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Could coronavirus make remote work the new norm at Philly law firms?

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Law firms will surely learn many lessons from the coronavirus crisis, but [Glenn Blumenfeld](#) of Tactix Real Estate Advisors believes mandatory remote working arrangements will be particularly illuminating.

“What we are going to find out is who really needs to come into the office to do their job and who doesn’t,” Blumenfeld said. “So it will be interesting to see if it causes a paradigm shift in the way people work or firms will just revert back to the way they had done things before.”



IMAGE PROVIDED BY GETTY IMAGES (BRAUNS)

Coronavirus could be a testing ground for remote working arrangements at law firms, which have not embraced them as much as other industries have.

As law firms have embraced technology and managers became more comfortable with remote working arrangements, more lawyers have taken advantage of that option. But law firms are still behind other industries such as accounting when it comes to accepting such a change.

“I was speaking to someone who said he thinks coronavirus is going to accelerate that process by a much as five years,” Fox Rothschild Chairman Mark Silow said. “Once you get that genie out of the bottle, it’s hard to get it back in. When you see that more and more can be accomplished from home, it’s just going to become more accepted culturally.”

And there are long-term implications for real estate, the second-largest cost center behind personnel. Most firms have already reduced the size of their Center City offices over the past decade or simply taken the same amount and used it more efficiently.

When Fox Rothschild relocated its offices to a new set of floors at 2000 Market St. a decade ago, they took the same amount of space — about 100,000 square feet. But Silow said the firm picked up an extra 16 lawyer offices due to smaller office sizes and less space for secretarial stations, paper files and law libraries. If firms like Fox Rothschild chose to cut the size of the space they lease by half or even a third when their leases next come up for renewal, the cumulative effect could be huge for the city.

“It’s definitely going to impact the city,” Silow said. “You are going to see less development, less revenue from BIRT, use and occupancy tax, wage tax.”

Stewart Weintraub, a state and local tax lawyer at Chamberlain Hrdlicka, said law firms are among the largest contributors to tax revenue in the city. There are roughly 13,000 lawyers practicing in Philadelphia. Weintraub said if half chose to work outside Philadelphia, it would not only impact the city’s tax revenue but also businesses such as restaurants and retailers.

Blumenfeld said Center City offices are not going away. And despite Dechert’s recent threat to move 160 to 200 support staff out of the city as part of its legal squabble over tax credits, he doesn’t see many Philadelphia firms moving back offices out of the city because the savings would not be enough to justify the inconvenience of not having those employees under the same roof.

The bigger issue facing the city, he said, will be the impact of firms embracing the concept of having more of their lawyers working outside the city over the next decade. Law firms in turn will take less space and Philadelphia will recoup less tax revenue from the firms and their lawyers.

But Blumenfeld said firms will not start opening or growing suburban offices to accommodate those lawyers. Instead, he expects more firms to have greater comfort with their lawyers working remotely. In some cases, Blumenfeld said firms could join co-working spaces in the suburbs with support staff and conference rooms if lawyers need a more formal place to work.

“They aren’t going to give up on the city altogether for recruiting and training purposes,” Blumenfeld said. “Young lawyers want to live and work in Philadelphia and join large law firms with the hopes of being trained by more experienced lawyers. And despite the high taxes, law firms are willing to pay a premium for being in the city. But they don’t have to have as many people there.”

Ballard Spahr Chairman Mark Stewart also believes coronavirus could accelerate the cultural change that has already begun, but he has three major concerns about remote work taking complete hold of law firms. He wonders whether there would be greater data security risks for those working remotely. Without direct supervision, some attorneys working from home could be more at risk of making mistakes. And perhaps most importantly, Stewart is concerned about how it would impact the culture of a law firm, where generations of young lawyers were trained in person by veteran lawyers and then passed down that knowledge when they became partners.

Robert Nourian, a legal recruiter with Coleman Nourian, said during a recent visit with a Center City firm, he noticed that about one out of every four offices was in use. There were name plates and furniture in the others, just no lawyers. He surmised some could be with clients or working at other firm offices, but a good number were most likely working remotely. Firms are clearly being more flexible on that score and coronavirus could give managers a new perspective on the issue, but Nourian believes the length of this crisis could play a key role in the future direction of remote working.

“If it only lasts for a few weeks, maybe not,” Nourian said. “But if it goes on for a few months, it could make those who are more skeptical come around. The jury is still out on which way it will go. Cultures don’t change overnight at law firms.”

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