

# PARKING REFORM IN NEW ZEALAND

Transitioning to greater urban  
density without minimum  
parking requirements

A white paper

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# Introduction

Minimum parking requirements were introduced into planning schemes in the 1950s in New Zealand, and around the world, to accommodate rapidly increasing vehicle use and pressures on public parking resources. At their core, minimum parking requirements are planning regulations requiring each development to provide a minimum quantity of parking, based on an estimate of the activity's peak demand. This increases the cost of development by acting as a form of tax on the footprint of a new development. Recently, there has been a global surge in parking reform initiatives as awareness grows about the harmful impacts of minimum parking requirements and the potential benefits for cities in eliminating them.

In July 2020, the New Zealand government released the National Policy Statement for Urban Development (NPS-UD) to address critical housing affordability problems. This required larger councils around the country to amend their planning rules to allow for much greater density around existing centres and public transport. It also required councils to remove minimum parking requirements. This was a landmark change that put New Zealand at the forefront of parking reform. The “right” amount of parking is now a commercial decision for developers to weigh up the costs and benefits of providing parking while considering a range of factors such as proximity to public transport and other amenities.

There have been some interesting outcomes in New Zealand over the past four years following this change. This White Paper will explain these.



Figure 1: Apartments in Grey Lynn, Auckland.  
(Source: MRCagney)

# Why remove minimum parking requirements ?

Having some parking in our urban environments is necessary as it provides space for employees, customers or visitors arriving by private vehicle. However, forcing all developments to provide a set amount of parking, often more than is necessary, is hugely damaging in many ways. Donald Shoup, a leading advocate of parking reform and former Professor of Urban Planning at UCLA puts it like this:

*“minimum parking requirements subsidise cars, increase traffic congestion, pollute the air, encourage sprawl, increase housing costs, degrade urban design, prevent walkability, damage the economy, and penalize people who cannot afford a car.”<sup>1</sup>*

Todd Litman, another leading academic in the area of parking reform, published a comprehensive study looking at the economic, social and environmental costs of parking. The study found that requiring parking has considerable hidden costs that appear as higher taxes, rents, and retail prices. He also found that excessive parking also resulted in lower wages as businesses had to compensate for land and costs dedicated to parking.

As most parking is free, everyone ends up paying for these costs, this means that people who drive less are subsidising people who drive more.

Excessive parking supply is also damaging to the environment through increased stormwater management costs, heat island effects and displaced greenspace.<sup>2</sup>

To help understand these costs and benefits for the NPS-UD, the New Zealand government commissioned PWC to carry out an economic evaluation into removing minimum parking requirements. The report noted that the intent of the parking policy approach was to improve land use efficiency and to enable the highest and best use of land. The PWC report indicated that the benefits of removing minimum parking requirements far exceeded the potential costs:

*“We estimate that removing minimum parking requirements (MPRs) in the five major urban centres for which data was available would result in indicative benefits of \$670m, compared to indicative costs of approximately \$78m for a cost-benefit ratio of 8.6.”<sup>3</sup>*

Parking policies have historically been disconnected from broader land use and transportation objectives. The availability of parking, especially at workplaces, strongly influences travel choices, leading to increased car travel during peak times. This can undermine investment and efforts to promote other modes of transportation such as public transport and cycling.

There are also environmental benefits to removing minimum parking requirements. As we have discussed, less parking will lead to reduced levels of driving and support low carbon transport modes. Less parking also means a reduction in impervious surfaces, allowing for more natural planting and greening. These reduce the heat island effect and reduce storm water runoff and treatment costs. A study carried out by Western Sydney University and the University of NSW found that large off-street car parks are responsible for significant heating of urban areas but consequently “represent the ‘low-hanging fruit’ for urban cooling efforts”.<sup>4</sup>

<sup>1</sup> Shoup D, 2018, *Parking and the City*, Planners Press

<sup>2</sup> Litman T, 2022, *Comprehensive Parking Supply, Cost and Pricing Analysis*, Victoria Transport Policy Institute

