



PARKING SOLUTIONS OF THE FUTURE – COMMUNITY VIEWS

Based on interviews with property developers, real estate agents, bank employees and residents in densification areas.

September 2026



Reykjavík

24550

No. of issue	Date	Prepared by	Reviewed by	Approved by
1	14.09.2026	HS/HT	BS/ÁÓ	BS

Prepared by:

Herdís Sigurgrímsdóttir and Herdís Tómasdóttir

VSO Consulting

Borgartúni 20, 105 Reykjavík

www.vso.is

**Prepared for the City of Reykjavík, with support from the European Union
and NetZeroCities.**

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1 Introduction – About the project

This report is one in a set of four reports and a memorandum that summarise the results of the project *Enabling City Transformations (ECT): Developing the Future of the Climate Neutral City*. The project was carried out in collaboration between the City of Reykjavík and VSÓ Consulting, with professional assistance from NetZeroCities and funded by the European Union through a grant to which the City of Reykjavík gained access on the basis of the city's Climate City Contract.

The ECT project is linked to the City of Reykjavík's goals for a carbon-neutral city and the transformation that needs to take place to achieve them. Transport and travel habits are an important factor in this development and are determined, among other things, by the city's planning, access to different modes of transport and incentives that influence the choice of travel mode. The project specifically looked at the role of parking in this context, considering how its availability, location and design can affect travel habits, land use, development and carbon footprint. The aim of the project was to increase knowledge of these connections, carry out analyses and submit proposals for tools that can be useful to the City of Reykjavík in its continued policy-making. The topic was examined from different perspectives, including from the experience and views of stakeholders, policy-making and governance tools of municipalities in the Nordic countries, and the environmental impact of different parking solutions. The project's components are interconnected and together form a basis for recommendations on continued policy-making in the field of travel habits and parking.

The project's output is summarised in four reports and a memorandum:

- *Policy formulation on changing travel habits – analysis of the City of Reykjavík's policy and comparison with Nordic cities:* A literature review of how different parking policies can be implemented in different ways and a review of the available data on their impact on travel habits. A case analysis of the City of Reykjavík's policy on changing travel habits and the role of parking policy in that context. The City of Reykjavík's policy is compared with the approach of two Nordic cities at a similar latitude, Trondheim in Norway and Umeå in Sweden.
- *Parking solutions of the future – community views:* An analysis of stakeholder views on parking solutions and changing travel habits, based on interviews with property developers, real estate agents, bank employees and residents in densification areas. The aim is to shed light on the experience and perspectives of different parties and how parking arrangements can affect development, housing and travel habits.
- *Mobility hubs and the carbon footprint of parking solutions: prospects and possibilities of parking solutions.* The development of the use of multistorey car parks is examined and how they have acquired a new role in neighbourhood planning as mobility hubs. The carbon footprint of a multistorey car park and an underground car park were compared. Also, how circular building can affect the use of buildings as well as the challenges that often arise in the design of underground car parks.
- *The Travel Habits Game:* A memorandum and data explaining *The Travel Habits Game*, a simple workshop model that is set up and presented as a board game, where participants have to choose actions together to achieve the goal of changing travel habits. The aim of the game is both to steer discussions and investigate people's attitudes towards actions, but it can also be used as part of education and awareness-raising.

- *Recommendations on policy-making for changing travel habits:* A summary of the main results of the project, which draws together recommendations based on research, analyses and other components of the ECT project. The recommendations are intended to be useful for the City of Reykjavík's continued policy-making on changing travel habits and parking issues.

2 Summary and key findings

This report examines the views of property-sector professionals and residents on parking solutions for new residential developments and consider how parking arrangements relate to property development, residential location and travel behaviour. The interview study was conducted in two phases. In May 2025, interviews were conducted with professionals working in property development, estate agency and employees in the banking sector. In April and May 2026, interviews were conducted with 16 residents of three recently developed densification areas in Reykjavík. The first phase focused primarily on demand for parking, its effects on the marketability of homes, and different approaches to the development, financing and operation of parking facilities. The second phase explored on residents' reasons for choosing where to live, their travel habits and their experience of different parking solutions. Bringing these perspectives together provides a comprehensive picture of how parking is valued by those who develop, finance and sell residential property and by the people who live there.

The main findings of the study are as follows:

- **Flexible access to parking rather than ownership**

For both residents and property-sector professionals, access to a parking space when needed appears to be more important than ownership of a specific space. Residents were generally positive about renting parking spaces, while estate agents believed that buyers were becoming increasingly accustomed to parking spaces being sold or rented separately from homes. Flexible arrangements can allow households to adapt their access to parking as their needs change and avoid paying for spaces they do not use.

- **Better utilisation through the rental and shared use of parking spaces**

Rental arrangements can create greater opportunities for shared use than arrangements in which parking spaces are tied to individual apartments. The potential for shared use is particularly high in mixed-use areas, where residents, employees and customers may use the same spaces at different times of day. According to interviews with bank representatives, property companies have shown an interest in operating multistorey car parks, particularly in central areas where high utilisation can strengthen the business case. Parking could increasingly be regarded as shared infrastructure that can be managed and used collectively, rather than as a resource tied to a single user over an extended period.

- **Improvements to alternative modes alongside changes in parking provision**

A central residential location does not automatically result in changes in travel habits. The quality of walking and cycling routes, proximity to services and the reliability of public transport strongly influence whether people are able and willing to reduce their car use. Restrictions on parking provision should therefore not be introduced as an isolated measure but should be accompanied by timely improvements to alternative transport options. For a central location to contribute to changes in travel habits, the surrounding environment must support safe, convenient and efficient journeys without a car.

- **Freedom of movement and a genuine choice of transport mode**

For the interviewees, reducing car use did not necessarily mean living entirely without a car. Many had chosen a central residential location so that they could walk, cycle or use public transport more frequently, while still wanting access to a car for journeys that were difficult to make by other means. Policies intended to change travel habits should

therefore aim to expand people's genuine transport choices and reduce the need for daily car use, rather than assume that residents of central areas will live entirely without cars.

- **Parking solutions tailored to location and residents' needs**

Demand for parking is not uniform. Interviews with estate agents and developers indicate that larger and more expensive apartments are more difficult to sell without guaranteed access to parking and that older buyers generally place greater importance on parking than younger buyers. At the same time, the resident interviews suggest that parking arrangements may be less influential in residential choices where there is good access to services, employment and a range of transport options. Parking standards should therefore take account of location, housing mix, anticipated resident groups and access to alternative modes of transport.

- **The social impacts of parking policy**

The interviews raised concerns that apartments without parking spaces were often smaller or less expensive and that rental properties were less likely than owner-occupied properties to include parking. However, limited data are available on how these effects are distributed among different social groups. It cannot be assumed that lower-income households or tenants have less need for a car, as their needs may depend on working hours, the locations or number of their workplaces, or the need to transport tools and equipment. Further research is needed to examine how the costs and changes associated with access to parking are distributed among social groups and to ensure that policy changes do not disproportionately affect people with limited scope to alter their travel habits.

