



FEDERAL REAL PROPERTY

Reducing the Government's Holdings Could Generate Substantial Savings

Statement of Statement of David Marroni, Director, Physical Infrastructure Issues

Testimony

Before the Subcommittee on Delivering on Government
Efficiency, Committee on Oversight and Government
Reform, House of Representatives

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GAO Highlights

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Why GAO Did This Study

The federal government's real property holdings are vast and diverse, costing billions annually to occupy, operate, and maintain. GAO designated federal real property as high risk in 2003 because of large amounts of underused property and the great difficulty in disposing of unneeded holdings. Maintaining unneeded space has financial, environmental, and opportunity costs.

This statement discusses key actions taken by Congress and the executive branch since the High-Risk update in 2023 and actions needed to address four federal real property issues: (1) underused buildings, (2) data reliability, (3) facility security, and (4) building condition. This statement is based on GAO's prior work and reflects GAO's 2025 High-Risk update ([GAO-25-107743](#)), released in February 2025.

What GAO Recommends

While the government has addressed many of GAO's recommendations on key real property issues, 57 GAO recommendations in this area are not yet fully implemented. Actions to implement these recommendations can help address challenges with underused property, data reliability, facility security, and building conditions.

What GAO Found

Better management of the federal government's real property portfolio is needed to effectively dispose of underused buildings, collect reliable real property data, enhance the security of federal facilities, and improve the condition and configuration of federal buildings. These management challenges have led GAO to include Managing Federal Real Property on GAO's High-Risk List since 2003.

- **Underused buildings.** Federal agencies have long struggled with underused space, which costs millions of dollars. Enacted in January 2025, the Utilizing Space Efficiently and Improving Technologies Act requires agencies to measure building utilization and plan to dispose of underused space. If this Act were effectively implemented, it would address GAO's 2023 recommendation ([GAO-24-107006](#)) on the need for governmentwide guidance on measuring space utilization.
- **Data reliability.** Without reliable data, it is difficult to support effective real property management and decision-making. The General Services Administration has worked with federal agencies to improve its Federal Real Property Profile database but has not yet fully corrected property location data, as recommended by GAO in February 2020 ([GAO-20-135](#)). The Department of Defense (DOD) improved its real property data as well, but further action is needed to address the issues GAO identified in November 2018 ([GAO-19-73](#)).
- **Facility security.** The Department of Homeland Security has taken steps to improve facility security, but more progress is needed. Contract guards did not detect prohibited items being brought into federal facilities in about half of GAO's 27 covert tests in 2024. This is a rate comparable to the Federal Protective Service's (FPS) own covert testing results. In addition, FPS has not yet fully deployed the Post Tracking System. Under development

since 2013, the system was supposed to verify that all guards are qualified but faces technical and data reliability problems. GAO's March 2025 report ([GAO-25-108085](#)) recommended actions DHS and FPS should take to address these issues.

- **Building condition.** This year GAO added "Building Condition" to the existing real property high-risk area. The federal government's annual maintenance and operating costs for its 277,000 buildings were about \$10.3 billion in fiscal year 2023. Further, federal agencies have deferred maintenance and repairs on many buildings, creating a backlog. GAO found that these needs had more than doubled, from \$170 billion to \$370 billion between fiscal year 2017 and 2024. Federal agencies should improve how they communicate maintenance and repair needs to Congress and the public. GAO's November 2023 ([GAO-24-105485](#)) report describes the improvements the agencies should make.

Chairwoman Greene, Ranking Member Stansbury, and Members of the Subcommittee:

According to the most recent official statistics from fiscal year 2023, the federal government owns about 420 million square feet of office space that cost nearly two billion dollars annually to occupy, operate, and maintain.¹ For 22 years, managing federal real property has remained on GAO's High-Risk List. Managing federal real property was first designated high risk in 2003 because of large amounts of underused property and the great difficulty in disposing of unneeded holdings. Maintaining unneeded space has financial, environmental, and opportunity costs.

Since federal real property was added to GAO's High-Risk List, Congress and the executive branch have given attention to these issues, but more work remains. While federal agencies have addressed many of our recommendations on key real property issues, we have 57 recommendations that have not been fully implemented related to underused property, data reliability, facility security, and building condition. Most of these recommendations were made over the past 5 years.

