

Law firms building real estate groups despite slowed market

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A number of major law firms — including Fennemore Craig, Quarles & Brady Streich Lang and Snell & Wilmer — are growing their real estate operations despite a cooling housing market and rising interest rates.

Those firms and others on a growth track see continued market expansion in the Phoenix area and hope to use their Valley and Southwestern regional operations to tap into opportunities in other places, such as Las Vegas, San Diego and Southern California.

All that comes in the face of clear signs

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of a slowed real estate market — including higher interest rates, increased fuel prices and other inflationary pressures on construction, and new and resale homes sitting on the market far longer than during the go-go times of just a few quarters ago.

"We have hired four new real estate lawyers — all associates — since November 2005. We are continuing to expand our real estate practice in light of strong demand," said Don Miner, chair of Fennemore Craig's real estate practice area.

Fennemore has 45 real estate attorneys based in Phoenix and Tucson but has 13 partners doing work in Las Vegas and California.

Miner said the firm is paying close attention to rising interest rates and acknowledges the market has cooled somewhat.

Still, he is optimistic the real estate sector will be strong long-term.

Quarles & Brady has added six attorneys to its Phoenix and Tucson offices over the last year, said Robert Bornhoft, a partner with the Milwaukee-based firm.

Bornhoft said Quarles' national presence allows its Phoenix-based real estate attorneys to do work in several other markets such as Las Vegas where, like Phoenix, there has been a boom in condominium projects, housing

developments and commercial construction work.

"Because our firm has a national practice scope, many of our attorneys can perform real estate work for clients in jurisdictions other than Arizona," said Bornhoft. "This enables our firm to take advantage of other hot markets even if there is a cooling within the Phoenix market."

He added that if the bottom does fall out of the real estate market, Quarles attorneys still will be needed to handle issues such as foreclosures, loan workouts and restructurings.

In addition to Arizona, Quarles also has offices in Florida, Chicago and Wisconsin.

Snell & Wilmer has 57 real estate attorneys in its Phoenix, Vegas and California offices and has been adding to that practice area in recent quarters.

"The firm is in growth mode. Out of the 73 attorneys who joined Snell & Wilmer firm-wide in the last year, 21 are in the real estate practice," said spokeswoman Tiffany Erickson. "We plan on continuing with this growth."

Jonathan Frank, a Snell partner and real estate attorney, said the Phoenix area's population growth will continue to make it a strong market despite any economic hiccups.

Lewis & Roca, however, has found it difficult to attract experienced, mid-level attorneys. Therefore, the firm is trying to nurture younger associates in the real estate field.

"We plan to grow, however, the market is very tight right now," said Amy Altshuler, real estate practice group leader for the Phoenix-based firm.



Amy Altshuler

"It is difficult to find mid-level associates with real estate experience. Therefore, we are growing from the bottom-up and investing time into training new lawyers," Altshuler said.

Lewis has 17 real estate attorneys operating in Phoenix and Las Vegas. The firm has offices in Arizona, Nevada and New Mexico.

Another firm ramping up is Chicago-based Sonnenschein Nath & Rosenthal. The national law firm is opening a new office in Phoenix with a focus on the region's real estate and tourism sectors.

GET CONNECTED

- Quarles & Brady Streich Lang:** www.quarles.com
- Lewis & Roca:** www.lrlaw.com
- Fennemore Craig:** www.fclaw.com

CORRECTIONS

The BizNotes section in the May 12 issue indicated construction was scheduled to start in May on the Tempe Lincoln Mercury dealership in the Tempe Autoplex. The dealership already is open and is undergoing renovations.

On the List of Valley hospitals that ran May 12, the information about West Valley Hospital should not have listed a Level II Nursery as part of its services.

On the list of Residential Real Estate Brokers which appeared in the May 19 issue, No. 15, Windermere Sonoran Properties, should have been listed as Windermere Real Estate. Windermere Sonoran Properties is one of 12 Windermere offices

in the Valley.

Financial information about Zila Inc. in the May 19 issue should have indicated the company had a profitable year with net income of \$1.06 million.

Also in that issue, on the list of Public Companies with a Major Arizona Presence, the name of Centex Corp.'s Arizona division president should have been listed as John Michell.

The "West Valley news roundup" in the May 5 edition should have said The Bade Cos. was moving into one of its developments, Lake Pleasant Professional Center at the southeast corner of 91st Avenue and Lake Pleasant Parkway in Peoria.