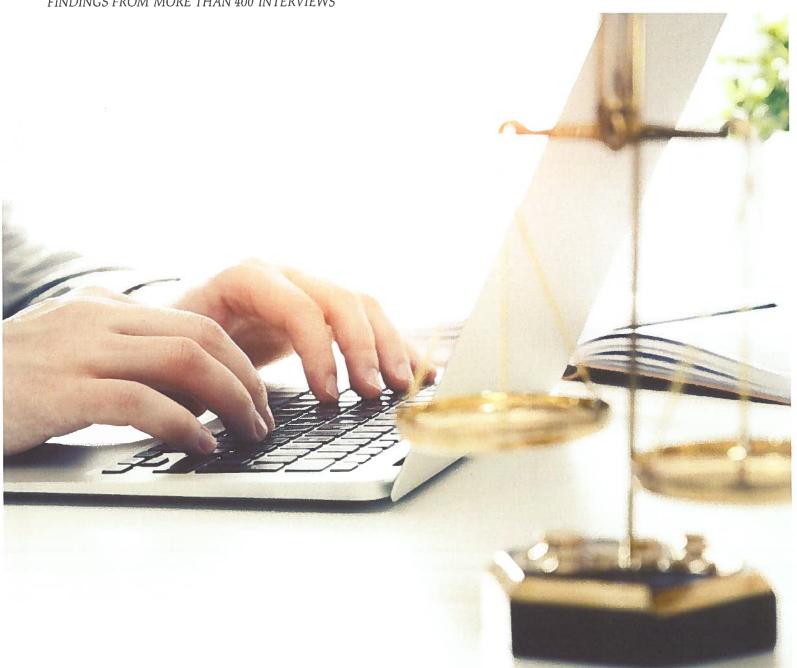
A LAW FIRM'S GUIDE TO OFFICE SPACE UTILIZATION POST COVID

FINDINGS FROM MORE THAN 400 INTERVIEWS



THE CHALLENGES, OPPORTUNITY, AND FUTURE OUTLOOK OF OFFICE SPACE FOR ATTORNEYS IN THE POST-PANDEMIC ERA

BY: JEFFREY D. PATTERSON AND ROB BLAKESLEE

Jeffrey D. Patterson | Equity: jpatterson@equity.net, (407) 948-1425 Rob Blakeslee | Blakeslee Design Consultants, LLC; blakeslee@aol.com, (407) 415-1872



CONTENTS

```
3 // OBSERVATIONS //
     3 // What is the Future
     4// Zoom/Teams/Go To Meeting Pros/Cons
     4 // Perspective
5 // THE BOTTOM LINE //
     5 // Purpose
     5 // Personality
     5 // Production
     6 // Safety - Stats And Charts
     6 // Flexibility And Hybrid
     7 // Statistics
8 // THE PRACTICE OF LAW //
     8 // Size Matters And So Does Design
9 // FUTURE OFFICE 2023 //
     10 // Workplace Change Management
     11 // Adaptions
12 // PREDICTIONS & CONCLUSIONS//
13 // KEY TAKE AWAYS //
14 // AUTHORSHIP //
```

OBSERVATIONS

BY: JEFFREY D. PATTERSON, SENIOR VICE PRESIDENT & MARKET DIRECTOR OF EQUITY

NEARLY EVERY DAY OUR LAW FIRM CLIENTS ASK US, "WHAT IS THE FUTURE OF OFFICE SPACE FOLLOWING THE MAJOR DISRUPTIONS RESULTING FROM THE COVID-19 PANDEMIC?" AND "WHAT WILL HAPPEN TO ALL THE OFFICE BUILDINGS?"

HAVING CONDUCTED MORE THAN 400 INTERVIEWS, WE PRESENT THESE HIGHLIGHTS FROM OUR FINDINGS.

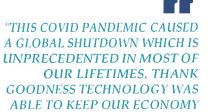
Most of us—okay all of us— are weary of dealing with restrictions, mandates and fears of the unknown stemming from the COVID-19 pandemic. Who could have predicted the global shutdown of 2020, something unprecedented in our lifetimes. The last one we can think of was polio back in the late 1940's and early 1950's, which occurred before most of us were born.

