

Law Firm Perspective

Tampa Bay

2024



Law firm market snapshot



Sources: JLL Research, Tampa Bay Business Journal

Tampa

55

Law firms larger than 10,000 s.f. in Tampa

1.8M_{SF}

Legal services footprint across Tampa Bay

16

Am Law 100 firms with an office in Tampa

39

Law firms with 20+ attorneys in Tampa Bay

Tampa CBD
Westshore
St. Pete CBD

Key law firm submarkets

Key findings



Demand outlook

As 788,000 s.f. of law firm leases are set to expire in the next three years—and more firms are increasing their return-to-office expectations—the legal sector is expected to remain active in space requirements and office leasing activity.



Supply outlook

Driven by higher cost of capital and tighter lending conditions, new development activity is expected to remain limited. Further, due to Tampa's tight vacancy and limited large-block availabilities in existing Trophy and Class A product, larger law firms will face limited high-quality space options.



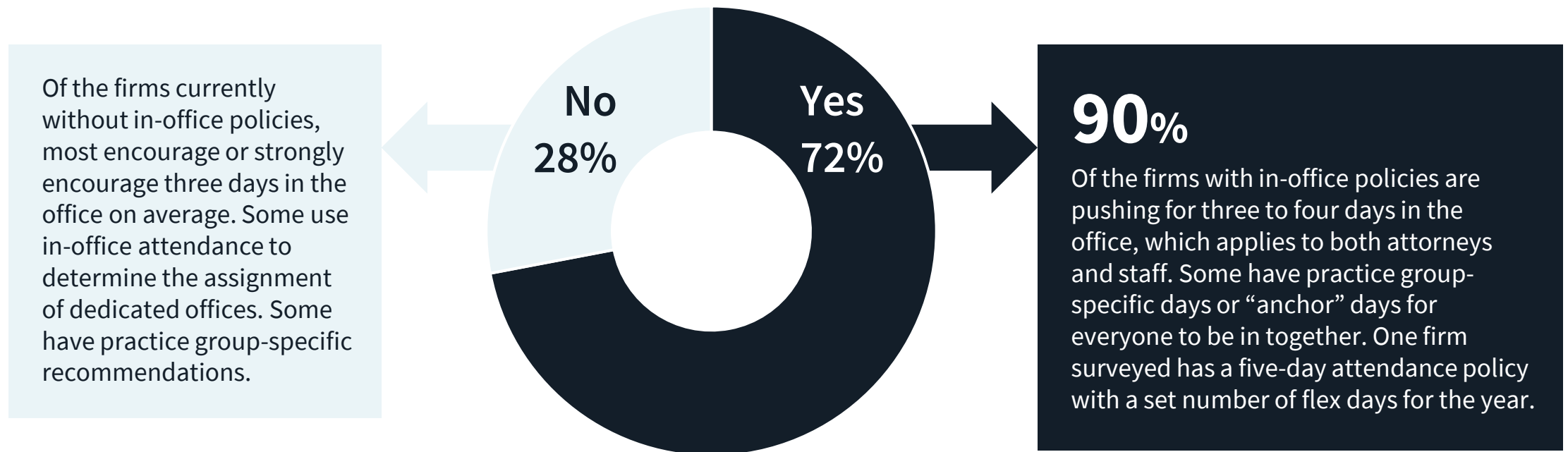
Flight to quality continues

In 2023, significant legal transactions included Bradley Arant Boult Cummings (37,000 s.f.) and Gray Robinson (32,000 s.f.) which were both relocations within the Tampa CBD. Overall, many other law firms have expanded their real estate footprint into newer/better quality office space.

Return-to-office among law firms expected to accelerate

A recent JLL survey of Am Law 200, global and boutique firms shows that more than 70% of the respondent firms have implemented policies for three or more days in the office, applicable to both attorneys and support staff. While there continue to be variations by market and by practice group, we expect return-to-office within the law firm sector to gain momentum in the coming months.

Law firm in-office requirements





Construction costs have stabilized as development activity declines nationally and across building types

YoY Change

-18%

Construction volume

Driven by higher cost of capital and tighter lending standards, demand for construction loans has plummeted and new development activity is expected to decline significantly.

+5-7%

* Wages

Labor

A structural labor shortage, high labor costs, and lagging productivity remain significant challenges.

