



Downtown Boston and Commercial Real Estate Sector Face Economic Strain as Remote Work and Drive Times Reduce Office Demand

New Report from MTF Reveals Declining Office Occupancy, Economic Challenges, and the Need for Immediate Strategic Interventions

Boston, MA (February 13, 2025) — The widespread adoption of remote work has resulted in a drastic decline in daily employee visits to Downtown Boston, with a new report by the Massachusetts Taxpayers Foundation with the support of the Eastern Bank Foundation estimates that between 80,000 to 125,000 fewer workers commuting into the city each day. The data presented in the report also indicate that for every additional 12 minutes of commute time, employees are more likely to work from home an extra day each week. This analysis, along with other key metrics, are featured in a new report, "[The Future of Downtown Boston & Commercial Real Estate: Post-Covid Changes in Work-Life Patterns.](#)"

These changing work patterns led to increased vacancies, particularly in Class B, C, and D office buildings, which are experiencing decreased demand and declining property values. As a result, building owners are facing financial strain, and the city is contending with reduced tax revenues as well as the looming costs of inaction that would further dampen this city's economic outlook.

In addition to the challenges facing commercial real estate market and long commutes, the report sheds light on pre-existing challenges, such as housing affordability and traffic congestion, emphasizing that reducing commute times to 30 minutes or less could play a vital role in revitalizing in-person work attendance. While the Greater Boston region has assets like leading higher education and health institutions that help to fuel the innovation economy, its potential is limited by its lack of housing stock and high cost of living close to historical employment hubs.

"Remote work has fundamentally altered the dynamics of Downtown Boston's economy," said Doug Howgate, President of MTF. "The significant drop in daily commuters has led to high office vacancies, particularly in older office buildings lacking in amenities. This poses a direct threat to property values and the city's tax base. Without swift and sustained action, the economic strain on building owners as well as city finances and services will only intensify."

The report builds on earlier MTF work to quantify the challenge faced by Downtown Boston and, more importantly, makes the case that the challenge is inextricably connected with public policy priorities to increase housing production and improve public transit. Expanding the 30 minute commute corridor around Boston is an essential component in any strategy to bring thousands of people back to Downtown every day

About the Massachusetts Taxpayers Foundation

Founded in 1932, the [Massachusetts Taxpayers Foundation \(MTF\)](#) is widely recognized as the state's premier public policy organization dealing with state and local fiscal, tax, and economic policies. MTF's record of high-quality research and non-partisan analysis has earned the organization broad credibility on Beacon Hill and across the Commonwealth. Our mission is to provide accurate, unbiased research with balanced, thoughtful recommendations that strengthen the state's finances and economy to foster the long-term well-being of the Commonwealth. Over the course of nine decades, MTF has played an instrumental role in achieving major reforms and promoting sound public policy in state government. In the past ten years, MTF has won sixteen prestigious national awards from the Governmental Research Association for our work on a wide array of topics. Our unique credibility has allowed us to have a significant impact on a wide range of issues - from health care, business costs and transportation funding to tax competitiveness, capital investments and state and local finances.