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DISSERTATION

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Between Urban Decay and Rejuvenation.
**Deliberate Employment of Gentrification
in Neighbourhood Development:
Case Studies from New York City, Berlin and Vienna.**

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A. Introduction: Urban Rejuvenation as the Key Driver of Competitive Cities

1. The Problem: City Embeddedness in Globalised Processes of Transformation

“Cities are places where both problems emerge and solutions are found. They are fertile ground for science and technology, for culture and innovation, for individual and collective creativity, and for mitigating the impact of climate change. [...] We need to better understand the challenges that different European cities will face in the years ahead. [...]”

Johannes Hahn, European Commissioner for Regional Policy (EUROPEAN UNION, 2011: III)

Cities are embedded in an ongoing transformation, both triggered and influenced by a mixture of political, economic, socio-demographic and ecological changes. Cities constantly have to reinvent themselves in response to their changing environments, while at the same time preserving their cultural and urban heritage. If they do not adapt to new conditions, they remain stuck in the status quo and risk succumbing to severe challenges like shrinkage or even irrelevance. They may lose their attractiveness and finally become unable to compete with other cities as destinations for residents, economic activity and visitors.

The attractiveness of cities is influenced by the quality of life within these cities. Quality of life, in turn, is based on a variety of attributes: Besides the prerequisite of a stable and trustworthy political and legal framework, personal safety and low crime rates, economic factors have to be considered as well as environmental, social and cultural factors. Quality of life might be linked to the attractiveness within a city or a specific neighbourhood. However, quality of life and the attractiveness of a city do not evolve independently. As they are embedded into continuous urban transformation processes taking part at higher levels, neighbourhood development goes beyond local processes.

As Figure 1 shows, cities¹ are clearly embedded between the poles of macro and micro trends, both of which are again affected by external forces like economic, political, socio-demographic and ecological forces. External economic forces may refer to the current economic crisis that is connected to political forces with regard to adapted urban policies. External socio-demographic forces refer, for instance, to demographic transition, an aging but diversified population and ongoing

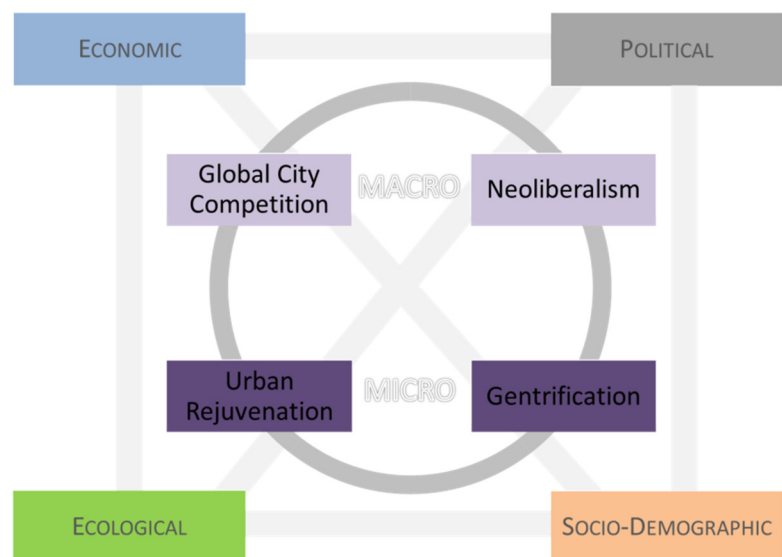


Fig. 1: The Force field of Urban Rejuvenation and Gentrification Processes (own illustration)

¹ This dissertation is based on the urban geographical and political understanding present within Central European and North-American cities. As a result, the conceptual idea for the problem statement refers to recent challenges within German, Austrian and US American political and institutional conditions.

immigration. Ecological forces complement this force field and point to urban adaption strategies required by climate change and environmental protection agendas. To understand the force field of urban rejuvenation and gentrification processes, every single external force must be understood as dependent parameter. All forces are connected and interact with each other, creating a complex system of intermingling parameters.

In addition, macro trends function as reactions to external forces such as global competition and neoliberal policy changes. As a consequence of globalisation, cities are embedded in a globalised city competition. Cities with a high living quality compete with other attractive cities at the national and international level. To return to the current situation of economic crisis, cities are currently need to adapt their urban policies to secure and improve their attractiveness for both the inhabitants as well as economic and cultural activities. Such policies have to consider the distribution of financial and investment obligations among more differentiated, particularly non-governmental, actors. As a result, this conceptual force field assumes a transformation of urban policies towards neoliberal political strategies.

To complete the force field, micro trends lie in the needs and demands at the neighbourhood level, consisting of specific contextual situations. On the one hand, macro trends occur as a by-product of global external forces, meaning cities cannot escape from these developments. On the other hand, changes at the micro level are initiated by macro trends as well. Proceeding with the aspect of globalised transformation processes, neighbourhood attractively may impact a city's living quality as well. It is claimed that urban rejuvenation strategies and gentrification contribute to the attractiveness of the built environment within a neighbourhood and to a positive city image at both the national and international level. The transformation process itself has to consider both the local and the contextual needs as well as globalised interests and decision-making rationales.

As Figure 2 illustrates, the conceptual idea is based on an assumed causality between external forces, macro trends and processes at the micro scale. The question now arises as to how these processes manifest themselves spatially and why they do so. The link between macro and micro trends seems to be a crucial component, as macro trends may potentially explain a number of outcomes. It might be predictable, for example, that gentrification occurs in certain cities that compete to attract knowledge-based economies and people. Macro trends seem unable to tell where gentrification is going to happen specifically. This is the moment where parameters at the micro scale come in, including location, accessibility and transport - actors and community interests or ways to realise a certain concept of lifestyle.

A potential link between macro and micro trends can be found by analysing the housing market. One crucial dimension lies in the quality of the housing stock and the affordability of housing, which is a commodity even for cities in the midst of global transformation processes. To a certain degree, the quality of housing represents the physical component of the urban fabric. The attractiveness of cities is strongly linked to their physical structures since it represents not only the visual appearance of a city, but also the space wherein citizens actually live. Housing market mechanisms show that real estate prices depend on both the quality of the physical structure

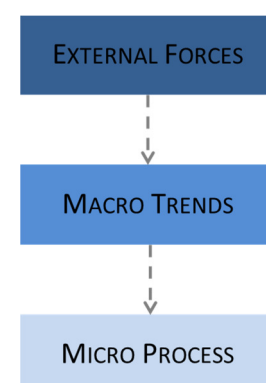


Fig. 2: The Interconnections between External Forces, Macro Trends and Micro Process (own illustration)

and the geographical place. The saying “*location, location, location*” found in real estate practices reveals the major importance of the physical whereabouts of housing. In terms of urban renaissance, place matters even more, as an increasing number of people moves to cities in order to fulfil their expectations of a vibrant urban life. Space is luxury, especially in the dense urban areas of historically grown cities. Market data reveal not only continuously rising real estate prices, but also an increasing demand for high-quality housing as well as a shrinking supply of affordable housing in cities all over the world.

Increasing real estate prices do not appear to be due only to changing housing demands and a shortage of housing choices and limited building land resources. Rather, increasing costs for housing occur also because of improved physical conditions due to urban rejuvenation practices. Urban renewal as both a hard planning instrument in US American cities and as a soft planning instrument in selected European cities aims at urban regeneration and rejuvenation. Though it represents only one dimension of urban development, it plays a crucial role in attracting future and existing residents, especially in times of urban renaissance. Urban renewal is thus strongly linked to upgrading processes resulting in physical and socio-demographic changes leading to gentrified neighbourhoods.

The attractiveness of the physical appearance of the housing sector can be secured by enacting urban rejuvenation activities. One possible outcome thereof is gentrification. Gentrification as a specific process in urban development has become a hotly debated issue all over the world. In the United States the acceptance of a neoliberal market economy is dominant, and within this framework gentrification results from supply and demand. In Germany, gentrification has been and is being debated very controversially between its proponents and opponents. The latter note the situation of rising housing costs and declining affordable housing stock, whereas proponents find themselves caught between prioritising investor interests due to cuts in public budget and the interests of public welfare. The ongoing discussion on gentrification and housing costs in German cities has started to influence election campaigns. In the Austrian context, gentrification is not as dominant in either public or political debate as in other European or Anglo-Saxon cities. This may result from the social welfare state system and an overall less developed civic participation in these discussions. Interestingly enough, however, the semi-academic public debate on gentrification has developed significantly more in Vienna over the last years. As a result, politicians have had to react to the evolving awareness with regard to affordable housing and gentrifying neighbourhoods and can no longer simply refer to the larger stock in social housing that held off gentrification during the last decades.

Despite the differences of gentrification processes at the local and national level, a common similarity can be found in the embeddedness of gentrification into a broader force field that interacts with macro and external forces. Thus, this similarity provides the starting point for the line of argumentation that is used in this dissertation for the analysis of gentrification processes.

2. The Present State: Urban Development and Rejuvenation in the Current Academic Discourse

Summarising the current state of urban development and rejuvenation is a difficult task, not only because of the broad scope of academic research within this topic, but also because of many variations present in the international discourse and a somewhat fuzzy use of terminology. Therefore, this chapter limits the description to urban development research generically linked to urban renewal and rejuvenation strategies, urban renaissance and housing affordability that might lead to processes of gentrification. In terms of geography, this chapter covers research that focusses on North American and Central European cities.

This pragmatic limitation is open to criticism as being narrow-minded and incomplete. However, the current debate on, for instance, the “creative class”, inner-city brownfield conversion, concepts of green, low-carbon, zero emission or smart cities as well as ongoing processes like suburbanisation or the increasing popularity of gated communities underlie the approach of macro forces having an impact at the micro level. No doubt, the outcome at the micro level is highly diversified and greater than gentrification. But this dissertation does not and cannot attempt to cover the entire range of urban development processes. Rather, it focusses on urban rejuvenation and its outcomes as one component within urban development processes. An in-depth analysis of gentrification theories is provided in the chapter on selected theories and is therefore excluded in this chapter on the present state in urban development research.

A quick online research may serve as a starting point for comprehending the present situation. Google Scholar finds 577,000 page results (search on June 28, 2013) based on the search term “urban development” starting in the year 2009. The content refers, for instance, to sustainable urban development, greenness, migration, exclusionary and inclusionary policies as well as to urban legacy of large-scale events. A search for “urban regeneration” (ibid.) leads to 18,700 results for the publication period 2009 to 2013 and refers, among other things, to the impact of Olympic Games and Bilbao effects as well as to urban regeneration for sustainable communities and the role of creativity. For “urban rejuvenation”, Google Scholar finds 8,250 results (ibid.) that are linked to urban renewal, resilient planning or urban rejuvenation. The online database Scopus lists 11,254 publications (search on June 28, 2013) for “urban development” from 2009 or earlier, yielding new topics like urban farming, walkability, urban climate or emerging mega regions. For “urban regeneration” Scopus finds 674 results (ibid.) referring to the right to the city concept, fiscal incentive policies and climate friendliness. In all cases, the geographical research focus still lies clearly on North American and European cities, although a significant proportion of publications may also be found for Asian (predominantly Chinese), South American and African cities. Another indicator for current academic discourse can be found in “readers” focussing on urban issues published, for instance, by Routledge; these are well known among urban researchers. According to their website, Routledge plans to publish “The Gentrification Debates” by Japonica Brown-Saracen in summer 2013. The Routledge Urban Readers Series currently includes 11 such readers² ranging from urban design to sustainable urban development, from urban politics to city cultures.

Without any claim to completeness, the current state with regard to urban development research can be systemised based on economic, ecological, political and socio-demographic dimensions that also reflect the external forces leading to specific urban trends (see Figure 1). Economic and ecological research seems to be linked to climate change-driven transformations

² See www.routledge.com

towards green and sustainable city systems. In this field of research, not only the technical realignment of city systems can be found under the umbrella of “smart cities” (see FASSMANN & FRANZ 2012; FRANZ 2013), but also an equilibration of interest and impact analysis between international acting companies, national strategies and locational prerequisites. On the other hand, national government have already identified the emerging field of ecological transformation as important to economic growth and future strategy for urban areas. As cities gain in population, questions arise as to how to decrease resource consumption and how to increase the quality of life of cities in the future. New mobility concepts including sustainable means of transport play a crucial role. Car sharing, cycling and an efficient public transport system seem to be important components of urban development research and raise the question of walkability and density within urban areas. Quality of life is strongly linked to locational advantages and to securing those location factors in order to attract highly skilled people to migrate into competitively successful cities. In times of fiscal constraints, these challenges can be faced only through collaborations between the public and private sectors. Therefore, the economic-ecological dimension of current urban development research deals not only with technology, strategies and policies, but also with power balances, new forms of corporation and with securing locations from a long-term perspective.

The socio-demographic dimension of current urban development research is strongly linked to immigration patterns and changes of lifestyles resulting in an urban renaissance. How best to attract people to move into cities is reflected in the perspective of future residents who expect a certain fulfilment of lifestyle demands. Yet expectations are not only fulfilled on the labour and housing market. Rather, the cultural components and how cities are positioned as future-oriented open places are gaining in importance. Such demands meet certain supplies and vice versa, the supply side being shaped by urban policies.

At this point, we can make the link to the political dimension of urban development: Urban policies refer not only to labour and housing policies, but also to a general political approach on how to deal with a changing society. Labour policies nowadays may focus on how to attract creative, highly skilled people as well as the support of young entrepreneurs. There may be an exclusionary dimension of these policies for the working-class which might not be represented in strategies for the future urban population. Housing policies to ensure the revitalisation of the existing housing stock may exist side by side with the construction of new housing options for the new urban population. Aspects of inclusion and exclusion thus occur in this field of research with regard to housing affordability and distribution. Current research seems to agree that urban policies are highly influenced by neoliberal approaches. Even in the more traditional welfare states, neoliberal tendencies have created new strategies of allocation which may include new or exclude former actors.

To summarise, current research on urban development issues covers a broad range of topics within a large geographical expanse. The topics themselves are systemised through the dimensions of economic, ecological, socio-demographic and political transformation processes, even though the national and local nuances are different. Differences arising from diverging dynamics with regard to population growth and economic situation are embedded within a global context. Again, the overview on the current state of affairs within urban development research shows that transformations of urban landscapes have to be analysed in light of external forces bearing upon local results. Detaching urban transformations from the global component is risky and ignores the complexity of urban issues.

3. Closing the Gap: Gentrification as a Steered Component of Urban Rejuvenation

The current literature provides many answers about how to understand gentrification, how this process can be implemented, and what kind of negative or positive results may arise. What is missing is a systematic cross-national comparison of the policy implications of this research and the implementation thereof into local urban planning systems and policies. Numerous elaborations exist related to local gentrification processes, but there are few comparative studies of how they differ across governmental and political systems. The scientific literature seems to imply that the urban renewal processes in the United States are highly dynamic, while those of European welfare states are less so. The factors responsible for this are easy to identify: the varying state systems, political and institutional frameworks, mechanisms of regulation – especially in relation to the housing market – and the structure of real estate ownership.

However, to date it has not been well analysed how and why these factors have different impacts on gentrification within specific local contexts. Even less research can be found on the interrelated role of macro forces and “[...] governance processes between actors in urban regeneration and gentrification” (FULLER 2012: 913). The underlying decision-making processes can be seen as a result of rationales impacting the rational choice in urban rejuvenation policies. FULLER (2012: 913) argues that there has been a shift towards a more complex set of economic considerations and market values that “[...] have overridden broader civic values in the negotiation process”.

Also, the negative connotation of gentrification and a class-theoretical approach have dominated the scientific discussion and tend to lead to a fuzzy use of terminology. In order to prevent the “dirty word gentrification”, terms like urban regeneration, rejuvenation or revitalisation are used for similar, albeit distinct processes. The discussion of cases revealing the positive outcomes of gentrification is thus infrequent. Even less debate can be found on how to acknowledge gentrification as an inherent component of neighbourhood transformations in growing cities. As a consequence, few questions are raised about the extent to which processes of gentrification can, or should, be controlled and regulated through urban planning in order to achieve the desired aims of urban renewal.

Despite the current debate, this dissertation takes the position that gentrification need not always result in a physical and socio-demographic transformation of a neighbourhood to be prevented. Given the fact that especially historically grown cities with an historic building stock face an economic need to maintain and renovate their existing housing stock, both investment and gentrification might be necessary routes for selected neighbourhoods. However, investment in an existing environment requires a comprehensive understanding of its potential impact among the politicians and actors involved in such urban development issues. Leaving investment activities exclusively to market forces necessarily results in a loss of power and influence in the cities themselves. Therefore, the overall aim should be to first understand urban transformation and the decision-making processes in order to enable means of steering and cooperation among all actors as a long-term goal.

B. Research Design

4. Research Interest and Research Questions

Research Interest

Defining the research interest takes place on two levels: the personal interest and the academic interest for a specific research topic. The personal research interest is a product of professional education and passion for vibrant cities. Whenever new neighbourhoods or “places-to-be” appear, there immediately arises the question of “who” and “why”: *Who* is the engine behind this transformation, what are their interests and *why* does this happen at this place and not somewhere else in the city? The second level of research interest points toward analytical research. Especially the time-spatial component of gentrification dynamics - the “why here and not somewhere else” and “how long” - evolved as a continuous research dimension. As a consequence, the tradition of urban research in Vienna represented by the “Wiener Schule der Stadtgeographie”³ became not only an institutionalized umbrella lodging this dissertation. Rather, it is also the logical combination of personal research interest and academic tradition focussing on an environment built through gentrification and on the underlying processes that shaped it.

General Research Question

As indicated in Chapter A-3, there is presently a lack of understanding of the urban renewal processes in competitively successful cities offering various means of physical rejuvenation accompanied by gentrification processes. Interestingly, the physical rehabilitation of the urban fabric seems to result in many European or North American cities experiencing socio-demographic and housing market changes. It is not an easy task to statistically prove the existence of such changes, which do not always cause the displacement of inhabitants per se. But a common component of the interest in these neighbourhood changes is the factor of *time*. Neighbourhood transformation implies various temporal dynamics as the following examples indicate. Within less than two years, Stratford, the district where the Olympic Games 2012 were located in London, changed rapidly from a formerly isolated working class neighbourhood into a more well-off and attractive residential area.

³ Urban geography, in the traditional sense, deals with the built environment of cities. The “Wiener Schule der Stadtgeographie” was founded by the cultural geographer Hugo HASSINGER (1877-1952), who combined interests in urban landscapes and the protection of cultural assets. He focused on the “[...] integral role of urban landscapes in the early development of urban morphology within the discipline of geography” (WHITEHAND 2007: ii-1). He thereby followed in the footsteps of early urban morphology, which had developed “[...] mapping of the various physical forms within urban areas [...] [as a] [...] key feature of the morphogenetic approach” (WHITEHAND 2007: ii-2).

HASSINGER’s initial focus was on questions related to historical settlements as part of the wider landscape and extended by extensive research conducted by Elisabeth LICHTENBERGER, one of the proponents of “Wiener Schule der Stadtgeographie”. Thanks to contributions by many researchers of the “Wiener Schule der Stadtgeographie” important research areas were added within urban geography. Urban studies in Latin America (see publications by Axel BORSDORF and Christof PARNREITER), US American gated communities (Claus FRANTZ) and processes of post-suburbanisation (Heinz FASSMANN) are but a few examples of recent topics of research of the “Wiener Schule der Stadtgeographie” (LICHTENBERGER 2008: 44).

This kind of transformation dynamic used to be applicable in Canadian or US American cities where very different urban strata become attracted to moving into central neighbourhoods. Not only by renewing the existing housing stock, but mainly by creating large-scale developments on centrally located former brownfields and waterfront locations did new forms of residential supply arise and new residents with space. Global cities like Toronto and New York serve as examples where upgrading processes can be observed both in historical districts and in converted waterfront and brownfield areas in central areas. The first case might lead to a more direct displacement of former residents because of rising living standards and increasing property values/ rents that can be afforded only by an influx of well-off persons. The latter case of brownfield and waterfront development impacts the socio-demographic mix more indirectly. Direct displacement mostly does not occur in the short run. Here, the argument of displacement goes more into the direction of exclusion from social and cultural capital, consumption choices and the accessibility of public space through the establishment of fully-gated or semi-gated residential developments.

On the other hand, neighbourhood transformation processes have been happening more slowly in cities with a long tradition of social welfare state supply. Södermalm in Stockholm, for instance, is well known for its transformation into a vibrant neighbourhood with a large influx of young creative entrepreneurs, students and DINKS (*double income no kids*). However, the debate on the affordability of housing for existing residents and shops owners has been going on ever since, too. The discourse on “right to the city” and affordable housing (“Die Miete ist zu hoch”) has evolved into a highly charged issue in German cities like Hamburg, Frankfurt am Main and Munich during the last years. Those three cities traditionally faced high rent levels and high real estate prices as they belong to the economically most successful cities in Germany. But it becomes clear that their tight housing market has gained a significant impact even among middle-class residents and families especially during times of economic crisis.

Given these examples, the general research question of this dissertation may be formulated as follows:

Reflecting on urban neighbourhoods who pass through several stages of decline and renewal, the question is:

Why do those transformations processes happen in some cities faster than in other cities?

This general research question comprises the dimensions of

- location (“urban neighbourhoods”)
- process (“passing stages”)
- (re-)investment (“stages of decline and renewal”)
- temporal dynamics (“faster versus slower”) and
- scale (“cities and neighbourhoods”)

These dimensions lead to further questions of how far they intermingle and who may be identified as the driving forces behind them. Here, the role of policies and actors become relevant. The latter base their decisions on rationales embedded in an institutional framework and policies. Policies, however, include not only a general vision in terms of urban renewal, but also both hard and soft planning instruments. Urban renewal processes can be seen as a product of the intermingling of public policies and actors’ behaviour. It is assumed that the individual behaviour of actors leads to certain variations

of gentrification ranging from initiating to soft and light-house, and in the end also to stronger forms of gentrification.

Specific Research Questions and Hypothesis

This study comprises six specific research questions including various hypothesis which start off generally and proceed to become more and more specific. The first research question deals with a basic clarification of the processual component involved in the cyclical process of neighbourhood changes:

1. *What kinds of cycle models are applicable to urban neighbourhood changes regarding the physical urban fabric?*

This starting point is important in order to foster an understanding of the investment and disinvestment in the built environment of cities and to identify the underlying processes leading to gentrification. Following hypotheses can be formulated to develop further the understanding of urban neighbourhood changes and identify evidence of underlying processes:

- Urban neighbourhoods pass through stages of investment and disinvestment.
- The physical urban fabric passes through stages of renewal and decline in a cyclical process.
- The cyclical occurrence of investment and disinvestment is shaped by a set of policies, urban strategies and actors' behaviour.

Tab. 1 shows the methods applied to answering the research question. The methodological approach is based on an analysis of the contemporary academic and historical literature. Contemporary academic literature covers and illustrates the existing cycle models in Chapter C on various theories. Historical literature sources identify cycles of investments and disinvestment in the specific neighbourhoods, which is implemented in an adapted cycle model in Chapter D. The necessary quantitative indicators are determined both from the scientific literature and from data dealing with investment in physical urban fabric within a certain timeframe. An analysis of policy and actor roles in Chapter D identifies the underlying processes and rationales that impact investment decisions.

Research Question 1	Hypotheses	Aims	Methods	Indicators	Chapter
What kind of cycle models are applicable to urban neighbourhood changes with regard to the physical urban fabric?	Urban neighbourhoods pass through stages of investment and disinvestment.	To identify relevant cycle models.	(Historical) Literature analysis	Use of keywords: investment, disinvestment, urban renewal, urban decay, upgrading, filtering-down processes	C and D
	The physical urban fabric passes through stages of renewal and decay in a cyclical process.	To gather arguments for the stage "gentrified neighbourhood" within the case study analysis.	Qualitative application of an adapted cycle model for the three case studies.	Data on investment in physical urban fabric during certain periods of time.	D
	The cyclical occurrence of investment and disinvestment is shaped by a set of policies, urban strategies and actors' behaviour.	To identify underlying processes impacting the phases of renewal and decay.	Policy analysis; Actor analysis	Use of economically driven goals in planning documents Reasons for investment (e.g., time; access to public subsidies)	D

Tab. 1: Detailed Research Question (1) on Cycle Models (own illustration)

The use of cycle models leads to aspects of temporal dynamics and scales since the question of cyclical durations occurs in the specific local context. From the focus of this study on three neighbourhoods in cities that have been growing over a relatively long period of time, providing a historic housing stock and against the background of ongoing population growth in need of new housing construction complemented by housing renewal strategies, the second research question is as follows:

2. *Which macro forces, national urban rejuvenation strategies, local policies and planning instruments affect the parameters of the physical built environment in historically grown neighbourhoods?*

As indicated in the first research question, many underlying processes shape the qualitative and quantitative outcome of urban renewal. Therefore, the second research question focusses on the political and institutional framework and identifies the relevant parameter at various levels. This question also concerns the interconnection between macro and micro levels represented by macro forces, the state system, federal and local urban policies as well as local urban planning instruments and small-scale practices at policy and investment level. Obviously, the reason for differences within the three case studies can be found by analysing the distinct combination of all parameters, a crucial dimension within the comparative analysis.

The hypotheses related to this question help in the identification of relevant parameters within the political and institutional framework. Additionally, the interconnections are visualised between external forces at the macro scale, political system and urban planning instruments at the

meso scale, and the dynamics of urban renewal practices and their impact on socio-economic changes at the micro scale:

- Every case comprises a specific set of political and institutional influences leading to distinct outcomes in terms of urban renewal at the local level.
- There is a correlation between the political system of a particular state and the resulting dynamics in urban renewal processes in a city or neighbourhood.
- The more neoliberal the political and economic system, the more dynamically urban renewal processes occur.

The approach adopted within research question (2) is dominated by a combination of qualitative indicators and quantitative data. The methods applied refer to document and literature analysis as well as quantitative data analysis. Necessary indicators range from economic and labour market to housing market data.

Research Question 2	Hypotheses	Aims	Methods	Indicators	Chapter
Which macro forces, national urban rejuvenation strategies, local policies and planning instruments affect the parameters of the physical built environment in historically grown neighbourhoods?	Every case comprises a specific set of political and institutional influences leading to distinct outcomes in terms of urban renewal at the local level.	To identify and understand political and institutional influences and their interconnection with macro forces.	Policy analysis Relating to grade of gentrification in the local context	Specific policies and instruments dedicated to urban renewal; quantitative benchmarks (e.g., 70% market price housing in inclusionary zoning)	D
	There is a correlation between the political system of a particular state and the resulting dynamics in urban renewal processes in a city or neighbourhood.	To identify links between a political system and the character of urban development. NYC = neoliberal VIE = social BER = hybrid	Literature and planning documents analysis	Qualitative aims; Data on global trade flow, mobility of population (housing and working), expenses for social services, deregulation and privatisation (share of PPPs within urban renewal processes)	D
	The more neoliberal the political and economic system, the more dynamically urban renewal processes occur.	To explain the interconnections between political system and dynamics in urban renewal processes	Literature analysis Data analysis of housing market	Qualitative visions and approaches Investment in newly constructed and rehabilitation of housing, creation of new housing units, development of rent and real estate prices	D

Tab. 2: Detailed Research Question (2) on Macro-Micro Relations (own illustration)

A multi-dimensional analysis of state system, policies and actors indicates the role of driving forces in urban renewal processes. Therefore, the third research question of this study is as follows:

3. What kind of driving forces advance and what combination of actors and policies-retard urban rejuvenation practices?

The hypotheses highlight the necessity to consider actors as embedded agents within a political and institutional framework. Depending on the particular combinations of economic parameter, timing and other rationales, urban rejuvenation practices may be advanced or retarded.

- There is a mix between political, economic, social and ecological factors that impact the decision-making process of actors involved in urban rejuvenation processes.
- Various actors with different individual and institutional motivations are involved in urban rejuvenation processes.
- The more flexibly actors within urban renewal processes can act, the more dynamically urban rejuvenation occurs.

Research question (3) is predominantly based on the outcomes of an analysis of the planning document and instruments as well as on actor analysis via conducted semi-structured expert interviews in New York City, Vienna and Berlin (see Tab. 3).

Research Question 3	Hypotheses	Aims	Methods	Indicators	Chapter
What kind of driving forces advance and what combination of actors and policies-retard urban rejuvenation practices?	There is a mix between political, economic, social and ecological factors that impact the decision-making process of actors involved in urban rejuvenation processes.	To identify factors that have an impact on urban renewal activities.	Literature analysis based on indicator catalogue; Actor analysis	Political factors: governance of state/federal state/city/neighbourhood Economic factors: direct and indirect subsidies; rent regulation; valorisation expectations Social factors: participation possibilities, engagement of civic society	D
	Various actors with different individual and institutional motivations are involved in urban rejuvenation processes.	To identify actors and analyse their needs and motivations	Actor analysis	See analysis grid	B and D
	The more flexibly actors within urban renewal processes can act, the more dynamically urban rejuvenation occurs.	To analyse the urban planning system with regard to participation possibilities for actors and components of adaptivity	Analysis of urban planning documents and instruments (e.g., subsidies); Actor analysis	Targeted actors Components of adaptivity	D

Tab. 3: Detailed Research Question (3) on Push and Pull Factors (own illustration)

Despite the existence of established policies and planning instruments, it is assumed that driving forces such as economic valorisation interests may lead to political strategies being adapted and new urban planning instruments being implemented. The frequent use of specific planning instruments can indicate either a pragmatic necessity or success. The qualitative evaluation of policies and instruments is based on analysing what motivates actors to invest. Thus, based on a better understanding of actors' needs, this study asks as well:

4. *What kinds of instruments do actors involved in urban rejuvenation processes use? Do those instruments involve political, economic, social or urban planning dimensions? Do those instruments include adaptive components in order to remain efficient and applicable in cases of changing conditions, for instance, in times of economic crisis?*

The hypotheses already defined indicate the research approach involving identification, analysis as well as attempts of projections or recommendations for steering mechanisms:

- There are flexible and inflexible planning instruments with regard to urban rejuvenation.
- Actors consider planning instruments either pragmatically or as negotiation tool for their investment interests.
- The more insecure the framework conditions, the more adaptive urban planning instruments have to be.

Research question (4) and its hypotheses indicate the attempt to develop policy recommendations in terms of adaptive urban rejuvenation policies. This aspect of adaptivity and flexibility refers not only to changing framework conditions like economic crisis, it is also the starting point for the conscious inclusion of gentrification into urban planning practices. The main method will be actor analysis combined with the outcomes of the analysis of urban planning documents and policies as well as selected economic data (see Tab. 4).

Research Question 4	Hypotheses	Aims	Methods	Indicators	Chapter
<i>What kinds of instruments do actors involved in urban rejuvenation processes use?</i>	There are flexible and inflexible planning instruments with regard to urban renewal.	To identify flexible and inflexible structures within the urban planning system focussing on urban renewal.	Analysis of urban planning documents, instruments and policies; Actor analysis	Fixed versus non-fixed benchmarks Evidences of negotiation potential	D
<i>Do those instruments involve political, economic, social or urban planning dimensions?</i>	Actors consider planning instruments either pragmatically or as negotiation tool for their investment interests.	To identify which measures "have to be done" and which would be "nice to have available"	Actor analysis	Mentioning "must" and "can"	D
<i>Do those instruments include adaptive components in order to remain efficient and applicable in cases of changing conditions, for instance, in times of economic crisis?, for instance,</i>	The more insecure the framework conditions, the more adaptive urban planning instruments have to be.	To improve the quality measurement of planning instruments	Combination of economic crisis as macro force + flexible components of planning instruments + actor analysis	Decreasing numbers in investment and rezoning	D

Tab. 4: Detailed Research Question (4) on Planning Instruments (own illustration)

Within the three selected case studies, established and more recently implemented urban planning instruments may have stimulated and supported processes of gentrification. Making this assumption at this point is legitimate since the selection of the cases is based on neighbourhoods that are showing significant and visible evidence of gentrification. Because the question of gentrification recently became an inherent component of public and scientific discourse, the fifth research question will be:

5. How far can cities influence gentrification processes, either by stimulation or by regulation?

This question implies steering mechanisms and the necessity of adaptivity within urban rejuvenation processes. It is a necessity for understanding gentrification processes within a specific local context and for using those upgrading processes proactively. The public sector has to react to transformation processes in order to keep cities competitive and inclusive for all participating actors.

This study focusses on understanding gentrification processes in specific local contexts in order to proactively apply feasible measures to stimulate or regulate gentrification. This argument has particular relevance for the hypotheses that aim at context-based understanding, conceptualising and implementation:

- Gentrification does not happen by accident or chance, but is rather the product of an economic-political framework.
- If urban planners are aware of the available planning instruments and uses them adequately, they can influence gentrification processes proactively.
- Gentrification can be steered through stimulation and regulation.

Obviously, research question (5) combines the outcomes of previous analyses with the concept of gentrification. Therefore, the outcomes of policy and actor analyses are linked to the processual characteristics of gentrification at the specific local context. Evidence of change in the gentrification process indicates either the time-spatial components involved in gentrification extension or reduction or steering measures available to the public sector in order to stimulate or regulate ongoing gentrification. The outcome of this research question flows into Chapter E, where the prospects for gentrification are elaborated on.

Research Question 5	Hypotheses	Aims	Methods	Indicators	Source
How far can cities influence gentrification processes, either by stimulation or by regulation?	Gentrification does not happen by accident or chance, but is rather the product of an economic-political framework.	To establish the argument for "realising gentrification as an integral part of urban planning."	Combine results from data, policy and actor analysis	Identification of framework conditions that motivated the public sector to adapt planning instruments and motivated actors to invest	D and E
	If urban planners are aware of the available planning instruments and uses them adequately, they can influence gentrification processes proactively.	To spread awareness of the available set of urban planning instruments	Policy and actor analysis	Qualitative statements, for example, "we had to do something, because we noticed rapid socio-demographic changes" or "we had to secure more affordable housing because the city government asked us to do so."	D and E
	Gentrification can be steered through stimulation and regulation.	To establish the argument for "regulatory gentrification"	Policy and actor analysis	Indicators of change within local urban renewal process, e.g., Increased amount of affordable housing Investment in technical and social infrastructure	D

Tab. 5: Detailed Research Question (5) on Regulated Gentrification (own illustration)

This study does not address the debate whether or not gentrification should be a favoured policy strategy. Rather, the intent is to go one step further and to integrate gentrification in future urban planning practices, taking an active planning approach towards a balanced “portion of gentrification” into consideration. It is assumed that in times of financial crisis there is a need for adaptive steering measures, ongoing globalizing actor networks and increasing local public participation. These aims demand an understanding of local urban rejuvenation practices and processes within a global framework of competing cities especially among politicians, but also among all other actors involved in urban transformation processes. Therefore, the final research question of this study asks:

6. To what extent should gentrification be considered an inherent component in urban rejuvenation practices?

What kind of adaptive steering measures, planning policies and management approaches can be developed in order to secure future rejuvenation processes in the built environment?

The main idea of the concluding chapter is to add innovative approaches like monitoring and adaptive management to future urban planning practices. Hypotheses indicate that future debates and actions should not be based on whether or not gentrification is a positive or a negative process or one that should or should not occur. The cities analysed within this study rather should work with gentrification and include those rapid physical and socio-economic changes proactively into urban planning policies:

- If gentrification is not considered an inherent component of urban rejuvenation practices, the outcomes of this process will occur haphazardly and will be difficult to manage.
- Gentrification can indeed secure the rejuvenation of existing historical housing stock.
- The higher the integration of context-based and adaptive gentrification measures into urban planning practices, the higher the added value for all actors involved.

This research question clearly aims at preparing recommendations and guidance for politicians and practitioners, so that the applied method within this chapter is dominated by the attempt to provide a gentrification typology with “tool-box character”. Conceptual ideas on adaptive management are integrated into revisited urban planning policies. The idea is to follow the attempt of a spatialised and contextualised toolbox to be used by cities’ representatives and practitioners within the field of urban renewal. Based on locally defined assumptions on the spatial and socio-demographic context, cities should then be able to select certain indicators and measures to be implemented in current urban renewal processes. The conceptual combination of a tool-box, selection and implementation follows the idea of adaptive management within the local context. Copy-and-paste policies proved not to be particularly applicable. Therefore, this study concludes with contextualised policy recommendations on how to integrate regulated gentrification into the neighbourhood development.

Research Question 6	Hypotheses	Aims	Methods	Indicators	Source
To what extent should gentrification be considered an inherent component in urban renewal practices?	If gentrification is not considered an inherent component of urban rejuvenation practices, the outcomes of this process will occur haphazardly and will be difficult to manage.	To establish gentrification as an inherent component of neighbourhood development.	Typology	Local conditions (geographical, economic, socio-demographic) + urban planning instruments + projected gentrification outcome	E
What kind of adaptive steering measures, planning policies and management approaches can be developed in order to secure future rejuvenation processes in the built environment?	Gentrification can indeed secure the rejuvenation of existing historical housing stock.	To work <i>with</i> gentrification instead <i>against</i> gentrification.	Policy recommendations	Data on investment volume and housing renovation / creation	E
	The higher the integration of context-based and adaptive gentrification measures into urban planning practices, the higher the added value for all actors involved.	To shift the public debate from "NIMBY" to "YIMBY"	Policy recommendations	Policy and actor analysis	E

Tab. 6: Detailed Research Question (6) on Gentrification within an Adaptive Urban Planning System (own illustration)

5. Research Aims and Objectives

The research aims of this dissertation refer to general aims in urban geography and objectives explicitly linked to this analysis. Starting with the general aims, urban geography is characterised by pluralistic research approaches. FASSMANN (2009: 17 pp.) identifies seven strands of approaches in research and analysis which develop from cultural-morphological to cultural approaches. According to his systematisation, this dissertation is part of the general attempt to follow a comparative approach while at the same time considering structural theoretical and social geographical approaches. The comparative approach is covered by the concept of urban comparison and the analysis of three international case studies. The structural theoretical dimension lies in the attempt to integrate this study into macro theories and the interplay between macro forces and micro outcomes. Statistical data are used to support the structural changes at the micro level. Finally, the social geographical approach is represented by the attempt to reveal the actors, their decision-making processes and underlying rationales embedded in political and institutional frameworks. The combination of policy analysis (conducted by planning documents analysis) and actor analysis (conducted by semi-structured interviews) emphasise the need to understand both in order to identify the driving forces behind urban transformation processes. In summary, the general research aims can be formulated like this:

1. **Serving the tradition:** An analysis of questions in the context of urban geography through a comparison of political systems (tradition of “Wiener Schule der Stadtgeographie”)
2. **International comparison:** A comparative analysis of gentrification processes in various contexts, leading to an increase in the international learning process and knowledge exchange.
3. **Linking macro and micro:** A consideration of the macro forces impacting the local outcome of urban rejuvenation and gentrification processes.
4. **Combining rational choices with urban policies:** Revealing underlying parameters within the decision-making processes of actors involved in urban rejuvenation processes.

This analysis aims to reveal the spatial-temporal differences in (re-)investment strategies within urban neighbourhoods. In accordance with LEES' (2010: 397) argument that “[t]emporality is an issue which need further attention,” the importance of dynamics becomes obvious. The identification and analysis of interaction of effects (“Wirkungszusammenhänge”) reveals the policies, planning instruments and actors involved in urban rejuvenation processes. The interconnectedness of this set of parameters may or may not lead to gentrification. Therefore, this study also aims to provide a nuanced look at the gentrification processes, considering macro effects like economic changes as well as political, economic and institutional dimensions at the micro level. As a result, first attempts to project gentrification processes are provided, again leading to a need for a comprehensive understanding of urban policies. Therefore, the policy recommendations offered within this analysis aim not only at a reflective use of planning instruments, but also at the integration of gentrification in order to face future changes at the neighbourhood level.

In summary, the specific research objectives can be formulated as follows:

1. **Typology of gentrification:** Understanding the regulative and supportive mechanisms in order to identify and allocate local rejuvenation processes in a general scheme of gentrification.
2. **Attempting projections:** Identify the contextualised parameters that support projections of future gentrification processes, for instance, “hard parameters” such as location, or “soft parameters” such as psychological processes.
3. **Policy recommendations:** Deduce urban policy recommendations that put gentrification processes into a comprehensive context. Develop a framework of fields of action to include gentrification in the planning instruments and policies of local neighbourhood development.

6. Methodology: Methods and Sources

6.1 Comparative Multiple Case Study Approach: The Added Value and Limitations

The Comparative Approach and its Critique

Within urban research, comparative analyses sometimes create the impression of being a sort of double-edged sword. On the one hand, they provide not only pure knowledge acquisition, but rather also deliver more insights through a comparative component and through the inherent analysis within a broader spatial and processual context. The comparative perspective adds contextual characteristics to the general understanding of a certain process. In this study, differences in urban rejuvenation practices may become understandable only within one specific local context, which would probably support a highly descriptive research approach resulting in idiographic results. This dissertation, however, includes many different urban rejuvenation policies and behaviours in an international and transatlantic context. Therefore, differences in urban rejuvenation practices can be identified not only at the national or local level, but become even more visible at the international level.

On the other hand, these specific insights can be critically questioned with regard to their comparability and transferability especially in an international context where the political and institutional frameworks often differ significantly. Researchers emphasise the need for more comparative means of analysis especially in the field of urban research (see CARPENTER & LEES 2005). Especially in gentrification research is the necessity for international comparison emphasised in order to understand the process in a broader context, especially since this phenomenon has become globalised.

As MCFARLANE (2010: 725) points out, “[c]omparative research is experiencing resurgence in urban studies, yet there has been little effort to critically debate how comparison might take place [...]”. Especially international urban comparisons seem to suffer from an analytical weakness as differences tend to outweigh similarities and make it hard to give a point for comparison. Following the argumentation line by MCFARLANE (2010: 725), two forms of comparison with regard to urban comparison should be distinguished. First, the explicit forms and second the implicit forms of comparison. The latter is an inherent component of individual reflection as “[...] we read a study of a particular city, [and] we often find ourselves comparing the arguments, claims and instances with other cities that we ourselves study or know of” (MCFARLANE 2010: 725).

In contrast, the explicit urban comparison was founded as early as the late 1960s as a methodology to explain the differences and similarities between cities and their urban context (MCFARLANE 2010: 727). Comparative work in urban studies deals either with empirical or theoretical issues. As MCFARLANE (2010: 730) points out, empirical work on urban comparison deals with methodological obstacles concerning “[...] the case study, and scope and identification” (MCFARLANE 2010: 730). What the ideal number of case studies within urban comparison is cannot be answered easily. Depending on the particular research approach, single-case analysis may be as appropriate as multi-case study analysis. The advantage of individual cases lies in the depth of analysis, whereas its weakness lies in the ideographic description. The multiple-case study comparison reaches beyond ideographic descriptions, but faces the risk of becoming too broad

(MCFARLANE 2010: 731 pp.). In terms for scope and identification, NIJMAN's (2007a in MCFARLANE 2010: 731) four key challenges should be mentioned, namely, the challenge of spatial identification and unit of comparison, the embeddedness of cities into the relationships with the state (the contextual framework), the relationship between globalisation and local urban impacts, and finally the challenge of temporality and the ability to understand urban trajectories with specific historical milestones.

In this respect, *context* and *contextuality* are the currently highly debated keywords as comparative analysis always has to consider the context of the cases in question. Without contextuality in comparative research, results remain weak and can probably not be transferred. THOMAS (2011: 50) emphasises very generally that context and "wholeness" are crucial elements that have to be considered within case study research. Obviously, contextualisation becomes even more important within urban rejuvination practices. The literature shows that there is a trend towards overuse of the term "gentrification" wherever upgrading processes are observed, regardless of where and why these processes happen. As a consequence, this term and concept has become fuzzy (see Chapter C), making international comparability nearly impossible. Or, as MALOUTAS (2011: 37) points out, the scientific discourse is in danger of becoming de-contextualised and meaningless:

"The current stretching out of the spatiotemporal limits of gentrification is, therefore, a form of de-contextualization. The features retained in its new definition are only its broad social impact (social 'upgrading'), the investment in the continuous urban reshuffling and the distinction drive of middle class groups that keeps the system in motion."

Comparability gains its highest methodological value not only through contextuality, but also through transferability. Unsurprisingly, the transferability of results is an additional point of critique within comparative analysis. As POSOVÁ and SÝKORA (2011: 173) point out, a comparative analysis must be based on a comparable database and on a territorial reference base. Especially in international case study comparison, access to data in general and to similarly scaled data specifically is becoming challenging. Some countries, for instance, such as the United States, have a long tradition of providing access to small-scale data, whereas the situation in Austria looks totally different where issues of personal data security play a crucial role.

To sum up, despite the obvious advantages like intensive and in-depth analysis, case studies are criticised because of the challenges of explaining and generalizing problems as well as "[...] [the] impossibility of drawing reliable causal conclusions" (SWANBORN 2010: 88). Comparative analysis provides useful insights but requires a well-designed research design to describe the scope as well as the limitations of the analysis. Therefore, it is crucial to explain at the beginning the specific interest of research, the "reason why" and the aim of the comparative analysis. Setting up a framework of comparative analysis will consequently lead to limitations in the comparison and validity of study results. Transparent explanations are also needed concerning the level of comparison and the selection of case studies, which should clarify the specific context as well. Especially for a comparative, multiple case study approach a well-defined mix of quantitative and qualitative parameter enhances the quality of the analysis. These parameters may be developed into an analysis grid that covers the specific research questions and conducts the comparison for all case studies in a similar way. This, as a result, ensures the comparability of results and allows the deduction of nomothetic results that can be transferred to similar cases in future research.

In consideration of the challenges of comparative research, the aim of this chapter is to explain the methodology and research design applied in this study. The complex and multi-level character of this study lead to the necessity for qualitative research methods. In this study, policy and actor analysis form the core qualitative research accompanied by quantitative data to explain the "reason why" of case study choice. This chapter also questions whether the combination of quantitative data and qualitative research methods is substantial enough to fulfil the prerequisites of triangulation. Based on this methodological discussion, this chapter concludes with an exposition of applied sources.

The Multiple Case Study Approach

One of the major advantages of comparative analysis lies in acquiring knowledge that exceeds the results of analysing individual cases. Nomothetic results arise much easier through a multi-case analysis that broadens the scope of analysis. "A nomothetic approach is [the attempt] to be general over cases, times, places and so on; nomothetic approaches attempt for a 'law like' understanding or at least an understanding based on probabilistic general thrust" (MONTELLO & SUTTON 2006: 125). Generalised arguments support the development of applicable recommendations in various contexts and maintain an objective discourse. On the other hand, an exclusively nomothetic approach is not realistic in social science or in geography, as a so-called "überlaw" will not be able to explain the various areas of research (see MONTELLO & SUTTON 2006: 125). In contrast, an "[...] idiographic approach attempts to be specific to particular cases at particular times and places; idiographic approaches strive for a potentially 'idiosyncratic' understanding" (MONTELLO & SUTTON 2006: 125). Exclusively idiographic cases might even be considered completely non-scientific (see MONTELLO & SUTTON 2006: 125).

It seems obvious that the extreme versions of exclusively nomothetic or idiographic approaches will not lead to satisfying results in urban research. "Reality seems to lie somewhere between extremely nomothetic and extremely idiographic approaches. In truth, different research approaches tend to take positions somewhere on a continuum between the two extremes" (MONTELLO & SUTTON 2006: 125). Based on these arguments, this study can be characterised as an "[...] intermediate approach [...] attempt[ing] to take advantage of strengths of both [...] [through] a case-study design replicated on several cases" (MONTELLO & SUTTON 2006: 125).

As THOMAS (2011: 9) points out, "[t]he case study is not a method in itself. Rather, it is a focus and the focus is on one thing, looked at in depth and from many angles." It is about comprehensive understanding and the search for completeness (THOMAS 2011: 23). Case studies serve as a vehicle to conduct data that can be analysed, compared and transformed into generalised, nomothetic recommendations. A single case study as such "[...] is an intensive and comprehensive descriptive study of a single case [...] [and] can involve any number of data collection types, including any mixture of quantitative and qualitative approaches [...]" (MONTELLO & SUTTON 2006: 124).

The combination of various single cases leads to the multiple case study approach, which "[...] explore[s] how findings generalize to various types of cases" (MONTELLO & SUTTON 2006: 124). It is an additional step to avoid exclusively idiographic results through the combination and synthesis of idiosyncratic outcomes. The multiple case study approach can be characterised as a sort of intensive research as long as the comparisons are made within one specific unit which is analysed "in

depth” (SWANBORN 2010: 5). There is the choice of three levels at which the selected cases can be observed: the micro, the meso and the macro level, where the foci lay either on one actor or more than one actor levels (SWANBORN 2010: 6 pp.).

As indicated before, international comparative analysis is a double-edge sword. On the one hand, it provides a way to gain knowledge in a broader context and to reach beyond the outcomes of idiographic analysis. On the other hand, comparative analysis is not unproblematic and open to criticism, especially in an international context. CARPETENTER & LEES (1995: 286) raised the awareness for biased assumption making, holding dimensions constant or focussing on explanatory variables. However, in gentrification research they identify a crucial strength within international comparative analysis which “[...] lies in its questioning of generalisations about the gentrification process and an emphasis on international differences” (ibid.).

To summarise, the added value of comparative multiple case study analysis lies in acquiring a comprehensive knowledge, which considers the specific context at every level of analysis. In order to achieve this added value, comparative multiple case study analysis has to follow a number of considerations that have to be defined and explained transparently (ibid.):

1. Aim, background and specific interest of research.
2. Limitations of validity.
3. Level of comparison.
4. Selection of case studies with regard to specific context at every comparative level.
5. Development of analysis grid.
6. Case study analysis based on analysis grid.
7. Synthesis and generalisation of results.

Based on the study focus as to how far and why the results of urban rejuvenation practices differ in the three state systems, this study follows clearly the multiple case study approach. This approach has evolved into a comparative multiple case study approach, with a comparative component being added to ascertain and elaborate on similarities and differences of outcomes within distinguished local settings. The result of urban rejuvenation practices can be derived from the visible outcomes of a renewed urban fabric. It is assumed that, within a predominantly residential neighbourhood, investment in the built environment manifests itself in a renovated housing stock as well as in improved and state-of-the-art technical and social infrastructure.

The main driver behind investment and therefore physical urban infrastructure are the motivations and actions exhibited by different actors. According to SWANBORN (2010: 7), the level of this dissertation can be identified as a meso-level analysis where more than one actor is involved. The multiple case study approach is therefore enriched by a multi actor analysis that paves the way to understanding the logic of actions along the chain of actors. In consequence, this analysis chooses three neighbourhoods with highly dynamic urban rejuvenation and gentrification outcomes related to their local context. The contextuality of analysis is particularly important as statements of the success or failure of urban rejuvenation practices have to be made in consideration of respective nation’s system and economic situation, political and institutional framework as well as local policies and practices.

6.2 A Mixed-Methods Approach: Qualitative Policy and Actors Analysis Supported by Quantitative Data

“Qualitative research humanizes science.” (HENNINK et al 2011: Foreword)

Why qualitative research?

Qualitative research comprises a variety of methods such as in-depth interviews, observation and content analysis, which include the perspective of participants within the specific analysis. This implies in return that the researcher is able to identify relevant issues and “[...] understand[s] the meanings and interpretations that [...] [study participants] give to behaviour, events or objects” (HENNINK et al. 2011: 9). It is not only about practicing and conducting the specific qualitative method, it is more about handling the intermingling of underlying concepts, and about conducting the research and analysing the data, all of which require the skill of objective interpretation (see HENNINK et al. 2011).

A look at current scientific research in urban studies reveals a predominantly qualitative approach, especially when it comes to gentrification research. Since the 1980s there has been a shift in analysis when the quantitative analysis of statistical data become en vogue, but a statistical analysis still relies on the quality of data. Especially in gentrification research does it not seem easy to trace displacement based on quantitative data. Not only do actuality and detailed information matter, the accessibility to databases and small-scale data is also important. As a consequence, mixed-method approaches may contribute to a valid analysis of complex research questions.

Within this dissertation, the mixed-method approach is implemented through a qualitative core analysis represented by policy and actor analysis complemented by quantitative neighbourhood profiles that also include photo documentation. The criteria for socio-demographic and housing market changes follow FIGUEROA’s (1995: 226 pp.) argumentation summarising variables for gentrification measurement and identification at the neighbourhood level. He also refers to LEY’s calculation of a social status index “[...] based on a mean value of the percentage of the workforce employed in the quaternary sector (professional, managerial, technical and administrative jobs); and the percentage of the population with university education” (LEY 1986 in FIGUEROA 1995: 226). This “social status index” allows quantitative analysis to take one step further and to develop a “gentrification index,” which is “[...] calculated as the difference in the social status index in a census tract for different years” (FIGUEROA 1995: 226). Both indices allow for an identification of ongoing trends.

However, the calculation of both indices turned out to be not feasible within this analysis due to data limitation. Nevertheless, data selection and analysis follows the ideas by LEY and FIGUEROA and attempt to contribute a comprehensive understanding of quantitative characteristics. As to changes that occur in the built environment, housing market data may reveal both visible and invisible changes and support personal perceptions with numbers. Visible changes may be underpinned by figures related to private and public investment in redevelopment. In this case, the numbers on public subsidies with regard to redevelopment might become relevant, too. Invisible changes refer to property structures and prices.

With regard to gentrification, there can be “[...] [t]ypically [found] an increase in the number of housing and/or property sales and prices” (FIGUEROA 1995: 228). This can be used as an indicator of housing market volatility, providing evidence of time-spatial dynamics. The increase in the number of housing units has to be analysed in more detail as it could provide evidence for housing being created at the high-end and luxury level. This might serve as an additional argument for ongoing gentrification. Also, shifts from rental to owner-occupied housing might be proof of gentrification. Such a shift would identify not only the influx of more affluent new residents, but also certain exclusionary processes if no affordable new housing is created at the same time. Another indicator contributing to the argument of luxury housing creating refers to apartment size. The increasing size of apartments can be used to express physical changes of existing housing supply that might result from a consolidation of smaller ones, mostly before renovation. As larger apartments imply higher financial investments, this might also be an indicator for gentrification.

The quantitative neighbourhood profiles are complemented by photographic documentation that visualise urban rejuvenation processes in Williamsburg, Mariahilf and Prenzlauer Berg. The pictures were selected based on six categories:

1. Current housing stock before urban rejuvenation.
2. Proceeding urban rejuvenation.
3. In-fill development.
4. Luxury housing development.
5. Spill-over effects to built environment and open spaces.
6. Locational characteristics.

In conclusion, qualitative research methods allow the analysis of a complex process that cannot be understood through an exclusively extensive quantitative research method such as, for instance, multivariate analysis of data collected through a survey (SWANBORN 2010: 4 pp.). Nevertheless, the value of qualitative research results can be enriched through the addition of quantitative data. In this case, the research question is analysed from various perspectives that might indicate a triangulative research design. However, this study does not claim to implement a methodological triangulation as the qualitative and quantitative methods are not equally balanced. Rather, the empirical analysis within this study is focused on a predominantly qualitative approach.

Therefore, the empirical part of this research starts with quantitative neighbourhood profiles like those explained above in order to identify changes within recent years and to support the arguments for sample selection. An assumed transition of socio-demographic composition might correlate with numbers of investment in a renewal and/or new construction of the built environment. Evidence of physical upgrading processes might even run parallel to gentrification, which builds the bridge to the main part of this study: the qualitative analysis of urban rejuvenation policies as well as the rationales and behaviour of key actors within local urban rejuvenation processes.

