



FEDERAL REAL PROPERTY

Progress Made on Planning and Data, but Unneeded Owned and Leased Facilities Remain

Highlights of [GAO-11-520T](#), a testimony before the Subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives.

Why GAO Did This Study

The federal government holds more than 45,000 underutilized properties that cost nearly \$1.7 billion annually to operate, yet significant obstacles impede efforts to close, consolidate, or find other uses for them. In January 2003, GAO designated federal real property management as a high-risk area, in part because of the number and cost of these properties. The Office of Management and Budget (OMB) is responsible for reviewing federal agencies' progress in real property management. In 2007, GAO recommended that OMB assist agencies by developing an action plan to address key obstacles associated with decisions related to unneeded real property, including stakeholder influence. The President's fiscal year 2012 budget proposed establishing a legislative framework for disposing of and consolidating civilian real property, referred to as a Civilian Property Realignment Act (CPRA), which may be designed to address stakeholder influences in real property decision making.

This testimony identifies (1) obstacles to effectively managing federal real property, (2) actions designed to overcome those obstacles, including government actions and CPRA, and (3) key elements of the Department of Defense's (DOD) base realignment and closure (BRAC) process that are designed to help DOD close or realign installations and may be relevant for CPRA. To do this work, GAO reviewed GAO reports, other reports, and CPRA.

View [GAO-520T](#) or key components. For more information, contact David Wise at (202) 512-2834 or wised@gao.gov or Brian Lepore at (202) 512-4523 or leporeb@gao.gov

What GAO Found

In designating federal real property management as a high-risk issue in 2003, GAO found that the federal government faced a number of obstacles to effectively managing its real property. These included its lack of strategic focus on real property issues, a lack of reliable real property data, legal limitations, and stakeholder influence. That year, GAO reported that despite the magnitude and complexity of real-property-related problems, there was no governmentwide strategic focus on real property issues and that governmentwide data were unreliable and outdated. GAO also reported then that before disposing of excess property, the General Services Administration is legally required to follow a lengthy screening process, which includes offering the property to other federal agencies and other entities for public uses. Furthermore, stakeholders—including local governments, private real estate interests, and advocacy groups—may have different interests that do not always align with the most efficient use of government resources.

Since 2003, the federal government has taken steps to address some of these obstacles and improve its real property management. For instance, the administration and real-property-holding agencies have improved their strategic management of real property by establishing an interagency Federal Real Property Council designed to enhance real property planning processes. The government has also implemented controls to improve the reliability of federal real property data. However, many problems related to unneeded property and leasing have persisted because legal limitations and stakeholder influences remain. GAO's 2007 recommendation that OMB develop an action plan is designed to address these problems. In addition, CPRA proposes an independent board to identify facilities for disposal and consolidation, which could streamline legal requirements and mitigate stakeholder influences.

Congress authorized DOD to undergo five BRAC rounds to reduce excess property and realign DOD's workload to achieve efficiencies and savings in property management. The BRAC process, much like CPRA, was designed to address obstacles to closures or realignments, thus permitting DOD to close installations or realign its missions to better use its facilities and generate savings. GAO's prior work on the BRAC process identified certain key elements that may be applicable to managing civilian real property, such as establishing goals and an organizational structure, developing criteria and an analytical framework, using a model to estimate costs and savings, and involving the audit community to better ensure data accuracy. A key similarity between BRAC and CPRA is that both establish an independent board that reviews agency recommendations; a key difference is that the BRAC process created criteria for selecting installations for realignment while CPRA does not include specific criteria to be used to select properties for disposal or consolidation.