



RIDE-HAILING IMPACTS ON PARKING

An overview created by Walker Consultants



Image Source: Dllu - Own work, CC BY-SA 4.0,
<https://commons.wikimedia.org/w/index.php?curid=57938>
 048

INTRODUCTION

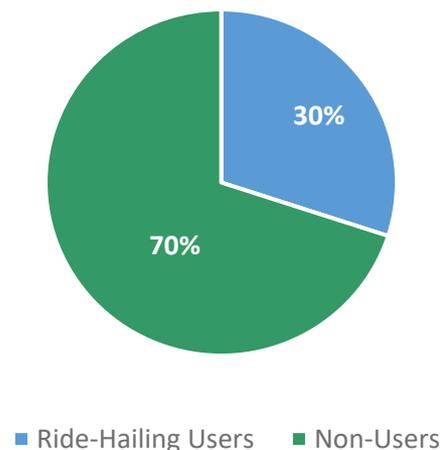
Transportation network companies (TNCs), ride-hailing companies like Uber and Lyft, are changing transportation habits and having a material impact on parking demand across communities throughout the country.

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

U.C. Davis studied 4,000 users in various cities and suburban areas between 2014 – 2016. The authors found that, “In major metropolitan areas, we find that 21 percent of adults have personally used ride-hailing services (i.e. they have installed and used ride-hailing apps), and an additional 9 percent of adults have used ride-hailing with friends.”¹ That is, approximately 30 percent of American adults in these areas have used a ride-hailing service.

Ride-Hailing Usage Among American Adults



<https://www.citylab.com/transportation/2017/10/the-ride-hailing-effect-more-cars-more-trips-more-miles/542592/>

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, TNCs 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

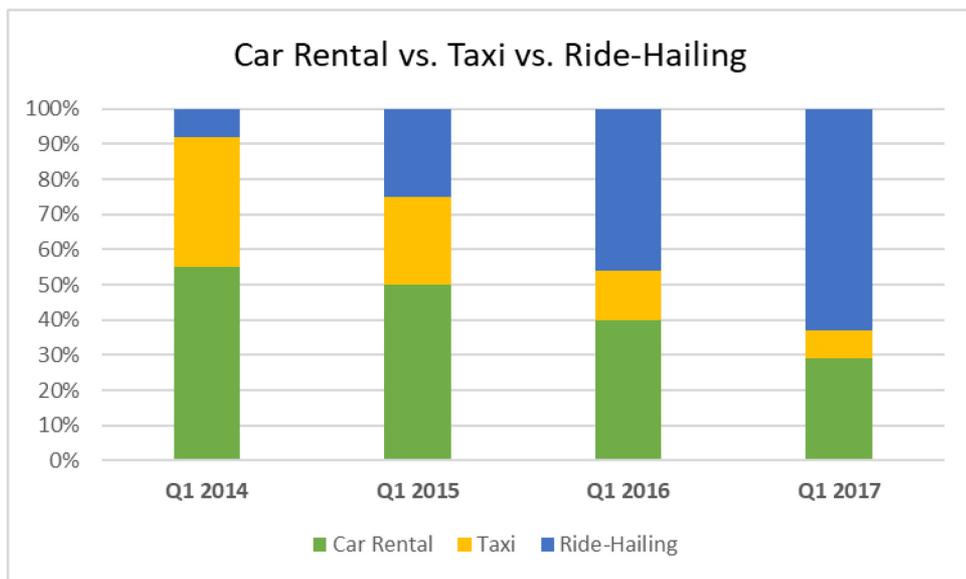
ENTERTAINMENT VENUES AND FACILITIES

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.”



