



Unlocking Ancillary Revenue

Real-World Examples

Introduction

Commercial real estate faces pressure unlike anything in recent memory. Rent growth in major U.S. markets is under 2 percent, far below the 3–4 percent historical average. Office vacancies exceed 18 percent in many cities. Retail is uneven, with secondary locations struggling to backfill space. Meanwhile, operating costs rise 5–7 percent per year due to inflation, energy, and maintenance.

Base rent alone no longer sustains healthy Net Operating Income (NOI). Investors demand stronger returns. Tenants resist rent hikes. Owners are caught in the middle. The solution is not raising rent but turning to **Ancillary Revenue**.



This whitepaper explores:

- What ancillary revenue is and how it differs from traditional rent growth
- Examples across office, residential, retail, and mixed-use properties
- Market data explaining why these strategies are urgent: rent stagnation, evolving tenant expectations, and investor demand for resilient assets
- Practical illustrations, including monetizing underutilized space through scalable storage solutions that deliver recurring revenue with limited capital expenditure

What Is Ancillary Revenue in CRE?

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A few months ago, a property manager in Washington, D.C. walked me through her building. It was a well-kept office property, yet one floor below ground told a different story. Entire sections of the basement sat empty.

No tenants. No rent. Just square footage generating nothing.

She sighed and said, “I keep thinking there has to be a better use for this space. But rent is the only lever we’ve ever pulled.”

That moment captures the challenge commercial real estate faces today. Owners know they are leaving value on the table, but rent growth alone cannot close the gap.

This is where ancillary revenue comes in.

Defining Ancillary Revenue in Commercial Real Estate

Ancillary revenue is income earned from sources other than rent. It is the overlooked income potential sitting within the walls, rooftops, and garages of a property. Instead of trying to push rent in a market that resists, owners can turn unused or underused space into reliable, recurring income.

It is not a replacement for rent. It is a complement to it.

Rent growth is shaped by market cycles, tenant demand, and location dynamics. Ancillary revenue, by contrast, is driven by creativity and execution. It monetizes what is already there, often without major capital outlay.



Before



After

Examples of Ancillary Revenue

Different asset types offer different opportunities, but the principle remains the same: identify unused or underused space, match it with tenant or market demand, and convert it into recurring income.

These opportunities are often scalable and can create recurring revenue without major structural changes.

Parking

Corners of a garage that rarely see use can host EV charging stations or small storage units.

Storage

Unused basements or lower-level areas can be converted into secure storage solutions for tenants or the surrounding community.

Rooftops

Lease space for telecom equipment or install solar panels for recurring revenue.

Signage and Advertising

Exterior walls or lobbies can generate revenue from digital or static advertising.

Amenities

Mailrooms, package centers, or bike storage can become premium services, increasing tenant satisfaction while adding income.

How It Fits Into NOI Strategy

Ancillary revenue strengthens Net Operating Income in ways that base rent alone cannot. It diversifies income streams, reduces dependency on a single revenue source, and increases property resilience. Even modest contributions—5 to 10 percent of NOI can make the difference between underperforming and outperforming the market.

The manager in D.C. eventually converted that basement into storage. Within six months, every unit was leased. The new cash flow more than offset rising maintenance costs, and tenant satisfaction scores climbed. The space that once felt like a liability became a durable asset.

That is the power of ancillary revenue. It reframes the conversation:

~~“How do we charge more rent?”~~

“How do we make every square foot work harder?”

Why Ancillary Revenue Matters Now

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Not long ago, I spoke with an owner of a retail center outside Chicago. The storefronts were mostly full, and on paper the property looked stable. But when we walked down to the basement, it was largely unused for years.

“The rents keep us afloat,” he said, “but these costs keep creeping up. Every month it feels like we’re just breaking even.”

Even with solid occupancy, properties are falling short because base rent alone cannot carry the weight of rising expenses and investor expectations. Ancillary revenue has moved from a nice-to-have to a necessity.

