



THE EXPENSIVE AMENITY

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Parking requirements often drive the size, design, and cost of new developments in many cities, but isn't this an example of the cart leading the horse?

IN CITIES ACROSS THE COUNTRY, THERE are neighborhoods where having a car is a liability rather than a necessity—for example, New York, obviously, but also San Francisco, Boston, Chicago, parts of Washington, D.C., and Seattle, to name a few. These 24-hour cities are replete with retail, restaurants, bars, entertainment, cultural offerings, and other activities. Having a parking space in cities like these would be like having a vestigial appendage. In fact, residents in any place with expensive parking rates are likely to go carless.

Developers assume that one factor in the success of a multifamily development—or any other real estate project—is convenient, free parking. If a developer had any doubt, the need for parking is enforced through city regulations. In most cities and virtually all suburbs, a parking space ideally should be right outside the door, or at least a short walk away.

But what about places with transit options, where people do not necessarily need a car to attend to their daily needs? In expensive markets, the cost of land for parking cars

increases in tandem with the price of residential and commercial property. Making parking optional, rather than standard, can reduce the cost of housing and, by limiting the amount of space devoted to cars, allow for more flexibility in site design.

One project pushing the envelope is Moda, in the hot Belltown district of Seattle. Scheduled to open in summer 2008, the Moda condominiums promise “New York–style living,” with units as small as 296 square feet (27.5 sq m) and prices that start at \$149,950. Appropriately, given the New York model that inspired their design, 83 of the 251 units do not include parking. It was reported that the smaller units sold out within a week.

Developed by a nonprofit housing developer, SoMa—a new affordable housing project in San Francisco’s still-emerging South of Market district at Eighth and Howard—combines 74 affordable family apartments and 88 small studios, a child care center, and a market, with only 0.9 parking space per unit—a low figure, but one that is higher than the

amount originally proposed. The architect, David Baker of San Francisco-based David Baker + Partners Architects, persuaded the city to allow unbundled parking, which freed up space for the child care center and neighborhood retail. The unbundled parking has been no hindrance to leasing, since only 40 percent of residents are estimated to have cars. As of June 2007, the parking spaces are 85 percent leased, with nonresidents representing an increasing share of lessees. Provided for residents are two shared-ride cars—vehicles available for hourly lease for trips that cannot be made on foot or by public transportation.

Eliminating parking decreases the cost of construction, allowing the developer to pass on the savings, which can be substantial, to buyers and tenants. In San Francisco, the planning department estimates that a parking space adds \$20,000 to \$30,000 to the cost of housing, a figure that can reach \$50,000 in

bility in the site design. A study conducted by planner Allen Greenberg, a transportation specialist with the U.S. Federal Highway Administration, looked at the impact of minimum parking requirements on increased housing prices, reduced loan eligibility, and public infrastructure. It estimated a savings of \$53,000 to \$117,000 for each new parking space netted as a result of minimum parking regulations in U.S. urban areas. Doug Foy, the former secretary of commonwealth development for Massachusetts, points out that the average car costs \$5,000 a year to own and operate, an expense that can translate into a mortgage that is larger by \$100,000.

Working with a reduced parking footprint, designers gain flexibility in site plans, making additional development possible, and even making development on some smaller sites feasible. Planner and researcher William Fulton, in his *Guide to California Planning*, uses the example of a one-acre site zoned for 30 apart-

height level, this becomes impossible, necessitating the development of underground parking, which is substantially more expensive. The developer is boxed in by the requirements and may need to reduce the size of the project. University of California at Los Angeles professor Donald C. Shoup, author of *The High Cost of Free Parking*, points out that as a result of Los Angeles's requirements for one off-street space per unit in multifamily buildings, the number of garage spaces actually controlled the number of dwelling units. Clearly, planning policy should control parking, not the other way around. Separating the parking requirements can lead to better design.

Being able to get by without a car not only saves on parking, but also eliminates spending on the car itself. Despite having an average income about half that of homeowners, rental households spend almost the same share of their income on transportation as owners—16.8 percent, the second-largest



some parts of the city. Another San Francisco study estimated that 24 percent more households could afford houses and 20 percent more could afford condominiums if they did not include parking. Reducing the parking footprint makes it possible to add more development, as well as allow for additional flexi-

ment units per acre. Since most zoning ordinances require two spaces per apartment unit plus visitor parking, the developer must build 30 units and 68 spaces—too much to be accommodated on the surface of the site, making it necessary to construct the units on top of the parking. With a typical three-story

component of the family budget. Baker says, “The quickest way to get people a 15 percent bump in disposable income is for them to use transit instead of owning a vehicle.” Going carless frees up significant amounts money that can then go to savings or housing and other expenditures.



What options do those who choose to be carless have? One benefit of living in a city with pedestrian-oriented neighborhoods well served by mass transit is that much of one's daily travel needs can be taken care of on foot or by transit. For the occasional trip to the supermarket to load up on groceries, or to head out of town for the weekend, one can always rent a car. Another option for carless-by-choice city dwellers is car sharing, which allows them to rent vehicles by the hour in convenient locations, scattered across neighborhoods and near transit. Many apartment managers have found car sharing to be an amenity that appeals to residents, as well as an effective tool for reducing parking requirements. Todd Littman of the Victoria Transport Institute in Victoria, British Columbia, Canada, recommends reducing five to ten parking spaces for each car-share vehicle in a development, depending on specific circumstances. A 2005 study of car sharing published by the Transportation Research Board estimated that each car-sharing vehicle takes 14 vehicles off the road.

What is stopping developers from unbundling parking? Lenders and zoning codes, with zoning being the tougher nut to crack. Experiences in allowing parking to be adapted to individual

circumstances rather than using generic ratios will eventually comfort lenders, especially when they see how it improves the financial performance of properties. Planning codes are another story, since they bend over backward to ensure that there is no spillover of parking into the neighborhood.

Interestingly, even in New York City, parking requirements can be a damper on development. Alex Marshall, writing in *Spotlight on the Region*, the newsletter of the Regional Plan Association in New York, points out that while parking requirements are waived in Manhattan, municipal codes apply elsewhere, following the theory that new buildings generate new demand for parking. "While this theory is flawed even in the suburbs, it's particularly so in a dense urban city equipped with mass transit and good sidewalks, with the most impact in places like Jackson Heights in Queens, or Crown Heights in Brooklyn, places that are at a crossroads and set to become either more urban or suburban in character as new development increases."

On the other hand, the city of San Francisco has passed legislation requiring new residential buildings to unbundle their parking. Even the city of Houston is relaxing minimum parking requirements and unbundling along

transit lines, while Atlanta aspires to unbundle parking for downtown housing. Assuming the results are successful, other municipalities should soon follow suit. It is a small step that can be taken quickly to address housing affordability and global climate change. **MFT**

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