

# Federal Real Property Data: Limitations and Implications for Oversight

November 5, 2020

## **SUMMARY**

#### R46594

November 5, 2020

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# Federal Real Property Profile Management System: Data Limitations and Implications for Oversight

The federal executive branch owns and leases more than 127,000 buildings, with annual operating costs in excess of \$15 billion. Oversight of this portfolio has been a priority for recent Congresses, particularly since real property management has been identified as a "high-risk" area by the Government Accountability Office (GAO), every year since 2003. Key potential weaknesses in real property management include agencies holding empty or only partially occupied buildings; relying on leases for new space even when ownership would be cheaper; and making decisions using real property data of

questionable quality. This report examines the challenges to oversight posed by the lack of accurate and reliable real property data, particularly as it relates to the disposal of unneeded building space and the government's overreliance on costly leasing.

The primary source of real property data available to Congress is the Federal Real Property Profile Management System (FRPP-MS). The General Services Administration (GSA) established the FRPP-MS to be a "single, comprehensive, and descriptive" database of all federal real property, as required by the Federal Asset Sale and Transfer Act (FASTA, P.L. 114-287). FASTA required the database to include for all federal properties—at a minimum—information about each properties' location, size, operating and maintenance costs, and level of utilization, among other data. The only data that FASTA excludes from the FRPP-MS are those with national security implications.

While the FRPP-MS has expanded the amount of real property data available for oversight, many data elements are inaccurate or incomplete. For instance, just 23% of the properties listed in the FRPP-MS had complete addresses. The methodology used to identify and report some data vary across agencies. To cite one example, the National Park Service (NPS), GSA, and the Department of Veterans Affairs (VA) have all used different definitions when reporting on building utilization, which means the data cannot be used to compare agency performance. The FRPP-MS also does not include some of the data elements required by FASTA, such as annual operating costs, as well as other data that GSA collects which might be useful for oversight, such as building repair needs.

Some of the limitations of the FRPP-MS may be mitigated by congressional action. One option for improving the data quality might be to audit select landholding agencies to identify areas where data collection might be standardized and accuracy might be enhanced. Another option for enhancing oversight and decisionmaking might be to require GSA to include data in the FRPP-MS which are currently withheld, such as annual operating costs, repair needs, building condition, and the number of federal employees and contractors at each property.

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# **Background**

The federal executive branch controls an extensive real property portfolio that includes more than 127,000 owned and leased buildings. These buildings have been acquired over a period of decades to help federal agencies fulfill their unique missions. Agencies hold buildings with a range of uses, including offices, warehouses, barracks, laboratories, and hospitals. The cost of operating and maintaining these diverse properties, which total more than 1.1 billion square feet, exceeded \$15 billion in FY2018.<sup>2</sup>

Congressional oversight has focused in large part on issues identified by the Government Accountability Office (GAO), which has included federal real property management on its annual "high-risk list" since 2003.<sup>3</sup> GAO has repeatedly identified three key challenges that agencies face when managing their real property portfolios:<sup>4</sup>

- 1. maintaining more real property than it needs (including unutilized and underutilized buildings);
- 2. relying on leasing when ownership of new space would be more cost efficient; and
- 3. making real property management decisions using unreliable data.

In an effort to accelerate the disposal of unneeded property and improve the data available for oversight and decisionmaking, Congress passed the Federal Assets Sale and Transfer Act of 2016 (FASTA; P.L. 114-287). FASTA requires landholding agencies to review their real property portfolios and recommend to the General Services Administration (GSA) and the Office of Management and Budget (OMB) that certain properties be disposed of, and other properties consolidated. In addition, FASTA requires GSA to establish "a single, comprehensive, and descriptive database of all Federal real property under the custody and control of all federal agencies, other than federal property excluded for reasons of national security."

FASTA requires each landholding agency to provide descriptive information on the nature, use, and extent of its portfolio. The information must include—but is not limited to—each property's

- relevance to the agency's mission, presently and in the future;
- level of utilization, including whether it is excess, surplus, underutilized, or unutilized, and the number of days it has been so designated;
- size in square feet and acreage;
- geographic location, including a physical address and description;
- annual operating costs; and
- replacement value.

