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San Francisco Sees Risk of Lost Revenue as Remote Work Prevails.

- **Economist forecasts $200 million loss by 2028 in worst case**
- **Tech industry embraced flexible work and is now doing layoffs**

San Francisco could lose around $200 million by 2028 in property tax revenue because of offices emptied as people work from home, under the worst case scenario detailed in a report from the city's chief economist Ted Egan.

The hub of the technology industry is experiencing record office vacancies. They could rise to about 31% by the fourth quarter next year in the most pessimistic case, warned Egan in the presentation for a board of supervisors's committee hearing Wednesday.

Commercial property values would fall, and that would mean less revenue for the city from property taxes. In the short-term, the risk is lessened by long-term leases and the fact that under a California law known as Proposition 13, valuations for property tax purposes are often well below market prices. That cushions municipalities during downturns.

Continue reading.

Bloomberg

By Romy Varghese

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