

**The Price of Parking in Brisbane CBD
And
Comparison with Prices
In Other Australian Capital Cities**

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1. Survey Methodology

This report summarises the findings from TTM Consulting (Qld) Pty Ltd research regarding the price of casual CBD parking in capital cities across Australia. Research was undertaken for the CBDs of :

- Brisbane
- Sydney
- Canberra
- Melbourne
- Adelaide
- Perth
- Darwin

Data was gathered from websites of parking operators in addition to referencing a previous study undertaken by TTM in 2001. The online data provided the location of parking stations in each CBD and casual parking rates for Weekdays, Saturday and Sunday. Parking rates were collated by City, parking station and duration of stay.

The number of parking spaces available in each parking station at the nominated rates was not generally available. Therefore the reported average is not weighted in respect to the number of spaces available in each station at particular rates. The exception to this is in the 2001 comparison for Brisbane where it has been assumed that the number of spaces in each parking station is unaltered from the 2001 survey.

2. Data reporting

The following data summaries have been generated from the base data.

- Mapping of parking station locations in the CBDs of Brisbane, Sydney, Melbourne and Adelaide. Brisbane CBD was divided into zones consistent with the 2001 study.
- Average parking rates for each capital city CBD for Weekday, Saturday and Sunday in terms of average price by duration of stay and the standard deviation of price.
- Comparison of weekday parking prices for short to medium term durations for Brisbane, Melbourne and Sydney including standard deviation of price.
- Brisbane CBD parking price comparison between 2001 and 2010 for the five CBD zones.

Notes:

Only parking considered to be in the Central Business District were included in the data comparisons.

The City Frame area for Brisbane (as defined by the Brisbane City Plan) has been incorporated into the study.

Average rates reported for CBD parking rates are not weighted by the number of spaces due to lack of readily available information.

For the 2001-2010 Brisbane comparison it was assumed the number of parking spaces in 2010 in each parking station remained the same as in 2001.

All data sourced online is assumed to be accurate at the time of recording.

3. Summary of Findings

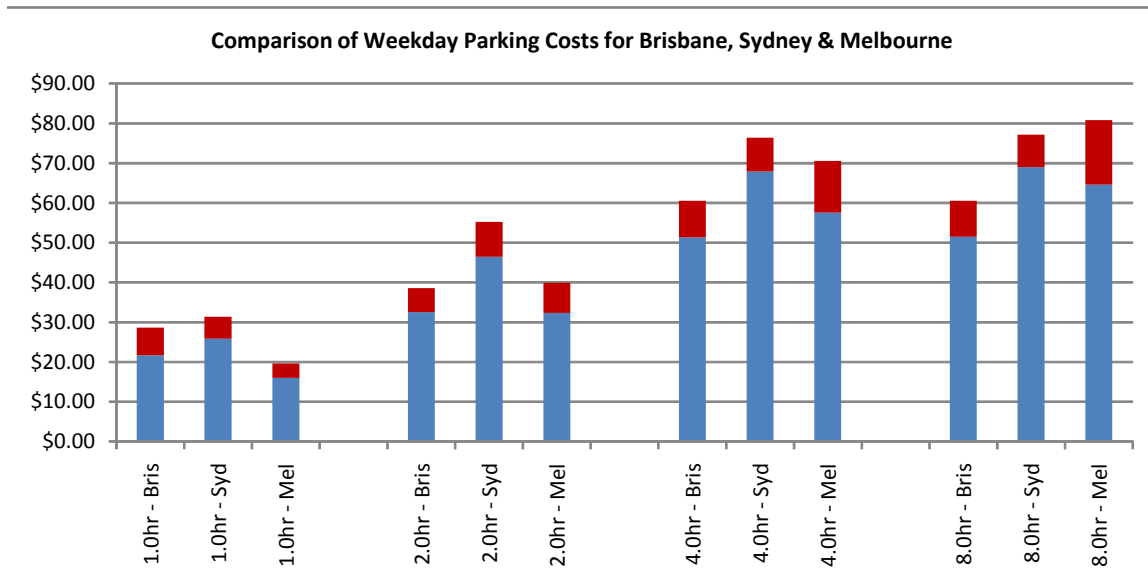
The following is a summary of the primary findings from research.

