



# LEGAL SECTOR LEASING TRENDS

FEBRUARY 2026



# KEY TAKEAWAYS

- **Law firms remain active as 2025 marks another record year for legal leasing:** Legal sector leasing rose to 4.3 million square feet (msf) in Q4, a 9% quarter-over-quarter (QOQ) increase. Full-year volume reached 18.8 msf, up 3% year-over-year (YOY) and the highest annual leasing total on record.
- **Leasing activity bounces back in major markets:** The top 10 legal markets posted 2.9 msf of activity in Q4, with seven of the major markets recording QOQ leasing gains. Nine of the 10 largest leases from the quarter were also located in these major law firm markets.
- **As new construction opportunities dwindle and construction costs grow, renewals eclipse new leases:** Law firms signed more renewals than new leases in Q4 for the first time since Q2 2024, with 2.6 msf of renewal activity compared to 1.8 msf of new deals. Seven of the quarter's 10 largest transactions were renewals, underscoring firms' preference to remain in-place amid limited new space options.

# 2025 WAS ANOTHER RECORD YEAR FOR LEGAL LEASING

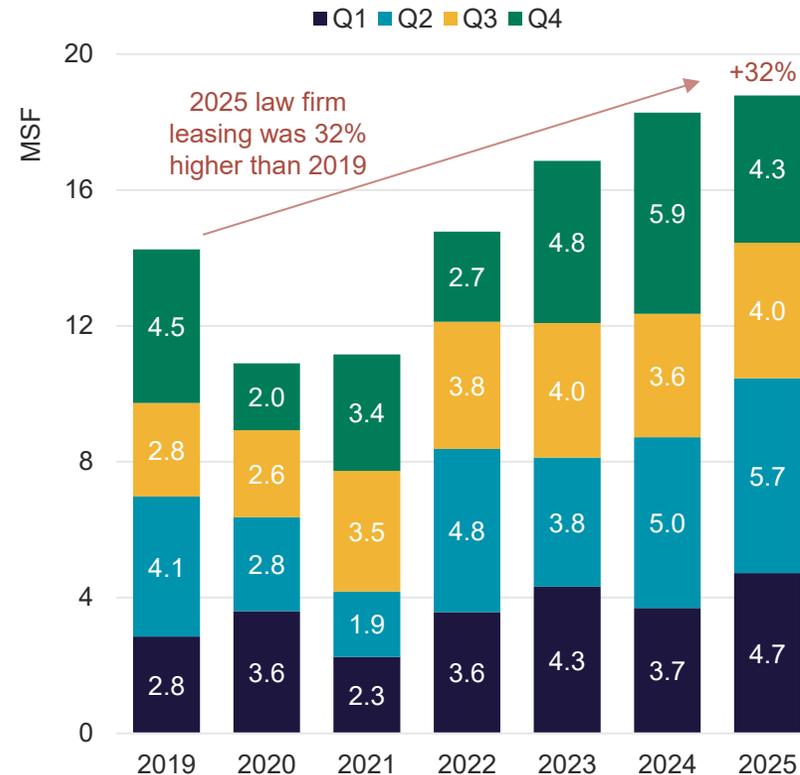
With 18.8 msf of deals signed, 2025 was another record year of law firm activity. The 3% YOY increase was boosted by a 9% QOQ rise to 4.3 msf of leasing in Q4. While the first half of the year was more active, the strong finish reflects sustained momentum throughout the entirety of 2025.

Leasing in the top 10 legal markets rebounded following a slower Q3, totaling 2.9 msf and accounting for 67% of all legal leasing activity. Nine of the 10 largest law firm leases in Q4 occurred in major legal markets.

The top major markets for Q4 leasing were New York City (550,000 sf), Boston (439,000 sf), Atlanta (398,000 sf), and San Francisco (329,000 sf). Seven major markets posted QOQ leasing gains, with the largest increases in Boston and Atlanta.

