

# Allen Matkins Sees 14% Jump in Profits as Real Estate Transactions Rebound

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## What You Need to Know

- Allen Matkins' gross revenue totaled \$284.5 million in fiscal year 2025, a 9% increase from the year prior.
- The firm's total lawyer head count was up 6.5% to 243 attorneys.
- The firm saw strong demand in real estate transactions and data center work, as well as litigation.

Allen Matkins Leck Gamble Mallory & Natsis saw double-digit profit increases in 2025, as the real estate-focused firm emerged from a respite in the commercial real estate market the prior year.

The firm reported a 14% annual increase in net income in fiscal year 2025 to \$123.6 million, and a 9.4% rise in gross revenue, to \$284.5 million.

"In terms of what contributed to increased demand for services, looking back to 2024, that was a year where commercial real estate was sort of in a lull, and as you know, our firm is very real estate-centric," said Jeff Patterson, Allen Matkins' managing partner and chief legal officer.

Patterson noted that "a lot of our clients in 2024 were in a 'wait and see' mode," because

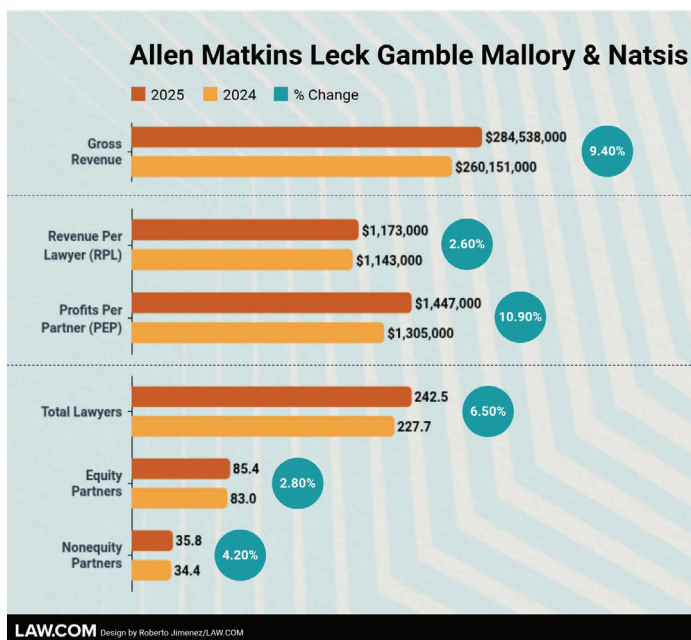


Courtesy photo

Allen Matkins managing partner Jeff Patterson.

of uncertainty about high interest rates. "As we came into 2025, we saw a definite uptick in the real estate transactional activity," he added. This included "not only traditional transactions but the overlay and emphasis on data center activity and digital infrastructure, where we have done a lot of work and that really boosted the demand on the real estate transactional side of things," Patterson said.

Allen Matkins continues to operate a litigation practice, which "stayed just as busy as it had been in 2024, so the combination of those two things really generated an increase in demand for attorney hours," Patterson added.



Amid rapidly rising demand for data center work, Patterson said the firm is working on a “first of its kind geometric data center” in downtown Los Angeles, which is the first new data center in the area in about a decade. “We had not only the traditional transactions, but also the overlay and emphasis on data center activity [and] the digital infrastructure.”

The firm’s head count across the board increased to keep pace with growing demand. Total FTE head count was up 6.5% to 243 attorneys in fiscal year 2025. The firm’s partner ranks remained stable, with equity partner head count rising by 2.8% and nonequity partner head count increasing 4.2% to 36. Total partner head count was up 3.2%, rising from about 117 people to 122.

The increase in lawyer head count caused revenue per lawyer to lag slightly, rising 2.6% to roughly \$1.2 million, while profits per equity partner jumped 10.9% to \$1.4 million.

Allen Matkins doled out some \$27.1 million in nonequity compensation in 2025, up 22.4%

year-over-year. Average compensation for all partners was up 11.9% to just over \$1.2 million.

While the firm declined to disclose how many clients it billed in the past fiscal year, it did report that lawyer and nonlawyer fee earners worked some 415,908 hours in 2025. That’s up from 388,378 total hours billed the year prior.

The firm’s rates rose between 4% and 6% in the past fiscal year, and Allen Matkins reported that it would increase them by the same percentage in the coming year. “We tend to do work every bit as sophisticated as some of the bigger firms do, but we offer rate flexibility, which gives us a competitive advantage over some of the big law firms,” Patterson said. “We try to use that to our advantage, and we also employ alternative fee arrangements that give clients the value they’re looking for.”

Allen Matkins’ overall realization rate in 2025 was 89.5%, down slightly from 89.8% the prior year. “We have not seen any additional change or deterioration since we raised our rates July 1 of last year,” Patterson said. “The good news is, while we’ve continued to expand and people have gotten busier, we’ve been able to push our rates a little bit [and] we haven’t suffered any realization deterioration.”

The firm reported that no more than 1.5% of its gross revenue in fiscal year 2025 came from alternative fee arrangements, on par with the prior year. “We are seeing more demand for it, and we’ve been looking for ways that that we can negotiate those deals for clients that captures the value of our services, gives them a realistic expectation of what a deal or a project is going to cost with

the appropriate caveats and escape clauses if a deal goes sideways or takes wild turns that that nobody anticipated,” Patterson said. “It’s still a relatively small percentage of our overall fee structure, but I suspect that it will probably increase in the future, as a result of artificial intelligence becoming more and more prevalent in the industry,” he added.

While the firm could grow via merger and “we get approached all the time,” Patterson said, “Our partners are categorically not interested in being acquired or merging into a bigger firm just in order to achieve scale.” The firm may look to be on the buy side, however: “If an opportunity presented itself where a smaller firm or group was interested in being acquired to become a part of our platform, we would probably take a look at it, but we’re not interested in merging with another firm,” Patterson said.

Patterson said the firm’s current focus is “to really grow New York, we’ve got so much room for growth and expansion there,” he said, referencing the firm’s sixth office that opened in September 2023 with partners from McDermott, Will & Emery. “I wouldn’t rule out another office in another city at some time in the future, but it’s not something that is on our immediate strategic planning list,” Patterson said.

Allen Matkins is known for its real estate work, but the firm’s litigation shop remained in demand last year.

Matters handled by Allen Matkins’ litigation department included representation of Step Up on Second Street, a nonprofit that was issued some \$114 million in grants from the state of California to convert several abandoned motels to apartments to house homeless people last year. But the project stalled, in part because the nonprofit’s partner, for-profit developer Shangri-La Development, was handling financing and the money all but evaporated (Shangri-La later sued its former chief financial officer for \$40 million, alleging he embezzled the money for personal use). Allen Matkins’ attorneys opposed Shangri-La Development’s subsequent bankruptcy petition, and a court found in favor of its client Step Up that SLD was a shell company that was planning to use its bankruptcy case to litigate against the nonprofit.

“During the real estate malaise of 2024, our litigation practice was firing on all cylinders, and in 2025, it continued to grow, making it a key driver of the firm’s success in 2025 and into 2026,” Patterson said.