

# How Free Is Your Parking?



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**By Stuart Donovan**

***"Somehow, the urban land use with the biggest footprint and a profound effect on the transportation system has been invisible to scholars in every discipline."***

– Donald Shoup, *The High Cost of Free Parking* (2005)

## Introduction

Drivers in North America typically park their cars for free: Ninety-nine per cent of private vehicle trips end in a free car park.<sup>1</sup> As a result, it is not surprising that most people expect parking to be free at work, the shops, at school, and practically everywhere in between. At face value this expectation appears reasonable; surface parking is indeed easy to construct and it incurs minimal maintenance costs. This analysis unfortunately omits one important consideration: Parking takes up large areas of extremely valuable urban land. Using land for parking therefore reduces the land available for other, potentially more valuable, uses. Sensible developers should therefore consider the benefits and costs associated with providing parking, and set the level of parking accordingly. Unfortunately, the current approach to managing parking is anything but sensible.

Instead of allowing developers to weigh up the costs and benefits of providing parking, Canada's municipalities enforce blunt ordinances, or parking regulations, that require developments to provide large amounts of parking. This article looks at the origins of these parking regulations and discusses how they impact on our towns and cities. By soaking up large tracts of Canada's most productive urban land, this article will argue that parking regulations suppress economic development, undermine the transport system, and disadvantage low-income households. To finish, this article presents an alternative approach to parking management that involves rolling back parking regulations and instead relying on prices to manage demand.

## The origins of parking regulations

In the rapidly growing cities of the mid-twentieth century, street parking was often difficult to find. Car drivers were forced to circulate slowly through the streets trying to find an empty parking space, creating congestion, delays, and hazards for other road users. Such issues were anathema to the transport planners of the day, who were preoccupied with facilitating high-speed vehicle travel and bringing order to what they viewed as unacceptably chaotic urban streets.

Importantly, these issues were seen as the direct result of the short supply of parking, rather than excessive demand resulting from it being freely available. As a result, municipalities across Canada followed the lead of cities in the United States in enacting parking regulations that required all new developments to provide ample off-street parking.

The basis for parking regulations was very simple: Transport planners tried to estimate the peak demand for parking based on the type and size of the development. While seemingly reasonable, these regulations are in fact extremely onerous due to the amount of land they reserve exclusively for parking. For example, even today, the City of Richmond, B.C., requires that new banquet halls provide 10 parking spaces per 100m<sup>2</sup> of gross leasable floor area.<sup>4</sup> Given the average parking spot requires 20-40m<sup>2</sup> of space (including vehicle access-ways), banquet halls in Richmond are required to provide *at least 200-400m<sup>2</sup> of parking for every 100m<sup>2</sup> of banquet space.*

Despite their ubiquity both in Canada and overseas, the impacts of parking regulations have in recent years come under mounting scrutiny. For example, in *The High Cost of Free Parking*, Donald Shoup, who is Professor of Urban Planning at the University of California, questioned the engineering assumptions on which parking regulations are based and presented evidence on their negative impacts. This article builds on Shoup's trail-blazing work and presents three compelling reasons for parking reform. Parking regulations are shown to suppress economic activity, undermine the transport system, and disadvantage low-income households. We argue that parking is not free and that current regulations are not a good deal for municipalities, developers, businesses, consumers, or residents.

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## How parking regulations suppress economic activity

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Parking regulations suppress economic activity in a number of ways. Most importantly parking regulations tie up large areas of urban land and reduce the space available for other, potentially more-productive, uses. Parking regulations subsequently tend to increase the investment returns that developers require from the remaining area of land. In this way, the costs of providing parking are internalized into higher rents for businesses, which are then passed onto all customers in the form of more-expensive goods, services, and accommodation.

An obvious example is the impacts of parking regulations on the costs of residential accommodation. In medium- and high-density areas expensive structured and/or underground parking is often the only reasonable way of complying with parking regulations. The Toronto Parking Authority estimates the costs for constructing parking in the central city at \$20,000 and \$40,000 per space for surface and underground parking respectively.<sup>5</sup> With most municipalities requiring one or two parking spaces for every residential unit, providing parking adds up to \$40,000 to \$80,000 to the cost of the average residential unit.

