Smart Legal Workplace:

White Paper on Law Firm Location Strategy and Workplace Transformation in Chinese Mainland in the AI Era

October 2026

AI is reshaping the way legal services are delivered, while hybrid working is redefining the value of office space. This white paper examines how law firms' occupational requirements are being redefined across three dimensions: talent, collaboration and space.

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Executive Summary

AI Reshapes Legal Work Models: Workplaces Evolve into Platforms for Collaboration and Talent Development

Industry Development

The legal sector continues to expand, with both Chinese and foreign law firms undergoing parallel adjustments. Chinese firms are shifting their competitive focus from scale expansion toward synergy across scale, talent, technology and global networks. Foreign firms remain committed to the Chinese market and keep refining their business strategies. Law firms remain a resilient source of demand amid the current challenging office market cycle. Growing demand for dispute resolution, insolvency and compliance services is supporting office requirements, while a flight to quality is driving relocations and upgrades to prime buildings in core business districts. In parallel, AI is accelerating differentiation across the sector. Firms that integrate AI into their workflows and organisational structures will be better placed to redefine office-space functions and site-selection criteria.

The Rise of Hybrid Working: Activities and Space Components

Law firms are moving from uniform arrangements of time and place towards scenario-driven configurations based on task nature. Around 40% of working hours can now be arranged flexibly, and independent work such as legal analysis, document review and drafting shows decreasing reliance on fixed workplace. By contrast, high-interaction activities such as matter discussions, team collaboration, knowledge transfer and client meetings are increasingly concentrated in offices, forming irreplaceable core demands. The logic for office-space allocation is gradually shifting from hierarchy-driven to task-driven.

Six types of work activity guide the mix of six space components. Three traditional components — client reception and meeting areas, dedicated partner offices and assigned workstations — are driven by professional obligations and external brand image, accounting for approximately 60% — 70% of total space. New additions including project and collaboration space, shared workstations, focus rooms and phone booths take up roughly 30%. These absorb fluctuations in office occupancy frequency and fill the gaps in collaboration and focused work.

AI Reshaping the Workplace – A Step-by-Step Transmission

AI's impact on the workplace is not a one-off shock but a transmission through five successive stages. Deeper AI adoption changes task structures, with analysis, synthesis and drafting progressively handled by tools, while lawyers' time shifts towards verification, judgement and client service. Changes in task structures bring about redistribution of working-hour allocation, which in turn reshapes organisational structures and office functional mix, ultimately influencing space requirements and site-selection decisions. Where any stage remains incomplete, the effect stops short. Most firms currently sit between adoption and adaptation, and space adjustments typically emerge only once AI is genuinely integrated into business operations.

Talent constitutes another main thread: the staffing structure is shifting from a pyramid model to a rocket-shaped model. Entry-level roles decrease in quantity while raising quality requirements. As work priorities move from material collation toward verification and judgement-forming, spatial demands for training, review and case discussions grow accordingly. Therefore, office demand does not disappear but gets redefined. Overall volume remains relatively stable; changes are mainly reflected in functional-area ratios and building specifications. Demand gravitates toward high-quality assets in core business districts.

Workplace Optimisation – Enabling the Business

The primary driver of workplace optimisation is cost rather than hybrid working, and the objective has moved from controlling total floorspace to raising the value generated per square metre. Once AI absorbs standardised work, the first areas to be reconfigured are under-utilised assigned workstations and oversized cellular offices; the floorspace released is generally repurposed within the existing footprint as collaboration areas, discussion space, training centres and client-facing settings. The metrics change accordingly, from workstations per employee to output per square metre and actual frequency of use. Around half of occupiers expect their floorspace to grow over the next three to five years, with the prevailing approach being a flight to quality — replacing ageing space with better-located, higher-specification buildings. Space thus becomes an enabler of the business: collaboration areas and project rooms shorten cross-team response times, while training centres and client reception areas support talent development and brand presentation, turning space from a cost line into a strategic asset. Evaluation priorities shift toward the tangible contribution of space to collaboration efficiency, knowledge transfer and client-relationship management.

Space optimisation is also closely tied to employee wellbeing, representing the most tangible manifestation of the Social (S) pillar within ESG for law-firm workplaces. Good air quality, natural lighting and thermal comfort help employees maintain focus; quiet, well-acoustically-insulated environments also safeguard confidentiality during client conversations. Therefore, workplace improvement should not focus merely on routine work areas, but also accommodate diverse requirements for meetings, rest, informal interaction and learning.



Industry Development

Even as the sector expands, competition is turning on talent, productivity and global reach; in the leasing market, renewals and relocations are running in parallel, with demand pointing firmly towards a flight to quality.

Chinese firms: Synergy among scale, talent, technology and global networks will determine competitiveness in the next phase

The sector continues to grow, but competition is shifting towards senior talent and productivity

830,000
National Lawyers
(as of September 2025)

45,000
Law firms nationwide
(as of September 2025)

633
Firms with 100+ lawyers
(industry data)

207
Overseas offices of Chinese firms
(industry data)

Industry Evolution

1 Growth in scale

The sector continues to grow in scale: the number of practising lawyers nationwide rose from 297,000 in 2015 to 830,000 in 2025, an increase of almost 180% over the decade, while the number of law firms climbed to around 45,000. New-model, high-volume practices built on online client acquisition and standardised delivery have expanded rapidly and account for much of the growth in firm numbers. Overall growth has nonetheless moderated, with new supply concentrated in tier-one and new tier-one cities, providing the basis for greater specialisation and platform-based operating models.

2 Competition for talent

Competition for talent has become a core theme to the development of Chinese firms, with its connotation reshaped by AI. Foundational work such as document research, information synthesis and first-draft preparation are progressively supported by tools. Demand for junior headcount is falling while capability requirements are raised: firms now prize lawyers who can embed AI into workflows and combine professional judgement with technical fluency and are moving faster to create new roles in knowledge engineering and data compliance. Office spaces accordingly take on training, collaboration and knowledge-sharing functions.

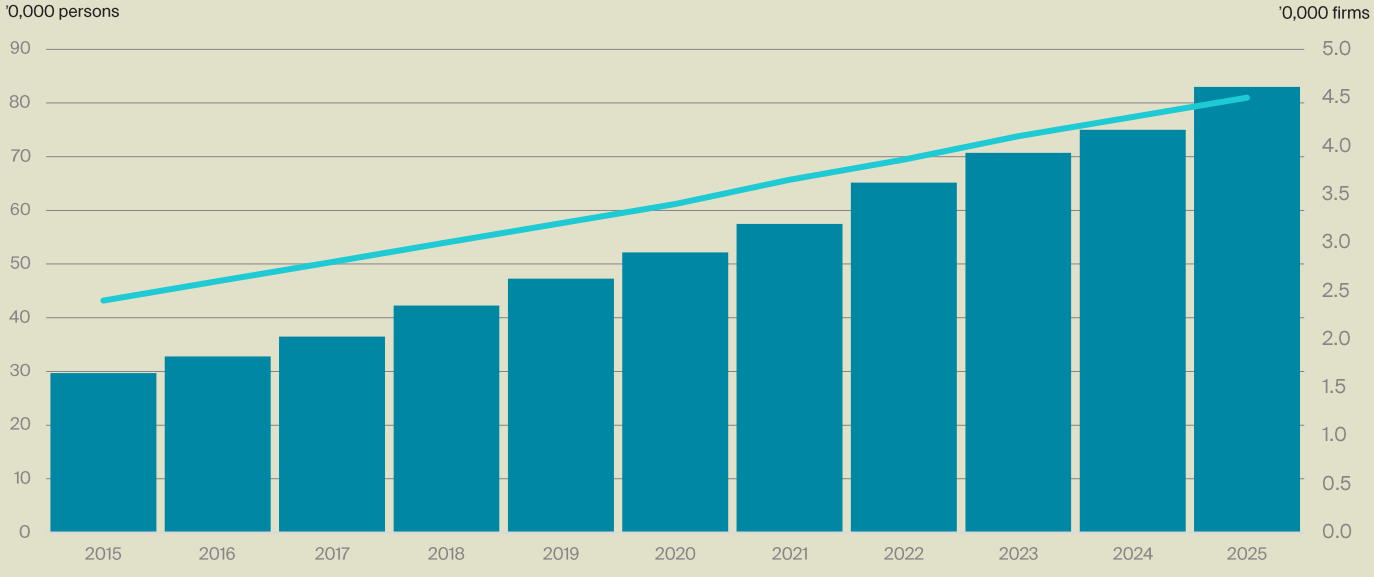
3 Productivity gains

Productivity emerges as the second major competitive driver. Growth drivers are shifting from expanding team size to boosting per-capita output. Specialist teams, knowledge bases and standardised workflows allow proven experience to be reused and duplication to be reduced, while drafting, preliminary analysis and compliance checking are increasingly tool-supported, freeing senior lawyers to focus on professional judgement and client services. Raising productivity therefore involves not merely adopting new tools, but also restructuring team roles and collaboration models.

