REGENERATION OF THE HISTORICAL URBAN CENTER AND CHANGING HOUSING MARKET DYNAMICS: ‘FENER-BALAT’

Elmira Gur  
Associate Professor, Faculty of Architecture, Istanbul Technical University.  
senerel@itu.edu.tr

Abstract
The Fener-Balat districts, located in the Historical Peninsula, are among the most prominent historical and cultural sites in Istanbul. The rapid growth of the city since the 1950s, mostly due to rural migration, has affected the quality of life in various sections of the city including Fener and Balat, leaving them almost completely derelict. The Rehabilitation of Fener-Balat Districts Programme is a joint program of the European Union and the Fatih Municipality (sub-municipality of the Istanbul Metropolitan Municipality). It was carried out during the period between January 2003 and June 2007. Regeneration, revitalization and rehabilitation of historical urban centers, which have become degraded and dilapidated due to suburbanization has been successful in most cases. The gentrification process has also paralleled the resulting socio-economic revitalization and regeneration process. Therefore, the purpose of this study is to examine and investigate the rehabilitation process and its results in these districts, with special emphasis on the gentrification that occurred as a result of this process. In order to explore how the increase in housing prices in the historical residential Fener and Balat districts after the rehabilitation program affected the social structure and how this process resulted in undesired gentrification, a survey design was conducted and social and economic aspects in Fener-Balat has been analyzed and explored in depth with respect to the individual, immediate surroundings and the urban social structure. The resulting gentrification phase is more important than the preceding phases of revitalization and renovation, because it influences the housing market the most.

Keywords: Historical urban center; revitalization; regeneration; gentrification; changing housing market dynamics.

INTRODUCTION
Located at the conjunction of two continents along the Bosphorus Strait, Istanbul has a population of more than 14 million people, constituting 18% of Turkey’s total population (Turkstat, 2011). Further to this unique characteristic, the city comprises a wide palette of natural and cultural treasures like the Historic Peninsula, the Golden Horn and the Bosphorus. Since the 1970s, part of that heritage has been listed and is thus under protection. However, since the second half of the past century in particular, Istanbul has become a magnet for investments and individuals, with the result that these heritage sites are now targeted under an ongoing pressure of rapid urban growth and urban regeneration (Dincer, Enilil et al., 2009; Akkar, 2011). The main reason of this rapid growth is migration from rural areas, which inevitably has led to a decrease in the quality of life as a result of uncontrolled and fast urbanization. In the last three decades, the urban structure of Istanbul has been undergoing a remarkable transformation due to a number of reasons including gentrification of historical and poorer areas and geographical expansion. Such rapid and huge changes have brought about a series of problems in the newly formed neighbourhoods, both physically and socially.

The new polycentric urban pattern has rendered some districts more appealing to the inhabitants, while some historical districts have lost their attraction and deteriorated, particularly with the settlement of low-income immigrants (Onder, Dokmeci et al., 2004). The historical city center of Istanbul has fallen short of meeting the inhabitants’ needs such as land and high quality communication facilities. As a result, local inhabitants started migrating from the city center...
(Ozus, Dökmeci et al., 2007). This process triggered rapid urbanization in the peripheries of Istanbul, and these areas replaced the historical city center as the new business districts. Istanbul has thus fully become a multi-centered metropolitan area (Tekeli, 1998). Therefore, various measures had to be taken to revive the decaying neighbourhoods of the historical center, mostly by the local authorities.

Within the scope of various revitalizing projects in the historical districts, old deteriorating buildings have been restored and sold to new users, which has created another urban regeneration in the area. This time, the low-income immigrant groups have been replaced by the high socio-economic groups, leading to an abrupt increase in the housing prices in the historical districts. Therefore, considering the above process, the purpose of this study is to investigate the whole regeneration process aiming at the rehabilitation of the Fener-Balat districts. Its results with special emphasis on the gentrification have occurred as a result of this process. This phase is more important than the preceding phases of revitalization and renovation, because it influences the housing market the most.

