

A modern office lounge with orange and white furniture on a rooftop terrace overlooking a city skyline. The lounge features several orange armchairs, a white sofa, and a white lamp. The background shows a glass-walled building with a city skyline reflected in it.

NOW, NEW, AND NEXT OFFICES

FOR THE LEGAL INDUSTRY



Our Holistic Approach to Legal Space Insights

This survey was conducted over the summer of COVID-19 (June to September 2020). Participants were asked to respond on their current operations and their perspective in the post COVID-19 future. When the pandemic caused a shutdown of offices in March of 2020, most (85%) felt they were prepared to take on the challenge of employees working from home.

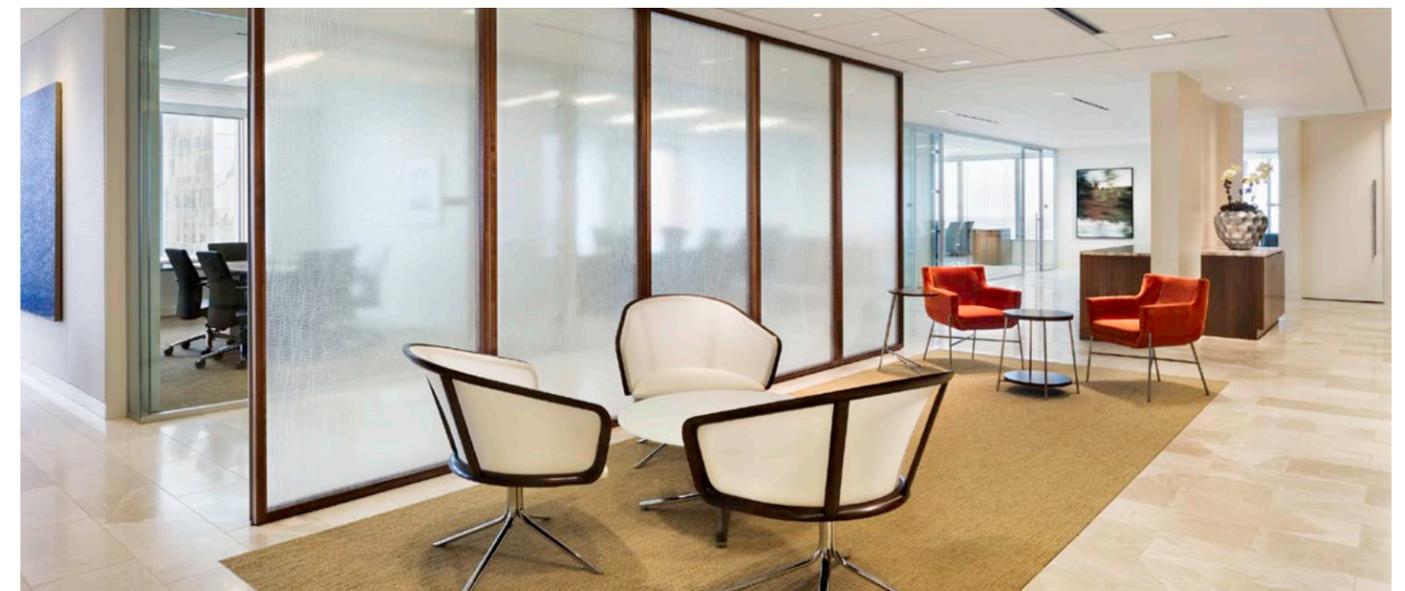
The good news is that the technology investments firms have been making over the past 5-10 years are really paying off. They were able to pick up their laptops and related equipment, walk out the door and begin working the next morning.

The big surprise for some was all the great technology that they already owned but never used. A long-term benefit of the pandemic will be how quickly we have advanced our remote working skills and experiences.

FCA and Tactix collaborated on this project to achieve a holistic view of how legal offices are surviving and revisiting how they plan to operate in the "Next Office". We recognized early in the COVID-19 Experience that it just wasn't a matter of prescribing space sizes but how that space was used. What are the human touches that we need as we venture back to our offices, as we eventually will? How do we make that face-to-face time more valuable to the worker? We wanted a deeper look into not only how the practice functioned but how we can use these events to challenge the prospect of building better space, in more diverse footprints for task driven, people centered experiences. Now more than ever

the employee experience (EX) is key to maintaining your culture and brand, of which your office is a critical tool in that endeavor.

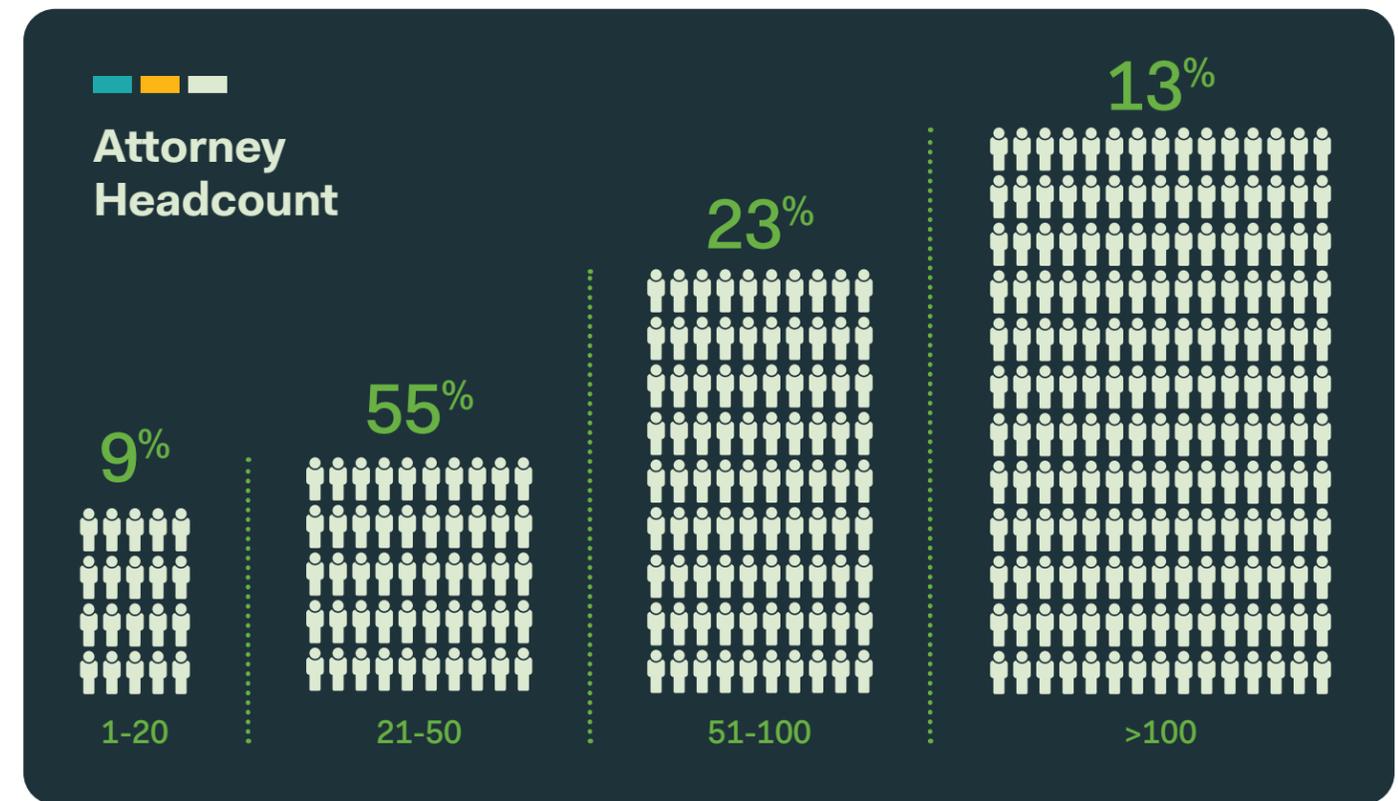
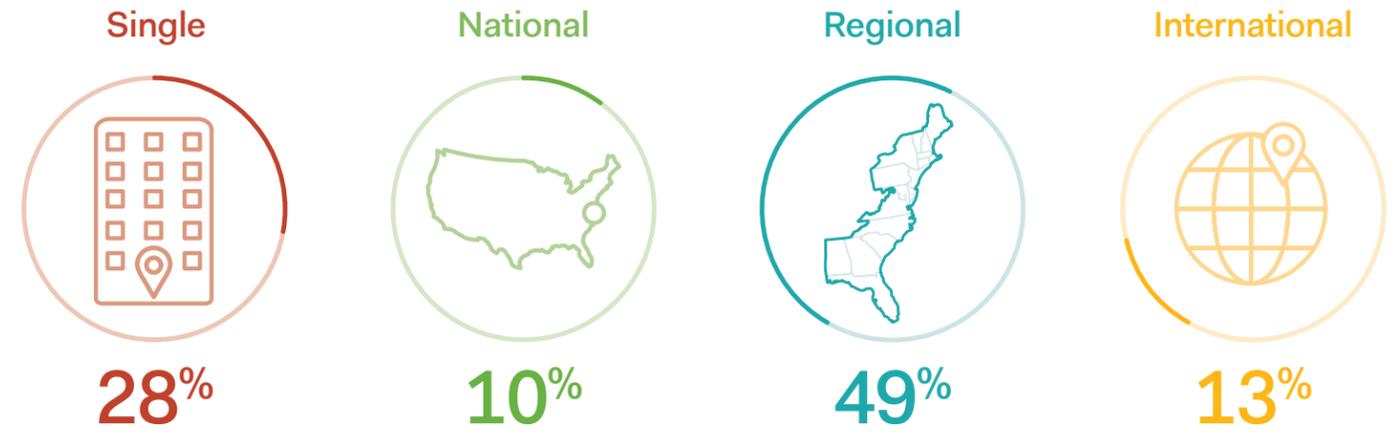
The impact of COVID-19 will more than likely change the administration of legal services forever by fundamentally changing the way lawyers interact with their clients, the courts, and their peers. How and who uses space is important to an updated workplace strategy. These changes are profound, and they raise issues not just in real estate but with human experiences. For the law firm, the biggest change will more likely be a technology evolution with a new legal ecosystem that is more interconnected even as its workforce becomes increasingly distributed. Lastly, while noting some limited exceptions for certain practice groups, the expanded use and expectation of technology both inside and outside of the firm's walls may finally bring to bear the long predicted paperless office.