Here’s why it matters right now:

01

Rent Growth Has Lost Its Edge

For decades, steady rent bumps were the safety net every owner counted on. A three to four percent annual increase kept income just ahead of expenses. It was predictable and built into most pro formas. That rhythm is broken now.

In many U.S. markets, rent growth has slowed to under 2 percent.

Take an office tower in Dallas. Instead of the \$3 to \$4 per square foot once expected, growth is closer to \$1.25. On 500,000 square feet, that means well over a million dollars lost in just a few years. Multiply that across a portfolio, and the margin squeeze is obvious. Without new income to fill the gap, NOI steadily erodes year after year.

Vacancies Are Harder To Fill

In cities like New York, Chicago, and San Francisco, office vacancies hover above 18 percent.

Nearly one in five floors sits empty. Retail corridors outside prime locations tell the same story, with “For Lease” signs replacing smaller tenants and national brands consolidating. Even multifamily is softening in metros where new supply is catching up with demand.

Every idle space drains cash. Lost rent is only part of the problem. Carrying costs like utilities, taxes, and maintenance do not disappear. Over time, vacancies drag down NOI, lower valuations, and complicate refinancing. Owners have tried concessions, tenant improvements, and flexible lease terms, but demand simply is not what it used to be. That has pushed many to explore new ways of making underused space contribute to the bottom line.

03

Tenants Are Changing What They Expect

Today's tenants want more than a desk or an apartment. They want convenience, services, and experiences that make their lives easier. Office tenants look for package handling, bike storage, and flexible meeting spaces.

Multifamily residents value additional storage, premium amenities, and conveniences that make smaller units more livable. Retail tenants are searching for ways to drive foot traffic and improve customer experience.

Ignoring these shifts comes at a cost. Vacancies rise. Tenant satisfaction drops. Renewals decline. Ancillary revenue provides a practical way to meet these expectations while generating additional, recurring income from spaces that were previously idle.



04

Investors Are Paying Attention

Investors are no longer focused solely on base rent. They look for stability, diversity, and predictable cash flow. Buildings that have strong ancillary programs consistently outperform peers.

CBRE reports that properties with well-executed ancillary strategies trade at 5 to 15 percent premiums over similar assets.

That margin can make the difference between attracting favorable financing or struggling to compete in the market.

05

Vacant Space Is Perishable

Unlike physical assets that can be stored and resold, the value of commercial space exists only in the moment. A square foot of office or retail left idle in January cannot be leased in July to make up for lost time. That month of revenue is gone forever.

This perishability is often invisible to landlords. A six-month delay on a 10-year lease wipes out five percent of its lifetime revenue, with no way to recover it. For a 100,000 square foot building at thirty dollars per square foot, that is one hundred and fifty thousand dollars in income permanently lost.

It works the same way as an airline seat or a hotel room. Once the flight departs or the night passes, unsold inventory has no value. Commercial real estate is no different.



Each day of vacancy is a financial opportunity that disappears for good.

06

Competitors Are Already Acting

Forward-thinking operators across the country are taking advantage of unused space. Basements become secure storage, parking areas are converted to EV charging hubs, and rooftops are leased for solar or telecom equipment.

Even small initiatives, such as adding package lockers or bike storage, can generate meaningful revenue. These strategies also improve tenant experience, making properties more appealing and increasing retention. Owners who wait risk falling behind while revenue quietly slips away.



The Consequences Of Doing Nothing

The traditional approach of raising rents and cutting expenses no longer works. Operating costs rise each year. Tenants resist higher rents. Investors demand resilient income streams. Properties that fail to act are not only leaving money on the table but also losing competitive positioning and weakening tenant satisfaction.

Ancillary revenue is a practical, achievable strategy.

It turns underused spaces into recurring income, strengthens tenant relationships, and builds investor confidence.

Owners who embrace it position their buildings for growth, resilience, and measurable financial performance. Every square foot thoughtfully monetized compounds in value and contributes to a stronger, more sustainable property.

