

The Legal Tenant

savills

TOP 100 AM LAW FIRMS

2024 Law Firm Benchmarking Report

Powered by Savills Research & Data Services

Am Law 100 firms have drastically reduced square footage per attorney office, but this transition has been slow to reflect in actual efficiencies per attorney.

The widely used square-foot-per-attorney (sf/atty) metric for Am Law 100 firms continues to be much higher on average than the 500-750 sf/atty target occupancy ratios most firms plan for.

Firms at one time planned for 900-1,000 sf/atty, but now aim for significantly lower numbers. We have observed attorney office sizes decreasing for both partners and associates, and law firms are exploring new approaches to utilizing their office space.

The Legal Tenant analyzed market lease data collected by Savills Research, and attorney numbers reported to *The American Lawyer* by firm and *The National Law Journal* by office in 2024. Over 1,400 Am Law 100 firm locations across the U.S. were reviewed to evaluate their actual space use per reported attorney, rather than space use per attorney seat, and The Legal Tenant found:

- **The average efficiency of Am Law 100 offices is 937 sf/atty.**
- **Among these firms' locations, 30.4% fall within the 750-1,000 sf/atty range, while 37.3% exceed 1,000 sf/atty.**

Despite the dramatic shift in space planning, actual efficiencies per reported attorney have been sluggish to decline to target levels.

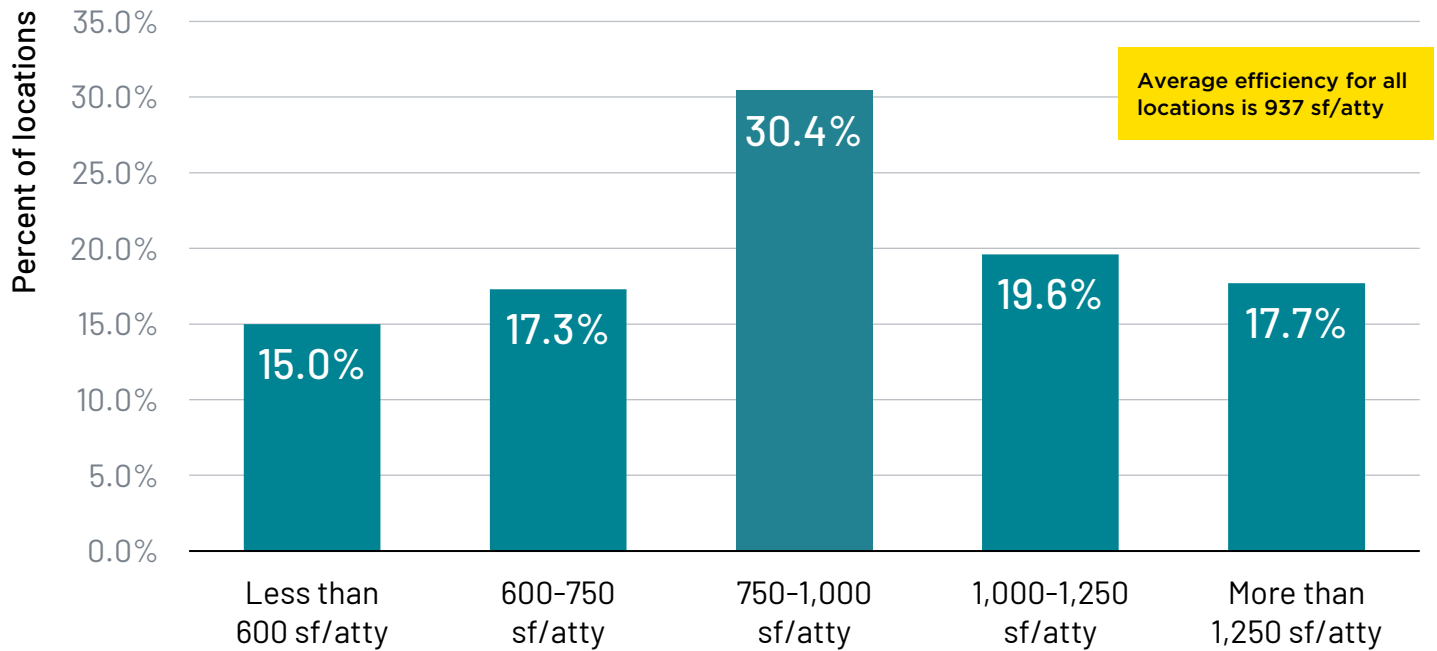
Why Might This Be?