- The majority of CBD parking stations in the major capital cities of Brisbane, Melbourne and Sydney are operated by Wilson and/or Secure Parking. Adelaide CBD parking stations are managed primarily by Upark, with 5 sites managed by Secure. A significant number of parking stations in the CBDs of Perth, Darwin, Canberra and Hobart are managed by City Council.
- Canberra, Darwin and Hobart CBDs have the lowest average weekday parking rates of all capital cities with each costing an average maximum of \$20 per day compared with an average maximum of \$69.02, \$64.64 and \$51.97 for Sydney, Melbourne and Brisbane respectively.
- Sydney was found to have the highest average weekday parking rate for a capital city. For short term durations the average cost across the carparks in the Sydney study area was \$25.83 for 1 hour compared with \$21.65 in Brisbane and \$15.98 in Melbourne for the same period. For 2 hour parking the cost in Sydney almost doubles to an average cost of \$46.43 compared with \$32.56 in Brisbane and \$32.34 in Melbourne for 2 hour parking.
- The average weekday maximum charge for carparks in the Sydney CBD study area was \$69.02. Therefore two-thirds of the average maximum daily cost is accrued in the first 2 hours.
- Melbourne CBD parking rates were the second highest for 4 hour parking with a rate of almost \$60 and an average maximum daily charge of approximately \$65. 50% of the average maximum daily cost is accrued in the first 2 hours, with a 2 hour parking cost of over \$30.
- Brisbane has the second highest average weekday parking rates for short term parking with Sydney having the highest parking cost. It costs an average of \$21.65 to park in Brisbane CBD for 1 hour and an average of \$32.56 for 2 hours compared to \$25.83 in Sydney for 1 hour and \$46.43 in Sydney for 2 hours.
- The average weekday maximum daily parking costs for Brisbane CBD is \$51.50 per day, therefore approximately 60% of this maximum average daily charge is accrued in the first 2 hours.
- In Brisbane and Sydney CBD the average weekday maximum daily parking costs occurs for durations of 5 hours or greater. For Melbourne CBD the average maximum parking cost occurs for durations of 6 hours or longer. In Adelaide, the maximum daily rate does not apply until the vehicle is parked for more than 9 hours.
- A comparison of weekday parking rates between Brisbane, Sydney and Melbourne for short to medium term durations reveals that Sydney has the highest average parking rates for 1 hour, 2 hours and 4 hours. Brisbane has a comparatively high average parking rate for short term parking (i.e. 1 or 2 hours) when compared with Melbourne and Sydney but a lower average parking rate for medium term parking (i.e. 4 hours). It is significantly cheaper to park in Melbourne for 1 hour than it is for Brisbane or Sydney, approximately the same as Brisbane for 2 hour parking and the second most expensive for 4 hours.
- On average it costs \$21.65 to park in Brisbane CBD for up to 1 hour. To park for the same period in Melbourne costs an average of \$15.98. The average 1 hour parking cost for Brisbane CBD is 26% higher than for Melbourne CBD. The average cost to park for 1 hour in Sydney CBD is 19% higher than Brisbane CBD, with Sydney having an average cost of \$25.83.
- Brisbane, Melbourne and Sydney weekend parking is significantly cheaper in the CBD areas studied than the weekday parking costs. Saturday parking rates for Brisbane, Melbourne and Sydney are significantly cheaper with average maximum parking costs of \$19.93, \$14.53 and \$20.20 compared with \$51.50, \$64.64 and \$69.02 for weekday parking. The average maximum cost of parking on a Saturday in Adelaide is \$18.48 compared with \$21.26 for weekday.