- **The effects of parking standards on surrounding areas**

Limited parking provision within new development areas can increase demand for parking on nearby streets and in spaces belonging to shops and service providers. Interviewees described dissatisfaction among neighbours and businesses when residents used parking spaces intended for other users. The available evidence is insufficient to determine the extent of such spillover effects, but these accounts indicate that parking provision and management should be assessed across a wider area rather than solely at the level of individual development plots. The effects of parking charges, time limits and other management measures on residents, businesses and customers should also be monitored.

- **The development of shared multistorey car parks**

Developers generally did not consider it necessary for parking to consist of individually owned spaces in underground car parks beneath each building. Six of the eight developers expressed a positive or open attitude towards shared multistorey car parks, although they also identified obstacles such as uncertainty regarding their operation, financing and timing, as well as residents' preferences. Necessary amendments to planning documents may also delay construction and increase financing costs. To facilitate the development of shared multistorey car parks, provision for them should be made early in the planning process, and the arrangements for their development, operation, accessibility and pricing should be clearly defined.

3 Views towards parking in a historical context

Parking has been a controversial issue for almost 100 years, dating back to when the number of cars first began to increase on Reykjavík's streets. One of the earliest references appears in the *Dagbók* (Diary) column of *Morgunblaðið* on 22 December 1929. It reports that the town council had met to discuss “where to allocate space for cars on the town's streets and squares” (*Dagbók*, 1929, p. 6). A year and a half later, an article published in *Lesbók Morgunblaðsins* on 28 June 1931 discussed the problems associated with motor traffic, the space occupied by parked cars and the authorities' efforts to bring order to the resulting chaos. The author, writing under the initials G.H., described a “constant stream” of cars filling the streets and making traffic “difficult and dangerous” (G.H., 1931, p. 2).

Added to this was the fact that these bulky vehicles had to be parked somewhere during the day and stored at night, but no space had been allocated for them in the planning of the towns.

It has probably been the same in most places as in Reykjavík, that people first erected all sorts of flimsy sheds for the cars, if any patch of land was available for it, but town councils and building committees soon tried to channel this stream and find a way to accommodate the cars. (G.H., 1931, p. 2)

From the 1960s onwards, accessibility by private car became a priority in the City of Reykjavík's planning policies. The *Reykjavík Master Plan 1962–1983* emphasised facilitating the movement of private cars through a hierarchical road network. Traffic was intended to flow freely along arterial roads before being distributed via link roads between districts and collector roads within neighbourhoods (Sveitarstjórnarmál, 1966).

In 1962, there were 103 passenger cars per 1,000 inhabitants, and the master plan forecast that this figure would reach 330 per 1,000 inhabitants by 1983 (Sveitarstjórnarmál, 1966). On-street parking was common in the older districts of the capital. However, as apartment buildings were constructed from the 1960s onwards, it became increasingly common to provide designated parking spaces within their plots.

As the number of cars continued to grow, so too did the amount of space required for parking. Over time, underground car parks with direct internal access for residents became increasingly common in apartment developments. The official parking policy set out in the *Reykjavík Master Plan 2010–2030* supported this approach:

Emphasis is placed on parking in the city centre and in key development areas being underground, inside buildings, or in such a way that there is minimal disruption to the streetscape. (City of Reykjavík, 2014, p. 29)

Since the turn of the century, approaches to transport planning have changed fundamentally. Transport is no longer viewed solely as a technical infrastructure issue centred on the free flow of motor traffic. Instead, a broader approach has emerged that focuses on meeting society's travel needs as sustainably as possible (Banister, 2008). Attitudes towards parking are also changing in both academic research and policymaking. The differences between the traditional and emerging approaches to parking are summarised by Litman (2019) in the table below.

Table 3.1: The old and new parking models. Source: Litman (2019).

The old parking paradigm	The new parking paradigm
A “parking problem” means: too few places	A “parking problem” can mean too few parking spaces, poor parking management, poor information, and other problems resulting from parking.
The more spaces, the better.	An excessive number of spaces can be as harmful as a parking shortage.
Parking should generally be free. Parking should generally be funded indirectly, through tax or rent.	The user of the parking space should bear the cost.
First come, first served.	Access to parking should be managed in favour of priority groups.
Parking requirements and standards should be fixed, without exemption or flexibility.	Parking requirements and standards should be context-sensitive and interpreted flexibly.
Conventional solutions are preferable.	Innovation and new solutions should be encouraged. If measures prove unsuccessful, they still provide valuable information.
Parking management should only be used where it is too expensive to increase the number of spaces.	Parking management should be widely used to increase efficiency and prevent parking problems.

In 2024, Iceland had one of the highest rates of car ownership in Europe, with approximately 640 passenger cars per 1,000 inhabitants (Eurostat, 2026). On average, residents of Reykjavík and Seltjarnarnes considered just under two parking spaces per dwelling to be appropriate. Although responses varied considerably between districts, only a small proportion of respondents considered it appropriate for a dwelling to have no associated parking space (Housing and Construction Authority, 2026)

Despite the increased emphasis placed on urban densification and a wider range of transport options over the past decade, car ownership remains a strong social norm in Iceland, and many people regard access to a car as an important aspect of their quality of life. At the same time, there are signs that attitudes are changing, particularly in central areas, where some residents choose to live specifically so that they can walk, cycle or use public transport more frequently. Parking therefore forms part of a broader discussion about balancing access to a car with people’s ability to reduce their car use (Heinonen et al., 2021).

The findings of a research project that also received funding through the City of Reykjavík’s Climate City Contract indicate that even people who usually walk, cycle or travel by bus still choose to own a car (City of Reykjavík, 2026). The reason most frequently given for car ownership was the need to run particular errands, such as taking waste to Sorpa or visiting shops and services in car-oriented areas, such as IKEA. People with the most environmentally sustainable travel habits therefore generally felt able to manage their daily lives without using a car but still needed one occasionally for journeys that were difficult to make by bus (City of Reykjavík, 2026).

In summary, private cars have come to occupy a substantial amount of space in the urban environment, while the provision of car storage at residential buildings has become increasingly formalised and prioritised. The interviews conducted for this project indicated that only a small proportion of buyers would consider purchasing a apartment without access to a parking space. Residents particularly valued the convenience of being able to access a car that was warm, dry and free of snow.

4 Professionals in the property market

4.1 Arrangement of the interview study with professional

The first phase of the study involved interviews with professionals representing different areas of the property market, including property development, estate agency and the financing of development projects. Each organisation was interviewed separately, with one or two representatives participating. Efforts were made to include organisations with experience of densification projects along transport and development corridors.

The interviews comprised:

- Eight developers who have worked on development sites in Reykjavík and/or along transport and development corridors in neighbouring municipalities,
- Employees from the corporate banking division of two commercial banks,
- Three estate agents who had sold apartments in new development areas in Reykjavík.