<sup>3</sup> PWC, July 2020, *Cost - Benefit Analysis for a National Policy Statement on Urban Development*

<sup>4</sup> Western Sydney University and University of NSW, 2022, *Despicable Urban Places: Hot Car Parks*



# Parking reform in New Zealand

In 2010, Auckland's seven councils merged into one, forming the current Auckland Council that administers council functions across the entire metropolitan area. This presented the opportunity to create a new plan to manage development and activities. This was called the Auckland Unitary Plan. To cater for the expected population growth in Auckland this plan proposed greater densities within the existing urban area particularly near centres and frequent public transport routes. In total, around 75% of residential land was upzoned to enable at least two-storey multi-unit development. Alongside the density changes minimum parking requirements were removed from most commercial, mixed use and high-density residential zones.

Since the Unitary Plan there has been an explosion of multi-unit housing development across much of Auckland. Auckland Council consented just over 19,000 dwellings in the year ending June 2020, an 88 per cent increase on 2016/2017, the first year of the Unitary Plan. 82 per cent of those consents were issued in the existing urban area, and 62 per cent were for intensive housing - apartments, townhouses, units and flats.

Several developers, such as Ockham Residential, are building high-density residential developments with very little or no parking. These developments are mostly in locations near local shops and services, and with good access to public transport and cycleways.



Figure 2: A selection of medium density housing developments in Auckland since the adoption of the Auckland Unitary Plan. (Source: Ministry for Environment)

# Innovative solutions in Auckland

Developers are becoming innovative, with creative solutions to assist future residents to live car-free. Urbizen, a 21-unit development in central Auckland, has offered free carshare membership and an ebike with every unit purchased. The developer, Bayard McKenzie of the Development Collective, stated that not having private parking reduced the price of each unit by around NZD\$100,000. This price reduction is realised through a combination of avoidance of the construction costs for parking and increased unit yield. Apartments in Urbizen were priced around 20 per cent below similar properties with parking in the local area.

Research by University of Auckland showed that the planning changes of the Auckland Unitary Plan resulted in an additional 21,800 dwelling consents between 2016 and 2021. The effects of the policy changes are striking and can be seen in Figure 3 below.

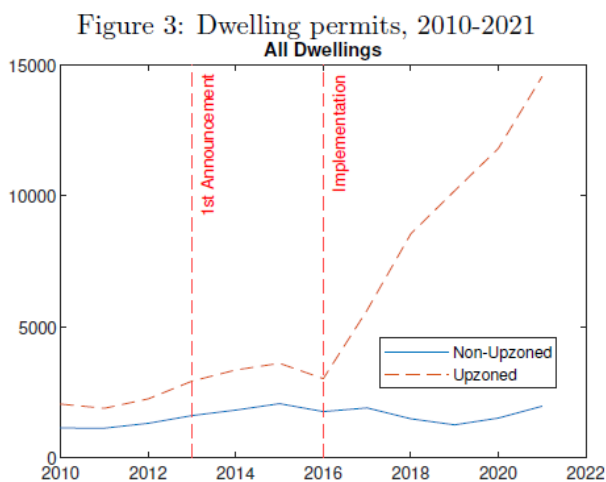


Figure 3: Auckland dwelling permits 2010-2022.  
(University of Auckland, Greenaway-McGrevy, R and Phillips, P)

One of Ockham's developments, The Daisy, was built in 2016 in central Auckland and has 33 units on a 315 square metre site. It has a basement bicycle storage area and only two parking spaces that are both allocated to a car share company. The site is walking distance to shops and public transport. Ockham's CEO Mark Todd stated that removing parking from Daisy reduced the costs of an apartment by around NZD\$75,000.

