

PBRB Identifies Deferred Maintenance Liabilities Across GSA Portfolio

Taxpayers Are Paying the Price for Historic Underfunding

WASHINGTON, DC, UNITED STATES, March 5, 2026 /EINPresswire.com/ -- The Public Buildings Reform Board (PBRB) has identified approximately \$50 billion in [deferred maintenance](#) and repair liabilities across the [federal real estate](#) portfolio managed by the General Services Administration ([GSA](#)).



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Talmage Hocker

PBRB's new Interim Report, "The Cost of Inaction: Deferred Maintenance in GSA's Portfolio," found that for decades GSA has been receiving maintenance and repair funds equaling about 0.375% of its portfolio's functional replacement value, while industry standards recommend a rate of 2-4%. The result is a portfolio "with deferred maintenance backlogs that increase building lifecycle

costs, accelerate asset deterioration, and degrade facility performance."

"Congress is never going to be able to appropriate its way out of this problem," says PBRB Acting Chairman Talmage Hocker. "The only way to handle this is through a radical reduction in the GSA's portfolio size."

"This mounting backlog of deferred maintenance and repair costs is crippling federal agencies' ability to deliver on their missions and endangering the health, safety, and welfare of the federal workforce," notes Hocker. Recently, the Administrative Office of the U.S. Courts asked Congress for authority to directly manage federal courthouses, which it described as "in crisis [with] judges being trapped in elevators for hours, ceilings collapsing in courtrooms during trial, and other issues."

"Local leaders have warned that deteriorating or abandoned federal buildings are dragging down struggling downtowns, eroding property values, and stifling economic recovery," Hocker continues. "The result is a system that cannot meet the nation's needs, leaving taxpayers to pay the price for historic underfunding of an underperforming real estate portfolio."

To address both current liabilities and long-term stewardship, PBRB believes the federal government "must strategically and aggressively reduce its property footprint through targeted

consolidation and divestiture of underutilized and high-cost assets.”

The PBRB Interim Report recommends eight urgent reform measures:

- Incentivize Action: Establish a clear and quick process where property sale proceeds are directly programmed for subsequent planned sales, backed by consistent and timely appropriations.
- Maximize Private Capital: GSA should access private capital through leases and other public-private partnerships to consolidate the office footprint, lower total costs, and create flexibility to meet the government’s uncertain and evolving office space needs.
- Reform the Federal Buildings Fund (FBF): The FBF is insufficiently resourced and funded. GSA must aggressively pursue an adjusted “return on investment” (ROI) rent pricing policy to ensure agencies pay sufficient rent to cover required maintenance, and Congress should fully fund GSA’s requests from the FBF.
- Align Capital Planning: End the strategy of prioritizing “Funds from Operations (FFO) positive” assets, which forces certain buildings to financially support the rest of the portfolio, and instead align capital decisions with taxpayer interests and mission needs.
- Adjust Federal Rules to Provide Better Decision Making: Adjust federal rules governing cost/benefit analysis for leasing versus owning buildings, along with the budgetary scoring rules so they better reflect current economic conditions and support more strategic, cost effective choices.
- Increase Flexibility: Authorize mechanisms that permit agencies to utilize rent appropriations or other operating funds for building shell improvements in exchange for rent credits, increasing access to capital and streamlining project delivery.
- Improve Data: Mandate the collection of valid and reliable occupancy and daily use data, along with accurate facility condition and maintenance data, to make rational, portfolio-wide decisions on which assets to retain, consolidate, or divest.
- Establish Oversight: Congress should consider extending and perhaps expanding the PBRB’s authorization to allow it to work with federal real estate agencies to continue to identify properties that should be sold and engage with Congress to push ahead required reforms.

“While federal agencies are now beginning to seriously consider the methods, locations, and timing for implementing required changes, they must also recognize that the enormous amount of property to be divested cannot be addressed all at once and a significant investment must be made to ensure that each property is sold at the highest possible return,” Hocker explains.

“Funding for subsequent sales should come from property dispositions and agencies must work with Congress to ensure appropriations are consistent and timely,” he continues. “With that in mind, PBRB urges Congress to consider the FASTA [Federal Assets Sale and Transfer Act of 2016] recommendations for reducing the federal real property inventory, utilizing existing properties more efficiently, and reducing the cost for maintaining these properties.”

For its Interim Report, PBRB initially assessed deferred maintenance of the federal portfolio

based on the age of buildings, which found that buildings aged 31-75 years have the highest maintenance costs per square foot and account for the largest share of total square footage, making them the most logical candidates for potential divestiture.

PBRB then conducted a quantitative evaluation to determine an independent estimate of maintenance liabilities, sampling 11 buildings that were representative of the average maintenance liability for the age group.

Finally, a comparison of GSA and PBRB deferred maintenance to Functional Replacement Value ratios demonstrated that the aging segment of the GSA portfolio (57%) consumes a disproportionate share of maintenance resources, diverting funds away from newer properties that should remain cost-effective and fully viable.

The Public Buildings Reform Board (PBRB) was established as an independent, bipartisan agency under FASTA to identify opportunities for the reduction and consolidation of the federal real property inventory and reduce costs to the federal government. For more information, visit <https://www.pbrb.gov/>.

Ray Weiss
Pugh & Tiller PR
+1 410-303-5019
[email us here](#)

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