This statement discusses key actions taken by Congress and the executive branch since the High-Risk update in 2023 and actions that would help improve federal real property management. This statement is based on GAO's prior work and reflects GAO's 2025 High-Risk update, released on February 25, 2025.²

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Underused Buildings

Federal agencies have long struggled to determine how much space they need to fulfill their missions. Issues with underused space were further complicated with increased telework during and following the COVID-19 pandemic. Retaining this underused space costs millions of dollars and is one of the main reasons that federal real property management has remained on GAO's High-Risk List since 2003. The following are key actions that Congress and the executive branch have taken to address underused buildings since our High-Risk update in 2023.

- Enacted in January 2025, the Utilizing Space Efficiently and Improving Technologies (USE IT) Act requires agencies to measure building utilization and plan to dispose of underused space.³ Specifically, it requires that agencies measure the utilization of public buildings by comparing the capacity of each space to the

¹According to the Federal Real Property Profile—the government wide real property database maintained by the General Services Administration (GSA).

²GAO, *High-Risk Series: Heightened Attention to High-Risk Areas Could Yield Billions More in Savings and A More Efficient and Effective Government*, [GAO-25-107743](#) (Washington, D.C.: Feb 25, 2025).

³Thomas R. Carper Water Resources Development Act, Pub. L. No. 118-272, S. 4367, 118th Cong., div. B, tit. III § 2302 (2025).

number of people who are working in the building.⁴ If building utilization remains below 60 percent capacity for two consecutive years, the General Services Administration (GSA), in consultation with the Office of Management and Budget (OMB), must take steps to reduce the amount of underused space. This Act, combined with effective implementation, would address our 2023 recommendation on the need for governmentwide guidance on measuring space utilization.⁵

- GSA initiated a full portfolio assessment in November 2023 to identify real property for disposal. As of December 4, 2024, GSA had identified 34 properties to enter the disposal process. GSA estimated that disposing of these properties will reduce GSA's inventory by over 6 million square feet and save \$1.8 billion over 10 years.
- In addition, the Federal Assets Sale and Transfer Act of 2016 (FASTA) established a temporary process to help the federal government identify and dispose of unneeded federal real property.⁶ As of December 2024, the FASTA process had identified 12 properties for disposal, 10 of which sold for a total of \$194 million. In October 2022 we reported that GSA had not developed an approach to leveraging knowledge from setbacks that agencies experienced implementing the FASTA process.⁷
- In a January 2025 Executive Order, the United States Digital Service was renamed the U.S. Department of Government Efficiency (DOGE) Service, and the U.S. DOGE Service Temporary Organization was established within the Executive Office of the President.⁸ A subsequent Executive Order directed agency heads to coordinate with the organization to identify lease termination rights and requires GSA to submit a plan to OMB for "disposition of Government-owned real property which has been deemed by the agency as no longer needed."⁹ As March 26, 2025, the U.S. DOGE Service's "Wall of Receipts" cited 679 lease terminations totaling approximately \$400 million in cost savings. GAO has not reviewed the accuracy of this information or the extent to which these lease terminations address underused space.
- In February 2025, GSA initiated an effort to reduce unneeded and underused space leased by GSA for federal tenant agencies. GSA targeted its space reduction effort on federal leases in the "soft term," which refers to the portion of a lease's term during which the tenant can terminate the lease without breaking the terms of the lease contract.¹⁰ GSA sent letters to federal tenant agencies asking them whether the agency's ability to fulfill its mission would be "irreparably compromised" if GSA were to terminate these leases.

⁴Covered agencies are directed to begin collecting utilization measurements beginning no later than July 3, 2025, 180 days after the date of enactment. *Id.* § 2302(b)(2).

⁵GAO, *Federal Real Property: Agencies Need New Benchmarks to Measure and Shed Underutilized Space*, [GAO-24-107006](#) (Washington D.C.: Oct. 26, 2023).

⁶Pub. L. No. 114-287, 130 Stat. 1463 (codified as amended 40 U.S.C. § 1303 note). FASTA originally included three rounds, but recently enacted legislation directed an additional, fourth round to identify additional properties. Thomas R. Carper Water Resources Development Act, Pub. L. No. 118-272, S. 4367, 118th Cong., div. B, tit. III § 2301 (2025).

⁷GAO, *Federal Real Property: GSA Should Leverage Lessons Learned from New Sale and Transfer Process*, [GAO-23-104815](#) (Washington D.C.: Oct. 7, 2022).

⁸Exec. Order No. 14158, 90 Fed. Reg. 8441 (Jan. 20, 2025).

⁹Exec. Order No. 14222, 90 Fed. Reg. 11095, 11096-97 (Feb. 26, 2025).

