

# Crashing Commercial Real Estate Market in California Leads to Layoffs as Remote Job Positions Surge

*California businesses are continuing to shut their doors as commercial real estate vacancies rise. More employees are working remotely as offices close.*

SAN DIEGO, CA, UNITED STATES, May 3, 2023 /EINPresswire.com/ -- The commercial real estate market in California looks bleak as more 'for rent' signs emerge in storefront windows. There's an increased supply of commercial and retail spaces available for rent hitting the market as demand is fleeing. High interest rates are decimating large U.S. banks. Many owners of large commercial buildings and retail complexes borrowed mortgages from these big banks.

As banks continue to collapse, additional [turbulence is hitting commercial property owners](#) who don't own their buildings free and clear. Countless commercial buildings in California are forced to apply for different mortgages or shut their doors. The current interest rates on commercial mortgages are extremely high, which many property owners cannot afford to pay. The cash flow numbers aren't penciling out quite like they used to.

Many California businesses are getting squeezed by high expenses due to inflation, forcing them to shut their doors. Running a proper retail storefront is now viewed as an expensive business



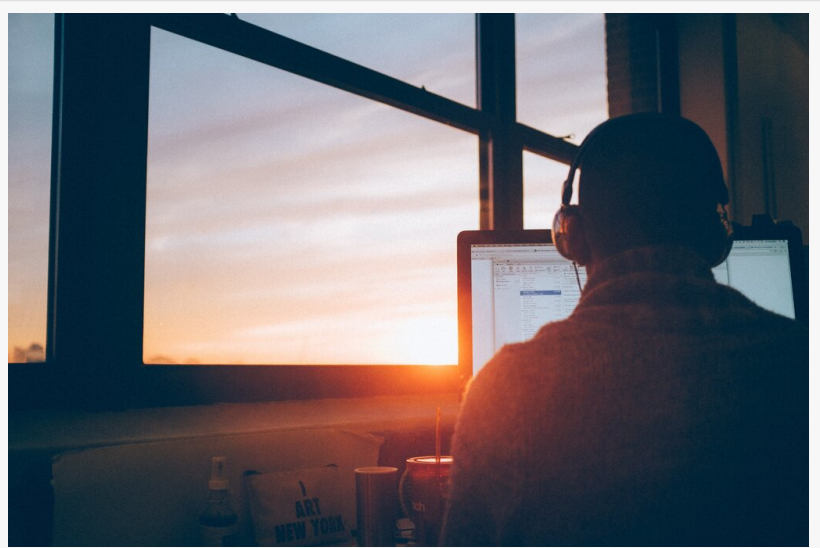
Commercial real estate in California



Empty office space

model compared to the many online businesses of 2023. Expenses are outpacing income generated by business owners.

It's also no secret that large tech companies have laid off countless employees. When they don't have a use for their current office space, these companies are forced to either sell it or rent it out. There are fewer companies looking for these types of large spaces as more hit the market. The demand for California commercial real estate is falling as the supply is rising.



Remote working

For example, many businesses are closing offices in San Francisco and San Jose due to layoffs, high interest rates, and remote job positions. California businesses are pulling every string available to cut costs and save money during these turbulent economic times.

Cities like San Diego are experiencing increased population growth, which is strengthening parts of the local economy. As workers get laid off, they are searching for remote positions with more location flexibility. San Diego offers appealing weather and a less expensive cost of living than its Northern California counterpart cities in the Bay Area.

Remote job positions are surging as Southern California residents take advantage of jobs available online. Remote workers are using [coffee shops for work in San Diego](#) instead of going into offices. We Work desks and other paid working spaces are experiencing drops in demand as remote workers become more accustomed to working in coffee shops and cafés. Anywhere with internet and outlets can now be used as a workstation for the day.

Mobile and nomad lifestyles are attractive to more California residents to seek a cheaper alternative to living. Paired with a remote job, many people are traveling while working. Fearing a residential real estate market crash to come along with the commercial turbulence, homeowners in California are selling their homes and traveling.

Southern California residents are looking for the [fastest way to sell a house](#) and start moving. While demand for residential real estate has also slowed in California, homeowners can still typically find a buyer in under 30 days on market. As lifestyle preferences and job opportunities shift, more people may continue to work remotely and live in different places.

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