



PARKING POLICY INNOVATIONS

Implications for Cities
and Developers in 2021

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Urbanism Next
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ULI
BUILDING
HEALTHY
PLACES
INITIATIVE



Leveraging the power of ULI's global networks to shape **projects and places** in ways that improve the health of **people and communities.**

SELECTED HEADLINES IN 2021

The New York Times

Why the Fight Over Parking in New York Is 'Like the Hunger Games'

Since the pandemic hit, car ownership has soared, stoking tensions over parking spots. Advocacy groups for mass transit don't have much sympathy.

Why It Is Time to End Mandatory Parking Minimums in Dallas

WIRED

The Pandemic Prompts Cities to Rethink the Parking Spot

Some urban designers have long wanted to reduce the area set aside for cars. Covid is giving them a chance.

IndyStar.

Less parking, more walking: Indy adopts big changes to bolster Red Line, future transit



The U.S. has about
2 billion parking spaces,
but only 250 million cars.

**THAT'S 8 PARKING
SPACES PER CAR.**



DECREASING DEMAND FOR PARKING BEFORE 2020

Parking usage going down

Models predict a reduction in overall parking demand between **10** and **40 percent** over the next few decades. *(ITE)*

High demand for car-light lifestyles

52 percent of people and **63 percent** of millennials want to live in a place where they do not need to use a car very often. *(ULI)*

BUFFALO, NY

REMOVED MINIMUM PARKING REQUIREMENTS
CITYWIDE IN 2017

Peter S | <http://i.imgur.com/BA6Jdxj.jpg>

DUNWOODY, GA

TRANSFORMED FORMER MINIMUM PARKING
RATIOS TO PARKING CAPS IN 2020

James Willamor | <https://www.flickr.com/photos/bz3rk/4231676589/>

MONTGOMERY COUNTY, MD

DEVELOPMENTS WITH MORE THAN ONE USE MAY
PROVIDE SHARED PARKING SPACES

Montgomery Planning

SANTA MONICA, CA

2015 UNBUNDLING POLICY REQUIRES OFF-STREET
PARKING SPACES TO BE SOLD OR LEASED SEPARATELY

Cayambe

ULI RESOURCE

Parking Policy Innovations in the United States

knowledge.uli.org/en/reports/research-reports/innovations-in-parking-policy





SELECTED TRENDS INFLUENCING PARKING POLICY

FOCUS ON SUSTAINABILITY, HEALTH, AND SOCIAL EQUITY

CHANGING SHOPPING PREFERENCES

HISTORICALLY HIGH CONSTRUCTION COSTS

ADVANCES IN TECHNOLOGY

POPULARITY OF HUMAN-POWERED TRANSPORTATION

MICROMOBILITY

Micromobility can play a role in reducing the need for parking

36 percent of trips using shared micromobility replace a car trip. *(North American Bikeshare Association)*

Developers may be allowed to build less car parking

By accommodating micromobility vehicles on site, developers may be able to reduce the number of automobile parking spaces they are required to provide.



IMPLICATIONS FOR MUNICIPALITIES

Excess parking can negatively affect the bottom line for cities

Parking often earns only **7 to 42 percent** of the **tax revenues** earned by other land uses. *(SSTI)*

Municipalities bear the consequences of overabundant parking

Impermeable parking surfaces increase **runoff**, **strain stormwater systems**, and increase **infrastructure maintenance costs**.





IMPLICATIONS FOR REAL ESTATE DEVELOPMENT

Parking is a significant expense for developers

Parking can represent **10 to 18 percent** of typical building development costs. This can make parking the single most expensive budget item in a project pro forma. *(VTPI)*

Building less parking can lower development costs

For a Los Angeles shopping center, it was estimated that parking would increase construction costs **93 percent** if parking were placed underground. *(Access)*

IMPLICATIONS FOR AFFORDABLE HOUSING & SOCIAL EQUITY

The background image shows a modern townhome complex with colorful siding (blue, yellow, red). Three people are walking on a paved sidewalk in the foreground. A large, abstract stone sculpture is visible on the left. Business signs for 'YO STYLE Hair Design' and 'Touch Of Glass' are visible on the buildings.

Parking is not an equitable community benefit

Parking costs are often passed along to the end user and **contribute negatively** to **housing affordability**.

Charging separately for parking can reduce housing costs

The inclusion of a **garage parking space** adds an average of **17 percent** to a unit's **rent**. (*Access*)



WHAT'S NEXT?

