

London Legal Sector Update

Q2 2024

Our quarterly London Legal Sector Update aims to inform 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

Law firms' real estate needs are in part being shaped by talent strategies and digital transformation, with London emerging as a key hub for LegalTech.

CITY LAW FIRMS ESCALATE NQ PAY IN FIERCE TALENT BATTLE

A flurry of law firms, including Linklaters and Freshfields, announced pay hikes for newly qualified (NQ) lawyers to £150,000, while Quinn Emanuel and Paul Weiss increased salaries to £180,000. According to Adzuna, corporate lawyer salaries in London have risen by 18.3% year-on-year. A recent [survey](#) revealed that attracting and retaining lawyers is the biggest challenge facing law firms.

WHAT FUTURE TALENT WANTS: BALANCING PAY AND LIFESTYLE

Two recent surveys reveal young lawyers' preferences. 71% of UK associates prioritise work-life balance in job hunts, closely following pay (69%). Yet, 70% say higher compensation would keep them at current firms, while only 36% cite work-life balance. Law students value professional growth, work-life balance, perks like free food, and authentic ESG initiatives alongside compensation when choosing firms.

LONDON REMAINS A HOTSPOT FOR LEGALTECH INNOVATION

London dominates the UK's LegalTech scene, housing 83 of 136 seed, growth and established companies nationwide. Q2 saw London-based Luminance and Lawhive secure significant funding. Law firms are embracing AI, forming partnerships and investing in tech. HSF formed a 420-strong tech group for clients, Linklaters is deploying Copilot, Ashurst is rolling out AI tool Harvey, and Travers Smith spun out AI company Jylo.

Three real estate trends

US firms, LegalTech, and smaller occupiers take space. Take-up falls, but some big names are yet to strike.

DROP IN LAW FIRM TAKE-UP, YET MAJOR DEALS AWAIT

Q2 take-up was 50% lower than Q1 due to the timing of lease events. Active named demand from law firms also dropped from 1.35m sq ft at the end of Q1 to 759,000 sq ft at the end of Q2 due to requirements converting to lettings. However, some big names have yet to transact. Demand is supported by sustained sector growth, a commitment to the office, and a desire for best-in-class space.

CITY CORE TOP FOR SUB 10,000 SQ FT DEALS

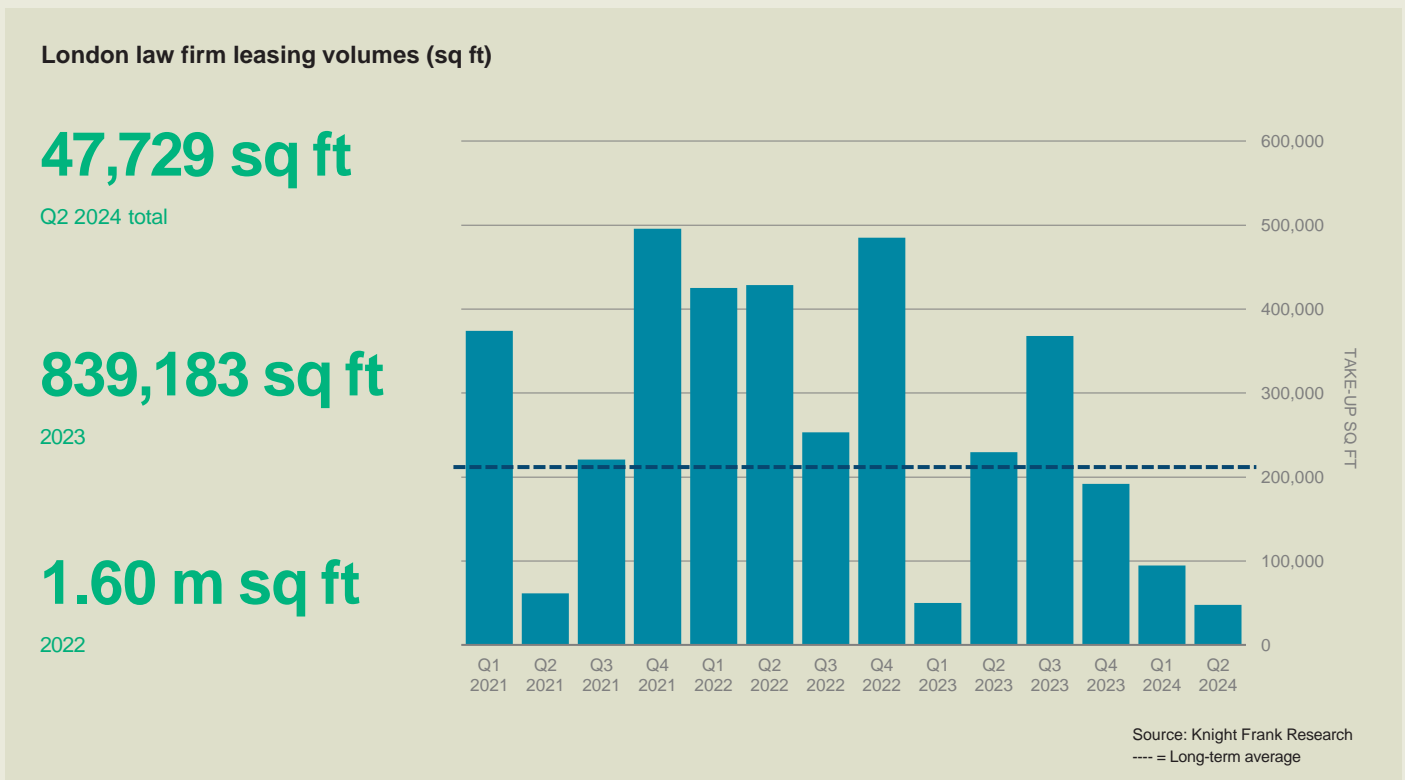
75% of deals this quarter were under 10,000 sq ft. Analysis of take-up over the past five-years for this cohort shows a preference for the City Core (47% of deal count), Midtown (16%) and West End Core (11%), with an average lease length of 7 years.

