Parking Policy Reform
Potential Benefits of Implementing Off-Street Parking Policy Updates

Background

Automobile parking and storage play a prominent role in current transportation and land use systems. However, parking must be managed properly and respond to evolving supply and demand. Equally important are the impacts of parking on community form, character, and quality of life.

A new body of research shows that traditional approaches to parking often lead to an oversupply. Some studies estimate that in the United States today more than eight parking spaces per vehicle, and in some cities as many as 30 spaces per car, are provided.¹

In addition to oversupply, other unintended consequences include increased development and housing costs, congestion, and less walkable, bikeable, vibrant, and sustainable communities.

Across the United States (and beyond), towns and cities are updating their parking policies to better manage existing parking supply, reduce traffic, cut pollution, and lower development costs. Strategies include eliminating the minimum number of required parking spots, establishing parking maximums, and adopting policies that allow developments to unbundle and/or share parking inventories among compatible uses.

While policy reforms can support the creation of healthier, more sustainable places, cities may face real or perceived challenges when communicating the benefits of these policies to real estate and local stakeholders.

Content below offers guidance in balancing stakeholder interests through key message points articulating the benefits of various parking reforms.

Motivations for Parking Reform

Parking policies are typically codified through local zoning. Once adopted, the policies are administered by city staff and rarely revisited. The approach results in most communities operating under a set of legacy parking ratios that fail to respond to actual supply and demand, changing mobility preferences, and market conditions.²

Traditional policies assumed that parking should be abundant and free; parking reform recognizes that too much parking can be harmful and that parking should be managed and priced for efficiency. In response, jurisdictions are eliminating minimum parking requirements, many are significantly reducing those requirements, and most are encouraging more efficient parking management.

<table>
<thead>
<tr>
<th>Construction Cost Estimates Per Parking Space</th>
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<tr>
<td><strong>Underground</strong></td>
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<td>National average</td>
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*Note: Refers only to construction cost. Does not include land.

Trends affecting parking reform include the following:

- **Historically high construction costs**, particularly in dense urban areas, contributing to housing affordability challenges—especially when factoring in the high costs of building on-site parking.\(^3\)

- **Changing shopping preferences, along with over-retailing**, is leaving many shopping malls, retail power centers, and their acres of parking vacant.

- **Popularity of human-powered transportation** (such as walking and bicycling), along with the availability of shared mobility services such as Lyft, Uber, and car-sharing services like Zipcar, and the growth of delivery services are reducing the need for individuals to own—and park—cars.

- **Advances in technology** are affecting all aspects of parking, including the opportunity to more efficiently manage existing stock using information technology that shares the location of available spaces, supports real-time dynamic pricing, and helps make shared parking options easier.

- **Arbitrary or antiquated local policies act to make developable land much more costly** than it is inherently, including off-street parking requirements and unnecessarily slow permitting processes.\(^4\)

Prompted by these trends, cities are revisiting parking policies to determine how standards impact development and exacerbate congestion of local roads. In the extreme, some cities have required 10 times more parking spaces than the number of actual households—a result of not effectively measuring and regularly updating their local parking policies.\(^5\)

A U.S. parking stall covers 300 square feet and typically sits vacant. This is because required parking is often greater than the amount ever in demand. For example, minimum parking for shopping malls is designed for peak shopping conditions (frequently defined as the Friday after Thanksgiving, or “Black Friday”) and leads to low-scale development surrounded by vast amounts of surface parking. Parking at office buildings is often well used during the day but unoccupied at night because spaces are not shared with adjacent land uses.

**In terms of construction, parking is 10 to 18 percent of typical building development cost and sometimes more.**\(^6\)

This can make parking the single most expensive budget item in a project pro forma. Development costs and decision-making are further affected by the fact that parking facilities require ongoing operation and maintenance.

Overly burdensome parking requirements also exacerbate housing affordability and shift affordable housing to less accessible sites where land prices are lower, but fewer services are reached by walking, biking, or transit.\(^7\)

Recognizing these impacts, communities across the nation are “right-sizing” their parking policies and enjoying the benefits, including making development more cost-effective, growing the local tax base, and improving air quality.

