

Real Estate

Acquiring, Administering, and Disposing of Real Estate

For the Commander in Chief:

DAVID L. BENTON III
Major General, GS
Chief of Staff

Official:



DALE E. PEYTON
Colonel, GS
Deputy Chief of Staff,
Information Management

Summary. This regulation establishes policy on acquiring, administering, and disposing of real estate in areas under the control of the Commander in Chief, USAREUR.

Applicability. This regulation applies to—

1. PURPOSE

This regulation establishes general command relationships and policy for acquiring, administering, and disposing of real estate in areas—

a. Under the control of the Commander in Chief, USAREUR.

b. Where DOD organizations are supported by responsible commanders (glossary).

2. REFERENCES

a. USEUCOM Directive 62-3, Real Estate Operations.

a. U.S. Army elements in areas under the control of the Commander in Chief, USAREUR.

b. DOD organizations supported by "responsible commanders" (identified in glossary).

Supplementation. Commanders will not supplement this regulation without Commander in Chief, USAREUR, approval.

Interim Changes. Interim changes to this regulation are not official unless authenticated by the Deputy Chief of Staff, Information Management, USAREUR. Interim changes will be destroyed on their expiration dates unless sooner superseded or rescinded.

Suggested Improvements. The proponent of this regulation is the Office of the Deputy Chief of Staff, Engineer, HQ USAREUR/7A (AEAEN-RE, 370-6009). Users may send suggestions to improve this regulation on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander in Chief, USAREUR, ATTN: AEAEN-RE, Unit 29351, APO AE 09014.

Distribution. Distribute according to DA Form 12-88-E, block 0449, command level C.

b. AR 11-18 with USAREUR Supplement 1, The Cost and Economic Analysis Program.

c. AR 405-10, Acquisition of Real Property and Interests Therein.

d. AR 405-90, Disposal of Real Estate.

e. AR 415-35, Major Construction, Emergency Construction, and Replacement of Facilities Damaged or Destroyed.

f. AR 420-17 and USAREUR Supplement 1, Real Property and Resource Management.

USAREUR Reg 405-5

g. USAREUR Regulation 350-22, Maneuver and Field Training Exercise Rights in the Federal Republic of Germany.

h. USAREUR Regulation 405-4, Acquiring, Managing, and Disposing of Real Estate in Belgium, The Netherlands, Luxembourg, France, and the United Kingdom.

i. USAREUR Regulation 405-8, Acquisition, Administration, and Disposal of Real Estate in the Federal Republic of Germany.

j. USAREUR Regulation 405-9, Acquisition, Administration, and Disposal of Real Estate in Italy.

k. USAREUR Regulation 405-15, Facilities Utilization Management.

3. ABBREVIATIONS AND TERMS

The glossary explains abbreviations and terms used in this regulation.

4. USAREUR REAL ESTATE ACTIVITIES

AUTHORITY

The authority defined in AR 405-10 and USEUCOM Directive 62-3 for real estate activities in the Commander in Chief, USAREUR, areas of responsibility (AORs) is delegated to the Deputy Chief of Staff, Engineer (DCSENGR), USAREUR. The DCSENGR may redelegate this authority.

5. RESPONSIBILITIES

a. Responsible commanders (glossary) will—

(1) Determine real estate requirements in their AORs according to appropriate USAREUR regulations.

(2) Initiate requests for acquiring and disposing of real estate, and send these requests to HQ USAREUR/7A (AEAEN-RE) for approval.

(3) Manage, assign, use, maintain, secure, and preserve real estate under their jurisdiction. Leased facilities will be managed in coordination with the supporting real estate field office (REFO) and its real estate contracting officer (RECO).

(4) Budget for real estate costs (for example, rents, initial alterations, restorations) in their AORs.

(5) Send recommendations for Government Rental Housing Program (GRHP) and alternate RECOs to the Director, Real Estate Division, Office of the Deputy Chief of Staff, Engineer (ODCSENGR), HQ USAREUR/7A.

b. The Deputy Chief of Staff, Logistics (DCSLOG), USAREUR, will coordinate and review real estate requirements to be included USAREUR operation plans (OPLANs) for lines of communications in Belgium, The Netherlands, and Luxembourg (BENELUX); Greece; Italy; Turkey; and the United Kingdom.

c. The DCSENGR will—

(1) Appoint the Director, Real Estate Division, ODCSENGR.

(2) Designate USAREUR REFOs to provide realty services in responsible-commander AORs.

d. The Director, Real Estate Division, ODCSENGR, will—

(1) Issue warrants to RECOs and their alternates (a(5) above).

(2) Provide real estate services to U.S. Forces agencies, DOD agencies, and units in AORs listed in USEUCOM Directive 62-3 through subordinate REFOs and designated RECOs.

