

# IBERIAN LAWYER

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## Changing places

How an office move can help attract talent

## Changing places

The Iberian legal sector is booming with some of the biggest firms upgrading their offices in the last two years as they realise modern workspaces can help them better attract the 'millennial' generation

Many of Iberia's leading law firms have moved offices in recent years – or are currently in the process of doing so – in an effort to increase productivity, attract the best talent, or win more clients. The list of major firms that have set up home in new premises since 2016 is extensive and includes Uría Menéndez, Cuatrecasas, Pérez-Llorca, Baker McKenzie, Allen & Overy, Freshfields Bruckhaus Deringer, Andersen Tax & Legal, PLMJ, Vieira de Almeida and Abreu Advogados. Among the main reasons is a need for more space – some firms have now doubled the size of their offices as a result of moving to a new address.

Law firms say more space is required partly due to rising demand for legal services – firms' revenue is growing, with increases of up to 20 per cent in 2017 alone. However, state-of-the-art offices can be a vital weapon in the "war for talent" as the "millennial generation" favour larger open spaces that facilitate collaboration, rather than individual offices that leave you disconnected from colleagues. In addition, a swanky office can make a good impression on potential clients.

Baker McKenzie moved to offices in Madrid's Calle José Ortega y Gasset in December 2017 and the firm says that, since then, productivity is up 15 per cent. "There has been significantly more collaboration – an open space office encourages teams to work together and exchange know-how," says a spokesman. The firm also got rid of individual offices for partners as it was felt this would make it more attractive to younger lawyers. "The elimination of individual status symbols,

such as private offices for partners, projects a culture of horizontal leadership that is valued by employees, particularly 'millennials'," the spokesman adds.

Baker McKenzie is also using technology to facilitate more efficient office management. Innovations include a space used for group meetings that is equipped with "streaming technology and audio capture devices that switch the image towards the person that is speaking". And the firm has measured the benefits: "internal calls have decreased by 44 per cent due to increased personal interaction, and printing is down 39 per cent, thus benefitting the environment."

Increasing the amount of space available was a key consideration when Uría Menéndez moved its Portuguese headquarters to Lisbon's Praça Marquês de Pombal. The move doubled its office space to 6,200 square metres – the firm's Lisbon managing partner Bernardo Ayala says the aim was to "meet our needs for additional space and improved working conditions for a growing team". He adds that an upgrade was also vital given that clients may spend extended periods in the office. "Space is not only important for lawyers, but also for clients, especially in transactions involving intensive use of the office," Ayala says.

However, the main reason Uría Menéndez moved was to improve the environment for the firm's staff. "The welfare of personnel is the most important factor," says Ayala. "We have not been guided entirely by energy efficiency and costs – not everything is a question of profitability." That said, Ayala adds that the firm is concerned with energy efficiency from an "environmental-friendliness point of view and we're committed to



performing with that in mind." Ayala also says the firm will benefit from the office being in a prestigious location. "We believe clients value the location in such a distinguished, emblematic and central area as Marquês de Pombal."

Technological improvements, greater efficiency and a better working environment are among the benefits of Cuatrecasas' new Barcelona headquarters in Avenida Diagonal, according to office co-managing partner Héctor Bros. The firm moved in December 2016 and Bros says there is more space, greater use of technology, more efficiency and facilities that "provide great comfort and improve the quality of life". The offices – which are 50 per cent bigger than the previous headquarters – have resulted in a decrease in paper consumption, according to Bros, who also attributes an increase in billing partly to the new headquarters. "In terms of turnover, in the first year after the move, we experienced the highest growth in the office in almost a decade."

Another factor in law firms' decision to move has been low rents. Bros says: "The real estate market is very active, but prices in Barcelona are soaring, so value-for-money opportunities are not as easy to find as when we decided to move." The cheaper price of office space was also a factor in Vieira de Almeida's decision to move to Lisbon's Santos district in November 2017. "At the time

the decision was made, office real estate was less dynamic and oblivious to the Santos district, enabling a very successful cost-rationalisation strategy,” says Vieira de Almeida’s corporate affairs director Matilde Horta e Costa. “Today, demand in this area has increased exponentially, impacting both price and existing opportunities.”

