

London Legal Sector Update

Q4 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

London remains a key growth hub for US law firms in 2025 as the UK legal sector targets £59bn turnover by 2031.

US LAW FIRMS EYE LONDON IN 2025

The [2025 Citi Hildebrandt Client Advisory Survey](#), drawing from 188 top US firms, reveals that London now ranks second to New York for future investment activities. Additionally, there is optimism for further growth in 2025. Challenges include talent retention in a competitive lateral market and tackling expense pressures to enhance profitability.

GENAI AWARENESS RISING, BUT APPLICATION IS NOT WIDESPREAD

A [recent survey](#) reveals that only 2% of law firms and in-house legal teams require GenAI skills from new lawyers, while 17% consider them a "nice to have." Despite this, 85% of legal professionals believe GenAI can be applied to their work, with 12% already using legal-specific GenAI tools and 43% planning adoption within three years. Cost savings/reductions were cited as the top reason to use GenAI while concerns persist over ethical issues and accuracy.

LEGAL SECTOR ON THE RISE: FROM £44BN TODAY TO £59BN BY 2031

The Law Society's latest [economic value report](#) showcases the UK legal sector's robust growth, with £34.2bn GVA in 2022—up 50% since 2013—and £44bn in turnover. London remains a key contributor, generating nearly half of the sector's revenue. Turnover is projected to hit £59bn by 2031, signalling a promising future.

Three real estate trends

US firms maintain their dominance as strong underlying sector demand persists, despite a decline in take-up.

US FIRMS SOLIDIFY THEIR DOMINANCE

The full-year statistics underscore the continued dominance of US firms in the London market. In 2020, US firms represented 28% of the total legal sector take-up by sq ft. This year they made up 64% of the total square footage. Additionally, they secured 8 of the top 10 legal sector deals by sq ft.

LEGAL SECTOR TAKE-UP FALLS YEAR-ON-YEAR BUT DEMAND REMAINS STRONG

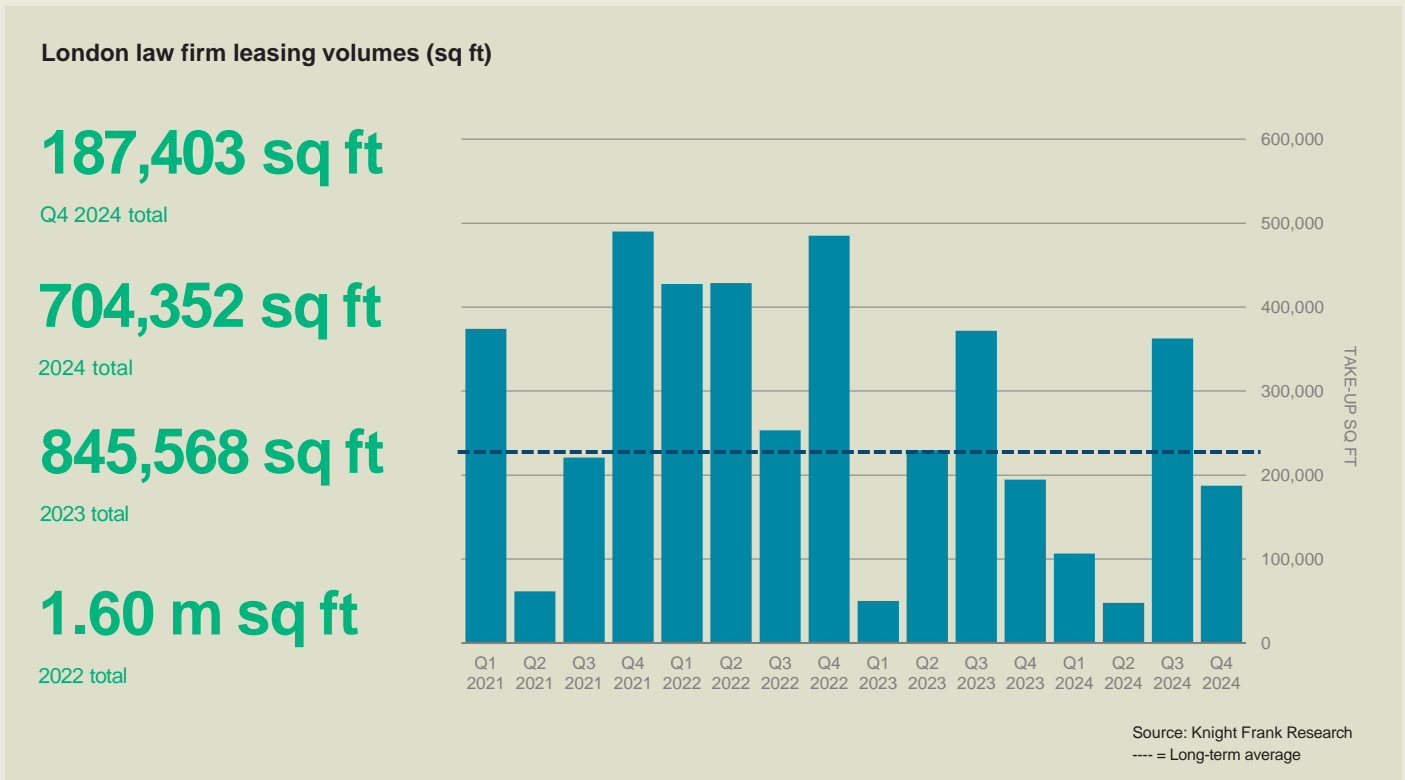
Total take-up for the year was 704,352 sq ft, a 17% decrease from the previous year and 24% below the ten-year average. Fluctuations in take-up occur due to the timing of lease events, with demand remaining robust at 1.55m sq ft. The legal sector accounted for 11% of total City take-up, 11% of City Core take-up, and 7% of overall take-up by sq ft. By deal volume, City Core led the way with 57% of deals.

