



# PARKING POLICY REFORM

## Impact of Changing Mobility Preferences

In recent years, municipalities, real estate industry professionals, and residents have increasingly supported parking policy reforms and developments with less parking because of the growing demand for car-free or car-light lifestyles and the availability and popularity of new mobility options, including scooters, bike share, car share, and ride hailing.

The effects of COVID-19 on land use, transit, and commuting patterns are not yet fully known, but cities are continuing to advance parking policy reforms coupled with transit-oriented development and other policies to support healthy, safe, and sustainable development.



### Parking and Mobility Considerations



#### **Demand for car-light lifestyles is high:**

Over 52 percent of people in the United States and 63 percent of millennials would like to live in a place where they do not need to use a car very often.<sup>1</sup>



**36 percent of trips using shared micromobility replace a car trip<sup>2</sup>:** By accommodating micromobility vehicles (dockless scooters, e-bike rentals, etc.) on site, developers may be able to reduce the number of automobile parking spaces they are required to provide.<sup>3</sup>



#### **Oversupplying parking limits TOD success:**

Oversupplying parking in transit-oriented development (TOD) areas uses up scarce land for a use with a relatively low return on investment.<sup>4</sup>

“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.”

—Michael Lander, founder and president, Lander Group, quoted in “Toward Zero Parking: Challenging Conventional Wisdom for Multifamily,” *Urban Land* magazine

# Implications of Changing Mobility Preferences on Parking and Development

## Industry Perspectives

“We’ve developed with less parking when we’ve felt the market could support it. The sharing economy pre-COVID allowed people to live in San Jose without a car. They could get a car for a minute or a day or a month with their smartphone and that was all that was needed. COVID will reset expectations in the near term, but we believe previous/recent conditions will come back in the long term.”

—Developer with projects in San Jose  
(from 2020 ULI member survey)



## Reduced Parking Requirements for Developments That Accommodate Micromobility

From *Small Vehicles, Big Impact: Micromobility's Value for Cities and Real Estate*, Urban Land Institute

Developers are hopeful that supporting micromobility options—lightweight, single-person vehicles such as dockless scooters and e-bike rentals—will become a more common way of reducing parking requirements. After all, installing a docking station would be easier and less expensive than constructing parking garages, underground parking, or even surface lots. Transportation demand management requirements for rezoning already incentivize developers to provide noncar alternatives, such as on-site bike-share stations, in exchange for reduced parking and could be updated to include micromobility. For existing developments, cities can provide tax write-offs for properties that convert parking spaces into scooter and e-bike racks.

Micromobility intersects with related trends, including decreased demand for parking, says a lender and investor who underwrites projects in the U.S. Southeast: “Micromobility and other new mobility trends are paramount as they speak to the declining need for private automobile-focused transportation and the evolution of lifestyle choices simply based on where one may park and drive in a vehicle. Automobile parking should be targeted to the lowest commercially accepted amount possible.”

As people consider returning to work after the pandemic, there are new concerns that commuters will choose to drive rather than take public transit, posing logistical issues for buildings that have little to no parking. Encouraging the use of micromobility could help attract people back to the office regardless of parking capacity. “Five years ago, if you asked a developer in Santa Monica how much parking would they build if the requirements were reduced by half, they would still build more than the requirement. Today, developers are very open to building less parking,” says Carter Rubin, transportation technical strategist with the Bloomberg Philanthropies American Cities Climate Challenge. “There are a number of no-parking buildings going up, or buildings with a lot less parking. It’s a very uncertain time, but the abundance of mobility choices has shown developers that they don’t need to provide two spaces per unit.”



<sup>1</sup> *America in 2015*, Urban Land Institute.

<sup>2</sup> *State of the Industry 2019*, North American Bikeshare Association.

<sup>3</sup> Connect Commercial Real Estate, “Apartment Dwellers Get Revved Up Over Electric Scooters,” Connect Media: CRE – National Commercial Real Estate News.

<sup>4</sup> Richard Wilson, “Parking Policy for Transit-Oriented Development: Lessons from Cities, Transit Agencies, and Developers,” *Journal of Public Transportation* (2005).