

Headquarters  
United States Army Europe  
Wiesbaden, Germany

Army in Europe  
Regulation 405-5\*

Headquarters  
United States Army Installation Management Command  
Europe  
Sembach, Germany

17 October 2019

## Real Estate

### Acquiring, Managing, and Disposing of Real Estate

---

\*This regulation supersedes USAREUR Regulation 405-5, 23 October 1995.

---

For the Director:

KARI K. OTTO  
*Chief of Staff*

Official:



SCOTT T. CHANCELLOR  
*Chief, Army in Europe*  
*Document Management*

---

**Summary.** This regulation establishes policy on requesting the acquisition, management, and disposal of real estate in areas serviced by IMCOM-Europe.

**Summary of Change.** This revision reflects revised procedures for the Army in Europe when requesting to acquire, manage, or dispose of real estate. The revised procedures result from the transfer of responsibilities for acquiring, managing, and disposing of real estate to the U.S. Army Corps of Engineers, Europe District.

**Applicability.** This regulation applies to—

- U.S. Army elements in areas under the control of IMCOM-Europe.
- DOD organizations supported by agents responsible for acquiring, managing, and disposing of real estate.

**Records Management.** Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are maintained on the Army Records Information Management System website at <https://www.arims.army.mil>.

**Supplementation.** Organizations will not supplement this regulation without approval of the Real Estate Requirements Branch, Office of the Assistant Chief of Staff, G4, HQ IMCOM-Europe (mil 544-0543).

**Suggested Improvements.** The proponent of this regulation is the Real Estate Requirements Branch. Users may suggest improvements to this regulation by sending DA Form 2028 to the Real Estate Branch by e-mail to [usarmy.rheinland-pfalz.id-europe.mbx.real-estate-requirements@mail.mil](mailto:usarmy.rheinland-pfalz.id-europe.mbx.real-estate-requirements@mail.mil).

**Distribution.** This regulation is available only electronically and is posted in AEPUBS at <http://www.aepubs.eur.army.mil/>.

---

## CONTENTS

1. Purpose
2. References
3. Explanation of Abbreviations and Terms
4. Real Estate Activities Authority
5. Responsibilities
6. Treaty Agreements
7. Types of Real Estate Transactions
8. Congressional Limitations on Leases
9. Policies Governing Real Estate Transactions
10. Transfers and Accountability
11. Use and Safeguarding
12. Disposal
13. Claims Settlements
14. Disposal of Improvements Located on Land Retained by U.S. Forces

### Appendixes

- A. Acquisition and Renewal of Real Estate (Other Than for Leased Family Housing)
- B. Acquisition and Renewal of Leases for Family Housing
- C. Disposal of Real Estate

### Glossary

---

## 1. PURPOSE

This regulation provides policies and procedures for acquiring, managing, and disposing of real estate in areas—

- a. Serviced by IMCOM-Europe.
- b. Where DOD organizations are supported by garrison commanders.

## 2. REFERENCES

### a. Publications.

- (1). DOD Directive 4165.69, Realignment of DOD Sites Overseas.

(2) AR 420-1, Army Facilities Management.

(3) ECI 4101.01, Real Estate and Utilities, Real Estate Operations.

(4) [AE Regulation 350-22](#), Off-Installation Maneuver and Field Training Exercise Coordination in Germany.

(5) [AE Regulation 405-8/USAFE-AFAFRICA Instruction 32-9005](#), Acquiring, Managing, and Disposing of Real Estate in Germany.

#### **b. Forms.**

(1) DD Form 1354, Transfer and Acceptance of DOD Real Property.

(2) [AE Form 405-8A](#), Disposal of Real Estate.

(3) [AE Form 405-8B](#), Receipt for U.S. (Dollar and Deutsche Mark) Improvements in Real Estate Released to Germany (Public Property).

### **3. EXPLANATION OF ABBREVIATIONS AND TERMS**

The [glossary](#) defines abbreviations and terms.

### **4. REAL ESTATE ACTIVITIES AUTHORITY**

a. The U.S. Army Corps of Engineers, Europe District (USACE-Europe) provides real estate acquisition, management, and disposal services for IMCOM-Europe.

b. IMCOM-Europe will approve validated real estate requirements identified by garrison commanders. Once these requirements are identified, IMCOM-Europe will forward them to USACE-Europe for execution.

**NOTE:** Unique processing requirements for real estate requirements in Germany are outlined in [AE Regulation 405-8/USAFE-AFAFRICA Instruction 32-9005](#).

