

Diminished car ownership helps downtown Toronto affordability

by Neil Sharma 17 Jun 2019



Constructing a single parking spot below grade in downtown Toronto can cost as much as \$100,000—and as more millennials ditch them for public transit and ride shares, it's time to rethink how the spaces can be used.

“What we’ve been hearing from our developer members is millennials can’t afford parking on top of the price of a condo unit and they don’t want parking anymore,” said Residential and Civil Construction Alliance of Ontario (RCCAO) Executive Director Andy Manahan. “In some buildings, we’re building too much underground parking.”

Mortgage broker Daniel Johanis says parking spots in Toronto have inflated values, especially if they're located in parts of the city well serviced by public transit.

“Talking to realtors who work preconstruction, they always tell their clients that if they're on a subway line, there's no point shelling out an extra \$60-80,000 on that parking spot because they won't necessarily get their money back for it,” he said.

“Millennials are more focused on location, meaning they choose which neighbourhoods they’re moving into carefully, and not having a parking spot definitely won’t deter them. If anything, a lot of them are foregoing cars and doing rideshares and things of that nature instead.”

An RCCAO-commissioned report—How Parking Regulations Need to Evolve for High-Rise Buildings—released by the Ryerson Urban Analytics Institute noted the City of Toronto hasn’t updated its parking standards since 1986 and, furthermore, determined that, thanks to ride hailing services like Uber and Lyft, downtown-dwelling millennials prefer not to own cars.

Until the City of Toronto amends its minimum parking standards, overpriced parking spots will remain affixed to the price of downtown condos and, in the process, exacerbate affordability woes for millennials, many of whom are entry-level buyers.

Ride sharing apps appear to only be the beginning. The report also explores the impact autonomous vehicles will have on urban cores and there’s mounting evidence that below-grade parking spots in high-rise residential towers will be completely superfluous in a few years.

“The expected widespread adoption of AVs in the coming decades will significantly alter the design of parking facilities,” read the report. “With the advent of AVs, parking footprints can be reduced, and efficiencies increased. AV passengers can be dropped off at their destination or other designated areas and are not required to enter parking lots as AVs will park themselves. In addition, AV parking lots will require approximately two square metres less per vehicle than traditional parking lots, according to one study, as car doors will not need to be opened for passengers, elevators and stairs become unnecessary, and roadways become narrower.”