

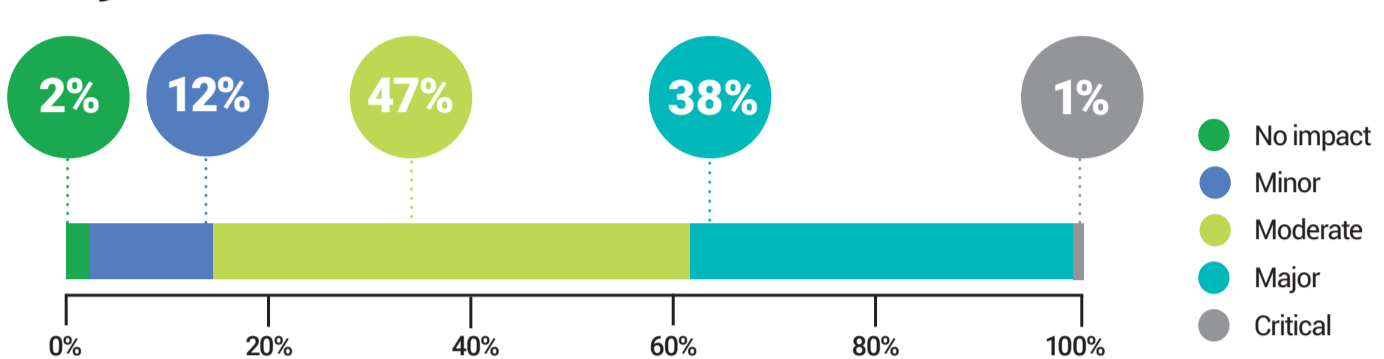


# Legal Sector Survey Results Now, for Tomorrow Fees and Profitability

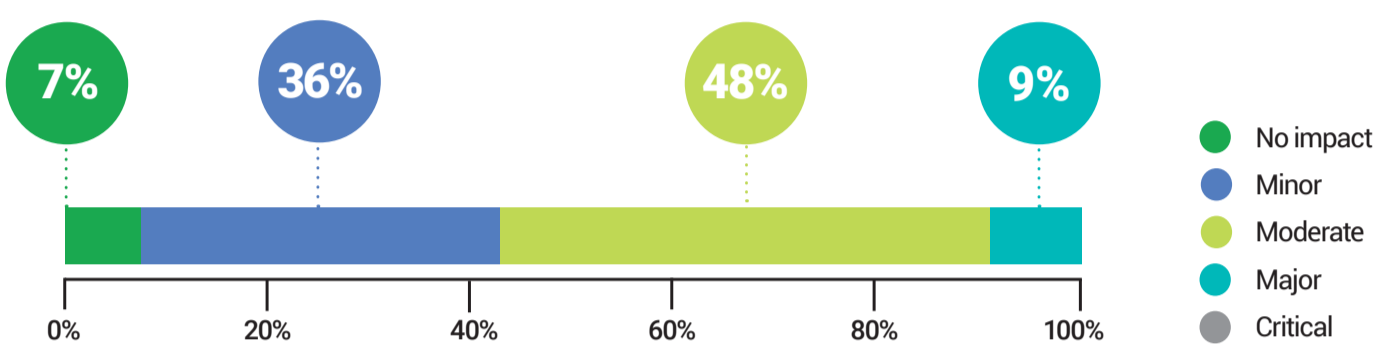
## What has been the impact of COVID-19 on fee income?

Our last survey asked Firms to estimate what impact Covid-19 was having on fees billed. Now that we are 9 months post original lockdown, Firms have reversed a “major” impact expectation to an actual “minor” impact on fee income.

