

## Why GAO Did This Study

As the leasing agent for the federal government, GSA acquires space for federal agencies and currently manages over 8,000 leases. To help negotiate leases, GSA contracts with commercial real-estate brokerage firms. In previous reviews, GAO reported that GSA was unable to demonstrate cost savings and results from its use of brokers, and GAO made related recommendations.

A statute included a provision for GAO to review GSA's broker program. This report examines: (1) how GSA's broker program has changed over time and (2) GSA's goals for the broker program and how GSA measures the program's results. GAO reviewed documentation from GSA's broker program and GSA's available data on leases assigned to brokers from October 2005 to July 2019. GAO interviewed officials from GSA headquarters, selected GSA regional offices that work with brokers, as well as other stakeholders, including representatives from the six brokers currently participating in the program.

## What GAO Recommends

GAO is making two recommendations that GSA should: (1) assess and address the reliability of the information used to calculate reported cost savings and (2) develop outcome-based metrics to evaluate the effectiveness of using brokers to supplement the GSA leasing workforce. GSA concurred with the first recommendation but did not concur with the second. GAO continues to believe that GSA needs metrics to assess the brokers' role as a workforce supplement.

View [GAO-20-361](#). For more information, contact Lori Rectanus at (202) 512-2834 or [rectanusl@gao.gov](mailto:rectanusl@gao.gov).

## FEDERAL LEASING

### Quality Information and Metrics Would Allow GSA to Better Assess the Value of Its Broker Program

## What GAO Found

The General Services Administration (GSA) contracts with commercial real estate brokers to perform a variety of services needed to acquire and complete leases. GSA uses brokers to negotiate leases meeting certain thresholds in urban areas (see figure). GSA has made several changes to its broker program since 2015, including:

- changing how brokers can be assigned to leases, i.e., using brokers for specific geographical zones rather than on a nationwide basis;
- allowing greater flexibility in when and how brokers can be used during the leasing process; and
- changing the name from the National Broker Contract program to the GSA Leasing Support Services program.

**Statistics for General Services Administration's (GSA) Leases That Involve Brokers Compared to Leases without Brokers, October 2005–July 2019**

Categories	Brokers	In-house GSA staff
Number of leases	3,227	5,452
Median current annual rent	\$259,666	\$147,215
Median monthly rent	\$21,639	\$12,268
Median rentable square footage	9,967	6,275

Source: GAO Analysis of General Services Administration's (GSA) data. | GAO-20-361

For the broker program, GSA's goals include saving money and supplementing its leasing workforce; however, potentially inaccurate data and limited outcome-based metrics could affect GSA's ability to assess whether it is meeting these goals. According to GSA, in the last 3 years, brokers have negotiated 303 leases, 60 percent of which were below the market rate (17.8 percent below the market rate, on average), an outcome that, GSA says helped it avoid \$676 million in costs. However, selected GSA regional officials and brokers expressed concerns about the accuracy of the market reports used to calculate these cost savings. Additionally, while GSA has identified various outcome-based metrics related to its leasing program, these metrics do not indicate whether using brokers to supplement its leasing workforce has enabled GSA to complete leasing work it would have otherwise been unable to complete. For example, GSA sets targets for and tracks the number of leases assigned to brokers each year, but this measure is not an indicator of the effectiveness of using brokers. Quality information, along with additional reliable outcome-based measures, is important for GSA to define success for its 2020 broker program which creates new contracts and expands services performed by brokers.