



REMAKING RAILWAY STATIONS



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Our association with the railway station is fundamentally rooted in our childhood experience. It encompasses all the nostalgia embedded in going to our ancestral place and vacations during school breaks to the romantic notion of discovering a country and finding ourselves as vividly as Gandhiji's train journey through India. From "DDLJ" to "Yeh Jawaani Hai Deewani", trains and railway stations are at the heart of our experience as Indians.

But nostalgia is not enough. There is a desperate need to bring railway stations to the 21st century and meet the high and increasing aspirations of Indians throughout various socio-economic classes. Recent steps by the Ministry of Railways have been very encouraging and will help achieve this vision. Among them, designating IRSDC as a nodal agency is a great step because it allows the creation of an organization with specialized skills unique to railway stations.

A lot of thought has gone into creating a standard for a model railway station. Here are a few thoughts emphasizing certain softer aspects to help transforming a good railway station redevelopment effort into a great and economically successful one.

- ***Integrating the Local Area***

Railway Stations are situated literally at the heart of the City. The areas around the railway station are wholesale markets, historic residential areas, and traditional retail. These areas have not seen the opportunity afforded by commercial investment, retail, and entertainment

opportunities. Unlike airports, railway stations are integral to the area's economy. Having a modern transportation hub should increase the area's commercial and employment viability. All the great railway stations around the world see high property prices because of the commercial opportunity afforded by a transportation hub and are seen central to revitalizing an area.

One positive change in the last few years has been the connectivity with metro systems to major railway stations. This needs to be developed further by making the railway station pedestrian friendly. Simple steps like ensuring that the local area can easily and unobtrusively access the railway station by walking to it and accessing its services would go a long way.

- ***The Whole is Greater Than the Sum of Parts***

A railway station is not a checklist of escalators, retiring rooms, sitting areas, bathrooms, and food courts. It should aspire to something more than a metro station, where a user is hardly present for more than 5 minutes and efficiency is the chief criteria.

Railway stations are far greater than this. They represent the city, state, and in some cases, the country, to a wider audience. They should necessarily be a source of civic pride. Railway Stations, unlike roads, cannot be expanded at-will by acquiring additional land and have to be designed for a long life. Good design is top down led. Good design should not be mean expensive materials, but rather a well-thought out flow integrating first and foremost the needs of train passengers but also the local citizen. The developer and the architect designs for a "feel" and makes a creative decision based on cost constraints and business models.

- ***Seamless Integration Across Passenger Segments***

In a country with rapid economic growth and young population, aspirational travel and disposable income will increase rapidly. With social mobility on the rise, people are aspiring to new experiences. People do not want to be pigeonholed and restricted from certain areas due to class of travel. Having areas designated as women's waiting area, II Class waiting Area, AC waiting area, paid resting rooms, etc seem archaic for our time. Instead large AC common waiting areas with modern food, beverage, and retail options (including low cost) should be all-round them. Resting rooms should

be replaced by paid executive lounges or use the vast number of budget hotel options available right outside major railway stations. At the same time areas have to be designed that appeal to various consumer segments. For example, certain passengers will prefer a quiet terminal type feeling without announcements, whereas other passenger appreciate and require announcements. These differences must be acknowledged without intruding upon freedom of movement. Significant and plentiful options for food should be made available to lower economic classes through JanAahar and bottom of pyramid options. A railway station should provide space for NGOs/Railways to provide social goods like medical help and discounted medicine.

But how to finance these improvements? Without going deeply into various PPP structures (another column), the larger point is to expand our idea of what a railway station



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is from a financial perspective. Railway Stations, should be thought of as an asset class similar to roads and airports. It has a financial value (what developers and investors are willing to pay for it) and a capital value (the cost to redevelop it). The difference between the two is the amount needed by the developer/investor to redevelop the railway station. This could be from a VGF type structure or from using the proceeds of additional railway land (cross-subsidization). The difference between the two is not static. The financial value of an asset can increase if the cost of capital decreases (infrastructure equity investors vs real estate equity investors, consistent deal flow), or its inherent value increases (longer concession term, flexibility). These would decrease or maybe eliminate the subsidization required and allow a higher bid to be shared with the Railways.

Remaking railway stations is once in a generation effort. Getting it right will help remake them as centerpieces of communities and allow a whole new generation of stories to be told to ensure that the Railways remain the emotional and physical lifeline of the country.

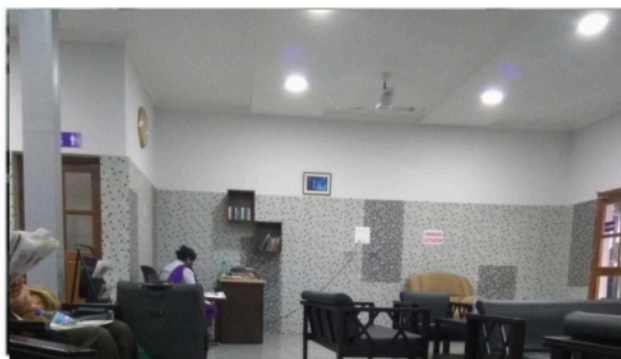


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