CUSHMAN & WAKEFIELD

LEGAL SECTOR LEASING TRENDS

Q2 2026

KEY TAKEAWAYS

- **Q2 set a record for legal sector leasing:** Law firm leasing totaled 7.3 million square feet (msf) in Q2, exceeding the previous quarterly high by 23%. First half leasing volume hit 12.2 msf, an increase of 17% year-over-year (YOY), as legal sector demand was a contributor to the recovery in U.S. office leasing.

- **Major markets drove the momentum:** The 10 major U.S. legal markets accounted for 69% of leasing activity during the quarter, supported by exceptional demand in New York City, Chicago and the D.C. Metro. New York City alone represented 30% of total Q2 leasing volume. In addition, nine non-major markets recorded more than 100,000 sf of activity during the quarter.

- **Activity strengthened in the largest size segments:** Large transactions drove activity during the quarter, with half of the largest 10 legal leases recorded over the past year signed in Q2. Law firms also continued to focus on growth, with 43% of H1 2026 leases expanding on previous space needs.

RECORD-SETTING QUARTER FOR LEGAL LEASING

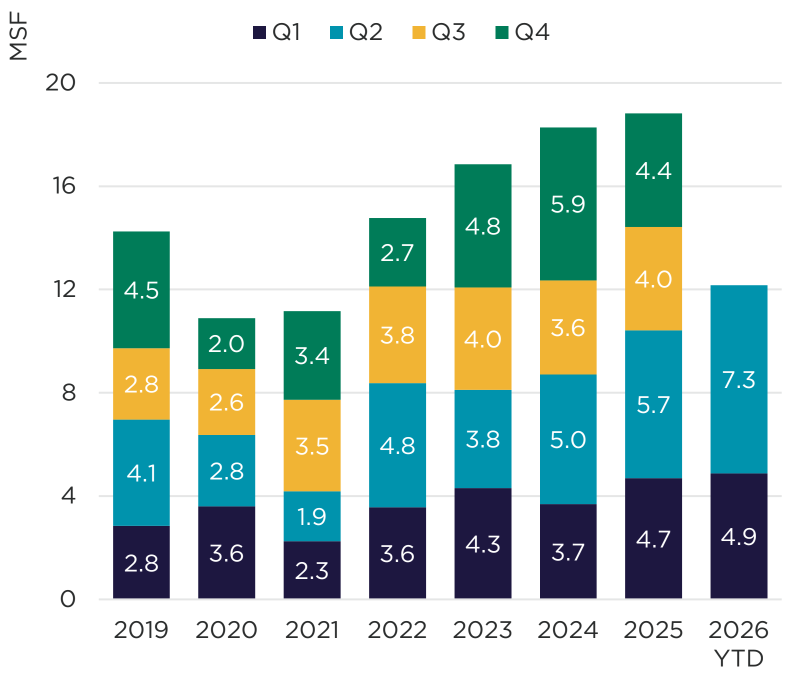
The legal sector sustained strong momentum in the second quarter of 2026, achieving **a record 7.3 msf of leasing activity**. This represented a 27% increase compared with the second quarter of last year and exceeded the previous quarterly high, recorded in Q4 2024, by 23%.

Year-to-date (YTD) legal leasing reached nearly 12.2 msf, almost two-thirds of last year's record annual volume despite being only halfway through 2026. By comparison, 10.4 msf was leased during the first two quarters of 2025, meaning H1 legal demand increased by 17% YOY, an additional 1.8 msf of leased space.

Office leasing activity continues to recover across U.S. markets, with the legal sector serving as a key driver of demand. Across the 10 major legal markets, law firms accounted for 14% of total office leasing in Q2.