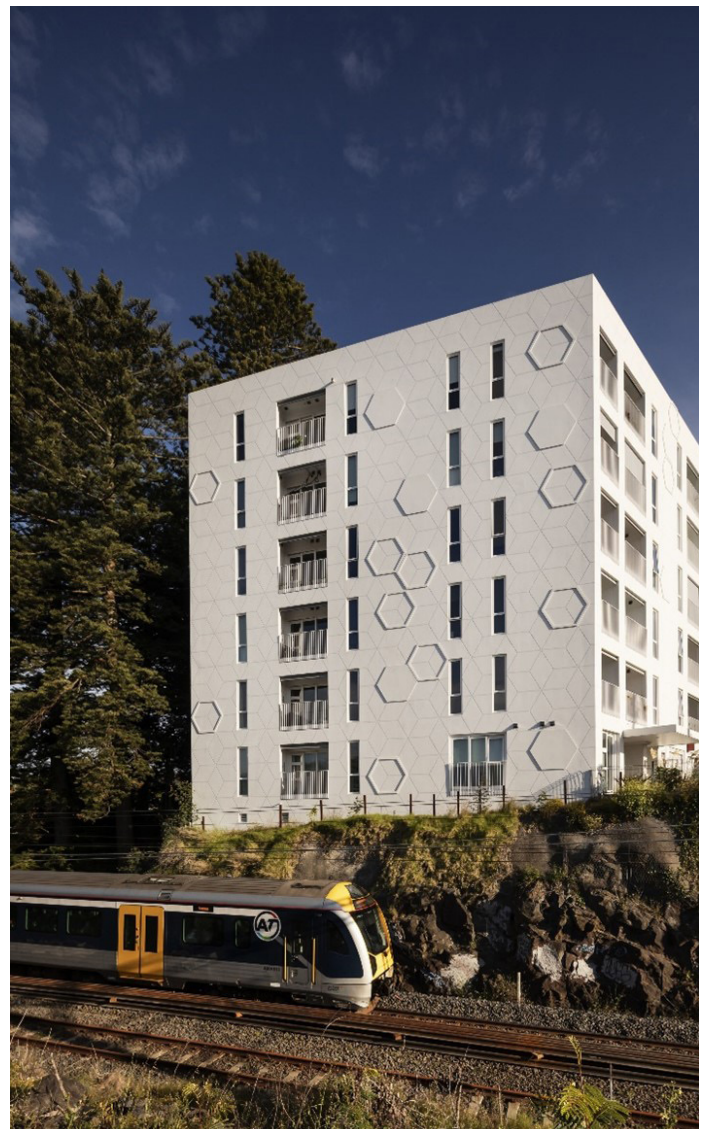
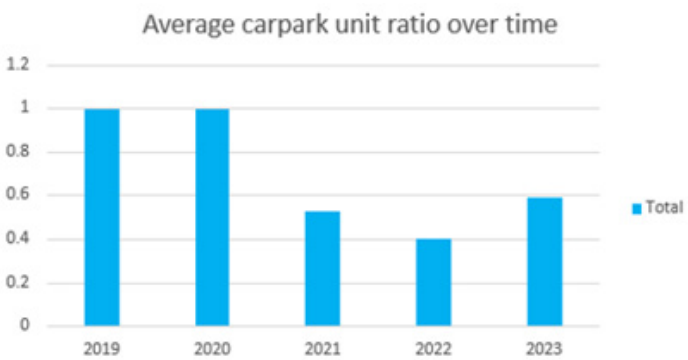


Figure 4: Daisy Apartments in Mount Eden, Auckland.  
(Source: Ockham website)

