



# LEGAL SECTOR Q2 LEASING TRENDS

AUGUST 2025



# KEY TAKEAWAYS

- **Record first half:** Legal sector leasing in the first half of 2025 topped 10.0 million square feet (msf), the strongest start to a year on record, surpassing last year's first half by 1.3 msf. Legal demand has remained robust, as activity in the second quarter totaled 5.4 msf, making it the second-strongest quarter behind only Q4 2024.
- **Major markets still driving activity:** The top ten legal markets accounted for 61%, or 6.1 msf, of the leasing activity in the first half of the year. New York City and Los Angeles led the way in activity, recording 1.7 msf and 700,000 square feet (sf), respectively. Of the top ten largest leases of the quarter, eight were either in major markets or adjacent to major markets (e.g., NJ).
- **Lease sizes hold up with norms:** Through the first half of 2025, 33% of all legal transactions were expansions and 40% had negligible changes in lease size, similar to prior years' ratios. In the largest leases, the square footage allocated per attorney continues to vary as law firms have differing employment expansion plans and space efficiency targets.





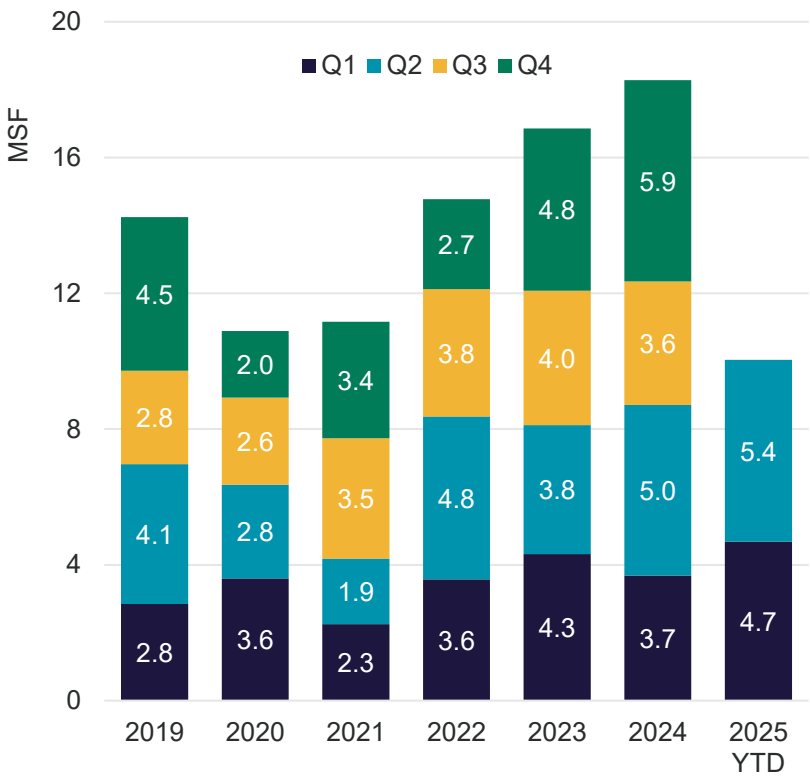
# LAW FIRM DEMAND CONTINUES AT A ROBUST CLIP IN THE FIRST HALF OF 2025

The legal sector has been a source of significant office demand over the past few years, and [firms remain optimistic about growth for the near future](#). This confidence has been buoyed by recent strong law firm job growth, which is up +0.6% YTD. In fact, while office-using employment has declined over the past two years law firm employment has increased +2.1%.

After a strong first quarter of 2025, leasing activity was even more robust in Q2, with the 5.4 msf of law firm leasing measuring as the second-highest quarter on record behind only the fourth quarter of last year. Activity through the first half of 2025 hit 10.0 msf, as law firms leased 15% more space than the first half of last year. This equates to an additional 1.3 msf of leasing activity.