Additional organisations were invited to participate but did not make themselves available. The interviews were semi-structured and tailored to each category of interviewee. The interviews with estate agents primarily explored their perceptions of current attitudes among apartment buyers towards parking and how these attitudes may have changed. The developer interviews also addressed this topic, together with the developers' assessments of different parking arrangements. They were asked whether they had considered constructing multistorey rather than underground car parks and whether they had explored rental models as an alternative to individually owned parking spaces. The bank employees were asked whether parking standards and the design or arrangement of parking facilities affected lending decisions. The interviews also explored the potential for parking-space rental to develop as a viable business model and market in Iceland.

It should be noted that the interviews were conducted during the summer and autumn of 2025. By the time this report was written in the summer of 2026, conditions in the housing market had changed considerably. The timing of the interviews should therefore be taken into account when interpreting the findings.

4.2 Results

4.2.1 *Views in society and among professionals are beginning to change*

The interviews revealed that buyers' views towards parking have gradually changed in recent years. Previously, buyers generally assumed that a parking space was included with a apartment and did not expect to negotiate or pay for it separately. Over approximately the past 14 years, however, a series of multi-family housing developments have introduced new arrangements in which parking spaces are separated from individual apartments and either sold as independent units or rented to residents.

Based on the interviews, the following broad timeline emerged:

Table 4.1: Development of parking solutions and buyer attitudes, based on interviews with estate agents and property developers.

Year	Parking solution	Attitude
Before 2014	A parking space was usually included with the purchase of a apartment. No separate decision had to be made about parking. Spaces were usually assigned, so residents could park in the same spot every time.	Buyers assumed that a parking space was included with a apartment without having to be specifically negotiated or paid for.
2014	The first project where parking spaces were sold separately, not included with the purchase of a apartment. Spaces were still assigned, so residents could park in the same spot every time.	Buyers were surprised; they found it strange to have to pay separately for a parking space.
2019	The first project where parking spaces were not sold but rented. Spaces were not assigned, except in exceptional cases.	Buyers were surprised; they found it strange to have to pay separately – and monthly – for a parking space.
2022	The first project where parking spaces were for sale but sold poorly.	Many buyers decided to go without a basement parking space, even though it was available to them. Young buyers and those who bought the smallest apartments in particular declined a space.
2025 – Time of interviews	The separation of parking spaces and apartments is increasingly common.	Buyers have become accustomed to the idea that buying or renting a parking space is a separate decision. The main thing for them is that the option of a parking space is available.

According to estate agents, most buyers today have become accustomed to parking spaces being sold or rented separately from apartments. This arrangement no longer tends to surprise buyers; their primary concern is whether they will have access to a parking space.

“Generally, it’s fine if the monthly rent is reasonable. Prices seem to vary considerably. I’ve seen anything from ISK 15 thousand to ISK 75 thousand per month.” (Estate agent)

Several interviewees had experience of recent developments in which fewer residents than expected had purchased or rented parking spaces. The interviewees were uncertain why some buyers had chosen not to secure a parking space when purchasing their apartment. However, they suggested three possible explanations:

- Some residents may have intended to live without a car,
- Some may have expected to rely on nearby on-street parking,
- Some buyers, particularly young first-time buyers, may have purchased apartments to rent them out immediately. If they did not intend to live in the property themselves, they had less incentive to purchase a parking space.

4.2.2 *Parking considered a prerequisite for apartment sales*

The property developers interviewed expressed varying degrees of dissatisfaction with the City of Reykjavík's parking policy, particularly the limits it places on parking provision for new apartment buildings. Both estate agents and developers stated that the type or arrangement of parking was less important than ensuring that spaces were available. The most critical interviewee compared selling apartments without parking spaces to handing them over without toilets. Other interviewees took a less extreme view, noting that apartments without parking spaces could still be sold, although they generally sold more slowly and only up to a certain size.

Several interviewees identified a size threshold of approximately 80–100 square metres or a price threshold of around ISK 80–90 million. Apartments exceeding these thresholds were considered difficult to sell without guaranteed access to a parking space.

Both developers and estate agents believed that the availability of parking affected sales. Older buyers were generally more reluctant than younger buyers to purchase apartments without parking spaces. The size and price of the apartment also appeared to influence demand for parking.

“If you have ten buyers around the age of thirty, there are three who are very interested in a parking space and seven who are willing to consider buying an apartment without one. Over fifty, this is reversed. Then there are seven who think a lot about a parking space and three who would be willing to go without. We almost never sell a apartment to people over sixty unless it comes with a space in an underground car park. They can't be bothered to go out and scrape ice off the car.” (Estate agent)

“Apartments without parking spaces haven't necessarily sold any worse. But it's only 50-70 square metre apartments that can be sold without a space. There's no point in selling a 120 square metre apartment without a space.” (Estate agent)

A preliminary comparison of apartment size and parking provision indicates that apartments without parking spaces are considerably smaller on average than apartments that include a private space (Figure 4.1).

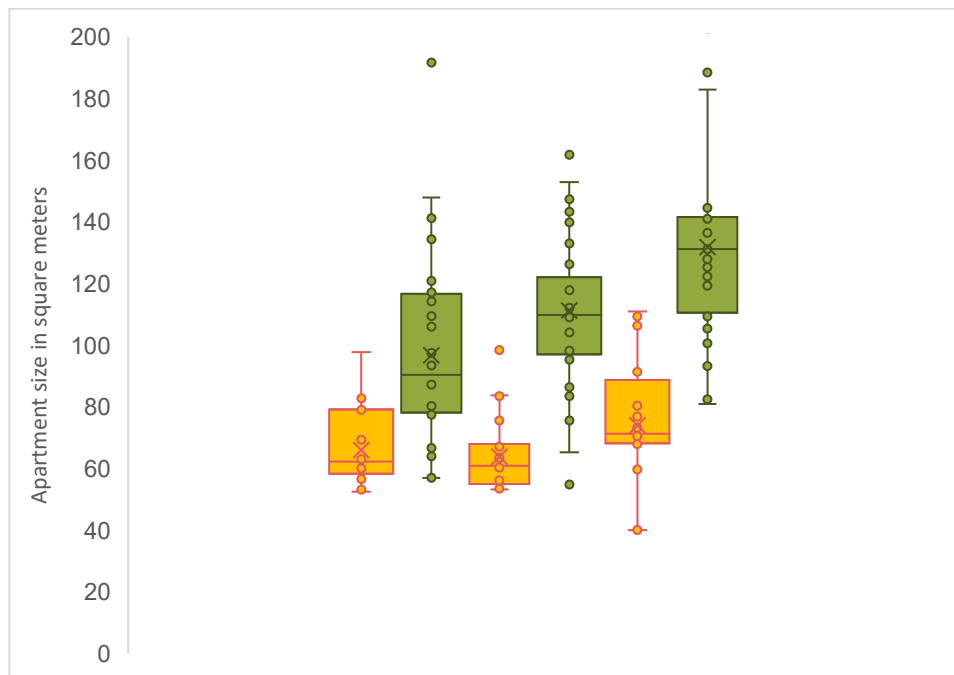


Figure 1.1: Size distribution of apartments in three densification areas in the City of Reykjavík according to whether a private parking space is included with the apartment. Yellow box plots show apartments without private parking spaces and green box plots show apartments with private parking spaces.

