



W H I T E P A P E R

# USE IT Act

## Turning Mandate into Opportunity

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*The ROI Blueprint for Federal Real Estate  
Leveraging IWMS For Compliance*

May 2026

## Executive Summary

Under the Thomas R. Carper Water Resources Development Act of 2024, Title III – Public Buildings Reform, Section 2302, Congress established the **Use Space Efficiently and Improving Technologies (USE IT) Act**. As of January 4, 2025, this new law mandates that Federal agencies both precisely measure the utilization of their office space and report, on a bi-weekly basis, that utilization to GSA, OMB, GAO and Congress.

This mandate is specific and codifies specific requirements that agencies must meet, including maintaining at least a 60% building utilization rate, on average, annually. At the end of the second one-year reporting period (coming up in early 2027), the Administrator of General Services, in consultation with the Director of Office of Management Budget, “will take steps to reduce the space of the tenant agency.”

GSA's March 2026 public data release delivered an unambiguous signal: not a single federal space had met the 60% benchmark at the end of the first 12-month reporting period. Meaning every covered agency is now in the enforcement window.

<b>0 %</b>	<b>\$8.1B</b>	<b>2027</b>	<b>\$60B</b>
Percentage of federal spaces met the 60% occupancy requirement (March 2026)	What the federal government spends annually on office space	GSA and OMB are required to forcibly reduce agencies' excess space	Projected savings if agencies right-size their portfolios

*Source: GSA USE IT Act Data Release, March 31, 2026 [4], Robin Carnahan (GSA Administrator), Exit Interview - Federal News Network, January 2025 [6], OMB Report to Congress on Telework and Real Property Utilization, August 2024 [7],*

The predominant methods used by many Federal Agencies today to capture their space utilization data, spreadsheets and manual badge exports, cannot sustain the accuracy, cadence, and audit-readiness the USE IT Act demands. An “Improving Technology”, specifically an Integrated Workplace Management System (IWMS), provides the capabilities that can enable and automate the defensible reporting necessary for compliance. A properly defined and implemented IWMS platform will present a single source and version of an agency’s real property portfolio. It will also efficiently support USE IT Act compliance with the efficient production of the bi-weekly space utilization reports to GSA and others. And, most importantly, it will enable the agency to transform its compliance data into portfolio intelligence that can facilitate the proactive right-sizing of the real property portfolio, driving hundreds of millions in real estate savings.

Aleto is uniquely positioned to guide Federal agencies through the development, management, and validation of the data and reports required to meet both the immediate and evolving demands of the USE IT Act. We currently support multiple Federal agencies in managing their real property portfolios with and without the aid of an IWMS platform. And we have helped them

identify underutilized space, evaluate data-driven options, and execute decommissioning or consolidation strategies for more than 1.5 million square feet, resulting in over \$50 million in cost avoidance and savings.

## 1. The USE IT Act: What Agencies Must Do

The USE IT Act is like a report card for federal office space. Before 2025, agencies largely estimated how their buildings were being used. Now they must measure it - with real data, submitted regularly, and published online for everyone to see.

The law sets a straightforward standard: at least 60% of an office building's capacity must be in active use, on average, over each year.<sup>1</sup> Capacity is calculated simply: take the building's usable square footage and divide by 150 (the federal standard of 150 square feet per person).<sup>1,2</sup> If a building can hold 100 people and fewer than 60 show up on a typical day, that building is underperforming under the law.

### How Capacity Is Calculated and Why It Matters

The math that determines your building's compliance exposure becomes straightforward. Here's how it works in practice, using a 75,000 square foot building as an example:

The Formula, Step by Step		What It Calculates	Example: 75,000 sq ft Building
<b>Step 1: Measure your space</b>	→	Building Usable Square Feet (USF)	<b>Example: 75,000 sq ft</b>
<b>Step 2: Divide by 150</b>	÷	150 (federal design standard per person)	<b>= 500 people (your building capacity)</b>
<b>Step 3: Apply the 60% rule</b>	×	Capacity × 60% (minimum utilization)	<b>= 300 people must show up daily on average</b>
<b>Step 4: What it means</b>	→	If fewer than 300 people are present on average, your agency is below the legal threshold	<b>Enforcement risk begins</b>

The real-world implication: many federal buildings that appear adequately staffed on paper fall short of the 60% threshold when the formula is applied. A building that seats 200 people at desks might have a legal capacity of 500, which means that 300 people need to be present daily, on average, to stay compliant. That gap is where agencies are most exposed.

