

New CRE Report Suggests Office Sector Poses “Greatest Risk to the Overall Economy”

AUSTIN, TEXAS, UNITED STATES, April 27, 2023 /EINPresswire.com/ -- [MyEListing.com](https://myelisting.com), a free-to-use commercial real estate data and listings platform, recently published a report [outlining the struggling office space sector in the US](#), the cities in which office space is struggling the most, and ramifications investors and stakeholders can expect.



Once a major, run-of-the-mill business expenditure, office space no longer holds the prevalence it used to in today's workplace thanks to the rise of hybrid and remote work schedules. MyEListing.com's report suggests that commercial lenders are not prepared for this dramatic shift, and that the overall economy will suffer as a result.

“The rates at which these [office space] properties are financed have increased considerably,” says the report, “leaving large, often unrecognized losses lurking on the balance sheets of mortgage REITs, CLOs, and banks...This represents a critical juncture for the overall economy, one that depends to a significant extent on how office property issues are resolved. These losses must be recognized at some time, by some entity, and accepted.”

According to the report, a few of the cities experiencing the highest office space vacancies as of Q1 2023 are San Francisco, at 22.4%; Boston, at 13.5%; and Denver, at 17.1%.

The report also states that the future of the office space sector is “still uncertain” and arguably poses “the greatest risk to the overall economy” thanks to “record-high vacancy rates in key cities, growing weakness in markets like Denver, and large businesses like JP Morgan reevaluating remote work practices.”

You can read the full report here: <https://myelisting.com/commercial-real-estate-news/1476/commercial-real-estates-achilles-heel-the-office-subsector-in-focus/>

MyEListing.com is a national commercial real estate marketplace and data platform helping real estate professionals and others from all corners of the industry. Users can sign up for free and get access to accurate local market intelligence, comp software, and more. MyEListing.com also supports other players in the industry, including NAI Global, Colliers, and Cushman & Wakefield.

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