

Crowell Law Firm Relocates to New Washington D.C. Offices Amid Rent Dispute



Crowell & Moring, a well-known law firm, has announced its plans to relocate its headquarters to downtown Washington, D.C. after having operated in the same building for 35 years. The firm has decided to move to a new, smaller office space as part of a strategic restructuring effort.

The law firm has secured a lease for 198,877 square feet at 600 Fifth St., a building currently undergoing redevelopment by Rockefeller Group and Stonebridge. The construction work has already commenced, and Crowell will serve as the anchor tenant for the revamped property. The firm's current location at 1001 Pennsylvania Ave. occupies over 391,000 square feet, which includes some subleased areas. However, Crowell aims to downsize its operations, necessitating a move to a more compact office space.

Philip Inglima, the chair of Crowell's management board, revealed that the firm anticipates occupying the top five floors of the redeveloped 400,000-square-foot building by July 2026. This move aligns with the expiration of Crowell's current lease. The decision to relocate comes amidst an ongoing legal dispute between the law firm and its current landlord regarding rent payments during the COVID-19 pandemic.

In March, Crowell filed a lawsuit against The TREA 1001 Pennsylvania Avenue Trust, seeking to recover \$30 million that the firm believes it was not obligated to pay due to office space disruptions caused by the pandemic. The TREA Trust, in response, moved to dismiss the lawsuit, contending that Crowell's lease, which has undergone numerous amendments since its initial signing in 1985, does not include any provisions justifying rent abatement. A hearing regarding the case has been scheduled for June 28.

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When asked about the lawsuit, a spokesperson for Crowell referred to a previous statement stating that the firm had no choice but to take legal action. However, they declined to comment on whether the dispute influenced their decision to relocate. A representative from The TREA Trust was not available for immediate comment.

Notably, Crowell's new lease stands out as one of the largest signed by a law firm in the past 18 months. Reports on leasing activities within the legal industry indicate that Cadwalader, Wickersham & Taft and Katten Muchin Rosenman have also downsized their headquarters while securing leases for over 200,000 square feet each during the first quarter of 2023.

A recent report from commercial brokerage firm Cushman & Wakefield highlighted a resurgence in leasing activity within the U.S. legal sector. After a slowdown caused by the pandemic in 2020 and 2021, the sector witnessed a record-high leasing of 14.3 million square feet in 2022.

Law firms have been reevaluating their space requirements due to the pandemic's impact, with a greater emphasis on flexibility to accommodate remote work for lawyers. Inglima expressed that although the new D.C. office will be smaller in terms of square footage, it will offer improved efficiency, ample natural light, excellent meeting spaces, and cutting-edge technology.

Crowell's office attendance varies, with lawyers and directors typically working in the office two to three days per week. On designated "anchor days," attendance ranges from 35% to 55%. The upcoming relocation provides an opportunity for the firm to optimize its office utilization and adapt to evolving work preferences.

As Crowell & Moring prepares for its move to a new and more efficient workspace, it seeks to navigate the ongoing legal dispute with its current landlord. The decision to downsize and relocate reflects the firm's commitment to strategic growth and adaptability in an ever-changing legal landscape.