

Basic Allowance for Housing/Overseas Housing Allowance

Media reports and housing market analyses indicate that across the nation there are fewer available homes for rent than is typical. Occupancy and rents are up, and unit turnover is down. In addition, the home-purchase market has also seen low availability of homes and high prices.

Where are military families being impacted?

Of the more than 300 military housing areas across the U.S., average median rental housing costs have increased at least 10% over 2021 BAH rates in approximately 56 military housing areas.

What is impacting housing availability?

Some housing challenges may be due to the COVID-19 pandemic. Reports indicate that some tenants have relocated away from population-dense urban environments during the pandemic, or because of increased telework opportunities. This added demand for housing in parts of the country is pushing costs higher. Inflation also increased notably in early 2021, affecting rental and mortgage rates. Whether the increase is transitory or longer term is to be determined.

Factors affecting housing affordability

Many factors can influence the costs members pay for housing, including location, size and age of the home, features and amenities, and any services associated with the home or community. A service member's housing expenses may be higher or lower than their BAH based on their choice of housing and location. Service members should consider the total housing cost, how much that may exceed their BAH, and what will have to be paid out of pocket.

How are housing allowances developed? What are they meant to cover?

Basic Allowance for Housing is a fundamental component of the military pay package. Paid monthly, it enables active-duty service members (and full-time National Guard) in the U.S. to live in communities surrounding their duty stations or home ports in housing on par with civilians with comparable incomes.

- BAH rates are based on the median cost of rent plus average utility costs.
- Rates vary by pay grade, dependency status and location.
- A 5% out-of-pocket expense (based on an average by pay grade) is built into the rate.

Each year, DOD sets monthly BAH rates for over 300 MHAs across the U.S. based on rental market data collected the prior calendar year. This data ensures BAH rates reflect market costs.

Overseas Housing Allowance is also paid monthly. It allows active-duty service members stationed outside the U.S to offset expenses for housing in local communities.

- OHA is composed of rental and utility/recurring maintenance allowances.

- Allowances are structured so that 80% of service members whose dependents accompany them overseas have rental payments fully reimbursed.
- For single or unaccompanied service members, OHA is up to 90% of the maximum rental allowance paid to accompanied members.
- Service members are paid either the amount of their rent or the maximum amount authorized for them, whichever is lower.

What resources are available to assist service members with housing expenses?

There are pay and compensation options available for service members and families when they encounter challenges in securing long-term housing in the commercial market. Service members may request advance payment of up to three months of BAH or Basic Pay (Basic Pay advance can only be authorized in conjunction with a PCS).

These advance payments are like short-term, interest-free loans that are paid back (usually over 12 months). Repayment can begin as soon as the month after the advance is disbursed to the member. Members also can request to receive their PCS Dislocation Allowance, if eligible, in advance of starting their PCS travel. Information regarding advance Basic Pay, BAH and Dislocation Allowance payments is available through the local finance office.

Helpful information

Basic Allowance for Housing

2021 BAH primer: <https://www.defensetravel.dod.mil/Docs/perdiem/BAH-Primer.pdf>

BAH calculator: <https://www.defensetravel.dod.mil/site/bahCalc.cfm>

BAH FAQs: <https://www.defensetravel.dod.mil/site/faqbah.cfm>

BAH service representatives: <https://www.defensetravel.dod.mil/site/bahReps.cfm> BAH fact sheet: https://www.defensetravel.dod.mil/Docs/Fact_Sheet_BAH.pdf

Overseas Housing Allowance

OHA calculator: <https://www.defensetravel.dod.mil/site/ohaCalc.cfm>

OHA FAQs: <https://www.defensetravel.dod.mil/site/faqoha.cfm>

OHA survey information: <https://www.defensetravel.dod.mil/site/ohaSurvey.cfm> OHA fact sheet: https://www.defensetravel.dod.mil/Docs/Fact_Sheet_OHA.pdf OHA process guide: https://www.defensetravel.dod.mil/Docs/DoD_Overseas_Station_and_Housing-Allowance_Process_Guide.pdf MIHA Process Guide: [https://www.defensetravel.dod.mil/Docs/DoD_MoveIn_Housing-Allowance_\(MIHA\)_Process_Guide.pdf](https://www.defensetravel.dod.mil/Docs/DoD_MoveIn_Housing-Allowance_(MIHA)_Process_Guide.pdf)

BAH and OHA Policies in the DOD Financial Management Regulation:

https://comptroller.defense.gov/Portals/45/documents/fmr/current/07a/07a_26.pdf