GAO <u>Highlights</u>

Highlights of GAO-25-108028, a testimony before the Subcommittee on Economic Development, Public Buildings and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives.

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 added federal real property to its High-Risk List in 2003 for several reasons.

These reasons include that the government retained more real property than it needed, did not have reliable property data to support decision making, and struggled to secure federal buildings.

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, released in February 2025.

What GAO Recommends

While the government has implemented 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 underused property, unreliable data, insecure facilities, and unsafe building conditions.

FEDERAL REAL PROPERTY

Congress and Agencies Have Acted to Address Key High-Risk Issues but Challenges Remain

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. This Act, combined with effective implementation, would address GAO's 2023 recommendation 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. The Department of Defense improved its real property data as well, but further efforts are needed, including better coordination with military services to fill key vacant real property positions.
- 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.
- **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. In addition, agency officials told GAO that headquarters buildings are poorly configured and need renovations to meet present-day workforce requirements.

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