



## Want to make Toronto condos cheaper? Stop forcing developers to build parking spots buyers don't want

By Matt Elliott -Tue., Nov. 23, 2021



Toronto city hall's planning and housing committee will meet this week to deal with a topic that's always controversial: parking. Specifically, the committee, chaired by Coun. Ana Bailão, Mayor John Tory's deputy mayor responsible for housing, will [decide on Thursday whether it still makes sense to require Toronto developers to build a minimum amount of parking spaces with their new developments](#). (Its ruling, whatever it is, will also need to be approved by Toronto council in December.)

It's a monumental decision. Currently, Toronto developers are [generally subject to a formula](#) that forces them to build a fixed number of parking spots depending on where their project is located.

A report co-authored by city hall's transportation and planning departments recommends doing away with almost all minimums, leaving only a few requirements related to things like visitor parking and accessible spots.

Developers would still, of course, be able to build and sell parking spaces alongside condos, up to a prescribed maximum rate, but they'd no longer be forced to.

From a downtown-dwelling, left-leaning sort of perspective this makes all kinds of sense.

The report sums things up nicely. "Easily available parking encourages people to drive more often," it says. "More people driving contributes to worsening traffic congestion, slowing transit operating in mixed traffic and making it more difficult to improve travel conditions for alternatives like transit, walking and cycling."

But there's also a small-c conservative case for nixing parking minimums.

Now I'm not super well-versed in making conservative arguments, but let me try, just this once. Imagine, as you read this, that I'm a hardcore libertarian, writing this column from a wingback leather chair, dog-eared copies of Ayn Rand books at the ready, pausing every few minutes to check crypto prices, while reruns of "South Park" episodes play quietly in the background.

With that scene set, let me pose this question: what business does the government have telling private companies how much parking they should build?

Shouldn't this be left to the glory of the free market to decide?

Because, when it comes to parking, the glorious free market is speaking loudly. According to city data, 40 per cent of households living in Toronto condos and apartments in 2016 did not have a car. That's about 281,120 households, and the number is on the rise.

**As a result, the parking spaces the city has been requiring developers to build aren't exactly a hot seller. A [letter to the planning and housing committee](#) from the Residential Construction Council of Ontario, the association representing Ontario developers, says its data shows that new condo projects, on average, have seen 33 per cent of their built parking spaces go unsold.**

**That may not be a perfect reflection of the actual demand for parking spaces, as lots of Toronto condos are bought by investors who are probably content to let their tenants fend for themselves when it comes to finding a parking space, but it does point to a continued downward slide in the perceived importance of having a parking space attached to a piece of Toronto real estate.**

**"In the extreme case, one builder member had 90 per cent of their available parking still available for sale as the building neared construction," the letter notes.**

And these aren't generally simple surface parking lots built with a few steamrollers and some buckets of paint. These are complex, underground parking garage structures. The cost to build each space now ranges from \$48,000 up to \$160,000. In some places across Canada, that high-end price tag for a Toronto parking spot could get you a whole darn house.

Of course, those massive extra construction costs to build parking spaces — many of which are going unsold — are not just being absorbed by developers. They're being passed on to buyers, making housing even more expensive in a city where housing is already mega-expensive.

Yes, yes, I can hear the counter-arguments already. Some will argue that developers should be forced to build parking because otherwise new neighbourhood residents will take already-scarce on-street parking. But capitalism could go a long way to addressing that problem too.

The city currently [charges just \\$17.21 a month for on-street parking permits](#), or about 57 cents a day. You know what else you can buy for 57 cents a day? Almost nothing! Very few things in life are that cheap. If you want to address the issue of too many people using on-street parking spaces, start by adjusting the price to a level somewhere above “practically free.”

This issue is a real chance for a rare moment of ideological unity. There are not a lot of debates at city hall that can bring together urbanist-minded progressives and free-enterprise conservatives.

In that spirit, the planning and housing committee, and later Toronto council, shouldn't hesitate to approve this move. Being rid of parking minimums is a true win-win scenario — a win for the free market, and a win for those of us who would like to move toward a better, and safer, future for this city, with fewer cars on the streets.