The Utilizing Space Efficiently and Improving Technologies Act: Summary and Analysis

September 18, 2025

Congressional Research Service
https://crsreports.congress.gov
R48718

CRS REPORT
Prepared for Members and
Committees of Congress

SUMMARY

R48718

September 18, 2025

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The Utilizing Space Efficiently and Improving Technologies Act: Summary and Analysis

The federal government owns or leases 2.7 billion square feet in nearly 266,000 buildings that serve various purposes, including courthouses, laboratories, warehouses, and office space. Federal regulations require agencies to limit the amount of building space they occupy to the minimum amount needed to efficiently fulfill their missions. Data on building utilization have been found to be inaccurate and unreliable.

The Government Accountability Office (GA) has included federal real property management on its high-risk list every year since 2003, in large part due to the amount of underutilized space in agencies' building portfolios. The extent of the problem was highlighted in a 2023 GAO study that determined 17 of the 24 agency headquarters buildings auditors examined were at least 75% empty on an average workday. According to GAO, while increased telework during the COVID-19 pandemic has contributed to the amount of unused space in agency headquarters buildings, most had underutilized space prior to 2020.

In response to these findings, Congress passed the Utilizing Space Efficiently and Improving Technologies Act (Section 2302 of P.L. 118-272; USE IT Act), which was signed into law January 4, 2025. The USE IT Act applies to federally owned and leased buildings under the control of agencies subject to the Chief Financial Officers Act of 1990. It established a new definition of utilization that incorporates, for the first time, the number of employees who work on-site at least 40 hours per week. The act requires agencies to implement technologies that capture daily in-person attendance at each building and to annually provide asset-level utilization data to Congress and publish those data on a public website. If a building's utilization rate falls below a 60% threshold for two consecutive years then the General Services Administration (GSA) is to reduce the amount of space available to the tenant agencies, such as by consolidating with another agency or selling the excess space. GSA is required to direct capital investments to buildings that have or will meet the 60% utilization threshold. The act also requires the Office of Management and Budget, by January 2026, to submit a plan to Congress that will consolidate agency headquarters buildings in the National Capital Region to ensure that each is at least 60% utilized.

The USE IT Act might improve the quality and usefulness of building utilization data. For years, GAO has reported that agencies are not consistently measuring building utilization, in part because key terms were not defined in guidance. In addition, agencies did not report asset-level utilization data or factor on-site attendance into its measures, which limited oversight. The USE IT Act establishes a single, government-wide standard for measuring building utilization, including a space allocation benchmark of 150 square feet per person. By requiring asset-level reporting, the act will enable stakeholders to compare utilization rates across buildings, which will enable a comparison of agency portfolios and may help identify opportunities for consolidation. However, some methods of utilization data collection have weaknesses that could lead to inaccurate reporting, and the data might be published in a format that cannot be readily sorted for analysis.

Consolidation of buildings, a key method of space reduction under the USE IT Act, may yield benefits and costs. With consolidations, the government may reduce spending on leased space, and, by disposing of vacated federal buildings, shed millions of dollars in deferred maintenance liabilities. When the government disposes of property by sale, it generates revenue and enables the private sector to redevelop the property into something more productive, and the municipality will gain additional property tax revenue because federally owned buildings are generally exempt from state and local taxes. Consolidation projects can be costly, which may reduce the savings realized and the number of projects that are completed.

Local communities may be impacted differently by consolidations depending on whether they gain or lose federal employees. A neighborhood that gains federal employees may see economic growth as foot traffic to the businesses that surround the federal building increases. In addition, property values may increase and crime may decrease. Neighborhoods that lose federal employees may experience less economic activity, reduced property values, and increased crime, although if the vacated federal building is redeveloped then these negative effects may be mitigated or reversed.

Under the provisions of the USE IT Act, GSA is assigned a number of broad, new responsibilities that encompass tens of thousands of buildings. It is unclear whether GSA will be able to fulfill these responsibilities with its current staff resources. In addition, it is possible that the Trump Administration may exercise the authorities the act grants to GSA to fulfill its own real property goals, such as relocating federal employees outside the National Capital Region, establishing federal "hubs" in various parts of the c and eliminating agency offices and subcomponents.

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Background

The federal government has a vast portfolio of buildings that serve a variety of purposes. In FY2024, federal agencies owned and leased nearly 266,000 buildings with more than 2.7 billion square feet of space.[1] During that year, the government spent an estimated $25.7 billion operating and maintaining these buildings, which included courthouses, laboratories, barracks, warehouses, land ports of entry, museums, post offices, and general office space.[2]

Federal regulations require agencies to maintain their real property inventories at the "absolute minimum" necessary to perform their duties in an economical and efficient manner.[3] To that end, agencies must continuously survey the buildings they own and lease and report any unneeded space to the General Services Administration (GSA) for disposal.[4] Unneeded space may refer to either the portion of a building that is unused (underutilized space) or an entire building that is largely vacant (unutilized space).

While agencies are required to identify and dispose of unneeded building space in a timely manner, the Government Accountability Office (GAO) has included managing federal real property on its high-risk list every year since 2003, in part due to the "large amounts" of underutilized building space in the government's portfolio.[5] The actual amount of unneeded space that agencies retain is unclear due to changing definitions and unreliable data. For example, the Federal Real Property Council (FRPC), an interagency workgroup of landholding agencies that provides government-wide guidance on real property reporting, establishes the criteria by which agencies must identify and annually report on their buildings, structures, and land assets.[6] The data are stored in the Federal Real Property Profile (FRPP), a comprehensive database of federal real property holdings that is managed by GSA. A report that summarizes each year's FRPP data is also published annually, although utilization definitions have changed over time.[7]

From FY2007 through FY2010, agencies reported building utilization data following the criteria shown in **Table 1**, below.[8]

Table 1. Building Utilization Reporting Criteria, FY2007-FY2010

	Office	Hospital	Warehouse	Laboratory	Housing
Overutilized	>95%	>95%	>85%	>85%	N/A
Utilized	75-95%	70-95%	50-85%	60-85%	85-100%
Underutilized	<75%	25-70%	10-50%	30-60%	<85%

[1] GSA, "FRPP Summary Report Library," *FY2024 Summary Data Set*, Table 1, at https://www.gsa.gov/policy-regulations/policy/real-property-policy-division-overview/data-collection-and-reports/frpp-summary-report-library.

[2] GSA, "FRPP Summary Report Library," Table 1 and Table 4.

[3] 41 C.F.R. §102-75.60, at https://www.ecfr.gov/current/title-41/subtitle-C/chapter-102/subchapter-C/part-102-75.

[4] 41 C.F.R. §102-75.60.

[5] GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, GAO-25-107743, February 2025, pp. 10-11, at https://www.gao.gov/assets/gao-25-107743.pdf (GAO's high-risk series identifies government operations with serious vulnerabilities to waste fraud, abuse, mismanagement, or in need of transformation).

[6] FRPC, "Federal Real Property Council," at https://www.cfo.gov/frpc/.

[7] GSA, "FRPP Summary Report Library," at https://www.gsa.gov/policy-regulations/policy/real-property-policy-division-overview/data-collection-and-reports/frpp-summary-report-library.

[8] GSA, "FRPP Summary Report Library."

	Office	Hospital	Warehouse	Laboratory	Housing
Unutilized	N/A	<25%	<10%	<30%	N/A

Source: GSA, "FRPP Guidance Library," at https://www.gsa.gov/policy-regulations/policy/real-property-policy-division-overview/asset-management/federal-real-property-council/frpc-guidance-library.

Notes: Some utilization categories were not applicable (N/A) to certain building types under the reporting requirements in place from FY2007-FY2010.