**Common Perspectives:**

Across the country, cities are pursuing policy change but often face pushback. Success can be found by articulating the key benefits to common stakeholder groups.

- **Developers:** Articulate and demonstrate that traditional parking policies may be onerous and that no- and low-parking reform reduce barriers and offer flexibility to help make development projects financially viable.

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\(^6\) Victoria Transport Policy Institute, *Transportation Cost and Benefit Analysis II – Parking Costs*.

\(^7\) Wenya Jia and Martin Wachs, “Parking Requirements and Housing Affordability: A Case Study of San Francisco” (Research Paper 380, University of California Transportation Center, 1998).
Residents: Articulate and demonstrate that parking is likely not in short supply, and more parking can negatively affect community character and overall quality of life.

Policy makers: Articulate and demonstrate that parking is not the highest and best use of land. Land uses other than parking can mitigate housing affordability while positively contributing local tax revenues and quality of life.

Key Messages Supporting General Parking Reform:

- **Parking requirements significantly increase the cost of development and housing.** The costs of acquiring land, building, operating, and maintaining parking facilities can be substantial and are often bundled with other building costs. Required parking drives up housing costs by about 15 percent or more, which is especially detrimental to affordability. Parking minimums also force developers to scale down projects or make them infeasible entirely.  

- **Parking at traditional ratios worsens traffic and congestion.** Certain studies show, on average, 30 percent of congested downtown traffic is composed of drivers searching for a parking spot. Circling vehicles contribute to poor air quality and congestion of local roads. Outdated parking policies are linked to attracting more drivers, worse traffic congestion, higher rents, and all the other social costs of over-reliance on cars.

- **Parking is generally not in short supply.** Most cities have an oversupply of parking, and ratios established to determine the required number of spaces have not kept pace with mobility and market trends.

- **Parking negatively impacts the bottom line for cities and towns.** Parking earns only 15 to 40 percent of the tax revenues compared to other land uses for living and working.

- **Every new structured parking space is a 30- to 50-year commitment to the status quo.** In other words, new parking structures can undermine local goals for climate, housing, and traffic mitigation for an entire generation.

- **Parking is not an equitable community benefit.** Limiting parking is good for neighborhoods and the developer’s bottom line. Although cities do not require developers to include amenities such as refrigerators and washing machines in their projects, they do require parking. Compulsory parking contributes to traffic congestion and drives up overall development costs. Parking costs are passed along to the end user and contribute negatively to housing affordability.

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Reducing or Eliminating Parking Minimums

Nationally, local parking policies are trending away from municipally enforced on-site parking minimums. Building the case for reducing or eliminating parking minimums is contingent on stating the financial and physical impacts of requiring overabundant parking, which starts by understanding common stakeholder perspectives and points of view.

Common Perspectives:

- **Developers**: Minimum parking is often viewed as inflexible, frustrating, and costly. The financial impacts of minimum parking requirements constrain planning, design, and creativity by forcing developers to devote substantial land and money to meeting the requirements. Minimum parking requirements divert funds that could otherwise be devoted to community benefits and amenities.

- **Residents**: Minimum parking policies are often assumed to provide protection from nonresidents parking on adjacent streets. Additionally, minimum parking requirements are often used to leverage community benefits as part of the development review process.

- **Policy makers**: Minimum parking polices are viewed as perpetuating automobile-oriented cities that dedicate excessive amounts of land to cars rather than housing. Minimum parking polices also increase the distance between destinations, making cities and towns less walkable, thereby perpetuating a cycle of less viable transit and mobility options, the need for more driving, and subsequently even more parking.

Key Messages Supporting Reducing or Eliminating On-Site Parking Minimums:

- **Communities and professional organizations support reduction or elimination of parking minimums.** San Francisco, California, and Minneapolis, Minnesota, announced elimination of parking minimums, joining Buffalo, New York; Hartford, Connecticut; Santa Monica, California; and Fargo, North Dakota. In early 2019, the Institute of Transportation Engineers (ITE) publicly supported elimination of mandatory minimum parking requirements. ITE also released updated tools to help developers and policy makers better understand parking demand based on newer, expanded data sets specific to use, community character, and neighborhood scale.14

- **Mobility is increasingly less dependent on parking** because of the popularity of ride sharing, car sharing, and the use of curbside areas for bus stops, loading zones, and bike lanes.