¹⁰In contrast, the "firm term" is the length of the lease that the tenant is required by contract to pay rent for without breaking the terms of the lease contract.

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- In March 2025, GSA launched a program called Space Match to help federal agencies find available office space in underused space. According to GSA, potential benefits of the program include helping agencies find available space as employees return to in-person work; optimizing the use of underused space; and creating a collaborative work environment for agencies. GAO has not reviewed this program.

The following steps would help to address some of the government's challenges with underused space:

- OMB should continue to assist agencies in monitoring utilization to help identify unneeded space, as recommended in our October 2023 report.¹¹ The USE IT Act includes additional requirements which may assist in this work.
- GSA should help federal agencies improve the disposal of underused property by applying lessons from the FASTA process to improve future disposal efforts, as recommended in our October 2022 report.¹²

Data Reliability

Without reliable data, it is difficult to support effective real property management and decision-making. GSA relies on federal agencies to submit accurate data to the Federal Real Property Profile, the governmentwide database of federal real property that GSA uses to manage buildings, structures, and land. We have identified problems with the reliability of federal real property data since we first placed the management of federal real property on the High-Risk List. The following are key actions that the executive branch has taken to address this issue since our High-Risk update in 2023.

- GSA has worked with federal agencies to improve the reliability of federal real property data. In 2020, we reported that 67 percent of addresses in the Federal Real Property Profile public database were incorrectly formatted or incomplete.¹³ GSA took actions to improve its process for validating and verifying addresses in this database. In 2023, we found that over 98 percent of addresses were correctly formatted, but that location data errors continued.

In August 2024, the Federal Real Property Council, an interagency council of which GSA is a member, published program guidance to help federal agencies improve the quality of data they submit to the Federal Real Property Profile.¹⁴ The guidance instructs agencies to concentrate their initial data quality improvement efforts on data elements such as property type and property use because these elements are most easily verified with external information. GSA established a strategic initiative to improve real property data accuracy through data standards and management in its strategic plan for fiscal years 2022-2026. GSA also implemented a tool that alerts agencies to potentially incorrect location data in the Federal Real Property Profile database.

- The Department of Defense (DOD) has worked to improve monitoring of its real property data. In November 2018, we found that DOD was not effectively recording and reporting data, which led to

¹¹[GAO-24-107006](#).

¹²[GAO-23-104815](#).

¹³GAO, *Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data*, [GAO-20-135](#) (Washington, D.C. Feb. 6, 2020).

¹⁴Federal Real Property Council, *Agency-Level Federal Real Property Profile Data Quality Improvement Program Guidance* (August 2024).

inaccurate and incomplete real property information.¹⁵ Subsequently, DOD has defined and documented the data elements that are most significant for decision-making and is taking a department-wide approach to improving its data quality. In addition, the Navy, Air Force, and Army improved monitoring of their respective processes for recording all required real property information. However, DOD has not yet prioritized and coordinated with the military services to identify opportunities for filling vacant real property positions. This has contributed to workload backlogs and prevented them from sufficiently maintaining their real property data.

The following steps would help to address federal real property data challenges:

- GSA should take steps to fully implement our 2020 recommendation to help federal agencies improve their data reliability by implementing the data quality standards identified in the Federal Real Property Council's August 2024 guidance and ensure street address information is accurate.¹⁶ In the interim, we are continuing to assess federal real property data and plan to issue new work on the topic.
- DOD should take steps to fully implement our 2018 recommendation to develop a strategy that identifies and addresses risks to real property data quality and information accessibility.

Facility Security

Past attacks on federal buildings demonstrate that the security of federal facilities remains a high-risk issue. The challenges inherent in addressing threats to federal facility security have persisted since we placed the management of federal real property on the High-Risk list. The following are key actions that Congress and the executive branch have taken to address facility security since our High-Risk update in 2023.

- In November 2023, President Biden issued Executive Order 14111, superseding and updating Executive Order 12977, which established the Interagency Security Committee (ISC) now chaired by the Department of Homeland Security (DHS).¹⁷ This update clarifies the Committee's oversight role in monitoring agencies' compliance with ISC's physical security standards.
- Congress passed legislation and the ISC took action to improve oversight of Federal Protective Service (FPS)-recommended security countermeasures to protect federal facilities, as we recommended in May 2023.¹⁸ Specifically, the Improving Federal Building Security Act of 2024 requires facility security committees to inform DHS of their decisions to implement FPS recommendations within 90 days.¹⁹ In January 2025, the ISC updated its annual questionnaire to include questions that will assess agencies' implementation of FPS-recommended countermeasures. The ISC has also developed standard operating

¹⁵GAO, *Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data*, [GAO-19-73](#) (Washington, D.C. Nov. 13, 2018).

