

# GAO Highlights

Highlights of [GAO-15-689T](#), a testimony before the Subcommittee on Economic Development, Public Buildings, and Emergency Management, House of Representatives

## Why GAO Did This Study

The federal government's real property holdings are vast and diverse, costing billions of dollars annually to operate and maintain. GAO added federal real property management to its High-Risk List in 2003 because the government retained more property than it needed, relied on leasing in cases where ownership would cost less, and lacked reliable real property data to support decision making. Since then, the government has given high-level attention to the issue, including establishing FRPP to track federal buildings and structures government wide. However, in 2012, GAO found that the federal government did not follow sound data collection practices in designing and maintaining the FRPP, thereby limiting its usefulness for supporting sound decision making. This statement focuses on (1) executive and legislative efforts to reform federal real property management (2) the extent to which real property management challenges remain, and (3) steps that could help the government address management challenges.

This statement draws from previously issued GAO reports from June 2012 to February 2015 and recent interviews with OMB and GSA officials.

View [GAO-15-689T](#). For more information, contact Dave Wise at (202) 512-2834 or [wised@gao.gov](mailto:wised@gao.gov).

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## FEDERAL REAL PROPERTY

### Continued Efforts, Legislation, and Implementing GAO Recommendation Could Address Challenges

#### What GAO Found

In recent years, the federal government has taken steps to improve the management of its real property. Recent reform efforts include two from the Office of Management and Budget (OMB):

- The 2012 "Freeze the Footprint" policy, which instructed agencies to keep the total square footage of their domestic office and warehouse inventory at a baseline level established using the Federal Real Property Profile (FRPP)—a governmentwide database of federal real property.
- The 2015 National Strategy for the Efficient Use of Real Property for 2015-2020 that included a similarly named "Reduce the Footprint" policy. The strategy requires federal landholding agencies to set annual space reduction targets and office-space use standards by September.

In addition, several reform bills introduced in recent years could help address certain real property management challenges; however, none has been enacted. For example, the Excess Federal Building and Property Disposal Act would have created a pilot project for expedited disposal of a limited number of high value properties through public auction, and the Civilian Property Realignment Act would have addressed competing stakeholder interest in the real property management by establishing an independent board to group all disposal and consolidation recommendations into one proposal.

Despite these efforts, federal real property management remains on GAO's High-Risk List because several key underlying challenges remain. The government continues to retain excess and underutilized property, rely on leasing when ownership would be less costly, and utilize unreliable data for its property-related decision making. For example, GAO found in 2014 that agencies do not apply a consistent definition for warehouse utilization, limiting the FRPP data's usefulness.

The path forward will include a multipronged approach including OMB's national strategy and improvements to the reliability of real property data, possible legislation to address certain challenges, and implementation of GAO's prior recommendations related to real property management. Key recommendations that GAO has made to GSA and OMB in recent years that have not been fully implemented include:

- taking specific steps to improve the reliability and usefulness of FRPP as a decision-making tool for GSA and landholding agencies;
- developing a 5-year capital plan to more fully consider and document investment choices and discuss priorities;
- prioritizing long-term ownership solutions for current high-value leases; and
- articulating a clear strategy for GSA's role in promoting effective and efficient practices in federal warehouse management throughout the government.

Implementing these recommendations would increase the federal government's capacity to manage its portfolio and document the progress of its reform efforts.