### **5. RESPONSIBILITIES**

a. Garrison commanders will—

(1) Determine real estate requirements in their area of operations (AO) according to applicable Army and AE regulations.

(2) Initiate requests for acquiring, retaining, and disposing of real estate, and send these requests to the Real Estate Requirements Branch, Office of the Assistant Chief of Staff, G4, HQ IMCOM-Europe, for processing and approval. (Procedures for requesting acquisition of real estate are specified in [appendix A](#); procedures for requesting the acquisition and retention of leased Family housing units are specified in [appendix B](#), and procedures for requesting disposal of real estate are specified in [appendix C](#).)

(3) Manage, assign, use, maintain, secure, and preserve real estate under their jurisdiction. Leased facilities will be managed in coordination with the supporting USACE-Europe real estate field office and real estate contracting officer (RECO) ([glossary](#)).

(4) Budget for costs connected with the real estate (for example, initial alterations ([glossary](#)), utilities, maintenance, repair) in their AO.

b. The Real Estate Requirements Branch will—

(1) Coordinate requests for the acquisition, renewal, or disposal of real estate for DOD organizations serviced by IMCOM-Europe.

(2) Process requests for Director, IMCOM-Europe, coordination or approval ([app B](#) provides details on approval authority).

(3) Submit approved requests for the acquisition, renewal, change of use, and disposal of real estate to appropriate host nation (HN) entities and to USACE-Europe.

(4) Resolve, in coordination with the requesting organization and HN entities, issues arising in HN acquisition-approval proceedings.

(5) Track the status of requests and, if approved, the execution of contracts.

## 6. TREATY AGREEMENTS

Real estate operations are governed by international agreements and implementing administrative arrangements between HN governments and the United States. Acquisition, management, and disposal of real estate will follow the provisions of these agreements and will be conducted according to the laws and customs of each HN.

## 7. TYPES OF REAL ESTATE TRANSACTIONS

a. U.S. Forces in Europe do not normally purchase or otherwise acquire titles to real property. Property is normally made available to U.S. Forces by—

**(1) Consignment by the HN.** Property owned by the HN is made available to U.S. Forces, usually rent-free, under a consignment agreement or technical arrangement between the United States and the HN. The consignment procedure may also be used for property that is not owned by the HN but by an organization or an individual, in which case the consignment agreement or technical arrangement will be concluded between the United States and that organization or individual. The consignment agreement (for example, Accommodation Consignment Agreement in Germany, Record of Consignment in Italy) or a technical arrangement will specify the general terms and conditions for the use of the property by U.S. Forces. The consignment agreement or technical arrangement may also include specific provisions that apply for a particular property.

**(2) Direct Leasing.** U.S. Forces enter into a lease contract directly with the lessor. This procedure is limited to certain HNs that authorize specific direct leasing agreements.

**(3) Indirect Leasing.** U.S. Forces obtain the property through the HN. The HN coordinates terms and conditions for the use of the property by U.S. Forces, concludes the contract with the lessor, and then assigns the property to the United States (for example, through a real property obligation document in Germany). Terms in the contract between the HN and the lessor will normally also apply in the contractual arrangement between the HN and U.S. Forces.

**(4) Interdepartmental Transfer.** Rental or rent-free accommodations are transferred to IMCOM-Europe from another DOD organization. Gaining organizations will submit requests for transfer of property through the garrison commander to the Real Estate Requirements Branch for review. The Real Estate Requirements Branch will issue instructions about these transfers to the garrison commander. Garrison commanders will review and correct discrepancies in real property records and transfer documents before accepting the property.

**(5) Build-to-Lease.** This process is used to overcome near-term shortages in various facilities, such as Family housing, schools, warehouses, commissaries, and administrative space. Facilities are constructed by private individuals or firms to meet specific U.S. requirements, and are leased to U.S. Forces for term periods of up to 10 years.

b. U.S. Forces will submit requests for real estate acquisitions to the Real Estate Requirements Branch in accordance with procedures in [appendix A](#).

## 8. CONGRESSIONAL LIMITATIONS ON LEASES

a. Army Family housing leases and lease renewals—

- (1) Are limited to firm terms of up to 10 years (10 USC 2828).
- (2) With annual rents exceeding \$750,000 require notice to Congress (10 USC 2662).

b. Lease acquisitions other than for Family housing—

- (1) Are limited to firm terms of up to 10 years (10 USC 2675).
- (2) With annual rents exceeding \$750,000 require notice to Congress (10 USC 2662).