4 Global expansion

Global footprint is accelerating. Chinese law firms operate 207 overseas branches. Following Chinese enterprises going global, they keep expanding key markets covering Southeast Asia, the Middle East, Europe and North America. Meanwhile, alliances and cooperative networks supplement service capabilities in locations without physical offices. Driven by rising demand for cross-border investment, compliance review and international dispute resolution, law firms are integrating professional resources across jurisdictions, strengthening cross-time-zone collaboration and local service delivery, to improve response efficiency for cross-border matters.

Figure 1: Growth trend of the number of lawyers and law firms, 2015-2025



Source: Ministry of Justice, State Council Information Office, public industry sources, compiled by Knight Frank Research

Foreign firms: committed to the Chinese market while refining business strategy

Foreign firms are moving from broad coverage of the traditional tier-one cities towards key regions, specialist practices and PRC–international collaboration

According to data published in November 2025, 165 representative offices of foreign law firms passed the 2024 annual inspection and are licensed to practise in Chinese Mainland, leaving the overall stock stable. Seven new representative offices were approved in 2025 (five in February and two in August), with a further four approved in February 2026. Foreign firms are reallocating their offices within a broadly stable total, concentrating resources on key regions and higher-value work.



165

Representative offices of foreign law firms licensed to practise in Chinese Mainland, having passed the 2024 annual inspection (published November 2025)

7

New representative offices approved in 2025 (5 in February + 2 in August)

4

New representative offices approved in February 2026 (3 of them in Shenzhen)

Three shifts in the Chinese Mainland operating model

1 Reallocating resources

With the total number of representative offices broadly stable, foreign firms remain committed to the Chinese Mainland market while reallocating people and office resources. Some are concentrating budget and partner capacity on faster-growing key regions and higher-value practices, moving from broad coverage to a leaner, more selective footprint.

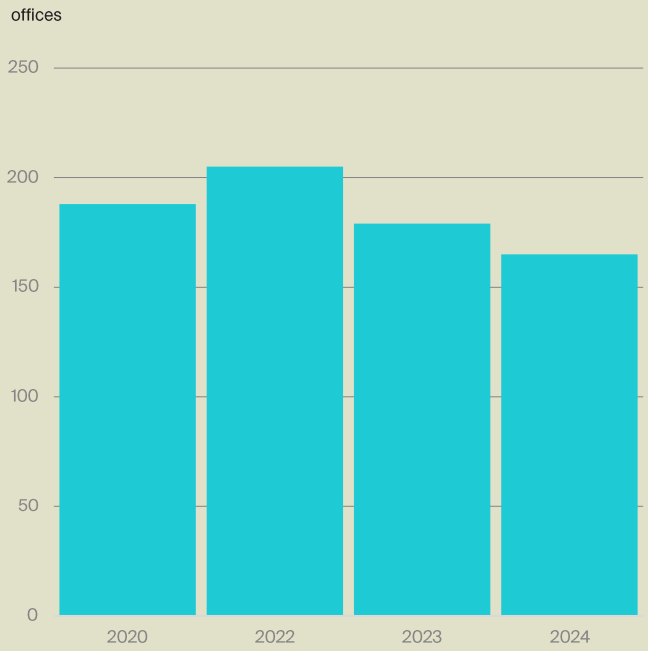
2 Refocusing practices

Practice mix is consolidating around higher-value areas. Rather than full-service coverage, foreign firms are concentrating resources on intellectual property, cross-border investment and M&A, international arbitration and dispute resolution, engineering and energy projects, and the compliance and regulatory work generated by Chinese corporates expanding overseas. Specialisation keeps teams lean and raises the bar for partner-level sector experience and cross-border collaboration.

3 Renewing collaboration

Joint operations have become the principal route to market. Joint operations and co-operation networks between PRC and international firms connect local client relationships, offshore legal capability and cross-border delivery, allowing international firms to participate in onshore work without materially expanding their own office networks. This model also changes occupational requirements, raising the importance of shared meeting facilities, project-based collaboration and flexible workstations.

Figure 2: Change in the number of foreign law firm representative offices



Source: Ministry of Justice, State Council Information Office, public industry sources, compiled by Knight Frank Research

Active office leasing activities by law firms: renewals and relocations in parallel, with demand pointing to a flight to quality

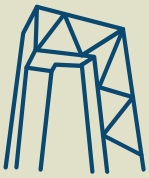
Relocations and upgrades aimed at improving workplace quality have become the mainstream.

Recent market activity shows that, as demand grows in litigation and arbitration, cross-border investment and finance, and compliance, a number of leading and boutique firms are continuing to expand their teams, driving a steady increase in space requirements. Unlike most sectors, which are reducing floorspace to cut costs, law firms are generally renewing or relocating at the same or larger size on lease expiry, with expansion cases on a notable rise. Some firms kick off lease negotiations one to two years ahead of expiry to secure expansion space and rights of first refusal for the years ahead, hedging against the uncertainty of headcount growth.

Relocation activities have also picked up momentum. Firms are taking advantage of pre-leasing windows and bargaining power to move from ageing buildings to Grade-A buildings in core CBDs, or to upgrade premises within the same district. Cost reduction is no longer the sole driver for relocation; decisions are increasingly guided by long-term values including client hospitality, brand presentation and talent recruitment. When selecting locations, greater weight is placed on transport accessibility, property-service quality and future expansion flexibility.

This is accompanied by a systematic improvement in space efficiency. As they expand, firms are directing floorspace towards client meeting areas, collaboration space and wellbeing amenities, producing growth in total size alongside a restructured mix. Standards of interior design, privacy and smart-building technology are rising in parallel, and the office is steadily moving from a cost line to a strategic asset. Most firms adopt phased renovation and investment plans to align space adjustments with business growth and workforce--structure shifts.

Figure 3: Selected law firm office leasing transactions, 2025–2026

City	Law firm	Space requirement	Floorspace (sqm)
 **Beijing** Activity is dominated by whole-building or large-scale relocations by major Chinese firms, with requirements continuing to concentrate on prime schemes in core districts such as the CBD and Financial Street.	Dentons	Relocated from Zhaotai International Centre to Dajia Future Centre (Z5)	approx. 15,000
	Jingsh Law Firm	Relocated from Jingsh Tower to Zhongxiu Tower	approx. 12,000
	Jingtian Law Firm	Relocated from Sino-Ocean Guanghua Centre to the Z3 CICC scheme	approx. 9,200
	Grandall Law Firm	Relocated from Taikang Financial Centre to the Z3 CICC scheme	approx. 4,600
 **Shanghai** Chinese and foreign firms are adjusting in parallel, with greater emphasis on location, building quality, client-facing image and long-term operational efficiency.	V&T Law Firm	Relocated to Shanghai World Financial Centre	approx. 4,000
	Hui Ye Law Firm	Relocated from Huamin Imperial Tower to China Resources Centre	approx. 5,600
	Clifford Chance	Relocated from HKRI Taikoo Hui to Shanghai IFC	approx. 3,800
	Linklaters	Relocated from Mirae Asset Tower to Shanghai IFC	approx. 2,000

Source: Knight Frank Research

The Rise of Hybrid Working

In the legal sector, hybrid working is changing not the quantum of office space but how efficiently it is used. Standardised drafting can be handled by AI, while file review, confidential discussions and client hospitality must still take place in the office – and space requirements are being reallocated accordingly.

Revaluing office time: how working hours are being reallocated

Independent work is moving out of the office; collaboration and client-facing time is concentrating within it

The value of office time is being reassessed. Law firms' reliance on the office has not diminished — larger practices generally retain scheduled in-office days — and the adjustment is occurring in the distribution of tasks. Work that can be done independently, such as analysis, synthesis and drafting, is gradually moving out, while activities that must be done in person, such as collaboration, training and client hospitality, are moving back in. The yardstick shifts accordingly towards effectiveness of use.

Working time is therefore being re-divided. Around 40% is independent work that can be scheduled flexibly and, with AI support, where it is carried out now matters little. A further quarter or so is spent on in-office collaboration which, together with matter discussions, client meetings and team debriefs, constitutes the office's irreplaceable core requirement.

On this basis, the rationale for allocating space changes too. Floorspace was previously apportioned by seniority, with set standards for partners, senior associates and junior lawyers; the more sensible approach now is to flex allocation around actual work requirements, directing space to the activities that must happen face to face. High-value scenarios are granted more space, while seldom-used assigned workstations yield floorspace.

In short, the allocation of time determines how space is used: floorspace should follow the tasks on which time is actually spent, and the more uneven the distribution of time, the greater the need for shared and reconfigurable space. A firm's space efficiency ultimately depends on the fit between floorspace and time, not on the quantum of floorspace itself.



approx. **90%**

of firms still require regular office attendance



approx. **40%**

of working time is independent work that can be scheduled flexibly



approx. **25%**

of working time is in-office collaboration and project discussion



approx. **90%**

of firms provide space for client meetings and team debriefs



Source: Public industry surveys, compiled by Knight Frank Research

The office must support six types of work activity

Work activities define requirements that guide the choice and mix of space components

Classified by work requirement rather than seniority, the six types of work activity have different needs for floorspace, enclosure and equipment. These needs guide the mix of six space components on pages 9–10, with no one-to-one match. A purely open-plan office rarely meets them all.

