



# LEGAL SECTOR Q3 LEASING TRENDS

DECEMBER 2025



# KEY TAKEAWAYS

- **Strong YTD performance despite Q3 slowdown:** Legal sector leasing fell to 3.7 million square feet (msf) in Q3, the lowest level in a year. However, year-to-date (YTD) volume reached 13.9 msf, up 12% from the same period in 2024. At this pace, 2025 is likely to be another standout year for law firm activity.
- **Law firms more active outside of major markets:** The top 10 legal markets all posted quarter-over-quarter (QOQ) declines in activity, with major market leasing dropping to 1.8 msf in Q3. In contrast, non-major markets secured several large leases and maintained activity consistent with prior quarters.
- **Large deals slow, but mid-sized activity holds steady:** Law firms signed only two leases over 100,000 square feet (sf) in Q3 and just one ranked among the year's top 10 largest deals. However, leases of 25,000-75,000 sf and over 75,000 sf remain on par with 2024 levels.

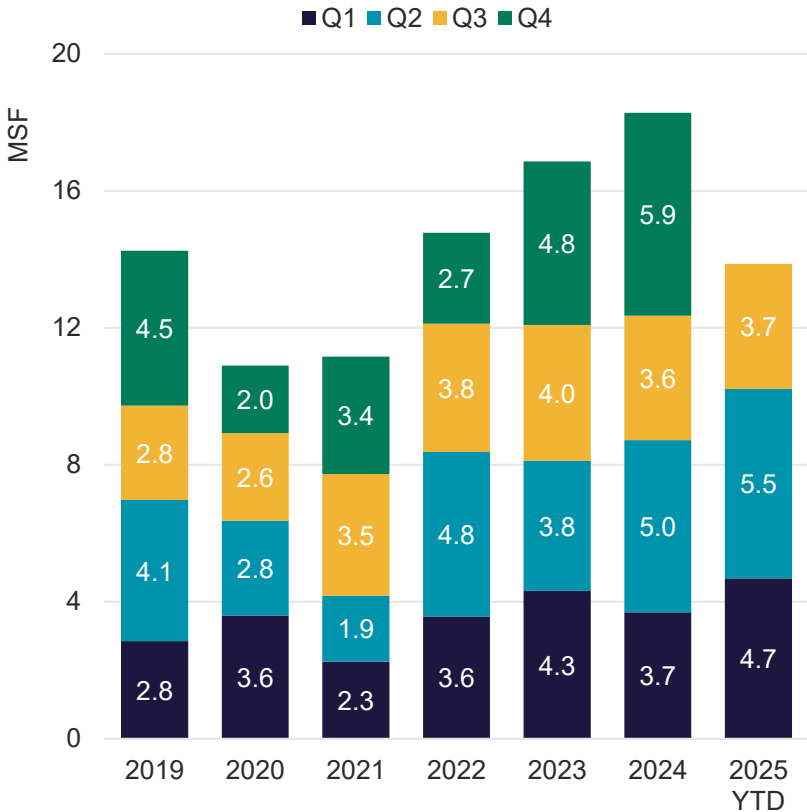


# YTD LEGAL LEASING UP 12% FROM 2024

The legal sector continues to show strong momentum in office leasing, outperforming other office-using industries. While space efficiency remains a priority, law firms also seek offices that foster collaboration, relationship-building and culture. Attorneys spend 39% of their time working alone versus 28% collaborating in person, [underscoring the need for environments that balance individual focused work with interpersonal engagement.](#)