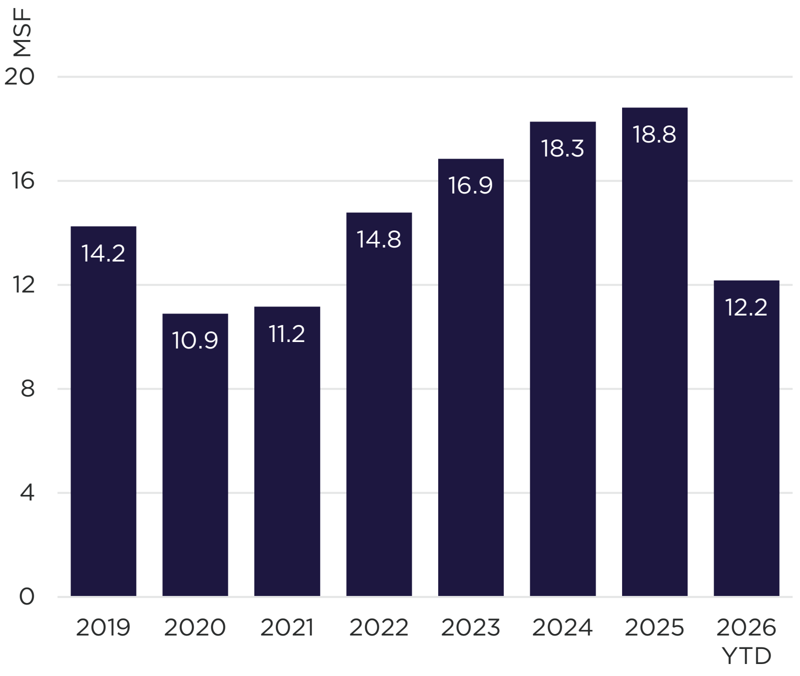
The 10 major markets were the main catalysts of Q2's robust activity, accounting for 69% of total leasing. YTD **leasing in the major markets topped 8.0 msf**, equating to 71% of last year's total activity with half the year remaining.