In FY2010, agencies identified 77,600 underutilized and unutilized buildings.[9] In FY2011 and FY2012, reporting requirements changed and agencies did not categorize buildings as underutilized or unutilized or report data by building type. In 2013, the FRPP established new definitions:

- Unutilized property means an entire property or portion thereof, with or without improvements, not occupied for current program purposes for the accountable Executive agency of occupied in caretaker status only.
- Underutilized means an entire property or portion thereof, with or without improvements, which is used only at irregular periods or intermittently by the accountable landholding agency for current program purposes of that agency, of which is used for current program purposes that can be satisfied with only a portion of that property.
- Utilized means anything that is not defined as "unutilized" or "underutilized."

Using the new definitions, agencies reported a total of 5,532 underutilized and unutilized buildings in FY2013, a 93% decline from FY2010.[10] These definitions remain in place and in FY2024 agencies reported 5,363 underutilized and unutilized buildings.[11]

The data agencies provide on building utilization have been found to be inaccurate and unreliable. For example, a 2013 GAO report concluded that the FRPP was not a useful tool for managing underutilized federal property due to unsound data collection practices.[12] Similarly, a 2016 GAO report found that agencies used a variety of methods to calculate building utilization, which resulted in inconsistencies in the data.[13] One agency, GSA, deliberately and incorrectly reported all active buildings—those that GSA wished to retain for program purposes—as fully utilized even if those buildings had unneeded space.[14] In 2017, GAO noted that the lack of reliable data on unneeded space "undermined efforts to effectively reform real property management."[15] In 2019, the Public Buildings Reform Board (PBRB), a temporary committee established by statute to develop recommendations for the disposal of federal real property, reported that the FRPP was unsuitable for decision-making, in part due to flawed building utilization data.[16] Despite efforts to

[9] GSA, "FRPP Summary Report Library."

[10] GSA, "FRPP Summary Report Library."

[11] GSA, "FRPP Summary Report Library."

[12] GAO, *Federal Real Property: Excess and Underutilized Property Is an Ongoing Challenge*, GAO-13-573T, April 2013, p. 8, at https://www.gao.gov/assets/gao-13-573t.pdf.

[13] GAO, Federal Real Property: Improving Data Transparency and Expanding the National Strategy Could Help Address Long-Standing Issues, GAO-16-275, March 2016, p. 17, at https://www.gao.gov/assets/gao-16-275.pdf.

[14] GAO, *Federal Real Property: Improving Data Transparency and Expanding the National Strategy Could Help Address Long-Standing Issues*, p. 18.

[15] GAO, High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others, GAO-17-317, February 2017, p. 85, at https://www.gao.gov/products/gao-17-317.

[16] PBRB, *High Value Assets Report*, December 2019, pp. 13-15, at https://www.pbrb.gov/pbrb/files/2021/01/20191227-High-Value-Assets-Report-as-Required-by-FASTA.pdf.

improve data quality, GAO cited unreliable FRPP data as a primary reason for including federal real property management on its 2025 high-risk list, stating succinctly, "the data are not yet reliable."[17]

GAO's 2023 Building Utilization Report

In 2023, at the request of the House Committee on Transportation and Infrastructure, GAO engaged in a study of building utilization at 24 federal agency headquarters facilities.[18] The study, which was released in July 2023, was unique in two ways.[19] First, GAO incorporated in-person attendance data into its measure of building utilization. Agencies provided GAO with weekly attendance data for their respective headquarters buildings for three non-consecutive weeks.[20] GAO then divided the average weekly in-person attendance by the total number of employees the building could accommodate, allowing 180 square feet per employee (its capacity).[21] This produced a utilization rate that measured what percentage of space was actually in use during the weeks measured. By contrast, agencies historically have estimated building utilization by applying metrics that did not take into account of the number of employees who worked on-site.[22]

Second, the GAO report provided a general sense of the utilization rates of individual buildings—albeit in an oblique manner. Rather than provide the utilization rate of each headquarters building, GAO clustered the buildings into four quartiles of six buildings and reported an average utilization rate for each quartile.[23] For example, the headquarters buildings in the first quartile—the six least utilized properties in the study—belonged to the Department of Agriculture (USDA), the Department of Housing and Urban Development (HUD), GSA, the Office of Personnel Management (OPM), the Small Business Administration (SBA), and the Social Security Administration (SSA). The average weekly utilization rate for these six buildings was 9%, although it is not possible to determine whether a given agency was above or below the average. This was the first time that building utilization rates associated with specific assets have been published. Previous reporting, in both the FRPP summary reports and the database itself, categorized buildings as utilized, underutilized, and unutilized (and over-utilized from FY2007 through FY2010).

The average weekly utilization rates for the buildings in the study, broken out by quartile, is provided below, in **Table 2**. Notably, the study did not measure the utilization of the Pentagon, which is the headquarters for the Department of Defense (DOD). Instead, GAO measured utilization of the Mark Center in Alexandria, VA, which GAO determined was DOD's administrative hub.

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[17] GAO, *High-Risk Series: Heightened Attention Could Save Billions*, pp. 148, 151.

[18] U.S. Congress, House Committee on Transportation and Infrastructure, *Utilizing Space Efficiently and Implementing Technology Act*, report to accompany H.R. 6276, 118th Congress, 2nd sess., H.Rept. 118-384, part I, p. 4, at https://www.govinfo.gov/content/pkg/CRPT-118hrpt384/pdf/CRPT-118hrpt384-pt1.pdf.

[19] GAO, Federal Real Property: Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework, GAO-23-106200, July 2023, at https://www.gao.gov/assets/gao-23-106200.pdf.

[20] GAO, *Federal Real Property: Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework*, p.3.

[21] GAO, *Federal Real Property: Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework*. Capacity was calculated by dividing each building's total usable square feet by 180 square feet, the amount of space allotted for each staff person's workstation.

[22] Federal Management Regulation, §102-75.45 and §102-75.50, at https://www.ecfr.gov/current/title-41/subtitle-C/chapter-102/subchapter-C/part-102-75.

[23] GAO, *Federal Real Property: Preliminary Results Show*, p. 8.

Table 2. Average Weekly Utilization Rates of Select Agency Headquarters Buildings

By quartile

Quartile 1	Quartile 2	Quartile 3	Quartile 4
9% utilization	16% utilization	23% utilization	35% utilization
Department of Agriculture	Department of Education	Department of Defense	Department of Commerce
Department of Housing and Urban Development	Department of Transportation	Department of Energy	Department of Homeland Security
General Services Administration	Department of Veterans' Affairs	Department of Health and Human Services	Department of Justice
Office of Personnel Management	Environmental Protection Agency	Department of the Interior	Department of State
Small Business Administration	Social Security Administration	Department of Labor	Department of the Treasury
Social Security Administration	National Science Foundation	Agency for International Development	Nuclear Regulatory Commission

Source: GAO, *Federal Real Property: Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework*, GAO-23-106200, July 2023, p. 8, at https://www.gao.gov/assets/gao-23-106200.pdf.

Notes: GAO measured weekly utilization for the Department of Defense at the Mark Center in Alexandria VA, rather than at the Pentagon. GAO determined the Mark Center was DOD's administrative hub.

