

London Legal Sector Update



Q4 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

Q4 revealed a sector accelerating structurally: consolidation and external capital is reshaping the market, AI adoption moved from pilot to scale, and firms sharpened growth ambitions into 2026.

FURTHER CONSOLIDATION AND PRIVATE EQUITY ACTIVITY

Consolidation and external investment returned to the fore, with private equity backing deals such as Foresight's majority stake in Montpellier Legal, alongside a wave of major mergers including Hogan Lovells with Cadwalader, Wickersham & Taft and Taylor Wessing and Winston & Strawn, signaling renewed expansion momentum and increasing pressure on firms that do not scale or differentiate.

RAPID AI ADOPTION, LIMITED IMPACT ON JUNIOR HIRING

Generative AI adoption accelerated across the legal sector, with firms moving from experimentation to scale through initiatives such as firmwide deployment of external AI tools at Clifford Chance and CMS, Dentons' direct engineering partnership with OpenAI and Linklaters embedding "AI lawyers". Early evidence suggests that such investments have not yet translated into a material decline in trainee recruitment.

LAW FIRMS PURSUE GROWTH IN 2026

According to the latest [Briefing/HSBC survey](#), law firm leaders are prioritising growth into 2026 through a mix of lateral hiring, introducing new tools and service lines aligned to fast-growth sectors, investment in technology and AI, selective openness to private equity funding and M&A, and building operational resilience and efficiency. Ongoing challenges include talent constraints, pricing pressures and cybersecurity risks.

Three real estate trends

Q4 legal take-up surged 74.97% to 276,728 sq ft, driven by major US mandates. The City Core dominated activity, best-in-class space led annual take-up, and year-end demand reached 1.67m sq ft with large-scale requirements shaping the pipeline.

Q4 TAKE-UP SOARS AS US GIANTS EXPAND

In Q4 2025, legal sector take-up rose by 74.97% quarter-on-quarter to 276,728 sq ft. Gibson Dunn secured the largest deal, acquiring just over 150,000 sq ft at One Exchange Square, EC2, as the US firm strengthens its London footprint. Overall, law firms acquired 828,450 sq ft during the year, representing a 13.34% increase compared to the previous year.

PREMIUM SPACE PREVAILS AS CITY CORE DOMINATES LEGAL TAKE-UP

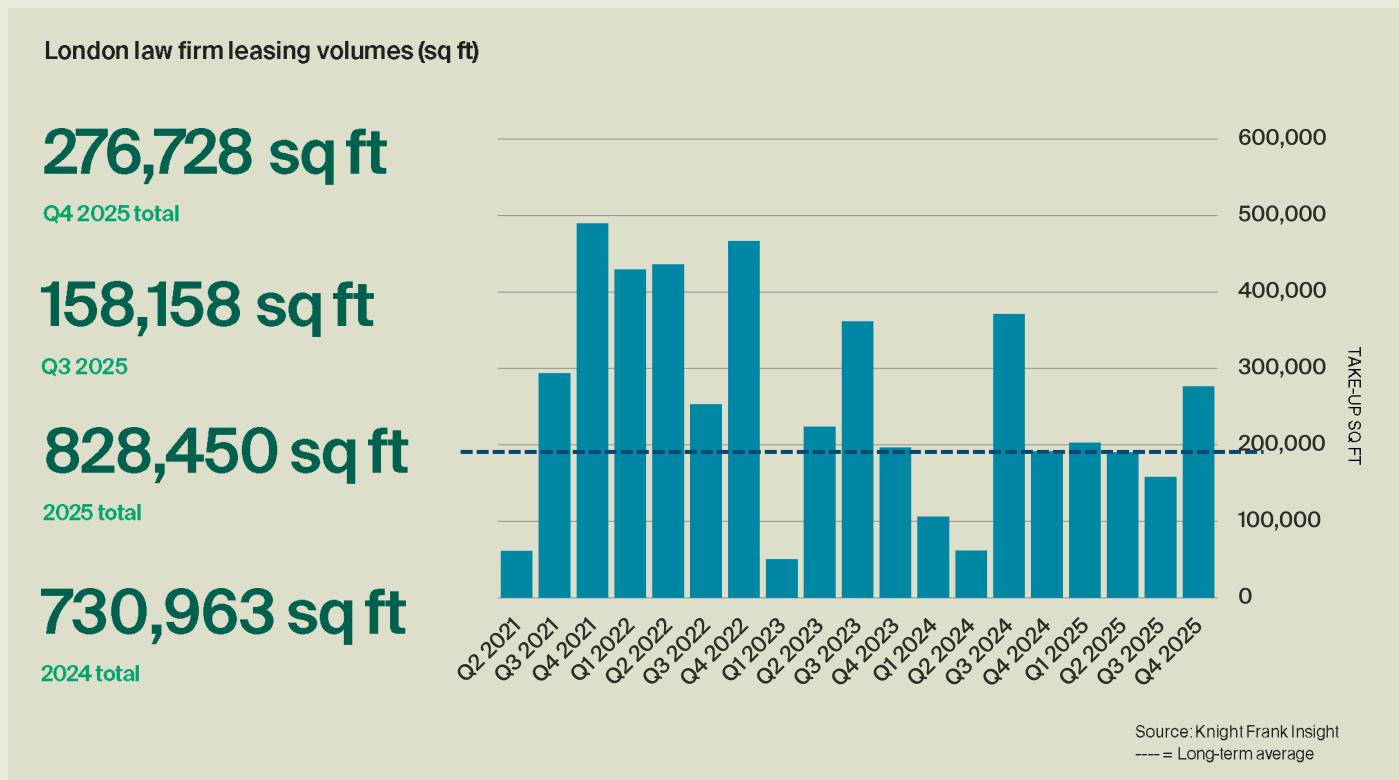
Major corporate law firms maintained their demand for best-in-class office space, with new or refurbished space representing 83.27% of the legal sector's 2025 take-up. City Core maintained its position as the preferred submarket location, accounting for 52.08% of total deals in 2025 and 68.91% of take-up.

