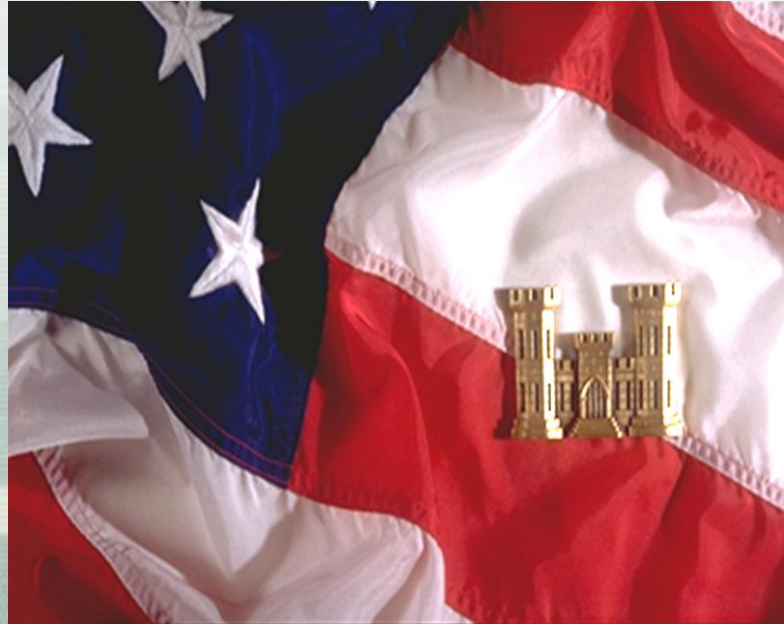


OVERSEAS REAL ESTATE

Patrick Murphy
Chief Appraiser
July 2010



®

US Army Corps of Engineers
BUILDING STRONG®

Overseas Leasing Authorities

- **10 USC 2828** Military family housing
- **10 USC 2675** Overseas leases, other than military family housing



Contingency Real Estate Support Team (CREST)

CREST provides delegated real estate leasing authority to the theater, and guidance and advice on real estate matters to the theater commander. CREST provides leases for private property (or host nation agreements as applicable) needed for billeting, hardstand, warehouses, office space or other mission requirements. CREST provides real estate services throughout the spectrum of operations anywhere in the battle space through all phases of operations.



Relevance to the Warfighter. CREST provides the legal authority to lease private property or enter into agreements to use host nation property for military contingency operations.



Contingency Leasing Concept / Application

- Only enemy real estate is seized by force
- All other real estate must be acquired thru agreements with the Host Nation (HN) or by lease



CREST MISSION

Mission: Real estate support to U.S. Forces during overseas contingency operations:

- **Operations leading to war**
- **War**
- **Operations other than war**



CREST

Contingency Roles

Support Provided During Military Contingency Operations

- Guidance & advice to theater CDR on real estate matters
- Acquire property required for billeting, safe houses, raw land, hardstand, warehouses, office space, reception, staging, onward movement and integration (RSOI), including entire bases (Albania, Afghan, Hungary, Kyrgyzstan), airports, railhead, etc.
- If Host Nation (HN) provides real estate, CREST executes Land Use Agreements
- When Host Nation doesn't provide real estate, then CREST acquires through leasing of private property
- Dispose of real estate interests when no longer required
- Process real estate claims, as applicable (along w/JAG under FCA)



LEASES

Leases may consist of billeting, safe houses, raw land, hardstand, warehouses, office space, airports, etc. or entire bases



Real Estate Issues

Land Title / Ownership

- Valid title; valid documents
- The real owner; or authorized agent
- Absentee owners -- some now returning home

Funding

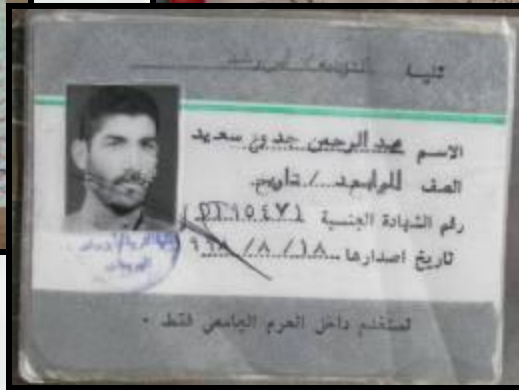
- Using units or command
- Prior year funding (ARCENT)

Claims

- After possession and use
- Coordinate with Foreign Claims officer / JAG



Who are you dealing with?



