

NO SUCH THING AS FREE PARKING

**We
Develop
Quality**

**We create car parks to fit in
with their surroundings and
serve the local community.**



NO SUCH THING AS FREE PARKING



Every time local government elections loom, the issue of free or cheaper parking finds its way into political manifestos.

- | Some customers see free parking as a right.
- | Retailers expect an extra influx of shoppers if parking is free.
- | Local councillors believe that free parking will make their city centre more vibrant.

But is that really the case?

- | Does free parking really bring in more visitors?
- | Does it make the city centre more lively? And more liveable?
- | And what are the costs of free parking to society?
- | How free is free?

This Vision Paper sets out the different aspects of free and paid parking at retail locations and city centres.

In 2017, new passenger vehicle registrations in the European Union increased to just over 15 million cars. The registrations were up 3.4%¹. In total, there are 256 million passenger cars

¹ <https://www.best-selling-cars.com/europe/2017-full-year-europe-car-sales-per-eu-efta-country/>

on Europe's roads today². These cars all need a place to park. That requires space. In fact, a passenger car is parked for an average of 23 hours a day³. And when we go out to buy groceries, go on a shopping trip or an evening out in the city centre, we want to park our car somewhere.

Research shows that despite the rise of online shopping, 88 percent of customers still prefer to make a physical trip to a shop or supermarket⁴. The 'Vervoer naar retail' study conducted by the knowledge platform CROW-KpVV also shows that even for visits to the neighbourhood supermarket, 40 percent of shoppers go by car during the week. For full service XL supermarkets this figure rises to 69 percent on Saturdays. For city centres, shopping malls and DIY stores this percentage is even higher⁵. This preference for taking the car is

² <http://www.acea.be/automobile-industry/passenger-cars>

³ CROW/ANWB (2014): *Trends in parkeren*. [CROW knowledge institute/Dutch Automobile Association: Parking trends].

⁴ Frank News (20-12-2016): *De winkel is dood, lang leve de winkel*. [Frank News: Shops are dead: long live the shops].

⁵ CROW-KpVV (2013): *Vervoer naar retail* [CROW-KpVV knowledge institute for public sector mobility: Transport to retail].

understandable because it can prove difficult to carry all your shopping – or a new vacuum cleaner – home on other forms of transport. So good parking facilities at retail locations or city centres are still very important, due in part to the continuing rise in mobility.

NOBODY PARKS TO PARK

The report mentioned before also shows that the attraction of a retail location for customers lies primarily in the atmosphere and the quality of the amenities, such as the range of shops⁵. Nobody goes to a retail location simply to park.



Good parking facilities do not attract extra visitors, but they do contribute to a positive perception of a retail location or city centre. They are an important precondition. If they are not up to standard, customers see this as a dissatisfier which can hamper the development of a retail location. Dutch retail branch organisation INRetail supports this view and states: “Parking is a resistance factor, not an attraction factor. Customers only complain about paying for a parking space when they are already disillusioned with the retail location they are visiting”⁶. This conclusion is also shared by Dominique van Elsacker of the UDS retailers organisation in Rotterdam: “It’s more expensive to park in the commercial parking facilities at the heart of the city centre than in the public facilities on the outskirts. And yet it’s usually busier in the more expensive parking facilities because they’re closer to the shops. Indicating that location is a primary motivation when customers decide where to park”⁷.

⁶ INRetail (4-8-2015): *Misverstand. Gratis parkeren is sowieso goed voor het winkelgebied.* [INRetail: Misconception. Free parking is always good for retail locations].

PARKING TARIFFS SECONDARY CONSIDERATION

The level of parking tariffs is only a secondary consideration for customers when they choose to visit a retail location or city centre. Only 5 percent of customers thinks twice about price when choosing where to park. Which is quite logical, when you compare the price of parking (on average around € 2.50 per hour⁸) to the amount they spend in the shops.

Research conducted by Giuliano Mingardo and Jordy van Meerkerk at the Erasmus University Rotterdam (EUR) concludes that there is no connection between the level of parking tariffs and the average revenue of retail locations⁹. Equally, the parking tariff has no influence on the time which shoppers spend in town, according to research conducted by EUR and YellowBrick. This research is based on analysis of 50 million parking transactions in the past fourteen years¹⁰.