Key Ancillary Revenue Strategies

Key Ancillary Revenue Strategies

For years, rent was the heartbeat of commercial real estate. If the rent roll looked solid, the asset felt secure. But today, that equation is shifting. To keep assets competitive, owners are finding new ways to make their buildings work harder.

The truth is, almost every property has overlooked potential. A basement that sits empty. A rooftop that does nothing but collect gravel. A corner of a garage that never fills up. These spaces may not look like much, but with the right strategy, they can become dependable sources of income.

Here are some of the most effective ancillary revenue strategies owners are using right now.

01

Parking And Transportation

Parking is one of the easiest places to start. Most owners focus only on monthly parking fees, but garages and lots often have entire sections sitting idle for large parts of the day. Those spaces can be turned into revenue with the right approach.

Adding EV charging stations meets a growing demand while producing a new line of income. Premium reserved spaces or short-term rentals for delivery operators can do the same. In some properties, creating bike or scooter hubs has added revenue while improving tenant satisfaction.

The key insight is that parking is not just about collecting fees anymore. With the right mix of services, it becomes a flexible income platform.



02

Storage (Stuf Storage)

If garages represent the obvious opportunity above ground, basements and lower levels are the hidden opportunity below it. Many of these spaces sit vacant for years, costing money to maintain while generating nothing in return.

Stuf Storage partners with landlords to change that. By converting underused square footage into secure, self-managed storage, Stuf creates a service tenants and nearby residents are eager to pay for. The model requires little capital investment, yet it produces recurring monthly revenue and improves tenant retention by offering something they genuinely need.

A landlord who once viewed an empty basement as a liability can now treat it as a dependable income stream. That shift is powerful.



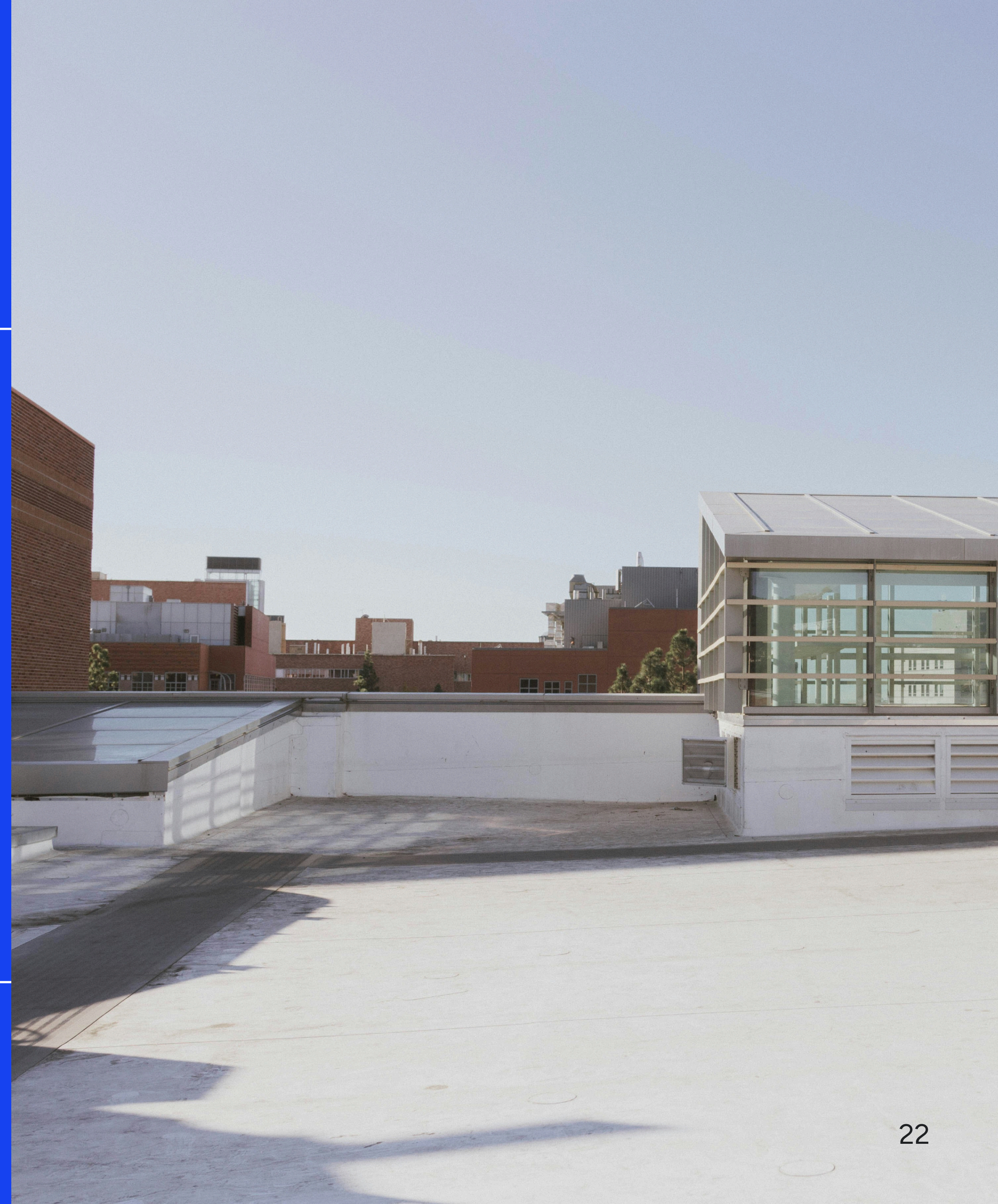
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03