¹⁶[GAO-20-135](#).

¹⁷Exec Order No. 14111, 88 Fed. Reg. 83,809 (Dec. 1, 2023).

¹⁸GAO, *Federal Facilities: Improved Oversight Needed for Security Recommendations*, [GAO-23-105649](#) (Washington, D.C. May 8, 2023).

¹⁹Pub. L. No. 118-157, §2(a), 138 Stat. 1719, 1719 (to be codified 40 U.S.C. § 1315 note).

procedures to assess how agencies document risk acceptance when they do not implement FPS-recommended countermeasures in their facilities.

- The Capitol Police Board and the Capitol Police also took action to improve emergency procedures and security risk assessments, as we recommended after the January 2021 attack on the U.S. Capitol. Specifically, the Capitol Police Board and the Capitol Police developed procedures to obtain outside assistance in an emergency as well as to either implement recommended security countermeasures or document risk acceptance if those countermeasures are not implemented.²⁰

The federal government has shown commitment to improving the security of federal buildings, but challenges remain. These challenges and our key recommendations to address them are highlighted below.

- FPS employs contract guards at 2,500 federal facilities. In 2024, we conducted 27 covert tests at selected federal facilities and found that FPS's contract guards failed to detect prohibited items about half the time.²¹ These results, which are consistent with FPS's findings in its internal covert testing program, raise questions about how effectively the guards detect prohibited items. We recommended that FPS collect more consistent data about the causes of test failures, analyze those data, and then use that analysis to improve contract guards' detection capabilities.
- In 2024, we also found the data system that FPS uses to verify if contract guards are qualified to stand post—the Post Tracking System—continues to face technology and data reliability challenges.²² In 2025, we recommended that DHS determine whether to replace the Post Tracking System, which has been under development since 2013, or make corrective actions to address problems with the system.²³

Building Condition

In the 2025 High-Risk Update, we added building condition as a High-Risk topic for federal real property due to large increases in the cost of addressing deferred maintenance in federal buildings. The federal government's annual maintenance and operating costs for its 277,000 buildings exceeded \$10.3 billion in fiscal year 2023. Since this is a new High-Risk topic, we are focusing on our recent findings and actions needed to improve the condition of federal buildings. Federal agencies are taking steps to improve building condition and configuration, but the challenges led us to include the topic in the High-Risk update.

- DOD and federal civilian building repair backlogs have more than doubled, going from \$171 billion to \$370 billion from fiscal year 2017 through 2024 (see fig. 1). Unless this trend reverses, federal assets will continue to deteriorate and need premature replacement, which can be significantly more expensive than the cost of repairs had they not been delayed.

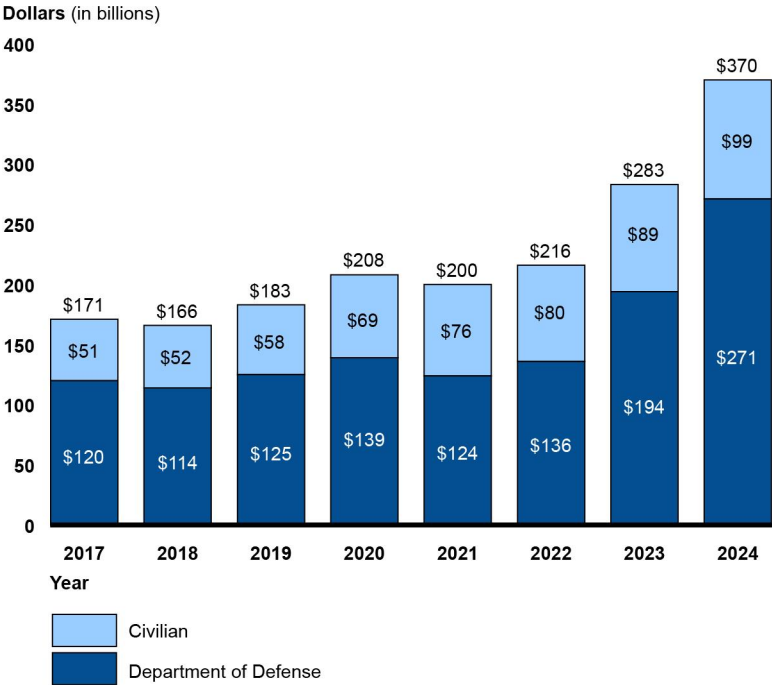
²⁰GAO, *Capitol Attack: The Capitol Police Need Clearer Emergency Procedures and a Comprehensive Security Risk Assessment Process*, [GAO-22-105001](#) (Washington, D.C. Feb. 17, 2022).