NO SPACE FOR REAL SHOPPERS

There is an assumption that making parking free or cheaper attracts more customers to retail locations or city centres, thereby boosting revenue for retailers, and the hospitality sector. However, one of the knock-on effects of a free-parking policy is that the best parking spaces are taken by shop staff before the customers even arrive. People living or working in the neighbourhood also take advantage of the free parking. This leads to a shortage of parking facilities for real shoppers – who then shift to another shopping location. Free parking also means that people are less likely to reflect on the consequences of their actions – for instance on the environment – and will tend to use the car even for a few groceries.

MAINTAIN ACCESSIBILITY

Another argument for paid parking is that it supports efforts to keep retail locations and city centres accessible. In fact, paid parking is one of the few effective instruments available to a municipality to influence city centre mobility, says Mingardo in his essay ‘Betaald parkeren afschaffen? Slecht idee!’¹¹ [Abolish

⁷ AD Rotterdams Dagblad (3-10-2017): *Prijs van parkeerkaartje deert kooplustigen niet.* [AD Rotterdams Dagblad regional newspaper: Price of parking doesn’t deter true shoppers].

⁸ Centraal Bureau voor de Statistiek (2017): *Consumentenprijsindex* [Statistics Netherlands: Consumer price index].

⁹ G. Mingardo & J. van Meerkerk (2012): *Is parking supply related to turnover of shopping areas? The case of the Netherlands.*

¹⁰ J.J. Witte; Erasmus School of Economics - Urban Port and Transport Economics (21-09-2017): *Parking pricing and shopping duration.*

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paid parking? Bad idea!]. Good quality and sufficient parking facilities combined with regulation through paid parking therefore have a positive long-term effect on the local economy⁵.

FEWER ACCIDENTS, ENVIRONMENTAL BENEFITS

Paid parking also brings benefits in terms of safety and liveability in city centres. Research by Allianz insurance shows that 40 percent of accidents with passenger cars can be attributed to people parking their car or cruising for a parking space (search traffic)¹².

The percentage of cars looking for a parking space can be as high as 8 percent of the total traffic and 30 percent of passenger car traffic in the inner city¹³. Add to this that city traffic is responsible for around half of CO₂ emissions and other pollution¹⁴, then it becomes clear that the regulating function of parking facilities and paid parking also has benefits on the environment and the liveability of cities.

SPACE IS AT A PREMIUM

Space is at a premium in city centres, which is why you pay more to park there than at locations on the outskirts. Paid parking offers customers a choice. For people who really want or need to be in the city centre, there's space. Other people can choose to travel by public transport or bicycle or to park the car at a P+R location on the outskirts (with public transport connections or the option to hire an electric bicycle)¹⁵. This allows municipalities to establish various 'rings' around the centre in which different tariffs can be charged. This type of ring model has been introduced in Maastricht, for instance, and offers customers more choice in both pricing and transport options¹⁶.

CYCLISTS PAY THE BILL FOR FREE PARKING

It costs around € 20,000 to create a single parking space in a parking facility. In an underground parking facility the cost rises to € 50,000 per parking space¹⁷. It also costs between € 3,500 and € 5,000 a year to manage, clean and maintain a space in a parking facility. These investments have to be made even when parking is 'free'. The key difference, however, is that the costs of a 'free' parking space cannot be recouped from the users: the people who park there. In effect, there is no such thing as free parking. Free parking means that the costs of providing the parking spaces are shared amongst all the people living in a municipality, including those who don't even have a car and/or get around by bicycle.



USER PAYS

All residents contribute to this 'parking subsidy.' It could be argued, however, that the costs should be paid by the people who in fact use the facilities. That could be the people who park the car, but there are other options. Retailers, cinemas, cafes, restaurants and hotels all benefit indirectly from good parking facilities. In order to make a retail location or city centre more attractive to customers, these parties could offer to refund customers some or all of the parking costs incurred, for instance if people spend a certain amount in the relevant business.

THE PROOF OF THE PUDDING

Even though rigorous academic research proves otherwise, local councils often vote in favour of pilot schemes to test whether free parking or cheap parking will bring the benefits

¹¹ G. Mingardo (2015): *Betaald parkeren afschaffen? Slecht idee!* <https://www.parkeer24.nl/nieuws/300915/betaald-parkeren-afschaffen-slecht-idee> [Abolish paid parking? Bad idea!].

