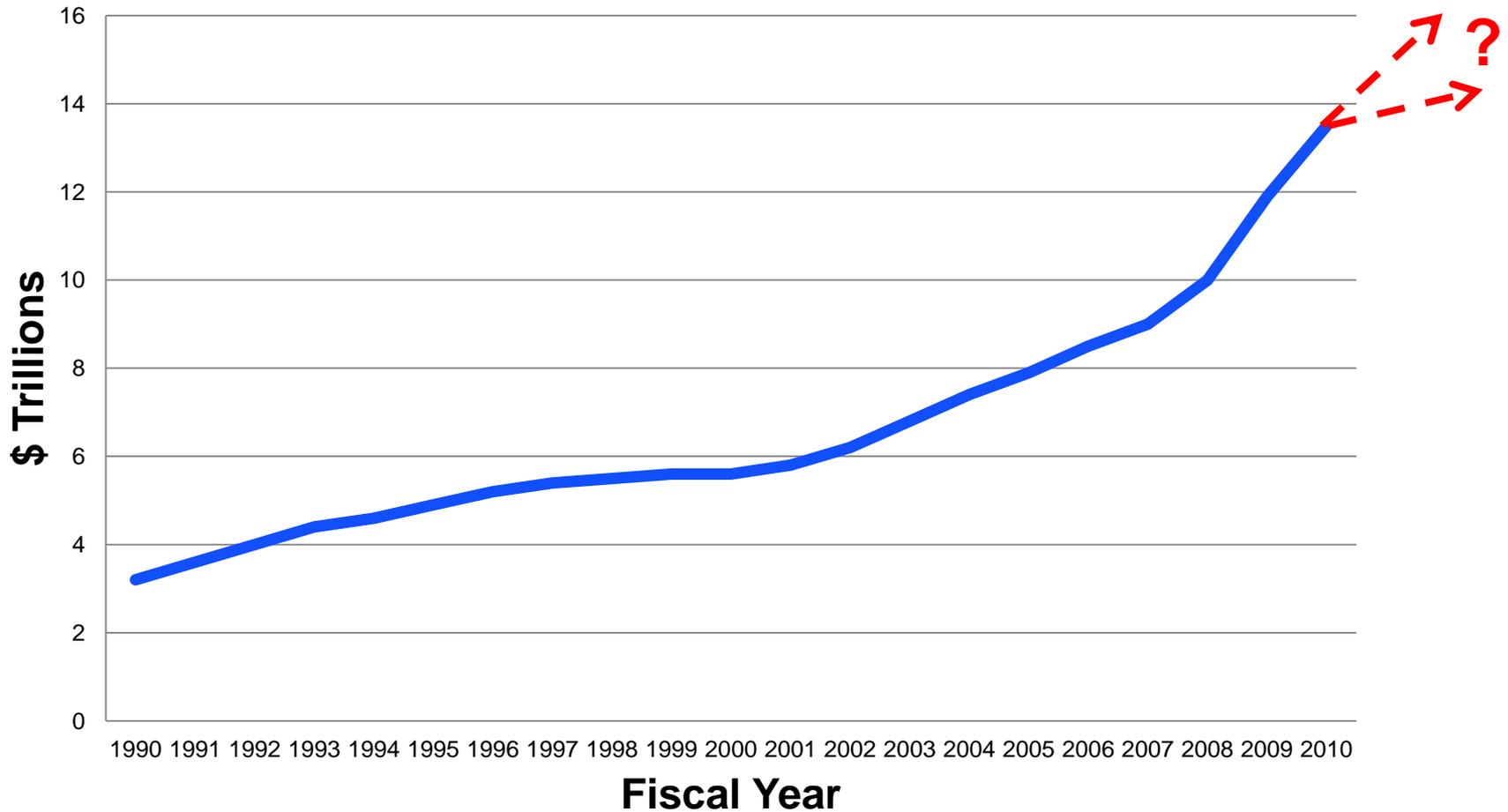




Federal Debt

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FY 1990 to FY 2010 (reported by OMB)