The Firms

Our survey is focused on the Mid- Atlantic region. In an attempt to create an “apples to apples” comparison, we broke down our participants by single and multiple offices, headquarters and regional offices, as well as by specialty. The responses showed the diversity in types.



Professional Distribution

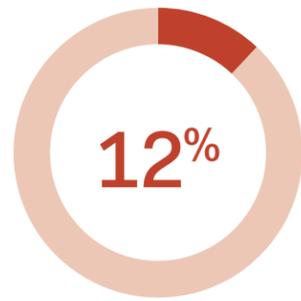
The personnel surveyed is represented in the following percentages:



Partners



Associates



Paralegals



Difference in Practice Types

In the last decade, the shift from large and mid-size law firms to boutique legal services has been driven by a desire to reduce costs as well as to obtain the services of more attorneys with specialized experience. Specialized/Boutique Firms make up nearly 42% of our survey participants. Noteworthy here is the comparison of full service to specialized in their responses.

We found a marked difference in how interior space for offices is used by full service and specialized firms. We can attribute these differences to the typical sizes of the practice types. Smaller specialized firms occupying a single floor plate, do not have the flexibility of an endless window wall when compared to a multi-floor firm as shared amenities such as cafes, conference rooms



and social spaces occupy the valuable window line. With the introduction of full height glazing on office fronts, more firms are creating space with equal status for perimeter and interior offices.

We found the smaller communities of specialized practices tend to be amenable to a mobile workforce with a smaller office footprint, while full-service firms were more open to having a hoteling policy, and leveraging one size standard offices. To that same point of comparison, larger full-

service firms showed a higher ratio of attorneys to administrative assistants because of a larger pool of employee coverage. There were 63% of full-service firms who targeted a 5:1 ratio of administrative staff to attorneys while 60% of specialized firms were either at 4:1 or 3:1 targets.

Overall, there was a wide difference comparatively in targets for rentable square feet per attorney when comparing full service to specialized firms.



Use interior offices for Associates



Use interior offices for Associates

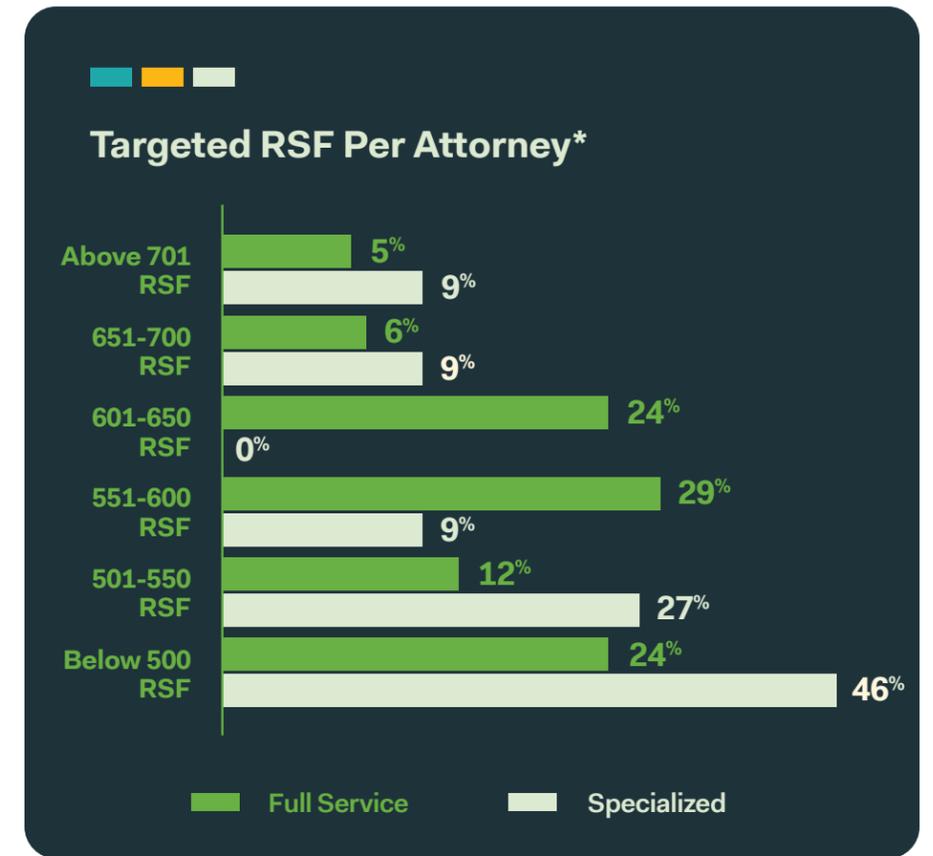
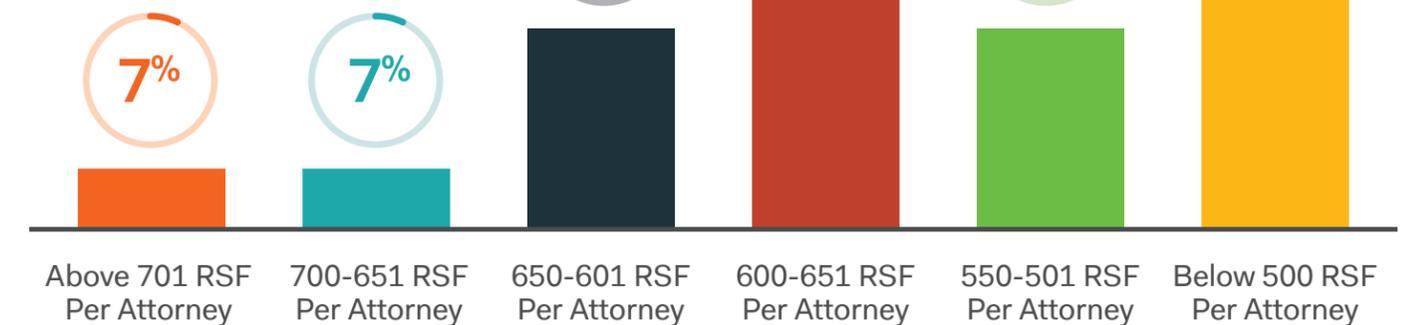


Rentable Square Ft. Per Attorney*

The future trend for these issues is accelerating downward because of the COVID-19 Experience. Those attributes of office space that were once so highly valued in the typography of the office have been given a lesser priority due to the individuality of circumstances and working from home.

The office approach for now is cloaked in practicality and law firms have proven that there is validity to remote work being as productive as we were prior to the pandemic and that remote work can be advantageous up to a point. With that new vision, we are looking at reduced standardized footprints: efficient in purpose and appointments. The collective average of all respondents logged the highest interest in targeting a RSF (Rentable Square Foot) per attorney below 500 RSF. The adoption of "RSF per Attorneys Served" will see that trend move even lower with the next generation of build outs.

*Response all respondents. Refers to 1:1 desk to attorney ratio within this metric

