

WHAT’S THE IMPACT OF REDUCING PARKING SPACES?

Conventional wisdom would say that when there is a decrease in the number of parking spaces, the occupancy rates of remaining lots and garages should increase. Another common and related argument is that a reduction in parking adversely affects retailers, causing them to lose customers; after all “no parking, no business”.

It isn’t that simple, though. Parking is just one part of a matrix of variables that will influence the end result, and therefore, can’t be looked at in isolation. There are other factors at play such as the current supply: demand ratio, pricing sensitivity, alternative transport options, and the cost and convenience of their uptake. So, it’s important to take a closer look before forecasting results.

Insights from the USA

Philadelphia City Centre reduced 3,623 off-street public parking spaces between 2005 and 2015, according to the Government Agency [Plan Philly](#), primarily due to the replacement of a large number of parking lots and garages with high-rise buildings. People expected that it would result in an increase of the occupancy rates of remaining parking operators. However, it didn’t go that way. In fact, parking occupancy rates have been declining since 2005, from 77.7% to 73.9% in 2015 (see chart below).

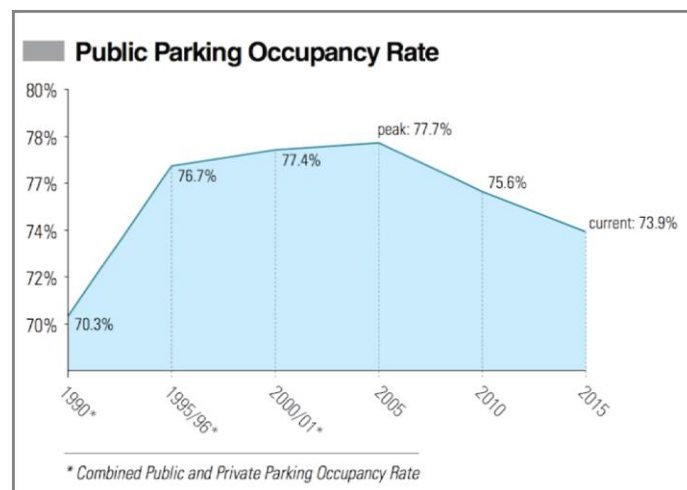


Figure 1 - Source: Philadelphia Planning Commission

Modal shift – the impact of public administration

Besides parking space reduction, another factor affecting the occupancy rate has been the Philadelphia administration working to achieve its goal of reducing vehicle miles around town. A report from Mayor’s Office of Sustainability showed an increase in cycling, walking and transit trips, and a drop in car trips.

Jon Geeting of Plan Philly cites the reasons for these changes: “When parking lots go away, parking conditions tighten, driving becomes more unpleasant, and some people respond to this by ditching

their cars. Rather than enduring permanent traffic jam conditions, neighbourhoods simply level down to a new equilibrium with fewer parking spaces, fewer cars, and higher “alternative” mode share as parking gets tighter”.

Salt Lake City is on a similar path, reducing on-street parking and adding bike lanes. As highlighted in our October [Wayfinding Blog](#), there is evidence to suggest that cutting parking spaces and investing in bike lanes and racks results in calmer streets, bringing a win-win situation for drivers and pedestrians, as well as a positive effect for local retailers.

Bike lanes lead to commerce growth

One initiative of the Salt Lake City Council (SLCC) was to create nine blocks of protected bike lanes in its downtown business area. To verify the impact of this project on local retailers, SLCC analysed tax data from before and after the street modification. As is demonstrated in the chart below, there was a sales increase of 8.8% in the bike lane route compared to 7% city wide.