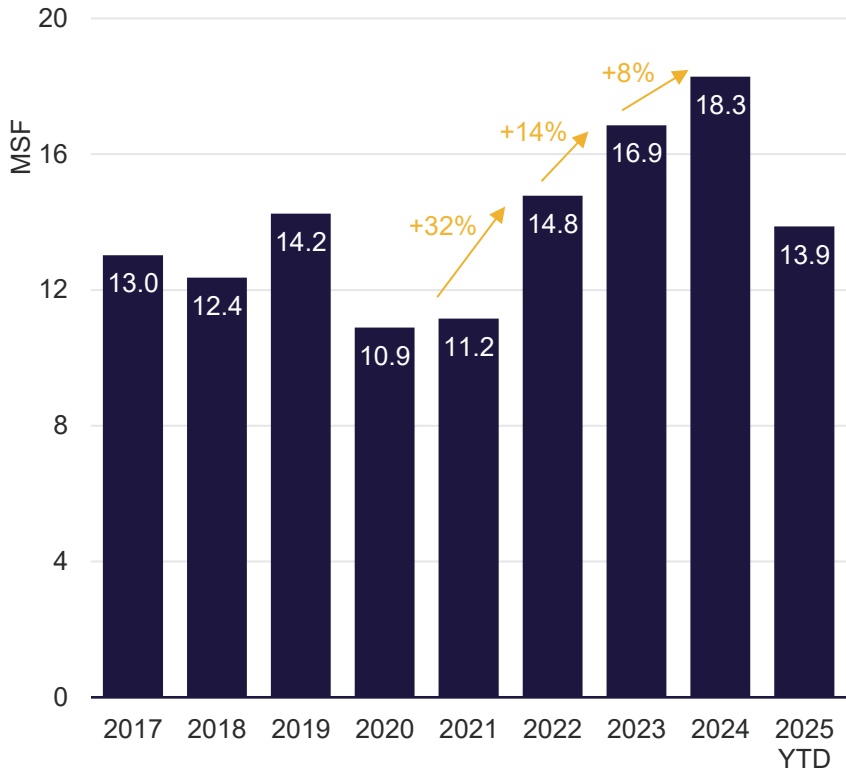
Third quarter legal leasing totaled 3.7 msf, marking its lowest level in a year. However, YTD activity still rose 12% year-over-year (YOY) to 13.9 msf. New leases dominated the third quarter, accounting for 64% (2.3 msf) of activity. Although the fourth-quarter outlook is uncertain, 2025 is poised to be one of the strongest years on record for legal leasing.

## LSAG Leasing – All Markets



Source: Cushman & Wakefield Research

## U.S. Law Firm Leasing Activity



Source: Cushman & Wakefield Research

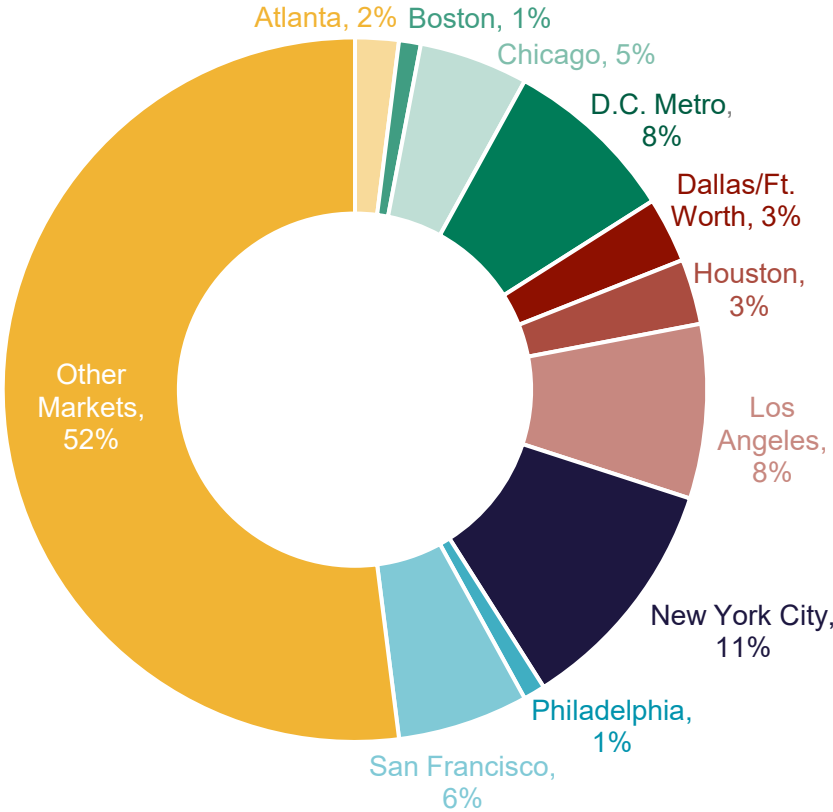
# LEASING ACTIVITY SHIFTS TO SECONDARY AND TERTIARY MARKETS IN Q3

Muted activity in Q3 was driven by slower performance in the top 10 markets, which posted 1.8 msf of leasing, the lowest quarterly total since Q4 2022. Only 48% of Q3 leasing occurred in these markets, down from 61% last quarter and 62% a year ago.