Legal Leasing by Quarter - All Markets



Source: Cushman & Wakefield Research

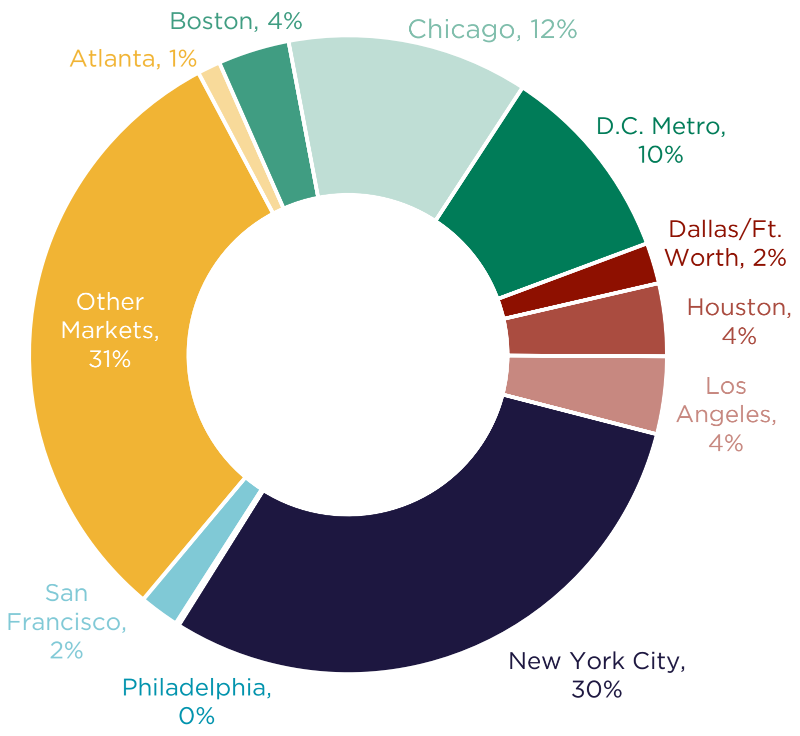
Legal Leasing by Year - All Markets



Source: Cushman & Wakefield Research

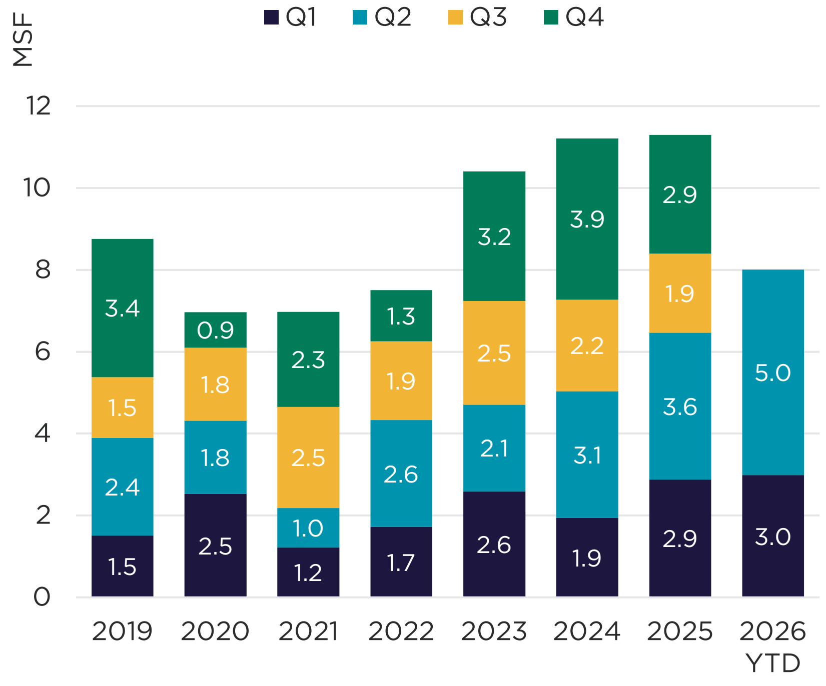
MAJOR MARKETS DRIVE Q2 LEASING, LED BY NEW YORK CITY, CHICAGO & WASHINGTON, DC

Q2 Legal Leasing Activity by Market



Source: Cushman & Wakefield Research

Legal Leasing by Quarter - Major Markets



Source: Cushman & Wakefield Research

Legal activity was particularly strong in New York City, Chicago and the D.C. Metro, which accounted for nine of the 10 largest leases of the quarter. **New York City and Chicago both posted their strongest quarters** for legal leasing on record.

New York City led all markets with 2.2 msf of quarterly law firm leasing, representing 30% of total U.S. legal leasing volume. Activity was boosted by a 916,000-sf relocation lease signed by one of the nation's largest law firms.

Chicago's legal leasing topped 890,000 sf in Q2 and nearly 1.5 msf through the first half of 2026. With two quarters remaining, YTD activity has already surpassed the market's entire 2025 total by 91%.

Beyond the major legal hubs, nine additional markets recorded over 100,000 sf of legal leasing in Q2, with Minneapolis (274,000 sf), Salt Lake City (145,000 sf) and Pittsburgh (127,000 sf) leading the way. As many of the largest law firms increasingly target secondary markets for geographic expansion, legal leasing should remain robust across U.S. markets.

LARGER LEASES AND EXPANSIONS FUEL ACTIVITY

The most recent quarter was marked by a sizable number of large lease transactions, with half of the top 10 legal leases from the trailing four quarters inked in Q2 2026. Fifteen of the 21 leases exceeding 75,000 sf in 2026 were signed in Q2, putting the sector on pace to record 24% more deals in this size category than last year. Activity has accelerated in the 25,000 to 75,000-sf segment as well, with 85 leases completed YTD, positioning 2026 to outdo last year's record volume within this size range.

Notably, **nine of the 10 largest legal leases signed in 2026 involved AmLaw 100 firms**, including six from firms ranked in the top 25. This underscores the outsized role that the industry's largest firms play in driving demand. It may also point to how large firms and the legal sector are currently being positively impacted by artificial intelligence's expansion in the U.S. economy.

The total number of legal leases signed through the first half of 2026 was slightly below recent years, reflecting a concentration of recent activity in larger footprints.