- **Parking utilization is going down.** Because of a combination of advances in technology and changes in consumer preference, future models predict a reduction in parking overall demand between 10 to 40 percent over the next few decades. This means providing parking at “traditional” levels is less important.15

- **Parking is a significant expense for developers.** In Honolulu a typical surface parking stall costs $10,000 to construct, not including land value, while a space within a garage may run up to $48,000.16 Providing the least amount of parking while remaining marketable to tenants is in the developers’ and investors’ interest.

- **Parking requirements discourage reuse of buildings.** Required parking for a new use is often difficult to provide on site. If not grandfathered, meeting parking regulations encourages demolition of adequate building stock, compelling developers to scale down their projects or to abandon plans when financially infeasible.

- **Reducing or eliminating parking minimums does not mean abolishing parking.** If on-street parking management is efficient, most developers will see an incentive to provide a balanced amount of parking.17

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14 Bruce Belmore, President’s Message, ITE Journal (February 2019).
16 Victoria Transport Policy Institute, Transportation Cost and Benefit Analysis II – Parking Costs.
▪ **Municipalities share the negative financial impacts of overabundant parking.** Impermeable parking surfaces increase runoff, strain stormwater systems, and increase infrastructure maintenance costs.\(^{18}\)

▪ **Reducing or eliminating parking minimums boosts local tax base.** Minimum parking requirements can cost cities up to $1,000 per space in annual tax revenues.\(^ {19}\) Land used for parking often generates less tax revenue than if used for buildings. The difference encourages land banking, because it is often easier for owners to collect revenues on the surface parking to cover their low annual property taxes. A few cities, such as Seattle, have adopted excise taxes on surface parking to discourage land banking practices and promote redevelopment.\(^ {20}\)

▪ **Reducing or eliminating parking minimums provides more land for people and housing.** Savings incurred by not building excessive parking can promote more efficient use of land and potentially foster more affordable housing and/or community amenities, such as usable open space.\(^ {21,22}\)

▪ **Reducing or eliminating parking minimums can significantly curtail development costs.** For a Los Angeles shopping center, it was estimated that parking would increase construction costs by 67 percent for an above-ground garage and by 93 percent if parking were placed underground.\(^ {23}\) Additionally, policy significantly streamlines the development review and permitting process, thus saving time and money.

▪ **Reducing or eliminating parking minimums allows developers more flexibility in use of their property.**\(^ {24}\) In areas where the infrastructure is in place, it makes sense to offer developers flexible parking requirements so a project can perform better economically while also responding to neighborhood needs and desires.\(^ {25}\) Increasingly, neighborhood groups have been highly active in encouraging reliance on—and infrastructure support for—walking, bicycling, and transit, and they endorse developments that deemphasize the automobile.

▪ **Reducing or eliminating parking minimums does not prohibit developers from building parking.** They are still free to build parking in response to anticipated demand; the policy change only stops a local government from forcing developers to build spaces the market might not want.

▪ **Reducing or eliminating parking minimums allows a developer to treat parking as a line item cost** in its pro forma and make decisions accordingly.

▪ **Reducing or eliminating parking minimums facilitates** more efficient development time frames and helps reduce costs by enabling more by-right development.\(^ {26}\) Relaxed parking minimums serve to streamline the development review and permit process. Developers have less need to seek waivers, variances, or rezoning.

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\(^{24}\) Institute of Transportation Engineers, President’s Message, *ITE Journal* (February 2019).

\(^{25}\) SPUR Housing Committee, “Reducing Housing Costs by Rethinking Parking Requirements,” chapter 2 of SPUR’s *Housing Strategy for San Francisco*, June 1, 2006.