In the following sections urban regeneration and changing housing market dynamics, their effects on the gentrification process and factors such as physical, functional, socio-economic, environmental, locational and neighbourhood quality will be examined.

URBAN REGENERATION AND CHANGING HOUSING MARKET DYNAMICS

The contemporary general concerns of urban generation which have been highlighted and summarized by Hall and Barrett (2012, 148) in terms of physical environment, quality of life, social welfare, economic prospects and governance are: 1) physical environment: urban regeneration has attempted to improve the built environment, concerns having now embraced environmental sustainability; 2) quality of life: urban regeneration has sought to improve physical living conditions, or local culture activities, or facilities for particular social groups; 3) social welfare: urban regeneration has endeavored to improve the provision of basic social services in certain areas for certain populations; 4) economic prospects: urban regeneration has sought to enhance the employment prospects for deprived groups and areas through job creation or through education and training programs; 5) governance: here there has been a shift from city government to city governance within urban regeneration, and public policy more generally highlighted by the rise in importance of partnership, community engagement and multiple stakeholders in the process and delivery of urban regeneration.

The main purpose of large-scale urban renewal projects is to create new attraction centers in historical districts as well as deserted industrial areas. These projects are implemented as part of ‘urban management’ policies marked by the recent trends of ‘public and private sector partnership’. Naturally, the renewal projects are accompanied by great land speculations, which divert the original aim of these projects on behalf of the private sector usually supported by local municipalities. The historical districts are changing into areas of prestigious office and housing areas. As a result, the original intention of renewal of these areas to meet the needs of local people has turned into solely a financial gain: obtaining a good share from the urban land speculation.

According to Smith (2002), the difference between increasing land values and deteriorating buildings determines the restructuring of city centers. All actors involved in this process pursue this value difference. All these urban changes have caused both advantages and disadvantages for these areas, reflecting housing demands and prices. The 2011 census results reveal that 67.3% of households in Turkey are owners, while 23.8% are tenants. On the other hand, in Istanbul, 60.6% of the households are privately owned, whereas 31.5% are tenants (Turkstat, 2011). The lower rate of house ownership in Istanbul compared to Turkey is a clear indication that housing prices in Istanbul are higher.

The housing market operates on a continuum of prices, with the housing of one quality level substituting another housing of the next quality level. In this system, not only does the increase in income levels trigger the demand for better housing, but also leads to a rise in housing prices of one quality level. Any change, though small, in the prices of a certain quality
level should lead to immediate rearrangement of housing prices in lower or upper quality levels. Thus, the continuum is highly dynamic.

The literature on residential succession and neighborhood change is related to both filtering models and house price dynamics. The substitutability of housing in different locations is key to the model’s predictions. Summarizing Grigsby’s (1963, 1987) contributions to models of neighborhood change, Megbolugbe, Hoek-Smit, and Linneman (1996) pointed out that for Grigsby, urban areas were similar to aggregations of submarkets linked with each other through changing supply and demand dynamics. However, they noted that Grigsby’s research did not include price dynamics extensively enough, with only occasional price estimates based on the changes in a neighborhood.

In Stein’s (1995) model, equity effects are incorporated into the housing market. Stein specifically intended to explain large price swings in housing markets, as well as the positive correlation between transaction volume and changes in house prices. In this sense, his model is extensive. Even though his formal predictions are based on a static process, the extensions to a dynamic setting are fairly transparent. His predictions about the dynamic consequences of equity constraints include: 1) a positive correlation between the trading volume of residential properties and changes in house prices, 2) a negative correlation between the time-on-market for houses and house price changes, and 3) house prices being more sensitive to crisis, which constrain more homeowners in the area.

The recent studies show that contrary to the original purpose, the construction of new residences has increased the prices of other residences in their immediate surrounding (Ding and Knaap, 2003). Almost all studies reach a common conclusion that renovation or reconstruction of old buildings will, in the long run, increase home ownership, decrease the stagnation in the area, change the physical structure, and increase property prices (Ding, Simons et al., 2000; Abraham, 2001; Criekingen and Decroly, 2003; Fang and Zhang, 2003; Keskin, 2008).

