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Parking Requirements Drive Up Housing Costs



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Across the United States, people are struggling to afford housing. Rents and home prices have risen faster than wages, and new housing production has not kept pace with demand. Even when housing is built, it is rarely in the form of smaller units, which tend to be more affordable.

This issue brief synthesizes research that clearly demonstrates how minimum parking requirements exacerbate the housing affordability crisis. Parking requirements are zoning rules that require new homes to include a minimum number of off-street parking spaces, regardless of site-specific conditions, costs, or residents' needs. Parking is expensive to build — in urban areas it can often cost over \$50,000 per space — and costs are largely passed on to renters and homebuyers. Parking requirements disproportionately affect lower-income residents who own fewer vehicles yet still shoulder the cost of parking. In addition to raising housing costs, parking requirements constrain new housing supply by consuming developable land and impairing project feasibility, resulting in both fewer units per project and fewer projects being constructed.

Key Research Findings

1. Off-street parking adds to housing costs, including for those without cars.

Renters and homeowners with bundled off-street parking pay more than people in similar homes without it. Parking adds roughly \$200–\$300 per month to rents and \$60,000–\$100,000 to condominium prices. Many households end up paying for more spaces than they need.

2. Parking requirements reduce housing supply.

Parking minimums can block infill development and the adaptive reuse of existing structures when providing the required parking is

not feasible. Underground parking can be prohibitively expensive, averaging around \$73,000 per space, while aboveground parking structures cost roughly \$52,000 per space.¹ Furthermore, any aboveground parking consumes space that could otherwise be used for additional housing.

Case studies of specific locations show how introducing or removing parking mandates affects development. For example, after Oakland, California, first introduced a minimum parking requirement of one space per unit in 1961, densities fell: The median number of units per development fell by 36%, even though higher densities remained allowable on paper. The median lot size of new development increased by 15%, as smaller lots became harder to develop.²

Developers may also reduce the number of apartments in a project when the last few units would require an entire new level of costly structured parking. For example, one Los Angeles developer reduced a project from eight apartments (the maximum allowed under the zoning's density limit) to seven, because the requirement of 2.25 spaces per unit meant that an eight-unit project would have needed two more spaces than could fit on a single underground level.³ Surveys and interviews with developers and planners from other cities provide additional qualitative evidence that parking mandates reduce unit counts and project feasibility.

3. Parking requirements particularly discourage small apartments.

When parking requirements are set per unit, the required parking accounts for a greater share of costs for smaller apartments (Figure 1).¹ Modeling studies and prototype building comparisons show how the added expense can make lower-rent apartment projects financially unviable, so projects that could have delivered more affordable homes never move forward.