Leading major markets in Q3 leasing were New York City (388,000 sf), D.C. Metro (297,000 sf), Los Angeles (282,000 sf) and San Francisco (225,000 sf). All major markets recorded QOQ declines. Overall, legal sector leasing represented 5% of total major-market activity, with San Francisco (11%), Los Angeles (10%), Chicago (7%) and D.C. Metro (6%) exceeding the average.

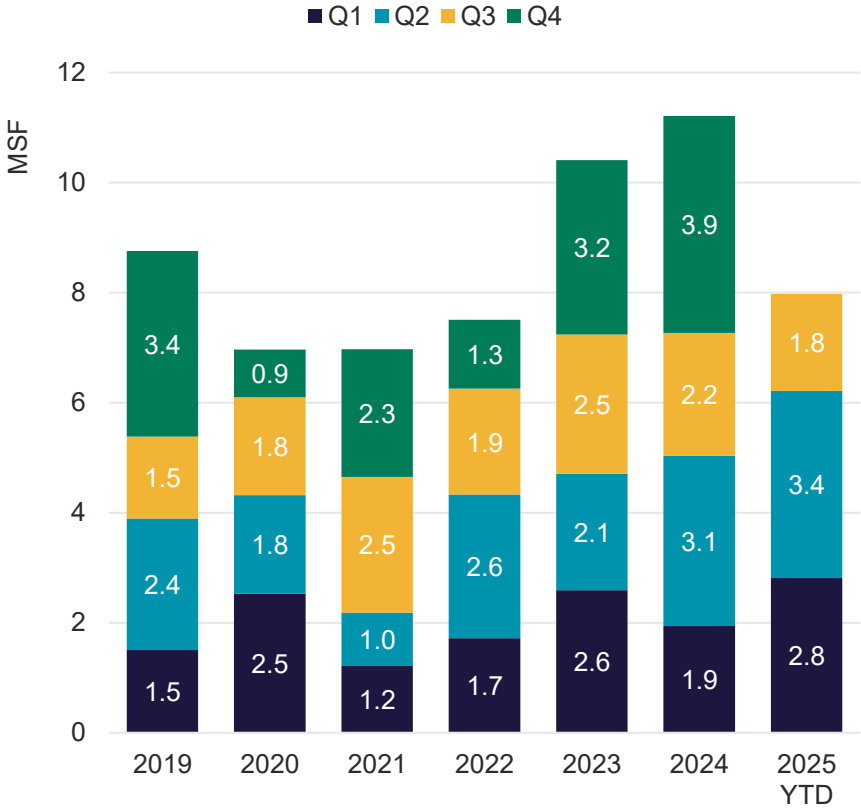
Non-major markets remained steady, with nearly 1.9 msf of law firm leases signed in Q3, consistent with recent quarters. Five non-major markets surpassed 100,000 sf of legal leasing, led by Charlotte (222,000 sf) and San Diego (135,000 sf), both securing a top 10 largest lease for the quarter.