The factors leading to the increase in land and house prices such as physical, functional, socio-economic, environmental, locational and neighborhood qualities are also the main issues triggering a phase of gentrification. Obviously, there have been different implications of these gentrification and rehabilitation processes. For one thing, the physical characteristics of historical surroundings have transformed rapidly. Secondly, the social structure in these areas has undergone a sharp change. Finally, more research that is academic has been conducted to analyze the residential characteristics in the gentrification processes, especially to investigate the social impacts of these processes on the socio-economic structure (Atkinson, 2000; Milanovich, 2001; Dutton, 2003; Levine, 2004). The transformation of historical centers constitutes a special case within the gentrification studies.

**REGENERATION OF HISTORICAL CENTER AND GENTRIFICATION PROCESS**

Urban regeneration projects generally aim to improve quality of life, balance the rapid increase of global pressure and economic inequalities, as well as prevent housing shortage. However, the current urban renewal projects have been far from realizing this target in the long run. In other words, these projects have not been able to address the needs of local residents, who are generally from low-income groups. Instead, middle and high-income groups now inhabit these areas. Therefore, while urban regeneration projects reshape the physical environment in order to reach contemporary living standards, they generate an irreversible social change called gentrification.

Gentrification (Glass, 1963) is the process of changing the socio-economic status of a neighborhood populated mostly by lower-income households by replacing them with higher-income households with renewed interests and investments. Once the general characteristics of a neighborhood alter tremendously, socio-economic changes are quickly inevitable. Gentrification encompasses a number of processes of change in demographics, land uses and building conditions in an area, accompanied by a rapid increase in a neighborhood's property, influx of investment, and physical remodeling and renovation. In many cases, the lower-income residents
who originally lived in the neighborhood have to move out of the neighborhood because they can no longer afford to live there.

Higher-income households, including house investors, renters, and commercial investors from outside the neighborhood, change the general characteristics of a neighborhood, resulting in a widespread displacement of lower-income locals as well local businesses. In this regard, a broader definition of gentrification is necessary. It places social change as a central variable in the process to incorporate redevelopment (Cybriwsky, Ley, et al., 1986) as well as renovation of both commercial (Jones and Varley, 1999; Kloosterman and Leun, 1999) and residential units in both rural and inner city areas. Gentrification commonly stands for the process that challenges and, almost inevitability destroys the authenticity of established and sought-after urban qualities and precincts (Radovic, 2010).

Following the replacement of low-income inhabitants by the high-income households, the socio-economic structure has lost its original quality, leading to huge changes in neighborhood relationships, businesses, and education level. Under these circumstances, property prices increase unexpectedly in a short period of time.

It has been determined that two major factors lead to gentrification: the rise of property prices and rents, and the erosion in socio-economic quality. The growth in higher-income population in these areas increases the education level unevenly, creating a huge social gap between the better-educated newcomers and the locals. As a result of this polarization, social problems arise.

The 1980s witnessed tremendous global changes in politics and economy, which were reflected in the development of foreign trade in Turkey. The social and economic implications of this development were immediately seen in the urban areas of the country, most notably in the residential areas of Istanbul. While middle and high-income groups started moving to the peripheries of the city, the residents in the historical centers frequently changed hands as a direct consequence of renewal and restoration projects in these areas.

As well educated intellectuals move into a historically valued and important district such as Cihangir, Galata, Fener, and Balat in Istanbul, there is an extraordinary increase in property prices and the deformation in the social structure. The local inhabitants are forced to leave the area since as the property prices they own increase, the tax values increase. The markets, stores, shops and neighborhood relations get affected negatively from this instantaneous change.