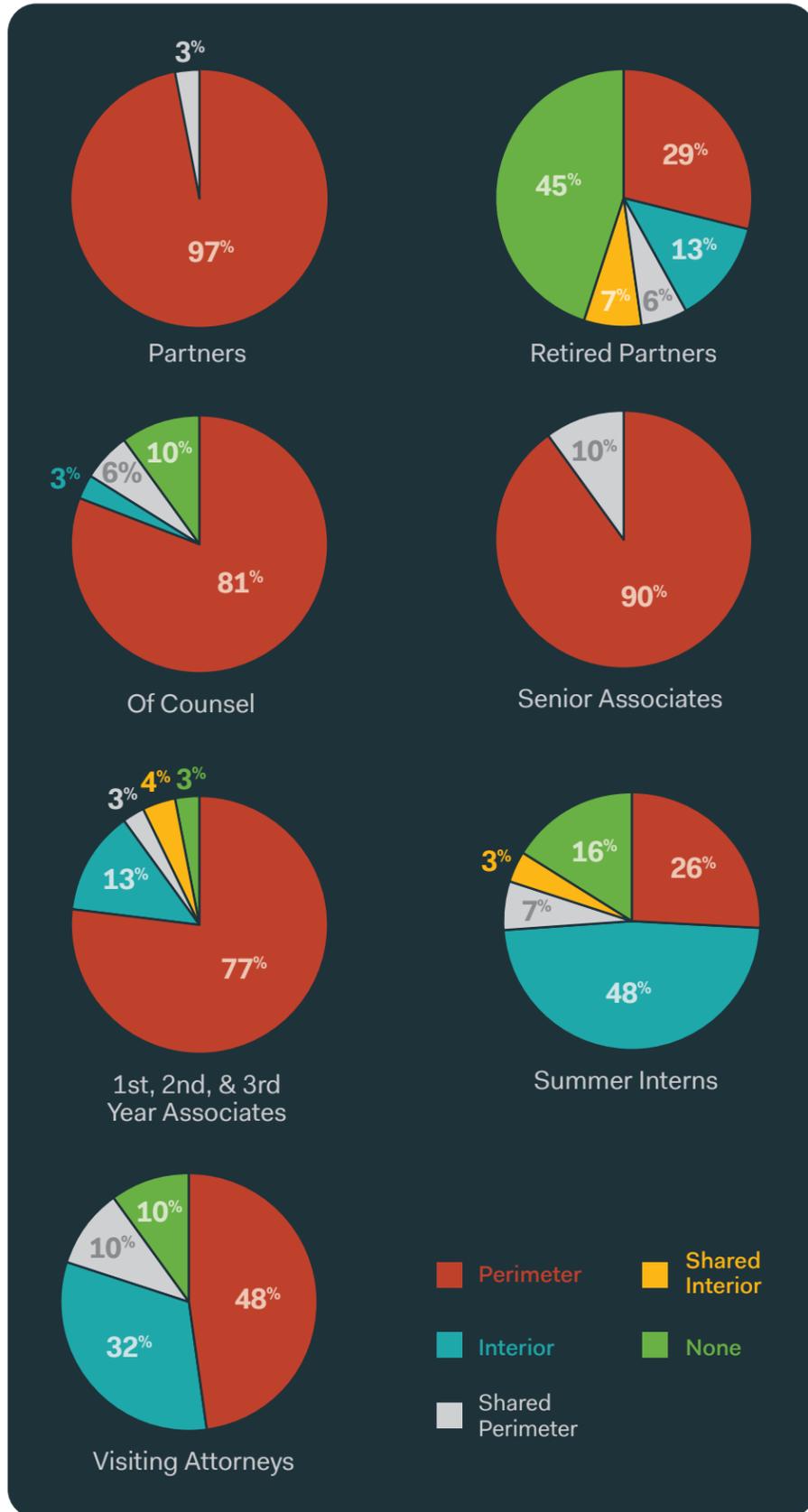


Office Space Assignments

Traditionally when we gauge the landscape of the legal office, we refer to their metric ratio of rentable square feet (RSF) per attorney. The COVID-19 Experience is impacting that metric while addressing the capability of an office to service more attorneys without a footprint increase due to the instance of remote work and hoteling. These are not new concepts but proved slow to take root in the legal sector.

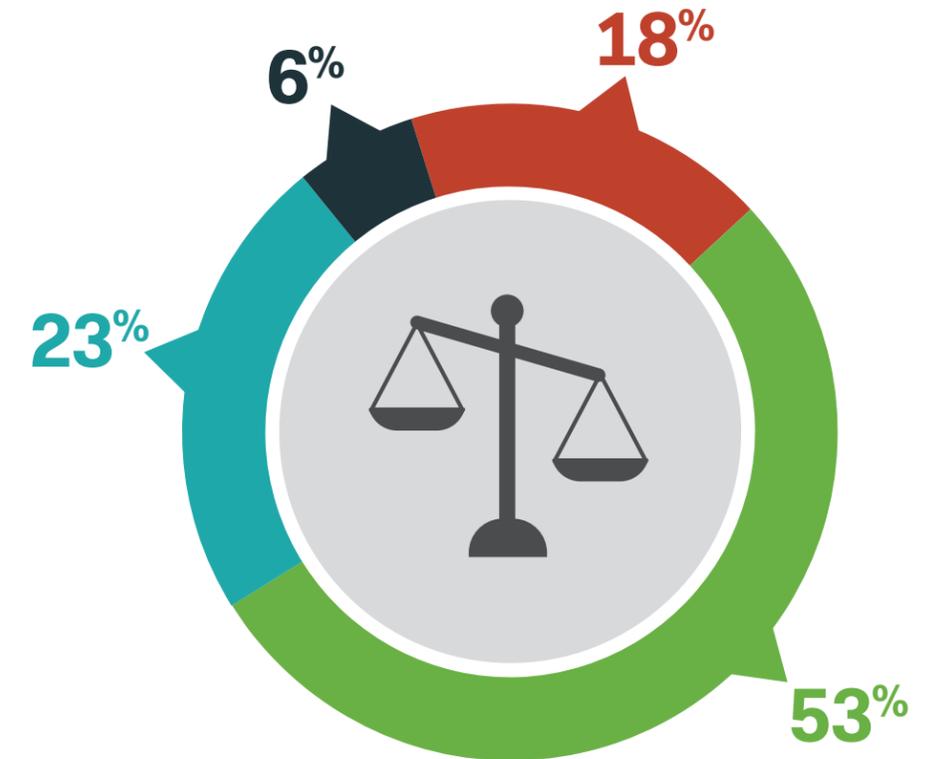
Going forward that metric will be represented as "RSF to Attorneys Served" and its matrix of programming will be more complex, but well worth the effort to understanding the precise requirement prior to leasing, design, and construction. In addition to the impact on the attorneys, there will be an emphasis on designing collaborative and interactive spaces for the distinct tasks of a staff of knowledge workers who support and promote their efforts.

Our survey gives us a snapshot of how people are occupying private office space by title.



Number of Attorney Office Sizes

- 1 Standard Size
- 2 Standard Sizes
- 3 Standard Sizes
- 3+ Standard Sizes

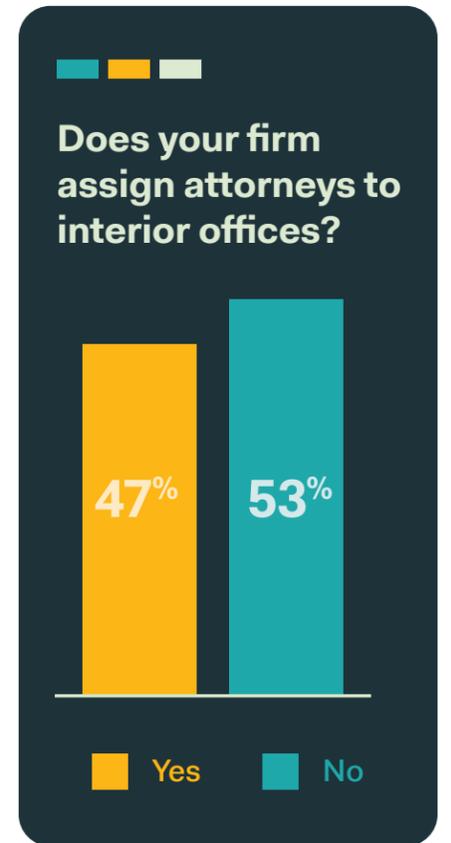


The combined responses of assigning attorneys to interior offices revealed that nearly 50% (46.8%) said they assigned interior offices. This is another slow-moving trend that has evolved with more updated build outs and the standardization of glass office fronts. Until the installation of glass fronts was widely accepted, there was little interest or acceptance to put any attorneys in a "windowless office".

Another change resulting from reduced office footprints and standardized sizes is that the days of attorneys having their own unique ensemble of furnishings are rapidly fading. Traditional furnishings of mahogany and detailed moldings fight to accommodate the myriad of technology that the modern attorney office demands.

Conferences within an office are less prevalent and with the COVID-19 Experience are less safe for the attendees. There is a direct alignment in our survey with the adoption of two office sizes with (at nearly the same rate) offices that are configured with standardized furnishings dictated by the firm. As offices trend smaller, and likely become more communal a strategic and efficient approach to furniture, rather than decorative, will allow more flexible sharing. Firms who implement and maintain these policies are the nimblest and readiest for change.

Although only 18% of respondents have instituted one standard office size for all, the trend is rapidly moving forward with standardization for reasons discussed here.

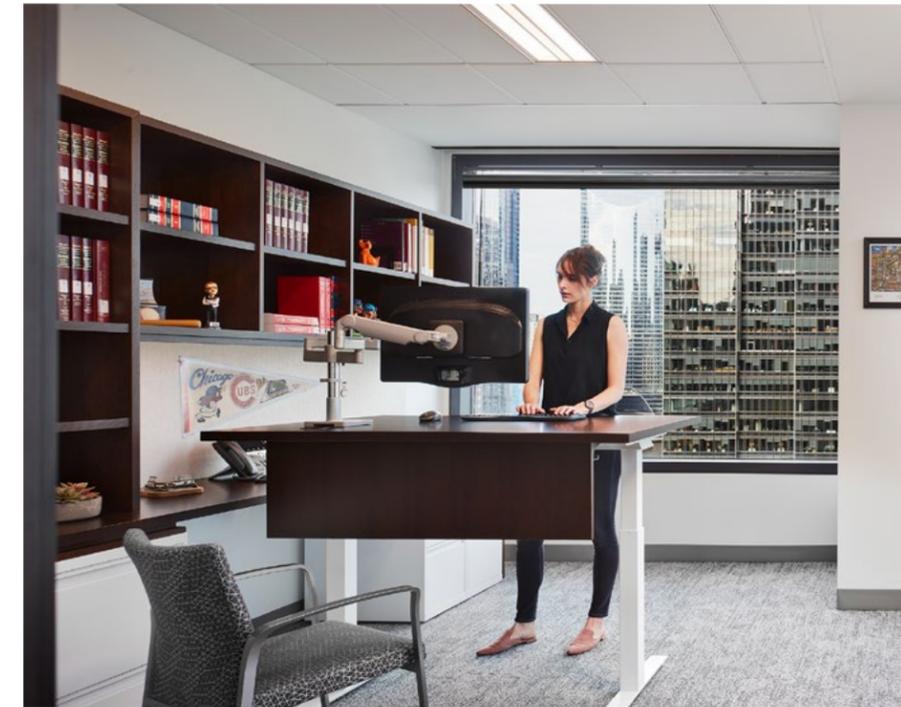
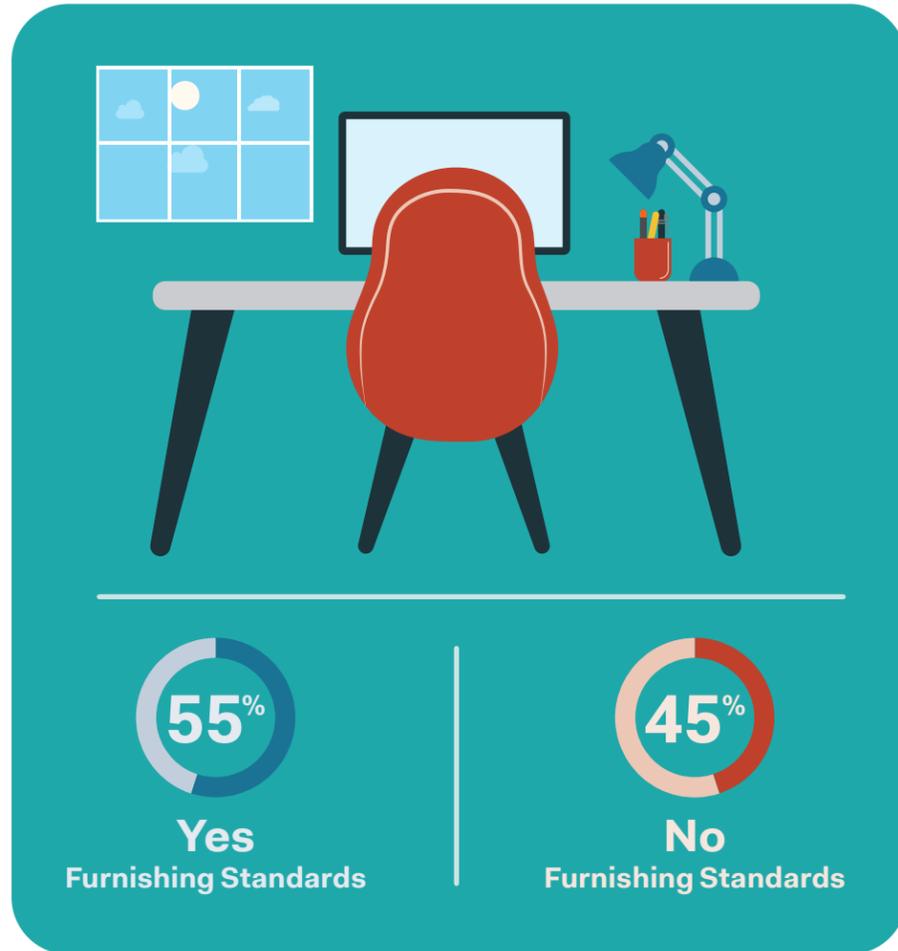