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<sup>&</sup>lt;sup>1</sup> U.S. General Services Administration, FY2018 Federal Real Property Profile (FRPP) Open Data Set Executive Summary, September 30, 2018, pp. 1-2, https://www.gsa.gov/policy-regulations/policy/real-property-policy/data-collection-and-reports/frpp-summary-report-library.

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> U.S. Government Accountability Office, *High-Risk Series: An Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, GAO-19-157SP, March 2019, pp. 78-85, at https://www.gao.gov/assets/700/697245.pdf.

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> See CRS Report R44999, *The Federal Assets Sale and Transfer Act of 2016: Background and Key Provisions*, by Garrett Hatch.

<sup>&</sup>lt;sup>6</sup> 130 Stat. 1477.

Specifically describing the database as "comprehensive," FASTA permits agencies to withhold data only for reasons of national security, or if the property belongs to certain categories of land, such as public lands. FASTA also mandates that the database permit users to search and sort properties, and download data. Once operational, the database must be available, at no cost, to federal agencies and the public.

While GSA did establish a database pursuant to FASTA's requirements, much of the data are incomplete and inaccurate. This report focuses on the challenges to effective oversight and decisionmaking posed by the lack of useful and reliable data in the FASTA-mandated database. The balance of this report analyzes potential weaknesses in the data related to the disposal of unutilized and underutilized buildings, the government's reliance on costly leases, and the potential consequences for decisionmakers when agencies withhold information from the database. The final section of the report provides options for policymakers to consider should they seek to address these data issues.

# The Federal Real Property Profile

For decades, GSA has collected and stored agency real property data in an internal database, the Federal Real Property Profile (FRPP). The FRPP is the government's most comprehensive source of data on federal buildings, land, and structures (e.g., bridges, dams, parking lots). With the assistance of the Federal Real Property Council (FRPC), GSA obtains a range of data from all landholding agencies on an annual basis, including information on each asset's

- age;
- condition:
- repair needs;
- maintenance costs;
- lease payments;
- net proceeds from disposal; and
- on-site personnel (the number of federal employees and contractors at each property).

To assist the agencies with their data collection and reporting, the FRPC publishes an annual "Guidance for Real Property Inventory Reporting," also known as the FRPP data dictionary. The guidance defines the data elements that must be reported, outlines the technical requirements for submitting the data, and identifies types of property that agencies may exclude from their data submission. According to the 2019 Guidance for Real Property Inventory Reporting<sup>7</sup>, agencies were not required to provide information regarding the following:

- Land easements or rights-of-way held by the federal government.
- Public domain land (including lands withdrawn for military purposes) or land reserved or dedicated for national forest, national park, or national wildlife refuge purposes, except for improvements on those lands.

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<sup>&</sup>lt;sup>7</sup> Federal Real Property Council, 2019 Guidance for Real Property Inventory Reporting, Version 3, September 24, 2019, pp. 8, 40-41, https://www.gsa.gov/cdnstatic/

FY%202019%20FRPP%20DATA%20DICTIONARY%20Final%20V3.pdf. See also Section 2 of Executive Order 13327, "Federal Real Property Asset Management," 69 Federal Register 5897; and §3(5)(B) of FASTA (P.L. 114-287).

- Land held in trust or restricted-fee status for individual Native Americans or Native American tribes.
- Land, and interests in land, that are withheld from the database by agency heads for reasons of national security, foreign policy, or public safety.
- Real property data exempt from public disclosure under FASTA in cases when the data are already exempt under section 552(b) of the Freedom of Information Act (FOIA) (5 U.S.C. §552(b)).

To meet FASTA's requirements, GSA created a public version of the FRPP called the FRPP-MS (Federal Real Property Profile Management System). The FRPP-MS does not include all of the data contained in the FRPP, but it does include data elements that were previously unavailable to the public. The FRPP-MS divides the public data into two sets: civilian agencies and Department of Defense (DOD). The civilian data are published in a single spreadsheet, and the DOD data are split into five spreadsheets: Air Force, Army, Navy, Corps of Engineers, and the Washington Headquarters Service.