May 2020



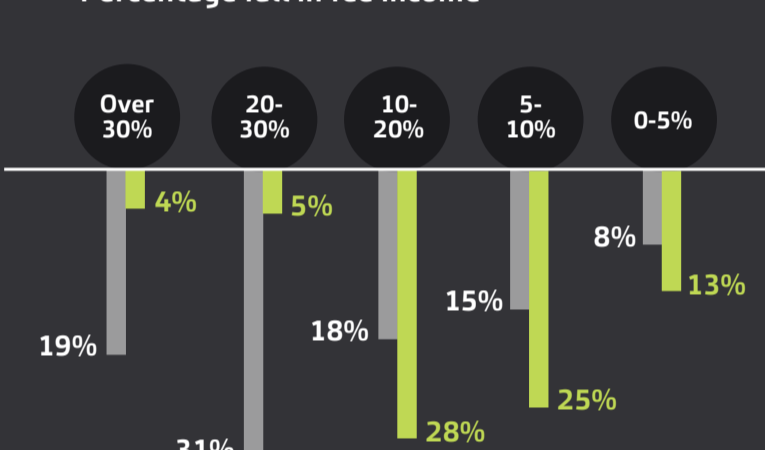
December 2020



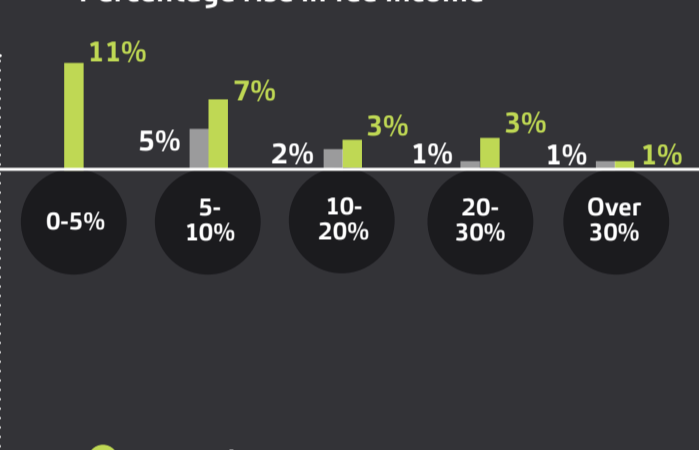
## The percentage amount that fee income has changed by

The majority of respondents have reported a fall in fee income since March 2020. 66% of Firms have seen a decrease in fees of up to 20%, whereas 18% of Firms saw an increase of up to 10%. The wildly pessimistic expectations in May 2020 did not materialise.

Percentage fall in fee income



Percentage rise in fee income



## Best and worst billing service lines

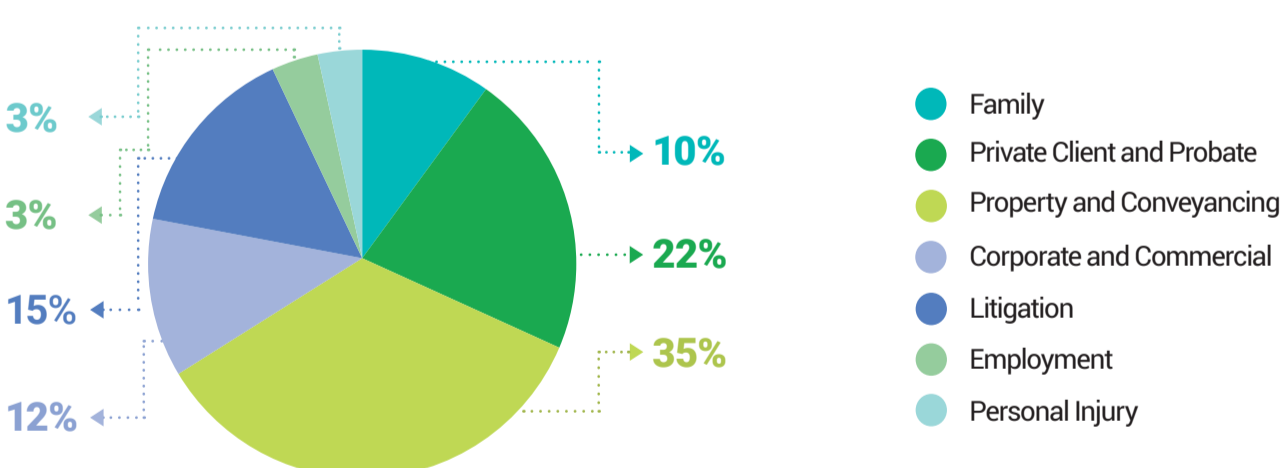
Of the Firms responding, 35% reported the highest billing service line as property. Strangely, 24% of respondents also reported that property was one of the worst billing services.

