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SOSYAL BİLİMLER ENSTİTÜSÜ
İKTİSAT ANA BİLİM DALI

THE CONTRIBUTIONS OF THE GENTRIFICATION PROCESS IN ISTANBUL

MA Thesis

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ÖZET

19. yüzyıldan bu yana, nüfusun çoğunluğu şehir merkezlerinde ikamet etmeye başladıkça kentsel yerleşimlerde ciddi değişiklikler yaşanmıştır. Bu şehirler devletlerin genel ekonomik ve sosyal yapısının ana bileşeni haline gelmiştir. Değişen ekonomik sistemler ve toplumların değişen sosyal yapıları da şehirlerde kurulan yerleşim ve binaların fiziksel ve kültürel yapısını etkilemiştir. Bu gelişmelerle yaşanan kentsel dönüşüm, sermayeyi çekmek için "daha iyi" yapılandırılmış şehirlerle ilgili bir kavramın kurulmasına zemin hazırlamıştır. Değişen ekonomi sistemleri ve şehir yapılanmaları dünyadaki her pazarı etkilemeye devam ettikçe, inşaat sektörü de etkilenerek kentsel kimliği, bireysel yaşamları ve ekonomik gelişmeleri değiştirmiştir.

Tüm dünyada "daha iyi" yapılandırılmış şehirler yapmanın bir yolu olarak ‘’soylulaştırma’’ uygulanmaktadır. Her ne kadar farklı durumlarda görülen farklı uygulamalar olsa da olsa da, her örnekte genel ortaklıklar gözlenebilmektedir. Kısaca, şehirlerin "soylulaştırılması" için yapılan yeni projelerden ekonomik büyüme büyük ölçüde etkileniyor. Gayri safi yurtiçi hasılada birim konut fiyatlarındaki eşzamanlı artışla gözlemlenebilecek artış, her bireyin satın alma gücü ile her zaman ilişkili değildir. Dolayısıyla bu tezde ilk olarak dünyada ve Türkiye'de soylulaşmanın ortaya çıkışı tartışılacaktır Ardından, hipotezler incelenecektir. Bu yazının iki hipotezi, soylulaştırmanın genel ekonomik büyüme üzerindeki etkilerini ve soylulaştırmanın soylulaştırılmış mahallelerde eski sakinlerin yer değiştirme eğilimleri üzerindeki etkilerini kapsayacaktır.

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ABSTRACT

Since 19th century drastic changes have been experienced in terms of urban settlements as the majority of the population started residing in these areas. These cities became the major component of overall economic and social structure of the states. Changing economic systems and changing social structures of the communities have also affected the physical and cultural structure of the settlements and buildings established within the provinces. Urban transformation, which was experienced with these developments, has paved the way for establishment of a notion that is related with "better" structured provinces in order to attract the capital. As urban economies has continued to affect every market in the world, construction industry is also affected which in turn has altered the urban identity, individual lives and economic developments.

Gentrification as a way to make "better" structured districts was introduced all over the world. Even though, it has been carried out in slightly different implementations in different states, in overall commonalities could be observed in each example. That is, economic growth is heavily affected by the new projects to "gentrify" the province. Increase in the gross domestic product which could be observed with the simultaneous increase in unit house pricings, is not always correlated with the purchase power of each individual. Hence, this piece will first discuss the emergence of gentrification in the world and in Turkey. Then, the hypotheses are examined. Two hypotheses of this piece will cover the effects of gentrification on the overall economic growth and the effects of gentrification on the displacement trends of former residents in the gentrified neighborhoods.

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Chapter 1. Introduction

Gentrification is a phenomenon that is especially popular in the urban economics. The constant urge to grow rapidly affects the construction sector as well and gentrification is one of the reflections of these needs. Especially the metropolitan cities that has been exposed to migration from the other cities are subject to gentrification. The districts of the cities in which the migrants in question reside may create security concern and may not fit into the overall profile of the city. For this aim, with the aim of "gentrifying" the districts into a better and more acceptable one, gentrification projects are implemented in these districts. It is possible to see examples of gentrification all around the world.

The gentrification is preferred due to its positive effects on a certain neighborhood. Hartley's research (2013) conducted in America between 2000-2007 shows that the implementation has certain positive effects for the neighborhoods that the gentrification is carried out. The most important results of the analysis are below:

	Change (percentage)	
Change in	Gentrified	Not gentrified
Home prices	157.7	49.8
Rents	21.0	16.5
Incomes	10.5	-5.6
Proportion with bachelor's degree	7.3	2.3
Proportion of owner-occupied housing units	3.3	-0.3

Table 1: Changes in Gentrified and non-Gentrified Neighborhoods, 2000-2007 (Bradley 2013)

Hartley's data (2013) show us that, the process of gentrification has certain positive effects for the district. It increases the home prices, rents, incomes, proportion of residents with bachelor's degree and proportion of owner-occupied housing units. Thus, it

increases the socio-economic status of the neighborhoods. It makes the districts more favorable and more preferable in the eyes of the house seekers. Thus, it is not surprising why the stress given to gentrification is increasing. Especially in the contemporary world while there is a free market for everything, in order to increase the prices of the housing units, gentrification is a preferred way.

However, as it increases the preferability of the districts, gentrification also brings together displacement. The previous residents that live in the neighborhoods cannot afford the new prices after gentrification increases the value of the districts. Thus, even though gentrification is preferred by the houseowners, at the same time, it is also disadvantageous for the former residents of the neighborhoods.

The topic of this thesis is gentrification and its implementation in the context of Istanbul. For this aim, first, definition and the discussions are to be provided regarding gentrification phenomenon throughout the world since the beginning of 1900s with its drastic effects on the society as a whole and to the global economy. Being one of the most significant features since the second half of 20th century in the central part of the cities with its effects on the community not only in the infrastructure aspect but also social, cultural and political aspect, various authors have discussed the term thoroughly. The analysis begins by referring initial usage and the coinage of the term gentrification in the second half of 20th century. It will continue by arguing about the different approaches in both traditional sense and critical sense. The assessment of this piece is strengthened with concrete examples with both positive outcomes of the gentrification process and also challenges that it creates to the society as a whole, more importantly to the individuals from working classes.

Prior specifying the focus on Istanbul, the second chapter begins with arguing about the emergence of gentrification in the world. The emergence of gentrification, without doubt provoked the authors which heavily discussed about the phenomenon. Hence these discussions, in turn, created pioneer models to better understand the changes within the society mostly derived from the gentrification process. Two cases from different cities (New York and London) in two different countries are discussed prior to the discussion of two

different stage models. Two different stage models proposed by Clay (1979), Smith and Hackworth (2001) is analyzed both with direct referrals from the sources and the interpretations from these models.

Then, thanks to the articles and research focusing on gentrification in Turkey, specific examples from Istanbul are provided. After giving different examples from the world, Istanbul is the main focus of this research. In order to analyze how the gentrification took place in Istanbul;

- First, a general view about the city is given.
- Then, the history of gentrification in the city is analyzed with examples.
- Finally, the socio-economic effects of gentrification to the city is analyzed.
- After that, some gentrification projects and their effects on the community is explained.

As gentrification is directly related with the increasing population of a city, in Istanbul as well, the migration to the city and alarmingly increasing population resulted in the new urban transformation projects. Gentrification of selected areas was also a result of this policy. Thus, statistical analyses is provided throughout this piece through the correlation model in order to support the arguments regarding the effects of gentrification to the society as a whole. With the data that are provided through Turkish Statistical Institute (TUIK), the gentrification in Turkey is analyzed. And, correlation analysis is conducted in order to understand the effect of different factors on the gentrification.

In the introductory chapter, informative insight information is given on gentrification, and how the phenomenon of gentrification is understood from different perspectives are analyzed. After providing the research question, the hypothesis and the methodology of the thesis is briefly explained. In the second chapter the study examines the related literature as theoretical and case studies. In the third chapter, historical development of the gentrification in the world and the appearance of the gentrification is examined. Then, in the fourth chapter, the study evaluates the urbanization and changing shape of the cities. In the fifth chapter, the progress of the transformation and the case studies in Istanbul is to present the general structure and the main idea of the study. Afterwards, in the scope of the

gentrification process, general view of the projects and the method, data set and the findings are provided. In the conclusion part, the study discusses the improvable aspects of this study.

1.1 Research Question

Istanbul is the largest metropolitan in Turkey, and as the population of the city has been increasing constantly, especially after 1980s, which is the start of the globalization trend in Turkey, the city needs to constantly expand in order to accommodate the newcomers. Yet, as the newcomers reside in the periphery of the city which is not as "beautiful" as the core of the city, in order to "beautify" the peripheries, gentrification projects has been implemented in these neighborhoods. But the problem is that, gentrification brings displacement with it. As one neighborhood is gentrified, the previous residents cannot afford to live in the neighborhood anymore. The rents increase and the social fabric of the neighborhood changes. It is possible to observe this phenomenon in the gentrified neighborhoods of Istanbul. The aim of this research is to analyze this situation and understand the reasons behind the gentrification in Istanbul.

For this aim, the main research question of this research is, "What are the factors that shape the gentrification in Istanbul?"

1.2 Research Hypotheses

In order to better understand the answer of the research question, two hypotheses is analyzed in this thesis.

H1: There is a positive correlation between the newer and gentrified housings, and Gross Domestic Product of the country / province.

H2: Even though there is a positive correlation between number of newer / gentrified housings and Gross Domestic Product, purchase power is always indicative in the displacement figures in the neighborhoods with the ongoing gentrification projects.

The first hypothesis aims to measure the effect of internal migration and the growth of the city. With the increasing industrialization, as the city accepts internal migration more, the number of new buildings increase, which also increases the need for gentrification to beautify the city and to create attraction for the newcomers. This trend, in turn affects the increase in the gross domestic product of the province / country.

The second hypothesis aims to measure whether there is a relation between the number of new buildings and increase in the house sales in Istanbul. The reason of studying this hypothesis is that, even though the gentrification projects continue in Istanbul and new buildings are built in an increasing amount, due to the fact that people do not have the purchasing power because of the vulnerable state of the economy, most of the new buildings are not sold. Furthermore, even if sold, newer residents will not always be the former residents. It is argued that displacement is frequently an issue in the gentrified buildings as the average house unit price is not in line with the purchase power of the community.

1.3 Methodology of the Thesis

A mixed methodology is adopted in the thesis. The chapters that include the literature review and the analysis of gentrification in the world as well as the history of gentrification in Turkey has been conducted with a detailed literature review. The data for the correlation analysis were obtained from the TUIK and the CBRT. Scatter diagrams are also used in order to strengthen the analysis section of this piece. Besides correlation analysis, literature review was also opted to be the better option for other sections.

The hypothesis testing has been conducted with a correlation analysis in order to analyze the correlation between various variables which also have effect on the development regarding gentrification in Istanbul. These variables include the followings;

- Number of housings sold in Istanbul to foreigners
- Istanbul housing price index
- Number of housings sold in Istanbul
- Gross-Domestic Product (US dollar)
- Gross-Domestic Product (Turkish lira)
- Housing unit prices in Istanbul (US dollar)
- Housing unit prices in Istanbul (Turkish lira)

The data that is used in order to conduct the correlation analysis was collected through Turkish Statistical Institute's (TUIK) database.

A correlation analysis allows the researcher to examine the relationship between different variables. The relations among different variables can be analyzed through a correlation analysis. In this thesis, there were two hypothesis that we would like to measure the relation between different variables. For this aim, the correlation analysis that is conducted through scatter diagrams, which is a statistics software, is used. The results of this mentioned analysis can be found in the related section.

Chapter 2. Literature Review on Gentrification

Literature review chapter of the thesis consists of three sections. In the first section, definition of gentrification is provided. Explaining the different meanings given to the concept of gentrification, it is aimed to provide the reader with a broad understanding of the concept. In the second section, theoretical approaches towards gentrification is explained. These approaches are the traditional approach and the critical approach. Finally, in the third section, which is the assessment section, an analysis of the traditional and critical approach is provided, and it is followed by the advantages and the disadvantages of gentrification.

2.1 Definition of Gentrification

In the Merriam-Webster English Dictionary the word gentrification is described as the process of repairing and rebuilding homes and businesses in a deteriorating area (such as an urban neighborhood) accompanied by an influx of middle-class or affluent people and that often results in the displacement of earlier, usually poorer residents.[1]

The concept of gentrification was first defined by British Sociologist Ruth Glass in 1964 for the urban transformation in London as:
"London's workers' neighborhoods were slowly occupied by middle and upper classes. The makeshift, shabby houses used by the working class were bought by the middle classes and converted into luxurious and expensive residences. If the elimination process in a neighborhood has begun, it continues in series until the old settlers are displaced and the social structure of the neighborhood changes" (Glass 1964: p. 44).

Glass (1964) has described that, at the end the middle class has tried to create a social status, and therefore it is explained that the housing in the workers' quarters in London

[1] https://www.merriam-webster.com/dictionary/gentrification

is purchased by individuals in the middle and upper income groups and the social and physical structure of these areas are changed by transforming the spaces into luxurious and expensive areas (Ergün, 2004). This first definition made by Glass (1964) carries the main features of the elimination process, but it has become a concept that has gained much more meaning due to the changing social, economic and political structures.

‘’ gentrification is a very dynamic process and , it is not possible to reduce it to extremely restrictive definitions, but rather to understand the links between these processes that appear to be completely independent of each other, since it is likely to dress a descriptive order on this phenomenon and limit our understanding of this developing process. We must try to take into account the processes that are attached to the structure and spread to a wide scale” (Smith 1996: p. 32).

In this definition made by Neil Smith in 1986, he stated that the process which was independently seen in the past was closely related and that the process should be considered and evaluated as a whole and brought multidimensionality to the process.

Kennedy and Leonard (2001), however, speak of the need for the creation of gentrification into four main features:

1. Gentrification requires the transport of individuals from low income groups to other living spaces. This change is a involuntarily change. Individuals who want to stay in place are forced to leave their places due to rising rent and taxes.
2. Apart from the improvement of the physical structure of the residences in the gentrification area, there are social and physical components.
3. A change in the field character results due the gentrification. This change affects political and economic life, especially social life.
4. While gentrification is generally defined in terms of residential areas, the process and its effects are seen throughout the city and the region (Özden 2002).

The Uprooted Project, which is a project of University of Texas on gentrification aiming to prevent displacement in gentrified neighborhoods, explains that, there are three components to the process of gentrification:

1. The displacement of lower income residents;
2. The physical transformation of the neighborhood – mostly through the upgrading of its housing stocks and commercial spaces and;
3. The changing cultural character of the neighborhood (The Uprooted Project n.d.).

These definitions of gentrification show us that the process works first by displacing the lower income residents from the neighborhoods to be gentrified. Then, the characteristics of the neighborhood change as well as the social and economic structure. The neighborhood becomes "more beautiful" through renovating the buildings, making the neighborhood "safer" and "more cosmopolite" so that the new residents which belong to higher income groups can settle into the area.

When the conceptual dimension of gentrification is examined, it is seen that there are definitive differences with different approaches. In spite of these differences, the consensus is that gentrification is a displacement. This phenomenon is the essence of the process. Atkinson and Wulff describes gentrification as: "the migration of higher income and status groups to lower social status/income neighborhoods and derelict housing and the consequent transformation of such areas to higher status neighborhoods" (Atkinson & Wulff, 2009). As Ergun (2004) mentioned, the sale of luxury sites to an empty area or the sale of expensive houses to high-income groups is not elite. Even though it can be considered as elitization of a part of the city, it is at the same time displacement of lower classes. Gentrification is especially a concern for lower classes as it creates to the loss of opportunities of affordable housing. Atkinson and Wulff's research on gentrification in Australia shows that, gentrification;

- Exacerbated housing stress for lower-income households in areas undergoing marked increases in the cost of homes and rents;
- Displaced households by making tenure impossible through sudden rent increases;
- Reduced social diversity through lack of affordability by closing-off housing options for lower-income households traditionally looking to these areas for accommodation

(e.g. the elderly, lone parents, the low-waged, benefit-dependent) (Atkinson & Wulff, 2009).

