

Ride-Hailing Impacts on Parking

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RIDE-HAILING IMPACTS ON PARKING

An overview created by Walker Consultants



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INTRODUCTION

Transportation network companies (TNCs), ride-hailing companies like Uber and Lyft, are changing transportation habits and having a material impact on parking demand across communities throughout the country.

The largest impacts of TNCs to parking are occurring at hotels, restaurants, events centers, and airports where demand for TNCs is greatest. Although it is the policy of TNCs to withhold information, data has been extrapolated through survey, direct observation, and other secondary research reports.

MARKET PENETRATION AND USER GROUP

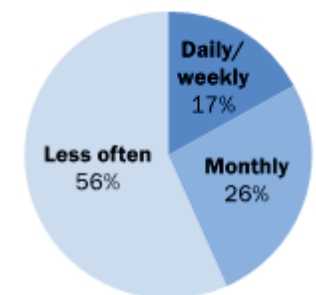
The Pew Research Center has found that ride-hailing use is strongly concentrated among urban residents, with 20% of urban Americans having used ride-hailing services at least once, compared to 15% in suburban areas and 3% in rural areas. [1] Overall, the Pew sample survey found that 15% of American adults have used ride-hailing apps.

15% of American adults have used ride-hailing apps

% of adults who ...
ride-hailing apps



Among those who use ride-hailing, % who use them ...



Source: Survey conducted Nov. 24-Dec. 21, 2015.
"Shared, Collaborative and On Demand: The New Digital Economy"

PEW RESEARCH CENTER

<http://www.pewinternet.org/2016/05/19/on-demand-ride-hailing-apps/>

PROBABLE IMPACTS ON PARKING

Ride-hailing services have been able to take advantage of the pent-up demand consumers have placed on access to urban centers. A strong correlation exists between high parking rates in urban metros and TNC market penetration [2]. Strong markets for ride-hailing services are found in dense urban centers with a bigger pool of potential customers (app-users) and in places where parking costs become prohibitive. Parking costs remain a “driver” in consumer choice behavior regarding transportation. However, impacts to parking will potential vary based upon geographic size and location, density or lack thereof, transit ridership, car ownership rates and costs, ride-share access and costs, demographics and other variables.

CURRENT IMPACTS BY LAND USE TYPE

TNC impacts are occurring at hotels, event facilities, restaurants, entertainment districts and corridors, airports and other in-demand destination places. While profound disruptions to daily commuting behaviors i.e. work commuting, have not yet been observed outside of a few select cities such as Los Angeles, New York, and San Francisco, A ‘ride-hailing effect’ has been observed across entertainment, leisure, and travel categories. For business travelers, TNC’s are becoming a preferred ground transportation option to taxis and rental cars. Furthermore, car rental companies such as Hertz and Avis have seen a decline in their revenues over the last two years. [3]

ENTERTAINMENT VENUES AND FACILITIES

Sports stadiums and event venues have recently begun planning their ground operations for TNC access and control. Live Nation, the largest live entertainment company in the country, has partnered with Uber to provide transportation for events. At all Live Nation amphitheaters across the country, Uber drop-off and pick-up locations have been created. Furthermore, Live Nation has developed an app integration feature between the Live Nation and Uber apps making it easier for concert-goers to hail rides.

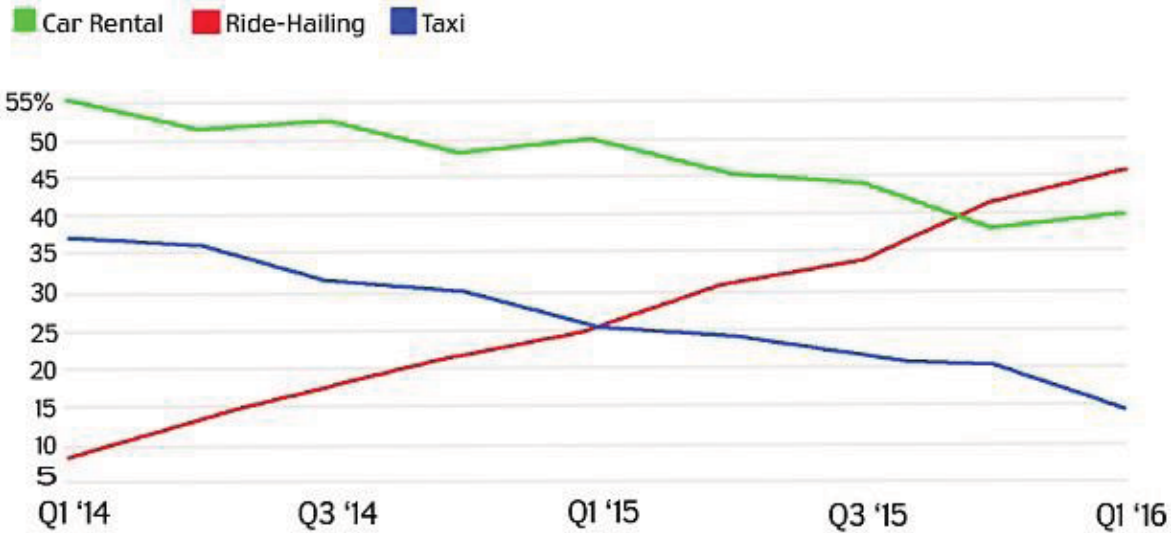


Source: Vugo, <https://govugo.com/rideshare-passenger-demographics/>

In addition to the concert industry, Uber and Lyft have formed exclusive agreements with professional sports franchises. At Levi’s Stadium, home of the San Francisco 49ers, an exclusive Uber Zone was created to enhance the fan experience for the 2016 season. Other agreements include official partnerships with MetLife Stadium (Meadowlands, NJ), Gillette Stadium (Foxborough, MA), Hard Rock Stadium (Miami, FL) as well as many other professional sports and entertainment partnerships across the country. In 2014, Lyft became the “official ride of Major League Baseball.”