(3) Conduct real estate functions outside responsible-commander AORs, when directed by USEUCOM.

(4) Provide real estate liaison services in the United Kingdom.

6. TREATY AGREEMENTS

Real estate operations in responsible-commander AORs are affected and governed by international agreements and implementing administrative arrangements between host Governments and the United States. Acquisition, administration, and disposal of real estate will follow the provisions of these agreements and will be conducted according to the laws and customs of the particular country.

7. POLICY

a. Existing facilities under U.S. control will be used to accommodate new requirements before real estate holdings are increased. Property furnished to the U.S. Forces without charge will be used for new requirements when possible.

b. Every requirement for new acquisition of property will be submitted through the responsible commander. Except in cases involving temporary occupancy under a valid maneuver rights authorization (USAREUR Reg 350-22), the requesting base support battalion (BSB) will not allow occupancy of the property until—

(1) Formal documentation is completed by the responsible RECO and the lessor.

(2) The property is properly assigned to the BSB.

c. Under exceptional circumstances, occupancy of accommodations (for example, family housing) before completion of real estate documentation may be necessary to meet a commitment date made with the lessor. Permission to occupy the property in this case will be obtained from ODCSENGR (AEAEN-RE).

d. The acquisition of property by lease or build-to-lease, whether direct or indirect, should not be adopted as an indefinite solution to a long-term accommodation need. Long-term accommodation requirements should be met through military construction or use of rent-free consignments from the host nation. DOD policy requires that a determination be made of the best long-term economic alternative (lease versus construction). Responsible commanders will analyze accommodation needs and make a concerted and continuing effort to provide space through military construction or rent-free consignment accommodations.

e. Initial alterations to leased property may be required by the U.S. user on occupancy. Commanders must identify necessary initial alterations to the proposed accommodation to the RECO as soon as possible to allow inclusion in lease negotiations with the lessor. When initial alterations are required, negotiated costs will not exceed the USAREUR commanders' delegated project-approval authority of \$300,000 (the Operation and Maintenance, Army (OMA), limitation prescribed by AR 415-35). Commanders also must obtain approval from ODCSENGR (AEAEN-RE) for initial alterations that exceed 100 percent of the first year's property rental.

f. AR 415-35 applies to all construction, alteration, and repair measures undertaken during the tenure of the lease.

g. Responsible commanders will ensure that alterations, additions, or improvements made to leased rent-payable property are coordinated with the responsible RECO in advance to obtain specific approval of the lessor or to ensure that they are in keeping with the terms of the lease contract. When significant improvements are necessary, the RECO will reach an agreement with the lessor about the ultimate disposition of improvements or credit to the United States for the improvements on termination of the lease and include it in the lease contract or as an amendment to the lease contract, as applicable.

8. METHODS OF REAL ESTATE ACQUISITION

The U.S. Forces in Europe do not normally purchase or otherwise acquire titles to real property. Real estate acquisitions will be coordinated with the DCSSENGR and the

DCSLOG and will be acquired by one of the following methods:

a. Direct Leasing. The U.S. Forces enter into a lease contract directly with the lessor. (Limited to certain host countries where specific agreements authorize this method.)

b. Indirect Leasing. The U.S. Forces obtain the property through the host nation. The host nation coordinates contract terms and conditions with U.S. Forces, concludes a contract with the owner, and assigns the property to the United States under a contractual instrument (for example, real property obligation document (RPOD) in Germany) adopted by special agreement between the host nation and the U.S. Forces. Terms in the contract between the host nation and the lessor will normally apply in the contractual arrangement between the host nation and the U.S. Forces if coordinated with and approved by the U.S. Forces in advance.

c. Consignment by the Host Nation. Property owned by the host nation is made available to the U.S. Forces, usually rent-free, under special consignment agreement or technical arrangements between the United States and the host Government. The consignment procedure also may be used to make property owned by an organization or person other than the host nation (for example, State-owned property or alternate construction in Germany) available to the United States. The general terms and conditions for U.S. use are specified in the basic agreement or technical arrangements. Individual properties are documented by a consignment agreement (for example, Accommodation Consignment Agreement in Germany, Record of Consignment in Italy). This document is concluded between the host Government agency and the U.S. Forces. The agreement will include specific provisions for use and occupancy of the particular property.

d. Interdepartmental Transfer. Rental or rent-free accommodations are transferred to the U.S. Army from another U.S. component or department. Requests to transfer property to USAREUR control will be sent through the responsible commander to the ODCSENGR (AEAEN-RE) for review for approval or disapproval. Instructions about these transfers will be issued to the responsible commander based on the particular case. Real property records and transfer documents will be thoroughly reviewed and discrepancies corrected before the transfer.

e. Build-to-Lease. A concept used to overcome the near-term shortages in family housing and other facilities in USAREUR. Family housing is constructed by private individuals or firms to meet the specific U.S. requirement and leased for U.S. Forces use for firm-term periods up to 10 years; OMA-funded properties for firm-term periods up to 5 years. The build-to-lease may be used for family housing,

USAREUR Reg 405-5

schools, warehouses, commissaries, and administrative space.