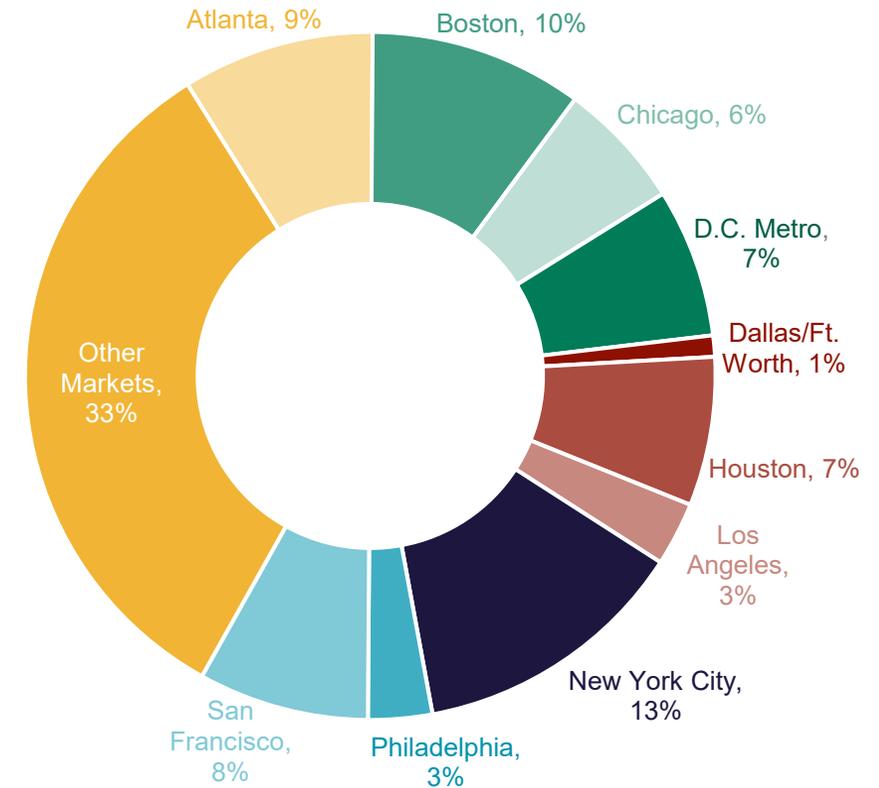
The legal sector remains a significant part of [growing office demand](#), accounting for 8% of total major market leasing activity.