Hence, while analyzing the literature on gentrification, it should not be forgotten that, at the same time we are analyzing the displacement of certain groups. As the price of rents increase in a neighborhood which was a low income one before due to gentrification, previous residents of the neighborhood cannot afford the rent prices anymore. Gentrification and displacement, as a result of it, is not a recent phenomenon, and not specific to anywhere in the world. However, it increases poverty. Freeman and Braconi's research show us that, "A neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever" (Florida, 2015). Thus, by gentrification, the poverty of the low-income populations is reproduced.

It is not enough to look at the conceptual dimension of gentrification which is a dynamic process. Although there is consensus at certain points, gentrification has both social and economic dimensions. Therefore, it would be useful to examine the process in terms of different theoretical approaches.

2.2 Theoretical Approaches

The years of urban renewal in the late 1960s and early 1970s, were the years when the gentrification process began. When the studies on the gentrification process were examined, it was seen that the process was multidimensional, and it was revealed that it would not be right to look at a single theoretical framework. From this point of view, theoretical approaches that try to explain the gentrification process is discussed in two parts as a critical approach based on the traditional approach based on neo-classical location selection theories and economic factors (Sam, 2010).

While David Ley led to the traditional approach, Neil Smith led to the critical one. David Ley (1986) explored the gentrification process with the social dimension, while Neil Smith (1987) examined it with the economic dimension.

2.2.1 Traditional Approach

In David Ley's article, "Alternative Explanations for Inner-City Gentrification: A Canadian Assessment", examines the effects of demographic change, housing market dynamics, urban amenities and changes in the economic base on gentrification, for the case of Canada. His conclusion is that, the strongest correlations exists between the gentrification index and variables representing the urban amenity and economic dimensions. Housing and demographic variables have modest correlations with the gentrification index" (Ley, Alternative Explanations for Inner-City Gentrification: A Canadian Assessment, 1986). Moreover, as it is explained in detail in the next section, he finds lack of evidence for the rent gap thesis.

The gentrification process in the first period-works defines the change of the city and takes social changes in the foreground. The social and economic changes in the world have differentiated the traditional theories. Different perspectives have been developed according to the conditions of the day. Therefore, for a better understanding of the process, we need to make a distinction in the traditional approach. This distinction can be made in the form of the first and last period.

In the early period of the traditional approach, there was less interest in the working class who had to leave. Traditional approach theorists were interested in the consequences rather than the reasons of the process (Sam, 2010: 137). Demographic characteristics and cultural preferences are emphasized within the framework of social changes. In other words, effects of the changes in the area as a result of displacement in the social structure were examined. Another aspect of the process is the focus on where the process begins, how it is disseminated and who are the gentrificators.

The gentrification process is considered as a demand-side approach in its recent studies. The demand-side approach starts with the purchase of old houses in the city center, rather than living in the suburbs around the city, in order to get rid of long journeys between young urban people and families with double income and children. While this situation causes the values of the land and houses in the city center to increase, it causes the residents

to be pushed into other areas of the city. At this point Neil Smith defined as the elaboration and improvement of gentrification by the middle class buyers, owners and real estate investors in the city's working quarters (Smith, 1987: 139).

In other words, the process starts with the middle class's demand for old houses. The process continues in the form of restoration and renovation of houses. At the end of the process, a city center is formed which is renewed and valued. As a result, former residents who cannot find a place in the expensive city center are forced to leave their places and go to other areas.

The demand side approach is based on the question that, “who are the gentrificators?” The consumption preferences of the new middle class which earns high income by benefiting from the economy in the restructuring process are brought to the agenda and the importance of cultural identity is emphasized. Re-selection of urban cultural life and urban identity are important reasons for gentrification. As a result of this movement, the approach investigates whether there is mobility from the suburbs to the city center.

2.2.2 Critical Approach

Until 1979, there has been no critical point of view regarding the gentrification process. The studies conducted until that time have been demand-oriented studies. Then, theoretical and supply oriented studies have been conducted. Neil Smith (1987) has pioneered the work. In general terms, the studies analyze the re-investment relationship of the capital accumulation process in the housing market. The issues highlighted are how the economic restructuring initiated the gentrification process and who was affected by the results. The critical approach sees the fundamental reason for the inequalities in spatial dimension as the dynamics of unequal development of capitalism.The basis of the critical point of view is the theory of rent difference “rent-gap theory”, introduced by Neil Smith. Smith explained the theory as:

‘’Not investing in a region for a long time enters a process in which the current revenues do not increase even if the investment is made to that region. For example, even though an investment is made by a landlord for his rented house - he could not increase the rent as the inhabitants of the village do not have any more to pay. Families with good income do not want to live in the area due to the general lack of care of the area and due to the residence of the middle classes in the area. As a result, the residents of the neighborhood are mainly tenants and no return is made on investment, and thus the region is increasingly neglected and the difference in rent between the other regions grows’’ (Smith N., 1996).

The rent-gap theory explains the re-investment process for the housing and land market and establishes a causality relationship with the orientation of capital towards suburbanization. The widespread use of the suburbs leads to an increase in land prices. As a result of this, the prices in the city are relatively lower. Due to the depreciation of the capital and the saturation in the sense of urban boundaries, a move has been made to make maintenance and repairs of the houses in the old city center. The separated capital is at a much lower level than the capital spent on the suburbs. Consequently, the decline in the city center with the capital used to create new suburbs constitutes the difference in rent between the two regions in terms of appraisal rates.

Smith (1996) criticizes Ley’s theory on rejection of the rent gap theory, arguing that, it is simplistic. According to Smith, “the whole point of the rent gap theory is not that gentrification occurs in some deterministic fashion where housing costs are lowest, as Ley is proposing, but that it is most likely to occur in areas experiencing a sufficiently large gap between actual and potential land values.” (Smith N. , 1987) So, as Lay tests the hypothesis on the correlation of educational or occupational status and geography (inner vs. outer cities), he should test the hypothesis whether a rent gap was a condition for gentrification (Smith N. , 1987). However, he agrees with Lay that there is no single explanation for gentrification, hence, the links between social, economic, spatial and political transformation should be analyzed.

The rent-gap theory is a theory that is predominantly created from an economic point of view. At this point, it has been criticized mainly because it is mainly based on economic foundations. On the other hand, the fact that demographic characteristics did not include people's preferences and preferences also caused criticism.

2.3 Overview

The concept of the gentrification was a topic that came to the fore in the early 1970s. The process was first analyzed in the city center of some developed countries. There are different opinions about where and when the selection process begun. There are different opinions in terms of the reasons that started the process. In a general framework, the main reasons put forward on the subject are as follows:

• Change of spatial accessibility preferences when cities grow and change over time,
• Change of demographic structure of population,
• Change of living standards and preferences,
• Changes in housing prices due to inflation and investments,
• Change of employment and occupational opportunities in large urban centers (Hamnett and Williams, 1980, Sam, 2010: 140).

For the all above mentioned factors, limitations were imposed to the neighborhood. These reasons could be summed as pathways for the establishment of different institutions which are related to gentrification. Furthermore, as a result of the changing conditions that have been previously stated, the perspectives about the emerging and already existing institutions have changed accordingly.

We can divide the institutions that approach different aspects of the selection process into two groups. The first is a traditional approach led by David Ley, pioneered by the second group of a critical approach led by Neil Smith. While Ley gives priority to the social dimension of the process, Smith examines the process with its economic dimension.

If all these points are taken into consideration and make a general definition, the elimination refers to the new class and spatial divergence that occurs in the backward urban centers, and is the result of the multi-dimensional transformation and the result of urban restructuring (Uysal 2006: p. 80).

When the results of the privatization are examined, there are some negative results besides positive results. These are:

Positive Results;

- Improvement of debris zones,
- Increase in real estate value,
- Evaluation of free spaces,
- Formation of new initiatives,
- Preventing distorted urbanization,
- Ensuring social interaction.

Negative Results;

- Displacement,
- Social conflict,
- Strengthening housing purchasing power,
- Homelessness,
- Injustice in the distribution of local resources (Lees, et al. 2008: p. 43).

The phenomenon of displacement examined in the negative results is actually one of the objectives of the elimination process. In the center of each work there is a fundamental element that explains its existence and ensures that it is continuous. “Displacement is one such element in the selection studies. Displacement is the process of depriving the middle class and the working class from the areas of residence and dwelling by force and rebuilding these places for the middle class and upper class” (Lees, et al. 2008: p. 47).

Chapter 3. Historical Development of Gentrification

The aim of this chapter is to give information on the historical development of gentrification. For this aim, chapter is divided into two sub-section. In the first section, how the concept of gentrification have appeared as a process, and different explanations to the emergence of this concept is explained. In the second section, different examples of gentrification around the world and how these examples are analyzed are explained. With this section, it is aimed to give an overall idea of gentrification and it's underlying logic.

3.1 The Appearance of Concept of Gentrification

In this section of the chapter, the birth of gentrification is explained as a process and how the term is coined including gentry and fication. Different processes, models and terms explaining the process will also be looked at. One of the most traditional and classical examples and processes of gentrification could be given as cities of New York and London. The reason of choosing these two different cities in two different countries is also intentional as the background, preconditions for gentrification is mostly similar in each city. The section will continue by providing examples in Turkey as a way to justify the statement that most of the conditions are always similar for the process of gentrification and the features of gentrification. That is, gentrification is not only related to institutional and economical aspects but also cultural, political, and social. The relation of each feature will also be explained.

Provinces with everchanging dynamics, the transformation processes carry out in different ways in each city. Hence, in order to fully grasp the notion of gentrification, it is best to examine different cases from different countries. United States and United Kingdom were chosen for this purpose. In different times, different intervention mechanisms emerge in accordance with the dynamics of these. Different stages of gentrification models are examined in order to understand how the authors define and how authors categorize each timeline. Cities in Turkey also saw have been experiencing a rapid urbanization process since

the beginning of 1950s. by the time 1980s, big provinces such as Istanbul, Izmir and Ankara, urbanization began to gain importance.

Regarding the gentrification, the provinces in Europe and America are different in terms of gentrification processes in the second half of 1940s, in particular European provinces experienced large and intense gentrifications due to destruction caused by ongoing wars since the beginning of 1900s (Carmon 1997). Satellite cities emerged within European countries in which individuals, families and communities moved into. Housing areas were evacuated by these populations which in turn taken usage of working-class communities later. Another important development in 1950s and 1960s is that complete demolishment of the neighborhoods in city centers and the renewals which are examined with one specific example in the below sections. During this period, renovation of old urban areas with a wider range has gained significance. The importance of residential areas in the city center also gained importance gradually due to this everchanging transformation. New intervention methods also emerged as after the industries were emptied out from the city centers in the 1970s. This change in the city centers gave extensive amount of importance once again to the city centers as service sector gained importance and forced the city center to intensified with the customers and employees (Carmon 1997). As the issues experienced in terms of diverse populations in the neighborhoods, increasing difference in the types of housings which are related to the socio-economic class of the residents, grand urban transformation projects, which take a comprehensive approach and aim to improve the economic, social, physical and environmental structure of the area in the long term, have gained great importance (Carmon 1997).

Since the term “Gentrification” covers a phenomenon that includes cultural, political, and social aspects of the drastic changes through the community, it could be argued that alternative terms (“reurbanization” is one of them) are not able to fully capture these changes. Throughout this piece, the changes that gentrification forces within the community are mentioned, it is also applicable to use this term since by definition; both displacement and class-based discrimination are covered within.

It is also important to note that policies, activities, and actions which are related to gentrification are not naturally implemented by the society and are not simply the result of state's requests to have gentrified neighborhoods. A lot of stakeholders could be listed here which affect the overall phenomenon. That is; as listed (Lees, et al. 2008) landlords, realtors, developers, corporations, the state, and its institutions.

The establishment of gentrification is facilitated by these above-mentioned stakeholders and societies are continuously affected by them as well. With the ongoing developments within the society, without doubt, gentrification becomes an inevitable force in the cities. As thoroughly discussed by former authors and publications, gentrification poses an unequal and unjust threat to the classes which are not falling under high socioeconomic classes. These classes without sufficient education, network, and finance are unequally affected by the changes that gentrification imposes.

Even though the term "gentrification" was first coined by Glass (1964), it is safe to assume that the activities related to the changes in the constructional aspect of neighborhoods began way earlier. As outlined by Neil Smith (1996: pp. 34-40), Baron Georges-Eugène Haussmann could be argued as a founder of the notion of demolishing the residential areas in order to make space for more exclusive areas. Commenting on the definition of Glass (1964), Haussmann was basically gentrifying the central Paris by displacing the poor people for Paris' now-famous boulevards which help glorify the city's famous monuments. However, the 1950s saw the systematic gentrification of different cities in the world. For instance; as exemplified by Clark (2005), proper gentrification started in large metropolitan cities in the post-second World War. Boston, Washington, London, and New York were provided as pioneers in bulldozing the old neighborhoods in order to be replaced by modern constructions and roads.

3.2 Gentrification in The World

Two types of gentrification models are introduced in the book called "Gentrification" written by Loretta Lees, Tom Slater, and Elvln Wyly which are also discussed with example cases. Two examples cases taken by Lees (Lees, et al. 2008) provide commonalities in two different countries; namely the United States and the United Kingdom. Even though cases are taken from two different countries, commonalities between these two cases are easy to list including stakeholders, institutions, and the procedures involved.

Classical Gentrification, which is the type of change that Ruth Glass based her researches. Central city neighborhoods that are not invested are upgraded and former residents (mostly working-class) are displaced in order to be replaced by middle-class residents.

Case Study 1: Barnsbury, London

Barnsbury, located in the north of London, approximately 25 minutes away from the city of London, was built by upper-middle-class in the 1820s. After the Second World War, the district saw a drastic change in terms of its residents as suburban areas increased around London and these upper-class families started moving in those areas. Increasing working-class families in Barnsbury led the decline and families falling under higher socioeconomic classes abandon the district. Up until the 1970s, increasing population in Barnsbury and the lack of proper housing for the demand caused a declined as one survey conducted by Pring (1969) indicates that in one street located in Barnsbury, out of 160 households, 127 of them had no access to bath, 138 shared a common toilet and 15 had no kitchen sink. At that time, residents experienced severe conditions of housing. However, as Bugler (1968) stressed, with the increasing population of middle-class such as; architects, planners, university lecturers, school teachers, social workers, the police, and medical photographers and their increasing demand for more quality housing conditions led the way of gentrification in the district. The duration between 1961 and 1975 also experienced an influx (from 23 to 42 percent) of above mentioned middle-class actors.

Besides, the sociocultural distinction was also evident in the 1970s as the outward appearances of the houses greatly showcase the different wealth that residents hold during that time. Houses with grey color are a sign of poverty whereas neighborhoods beautifully colored and painted which might show an increasing wealth. Overall, one could guess the class of residents in one neighborhood by simply checking the paints in the houses.

Between 1961 and 1981; findings on the change in the rental houses and owner-occupied houses analyzed by Hamnett (1984), suggest an increase in the houses occupied by the owners (from 7 to 19 percent) and the decrease of furnished rentals (from 14 to 7 percent). This change was also in line with the national trend as privately rented housings were sold to individual owners. The increasing housings occupied by owners would also suggest an increasing demand for more quality housing conditions.

Besides, as argued by Pitt (1977), spaciousness within the households is also valued by the individuals which were increasingly seen in the district. As informed earlier, increasing pioneers which started the increase of the demand for gentrifying Barnsbury drastic differences could be observed within one neighborhood. For instance, he mentions in his article; four houses in Londsdale Square, two of them provided housing for two families with single families and the other two contain around 40 working single males. The latter houses are furnished to be rented by the working class individuals whereas two houses are owned by these families. Hence, the difference between the working class and the middle-class houses easily be observed even in one street. Increasing demand for the middle-class residents was also the topic of the former residents of the district as a survey conducted by Ferris (1972) informed former residents were not satisfied with the emerging middle-class residents. as Ferris (1972) summed “Many of the working class resented the influx of middle-class residents as they are called immigrants from middle classes with totally different lifestyles and value orientations”. As observed in this example, newcomers not only continued to live their lifestyles but also forced their value orientations to the district as it was easily observed emerging antique shops and small offices. These new developments also led to the decline of small industries established in the district. Decreasing small industries also affected the livelihoods of the former residents which then also affected the wealth of

the former residents. between these years, change from post-war district with small industries to the more "gentry" district with small offices and shops which do not provide any employment opportunities for the former residents. As Pitt (1977) argued, former residents were not able to provide the costs of living locally.