Fortunately, in this case, technology kept our economy going. Yes, travel restrictions and protocols limiting social contact were enforced in an effort to save lives and prevent further spread of the disease.

As a result, business moved online. Zoom rooms, Teams meetings and Go To Meeting video calls became the norm. The digital paradigm shift led to a remote work renaissance, and, because of the convenience and efficiency of online collaboration and communication, a new standard was set.

The bottom line is that we all have accepted—to some degree—this new way of communicating. It absolutely has proven valuable, but not without some drawbacks.

Let's look at the pros and cons of remote working.



GOING."

4 // OBSERVATIONS //

Pros:

- Remote working can increase efficiency, productivity, and communication
- Business travel is no longer necessary
- Companies and employees save on gas

Cons:

 It is challenging to forge new relationships and build trust with clients in an online-only setting.

In law, trust is essential as clients are relying on their attorneys to best represent them in their case. Most (approximately 80%) said face to face was best in developing new business.

Virtual communication is not as effective in mentoring situations. A lot of the value of mentoring is "in the moment and spontaneous." It cannot always be scheduled.

John Morgan of Morgan and Morgan, the Nation's largest Personal Injury Law Firm says, "If I thought working remote was more productive, I would have done it 20 years ago."





ATTORNIES, PATRICK McGEE & JAMES POWERS
TOURING OFFICE SPACE WITH JEFF PATTERSON FEB. 2022

Perspective:

Think of the money in overhead, time, and gas saved (efficiency) versus thinking of money you won't make due to reduced productivity. Think of the people you won't meet, the relationships you won't have and the experiences that will be missed if you only interact in the virtual world.

As mentioned above, the positives of using technology most notably include efficiency and a decrease in overhead costs. The negatives include a lot of intangibles in a reduction in new business, spontaneous collaboration, and mentoring opportunities.

"WE WERE QUICKLY GROWING AND WANTED TO FIND A SPACE FOR TRUE INTEGRATION, COLLABORATION, AND LONG-TERM SUCCESS."

> -PHIL C. APPENZELLER JR., CEO OF MUNSCH HARDT, SAID IN A STATEMENT. APRIL 2022

THE BOTTOM LINE

ULTIMATELY IT BOILS DOWN TO PURPOSE, PERSONALITY,
PRODUCTION, AND SAFETY. THE GOOD NEWS IS WE ARE MOVING OUT
OF IT. WHAT DOES THAT MEAN AND WHAT IS THE NEW NORMAL?
FLEXIBILITY AND HYBRID.

PURPOSE:

According to Harvard Business School Professor Ranjay Gulati, this disruption has caused people to want more out of their lives. They want purpose. It's a phenomenon dubbed "the great rethink," and firms that leverage purpose to connect with employees, potential candidates and clients translates into profits.

PERSONALITY:

There are two basic types of personalities: introverts and extroverts.

- Introverts may enjoy and thrive in a remote work or work from home scenario.
- Extroverts do not. Extroverts feed off human interaction and thrive in inperson social settings.



RIVERS DO NOT DRINK THEIR OWN WATER; TREES DO NOT EAT THEIR OWN FRUIT; THE SUN DOES NOT SHINE ON ITSELF AND FLOWERS DO NOT SPREAD THEIR FRAGRANCE FOR THEMSELVES. LIVING FOR OTHERS IS A RULE OF NATURE, WE ARE ALL BORN TO HELP EACH OTHER.

NO MATTER HOW DIFFICULT IT IS... LIFE IS GOOD WHEN YOU ARE HAPPY; BUT MUCH BETTER WHEN OTHERS ARE HAPPY BECAUSE OF YOU.

- POPE FRANCIS

PRODUCTION:

The true test is in production. Most lawyers need and value professional collaboration and face-to-face interaction to increase innovative thinking, creativity, and motivation. One of the many the challenges of remote working is drive and focus. What is missing is spontaneous brain storming, collaboration, and the synergies of interaction.

Regardless of which personality you and your associates possess, you will eventually want and need some time back in the office.

Steve Jobs obsessed over the design of Apple's office space because he saw the value. Fifteen to 20 years ago, Apple and Pixar—under his leadership—had offices that were all about collaboration and attention to detail. This was reflected in the design of everything, from the cafés and common areas and to even strategically located and limited restroom facilities.

