HOUSING GUIDE · TEAM RAJA THAT · MOVING TO OAHU

BUY, RENT, OR BASE?
THE HOUSING DECISION MATRIX

Three paths to a roof on Oahu, on-base housing, renting off-base, or buying, and the honest tradeoffs of each before you sign anything.

BAH · VA LOANS · ON-BASE HOUSING · LEASEHOLD VS. FEE SIMPLE

WHAT'S INSIDE

THREE PATHS, ONE DECISION

THE QUESTION THAT DECIDES EVERYTHING

Before comparing costs, answer this: how long will you actually be here? A Hawaii assignment is currently set at 36 months, accompanied or unaccompanied alike, per current DoD tour-length policy. That window is the single biggest factor in whether buying, renting, or going on-base makes sense, more than rate, more than price, more than any of it.

36
MONTHS · TYPICAL HAWAII TOUR LENGTH, ACCOMPANIED OR UNACCOMPANIED

3
PATHS · ON-BASE HOUSING, RENTING OFF-BASE, OR BUYING

1
QUESTION · HOW LONG YOU'LL ACTUALLY BE HERE DECIDES THE REST

THE THREE PATHS AT A GLANCE

ON-BASE HOUSING

Your BAH goes directly to the privatized housing company instead of into your pocket. No maintenance, no market risk, no equity, and no control over which unit you're assigned.

RENTING OFF-BASE

You receive BAH as cash and can bank whatever you don't spend on rent. Maximum flexibility for a fixed tour length, but no equity either.

BUYING

Yes, there are upfront costs, and some months it can run more than renting. But every payment builds equity that's actually yours, and a well-timed sale can mean walking away with real cash in your pocket instead of nothing. That's the whole reason anyone buys, the back end. We'll run the actual numbers in Section 06.

> **None of these is universally correct.** A junior enlisted family early in a career behaves differently than a field-grade officer who plans to retire on Oahu. The right answer depends on your timeline, your risk tolerance, and what you want your money doing while you're here, not on which option sounds the most responsible.

ON-BASE HOUSING: WHAT IT ACTUALLY OFFERS

WHO RUNS IT

Every installation's family housing on Oahu is privatized, managed by a company under contract, not by the military itself.

HICKAM COMMUNITIES

Air Force housing at Joint Base Pearl Harbor-Hickam.

ISLAND PALM COMMUNITIES

Army housing at Schofield Barracks, Wheeler Army Airfield, Fort Shafter, Tripler, Helemano, and Aliamanu.

'OHANA MILITARY COMMUNITIES

Navy and Marine Corps housing at Joint Base Pearl Harbor-Hickam and MCB Hawaii Kaneohe Bay.

HOW IT ACTUALLY WORKS

YOUR BAH GOES TO THEM, NOT YOU

Live on base and your Basic Allowance for Housing is redirected straight to the housing company. There's no cash in hand and nothing to bank if your BAH would have covered more than the housing costs.

WAITLISTS ARE REAL, BUT NOT FIXED

Priority runs by rank and bedroom-count need, and wait times vary by installation, unit size, and time of year. Don't plan around a specific number you saw online, ask your installation housing office directly and get it in writing.

YOU DON'T CHOOSE THE UNIT

Assignment is based on availability within your eligible bedroom category, not on which neighborhood or view you'd prefer.

> **Ask about current water system status before you sign.** The 2021 Red Hill fuel contamination incident affected the water system serving parts of Joint Base Pearl Harbor-Hickam housing. Remediation and litigation are still active into 2026. If you're being assigned JBPHH housing, ask your housing office directly about current water quality status and remediation progress, this isn't a reason to avoid on-base housing outright, but it is a legitimate due-diligence question.

WHAT YOU GAIN

UTILITIES ARE USUALLY INCLUDED

Electricity, water, and sewer are typically covered, some communities apply usage limits above a set allowance, but you're not budgeting separately for those bills the way an off-base renter or owner is.

TAX-FREE BASE SHOPPING

Commissary and exchange purchases carry no state excise tax, and the savings on groceries and everyday goods add up over a full tour.

AN EFFORTLESS COMMUTE

Minutes to work instead of sitting in Oahu traffic, a real quality-of-life difference during a busy tour.

One more thing worth weighing that isn't financial: living on base means being immersed in the military community day and night. Some love that, others find off-base living feels more like actually living in Hawaii. Not right or wrong, just a real quality-of-life call.

RENTING OFF-BASE

BANKING YOUR BAH

Rent off-base and your BAH pays out as cash, sized to your rank, dependency status, and duty station. Whatever you don't spend on rent and utilities, you keep. Look up your actual current rate at the DoD BAH calculator (travel.dod.mil) before comparing anything below, rates change annually and vary meaningfully by rank.