LONDON DRAWS US GIANTS AND TECH DISRUPTORS

US law firms continue to expand in London, exemplified by Perkins Coie's new office. LegalTech is also emerging as a sector to watch, albeit still in its nascent stages with "Google for Law" startup LawAdvisor acquiring nearly 2,000 sq ft in Clerkenwell/Farringdon. This highlights London's appeal for both international firms and innovative LegalTech startups.

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.



Law firm leasing transactions – Q2 2024

* = Knight Frank deals – either Landlord or Tenant Representation

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft)
Perkins Coie	New	22 Bishopsgate, EC2	US	12,990	£102.50
Boies Schiller Flexner *	New	Edenica, 100 Fetter Lane, EC4	US	11,743	£100.00
Preston Turnbull	New Refurbished	Walsingham House, 35 Seething Lane, EC3	UK	9,990	£55.00 £71.00 (rent across two floors)
LaLive	S'hand A	Alder Castle, 10 Noble Street, EC2	Switzerland	9,616	£67.00
LawAdvisor Ventures	New Refurbished	115 Golden Lane, EC1	UK (founded in Australia)	1,875	£56.50



759,000 sq ft

of named legal sector demand

SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



Edenica, 100 Fetter Lane, EC4

Occupier: Boies Schiller Flexner

New

Located near City Thameslink and Chancery Lane stations, this smart building prioritises wellness and sustainability. It uses air source heat pumps for heating, cooling, and hot water, while capturing rainwater and harvesting grey water. On-site renewable electricity from PV cells and efficient design halve operational energy use compared to 'standard' regulation-compliant buildings. The building features mixed-mode cooling with openable windows and an underfloor air system, reducing solar gains through a special façade, high-performance glazing, and solar fins. Wellness features include outdoor spaces, optimal lighting, air quality and noise control, while SMART technologies enable occupier-level energy monitoring and workspace management.

Aiming for Well 'Platinum Enabled', EPC Rating A, BREEAM 'Outstanding', SmartScore 'Platinum', WiredScore 'Platinum', BCO Workspace



22 Bishopsgate, EC2

Occupier: Perkins Coie

New

Described as a vertical business campus/village prioritising health and wellness, learning and education, diversity and inclusion and environmental sustainability. It is highly-connected with six stations, nine tube lines and the Elizabeth line within a ten-minute walk. Furthermore, an active commuter park provides extensive bicycle and end-of-trip facilities.

There is 100,000 sq ft of amenity spaces, including a food market, innovation hub, gym, viewing gallery and relaxation centre, plus event and meeting spaces. Smart technologies, an events programme and curated art installations enhance the user experience.

Sustainability is achieved through features that include an intelligent glass façade, 100% renewable power and circular economy principles to reduce waste.