Property developers stated that parking spaces rarely generated a profit in their own right, although their availability could facilitate the sale of apartments. At best, developers generally expected to recover the cost of constructing them. Estimated construction costs ranged from ISK 4 million to ISK 10 million per space, with most developers citing approximately ISK 7–8 million for a space in an underground car park. Parking spaces in new developments were generally sold for similar amounts, with the prices mentioned in the interviews ranging from ISK 5 million to ISK 10 million.

However, individual parking spaces have sometimes achieved considerably higher prices on the resale market. The highest resale price mentioned in the interviews was ISK 25 million for a single space. No comprehensive data on the initial sale or resale prices of parking spaces could be identified. It is therefore unclear whether such prices reflect a broader trend or isolated cases involving high-value apartments in the city centre.

The study also sought to examine whether the cost of providing parking affected the prices of apartments and whether apartments with parking spaces were priced differently from those without them. The developers unanimously emphasised that pricing was considerably more complex and depended on numerous factors, including the number of bedrooms, views, natural light and the internal layout of the apartment.

Because access to parking was considered important to the saleability of apartments, developers expressed concern when plots designated for multistorey car parks were separated from residential development plots, as at Veðurstofuhæð. Under such an arrangement, developers had neither certainty nor influence over when parking spaces would become available to prospective buyers or how much they would cost. This created uncertainty around a factor they considered important to the saleability of the apartments they intended to build.

“There is so much we don’t know and can’t get answers to. Who will operate it? What terms will residents get? Is there going to be some kind of maximum charge? And when will it be ready?” (Developer)

4.2.3 ***Criticism of the policy: too strict, too fast***

The interviewees working in the property market were all critical of the City of Reykjavík's parking standards. Even those who had the most positive attitude towards the general policy on changing travel habits in the Reykjavík Municipal Plan disagreed with how the general policy is implemented in the parking standards.

The criticism seemed mainly to be directed at the fact that strict parking standards for residential buildings would not only affect travel habits but also car ownership. While car ownership in Reykjavík was still as high as it is and The City Line was not yet in operation, it was too early to push hard to limit parking spaces for residential buildings to less than one space per apartment.

“Everyone owns a car and they intend to own a car. That doesn't mean they're always using it, but they need to store it somewhere.” (Developer)

Some interviewees believed that strict parking standards could have unintended consequences and, in the worst case, undermine the objectives of the municipal plan by discouraging buyers from choosing densification areas along transport corridors.

“We should rather focus on people having one car instead of two. People will always want to own a car. I'm in favour of urban densification, but we're moving too fast. People would rather choose to live further away to get a parking space.” (Developer)

The interviewees working in the real estate market were all critical of the City of Reykjavík's parking standards. Even those who had the most positive attitude towards the general policy of changing travel habits in the Reykjavík Municipal Plan disagreed with how the general policy is implemented in the parking standards.

The criticism seemed mainly directed at the fact that strict parking standards for residential buildings not only affect travel habits but also car ownership. While car ownership in Reykjavík is still as high as it is and The City Line is not yet operational, it was considered too early to adopt strict rules to limit parking in residential areas to less than one space per apartment.

“Everyone owns a car and they intend to own a car. That doesn't mean they're always using it, but they need to store it somewhere.” (Developer)

Some interviewees believed there was a risk that strict parking standards would have the opposite effect and could, in the worst-case scenario, undermine the objectives of the municipal plan by deterring buyers from densification areas along transport corridors.

“We should rather focus on people having one car instead of two. People will always want to own a car. I'm in favour of urban densification, but we're moving too fast. People would rather choose to live further away to get a parking space.” (Developer)

Several pointed out that the presentation of the parking calculation results was, to some extent, misleading. A parking ratio of 0.7 could be understood as 70 per cent of apartments being able to get their own space, but this was not the case. This quota also had to cover spaces for disabled people, visitor spaces, and possibly charging stations for electric cars. In the end, fewer apartments than the ratio would suggest could get their own parking space.

4.2.4 *Developers not averse to alternative parking arrangements*

Most of the developers interviewed were open to considering alternatives to individually owned parking spaces in underground car parks beneath residential buildings. Their primary concern was not the form of the parking provision but whether sufficient spaces would be available:

“We don’t necessarily want to build parking spaces. It’s not a passion of ours. But we are producing a product and we need it to sell. [...] If people will buy a multistorey car park, then we’ll build a multistorey car park.” (Developer)

Most developers said that alternative arrangements had been discussed during project planning. These included renting rather than owning parking spaces and providing parking in an above-ground multistorey car park rather than an underground car park. Three developers had assessed whether a multistorey car park could provide a realistic alternative in a project in which they were involved. Two had acquired plots subject to planning requirements for this type of parking provision.

Two developers had considered constructing above-ground multistorey car parks on sites that were still at the planning stage. Both ultimately rejected the option because of its opportunity cost: using the site entirely for housing would generate more revenue than allocating part of it to a multistorey car park. One had conducted a formal cost assessment, while the other had abandoned the option without undertaking detailed calculations. Three other developers had not considered a multistorey car park because the sites already had recently approved local plans. They considered it impractical to pursue planning amendments while financing costs continued to accumulate. The developers’ attitudes towards parking solutions are summarised in figure 4.2.

Have you compared the pros and cons of a multistorey car park vs an underground car park?	If not, why?	Are you willing to consider that for future projects?
NO	Reason not given.	Show little interest
NO	The plan was already in place. It would have been too expensive to change it.	Not averse. Would evaluate and calculate each project individually.
NO		
NO		
NO	The opportunity cost would have been too high for this plot.	The will is there.
YES		
YES	Yes, we have those kind of projects.	
YES		

Figure 4.2: Interviewees’ willingness to consider other parking models.

Overall, six of the eight developers expressed a positive or open attitude towards multistorey car parks and stated that they would assess the advantages and disadvantages in each case. Only two were relatively or entirely opposed to above-ground multistorey car parks.

At the time of the interviews, the City of Reykjavík had recently approved an increase in municipal development charges for underground car parks and a reduction in charges for multistorey car parks. Several interviewees noted that these changes could alter comparative cost assessments. Consequently, the cost of constructing underground car

parks could approach or exceed the opportunity cost associated with allocating above-ground development land to multistorey car parks.

4.2.5 *Parking space rental: better utilisation and flexibility*

Estate agents and some developers stated that most property buyers were becoming accustomed to the idea of renting parking spaces in residential developments. Overall, rental arrangements did not appear to pose a significant obstacle to sales. Some buyers were concerned about future price increases, as the long-term cost of renting a space was uncertain. Others pointed out that buyers of individually owned parking spaces must pay both the financing costs associated with their loan and the operating costs of the space. One developer referred to a buyer who had noted that the rent for a parking space at their new home was comparable to the operating costs of the individually owned space at their previous home, which had been collected through homeowners' association fees.

Once again, the most important consideration appeared to be access to parking. One estate agent explained that sales were affected more adversely when a location had a reputation for being permanently full, causing prospective buyers to fear that they would be unable to park near their home, than when the rent for a parking space was considered high. However, this applied primarily to the resale of properties in developments where the underground car park was already operating at full capacity, particularly in central Reykjavík.