Case Study 2: Park Slope, New York City

The second example regarding the emergence of gentrification is provided within the declining districts from New York. As informed by Jackson and Manbeck (1998) ; Park Slope, located in Brooklyn of New York, was one of the first suburbs that emerged in New York at the end of the nineteenth century. Upon the completion of Brooklyn Bridge, communities including merchants, lawyers, doctors, and other professionals were observed to be populating the neighborhood. The beginning of the 1900s saw the increase in demands for housings in this district as Manhattan continued to grow more populated and more diversified.

Two types of buildings could be observed in Park Slope at the beginning of the 1900s. One in the upper side with distinctive architectural designs accommodating single families and further down with more modest properties accommodated by servants and store owners. Up until the 1960s, declining in the housing quality of those in the working classes continue and the difference between these two types of houses kept getting bigger. In 1966, the "Park Slope Betterment Committee" started buying houses from persons in need in order to advertise to the middle-class individuals or families (CivicNews, 1969). Afterward, as Draper summaries, the gradual gentrification in Park Slope as a more tense form of gentrification took place starting with the 1980s as houses are advertised for younger families with images, plans for the housings in which poor families and poor workers were currently residing (Draper 1991: pp. 177-178). At some point, there were cases in which landlords harassed those families and individuals by cutting off basic services such as heat and hot water for long durations in order to force them to move out

As seen in both examples, the difference between middle and upper-class owners of the houses and working-class residents of the houses could be easily observed. The gradual displacement of the working-class families, working-class individuals is established by both the developers who are advertising the newer houses and residents and newcomers with higher salaries and higher savings.

Deriving from the explanation and definition of Glass's gentrification notion, one of the early pioneers in conceptualizing gentrification is Phillip Clay. In his book titled "Neighborhood Renewal: Middle-Class Resettlement and Incumbent Upgrading in American Neighborhoods" he summaries the gentrification process with four necessary steps including;

1- Semi-gentrification of the neighborhood by newcomers with higher socio-economic status
2- Forced and planned gentrification by contractors and developers
3- Increasing demand and advertisements for the newer and gentrified housings
4- The extensive number of investments and displacements (Clay 1979).

These four steps are explained with details and how in each step there is an increasing trend in the displacement of former residents, and these steps are pinpointed and the examples of gentrification process with the examples provided above.

From the stage 1 (pioneer gentrification) and to the stage 4 (maturing gentrification) could be examined in Box 1.

Step 1	A small group of risk-oblivious people move in and renovate properties for their own use. Little public attention is given to renovation at this stage, and little displacement occurs because the newcomers often take housing that is vacant or part of the normal market turnover in what is often an extremely soft market. This pioneer group accepts the risks of such a move. Sweat equity and private capital are used almost exclusively, since conventional mortgage funds are unavailable. This first stage is well underway before it receives any public recognition, although even at this early stage the grapevine is spreading the word. The first efforts are concentrated in very small areas, often two to three blocks. The first group of newcomers usually contains a significant number of design professionals or artists who have the skill, time, and ability to undertake extensive rehabilitation. (In Boston, San Francisco, and other cities, respondents suggested it was the homosexual community who made up the population. They seek privacy and have the money and the taste to take on this challenge. One observer suggested that "Smart money will follow homosexuals in cities.")
Step 2	A few more of the same type of people move in and fix up houses for their own use. Subtle promotional activities are begun, often by a few perceptive realtors. Small-scale speculators may renovate a few houses in visible locations for resale or rental. Rarely does a large speculator come in at this stage, because capital for investors and residents is still scarce. Those who come in at this stage seek units that are relatively easy to acquire-vacant buildings owned by absentee landlords, city-owned or tax-foreclosed properties. Some displacement occurs as vacant housing becomes scarce. Those who come in stages one and two will later be considered the old-timers in this new neighborhood. If the neighborhood is to have its name changed, it often happens at this stage. New boundaries are identified, and the media begin to pay attention to the area.

	In some neighborhoods mortgage money becomes available, but the loan is more often secured by other property, given by the seller, or given for a relatively low percentage of the total investment. Renovation spreads to adjacent blocks.
Step 3	At this stage, major media or official interest is directed to the neighborhood. The pioneers may continue to be important in shaping the process, but they are not the only important ones. Urban renewal may begin a developer may move in. Individual investors who restore or renovate housing for their own use continue to buy into their neighborhood. The trend is set for the kind of rehabilitation activity that will dominate. Physical improvements become even more visible because of their volume and because of the general improvement they make to the whole area. Prices begin to escalate rapidly. Displacement continues. The arrivals in this third stage include increasing numbers of people who see the housing as an investment in addition to being a place to live. These newer middle-class residents begin to organize their own groups or change the character of the pioneers' organization. The organized community turns outward to promote the neighborhood to other middle-class people and to make demands for public resources. It turns inward to exert peer influence on neighbors and to shape community life. Tensions between old residents and the gentry begin to emerge. Social service institutions and subsidized housing are resisted with passion. Protective or defensive actions against crime are taken. If the new residents, especially the most recent arrivals, are less tolerant of lower or working-class behavior, these tensions may become serious. Banks begin to greenline the area, looking for spatial patterns of reinvestment and then malting loans to middle-class buyers and investors within the limited area.

	The popular image of the process of change at this stage is clearly gentrification and is treated as such by the media. The neighborhood is now viewed as safe for larger numbers of young middle-class professionals.
Step 4	A larger number of properties are gentrified, and the middle-class continues to come. What is significant about the new residents is that more are from the business and managerial middle class than from the professional middle class. Efforts may be made to win historic district designation or to obtain other stringent public controls to reinforce the private investment that has taken place. Buildings that have been held for speculation appear on the market. Small, specialized retail and professional services or commercial activities begin to emerge, especially if the neighborhood is located near the downtown or a major institution. Rapid price and rent spirals are set off'. Displacement now affects not only renters but some homeowners as well. Additional neighborhoods in the city are being discovered to meet the increasing demand of the middle class. While some controversy emerges, especially related to displacement, relatively little is done to dampen middle-class reinvestment.
Box 1: Stage Model Of Gentrification (Clay 1979: pp. 57-60 ; Lees, et al. 2008: pp. 31-33)	

As broadly defined by Slater, districts are mostly experienced gentrification in which prior investments to its infrastructure paves a way for later profitable further development. Besides, districts with decreasing manufacturing industries and increasing service employments lead the way to a trend of middle-class professionals gathering for a central city-life (Slater 2004). The residents of the above-mentioned districts. which would be soon replaced by the newcomers of the middle class, are those who were able to accommodate on cheap housing near the central business districts. They mostly reside in economic housings which have the potential to be gentrified. In particular order, according to the process of gentrification provided above, in the first stage, the neighborhood initially gets diversified with the upcoming new residents with sufficient financial resources and

social/cultural capital. Leading individuals, with the purpose of personal use, initially starts buying and renewing the property in the described urban area.

Some houses of the neighborhood with former residents of working-class families are renovated with private means. That is the personal savings of those middle classes. At this stage, exceptional displacement occurs since there could not be observed a drastic change in the demographics of the community. Besides, newcomers are typically either moving into the already vacant houses or with the help of developers building properties on the land. The risk factor as explained in the first stage of gentrification gradually diminishes as newcomers' increasing trend to the neighborhood increases.

In the second stage of the process, interest of small-scale realtors and developers begins to increase since the more similar class of individuals who were subject in the first stage continued moving in and renovating their houses. Displacement is greatly affected by the decreasing available houses and increasing rents within the neighborhood at this stage. Because, small scale realtors, developers were already starting to renovate few houses for resale or rental purposes. Since there are observable changes in the area at this stage, available mortgages may become available for those who are affected and gaining interest in the trend. This trend also results in further public attention.

Thanks to the influence of the initial interest, physical improvement became easily observable at this stage. As a result of the interest and investment, prices start to increase both for purchase and rental. Middle-class investment and the increase in the value also start to affect the behavior of the landlords as they start to gain an advantage on their properties which in turn also increases the displacement.

The risk factor greatly reduces in the third stage with the support of associations established by neighborhoods, businesses, and communities. Drastic increases in the rents are one of the key elements in emerging class differences between the newer population and the former residents. Media attention to the area draws the attention of the population who have access to loans and mortgages with a bigger scale.

At the latest stage, the district is now known as a good investment with the major developers and financial institutions. Growing interest and demand lead to the non-residential building to be turned into rental properties. Already emerging specialized retails or professional services begin to increase in this stage. All of these developments continue to affect the housing prices which in turn affect more displacement of the former residents. Houses with already displaced former residents have become safer, trendier, and advertised in the market.

In order to fully capture the emergence and the development of gentrification, not only pioneer authors should be examined but also more contemporary authors should be examined as well. As being one of the most pioneer models for gentrification models, Clay's process provides a strong pathway of how districts are gradually gentrified. In order to understand the historical aspect of the effects of gentrification to an area, his tool could be examined and interpreted in a proactive way. That is, specific stages in his process could be examined by examining the current situation and the features of the district. However, as a means of explanation, his process mostly focuses on how a specific district undergoes gentrification and underlying reasons are without doubt mostly overlooked. For instance; his analysis is heavily focusing on the decrease of the risk factor. According to his model, one of the indicators of decrease of the risk factor is provided as an increase in the investment to the district and decrease of the challenges in reaching to developers and financial sources with bigger scales. These indicators are provided in a way that does not fully tackle the effects of globalization and the changing role of the state. Hence, Clay's process might be summed as a process of how a neighborhood is gentrified. On the other hand, the explanations to cover why gentrification occurs are unfortunately lacking in his analysis.

As one weakness explained regarding the model proposed by Clay, Neil Smith and Jason Hackworth try to tackle the narrowness of Clay's model with a broader perspective and conditions that lead to gentrification. Hence both models could be used as parts fitting together.

First-Wave Gentrification	
Stage One	
Between 1950 and 1973	Prior to 1973, the process is mainly isolated in small neighborhoods in the northeastern USA and Western Europe
Between 1973 and 1977	In New York and other cities, developers and investors used the downturn in property values to consume large portions of devalorized neighborhoods, thus setting the stage for the 1980s gentrification.
Second-Wave Gentrification	
Stage Two	
Between 1977 and 1988	The process becomes implanted in the central city neighborhoods. In contrast to the pre-1973 experience of gentrification, the process becomes common in smaller, non-global cities during 19802. In New York City, the presence of the art community was often a key correlate of resident gentrification, serving to smooth the flow of capital into neighborhoods like SoHo, Tribeca, and the Lower East Side. Intense political struggles occur during this period over the displacement of the poorest residents.
Between 1988 and 1993	The recession constricts the flow of capital into gentrifying and gentrified neighborhoods, prompting some to proclaim that a degentrification or reversal of the process was afoot
Third-Wave Gentrification	
Stage Three	
Between 1988 and 2000	Prophesies of degentrification appear to have been overstated as many neighborhoods continue to gentrify while others, further from the city center begin to experience the process for the first time. Post-recession gentrification seems to be more linked to large-scale capital than ever, as

	large developers rework the entire neighborhood, often with state support.
Box 2: Schematic History of Gentrification in New York City (Lees, et al. 2008: pp. 31-33 ; Hackworth and Smith, 2001).	

The first stage of the proposed model could be interpreted as a complementary aspect of Clay's first stage. However, Smith and Hackworth also focus on the state's role in providing a pathway for further gentrification. Up until 1973, gentrification in North America and Western Europe was occurring in smaller scales, limited to smaller districts in the cities. As also informed in Clay's process, initiators were renovating and redeveloping their already existing residences thanks to their personal savings and personal stock. Thanks to their achievements, other stakeholders including state, realtors, and bigger developers saw this process as concrete and shorter was to establish the transformation. That is the transformation from non-urban areas to urbanized, diversified, and profitable projects. For the purpose of renovations of former or damaged buildings, the government was a leading party in the establishment of gentrification.

The global economic recession occurring in the 1970s lead the states to focus on productive sectors and investing in areas which in turn generate surplus value. Since the investment into gentrification was still not proven to be efficient in the economy, capital used previously for the gentrification changed its direction into more profitable investments.

In the second stage of the model proposed by Smith and Hackworth, more diverse aspects were directed at gentrification, namely social, cultural, and financial. Having tackled the recession in the previous decade, gentrification was not only seen as renewal or the urbanized districts but also an opportunity for investment. Having still being fragile from the recession, states were precautious in actively focusing on gentrification. Instead of actively funding for gentrification, states were trying to find ways to stimulate the private sector into gentrification. In order to attract investment for urban renewal projects, establishment of cultural and commercial areas was found to be more effective. The increasing value of the

areas attracted more population hence, in turn, more investment, and capital. Gentrification became one of the most significant types of investments in these areas. However, similar to the recession in the 1970s, another global economic recession occurred in the 1990s leading to the disregard of gentrification.

Similar to the second stage of the model, another shift could be observed in the strategy of the states. Instead of promoting the investments in the prior period, states started to collaborate with institutions more actively in the gentrification process. Gentrification was now seen as a profitable way to collect capital. Opposite to the previous understanding and the strategy, states started partnering with institutions as development partners. Urbanized areas were now seen as global investments and developmental places. Developers were starting to play a wider role in creating a demand in the area, leading investors and the population from higher socio-economic status into gentrification. Resistance was almost fully suppressed due to the minimized risk and financial values of gentrification. The gentrification of the districts was seen as a natural tendency in the establishment of an effective and healthy environment. Only in this stage, gentrification was granted a concrete and primary role in supporting the global economy.

Chapter 4. Urbanization and Changing Shape of Cities

While examining the change and transformation of the provinces in Turkey, it should be mentioned there was a rapid urbanization which started in 1950s. Comparing with the changes and transformations experienced in European and American cities, there is a similar pattern in terms of acceleration of industrialization, increasing populations of working class within the city centers, increasing difference between the socio-economic status of working class and middle class. Uncontrollable growth that shaped Istanbul, Ankara and Izmir became pioneer cities in creating slum areas (Uzun, 2001).

Especially after the second half of 20th century, urban development in Turkey seemingly accelerated. Economic characteristics of each region in Turkey has been affected differently. As Karabulut (1986) argues, pre-existing cities without proper economic and social developments have been steadily growing. However, if bigger cities with bigger social and economic opportunities have been experiencing a rapid growth in terms of already existing population and migration.

According to the information provided by Turkish Statistical Institute (TUIK) urbanization in Turkey, especially after 1950 has gained accelerated momentum (Yilmaz, 2015). In the first decades of 1900s, approximately 25 per cent of the whole population is residing in urban areas with more than 30 million individuals and 75 per cent of the population was residing in rural areas. However, if current statistics are examined; it could be calculated that these rates changed in an exactly opposite direction. That is, 75 per cent of the whole population is residing in urban areas and 25 per cent are in rural area.

