

Savills U.S. Law Firm Activity Report



Q2 2019

The Savills *Legal Tenant* reviewed law firm activity over 20,000 square feet (sf) through the first half of 2019, tracking transactions across key U.S. markets. Nearly 4.0 million square feet (msf) were leased by law firms in this period, comprising a mix of relocations, renewals and expansions.

New York and Washington, D.C., most active markets

Of the 4.0 msf of law firm activity seen so far this year, Manhattan and the District of Columbia were the most active markets, accounting for 25.1% and 14.4% of transactions, respectively. Law firms in Houston and Chicago's CBD were also relatively active, accounting for 10.8% and 9.7% of total law firm activity, respectively. With concessions at peak levels in both Manhattan and Washington, D.C., firms are capitalizing on current offerings whether making a move or staying in place.



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Major Law Firm Leasing Transactions Q1 2019 - Q2 2019

Market	Address	Leased SF	Law Firm	Transaction Type
New York	1 Bryant Park	280,000	Akin Gump Strauss Hauer & Feld LLP	Renewal
Boston	155 Seaport Boulevard	164,703	Foley Hoag LLP	Renewal
New York	200 Park Avenue	144,451	Hunton Andrews Kurth LLP	Renewal
Houston	600 Travis Street	134,763	Hunton Andrews Kurth LLP	Renewal
New York	7 Times Square	120,000	Pryor Cashman LLP	Renewal
Atlanta	1220 Peachtree Street	115,000	Jones Day	Relocation
New York	30 Rockefeller Plaza	109,572	Sheppard, Mullin, Richter & Hampton LLP	Renewal
Washington, D.C.	950 F Street NW	106,563	Alston & Bird LLP	Renewal
Chicago	110 N Wacker Drive	101,840	Perkins Coie LLP	Relocation
Houston	1100 Louisiana Street	91,264	King & Spalding LLP	Renewal
New York	1290 Avenue of the Americas	89,715	Linklaters LLP	Relocation
Chicago	110 N Wacker Drive	87,000	Morgan, Lewis & Bockius LLP	Relocation
Charlotte	620 S Tryon Street	83,859	Parker Poe Adams & Bernstein LLP	Relocation
Washington, D.C.	1700 Pennsylvania Avenue NW	83,000	King & Spalding LLP	Renewal
Washington, D.C.	2099 Pennsylvania Avenue NW	79,126	Sheppard, Mullin, Richter & Hampton LLP	Renewal

Source Savills Research

39.5% of firms over
50,000 sf relocated,
compared to 82.1%
of firms under
50,000 sf

Smaller firms on the move, larger firms more likely to renew

Relocations significantly outpaced renewals, accounting for 57.8% of total midyear law firm activity. Still, smaller and mid-sized firms were more likely to make a move. 39.6% of firms over 50,000 sf relocated, compared to 82.1% of firms under 50,000 sf. Of the largest ten transactions seen in this period, only three were relocations. New construction is a top choice in markets where the development pipeline is plentiful, with 28.6% of all relocations occurring in new product. Rightsizing remains a prevalent trend with the majority of large firms shedding space or holding footprint flat on both relocations and renewals.

Law firm demand becoming less of a market driver

Compared to other industries, legal demand accounted for a small portion of national leasing. Law firms made up 5.9% of total midyear volume. Technology, advertising, media and information tenants—including “tech giants” like Amazon, Facebook and Google—accounted for 28.9% of all square footage leased. Even coworking accounted for more volume, comprising 9.6% of activity. And while Manhattan and Washington, D.C., saw the bulk of law firm activity this year, relatively, the sector was not a dominant driver. Law firms accounted for 8.0% of activity in Manhattan and just 6.7% in Washington, D.C.

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