+3-5%

* Material costs

Materials

Material and supply chain issues have largely stabilized, and future cost increases are expected to be manageable.

Law firm demand remains above historical averages

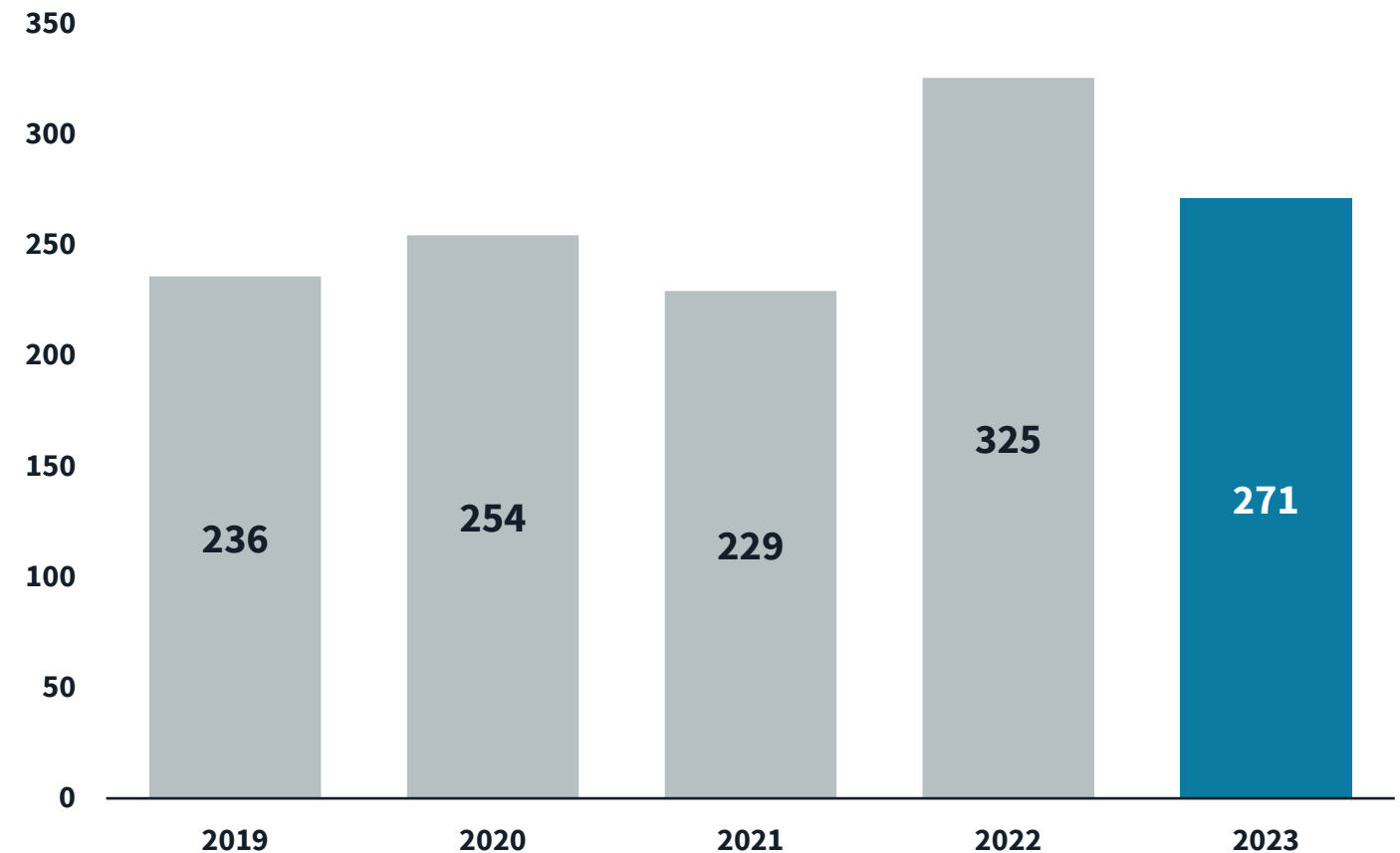


Law firm leasing activity

Although leasing activity by law firms in 2023 didn't match 2022 volumes, it still recorded activity above the 5-year average. Downtown Tampa continues to be a desirable location for law firms. Bradley Arant Boult Cummings (37,000 s.f.) and Johnson Pope (33,175 s.f.) are the two most recent examples of firms who relocated and expanded their offices in Tampa's CBD.

