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Lawyers in love with their new digs

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A law firm's office is its lair.

It's a status symbol, designed to invoke trust, control and confidentiality.

That much hasn't changed since the era of smoky boardrooms and dark mahogany libraries, but how law firms design and utilize their office space is changing.

Taking cues from clients, Triangle-area law firms are adding coffee bars and cafes where partners, associates and staff can meet for lunch or quick meetings.

They are flipping floor plans so that partners aren't the only people with a window view. At last count, at least a dozen law firms in the Raleigh-Durham area have embarked on an ambitious office remake. They are shrinking the size of the lawyer's own personal space and, in many places, incorporating a one-size-fits-all model for attorney offices.

All this may be designed for one primary reason — price pressure. Abundance of competition from smaller firms is pushing billing rates down nationwide, and companies, individuals and associations are fleeing outfits unwilling to compromise on billing methods and scale.

While billing rates address the top line, many law firms are looking for ways to streamline its Cadillac-style physical space to reduce costs. Coupled with the changing face of America's workforce, with the Millennials leading the pack, it has now become essential for law firms to reimagine their working quarters.

As an industry, law firms typically have allocated one of the highest levels of square footage per employee and invested more in finer furnishings and decor in an office space compared to other major office space users, but research shows that law firms are changing their approach to real estate.

In 2013 when law firms moved from one building to another, the new building they were moving into was 7.1 percent smaller than their previous floorplate, according to real estate research firm JLL.

Economic drivers

Since the end of the recession in June 2009, the number of employees at law firms nationally, as measured by the U.S. Bureau of Labor Statistics, is unchanged.

In the Triangle, employment among the 25 largest law firms in the region is actually down 1.7 percent compared to 2008, with fewer support staff and paralegals employed by firms, according to Triangle Business Journal research.

Revenue for law firms is being challenged, as some corporate clients move toward performing legal work in-house and as some firms move away from the "hourly rate" equation toward alternative fee arrangements such as fixed fees or "value billing."

A U.S. Census Bureau measure of total legal services revenue shows that total revenue growth nationally has been anemic at best, with an average 1.6 percent increase in yearly revenue in each of the past five years.

Time for redesign

Over the last 18 months, at least a dozen law firms in the Triangle have either expanded, relocated or hired an architecture firm to evaluate the changing technology and real estate needs of their legal teams and staff.

Law firms make up about 7 percent of the Triangle's total office market. That compares to 8 percent in Charlotte, 16 percent in Atlanta and 11 percent in New York City, according to a research report from JLL.

Only three law firms (soon to be two) in the Triangle, occupy spaces of 50,000 square feet or more, all in downtown Raleigh: [Smith Anderson](#) in the Wells Fargo Capitol Center building; [Poyner Spruill](#) in the PNC Plaza building; and Womble Carlyle Sandridge & Rice.

Womble Carlyle in 2015 will be relocating – and shrinking – its offices from the 68,000 square feet it currently occupies on three floors in the Wells Fargo Capitol Center tower into about 45,000 square feet on two floors in the new Charter Square building, under construction about two blocks south on Fayetteville Street.

"In a law firm, one of the biggest expenses is space," says [Johnny Loper](#), managing partner at the Raleigh office of Womble Carlyle. "Clients are always demanding you be efficient, and in 2008 that drumbeat picked up in frequency and intensity."

So when the firm started looking two years ahead of its lease expiration at the end of 2015, it looked at ways it could also make its office space more efficient and useful. The new Charter Square will have a more open floorplate, Loper says, allowing the firm to fit the same number of people into a smaller space.

Law firms, for example, don't need all of the storage capacity previously required for legal documents and discovery as firms adopt paperless technologies and systems. Most firms have also all but done away with the voluminous libraries that used to be a centerpiece of a law office, since most statutory and case law research can be conducted through online services.

Instead, the emphasis among law firms is on improved technology, especially in the conference room areas, more meeting room spaces or alcoves for collaboration, better break rooms and more modern furnishings and decor.

'Outside the lines'

When the [Parker Poe](#) law firm moves its Raleigh office from the Wells Fargo Capitol Center tower into its new space in the newer, taller PNC Plaza tower, it'll be taking about the same amount of square footage as it had before, about 46,000 square feet.

But gone will be the traditional, regal-blue carpet, the winding grand staircase in the lobby and the never-ending maze of hallways to conference rooms and legal offices. The furniture, lamps and even the staircase have been tagged for sale to the highest bidder.