As a result, Apple became the world's most valuable company.

Elon Musk recently made the bold statement that "Anyone who wishes to do remote work must be in the office for a minimum (and I mean *minimum*) of 40 hours per week or depart Tesla. This is less than we ask of factory workers..." Musk added, the office must be the employee's primary workplace where the other workers they regularly interact with are based — "...not a remote branch office unrelated to the job duties."

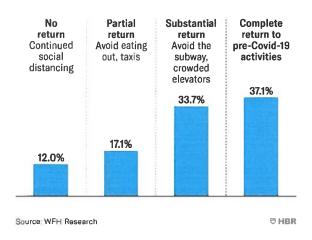
SAFETY:

There is a huge push for a reduction in density, not space. Safety remains a concern for a majority of workers, as evidenced in the chart below.

Some Social Distancing May Be Here to Stay

In the fall of 2021, we asked more than 12,000 U.S. residents:

Once the Covid-19 pandemic has ended, which of the following would best fit your views on social distancing?



FLEXIBILITY AND HYBRID:

According to Stanford University's Nicholas Bloom, "only 10 percent of jobs will remain remote; such as some IT support, finance, payroll and editing."

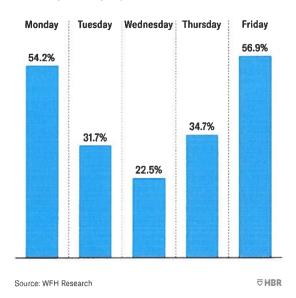
Despite recent announcements by PayPal, Salesforce, and Airbnb, which have hurt the San Francisco market, we have not seen this in law offices.

It should be noted that some legal support has shifted to remote.

Employees Want to Work from Home on Mondays and Fridays

In June 2021, we asked more than 3,600 U.S. residents:

If you could work from home two days of the week, which days would you prefer?



Recently there have been interesting articles about the "great resignation" and concerns about employee retention. the theory is the pandemic and quarantine caused a meaningful wakeup call for many to reevaluate what's important to them and begin looking for a better work/life balance to manage and mitigate burnout at the expense of production.

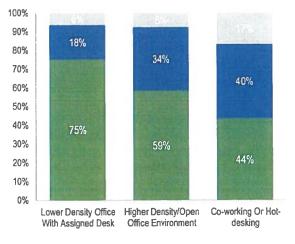
Firms are adapting and we feel that there will inevitably be a "great disconnect" with less face-to-face interaction. In this instance "great" may not be "good." Regardless, it must be taken seriously.

According to the Harvard Business Review, studies show the new hybrid norm is three (3) days a week in the office (primarily Tuesday, Wednesday, and Thursday). More specifically, Spencer Levy, Global Chief Client Officer, and Senior Economic Advisor for CBRE said that those who spent 4.4 day in the office PreCOVID will spend 3.5 days in the office Post COVID.

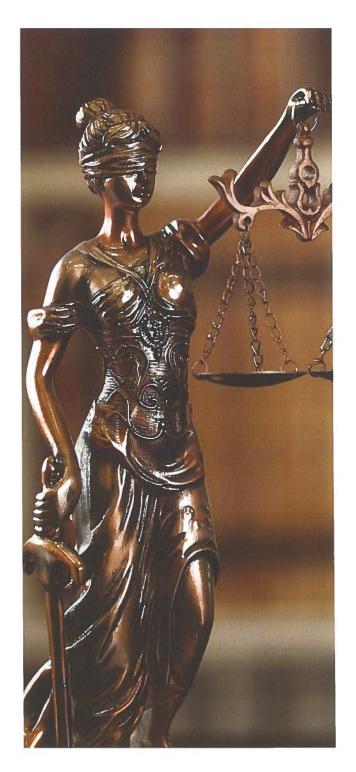
STATISTICS:

In CoStar's 2022 Global Predictions

How Comfortable Are You With?



- Somewhat Or Very Comfortable
- Somewhat Or Very Uncomfortable
 Don't Know/No Opinion



THE PRACTICE OF LAW

SIZE MATTERS, SO DOES DESIGN.

WHAT IS THE RIGHT SIZE? What is the right configuration? The answers need to take into consideration layouts that are safe from the variant de jour, but also are forward-thinking with adaptability and flexibility.