# Nationwide changes

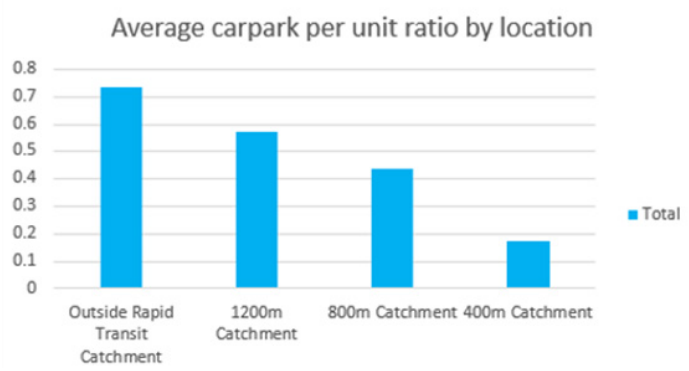
In 2022 New Zealand became the first country in world to remove minimum parking requirements when the NPS-UD policy changes filtered through various council adoption processes. Hutt City, a suburban area just north of Wellington City, was the first council area to remove parking requirements from their planning scheme in mid-2020. These changes occurred alongside a plan change, which saw Hutt City Council enable development of up to three storeys across eight priority development areas in Lower Hutt. It also enabled two storey terraced housing in all other residential zoned land through Graduated Density Zoning. These planning changes have resulted in a construction boom in multi-unit housing developments. In the year to July 2022 there were 1,318 housing consents, an increase of over 600% from 2017. There has been an interesting pattern emerge in Hutt City - initially the parking ratio dropped to around 0.4 spaces per unit as developers took advantage of there being no minimum requirement, but this increased to around 0.6 per unit (see Table 1). James Beban, a planning consultant based in Lower Hutt puts this down to developers starting to realise the value of a parking space. In mid-2022 he estimates that a unit with one parking space would sell for around \$50,000 more than one without.

Table 1: Average car park ratio per unit in multi-unit development in Hutt City, Wellington 2019-2023. Note, 2023 is assumed construction completion date for developments consented in 2022 (Source: MRCagney)



Another interesting pattern to emerge in Hutt City is the spatial variations in parking provision. As can be seen in Table 2 below, developments closer to the rail network have less parking than ones further away. Removing minimum parking requirements has allowed developers to make informed commercial decisions on how much parking to provide in their development based on market demand. Put another way, people living further from public transport options are willing to pay more for housing with parking.

Table 2: Average car park ratio per unit in multi-unit development in Hutt City for distance from rail stations. (Source: MRCagney)



Not all cities in New Zealand saw the immediate and noticeable drop in parking spaces per unit ratio as seen in Hutt City. Christchurch City Council carried out some analysis of housing consents over a period before and after the removal of MPR in February 2020. They noticed a minor downwards trend in the parking spaces per unit ratio however on average developers were still providing close to one parking space per unit.





Figure 5: Ockham development in Mt Albert, Auckland. 30 apartments replacing a single dwelling. Location near a train station and high frequency bus route. (Source: Ockham website)

Another Ockham Residential development in Auckland's Mount Albert replaced one house with a five storey 32-unit development. The site is located between two train stations, is on a frequent bus route and cycleway, and is within walking distance to shops and other amenities. The development has two car parks which are used for car share for residents living in the development. This scale of housing development would have been prohibitively expensive under minimum parking requirements if each unit had to provide one car park.



Figure 6: Ockham development in Mt Albert, Auckland. (Source: Google)

# Measures that support parking reform

One possible consequence of removing or relaxing minimum parking requirements is an increase in demand for public parking. Many councils in New Zealand have reported an increase in complaints about on-street parking in areas that are intensifying. While this puts a burden on the council it is something that can be planned for and managed. It is also important to remember the benefits of parking reform, more housing at lower costs, far outweigh the costs associated with an increase in public parking demand.

There are several ways that public authorities can prepare for parking reform. These are listed below.

## Develop a parking strategy

A parking strategy is critical to clearly explain how parking will be managed and how this supports the council's overall strategic direction. A parking strategy provides a framework for efficient management of parking resources and explains how the council will respond to any increases in parking demand. A parking strategy should determine the council's role in providing parking in the city and ensure an integrated approach to its management.

Hastings District Council in New Zealand took an interesting approach by establishing the basis for how parking should be managed in the city. This acknowledged that parking is never free – someone needs to pay for the costs. They asked the public whether public parking in the town centre should be free but paid for by everyone through a rate increase, or paid for by the users through metered parking. The public thought that it was fairer for users to pay directly for the parking they use. This was an innovative way to address this issue with the public and gave council the mandate for pricing parking.