Rooftop Leasing

A rooftop may look like nothing more than concrete or gravel, but to the right partner it is prime real estate. Telecommunications firms pay for antenna placement. Renewable energy companies lease rooftops for solar arrays. Some properties even use rooftops for premium event spaces.

Owners who once overlooked these surfaces now see them producing dependable income year after year. In many cases, rooftop leasing offsets rising operating costs while positioning the building as forward-looking and sustainable in the eyes of investors.



04

Advertising And Signage

Sometimes ancillary revenue is as simple as rethinking a blank wall. High-traffic properties can transform lobbies, elevators, or exteriors into advertising platforms. In retail-heavy locations, this can mean digital displays or static signage. In urban office buildings, even elevators have been used for local business ads.

Advertising revenue is flexible, and it scales with demand. A 2024 PwC study noted that digital out-of-home advertising is one of the fastest-growing segments in media, projected to grow at 9 percent annually. For owners, that means blank space can now generate measurable returns while diversifying income.





05 Amenities And Services

Tenants increasingly choose properties that go beyond four walls. Amenities that solve everyday challenges—package rooms, high-quality gyms, or concierge-style services are no longer optional. They are revenue opportunities.

One multifamily building in New York added a premium package delivery room. Residents paid for secure 24/7 access, and the owner not only gained income but also reduced complaints and turnover. That improvement in tenant retention translates directly into NOI gains.

Case Study: Unlocking Space with Storage

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Storage is one of those needs that never goes away. In dense urban areas, people constantly run out of room — whether it's a family with too many boxes, a small business with inventory overflow, or an office that can't spare valuable square footage for records and supplies.

In fact, a recent NMHC survey found that 68 percent of urban residents cite lack of storage as one of their biggest frustrations.

The demand is real, but the supply rarely matches.

For property owners, this creates an overlooked opportunity. Many basements, lower floors, or forgotten corners of a building sit empty. They cost money to maintain yet bring in nothing. Traditional approaches gyms, retail, coworking are expensive to build and hard to lease. Storage is different. It's straightforward, low-CapEx, and serves both tenants inside the building and customers in the surrounding community.

Case Example 1: Long Island City, NY



In Long Island City, one multifamily property had a basement that had sat vacant for years. The leasing team tried everything from retailers to coworking operators, but the space never penciled out. It was costing money without delivering returns.