MAJORITY OF DEALS UNDER 10,000 SQ FT, SOME ATTRIBUTED TO FURTHER EXPANSION

An analysis of 2024 take-up reveals that 65% of deals were for spaces under 10,000 sq ft. It is of note that a quarter of the deals under 10,000 sq ft were for expansion space, mostly within the same building, including taking option space.

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 – Q4 2024

* = Knight Frank deal – either Landlord or Tenant Representation

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft p.a.x.)
Morgan Lewis & Bockius	New – extensive refurbishment	Peterborough Court, 133 Fleet Street, EC4	US	75,917	£87.00
Irwin Mitchell	New – extensive refurbishment	The Northcliffe, 26-30 Tudor Street, EC4	UK	29,684	£77.50
Latham & Watkins	New	One Leadenhall, 1 Leadenhall Street, EC3	US	15,013	Confidential
Confidential*	Refurbished	199 Bishopsgate, EC2	US	14,089	£73.00
Pallas Partners	S'hand A	Salesforce Tower, 110 Bishopsgate, EC2	UK	11,625	£76.50

Source: Knight Frank Research



1.55m sq ft

of named legal sector demand

SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



Peterborough Court, 133 Fleet Street, EC4

Occupier: Morgan Lewis & Bockius

New – Extensive Refurbishment

The building focuses on wellbeing with 5,000 sq ft of outdoor courtyard space, a state-of-the-art gym, 450 cycle spaces, beauty bar, cycle repair stations, drying room and other end-of-trip facilities. Additional amenities include a recording studio, library, auditorium, rooftop restaurant, and linen services.

Sustainability features include high-efficiency air source heat pumps, the use of traceable renewable electricity, and the building is net-zero operational carbon enabled.

Situated two minutes from City Thameslink and five minutes from Blackfriars, with Chancery Lane, St Paul's, and Farringdon within ten minutes. It is also moments from key cycle superhighways.

Aiming for BREEAM 'Excellent' or better, WELL Platinum, EPC rating B, WiredScore Platinum



The Northcliffe, 26-30 Tudor Street, EC4

Occupier: Irwin Mitchell

New – Extensive Refurbishment

Amenities include two landscaped terraces, a communal rooftop garden, cycle spaces, showers, lockers, and drying rooms. Additional features include a quiet room, library, and a light-filled atrium designed for collaboration.

The building is 100% electric with LED lighting, smart controls, air quality monitoring in real time, and 40 sq m of solar panels. 100% of operational building waste is diverted from landfill. The building also has active energy monitoring software.

Located four minutes from Blackfriars and five minutes from City Thameslink, with St Paul's, Chancery Lane, and Farringdon within ten minutes.

Aiming for BREEAM "Outstanding", EPC rating B, WiredScore Platinum



One Leadenhall, EC3

Occupier: Latham & Watkins (expansion space)

New

Located next to Leadenhall Market, this site features over 700 bike spaces with lockers, EV charging points, a public terrace, and ground-floor retail. It is within a five-minute walk of Bank, Monument, and Fenchurch Street stations.

Energy efficient features include the use of structural silicone glazing made from double-insulated glass.