# FRPP Data Quality

Prior to FASTA, the FRPP could not be accessed directly by Congress or the public, and federal agencies had limited access (i.e., agencies could view just their own data). The only publicly available FRPP data were found in GSA's annual Federal Real Property Report (FRPR), which was last published for FY2018 data. The information provided in the FRPR was government-wide or aggregated by agency or property type—which provided a limited, high-level view of the federal portfolio that did not facilitate in-depth analysis.

The FRPP database itself has been criticized repeatedly by GAO for its inability to provide accurate, complete information. In 2012, GAO wrote that inaccurate and inconsistent data may mean that the FRPP does not "provide an adequate tool for decision making or measuring performance." In 2016, GAO concluded that agencies' inconsistent collection and reporting approaches may have populated the FRPP with data that are not comparable across agencies and do not accurately capture the intended metric (e.g., an asset's operating costs or condition). In 2020, GAO assessed the FRPP again and found that

- key data elements are often incomplete or otherwise unusable;
- GSA and individual reporting agencies withheld information that might be valuable for oversight and decisionmaking; and

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<sup>&</sup>lt;sup>8</sup> U.S. General Services Administration, "Federal Real Property Public Data Set," at https://www.gsa.gov/policy-regulations/policy/real-property-policy/asset-management/federal-real-property-profile-frpp/federal-real-property-public-data-set.

<sup>&</sup>lt;sup>9</sup> U.S. General Services Administration, *FY2018 Federal Real Property Profile (FRPP) Open Data Set Executive Summary*, September 30, 2018, pp. 1-2, https://www.gsa.gov/policy-regulations/policy/real-property-policy/data-collection-and-reports/frpp-summary-report-library.

<sup>&</sup>lt;sup>10</sup> U.S. Government Accountability Office, Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property, GAO-12-645, June 2012, p. 17, at https://www.gao.gov/assets/600/591751.pdf.

<sup>&</sup>lt;sup>11</sup> U.S. Government Accountability Office, Federal Real Property: Improving Data Transparency and Expanding the National Strategy Could Help Address Long-standing Challenges, GAO-16-275, March 2016, pp. 13-21, at https://www.gao.gov/assets/680/676253.pdf.

<sup>&</sup>lt;sup>12</sup> U.S. Government Accountability Office, Federal Real Property: *GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data*, GAO-20-135, February 2020, pp. 7-27, at https://www.gao.gov/assets/710/704358.pdf.

some stakeholders find the spreadsheets too cumbersome to be useful.

Access to some of the FRPP's data (via the FRPP-MS) therefore represents an increase in the quantity, but not necessarily the quality, of data available to stakeholders for real property oversight and decisionmaking.

# Disposal Data

As noted, managing federal real property is considered a high-risk issue in part due to the number of excess and surplus properties that agencies control. 13 To reduce the amount of unneeded space in the government's portfolio—and its associated costs—agencies are required to continuously survey their real property assets and identify buildings they can dispose of in their entirety (transfer, donate, or sell), and unoccupied space within buildings that could be filled by new tenants. 14 Agencies are then required to report those properties as excess to the General Services Administration (GSA), 15 which is responsible for the disposition of unneeded space for all executive branch agencies, except those with their own independent statutory disposal authority. GSA then follows a statutory and regulatory framework for disposing of unneeded real property, which is described briefly below.

GSA first offers to transfer excess properties to other federal agencies, which generally pay fair market value (FMV) for them. 16 If no federal agency wants an excess property, then it is declared "surplus" and made available to state and local governments, and nonprofits. 17 These entities may have surplus property transferred to them for a discount of up to 100% of fair market value, provided they use the property for a public benefit. 18 This type of transfer is called a public benefit conveyance, and to qualify, the property must be used for one of the following purposes:

- homeless services
- corrections
- law enforcement
- public health
- drug rehabilitation
- education
- parks and recreation
- seaport facilities
- wildlife conservation
- highways
- emergency management response
- historic monuments

<sup>&</sup>lt;sup>13</sup> See CRS Report R43818, Overview of Federal Real Property Disposal Requirements, by Garrett Hatch (available to congressional clients upon request).

