

Intelligence MEMOS



From: Benjamin Dachis and Jennifer Y. Tsao
To: Finding the Parking Sweet Spot
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Re: GET RID OF JURASSIC PARKING

You've had a bruising battle stuck between taxi companies and Uber. The next battle in the sharing economy is coming, and it will be over street parking. What should you do?

The issue is bubbling up in Canada's four largest cities because of the upstart car sharing service [car2go](#). Members can pick up a car in one part of the city and drop it off in another. Other services, like [Zipcar](#), have dedicated parking spots for individual cars.

Car sharing has a number of potential benefits. Studies have [found](#) that car sharing reduces the number of vehicles people need to own (private cars are parked [95 percent](#) of the time), and [boosts transit use](#).

However, despite the boom of car sharing services in [Calgary](#) and [Vancouver](#) (which has the world's [largest car2go fleet](#)), and its popularity in [Montreal](#) and [Toronto](#), some residents and municipalities are pushing back. Residents in Calgary, for example, are unhappy about the blue and white cars taking up scarce residential parking space. In Toronto, car2go [recently asked](#) the City to allow its users to park in areas where residents require permits to park. The [City refused](#), but car2go has gone ahead anyway and [told its members](#) to park in residential permit areas and time-limited spots.

So why is car sharing stuck in neutral? The short answer: our cities have outdated parking policies.

Curb parking is a modern example of the classic economic problem of a shared resource. When left unregulated and unpriced, some drivers can't park. Many cities use time limits, say two hours, to keep spots open. But these rules are expensive to enforce.

What's the solution? According to the guru of parking policy, [Donald Shoup](#), cities should put a price on local street parking if streets go over 85 percent parking occupancy. That local price would rise or fall so that there are parking spots available at all times. This will also reduce congestion on our roads, because a lot of road congestion is due to people cruising around for parking spaces.

If necessary, we can charge one permit price for local residents, and another variable price for non-resident cars, such as car2go. Currently, annual residential permits cost nothing in most of [Calgary](#) for the first two vehicles, \$38.18 in most of [Vancouver](#), and at least \$180.72 in [Toronto](#). Montreal permit prices vary by [neighbourhoods](#) from being [free](#) to [\\$140](#) per year.

Now, I know what you're worried about: people who own parking permits are also your voters. How can we keep them happy? The solution, according to Shoup, is to have all parking revenues from a neighborhood go back towards community improvements. This would entice your voters and business improvement districts into wanting non-resident parking. They would also be guaranteed a parking spot on their street, while seeing improvements to their neighborhood. It's a win-win thanks to better pricing.

The sharing economy isn't so bad after all if we charge the right price and use revenues wisely.

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