The owner partnered with **Stuf Storage** to rethink the approach. Instead of forcing a traditional use, the basement was converted into secure, climate-controlled storage units. The project was quick to set up and flexible enough to meet different needs. Units were marketed to both residents in the building and people living in the neighborhood.

The response was strong. Local residents signed up to store seasonal gear and household items. Small businesses nearby used it for inventory and supplies. Within months, the units were nearly full. By the end of the first year, what had been wasted space was generating **tens of thousands of dollars in recurring revenue**.

Case Example 2: Financial District, NY



An office building in the Financial District faced a similar challenge. Lower floors and a basement were seriously underused. Raising rents did little to change that. Vacancies dragged on NOI.

Working with **Stuf Storage**, the ownership team repositioned those areas into storage units designed to appeal to both office tenants and customers in the surrounding Financial District. The conversion required minimal investment, and the marketing tapped into strong neighborhood demand.

Within weeks, businesses and individuals in the area began reserving space. Occupancy passed **80 percent in six months**, turning idle floors into a steady source of income.

Case Example 3: Mid-City, Los Angeles



In Mid-City Los Angeles, the landlord partnered with Stuf to transform an unused basement into storage. We launched the amenity in late 2021, and occupancy has stayed in the 90s for three years. Even while pushing rents higher, demand remained strong, creating steady recurring revenue for the owner.

With a waitlist building, the landlord approved an expansion that doubled the footprint. Their satisfaction with the results also led to another deal with Stuf at a separate property. What was once wasted space has become a reliable, growing income stream.

Why Storage Works

These cases show a consistent pattern:

Demand is broad and steady

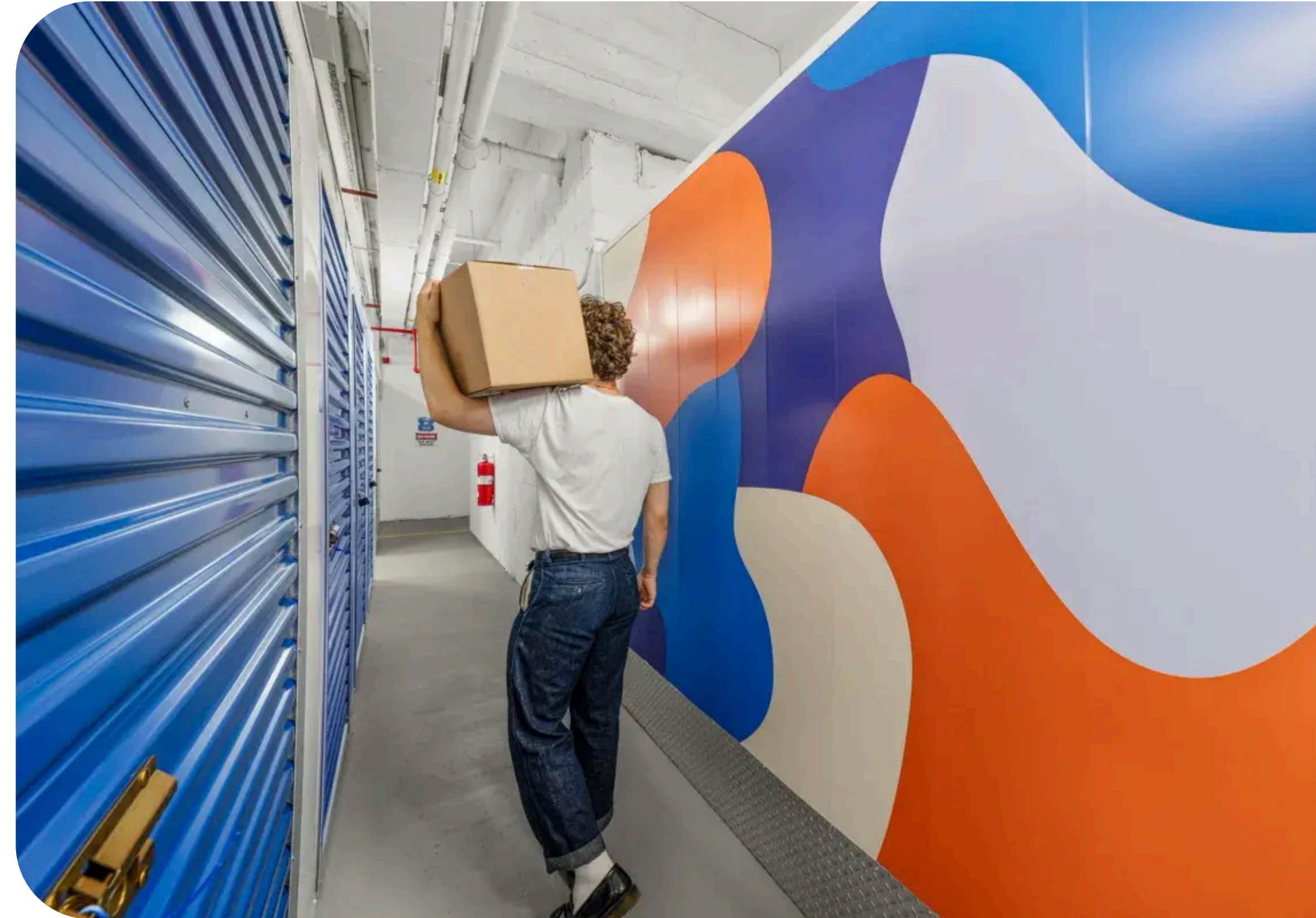
— from nearby households, small businesses, and office users.

