



# FEDERAL REAL PROPERTY

## Disposing of Unneeded Facilities Could Help Reduce Maintenance Backlog

Statement of David Marroni, Director, Physical Infrastructure Issues

### Testimony

Before the Subcommittee on Financial Services and General Government, Committee on Appropriations, House of Representatives

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**GAO-25-108400**

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# GAO Highlights

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Highlights of [GAO-25-108400](#), a testimony before the Subcommittee on Financial Services and General Government, Committee on Appropriations, House of Representatives

April 9, 2025

## FEDERAL REAL PROPERTY

### Disposing of Unneeded Facilities Could Help Reduce Maintenance Backlog

#### Why GAO Did This Study

The federal government owns a massive portfolio of buildings and structures that costs billions of dollars to operate and maintain annually. The government's annual operating and maintenance costs for its 277,000 buildings exceeded \$10.3 billion in fiscal year 2023. Deferred maintenance and repair on these assets can affect agencies' abilities to support their missions.

Managing federal real property has remained on GAO's High-Risk List for 22 years. GAO added building condition as a high-risk topic within federal real property this year due to large increases in the cost of addressing deferred maintenance.

This statement explains why GAO placed building condition on the High-Risk List in 2025 and how the disposal of unneeded facilities could affect maintenance backlogs. It is based on GAO's prior work and reflects GAO's 2025 High-Risk update ([GAO-25-107743](#)).

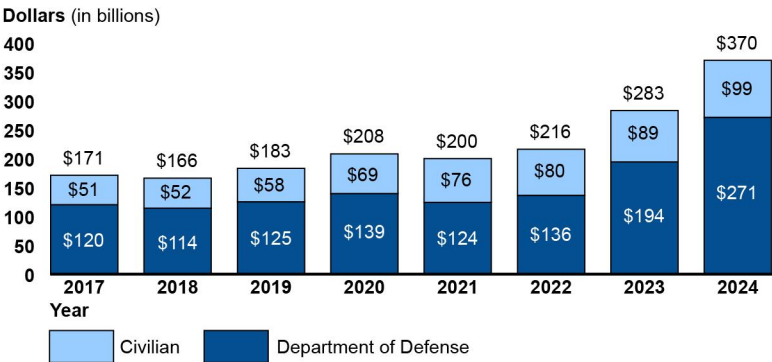
#### What GAO Recommends

GAO has 57 open recommendations to a variety of agencies related to managing federal real property. Included among them, GAO made two recommendations to GSA in 2023 to improve the information it provides on its repair and maintenance backlog. GSA agreed with the recommendations and has taken steps to address them, but neither recommendation has been implemented yet.

#### What GAO Found

In its 2025 High Risk List, GAO added building condition as a high-risk topic due in part to large increases in the cost of addressing deferred maintenance in federal buildings. Unless this trend reverses, federal assets will continue to deteriorate and need premature replacement, which can be significantly more expensive than if maintenance and repairs were done when originally scheduled. The Department of Defense and federal civilian building deferred maintenance and repair backlogs have more than doubled, from \$171 billion to \$370 billion, between fiscal years 2017 and 2024. In March 2025, the General Service Administration (GSA) noted that its deferred maintenance backlog exceeded \$17 billion and that addressing this issue was a top priority.

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-25-108400

Accessible Data for 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-25-108400

As GAO reported in November 2023 ([GAO-24-105485](#)), GSA and three other agencies attributed increases in deferred maintenance and repair to factors including funding constraints; rising labor and materials costs; and the size and age of agencies’ real property portfolios. GAO recommended steps for the federal agencies to improve how they communicate maintenance and repair needs to Congress and the public.

Retaining underused space costs millions of dollars and is one of the main reasons federal real property management has remained on GAO’s High-Risk List since 2003. As recommended by GAO in October 2023 ([GAO-24-107006](#)), measuring the use of federal buildings and disposing of unneeded ones are essential. Federal agencies could then reduce their deferred maintenance needs because the government would no longer need to repair buildings it does not own.

Chairman Joyce, Ranking Member Hoyer, and Members of the Subcommittee:

The federal government owns a massive portfolio of buildings and structures—such as roads, bridges, dams, and monuments—that costs billions of dollars to operate and maintain annually. The government’s annual maintenance and operating costs for its 277,000 buildings exceeded \$10.3 billion in fiscal year 2023. Deferred maintenance and repair on these assets can affect agencies’ abilities to support their missions.

