



Natasha Rees (left) is taking over as senior partner from Smita Edwards

FORSTERS

Passing the baton

As Natasha Rees takes over from Smita Edwards as senior partner of law firm Forsters, Jess Harrold talks to them about the firm, its future and its forthcoming move

As law firm Forsters approaches its 25th birthday next year, it is going through big changes. By the end of 2023, it will have left its long-time home in Mayfair, W1, for Marylebone, W1. And, as of this week, it has a new senior partner, Natasha Rees – until recently the head of the firm’s property litigation team.

Rees succeeds Smita Edwards, a founding partner who has enjoyed a hugely successful eight-year tenure as senior partner, despite some seismic events along the way.

“In the past decade, we have had a Brexit vote and we have had Covid, which both had pretty significant impacts for the real estate world,” Edwards says. “And in that period of time our fee income across the firm has increased by more than 150% – if you average it out, it’s double-digit growth in that period.”

Fee income has soared to just under £71m at the end of March 2022, and the firm’s workforce has swelled to match, with more than 450 employees and 65 partners.

“It’s an evolution from years ago when we were small and some people used to call us boutique to a firm that’s a seriously large enterprise, a much bigger ship,” Edwards says.

Now, Edwards is delighted to be handing the reins to Rees, who she says commands “enormous respect within the business” and has “a fantastic profile externally”.

Rees is quick to return the compliment: “I’m stepping into some very big shoes and it’s obviously quite daunting, but also very exciting. There’s a lot to celebrate, but obviously there are lots of challenges and opportunities we need to consider as we move into the next phase of our growth.

“One of the biggest challenges is we are getting a lot larger, we are moving to a different level of firm, and we need

to maintain our profitability while still maintaining our culture.”

A new home

Central to achieving that balance is the office relocation. Having been based at 31 Hill Street, W1, since 2005, the firm’s expansion has forced it to add additional premises over the years. But when it moves to 22 Baker Street, W1, next year, it will finally bring everyone together in one place – something Rees sees as vital to Forsters’ ethos.

“One of the things that sets us apart from other law firms is definitely our culture,” she says. “Forsters is a very collaborative and friendly place to work.

“We really do put a lot of emphasis on happiness and that’s something I want to continue. We are ahead of the curve in terms of the way we look after our staff, our wellbeing initiatives and our inclusion and diversity. I think we just need to capitalise on that and stay ahead of the curve and we can do that very well in our new premises.”

All of the partners were heavily involved in the decision over the new HQ. “We all took a step back to have a look at what we needed, particularly coming out of Covid,” Rees says. “We decided that we definitely do need an office. As a firm, we all like seeing each other. We were very keen to bring everyone back together under one roof and to make sure it fits the BREEAM credentials. We wanted something modern with our own front door. We have always been a Mayfair firm, that’s a bit like a boutique hotel. We wanted to go to somewhere that was a little bit different but still very much in the centre of the West End and the heart of real estate.”

Rees has enjoyed the process of designing the new premises, which will boast features including a roof terrace with a staff restaurant, a client hub area, a yoga studio and the so-called “end-

of-journey” facilities that will include showers to encourage employees to walk or cycle to work.

A regular rider on pedElle events, Rees should have a 35-minute commute by bike. Once in situ and suitably refreshed, employees will find an open-plan office that enables different teams to work together. “We are certainly not downsizing, but we will be more agile and using desks more creatively,” Rees adds.

That’s an approach the firm has learnt works particularly well with “youngsters”, according to Edwards. “They learn from listening to the older lawyers talking,” she says. “It’s a much better learning environment in the office together, rather than siloed at home on Teams.”

Next generation

Will the new office be key to Forsters winning the ongoing war for talent? “Well, that’s absolutely part of it,” Edwards says. “But what we have discovered is that in the journey of recruiting, developing, keeping and making the best use of people, it’s not just one thing. It’s certainly not just status or money. What I think the past two years in particular have shown us is that our people do expect to get some purpose or value out of the workplace.”

She cites the “transformative and pivotal importance” of ESG across real estate, with the young lawyers they recruit no exception. “Our people expect us to work with them to be open and transparent, to develop them and to run our business in a way that is sustainable,” Edwards adds. “We are very committed to reflecting the needs of our people and what they want to see. It’s that as much as anything else that will make people feel a sense of ownership in the business.”