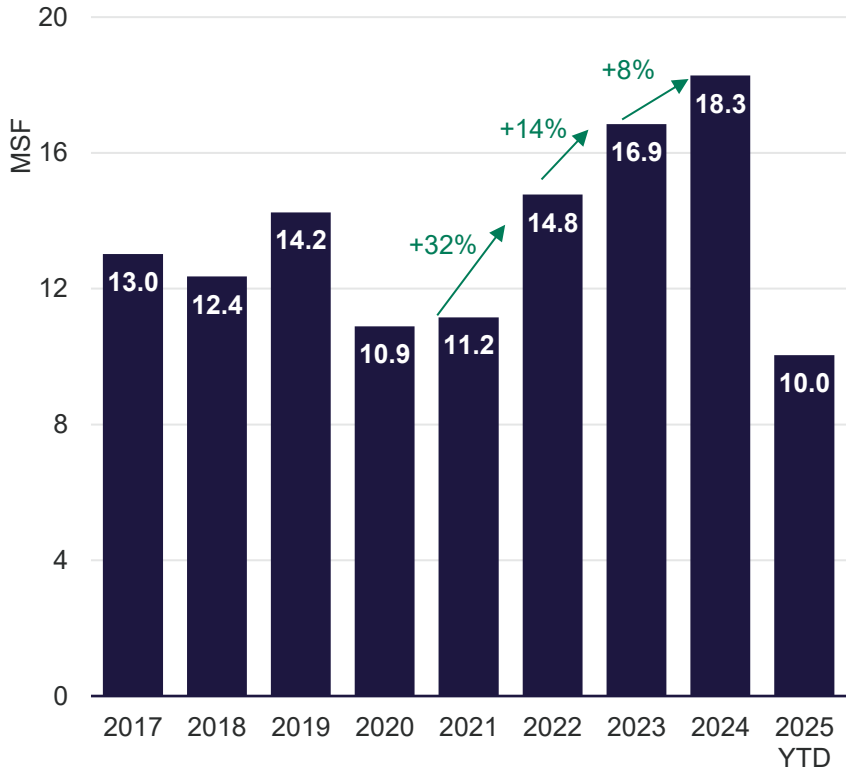
It is impossible to know if this pace will continue in the second half of the year, but if it does, then 2025 will be the fourth year in a row that U.S. law firm leasing sets an annual record.

LSAG Leasing – All Markets



Source: Cushman & Wakefield Research

U.S. Law Firm Leasing Activity



Source: Cushman & Wakefield Research

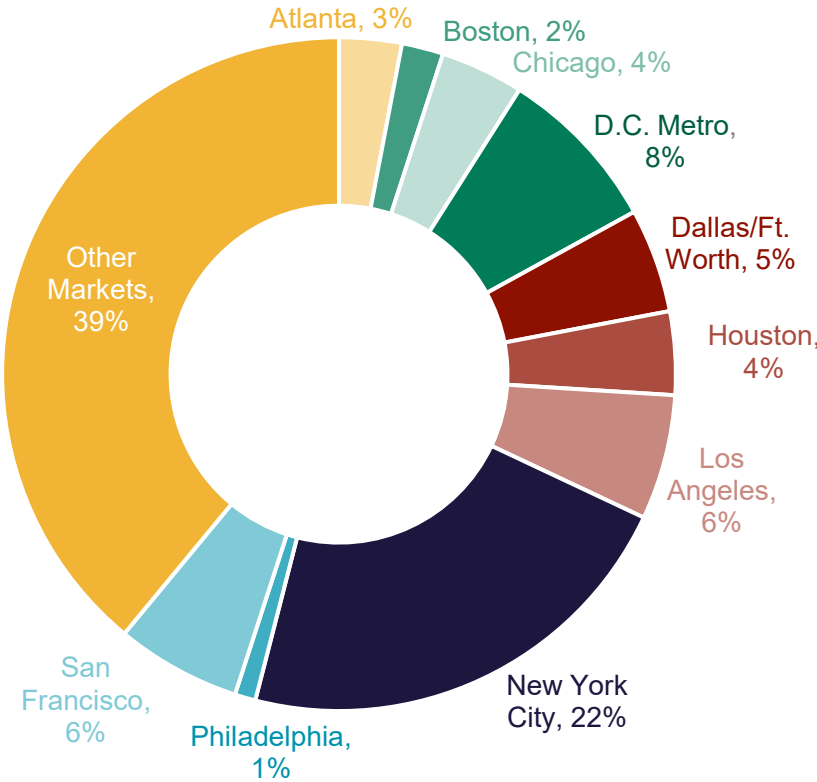
# MAJOR MARKETS CONTRIBUTE TO STRONG LEGAL SECTOR LEASING ACTIVITY

The top ten legal markets continued to record strong leasing in Q2, with 3.3 msf of activity building on the record-setting Q1 activity. These largest legal markets account for 61% of total U.S. legal leasing activity, led by New York City (1.1 msf), D.C. Metro (453,000 sf), and San Francisco (334,000 sf).