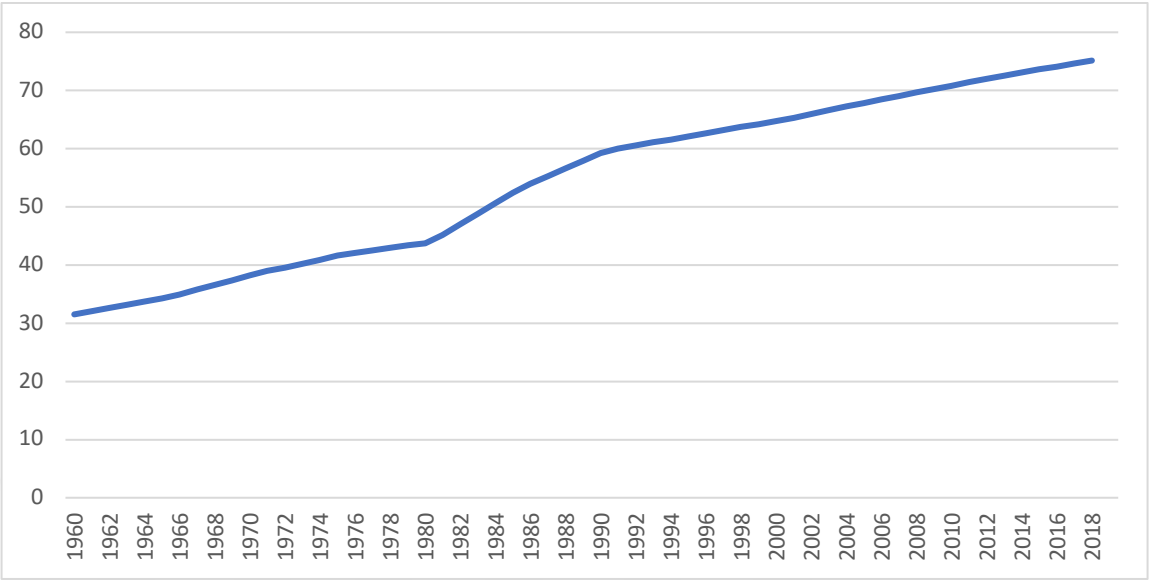


Figure 1: Population change through the years in rural and urban areas (1960 - 2018)
Source: (TUIK, 2018)

Figure 1 shows the ratio of urban population to the whole population in Turkey. The population has increased significantly after 1960s in Turkey. Thus, the increasing population brought together the need to have more spaces for people to live. If the steady population increase due to new births is not taken into consideration, it could be commented that some regions and settlements in Turkey are constantly losing population. Conversely, some regions and settlements are constantly getting crowded. They are getting crowded and growing. Those living in rural areas, especially in Central, Eastern and Southeastern Anatolia regions, are reportedly constantly looking to find better jobs after the second half of 20th century (Ayan, 1990). Without doubt this rapid increase has greatly affected the urban developments. With excessive migration from rural areas to cities has resulted a rapid construction.

Furthermore, emergence of slums are more directly related with the gentrification projects in Turkey. This issue in particular is different than the emergence of gentrification in other countries exemplified above. Some particular laws which are be discussed in the following sections in this piece, namely the Law number 2981 and the Law number 6785 played a significant role in directly facilitating the transformation of slum areas and indirectly

affecting gentrification projects. Increasing number of slums are targeted in these laws and lands occupied by slums could be transferred to contractors with these laws. However, these laws do not aim to ensure the betterment of social, economic and environmental structure of the slums. Improvement of environmental structure in the long run is not part of the regulations. Besides, only physical transformation would be possible according to the outcome of these laws.

Major problems caused by extreme urbanization is listed as environmental problems, housing problems, unemployment, traffic, education, health and security. (Gulsen, 2009). due to unemployment rates and housing problems, slum settlements become increasingly apparent with their infrastructure problems that also lead a landscape which do not suit the alleged "Urban View" (Atalay, 2011). Increasing populations in the urban areas paved the way of land occupations and settlements within and around the city. Due to migration, more diverse population arises within these cities in terms of language, customs, habits, and values which was also discussed in the case studies that have been provided in the former section. These settlements have emerged themselves as establishment of slums within and around the cities.

Slum housing problem emerged as a result of change in population rates as discussed above with also increasing effects of the agriculture transformation and the industrialization. As Dundar (2001) argues, due to its cheap labor, governments and industrialists support migration and its effects on increasing population in the heavily industrialized provinces. However, this also resulted in the public lands and vacant neighborhoods turning into larger neighborhood with residents with both from slum dwellings and already existing housings.

As discussed above, housing is one of the problems that developing countries, in this piece Turkey in particular faces. The problem of shelter has continued to be both social and economic issue. As a result of migration from rural areas to urban areas since the beginning of second half of 20th century, slums have become apparent in order to meet the shelter needs. Individuals, families and communities in emerging slums have continuously

integrated with the economic, social, political and administrative structure of the growing cities. 1970s saw the grand emergence of slums in Turkey, especially in Istanbul (Cakir, 2011). Emerging slums with the already existing districts within and around Istanbul have changed the values of these lands occupied, hills settled. Gentrification process with the objective of remodeling applications has attracted interest in these areas.

1980s in Turkey, are a turning point in terms of urban transformation and localization of the practices. The law number 3194 paved the way for the municipalities to gain power in allocation of resources and affected their comprehensive planning in zoning and reconstruction. As the application area of municipalities have grown due to change in political instances, urban transformation application and interventions to transformation of the provinces became the main norm in growing cities (Dundar, 2001). Hence, metropolitan municipalities focused heavily on transforming slum areas with the notion of gentrification. Slums in these cities started to be eliminated with gentrification projects. Gentrification projects in sum have been the field of municipalities. The details of this information will also be discussed in detail in the other section of this piece once the focus on the overall situation of Turkey is adapted into Istanbul.

Intervention programs were seen for urban areas in the 2000s. Increasing capital and the changes in the Law, metropolitan municipalities continued to be the integral part of the gentrification process in Turkey (Bektas, 2014).

With the changes in the articles in the existing Laws and the newly established Laws; namely the Law number 5998 and 6306, urban transformation projects have become the tool for gentrification. The most important aspect of these laws and their effects on the policies, is their applications towards the slum areas. with the revised article in 5998, the authority to carry out gentrification of planned, unplanned, structured or empty spaces is facilitated. The places which are announced as gentrification would not be conditioned to be in accordance with the upper scale plan. (Bektas, 2014). The changes have made it easier for municipalities to request the transfer of public lands, slum lands, open fields, military fields etc. Hence, these lands transferred to the municipalities could be purchased by third parties.

6306 Law, which covers and grants one of the most significant powers for gentrification, defined that types of fields which could be gentrified. Risk areas, reserved areas and risk structures have been defined with vague definitions in order to these projects to be carried out (Bektas, 2014).

Furthermore as observed in the other countries, historical texture of the cities in the old city centers is important. Preserving and renovating existing historical buildings and the functions of these historical buildings either changed (which occurred more often) or reused in these areas (Uzun, 2001). Transformation in the hope of above-mentioned objective forms the basis of these transformation projects. Another area of gentrification takes place in the former industrial areas which would transform into service sectors or housings. In Istanbul however, unlike other bigger cities which have experiencing gentrification projects, earthquake risks especially after 1999 Marmara Earthquake paved the way of reconstructions in line with the mitigation of risk measures (Uzun, 2001).

Chapter 5. Gentrification in Istanbul

This section is about the gentrification of Istanbul. For this aim, history of gentrification in the city and current projects are analyzed. Istanbul is a city that has been exposed to transformation constantly, due to its nature. It constantly receives migration, and it needs to grow bigger in order to meet with the needs of the increasing population. Also, it is a metropolitan city and it needs to adapt to the world. Thus, it needs to be gentrified even though this phenomenon harms the environment significantly and even though it means displacement of residents of the gentrified areas. To explain better, in this chapter, three cases of gentrification in Istanbul are analyzed: the cases of Zeytinburnu, Tarlabaşı and Karaköy. Only projects from the European side of Istanbul is analyzed in this thesis, therefore other projects such as Fikirtepe in the Anatolian side are not included in this thesis.

The analysis conducted in this thesis shows us that, the investments of the mentioned gentrification projects that are conducted are foreign investments, which are aimed to attract foreign buyers. Thus, the investments are not related to the purchasing power of the community that already resides in the areas, rather, they are related to the foreign demand that will increase after the projects are completed. This phenomenon also creates displacement of the current residents of the areas.

5.1 History of Gentrification and Urban Transformation in Istanbul

Initial information regarding the change in the population in the urban areas, the emergence of slum districts especially in metropolitan cities in Turkey, the causes and consequences of available Laws have been discussed in the previous section of the piece. Even though, initial information has been provided specific to Istanbul, detailed information on how Istanbul became a pioneer in gentrification projects and specific districts and cases are argued in order exemplify the arguments which have been mentioned throughout.

Firstly, historical developments in Istanbul which are provided by Inceoglu and Yurekli (2011) are mentioned in order to analysis the gentrification in Istanbul. As informed earlier a shift in Turkey's economic and social structure has been seen since 1950. Inceoglu and Yurekli divide this shift in three different periods. First growth period is informed to be occurred between 1950s and 1960s.

Following the 1950 elections, the change of government and liberalization of the politics was strongly focused, and liberal reforms made Turkey more open to global markets. This openness did not occur only in economy but also politics aspect as well. For instance, becoming a member of NATO in 1952, Turkey was already experiencing a shift in its ideology. Thanks to the help of foreign investments and loans, new wave of industrialization was experienced in Turkey, especially in Istanbul. Increasing quantities of new industrial areas required a workforce which was not available in Istanbul then (Inceoglu & Yurekli, 2011). This caused a mass emergence of slum settlements in Istanbul which are one of the major issues in Istanbul in the coming years. As informed earlier, public lands have been occupied which turn into simple structure of housings which are transformed into multi-layered and reinforced structures. Districts such as Zeytinburnu and Gultepe including these structures with the residents migrating from rural areas have been emerged as a direct result of the necessity of workforce for the new industries (Inceoglu, Yurekli, 2011). Zeytinburnu slums, as argued by Nerse (2010) was heavily dependent on the industrialization in the region. Following the launch of closer industries, acceleration of these settlements was observed. This process is argued to be started in the beginning of 1950s. Even though these early slum settlements have well-established and residents have ensured the ownership of the land, as argued by Inceoglu and Yurekli (2011), there are two major issues concerning these districts; the quality of the buildings and the quality of the urbanization model.

According to the information provided in one news[2], there are more than 2,000 buildings in Zeytinburnu district with high risk of crash. In total it was informed at that time that, around 40,000 building were assessed to be high risk . Comparing with this information,

[2] https://v3.arkitera.com/h14631-zeytinburnunda-2300-bina-cokme-riski-tasiyor.html

almost 6 per cent of all buildings in Istanbul which were assessed to be at risk are in Zeytinburnu. According to TUIK statistics, the overall population of Istanbul is more than 15 million and Zeytinburnu is less than 300,000. Another calculation on the population figure will provide 1.89 per cent of the population in Istanbul is residing in Zeytinburnu.

	Number of Buildings at Risk	Population figure (as of 2018)
Zeytinburnu	2,295	284,935
Istanbul (Overall)	41,284	15,067,724
Rate	5.56	1.89

Table 2: Comparision between Zeytinburnu and Istanbul in terms of buildings at risk and population (TUIK, 2018)

Table 2 consist of figures calculated by the Author.

The difference between the rate in the number of buildings at risk and rate in the population figures might indicate why Zeytinburnu is one of the most significant districts in gentrification as basically the quality of buildings which have been transforming from simple structures into apartments since 1950s, is considerably low with the existing codes about structures.

The period starting with 1980s is argued to be the second period in which a shift is also observed to be occurred in terms of economy, politics and social structure of Istanbul. Especially after the military coup in 1980, the national development model was abandoned and Turkey adopted a neoliberal model which will help it to be integrated into the global sphere. Political and legal issues that prevent the local and global investors were overcome with the help of state-led privatization of public institutions made Turkish economy more liberal and more open to global market. (Inceoglu, Yurekli, 2011). However, in this period, the increase and emergence of newer settlements were carried out in different pattern as this time, private owners of the lands sold their properties to contractors or people for them to build their own residential properties. The plots which were sold to people, were filled

entirely since they were small and narrow. Without proper planning and advocacy, these developments created neighborhoods packed with apartments.

The third and the final period of growth is argued to be the period between 2000 and 2010. (Inceoglu, Yurekli, 2011). This time however, structures were planned and developed through public and private sectors. As economic integration of Turkish economy into global market saw its initial increase in the 1980s, this period also experienced the major peak in the integration levels. Upon the Marmara earthquake, discussions were heavily targeted to the transformation of structure of buildings which were heavily affected the 1999 earthquake (Uzun, 2001). During this period, fundamental improvements in the structures and necessary improvements of earlier housings were carried out. A major threat of earthquake, without doubt, made it necessary for a transformation.

5.2 Demographic Analysis of Istanbul

The demographic analysis of Istanbul can be utilized to have an idea on the construction sector as it affects the construction sector in the city. Yalçıntal et al. (2014) takes gentrification as "urbanization of economy". Gentrification requires the reproduction of the space through gentrification activities and using it as a tool for production of capital.

Candan and Özbay argue that the most important problems of Istanbul are migration, squatting and urban poverty (Candan & Özbay 2014: p. 12). Yet, after 1980s, due to the introduction of urban economy, the discourse of the city has changed towards a global city and the "middle class culture" and "gated communities" have gained significance in the city (Candan & Özbay 2014: p. 12).

Between 2000 and 2009, Turkey have experienced an economic boom as well. The change in GDP Per capita can be observed in Figure 2 below. At the time, the population of the city has grew significantly compared to previous economic booms also. At the time, the construction sector has grown significantly in Turkey as well, as explained above. As the

city has reached its limits in the East- West axis, it has started to grow in the North-South axis (Candan & Özbay 2014: p. 13). Projects such as Third Airport and Kanal İstanbul are examples of this new form of growth towards North-South axis.

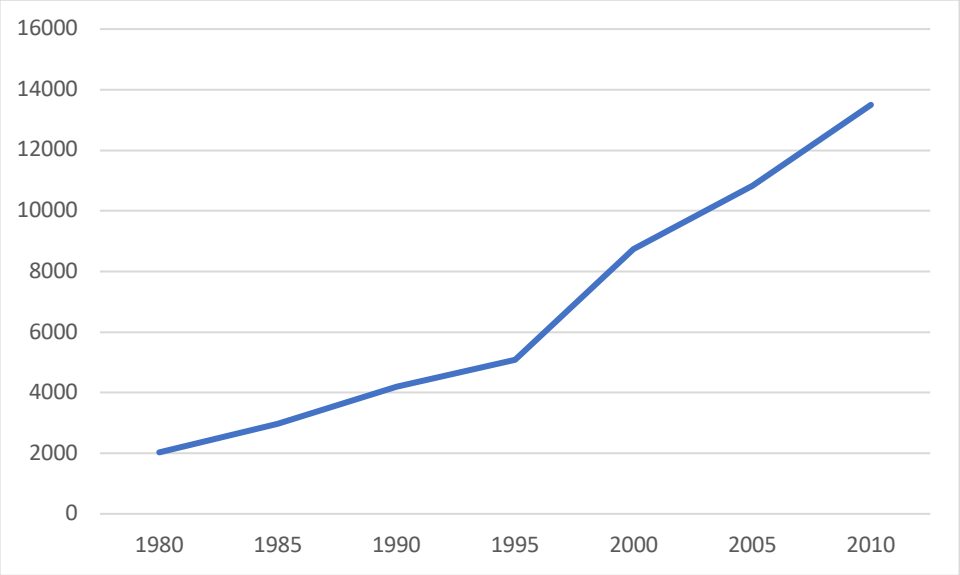


Figure 2: GDP Per Capita in $ in Turkey (1980-2010)[3]

Source: (TUIK, 2010)

Increasing number of gentrification projects is also a return of the growth of the construction sector. However, the gentrification projects usually do not reflect the profile of the current residents of the neighborhoods. While the famous gentrification projects such as Sulukule and Tarlabaşı aim to develop the already poor and insecure areas, they were not in line with the realities of the people living in the areas. Thus, people living in the areas have to move outside the neighborhoods as the gentrification projects started. This topic is not only related to the construction sector, but it is also a political and sociological one. For example, the fact that Roman people living in Sulukule district had to leave their neighborhood became a serious political concern (Tok & Oğuz, 2013)Yet, the politics of the phenomenon is topic of a different discussion.

[3] www.tuik.gov.tr

In Istanbul, the gentrification usually takes place in the shape of luxurious gated communities. Yalçıntal et al. (2014) research suggests that, in 2014, there were 2290 gated communities in Istanbul. It would not be a surprise to interpret that this number must have increased significantly until now. Yalçıntan et al. (2014) finds out that, most of the gated communities[4] are clustered in Bosphorus, Beylikdüzü-Esenyurt-Başakşehir, Sarıyer-Kilyos, Maltepe-Tuzla, Ataşehir-Çekmeköy, Eyüp and Beykoz (p. 60). The main reason of this clustering is the proximity to TEM and E-5 highways. Especially in Sarıyer, Eyüp and Pendik, the gated communities create a pressure on the residents which have been living in the same neighborhood for long time.

Other examples of gentrification in Istanbul are residences, collective housing and large business centers. All of these gentrified buildings create a new profile for the city. The gentrification projects have been continuing all around Istanbul, in a very intense way. The extent of gentrification in the city is alarming as it would be difficult to control such a big volume of construction activities.

