FOR ATTORNEYS & LAW FIRMS

MAKE YOUR STRONGEST CASE *FOR OWNERSHIP*

OFFICE CONDO OWNERSHIP:

A Strategic Asset for Your Firm's Financial Position, Client Perception, and Long-Term Growth

You counsel your clients to protect their assets, structure their holdings wisely, and think long-term. ***It's time to apply that same counsel to your own firm's real estate.***

INVESTMENT EQUITY

COMMERCIAL OFFICE CONDO DEVELOPMENT

THE CASE AGAINST LEASING — EXHIBIT A

these agreements for a living — you know the terms are rarely negotiated in the tenant's favor. Triple-net escalations, CAM reconciliation surprises, personal guarantees, restrictive use clauses, assignment limitations, and landlord-controlled buildout approvals all create exposure for your firm.

But the most damaging clause is the one that isn't there: a lease builds you zero equity.

Over a decade, your firm can pay well into seven figures between base rent, escalations, NNN charges, and leasehold improvements — with no asset to show for it at the end. That's not a sound legal or financial strategy.

THE BOTTOM LINE:

YWhen you own, every monthly payment builds equity in an appreciating asset on your balance sheet. When you lease, it builds equity on your landlord's.

THE ARGUMENT FOR OWNERSHIP — PRECEDENT IN YOUR FAVOR

CONVERT AN EXPENSE INTO A BALANCE SHEET ASSET

Every mortgage payment simultaneously reduces your liability and increases your equity position. For a law firm organized as a partnership, PLLC, or PC, this means the partners are building a tangible, appreciating asset that enhances the firm's net worth. This equity is accessible through refinancing if capital is needed and is ultimately realized at sale or disposition.

TAX STRATEGY THAT STRENGTHENS YOUR FINANCIAL POSITION

Ownership unlocks a suite of deductions unavailable to tenants:

MORTGAGE INTEREST DEDUCTION
Deduct the interest portion of your monthly payment

DEPRECIATION
Commercial property depreciates over 39 years under IRS guidelines, creating a non-cash deduction that reduces taxable income without reducing cash flow

COST SEGREGATION
Law office buildouts typically include substantial millwork, built-in shelving, conference room cabinetry, technology infrastructure, and specialized electrical that may qualify for accelerated depreciation on 5-, 7-, or 15-year schedules

OPERATING EXPENSES
Property taxes, insurance, CAM fees, and maintenance are fully deductible

PASS-THROUGH DEDUCTION (SECTION 199A)
Depending on firm structure and income levels, you may benefit from the qualified business income deduction

1031 EXCHANGE
Upon sale, defer capital gains by exchanging into another qualifying property

The specific impact depends on your firm's revenue, entity structure, and tax bracket. Your CPA can model the details.

THE SMART STRUCTURE:

The most common approach is for partners to form a separate real estate LLC that purchases the condo and leases it back to the operating firm at fair market rent. The LLC collects rental income (distributed to partners), the firm deducts the rent as an operating expense, and the real estate is insulated from operational liabilities. This structure is standard in the legal profession and creates significant flexibility for partner transitions.

CLIENT PERCEPTION AND FIRM CREDIBILITY

In the legal profession, image matters. Your office communicates stability, permanence, and success. Owning your space signals to clients, opposing counsel, and referral sources that your firm is established, invested, and here to stay. Whether you practice litigation, corporate law, estate planning, family law, or real estate law, a permanent address you own conveys credibility that a lease cannot.

CONFIDENTIALITY AND SECURITY CONTROL

Law firms handle privileged, confidential, and sensitive information daily. When you own your space, you control the physical security infrastructure — access control, surveillance, secure document storage areas, private conference rooms, and IT closets. No landlord walkthrough provisions. No shared building access concerns. No compromises on client confidentiality.

FIXED OCCUPANCY COSTS — BILLABLE HOUR PREDICTABILITY

As a firm that bills by the hour, overhead directly impacts profitability and rate competitiveness. A fixed-rate mortgage provides cost certainty that a lease with annual escalations and NNN reconciliations cannot. You know your occupancy costs month after month, year after year — which makes budgeting, rate-setting, and profitability projections reliable.

DESIGN YOUR IDEAL LEGAL ENVIRONMENT

Own the space. Control the environment. Design how your firm works:

- Partner offices sized for client meetings
- Associate workstations and paralegal areas for efficient workflow
- Conference rooms — large for depositions and closings, small for client intake
- Secure file and document storage rooms
- Dedicated server room with climate control
- Reception area that conveys your firm's brand and professionalism
- Private attorney-client meeting rooms
- Law library or research area

Every dollar invested in your buildout adds value to your asset — and your firm's culture.

