



Auckland Transport

Price Adjustment Policy

Parking Buildings

Auckland CBD

1 Introduction

Auckland Transport (AT) is committed to delivering convenient affordable parking when and where it is needed. The AT parking strategy gives a clear policy direction on how AT's car park buildings in the CBD should operate. The Strategy shifts focus from long-stay to short stay parking. It also recommends that early bird times and prices should be reviewed to discourage peak commuting and that on-street and off-street prices be better aligned. The purpose of this document is to outline how AT will operationalize the AT Strategy.

2 Scope

The scope of this policy covers the price adjustment policy AT will use in its car park buildings in Auckland's Central Business District.

3 Principles

- Pricing policies should be consistent with the organisation's strategic objectives by supporting visitation to the CBD, promoting public transport use, discouraging commuter trips at peak times and reducing congestion.
- Prioritise short stay parking over long stay parking.
- Use a consistent, simple, rules-based, transparent and data-driven approach for setting parking rates.
- Use demand responsive pricing and charge the lowest rates possible to achieve occupancy targets.
- Ensure the peak demand for short-term parking is met most of the time
- Use discounts to achieve strategic outcomes such as discouraging peak commuting and reducing congestion
- Use specific parking management measures during special events and short seasonal peaks such as school holidays

4 Price Adjustment Policy

This policy recognises that transitioning from an approach that focused on the commuter market to one that prioritises short-stay parking is a significant policy change. Rebalancing AT's car park buildings in favour of short term parking and travel demand management parking products that are consistent with AT's strategic objectives will be a gradual process. The commuter market tends to consist of repeat customers who are likely to expect consistency in prices and are highly sensitive to price adjustments. Adjusting prices too rapidly is likely to lead to sharp changes in demand and result in unintended consequences that AT may struggle to manage. The approach will be to adjust prices gradually and be



transparent about how prices will be set. The objective is to signal intentions early and avoid surprises to customers as much as possible.

Car Park Buildings

AT manages five car park buildings in the CBD. Each car park experiences different parking demands for different parking products and therefore has a different parking profile. Whilst the specific product mixes, targets and prices set for each car park will vary the price adjustment principles that underpin each approach will be the same.

Peak and Off-Peak Rates

Some car park buildings experience significantly different parking demand on different days of the week or different times of the day. Where demands differ significantly AT will use peak and off-peak prices. Peak prices will be higher and will normally coincide with typical weekday working hours. Off-peak prices will be lower and will usually apply in the weekends and evenings, but may apply at other times depending on demand.

Demand Responsive Pricing

The parking prices in car park buildings will change gradually and periodically based on demand. This is consistent with the approach being used to manage on-street parking in the CBD. Occupancy levels will be constantly monitored to ensure peak demand for short-stay parking is met most of the time. If the demand for parking in a car park is found to decrease, the prices will also decrease. Likewise, if the demand for parking in a car park is found to increase, the prices will increase. Demand will be constantly monitored in the car park buildings but prices will not be adjusted more than quarterly and only if warranted by demand. The only exception to this would be reducing prices for promotions during special events such as school holidays. This provides the flexibility required to adapt to fluid market conditions.

Setting Yield¹ Targets

Each parking product (i.e. concession lease, casual, early bird, etc.) provides a different yield. For example: a typical early bird parker who arrives in the morning will park for around 8 hours and leave around 5pm. If the early bird price is set at \$13 the yield from that space during the weekday peak will be \$13. On the other hand a single space may be occupied by several casual parkers at different times throughout the peak period. If the casual rate is set at \$3 per hour and the space is occupied for a total of 6 hours the yield would be \$18.

AT will set yield targets for each parking product. The yield target is the amount of revenue per space that AT aims to achieve for each parking products. The targets will be based on the following approach:

¹ Yield in this context is defined is the amount of revenue generated by a particular parking product (i.e. concession lease holder) per space used.



- Prices for commuter parking products will be set to return a similar yield across all commuter products. However, commuters that prefer a guaranteed parking space will be required to pay a premium price.
- In order to prioritise short-stay parking AT will aim to achieve a lower yield from short stay products than from commuter products.
- Parking products that achieve specific travel demand management outcomes, such as car-pooling or off-peak travel, may be discounted in recognition of their contribution to supporting AT's strategic objectives.

Hourly, Daily and Monthly Prices

Daily and monthly prices will be set based on a formula in relation to the hourly rates. This allows daily and monthly parking prices to fluctuate based on demand along hourly rates. The exact formulas will depend on the parking profile of each individual car park building but will be based on the same principles.

Hourly rates: Hourly rates will be set according to demand.

Daily prices: The maximum daily price will be set between 5 and 10 times the hourly rate.

Monthly unallocated spaces: The monthly unallocated space price will be set between 18 and 24 times the daily price. This reflects the approximate number of days in a month that a lease holder would use the car park.

Monthly reserved spaces: The monthly reserved space price will attract a 30% to 70% premium on the monthly unallocated spaces.

Travel Demand Management products: Products which support AT's strategic objectives (i.e. car-pooling, off-peak travel) will receive a discount of between 10% and 50%.

Simple parking products

The transition to demand responsive pricing offers the opportunity to eliminate some parking products and simplify the customer experience. AT will aim to simplify the range of parking products in its car park buildings.

Special events and seasonal peaks

AT may use special event pricing and specific parking management measures to deal with the impacts of special events and short seasonal peaks such as school holidays. For example during capping ceremonies additional spaces may be reserved for short stay parkers and existing commuters would be warned beforehand that there would be limited availability and advised to make alternative arrangements.

5 Customer Benefits

The customer benefits expected are:

- *Accessibility* – Short stay parking will be prioritised making the CBD more accessible for short-stay visitors and support visitation
- *Fair* – parking prices will be set at the lowest possible price to ensure the peak demand for short stay parking is met
- *Congestion* – providing discounts and price incentives for car-poolers or customers that arrive outside peak times will help alleviate congestion

6 Roles and responsibilities

AT's Parking and Enforcement Team will set the parking occupancy levels and yield targets for each parking product. If occupancy levels indicate a price adjustment is required approval will be sought from the Manager, Parking and Enforcement.

Action	Responsibility
Set yield targets	Parking and Enforcement
Monitor parking occupancy levels	Parking and Enforcement
Recommend price adjustment	Parking and Enforcement
Approval of price adjustment	Manager, Parking and Enforcement

7 Related Policies and Strategies

Auckland Transport Parking Strategy

Auckland Transport Price Adjustment Policy – On Street Parking