Aside from the high probability of the unsustainability of the big volume of gentrification throughout the city, the gentrification projects also create a discontent in the residents of the city. The demography of people in Istanbul is reflected in their residential preferences as well. Dökmeci and Berköz (2000)study the residential preferences of people living in Istanbul according to their demographic characteristics. There are three important characteristics that determine the housing preferences of the individuals: cost, size and location of the housing alternatives (Dökmeci & Berköz, 2000) Also, individual characteristics such as income, age and sex are also influential while determining on housing. In the context of Istanbul, the researchers link the results they found to the fact that the density of migrant population is high, thus, they do not have strong ties with the environment they live. In Istanbul, "the people of middle and older age groups show strong desire for mobility. Also, while young people's preferences are concentrated in the periphery, a large percentage

[4] The form of residential building that entry and exit is controlled by fences or strict security measures. The main logic behind the concept of gated community is to ensure the security of the residents.

of middle and older age groups prefer to move to the intermediate area between the core and periphery, as it is the most accessible zone in the city." (Dökmeci & Berköz, 2000)

Markoç and Çınar (2018) analysis the housing satisfaction parameters in a housing redevelopment of Sarıgöl, İstanbul. What they find out as a conclusion is that, the gentrification creates problems in the cite. They identify three groups that are affected from the urban development: stabiles, departers and newcomers . While departers usually leave due to economic reasons, it creates a dissatisfaction for them as they leave the environment, they are accustomed to. Stabiles are dissatisfied because of the changes in the neighborhood. Finally, even though the newcomers are satisfied investment-wise, they see the stabiles as a risk of crime, thus, they are socially dissatisfied (Markoç & Çınar 2017: p. 18).

5.3 Sustainability and The Environmental Impact of Gentrification

The constant economic growth and gentrification projects that come as a result of this economic growth creates significant sustainability problems for the city. Thus, while implementing gentrification projects, it is important to make these projects sustainable and give minimum harm to environment. The projects in Istanbul does not give as much importance as necessary to environmental concerns.

Yazar et al. (2019) argue that, "while sustainable urban renewal can have positive impacts on human health and well-being and is critical for addressing climate change and other environmental challenges, the benefits are rarely evenly distributed." (Yazar, et al. 2019: p.1) It is one of the Sustainable Development Goal s of UN to "make cities and human settlements inclusive, safe, resilient, and sustainable" (SDGs 2015). Even though urban renewal projects are used in order to promote sustainable and green cities around the world, in Turkey, it is not the case. While the promotion of green gentrification is to provide equally healthy environment for everyone in the city, in reality, it becomes "a process of creating and reinforcing environmental previlige for elites in the city." (Yazar, et al. 2019) and, usually, green gentrification is limited to small-scale projects.

Yalçıntan et. al (2014) argues that the gentrification in Istanbul is not a sustainable one. The city has become an income production center, and, most of the residents of the city are considered irrelevant as they do not consume as the industry wants. Also, the gentrification reorganizes the city in order to serve to global economy or to the ones who have the power and will to consume.

Most of the gentrification projects in Istanbul are known with the harm they make to the environment. Two of the most famous ones are Istanbul Airport and Kanal Istanbul. These projects created significant protests, warning the authorities that they will harm the ecology of where they are built in; yet, this warnings did not help stopping the projects.

Perouse (2014) argues that the environmental concerns in the context of Istanbul has been increasing since 1970s politically, especially due to the realization of the effect of the uncontrollable growth on the quality of life. The concerns started from the cases of Golden Horn and Bosporus Bridge, and the potential environmental impacts of the projects. The main aim of the projects was to protect the historical and natural texture of the neighbourhoods.

In 1991, the Ministry of Environment was established in Turkey, which allowed for the environmental concerns to become institutionalized. However, it has not been very effective as the ministry was carrying political concerns. The term "sustainable development" entered into the political literature in 2005, with the municipal law of 5393 (Perouse 2014: p. 231) With the law, city councils were established in which citizens can raise their concerns on environmental issues.

However, even though in theory the importance given on environment and sustainability has increased, in reality and in local politics, the attempts remain insufficient. Since 1990s, nature areas such as city forests have been privatized, such as the example of Kemer Country. Also, the displacement that comes with the gentrification is completely in contrast with the sustainable development. That is, the understanding of gentrification in the

case of Istanbul is not creating sustainable living areas for everyone, but rather, it creates displacement of those that cannot afford to live in their old neighbourhood. Perouse sees the solution to this problem as a "participatory democracy" in which different groups in the society are equally represented.

The case of Gaziosmanpaşa's urban renewal project give us good information on how the urban renewal projects in Turkey takes the environmental impact to the second plan. The urban renewal plan of the Gaziosmanpaşa was aiming to increase the density of buildings and residents and to create green spaces (Yazar, et al. 2019). However, this plan was altered and departed from the sustainability goals of the original plan. What the case of Gaziosmanpaşa shows is that, "when it comes to valuable land, local governments can easily compromise a sustainability agenda in the pursuit of more immediate economic benefits, so what is sustained is the only green property units and exclusive enclaves with a high market value" (Yazar, ve diğerleri, 2019). Also, the famous contractor Ali Ağaoğlu markets the "environment-friendly" residences which produces its own electricity that he builts in Küçükçekmece with the slogan "everyone deserves to live good in this country" (Yazar, et al. 2019, p. 282). However, as the buildings are sold with very high prices, they can only be bought by the high income classes in the society. The usage of green areas by only the elite creates another type of inequality as the low-income group cannot have access to the green land. In order to solve this problem, a planned approach that recognizes everyone's right to access to green areas should be recognized and urban renewal projects should be planned accordingly.

5.4 Gentrification Projects in Istanbul

To examine the gentrification process in Istanbul in detail, Zeytinburnu, Galata Port and Taksim 360 projects have ben analyzed.The reason for including these projects in this study was to analyze in detail the gentrification process in Istanbul from different aspects. Zeytinburnu Project is deliberately chosen to analyze a specific area of the general demografic and economic structure of Istanbul. As Taksim 360 is located in the very heart

of Istanbul, the project is chosen to analyze it's initial phase for the project is still in its planning and construction stage. Additionally, for further include maritime tourism and trade, Galataport project is included within this analysis scope.

5.4.1 The case of Zeytinburnu – Sumer Neighbourhood and TOKI Blocks

"Sumer Mahallesi" in Zeytinburnu has been chosen as the first case to continue the discussion on the gentrification in Istanbul. According to the research published by Gunaydin (2015), this neighborhood is populated with communities from different backgrounds, different regions of Turkey. It is analyzed that 80 per cent of the neighborhood have experienced migration in their lifetimes. As another significant finding of the research suggests that in this neighborhood, 87 per cent of the individuals in the neighborhood stated that they migrated from either rural areas or the districts which are far away from the city center (Gunaydin, 2015). This finding is also supportive for the information related to the change in the population between rural areas and urban areas since 1920s. Another finding of the survey indicates that almost 40 per cent of the individuals interviewed stated that they are to be moving out once the gentrification project finalizes as their current economic situations are not be sufficient to continue residing in these new buildings (Gunaydin, 2015). With this finding, it could also be commented that displacement which has been discussed in the Gentrification in the World chapter is the direct outcome of gentrification projects. The research then continues to provide the review on the findings related to the living conditions of the current residents and whether it is possible for current residents to adapt into newer living conditions once the former structures are gentrified. First of all, the housings are to be transformed from apartments with up to 5-floor buildings to the housing estates which are to be up to 16-floor buildings. Monthly fees paid for apartments was informed to be 13 TRY on average, while the updated payment on average are to increase to 124 TRY (Gunaydin, 2015). Less than half of the interviewed families are residing in the rental flats and interviewees stated that following the finalization of the project, they are not be able to afford the rent since the value of the buildings are to definitely increase (Gunaydin, 2015). Number of rooms is also another topic in this survey as currently, families are residing in the flats with 3 rooms

on average whereas, it is considered that there is a higher possibility of newer housings to provide only 2 rooms (Gunaydin, 2015). At the end of the survey it is also informed that, upon the finalization of the project, displacements occurred as new residents were bought to individuals or families from higher socio-economic classes.

Second case will cover another example from Zeytinburnu, namely "IETT Bloklari". These blocks as summarized, consists of single and multi-storey buildings which constitute a high-density heterogeneous neighborhood. Private property rate in the land is less than 47 per cent, foundation land is 44 per cent and the remaining 9 per cent is owned by treasury (Ozcevik et al, 2007). Total of 252 families reside in the neighborhood. There are 19 single-storey housings built illegally on the treasury land. In addition, foundation land is occupied by 15 different automobiles, trucks, warehouses and repair stores (Ozcevik et al, 2007).

The reasons regarding why pilot project is first planned for IETT Blocks might be listed as A) Due to the old construction date of IETT Blocks, the structural system is not earthquake resistant in terms of material structures, B) Assessment of earthquake resistance against the measurements requested by the owners of the IETT Blocks area, C) The residents within the IETT Blocks area have the desire renew their houses due to lack earthquake resistance, D) The fact that IETT Blocks area is a property which were built within the cooperative organization, 'public participation' in the implementation of gentrification will provide convenience E) Immediate surroundings of the IETT Blocks area may facilitate the presence of potential free spaces to be added, F) Presence of surrounding slum settlements around IETT Blocks area, G) The project is to finance itself in terms of land and housing prices of the IETT Blocks area, H) IETT Blocks may have the power to affect the transformation of surrounding settlements which constitute unqualified residential areas that pose risk in terms of earthquakes (Ozcevik et al, 2007).

However, as compelling reasons stated above might indicate the focus on IETT Blocks to be the pilot area to initiate the gentrification in Zeytinburnu and encourage other projects to be implemented, the implementation of the project in the said Blocks are not ideal

in terms of displacement of the current residents and ignorance to the current situation of the former residents as there are couple of news pieces which report a dissatisfaction from current residents who are forced to move out (Özbilek, 2020) Reportedly, residents 3 out of 10 blocks are requested to empty their houses in three days in order for the housing to be prepared for the transformation. Citizens who are told to leave their homes without being provided a space and rent support were protecting the implementation. One of the current residents indicated that they came together in 5 years earlier with their own consent for gentrification project to be implemented in the area. However, it was reported that families, there, do not have the economic power to demolish the buildings and cover their expenses. Hence, municipality support was extensively requested. (Ozbilek, 2020).

Besides, another resident also stated that they requested whole area to be gentrified at the same time including 10 blocks and also it was reported that it is not clear when the remaining 7 blocks are to be initiated. (Ozbilek, 2020).

5.4.2 The case of Tarlabasi – Taksim360 Project

Besides Zeytinburnu, Tarlabasi is one of the key examples which should provide as an example on the increasing house pricing index and the effects of gentrification on the displacement of former residents. Furthermore, Tarlabasi gentrification projects are also important in linking the increase in the foreign purchase of these “newer” buildings. As summarized by Piskin (2017) Tarlabasi is a neighbourhood bordered by Dolapdere Avenue, Tarlabasi Boulevard and closer to Taksim square in Beyoglu district. The neighbourhood was establied in order to provide residential area for the personnel working in the embassies setteled in Beyoglu prior to the establishment of Turkey parliament. After the establishment of Ankara becoming the capital, the embassies started to disappear after moving to Ankara (Piskin, 2017). Then, the sociocultural and economic structure of Tarlabasi was changed and formed with the migration to the city which increased in the 1960s. Following the historical events which led the escape of non-muslim community from Beyoglu, Tarlabasi was a

collapsing center, and the people migrating to this neighborhood provided a workforce for the city.

As seen in the below Figure 3, Tarlabasi district gentrification projects aims to build an area of 20,000 m^2 and as informed by Piskin (2017), projects covering the 9 regions forced the evacuations of former residents in starting from September 2018. With an estimated cost of 1 billion euros, all 2.5 hectares of land are to be used for the restoration (Piskin, 2017). Out of 3,000 building accommodated within the area, 295 housings was decided to be the first to be gentrified. It was also decided that buildings, shopping malls, residences, and hotels are to be used following the completion of the project (Piskin, 2017). Ietdpm the Taksim pw.

- Prices ranging from 450,000 USD and 2,000,000 USD
- The total number of housing is 97
- Current ratio of the housings sold to the total number of housings is %60

With regards to the below information, it could be calculated as the sales of the gentrified housings were purchased and provided a profit ranging between 26 million USD and 116 million USD.



Figure 3: Tarlabaşı Gentrification Project[5]

According to real estate agencies focusing on the case of Tarlabasi, majority of the newly established housings and buildings would be purchased by foreigners which are analysed in the correlation and conclusion sections of this piece[6].

As announced by Andrew Gardner (Hürriyet, 2011), the evacuations in the center of Istanbul are causing families living in Tarlabasi to become homeless. Families in Tarlabasi undoubtedly faced the risk of forced evacuations from their residences as they were forced to sign the eviction notices without proper consent and threatened with immediate release if they did not sign the documents (Hürriyet, 2011).

[5] https://cozumistanbul.org/8439/tarlabasinda-kentsel-donusum-ne-zaman-bitecek/
[6] https://emlakkulisi.com/taksim-360-yabancilarin-cekim-merkezi-olacak/593731

5.4.3 The case of Karakoy – Galataport Project

Formerly known as "Galataport", Sali Pazari Cruise Port project covers the 1.2 kms coastline from Karakoy docks to the Mimar Sinan University Findikli Camus and an area of 400,000 m^2 (Balcioglu, 2014). Within the scope of the project, it was aimed to repair all buildings in the area for touristic and commercial purposes, or to demolish and build a place for new buildings (a new cruise terminal, waiting areas, ticket counters, areas of use for government authorities, duty free shops, technical areas, hotels, restaurants and etc.) (Balcioglu, 2014). As previously introduced the project, it was informed that historical buildings within the project scope would not be demolished. However, as Balcioglu informs, two buildings (Karakoy passenger waiting hall and Post Office building) were demolished afterwards.

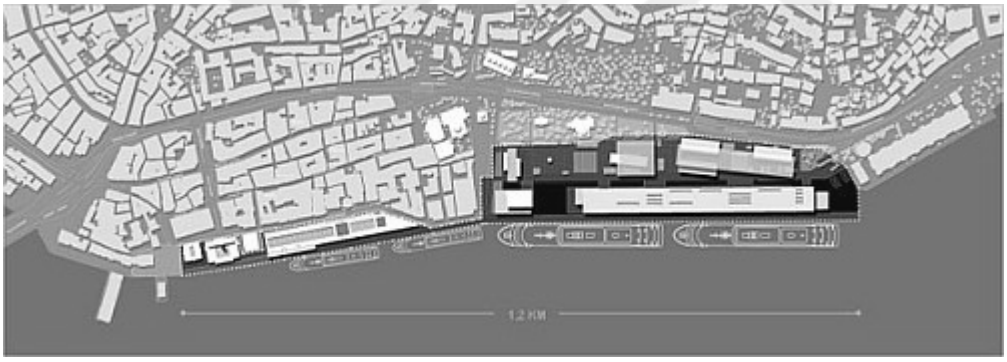


Figure 4: Karakoy - Galataport Gentrification Project[7]

Conducted in November 2006, conference organized by Istanbul Chamber of City Planners also provided ample information regarding the ongoing project and planning for the Galataport.

Mucella Yapici one of the participants and speakers in the conference, informed that Galataport project would accommodate at least one 5-star international standards, two hotels, apart hotels to be operated by chains, shops, stores , food & beverage areas, cinema, museum, entertainment facilities, parking garage, closed garage and related infrastructures and spaces

[7] https://m.bianet.org/bianet/siyaset/160111-10-maddede-galataport-un-hikayesi

Although the facilities which would be established with this project are advertised as a way to provide livelihoods opportunities for individuals residing in Istanbul, there was no mention of current individuals who have stores and food & beverage areas which would undoubtedly not be able to cover the rents and initial expenses to launch their stores.

Furthermore, during his speech, informed that open space provided by the project would be used by 20,000 people, including the customers, personnel, tourists etc. however, as he argued these 20,000 people are without doubt the ones with already available means to cover the expenses that this newly gentrified area. Hence, it could be argued that not only residential area, but also commercial areas have the chance to displace the former residents.