- Offices are not fully occupied. If workspaces are empty, the sf/atty metric increases despite the efficiency of the space configuration. Having 100% of attorney seats full throughout the term of a lease would be unusual. Unoccupied offices and additional seats can accommodate future growth, house contract attorneys, and accommodate summer associates who may not be included in the reported attorney numbers. Extra offices also allow for visitors and the reservation of private space. Additionally, if a firm allocates space by practice group, it can leave room between groups.
- There are many legacy leases with old-style configurations that one would expect to see replaced with more efficient spaces as time passes.
- It is often more economical to remain in a less efficient location than to bear the costs of renovating space.

Note: These numbers are based on square feet per self-reported attorney, not square feet per as-built attorney office.



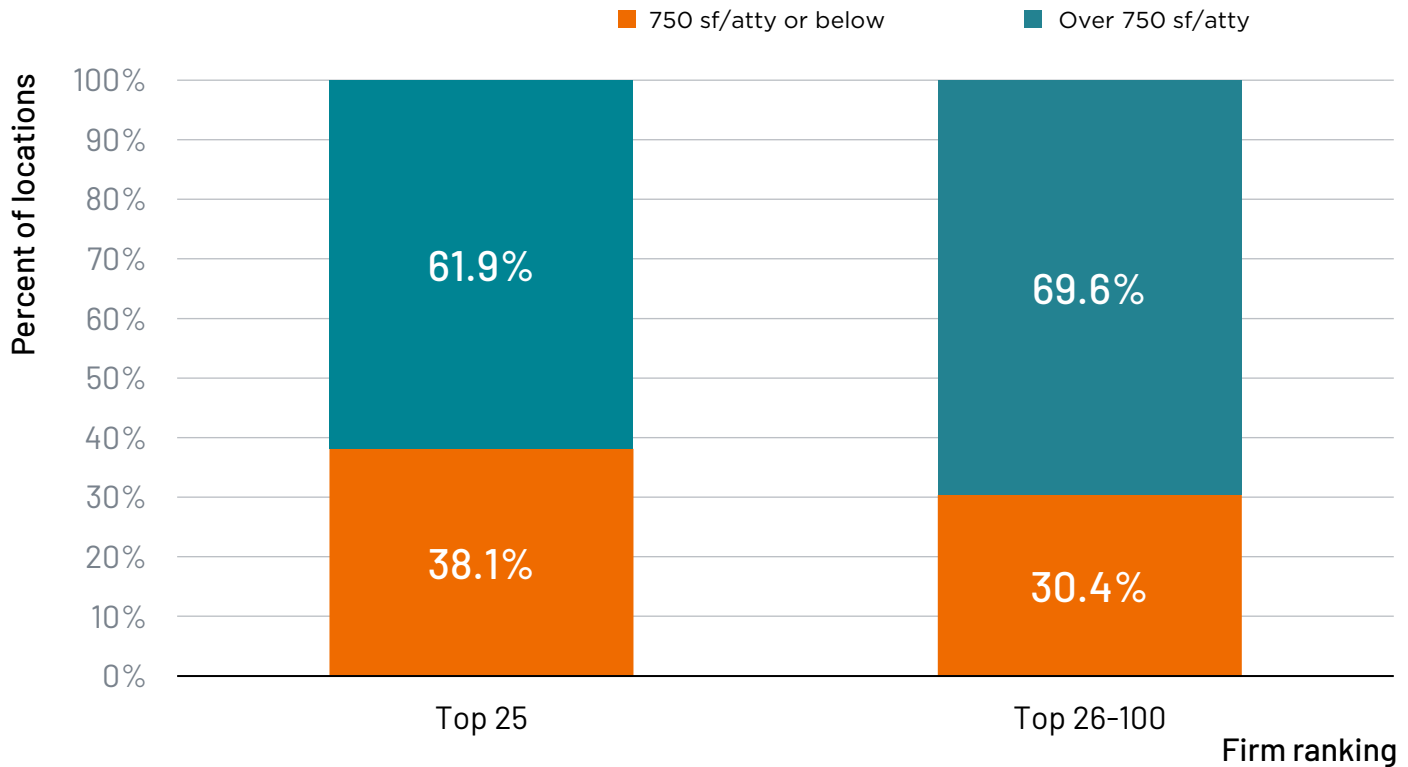
Overall efficiency hierarchy of U.S. locations