Changing World

Acquisition, Technology and Logistics

Issues that Confront Military Housing aren't the Same as They Were 20 Years Ago:

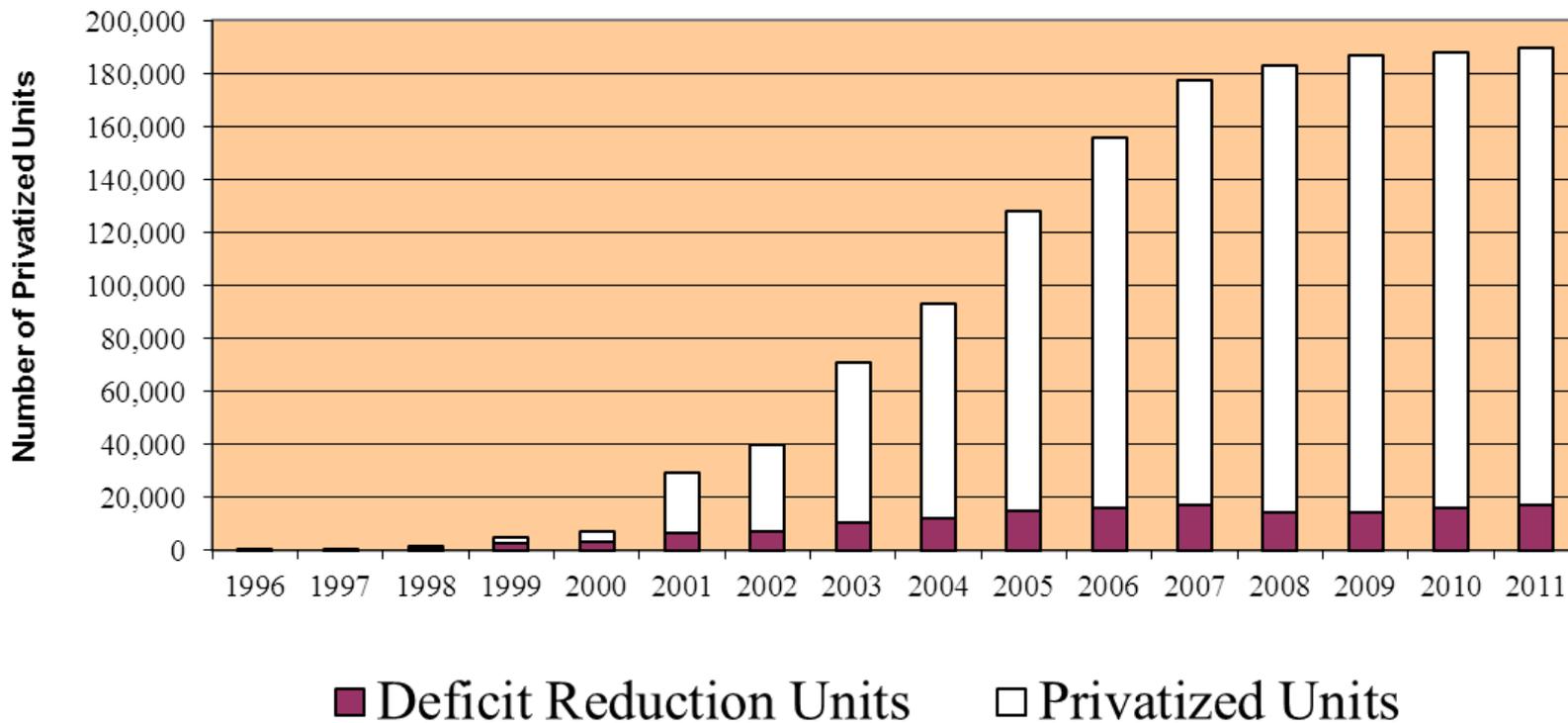
- Privatized Family Housing
- Energy – Privatized Housing
- Government-Owned Family Housing
- Unaccompanied Housing



