London Legal Sector Update

Knight Frank

Q3 2026	Our quarterly London Legal Sector Update aims to inform real estate decision makers within law firms of competitor activity and emerging best practice.	knightfrank.co.uk/research

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

Revenue growth outpaces profit growth at many firms. AI adoption is rising, but tangible value remains limited. Competition for newly qualified talent is driving up pay.

GROWTH CONTINUES, STRATEGIES DIVERGE

The UK's top 100 law firms generated £43.2bn in 2025/26, up 7.7% from the previous year, though profit growth lagged revenue growth at many firms. Growth remains the top strategic priority, according to The Lawyer. Larger firms are sharpening sector focus, building distinctive capabilities and reviewing international footprints. Some mid-market firms favour lateral hires and more professional management. AI investment is rising, but progress beyond basic adoption varies.

FROM AI TOOLS TO AI OWNERSHIP

Q3 saw law firms push beyond buying AI tools. Latham & Watkins bought Nvidia servers to customise models in-house, while Cooley is hiring for its own AI company. According to PwC, 66% of the top 100 firms have now implemented AI, up from 43% last year. However, this is yet to turn into tangible value. Fewer than 10% of firms report monetised benefits, and just 7% of the top 100 have realised chargeable–hour savings exceeding 10%.

RECORD PAY, RELENTLESS COMPETITION FOR TALENT

Competition for junior legal talent remains strong. Legal Cheek's survey of 113 firms puts average newly qualified solicitor pay at roughly £119,000. Fifty firms have raised salaries in 2026, and 64 now pay London newly qualified solicitors at least £100,000. US firms lead the table, with Sullivan & Cromwell at £181,000, while Davis Polk, Gibson Dunn, Paul, Weiss and Willkie are close behind on £180,000.

Three real estate trends

Law firms are building flexibility into expansion plans and favouring the City, with one large commitment driving Q3 take-up and smaller occupiers preferring fitted space.

OPTIONALITY IS SHAPING HOW FIRMS ACCOMMODATE GROWTH

Mishcon de Reya's 160,569 sq ft commitment at MidCity Place includes an option on another floor, preserving room for future expansion. Meanwhile, Debevoise & Plimpton added 33,473 sq ft at The Northcliffe, and Sullivan & Cromwell took another 2,466 sq ft at its existing headquarters on a short lease, while it looks for up to 200,000 sq ft to more than double its London footprint.

ONE DEAL DOMINATES, SMALLER FIRMS DRIVE ACTIVITY

A single transaction dominated the quarter's figures, with Mishcon de Reya's commitment accounting for 66.7% of legal sector take-up. Beneath this headline deal, however, the market was characterised by smaller requirements in Q3, with seven of the 10 transactions below 10,000 sq ft. Occupiers with these smaller requirements showed a clear preference for fitted space.

THE CITY REMAINS LAW FIRMS' FIRST CHOICE

Eight of the 10 Q3 deals were in the City, spanning Midtown and the City Core. Alongside firms staying in established City locations, ADVANT Nctm's move from Mayfair to Tower 42 shows the City drawing law firms away from other submarkets. Of the law firms actively seeking space, all but one are focused on the City and Southbank.

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.

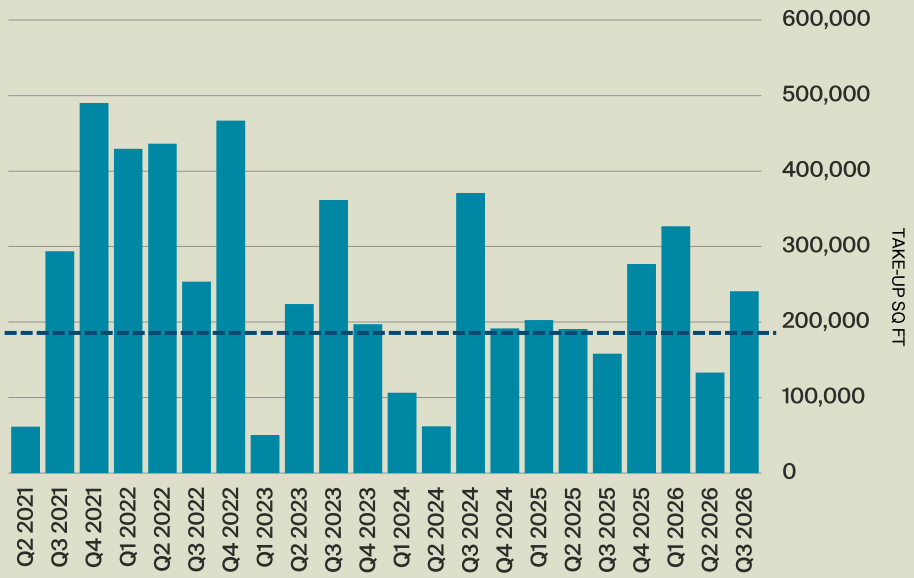
London law firm leasing volumes (sq ft)

