WHY WE DON'T NEED MINIMUM PARKING REQUIREMENTS

- White Paper -

July 2020

MRCagney

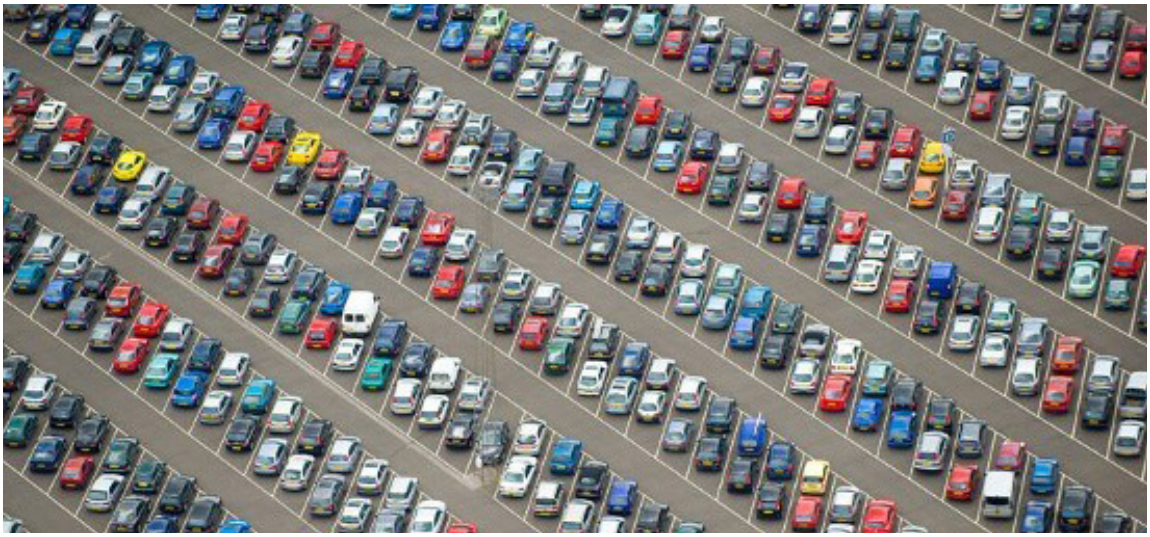
BETTER TRANSPORT • BETTER PLACES • BETTER CHOICES

Introduction

The average person is unlikely to have heard of a seemingly harmless piece of planning regulation known as minimum parking requirements. If they have, they may not have given it much thought. These parking requirements have had a huge impact on the form and function of urban areas, and this is only just beginning to be understood in some jurisdictions. This paper will discuss the impacts of minimum parking requirements, the benefits that can be unlocked by removing them, and these benefits shown in some examples from New Zealand and around the world.

Minimum parking requirements were introduced into planning schemes in the 1950s to address rapidly increasing vehicle use and pressure on public parking resources. At their core, they are planning regulations requiring each development to provide a minimum quantity of parking, based on an estimate of the activity's peak demand. The amount of parking required is calculated from a quantifiable component of the land use. For example, a certain number of parking spaces could be required per bedroom at a hotel, floor area of a retail store, or per classroom in a school.

These rates are typically based on 'trip generation databases', updated from time to time when surveys of vehicle trip generation are undertaken. This process, however, includes limited consideration of important influencing factors such as location, housing density, proximity to public transport and local walking and cycling networks.



More harm than good

Parking is obviously useful and provides a benefit in the form of space for employees and customers arriving by vehicle. However, forcing developments to provide more parking than is necessary is hugely damaging in many ways. Donald Shoup, a leading advocate of parking reform and UCLA Professor of Urban Planning puts it like this:
"*minimum parking requirements subsidise cars, increase traffic congestion, pollute the air, encourage sprawl, increase housing costs, degrade urban design, prevent walkability, damage the economy, and penalize people who cannot afford a car.*"

These unintended consequences are often poorly understood by both the public and government regulators. They also mean that minimum parking requirements are inconsistent with most local and national strategies for growth, housing, climate, and transport.

The image below shows a real-life outcome of minimum parking requirements. It shows Upper Hutt, a city in the northern part of the greater Wellington region in New Zealand's North Island. The parking, shown in blue, that has been required under local planning regulations, takes up approximately 50% of land in the town centre. This has created a disjointed urban form with significant space between each building.

These vast areas of parking make walking around the town centre difficult and dangerous. It also generates more traffic on the local roads leading to the centre making cycling or crossing the road more difficult. Because the environment is not friendly to humas people spend less time there and consequently less money.

