

# GAO Highlights

Highlights of [GAO-16-869T](#), a testimony before the Subcommittee on Transportation and Public Assets, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

In 2003, GAO added “Federal Real Property” to GAO’s biennial High-Risk list, in part, due to long-standing challenges federal agencies face in managing federally owned real property, including disposal of excess and underutilized property. Continuing to maintain these unneeded facilities puts the government at risk for wasting resources due to ongoing maintenance costs as well as lost revenue from failing to sell excess property. Despite implementing policies and systems that may help federal agencies manage real property, the federal government continues to maintain excess and underutilized property. In fiscal year 2015, federal agencies reported over 7,000 excess or underutilized real property assets.

This testimony addresses (1) efforts by the federal government to address excess and underutilized properties since 2012, (2) long-standing challenges to managing and disposing of federal real property and (3) potential solutions to address these long-standing challenges.

This statement summarizes the results of a number of previous GAO reports on real property utilization and management that were issued from 2011 through 2016. GAO also included some updates based on follow-up, conducted on the status of GAO’s recommendations in 2015 and 2016.

View [GAO-16-869T](#). 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

### Efforts Made, but Challenges Remain in Reducing Unneeded Facilities

#### What GAO Found

Since 2012, the administration has taken steps to reform real property management and address the long-standing challenge of reducing excess and underutilized property. For example, in 2015, the Office of Management and Budget (OMB) issued government-wide guidance—the National Strategy for the Efficient Use of Real Property—which GAO found in 2016 could help agencies strategically manage real property.

However, GAO’s work has found that significant challenges persist in managing real property in general and excess and underutilized property in particular. They include:

- a lack of reliable data with which to measure the extent of the problem,
- a complex disposal process,
- costly environmental requirements,
- competing stakeholder interests, and
- limited accessibility of some federal properties.

Properties in the Washington, D.C., area such as the Cotton Annex building, vacant General Services Administration (GSA) warehouses, and buildings on the St. Elizabeths campus (pictured below) illustrate the challenges for disposal and re-utilization of vacant federal buildings. For example, GAO found in 2014 that real property data indicated some GSA warehouses were utilized when they had been vacant for as long as 10 years.

#### Examples of Vacant Federal Buildings



Source: GAO. | GAO-16-869T

In addition to the steps already taken by the administration, further action by federal agencies to implement GAO’s previous recommendations could help to address some of these challenges. For example, GAO has made recommendations to GSA and other federal agencies that, if implemented, would increase the federal government’s capacity to manage its portfolio and document the progress of reform efforts. GAO highlighted its highest priority open recommendations to GSA in an August 2016 letter to GSA. Among those are three recommendations related to excess and underutilized property, including a recommendation to assess the reliability of data collected and entered into GSA’s Federal Real Property Profile database by individual federal agencies. Additionally, real property reform bills that could address the long-standing problem of federal excess and underutilized property have been introduced in Congress. Specifically, two bills have been passed by the House of Representatives in 2016, but neither has been enacted yet.