The data in **Table 1** show that for each quartile, the majority of these buildings' capacity was not in use during a typical week. The percentage of unused space ranged from 91% for the Quartile 1 buildings to 65% for the Quartile 4 buildings. According to GAO, 17 of the 24 headquarters buildings in the study were at least 75% unoccupied.[24] The report noted that while the expansion of telework opportunities during the COVID-19 pandemic contributed to the underutilization of agency headquarters buildings, more than half of the agencies said these properties had excess space prior to the pandemic.[25] GAO estimated that for one building, if all of the assigned staff worked on-site on a given day, approximately 33% of the building would remain empty.[26]

Follow-Up Report from the PBRB

In March 2024, the PBRB published a follow-up study on federal building utilization.[27] In an effort to confirm GAO's findings and identify opportunities for consolidation, the PBRB used anonymized cell phone data to estimate daily attendance at 22 agency headquarters buildings from January 2023 through September 2023.[28] The PBRB calculated the utilization rate by dividing each building's average daily attendance by its capacity—the number of staff that the building could accommodate at 200 square feet per employee. The buildings in the PBRB study were largely the same as—but not identical to—those in the GAO study. Neither study included

[24] GAO, *Federal Real Property: Preliminary Results Show*, p. 7.

[25] GAO, *Federal Real Property: Preliminary Results Show*, p. 9.

[26] GAO, *Federal Real Property: Preliminary Results Show*.

[27] PBRB, *Interim Report to Congress*, March 2024, p. 6, at https://www.pbrb.gov/files/2024/03/3.21.24-FINAL-PBRB-Interim-Report.pdf.

[28] PBRB, *Interim Report to Congress*, pp. 6-8. The PBRB collected data for the Department of Energy but did not believe it to be accurate so it is not included in Table 2.

the Pentagon. **Table 3**, below, shows utilization data for each of the 22 buildings in the PBRB study.

Table 3. Average Daily Utilization Data for Selected Federal Buildings

In ascending order of utilization

Agency	Useable Square Feet	Staff Capacity	Daily Occupancy	Utilization Rate	Unused Square Feet
U.S. Agency for Global Media	686,232	3,431	72	2%	671,832
Department of Agriculture	1,487,653	7438	456	6%	1,396,453
Department of Veterans' Affairs	481,558	2408	172	7%	447,158
Environmental Protection Agency	478,396	2392	195	8%	439,396
Department of Labor	973,778	4869	441	9%	885,578
Nuclear Regulatory Commission	275,369	1377	127	9%	249,996
Office of Personnel Management	479,185	2396	258	11%	427,585
Department of Housing and Urban Development	813,753	4069	441	11%	725,553
Department of Commerce	1,043,059	5215	589	11%	925,259
Department of Transportation	1,299,544	6498	831	13%	1,133,344
Department of Health and Human Services	434,705	2174	294	14%	375,905
General Services Administration	506,367	2532	359	14%	434,567
Department of the Interior	667,708	3339	480	14%	571,708
Department of Education	388,044	1940	284	15%	331,244
National Aeronautical and Space Administration	545,731	2729	400	15%	465,731
Department of Justice	577,396	2887	430	15%	491,396
Small Business Administration	280,062	1400	209	15%	238,262
U.S. Forest Service	124,587	623	97	16%	105,187
National Science Foundation	586,670	2933	459	16%	494,870
Department of the Treasury	275,369	1377	306	22%	214,169
Department of State	1,510,389	7552	1739	23%	1,162,589
U.S. Agency for International Development	1,832,375	9162	2402	26%	1,351,975

Source: PBRB, *Interim Report to Congress*, March 2024, pp. 7-8, at https://www.pbrb.gov/files/2024/03/3.21.24-FINAL-PBRB-Interim-Report.pdf

Notes: Unused square feet figures were calculated by CRS by multiplying daily occupancy by 200 square feet, and subtracting that product from useable square feet.

The data in **Table 3** show that the percentage of unused building space ranged from 98% for the U.S. Agency for Global Media to 74% for the U.S. Agency for International Development. On an average day, there were 13.5 million unused square feet of office space in the buildings in the PBRB study, representing 86% of the total amount of available space. The PBRB noted that

> The extremely low building utilization rates documented by our review mean the increased costs of the federal office inventory are devoted toward a mere fraction of the number of people the buildings were designed to support... As a result, the amount of money being spent per person per year is at absurdly high levels.[29]

To support this assertion, the PBRB estimated that the Department of Labor (DOL) spent $59.3 million in rent and operating and maintenance costs on its headquarters facility in FY2023.[30] With an average daily attendance of 441 employees, this would result in housing expenditures of just under $135,000 per person, per year.

Summary of Key Provisions

In response to GAO's findings, Representative Scott Perry introduced the Utilizing Space Efficiently and Improving Technologies Act of 2023 (Section 2303 of P.L. 118-272; USE IT Act), which passed the House in March 2024.[31] The USE IT Act was later incorporated into the Thomas R. Carper Water Resources Development Act, which President Biden signed in January 2025.[32] Key provisions of the USE IT Act are summarized in the following paragraphs.

Sec. 2302(a)—Definitions

The subsection defines terms used in the act.

- Occupancy: Average number of employees working on-site at least 40 hours per week over a two-month period.
- Actual utilization rate: Total useable square footage divided by occupancy.
- Capacity: Total useable square footage divided by a utilization benchmark of 150 square feet allotted for each employee.
- Building utilization: Percentage of utilization generated by comparing the actual utilization rate to the capacity.
- Federal agency: An executive department covered by the Chief Financial Officers Act of 1990 (P.L. 101-576; 104 Stat. 2838).
- Public building: As defined in 40 U.S.C. §3301(a).

Sec. 2302(b)—Identification and Deployment of Building Usage Technology

This subsection required GSA, in coordination with the Office of Management and Budget (OMB), to establish standard methodologies and identify technologies available for measuring utilization not later than 60 days after enactment. GSA has posted guidance on available technologies[33] and standard methodologies.[34]

[29] PBRB, *Interim Report to Congress*, p. 8.

[30] PBRB, *Interim Report to Congress*.

[31] H.R. 6276, at https://www.congress.gov/118/bills/hr6276/BILLS-118hr6276rfs.pdf.

[32] Thomas R. Carper Water Redevelopment Act of 2024, P.L. 118-272, Div. B, Title III, 2302.

[33] GSA, "USE IT Act and Occupancy Data," at https://www.gsa.gov/real-estate/real-estate-services/for-federal-customers/use-it-act-and-occupancy-data.

[34] GSA, "Occupancy and utilization reporting guidelines," at https://www.gsa.gov/real-estate/real-estate-services/for-federal-customers/use-it-act-and-occupancy-data/reporting-guidelines.

In addition, this subsection requires agency heads to work with GSA to implement Personal Identity Verification badge swipe data and other technologies, such as sensors, to measure occupancy in public buildings and federally leased space. Sensors must protect all personally identifiable information. This requirement was to be met not later than July 3, 2025 (180 days after the date of enactment).

Sec. 2302(c)—Reporting on Usage of Real Property

This subsection requires agency heads to submit to Congress and OMB an annual report that identifies, for each building and leased space the agency occupies, the occupancy and actual utilization rates. The report must also include the methodology used to determine occupancy, a utilization rate based on 150 square feet per employee for each building or lease, and the costs associated with any space that exceeds occupancy. These reports, the first of which is due by January 4, 2026, must be published on a publicly accessible GSA website.

Sec. 2302(d)—Reducing Unneeded Space

This subsection requires OMB, in consultation with GSA, to ensure that each public building and federally leased space is at least 60% occupied on average over each one-year period. If the utilization of a building or leased space is below 60% over the course of a year then GSA shall notify Congress and the tenant agency[35] of the amount of excess[36] space and its associated costs.[37] This requirement begins one year after the date of enactment and is required each year thereafter.