As illustrated below, the first two activity types relate to quality of practice. In-depth review and drafting depend on uninterrupted individual space and focus rooms, supporting due diligence review, contract drafting and the preparation of legal opinions. Confidential discussion and information barriers require enclosed meeting rooms and acoustic separation. These spaces are essential to discharging a firm's duty of confidentiality and cannot be wholly replaced by open-plan areas.

The middle two activity types help teams build and pass on professional experience. Supervision requires team members to sit relatively close together, supported by small discussion rooms available on demand; junior lawyers develop judgement by sitting in on meetings, marking up drafts and taking part in debriefs. Client meetings and brand presentation concentrate in front-of-house meeting and display space, where a client's view of a firm's professional standing is often formed within a matter of minutes.

The final two activity types concern long-term capability. Mock hearings, practice seminars and post-matter reviews all call for multi-purpose rooms with reconfigurable furniture and adjustable layouts, often switching between teaching, rehearsal and discussion several times in a single week. Staff wellbeing relies on amenities such as focus rooms, phone booths, gyms, tea points and staff dining — providing the respite and interaction that intensive work demands, and shaping lawyers' willingness to use the office and their affinity with the firm.

Six Types of Work Activity



Safeguarding quality of practice

In-depth review and drafting

Due diligence review, contract drafting and legal opinions require individual desks and focus rooms to support long periods of uninterrupted work.

Confidential discussion and information barriers

Sensitive case discussions, internal investigations and information-barrier requirements depend on enclosed meeting rooms and acoustic separation.



Building organisational capability

Training and knowledge transfer

Junior lawyers build judgement by sitting in on meetings, marking up drafts together and taking part in debriefs, which requires teams to sit close together with small discussion rooms available on demand.

Client hospitality and brand presentation

Negotiations, client pitches and client events concentrate in front-of-house meeting and display space, directly shaping professional image.



Investing in long-term capability

Matter rehearsal and post-matter review

Mock hearings, practice seminars and post-matter reviews all require multi-purpose rooms with reconfigurable furniture and adjustable layouts.

Staff wellbeing

Amenities including focus rooms, phone booths, gym, pantries and staff canteens, offering rest and interaction spaces amid heavy workloads.

Source: Public industry surveys, compiled by Knight Frank Research

Three traditional space components underpin confidentiality and client experience

This floorspace meets professional confidentiality requirements and conveys the firm's professional image, accounting for some 60–70% of total office space

The six space components on pages 9–10 support the six types of work activity on page 8. Each activity may use several components, and each component may support several activities. Three traditional space components account for some 60–70% of floorspace. Their privacy and client-facing roles make them the backbone of law-firm offices and should not be readily surrendered during space reallocation.

Client reception and meeting areas account for some 20–25%, the largest of the three. They host meetings, seminars and client events, and it is here that a client's first impression of a firm's professional capability is usually formed. Even where total floorspace is tightened, this component is not a suitable candidate for reduction.

Dedicated partner offices account for some 15–20%, providing partners' permanent workspace and a setting for confidential discussions. Both privileged communications and information barriers require enclosed, controllable rooms. The number of such offices can be optimised, but the format itself is hard to replace.

Assigned workstations likewise account for some 15–20% and warrant the closest scrutiny of the three. They reserve assigned workstations for lawyers who are office-based full time — still necessary for certain teams — but where utilisation is persistently low they are the first candidates for replacement, with the floorspace released redeployed to collaboration and focus settings.

Figure 4: Share of floorspace by traditional space component

Client reception and meeting areas

20–25%

Client experience · brand interface | Hosts meetings, seminars and client events and serves as the firm's external shopfront; high share and not suitable for downsizing.

Dedicated partner offices

15–20%

Long-term occupation · high privacy | Provides partners' permanent workspace and confidential discussion; privileged communications require enclosed, controllable rooms.

Assigned workstations

15–20%

Permanent occupation · assigned workstations | Reserves workstations for office-based lawyers; high-priority for conversion when utilisation is chronically low.



The three traditional components together account for some 60–70% of office floorspace

Source: Public industry surveys, compiled by Knight Frank Research

Three new space components support flexible occupancy and collaboration

Together around 30% of floorspace, absorbing peaks and troughs in utilisation and completing the collaboration and focus offer

The other three of the six space components are the main additions in recent years. Instead of being assigned to individuals on a permanent basis, they are deployed on demand, totalling approximately 30% of floorspace. They enable offices to adapt to fluctuating occupancy patterns and fill functional gaps left by open-plan layouts.

Project and collaboration space sees the largest growth. Matter discussions, cross-disciplinary working and team debriefs all require generous table space where teams can review materials, discuss and record together. Such demand has risen rather than fallen as AI has taken on standardised work, because most of what remains in the office requires collective judgement.

Shared desking accommodates analysis, first drafts and administrative work, absorbing peak demand at the lowest cost per square metre. Its success depends on the accompanying protocols: where booking, cancellation and priority rules are unclear, shared workstations are in practice monopolised by frequent users and revert to implicit assigned workstations.

Wellbeing-related focus rooms and phone booths occupy the smallest share but are indispensable. As open-plan areas have expanded, in-depth review and privileged calls have lost a home, and these small enclosed units fill the privacy gap. Together with pantries, gyms and similar amenities, they form the wellbeing offer, providing somewhere to recharge and interact amid high-pressure workloads.

Figure 5: Share of floorspace by new space component

Project and collaboration space

10–15%

Co-creation · matter teamwork | Used for matter discussions and cross-disciplinary working; the fastest-growing segment under space reallocation.

Shared workstations

8–12%

Standardised tasks · short-stay use | For analysis, initial drafting and administrative work; absorb peak occupancy at minimum space cost.

Focus rooms, phone booths and wellbeing amenities

3–5%

Short-stay focus · rest and interaction | Temporary enclosures for deep work and confidential calls; paired with pantries and gyms to support recovery and social exchange.



The three new components together account for around 30% of office floorspace

Source: Public industry surveys, compiled by Knight Frank Research

Case study 1: Asia-Pacific office of a leading PRC 'Red Circle' firm

Approx. 465 sqm | Grade-A building, Singapore CBD | the firm's first overseas office





Accommodating professional, client-facing and regional functions within a compact floorplate

- Private meeting rooms and individual work areas continue to support focused and confidential work
- Open collaboration areas serve ad-hoc discussions, while reception can host client and staff events
- An operable partition between two meeting rooms allows a switch between day-to-day meetings and larger events
- Flexibility is concentrated in shared, meeting and event space rather than in full open-plan desking

Key takeaway

In smaller overseas offices, prioritising flexibility in shared areas is the most effective way to boost space utilisation.

Source: Conexus Studio, compiled by Knight Frank Research

Case study 2: North American regional office of a US law firm

Approx. 2,880 sqm | CBD of a regional US city





Translating hybrid working policy directly into workplace strategy and space planning

- Cellular offices, shared offices and collaboration space coexist to support hybrid working
- Around 35 offices for some 60 lawyers, with total floorspace reduced by around 38%
- A hotel-style reception, café working area, hospitality bar, flexible meeting space and open stair reinforce the shared experience
- Floorspace released from inefficient dedicated areas is reinvested in collaboration, client events and cultural settings

Key takeaway

Reducing low-efficiency dedicated space releases floorspace for team collaboration, client events and cultural settings, raising the overall value derived from the office.

Source: Gensler Research Institute, Global Workplace Survey 2026; compiled by Knight Frank Research

AI Reshapes the Workplace

AI is not a single shock but an uneven transition. The technology first penetrates specific tasks, then propagates to office spaces through shifts in legal service workflows, talent profiles and organisational structures.