<sup>&</sup>lt;sup>14</sup> 40 U.S.C. §524(a).

<sup>15</sup> Ibid.

<sup>&</sup>lt;sup>16</sup> 41 C.F.R. §102-75.190.

<sup>&</sup>lt;sup>17</sup> 40 U.S.C. §545.

<sup>&</sup>lt;sup>18</sup> 41 C.F.R. §102-75.350.

- public airports
- housing<sup>19</sup>

Pursuant to Title V of the McKinney-Vento Homeless Assistance Act, surplus properties must be made available for serving the homeless before being made available for other public benefit uses. <sup>20</sup> The Department of Housing and Urban Development (HUD) is responsible for reviewing surplus property to determine if it is suitable for homeless use. If a property is determined to be unsuitable for homeless use, or no eligible entities have submitted a notice of interest, then it becomes available for other public uses at that time.

Surplus properties not conveyed for public benefit are then available for purchase by state and local governments at FMV.<sup>21</sup> If the property is not acquired by negotiated sale, GSA typically sells it at a competitive public auction for no less than FMV.<sup>22</sup> If a property has no commercial value, GSA may authorize its demolition.<sup>23</sup>

# Limitations of Disposal Data

Access to comprehensive, reliable data on federal buildings might be considered an essential element of congressional oversight, because that information may be used to determine if the disposal process is operating efficiently and effectively, identify obstacles to timely disposition, and accurately assess the costs and benefits of different real property policies, among other things. However, as discussed above, the FRPP-MS data are incomplete and some find the database difficult to use.<sup>24</sup>

#### **Utilization Data**

Identifying assets that are underutilized or unutilized is the first step in the disposal process, and data on individual assets would allow stakeholders to analyze the government's unneeded space in-depth. Targeted analyses may lend insight into several key questions about asset utilization, such as the following:

- What characteristics do unutilized buildings share?
- Do they have relatively high operating costs or repair needs?
- Are they historic properties that have stringent operating and maintenance requirements?
- Are there investments that could be made in unutilized buildings that would facilitate their sale and generate a profit to the government?
- Are they the same types of buildings in different agencies?

<sup>21</sup> 40 U.S.C. §545.

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<sup>&</sup>lt;sup>19</sup> The statutory authorities for each of these categories of public benefit conveyance may be found at https://disposal.gsa.gov/s/PBC.

<sup>&</sup>lt;sup>20</sup> 42 U.S.C. §11411.

<sup>&</sup>lt;sup>22</sup> 40 U.S.C. §1303.

<sup>&</sup>lt;sup>23</sup> Ibid.

<sup>&</sup>lt;sup>24</sup> U.S. Government Accountability Office, Federal Real Property: *GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data*, GAO-20-135, February 2020, pp. 7-27, at https://www.gao.gov/assets/710/704358.pdf.

Thousands of buildings—perhaps tens of thousands—listed in the FRPP-MS, however, lack utilization indicators, thereby limiting the data's usefulness for analysis and decisionmaking.

## **Timing Data**

Similarly, a potential benefit of tracking excess and surplus properties in the FRPP-MS might be the ability to measure the length of time it takes a property to move through each stage of disposition. Agencies have long argued that delays in the disposal process make it difficult to reduce the amount of unneeded space in their portfolios. <sup>25</sup> In addition, the government continues to accrue operating and maintenance costs for unneeded space until disposition is complete. Data that show how long a property was excess and surplus might enable decisionmakers to identify where delays occur and address the underlying causes. The FRPP-MS contains very little information as to when properties were reported excess, declared excess, declared surplus, and disposed.<sup>26</sup> It is likely very difficult to use the database to monitor or analyze the movement of most properties within the disposal process.