Maximum On-Site Parking Requirements (aka Parking Caps)

Maximum on-site parking requirements restrict the total number of parking spaces that can be constructed. Cities set maximum parking requirements much like they set minimum requirements. A maximum number of spaces is often based on square footage of a specific land use. These can be in addition to or instead of minimum parking requirements.

When adopting maximum parking requirements, cities are seeking to manage their inventory of off-street parking, curtail an oversupply of parking, and reduce overall automobile use. Secondary goals can include improving area mobility, promoting the use of alternative modes, supporting existing and new economic development, maintaining air quality, and enhancing community design.27,28

Managing parking often begins by studying existing inventory. City leaders in San Diego, California, studied parking occupancy rates in “transit priority areas” and downtown and found that most areas had fewer occupied spaces than the number required by the city’s required parking ratios. Specifically, the study found that nearly 90 percent of sites outside downtown had fewer occupied spaces than the number of spaces required by code, and 100 percent of downtown study sites had lower parking demand than one space per unit. The study findings indicated support for maximums and are indicative of conditions nationwide.29

Common Perspectives:

• **Developers**: Maximum parking requirements are viewed as an opportunity for significant cost savings, positively affecting construction and ongoing operations/maintenance budgets. Parking caps can promote efficient design and provide more habitable/leasable space within a given floor area. Investments in parking may not provide the best return on investment, especially compared to lower-cost amenities that may be in greater demand.

• **Residents**: Maximum parking requirements are considered an adverse impact because limits on parking are perceived to contribute to spillover into surrounding residential areas. Data indicate that this is not an issue in most communities. For example, San Diego surveyed over 30 locations in transit priority areas and found that 9 of 10 sites had fewer occupied spaces than are currently required, and downtown the parking occupancy rate was less than one car per unit.30 Providing viable alternatives to driving and/or residential permits can mitigate or prevent spillover into residential areas.

• **Policy makers**: Maximum parking requirements improve the urban environment by preserving open space and limiting impervious surfaces; reducing congestion; encouraging attractive, pedestrian-friendly urban design; and promoting transportation choices. Cities can conduct research in advance of policy implementation to proactively address concerns related to parking policy reform.

Examples and Viewpoints on Financially Feasible Zero-Parking Projects (from the Urban Land Institute)31

Municipalities should consider parking maximums for areas that offer mobility options, such as walking, biking, ride sharing, and public transit. Once established, parking maximums change the culture, providing successful examples of developments with limited parking, which consequently makes it much easier for developers to persuade investors to get behind low- and no-parking developments.

• **Will Goodman, V.P., Strada Investment Group**: "There is an evolution happening with the investment community to accept no parking or low parking," he says. "We are seeing parking utilization rates go down in new buildings and technologies like ride share expanding. So, investors are increasingly buying into the story that most people don’t need parking day to day, especially if they are in an area that is near to transit and where traffic is bad. In these locations, people are typically not driving to work. They may want a car for weekend excursions, but it does not need to be on site.”

27 City of Portland Bureau of Transportation, *City of Portland Off-Street Parking Management & Guiding Policies.*
29 San Diego Planning Department, Transit Priority Area (TPA) Multifamily Parking Update, March 19, 2019.
• **Michael Lander, Founder & President, Lander Group**: “Lenders are starting to understand that in some of the denser, more transit-rich markets there is not as much need for parking. And they know the enormous cost of parking. So, there is beginning to be a changing of the status quo.”

• **Downtown Oakland, CA**: Assembling the right investors was the key to funding the luxury high-rise rental development project “representing the future of Oakland development.” The group understood the need to not provide parking, because the project location was well served by transit and nearby garages provided residents the option for secure parking space off site.

• **Minneapolis, MN**: Even in more car-oriented markets there are opportunities for reducing parking. A proposed mixed-use residential project in the Lyn Lake neighborhood aims to balance density and parking requirements with a desire to create a vibrant streetscape and public realm.