We may clarify gentrification in Istanbul in three stages. The first stage was seen in the 1980s in Bosphorus villages like Kuzguncuk, Arnavutköy and Ortaköy. Then in the 1990s, the upper class moved into districts like Beyoğlu, Cihangir, Galata, and Asmalımescit. The last process was seen in the Fener-Balat districts by the end of 1990s as the European Commission declares that it supports a rehabilitation project in the district. Tarlabası and Tophane are two other areas that are expected to face this problem.

**METHODOLOGY**

The Fener-Balat Historical Urban Centers and the process of the Rehabilitation of Fener-Balat Districts Programme will be examined. Based on the observations that the increase in housing prices in historical residential Fener and Balat districts, caused by the replacement of low-income groups with high-income groups after the rehabilitation program have affected the social structure. This process has resulted in undesired gentrification. A survey design was realized. At this stage, a more comprehensive site study and a report on these districts’ rehabilitation program has been organized.

In order to realize this survey design, first of all, two main official publications: 1) the Fener-Balat Districts Survey Report (2004), prepared by Foundation for the Support of Women’s Work, and the Rehabilitation Programme supported by the European Commission, and 2) the Rehabilitation of Balat and Fener, Analysis and New Proposals (1998) prepared by IBB-Fatih Municipality, EU, UNESCO World Heritage Center, and the French Institute of Anatolian Research were examined.
Secondly, a survey design has been conducted among the stakeholders and inhabitants who were involved in the Fener-Balat Project. The survey instrument used in the study was a self-designed standardized questionnaire. The questionnaire was carried out on a total of 200 respondents: 100 respondents in 2008 and 100 in 2014. Then, the data as a result of the survey design realized in 2008 and in 2014 were compared with each other at the same time with the data taken from the 2004 ‘Fener-Balat Districts Survey Report’. Social and economic aspects considering the sub-issues: 1) educational background in the districts, 2) immigration to the districts, 3) the change of the neighborhood, 4) income level of the families living in the districts, and 5) the property prices and rents in the Fener-Balat has been analyzed.

Resulting from these comparisons and analyses, the critical role of housing market dynamics on gentrification was once more proven. The Rehabilitation of Fener-Balat Districts Programme and its results in terms of preventing gentrification, and once more highlighting the critical effects of the housing market were shown.

FENER-BALAT AS TWO NEIGHBORING HISTORICAL URBAN CENTERS

The Fener-Balat districts are among the most prominent historical and cultural sites in Istanbul due to their location on the Historical Peninsula. Creating a rich architectural and cultural heritage, various ethnic groups have lived on the site throughout its history. These residential districts with exceptional Bosphorus views possess both Ottoman and European architectural characteristics; among which it is possible to mention the grid pattern with narrow streets, historical city walls and entrance gates to the Golden Horn region.

During the Ottoman period, an important segment of Greeks who lived in Fener, and who were well educated and fluent in several languages, held high government positions as interpreters or diplomats. Greek habitants living in Fener lived out their lives by translating, by being involved in the Ottoman Empire’s governmental frame or by dealing with trading. Fener habitants got rich and had an important place in Istanbul’s socio-economic frame by dealing with money changing, trading, navigation and commission brokerage. In the 17th century, Fener became the residence of upper classes and the bourgeoisie with its hewn stone buildings and richly ornamented house facades. Habitants of Fener also worked in various external affairs with their high level of foreign language and high level of culture and education. Looking at the urban master plan made for the district in 1930 by the urban planner H. Prost; the dwelling settlement on the shoreline was replaced by industrial buildings, chandleries, and factories that completely changed the socio-economic structure of the district.

This historical quarter is located on the southern shore of the Golden Horn, which consists of housing built during the 19th century and inhabited by minority groups. As the minorities left the neighborhood, the resident type changed drastically and new immigrant families with lower incomes started to take over after the 1950s. Moreover, in a relatively short period of time, there was a sharp fall in the socio-economic status of the quarter. As a result, single-family houses were divided into smaller units, where more than one family began to live with lower rents under inadequate conditions. The already poor social and economic conditions worsened when trade activity was cued by the relocation of the industry in the Golden Horn during the 1980s.