A tradeoff in the new space, says [Parker Poe's](#) Raleigh managing partner [Kevin Chignell](#), will be that all attorney offices will be the same universal size, about 10 feet by 13 feet, or about half the size of the large corner offices in the old building.

"Instead of traditional corner offices, we turned all corner spaces into collaboration areas where groups can meet informally, work on cases and exchange ideas," he says.

Working with Gensler as its architect, Chignell says they told the group to come up with a design that was so different from the traditional law firm that it would be rejected by its board of directors. "We really wanted them to color outside the lines," he says.

They used frosted glass panels next to all office doors to bring light into the core, and glass is featured at the end of every east-west hallway to make sure that even the paralegals and legal assistants are not shut out from the stunning window views.

All 10 of the conference room areas for clients and visitors are now clustered on one floor, featuring the latest in audio and video technology as well as a catering kitchen.

One of the most expensive features of the new space is the two Skyfold doors installed within the ceiling of the largest conference room that can be deployed to fold down to create two or three smaller conference rooms. Chignell estimates the Skyfold doors cost about \$80,000 each, but they have the same effect as a fully constructed wall in both appearance and acoustical dampening for confidential meetings with clients.

In the front lobby, there's an eclectic 10-by-8 LED art display of interlocking propellers that would seem more fitting in a technology firm or spa than a law office. The firm plans to partner with a local art group to incorporate a rotating art exhibit rather than commission expensive art pieces.

"We don't have a lot of finishes, but we've tried to maximize what we do have," says [Parker Poe](#) partner [Jeff Bandini](#), leader of the firm's real estate practice, who's helped lead the relocation process. "Our Raleigh office is younger than most of our other offices, so we tend to be a little edgier."

But not all law firms are going to that extreme.

When the Ellis & Winters law firm of Cary moves its office into the new GlenLake Five office

building in west Raleigh in February, the configurations will not be drastically different from what they are now, says founding partner [Mike Winters](#).

"We don't need a lot of collaborative space, because collaboration tends to be not confidential," he says. "I'm not sure where this notion that lawyers sit around and talk about cases came from, but I'm not buying it."

Cultural shift

[John Warasila](#), founding principal with Alliance Architecture in Durham has worked with about eight different law firms in the Triangle over the past few years in redesigning their workspaces, and a common theme among all of them, he says, is about keeping with the culture of the firm and creating more flexibility.

"Firms that were built in 1980 with the wood-paneled conference rooms were not built for the technology of today," Warasila says. "Using systems furniture for secretarial and paralegal stations helps the firm manage changing roles and assignments over the life of the lease."

Many firms are also going through a culture change, he says, as younger attorneys bring new ideas and expectations for the workplace.

The Wyrick Robbins Yates & Ponton law firm office in west Raleigh, which often represents technology companies, completely overhauled its office space over the course of nearly a year last May.

The space before was connected only by elevator, so they cut a hole in the floor and built new staircases. They did away with the two small break rooms and built a new cafe area, dubbed "Periodic Table," which is a focal point of the building and can seat 60 people.

"We moved into this space in 1989, and when we started we didn't have even a full floor," remembers [Merrilee Carlson](#), executive director of the firm. "As the firm grew, we took more space but it was still very disjointed. We wanted our design to link up with our brand."

Carlson says they tested the option of making the lawyer offices uniform in size, but the additional cost in renovation far outweighed the benefits of the extra space they would gain.

Instead, they brought in more glass to let in more light and switched to lighter wood and livelier colors.

"It feels more energetic," she says. "Casually sophisticated."

Footprints of the future

A JLL research study shows that the rightsizing wave among law firms is peaking but will continue to evolve as rent rates increase and a younger generation of lawyers come in with different expectations for the workplace.

"For the majority of firms, they are looking at real estate as a way to increase profitability by reducing cost," says [John Sikaitis](#), senior vice president and director of office research for JLL.

Ten years ago, a law firm would have about 850 to 950 square feet of space per lawyer on staff,

Sikaitis estimates. Today, that ratio is closer to 600 to 650 square feet per lawyer and as low as 550 square feet per lawyer in expensive metro areas like New York City and Washington, D.C.

In London, law firms have already moved toward an open workspace model.

"That's not been embraced by culture here yet," he says.

Amanda Jones Hoyle covers commercial and residential real estate. Follow her on Twitter @TBJrealestate