Q3 Legal Leasing Activity by Market



Source: Cushman & Wakefield Research

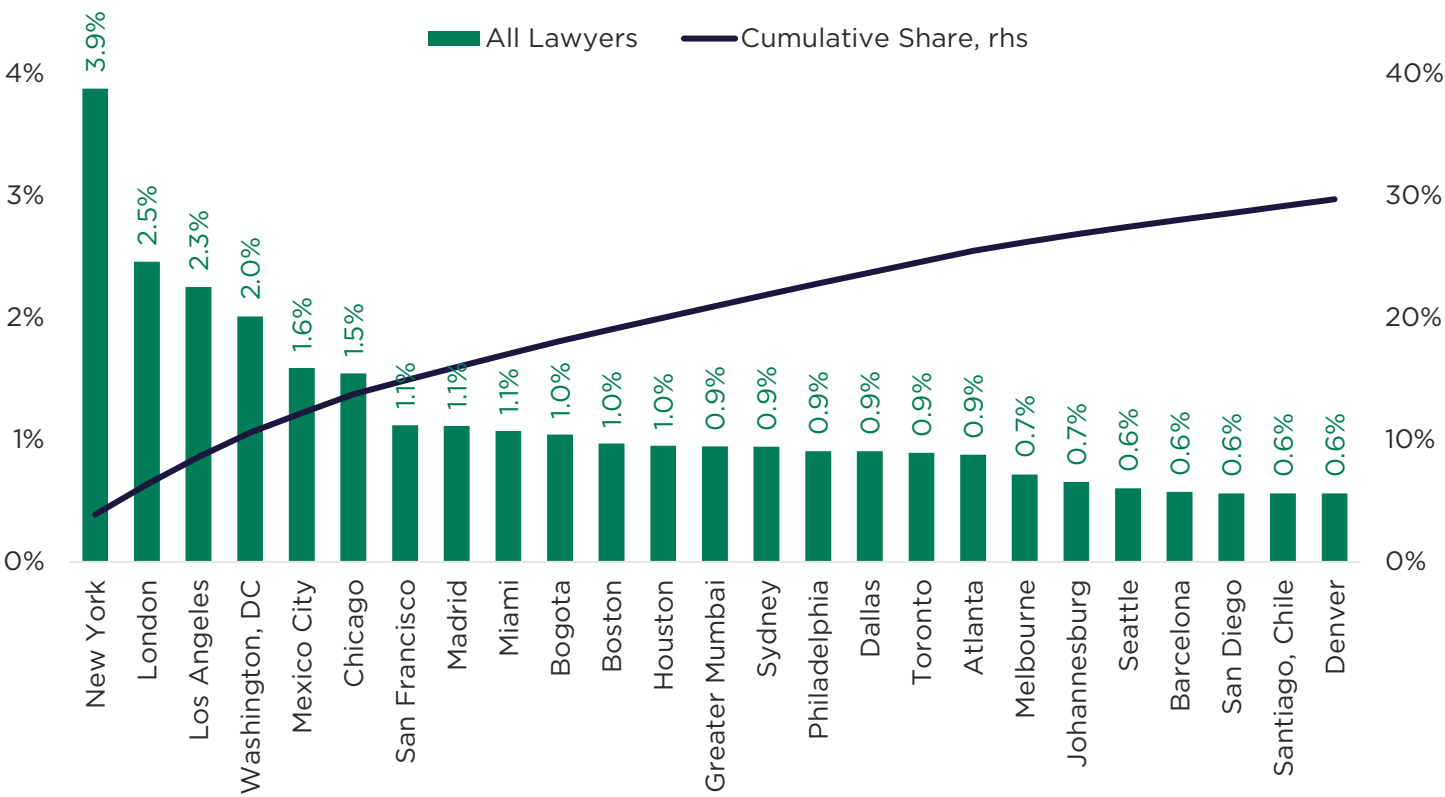
LSAG Leasing – Top 10 Major Markets



Source: Cushman & Wakefield Research

# ATTORNEYS STILL CLUSTERED IN LARGEST U.S. AND GLOBAL MARKETS

Share of Attorney Profiles by Market



Leasing activity in the most recent quarter looks more like a blip than a trend. Activity in the largest legal sector markets has been strong in recent quarters and years. While law firms occasionally ramp up activity in smaller markets, the largest legal hubs remain critical for large and mid-sized firms.

Global gateway markets, led by New York City, London, Los Angeles, Washington, D.C. and Mexico City, continue to host the largest attorney clusters. One in 10 lawyers worldwide works in one of these five markets, with New York City alone accounting for 3.9%.

The top 25 global law firm markets, ranked by attorney count, are home to nearly one-third of all lawyers.

Source: Lightcast; Cushman & Wakefield Research

# LAW FIRM EXPANSIONS AT HIGHEST SHARE SINCE 2020

The largest leases typically occur in major law firm markets, so as activity shifted to smaller markets, the average lease size declined. In Q3, the average law firm lease fell 21% QOQ to 11,400 sf. New leases averaged 12,000 sf, slightly larger than renewals at 10,500 sf.