STRONG LEGAL DEMAND WITH 50% OF REQUIREMENTS OVER 150,000 SQ FT

Legal sector demand at the end of 2025 stands at 1.67m sq ft across 16 requirements, although 575,000 sq ft of that is under offer. Half of those active requirements are for 150,000 sq ft or more. Five of those 16 requirements are likely to regear. That proportion is roughly in line with the London average.

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 2025

* = Knight Frank deal – either Landlord or Tenant Representation

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft)
Gibson Dunn	Extensively refurbished	One Exchange Square, 175 Bishopsgate, EC2	US	152,128	£103.44
Cleary Gottlieb	Second-hand A	2 London Wall Place, EC2	US	23,779	£91.50
Blake Morgan*	New	Edenica, 100 Fetter Lane, EC4	UK	10,745	£85.00
Cooke Young & Keidan*	Extensively refurbished	16 St. Martin's Le Grand, EC1	UK	5,724	£87.50
Hoffmann Eitle	Second-hand A	110 High Holborn, WC1	Germany	5,450	£55.00

Source: Knight Frank Insight



1.67m sq ft

of active legal sector demand covering 16 requirements, an increase of 31% compared to the previous quarter. Currently, 575,000 sq ft is under offer.

SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



One Exchange Square, 175 Bishopsgate, EC2

Occupier: Gibson Dunn

Extensively refurbished

The design retains 96% of the existing structure, keeping the carbon impact as low as possible. The building will have 50% less embodied carbon than a typical office building of a comparable size. It will be 100% electric and net-zero in operation, thanks to its façade design and mechanical services twinned with building management systems.

An amenity lounge, landscaped terraces on every floor and fresh air via openable windows contribute to a healthier working environment. Other key features include improved public realm, auditorium facilities and a business lounge.

One Exchange Square is located just seconds away from Liverpool Street station.

BREEAM 'Outstanding', NABERS UK 5 Star rating, WELL 'Platinum'



2 London Wall Place, EC2

Occupier: Cleary Gottlieb

Second-hand A

2 London Wall Place has its entrance along London Wall, facing the significant public realm space.

Principal sustainability features include photovoltaic cells, designed for the latest environmentally efficient heating, cooling and ventilation system, as well as lighting, and rainwater and grey water harvesting used in landscape irrigation and façade cleaning. Other key features include a statement reception area, landscaped roof gardens and end-of-trip facilities.

2 London Wall Place is within a 5-minute walk of Moorgate, Barbican, Bank, St Paul's and Liverpool Street Underground Stations.

EPC 'B', BREEAM 'Excellent', ActiveScore 'Gold'



Edenica, 100 Fetter Lane, EC4

Occupier: Blake Morgan

New

Completed in 2025, Edenica is all-electric and designed to be net-zero carbon in operation. It is also the first building in the City to use 'material passports', logging information about building materials that can be used in the future.

Its design is focused on the delivery of high-performance digital infrastructure and smart building technology.

Wellness features include outdoor green spaces, end-of-trip facilities, extensive natural daylight through increased glazing and intelligent solar shading and an on-site café.

Edenica is a five-minute walk from Chancery Lane Underground station.

EPC 'A', WiredScore 'Platinum', BREEAM 'Outstanding', WELL Platinum Enabled, Smart Score Platinum



16 St Martin's Le Grand, EC1

Occupier: Cooke Young & Keidan

Extensively refurbished

This Grade-II listed site has undergone an extension and an extensive refurbishment of all floors and communal areas.

It is now 100% electric and energy efficient, with sustainable HVAC and lighting solutions. The building also has openable windows for maximum ventilation. Other features include a statement reception with marble pillars, an onsite gym, and end-of-trip facilities.

This location provides access to St Paul's station at the bottom of the street. It is also within half a mile of Mansion House, Barbican and City Thameslink stations.

EPC 'A', BREEAM 'Excellent', WiredScore 'Platinum'

NEW LAW FIRM LEASES



Latest research



THE LONDON
SERIES 2026

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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