Real Property Valuation Division

GSA - Public Buildings Service
Office of Portfolio Management and Customer Engagement

Nicholas S. Hufford, MAI, CAE
Director, Chief Appraiser

June 2017
Context - US Federal Real Estate
Context – U.S. Federal Real Estate

- 640,000,000 acres Federally-owned
  - 28% Percent of the 2.27 billion acres of US land
- Major Land-holding Agencies
  - Department of Interior
    - Bureau of Land Management; Fish and Wildlife Service;
    - National Park Service
  - Department of Agriculture – Forest Service
  - Department of Defense
  - Army Corps of Engineers
  - Department of State – Overseas Buildings Operations
- Agencies have varying purposes and missions
  - Varying authorities – acquisition and disposition
- GSA - Public Buildings Service – only 3,766 acres -
  - Buildings, not land
  - 1.1 Million people work in our buildings
  - www.gsa.gov/publicbuildingsservice
U.S. Agencies – Appraisal needs

- GSA
- Department of Justice
- Department of Agriculture; Department of Interior
- US Army Corps of Engineers; Navy (Naval Facilities Command)
- Department of Energy – Bonneville Power
- Internal Revenue Service

Appraisal needs differ, but agencies share:
- Contracting regulations
- Issues and concerns
- The same pool of contract appraisers
- Goal - best value for the Government (and the taxpayer)

States, US Financial and Lending institutions have appraisal functions – but not in-house.
- Residential properties
- State and local governments and DOTs.
"The mission of GSA is to deliver the best value in real estate, acquisition, and technology services to government and the American people."

Eisenhower Executive Office Building, Washington, DC
1871-1878
Public Buildings Service (PBS)

Mission: To provide superior workplaces for federal customer agencies at good economies to the American taxpayer.

Other major GSA Business lines:

- Federal Acquisition Service (FAS)
  - Fleet Management
- Technology Transformation Service (TTS)
- Office of Government-wide Policy
- Office of Mission Assurance
- Office of Citizen Services and Innovative Technologies

Edward J. Schwartz CH annex
San Diego, CA

GSA.gov  GSA.gov/pbs
Public Buildings Service (PBS)

What do we do at PBS?

• We are designers and builders of award-winning courthouses, border stations, federal office buildings, laboratories, and data processing centers.

• We are leaders in energy conservation, sustainability, recycling, and historic preservation—maintaining more than 470 historic properties.

• We are repairers and renovators of facilities.

• We house over 100 child care centers.

• We donate or sell real estate for federal agencies.

• We commission artwork for new federal buildings and conserve a substantial inventory of New Deal art.
### About Public Buildings Service (PBS)

#### PORTFOLIO VALUE & SIZE
- 8,792 total assets
- 374.1 million rentable sq ft
- $79.8 billion in replacement value of owned portfolio

<table>
<thead>
<tr>
<th>Owned Assets</th>
<th>Total</th>
<th>Rentable Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,621</td>
<td>374.1 million</td>
<td></td>
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<tr>
<td>183.2</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Leased Assets</th>
<th>Total</th>
<th>Rentable Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,171</td>
<td>190.8 million</td>
<td></td>
</tr>
<tr>
<td>103.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### PERCENTAGE OF PROPERTY TYPE BY RENTABLE SQ FT
- 80.6% office
- 8.2% courthouses
- 7.9% warehouses
- 1.3% land ports of entry
- 0.7% laboratories
- 1.3% other

#### HISTORIC BUILDINGS
- 482 buildings listed or eligible for listing in the National Register of Historic Places
- 17 National Historic Landmarks
- 61 buildings contributing to the National Historic Landmark Districts
- 9 buildings contributing to National Historic Sites
- 31% of the owned inventory

#### LAND PORTS OF ENTRY
- 147 properties
- 173 properties sold or transferred

<table>
<thead>
<tr>
<th>Port of Entry</th>
<th>Owned</th>
<th>Leased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Border</td>
<td>68.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Southern Border</td>
<td>35.5</td>
<td>6.5</td>
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</tbody>
</table>

#### PROPERTY DISPOSAL
- 147 of those were sales that generated $66 million in proceeds

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Las Cruces CH, Las Cruces, NM

