

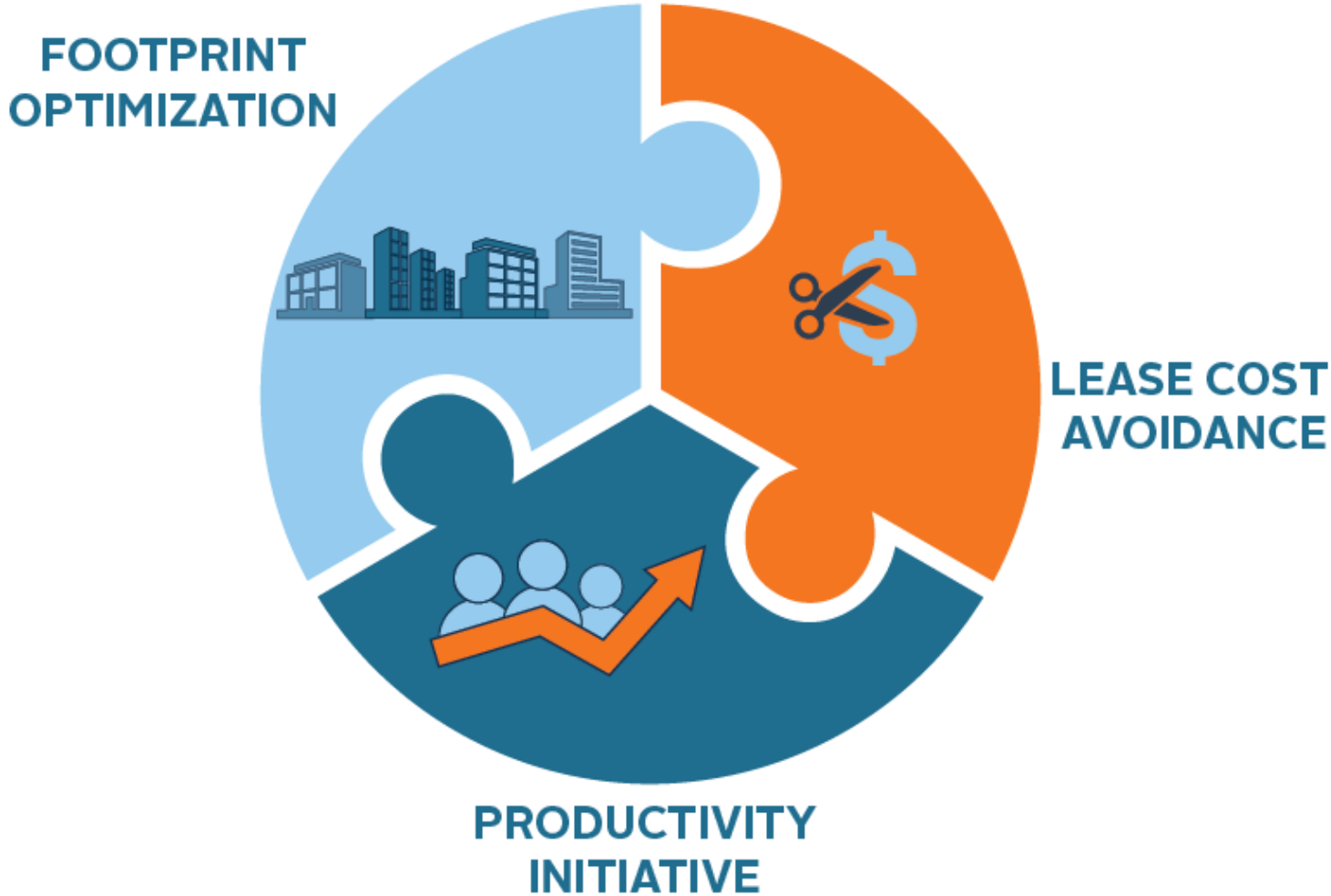


U.S. General Services Administration

A photograph of a large, multi-story, light-colored stone building with many windows, partially obscured by green trees in the foreground. A flagpole with a blue flag is visible on the right side of the building. The sky is blue with white clouds.