²¹GAO, *Federal Facility Security: Preliminary Results Show That Challenges Remain in Guard Performance and Oversight*, [GAO-24-107599](#) (Washington, D.C. Jul. 23, 2024).

²²[GAO-24-107599](#).

²³GAO, *Federal Protective Service: Actions Needed to Address Critical Guard Oversight and Information System Problems*, [GAO-25-108085](#) (Washington, D.C. Mar. 11, 2025).

Figure 1: U.S. Department of Defense and Federal Civilian Agencies’ Reported Estimates of Deferred Maintenance and Repairs, Fiscal Years 2017–2024



Source: GAO analysis of information from the U.S. Departments of the Treasury and Defense. | GAO-25-108159

Accessible Data for Figure 1: U.S. Department of Defense and Federal Civilian Agencies’ Reported Estimates of Deferred Maintenance and Repairs, Fiscal Years 2017–2024

Year	DOD (dollars in billions)	Civilian (dollars in billions)
2017	120	51
2018	114	52
2019	125	58
2020	139	69
2021	124	76
2022	136	80
2023	194	89
2024	271	99

Source: GAO analysis of information from the U.S. Departments of the Treasury and Defense. | GAO-25-108159

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- In 2023, we determined that federal agencies' spaces are not well configured to meet modern office needs.²⁴ If agencies continue to operate in poorly configured office buildings, they will continue to underuse space, spending unnecessary operating funds. Agencies ranked budget shortages to reconfigure space as the top challenge to increasing utilization of their headquarters buildings. For example, U.S. Department of Agriculture officials said they would need millions of dollars to update their two-building headquarters to support higher density and possible office sharing.
 - In 2023, we reviewed four agencies and found they did not fully communicate the potential costs of maintenance backlogs to Congress.²⁵ For example, none of the agencies provided sufficient information in their financial and budget documents to explain how much of their backlog was for projects necessary to fulfilling agency missions. As a result, Congress and the public do not have a clear picture of the anticipated costs to address the deferred maintenance that may impact critical government functions. We recommended that GSA and the Departments of Health and Human Services, Interior, and Energy fully communicate repair needs to Congress and the public.
 - In 2023, we found that military barracks were in poor condition, including some with safety risks like sewage overflow and inoperable fire systems.²⁶ We recommended that the Department of Defense clarify guidance, and that the service branches update minimum health and safety standards. We also recommended that DOD update and clarify guidance on assessing barracks conditions, obtain complete funding information, and increase oversight of barracks programs. DOD has implemented several of our recommendations, including updating guidance on how the military branches should conduct condition assessments for barracks.
 - In 2024, the GSA Inspector General determined that GSA had not effectively monitored its maintenance contractors to ensure they implemented required maintenance and repairs. Specifically, operations and maintenance contractors did not complete all work orders for service requests and preventive maintenance.²⁷ In some cases, operations and maintenance contractors marked work orders as complete even though the work was not actually completed. The Inspector General recommended that GSA improve its oversight of contractors.

Chairwoman Greene, Ranking Member Stansbury, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact David Marroni, Director, Physical Infrastructure at MarroniD@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Keith Cunningham (Assistant Director), James Leonard (Analyst in Charge), Audrey Blumenfeld,

²⁴[GAO-24-107006](#).

²⁵GAO, *Federal Real Property: Agencies Should Provide More Information about Increases in Deferred Maintenance and Repair*, [GAO-24-105485](#) (Washington, D.C. Nov. 16, 2023).

²⁶GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, [GAO-23-105797](#) (Washington, D.C. Sept. 19, 2023).

²⁷GSA Office of Inspector General, *Building Maintenance Contracts Are Not Complying with Their GSA Contracts Due to Poor Performance and Ineffective Oversight*, Report Number A230032/P/2/R24004 (Washington, D.C.: May 3, 2024).

and Michelle Weathers. In addition, Kevin Barsaloux, Emily Crofford, Kate Hu, Terence Lam, Josh Ormond, Elizabeth Wood provided key support. Other staff who made key contributions to the reports cited in the testimony are identified in the source products.

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