Legal sector leasing accounted for 9% of Q2 total leasing in the top ten markets, with Los Angeles (13%), D.C. Metro (12%), San Francisco (12%), New York City (10%), and Atlanta (10%) all boasting percentages above the average.

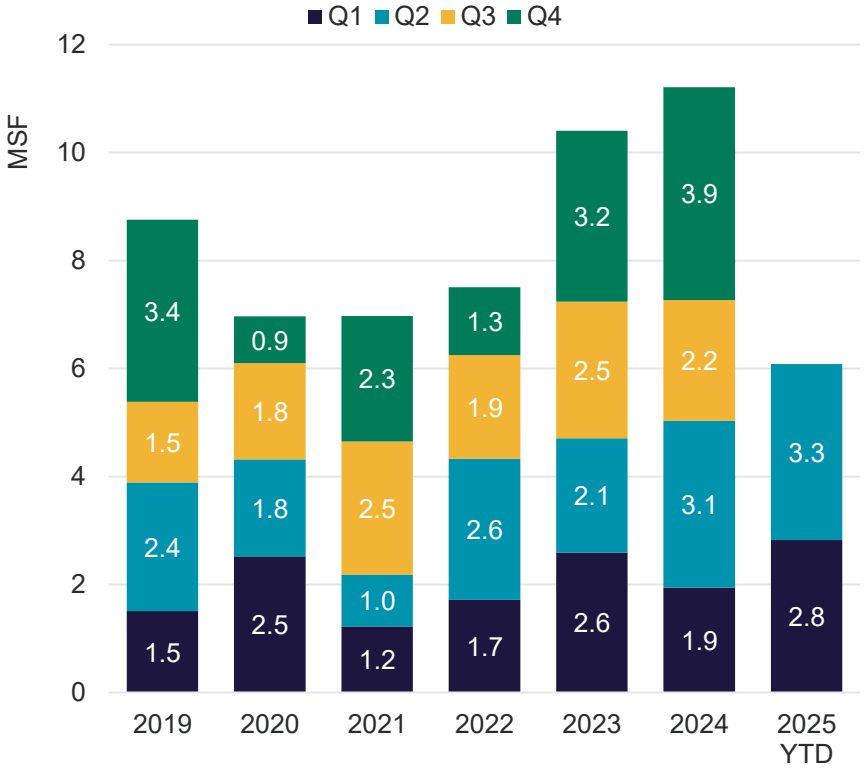
Outside of the top ten markets, there were several other standouts in Q2. Nine non-major markets recorded at least 100,000 sf of law firm activity. New Jersey and Nashville—both helped by having a top-10 largest lease in the quarter—led the way, with 177,000 sf and 162,000 sf, respectively.

Q2 Legal Leasing Activity by Market



Source: Cushman & Wakefield Research

LSAG Leasing – Top 10 Major Markets



Source: Cushman & Wakefield Research

# NEARLY THREE QUARTERS OF 2025 LAW FIRM LEASES WERE EXPANSIONS OR STABLE IN SIZE

Legal lease sizes have continued to hold with recent norms—73% of 2025 lease transactions have been either an expansion or showed a negligible (+/- 2%) change in square footage. Downsized leases accounted for 27% of H1 2025 leases, consistent with the 25-30% of law firm leases downsizing over the past three-and-a-half years.

These dynamics are different depending on the transaction type. Renewals are more often for a similar amount of space—71% of 2025 renewals have exhibited a negligible change in size, while expansions and downsizing accounted for the remaining 15% and 14%, respectively.

Conversely, new leases are almost never for the same amount of space—only 2% showed negligible change so far this year. Among new leases signed in 2025, 54% were expansions, and 44% were downsized leases.

