



KNOW YOUR HOUSING CHOICES: Paying Rent in Privatized Housing

Privatized housing (PH) is one of the many choices you have for family housing at your location. While it retains the sense of military community you've come to expect from Military Family Housing (MFH), PH is much more like community rental housing. Similar to renting in the community, you sign a rental lease agreement and pay rent.

How is PH different from Military Family Housing (MFH)?

PH is a government-business agreement to provide quality homes for military families. These are not government-owned homes. A property owner is the landlord and controls the property while providing management and maintenance services.

How do I pay rent in Privatized Housing?

As with living in the local community, you will receive your Basic Allowance for Housing (BAH) and sign a tenant lease agreement, typically for a one-year term. Your lease includes a military clause and a lease termination clause. Rent is normally due the first of the month and the first month's rent is pro-rated from your lease start date. The monthly rental payment is set-up by the Member authorizing an allotment that is directly paid to the property owner. Payment for any portion of the rent owed prior to the allotment start date must be paid directly to the property owner by the Member. The Tenant Lease Agreement spells out all relevant rent payment terms and conditions.

Why do I pay rent for Privatized Housing?

Like MFH, PH is "on-base". However, PH is very much like community housing. Unlike MFH where you forfeited your entire BAH, in PH you receive BAH. When you choose PH you pay rent for the leased home. The property owner uses those funds to pay for improvements (new construction/renovation), maintenance, and property management, just as businesses owning and operating rental property in the local community.

How much will I pay for rent?

Your rent is calculated using the current BAH rate for your rank as a basis. From this, 110% of the average cost of gas and electric utilities (for your type of unit) is subtracted to determine the rent. Your rent payment includes water, trash, and sewage expenses while you keep the remainder of the BAH to pay for gas and electric.

EXAMPLE	
BAH	\$1000.00
Average Monthly Utilities (\$200.00)	
Utility Allowance (110% of \$200.00)	- \$220.00
Rent = \$780.00	

How do I pay for gas and electric utilities?

That may depend on whether your house is metered or not. If the homes are not metered, your rent will include these utility costs. If the homes are metered, you are billed directly for gas and electric. Depending on your location, you may be billed by your utility company or by the privatized community itself. In all cases, the more energy you conserve, the more money you keep in your pocket!

Why do I pay the same rental amount for an older/un-renovated home as other Airmen pay for a newer home?

All privatized housing units are designated for occupancy by rank. Rent is based on the BAH for your rank and not the age of the home. There will be "haves and have-nots" just as if we had improved homes over



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time with military construction funds. In addition, during the construction period, the property owner has to manage and execute a construction schedule that will bring all homes up to market standards within a certain amount of time, usually less than 6 years. Airmen retain the right to choose where they want to live, but we hope they choose PH.

Why do Airmen of the same rank pay different rental amounts for a similar house?

The housing privatization project's success hinges on the property owner's ability to keep homes occupied. Unlike when housing was government-owned, the property owner is allowed to offer incentives or discounts, as necessary to attract renters, just like any private landlord downtown. The property owner has to make these business decisions, when necessary, with full Air Force understanding and support that it may result in members of the same rank paying different rates. Again, this is just as rental housing is managed in the local community.

Will I have any other housing expenses?

That depends on your location and personal lifestyle. Typical privatized communities would look something like this:

- You will NOT have to pay a deposit (except possibly a refundable pet deposit)
- You should purchase and pay for renter's insurance
- Your move entitlements will be in accordance with government regulations

How does BAH work?

BAH is the key that opens the door to housing choices. It provides you a market equitable allowance based on costs of housing (rent and utilities) in the local market. You receive BAH (based on your rank) when government housing is not provided. Every year, the BAH rates may fluctuate based on how your local

economy changes. However, once you are assigned to a location, your "minimum" BAH is established.

If BAH decreases/increases, does that affect my rent?

Good question! DoD "Rent Protection" prevents BAH from decreasing once you have been assigned to your duty station (except for some dependency status changes). BAH may increase, NOT decrease. If BAH increases, rent may increase since BAH is the basis for the rent calculation.

If I have a question or disagreement, who do I call?

As with any rental community or homeowner's association, your primary contact is the on-site property manager.

- The Housing Office is **your advocate** and is in constant contact with the property manager to assist when necessary
- The Housing Office also mediates, just like in the local community

Privatized Housing is a good deal!

Take advantage of the benefits of a military community while enjoying the quality and amenities of a modern lifestyle. Obtain more information on PH from your housing office or the property manager – join one of our privatized communities!