

A report to congressional requesters.

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What GAO Found

The Department of State last updated its standards for overseas housing space in 1991, according to State officials. Those standards may no longer align with State's goal of providing Foreign Service personnel living abroad with housing comparable to the Washington, D.C., metropolitan area. In the last 35 years, housing in the Washington, D.C., area has been increasing in cost and decreasing in square footage. In addition, State's method for measuring overseas housing does not align with the domestic industry standards typically followed by housing appraisers in the U.S., which may prevent State from comparing its overseas housing to housing in the Washington D.C. area. Without reviewing and updating, as applicable, its overseas housing policy, State may be paying for larger residential units than necessary for its Foreign Service personnel.

State's posts largely adhered to overseas housing cost and space standards, with 87 percent and 81 percent of units meeting those standards, respectively. Posts must request waivers to exceed these standards. Rental cost waivers resulted in overages of under 2 percent of annual lease costs in 2025, representing \$8.8 million of the total \$497 million in lease costs. GAO found the use of cost and space waivers varied by rank, family size, and locality. For example, executive officers and smaller families most frequently used cost and space waivers. Additionally, posts designated with more difficult living conditions used space waivers more frequently and exceeded standards by the largest margin.

Examples of Residences Provided to Foreign Service Personnel Living Overseas



Source: GAO. | GAO-26-107965

State officials from the three posts that GAO selected for illustrative purposes, in Côte d'Ivoire, France, and Thailand, identified various challenges that limited their ability to provide and manage overseas housing for Foreign Service personnel. The challenges included resource constraints, limited suitable housing, and disparate systems tracking housing data. State's Staff Housing Opportunity Purchase program aims to address some of these challenges by enabling eligible posts to acquire residential properties using proceeds from the global sales of excess properties. This initiative supports the provision of high-quality housing while generating long-term savings for the U.S. government through reduced lease costs, according to State officials.

Why GAO Did This Study

Around the world, State employees play critical roles in achieving U.S. foreign policy. State seeks to provide Foreign Service personnel serving abroad with safe and secure housing at a cost most advantageous to the U.S. government.

GAO was asked to review the housing benefit for Foreign Service personnel serving abroad. This report examines (1) the extent to which State updates its overseas housing standards to ensure they align with its goal of providing adequate housing, (2) the extent to which State adheres to its overseas housing standards at posts, and (3) the challenges State faces in adhering to its overseas housing standards at selected posts.

GAO reviewed relevant laws, policies, and guidance documents, and collected State data on overseas housing for fiscal year 2025 to analyze housing availability, size, costs, and waivers. GAO analyzed changes to housing affordability and Foreign Service personnel salaries in the Washington, D.C., area from 1993 to 2023—the latest available data. GAO also interviewed State officials at headquarters and at three overseas posts. GAO selected these posts to illustrate conditions for different regions, a range of embassy sizes, a mix of both owned and leased properties, and a mix of space and cost waivers.

What GAO Recommends

GAO recommends that the Secretary of State review and update, as applicable, State's (1) maximum housing space standards for overseas Foreign Service personnel to ensure they reflect the current economic conditions in the Washington, D.C., area and (2) method for measuring overseas housing space to align with domestic industry standards. State concurred with both recommendations.