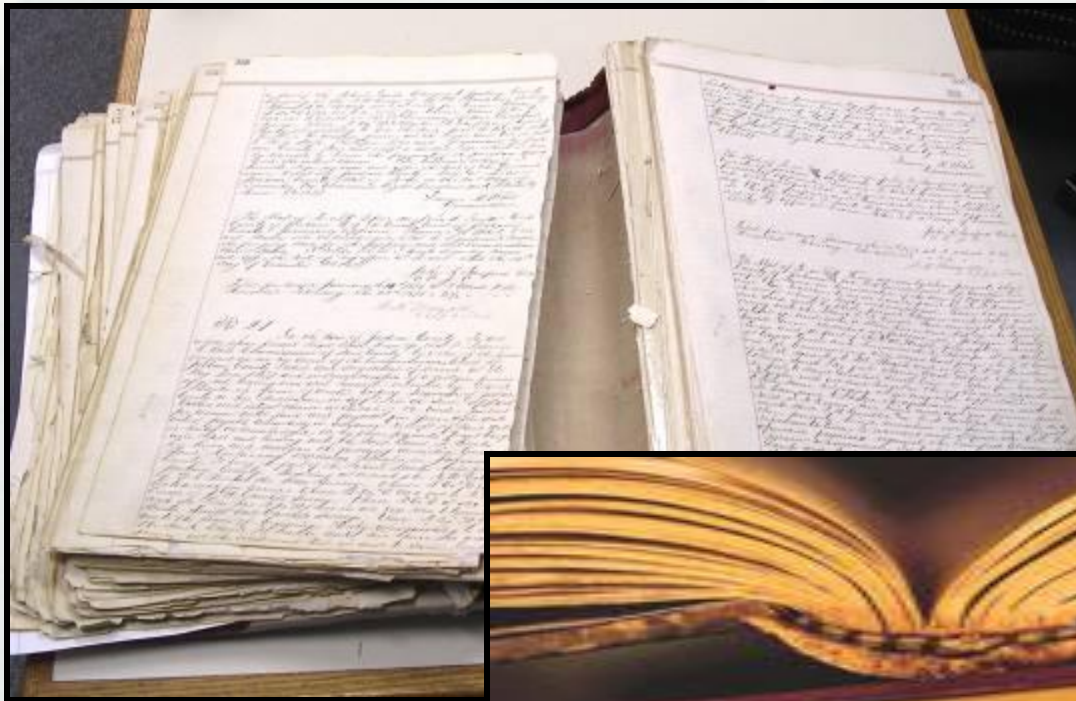
TITLE EVIDENCE

- Who is this guy?
 - What proof of identification does he have?
- What kind of documentation does he have?
 - Current or from a past ownership?
 - For the right property.
 - Is it counterfeit?



Title / Ownership

- How is title documented? Recorded?



BUILDING STRONG®

Kabul Municipality



LEASE PAYMENTS

- How will payment be made?
- Advance payments?
- Cash, check, EFT
- Local currency, US dollars or other Currency



FUNDING

- How will funding request be made and approved?
- Who will work the process?
- How long will the process take?
- Are there dollar limits that trigger special process or review that will require additional documentation or justification?
- What kind of funds? O&M?



Valuation₁

- The fast pace of contingency operations often precludes application of traditional appraisal approaches.
 - ▶ Use local experts
 - ▶ Crop production cycles
- Lack of sophisticated markets.
- No courthouse records for comps.
- Few rentals to examine income stream.



Valuation₂

- At a minimum, our realty specialists are expected to document efforts to identify and track market rental values in the area.
- At a minimum, a brief “Government Estimate of Rental Value” should be prepared and retained in the lease file.



Situations Foreign Countries₁

Europe

- Developed countries have major brokerage firms
- Local jurisdictions - some gather good info
- Eastern Europe & New Independent States (of former Soviet Union) - title is not easily traced; lack of defined real property rights & ownership



Situations Foreign Countries₂

Middle East

- Some countries have real estate markets (Sudan, Pakistan, Israel).
- Transactions are difficult to compare due to motivations, taxes and ownership.
- Some countries with monarchies or dictators do not have a market or recognize H&BU.
- H&BU and market comparability might be there for markets such as oil; but land is not viewed the same.



Situations Foreign Countries₃

Africa

- A mixed bag; depends on who colonized it, and the level of business carried on during colonization (Was it a trading or merchant city?)
- If Dutch or English is spoken; generally there are appraisers
- Some areas similar to the Middle East, if there is a king or dictator
- Cost approach by engineers is typical





Kyrgyzstan CREST Team with translator and driver
(OEF)



Situations Foreign Countries₄

- Fee simple title is not commonly understood
- Construction standards are not US
- Utilities & services are not US standards
- Access, and security differ greatly



Situations Foreign Countries₅

- Title and ownership RISKS
 - ▶ Former owners/tenants reassert rights
 - ▶ False claims of ownership
- Markets can change quickly
 - ▶ Especially with unrest & violence
- Construction materials & standards
- Terminology



Situations Foreign Countries₆

- Units of Measure
 - ▶ Jaribs or jiribs or jeribs
 - ▶ Donum or dunum
 - ▶ Hectares
 - ▶ Acres
- Interpreters and Translators
 - ▶ Key to our success



