

This Is What a Post-Pandemic Law Firm Office Looks Like

By Brenda Sapino Jeffreys | February 09, 2021 at 05:00 AM



Wilson Elser's new office in Las Vegas. Photo: NELSON Worldwide

<u>Wilson Elser</u>'s office in Las Vegas isn't in a glitzy downtown office tower. It's in a mixed-use entertainment center in space originally intended for a Crate & Barrel store, an unusual location for an Am Law 200 office. But that kind of open-mindedness may become more widespread as firms looking for space in 2021 increasingly consider cost and lifestyle factors.

The prospect of using retail space for law offices is the latest adaptation, in addition to innovations such as hoteling and other forms of shared work space, that may define law firm offices in the future as the COVID-19 pandemic makes a permanent mark on how firms configure and run their offices.

Firms such as Wilson Elser and <u>Clark Hill</u> are taking steps right now, even before offices reopen nationwide for usual operations, to rethink how their offices are sized and configured.

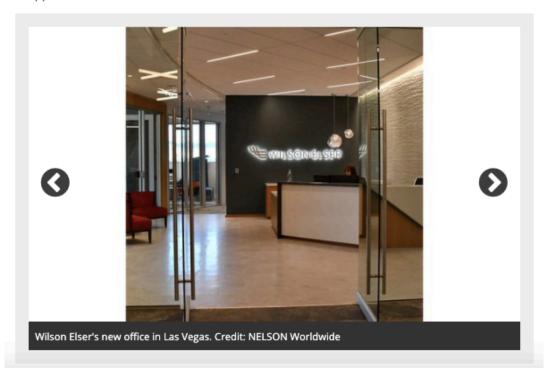
Clark Hill's San Francisco office is set to move into new space that is far different from what Tim Flaherty, the member-in-charge of the office, contemplated a year ago.

Right before the COVID-19 crisis, Flaherty was close to signing a new lease for a 22,000-square-foot space that would be traditionally configured. But the pandemic hit, forcing lawyers and staff to work from home, and by early summer, he said, it became clear there was support for a different kind of office that would support remote work and shared work spaces.

Flaherty said he ended up signing a lease for 15,000 square feet in a different building, 505 Montgomery Street.

"We have built out the offices for not only ergonomic modern sensibility, but also hoteling, shared offices, flex schedule, a collaborative work environment, the work café ... It is so unlike any law office environment I've worked at in my career," he said.

He declined to discuss cost savings, but said "It's a fair assumption that the less space is lesser overhead. There's also been market forces over the last year, where market rates dropped," he said.



Clark Hill's new chief executive officer John Hensien said recently that the firm is **aggressively evaluating space** at all of its offices, and in addition to San Francisco is actively looking for new space in Los Angeles, where the firm will implement a similar strategy.

In Las Vegas, Sheri Thome, regional managing partner of the Wilson Elser office, said the new office is not only less expensive than one in an office tower, but has advantages over a more traditional space in downtown Las Vegas.

"We were looking for an office that was a great location for everybody, mid-central in town, close to the airport and right off The Strip, Las Vegas Boulevard ... We thought it would be great for our employees working in the office to have the convenience, the shopping, the stores, everything we might need," Thome said.

Dan Bassano, a senior project manager at Nelson Worldwide, which designed the Las Vegas project, expects to see more large firms considering retail space as more comes on the market.

"It will become more of a trend, as well-known retailers are having more difficulty in repurposing spaces," Bassano said.

In the case of the Wilson Elser office, Bassano said there were some challenges in designing a functional law office in a space meant to display home goods.

"You want exposure. You want signage. You want a front door people can find [and] lobby space," he said.

Some in the real estate industry who assist firms with office leases aren't as convinced that retail space will gain ground in the firm market.

Steve Burkett, executive vice president for Jones Lang LaSalle in Houston, was surprised to hear that a firm the size of Wilson Elser chose repurposed retail space for an office. Right now, he called it an "outlier," rather than a trend.

He said a midsize trial firm client of his just went through a search for "cool space" outside of downtown Houston, but decided to stay in the central business district.

"Ultimately they decided the cool space was very cool, but still on the cutting edge of the neighborhood, not exactly a Class A neighborhood," Burkett said.

Kevin Kushner, executive vice president for CBRE in Houston, said Am Law 200 firms generally congregate in the same area in most markets, generally the central business district. He said firms might get creative with a space, but "a lot of things have to line up for a major firm in a major market" to choose retail space.

While Wilson Elser had decided on the new space before the COVID-19 pandemic hit, the office incorporates hoteling—a feature becoming more popular as firms consider operations once it's safe for lawyers and staff to return to offices.

Thome said the adoption of hoteling for all lawyers in the office is not related to the retail space but is a new real estate firm strategy developed by a committee she sits on. "The firm has several other offices renewing leases and building out and working into this new work style," she said.

Every day, each lawyer who comes into the Las Vegas office—numbers are currently limited because of county restrictions—selects either a private office or a private workstation for the day, plugs in their laptop, and starts work, she said. Each employee has a locker for personal items or files. The office is very uncluttered, thanks to hoteling, she said.

"It's a more beautiful office," she said.

Aesthetics aside, project manager Bassano said firms may be able to get a better deal on office space because activity in the rental market is not as strong as a year ago. Firms are already taking advantage of that.

On Feb. 1, <u>Haynes and Boone</u> moved its Charlotte, North Carolina, into space in the newly constructed Bank of America Tower, located adjacent to Bank of America Stadium, which is home of the National Football League Carolina Panthers. The firm opened the office in 2019, and was leaving temporary space.

Haynes and Boone, which has five lawyers in the office, chose a "spec suite" in the new building that was built out by the landlord to meet the firm's needs, but the contract also provides expansion flexibility.

"A nice point about this space is that rent was equivalent to what we were paying, but the space in new, a brand new building, a great space from a client perspective. Our best relationships are in the building and near the building," said Todd Cubbage, the administrative partner in Charlotte.

"We walked in at the right time and they agreed to spec it out for us, so essentially they paid for the build-out and we stepped right in," he said.