New light vehicle registrations reached a 10-year high in March 2021, with 1.64 million cars registered nationally...

BUT

...micromobility and walking and biking are also expected to gain ground.
(McKinsey & Co)

AND

Some cities are working to create or formalize safe and equitable public spaces in areas formerly used for parking—for the long-term.



2020 ULI MEMBER SURVEY

“

We've developed with less parking when we've felt the market could support it...COVID will reset expectations in the near term, but we believe recent conditions will come back in the long term.

Developer with projects in San Jose

VS

“

Post-COVID, we don't believe projects without on-site parking will be viable

Developer with projects in San Jose

2020 ULI MEMBER SURVEY



Micromobility and other new mobility trends are paramount as they speak to the declining need for private automobile-focused transportation...Automobile parking should be targeted to the lowest commercially accepted amount.

Lender/investor who underwrites projects in the U.S. Southeast

A photograph of a busy city street at dusk. Tall buildings line both sides of the street, and the sky is a mix of orange and blue. In the foreground, a yellow taxi is stopped at a crosswalk. Pedestrians are crossing the street, and a person is riding a bicycle. The overall scene is a typical urban environment.

“

In general, car ownership is gonna go down, parking is gonna go down.

Nationwide...the two biggest issues...are housing affordability and climate change, eliminating parking helps with both of those.

David Schwartz is a co-founder and principal of Slate Property Group, quoted in Bisnow in September 2021

2020 ULI MEMBER SURVEY

Lenders and investors do not *control* parking decisions, but their investment decisions may be influenced by the amount of parking included in a project.

*“As bankers, we require that developers build to meet approvals. We would **never require parking in addition to approvals.**”*

Large institutional lender, operating across North America

*“We may determine that a project is, in our opinion, **under parked...which would impact the amount of the loan** we would offer.”*

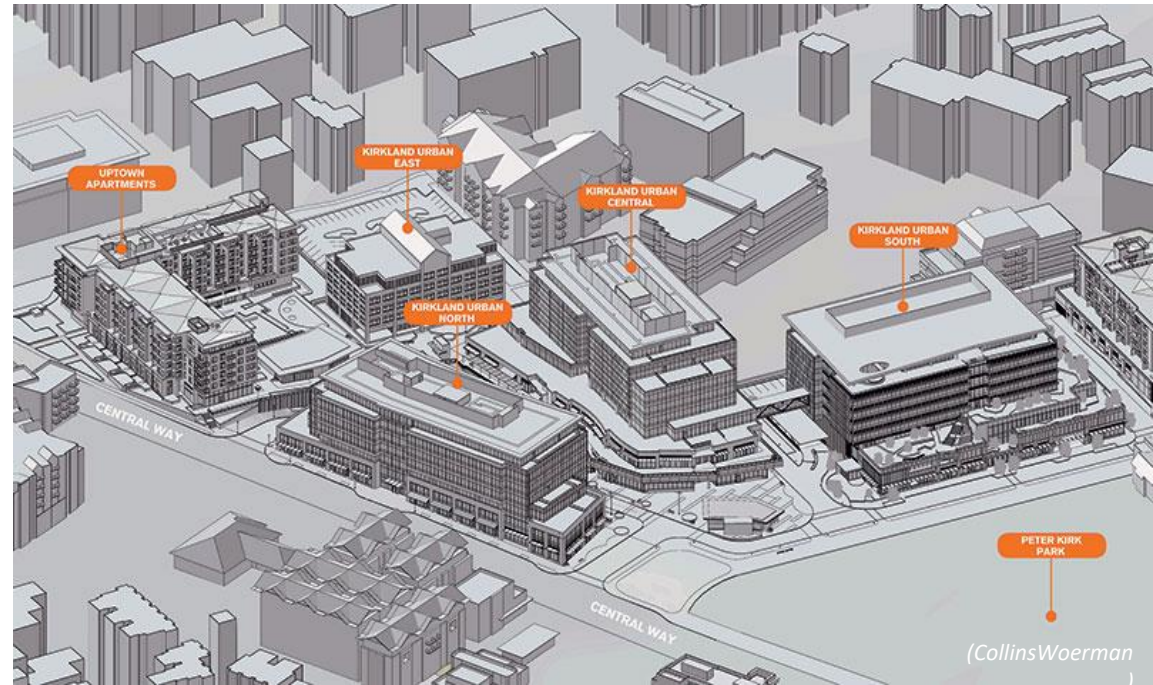
Large institutional lender, operating across North America

