



**AXIOM'S 2023
DEPUTY GENERAL
COUNSEL SURVEY
REPORT**

SPOTLIGHT ON

**Real Estate
DGCs**

INTRODUCTION

The Importance of the DGC Role:

The role of the DGC is a universally important one. At many enterprises, DGCs operate with considerable latitude in consulting, advising, and representing the company on a variety of highly complex legal, transactional, regulatory, and corporate governance-related matters. In addition to providing strategic advice to management and the board, the DGC will also help set the strategy for the legal function in general while leading a team of legal professionals and overseeing a vast network of outside providers. In some companies, DGCs also liaise with the CFO and assume budgetary autonomy. And, in almost all environments, the DGC will be closer to the resourcing nuances of the legal department and its day-to-day operational challenges than the GC. Finally, the role is made even more important by the fact that its current occupants represent the next generation of in-house legal leadership.

SPOTLIGHT ON REAL ESTATE DGCS:



Of course, the specific function of the role and its pain points vary by industry. This companion spotlight to our broader report on DGCs (Axiom's 2023 Deputy General Counsel Survey) highlights benchmarking data on real estate DGCs specifically. Our spotlight examines the real estate DGC perspective on legal department resourcing, budgetary constraints, anticipated headcount cuts, and how best to leverage external support networks. It also examines the career satisfaction of real estate DGCs currently in-seat and reveals the obstacles that prevent them from climbing the last rung of the in-house legal ladder.

THE THREE HEADLINE REAL ESTATE TAKEAWAYS:

- Much like their peer DGCs from other sectors, real estate DGCs are struggling to navigate budget cuts and hiring freezes which they believe will ultimately affect the efficacy of their already under-resourced department.** According to [Forbes](#), Opendoor CEO Eric Wu believes we are currently immersed in “the most challenging real estate market in 40 years” and they are seeing a “need to adjust our business,” including laying off 18% of their workforce. So do more with less, or the whole company crumbles; sounds like a plan, right? And while it is a bad plan, it's nonetheless the plan facing most general counsel out there.
- But real estate DGCs, more so than DGCs in other sectors, do not believe that law firms or internal hires can effectively address their resourcing challenges:**

 - With respect to law firms, cost is a paramount concern. (As well it should be, with [Corporate Counsel](#) recently reporting 2023 law firm rate increases of between 5% to 15%, with some “hikes topping 30%.”) Perhaps more surprising but of equal concern to real estate DGCs is the administrative burden of managing a vast network of providers, something real estate DGCs feel more acutely than their non-sector peers.
 - As for hiring new lawyers internally, few real estate DGCs feel this is an effective resourcing solution due to headcount reductions and budgetary concerns. But there's a broader talent problem with hiring lawyers: real estate DGCs have trouble finding the right type of lawyer to meet their needs.
- In terms of career satisfaction and development, real estate DGCs are more likely to see themselves on an accelerated path to a GC role:** three to five years on average, as compared to six-plus years for their non-industry peers. And while all DGCs share similar pain points about their ability to access the skillsets required to advance to a GC position, real estate DGCs believe they are performing at an elevated level compared to their peers.

OVERVIEW

Key Findings

ECONOMIC PRESSURES:



of real estate DGCs have seen budget cuts as the result of economic uncertainty

42%

say some or a great deal was cut



predict a potential hiring freeze is likely due to economic circumstances

35%

report it's very likely to happen

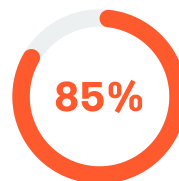
RESOURCING ISSUES:



report seeing an increase in volume and complexity of legal matters in the last few years



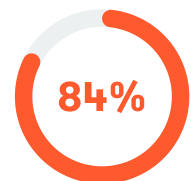
say they have seen an increase in attrition within their own legal departments in the last year, which suggests that DGCs will need to be careful with their resourcing



note their teams are lacking the expertise, bandwidth, or structure to effectively tackle their workloads

⋮

For real estate DGCs, the most notable deficiencies are lawyers well-versed in **real estate, litigation, intellectual property, and commercial/contract law**



share that their legal department doesn't have the necessary staffing resources in-house to meet the needs of the increasing legal demands

100%

of real estate DGCs believe it's **difficult to hire the right attorneys** to meet their needs

29%

report it very difficult

SOLUTIONS TO RESOURCING CHALLENGES:**► Internal Hires**

of business services DGCs **don't believe** that investing in full-time permanent hires is a very effective solution to address resourcing challenges