Furnishing Legal Offices

Because we are relying more and more on furniture performing and adapting to our physical needs and as we are continually more immersed in our technology, there is a trend for those who supply their employees with furniture to provide everyone with sit to stand desks.

These desks, with electronic lift systems, help promote relief from computer fatigue during long working hours.

When used correctly (alternating 1 hour of standing for every 2 hours of sitting is recommended) the shift in posture throughout the day contributes to reductions in back pain and a boost in productivity along with other health benefits.



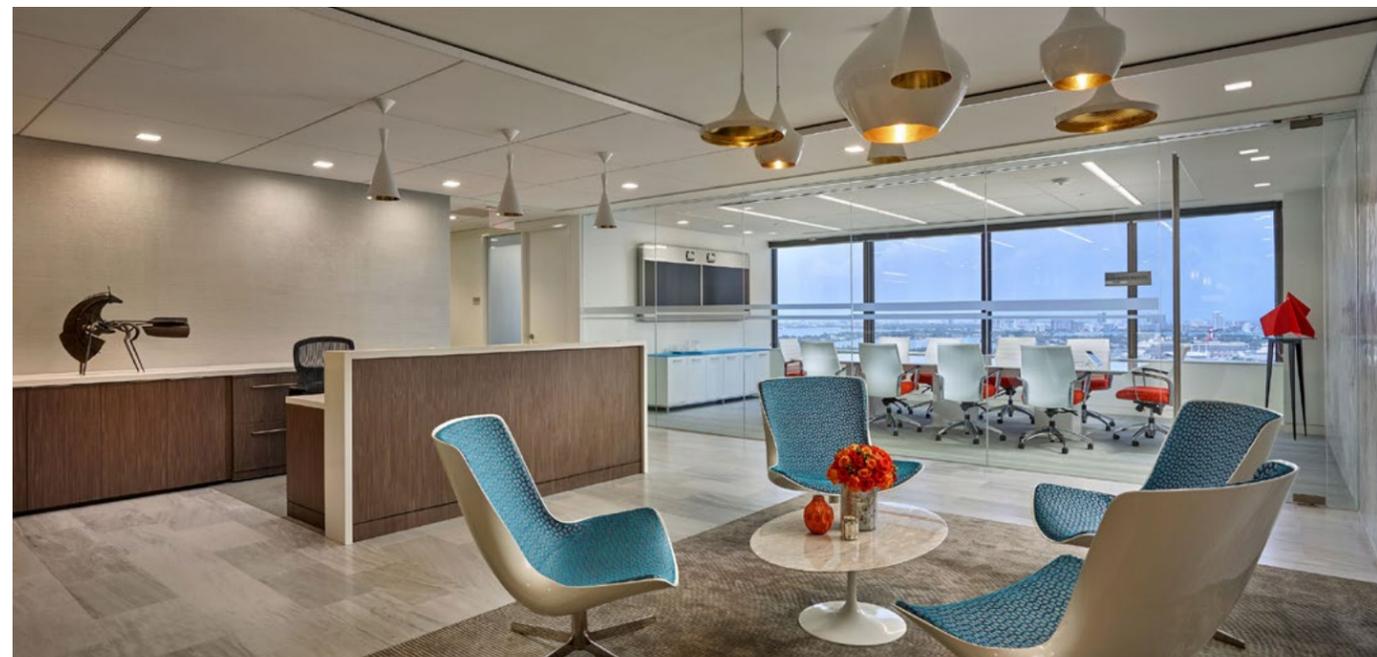
Do Firms Supply Sit-To-Stand Desks?



Where Do Paralegals Sit?

While we are revising the footprint for attorneys, how do we include the firm's paralegals? Will they be another segment of the workforce working remotely more often than in the office? Predictions are yes, (see Future Mobility).

The survey told us that most paralegals work in private offices. With paralegals teaming with attorneys and taking on more and more of the legal focus work, offices and their required adjacencies are more prevalent. The COVID-19 Experience will reinforce the preference of offices over open workstations.



Attorneys to Administrative Assistants

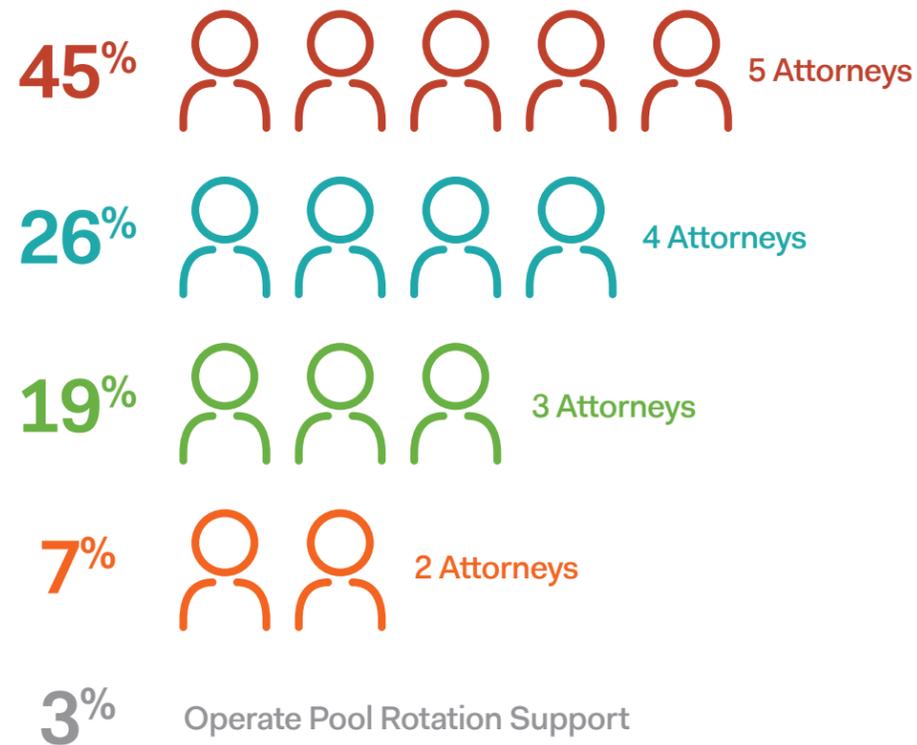
One thing that has only increased is the ratio of administrative assistants to attorneys over the past ten years. Firms with space built out in the last five years or older are more than likely dealing with architecture that does not easily adjust for changing administrative ratios.

Our survey indicates a greater number of firms are assigning administrative staff to five or more attorneys each. With these types of ratios, it no longer lends itself



to adjacent placements outside the attorney's door but rather in a centralized pod or group, allowing for greater work sharing duties, equipment, storage, etc.

As attorneys work remotely, become more and more astute in the use of technology, and the technology becomes more intelligent, we expect this trend to increase the attorney to administrative ratio.

