London Legal Sector Update

Q2 2026

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

Record London revenues, diverging AI strategies and restructuring aimed at efficiency, cost control and selective growth in higher-value work, sectors and international markets.

THE CITY PAYS OFF FOR US FIRMS

US firms in London continued to break revenue records this quarter, highlighting the City's enduring strength as a global legal centre. Kirkland & Ellis and Latham & Watkins each cleared $1bn in London revenue for the first time, while Sidley Austin lifted City revenue by around 32% to almost $300m and Debevoise was up 41%. Cooley, Goodwin and Milbank also posted double-digit gains.

AI: BUILD IT, BUY IT, BLEND IT

Q2 crystallised three distinct AI strategies: Build, Buy and Hybrid. Kirkland & Ellis is investing $500m in building proprietary AI capabilities. Freshfields is partnering with Anthropic to jointly develop AI solutions and expand the use of its Claude models across the firm, and Slaughter and May has opted for Harvey after a trial of legal AI providers. Governance is now the harder question: firms are standing up AI oversight committees, mandatory training and human-in-the-loop policies.

SHARPER STRATEGIES, SELECTIVE GROWTH

Firms are narrowing focus, driving efficiencies and expanding selectively. Howard Kennedy and Irwin Mitchell are tilting toward higher-value work and a stricter sector focus; A&O Shearman and Clyde & Co opened consultations on business services roles; Kirkland & Ellis opened in Tokyo, Mishcon de Reya in Dubai, and Addleshaw Goddard reiterated European expansion ambitions under "AG2030".

Three real estate trends

Consolidation translated into real estate decisions, while firms remain focused on prime City Core buildings that strengthen brand, support new ways of working and enhance ESG performance. Demand for the highest quality space remains robust, sustaining competition for the best addresses.

MERGER ACTIVITY TRANSLATES INTO REAL ESTATE MOVES

Consolidation moved from announcement to occupancy this quarter. The Winston & Strawn–Taylor Wessing merger went live, with Winston & Strawn staff relocating into Taylor Wessing's London HQ and its 100 Bishopsgate lease assigned to Bracewell. Meanwhile, Cadwalader Wickersham & Taft is moving staff into Hogan Lovells' Atlantic House HQ as its own merger completes.

QUALITY STILL WINS

Location and building choice are clustered around familiar themes: brand and image, client proximity, employee wellbeing, ESG credentials and space aligned to new ways of working. RPC's move to Devonshire House, the quarter's largest deal, captured all of them: a modern, flexible design, prime City location and standout ESG credentials, in what the firm described as a transformational relocation.

THE CITY REMAINS THE CENTRE OF GRAVITY

Take-up was more subdued in Q2 at 133,287 sq ft, reflecting the timing of lease events and a lack of larger deals. The City Core dominated with eight of nine transactions, though Wiggin's West End move shows firms will look elsewhere when client proximity matters. Active demand has edged up to just over 2.1m sq ft, with most of last quarter's legal requirements still searching, negotiating or under offer.

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.

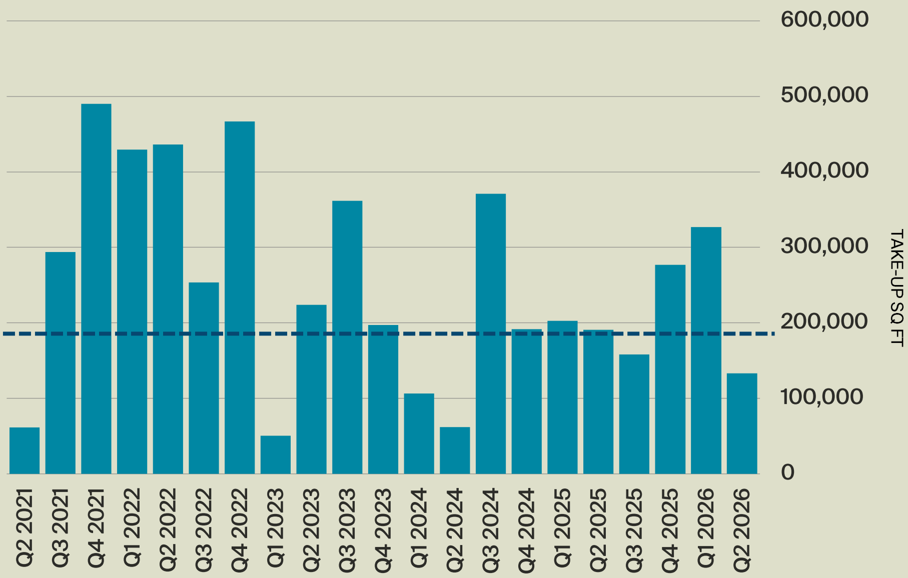
London law firm leasing volumes (sq ft)