Fener and Balat districts with their deteriorating building quality were about to fall into ruin. Some buildings were completely demolished and the 20% of the rest were not in good condition. According to the statistics, at the beginning of the renewal project, among the 1401 lots, 102 (7%) were empty; 68 buildings (5.4%) were completely and 124 buildings (9.7%) partially empty (Foundation for the Support of Women’s Work, 2004). One of the reasons for the physical and social poverty was the move of the docks of the Golden Horn to Tuzla.

Balat was declared as a “historical urban site” according to 1973 and 1974 national laws describing the historic protection process. UNESCO listed it as a World Heritage site in 1990. Therefore, legal authorities had to be included in the urban regeneration process (see Figure 1). The main impulse for an urban regeneration in the 1990s was the special Rehabilitation of Fener and Balat Districts Programme (IBB, 1998).
Figure 1. Four Sites Classified by the World Heritage Center (Source: http://www.fenerbalat.org).

THE REHABILITATION OF FENER-BALAT DISTRICTS PROGRAMME

The anti-pollution activities of the city of Istanbul on the shores of the Golden Horn began to produce several results for these districts. For example, bad smells from the Golden Horn disappeared towards the end of the 1990s following the transfer of industrial uses and cleaning projects in the waters of the Golden Horn in the later part of the 1980s.

Figure 2. Green spaces along the Golden Horn (Source: The Greater Municipality of Istanbul Archive).
It seems that the municipality played a significant role at the beginning of gentrification, and newly provided green lands by the side of the water encouraged the residents to use the shoreline exclusively (see Figure 2).

The rehabilitation of Fener-Balat was also included in the seventh Five-Year Development Plan by the National Assembly in 1995, and the process was designed to protect the cultural heritage and aimed at socio-economic redevelopment (see Figure 3).

The European Commission, the Fatih Municipality, the French Institute for Anatolian Research and UNESCO carried out a feasibility research with the support of local NGO’s in Fener and Balat in 1997-1998. This research targeted the social rehabilitation as well as the rehabilitation of buildings, thus the improvement of the living and environmental conditions of the locals by providing housing solutions which could be applied inside the historical districts. This was designed as a pilot project that included the active participation of the local residents. As a result of this project, a report titled “The Rehabilitation of Balat and Fener Districts, Analysis and New Proposals” was produced (IBB, 1998) (see Figure 4).
The UNESCO Project, which aimed at the preservation of the local architecture by rehabilitating it, eased the adverse effects of the above-mentioned features of the quarter, and has provided an attractive incentive to the gentrifiers who plan to buy and restore residential buildings. The rehabilitation of the historical area of Fener-Balat reinforces Istanbul’s position as one of Europe’s great historical cities, and is a significant contribution to Istanbul’s role as the European City of Culture in 2010.

Out of 1401 parcels, 750 have houses in the historical districts (IBB, 1998). The Rehabilitation of Fener-Balat Districts Programme is a 7 million euro investment funded by the European Union and implemented in partnership with Fatih Municipality. The program aimed to rehabilitate about 200 houses selected in advance, (which constitute one-seventh of the total housing stock in the two neighborhoods) between 2003 and 2007 (see Figure 5). It was originally planned that loans would only be given to the existing homeowners who had bought their properties before 1997. However, in time, this multi-million euro investment served as a catalyst for gentrification without any outside interference (Islam, 2005).

The program continued to work under four categories: restoration of houses, social rehabilitation, renovation of the historical Balat Market and establishment of a waste management strategy. It encourages education of local artisans and creation of new job opportunities for them; like inclusion of local artisans in restoration processes, providing support for small-scale investments by the locals under the social schemes and support of the trade in the historical Balat Market. Some buildings received structural support against earthquake risk.

An important phase of the program was the establishment of a social center for youth and women of the districts. Being a meeting point of the residents, the social center provides courses for literacy, basic profession education, nutrition and childcare, as well as serving as a health clinic and nursery. One of the main improvements in the physical environment is the restoration and renewal of the Historical Balat Market that consists of little shops with characteristic vaulted ceilings, and located on Lapçinler and Leblebiciler Streets. All together 33 shops, 28 shop interiors, roofs and facades were restored; streets lamps and pavements were renewed.