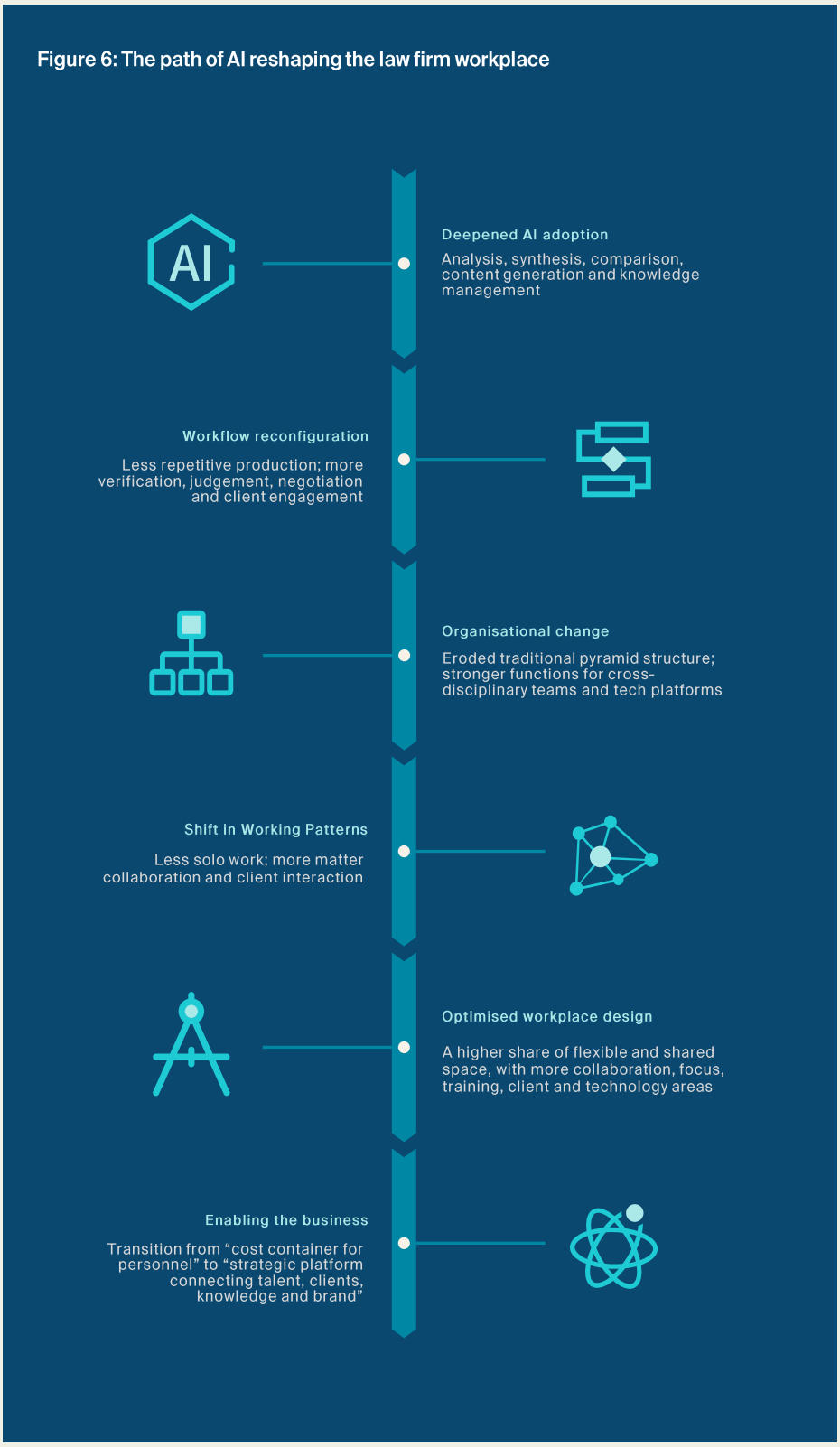
How AI is reshaping the law firm workplace

AI changes workflows first, then organisational structure and working patterns, ultimately driving a reappraisal of workplace strategy and the value of place

AI's impact on the law firm workplace follows a sequential chain. It begins with deepened AI adoption, as analysis, synthesis, comparison, content generation and knowledge management are the first to be replaced or accelerated by AI tools. That triggers a reconfiguration of workflows: repetitive production work declines, while verification, judgement, negotiation and client service take a larger share. Changes in workflow feed through to organisational structure, weakening the traditional pyramid model and strengthening cross-disciplinary teams and technology platform functions. Organisational change in turn alters working patterns, as solo workstation-based work declines and matter collaboration and client contact become the principal in-office activities. The end result is an optimised workplace design: a higher share of flexible and shared space, with collaboration, focus, training, client hospitality and technology support areas all expanding — ultimately in service of enabling the business.

This trend aligns with Knight Frank's (Y)our Space 2026 observations of global corporate occupiers. Most organisations expect modest growth in both headcount and floorspace over the next three years, but incremental demand is concentrated in a small number of high-quality, well-equipped buildings, making a flight to quality — rather than sheer expansion — the dominant theme. Following the chain through, the value of the workplace is redefined from a cost line that houses people to a strategic platform connecting talent, clients, knowledge and brand. Location and design criteria shift from space efficiency towards experience, collaboration and technical capability, with ESG performance, smart building systems and data security entering the selection threshold. Market evidence suggests that space adjustments typically lag tool adoption: the effects become visible in workstation ratios, functional space mix and lease flexibility only once workflows, staffing structures and ways of working have changed on a sustained basis.

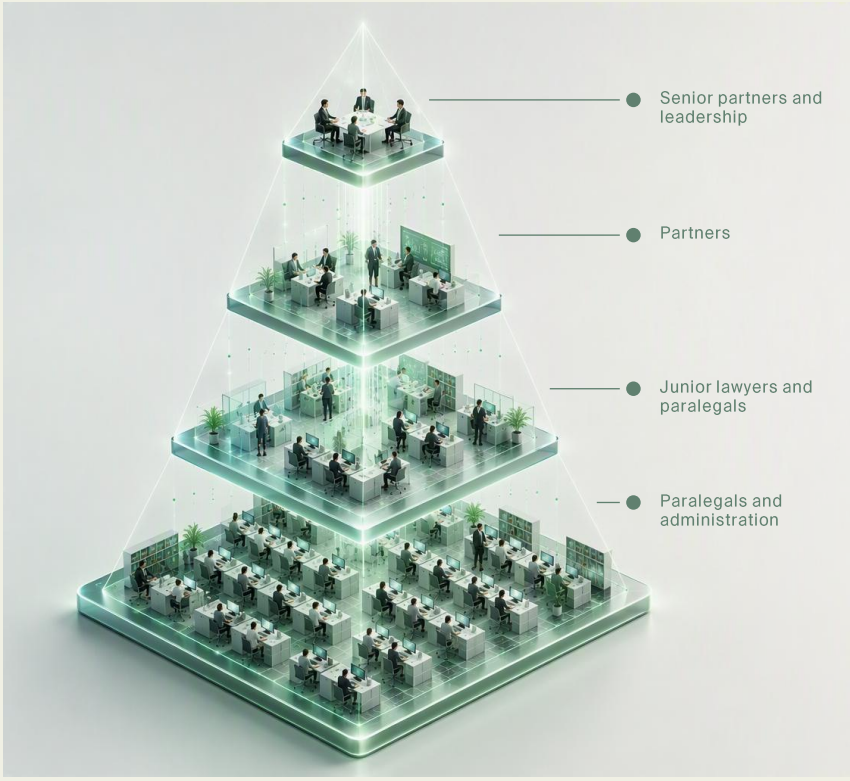
Figure 6: The path of AI reshaping the law firm workplace



Source: Knight Frank, (Y)our Space 2026; Knight Frank, The Uneven Transition: How AI Will Revalue Labour, Reshape Organisations and Redefine Office Demand (2026); Knight Frank Research

Shifts in Legal Talent Strategy Drive Workplace Reconfiguration

From 'pyramid' to 'rocket': a narrower base, with junior headcount giving way to technology and operating platforms



The pyramid model

Law firms have traditionally organised delivery around a pyramid: a broad base of junior lawyers handling synthesis, comparison and drafting, with work passed progressively upwards and partners providing final sign-off and winning the work.



The rocket model

AI is breaking the logic of hiring large junior intakes and passing work upwards, moving the organisation from a pyramid to a rocket. The rocket has a streamlined tip of senior partners and leadership focused on strategy and key clients; a mid-section of fee-earning partners, associates and counsel, fewer in number but with higher output per head; and, in place of the former junior base, technology teams and operating platforms that provide thrust through AI tools, knowledge bases and process management. Capacity no longer comes from stacking headcount but from technological leverage: basic drafting roles contract, while demand rises for junior lawyers with experience, AI fluency and the ability to verify outputs.

Changes in staffing structure feed directly into the space mix: open-plan areas once given over to concentrated drafting must now also accommodate client meetings, team collaboration and confidential discussions, as well as workstations for technology and operations teams. Space moves from housing staff to supporting collaboration and sustaining client relationships.

Source: Knight Frank, The Uneven Transition: How AI Will Revalue Labour, Reshape Organisations and Redefine Office Demand (2026); Knight Frank Research

Junior talent plus AI tools: higher space efficiency

With AI taking on analysis and document handling, both the way junior lawyers work and their productivity are changing

The combination of junior talent and AI tools is reconfiguring how law firms carry out foundational legal work. With AI assisting in statute summarisation, case analysis and content generation, including first drafts, junior lawyers can spend less time on repetitive manual document work and focus more on identifying key issues. This creates opportunities to improve productivity. Changes in talent structure and collaboration needs gradually feed through to the workplace, giving rise to the three layers illustrated below: work reconfigured, talent reshaped and space reconfigured.

As talent structure and competencies evolve, law firms increasingly value practical experience alongside proficiency with AI tools. The optimisation of junior document roles reduces the need to expand basic document-processing teams, while practitioners with 1–3 years' experience and strong screening and verification skills become more valuable. These skills include screening information, verifying sources and facts, and identifying risks. The emphasis in delivery shifts from the volume of material processed to the quality of judgement, providing senior lawyers and partners with more focused analysis to inform their decisions.

