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[Empty Downtowns Are Still Depleting Local Coffers.](#)

In much of the country, downtowns remain relatively empty. The implications for property values, mortgage debt and property tax collections have not yet fully played out, says a Columbia University economist.

A few weeks ago, a building on West 50th Street in Midtown Manhattan sold at a steep discount. The 23-story office building had sold for \$332 million as recently as 2006, but at an auction in July, it fetched only \$8.5 million.

This was not a fluke or even an isolated incident. With office workers staying away from their offices in droves, downtown office buildings have sold at fire-sale prices, with defaults on office loans reaching near-record levels.

To get a sense of how shaky the downtown office market remains, Governing spoke with Stijn Van Nieuwerburgh, a professor of finance and real estate at Columbia University who coined the term “urban doom loop” back in 2022.

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