By tackling the above mentioned issues, the program: 1) realized socio-economic regeneration and sustainable rehabilitation of the Fener and Balat districts, 2) created economic activity for the members of the community, 3) strengthened the technical capacity of the Fatih Municipality, and 4) created a replicable, successful model of urban rehabilitation.
Social and Economic Aspects of the Rehabilitation of Fener-Balat Districts Programme in Relation to Gentrification: Social aspects can be classified as educational background in the districts, immigration to the districts, and the change of the neighborhood in the districts while economic aspects include the income level of the families living in the districts and property prices and rents in the districts.

Social Aspects of the District Educational Background in the Districts: The generality of the Fener-Balat district’s population has a low level of education. According to a survey report made in 1997, 10% of the household heads were illiterate; 14% were not illiterate although they did not go to school; 63% graduated from primary school; 11% continued on to secondary school and only 2% graduated from a university. The education level of the women living in the district was worse than that of the men. 21% of the women had never been to school and were illiterate; 9% of them had never been to school although they are literate; and finally 70% of them had been to school (Foundation for the Support of Women’s Work, 2004).

The data received in 2004, 2008 and 2014 give an idea how the education level has increased slightly (see Figures 6 and 7). The university level was 1% in 2004, 8% in 2008, now it is 37%. In 4 years the education level of university grads increased 7%, and in 10 years increased 36% which is possible only as an effect of immigration. Therefore, it can be said that as a result of change in occupation level, gentrification is formed. The educational level has increased greatly and is a signal to show the displacement in the district. It is clear that these immigrants who moved to the area in the past 4 years are well educated.

Immigration to the Districts: It is clearly seen in Figures 8 and 9 that there is an increase in the number of people who lived in the area for 4 years, and for the following 6 years. This shows us people moved to the area in the past ten years. The new residents who came to the area during the transformation period are in the minority. Most of the inhabitants are original residents and the rest of the group came after the gentrification and districts improvement.
The Change of the Neighborhood in the Districts: As can be seen in Figure 10, according to the 2008 data, 40% of the users agrees, 24% strongly agree, while according to the 2014 data 27% of the users agree, 22% strongly agree on the change of their neighborhood after the Rehabilitation of Fener-Balat Districts Programme. More people agree with the immigration to the district and changes in the district. They have a positive perspective about the gentrification process.

![Change of the Neighborhood](Source: Survey design in 2008 and 2014).

Economic Aspects of the District

Income Level of the Families Living in the Districts: The inhabitants of the Fener-Balat districts were socially and economically low income. While the poverty border of a four member family was 261.59 euros per month in Turkey, in 2004 (T.R. Prime Ministry, Turkey Statistics Institution, 2006), 46% of the families’ income was less than 243.90 euro/month (see Table 1).

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>% of Families within the Total Population</th>
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<tbody>
<tr>
<td>60.97-121.95 Euro (100-200 TL)</td>
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<tr>
<td>121.95-243.90 Euro (200-400 TL)</td>
<td>36</td>
</tr>
<tr>
<td>243.90-365.86 Euro (400-600 TL)</td>
<td>38</td>
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<tr>
<td>365.86-487.80 Euro (600-800 TL)</td>
<td>6</td>
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<td>487.80-609.75 Euro (801-1000 TL)</td>
<td>8</td>
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<tr>
<td>609.75 Euro and above (1000 TL and above)</td>
<td>2</td>
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Table 1. Monthly income of the families living in the Fener-Balat districts (Source: Foundation for the Support of Women's Work, 2004).

38% of the families’ income was between 243.90 and 365.86 euro/month, 14% of the families were between 365.86 and 609.75 euro/month, and 2% were above 609.75 euro/month. The majority of the participants (92%) stated that they spent almost all of their income for the home and 78% of the women complained that they could not find money for their personal expenditures (Foundation for the Support of Women's Work, 2004: 27). All of these figures revealed the poverty problem in the district.