Aiming for BREEAM "Excellent" and WELL Platinum, ActiveScore Platinum certified



199 Bishopsgate, EC2

Occupier: Confidential

Refurbished

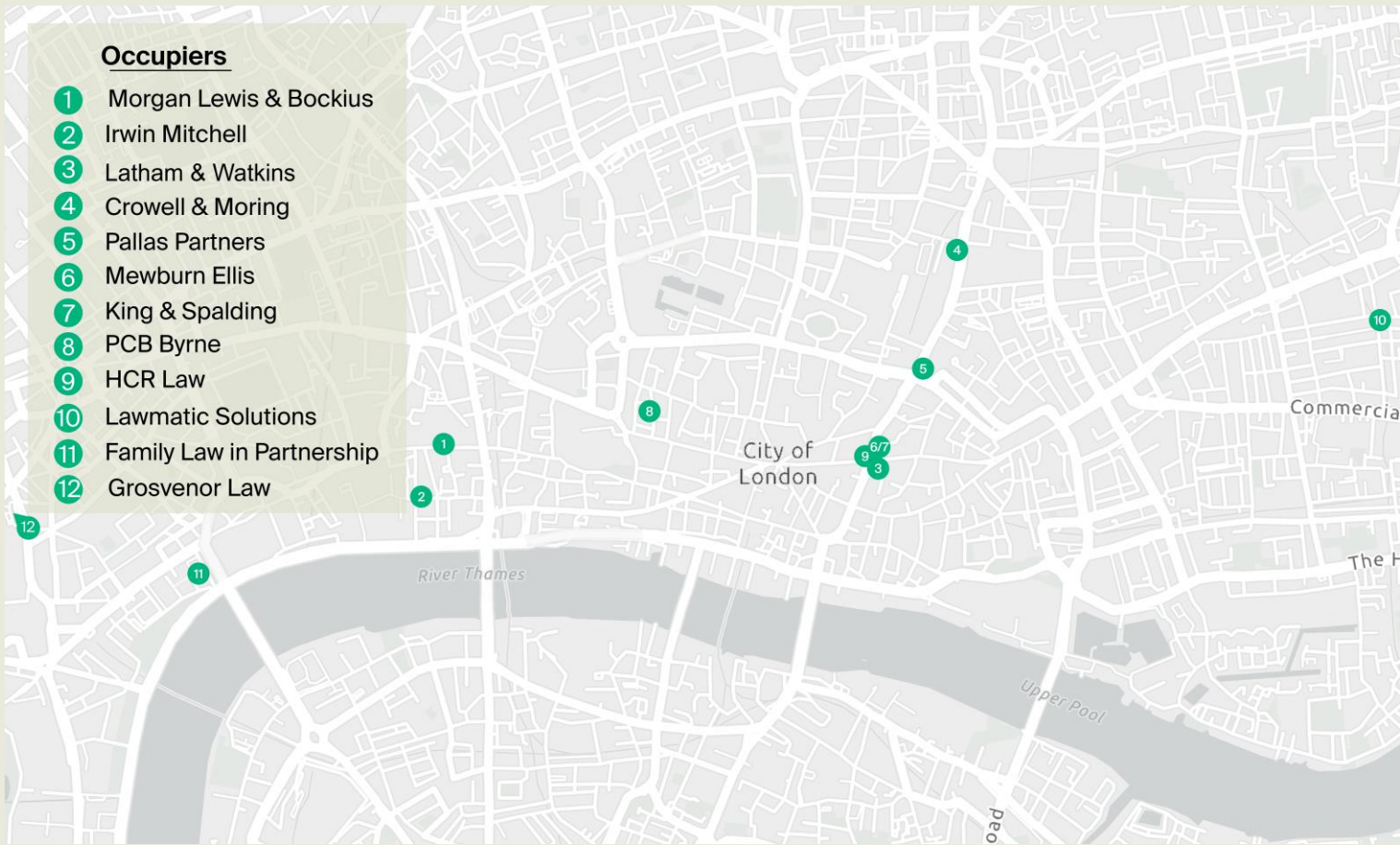
The reception area features the Huckletree café that serves as a relaxed workspace. Other amenities and features include secure bike storage, shower and changing facilities with 167 lockers.

From a sustainability perspective, the building operates on 100% renewable energy and incorporates energy-efficient features such as an air source heat pump and LED lighting. Sustainable materials have been used throughout, and a clear roadmap is in place to achieve net-zero emissions by 2029.

Located two minutes from Liverpool Street and three minutes from Moorgate, the building is situated on the northeastern corner of Broadgate, which offers numerous shopping and dining experiences.

Targeting BREEAM "Excellent", WiredScore Gold, Refurbishment Target EPC rating A

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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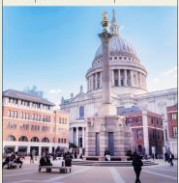
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