

GAO
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Highlights

Highlights of [GAO-07-349](#), a report to congressional committees

Why GAO Did This Study

GAO prepared this report under the Comptroller General's authority to conduct evaluations on his own initiative to assist Congress. Federal real property is a high-risk area due to excess and deteriorating property, reliance on costly leasing, unreliable data, and security challenges. GAO's objectives were to determine (1) what progress the administration and major real property-holding agencies have made in strategically managing real property and addressing long-standing problems and (2) what problems and obstacles, if any, remain to be addressed. GAO reviewed documents and interviewed officials from the Office of Management and Budget (OMB) and nine agencies that hold 93 percent of federal property.

What GAO Recommends

GAO recommends that OMB, in conjunction with the Federal Real Property Council, (1) develop a framework to better ensure the validity and usefulness of key agency data; (2) develop an action plan for addressing key problems, including reliance on leasing, security challenges, and the effect of competing stakeholder interests; and (3) create a clearer link between agencies' efforts under the real property initiative and broader capital planning requirements. OMB agreed with the report and concurred with its recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-349.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Mark L. Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

FEDERAL REAL PROPERTY

Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform

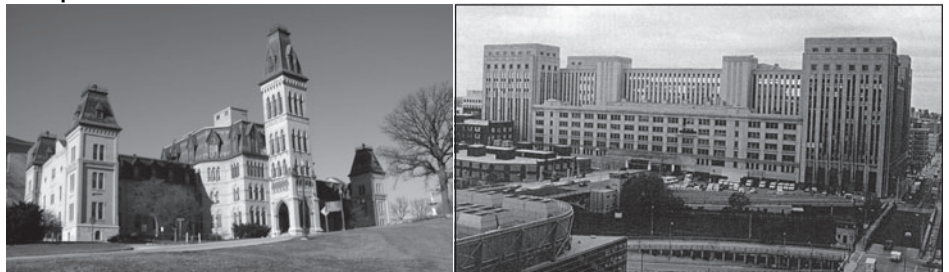
What GAO Found

The administration and real property-holding agencies have made progress toward strategically managing federal real property and addressing long-standing problems. In response to the President's Management Agenda real property initiative and a related executive order, agencies have, among other things, established asset management plans; standardized data reporting; and adopted performance measures. Also, the administration has created a Federal Real Property Council (FRPC) and plans to work with Congress to provide agencies with tools to better manage real property.

These are positive steps, but underlying problems still exist. For example, the Departments of Energy (Energy) and Homeland Security (DHS) and the National Aeronautics and Space Administration (NASA) reported during this review that over 10 percent of their facilities are excess or underutilized. Also, Energy, NASA, the General Services Administration (GSA), and the Departments of the Interior (Interior), State (State), and Veterans Affairs (VA) reported repair and maintenance backlogs for buildings and structures that total over \$16 billion. The Department of Defense (DOD) reported a \$57 billion restoration and modernization backlog. Also, Energy, Interior, GSA, State, and VA reported an increased reliance on leasing to meet space needs. While agencies have made progress in collecting and reporting standardized real property data, data reliability is still a challenge at DOD and other agencies, and agencies lack a standard framework for data validation. Finally, agencies reported using risk-based approaches to prioritize security needs, which GAO has suggested, but some cited obstacles such as a lack of resources for security enhancements.

In past high-risk updates, GAO called for a transformation strategy to address the long-standing problems in this area. While the administration's approach is generally consistent with what GAO envisioned, certain areas warrant further attention. Specifically, problems are exacerbated by underlying obstacles that include competing stakeholder interests, legal and budgetary limitations, and the need for improved capital planning. For example, agencies cited local interests as barriers to disposing of excess property, and agencies' limited ability to pursue ownership leads them to lease property that may be more cost-effective to own over time.

Examples of Excess Federal Facilities



Sources: VA and USPS.

From left to right: former Main VA Hospital Building, Milwaukee, WI; former Main Post Office Chicago, IL.