By attempting to ensure free parking is available wherever we live and/or travel, parking regulations increase the cost of goods, services, and accommodation; we end up paying more for everything except parking. Moreover, when parking costs are bundled into the prices from the beginning, we are not encouraged to make lifestyle and travel choices that reduce our need for parking. As a result, the current cost of parking is much higher than it would be if people paid for their parking directly. In these ways parking regulations have negative effects on economic activity.

## How parking regulations undermine the transport system

Research suggests the value of parking equates to approximately USD\$0.12 per kilometre travelled.<sup>6</sup> To put this into context, charging the direct cost of parking to car drivers would be equivalent to a two to three fold increase in the price of gas.<sup>7/8</sup> Subsidies of this size are likely to have a considerable influence on people's travel and lifestyle decisions. In the short term, people would tend to think more carefully about how they travel; in the long term, people might weigh up where they decide to live, work, and play.

The role of parking regulations in undermining the transport system extends far beyond subsidies for car users. Parking regulations also drive down urban density and further exacerbate the need for motorized travel. This manifests in higher demand for parking, which over time has been reflected in ever-higher parking regulations, which then drive down density even further and in turn stimulate even more vehicle travel. Robert Cervero notes that parking regulations "... become self-fulfilling prophecies. They are based on the assumption that parking space requirements reflect a 'need' to travel by automobile and that consequently they encourage private vehicle use."<sup>9</sup>

By ensuring that parking is available at each individual destination, parking regulations increase the convenience of using cars in comparison to public transit; whereas transit users have to walk from the nearest stop cars users can typically park much closer to their destination. The impact of these regulations on the relative convenience of different transport modes is best considered by way of analogy: the convenience that parking regulations provide to car users is equivalent to a transit system that has a dedicated stop outside the front door of every store. This means that parking regulations actively create urban conditions that tilt the transport playing field in favor of car users in comparison to other transport modes, especially transit.

Parking regulations subsidise vehicle users, reduce urban density, create self-fulfilling demand, and increase the convenience of cars relative to other transport modes. It is simply not credible to view them as the passive response to the inherent, unavoidable need to travel by car. The availability and price of parking does affect people's travel and lifestyle decisions and it is for this reason that the near universal availability of parking undermines the transport system. It is an unfortunate irony that the effects of parking regulations run counter to the strategic transport objectives articulated by municipal transport planners, preventing the efficient use of vehicles, the uptake of alternative transport modes, and more compact urban development.

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## How parking regulations disadvantage low-income households

**Parking regulations have disproportionate, regressive impacts on low-income households...**

Low-income households “own fewer vehicles and pay more for parking as a percentage of housing costs.”<sup>10</sup> Parking regulations disadvantage low-income households because the costs discussed in the previous sections are not equally distributed. To understand why parking regulations disadvantage low-income households, we must consider how their effects are likely to be distributed differently across various socio-economic groups.

Low-income households spend a larger proportion of their income on consumables and accommodation, which are affected to a greater degree by subsidised parking costs.<sup>11</sup> As discussed previously, parking regulations incur greater costs in medium- to high-density areas, where structured or underground parking is often required, in comparison to low-density areas where surface parking is often an easy solution. Low-income households, such as those on welfare, students, or the elderly, tend to be over-represented in medium- to high-density residential areas

Finally, low-income households are likely to own fewer cars, carpool more often, travel more frequently at off-peak times (reflecting their propensity to work shifts and/or part time) and use alternative transport modes more often. Low-income households consequently derive less direct benefit from parking regulations.

## Pulling the plug on parking regulations: Alternative parking management solutions

In 1985, Robert Cervero wrote, “relaxing the parking requirements of municipal zoning ordinances should also be a reformatory priority,” and went on to argue for “stronger reliance on market pressures to set the of parking supply.” Little has changed in the 25 years since his article was published, despite substantial evidence demonstrating both the negative impact of parking regulations and the viability of more market-oriented parking management solutions.

Progress on parking reform has been somewhat thwarted by a convergence between professional and political expediency. Transport planners have in many places clung desperately to parking regulations, in reflection of an unfounded confidence in, or bias toward, preserving the status quo. Much of this confidence reflects the mistaken belief that parking regulations are robust and accurate technical standards describing how much parking is needed, as opposed to what they actually are: Rough and ready models of complex socio-economic factors.