• **Beyond**: Flexible and maximum off-site parking requirements have helped spur development in San Francisco, California; San Diego, California; Portland, Oregon; and Seattle, Washington. Mexico City took the concept of parking caps one step further by requiring developers to pay a fee if they exceed the maximum off-site parking requirements. The program discourages excess parking without restricting the freedom of developers, airports, and agencies that require large amounts of parking. Collected revenues fund public transit improvements.32

**Key Messages Supporting Maximum On-Site Parking Requirements:**

- **Maximum requirements hold everyone to the same standard**: Concerns about negative impacts on project marketability should not be a concern for developers if all developments must adhere to the same “cap” or maximum limits.

- **Maximum requirements may be most suited for areas that offer choices for how to get around, including walking, biking, ride sharing, and/or transit.** It is also important for the area to be sufficiently stable economically to attract tenants without needing to provide a surplus of parking.

- **Maximum parking requirements** in neighborhoods offering mobility choices can reduce “parking blight” by making parking-light development financially feasible. Across the United States, flexible and maximum off-site parking requirements have helped spur development in cities such as San Francisco, California; San Diego, California; Portland, Oregon; and Seattle, Washington.

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Shared Parking

One of the most powerful tools to combat excessive and underutilized parking spaces is shared parking reduction standards. Shared parking means that parking spaces are shared by more than one user, which allows parking facilities to be used more efficiently. Although shared parking methodologies have been in use for decades, more than half of local municipal governments do not have a shared parking ordinance.33

Shared parking policies recognize that most parking spaces are used only part time, with utilization patterns that follow predictable daily, weekly, and annual cycles:

- **An assigned employee parking space is typically used only 2,000 hours, or just 23 percent of a year,** whereas an on-street parking space in a busy area often gets three times the use.34

- **Shared parking between mutually beneficial uses can reduce parking provision by 40 to 60 percent,** compared with the standard off-street parking requirements for each destination.35 For example, offices require maximum parking during weekdays, whereas restaurants and theaters require maximum parking during evenings and weekends.

The benefits of shared parking are numerous: for one, using existing parking more efficiently helps recover the sunk costs of oversupplied parking; for another, underused parking can absorb new parking demand, so that future buildings can be constructed with fewer stalls.36 Developers can build confidently, knowing that tenants can find parking nearby and municipalities can forgo spending on huge parking structures. Additionally, shared and more efficient use of existing parking inventory mean less congestion, fewer emissions, and lower rents.

**Common Perspectives:**

- **Developers/parking operators**: Shared parking can reduce development costs (including aesthetic and environmental impacts), allow greater flexibility in facility location and site design, and encourage more efficient land use. Sharing can yield higher use of existing parking and increased revenues. Newer parking operation systems and emerging technologies are making it easier and more lucrative for parking owners to determine how much they can share and make available on the market.

- **Residents**: Shared parking can reduce housing costs, cut traffic, and improved urban livability through better urban design and architecture.

- **Policy makers**: Shared parking can support goals for reduced car use and climate mitigation. Shared parking can foster development of higher tax generating investments where people to live, work, or shop.

**Approaches to Private Shared Parking** (definitions from the Victoria Transport Policy Institute)37

- **Sharing within a parking facility**: Motorists share parking spaces rather than being assigned reserved spaces. For example, 100 employees can usually share 60–80 spaces since at any time some are on leave or in the field, commuting by alternative modes, or working off-peak shifts. Hotels, apartments, and dormitories can share parking spaces since the number of vehicles per housing unit varies over time. Sharing can be optional, so for example, motorists could choose between $60 per month for a shared space or $100 for a reserved space.

- **Shared parking among destinations**: For example, an office building can share parking with a restaurant or theater, since peak demand for offices occurs during weekdays and on weekend evenings for restaurants and

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theaters. Sharing can involve mixing land uses on a single site, such as a mall or campus, or creating a sharing arrangement between sites located suitably close together.

