

## Smart use of a company's scarce real estate



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## The fact is: Parking Management won't stop companies investing in your city!

Even when companies very often threaten to move locations or even move to other cities when there is a limitation of free and unlimited parking spaces for their employees in the surrounding of the company there is no evidence for that. A change of location only because of lack of parking spaces would be too expensive and bring not enough economic benefit. Furthermore companies realized that they would probably make their employees who commute by public transport, bike or on foot very unhappy.

Reducing the amount of parking in new offices and factories has a big impact on how people choose to travel there, but cities are often afraid that if they limit the parking that developers can build, the factories, offices and the jobs and taxes that go with them will go to another city instead. There is not much evidence, though, that this happens in practice. Some cities limit parking, but developers and businesses still locate there. Martens (2005) looked at parking policy in four of Europe's most economically successful cities. They all restricted parking but continued to be successful economically. Next the Scottish Government (Scottish Executive, 2002) and English Department for Transport (2008) looked at the impacts of national maximum parking standards for new development in their countries and neither could find a significant impact on inward investment.

The City of Amsterdam has been reducing the number of parking places in the city centre since the nineties and it has some of the highest on-street parking fees of Europe. In spite of this, Amsterdam is still one of the best places to do business according to the CEOs of the largest European companies (Cushman & Wakefield, 2012).

In a survey about the business climate in the 30 largest cities and towns in the Netherlands commissioned by the Dutch Ministry of Economic Affairs, no evidence was found of any company relocating because of lack of parking (Ecorys, 2005).

The City of Oxford, England, stopped allowing parking to be built with new buildings in its city centre in 1973. It remains a highly successful city economically (Oxfordshire County Council, 2005).

Finally, in 2010 and 2011, University of Leeds researchers interviewed 21 transport planners in 4 city regions around England outside London. In some interviews they heard that developers had in some cases threatened to move to another municipality when the first municipality requested the developer to build the development with less parking than the developer wanted. However, the same interviews did not reveal any examples of the developers actually carrying out their threat and moving to a different area in response to lower than desired parking standards (Mullen, personal communication, 2014).

Other cities allow unlimited parking but do not always do well economically. Companies threaten to move, but then don't. Why is this?

- The reasons why companies choose to locate in one area or another are much bigger than parking. They are interested in being near the right staff, near the right markets, and/or near other companies that they do business with, because these are the issues that affect their income and their profits.
- Companies want accessibility so that people can reach them, but this accessibility can be provided by public transport, cycling and walking as much as by car; and highly skilled employees increasingly want to live near work so they don't have to drive there. Less parking allows denser development.
- Developers would often prefer to build and sell more office space than more car parking, because office space is more profitable.

In addition, it is very difficult to find evidence that companies that threaten to go elsewhere because they can't have all the parking that they want actually do so. The best example of this is Nottingham in England. From April 2013, companies with 10 or more staff parking spaces have had to pay an annual tax of around €400 for each space. Many said that they would move elsewhere (one that has some parking spaces in the city area and some outside even threatened to move them all outside) but so far none have done so. Parking for them is a small cost in relation to their overall business and other regulations.

Investments in bicycle parking that use space formerly occupied by car parking serve a much bigger number of employees by using the same or less space. This is a smart use of a company's scarce real estate.

See also the case study on the Nottingham Workplace Levy at

[http://push-pull-parking.eu/docs/file/cs02\\_push\\_measures\\_nottinghamwpl.pdf](http://push-pull-parking.eu/docs/file/cs02_push_measures_nottinghamwpl.pdf)

See also the case study on the Parking Management System at the Technical University in

Graz at [http://push-pull-parking.eu/docs/file/cs05\\_push\\_measures\\_tugraz.pdf](http://push-pull-parking.eu/docs/file/cs05_push_measures_tugraz.pdf)

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