Considering the available information, and the investment to cover the expenses (1.2 billion USD), the region will undoubtedly become a capital oriented rather that human and life oriented. It could be argued that Galataport project will break the human-sea relationship within the district and once the coastline is gentrified, the social culture will deteriorate for the sake of rent. Small tradesmen in the region will have no choice but to leave the region in the face of rising rents.

5.4.4 Final thoughts on the above-mentioned projects

As discussed thoroughly in the whole thesis, gentrification projects frequently have the risk of displacing the former residents. It could be seen in the examples all around the world in which newer residents with higher socio-economic status and higher purchase power are the newer customers of these gentrified housings. Hence the former residents with lower socio-economic status and lower purchase power are left out without proper support from the implementing partners, private or public. Hence, Turkey and in particular, Istanbul, is not different in terms of displacement trend.

Most of these projects mentioned here are invested with foreign currency and the upcoming results of these projects will undoubtedly attract the foreign buyers and current residents will not be able to continue neither residing or managing. As this piece also argues, and the analysis section will cover, increase in the gross domestic product is not always positively correlated with the purchase power of the community and increasing housing price always

affects the former residents of the buildings to be gentrified. Increasing housing prices which were considered to be one of the significant indicators of the displacement of former residents are analyzed in the following sections.

Chapter 6. Analysis

This study is processed by statistical analysis. First, the demographic character of the city is explained through data. Illustrating the population increase in Turkey and the internal migration that Istanbul receives provides us with insight to the gentrification phenomenon in the city. Afterwards, descriptive data on the construction statistics of the city is provided. Finally, correlation analysis will show us the relation between increasing number of building in the city, the GDP per capita and the house sells.

6.1 Demographic Characteristics of Istanbul

As of 2020,

- Turkey's population is equivalent to 1.8% of the total world population.
- The country ranks number 17 in the list of countries by population.
- The population density in Turkey is 110 per Km2
- 75.7% of the population is urban (WorldOMeters, 2020)

The data about Turkey shows that compared to the world population, the country is among the densest countries in the world population-wise. Moreover, majority of the population live in urban areas. These knowledges about Turkey show us that adopting right urban policies and strategies are essential in order to have a sustainable urban life in the city.

However, the demography of Turkey did not always give us the same results. Until 1980s, the population rate density was not as high as the current numbers and urbanization rate was not the same as most of the population was living in the rural areas. Yüceşahin et al.'s (2016) article studies the demographic changes in Turkey and argues that the population policies in Turkey has changed as well as the demography of the country. Compared to past, Turkey is a country with low fertility and mortality. Since the foundation of the Turkish Republic until 1960s, high fertility was promoted in Turkey in order to

increase the population of the newly founded republic. However, the situation has changed in 1960s. As in 1960s Turkey entered a "planned economy", the demographic conditions were also a part of the new plan as a significant population increase was seen as an obstacle to economic growth (Yüceşahin, et al. 2016: p. 248). This perspective continued until 2008. In 2008, with the increasing power of the right-wing governmental party, population policies changed as well. In the Tenth Five-Year Development Plan which was prepared in 2013, the need to "increase the fertility rate through population policies" were stressed (Yüceşahin, et al. 2016: p. 250), and action plans were prepared for this aim. The increasing population of Turkey is a good indicator for this argument. As can be seen from figure, the population of Turkey has been increasing constantly.

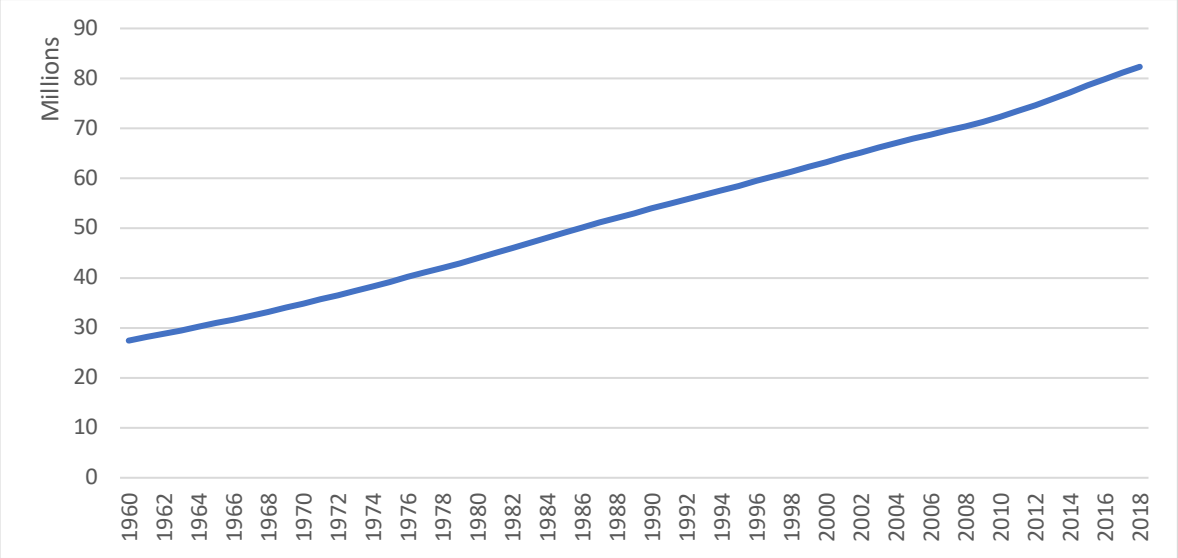


Figure 5: Population Increase in Turkey (1960 – 2018)[8]

For centuries, Istanbul has been one of the largest cities in the world. Since the time when Istanbul was Constantinople, Istanbul carries this reputation, and it continues even today. Especially since the mid-20th century, the city has been experiencing serious growth rates, and its population is increasing as well. It is a city which has a population of migrants. According to Istanbul Metropolitan Municipality's data, in Istanbul, people who migrate from certain cities, mostly Sivas and Kastamonu, is greater than the population of Sivas and

[8] www.tuik.gov.tr

Kastamonu (Şeker 2019). The ethnic groups in the city includes Greeks, Armenians, Jews, Bulgarians, Kurds, and with the recent civil war, Syrians.

Since the foundation the Turkish Republic in 1923, both Turkey's and consequently Istanbul's demographic data showed significant changes. The modernization period that has started in the 19th century in Turkey has reached its peak in recent decades. The results of the modernization is increasing life expectancy, which results in increasing population. Bayar, Oymak and Maral's article compares 1930s with 2010s and conclude that, *"In the 1930s, Turkey's life expectancy was low (aged 40 years), fertility and mortality rates were high (respectively 45% and 31%), and the main causes of death were infectious diseases. Nowadays, life expectancy is close to 80 years, the total fertility rates has dropped to 2.1 per woman, and the main causes of death are chronic diseases and cancer. The population rate in urban areas has increased steadily from 24.2% in 1927 to 77.3% in 2012."* (Bakar, et al. 2017: p. 323)

Before the modernization that has started in the beginning of the 19th century in Turkey, the majority of the population were living in urban areas and the economy was based on agriculture. Yet, with the modernization, the situation has changed. The economy transformed from an agricultural one to an industrial one, and people moved to cities.

In 1980s, economic transformation took place in Turkey. The crisis period before 1980s were marked with statist economic policies and with economic crisis. However, the newer economic models decreased the role of the state on the economy, which affected all of the society. In 1981 and 1985, an immunization program and vaccination campaign were introduced (Bakar, et al. 2017: p. 325) With the new developments in the health, the life expectancy have increased, which contributed to the population increase.

Also, with the introduction of newer economic policies, urbanization gained speed as well. These newer economic policies bring together "a gradual shift away from distributive policies, welfare considerations, and direct service provision" and mark the competitive state's movement "towards more market-oriented and market dependent

approaches aimed at pursuing economic promotion and competitive restructuring" (Tok & Oğuz 2013: p. 60). Thus, the aim of gentrification in the urban economy idea is not to create equal opportunity for all the classes in the society, rather, "improving the tax base of the city via a sociospatial and economic reorganization of metropolitan space" (Tok & Oğuz 2013: p. 60).

According to TUIK Population Projections, the share of İstanbul in total population in Turkey will increase from 18.5% in 2014 to 19.6% in 2023.
The reason of it is the internal migration that the city has been receiving for decades as well as the improving living conditions of the population.

Figure 6 shows the internal migration to three biggest cities to Turkey as well as the projection of internal migration to these cities until 2023. Istanbul's internal migration, being the largest metropolitan in Turkey, has been increasing significantly compared to Ankara and Izmir, and seems to continue the same way. It seems impossible for the other two biggest cities to reach Istanbul's rate of internal migration in the near future.

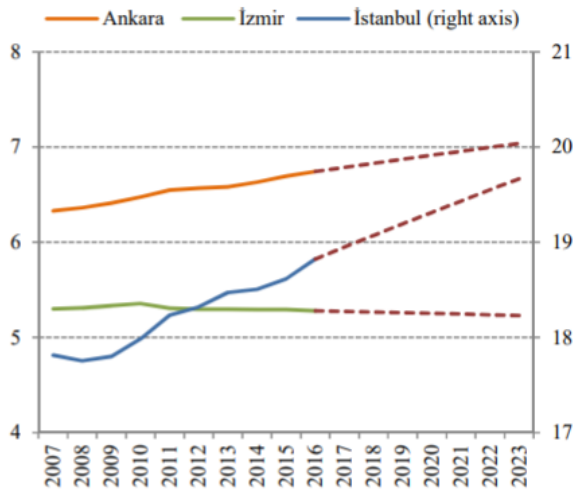


Figure 6: Estimated internal migration (%) of three biggest cities in Turkey (2007-2023)[9]

What happens in order to catch up with this increasing population is to gentrify the certain districts of Istanbul while shaping the urban economy of these spaces as well. Istanbul, under the argument of making it a "world city", is aimed to be "beautified". This beautification at the same time means displacement of residents who cannot afford to live in the new gentrified areas.

According to 2019 data, Istanbul has a population of 15.067.724 and it is 18.4% population of Turkey. In Istanbul, there are 107 person per square km, which is 27 times of Turkey. From these approximately 15 million people, 5 million lives in Asian side and 10 million lives in European side. The gender breakdown of the city is almost equal. 50.1% of the population is men while 49.9% of the population is female. The city constantly receives internal migration. 84.2% of the Istanbul's population is born outside Istanbul. In 2017, there were 1.528.782 buildings in the city (AllAboutIstanbul, n.d.).

[9]https://www.tcmb.gov.tr/wps/wcm/connect/c8b2ed18-9ced-4489-979e-e9bc0e0e4ce4/wp1714.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-c8b2ed18-9ced-4489-979e-e9bc0e0e4ce4-m3fw6m5

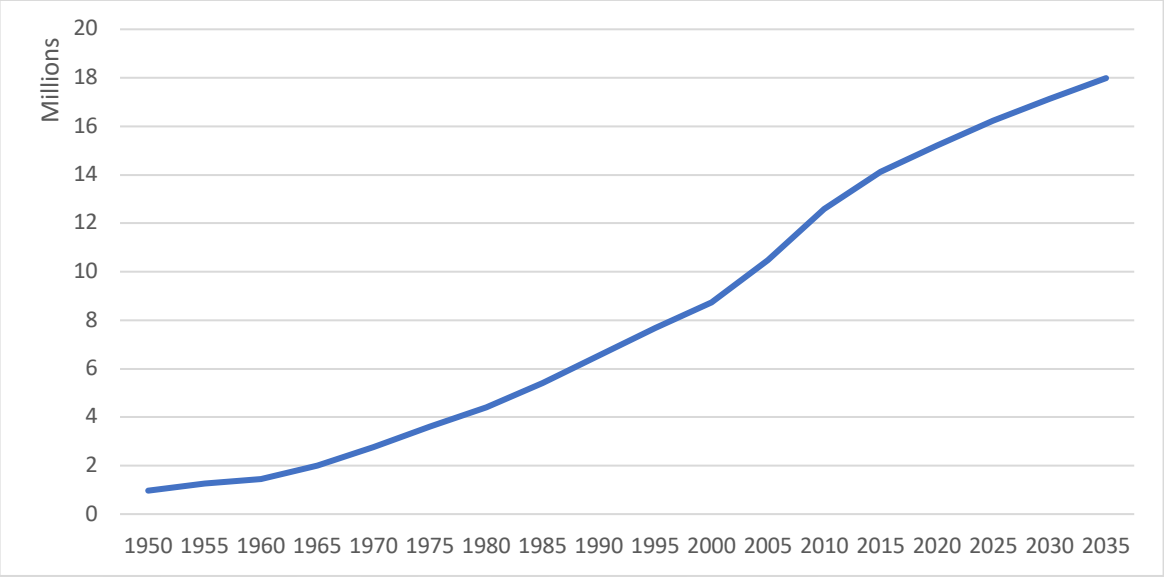


Figure 7: Istanbul Urban Area Population Graph between 1950 - 2035

Source: **(PopulationStat, 2019)**

The urban area population of Istanbul has been increasing rapidly. The population as of the beginning of 2020 is more than 15.000.000 and it is estimated to exceed 17.000.000 by 2034. In 2018, Istanbul was the 19th densest urban area in the world (UnitedNations, n.d.). As the city has been constantly growing for decades, new areas are needed to be included in the city. And, gentrification works for this purpose.

According to the President of Istanbul University Urban Policy Center Murat Şeker, the demographic structure of the city has been changing. He argues that the share of generation X has been increasing in the city and currently it is 30%. Moreover, the population density has been changing as well and gentrification projects are very influential on this phenomenon. The population of the districts such as Esenyurt, Sancaktepe, Başakşehir and Beylikdüzü, which are subject to gentrification is increasing. Especially the people with higher education migrate from the older districts such a Beşiktaş, Kadıköy, Bakırköy, Üsküdar and Şişli to younger and gentrified districts such as Sancaktepe, Tuzla, Pendik, Kağıthane and Beylikdüzü (Şeker, 2019).

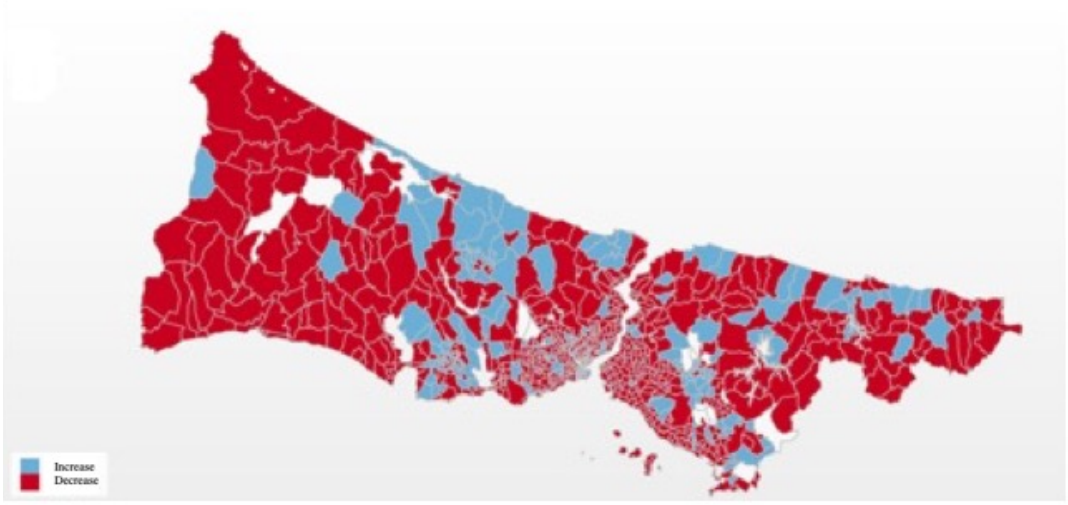


Figure 8: Change in the Istanbul Population by District

Source: (MahallemİstanbuI, n.d.)

Figure 8 shows that, while the population in Istanbul has been increasing in some of the districts, it is also decreasing in some of them. The population is mostly becoming denser in the districts which are socioeconomically better than the others and which are close to the center of the city. Even though these districts are more expensive than the others, the opportunities that they offer to the residents are larger. Also, in some other districts which are not that close to the city center, the population is increasing as well. Among the most popu[illegible]istricts are Esenyurt, Küçükçekmece, Bağcılar, Pendik and Ümraniye, as these districts are subject to gentrification.