Image: Upper Hutt (Wellington), NZ. There is more land dedicated to parking than buildings in Upper Hutt creating a disconnected urban form and incentivising car travel. Credit: Google

International progress

Many cities around the world have begun to realise the damaging effects of minimum parking requirements and have started to reduce or remove them from their planning rules.

London

In 2004, the Greater London Authority enacted a reversal of its parking policy by removing minimum parking requirements and instead introducing a maximum limit on parking for new developments. Analysis of this change by Guo (2016) showed that parking provision fell by approximately 40% compared to what would have been provided under minimum parking requirements. This meant that between 2004 and 2010 there were approximately 143,000 fewer spaces built across 22 of London's boroughs than would have been with minimum parking requirements. The costs alone of providing this magnitude of parking are staggering.

Mexico City

In most cases, minimum parking requirements combine the cost of parking into the overall cost of development. A study by Reséndiz and Gavaldón (2018) in Mexico City found that for large developments parking typically accounted for between 30 - 40% of the total cost of the project. This cost was transferred to residents and shoppers in the form of higher prices for housing and goods. At the same time, only about 30% of trips in Mexico City are made by private vehicle. This meant that parking in developments across the city was only being used by a minority of people but was subsidised by the non-driving majority. Additionally, the 30% of people driving private vehicles in Mexico City were generally more affluent than those without a vehicle. Mexico City removed minimum parking requirements in 2017.

New Zealand progress

In last 15 years or so, most major cities in New Zealand have either removed minimum parking requirements in their central city areas or scaled the minimum rate back. However, city centres account for a small proportion of overall urban land and, in most cases, minimum requirements are still applicable across the majority of urban areas.

Auckland

In 2011, Auckland's seven councils merged into one, forming the current Auckland Council. This presented the opportunity to create new rules for a larger city. When the Auckland Unitary Plan (Auckland's new planning rule book) was being developed, Auckland Council sought to remove minimum parking requirements from most areas and types of land use. This was one of the fiercely debated aspects of the Unitary Plan and eventually minimum parking requirements were removed from most commercial centres and higher density residential zones. The minimum requirements were retained on most other residential land, industrial land, and larger scale retail land.

There has not been in-depth analysis of the Auckland experience, however the intended outcomes of removing minimum parking requirements was to encourage more development in commercial centres, enable higher residential densities, and more affordable housing. This appears to be working well, with apartment development increasing by nearly 50% between 2016 and 2018.

Tauranga

In 2013, minimum parking requirements were removed from the Tauranga City Centre area. Analysis of this change showed that in the six years following the removal of parking requirements there were five new developments of notable scale in the city centre. Collectively, these five developments provided 321 fewer parking spaces than would have been required under the previous parking rules, equating to around 9,000 square metres of floor area.

Tauranga City Council required developers to pay a parking impact fee for dispensations from the minimum parking requirements. The fees for these five developments would have totalled $3.9m. Therefore, these developments would either have not occurred (as they may be been cost prohibitive), they would have supplied an excess of parking, or they would have had to pay nearly $4m in fees for providing less parking than the required minimum. The excess parking would have been a low value use for the land and would have incentivised more vehicle trips to the city centre. In both development scenarios, the costs for the development would have been significantly more than the actual cost.

Interestingly, in the ten years prior to 2013, there were no notable developments in the Tauranga city centre.

New Zealand progress

Housing choice

Since the adoption of the Auckland Unitary Plan, some developers, such as Ockham Residential, are building residential developments with very little or no parking. These developments are mostly in locations near local shops and services, and with good access to public transport and cycleways. Ockham have stated that removing parking can reduce the costs of an apartment by around NZ$75,000, which is significant in this era of housing unaffordability.

Opponents argue that it is unrealistic to expect people to not own a car. However, the point is that this type of development offers consumers choice. It could be argued that it is more unrealistic, not to mention unfair, to expect some people to pay $75,000 for something they do not need. There are plenty of apartments with parking for people that own a car.

Ockham is also providing car share in some of their developments, so residents have the option of using a car when they need one. Car sharing is growing internationally and allows people to move to a "pay for what you use" model for vehicle use without the added costs and hassle of capital purchase and financing, registration, insurance, maintenance, and storage.