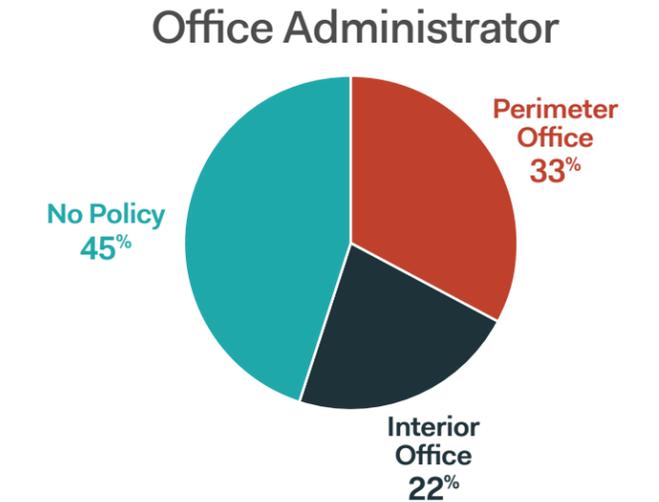
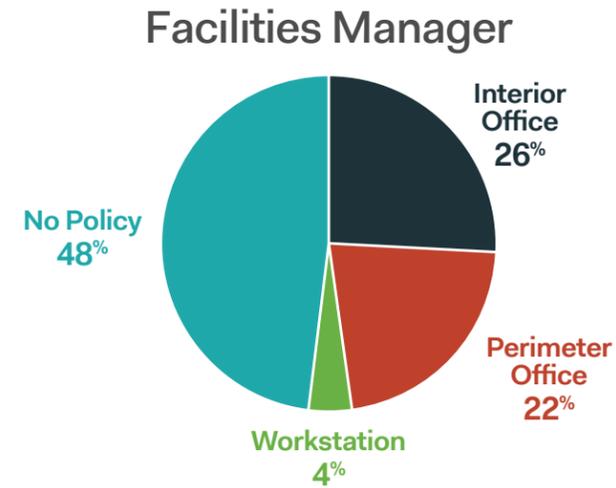
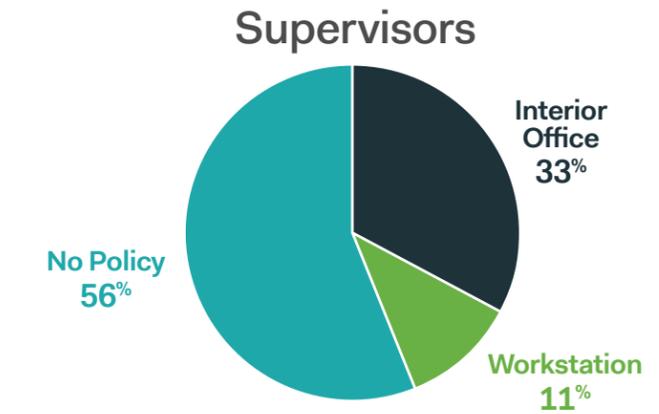
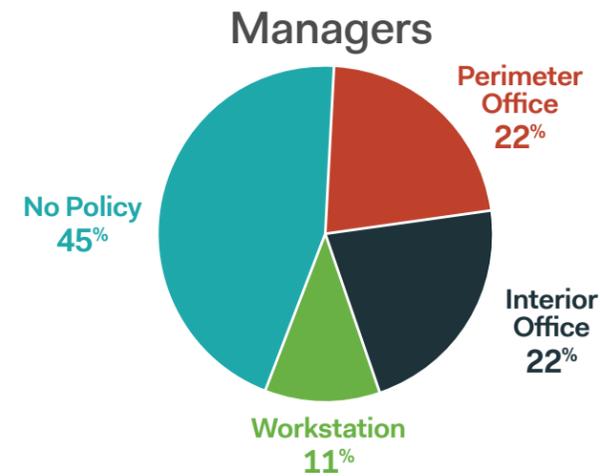
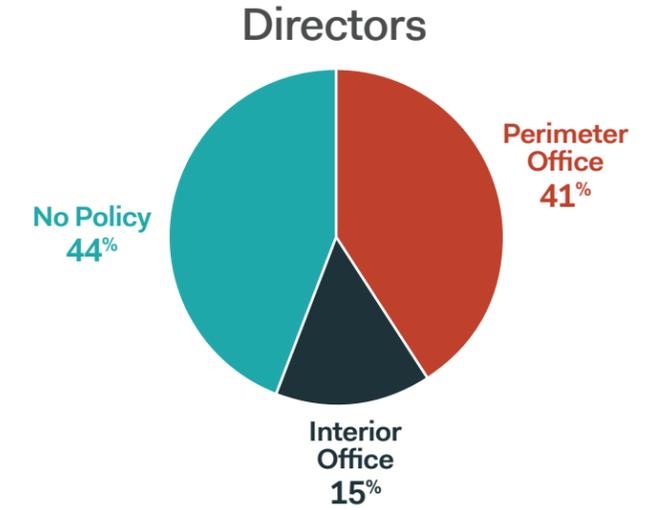
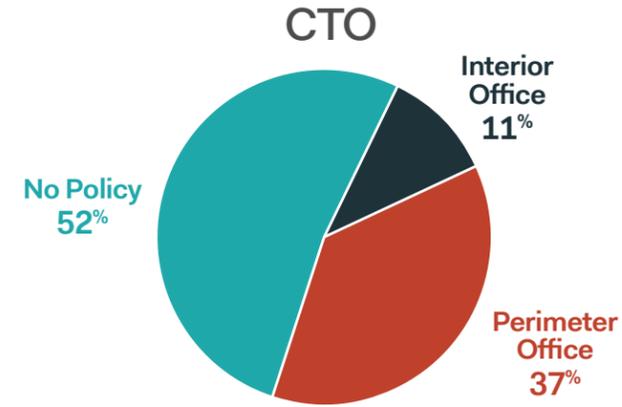
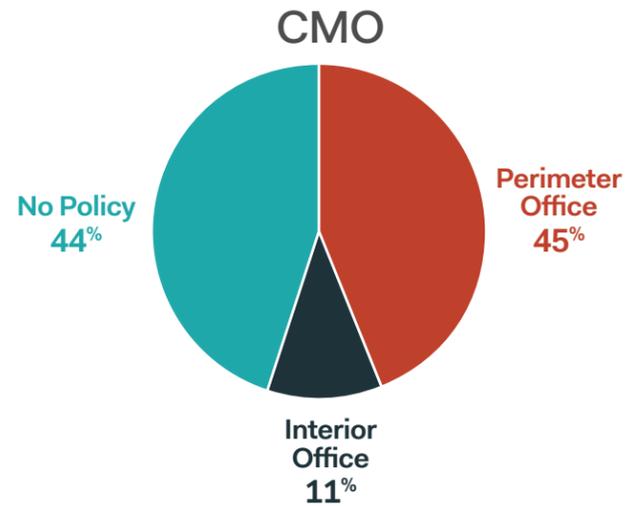
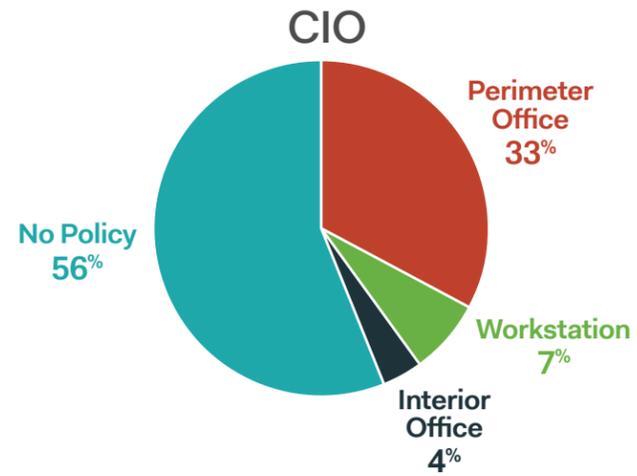
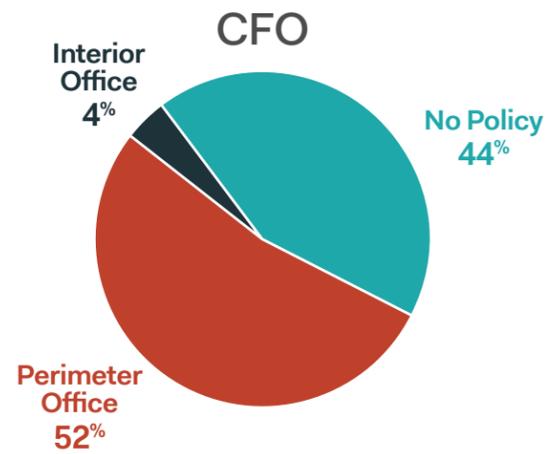
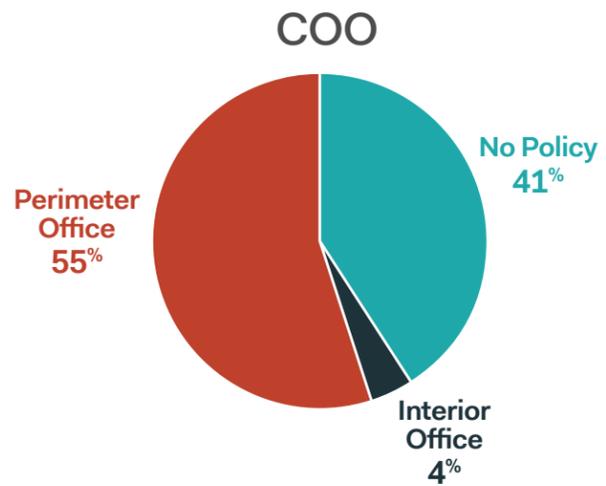


Spaces for Administrative Leadership

The firm's administrative leadership is a group with status and value because they support the work product of the firm. Their expertise and agility have been increasingly important to the firm's success in maintaining competitive

fee structuring, technology, talent development and operations. Their roles and numbers have consistently expanded over the years. As consultants to the industry, we understand that their space requirements vary drastically

