



Pricing Report – Construction Sydney Legal Market, 2016

Hourly Rates

The Sydney construction law market displays perhaps the nation's most varied and evenly distributed pricing range across all areas of practice in the Australian legal market. While there is a tendency to price at the typical "mid-tier" levels between \$450 - \$600 there's also a healthy percentage of the market that prices both below and above this range.

In particular, 24% of the market pricing themselves below \$450 per hour is a percentage of the market sitting at distinct "value" point that isn't experienced in most other practice areas within the Sydney market. A suite of smaller and specialist firms provide construction legal services at a genuinely affordable price point and Sydney's mid-tier construction lawyers are split in their response. Some choose to lower prices to remain competitive while others have sought to position themselves closer to top-tier providers – at this stage it would seem that both models are working.

Hourly Rate	Market Share
\$300 - \$350	6%
\$350 - \$400	9%
\$400 - \$450	9%
\$450 - \$500	14%
\$500 - \$550	2%
\$550 - \$600	18%
\$600 - \$650	8%
\$650 - \$700	6%
\$700 - \$750	8%
\$750 - \$800	12%
\$800 - \$850	2%
\$850 - \$900	6%

Alternative Pricing

Some 74% of Sydney's construction lawyers reported the adoption of alternative pricing methods in the past year. Fixed Pricing and Capped Fees, as with other jurisdictions and practice areas were the most common methods used however the comparatively low use of stage-based costing and outcome-based fees was surprising.

Pricing Method	Market Share
Fixed Price	72%
Capped Fees	61%
Stage-Based Costing	23%
Performance/Outcome Based Fees	18%
Retainer	18%