Office space must be inviting to attract and retain top talent with spacious lounge style collaborative areas. In and around what used to be called a break area or kitchen should now have more of a café feel.

Global law firm Withers has nearly doubled its office space recently in three California cities. According to Michael Brophy, Withers partner and managing director, "The economy has changed and we're trying to be smart about the fact that there are new expectations for how clients want to meet with attorneys and how attorneys need to interact with the courts."

According to security technology firm Kastle Systems, law firms in major cities, though, have seen higher return-to-office rates than other industries since the outbreak of the pandemic in March 2020.

One firm that was interviewed stated that 2020 was their best year ever, and 2021 and 2022 were going to be even better. Many of the Partners and most of the Associates adapted and prospered in a virtual and remote working environment.

That said, their lease for over 10,000 SF in downtown is expiring and they elected to reconfigure their space and keep all of it for eleven more years.

They are standardizing the office size for all the Partners and Associates. For those that prefer and are thriving while working remotely, they have shared offices dedicated for this.

There are scheduling apps to coordinate "office hoteling" like Smartway2 or The Officially App.



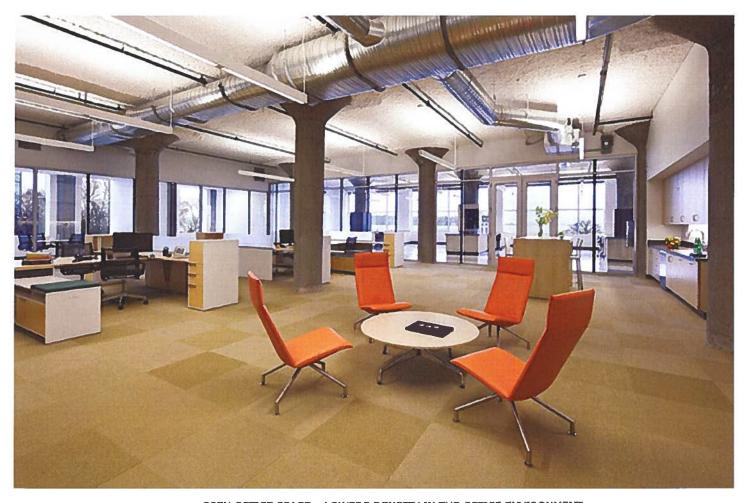
THE FUTURE OFFICE 2023

BY: ROB BLAKESLEE DESIGN CONSULTANTS, LLC



Over the last two years, I've been asked by real estate brokers, office furniture manufacturers and law clients to weigh in on the pace of change in the workplace, how it will affect the physical environment in the near future, and where the office environment is heading. Questions regarding space usage centered on the initial idea that a large portion of the work force

would work remotely or at least a sizable portion of the office workforce would not aways be present in the office. Frequently these discussions have raised the questions of how a business or practice with a large remote workforce would continue to communicate, mentor talent, and make the connections with clients that are essential to growing a practice. Hopefully our observations will be of use to you as you navigate the future



OPEN OFFICE SPACE – LOWERS DENSITY IN THE OFFICE ENVIRONMENT. LESS EMOTIONAL STRESS FROM LOWER CONGESTION WHICH CONTRIBUTES TO INCREASED SATISFATION & SENSE OF WELL-BEING.

Changes in the way we plan and utilize space have been evolving in recent years. These include considerations for employees with disabilities, accommodating disparities in age groups, the specification of sustainable materials, the reduction in the use of paper and hardcopy files, and the ever-present churn of technology.

The addition of a world-wide health crisis is another matter that needs consideration. But it is one that can be addressed in planning and designing the office environment.

When it comes to how best to deal with work and health concerns, it's good to appreciate that most people value their overall health more than money or time. But there is a broad spectrum of what people are willing to tolerate or feel comfortable with in terms of social distancing and sharing space. We believe the best solution is to work at accommodating everyone, from the least concerned to the most sensitive.



One example of this would suggest less density in shared open office spaces, wider conference rooms and tables with fewer seats. Even the amount of air exchange and what type of filters a building's HVAC system uses or how often and thoroughly the office space is cleaned can be a tool to help motivate the risk averse to return to the office full- or part-time.