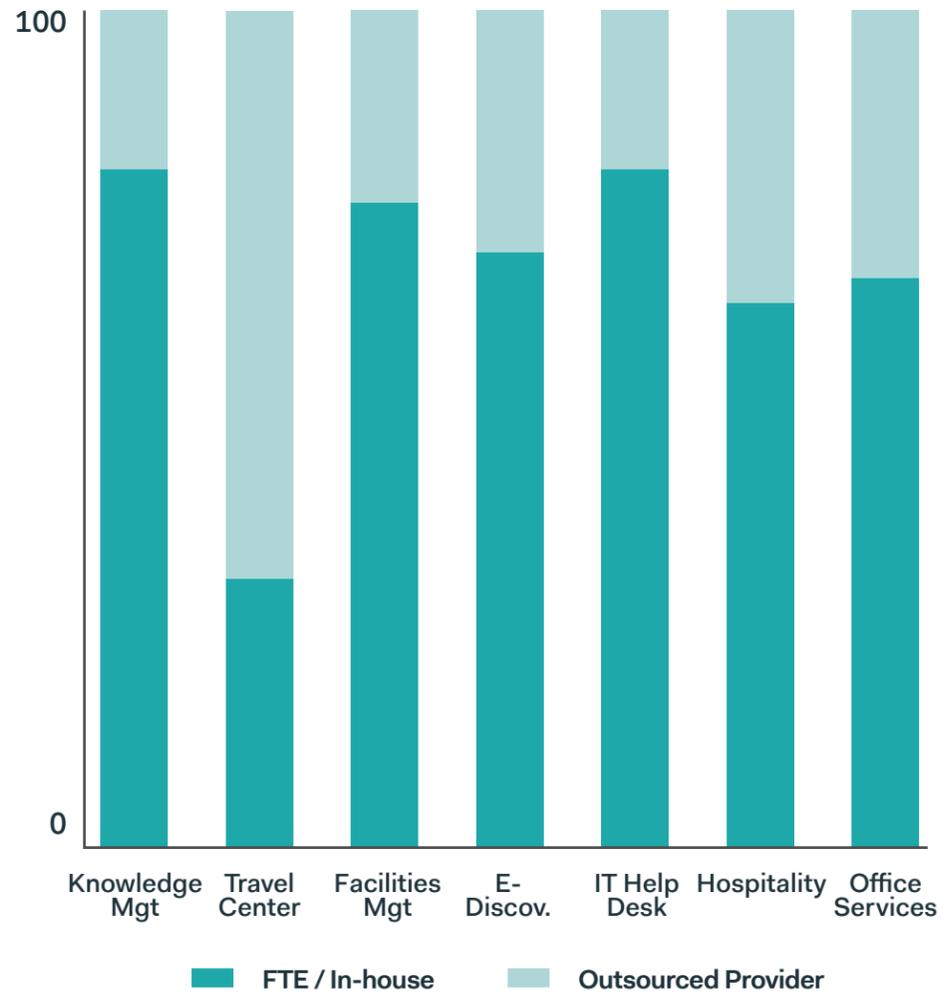
from firm to firm. According to this survey, this group typically has no set policy on space assignments. This may be a vanishing feature as we evolve into one size office. Here is what our respondents noted on how spaces are assigned.



In-House vs. Outsourced

Since the COVID-19 Experience with most or all of the staff working remotely, firms have proven the ability of support staff to be fully remote workers. Larger firms can make a good case for housing administrative groups not physically tied to the office. Options include fully remote, hybrid remote, unassigned desking and less costly physical locations than the main office.

These are service groups and their presence is needed to offer office support, as not all IT services can be accomplished digitally. The housing costs of these groups has helped the trend to outsource their services and operate them with contract employees. Here is the snapshot of regional firms' adoption of outsourcing services.



Impact of the COVID-19 Experience

The forced working from home experiment has changed the industry's perception on where and what is necessary for getting work done. Because, in many cases, the technology was ready to go, the respondents reported little or no dip in receivables.

This fact has fueled the new acceptance of remote working. Because of the culture capital that firms had created prior to the shutdown, they were able to carry on business with a dispersed workforce.

Despite the relatively minimal drop in receivables and productivity over the COVID Experience to date, studies suggest that it may not be sustainable over long or

permanent periods of time. It is especially difficult to maintain a unified strongly knit culture without physical interaction. Virtual meetings can only do so much to reinforce the brand. Although work can continue remotely, certain core functions of a law firm (like hiring and integrating new attorneys, training and mentoring young associates and selling legal services) are severely compromised in the absence of face to face communication.

Relationship and trust building happens when people collide, whether formally or casually, and it remains to be seen whether we will be able to replace these exchanges virtually.



30%
Saw no loss in productivity



50%
Saw only slightly less productivity

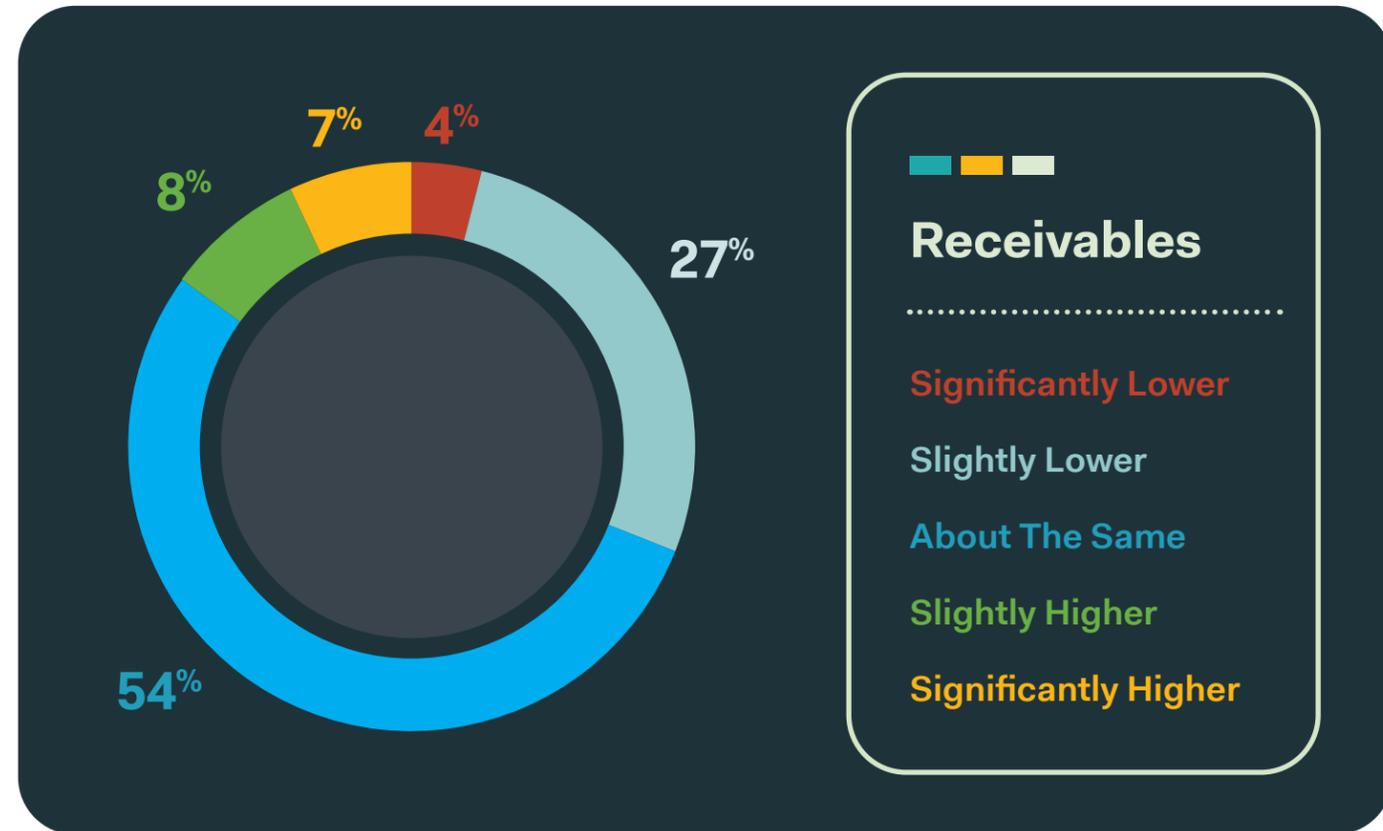
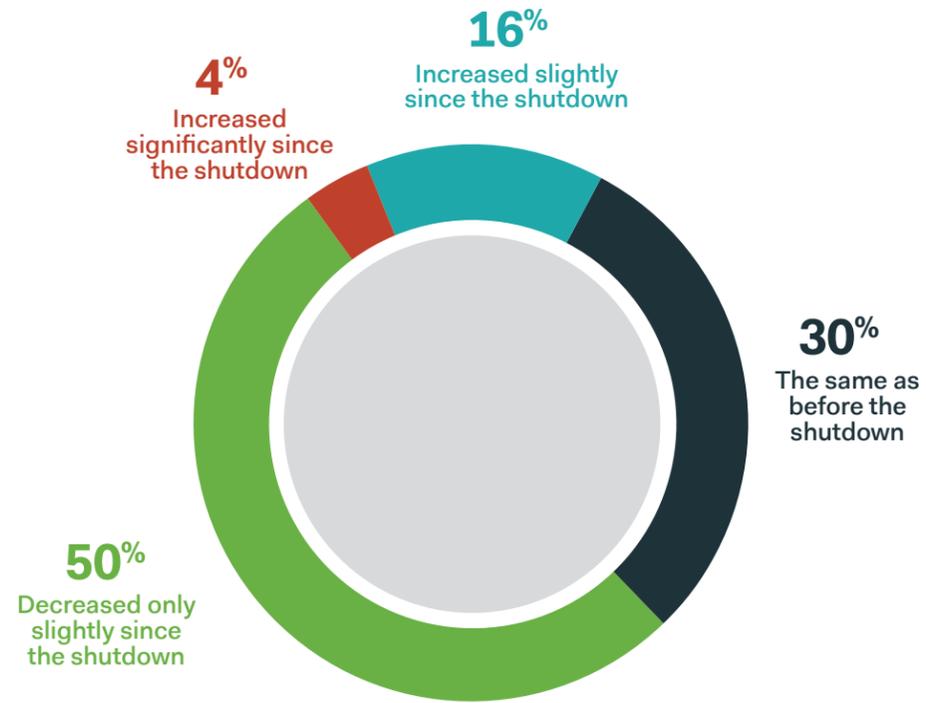


20%
Saw increased productivity

The Productivity Question

For now, over the duration of this survey, there is the ability to continue the legal focus work.

Uncertainties lie in the public activities of hearings, trials, and the courts along with face to face interactions with clients: all at the mercy of the next virus outbreak or wave upward.