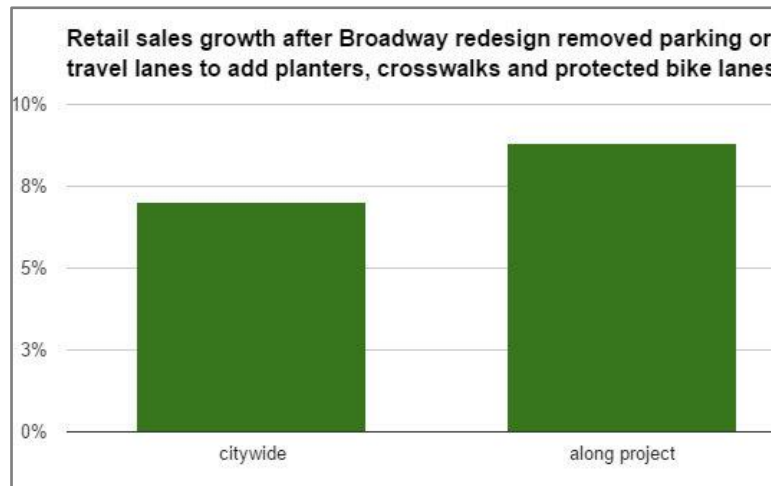


Figure 2 - Source: [Streetblog](#)

Australian initiatives

According to [2015 Whitepaper on CBD Car Parking](#), developed by **Parking & Traffic Consultants** and **Colliers International**, government policies all over Australia intend to reduce the growth of new parking spaces in CBDs. Australian largest capital cities have clear actions toward that goal:

Sydney City aims to cut 50% of the provision of new car spaces by 2030. Sydney is currently amidst dramatic modification in its traffic to accommodate the CBD and South East Light Rail. Car spaces will be removed and new bus lanes will be constructed.

Likewise, **Melbourne** City Council proposes, in its multi-million-dollar [Bicycle Plan 2016-2020](#), to shrink its parking spaces by replacing them with bike racks. The project also aims to create new bike lanes and reduce speed limits in the city. The draft plan outlines practical measures to further connect the city’s bicycle networks and encourage more people to cycle to the CBD every day.



Figure 3 - Source: [Cyclehoop.Com](#)

What will happen in Australia?

There is a lack of statistical data to provide a conclusive single link between town centre economic viability and parking provision. There are a large number of factors impacting a town centre which need to be considered collectively as no two centres are the same.

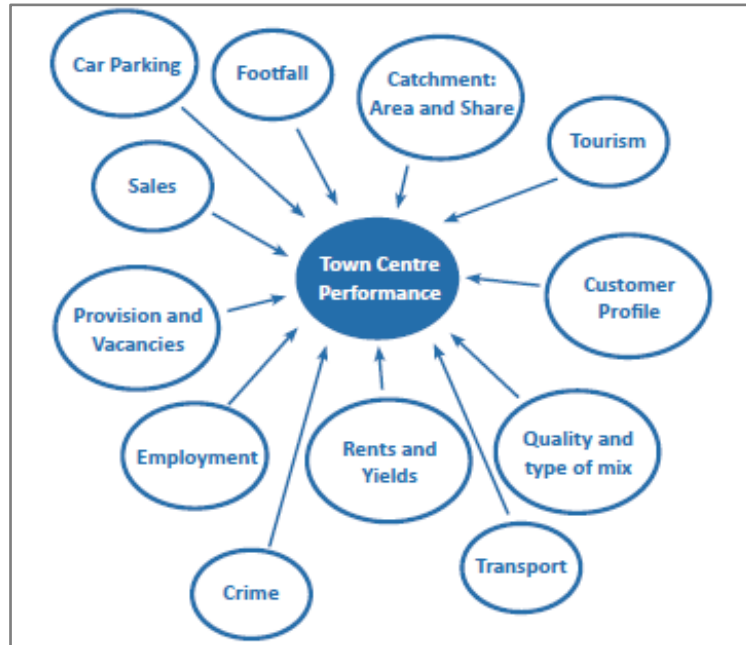


Figure 4 - Source: Springboard

Add to this mix the introduction of the driverless motor vehicle and its effect on private car ownership and the subsequent impact on the future need for parking.

The collection and analysis of data; footfall, revenue spend, parking occupancy and length of stay, customer profile etc. should form the basis of future policy making.

In summary, the impact of reductions in parking spaces will depend on the particular matrix of variables involved, and as such, there is no "one-size fits all" expected result.

For more information, please ring [Mary Seymour](#) or [Kelvin Worthington](#) on (02) 8920 0800.

Sydney Office:

Suite 102, 506 Miller Street
Cammery NSW 2062
Ph: (02) 8920 0800



Melbourne Office:

Suite 4.06, 838 Collins Street
Docklands VIC 3008
Ph: (03) 9020 7333