

In The News

Firms Add Construction Lawyers As Cities See More Cranes

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From just about any Manhattan skyscraper, it's possible to see at least a dozen cranes soaring over construction sites across the city. A stronger economy sprouts more cranes, and it also appears to be the driving force for firms that are adding more construction lawyers.

It's not just New York. Lawyers in cities all over the country — St. Louis, San Francisco and Atlanta, to name a few — are seeing increasing numbers of cranes outside their office windows and more new faces inside their firms.

"When I look out, I see tower cranes. In any region, the number of tower cranes is reflective of the economic vibrancy of that region," Armstrong Teasdale LLP partner David G. Loseman said from his St. Louis-area office. "The economy is reflected in building and construction."

These anecdotal observations are backed up by data from several industry groups. Dodge Data and Analytics said in November that it predicts a 3 percent increase in construction spending nationwide for 2018, while the Associated General Contractors of America said in March that construction spending in January was about 3.2 percent higher than January 2017.

As more money changes hands on more construction projects, construction attorneys expect more disputes and more legal work.

"I just think there's a heck of a lot more construction activity than there was a couple of years ago," Cozen O'Connor partner Bruce W. Ficken said. "I think law firms are trying to get ahead of that market a little bit."

Loseman, who chairs Armstrong Teasdale's construction and design practice, said his now-13-person group has added three new people since the start of 2017. Ficken, who joined Cozen last year to lead its construction law group after 43 years at Pepper Hamilton LLP, said his new firm has since doubled the size of its core construction group.

It's a similar story at Hanson Bridgett LLP in California, which added about a dozen construction-focused lawyers last year as its clients' needs grew "exponentially," managing partner Andrew G. Giacomini said. The firm's construction team now totals about 25.

Peckar & Abramson PC Chairman Steven M. Charney also said that it's not hard to imagine firms seeing the stronger economy as a chance to bulk up their construction practices as clients become involved in more building projects.

Although Peckar & Abramson, which specializes in construction law, hasn't made a significant number of additions in the past year, the firm entered Texas around the start of 2016 with three new offices and nine lawyers as it absorbed construction boutique Ford Nassen & Baldwin.

The lawyers interviewed for this story didn't agree on what's pushing the economy right now, but the root cause doesn't seem to matter. President Donald Trump's stated goal of reducing government regulation and the nearly universal understanding that the nation has an extensive need for new infrastructure — Trump's recent unveiling of a \$200 billion infrastructure plan has added fuel to that fire — were named as possible drivers, but attorneys said numerous other factors could also be at work.

"We can all speculate as to why, but there's no question that the economy is doing better," Ficken said, noting that every industry has its own set of priorities that dictate whether or not it's a good time to build.

For example, fewer residential projects will go up when there's a surplus of housing, and hospital construction may stagnate if legislation or regulation has builders uncertain about the future of health care revenue and the medical industry in general, he said.

Construction law practices are also considered to be somewhat "recession-proof," which may be a contributing factor as firms build practice groups aimed at serving construction clients.

"When times are good, transactional work that relates to construction work is strong," said Robert N. Hancock Jr., shareholder at Munsch Hardt Kopf & Harr PC in Houston. "When the economy goes into the dumps, litigation picks up on construction matters: people begin to fight about projects that don't have money anymore or have problems because money is tight."

That kind of practice group — one that doesn't break when the economic winds change direction — is always good for a law firm, said Gary A. Wilson, co-chair of Post & Schell PC's construction, government contracts and surety law practice group. Like many others, Pennsylvania-based Post & Schell also hired new construction lawyers: four new principals in the last 12 months.

"We try to have practice groups that have broad appeal but are also profitable in the ups and downs of economic cycles," Wilson said.

For now, at least, it seems the economy is looking up and law firms are aiming to take advantage of the growing construction industry. After all, Loseman isn't the only one seeing cranes.

In downtown San Francisco, 2,000 miles west of Loseman's Missouri office, Giacomini reports that "all you see are tower cranes." And according to Taylor English Duma LLP partner Henry M. Quillian III, who's about 600 miles southeast of Loseman in Atlanta, there are "basically cranes everywhere."

The full article can also be viewed [here](#).

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