



Highlights

Highlights of [GAO-03-839T](#), a testimony before the Committee on Government Reform, House of Representatives

Why GAO Did This Study

Long-standing problems with excess and underutilized real property, deteriorating facilities, unreliable real property data, and costly space challenges are shared by several agencies. These factors have multibillion-dollar cost implications and can seriously jeopardize agencies' missions. Federal agencies face many challenges securing real property due to the threat of terrorism. This testimony discusses long-standing, complex problems in the federal real property area and what actions are needed to address them.

What GAO Recommends

This testimony discusses recommendations that we have previously made in GAO reports. Generally, there is a need for a comprehensive and integrated real property transformation strategy that could identify how best to realign federal real property and dispose of unneeded assets; address significant real property repair and restoration needs; develop reliable, useful real property data; resolve the problem of heavy reliance on costly leasing; and minimize the impact of terrorism on real property.

An independent commission or governmentwide task force may be needed to develop this strategy and legislative actions are needed to provide agencies with tools—such as retaining a portion of disposal proceeds—to help them address the problems.

www.gao.gov/cgi-bin/getrpt?GAO-03-839T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Bernard Ungar at (202) 512-4232 or ungarb@gao.gov.

FEDERAL REAL PROPERTY

Executive and Legislative Actions Needed to Address Long-standing and Complex Problems

What GAO Found

Over 30 agencies control hundreds of thousands of real property assets worldwide, including facilities and land, which are worth hundreds of billions of dollars. Unfortunately, much of this vast, valuable portfolio reflects an infrastructure based on the business model and technological environment of the 1950s. Many of the assets are no longer effectively aligned with, or responsive to, agencies' changing missions and are therefore no longer needed. Further, many assets are in an alarming state of deterioration; agencies have estimated restoration and repair needs to be in the tens of billions of dollars. Compounding these problems are the lack of reliable governmentwide data for strategic asset management, a heavy reliance on costly leasing instead of ownership to meet new needs, and the cost and challenge of protecting these assets against potential terrorism.

Resolving these problems will require high-level attention and effective leadership by both Congress and the administration. Also, because of the breadth and complexity of the issues, the long-standing nature of the problems, and the intense debate that will likely ensue, current structures and processes may not be adequate to address the problems. Thus, as we have reported, there is a need for a comprehensive, integrated transformation strategy for real property that will focus on some of the underlying causes that contribute to these problems, such as competing stakeholder interests in real property decisions; various legal and budget-related disincentives to businesslike outcomes; inadequate capital planning and the lack of governmentwide focus on real property issues. It is equally important that Congress and the administration work together to develop and enact needed reform legislation to give real property-holding agencies the tools they need to achieve better outcomes. This would also foster a more businesslike real property environment and provide for greater accountability for real property stewardship.



The Vacant L. Mendel Rivers Federal Building, Charleston, S.C.
Source: Ernst and Young.



The U.S. Patent and Trademark Office (PTO) Construction Project in Alexandria, VA (February 2003)
Source: PTO.