



# Minimum parking and housing affordability

**MINIMUM** parking requirement (MPR) is a law that requires new buildings to include a fixed number of off-street parking spaces based on an assumed demand for parking for the buildings' use.

The formulation of MPR, however, seldom considers the cost of providing parking spaces, and is estimated based on the average number of car ownership at the national level, which is rather unreliable.

When a developer is required to provide parking with new residential units, the terminal cost of driving becomes an upfront cost of development; not only leading to a higher purchase price of housing, but also contributing to the creation of excess, poorly-distributed, and under-utilised parking facilities; as well as posing other significant impacts to society: (I) land consumption, (II) increased construction cost, (III) reduced housing affordability, (IV) reduced development density, (V) encouraged urban sprawl and increased automobile dependency.

## I. LAND CONSUMPTION

Parking consumes a major portion of developed land. Table 1 lists out the common MPR being applied in the country.

The standard size of a parking bay is 8ft width and 16ft length.

With ramp, driveway, and by taking into consideration the building columns and staircases, the gross built-up area required for one car park is about 300sq ft.

In a normal high-rise residential development, two car parks for each dwelling unit plus another 20% of total car park bays for visitors (1:2.4) can take up 720sq ft of car park built-up area, which is almost the size of a typical affordable apartment.

**Table 1: Common parking requirements in Malaysia and the respective built-up area**

Parking Requirement	Car Park Built-up Area (sq ft)
1:2.4	720
1:2.2	660
1:2.1	630
1:1.2	360
1:1.1	330
1:1	300

When a large area is dedicated for car parks, the net sellable area - which is expressed as a percentage of total built-up area for high-rise - becomes a smaller proportion of the total built-up area.

As a result, the required parking space has become a very heavy burden on the cost of construction.

## II. INCREASED CONSTRUCTION COST

The higher the parking requirement, the more it costs to construct a building. A parking space is worth about 18% of an average standard apartment unit, if one car park is required for each dwelling unit (Figure 1).

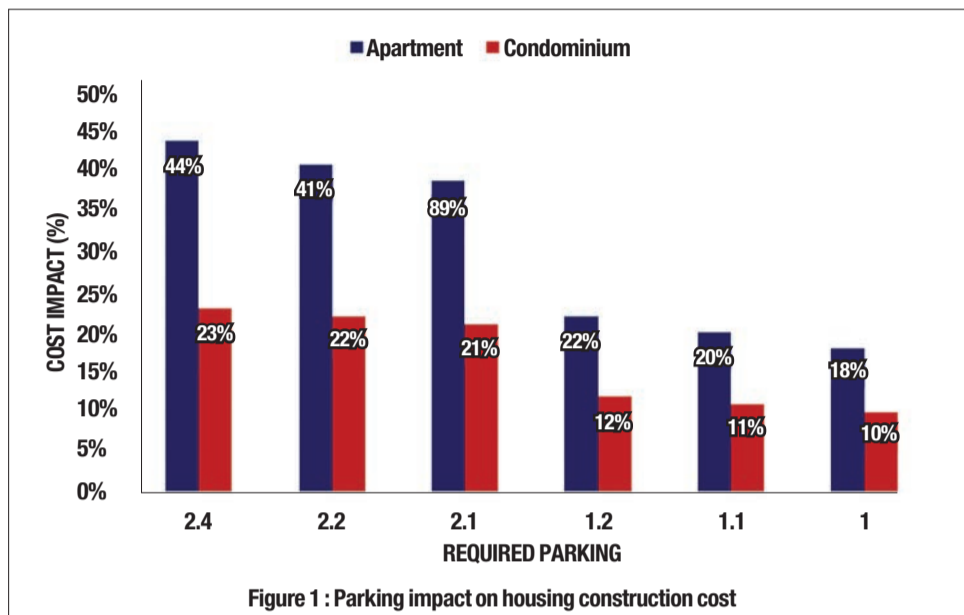


Figure 1: Parking impact on housing construction cost

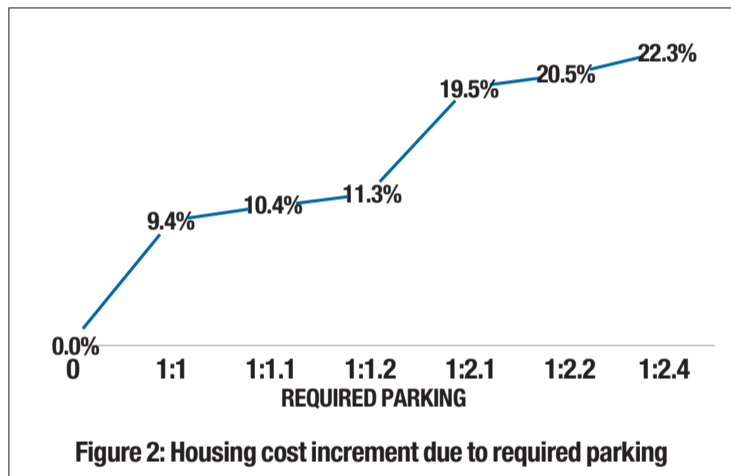


Figure 2: Housing cost increment due to required parking

Meanwhile, the cost impact of parking spaces to the dwelling unit is 44% if two car parks per dwelling are required, coupled with 20% of total car park bays for visitors (1:2.4).