Over the past five years, the legal industry has leased more space than any other sector in Tampa Bay. More than 1.3 million s.f. of transactions completed were inked from legal practices with transaction volume remaining stable and healthy compared to other industries.

Tampa Bay historical law firm leasing volume (SF, 000s)



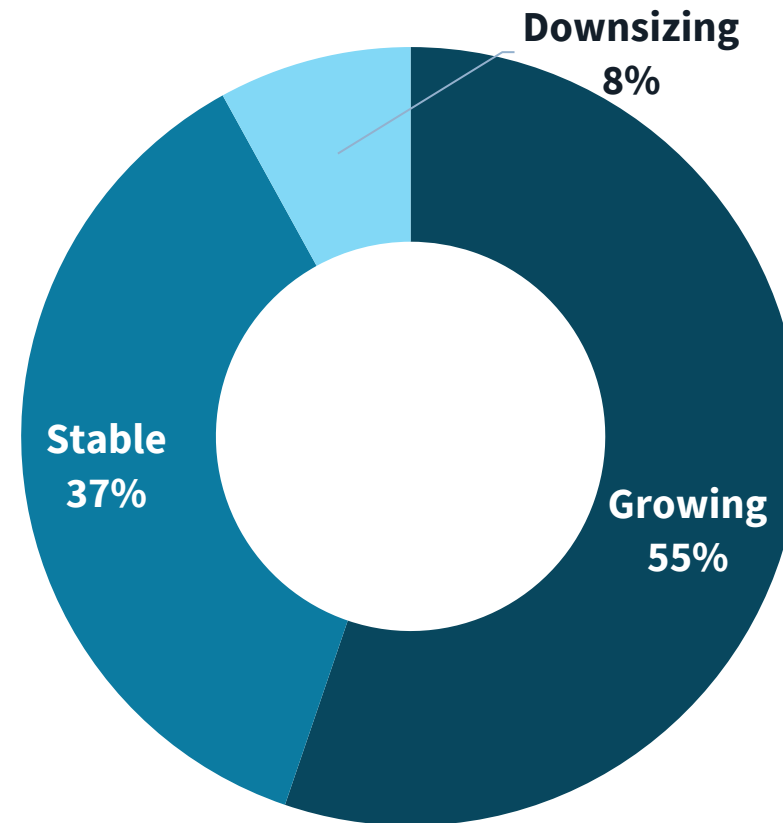
Leases signed in 2023 display law firms' expanding footprints within the market