As professional judgement and team collaboration account for more day-to-day work, offices need to better support draft reviews, discussions of contractual clauses and the validation of conclusions. Translating AI-enabled productivity gains into higher space efficiency depends on aligning space provision with these activities. As demand for manual document work falls, this alignment allows more high-value activities per unit area.

Three layers of change: productivity and transmission

01 Work reconfigured

AI takes on analysis and content generation

AI completes extensive statute summarisation and case analysis.



02 Talent reshaped

Reshaping Talent Structure and Competencies

Optimisation of junior document roles
Higher value placed on screening & verification skills
Growing demand for practitioners with 1–3 years' experience



03 Space reconfigured

Higher space efficiency

Demand for manual document work falls,
and more high-value activities are accommodated per unit area.



Source: Knight Frank, The Uneven Transition: How AI Will Revalue Labour, Reshape Organisations and Redefine Office Demand (2026); Knight Frank Research

As AI use deepens, the value of the office shifts towards collaboration, learning and relationship-building

AI power users: less solo work, more learning and collaboration

Understanding AI adoption also requires attention to how professionals allocate their working time. The Gensler Research Institute's Global Workplace Survey 2026 shows that AI power users spend 37% of their time working alone in a typical workweek, compared with 42% among late AI adopters. They also spend a greater share of their time learning and socialising, at 12% and 11% respectively, compared with 8% and 9% among late AI adopters (Figure 7). These differences suggest an association between more intensive AI use and a greater emphasis on learning and interpersonal interaction in the allocation of working time. They also offer insight into the role of office space in supporting continuous learning and everyday interaction.

The same survey shows that a higher proportion of AI power users than late AI adopters agree or strongly agree with all four statements: "I have formed meaningful friendships at work", "I enjoy the company of my team", "I can rely on my team" and "My team members produce quality work" (Figure 8). These findings indicate an association between intensive AI use and more positive perceptions of team relationships.

Knight Frank believes that, for law firms, this means the core value of the office is shifting from housing individual output towards collaboration, learning and relationship-building. According to Gensler, the environmental factors most closely linked to learning outcomes include a comfortable, well-appointed environment, effective noise control, reconfigurable meeting furniture, reliable technology and conveniently located breakout space.

The spread of AI has therefore not diminished the need for the office but redefined its functional composition: the office is increasingly judged not by how many people it houses but by how well it supports team collaboration and continuous learning — echoing this chapter's analysis of how work patterns shape space requirements.

Figure 7: AI power users spend more time collaborating virtually, learning and socialising

The average percentage of time spent in each work mode in a typical workweek.

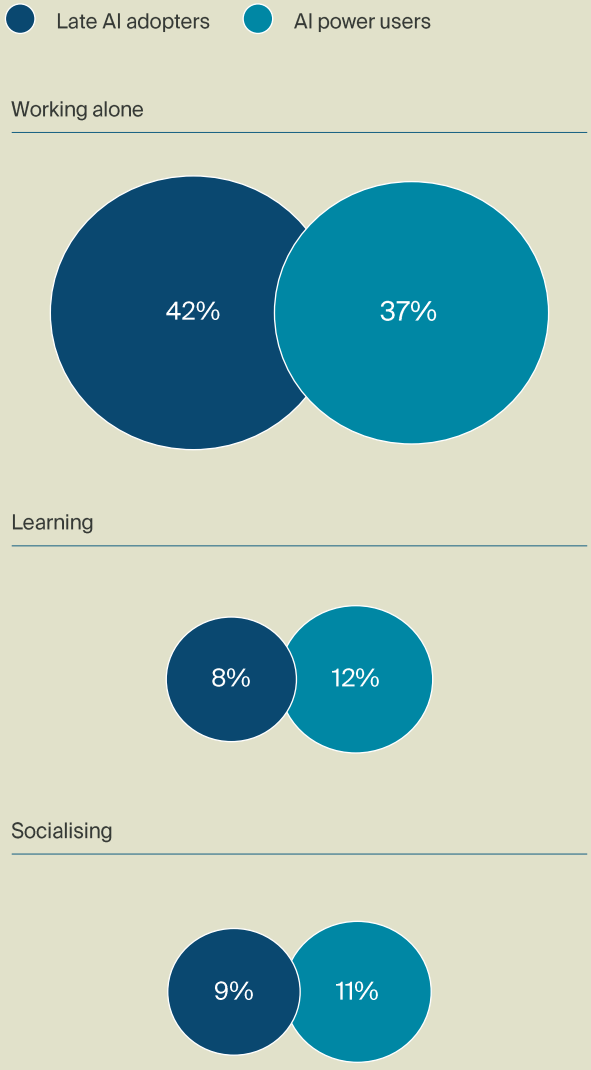
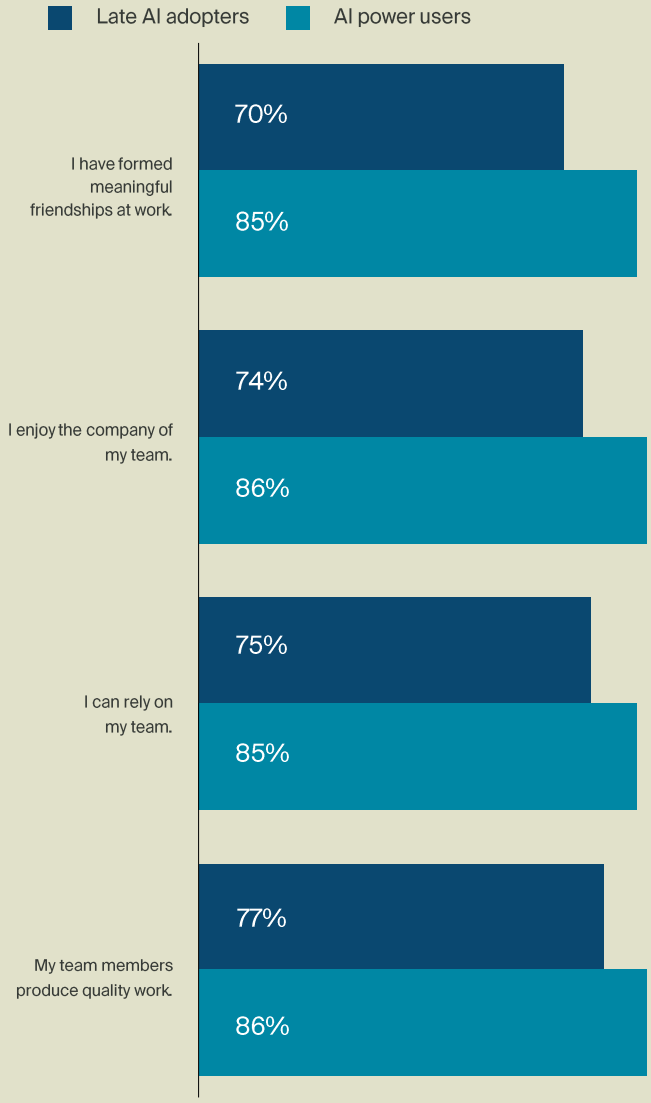


Figure 8: AI power users have stronger team relationships

The percentage of respondents who agree or strongly agree with each statement.



Note: 'AI power users' are respondents who use AI tools regularly at work and in their personal lives; 'late AI adopters' are respondents who rarely or never use AI tools.

Source: Gensler Research Institute, Global Workplace Survey 2026; compiled by Knight Frank Research

From ‘AI tool adoption’ to ‘AI–business integration’

AI’s impact on a law firm is determined by its capacity to integrate, and changes in space are a consequence of that integration rather than a direct result of deploying tools

A law firm’s AI transition can be divided into three progressive stages: adoption, adaptation and business integration. At the adoption stage, legal AI is already used in analysis, synthesis, translation, drafting and contract review, but largely at individual and team level. At the adaptation stage, firms begin to adjust how tasks are allocated, how work is reviewed and how teams collaborate, extending pilots from single use cases to complete workflows. At the integration stage, workflows and staffing structures change materially and AI is genuinely embedded in day-to-day practice.

On current evidence, most firms remain at the second stage: having introduced AI tools widely, they are experimenting with new ways of working and collaborating but have yet to complete the move to full process redesign. Rising tool usage has yet to translate into measurable firm-wide capacity gains, and efficiency benefits remain largely individual and matter-specific.

For the workplace, the functional mix only adjusts further once workflows and staffing structures change materially — and typically through reallocation of function rather than a sharp reduction in total floorspace. Therefore, workspace evolution is an organisational response to AI adoption, not an immediate reaction to tool implementation. When selecting premises and negotiating leases, firms should assess future requirements in light of their own stage of transition and retain flexibility in lease terms.

The constraint on the sector is the capacity to integrate AI with the business, not the adoption of AI tools



01 **Adoption**

AI tools introduced



02 **Adaptation** — Most firms sit at this stage

Exploring new ways of working and collaborating



03 **AI–business integration**

Material change in workflows and staffing structure

Understanding AI’s impact on law firms rests on distinguishing the adoption of AI tools from the integration of AI with the business. The gap between the two defines the character of a firm’s transition.