Source: Savills Research, The American Lawyer, The National Law Journal

Efficiency comparison of locations by Am Law ranking

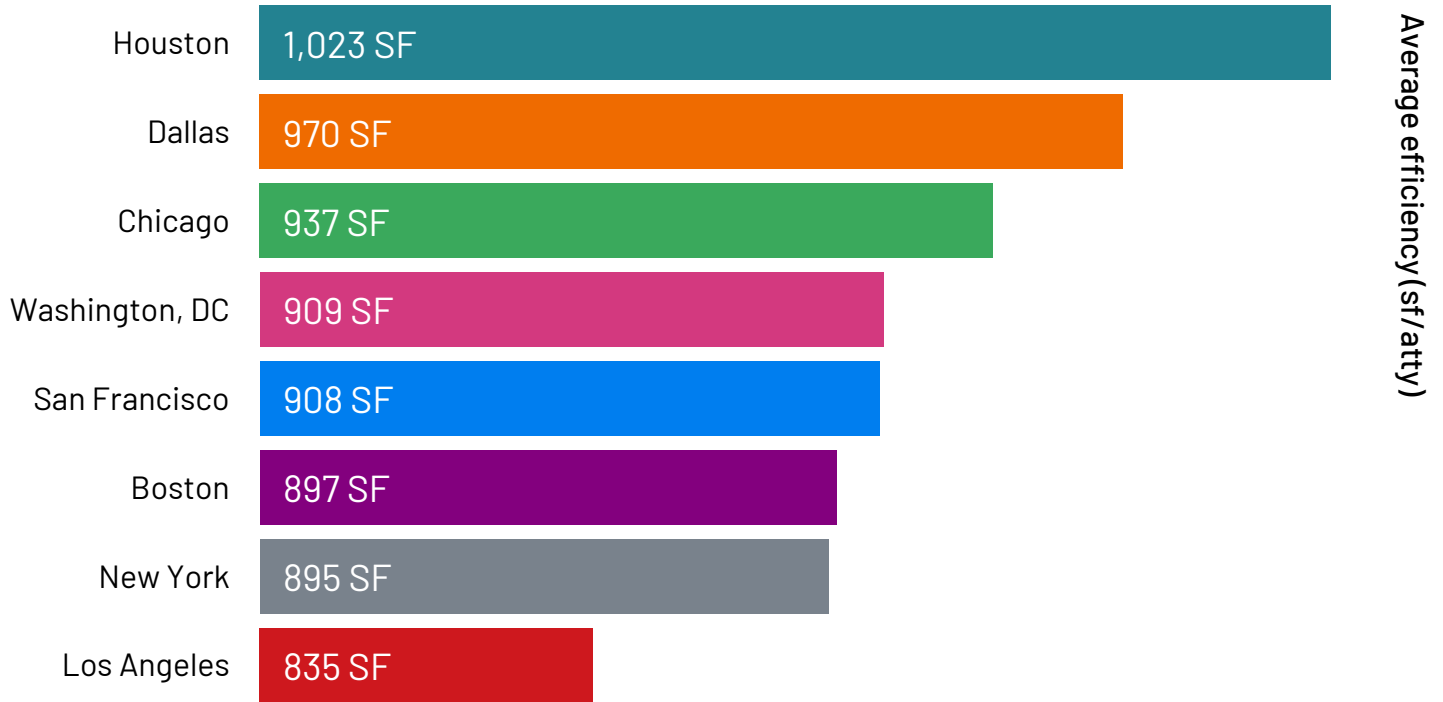
TOP 25 VERSUS TOP 26-100



Source: Savills Research, The American Lawyer, The National Law Journal

The top 25 Am Law firms are slightly more efficient in their space use overall, with 38.1% of locations at 750 sf/atty or below, whereas firms ranking 26-100 have only 30.4% of locations meeting that benchmark.