There are indications that rented parking spaces are utilised considerably more efficiently than individually owned spaces, although it was not possible to analyse relevant utilisation data within the scope of this study. Interviewees nevertheless discussed opportunities for sharing spaces between residential and commercial users. During working hours, for example, employees could use spaces vacated by residents who had driven to work or left home on other errands. Opportunities to improve the utilisation of residential parking spaces were also discussed. At any given time, some residents' cars may be undergoing repairs, parked at the airport or a summer house, or on loan to friends or relatives. Further analysis of utilisation data, conducted in collaboration with underground car-park operators, could provide a clearer picture of actual parking-space utilisation among residents. The interviews suggest that rental arrangements facilitate shared use, which may in turn reduce the total number of parking spaces required.

4.2.6 *The birth and growing pains of the rental model*

Some developers expressed doubts about the practicalities of renting out parking spaces in residential developments. Several stated that they would not wish to be directly involved in operating such a service, while others questioned the viability of the business model more generally. Conversely, some interviewees strongly believed that parking-space rental offered considerable opportunities in Iceland, as it has in neighbouring countries.

„People in property development just don't know this kind of business development. We know how to count screws, not how to set up this kind of business model and operation. There are lots of opportunities and economies of scale there that could be utilised.“ (Developer)

The commercial-bank employees interviewed shared this view and considered parking-space rental to offer potential business opportunities. However, they also emphasised the considerable uncertainty and risk involved during the early stages of market development, as well as the growing pains companies would experience while seeking to achieve economies of scale. Companies that already owned relevant assets would be better positioned to establish themselves in this emerging market.

„As with commercial property in general; this kind of property is worth no more than the rent you can get for it. It's very difficult to go into this blind. What level of debt could be on such a property? How quickly will it be possible to pay off a loan? We don't have many examples of privately run multistorey car parks. [...] And this is particularly difficult in a neighbourhood that is just being created, like up in Höfði. What will the usage be, how quickly will it develop?” (Bank employee)

They bank representatives confirmed that some property companies were highly interested in strengthening their position in this market by owning and operating multi-storey car parks. Interest was greatest where spaces could serve different users at different times, such as retail and service customers during the day and residents in the evenings and at night.

“Owning a property that is centrally located and well-utilised is a good investment. At least two real estate companies would be interested in such an operation.” (Bank employee)

4.2.7 A just transition: the social impact of parking policy

The interviews highlighted the limited knowledge available about the social impacts of parking policy. Flats without parking spaces are often purchased in bulk by rental companies. Consequently, flats entering the rental market may be less likely to include access to parking than owner-occupied flats. In the long term, this could result in tenants having less access to parking than owner-occupiers. As the availability of unrestricted on-street parking decreases, tenants may therefore have fewer transport options than people who own their homes.

The interviews with professionals provided no basis for concluding that tenants have lower levels of car ownership or less need for parking than owner-occupiers. On the contrary, some interviewees suggested that lower-income tenants might, in certain circumstances, have a greater need for parking than higher-income households. They may be more likely to work in occupations that require them to transport tools or equipment or to travel to a different worksite each morning, as may be the case in cleaning services or the trades. In addition to parking their private car, some may therefore also need somewhere to park a work van overnight.

4.2.8 Strict limits on residential construction can displace demand to retail and service parking

Two interviewees referred to customer surveys involving buyers or tenants of flats in which insufficient access to parking was the issue attracting the greatest dissatisfaction. Several interviewees also discussed complaints from neighbours about residents who, unable to find parking near their own homes, parked on neighbouring streets. Some retailers similarly reported that residents occupied spaces intended for customers, potentially causing customers to take their business elsewhere.

Strict limits on parking provision in residential developments could therefore prompt more retailers and service providers to introduce parking charges to discourage long-term parking by non-customers. Skeifan and Múlar, Kringlan and Smáralind were among the locations mentioned in this context. This development appeared to have begun materialising in June 2026, when Heimar announced that it would introduce parking charges at Smáralind (Jónsdóttir, 2026). It remains to be seen whether other commercial areas will follow suit.

5 Residents' views on parking solutions

5.1 Arrangement of the interview study with residents

The second phase of the research consisted of a qualitative interview study involving residents of recently developed densification areas in Reykjavík. The study aimed to examine residents' attitudes towards parking at residential buildings and explore how the location, accessibility and arrangement of parking affect their travel habits and everyday lives.

Participants were selected from among residents who had recently moved into flats in central Reykjavík. The selected developments were within walking and cycling distance of a range of workplaces, shops and services and had good access to existing public transport services, with accessibility expected to improve further following the introduction of the City Line. Residents had also been offered the option of renting a parking space in an underground car park rather than purchasing one as part of their property.

The interviews followed a semi-structured interview guide and explored participants' reasons for choosing where to live, their current and preferred travel habits, and the obstacles they believed prevented them from changing their travel habits. Participants' car use and views on different parking arrangements were also discussed. The principal research questions concerned participants' reasons for their choice of residence, how they travelled between places, how they would prefer to travel under favourable conditions, and which factors influenced car ownership and the use of parking spaces.

The interviews were conducted in two phases. The first phase involved residents of Grensásvegur 1A and Dalsmúli 1, collectively referred to as Orkureitur. The second involved residents of Hallgerðargata 1–23 and the odd-numbered addresses at Borgartún 41–53. All participants provided informed consent and received information about the processing of their personal data. To protect their confidentiality, participants are identified by participant codes, and no personally identifiable information is published.

A total of 16 individuals participated in the study: nine women, six men and one non-binary person. Participants ranged in age from 31 to 80 years (see Figure 6). All but one owned the property in which they lived; the remaining participant lived in rented accommodation.

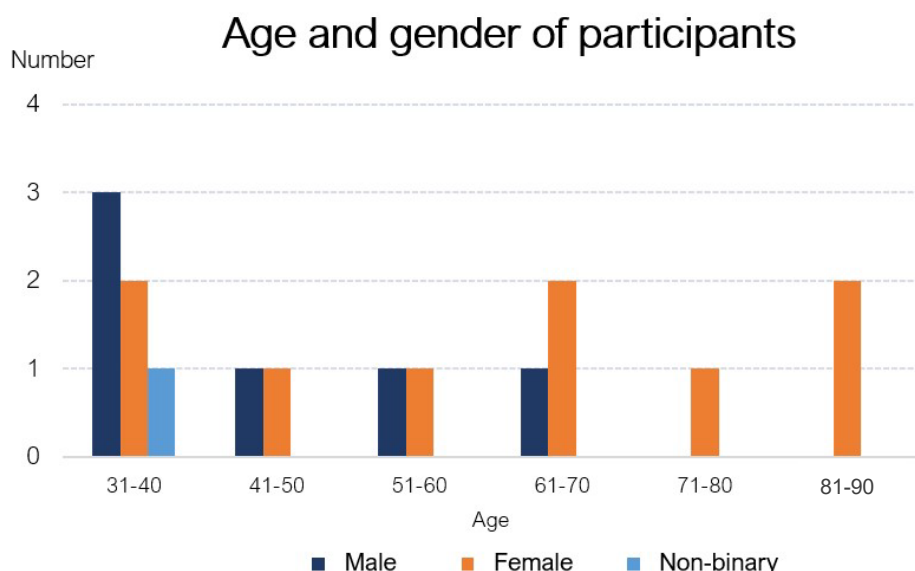


Figure 2 - Age and gender of participants.