Key Messages Supporting Shared Parking:

- **Shared parking can lead to dramatic decreases in land and infrastructure costs** by lowering the amount of parking required, especially for mixed-use real estate developments. Additionally, shared parking has significant aesthetic benefits by reducing the bulk and mass of structured parking garages.\(^{38}\) The mixed-use Circle Centre in Indianapolis, Indiana, was able to reduce on-site parking by 53 percent from the standard regulations by using a shared parking approach. This amounted to a savings of $10,000 per space to the development team.\(^{39}\)

- **Shared parking can reduce parking requirements by 20 to 40 percent, creating positive economic, social, and environmental benefits.** The land and cost savings can be used to create more spaces for people to live, work, or shop.\(^{40}\) Additionally, through shared parking arrangements, developers can stop bundling the cost of parking into rent and sales.\(^{41}\)

- **Shared parking is ideal for mixed-use developments.** If the development is intended for retail or office use on the first floor and apartments above, the heavy traffic hours are flipped.\(^{42}\)

- **Shared parking supports development and redevelopment of sites** by alleviating the need to accommodate peak parking demand on site, thereby reducing capital costs and long-term maintenance of parking facilities.

- **Shared parking makes finding parking easier and helps drivers get to their destinations efficiently.** In the United States, it is estimated that drivers spend 17 hours a year searching for parking.\(^{43}\) Shared parking, when combined with technology and wayfinding, means less congestion and fewer emissions, all while saving time and spurring economic growth.

- **Shared parking supports more walkable, attractive communities** with less space dedicated to blank parking garage walls, vehicular curb cuts, and surface lots.

- **Shared parking is easier with technology.** Readily available data and apps can make previously hidden and unused spaces more accessible to a wider population. It can also help parking owners and operators better understand when and where their parking spaces are available and facilitate dynamic pricing to maximize returns and efficiency.

- **Shared parking increases communication and coordination** between individual businesses, among business districts and neighborhood residents. By necessity, shared parking brings people together to consider how they can meet mutual need.

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\(^{38}\) De Yurre and Fine, Bilzin, Sumberg, “Case Study Series: Benefits of Coral Gables Shared Parking Ordinance.”

\(^{39}\) Institute for Transportation & Development Policy, “What Is Shared Parking?”

\(^{40}\) Institute for Transportation & Development Policy, “What Is Shared Parking?”


\(^{42}\) Bendix Anderson, “Apartment Developers Try to Figure Out the Parking Equation in a World with Fewer Cars,” National Real Estate Investor, May 8, 2018.

\(^{43}\) Kevin McCoy, “Drivers Spend an Average of 17 Hours a Year Searching for Parking Spots,” USA Today, July 12, 2017.
Unbundled Parking

Parking costs are often masked from the end user or paid for entirely by someone other than the one making the choice to drive and park. On average, parking adds 12.5 percent to residential rent. Unbundled parking policies prohibit embedding parking costs with unrelated charges, such as including parking in the cost of housing or an office lease.

When users pay directly for parking, they demand less. Studies have found that unbundling parking reduces automobile ownership by 5 to 15 percent. Unbundling parking allows residents and tenants who do not own, or prefer not to have, a car generally to pay less for housing or commercial space. When combined with other parking reforms, unbundled parking can support development and promote affordability.

Because unbundled parking creates a separation between housing costs and the cost of parking, it allows residents to choose the number of parking spaces they wish to use and pay accordingly. If residents decide to forgo car ownership, or reduce their personal vehicle ownership, they can save money by choosing not to purchase a parking space. This incentivizes households to live car-free or give up their first or second vehicle.

Unbundled parking is often codified through zoning and applied to new development. The rules require all parkers to pay directly for desired parking spaces or allow residents to get money back for not using a parking space, but the nature of the charges often differs by building type and use. Examples include the following:

- Parking spaces are not included in the base rent/purchase price and are rented/sold to the resident separately.
- Landlords/condominium associations can offer discounts to residents who do not use provided parking spaces.
- Landlords/condominium associations can create a secondary market for parking by renting unused spaces.
- Unbundling can be used as a tool to reduce the amount of parking developers are required to provide.

Common Perspectives:

- **Developers:** Unbundled parking allows the developer to reduce the number of on-site spaces, thereby minimizing land and infrastructure costs dedicated to parking that may not be desired. Additionally, the developer is provided flexibility to allocate parking inventory in response to demand. For instance, some residents may opt for no parking, whereas others may desire multiple spaces.