Challenges



Contingency Leasing

The Big Picture

OEF / OIF / ONE and OST

- **Over 7,350 leases for \$198+ million.**
 - ▷ 5,769 in Iraq (\$13.3m)
 - ▷ 1,268 in Afghanistan (\$37.3m)
 - ▷ 82 in Kyrgyzstan (\$6.2m)
 - ▷ 130 in Kuwait, Somalia, Turkey, Qatar, Djibouti (\$40.4m)
 - ▷ 13 in Haiti (\$1m)
 - ▷ 89 in CONUS (\$100m)
- **570 leases are currently active.**
- **146 volunteers to 10 different countries.**
- **33 currently deployed in 2 different countries.**



Current USACE Real Estate AORs (contingency operations)

- USCENTCOM – TAD (MOA with SAS to provide some RE reach back)
- USEUCOM & USAFRICOM – NAU (forward element of NAD)
 - NAB is RE lead
- USNORTHCOM – HQUSACE & NWD
- USPACOM – POD
- USSOUTHCOM – SAD; SAM is RE lead



Disposal of Excess Foreign Real Estate

- ***Procedures set forth in AR 405-90, Chapter 7***
- ***Chief of Engineers has primary oversight of disposals***
 - ***Which means that we should be LAST OUT***



Real Estate Under All is the Land



CREST CONTACTS

Dwain McMullen

CREST Program Manager

202-761-1432

Dwain.D.McMullen@usace.army.mil

Scott Mason

Trans Atlantic Division

540-667-3296

Marlin.S.Mason@usace.army.mil

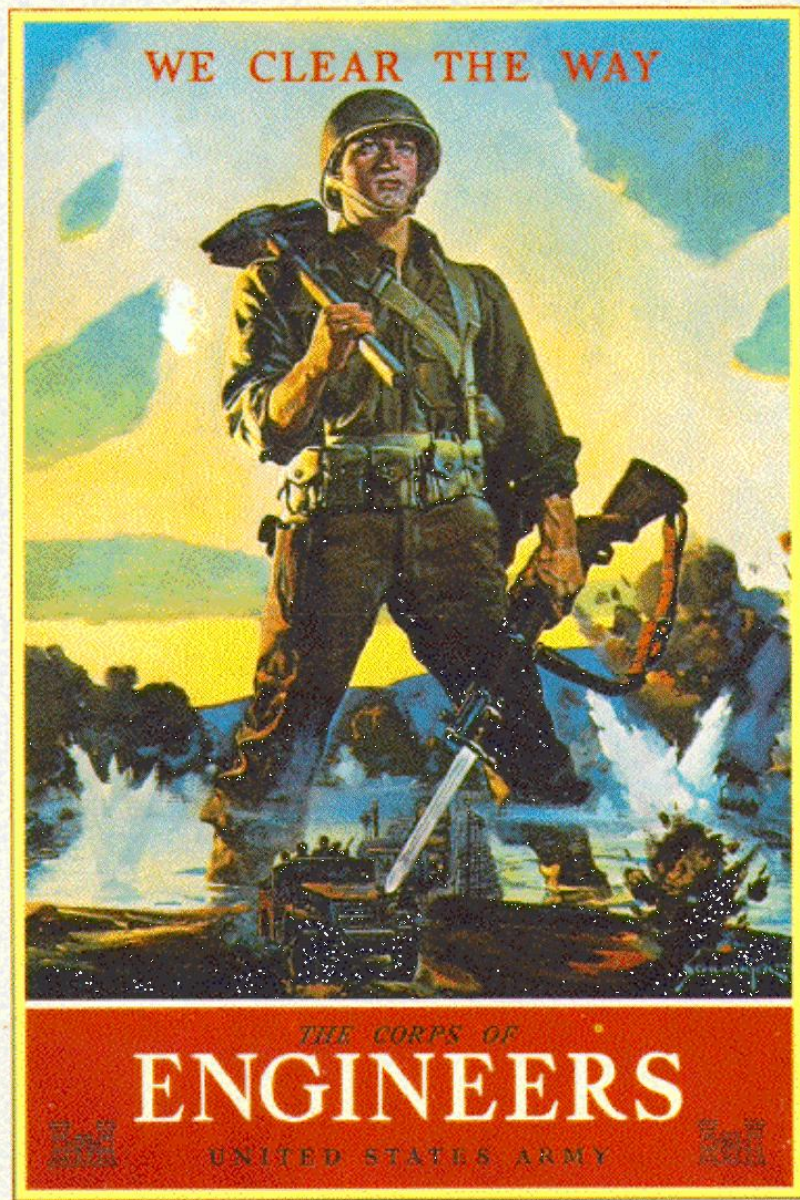
Robert Wright

HQ-USACE CREST

202-761-5565

Robert.E.Wright@usace.army.mil





Patrick Murphy
Chief Appraiser
U.S. Army Corps of Engineers

Headquarters, CEMP-CR
441 G Street NW, Room 3T64
Washington D.C. 20314

patrick.j.murphy@usace.army.mil