The cost impact imposed on an average standard apartment is obviously double that of a high-end condominium.

The impact is foreseen to be greater for those medium cost urban housing, because this type of housing often involves higher land price but with capped or relatively lower selling prices.

## III. REDUCED HOUSING AFFORDABILITY

Increasing parking requirements inevitably increases housing development costs, and thus reduces the housing affordability. Requiring one car park space adds about 9.4% to the unit cost.

If an additional 10% parking space is required for visitors, 10.4% is added to the unit cost; while an additional 20% parking space for visitors can result 11.3% of cost increment.

Doubling the parking space adds about 19.5% and 20.5% if the additional parking space for visitors is calculated based on 10% and 20% of the total number of dwelling

units, respectively (Figure 2).

## IV. REDUCED DEVELOPMENT DENSITY

In highly urbanised area where land costs are high, the best way to increase affordability is to minimise land requirements per unit by increasing density and reducing parking facility requirements.

If housing can be built and sold without parking, so as to purge the costs of driving from the housing price, the house price would become less expensive.

## V. ENCOURAGED URBAN SPRAWL AND INCREASED AUTOMOBILE DEPENDENCY

Increased parking requirements increases land costs per area of developed floor space, making development at the urban periphery relatively more attractive due to lower land costs.

This inevitably discourages urban infill development, which in fact is a more affordable and sustainable housing development approach.

On the other hand, increased density and reduced parking requirements allow more middle- and low-income households to choose homes in accessible locations where their transportation costs are minimised.

True affordability is, therefore, where housing is affordable and automobile ownership and use can be reduced.

This article was contributed by MKH Bhd Group managing director Tan Sri Eddy Chen Lok Loi.

## PROPERTY LISTINGS

### in Ara Damansara

Project: **Mizu**  
Type: **Serviced apartments**  
Price: **From RM594,000**  
Developer: **Titijaya Land Bhd**

This freehold project is one of the four towers within the H2O Residences project. There are 300 partially furnished units housed within the 15-storey block. These units are available in two sizes, 750sq ft and 880sq ft.



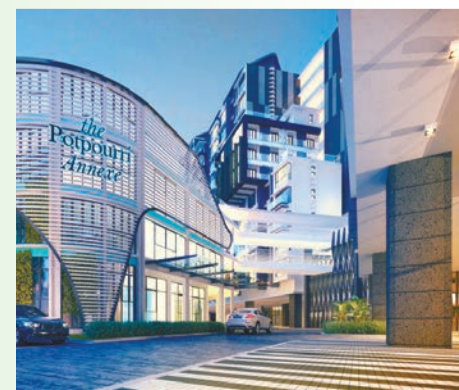
Project: **Cantara Residences**  
Type: **Serviced apartments**  
Price: **From RM549,888**  
Developer: **Sime Darby Property Bhd**

Cantara Residences is a freehold integrated project comprising four residential towers. It offers a total of 888 units sized between 646sq ft and 2,145sq ft. The project is expected to be completed by 2020.



Project: **The Potpourri**  
Type: **Serviced apartments**  
Price: **From RM557,800**  
Developer: **See Hoy Chan Sdn Bhd**

This leasehold development is divided into two types namely, the family block and lifestyle block. The family block comprises two blocks of 15-storey housing 165 units sized between 713sq ft and 2,440sq ft. The lifestyle block comprises six blocks of 13 to 15 storeys, housing 578 units sized between 525sq ft and 2,213sq ft.



# Zulkifly Garib re-elected Rehda Selangor chairman

**PETALING JAYA:** The Real Estate and Housing Developers' Association Malaysia (Rehda) Selangor branch has re-elected Symphony Hills Sdn Bhd Zulkifly Garib as chairman for the term 2018-2020, at its AGM on June 5.

Mah Sing Properties Sdn Bhd Datuk Ho Hon Sang was named as deputy chairman for the new term.

"We will continue to serve our members in the best interest of the industry and work with all relevant stakeholders thrive to further improve the housing industry in Selangor," Zulkifly said in a statement recently.

I & P Group Sdn Berhad Datuk Zaini Yusoff is secretary, Serba Sentosa Sdn Bhd Datuk Kenneth Chen Way Kian assistant

secretary and Sin Hee Yang Property Management Sdn Bhd Loo Chee Yang is treasurer.

Rehda Selangor will launch its newly-designed website soon.

Developers and industry partners who wish to become a member of Rehda Selangor, can contact them at 03-7806 4853 or email to selangor@rehda.com