Policy analysis offers the chance to understand the political framework in which a city and its opportunities for political action are embedded. Compared to “politics” (*politische Prozessforschung*) and “polity” (*politisches Organisationsgefüge*), “policy analysis” (*Politikfeldanalyse*) searches for the similarities and dissimilarities in specific manifestations within a specific field of policies (FAUST & VOGT 2010: 396). The specific manifestation represents the dependent variable, whereas institutions and interest-oriented actors represent the independent variable (ibid. 2). Policies are the product of conflicts, as they are “[...] made through socio-political processes [...] rather than by intellectual and deliberative choice [...]” (RONDINELLI 1973: 14).

Conducting a policy analysis in the traditional sense would lead to “means-end rationality” (HERMANS & THISSEN 2009: 808) or, as MAYNTZ & SCHARPF (1995a: 9) point out, would adopt a perspective of the dichotomy between the legislator on the one hand and the object to be steered on the other. The fragmentation within both groups, subject and object, would not be considered within a traditional policy analysis, nor would the possibility of autoregulation within institutions. However, this analysis also deals with our understanding of policymaking between the relevant actors and its impact on decision-making.

In accordance with the institutional economic research approach as a neo-institutional approach within policy analysis, political phenomena are a product of interests and the structural scope of actions (FAUST & VOGT 2010: 405). This study deals with the understanding of the linkage between urban policies at the meso level and the underlying rationales and decision-making processes of actors at the micro level. Or, following HERMANS & THISSEN argumentation, this analysis focusses on “[...] other factors in policy making, such as power, personal relations, strategic behaviour and strategic use of information [...]” (2009: 808). Policy analysis is crucial in order to understand the political framework, but in combination with “[...] an analytical reflection on the actors that play a role in the policy making realm [...]” (HERMANS & THISSEN 2009: 808) the overall analysis might benefit.

Therefore, the political framework for all three case studies is analysed with a two-tier approach. First, the identification and interpretation of strategic policy documents like urban development plans, land-use plans or rezoning examinations as well as other urban planning instruments, for instance, such as public subsidies for urban rejuvenation investments, uniform land use review procedure (ULURP) or tenants’ protection regulations set the political framework of each case study. Thus, the policy analysis is about the analysis a government does within urban rejuvenation policies.

Second, actor analysis consists of qualitative in-depth interviews where evidence for policy-related motivations or decision-making arises. These results go back to the initial policy analysis represented by urban planning documents and instruments. This contribution provides in turn the perspective of practical implementation and qualitative realisation and allows for a comprehensive understanding of a contextualised political framework. However, the primary aim of actor analysis understands what actors do within urban rejuvenation policies.

The figure below illustrates the interconnection of policy and actor analysis used within this dissertation. Both analyses are not done separately. Rather, the analytical concept attempts to interlink both analysis processes through reciprocally taking the results into account. As Figure 3 illustrates, policy analysis within this study refers to the analysis of policy documents and instruments that focussing on urban renewal policies. It is assumed that it is more likely to realise successful

urban rejuvenation projects as long as there is an overlap between urban policies and its instruments and the strategic behaviour of actors.

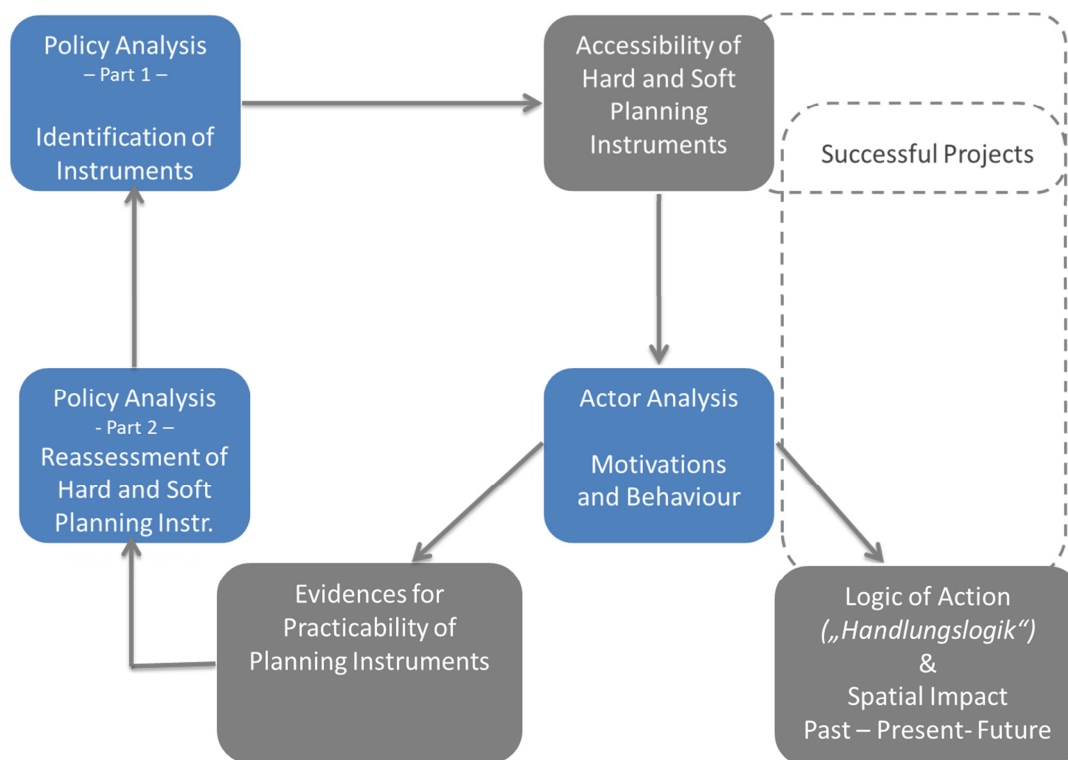


Fig. 3: Interaction of Policy and Actor Analysis (own illustration).

The first step in policy analysis is to identify the relevant planning instruments. This was realised through an extensive literature review, as well as by following up evidence of relevant instruments mentioned during the semi-structured expert interviews. The second step in policy analysis lies in a qualitative interpretation based on an analysis grid.

In this analysis, the self-developed analysis grid is based on RONDINELLI's (1973: 13) five categories of public policymaking. Those categories are refined with regard to urban rejuvenation policies and complemented by overlying dimensions. For reason of methodological transparency, also data sources and characteristics of availability are included into the analysis grid. "Data source" refers to the primary data, for instance, interview transcripts or minutes, and secondary data, for instance, documents. "Availability" refers to whether the documents have been available online or as a print version (see Table 7).

	Dimension	Analysis Category (see RONDINELLI 1973: 13)	Source	Availability
01	Organisation	Structure of policymaking framework and references to macro-micro relations	Planning documents Requirements for regeneration subsidies In-depth interviews	Online Online Transcript; Minutes
02	Communication	Characteristics of urban policy formulation and implementation	Planning documents	Online
03	Strategy	Strategies of steering measures with regard to urban development, housing and gentrification	Planning documents	Online
04	Participation	Processes of interaction between politics and non-political actors	Planning documents In-depth interviews	Online Transcript; Minutes
05	Adaptation	Change-management techniques or flexible benchmarks	Planning documents In-depth interviews	Online Transcript; Minutes

Tab. 7: Analysis Dimensions for Urban Planning Instruments (own illustration).

The interpretation based on the analysis grid shown above follows the procedure of qualitative content analysis by MAYRING (2007) and uses the analysis software Atlas.ti. The analysis procedure includes four steps:

1. **Identification of analysis dimensions:** Paragraphs within planning documents were highlighted that mentioned one of the five analysis dimensions.
2. **Content selection:** Text content that included the specific analysis category was copied and pasted into a spread sheet.
3. **Interpretation:** This abstract was summarised and interpreted in one statement.
4. **Labelling:** The summary statement was transformed into a keyword, which was then used as a quantitative measure for comparative reasons.

The results of the policy analysis are subsumed in the “political framework” which can be found for each case study in Chapter D.

Actor Analysis to Understand Bounded Rational Choice

As the statement on policy analysis shows, policies are made and adjusted by key private and public actors comprising individuals, institutions and organisations. They are all embedded within a political and institutional framework that shapes their decision-making processes. Therefore, the perspective of actors involved in urban rejuvenation practices become relevant or, as RONDINELLI (1973: 15) points out:

“Policy is formulated and implemented through highly fragmented and multinucleated structures of semi-independent groups and organizations in both the publice (sic!) and private

sectors, and through a complex system of formal and informal delegation of responsibility and control.”

A combination of both policy and actor analysis will be implemented in this research in order to understand strategic behaviour of the actors involved in urban regeneration processes. It is assumed that “[...] policy making [i]s a process influenced by external stakeholders” (HERMANS & THISSEN 2008: 811). Such an approach requires, first, the identification of relevant policies and instruments as well as, second, of actors and stakeholders at different local levels. This enables an understanding of the intermingling and overlapping interests between policies and actors in terms of strategic behaviour. The assumption that successful rejuvenation projects in a city might be the result of a high degree in overlapping strategic behaviour justifies the choice of a qualitative actor analysis. Accordingly, this research pays particular attention to policies, instruments, motivations and actions related to urban rejuvenation issues within a specific neighbourhood.

An analysis of local urban rejuvenation processes in particular implies an understanding of the behaviour and motivations of all actors involved in those processes. To a certain degree they all shape the outcomes at neighbourhood level due to their involvement and interaction. Dealing with urban rejuvenation also means understanding the urban policies that underlie the agenda of both the city and the stakeholders. Basically, “[...] policy making is a social process of and between actors, rather than a rational effort to search for the optimal solution given a fixed problem definition” (HERMANS & THISSEN 2008: 808).

In actor analysis approaches, the method of stakeholder analysis understands “[...] policy making as a process influenced by external stakeholders [...] (HERMANS & THISSEN 2008: 811) and focusses particularly on actors’ resources. According to the authors, this method allows us to structure the context of stakeholder’s environment and “[...] to assess the cooperative potential and the threat of obstruction [...]” (ibid.). Therefore, it is necessary to identify the relevant “[...] [s]takeholders, their interests and influence [...]” and to use “[...] documents and [...] interviews with stakeholders [...]” as sources of information (ibid.).

Identification of Actors

The table below shows a first attempt to systemise relevant actors within urban rejuvenation processes, their behavioural approach, instruments as well as motivating and influencing factors:

	Public Authorities	Private Public Partnerships	Private Institutional	Private (Individual)
	Initiation of Gentrification	„Light-House“ Gentrification	Gentrification	Soft Gentrification
Steering	Top-Down	Top-down/ Bottom Up	Bottom Up/ Top-down	Bottom Up
Instruments	▪ Laws and Zoning ▪ Planning Tools (e.g. historical district) ▪ Capital (e.g. tax reductions, subsidies)	Monetary Investment Decision	Monetary Investment Decision	Monetary Investment Decision
Motivation/ Influencing Factors	▪ Objectively: demography, return of locations in the inner city ▪ Politically: votes	▪ Objectively: demography, valorization of location, ROI ▪ Institutionally: political influence, leverage through public funds and zoning	▪ Objectively: ROI, building permit ▪ Institutionally: image cultivation	▪ Objectively: increase of value ▪ Personally: Perception of “how to live” and quality of life

Tab. 8: Actors Involved in Physical Upgrading Processes, Motivations and Applied Instruments (own illustration).

This analysis focusses only on actors who are directly involved in urban rejuvenation policies represented by physical upgrading processes of urban neighbourhoods through their own planning or investment decision. Therefore, four relevant groups of players also represent the sample of experts within the qualitative interviews conducted in this study:

1. Public authorities
2. Public-private partnerships
3. Private institutional companies
4. Private individual investors

Public authorities represent the municipal departments in charge of urban planning. Decision-making predominantly follows a top-down approach. They use laws and zoning measures as well as planning tools like business improvement or historical district in addition to financial incentives like tax reductions and subsidies in order to attract investment to urban neighbourhoods. They rely on the decision-making of private public partnerships, private institutional and private individual investors and aim at two objectives: first, to influence demographic factors and the return on investment in inner cities; second, to gain votes as successfully as possible. Despite investments in public housing, public authorities mostly do not directly invest on a large scale in the housing stock of urban neighbourhoods. Rather, in most cases they collaborate with the private sector directly or through public-private partnerships to initiate gentrification processes at the specific local level.

On the other hand, public-private partnerships follow both top-down and bottom-up approaches in order to create new housing options, leading to the effects of “lighthouse gentrification.” It is assumed that top-down decision occur within development projects initiated by the public sector in need of a private investor. In contrast, public-private partnerships might act bottom-up when the conceptual idea comes first and gets realised through the involvement of the private sector. Based on a monetary investment decision, public-private partnerships do aim not only at demographic issues, but also at the pure valorisation of the location and return on investment. The combination of public and private interests secures political influence to a certain degree, whereas economic interest is motivated by the leverage effects of public funding and zoning incentives.

Private institutional investors like bank consortia or real estate funds clearly focus on bottom-up decisions accompanied by a certain amount of top-down decisions. They apply monetary investment decisions in order to obtain building permission and a return on investment of the planned project. Real estate relies more and more on branding strategies. Selling and purchasing real estate value is no longer about location only; rather, it is also about selling and buying a certain feeling or image. Examples can be found in high-rise projects where the element of sky is sold (e.g., Aura Condos in Toronto: “Own a piece of the sky”), in greenfield housing construction (e.g., in Vienna: “aspen Vienna’s Urban Lakeside”) or in loft housing projects (e.g., creative living environments like Andy Warhol’s loft factors in SOHO, New York City). The storyline for a real estate investment, however, comes first and is crucial for positioning, image building and marketing and finally optimising return on investment. Top-down decisions might evolve during negotiations with the public sector including building permission, density or supply of technical and social infrastructure.

Finally, private individual investors rely on their individual investment interest aiming at the stabilisation or increase of private value. The realisation of individual lifestyle expectations and quality of life lead to bottom-up decisions that may lead to soft gentrification processes when an accumulation of private investments occurs within a certain spatial entity. Private individual investors can be represented by single private individuals, but also by new forms of private collaboration, for instance, an association of private investors in the real estate market (*Baugruppen*).

This analysis focusses on the interaction between urban rejuvenation policies and the political, economic or social stimuli that motivate actors and institutions to support a physical upgrading process within an urban neighbourhood through a planning decision or financial investment in the built environment. In this line of research, and in addition to the role of policies, the role of actors and institutions and the interaction between them becomes relevant. Developing a theory explaining urban rejuvenation policies and the rational choices underlying investment in the built environment requires an actor-centred approach. Actor-centred institutionalism combines these dimensions; its conceptual framework approaches the question of cooperation and decision-making between actors and institutions (MAYNTZ & SCHARPF 1995b: 39).

While not a theory, actor-centred institutionalism provides an ordering system of locations and relationships between the actors involved and their effect on observable outcomes. It is rather a research heuristic as it provides academic attention to certain aspects of reality (ibid.). Following the argumentation by MAYNTZ & SCHARPF (1995b: 43pp), institutionalism refers not only to political institutions, but also includes all relevant actors within the specific area of analysis. Thereby, the analytical dichotomy overcomes by a double perspective of actors and institutions (ibid. 46). The

context of behaviour formed by institutional factors becomes relevant. This context can be characterised as being stimulating, facilitating or restrictive. Within the framework of actor-centred institutionalism, the behaviour of so-called corporate actors – institutions that are capable of acting – take centre stage. But because decisions are also made by individuals, the role of singular actors is also important to be considered.

These considerations lead to the necessity of a multi-level perspective where the institutional context frames the behaviour of private and public actors, institutions and organisations (ibid. 44). The behaviour of those actors is mostly considered as an agglomerated behaviour as an analysis of individual behaviour would exceed research possibilities (ibid. 50). On the other hand, tasks of institutional framework conditions can be described as follows: defining regulations, constitution and constellations of actors, structuring of behaviour orientation and influencing the specific situation of behaviour. But the institutional framework is not a closed system with an unlimited scope of influence. The reason for this can be found in the self-organisation of individual actors, especially when it comes to the allocation of resources (ibid. 49).

This study broadens the understanding of contextuality and adds the political dimension to the institutional context. One of the hypothesis of this analysis claims that local political and institutional framework conditions impact decision-making and rational choice of actors involved in urban regeneration practices. When it comes to results and explanations, it is important to mention that observable behaviour of actors are seen as “proximate cause”, while the institutional framework conditions act as “remote cause” (ibid. 46). This is considered within the policy and actor analysis.

Stakeholder Analysis as a Method Focussing on Actors' Resources

Speaking about actor analysis might seem practicable, but with regard to HERMAN's & THISSEN's (2008: 811 pp.) list of methods focussing on actors' resources, there is apparently a need to specify the approach of the applied actor analysis within this study. This analysis aims at understanding the motivation and decision-making of actors involved in urban regeneration practices. It is not only about their environment, but also about their strategic behaviour and participation in urban regeneration. Given the fact that stakeholder analysis seems to follow this specific interest of research, this study applies a stakeholder analysis that collaborates with “[...] stakeholders with influence on project success and interest in its outcomes [...]” (ibid. 811).

Compared to the general term “actor,” “stakeholder” inherits the connotations of power broking, strategic participation and distribution possibilities of resources. BRYSON (2004: 22) provides a definition made by R. Edward FREEMAN in 1984, who “[...] defined a stakeholder as ‘any group or individual who can affect or is affected by the achievement of the organization's objectives’ (1984: 46). Stakeholders have a stake, as the term itself already implies. This stake can be related to material and financial property or to some immaterial interest in a distinct issue or system. Owning a stake is strongly connected to interest, power of influence, property and resources, as well as to strategic decision-making. Processes of interest preservation by stakeholders take place at any level in society or institutional setting. For an institutional environment, one can distinguish between local, regional, national and international levels. The character of participation is also different: They act either actively or passively.

For a better understanding of stakeholders' motivation and decision-making, this study distinguishes between key, primary and secondary stakeholders who were chosen either because of

their importance or their influence. Key stakeholders are actors who have a significant active or passive influence on the urban rejuvenation process within a neighbourhood or on the success of a particular project. Primary stakeholders benefit from the system or project, whereas secondary stakeholders act as intermediaries within a project. Table 9 summarises all those parameters into a characterisation grid, which will be applied during the identification process of the stakeholders in this study (see ICRA n.d.: 1-3):

#	Stakeholder Type	Level	Participation	Reason Why
1	Key Stakeholder	Local National International	Active Passive	Importance Influence
2	Primary Stakeholder			
3	Secondary Stakeholder			

Tab. 9: Stakeholder's Characterisation Grid (own illustration)

The reason why stakeholder analysis has become more relevant can be found in the macro process of globalisation, which results in an interconnection of processes, power relations and shared responsibilities (see BRYSON 2004: 23 pp.). Both the analysis and our understanding of systems, processes and networks have become more complex. At the same time, there is a necessity to understand the complexity and interaction of stakeholders in order to react and adapt in times of changing frameworks (ICRA n.d.: 2). At the centre of attention are stakeholders who participate as individuals or in groups in decision-making processes (see BRYSON 2004: 23 pp.).

This study focusses specifically on stakeholders who participate actively in urban rejuvenation projects within the three selected case studies. It is not concerned with a micro analysis of individuals or local social groups who are affected by planning decisions or investment in the neighbourhood. The chain of actors within this study stretches from private to public actors, starting at the micro level through with stakeholders who represent the local population, for instance, tenant protection associations or community boards. Therefore, the micro level is represented by an aggregated group of individual actors holding a specific stake. The end of the chain of actors lies at the meso level, with stakeholders who represent both the public and private sector, for instance, urban planners and developers.

Conducting Stakeholder Analysis

The first analysis technique is a typology comprising influence and institutional embeddedness. This typology enables the localisation of the stakeholders as specific types on a four-by-four matrix (BRYSON 2004: 30 pp.). The matrix includes the dimension "type of influence", which covers the range from cultural and communicative influence to policy-making to indirect investment and finally to direct investment. The second dimension is the "institutional embeddedness" of the stakeholders, ranging from individual to private to intermediate to public. As a result, there are two categories of

stakeholders, namely, stakeholders on the supply side and stakeholders on the demand side (see Figure 4).

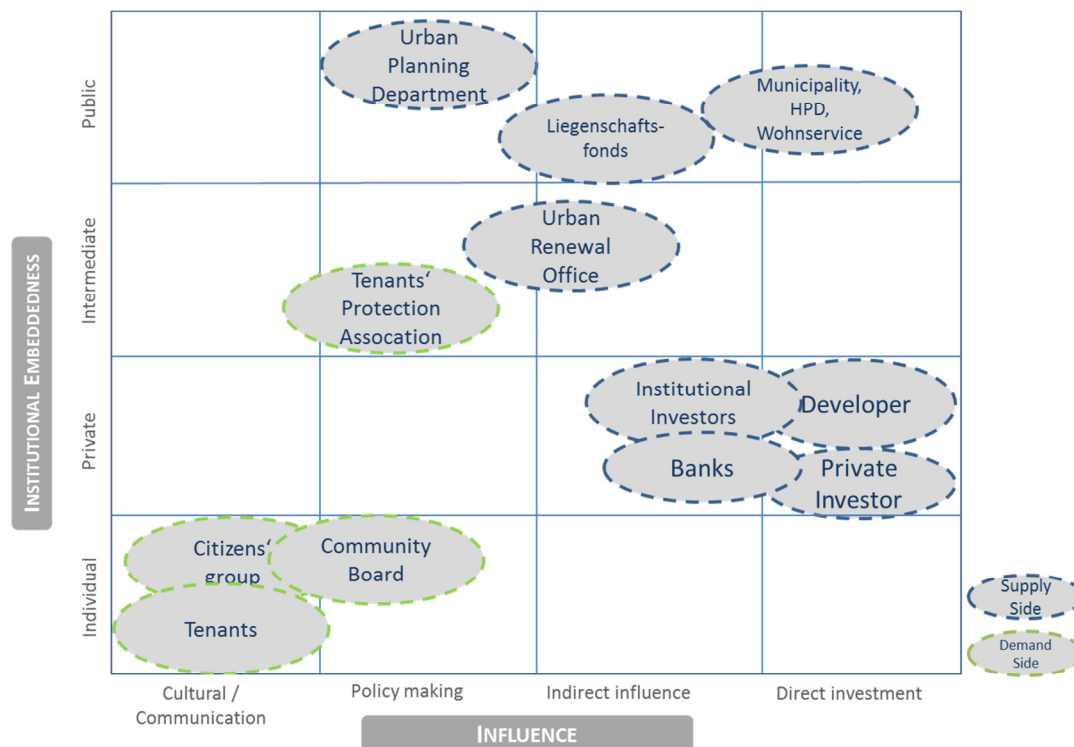


Fig. 4: Influence Versus Institutional Embeddedness Grid (own illustration)

Because the study focusses on stakeholders who are involved in urban rejuvenation strategies, it emphasises the quantitative representation of stakeholders on the supply side. This category comprises for all three case studies six distinguished types of stakeholder:

1. The private stakeholder with indirect influence, e.g., institutional investors and banks
2. The private stakeholder with direct investment activities, e.g., developers and private investors
3. The intermediate stakeholder with a mix of political and indirect influences, e.g., urban renewal offices
4. The public stakeholder with political influence, e.g., urban planning departments
5. The public stakeholder with partly political rather than mainly indirect influence, e.g., local authority real estate offices ("Liegenschaftsfonds")
6. The public stakeholder with a mixture of direct and indirect investment activities, e.g., municipal authorities like the Department of Housing Preservation and Development (HPD), Wohnservice Wien

It might be necessary to specify those detailed types of stakeholder that are not self-explanatory, namely, institutional and private investors. Institutional investors include, on the one hand, "non-property-corporations" like insurance companies, corporations or pension funds that invest into real estate property for reasons of portfolio diversification. On the other hand, it includes investors like open or closed funds and real estate holdings where the business field is located in constructing,

trading and maintaining real estate property (HEEG 2009: 128). In contrast to institutional investors, private investors are explicitly limited to non-corporate investors mainly represented by individuals or "aggregated" private investors, for instance, a group of individuals who collectively plan, construct and finance a private residential project ("Baugruppen").

On the demand side lie two detailed types of stakeholders. First, tenants, who are considered as aggregated actors, for instance, in citizen's group with mostly communicative and cultural resources. Second, private stakeholders, whose political influence is represented by community boards or, as intermediate institution, by tenant protection associations.

The next step in the analysis consists of special consideration of evidence of bounded rational choice. Although the above reveals a shift in terminology from actor to stakeholder, the analysis does not comprise a stakeholder analysis but rather remains an actor analysis. Traditional actor analyses can still provide useful input for setting up the more narrow and specified approach of stakeholder analysis. In general, actor analysis is based on theoretical and operational requirements in order to secure a transparent and structured analysis of policies and behaviour.

In consequence, this study refers to the four theoretical dimensions suggested by HERMANS & THISSEN (2008: 809), namely, networks, perceptions, values and resources. Those dimensions were adapted and extended to a set of dimensions comprising embeddedness, values, resources and rational choice, which form the analysis grid for the actor analysis serving as a core element for analysing the bounded rational choice of actors within urban rejuvenation policies. Table 10 presents the four dimensions of analysis employed according to MAYRING (2007, see policy analysis).

	Dimension	Description	Specific
01	Embeddedness	Political, economic, social and cultural relations between interdependent actors	Frequency, intensity of interactions
02	Values	Directions actors would like to move in	Goals, targets, objectives
03	Resources	Practical means or instruments available to actors for realizing their objectives	Options and instruments to (partially) control an issue
04	Rational Choice	Underlying reasons and arguments within decision-making process	Specific aims, timing, negotiations, political reasons
05	Gentrification Awareness	Awareness whether or not own decisions have an impact on gentrification	Positioning towards gentrification
06	Local Gentrification Processes	Characteristics of gentrification in Williamsburg-Brooklyn, Prenzlauer Berg-Pankow, Mariahilf-Vienna	Local characteristics

Tab. 10: Dimensions of Multi-Actor Analysis
(own illustration adapted from HERMANS & THISSEN 2008: 809 pp.)

6.3 Choice of Sample

In this analysis, the sample refers to a set of three samples. First, the choice of the neighbourhood case studies; second, the choice of samples within policy analysis; and third, the choice of samples with regard to the actor analysis. All three samples follow the conceptual idea of contributing to a comprehensive understanding of urban rejuvenation policies and what impact urban renewal processes have on gentrification.

Selection of Neighbourhood Case Studies

Three case studies are used within the multiple comparisons to cover the range from hardly to highly dynamically gentrifying neighbourhoods. This approach aims to identify the various underlying policies and practices that stimulate or retard gentrification.

The selection of the three case studies is based on two approaches. On the one hand, the choice was made based on personal perception of some significantly changing neighbourhoods in New York, Berlin and Vienna. In this context, change refers to visible upgrading processes in the built environment, to a different commercial variety and to a shift in public awareness in the media ("place-to-be"). On the other hand, the choice of case studies is based on socio-demographic and housing market data that support the original arguments of personal perception. At the same time, macro and structural components are considered as selection parameters as well.

Based on THOMAS (2011: 77), the selection of the three case studies derived from the origin of every single case as a "key case" that in each city serves as a good example for neighbourhood

rejuvenation processes leading to evidence of gentrification. All three cases represent growing cities that are prominent cases of successful adaptation of older city structures into new conditions of global competition. Although the political and economic frameworks range from free-market to social welfare, all three cities are representatives of renter-occupied housing markets with a well-established system of rent regulation. In addition, all three cases offer both competitive advantages and challenges and must attract new young professionals to fuel their adaptation. The results of gentrification may be a key example of implementing that goal. Historically grown neighbourhoods, located at a certain proximity to the city centre and providing a specific mix of unique selling propositions like location, attractively built environment or commercial variations, might turn into places of abode for those new young professionals. The allocation of newly built or transformed attractive neighbourhoods is influenced by public and private decisions and investments. Therefore, all three cases address the question of how different specific local policies yield different neighbourhood trajectories, which in turn contribute distinctively to larger urban adaptation processes.

The Sample for Policy Analysis

The selection of planning documents and instruments is based on their relevancy for urban rejuvenation policies, level of political scale and actuality. In order to achieve a representative and comprehensive sample of planning documents that impact urban rejuvenation processes in all three case studies, also online media monitoring was chosen as a useful tool in addition to recently changed or new planning instruments. In the end, the sample for policy analysis in this analysis looks as follows:

	NEW YORK CITY	BERLIN	VIENNA
Urban Development Plan	PlaNYC, 2011 The New Waterfront Revitalization Program, 2002 New York City's Brownfield Incentive Grant (BIG) Program, 2010	Gesamt-Berliner Stadterneuerungsprogramm 1993-1995 [Urban Renewal Programme for Berlin]	STEP 05 in combination with Visions for STEP 2025 (revised version of STEP 05; currently in progress) Strategieplan, 2004 [Strategy Plan 2004] Regierungsabkommen 2010-2015 [Coalition Agreement between Social Democratic Party and Green Party 2010-2015]
Housing Plan or Program	New Housing Marketplace Plan, 2010 Greenpoint-Williamsburg Inclusionary Housing Program, 2005	n.a.	n.a.
Neighbourhood Development Plan	Greenpoint-Williamsburg Waterfront – Waterfront Access Plan, 2004	Sanierungsgebiete [Urban Renewal Areas] (<i>expired</i>) - Teutoburger Platz, 2013 - Kollwitzplatz, 2009	n.a.

Zoning Plan	Rezoning Affecting Manufacturing Districts: 2002 to 2012, BROOKLYN Contextual Rezoning & Rezoning Affecting Manufacturing Districts, 2009	Ausgleichsbeträge gemäß § 154 BauGB für Sanierungsgebiet Prenzlauer Berg [Payoffs for Redevelopment Area in Prenzlauer Berg]	Area Zoning and Land Use Plan, 2013
Urban Renewal Programme		Grundsätze der Behutsamen Stadterneuerung [Principles of Gentle Urban Renewal] Leitsätze zur Stadterneuerung für die Sanierungsgebiete in Berlin [Guiding Principles for Urban Renewal in Redevelopment Areas in Berlin], 2005 27. Bericht über die Stadterneuerung [Report on Urban Renewal], 2009 Steuerliche Förderung § 7h EStG [Tax Abatement § 7h Income Tax Law]	Zielgebiete Sanierungsförderung, 2006 [Target Areas for Urban Renewal] Wiener Wohnbauförderungs- und Wohhaussanierungsgesetz (WWFSG 1989) / Stadterneuerungsgesetz 1974/ Sanfte Stadterneuerung with ▪ Blocksanierung [block redevelopment] and new target areas ▪ Sockelsanierung [base redevelopment] ▪ Urban Renewal Offices (report by Austrian Court of Auditors), 2013
Landmark Regulation		Städtebaulicher Denkmalschutz Ost [protection of historic buildings and monuments in East Germany]: Teutoburger Platz, 2008 Stadtumbau Ost [Urban Redevelopment East Germany]	Ensembleschutz / Schutzzonenprogramm, 2013
Rent Regulation	Rent Guidelines Board Apartment Orders, 2013	n.a.	Mietrechtsgesetz §§ 1 – 42a

Tab. 11: Sample of Policy Analysis (own illustration).

The Sample for Actor Analysis

The chain of actors shows that this analysis comprises a well-balanced combination of stakeholders from the private and public sectors within their respective local context. During the empirical data collection it became clear that a certain saturation of relevant stakeholders was achieved when PRIV_NYC (2011) asked: “Where did you get all these names of people?” after explaining who had already been interviewed for this study. Before interviewing stakeholders, one must first identify stakeholders based on the purpose of the study and the question “[...] who should be involved in the analysis and how” (BRYSON 2004: 27 pp.). The preparation of a stakeholder analysis requires the identification of relevant stakeholders within the specific local context and an explanation of choice

based on the study purpose, the characteristics and expected participation outcomes of the chosen stakeholders (see BRYSON 2004: 27).

“Identifying stakeholders is an iterative process” (ICRA n.d.: 3). Therefore, identification of stakeholders within this study was done through an extensive reading of the scientific literature, past and current media releases as well as through the application of a “snowball system.” The latter turned out to be the most target-oriented and successful tool during the identification process and organisation of interview meetings. During the expert interview, the initially selected stakeholders mentioned or recommended new stakeholders or development projects. Those references were utilized to identify and contact additional stakeholders. This contributed to a well-balanced comprehensive choice of stakeholders. Although the topic of interest is currently well debated, the sensibility of gaining information from stakeholders should not be underestimated. The interview partner may want to remain anonymous throughout the entire analysis and the dissemination of results. Nevertheless, the link between individual opinions and urban policies and its sensitivities became obvious during the interviews.

After identifying stakeholders, the actual choice of stakeholders was based on the five-step process described in BRYSON (2004: 28 pp.). At the end of the selection process, a first idea of institutional framework, power and potential contributions was built up for every stakeholder. In total, more than 70 stakeholders were contacted and 32 were finally met for face-to-face interviews between 2011 and 2013 (see Figure 5). The goal for all potential interview partners was to reach out at the director’s level, which was achieved in most cases.

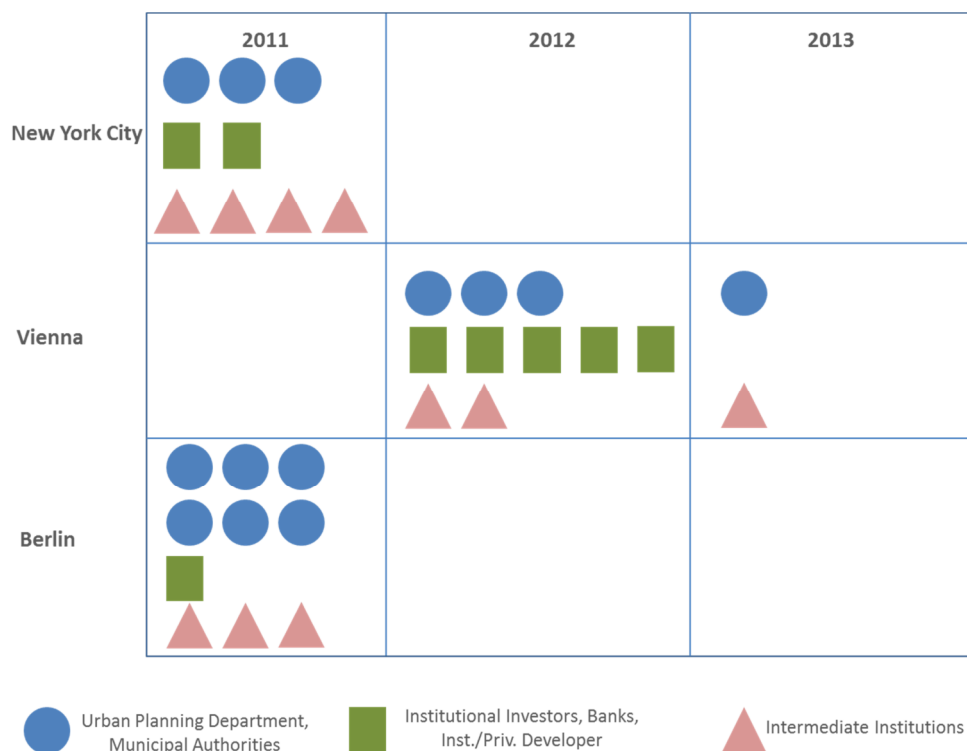


Fig. 5: Conducted Expert Interviews 2011-2013 (own illustration)

Interview Guide and Interview Conduction

Based on the stakeholder selection, the semi-structured expert interviews were conducted face-to-face, mostly in the office rooms of the interview partners. Most interviews lasted at least 60 minutes. Shorter interviews were conducted with developers and leading employees from municipal departments who had limited time resources. Longer interviews occurred mostly with experts from intermediate institutions.

The interviews were based on an interview guide that has been adapted for the specific local context, resulting in three guides for New York City, Berlin and Vienna (see Appendix). Each contextualised interview guide was adjusted with regard to the interview partner. For instance, the interview guide for developers focusses more on investment decisions, whereas the interview guide for intermediate stakeholders emphasises the situation of the residents. The interview guide includes four categories specified by detailed questions:

1. Introduction
2. Urban renewal, rejuvenation, planning and upgrading
3. Gentrification in the local context
4. Future gentrification

The first category serves as an introduction for the interviewer and the interviewee. Information on occupation and position are relevant for indicating resources and influence within urban rejuvenation processes. The second category concerns the topic of gentrification and urban planning in general. The purpose of this category is to build up a common understanding on the meaning and history of gentrification in general and the general organisation of urban planning within the local context. More detailed questions on the specific gentrification process in the selected case study follow in the third category. Here, special emphasis lies on identifying relevant actors who contributed to the local gentrification process and their resources. Additionally, the role of the interview partner is reflected on, and underlying rationales for certain urban renewal decisions or investments that paved the way for gentrification are discussed. Finally, the fourth category hints at the future: The interview partners are asked for their personal assumption of how the future of the selected case study will look like and where the upcoming gentrification hotspots will be located. Interestingly, this category seems to comprise the most difficult questions for the interviewees as they mostly reacted cautiously to projecting future developments. This might be a consequence of the specific professional occupation of the interview partners since any assumptions about the future might have political impact and consequences in the public debate.

7. Research Design and Scope of Research

The general research design is based on four phases (see Figure 6). The first phase is the conceptual framework, which includes the research interest and relevance, the research question and formation of a hypothesis as well as the theoretical concept. The second phase represents the stage of data collection including neighbourhood inspections and mapping, quantitative data collection, identification of relevant policy documents and instruments as well as semi-structured expert interviews based on an interview guide. The third phase comprises the analysis and contextualisation of gathered data and information. To enhance research quality and cohesiveness, we evaluated those interim results via external reviewers represented by interview partners from the actor analysis or new experts within the field of urban renewal. Phase four includes the final results and the reflections on those that reflect on the theoretical concept, extending the existing theories on urban rejuvenation and gentrification.

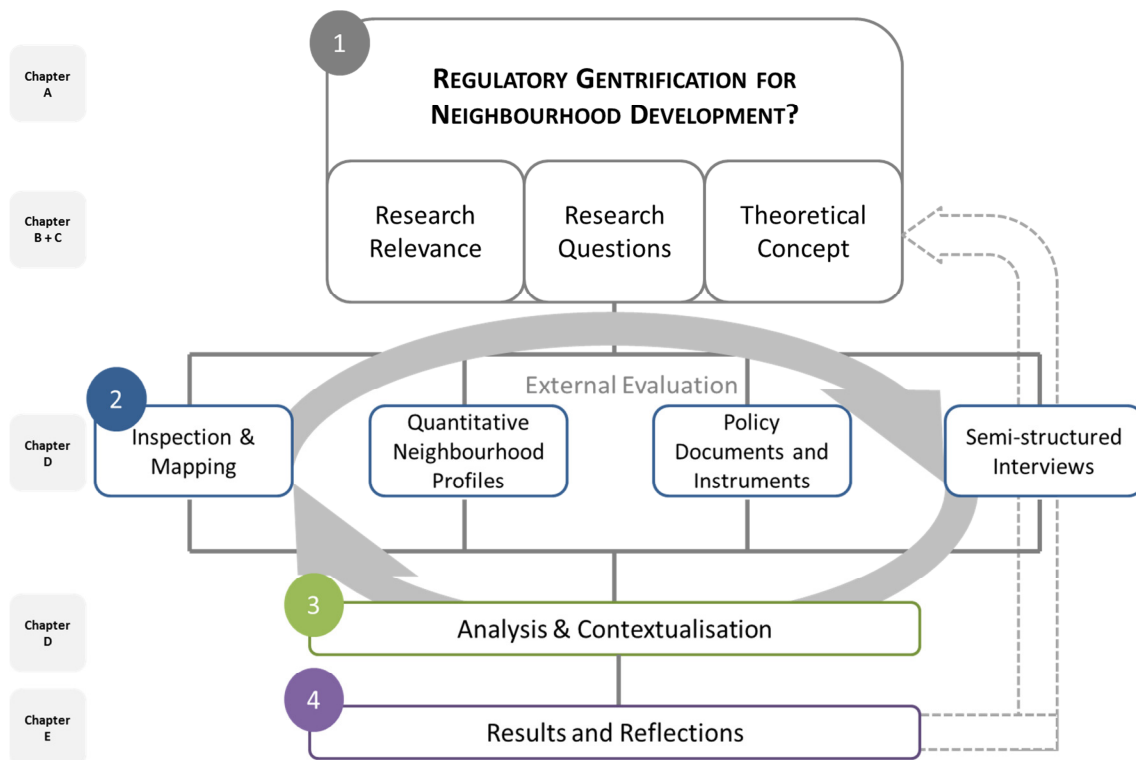


Fig. 6: Implemented Research Design (own illustration)

To sum up, the research design implemented aims at interconnecting the four phases from theoretical framework to the final results. In addition, there is a strong emphasis on the external evaluation of interim results, which contributes not only to the academic quality but also to a knowledge exchange with practitioners.

Scope of this Study

The comparative component of this research leads to an analysis of the dimensions of urban rejuvenation policies and practices distinguished at the city and neighbourhood scale. Combined with the implementation of three international case studies, a transatlantic understanding contributes to the identification of national and international urban trends. The emphasis of this study also lies on a nomothetic method of gaining new knowledge. The individual case study within this research might be considered as idiographic examples selected because of general urban theories like the urban cycle models. The analysis and comparison of individual results leads to a synthesis that fulfils the claim for generalised outcomes.

Therefore, the validity of this study is framed, on the one hand, by a dimension related to the scope of gaining knowledge in general and, on the other hand, by a dimension that limits the validity within the detailed core knowledge. The scope of study results is based on the "good practice of academic research" where the complexity of the research topic is analysed completely. Nevertheless, any gain in knowledge may be limited where new or unfamiliar fields of research are encountered. Here, the depth and quality of analysis relies on the quality of the research process as well as on information provided in expert interviews. To ensure the latter, the selection process for stakeholders aimed at getting in contact with persons on the director level who deal particularly with the economic side of urban rejuvenation practices. The interviews in all three cases gained a specific saturation in information outcome, which is reflected in the quality of the research results.

However, the risk remains that not all necessary experts were involved and that "white spots" remain in this field of research. Those should be understood as anchor points for further research. Additionally, the quality of the research process is supported by a comprehensive methodological and theoretical framework that was reflected and improved after various supervision meetings, presentations within the doctoral courses and at international conferences. The feedback provided on the research framework was included consciously and reflects a state-of-the-art approach to handling the topic of gentrification embedded in the larger context of urban regeneration processes.

Nevertheless, two limited foci in terms of methodological validity have to be pointed out. First, the analysis of policy considers only a documental analysis of policies, planning instruments and financial subsidy system within the scope of urban rejuvenation policies. It does not include an analysis of changing political streams, discourses or positions of political ideology. Second, actor analysis is conceptualised with respect to understanding rationales and to their applicability within one single study. It does not include a network analysis to illustrate the power relations between the agents and to quantify available resources.

As to the validity of this dissertation in terms of core and thematic knowledge, it should be emphasised that the influence of state system is one of the main drivers behind differences impacting policies and decision-making processes and therefore influencing the dynamics of gentrification processes. Following the identification of "gaps" in "[...] global[ized] [...] types of analysis of gentrification [...]" (BUTLER 2007: 165), an Atlantic gap (LEES 1994), a European gap and even intracity gaps can be identified. Such a gap refers to a lack of "[...] understanding of the local social relations in which the gentrification process is taking place" (BUTLER 2007: 165). Therefore, this study aims at closing all three gaps by providing a comprehensive overview of local socio-demographic, economic and planning characteristics. Thus, this analysis can be located on the meso

and macro levels. A micro level approach would have been necessary for an in-depth analysis of the social component. This scale, however, is not part of this analysis, although actor analysis is aware of the existence and influence of individuals. Therefore, the micro level is considered an aggregated actor by the analysis of, for instance, community boards or tenants union.

In this study, the partial exclusion of the micro level referring to residents who are affected by gentrification processes limits its validity on the rationales underlying the investment behaviour of actors within urban renewal processes. The emphasis lies on the physical urban fabric as a mirror of investment decisions supported by policies and financial investments. The study does not cover the effects of displacement or exclusion; those social aspects within gentrification research may be found in a vast amount of academic literature in which the operationalisation of displacement remains a challenging theme.

Finally, complexity is a crucial part within this study, which attempts to identify macro trends that have a significant impact on urban rejuvenation processes in specific neighbourhoods. However, this study is not capable of following comprehensively the complexity approach as this would go beyond the realistic aims of a single study. One could scale down the scope of research to an understanding of planning priorities and rationales within urban rejuvenation processes. This hints at the combination of policy and actor analysis which is able to frame the political and institutional framework and actors' embeddedness within urban development projects. Nevertheless, the analysis acknowledges and addresses the need for interlinked research designs and refers to DELANDA's (2006) assembly theory, which may serve as future concept for dealing with complexity within urban research.

Chapter Overview

This study comprises five main chapters building on each other. Together they spin a thread around urban rejuvenation in general and inherent gentrification in specific. Chapter A provides an introduction to the current situation of growing cities in the United States and Europe, accompanied by the academic state of the art on urban research. This sets the stage for the identification of a lack of research incorporated into Chapter B. There, the general research interests and approaches are formulated and form the bridge to exact research questions, hypotheses and aims. The detailed explanation of implemented methodology finally leads to the development of a research design that includes the empirical research approach and the limitations of this study. A comprehensive overview of theories with regard to urban comparison, gentrification as well as bounded rationality and embeddedness is provided in Chapter C. This theoretical framework serves both as a basis and a "corrective" for the empirical analysis in Chapter D. The main findings of the empirical analysis are synthesized in Chapter E and contribute not only to new knowledge in gentrification research; they also refer partly to and extend the theoretical framework of this dissertation. Future neighbourhood trajectories provide the basis for policy recommendations that conclude this dissertation.

C. Assorted Theories, Terms and Concepts with Regard to Urban Rejuvenation Practices

Chapter C illustrates the theoretical concept of this study, which is built on three pillars: the urban comparison of three cities, the cyclical nature of investment and disinvestment stages, gentrification and the bounded rationalities that steer the urban upgrading processes.

The fact that US American cities are inherently linked to private capitalism and German and Austrian cities are linked to social welfare state systems has a large impact on the dynamics of urban transformations in the selected cities New York City, Berlin and Vienna. The state system and real estate economy seem to be necessary in order to link macro forces like globalisation or neoliberalism with the micro effects and visible impacts like urban upgrading or gentrification processes found in selected neighbourhoods. Macro trends at the global scale may indicate certain urban changes in the future; but they can predict neither the localisation at micro level nor the dynamics of time or spatial extension. This is where this study enters the picture: It links the macro forces with the micro impacts evident in the existence of a renaissance of cities. The question is also raised as to how far tendencies of convergence or divergence can be identified with regard to current and future development of the real estate economy in the United States, Germany and Austria, although the state systems and real estate economies differ significantly.

The first pillar of this study is the approach of *urban comparison* taking into account the existence of different political systems and real estate economies in the United States, Germany and Austria. Any consideration of general underlying national characteristics points to differences and similarities as well as to evidence of convergence and divergence on both the global and national level in terms of urban development and urban rejuvenation. This approach is crucial as the study is based on the general research interest of how far differing political systems impact the actors' rationales and behaviours that steer urban regeneration processes.

This study is also based on a second pillar, represented by *urban cycle models* providing starting points for the explanation of gentrification processes. The two poles between decay and regeneration are analysed by identifying the relevant cycle models of urban transformation explaining cyclical investment and disinvestment eventually leading to gentrification at neighbourhood level. Before doing so, this chapter selects and explains the relevant urban terminology since a comprehensive understanding and transparent distinction between similar technical terms is crucial to proceed with an elaboration on concepts of urban development. The cycle models introduce dynamic aspects with regard to time and space, and build the bridge to gentrification processes, which represent very dynamic changes in a neighbourhood face. This study applies the concept of gentrification as a proxy for significant investment in the built environment of a neighbourhood within a certain timeframe leading to an observable change in physical representation and social mix as well as cultural and commercial diversity. Therefore, the term "gentrification" is defined in this chapter comprehensively in order to support the theoretical core concept of this study. Doing so identifies a crisis of gentrification as a concept within academia, political and public debate which leads to a distinctive definition and field of application.

The third pillar addresses *the rationalities behind urban rejuvenation policies and investment and disinvestment strategies* that steer the dynamics of gentrification. Therefore, this chapter introduces the theoretical concept of *bounded rational choice*, which assumes a "satisfying

momentum” instead of optimisation as the core aim of actors involved in urban rejuvenation process. The bounded rational choice concerns the dimensions on which political and individual rationales are based on. Also, the concept of “embeddedness” is used to explain the structural interests of actors within decision-making processes. These dimensions are applied in the empirical chapter, where a policy and actors analysis provides an understanding of bounded decision-making in the urban rejuvenation process.

8. The Approach of Urban Comparison

Urban comparison adheres to a certain tradition of curiosity, where the analysis and juxtaposition of different urban case studies serves to discover new knowledge and install a mutual learning process. Though the added value of comparative case studies within the context of urban studies is unquestionable, there is often critique concerning the comparability of cases and the transferability of the results. The prerequisite for informative and valid urban comparisons is a clarification of the general framework in which the selected cases are embedded. Therefore, this chapter clarifies the urban terminology, the role of cycle models, the political and real estate economy system and evidences of convergence and divergence.

8.1 Similar Yet Different? The Nuances of Urban Terminology

Cities are rather “dynamic systems” (LICHTENBERGER 1992) than static systems under lab conditions; they are embedded in an ongoing transformation both triggered and influenced by a mixture of political, economic, demographic, social and ecological change. These transformation processes within an urban setting lead to the notion of “urbanity,” where certain urban behaviour and lifestyles occur and alternate sooner or later. Various forms of urban transformation with regard to the built environment can be generally summarised under the broader term urban development. This generic term comprises a certain vision of complex processes of change within a city. In historically grown cities, a development vision can be positioned between the two extreme poles of urban decay and urban regeneration accompanied by policies and processes of urban upgrading, urban renewal, urban revitalisation, rejuvenation or reurbanisation.

Here it becomes clear that the range and scope of terminology can get very complex. As HAASE et al. (2010: 458) point out “[...] there is a need for a deliberate use of terms and concepts, even in cases where there are a lot of similarities and overlaps.” More than 20 years ago, LICHTENBERGER (1990: 14) criticised the use of terminology, especially in the context of international comparative research. Beyond the simple content and its similarities of technical terms, the meaning and connotation of English terms and their German counterparts differ more or less significantly within the local context, too. What is common is that all terms describe similar processes, though the differences lie in the detail. Therefore, this chapter aims to identify and clarify the terms that are relevant for physical urban upgrading processes, explaining the national connotation and identifying differences and similarities comparing urban regeneration strategies in North American and Central European cities. This should be seen as the attempt to contribute to a precise understanding and use of technical

terms and concepts in order to improve and ensure the explanatory power of urban development concepts.

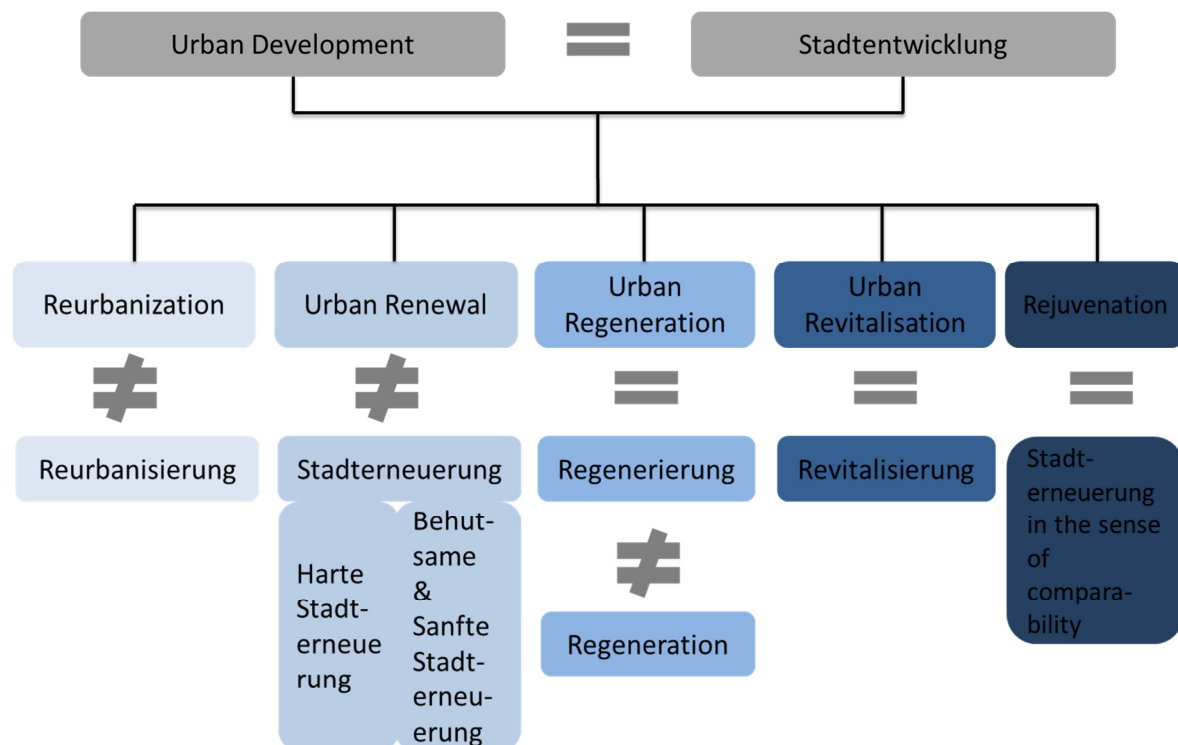


Fig. 7: The Range of English and German Terms Concerning Upgrading Processes in the Built Environment (own illustration).

Figure 7 illustrates the range of terms related to urban processes both in the US American and German-speaking context. They all focus predominantly on the built urban environment and can be subsumed under the umbrella term "urban development". In the figure, the equals and unequals signs hint at whether or not those terms can be used interchangeably as direct translations. Urban development, urban regeneration and urban revitalisation correspond to their German counterparts without any differences in meaning and connotation. Whereas reurbanisation, urban renewal and the German term "Regeneration" need additional explanations in order to avoid misinterpretations and inaccuracy.

Urban Development Equals "Stadtentwicklung"

The umbrella term "urban development" can be used as a translation of the German expression "Stadtentwicklung," concerning all time-limited processes that change the physical and social structures of cities (FASSMANN 2009: 73). LICHTENBERGER (1990: 18) specifies that these processes are placed between the poles of city expansion ("Stadterweiterung") and urban renewal ("Stadterneuerung") in which urban decay might occur as a result of time-lag. She argues that urban development inherits a time component as the process does not occur unilinearly. Rather, it proceeds as a dual-cycle process where two processes complement each other within a dynamic urban system (see explanations on cycle models).

Urban development implicates a general vision for complex processes influenced by general macro trends like demographic and economic change. It is obvious that urban development refers, on the one hand, to a local context and, on the other hand, to macro trends where the city is located. Urban development plans visualise the directions a city should head toward in the future and consider the macro challenges such as climate change, economic crisis or demographic aging. At the same time, urban development plans are also a - more or less powerful - urban planning instrument. For instance, *plANYC* (2011: 3pp), the urban development plan for New York, was finalized in 2007 and communicates the vision of a greener, greater New York. The plan names ongoing demographic growth, economic transformation towards highly-educated workforce while dealing with the impacts of economic crisis, climate change and seeks to ensure quality of life. *STEP05* (2005: 13pp), the urban development plan for Vienna currently being updated for the planning horizon 2025, highlights the importance of linking local urban settings to regional networks that act at the global level in order to be successful in a competition of cities and regions. In Berlin, the urban development plan "Housing" is currently in development and refers to a growing population and increasing housing demands up to the year 2025.⁴

Two levels of analysis have to be distinguished in the concept of "urban development". First, the normative level represents the admired stage of a city constructed by city policies and planning, meaning the target state within a certain period of time. Second, there is the analytical level represented by academic research, which tries to explain the historical component and current urban transformations by the analysis of historical and recent processes (FASSMANN 2004: 86 pp.).

