

House Passes Bill Requiring Federal Agencies To Bring Back In-Office Work

Legislation Answers Concerns Over Office Vacancies, but Could Meet Challenges



The U.S. House of Representatives passed the so-called Show Up Act, which would undo pandemic-era telework policies and bring a majority of government workers back to the office. (Getty Images)

By [Katherine Hamilton](#)
CoStar News

February 2, 2023 14:50 P.M.

The U.S. House of Representatives passed a bill that would force executive federal agencies to revoke pandemic-era work-from-home policies, a move that could help relieve ailing office markets in states and cities with high concentrations of government employees.

The legislation, known as the Stopping Home Office Work's Unproductive Problems Act, passed Wednesday in a 221-206 vote with all but three Democrats opposing and all but one Republican supporting it. If the so-called Show Up Act becomes law, federal agencies will have 30 days to reinstate their telework guidelines that were in place in December 2019, which, for most organizations, allowed minimal remote work.

The percentage of federal workers who teleworked increased from 56% to 90% in fiscal year 2020, according to the U.S. Office of Personnel Management. This has exacerbated high office vacancy rates throughout the pandemic, particularly in areas such as Washington, D.C., where a large portion of workers are federally employed.

A lack of office workers downtown also hurts the demand for restaurants, retail and other businesses. And workers living in suburbs away from city centers can further limit much-needed tax revenue.

In addition to reinstating pre-pandemic policies, the bill requires agencies to submit a study on the effects of telework expansion during COVID-19. The report must include any costs to the agencies attributable to owning, leasing or maintaining underutilized real estate and to what degree telework expansion resulted in the agency's workforce moving to other parts of the country.

Agencies that wish to hold on to pandemic-era work-from-home policies would have to obtain certification from the director of the OPM and provide a report on the positive effects of allowing telework.

"For years now, Americans have suffered because of the federal government's detrimental pandemic-era telework policies," Rep. James Comer, R-Kentucky, who introduced the bill in May, wrote in an announcement of the bill's passage in the House.

The Show Up Act now moves to the Senate but may face greater challenges there. The option to work remotely is largely supported by Democrats, who hold the majority in the Senate. During the House debate Wednesday, several Democrats spoke against the bill,

saying telework had improved worker recruitment, retention and conditions, especially for those who are disabled or live in rural areas.

If the bill becomes law, it could be an opportunity for agencies to assess how their space is being used and consider the best use of their portfolio, Kameshia Freeman, senior vice president of government and education at the real estate firm JLL, said in an email to Costar News.

"We've learned during the pandemic that government can be effective in a hybrid working environment. We also understand that utilization of our federal buildings helps to keep our downtown areas thriving. The real estate and the human capital are both important factors," Freeman said.

Office Vacancies

While Comer's statement alleged work slowdowns and stoppages because of increased remote work, others have voiced concerns over high office vacancies.

As of 2021, more than 1 million government employees worked from home, affecting office markets in California, Texas, Florida and the Washington area, which has the most federal workers in the country, according to the OPM.

The House passage comes amid calls for President Biden to make a decisive statement regarding federal telework regulations. In mid-December, D.C.-based nonprofit organization Real Estate Roundtable [wrote a letter](#) to Biden to this effect, citing the negative impact of underutilized office space on local communities.

D.C. Mayor Muriel Bowser joined in the calls to action from the White House with a [statement](#) in early January asking the federal government to either require a return to the office or turn vacant properties over for new uses. Federal workers make up about a quarter of D.C.'s workforce, according to 2017 data from the OPM.

Bowser followed her letter to Biden with a plan to [add 7 million square feet](#) of residential space in the city's downtown to bring in more residents and revitalize an area that's traditionally been a hub for federally leased offices.

New York is looking to adopt a similar strategy to D.C., announcing plans last week to [rezone parts of midtown Manhattan](#) from office to residential use. New York state ranks ninth for most federal workers in the country, per the OPM. Other major cities, such as [Chicago](#), are incentivizing office conversions.