#### A COMMON MISCONCEPTION

*The 60% threshold doesn't mean that 60% of the seats need to be filled but instead 60% of the building calculated capacity - total usable square footage divided by 150 - must be physically present on an average day. For many agencies, that's a much higher bar than it first appears.*

The new mandate eliminated the prior administration's 50,000 USF reporting threshold and compressed the phase-in from 18 months to weeks. Manual approaches that may have worked for a pilot submission cannot sustain a biweekly, agency-wide, auditable reporting program.

## 2. Why Spreadsheets and Manual Workflows Will Fail

Manual compliance (pulling badge exports, cross-referencing space assignments, applying exclusion rules, formatting OMB Collect templates) consumes an estimated 4-10 labor hours per building per biweekly cycle.

OMB's guidance is explicit: 'accuracy of occupancy counts is imperative.' The most common accuracy failures are:

- OA-to-space mappings not updated after floor re-stacks or renovations
- Incorrect USF calculations because floor plans are out of date or room classifications have changed
- Bureau names that fail to match the GSA master list exactly, causing submission rejections
- Inability to allocate occupancy counts correctly when multiple OAs share a building
- Undocumented exclusions for mission spaces, renovation zones, and national-security assets

*The root cause of most compliance failures is not a bad sensor. It is the absence of a single authoritative record for buildings, spaces, identifiers, and square footage. That is exactly the problem an IWMS is built to solve.*

The financial cost compounds quickly. Industry estimates place the fully-loaded GS-12 labor cost of manual biweekly compliance at \$36,000 to \$90,000 per year for a 15-building portfolio. Across the government's reported spaces, the aggregate manual burden could reach tens of millions of dollars annually.<sup>9</sup>

## 3. IWMS as the Agency's Compliance Tool

An IWMS is not a sensor or a badge reader. Its value is that it functions as the agency's single system of record for buildings, spaces, leases, and identifiers, and as the integration hub that normalizes telemetry from every occupancy data source into certified, OMB-ready outputs. Every M-25-25 requirement maps directly to a specific IWMS capability:

M-25-25 Requirement	What Agencies Must Provide	How IWMS Delivers It
<b>Biweekly submission automation</b>	Daily headcounts per OA/RPUIID, submitted every pay period via OMB Collect	IWMS aggregates badge and sensor data, validates integer formatting and bureau names, exports compliant Excel templates automatically
<b>Space inventory &amp; USF tracking</b>	Office USF per OA/RPUIID; BOMA/ANSI classification; exclusion of non-office space	Space module maintains CAD/BIM-linked floor plans with automated USF calculation and room-type classification
<b>Multi-OA allocation</b>	When a building has multiple OAs, occupancy must be allocated to each separately	IWMS maintains separate inventories per OA and applies proportional allocation where sensor data cannot delineate
<b>60% threshold monitoring</b>	Annual average must meet or exceed 60% or trigger GSA enforcement	Real-time dashboards surface at-risk buildings; exception workflow documents mission-space justifications
<b>Annual narrative report</b>	Agency-level submission to OMB and Congress with methodology description	Report generator compiles audit-ready narratives from stored method metadata and confidence scores

Source: GSA USE IT Act and Occupancy Data Portal - Reporting Guidelines [3]

## 4. Business Case: Beyond Compliance

IWMS investment is often framed as a compliance cost. The evidence frames it as a strategic asset. The 2025–2029 federal lease expiration window, covering more than 70 million square feet, is the largest near-term portfolio optimization opportunity in decades.<sup>7</sup> Agencies without accurate utilization data will negotiate renewals blind.