WHY INTERNAL HIRES DON'T WORK:

- 52%** cite difficulty finding the right talent to meet their needs
- 55%** say they only require part-time help
- 42%** note the length of onboarding a new hire
- 77%** are concerned about hiring freezes on the horizon

► Law Firms

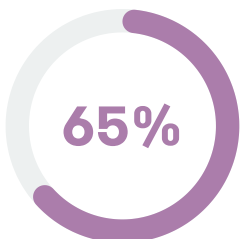
Real estate DGCs are less likely than non-industry peers to want to increase support from traditional external legal providers (like law firms.) Why?



of business services DGCs feel **there are limitations** to how effective law firms can be in addressing departmental resourcing needs

WHY LAW FIRMS DON'T WORK:

- 71%** note the burden of managing law firms (higher than the average of 66% among all DGCs).
- 55%** cite the lack of institutional knowledge within law firms
- 39%** believe that law firms provide more conceptual legal advice than practical, lack commercial/business acumen, and require too lengthy an onboarding process.
- 29%** cite frustrations that firms still won't prioritize their business despite how increasing law firm billing rates are impacting already tight legal budgets

► Flexible Legal Talent Providers

of business services DGCs believe that flexible talent providers would be a **more effective resource**, providing more value for their money

WHY FLEXIBLE TALENT DOES WORK:

- 55%** note that flexible talent provides more practical advice than conceptual
- 61%** cite flexible talent as easier to manage and say it takes less time to onboard than law firms
- 44%** believe flexible talent leads to better value and greater efficiency when considering the stringency of today's budgeting concerns

CAREER PROGRESSION:

While more than half (55%) of the real estate DGCs report they are completely satisfied with their current position, 61% note that they are **not happy** with the opportunities for professional development or career advancement in their current roles.



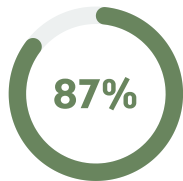
report experiencing stress and/or burnout



are open to new positions outside of their current employer

61% say they would look for another DGC position

45% are ready to apply for an in-house GC position



report that they are ready to take their careers to the next level due to their ability to perform at the highest levels



are interested in joining flexible talent providers, as they seek more opportunities for growth and experience



CONCLUSION**The Bottom Line:**

Being a real estate DGC is hard. The work is relentless and complex. The work-life balance is unideal.

Not only must real estate DGCs address novel and emerging areas of legal work frequently, but their budget to do so has significantly shrunk. In fact, given the post-COVID shift to remote work, the real estate industry was among the first sectors to meet the recession with belt-tightening moves, including hiring freezes. According to a legal recruiter, real estate DGCs “know the bloodbath has begun.”

As a result, the internal resourcing required to achieve best-in-class legal outcomes is insufficient. Hiring to gain additional support is hard, and now almost impossible due to headcount reductions. Budgets are not only impacting the ability to hire but spend cuts are also upending the use of law firms (given their hefty price tags, which are only getting heftier).

WHAT'S A REAL ESTATE DGC TO DO?

One answer is to turn to flexible talent. It's an idea embraced by the current crop of sector DGCs, who represent the next generation of in-house legal leaders. Two-thirds of real estate DGCs see flexible talent providers as a very effective solution to their resourcing challenges. Most progressive real estate DGCs know these challenges are about far more than “overflow work.” Leveraging flexible lawyers can empower them to navigate economic volatility by employing a leaner in-house team supported by an always-on bench of flexible talent.

This model improves risk mitigation by matching legal matters to the right legal talent on an as-needed basis. It also specifically addresses the two major real estate DGC pain points as it relates to the use of law firms:

**Cost:**

It decreases cost by minimizing law firm spend, providing better value for every budgeted dollar.

**Management Burden:**

It reduces the burden on in-house counsel who manage multiple law firms.

When will real estate DGCs be empowered to employ such a model? Those with budget autonomy are already engaging flexible talent in advance of expected hiring freezes. Others can demonstrate fiscal leadership by proposing flexible lawyer piloting projects to their GCs.

If your legal department is facing staffing challenges, bandwidth issues, or headcount freezes, now is the time to engage an experienced Axiom lawyer. Thanks to our Access Legal Talent platform, you can receive and review instant talent matches and view Axiom lawyer bios filtered by technology industry experience, practice area, location and more. [Browse our legal talent to get started.](#)

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