

# London Legal Sector Update



Q1 2023

This quarterly London Legal Sector Update aims to inform the real estate decision makers within law firms of competitor activity and emerging best practice.

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## Sector and real estate trends

A round-up of the most disruptive trends shaping law firms and their future real estate requirements.

### Three sector trends

Talent is a top concern on law firm leaders minds alongside ongoing digital transformation.



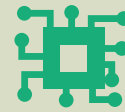
#### LONDON #1 GLOBAL LOCATION FOR LEGAL TALENT

London was ranked *number one* globally for lawyers based on work-life balance, job opportunities and pay. London has more than 3,500 legal job opportunities, with an estimated average salary of £83,998.



#### TALENT WARS FUELLING WAGE INFLATION

A recent *study* found that graduates entering the City's top law firms are amongst the best paid in the UK. A separate *survey* of 50 law firms found that 45% of City firms were preparing to increase salaries by more than 7.5% during the 2022/23 financial year.



#### LAW FIRMS EXPERIMENT WITH NEXT-WAVE TECH

A number of law firms, including PwC's legal division, Allen & Overy and Mishcon de Reya, adopted generative AI tools as a way to deliver services faster, smarter and more cost-effectively. All of the firms emphasised that the technology wouldn't replace lawyers or provide legal advice, however it will have an influence on the nature of work being done.

### Three real estate trends

A flurry of lease events from international and domestic law firms will maintain legal sector take-up through 2023. There is a clear trend of law firms relocating to buildings aligned with current and future needs.



#### INTERNATIONAL FIRMS DRIVE Q1 TAKE-UP

International law firms accounted for 70% of take-up by sq ft in Q1 2023, a trend that was evident last year and further illustrates London's global appeal as a legal hub.



#### ACTIVE DEMAND POINTS TO MARKET MOMENTUM

Legal sector occupier activity was more subdued in Q1. Take-up was 35,004 sq ft, 93% below the previous quarter, however, activity is set to accelerate going forward, with over 1m sq ft of active legal sector requirements.



#### ESG, WELLBEING AND CONNECTIVITY ALL INFLUENCING DEALS

Law firms continue to acquire space in high-quality new or comprehensively refurbished buildings that are amenity rich with ESG and wellbeing features, ratings and certifications. Location wise, law firms favoured the City core and close proximity to transportation links.

# Market Intelligence

Looking at who is acquiring space, how much and where; the types of buildings law firms are occupying, with particular attention to building accreditations and certifications, and locational preference and clustering.

London law firm leasing volumes sq ft

**35,004**  
sq ft

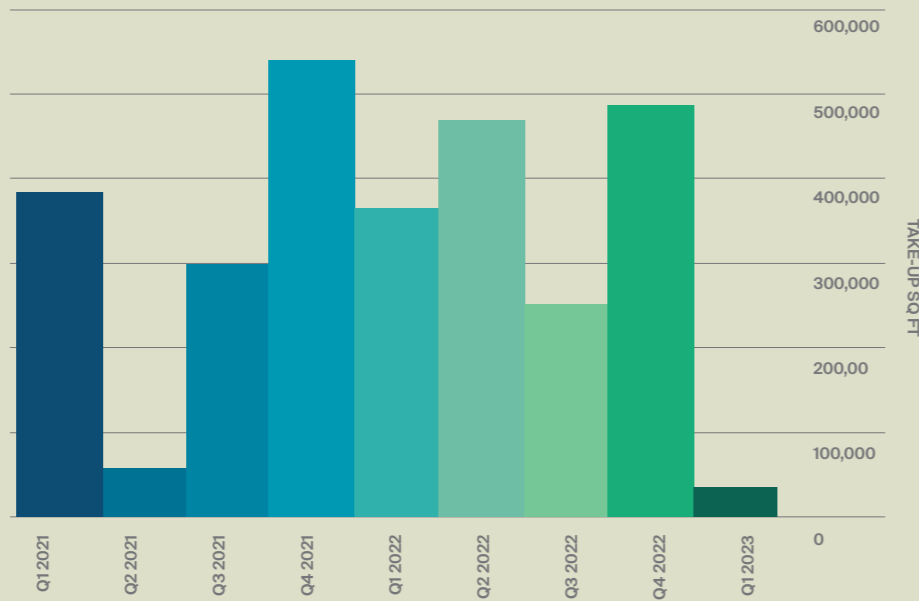
Q1 2023 total

**1.57 million**  
sq ft

2022

**1.28 million**  
sq ft

2021



Source: Knight Frank Research

Law firm leasing transactions – Q1 2023

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft p.a.x.)
Willkie Farr & Gallagher	Secondhand A	CityPoint, 1 Ropemaker Street, EC2	US	12,842	£72.50
Alston & Bird	Comprehensive Refurbishment	LDN:W, 3 Noble Street, EC2	US	9,806	£70.00
Anthony Gold	Secondhand A	Cottons Centre, Cottons Lane, SE1	UK	8,779	£59.50
Dickson Minto	Comprehensive Refurbishment	Dashwood, 69 Old Broad Street, EC2	UK	2,012	£71.00
Maisto e Associati	Secondhand B	53-54 Grosvenor Street, W1	Italy	1,565	£96.50

Source: Knight Frank Research



**1 million sq ft**

of named legal sector demand

## SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



**Cottons Centre, Cottons Lane, SE1**

Occupier: Anthony Gold

**Secondhand A**

River-facing, business lounge, leisure facilities, car parking, bike storage, showers, air conditioning, glass atrium entrance.