We see part of this dual response being due to different types of property work. Firms undertaking residential conveyancing work were firstly hit by the initial lockdown seeing estate agents closing, and deals being put on hold. But the overwhelming push to reap stamp duty reductions has seen the vast majority of conveyancing transactions re-start and complete, albeit on a slower pace than normal.

Commercial property, on the other hand, has seen a much slower return in transactional levels.

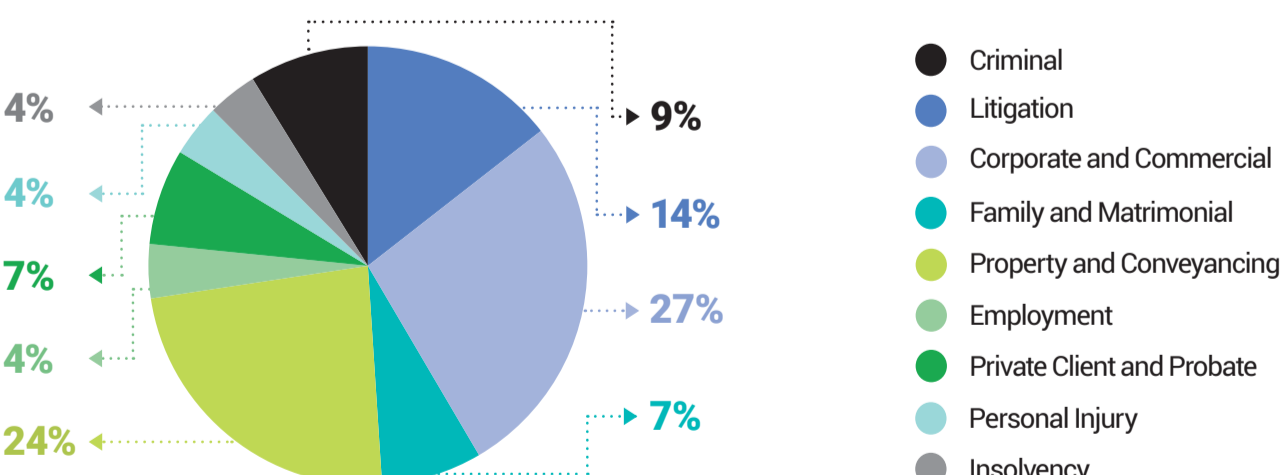
### Best billing service line

The second highest billing service line, at 22%, is private client and probate. Nobody wants to quote a positive about a global pandemic but sadly it does hit individuals.



### Worst billing service line

The worst impacted service line is reported to be corporate and commercial at 27%. Many M&A deals were shelved during lockdown, although we are starting to see some of these return. Firms noted that “non-essential” commercial advisory work was also stopped as clients looked to reduce expenditure.



## Has your business made a profit in the period since March 2020?

The question as to whether Firms are making profits since March 2020 is a resounding YES – at 91% of respondents. Of these profit-making Firms, 32% expect to make up to 5% more profit than expected.

% increase of profit in the period since March 2020



So even though Firms generated lower fee income during this period, they made immediate decisions to reduce expenditure, thus generating additional profits. We reported in May 2020 that 87% of Firms participating in that survey had utilised the Coronavirus Job Retention Scheme, and these furlough payments have contributed to reductions in outgoings and better profits than expected.