PBRB
PUBLIC BUILDINGS REFORM BOARD

FREQUENTLY ASKED QUESTIONS

PBRB's Role and Recommendations

What is PBRB's role?

PBRB was established by the Federal Assets Sale and Transfer Act of 2016 (FASTA) to identify and recommend federal properties for sale, and to make recommendations for how to streamline the disposal process. Doing so will lower costs to American taxpayers for buildings that are outdated, poorly maintained, and largely unoccupied. It will also provide federal workers with better, more modern workspaces while returning numerous properties to local tax bases.

Is PBRB part of DOGE?

No. PBRB was established by the Federal Assets Sale and Transfer Act of 2016 (FASTA) as an independent, bipartisan agency whose sole mission is to identify opportunities for the federal government to significantly reduce its inventory of civilian real property and thereby reduce costs. Any pronouncements regarding federal buildings made by DOGE are independent of PBRB and not made in consultation with PBRB.

Does PBRB sell the properties it recommends for disposal or require the property be used in a certain way once sold?

No. PBRB does not sell federal properties, nor does it dictate the use of property once it has been sold. While PBRB is empowered to provide expertise and recommendations to the federal government and Congress based on its best use analyses of federal sites, it does not have decision-making power with respect to final consolidation, disposition, use, or redevelopment of these sites. PBRB's recommendations are made with the expectation that they subsequently will be used by Congress, GSA, OMB, and other federal agencies to consolidate and improve the federal real property portfolio.

What criteria does PBRB use in deciding whether a federal building should be subject to disposal?

PBRB works with commercial real estate firm Jones Lang Lasalle to analyze and identify the costs associated with the current federal real estate portfolio in selected markets and models the cost savings that could be achieved through various actions, such as consolidations into leased spaces and dispositions. Minimum criteria for assessment are mandated by FASTA. PBRB publishes its criteria – which include an analysis of taxpayer return on investment, political and stakeholder support, operations and maintenance reduction, cost saving potential, economic impact, and more – along with its findings and recommendations.

Is PBRB planning to analyze and make recommendations for all federal buildings?

No. Unlike GSA, PBRB is required by FASTA to look for dispositions that will provide a positive return on the investment of moving agencies around and selling buildings. PBRB takes months to analyze each property, visiting the sites, talking with local stakeholders, and contacting Senators, Representatives, tribes, and local government.

How dramatically would PBRB's recommendations reduce the federal real estate portfolio?

To date, PBRB has identified and recommended disposal of properties worth more than $450 million. In its first report (the High Value Asset Report, issued in 2020), PBRB recommended 12 properties for disposal, of which 10 have been sold to date for a total of $193 million. In its second report (the First Round Report, issued in 2021) recommended 15 additional properties for dispositions, worth approximately $275 million.

What recommendations are contained in the new PBRB report?

PBRB's Second Round Report identifies 11 federal properties encompassing nearly 7.1 million gross square feet of office space in seven U.S. cities and the Washington, D.C. metro area for consolidation and divestment. PBRB estimates that exiting the disposition sites identified in the Second Round Report would reduce the federal real estate footprint by 7,096,443 GSF, resulting in year one operating expense savings of $52,053,900. PBRB estimates that sales proceeds would exceed $300 million from this round and total 30-year savings would amount to more than $5.4 billion.

All of the recommended divestments are able to be funded from the sale of previously recommended properties and will not require new taxpayer inputs.

Beyond identification of federal properties for divestment, the Second Round Report provides a list of nearly 50 federal properties in the NCR and nationally for future consideration. PBRB's Second Round Report also identifies numerous management issues which have contributed to the current untenable situation around the federal real property portfolio.

What kinds of management issues does the new PBRB report identify?

Federal building portfolio management issues identified in PBRB's Second Round Report include:

- Data Issues – PBRB found data provided by federal agencies to be inaccurate and incomplete, and lacking attendance and realistic capital repair and maintenance cost data.
- Governance Issues – PBRB concluded current federal rules create paralysis and require revision. OMB's budget "scoring" rules, for example, are predicated on an outdated assumption that leasing office space will be more expensive to the taxpayer than owning, while the budget request process takes too long, creating an uncompetitive environment for the federal government.
- Funding Issues – PBRB recommended Congress remove unintended and inappropriate incentives related to building ownership and maintenance, enabling GSA operational funds to be aligned with taxpayer interests. It also found the Federal Buildings Fund to be insufficient to address expansion and contraction requirements of the federal workforce.

Will there be additional reports?

A third and final round of property divestment recommendations will be issued by PBRB in 2026.

Does PBRB also recommend where employees should be consolidated?
No. It is not PBRB's responsibility to determine where federal employees work. PBRB does make disposition recommendations, however, based on calculations of savings to the taxpayer. These recommendations include assumptions about new office spaces for federal employees, costs to move, and fit-out in receiving buildings. These financial assumptions are provided to OMB and GSA to explain PBRB's analysis but are generalized and can be changed.

Current Market Conditions

How did the current situation with federal office buildings occur?
The federal real estate portfolio has had a lack of investment for the past 50 years. This has created a situation in which many of federal buildings are outdated, poorly maintained, and – as a result of the shift to remote work – largely unoccupied. U.S. taxpayers are paying a premium for this space even though many of these buildings are aging and in dire need of investment and repair. Capital liabilities accruing to taxpayers for deferred maintenance alone is likely to exceed $72 billion across the GSA's portfolio.