Efficiency in core law firm markets

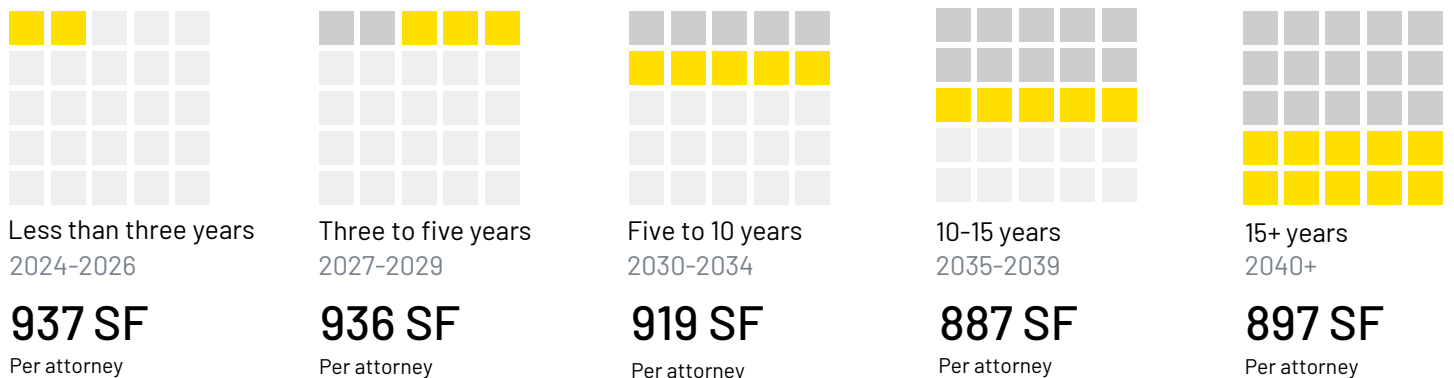


Source: Savills Research, The American Lawyer, The National Law Journal

Averages can differ significantly in sf/atty metrics due to the unique dynamics of each office market. For example, New York’s high loss factors, averaging 27% for larger, full-floor tenants, contribute to its higher-than-expected ratios. The cultures of cities and regions also drive diverse office sizes and levels of administrative support. Houston has an above-average efficiency ratio among core law firm markets, averaging 1,023 sf/atty, while Los Angeles is the most efficient market, averaging 835 sf/atty.

Efficiency by future lease expiration date

FUTURE LEASE EXPIRATION (1 BLOCK = 1 YEAR)



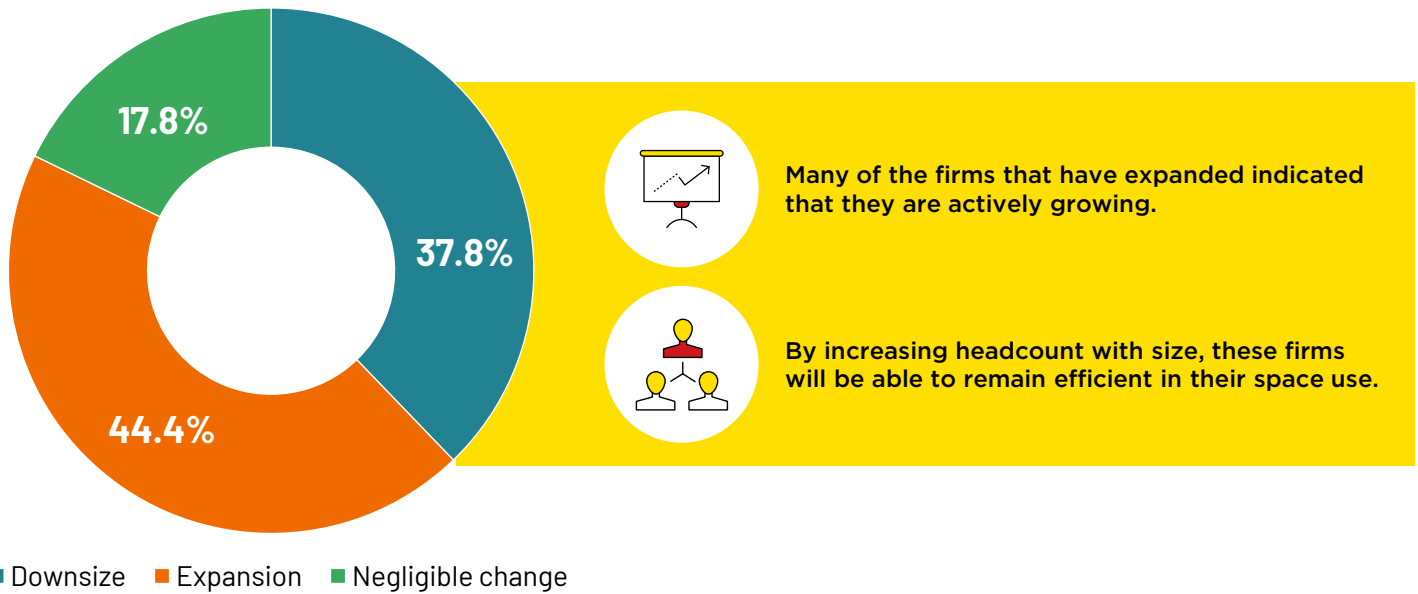
Source: Savills Research, The American Lawyer, The National Law Journal

Examining efficiency by the future expiration date (correlated with when leases were signed) shows Am Law 100 firms reducing their space use over time.

Upcoming leases expiring in less than three years average 937 sf/atty, but that number drops as firms with terms expiring in 15 years or more average 897 sf/atty.

