Bond Case Briefs

Municipal Finance Law Since 1971

Struggling Downtowns Are Looking to Lure New Crowds.

Traditional business districts in cities like Chicago and Portland are still waiting for office workers to return. Can younger residents and families fill the gap?

The 12-story building at 300 West Adams Street is typical of the terra-cotta-clad office towers that rose in downtown Chicago during the 1920s. Heavily ornamented with Gothic Revival details and brass decorative elements, it's across the street from the city's tallest skyscraper, the freshly renovated Willis (née Sears) Tower, and a few blocks from the elevated train tracks that define the city's central business district, known as the Loop. It sold for $51 million in 2012. But when it went up for auction at the end of 2023, the historically landmarked building, half-vacant, sold for a mere $4 million, a 89% drop.

The plummeting value of 300 West Adams is just one example of the deep discounts in Chicago's office real estate market, where a quarter of the business district sat vacant in the first quarter of 2025. The pandemic-fueled explosion of remote work blasted enduring holes in the hearts of cities across the US: Nationwide, downtown vacancy rates sat at 19% in April. A third of central Portland's office space remains unoccupied; the Oregon city's second-tallest skyscraper, the 42-story former US Bancorp Tower, is more than half empty and on sale for $70 million, a precipitous drop from the $373 million earned the last time it changed hands.

The era of American downtowns as monocultures of high-density white-collar work appears to be over, and what replaces it stands to be the most significant real estate reset of the post-Covid era. In many ways, business districts are learning to become more urban places, widening their economic bases and learning to become more welcoming to new kinds of people.

Continue reading.

Bloomberg CityLab

By Zach Mortice

June 30, 2025 at 7:11 AM PDT

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com