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Truck Parking Lease Considerations

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Business owners are frequently confronted with shortages or surpluses of vehicle parking spaces at their properties. To address shortages, businesses will typically attempt to find nearby properties with available parking spaces and negotiate leases for their parking needs. Conversely, a property owner with excess parking not required for its business can generate revenue from the surplus property. If demand can be matched with supply, it is a win-win proposition for both business owners which, while a relatively simple transaction to document, does require addressing several important legal points in the lease as follows:

1. Identification of the leased parking spaces is typically accomplished by indicating the address of the property, stating the number of parking spaces and depicting those parking spaces on a site plan attached to the lease.
2. Rent for the parking spaces is expressed in an amount per parking space per month due on the first day of each month during the term.
3. Parking leases are often on a month-to-month basis, but can also be for a fixed term.
4. Whether there will be a security deposit and, if so, the amount of the security deposit.
5. Access to the parking spaces (certain days of the week, limited hours, 24-7, etc.) and responsibility for security or security arrangements (closed circuit cameras, fencing, guards, etc.), if any, should also be considered and agreed upon.
6. Many local governments strictly regulate commercial vehicle parking on land when it is not ancillary to the principal business activities being conducted on the land. This must be carefully and dependably investigated upfront.
7. It is important that the landowner procures liability insurance from the parking space tenant wherein the owner is an additional insured, and the policy limits are in customary coverage amounts on an occurrence (not claims-made) basis.
8. Any limitation on activities to be conducted by the parking space tenant (such as loading and unloading vehicles, washing, or servicing vehicles, etc.) should be expressly stated in the lease.
9. Lastly, the parking space tenants should be responsible for any damage caused to pavement or to other vehicles or property on the land. This includes damage that may result from portable jack stands, installed leveling jacks, or any other type of steel leg supports resting directly on the pavement.