## LSAG Leasing - All Markets



Source: Cushman & Wakefield Research

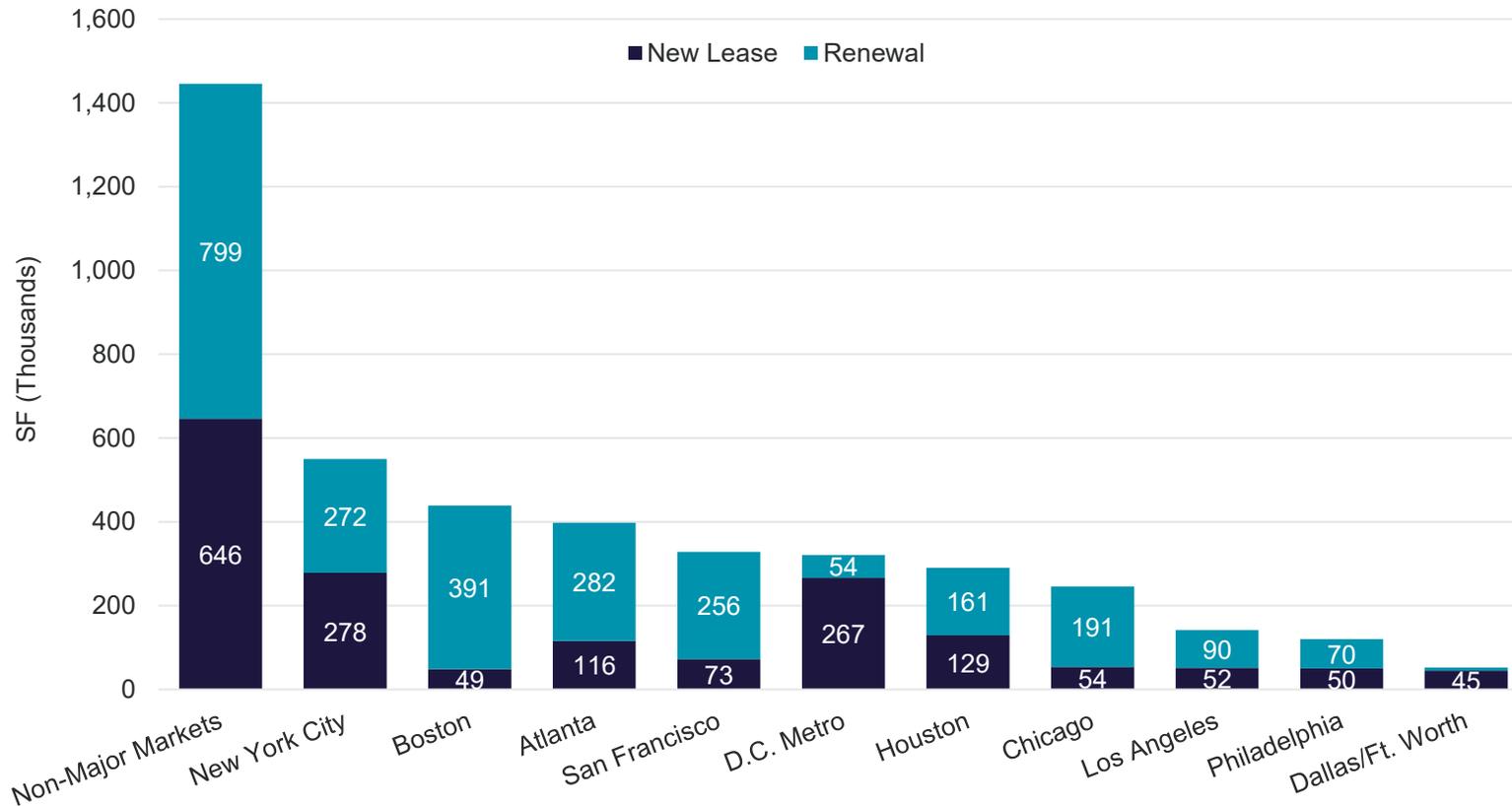
## Q4 Legal Leasing Activity by Market



Source: Cushman & Wakefield Research

# RENEWALS OUTPACE NEW LEASES FOR FIRST TIME SINCE Q2 2024

## Q4 LSAG Leasing - New Leases vs. Renewals



Source: Cushman & Wakefield Research

A notable shift emerged in Q4, as renewals outpaced new leases for the first time since Q2 2024. New leases accounted for 41% of quarterly activity, which is well below the full-year trend of 54%. Seven of the quarter's 10 largest transactions were renewals, highlighting a preference for staying in place.

Renewals exceeded new leases in non-major markets and in seven of the major legal markets, with New York City, Washington, DC, and Dallas as the only exceptions. These three cities do offer more relocation opportunities because their recent and/or near-future construction activity outpaces the national average.

With U.S. office construction trending well below historical norms, law firms face limited options of new, high-quality space and may increasingly explore [renewing or expanding in place](#) as lease expirations approach. For context on how competition for new space will grow, the office construction pipeline in the 10 largest U.S. legal sector markets has declined by 23% YOY.

# NEARLY 40% OF LEGAL LEASES EXPANDED FOOTPRINTS IN 2025, BUT NEW LEASE DOWNSIZING STILL COMMON

The average renewal size trended down throughout 2025. The average renewal measured 14,600 sf, down 4% from last year and 4% below the five-year historical average. In contrast, new leases were larger than recent history, averaging just over 11,900 sf, which is 8% above last year and 5% above the five-year norm.

Footprint changes skewed toward growth in 2025. Expansions accounted for 38% of law firm leases in 2025, the highest share since 2020. Downsizing continued to recede, representing only 23% of leases, the lowest level since 2020 and well below the 37% in 2021 when firms were more aggressively cutting footprints. The highest share of leases (39%) involved negligible size changes.

However, the pattern diverged sharply by transaction type. New leases almost always triggered footprint adjustments. Only 3% of new deals held steady in size, while 62% expanded and 36% contracted. Renewals showed the opposite trend,