- The average maximum parking costs for a Sunday are very similar between Brisbane, Sydney and Melbourne. The average parking costs for Adelaide CBD are significantly less than Brisbane, Melbourne and Sydney.
- The average parking cost for a duration of 4 hours in Brisbane CBD in 2001 was \$16.61 compared with the 2010 average cost of \$48. It costs approximately three times as much to park in Brisbane CBD than in 2001 for 4 hours.
- To park in Brisbane CBD in 2001 for 1 hour the cost was \$6.64 on average compared with the current cost of \$21.06. The average 2 hour parking cost in 2001 was \$10.18 compared with the current cost of \$30.58. The short term weekday parking costs have increased threefold since 2001 in Brisbane CBD.
- A review of the average maximum daily charge for Brisbane CBD sectors shows the Central and North zones of the city are the cheapest places to park, with each less than \$50 per day. The most expensive zones to park in for a day are the East and South zones, with each costing more than \$55 per day on average.
- For short term parking the cheapest places to park in Brisbane CBD are in the Central and North zones which are both less than \$20 on average. The most expensive place to park in the Brisbane CBD for 1 hour is in the East zone which costs an average of more than \$25.

Summary of Capital City CBD Comparisons

The research indicates that Brisbane parking prices lie between those for Melbourne and Sydney for short term parking (up to 2 hrs duration) but are less than Sydney and Melbourne for medium and longer term durations exceeding 4 hours. When the magnitude of parking price differences between Brisbane, Melbourne and Sydney are considered in the context of state government charges which apply to non-residential CBD parking, the “base” or “ex tax” price of Brisbane CBD medium to long term parking is approximately equivalent to the “ex tax” price of Sydney and Melbourne parking.



Notes:

Average cost is not weighted by number of spaces due to limited availability of parking supply data

Standard deviation - Approx. 85% of parking rates are less than the top of the standard deviation value

4. Commentary

The Extent of Research

This research refers to the price of casual short, medium and long term parking in capital city CBDs across Australia. The price of long term permanent parking such as available on monthly or longer terms was unable to be researched due to the lack of public disclosure of prices by parking operators and the difficulty in obtaining these prices direct form operators. It is probable that the relative price of casual parking in each CBD is reasonably representative of the relative price of long term “permanent” non-residential parking in each CBD.

Comparability of Capital City CBDs

In making a comparison of the price of parking across the CBDs of Australian Capital Cities, it is of considerable importance to ensure that CBD definitions are comparable and allow a proper price comparison. For example, the CBD of Brisbane is often referred to in various planning documents as that area which the City Plan defines as the combination of both the “Core” and “Frame” areas. This definition of CBD is inconsistent with the definition which is commonly applied to the Melbourne, Sydney and Adelaide CBDs which are comprised almost entirely of a central high density/high rise “Core” sector.

In order to avoid findings and conclusions in this research being distorted by inconsistent CBD definitions within each capital city, we have adopted a definition of CBD as being the “Core” or high density, high rise CBD area. The adopted “CBD” areas for which the price of parking was researched in this study are shown in the attachments to each city data set.

Factors Affecting the Price of CBD Parking

The price of parking in the CBDs of Australian Capital Cities is affected by a range of factors including ;

- the cost of land and development,
- the nature, extent and density of CBD development,
- state and local government parking supply and parking management policies,
- the extent of involvement by local authorities in the CBD parking supply market
- state and local government taxes and charges,

and

- the supply of CBD parking relative to parking demand.

Many of the above factors such as development density and land cost etc. are self evident when comparing capital city CBDs and no effort has been made in this research to quantify these effects. Similarly, no effort has been made to quantify the supply of parking relative to CBD parking demand for each capital city.

