



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

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ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(INSTALLATIONS, HOUSING AND PARTNERSHIPS)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ENERGY, INSTALLATIONS, AND ENVIRONMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(INSTALLATIONS) (SAF/IEI)  
DIRECTOR, DEFENSE LOGISTICS AGENCY (DES-I)  
DIRECTOR, NATIONAL SECURITY AGENCY (BF1)

SUBJECT: FY 2014 Family Housing Lease Cost Limits

Section 2828 of title 10, United States Code, directs the Department to annually adjust the domestic and foreign maximum lease cost limits for family housing units. The two attached documents provide the FY 2014 family housing leasing allocations and adjusted cost limits for domestic and foreign leases, in accordance with the statute:

- Domestic lease adjustments are based on the percentage that the national average monthly cost of housing changed over the two preceding fiscal years;
- The maximum lease cost for the eight housing units leased by U.S. Southern Command near Miami, Florida, is based on the percentage that the annual average cost of housing for the Miami Military Housing Area changed over the two preceding fiscal years; and
- The foreign lease cost adjustments are based on the foreign currency fluctuations and the annual changes to the Consumer Price Index for All Urban Consumers.

If you have any questions, please contact Ms. Phyllis Newton at (703) 571-9060 or [phyllis.m.newton6.civ@mail.mil](mailto:phyllis.m.newton6.civ@mail.mil).

Michael McAndrew  
Director

Facilities Investment and Management  
Office of the Deputy Under Secretary of Defense  
(Installations and Environment)

Attachments:  
As stated

**DoD DOMESTIC LEASING - FY 2014  
(10 U.S.C. 2828)**

**FAMILY HOUSING - DOMESTIC LEASE ALLOCATIONS**

<b>DOMESTIC LEASE AUTHORITY (UNITS)</b>					
<b>Component</b>	<b>Unadjusted Cost Limits</b>			<b>Southern Command Miami, FL</b>	<b>TOTAL ALLOCATIONS</b>
	<b>\$12,000</b>	<b>\$14,000</b>	<b>\$35,000</b>		
Army	2,559	167	600	8	3,334
Navy	3,166	167			3,333
Air Force	3,167	166			3,333
<b>TOTAL AUTHORIZED UNITS</b>	<b>8,892</b>	<b>500</b>	<b>600</b>	<b>8</b>	<b>10,000</b>

**FAMILY HOUSING - FY 2014 ADJUSTED DOMESTIC LEASE COST LIMITS**

1. The following table reflects the **FY 2014 Domestic Lease Cost Limits** (per leased unit) as adjusted by the National Median Housing Cost (NMHC).

<b>FY 2014 Domestic Lease Cost Limits</b>			
<b>Unadjusted Cost Limits</b>	<b>\$ 12,000</b>	<b>\$ 14,000</b>	<b>\$ 35,000</b>
<b>Adjusted Cost Limits</b>	<b>\$ 28,217</b>	<b>\$ 32,291</b>	<b>\$ 41,798</b>

2. **Southern Command (SOUTHCOM)** - Public Law 105-85 limited the total amount of all Army leases for SOUTHCOM to \$280,000 per year, with no unit to exceed \$60,000 per year. Public Law 106-398 removed the unit cost threshold but retained the maximum amount, as adjusted, that can be expended for the 8 SOUTHCOM leased housing units. The FY 2014 maximum lease cost for the 8 SOUTHCOM housing units, as based on the Local Median Housing Cost (LMHC) methodology, is \$675,817.

3. Leases that exceed the adjusted cost limits are subject to the high cost authorizations of 10 U.S.C. 2828.

**References:**

- 10 U.S.C. 2828, as amended
- DoD 4165.63-M, Oct 28, 2010
- DoD 7000.14-R

**DoD FOREIGN LEASING - FY 2014  
(10 U.S.C. 2828)**

**FAMILY HOUSING - FOREIGN LEASE ALLOCATIONS**

<b>FOREIGN LEASE AUTHORITY (UNITS)</b>					
<b>Component</b>	<b>High Cost</b>	<b>Unadjusted Cost Limit \$35,000</b>	<b>Unadjusted Cost Limit \$25,000</b>	<b>Unadjusted DoS Pool / Cost Limit \$20,000</b>	<b>Total Allocations</b>
Army	28	2,800	1,675	36,653	41,156
Navy	18	-	2,913	1,623	4,554
Air Force	130	-	4	8,854	8,988
NSA	-	-	-	567	567
<b>Subtotal</b>	<b>176</b>	<b>2,800</b>	<b>4,592</b>	<b>47,697</b>	<b>55,265</b>
OSD Retained	157	-		353	510
<b>TOTAL AUTHORIZED UNITS</b>	<b>333</b>	<b>2,800</b>	<b>4,592</b>	<b>48,050</b>	<b>55,775</b>

Use 10 U.S.C. 2828 with this table for compliance with location-specific provisions. ODUSD(I&E) reallocation of leasing authority among Components is subject to statutory provisions and considerations of the legislative intent.

**FAMILY HOUSING - FY 2014 ADJUSTED FOREIGN LEASE COST LIMITS**

1. The following table reflects the **FY 2014 Foreign Lease Cost Limits** (per leased unit) as adjusted by the Consumer Price Index (CPI) for All Urban Consumers:

<b>FY 2014 Foreign Lease Cost Limits</b>			
<b>Unadjusted Cost Limits</b>	<b>\$ 35,000</b>	<b>\$ 25,000</b>	<b>\$ 20,000</b>
<b>Adjusted Cost Limits</b>	<b>\$ 58,416</b>	<b>\$ 61,561</b>	<b>\$ 49,249</b>

2. The FY 2014 Foreign Lease Cost Limits (\$58,416, \$61,561, and \$49,249 respectively) x (FY 1988 Budget Rate of Exchange ÷ FY 2014 Budget Rate of Exchange) = the Worldwide Adjusted Cost Limits.

3. Leases that exceed the adjusted cost limits are subject to the high cost authorizations of 10 U.S.C. 2828.

**References:**

- 10 U.S.C. 2828, as amended
- 10 U.S.C. 2834
- DoDM 4165.63-M, October 28, 2010
- DoD 7000.14-R