PARKING VALUE-ADD CASE STUDY

$334K of New Annual Parking Income at a Standalone Garage in Chicago

Ownership of a 1,168-space standalone garage in the Chicago Loop, IL asked us to assess the operation and a proposed technology replacement. The operator performs at industry standard; the opportunity lies in pricing, fees, and unused inventory.

$334K

Annual net income impact

$4.5M

Value creation at a 7.5% cap rate

8%

Lift in parking NOI

parking advisors

THE SITUATION

A Well-Run Garage Priced Below Its Closest Competitor

TRIGGER

Ownership asked for an assessment alongside an operator RFP. The incumbent proposed replacing the 2014 revenue control system with its plate-recognition platform at no upfront cost, funded by transaction fees.

SYMPTOM

The garage earns about $6.7M gross and $4.0M operating income a year and collects on 99.99% of transactions, yet its monthly and hourly rates sit 29% and 6% below the competitor across the street.

THE ASSET

Parking spaces

1,168

Building

385,000 SF standalone garage

Market

the Chicago Loop, IL

Demand profile

Loop office commuters Tuesday through Thursday; theater and performing arts demand on evenings and weekends

OUR APPROACH

Six Workstreams Across Revenue, Cost, and Control

01

Revenue Control Testing

Access devices, unredeemed tickets, and billings tested against system data.

02

Market Rate Survey

Five competing garages across monthly, hourly, and online rates.

03

Inventory Utilization

Reserved space use, occupancy tracking, and online channels.

04

Operator Fee Benchmarking

Management fees, allocations, and mark-ups against market benchmarks.

05

Technology Proposal Review

Fee-based platform compared with a purchased system over ten years.

06

Agreement and Reporting

Management agreement terms and the monthly statement package.

REVENUE

Rates Trailed the Closest Competitor

The competitor across the street prices monthly parking 29% higher. We recommended $300 unreserved monthly and matching its $39, $48, and $59 hourly rates.

The garage is not listed for monthly parking online, 15 reserved spaces sit empty, and 57 active access cards belong to people who are not billed.

CATEGORY	EST. ANNUAL IMPACT
Monthly rate increases	$112,396
Hourly rate increases	$54,100
Online monthly parking	$25,994
Reserved space backfill	$31,218
Charge unbilled access device holders	$12,825
Revenue subtotal	**$236,533**

EXPENSE

Operator Fees and Allocations Ran Above Market

Fees and allocated expenses exceed benchmarks by $115,196 a year, led by a fully allocated manager, card fees, and a call center cost of $9.98 per call.

The proposed technology platform would cost about $1.0M more than a purchased ticketed system over ten years, mostly through customer transaction fees.

CATEGORY	EST. ANNUAL IMPACT
Operations manager allocation to 50%	$32,500
Credit card fees to 3.25%	$27,089
Call center fee to $3 per call	$25,675
Insurance to $45 per space	$15,063
Management fees and payroll mark-up	$14,870
Probability weighting (85%)	($17,280)
Expense subtotal	**$97,917**

Impacts are net of parking taxes and online commissions, probability-weighted from 10% to 90%. The $334K headline excludes the Value Card increase and any savings from declining the technology proposal.

OPERATIONS

Strong Collections, Gaps in Tracking and Upkeep

We walked all ten levels and both entrances, reviewed occupancy and access device records, and evaluated the proposed technology replacement.

WHAT WE FOUND

- Unredeemed tickets were 0.1% of transactions, well under the 2.0% standard.
- Vacant spaces are counted once a week, on Thursdays at 11:30 AM.
- 60 active access cards are unbilled; 57 holders appear nowhere in billing.

WHAT WE RECOMMENDED

- Decline the fee-based platform and plan a purchased system replacement.
- Log space counts at least twice a day; reconcile access cards monthly.
- Fix outage lighting and set a recurring inspection schedule.

GOVERNANCE

Reporting and the Agreement Need Stronger Controls

We reviewed the management agreement and monthly statements against industry standard fee limits and reporting requirements.

STATEMENT PACKAGE GAPS

- No variance commentary above 5% to budget
- No monthly billings or aged receivables report
- No transient receipts report tied to hourly revenue
- Payroll taxes and benefits combined in one line

AGREEMENT AMENDMENTS FLAGGED

- Negotiate fees and allocations to market
- Cap annual increases in fees and allocations
- Reset and cap the incentive fee each year
- Require the full monthly reporting package

ACTION PLAN

A Phased 180-Day Implementation

DAYS 0–30

Rates and Tracking

50%

of annual opportunity

- Raise monthly and hourly rates
- Raise the Value Card to $23
- Log space counts twice daily

DAYS 30–90

Inventory and Online

21%

of annual opportunity

- List monthly parking on aggregators
- Backfill 15 unused reserved spaces
- Audit and bill access devices

DAYS 90–180

Fees and Agreement

29%

of annual opportunity

- Negotiate fees and allocations to market
- Add fee caps and reporting terms
- Plan the revenue control replacement

OUTCOME

"$334K in added annual net income, $4.5M of value creation at a 7.5% cap rate, and a 8% lift in parking NOI."

$334K	$4.5M	8%
Annual net income impact	Value creation at a 7.5% cap rate	Lift in parking NOI

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