Privatized Housing Inventory

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Total Privatized Units

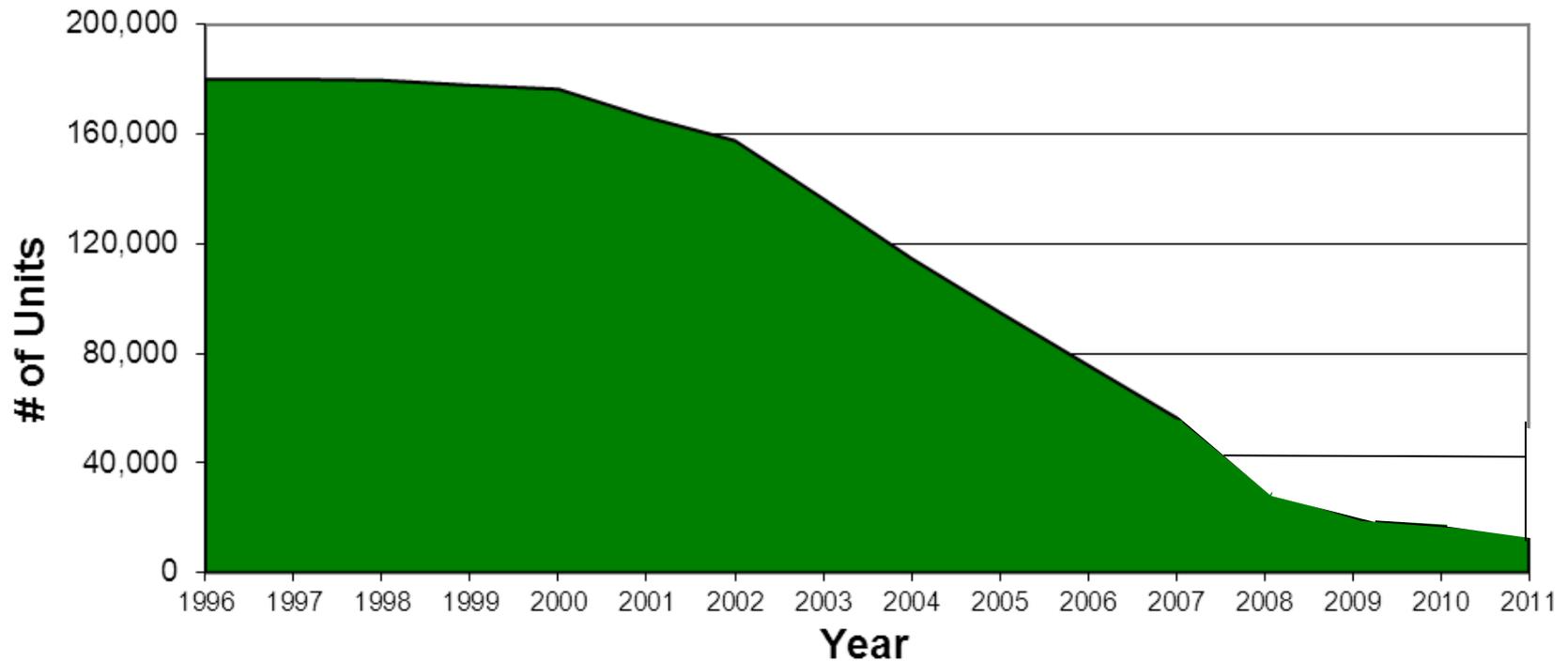




Eliminating Inadequate Units

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Progress Towards Adequacy

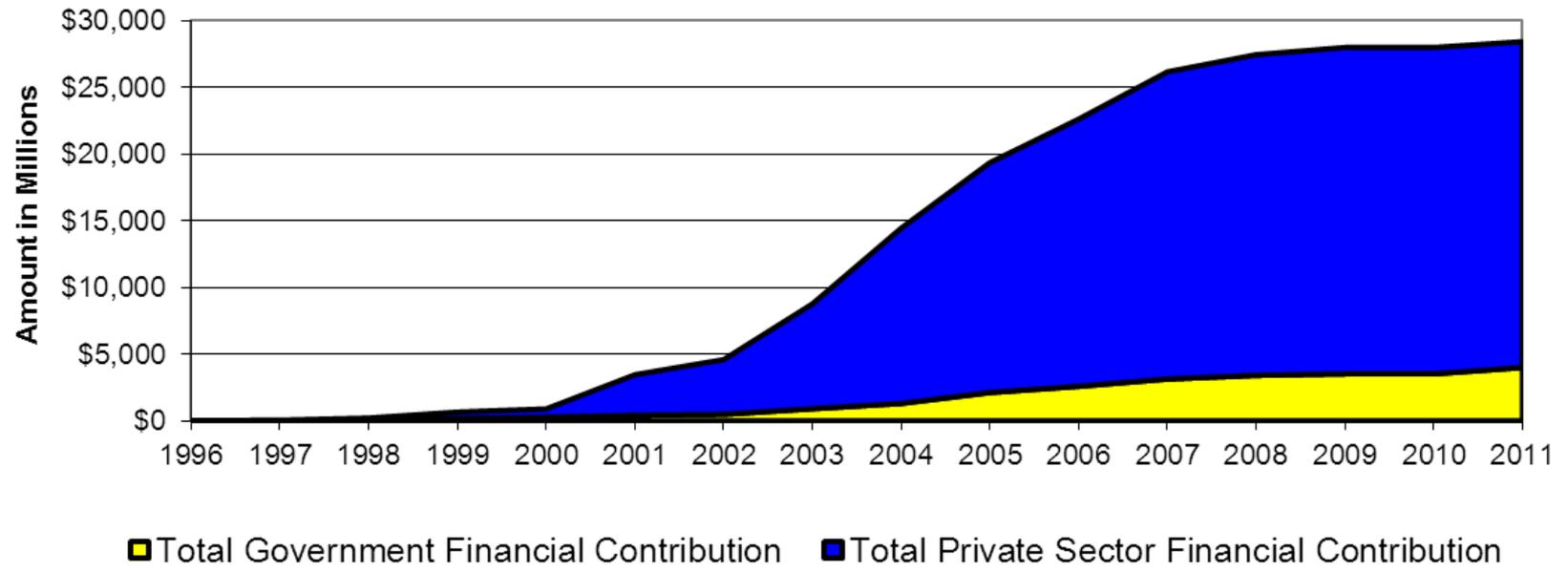




Privatized Housing Funding

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Total Project Financial Contribution (in millions)





Privatized Family Housing

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- From Award to 50-Year Sustainment
- Maintain Financial Health
 - Recapitalization (Accounts & Debt Capacity)
 - Revenue Stream (Basic Allowance for Housing)
 - Housing Condition & Occupancy
 - Debt Service Coverage
- Program Management
 - Focused Oversight and Evaluation
 - Sustained Resources & Talent



Energy - Privatized Housing

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- Privatization Encourages a Variety of Energy Conservation Measures (Solar & Geothermal)
 - Measures Must Make Business Sense
- Service Members Must be Responsible for Personal Energy Consumption
- Economies of Scale Support Conservation and Renewable Energy Technologies



Govt-Owned Family Housing

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- DoD Housing Policy – Community First
- Government-Owned Housing Now Mostly in Foreign Locations
- General & Flag Officer Quarters
- Comparison with Privatized Housing



Unaccompanied Housing

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- Huge MILCON Investment
- Nearing Completion of Modernization
- New Standards Raising QOL
- Sustainment is a Challenge



Conclusion

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- Success of Housing Privatization
- Must Transition from Awarding Projects to Managing Long-Term Business Interests
- Privatization Provides Great Opportunities for Energy Conservation
- Budget & Troop Reductions and BRAC Will Create Challenges
- Committed to Maintain Excellent Housing