Rent or Ride?

Professionals Choose Uber and Lyft over renting a car when traveling on business



Source: Certify

© DailyMail.com

HOTELS

Hotel parking demand seems to have decreased in many places due to TNC use by travelers; travelers are choosing to use TNCs instead of rental cars, to get to and from the hotel.

Travel and expense management service provider Certify found that 59% of individuals using transit for work-related purposes opted to use TNC services instead of taxi or car rentals as the majority share of ground transportation in first quarter of 2017, up 3 percent from the end of 2016.[4]

Hotels are taking advantage of market trends and are accommodating ride-hailing services both in terms of their operations and guests' services. For example, the Bellagio Hotel in Las Vegas has a designated area for TNC pick-ups and drop-offs.

RESTAURANT DISTRICTS AND CORRIDORS

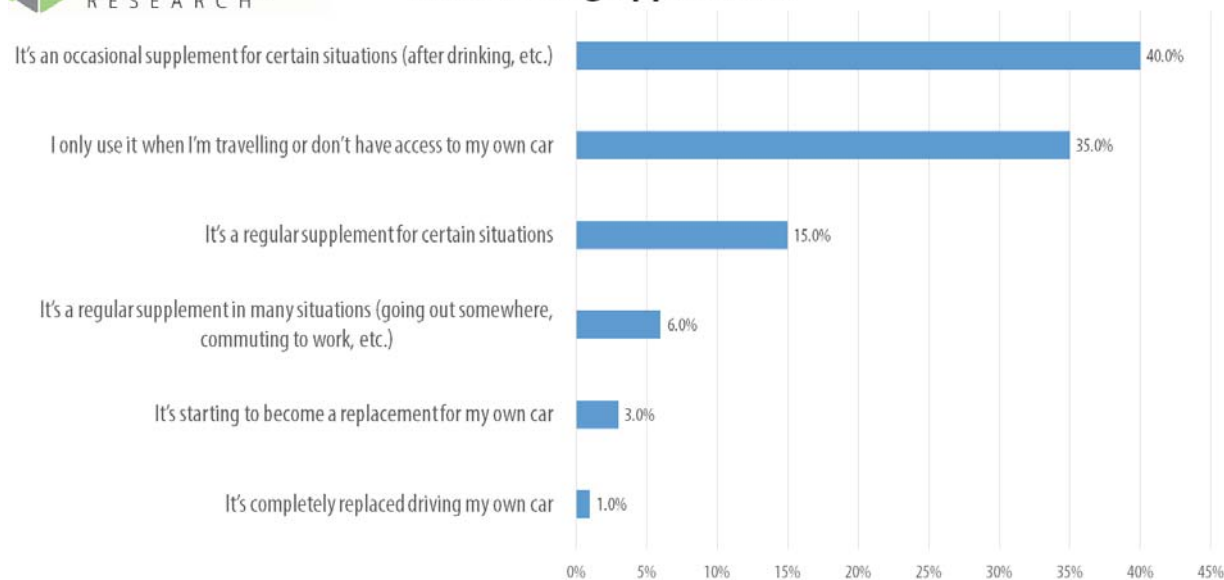
Ride-hailing apps are most popular with younger, urban dwellers. According to a Pew Research Center finding, the median age of adult ride-hailing users in the US is 33. [1] Additionally, in multiple surveys, DUI avoidance (drinking and going out) comes up as a reason for users' local trips. [5] The food and beverage industry, albeit in certain environments more than others, is benefiting from having ride-hailing access.

AIRPORTS

There is some evidence that TNC rides to and from airports are affecting parking demand at airports. However, the potential effects of TNCs on airport parking might be more complicated than simply a uniform decrease in parking demand across the airport parking system.

To offset parking revenue losses due to ride-hailing services, most airports started to charge ride-hailing fees to the TNC company and passengers within the last two years. Given the degree of growth TNC rides have continued to experience to and from airports, these fees may continue to increase.

Ride Sharing Applications



Source: <https://www.recode.net/2016/9/1/12715080/survey-ridesharing-impact-car-sales-uber-lyft-autonomous>

CONCLUSION

One industry forecaster predicts that Uber and Lyft could continue to see double-digit growth upwards of 10 percent in 2018, before settling down into single-digit growth for 2019, with potential threats coming from costly regulation and government bans. [7] TNCs could continue to be a significant part of the mobility landscape and will continue to influence consumer behavior impacting transportation planning, real estate development, and existing commercial operations.

The effects of TNCs are not completely knowable and will likely vary by multiple factors not least of which includes geographic area, size, location, density, land use intensification, car ownership, transit ridership, income, rideshare access, transportation costs, demographics, and a number of other confounding factors. At this point in time, it is most prudent to treat any given parking scenario on a case-by-case basis, examining local dynamics in order to arrive at solutions that are informed and reasonably placed.

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ABOUT THE AUTHOR

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The firm is based in the U.S. with 17 domestic offices and 1 in the United Arab Emirates, is ranked #240 in Engineering News Record's Top 500 Design Firms and #13 in Building Design + Construction's Giants 300 Engineering/Architecture Firms.

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