Urban development is driven by certain forces impacting urban development at various levels. FASSMANN (2004: pp. 87) identifies four dimensions of driving forces: first, population and society including demographic and lifestyle changes as well as socioeconomic fragmentation; second, economy as a prerequisite for population growth or decline as well as business development including office supply; third, technologies and innovations especially for traffic and construction, which is becoming more and more important in current discourses on smart cities; fourth, policies and planning, which represent the normative level with a vision on the future of the city accompanied by general principles.

LICHTENBERGER (1995: 22) and FASSMANN (2004: pp. 95) emphasise the importance of political systems that have an impact on the dynamics of certain driving forces. They distinguish between three regimes in which urban development can take place: The socialist regime includes the principle of equality as a model of society. In terms of characteristics of urban fabric, housing can be found in a standardised form along axes of settlement. Socialist regimes prefer urban expansion

⁴ See <http://www.stadtentwicklung.berlin.de>, 2013-09-11

instead of urban renewal and now face processes of post-socialism with rapid suburbanisation and social segregation. Compared to socialist urban development, liberal-capitalistic urban development use social inequalities as stimuli for society. The allocation of location and resources is achieved by market and housing, and housing locations serve as characteristics of social differentiation. In terms of urban fabric, one finds fragmented housing provided by private investors. Within the setting of liberal-capitalistic urban development, urban decay appears on a large scale, as do increasing urban sprawl, re-urbanisation, and gentrification along with ethnic and social segregation. The third regime is represented by urban development within a welfare state regime characterised by mitigated social inequalities through processes of re-allocation. The public sector serves as an actor of protection and compensation. In a welfare state regime, the urban fabric is characterised by the duality of private market mechanisms and state allocation. One can find a sensibility for the conversation of historical structure and upgrading of neighbourhoods facing decay by public sector. Current processes of welfare state systems are suburbanisation, gentrification as well as demographic, ethnic and social segregation processes.

The function of "urban development" as an umbrella term becomes more obvious in light of explicit examples of urban transformation processes in a city affecting the built environment. It comprises transformations from brownfield to greenfield development, from creative interim-use of ground floors to cutting-edge office parks, from redevelopment and preservation of historic to newly built neighbourhoods. The substance – or sustainability – of urban development in a city can be found in a long-term vision with specific measures how to deal with these transformations in a local setting characterised by e.g., geographical position, demographics or local economic conditions.

"Reurbanisation" does not mean "Reurbanisierung"

This study assumes an increasing interest in cities for existing and future residents caused by macro trends and an urban renaissance leading to gentrification processes in highly favoured neighbourhoods. Therefore, it is crucial to clarify technical terms that deal with an increasing attractiveness within an urban setting. On a generic level, the pair of similar terms "reurbanisation" in the US American and "*Reurbanisierung*" in the German context are of interest as both seem to deal with the process of reviving urbanisation.

However, their meanings differ as the US American context understands "[...] [b]y reurbanization, or alternatively desuburbanization, [...] the social and physical reconstruction of suburban areas into urban ones [...]" (MANIS 1959 in: BRAKE K. and R. URBANCZYK 2012: 36). As BRAKE and URBANCZYK (2012: 36) point out, this explanation was given by MANIS in 1959 and it generally referred to the political-administrative process of municipal restructuring and not to population growth.

As indicated in the previous chapter, VAN DEN BERG's urban cycle model (in: FASSMANN 2009: 32 pp.) refers for the European context to four phases of urbanisation, suburbanisation, disurbanisation and reurbanisation. The latter is a result of disurbanisation and describes the renaissance of the city as a place to live and work accompanied by physical upgrading processes and social changes. When VAN DEN BERG developed this model in the late 1980s, the fourth stage of reurbanisation could be considered as a "hypothetical pathway" (HAASE et al. 2010: 445) not yet taking into account the combination of populating and diversifying processes.

HAASE et al. (2010) build on this gap in their research by claiming "reurbanisation" to be a city-mindedness of residents with specific housing preferences. They analysed four cities and city-regions in Europe leading to the result that reurbanisation happens simultaneously along with suburbanisation but also as a parallel process replacing suburbanisation. For a more complex understanding of reurbanisation, the supply side represented by the advantages of inner-city living is enriched by the demand side represented by "[...] newly emerging household types with their specific needs and wants" (HAASE et al. 2010: 448). Instead of a "back-to-the-city" movement, the authors raise the idea of "staying-within-the-city" and defining reurbanisation within the European context "[...] as a process of populating and diversifying the inner city with a variety of residential groups of different ages and socio-economic backgrounds, that is, as an interplay between demographic and inner-city change" (ibid.). To summarise, reurbanisation in the German-speaking discourse refers to a quantitative dimension of population growth, an increase in employment and an economically focused festivalisation through architecture and culture (GLATTER & WIEST 2008).

At this point, an overlap with the concept of gentrification becomes obvious, but HAASE et al. emphasise in their study that they "[...] did not observe any general and significant increase in rents or prices as a result of the immigration [...]" (HAASE et al. 2010: 457). But the authors do conclude that reurbanising inner-city neighbourhoods might follow the path towards gentrification – including homogenisation and displacement – in the future. Incidentally, the temptation to use the term "reurbanisation" instead of "gentrification" is clear here. Upgrading processes within inner-city neighbourhoods easily ran the risk of being branded as gentrification, which became a "dirty word" in political and public discourse but a popular instrument within public policies. HOLM (2010: 56 pp.) refers to neoliberal policies favouring upgrading processes that prioritise the demands of middle-class residents. Apparently, those policies aim at a "social mix" in formerly deprived working-class neighbourhoods. In practice, achieving a "social mix" might be more conflictual than intended, as the use and expectations concerning urban space are very different among various residents. Positively and negatively affected groups tend to apply a NIMBY-attitude that can be seen as resistance against ongoing transformation processes. As a result, as TWICKEL (2010: 103) argues, neoliberal policies create a product for less instead of a milieu for many.

Therefore, reurbanisation, or revitalisation and urban renaissance, are more likely to be used within planning language as they put a gentler connotation in the context of upgrading strategies for inner-city neighbourhoods (GLATTER & WIEST 2008). This tendency towards a superficial terminological use of "reurbanisation" instead of "gentrification" must be highly criticised as it leads to fuzzy concepts and terminological incorrectness. "If we bring together under the same gentrification umbrella all current processes of urban regeneration followed by some kind of local "social upgrading," gentrification is no longer one possible process or outcome of urban regeneration, but becomes quasi synonymous to urban regeneration" (MALOUTAS 2011: 41).

To conclude, the understanding of "Reurbanisierung" in the German respectively European context is more complex than the US American understanding of "reurbanisation". It adds additional layers to MANIS' administrative dimension with regard to qualitative, spatial, temporal, analytical and normative components (BRAKE and URBANCZYK 2012: 35 pp.). As a consequence, BRAKE and URBANCZYK (2012: 48) emphasise the need for dimensional position within the debate on reurbanisation in order to ensure precise comprehension and an explanatory power of the concept (HAASE et al. 2010: 458).

The Historical Origin of "Urban Renewal" and "Stadterneuerung"

Special terminological clarification is necessary with regard to "urban renewal" in the US American context, respectively "Stadterneuerung" in the German academic context. As academic discourse shows, both terms are often used as a euphemism due to direct translation. History, connotation and the actual meaning of these terms differ significantly, however. In the proper meaning of the word, "urban renewal" should not directly be translated as "Stadterneuerung" since urban renewal in US American cities refers to a process of essentially physical change through the availability of federal grants aiming at the elimination of blight (AMERICAN INSTITUTE OF PLANNERS 1959: 217 pp.). The Housing Acts of 1949 and 1954 paved the stage what commonly became known as "slum clearance". In the 1970s, predominantly large-scale public housing projects were initiated aiming at erecting decent housing for the urban poor: "[...] [A]t the most basic level, urban renewal [is] a solution to physical and economic problems, a matter of urban politics and policy" (ZIPPP 2010: 7), or as CHRONOPOULOS (2011: 3) points out: "Urban renewal refers to a method of urban redevelopment under which urban areas perceived as slums were bulldozed and replaced with sizable modernist projects.."

Contrary to the Austrian and German concepts of "Sanfte or Behutsame Stadterneuerung," US American federal grants predominantly focussed on the physical improvement of housing structures. "Soft" aspects referring to social compatibleness or improvement of social infrastructure, public space or connectivity of the neighbourhood were not part of the federal grant system for urban renewal in the United States. The physical improvement of the built environment within a defined area happened through comprehensive master plans involving all municipal power. This is the idea in theory which can be criticised as practical examples in the past show a lack of integration of federal and local government leading to underutilised resources (AMERICAN INSTITUTE OF PLANNERS 1959: 218).

The first step toward urban renewal can be found in the National Housing Act of 1949 in which slum clearance and urban redevelopment were the driving forces for urban renewal in order to combat ongoing suburbanisation as well as the flight of people and capital after World War II (ZIPPP 2010: 7). The U.S. Housing Act was part of the Fair Deal policies leveraging cities to redevelop cleared land either privately or with new public housing (ZIPPP 2010: 7pp). As ZIPPP (ibid.) emphasises, " [...] urban renewal was more than a set of policies or economic transactions. It was a vision, a symbolic and cultural undertaking that both shaped and was shaped by urban policy." Thus, urban renewal was a process focused on pure physical change (see LANG 2005 in FRIESECKE 2007: 6) aiming at the reduction of blight within a specific area through the execution of an integrated master plan supported by federal grants.

In contrast, "Stadterneuerung" in the German-speaking context refers to all sectorial and partial concepts aiming at the preservation and redevelopment of historical neighbourhoods (FASSMANN 2009). The difference to the US American connotation can be explained through the existence of historical architecture in the built environment in European respectively German and Austrian cities. "Stadterneuerung" in the German-speaking context comprises both soft and hard measures like demolition and new construction, often referred to the technical term "Harte Stadterneuerung" (FASSMANN 2009). This way of redevelopment – also called in German "Assanierung" – was daily practice in German and Austrian cities until the 1960s. Kottbusser Tor in Kreuzberg, Berlin and Alt-Erdberg in Vienna are witnesses to these measures in the built environment which would be most likely comparable to urban renewal projects in US American cities.

Starting in the 1970s, historically grown cities both in Germany and Austria have witnessed a recollection of value concerning the built environment. Redevelopment has been subsidized in Germany by federal-state programmes like "Urban Restructuring in the new and old federal states" ("Stadtumbau Ost und West") (see KULKE 2013: 13). The consciousness of historic heritage led to approaches of "gentle urban renewal" ("Behutsame Stadterneuerung"), for instance, in Berlin and "soft urban renewal" ("Sanfte Stadterneuerung") in Vienna. These practices do not focus exclusively on the physical improvement of historic inner city districts, they are rather extended to central yet conservable neighbourhoods located in the central area of a city. "Gentle" or "soft" refers not only to the preservation of an old built environment, but also includes social means in order to protect existing residents against increasing rents or displacement after renovation. The overall aim is to prevent changes in social structure which are potential outcomes of investment in the built environment in upgrading neighbourhoods.

At this point, it should be emphasised that the technical term "urban renewal" used in this study does not refer to slum clearance. It rather includes urban regeneration processes focussing on structural-physical regeneration of historical built environment.

Urban Regeneration is Similiar to "Regenerierung," but "Regeneration" Is Not

Following the path of revitalising the city, the term "urban regeneration" needs to be clarified. It equals more or less the German expression "Regenerierung" with minor differences in terms of planning and processual character. The German word "Regeneration", on the other hand, means something completely different. Urban regeneration is a "[...] comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change" (ROBERTS and SYKES 2000: 17 pp. In: FRIESECKE 2007: 6). It is a concept that is more complex than urban renewal, urban development or urban revitalisation, as FRIESECKE (2007: 6) points out. It also seems to be a concept predominantly related to shrinking cities that face significant challenges of decline and are not challenged at all by upgrading processes like gentrification. Strategies of urban regeneration become contemporary elements of urban policies. "Urban regeneration is an elastic term [...]" (SHAW and PORTER 2009: 2) and besides very complex definitions, SHAW and PORTER (2009) offer a simple explanation used in this study, too. They "[...] use regeneration to mean [...] reinvestment in a place after a period of disinvestment. [...] [They] refer to regeneration *strategies* as the various mechanisms by which regeneration occurs, whether state or market driven. Regeneration *policies* are particular public policies [...] implemented by governments to achieve this" (SHAW and PORTER 2009: 2).

The US American term implies a pure character of planning and strategy, whereas "Regenerierung" in the German context emphasises the processual character of urban revival and urban strengthening (BÜRKNER, KUDER & KUHN 2005: 4). In contrast, the German term "Regeneration" describes the status quo of city with regard to a modernisation of the housing stock. The term does not have an English counterpart (KUHIAT 1986 in: BÜRKNER, KUDER & KUHN 2005). Conditional urban regeneration ("Stadtregeneration") implies a certain static condition that refers from a housing perspective to renovation and modernization of the housing stock (ibid.).

Urban Revitalisation versus "Revitalisierung"

These terms equal each other as both do not refer to a precise method or approach (see Lang 2005: 8, in: IRS 2005). Generally speaking, both terms refer to policies aiming at increasing attractiveness of inner city areas for residential population and economy (IRS 2005). Urban revitalisation ("Stadtrevitalisierung") includes policies for the improvement of inner city districts for both residents and the economy. It is a reaction to processes of suburbanisation that led to relocation of inhabitants, services, industry and retail to the urban fringe. One major critique on urban revitalisation seems to be that it may support and enforce processes of gentrification.

Urban Rejuvenation versus "Verjüngung"

"Rejuvenation" explains the process of urban change and can refer to demographic and physical rejuvenation. Demographic rejuvenation clearly emphasises the transformation of neighbourhoods in both quantitative and qualitative terms. Quantitatively, a change towards younger households accompanied by an increase of smaller household-sizes and diversified household structures can be described as rejuvenation. From a qualitative perspective, rejuvenation refers to an "[...] increasing residential attractiveness and socio-cultural revitalization of those neighbourhoods" (HAASE et al. 2010: 445). In contrast, investment in the housing stock and visible changes in the built environment indicate physical rejuvenation as well. The existing physical structure becomes younger and more persistent through redevelopment and new construction.

Urban rejuvenation is not a common term in US American academic literature. It occasionally seems to occur up in analyses on UK neighbourhoods. "Verjüngung" as the German pendant is also not an established term to explain a process of transformation. However, urban rejuvenation seems to be of value within an international comparison in which the various connotations of "urban renewal," "urban regeneration" and "Stadterneuerung" are too different to apply them synonymously. This latter argument claims for one term that can be used within this study referring to the same process in the context of the US American, German and Austrian case study.

As a result, "urban rejuvenation" will be used in this study to refer to a urban transformation process whose focal point lies on the investment in the housing stock as a representative of the wider built environment within the neighbourhood. This investment potentially stimulates quantitative socio-demographic changes. It might be the starting point for future gentrification, which includes not only a quantitative socio-demographic change, but also a socio-demographic and socioeconomic upgrading process. In other words, "urban rejuvenation" is used in this study for policies and practices that motivate a change in the physical appearance of a neighbourhood and potentially lead in a second step to gentrification that represent an additional component of upgrading within the general transformation process.

The Devil is in the Details

To summarise, one challenge of international comparison can be found in terminology, its limitation in translation and differences in meaning and connotation. This challenge can be solved through a precise and transparent explanation of terms as it was done in this chapter. The following table summarises the definition of all terms and attempts to clarify contextual use and connotation as well as distinguishing between the processual, normative and analytical character of the terms.

Technical Term	Usage	Connotation	Processual Character	Normative Character	Analytical Character
Urban Development / Stadtentwicklung	US and German-speaking context	umbrella term for urban transformation processes and long-term vision	X		
Reurbanisation	US context	municipal restructuring		X	
Reurbanisierung	German-speaking context	result of disurbanisation explaining the demographic dimension (quantitative population growth) of the trend towards a renaissance of the city			X
Urban Renewal	US context	focused on pure physical change, aiming at reducing blight		X	
Stadterneuerung	German-speaking context	sectorial and partial concepts aiming at the preservation and redevelopment of historical neighbourhoods		X	
Behutsame / Sanfte Stadterneuerung	German-speaking context	socially acceptable means of preservation considering the needs of existing residents and avoiding displacement		X	
Urban Regeneration	US context	an integrated political vision that seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of a – predominantly declining or shrinking - area that has been subject to change	X		
Regeneration	German-speaking context	processual character of urban revival and urban strengthening policies	X		
Regenerierung	German-speaking context	status quo of city with regard to modernisation of the housing stock			X
Urban Rejuvenation	For comparability reasons	Investment in housing stock and quantitative socio-demographic change as a prestige of gentrification	X		

Tab. 12: Terminology for Urban Upgrading Processes (own illustration based on authors cited in Chapter C).

As a result, this dissertation argues for the predominant use of two terms when it comes to urban upgrading processes. First, *urban regeneration* (“Regenerierung”) when the context refers to integrated and strategic urban upgrading processes after phases of disinvestment initiated by urban regeneration policies. This term refers to a mixture of physical, economic, social and cultural initiatives. Second, *urban renewal* (“Stadterneuerung”) is the appropriate term when the context refers to revitalisation processes with regard to physical improvement of the built environment. The study is aware of the different connotation of *urban renewal* in the US context and *Stadterneuerung* in the German context. Whenever this study refers to urban renewal practices in Berlin or Vienna, it uses the terms *Behutsame Stadterneuerung* or *Sanfte Stadterneuerung* to emphasise socially relevant aspects such as the protection of existing residents, which are included in these practices.

Urban regeneration refers to policies after phases of disinvestment.

Urban renewal refers to financial investment in built environment.

Urban rejuvenation refers to investment in built environment with a potential impact on socio-demographic changes and gentrification.

The Role of Urban Renaissance for Urban Upgrading Processes

As an adjunct to the clarification of the terminology regarding urban upgrading processes, this chapter also explains the relevance and occurrence of reinvestment to inner city areas both in the United States and in Europe. This study claims that the main driving force behind investment and reinvestment can be found in the interaction between urban policies and investor interests. For both actors, the maxim of growth underlies their decision-making process. Urban policies try to stimulate or ensure population growth as the common perception of growing cities – both residentially and economically – is still more favoured than shrinking cities. Investors, both private and public, follow the maxim of value increase and search for promising investment opportunities. The interaction between policies and investors is self-enhancing and in the long term leads to a significant increase of investment in urban neighbourhoods. As a result, an “urban renaissance” occurs with people following the path of urban attractiveness. They either move in or stay in urban neighbourhoods in order to take advantage of positive location factors, for instance, short commuting distances, high-quality educational institutions or cultural life.

In recent academic discourses, terms like “back-to-the-city movement,” “urban turnaround” or “urban resurgence” have increasingly gained in value when it comes to quantitative and spatial explanations for urban renaissance (see BRAKE and URBANCZYK 2012: 44 pp.). Obviously, “urban renaissance” needs to be clarified as an outcome of increased investment and various urban upgrading and regeneration processes. But it seems as if the definition for urban renaissance does not contribute to further academic value, as it “[...] is an expression with no real content at all, used loosely and uncritically by its usually neoliberal advocates to refer to a desired re-emergence of cities

as centres of general social well-being, creativity, vitality and wealth [...]" (SHAW and PORTER 2009: 3).

This study does not agree completely with SHAW's and PORTER's rejection of content wise value. Urban renaissance might very well comprise a dimension of content as it describes the revalorisation of cities through public and private investment in the built environment like housing stock, public spaces, technical and social infrastructure admittedly stimulated by an expected positive upgrading of inner city areas. As a result, a significant in-flow of new residents searching for spaces where they can fulfil their individual lifestyle conception can be observed. Urban renaissance is closely linked to current urban policies that enforce urban regeneration, meaning investment following a phase of disinvestment and urban decline. When it comes to the attraction of investment and middle-class population, urban policies support the stimulation and initiation of those processes. Regeneration happens because of reinvesting in city spaces. In return, urban regeneration brings increases in land values which affect people not only in a positive way. Displacement and social exclusion might result from urban regeneration, which might be not as well communicated as the positive beneficiaries like creation of new jobs, urban vitality and commercial activity (PORTER and SHAW 2009: 1pp.). But this study assumes no intended means of displacing low-income people from the very beginning. Urban regeneration strategies implemented through urban regeneration policies might cause gentrification processes that exclude or displace people in the neighbourhood. But it is not as such a "displacement policy" from the very beginning.

To summarise, the concept of "urban renaissance" is used in this study as a potential outcome of reinvestment in urban neighbourhoods. It results from interplay between urban policies and investment decisions on the public and private side which generates a certain outcome attracting new residents and existent residents to stay in urban areas. "Urban renaissance" serves as an explanatory concept for a back-to-the-city movement of both residents and capital. The term itself generates a positive and optimistic perception of living in cities. This perception is crucial for attracting investment in the long run and for ensuring population growth within urban areas. Without the positive connotation and singular evidence of "urban renaissance," trust in a profit-yielding investment would be lower or non-existent, which might result in turn in stagnation or decrease, both on the investment and population side.

This study assumes that it is this very irrational, fuzzy trust in the positive aspects of "urban renaissance" which has such a major impact on the rational behaviour of actors involved on the production side of urban regeneration processes - but also of actors involved on the demand side of upgrading inner city neighbourhoods.

8.2 Cycle Models of Urban Transformation

Cycle models or cycle theories originally derived in the field of economics where economic activity is indicated through stages of growth, stagnation or decline. Phases of recovery and downturn are used to explain production, economic or trade combined with technological advancement and consumption behaviour. Kondratiev waves can be mentioned as an early theory from the 1920s which explains economic development through cycles. This long wave theory claims that short-term business cycles are overlaid by long-term economic waves characterised by three phases of expansion, stagnation and recession.

The explanatory power of cycle models can be applied for an understanding of phases of attractiveness and unattractiveness with regard to cities, of upgrading and decline as well as investment and disinvestment in the built environment. To explain changes in the built environment at the local neighbourhood level, one cannot find an overarching theory but rather various interdisciplinary approaches potentially leading to contradictory outcomes (FRIEDRICH 2003: 39). Therefore, this study identifies and presents five cycle models that might be relevant with regard to upgrading processes in the physical urban structure which can be considered as a stimulus for gentrification. This chapter provides an in-depth understanding of economic processes underlying the rationale of investment and of actors investing in the built environment in up-and-coming cities. The impact of the social composition within the residential community is not part of this study. For further explanations on this angle of urban transformation, see FRIEDRICH (2003), who refers to cycle models by HOOVER & VERNON (1959) and OTTENSMAAN (1975).

Business Cycles versus Real Estate Cycles

Business (or economic) cycles explain fluctuations in a free-enterprise market. Real estate cycles correspond with business cycles, though their timeframe is different. The time-lag between general business cycles and real estate cycles can be explained through certain slackness in real estate business. Due to long durations from planning to construction to finalisation and renting, real estate projects are realised time-displaced to boom phases in business cycles and might contribute to “real estate bubbles” (HEEG 2008: 70). Also, real estate development is strongly linked to the rationales and behaviour of the actors involved in those processes. For this reason, real estate cycles seem to be very important for this study as they link investment to the built environment via actors’ behaviour.

Business cycles are characterised by phases of growth, stagnation and decline. In contrast, real estate cycles generally show four phases of recovery, boom, downturn and crisis (HEEG 2008: 71 pp.). During the stage of recovery, the real estate market is faced with increasing demand due to economic cycle based on changing market structures, technological innovation or rise of key industries. Because demand might exceed real estate and building land provision, prices are likely to increase, which serves as an additional

Finding for Gentrification:

Real estate market logics involve cycles of neighbourhood attractiveness.

motivation for developers to start the construction of new real estate projects. The phase of recovery is built on profit expectations linked to bounded rationalities. If the economic cycle expands, additional demand for real estate properties occurs. This situation is visualised in the second phase within real estate cycles, the phase of boom. HEEG (2009: 72) identifies an influx of transregional and international developers who are aware of positive profit expectations and increasing rate of return. Even more challenging locations within a city become interesting for real estate development as the risk of investment seems to be acceptable compared to possible returns. The behaviour and engagement of real estate actors can be described as a “herd instinct” (HEEG, 2009: 72) where the comparative component with competitors and their behaviour becomes potentially more influential than rational reasons. This behaviour explains the heating-up of real estate market focussing on financial market demands. Concurrently, the real estate market risks neglecting the needs of rent markets. The saturation of demand is achieved, introducing the phase of downturn. In order to remain competitive, developers provide incentives to motivate potential new renters to move. Both developers and investors minimise their risk through changing investment locations, consolidation of investment and integration of additional investment actors, for instance, insurance companies. But the downturn of this cycle is self-strengthening as various real estate projects are finalized and the market becomes saturated (HEEG 2009: 76). Therefore, the fourth phase can be described as a crisis where investors slow down their investments due to declining rents and increasing vacancy rates. New real estate projects are planned and realised only if future return is guaranteed, for instance, through pre-sale or pre-rent rates or through consideration of a “mainstream taste” of investors.

If we compare business cycles to real estate cycles, it becomes clear that cyclical movements might be similar as in both cases they are based on upward and downward developments reflecting economic fluctuation and changes at macro level, for instance, processes of tertiarisation or global economic crisis. Yet, characteristic for real estate cycles is also a strong adherence to the rationales and behaviour of actors involved in real estate processes. Individual decision-making is partially influenced by group behaviour and external hyping leading to market changes, oversupply or shortcomings in affordable housing options. In economically compatible cities, changing rationales in the real estate market are linked to driving forces at the macro level like demographic growth, increasing investment volume or the internationalisation of investment. This link between macro forces and locally bounded decision-making forms the main interest of this study as it might be useful for explaining urban upgrading practices leading to specific cases to gentrification. Therefore, the cyclical movements of real estate cycles will serve as dimensions to be considered for the bounded rationality analyses in Chapter D.

The Dual Cycle Model of Urban Development

LICHTENBERGER (1990: 18 pp.) developed the model of business cycles further through an implementation into the context of urban built environment. Her “dual cycle model of urban development” derived from a European (more precisely an Austrian) understanding of urban development. It considers the local and communal scale through the reflection of inner-city suburbs (FRIEDRICH 2003: 38 pp.) and builds on the concept of urban development, which can be divided into two complementary processes: first, the process of urban expansion and, second, the process of urban regeneration. Both processes are temporally connected: The larger the time between the two processes, the greater the urban decay as a result of missing means for regeneration.

The dual cycle model of urban development requires eight assumptions for specification (LICHTENBERGER 1990: 18 pp.). First, urban development is not a unilinear process, but rather a two-tiered

Finding for Gentrification:

The dual cycle model provides evidences for stimulation and regulation of gentrification.

product cycle process complementing each other. Second, a new cycle is stimulated by at least two changing parameters deriving from political, technical, economic, social or urban building requirements. Third, the temporal progress of the product cycle can be divided into four stages: the innovation stage, the take-off stage, the peak stage and the late stage. In terms of built structures, the innovation phase is characterised by traditional principles of location, which are displaced by experimental urban design. This stage is followed by a standardisation of design and new forms of development in the take-off phase. In the peak stage, standardisation is replaced by differentiation in all fields of urban systems, leading to a limitation of growth in the late stage.

The major advantage of the dual cycle model can be found in the time dimension. The model is able to indicate variables that speed up or slow down processes of urban decay and urban regeneration. It identifies age and architectural period of the building, mobility of residents, type of ownership and location as influencing variables (FRIEDRICH 2003: 39). The need for investment in the built environment in order to prevent urban decay is related to the building age. Whether or not an investment in the preservation of building is of economic interest is related to a certain awareness and culture of preservation, subsidies by the public sector and aspects of straightforward implementation. The investment behaviour also depends strongly on ownership structures. Building owners might have a higher interest in preserving their real estate property through continuous investment. Renters might balance personal interest and economic burden before they invest at all in the built environment. Their rationality might also be influenced by tenant laws. In contrast, it can be assumed that a stabile structure of residents who invest themselves into to their residential buildings slows down the process of urban decay.

The interconnection between the dual cycle model and variables of housing policies, qualitative characteristics of both housing stock and area, the structure of ownership and other external influences might be critical aspects (FRIEDRICH 2003: 39). Combined with the fact that LICHTENBERGER refers mostly to the analysis of neighbourhoods from founding's period, weaknesses in terms of application and transferability occur. The dual cycle model of urban development provides its strongest explanatory power as long as it is applied to historical grown inner-city suburbs. Also, the political framework should not be underestimated as the severity of urban decay or urban regeneration strongly depends on a differentiated subsidy system. Therefore, the dual cycle model is useful for obtaining a first understanding of the interdependency between urban expansion and urban decay or urban regeneration of inner-city neighbourhoods. For comparative analysis, however, the cycle model must be extended beyond the limitations of local political and structural characteristics.

In 1978, David HARVEY developed a theory of circuits of capital in order to connect and analyse the relationship between capital and built environment. HARVEY's (1978: 101) aim was to "[...] understand the urban process under capitalism.". In his approach he builds on the Marxian view of accumulation and class struggle in which the urban process is inherently embedded. According to JAUHIAINEN, "[t]he theory explains how change from one economic activity to another is a shift in capital, which is circulated to find a profitable investment opportunity" (2006: 181).

HARVEY (1978) distinguishes between the different circuits of capital. The primary circuit of capital is represented by the two poles of "production of values and surplus value" and "consumption of commodities and reproduction of labour power." Productivity of labour can be achieved by increasing working hours input or by applying fixed capital, for instance, machinery. The capitalist production process aims at a continuous rise in labour productivity since competition and profit-making drive the situation of capitalism (HARVEY 1978: 104 pp.).

The secondary circuit of capital is the crucial part with regard to investment in the built environment. It is represented by capital flows into fixed asset and consumption fund formation (HARVEY 1978: 106 pp.). At this point, there must be a distinction between "[...] fixed capital enclosed within the production process and fixed capital which functions as a physical framework for production" (HARVEY 1978: 106). Fixed capital as a physical framework is referred to as "built environment for production."

The same structure can be found on the consumption side where the consumption fund "[...] is formed out of commodities which function as aids rather than as direct inputs to consumption" (HARVEY 1978:

***Finding for Gentrification:**
Changes in the built environment are produced by capital,
locational characteristics and rationales.*

106). Again, consumer durables are directly linked to the consumption process, whereas the "built environment of consumption" acts as a physical framework for consumption. HARVEY (1978: 106) illustrates "consumer durables" through the example of cookers or washing machines and "built environment" through houses and sidewalks. Additionally, a joint function can be found for the built environment. The transportation network, for instance, functions for both consumption and production. In contrast, fixed capital is immobile per se. However, investment in the built environment "[...] entails the creation of a whole physical landscape for purposes of production, circulation, exchange and consumption" (HARVEY 1978: 106). This is the reason why the secondary circuit of capital is represented by capital flows into fixed asset and consumption fund formation as stated in the beginning.

To avoid overaccumulation in the primary circuit, a flow of capital from the primary to the secondary circuit would be a temporary solution. For this, a working capital market would be necessary comprising financial and state intermediaries. Fictional money is needed in advance to create long-term investment in the built environment. Within this dimension of "transfer," a component of regulation can be found as HARVEY (1978: 107) argues that "[...] the production of money and credit are relatively autonomous processes [. As a result], we have to conceive of the financial and state institutions controlling them as a kind of collective nerve centre governing and mediating the relations between the primary and secondary circuits of capital". However, the

situation of overaccumulation of capital in the primary circuit of the production process is still possible. If this happens, “[...] a switch to the ‘secondary circuit’ of the built environment [is prompted], providing the engine of change behind the suburbanization process.” (CARPENTER & LEES 2005: 287).

Finally, the tertiary circuit of capital completes the circulation of capital and includes “investment in science and technology” and “social expenditures”. The latter is related to processes of reproduction of labour power through qualitative improvement of labour power or through ideological means. In contrast, investment in science and technology contributes to the production process where the general aim of ongoing efficiency increase can be found (HARVEY 1978: 108).

The theory on circuits of capital succeeds in identifying how “[...] dynamics of the mode of production drive the processes through which the built environment is produced, while at the same time recognizing the spatial and temporal specificities of these processes” (HEALEY & BARRETT 1990: 93). Although HARVEY’s approach provides a comprehensive explanatory model on capital flows with regard to the built environment, he critically reflects on the limitations of explanatory power, too. The reason for criticism is the contradictory character of investments in the built environment (HARVEY 1978: 122 pp.), which represents great complexity when it comes to the combination of investment, rationales and the characteristics of built environment. He provides examples with regard to exchange and physical use value or amortisation time (see HARVEY 1978). Criticism also comes from researchers who deal with real estate economy within the framework of internationalised and globalised finance markets. Academic research that builds on HARVEY’s circuits of capital consider real estate economy as a “secondary circuit” of investment characterised by a relative autonomy from the primary circuit of manufacturing (GOTHAM 2006: 233). HARVEY could not foresee the consequences of ongoing globalisation, which must be considered in any modern analysis of real estate economy. Also, the structural embeddedness of actors is explained by paths of capital flow and through resources that drive the decision-making of actors. Nevertheless, more specific analyses of interests and strategies of actors are necessary (HEALEY & BARRETT 1990: 93) in order to link dynamics of urban development to underlying causes more comprehensively. At this point, this study considers the need for combining the theoretical framework of capital flows in built environment and an analysis of rationalities of actors investing in the built environment.

Van den Berg’s Cycle Model of Urbanisation

For the European context, VAN DEN BERG’s urban cycle model (VAN DEN BERG et al. 1982) could serve as well as explanatory concept for the European and German-speaking discourse of reurbanisation. The urban cycle model is based on an analysis published in 1989 which covers 189 city-regions in Europe and considers the demographic change of population growth and decline in both inner-city and suburban areas. It explains socioeconomic restructuring within an urban-regional context through four phases of cyclical urbanisation: urbanisation, suburbanisation, disurbanisation and reurbanisation.

This model gives some indication of scope of regeneration and time aspects as FRIEDRICH (2003: 39) points out. The first phase of urbanisation is characterised by population growth in the city centre accompanied by a concentration of functions and density in the built environment (FASSMANN 2009: 32). The densification during urbanisation processes leads to a declining quality of life for residents and corporations, who can no longer find affordable space for their businesses. The phase of suburbanisation starts when the demand for inner-city areas is low. This phase is characterised by a relocation of functions and population from the city core to suburban areas (FASSMANN 2009: 32). This leads to a procrastination of investment in inner-city areas and after a certain while to a speeding-up of investment. The scope of regeneration depends, on the one hand, on a shortage of new construction in the suburbia and,

Finding for Gentrification:

Gentrification is embedded into the broader context of urbanisation.

on the other hand, on land reserves and the ability to renovate and to construct new residential housing in the inner-city areas. The higher the dynamic of reurbanisation becomes, the higher the need for investment in inner-city areas can be observed. Combined with the aspect of return on investment, the process of reurbanisation might even heat up (see FRIEDRICH 2003).

The cycle model of urbanisation supports the understanding of the embeddedness of reurbanisation within the cycle of urbanisation, suburbanisation, disurbanisation and reurbanisation. It explains the back-to-the-city movement as part of a cyclical urbanisation model and relates local changes of the housing stock to regional urbanisation processes. But the explanatory power with regard to the reason why of reurbanisation is limited, especially when it comes to the effects of reurbanisation. POSOVÁ and SÝKORA (2011) even indicate contradictory results within certain empirical analyses. Also, the impact of gentrification processes as a result of reurbanisation, increased attractiveness of inner-city areas and limited land resources is not considered at all. This missing link might be closed through the concept of "urban renaissance".

Models of Neighbourhood Change

Concerning how models of neighbourhood change contribute to the concept of "gentrification", the most important ones are explained within this chapter. Two classic models of neighbourhood change are relevant in the link between the spatial entity of "neighbourhood" with the socio-spatial phenomenon of "gentrification." First, the invasion-succession cycle of PARK and the Chicago School (1952), and second the life-cycle model developed by HOOVER and VERNON (1959). Both models are fundamental components within gentrification research as the idea of stage models of gentrification builds on the understanding of declining and revitalising neighbourhoods (CLAY 1978; BERRY 1985; BOURNE 1993; HACKWORTH and SMITH 2001). Also, the elaboration in the German-speaking context of a double invasion-succession-cycle and changing lifestyles by DANGSCHAT (1988) can be considered developments of the initial invasion-succession cycle.

Before offering an explanation of the two classic models of neighbourhood change, I think a definition of "neighbourhood" is necessary. Following SCHWIRIAN's (1989: 84 pp.) summary of neighbourhood definitions, it is obvious that a neighbourhood is not solely defined by its spatial

delimitations. Rather this is the defining starting point for the residents itself and includes the dimensions of place, organisation, networks, identification and public symbols:

"[...] I define a neighborhood as a population residing in an identifiable section of a city whose members are organised into a general interaction network of formal and informal ties and express their common identification with the area in public symbols" (SCHWIRIAN 1989: 84).

SCHWIRIAN's understanding of "neighbourhood" seems to be the most holistic and comprehensive one as it implies the possibility of changing the definition of neighbourhood whenever one of the above-mentioned dimensions changes. This definition goes beyond the assumption of neighbourhood as "natural areas" (PARK 1952), "social areas" (GREER 1962 in SCHWIRIAN 1989) or an "interaction system" (CHICAGO SCHOOL in SCHWIRIAN 1989).

Two important models have to be mentioned with regard to neighbourhood change, namely, the invasion-succession cycle developed by PARK and the CHICAGO SCHOOL and the neighbourhood life cycle model by HOOVER & VERNON.

The invasion-succession cycle explains processes of neighborhood population alteration (SCHWIRIAN 1983: 89). Different populations are shaped by the underlying "natural" processes of competition, conflict and accommodation. Resistance is mentioned as a result of immigration of socially or racially different

individuals who compete with existent residential on the housing market. This competition for accommodation might result in conflict leading to "withdrawal" either of locals or newcomers. At this stage,

Finding for Gentrification:

*Gentrification is driven by people and capital
– and vice versa.*

invasion occurs if newcomers withdraw or succession occurs if long-term residents withdraw. The process of succession may even be enhanced through a continual influx of newcomers (see PARK 1952 in SCHWIRIAN 1983: 89). As SCHWIRIAN (1983: 89) points out, the invasion-succession cycle is often used to explain a change of racial composition or social status in a neighbourhood). In this context, the identification of a "tipping point" evolved as research interest attempting to explain the threshold at which an incoming new group stimulates the succession of the established residents. Especially in the context of "white flight" no explicit tipping point could be distinguished from normal turnover rates as a result of too diversified neighbourhoods (SCHWIRIAN 1983: 90).

The invasion-succession cycle was also applied in the German-speaking academic discourse. HOFFMEYER-ZLOTNIK (1979 in WILHELM: 1994) includes a homogeneous structure of population and a certain mobility within this group as a prerequisite. HOFFMEYER-ZLOTNIK's concept of a cyclical model is distinguished into seven phases representing the stepwise invasion of new population groups into a neighbourhood. In the prephase, the homogeneous neighbourhood is dominated by the existent population group and only a few new "pioneers" move into this area. No direct reaction of the existent dominant population can be identified, which is also true for the phase two. Here, the amount of incoming "pioneers" invades increases quantitatively. But a change in neighbourhood characteristics cannot be observed until the third phase of succession, where the new residents create a change in the neighbourhood as they surge to become the majority of residents. Changes

refer to the built environment and infrastructure due to new demands of the new incoming “pioneers..” Existing residents react with resistance, though the process of neighbourhood change now also becomes more “gentrified” in the neighbourhood. They take notice of the neighbourhood change and are attracted to move in. The additional influx of gentrifiers enforces the upgrading process. As a result, even more residents from the initial existent population leave the neighbourhood. This process produces a certain positive feedback leading to the point of no return. Phase five can no longer be described as a succession phase as incoming new residents already form the majority of residents. Their motivation to move into this neighbourhood is based on the already homogeneous population and a new supply of attractively built environment and infrastructure. The last phase represents the remaining out-movement of existent residents and the in-movement of new residents occupying the last remaining housing options of former residents.

This model implies the total replacement of existent residents through an immigration of pioneers and gentrifiers. This assumption has to be seen as critical since within the process a certain stage is never completely fulfilled. The process begins anew after a certain time period based on newly evolving processes of decline.

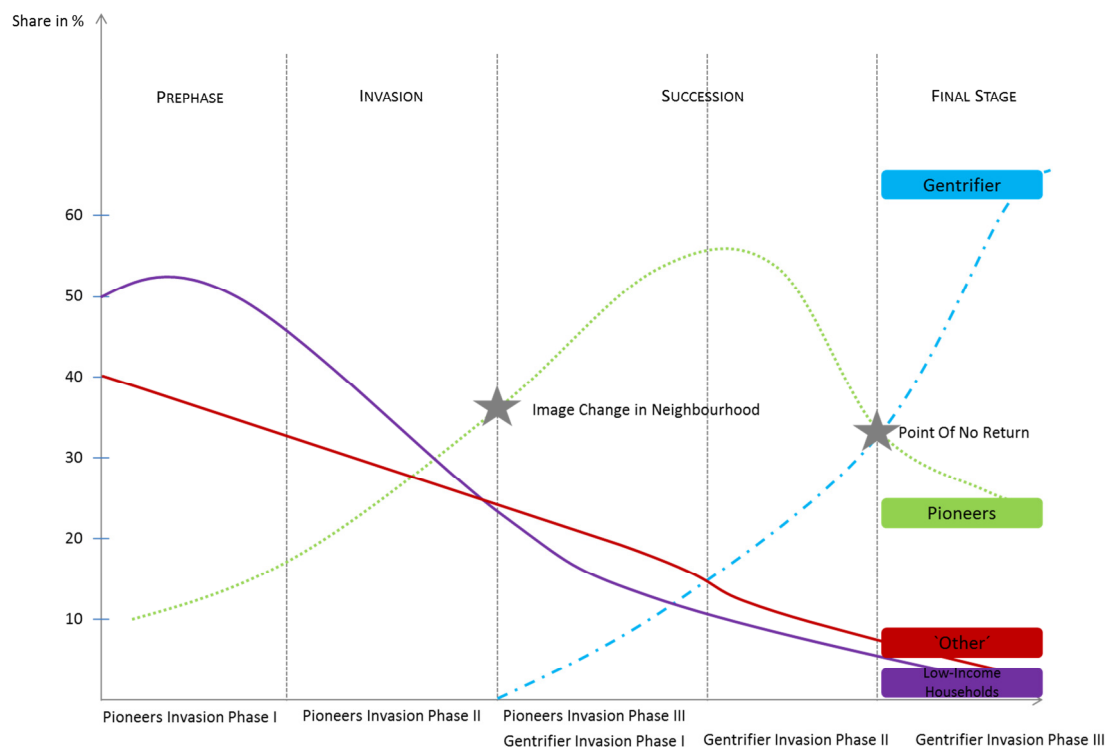


Fig. 8: Invasion Succession Cycle (own illustration based on HOFFMEYER-ZLOTNIK 1979)

In contrast, the life cycle model by HOOVER & VERNON (1959) applies the invasion-succession cycle as a series of cycles to explain neighbourhood changes. The five stages for neighbourhood transition are labelled as development, transition, downgrading, thinning out and renewal (SCHWIRIAN 1983: 91). Nevertheless, not all neighbourhoods go through these stages chronologically. Some neighbourhoods skip certain stages, “[...] some would continue to loop through the same two or three stages, and some would remain at one stage indefinitely” (SCHWIRIAN 1983: 92). Therefore,

the life cycle model does not serve as a generalised assumption about how neighbourhood transition takes place normatively. Rather, it is an attempt to conceptualise the processual character of neighbourhood change.

For the German-speaking context, JENS DANGSCHAT used the concept of invasion succession cycle and changes of lifestyle (DANGSCHAT 1988 and DANGSCHAT & ALISCH 1995, in: THOMAS, D. 2009: 18 pp.). He assumes a double invasion-succession cycle. The first phase is labelled "revitalisation" where "pioneers" displace and replace established local residents. These "pioneers" represent a class of childless highly-educated young residents conflicting with the demands and interests of established "locals", represented by the remaining middle-class and especially working class, unemployed and elderly people or immigrants. Now, the second phase within the double invasion-succession cycle starts: "Gentrification" occurs with an increasing proportion of "gentrifiers" among the incoming residents while the proportion of "pioneers" declines. As a result, gentrifiers displace most of the established local residents and the pioneers. ALISCH & DANGSCHAT (1996: 103) even invented the role of the "ultra-gentrifiers", who have considerably higher economic power than the gentrifiers. They are the driving force behind super-gentrification processes.

The main critique of the double invasion-succession cycle arises from empirical analysis. THOMAS (2009: 18) points out that there was no empirical validity to the double invasion cycle. Other weaknesses may also be found in the fact that gentrifiers do not always follow the path of pioneers. There is empirical evidence in certain studies that gentrifiers move into neighbourhoods even *before* pioneers or at least simultaneously. Nevertheless, this critique points to a crucial fact within the conceptualization of neighbourhood changes. The processual character is inherent in neighbourhood transition, whereas a generalised form of a sequence of stages is not applicable.

Reflecting the Explanatory Power of Cycle Models for Urban Development

If we summarise and reflect the explanatory contribution of the five selected cycle models, the main critique occurs at three levels (see for a similar summary HEEG 2008: 94). First, there is a lack of true explanation with regard to the role of actors and their rationalities. Second, the influence of the institutional framework is rather weakly developed. Third, the aspects of contextualisation and transferability must be critically mentioned as well.

Only a few cycle models consider the role of actors within their concept of cyclical processes. Actors are described in more detail within lifestyle cyclical models, where consumption behaviour influences the transformation of specific goods. The model of business cycles and real estate cycles are based on the underlying assumption of economically driven decision-making by actors. Yet, the identification of specific actors involved in these models and their rationalities are considered only generically. Both LICHTENBERGER's dual cycle model and HARVEY's model of circuits of capital remain stuck at the macro and meso level in terms of explanatory power. The dual cycle model compiles macro forces and variables at the meso level but does not include the specific decision-making process of actors whose behaviour is framed by macro and meso variables. The model of circuits of capital introduced by HARVEY goes a step further and includes the actor's behaviour by linking production and consumption considerations. Still, the identification of specific actors, their rationales and risk behaviour is not developed sufficiently in his approach.

The model-like sequences themselves might be criticised as well when it comes to a contrasting juxtaposition of cycle model and reality. This simply reflects reality where a so-called

"investment gap" – similar to the "legislation gap" in the political context – related to the built environment can be identified. Especially in comparative analysis does the aspect of similar historical context, political framework and current trajectories become obvious. Cycle models seem to have the highest explanatory power as long as their application remains within a specific national context. This weakness also extends to the institutional framework, as outcomes in terms of time and spatial dynamics differ significantly because of various regularities in financial market and planning systems, diverging policies with regard to urban development and level of public participation and responsibility.

Nevertheless, cycle models do contribute to our understanding of the main processes underlying current tendencies in urban development. For the purpose of identifying economic forces behind urban development processes, cycle models provide an explanatory model that serves as crucial part within the theoretical framework of this dissertation.

8.3 Existent Political Systems and Real Estate Economies

The political system is of significant importance while dealing with urban comparison and real estate economy as it has crucial impact on the configuration of urban development within the specific national context. According to FASSMANN (2009: 102 pp.), who builds on LICHTENBERGER's (2002) differentiation of three political systems, three additional characteristics have to be considered with regard to urban morphology, inner-city differentiation and dynamics in term of urban fabric: first, the socio-political model, second the influence of public authorities on characteristics of urban fabric and third the dominant principles for the urban design stimulating current processes. These characteristics have to be analysed for the different political contexts of socialist urban development, liberal-capitalistic urban development and urban development within a welfare state. FASSMANN (2009: 103) interlinks both axes as it can be seen in the table below.

	Socialist Urban Development	Liberal-Capitalistic Urban Development	Welfare State Urban Development
Socio-Political Model	Egalitarian socio-political model Allocation of locations and resources Residential housing as part of "social overhead"	Social differences as socio stimulus Market-based allocation of locations and resources Residential housing and locations as indicators of social differentiation	Mitigation of social differences through reallocation Functions of protection and balance through public sector
Characteristics of Urban Fabric	Standardised housing alongside of settlement axis Principle of demonstration in public space Urban expansion before urban renewal	Differentiated housing by private investors ("developer") "Strip development" alongside of axis Extensive decay or urban neighbourhoods	Dualism of private market mechanism and public allocation policy Conservation and renewal of historic built environment Valorisation of run-down neighbourhoods by public sector
Current Processes	Post-socialist transformation with rapid suburbanisation Increase of social segregation and valorisation of historic city centre	Growth of "urban sprawl" Return of a new urban population to central urban neighbourhoods Gentrification, processes of ethnic and social segregation	Suburbanisation Gentrification Processes of demographic, ethnic and social segregation

Tab. 13: Urban Development within a Comparison of Political Systems (adapted and based on FASSMANN 2009: 103)

For this study, liberal-capitalistic urban development is of relevance with regard to the New York City case and urban development within welfare states for the cases in Berlin and Vienna. Although the table above provides a systematised and definitive overview on characteristics within different political systems, it has to be mentioned that reality unveils much overlapping and vagueness. Nevertheless, it serves as a comprehensive overview on differing political systems having an impact on the dynamics and processes of urban development.

Starting with urban development within the liberal-capitalist system, it serves as an explanatory model predominantly for the United States (FASSMANN 2009: 106). Nevertheless, liberal-capitalist elements can also be applicable in market-driven countries in Europe and in cities with neoliberal policies like Berlin and Vienna. The main characteristic of urban development within a liberal-capitalistic system is the market-based allocation of location and resources. The overall existence of a

self-regulating "market" can be distinguished into several different specific markets, for instance, the financial, land, housing or real estate market (FASSMANN 200: 106). Self-regulation consists of supply and demand linked to rational behaviour and revenue expectations. Public authorities might have specific visions for urban development, but their influence on actual investment is rather weak compared to market forces. The explanations on real estate cycles specify the investment behaviour of market-driven actors in more detail. It also becomes clear that investment-driven events like "overshooting," "speculation" or "tipping-points" are stimulated within a liberal-capitalistic system regularly by market actors. Those cycles of investment and disinvestment as well as processes of social segregation are accepted in a liberal-capitalistic system (FASSMANN 2009: 2006). As FASSMANN (2009: 107) points out, the unequal spatial allocation is a result of differing individual and economic potential and reflects the differing contribution to society. It also serves as a stimulus for increased efficiency and individual initiative.

Because the liberal-capitalistic system in the United States supports individual investment in real estate property, it affects the volatility of the real estate market as well. Since the times of early settlement history, the mobilization of real estate property has been significantly higher in the United States than in European countries (LICHTENBERGER 1995: 22). The realisation of real estate property is considered to be a crucial catalyst for individual social upward processes. This approach has to be reassessed critically in times of mortgage, subprime and financial crises, which affect not only the market itself, but also individual life plans.

Another specific component within the liberal-capitalistic system is the property tax, which impacts the socio-spatial segregation and shapes the social homogenisation within residential areas (FASSMANN 2009: 107). The property tax ("Grundsteuer") is a yearly tax based on the current market value of the real estate property. Unlike the German or Austrian case, where property tax is calculated according to the significantly lower "Verkehrswert," in the United States the property tax varies from year to year according to true market value. Market value can rise due to an increased quality of life in a certain residential area or due to market value declines from unfavourable circumstances, for instance, increasing crime rates. An increased quality of life might be stimulated by improved accessibility to public transport or access to valuable social infrastructure like schools or attractive public space. An increased market value increases the assessment basis for the property tax, which in turn leads to a higher amount of actual tax obligation. Certain tax exemptions or abatements, for instance, for senior residents, may reduce the taxable value.⁵ Stable or increasing market values are not only favoured by the local authority, which profits from higher tax receipts, it might also be favoured by local residents whose interest lies in a stable and homogeneous social mix ensuring their individual property value (FASSMANN 2009: 107).

To summarise, the liberal-capitalistic system shapes processes of urban development in a market-driven way. Investment decisions are strongly linked to the interests of individuals and private investors who behave rationally with a view toward their own profit. As a result, the influence of public authorities is limited as they can only act as steering bodies within urban development processes. This fact identifies already a proxy for dynamic differences in terms of time and space: The overarching political system is a determining factor with regard to investment or a lack of investment in the built environment. Within the political context of liberal-capitalistic systems, investment decisions seem to be stated quickly and directly as the decisions-making process is based on individual profit expectations and financial risks.

⁵ For a specific calculation of the property tax in New York, see:
http://www.nyc.gov/html/dof/html/property/property_bill_calculate.shtml, 2013-09-11.

In contrast, the political context within welfare state systems enables a more long-term-oriented process of urban development as public authorities tend to have more influence. The welfare state model for urban development as an in-between model between socialist and liberal-capitalistic political systems can be found in most of Western-European cities. The differences between more neoliberally driven cities like those in the United Kingdom and the more socially driven cities like those in Germany may exist, but according to FASSMANN (2009: 109) similarities still outweigh and have an impact on urban development.

Within the social welfare state, the main characteristic lies in social assistance. The provision of services of general interest serves as one dimension of social assistance which includes equally distributed access to, for instance, transport infrastructure, social infrastructure like schools or unemployment security. The provision of these services is tax-funded and aims at achieving a balance of charges and justice (FASSMANN 2009: 110). The idea of social assistance derives from medieval civic society and was even strengthened during times of industrialization.

Public authorities are traditionally quite powerful, although the modern tendencies towards neoliberal policies, new governance structures and the integration of public-private partnerships are found in most Western-European cities. This reflects a dualism within urban development where market-based steering and centralised planning measures are combined (FASSMANN 2009: 110). The local manifestation of this dualism differs from state to state as market regulations, protection of property and individual rights are implemented at various levels with varying liability.

Because public authorities tend to actively steer the cyclical processes of decline and upgrading, an additional proxy in terms of time-spatial dynamics becomes obvious. The public authority uses means of regulation and incentives in order to slow down or stimulate certain aims in urban development. FASSMANN (2009: 110) mentions social housing, public subsidies for urban regeneration and provisions for public infrastructure in order to overcome local processes of decay. Simultaneously, the social welfare state model for urban development also allows the active engagement of private investors and developers (FASSMANN 2009: 119). Their interest in investing in the built environment may be stimulated by specific public subsidies or investment to public infrastructure, for instance, new subway connection or newly built schools. If the engagement of the private sectors in urban upgrading processes grows too extensively, the public authority might intervene by constructing social housing or making changes in the subsidy system (FASSMANN 2009: 119).

At this point, the current stage of transition of urban development in welfare state systems has to be mentioned. It might be still valid that public authorities have more power and influence in social welfare state models compared to the liberal-capitalistic model. Nevertheless, current developments within the financial market also have had an impact on public budgets, which are faced with processes of consolidation and cutbacks. In times like these, even social welfare-driven city municipalities tend to subcontract public obligations like the creation of affordable housing (through cooperative housing developer) or provision of public transport (through public-private partnerships or complex financial constructions). The new practice of outsourcing public obligations can be interpreted as a loss of public influence for the benefit of private investors who might have more short-term objectives to fulfil.

