

# London Legal Sector Update

Q3 2025

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

Q3 showed a sector in confident motion: strong top-line results at leading firms, visible brand and strategy resets, and an escalation in AI adoption. Beneath the momentum sits a fragile people picture, with attrition and wellbeing concerns intensifying.

#### FIRMS ARE RESETTING BRAND AND STRATEGY

Clifford Chance refreshed its identity and Sheppard Mullin Richter & Hampton moved to simplify its name and logo, while Mishcon de Reya launched a five-year plan focused on three core sectors alongside operational transformation, AI investment and international growth. Withers began consultations on its next five-year plan and Addleshaw Goddard reiterated its AG2030 ambition.

#### AI: FROM PILOTS TO PRACTICE

LexisNexis reports 61% of UK lawyers are using generative AI, up from 46% in January and 11% in 2023, with small firms twice as likely to rely on it day to day. At the top end, almost eight in ten of the UK's top 20 firms have deployed third-party tools and nearly half have built or customised systems, yet only a quarter have a formal strategy. Concerns over accuracy and data security persist while cultural resistance is slowing adoption.

#### RETENTION AND WELLBEING PRESSURES INTENSIFY

LawCare's 2025 survey based on responses from 1,500 people working in the sector found nearly 60% of respondents reporting poor mental health. Respondents aged 26-35 scored highest for burnout. Over 56% expect to leave their employer within five years, with a third considering leaving the profession. BigHand's 2025 data shows associate departures almost doubling year on year, each exit costing up to \$1 million in lost revenue and replacement.

### Three real estate trends

Q3 take-up totalled 158,158 sq ft across 12 deals with strong US participation; City and Midtown dominated, Southbank re-emerged, and sub-10,000 sq ft lettings drove 65.7% of year-to-date activity.

#### TAKE-UP EASES, US APPETITE ENDURES

Q3 2025 legal take-up fell 17.1% quarter-on-quarter to 158,158 sq ft as the earlier wave of big deals faded for now. Deal volume stayed in line with the year-to-date at 12 transactions, five by US firms, including expansionary top ups in existing buildings, while Michelman Robinson's first overseas office launch in London underscored US confidence in the market..

#### CITY AND MIDTOWN LEAD. SOUTHBANK SHOWS LIFE

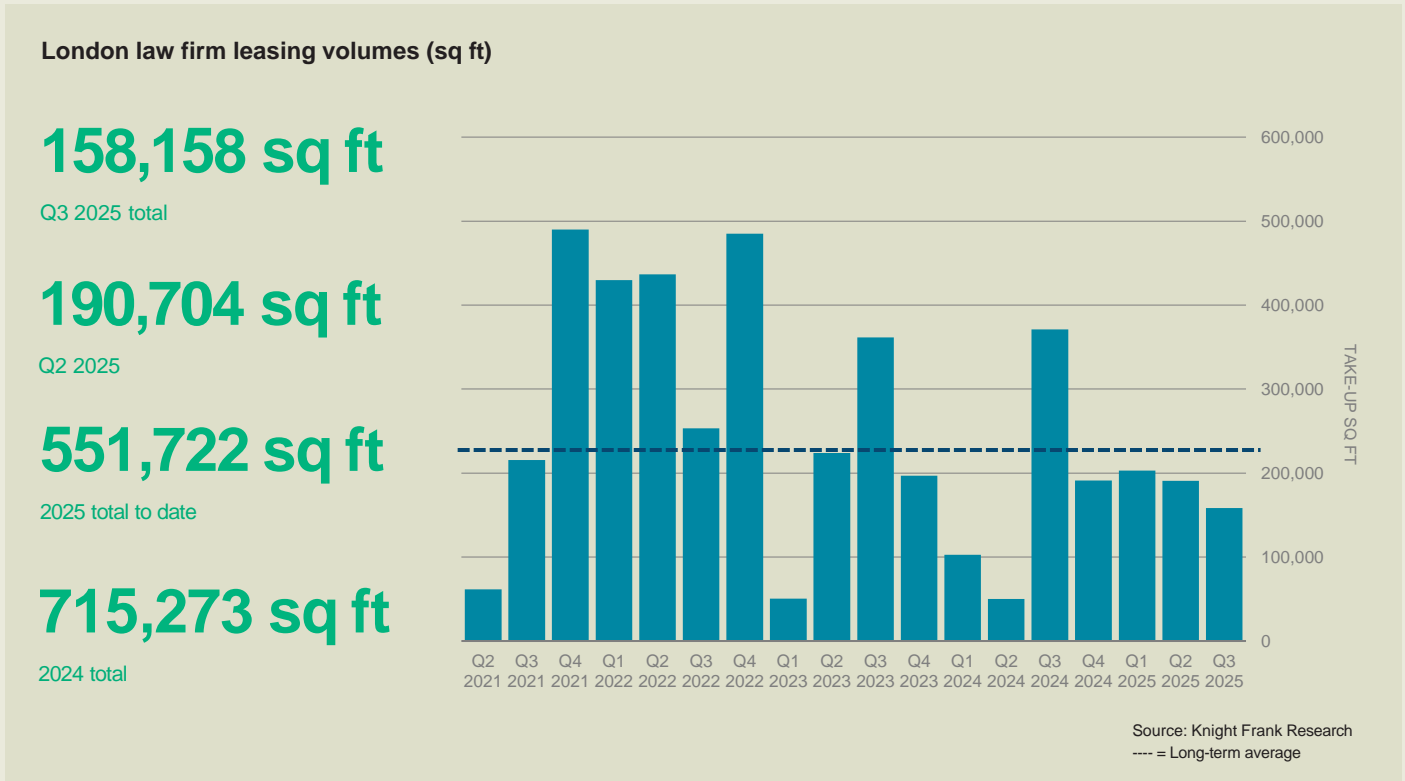
City Core and Midtown remain the preferred submarkets for law firms, accounting for 74.3% of year-to-date deals and 66.7% in Q3. Southbank Core registered two transactions, both relocations from other submarkets. One was Shakespeare Martineau, relocating from Gracechurch Street, EC3, to the Shard. The new workplace is designed to support agile working, host more client events, and align with the firm's ESG principles.