## 9. POLICIES GOVERNING REAL ESTATE TRANSACTIONS

DOD policy requires that a determination be made of the best long-term economic alternative, whether lease or construction. The acquisition of property by lease or build-to-lease, whether direct or indirect, will 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 HN. Garrison commanders will analyze accommodation needs and make a concerted and continuing effort to provide space through military construction or rent-free consignment accommodations.

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

b. Garrison commanders will submit requests for new property acquisitions in accordance with [appendix A](#). Except in cases involving temporary occupancy under a valid maneuver rights authorization ([AE Reg 350-22](#)), the requesting U.S. Army garrison (USAG) will not allow occupancy of the property until—

(1) Formal documentation is completed by the responsible USACE-Europe RECO.

(2) The property is assigned to that USAG.

c. Occupants may require initial alterations to leased property. Commanders must identify necessary alterations of the proposed accommodation to the RECO to allow inclusion in lease negotiations with the lessor. Garrison 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. Commanders must obtain approval from the Chief of Real Estate, USACE-Europe, for initial alterations that exceed 100 percent of the first year's rent.

## 10. TRANSFERS AND ACCOUNTABILITY

a. The applicable USAG director of public works (DPW) or designated representative will participate in initial inventory and condition inspections of property acquired for Army in Europe or Army in Europe-supported agencies. The garrison commander will accept the acquired property by signing DD Form 1354. With the DD Form 1354, the USAG will receive the real estate contract, the inventory and condition report, property maps, plans and drawings, and warranties. This documentation, when authenticated by the USAG real property accountable officer ([glossary](#)), will establish the garrison commander's accountability for the real property.

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

c. The garrison commander will assign the property to the using agency and will ensure that the agency to which real property is assigned assumes responsibility for the property and its contents. The garrison commander will also ensure that the property is safeguarded and used according to the terms of the lease contract, consignment agreement, or other means of acquisition.

## 11. USE AND SAFEGUARDING

a. AR 420-1 prescribes responsibilities for the maintenance and repair of properties under U.S. control.

b. Garrison commanders will ensure that annual property inspections of leased properties are conducted to confirm that lessors are performing maintenance and repair for which lessors are responsible. The USAG will not perform repairs or services which are the responsibility of the lessor under the terms of a lease.

c. Maintenance and repair that are the responsibility of U.S. Forces under the terms of a lease or consignment will be performed either by in-house personnel or by contracted services.

d. Alterations to leased properties or changes in use will not be made without consent of the property owner unless specifically permitted in the lease contract. Alterations to consigned properties will be in compliance with the terms and conditions of the consignment agreement and to pertinent agreements with the HN. USAG DPW will consult with the responsible USACE-Europe RECO to verify that proposed alterations or new use is compatible with the terms and conditions of lease or consignment agreement.

e. Garrison commanders will make periodic checks of U.S. Forces-controlled land under their jurisdiction to verify the integrity of boundary lines. Garrison commanders will ensure that encroachments are reported to USACE-Europe and to the Real Estate Requirements Branch.

## **12. DISPOSAL**

a. Immediately after making a determination of excess real estate, the garrison commander will submit a request for termination of the accommodation contract to the Real Estate Requirements Branch.

b. At the time of release, USAG DPW will participate in the joint inspection of the property with the lessor and representatives of the HN. U.S. and HN representatives will prepare and sign a joint record inventory and condition report, which will describe the condition of, damages to, or deficiencies in the property. The report also will list improvements made by U.S. Forces to the real estate.

## **13. CLAIMS SETTLEMENTS**

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

b. For real estate acquired by indirect or consignment methods, claims will be settled according to the terms and conditions of the specific agreement with the HN (for example, an on-the-spot agreement).

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

a. U.S.-owned improvements made to or on properties and structures will be dismantled only when convincing reasons for removal exist. Convincing reasons may be the following:

(1) The improvements are no longer required at their present location, and the improvements are needed or can be used elsewhere.

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

b. AR 405-90, chapter 5, governs the sale or donation of excess U.S.-owned buildings and improvements.

c. Improvements not owned by U.S. Forces may be removed only if advance written approval is obtained by the responsible USACE-Europe RECO from the owner or designated HN agency, and if one or both of the situations described in [subparagraphs a\(2\) and \(3\)](#) above apply.