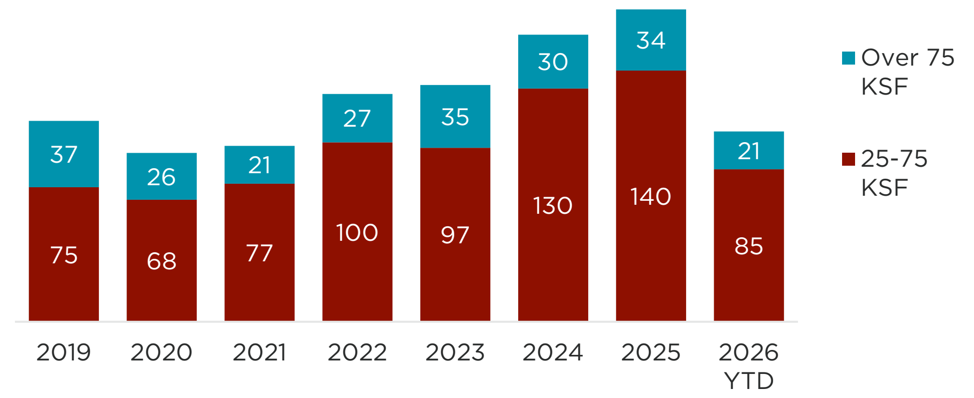
Law firms remained growth-oriented in 2026, with **expansions making up 43% of deals signed YTD**, the highest share going back to 2019. At the same time, downsizes comprised just one-fifth of all transactions, continuing a downward trend.

Among new leases signed in 2026, nearly 67% represented expansions while downsizes accounted for 32%. Meanwhile, 69% of renewals maintained the same footprint, while expansions and downsizes composed the remaining 22% and 10%, respectively.

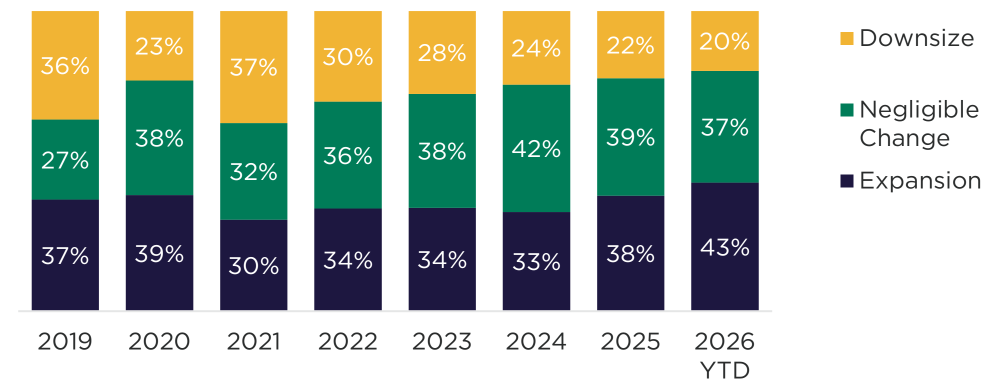
43% of legal sector leases in H1 2026 were expansions.

New leases continued to fuel sector activity, comprising 57% of all legal leasing in 2026 and rising to 58% for the top 10 legal markets. However, renewals remained an important strategy for the largest occupiers, with half of the largest 10 leases signed in 2026 involving firms electing to stay in place.

Count of Leases by Size



Percent of Transactions by Lease Type



Source: Cushman & Wakefield Research

CONCLUSION: LEASING MOMENTUM CONTINUES

Legal sector demand maintained its strong momentum in Q2, with leasing activity reaching a new quarterly record. The major legal markets were the primary drivers of the quarter's performance, with law firm leasing representing 14% of total office demand across those 10 markets.

Large transactions played an outsized role in the quarter's record-setting activity, while leasing counts among small transactions moderated from the levels recorded over the past couple years.

Law firms remained focused on growth, with expansion activity reaching its highest share since 2019 and downsizing activity continuing to decline.

While leasing velocity may ease slightly in the second half of the year, the legal sector is well-positioned for another standout year. Law firms should remain a key contributor to improving U.S. office demand during the latter half of 2026.

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ABOUT CUSHMAN & WAKEFIELD

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