As an economic activity, there are two main businesses in the district. The first one is craftsmanship that is the most important feature. The second type of economic activity is oven, glass and shoe manufacturers, hardware sellers and other kinds of craftsman work in the quarter. Another important facility center beyond the district is automobile mechanics, turners, greenery, and hardware sellers (Gur, 2009).
When people were asked about their income level in 2004, 41% of them stated that it was between 201 and 400 TL while 26% said it was between 100 and 200 TL that is a lot lower than the lowest income level that the government announces every year.

Percentages for answers given for “the family monthly income” are respectively: in 2008 46% of them earned less than 400 TL, 44% between 400 and 800 TL, 8% between 800 and 1000 TL; while in 2014 4% earned less than 400 TL, 19% between 800 and 1000 TL, 23% between 1000 and 1400 TL, and 53% above 1400 TL. As can be seen in Figures 11 and 12, the income level of the families increased extraordinarily in the districts in 10 years. This unbalanced increase in income level is a result of the immigration of high-income levels of educated people to the district.

**Figures 11, 12. Income level of the families.**
(Sources: Foundation for the Support of Women’s Work, 2004, survey design in 2008 and 2014)

**Property Prices and Rents in the Districts:** Percentages for answers given for the “increase of property prices and rents in the districts after the Rehabilitation of Fener-Balat Districts Programme” in 2008 are respectively: 55% increase above 100%, 19% between 51% and 100%, 4% between 21% and 50%, 9% between 1% and 20%, and 13% no change; while in 2014 they are respectively: 59% increase above 100%, 20% between 51% and 100%, 11% between 21% and 50%, 8% between 1% and 20%, and 2% no change (see Figure 13). The property prices and rents in the district express that the price raising process continues at constant acceleration.

**Assessment of the Rehabilitation of Fener-Balat Districts Programme in terms of Preventing Gentrification:** The Rehabilitation of Fener-Balat Districts Programme aims to regenerate the socio-economic structure and has taken some precautions in order to prevent gentrification and to control the housing market. There are two major precautions that have been taken in order to prevent gentrification: 1) The strategy to not choose the buildings which changed hands after 1997 for the restoration work in order to prevent speculation was the first precaution. 2) There was an agreement (signed between the Fatih Municipality and property owners before the restoration work started) stipulating the property owners are not to sell their
houses for a five-year period nor increase the rents above the inflation rate during this period (http://www.fenerbalat.org/).

These precautions sounded good in theory, but were not adequate in real life due to the lack of legal sanctions. It was observed that before the local elections, the legislation was not applied as forcefully as they should have been, and speculations could not be prevented. Many houses changed owners through notary public agreements without a real ownership document that should actually be a title deed. There was pressure on tenants that the rents would increase during the Fener-Balat Districts Rehabilitation Programme. Despite all the precautions, the increase in the property prices and rents in these districts could not be prevented. There was a social change after the program resulted. Immigrants and the well-educated affected the social life in the district.

Unfortunately, the Rehabilitation of Fener-Balat Districts Programme does not have any provisions about what could happen in the region after the first five years. Only 200 of the houses among 1400 in these districts were chosen for the rehabilitation. Therefore, only 200 buildings were under precautions against speculations, but there were no restrictions for the remaining 1200 buildings.

There was a lack of concrete precautions to prevent gentrification in the districts after the program is completed. The short period of time, through which an unbalanced increase in property prices occurred, triggered a social gap between the locals and new residents. In this content, The Fener-Balat Rehabilitation Programme cannot be accepted as successful in terms of keeping the local community in the site from preventing gentrification.