9. REQUIREMENTS AND LIMITATIONS

a. Lease acquisitions or renewals (except for family housing) for a firm-term period that exceeds 1 year and has an annual rental cost exceeding \$50,000 require approval of the DCSENGR. Requests for approval must be submitted to ODCSENGR (AEAEN-RE-AD) with an economic analysis (AR 11-18 and USAREUR Suppl 1) at least 3 months before lease commencement or renewal date.

b. Lease acquisitions or renewals (except those for family housing) for a firm-term period that exceeds 1 year and has a rental cost over \$250,000 a year require approval of the Assistant Secretary of Defense. Requests for this approval must be—

(1) Processed according to AR 405-10.

(2) Accompanied by an economic analysis prepared according to AR 11-18 and USAREUR Supplement 1.

(3) Sent to ODCSENGR (AEAEN-RE) not less than 6 months before the proposed new lease or renewal.

c. Family housing leases or renewals exceeding \$250,000 annual rental require DCSENGR approval and economic analyses.

d. Family housing leases and lease renewals that exceed an estimated annual rental of \$500,000 require clearance from Congress (Senate and House Armed Services Committees). This applies to both single leases, contracts, RPODs consisting of multiple units where total contract exceeds the limit, and groups of leases with the same lessor when properties are located in the same area support group (ASG), BSB, or area support team (AST). Draft acquisition reports prepared according to AR 405-10 must be accompanied by an economic analysis (AR 11-18 and USAREUR Suppl 1) and must be submitted to ODCSENGR (AEAEN-RE) not less than 8 months before a proposed new lease, or 12 months before a proposed renewal of an existing lease.

10. TRANSFERS AND ACCOUNTABILITY

a. On acquisition of real estate, the RECO will transfer the property to the appropriate BSB or installation commander. Transfer will be made on DD Form 1354 (Transfer and Acceptance of Military Real Property). Transfer documents will include a copy of the lease instrument, RPOD or consignment document, inventory and condition report,

warranties, and accompanying maps and plans. This documentation, when authenticated by the BSB or installation real property accountable officer, will establish that officer's accountability for the real property (AR 420-17 and USAREUR Suppl 1).

b. DD Form 1354 also will be used to document and assume accountability for real estate transferred to USAREUR from other component services or departments.

c. When personal movable property is to be returned to the lessor before termination of the lease, the RECO will arrange the return. The RECO will obtain a signed receipt from the lessor and amend the contract to document the return. Accountable records will be adjusted to show advance releases.

11. ASSIGNMENT OF USE AND SAFEGUARDING

a. The BSB or installation commander will assign the property to the using agency. The BSB or installation commander also will ensure that the property is adequately safeguarded and used according to the terms of the lease contract, consignment agreement, or other acquisition instrument. Responsibilities for allocation, use of space, and conduct of periodic inspections are in USAREUR Regulation 405-15.

b. Responsibilities for upkeep and repair of properties under U.S. control is covered by DA and USAREUR regulations in the 420- series.

c. The responsible commander, through the director of engineering and housing (DEH), will conduct an annual review of lease requirements according to AR 405-10 and an inspection of the properties. Commanders will immediately initiate action according to lease provisions to terminate leases identified as excess during the annual review of leases. Inspections will ensure the lessor is performing the essential maintenance and repairs that are the lessor's responsibility under the terms of the lease. Repairs or services that are the responsibility of the lessor under the terms of the lease must not be performed by the U.S. Government.

d. Repairs and maintenance that are the responsibility of the U.S. Government under the terms of the lease will be performed either by in-house personnel and resources or by contract. If not performed in-house, work must be requested and authorized by DA Form 3953 (Purchase Request and Commitment) through the BSB DEH to a supplies and services contracting officer. The supplies and services contracting officer will conclude the required repair and maintenance contract.

12. DISPOSAL

a. The responsible U.S. commander will immediately submit a request for termination of the accommodation contract to HQ USAREUR/7A (AEAEN-RE) on a determination of excess real estate.

b. The RECO will furnish the lessor or host nation agency a notice of termination when real estate becomes excess to U.S. needs and is approved for release. The termination will be effective at the end of the advance notification period as required under the terms of the particular real estate contract, RPOD, or consignment document.

c. At the time of release, the responsible RECO and BSB DEH will perform a joint inspection of the property with the lessor and representatives of the host Government. A joint record inventory and condition report will be prepared and signed by the authorized U.S. and host nation representatives. The inventory and condition report will describe the condition of and any damages to or other deficiencies in the property. The report also will include all U.S. improvements left in the real estate.

d. Settlement with the property owner for the value of any U.S. improvements left in the property or for restoration of the premises will be made according to the terms of the lease contract, RPOD, or consignment document. Settlement will be according to existing special international agreements and implementing or technical arrangements with the host Government.

e. When property acquired under direct lease is vacated and the lessor does not require restoration, a written waiver of U.S. liability should be obtained from the lessor on release of the property.