6.2 Housing Construction and Housing Sales in Istanbul

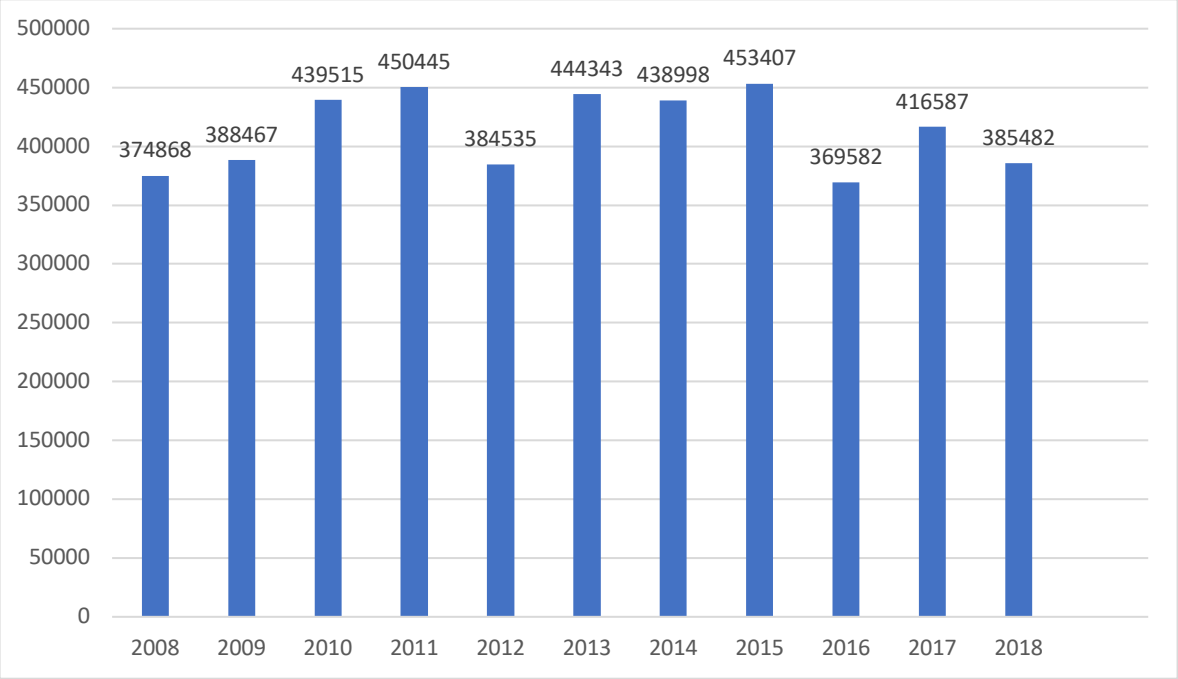


Figure 9: Number of individuals Istanbul has received through migration between 2008-2018[10]

The internal migration data of Istanbul shows how many people have migrated from other cities to Istanbul. The data dates back to 2008 and continues until now. Since 2008, the internal migration that the city receives have always been in high. It has never been under 360000, and in some years the number reached to 450000s. It means that every year almost half a million people migrate to Istanbul from other cities, which is an alarming number.

[10] www.tuik.gov.tr

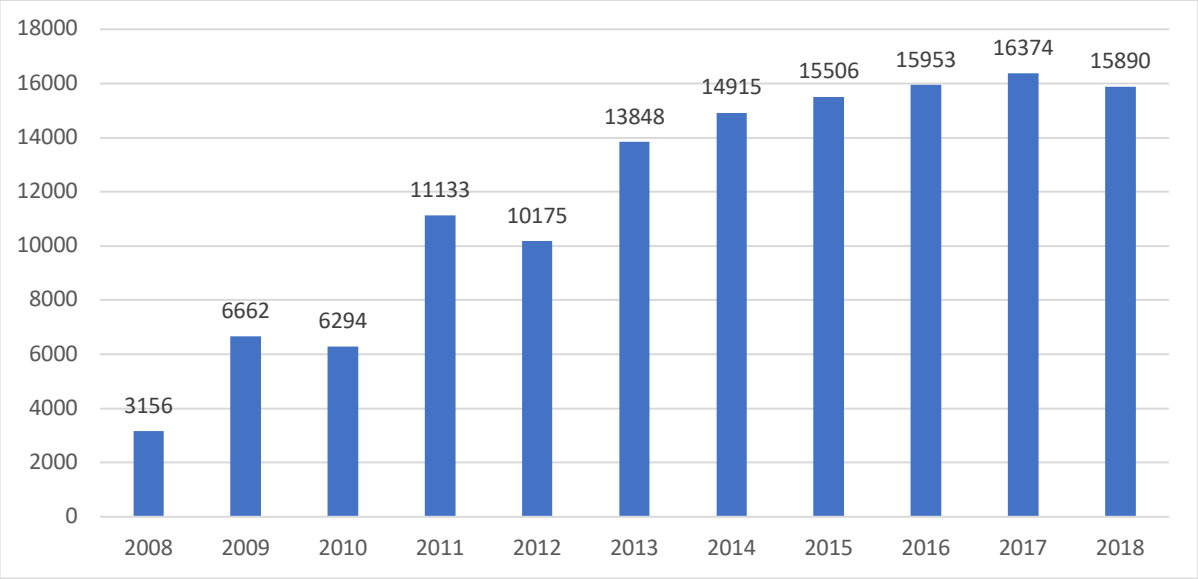


Figure 10: Number of new buildings constructed in Istanbul between 2008 -2018[11]

The data of the new number of buildings in Istanbul according to occupancy permit indicates how many buildings with occupancy permit have been built in that year. The data dates back to 2008. What the data shows us is that the number of new buildings has increased dramatically since 2008. Considering the amount of migration that the city receives it is a must to build new buildings; yet, it is also a question whether the city can accommodate the high amount of people and the high amount of buildings.

[11] www.tuik.gov.tr

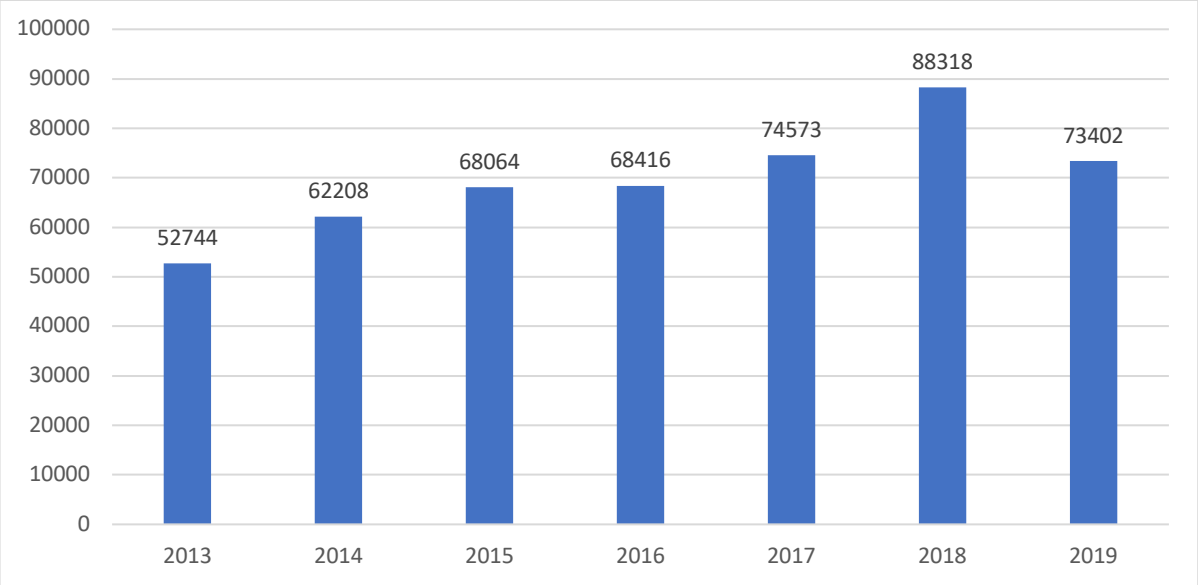


Figure 11: Number of housings sold between 2013 - 2019[12]

In the figure 11 the housing sale statistics in Istanbul show that there is not a certain pattern in people's buying of new housing. While in some years it increases, in some years it decreases, but the change is generally not very significant. In 2018 we can see a significant increase in the housing sales; yet, in 2019, this number decreases. Economic and social factors play a significant role in people's buying habits. In buying a house, which is a very big commodity for most of the people, the economic situation in the country plays a significant role. Under vulnerable economic conditions that Turkey has been facing for years, most of the houses (both newly built ones and the old ones), are remain unsold.

[12] www.tuik.gov.tr

6.3 Descriptive Statics and Correlation Analysis

This analysis puts forward clearly the positive outcomes of house prices and relevant estate variables. Since many gentrification project investments in Istanbul are done by foreigners, the foreign currency used is included in the analysis.

Following variables are annual data covering 2013 to 2018, referenced from Türkiye Cumhuriyet Merkez Bankası(TCMB) and Türkiye İstatistik Kurumu (TUIK)[13].

Names of Variables

Foreign sales = Number of housings sold in Istanbul to foreigners

Housing Price Index = Istanbul housing price index

Housing Sale = Number of housings sold in Istanbul

GDP (USD) = Gross-Domestic Product (US dollar)

GDP (TL) = Gross-Domestic Product (Turkish lira)

Housing Unit Price (USD) = Housing unit prices in Istanbul (US dollar)

Housing Unit Price (TL) = Housing unit prices in Istanbul (Turkish lira)

Variable	Obs	Mean	Std. Dev.	Min	Max
foreign_sa~s	24	608.0972	410.13	152	2125
housing_pr~x	24	239.4925	58.43147	143.05	314.69
housing_sale	24	19512.19	1934.33	15482	23252
housing_un~d	24	1242.925	134.7282	884.649	1468.821
housing_un~l	24	3708.158	977.0319	2111.64	5089.39
gdp_tl	24	3.90e+08	4.58e+07	2.97e+08	4.65e+08
gdp_usd	24	1.37e+08	3.11e+07	8.18e+07	1.89e+08

Table 3: Descriptive Anaylsis

[13]Source: https://evds2.tcmb.gov.tr/ and www.tuik.gov.tr

The average number of housings sold to foreigners is 608. Housing price index average is 239.49. An average of 19,512 houses were sold in Istanbul. Housing unit price in dollars is an average of $ 1242. Average residential unit price in TL is 3708 TL.

One of the reasons that foreign currency is also applied within the scope of correlation calculations, as explained in the final section of Gentrification projects in Istanbul, is that these projects are mostly invested with foreign currency and the upcoming results of these projects will undoubtedly attract the foreign buyers and current residents will not be able to continue neither residing or managing. Hence it is effective to calculate whether there is a correlation between the housings sold to foreigners and the housing price index and housing prices. Hence within the scope of correlation analysis, housings sold to foreigners, housing price index in USD currency and GDP in USD currency were also examined.

In Table 3, between 2013 and 2018, the lowest number of housings sold to foreigners is 152 and the highest number of houses sold is 2125. The lowest number of houses sold in Istanbul is 15,482 and the maximum number is 23,252. While the unit prices in dollars are minimum 884 and maximum 1468 dollars, while the unit prices in TL are minimum 2111 TL, the maximum is 5089 TL.

	foreig~s	housin~x	housin~e	housin~d	housin~l	gdp_tl	gdp_usd
foreign_sa~s	1.0000						
housing_pr~x	0.6461	1.0000					
housing_sale	0.4313	0.1325	1.0000				
housing_un~d	-0.5848	-0.1457	-0.1148	1.0000			
housing_un~l	0.6620	0.9977	0.1369	-0.1496	1.0000		
gdp_tl	0.6746	0.8079	0.2895	-0.2237	0.8059	1.0000	
gdp_usd	-0.7017	-0.8992	-0.0679	0.3999	-0.9032	-0.5767	1.0000

Table 4: Correlation Analysis

As the relationship between the variables was aimed to be examined, correlation analysis was performed in Table 4.

- A 64.6% same-way moderate-intensity relationship was found between the housing price index and housing sales to foreigners.

- A moderate-intensive relationship of 58.4% was found between the unit price in dollars and house sales to foreigners.
- A moderate relationship of 66.2% in the same direction was found between the unit price of the Turkish lira and the housing sales to foreigners.
- A 67.46% same directional moderate intensity relationship was found between Turkish Lira GDP and housing sales to foreigners.
- A 80. 79% correlation relationship was found between GDP in Turkish Lira and the housing price index.
- A 80.59% correlation relationship was found between GDP in Turkish Lira and housing unit prices in Turkish Lira.
- An opposite correlation relationship of 70.17% was found between GDP in dollars and housing sales to foreigners.
- An opposite correlation relationship of 89.92% was found between the GDP in dollar terms and the housing price index.
- An opposite corelation relationship was found between GDP in dollar terms and housing unit prices in Turkish Lira by 90.32%.

Among different diagrams, three different correlational relationships have been found including moderate intensive relationships, high correlation and high opposite relationships.

Moderate intensive relationship has been found between;

- Housing price index and housing sales to foreigners
- Unit prices in dollars and housing sales to foreigners
- Unit prices in Turkish lira and housing sales to foreigners
- GDP in Turkish lira and housing price to foreigners

Correlational relationship has been found between;

- GDP in Turkish lira and housing price index
- GDP in Turkish lira and housing prices in Turkish lira

Opposite correlational relationship has been found between

- GDP in dollars and housings sold to foreigners
- GDP in dollars and housing price index

  GDP in dollars and housing unit prices in Turkish lira

Moderate Relationships

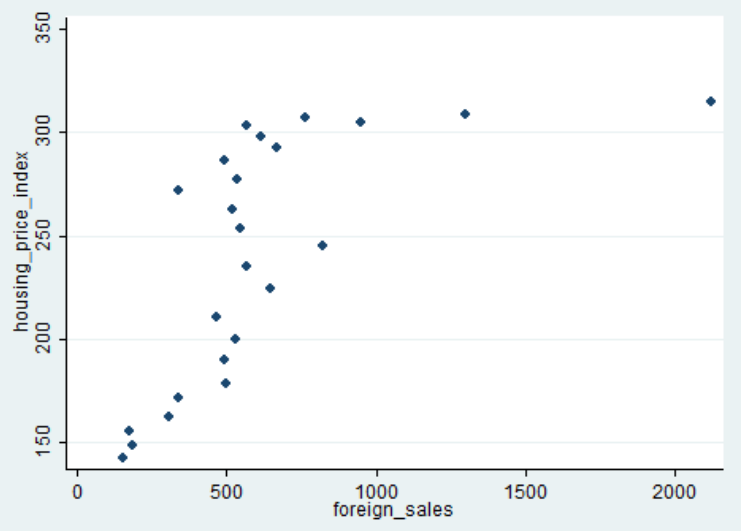


Figure 12: The relationship between housing price index and foreign sales to foreigners

The figure 12 shows the moderate intensive relationship between the housing price index and housing sales to foreigners. According to the correlational relationship found between the housing price index and housings sold to foreigners, it could be understood that there is a positive correlational relationship between these two variables. Hence, if there is an increase in the housing price index, there is also an increase in the housing sales to foreigners.

