

# CHANGING LANDSCAPES



**KRZYSZTOF WÓJCIK, ATTORNEY-AT-LAW, HEAD OF LEGAL SERVICES AT VISTRA POLAND, WRITES ABOUT THE 2023 TRENDS IN LEGAL ADVISORY.**

The demand for legal advisory can be somewhat of a gauge of economic reality at least at the level of businesses that traditionally take such advice. The topics dealt with by lawyers often not only reveal what is happening, but also what will happen. In this respect, the turn of 2022 and 2023 brought significant changes. After 2021 and the first half of 2022, when law firms' M&A departments were breaking sales records; when top law firms were handling IPOs of a range of companies, and the real estate market was heating up, the end of 2022 brought a change in the landscape. This is not to say that M&A deals have suddenly slowed down completely, or that real estate deals are not appearing, but there are far fewer of them than in record years. The trend is deepening, which heralds a stabilization in this area.

## COMMERCIAL REAL ESTATE

Is this a very worrying development? It seems not. 2021 was an outstanding year and an outlier from the average of previous years. It seems that the cooling of the market is a return towards normality rather than an anomaly in the opposite direction. More worrying are the developments in the real estate market. Here we can see a pause in residential, and we can also see a cooling of the retail and office markets. Logistics and manufacturing, on the other hand, are still strong. Real estate departments at law firms are not jobless departments, but certainly the number of projects is now noticeably lower. Interestingly, a significant number of transactions motivated by the expectation of a risk premium are emerging. In times of crisis, or on the verge of a crisis, some in-

vestors decide to transact somewhat against the trend, hoping for a windfall profit on the exit when the trend reverses.

## LABOR LAW

We are seeing very interesting trends in labor law departments. While in 2021 and the first quarters of 2022 most employers were focused on offering employees the best possible conditions to attract or retain them, the last quarter already showed signs of a change in attitude. It started with a halt in recruitment and now stand by options are being considered, or even the cutting jobs. For the time being, what can be seen here is the preparation for possible scenar-

emerged for political reasons and is continuing, is the relocation to Poland of companies mainly from Ukraine. This can be seen mainly in the IT area, where many specialists have moved to Poland in response to the war, followed by their employers. This is a very interesting phenomenon of business relocation and replication in a new jurisdiction. Despite the slowdown in employment growth, an interesting trend is observed in labour law departments—specifically in immigration, as specialists are being recruited from outside Poland. Increasingly, Poland is chosen as a place of settlement for specialists, in-

come any concrete regulations in this area.

## COMPLIANCE

A trend to which the regulation of remote working is linked is the progressive increase in regulatory obligations. Increasingly apparent in law firms is client demand for compliance tools and solutions. This does not only apply to traditionally regulated fields, such as the financial industry, but to almost every industry. In response to this trend, some law firms are already providing specialized services in this area.

## PUBLIC ASSISTANCE

As a one-off phenomenon, there was some intensification in late 2022 among public assistance departments. This was related to the introduction of maximum energy prices for small and medium-sized enterprises. There were frequent projects related to the identification of companies as potential beneficiaries of aid in this area and advice relating to this topic. With significant increases in the cost of electricity and possible other similar market perturbations, it is certain that a similar situation will always occur when similar aid schemes are introduced.



**A demand for legal advice on employing foreigners** is on the rise as increasingly, foreign specialists, including digital nomads, chose Poland for their place of settlement.

ios rather than the implementation of decisions on downsizing, but there is a trend towards at least anticipating the possibility of "lean times" and preparing for them. Interestingly, such a trend is also emerging in the IT industry, seemingly impregnated by even the consideration of any job cuts.

## MIGRATION

Another interesting trend, which

cluding digital nomads. One can already speak of the beginnings of Polish Silicon Valleys in cities such as Kraków or Wrocław.

Certain trends in this area may accelerate further thanks to the recently enacted remote working regulations. On the one hand, these regulations are assessed as too detailed and formalized, while on the other hand, employers wel-

## SUMMARY

In conclusion, lawyers always have their hands full. Whatever stage the economy and their clients are in, there is no shortage of work. However, this does not change the fact that there is a clear market trend at the level of legal advisers to move away from a trading boom to preparing for worse times.