Professional resistance to parking reform often finds support at the political level: it is more expedient to foist parking costs onto developers, which are then passed indirectly on to consumers in the form of higher prices for goods and services, than it is to confront people directly with the costs of the parking they use. This recognises the democratic incentive for politicians to do what is popular, rather than what is best, thereby perpetuating parking regulations and free parking despite evidence demonstrating its overwhelmingly negative effects. The near universal supply of free parking has also fuelled popular feelings of entitlement; many people now feel ripped off in situations where free parking is not provided.

Notwithstanding these professional and political challenges, parking reforms have been successfully implemented in some cities. For example, Auckland, New Zealand, and Brisbane, Australia, have abolished minimum parking regulations in their downtown areas and now use prices to manage demand for parking. Wellington, also in New Zealand, has abolished parking regulations not only downtown but also in selected outlying suburban town-centres. Portland and San Francisco are examples of North American cities that have implemented similar reforms.<sup>12</sup> Many of these cities, particularly Auckland and Brisbane, have comparatively undeveloped public transit systems and high levels of vehicle ownership and use.

Canada’s municipalities should follow the lead of these cities and recognize the benefits of moving towards a more market-oriented parking solution. There is no ignoring the outdated and fundamentally flawed assumptions that underpin parking regulations.

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**Encouraging more-efficient use of cars, parking reform has the potential to support new services that reduce the need to travel altogether.**

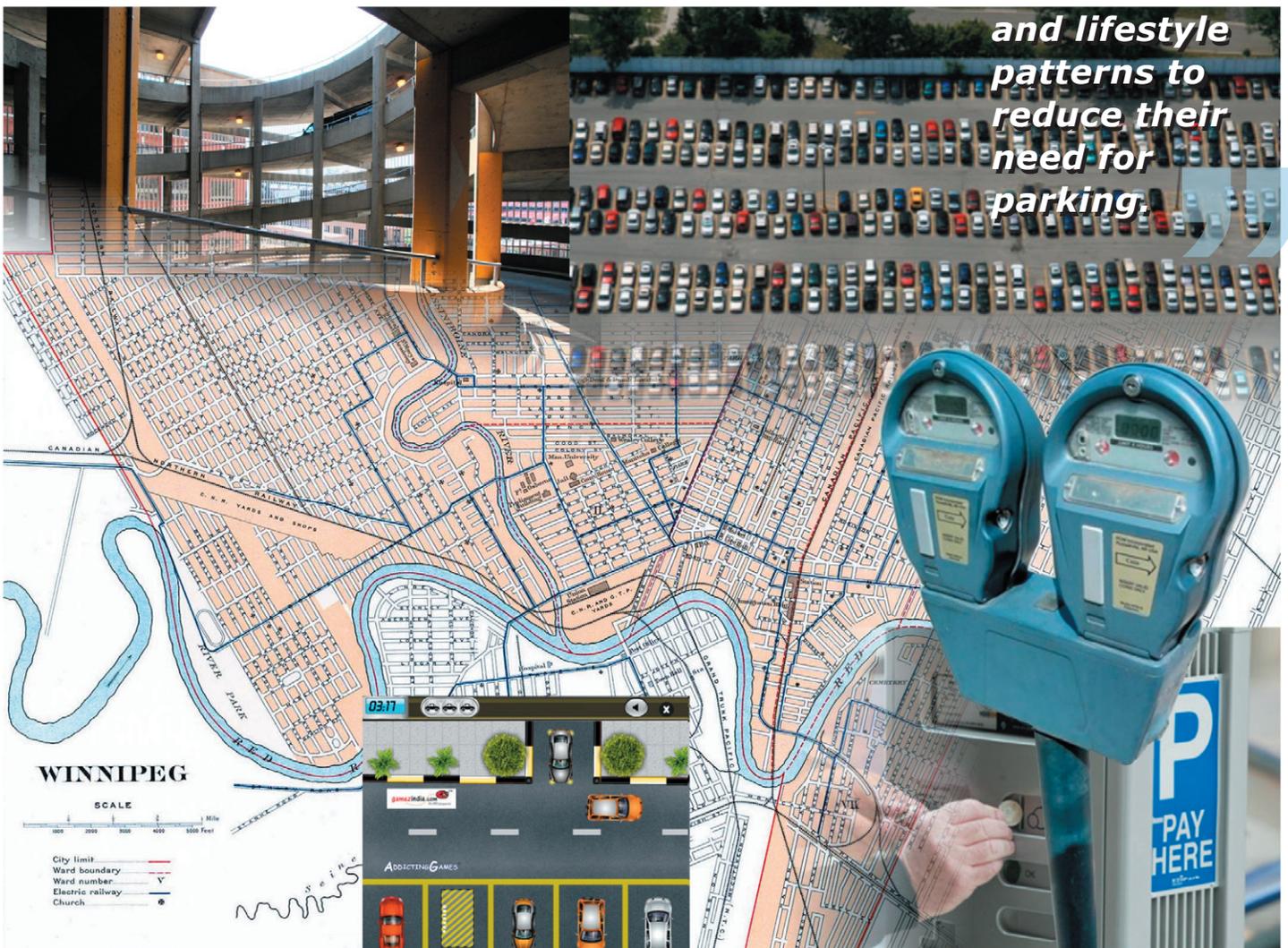
Put simply, developers, businesses and consumers are far better placed than municipal transport planners to evaluate the value of providing and/or using parking. Shoup describes parking regulations as a “disastrous substitute for millions of individual decisions ... about how much a parking space is worth.” We suggest that parking regulations could be abolished, not only in downtown areas but also in smaller towns and suburbs. While such areas may have only limited access to public transit, parking reforms would encourage more-efficient use of cars—through responses such as carpooling and making fewer trips to the store by stocking up when there. These alternatives exist even in the smallest town and are not dependent on the availability of public transit. In addition to encouraging more-efficient use of cars, parking reform has the potential to support new services that reduce the need to travel altogether. Such services include car-sharing and home-delivery, both of which already are available in some Canadian cities (see for example [www.carsharing.ca](http://www.carsharing.ca) and [www.spud.ca](http://www.spud.ca)). The development and expansion of these services is undoubtedly undermined by parking regulations.