GSA.gov  GSA.gov/pbs
<table>
<thead>
<tr>
<th>CHILD CARE</th>
<th>OUTLEASE</th>
<th>SMALL BUSINESS</th>
<th>DIRECT REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximately 8,000 children in 102 centers in 31 states, DC &amp; Puerto Rico</td>
<td>700 outlease contracts &amp; licenses</td>
<td>$1.1 billion awarded to small businesses</td>
<td>$9.9 billion total</td>
</tr>
<tr>
<td>95% National Association for the Education of Young Children (NAEYC)</td>
<td>1.4 million rentable sq ft</td>
<td>$626 million to small disadvantaged businesses</td>
<td>$3.9 billion from owned assets</td>
</tr>
<tr>
<td>accredited</td>
<td>$18.4 million in revenue</td>
<td>$128 million to service disabled veteran owned businesses</td>
<td>$6 billion from leased assets</td>
</tr>
<tr>
<td>95% Eco Healthy endorsed</td>
<td></td>
<td>$270 million to women owned businesses</td>
<td></td>
</tr>
<tr>
<td>97% Let’s Move Child Care certified</td>
<td></td>
<td>$142 million to HUB zone businesses</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENERGY Saves Performance Contracts</th>
<th>ENERGY STAR</th>
<th>LEADERSHIP IN ENERGY &amp; ENVIRONMENTAL DESIGN (LEED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.9% reduction in gallons of water consumed per gross sq ft from a 2007 base year</td>
<td>6 owned buildings were awarded the ENERGY STAR label, bringing the total to 181 owned buildings</td>
<td>154 LEED certified owned buildings</td>
</tr>
<tr>
<td>30% energy intensity reduction in goal-subject buildings in BTUs per gross sq ft from FY 2003 base year</td>
<td>664 GSA leases are within 402 buildings with the Energy Star label</td>
<td>30 LEED certified lease construct buildings</td>
</tr>
<tr>
<td>$245 million in ESPCs awarded toward the $344.5 million goal set for the Presidential Performance Contracting Challenge for the period 5/2014-12/2016</td>
<td>427 GSA leases are within 250 buildings with 3rd party green building certification</td>
<td></td>
</tr>
</tbody>
</table>
Public Buildings Service (PBS)
Office of Portfolio Management and Customer Engagement

Establishes and manages national valuation policy, procedures, guidance and standards; provide strategic direction and management of capital investment and leasing programs; sets strategic direction for PBS asset and portfolio management; and develops & reviews PBS policies related to space pricing, space occupancies, and customer rent bills.

Real Property Valuation Division
We support GSA’s mission by providing timely, accurate and unbiased real estate valuation and market information, bringing clarity to informed decision making.

- Understanding Markets
- Understanding Our Assets
- Understanding Value

Christopher Bond CH, Jefferson City, MO
2011; LEED Gold

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REAL PROPERTY VALUATION DIVISION
PRIMARY PROGRAM AREAS

Fair Market Value (FMV) Appraisal
  - Central Office contracting and review

Fair Annual Rent (FAR) Appraisal
  - Regional contracting
  - Central Office oversight

Market Insights and Project Analytics
  - Central Office

Disposition and Re-purpose
  - Regional (Disposal Zones) contracting
  - Central Office oversight

FEDERAL CENTER SOUTH, SEATTLE, WA
Fair Annual Rent (FAR) Appraisal Program

Abe Saiidifar, MAI
Abe.saiidifar@gsa.gov

- Approximately 300 assets appraised annually
- Five-year cycle; (or more frequently as needed)
  - Focus on rent – market equivalent for tenanted space; 10-year term rates (long term lease)
  - GSA’s report template, instructions and XL workbook

- Complexity depends on property and market
- Narrative – template requires analysis and support
- Managed by Regional Offices; Reviewed extensively for technical clarity; internal consistency; compliance with Statement of Work
- Four step review – 2 at Region, 2 at Central Office
Fair Market Value (FMV) Appraisal Program
Frank Tassche, SRA
Barbara Kaczmarek, MAI

- Approximately 60 assets annually;
- Focus on critical assets; transitional; reinvestment; exchange;
- Rotates through the portfolio; Strategic investments
- Complex appraisals; narrative – comprehensive
  - Strategic high profile projects
  - Managed by Central Office
  - Reviewed extensively for technical clarity; for internal consistency and compliance with Statement of Work
- Mostly one-off bids – local expertise or known appraisers

Frank.tassche@gsa.gov  Barbara.kaczmarek@gsa.gov
The work and property types vary broadly

Some extremely complex; a few are fairly simple

Managed by five Disposal Zone offices

Reviewed extensively for technical clarity; for internal consistency and compliance with Statement of Work
Contracting With Federal Agencies

Contract types:
• Individual – one-off – simplified acquisition
• IDIQ or BPA (fedbizops – fbo.gov)
• Sole source (rare)

Your contacts:
CO – Contracting Officer (All contract issues)
COR – Contracting Officer’s Rep (Appraisal/technical issues)

Competition:
• Usually required (FAR)
• Small business set-aside
• Small business preference
• Thresholds:
  • $3,000 credit card
  • $25,000 simple acquisition
  • $100,000+ full acquisition plan

Approved list? Varies by agency and contract type.

Get a DUNS number:
http://fedgov.dnb.com/webform/pages/CCRSearch.jsp

REGISTER ON SAM.GOV
https://www.sam.gov/
HIGHEST AND BEST USE MATTERS!

- Communicate with the CO/COR; Talk to us.
- Read the Statement of Work; Understand the subject
- Maintaining client confidentiality
- Lack of understanding of the contracting process (SAM; Notice to proceed; invoicing, etc.)
- Tardiness; Sloppy draft or final – quality control – inappropriate boilerplate and definitions
- Analyze and explain – SUPPORT
  Step back...is the value reasonable?

The Hot Buttons
We're from the Government; We're here to help! Talk to us!