Conversions are low-CapEx and scalable

— owners don't need massive buildouts to unlock revenue.

Spaces become revenue generators

— properties that once drained resources now produce recurring income.



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With a partner like **Stuf Storage**, owners can quickly convert idle space into an asset that attracts customers both inside and outside the building. Instead of sitting vacant, basements and underused areas become valuable, income-producing parts of the property.

The Future of Ancillary Revenue in CRE: What to Expect

The Future of Ancillary Revenue in CRE: What to Expect

Ancillary revenue is no longer a side note in commercial real estate. It is quickly moving into the spotlight as owners look for dependable ways to grow cash flow and lift property value. A 2022 NMHC survey found that 68 percent of urban residents cite lack of storage as a major pain point, and the same study showed rising demand for services like package delivery, EV charging, and shared amenities.

People want more from their buildings than just four walls. They want convenience, sustainability, and spaces that make daily life easier. For owners and operators, this shift makes ancillary revenue not just an opportunity but a necessity.

The question now is clear:

What does the future hold for this growing income stream?

01

Widespread Adoption And Growth

Ancillary revenue is quickly moving from a nice-to-have to a must-have. Right now it makes up between 5 and 12 percent of Net Operating Income (NOI) in forward-thinking buildings. That share is set to grow as rent growth stays flat and costs keep rising.

What used to be seen as a creative add-on will soon be standard practice. In the years ahead, investors and lenders will expect to see ancillary income built into every financial plan, and buildings without it will look like they are falling behind.



02

Technology And AI Make It Smarter

Technology is reshaping how income is generated. AI-powered parking systems can raise or lower prices by the hour. Predictive analytics can spot the best times to run a pop-up shop based on traffic patterns.

McKinsey reports that 40 percent of CRE firms already use AI to engage tenants and cut maintenance costs by as much as 25 percent. As adoption spreads, tech will make ancillary revenue more consistent, measurable, and scalable—turning once-overlooked spaces into reliable profit centres.

03

Spaces Built For Multiple Uses

The future belongs to buildings that can shift with demand. A basement can serve as tenant storage during the week, host a weekend market once a month, or run as a wellness space when demand rises.

Rooftops can power solar panels most of the time and still host events when needed. Even lobbies and hallways can carry digital ads or short-term activations. Adaptability ensures that every square foot earns its keep. Static layouts will struggle, but flexible ones will thrive.