Redevelopment of a 1980 strip center in suburban Kirkland, WA

Mixed uses-

- 925,000 sf office space
- 165,000 sf retail
- Nine-screen cineplex
- 185 apartments (unbundled parking)

Urban-style mixed uses with 1,500 fewer parking spaces than would have been required without sharing



Maximum cumulative peak parking demand of 2,287 cars at noon on a weekday at full buildout

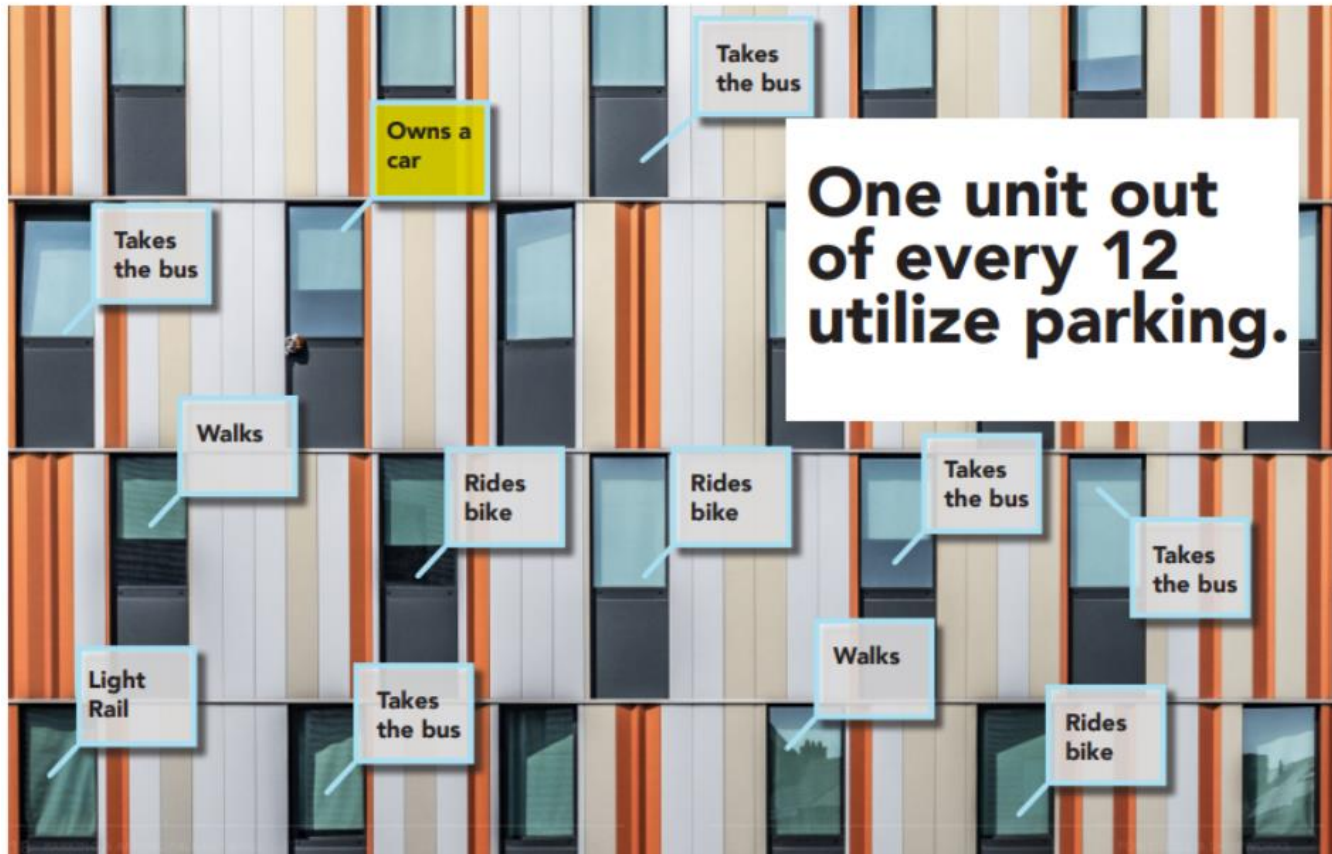
Difference of 1,460 parking spaces between the code-required spaces and the projected maximum demand