In addition, the firm takes CSR and D&I responsibilities seriously. “People ask us when they are being interviewed, what’s our EDI policy?” Edwards says. “What do we do to work with local communities, local schools, local charities? How do we encourage our staff to participate in community activities?”

“More than half of our partners are women – we have had role models who have helped women develop in every aspect of the firm. We are on that road, in terms of D&I, of having people from different backgrounds – religious, ethnic, social – ensuring that representation in the workplace reflects more the world outside.”

Rees notes the firm’s weighted training recruitment plan, intended to make recruitment more inclusive, and its apprenticeship scheme that enables people to come into the profession through different routes.



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Natasha Rees

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“If we are going to keep talent, we need to have a bigger pool of talent,” Rees says, “We need to make sure that we are getting people from all areas.”

“You have to work at it, and it takes time,” Edwards adds. “Having got people to join you from diverse backgrounds, you then have to engage with them to help them develop and make the best of themselves. It may not be a standard career path. You may not have someone who wants automatically to be a partner or to be the head of a group – they may have a different aspiration. You have to be flexible in how you help people achieve what they want to do within the business.”

The firm’s commitment to staff wellbeing includes activities to bring colleagues together outside of work, including netball and football teams, a running club and yoga. Edwards sings soprano in the firm’s choir, and Rees is an

enthusiastic participant in its book club – she gives a strong recommendation to recent read *A Fine Balance* by Rohinton Mistry, while the latest selection, *The Promise* by Damon Galgut, also gets the thumbs-up.

Real estate’s resilience

Rees’ current caseload includes advising and acting for estates, and representing both landlords and tenants in relation to enfranchisement claims, which means she has been monitoring ongoing leasehold reform with considerable professional interest.

“It has been a slow process,” she says. “I think, with the initial fanfare, everyone thought enfranchisement was going to change drastically immediately, and then nothing happened.”

She believes the industry has adapted well to the abolition of ground rents, but the main estates are currently “grappling” with the end of “no-fault” evictions, a long-standing promise made by the government that finally seems set to be achieved following its white paper, *A fairer private rented sector*.

The use of such evictions is “very much how they manage their estates and how they set their rents”, Rees says. “They usually want longer, fixed-term tenancies at lower revenues, because of the assured income, and then they put



Smita Edwards

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their rents up using the section 21 notice as a mechanism. So they are all looking at changing their fixed-term assured shorthold tenancies and adapting them.

“While it is an improvement for tenants, the concern is that having a yearly tenancy with rents going up every year will actually make it more expensive and more difficult for people in the private rented sector. Although it has been a long time coming, I think it’s a change in the right direction – it just hasn’t been thought through very carefully.”

Potential reforms to enfranchisement, recommended by the Law Commission in 2020, are an even “bigger worry” for landlords. “If they do bring in the valuation changes they are proposing, I think there will probably be a Human Rights Act challenge or judicial review of some kind from some of the larger players,” she says.

Rees believes it would be helpful to make the enfranchisement process simpler, and reduce the cost, welcoming a “cheaper and fairer system for tenants”, but she feels the valuation proposals are a “shift too far”, emphasising the need for landlords to be properly compensated.

As for Edwards, she is looking forward to returning to full-time practice, and a client base that includes developers and investors – albeit with a degree of caution in the market in the current economic climate.

“It’s a tricky time,” Edwards says. “But the thing about the real estate world is that it is really resilient. What I am absolutely confident about is the ability of the real estate world to adapt and to drive change. Yes, we are in an inflationary environment, we are in an environment where development carries risks because of increased construction costs and delays in supplies, and undoubtedly our developer clients are looking very closely, as are funders, at their appraisals to try and calculate exactly how much fat there is, how do they quantify risk, what prices are they paying, are the values sitting right? Undoubtedly, people are being careful now. They are not making rash decisions.”

But against a backdrop of uncertainty, she finds grounds for optimism. “We are involved in a number of city centre schemes where people are looking

differently at where people want to work, how they want to work, how they want to live and how they want to play. And as they grow old, what the requirements are for elderly living. I think it will be a huge, huge time of change – and the development market will be up for it.”

As, it is clear, will Rees, Edwards and the rest of their team at Forsters. If Brexit and Covid couldn’t throw the firm off course during Edwards’ tenure, starting her own term with the looming clouds of recession on the horizon should hold little fear for Rees.

So does the outgoing senior partner have any words of wisdom for her successor? “Over to you and have some fun,” Edwards says, smiling. “It’s a great business.”

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