FEDERAL REAL PROPERTY

Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework

What GAO Found

Federal agencies have long struggled to determine how much office space they needed to fulfill their missions efficiently. Retaining excess and underutilized space is one of the main reasons that federal real property management has remained on GAO’s High-Risk List since 2003. Seventeen of the 24 federal agencies in GAO’s review used an estimated average 25 percent or less of their headquarters buildings’ capacity in a three-week sample period across January, February, and March of 2023. On the higher range, agencies used an estimated 39 to 49 percent of the capacity of their headquarters on average.

Quartile Weekly Utilization Estimated Averages of Federal Headquarters Buildings across Three-Week Sample (One week in each of January, February, and March 2023)

Underutilized office space has financial and environmental costs. Federal agencies spend about $2 billion a year to operate and maintain federal office buildings regardless of the buildings’ utilization. In addition, agencies spend about $5 billion annually to lease office buildings. Any reduction in office space could reduce these costs. Office buildings also have environmental costs that could be lowered with better utilization. For example, GSA renovated and reduced its current agency real estate footprint, which helped reduce energy consumption and costs.

Agency real property officials identified challenges to increasing their headquarters building utilization.

- **Funding.** Additional budget resources are needed to reconfigure existing space to increase utilization and support a hybrid work environment.
- **Potential policy changes.** Concerns about the future of in-office attendance policies and habits have caused a reluctance to reduce headquarters space.
- **Standards.** There are no standards for how federal agencies should measure utilization to guide agency efforts.
- **Culture.** Agency leaders can be reluctant to share headquarters space among inner-agency components or other agencies.