**CityPoint, 1 Ropemaker Street, EC2**

Occupier: Willkie Farr & Gallagher

**Secondhand A**

Atrium, conferencing facility, courtyard, fitness centre, bike storage, shower and changing facilities, public realm, retail, EV charging points, restaurants and cafés onsite.

- BREEAM Excellent
- ActiveScore Platinum
- WiredScore Gold
- 2019 RoSPA Gold Award for health & safety



**Dashwood, 69 Old Broad Street, EC2**

Occupier: Dickson Minto

**Comprehensively Refurbished**

Coffee shop, public realm, shower facilities, openreach fibre backbone, bicycle and locker facilities, motorcycle spaces, business lounge, landscaped terrace, 100% diversion from landfill, target of minimum 75% recycling rate for operational waste, optimal internal

air quality, enhanced air ventilation, full height glazing.

- BREEAM Excellent
- WELL enabled
- WiredScore Gold
- Public Transport Accessibility Level 6b



**LDN:W, 3 Noble Street, EC2**

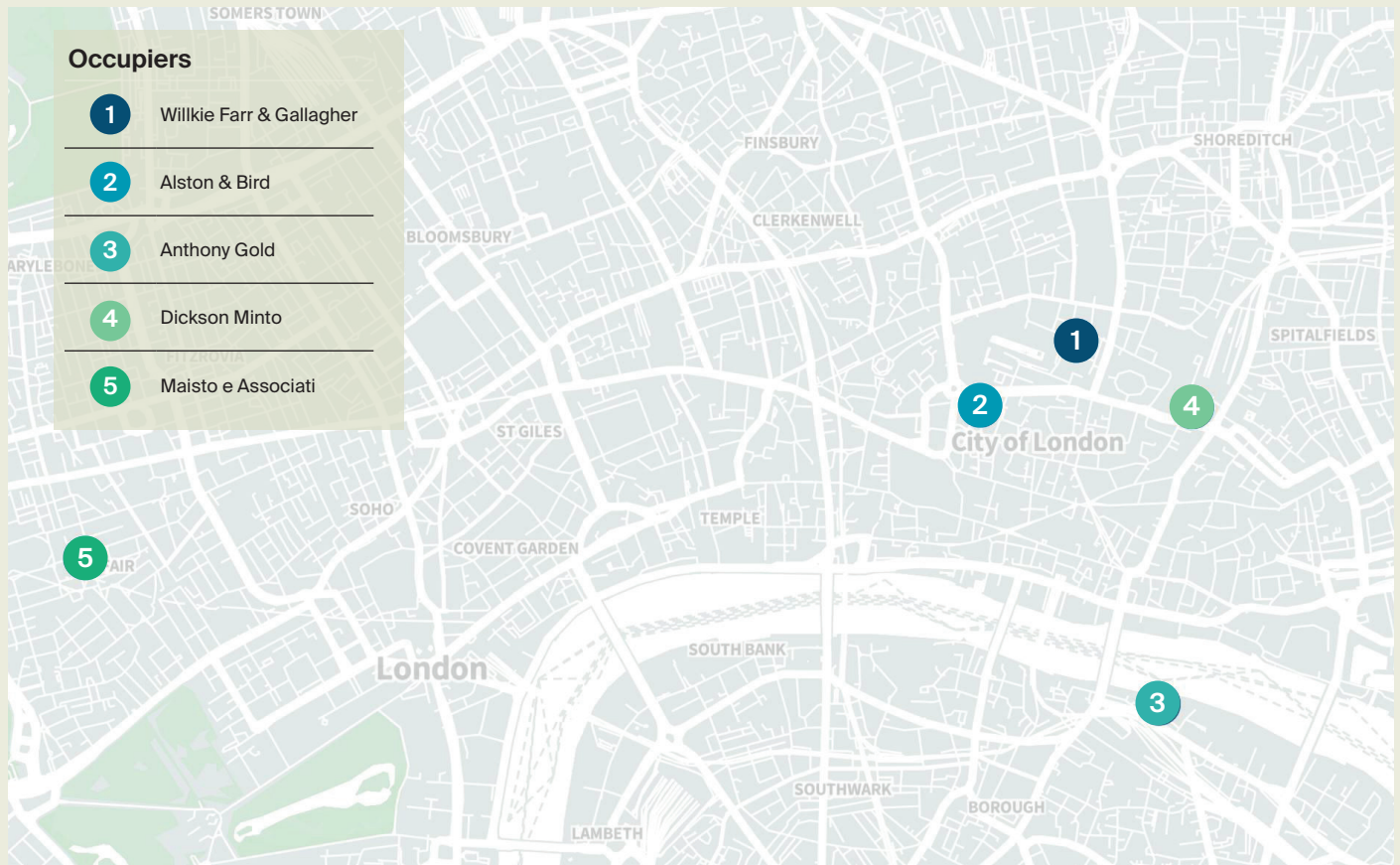
Occupier: Alston & Bird

**Comprehensively Refurbished**

Shared roof terrace, private terraces on upper floors, business lounge, bicycle racks, male and female showers, drying rooms, lockers.

- WiredScore Platinum
- Fitwel certification
- BREEAM Excellent

# NEW LAW FIRM LEASES Q1 2023



## Recent research



The London Report 2023

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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