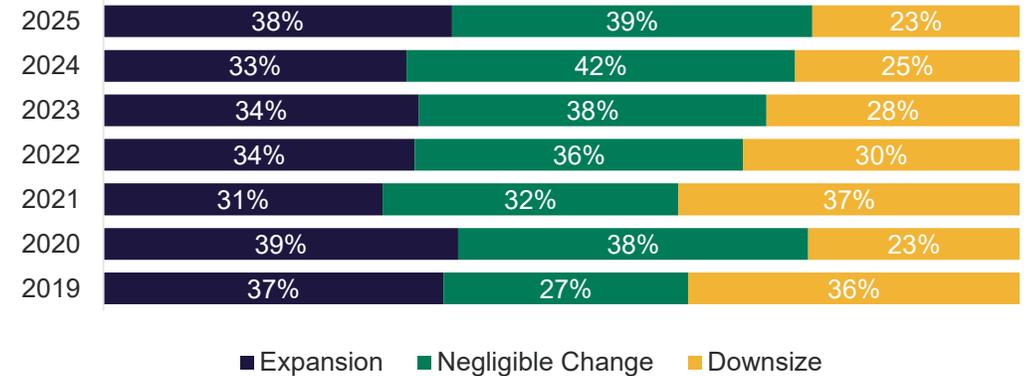
with 72% involving minimal size changes. Among the remainder, 17% were expansions and 11% were downsizes.

**In 2025, 34 leases over 75,000 sf were signed, surpassing the previous five-year average.**

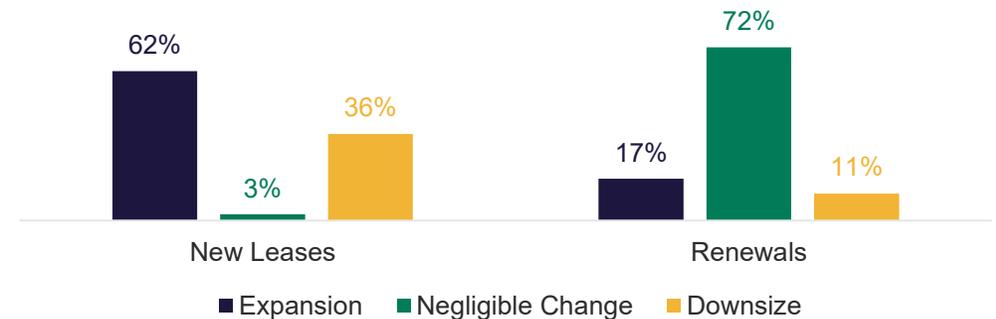
It was a strong year for mid-sized and large leases. In 2025, a total of 140 leases were signed in the 25,000-75,000-sf range, the highest count since before the pandemic. Additionally, 34 leases exceeded 75,000 sf, surpassing 2024's total and outpacing the previous five-year average.

In Q4, the 10 largest leases included three downsizings, two renewals at the same square footage, and five expansions. All-in-all, the largest leases ended up accounting for a nearly identical footprint (-1.3 msf).

Percent of Transactions



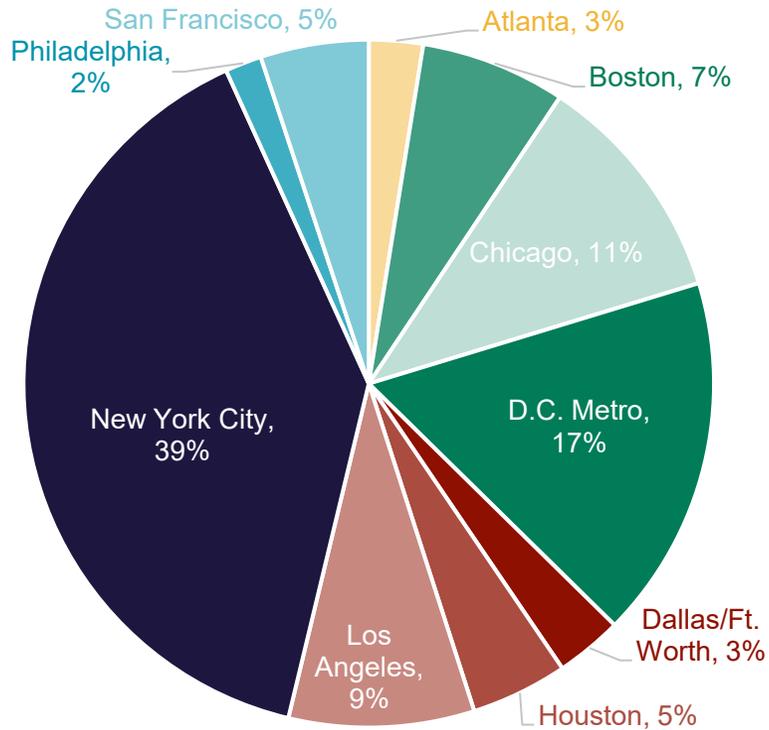
New Leases vs. Renewals (Q1-Q4 2025)



