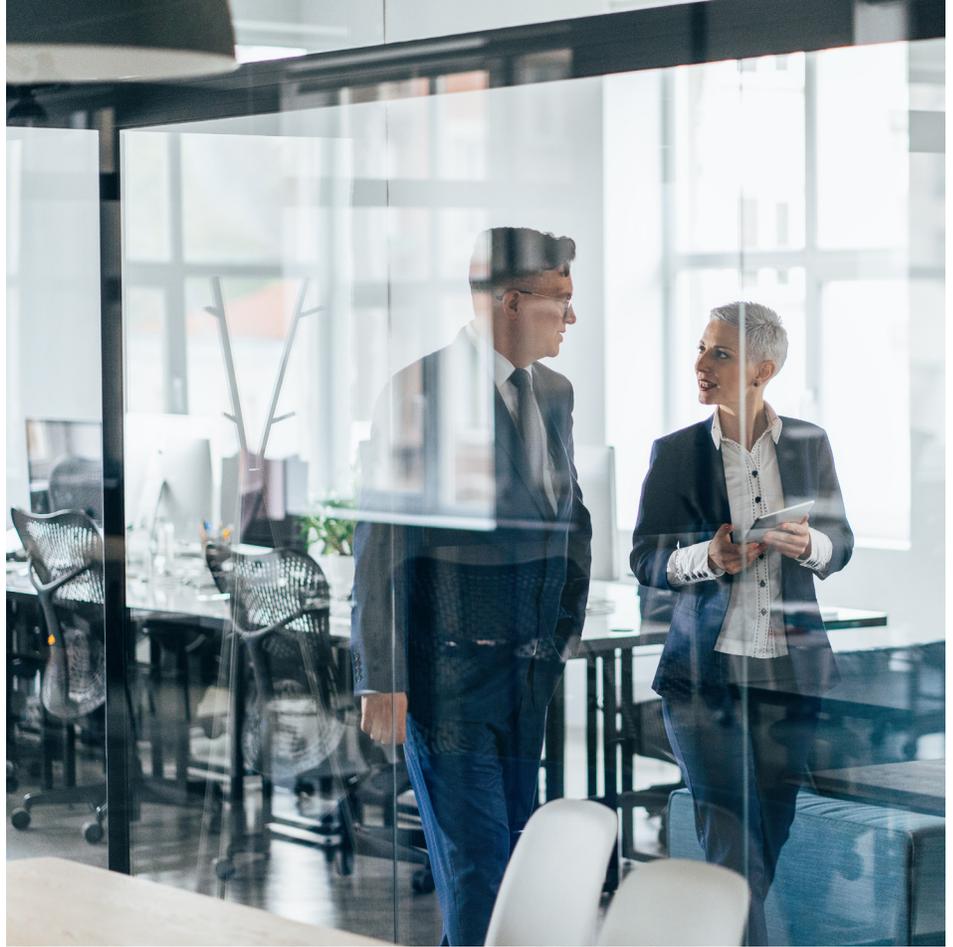


Savills U.S. Law Firm Activity Report



Q1 2022

The Legal Tenant analyzed law firm transactions over 20,000 square feet (sf) across key U.S. markets and found, as is typical of most first quarters, the pace of office leasing slowed at the start of the new year. While still well-above the lows seen earlier on in the pandemic, leasing volume within the legal sector was relatively tepid at 1.1 million square feet (msf) compared to the last two quarters which were well above 1.5 msf each.



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Los Angeles saw the most demand in Q1 with seven transactions completed, accounting for 26% of national law firm leasing activity (by square footage). In 2020 and 2021, LA placed fourth behind New York, Chicago and Washington, D.C. for total leasing volume, so this marked a sizeable return in law firm demand for the market.

66% of all law firm leases signed in the quarter were relocations by square footage. Relocations dropped off during the pandemic when firms shifted heavily towards renewals. As pandemic uncertainty recedes, law firms are becoming increasingly more confident about taking advantage of soft market conditions and relocating, often into newer, higher-quality spaces.

