

# THESIS AWARD - LUSTRUM BOOK

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# SOCIAL COSTS OF ON-STREET PARKING

## Student information

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## The social costs of on-street parking: searching, policy and unpriced externalities

We introduce a methodology to estimate the marginal external costs of parking by extending the theoretical model introduced by Zakharenko (2016), which allows for endogenous parking durations.

## External parking costs

External parking costs encompass both additional in-vehicle search and walking time costs incurred by arriving motorists.

We show that the unpriced marginal externality is the key metric that parking authorities should use to inform their parking policies. We apply this methodology to the city centre of Melbourne, where strict time limits are combined with on-street parking prices that are below short-term off-street parking prices.

## Using parking externalities for parking policies

We demonstrate that generally parking externalities are low and far below their optimum, so relaxing many of the current parking time limits will increase welfare.

Alternatively, on Sundays in many areas parking externalities are high while parking is free, so introducing paid parking will also increase welfare.

Similarly on weekdays and Saturdays late in the evening just before restrictions end parking externalities are high, and so extending their hours of operation will also improve welfare.





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# OPTIMISING REVENUES OF AIRPORTS

## Student information

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### Optimising non-aeronautical revenues of airports: the case of Rotterdam The Hague Airport

This study examines the possibilities of optimising non-aeronautical revenues of Rotterdam The Hague Airport. This is done by assessing the price elasticities for all different segments over the years 2013 -2017.

Results indicate that price adjustments can be made to increase non-aeronautical revenues.

The overall price elasticity for parking on the airport is  $-1.13$ . This elasticity coefficient lies above unit elasticity, due the busiest months of the year.

In these months, relatively more leisure travellers, which are price elastic, are travelling via the airport.

Therefore, increasing the price in the busiest months is desirable due to possible capacity problems at the airport. In all other months, an increase of the price would result in an increase of revenues, due to the relatively inelastic coefficients of these months.