If the utilization of a building or leased space is below 60% for two consecutive years then GSA, in consultation with OMB, shall take steps to reduce the space of the tenant agency. Space reduction may be achieved by consolidation, sale, other method of disposal. In the event an agency relocates, it may have its space requirements adjusted.[38]

GSA must also, in consultation with OMB, prioritize capital investments to the extent practicable to public buildings that meet or exceed the 60% utilization threshold, including projects that will enable buildings to reach that threshold.

The Director may provide exceptions to the 60% utilization requirement if an agency demonstrates it requires higher levels of non-standard space to meet its mission, such as warehouse and laboratory space. The Director must report any exceptions to Congress.[39]

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[35] Tenant agency is not defined in this section. It may refer to any agency that occupies a building or leased space, even if the agency owns that space.

[36] Generally, excess space refers to space that an agency has determined it no longer needs for program purposes. In this case, it may refer to space the agency is not using regardless of whether the agency has deemed it necessary for program purposes.

[37] GSA must notify the House Committee on Transportation and Infrastructure, the Senate Committee on Environment and Public Works, and the House and Senate Appropriations Committees.

[38] This may refer to a reduction in the amount of square feet allocated to each employee, or other space reductions.

[39] The Director must notify the House Committee on Transportation and Infrastructure, the Senate Committee on Environment and Public Works, and the House and Senate Appropriations Committees.

Sec. 2302(e)—Headquarters Buildings

This subsection requires OMB to submit to Congress and GAO a plan to consolidate agency headquarters buildings in the National Capital Region such that each building will have a utilization rate of 60% or greater.[40] The plan must include details on the

- departments and agencies that will collocate and consolidate;
- plans for the sale or disposal of buildings that will no longer be needed;
- costs associated with proposed consolidations and collocations;
- savings that may result from space reductions and consolidations, including costs associated with energy savings and buildings operations.

The plan must be submitted not later than one year after the date of enactment, which would be January 4, 2026.

Sec. 2302(f)—Federal Use It or Lose It Leases Act

This subsection mandates that occupancy agreements between GSA and federal tenants include language that requires tenant agencies to submit to GSA an annual report with data on the monthly total occupancy, actual utilization, monthly utilization rates, and any other utilization data that GSA requires. Agencies with independent leasing authority are required to submit to Congress an annual report with the same information for the office space they lease.[41]

GSA's occupancy agreements must also include language that requires tenant agencies to have written procedures in place that govern the return of office space to GSA if the tenant agencies utilize less than 60% of the space for six months of any one-year period.

The requirements of this section took effect 180 days after the date of enactment, which was July 3, 2025.

Sec. 2302(g)—GAO Report

This subsection requires GAO to submit to Congress a report measuring and reporting on building occupancy and actual utilization rates. The report must include the costs of deploying sensors and other technology pursuant to the requirements of the USE IT Act, but it should not include technologies that were in place before the law was enacted. The report must be submitted within one year of enactment, which would set the due date as not later than January 4, 2026.

Sec. 2302(h)—Investigation of Underutilized Space

This subsection requires agency heads to submit to their respective inspectors general (IGs) a report detailing any federally owned or leased space that has a capacity of 500 or more employees and a utilization rate below 20%, not including vacant office buildings. The IGs are required to conduct an investigation to determine if there is evidence of waste, fraud, abuse, or mismanagement of the buildings identified in the report. The report to the IGs must be submitted

[40] The report must be submitted to the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works.

[41] The report must be submitted to the House Committee on Transportation and Infrastructure, the Senate Committee on Environment and Public Works, and the committees of jurisdiction in each chamber.

not later than 90 days after any report on underutilization is submitted to Congress, as required by subsection (d).

Analysis of the USE IT Act

The USE IT Act establishes several new real property management requirements that may result in more reliable building utilization data, enhanced cost savings, opportunities for redevelopment, and greater return on capital investments. At the same time, the efficacy of these provisions may be limited by variance among data collection tools, the costs of consolidating building space, the negative economic impact of relocating staff from one location to another, and the ability of GSA to meet its expanded responsibilities.

Building Utilization Data

The USE IT Act may improve the consistency and accuracy of building utilization data by establishing a standard, government-wide methodology and defining key terms. Real property oversight and decision-making may also be improved by the requirement that utilization data be reported on a public website for each individual building. However, variations in the ways that agencies collect information and the lack of verification requirements may result in inconsistent utilization data, which in turn may hinder oversight and decision-making.

Standard Methodology

As discussed previously, the building utilization data published in the FRPP database and summary reports have been characterized as unreliable. This is due in part to variations in how agencies measure utilization. For example, GAO has found that agencies applied different thresholds when determining whether a building was underutilized, unutilized, or utilized.[42] Some agencies followed the utilization categories that were discontinued after FY2010—which set different thresholds for different building types—while others reported the percentage of space occupied regardless of building type.[43] Officials from one agency told GAO in 2023 that "each federal agency may measure utilization differently."[44]

The lack of government-wide definitions and standards may have contributed to these inconsistent practices. The FRPP Data Dictionary, an annual publication of the FRPC which defines the terms agencies must follow when collecting and reporting real property data, has not included definitions for concepts that are seemingly fundamental to measuring utilization.[45] For example, prior to 2013, the Data Dictionary instructed agencies to calculate utilization percentage of an office by dividing the building's occupancy by its design capacity—but it defined neither occupancy nor design capacity. Since 2013, the FRPP Data Dictionary has not given any direction on how to calculate building utilization rates—agencies were only given broad definitions for underutilized and unutilized space. As a consequence, agencies may have implemented a variety of methods and definitions that limit the ability to compare data across agencies.

[42] GAO, *Federal Real Property: Improving Data Transparency*, p. 17.

[43] GAO, *Federal Real Property: Improving Data Transparency*, pp. 17-18.

[44] GAO, *Federal Real Property: Agencies Need New Benchmarks to Measure and Shed Underutilized Space*, GAO-24-107006, October 2023, p. 16, at https://www.gao.gov/assets/gao-24-107006.pdf.

[45] GSA, "FRPC Guidance Library," at https://www.gsa.gov/policy-regulations/policy/real-property-policy-division-overview/asset-management/federal-real-property-council/frpc-guidance-library.

In addition, agencies have not followed a single standard for space allocation, as measured in square feet per person. In 2018, for example, the Department of Energy had a standard of 180 square feet per person,[46] while the Department of Commerce used a 170 square feet per person standard[47] and USDA used 150 square feet per person standard.[48] In practice, actual allocations may exceed agency standards. For example, in 2018, USDA proposed consolidating four component agencies from one building, where they provided an average of 327 square feet for each employee, to a new location where staff would be allocated 225 square feet per person—both options being well above the USDA standard. [49] In another example, a 2024 study of GSA's ten regional office buildings (ROBs) and its headquarters facility found that employees averaged just under 200 square feet per person, more than 47% above its benchmark of 135 square feet per person, and that two ROBs provided more than 400 square feet per person.[50] Agencies that allocate more square feet per person may report higher utilization rates because fewer staff are needed to occupy the same amount of space. Higher space allocations may also result in an agency retaining more space than needed for it to fulfill its mission, which in turn would increase operating and maintenance costs.

The USE IT Act may result in more consistent data, because it establishes a single method for calculating building utilization. The act requires all agencies to use a benchmark of 150 square feet per person when estimating utilization, which may help ensure the data are comparable across agencies. The act also defines capacity and occupancy, which may reduce confusion about what data agencies need to collect and apply to their calculations. The definition of occupancy—the number of personnel who work on-site at least 40 hours per week—may represent a significant departure from previous methods of calculating utilization. For example, GSA's internal space allocation guidance from 2023 directed agencies to allocate space for any employee or contractor who worked on-site at least two days per pay period.[51] Under this guidance, GSA may have counted a workstation as "occupied" if the employee worked on-site once per week.