The real estate economy is embedded between the two poles of micro and macro level. The micro scale is represented by “visible” commodities, for instance, agricultural land, office or residential buildings. Unlike the basic need for housing, those exemplary segments of real estate economy can be claimed as commodities that are provided and demanded by local actors. At the macro level, intermediate financial institutions are profit-acting beyond national boundaries (see LICHTENBERGER 1995: 22).

To a certain degree, the real estate economy in the United States and Europe are similar. But the relevance of real estate property differs in these two political systems in terms of *function*. LICHTENBERGER (1995: 22 pp.) emphasises the role of real estate property for the private pension scheme in the United States. The real estate economy is strongly linked to private pension insurance, which leads to private pension plans being based on real estate economy. The situation in the United States can be summarised as private capitalism that demands individually financed means of pension. As a result, real estate property and the volatility of the housing market in the United States are much more dynamic and performative compared to that in European countries.

The situation in European social welfare states like Germany and Austria looks totally different, where the allocation of social services represents the political maxim (LICHTENBERGER 1995: 23). Although demographic aging and economic crises are demanding higher individual responsibility and private pension schemes are becoming more important, this is done primarily through private pensions funds and insurance policies, not through real estate property. As a result, the national real estate market serving the needs and interests of private investors is still very stable with low volatility and changes in property ownership.

8.4 Evidence of Convergence and Divergence

A look at the ongoing globalisation and internationalisation of national markets shows that it may become inevitable that cities who are participating in the global city competition face converging trajectories in the future. Generally spoken, the convergence theory of urban development claims that all metropolises follow the same stages of development leading to more or less similar global cities. In contrast, the divergence theory implies a cultural determination that cannot lead to a globally unified development of metropolises. To add a more differentiated perspective on the convergence theory, spatial planning policies contribute an idea of harmonising growth and balancing targets. Following the example of FREY & ZIMMERMANN (2005: 2 pp.) metropolitan areas face location disadvantages, for instance, limited labour and floor space capacities. Additionally, higher crime rates and environmental burdens compared to peripheral areas lead to outflows into rural areas. Here, labour and space are readily available, cost efficient rates and with a low threshold. Growth potential is higher in peripheral areas, which in the long-run leads to tendencies of balancing between metropolitan and rural-peripheral regions.

This chapter examines evidence of convergence in the real estate economy with regard to internationalisation and globalisation, to political systems and to urban development. The real estate economy serves as an anchor point for convergence theory as converging developments seem to be more evidently identifiable and supported by academic analysis. The chapter on empirical analysis

(Chapter D) takes up this evidence as hypotheses that are then analysed thoroughly and finally proved or disproved.

Starting with macro level processes, deindustrialisation and tertiarisation processes indicate a first component of convergence. Recent urban development trends have led to similar changes in all three cities of this study. Though the deindustrialisation process happened at different scales and with diverging structural impact, New York City, Berlin and Vienna entered the status of knowledge-based cities attracting a highly skilled so-called “creative class”. FLORIDA (2002: 8) “[...] define[s] the core of the Creative Class to include people in science and engineering, architecture and design, education, arts music and entertainment, whose economic function is to create new ideas, new technology and/or new creative content.” This very broad definition caused critique not only among academics since FLORIDA’s (2002) classification includes nearly anybody without clear limitations. Nevertheless, it gets clear that the “creative class” is not limited to pure production of creative content but rather “[...] create[s] and ha[s] considerably more autonomy and flexibility than [the working class and service class to do so]” (FLORIDA 2002: 8). Compared to earlier concepts of, for instance, “knowledge workers” (MACHLUP 1962), the current concept of the “creative class” puts a strong emphasis on the economic component: The “creative class” “[...] add[s] economic value thorough their creativity” (FLORIDA 2002: 68), and cities might utilize this potential through economic valorisation.

To summarise the “creative class” debate very briefly, the transformation of a deindustrialised city towards a creative city happens at two scales. First, transformation occurs at a “soft scale” through inclusion and creating space for any creative entrepreneurial idea. FLORIDA (2002: 249) develops this idea through his concept of “[...] 3T’s of economic development: Technology, Talent and Tolerance.” Second, the path towards a creative city takes place through an economical valorisation of the “creative class”. After a certain time-lag, cities become aware of the potential of the “creative class” diversify urban structures - also as an element of city branding. Currently, not only growing but even more shrinking cities include the stimulation and support of creative milieus in their policy agenda (see, for instance, the creative and urban farming movement in Detroit).

Despite the current tendency to discuss at length the need for a definition of whether or not a city can be considered a creative city, this chapter focusses on the identification of a “creative element” within an assumed convergence trend. All three cities in this study compete successfully within the global city competition, positioning themselves through unique selling propositions (USPs). New York is still considered as global financial centre while supporting a creative new entrepreneurial class. Berlin has become the mecca for a design-oriented and creative class. At the same time, this new urban creative society is making progress towards a significantly important branch for the city. Vienna advanced its status as “Gateway to Eastern Europe” through international non-governmental institutions and corporate headquarters. Nevertheless, a fresh entrepreneurial spirit by a young creative scene can be observed distinctively which also takes up the City of Vienna through various subsidy programmes.

To summarise, all three cities left the phases of deindustrialisation and entered the stage of a post-industrialised urbanity where a creative society contributes to major economic branches. Although the hypothesis of convergence with regard to urban development would need more statistical proof of success or failure, the main trend towards a more diversified, creative city and society became clear through a first identification of current transformation processes.

If we look at internationalisation, it becomes obvious that investment in urban development becomes internationalised, too. HEEG (2009: 123) identified a convergence between German and Anglophone real estate economy based on deregulation of national finance systems. She identified a shift of risk awareness among relevant actors through the integration of finance and real estate economies. Economic risk is being relocated from developer and building contractor to investors into securities. International investment institutions follow mostly short-term profit criteria and base their decisions on return estimations. Considerations like long-term effects on the community or responsibilities with regard to social infrastructure or public space come to bear only through requirements demanded by city planning regularities. Could this lead to converging paths in upgrading neighbourhoods in New York City, Berlin and Vienna? The empirical analysis indicates evidence of similar trajectories in those three cities.

New York City is already strongly influenced by international investors with similar profit expectations. But the economic crisis and an increasing public awareness of social responsibility is causing more complex planning procedures especially in large-scale developments. Recent planning concepts also include the provision of, for instance, elementary schools, community rooms, affordable local amenities or access to transport, waterfront and public spaces. A convergence with a European understanding of public and social responsibility can at least be hypothesised for New York City.

In contrast, upgrading neighbourhoods in Berlin face the risk of homogenisation through a significant influx of international investors. As the model of real estate cycles show, a certain mainstream taste with regard to the built environment is observed when the real estate economy hits a certain stage. It can be assumed that Berlin is converging towards an US American investment model in which international investment gets attracted through risk-averse measures like mainstream architecture –, for instance, the popular townhouse design – for international affluent potential buyers.

If we accept the fact that political systems strongly influence the trajectories of urban transformation of the built environment, converging paths might not be possible in US American, German and Austrian cities at a first glance. Their political systems differ too strongly and are strictly speaking not comparable. But current political strategies in times of neoliberalism and economic crisis reveal some interesting tendencies: The United States now tends to include more social aspects in its strategies (for instance, the healthcare system), whereas Central-European states now seek to “outsource” social provisions to their inhabitants and their individual responsibility.

A look at the urban development issues shows that this hypothesised convergence on both poles of individual capitalism and social welfare state might speed up the dynamics of real estate economy in the future. In the United States, real estate property will probably remain the major means of securing private pension schemes. However, the gap between investment and rate of return might increase due to on the one hand, over-demand and, on the other hand, side weak financial securities on the provision side. In Germany and Austria, both relatively wealthy countries on a global scale, a tendency towards increasing investment in real estate property can be observed (so-called “Betongold”). Rates of return for risk-averse investment are no longer attractive, and combined with the risk of inflation, long-term investments for private pension schemes are becoming increasingly important. Similar tendencies can be observed for the financial markets where an increased investment in real estate property can be observed in times of decreasing rates of return on the stock market (HEEG 2009: 129). As a result of rising demand within a market with still

relatively low volatility, building ground becomes limited, which leads to higher investment sums. In this case, a convergence towards real estate shortage and overpriced investment can be hypothesised for cities like New York, Berlin and Vienna.

9. The Concept of Gentrification

"[G]entrification as a term makes sense only to those well versed in the English language and the series of partial bourgeois revolutions that constituted British capitalism." (BUTLER 2007: 164)

The original Anglo-American notion of gentrification can be described as an urban process whereby capital investment in the built environment potentially leads to socio-demographic changes (MALOUTAS 2011). But over time, the concept of gentrification became much broader, and the use of the term even found entrance into public debates. One can criticize that both concept and term became fuzzy and vague, something that did not contribute to a precise debate on the actual process. Additionally, debates on gentrification are controversial and often ideologically loaded. But consensus can be found among all discussants on one aspect: Gentrification became a global phenomenon defined by a high degree of complexity, which challenges the attempts to define term, concept and debate in a precise matter.

Because definitions are per se a process of defining and also depend on the perspective of the defining person, such definitions change over time. In their introduction to *The Gentrification Reader*, the editors LEES, SLATER & WYLY (2010: 3 pp.) illustrate the change of gentrification definitions with a comparison of three editions of *The Dictionary of Human Geography* (see Box 1).

Based on these definitions it is obvious that gentrification has changed in the English-speaking countries within the last 15 years from a formerly marginal urban phenomenon to a global urban process happening in cities all over the world. A comparison with the German "authorities" of knowledge and geographical terminologies would have been interesting. But this is not as easy as the most traditional one - the *Brockhaus* - did not even list "gentrification" in its 8th edition of 1997. Nevertheless, the definition of "gentry" can be found in the same edition, although this cannot be used for a comparison of "gentrification" definitions between the English- and German-speaking countries. Therefore, a look at *Lexikon der Geographie* (German text see Box 2) may serve as an additional attempt to illustrate the German definition of gentrification. Surprisingly, it reveals a very narrow and demand-side-oriented

Gentrification, mit der Verdrängung einkommensschwacher Bevölkerung verbundene soziale Aufwertung innenstadtnaher Wohnquartiere (Abb.). Im Gegensatz zur SANIERUNG durch die öffentliche Hand ist Gentrification die Aufwertung von Innenstadtbereichen durch die 'Gentrifiers' oder 'Yuppies' (young urban professionals, also jüngere Menschen mit einem bestimmten Lebensstil und gut bezahlter, oft in der City lokalisierter Tätigkeit im Dienstleistungssektor). In den USA wurde Gentrification in innerstädtischen Verfallsgebieten mit historischer Bausubstanz durch die öffentliche Hand gezielt als Instrument eingesetzt, um eine soziale Umschichtung zu einer höher besteuerten Bevölkerung herbeizuführen. Dabei erfolgt eine Ausweisung des Gebietes als 'Historic District', was Erhaltungs- und Investitionsvorgaben beinhaltet und zur Abwanderung der finanzschwachen Bevölkerung führt.

Box 1: Definition of Gentrification in Lexikon der Geographie, 2002
(BRUNOTTE, GEBHARDT, MEURER et al. 2002)

definition. This definition highlights an urban decline in the United States which was answered by urban planning instruments. This definition of gentrification illustrates the statement at the beginning of the chapter that definitions depend on the perspective and position of the defining person.

If definitions in dictionaries are unable to provide generalities for gentrification, let us take a deeper look at the scientific literature. Unsurprisingly, research on gentrification turns out to be extensive and challenging to everybody to navigate through a jungle of different approaches, theories and terminologies. Therefore, a structured approach is necessary, in order to provide a comprehensive overview of the term, its meanings and derivation over time.

The Dictionary of Human Geography, Third edition, 1994:

'A process of NEIGHBOURHOOD regeneration by relatively affluent incomers, who displace lower-income groups and invest substantially in improvements to homes, the quality of which has deteriorated (cf. FILTERING). Such neighbourhoods are usually accessible to the city centre and comprise substantial older dwellings – as in parts of Islington in London and Society Hill in Philadelphia.

The process of gentrification is often similar to that of INVASION AND SUCCESSION. A few gentrifiers obtain properties in a relatively run-down condition within a small area and improve them, thereby increasing the attractiveness of the area to others who would prefer such a location, so that eventually the entire area (often only a few streets) changes its socio-economic status, and property values are substantially enhanced. Real estate agents and property developers may participate in the process, as they seek to enhance the exchange value of an area and to reap substantial profits from promoting UNEVEN DEVELOPMENT at the intra-urban scale."

The Dictionary of Human Geography, Fourth edition, 2000:

'The reinvestment of CAPITAL at the urban centre, which is designed to produce space for a more affluent class of people than currently occupies that space. The term, coined by Ruth Glass in 1964, has mostly been used to describe the residential aspects of this process but this is changing, as gentrification itself evolves.

Gentrification is quintessentially about urban reinvestment. In addition to residential rehabilitation and redevelopment, it now embraces commercial redevelopment and loft conversions (for residence or office) as part of a wider restructuring of urban geographical space. Gentrification proper combines this economic reinvestment with social change insofar as more affluent people - the urban 'gentry' – move into previously devalued neighbourhoods. Gentrification often involves direct or indirect displacement of poor people.

The Dictionary of Human Geography, Fifth edition, 2009:

'Middle class settlement in renovated or redeveloped properties in older, inner-city districts formerly occupied by a lower income population. The process was first named by Ruth Glass, as she observed the arrival of the 'gentry' and the accompanying social transition of several districts in central London in the early 1960s. A decade later, broader recognition of gentrification followed in large cities such as London, San Francisco, New York, Boston, Toronto and Sydney undergoing occupational transition from an industrial to a POST-INDUSTRIAL economy. But more recently gentrification has been identified more widely, in smaller urban centres, in Southern and Eastern Europe and also in some major centres in Asia and Latin America.

Box 2: Definitions of Gentrification in The Dictionary of Human Geography in 1994, 2000 and 2009
(LEES, SLATER & WYLY 2010: 3)

This chapter aims to clarify the term "gentrification" and its various dimensions. The origin of the term serves as a starting point to explain the genesis, changing dimensions and meanings of the term. It serves as a basis for evaluating the explanatory power of the concept by highlighting the gaps and overlapping content. Current discourse shows how academic, political and public debate deals with the identified weaknesses. As a response to that, this study claims a "crisis of gentrification" resulting from terminological fuzziness and ideologically influenced by the use of "gentrification" as a combat term. Therefore, this study provides at the end a contextualised definition of "gentrification" which is adapted for a comparison of gentrification processes in New York City, Berlin and Vienna

9.1 The Genesis of the Term "Gentrification"

The term "gentrification" is well established with respect of the impression the term has in the current debate in the urban context. The German-born Ruth Glass, a refugee from Nazi Germany who became Director of Social Research at the University College London in 1951 (LEES, SLATER & WYLY 2008; SLATER 2011), invented the term "gentrification" in the early 1960s. The term derives from "gentry" and describes "[...] some new and distinct processes of urban change [...] [that] are known as those of 'classical gentrification' [...]. [D]isinvested inner-city neighbourhoods are upgraded by pioneer gentrifiers and the indigenous residents are displaced. Working-class housing becomes middle-class housing [...]" (LEES, SLATER & WYLY 2008: 4 and 10) which results in a physical and social upgrading of inner-city neighbourhoods.

It is often cited that GLASS first coined this term in an introduction to *Aspects of Change* published by the Centre for Urban Studies in 1964. But evidence show that she warned against the effects of gentrification as early as 1962, "[...] about the squeezing of the poor out of London and the creation of upper-class ghettos [...]" (OXFORD UNIVERSITY PRESS 2004-2011). Influenced by the arguments of Marx and Engels, she constantly researched housing and class struggles, mainly in London:

"One by one, many of the working class quarters of London have been invaded by the middle classes – upper and lower. Shabby, modest mews and cottages – two rooms up and two down – have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in an earlier or recent period – which were used as lodging houses or were otherwise in multiple occupation – have been upgraded once again. [...] Once this process of 'gentrification' starts in a district it goes on rapidly until all or most of the original working class occupiers are displaced and the social character of the district is changed. [...]" (GLASS 1964 in: LEES, SLATER & WYLY 2010: 7)

Despite the original designation of the word "gentrification", the constancy of the term is even more remarkable as well as the fact that a wide range of international research and literature has been stimulated over the last 50 years. For a long time, the topic of gentrification was related to "[...] the accelerating rehabilitation of Victorian lodging houses, tenurial transformation from renting to owning, property price increases, and the displacement of working-class occupiers by middle-class incomers [...]" (SLATER 2011: 571). Over time, however, the meaning and connotation of the term changed substantially, and gentrification became a keyword within political and class-related debates

and even “[...] a dirty word to developers, politicians and financiers [...]” (SMITH 2002: 445). Unsurprisingly, today’s usage of the term differs depending on “[...] the particular context of the neighbourhood and the city in which they are situated [...]” (LEES, SLATER & WYLY 2008) and on the individual ideological perspectives. Therefore, a deeper observation of the term’s transformation between the early 1960s and today is necessary in order to understand the different facets of gentrification.

Gentrification from the Historical Perspective

A vast amount of scientific literature, special issues, readers and comments on topics of gentrification can be found. As a result, it is almost impossible to provide a complete insight into evolution and transformation of gentrification research - aside from the fact that is also unrewarding to write extensively about the different facets and approaches of every single gentrification researcher. Therefore, this chapter does not claim to provide a complete summary of gentrification research. Rather, it attempts to illustrate a brief, but still cohesive, overview of the most important tiers of gentrification to date (see Figure 9).

The overview starts with an insight into the early stage models from the 1970s represented by PHILLIP CLAY’s two-stage model and D.E. GALES’ work on gentrification for the English-speaking context. For the 1980s, a distinction was made between production-based (or supply-side) and consumption-based (or demand-side) theories introducing the extensive research by the main proponents NEIL SMITH, HAMNETT & RANDOLPH, DAVID LEY, SHARON ZUKIN. This study applies the production-consumption-systematization of LEES’s, SLATER’s and WYLY’s (2008) text book on gentrification. In the German-speaking academic context, the distinction is often made between structuralist (“strukturalistisch”) versus action-theoretical (“handlungstheoretisch”) dimensions (DIRKSMEIER 2010: 448).

After the systematization of gentrification theories through the late 1990s, new aspects like globalisation and costs of gentrification as well as challenges of differentiation with regard to new build gentrification and studentification is observed. Combined with a lack of contextuality and precision (see MALOUTAS, RÉRAT, SÖDERSTRÖM & PIGUET), the concept of gentrification stopped being a complex and “chaotic concept” (BEAUREGARD 1986) and approached the current state of crisis in academic, political and public debate. Gentrification became not only a global, but rather an omnipresent part of current urban development processes in need for terminological clarity and proactive understanding and implementation in urban regeneration strategies.⁶

⁶ For a more thorough insight into gentrification research, *The Gentrification Reader* by LEES, SLATER & WYLY (2010) accompanied by the book *Gentrification* (2008) published by the same authors are highly recommended.

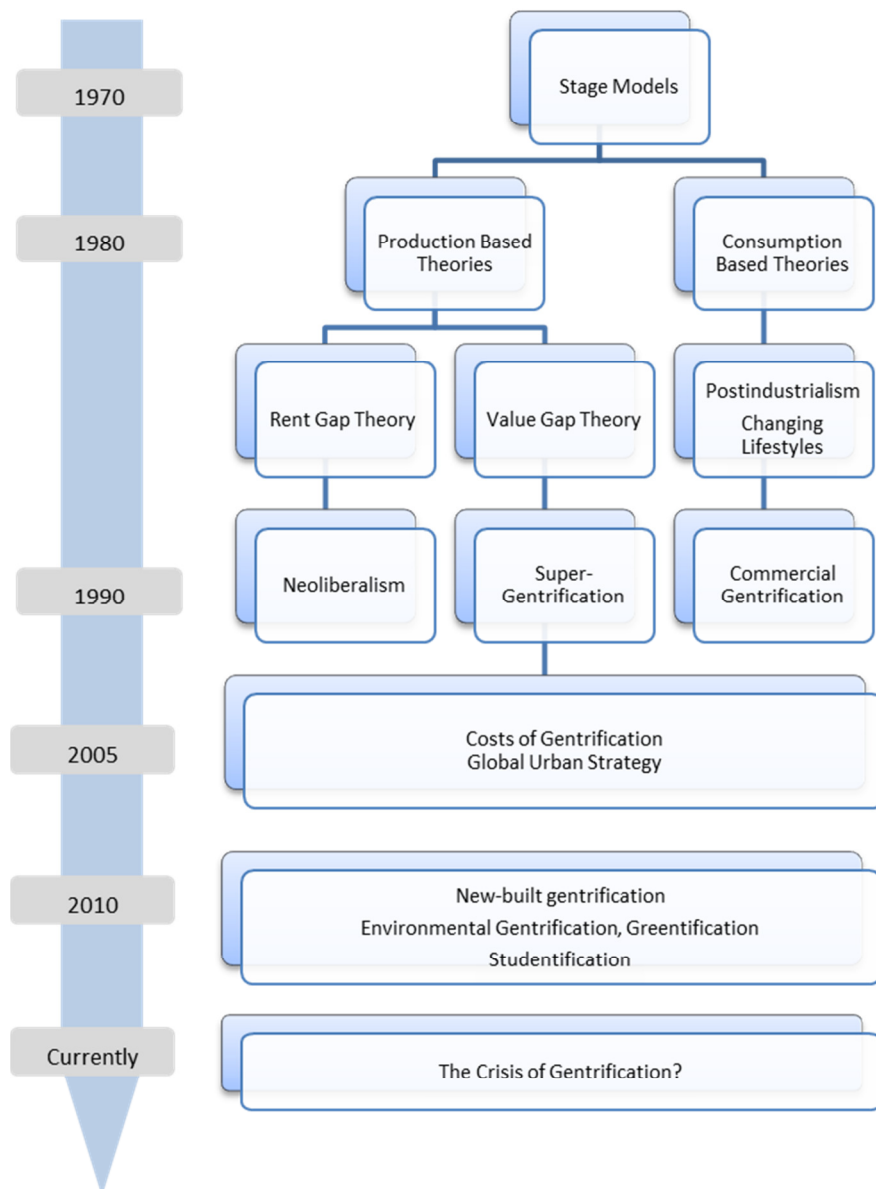


Fig. 9: Evolution of Gentrification (own illustration)

Stage Models of Gentrification

It took some time after RUTH GLASS' description of an evolving middle-class until further research on this new phenomenon was published. One of the earliest and major contributors in gentrification research is PHILLIP CLAY, who developed a stage model of gentrification based on a comprehensive study conducted in 1979 in a number of cities, for instance, Boston, San Francisco and Washington. This and other stage models, too, wanted to "[...] explain the process and predict the future course of gentrification [...]" (LEES, SLATER & WYLY 2008: 30). The general idea is based on the cycle models as it is assumed that "[...] gentrifying neighborhoods go through a series of distinct yet related stages, each one erasing more of the old working-class or poor character of place while inscribing new patterns of class privilege and wealth" (LEES, SLATER & WYLY 2010: 33). It is appealing to generalize an urban phenomenon like gentrification using the conceptualization of stage models.

CLAY's stage model of gentrification from 1979 includes four stages from pioneer gentrification to maturing gentrification, and was one of the first introduced and recognized general frameworks. His basic assumption followed the idea of an invasion-succession cycle shaped by "pioneers" and "gentrifiers." Stage one starts with the immigration of "pioneers" mostly characterised by persons with low income but high social capital who renovate properties for their own use and without conventional mortgage funds: "This first stage is well under way before it receives any public recognition [...]. The first efforts are concentrated in very small areas, often two or three blocks. [...]" (CLAY 1979: 37). At this stage, displacement doesn't seem to be a disadvantage, "[...] because the newcomers often take housing that is vacant or part of the normal market turnover in what is often an extremely soft market [...]" (CLAY 1979: 37).

If the immigration of pioneers increases and the physical improvement of more blocks occur, stage two can be identified. Now, "[...] [s]ome displacement occurs as vacant housing becomes scarce [...] [and] [i]f the neighborhood is to have its name changed, it often happens at this stage [...]" (CLAY 1979: 37). Although CLAY did not label this particular stage, this phase can be named as established pioneer gentrification.

Stage three is characterised by a high immigration of new middle-class residents who get attracted by a safe neighbourhood and the accessibility of bank loans. These young professionals start to demand public resources as well as refusing social service institutions and subsidized housing. A transformation of the socio-demographic composition is observable, as housing prices increase rapidly and lead to the displacement of less well-off residents. Therefore, the middle-class is the main driver behind gentrification in stage three.

According to CLAY, the final fourth stage is reached in this transformation process when "[...] [a] large number of properties are gentrified, and the middle-class continues to come [...]" (CLAY 1979: 38). The new middle-class now consists of business and managerial residents who also stimulate a change in the neighbourhood's retail and commercial composition towards a highly specialized supply. Although it turns out that the displacement of renters and homeowners is a serious challenge at this stage, relatively little is done to mitigate middle-class reinvestment.

CLAY's model was one of the first attempts to systemize the various waves of gentrification. Although it seems to be comprehensible, some weaknesses have to be mentioned in order to show the limitations of this stage model. One major critique is that CLAY exclusively used only US American cases to develop this model. It may be useful to implement this model into gentrification cases in the UK where similar real estate and labour markets as well as private capitalism can be found. But it will be hardly successful to describe gentrification in Western and Eastern European cities with the help of these four stages. The welfare regimes of most Central-European states differ distinctly from the United States, and therefore the processes of gentrification also occur with different dynamics and outcomes. Another limitation of CLAY's model lies in his descriptive and non-predictive character of his stage model. In his opinion, the transformation of neighbourhoods ends in a stage of complete gentrification (stage four). However, current phenomena of gentrification show that this assumption falls too short. After CLAY published his stage models, most critique was addressed toward the generalisation of a very distinguished and local phenomenon. Critics asked for "[...] a greater emphasis on unique circumstances and partial, situated narratives [...]" and emphasised the occurrence of unforeseen speculative bubbles (LEES, SLATER & WYLY 2010: 33). At this stage, this shortcomings turned out to be most valuable contribution to the gentrification discourse. CLAY's stage model offers a generalised understanding of complex dimensions like dynamics in time and space, actors, behaviour and results at the micro level. Although a localisation of one specific

neighbourhood within CLAY's four stages may come up too short, it still enables a first systematised classification of a complex process.

In light of the lack of contextuality in CLAY's early stage model, other researchers followed suit with stage models characterised by a strong geographical and historical context. They "[...] tended towards one of two extremes: broad, abstract generalisations about "the" process, or rich, highly localized studies of very particular cases" (LEES, SLATER & WYLY 2010: 34).

Another researcher who needs to be named in this context is D. E. GALE, who attempted to develop a stage model of gentrification in order "[...] to cope with the temporal variations in gentrification that were already apparent in the 1970s [...]" (ibid.). He built on CLAY's idea of different stages of gentrification processes and applied his model in three areas at different stages of gentrification process in Washington, D.C. He stressed the population change from former working-class residents to "gentrifiers," who mostly consist of white DINKs (double income no kids). His "[...] classic gentrification model [...] underlined class and status distinctions between old and new residents in a gentrifying neighbourhood [...]" (LEES, SLATER & WYLY 2008: 33) and added a new geographical contextuality through his comparison in three different neighbourhoods.

In the mid-1980s to mid-1990s, the two poles of generalisation and localisation within the gentrification discourse were enriched by BERRY's and BOURNE's analyses of gentrification in US American and Canadian cities. BERRY attempted to link gentrification processes to transformations occurring on a broader scale. He showed that negotiations between supply and demand sites (meaning sellers and buyers) are embedded in the relationships of supply and demand at the metropolitan scale (LEES, SLATER & WYLY 2010: 34). Additionally, inter-city trends like deindustrialisation, changes in the labour market and migration flows also have an impact on negotiations between sellers and buyers or between landlords and tenants.

In BERRY's opinion, gentrification was not a counter-cyclical process during recession with a lack of new suburban housing construction. Rather, it was pro-cyclical and "[...] most extensive in those metropolitan areas with the fastest pace of new suburban housing construction [...]" (ibid.). He applied the figure of "vacancy chains" describing the moving-out process of new suburbanites leaving behind vacant space in the inner-city. He refers to the housing stock "[...] as a set of gross substitutes organised into a commodity chain system. Layers of new housing are attractive substitutes that draw upwardly mobile households from older housing types that, in turn, attract households from the units they occupy further down the chain" (BERRY 1985: 40).

Those vacant spaces may either remain as "seas of decay" or as "islands of renewal" through gentrification. They serve as a proxy for urban polarisation and as "[...] a mirror reflecting the society that maintains it" (BERRY 1985: 52). The reason why vacant inner-city space can be gentrified lies in a general "stay-in-the-city phenomenon" (BERRY 1985: 43) and in an attractive housing stock close to downtown, where satisfying office space and employment opportunities in the tertiary sector are to be found (LEES, SLATER & WYLY 2010: 34).

BERRY's idea of constant vacancy chains filled by new households who decide to live in the inner city and not in the suburban area is based on the assumption of population growth in the entire city region and an increased attractiveness of modern headquarters in urban centres. This basic assumption may be considered a weakness for this model as gentrification might also happen in not too fast growing city-regions where a dynamic exchange of suburban and inner-city residents is not the reason for stimulating gentrification.

Whereas BERRY still struggled with the proposition whether gentrification “[...] was a permanent shift or simply a temporary imbalance [...]” (LEES, SLATER and WYLY 2010: 34), LARRY BOURNE stated a “post-gentrification era” and predicted the end of gentrification. In his opinion, gentrification remained a niche phenomenon only dominating academic debate (BOURNE 1993: 55). As a result, already in the early 1990s he observed a vast literature leading to contradictory assumptions with regard to gentrification. He criticised “[...] that these kinds of generalizations [...] are overdrawn and potentially misleading” (LEES, SLATER and WYLY 2010: 55).

By referring to the case of inner city Toronto, he predicted a “post-gentrification era” based on the assumption at the micro-level of a “[...] passing [...] baby-boom [generation] into middle-age, [a decline] of new household formation, and the general aging of the population” (BOURNE 1993: 61). Also, the potential of an attractive housing stock is limited and the supply of inner-city housing options would not meet the expectations of young gentrifiers. Combined with changes at the macro-level, for instance, persistent recession and corporate downsizing, the potential of young new gentrifiers would not be large enough to compensate older gentrifiers (BOURNE 1993: 61).

He ends with a comparison of seven factors underlying the rise and decline of inner area gentrification in order to prove his assumption of a transformation from a “gentrification era” to a “post-gentrification era.” The factors refer to demographic, economic and educational transformations as well as to changes in living arrangements, in the public sector, the built environment and in locational dynamics (BOURNE 1993: 62). Within the “gentrification era” the demographic factor was characterised by peak baby-boom generation with smaller households and an already increasing elderly population. The “post-gentrification era” faces a stable fertility with a decline in new households and a rapidly aging population. The economic factor transforms from rapid employment growth to modest employment growth with stable rather than declining incomes and flexible job arrangements. In the gentrification era, educational attainment was characterised by a quantitative jump in higher education and professional degrees. In the post-gentrification era, on the other hand, education faces an increase in technical levels and an emphasis on quality education. One of the most visible characteristics of the gentrification era is the diverse choice of lifestyles and a higher household fragmentation. Individualism and fragmentation decline in the post-gentrification era, where more constrained choices and household consolidation may be the primary characteristics. During the gentrification era the public sector reacted with rapid employment growth and major new public investment, whereas the post-gentrification era is confronted with caps on public expenditures and tendencies toward sub-contracting, leading to predominantly public-private partnership arrangements. The gentrification era had to deal with speculation and escalating real estate prices tightening the housing market due to low vacancies. In contrast, the built environment in the post-gentrification era shows stable or declining prices with foreclosures and high vacancies as common signs of the times. Concluding with the factor of “locational dynamics,” the gentrification era steamed up because of downtown employment growth and institutional expansion whereas the post-gentrification era consolidates locational dynamics due to suburban employment growth and institutional down-sizing (see BOURNE 1993: 62).

If we look at the contrasting factors underlying the gentrification and an assumed post-gentrification era, the main critique on BOURNES’ analysis may be again the level of generalisation. At this time characterised by economic crisis, cutbacks in public sector expenditures, increasing unemployment rates and stagnating income levels, an end of gentrification cannot be observed. The pool of potential gentrifiers may be smaller during the peak-time of the gentrification era. But still,

the economic potential of the smaller group of potential gentrifiers is large enough to revitalize neighbourhoods through gentrification. Another critique might refer to the predictability power of BOURNE's analysis. In his opinion, he collected enough evidence to put a post-gentrification era to discussion. The inability to predict the end of inner-city gentrification was evident already in the mid-1990s. Nevertheless, BOURNE's factors underlying the rise and decline of inner area gentrification can serve as a systemised starting point to predicting gentrification at a macro level. They will not be able to predict the impact of gentrification at the micro level. But they could be used to define factors like inner-city location, attractive housing stock, good access to public transport etcetera for a "gentrification potential" within a certain neighbourhood.

The group of academics dealing with stage models must be complemented by a look at the ideas of HACKWORTH and SMITH, who developed the idea of three waves of gentrification. Their assumption is based on the importance of political economy that influence and have an impact on the scope of action of actors involved in gentrification processes (LEES, SLATER and WYLY 2010: 35). Every phase of gentrification is a result of a particular constellation of political and economic conditions. Although an ongoing privatisation can be observed since the 1970s, HACKWORTH and SMITH (2001: 74) wondered "[...] how [...] the state has become more direct in its encouragement of gentrification.." They followed the assumption of VAN WEESEP (1994: 74) who argued putting the focus of gentrification on effects and including a policy perspective.

With the help of a schematic history of gentrification, which also includes two recessions in the timeframe between the late 1970s and 2000, they identified three waves of gentrification. First, one can identify a sporadic gentrification; second, the anchoring of gentrification; third, a return of gentrification. Their concept is based on analysis in New York City respectively, the neighbourhoods Clinton, Long Island City and DUMBO, which they perceive to be applicable for other cities as well (HACKWORTH and SMITH 2001: 66).

The first wave of sporadic gentrification presaged the global economic recession in 1973. This phase is characterised by disinvestment in US cities. New York City serves as an example where extensive arson in particular neighbourhoods intensified and was supported by abandoned landlords. A reinvestment interest into central housing properties was stimulated in the transition phase between the first-wave "sporadic gentrification" in the early 1970s and the second-wave "anchoring gentrification," which lasted from the late 1970s to the late 1980s. The gap in property values was high enough to overlook the risks and living conditions in negatively affected neighbourhoods. An expected return in the long-run can be assumed as a catalyst for developers and investors to invest in large portions of inner-city housing property, "[...] setting the stage for 1980s gentrification" (HACKWORTH and SMITH 2001: 66 pp.)

The role of government and federal programs as an "anchor" for gentrification becomes obvious during the second wave where gentrification evolves as a main driver for "real estate frontiers" (HACKWORTH and SMITH 2001: 68). Despite the fact that gentrification was now characterised by an "[...] integration [...] into a wider range of economic and cultural processes at the global and national scales" (ibid.), gentrification became a powerful and common tool to upscale formerly deprived neighbourhoods. At the beginning, private investment was the main driver behind this process, having its roots in the advantageous sell-off during the recession time in the 1970s. Over the course of the next few years, federal programs even encouraged these dynamics by providing block grants and enterprise zones. The unregulated form of heavy investment led to the displacement of homeless people and the eviction of vulnerable residents. Especially in New York

City these processes found resistance in particular neighbourhoods like SoHo or Lower East Side due to the fact that an existing arts community was not only used as a catalyst, but was also affected by ongoing gentrification. Yet, the gentrification progress could not be hindered: The political will to do so did not exist (ibid.).

Before gentrification returned in the early 1990s, a slowed-down process can be identified through a second recession. Again, an early indicator of a potential recession may be found in the stock market crash of 1987. The recession that followed in the early 1990s stopped gentrification in various US American cities, introducing the term of "de-gentrification" and providing an anchor point for BOURNES' assumptions on a "post-gentrification era" (ibid.). Despite all evidence of a gentrification crisis, the post-recession phase starting in the early 1990s actually paved the way for large-scale gentrification. According to HACKWORTH and SMITH (ibid.), this third wave of gentrification differs from former waves in four ways: geographical expansion, large-scale investment through corporate investors, declined resistance and increased involvement of the state. The new role of the state as an "interventionist" can be linked to the historical situations in the neighbourhoods. During first-wave gentrification, investment in inner-city areas was an economic risk. Therefore, the state stimulated reinvestment through "[...] land assembly, tax incentives, and property condemnation [...]" at the city and federal level (HACKWORTH and SMITH 2001: 69). Accompanied by upgrading processes, central inner-city neighbourhoods became not only more safe, but also less risky. Investors were faced with limited inner-city investments targets and spread out to more remote areas – albeit still within inner-city distance. A movement of capital and therefore continuing gentrification led to a return of state intervention. The reduction in federal distribution to localities smoothed the way for an even more gentrification-friendly environment in cities. In order to stay attractive for future investment and to secure "[...] the fiscal viability necessary to keep receiving such loans, many cities have [...] turned to the attraction and retention of the middle class to increase tax revenue" (VARADY and RAFFEL 1995 in HACKWORTH and SMITH 2001: 70).

HACKWORTH's and SMITH's three-wave concept of gentrification included the aspect of political economy within stage models. In combination with the consideration of economic recessions, the explanatory power increased significantly. Still, critique is valid with regard to generalisation and projection. Also, the concept of three waves was not adapted to developments after 2000.

An attempt to extend the three waves concept of gentrification to the current situation could look like follows. There might be at least two more transition phases. The first results from the dot-com bubble in 2000 and the second from the current financial crisis based on the speculative real estate market coming to an end in 2007.

The impact of those transition phases on gentrification may be a result of even more interlinked circumstances than in the past. A financial and economic crisis at the macro level causes increased state regulations for the capital sector, resulting in less available corporate investment. Therefore, postponed construction of new housing occurs in rapidly growing cities, supporting the tightness of the local housing market and increasing housing rents and prices. As a result, a current fourth (or fifth) wave of gentrification might be labelled as "Globally Constrained

Gentrification" indicating the globalised level of gentrification while simultaneously limited through state regulations or restricted access to capital.

From Three to Five Waves of Gentrification

First Wave until 1973:

sporadic and state-led

Second Wave 1978-1988:

expansion and resistance

Third Wave 1994-2000:

recessional pause and subsequent expansion

Fourth Wave 2003-2007:

internationalised fresh start after dot-com bubble and postponement

Fifth Wave 2007 – ongoing:

cautious globalised gentrification dealing with financial regulations and social constraints

Box 3: From Three to Five Waves of Gentrification
(own adaptation based on
HACKWORTH & SMITH 2001)

Despite all attempts to conceptualise the very complex process of gentrification, critique occurred already quite early. In 1984, ROSE (195 pp.), for instance, asked critically if the path of conceptualise stage models is the right path. In her opinion, the concept of gentrification has to be reassessed as "[w]e ought not to assume in advance that all gentrifiers have the same class positions as each other and that they are 'structurally' polarized from the displaced" (ROSE 1984: 210). This opinion illustrates the complexity and nonlinearity of gentrification and the need for different ways to fully understand the process. It is a requirement which paved the way for research on both production and consumption side.

Critical Geography of Gentrification

Even in the early conceptualization phase of gentrification, there was a critical approach towards gentrification which has been existed until now. CLARK (2005), for instance, emphasises the root causes of gentrification represented by power relation structures and commodification of space (LEES, SLATER & WYLY 2010: xv pp.). Gentrification originally derived from a class debate and still integrates the socio-demographic changes and issues of displacement, primarily of working-class residents.

Some of the most popular contemporary advocates of a "critical geography of gentrification" are LORETTA LEES, TOM SLATER and ELVIN WYLY (2010: xv), who integrate aspects of social justice and resistance against undesired gentrification processes into academic discourse. Also DAVIDSON (2011: 1994) emphasises the "[...] notion of injustice and the semblance of a normative politics [...]"

which still remain as crucial components within processes of gentrification. He identifies converging attempts by gentrification researcher to “[...] maintain a politics of gentrification against its incorporation into liberal policy agendas [...]” (ibid.) which led too often to consensus in gentrification research. In his opinion, “[c]ritical research has to leave open the virtual, the normative, the city without gentrification” (DAVIDSON 2011: 1995). As a result, reflective criticism can be ensured in gentrification discourse, with disagreement as a central component stimulating additional gain of knowledge.

Given the general neoliberal policy framework providing a stimulating environment for gentrification policies, SLATER (2005) identifies an eviction of critical perspectives from gentrification research. He argues that gentrification discourse is still locked between consumption-side and production-side arguments reflecting the “[...] resilience of theoretical and ideological squabbles” (SLATER 2005: 746) which cover the critical perspective in academic debate. Also, the issue of “[...] displacement gets displaced” (SLATER 2005: 747) with an observable shift in gentrification research from the working-class eviction to characteristics of the new middle-class. He refers this reason to methodological challenges to “[...] measure [...] the invisible [...]” (SLATER 2005: 748). Finally, the neoliberal policy and a public agenda of “social mix” has revealed not only the stage for state-led gentrification, but also an optimism in planning and policy which denies real challenges and the political will to create socially balanced communities. Rather, tendencies towards homogenisation, social segregation and “NIMBYism” are observed (SLATER 2005: 750). According to SLATER, these shifts towards a less critical geography of gentrification must be truly considered in future neighbourhood development policies, as “[g]entrification [can] not [be seen as] the savior of our cities” (SLATER 2005: 752).

Supply Side Theories

“[Gentrification is a] frontier on which fortunes are made [...]” (SMITH 1986: 34)

The distinction between supply-side or production and demand-side or consumption theories proved to be successful as it systematises the researcher’s explanations and the influence of their personal background. Yet critique has been raised “[...] that the debate has been locked into what has become a sterile argument between supply- and demand-siders [...]” REDFERN (2003: 2351 pp.) However, the distinction between supply-side and demand-side theories remains useful as it provides a framework in which issues of gentrification can be positioned and debated (REDFERN 2003: 2352).

Before explaining the two tiers of gentrification theory, it is necessary to describe the circumstances during these times. Since the 1950s, predominantly US American cities experienced severe deindustrialisation and a peak of suburbanisation in the 1960s. In times of postfordism, white flight suburbanisation and urban decay were the dominate processes, and the future for cities became more and more desperate. But, suddenly, some researchers see the oil embargo in 1973 as raising hope for the urban future. A few neighbourhoods of the world’s largest and economically most successful cities experienced an influx of new capital and more affluent residents. Maybe because costs for commuting from the suburbs to the working place in the city had accelerated and former suburbanites had moved back to the cities. Or, because children of the “baby-boom” generation refused to life in a suburban conformity as their parents had. These were the times when a “back to the city” movement became apparent. Especially the changing lifestyles of the middle-

class seem to have been a catalyst for the renaissance of the city (LEES, SLATER & WYLY 2008: 43 pp.; LEES, SLATER & WYLY 2010: 81).

Neil SMITH's rent gap theory must be seen in the context of these debates. His theory was a " [...] reaction to the optimistic, uncritical celebrations of urban renaissance in the late 1970s" (LEES, SLATER, WYLY 2008: 49) and soon became the most influential and criticised production-based theory. In Smith's opinion, current research on gentrification was predominately focused on effects like displacement rather than studying the underlying causes (SMITH 1979: 85 pp.). Furthermore, the explanations given emphasised the consumer preference – both culturally and economically – which in his opinion misses the perspective of producers. "To explain gentrification according to the gentrifier's actions alone, while ignoring the role of builders, developers, landlords, mortgage lenders, government agencies, real estate agents, and tenants, is excessively narrow. A broader theory of gentrification must take the role of producers as well as consumers into account, and when this is done, it appears that the needs of production – in particular the need to earn profit – are a more decisive initiative behind gentrification than consumer preference" (SMITH 1979: 87). The whole process is about a symbiosis of production and consumption, whereas the production dominates the process. The very basic question in this context is "[...] why some neighborhoods are profitable to redevelop while others are not" (SMITH 1979: 88).

Based on the assumptions of a capitalist economy, where profit means success and competition is the driver for success or failure, SMITH developed his gentrification theory on a rent gap. This gap occurs when the actual ground rent capitalized under the present land use doesn't equal the potential ground rent level. This gap has to be wide enough in order to initiate investment and redevelopment. From SMITH's point of view, developers are the important actors who invest in deprived neighbourhoods by purchasing buildings cheaply. They finance renovation costs and interest on mortgage in order to sell the refurbished property at a profit. These shifts of investment, disinvestment and reinvestment happen cyclically, therefore the process never comes to an end (SMITH 1979: 93). This theory implicates that "[...] gentrification is a structural product of the land and housing markets [where c]apital flows where the rate of return is highest [...]" (SMITH 1979: 94). SMITH agrees on the back to the city movement, "[...] but of capital rather than people" (ibid.). As already mentioned above, SMITH's rent gap theory is not only the most influential one, but also the most criticised and discussed theory – even in current discourses. Because his concept is based on Marx's labour theory of value, disagreement related to the terminology is also found. The attractiveness of this theory lies in its elegance and simplicity, though the latter is the main critique point: The "[...] over-simplified understanding of the process of gentrification" and the lack of attention to the human scale (HAMNETT 1991).

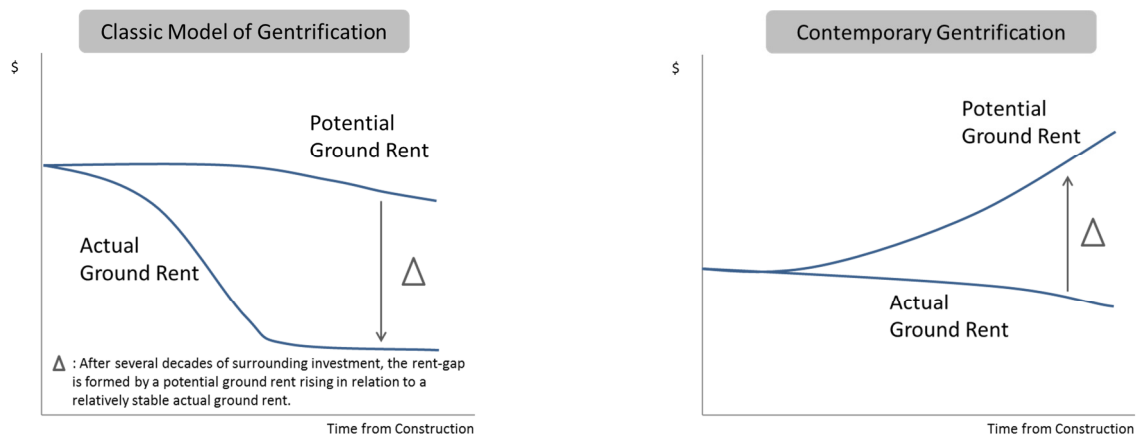


Fig. 10: The Changing Mechanics of the Rent Gap (own illustration based on HACKWORTH 2002: 827)

Despite all critique, SMITH's rent gap theory influenced many more researchers to investigate gap theories. HACKWORTH (2002: 825 pp.), for instance, adapted SMITH's classic model of gentrification and discovered the changing mechanics of the rent gap in contemporary gentrification. Contrary to SMITH's assumption of a relatively constant potential ground rent and a dropping actualised ground rent, HACKWORTH (2002: 827) assumes a progressive rising potential ground rent while the actualised ground rent remains relatively stable (see Figure 10).

One further well-known theory in this context is the value gap developed by HAMNETT C. and B. RANDOLPH (1984; 1988). They analysed conversions of privately-rented apartment to individual owner-occupation in central London from the 1960s to 1980s. The value gap describes the difference between the profit from rental income and the potential sale value of the property. The more the gap widens, the more it becomes profitable to convert the property. Besides the motivation of capitalisation, regulations and subsidies also play a crucial role in this theory. During their studies on London, it became more profitable to achieve owner-occupancy, as owners received larger tax and interest-rate subsidies. Simultaneously, it became more and more difficult to achieve revenue with rented apartments due to strict tenant rent controls and occupancy regulations.

With increasing research activity on gentrification on both sides of the Atlantic it also became clear that gap theories differ in every single state due to different state systems as well as legal and political frameworks. Loretta LEES (1994: 199) specifies these context specific differences: the institutionalisation of property transfer, the capitalisation of property and urban conservation practices. Gentrification is context specific on three levels, namely, locality, city and nation. As a result, she identifies an Atlantic gap, which shows that concepts like the rent or value gap theory are perhaps "[...] relevant in one national setting [...] [but] not necessarily appropriate in another national setting."

Another local contextuality is drawn by ŠYKORA (1993), who developed the functional gap to explain the urban transformation processes in former socialist regimes: "Functional gaps are caused by the underutilization of available land and buildings relative to their current physical quality" (ŠYKORA 1993: 287). The transition from centralised allocation to market-based allocation reveals a functional gap. "When centrally planned allocation of resources is replaced by allocation ruled by market forces, freely set rents influence the distribution of functions in space. Thus, functions with an inefficient utilization of space may soon be outbid by more progressive functions with a highly intensive space utilization. In this way, the functional gaps can be closed in a very short time without making huge

investments" (ibid.). The distinct history of post-socialist cities is an underlying component that is still impacting free-market housing markets, for instance, in Prague. As a result, functional gaps and rent gaps occurred as "[...] immediate causes of the new private investment flow that is contributing to the revitalisation of Prague's inner city" (SÝKORA 1993: 291 pp.). Functional gaps occurred very quickly after the end of socialism and can be closed quickly, as well. However, rent gaps have a stronger influence on the built environment and tend to last longer. Therefore, the close of rent gaps in post-socialist cities may take longer compared to the close of functional gaps.

Demand-Side Theories

Despite all the advantages of production-side theories, and although this study will strongly build on economically based arguments, this strand of gentrification omits the role of human individuals or agencies. Whereas SMITH (2002) argued that gentrification is an economically driven cycle of investment and disinvestment and should not be based on consumer preferences, theories from the demand side argue exactly the opposite. They focus on the fragmented lifestyles of a new middle class that derives from post-industrialism in advanced capitalist cities.

Demand-side theories often refer to class issues, and it soon becomes clear that the academic dispute between "demand-siders" and "supply-siders" derives from an inherent dimension of class debate and anxieties about creation of winners and losers within the gentrification process. As REDFERN (2013: 2364) puts it, gentrification is possible as "[...] we have a new source of supply of housing – improvable housing – and [...] we have anxieties about identity and status, (sic!) Gentrification offers a means for some to resolve those anxieties by taking advantage of the opportunities offered by this new source of supply of housing." It is a self-increasing process as gentrifiers ensure their lifestyle expectations and their identities through fulfilment of a certain housing style, for instance, loft housing. They are empowered to do so because of economic options and a new source of housing supply. REDFERN (ibid.) says that "[...] resolving their own anxieties, however, the gentrifiers create anxiety for others, whose identities they threaten, to whom they pose a 'danger,' specifically because, in realizing their goals, they deny those they displace the opportunity to realise theirs." This process of class struggle and the component of colonisation reveal not only the process of occupation and displacement, but also a certain terminology that also emotionalizes a debated process of changes in social mix.

The transition from class to identity aspect developed within the gentrification debate. As BUTLER (2007: 163) points out, "[...] class no longer does much for people in defining how they make sense of their lives [...]" . The first level of identification can still be found in occupation. However, "[...] where you live has become an increasingly important source of identity construction for individuals" (ibid.).

The saying "Tell me where you live and I tell you who you are" reflects to a certain degree the identity-creating potential of individual housing choices. Identity related to housing has to be differentiated in terms of geographical location and style of housing. The geographical location provides a categorization in terms of living. Coining neighbourhoods like Prenzlauer Berg in Berlin or Mariahilf in Vienna suggests a bohemian inner-city lifestyle and certain monetary resources. The style of housing is in itself the manifestation of individual tastes and lifestyle choices. Despite the

inner-city location, the style of housing in gentrifying or gentrified neighbourhoods is often linked to special tastes. Whether Victorian or architecture from the so-called founding period, housing architecture has to tell a certain story to inherit the potential for identification.

A specific housing taste and an economic valorisation of an obvious gentrification aesthetic also found entrance into gentrification research in the form of loft housing. Loft housing describes new residential housing in former inner-city (mostly light) manufacturing buildings that became vacant due to deindustrialisation processes. Factories either moved from inner-city location to more peripheral, affordable spacious locations. Or they shut production down completely due to tertiarisation processes of urban economies. Starting in the 1970s, a process of building conversion from former manufacturing use to residential use happened due to shifting tastes in living. New York City serves as kind of showcase for loft living with its high share of old industrial buildings from the mid- to late- 19th century in parts of Manhattan (for instance, SoHo) or at large parts of Brooklyn's waterfront (ZUKIN 1982: 2). The pioneers of loft living were artists "[...] who created live-in studios for both work and residence. They found that the relatively low prices in industrial areas compensated for some inconvenience (especially distance from grocery stores and other amenities) and a certain degree of noise and dirt" (ibid.). The new loft living became popular among the middle-class and upper middle-class and has been reflecting a certain "bourgeois chic" ever since (ibid.). One possible reason for the shift in living tastes can be found in the potential of authenticity represented by industrial histories of former manufacturing buildings, for instance, manufacturers of buttons or hats, or complete machine shops. Or, as DIRKSMEIER (2010: 449) points out, a certain "metropolitan habitus" may explain why distinct lifestyle groups can only be found in such gentrified neighbourhoods.

In a strict sense, loft housing as a specific element of demand-side gentrification would not be an entirely correct designation. As the new demand for loft living opened up an entire new field of real estate property, the supply-side too adapted itself to the emerging new form of urban living (ZUKIN 1982: 2 pp.). It turned into a circular process of supply and demand and created a new, post-industrialised form of consumption, the "cultural consumption". ZUKIN (1982: 3) explains that "[l]ofts changed from sites where production took place to items of cultural consumption. [...] The residential conversion of manufacturing lofts confirms and symbolizes the death of an urban manufacturing center." ZUKIN's (1982) seminal analysis of loft housing provides an in-depth analysis on its impact on the housing market, urban society and cultural consumption.

Fragmented individual lifestyle choices create not only new forms of housing demand, but also new spaces of consumption. ZUKIN (2008: 745) elaborates on the concept of authenticity that strongly depends on the self-construction of authenticity by specific consumer groups. Consumers either create their own authenticity of consumption represented by certain lifestyle consumer goods and services, like organic supermarkets, farmer's markets, coffee shops or yoga studios. Or, they become attracted by an already existing consumption supply. Following ZUKIN's (2008: 745) argumentation, they create awareness for innovative consumption means which in return serve as seeds for gentrification: "Innovative consumption spaces suggest new products, 'looks,' and aesthetic codes that become grist for the mass consumption mill; the cutting edge becomes 'the next new thing' and soon enough, 'the next neighborhood' of gentrification." Therefore, there might be a certain risk of losing authenticity for homogeneity's sake through commercial gentrification. Also, residential and commercial gentrification often go hand in hand or, as LEES (2003, in ZUKIN 2008: 732) puts it: "Waves of changes in consumption spaces parallel successive waves of residential gentrification, with wealthy cultural consumers and home buyer [...]"

As LEES, SLATER & WYLY (2010: 130) point out, “[f]or some time now, there has been wide agreement that class should be a central focus in the study of gentrification.”. One of the most important proponents of consumption explanations is David LEY, who conducted his gentrification studies mostly in Canada. He started in the mid-1970s by observing the role of a growing new middle-class in the context of a post-industrial city. As LEES (2000: 396) details LEY’s distinctive new class, the roots can be found in the “[...] critical youth movements of the 1960s. Once, they were hippies but now they are yuppies: gentrifiers in a postindustrial society.”