- **Residents:** Unbundled parking is a key tool in addressing housing affordability. A study of multifamily properties in California showed that unbundled parking can decrease apartment rent by about $200 per month and reduce the price of a condominium by about $43,000.

- **Policy makers:** In addition to helping address housing affordability, unbundled parking is a top way to promote transportation options. Unbundling parking is also a means to address equity for carless households, illustrated by the carrying cost ($440 million per year) associated with renters paying for garage parking that they do not use for car storage.

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47 “Unbundling’ Parking Costs Is a Top Way to Promote Transportation Options,” Mobility Lab, May 31, 2018.
Approaches to Unbundled Parking:

Critics may view that unbundled parking is a financial giveaway to developers, who are not obligated to pass cost savings along to end users, such as renters, homebuyers, and commercial tenants. Case studies prove otherwise: 49

- **Arlington County, VA:** The Market Common development unbundled parking and charges $25/month for the first vehicle per unit, $75/month for the second, and $100/month for the third. Studies of parking use show that even at peak demand, parking facilities are less than 80 percent occupied. Utilization rates imply people use parking when free, but not when they are required to pay.

- **Bellevue, WA:** Unbundled parking policy requires multifamily residences to charge parking costs separately from rents in addition to establishing maximum parking requirements. These policies have reduced rates for drive-alone commutes by 30 percent. In addition to multifamily residences, downtown office buildings are required to unbundle parking costs from the costs to lease space. This policy makes it easier for employers to implement cash-out policies and incentivizes shared parking.

- **Berkeley, CA:** The downtown Gaia Building unbundled parking, charging $150 per month per space. When the building opened, the 237 residents and 91 units used only 20 spaces despite having 42 available.

- **Dorchester, MA:** Dudley Village (a mixed-use affordable housing development) unbundled parking and provided only 0.7 parking spaces per unit.

- **St. Louis, MO:** Ballpark Lofts, a condominium project close to transit, offered tenants the option to purchase parking at $18,000 per space. For those who declined to purchase the parking, the developers sold units at a lower cost compared to similar area condominiums. Nearly a quarter of buyers declined purchasing a parking space.

*Note: Unbundled residential parking should be pursued in tandem with reduced or eliminated minimum parking standards. If not, a developer has little or no incentive to unbundle parking because there would be an oversupply of parking that could not be rented, and a developer would essentially pay for this. The combination of parking policy reforms will allow developers to build housing with less parking and to use pricing to allocate the parking spaces as they see fit. 50*

Key Messages Supporting Unbundled Parking:

- **Unbundled parking saves between $10,000 and $60,000 per dwelling unit.** Traditionally the cost of parking is paid by all tenants and bundled into their rent or mortgage payment even if they do not have a car. 51

- **Unbundled parking allows market forces to govern development and reduce oversupply.** Much of the nation’s parking inventory goes unused. In Seattle, about one-third of multifamily parking inventory sits unoccupied, while in Boston 30 percent of multifamily parking inventory sits empty. 52,53 By not inducing parking oversupply, developers are compelled to be judicious about providing parking as part of projects.

- **Unbundled parking makes homeownership more attainable.** While owners may qualify to purchase a condominium, they can struggle to pay condominium fees. Beyond reducing the home price with the option to not pay for parking, condominium associations might retain parking ownership and charge for the spaces. Collected parking revenues could pay much of a building’s common expenses and the condominium fee can be small or nonexistent.

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50 Gabbe and Pierce, “The Hidden Cost of Bundled Parking.”
• **Unbundled parking is one of the most effective ways to support sustainable transportation.** Where parking is unbundled, auto ownership is lower and driving alone is reduced between 12.5 and 40 percent based on trip type.⁵⁴

• **Unbundled parking reduces the pressure to build more parking in neighborhoods.** The policy results in more efficient use of fewer spots and reducing the overall demand for spaces by tenants. When building tenants and residents forgo parking, leftover spaces can be rented to people outside the building, thereby positively contributing to a developer’s bottom line and public need.

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