

Highlights of [GAO-13-422T](#), a testimony before the Subcommittee on Government Operations, Committee on Oversight and Government Reform, U.S. House of Representatives

Why GAO Did This Study

The federal government has given high-level attention to the issue of real property management and has made some progress. This includes establishing FRPC—chaired by the Office of Management and Budget (OMB)—which created the FRPP database managed by GSA. However, federal real property management remains a high-risk area, in part, because of the long-standing problems the federal government has faced managing its excess and underutilized properties.

This statement summarizes GAO's 2013 *High Risk* update as it pertains to real property management and elaborates on problems associated with excess and underutilized property, drawing on a June 2012 GAO report ([GAO-12-645](#)). In that report, GAO recommended that GSA, in consultation with FRPC, develop a plan to improve the FRPP and that OMB develop a national strategy for managing federal excess and underutilized real property. GSA agreed with the recommendation and described actions its officials are taking to implement it. OMB did not directly state whether it agreed or disagreed with the recommendation. A full discussion of these recommendations and GAO's evaluation of them can be found in the June 2012 report.

This statement is based on previous GAO work where GAO analyzed agency data and visited 26 sites containing excess and underutilized buildings from five civilian federal real-property-holding agencies with significant portfolios.

View [GAO-13-422T](#). For more information, contact David Wise at (202) 512-2834 or wised@gao.gov.

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FEDERAL REAL PROPERTY

High-Risk Designation Remains due to Persistent Management Challenges

What GAO Found

The federal government faces long-standing problems in managing real property, including an overreliance on leasing, and excess and underutilized property. Related to leasing, the government owns and leases about 400,000 buildings located throughout the country and often leases private space in the same areas where it owns underutilized property. This practice is inefficient, resulting in millions of dollars of additional costs to federal agencies. Further, agencies often do not have a strong understanding of the real property held by other agencies and may lack the authority or expertise to lease their own underutilized property to other federal agencies.

The federal government continues to face persistent challenges related to its real property data. GAO examined Federal Real Property Profile (FRPP) data, which is managed by the General Services Administration (GSA), and identified inconsistencies and inaccuracies, at 23 of the 26 locations visited in 2011 and 2012, related to the reported utilization, condition, annual operating costs, and value of buildings. These findings raised concern that the FRPP is not a useful tool for describing the nature, use, and extent of excess and underutilized federal real property. These inconsistencies may arise in part because the Federal Real Property Council (FRPC) has not followed sound data collection practices. For example, the FRPC has not ensured that the data elements used by federal agencies are consistently defined and reported. As a result, the FRPC cannot ensure that FRPP data are sufficiently consistent and accurate to use as a decision-making tool for managing federal real property.

The previous and current administrations have sought to generate cost savings associated with improving management of excess and underutilized property. However, some of these efforts have been discontinued and potential savings for others are unclear. It is important to note that the five federal agencies that GAO reviewed have taken some actions to dispose of and better manage these properties, including using excess and underutilized property to meet space needs, consolidating offices to use space efficiently, and reducing employee workspace to use space more efficiently. However, the agencies still face challenges managing these properties. For example, property disposal costs can outweigh the financial benefits of property disposal. Additionally, legal requirements—such as those related to preserving historical properties and the environment—can make the property disposal process lengthy, according to agency officials. Finally, the interests of multiple—and often competing—stakeholder interests may not align with the most efficient use of government resources and complicate real property decisions. For example, GSA officials reported that local stakeholder interests have delayed conveyance of a federal building in Portland, Oregon. A comprehensive, long-term national strategy would support better management of excess and underutilized property by, among other things, defining the scope of the problem; clearly addressing achievement goals; addressing costs, resources, and investments needed; and clearly outlining roles and coordination mechanisms across agencies.