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# Delhi High Court Fights Excessive

BY PETE GOLDIN

**T**HE DELHI HIGH COURT IS fighting back against what it calls “exorbitant” parking rates. On April 7, the Delhi High Court issued a notice to several civic agencies including Municipal Corporation of Delhi (MCD), New Delhi Municipal Council (NDMC), Delhi Development Authority (DDA) and Delhi Police.

It all started when activist SC Jain parked his car at the New Delhi Railway station in March and was charged Rs 700. Jain filed a petition in the Delhi High Court citing excessive parking rates. The petition also stated that the MCD had already agreed in 2008 to keep daily parking rates at Rs 10 at all facilities.

“With the growing increase in the population of vehicles, not only do the citizens find it difficult to park their vehicles, but they are made to shell out unreasonable amounts for parking their vehicles for long duration,” said Justice Kailash Gambhir, in a statement.

“Parking, no doubt, is a perennial problem every citizen is confronted with on a daily basis and at present there exists no visible system to know if a particular parking site is authorized or unauthorized,” Justice Gambhir continued.

“The respondents (MCD, NDMC, DDA) shall also place

on record the existing parking rates in various areas of Delhi and New Delhi under the respective controls of these bodies,” he added.

The court asked all the agencies to clarify their parking policies and rates by May 25. The information sought by the court includes the reasons behind the parking fees, because the court intends to determine if the agencies are charging fees arbitrarily.

A global survey conducted by Colliers International, a real estate firm, confirmed that in 2009 New Delhi had one of the highest average daily parking rates in India. However, at only Rs 58 per day, the average is far below the Rs 700 rate in contention at the Delhi High Court.

Jain’s petition also asks for the construction of multilevel parking lots in the city, and an end to the practice of auctioning off footpaths and cycle lanes to create parking spaces or lots. Whether or not this was related, within the month, Delhi Finance Minister AK Walia visited several locations in the city, allegedly scouting sites for multilevel car parks to alleviate the need to park on footpaths.

## Are India’s parking rates fair?

The question to be answered at this point is whether daily parking of Rs 700 or Rs 10 is fair, or whether it should be somewhere in between.



# Parking Rates

“Personally, I would say Rs 10 per day is very cheap,” asserts Dr. Adhiraj Joglekar, founder of the website driving-india.blogspot.com. “People have to realize that infrastructure has to be paid for and pricing has to be in keeping with investment costs. There is a need to educate people.”

What is the fair rate? According to Dr. Joglekar, if the car park was owned solely by private equity, the returns would have to be calculated to be in tune with capital investment and

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hence charges would have to be adjusted accordingly. On other hand, if the car parking facility was a public-private partnership (PPP) or mixed economy initiative part subsidized by the government, the charges could be subsidized.

“Subsidy makes sense in park-and-ride type facilities which encourage use of public transport,” Dr. Joglekar explains.

On other hand, in urban areas where congestion is high, Dr. Joglekar says the government may not want to provide any subsidy. On the contrary, the government could make parking more costly as a way of managing traffic and congestion.

“One would hope that pricing for parking acts to deter use of personal vehicles to a certain extent, yet not make it unreasonable for those who can’t use public transport,” Dr. Joglekar continues. “Equally, pricing should be such that it does not drive away users and make the business of running organized parking lots unviable. One solution to manage this is to ensure that the number of parking spaces is informed by demand and that the space provided is 20% less than actual need.”

In terms of the specific rates, the lowest rate Dr. Joglekar would expect to see in India would be about Rs 35 or so per hour, which he equates to about £1 per hour in the UK, in terms of the purchasing power of the amount. He says this rate should be feasible for any car owner in India. In addition, Dr. Joglekar explains that educating the public about the costs of parking is key, so they understand why they are paying particular rate.

“Education has to be a joint effort by all involved,” Dr. Joglekar concludes. “Education is vital, because though economic realities have changed in India, not all appreciate this and the masses somehow expect subsidies just because they have been used to it for decades.”

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