240,651 sq ft
Q3 2026 total

373,938 sq ft
H1 2026

828,450 sq ft
2025 total

730,963 sq ft
2024 total



Source: Knight Frank Insight
---- = Long-term average

Law firm leasing transactions – Q3 2026

Source: Knight Frank Insight, Knight Frank deal – either Landlord or Tenant Representation

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft)
Mishcon de Reya	Comprehensively Refurbished	MidCity Place, 58-71 High Holborn, WC1	UK	160,569	£83.06
Debevoise & Plimpton	Comprehensively Refurbished	The Northcliffe, 26-30 Tudor Street, EC4	US	33,473	£42.66
Birketts	Comprehensively Refurbished	1 London Wall, EC2	UK	14,685	Confidential
BCL Solicitors	Comprehensively Refurbished	1 Kingsway, WC2	UK	9,353	£85.00
Carter-Ruck	Comprehensively Refurbished	16 St. Martin's Le Grand, EC1	UK	6,226	£90.50

2.16m sq ft

of active legal sector demand covering 28 requirements, an increase of 1.1% compared to the previous quarter. Currently, 508,000 sq ft is under offer.

SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



MidCity Place, 58-71 High Holborn, WC1

Occupier: Mishcon de Reya

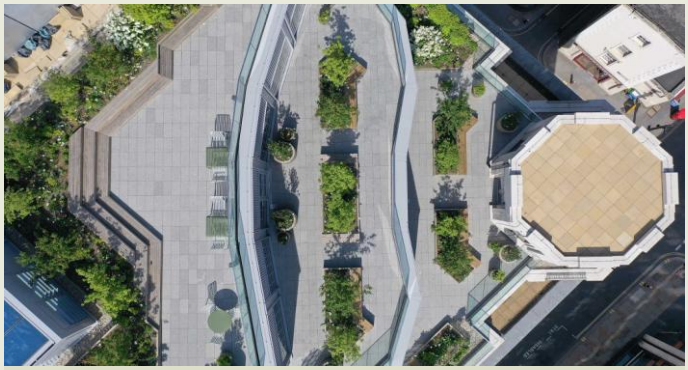
Comprehensively Refurbished

MidCity Place is nearing completion of a £20m refurbishment and decarbonization programme, due to complete in 2027.

Amenities include a communal rooftop terrace, courtyard space, occupier and business lounges, a library, cinema suite and podcast studio and wellness space, supported by end-of-trip facilities. The building is now fully electric, with a 100% renewable electricity supply, air-source heat pumps for heating and cooling, and smart meters and CO_2 sensors to monitor energy consumption.

Holborn and Chancery Lane underground stations are within a five-minute walk.

EPC 'B', BREEAM 'Excellent', WELL Health-Safety Certification



The Northcliffe, 26-30 Tudor Street, EC4

Occupier: Debevoise & Plimpton

Comprehensively Refurbished

The Grade II-listed industrial printworks has been redeveloped into contemporary office accommodation. Key features include a light-filled atrium, cycle and changing facilities, a 4,200 sq ft rooftop garden, landscaped terraces and on-site amenities, including a gym, library and a café.

The Northcliffe is all-electric, served by air-source heat pumps and 100% renewable energy. Retaining the frame and façade saved 53% of whole-life carbon compared with demolition, and construction materials are A- or A*-rated. A building management system monitors air quality and optimises energy use.

The building is located a five-minute walk away from both Blackfriars and City Thameslink transport hubs. It is also close to Temple Gardens, giving occupiers access to off-site green space.

EPC 'B', BREEAM 'Outstanding', WiredScore 'Platinum'



One London Wall, EC2

Occupier: Birketts

Comprehensively Refurbished

One London Wall, designed by Foster + Partners, comprises column-free office floorplates behind a full-height curved glass façade. Amenities include a modern reception area, café, business lounge, end-of-trip facilities and 24-hour access.

The building connects to the City's elevated highwalk network, linking the ground-floor entrances via escalators and lifts to the Barbican Estate and the London Wall West Site.

St Paul's, Barbican, Moorgate and Farringdon are all within a short walk.

