

*Testimony by*

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Good afternoon, Chairwoman Titus, Ranking Member Webster and subcommittee members. I’d like to thank the subcommittee and its staff for this opportunity to speak with you today on this important topic. My name is Genevieve Hanson, and I am a principal with Ernst & Young LLP, in the Strategy and Transactions Real Estate practice. I have over 25 years of consulting and real estate experience, both in the public and private sectors. I have managed large-scale public-private partnerships as a special advisor at the US General Services Administration (GSA). I also held the role of Chief Sustainability Officer at the US Department of Health and Human Services, while serving as the Associate Deputy Assistant Secretary for Real Estate and Supply Chain Operations. The views I express in my written and oral testimony are my own and are not necessarily those of Ernst & Young LLP (EY) or other members of the global EY organization.

Over the past 20 years, there has been a slow evolution in how real estate is managed and how space is democratized, where employees utilize an increased range of space types and work in open workspaces. The focus of my testimony is primarily on the office environment, in which we’re now experiencing a significant transformation, largely attributed to the COVID-19 pandemic. Recognizing that millions of Americans work in a wide range of workplaces and many

are not able to work remotely, I am limiting my testimony to the office environment. There is a desire today for what I consider “healthy buildings” to support the physical, social and psychological health and well-being of those using these spaces. We are also seeing the process and technology that support these users being re-engineered and innovated. The COVID-19 pandemic has been an accelerant in increasing the flexibility of work schedules and work locations, resulting in the need for organizations to assess their real estate requirements, performance metrics, productivity, the balance between working in the office and remote work, and related change management strategies. Decision-makers across all sectors are asking themselves the same question: How much should the current pandemic environment influence our short- and long-term real estate decisions? Depending on its mission, goals and structure, an organization may need to expand, contract or modernize its real estate portfolio.

I’d like to highlight three key areas within the rubric of “healthy buildings” and workforce well-being for both government and private sector to consider: people, real estate and technology.

**People:** The COVID-19 pandemic has emphasized the need to keep people at the center of business decisions. Remote working, or telework, has transitioned from being a perk to being commonplace at present. In many cases, organizations have relied on technology to maintain their employees’ productivity and connectivity; yet the need for in-person interactions remains strong — to collaborate, team and connect. It has become a widely accepted view that workplace flexibility is a way to tap into new sources of talent, and when considered thoughtfully, innovative workspaces can play a vital role in attracting and retaining talent.

**Real estate:** The real estate and construction sectors combined represent approximately one-sixth of our economy, and the federal government's real estate portfolio comprises over 1 billion square feet, according to GSA. With more than 350,000 energy-utilizing buildings and 600,000 vehicles, the federal government is the nation's largest energy consumer, based on Department of Energy analysis. Therefore, it matters how the public and private sector collaborate to support the physical, social and psychological health and well-being of people in buildings. Prior to COVID-19, there had been an over 20-year trend toward more sustainable federal real estate. From the US Office of Management and Budget's sustainability plans and scorecards to the US Department of Energy's "savings performance contracts," from aspiring to achieve green and healthy building certifications to encouraging "green" leases, the federal government and its private sector stakeholders continue to significantly influence sustainable, environmentally-friendly practices.

In my view, as we emerge from the pandemic, we will see an even greater focus on smart building design, energy efficiency and sustainability. Many view these elements as critical workplace amenities that better promote healthy buildings and workforce well-being; additionally, workers increasingly expect inviting places to relax, interact and collaborate. I believe there are numerous opportunities for the public and private sector to increase collaboration on innovations, including in the areas of addressing GSA Green Proving Grounds and incorporating more sustainability principles in procurement, products, supply chain, energy-efficient elevators, roofs, electric charging stations, high-efficiency HVAC systems, supplemental air purification units, workspace sanitization standards, and healthy water and waste management.

**Technology:** In recent years, real estate has evolved from systems and operations that are singular, disconnected and analog to a more multidimensional, connected and digitally integrated network of smart building technologies. As we move forward, connectivity among the workforce and data management are becoming key tenets of the continuity of operations, collaboration and decision-making. The pandemic has increased the need to consider or scale workplace technologies, such as the Internet of Things, robotic process automation, artificial intelligence and virtual collaborative tools to better promote efficient real property inventory management.

In closing, I will add that several force multipliers can further shift this evolution of enhanced real estate management to a revolution, including prioritized initiatives, re-engineered processes, durable policies, and revised governance.

Thank you for the opportunity to appear before the subcommittee, and I look forward to answering your questions.