PARKING VALUE-ADD CASE STUDY

$256K of New Annual Parking Income at a Downtown Mixed-Use Garage in San Diego

Ownership of a 2,651-space garage in downtown San Diego, CA, the planned parking supply for a mixed-use redevelopment, asked us to assess the operation ahead of an operator RFP. The operator performs at industry standard; the opportunity lies in rates, online fees, and customer experience.

$256K

Annual net income impact

$3.7M

Value creation at a 7.0% cap rate

5%

Lift in parking NOI

parking advisors

THE SITUATION

A Large Downtown Garage Awaiting Redevelopment

TRIGGER

The lender recently took direct control of the property, and redevelopment of the former shopping center into retail and office space is expected to resume in 2026. Ownership asked for an assessment alongside an operator RFP to move the garage from a lease to a management agreement.

SYMPTOM

The garage earns about $6.7M gross and $5.5M operating income a year, but both fell about 6% over the trailing 12 months. Short-stay rates sit below competitors, and online aggregators kept 24% of online sales.

THE ASSET

Parking spaces

2,651

Building

Two-deck, 15-level garage serving a mixed-use redevelopment

Market

downtown San Diego, CA

Demand profile

Downtown restaurant, retail, and office parkers; ballpark and convention events; open 24/7 with no anchor tenants yet

OUR APPROACH

Six Workstreams Across Revenue, Cost, and Control

01

Revenue Control Testing

Access devices, unredeemed tickets, and bill-back accounts tested against system data.

02

Market Rate Survey

Eight competing garages across hourly, early bird, and monthly rates.

03

Online Sales Review

Aggregator commissions, digital presence, and online monthly listings.

04

Staffing and Operations

Staffing levels, schedules, and responsibilities against budget.

05

Customer Experience

Lighting, paint, wayfinding, security, and cleanliness.

06

Agreement and Reporting

Lease terms, the PARCS contract, and the monthly statement package.

REVENUE

Short-Stay Rates Trailed Nearby Competitors

Short-duration rate bands were fragmented and priced below the two nearest competitors. We recommended matching their 0–4 hour bands, raising early bird from $12 to $14, and setting lost ticket at $60.

Monthly parking is not listed online, where nearby garages advertise at $216 to $227, and the $190 restricted-access monthly rate sits below the next lowest submarket rate of $200.

CATEGORY	EST. ANNUAL IMPACT
Short-stay rate bands to market	$189,330
Early bird rate to $14	$21,681
Lost ticket rate to $60	$9,288
Restricted monthly rate to $200	$10,584
Advertise monthly parking online	$5,940
Revenue subtotal	**$236,823**

EXPENSE

Online Aggregators Kept 24% of Online Sales

Two aggregators charged $145,015 in commissions and fees on $603,981 of net online sales. The operator's own reservation platform, at about 5% in fees, was not set up at the garage.

Staffing ran 3% under budget and other expenses were in line. The PARCS contract has $604,270 outstanding with no stated interest, which may support a buyout on better terms.

CATEGORY	EST. ANNUAL IMPACT
Commission recapture, low-fee platform	$38,272
Platform integration setup fee	($550)
Probability weighting (50%)	($18,861)
Expense subtotal	**$18,861**

Impacts are probability-weighted from 50% to 90% and based on current volumes. The $256K headline is stated before an estimated $1.0M in required capital expenditures; value creation net of capital is $2.7M.

OPERATIONS

Strong Management, Dated Garage Conditions

We visited the garage on December 1, 2025, reviewed staffing for all 16 positions, and assessed lighting, paint, signage, and security across both decks.

WHAT WE FOUND

- Many light fixtures are out and cannot be replaced; the roof level is unlit.
- Dated paint and limited wayfinding drive negative online reviews.
- Cameras cover only entry and exit lanes and keep 25 days of footage.

WHAT WE RECOMMENDED

- Replace interior lighting, starting with lanes and stairwells, and re-lamp the roof.
- Repaint high-touch areas and simplify level naming and wayfinding.
- Install a modern camera system covering the entire deck.

GOVERNANCE

Reporting and the Agreement Need Stronger Controls

We reconciled statements with billing and system reports, audited access devices, and reviewed the lease and equipment contract.

STATEMENT PACKAGE GAPS

- Online sales grouped with other income, a 13% variance
- Monthly revenue 4% below billings; $30,066 average balance
- Bill-back and prepaid validations combined in one line
- 54 active monthly parkers not billed

AGREEMENT AND CONTRACT ACTIONS

- Convert the lease to a management agreement
- Enforce lease signage rights at a neighboring garage
- Consider buying out the $604K PARCS contract balance
- Open 30 unbilled reserved stalls to the public

ACTION PLAN

A Phased 180-Day Implementation

DAYS 0–30

Hourly Rates

86%

of annual opportunity

- Match competitors on 0–4 hour bands
- Raise early bird and lost ticket rates
- Begin monthly access device audits

DAYS 30–90

Monthly Parking

7%

of annual opportunity

- Raise restricted monthly to $200
- List monthly parking online at $227
- Separate online sales in reporting

DAYS 90–180

Online and Agreement

7%

of annual opportunity

- Shift online parkers to a low-fee platform
- Convert to a management agreement
- Begin lighting, paint, and camera upgrades

OUTCOME

"$256K in added annual net income, $3.7M of value creation at a 7.0% cap rate, and a 5% lift in parking NOI."

$256K	$3.7M	5%
Annual net income impact	Value creation at a 7.0% cap rate	Lift in parking NOI

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Confidential. Property and client unnamed. Based on a parking assessment dated March 2026.