Meetings and Amenities

Legal offices have been slow to adopt the constantly evolving changes to workplace landscapes that have been driving corporate space design and usage for the last twenty years. Law firms have been shifting to this activity-based model very selectively over the past ten plus years, improving the occupancy metrics that serve financial models for real estate.

While not abandoning the mandate for offices, new distribution of space has energized the legal workplace, flattened (almost) the office assignments and given way

to more amenities and a variety of collaborative spaces supporting, focus, learning, meeting and social activities. Not faced with the densification levels of the corporate fit out, the law office can make adjustments that will keep their facilities safer during this acute and ongoing viral threat period.

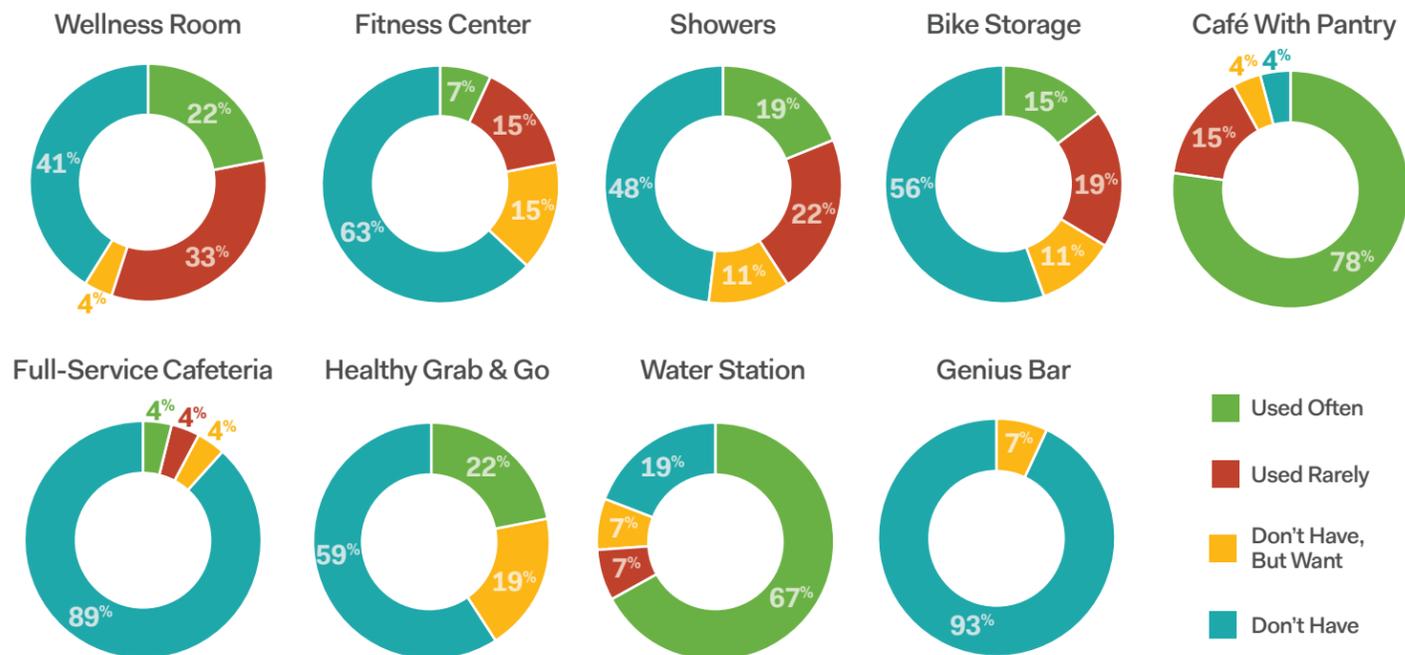
As the legal industry acts on the existence of precedent, the working from home experiment has proven many hard to crack assumptions. They include the workspace size, the experience of being remote and the need for large amounts of storage. The function of meetings and the amenities that the office can offer will be the new testament to an offices' value. These are the elements that will need to

compel people to come to the office rather than working from home. The unique experience of upgraded technology, meeting services and amenities like video conferences, social gathering and alternate working settings will be the draw. Meeting rooms with robust technology that seamlessly includes the remote participant at an equal level will be in high demand.

Amenities will be challenged to compete with the home experience in terms of convenience and comfort. Their adoption will be more focused on health and wellbeing, rather than entertainment. Our survey respondents identified many of those amenities they would embrace given the opportunity.



Amenities & Use Levels



Meeting Spaces

The use of meeting spaces was consistently good for respondents. Most agreed (typically over 90%) that they had the right room available for the required meeting type. Technology in meeting rooms was deemed easy to use (86%) and standardized throughout the firm (60%).

When it came to flexible conferencing, meaning divisible rooms with movable partitions, 64% have them in their facilities while 40% of them rarely move them. These partitions are appealing to any conference center because of their adaptability for making larger rooms. More recently they are being deployed

adjacent to larger break out areas to create expansive market facing capabilities or internal town hall spaces.

The installation of these elements is an expensive investment due to mechanisms and structural supports. Furniture and layouts need to be flexible and movable and an area adjacent to the space will be needed to store the furniture in transition. All big investments but with worthy paybacks vs. renting event space off site. The design process needs to include and validate the scenarios, frequency of use and staff support before investing in this architectural feature.

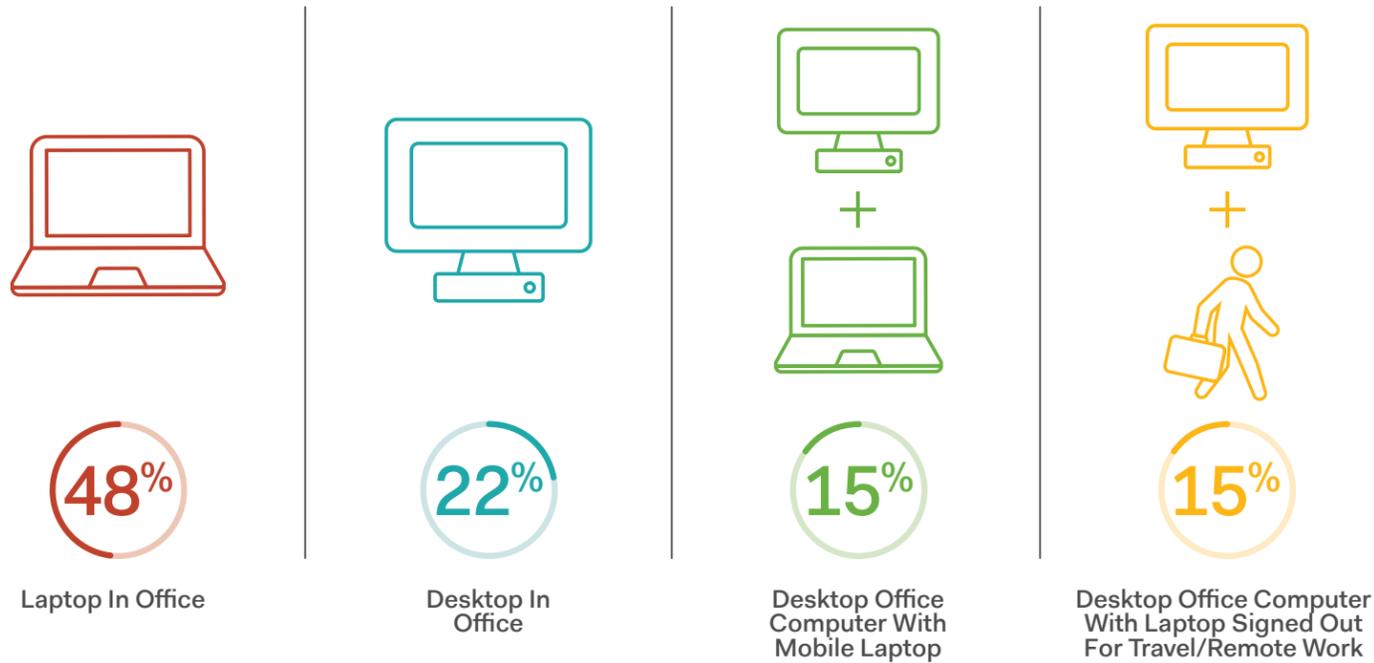


Standards for Technology

The deployment of technology in a firm was never more critical than it was in the first quarter of 2020. Most firms were ready with only a

small amount of down time. The laptop that has been the pivot point in modern workplace landscapes was now the “teaching moment”

for attorneys accepting remote working on a broader scale. Most firms were operating off laptops.



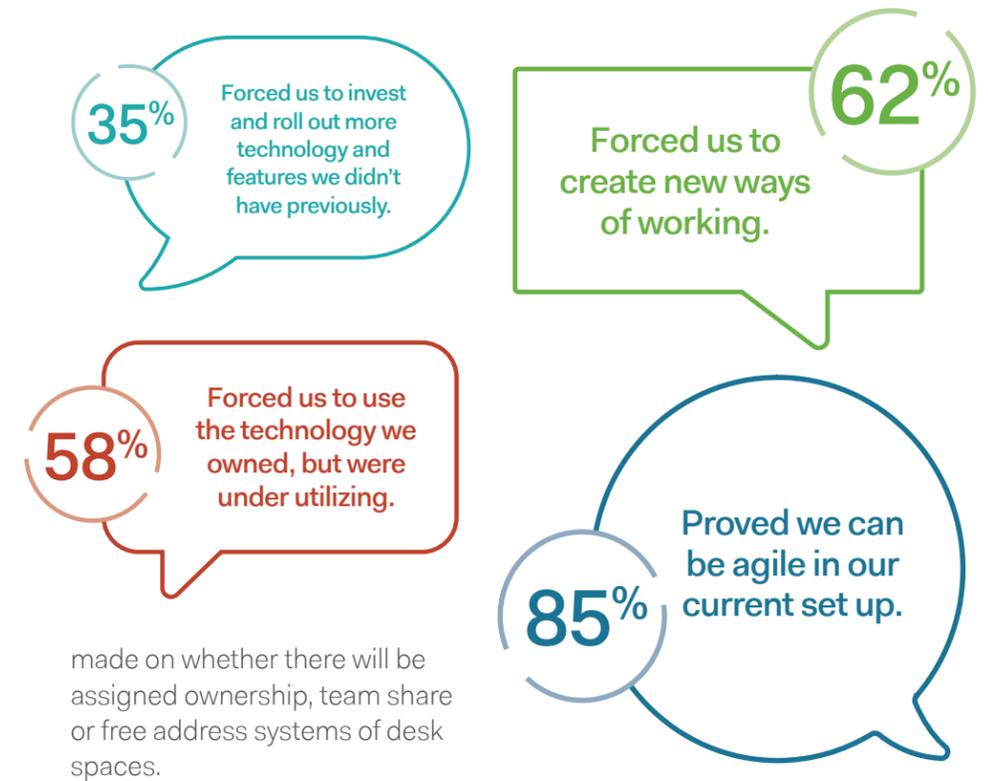
The past several months of working from home will inform the next generation of offices for years to come. We have been away from the office long enough to appreciate those things that were more productive and easier there. Conversely, there is the lesson of what is dispensable and what could be reworked or abandoned. Respondents realized that the pandemic shut down brought on new workarounds and efficiencies that might not have been embraced otherwise.