BREEAM 'Excellent', Wired Score 'Platinum', ActiveScore 'Platinum', Smart Score 'Platinum', EPC Rating A



Walsingham House, 35 Seething Lane, EC3

Occupier: Preston Turnbull

New Refurbished

The building was comprehensively refurbished in 2018. Works undertaken included the repositioning of the reception and the addition of 2 office floors. The upper floors have terraces with views looking south towards the Shard and the river Thames. Aldgate, Tower Hill, and Monument tube stations are within a 10 minute walk and Fenchurch Street Station is within a 1 minute walk. Amenities include end-of-trip facilities, a roof terrace, and ultra-fast fibre connectivity.

BREEAM 'Excellent' and EPC Rating B.



Alder Castle, 10 Noble Street, EC2

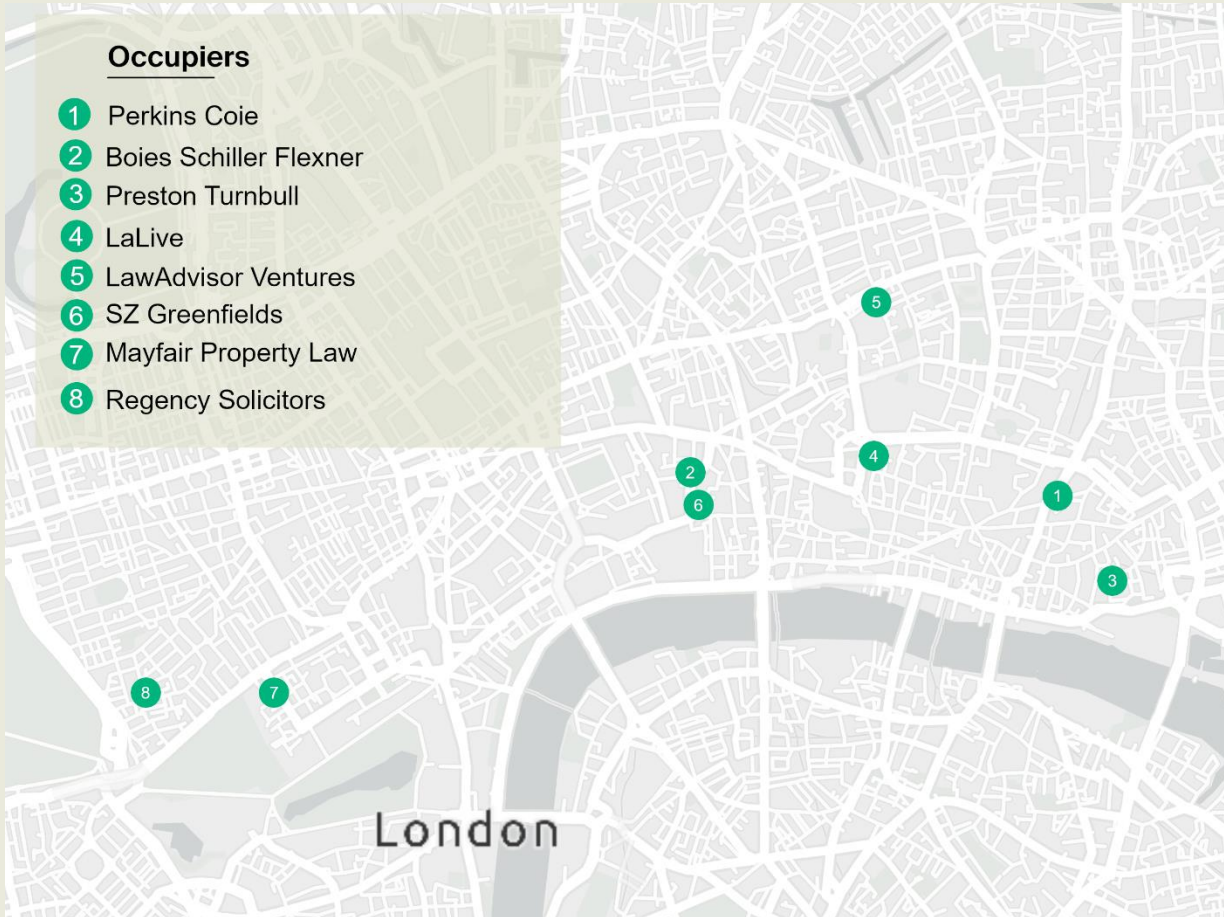
Occupier: LaLive

Secondhand A

Newly refurbished with views of historic London Wall. Centrally located in the City, near St Paul's and Cheapside amenities. Excellent transport links with multiple tube stations nearby. Features include end-of-trip facilities, double-height reception, suspended ceiling, and energy-efficient LED lighting.

BREEAM 'Very Good' and EPC Rating C.

NEW LAW FIRM LEASES



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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