PARKING DISPOSITION CASE STUDY

Underwriting Parking Income for the Sale of a Downtown Office Campus in West Palm Beach

Ownership engaged us to support the sale of two downtown office buildings and their shared 272-space garage. We built an 11-year parking cash flow model, analyzed the market, and reviewed the parking agreements.

parking advisors

$1.9M

Stabilized annual parking revenue, 2030

299

Monthly parkers at stabilization, up from 169

97.5%

Projected building occupancy

THE SITUATION

Two Buildings in Lease-Up Sharing One Garage

OBJECTIVE

Ownership was preparing to sell a newly completed Class A office tower and a renovated 1937 landmark building. With the buildings 36% and 56% occupied, the sale needed a supportable view of parking income at stabilization.

CHALLENGE

Current income reflects a property in lease-up: 169 monthly parkers producing about $380K a year. Restaurant valet, weekend, and event demand had to be modeled separately from office demand.

THE ASSET

Parking spaces

272

Buildings

144,000 SF Class A and historic office

Market

downtown West Palm Beach, FL

Demand profile

Office tenants by day; restaurant valet by night; weekend market and waterfront events

OUR APPROACH

Six Workstreams Behind the Cash Flow Model

01

Cash Flow Model

An 11-year projection of revenue and expense by demand segment.

02

Market Rate Survey

Monthly and hourly rates at competing garages and lots.

03

Demand Drivers

Office, restaurant, weekend, and event demand modeled separately.

04

Space Counts

A site walk confirming every space by type and level.

05

Staffing Model

Garage staff, office valet, and seasonal restaurant valet.

06

Agreement and Technology

Management agreement terms and the PARCS system.

REVENUE

Four Demand Segments at Stabilization

Office parking makes up 52% of stabilized revenue. At 97.5% occupancy and 2.5 spaces per 1,000 SF, monthly parkers could rise from 169 to 299.

Evening restaurant valet, a weekend farmers market drawing over 1,700 visitors a month in season, and waterfront events make up the rest.

SEGMENT	ANNUAL REVENUE
Office monthly parking	$804,831
Office-driven transient	$140,509
Tenant validations	$55,603
Evening restaurant	$519,057
Weekend parking	$335,110
Special events	$72,038
Stabilized revenue, 2030	**$1,927,148**

EXPENSE

Staffing Modeled Around Seasonal Valet Demand

The property bears valet labor, so the model staffs restaurant valet for a peak season from October to May and a shoulder season from June to September, and adds office valet from 2027.

The operator earns a $2,000 monthly base fee plus 2.0% of annual NOI.

CATEGORY	ANNUAL COST
Garage staff and supervisors	$146,780
Office valet, from 2027	$51,792
Restaurant valet, peak season	$31,536
Restaurant valet, shoulder season	$27,456
Payroll taxes and workers' comp	$34,385
Stabilized staffing cost	**$291,949**

Revenue and staffing figures are Parking Advisors projections at stabilized occupancy in 2030. They are not an opinion of value or a recommendation to invest.

MARKET

Public Supply Is Tightening in a Growing Downtown

Municipal garages dominate downtown at below-market rates, but the city has added over 9,000 residents since 2020 and public supply is shrinking.

TODAY'S MARKET

- The city controls over 3,600 downtown spaces at centralized rates.
- In 2022 the city doubled its daily maximum and raised resident permits 90%.
- Residential garages are gated and closed to the public.

UPSIDE FOR THE GARAGE

- A full 400-space city garage across the street is proposed for redevelopment.
- A nearby tower with 326 residences and a 201-key hotel opens by late 2027.
- The $175 monthly rate already exceeds the $125 submarket average.

DILIGENCE

A Flexible Agreement and a Modern Garage

We abstracted the management agreement, confirmed the garage inventory on a site walk, and reviewed the parking technology.

MANAGEMENT AGREEMENT

- One-year term from April 2025
- Either party may terminate on 30 days' notice
- $2,000 monthly base fee plus 2.0% of NOI
- Valet labor borne by the property

GARAGE AND TECHNOLOGY

- 272 spaces across six levels, confirmed on site
- Cloud-based PARCS installed in April 2024
- 8 EV charging spaces and a car wash station
- Parking ratio of 2.5 spaces per 1,000 SF

PATH TO STABILIZATION

Milestones Behind the Projection

2026

Evening Demand Grows

450

nightly restaurant covers, up from 250

Restaurant expansion complete by March

New office leases begin to commence

2027

Office Lease-Up

48K

SF of new office occupancy, 2026–27

Office valet staffing begins

Nearby residential and hotel tower opens

2030

Stabilization

299

monthly parkers, up from 169

Both buildings at 97.5% occupancy

$1.9M in annual parking revenue

OUTCOME

"An 11-year model supporting $1.9M in stabilized parking revenue, 299 monthly parkers, and 97.5% occupancy by 2030."

$1.9M	299	97.5%
Stabilized annual parking revenue	Monthly parkers, up from 169	Projected building occupancy

parking advisors

Confidential. Property and client unnamed. Based on a parking analysis dated February 2026. Projections only; not an opinion of value.