13. RESTORATION SETTLEMENTS

For real estate acquired under the direct-lease method, claims for damages to real estate arising at the time of U.S. release of the property will be settled according to the terms of the lease contract. For real estate acquired by indirect or

consignment methods, claims will be settled according to the terms and conditions of the special agreement with the host Government (for example, on-the-spot agreement).

14. DISPOSAL OF IMPROVEMENTS LOCATED ON LAND RETAINED BY THE U.S. FORCES

a. U.S.-owned buildings and improvements will be dismantled only when convincing reasons for removal exist. These reasons may include—

(1) Improvements are economically removable, no longer required at their present location, and needed or can be used elsewhere.

(2) Improvements have deteriorated to the degree that they are nuisances or hazards to life or property, and cannot be repaired or rehabilitated at a reasonable cost.

(3) Improvements occupy or interfere with sites needed for new construction for which funding and execution approval have been obtained.

b. Sale or donation of excess U.S.-owned buildings and improvements is governed by AR 405-90, chapter 5.

c. Buildings and improvements not owned by the U.S. Forces may be removed only if advance written approval is obtained by the responsible REFO from the owner or designated host nation agency and if one or both of the situations described in a(2) and (3) above apply.

15. REAL ESTATE APPROVAL AUTHORITY

USAREUR Regulations 405-4, 405-8, and 405-9 prescribe delegated real estate approval authorities for acquisition and disposal of real estate, removal of buildings, improvements, settlement of real estate restoration, and other compensation claims for responsible-commander AORs.

Glossary

USAREUR Reg 405-5

GLOSSARY

SECTION I

ABBREVIATIONS

AOR	area of responsibility
ASG	area support group
AST	area support team
BENELUX	Belgium, The Netherlands, and Luxembourg
BSB	base support battalion
DA	Department of the Army
DCSENGR	Deputy Chief of Staff, Engineer, USAREUR
DCSLOG	Deputy Chief of Staff, Logistics, USAREUR
DEH	director of engineering and housing
DOD	Department of Defense
GRHP	Government Rental Housing Program
HQ USAREUR/7A	Headquarters, United States Army, Europe, and Seventh Army
ODCSENGR	Office of the Deputy Chief of Staff, Engineer, HQ USAREUR/7A
OMA	Operation and Maintenance, Army
OPLAN	operation plan
RECO	real estate contracting officer
REFO	real estate field office
RPOD	real property obligation document
U.S.	United States
USAREUR	United States Army, Europe
USASETAF	United States Army Southern European Task Force
USEUCOM	United States European Command

SECTION II

TERMS

consigned property

Real estate made available for U.S. Forces use by the host country by special arrangement other than lease.

easement

A right that allows the U.S. Forces access to and use of real property for a special purpose without depriving the owner or tenant of continued use.

initial alterations

Any improvement, addition, or change to property made at the time of acquisition to adapt the property to the needs of the U.S. user agency and agreed on before U.S. occupancy.

lease

A contract between two parties by which one party (lessor) grants the other party (lessee) an exclusive or limited right of use of real property for a determined period in return for payment of compensation (rent) or other consideration.

real estate

Land and interests in land, buildings, structures, utility systems, other improvements ordinarily considered as real property, and limited interests (for example, rights of way, easements, training rights in land).

real estate contracting officer

An officer, U.S. civil service employee, or local national employee of the U.S. Government designated to perform real estate functions in a specified area. Warrants issued by the Director, Real Estate Division, Office of the Deputy Chief of Staff, Engineer, HQ USAREUR/7A, will be the basis for the authority to enter into and administer real estate contracts and carry out associated transactions.

real property accountable officer

The individual designated according to AR 420-17, paragraph 4-4, to maintain accountable records for all real property at an installation.

responsible commander

a. In Germany: area support group (ASG) commander through the base support battalion (BSB) commander and BSB director of engineering and housing (DEH);

b. In Italy: the Commander, United States Army Southern European Task Force (USASETAF) (according to AR 405-9);

c. In Belgium, The Netherlands, and Luxembourg (BENELUX), and the United Kingdom: the Commander, 80th ASG (according to USAREUR Reg 405-4).

right of way

A right obtained by the United States that gives the U.S. Forces the right to pass through property belonging to another organization or person.

warrant

A document that delegates authority to enter into real estate contracts with specified limitations.