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Office space vacancies soar in post-pandemic San Francisco; 'It's not a good look'

BY MAX DARROW

UPDATED ON: JUNE 1, 2023 / 5:14 AM / CBS SAN FRANCISCO

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San Francisco, and it's tough to miss

vacancies in San Francisco at nearly 30%,

"Pre-pandemic, our vacancy rate was around 4%. Now we're right around 30%," said Colin Yasukochi, the executive director of CBRE's Tech Insight Center. "The biggest reason for that is going to be hybrid work, and most recently, layoffs. Right now, we have about 25 million square feet of vacant office space in the city."

Robbie Silver, the executive director of the Downtown San Francisco Partnership, acknowledges the empty space is problematic as the city looks to reinvent the downtown area.

"Seeing multiple blocks with multiple vacancies - it's not a good look," Silver said. "150,000 square feet of ground floor vacancies in our downtown district alone."

However, Silver sees this as a unique opportunity.

"If we give people positive reasons to come downtown, they're going to come," he said. "I truly believe that as one door closes, another door opens. The amount of vacancies we're seeing on the ground floor now in downtown are going to get better over the next couple of years. It's going to take time. It's going to take creativity, and it's going to take community collaboration to make it happen."

He'd like to see more of a diversified downtown, with less of a reliance on tech and finance.

"When we've relied on one industry to carry the tax roll, and that industry is now working from home or only coming in two days a week - it doesn't make for a very resilient downtown from an economic perspective," Silver said. "What we need is more mixed-use downtown."

Silver sees a bigger picture of the city tackling a wide range of problems about San Francisco problem



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to tackle. But also, in contrast, we have a lot of that," he said.

much demand right now. However,

"It's going to take some time for the office market to start to turn around, but we're very encouraged that, that hopefully should start to happen either towards the end of this year or into early next year, as the economy starts to improve, interest rates start to come down, and growth can really turn around," Yasukochi said.

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Max Darrow

Max Darrow is an Emmy award winning reporter/MMJ for KPIX 5. He joined the KPIX 5 news team in July 2021.



First published on June 1, 2023 / 6:15 AM

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