Source: TNOOZ, <https://www.tnooz.com/article/certify-uber-lyft-q1-2016/> & <https://www.certify.com/Certify-SpendSmart-Report-Story-Infographic-Q2-2017.aspx>

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

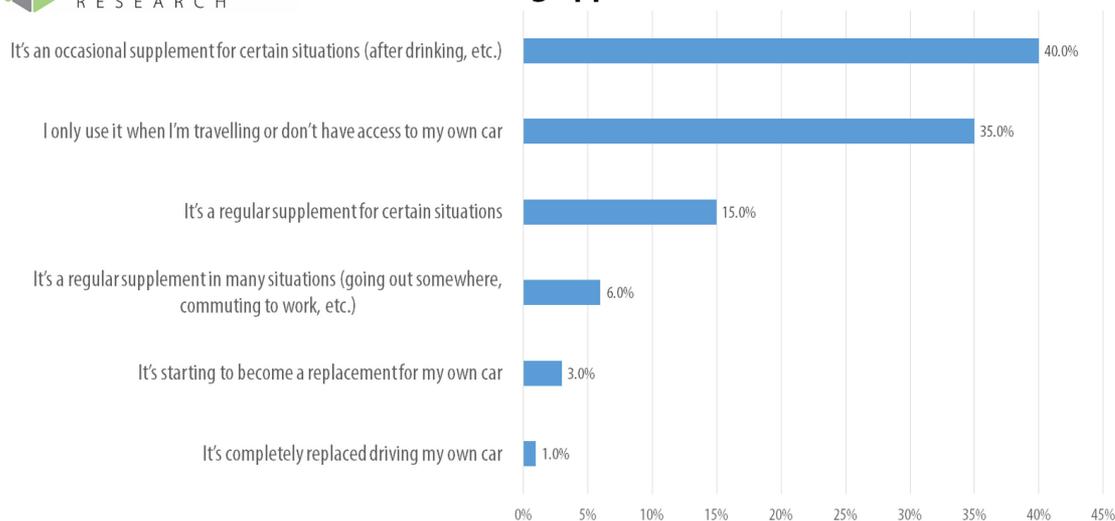
Ride-hailing apps are most popular with younger, urban dwellers. According to a Pew Research Center finding, the median age of adult ride-hailing users in the US is 33.¹ Additionally, in multiple surveys, DUI avoidance (drinking and going out) comes up as a reason for users' local trips.⁵ The food and 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 have 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.⁶ 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 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 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.

REFERENCES

1. L. Bliss, "The Ride-Hailing Effect: More Cars, More Trips, More Miles," CityLab, 12 October 2017. [Online]. Available: <https://www.citylab.com/transportation/2017/10/the-ride-hailing-effect-more-cars-more-trips-more-miles/542592/>
2. J. Cortright, "Cities and the Price of Parking," City Commentary, 19 October 2016. [Online]. Available: http://cityobservatory.org/cities_and_the-price-of-parking/. [Accessed 2017].
3. P. LeBeau, "Uber and Lyft Grab More Business From Taxis and Rental Cars," CNBC, 27 July 2017. [Online]. Available: <https://www.cnbc.com/2017/07/26/uber-and-lyft-grab-more-business-from-taxis-and-rental-cars.html>.
4. "Business Travel Ground Transportation Report for Q1 2017," Certify, 2017. [Online]. Available: https://skift.com/wp-content/uploads/2017/04/SideStoryReport_Q1_2017.pdf. [Accessed 2017].
5. P. Lienert, "Uber and Lyft Won't Crimp U.S. Car Sales in Near Term: Survey," Reuters, 10 March 2016. [Online]. Available: <http://www.reuters.com/article/us-autos-sharing-future-idUSKCN0WC1VV>. [Accessed 2017].
6. "Strength in Global Economy Means Higher Travel Pricing in 2018," Hospitality Trends, 18 July 2017. [Online]. Available: <http://www.htrends.com/trends-detail-sid-95468.html>. [Accessed 2017].

ABOUT THE AUTHOR

Walker Consultants is the global leader in providing parking consulting and parking design services. Founded in 1965, we pioneered the field of parking consulting. Today the firm has over 300 employees delivering a wide range of parking planning, design, engineering, and restoration services.

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.

We serve a broad spectrum of markets including healthcare, education, government, aviation, residential, retail and commercial development, entertainment, hospitality and athletic venues. This diversity allows our staff the luxury of collaborating with a large cross section of client types and developing best practices for their specific development needs, helping them unlock the potential of their projects.
