

# IMPROVING SPANISH ECONOMY AND MORE STABLE GOVERNMENT BOOSTING M&A AND REAL ESTATE ACTIVITY - EY ABOGADOS

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## **Foreign investors' growing interest in acquiring Spanish assets could lead to more foreign law firms opening offices in Madrid**

An improvement in the economic climate and greater political stability in Spain have boosted activity in the areas of M&A and real estate, according to EY Abogados head of legal Félix Plasencia. According to Plasencia, optimism among law firms in Madrid has been boosted due to growing interest from foreign investors in acquiring assets in the Spanish market. There is particularly significant appetite from investors from around Europe, as well as Asian countries including China. Plasencia argues that this positive outlook will encourage foreign law firms to continue investing in the Spanish market, and he expects that, in the next twelve months, a number of international firms will open offices in Spain. He adds: "Smaller Spanish law firms, in turn, could benefit from integration into international structures which enable access to a wider market."

Despite the improvement in economic conditions, law firms still face many challenges, according to

Plasencia. These include attracting the best talent and catering to an increasingly demanding client base. Clients do not just require legal expertise, but “seek advisors who understand their business and can respond to their specific needs quickly and efficiently, without a learning curve”, says Plasencia. Clients also demand flexible billing practices as hourly rates are in decline. In terms of talent attraction and retention, law firms have to adapt to the expectations that the ‘millennial’ generation bring to the workplace. This entails the implementation of flexible working practices, as well as offering “first-class working environments”, according to Plasencia. He adds that EY Abogados’ recent move to new premises in Madrid’s Torre Azca was one of the ways in which the firm has responded to this issue.

Plasencia adds that new technologies have a key role to play in the Madrid legal market, and that in response, EY recently opened an ‘Artificial Intelligence Innovation Centre’ in Madrid, which aims to help clients use client data to improve their offering.