

**From:** [Andy Newkirk](#)  
**To:** [Andy Newkirk \(anewkirk@cityofgoleta.org\)](mailto:anewkirk@cityofgoleta.org)  
**Subject:** FW: Parking Ratio in Commercial Real Estate — Commercial Real Estate Loans, Inc.  
**Date:** Monday, April 08, 2019 5:22:00 PM

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**From:** Edward Fuller <[edfuller@sanroquerealty.com](mailto:edfuller@sanroquerealty.com)>  
**Sent:** Monday, April 08, 2019 4:38 PM  
**To:** Wendy Winkler <[wwinkler@cityofgoleta.org](mailto:wwinkler@cityofgoleta.org)>  
**Subject:** Parking Ratio in Commercial Real Estate — Commercial Real Estate Loans, Inc.

Hi Wendy,

Please distribute to Planning Commissioners and staff, and place in the record.

Thanks,

Ed

<https://www.commercialrealestate.loans/commercial-real-estate-glossary/parking-ratio>

## Parking Ratio in Commercial Real Estate

A parking ratio is a statistic that takes the number of available parking spaces, typically for an [office](#) property, and divides it by the property's entire [gross leasable area](#) (GLA). This ratio is most commonly expressed per every 1,000 sq. ft. of property, i.e. a 20,000 sq. ft. [office](#) building with 100 parking spaces would have a parking ratio of 5 (spaces per 1,000 sq. ft.). Cities often have requirements for minimum parking ratios, which may vary based on property type; for example, [retail](#) projects may require a higher parking ratio than [industrial](#) developments.

### Higher Parking Ratios Can Be More Desirable, But Also More Expensive

In most cases, the higher a building's parking ratio, the more desirable it will be for potential tenants. For example, [class A office buildings](#) may often have a higher parking ratio than class B buildings, though this can vary greatly between individual projects. Despite their benefits to tenants, higher parking ratios also typically lead to higher CAM, or [common area](#)

[maintenance fees](#), since office building tenants usually pay rent on their portion of a building's common areas, which often include parking spaces.

## **Office Parking Ratios May Be Increasing**

Research suggests that office building tenants are asking for more parking-- and many developers are responding by [adding more parking spaces](#) to their current developments, increasing their parking ratios. While the most common office building parking ratio is currently around 4 (spots per 1,000 sq. ft.), many tenants have been asking for ratios of 5 or 6. Though adding parking spots can be expensive (\$2,000 to \$6,000 per space for surface lots, \$12,000 to \$25,000 for garages), developers are often seeing this as an investment that may be able to improve the long term occupancy of their projects.

## **Parking Must Be In Compliance With The Americans With Disabilities Act**

In addition to making sure that their parking ratio is sufficient for local regulations (and is enough to keep tenants happy) developers interested in [building](#) new properties must take into account the Americans with Disabilities Act (ADA) when designing or planning a parking lot. For the first 100 parking spots, there must be 1 handicapped spot per 25 spots. Beyond that, handicapped parking requirements include:

- 101-150 Spots: 5 handicapped spots
- 151-200 Spots: 6 handicapped spots
- 201-300 Spots: 7 handicapped spots
- 301-400 Spots: 8 handicapped spots
- 401-500 Spots: 9 handicapped spots

Ed Fuller

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