

GAO Highlights

Highlights of [GAO-18-304](#), a report to congressional requesters

Why GAO Did This Study

The federal government continues to work to reduce its real property inventory and associated costs. GSA provides space for agencies in government-owned and commercially leased buildings. In 2015, the OMB issued a memorandum requiring the 24 agencies with chief financial officers to reduce their domestic office and warehouse space. These agencies are required to set annual reduction targets for a 5-year time period and update their real property plans annually.

GAO was asked to review the implementation of this space reduction initiative. This report discusses: (1) the approaches and any challenges the 24 agencies identified to achieving their reduction targets for all their domestic office and warehouse space; (2) the extent these agencies reduced their space and met their fiscal year 2016 targets; and (3) how GSA manages vacated space it had leased to these agencies.

GAO conducted a content analysis of the 24 agencies' real property plans for fiscal years 2016 and 2017 and analyzed agencies' data as submitted to GSA on their targets and reductions for fiscal year 2016, the only year for which data were available. GAO selected five agencies as case studies based on several factors, including size of the agencies' office and warehouse portfolio, agency reduction targets, and fiscal year 2016 reported reductions. GAO reviewed relevant documentation and interviewed officials from GSA, OMB, and GAO's case study agencies. GAO provided a draft of this product to GSA, OMB, and our case study agencies for comment. GAO incorporated technical comments, as appropriate.

View [GAO-18-304](#). For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov.

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FEDERAL BUILDINGS

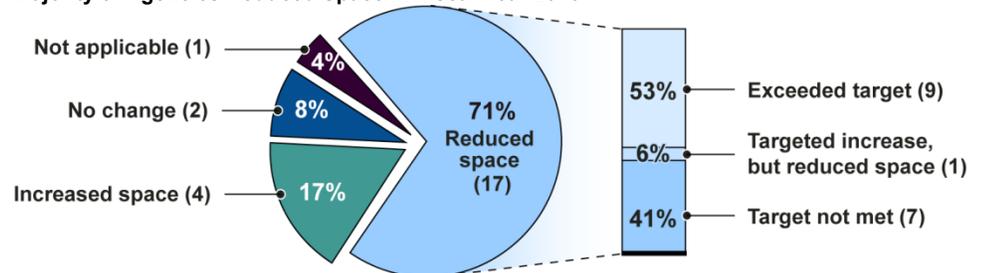
Agencies Focus on Space Utilization As They Reduce Office and Warehouse Space

What GAO Found

Most of the 24 agencies with chief financial officers reported to the Office of Management and Budget (OMB) and the General Services Administration (GSA) that they planned to consolidate their office and warehouse space and allocate fewer square feet per employee as the key ways to achieve their space reduction targets. For example, the Department of Agriculture reported it will consolidate staff from five component agencies in two office buildings. When complete, the space allocated per employee will average about 250 square feet down from a high of 420 square feet per employee. In taking these actions, the agencies most often identified the cost of space reduction projects as a challenge to achieving their targets. Agencies cited costs such as for space renovations to accommodate more staff and required environmental clean-up before disposing of property as challenges to completing projects. Some agencies required to maintain offices across the country reported that their mission requirements limit their ability to reduce their space.

In fiscal year 2016, 17 of the 24 agencies reported they reduced their space, but had varying success achieving their first-year targets. Of the 17 agencies, 9 exceeded their target and reduced more space than planned, 7 missed their target (by anywhere between 2.8 and 96.7 percent), and 1 reduced space, despite a targeted increase. Agency officials said that it is not unusual for projects to shift to different years and that such shifts could lead to missing targets one year and exceeding them the next.

Majority of Agencies Reduced Space in Fiscal Year 2016



Source: GAO analysis of GSA data. | GAO-18-304

GSA has processes to manage the space vacated by agencies that is leased through GSA. For example, starting in November 2016, GSA started tracking agencies' space release requests centrally to help standardize the process and established an e-mail address to which agencies can submit requests. GSA relies on regional offices to manage real property in their regions and to identify tenants for vacant space or to remove unused space from the inventory. GSA's regional officials said regular monitoring and coordinating with agencies minimizes the likelihood GSA is caught off guard by a return of space. These processes also help them to plan ahead. GSA met its 2016 performance goal to have an annual vacant space rate of no more than 3.2 percent in its federally owned and leased buildings. However, given the recent implementation of the space reduction initiative, it is too early to determine the extent to which agencies will return space to GSA prior to the end of their leases and the effect on GSA's inventory.