LEY’s research was accompanied with DANIEL BELL’s thesis of a postindustrial society from 1973. BELL (1973) identified four key features of an emerging post-industrial society (LEES, SLATER & WYLY, 2008: 91):

1. a shift from a manufacturing to a service-based economy
2. the centrality of new science-based industries with “specialized knowledge” as a key resource, where universities replace factories as dominant institutions
3. the rapid rise of managerial, professional and technical occupations
4. artistic avant-gards lead consumer culture, rather than media, corporations or government

LEY went one step further by combining the description of an emerging post-industrial society with local political culture. He developed the idea of a new middle class that cannot be characterised by commitment to political liberalism (LEY 1994: 145). However, a “cultural new class” can be identified which relates to a “[...] far more specific niche for left-liberal politics [...]” (ibid.) and is characterised by a collective identity of an “urban lifestyle.” This urban lifestyle is mainly constituted by a central city living which supports the argument of gentrifiers as a new middle-class shaping the supply of new housing choices through their individual lifestyle preferences.

To conclude the explanation of demand-side theories in gentrification research, certain distinctions between the supply-side and the demand-side approaches start to overlap the more recent they become. This difficulty may serve as a proxy for the increasing overall complexity of gentrification research where an “either or” perspective is no longer sufficient. HAMNETT (1984: 225) points out that “[...] a gradual emergence of an integrated theory of gentrification has arisen from the realization that production and consumption are both crucial to a comprehensive explanation.” The requirement of an integrated approach becomes even more obvious while dealing with new forms of gentrification that do not any longer follow traditional space, class and production assumptions.

Globalised Neoliberal Gentrification Strategies

Starting around the late 1990s, neoliberal policies began to have an impact on urban regeneration strategies. Since then have not only new forms of investment evolved and new actors on investing side appeared, gentrification has also become a state-led and global urban strategy strongly shaped by state agencies towards a mainstream habitus “[...] attracting the largest global developers and major financiers” (LEY and DOBSON 2008: 2471). In that sense, mainstream can be understood as sort of “conventional landscape” (LEY and DOBSON 2008: 2472) in which contemporary gentrification occurs.

Though HACKWORTH and SMITH (2001) identified a state-led component even in the first wave of gentrification (until 1973), there seems to be a lack of precision with regard to state-led gentrification until now. As UITERMAK et al. (2007: 126) argue, “[...] few authors have attempted a systematic explanation of why and how state agencies shape gentrification processes in different places and periods.” Surprisingly, there is no profound research on the new role of the state in gentrification processes, although local state governments are increasingly becoming involved in promoting gentrification. HACKWORTH & SMITH (2001: 464) describe the current situation as follows: “[...] [S]tate intervention has returned for three key reasons. First, continued devolution of federal states has placed even more pressure on local states to actively pursue redevelopment and gentrification as ways of generating tax revenue. Second, the diffusion of gentrification into more remote portions of the urban landscape poses profit risks that are beyond the capacity of individual capitalists to manage. Third, the larger shift towards post-Keynesian governance has unhinged the state from the project of social reproduction and as such, measures to protect the working class are more easily contested.”

Clearly the involvement of the state via specific gentrification policies and the rational choices made by state agencies has led to new characteristics of involvement in gentrification. Although more analysis with regard to the distinct occurrence of state-led gentrification is needed, this study considers the role of the state and state agencies in the empirical analysis through the link between macro forces and local gentrification impact.

However, the process of ongoing globalisation and the evolution of gentrification as “new global strategy” (SMITH 2002: 427) seem to be widely accepted in gentrification research. The global component can be identified through studies and city comparisons that go beyond Anglo-American cities. Not only European cities outside of the United Kingdom became objects of analysis, but also cities in Eastern Europa, South-East Asia and China entered the radar of gentrification research. The new aspect within the “new global strategy” is the shift from a perspective of social reproduction towards capitalist production. As SMITH (ibid.) points out, the circuits of global capital became an important engine for gentrification processes.

New Forms of Gentrification

Today, new broad fields of are emerging. The range covers new-build gentrification, environmental gentrification and “greentification” respectively rural gentrification, which refers to new spatial forms of gentrification on the supply side. On the demand side, new actors arise who are involved, for instance, in processes of super-gentrification and studentification. Processes of lifestyle change and changing consumption behaviour lead to commercial gentrification, as well. All forms represent “[...] contemporary market-driven gentrification, embedded within a facilitating neo-liberal public policy [...]” (LEY and DOBSON 2008: 2472).

In current gentrification research, an increasing questioning of displacement can be observed (see DAVIDSON and LEES 2010; SLATER 2006). The uncertainty is understandable due to the difficulty to prove things through quantitative data. Despite various attempts to analyse displacement quantitatively, comparative research on displacement through gentrification processes struggles with transferable results. Especially the ambiguity of empirical data on small spatial scales creates certain challenges to proving and disproving displacement. Additionally, new forms of gentrification also add

a new complexity that, on the one hand, demands more methodological skills. On the other hand, the question arises whether displacement can be traced at all when, for instance, newly built luxury construction occurs on former brownfield sites.

Starting with the supply side, new-build gentrification has to be mentioned as a process that includes inner-city newly built residential developments. These developments can be found on former brownfield sites that became vacant due to deindustrialisation processes. In this context, there are advocates who support the argument that those processes should not be labelled as gentrification (LAMBERT and BODDY 2002) since they do not displace people directly. Rather, they recommend applying terms like "reurbanisation" or "residentialisation" (DAVIDSON and LEES 2010: 396).

At the same time, voices opposing the latter perspective prefer to label these processes as gentrification under all circumstances as they stimulate gentrification at least in the long run. BODDY (2007) can be mentioned as one of the proponents of applying "reurbanisation" rather than gentrification for newly built developments. In his opinion, gentrification largely refers to a middle-class that buys older, historic single housing units in order to renovate and live in the newly acquired real estate property. This specific process leads to the displacement of established residents who cannot compete with the rising rents and property value.

In contrast, DAVIDSON and LEES (2010: 398 pp.) argue that new-build gentrification leads to indirect displacement, which serves as a strong argument to consider newly built development gentrification. Their understanding of indirect displacement embraces economic, political, social and commercial dimensions (ibid.). Also, they consider "[...] new-build developments [...] as examples of contemporary, state-led 'gentrification' [...]" (DAVIDSON and LEES 2005: 1186) and argue for not being to reluctant labelling newly built luxury developments as gentrification (DAVIDSON and LEES 2005: 1187).

A newly evolving research interest can be found in environmental improvement activities that increase quality of life and health of existing residents and that may support investment research and finally lead to gentrification. CURRAN and HAMILTON (2012: 1027) recently argued in their analysis for Greenpoint in Brooklyn that "[...] environmental improvements result in the displacement of working-class residents [...]". They ask specifically about urban environmental policies that secure the existence of industry and working-class residents although this might be contrary to the overall urban agenda where industry normally is not appreciated in future developments (see PlaNYC).

Another new form of gentrification on the supply side is "greentification" which relates to gentrifying rural areas. According to SMITH and PHILIPS (2001: 465), "[...] the term 'rural greentification' [...] emphasise[s] the in-migrants' cultural predisposition for 'green' residential space." The consumption-based approach for greentification tries to explain the displacement of existing rural residents by new incomers seeking for a rural identity and sense for "belonging" (SMITH & PHILIPS 2001: 465), which in turn changes the socio-demographic structure of existing rural communities. The main differences of urban and rural gentrification may lie in "[...] diverse cultural consumption practices of distinct segments of the new middle classes seeking different lifestyles" (ibid.). The inherent distinct habitus of "greentrifiers" can be described as "[...] seeking to display different amounts of social, cultural and economic capital in a location which evokes diverse meanings of rurality" (ibid.). To conclude, it is again about the construction of an own authenticity that provides the possibility to identify and to create a feeling of "belonging."

As to newer forms of gentrification on the demand side, the process of "super-gentrification" provides an explanatory model for an "[...] intensified regentrification [...] in a few select areas of global cities [...] that have become the focus of intense investment and conspicuous consumption by a new generation of super-rich 'financiers' fed by fortunes from the global finance and corporate service industries" (LEES 2003: 2487). The stock market boom and record bonuses in the late 1990s (LEES 2010: 390) and in the 2010s acted as economic stimuli for the evolving upgrading processes in the urban built environment. The process of regentrification indicates that this new form of gentrification goes beyond the traditional understanding of gentrification like the stage models from the 1970s (see CLAY 1979). Super-gentrification cannot be positioned within the demand-side or the supply-side or economic- and cultural-based theories of gentrification. Rather, it relates to a "[...] transformation of already gentrified, prosperous and solidly upper-middle-class neighbourhoods into much more exclusive and expensive enclaves" (LEES 2003: 2487). This new form of gentrification is an example for ongoing complexity, especially through the relationship between global factors and local impact. Super-gentrification is a spatial process that identifies "[...] global spaces/places [...]" as they are "[c]losely tied, through the labour market, to global financial markets [...]" LEES (2003: 2491). It clearly reveals the power of capital, the potential to regentrify an already gentrified neighbourhood and the risk of homogenized neighbourhoods on an even more mature stage than in traditional "working-class" versus "gentrifier" displacement processes.

According to BUTLER (2007: 170 pp.) super-gentrification has become an important impetus for urban geography as it identifies a change in urban class structure, supporting the aspect of displacement – in this case gentrifier by super-gentrifier – and revealing the aspect of multi-locality since super-gentrifiers tend to have more than one main residence. The enormous availability of capital enables super-gentrifiers to invest in second and third residencies which are often located in attractive rural locations. This new form of investment may lead to rural "greentrification" as it was already explained before.

The process of studentification has to be mentioned among the newly emerging forms of gentrification. It describes the process of students coming into neighbourhoods leading to a concentrated share of young residents. This concentration process impacts the economic, social, cultural and physical structure of the distinct neighbourhood (SMITH 2005). The impact emerges either as an upgrading or as a declining process depending on the local and spatial context. The local and spatial context in turn is highly dependent on the university and student housing system. Therefore, studentification can be mainly observed in Anglo-Saxon countries where campus and on-site student housing is the traditional housing type for undergraduate students. In contrast, studentification is rarely observed in cities like Vienna or Berlin due to the fact that students participate mainly in the private housing market or in subsidized student housing, which is not clustered around specific universities but rather dispersed throughout the city.

However, the fact of similar characteristics in studentification and gentrification processes draws attention to the policy side, with "[...] striking parallels between the possible policy interventions in processes of gentrification and studentification. Key here is the notion that both processes are exclusionary, give rise to a more segregated society and lead to the disintegration of established communities due to displacement and polarization" (SMITH 2008: 2542). One of the future challenges lies in considering studentification as part of housing market fragmentation. Similar to the gentrification debate, studentification has to be viewed in the broader context of access to affordable housing and the production of housing options for student residents.

Finally, the evolving process of commercial gentrification adds to new demand-side processes of gentrification. Sharon ZUKIN (2009) is one of the key researchers who have dealt with this emerging form of retail capital influencing the neighbourhood visibly and commercially. Wine bars, coffee shops, boutique shops are visible signs of gentrification, representing "new consumption spaces" for the new incomers. They are mostly more affluent, have a specific taste for certain lifestyle products and influence the neighbourhood's creative cultural distinction through creation of new consumption spaces (ZUKIN 2009: 47). On the one hand, existent and new forms of consumption may coexist side by side and cater to the daily needs of both established and new residents. On the other hand, new forms of consumption spaces may refer to "[...] 'white' interests, and although they may appreciate better goods and services that new stores make available, they resent the implication that white newcomers are responsible for the improvements" (ZUKIN 2009: 48).

Besides perceptual effects, commercial gentrification might also support homogenising processes in the neighbourhood. Commercial spaces of a "mainstream hip urban crowd" are mostly franchise-run businesses, for instance, American Apparel, Starbucks or Whole Foods. Although the chains contribute at first sight to an increased variety of commercial choices in a neighbourhood, they also decrease the level of distinct cultural characteristics of the neighbourhoods. Additionally, the social bonds to individually owned shops might become weaker as residents distribute their consumption choices among more shops (ZUKIN 2009: 48).

Although commercial gentrification at first glance refers mostly to consumption-based considerations, it becomes clear that it also has a strong impact on the social dynamics in a neighbourhood. There is a distinct need for public policies to empower long-term, individually owned shops to coexist with new incoming retail chains. Especially in US American cities, an upgrading process of retail supply serves as a first indicator for rising rents due to incipient commercial gentrification. Therefore, commercial gentrification serves as an example for demand-side gentrification, albeit not at the level of housing demand, but at the consumption level. For a detailed understanding of neighbourhood change through new retail investment, ZUKIN (2009) provides an analysis of retail change, its advantages and constraints for Central Harlem and Northside Williamsburg.

Towards a Geography and Non-Geography of Gentrification

Starting in the early 2000s, the claim for resurgence within gentrification discourse emerged. By this time, gentrification had become less attractive for two reasons. One reason can be found in the unsatisfying search for a way to link the growing body of demand and supply-side analysis (LEES 2000: 390). Another reason is related to the fact that "[...] gentrification had run out of steam" due to the assumption that de-gentrification would occur as a process of post-recession in the early 1990s (LEES 2000: 389 pp.). In light of these reasons, DAVIDSON (2011: 1991 pp.) identified a "fetishism of the city" in gentrification research which lost the thread of similarities connecting the multiple cases. Therefore, LEES (2000: 405) argued for a progressive agenda within gentrification agenda. In her opinion, "[...] [a] more detailed examination of the 'geography of gentrification' would [...] lead us to rethink the 'true' value of gentrification as a practical solution to urban decline in cities around the world" (ibid.).

In contrast, LEY and DOBSON (2008) argue for the non-geography of gentrification. They analysed places where gentrification did not take place in order to identify indicators and measure impeding gentrification. Their assumptions are based on impaired supply, policy responses and community resistance to change (LEY and DOBSON 2008: 4273).

The first, impaired supply, refers to a deficient housing stock and property that cannot provide anchor points for gentrification. Yet, if the housing market becomes tight and housing demand strong, “[...] purchasers or renters may be persuaded to accept lower-quality housing or riskier sites, while developers may remake the built environment through new construction of property and infrastructure [...] thereby enhancing formerly unfavourable local externality fields” (ibid.). As LEY and DOBSON (ibid.) note, housing quality refers to architectural aesthetics, for instance, architecture from the Victorian, brownstone or so-called founding period rather than quality of housing construction per se. It can be linked to the ZUKIN’s elaboration on the authenticity and aesthetics of gentrification as explained in the chapter on demand-side gentrification theories. Impaired supply is also connected to geographical location, social infrastructure and access to amenities. Large distances to downtown locations and missing access to high-quality educational institutions and amenities like parks, waterfront and cultural institutions have a negative impact on the value of a site (LEY and DOBSON 2008: 4273).

According to LEY and DOBSON (2008: 2475), the second factor for impeded gentrification may be found in policy responses “[...] that interrupts the logic of market processes.” In times of neoliberal policies, a momentum of interruption might be possible through the introduction of welfare objectives. However, constraints can be found in the power field of welfare objectives and [...] limited fiscal authority, so that significant involvement [...] will commonly require the joint will of the local state and senior level of government” (LEY and DOBSON 2008: 4275). Forms of governmental interventions occur in active land property management (“Aktive Bodenpolitik”) supporting affordable and social housing creation within the private market. Also, the construction of subsidized housing, protective zoning regulations and demolition controls, regulations of conversions of rental stock to condominiums as well as rent controls and tenure security can be mentioned as political means for impeding gentrification (LEY and DOBSON 2008: 4275).

Third, community mobilization and resistance can be mentioned as a crucial factor for preventing gentrification. According to LEY and DOBSON (2008: 2475 and 2477), political mobilization at the neighbourhood level draws attention to the injustice of gentrification and has the potential to encourage state intervention. Community mobilization ranges from “[...] community participation in formal planning processes to street demonstrations and even informal harassment of gentrifiers” (LEY and DOBSON 2008: 4277).

To conclude, LEY and DOBSON (2008: 2494) emphasises that “[...] there is clearly no silver bullet to impede gentrification and prevent residential displacement in the context of today’s neo-liberal urban agenda.” However, LEY and DOBSON (2008) identified three core factors that have to be considered in debates about how to steer and regulate gentrification processes. It is a combination of locational advantages, public policies and community participation that could serve as a means to decrease time and spatial dynamics of gentrification. LEY’s and DOBSON’s approach to considering supportive factors of gentrification from an opposite perspective might not lead to a distinct non-geography of gentrification, but it does serve as an argumentation basis for explaining “islands of affordability” in the “sea of gentrification” (LEY and DOBSON 2008: 4272).

9.2 Explanatory Concept of Gentrification

The explanatory power of gentrification as a concept being part of urban development strategies has often been criticised. On the one hand, the challenges of operationalisation seem to be a major weakness of the explanatory power. On the other hand, the ongoing transition of meaning from an initially clearly limited “[...] physical and social transformation of central areas through rehabilitation of existing housing stock and population displacement by more affluent households [...]” (RÉRAT, SÖDERSTRÖM & PIGUET 2010: 336 pp.) to new forms of gentrification with new actors and spaces are mentioned among critical researcher. Yet, this study claims that the explanatory power of gentrification would remain high and even workable if academic research and public discourse were to apply gentrification consistently and objectively.

The methodological weakness in terms of operationalisation is clearly an argument that has to be improved in future research. As SLATER, CURRAN & LEES (2004: 1142) point out, ideas on how to further develop the methodology in gentrification research is not part of the discourse. A tendency towards interviews with middle-class gentrifiers can be observed as those actors are easier to identify than displaced residents. However, evident challenges in operationalisation seem to be a result of a fuzzy definition of “gentrification” and vice versa. If gentrification would be limited to “[...] displacement as the key predicate [...], then we need to know how much, for whom and where” as ATKINSON (2008: 2633) points out. The aspects of “whom” and “where” may be identified quite straightforward. In contrast, the question for “how much” seems to depend strongly on data availability. The access to socio-demographic data on an ideal census tract level is one of the most challenging parts in the analysis of neighbourhood change and becomes even more complex in comparative or international case study analyses. Yet, micro-level data are crucial in order to prove or disprove displacement processes. Even if data availability were to be secured, another methodological weakness remains in terms of statistical interpretation of socio-demographic changes. Not every statistical in- or outmigration into a neighbourhood is a result of the immigration of gentrifiers or the displacement of less affluent residents. Individual motives underlying migration patterns might be more complex or simply decisions based on lifetime events like marriage or employment in another city. Therefore, methodological operationalisation goes hand in hand with a transparent definition of gentrification and limitation on dimensions that have to be considered within the analysis.

Simultaneously, the terminological fuzziness is a result of the random use of the term itself in academic, political and public debate. As the paragraph on urban terminology shows, the nuances are subtle, and without awareness for precision, the term “gentrification” runs the risk of being used for everything and nothing related to socio-spatial or physical changes in cities. Both the random use and avoiding the use of “gentrification” might happen on purpose by certain interest groups. On the one hand, gentrification can be used as a “combat” term to heat up an already emotionalised public debate aiming at fast reactions by, for instance, government representatives. On the other hand, the use of gentrification might be replaced by the use of terms like “urban regeneration” or “urban rejuvenation” in order to stimulate a positive atmosphere that does not imply undesired changes in the urban environment.

The potential overuse of “gentrification” for all kinds of neighbourhood change might be a result of a complexity in what is considered to be gentrification and what is not. A few academics

raise the argument of "elasticity" in context with use and overuse of certain key terms. MALOUTAS (2011: 36), for instance, identified an ongoing spatiotemporal stretching in the definition of gentrification. The broader scope with regard to time is influenced by a transition from de-industrialization to post-recession. In contrast, the broader scope of space can be identified with regard to local context which changes "[...] from the Anglo-American context to continental Europe and increasingly to almost everywhere in the world." ATKINSON (2008: 2634) argues in a similar direction declaring that "[...] we have tended to label too many kinds of neighbourhood change as gentrification and this elasticity has reduced the bite of critical studies of its localized appearance and has diminished policy-maker interest as a result." Obviously, the risk of overuse leads not only to terminological fuzziness, but may also reduce the relevancy and interest of a certain research topic. This argument has to be taken seriously, as the relevancy of a topic is the basic justification for further progress in research and discourse.

Therefore, there is a distinct need for a precise definition and differentiated sub-concepts in order to ensure high-quality operationalisation. This requirement becomes even more evident with regard to an evolving new research agenda for gentrification that involves broader scopes of space and time. The conceptual clarity of gentrification has to be improved and protected in future research to avoid a regression in explanatory power and a decline in interest for public debate (MALOUTAS 2011: 36).

The first step must be a transferable definition of "gentrification" that fits local characteristics and integrates contextual dimensions. An obvious attempt might be a simple definition, following the tempting idea of "one fits all". However, through a "[...] simplified definition – that only involves gentrifiers and reinvestment – [...]" as MALOUTAS (2001: 39) emphasises, "[...] gentrification increasingly becomes a mere keyword for its fuzzy and ambivalent content, for instance a signifier related to an aggregate of gentrification aesthetic and local 'social upgrading' rather than an articulated account of the underlying socioeconomic and political mechanisms and processes that produce it." As a result, the definition of "gentrification" has to be balanced between "as complex as necessary" and "as simple as possible „in order to provide an applicable and contextualised for a specific form of neighbourhood change. This challenge is faced in this chapter which deals with the necessity to develop and provide an applicable definition for the international multiple case study analysis.

Following RÉRAT, SÖDERSTRÖM & PIGUET (2010: 336), the explanatory concept of gentrification can be based on four dimensions: first, reinvestment in inner city locations; second, social upgrading processes by new incoming groups, commercial and cultural supply; third, landscape changes; fourth, direct displacement or indirect processes of exclusion. These four dimension can be clearly distinguished in "classic" cases of gentrification, although distinctions become more complex, for instance, in cases of new-build gentrification.

The weakness of the explanatory power of gentrification cannot be discovered in the underlying dimensions per se, but rather in access to data proving observable and perceiving changes within a neighbourhood. As a result, quantitative studies and the simulation of gentrification processes remain still methodological challenges. Gentrification research gathers crucial results from comparative studies, which are still not very well represented within international research. Including quantitative data in order to compare and prove gentrification processes in different national frameworks reveals various challenges with regard to data access, data level and categorization as well as data analysis.

But it is obvious that this type of weakness must be a core aim of future gentrification research. Especially in a field of urban research, where a strong focus lies on investment and the return on investment on both sides of the process, a reliable source of figures would improve not only the academic discourse, but also decision-making processes of actors involved in urban development agenda.

9.3 Current Gentrification Discourse and the Crisis of ‘Gentrification’

Current gentrification discourse seems to represent a two-edged sword. On the one hand, “gentrification” is well-established in academic research as a concept and term and has found entrance into public debate. On the other hand, “gentrification” is continuously being revisited, including new forms, actors and spaces (RÉRAT, SÖDERSTRÖM & PIGUET 2009), resulting in theoretical fuzziness and intransparent use. To date, the former lack of comparative analysis in gentrification research has been filled by a growing body of national and international comparative studies. This searches for contextualisation or, as LEES calls it, a “geography of gentrification” (LEES 2003: 2506). She (2003: 2506 pp.) quotes CLIFFORD’s (1997) argument of “[...] ‘travelling theory’: the universalizing application of explanations drawn from one specific country/city/neighbourhood to other situations without attention to the specific contexts of both their original conceptualization and their operation in other contexts.” Still, there is no common agreement in recent research on which driving forces effectively create gentrification. The ongoing academic controversy supports the explanatory weakness of the concept.

Simultaneously, neighbourhood changes reached a new level of complexity, being individually shaped by local contextuality. Complexity can be found in the link between macro and micro forces, actors involved at multiple levels and strategic policy making. Contextuality refers to the need for “particular contextual coordinates” (MALOUTAS 2011: 41) taking into account the institutional context and local capacities to deal with internal and external forces. Especially “[u]rban regeneration processes, and gentrification among them, are context-dependent in the

sense that their patterns and impact are determined by the combined effect of mechanisms and institutions involving the market, the state, civil society and the specific and durable shape of local

Academics	Year	National Context	Position towards Gentrification
GLASS	1960s	UK	Gentrification
HACKWORTH & SMITH	1970s	US	Waves of gentrification
CLAY	1979	US	Stage model of gentrification
GALE	late 1970s	US	Stage model of gentrification
SMITH	1979	US	Rent gap
ZUKIN	1980s	US	Loft housing and aesthetics
ROSE	1984	UK	Chaotic concept
BERRY	1985	US	Vacancy chains
HAMNETT	1990s		Over-simplification and lack of human scale
HAMNETT & RANDOLPH	1990s	UK	Value gap
LEES	1990s	UK	Generalization and location-based characteristics
LEY	1990s		New middle-class
AUSCH & DANGSCHAT	1990s	GER	Ultra-gentrifier
BOURNE	1993	Canada	Post-gentrification era
SÝKORA	1993	CZ	Functional gap
SMITH	2000s	US	Rent gap
	2000s		State-led gentrification
REDFERN	2000s		Locked debate between supply-siders and demand-siders
ZUKIN	2000s	US	Authenticity & commercial gentrification
LEES	2000s	US, UK	Super-gentrification
SMITH & PHILLIPS	2000s	UK	Greentrification
SMITH	2000s	UK	Studentification
HACKWORTH	2002	US	Changing dynamics of the rent gap
CLARK	2005		Class debate
BUTLER	2007	UK	Metropolitan habitus
LEY & DOBSON	2008	US	Impeded gentrification
ATKINSON	2008		Conceptual over-extension
DAVIDSON & LEES	2010	UK	New-build gentrification
MALOUTAS	2011	-	Contextuality and relationality
DAVIDSON	2011		Notion of injustice

Tab. 14: Academics and their position towards gentrification (own composition)

socio-spatial realities, for instance built environments, social relations inscribed in property patterns, urban histories and ideologies” (MALOUTAS 2011: 34). Considering the explanatory power of gentrification, the multi-angled criticism at the concept itself and a current crisis of the implementation, an explicit position for gentrification as a theoretical concept is necessary. As BUTLER (2007: 162) has argued, what else than gentrification would be able to “[...] understand [...] the mediations between global processes and flows, on the one hand, and the construction of identities in particular localities, on the other.”

At this point, a new research strand can be identified within gentrification discourse. The relational approach answers the need for analysing relational effects through the lenses of institutional context and local capacities. The concept of trajectories (MASSEY 2005) and assemblages (DELANDA 2006) seem to be promising conceptual frameworks to overcome the explanatory limitations of gentrification in future research.

As MASSEY (2005: 12) points out, place development is based on chains of events and movements leading to certain “trajectories.” They occur at different spatial levels covering the range from local to global. The combination of trajectories constitutes a particular history that inherits a capacity to mediate internal and external forces. MASSEY (2005: 12) talks about “stories-so-far.” The concept of “assemblages” (DELANDA 2006) understands the development of places as relational structures exhibiting particular capacities. Urban processes are understood as “reflective practices.”

This dissertation claims that an overuse of “gentrification” combined with weaknesses in terms of explanatory power led to a current crisis of gentrification. Though DAVIDSON and LEES (2005: 187) argue that “[...] we should not allow the term gentrification to collapse under the weight of mutation of the process itself [...]”, uncertainties have emerged in the gentrification discourse. The crisis is presented in academic research in the form of claims for higher precision, for instance, through a better contextualisation (MALOUTAS 2011) or through application of correct terms for distinguished processes predominantly referring to the distinction of reurbanisation and gentrification.

At the political and public level, the crisis of “gentrification” can also be identified at the scale of application. “Gentrification” has been exclusively a concept for Anglo-Saxon urban development processes and part of a public and political part in cities like London or New York City ever since. New York’s residents are very aware of gentrification in their city and are alerted as soon as social, economic or cultural changes occur in a specific neighbourhood.

In contrast, the public debate on gentrification in German-speaking cities started very late. This can be seen in the ongoing negation of “gentrification” by politicians who argued with strict tenancy laws, programs like “Behutsame / Sanfte Stadterneuerung” or low international investment in local real estate markets. Since the end of 2010, this situation changed, so that in Berlin, Hamburg, Munich, Zurich and Vienna a current debate on “affordable housing” has become part of general public debate. As ATKINSON (2008: 2627) points out, “[...] a system-wide scarcity of affordable housing” need to be considered within gentrification debate. Also, gentrification effects occur not only selectively, but rather have a long-term impact on the housing market as “[...] high-income households [...] dominate the housing markets of central cities to the detriment of low-income groups” (ibid.). In this context, the use of “gentrification” as a combat term is observed. Whenever the debate is on preserving social housing, creating affordable housing versus investment in new market-rate housing pops up, “gentrification” is quoted even where a change of socio-demographic composition or displacement of residents has yet to be attested.

At this point, it may be relevant again to link the macro forces with impacts on the micro level. Contemporary gentrification changed towards a “[...] more corporate, more state facilitated, and less resisted than ever before” (HACKWORTH 2002: 839). Gentrification found entrance into public policy and has been called “positive gentrification” (CAMERON 2003: 2367), “healthy gentrification” or “third-way gentrification” (LEES and LEY 2008: 2382).

Since the second peak of the economic crisis, two new forms of changes emerged. First, it can be observed that the middle-class has been affected and is suffering from the impacts of economic crisis. They cannot any longer fulfil their expectations to realise the same or even a higher living standard compared to generations before. Gentrification became synonymous for a crisis of “gentrifiers”. Second, neighbourhood changes are even more linked to external forces like economic restructuring that fuel gentrification processes (HACKWORTH 2002: 839). Contrary to the assumption in the 1990s (BOURNE 1993), gentrification became even more impactful after recessions in terms of time-space dynamics.

9.4 Gentrification Revisited?

“Defining gentrification is a difficult task.” (LEES, SLATER & WYLY 2010: 3)

The analysis of gentrification first requires a clarification of whether or not gentrification is a favoured outcome or not. It is less a question of “good or bad” or “positive or negative” (CAMERON 2003; FREEMAN 2006), it is rather the positioning of “gentrification” researchers towards or against gentrification as an element of neighbourhood change. Only then is there a basis for a consistent argumentation pro or contra gentrification policies. Therefore, this chapter reflects on the shortcomings and weaknesses, but also on the positive potentials of gentrification elaborated in the chapters above. Then, it attempts to provide a working definition of gentrification that is valid and applicable within the analysis in this study. At the end of this study, the aim is to extend the working definition to a proper definition within current gentrification research.

As ATKINSON (2008: 2627) puts it, “[...] gentrification [might be] (by definition) a problem [...].” The negative connotation may be even supported if the definition of gentrification is limited to “[...] a process predicated on household dislocation [...]” (ATKINSON 2008: 2627). If this is common understanding, “[...] then we will be hard pressed to find some kernel of goodness to it” (ATKINSON 2008: 2627). However, there must be an essence of positive contribution within gentrification apart from class competition, displacement and unbalanced power structures. According to BYRNE, a professor of law in Washington D.C., “[...] urban policies should support gentrification generally, even as it addresses some of the harms to which gentrification may contribute” (BYRNE 2005: 425). He refers to negative impacts like direct and indirect displacement, increasing rents and changing commercial supply. Yet, gentrification may also support less affluent residents as an “[...] increasing number of residents who can pay taxes [...]” (BYRNE 2005: 406) enable the city to invest in turn in affordable housing. He concludes that a lack of affordable housing cannot be directly linked to gentrification, but rather to “[...] the persistent failure of government to produce or secure affordable housing more generally” (ibid.).

Similar arguments can be found in current "third model of gentrification" (CAMERON and COAFFEE 2005) discourse, which goes beyond either capital or cultural debates. Here, public policy can be identified as main driver for gentrification attempting to use "[...] 'positive gentrification' as an engine of urban renaissance [...]" (CAMERON and COAFFEE 2005: 39). As a result, the currently well-used "social-mix approach" cannot only be seen as an instrument to support deprived urban neighbourhoods and decrease inequalities. In LIPMAN's (2008: 120) opinion, "[...] mixed-income strategies can be best understood in relation to the construction of neoliberal social and economic arrangements."

To summarise the two poles in the contribution of gentrification, this dissertation agrees on the assumption that cities, especially within global city competition, have to attract private investment and stimulate investment in neighbourhoods through policies and public subsidies. They have to provide attractive residential areas and liveable neighbourhoods to prevent urban decay. Gentrification may be a useful and necessary tool to stimulate investment in urban neighbourhoods. Cities with high population growth compete not only within a globalised city competition. Their challenge lies in providing housing choices in the central and less central areas. Especially historically grown cities are currently coping with creation of additional density ("Nachverdichtung") in order to provide residential, commercial as well as public spaces in already dense urban areas.

An already tight housing market in an ongoing growing city creates profit expectations in any case. Emerging gentrification is a matter of time, but sooner or later those upgrading processes will occur. Therefore, it is necessary to understand the processes of gentrification at various levels in order to empower cities and policy-makers to steer gentrification - or, as FREEMAN (2006) calls it, "managing gentrification." It is not solely a question of regulations; it is also about knowing the mechanism to speed up or slow down investment decisions within a certain time-spatial frame.

Following the path of a comprehensive explanation of gentrification nowadays, HAMNETT (1991: 176) noted the requirement to "[...] address the questions of where, which areas, who, when and why" went back as far as the early 1990s. Though his assumptions were based on early gentrification experiences, for instance, "[...] gentrification [was considered to be] particularly concentrated in a small number of large cities, such as [...] London, New York [or] [...] Toronto" (ibid.), he created awareness about the inclusive perspective within gentrification research. Gentrification should not be any longer interpreted as an "either-or process" referring to a complementary view on both production and consumption side theories (HAMNETT 1991: 188).

However, this seems to be still a narrow and restrictive attempt to define gentrification. Following the combined considerations of "generalizable features" and "place-based differences," LEES's (2000: 397) claim for contextuality seems to be more suitable. According to her explanations, gentrification provides, on the one hand, generalizable features at the international and national levels. Simultaneously, local specificities in terms of place-based differences and temporal differences have to be considered (ibid.). MALOUTAS (2011) contributes to LEES' argument by requiring an inclusion of contextuality within the gentrification debate. His attempt to revisit our understanding of gentrification seems to be suitable. As he points out, "[g]entrification is a potential outcome of urban regeneration processes that has gained important impetus due to a combination of investment opportunities and changing socio-demographic profiles within favorable conditions created by the joint effect of neoliberal policies and local urban histories" (MALOUTAS 2011: 42).

This definition covers the dimensions of physical and socio-economic processes by including

"urban regeneration processes" as overarching process in which gentrification emerges as a potential outcome. It also emphasises external effects at the macro scale with regard to changing political, economic and demographic frameworks. Neoliberal policies shape current political strategies, increasing demand for housing in times of limited access to financial resources creates investment opportunities and immigration processes of a "new urban society" stimulate changing socio-demographic conditions. All those external effects have an impact on local scale and local trajectories which MALOUTAS (2011) calls "local urban histories." The "force field" of external effects and local impact is a crucial conceptual strategy within assemblage theory (DELANDA 2006).

LEES' (2000) understanding of contextuality and MALOUTAS (2011) definition of gentrification provides comprehensive considerations of various processes at different scales. To ensure the clarification of gentrification as an operationalizable concept, this dissertation attempts to combine the (over)simplified original definition with MALOUTAS contextual understanding of gentrification:

"Gentrification describes socio-demographic and physical upgrading processes as a potential outcome of urban rejuvenation policies through public and private investment into neighbourhoods. These processes potentially lead to the displacement of existent residents through more affluent new incoming residents due to a combination of cyclically occurring investment opportunities and changing socio-demographic profiles. The degree of neighbourhood change in terms of measureable impact as well as time and spatial dynamics depends on local spatial, socio-demographic and economic characteristics as well as on adaptation capacities within the urban planning system."

The definition of gentrification as developed above covers three dimensions, namely, displacement, urban rejuvenation strategies and time-space dynamics. First, the definition attempts to position "gentrification" as a process that could lead to displacement. However, displacement of less-affluent existent residents through more affluent newcomers is not a normative requirement. Socio-demographic change in a certain neighbourhood could be also reflected by a quantitative addition of new residents. The reason for change is a combination of investment opportunities based on rational choices and changing socio-demographic profiles based on external effects.

Second, gentrification in that sense always relates to a combination of socio-demographic and processes of physical upgrading stimulated by urban rejuvenation policies. The definition does not limit changes of socio-demographic compositions to working-class displacement. Also, the urban rejuvenation agenda is not normatively linked to neoliberal policies as a presumed common strategy within urban policies.

Third, upgrading processes are stimulated by public and private interventions and investment. These investment flows occur cyclically due to phases of investment and disinvestment. Framing conditions and external effects in which gentrification is embedded may reduce or increase the dynamics of neighbourhood change. The degree of potential displacement depends on the combination of external and local effects. External effects, for instance, increasing population or globalised investment strategies, might increase regeneration dynamics at the local level due to a tight housing market and profit expectations. The spatial, political and institutional context at the local level might hinder or allay direct displacement. This definition does not limit gentrification to inner-city neighbourhood changes in large cities. It also includes new forms of gentrification, for instance, new gentrification on brownfields or greenfields, or even upgrading processes in smaller

cities. The political local context is of importance, as strong tenure security may protect existing residents, whereas public regeneration grants might stimulate gentrification processes. The economic context again refers to the reason why investment decisions are made. This decision-making process is not only an individual one, but is rather influenced by external forces, for instance, by an economic crisis whereby investment in real estate property ("Betongold") may be more profitable than investing in financial assets. In contrast, gentrification could also come to a hold because of a recession as access to financial resources becomes limited. To conclude, coping with gentrification processes depends on the potential for adaptivity. In terms of public policies, it refers to a framing system that is able to react flexibly on situations of increasing investment or disinvestment.

To conclude, this dissertation is based on the idea of "gentrification in a well-balanced dose" for neighbourhood development. The "dose" metaphor indicates the demand for both understanding of neighbourhood processes and the ability to identify certain tipping-points of "too much" or "too less." This qualification strongly refers to policy-makers who are in charge of shaping cities for common goods. Therefore, this study claims to consider the premise of common goods as underlying the rationale within decision-making processes. This might occasionally lead to undesired effects in neighbourhood changes, but in the long-run a satisfying win-win situation should be the desired result at the neighbourhood level, affecting the situation at the city and metropolitan scale.

10. Bounded Rationality and the Role of Embeddedness in Urban Development

Rationales underlie the attributes that influence the decision-making process of individuals and actors. Because this study focusses on investment practices in the built environment which may lead - intentionally or unintentionally - to gentrification, the aspect of rational choice becomes important. The decision-making of actors who are involved at various levels in gentrification processes is based on individual rationales influenced by internal and external factors. Therefore, the analysis of such rationales becomes important to our understanding of what drives decisions related to urban policies and investment at neighbourhood level.

However, this study goes beyond the strong conception of economic rationality with its assumption of total information within, for instance, rational choice theory. It is rather assumed that all choices and decisions within urban development are based on a variety of information, both external and internal constraints, as well as on diverging assumptions with regard to individual and collective aspirations. Therefore, the idea of bounded rational choices seems to be appropriate to be included into the theoretical framework constituted by a triangle of gentrification processes within urban comparison analysed through bounded rationality.

Nevertheless, the origin of bounded rationality can be found in the general rational economic and decision theory models of choice. Especially the theory of rational choice gained in popularity not only within economic research, but also in geography. The approach of these models is based on the assumptions of goal-orientation, complete information, stable and coherent preferences, availability of a set of alternative strategies and the "maximizing" axiom, meaning that decision-makers aim "[...] at the highest level of benefits [...]" and "[...] maximize[] expected utility" (JONES 1999: 299).

Rational choice theory "[...] is a particular model of individual behaviour [...]" (BARNES and SHEPPARD 1992: 3) and assumes that "[...] true maximizers have no learning curves. [...] [B]ehaviour is determined by the mix of incentives facing the decision maker [...]. [A]djustment to these incentives is instantaneous [...]" (JONES 1999: 299). The behaviour that maximizers aim not only on the maximisation of their own resources, but assume that others behave the same way, is also called "selfishness axiom" (STRAUSS 2008: 140).

In capital investment, rational choice plays a crucial role as profit maximizing is the major maxim within a capitalist system. Yet, maximizing profits requires a set of rational actions with regard to the choice of commodities, place and method to produce. Considering the given maxim of action, also the actions themselves – in this case the choices with regard to production – have to fulfil the approach of profit maximizing (BARNES and SHEPPARD 1992: 5). Especially in economic and political science, rational choice has been traditionally analysed by statistical techniques. Though an extensive body on research can be found, statistics failed to explain random error or bounded rationalities in decision-making processes. However, rational choice approaches are still very popular, for instance, for modelling decision-making under risk in finance theory (FELLNER, GÜTH and MACIEJOVSKY 2009: 26).

Economic geography also took up the concept of rational choice, which resulted in a shift towards quantitative methods in geography. As STRAUSS (2008: 140) argues, behavioural approaches entered geography in the late 1960s and "[...] sought to challenge the model of the individual as a wholly rational, omniscient, a-social individual" (ibid.). The *homo oeconomicus* approach, which is based on complete information, was challenged by behavioural geography. Especially decision-

making under conditions of uncertainty have been put into focus. An attempt to "humanise" the economic man can be found by "[...] recognis[ing] the role of cognition and the importance of social and cultural values and constraints [...]" (ibid.). At this point, the link between behavioural geography and bounded rationality can be found, as STRAUSS (2008: 140) argues: "In this sense the model of economic decision-making employed by behavioural geographers, at least in theory, had affinities with the one proposed by the economist and political scientist Herbert Simon [...] sometime later."

SIMON (1982) introduced the metaphor of "twin blades of a pair of scissors" which come together in the decision-making moment. One blade represents the cognitive, the other the decision-making environment (STRAUSS 2008: 140). As JONES (1999: 298) points out, any decision arises "[...] from external environment [...] [and] internal environment." The external environment refers to the response of decision-makers on incentives. The internal environment refers to "[...] the internal 'make-ups' [of decision-makers] that cause [them] to deviate from the demands of the external environment" (JONES 1999: 298). JONES refers to Nobel Prize winner SIMON's expression "bounded rationality showing through" to explain the mismatch between decision-making environment and choices of decision-makers. The decision-making environment is an element of structured situations where "environmental demands" represented by positive or negative incentives and "bounds on adaptability" frame the field of action (JONES 1999: 298).

As a response to the limited empirical proof of rational choice, SIMON developed the approach of bounded rationality, taking into account cognitive limitations and the behavioural stance of decision-makers. Still, decision-makers act goal-oriented, albeit bounded. The notion of "bounded" remains vague in its terminological meaning (FELLNER, GÜTH and MACIEJOVSKY 2009: 26). However, bounded rationality can be understood as the attempt to aim at a "satisfying" outcome instead of the "maximisation" found in rational choice theories (JONES 1999: 299; FELLNER, GÜTH and MACIEJOVSKY 2009: 26). STRAUSS (2008: 150) refers to SIMON's idea that decision-making can be rather understood as "social decision-making," "[...] where values, alternative knowledges and preferences derived from interactions with the social and physical environment interact with the desire of a good-enough solution."

SIMON developed the two concepts of "organizational identification" which results from "bounded rationality", as he "[...] could see a clear connection between people's positions on budget matters and the values and beliefs that prevailed in their sub-organizations" (SIMON 1999 in JONES 1999: 300). His "satisficing" approach for decision-makers is characterised by four assumptions (see SIMON 1999: 301):

1. The limited ability of actors to plan long behaviour sequences.
2. The tendency to set aspiration levels for each of the multiple goals.
3. The tendency to operate on goals sequentially rather than simultaneously.
4. Satisficing rather than optimizing search behaviour.

Critiques of SIMON's bounded rationality can be found with regard to empirical implication. Only few attempts were undertaken to implement the satisficing approach into empirical analysis. Therefore, the critique arises that bounded rationality may "[...] mostly serves a rhetorical function" (FOSS 2003: 245). This critique mainly arises in economic theory where a huge number of followers published on SIMON's concept of bounded rationality.

Despite all critique, this study claims to use the concept of bounded rationality to analyse and understand the decision-making process of actors who are involved in gentrification processes. As gentrification itself seems to be the outcome of a power field consisting of different actors, interests and resources, bounded rationality seems to be a promising analytical grid. The analysis aims at the qualitative statements of bounded rationality, not at the quantitative measurement and proof.

As gentrification processes occur under different dynamics, it may be interesting to analyse how far aspirations with regard to investment revenue, project implementation and public acceptance followed the satisficing approach. Given the hypothesis that actors within urban development processes cannot decide on pure maximizing-based goals, the approach of goal-orientation based on a satisficing outcome seems to be an applicable theory for the empirical analysis of policies and actors' behaviour. Or, to rephrase BENENSON's (2004: 67) argument for an application within gentrification research: Gentrification dynamics are an outcome of all the actors' simultaneous choices. Therefore, the analysis of decision-making involving policies, regulations, actions and finally decisions may provide an in-depth understanding of differing gentrification dynamics in the international context.

Alongside of bounded rationality assumptions, this study identifies the concept of "embeddedness" as a complementary consideration to analyse decision-making processes within the field of urban regeneration. Actors, whether persons or organisations, develop and make their decisions not uncoupled from a certain institutional, political and social environment. They are embedded in a complex framework that shapes and adjusts their individual decision-making process.

Building on Karl POLANYI's and Mark GRANOVETTER's early conceptualization of "embeddedness", economic geography nowadays uses "embeddedness" as a spatial concept to explain institutional thickness and to distinguish political, cultural, structural, cognitive, social, temporal or even technological embeddedness (HESS 2004: 166 pp.). However, the origin of embeddedness differs significantly as POLANYI started in the late 1930s influenced by a Marxist framework (BLOCK 2003: 275) to develop a counter-concept to the ideas of an absolute market and "[...] its underlying rationale of self-regulation and economizing behaviour [...]" (HESS 2004: 167). In POLANYI's opinion, it is not the *homo oeconomicus* that trades and involves in economic activities. It is rather a learning process in which actors "[...] learn how to behave in market situations" (BLOCK 2003: 300). Although POLANYI only raised the issue of "embeddedness" very superficially and did not have time to theorize his idea of the "always embedded market," his vision "[...] has achieved the status of a canonical work for economic sociology and international political economy" (BLOCK 2003: 275). Complementary to POLANYI's research, GRANOVETTER (1973: 1360) contributed the need of analysis of interpersonal networks. He elaborated on the concepts of "strong and weak ties" and emphasised the significant role of weak ties to analyse the relations between groups. In his opinion, "[...] the analysis of processes in interpersonal networks provides the most fruitful micro-macro bridge [...]" (ibid.) in sociological theory.

Despite the fact that the concept of "embeddedness" became fuzzy and overspatialized over time, HESS (2004: 181 pp.) emphasises the need to think economic activities in an embedded and processual way. As he points out, "[...] it is not only the price mechanism that shapes the nature of economic exchange, but the social interaction of individual and collective actors" (ibid.). This refers to POLANYI argument in "The Great Transformation" where he emphasised that society as well as social and cultural structures are embedded in economic activities (HESS 2004: 173). Additionally, the

issue of "institutionalisation" reveals the fact that individual behaviour depends on institutional conditions as well (HESS 2004: 172 pp.)

In the late 1950s, POLANYI (in HESS 2004: 169) developed his concept, which goes beyond the assumptions of pure *homo oeconomicus* behaviour and price mechanisms in economic markets. In his opinion, "[...] market societies [...] are to a varying extent "embedded" systems, connected with and influenced by non-economic institutions [...]" (HESS 2004: 169). Embeddedness can be characterised through the dimensions of societal, network and territorial embeddedness, which also clarifies who is embedded in what (HESS 2004: 176). First, societal embeddedness refers to the cultural and political background and where an actor comes from. The socialisation of every single actor influences the decision-making and actions of persons and their role in institutions. As a second dimension, network embeddedness considers "[...] the network of actors a person or organization is involved in, for instance, the structure of relationships among a set of individuals and organizations [...]" (HESS 2004: 177). It also refers to the thickness of networks in terms of durability and stability as well as to formality and informality of networks.

As a result, network embeddedness can be seen as a processual product of "[...] trust building between network agents [...]" (ibid.). Finally, territorial embeddedness describes as a third dimension the "[...] extent to which an actor is "anchored" in particular territories or places" (ibid). Location and cluster building influence the extension of local and regional networks which again may integrate existing or new agents.

D. From Urban Rejuvenation to Gentrification: Urban Planning Practices in New York, Vienna and Berlin

Urban planning practices are driven by various actors on various scales applying certain mixes of instruments embedded into state system conditions. The following case study analysis is based on the diversity of political systems, which might lead to different outcomes with respect to urban rejuvenation processes. The question arises as to how different state systems influence the dynamics of their respective urban rejuvenation processes.

The selected neighbourhood in Williamsburg-Brooklyn in New York City, for example, is influenced by a neoliberal market and a neoliberal-capitalistic urban development approach dominated by a highly differentiated housing sector with private investors. Urban rejuvenation processes occur very dynamically. Rough, nonscientifically proven estimations claim a 3-year period of time between the start and peak of that kind of urban transformation.

Mariahilf in Vienna, on the other hand, represents urban development within a welfare state system with its duality of private market mechanisms and state-led policies of allocation. Contrary to the neoliberal US American case, urban transformation changes occur here very slowly due to a large proportion of social housing and regulation instruments. This leads to an estimated 5- to 10-year duration of urban rejuvenation.

Prenzlauer Berg in Berlin in turn can be described as a hybrid, on the one hand, embedded in a federal welfare state system and, on the other hand, side confronted with limited financial resources and public funds. Taking into account this situation, Berlin seems to be positively oriented towards neoliberal-capitalistic approaches within urban policies. During the last few years, there has been an increased interest in investment to urban rejuvenation projects by private and institutional investors. This transformation has gained speed over the last five years, and the city government seems to be losing control over international investment, speculation and gentrification processes.

All three selected neighborhoods are ex-post examples, meaning the gentrification process has already proceeded. Therefore, the analysis of applied urban policies and instruments as well as their impact and practicability is possible.

Despite the conceptual arguments concerning different welfare state and political systems, there is an additional strong argument for the selection of these three cities: the role of the cities within global competition. All three cities are leading cases that adapted new strategies on their paths from old central cities to competitive knowledge-based creative centres. This path is paved and characterised by similar challenges like deindustrialisation, disinvestments, an anxiety over growing diversity, the challenge of maintaining a more or less developed welfare state in the face of fiscal stress and ethnic differentiation. All three cities achieved advantages like core economic and political institutions, cultural legacy and assets that contributed to the successful position at the global stage.

The global stage is framed by the requirement to attract new young professionals to fuel the cities' adaptation capacities. Gentrification is a key example for the implementation of that goal in the neighbourhoods analysed within this study. However, all three cases face pressure to minimise the negative consequences like displacement, homogenisation or social segregation. Therefore, the selected three cases serve as examples for analysing how different specific local policies yield different neighbourhood trajectories, which in turn make different contributions to the larger urban

adaptation processes within similar contexts. As a starting point, the conceptual idea of urban rejuvenation is used to identify policies and practices on a comparable level in all three cities.

At the neighbourhood level, all three selected neighbourhoods, namely, Williamsburg, Prenzlauer Berg and Mariahilf, transformed themselves from former peripheral 19th century neighbourhoods to up-and-coming urban neighbourhoods located at a certain distance from the central core yet close enough to central business district and well connected to public transport. In every case, the urban planning decision represents the starting point of a rejuvenation process. In Williamsburg, the politically intended memorandum of understanding formed the basis for a rezoning process along the waterfront. In Prenzlauer Berg, the implementation of regeneration programmes like “Stadtumbau Ost” stimulated private capital in the Eastern part of Berlin right after reunification. In Mariahilf, the construction of the under surface running subway line U3 contributed to the locational advantages in the district.

The structure of neighbourhood cases follows the idea of a three-step concept. First, the historic, socio-demographic and spatial profiles provide an introduction to the case study. Second, the identification and analysis of the relevant planning instruments and the inherent planning policies as well as the actors and their bounded rationality follows. Third, the neighborhood case concludes with a synthesis of outcomes with regard to gentrification dynamics and characteristic results within its specific context.

With regard to the socio-demographic profile, statistical data tend to cover specific phenomena. This is especially relevant when it comes to proving gentrification through the usage of changes in socio-demographic composition. Socio-demographic data may not identify gentrification in terms of displacement, changing social mix or upgrading household characteristics, though it might identify certain trends to be considered in the future in order to identify starting gentrification processes early and to steer those processes in an integrated way.

11. Urban Rejuvenation within a Neoliberal Context: Williamsburg-Brooklyn, New York City

Selecting a case study neighbourhood in New York City should not be based on glorifying assumptions taking advantage of the mystical impact on academic and public interest all over the world. Given the city's worst time in the 1970s, New York City's comeback might be a valid argument to identify the reasons for economic and demographic performance. Currently, population projections indicate ongoing dynamics in terms of population increase for New York City demanding a clear public strategy how to face future challenges like a continuously tightening housing market. A prospective one million more residents will live in New York City by 2030 adding to a total population of nine million residents (plaNYC 2011: 5). Population growth does not only occur because of a positive birth rate among existing population, but also because of significant immigration flows by future residents looking for economic stability and chances on the job market. New York City is able to defend its position as global economic hub, still creates new jobs and keeps unemployment rates stable. "The City's seasonally-adjusted unemployment rate was 8.8 percent in December 2012, unchanged from November 2012 and down from 9.1 percent in December 2011."⁷

But city government is aware of the increasing global competition in which New York competes with other global cities for talented young people who contribute to an economic strength within the city (plaNYC 2011: 9). One of the arrival spaces for new local migrants and international immigrants comprising among others the creative class is Williamsburg in Brooklyn. How far this neighbourhood is shaped by public policies and private capital and how far gentrification becomes part of the daily agenda within the neighbourhood will be analysed in the following chapter.

However, the choice for taking a neighbourhood in New York City as a case study is also based on the fact that gentrification occurs highly dynamical in terms of space and time. To give some examples, the most prominent neighbourhoods for gentrification in New York City seem to be SOHO, the West Village as well as the Lower East Side. All three serve as examples for gentrified neighbourhoods known for its nowadays high-end retail and housing options ranging from loft living in SOHO to brownstone townhouses in the West Village. Since Jane Jacobs analysed 1961 in her seminal book the creation of neighbourhood identity and the ambience of an urban village, especially SOHO and West Village changed tremendously. Both cater a new clientele of well-off residents and visitors while facing risk to lose their authenticity (see ZUKIN 1982; 2008; 2009) due to a gentrified supply of cultural and retail choices. In non-academic discourse, the openings of a Pilates studio, organic juice or cupcakes shop, the company branch of an American Apparel or Urban Outfitters boutique or of a Whole Foods supermarket are signs of maturing gentrification. The neighbourhood, its residents and visitors became profitable enough for branch openings.

Still, new neighbourhoods emerge on the gentrification map in Manhattan. While Harlem is going to transform towards a middle-class residential and commercial area supported by the opening of President Clinton's office in 2006 at 125th Street⁸, the Meatpacking District changed its face within less than five years from a former, like its name indicates, meatpacking area towards a high-end

⁷ www.labor.ny.gov, 21-02-2013.