Vieira de Almeida also hoped a new office would foster “greater collaboration and closeness” among staff, according to Horta e Costa. However, in contrast to Baker McKenzie, for example, Vieira de Almeida opted to persist with individual offices for lawyers. “The new office provides ample spaces around which the team is organised, distributed by individual glass offices – no lawyers work in open spaces.” It is unclear how the new office will affect efficiency and productivity, but Horta e Costa says “our current forecast is very positive”. However, the design of Vieira de Almeida’s office has impressed – in August this year, it was a winner at the Architizer A+Awards for architecture.

Another firm to take advantage of lower rents to sign a lease for new headquarters was Allen & Overy, which moved into offices on Madrid’s Calle de Serrano in February 2018. The firm’s co-managing partner Antonio Vázquez-Guillén says: “The moment when we signed the lease agreement two years ago was more favourable than now as lease prices have gone up since then.” He adds that the firm has held 1,100 meetings and events in the office, which has “helped to strengthen relationships among our people and generated a strong sense of belonging”. Vázquez-Guillén highlights other features such as an auditorium “modelled on Harvard business school and a “top floor dedicated to clients with technology-driven rooms”.

#### Reputational impact

In September this year, Andersen Tax & Legal moved to new offices in Madrid’s Calle Velazquez,

with reductions in energy costs, more natural light and reductions in noise levels cited as among the major benefits. The new building has been redesigned to create “more efficient and environmentally sustainable spaces”, says Andersen Tax & Legal Spain managing partner Jaime Olleros. He adds that a “strong insulation system” reduces the use of air conditioning and heating, while noise levels are lower which “increases concentration” among staff. Olleros continues: “The real estate sector has good prospects, so there is more activity in terms of office space – the combination of free space, legal sector growth and the boost to the real estate market makes moves viable.” He adds that moving offices “at a time of expansion means an improvement in services that impacts on reputation and brand image”

Law firms can make substantial savings on energy costs by moving offices. Abreu Advogados’ new Lisbon headquarters – which cost €13 million – includes improvements in insulation, as well as energy efficient lighting and air conditioning. The firm says that 160,000 kilowatt hours of energy will be saved, which equates to approximately a €25,000 saving on annual energy bills. Abreu Advogados managing partner Duarte de Athayde

says the measures “allow for a significant improvement in energy efficiency”.

The trend for law firms to move offices shows no sign of letting up. Freshfields Bruckhaus Deringer recently moved to premises in Madrid’s Torre Europa (opposite Real Madrid’s Santiago Bernabéu stadium), while 60 professionals (including lawyers) from Pérez-Llorca are about to move into Madrid’s Torre Foster. Pérez-Llorca partner Luis Zurera says the new premises will help the firm with recruitment. “Working in one of the most modern buildings in Spain is an added incentive when it comes to attracting talent,” he argues.

Meanwhile, PLMJ will move into a newly-constructed building in Lisbon’s Avenida Fontes Pereira de Melo next year. The floorspace will be 30 per cent bigger than the firm’s current headquarters. A PLMJ spokesman says: “The spaces designed for internal meetings, areas to work together, brainstorming and reflection have been designed to increase productivity and efficiency.” As firms battle to attract the best lawyers, as well as the best clients, those that are in the most modern, hi-tech offices will feel they have a distinct advantage. However, with rents now going up, law firms that waited too long to move may now have missed their opportunity.

Office upgrades: Recent law firm moves

Firm	New Office	Date of Move	Floor Space	Increase in office space following move
Abreu Abogados	Av. Infante D. Henrique, 26, Lisbon	October 2017	7,400 square metres	145%
Allen & Overy	Calle de Serrano, 73, Madrid	February 2018	4,200 square metres	25%
Andersen Tax & Legal	Calle de Velázquez 108-110, Madrid	September 2018	3,000 square metres	100%
Baker McKenzie	Edificio Beatriz, Calle José Ortega y Gasset, 29, Madrid	December 2017	6,100 square metres	20%
Cuatrecasas	Avenida Diagonal, 191 Barcelona	December 2016	20,000 square metres	47%
Uría Menéndez-Proença de Carvalho	Praça Marquês de Pombal, 12, Lisbon	January 2018	6,232 square metres	100%
Vieira de Almeida	Rua Dom Luís I, 28, Lisbon	November 2017	12,000 square metres	35%