Australians Hold Fall Conference in Sydney

Rising Prices Down Under

BY PETE GOLDIN

LESS SPACE EQUALS GREATER unmet demand. Greater demand pushes costs up. It's a logical assumption. Some voices in Australia's parking industry say the efforts of the city councils to reduce parking in Australia's urban areas – to reduce the number of vehicles and ultimately reduce congestion and greenhouse gases – is having a profound impact on the cost of an Australian parking space.

While the cause may still be contestable, it is a fact that the prices of parking spaces in Australia are hitting record highs. The most recent news was the sale of a parking spot in the Bondi beach area of Sydney for AU$240,000 – a record for the country.

Real Estate Agent Ric Serrao of Raine & Horne Double Bay sold the 16-square-meter single lock-up parking space on Brighton Boulevard in Sydney's upscale North Bondi.

"I now have a couple of other local clients that would even pay more if they had the opportunity to get parking in their street," says Serrao. "I guess a precedence has been set."

While not every parking space sale is setting records, a March article in *The Australian* states that car parking spaces in Sydney, once worth AU$5,000 to AU$10,000, are now selling for between AU$40,000 and AU$140,000 each.

Melbourne is also experiencing a rise in the cost of parking spaces.

"Our data indicates increases in the order of 10% to 20% over the last two years, which is in line with increases in property prices across the board," confirms Councillor Brian Shannahan, Chair of the City of Melbourne's Finance and Governance Committee, who states that sales of residential parking spaces ranges between AU$40,000 to AU$60,000 per bay in Melbourne.

Strong arm of the law

Many in Australia's parking industry believe that parking restrictions in urban areas are one of the major causes of the astronomical rise in the cost to purchase a parking space.

"Definitely the local council's change to street parking has had a huge influence on the prices of parking spaces," says Sydney real estate agent Ric Serrao.

But a City of Sydney spokesperson says the restrictions are simply the city's reaction to an already tight supply of parking spaces.

"The City tries to ensure parking is used fairly by everyone," says Sydney's spokesperson. "Parking demand and congestion in the City of Sydney are increasing quickly. There are more cars competing for a limited number of spaces … Metered parking and enforcement increases turnover of parking spaces so residents and visitors have a better chance of finding a parking spot."

On the other hand, Melbourne is clearly implementing initiatives to limit parking and support a shift in travel behavior towards public and sustainable forms of transport, such as car sharing.

For example, a proposed planning scheme amendment (C133) in Melbourne will allow the provision of zero onsite car parking spaces and place a discretionary limit of one per dwelling for developments over four stories in certain areas. This would represent a major shift from Melbourne's current policy which requires all new residential developments in these areas to provide at least two onsite parking spaces per dwelling for developments over four stories.

"The Melbourne City Council's strategy is to encourage walking, cycling and use of public transport, but we recognize that car use is an integral part of Melbourne life," says Councillor Shannahan of Melbourne. "The concern of the Council is to strike the right balance."

The Age reports that while the number of people working in Melbourne has increased by 40,000 and the number of residents has increased by 4,000 over the past four years, on-street parking is actually decreasing. The online magazine states that in 2003 there were 3,230 on-street parking spaces in Melbourne, compared with 3,080 today.

Even Perth, in Western Australia, has enacted parking policies to reduce vehicles.

"Perth parking policy is aimed at reducing vehicles in the Perth Central Business District (CBD)," says Joe Lenzo, Executive Director, Western Australia, Property Council of Australia. "The key factor is to minimize forecast congestion."

"The main mechanism being used to reduce parking is a private and public car bay license fee – currently AU$586.00 per bay per annum," he continues. "There is strong opposition to this levy as it penalizes city workers and shoppers. The Property Council, in our latest pre-budget submission, has called on the government to abolish the Perth Parking Levy. It has done nothing to reduce congestion only made parking more expensive."

Councillor Shannahan of Melbourne disagrees that his city's parking restrictions are the cause of rising prices of parking spots, however.

"I don't think you could draw the conclusion that parking restrictions are driving prices," Shannahan states. "The increases are not exceptional against the general property market."

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