Incorporating on-site attendance data into building utilization calculations may result in lower utilization rates and greater amounts of underutilized space being reported to the FRPP in future years. For example, according to OMB, agencies reported approximately 31 million underutilized square feet of space across the entire federal office building portfolio in FY2024,[52] which included 30,477 assets (leases and owned buildings) with 601 million gross square feet of space.[53] By comparison, the PBRB's 2024 study, which incorporated on-site attendance data into its

[46] Department of Energy, *Real Property Efficiency Plan*, October 2019, p. 13, at https://www.energy.gov/sites/prod/files/2020/02/f72/DOE%20Real%20Property%20Efficiency%20Plan%20FY20-24.pdf.

[47] GAO, Federal Buildings: Agencies Focus on Space Utilization as the Reduce Office and Warehouse Space, GAO-18-304, March 2018, p. 10, at https://www.gao.gov/assets/gao-18-304.pdf.

[48] USDA, *2018 Agency Financial Report*, November 2018, p. 254, at https://www.usda.gov/sites/default/files/documents/FY_2018_Agency_Financial_Report.pdf.

[49] GAO, *Federal Buildings: Agencies Focus on Space Utilization*, p. 8.

[50] GSA Office of the Inspector General, *GSA Is Not Effectively Managing Its Internal Space to Reflect Occupancy Changes*, March 2025, p. 9, at https://www.gsaig.gov/sites/default/files/audit-reports/A240044-Final%20Report.pdf.

[51] GSA, *Internal Space Allocation, Design, and Management Policy*, August 2023, p. 7, at https://www.gsa.gov/directives/files?file=202308%2FCC046872_directive_OAS%207005.1A%2C%20Internal%20Space%20Allocation%2C%20Design%2C%20and%20Management%20Policy%20%282%29.pdf.

[52] OMB, *OMB Report to Congress on Telework and Real Property Utilization*, August 2024, p. 11, at https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/08/OMB-Report-to-Congress-on-Telework-and-Real-Property.pdf.

[53] GSA, "FRPP Summary Report Library," *FY2024 Summary Data Set*, Table 5.

method of calculating utilization, indicated that there was 13.5 million underutilized square feet in 23 office buildings with approximately 27 million gross square feet of office space.[54] However, given that it is not known how many agencies, if any, used attendance data when calculating building utilization rates in the past, it is not clear how the new definition of occupancy will affect any given agency's reporting.

Asset-Level Reporting

The USE IT Act requires agencies to report asset-level data on building utilization and the costs associated with excess space. This requirement may enhance real property oversight and decision-making, providing Congress and other stakeholders with utilization rates of individual buildings and leases. This may help identify properties that could be consolidated or put into the disposal process, and estimate the potential savings of reducing unneeded space. Asset-level data may also permit a comparison of agency portfolios and building types. It might be possible to glean best practices from agencies that have higher building utilization rates or increase oversight on agencies with lower rates. The data may also be used to identify building types that have consistently lower utilization rates across agencies so that new policies might be crafted to address the unique challenges agencies face in managing those properties.

The act does not require the utilization or cost information to be posted in a particular format, which may limit the data's usefulness, depending on how the date are made available. The only statutory requirement is that agencies report the data to GSA, which is to post the data on a publicly accessible website. The intention may have been for GSA to include this information in the FRPP database, which would permit users to manipulate and download the data. For example, FRPP users could sort by agency, utilization rate, and cost of excess space, or search for data on an individual building. However, GSA could post the data as a PDF file or in another format that does not permit manipulation, making analysis more difficult.

Occupancy Data Collection Tools

As required by the act, GSA has published a list of tools that agencies may use to collect occupancy data.[55] According to GSA, the use of Personal Identity Verification (PIV) card technology is required and should be the "standard for collecting occupancy data."[56] OMB notes that agencies are authorized to use other data collection technologies "in instances where the use of PIV card data is not possible or would be incomplete."[57] PIV card data generally refers to a method of collecting data from a smart card, such as an agency ID badge, that is swiped at turnstiles or presented to card readers as employees access their office buildings or internal office spaces. GSA has identified ten tools in addition to PIV card technology for collecting occupancy data, although OMB notes that these tools vary in accuracy and cost.[58] **Table 4**, below, briefly describes each data collection tool that agencies may use.

[54] CRS analysis of PBRB data, excluding the Department of Energy.

[55] GSA, "USE IT Act and Occupancy Data," at https://www.gsa.gov/real-estate/real-estate-services/for-federal-customers/use-it-act-and-occupancy-data#:~:text=Agencies%20covered%20under%20the%20Chief,applicable%20to%20all%20federal%20agencies.

[56] GSA, "USE IT Act and Occupancy Data."

[57] OMB, "Implementation of the Utilizing Space Efficiently and Improving Technologies Act," April 2025, p. 3, at https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-25-Implementation-of-the-Utilizing-Space-Efficiently-and-Improving-Technologies-Act.pdf.

[58] OMB, "Implementation of the Utilizing Space Efficiently and Improving Technologies Act."

Table 4. Occupancy Data Collection Tools

Data Collection Tools	Description
Badge and access systems	PIV card technology managed at building entrance systems and door readers
Daily check in survey	Employees report their location on secure document, such as Google Forms
Occupancy sensors	Sensors placed at entries and exits, sometimes called "people counters"
Video analytics	Video cameras equipped with analytics for tracking movement of people
Wi-Fi and Bluetooth aggregators	Wi-Fi and Bluetooth systems track enabled devices, such as smartphones
Building automation systems	Analytics installed on heating, cooling, ventilation and lighting systems
Analytics platforms	Integrated data from multiple systems and sensors to infer occupancy
Reservation systems	Data gathered from workplace reservation systems
Visual analysis	Monitor workspaces over a defined period of time
Timecard analysis	Data gathered from biweekly timecards identify telework frequency
Mobile location data	Anonymized "pings" from mobile devices in a location

Source: GSA, "USE IT Act and Occupancy Data," at https://www.gsa.gov/real-estate/real-estate-services/for-federal-customers/use-it-act-and-occupancy-data#:~:text=Agencies%20covered%20under%20the%20Chief,applicable%20to%20all%20federal%20agencies.

A March 2025 report by GSA's OIG identified limitations that may affect the accuracy of certain data collection methods.[59] According to the report, PIV technology, such as badges or access card readers, cannot account for situations where an authorized user allows multiple coworkers to enter a building, office area, or elevator. The report further noted that daily check-in surveys may contain errors when some employees do not complete the form correctly or do not submit it at all, and that occupancy sensors are prone to false readings because they capture non-human motion and do not distinguish movements of the same person across different areas. GSA's reservation system did not always provide accurate and complete data, the report stated, because employees may reserve a space and not show up to use it, or they may bypass the reservation system and select a workstation in-person on a first-come, first-served basis. While a key objective of the USE IT Act was to provide consistent utilization data to stakeholders, variations in the accuracy of the data collection tools available to agencies may result in inconsistencies in their reporting.

Potential Benefits and Costs of Consolidation

One of the primary objectives of the USE IT Act is to reduce unneeded space and cut costs by consolidating staff into fewer buildings and disposing of properties that are no longer needed. The disposal of unneeded buildings may also help reduce the government's rapidly growing deferred maintenance and repair (DMR) liability and generate sales revenue.[60] On the other hand, potential savings might be offset by the costs associated with consolidations, such as the need to reconfigure space prior to bringing additional staff into a building, and the cost of swing space that staff may need to move into temporarily while their new accommodations are being prepared.