The interviews were coded concurrently with data collection, beginning after the first interview. The analysis developed iteratively as further interviews were conducted, with the codes reviewed and refined in light of the latest data until thematic saturation was reached. Four principal themes emerged from the coding process:

- Proximity to the city centre as the primary reason for choice of residence,
- The importance of being able to choose between different modes of transport,
- The security and flexibility provided by an underground car park,
- The direct influence of accessibility on transport choices and mobility.

5.2 Findings

5.2.1 ***Proximity to the city centre as the primary reason for choice of residence***

The interviewees' principal reasons for choosing where to live were access to services, transport options and green spaces. These considerations were more important than access to parking:

"It was not the car that determined our choice, but the location within the city, the prospect of having access to so many good things and the connection to an established neighbourhood. I think that is very important because it is only a short walk to an established neighbourhood." (ID18, resident of Hallgerðargata)

Interviewees described the advantages of living centrally, with shops and services within walking distance. For them, quality of life included being able to carry out everyday errands without relying on a car. Proximity to a range of services gave them greater independence in their daily lives. Residents of both Hallgerðargata and Grensásvegur described how the location made it easier to carry out errands and reduced their need to drive.

For some interviewees, their choice of residence was connected to the possibility of living without a car or reducing their car use. In these cases, access to public transport was more important than access to parking:

"We did not own a car when we moved. That was fine because we were not looking to buy a parking space, but it was very important that we could take the bus. We were completely car-free." (ID24, resident of Hallgerðargata)

Having realistic transport options and being able to carry out everyday errands without always relying on a car were important to the interviewees. Several said they had chosen their location with the intention of reducing their daily car use. Their aim was not necessarily to stop owning or using a car altogether, but to make it less essential:

"It is easy to get to and from here, and I need to use my car less here than I would if I lived somewhere in the middle of a residential neighbourhood. That was the original idea: not having to use the car more than necessary." (ID16, resident of Grensásvegur 1)

Their choice of residence was therefore also associated with expectations of changing their travel habits, as the location offered a wider range of transport options and reduced the need to rely on a car every day. In addition to proximity to services and transport, many interviewees emphasised the importance of green spaces. Laugardalur was repeatedly identified as one of the principal advantages of both densification areas:

“There is, of course, the proximity to leisure activities and Laugardalur. You might prefer to live there rather than, for example, right in the city centre, where there was basically just concrete. Even though the sea was nearby, there was no green space.” (ID25, resident of Hallgerðargata)

ID25's account illustrates how the choice of residence was influenced not only by access to services and transport but also by the quality of life associated with proximity to green spaces and an attractive environment.

5.2.2 *The importance of being able to choose between different modes of transport*

The importance of being able to choose between different modes of transport according to the circumstances was one of the clearest themes to emerge from the interviews. Interviewees did not describe transport choices simply as a choice between driving and using other modes. Instead, they emphasised the importance of being able to select whichever mode was most appropriate in each situation. Different modes served different purposes in their daily lives, and flexibility was considered more important than relying on a single mode of transport:

“I would like to have options—to be able to choose whether I walk, cycle or take the bus. I want to have that choice, which I do not feel I have today.” (ID16, resident of Grensásvegur 1)

ID8 expressed a similar view, emphasising the importance of having a genuine choice between different options. Their use of a car was shaped more by circumstances than by a personal preference for driving:

“I think it is a great advantage to have that option. I drive to work more because I have to than because I want to.” (ID8, resident of Grensásvegur 1)

The choice of transport mode is therefore shaped not only by individual preferences but also by the options provided by the local environment and the requirements of daily life. Interviewees described different modes as serving different purposes. Walking, cycling and public transport were often considered preferable for everyday journeys, while cars continued to play an important role on longer journeys:

“I would probably prefer to use a bicycle or scooter most often, with the bus perhaps as my second choice. It would simply be useful to have the car available if I needed to travel longer distances.” (ID15, resident of Grensásvegur 1)

Although many interviewees used active modes or public transport in their daily lives, having access to a car remained important in certain circumstances. Family commitments, longer journeys and leisure activities were among the factors that continued to give cars an important role. Two interviewees described how a change in their family circumstances or daily responsibilities had increased their need for a car. For example, ID3 reported using the car more after retiring and beginning to care for grandchildren and a parent. Similarly, ID23 primarily used the car to transport grandchildren or travel to a summer house:

“We are a large family, so it is difficult not to have a car. [...] I do not need it for everyday activities. It is more important for things outside the daily routine.” (ID23, resident of Hallgerðargata)

When asked whether they would consider giving up their private car if adequate car-sharing services were available, interviewees were generally open to the possibility, particularly those who already used a range of transport modes. They suggested that car-sharing could be suitable for larger shopping trips or journeys just beyond the Capital Region, such as trips to Selfoss.

Transport choices also depended on the circumstances at any given time. Time constraints, weather, daily schedules and the quality of the transport system were all identified as influential factors. Transport choices were therefore continually adjusted according to which option best suited the circumstances:

“I would say time and the weather. Above all, I want to get to work quickly. But when the weather is good, I really like avoiding the traffic. I can walk home when the weather is very good, and that is wonderful” (ID24, resident of Hallgerðargata)

Interviewees generally had fairly positive attitudes towards public transport, although some were critical of the current service. ID20 had travelled by bus for ten years but had eventually begun driving to and from work because of what they described as the system’s unreliability:

“I did not have a car for a very long time. I think I had been taking the bus for more than ten years. In the end, I simply gave up. The service had been reduced so much. I kept track of it for two weeks and was late for work every day—ten days in a row—because Route 13 did not arrive on time. Sometimes a bus would finally arrive after fifteen minutes, or I would miss the connection entirely and be left standing at Mjódd in the pouring rain or snow.” (ID20, resident of Hallgerðargata 1)

The interviews also showed that many participants combined different modes according to the circumstances rather than relying on a single mode:

“I have a transport agreement, but I usually get a lift to work because we share the car, and then I take the bus home. I have also cycled occasionally. If something comes up and he needs the car, I simply take the bus. It is not a problem.” (ID24, resident of Hallgerðargata)

The findings therefore suggest that interviewees were less concerned with relying on one particular mode than with having genuine freedom of movement. What mattered most was having a real choice about how to travel in different circumstances.

5.2.3 **The security and flexibility provided by an underground car park**

Interviewees considered underground car parks to provide security, flexibility and greater convenience in their daily lives. Notably, this positive attitude was not limited to those who used the facilities for their own cars; it was also expressed by participants who did not own a car. Knowing that the option was available provided a degree of security for the future. The value of an underground car park also extended beyond personal use, as it made it easier to receive visits from friends and relatives who travelled by car:

“I think it’s important that there are parking spaces in the building, that there’s an underground car park because I have friends who drive come to visit.” (ID7, resident at Grensásvegur 1)

The value of an underground car park was therefore based not only on current needs but also on the flexibility and future options it provided.