PARTNERSHIP ASSET AND SUCCESSION PLANNING

For multi-attorney firms, real estate becomes a partnership or firm asset that can be held in a separate LLC owned by the partners, leased back to the operating firm, included in partner buy-in/buyout calculations, transferred as part of a succession plan, or retained by retiring partners as a passive income-generating asset. This creates significant flexibility for partner transitions at every stage.

SUBLEASE OPPORTUNITIES

Many attorneys sublease a portion of their condo to complementary professionals — other attorneys, mediators, CPAs, financial advisors, or title companies. This offsets carrying costs and creates a built-in referral network.

THE ACQUISITION PROCESS

Structured, transparent, and efficient — designed for busy professionals who want clarity, flexibility, and no construction headaches.

Step 1: Sign the Purchase Agreement
Nothing complicated or rushed. The Purchase and Sale Agreement kicks off the process and locks in your unit.

Step 2: Make a Modest Deposit
A 5% earnest money deposit secures your unit. If the land hasn't been acquired yet, only 2.5% is due upfront with the balance due once the land purchase closes. Your deposit is fully refundable through the 75-day due diligence period. This is a measured commitment, not a large upfront exposure.

Step 3: Review Everything on Your Timeline
You get 75 days of due diligence to review plans, pricing, and specifications, and to have your accountant or advisor review all documents. The first 30 days are dedicated specifically to reviewing and approving the full project package. No pressure to rush decisions.

Step 4: Confirm Financing and Space Plans
Within 60 days, provide a lender pre-qualification letter and a basic space plan showing intended use. This isn't a loan approval or final design — just confirmation that the space and financing align with your needs.

Step 5: Title and Legal Are Handled
Title is ordered immediately. You'll have time to review all title materials, and any issues are addressed well before closing. Standard, conservative process.

Step 6: We Build It. You Don't.
The developer acquires the land and constructs the grey shell. You're not managing construction or contractors. You're purchasing a ready-to-improve professional unit — not taking on development risk.

Step 7: Close on a Predictable Schedule
Closing is scheduled based on whichever comes first: 10 days after the Certificate of Completion, when the title company can issue the policy, or 10 days after due diligence concludes. No surprise deadlines. No moving targets.

Security: Every project includes a professionally monitored outdoor security system with after-hours and weekend coverage. Daily reports go to the Condo Association Board. We also recommend buyers install internal cameras within their units for added protection — particularly important for firms handling privileged client information.

QUESTIONS ATTORNEYS ASK

Should the firm buy directly, or should the partners hold the real estate separately?
The most common and tax-efficient structure is for partners to form a separate real estate LLC that purchases the condo and leases it back to the operating firm at fair market rent. The LLC collects rental income (distributed to partners), the firm deducts the rent as an operating expense, and the real estate is insulated from operational liabilities. Your tax advisor can model the optimal structure for your situation.

We're a solo practitioner or small firm — is this realistic?
Absolutely. Solo attorneys and small firms are among the most common office condo buyers. SBA 504 financing makes the down payment requirement manageable. If you can afford your current lease payment, you can very likely afford to own.

What about malpractice or judgment liability — does owning create exposure?
Holding the real estate in a separate LLC (not in the operating firm's name) provides a layer of asset protection. The property is owned by a distinct legal entity, and a judgment against the firm would not directly reach the real estate. Your asset protection attorney can structure this appropriately.

Can I sublease extra space?
Yes. Many attorneys sublease a portion of their condo to other attorneys, mediators, CPAs, financial advisors, or other complementary professionals. This offsets carrying costs and creates referral opportunities.

What if the firm dissolves or partners leave?
Because the real estate is typically held in a separate LLC, partner departures or firm restructuring do not require sale of the property. Remaining partners can continue ownership, buy out departing interests, or the property can be sold independently. Real estate retains value separate from firm operations.

You advise your clients to protect assets, plan for the future, and make decisions based on evidence. **The evidence here is clear.**

Office condo ownership is a strong financial, strategic, and professional decision for your firm. It converts your largest recurring expense into an appreciating asset, gives you total control over security and client confidentiality, and creates long-term flexibility for partner transitions and succession planning.
Stop paying someone else's mortgage. Build your own asset.

SCHEDULE A CONSULTATION

No commitment. No pressure. Just a conversation to discuss if your practice space is right for your situation.

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