[59] GSA Office of the Inspector General, *GSA Is Not Effectively Managing Its Internal Space*, pp. 7-8.

[60] For more information on the government's DMR liability see CRS Report R48211, *Deferred Maintenance and Repair at Civilian Agencies: Causes, Risks, and Policy Options*, by Garrett Hatch.

Potential Savings and Other Benefits

Consolidating space often produces long-term savings. In its FY2023 budget justification, GSA reported that, since 2014, it implemented or was in the process of implementing 87 consolidation projects that would save the government $163 million in annual lease cost avoidance and reduce the federal footprint by more than 1.8 million usable square feet.[61] According to GSA, the ongoing consolidation of the Department of Homeland Security headquarters facility from 40 locations to six will reduce the government's footprint by 1.2 million square feet and reduce costs by $1.3 billion over 30 years.[62] In its FY2024 Annual Financial Report (AFR), GSA reported that it had relocated staff from the DOL from leased space to federally owned space in Seattle, which reduced the amount of useable square feet the agency needed by 76% and saved $4.2 million annually.[63]

When agencies consolidate leased space into underutilized federal buildings, they may generate savings by shifting rental payments from the private sector to the government. In addition, energy costs may decrease as fewer properties require heating, air conditioning, electricity, water, and other utilities. Energy use may be more efficient as well, as more staff occupy formerly underutilized space. Space efficiency may be further enhanced if agencies reduce the amount of square feet allocated to staff when they relocate. DOL, for example, planned to reduce the amount of space it allocated from 255 to 166 square feet per person during its consolidation project in Seattle.[64] Future consolidations may result in similar reductions: OMB requires agencies to allocate no more than 150 square feet per person for newly acquired office space, with some exceptions.[65]

There are additional potential benefits that may be realized by consolidating agency personnel from underutilized federally-owned buildings into other federal buildings. As required by the USE IT Act, GSA must dispose of unneeded space in underutilized buildings that results from the relocation of federal tenants out of a federal building. When GSA disposes of space, it may take a range of actions. It may sell or lease an underutilized or vacant building and generate revenue to the government.[66] GSA may also transfer a building to another federal agency, which must pay fair market value for the property, or convey it at up to no cost to a state or local government, or qualified non-profit, for certain statutorily defined public purposes.[67] These public benefit conveyances may permit the building to be used as a museum, school, hospital, training facility for law enforcement, or for assisting the homeless, among other things.[68] GSA may also sell the building at fair market value to a state or local government for other public purposes that are not

[61] GSA, *FY2023 Congressional Justification*, p. FBF-37, at https://www.gsa.gov/reference/reports/budget-and-performance/annual-budget-requests/previous-congressional-justifications.

[62] DHS, "DHS and GSA Announce $288 Million in Inflation Reduction Act Funding for Expansion of St. Elizabeths West Campus," press release, August 17, 2023, at https://www.dhs.gov/archive/news/2023/08/17/dhs-and-gsa-announce-288-million-inflation-reduction-act-funding-expansion-dhs-st.

[63] GSA, *FY2024 Annual Financial Report*, November 2024, p. 16, at https://www.gsa.gov/reference/reports/budget-and-performance/annual-reports/2024-agency-financial-report.

[64] GSA, "Prospectus—Lease, Department of Labor, Seattle WA," PWA-01-SE19, p. 2, at https://www.gsa.gov/real-estate/gsa-properties/capital-investment-and-leasing-prospectus-library/2019-prospectus.

[65] OMB, "Implementation of the Utilizing Space Efficiently and Improving Technologies Act," April 2025, p. 5.

[66] The standard disposal process is described in GSA's publication *Your Guide to Acquiring Federal Real Estate for Public Uses*, p. 5, at, https://disposal.gsa.gov/resource/1530028366000/AcquiringFederalRealEstateForPublicUses#:~:text=A%20PBC%20allows%20the%20Federal,acquire%20it%20for%20community%20uses.

[67] GSA, *Your Guide to Acquiring Federal Real Estate for Public Uses*, pp. 8-9.

[68] GSA, *Your Guide to Acquiring Federal Real Estate for Public Uses*.

defined in statute through a negotiated sale.[69] For example, an unutilized federal courthouse might be sold to a municipality and used as a local courthouse. Unneeded buildings may also be sold at auction to the public. Through the disposal process, buildings that the government does not use efficiently may be put to productive use by the private sector, a non-profit, or a state or local government, yielding economic, cultural, or social benefits to taxpayers.

Certain types of disposals—namely the sale, conveyance, or demolition of underutilized buildings—may reduce the government's deferred maintenance and repair (DMR) liability.[70] In FY2024, federal agencies reported a $370 billion backlog in DMR, a figure which has doubled since FY2019.[71] Once an agency[72] sells, conveys, or demolishes a building, the government no longer needs to repair or maintain it, so the DMR liability is removed from the government's balance sheet. For example, GSA is in the processing of selling the Chet Holifield Federal Building in Laguna Nigel, CA, which would relieve the government from making repairs to the building that are estimated to cost between $526 million and $917 million.[73] Similarly, NASA demolished 47 "inefficient and aged facilities" in FY2024 that eliminated $44.7 million in deferred maintenance liabilities.

DMR backlogs, particularly in older buildings, may be associated with unsafe or lower-quality work environments characterized by problems such as leaking roofs, flooding basements, non-working elevators, and diseases such as Legionella.[74] DMR backlogs at GSA-owned properties contributed to the persistence of health hazards in some buildings, including the presence of asbestos, lead, and cancer-causing agents at the Goodfellow Medical Complex in St. Louis, MO.[75] In its FY2023 budget request, NASA discussed the consequences of DMR on its ability to execute its mission and provide its employees with a positive work environment at length, noting that "degraded electrical systems and buildings pose an imminent danger to the workforce."[76] Some federal employees that are relocated from aging, deteriorating federal buildings into newer or better maintained space may feel safer and find the environment more conducive to productivity. GSA, for example, has reported that employees that work in "welcoming, well-constructed buildings that provide a positive federal presence build employee morale and achieve high satisfaction survey scores."[77] In its National Strategy for the Efficient Use of Real Property, the Obama Administration argued that office space consolidations and colocations would

[69] *Your Guide to Acquiring Federal Real Estate for Public Uses*, p. 17.

[70] For further discussion of DMR at civilian agencies, please see CRS Report R48211, *Deferred Maintenance and Repair at Civilian Agencies: Causes, Risks, and Policy Options*, by Garrett Hatch.

[71] GAO, Federal Real Property: Disposing of Unneeded Facilities Could Help Reduce Maintenance Backlog, GAO-25-108400, April 2025, p. 3, at https://www.gao.gov/assets/gao-25-108400.pdf.

[72] While GSA manages the disposal of real property for many agencies, some agencies have independent disposal authorities and may dispose of properties without GSA's participation.

[73] PBRB, "Interim Report to Congress," p. 22.

[74] PBRB Board Member Nick Rahall, transcript of PBRB public meeting on January 28, 2025, p. 10, at https://www.pbrb.gov/files/2025/02/Public-Meeting-012825-Final.pdf.

[75] GSA OIG, *Audit of PBS National Capital Region's Asbestos Management in Building 40 of the St. Elizabeth's West Campus*, May 2024, p. 4, at https://www.gsaig.gov/sites/default/files/audit-reports/A230046-2%20Final%20Report%20-%20508%20Compliance.pdf.

[76] NASA, "NASA Infrastructure Challenges and Priorities: Opportunities in the FY2023 President's Budget Request," at https://www.nasa.gov/wp-content/uploads/2022/07/msd_nasa_pbr_priorities_factsheet_final_copy.pdf.

