

Q1 MARKET UPDATE

Legal

Q1 Overview

The legal hiring market started 2026 with stronger momentum than the final quarter of 2025. Vacancy flow improved across several practice areas, with real estate in particular seeing a noticeable increase in hiring activity. Compared with Q4, where hiring decisions often moved cautiously toward year-end, firms have returned to market with renewed focus as budgets reset and teams look to fill gaps created by early-year movement.

When compared with hiring patterns seen in 2025, overall demand levels remain broadly consistent, although the type of hiring has shifted slightly. Much of the activity in Q1 has been replacement hiring rather than large-scale expansion. Lawyers who moved roles at the start of the year created secondary vacancies, prompting firms to return to market quickly to maintain team capacity.

Firms are continuing to hire where there is a clear business need, but most organisations remain disciplined in how they structure headcount growth. London continues to dominate vacancy activity, particularly for associate-level roles. Regional markets remain active, but demand varies more noticeably depending on practice area strength and local deal flow.

Demand Trends

Mid-level associate hiring continues to drive the majority of recruitment activity in Q1. Firms are particularly focused on those who can handle client work with increasing autonomy while progressing toward senior associate responsibilities.

Interview-to-offer timelines have been fastest for individuals within the two to four PQE range. These lawyers are attractive to hiring teams as they combine solid technical capability with strong long-term retention potential.

Multiple-offer situations are also most common at this level. Professionals coming from well-regarded firms or with specialist technical expertise continue to attract strong competition.

Although some newly created roles have emerged, particularly where teams anticipate future deal flow, most hiring activity in Q1 has been driven by backfill. Movement earlier in the year created gaps that firms have been prioritising to maintain operational continuity.

Real estate has been one of the most active practice areas so far this year, reflecting stronger pipelines and increased transactional confidence following a slower close to 2025.

Compensation

Salary levels continue to rise selectively, with the most visible increases occurring at the newly qualified level.

Data from 2025 already showed steady upward movement in NQ salaries, and this trend has continued into early 2026. Over the past few years, some firms have increased NQ salary bands by £15,000-£20,000 as competition for early-career lawyers has intensified.

Beyond the NQ level, salary increases remain more targeted. Firms are still willing to offer competitive packages for high-quality talent, but widespread salary inflation across all PQE levels has stabilised compared with previous years.

Counteroffers remain a consistent feature of the market. Firms are increasingly prepared to increase salaries or offer retention incentives to retain high-performing lawyers. However, in many cases, lawyers who accept counteroffers still move firms within the following year.

Bonus structures have remained broadly consistent with those seen in 2025, with firms maintaining realistic performance-linked incentives rather than significantly increasing payout levels.

Regional compensation trends remain aligned with last year's benchmarks, with London maintaining the highest salary expectations while regional firms continue balancing competitiveness with cost management.

Candidate Behaviour

Behaviour in Q1 has remained largely consistent, as the majority of movement continues to occur at key career inflection points, particularly when lawyers reach two to three years post-qualification. At this stage, many begin exploring opportunities that offer stronger career progression, improved compensation, or greater exposure to higher-profile work.

Money and firm reputation remain two of the most influential decision-making factors. While flexibility and hybrid working policies remain relevant considerations, they are rarely the primary driver behind a decision to move firms.

One shift compared with late 2025 is the slightly larger number of professionals exploring the market. This increased availability of talent is contributing to longer hiring processes, as firms are often reviewing broader shortlists before progressing to interview stages.

Hiring Process Trends

Recruitment processes have lengthened slightly during Q1.

With more talent entering the market, firms are often reviewing a larger pool of applicants before progressing to interviews. While this provides employers with greater choice, it can also extend early-stage decision-making.

Offer acceptance rates, particularly within larger firms, have become somewhat less predictable. Some offers are taking longer to finalise as internal approvals move slowly, while others are declined quickly by professionals who secure competing opportunities elsewhere.

On average, time-to-offer currently ranges between three and five weeks, although timelines can vary depending on firm structure and internal hiring approvals.

Firms that are performing best in this environment are those moving decisively. Streamlined interview stages, clear communication around salary expectations, and strong engagement throughout the process continue to significantly improve hiring outcomes.

Q2 Outlook

Looking ahead, competition for legal talent is likely to intensify further during Q2.

With hiring already increasing in Q1, firms that delay recruitment decisions may find themselves competing for a limited pool of mid-level talent.

Associates with two to five years' PQE will remain the most constrained area of supply, particularly within London's leading private practice teams.

Transactional practice areas, such as real estate and corporate, are expected to continue driving hiring demand as deal pipelines strengthen.

However, firms are likely to maintain a targeted hiring approach. Economic uncertainty and wider market conditions mean many organisations will prioritise strategic hires rather than rapid team expansion.

For hiring leaders, the key message heading into Q2 is speed and clarity. Firms planning to hire should move to market quickly, ensure internal approvals are aligned early, and present a compelling long-term career proposition.

Given the continued prevalence of counteroffers, employers must also invest time in building strong talent engagement throughout the process. Demonstrating not just the role itself but the broader career trajectory available within the firm will remain essential in securing top legal talent before competition intensifies.

KEY TRENDS



Vacancy levels have increased in early 2026



Mid-level associates remain the most in-demand talent



Replacement hiring is driving much of the market



Salary growth continues at NQ level while counteroffers remain common



Hiring processes are becoming longer and more competitive

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