PARKING VALUE-ADD CASE STUDY

$448K of New Annual Parking Income at a Class A Office Campus in San Francisco

Ownership of a 932,000 SF Class A life science and technology office campus in San Francisco, CA engaged us to improve results at its 178 -space garage. A replacement operator and an online event-parking strategy raised revenue and cut operating expenses 38.2%.

$448K

Annual net income impact

$3.8M

Increase in asset valuation, net of fees

39%

Increase in net parking income

parking advisors

THE SITUATION

A Premier Office Campus With an Underperforming Garage

CHALLENGE

Before our involvement, parking operator fees and garage operating costs were above market, and customer service was substandard.

MISSED OPPORTUNITY

The garage sits across the street from a major league ballpark but was not capturing outside event parking. Net parking income was $1.13M in 2022, or $6,369 per space.

THE ASSET

Parking spaces

178

Campus

932,000 SF Class A life science and technology office , two buildings

Market

San Francisco, CA

Demand profile

Office tenants on weekdays; ballpark game and event parkers on evenings and weekends

OUR APPROACH

From Assessment to Ongoing Asset Management

01

Value-Add Assessment

Operator fees, operating costs, service levels, and revenue opportunities.

02

Parking Operator RFP

A competitive process that selected a replacement operator.

03

Asset Management

Ongoing oversight of results, costs, and service levels.

04

Online Event Sales

A strategy targeting ballpark event parkers.

05

Aggregator Controls

Third-party commissions held in check as online volume grew.

06

Management Agreement

A newly negotiated agreement that caps future expense increases.

REVENUE

Online Event Sales Created a New Revenue Stream

Gross parking revenue rose 9.5% to $2.58M at similar tenant occupancy and ballpark attendance. An online sales strategy targeted ballpark event parkers while controlling third-party aggregator commissions.

Hourly and online revenue rose 14.1%, more than offsetting lower monthly parking, with no disruption to tenant parking supply.

CATEGORY	CHANGE, 2022–2023
Hourly and online parking	$275,247
Monthly parking	($52,107)
Parking taxes	($61,949)
Net parking revenue change	$161,191

EXPENSE

An Operator RFP Cut Operating Expenses 38.2%

Through the operator RFP, total operating expenses fell from $749,758 to $463,216, or from $4,212 to $2,602 per space.

The newly negotiated management agreement caps future expense increases.

CATEGORY	SAVINGS, 2022–2023
Staffing	$177,996
Transaction costs	$56,066
Repairs, maintenance, and other	$52,480
Operating expense savings	$286,542

Results compare 2022 and 2023 actuals at similar tenant occupancy and ballpark attendance. The $3.8M increase in asset valuation ($21,350 per space) is net of consulting fees.

OPERATIONS

Above-Market Costs and Missed Event Demand

The campus is next to a major league ballpark, yet the garage was not capturing outside parking demand from games and events.

WHAT WE FOUND

- Operator fees and garage operating costs were above market.
- Customer service was substandard.
- The garage was not capturing ballpark parking demand.

WHAT WE DID

- Selected a replacement operator through an RFP.
- Launched online sales targeting ballpark event parkers.
- Improved customer service and garage cleanliness.

SERVICE AND OVERSIGHT

Higher Volume Without Lower Service

Event volume grew and costs fell while customer service and cleanliness improved, supported by a new agreement and ongoing asset management.

AGREEMENT AND OVERSIGHT

- Newly negotiated management agreement
- Future expense increases capped
- Third-party aggregator commissions controlled
- Ongoing asset management services

SERVICE LEVELS

- Customer service levels improved
- Garage cleanliness improved and maintained
- No disruption to tenant parking supply
- Similar tenant occupancy year over year

RESULTS

One Year of Results

2022 → 2023

Gross Parking Revenue

+9.5%

gross parking revenue

$2.35M to $2.58M

$13,226 to $14,480 per space

2022 → 2023

Operating Expenses

−38.2%

total operating expenses

$750K to $463K

$4,212 to $2,602 per space

2022 → 2023

Net Parking Income

+39.5%

net parking income

$1.13M to $1.58M

$6,369 to $8,884 per space

OUTCOME

“$448K in added annual net income, $3.8M in asset valuation net of fees, and a 39% increase in net parking income .”

$448K	$3.8M	39%
Annual net income impact	Increase in asset valuation, net of fees	Increase in net parking income

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Confidential. Property and client unnamed. Based on 2022 and 2023 operating results.