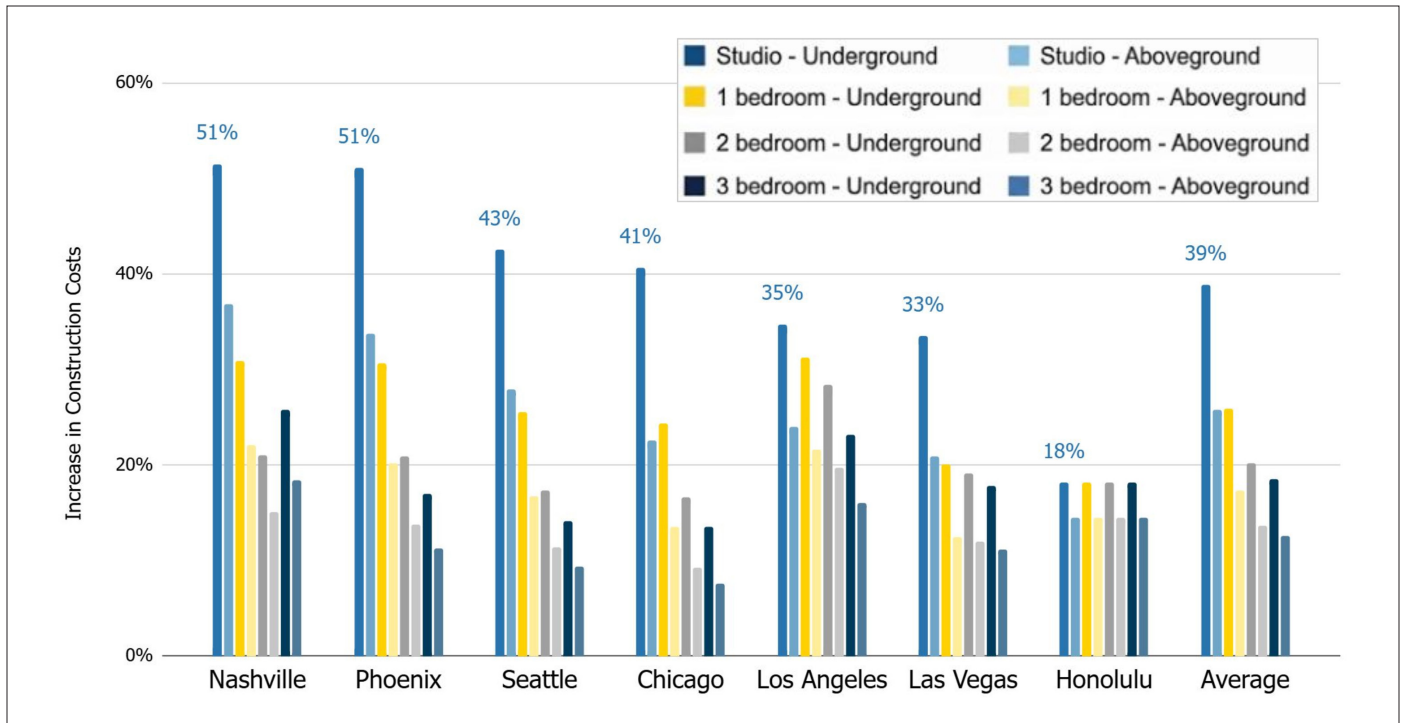


Figure 1. Percentage Increases in Apartment Construction Costs from Required Parking.

Source: UCLA Center for Parking Policy

Empirical evidence on these dynamics remains limited, but one example comes from Champaign, Illinois: After the city lifted parking minimums in the downtown and university districts, developers built smaller apartments. The average number of bedrooms dropped from 2.6 per unit to 2.1, and unit density rose from 95 units per acre to 170.⁴

Overall, parking mandates make housing more expensive, reduce flexibility to provide homes with less parking, and especially constrain the production of smaller, more affordable units. Over time, restricting new housing accelerates the cost increases for existing homes in high-demand areas.

Policy Implications

Minimum parking requirements increase the cost of housing, prevent some new housing from being built, and especially

constrain the production of smaller, more affordable homes. Repealing these requirements — allowing parking to be provided more flexibly — is a simple, evidence-based way for cities to expand housing options and help curb rising costs.

Where needed, cities can price curb parking to ensure continued availability and to incentivize residents who need a more permanent space to seek off-street parking. Shifting from rigid parking mandates to flexible parking management strategies can decouple parking costs from housing costs and unlock opportunities for new housing construction.

Further Reading and Sources

The research literature that informed this issue brief is summarized in greater detail, with citations to the underlying studies, in [The Impacts of Minimum Parking Requirements: A Research Synthesis](#).

Endnotes:

- Schwartz, E. (2026). No such thing as free parking: Construction costs in 17 U.S. cities. UCLA Center for Parking Policy. <https://doi.org/10.17610/T62G75>
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- Sohoni, S., & Lee, B. (2024). After the minimum parking requirement: Parking reform in a small university city. *Journal of the American Planning Association*, 90(3), 471–485. <https://doi.org/10.1080/01944363.2023.2248093>