Potential cost savings of \$65.7 million in development costs

Average shared parking ratio of 1.5 spaces per 1,000 square feet—far below conventional suburban ratios but higher than typical downtown ratios



AFFORDABLE HOUSING PARKING DEMAND



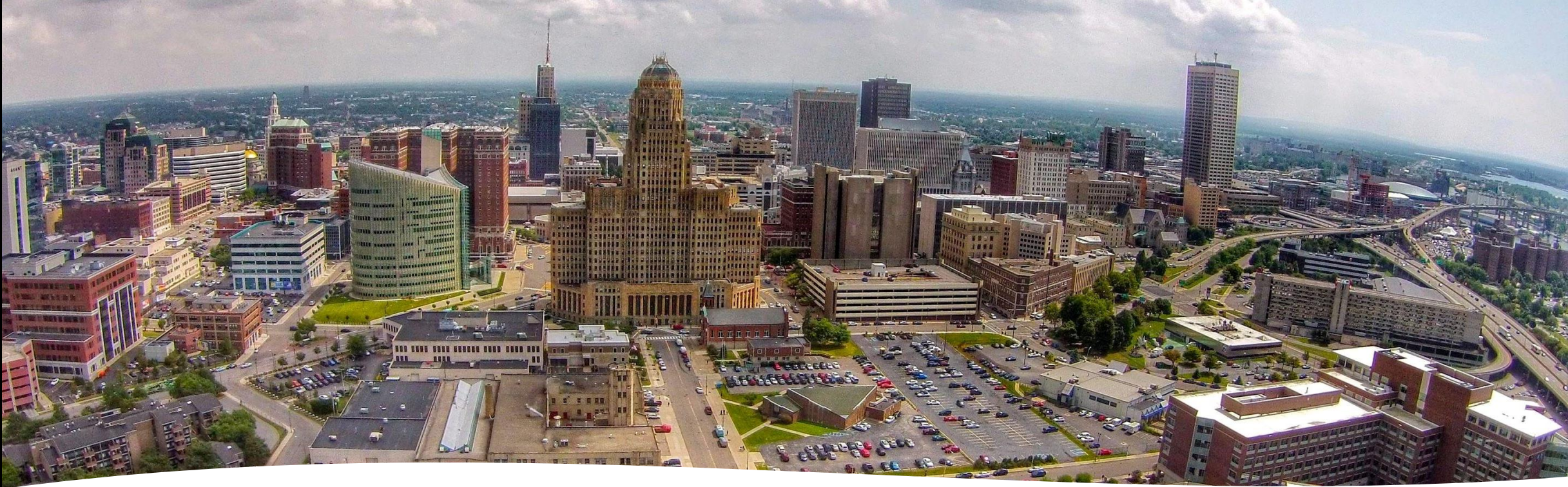
2020 study by Fox Tuttle and Shopworks Architecture audited of parking usage in affordable housing in cities along the Colorado Front Range

Oversupply of parking

Income-restricted properties provided 50 percent more parking than residents used.

Parking limits other investments

Estimated **\$9,460,000** spent to provide unused parking instead of investing in more housing units, parks, or other amenities.



Surveys showed that **74 percent** of people strongly supported **repealing minimum parking requirements**

(Journal of Urbanism)

14 mixed-use projects developed since 2017 provided **52 percent less parking** than previously required

4 projects built **zero parking**, others **shared parking**, & **TOD** increased

(APA)

SOUTH BEND, INDIANA



**ABOLISHED MINIMUM PARKING REQUIREMENTS
CITYWIDE IN JANUARY 2021**



ST. PAUL, MINNESOTA



**ABOLISHED MINIMUM PARKING REQUIREMENTS
CITYWIDE IN AUGUST 2021**



(Wikimedia Commons - Cliff)

BOSTON, MASSACHUSETTS



**UPDATED MAXIMUM PARKING RATIOS IN
SEPTEMBER 2021**



DALLAS, TEXAS



**EXPLORING UPDATING PARKING REGULATIONS FOR
FIRST TIME IN 60 YEARS**



THE PORCH AT 30TH STREET

Philadelphia, Pennsylvania



BEFORE

**WHICH TRENDS
WILL WE BUILD
UPON?**



AFTER

Hris Richman, Courtesy of University City District

A dark, blurred background image showing several pairs of hands in business attire writing on documents or a large table.

THANK YOU

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knowledge.uli.org/en/reports/research-reports/innovations-in-parking-policy

Urbanism Next | September 28 webinar