Source: Knight Frank, The Uneven Transition: How AI Will Revalue Labour, Reshape Organisations and Redefine Office Demand (2026); Knight Frank Research

Workplace Optimisation

AI reduces inefficient assigned workstations rather than total floorspace. The freed-up space is mostly repurposed within the existing footprint for collaboration, client engagement and talent development scenarios.

A cost-driven flight to quality, with total floorspace still set to grow

Cost, not hybrid working, is the primary driver of workplace change at law firms, and most firms continue to expand their office footprint

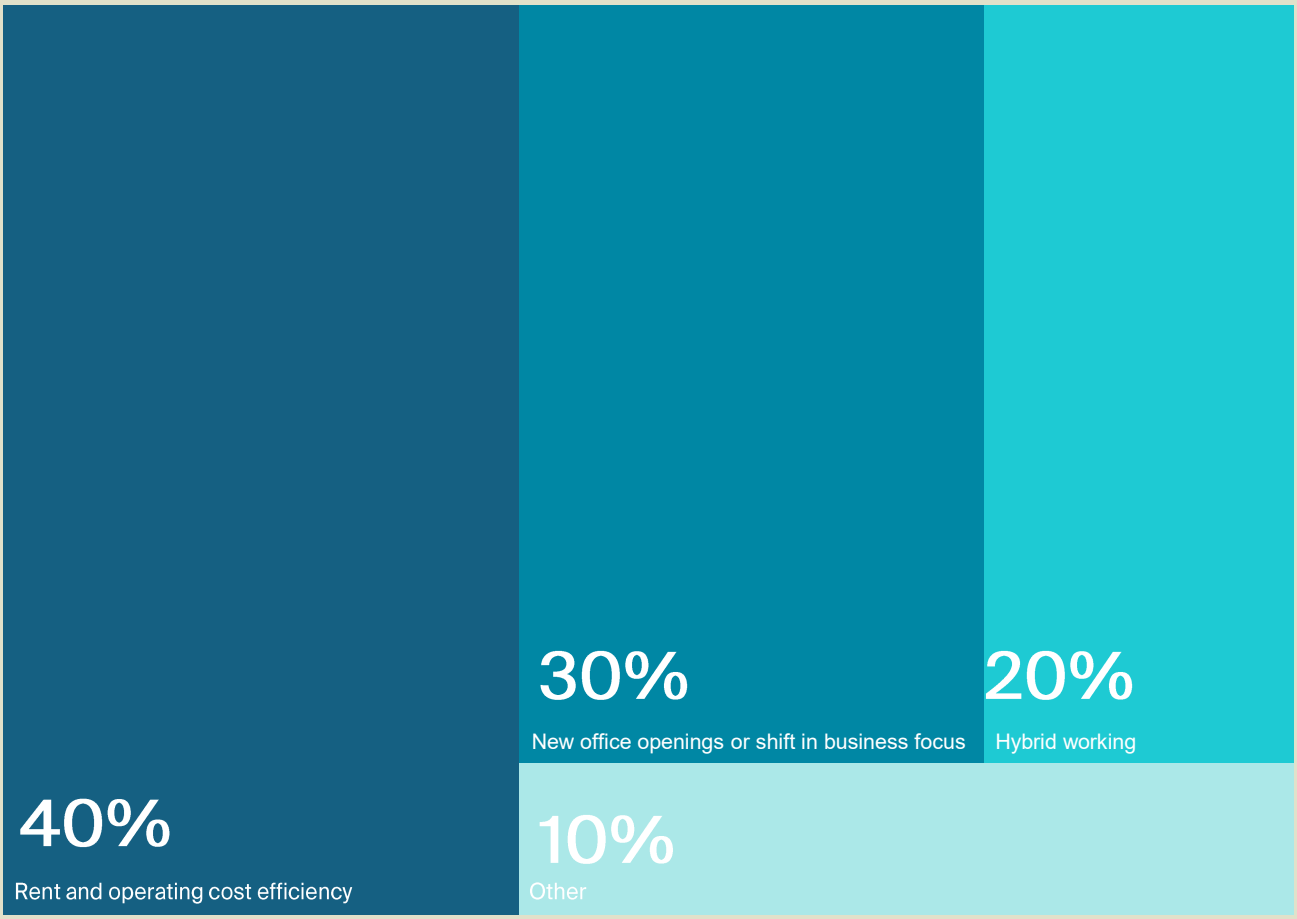
Cost, rather than hybrid working, is the dominant factor behind current space adjustments. Changes in rent and operating expenditure directly determine space sizing and location decisions. Business operations and layout changes come second, often accompanied by new office setups and shifts in business focus. Changes in working practices rank third; they affect space programming but do not alter the fundamental logic for law firms' space requirements.

AI takes over standardised tasks including analysis, document generation and review. Assigned workstations with low utilisation are the first to be reconfigured. Most of the liberated area is not surrendered, but repurposed within the existing space for collaboration zones, training centres and client-facing areas. Metrics for evaluation have shifted accordingly: from workstation headcount per person to output per unit area and actual usage frequency.

Around half of occupiers plan to expand their office portfolio over the next three to five years, typically by replacing ageing space with better-located, higher-specification buildings. Savings from efficiency gains are reinvested into upgraded quality and experience, making a flight to quality — rather than contraction — the prevailing choice. Learning and interaction space and client reception areas carry talent development and brand presentation, turning space from a cost line into a strategic asset.

Only a minority prioritise collaboration and innovation as core objectives for space transformation. Optimisation remains primarily cost-led. To convert extra space into organisational capability, cross-departmental alignment is required. Shared spaces need clear usage boundaries and day-to-day governance, with continuous refinements based on real usage feedback. Regular reviews using occupancy data and employee feedback are essential; otherwise, high-quality spaces may also become underutilised.

Figure 9: Drivers of workplace change among law firms



Source: Public industry surveys, compiled by Knight Frank Research

The key to amenity competition lies in matching real needs, not the quantity of facilities

Among the five management challenges, improving user experience ranks third; investment in amenities should be backed by usage data and employee feedback.

Catering, health and wellbeing space and shared social zones have moved from a bonus to a material consideration for staff. Whether an office offers comfortable places to rest, eat and talk informally directly affects willingness to return. Amenities have therefore been elevated from a benefits question to part of workplace strategy.

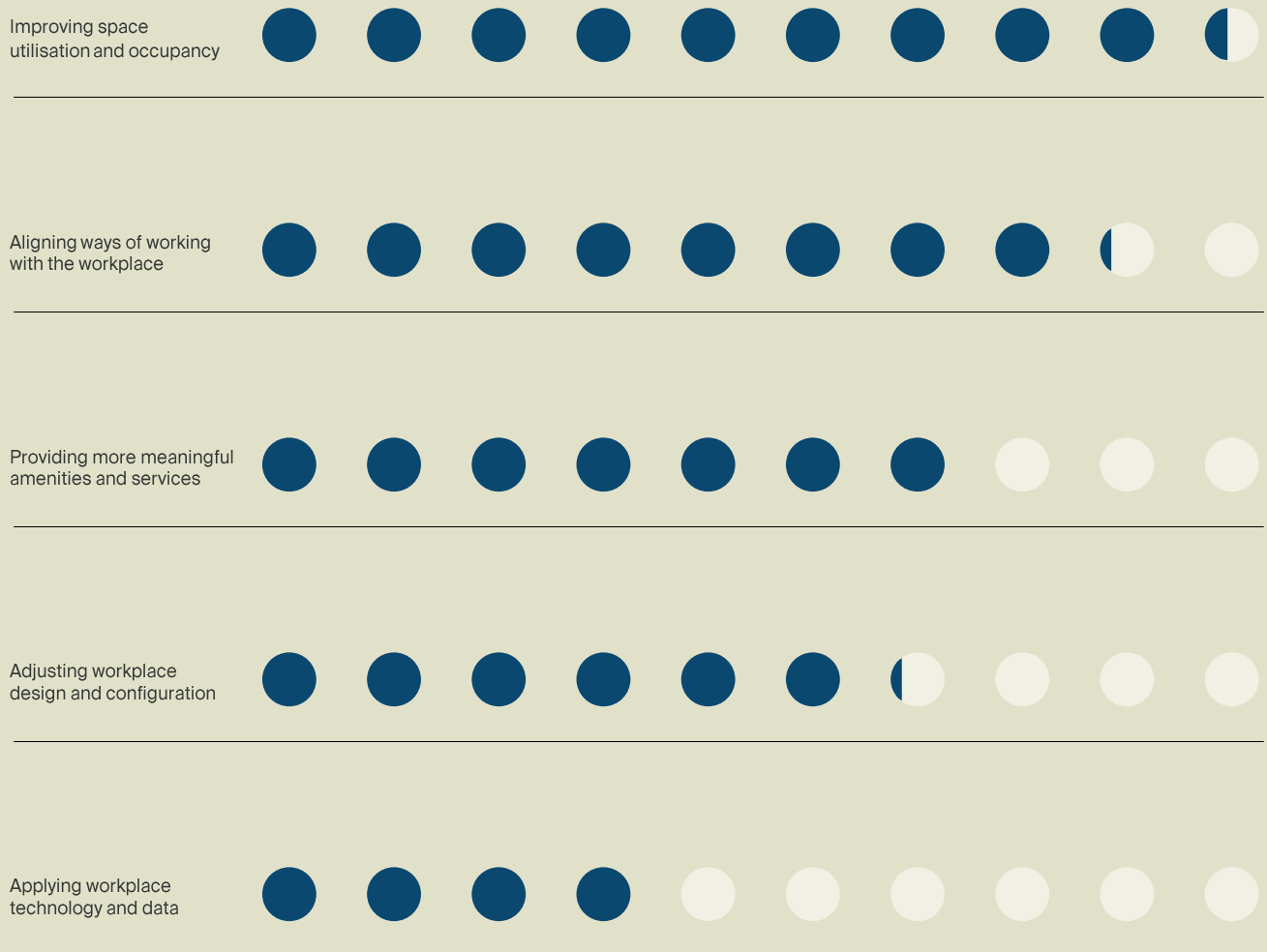
Among managers' priorities, improving utilisation ranks first, followed by aligning ways of working with the workplace. Providing more meaningful amenities and services comes third, ahead of adjusting workplace design and configuration, with workplace technology and data last. The experience gap is now an important yardstick, but it still ranks behind efficiency and fit.