04

Sustainability Becomes A Profit Centre

Green strategies are no longer just about checking boxes. Solar panels, energy-efficient HVAC, and green roofs cut utility bills while opening new streams of revenue. AI-enabled HVAC, for example, can reduce waste by up to 30 percent.

Looking forward, these measures will not only lower costs but also attract tenants and investors who favour sustainable assets. Sustainability will shift from being an expense to becoming one of the strongest drivers of ancillary revenue growth.

05

Smarter Tenant Experiences, Stronger Retention

Tenant experience is emerging as one of the most reliable future revenue drivers. Residents and office workers increasingly pay for convenience—whether that means package lockers, EV charging, dedicated storage, or curated community spaces. Each of these creates recurring income while reducing costly turnover.

In the future, properties that embed services into daily life of its residents will outperform peers both in revenue and tenant retention. Ancillary revenue here is not just about extra cash, it is about building loyalty that protects long-term value.



Future Outlook

Ancillary revenue is entering a new phase. It is no longer experimental, it is essential. With technology making it easier to track and scale, with flexibility opening new ways to use space, and with sustainability and tenant experience driving demand, the future looks bright.

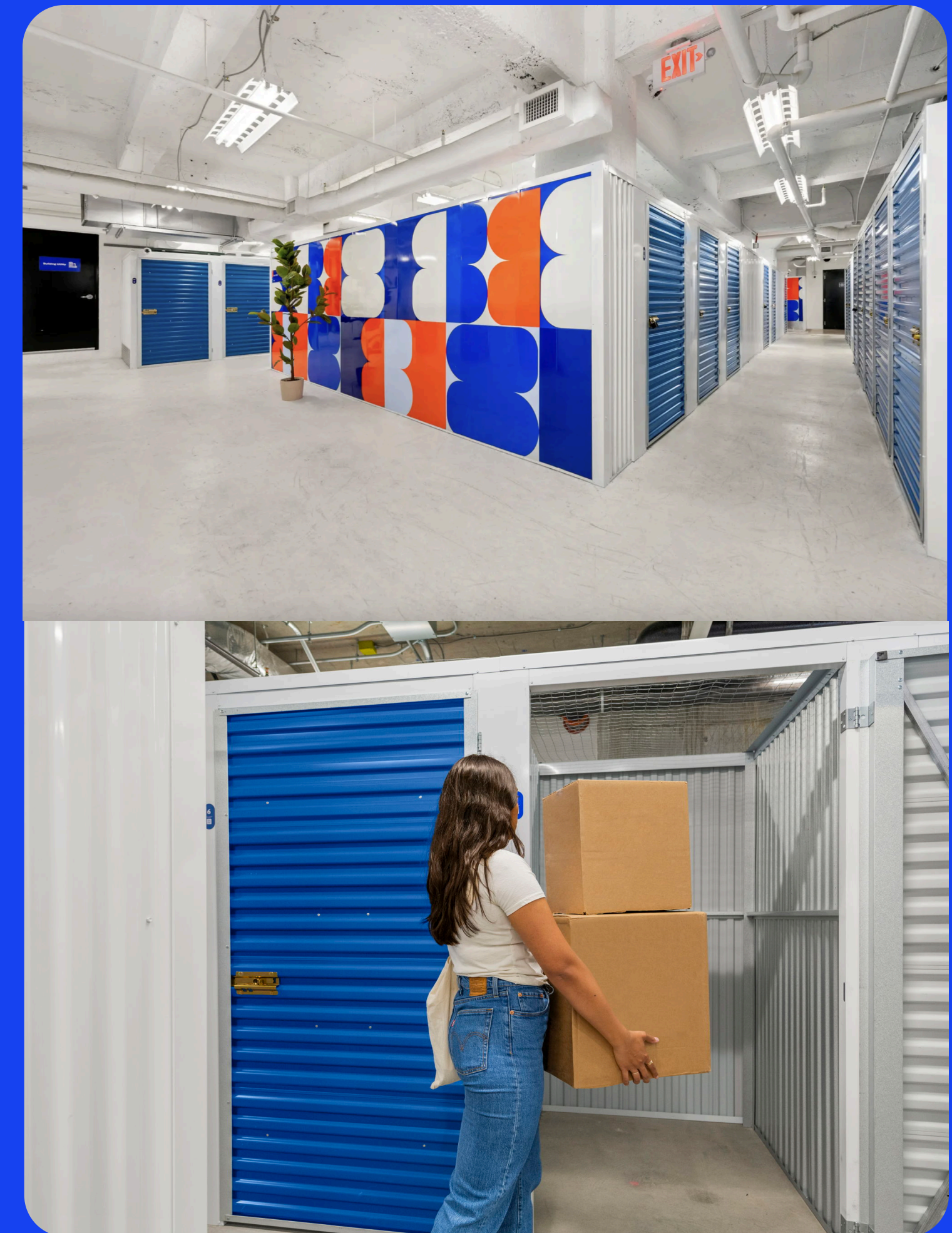
Adoption rates are climbing, and early movers are already seeing premiums in asset value. As artificial intelligence and digital tools mature, ancillary revenue will become not only more predictable but also a defining mark of resilient, high-performing real estate.