## APPENDIX A

### ACQUISITION AND RENEWAL OF REAL ESTATE (OTHER THAN FOR LEASED FAMILY HOUSING)

**A-1.** Garrison commanders intending to acquire real estate by consignment or lease will submit requests for these transactions to the Real Estate Requirements Branch, Office of the Assistant Chief of Staff, G4, HQ IMCOM-Europe (e-mail: *usarmy.rheinland-pfalz.id-europe.mbx.real-estate-requirements@mail.mil*). The request will be signed by the garrison commander and addressed through the Director, IMCOM-Europe, to the Real Estate Requirements Branch. The request will include the following:

a. A description of the real estate to be acquired.

b. An explanation and full justification for the requirement. This will include specific information on events that result in the need for additional real estate; the number of personnel involved, number and type of equipment, and activities that are to be accommodated. Also required is a statement on the proposed duration of the requirement and the effect on mission accomplishment if requested real estate is not acquired.

c. A summary of the utilization survey of available facilities. This summary will identify space allowed and required, space on hand, and the net shortfall in property categories proposed for acquisition. If space to-be-acquired will replace existing space, a statement on the disposition of the existing space will be included.

d. Information on the requirement for exterior safety or protective zones (for air defense facilities, airfields, ammunition storage, or radio communication facilities).

**A-2.** The Real Estate Requirements Branch will coordinate requests for additional real estate with applicable HQ IMCOM-Europe staff offices and submit validated requirements for Director, IMCOM-Europe coordination or approval. The Real Estate Requirements Branch will issue a directive to the U.S. Army Corp of Engineers, Europe District (USACE-Europe) to acquire real estate to satisfy approved requests. [AE Regulation 405-8](#) provides details on issuing directives to USACE-Europe for real estate acquisitions in Germany.

a. The Real Estate Requirements Branch will track the status of acquisitions and update affected USAGs regularly.

b. The applicable USAG director of public works will participate in the selection, inventory, and condition inspections of suitable properties, and will accept acquired real estate from USACE-Europe ([basic reg, para 10](#)).



## APPENDIX B

### ACQUISITION AND RENEWAL OF LEASES FOR FAMILY HOUSING

**B-1.** Garrison commanders will submit requests for the acquisition or renewal of leased Family housing to the Real Estate Requirements Branch, Office of the Assistant Chief of Staff, G4, HQ IMCOM-Europe (e-mail: :usarmy.rheinland-pfalz.id-europe.mbx.real-estate-requirements@mail.mil). The request will be signed by the garrison commander and must reach the Real Estate Requirements Branch no later than 10 months before the expected acquisition or renewal date.

a. For leases with an estimated annual rent not exceeding \$750,000, the request will be addressed through the Director, Installation Management Command, Europe, Unit 23103, APO AE 09136, to Headquarters, Installation Management Command (IMPW-H), 2405 Gun Shed Road, Joint Base San Antonio, Fort Sam Houston, TX 78234-1223.

b. For leases with an estimated annual rent exceeding \$750,000, the request will be addressed through the Director, Installation Management Command, Europe, Unit 23103, APO AE 09136; and through Headquarters, Installation Management Command, (IMPW-H), 2405 Gun Shed Road, Joint Base San Antonio, Fort Sam Houston, TX 78234-1223; to the Assistant Chief of Staff for Installation Management (DAIM-ISH), 600 Army Pentagon, Washington, DC 20310-0600.

**B-2.** The request must include the following:

- a. The justification for acquiring or retaining leased Family housing.
- b. The average projected cost per unit, including utilities and any maintenance costs.
- c. The total number of dwelling units included in the lease (by bedroom count).
- d. The projected effective date of the lease or renewal.
- e. The projected lease end-date and proposed termination terms.
- f. An economic analysis or fact sheet as applicable.

**B-3.** The Real Estate Requirements Branch, will coordinate requests with appropriate HQ IMCOM-Europe staff offices and submit validated requests to the Director, IMCOM-Europe for review. The Real Estate Requirements Branch will forward requests endorsed by the Director, IMCOM-Europe, to HQ IMCOM for approval or further staffing for congressional approval.

**B-4.** After receipt of required approval, the Real Estate Requirements Branch will issue a directive to the U.S. Army Corps of Engineers, Europe District (USACE-Europe) to acquire or renew leases for Family housing. In the acquisition of new leases, the applicable USAG director of public works will cooperate with USACE-Europe to—

- a. Define the specific criteria and standards to be met.
- b. Review offers received as a result of invitations for offers.
- c. Monitor the construction progress for build-to-lease acquisitions.
- d. Conduct inventory, condition, and turnover inspections.

