

Mid-Year Market Update: Legal - 2025

As we reach the midpoint of 2025, the UK legal recruitment landscape continues to evolve, shaped by shifting economic forces, candidate priorities, and growing pressure on law firms to balance strategic hiring with financial prudence. At Henderson Scott, we work closely with law firms, and our latest market intelligence highlights the nuanced, and sometimes contrasting, dynamics playing out between London and the rest of the UK regions.

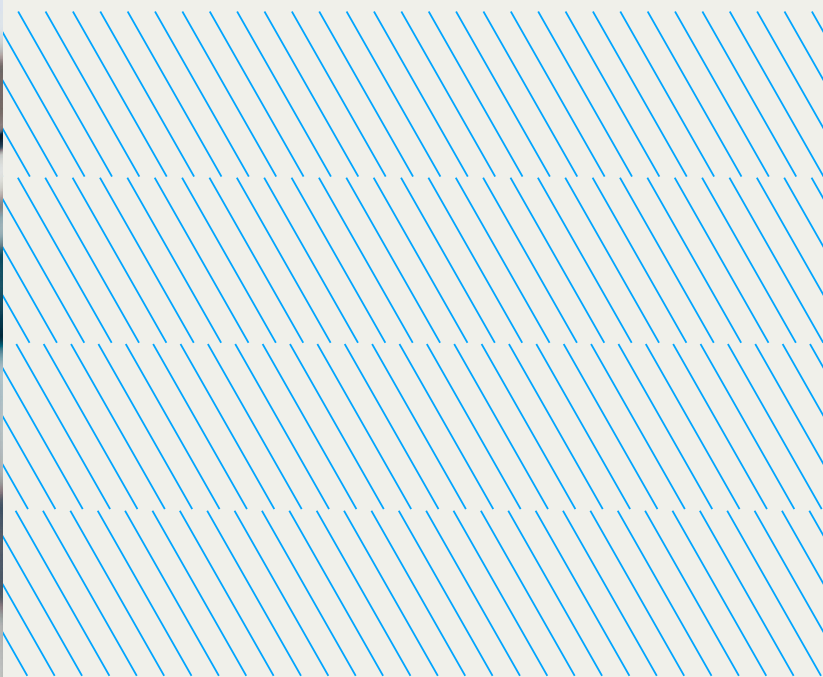
Whether you are planning lateral partner growth, responding to client demand in high-volume areas, or simply reviewing your talent pipeline, this update offers a clear view of what's driving the legal talent market right now, and what to prepare for in the remainder of the year.

London: Strategic growth in a competitive market

In the capital, legal hiring has picked up pace since the cautious start to 2025. Firms are still recruiting, but with greater intentionality and a focus on return on investment. We've seen increased demand in Corporate and M&A, finance roles (particularly in debt capital markets and leveraged finance), as well as regulatory and compliance areas, a trend driven by global regulatory shifts and ongoing deal activity. Technology, IP, and ESG continue to gain momentum, especially as firms invest in future-focused practice areas.

There is a growing preference for mid-to senior-level hires who can operate with limited ramp-up time. While junior hiring is ongoing, the focus in H1 has leaned towards individuals who can hit the ground running, develop client relationships quickly, and bring sector-specific expertise.

Sentiment in London has gradually shifted from caution to quiet optimism. While firms remain mindful of economic headwinds, the outlook is brighter than this time last year, supported by stronger transactional pipelines in key industries such as private equity, energy transition, and tech. That said, partner hiring continues to be highly selective, with firms seeking not just capability but also cultural alignment and a demonstrable client following.



Regional markets: Talent shortages and strategic hires

Outside the capital, legal recruitment has remained active, but more candidate-constrained than ever. High demand continues in Residential Property and Private Client roles, particularly for lawyers with 3+ years' post-qualification experience. However, the real challenge for regional firms lies not in attracting business, but in securing the people to service it.

Candidate shortages are creating increased competition between firms, with counteroffers now a common hurdle. In many cases, top candidates are receiving multiple offers or being incentivised to stay by their current employers, often through salary uplifts or greater flexibility. This is particularly acute

in commuter towns, where lawyers with access to London are understandably drawn to the higher salaries and *"Across the regions, the challenge isn't demand, it's supply. For every role, there are often just one or two viable candidates in play. That makes the recruitment process more high stakes than ever."* shares **David Holden**, Director of Legal at Henderson Scott.

This supply issue is prompting firms to explore more creative approaches, including tailored working arrangements, clearer development pathways, and earlier engagement with potential candidates before they formally enter the market. Flexibility has become essential, not only in working arrangements, but also in how firms approach attraction and retention.