2023 Am Law leases split by occupancy change type

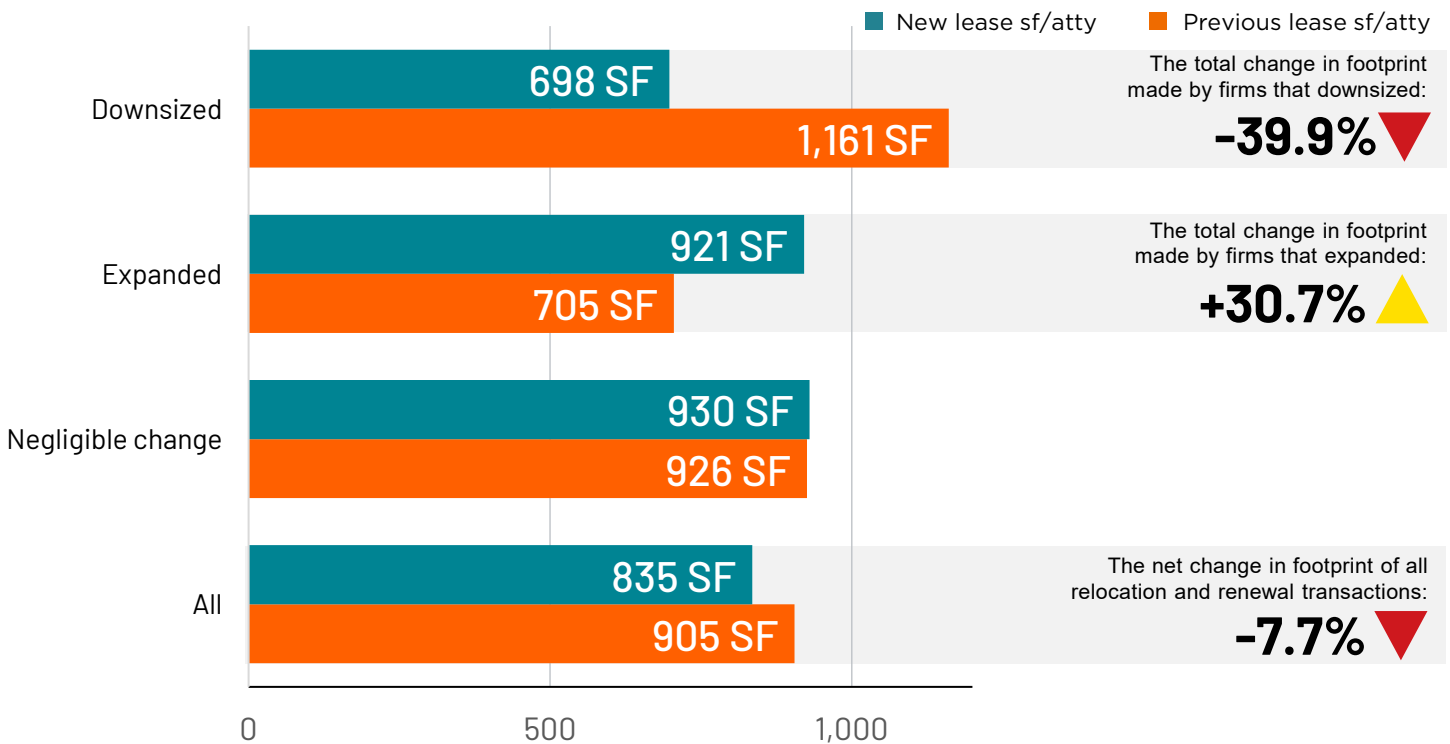
INCLUDES AM LAW 100 RENEWALS AND RELOCATIONS OVER 20,000 SF SIGNED IN 2023



Source: Savills Research, The American Lawyer, The National Law Journal
 Negligible changes are defined as less than 5,000 square feet of difference between leases.
 Changes in size are noted between each firm's last major transaction and its next relocation or renewal.
 This data is calculated by the number of leases signed in each occupancy change category.

Efficiency change in recent Am Law leases

INCLUDES AM LAW 100 RENEWALS AND RELOCATIONS OVER 20,000 SF SIGNED IN 2023



Source: Savills Research, The American Lawyer, The National Law Journal
 The analysis in the chart above compares efficiency shifts between major transactions by calculating the sf/atty ratio for each firm's previous lease and new lease (relocation or renewal) and are then averaged for each category (downsized, expanded, negligible, and all firms).

The percentages in the callouts above represent the change in legal sector footprint within each category (downsized, expanded, and all). They are measured by calculating the difference in total square feet leased among all firms' previous leases compared to new leases (relocation or renewal).

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