

PRICEY EMPTY ROOMS

QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Government-wide
- **FUMBLE:** \$1.67 billion to manage 77,700 unused or under-utilized properties
- **HOW TO RECOVER THE BALL:** Streamline disposal processes and improve accuracy and accessibility of federal real property database



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With more than 900,000 buildings and structures totaling a combined area of three billion square feet, the U.S. government has an extensive and varied collection of real estate holdings.³⁷⁵ While many of the holdings are critical for providing government services, interspersed throughout this collection of viable and necessary properties are approximately 77,700 unused or underutilized federally owned properties.³⁷⁶ As of 2010 \$1.67 billion was spent to maintain these unused or underutilized properties.³⁷⁷ In other words the federal government spent a large amount of taxpayer money to take care of property that is seldom—if ever—used.

Instead of getting rid of these properties, many of the agencies hold on to them because the “legal and budgetary disincentives” of a sale outweigh the benefits of getting rid of a property.³⁷⁸ That is government speak for “it is too hard.” GAO has consistently noted that

selling property is hindered by “statutory disposal requirements, the cost of preparing properties for disposal, conflicts with stakeholders, and a lack of accurate data.”³⁷⁹ Federal real property management has been on GAO’s high-risk list since 2003.³⁸⁰

The process for disposing of properties is also further complicated by the McKinney-Vento Homeless Assistance Act, which requires agencies to submit a list of excess properties to HUD for a review of whether properties are suitable for use as homeless assistance facilities before they can be sold. A GAO investigation found that many private or non-profit agencies will not use federal properties because they are not practical as homeless assistance centers, but the requirement remains.³⁸¹ One glaring example of this problem is that DOI is required to report to HUD on numerous small, remotely located properties in national parks that it decided to eliminate, even if the properties are not accessible by road and only seasonably accessible by water.³⁸² Overall, only 122 properties of the 40,000 screened have been transferred for homeless assistance in the program’s 26-year history, with only 81 of these properties currently in use for homeless assistance.³⁸³ It takes years of work to sell even one federal property in this painful process.

In addition to disposal process problems, the federal government struggles to figure out what it owns. GAO found that the federal government “continues to face challenges with the accuracy and consistency of the Federal

Real Property Profile (FRPP), causing the federal government to report inaccurate inventory and outcome information.”³⁸⁴ It is not surprising that the federal government cannot manage its real estate holdings when it cannot even measure them.

RECOVERY

Congress in conjunction with federal agencies needs to develop a better process for disposing of unused and unwanted federal property and

could start by allowing agencies to have greater latitude to sell property and expedite the processes to do so. Congress should also require agencies to conduct a thorough, real property assessment and have a full and accessible federal property database. American families do not pay taxes every year so their government can buy and hoard property. They should be assured that when their government buys a building or property, it is necessary to fulfill an essential federal function.

For more information, please visit:

[GSA: Real Property Disposal](#)

[GAO: Federal Real Property](#)

[CRS Report: Disposal of Unneeded Federal Buildings: Legislative Proposals in the 112th Congress](#)