## APPENDIX C DISPOSAL OF REAL ESTATE

**C-1.** Garrison commanders will submit requests for the release of real estate, either consigned or acquired by direct or indirect lease, to the Real Estate Requirements Branch, Office of the Assistant Chief of Staff, G4, HQ IMCOM-Europe (e-mail: *usarmy.rheinland-pfalz.id-europe.mbx.real-estate-requirements@mail.mil*). The request will be signed by the garrison commander and addressed through the Director, IMCOM-Europe to the Real Estate Requirements Branch. The request will include the following:

a. A justification for proposing the release.

b. AE Form 405-8A that has been signed by the garrison real property accountable officer ([glossary](#)) in Block 17.

c. If a replacement for the released property is required, an acquisition request prepared in accordance with the provisions in appendixes [A](#) or [B](#), as applicable.

**C-2.** The Real Estate Requirements Branch will coordinate requests for the disposal of real estate with applicable HQ IMCOM-Europe staff offices and submit the requests to the Director, IMCOM-Europe, for review and approval.

a. After approval, the Real Estate Requirements Branch will issue a notice of intent to release the real estate to the HN, as required.

b. The Real Estate Requirements Branch will then issue a directive to the U.S. Army Corps of Engineers, Europe District (USACE-Europe) to terminate the particular real estate contracts and execute releases in coordination with the affected USAG.

c. The applicable USAG director of public works (DPW) will—

(1) Prepare the real estate to be released for return to the property owner in accordance with the provisions of the contract and in accordance with pertinent agreements when HN property is concerned.

(2) Participate in inventory, condition, and turnover inspections.

d. The Real Estate Requirements Branch will track the status of real estate disposals and update the affected USAG regularly.

**NOTE:** Approval by the Director, IMCOM-Europe is not required for releases in connection with base closures announced by the Secretary of Defense. Per DOD Directive 4165.69, the Real Estate Requirements Branch will hold requests for the release of real estate that require higher headquarters approval until the applicable headquarters has announced the release.

**C-3.** For real estate that contains U.S.-funded improvements for which U.S. Forces may recoup residual value—

a. The Real Estate Requirements Branch will specify the procedures for establishing the value of the improvements in the directive to USACE-Europe.

b. USACE-Europe will provide the following to the Real Estate Requirements Branch after release of the real estate for the determination of the residual value:

- (1) AE Form 405-8B signed by the garrison commander.
- (2) Supporting documentation for U.S. funded improvements.
- (3) Joint U.S. and HN inventory and condition and turnover report.
- (4) Memorandum for record on the final inspection.
- (5) Record of return.
- (6) Completed AE Form 405-8A.
- (7) Notice of termination.
- (8) Environmental status report.
- (9) Real estate contract.
- (10) All relevant data on damages to the real estate.

c. In Germany, the applicable USAG DPW, in coordination with USACE-Europe, will document the improvements and their current value on AE Form 405-8B before releasing the real estate. Details for assessing the value are located in [AE Regulation 405-8, appendix G](#). The garrison commander will forward AE Form 405-8B to USACE-Europe in time for submission to the German government agency upon the conclusion of the joint inventory and condition inspection.

d. For Belgium, Italy, Luxembourg, and the Netherlands, the Real Estate Requirements Branch will issue specific instructions to the affected USAG on a case-by-case basis in accordance with appropriate agreements with the HN.

## GLOSSARY

### SECTION I ABBREVIATIONS

AE	Army in Europe
AO	area of operations
AR	Army regulation
DPW	director of public works
HN	host nation
RECO	real estate contracting officer
RPOD	real property obligation document
USACE-Europe	U.S. Army Corps of Engineers, Europe District
USAG	U.S. Army garrison
USAREUR	U.S. Army in Europe
USC	U.S. Code

### SECTION II TERMS

#### **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

#### **real estate contracting officer**

A uniformed officer, civil service employee, or local national employee of the U.S. Government who performs real estate functions in a specific area. In the U.S. Army in Europe area of operations, the USACE-Europe has been delegated authority to enter into and manage real estate contracts and related transactions.

#### **real property accountable officer**

The individual designated to maintain accountable records for all real property at an installation