By the Numbers

1.1 msf

of legal sector leases over 20,000 sf signed in Q1

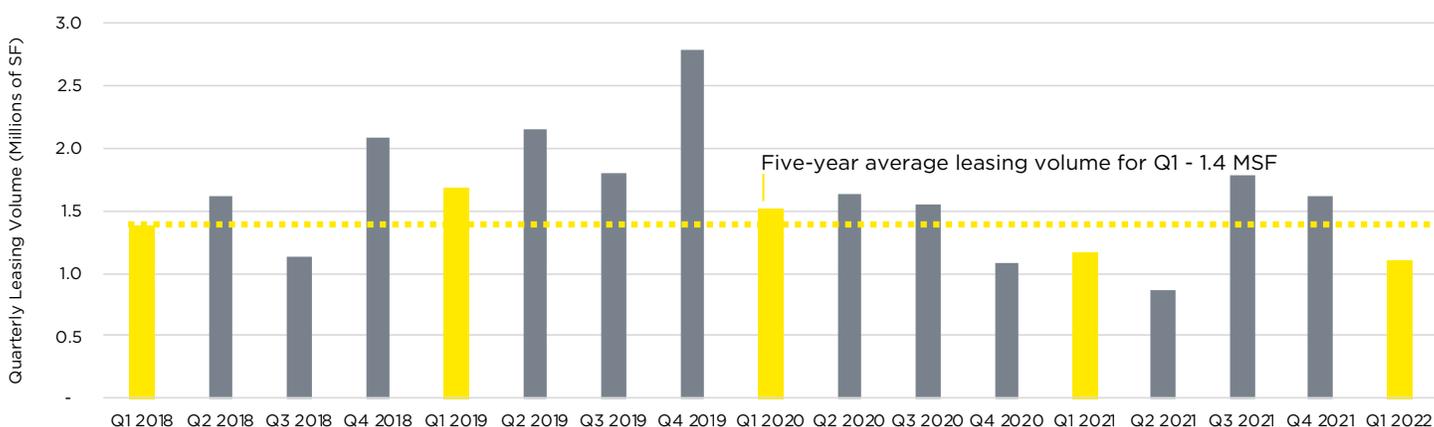
26%

of activity by square footage came from the LA office market

66%

of leases were relocations by square footage

Quarterly Law Firm Leasing Activity



For the first time throughout the pandemic, there was not a single law firm lease signed for over 100,000 sf in Q1. The largest transaction of the quarter was completed by Foley & Lardner LLP in a renewal at 3000 K Street NW in Washington, DC for 95,000 sf. Nearly two decades ago, the firm was in over double that amount of space in the same building, reducing their footprint over time by giving back space they didn't need and extending what they did. There may be fewer leases over the 100,000-sf threshold in the future as the square foot per attorney ratio shrinks.

Notable law firm leases signed in Q1 2022

Market	Law Firm	Address	Size (SF)	Transaction Type
Washington, DC	Foley & Lardner LLP	3000 K St NW	95,000	Renewal
Los Angeles	Buchalter	1000 Wilshire Blvd	87,217	Relocation
Chicago	Skadden, Arps, Slate, Meagher & Flom LLP	320 S Canal St	87,000	Relocation
Denver	Wheeler Trigg O'Donnell	370 17th St	75,633	Renewal
Charlotte	Alston & Bird	1120 S Tryon St	55,312	Relocation

Return to Work

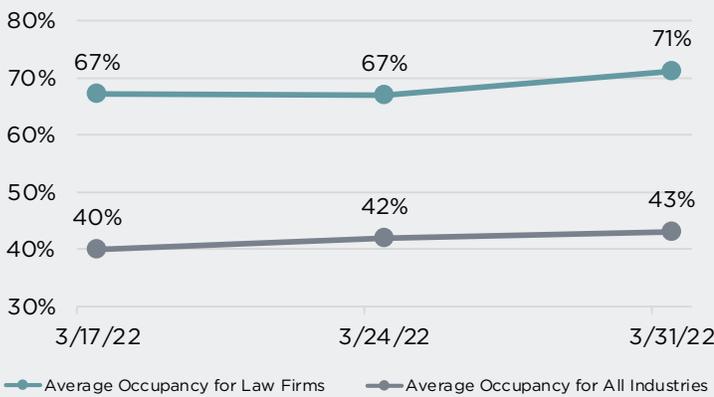
Legal sector
occupancy outpaces
all other industries
in the return to
the office

Law firm employees are returning to the physical workplace almost 30% more than other sectors according to data collected by Kastle Systems. While many firms are adopting more remote work flexibility, coming into the office allows for more mentorship opportunities, collaboration, and cultural growth.

As the number of workers returning to the office continues to increase, leasing activity will likely follow suit, and firms are expected to focus on how their leasing decisions will entice employees back to the office.

As activity rises, options are already beginning to dwindle in prime properties within key talent locations, and best-in-class space is seeing an increase in pricing.

Kastle Systems Badge Swipe Data - Back to Work Barometer



Source is Kastle Systems Badge Swipe Data.

Q1 2022 National Occupancy

71%

average occupancy for law firms

43%

average occupancy for all industries

Q1 2021 National Occupancy

37%

average occupancy for law firms

24%

average occupancy for all industries



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