THE UPSIDE

Maximum flexibility for a fixed tour, no maintenance calls, no market risk, and a real shot at banking a monthly surplus if you find something under your BAH.

THE DOWNSIDE

Zero equity, no matter how many years you rent. And in a lot of Oahu neighborhoods, market rent runs at or above BAH, not comfortably under it, so the "banked surplus" some families expect doesn't always show up. Rent also isn't fixed, expect roughly 3–4% annual increases at renewal, which quietly erodes that surplus every year you stay.

THE RISK NOBODY BUDGETS FOR

A landlord who's slow to fix things, a non-renewal, or a sale of the property can force a move mid-tour, none of which you control. That means a new security deposit, a cleaning fee to get the old one back, movers, and lost time, real costs that can erase a year or more of banked BAH in one hit. And there's no equity sitting behind you to soften it.

THE LEASE CLAUSE WORTH CONFIRMING

> **The Servicemembers Civil Relief Act (SCRA) lets you terminate a lease early on PCS or deployment orders**, this is federal law, not something a landlord can waive away. Confirm the lease either includes a military clause explicitly or simply doesn't contradict your SCRA rights, and keep a copy of your orders on file the day you sign. It's the difference between a clean exit and a fight with a landlord when your next set of orders shows up.

BEFORE YOU SIGN

CONFIRM IT'S ACTUALLY A STANDARD LEASE

Some listings marketed as furnished monthly rentals are really short-term rentals operating in a gray zone. Confirm the term length and zoning match what you're signing, not just what the listing photos suggest.

KNOW THE MOVE-OUT PROCESS

Photo-document the unit's condition at move-in and understand the security deposit return timeline before you sign, not when you're trying to get it back.

ASK WHAT'S INCLUDED

Utilities billed separately can swing your real monthly cost meaningfully, Hawaii electric isn't cheap. Get the actual split in writing, not a verbal estimate.

EXPECT A TIGHTER SEARCH NEAR YOUR INSTALLATION

Rental inventory close to base is often limited, especially right after the summer PCS wave. Be ready to widen your search radius or accept a longer commute, and start looking before you land, not after.

BUYING ON OAHU

WHY BUY AT ALL

VA FINANCING

Eligible buyers can purchase with $0 down and no PMI, which lowers the upfront barrier significantly, though closing costs still apply. That's a real advantage over a conventional purchase, but it doesn't erase the monthly-payment math on Oahu's prices, see Section 06.

EQUITY & APPRECIATION

Every mortgage payment builds a little principal, and Oahu real estate has a long-run history of appreciation. Neither one is fast or guaranteed on a 36-month clock, which is exactly why the hold period matters so much.

> **Leasehold vs. fee simple, confirm which one you're buying, every time.** Fee simple means you own the land and the structure. Leasehold means you own the structure but lease the underlying land from a separate owner, on a lease with a fixed term and periodic rent renegotiation that can spike significantly. As the remaining lease term shortens, resale value and financing options both get harder. Some lenders, VA included, have minimum remaining-lease-term requirements. This single distinction can matter more to your long-term financial outcome than the purchase price itself, never assume, always confirm in writing.

IF ORDERS MOVE YOU BEFORE YOU SELL

A 36-month tour is short relative to a 30-year mortgage. Two realistic exits if your next set of orders arrives before you're ready to sell:

SELL

Realtor commission, escrow and title fees, and Hawaii's conveyance tax all come off the top. Selling costs typically run 6–7% of the sale price, worth pricing into your decision before you buy, not after.

CONVERT IT TO A RENTAL

Keeps the equity growing and avoids the selling-cost hit, but turns you into an out-of-state landlord, subject to Hawaii's landlord-tenant law, HARPTA withholding if you eventually sell as a nonresident, and non-owner-occupied financing rules if you ever refinance. Worth a real conversation with us before you buy, not a decision to make later under pressure.

THE DECISION MATRIX

SIDE BY SIDE

No single column wins across every row, that's the point. Weight the rows that matter most to your situation.

DIMENSION	ON-BASE	RENT OFF-BASE	BUY
Upfront cash needed	**None**	**Deposit only**	**Closing costs**
Monthly cost vs. BAH	**Absorbed exactly**	**Often under**	**Often over, at today's rates**
Equity built	**None**	**None**	**Yes**
Maintenance burden	**None, on the company**	**Minimal, on the landlord**	**All yours**
Market / rate risk	**None**	**Yes, rent can rise**	**Yes**
Flexibility to PCS	**High**	**High, SCRA-protected**	**Medium, rent or sell**
Control over unit / location	**Low, assigned**	**High**	**High**

A ROUGH WAY TO READ IT

OPTIMIZE FOR SIMPLICITY

On-base housing wins if you want zero financial variables and zero maintenance calls during a busy tour, at the cost of equity and unit choice.

