

Subleasing an Office in a Larger Firm

I've been considering going from virtual office to real office and I've noticed that there are a lot of law firms offering to lease out some of their vacant office space. I was wondering if any of you have done this or know anyone who has, and how that turned out.

Your feedback is appreciated,
Thanks.

I have done that. In one case, it was perfect but the office was right up front so all deliveries or visitors would drop into the office and interrupt regularly. The other was way in the back which was great. If you can feel like you are not unwelcome, like a guest instead of someone who belongs there, it works better. If the office holder puts off the vibe of suffering your presence, it is harder. It was a good solution for us at the time. We needed a San Francisco office and didn't want to do a full space lease of our own. So, to repeat, location, location, location. Be sure you are not in a high traffic area if you can.

Eliz. C.A. Johnson, California

It's a great idea. When i left my home office i rented from a lawyer who had extra space. Plus we referred cases to each other and became friends. Good luck.

Michael Blake, Connecticut

That is a good point. I recently looked at a few offices in a firm of about 12 attorneys and the office was deep inside their office. But my concern there is that they practice in similar areas to myself so that's kind of like having an office in a competitor's office. I think I'd rather share a space with other solos.

Andrew Kornoff, California

That's the kind of thing I'm looking for, I think the larger firm might be so great for that.

Andrew Kornoff

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I have been leasing inside a large real estate firm for the last five and a half years and it has been great. I do have a couple of friends who have subleased and not had such a good experience. I have a lease with the landlord and my colleagues did not. Not having a lease may seem great from the point of view that you have no obligation, however neither do they. One of my friends had just printed cards, stationary etc. and then was told that the firm needed the space back. I would recommend that you negotiate a lease that is somewhat flexible, for instance I signed a five year lease with option to renew another five years and at anytime I want to break the lease my only obligation is for six months rent.

Deborah Kaminetzky, New York

It can be a cross referral possibility for you but only if you are not seen as the enemy, the competitor. :-)

Nothing wrong with being in the back. Quieter is good.

Eliz. C.A. Johnson

One of the BigLaw firms I formerly worked for (the L.A. office of a firm headquartered elsewhere) leased considerably more space than they originally needed (it started out as an entire extra floor, but they gradually took over more and more). They rented out the extra offices to solos (most of the tenants had a secretary; a few also had a paralegal or two that worked with them).

It seemed to work relatively well. The subtenants got a receptionist and access to conference rooms, and the occasional referral (I believe all of the subtenants did work of a type that the firm — at least the local office — did not do, such as criminal law, bankruptcy (for individual debtors), plaintiffs' PI, etc.).

The only complaint I head from the subtenants (this from one I was quite friendly with) was that the office manager was a bit of a jerk. She was not particularly forthcoming about future plans, and would sometimes make the subtenants move from office-to-office within the space on short notice. At one point, my friend heard rumors that all of the subtenants were going to be asked to leave; he asked the office manager, and she denied everything. Less than a week later, he was given notice to move out in 30 days.
Brian H. Cole, California

Andrew, in addition to the concerns mentioned by others regarding the terms of your stay -- lease or license agreement, term, right to an office or can they move you, etc., you need to be comfortable with the financial condition of the firm. Unless you have an agreement with the prime landlord, if the sub-landlord defaults on their lease, you will have to leave, too. I know a small firm (3 lawyers) that got caught in this problem. They rented space from a large firm and then the firm imploded and shut down. For a while, they stayed and had a rather empty office space to themselves, but they did not have the services the firm

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agreed to provide. After a couple of months the landlord finished the action against the primary tenant and told the small firm they had to leave.

Ken

Kenneth S. Yudell, Mew York

Thank you all for the helpful insights, I'm sure I'm not the only one who could use this information.

Andrew Kornoff

There's also the ambience. When I first opened my office, I needed a ready-made space, and found one in a really nicely decorated suite that was mostly PI lawyers. Unfortunately, they catered to low-end clients. It was only after I moved in that became acquainted with that fact. The reception area was filled with gum-cracking, toe-nail painting, clients, with very young children who were being fed, diapered, vomiting [yes, in the reception area]. It was GROSS. And there was nothing I could do about it except case the area before I was expecting clients and try to intercept them at the elevator and bring them in the back way. So try to know exactly what's going on in the suite you're considering.

Miriam N. Jacobson, Pennsylvania

I sublet in a small building - small law firm upstairs, 5 sublet attorneys downstairs. Regular lease. At end of lease, firm decided to expand, time to move. Then the market tanked and the expansion didn't happen. Otherwise fine.

I sublet the second office in a suite from another solo. Again, regular lease, fine until the prime lease ended and the solo decided to move, but I knew that was coming from the beginning. .

I rented my own space in a building with many other attorneys in small offices. Regular lease, with flexibility to move into different offices when I expanded or contracted. Smoozed the other lawyer tenants, got lots of referrals. Having other attorneys nearby is good.

I represented a building owner with 100 small offices, heavy on attorneys. Most small offices who sublet space don't know how to be landlords. They approach it as This office must generate \$X, rather than as What will the market bear? They look for the certainty of locking in longer leases. Take a hard look at why someone is offering a sublet, and at their past subletting experience. Evaluate whether they are realistic on how to be

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a landlord. If a space has been vacant for a while, it's a sign they are not skilled landlords.

Oh, and for the last five years I'm a subtenant on a handshake deal. When you are older and established, people who know you may recognize you as an asset.

Rebecca K. Wiess, Washington

Most lawyers are poor businesspeople, which is how you get the 'I need to make X' mentality over 'what is the market rate.'

Greg Zbylut, California
