

Highlights of [GAO-13-573T](#), a testimony before the Subcommittee on Government Operations, Committee on Oversight and Government Reform, U.S. House of Representatives

Why GAO Did This Study

The federal government has given high-level attention to the issue of real property management and has made some progress. This includes establishing FRPC—chaired by the Office of Management and Budget (OMB)—which created the FRPP database managed by GSA.

However, federal real property management remains a high-risk area, in part, because of long-standing problems including excess and underutilized property, over-reliance on leasing, and challenges with security.

This statement summarizes GAO's 2013 High Risk Update as it pertains to excess and underutilized property, drawing on a June 2012 GAO report on this subject ([GAO-12-645](#)). In that report, GAO recommended that GSA, in consultation with FRPC, develop a plan to improve the FRPP and that OMB develop a national strategy for managing federal excess and underutilized real property. GSA agreed with the recommendation and described actions its officials are taking to implement it. OMB did not directly state whether it agreed or disagreed with the recommendation. A full discussion of GAO's findings and recommendations can be found in the June 2012 report.

This statement draws from the June 2012 report that analyzed agency data and real property management activities and involved visits to 26 sites containing excess and underutilized buildings from five civilian federal real-property-holding agencies selected for their significant real property portfolios.

View [GAO-13-573T](#). For more information, contact David Wise at (202) 512-2834 or wised@gao.gov

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FEDERAL REAL PROPERTY

Excess and Underutilized Property Is an Ongoing Challenge

What GAO Found

The federal government faces long-standing problems in managing real property, including excess and underutilized property. In focusing on this issue, GAO found that data problems continue to hamper federal efforts. GAO examined Federal Real Property Profile (FRPP) data, which is managed by the General Services Administration (GSA) and is to describe the real property under the custody and control of executive branch agencies. GAO identified inconsistencies and inaccuracies at 23 of the 26 locations visited in 2011 and 2012 in key data elements related to the management of excess and underutilized property, including utilization, condition, annual operating costs, and value of the buildings. For example, several buildings that received high scores for condition were in poor condition, with problems including, asbestos, mold, health concerns, radioactivity, and flooding. These findings raised concern that the FRPP is not a useful tool for describing the nature, use, and extent of excess and underutilized federal real property.

The previous and current administrations have sought to generate cost savings associated with improving management of excess and underutilized property. However, some of these efforts have been discontinued and potential savings for others are unclear. It is important to note that the five federal agencies that GAO reviewed have taken some actions to dispose of and better manage these properties, including using excess and underutilized property to meet space needs, and consolidating offices and reducing employee workspace to use space more efficiently. However, the agencies still face challenges managing these properties. For example, property disposal costs can outweigh the financial benefits of property disposal. Additionally, legal requirements—such as those related to preserving historical properties and the environment—can make the property disposal process lengthy, according to agency officials. Finally, the interests of multiple—and often competing—stakeholders may not align with the most efficient use of government resources and can complicate real property decisions. For example, GSA officials reported that local stakeholder interests had delayed conveyance of a federal building in Portland, Oregon. A comprehensive, long-term national strategy would support better management of excess and underutilized property by, among other things, defining the scope of the problem; identifying achievement goals; addressing costs, resources, and investments needed; and clearly outlining roles and coordination mechanisms across agencies. Furthermore, legislation has been reintroduced in the 113th Congress related to civilian real property disposal and the President's budget request for fiscal year 2014 states the administration will continue to pursue legislative reform.