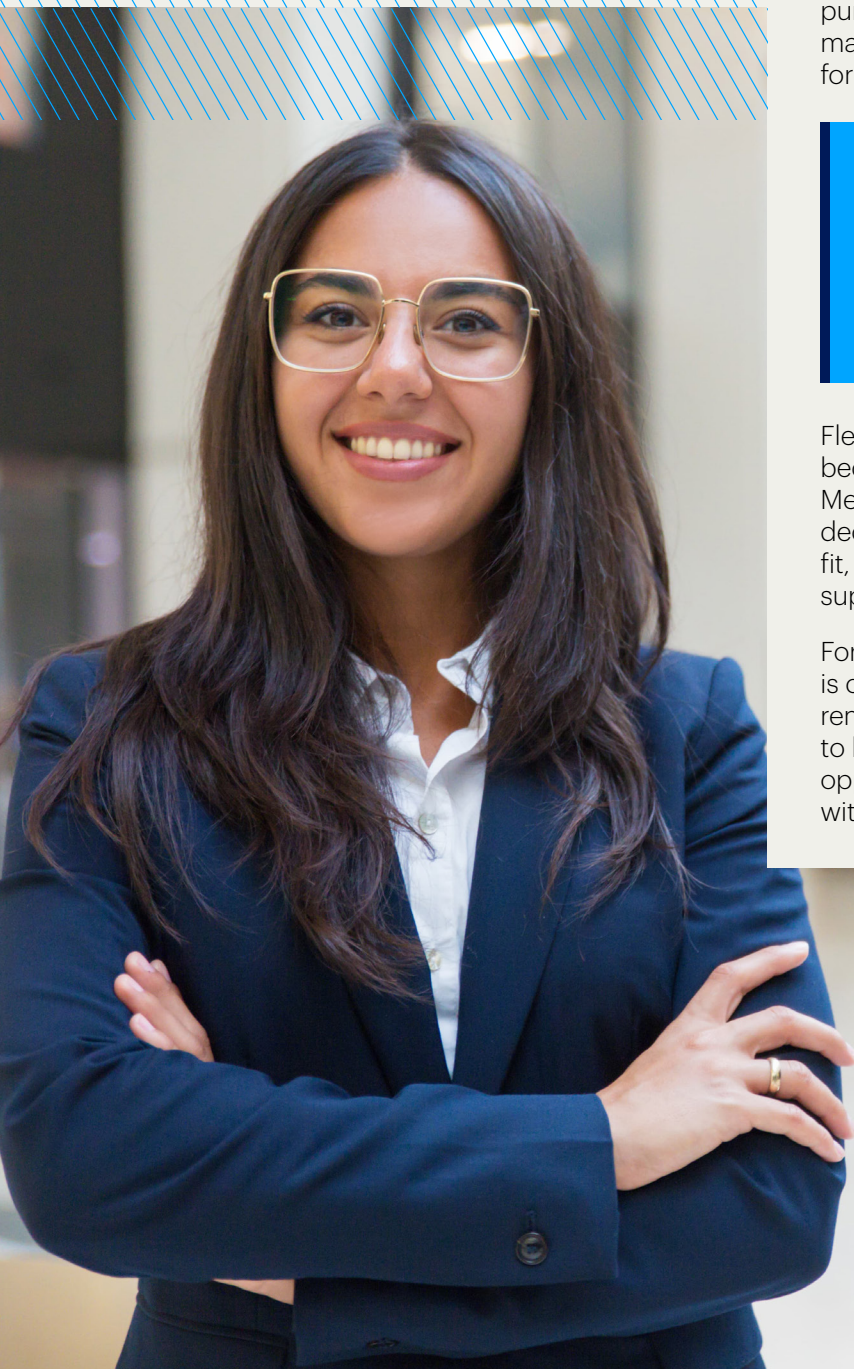
Changing expectations

Across both London and the regions, the legal recruitment market is firmly candidate-led. Lawyers, particularly at the mid to senior level, are moving with purpose. They are not chasing vague promises or marginal improvements; instead, they are looking for clear, tangible benefits:

- Competitive salaries
- Genuine flexibility
- Transparent promotion routes
- Supportive firm cultures

Flexibility remains non-negotiable. Hybrid working has become the baseline expectation, not the exception. Meanwhile, for many partners and senior lawyers, the decision to move now hinges as much on cultural fit, equity transparency, and business development support as it does on headline figures.

For firms seeking to attract top talent, the message is clear: it is no longer enough to offer competitive remuneration alone. The proposition must speak to long-term career value, whether through growth opportunities, access to quality work, or alignment with personal and professional values.



Partner hiring

Internal promotion remains a valuable strategy for retention and morale, and many firms are doing more to ensure that talented associates see a clear route to partnership. However, lateral hiring at the partner level continues to play a critical role, particularly among mid-tier and boutique firms seeking to grow strategically or enter new markets.

Most lateral hiring remains focused on individuals with an established following or niche technical expertise. Yet, increasingly, firms are placing equal weight on softer factors such as collaboration, leadership, and cultural contribution.

As David (Legal Director at HS) puts it, *“The bar for senior hires has never been higher. Firms are looking beyond revenue potential. Cultural fit, leadership style and long-term vision are just as important.”*

That said, many partners are understandably cautious about moving. With continued economic uncertainty and rising operational costs, stepping away from a stable set-up requires a compelling reason. This is driving firms to invest more time in courting the right candidates and demonstrating how their business can genuinely enable long-term success.

Looking ahead

Looking to the remainder of the year, we expect to see a more decisive uptick in hiring activity, particularly from September onwards, as firms return from the summer break and refocus on growth and succession planning. Areas such as ESG, regulatory law, and technology-related legal services are likely to continue expanding, while private client and real estate roles will remain high-volume areas regionally.

However, firms that wish to attract top talent in H2 must be prepared to act with pace and clarity. With candidates still firmly in the driving seat, slow or indecisive hiring processes risk losing strong individuals to more agile competitors. Employers who can articulate a clear EVP, provide competitive packages, and offer meaningful career development will be best positioned to win.

At Henderson Scott, we offer a consultative and strategic approach to legal recruitment, supporting clients from boutique firms to global practices. Whether you are hiring at associate, senior, or partner level, our deep market insight and extensive candidate network enable us to deliver high-impact talent that aligns with your long-term goals.

To discuss your hiring needs or receive a bespoke market analysis, please **get in touch** with our **Legal team**.

