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NYU Furman Center Report Finds That New York City's Minimum Parking Requirements Call For More Off-Street Parking Than Developers Expect Tenants And Buyers To Demand

Analysis examines the residential parking requirements in communities throughout the city, and explores possible effects on housing affordability and on the city's sustainability goals.

March 21, 2012—An analysis by NYU's Furman Center for Real Estate and Urban Policy and its Institute for Affordable Housing Policy suggests that the city's minimum parking requirements may be causing developers to supply more off-street parking spaces than tenants and homebuyers demand, potentially driving up the cost of housing and promoting inefficient car ownership.

The report, *Searching for the Right Spot: Minimum Parking Requirements and Housing Affordability in New York City*, analyzes the provisions of the city's Zoning Resolution that require residential developers to provide off-street parking. The regulations require, on average, 43 new off-street parking spaces for every 100 new housing units constructed. The requirements differ widely across boroughs, from 39 spaces per 100 new units in the Bronx, to more than 120 spaces in Staten Island. Much of Manhattan and Long Island City, Queens are exempt from the requirements.

The report also examines 1,003 projects with five or more units built between 2000 and 2008 in areas of the city subject to the minimum parking requirements. It finds that most mid-sized projects qualify for an automatic waiver of the parking requirements because of the size of the lot or of the project. Of the 317 developments that did not qualify for a waiver from the requirements, 77 percent built at or close to the minimum number of spaces. A minority of projects included more than the required minimums, suggesting that developers who perceive a demand for parking are providing spaces for their residents regardless of the regulations.

"Our findings suggest that the requirements generally cause developers to provide more off-street parking than they think buyers and tenants really demand," said Vicki Been, director of the Furman Center. "The city has announced that it is reviewing its parking requirements. As that review is underway, it is important to explore how parking regulations might better balance concerns about housing affordability, sustainability, and traffic congestion, on the one hand, with the needs of car owners on the other."

Proponents of the minimum requirements argue that if parking isn't mandated, new residents will compete with existing residents for the limited supply of publicly-provided, on-street parking. Opponents argue, however, that the requirements raise the costs of housing and lead to increased car ownership that reduces air quality and worsens congestion.

“While parking requirements may help protect existing car owners from competing for parking with residents of new development, they may also increase housing costs for tenants and homebuyers regardless of whether they are car owners,” Furman Center Research Fellow Josiah Madar said. “The city should be wary of unintended consequences that may undermine some of its key environmental and housing goals.”

In many districts, developers can automatically waive out of the requirements if they build small buildings or on small or irregular lots. “Most of the recent developments we studied were able to take advantage of these waivers because of their size, raising the question of whether developers are building smaller, less efficient buildings to avoid the requirements,” noted Simon McDonnell, a research affiliate at the Furman Center.

Other Key Findings:

- The report finds that requirements are generally lower near rail stations than in other areas. Because the lots closer to train stations are often zoned for higher density, however, the per unit requirements compel developers to build large numbers of parking spaces very close to train stations. These requirements may work against the city’s goal of focusing development in such areas.
- The report urges the city to explore innovations that other US cities have implemented to better tailor their parking regulations, such as parking requirements that explicitly take transit proximity into account.

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About the Furman Center for Real Estate and Urban Policy

The Furman Center for Real Estate and Urban Policy is a joint center of the New York University School of Law and the Robert F. Wagner Graduate School of Public Service. Since its founding in 1995, the Furman Center has become the leading academic research center in New York City devoted to the public policy aspects of land use, real estate, and housing development, and is dedicated to providing objective academic and empirical research. More information on the Furman Center can be found at: <http://furmancenter.org>