OPTIMIZE FOR FLEXIBILITY

Renting off-base wins if you value choosing your own neighborhood and want a clean exit with no strings, at the cost of any equity.

OPTIMIZE FOR LONG-TERM WEALTH

Buying wins even inside a single 36-month tour if the deal is negotiated well, price, closing costs, and rate all matter. Hold longer, or convert to a rental instead of selling, and the numbers get better still. Section 06 shows why.

DO THE MATH: THE 36-MONTH COMPARISON

ILLUSTRATIVE ONLY, NOT A PROJECTION

Uses an illustrative $3,400/month BAH, look up your actual rate at travel.dod.mil before comparing your own numbers. The buy scenario assumes a $650,000 market-value home negotiated down to $610,000, roughly 6% under, with seller-paid closing costs and a 5.75% rate buy-down, the kind of deal we'd actually work to get you. VA financing at 0% down. The rent scenario assumes a comparable home rents for about $700/month less than that buy payment, with typical 3%/year increases at renewal.

$3,938
BUY MONTHLY · PRINCIPAL, INTEREST, TAX & INSURANCE, FIXED FOR 30 YEARS

$3,238
RENT MONTHLY · ABOUT $700 CHEAPER THAN OWNING, IN MONTH ONE

$700
MONTHLY DIFFERENCE · RENTING'S STARTING-LINE ADVANTAGE

That $700 gap doesn't hold. The mortgage payment above is fixed for 30 years, it never moves. Rent does, at 3% a year it's already within $35 of BAH by year three, and the "savings" that looked easy in month one has quietly shrunk to almost nothing by the time the tour ends.

> **Negotiated terms depend on the home, not a formula.** Right now Oahu leans toward a buyer's market, and we've been getting sellers to cover closing costs, credit a rate buy-down, or come down on price. How much leverage exists is different on every listing, it's not one-size-fits-all, but conditions right now generally favor asking.

THE THREE NUMBERS THAT MATTER

Run the full 36 months, rent escalating 3% a year against the buy payment appreciating the home at an illustrative 5% a year, and it comes down to what renting actually costs versus what owning actually costs, after the sale:

36-MONTH RECONCILIATION	AMOUNT
TOTAL RENT PAID (3%/YR INCREASES)	$120,100
TOTAL MORTGAGE PAYMENTS (FIXED)	$141,768
MINUS: PROCEEDS AT SALE (EQUITY, AFTER 7% SELLING COSTS)	−$71,680
= NET COST OF OWNING	$70,088
BUYING'S ADVANTAGE OVER RENTING	$50,012

The math ties together: $141,768 in mortgage payments minus the $71,680 you walk away with at closing leaves a net cost of $70,088 to own for three years. Renting the same home costs $120,100 over the same stretch, and you keep none of it. That's the entire case for buying on a 36-month tour, not a bigger paycheck, a lower net cost.

THE NUMBER THAT CHANGES EVERYTHING

> **Don't sell at the 36-month mark, and the math opens up further.** Held as a rental instead of sold, the same purchase finishes the tour more than $101,000 ahead, since the biggest expense above is the cost of selling on a short clock, not the ownership itself. Extend, PCS again and hold it, or retire here, and buying's edge only grows.

Worth having this conversation with us before you buy, not after your next orders arrive. And this doesn't even account for the landlord risk in Section 03, a bad landlord or a forced move can erase a renter's modest surplus in one hit.

SECTION 07

QUESTIONS TO ASK BEFORE YOU DECIDE

WORK THROUGH THESE BEFORE YOU COMMIT

- [ ] How long am I actually on orders for, and realistically, how likely is an extension or an early departure?
- [ ] What's my current BAH at my rank and dependency status, looked up directly at travel.dod.mil, not estimated?
- [ ] How does that BAH compare to market rent and to a real mortgage payment, taxes and insurance included, in the neighborhoods I'm actually considering?
- [ ] If I buy, is the property fee simple or leasehold, and if leasehold, what's the remaining lease term and when does rent reset?
- [ ] If orders move me before I'm ready to sell, am I prepared to hold the property as a rental, and have I priced out that scenario in advance?
- [ ] If I go on-base, what's the current wait for my rank and bedroom count at my specific installation, confirmed directly with the housing office?
- [ ] Have I confirmed my VA entitlement and gotten pre-approved before I start touring homes?
- [ ] If renting, does the lease honor my SCRA rights to terminate early on PCS orders, in writing?

BUY, RENT, OR BASE?

LET'S RUN YOUR ACTUAL NUMBERS

Every family's answer is different, your rank, your timeline, your risk tolerance. Reach out and we'll walk through your real BAH, your real price range, and your real odds of extending, before you commit to a path.

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