Policy change

The New Zealand Government's Urban Growth Agenda aims to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out. A key component of this agenda is the National Policy Statement for Urban Development (NPS-UD) which has the following objectives:

- enable quality urban environments and efficient land use
- reduce the cost of development

To achieve this, the NPS-UD removes the ability of local authorities to require a minimum level of parking with new developments. This is being enacted at a national level, so all local authorities will need to update their planning regulations to include this change. This is a significant change which would leave decisions about how much parking to provide with developers. Such decisions will need to carefully weigh up the costs and benefits of providing parking with consideration of a range of factors. The NPS-UD was approved by New Zealand parliament in July 2020 and comes into force on 20th August 2020.

Image: Ockham development in Mt Albert, Auckland. 32 apartments (right) replacing a single dwelling (left). Location near a train station and high frequency bus route. Photo credit: Google (left) and S Ebbett (right)

Benefits

Most places, whether at a national, state, or local level, have strategic outcomes related to encouraging public transport, improving environmental outcomes, increasing density in areas with good transport connections, and making housing more affordable. Minimum parking requirements work in direct conflict to these outcomes. Amending planning rules to make parking provision an individual market decision that can be determined through consideration of various contextual factors will have a range of benefits.

As has been seen in Auckland, Los Angeles, and Miami, removing minimum parking requirements incentivises developers to build in existing urban areas near good transport connections rather than cheaper land on the urban fringes. Allowing development to occur in these areas supports greater use of alternative transport modes and reduces the addition of vehicle traffic on the road network. Allowing for less parking lowers the costs of development with the savings passed on to consumers through more affordable housing, goods, or services. Less land covered with parking improves urban form by allowing for a more connected and walkable built environment and more active street frontages.

The commitments made in the Paris Agreement in 2015 mean that signatory parties need to drastically reduce climate change causing emissions. Transport is one sector where substantial gains in reducing emissions can be made. Removing minimum parking requirements will contribute towards emissions reduction by reducing the subsidy to driving which will in turn make alternative transport options more attractive. Less parking also means less impervious surfaces which reduces the heat island effect and reduces stormwater runoff and treatment costs.

Other considerations

Lost opportunity for development

One of the consequences of minimum parking requirements is the lost opportunity for development due to the constraints, both in terms of cost and space, imposed by minimum parking requirements. Developers will assess the suitability of a site for constructing intensive housing, but once the space requirements of parking are considered it may well be economically unfeasible and the plans are never progressed. Take the Mt Albert example in the picture above. If this development were required to have one parking space per apartment, it would be almost impossible to achieve on the site and the development would never have occurred.

This lost opportunity for development was also observed in Los Angeles and Miami. In 1999 the City of Los Angeles passed a new planning ordinance that exempted downtown housing developments from the minimum parking rules. The result was that between 1999 and 2008, 70 vacant buildings were converted into over 6,000 housing units. That was more housing built in that area than the previous 30 years. The City of Miami, in 2015, followed in a similar way by removing minimum parking requirements for downtown areas that were well served by public transport. Referring to the change, a local developer said "*we wouldn't have been able to build what we want to build on these small lots if we had to include parking, it would have become uneconomical for us*". Since 2015, Miami has seen an explosion of medium density housing built on small sites in areas with good alternative transport options, improving housing choice and affordability.

This lost opportunity is difficult to evaluate but these cities show how removing minimum parking requirements can quickly unlock the development potential creating dense vibrant neighbourhoods with more affordable housing.

Alternative transport options

There are much better transport options for people living in inner suburban areas than a few decades ago. You can order a vehicle with a driver from your smartphone and know exactly how far away they are. You can book yourself a bicycle, e-scooter, or car in the same way. Public transport networks are improving all the time and most cities have frequent services through the day and into the night. Cycle networks are being continually rolled out, and this is increasing as interest in cycling spiked during the Coronavirus pandemic. Minimum parking requirements, however, do not allow these factors to be accounted for.

What to expect

It is important to realise that removing the regulatory requirement to provide parking doesn't mean that new developments will provide no parking at all. Rather each development will make an informed market-based decision on parking that more accurately matches parking supply to demand. Since the removal of minimum parking requirements across large parts of Auckland in 2015 there has been a huge amount of residential and commercial developement and most still have parking. The change will be gradual.

Reducing the parking over-supply will help to create a market for parking similar to what operates in most city centres. A market where spare parking is sold by private operators has two main benefits. It allows for more efficient use of existing supply reducing the need for more parking, and it burdens individuals to pay for the costs of their parking rather than the whole of society. If people using parking pay the cost of supplying that parking then someone walking or catching public transport doesn't have to.

