PARKING VALUE-ADD CASE STUDY

$236K of New Annual Parking Income at a Mixed-Use Retail and Office Property in West Hollywood

Ownership of a 41,000 SF mixed-use retail and office building in West Hollywood, CA asked us to assess its 288-space garage. The operator was performing below industry standard, with staffing costs rising and validation and hourly rates below lease terms and the market.

parking advisors

$236K

Annual net income impact

$3.4M

Value creation at a 7.0% cap rate

37%

Lift in parking NOI

THE SITUATION

Strong Anchor Demand, Rising Operating Costs

TRIGGER

The building is 99% occupied and anchored by a specialty grocer and a fitness club, which together generate about 18,000 validations a month. With the grocery anchor newly open, ownership asked for an assessment of operator performance and income opportunities.

SYMPTOM

The garage earned about $946,000 gross and $636,000 net operating income over the trailing 12 months. Annualized operating expenses over the last three months ran about 36% higher, driven by staffing.

THE ASSET

Parking spaces

288

Building

41,000 SF mixed-use retail and office building

Market

West Hollywood, CA

Demand profile

Grocery and fitness anchor validations, office tenants, and neighborhood transient parkers; one entry and one exit lane, open 24/7

OUR APPROACH

Six Workstreams Across Revenue, Cost, and Control

01

Revenue Control Testing

Transaction logs, unredeemed tickets, and access devices tested against system data.

02

Market Rate Survey

Hourly and monthly rates at the closest competing garages.

03

Validation Program Review

Tenant validation rates compared with lease terms.

04

Staffing and Fee Benchmarking

Manager allocation, hourly labor, and allocated fees against benchmarks.

05

Technology and Lane Flow

Single-lane throughput, grace periods, and PARCS configuration.

06

Agreement and Reporting

Management agreement terms and the monthly statement package.

REVENUE

Validation and Hourly Rates Sat Below Terms and Market

The fitness anchor's lease sets two-hour validated parking at $3.00, but its members were charged $2.00. Billing at the lease rate adds $97,308 a year before probability weighting.

Hourly rates for 30 minutes to 3 hours sat well below the closest competitors. Aligning them just below market-leading rates adds an estimated $73,324.

CATEGORY	EST. ANNUAL IMPACT
Validation rate to lease terms	$77,846
30-minute to 3-hour rates to market	$54,993
Revenue subtotal	**$132,839**

EXPENSE

Staffing Costs Rose Faster Than Demand

A salaried manager's allocation rose to 90% from a historical 25%, and January 2026 hours nearly doubled the late-2025 average. Returning to 25% saves an estimated $80,867 a year.

Data processing, audit, and health insurance mark-ups ran above benchmarks, and the operator did not seek state disability reimbursement for a manager's medical leave.

CATEGORY	EST. ANNUAL IMPACT
Manager allocation to 25%	$72,780
Allocated fees to benchmark	$22,687
Medical leave state reimbursement	$7,200
Credit card fees to standard	$575
Expense subtotal	**$103,242**

Impacts are probability-weighted from 75% to 90% and require no capital expenditure. The $236K headline excludes the marketing, lane flow, and revenue control recommendations, which were not quantified.

OPERATIONS

A Single Lane Under Heavy Validation Traffic

We reviewed staffing schedules, three months of transaction logs, and lane operations at the garage's single entry and exit.

WHAT WE FOUND

- 4,781 transactions in three months were charged at non-standard rates.
- A 10-minute exit grace period is too short for visitors to both anchors.
- No Google Business Profile and limited aggregator listings.

WHAT WE RECOMMENDED

- Audit and reconfigure the PARCS to approved rate bands only.
- Extend the exit grace period to 20 minutes.
- Build a digital presence and count vacant spaces daily at peak.

GOVERNANCE

Reporting and the Agreement Need Stronger Controls

We reconciled statements with billing and system reports and reviewed the management agreement against industry standards.

STATEMENT PACKAGE GAPS

- No unredeemed ticket report from the PARCS
- Monthly revenue reported below billings
- Bill-back reporting did not tie to statements
- Active access cards without matching billings

AGREEMENT AMENDMENTS FLAGGED

- Require a dedicated property bank account
- Require a monthly bank reconciliation
- Negotiate allocated fee line items to market
- Require 30-day notice for monthly cancellations

ACTION PLAN

A Phased 180-Day Implementation

DAYS 0–30

Rates and Validations

56%

of annual opportunity

- Bill validations at the $3.00 lease rate
- Align 30-minute to 3-hour rates
- Reconfigure PARCS rate bands

DAYS 30–90

Staffing and Leave

34%

of annual opportunity

- Return manager allocation to 25%
- Recover state leave reimbursement
- Extend the exit grace period

DAYS 90–180

Fees and Agreement

10%

of annual opportunity

- Renegotiate allocated fees
- Reduce credit card fees
- Amend the management agreement

OUTCOME

"$236K in added annual net income, $3.4M of value creation at a 7.0% cap rate, and a 37% lift in parking NOI."

$236K	$3.4M	37%
Annual net income impact	Value creation at a 7.0% cap rate	Lift in parking NOI

parking advisors

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