#### **Location Data**

One of the objectives of the FRPP-MS was to facilitate the purchase of surplus federal property by the private sector.<sup>27</sup> The sale of unneeded space both generates revenue to the government and reduces operating and maintenance costs. Agencies may reinvest the net proceeds in further disposals or other portfolio needs—such as repairs—thereby providing additional benefits to the government. Real estate brokers have reported numerous difficulties with the FRPP-MS, including that its format and organization are so cumbersome they will not use it or refer their clients to it.<sup>28</sup> Other private-sector stakeholders have expressed a high level of concern with the reliability of the data—a concern borne out by a study that found only 23% of the property addresses in the FRPP-MS were complete and 30% had no address information at all.<sup>29</sup> As a consequence, interest in acquiring federal property may be diminished.

#### Cost Data

The scale of the problem of unutilized and underutilized building space may be evaluated in terms of cost. The amount of funding spent operating and maintaining buildings that are empty or only partially occupied may help policymakers determine whether addressing the problem should be a priority. Cost data may also help policymakers evaluate the cost-effectiveness of various policy alternatives—the greater the potential for savings, the wider the range of policy options that could provide net fiscal benefits to the government. The FRPP-MS does not include the cost of operating and maintaining each asset, so it may not be possible to determine the potential savings achieved by disposing of underutilized or unutilized buildings. This omission limits

<sup>&</sup>lt;sup>25</sup> U.S. Government Accountability Office, Federal Real Property: The Government Faces Challenges to Disposing of Unneeded Properties, GAO-11-370T, February 2011, p. 5, at https://www.gao.gov/assets/130/125472.pdf.

<sup>&</sup>lt;sup>26</sup> Statement based on CRS's review of FRPP-MS data.

<sup>&</sup>lt;sup>27</sup> U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Federal Assets Sale and Transfer Act of 2015, report to accompany S. 2375, 114<sup>th</sup> Cong., 2<sup>nd</sup> sess., S.Rept. 114-291, p. 2, at https://www.congress.gov/114/crpt/srpt291/CRPT-114srpt291.pdf.

<sup>&</sup>lt;sup>28</sup>U.S. Government Accountability Office, Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data, GAO-20-135, February 2020, pp. 7-27, at https://www.gao.gov/assets/710/704358.pdf. <sup>29</sup> Ibid., p. 7.

policymakers' understanding of costs associated with retaining unneeded space and the ability to craft policy that is revenue-positive.

# Leased Space Data

Federal real property is a high-risk issue in part because of the government's reliance on costly leased space—which totals more than \$7 billion in expenditures annually.<sup>30</sup> Leases may create fiscal exposure, since leased space is generally less cost efficient than owned space, both measured in terms of current market rates and over the long-term.<sup>31</sup> One of the driving forces of this trend is the way in which leases are scored for agency budget submissions. When an agency seeks to enter into an operating lease—a lease that will not result in the government owning the building—only the amount needed to cover the first year's lease payments plus cancellation costs must be recorded in the budget.<sup>32</sup> When an agency seeks to construct or purchase a building, however, the full cost of the project must be recorded in the budget in the year in which the budget authority is to be made available.<sup>33</sup> Under these rules, agencies have found it more feasible to obtain funding for one year of rent than for the entire cost of a building, even though it is generally less expensive over time to own rather than lease space.

## Limitations of Lease Data

According to GSA's FY2018 FRPR, civilian agencies spent \$7.18 billion to operate and maintain 254 million square feet of leased space (including rent), and \$7.98 billion to operate and maintain 885 million square feet of federally-owned space.<sup>34</sup> The annual cost of one square foot of leased space (\$28.25) was more than three times as expensive as the annual cost of one square foot of owned space (\$9.02). Monitoring agency leasing activity might be of interest to Congress—particularly given the level of expenditures involved—but the FRPP-MS does not provide the annual operating costs of owned or leased space, nor does it provide the annual rent for each lease. Some information about the costs of GSA's leases may be found in other databases, but withholding cost data is contrary to the objective of making the FRPP-MS a "single, comprehensive" source of real property information and undermines the ability of policymakers to conduct effective oversight of billions of dollars expended on leases each year. Real estate brokers say that cost data are among the most important factors used to evaluate potential purchases, and they often exclude federal properties from consideration when the data are not available.<sup>35</sup>

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<sup>&</sup>lt;sup>30</sup> U.S. General Services Administration, *FY2018 Federal Real Property Profile (FRPP) Open Data Set Executive Summary*, September 30, 2018, p. 1, at https://www.gsa.gov/policy-regulations/policy/real-property-policy/data-collection-and-reports/frpp-summary-report-library.

