Carsharing: A North American Update

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Overview

• Definition of Carsharing
• Current State of the Industry
• Comparison of Carsharing Studies
• Market Development – Past, Present, and Future
• Carsharing and Policy
• Conclusion
What is Carsharing?

- Carsharing organizations maintain fleets of cars and trucks in a network of locations.
- Allows households and businesses to access shared fleet on an as-needed basis, at an hourly or mileage rate.
- Individuals gain benefits of private vehicle use without costs and responsibilities of ownership.
Building Livable Communities with Transit

Carsharing’s Niche

Some Statistics

July 2008: North America
- 319,000 carsharing members
- 7,500 carsharing vehicles
- 33 programs operational

U.S.
- 279,174 members
- 5,838 vehicles
- 19 programs

Canada
- 39,664 members
- 1,667 vehicles
- 14 programs
Some Statistics (cont’d)

July 2008: Worldwide
- ~600,000 carsharing members
- 4 continents
- 21 countries
- 8 planned
## Carsharing Impacts

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<tr>
<td>Cars Replaced Per Carsharing Vehicle</td>
<td>4.6 – 20 cars</td>
<td>4 – 10 cars</td>
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<td>Members Who Sold Their Cars due to Carsharing</td>
<td>15 – 32%</td>
<td>15.6 – 34%</td>
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<td>Members Who Avoided a Car Purchase due to Carsharing</td>
<td>25 – 71%</td>
<td>23 – 26.2%</td>
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<td>VMT/VKT Reduction due to Carsharing</td>
<td>44%</td>
<td>28 – 45%</td>
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<td>Decrease in Transportation Costs due to Carsharing</td>
<td>$154 - $435/month US</td>
<td>-</td>
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Carsharing Impacts (cont’d)

• Reduces greenhouse gas emissions
  – Via low-emission vehicles, decreased VMT, carbon offset programs
• Reduces parking demand
• Complements alternative transportation modes
  – Public transit, walking, biking, etc.
  – Can help address first mile-last mile problem
• Increases mobility of low-income residents and college students
  – Provides car use without bearing full ownership cost
North American Carsharing Organization Growth
Member and Vehicle Growth

- Carsharing organization membership has increased
  - U.S. Growth Rate Peak: 1174% from 2000 to 2001
  - CA Growth Rate Peak: 81% from 2000 to 2001
  - Leveled to an average growth rate of 50% for North America in 2008

- Member-vehicle ratios have increased from 1998 to 2008
  - CA MV ratios increased from 14:1 to 24:1
  - US MV ratios increased from 7:1 to 48:1

- Worldwide member-vehicle ratio (2005): 20:1
Member-Vehicle Ratios

[Graph showing member-vehicle ratios for the United States and Canada over the years 1998 to 2008.]
Business Models

- Four types of carsharing business models exist:
  - For-profits,
  - Non-profits,
  - Cooperatives, and
  - University research.
Business Models (U.S.)

- Only 5 of 19 (28.6%) U.S. operators are for-profit. They account for 74% of all carsharing members and 81% of carsharing vehicles.
  - This trend has been relatively stable.
  - Non-profit membership continues to expand
    - Top three organizations’ membership grew from 6,600 participants in 2005 to 71,000 participants in 2008.
Business Models (Canada)

- 36% (5 of 14) of Canadian operators are for-profit, accounting for 87% of carsharing members and 84% of carsharing vehicles.
  - For-profits’ member-vehicle market share has increased from 2005 to 2008.
  - Canadian non-profit organizations have also grown as U.S. non-profit operators.
Recent Market Developments

- Increased competition (car rental, hourly rental)
- Program consolidation (Zipcar and Flexcar merger in 2007)
- Market diversification (college)
- Greater operator collaboration (code of ethics, roaming user agreements)
Growth in North American College Market

• U.S. (July 2008):
  - 130 college campuses served by 11 U.S. carsharing organizations.
    ▪ Represents approximately 9% of U.S. carsharing market
  - Approximately 300 vehicles stationed on-campus in agreements with universities.
    ▪ An additional 220 vehicles within 4-block radius

• Canada (July 2008):
  - 9 operators serve 19 college campuses
Policy - Taxation

• Supportive
  - Tax benefits, credits, and exemptions
  - For example, Chicago’s I-GO exempt from car rental tax

• Unsupportive
  - Car rental tax when carsharing is mistaken to be the same as car rental
  - For example, King County, WA: 18.6% tax on use (8.9% sales tax, 9.7% car rental tax)
Policy - Parking

• On-street parking allocation
  - Increased visibility, awareness, access, safety
  - Administrative issues
    ▪ Enforcement, street cleaning
    ▪ Fees and regulations vary dramatically by location

• New developments (parking variances and zoning/building codes): reduce parking minimums; increase density (floor area ratios); or substitute parking (convert general use to carsharing spaces)
Conclusion

• The four largest providers in the U.S. and Canada support 99% and 95.2% of total membership, respectively.
• Continued growth is forecasted, particularly in business and college market.
• North American developments include increased competition (rental car companies, hourly rental), program consolidation, market diversification, and greater operator collaboration.
• High energy costs and increased climate awareness are likely to facilitate carsharing’s ongoing expansion.
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