Innovative approach

Hastings, in New Zealand's North Island, took an interesting approach in establishing the basis for how parking should be managed in the city. They asked the public whether public parking should be paid for by everyone through rates or paid for by the users through metered parking. The public thought that it was fairer to have users pay for parking. Consequently the council introduced priced parking. This was an innovative way to address this issue with the public.

Public complaints

As we all know the public loves to complain about parking. Minimum parking requirements actually give more ammunition to public complaints. When councils grant exemptions to the minimum number of parking spaces this "shortfall" in parking spaces is often referenced in complaints and arguements about a lack of parking. The shortfall of course is theoretical because the required minimum number of parking spaces is based on flimsy outdated evidence that doesn't reflect what a development actually needs.

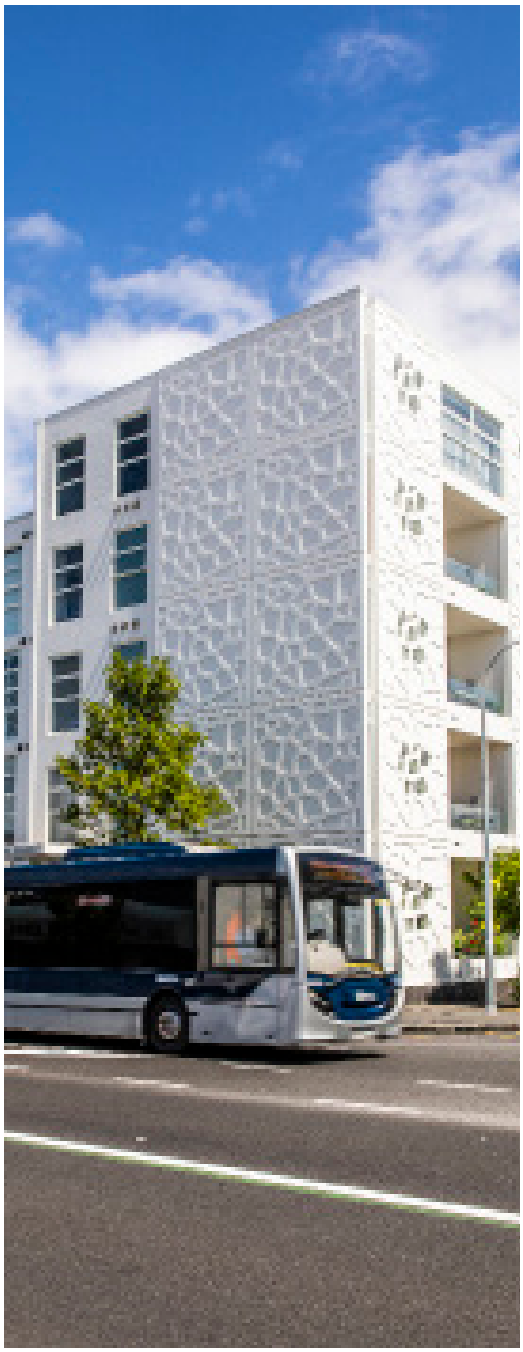
Parking management

The best way to reduce complaints about parking is to adopt a pro-active parking management approach that seeks to avoid parking issues in the first place. However, it is possible that an outcome of removing minimum parking requirements will be that the public parking supply will be more sought after. To deal with this, local authorities will need to develop effective public parking management strategies that can manage increases in parking demand and ensure efficient use of the public parking resource. Waka Kotahi (the NZ Transport Agency) has developed parking guidance resources to help local authorities with parking management in response to increased demand.

Conclusion

Cities will find it difficult to achieve lofty transport mode shift goals when excessive parking is being required in new developments. Creating dense, walkable, and vibrant urban neighbourhoods where people can easily live with reduced car ownership is a worthwhile ambition, but minimum parking requirements are holding back progress on this. Removing these parking requirements and leaving parking provision to the market is a more effective strategy to reduce vehicle dependency, improve housing affordability, and create better urban form. A denser city that is easier to get around using sustainable transport options also has significant environmental benefits and helps to reduce carbon emissions.

For too long minimum parking requirements have been a hidden factor in ongoing cycle of auto-dependency. Removing them should be a priority.



This White Paper has been produced by Scott Ebbett of MRCagney, New Zealand. MRCagney has been at the forefront of parking reform in New Zealand over the past 15 years. We have helped many cities understand the benefits from removing minimum parking requirements and explained how their planning rules and parking management approach can support this.

Contact MRCagney or Scott directly if you would like to discuss this further.

sebbett@mrcagney.com
auckland@mrcagney.com
Tel: +64 9 377 5590