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How to Acquire Federal Real Property

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Over the past decade, the reduction of the federal government's real estate footprint has been an on-again, off-again affair in Washington. The rationale for the reduction—chiefly driven by changes in utilization rates and the search for cost savings—has enjoyed broad bipartisan support, but the mechanics of offloading real estate can be complex and time-consuming. Even before the dislocations of the COVID-19 pandemic, the results of the government's strategic divestiture initiative had been modest, demonstrating how complicated it can be to align sellers and buyers when large portfolios of real estate are being liquidated.

Federal Assets Sale and Transfer Act (FASTA)

Next year marks a decade since the passage of FASTA. This law established an expedited process requiring the Office of Management and Budget (OMB) and the General Services Administration (GSA) to identify opportunities for the government to reduce its inventory of civilian real property, more efficiently utilize existing properties, and reduce the cost for maintaining these properties. FASTA established a Public Buildings Reform Board (PBRB) to identify high value assets within the federal inventory and make recommendations to OMB and GSA for disposal, consolidation/colocation, reconfiguration, and redevelopment projects.

For disposal projects, federal agencies are required to initiate disposal activities within two years and complete the disposals within six years. GSA is then tasked to implement the PBRB's disposal recommendations. Initially, the PBRB was supposed to conclude its operations in May 2025, but the outgoing Biden administration reauthorized the board in January, pushing its sunset date to December 31, 2026. Thus, the board's work of identifying opportunities to significantly reduce the federal inventory of civilian real property has continued under the second Trump administration.

However, the most common disposal method remains the formal process under the Federal Property and Administrative Services Act of 1949. That framework called for agencies to report property in excess to their needs, which would then prompt GSA to evaluate if other agencies had interest in the property. If no other agency claimed the property, it would then be classified as surplus and made available for public use at a discount and finally, be potentially made available at auction to the private sector.

While FASTA set forth a more modern and intentional mechanism for disposal, the resulting framework still suffered from frictions in the selection, diligence, and sale processes. At the time of FASTA's enactment, the federal government owned approximately 2.8 billion square feet of real property, according to the GSA's 2016 Federal Real Property Profile Open Data Set. As we entered 2025, several million square feet had been sold, a significant number but still a trifle when compared to the vast federal portfolio. For many private businesses used to moving at a faster pace, the timelines and risks associated with the FASTA framework present challenges.

Acquiring federal property: an alternative worth considering

There is an alternative to FASTA that potential acquirors of federal civilian real property can utilize. Targeted legislation is a highly effective—and often overlooked—way to acquire federal property. Whether through standalone bills or as part of larger legislative packages, congressional action has enabled dozens of successful property transfers over the past two decades. These transactions include direct sales, long-term leases, and transfers of administrative jurisdiction to local governments.

Legislation can also accelerate the sale of federal property through more traditional processes. For example, in July 2023, Del. Eleanor Holmes Norton and Rep. Scott Perry introduced H.R. 4688 to authorize the sale of the Webster School in Washington, D.C. After the bill passed the House of Representatives in December 2023, GSA moved forward with the auction process in September 2024. The property sold for \$4.138 million in December 2024, and the transaction was finalized in February 2025 through the administrative process.

Other noteworthy examples of real estate transactions abetted by legislation include:

P.L. 118-274 directed the Secretary to transfer administrative jurisdiction over the Robert F. Kennedy Memorial Stadium Campus to the District of Columbia for the development of the stadium for the Washington Commanders and mixed commercial use.

P.L. 114-287 directed GSA to sell the Cotton Annex, an empty federal building in downtown Washington, DC, at fair market value at its highest and best use.

The Federal and District of Columbia Government Real Property Act of 2006 (P.L. 109–396) transferred Reservation 13 in fee simple to the District of Columbia which had long been under the administrative jurisdiction of the District of Columbia.

P.L. 110-427 directed GSA to sell two pieces of property in in Eastlake, Ohio and Koochiching County, Minnesota for \$30,000 each.

P.L. 111-246 directed GSA to sell the Galveston U.S. Custom that was being leased to the Galveston Historical Foundation. In 1998, the General Services Administration and the Galveston Historical Foundation entered into a long-term lease agreement with respect to the 1861 U.S. Custom House. In exchange for the Galveston Historical Society rehabilitating the historical building, it was granted a long-term lease. This law allowed the Galveston Historical Society to purchase the building outright and to account for the encumbrance of a long-term lease.

Overcoming obstacles

Although it is easy to forget amid government shutdowns and gridlock, things can move very quickly in Washington when the right people are involved, and legislation authorizing the disposal of federal real estate is no exception. Entities that have an interest in federal civilian real property should take time to explore whether there is a public policy solution that might be better suited to their objectives, and this applies to properties already identified by PBRB as well as those yet to be identified.

The government's desire to dispose of underutilized real estate is palpable and has been manifest across multiple administrations. By marshalling the right people with the right skills under the right conditions, potential acquirors could channel that desire—through legislation—into solutions that benefit themselves and government stakeholders. Interested parties should seek out partners, advisors, and advocates who have deep knowledge of the legislative and administrative mechanisms, the relevant legal precedents, and the practical strategies that can unlock significant—and in some cases once in a lifetime—opportunities.

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