⁸ Harlem Residents: Clinton Is Symbol Of Gentrification
<http://www.nysun.com/new-york/harlem-residents-clinton-is-symbol/36435/>, 13-08-2013.
Mixed Feelings as Change Overtakes 125th St.
http://www.nytimes.com/2008/06/13/nyregion/13journal.html?_r=0, 13-08-2013.

design, gallery, fashion, hotel and gastronomy neighbourhood⁹. Even its open space is considered to rank among the most gentrified open spaces. The Highline Park does not only provide well-designed and fashionable new public spaces, but also targets at a very specific user group namely business people working in the neighbourhood and tourists who already introduce a downward spiral into the gentrification engine due to overcrowding¹⁰. Meatpacking District takes advantage of its industrial heritage by transforming former industrial, commercial or transportation spaces like the Highline or Chelsea Market in luxury semi-private spaces.

Gentrification does not only occur on Manhattan Island. Since the early gentrification of the brownstone neighbourhood Park Slope adjacent to Prospect Park (LEES, SLATER & WYLY 2008, 2010) and super-gentrification of Brooklyn Heights (LEES 2003), plenty more gentrifying neighbourhoods appeared on the gentrification map in Brooklyn¹¹. DUMBO (District Under the Manhattan Bridge Overpass) is considered as the first enclave of artists crossing the Brooklyn Bridge in order to find more spacious and affordable studios. Cobble Hill also colloquially known as “Stroller Hill”, or Carroll Gardens for former DINKS (Double Income No Kids) and now young couples with one child are well-known gentrified areas with a child-friendly environment. These and many more neighbourhoods in Brooklyn are perceived as gentrified areas where even former early gentrifiers become priced out and move into more affordable areas at the fringe of gentrified locations like Sunset Park, Crown Heights, Bushwick or Red Hook.

All given examples might differ in terms of immigration and settlement story, location and connectivity to Manhattan or architecture of the existing housing stock. However, they have in common some sort of potential to absorb an influx of new residents who are able to pay little more for housing than the existing residents in a relatively short time period. Williamsburg definitely ranges among the most popular gentrifying neighbourhoods in Brooklyn. Before the rezoning in 2005, Williamsburg perceived already gentrification driven by young artists and a new unconventional creative class. Since the rezoning in 2005, gentrification has been accelerating due to new high-end housing developments and waterfront rehabilitation projects. Williamsburg is known as “rezoning battlefield” with a strong and continuous debate on gentrification among existing communities and in public media. However, gentrification is coped with a non-gentrification-influenced political debate that rather focuses on the benefits of gentrification meaning the creation of affordable housing through private investment. Given the fact of rapid gentrification in time and spatial extension, Williamsburg has been chosen as a case study for the neoliberal urban planning context that might serve as one extreme pole on the gentrification timeline ranging from “gentrification occurs very fast” to “gentrification occurs very slow”.

⁹ Coming of the Whitney Enlivens Meatpacking District
<http://www.nytimes.com/2013/04/17/realestate/commercial/coming-of-the-whitney-enlivens-meatpacking-district.html?pagewanted=all>, 13-08-2013.

¹⁰ Disney World on the Hudson
<http://www.nytimes.com/2012/08/22/opinion/in-the-shadows-of-the-high-line.html>, 13-08-2013.

¹¹ Brooklyn’s New Gentrification Frontiers
<http://www.nytimes.com/2013/03/10/realestate/moving-deeper-into-brooklyn-for-lower-home-prices.html?pagewanted=all>, 13-08-2013.

11.1 Location, History and the Current State of Gentrification and Urban Rejuvenation

Location

The selected case study site in New York City is Williamsburg, a neighbourhood in the borough of Brooklyn adjacent to Greenpoint in the North, Bedford–Stuyvesant in the South, Bushwick and Ridgewood, Queens in the East and the East River in the West. Williamsburg is member of the Brooklyn Community Board 1 chaired by Christopher Olechowski (2013). The boundaries of Community Board 1 differ slightly from neighbourhood boundaries and are more specific (see nyc.gov): To the North, Newtown Creek serves as boundary, to the South Flushing Avenue, to the East Newtown Creek, English Kills and Brooklyn-Queens Borough line and finally Williamsburg Street, Kent Avenue, Division Avenue, Wallabout Channel, East River to the West¹². In terms of locational characteristics, spatial and transport connections like the Williamsburg Bridge and the Brooklyn–Queens Expressway (BQE), built by Robert Moses in the 1950s to connect the two boroughs and New Jersey and serving the Williamsburg Bridge, have to be mentioned (MARWELL 2007: 37pp.). In terms of public transport, the subway line L with stops at Bedford Avenue and Lorimer Street as well as East River ferry stations at North 6th Street in North Williamsburg and Schaefer Landing in South Williamsburg¹³ serve the neighbourhood.



Map 1: The Case Study in Williamsburg, New York City
(own illustration based on Google Maps)

¹² For more information on the Community Board 1 statements:
<http://www.nyc.gov/html/bkncb1/html/home/home.shtml>, 13-08-2013.

¹³ For more information on the East River Ferry Service: <http://www.eastriverferry.com/RoutesSchedules/>, 13-08-2013.

Historical Characteristics

From a historical point of view, Williamsburg's longstanding history is shaped by early colonization, diverse immigrant groups as well as production of goods and industrial land use. The stories of people, industrial production and land use intermingle closely and represent the distinguished character of Williamsburg. ZUKIN (1982, 2008) refers to this kind of character when it comes to a neighbourhood's authenticity and story-telling that serves as a "soft" value generating component for future gentrification (see Table 26, 37 and 48).

The Dutch West India Company bought the land on which today's Williamsburg is located at from the local Native Americans in 1638. It soon became an important location for trade with farming products from inland Bushwick to Manhattan due to its location at the East River. As MARWELL (2007: 30) points out, "[i]n the mid-1800s, when Brooklyn and New York were still separate cities, Williamsburg was known as a fashionable suburb populated by German, Austrian, and Irish industrialists and professionals." The City of Williamsburg existed through 1855 as an economically successful and independent city which became incorporated to the City of Brooklyn that itself became one of five boroughs within the City of Greater New York in 1898. Williamsburg's proximity to Bushwick that served as a German neighbourhood and brought along the tradition of beer brewing around 1840 had a local impact as well. Only in 1976, F. & M. Schaefer Brewing Company operated by the German immigrants Frederick and Maximilian Schaefer who relocated the factory from Uptown Manhattan to Williamsburg in 1916, stopped its production at the East River waterfront and closed the factory due to technically outdated plants¹⁴. By then, fourteen breweries in Bushwick attracted English, Irish, Russian and Polish immigrants to work and live close by (ibid.). Another industrial food production Williamsburg has been famous for, was sugar manufactured for instance in the 2003 closed Domino Sugar Factory. Also garment industry, for instance button factories, or music instrument production for instance in the Gretsch factory witness the variety of industrial production in Williamsburg. However, not only light industries have been shaping the industrial story of Williamsburg. The Brooklyn Navy Yard, for instance, had an important role during World War II and is getting transformed into a green mixed-use development through redevelopment and adaptive reuse¹⁵. The neighbourhood gained a rather controversial reputation due to heavy industries like oil refineries and a related 1950 oil spill in Greenpoint at Newton Creek¹⁶.

A distinct turning point in terms of immigration and industrial manufacturing can be linked to the opening of Williamsburg Bridge in 1903. According to MARWELL (ibid.), not only factories moved into Williamsburg, but also new groups of immigrants represented by Jewish, Polish, Italian, Slavic and Russian working-class communities. Many upwardly mobile immigrants and second-generation Americans left overcrowded slum tenements located for instance at the Lower East Side and moved to Williamsburg (Interview with ACAD_NYC 2011). At the same time, former wealthier residents moved out supporting a process of rapid settlement and overcrowding in Williamsburg. "By 1917,

¹⁴ For more information on F. & M. Schaefer Brewing Company:
http://www.beerhistory.com/library/holdings/schaefer_anderson.shtml, 13-08-2013.

¹⁵ For more information on Brooklyn Navy Yard's history:
<http://brooklynnavyyard.org/the-navy-yard/history/>, 13-08-2013.

¹⁶ For more information on Greenpoint's oil spill:
An Old Oil Spill Divides a Brooklyn Neighborhood:
<http://www.nytimes.com/2005/11/01/nyregion/01spill.html>, 13-08-2013.
An Oil Spill Grows in Brooklyn:
http://www.nytimes.com/2010/05/16/opinion/16Prudhomme.html?_r=0, 13-08-2013.

Williamsburg was home to the most densely populated blocks in New York City” (MARWELL 2007: 30). As a result, the existing housing stock declined and faced severe physical deficiencies. However, as the map below shows, buildings mainly from the early to mid-1900s are still remaining in the neighbourhood and provide residential, commercial and manufacturing spaces.



Map 2: The Age of Buildings in Williamsburg (Source: bklynr.com)

Not only access and proximity to manufacturing jobs manifested Williamsburg’s character as a working-class neighbourhood during the Great Depression when especially Italian Americans worked in the 1930s and 1940s for the Brooklyn Navy Yards. During World War II, battle ships for the Atlantic theatre were built in the Brooklyn Navy Yards by a growing proportion of female and African American industrial workers due to a shortage in the White labour force who had to serve in the war (ACAD_NYC 2011). After World War II, they were substituted by White ethnic and Puerto Rican workers (MARWELL 2007: 30), who remained in the neighbourhood although deindustrialisation and the reduction of industrial jobs had already commenced. In the 1950s, suburbanisation started, which in turn supported the emigration of more well-off White working-class residents. Parallel processes like the urban redevelopment program colloquially known as “urban renewal” by Robert Moses included the large-scale redevelopment of slum settlements in Williamsburg, which were replaced by public housing and a network of freeways that connected the suburbs to the city centre (ACAD_NYC 2011). To date, the industrial history, the changing immigrant patterns and its sort of non-convenient location at high-traffic axes form the character of Williamsburg.

Another distinct component within the history of Williamsburg’s immigration and settlement is represented by the Satmar Hasidic sect. They arrived prior to World War II due to Nazi persecution and are still a continuously growing and tight community located south of Division Avenue and north of Flushing Avenue. Ongoing tensions between the Hasidic and Latino communities characterized the situation in Williamsburg Southside until its peak by the end of the 1990s. “[...] [T]he Hasidic housing scramble and the accelerating interest of the growth machine in Williamsburg demanded a more sweeping vision” (MARWELL 2007: 68). In 1997, right before the elections, Mayor Guiliani got a memorandum of understanding (MOU) off the ground in order to address the acute housing shortage as well as to reduce the housing-related tensions between Hispanic and Hasidic residents in Williamsburg. The main components within the MOU were public funding for the construction of eighty-three two-family houses and a new day care centre in Southside for the Hispanic community accompanied by a rezoning of several areas in Southside supporting the construction of hundreds of

market housing units for the Hasidic community (MARWELL 2007: 69 pp.). Although the MOU explicitly targeted an end of the tensions between the Hasidic and Hispanic community, this did not come to pass. Soon after the reported content of the MOU, community-based organisations serving the Latino residents suspected an economic defraudation of the Hasidic community. Critics also refer to the political attempt to reach out both for Hispanic and Hasidim voters in the election year (ibid.). Especially the latter can be cited as politically powerful due to its tight community network.

Although the conflict between the Hasidic and Hispanic community was much more nuanced and differentiated than explained in this chapter¹⁷, it can be summed up as a political tipping point with regard to the focus of interest on the rejuvenation process in Williamsburg. The continual tensions between both communities became a political issue, presumably related to (re)election interests by Mayor Guiliani. However, the MOU as a conflict-reducing element in Williamsburg's history turned out to have a greater impact in the following years. The commencement of rezoning represented by the Schaefer Landing project for the Hasidic community can be identified as a milestone for the following comprehensive waterfront rezoning that largely contributed to the rejuvenation of Williamsburg. Today, a third group comprising the new residents – the so-called hipsters - stepped into the conflict among the original two groups of Hasidic and Puerto Rican community and is now competing for residential and commercial space (PUBL_NYC 2011). Despite the well-established debate on affordable housing, new arenas of conflicts appear as seen in recent discussions on bicycle lanes passing through the Hasidic community¹⁸ or on limitations to liquor licenses. To sum up, the history of Williamsburg comprises not only traditional components like waves of immigration or economic development. Moreover, the distinct character of the neighbourhood is built on the ongoing conflict between the Jewish and Latino community, nowadays complemented by the hipsters. The component of conflict as a barely visible, underlying driving force for rejuvenation policies in Williamsburg has to be considered in the following analysis and should not be overlaid by more obvious and recent processes.

In the academic literature, gentrification in Williamsburg mainly refers to commercial gentrification and transformation processes from a former industrial to a new creative neighbourhood. With regard to the latter, CURRAN (2010), for instance, refers to displacement of small manufacturers in Williamsburg where new creative industries become attracted to old industrial spaces. He proves the parameter causing gentrification by his statement: "It is also a neighbourhood experiencing rapid gentrification due to its proximity to the East Village, public transit access to Manhattan, waterfront views and a copious supply of history loft space" (CURRAN 2010: 874). Due to deindustrialisation limited space for industrial use forces local manufactures to move out of Williamsburg. However, the industrial sector is still of importance in Williamsburg as "[m]anufacturing and wholesale trade still account for a significant number of jobs, with 17.6% of Williamsburg's residents involved in these activities, compared with 10% for the city as a whole" (CURRAN 2010: 875). One of the reasons for

¹⁷ For a detailed elaboration on the development in Williamsburg and wider Brooklyn and the role of community organisations, see MARWELL, N. P. (2007): *Bargaining for Brooklyn. Community organizations in the entrepreneurial city*. The University of Chicago Press. Chicago and London.

¹⁸ For more information on the cycling debate in Williamsburg, see:

"Hipsters, Hasidic Jews Fight Over Bike Lanes In Williamsburg"

http://www.huffingtonpost.com/2009/12/08/hipsters-hasidic-jews-fig_n_384579.html, 13-08-2013.

"Brooklyn's Hasidim and Playing By New York Rules"

<http://www.theatlanticcities.com/neighborhoods/2013/01/brooklyns-hasidim-and-playing-new-york-rules/4539/>, 13-08-2013.

the relatively conflict-free proximity between industrial spaces and residents can be found in exactly this spatial characteristic. Williamsburg is a neighbourhood of short distances, also representing a “[...] walk-to-work community, and this is still true for 17.8 % of the population” (ibid.). The displacement of small- and large-scale industrial production, mainly referring to the navy and petrol industry, food production and the garment industry, is caused by various reasons. CURRAN (2010: 875) mentions increasing rents, zoning changes or nuisance policies that pushed industries out of Williamsburg. However, the situation is currently changing as the creative and vibrant character of Williamsburg attracts new businesses to locate in this neighbourhood. Referring to SASSEN, who stated that “[...] gentrification is labour intensive” (1988 in CURRAN 2010: 881), CURRAN mentions construction and architectural labour, “[...] furniture design, woodworking, and other customized labour-intensive goods and services [...]” (2010: 881) as new industrial businesses catering the gentrifiers. In exchange, immigrant workforce becomes an important supporting source for Williamsburg new industrial and manufacturing driven gentrification (ibid.).

Gentrifiers as well as immigrants who are traditional components of Williamsburg (CURRAN 2010: 881) both create and cater to new and traditional commercial demand. Bedford Avenue, the main commercial street running North-South of Williamsburg, and its adjacent streets witnessed the rapid change of commercial supply. ZUKIN et al. (2009: 47) developed the concept of “boutiquing” to describe the influx of chic cafes, restaurants and boutiques that displace existing local retail stores and divest daily-supply retailers for the lower-class residents. As part of the commercial gentrification, ZUKIN et al. (2009: 53) analysed new consumption spaces in Williamsburg and identified initial residential gentrification already in the 1990s when Williamsburg gain a hip, artsy reputation with affordable, sometimes illegal, industrial loft-living housing options. They point out that commercial gentrification in Williamsburg started already before the rezoning when new retail entrepreneurs came into the neighbourhood and lived there as well (ibid. 53 pp.). As a result, local neighbourhood networks changed, influenced by the new creative residents. In contrast, it can be stated for the current commercial situation in Williamsburg that mostly retail branches reach out for a more affluent, bohemian target group and do not participate in local neighbourhood networks (ibid. 59). The neighbourhood runs the risk of losing its fragmented retail structure predominated by individual small shops. With regard to the cultural life, HAE (2011: 3462) even warns about the “[...] disappearance of important sub-cultural spaces in cities,” which contributes to Williamsburg’s risk of losing its initial authenticity. In order to maintain long-term local shops and stimulate new retail spaces at the same time, ZUKIN et al. (2009: 62) demand changing public policy instead of dedicating commercial gentrification to increasing rental prices for retail spaces.

Current Urban Rejuvenation in Williamsburg



Fig. 11: Commercial and Residential Use in the Core of Williamsburg before Strategic Rejuvenation (own picture: 2010)



Fig. 12: Urban Rejuvenation in a Side Road Within the Rezoning Area in Williamsburg (own picture: 2010)



Fig. 13: Infill and Development Potential in the Rezoning Area in Williamsburg (own picture: 2012)

LUXURY HOUSING



Fig. 14: Luxury Residential Development (from left to right: The EDGE, Northside Piers and 175 Kent Apartments) at the Waterfront in Williamsburg (own picture: 2012)

OPEN SPACE



Fig. 15: Newly Created Open Spaces at the Waterfront in Williamsburg (own picture: 2010)

SPECIFICS

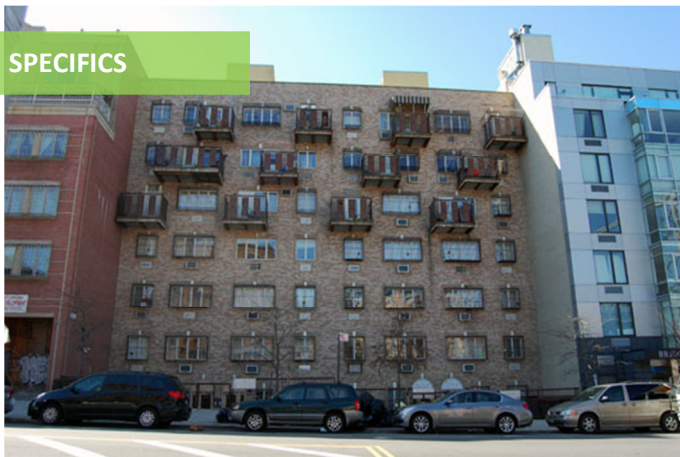


Fig. 16: Hasidic Residential Area in Williamsburg (own picture: 2010)

11.2 Quantitative Neighbourhood Profile

Despite the historical component of conflict in Williamsburg, the neighbourhood is traditionally known as relatively safe with a low crime rate of 26.5% in 2011 and positioning on rank 21¹⁹ citywide (FURMAN CENTER 2012: 74). This aspect should not be underestimated as it is part of the liveability in a U.S. city²⁰ and can be considered as a locational advantage impacting the property value. According to CURRAN & HAMILTON (2012: 1029), Williamsburg is also characterized by an attractive housing stock with views of Manhattan that is relatively affordable. They also mention social cohesion as a supporting argument for Williamsburg's attractiveness.

Those qualitative characteristics have to be statistically proven to provide a valid argumentation basis. Therefore, this chapter attempts to create a quantitative neighbourhood profile that shows the general socio-demographic and socio-economic trends in Williamsburg. However, the availability of data impacts the level of statement. Based on available data those trends are ideally targeting the sub-borough level, namely Williamsburg. If this data should not be available, more general assumptions at borough level, namely Brooklyn or at city level will be made. In order to keep statements transparently, data level and data source are indicated. The use of terms is based on the definitions made by FURMAN CENTER (2012: 169) and can be summarized as follows:

Level of Data	Explanation according to FURMAN CENTER (2012: 169)
Neighborhood	The city defines neighborhoods by dividing the boroughs into 59 community districts (CDs); the U.S. Census Bureau, however, divides the boroughs into 55 sub-borough areas (SBAs). The term neighborhood is used in this chapter to refer to both community districts and sub-borough areas even though they are larger than what many consider to be neighborhoods.
Borough	New York City consists of five boroughs: the Bronx, Brooklyn, Manhattan, Queens, and Staten Island. Each borough is represented by a borough president, an elected official who advises the mayor on issues related to his or her borough and, along with the borough board, makes recommendations concerning land use and the allocation of public services. Each borough is also a county. Counties are legal entities with boundaries defined by state law.
Community District (CD)	Community districts are political units unique to New York City. Each of the 59 community districts has a community board. Half of the community board's members are appointed by the borough president and half are nominated by the City Council members who represent the district. The community boards review applications for zoning changes and other land use proposals and make recommendations for budget priorities. Each community board is assigned a number within its borough. The borough and this number uniquely identify each of the 59 community districts. Therefore, the Furman Center designates each community district with a two-letter borough code and a two-digit community board code. For example, BK 01 is the community district represented by Community Board 1 in Brooklyn.
Sub-Borough Area (SBA)	Sub-borough areas are geographic units created by the U.S. Census Bureau for the administration of the New York City Housing and Vacancy Survey and were designed to have similar boundaries to those of the community districts. Because sub-borough areas are constructed from census tracts, their boundaries do not coincide precisely with community district boundaries which generally follow major streets. However, they are similar enough to use them interchangeably. There are 59 community districts in New York City but only 55 sub-borough areas.

Tab. 15: The Use of Terms in Data Analysis (own illustration based on FURMAN CENTER 2012: 169)

¹⁹ Out of 59 community districts

²⁰ See for instance the livability index considering crime rates and statistics:
<http://www.areavibes.com/new+york-ny/williamsburg/crime/>, 13-08-2013.

Land Use

According to New York City Department of City Planning, the Community District BK #01 comprises 3,043.8 acres of land, for instance, 4.8 square miles. As Table 16 shows, the main shares of land use in 2012 can be found for residential and industrial use. Commercial and office use rank below 5 percent, which supports the characteristic of CD BK 01 as a mainly industrial residential neighbourhood. It is densely built, as the open space rate of 5 percent indicates, and available building plots are limited due to a vacant land rate of 4.5 percent in 2012.

	Lots	Lot Sq. Ft. (000)	Area %
1-2 Family Residential	2,621	5,104	5.3
Multi-Family Residential	6,049	22,316	23.2
Mixed Resid. / Commercial	2,521	8,539	8.9
Commercial / Office	485	3,046	3.2
Industrial	1,527	27,226	28.3
Transportation / Utility	198	8,995	9.4
Institutions	351	4,987	5.2
Open Space / Recreation	77	4,828	5.0
Parking Facilities	531	3,088	3.2
Vacant Land	465	4,271	4.4
Miscellaneous	313	3,666	3.8
TOTAL	15,138	96,064²¹	100.0

Tab. 16: Land Use in CD BK 01 in 2012

(own illustration; data based on New York City Department of City Planning)

Population

Based on the recent population data of U.S. Census Bureau, the population of New York City has been on the rise from 1990 to 2010. As Table 17 shows, New York City's population in 2010 lay at about 8.1 million people. For this analysis, the borough Brooklyn (= Kings County) and Brooklyn Community District #1 (CD BK 01) are relevant. Both are growing continuously, whereas the population in CD BK 01 grew significantly. Since the data are available, the population numbers for the census tracts 549, 551, 555 and 557 were summed up as those four census tracts represent the focus area of this research. They cover the area along East River Waterfront in Brooklyn, where the major part of the Williamsburg-Greenpoint rezoning and new development has been occurring. As the table below indicates, the four selected census tracts grew by significantly which serves as evidence of rapid housing development and incoming new residents.

²¹ The sum differs with 2 sq. ft. (in 1,000) due to rounding difference.

	1990	2000	2010
New York City	7,322,564	8,008,278	8,175,133
Brooklyn / Kings County (Borough)	2,300,664	2,465,326	2,504,700
Brooklyn Community District #1 (CD BK 01)	155,972	160,338	173,083
Specific Research Area Census Tracts 549, 551, 555, 557	-	7,844	11,333

Tab. 17: Population Development from 1990 to 2010
(own illustration; data based on US Census Bureau)

This assumption correlates with data on total housing units in CD BK 01, which increased from 2000 to 2010 by roughly 23 percent up to 72,105 housing units:

Brooklyn Community District #1 (CD BK 01)	1990	2000	%	2010	%
Total housing units	55,293	58,692	6.0	72,105	22.8

Tab. 18: Housing units in CD BK 01 from 1990 to 2010
(own illustration; data based on US Census Bureau)

With regard to household composition, more detailed data are available at the level of CD BK 01. Therefore, Table 19 provides an overview of the age and ethnic composition within this community district. Since 1990, the share of population under 18 years has continuously dropped from 30 percent to approximately 23 percent in 2010. In contrast, the number of persons older than 18 years has increased to a total share of 76 percent in 2010. The largest growing population groups are White Nonhispanics, who in 2010 represented approximately 60 percent of the community districts' population. The second largest group are of Hispanic origin, which comprises a declining share from 37 to 27 percent within a 10-year period from 2000 to 2010.

	1990	%	2000	%	2010	%
Total CD BK #01	155,972	100.0	160,338	100.0	173,083	100.0
Population Under 18 Years	47,094	30.19	46,571	29.05	41,264	23.84
Population 18 Years and Over	108,878	69.81	113,767	70.95	131,819	76.16
White Nonhispanic	71,828	46.05	77,040	48.05	105,311	60.84
Black/African American Nonhispanic	11,244	7.21	8,808	5.49	8,982	5.19
Asian or Pacific Islander Nonhispanic	4,045	2.59	5,730	3.57	8,765	5.06
American Indian and Alaska Native Nonhispanic	295	0.19	192	0.12	206	0.12
Some Other Race Nonhispanic	610	0.39	3,635	2.27	599	0.35
Nonhispanic of Two or More Races	-	-	4,488	2.80	2,212	1.28
Hispanic Origin	67,950	43.57	60,445	37.70	47,008	27.16

Tab. 19: Ethnic Groups in CD BK 01 from 1990 to 2010
(own illustration; data based on US Census Bureau)

Vital statistics are available only for 2005 and 2010 at the level of community district. As the table below shows, the birth rate remains stable in CD BK 01, whereas both death and infant mortality rates decreased slightly:

Brooklyn Community District #1 (CD BK 01)	2005	2010
Births Number	3,062	3,314
Rate per 1000	19.1	19.1
Deaths Number	886	792
Rate per 1000	5.5	4.6
Infant Mortality Number	12	-
Rate per 1000	3.9	2.5

Tab. 20: Vital Statistics in CD BK 01 from 2005 to 2010
(own illustration; data based on US Census Bureau)

Housing

As urban rejuvenation processes largely refer to both the initial situation of the housing market and its transformation, housing data provide crucial insights into the understanding of rejuvenation mechanisms. New York City is truly a rental city with 2.1 million (approximately 68 percent) total rental units compared to 984,000 (approximately 32 percent) owner-occupied units in 2011. A similar distribution can be identified for Brooklyn, as table below shows. Rental units amount to 673,000, a 72 percent share of all occupied units. Owner occupation adds up to 28 percent with 256,000 units.

	All Occupied Units	All Owner Occupied	Owner – Conventional	Owner – Condominium	Owner – Cooperative	Owner - Mitchell Lama Coop.	Renter Occupied
Total	3,088,881	984,066	567,167	102,367	264,908	49,624	2,104,816
BRONX	473,656	98,166	52,138	8,385	18,970	18,672	375,491
BROOKLYN	929,296	256,130	177,544	26,683	42,500	9,403	673,166
MANHATTAN	752,459	181,606	5,368	40,040	123,942	12,257	570,853
QUEENS	769,860	337,775	230,668	19,201	78,614	9,292	432,085
STATEN ISLAND	163,610	110,389	101,449	8,058	883	0	53,221

Tab. 21: All Occupied Housing Units by Tenure in 2011
(own illustration; data based on 2011 New York City Housing and Vacancy Survey (NYCHVS))

The 2011 New York City Housing and Vacancy Survey (NYCHVS) shows also the shares of various rental types in New York City and its five boroughs (see Table 22). Total stabilized units can be identified as the largest share on total renter occupied units both in New York City (approximately 46 percent) and Brooklyn (approximately 14 percent). The second largest share can be found in all unregulated renter housing in Brooklyn, which contributes a share of 13 percent to the total renter

occupied units. Rentstabilized pre-1947 units represent the third largest group in Brooklyn with a share of approximately 11 percent.

NEW YORK CITY 2011	Total Renter Occupied	Controlled	%	Total Stabilized	%	Stabilized Built Pre -1947	%	Stabilized Built 1947 or later	%
Total	2,104,816	38,374	1.82	960,870	45.65	724,649	34.43	236,221	11.22
..BRONX	375,491	2,392	0.11	222,586	10.58	181,206	8.61	41,381	1.97
..BROOKLYN	673,166	10,744	0.51	288,569	13.71	228,558	10.86	60,011	2.85
..MANHATTAN	570,853	19,723	0.94	260,148	12.36	213,973	10.17	46,175	2.19
QUEENS	432,085	5,515	0.26	182,213	8.66	98,007	4.66	84,206	4.00
STATEN ISLAND	53,221	0	0.00	7,354	0.35	2,905	0.14	4,449	0.21

NEW YORK CITY 2011	Mitchell Lama	%	Public Housing	%	All Other Government Assisted/Regulated	%	All Unregulated Renter Housing	%
Total	47,295	2.25	184,946	8.79	61,207	2.91	812,124	38.58
..BRONX	10,035	0.48	48,074	2.28	15,671	0.74	76,731	3.65
..BROOKLYN	18,883	0.90	62,089	2.95	15,658	0.74	277,224	13.17
..MANHATTAN	12,769	0.61	52,753	2.51	22,066	1.05	203,394	9.66
QUEENS	4,542	0.22	17,236	0.82	6,109	0.29	216,470	10.28
STATEN ISLAND	1,066	0.05	4,792	0.23	1,703	0.08	38,305	1.82

Tab. 22: Renter Occupied Housing Units by Rent Regulation Status in 2011
(own illustration; data based on 2011 New York City Housing and Vacancy Survey (NYCHVS))

Data provided by Furman Center (2012) are capable of analysing the housing market changes in more detail for New York City and the community district of Williamsburg-Greenpoint, which includes the waterfront area where rezoning and main parts of the new development take place. As Table 23 shows, the peak of new units authorized by new residential building permits was in 2006 with roughly 30,000 new units in New York City and around 1,500 units in Williamsburg-Greenpoint. Also, the median sales prices were highest in 2006 followed by a significant drop in sales prices in the following years. The economic and real estate crisis hit hard, and since 2012 the housing market appears to be recovering again. In terms of sales prices, Williamsburg-Greenpoint is now reaching the price level of the mid-2000s, which also indicates that the property market recovers in certain areas of the city faster than others (as the median sales price in New York City ranks below Williamsburg-Greenpoint).

In terms of median monthly rent, in 2011 Williamsburg-Greenpoint showed higher rents both for existing rent contracts and recent movers compared to New York City. However, median rent burden remains quite stable although the burden for low-income renters is significantly higher and reaches almost 50 percent of available income. It has to be questioned how much affordable housing is actually accessible to low-income rental households in practice. Given the rental vacancy rate ranging between 3.4 percent in Williamsburg-Greenpoint and 4 percent in New York City, housing options seems to be quite limited.

	2000		2006		2010		2011		2012	
	NYC	WB-GP	NYC	WB-GP	NYC	WB-GP	NYC	WB-GP	NYC	WB-GP
Units Authorized by New Residential Building Permits	15,544	757	29,891	1,483	1,703	3	2,260	10	8,664	908
Units Issued New Certificates of Occupancy	13,153	88	19,312	863	14,864	1,370	6,430	308	9,451	1,136
Homeownership Rate in %	30.2	14.5	34.4	18.1	32.1	17.7	31.3	15.3	-	-
Median Sales Price per Unit (2-4 family building) in \$	170,929	147,631	306,150	328,563	228,164	262,169	219,227	322,892	222,500	323,333
Sales Volume (condominium)	4,793	278	13,699	1,001	11,131	945	9,903	1,182	10,160	908
Median Monthly Rent (all renters) in \$	-	-	1,082	940	1,184	1,114	1,191	1,243	-	-
Median Monthly Rent (recent movers) in \$	-	-	1,316	1,419	1,426	1,625	1,428	1,723	-	-
Median Rent Burden in %	-	-	30.5	31.3	31.9	31.2	32.5	30.5	-	-
Median Rent Burden (low-income renters) in %	-	-	44.3	38.7	45.7	47	46.9	46.5	-	-
Property Tax Liability (\$ millions)	-	-	14,299.4	129.9	16,598	173.8	17,099.4	176	17,558.5	181.7
Public Rental Housing Units (% of rental units)	-	-	-	-	-	-	8.2	12.7	-	-
Subsidized Rental Housing Units (% of rental units)	-	-	-	-	-	-	8.4	5.4	-	-
Rent-Regulated Units (% of rental units)	-	-	-	-	-	-	45.4	49.9	-	-
Rental Vacancy Rate in %	3.2	-	3.8	-	4.4		4	3.4	-	-

Tab. 23: Housing Characteristics in NYC and Williamsburg-Greenpoint 2000-2012
(own illustration; data based on FURMAN CENTER 2012)

11.3 The Political and Institutional Framework

As MOLLENKOPF and LANDER (2013: 2 pp.) point out, New York City is reaching a crossroads with respect to its upcoming mayoral election and the parallel general decision of how to define future governance. They certify mayor Bloomberg's 12-year administration a clear shift towards an inherent pragmatism in governance that does not consider equity and inclusiveness in a satisfying manner. Despite all achievements and its now successful position as a competitive city reached during the Bloomberg administration, MOLLENKOPF and LANDER ask for a new "[...] progressive government, not just good government" (2013: 2). Following their arguments, the main future challenges for New York City can be found in the economic, demographic as well as social components of neighbourhood revitalisation. More specifically, high unemployment rates, a polarisation of labour market, as well as identity creation and inclusion within a diverse population represent the policy agenda for the future (ibid. 2). The argument of "expanding opportunities" also seems to be supported by public opinion, as a recent survey by the Community Service Society revealed the wish for "[...] policies that help working families rather than policies that make the city a better place to do business" (MOLLENKOPF & LANDER 2013: 4).

Within public opinion, there has been a political shift from neoliberal towards more inclusive, opportunity-expanding policies in New York City. However, the current political environment is still dominated by neoliberal, business-supporting policies which also affect urban rejuvenation strategies aim at making room for residents in a growing, economically competitive city. Nevertheless, the situation might change any time soon. This in-between situation provides an interesting starting point for case study analysis as the result may support the existing call for more inclusion and equity.

New York City has passed through various stages of boom and decay. Although the glorious phases may remain in memory, the time around the 1970s when suburbanisation reached its peak and New York City faced its highest crime and drug rates nearly devastated the neighbourhoods. One of the main reasons why the city got back on track is related to specific public policies, for instance, the "zero tolerance" policies implemented by Mayor Rudolph Giuliani from 1994 to 2001. According to CHRONOPOULOS (2011: 1) it can be seen as a development of the "broken window" theory "[...] transform[ing] New York into an orderly city." The ordering of public space follows a long tradition in New York City and is largely related to interventions in the built environment.

If we look at the phases of governance after World War II, we see that urban renewal as enforced and realised by the influential master planner Robert Moses was the major public policy around the 1950s. He utilized the possibilities of both the Housing Acts in 1949 and 1954 and was capable to overcome the legally complicated requirements through his "[...] technical expertise, political connections, and power to carry out [...] [what he called the] slum clearance bill [...]" (CHRONOPOULOS 2011: 7). Although New York City is still profiting from his heritage to physically rebuild the city, Moses' approaches were heavily criticised as they had tremendous socio-spatial impacts on neighbourhoods in the city.²²

Until the 1960s, the dominant political ideology in New York City was liberalism, which implemented modernist housing architecture as physical solutions to urban disorders like the appearance of slums (CHRONOPOULOS 2011: 2 pp). However, new modernist housing developments were not successful in hindering the processes of decay and increasing crime.

²² For the dispute between the master planner Robert Moses and activist Jane Jacobs, see FLINT, A. (2009): *Wrestling with Moses: How Jane Jacobs Took on New York's Master Builder and Transformed the American City*.

A shift in governance from liberalism to neoliberalism and neo-conservatism occurred after the fiscal crisis of 1975, mainly influenced by the belief in the free market ordering both individuals and activities. Combined with neoliberal policies like the promotion of economic development and cutbacks in public services, the phase of decay could not be stopped in New York City. The effects of this crisis like increasing homelessness and poverty were visible in the public space and in the continuous deterioration of the built environment. This paved the way for neoconservative thinking like the “broken window” theory, which aimed mainly at banishing “disorderly” individuals (CHRONOPOULOS 2011: 2 pp) and helped the city to return as an attractive and appealing city. Simultaneously, neoliberalism became the predominant economic maxim in the 1990s, being articulated “[...] as the ‘Washington Consensus’ and [...] enthusiastically embraced by President Bill Clinton and Prime Minister Tony Blair” (CHRONOPOULOS 2011: 81). Since 2001, Mayor Michael Bloomberg has introduced a new pragmatism into neoliberal governance while consequently considering the need for affordable housing and a shift towards more eco-friendly and sustainable policies in urban development. As MOLLENKOPF & LANDER (2013) point out, his attempts resulted in expanding governance as can be noticed within policy and actor analysis.

An understanding of the political and institutional framework is necessary in order to embed the choices and decision-making-processes in the wider field of action with regard to urban regeneration policies. Therefore, the political and institutional framework builds on a policy analysis identifying the most relevant planning instruments having an impact on local upgrading processes of the physically built environment.

For the case study in Williamsburg, Brooklyn, the identification approach for planning instruments started at a very general level, took the city scale into account and proceeded with more detailed plans and instruments. Finally, the policy analysis comprises nine instruments in total, including three plans at the city level, two programs at the city and district level, three zoning documents at the borough and district level which specifically consider the waterfront and manufacturing context within the case study, as well as rent guidelines at the city level (see Table 24). Additional planning instruments, for instance, the Uniform Land Use Review Procedure (ULRUP) or Transferable Development Rights (TDR) are not analysed as an instrument per se, but rather are considered as complementary tools within planning processes affecting the time-spatial dynamic within urban developments.

	Name	Content	Scale	Publication Year	Content	Editor
01	PlaNYC	Urban Development Plan	City	2011	Sustainable urban development plan for NYC	City of New York
02	New Housing Marketplace Plan	Housing Plan	City	2010	Affordable housing creation in a global city during economic crisis	HPD
03	Greenpoint-Williamsburg Inclusionary Housing Program	Affordable Housing Program	District	2005	Developments providing affordable housing are eligible to develop additional floor are	NYC Department of City Planning & HPD
04	The New Waterfront Revitalization Program	Specified Development Program	City	2002	Principal coastal zone management tool	NYC Department of City Planning
05	Rezoning Affecting Manufacturing Districts: 2002 to 2012, BROOKLYN	Land Use and Zoning	Borough	2012	Rezoning with regard to manufacturing zoning code	NYC Department of City Planning
06	Contextual Rezoning & Rezoning Affecting Manufacturing Districts		District	2009	Upzoning with regard to manufacturing zoning code	NYC Department of City Planning
07	Greenpoint-Williamsburg Waterfront – Waterfront Access Plan		District /Waterfront	2004	Designated zoning areas for public walkways, access area and public parks, as well as future open spaces	NYC Department of City Planning
	Uniform Land Use Review Procedure (ULURP)		Borough		public review process, mandated by the City Charter, for all proposed zoning map amendments, special permits and other actions (not analysed)	
08	Rent Guidelines Board Apartment Orders	Rent Regulation	City	2013	Rent increase benchmarks	The City of New York Rent Guidelines Board
09	New York City's Brownfield Incentive Grant (BIG) Program	Public Incentives	City	2010	Flexible grants for brownfield activities	NYC Office of Environmental Remediation

Tab. 24: Analysed Planning Instruments for the Case Study in Williamsburg, Brooklyn (own illustration)

The policy analysis follows the five analysis dimensions of Table 7²³. As a starting point, all documents were searched for "gentrification," which is not included in any of the planning instruments. This result is not surprising, as "gentrification" still seems to be a "dirty-word" within public policies. The

²³ The conduction of policy analysis refers exclusively to sources mentioned in Tab. 24: Analysed Planning Instruments for the case study in Williamsburg, Brooklyn. Summaries and interpretations do rely on specific formulations within those documents although no direct quotations are included for operational reasons.

non-existence of gentrification issues in urban regeneration policies supports the need for a mixed-method approach combining policy and actor analyse as the latter may reveal expectably gentrification issues at the local level.

11.3.1 The Macro-Micro Relationships

"Global challenges and neighborhood challenges truly are linked. We all have a role to play and a responsibility to act." (PlaNYC 2011: 14)

Following the intended interest of macro-micro relations within research question (2), all quotations linking to the code "macro-micro" and referring to the aspects of correlation and impacts of macro forces at upgrading processes of the built environment at the local level were selected. The query resulted in 37 quotations, which can be summarised in seven macro-micro relationships:

1. globalised city competition and local quality of life
2. economic crisis and new challenges for housing/affordability/neighbourhood viability
3. economic crisis and new approaches in planning and public investment
4. population growth and challenges in housing creation/affordability/density and need for public spaces
5. demographic changes and changing housing needs
6. deindustrialisation and redevelopment of brownfield sites/access to formerly industrial-used waterfronts
7. climate change and protection of quality of life

Globalised City Competition Affects Local Quality of Life

New York City is perceived not only as the culturally most vibrant and cutting-edge metropolis for financial and knowledge-based businesses, it is also proud of this reputation and includes it as a unique selling proposition that has to be ensured and fostered through urban development activities. As a long-term goal, a "Greener and Greater New York City" keeps the city vibrant, sustainable and affordable. However, New York City's enviable position within the global competition does not go unchallenged, which is evident especially in a phase of economic downturn.

The key for economic recovery and for a stable competitive position lies in new housing plans that affect not only the supply side of housing creation, but also the demand side of residents. Housing construction, publically initiated and privately complemented, serves as a not only of economic upswing and faces the need of new housing units in a continuously growing city. As a consequence, the unprecedented high number of construction permits by the city's Department of Buildings cannot be interpreted as a reaction to economic downfall and public interest to stem this process, but also as an evident factor for time dynamics. The faster the operation time for building permits, the more new housing projects are realised, fuel economic activities and investment and relax a tight housing market.

Additionally, the creation of new housing helps to secure the “place of promise and possibility” for future new residents and supports the attraction of new talents. As FLORIDA (2002) already emphasised, cities compete for talents and not only new residents, as highly-skilled and ambitious talents are considered promising factors in economic and cultural prosperity. New York City puts special emphasis on the competition for globally mobile talents and businesses through the creation of attractive and liveable neighbourhoods. Designing new and creating existing neighbourhoods as viable and liveable places requires a different set of activities. Despite factors of social cohesion and cultural as well as economic considerations, the physical environment needs special considerations. In this context, preservation is mentioned as a crucial component for a physically distressed housing stock that might serve in the long-run as an attractive and affordable housing option for existing and new residents and ensures the local quality of life.

Economic Crisis Creates New Challenges for Housing Affordability and Neighbourhood Viability

The commitment to housing creation can be interpreted as a first step in facing an external force like a global economic crisis. Although the City of New York started a comprehensive housing program comprising new construction, preservation measures and awareness to ensure affordable housing options for all groups of residents, the attempts are challenged by reduced capital budget and limited housing finance programs available at higher levels. Due to financial and housing market crisis, housing finance programs additionally available at the state and federal level have been limited and postponed significantly. Additionally, delayed project realisations are occurring due to a lack of federal or state permissions, actions and funding. This can be interpreted as a decelerating component within housing creation and preservation impacting the housing market at city and neighbourhood level.

The postponement of housing creation and preservation within a growing city increases the tightness of housing market leading to rising rental and property prices as well as increasing risks of neighbourhood decay. The construction gap widens and might not be closed fast enough when the economy rebounds. Therefore, the political framework in New York City has to react to affordability and preservation issues in housing, which becomes even more crucial during economic downturns. As a result, urban policies decided to face the economic crisis through active investment measures. Up-front public investments in infrastructure and job creation are a prerequisite to ensure the realisation of future desperately needed large-scale projects on hold.

Economic Crisis Requires New Approaches in Urban Planning and Public Investment

The current global crisis reveals the need for re-scaling and for finding new approaches in urban planning and public investment. Changed approaches are necessary in New York City for to preserve investment, protect tenant and ensure the viability of the housing stock. The public sector identifies foreclosures, vacant construction sites and deteriorating housing conditions as visible witnesses of economic crises in the neighbourhood increasing the risk of abandonment and declining property values.

To date, housing growth in New York City always followed the expansion of the subway system, which also created neighbourhoods being heavily car-dependent. As a result, these

developments caused ecological and economic challenges. During phases of economic consolidation, the public sector searched for new planning and investment approaches. New York City can build on the advantages of population growth that serves as an economic and cultural engine, also leading to higher housing and population densities. Higher densities can be easily regulated through zoning processes in which the government of New York City nowadays follows the maxim of increased allowable densities at appropriate locations in close-to-transit areas and of decreased allowable densities in more car-dependent areas. As a result, the population and housing growth in New York City can be more efficiently directed toward neighbourhoods with better access to public transit having a positive impact on economic expenses and environmental issues. The vision of a “greener and greater New York City” might be more feasible through new approaches in urban planning, which also enables the creation of mixed-use communities characterised by a various options of employment, local retail and services. Special emphasis is put on access to healthy food within walking distance, supported through efficient urban planning instruments.

Recent survey results show that the comprehensive New Housing Marketplace Plan from 2003 served as a counterforce against economic downturn and was able to create the best neighbourhood conditions on record. This success can be interpreted as a result of proactive public investment in new housing and infrastructure construction and more output-oriented measurements in planning, for instance, in rezoning processes. Both might not have immediately stimulated private investment. However, a positive investment environment has been created during distressed economic phases and serves as a stimulus for postponed private investment and actions.

Population Growth Contradicts Economic Crisis and Increases Need for Affordable New Housing Creation

Population forecasts predict an additional one million new residents in New York City by 2030, leading to a total population of more than nine million. This has an effect on the demand side of the housing market. In contrast to the economic crisis, which brings housing construction to a halt, population growth requires ongoing housing creation and preservation; otherwise, supply and affordability run the risk of collapsing in a global city like New York City. Therefore, PlaNYC claims that the economic crisis may affect near-term housing priorities, whereas long-term planning ought to happen independently.

However, population growth also impacts New York City in terms of how spatial extension and urban policies deal with the scarce number of developable sites. As a result, not only do new approaches in planning have to be implemented to ensure new housing creation and therefore affordability. Additionally, higher housing and population densities have to be considered in the creation of new and existing neighbourhoods, which should be ideally capable of providing decent housing and a high level of quality of life for the local population.

Demographic Changes Impact Housing Needs

Population growth represents only one dimension within demographic changes. Changing age, migration and education patterns within an increasing population have a greater impact on the housing needs of New York City. As a consequence, the city government has identified a growing need for single housing, both for young single-households and for the elderly. However, the city's housing stock does not provide sufficient and affordable supply in the segment of single-occupancy housing. Therefore, public policies are shifting towards new regulations with regard to historically regulated apartment sizes and recently have even been seen new small-housing creation programs. Micro apartments can be interpreted as an answer to the needs of small-sized and therefore affordable single-housing options. In return, accessible, reachable and high-quality public space serves as space for compensation. The conceptual framework was elaborated by the non-profit organisation Citizens Housing and Planning Council (CHPC) under the title "Making Room"²⁴ and presented by Mayor Bloomberg end of 2012.

Additionally, demographic changes create fragmented lifestyles that demand an increased variety of housing options. Those options refer not only to size, affordability and location. They also demand the fulfilment of distinct housing tastes, for instance, loft housing, townhouses or full-services high-rise apartments. However, the aging housing stock in New York City demands not only renovation investment. It is also not capable of fulfilling the increasing fragmented housing tastes, especially in historically grown neighbourhoods currently undergoing a transformation process with regard to new housing creation.

Another aspect of macro-micro relations with regard to the housing stock is the need to consider environmental issues in every aspect of urban life. New York City's government stimulates sustainable housing creation in order to decrease emission and environmental effects. On the demand side, these efforts are highly appreciated due to decreasing utility costs as a direct result of energy efficiency. However, the city government depends on federal and state funding for large-scale construction projects. These funds also refer to the sustainable transformation of former industrial and manufacturing sites, predominantly located at the waterfront.

De-industrialisation Creates Opportunities for Brownfield Redevelopment and New Residential Housing Choices

The aspect of sustainability with regard to brownfield transformation processes leads to the external force of de-industrialisation. This process is stimulated on a global scale and affects directly the housing construction opportunities at the local level. Especially in cities with scarce development opportunities do former brownfields reveal valuable opportunities for new residential housing units.

Public policies in New York City acknowledge these opportunities and identify development potential especially at former industrial-use waterfront areas. The macro-micro challenge lies in the need for federal support to decontaminate formerly heavy-industry areas (e.g., superfund) as well as environmental and public health considerations during rezoning processes. The complexity of brownfield conversions hinders the willingness of developers. They might avoid the risks of brownfield property development due to financial, time and public opinion considerations. In

²⁴ see www.chpcny.org, 2013-09-11

contrast to the risks, brownfield conversions represent a large potential for future housing construction in New York City and contributes to an environmentally friendly quality of life. Therefore, city government should take the necessary steps to decrease administrative burdens, for instance, by teaming up with federal grants and supporting pre-studies for future brownfield developments financially.

Population Density Requires New Public Spaces

As already indicated above, public spaces become a crucial element of urban life in growing cities. They serve as spaces for compensation in cities of increasing population and housing density. However, public spaces are under pressure not only because of scarce open spaces: Higher usage exerts pressure while public finances remain limited for maintenance and creation of new public spaces.

Public policies recognize the need for newly created public spaces even in phases of economic crisis. The need for open space is growing while the supply of land is fixed and financial resources remain limited. Therefore, New York City's government creates a supportive development environment for public spaces by using available space more effectively, creating new public spaces in the course of large-scale redevelopment projects, for instance, at waterfront locations, and by financing public spaces through public-private partnerships.

The political shift towards the appreciation of public spaces can be interpreted on the one hand, as a strategy against environmental concerns. On the other hand, it also serves as a complementary dimension of mixed-use neighbourhoods which create not only a local identity or social cohesion, but may also serve as landmark infrastructure within global city competition, for instance, the almost completed Brooklyn Bridge Park or the former landfill and future Freshkills Park on Staten Island.

11.3.2 The Driving Forces Supporting Urban Rejuvenation

"Our city's history teaches us that investing in our future is not a luxury, but an imperative."
(PlaNYC 2011: 3)

It is assumed that specific actor-policy compositions can be identified as success generators within a given political and institutional framework. The analysis dimensions focus mainly on decision-making processes and the underlying rationales. Therefore, it is assumed that more analysis insights will result from actor analysis. However, little evidence of supporting and hindering forces may be found in policy analysis while highlighting already implemented urban planning achievements in New York City.

The second stage in policy analysis covers quotations that refer to the code "communication" which represents all positive and negative notions of already existing achievements within urban planning with a special consideration of textual formulation. The content analysis identifies 117 quotes with regard to "communication." Again, four content dimensions can be identified through summary and interpretation of selected policy quotations:

1. Instruments for successful urban regeneration policies
2. Urban regeneration achievements in figures
3. Positive prospects of urban regeneration in New York City
4. Current and future challenges within urban regeneration

Specific Instruments Underlie Successful Urban Rejuvenation Policies

The analysis of macro-micro relations already indicated that urban rejuvenation policies and strategies for housing creation are in flux in New York City. The upheaval is being shaped proactively and with great eagerness in order to implement new instruments whenever the general situation is in need of adaptation.

This section identifies the underlying instruments at the city and district level. Especially PlaNYC in the revised edition from 2011 and the New Housing Marketplace Plan from 2010 frame the actions done at city level. The PlaNYC serves as a flexible framework for facing the identified challenges at city level. Flexibility in this case refers to the capability to react to changes, for instance, the transition from a current economic downturn to a future economic recovery. The New Housing Marketplace Plan can be interpreted as a detailed working plan for meeting the challenge of affordable housing creation in New York City. Both policy documents and inhering policies agree on two crucial components: integrative collaboration in urban planning and explicit public investment in a phase of economic downturn.

The first component of integrative collaboration in urban planning refers to a commitment of strategic-based collaboration among actors considering action, and integrating existing and new instruments of urban planning. The common strategy is mainly influenced by the need to secure and increase the viability of neighbourhoods in a growing New York City through the creation of new

housing, while taking into account affordability and sustainable ecological measures. It is a response to population growth and growing ecological challenges caused by resource-insufficient behavioural patterns and climate changes. Major collaborating actors within the field of public policies are the NYC Housing and Preservation Department (HPD) and NYC Housing Development Corporation (HDC) headed by the city government represented by Mayor Bloomberg's vision of a greener and greater New York City. "Greener and greater" refers predominantly to an economically driven, but affordability and sustainability considering, strategy aimed at a successful positioning within the globalised city competition. Cooperation goes even beyond a teaming-up of "traditional" partners and includes also new collaborations with, for instance, the New York City Housing Association (NYCHA). Additionally, the coordination among different agencies is part of urban planning processes.

The aspect of "integration" is based on the interpretation that the current combination of governmental programs and plans, the will to support and implement large-scale projects and the approach of potential identification in neighbourhoods reflects the aim to streamline processes and to take advantage of integration at all levels. It goes beyond the integration of planning instruments and also includes various actors and new planning approaches to meet the challenges of complexity and the need to secure the current quality of life in New York City. The approach of potential identification in neighbourhoods might not be the most innovative within the US American context, but in combination with the necessity of efficiency, fast reaction to current situations and the need to confront complexity through collaboration, it became explicitly crucial in New York City. Underused land, whether at waterfront or brownfield sites or on NYCHA land, serve as important resources for new housing creation. After potential identification there follows rezoning and a stimulation of investment. Based on the development areas within the New Housing Marketplace Plan, comprehensive rezoning was initiated across the city including the demand for affordable housing units. Rezoning in New York City is mainly shaped by the implementation of inclusionary zoning allowing the construction of market-based housing units while ensuring simultaneously the creation of affordable housing units on- and off-site. Stimulation of investment also includes adaption of tax incentives, for instance, the reformed 421 (a) property tax exemption. In addition, new ways in financing, for instance, through bond market activities accomplished by HDC, has helped the planned numbers of new housing units to be realised. Finally, flexible rent guidelines have to be mentioned as an instrument to proactively react on economic and housing market developments.

The commitment by the city government to invest especially in phases of economic constraints cannot be interpreted only as a stimulating sign for additional private investment, but also as a major catalyst for neighbourhood development. In the case of Williamsburg, which is part of the major redevelopment program in Williamsburg-Greenpoint and Brooklyn in general, regeneration practices refer predominantly to the renewal of vacant and underutilized land, the implementation of large-scale projects and comprehensive construction of housing units.

These means have been stimulated by a major rezoning process including the Brooklyn East River waterfront, which also led to the metaphor of "rezoning battlefield." Rezoning in Williamsburg stimulated investment that was not always sustainable enough to overcome the challenges of an economic crisis. As a result, many large-scale projects came to a halt, and small-scale projects were unable to get finalized and remained as vacant construction sites. Through integrative planning, already existing and vibrant neighbourhoods in Williamsburg are supposed to become continuously revitalized and serve as an arrival space for new residents. Integrative planning refers in this case

again to the combined implementation of rezoning and the creation of new and also affordable housing units through inclusionary zoning. Inclusionary zoning created not only new market-based and affordable housing at the waterfront, but also off-site or upland portions of housing units. As Williamsburg looks back on a long history of neighbourhood development, the main aim in current planning practices may be seen in meeting the changing needs of communities. This has to and can be done by either new construction or rehabilitation.