GENERAL EVALUATION AND CONCLUSION

Balat is an example of institutional gentrification. Expectations of the implementation of an internationally supported project which promised investment in the neighborhood induced the prospective gentrifiers to stay in the quarter. This process was also enhanced by putting into force the rehabilitation and beautification projects concerning the shores of the Golden Horn. It is expected that existing investment trends, coupled with openings of universities, hotels, art galleries and a miniature park, and a planned International Center of Congresses and Cultural Activities will also contribute greatly to the regeneration and revitalization of the neighborhood. The potential of religious tourism is not negligible in the neighborhood where not only numerous churches and old tombs but also the Greek Orthodox Patriarchy are located.

During the visits to the sites, it was observed that old and new residents in Fener and Balat have not yet created an interacting neighborhood. Considering the rising housing market and the interaction problems, it is generally observed that at the final stage of gentrification the old residents generally move out, taking their own traditions and elements of existing social structure. The data collected with the site visits supported this general expectation, as well; even though the existing property owners have not yet moved out, most of the tenants had to move to other districts. Nevertheless, it was surprising that the interviewed present users have not yet realized that they might have to move out in future.

Social aspects such as educational background in the districts, immigration to the districts, and the change of the neighborhood in the districts and economic aspects such as income level of the families living in the districts and property prices and rents in the districts had been analyzed. Data from 2004, 2008 and 2014 give an idea of how the education level has increased slightly as an effect of immigration. So it can be said that as a result of change in occupation level, gentrification has been formed. It is clear that these immigrants who moved to the area in the past 4 years are well educated. The users agree on the change in their neighborhood after the implementation of the Rehabilitation of Fener-Balat Districts Programme. The income level of the families has extraordinarily increased in the districts in 10 years. This unbalanced increase in income level is a result of immigration of high-income level of the educated to the district. The property prices and rents in the districts after the Rehabilitation of Fener-Balat Districts Programme have increased to high values.
As a general observation, people living in Fener and Balat all agree that this transformation process would be beneficial for them. In particular, the property owners are quite content with the rising property market. It was recorded that some academics from the universities around these districts and some media personnel have started to buy some of the properties in these districts. Even though the local shop owners are not satisfied with the present trade conditions, they are optimistic that it would turn into a better situation in the near future. However, spaces that are commonly shared and used by the first newcomers as well as the existing users have not been created yet; both parties expressed their contentment with each other.

Among the socio-economic characteristics, the length of time the inhabitants have lived in Istanbul, the average income of the household and neighbor satisfaction, as variables in the behavior characteristics, have positive impacts on housing value, as expected. Earthquake risk as a locational variable has a negative impact. While restoring a district, the territory should be preserved and kept alive not only physically, but also socially and culturally. The hardest part, which a rehabilitation program faces, is to keep the social life alive in urban renewal projects. The social life in the Fener-Balat districts that has formed over many years should not be changed in a 5-10 year period of time.

Istanbul, one of the oldest cities in the world, is about to reach its expansion limits. As well as trying to protect natural water basins and forests around the city in order to protect ecological balance, authorities are faced with a huge problem of urban regeneration within the historical parts. Considering the huge population growth and immigration housing has always been one of the key issues. Therefore, projects like the Rehabilitation of Fener–Balat Districts Programme have vital importance in both contributing to prevention of unplanned expansions at the outskirts of the city and regaining the existing building stock.

It seems that in Istanbul, gentrification has mostly been the result of the rehabilitation of old inner-city housing, and when it comes to the Istanbulite gentrifiers, they are the products of the same occupational, cultural, and demographic restructuring processes that have taken place across the globalizing cities of the 1980s.

Ideally, after the application of the urban regeneration project, it is desired that the districts’ existing users could still get the most benefits from the project. However, the transformation process experienced in Istanbul has been forcing the existing low-income groups to move out. Even though the Rehabilitation of Fener-Balat Districts Programme has several unplanned results, it should also be emphasized that it can be regarded as an example of a comprehensive approach, not only considering the facade quality and physical aspects, but also dealing with socio-economic aspects of change.

REFERENCES


AUTHOR

Elmira Gur
Architect, Associate Professor
Istanbul Technical University, Faculty of Architecture
elmiragur@gmail.com