[77] GSA *Historic Building Stewardship 2020*, p. 2, at https://www.gsa.gov/real-estate/historic-preservation/historic-building-stewardship/gsa-historic-building-stewardship.

"provid[e] federal workers modern updated facilities to allow them to serve the public better," among other benefits.[78]

Costs of Consolidation Projects

To achieve savings and other potential benefits through the consolidation of space the government must first fund the steps necessary to make consolidation possible. These costs may include the reconfiguration or renovation of existing space and the acquisition of furniture. In addition, consolidation projects may be time consuming, particularly if funding is not readily available or if there are multiple locations that are being relocated into a single federal building. In some cases, a consolidation project will require more time than initially estimated, which may in turn result in cost escalation.

The total cost of a consolidation project depends on a number of factors, including the amount of space to be reconfigured, the number of employees being relocated, and the amount of work that needs to be done to ensure the space meets the new tenant's needs. Nonetheless, it is not uncommon for consolidations to range from millions to tens of millions of dollars. In 2021, for example, DOL proposed consolidating staff from four leased buildings in the Washington, D.C. area into the Francis Perkins Building at a cost of $48.0 million,[79] and in 2022, GSA submitted a $15.7 million prospectus to renovate and reconfigure space in the San Francisco Federal Building in preparation for the relocation of HUD employees from leased space.[80]

Reconfiguration generally entails creating workstations, private offices, shared space like conference rooms, and other spaces that meet a tenant agency's needs and conform with federal guidelines. This may involve interior construction costs, such as installing temporary (modular) or permanent walls and adding or moving electrical outlets. In addition, the building into which the tenants are moving may need renovations, such as systems upgrades or structural repairs. When GSA proposed a moving Department of Education staff in New York, NY, into a 24,500 square foot space in the Jacob K. Javits Federal Office Building it requested $8.9 million for the project, in the following amounts:[81]

- $3.4 million for interior construction;
- $2.8 million for electrical upgrades;
- $2.2 million for demolition; and
- $485,000 for HVAC upgrades.

Tenant agencies may also acquire new furniture as part of the relocation. HUD, for example, told GAO in 2022 that it anticipated "large expenditures on furniture" as part of its short-term reconfiguration plans.[82]

[78] OMB, *National Strategy for the Efficient Use of Real Property: 2015-2020*, March 2015, p. 3, at https://obamawhitehouse.archives.gov/sites/default/files/omb/financial/national-strategy-efficient-use-real-property.pdf.

[79] DOL, 2021 Presidential Transition Documents, "Department of Labor Real Property Initiatives," p. 1, at https://www.dol.gov/sites/dolgov/files/general/foia/presidential-transition-docs/2021/DOLRealPropertyInitiatives.pdf.

[80] GSA, "Prospectus: Alteration of the San Francisco Federal Building," April 2022, p. 1, at https://www.gsa.gov/real-estate/gsa-properties/capital-investment-and-leasing-prospectus-library/2023-prospectus.

[81] GSA, "Prospectus: Alteration of the Jacob K. Javits Federal Office Building," February 2020, p. 2, at https://www.gsa.gov/real-estate/gsa-properties/capital-investment-and-leasing-prospectus-library/2021-prospectus.

[82] GAO, Federal Real Property: GSA Could Further Support Agencies' Post Pandemic Planning for Office Space Use, GAO-22-105105, September 2022, p. 22, at https://www.gao.gov/assets/730/722427.pdf.

Additional costs may result from the length of time it takes to make the space move-in ready. It may take years to develop a consolidation plan, have a prospectus approved (if one is required),[83] have funding approved, bid out and award construction contracts, and complete the reconfiguration and renovation work needed. For example, the Department of the Interior (DOI) has spent years consolidating its staff from leased space into various buildings on the campus of the Denver Federal Center (DFC), a GSA-owned series of buildings. When developing a timeline for one part of the larger consolidation, DOI estimated that it would take about one year from the time $15 million in funding was received until construction could begin, and another two years before the work would be "substantially completed."[84] The DOI report did not identify when the project plan was developed or when GSA submitted its funding prospectus, which may have pushed back the timeline another year or more. Construction costs can increase rapidly, year-over-year, potentially increasing the cost of a consolidation project by hundreds of thousands or millions of dollars. For example, the construction material price index increased 42% from October 2019 through September 2023.[85] The longer a consolidation project takes to complete each phase, the higher costs may rise.

Given the lack of data on building utilization, it is unclear how many consolidations may be required to take place, nationwide, to meet the terms of the USE IT Act. Nor is it known how much work would need to be performed prior to prepare federally-owned buildings for new tenants. If the low rates of utilization that were identified by GAO and the PBRB are prevalent across the government's building portfolio, then there may be hundreds of consolidation projects initiated in the coming years, requiring hundreds of millions of dollars or more to execute.

Impact on Communities

The consolidation of agency employees and the subsequent disposal of unneeded federal buildings may benefit some communities. An area that gains federal employees or has a formerly underutilized federal buildings put to a new and more productive use might experience economic growth, a reduction in crime, an increase in the local tax base, and opportunities for redevelopment. Other areas may not realize these benefits, particularly communities that lose federal employees due to consolidation or where an underutilized federal building is unlikely to be redeveloped.

Potential Benefits

The USE IT Act requires agencies to consolidate space to achieve a 60% utilization rate in all federally owned buildings. Businesses that provide goods and services in the area of a federal building that has gained employees may see increased revenue due to higher sidewalk traffic. For example, a study by Ernst & Young estimated that employees in jobs that could be performed remotely spent an average of $127 per week at food, beverage, entertainment, and retail

[83] Some agencies are required to obtain approval from Congress for certain construction projects prior to seeking appropriations. As required by 40 U.S.C. §3307, GSA must obtain approval from the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works before seeking funds for lease, alteration, or construction projects that exceed an annual threshold. For FY2025, the threshold for construction and alteration projects is $3.926 million.

[83] DOI, *Denver Federal Center Long-Term Space Strategic Plan*, September 2016, p. 11, at https://www.doi.gov/sites/doi.gov/files/uploads/dfc_long_term_space_strategic_plan.pdf.

[85] GAO, *Deferred Maintenance: Agencies' Project Selection and Challenges*, GAO-24-107234, January, 2024, p. 5, at https://www.gao.gov/assets/d24107234.pdf.

establishments near their place of work.[86] Using that estimate, relocating 160 agency employees into a federal building would result in an additional $122,000 a month in revenue to local businesses, for example.

In cases where federal employees are relocated out of a building which is then sold to the private sector, the local government may realize an increase in tax revenue because federal real property is generally exempt from local taxes. Moreover, high rates of vacancy depress property values which further reduces tax revenue. For example, the Chief Financial Officer for the District of Columbia has estimated the city's total revenue will decline $464 million between FY2024 and 2026 due in large part to a decrease in tax revenue on commercial properties."[87] The CFO linked this decline to remote work and higher interest rates, which he said "pose a serious long-term risk to the District's economy and its tax base.[88] The sale of underutilized and vacant federal buildings may help mitigate the loss of tax revenue that cities have experienced in recent years.

Disposal of unneeded federal buildings may also provide quality of life improvements to local residents. Private sector redevelopment of federally owned property—whether by renovating and repurposing a federal building or demolishing it and replacing it with a new facility—may provide housing, retail, and entertainment opportunities for residents of the area, as well as job opportunities. The public sector may acquire unneeded federal property as well, so long as it used for public purposes. If a vacant federal building is conveyed to a state or local government, or qualified non-profit, then the local area might gain a museum, hospital, or park, among other things.