Achieved Successes in Urban Rejuvenation to Date

The proactive and explicit notions within urban regeneration policies are supported by a comprehensive list of achievements. Those successes mostly refer to the New York Housing Marketplace Plan (NHMP) from 2010, which implements strategies and programs developed during the early 2000s. But these successes build also on a substantial growth of 65,000 housing units between 2005 and 2008. However, the housing boom was not able to combat the tight housing market in New York City, where a net rental vacancy of 2.81 %, and only 1.5% among the most affordable units with rental prices between \$500 and \$799 was significantly below the 5% threshold in 2008. In general, this threshold indicates a state of housing emergency.

To date, approximate 20,000 new moderate- and middle-income housing units were realised within the framework of NHMP including more than 3,000 units of supportive housing for formerly homeless individuals and families. For hard-to-reach populations, 24 additional projects were financed. Additional housing units of affordable housing were created through new financial collaboration adaptation of existing financing programs. For instance, the New York City Acquisition Fund teamed up with banks, private foundations and non-profits for short-term loans being made accessible to affordable housing developers. With a total budget of \$230 million, about 2,700 affordable housing units have been realised.

Regarding the existing housing stock, a new financing program is aimed at HUD-assisted properties running out of their 15-year regulatory period. Those units are being kept within a regulating status through financing with Low Income Housing Tax Credits. To complement the segment of existing affordable housing, over 30,000 Mitchell-Lama housing units have been preserved so far.

With respect to ecological measures, successes in more sustainable means of transport have to be mentioned. Through more than 20 transit-oriented rezonings, the city government has ensured a transit accessibility of 87 % of the new developments. A new bus rapid transit system, as well as a new ferry line connecting Brooklyn's waterfront with Manhattan successfully reduce the car-dependency with over 87% of all new developments being located within a half-mile of transit. Another component of a "greener New York" is the creation of public spaces and parks. More than half a million trees have been planted and the clean-up of waterways has contributed to an increased access of waterfront sites, realised through a \$1.5 million commitment for green infrastructure. New parks and plazas increase the liveability within the global city. About 25% of New York City's area is covered by state and federal parkland, and an additional 40 acres of open space including public esplanades have been realised as well. To date, an additional 250,000 New Yorkers live within a 10-minute walk of a park. Again, rezoning can be interpreted as major catalyst for those achievements including also the responsibility of developers to increase waterfront access and green spaces for the community.

Staying Optimistic About Future Urban Rejuvenation in New York City

The positive prospects included in policy plans and programs reflect the self-confidence and optimism present in New York City. Building on the opportunities in a growing city, city government follows a hands-on approach aiming at capitalising on opportunities and counteracting economic downturn. The self-understanding of city government in New York City is characterised by the role of acting as a stimulator for affordable housing and new investment. Economic crisis is met by the approach of “with instead of against”, meaning that city government is taking advantage of market changes and preparing the stage for private reinvestment as soon as the economy recovers. As a result of interpretation, the hands-on approach and the idea of “determining and shaping one’s own future” can be considered, on the one hand, an active response to ongoing changes and, on the other hand, the practical implementation of the US American stereotype of “Life is what you make of it.”.

The new and adapted planning instruments support the future creation of new housing in all segments, especially within the segment of affordable housing. About one third of the projected units serve low and moderate income households. New developments need to and indeed do provide the chance to address the scale of existing neighbourhoods through updated urban design plans since new housing units also have an impact on neighbourhoods and their residents. New housing brings new people, which is considered to be an enriching component for communities, the addition of energy in terms of new ideas and innovation to economy, but also of diversity among neighbourhoods and within the entire city.

Not only housing, but also changes in commercial and technical infrastructure impact the life of people in neighbourhoods. Rezoning is stimulating future local commercial development and creating the opportunity to support light industrial activity in formerly heavily manufacturing-oriented and now decaying neighbourhoods. Continuous future investment in the technical infrastructure as sustainable means of transportation or water supply is considered to increase the quality of life within the neighbourhoods. Ecological progress in combination with the creation of new housing is supported by brownfield redevelopment, considered to be a crucial component within future urban development.

To conclude, the future prospects for New York City are formulated in urban policies that are explicitly positive and optimistic. This may be interpreted as a result of neoliberal, free-market based vocabulary, but it is also the result of a distinct commitment towards inhabitants being an explicit resource for future changes. Newcomers as well as existing residents are actively invited and enabled to insert themselves into future developments. Within this framework, city government serves as a coordinating umbrella that is aware of its public mission to serve the residents of New York City, to increase their quality of life and to ensure public wealth.

Challenged Urban Rejuvenation in New York City

Despite all optimism and positive achievements, policy documents also show many current and future challenges in urban regeneration. Currently, the city finds itself between the poles of continuous population growth and new housing creation. The latter is challenged by a limited number of developable sites and an aging housing stock that demands new and better approaches to new housing development. A connected issue is demographic aging with a shift towards more elderly and fewer family households, which also demands a change in housing supply and challenges the already tight housing market. The accommodation of a growing population is also linked to investment in infrastructure in order to maintain and extend a sufficient supply of public goods like drinking water or public transport, but also to ensure functionality and cost-effectiveness. Infrastructure is one of the major current challenges in a growing New York City, especially in phases of consolidated public budgets. Especially delayed investments in transport networks increase the challenge of car-dependency and air congestion. From an ecological point of view, investment in public infrastructure is a severe necessity as climate change poses additional challenges with regards to increased flooding dangers. Preservation and preparation for higher climate change impact demand public investment today, which in turn is lacking for park protection and construction. This challenges the resource of parks as community forums that also serve as catalysts for economic development. In addition, economic competitiveness is being stressed as well, which reveals that immigration of new people and new ideas is not solely a recipe for economic strength. Instead, it needs additional public stimuli to realise the economic potential.

In contrast to the current challenges, future challenges in urban regeneration are emphasised in a straight-forward, non-negotiable manner within the planning documents. The notion of “do not stop, move on and reach beyond” can be identified as the underlying driving factor on how to meet future challenges. Those challenges do not differ content wise from current challenges and macro-micro dependencies. Rather, they differ in terms of dynamics, meaning the unpredictable development of population growth, housing shortage and affordability, infrastructural and economic competitiveness as well as liability of neighborhoods. Without the approach of “reaching beyond aims”, New York City might risk not combatting the posed challenges successfully. Based on population projections, there is evidence that demand will continue to outstrip supply with regard to every aspect of economic, social and ecological dimension. As a result, the major challenge of urban planning in New York City in the future lies in the provision of an efficient, collaborative and conflict-minimizing organisational structure capable of handling the identified fields of action.

11.3.3 The Adaptive Component in Urban Planning Policies

“That’s the story of our city, century after century. Times change, but New York City often leads the change. The key to New York’s success has always been our leaders’ foresight and courage to boldly meet challenges and capitalize on opportunities.” (PlaNYC 2011: 3)

The most important instruments for urban rejuvenation processes in New York City were identified already in the analysis given above. This study identifies PlaNYC as the framing strategic vision, The New Housing Marketplace Plan as a focused housing plan for meeting the challenges of urban development and The Greenpoint-Williamsburg Inclusionary Housing Program as the localized housing program with the most influential programs and plans seen within this analysis. Those planning instruments are complemented by major rezoning activities that set the stage for new housing creation citywide and at Williamsburg’s waterfront in particular.

In terms of adaptive neighbourhood development, the question arises as to how far these instruments contain an adaptive component or are in need of adaptation in order to remain sufficient in meeting current and future challenges. Therefore, the third step of policy analysis refers to research question (4), which attempts to identify adaptive components within policy instruments. The analysis refers to the single code “adaptation” which includes 30 quotations. Those quotations can be systemised into four dimensions:

1. Adaptation through zoning changes
2. Reasons for adaptation
3. Underlying goals for adaptation
4. New adapted strategies

Zoning Changes as First Step of Adapting to New Realities

Both the Greenpoint-Williamsburg Contextual Zoning maps and the Greenpoint-Williamsburg Waterfront Access Plan include zoning designations that indicate change in zoning. Codes include designations of “existing” and “proposed” or “future open space” and “flexible location zone”, all of which might not be interpreted as elements of adaptation. However, they may identify an adaptation in zoning to new realities. The contextual zoning process includes also the considerations of the Inclusionary Housing Program. This is perceived as a “ground-breaking approach” to create affordable housing units which might be interpreted again as an adaptive element within planning instruments.

The Reasons for Adaptation

In a visionary sense, the element of adaptation can be interpreted as an inherent component of New York City’s self-conception. Because the city has been always in transition, “foresight and courage” are perceived as key factors for remaining a successful city. However, the most important reason for adaption can be found in the necessity to react to economic market changes. A policy gap can be identified between economic reality and policies as economic realities occur in the first place which

need to be faced by new tools provided by public sector. The transforming market can be interpreted as a catalyst for adaptation as public policies need to respond to current challenges and identify “windows of opportunities” both in boom times and in phases of crisis. It is also an issue of protecting former investment and neighbourhood assets and not running the risk of neighbourhood decay due to postponed public reactions. Taking opportunities and protecting achievements from the past refer to management tasks that need to be implemented and updated due to a changing framework. Again, the adaption process in New York City builds on an optimistic and proactive approach to shaping the city’s needs and demands. The underlying assumption of recovered economic growth in the future requires adaptation during phases of economic downturn in terms of upfront public investment, for instance, in infrastructure and housing.

The Underlying Goals for Adaptation

Adapting planning instruments and processes is complex and requires a lot of effort. Changing existing structures are not always appreciated by all actors involved, though they might be more understandable through the communication of the underlying goals. The policy analysis identifies hard and soft goals underlying the process of adaption. Soft goals refer to very general aims, for instance, neighbourhood strengthening through affordable and sustainable housing or a comprehensive understanding of urban planning processes in order to maintain streamlined instruments and efficient processes. Those goals indicate the necessity to remain powerful within urban planning, albeit flexible and fast.

Hard goals refer to solely economic interests, for instance, the maximisation of return on public investment. Especially in cases of upfront investment by the public sector, the return needs to meet estimated returns due to future argumentation reasons. In the end, the main reason for adaptation is the need to remain a global economic leader at the city and at the level of residents and local businesses. To conclude, policy analysis supports the hypothesis that adaptation of urban policies is mainly based on economic needs and interests.

What Do Adapted Strategies Look Like?

The planning documents analysed remain not only vague in terms of adaption, they also provide few examples as to how the newly adapted strategies look like in New York City. Adapted strategies refer both to actors and instruments. Actors like the HPD take advantage of an opportunity-seeking approach that can be implemented in boom and bust times. Adapted instruments are based mainly on a general vision of long-term planning instead of costly short-term and case-by-case decisions, which indicates the provision of defined basic rules in urban planning that are flexible enough to consider contextual needs in urban regeneration policies.

In the particular case of urban planning instruments, the updated version of NHMP did not only adapt existing programs. It also launched new initiatives and innovative approaches to fulfil the housing goals. Building upon partnerships and leveraging the market in creative ways can be interpreted as flexible components implemented to motivate investors teaming-up in the fulfilment of city’s goals. In this context, incentives for non-public actors to play a crucial role as those stimulators for investment have to be adapted due to the market situation. During a strong market

situation, developers might be motivated to create not only market-rate housing through extended housing densities. In contrast, public incentives for private actors can be used during a recession to stimulate the transformation from market-rate buildings to affordable housing. In this case, the public sector serves as a guarantee for long-term and stable investment hedge. In turn, city government capitalises the market situation by the creating of affordable housing without direct investment in construction. Additionally, adapted ways of financing, for instance, through entering the bond market, secure the flexibility of urban policies to fulfil their goals while markets are changing. However, the reasonableness and success of adapted urban policies have to be evaluated and examined by actor analysis.

11.3.4 Steering Gentrification Policies

“Making housing more accessible and affordable to New Yorkers requires more than increasing the overall housing supply. New market-rate housing generally serves higher income levels. While new inventory generally relieves pressures on costs in the long run, housing currently is too expensive for many New Yorkers.” (plaNyC 2011: 21)

The policy analysis so far indicates a few strategic approaches by the city government in order to remain capable of acting even in phases of economic downturn. Therefore, the fourth and last step of policy analysis in New York City asks how far policy documents reveal strategies that stimulate or regulate gentrification. Because the word “gentrification” is not mentioned in any document for New York City, this question has to be adapted into the new formulation of how far specific strategies and participation possibilities stimulate or regulate urban regeneration practices that might result in gentrification at the local level.

This reformulation assumes that all strategic practices may have the potential to support gentrification processes. Within policy analysis, few quotations refer to the double-edge sword of market-rate and affordable housing provision, as well as to capitalisation of developer’s investment. Undoubtedly, housing shortage is a continuous challenge in the city leading to a price spiral on the housing market. This might be interpreted in the sense that gentrification certainly occurs in New York City, especially in the partially newly developed areas of former brownfield and waterfront sites. However, the political strategy rather shifts the connotation of urban regeneration and emphasises the creation of new affordable housing. The identification of participation possibilities among all actors may also contribute to a wider understanding of how far urban regeneration practices are and how they might be steered strategically. More insights into the aspect of gentrification are revealed in the chapter on actor analysis.

The last stage of policy analysis covers the code family “strategy” as well as the single code “participation” including 290 quotations that refer to steering measures within urban regeneration processes. The interpreted results can be systemised as follows:

1. Participating Chain of Actors
2. Strategies Within Urban Regeneration Policies
3. Regulations Within Urban Regeneration Policies
4. Stimulating Gentrification as a Side Effect

Policy analysis shows that a strong emphasis lies on streamlining the processes of new developments including an improved collaboration between city, state and federal partners. This attempt cannot be interpreted only as a measure to increase efficiency, but also as one to speed up processes that might not only lead to fast creation of affordable housing and viable communities. It is rather more like gentrification also gaining in speed.

The chain of actors mentioned within policy documents cover public actors, ranging from city, state and federal administrations as well as from supra-national level. Private actors are considered with regard to developers and investors as well as to residents and community representatives. Starting with public actors, the interaction among authorities seems to be a critical measure. Especially in complex developments like brownfield conversion, a variety of interacting actors at several levels is necessary. The Brownfield Incentive Grant Program (BIG) aims at brownfield conversion at city level and is administered by the New York City Economic Development Corporation (NYC EDC). The involvement of private partners is possible through a BIG grant application or through a Brownfield Opportunity Areas (BOA) grant supported by initiatives like NYC Brownfield Cleanup Program (NYC BCP).

For affordable housing creation while taking advantage of zoning bonus, the process starts with the commitment of public and partner lands and the availability of city, state and federal programs. It is necessary to team-up with public, private, and non-profit sectors. An early step for practical implementation concerns zoning measures by the New York City Department of City Planning, which is in charge not only of New York City Zoning Resolution, but through zoning also of housing facilitation, mixed-use communities as well as of accessible waterfront and open spaces. Rezoning can be either initiated by private applicants or city agencies. The Department of Housing Preservation and Development (HPD) is in charge for the inclusionary housing program, its financing programs as well as tax incentives. For financing purposes, New York City Housing Development Corporation (HDC) takes over to realise affordable housing. Particularly with development decisions and economic situations, it is necessary to identify communities that are in special need of creating and preserving affordable housing. Here, the NYS Housing and Community Renewal – the former New York State Division of Housing and Community Renewal (DHCR) - supports the identification and evaluation of productive developments. In addition, New York City Housing Authority (NYCHA) serves as a land resource as NYCHA supports city government in the creation of affordable housing through identification and valorisation of underutilized land on NYCHA properties. In order to preserve existing affordable housing units, the Mitchell Lama Program plays a crucial role in New York City as it either contributes to affordable housing units or even creates market-rate apartments after regulation expiration.²⁵ In the latter case, the city government seeks to find solutions to partner with actors in order to preserve already existing affordable housing units. Policy analysis shows that the

²⁵ “Mitchell Lama is a federal housing subsidy program that created rental and co-operatively owned housing for middle-income households. The affordable housing units were built on property owned by local jurisdictions by developers who take advantage of tax abatements and low-interest mortgages provided by city, federal or state government. Twenty years after development completion, landlords are able to privatize the affordable housing units by buying property from the Mitchell Lama program. Renters living in apartments that were finished before 1974 switch to rent regulation based on New York City Rent Guidelines Board. Apartments that were finished after 1974 can be turned into market-rate apartments, which results in a loss of affordable housing for city government” (see <http://www.nyshcr.org/Programs/mitchell-lama/>, 13-08-2013).

city government tries to find new ways of financing in times of economic challenges. For instance, the New York City Acquisition Fund consists of banks, private foundations and non-profits that aim at financing affordable housing especially in phases of limited access at the global financial market.

At the economy and infrastructure level, there are actors who represent the interests of particular groups at the local level, for instance, the Enterprise Community Partners. These are capable of mediating between the city government and individual entrepreneurs and of streamlining development processes. At the city and federal level, the Metropolitan Transportation Authority (MTA) is an important actor for neighbourhood development with regard to public transport access and car-dependency reduction.

This actor connects the needs of private individual actors who are involved in urban rejuvenation practices as well, since a strong emphasis lies on the empowerment of communities with urban regeneration policies. Individual interests are mainly represented by non-profit or community organisations, for instance, community boards. But also publicly initiated organisations like the Local Initiatives Support Corporation (LISC), which identifies and supports financially distressed households and property owners, or the City's Food Retail Expansion to Support Health (FRESH), integrate the individual demands into the broader planning process.

At the other end of actor's chain lie supra-national initiatives like the C40 Cities Climate Leadership Group, headed by Mayor Bloomberg. Collaborations and knowledge exchange with sister cities might not influence local urban regeneration policies directly, but they can be interpreted as stimulus for future local strategies, for instance, in the implementation of ecologically necessary improvements of infrastructure or housing preservation. To sum up, policy analysis shows, on the one hand, that many actors are involved in urban regeneration practices. On the other hand, one of the current public strategies lies in furthering cooperation and mediation among all actors in order to create efficient structure for urban regeneration practices.

Strategies in Place within Urban Rejuvenation Policies

An analysis of the policy documents for New York City and Williamsburg-Brooklyn in particular shows that there are already explicit and implicit strategies in place within urban rejuvenation policies. We find strategies focussing on strengthening planning power, economic stabilisation and cost reduction, incentive creation, as well as rental costs and neighbourhood stabilisation and finally quality management.

The unique implicit strategy lies in the attempt to increase the power of urban planning. On the one hand, a combination of zoning incentives, housing programs and available public and partner land is necessary. On the other hand, efficient management tools are necessary to coordinate partner and programs in order to keep all processes streamlined and flexible.

The strategy of economic stabilisation and cost reduction in urban development can be interpreted as an explicit strategy as a vast number of quotations within policy documents support the quantitative over-representation of these aspects. Urban rejuvenation policies in New York City are clearly economically driven. Even a phase of economic downturn is used as an investment opportunity by the city government in order to stabilize future economic and urban development. The depressed real estate market is instrumentalised to motivate property owners to transform market-rate buildings into affordable housing units. New construction in housing and infrastructure is stimulated by public investment not only for pure new development reasons, but also to protect past

public investment and to attract private investment as soon as the economic situation recovers. The component of cost reduction is supposed to contribute to returning private investment. Especially for cost-intensive large-scale projects, for instance, on former brownfield sites, supportive programs like clean-ups as well as allowance of higher zoned capacities support investment and economic stabilisation.

In order to ensure economic stabilisation, incentives for private investors and developers are necessary. Because adapted regulations and new planning instruments include new incentives, the creation of incentives can be seen as an additional explicit strategy within urban regeneration practices. Inclusionary housing as an instrument for creating affordable housing on new developments can be seen as a powerful incentive: Additional floor area is a strong economic argument for developers. As affordable housing for low-income households can be created either on-site or off-site, additional flexibility is provided for private actors. Especially for waterfront developments, which is highly relevant for the Williamsburg case, tax incentives serve as an additional incentive. Those developments are eligible for 421-a tax exemptions, which last up to 25 years if certain shares of onsite units are created.²⁶

A third explicit strategy is found with regard to rental costs stabilisation and neighbourhood strengthening. Both interrelate with each other and need a mixture of the creation and preservation of affordable housing while market-rate housing creation challenges neighbourhoods presumably in terms of gentrification. The creation of new affordable housing refers mainly to the private market, which is going to invest in real estate as soon as markets recover. The public strategy follows the approach of both harnessing private investors through, for instance, inclusionary housing as well as attracting private investors through financial instruments like the NYC Acquisition Fund, a reformed 421(a) property tax exemption program or participation in the bond market. However, public agencies have to be harnessed as well, especially with regard to identifying underutilized land, for instance, on NYCHA sites or city properties. In combination with contextual rezoning as well as the preservation of government-assisted affordable housing, rental costs can be kept stable in a market-driven housing environment. In the long run this contributes to stable neighbourhoods, which also include community-based development and integration of community groups into urban regeneration practices.

Finally, the strategy of quality assurance and continual evaluation of urban regeneration practices may be seen as a combination of implicit and explicit strategies. Implicit in the sense that quality management should be an inherent component in new public management; explicit in the sense that policy analysis shows an emphasis on evaluation in terms of sustainability, quality and long-term affordability. As an example, one agency in charge for the physical and financial health of affordable units is the Office of Asset and Property Management.

²⁶ For more details on 421-a tax exemption, see THE CITY OF NEW YORK (2005): Greenpoint-Williamsburg Inclusionary Housing Program. 5 pp.

Regulations as Supporting Measures within Urban Rejuvenation Policies

Despite strategies in place for urban regeneration policies, regulations have to be considered as well as measures to steer processes. The policy analysis identifies instruments that are particularly mentioned as means to build up a regulative within market-driven urban regeneration policies. One can distinguish between soft and hard instruments as they either affect decision-making on future public investment or limit private capital valorisation on the housing market.

Soft regulation measures refer to neighbourhood identification by the public sector during decision-making processes on where to invest public money in the future. Those decisions consider increases in real estate values, access to public infrastructure or increases in socio-demographic segregation. Also, public engagement in preserving affordable housing units, for instance, in Mitchell Lama projects, through reintegration in regulatory agreements, can be considered soft regulation as it is based on voluntary participation. Another rather mixed version of soft and hard measures is found in the preservation of Low Income Housing Tax Credit (LIHTC) housing. After a 15-year duration, investors of affordable housing units are able to exit the program, which then transfers the project and ownership to an HPD-approved owner. This new owner can opt for mortgage modifications or rehabilitation if he agrees on a regulatory agreement extension for another 15 to 30 years.

Hard regulation measures are presented by the lower income housing plan in which inclusionary housing bonus is available after the developer is filing a lower income housing and maintaining plan supervised by HPD. This program is based on the creation of new market-rate housing, which is “strongly motivated” to provide additional affordable housing in return for construction boni. It considers fixed income limits and maximum rents to ensure affordable housing. Complementary, regulatory changes, for instance, in zoning, have to be considered as hard regulative instruments as well. They enable not only new housing construction, but can also provide permission, for instance, for adding a legal apartment to one- and two-family homes or other new non-conventional housing alternatives like micro units. Those adjustments in regulations enable a higher flexibility in the creation of single-households and housing options for especially elderly people.²⁷

Finally, a direct hard instrument of regulation can be seen in the New York City Rent Guidelines Board Apartment Orders, which constitute allowed lease increases for stabilized housing units and former Mitchell-Lama apartments built before 1974. Rent-stabilized housing is mainly created voluntarily by owners in exchange for tax exemptions. Newly constructed or substantially renovated units are not part of rent regulation, which means that the stock of rent regulated housing units can only grow slowly, if at all.²⁸

The Stimulation of Gentrification as a Side Effect within Urban Rejuvenation Policies

Although “gentrification” is not mentioned at all in any policy document considered within policy analysis, it can be claimed that urban rejuvenation policies in New York City take place in an environment that is highly affected by gentrification processes. Evidence can be found in the

²⁷ See also the federal Section 202 program by HPD to create new affordable housing for low-income elderly people.

²⁸ For detailed information on Changes to the Rent Stabilized Housing in New York City, see NEW YORK CITY RENT GUIDELINES BOARD (2012): Change to the Rent Stabilized Housing in New York City in 2011. 1-14.

"positive" formulation of opportunities during phases of economic downturn as well as in the strong strategic emphasis on new affordable housing creation. Therefore, the last step of policy analysis focusses on parameters that stimulate gentrification as a side product within urban regeneration practices. The results can be largely seen as inverted formulations and interpretations of already analysed strategies.

The most influential tool to initiate neighbourhood development is zoning. Especially upzoning in Williamsburg with its manufacturing districts and the waterfront area has stimulated new development impacting the existing neighbourhood and housing structures. Although substantial affordable housing units have been created through investments after changes in zoning designation from M to R²⁹, gentrification could not be prevented as actor analysis will prove.

Simplification measures for supporting local retail through the identification of different commercial corridors or for motivating private owners to invest in renovations by programs like the Small Owner Repair Program improve the physical makeup of a neighbourhood. In return, this upgrading process supports the attractiveness of neighbourhood making them even more valuable for future investment and potentially stimulating gentrification.

The Housing Asset Renewal Program (HARP) can be mentioned as an explicit parameter, potentially causing gentrification at the neighbourhood level. It seeks to encourage developers and lenders to convert stalled and unsold market-rate projects into affordable rental and homeownership housing. This program was initiated by the HPD and HUD and aims at the attraction of new middle- and moderate-income residents. It depends on the definition of middle- and moderate-income limits whether or not this program supports the influx of higher income strata into the neighbourhood.

The creation of affordable low- and middle-class housing largely comes with the creation of new market-rate and luxury housing through inclusionary zoning. It creates public and private investment in the neighbourhood affecting New York City's economy and labour market. Therefore, affordable housing lies in a field of forces shaped by investment, new housing creation, the influx of higher-income households and changing economic environment.

The discussion of the various dimensions of urban rejuvenation policies leads to the provocative formulation that affordable housing only serves as a public regulative within market-driven and gentrifying neighbourhoods. It also supports the hypothesis that gentrification is already an inherent, probably hidden, component within urban rejuvenation policies.

²⁹ "The city is divided into three basic zoning districts: residential (R), commercial (C) and manufacturing (M). The three basic districts are further divided into a range of lower-, medium- and higher-density residential, commercial and manufacturing districts. Any of these districts may in turn be overlaid by special purpose zoning districts tailored to the unique characteristics of certain neighborhoods. Some blockfronts in residential districts may have a commercial overlay district as well in order to provide neighborhood retail stores and services. Limited Height Districts, another type of overlay district, impose height limits on new buildings in certain historic districts designated by the NYC Landmarks Preservation Commission. These overlay districts modify and supplement the controls of the underlying zoning districts" (<http://www.nyc.gov/html/dcp/html/zone/zonehis2.shtml>, 13-08-2013).

11.3.5 Reflecting the Policy Analysis

From this policy analysis embedded into a neoliberal context, an insight into urban regeneration policies, its instruments and regulations can be derived. The public sector acts to a large extent as entrepreneurial and mediating force within a multi-actor setting. It stimulates a positive investment environment through proactive public investment especially in phases of economic uncertainties and limited profit expectations. Significantly, taking advantage of downturn cycles for instance on the property market reflects the proactive housing policies making. This includes not only the implementation of hard and soft regulations, but also demanding specific qualities and deliverables from public and especially from private investors. Those qualities refer mainly to affordable housing creation, but also to access provision to public transport or open space and development of waterfront areas. In exchange, developers are motivated through incentives like floor area boni or tax abatement.

One striking outcome of policy analysis in New York City, respectively Williamsburg in Brooklyn, is dealing with the issue of gentrification. Gentrification is no obvious issue within public policies represented in planning documents. It is rather an inherent component on which no particular emphasis is put on. As a result, the strong emphasis on affordable housing creation can be interpreted as explicit counterforce or regulative against prevailing gentrification processes. It seems to be an accepted understanding that gentrification cannot be prevented as such but only

Characteristics of Urban Rejuvenation Policies within Neoliberal Context:

- 1. Public sector serves as an entrepreneurial and mediating actor stimulating public and private investment.***
- 2. Regulation exists in the sense of channeled and instrumentalized private investment.***
- 3. Gentrification as an accepted component within urban rejuvenation leading to a public debate on affordable housing, not gentrification.***
- 4. Affordable housing creation is stimulated by public policies, but a compulsory responsibility of for-profit investors.***

impeded by a set of regulations. In this context, regulation does not only refer to traditional planning instruments like restricted zoning, density or rent regulation. Regulation within neoliberal context is rather represented by investment stimulation that is instrumentalized by city government to support their goals in terms of housing and urban regeneration policies.

From a critical perspective, the overemphasized creation of affordable housing and public investment in infrastructure has to be questioned. From a qualitative and creation of a common mind-set point of view it might support the (re-)making of a positive investment environment. From a quantitative point of view, it might be only 'a drop in the bucket' which is not able to compete tremendously increasing housing costs and segregation on the housing market. It can be questioned if public policies in fact steer urban regeneration policies pro-actively as the strategic behaviour rather seems to follow investment- and development-led activities.

11.4 Bounded Rational Choices of Actors involved in Urban Rejuvenation Practices

Policies alone do not mirror the complete picture in which urban rejuvenation practices take place. In addition, the implementation of policies through the provision of instruments, for instance, planning regulations or financial incentives, and application by public and private actors have to be considered. In addition, actors are also embedded within their individual or institutional fields of activities that impact their behaviour. Certain values represented by missions and resources ranging from communicative to direct investment (see Figure 4). After the analysis of urban rejuvenation policies, the actor analysis adds to the understanding of bounded rationalities. This specific approach within rational choice assumes that actors rather seek a satisfying than for a profit-maximized decision or solution.

Stakeholder Category	Institution	Stakeholder Type	Level	Participation	Abbreviation
Academia	01. Graduate Center of City University New York	Key STH	Local, National, International	Passive	ACAD_NYC
Public Sector	02. New York City Department of City Planning	Primary STH	Local	Active	PUBL_NYC
	03. The New York City Department of Housing Preservation and Development (HPD)	Primary STH	Local	Active	PUBL_NYC
	04. Citizens Housing and Planning Council in the role of former commissioner	Key STH	Local, National, International	Active	PUBL_NYC
	05. New York City Taxi and Limousine Commission in the role of former council man	Primary STH	Local	Active	PUBL_NYC
Private Sector	06. Douglaston Development (2 interviews)	Primary STH	Local	Active	PRIV_NYC
	07. CPC Resources	Primary STH	Local	Active	PRIV_NYC
Intermediate	08. Community Board #1	Key STH	Local	Active	INT_NYC
	09. Los Sures	Secondary	Local	Active	INT_NYC
	10. Churches United Corporation	Secondary	Local	Active	INT_NYC

Tab. 25: Interviewed Actors in New York City (own illustration)

The additional step is represented by overlapping the results of policy and actor analysis in order to identify reinforcing and decelerating mechanisms within the framework of urban rejuvenation policies. According to Table 10, the actor analysis is based on the five dimensions of embeddedness, values, resources, rational choice and gentrification awareness. As all conducted interviews also reveal specific information on the case study in Williamsburg, an additional dimension for "gentrification in Williamsburg-Brooklyn" is included.

11.4.1 The Embeddedness of Actors in Urban Rejuvenation Practices

"There is practically no agency with whom we not collaborate." (PRIV_NYC 2011)

The analytical dimension "embeddedness" identifies specifically the political, economic, social and cultural connectedness of interdependent actors. The aim is to create an understanding for actor constellations with regard to rejuvenation practices represented by the waterfront development in Williamsburg. Also, the mention of specific actors and the cause for interaction might reveal statements on the frequency and intensity of actors' constellation. The query in this dimension includes the code "embeddedness" and results in 34 quotes that have been systematised in three categories:

1. Embeddedness in rezoning processes
2. Advocates for affordable housing and opponents of gentrification
3. Motivation of private capital investment

The Embeddedness of Actors in Rezoning Processes

Rejuvenation practices at the waterfront in Williamsburg were facilitated by a comprehensive rezoning of the area (see policy analysis). The rezoning was implemented mainly by the city government itself in order to unburden the development process for private, mostly for-profit developers. Only few rezoning cases, for instance, the Sugar Domino factory now known as The New Domino, were accomplished privately and orchestrated by a not-for-profit developer. Therefore, the rezoning acts as crucial part within actor analysis as the set of actors is quite fixed. However, the intensity and utilization of actors' structures differ.

On the public side, the city government, represented by the Department of City Planning whose director Amanda Burden is also the chair of City Planning Commission, serves as facilitator for public-private partnerships and private investment at Williamsburg's waterfront. The city government was mainly in charge of the rezoning process and tried to stimulate private capital in order to fulfil political aims, for instance, the creation of affordable housing and the accessibility of the waterfront as open space for the public. The city government's embeddedness in urban rejuvenation processes can be characterised as a nodal point where public interests are preserved and asserted and meet the demands of private actors. Although the direct interaction with private actors is mainly outsourced to other public agencies, planning instruments like the Uniform Land Use

Procedure (ULURP)³⁰ ensure the interaction with private both on the demand and supply side as well as with public actors.

An additional important actor within rezoning processes is the local council as mediator between community and developer interests and externally influenced by the city government's urban development plans. Within the rezoning of the waterfront in Williamsburg, the former member of the New York City Council and current chairman of the New York City Taxi and Limousine Commission, David Yassky, was highly involved from the beginning. As his vote within ULURP is binding, he had to balance the various competing forces among private and public actors. As a result, the local council man can be identified as a central actor and focal point who is also highly embedded within the institutional framework.

With respect to the ULURP procedure, which brought together the main relevant actors within the waterfront development, the borough president and the community board complement the key participants. Both have an advisory part at their disposal, although the influence should not be underestimated. The community board as a representative of the community's needs and demand serves as kind of gatekeeper for private developers. A successful and unimpeded project realisation depends mainly on a constructive collaboration between community board and private developers. The communities itself are not only a representative actor, they also act as initiator for development through initiatives like the 197a plan³¹. This plan served as a consistent development plan for the community and as a basis for the comprehensive rezoning in Williamsburg.

On the public side, private developers are one of the main actors within urban rejuvenation practices who need to be motivated for investment in a balanced way. At the initial phase of a development project, they are strongly linked to property owners due to land acquisition requirements. Property owners at the waterfront of Williamsburg mainly include former or current company owners who have a strong interest in value increase through rezoning and profit maximisation during the sell-off of land parcels. The embeddedness of property owner might be characterised as least sustainable within the framework of urban rejuvenation policies, as their interaction with other actors is mostly finished after the realisation of the sales revenue.

Advocating for Affordable Housing and Opposing Gentrification

As policy analysis already indicated, the public debate on urban rejuvenation strategies in general and on waterfront development in Williamsburg in particular is dominated by the notion of advocating affordable housing. Gentrification seems to be an accepted component within urban rejuvenation strategies which is not mentioned specifically, but rather leveraged by emphasising the creation of affordable housing. Interestingly, actor analysis reveals the existence of gentrification opponents within waterfront development in Williamsburg located at the grassroots and community organisation level. However, they seem to be outvoted as public debate strongly follows the argumentation of affordable housing.

³⁰ "The Uniform Land Use Review Procedure (ULURP) is a compulsory component in city planning in New York City trying to include all public interest groups affected by land use changes. The ULURP procedure includes the Department of City Planning (DCP) and the City Planning Commission (CPC), Community Boards, the Borough Presidents, the Borough Boards, the City Council and the Mayor" (see http://www.nyc.gov/html/dcp/html/ap/step5_ulurp.shtml, 13-08-2013).

³¹ "Section 197a enables communities to develop a consistent plan supporting the development, growth, and improvement of the community." (see <http://www.nyc.gov/html/dcp/html/pub/197a1is.shtml>, 13-08-2013.)

Nevertheless, the existence of gentrification opponents completes the field of actors and their embeddedness within structures of actors. Expert interviews mentioned the role of Williamsburg-Greenpoint Tenant-Anti Displacement Collaborative, a coalition of five local tenant advocates namely Los Sures, St. Nick's Alliance, People's Firehouse, NAG and the North Brooklyn Development Corporation. Together with other well-organised and loosely operating grassroots organisations, the support of low-income working households and underrepresented minorities is ensured through continuous activism. Especially developers like CPC Resources whose socially responsible mission for housing creation to strengthen communities depend on organisations like Los Sures for community information and detailed needs.

At this point, the interface to affordable housing can be identified by the presence of Vito Lopez, former member of the New York State Assembly. He was an advocate for affordable housing and needed to be convinced for the successful realisation of development projects. How far his influential network will support affordable housing in the future remains unpredictable, as Vito Lopez had to resign in June 2013 due to a lawsuit. The main actor within the sector of affordable housing advocates is the HPD, which serves for developers as sort of one-stop agency for inclusionary housing solutions and tax abatement arrangements.

Additional actors complement the field of embeddedness although their economic and social impact on urban rejuvenation practices cannot easily be traced. The Hasidic Jewish community might be considered a separate entity, but it should not be underestimated with regard to political power. Actors who both represent the community interests and public sector interests are well aware of the social capital within the Hasidic community and approve their ability to access and negotiate for public services. On the other end, the Puerto Rican community serves as counterpart in the long-term conflict between both communities. However, their position on neighbourhood development did not gain as much public awareness as that of the Hasidic Jewish community. Nevertheless, organisations like Los Sures or Churches United serve as established advocates for Puerto Rican needs and demands. Increasing importance can be identified among private actors who are mobilized to close the gap between new residents in Williamsburg and their needs. The rising popularity of charter schools is a concrete example which represents both motivated educators aiming at the establishment of specific educational goals, but also motivated and self-organised individuals who organize social infrastructure on their own, meeting the specific quality standards of the new high-income households.

Motivation of Embedded Actors to Invest Private Capital

The underlying bigger picture of urban development at Williamsburg's waterfront is to realise the city government's vision on a greener and greater New York City by stimulating private capital. This argument served not only as selling point for local communities that should be convinced of the added value of rezoning generated by private investment. As a result, partnerships developed between the City Planning Commission as a representative of the city government and private developers as representatives from the business side. In retrospect, the main goal of the public sector was to provide as many incentives as necessary to motivate private developers to invest their capital. This argument is supported by the city government's strategy to realise the cost-intensive rezoning process upfront in order to facilitate activities by private developers. The strong axis

between the public sector and private developers proves the crucial component of embeddedness within neoliberal rejuvenation policies.

11.4.2 Incorporated Values in Urban Rejuvenation Practices

“When the rezoning occurred in Williamsburg-Greenpoint in 2004/2005, when that process started, the New York City Planning Department did not have any plans to ask for affordable housing.”
(INT_NYC 2011)

Following the initial differentiation of stakeholder types in Chapter B (see Table 9), this section identifies the values underlying the decision-making processes of actors. The actors comprise private stakeholders with direct influence, intermediate stakeholders with a mixture of political and indirect influence as well as public stakeholders with political influence. The query is based on the code “value” and generates 29 quotes. The analysis points out that specific groups of actors inherit specific set of values. Therefore, the analysis groups values around associated actors and identifies three typologies of actor-value constellations:

1. Public actors’ values between the poles of being visionary and being pragmatic
2. Private actors’ values between the poles of economic and sustainability interests
3. Intermediate actors’ values deriving from the real life

Visionary and Pragmatic Values of Public Actors

Among public sector actors and agencies, the main strategic direction can be found in the vision to enable the transition of Williamsburg’s former industrial waterfront to a neighbourhood with a new urban character. The underlying goal was to create integrated and socially mixed housing to facilitate social upward movements among low-income households. As a defined target, the implementation of rezoning and housing programs supports the realisation of waterfront access to the public and the construction of much needed affordable housing units while preserving the existing rental stock in the community. As a future component, the public sector seeks to implement sort of “balanced contextual zoning” that adds density in assorted and appropriate areas and creates access to services and recreation. This can be interpreted as a future attempt to act not only cost-efficiently through public-private partnerships, but to increase efficiency by identifying development potentials with regard to accessibility, utilization and density creation.

Economically Sustainable Values of Private Actors

The private sector within this actor analysis includes mainly developers that have to be distinguished in two categories. First, profit-driven developers who seek to maximize their investment. And second, the socially responsible developers who follow a long-term strategy in order to create an

economically and socially sustainable investment. The underlying value of the profit-driven developers clearly aims at profit maximisation, which also relates to the aim of unimpeded project realisation in order to stay within profitable financial budgets. Obviously, this set of values refers to the "maximizer" approach within rational choice and represents the "traditional" economically driven developer.

However, also socially responsible actors can be identified among the group of developers. This might be interpreted at first as genteel participation within a clearly economically driven field of action. Nevertheless, the effects of economic crisis did not only reveal significant economic impacts leading to social instability on the individual level. It also identified the need for more sustainable economic strategies leading to the assumption of an evolving necessity of "Social Entrepreneurial City" (see Chapter E).

CPC Resources serves as a proxy for the private developer whose decision-making is based on an economically sustainable mission. In this specific example, the corporate mission lies in the strengthening of communities through the active investment in marginalized neighbourhoods. The support of communities refers to meeting communities' demands to be included in the planning process. Also, new developments should be realised in an integrated and contextualised way in the sense that the new development feels like an organic part of existing structures.

Active investment refers to affordable housing construction that goes beyond the average affordable unit creation within inclusionary zoning requirements. In the case of the New Domino that should have been realised at Williamsburg's waterfront, CPC Resources tried not only to exceed the number of affordable housing units but also to exceed the accessibility to more differentiated levels of incomes. In addition to the implementation of income benchmarks that do not only meet traditional median income levels but also households that have 60 percent or 130 percent of median income, CPC Resources applied the local median income value instead of the citywide median income level creating access to affordable housing for a broader household group. The construction of new affordable apartments also included the availability of affordable homeownership housing. Unfortunately, CPC Resources was not able to compete in a fiscally challenging environment and had to stop the plans on the New Domino in 2012.

Real Life Values from Intermediate Actors

The analysis of the intermediate actors involved in the development process of Williamsburg's waterfront revealed a set of values that reflects obviously the real life values of the local communities trying to increase the communities' benefits within the urban rejuvenation process in the neighbourhood. The value of affordable housing accessible to all groups in the community who are in need thereof seems to be the overarching goal. It reflects the attempt to give the demands of the community a voice within the planning processes and to ensure the future stability of a neighbourhood in transition. This refers to the need to keep the balance of ongoing new development and existing community structures trying to avoid a future economic, social or cultural division between existing residents and the new waterfront community. The goal of balance refers also to a community-based understanding of sustainability that attempts to raise awareness towards a technical and social infrastructure provision that is capable to sustain the influx of new developments and residents.

11.4.3 The Bounded Rational Choice in Urban Rejuvenation Practices

“From a policy point of view, we still wanted to have a program to work more like the old program. But the developers were smarter, because the land required a lot of infrastructure. The development community said: Well, we cannot afford to do that if you want us to do that, than city has to put in some subsidy money for us. And first, we fought that idea just in terms of policy it's like not taxing the rich. But than we said: Why do we care, when we get the objective at the end.” (INT_NYC 2011)

Considering the theoretical groundedness of bounded rational choice (see Chapter C), the analysis thereof includes two dimensions for identifying the underlying component of “weighing up.” First, the dimension of “rational choice” includes quotations that hint at specific considerations within the urban rejuvenation process. Second, the dimension of “resources” may refer back to the “rational choice” in that sense that it explains what kind of resources had to be considered within the process of finding a satisfying outcome. The question of “rational choice” and “resources” includes 142 quotes that are systemised in three categories of process, supply and demand side:

1. Bounded rationality within the planning process
2. Bounded rationality in investment decisions
3. Bounded rationality among existing and future residents

The Processual Component of Bounded Rationality within Urban Planning

The case of the waterfront development in Williamsburg reveals a specific characteristic that had a major influence within the urban planning process. The crucial part of the development was the transition from a former industrial to a mixed-use neighbourhood. Vacant and existing industrial sites have to be transformed to new uses while preserving remaining manufacturing jobs and protecting existing residents. The satisfying rationale is to “[...] create a final package that everybody felt that they would get enough out of it” (ACAD_NYC 2011).

The initial situation in Williamsburg with a future possibility of participating in the Olympics in summer 2012 provided a basis for negotiations between the city government and future developers at the early stage³². For the construction of sports venues, no upzoning would have been necessary at the waterfront, which might have led to postponing rezoning attempts later. Developers who identified residential development potentials at an early stage tried to convince the city government to proceed with rezoning attempts in Williamsburg. The risk of future housing shortages in Williamsburg and of not fulfilling the ambitious goals of the city government in housing unit construction served as influential arguments to increase the commitment for waterfront rezoning.

However, the density and profit-driven rezoning process at the Williamsburg waterfront created fears and demands among existing residents. Upzoning of the waterfront was accompanied by high-density housing construction through high-rises at the waterfront. In order to decrease fears and satisfy existing residents, three major commitments by the city government for the existing

³² For further readings on the potential impacts of the Olympics at Williamsburg waterfront see W. J. BRADDOCK 2005: Building an Artifact. An Olympic archery venue for Williamsburg, NYC. Master Thesis from MIT available at <http://dspace.mit.edu/handle/1721.1/30226#files-area>, 13-08-2013.

communities can be identified. First, the upzoning at the waterfront was implemented in exchange for limited growth in upland neighbourhoods. Residential development upland is limited to 65 feet height, which should prevent existing communities from high-rise construction and changing the urban fabric in the upland areas of Williamsburg. Second, waterfront development requires from developers the opening-up of waterfront and the creation of open spaces for the public. The underlying argument is to create recreation space for the community through private capital in a first phase. Afterwards, developers return the public space to the city government and pay the parks department for maintenance. As a result, city-owned open space is created for the community and is continuously financed by private capital. The third and most convincing argument for satisfying the existing residents lies in the construction of new affordable housing. Through inclusionary zoning, higher density at the waterfront is enabled in exchange for affordable housing. A defined proportion of newly constructed affordable apartments was reserved for local residents which can be identified as an additional "satisfying component" for the community

Bounded Rational Choices within Investment Decision-Making Processes

The bounded rationality component with the investment decision-making process refers largely to the negotiations on the supply side between the city government as the public sector representative and the developers as the private sector representatives. Both actors attempt to achieve a satisfying outcome that contributes to affordable housing and creation of open space, while developers gain still enough profit out of their investment. Still, it is a sensitive balance between the various requirements, such as affordable housing units, and incentives such as bonus floors or tax abatements. As BLACK (2012: 1) points out for the housing market in Toronto which is in general comparable to New York City, "[t]he private sector has not been very active in multi-unit rental development for some time because the economic potential is poor." This argument is especially valid when it comes to affordable rental units that can be developed only through significant public subsidies due to high land and construction costs (BLACK 2012: 2). The economic "maximizing" value by for-profit developer aims at a financial return of 15% of revenue (ibid.). The "satisfying" component within affordable housing investment decision can only be ensured by a combination of compulsory construction of affordable units in exchange for profit ensuring public subsidies.

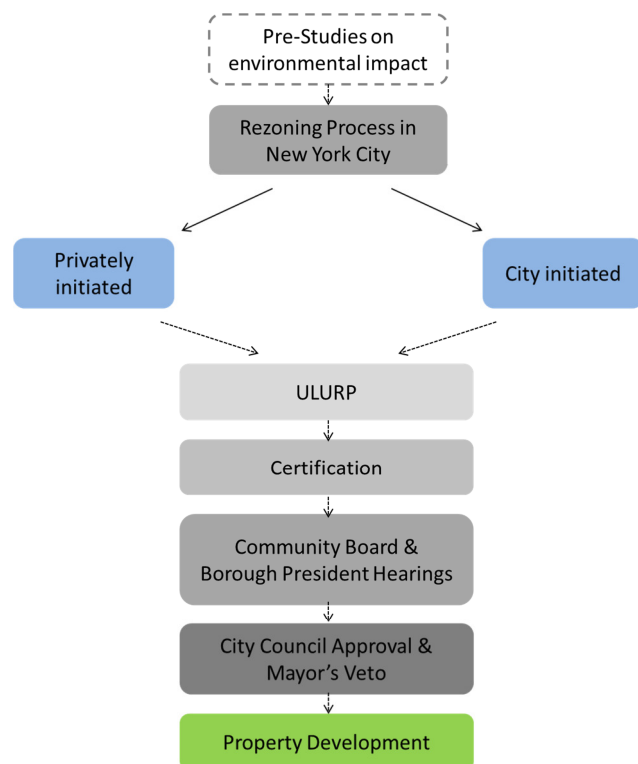


Fig. 17: From Rezoning to Property Development in New York City (own illustration based on actor analysis).

The inclusionary zoning at the Williamsburg waterfront aimed at an increase in the creation of affordable housing and ensured an investment-friendly environment. Incentives at the level of construction and finance rewarded future developers' decision to invest at the waterfront. In terms of construction facilities, the rezoning applied by the city government decreased the developers' administrative, financial and time investment significantly. It can be interpreted that the ready-to-be-developed sites were highly attractive for investors due to profit expectations. In addition, the additional floor area by building up higher in order to cross-finance affordable housing can be identified as a crucial component in the investment decision-making processes. The additional floor area serves as a facilitator both for the added financial and administrative costs due to the affordable housing component. It can be said that, without the inclusionary zoning and its requirement for affordable housing, most of the developers would not have created affordable apartment units. This is due to the tight housing market in New York City in which market-rate condominiums seem to have an unlimited clientele.

However, the city government was aware that the requirements should not be too strict in order to motivate enough developers to invest in a complex development at the waterfront. Because the opening up of the waterfront including accessibility for the public and marinas for water taxis needed to be financed by private capital, the city government provided additional financial incentives. The most important one was the 421a tax abatement that provides a 25-year tax reduction for the developer³³.

An adaptive component can be identified with regard to requirements and incentives. For instance, the affordable housing provision is geared to various level of incomes based on the citywide average median income. Only few developers try to meet different income levels ranging from the very poor to average households as it leads to a more elaborate design of affordable housing and to less profit. Also, the development of the waterfront esplanade is part of a catalogue of requirements that was mostly scaled down during the negotiation processes between the city government and developers.

Bounded Rationality among Existing and Future Residents

The success of residents' demands within urban planning processes is strongly connected to the "voice" of community associations. More influential and well-embedded community associations have more impact in convincing the public sector than less established ones. However, the intermediate actors, as representatives of the existing and future residents, can serve only as a "corrective" during negotiations between the city government and developers. Even the demand side is currently being transformed towards the perspectives and demands of the new residents and the need to be balanced within community associations.

A major success on the community side lies in the fact that communities required compulsory affordable housing for the new development at the waterfront. As the analysis shows, community activities ranging from lobbyism with influential politicians like Vito Lopez to pro-active planning like the 197a plan formed the basis for future activities by the city government. As a result,

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Tax exemptions: lower the amount of tax you owe by reducing your property's assessed value.

Tax abatements: reduce your taxes by applying credits to the amount of taxes you owe.

See <http://www.nyc.gov/html/dof/html/property/exemptions.shtml>, 13-08-2013.

the rezoning of the Williamsburg waterfront in the end included the inclusionary component with the requirement for affordable housing.

There is a rising awareness among community associations concerning the demands and influence of new and future residents. Those newcomers who have been attracted to move to Williamsburg because of its proximity to Manhattan, affordability and a more edgy and urban vibe compared to Manhattan, are more likely to influence public decisions because of their powerful resources like investment, consumption and communicative skills. Since they represent the “creative class” that is supposed to contribute significantly to New York City’s future success, it can be assumed that their demands are more likely to be fulfilled like those of the existing residents.

From a critical point of view, the bounded rational choice can be identified between the city government and developers as well as between the city government and local communities. Private capital serves as the main resource for developers that influences the city government’s decision-making-process within urban planning processes to a certain degree. The only resource that can be applied by existing residents at the demand side is the voice of the community. Individual opinions may not be as influential as the aggregated voice within intermediate actors like the community board or community associations. Nevertheless, influential intermediate actors are crucial for representing the community needs and for acting as a corrective within profit-oriented public and private actors.

The analysis proves the successful overlapping of public policies and developer demands in urban rejuvenation practices. The proof cannot only be identified within the analysis per se, but is also visible in terms of a continuously transforming waterfront in Williamsburg. However, it must be questioned whether the incentives were well-balanced. A provocative argument would be that the incentives provided by the city government have been only so generous due to an underlying fear of not being successful in attracting sufficient private investment. It can be argued that it might have been more community-oriented to allow developers to create market-rate condominiums at the waterfront in exchange for a new localized tax that would be used for affordable housing preservation and cost-efficient affordable housing creation upland. However, this argument can only serve as a reflective component within this analysis. Economic calculations would be necessary in order to support this argument as a valid one.

11.4.4 Awareness of Gentrification Within Urban Rejuvenation Practices

"[Gentrification?] I don't think you stop it, I think you work with it." (INT_NYC 2011)

One of the major interests of this study lies in the interrelationship between urban rejuvenation policies and gentrification processes. As a result, the actor analysis also hints at the gentrification awareness among the actors involved in the waterfront development process in Williamsburg. Additional emphasis lies on the attempt to identify future gentrification hot spots in New York City. This contributes to the main aims within this study to identify parameters that stimulate gentrification processes to be used to predict gentrification potential and to proactively steer those starting processes. The query includes both codes on "gentrification" and "future gentrification," which results in 27 quotations that have been systematised as following:

1. Parameters for gentrification
2. The fears of gentrification opponents
3. Future gentrification spots in New York City

How to Predict Future Gentrification Processes

The search for reasons why gentrification occurred as timely and spatially dynamic as it did in Williamsburg revealed the interrelationships between macro forces and localized impacts. At the macro level, processes like successful positioning at the global stage and ongoing population growth in New York City were identified as underlying forces increasing the tightness of the local housing market. The continuous demand for new housing options as fulfilment of individual lifestyle choices opened the way for vacant industrial buildings to be turned into residential use. The reason for vacant industrial property can be related to the macro force of deindustrialisation. Additionally, the international economic crisis led to a more sensitive balancing of investment interest among private developers interrelated to a more generous attitude towards developers by the public sector that has been under pressure to fulfil ambitious urban rejuvenation aims. At the same time, the impact on housing shortage and rising housing costs at the local level supported the activeness of community associations that are continuously representing the demands of existing and future residents.

It seems as if the development path of Williamsburg did not occur as a surprise for all actors. The actor analysis shows that location-based and political parameters underlay the potential of gentrification in a neighbourhood. These parameters can be converted into a toolbox that is able to point at gentrification potential within a neighbourhood both on the production and demand side:

PARAMETER	SPECIFICS	LOCAL CHARACTERISTIC IN WILLIAMSBURG
Geographical-Spatial Locational impression Connectivity Safety and Criminal rate	Waterfront or close-by park location Public transport, highway	Waterfront and new open spaces L-Train, BQE Declining criminal rate
Economic Affordability Local businesses and job creation	Rent and or value gap Creative cluster, ethnic entrepreneurs	Closing rent gap; value gap still valid Vibrant creative community, “new” artisans (e.g. chocolate production)
Political Political will and policy initiatives Transformation of underutilized land Political-administrative framework	Development plan, tax abatements, public-private partnerships Rezoning, inclusionary zoning Long-term versus short-term strategy Admitting versus hindering of civic engagement	Housing Marketplace Plan, 421 tax abatement Williamsburg-Greenpoint Rezoning Long term strategy with measureable benchmarks (e.g. affordable housing creation; complete waterfront access) Civic engagement as prerequisite, e.g. “illegal” industrial loft housing or cultural use
Lifestyle Housing stock with character Distinct and authentic history Potential for extended cultural and commercial supply	Industrial loft housing, brownstone buildings Industrial, half-legal and kind of non-mainstream character (<i>urban legends</i>) Existing ethnic entrepreneurs and new creative uses	Industrial housing stock and single family homes create urban village feeling “edgy sub-culture” new media (e.g. VICE magazine), web and fashion design, Brooklyn flea market with creative entrepreneurs
Psychology Tipping point for future development Me-too behaviour	Courage and target-orientation Participation in assumed value increase Identification with hip, edgy neighbourhood reputation	Memorandum of understanding “followers” instead of “pioneers” on developer and ownership side “new” Lower East Side

Tab. 26: Stimulators for Gentrification at the Neighbourhood Level in Williamsburg (own illustration)

In the case of Williamsburg, the gentrification potential lies predominantly in its location with its proximity to Manhattan and relatively well-connected situation near the subway system. Combined with a vast amount of underutilized land that both provides investment opportunities for developers and new housing options for new residents, the political will to valorise Williamsburg’s waterfront ensued. The existing housing stock that is influenced by the historic character of former industrial use creates a neighbourhood with character and housing options that tell a story. Williamsburg’s

character is strongly influenced by the industrial chic as well as edgy culture and semi-legal housing options that attract new residents leaving Manhattan in search of a vibrant neighbourhood. Compared to the rental and property prices in Manhattan, Williamsburg is still relatively affordable. Combined with a low criminal rate and a convenient level of social cohesion, Williamsburg attracts new more-affluent residents who fulfil their lifestyle concept at the expense of the history of local industrial.