Spotlight trend

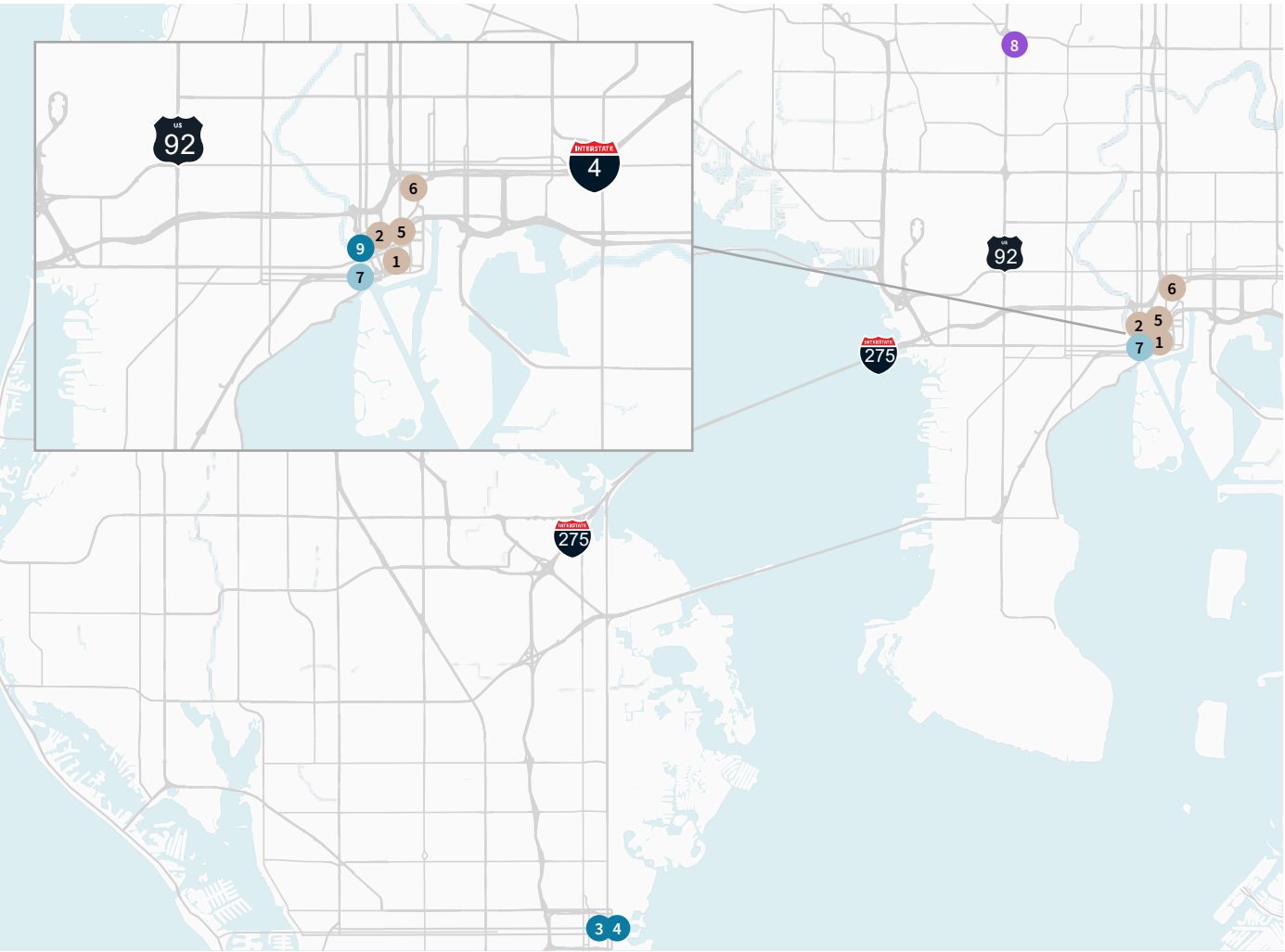
More than half of the law firms that signed a lease for over 5,000 s.f. in 2023 grew their total footprint within the Tampa Bay market. Notably, Gunster Law leased an additional 13,900 s.f. at Truist Place for a total of 33,000 s.f.. McIntyre Thanasides, former building owner and tenant within the CBD, sold their property and relocated to Ybor City, taking advantage of the vibrant culture and work-live-play experience at a more affordable price point.

Only 8% of law firms that signed leases throughout 2023 downsized their office, further highlighting the sector's growth in Tampa Bay. As premium office spaces continue to be highly sought after by legal practices, renewal activity is anticipated to remain robust, given the current shortage of large office spaces available in the core.

Tampa Bay YTD law firm leasing volume by transaction type (by SF)



Notable law firm transactions completed in 2023



Expansion Renewal New to Market Relocation

Tenant	SF	Building	Transaction Type
1 Bradley	37,033	1001 Water Street	Expansion
2 JOHNSON POPE BOKOR RUPPEL & BURNS, LLP COUNSELORS AT LAW	33,175	Rivergate Tower	Expansion
3 BG BANKER LOPEZ GASSLER ATTORNEYS AT LAW	30,270	First Central Tower	Renewal
4 TRENAM LAW	25,030	200 Central	Renewal
5 GUNSTER FLORIDA'S LAW FIRM FOR BUSINESS	13,978	Truist Place	Expansion
6 MCINTYRE	13,700	Casa Carbonell	Expansion
7 STINSON	13,629	Wells Fargo Center	New to Market
8 WA WILKES & ASSOCIATES	10,537	Buschwood I	Relocation
9 BUSH GRAZIANO RICE & PLATTER, P.A. TRIAL LAWYERS	10,138	Wells Fargo Center	Renewal