Whether an underutilized or vacant federal building is disposed of the private or public sector, the disposal itself might have a positive impact on crime. The U.S. Forest Service, for example, participated in a study of crime patterns in Baltimore, MD, that found that a reduction in the number of vacant buildings in a neighborhood was associated with a reduction in crime.[89] Along these lines, the Director of Planning for the District of Columbia has stated that the Mayor of D.C. is supportive of efforts to consolidate and dispose of unneeded federal property because vacant buildings have "created a lot of challenges" related to public safety.[90]

Potential Negatives

Neighborhoods that lose federal staff may experience negative economic and social impacts. With fewer agency employees working in the area, local businesses—particularly those reliant on foot traffic—may see a decrease in revenue. Some of these businesses may be unable to remain open due to the loss of customers or have to lay off staff in order to compensate for declining revenue, which would increase unemployment. Federal employees who live near their place of work may

[86] Ernst & Young, "Remote Work in the Capital Region," February 2021, p. 8, at https://greaterwashingtonpartnership.com/wp-content/uploads/2021/02/Remote-work-in-the-Capital-Region-Report_Final.pdf.

[87] District of Columbia Chief Financial Officer, "February 2023 Revenue Estimates," February 2023, p. 1, at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/February%202023%20Revenue%20Estimate%20Letter_rev%20032723.pdf.

[88] District of Columbia Chief Financial Officer, "February 2023 Revenue Estimates," p. 2.

[89] Journal of Urban Health, Vol. 100, "Vacant Building Removals Associated with Relative Reductions in Violent and Property Crimes in Baltimore, MD," 2014-2019, August 2023, p. 666, at https://link.springer.com/article/10.1007/s11524-023-00758-3.

[90] District of Columbia Director of Planning Anita Cozart, transcript of PBRB public meeting on January 28, 2025, p. 47, at https://www.pbrb.gov/files/2025/02/Public-Meeting-012825-Final.pdf.

relocate if that building is closed in order to be nearer to their new offices, which would further reduce economic activity in the area.

Some vacant federal buildings may be in weak markets that may not attract private capital for acquisition and redevelopment, increasing the likelihood that those buildings will remain vacant. As noted, vacant buildings attract crime and depress property values, putting further strain on local residents as well as municipal governments, which may face a loss of tax revenue.

GSA's Expanded Responsibilities

GSA may find its resources—staff time and funding—thinned as it fulfills its responsibilities under the USE IT Act. For example, the act requires GSA to perform new monitoring and planning duties, and it may expand the amount of time GSA staff must dedicate to its existing responsibilities, notably property consolidation and disposal. On the other hand, as GSA reduces the number of federally leased and owned buildings then the amount of work it must put into managing the government's portfolio may be reduced in the long-term.

Some of GSA's new duties may require an investment of resources in the short-term and then have relatively low ongoing costs. GSA must provide a website onto which agencies may publish their utilization data, which might not consume significant resources over time, particularly if the data are added to an existing website such as the FRPP-MS. GSA might decide, however, to create a new website that provides users with a range of functions, such as the ability to search, manipulate, and download the data, which might have greater start-up and maintenance costs. Similarly, GSA must include language in all of its occupancy agreements with federal tenants that requires tenants to (1) report utilization data annually and (2) have written procedures for returning underutilized space to GSA, which may not require much of an investment of resources once standard language is developed.

GSA is also required to assist OMB as the latter develops a plan for consolidating agency headquarters buildings, which is due January 4, 2026. OMB may rely extensively on GSA while the plan is developed because it must include information that GSA is likely more familiar with, such as the costs and savings associated with consolidations and colocations as well as strategies for selling or otherwise disposing of buildings that will no longer be needed. Once the plan is complete, GSA will likely play a key role in its implementation, which may entail years of work executing multiple building consolidations and dispositions. The time involved in disposing of some agency headquarters buildings might be more significant than in other regions because key stakeholders, such as the National Capital Planning Commission, the Washington, D.C. mayor's office and private developers, may seek to coordinate with GSA and each other as part of a larger effort to redevelop parts of the city.

The USE IT Act assigned some new duties to GSA that might require an ongoing commitment of resources. Among these, GSA is required to work with OMB to prioritize capital investment projects in buildings that have met the 60% utilization threshold or where projects would bring buildings up to that threshold. This may entail GSA reviewing dozens to hundreds of capital investment proposals each year and making the decision as to which should be implemented. It might also mean GSA will work with staff from the agencies that are seeking funding as well as staff from the relevant congressional authorization and appropriations committees to develop a plan for various agencies' portfolios over time.

Additionally, the USE IT Act requires GSA to monitor the utilization of all federally owned and leased buildings and annually notify tenants and Congress of any excess capacity and associated costs. This appears to obligate GSA to perform oversight on tens of thousands of properties and report on a subset of them with utilization rates below 60%. In the event that a building is below the 60% threshold for two consecutive years, GSA must then reduce the unneeded space, such as through time-consuming consolidation projects. These consolidation projects may result in more empty buildings for GSA to put through the disposal process, a process that can take months to years to complete.

At the same time, as GSA disposes of more properties it will reduce its workload. The disposal of owned federal buildings and leased space can be expected to result in less time spent negotiating occupancy agreements, surveying properties for repair needs, submitting prospectus requests for funding, and bidding out, entering into and overseeing contracts for maintenance and repair, among other things.

Considerations for Congress

The Trump Administration has identified real property objectives which it may seek to fulfill the USE IT Act. In February 2025, OMB issued guidance on the submission of agency reduction-in-force (RIF) and reorganization plans (ARRPs).[91] The guidance required agencies to provide OMB information in two phases. Phase I information, which was due March 13, 2025, provided an outline of each agencies' proposed actions, including

- Whether the agency or any of its subcomponents should be eliminated or consolidated; and which specific subcomponents or functions, if any should be expanded to deliver on the President's priorities.

Phase II information, was due April 14, 2025, included additional details on a range of personnel and real property issues, including

- The agency's plan to ensure that employees are grouped, to the greatest extent possible, based on like duties and job functions to promote effective collaboration and management, and that the agency's real estate footprint is aligned with cross-agency efforts coordinated by GSA to establish regional federal office hubs.
- Any proposed relocations of agency bureaus and offices from Washington, D.C. and the National Capital Region to less-costly parts of the country.

Agencies were to submit updates to their plans in May, June, and July, and be prepared to implement their approved ARRPs on September 30, 2025.

The Administration has not provided any details on the establishment of regional federal office hubs or proposed agency relocations, and the ARRPs have not been made public. However, the goals the Administration seeks to achieve through the ARRPs might overlap with the implementation of the USE IT Act. For example, agencies that must consolidate their headquarters may opt to relocate some headquarters staff to areas outside of the National Capital Region that have been designated as regional hubs, when and if those locations are determined. Agency headquarters consolidation plans may also include moving bureaus or offices that are part of the headquarters facility to other parts of the country.[92] Similarly, when agencies cancel leases

[91] OMB, "Guidance on Agency RIF and Reorganization Plans Requested by *Implementing the President's Department of Government Efficiency Workforce Optimization Initiative*," February 2025, p. 5, at https://www.opm.gov/policy-data-oversight/latest-memos/guidance-on-agency-rif-and-reorganization-plans-requested-by-implementing-the-president-s-department-of-government-efficiency-workforce-optimization-initiative.pdf.

[92] Agency headquarters themselves may not be officially relocated beyond the NCR without specific legislative authority. See 4 U.S.C. §72.

and consolidate space in office buildings outside the NCR, they may do so in tandem with plans to eliminate subcomponents or relocate staff to federal hubs.

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