<sup>&</sup>lt;sup>31</sup> Ibid., p. 9

<sup>&</sup>lt;sup>32</sup> U.S. Office of Management and Budget, *Circular A-11: Preparation, Submission, and Execution of the Budget, Appendix B*, July 2020, p. 2, at https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf.

<sup>&</sup>lt;sup>33</sup> Ibid., *Appendix A*, pp. 3-4.

 $<sup>^{34}</sup>$  U.S. General Services Administration, FY2018 Federal Real Property Profile (FRPP) Open Data Set Executive Summary, September 30, 2018, p. 1, at https://www.gsa.gov/policy-regulations/policy/real-property-policy/data-collection-and-reports/frpp-summary-report-library.

<sup>&</sup>lt;sup>35</sup> U.S. Government Accountability Office, Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data, GAO-20-135, February 2020, pp. 18, at https://www.gao.gov/assets/710/704358.pdf.

## High-Value Leases

Oversight of GSA, the government's largest lease-holder, is particularly limited. GSA is required to handle leases for any executive branch agency that does not have independent leasing authority. As a consequence, GSA controls two-thirds of the leased space in the executive branch, as measured in terms of square footage. When GSA seeks to enter into a lease, it must seek congressional authorization if the projected cost of that lease exceeds a certain threshold, known as the "prospectus threshold." The threshold is established each year by GSA, and in FY2020 it was \$3.095 million. In an effort to look for root causes of the government's overreliance on costly leases, GAO examined GSA's prospectus-level leases—which it designated as "high-value" leases—and found that while they comprised 3% of GSA's total lease portfolio, they represented 36%, or \$1.5 billion, of its total operating costs. Oversight of these leases is limited by the fact that the FRPP does not currently enable users to identify leases by cost. Given that GSA reports cost data on individual leases in monthly spreadsheets, which are available to the public online, some may ask why the same data are not provided in the FRPP-MS.

## Long-Term Leases

Research has shown that long-term operating leases<sup>42</sup> are especially likely, among all high-value leases, to expose the government to unnecessary costs.<sup>43</sup> One audit found, for example, that a 30-year lease for the Federal Bureau of Investigation (FBI) building in Chicago, IL, will cost \$40 million more than owning the same amount of space.<sup>44</sup> Similarly, an analysis of 89 GSA leases, many of which had 30-year terms, found that the government could have saved almost \$1 billion if it had constructed rather than leased that space.<sup>45</sup> Arelatively high prevalence of long-term leases in an agency's real property portfolio is considered by GAO a management weakness, as it is an indication that the agency's capital planning strategy has not "systematically prioritized which high-value leases have the most cost-saving potential" as construction projects.<sup>46</sup> The lack of cost data means that policymakers are thus unable to take the potential savings into account when appropriating funds for real property projects. Data showing rent and operating and

<sup>38</sup> 40 U.S.C. §3307.

<sup>&</sup>lt;sup>36</sup> 40 U.S.C. §501.

<sup>&</sup>lt;sup>37</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> U.S. General Services Administration, *GSA Annual Prospectus Thresholds*, at http://www.gsa.gov/portal/content/101522.

<sup>&</sup>lt;sup>40</sup> U.S. Government Accountability Office, Federal Real Property: Greater Transparency and Strategic Focus Needed for High-Value GSA Leases, GAO-13-744, September 2013, p. 9.

<sup>&</sup>lt;sup>41</sup> U.S. Government Services Administration, "Lease Inventory," at https://www.gsa.gov/real-estate/real-estate-services/leasing-policy-procedures/lease-inventory.

<sup>&</sup>lt;sup>42</sup> There is no standard definition of a long-term lease—some have suggested terms greater than 20 years, others have suggested terms that exceed 10 or 15 years. A short-term lease is generally considered less than 10 years.