The average new lease size in 2025 has been bigger, exceeding the 2019-2024 average by 13% while the

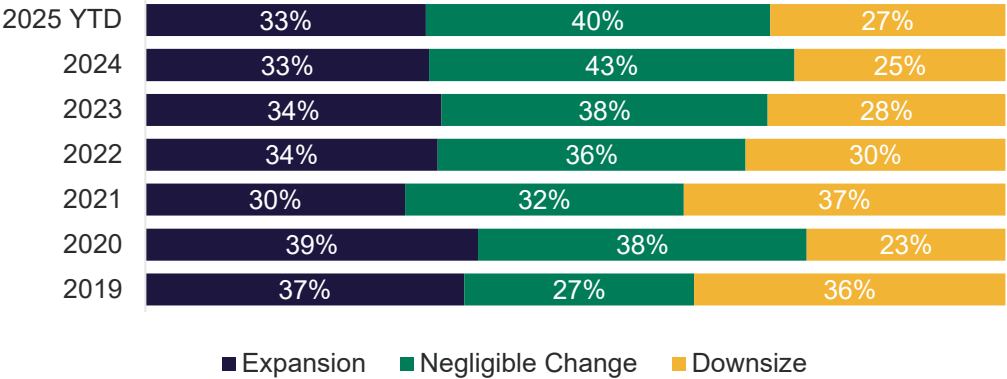
average renewal size declined by 3%. Meanwhile, both the median new lease and renewal size increased from 2019-2024 levels.

Law firms have been signing large leases at a faster rate than at any point in the past five years. There have been 19 deals over 75,000 sf in 2025, already at 63% of 2024's total with two quarters remaining.

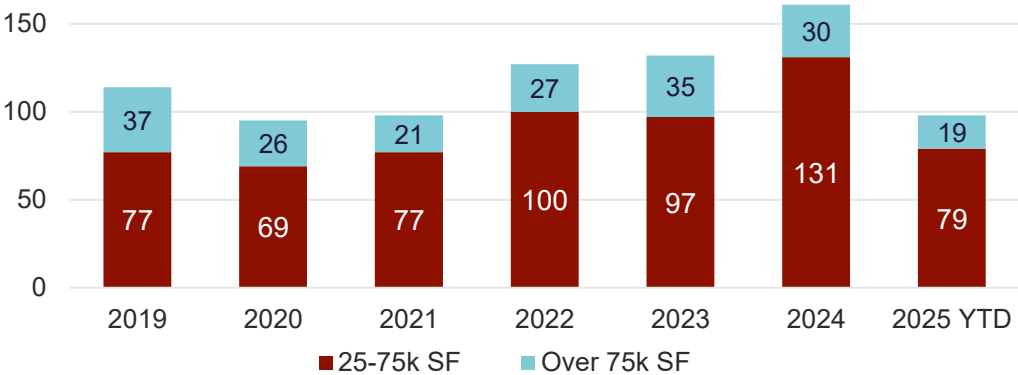
**In H1 2025, there have been 19 law firm leases signed for >75,000 sf.**

However, it isn't just mega-deals driving law firm leasing activity. Medium-sized leases in the 25,000-75,000-sf range are also outpacing recent history with 79 deals having been signed in the first half of the year. Last year there was a 31% increase in the number of deals over 25,000 sf, and 2025 is on pace to surpass that volume by more than 20%.

Percent of Transactions



Count of Leases



Source: Cushman & Wakefield Research

# CONCLUSION: LAW FIRM DEMAND WIDESPREAD

The legal sector continues to demonstrate strong momentum in office leasing, with the first half of 2025 marking a historic high. Law firms leased 15% more space than the same period last year, driving record-setting volumes in both major and emerging markets. The top ten legal hubs—led by New York City, the D.C. Metro, and San Francisco—accounted for over 60% of total legal leasing, while non-major markets like New Jersey and Nashville were also quite active. This widespread strength underscores law firm activity in a wide array of geographies.

Lease transaction patterns further highlight the sector's dynamism, with most new leases reflecting expansions and a surge in medium-to-large deals. The rise in both large and mid-sized transactions suggests it is not just the Am Law 200 law firms that are growing and active. If current trends persist, 2025 is poised to be another landmark year for legal leasing.







## ABOUT CUSHMAN & WAKEFIELD

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