Value Category	Challenge Without IWMS	Impact With IWMS
<b>Manual Reporting Labor</b>	\$36,000–\$90,000/year per 15-building portfolio at GS-12 rates; 15+ corrections/cycle at \$291/error	80% less admin time with IWMS automation; 84% faster audit preparation
<b>Facility Management Costs</b>	Federal office spending totals \$8.1B/year; deferred maintenance backlog now \$370B (up from \$170B in 2017)	IWMS implementations yield 10–35% facility cost reductions and up to 42% space utilization improvement
<b>Portfolio Right-Sizing</b>	70M+ sq ft of GSA leases expire 2025-2029 - the largest near-term optimization window in decades	GSA FY2025: \$182M disposal proceeds + \$415M avoided repairs + \$730M lease savings = \$1.3B in one year. <i>(Cited for scale of opportunity, not as an IWMS outcome.)</i>

<b>Enforcement Cost Avoidance</b>	Two consecutive below 60% years triggers mandatory GSA space reduction - agency loses control of its real estate decisions	IWMS-informed consolidation decisions preserve agency flexibility and mission continuity
<b>10-Year Federal Savings</b>	GSA estimates reducing 30% of excess portfolio over 10 years	\$60B in projected savings from data-informed portfolio right-sizing - a forward-looking estimate by a government official, not a realized figure; predates the USE IT Act. <i>(Cited for scale of opportunity, not as an IWMS outcome.)</i>

Sources: *GSA FY2025 Portfolio Disposition Activities* [5]; *Robin Carnahan (GSA Administrator), Exit Interview - Federal News Network, January 2025* [6]; *OMB Report to Congress on Telework and Real Property Utilization, August 2024* [7]; *EY survey: Payroll errors average \$291 each, impacting the economy, December 2022* [8]; *The Cost of Manual Reporting (Statnexa blog), December 2025* [9],

## 5. Recommended Next Steps and Conclusion

The USE IT Act has made accurate federal building utilization reporting a statutory obligation with direct enforcement consequences. GSA's March 2026 data (showing zero compliant spaces) mean every covered agency is already in the enforcement window. The two-year clock to mandatory space reductions is running to zero hour in early 2027.

An IWMS solution is a tailor-made tool for this challenge. It's platform directly enables the automation of the required, defensible, and accurate-at-scale biweekly reporting. It transforms compliance data into the portfolio intelligence agencies need to make sound lease, consolidation, and capital decisions. The vendor landscape has matured, the Federal procurement vehicles exist, and the GSA sensor BPA provides the hardware foundation.

Agencies that act now will control their real estate decisions. Agencies that wait risk having those decisions made for them by statute.

By engaging Aleto and leveraging an IWMS, agencies can move beyond reactive compliance and take proactive control of their real property strategy. Aleto enables agencies to stay ahead of evolving USE IT Act requirements while strengthening and retaining internal decision-making capabilities. Rather than relying on fragmented tools, manual processes, or external mandates, agencies gain a sustainable, data-driven foundation to plan, justify, and execute real estate decisions with confidence.

Aleto provides enterprise-level support across the full lifecycle of the Federal real property portfolio—from early portfolio assessments and compliance planning, through ongoing management, optimization, and reporting, to decommissioning and close-out. Our integrated approach combines IWMS expertise with deep real-world execution experience, ensuring that data-driven strategies translate into actionable, mission-ready outcomes.

With Aleto, agencies are not simply meeting reporting requirements—they are positioning themselves to control the future of their portfolios. Accurate, auditable data enables agencies to defend utilization metrics, evaluate consolidation opportunities, and act deliberately—on their



timelines—before enforcement actions dictate outcomes. Aleto’s ability to align IWMS intelligence with design, move, and construction execution ensures that compliance decisions are realistic, achievable, and operationally sound.

