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.