It should be appreciated that CBD parking supply in Sydney, Melbourne and Brisbane (and to a lesser extent Perth) are based on “parking limitation” policies which significantly constrain parking supply at levels below the level of unconstrained “market” demand. For example, unconstrained demands for office and retail development occur at rates of approximately 3.5 and 5.0 spaces / 100 sq.m.(gfa) respectively compared with the allowable maximum Brisbane CBD rate for new non-residential development of 0.5 spaces / 100 sq.m.(gfa). Similar maximum supply rates well below unconstrained market demand rates also apply to non-residential development in Sydney and Melbourne. The outcome of these parking “limitation” policies in combination with other market factors over considerable time in Sydney, Melbourne and Brisbane has been to result in non-residential CBD parking being supplied at an aggregate central CBD rate of less than 1.0 space/100 sq.m.(gfa). This aggregate supply rate varies between capital cities and between CBD sectors in each City and would logically have an effect on relative parking prices.

In order to investigate the potential to which the supply of parking relative to demand may affect parking prices in each capital city CBD this research would have needed to make comprehensive estimates of both the supply of CBD parking and CBD floorspace in order to at least establish the aggregate rate (spaces/100 sq.m.gfa) at which parking is supplied. This was beyond the resources available to the research.

The price of parking in the Perth, Canberra, Darwin and Hobart CBDs is potentially affected by the extent to which these councils are significant commercial operators of CBD car parks. Councils in these cities have historically had the ability to significantly affect parking prices through price manipulation having objectives other than strict commercial objectives. This does not occur to the same extent in Sydney, Melbourne and Brisbane due to these Councils having a relatively minor participation in the parking supply market.

State Government Charges in Capital City CBDs

Notwithstanding that the findings of this research are not qualified in respect to many of the above factors, it is of primary importance to interpreting this research and developing an understanding of CBD pricing to have regard to the significant state charges which apply to CBD non-residential parking in Melbourne, Sydney and Perth and the absence of similar charges applying to non-residential parking in other cities, including the Brisbane CBD.

State government charges are levied on CBD non-residential parking spaces in Sydney, Melbourne and Perth.

The Sydney charge was introduced on non-residential parking spaces in 1992 at which time the charge was \$200/space. The charge is now \$2,000/space.

The Melbourne charge was introduced on non-residential parking spaces in 2009 at which time the charge was \$820/space. The charge is now \$880 /space.

The Perth charge was introduced on non-residential public parking spaces in 1999 at which time it was \$79/space. The charge is now \$567.20/space for short stay parking and \$598.30/space for long stay parking.

The above charges have contributed significantly to the cost of supplying car parking in the above capital city CBDs. It follows that the charges would have had a significant effect on the price of non-residential CBD parking in these cities. Estimates vary regarding the effect on parking price in each City. However, crude estimates suggest that the contribution made by state government charges on CBD parking prices is in the order of 25% of parking price for Sydney CBD, 15% for Melbourne and 15% for Perth. These contributions will vary in each capital city between various short and long term market segments depending on demand and supply relationships in each of these market segments.

Brisbane City Parking Policy

It is a significant finding from this research that the relative price of short term parking in Brisbane CBD does not reflect the relativity that exists in respect to medium and long term parking. That is, short term (1 hour) parking prices in Brisbane are relatively high in Brisbane, being second to those of Sydney.

One major factor contributing to the above short term pricing anomaly for Brisbane is the depletion of short term parking supply in the Brisbane CBD over the past two decades as short term public parking sites have been redeveloped. This has resulted in a significant reduction in the availability of casual parking and particularly casual short term parking in the CBD.

The depletion of Brisbane CBD's short term parking stock and consequential higher prices act counter to the Brisbane Council's policy to promote the CBD as a centre of entertainment, culture and retail activity. That is, whilst the overall CBD parking supply may have increased over the past two decades, parking supply has increasingly become privatised and inaccessible to the general public, particularly at weekends and in evening periods. The consequential casual short term parking price outcome has been exacerbated by the introduction of on-street metered pricing and the lack of any significant commercial car park development in the CBD for several decades.

Notwithstanding the relatively high price of parking in Brisbane CBD across all market segments, the above matter should be a cause of concern for Brisbane Council in the context of stated CBD policy objectives.