

Legal Battle Brews as Akin's Manhattan Sublease Plan Spurs Landlord Lawsuit



As numerous U.S. law firms adopt strategies to reduce their office spaces, [Akin Gump Strauss Hauer & Feld](#) is now confronted with a fresh legal challenge. The law firm, headquartered in Washington, D.C., is currently embroiled in a lawsuit initiated by its New York landlord. The litigation revolves around Akin's proposal to sublease a portion of its Manhattan office premises to Bank of America.

The landlord, One Bryant Park LLC, filed the lawsuit in a New York state court on Wednesday. In the lawsuit, the landlord seeks a declaratory judgment affirming its right to reject Akin's request to sublet an entire floor. The legal action also names Bank of America as a co-defendant.

The crux of the matter is the interpretation of lease agreements by the landlord, law firm, and bank. According to the lawsuit, these parties hold conflicting and "irreconcilable interpretations" of the language employed in the lease contracts.

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The Bank of America Tower, situated in the prominent 55-story skyscraper at One Bryant Park, serves as the cornerstone tenant's location.

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A spokesperson from Akin's headquarters did not provide an immediate comment in response to the lawsuit. According to the firm's website, it boasts a workforce of over 200 lawyers in New York.

Curiously, the lawsuit does not elucidate the reasons behind Akin's decision to seek sublease arrangements. This move aligns with a trend seen among larger law firms, which have been downsizing their office spaces, especially in the wake of the COVID-19 pandemic. Remote work has prompted firm leaders to reconsider their spatial needs, resulting in reduced footprints.

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Akin's specific intention involves the subleasing of the 46th floor within the building. Reports from media outlets indicate that back in 2006, the firm entered into a lease agreement spanning floors 41 through 46, encompassing a total of 203,000 square feet. Additionally, the firm reportedly acquired the 47th floor in 2007.

Central to the dispute among the landlord, [Akin](#), and Bank of America are clauses within their lease agreements governing the subleasing of rented spaces.

Recent data from commercial real estate brokerage CBRE sheds light on the broader trend of office subleasing in the United States. In a report published in April, CBRE highlighted a near doubling of sublease office spaces since the onset of the pandemic. The figures surged from 96 million square feet in the first quarter of

2020 to a staggering 189 million square feet by the first quarter of 2023. Notably, about half of this space remains unoccupied. The legal services sector accounts for approximately 3% of the total office sublease availability within this realm.

Don't be a silent ninja! Let us know your thoughts in the comment section below.