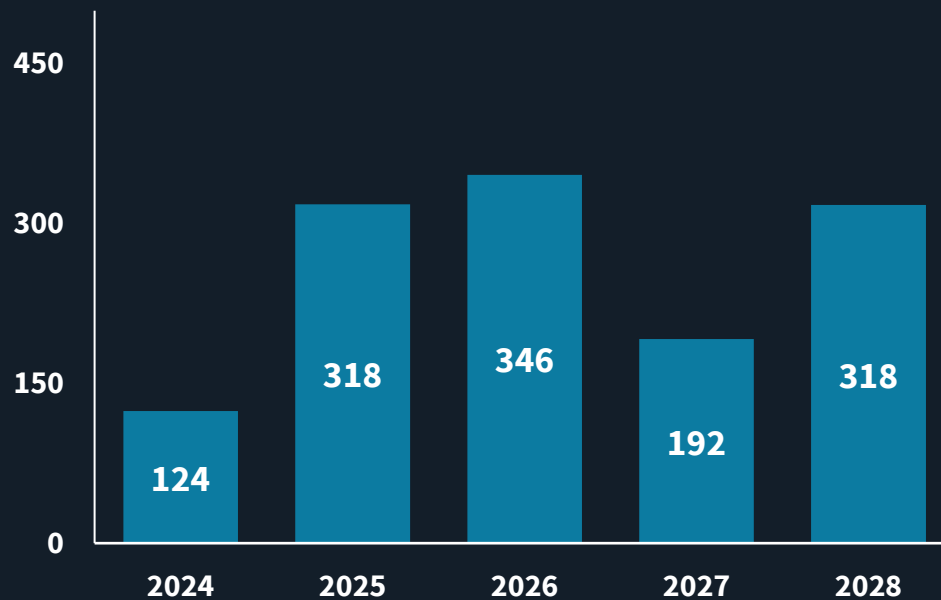


Demand outlook

Law firms have been the leading driver of office leasing activity in Tampa Bay within recent years. As more firms implement in-office policies, driving additional progress in return-to-office and higher space utilization, law firm office demand is expected to remain consistent and concentrated within Westshore and the CBDs.

With 788,000 s.f. of legal firm leases set to expire in the next three years, law firms will continue to tour the market as they assess their existing workplace and evaluate potential renewal and relocation options.

Tampa Bay law firm lease expirations (SF, 000s)



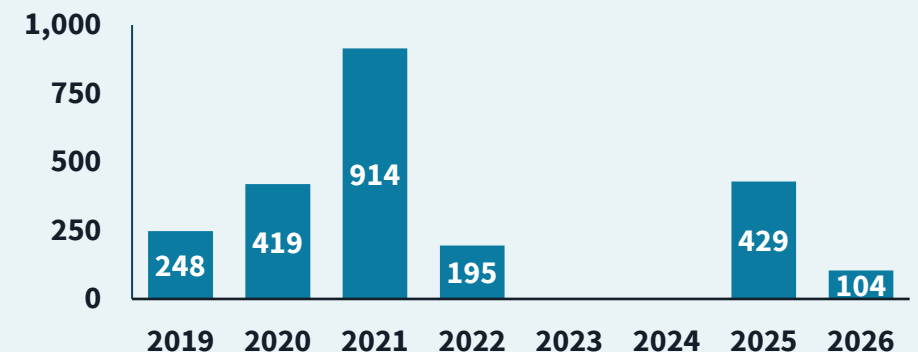


Supply outlook

Tampa Bay continues to post low office vacancy and availability relative to other U.S. markets, especially within Trophy product. Midtown East, a 428,929 s.f. project in the Westshore submarket, is set to deliver in 2025. TECO Energy will own 296,000 s.f. of the building in a commercial condominium structure, leaving just under a third of the building available to lease.

Gasworx, a multi-phased mixed-use development located between Tampa CBD and Ybor City, is expected to break ground Summer 2024 and includes a 104,000 s.f. six-floor office tower. Grow Financial Federal Credit Union has already signed a 50,000 s.f. lease to move its headquarters from a suburban office complex to Gasworx, leaving less than half the building available before groundbreaking. Law firms and other industries are set to face limited quality space options in the coming years due to a lack of available new supply.

Tampa Bay new construction completions (SF, 000s)





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