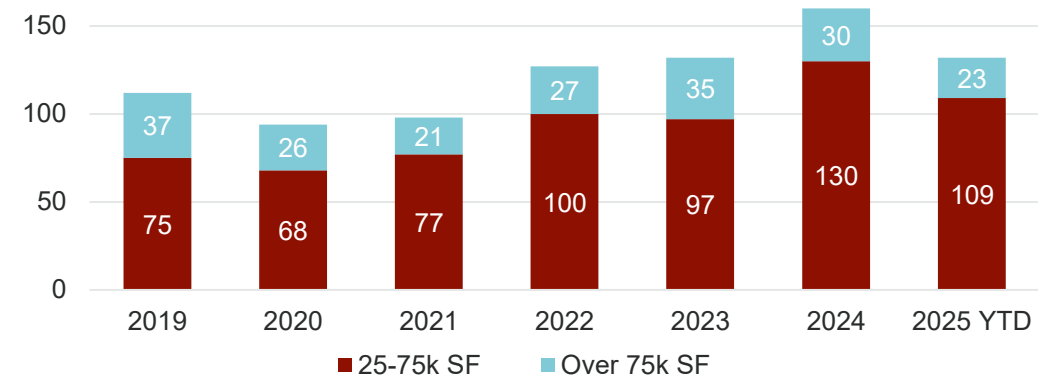
Large deals slowed, with only two leases over 100,000 sf signed in Q3, compared to 15 in the first half of the year. Just one of the year's top 10 largest leases occurred in the third quarter, as mega-deals concentrated earlier in 2025. Despite this slowdown, mid-sized deals remain strong, with deals signed in the ranges of 25,000-75,000 sf and over 75,000 sf on track to meet or exceed 2024 levels.

Through the first three quarters of 2025, downsized leases represented 24% of all transactions—similar to last year but the smallest share since 2020. Expansions accounted for 36%, the highest share since 2020.

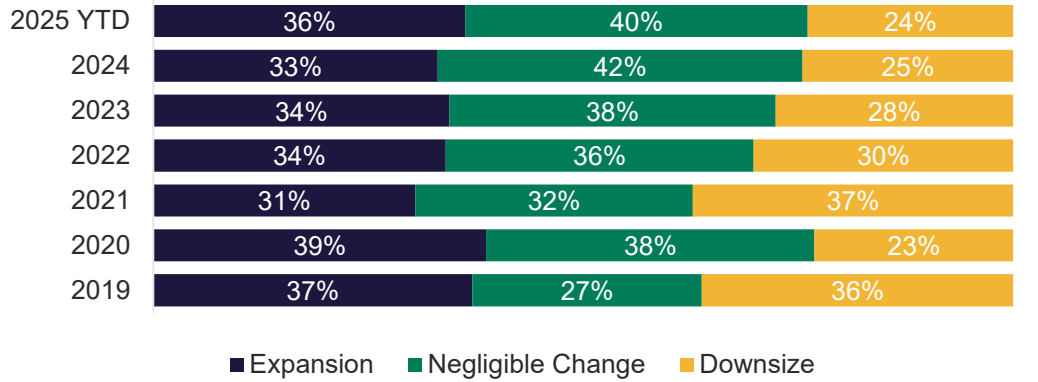
In 2025, 60% of new leases were expansions compared to just 16% of renewals.

These trends vary widely based on transaction type. When signing new leases, law firms typically made significant changes to their footprints—only 3% involved negligible size adjustments. In 2025, firms were much more likely to expand, with 60% of new leases representing square footage growth, while the remaining 38% were downsizes. Renewals showed the opposite pattern, with 72% remaining stable in size, and expansions and downsizes accounting for the remaining 16% and 12%, respectively.

Count of Leases



Percent of Transactions



Source: Cushman & Wakefield Research

# CONCLUSION: LAW FIRM DEMAND RESILIENT

Despite the third quarter's muted activity, the legal sector continues to demonstrate resilience and strategic growth in leasing activity. While quarterly leasing fell to its lowest level in a year, YTD leasing remains up 12% from 2024, positioning 2025 as one of the most active years on record.

Expansion activity reached its highest share since 2020, signaling confidence in future growth. Leasing activity varied by geography, with major markets posting their lowest quarterly leasing total in three years, while non-major markets held steady.

Although large-scale transactions slowed in Q3, mid-sized deals remain on pace to match or exceed last year's levels. Looking ahead, law firms will continue to prioritize environments that balance collaboration and focused work, driving demand for strategic, adaptable office space.







## ABOUT CUSHMAN & WAKEFIELD

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