# Public Buildings Service Real Estate Investment and Savings Strategy

# Goal: Meet agency facility needs and save taxpayer money through better management of federal real estate.



**FOOTPRINT  
OPTIMIZATION**



**PRODUCTIVITY  
INITIATIVE**

**LEASE COST  
AVOIDANCE**



**Help agencies achieve their  
mission and taxpayer  
savings from lease  
transactions**



U.S. General Services Administration

## PBS MONEY MINUTE

Lease Cost Avoidance

**EPA**  
DENVER, CO

**\$67.5 M**

SAVINGS REALIZED

14% BELOW AUTH RATE

**29%**

SQ FT REDUCTION

15 YR FIRM TERM



**Good Stewards of Taxpayer Dollars**

# PUBLIC BUILDINGS SERVICE LEASE COST AVOIDANCE



**\$4.7B** 6 YR GOAL

**\$1.9B** AVOIDANCE TO DATE\*

\* Lease Cost Avoidance is calculated by comparing an agency's new lease or occupancy costs over the lease term to its prior lease or occupancy. Actual taxpayer savings is realized each year over the life of the lease.

## AVOIDING COST BY REDUCING THE FOOTPRINT



**3.4M RSF**

**REDUCTION IN BILLED  
LEASE SPACE SINCE  
SEPTEMBER 2017**

# PUBLIC BUILDINGS SERVICE LEASE COST AVOIDANCE



## AVOIDING COST THROUGH LONG TERM LEASING

### LEASE TERMS

**26%**

OF LEASES HAVE  
A FIRM TERM OF  
10 YRS OR  
GREATER

**FY17**

**46%**

OF LEASES  
HAVE A FIRM  
TERM OF 10 YRS  
OR GREATER

**FY19**

### LEASE RATES

LEASES WERE  
NEGOTIATED AT

**3.7%**

BELOW THE MID-  
POINT OF MARKET

**FY17**

LEASES WERE  
NEGOTIATED AT

**11%**

BELOW THE MID-  
POINT OF MARKET

**FY19**

**LONGER LEASE TERMS DELIVER LOWER RENTAL RATES**

AS OF JULY 2019

# FOOTPRINT OPTIMIZATION



LEASE COST  
AVOIDANCE

PRODUCTIVITY  
INITIATIVE

Target capital investments to optimize owned federal assets and enable lease cost avoidance



U.S. General Services Administration

## PBS MONEY MINUTE

Lease Cost Avoidance

**USDA**  
DENVER, CO

**\$1.5M**

ANNUAL RENT SAVINGS  
MOVE TO FED SPACE

**52%**

SQ FOOTAGE  
REDUCTION



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## PBS MONEY MINUTE

Strategic Capital Investment/Disposal

# NAVY AVIATION

BEDFORD, MA

**20 YRS**

REPORTED AS EXCESS

**\$9M**

FINAL SALE  
GSA AUCTION



**Good Stewards of Taxpayer Dollars**

**FOOTPRINT  
OPTIMIZATION**



**LEASE COST  
AVOIDANCE**



**PRODUCTIVITY  
INITIATIVE**

**Improve  
efficiency and  
advance our goal  
by leveraging  
human capital,  
technology,  
resources, and  
streamlining our  
business  
processes**



U.S. General Services Administration

## PBS MONEY MINUTE

Productivity Initiative

# GSA

NEW ENGLAND REGION 1

**\$660K**  
COST

**6 NEW LEASING  
PROFESSIONALS**

**2.76M**  
SAVINGS

**ON CAUGHT ERRORS, OVER  
BILLING CORRECTIONS,  
REQUIREMENT MISTAKES**



**Good Stewards of Taxpayer Dollars**

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