Although many office workers have adapted to working from home, there have been frequent complaints of lack of separation between work and home life. Still, others have thrived in the nocommute-home environment. Yet there are many problems that become more difficult with a fractured workforce. These include challenges with developing talent who are absent in the physical work environment, the limitations of video conferencing, and the questions of how to attract new employees and develop relationships with new clients.



We believe one good solution is to bring as many workers back to the office as you reasonably can. This can be accomplished by creating an environment that considers their level of health risk plus their ability to work remotely while ensuring they still feel like a valued member of your corporate culture. We recommend doing what can be reasonably done to accommodate as much of your workforce as possible by making changes to your workspace to improve communications, promote a shared culture and to mentor developing talent.

PREDICTIONS & CONCLUSIONS

LOOKING FORWARD TO THE NEW NORMAL



Another fact is that attorneys have case files, and most find it easier to review some cases with a hard file than an electronic file. They also want to personalize their workspace with family photos and recognition items.

We strongly feel that, in many markets, demand for office space will come back strong once we have a better comfort level with the overall safety of doing so. There is going to be a flight to quality whereby tenants either upgrade their existing space with necessary design modifications or relocate to newer and better buildings for branding, recruiting, and retention.

Existing buildings will not be mothballed or torn down. Some buildings will need to be repurposed. For example, some older office buildings may be converted to hospitality, residential or mixed use.

Additionally, we predict a much more flexible workday so parents of young children can coordinate drop offs and pickups as needed and desired. This was mainly a result of so many aftercare facilities shutting down.

Saying that what we've collectively experienced was a major disruption is an understatement. However, while the new normal will be different, the fundamentals will remain strong.

KEY TAKEAWAYS:

- Work/Life balance has been altered permanently.
- Physical office space is essential at least 3 to 4 days a week.
- Lawyers know that productivity is more important than efficiency.
- Virtual meetings have compelling limitations.
- Spontaneous collaboration and mentoring are best face-to-face.
- There is a flight to quality offices for better branding, recruiting, and retention.
- Size and design of space matters to accommodate image, personal space, the hybrid environment, and for safety.



• Retaining a top-notch broker and space planner to guide and represent you through this is more important now than ever.





Jeff is a commercial real estate professional. Rob is a gifted space planner & designer of office space with a focus on law firms.

Together they have over 60 years of combined experience leasing, selling, and designing office space & office buildings.

JEFFREY D. PATTERSON is an award-winning Commercial Real Estate Broker and Asset Manager, specializing in representing landlords and tenants who are renewing, expanding, and relocating by finding and negotiating the best possible deal. Jeff is proud of conveying over 500 successful deals during a 30-year career, being an instrumental force in the development and landscape of downtown Orlando & helping hundreds of clients find their most productive workspace.

NOT ONLY DID WE TAKE DOWN NEW SPACE, GIVE BACK
OLD SPACE & COMPLETELY REWRITE OUR LEASE, WE
HAD TO WORK OUT THE AMOUNT AND TIMING OF
THE TENANT ALLOWANCE, FREE RENT, AND, MOST
IMPORTANTLY, THE COORDINATION OF THE BUILDOUT. IN THE END, IT WORKED OUT PERFECTLY. I
WOULD HIGHLY RECOMMEND YOUR SERVICES TO
ANYONE REQUIRING SOPHISTICATED
REPRESENTATION"

~ James G. Willard, Partner, Shutts & Bowen LLP

ROB BLAKESLEE is an interior architect, lighting, & industrial designer. He graduated from the University of Florida's College of Architecture in the early 70's and began his career in Chicago with the offices of Skidmore Owings and Merrill and later Murphy Jahn Associates. Notable work there included designing offices for Sidley & Austin, Shutts & Bowen, Allen, Dyer et al & RumbergerKirk in Tallahassee.

In 1989 Rob established Blakeslee Design in Central Florida and, for over 30 years, he has been on the leading edge of workplace design. He was the lead designer for the remodeling of Tupperware Worldwide Headquarters & Chep International Headquarters US. His design work for Hensel Phelps Construction Regional Office won the ABC National Eagle Award. Other work includes developing the beta site for Nemours Children's Hospital and design work for the private boxes and restaurants for Orlando Events Center (Amway Center).

Rob has served as an adjunct professor at the University of Florida teaching commercial lighting and is a frequent guest lecturer.