The measure of amenity is changing too, from quantity to fit: whether it matches actual patterns of use, whether frequency of use is sustained, and whether its scale suits each location. High-specification facilities that sit idle generate no appeal while continuing to consume floorspace and operating cost.

Investment in amenities needs to sit within a verifiable framework, reviewed regularly against utilisation data, staff feedback and business impact, with type and scale adjusted accordingly. Unevidenced spending rarely wins priority in budget allocation; investment backed by usage data is far more likely to be sustained.

Figure 10: The five leading workplace management challenges

Ranked by level of industry concern, highest to lowest



Competition on amenities is no longer about the length of the facilities list but about matching real user needs and demonstrating value with data.

Source: Public industry surveys, compiled by Knight Frank Research

Measuring the workplace: from rent and cost per head to contribution to organisational performance

Employee experience is not fundamentally about facilities, but about reinforcing the irreplaceable value of the workplace

Rent and workstation counts measure only inputs; the real question is whether space supports collaboration, knowledge transfer and client relationships. Only once the yardstick moves from floorspace and headcount to team effectiveness can workplace investment be said to carry strategic value — accounting for it as a cost line alone leaves that value invisible.

Informal exchanges in pantries allow leads and experience to flow naturally. Shared space and daily rituals reinforce professional standards. Younger lawyers observe senior partners' judgement during post-matter reviews and supervision. Quiet breakout areas provide somewhere to change pace. Good daylight, acoustics and workplace facilities help lawyers stay comfortable and focused during independent work. These experiences are hard to replicate outside the office.

Realising this value also depends on consistently effective operations. Space and services should be configured from real working scenarios, with the mix set by meeting, review and collaboration needs. Reception, meeting and IT support should respond to a single standard so that the experience is consistent across floors, reducing friction in day-to-day collaboration. Booking, utilisation and satisfaction data should then be used to monitor performance, so that changes are based on actual use rather than impression.

The office is moving from a cost centre that houses people to organisational infrastructure that carries engagement, innovation and belonging. Its returns should be assessed alongside talent retention, collaborative efficiency and client relationships.

Engagement | Innovation | Belonging



Social connection

Chance conversations in pantries and in corridors let leads, client insight and experience flow between teams; such weak ties are hard to replicate by video call yet often determine collaborative efficiency.

Belonging and culture

Shared space and daily rituals reinforce the firm's professional standards and values, helping new joiners build identity faster and allowing clients to experience the brand directly when they visit.

Rest and recovery

After long periods of file review and hearing preparation, quiet breakout areas and informal corners allow a change of pace, aiding recovery of attention and reducing fatigue and attrition risk during intensive matter cycles.

Health and comfort

Good daylight, acoustics and workplace facilities help lawyers stay comfortable and focused during independent work, and are a visible yardstick when talent assesses the working environment.

Learning and development

By working alongside colleagues, taking part in post-matter reviews and receiving supervision, younger lawyers learn how senior practitioners analyse issues and form judgement. Embedding that learning in team discussion and workflows turns experience once held by individuals into capability the team can pass on and reuse.

Operational support layer

Hospitality-style service model

A single standard for reception, meeting and IT services gives consistent support across floors and offices, reducing communication and coordination costs.

Utilisation tracking

Monitoring performance through utilisation, staff feedback and business requirements, so that changes are based on actual use rather than impression.

Service design

Configuring space and services from real working scenarios, setting the functional mix and degree of openness by actual meeting, review, collaboration and client hospitality requirements.

Source: Public industry surveys, compiled by Knight Frank Research

Putting ESG into practice in the workplace: wellbeing-led space optimisation

Improvement of Social (S) is a principal route by which law firms translate ESG objectives into workplace decisions

In From ESG Ambition to Action: A 3-Stage Framework for China Occupiers (2026), Knight Frank surveyed office occupiers across Chinese Mainland, asking which benefits would motivate collaboration with their landlords on sustainability during the lease term. The Figure 11 ranks responses by the share selecting "An important driver". "Enhanced corporate brand and business reputation" and "Enhanced employee wellbeing / productivity" ranked joint first at 48%.

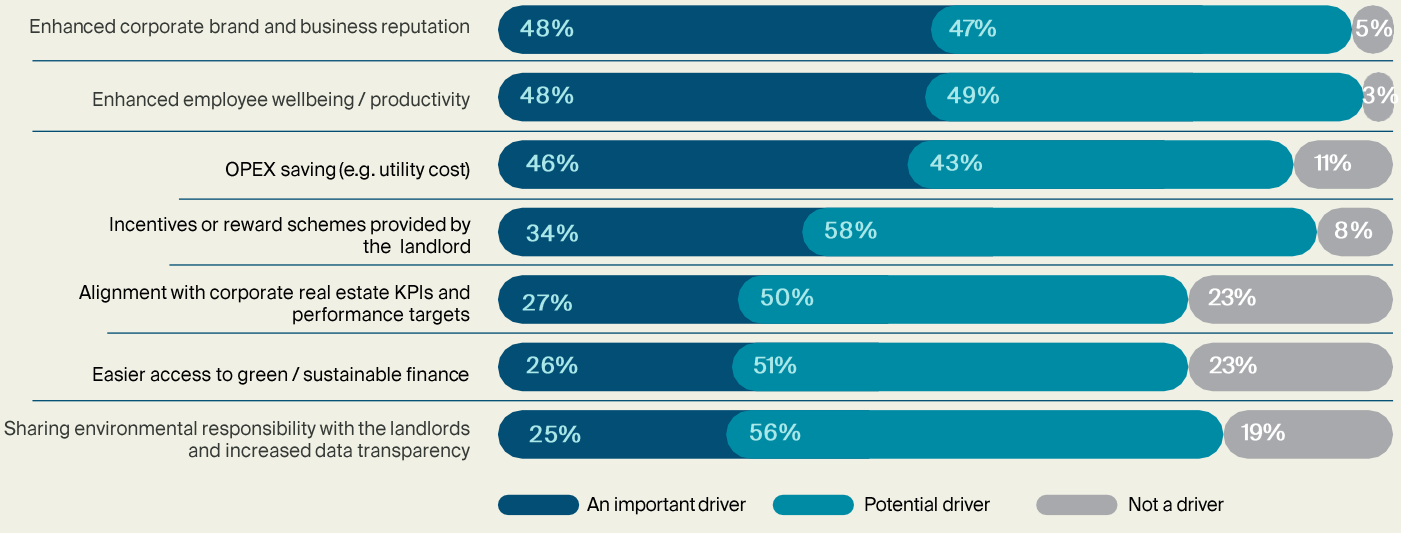
Enhanced employee wellbeing and productivity is therefore a natural entry point for law firms considering workplace optimisation. Legal services depend heavily on concentration, judgement and sustained output, and staff costs account for the bulk of total expenditure, so the working environment has a direct economic bearing on professional productivity. Good air quality, daylight and thermal comfort improve day-to-day comfort and focus, while acoustic design bears on the confidentiality of client conversations. Issues that relate directly to working experience and professional obligations are also the easiest on which to build partner consensus.

"OPEX saving (e.g. utility cost)" also points to workplace optimisation: efficient LED lighting, zoned smart control of lighting and HVAC, and sub-metering can lower energy spend while improving the user experience, and reusing existing furniture and fit-out components makes workplace change an opportunity for both carbon reduction and cost management.

In sum, the social (S) dimension of ESG finds its most direct expression in a law firm setting through employee wellbeing: a healthy indoor environment, appropriate daylight and acoustics and protected privacy all bear on professionals' performance and the quality of client service. Delivering that wellbeing ultimately rests on workplace optimisation — refining the space mix, zoning lighting and air conditioning, and monitoring energy consumption by area to improve energy efficiency and reduce operating costs, so that the office improves the user experience and lowers running costs at the same time. These commitments can be secured through green lease provisions during lease negotiations.