133,287 sq ft
Q2 2026 total

326,973 sq ft
Q1 2026

828,450 sq ft
2025 total

730,963 sq ft
2024 total



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

Law firm leasing transactions – Q2 2026

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft)
RPC Legal	Second-hand A	DSQ 10, 10 Devonshire Square, EC2	UK	59,479	£92.40
Bracewell	Second-hand A	100 Bishopsgate, EC2	US	19,265	£93.00
Wiggin	Comprehensively Refurbished	Space House, 1 Kemble Street, WC2	UK	10,339	£112.50
Schillings International	Second-hand A	12 Arthur Street, EC4	UK	10,204	£78.00
FP UK Law	Second-hand A	The Scalpel, 52 Lime Street, EC3	UK arm of US Fisher Phillips	9,909	£95.00

Source: Knight Frank Insight

2.1m sq ft

of active legal sector demand covering 24 requirements, an increase of 6.1% compared to the previous quarter. Currently, 272,000 sq ft is under offer.

SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE

DSQ 10, 10 Devonshire Square, EC2

Occupier: RPC Legal

Second-hand A

Formerly part of the WeWork footprint, this recently renovated Grade II-listed building features a private roof terrace and will be fully redesigned by RPC to support collaborative, hybrid working and deliver a premium client experience.

DSQ 10 runs on fully renewable energy, with carbon offsetting measures and facilities that support sustainable commuting and wellbeing. It sits within the wider Devonshire Square campus, offering a varied range of amenities alongside a programme of cultural and wellbeing events.

DSQ 10 is located two minutes from Liverpool Street Station.

EPC 'B'

100 Bishopsgate, EC2

Occupier: Bracewell

Second-hand A

Located a two-minute walk from Liverpool Street Station, this scheme includes approximately half an acre of community space.

The building's facilities and amenities support health, wellbeing and community with end-of-trip facilities, an on-site management team, a tenant app and a programme of events.

Sustainable elements include eco-lighting fittings, automated controls and movement sensors to maximise efficiency and minimise waste. Roof-mounted solar photovoltaic and hot water panels generate renewable electricity and heat energy for the building.

EPC 'B', BREEAM 'Excellent', ActiveScore 'Platinum'

Space House, 1 Kemble Street, WC2

Occupier: Wiggin

Comprehensively Refurbished

The building is amenity-rich with a strong focus on wellbeing and social connection. These include a clubhouse and terrace, a restaurant, event space, a public piazza, a lounge, a cycle club, end-of-trip facilities, and concierge services, alongside a curated programme of events.

Preserving 90% of the original structure saved 10,000 tonnes of carbon emissions and waste materials. Net zero carbon in operation, the building uses electric smart infrastructure to monitor energy, air and water quality and thermal comfort in real time. Daylight-activated sensors adjust lighting to reduce consumption, supported by resilient dual power and data supply and a full-fibre digital backbone.

EPC 'A', BREEAM 'Oustanding', NABERS '4.5', WiredScore 'Platinum', Fitwel 'Two Star'*

12 Arthur Street, EC4

Occupier: Schillings International

Second-hand A

Key features include a double-height reception and comprehensive end-of-trip facilities: cycle parking, Brompton lockers, a repair station, showers, towel service, drying room and changing facilities.

Its island site maximises natural light and gives the building architectural prominence. Sustainability features include LED lighting.

Located within a one-minute walk of the new entrance to Bank Station on Cannon Street. London Bridge and Cannon Street stations are also close by.

EPC 'B', BREEAM 'Excellent'

NEW LAW FIRM LEASES

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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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