For 22 years, managing federal real property has remained on GAO’s High-Risk List. In the 2025 high-risk update, we added building condition as a high-risk topic for federal real property due in part to large increases in the cost of addressing deferred maintenance in federal assets. The Department of Defense (DOD) and federal civilian agencies’ building deferred maintenance and repair backlogs have more than doubled, going from \$171 billion to \$370 billion, from fiscal year 2017 through 2024. In March 2025, General Services Administration (GSA) noted that its deferred maintenance backlog exceeded \$17 billion and that addressing this issue was a top priority.

GAO has 57 open recommendations to a variety of agencies related to managing federal real property. This statement explains (1) why we placed building condition on the High-Risk List in 2025 and actions needed to address the growing backlog and (2) how disposal of unneeded properties can help address the problem. This statement is based on GAO’s prior work and reflects GAO’s 2025 high-risk update, released on February 25, 2025.<sup>1</sup>

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.

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## Federal Building Condition is a High-Risk Issue Due to Large and Growing Deferred Maintenance Costs

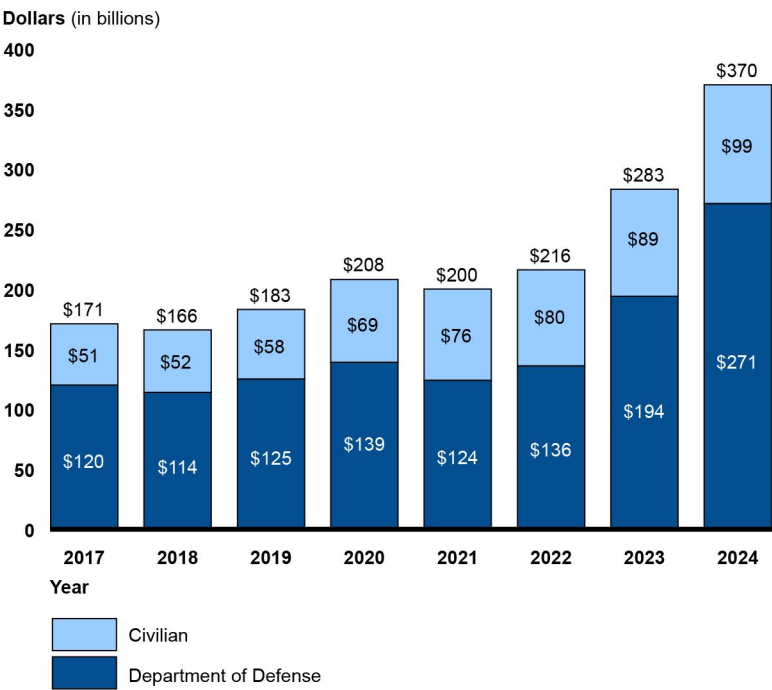
In the 2025 high-risk update, we added building condition as a high-risk topic for federal real property due in part to large increases in the cost of addressing deferred maintenance. The cost of addressing DOD and federal civilian building repair backlogs has more than doubled, going from \$171 billion 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. As we reported in November 2023, officials from selected agencies attributed increases in

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<sup>1</sup>GAO, *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).

their reported deferred maintenance and repair costs to multiple factors, including funding constraints; rising labor and materials costs; and the size and age of their real property portfolios.<sup>2</sup>

**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-25-108400

**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-25-108400

<sup>2</sup>GAO, *Federal Real Property: Agencies Should Provide More Information about Increases in Deferred Maintenance and Repair*, [GAO-24-105485](#) (Washington, D.C. Nov. 16, 2023).

S02:Source: GAO analysis of information from the U.S. Departments of the Treasury and Defense. | GAO-25-108400

Our recent work has identified a variety of areas in which the government should take action to help address issues with the condition of federal assets.

- As we stated in our 2025 high-risk update, federal agencies need to make a compelling business case to Congress for funding facility repair and maintenance needs. In 2023, we reviewed four agencies and found they did not fully communicate the estimated costs of deferred maintenance backlogs to Congress.<sup>3</sup> For example, none of the agencies provided sufficient information in their financial and budget documents to determine 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, and that the Office of Management and Budget (OMB) update its guidance to ensure that agencies are doing this. In May 2024, OMB implemented GAO's recommendation to update its guidance. Each of the four agencies have also made progress toward addressing GAO's recommendations, and we will continue to monitor this progress.<sup>4</sup>
- In the same 2023 report, we found that GSA had not developed plans to inform decision makers about the funding and time frames needed to address deferred maintenance and repair backlogs. We recommended that GSA develop a plan to address its backlog and identify the funding and time frames needed to reduce this backlog in congressional budget requests, related reports to decision makers, or both. As of February 2025, GSA officials stated they are continuing to develop a model to project the condition of its portfolio 10 years into the future. This model—which officials anticipate completing by March 2026—is designed to allow GSA to identify the funding and timeframes needed to address the agency's deferred maintenance and repair backlog.
- In 2023, we found that military barracks were in poor condition, including some with safety risks like sewage overflow and inoperable fire systems.<sup>5</sup> We recommended 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 2023, we determined that federal agencies' spaces are not well configured to meet modern office needs.<sup>6</sup> If agencies continue to operate in poorly configured office buildings, they will continue to underuse space and spend unnecessary operating funds. Agencies ranked budget shortages to reconfigure space as

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<sup>3</sup>[GAO-24-105485](#).