The removal of parking regulations is likely to result in a reduction in off-street parking and increased demand for street parking — an issue commonly known as spill-over parking. Shoup notes that this situation causes the greatest anxiety for municipal authorities: What do they do when irate local residents confront them asking, “How could you let this happen?” Municipalities must therefore be willing to implement demand management measures, particularly charging for parking, where high demand for street parking materializes. Obviously in some situations it is not worth charging for parking until demand is sufficient to pay for the costs of the meters and revenue collection. This means that residents of sleepy suburban streets, where demand for street parking is usually low, should not live in fear of metered parking in the near future.

Finally, the impacts of removing parking regulations, particularly increased demand for street parking, are expected to materialise slowly and predictably in conjunction with ongoing urban development. The incremental nature of development means that municipalities can develop and implement management measures at a speed that allows residents to gradually adjust their travel choices. This not only reduces the direct costs of the priced parking, but also allows some time for alternatives to establish.

While removing parking regulations and implementing prices to manage demand sounds like a simple solution, it actually represents a paradigm shift in parking management practices. The unintended economic, social, and cultural consequences of parking regulations are likely to persist for several decades, increasing the urgency associated with these reforms.

***Municipalities can develop and implement management measures at a speed that allows residents to adjust their travel and lifestyle patterns to reduce their need for parking.***



## Conclusion: How free is your parking?

**Reforms should seek to abolish parking regulations and instead use prices to manage demand for street parking...**

There is no such thing as free parking and parking regulations are not a good deal for municipalities, developers, businesses, consumers, or residents. While a free parking spot right next to the supermarket entrance on an icy winter morning may seem convenient, parking regulations are an extremely expensive way to realize this convenience. Premised on the assumption that car users should always be able to park for free, parking regulations do not recognize the value of land and for this reason have widespread negative effects. Parking regulations suppress economic activity by driving up prices for goods, services, and accommodation; undermine the transport system by subsidizing vehicle use and reducing development density; and disadvantage low-income households by inflating the cost of consumables and higher density residential units.

Municipalities should seek to abolish parking regulations and instead use prices to manage demand for street parking—in effect creating a market for parking. Such reforms would encourage more-efficient use of vehicles and increased uptake of alternative transport modes. In the medium to long term parking reforms would support the emergence of new lifestyle patterns, services, and technologies that reduce the need to travel altogether, such as flexible working hours, car-sharing, home-delivery, and telecommuting. Grasping the real and potential benefits of parking reform, as some overseas cities have already done, requires a shift in urban transport planning away from 'predict and provide' to 'price and manage.' This shift must occur, and the sooner the better, if Canada's municipalities are to improve their economic, social, and environmental performance.

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