Why is now the best time to reduce the federal real property portfolio and consolidate the federal workforce?
We currently have a once in a generation opportunity to reduce the federal footprint and save taxpayer money. The nationwide real estate market is depressed, offering the federal government the least expensive context we have seen in decades to replace buildings or go into cheaper leases.

By rightsizing the federal portfolio at this time, the federal government can take advantage of a rare opportunity to realize triple bottom line benefits:

- Reducing the federal footprint will reduce the massive cost in day-to-day operations and a high deferred maintenance cost that is accruing to the American taxpayer.

- Federal employees can work in modern spaces that are safer, healthier, and more supportive of their work.

- Buildings that are underused can be returned to their respective communities and developed to meet top community needs, which in turn enables municipalities to realize taxes on their properties (federal properties don't pay taxes to local municipalities).

How will the sale of federal buildings and the consolidation of federal employees into other buildings be handled?
FASTA established a period of six years for the sale of properties, enabling GSA to time transactions to receive the best possible market value for each property. The legislation also established the Asset Proceeds and Space Management Fund for GSA, as manager of the fund, to use in implementing the required moves and consolidations associated with federal property

dispositions. Once a property has been disposed of under FASTA, the disposition funds are entered into this account and can be used by GSA to implement subsequent consolidations.

How are federal agency consolidations to be funded?
There are numerous ways to fund agency consolidations, including swaps with commercial property owners and agency funds. Under the first set of PBRB recommendations in 2020, GSA was able to maximize the use of various funding sources to provide a set of possibilities that ultimately will return nearly $500 million which FASTA intended as a source of funding for subsequent consolidations.

What happens to federal properties that are sold?
Money from the sale of federal properties recommended by PBRB *and* approved by OMB is received by the Asset Proceeds and Space Management Fund (which, like PBRB, was established by FASTA). GSA then has the authority to seek appropriations and spend those funds in preparation for further consolidations and dispositions under FASTA. Net proceeds from a disposition are retained by the federal agency owning the property at the time of its declared excess.

Will federal buildings be sold all at once?
GSA sells properties according to various federal and local laws. The timing of sales is often driven by the complexity of the transaction. The PBRB has no authority over when GSA sells properties. In Washington D.C. specifically, PBRB is working closely with the Urban Land Institute, the National Capital Planning Commission, and the Federal City Council, as well as GSA, to develop an approach to divestments in D.C. that meets both the realities of market absorption and the need for prospective investors to know that a submarket is about to change hands to enable private sector redevelopment, making their investments worthwhile.

What are the benefits to local municipalities of returning properties to them?
Local governments, potentially by working in partnership with private developers, could transform underused federal buildings into spaces that directly meet the needs of the communities in which they are located, whether that means an open space, a mixed-use facility, retail, condos, affordable housing, etc. Just as important, because federal properties don’t pay taxes to local municipalities, revitalized properties could become a new source of taxable income for local governments.

Are there any constraints on future use once properties are sold?
PBRB is not involved in the sale of properties. If there are any constraints, they would likely come from GSA and the local jurisdiction in which the property is based.

Should the private sector be more involved/take more risk?
It takes money to move agencies and modernize workspaces. The D.C. market, for example, is soft and federal enclaves undesirable. As a result, federal properties hold little or no value, meaning funds would not be available from the sale of one building for use in selling a subsequent building.

The power of the private market to ease this problem lies in federal access to currently depressed lease rates, access to swaps and transfers of properties with developers, and coordination with local municipalities on the timing and particulars of federal sales. Federal agencies, however, cannot access the required funds or leverage the power of the private market because of OMB's "scoring" rules which Congress mandated to determine whether federal agency activities would induce more federal debt.

Changing the current scoring rules would help to unlock the potential for sweeping improvements in federal workspaces and promote better federal engagement with the commercial real estate market. If the private sector can be convinced there is a profit to be made in repurposing underused federal buildings, it could resolve the glut of expensive, poorly maintained federal office space, while breathing new life into long neglected facilities and the neighborhoods in which they are located.

How do the scoring rules work?
Congress mandated that OMB "score" federal agency activities to determine whether they would induce more federal debt. Scoring rules for federal properties are predicated on an outdated assumption that leasing will be more expensive to the taxpayer than owning. This assumption, however, is not always true, given the poor condition of many federal buildings, the taxpayer burden of deferred maintenance liabilities, and the flagging commercial real estate sector. As a result, agencies like GSA cannot access the capital or use the power of the market to shift the federal workforce into better buildings for lower prices.

How could this scoring issue be resolved?
OMB could change how it currently "scores" this type of activity or Congress could require changes through legislation.

How does the Public Buildings Reform legislation President Biden signed in January 2025 impact disposition?
The Public Buildings Reform Act addresses chronic underutilization of federal office space. Specific reforms involve establishing space occupancy standards and policies to incentivize workers to either use or lose their office space. Both GSA and OMB are to implement standard methodologies for measuring occupancy and utilization of public buildings. The Reform Act also provides GSA with the authority to require federal agencies to use 60% of their office space on average or take action to move into smaller spaces or collocate with other agencies. Vacated buildings must be sold.

This legislation provides significant relief from the paralysis that has affected public buildings consolidation. The need for funding to implement the massive number of consolidations, however, must still be addressed.