<sup>&</sup>lt;sup>43</sup> U.S. Government Accountability Office, *General Services Administration: Comparison of Space Acquisition Alternatives—Leasing to Lease-Purchase and Leasing to Construction*, GAO-99-49R, March 1999, p. 7, at http://www.gao.gov/assets/90/88549.pdf.

<sup>&</sup>lt;sup>44</sup> U.S. Government Accountability Office, Federal Real Property: Overreliance on Leasing Contributed to High-Risk Designation, GAO-11-879, August 2011, p. 2, at http://www.gao.gov/assets/130/126817.pdf.

<sup>&</sup>lt;sup>45</sup> U.S. Government Accountability Office, Federal Real Property: Greater Transparency and Strategic Focus Needed for High-Value GSA Leases, GAO-13-744, September 2013, p. 1.

<sup>&</sup>lt;sup>46</sup> Ibid., p. 19.

maintenance costs would enable Congress to gain perspective on the scale of agency reliance on long-term leases, and the opportunities for cost-savings that could result from funding construction projects instead of operating leases, in some cases.

# **Data Quality**

Along with holding unneeded property and relying heavily on costly leases, real property management is a high-risk issue because data available to decisionmakers are, in part, unreliable. The FRPP-MS represents an increase in the quantity of information available for oversight and policymaking, but data quality weaknesses remain. Stakeholders are unable to make fully informed decisions because basic data (e.g., costs, locations, building conditions) are incorrect, incomplete, or inconsistently reported.

## **Limitations of FRPP-MS Data**

The FRPP-MS is, in essence, a centralized repository of agency data. While GSA does review agency submissions and asks them to verify "questionable responses"—such as buildings that are very small in size—it is ultimately the agency that ensures their data's accuracy. Many agencies, including some with large portfolios, provide inaccurate or incomplete data to the FRPP. Agencies may interpret GSA's FRPP reporting guidance differently, leading to variations in the type and amount of data they report. Finally, the FRPP-MS data do not include some potentially useful data that GSA or landholding agencies have chosen to withhold.

## Inaccurate and Incomplete Data

There has been no comprehensive study of agency real property reporting policies and procedures, but audits at individual agencies suggest that many provide inaccurate data—including some with relatively large owned or leased property portfolios.

GSA is the government's largest leaseholder, controlling 74% of civilian agencies' leased space. 48 Given the scale of GSA's leased space portfolio, ensuring the agency's data are accurate might be considered a priority for decisionmakers. This may be particularly true of data that directly relate to the weaknesses that contribute to real property management having a high-risk designation, such as the cost of leased space. The reported cost per square foot for office space, however, has often been inaccurately reported. One analysis estimated that the actual cost of leased space was higher than reported for 18 of the 23 agencies examined, with an average of \$1.31 higher per square foot. 49 The auditor concluded that "stakeholders and agencies do not have accurate information to assess agencies' performance or help manage their space decisions." 50

DOD controls nearly half of the government's owned real property portfolio. There is relatively little information about these assets in the FRPP-MS.<sup>51</sup> GAO found that while DOD has improved

<sup>&</sup>lt;sup>47</sup> U.S. Government Accountability Office, *Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data*, GAO-20-135, February 2020, pp. 7-27, at https://www.gao.gov/assets/710/704358.pdf.

 $<sup>^{48}</sup>$  U.S. General Services Administration, "FY 2018 Federal Real Property Public Data Set," at https://www.gsa.gov/policy-regulations/policy/real-property-policy/asset-management/federal-real-property-profile-frpp/federal-real-property-public-data-set.