EPC 'D', building currently undergoing EPC improvement works



One Kingsway, WC2

Occupier: BCL Solicitors

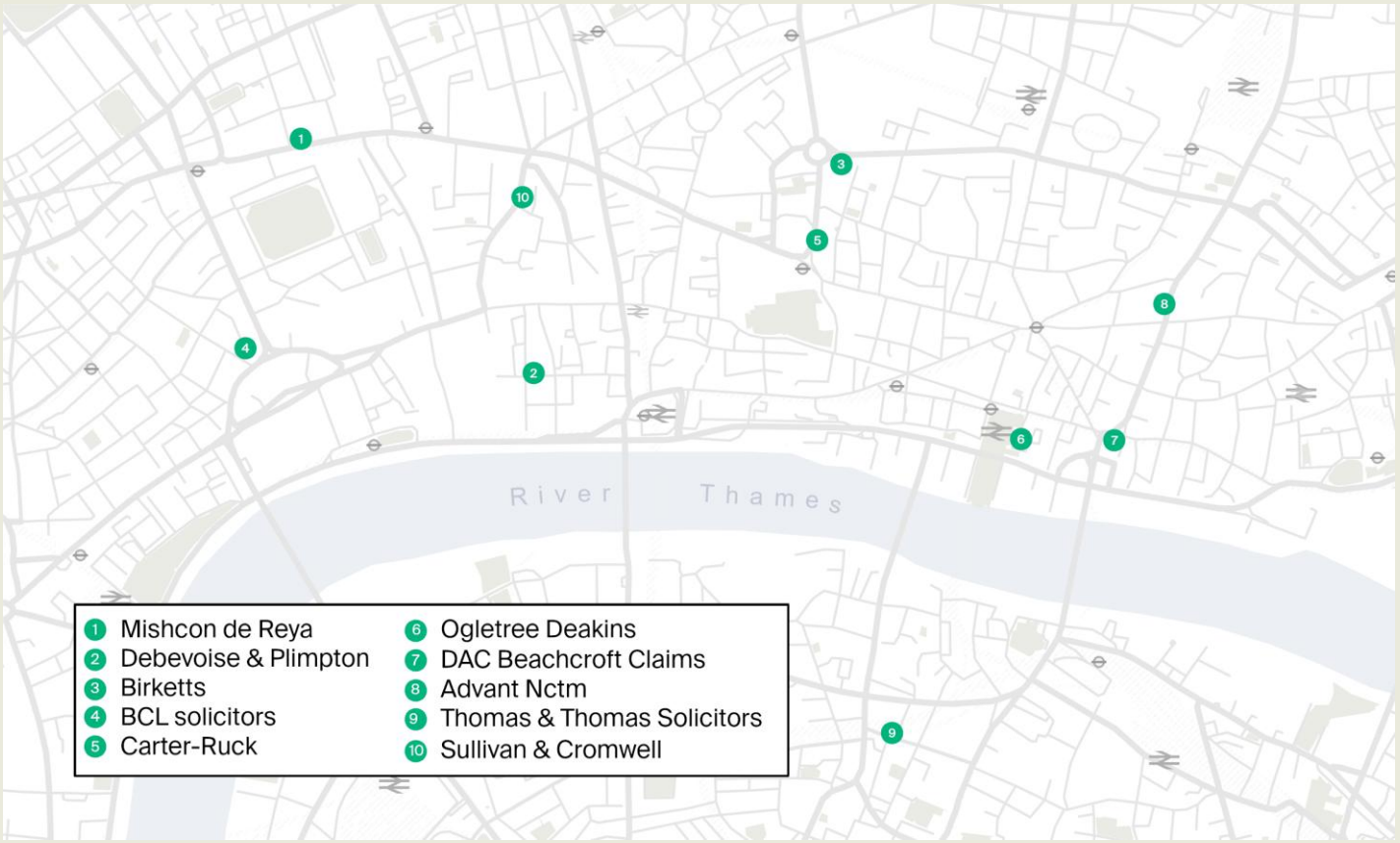
Comprehensively Refurbished

The building includes ground-floor retail space housing the all-day brasserie The Delaunay. Amenities include a contemporary reception with touch-down space, rooftop clubhouse with meeting and event space, end-of-trip facilities and concierge services.

The property is located at the junction of Aldwych and Kingsway. Temple, Covent Garden and Holborn Underground stations are all within approximately half a mile, while Charing Cross station is around a ten-minute walk away.

EPC 'B', BREEAM 'Excellent', WiredScore 'Platinum', Active Score 'Platinum'

NEW LAW FIRM LEASES



Latest research



LEGAL TRENDS DRIVING CHANGE

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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