<sup>4</sup>In responding to this recommendation, GSA officials clarified in March 2025 that all deferred maintenance and repair included in its estimate is considered essential to support the federal government's mission. However, GSA does not indicate this in its Annual Financial Report or clarify that the estimate excludes deferred maintenance and repair that is less urgent or has been deliberately deferred (e.g., for excess property or assets scheduled for replacement through recapitalization).

<sup>5</sup>GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, [GAO-23-105797](#) (Washington, D.C. Sept. 19, 2023).

<sup>6</sup>GAO, *Federal Real Property: Agencies Need New Benchmarks to Measure and Shed Underutilized Space*, [GAO-24-107006](#) (Washington D.C.: Oct. 26, 2023).

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 accommodate higher density and possible office sharing.

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## Disposing of Unneeded Buildings Could Reduce the Maintenance Backlog

Federal agencies have long struggled to determine how much space they need to fulfill their missions. Retaining underused space costs millions of dollars and is one of the main reasons federal real property management has remained on GAO's High-Risk List since 2003. By measuring the use of federal buildings and disposing of unneeded ones, they could reduce their deferred maintenance needs because the government would no longer need to repair buildings it doesn't own. Moreover, the federal government could apply the resources allocated to an unneeded building to other priorities, such as reducing the deferred maintenance on remaining buildings. The following are key actions that Congress and the executive branch have taken to reduce 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 for steps to be taken to reduce the unneeded space.<sup>7</sup> Specifically, it requires that agencies measure the utilization of public buildings by comparing the capacity of each space to the number of people who are working in the building.<sup>8</sup> If utilization remains below 60 percent capacity for two consecutive years, GSA, in consultation with the OMB, must take steps to reduce the amount of unneeded space of the tenant agency. If this Act were effectively implemented, it would address our 2023 recommendation on the need for governmentwide guidance on measuring space utilization.<sup>9</sup>
- In November 2023, GSA initiated a full portfolio assessment 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 its inventory by over 6 million square feet and save \$1.8 billion over 10 years. A February 26, 2025 Executive Order, also directed GSA to submit a plan to OMB within 60 days for the disposal of federal real property deemed by the agency as no longer needed.<sup>10</sup>
- The Federal Assets Sale and Transfer Act of 2016 (FASTA) established a temporary process to, among other things, help the federal government identify and dispose of unneeded federal real property.<sup>11</sup> As of

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<sup>7</sup>The USE IT Act was enacted as division B, title III, of the Thomas R. Carper Water Resources Development Act of 2024, Pub. L. No. 118-272, div. B, tit. III, § 2302, 138 Stat. 2992 (2025).

<sup>8</sup>The USE IT Act requires covered agencies to begin collecting utilization measurements beginning no later than July 3, 2025, 180 days after the date of enactment. USE IT Act, div. B, tit. III, § 2302(b)(2).

<sup>9</sup>GAO, *Federal Real Property: Agencies Need New Benchmarks to Measure and Shed Underutilized Space*, [GAO-24-107006](#) (Washington D.C.: Oct. 26, 2023).

<sup>10</sup>Exec. Order No. 14222, 90 Fed. Reg. 11095, 11096-97 (Mar. 3, 2025).

<sup>11</sup>Pub. 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, div. B, tit. III, § 2301, 138 Stat. 2992 (2025).

December 2024, the FASTA process had identified 12 properties for disposal, 10 of which sold for a total of \$194 million.

- 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 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 and, in turn, help identify properties for disposal:

- OMB should continue to help agencies in monitoring utilization to help identify unneeded space, as recommended in our October 2023 report.<sup>12</sup> 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, as recommended in our October 2022 report.<sup>13</sup>

Chairman Joyce, Ranking Member Hoyer, 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.

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## 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](mailto: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), and Audrey Blumenfeld. In addition, Tobias Gillett, Geoff Hamilton, Terence Lam, Josh Ormond, Michelle Weathers, and 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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<sup>12</sup>[GAO-24-107006](#).

<sup>13</sup>GAO, *Federal Real Property: GSA Should Leverage Lessons Learned from New Sale and Transfer Process*, [GAO-23-104815](#) (Washington D.C.: Oct. 7, 2022).



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**Letter**

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