 $<sup>^{49}\</sup> Government\ Accountability\ Office,\ Federal\ Real\ Property:\ Measuring\ Actual\ Office\ Space\ Costs\ Would\ Provide\ More\ Accurate\ Information,\ GAO-20-130,\ December\ 2019,\ p.\ 1,\ https://www.gao.gov/assets/710/703106.pdf.$ 

<sup>&</sup>lt;sup>51</sup> Government Accountability Office, Defense Real Property: DOD-Wide Strategy Needed to Address Control Issues

its data collection and reporting in some areas, it has ongoing weaknesses in others.<sup>52</sup> Several data elements that relate to real property disposal are incomplete. The status (excess or surplus) of 47.9% of the properties DOD reported as excess could not be verified, for example, and 14.4% (93,000) of facilities lacked a utilization indicator (utilized, underutilized, unutilized).<sup>53</sup> DOD's data gaps may reflect, in part, the difficulties DOD components have encountered in maintaining accurate and complete real property records. For example, Air Force personnel responsible for recording new real property assets did not create such records in a timely manner, GAO reported, due to their inability to acquire a unique identifier for the properties as the Air Force migrated to a new real property system.<sup>54</sup>

# **Inconsistent Data Reporting**

While GSA's FRPP reporting guidance is government-wide, agencies may differ in how they define data elements and ensure complete, timely information is collected. As a consequence, some FRPP-MS data may not be comparable across agencies, limiting its usefulness for analysis.

Agencies have applied a range of methods when capturing data, and it is unclear whether these inconsistencies have been resolved.<sup>55</sup> Building utilization rates, for example, may be determined differently at different agencies. The Department of Veterans Affairs (VA) has historically provided utilization data on all of its buildings, while GSA has reported only on buildings that had been declared excess.<sup>56</sup> The latter approach meant that all of GSA's active buildings were reported as utilized, even if they should have been reported as underutilized or unutilized. Also, the National Park Service (NPS), the Agricultural Research Service (ARS), and the U.S. Coast Guard (USCG) have, at times, applied definitions for utilized, underutilized, and unutilized that had not been in place since FY2012.<sup>57</sup>

Agencies have also used inconsistent approaches for estimating costs. The USCG has estimated operating costs to be 3% of the replacement value of the property, while VA totaled the operating costs of all the buildings at a facility and prorated the sum to individual properties. Similar variations have been found with estimating and reporting repair needs. Some agencies have not reported repair needs of buildings they expect to demolish, while others have. The USCG reported that 79% of its buildings had no repair needs, but acknowledged that they hadn't fully surveyed their portfolio and that their estimated repair needs would likely increase considerably when the survey was complete. When data are collected and reported inconsistently across agencies, policymakers may have a limited understanding of the government's needs.

<sup>53</sup> Ibid.

<sup>57</sup> Ibid.

 $and\ Improve\ Reliability\ of\ Records,\ Report\ to\ Congressional\ Committees,\ September\ 2020,\ p.\ 11,\ https://www.gao.gov/assets/710/709224.pdf.$ 

<sup>&</sup>lt;sup>52</sup> Ibid.

<sup>&</sup>lt;sup>54</sup> Ibid., pp. 11-12.

<sup>&</sup>lt;sup>55</sup> U.S. Government Accountability Office, Federal Real Property: Improving Data Transparency and Expanding the National Strategy Could Help Address Long-standing Challenges, GAO-16-275, March 2016, pp. 17-18, at https://www.gao.gov/assets/680/676253.pdf.

<sup>&</sup>lt;sup>56</sup> Ibid.

<sup>&</sup>lt;sup>58</sup> Ibid., p. 16.

<sup>&</sup>lt;sup>59</sup> Ibid., p. 14.

# **Concluding Observations**

The value of the FRPP-MS for oversight and decisionmaking is limited by inaccurate information and inconsistent reporting across agencies. Given that dozens of agencies control varying amounts of real property, it may not be feasible to assess the internal controls over real property data at each of them. It might be useful to audit the largest landholding agencies with the goal of identifying areas where standardization could be improved—such as ensuring that data are being collected with the same methodology.

It is unclear to many why potentially valuable, unclassified information is being withheld from the FRPP-MS. As noted, GSA requires agencies to submit annual operating and maintenance costs for leased and owned buildings, as well as the estimated cost of building repairs. With access to these data elements, policymakers would gain insight into the billions of dollars the government invests each year in its building portfolio and better anticipate future funding needs. Publishing other data elements might also enhance oversight and guide decisionmaking. Information on building conditions might give policymakers a clearer understanding of the state of each agency's portfolio, and knowing the number of federal employees and contractors at each federal building might facilitate consolidation and colocation efforts.

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