Source: Cushman & Wakefield Research

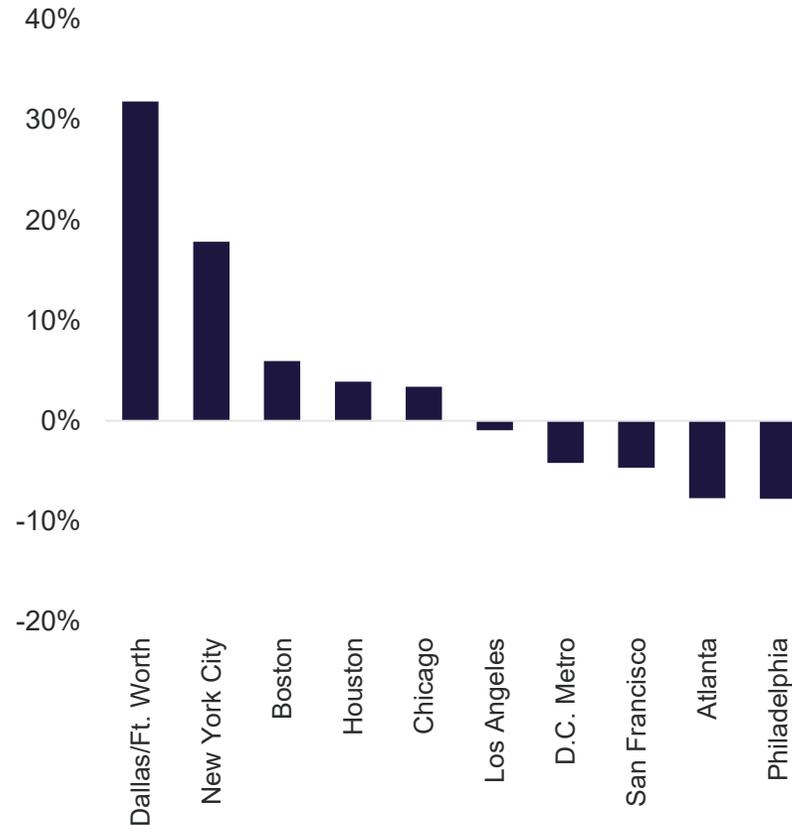
# LARGEST FIRMS CONCENTRATE IN LEADING LEGAL CITIES

% of AmLaw 25 Attorneys by Top 10 Market



Source: The American Lawyer; Cushman & Wakefield Research

% Change in AmLaw 25 Occupancy-2019 vs. 2025



Source: Cushman & Wakefield Research

The largest 25 law firms by gross revenue maintain a strong concentration in the top 10 U.S. legal markets, employing nearly 28,000 employees. New York City stands out with more than 11,000 AmLaw 25 attorneys, over twice the total of the next largest market—Washington, DC. Its exceptional scale has translated into continued leasing dominance. New York City has led all markets in legal sector leasing activity every year since at least 2017, reinforcing its position as the center of the U.S. legal industry.

AmLaw 25 firms expanded their footprints by 6.8% from 2019 to 2025 across the top 10 legal markets. Five of the markets posted growth driven by both existing firms increasing their space and new entrants opening offices. Dallas/Ft. Worth recorded the largest percentage increase at 31.9%, while New York City saw the greatest overall gain in square footage leased. However, AmLaw 25 firms represent only a segment of the broader legal market, and reduced AmLaw 25 occupancy in markets was offset by continued demand from midsized and smaller firms.

# CONCLUSION: LEGAL DEMAND THRIVES IN 2025

The legal sector remained highly active throughout 2025, building on multiple consecutive years of record performance with another all-time high for annual leasing.

Law firm leasing in Q4 rose 9% QOQ as activity remained robust throughout the year. Major markets anchored demand during the quarter, accounting for 67% of all leasing.

Firms also gravitated toward renewals during Q4 as the supply of new, high-quality space tightened across the U.S. However, when new leases were signed, they almost always came with meaningful changes to firm footprints, with only 3% of 2025 new deals holding steady in size.

Law firms begin the year actively looking for space in the market, and it is expected that 2026 will be another strong year for legal sector leasing demand. In markets with lower construction pipelines, look for firms to fall back on renewing in place to a greater degree.





## ABOUT CUSHMAN & WAKEFIELD

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