Figure 11: Which benefits can motivate your collaboration with your landlord on sustainability during the lease term?

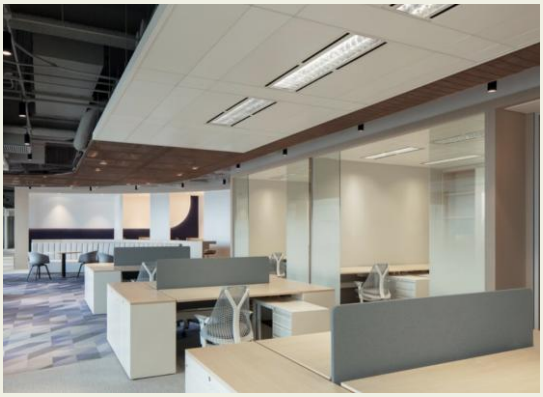


Source: Knight Frank, From ESG Ambition to Action: A 3-Stage Framework for China Occupiers (2026); compiled by Knight Frank Research

Case study 3: Staff wellbeing at the headquarters of a major PRC 'Red Circle' firm

Approx. 6,900 sqm | Grade-A building, Beijing's core CBD





Making the working environment itself a staff benefit and an employer brand

- Central and satellite collaboration zones, social breakout areas, tea-room style meeting space and bar-height desking create a varied mix of settings
- Natural light, art display, ergonomic furniture and a softer shared environment support intensive knowledge work
- Many settings are shared across staff rather than tied long term to individuals
- The space simultaneously expresses innovation, internationalism, cultural brand and a commitment to talent

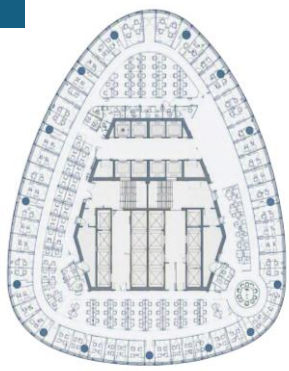
Key takeaway

Investment in wellbeing should not stop at individual facilities but span the whole working day, prioritising daylight, noise control, respite, social interaction and learning settings.

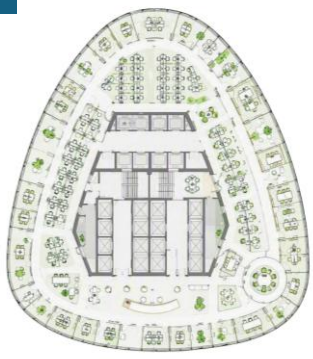
Source: Robarts Spaces, compiled by Knight Frank Research

Case study 4: Before-and-after floor plans of an international firm in Shanghai

Previous floor plan



New floor plan



Lower headcount and open workstation density, private offices for lawyers largely retained, expanded shared spaces and meeting & reception areas

- The new plan supports a similar level of business with leaner staffing, shifting the measure of space efficiency from workstations per head to output per square metre.
- The number of private offices has decreased by approximately 20%. The revised layout still provides space for partners and senior lawyers to work confidentially, exercise professional judgement and make decisions.
- Density of open-plan document workstations has fallen markedly; rows of assigned workstations no longer form the structural core of the plan, and the former large open floor has been broken up and reconfigured.
- The number of shared workstations has increased by around 180%, with matter-based collaboration, short-stay touchdown and cross-team working now the dominant day-to-day uses.
- The number of meeting rooms has increased by around 150%, with rooms configured for small discussions, internal seminars and confidential negotiations to match differing frequencies of use and privacy requirements.
- Client meeting and reception floorspace has expanded by around 69%, with the front of house upgraded from circulation space to a client service and brand presentation interface.

Key takeaway

The law firm office is shifting from housing more people to supporting high-value, highly confidential, client-facing activity.

Source: Knight Frank Research. Note: the floor plans on this page have been redrawn from a real case study and anonymised; they are indicative only.

Future Workplace Outlook

Workplace decisions are increasingly driven by progress in process redesign rather than headcount and location; change will occur mainly in the functional mix rather than in total floorspace.

Three trends shaping the law firm workplace

Deep integration of AI with the business, a flight to premium Grade-A quality, and journey design and placemaking are together reshaping the law firm workplace.



Trend 1

AI integrates deeply with the business, and dynamic switching between settings becomes the new normal

The 'one partner plus multiple AI agents' model becomes widespread: cloud-based document storage, combined with several AI assistants handling simple, repetitive legal tasks, reduces time spent working alone at a workstation. Productivity rises and lawyers gain more time for people-centred work and interaction — client meetings, advisory work, negotiations, industry seminars, travel and training.

As productivity improves, lawyers will devote more of the time released to face-to-face interaction. Work settings become more dynamic and varied: alongside the office as the hub, home working and 'third places' — client meeting rooms, courts, industry associations and conferences — grow in importance, forming a hub-and-spoke model.

As a destination for client hospitality and private meetings, the office will retain private offices and meeting rooms, while an increasing share of open workstations is given over to AI agents. At the same time, the office will serve to enable business development, talent recruitment and brand building.



Trend 2

A flight to quality towards premium Grade-A buildings, with active relocation

To support the deployment of AI assistants and human–machine delivery, the building specifications and operating standards of existing Grade-A stock are increasingly inadequate. Relocation activity among law firms will therefore pick up, with selection criteria weighing both a building's physical infrastructure and its service quality.

On location, firms require excellent accessibility that allows rapid movement between the office, client sites and courts, and a core business district address that reinforces brand positioning. On hardware, the emphasis is on large column-free floorplates with generous depth and ample daylight, dual power supply and UPS to underpin computing capacity, raised floors and a choice of telecoms providers, generous fresh-air provision and flexible after-hours air conditioning.

On the service side, building management systems and smart building capability, comprehensive retail and conference amenities, and healthy and green building certification together determine staff wellbeing and client experience — making them as important as physical specification in future location decisions.



Trend 3

Journey design and placemaking reshape the competitive landscape

Competition for talent requires workplace planning and design to improve both client experience and staff wellbeing. Using a jobs-to-be-done (JTBD) framework, firms can design the journey that staff and clients take through the office. The faster rhythm of work that follows productivity gains calls for a more human-centred approach to journey design in workplace planning.

Differentiation lies in the detail: a seamless transition from commute to arrival, the physical and emotional experience on entry, a smooth passage through preparation, meetings and collaborative exchange, and an effortless switch into focused, private work. Together these details constitute the workplace journey for staff and clients alike.

Services and activities tailored to each setting, together with effective placemaking, create an immersive experience for clients and staff and strengthen a firm's appeal to talent and the market. Improvements in the social proposition of the law firm office, and in the detail of its operation, will reshape the competitive landscape.

From Trends to Action

Site selection and building appraisal, space allocation and setting design, and evaluation metrics and green leases form the path from trend to implementation.

1

Action 1

Site selection and building appraisal: establish a hardware and service checklist for the AI era

Broaden site selection criteria from rent and floorspace to a three-part checklist of computing capacity, resilience and experience: dual power supply and UPS, raised floors and multiple telecoms providers, and large column-free floorplates with good daylight penetration — securing the physical infrastructure that AI-enabled delivery requires.

Assess the service dimension in parallel: building management and smart building capability, flexibility of fresh-air provision and after-hours air conditioning, healthy and green building certification, and retail and conference amenities — all of which directly determine employee wellbeing and client experience.

It is recommended to complete building due diligence and shortlisting 12–18 months prior to lease renewal or relocation. Convert assessment findings into comparable scoring to support consensus-building for partner-level decision-making.

2

Action 2

Space allocation and setting design: reallocate floorspace around genuine requirements

Reallocate floorspace across the six space components to support work activities: retain the core provision of private offices and confidential meeting rooms, expand collaboration, training and client hospitality space, and release infrequently used assigned workstations.

Adopt JTBD and journey design methods to refine user journeys: test seamless transitions from arrival, preparation, meetings and collaboration to focused work. Subtle experiential details become sources of differentiation for talent attraction and brand identity.

Pilot the layout and scenario effect on a trial floor first. Validate with real usage data before full roll-out, to avoid mismatches caused by one-off capital investment.

3

Action 3

Evaluation metrics and green leases: making investment measurable and enforceable

Shift spatial evaluation metrics from “area and workstation count” toward “organisational output”: track indicators such as collaborative meeting hours, junior lawyer mentoring and retention, client visits and satisfaction. Bring workplace space into strategic discussions.

Embed green lease clauses for wellbeing and efficiency commitments during lease negotiations: fresh air and indoor air quality standards, zoning controls for lighting and temperature, sub-metered energy consumption and data sharing mechanisms.

Clarify responsibilities and cadence: led by the management committee with coordination from admin, HR and IT teams. Review space utilisation and output data annually to build a continuous optimisation closed loop.



We welcome your enquiries. Should you have questions about our research or require real estate advice, we would be pleased to hear from you.

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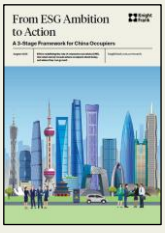


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From ESG Ambition to Action:
A 3-Stage Framework for China Occupiers



China's Global Reach
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