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Law firms make their case for
EFFICIENT SPACE



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Chairman Sheldon Bonovitz says Duane Morris will save \$4 million a year.

Looking to update their office environs

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Aside from personnel, the biggest expense for any law firm involves real estate. And with firms running their organizations in a more business-like manner over the past decade, they have attempted to save

money by tailoring office space to the modern realities of their practices.

With secretarial ratios down and law firm libraries and paper file storage space being replaced by computers, law firms are coming up with new ways to use the core of their floor plans, according to Glenn Blumenfeld of Tactix Real Estate Advisors, a former Dechert

REAL ESTATE: Firms tailoring office space to the modern realities of their practices

partner who advised his old firm and Post & Schell with their recent moves, as well as Blank Rome in its decision to stay at One Logan Square.



Peters

Blumenfeld said law firms with expiring leases are always looking for a more modern office layout.

“It used to be easy to figure out how to configure your space,” Blumenfeld said. “Each lawyer

would get a perimeter office with two windows, so you multiplied the number of lawyers by the number of windows to determine how much space you needed and then dealt with the core from there. But now there is difficulty with the inside space. Things have changed since some of these firms signed leases 10 years ago.”

When you talk to Sheldon Bonovitz, chairman of Duane Morris, about his firm’s move across the street from One Liberty Place to United Plaza last month, he speaks of the new space being “40,000 square feet more efficient.”

Bonovitz said the firm occupied 800 square feet per lawyer at One Liberty, where the firm had been located since 1990. At United Plaza, that number decreased to 600 square feet per lawyer. With a more efficient use of space and rents that are \$15 per square foot lower, Bonovitz said Duane Morris will save upwards of \$4 million a year by making the move.

Dechert will occupy only 219,000 square feet, with options for more space, at its new offices in Cira Centre, compared to 239,000 square feet at its home of the past 15 years, Verizon Tower. Dechert also had roughly 30,000 square feet of space at 1601 Market St. for back-office operations that will no longer be needed. This change is not because Dechert has decided to stop growing in Philadelphia. The firm has increased its personnel by between 20 percent and 25 percent since the beginning of this calendar year, according to firm chairman Barton Winokur.

Blumenfeld said the firm’s floor plan at Cira is more efficient because of less space afforded for secretarial work stations, paper files and the law library, as well as a uniform office size for partners. He also said that while Verizon’s layout offers 12 corner offices on each floor it also creates inefficient use of space with several corridors on each floor.

Dechert’s move to the trapezoid-shaped Cira Centre will allow the firm to have a sizable number of lawyer offices along the outside of the building while being able to use the inside in a more efficient manner than it has at Verizon Tower, Winokur said.

Post & Schell, which moved into 4 Penn Center from 1800 John F. Kennedy Blvd. two years ago, has saved space by implementing a one-size office, 145 square feet, for all lawyers and senior staff. CEO Brian Peters said the firm actually has fewer floors — three, compared to seven at 1800 JFK.

He said the litigation-heavy Post & Schell actually needs larger floors for its big conference center where it entertains clients and its various workrooms and war rooms for litigation teams working on major cases. Peters also believes that having fewer floors promotes more collegiality.

Peters said clients do not want to see fancy lawyer offices, and are always entertained in the firm’s conference center, which comes equipped with a concierge, during visits.

“I’m thankful every day we went with [same-size offices],” Peters said. “We have been more efficient financially and otherwise.”

Blumenfeld thinks the ideal office tower for a law firm would be one with a rectangular or other narrow shape. With less core space needed, square-shaped buildings are more difficult for firms to fill. Blumenfeld said it is not a coincidence that a narrow building like One Logan Square is 80 percent occupied by law firms.

One idea for filling the core would be to place lawyers in inside offices.

“But no one wants to be the first law firm to do that,” Blumenfeld said.

Apparently, though, Duane Morris has no



MIKE MERGEN

Duane Morris’ new digs at United Plaza.

such fears, placing certain associates in interior offices. Bonovitz said with the enhanced lighting from larger windows at United Plaza, interior offices are not wholly unattractive for younger lawyers.

Bonovitz said Duane Morris also created more space by having a single reception area rather than three, eliminating interior stairwells and shrinking the law library and paper file storage space. The interior is now filled with lawyer and staff offices or workstations, additional conference rooms and larger break areas on each floor.

Another space-saving trend is to implement one-size partner offices rather than having four or five different sizes, which causes an administrative nightmare when a partner with a choice office leaves.

“Everyone always tries to move into the larger office,” Blumenfeld said. “Or the one with the better view.”

Blumenfeld said office space has become both a method to advance a law firm’s business model while also maintaining or improving its culture.

“Different law firms have different profit margins and different goals for their space,” Blumenfeld said. “A [plaintiff personal injury] firm might use its space a lot to entertain clients and because of that might want an impressive office. But a lot of firms might not want something that opulent. Your space isn’t just there to house people. It says something about who you are.”

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