Interviewees from both study areas generally had very positive attitudes towards renting parking spaces. A small number had initially needed to adjust to the idea of not owning a space, but they appreciated that residents were not responsible for operating and maintaining the car park. ID8 summarised the view that access to parking was more important than ownership and that the cost should primarily be borne by those who used the service:

“If you want to use a parking space, you just rent a parking space, and if you don’t need one, you just don’t... it would always be bad in my mind if [a cost] is being forced on someone.” (ID8, resident at Grensásvegur 1)

ID12 described how the rental arrangement had provided greater financial freedom and flexibility.

“I can rent there for probably 15 years; I’ll be dead before it becomes more expensive for me to rent for one car than to own and operate three parking spaces in Kópavogur.” (ID12, resident at Grensásvegur 1)

These accounts indicate that access to parking was more important to interviewees than ownership and that renting a space more closely aligned the cost with actual use. Interviewees also emphasised the security and predictability associated with guaranteed access to an underground car park. Previous parking experiences strongly influenced how some participants valued such access:

“We lived down by Hlemmur where we had a resident’s parking permit and we could never know where we would be parking, really... so the underground car park was incredibly appealing.” (ID17, resident at Hallgerðargata)

Many interviewees also identified the everyday convenience of underground parking during winter as an important advantage. Examples included not having to spend 20 minutes scraping ice and snow from a car or warming it up in cold weather. The value of an underground car park therefore lies not only in providing somewhere to store a private car but also in the convenience, flexibility and security it offers, particularly in Icelandic weather conditions. Furthermore, allowing residents to choose whether to rent a space was well suited to the varied travel habits identified in the interviews.

5.2.4 The direct influence of accessibility on transport choices and mobility

As discussed in the previous section, many interviewees had chosen where to live with the intention of reducing their car use. The interviews indicate that many had succeeded in doing so and that their travel habits had changed after moving. They walked more, used public transport more frequently and made greater use of other modes than they had at their previous place of residence. For some, the change also involved a broader shift in their attitude towards transport:

“We got rid of both old cars and got an electric car... since then I’ve just been on foot, on the bus and I was just buying a bike. It just became a change in mindset.” (ID12, resident at Grensásvegur 1)

Interviewees who relied entirely on public transport described changes in their travel habits as contributing to greater mobility, which had directly affected their participation in social life. ID11 described how their previous place of residence had limited their mobility, whereas the new location made it easier to travel and carry out everyday errand:

“I had started to stay at home more, I felt more tied down where I lived before... there was only one bus that ran there... and it was more of a hassle. So now I just hop on, it's no problem to hop on the bus.” (ID11, resident at Grensásvegur 1)

Other interviewees reported similar experiences, including both those who relied on public transport and those who did not. They described how improved accessibility had made it easier to travel and had increased their participation in everyday and social activities. ID3, for example, stated:

“I've started doing it [taking the bus] more than where I lived in Kópavogur. It was dreadful to take the bus from there... I sometimes take the bus now, to meet my friends or someone.” (ID3, resident at Orkureitur)

Similarly, ID25 described how shorter distances and improved access to the City of Reykjavík's centre had strengthened their social life:

“It was often the case that once you were up at Vatnsendi, you couldn't be bothered to get back in the car to drive, you know, drive to the end of the world in the late afternoon after work, to go back out again maybe two hours later to go to some restaurant to meet some friends, which was another 13 kilometres back down... I don't think I've ever walked as much as I have since I moved here.” (ID25, resident at Hallgerðargata)

Although the findings indicate that improved accessibility can facilitate changes in travel habits, they also show that proximity alone is not sufficient. An accessible and safe walking and cycling environment is necessary if people are to use active modes. ID16 described how their car use had increased after moving, contrary to their intentions:

“I'm using the car much more than I intended to. Because it's a bit complicated, for example, just walking within Skeifan. I find the traffic situation around there difficult for pedestrians.” (ID16, resident at Grensásvegur 1)

In ID16, the problem was not the distance itself but the quality of the pedestrian environment::

“I don't mind strolling this distance. It's not that far. But it's just a mission to get across. If I want to go to the post-box which is right on the other side of Skeifan... pedestrians are very rarely accommodated there. And the cars sometimes have a very hard time seeing that you're there.” (ID16, resident at Grensásvegur 1)

The findings suggest that the influence of location on travel habits is determined not only by distance but also by the quality of the walking, cycling and public transport environment. Although a location may create favourable conditions for changing travel habits, actual changes depend on whether the surrounding environment supports safe, convenient and efficient journeys.

5.3 Lessons from resident interviews

The interviews demonstrate that location, transport options and parking arrangements jointly influence residents' travel habits. Proximity to services, workplaces, public transport and green spaces was among the principal reasons why interviewees had chosen to live in a central location. Parking was less frequently identified as a deciding factor, although access to a parking space remained important to residents. Many had chosen where to live with the aim of reducing their car use without giving up access to a car entirely. Several lessons can be drawn from the interviews, as summarised below.

- **Location alone does not guarantee a change in residents' travel habits.**

Short distances provide genuine accessibility only when routes are safe and convenient for pedestrians and cyclists. If residents perceive the walking environment as unsafe or public transport as unreliable, they are more likely to use a car. Restrictions on parking provision in densification areas should therefore be accompanied by improvements to walking and cycling infrastructure and public transport services.

- **It is important to distinguish between car ownership and car use.**

Many interviewees reported using their cars less frequently after moving but still considered them important for longer journeys, larger shopping trips, family responsibilities and leisure activities. The role of the car had therefore changed: rather than being the default mode for everyday journeys, it had become one of several available options. Policies intended to change travel habits should aim to reduce the need for daily car use rather than necessarily eliminate car ownership.

- **Freedom of travel rather than committing to one specific mode of transport.**

The interviews indicate that residents of central areas want to be able to walk, cycle or take the bus when convenient while retaining access to a private car when other options are unsuitable. Their choice of transport mode depended on factors such as time, weather, family circumstances and the complexity of the journey. Providing a range of realistic transport options is therefore more important than making one mode dominant.

- **Access to a parking space is more important to residents than ownership of it.**

Attitudes towards renting parking spaces were generally positive. Rental arrangements can align costs more closely with actual use and enable households to adapt as their needs change. Residents who did not use a parking space appreciated not having to pay for one, although even car-free interviewees emphasised the importance of having parking available within the development. For such arrangements to work successfully, the availability, price and conditions of access must be predictable for residents.

- **Good accessibility can have a wider impact than just changing travel modes.**

Several interviewees reported greater independence, increased physical activity and more active participation in social life after moving. The success of densification and transport improvements should therefore not be assessed solely in terms of reductions in car journeys. Consideration should also be given to whether residents find it easier to access services, carry out everyday errands and participate in their communities.

