

# ***Headquarters U.S. Air Force***

---

*Integrity - Service - Excellence*

## **Housing Privatization**



**Mr. Ian Smith  
Housing Privatization**

**Air Force Center for Engineering and  
the Environment**

**31 August 2010**

**U.S. AIR FORCE**

---



# ***Air Force Housing Privatization***

**U.S. AIR FORCE**

---

**Provide military families access to safe, quality, affordable and well-maintained housing in a military community where they will CHOOSE to live.**



---

*Integrity - Service - Excellence*



# Housing Privatization

**U.S. AIR FORCE**

## ■ ***Our Mission***

Provide market comparable homes in safe neighborhoods where our Military Families will choose to live

## ■ ***Progress to date***

Completed work at 10 bases providing 9,052 homes

Under construction at 34 bases providing 28,779 homes

## ■ ***Upcoming***

Seven projects at 23 bases providing 15,078 homes:

- 20 bases in 4 grouped projects
- 3 bases with follow-on phases



*Integrity - Service - Excellence*



U.S. AIR FORCE

# *The Need for Housing Privatization*

## 1996

- Over 40,000 inadequate homes with a 25-year/\$7B price tag to correct via MILCON
- Budget constraints limited Air Force's ability to keep existing adequate houses up to standard
- Congress gives DoD the authority to partner with the private sector for military housing
  - Allows the Air Force to focus on its mission
  - Taps private sector expertise in providing and operating housing



*"The solution to a 25 year, \$7 Billion problem"*



**U.S. AIR FORCE**

# *Before Privatization*



Nellis AFB: 1950's



Travis AFB: 1960's



Wright Patterson AFB:  
1970's

*Integrity - Service - Excellence*



**U.S. AIR FORCE**

# *After Privatization*



Nellis AFB: 2009



Travis AFB: 2010



Wright Patterson AFB:  
2007

*Integrity - Service - Excellence*



U.S. AIR FORCE

# ***Air Force Objectives for Privatized Housing***

---

- **Quality homes meeting/exceeding local market**
- **Long term sustainability**
- **No out-of-pocket costs**
- **High standards of appearance**
- **Community activities centered around ancillary facilities -- playgrounds, sports courts, community center**
- **Housing grouped by officer/enlisted and grade in community setting**
- **Ability to interact with leadership in town meetings**

**-- Retain Military Culture --**



**U.S. AIR FORCE**

# ***Awarded Privatization Projects***

***Total Houses Privatized to Date: ~38,000 units***



***Integrity - Service - Excellence***



**U.S. AIR FORCE**

---

# ***AFCEE's Role***

- **Serves as the Air Force HP Program Management Office**
  - **Project development**
  - **Acquisition**
  - **Post Closing Management**
    - **Installation support**
    - **Portfolio management**
- **One-Stop Shop**
  - **Project managers, financial analysts, lawyers, real estate specialists, Contracting Officers and housing experts**
  - **Government and contract expertise**



**U.S. AIR FORCE**

---

# ***Housing Privatization Works***

- **The Air Force plans to privatize all US housing**
  - **To date, 69% has been privatized**
  - **Faster than estimated for MILCON**
- **Dyess and Robins will reach their 10 year anniversary in Sep**
- **Occupancy is over 91%, an all time high**
  - **Occupancy with completed construction is over 95%, the highest in over six years**



**U.S. AIR FORCE**

# *Our Proven Success*

Kirtland AFB, before



*Integrity - Service - Excellence*



**U.S. AIR FORCE**

# *Our Proven Success*



Kirtland AFB, after

*Integrity - Service - Excellence*



**U.S. AIR FORCE**

---

# ***HP Success Story***

- **44 Bases privatized ~ 37,244 Homes**
- **\$7B construction program for \$423M government investment**
  - **15:1 leverage ratio**
- **639 new or renovated homes delivered in July**
  - **438 new, 201 renovated**



**U.S. AIR FORCE**

# Housing Privatization in Solicitation

Projects	# of Units	Est. Closing
<b>Continental Group</b>		
Edwards	796	Sep 2011
Eglin	993	Sep 2011
Eielson	974	Sep 2011
Hurlburt	484	Sep 2011
McConnell	364	Sep 2011
Seymour Johnson	710	Sep 2011
<b>Northern Group</b>		
Cannon	763	Dec 2011
Cavalier	14	Dec 2011
Ellsworth	283	Dec 2011
Grand Forks	833	Dec 2011
Minot	1,746	Dec 2011
Mountain Home	1,155	Dec 2011

Projects	# of Units	Est. Closing
<b>Southern Group</b>		
Arnold	22	Apr 2011
Charleston	345	Apr 2011
Keesler	1,188	Apr 2011
Shaw	630	Apr 2011
<b>Western Group</b>		
Beale	509	May 2011
FE Warren	823	May 2011
Malmstrom	1,224	May 2011
Whiteman	932	May 2011
<b>Single Bases</b>		
Dyess II	1,067	Jun 2011
Joint Base Elmendorf/ Ft Richardson	1,240	Jan 2011
Wright Patterson II	101	2011



**U.S. AIR FORCE**

---

# ***AFCEE Web Site***

- **For more information refer to AFCEE's home page:**
  - <http://www.afcee.af.mil>
- **Also, the AFCEE Housing Privatization home page:**
  - <http://www.afcee.af.mil/resources/housingprivatization/index.asp>



---

*Integrity - Service - Excellence*