## Parking management plans

A Parking Management Plan (PMP) is an area-based plan that outlines parking management interventions in line with the direction of the parking strategy. A PMP may be used to respond to known problems, or to proactively contribute to wider transport and urban outcomes, such as street upgrades or a cycleway development. A PMP is useful for areas that are going through urban intensification and will signal to developers and buyers how public parking will be managed. If developers are made aware of the plan for public parking management, they are more likely to carefully consider the parking needs of their development.

## Parking technology

Parking technology has advanced considerably in recent years and has led to more efficient management of parking. However, choosing technology can be confusing for local councils and requires careful consideration of the problems before investing in new technology. Technology can sometimes overcome negative public sentiment towards parking management. For example, a smartphone app that shows how many spaces are available in real-time and lets the customer pay only for what they use can make priced parking more acceptable.

## Allow the private market to provide parking

Councils shouldn't assume full responsibility for the provision of public parking. Parking, like any private good, is generally most efficiently provided in a competitive market. Successful city centres have multiple providers of public parking with a range of options for consumers. When the market is working well the price of parking will be the highest price that people are prepared to pay to fill the site. This is usually a higher price than council's charge at their public parking sites, therefore councils are undercutting the market and subsidising parking.



# Conclusion

New Zealand has led the world in parking reform in recent years. The key success factor for the removal of minimum parking requirements in New Zealand is that it was done at a national level by central government, and was explicitly linked to the need to improve housing supply and affordability.



Figure 7: Housing and businesses on Auckland's Karangahape Road (Source: MRCagney)

Ultimately, the package of planning regulation changes including removal minimum parking requirements have allowed for more efficient use of land and increased the supply of housing. It has decoupled parking from housing and other productive land uses, allowing developers to make commercial decisions around how much parking to build based on a range of input factors such as proximity to amenities and public transport.

As seen in Hutt City, developers will provide less parking closer to a quality public transport system.

Removing minimum parking requirements reduces the amount of new parking created but also helps to create a market for parking. Over time this will reduce the public subsidies so that car drivers pay a greater proportion of the costs of their travel choices. This aligns with other goals such as encouraging public transport and active travel modes and reducing carbon emissions. It will progressively lead to denser, walkable, and vibrant urban neighbourhoods where owning a car is optional rather than a necessity.

However, there is a need for local authorities to have strategies in place to support the increasing density and potential overspill parking pressures. A strong parking strategy will be essential to ensure that public parking is managed well and contributing to councils' goals.



Figure 8: Wynyard Quarter development, Auckland. (Source: MRCagney)

# About

## Scott Ebbett



This White Paper has been produced by Scott Ebbett, Principal at MRCagney New Zealand. MRCagney has been at the forefront of parking reform in New Zealand over the past 15 years.

We have helped many cities understand the benefits of removing minimum parking requirements and explained how their planning rules and parking management approach could support this.

Contact MRCagney or Scott directly if you would like to discuss this further.

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## MRCagney



**We shape vibrant places for people, connecting them with where they live, learn, work and play**

**We put sustainability and wellbeing of communities at the centre of what we do**



**We listen to and connect with clients and communities to understand their needs and to define innovative solutions**

MRCagney are on a mission to build transport systems that work for people and the environment. Based in Aotearoa New Zealand we focus on creating sustainable transport systems that prioritise access over mobility. We place emphasis upon people, rather than a more traditional trips and vehicles approach.

It is important to us that we live our values, and our team are passionate about cycling, walking and using public transport to get around the places we call home. We pride ourselves in working successfully with decision makers to take a fresh approach to challenges that cities face. We work across New Zealand, and Australia, with a strong public sector focus.

Ensuring that our approach is evidence based, we draw on international best practice that we continually interrogate. We gained BCorporation status in 2021, cementing our holistic approach to wider sustainability goals.

If you'd like to learn more about our work you can find out more at [mrcagney.com](https://mrcagney.com) or contact us directly at [info@mrcagney.com](mailto:info@mrcagney.com).