The resident interviews reflect the experiences of a small and self-selecting group of people who had chosen to live in central Reykjavík and were generally positive about changing their travel habits. The findings cannot therefore be generalised to all residents of Reykjavík. Nevertheless, they indicate that flexible parking arrangements can support reduced car use, particularly in central areas, provided that residents have access to realistic alternatives and retain a genuine choice between different modes of transport.

6 Findings of the interview study

The study aimed to examine attitudes towards parking solutions in new residential developments and their relationship with property development, choice of residence and travel habits. It was based on interviews with property-sector professionals and residents of recent densification areas in Reykjavík. Bringing these perspectives together provides insight into how parking is valued by those who develop, finance and sell housing and by the people who live there.

6.1 Access to parking and changing attitudes

The findings indicate that attitudes towards parking are changing. Buyers and property-sector professionals appear to have become more accustomed to parking spaces not being automatically included with flats and to the need to decide separately whether to purchase or rent a space. Residents were generally positive about renting rather than owning parking spaces. However, these changing attitudes do not mean that demand for parking has disappeared. Access to a parking space remains important to many people, although ownership of a particular space appears to matter less than it once did.

A common finding from both phases of the study was that access to parking was generally more important than ownership. Rental arrangements can accommodate households' changing needs by allowing residents to rent or give up a space as their family circumstances or car ownership change. At the same time, residents who do not use parking are not required to bear the cost of facilities they do not need. Access to an underground car park can also provide security and predictability in relation to weather conditions, visitors and possible changes in a household's future needs.

Demand for parking nevertheless varies between buyer groups and types of housing. According to the professionals interviewed, smaller flats are more likely to sell without parking, whereas larger and more expensive flats are more difficult to sell without guaranteed access to a space. Demand also appears to be higher among older buyers than younger buyers. Assessments of parking demand should therefore take account of the housing mix, location and available transport options.

6.2 Parking standards and other transport options

The professionals interviewed were generally critical of low parking standards for new residential developments. They considered their implementation to have proceeded more rapidly than improvements to alternative transport options. Some believed that limited parking provision could reduce the appeal of densification areas to certain groups of buyers and encourage them to seek housing farther from central areas. The study does not establish that such displacement has occurred, but these views underline the importance of coordinating changes in parking provision with the timely development of realistic alternatives to the private car.

6.3 Choice of residence, car ownership and travel habits

Residents had chosen to live in the densification areas primarily because of the location of their homes and their proximity to shops and services, workplaces, public transport and green spaces. Parking arrangements were generally not a decisive factor in their choice of residence. Many had expected that living in a central area would enable them to walk, cycle or use public transport more frequently. For a substantial proportion of the interviewees, these expectations appear to have been met to some extent.

Reduced car use did not, however, eliminate the perceived need to own or have access to a car. Cars continued to play an important role on longer journeys, meaning that their role had changed rather than disappeared. Instead of being the default mode for

everyday journeys, the car had become one of several options, used when alternative modes were less suitable.

The findings underline the importance of distinguishing between car ownership and car use. Limited parking provision can affect a household's ability to own a car, while the location of housing and the quality of alternative transport options strongly influence how frequently the car is used. A central location alone is not sufficient to change travel habits. Walking and cycling routes must be safe and direct, and public transport must be reliable. Where these conditions were not met, interviewees were more likely to use a car, even for short journeys.

6.4 Cost, operation and utilisation of parking spaces

Developers estimated that constructing a space in an underground car park cost between ISK 4 million and ISK 10 million, with most citing approximately ISK 7–8 million. They generally did not consider parking spaces profitable in their own right, although their availability could make flats easier to sell. These figures reflect interviewees' estimates at the time of the interviews and may vary according to construction costs, interest rates and market conditions.

Six of the eight developers expressed a positive or open attitude towards shared multi-storey car parks. However, they identified several obstacles, including uncertainty regarding operation, financing, construction schedules and residents' financial circumstances. Shared multi-storey car parks may provide a viable alternative, but decisions concerning their location, development, operation and accessibility must be made early in the planning and development process.

Rental arrangements may also facilitate more efficient utilisation because spaces that are not tied to individual flats can be used by different users at different times. Shared use may be particularly suitable in mixed-use areas where homes, workplaces, shops and services are located close to one another. However, further data are needed to assess actual utilisation and the extent to which spaces are shared in practice.

6.5 Wider spatial and social impacts

Limited parking provision within new densification areas may increase demand for parking on nearby streets and in spaces intended for customers of shops and services. The evidence collected in this study is insufficient to determine the extent of such spillover effects. Nevertheless, interviewees' accounts suggest that parking provision and management should be assessed across a wider area rather than solely at the level of individual development plots.

The social impacts of parking policy also require further investigation. Flats without parking, or without guaranteed access to a space in a shared underground car park, appear to be smaller or less expensive on average. Rental properties may also be less likely than owner-occupied properties to include access to parking. Lower-income residents may depend on cars because of the nature of their work, irregular working hours, the need to transport equipment or the requirement to travel to different workplaces. It should therefore not be assumed that lower-income households or tenants have less need for parking than other groups.

6.6 Limitations and next steps

This qualitative study was based on interviews with a limited group of professionals and 16 residents of three recent densification areas in Reykjavík. The findings are therefore not statistically generalisable to all city residents, buyer groups or development areas.

The group of resident interviewees was also relatively homogeneous and limited in scope. Participants lived in recent densification areas with several shared characteristics, had chosen to live centrally and, in many cases, had previously lived abroad in cities where car ownership was less likely to be regarded as essential. Several had also been interested in reducing their car use before moving. These experiences and attitudes may have influenced their views on densification, transport options and flexible parking arrangements. The findings therefore primarily reflect the experiences of this particular group and do not provide a comprehensive account of the views of residents in all of Reykjavík's densification areas.

The interviews with professionals were conducted during the summer and autumn of 2025 and reflect conditions in the property and financial markets at that time. These conditions had changed by the time the report was prepared in 2026, which may have affected market participants' attitudes and their assessments of the feasibility of different solutions.

Despite these limitations, the findings provide insight into an important subject that warrants continued research and monitoring. The next steps should primarily include:

- Conducting an interview study involving residents of a more diverse range of densification areas in Reykjavík, taking account of differences in location, type of development, housing tenure, socioeconomic circumstances and access to transport, to obtain a more comprehensive picture of residents' attitudes and experiences
- Collecting data on the utilisation of rented and individually owned parking spaces and shared multi-storey and underground car parks at different times of day
- Examining the relationship between parking availability and car ownership, and between car ownership and actual car use
- Monitoring potential spillover effects on nearby streets and parking intended for customers of shops and services
- Analysing the social and financial impacts of parking policy on different groups, including tenants, lower-income households, older people and people with reduced mobility
- Developing clear operating and financing models for shared multi-storey car parks and assessing opportunities for the shared use of parking spaces
- Ensuring that decisions concerning the location, construction, operation, accessibility and pricing of multi-storey car parks are made early in the planning and development process
- Coordinating changes in parking provision with timely improvements to walking and cycling routes and public transport

7

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