#### SMALLER REQUIREMENTS ALSO DRIVING ACTIVITY

Seven of the 12 Q3 transactions were under 10,000 sq ft, albeit this includes one expansion within an existing building. The pattern shows that, beyond the headline large moves, a broad base of boutique and specialist firms with modest requirements is also driving activity. Year-to-date, 65.7% of deals have been below 10,000 sq ft, compared with 63.1% over the past five years.

# 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 – Q3 2025

\* = Knight Frank deal – either Landlord or Tenant Representation

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft)
Bristows *	Refurbished	Bow Bells House, 1-11 Bread Street, EC4	UK	68,447	Confidential
Haynes Boone	Refurbished	Alder Castle, 10 Noble Street, EC2	US	18,408	£77.00
O'Melveny	S'hand A	5 New Street Square, EC4	US	12,896	£86.00
Simpson Thacher & Bartlett	S'hand A	CityPoint, 1 Ropemaker Street, EC2	US	12,771	£84.00
Shakespeare Martineau	S'hand A	The Shard, 32 London Bridge Street, Shard Quarter, SE1	UK	12,304	£82.50

Source: Knight Frank Research



1.27m sq ft

of active named legal sector demand, a marginal increase of 1.6% quarter-on-quarter

## SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



### Bow Bells House, 1-11 Bread Street, EC4

Occupier: Bristows

#### Refurbished

Key features include new communal areas, end-of-trip facilities and green terraces, providing fifth-level views of St Mary-le-Bow Church and Bow Churchyard. Sustainability and wellbeing are front and centre. When complete, the building will be fully-electric, with an improved EPC rating.

Bow Bells House is equidistant between Bank and St Paul's underground stations, which are both less than a five-minute walk away. It is also within easy reach of Cannon Street and City Thameslink mainline stations.

*EPC rating B*



### Alder Castle, 10 Noble Street, EC2

Occupier: Haynes Boone

#### Refurbished

First built in 1999, Alder Castle's latest refurbishment was completed in August 2025. Three of its six floors were the subject of upgrades, which included increasing the building's lettable area, integrating outdoor areas within the building, introducing a new business lounge and co-working area, and adding a new, double-height reception, featuring natural and sustainable materials and a glass façade. The structure supporting this façade acts as the foundation for three terraces across the second to fourth floors. End-of-trip facilities include a cycle maintenance station while sustainability features include energy efficient lighting and a new electric air source heat pump.

In addition to proximity to green space, Alder Castle is a three-minute walk away from St Paul's underground station. It is within half a mile from a number of public transport hubs, including Barbican and Mansion House tube stations, as well as Moorgate and City Thameslink rail stations.

*BREEAM 'Very Good', targeting EPC rating B*



### 5 New Street Square, EC4

Occupier: O'Melveny & Myers

#### Second-hand A

The property is part of a campus of office buildings, clustered around a public realm and retail amenities. 5 New Street Square was refurbished in 2024, to modernise its facilities and support its occupiers' pursuit of net zero operations. Work included a new enlarged reception and communal terrace, the replacement of gas boilers with heat pump technology, the deployment of smoke vents to provide mixed-mode ventilation, and the application of a building-wide heat recovery loop, while working within the constraints of existing building plant areas.

The closest public transport links are at City Thameslink rail station. Chancery Lane underground station is also within half a mile of the building.

*Targeting BREEAM 'Excellent', NABERS 5\* and EPC rating A*



### The Shard, 32 London Bridge Street, SE1

Occupier: Shakespeare Martineau

#### Second-hand A

The mixed-use building is predominantly offices, with the remainder comprising apartments and amenities, including a 200-bed hotel, restaurants and an open-air viewing gallery. Adjacent to London Bridge station, it is under ten minutes from Bank, Waterloo and Liverpool Street.

Occupiers have access to end-of-trip facilities, flexible meeting rooms, lifestyle and concierge services, 24/7 security with CCTV, a programme of free events, and openable windows within the floor-to-ceiling inner façade for natural ventilation.

It was designed to use about 30% less energy than a typical tall building via energy-efficient systems and a triple-skin façade with automatic blinds, and it runs on 100% renewable electricity with a combined heat and power plant that recovers heat for energy and thermal comfort.

*BREEAM 'Excellent', EPC rating B, WiredScore 'Platinum'*



# NEW LAW FIRM LEASES

- 1 Decimus Fearon
- 2 O' Melveny
- 3 Mackrell
- 4 Haynes Boone
- 5 Bristows
- 6 Simpson Thacher & Bartlett
- 7 Lawson Wright
- 8 Proskauer Rose
- 9 Gianni & Origoni
- 10 Michelman & Robinson
- 11 Shakespeare Martineau
- 12 Maurice Turnor Gardner



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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## Recent research