Conclusion & Next Steps

Conclusion

Across this guide, we have explored how creative ancillary revenue strategies can turn overlooked or underused space into consistent income. Parking, storage, rooftop leasing, signage, and amenities are not simply optional add-ons. They are practical levers to boost net operating income, attract tenants, and increase property value.

Storage, in particular, demonstrates how a simple solution can have outsized impact. It works in multifamily, office, retail, and mixed-use properties. Properly implemented, storage transforms idle areas into a predictable revenue stream. This approach benefits property owners, tenants, and investors alike. Tenants gain space to store what matters to them. Property owners diversify income while strengthening the asset's market position. Investors see resilience and long-term value in the property.



Action Checklist

Here is a structured approach to take action immediately:

01

Audit Your Property

Walk through every corner, basement, rooftop, or ancillary space. Identify areas that are underutilized but could meet a real market need.

02

Prioritize Opportunities

Focus on spaces with the highest demand, lowest conversion cost, and fastest potential revenue.

03

Estimate Revenue Potential

Use ROI tools or examine similar case studies to understand the income that each space can generate.

04

Engage a Partner

Work with experienced providers like Stuf Storage to design, install, and manage solutions efficiently.

05

Market Your Offering

Communicate to tenants and the surrounding community. Make sure potential users know the solution exists and the benefits it provides.

06

Track Performance

Monitor occupancy rates, revenue growth, and customer satisfaction. Use this data to fine-tune offerings and scale successful solutions across other properties.

Appendices & Resources

Glossary of Terms

Ancillary Revenue

Income generated from non-rent sources within a property, including storage, parking, signage, amenities, and rooftop leasing.

Net Operating Income (NOI)

Total revenue from a property minus operating expenses, before debt service and taxes.

CapEx (Capital Expenditure)

Funds used to acquire, upgrade, or maintain physical assets such as buildings, storage units, or equipment.

Rooftop Leasing

Renting roof space for telecommunications, solar panels, or other commercial uses.

Occupancy Rate

Percentage of available units or space that is leased or generating revenue.

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- Tenant-Centered Design: Creating Value Beyond Rent, NMHC Whitepaper, 2021.

How To Engage Stuf Storage

Stuf Storage offers a turn-key solution that makes unlocking ancillary revenue simple and low-risk.
Owners and managers can:

Schedule a **property evaluation** to reveal untapped potential.

Receive a **custom conversion plan** designed for their property type, size, and tenant profile.

Access **marketing support** to promote storage solutions beyond existing tenants.

Track performance through a **transparent reporting system** that measures occupancy, revenue, and growth.



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