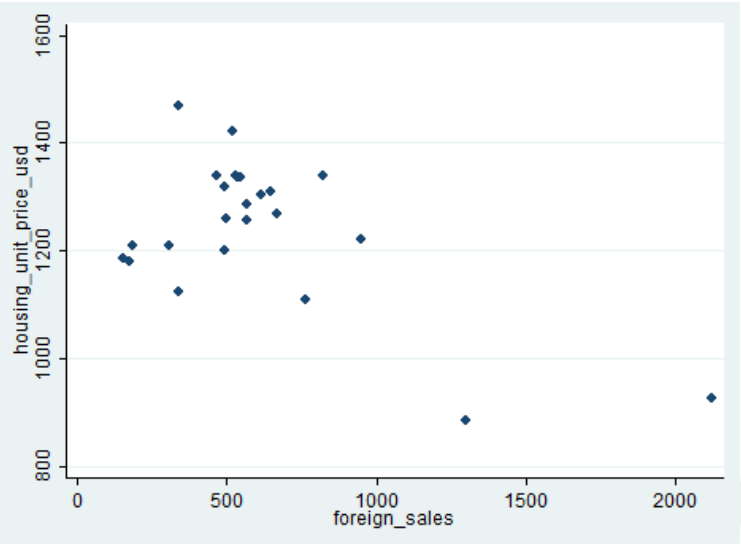


Figure 13: The relationship between the unit price in dollars and house sales to foreigners

Figure 13 shows that there is a positive correlational relationship between foreign sales to foreigners and housing unit price in dollars. Hence, if there is an increase in the housing price in dollar currency, there is also a moderate increase in the housing sales to foreigners.

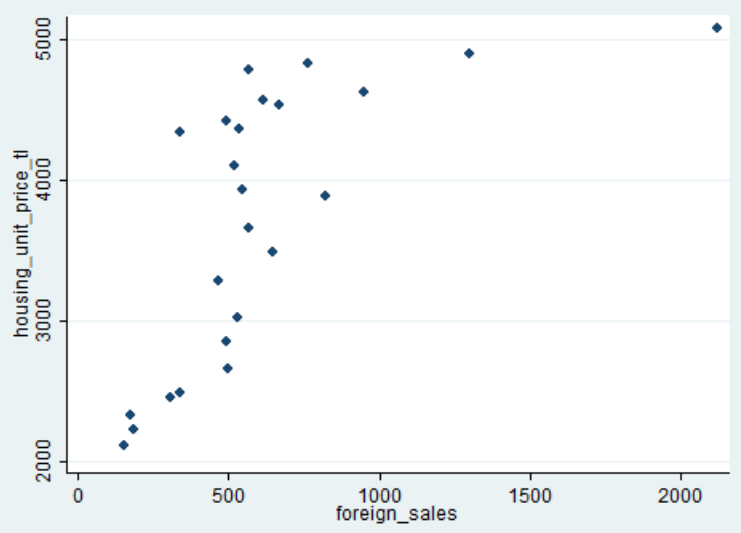


Figure 14: The relationship between housing unit price in Turkish Lira and foreign sales

Figure 14 shows that there is a moderate relationship in the same direction between the unit price of the Turkish Lira and the housing sales to foreigners. According to the correlational relationship found between the housing price in Turkish lira and housings sold to foreigners, it could be understood that there is a positive correlational relationship between these two variables. Hence, if there is an increase in the housing price in Turkish lira, there is also an increase in the housing sales to foreigners.

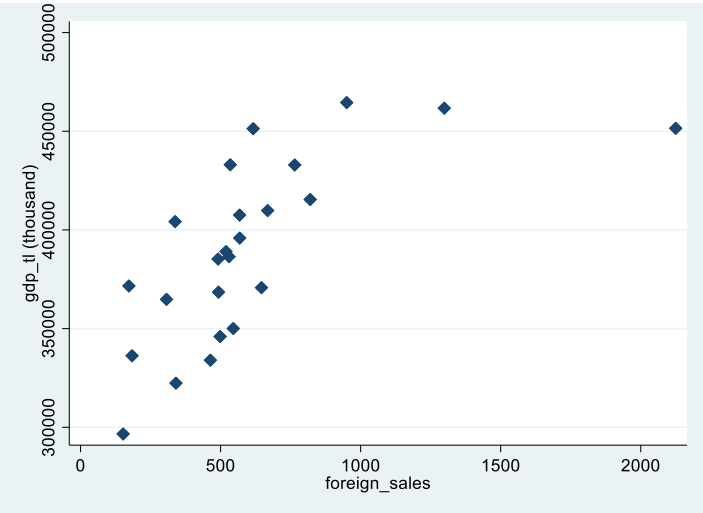


Figure 15: The relationship between GDP in Turkish Lira and Foreign Sales

As a result of Figure 15, there is a same directional moderate intensity relationship was found between GDP in Turkish Lira and housing sales to foreigners. Similar with the above diagrams and examined relationships, if there is an increase in the GDP in Turkish Lira, there is a tendency of foreigners to purchase more housings in Istanbul.

These above mentioned moderate positive relationships ((namely; 1) Housing price index and housing sales to foreigners, 2) Unit prices in dollars and housing sales to foreigners, 3) Unit prices in Turkish lira and housing sales to foreigners, 4) GDP in Turkish lira and housing price to foreigners)) could also be interpreted as seen and discussed in the examples of Karakoy and Beyoglu, that foreigners tend to buy more housings in Istanbul, once the housing price is considerably higher.

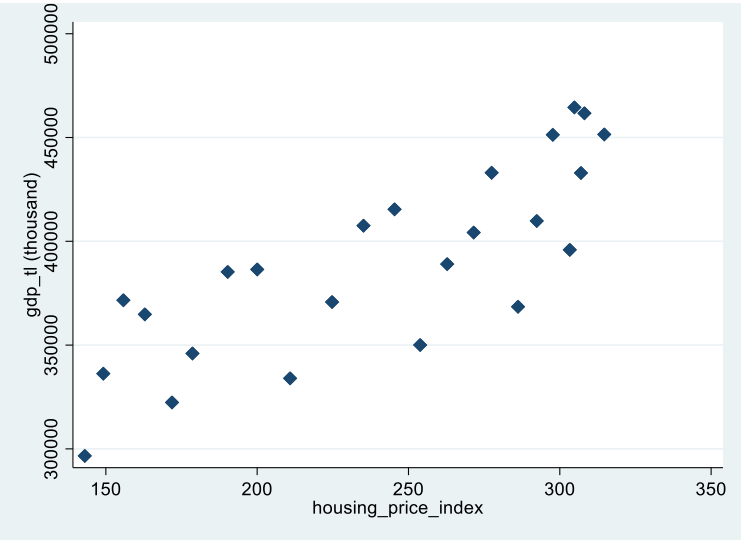


Figure 16: The relationship between GDP in Turkish Lira and housing price index

The correlation analysis shows that there is relationship between GDP in Turkish lira and housing price index, there is high tendency of increase in the housing price index if the GDP in Turkish increases.

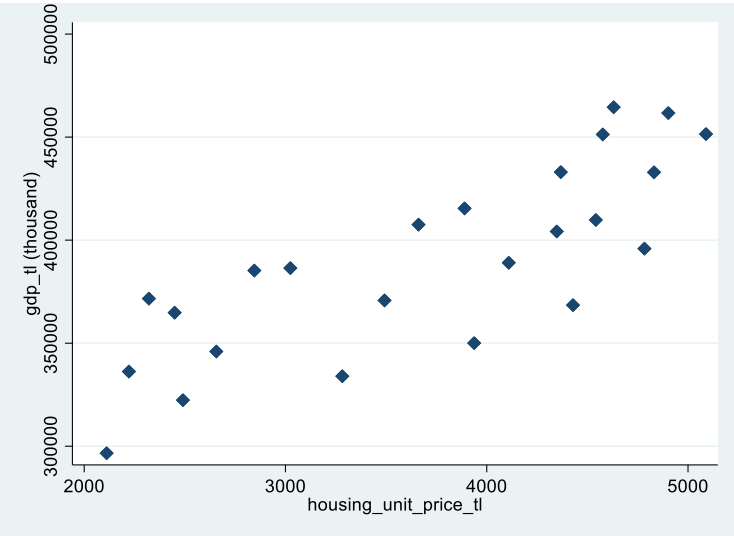


Figure 17: The relationship between GDP in Turkish Lira and housing price in Turkish Lira

Besides housing price index which has been examined in Figure 17, there is also a correlational relationship between GDP in Turkish lira and housing prices in Turkish lira.

Considering the two positive relationships found in the above two scatter diagrams; without doubt it could be interpreted that higher housing prices and higher housing price index could be observed if the GDP in Turkish lira tends to get higher.

Opposite relationship

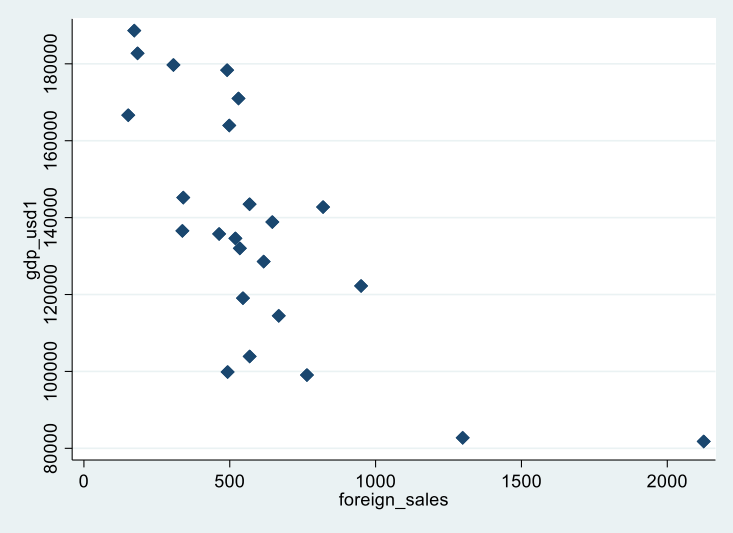


Figure 18: The relationship between GDP in dollar currency and foreign sales

The correlation analysis shows that there is opposite relationship between GDP in dollar currency and housing sales to foreigners. This finding could be interpreted as the numbers of housings sold to foreigners tend to decrease if there is an increase in GDP.

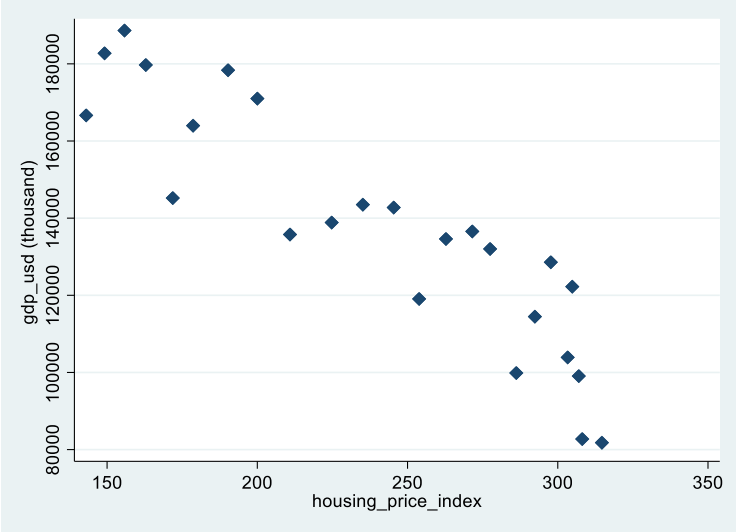


Figure 19: The relationship between GDP in dollar currency and housing price index

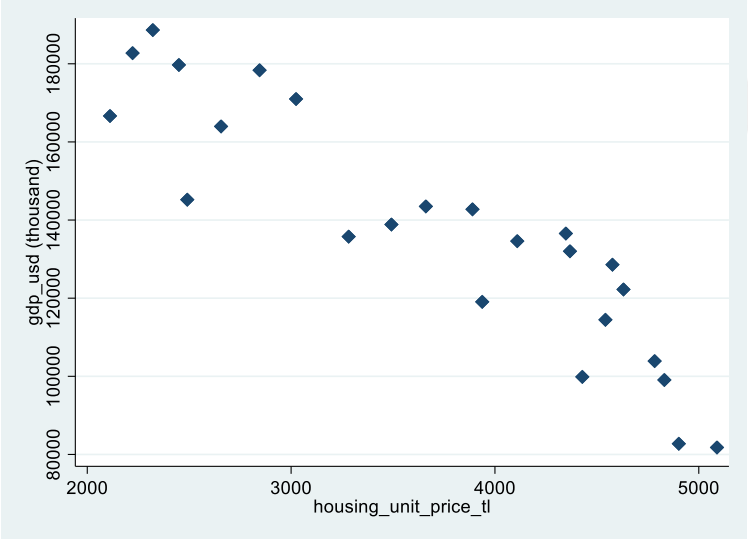


Figure 20: The relationship between GDP in dollar currency and housing unit price in Turkish Lira

Other opposite relationships have been found between GDP in dollar currency and both housing unit price in Turkish lira and housing price index. As opposed to the findings regarding the positive correlational relationship between GDP in Turkish lira and housing price index, increase GDP in dollar does not have the same tendency. Instead the tendency is an opposite one which could be interpreted as if the GDP in dollar increases this

might also affect the purchase power of local residents which might affect the house prices and housings price index.

As a result of the statistical analysis, it was observed that the gentrification works implemented increased the immigration to Istanbul and the sales of houses. It has been observed that a considerable share in increasing housing sales belongs to foreign individuals and this situation is thought to increase housing unit prices in Istanbul. It is possible to explain the contribution of new buildings built as a result of gentrification activities to the economy as a residential or business, with the increase in gross domestic product over the years.

Chapter 7. Conclusion

As discussed in the introduction section of the piece, Gentrification is phenomenon in the urban areas of the metropolitan provinces both affects the construction industry, governing bodies, communities and other private sector stakeholders. Metropolitan provinces which are subjected to the migration are the pioneers in the establishment of gentrification projects. These projects with the aim of creating "better and gentrified" neighborhoods affect the economy in terms of increasing gross domestic product and the unit house prices.

Examples and the statistics provided throughout the piece, have undoubtedly provide positive outcomes in terms of house prices, rents, incomes, the ratio of residents with higher education degrees. Hence, it increases the socio-economic status of the neighborhood with more convenient and desirable districts. especially in the current world regarding the economy, in which free market is implemented in all aspects of the economy, the need for gentrification is stressed heavily.

However, gentrification also affects the displacement of the former residents. As informed in this piece, purchase power of each individual is not always in line with the increasing gross domestic product and increasing number of housing which are gentrified. Former residents residing in the districts cannot afford the upgraded prices after gentrification finalized. Even though, gentrification is preferred by the residents, it is without doubt disadvantageous for the former residents of the neighborhoods.

Most of the gentrification projects in Istanbul mentioned are invested with foreign currency and the upcoming results of these projects will undoubtedly attract the foreign buyers and current residents will not be able to continue neither residing or managing. As this piece also argues, and the analysis section has covered, increase in the gross domestic product is not always positively correlated with the purchase power of the community and increasing housing price always affects the former residents of the buildings to be gentrified. Increasing

housing prices which were considered to be one of the significant indicators of the displacement of former residents are analyzed in the following sections.

Two hypotheses are examined in order to better analyze this discrepancy. One of these two hypotheses is regarding whether there is a positive correlation between the newer and gentrified housings, and gross domestic product of the country / province. It was found that, gentrification is effective in the increase in gross domestic product (GDP) of the subject country / province.

Other hypotheses is presented in order to argue about the purchase power of the former residences in the neighborhoods since it is believed that even though there is a positive correlation between number of newer / gentrified housings and gross domestic product, purchase power is always indicative in the displacement figures in the neighborhoods with the ongoing gentrification projects. It was also found that purchase power undoubtedly indicates the gentrified districts overall demographics, social and cultural environment.

In order to examine emergence of gentrification and its development since the beginning of phenomenon, two different models were introduced in this piece as a way to understand the effects of changing economic system. Gentrification was first understood as a simpler notion with basic objectives a beautifying the district. However, changing economic systems and increasing importance of urban settlements made this notion into a phenomenon which is widely affected by free market tendencies and is affecting everyday lives of the community as a whole.

Migration and the emergence of gentrification were heavily discussed as two simultaneous occurrences in the context of Turkey, especially in Istanbul. Gentrification in Turkey and Istanbul sections of this piece focused on the effects on the migration over the population, over the emergence of slum settlements, over the need of transformation of housings and the displacements.

In the analysis section of this piece, available statistics were examined in terms of correlation between the unit house pricings, newer and upgraded houses, and gross domestic product.

In sum, it could be concluded that GDP is affected by the newer houses and unit house prices. However, lack of parallel increase in the purchase power of each party that is subjected to the gentrification is effective in displacement. Hence, more research and analyses will definitely be needed in order to fully understand the displacement trends in the gentrified districts.

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