¹² Allianz SE (5-5-2015): *A sudden bang when parking.*

¹³ Prof. Donald Shoup (2017): *The high cost of free parking (updated edition).*

¹⁴ Eurostat (2016): *Greenhouse gas emission statistics.*

¹⁵ CROW-KpVV (2017): *Parkeren en gedrag.* [CROW-KpVV knowledge institute for public sector mobility: Parking and behaviour].

¹⁶ Gemeente Maastricht (2017): www.parkeren-maastricht.nl [Maastricht city council website].

¹⁷ CROW (2006): *Openbaar parkeren: de kosten, de opbrengsten en de maatschappelijke lasten.* [CROW knowledge institute: Public parking: the costs, revenues and social impacts].

that people hope for. In this context, and in conclusion, it's worth considering the following notes on pilot schemes and initiatives.

SITTARD-GELEEN

"The trial with lower parking tariffs in Sittard-Geleen made scarcely any difference in the number of visitors to the two centres. Only immediately after the tariff was lowered from € 1,30 to € 1 per hour in September 2013 did the number of transactions show a temporary rise. The lower tariffs cost the municipality of Sittard-Geleen around € 700,000 a year."¹⁸

KERKRADE

"Kerkrade wants to end its free parking scheme in the centre after conducting a pilot for just over a year. According to the council the effect of the measures in attracting more visitors to the inner city was negligible. The free parking scheme has cost Kerkrade EUR 500,000 in lost parking fees and lost income from fines."¹⁹

DEN HELDER

"To boost shopping visits, a city centre free parking trial started on 1 December 2016. However, this led immediately to parking problems and protest. The parking spaces are taken up by vehicles parking for long periods. Visitors to the centre have great difficulty finding a parking space and the residents in and around the centre experience a great deal of inconvenience. The local council has now voted on an amendment to put a stop to this."²⁰

VENRAY

"The trial period has been far from trouble-free. There was a great deal of inconvenience from cars which were wrongly parked, double parked or blocking traffic, or which were even parked in places where parking is forbidden, such as pavements or blocking entrances and exits. It's causing so much inconvenience that the traffic wardens have to do extra enforcement shifts every day."²¹

"Data tracking shows that the centre of Venray has not become busier since the abolition of paid parking. The number of visitors is pretty much the same."²²

CONCLUSION

Space is at a premium, certainly in city centres. And any scarce commodity costs money. That includes space for parking. Investments in parking facilities, their management and maintenance also have to be paid. In other words, parking does cost money. There is simply no such thing as free parking. As they say in America: 'There ain't no such thing as a free lunch'.

As a municipality you can make parking free. That may seem a nice gesture, but it means that the entire community pays for car use. Which is neither fair nor necessary. It's much fairer for the user to pay for parking his or her car. In addition, parking tariffs are almost the only effective instrument for a council to steer mobility flows and influence the accessibility and liveability of a shopping centre or city centre.



There is a substantial body of academic and empirical research to show that, in practice, free or very cheap parking does not make a retail location or city centre more attractive. A vital and vibrant centre is built on cultural and historical aspects, architecture and a good balance between hospitality, retail and cultural activities. Of course, the accessibility of the centre has a key role to play. But that is a question of providing adequate public transport facilities, options for people to use their bicycles, and paid car parking options.

¹⁸ 1Limburg.nl (19-01-2015): *Nauwelijks effect goedkoop parkeren Sittard-Geleen.* [Negligible effect of cheap parking in Sittard-Geleen].

¹⁹ 1Limburg.nl (14-01-2016): *Kerkrade voert betaald parkeren weer in.* [Kerkrade reintroduces paid parking].

²⁰ Denhelderactueel.nl (12-01-2017): *Gratis parkeren terug naar max 2 uur.* [Free parking limit back at 2 hours max].

²¹ Verkeersnet.nl (23-01-2016): *Gratis parkeren in Kerkrade geen succes.* [Poor result for Kerkrade free parking scheme].

²² 1Limburg.nl (17-01-2017): *Gratis parkeren levert nog geen extra publiek op in Venray.* [No visitor increase yet from free parking in Venray].

**Q-Park has assured a number of its activities under NEN-EN-ISO 9001.
Q-Park has received several ESPA and EPA awards.**

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