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## Sources and References

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#	Source, Metrics & Supported URL	Source Type
1	<b>USE IT Act - Section 2302, Thomas R. Carper Water Resources Development Act of 2024</b> <b>Metrics:</b> 60% utilization threshold - 150 USF/person design standard - annual & biweekly reporting mandate <a href="https://www.govinfo.gov/content/pkg/COMPS-18105/pdf/COMPS-18105.pdf">https://www.govinfo.gov/content/pkg/COMPS-18105/pdf/COMPS-18105.pdf</a>	Government
2	<b>OMB Memorandum M-25-25 - Implementation of the USE IT Act (April 21, 2025)</b> <b>Metrics:</b> Biweekly submission cadence - May 4, 2025 monitoring start date · OMB Collect submission path - 150 USF design standard for new acquisitions <a href="https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-25-Implementation-of-the-Utilizing-Space-Efficiently-and-Improving-Technologies-Act.pdf">https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-25-Implementation-of-the-Utilizing-Space-Efficiently-and-Improving-Technologies-Act.pdf</a>	Government
3	<b>GSA USE IT Act and Occupancy Data Portal - Reporting Guidelines</b> <b>Metrics:</b> OA numbers - RPUIDs - daily occupancy integer format - bureau name exact-match requirement <a href="https://www.gsa.gov/real-estate/use-it-act-and-occupancy-data/reporting-guidelines">https://www.gsa.gov/real-estate/use-it-act-and-occupancy-data/reporting-guidelines</a>	Government
4	<b>GSA USE IT Act Data Release - March 31, 2026</b> <b>Metrics:</b> 0 of 9,766 reported federal spaces met 60% threshold <a href="https://www.gsa.gov/about-us/newsroom/news-releases/gsa-releases-use-it-act-data-03312026">https://www.gsa.gov/about-us/newsroom/news-releases/gsa-releases-use-it-act-data-03312026</a>	Government
5	<b>GSA FY2025 Portfolio Disposition Activities</b> <b>Metrics:</b> GSA FY2025: \$182M disposal proceeds + \$415M avoided repairs + \$730M lease savings <a href="https://www.gsa.gov/blog/2025/12/30/gsas-real-estate-sales-generate-revenue-save-taxpayer-dollars-and-optimize-our-footprint">https://www.gsa.gov/blog/2025/12/30/gsas-real-estate-sales-generate-revenue-save-taxpayer-dollars-and-optimize-our-footprint</a>	Government
6	<b>Robin Carnahan (GSA Administrator), Exit Interview — Federal News Network, January 2025</b> <b>Metrics:</b> \$60B projected 10-year savings from reducing the federal real estate portfolio by 30% <a href="https://federalnewsnetwork.com/ask-the-cio/2025/01/carnahan-accomplished-much-of-what-she-came-to-gsa-to-do/">https://federalnewsnetwork.com/ask-the-cio/2025/01/carnahan-accomplished-much-of-what-she-came-to-gsa-to-do/</a>	Government
7	<b>OMB Report to Congress on Telework and Real Property Utilization, August 2024</b> <b>Metrics:</b> \$8.1B annual federal office costs (\$4.75B leases + \$2B owned ops + \$1.34B leased ops) · deferred maintenance backlog \$170B (FY2017) → \$370B (FY2024) · GSA backlog \$26B–\$50B · 70M+ sq ft of GSA leases expiring 2025–2029 · long-term benefits of utilization data	Government

*include lower rent and operating costs*

<https://federalnewsnetwork.com/wp-content/uploads/2024/08/OMB-Report-to-Congress-on-Telework-and-Real-Property.pdf>

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|-----------|---|-----------------------------|
| <b>8</b>  | <b>EY survey: Payroll errors average \$291 each, impacting the economy, December 2022</b><br><i>Metrics: One in five payrolls in the United States contains errors, each costing an average of \$291</i><br><a href="#">EY survey: Payroll errors average \$291 each, impacting the economy</a>   | <b>Independent Research</b> |
| <b>9</b>  | <b>The Cost of Manual Reporting (Statnexa blog), December 2025</b><br><i>Metrics: At a fully loaded GS-12 rate of approximately \$50/hour, manual biweekly compilation for a 15-building portfolio consumes 60–150 hours monthly \$36,000-\$90,000 annually in labor</i><br><a href="https://statnexa.com/blog/why-agencies-need-automated-reporting/cost-of-manual-reporting-hidden-wastes/">https://statnexa.com/blog/why-agencies-need-automated-reporting/cost-of-manual-reporting-hidden-wastes/</a> | <b>Independent Research</b> |
| <b>10</b> | <b>IWMS Explained: Simplify Workplace Management for Greater Efficiency, October 2024</b><br><i>Metrics: IWMS implementations yield 10–35% facility cost reductions and up to 42% space utilization improvement</i><br><a href="https://www.visionprosoftware.com/insights/iwms/what-is-an-integrated-workplace-management-system/">https://www.visionprosoftware.com/insights/iwms/what-is-an-integrated-workplace-management-system/</a>  | <b>Vendor Reported</b>      |