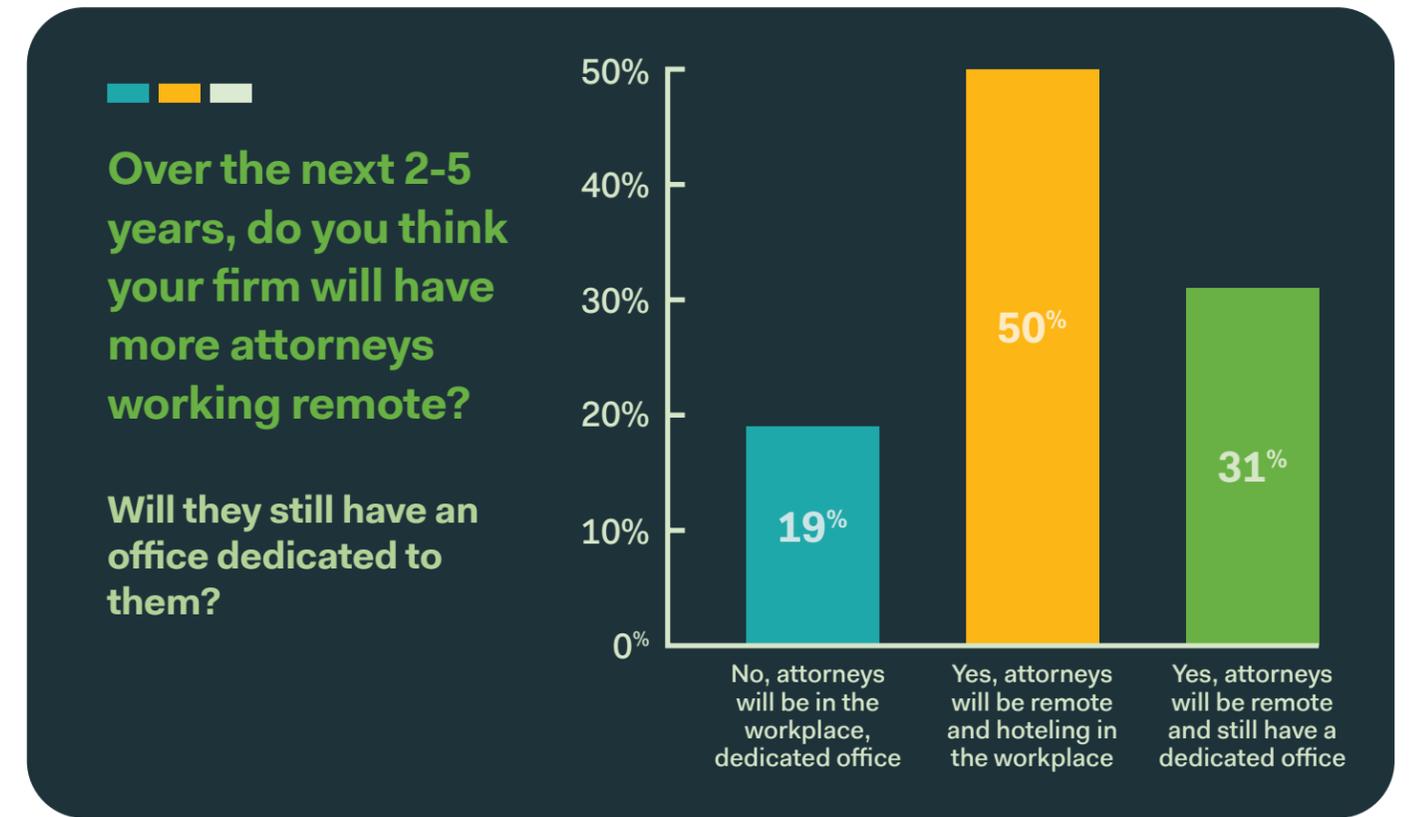
Acceptance of a New Normal

With new confidence in the efficiency of remote work, the office population can be revisited. Hoteling in a law firm is a “sea change” occurrence but like other shifts in culture, it is being brought on by universal events.

Higher priced markets like San Francisco and New York are already dipping their toe into the set up. Upsetting the status structure and culture of space assignment in a law firm is a slow change. There will be questions to explore and decisions to be



made on whether there will be assigned ownership, team share or free address systems of desk spaces.



Predictions for Future Mobility Post COVID-19

What are the correct numbers of alternative and hoteling space for your office population? And lastly, how does it get managed? Mobility brings with it more needs for touchpoints and sign-ins. Future offices are predicted to take on technology and people to meet the challenge: reservation systems and a "community manager" similar to a hospitality concierge that could direct people, groups, tools, and resources. This is a prudent investment since it is now clear that remote working is not going away and there are advantages for the firm to embrace it.

The adoption of any level of remote work for the legal industry is a significant change.

It is wrapped in issues that need pensive discussion. The sweet spot is to offer the flexibility while maintaining the culture and intellectual exchange that happens when people meet. Mentoring and training will need to be monitored and adjusted when mobility is adopted.

The office will be competing with the comforts and convenience of home and will need to provide a robust experience to remain vital to the work. There is also the experience of the individual who interacts virtually with the office. How do firms acknowledge the remote worker as an equal participant to keep cohesion with a team. Technology will be relied upon to give the virtual attendees a comparable interaction as those in the room? It may be time to reimagine the board room with more space per person in a space that more resembles a theater than a traditional conference room.



Of attorneys will work from home at least 2 days a week



Of administrative staff will work from home at least 2 days a week

nearly 40% of our participants expected a reduction of space of at least 11-20%, and another 22% would reduce it up to 30%! This decrease in space commitments will have impacts on how the office is designed, configured and furnished and which areas are dedicated for each individual worker. While the end of the law office is obviously overstated, it is clearly time to rethink it.

Leases are not financial instruments. They cannot be sold early because of a change in value. By their very nature, they are long term commitments, with obligations that exist until a specific date. While there are some changes that can be made within an existing footprint, the real changes prompted by COVID-19 will likely have to wait until the "next office".

Future Reduction Estimate

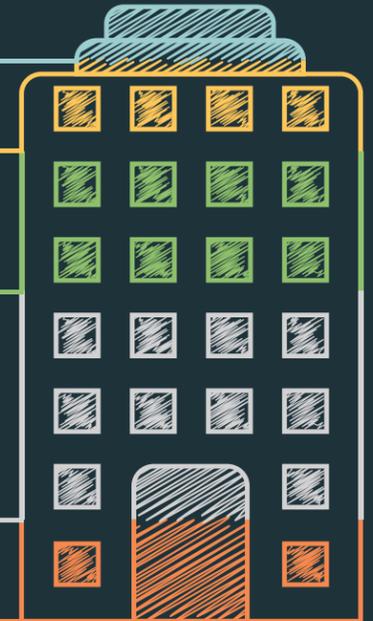
9% Anticipate a 41-50% Reduction

14% Anticipate a 31-40% Reduction

22% Anticipate a 21-30% Reduction

36% Anticipate a 11-20% Reduction

18% Anticipate up to a 10% Reduction



Design Priorities for the Next Office



Total Cost of Office Space

1



Location

2



Type of Building (Class A)

3



Building Amenities

4



Adjacent to Other Firms

5

As leases terminate and renew there is a wide new view that will happen when it comes to assessing and designing space. Priorities have shifted. The mandate to be City Hall court adjacent is no longer number one on the list. Building amenities has moved up the list and building owners are scrambling to meet the need.

With the likely end of the 9-5 workday and office workers committing to working remotely at least some of the time, location is less important. Dedicated offices may be less important. Depending upon a firm's profitability and talent pool, it will have to weigh real estate savings against operational changes. Some firms will likely move to a hoteling approach, while others will continue to keep the dedicated office as a perk to professionals.

Summary

This extended period away from the office has likely changed forever some things about how legal professionals want to live and work. The COVID Experience served as an expediter – for technology integration, for flexibility in life/work balance, and inevitably for the management and delivery of legal services. Many functions that had previously been relegated to the office are now taking place on a sofa in the living room or at the kitchen counter. Driving or commuting to an alternative location for 40-60 hours a week may never return. If typical work functions can be completed efficiently at home, firms will have to find ways to bring hospitality to the workplace, offering opportunities to collaborate and collide that give people a reason to want to come to work.

The evolution of the law firm is real, and these changes will survive the pandemic. The successful law firm of the future will efficiently deliver top tier legal services to its clients while simultaneously meeting the flexibility, well-being and mobile technology needs of its attorneys and staff.

To receive a printable version and full survey data please email lcharleson@fcarchitects.com

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