In addition to parameters that refer mainly to the built environment, Williamsburg is capable of providing space for new cultural uses like the Brooklyn flea market or mainstream events at the waterfront. The shift in residential composition also provides business development options at the professional and individual level. Commercial chains, for instance, pharmacies, organic supermarkets or fashion labels, cater a more-affluent group of new residents. At the individual level, Williamsburg is known as the "Mecca" for the new "creative class" ranging from artisan production of chocolate, beer or clothes to media and design firms that appreciate the proximity to an artsy, young clientele. To sum up, Williamsburg seems to be the "perfect match" for continuous gentrification.

The Inconvenient Truth of Large-Scale Investment

It seems to be a common knowledge among all actors that gentrification occurs anyway as soon as large-scale investment occurs within the neighbourhood. However, the question arises as to how to deal with gentrification in a way that both sides – supply and demand – are able to create satisfying results. Dealing with gentrification seems to be a daily practice in the case of Williamsburg. Public actors try to diminish gentrification through the stimulation of affordable housing. Private developer intermingle community and public interests with their own profit-based investment decisions. Intermediate actors as the representatives of local communities and residents seem to be the only actors who name the process and risks of gentrification explicitly.

Although most of the intermediate actors seem to act with instead of against gentrification, their major critique can be found in the approach of free-market development that was followed in the first phase of policy implementation in Williamsburg. They were aware of the fact that future investment would lead to significant neighbourhood changes as well as to benefits for the community like the creation of new open spaces. Therefore, they included the requirement of creation of affordable housing as a main component within their negotiations with the public sector. In contrast, city government probably noticed the need for affordable housing only after the continuous strong argumentation among intermediate actors. As community representatives are aware that rent stabilisation might be a crucial component against displacement, they also knew that future challenges would lie in the new housing development at the waterfront. As a result, they put their main emphasis on the requirement for affordable housing on- and offsite of the new waterfront apartment buildings.

Despite the fact that the waterfront development already led to and will continuously support social, cultural and commercial neighbourhood changes in Williamsburg, local community representatives identify a potential risk for the neighbourhood that will have a citywide impact: losing the ability to serve as an arrival space for new immigrants. Williamsburg runs risk of joining the list of gentrified neighbourhoods in New York City that provide less and less space for low-income households and new immigrants seeking a place to build their future. This risk mainly refers to housing options but also includes exclusionary effects in commercial supply, cultural life and social

infrastructure. Actor analysis shows that Williamsburg's future in terms of urban appearance is assumed to be similar like of the West Village. Williamsburg's future might be an established upper middle-class neighbourhood with residents who appreciate the edgy history and vibrant character of the neighbourhoods, but who do not live in the neighbourhood all the time. Especially the area around the waterfront might face a process of homogenisation being replaceable with any other investment-led gentrified neighbourhood around the globe.

Gentrification Must Go On

In a city like New York, where gentrification is part of ongoing neighbourhood dynamics, curiosity arises for future neighbourhoods to be gentrified. According to actor analysis, future gentrifying neighbourhoods are predominantly located in Brooklyn and Queens.

According to experts, young artists and low-income households who cannot afford to stay in Williamsburg move to Bushwick - the new open street art gallery and epicentre of progressive urban culture³⁴. Especially the large-scale development in Atlantic Yards in Prospect Heights will have a significant impact to the neighbourhood, not only through the new Barclays basketball arena for the Brooklyn Nets which opened at the end of 2012. It is rather assumed that the new commercial and residential construction, a side-product of the arena construction, will lead to gentrification also in the adjacent neighbourhoods³⁵.

In Queens, Long Island City as well as Sunnyside serve as prime examples of future gentrification in New York City, including controversial plans with well-established neighbourhood landmarks like the graffiti-site 5Pointz³⁶. Analysis also reveals neighbourhoods adjacent to water and ocean as future gentrifying spots in New York City, namely, Staten Island on the coastline and the Coney Island area. For Manhattan, the redevelopment project in Hudson Yards on the far West Side might have future gentrification potential.

Although the identification of future gentrification within actor analysis cannot be considered representative, it does reveal a general trend in New York City. Gentrification seems to be spreading out to the East in Brooklyn, to the North in Queens and even in areas that might not have otherwise been on the monitor before, like Staten Island or Coney Island. Nevertheless, the balance between proximity to Manhattan and new housing options outside of Manhattan is becoming more important and multi-layered. The advantages of the "new place to be" must be convincing enough in order to take the risk of investing or moving to these neighbourhoods.

³⁴ For more information see NY Times:

"Bushwick Gets a Fresh Coat"

<http://www.nytimes.com/2013/05/05/nyregion/a-son-of-bushwick-turns-the-neighborhood-into-a-gallery-for-street-art.html?pagewanted=all>, 13-08-2013.

NY Magazine: "Bushwick Gentrifiers Going Wild in Massive Victorian Mansion"

<http://nymag.com/daily/intelligencer/2012/12/bushwick-gentrifiers-graffiti-massive-mansion.html>, 13-08-2013.

³⁵ For more information see NY Times:

"Developer Drops Gehry's Design for Brooklyn Arena"

http://www.nytimes.com/2009/06/05/nyregion/05gehry.html?ref=atlanticyardsbrooklyn&_r=0, 13-08-2013.

"Battle Between Budget and Beauty, Which Budget Won"

<http://www.nytimes.com/2009/06/09/arts/design/09arena.html?ref=atlanticyardsbrooklyn>, 13-08-2013.

³⁶ For more information see Business Insider:

„Gentrification Can't Come Fast Enough For The New Residents of Queens"

<http://www.businessinsider.com/gentrification-cant-come-fast-enough-for-the-new-residents-of-queens-2011-11>
13-08-2013.

11.4.5 Reflecting on the Actor Analysis

In the course of actor analysis, the general impression of a strong axis between the public sector and private actors arose that has to be critically considered. It seems as if most of the information with regard to implementation characteristics of rejuvenation strategies has been provided by private developers and public actors. Both groups are deeply rooted in negotiation processes, development projects and the realisation of urban development and investment strategies. In contrast, the influence by intermediate actors may be described more as a "corrective" that ensures the consideration of community needs to a certain degree. The role as a corrective could be identified within actor analysis where the information provided by intermediate actors mostly referred to historical characteristics of the neighbourhoods needing to be preserved in the future while accepting the fact of investment in the built environment causing neighbourhood changes at various levels.

In terms of bounded rational choices in the neoliberal context, the strong axis between the public sector as a policy and urban strategy provider and the private sector as an investor and strategy implementer becomes obvious. It can be claimed that the main negotiation axis for bounded rational choices lies between the public and the private sectors. Although underlying negotiations reveal a certain flexibility on both sides, the core aims remain set. On the public side, the aim of developing the waterfront site in Williamsburg as a new residential area including the accessibility of the waterfront with new open spaces can be identified as a non-negotiable core aim. On the private side, the aim of making a profit out of a residential development is

Characteristics of Bounded Rational Choices in the Neoliberal Context:

- 1. Flexible framework of public policies and private interests, but defined core aims.*
- 2. Stimulation of non-profitable investment needs compulsory requirements and public incentives.*
- 3. The main negotiation axis for bounded rational choices lies between the public sector and private, mostly for-profit, developers.*
- 4. Phases of economic downturn raise awareness for social responsibility and economically sustainable investments.*
- 5. The community serves as a corrective within bounded rational choices of public and private actors.*

clearly the core aim. Those two aims would build up the "maximizing argument" within rational choices. The "satisfier component" comes into play through the process of convergence between public and private interests. The city government is willing to provide more incentives in order to motivate developers while sticking to the core aim. In contrast, private developers are also up to fulfil compulsory requirements like affordable housing or esplanade creation as this ensures the approval of the development and an increase of subsidies even secures the slightly reduced profit.

However, actor analysis also proves that non-profitable investments would not have been realised by the private sector without compulsory requirements and public incentives. Obviously, the "satisfying" component within rational choices can be generated only through a negotiation process framed by requirements and regulations. Actor analysis also shows that ensuring non-profitable

investment must be required by the public sector without too large of concessions towards the private sector. Otherwise, the realisation of public sector's main aim to represent the public welfare runs the risk of diluting the benefits for the community. Intermediate actors including community associations incorporate the crucial part of acting as corrective within negotiation processes. Without their reflection and advocacy of community's needs, the bounded rational choice runs the risk of overemphasising strategic-driven public and profit-driven private interests.

Surprisingly, the immanent traces of economic crises created a certain awareness of issues of economic sustainability and social responsibility. Not only the public sector remained committed to fulfil its aims regarding affordable housing, also community representatives were continuously alerting to the risk for increasing social segregation. In order to impede the rising social and cultural divergence in the neighbourhood they asked for significant investment in social infrastructure and continuous affordable housing creation. On the private sector side, awareness-rising for community issues can be identified as well although those still do not occupy a central role within decision-making processes. However, especially in controversial and complex developments like at Williamsburg's waterfront, it turns out to be advantageous to include community interests into the planning and development process.

To sum up, actor analysis generally shows a good proportion of overlapping fields with regard to actors' interests and public policies and its planning instruments. It can be said that the interrelationships between actors and its specific resources become aligned throughout processes of collaboration and negotiation. Bounded rational choices seem to be the naturally evolving agenda within urban rejuvenation practices in the neoliberal context. However, the analysis also shows a necessity for a corrective to introduce public welfare interest and to balance the decision-making process towards a truly bounded rational choice.

11.5 The Contextualised Interplay of Policies, Actors and Gentrification

As both policy and actor analysis show for Williamsburg in New York City, the debate on gentrification seems not to be the focal point in urban rejuvenation strategies. The main interest lies rather in the benefits of gentrification represented by the influx of private capital. This is used for the creation of affordable housing that can be seen as an attempt to impede gentrification in the neighbourhood. The interaction between public and private partners seems to be constructive and target-oriented with satisfying results on both sides. Results like this might be caused by the analysis approach focussing on the decision-making process for investment in the built environment. However, gentrification occurs and is debated in Williamsburg as interviews with community associations and literature search proof.

It might be a characteristic of neoliberal policies that gentrification is an incremental part of urban rejuvenation practices. It might also be an intended strategy to not emphasise the challenge of social fragmentation but to point at the benefits for the community such as the creation of new affordable housing. However, the question arises: Why did New York City choose to focus all its new development on inclusionary zoning? This might refer to one of the core characteristics within a neoliberal policymaking framework: The state serves as a framework provider for economy and investment. With regard to urban rejuvenation strategies, the state mobilizes private capital through public subsidies in order to fulfil its aims like affordable housing creation. Inclusionary zoning can be considered a combination of public interest and public subsidy and reflects the zeitgeist in which limited fiscal budgets causes the implementation of new policy tools in order to ensure the public support of low- and middle-income households. However, the success of inclusionary zoning in terms of actual creation of affordable housing units has to be questioned. The two sides of inclusionary zoning can be summed up to the intended and required creation of affordable housing, on the one hand, and large public efforts in terms of financial incentives that have to be confronted by the question of cost-effectiveness and the larger impact on the housing market on the other. Inclusionary zoning finds both strong advocates and critics. The latter point to higher costs for new housing developments leading to a shortage in housing supply and increasing prices in neighbourhoods that implement inclusionary zoning (NEWMAN & WYLY 2006: 298). In contrast, advocates believe in the motivating component of inclusionary zoning that creates affordable housing that would not have been built otherwise (ibid. 298). Also, the functional characteristic of indirect subsidization referring to bonus floor areas and tax abatements instead of direct financial subsidies like Hope VI reduces investment obligations of public budgets to a certain degree.

Considering the vagueness of the first empirical attempts to measure the effectiveness of inclusionary zoning, the critique on that planning instrument remains a valid argument. However, it refers to the technical implementation of a planning detail. In the case of Williamsburg, rezoning was already well underway before the component of inclusionary zoning was incorporated.

To summarize, Williamsburg as a case study for neoliberal urban rejuvenation strategies provides insights to a target-oriented and elaborated interaction between private and public actors. The emphasis of political and project-based interaction lies on a strong axis between public sector and private developers. The neoliberal premise of an entrepreneurial public sector that provides a framework of policies and general urban development visions while aiming at the realization of the aims through subsidised private capital seems to be successfully established. The technical

implementation of inclusionary zoning and the volume of financial support by public sector might be criticized. However, crucial public interests like affordable housing and access to waterfront and open spaces have been secured and realised. It can be questioned and has to be evaluated how far the input of resources and output of results has been balanced.

Interestingly, gentrification is not a “dirty word” in political debate, as the term itself is not used at all in planning documents that were analysed in this study. Public policies rather emphasise the need to create affordable housing and a higher living quality. It is assumed that gentrification is accepted by public policies as an inherent component of investment-led urban rejuvenation practices. Gentrification serves as a neutral process accompanying urban rejuvenation strategies.

On the contrary, community representatives are very aware of gentrification processes and future risks in terms of social and neighbourhood cohesion. Although they are well-equipped with power in the urban planning process (for instance within ULURP), their actual power remains limited to advisory impact. Within actor analysis, intermediate institutions turned out to act as conservative actors reluctant to significant changes in the neighbourhood. Although it is a question of measurement and perspective, their main interest can be interpreted as preserver of their own benefits attempting to protect their field of interaction and influence. By doing so, their underlying rationales seem to be as neoliberal as those on public and private actors side. To conclude, this analysis positions intermediate actors as a “corrective” within investment-driven urban rejuvenation. They incorporate a crucial part in ensuring the consideration of long-term needs in the neighbourhood.

It is claimed that neighbourhood development in Williamsburg that is embedded within a neoliberal political and institutional framework might work successfully in the short-term for the public sector and private developers. However, there is a need for long-term planning and protection of local needs referring, for instance, to housing or social and technical infrastructure. For that, intermediate actors have to take their role as “corrective” seriously in order to serve the community and its diverse interests and needs at its best.

12. Urban Rejuvenation within a Social Welfare State Context: Mariahilf, Vienna

Vienna has been successful in the globalised city competition. With the fall of the Iron Curtain in 1989-1990, Vienna's position at the centre of the European Union led to its becoming the "gateway to the East," resulting in a prosperous local economy, a growing population and a high quality of living. Vienna ranks highest in various city rankings (MERCER 2012; COHEN 2012), though such interest-driven evaluations have to be considered carefully. However, as HATZ (2008: 310 pp.) points out, Vienna's success occurred in wave, and its history can be summarised in five waves starting in medieval times and passing through phases of downturn during the two World Wars and the erection of the Iron Curtain. Only it's the latter's fall in 1989 did Vienna come back as a politically and economically successful centre in the European Union (ibid. 312).

Those phases of growth and decline have impacted urban development as well. New urban centres, office parks, high-rises and early brownfield conversions were implemented (ibid. 314 pp.), paving the way for a new paradigm in urban planning focussing on redevelopment and new-build developments. As a result, arenas of conflict emerged in the early 1970s when the centrally located historic urban fabric, for instance, at Spittelberg in the 7th district, were scheduled to be demolished in favour of new construction. This was a tipping point in urban planning and the birth date of a new approach called "Sanfte Stadterneuerung"³⁷ that is still trying to stimulate private investment in the built environment by drumming up public subsidies, while also securing the homes and the affordability of existing residents through the implementation of rent regulations.

With regard to urban rejuvenation processes, Vienna is currently undergoing a transformation at the level of urban policies and actor networks. The transition is being caused not only by the new city government, comprising for the first time both the Social Democratic Party (SPÖ) and the Green Party (Die Grünen), in office since 2005³⁸. The head of the Green Party is now Vienna's vice-mayor and city council for urban development, traffic, climate protection, energy planning and civic participation, so there has been a shift towards more ecological and integrative approaches.

However, the transition is also being caused by macro forces like the ongoing global economic crisis and demographic changes. Although Vienna has a historically well-established administrative system and profits from economic and social stability, macro forces are impacting the micro level. Adapted urban policies and planning strategies, aligned governmental structures as well as the consolidation of financial resources and integration of multi-actor approaches are all necessary to secure the high living standards and to meet future challenges in Vienna.

Because the globalised city competition - and with it the globalised economic crisis - affect Vienna in its established position as "gate to Eastern Europe," many urban policies have been shifted from the social to the neoliberal stance. These days, urban rejuvenation in Vienna largely refers to the concept of "Sanfte Stadterneuerung" which in turn is being challenged by ongoing population growth even while public budgets are limited. Population growth can be met only by increasing the housing stock,

³⁷ The direct translation of „Sanfte Stadterneuerung“ would be „soft urban renewal“, which has been used in the public debate and creates manifold misunderstandings in the international context (see Chapter on urban terminological definitions). However, this analysis sticks to the established translation of “soft urban renewal,” though it has a very different meaning than “urban renewal” in the US context.

³⁸ See „rot-grünes Regierungsabkommen“ [agreement between the Social Democratic Party and the Green Party] : <http://www.wien.gv.at/politik/strategien-konzepte/regierungsbereinkommen-2010/pdf/regierungsbereinkommen-2010.pdf>, 13-08-2013.

meaning higher densities in central areas as well as housing development in less dense areas. If construction of new housing does not counter the dynamically growing demand, housing shortage and increased rental as well as property prices are inevitable.

In the political debate, the existence of gentrification in Vienna is denied with reference to the programme of “Sanfte Stadterneuerung” and the large stock of social housing³⁹. However, gentrification in the sense of visibly upgrading the built environment and increasing rents mainly in the inner districts is currently a well-discussed topic in the public media⁴⁰ and in academic discourse. Especially the younger generation of urban researchers emphasises the necessity to rethink current rejuvenation processes⁴¹ to include cultural and commercial exclusion as well as housing policies in order to secure affordable and liveable neighbourhoods in the future (FRIESENECKER 2012; HUBER 2011, 2012; LIPPL 2012; RIEGLER 2011). In addition, a discourse has started on the terminological use of “gentrification” in the Viennese context. Despite the uncertainty whether or not gentrification has occurred in Vienna in the Anglo-Saxon sense, it is also being debated how far the term should remain political or should be used for neutral urban upgrading processes (KADI, SEIDL, VERLIC 2012; HUBER 2012).

Despite the fact that the Viennese discourse on gentrification is still at an early stage of development, the rising awareness among politicians, academics and the public is notable. Among other things, gentrification in Vienna is mostly found in the neighbourhoods of Spittelberg in the 7th district, Brunnenmarkt in the 16th district (RIEGLER 2011), Karmeliterviertel in the 2nd district (HUBER 2011) and Freihausviertel in the 4th district (FRANZ 2011: 195 pp.). Gentrification in its early stage is assumed to exist in Stuwerviertel in the 2nd district due to the abolishment of open prostitution on the streets and the new university campus of the University of Economics⁴². Spill-over effects might be identified in Rudolfsheim-Fünfhaus in the 15th district that is gaining a rising awareness among young creatives and families as an affordable yet attractive residential area⁴³.

Although Mariahilf in the 6th district might not be cited as a popular example for ongoing gentrification in Vienna, current studies show evidence of a changing built environment, increasing rent and property prices as well as a new creative commercial supply that can be used as indicators of gentrification (FRANZ 2011: 200 pp.). Especially the inner-city part of Mariahilf, covering the area to Amerlingstraße, seems to be changing visually and commercially into a gentrified neighbourhood. For that reason, this neighbourhood has been chosen as the case study in order to analyse the

³⁹ Including public and subsidized housing (see Chapter 13.2).

⁴⁰ „Gentrifizierung: Alles Kunst oder was?“

http://diepresse.com/home/leben/wohnen/568344/Gentrifizierung_Alles-Kunst-oder-was, 15-08-2013.

„Beispiel Brunnenmarkt: Die Schattenseiten des Hypes“

http://diepresse.com/home/panorama/oesterreich/1301966/Beispiel-Brunnenmarkt_Die-Schattenseiten-des-Hypes, 15-08-2013.

„Brunnenviertel: Der Hype geht, helal bleibt“

http://diepresse.com/home/leben/wohnen/1348182/Brunnenviertel_Der-Hype-geht-helal-bleibt, 15-08-2013.

⁴¹ See “In Wien fehlt der Diskurs zur Gentrifizierung”

<http://derstandard.at/1345166255203/In-Wien-fehlt-der-Diskurs-zu-Gentrifizierung>, 13-08-13.

See „Gentrifizierung: Unfair, aber normal?“

<http://cba.fro.at/244612>, 13-08-13

⁴² „Stuwerviertel: Ein Idyll wird entdeckt.“

http://diepresse.com/home/leben/wohnen/1385221/Stuwerviertel_Ein-Idyll-wird-entdeckt, 15-08-2013.

⁴³ „Aber hier leben? Ja, bitte! Geheimtipp, aber nicht mehr lange: Rudolfsheim-Fünfhaus blüht plötzlich auf.“

<http://www.falter.at/falter/2012/04/24/aber-hier-leben-ja-bitte/>, 15-08-2013.

political and institutional framework to provide further insight into whether or not urban rejuvenation practices support processes of gentrification in the “original” or “Viennese” way.

12.1 Location, History and the Current State of Gentrification and Urban Rejuvenation

Location

The selected case study in Vienna is located in the inner-city 6th district Mariahilf, surrounded by the 1st district “Innere Stadt” to the Northeast, by the 4th district “Wieden” and by the 5th district “Margareten” in the Southeast and South, in the West by the 15th district “Rudolsheim-Fünfhaus,” which is located across the high-traffic “Gürtel” (*belt*)⁴⁴ and by the 7th district “Neubau” in the North. The focus area in the selected case study comprises the gentrified neighbourhood framed by Getreidemarkt, Naschmarkt, Esterhazy Park and Mariahilfer Straße.

In terms of transportation, the metro lines 2, 3, 4 and 6 comprise the district boundaries, and additional access is available to district-developing bus and tram lines. Additionally, Mariahilf is directly located at the rebuilt Westbahnhof, which connects the district to westward running railway traffic and provides travellers with Sunday shopping, a rare thing in Vienna and in Austria in general⁴⁵. Currently, a pilot programme is being implemented on Mariahilfer Straße as the first step towards a shared traffic and pedestrian area⁴⁶, which is expected to have a major impact on the attractiveness of the district.

⁴⁴ The Gürtel (*belt*) represents the former external defensive work in Vienna called “Linienwall,” dating back to the First Siege of Vienna by the Turks (“Erste Türkenbelagerung”) (DIMITZ 2008: 7).

⁴⁵ „Sonntageinkauf am Westbahnhof“

<http://immobilien.diepresse.com/home/oesterreich/712154/Sonntageinkauf-am-Westbahnhof>, 20-08-2013.

⁴⁶ „Mariahilfer Straße neu: Ein bisschen Fußgängerzone“

<http://derstandard.at/1376533679298/Mariahilfer-Strasse-neu-Ein-bisschen-Fussgaengerzone>, 20-08-2013.

„Mariahilfer Straße: Verwirrung auf dem Asphalt“

<http://derstandard.at/1376533794802/Mariahilfer-Strasse-Verwirrung-auf-dem-Asphalt>. 20-08-2013.

„Mariahilfer Straße: Nun sind die Autos verschwunden“

http://diepresse.com/home/panorama/wien/1441970/Mariahilfer-Strasse_Nun-sind-die-Autos-verschwunden, 20-08-2013.



Map 3: The Case Study in Mariahilf, Vienna (own illustration based on Google Maps)

The description of this location and recent developments with regard to improvement in transportation and mobility indicate a highly attractive inner-city location. From an economic and cultural/recreational point of view, the Getreidemarkt⁴⁷ serves as an entrance to “Innere Stadt,” for instance, the touristic core and most representative district of Vienna. Adjacent to Getreidemarkt and Mariahilfer Straße is the museum quarter, one of the largest art and culture areas in the world⁴⁸. The rebuilding of Naschmarkt and its transformation into a gastronomical Mecca for a young clientele has contributed to the urban, creative reputation of the district. The Esterhazy Park, including a flak tower transformed into an ocean museum and climbing tower, is one of the largest parks in Mariahilf. Finally, the Mariahilfer Straße is Vienna’s most important shopping street and contributes to the economic prosperity of the district.

Historical Characteristics

Mariahilf’s historical developments reveal specific characteristics that can be assumed as a foundation for the district’s attractiveness. Around 1100, the oldest settlements in the district, Laimgrube and Gumpendorf, were located along old Roman streets. In between the two villages, small settlements like garden plots were located, which were later relocated due to the construction of fortifications (UHUDLA EDITION and BEZIRKSVERTRETUNG MARIAHILF 2002: 9). Over the years, the early villages of Mariahilf consisted of five suburban-like settlements: Laimgrube, Gumpendorf, Mariahilf, Windmühle and Magdalenengrund. Starting in the mid-1300s, they were characterised by agricultural use such as vineyards and vegetables and saffron along the river Wien as well as by early

⁴⁷ The Getreidemarkt is located at the fringe of the former glacis (DIMITZ 2008: 7).

⁴⁸ <http://www.mqw.at/jp/ueber-uns/>, 20-08-2013

industrial use, for instance, brick manufacturing, tanning, dyeing or grain processing in wind mills (ibid.: 9 pp). The slope of river Wien and the many streams supported the agricultural and industrial work from the beginning (DIMITZ 2008: 7).

In the 18th century, parts of Mariahilf became popular as recreational areas especially among the aristocrats. Parallel industrialisation developed when a shift occurred from agricultural production to industrial production in factories. Although industrial production in Mariahilf reflected mainly small-scale factory production in the textile and metal industry, it had a major impact on the local context and living conditions. Mariahilf became the most important district for trade and factory production in Vienna. According to historic documentation, 62 percent of the weavers, 46 percent of the silk weavers, 33 percent of the turners, 28 percent of the gold and silver manufacturers and 21 percent of the carpenters in Vienna worked in Mariahilf. The population grew rapidly, though social fragmentation increased between industrial workers and factory owners (ibid. 50 pp.). Although new building construction created new apartments during the “founding period,” overcrowding including bed lodgers still shaped the low-standard living environment of local population (DIMITZ 2008: 7).

In 1798, the Municipality of Vienna incorporated Gumpendorf and since 1850 all other suburban settlements have been incorporated. The newly established district was named „Mariahilf“ and comprised the 5th district of the residential city Vienna (ibid.: 12 pp.). Since 1861, Mariahilf represents the 6th district due to district rearrangements (ibid.: 13). A population peak was achieved in 1869 with 67,642 inhabitants on 137 hectares of land. Since then, the population has decreased to 27,873 in 2001 (ibid.: 13) and currently (2012) lies at 29,769 (STADT WIENa 2012: 60).

Although deindustrialization led to decreasing industrial production and a shrinking population, the industrial heritage and density in the built environment remained up to the 1980s when the urban renewal office for the 6th district was installed. Based on the urban development plan of 1974, the target area for urban renewal initially included ten building blocks (KLERINGS 2003: 59). The target area was then extended continuously in order to improve building quality, decrease density and traffic, and create open spaces. As KLERINGS (2003: 59) points out, increasing property and rent prices facilitated the displacement of existent renters and the emergence of mass accommodations of immigrants in the early 1990s. A long cycle of urban decline can be identified that was supposed to be reversed through the newly established concept of “Sanfte Stadterneuerung.”

The concept of “Sanfte Stadterneuerung” is not an exclusive brain child of the City of Vienna. In the early 1970s, cities like Rotterdam, Bologna or Berlin served as examples for new approaches to urban renewal⁴⁹. According to FÖRSTER (2005: 22), Rotterdam introduced “project groups,” a new participation-based approach in urban renewal. In Bologna, resident-based urban renewal was implemented through individual initiatives. As the case study on Berlin shows, both negative examples of urban renewal based on a complete demolishment of physical built environment and positive examples based on gentle urban renewal practices served as references for the Viennese way of “Sanfte Stadterneuerung.”

Vienna inevitably has to deal with preserving its housing stock as it has a 30 percent share of pre-World War II buildings that contribute to a large degree to Vienna’s internationally well-known physical appearance (FÖRSTER 2005: 22). The starting point for urban renewal in Vienna was the

⁴⁹ Here, “urban renewal” is used as a direct translation of “Stadterneuerung” referring to the approach of social and gentle practices in urban rejuvenation. It is not referred to the Anglo-Saxon connotation of slum clearance and public housing construction.

“Wohnungsverbesserungsgesetz (WVG),” passed in 1969 and aiming at the involvement of residents. According to TROJAN (2005: 37), residents could enforce renovations for the first time in Europe. In 1974, a shift from “hard” to “soft” urban renewal was introduced in Vienna by the “Stadterneuerungsgesetz” following the idea of building stock rejuvenation combined with protection of residents. The renovation of physical structures is supported by public funds provided by “Wohnhaussanierungsprogramm” ever since. It aims not only at improving the exterior appearance, but also at the structural improvement of living quality. Since 1984, the “wohnfonds_wien”⁵⁰ is in charge for coordination and distribution of the federal⁵¹ renewal funds comprising “Sockelsanierung,” funds dedicated to roof-top extension and thermal-energetic improvements (“Thewosan”) as well as “Blocksanierung.” “Sockelsanierung” refers to the renovation of the building and the apartments taking into account the demands of existing residents. “Blocksanierung” goes beyond building and apartment renovation and aims at creating social infrastructure and improving open spaces (ibid.: 38). The approach of resident-oriented urban renewal is ensured by the accompanied services provided by urban renewal offices (ibid.: 24). According to FÖRSTER (2005: 24), the economic contribution of soft urban renewal has to be taken into account as well. It serves as a reliable motor for the construction industry with an approximate 1.5 times higher impact on job creation compared to new-build housing construction.

Despite all the achievements of “Sanfte Stadterneuerung,” the future of urban renewal in Vienna is challenged by changing overall conditions as well as by shifting local demands. As FÖRSTER (2005: 26 pp.) points out, urban renewal is an integral part of cities that always have to adapt to new conditions. In the context of Vienna, urban renewal has had to deal with a new emerging demand for physical renovation in the post-1960s building stock. Due to the mechanism of product-life cycle, those buildings require a significantly growing need for renovation especially with regard to thermal-energetic improvements. The huge demand for future renovation and financing becomes comprehensible with the reference to 0.5 million apartments that have been built in Vienna since 1945, comprising 60 percent of the entire housing stock (ibid.: 27).

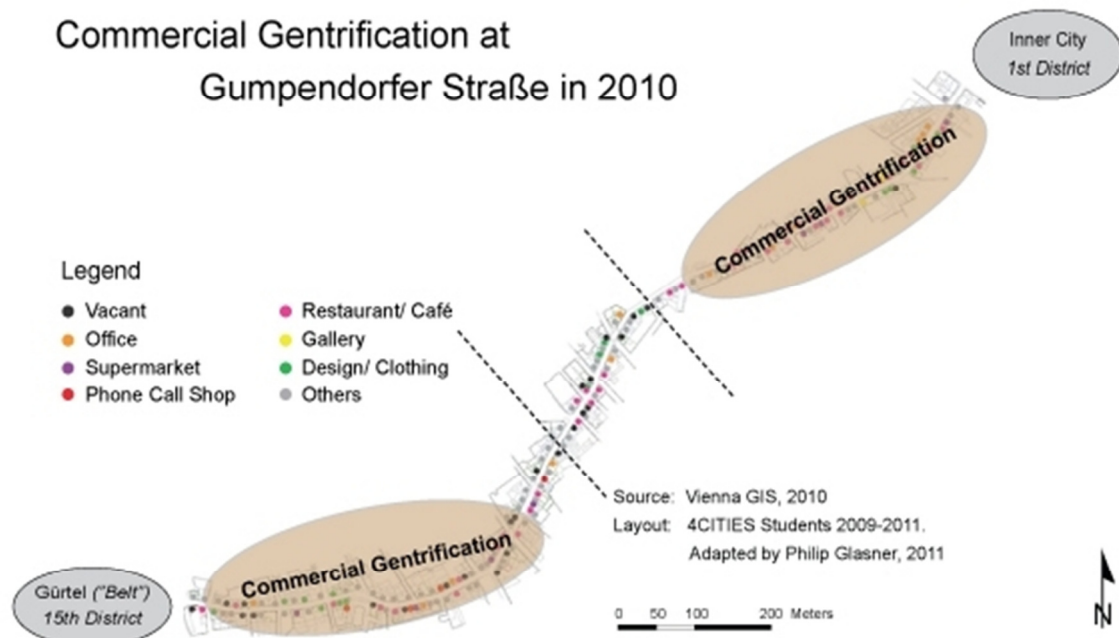
With regard to gentrification, the concept of “Sanfte Stadterneuerung” needs to be adapted to current urban realities. Although the occurrence of gentrification is largely denied by public policies, gentrification in Vienna can still occur as an exclusionary process supporting indirect displacement, even when direct displacement is being hindered by legal conditions (HUBER 2011: 255 pp.). In HUBER’s analysis of the Karmeliterviertel in the 2nd district, he identifies a commercial gentrification as well as a shift towards high-quality food and gastronomy. Again, direct displacement is not the core element of commercial gentrification. In contrast to the Williamsburg case, the commercial situation is slowly changing and appropriating former vacant retail spaces.

A similar process can be identified for the case study in Mariahilf which is nicknamed “Little Berlin” due to its young, creative and urban appearance (FRANZ 2011: 204). Referring to ZUKIN’s et al. (2009: 47 pp.) concept of “boutiquing,” this cluster comprises a noticeably large number of galleries, hairdressers, design shops, bars and cafés. As Map 4 below shows, a second cluster of commercial gentrification can also be identified at the Western edge of Gumpendorfer Straße, consisting of high-end furniture and interior-design shops (FRANZ 2011: 204). Similar to HUBER’s (2011) analysis of the Karmeliterviertel, there is no direct displacement of retail supply in Mariahilf as new shop owners take advantage of vacant ground floors and low rental prices. However, “[...]”

⁵⁰ Previous name: Wiener Bodenbereitstellungs- und Stadterneuerungsfonds (WBSF)

⁵¹ Vienna is the name of both the federal province and the city.

commercial variety has changed [...]. Young creatives working predominantly in the Central or Western part of Gumpendorfer Straße notice an increase of creative industries (e.g., architects, fashion designers, hairdressers) in the neighbourhood” (ibid.: 204).



Map 4: Commercial Gentrification at Gumpendorfer Straße in Mariahilf, 2010 (Source: FRANZ 2011: 203)

With regard to the commercial changes along Gumpendorfer Straße - which is still an important street for local amenities in the future - initiatives by local policies to support the economic success have to be mentioned. In 2011, the project “die GUMPENDORFER – Eine aktive Straße”⁵² was established by the Urban Renewal Office 6/14/15 and financed by the district. The programme aims at increasing communication among local actors and coordinating collaboration between residents, entrepreneurs, cultural initiatives and local politics. Due to its setting up an improved network of local actors to contribute to an increased perception of Gumpendorfer Straße as a vibrant and authentic commercial street, the project has been extended by the district. However, the success of such projects also invites critics to suspect urban renewal as intermediate actors supporting gentrification processes in Vienna (INT_VIE 2013).

⁵² „The GUMPENDORFER street – An active street“:
<http://www.diegumpendorfer.at/ziele/>, 20-08-2013.

Current Urban Rejuvenation in Mariahilf



Fig. 18: Residential Street in Mariahilf without Significant Urban Rejuvenation (own picture: 2013)



Fig. 19: Residential Street in Mariahilf with Ongoing Urban Rejuvenation (own picture: 2013)



Fig. 20: In-fill Residential Development Advertised by Proximity to Naschmarkt in Mariahilf (own picture: 2013)

LUXURY HOUSING



Fig. 21: Luxury Housing Development at Gumpendorfer Straße, Mariahilf (own picture: 2013)

OPEN SPACE



Fig. 22: Open Spaces at the Backside of Rejuvenated Residential Apartments (own picture: 2013)

SPECIFICS



Fig. 23: Attic Conversion as a New Residential Housing Option in Mariahilf (own picture: 2013)

12.2 Quantitative Neighbourhood Profile

Despite all the qualitative supporting arguments of the high living quality in Mariahilf, a quantitative neighbourhood profile with comparative city-wide figures contributes to a better understanding of ongoing local socio-economic and housing transformations. The figures below try to follow the systematization and level of data within the Willilamsburg case study wherever possible. However, direct data comparison is not always possible because of the diverging national standards and data levels. As a result, the basic systematization of land use, population and housing data are maintained in all three case studies. Nevertheless, the quantitative differentiation does differ.

Land Use

According to STADT WIEN (2012a: 286), Mariahilf consists of 145.3 hectares of land. As Table 27 shows, the main land use in 2011 refers to buildings, followed by space dedicated to public thoroughfares. In contrast to the total land use of City of Vienna, the smallest shares in Mariahilf are represented by green spaces and water areas. This positions Mariahilf as most densely-built and least-green district in Vienna, which interestingly does not have a negative impact on the urban living quality in the district.

	CITY OF VIENNA	%	MARIAHILF	%
Buildings	14,686,5	35.4	95.8	65.9
Public thoroughfares	5,974.2	14.4	43.7	30.
Green spaces	18,918.3	45.6	3.1	2.1
Water areas	1,949.9	4.7	2.7	1.9
TOTAL	41,487.4⁵³	100	145.3	100

Tab. 27: Land Use in hectare in Vienna and Mariahilf, 2011
(own illustration and calculation; data based on STADT WIEN 2012a)

⁵³ The calculations are based on data provided in the Statistical Yearbook published by STADT WIEN (2012a: 274). For the total land area, a difference of 40 hectares probably results from mathematical rounding.

Population

Based on recent census data, the population in the City of Vienna is increasing, especially from 2001 to 2012. In contrast to the developments at the city level, data for Mariahilf identify a population loss between 1991 and 2001, followed by a moderate population increase to 29,769 in 2012 (see Table 28).

	1991	Difference in %	2001	Difference in %	2012	Difference in %
City of Vienna	1,539,848	0.6	1,550,261	0.7	1,731,236	11.7
Mariahilf	30,298	5.3	27,873	- 8.0	29,769	6.8

Tab. 28: Population Development from 1991 to 2012
(own illustration and calculation; data based on STADT WIEN 2012a)

For Vienna, population projections calculate an increase up to 1.97 million inhabitants in 2030 (STADT WIEN 2012a). In Mariahilf, the population growth dynamic remains moderate and below the city level. According to STADT WIEN (2007: 54), a population increase of 3 percent is projected by 2020⁵⁴ from emigrating Austrian and immigrating non-Austrian residents. The highest population changes can be identified in the projection area “Mollardgasse” in the South-Western part of Mariahilf. By 2020, there might be proportionally more residents below the age of 20 in Mariahilf compared to the group of residents above the age of 65 and older. As a result, demographic aging might be postponed.

Without going into statistical details, population changes in both sheer number and composition have to be considered in the larger context of emigration, immigration and inner-city migration. According to FASSMANN (2011: 153 pp.), immigration comprises the components of migration networks, inward oriented as well as inner-city migration. All elements shape the demographic realities at all levels and demand directives in urban rejuvenation.

Information on citizenship is available for the period 2004 to 2012. As Tables 29 and 30 show, the share of residents with Austrian citizenship is declining citywide and in Mariahilf since 2007. Holding Austrian citizenship is not equal to the status of “no migratory background.” As the table below shows, the number of non-Austrian citizens is significantly lower than residents with a migratory background. Since 2004, the number of residents with a migratory background has grown both citywide and in Mariahilf.

More detailed information on ethnic composition is available at the city level. Since 2006, the foreign population both from EU and non-EU member states has grown. Residents from third countries, however, are declining. The total number of residents coming from EU member states amounted to 202,652 in 2012. Within this group, residents from Germany, Poland and Romania comprise the largest shares. With regard to Non-EU member states, the total number of residents amounts to 273,294 residents with the largest shares represented by residents from Serbia-Montenegro, Turkey and Bosnia-Herzegovina.

⁵⁴ The average for Vienna amounts to 13 percent (STADT WIEN 2007: 54).

CITY OF VIENNA	2004	2005	2006	2007	2008	2009	2010	2011	2012
AT Citizenship	1,333,603	1,342,704	1,349,655	1,352,527	1,351,494	1,348,137	1,346,915	1,345,964	1,344,860
Non-AT Citizenship	176,807	289,865	302,794	308,719	323,415	339,134	351,907	368,178	386,376
Without Migratory Background	1,147,946	1,147,899	1,147,964	1,146,792	1,144,728	1,141,501	1,140,812	1,140,900	1,140,391
With Migratory Background	462,464	484,670	504,485	514,454	530,181	545,770	558,010	573,242	590,845
EU Member States Total			157,374	162,026	170,994	179,007	184,676	192,599	202,652
Germany			35,655	37,520	39,957	42,433	44,535	46,742	48,393
Poland			34,396	36,414	37,828	38,531	38,983	39,739	42,105
Romania			14,250	14,328	16,528	18,259	19,673	21,669	23,738
Non-EU Member States Total			254,053	256,271	258,817	262,552	265,576	270,303	273,294
Serbia Montenegro			110,122	110,345	109,829	109,456	108,483	109,295	108,799
Turkey			68,765	69,226	70,455	71,864	73,205	74,416	75,213
Bosnia Herzegovina			30,149	30,775	31,220	31,568	31,866	32,156	32,673
Other Third Countries			938,228	934,230	921,683	906,578	896,663	883,062	868,914

Tab. 29: Citizenship and Migratory Background Development in the City of Vienna from 2004 to 2012
(own illustration and calculation; data based on STADT WIEN 2012a)

Unfortunately, new census data are not yet available at the district level. Therefore, information on ethnic composition in Mariahilf remains vague. In 2001, the largest non-Austrian population consisted of residents from Serbia-Montenegro, Turkey and Germany. For 2012 it is assumed that these three population groups still comprise the largest number of non-Austrian residents, with a slight increase among the German population. Current census calculations provide, at least for 2012, the share of foreign-born residents in Mariahilf. According to STADT WIEN (2012a: 286), 23.3 percent of all residents in Mariahilf are foreign-born, 24.5 percent of the male and 22.3 percent of the female residents.

MARIAHILF	2001	2004	2005	2006	2007	2008	2009	2010	2011	2012
AT Citizenship	23,531	23,560	23,770	23,710	23,477	23,155	23,050	22,894	22,823	23,531
Non-AT Citizenship	5,360	5,452	5,599	5,753	6,021	6,216	6,494	6,729	6,946	5,360
Without Migratory Background	19,854	19,799	19,905	19,842	19,648	19,396	19,407	19,334	19,316	19,854
With Migratory Background	9,037	9,213	9,464	9,621	9,850	9,975	10,137	10,289	10,453	9,037
From Serbia-Montenegro	1,153	no data	no data	no data	no data	no data	no data	no data	no data	no data
From Turkey	551	no data	no data	no data	no data	no data	no data	no data	no data	no data
From Germany	444	no data	no data	no data	no data	no data	no data	no data	no data	no data

Tab. 30: Citizenship and Migratory Background Development in Mariahilf from 2001 to 2012
(own illustration and calculation; data based on Census 2001 and STADT WIEN 2012a)

Final information on population composition as well as statistics on sex and age groups both at the city and district level are provided for 2012. As can be seen, Mariahilf is similar to the entire city in terms of sex distribution. Female residents amount to 52 percent, male residents to 48 percent. In terms of age groups, the largest share can be identified among residents between 30 and 44 years for the City of Vienna and Mariahilf. This age group makes up 25.9 percent of the Mariahilf population and thus lies above the city-wide level.

	Total	%	0-5	%	6-9	%	10-19	%	20-29	%	30-44	%	45-59	%	60-74	%	75+	%
CITY OF VIENNA	1,731,236		104,181	6.0	64,384	3.7	165,329	9.5	256,624 ⁵⁵	14.8	396,390	22.9	357,984	20.7	262,678	15.2	123,666	7.1
Male	830,937	48.0	53,633	3.1	33,078	1.9	84,268	4.9	125,893	7.3	196,663	11.4	176,264	10.2	119,429	6.9	41,709	2.4
Female	900,299	52.0	50,548	2.9	31,306	1.8	81,061	4.7	120,731	7.0	199,727	11.5	181,720	10.5	143,249	8.3	81,957	4.7
MARIAHILF	29,769		1,441	4.8	759	2.5	2,104	7.1	5,299	1.8	7,701	25.9	6,379	21.4	4,216	14.2	1,870	6.3
Male	14,264	47.9	767	2.6	384	1.3	1,045	3.5	2,509	8.4	3,918	13.2	3,123	10.5	1,938	6.5	580	1.9
Female	15,505	52.1	674	2.3	375	1.3	1,059	3.6	2,790	9.4	3,783	12.7	3,256	10.9	2,278	7.7	1,290	4.3

Tab. 31: Sex and Age Group Distribution in Vienna and Mariahilf, 2012
(own illustration and calculation; data based on STADT WIEN 2012a)

Housing

Vienna's building stock is internationally well-known for its distinct architecture. Not only the buildings from the "founding period," but also those from the period of "Red Vienna" build the basis for the large stock of municipality owned public housing and contributes to the distinct building and housing stock. As Table 32 below shows, the building stock in Vienna is continuously growing with a significant increase between 1971 and 1981. This increase can be traced back to the large social housing development programme following a phase of population growth. Unfortunately, no data are available for 2012, which should indicate a second upward cycle in terms of building

⁵⁵ The sum difference in the amount of 10,000 derives from original source by STADT WIEN 2012a.

construction. However, data from 2001 indicate the largest share of buildings built between 1945 and 1989. This figure can be checked by FÖRSTER's (2005) reference that urban renewal in Vienna has to shift from founding period renovation to thermal-energetic adaptation. Nevertheless, buildings built before 1945 add up to 62,158 which in 2001 was still considered the largest proportion of buildings.

In Mariahilf, the total building stock increased from 1951 to 2001, too. Compared to city-wide data, the share of buildings constructed before 1919 is significantly higher. More than 1,000 out of 1,582 buildings can be dated back to the "founding period," which reveals an enormous stock of historic buildings demanding expensive renovation.

Data on the housing stock for the period 1991 to 2001 reveals the initial successes of urban rejuvenation practices in Vienna. The quality standard of apartments is divided into four categories. Category A refers to apartments with central heating, bathroom or shower and toilet within the apartment. Category B is similar but does not comprise central heating. Category C provides only toilet and running water in the apartment. Category D does not have anything of these sanitary fittings. In Vienna, Category C and D are referred to "substandard apartments" (STADT WIEN 2012a: 30). As Table 32 shows for 2012, the entire housing stock of Vienna comprises 861,268 apartments, 16,108 of which lie in Mariahilf. In terms of changes in standard categories, an increase in Category A and B apartments can be identified between 1991 and 2001 both city-wide and in Mariahilf. Also, substandard apartments decreased by 2001. However, a significant share of Category D is still present citywide in 2001, which is an important contribution to the "arrival spaces" for new immigrants who do not have access to social housing in the first years after their arrival. However, the interpretations of these data have to be done carefully as significant changes after 2001 are very likely.

	1951	1961	1971	1981	1991	2001	2012
CITY OF VIENNA							
Building stock	67,292	74,481	96,209	134,321	153,693	168,167	
Built before 1919						35,014	
Built between 1919 and 1945						27,144	
Built between 1945 and 1989						60,642	
Built after 1980						23,147	
Not reconstructible						22,220	
Housing stock				821,175	853,091	910,745	861,268
Category A and B					616,206	701,053	
Category C					47,998	11,869	
Category D					74,758	58,033	
MARIAHILF							
Building stock	975	1,111	1,256	1,420	1,504	1,582	
Built before 1919						1,095	
Built between 1919 and 1945						69	
Built between 1945 and 1989						203	
Built after 1980						92	
Not reconstructible						123	
Housing stock				16,763	17,264	1,8198	16,108
Category A and B					12,774	13,533	
Category C					940	218	
Category D					1,144	995	

Tab. 32: Building and Housing Stock Characteristics in Vienna and Mariahilf, 1951-2012
(own illustration and calculation; data based on STADT WIEN 2012a)

In terms of ownership structure, data for 2001 reveal the largest share of building ownership in the private individual sector, followed by municipally owned buildings for the entire city and buildings owned by other legal entities in Mariahilf (see Table 33).

	Total	Municipally Owned		Non-profit Housing Cooperative		Other Legal Entities		Private Individuals	
	2011	1991	2001	1991	2001	1991	2001	1991	2001
CITY OF VIENNA	168,167	26,773	26,028	12,686	15,741	10,072	14,117	104,162	112,281
MARIAHILF	1,582	227	200	49	49	246	287	982	1,046

Tab. 33: Ownership Development of Buildings Vienna and Mariahilf, 1991-2001
(own illustration and calculation; data based on STADT WIEN 2012a)

However, the most characteristic feature of Vienna's housing stock is its famous share of public and subsidised housing. These data refer to the rental market, which comprises approximately 1 million apartments including 854,000 apartments occupied by tenants with primary residence (EHL and BUWOG 2013: 8⁵⁶). As Figure 24 illustrates, the largest amount (31 percent) comprise all other rent contracts referring to non-social housing. This share is followed by a share of 24 percent of people living in public housing apartments owned by the municipality and 19 percent of residents living in social housing apartments owned by non-profit cooperatives.

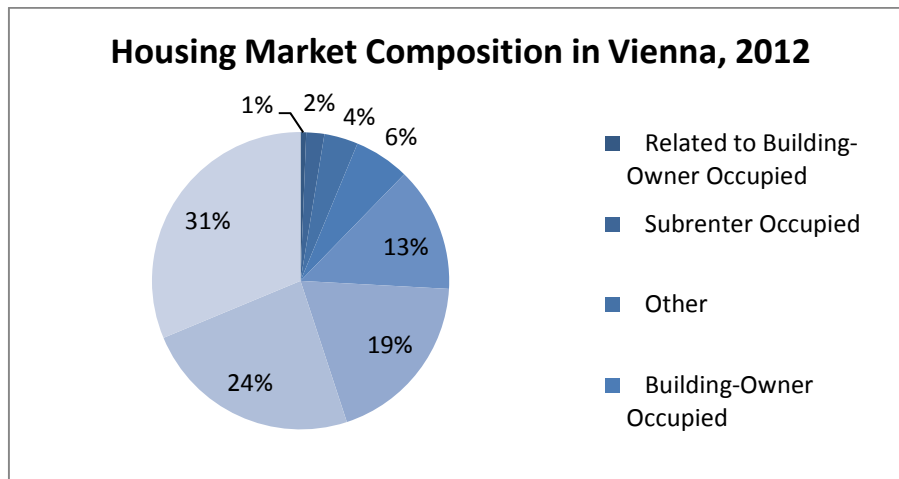


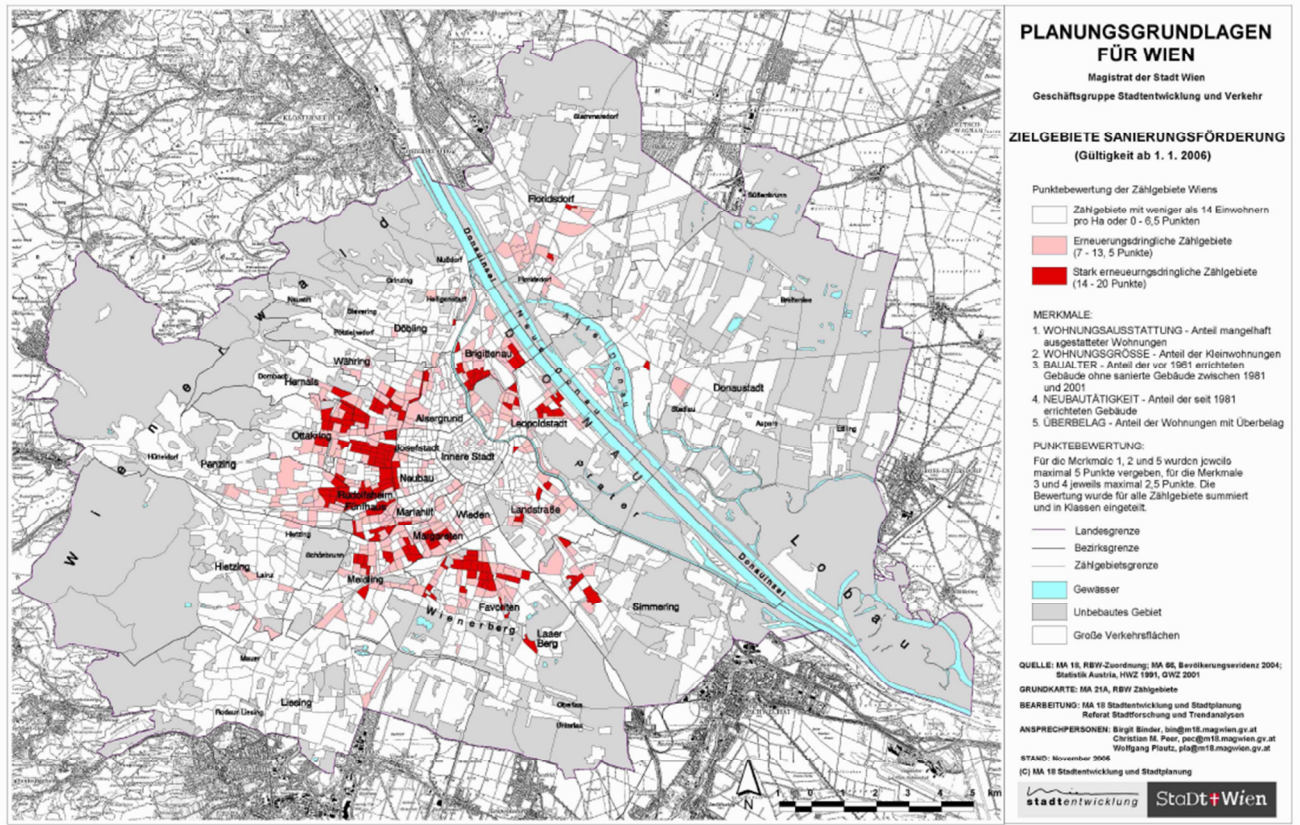
Fig. 24: Housing Market Composition in Vienna, 2012
(own illustration and calculation; data based on EHL and BUWOG 2013)

Because this study primarily focusses on urban rejuvenation practices, data on subsidies might support the understanding of the impact of public funds on the renewal of the building stock. According to the Municipal Department for Housing Subsidy (MA 50)⁵⁷, 138 funding promises for „Sockelsanierung“ were approved in 2012 (www.wien.gv.at). With regard to renewal funding, renovation costs amount to 226.29 million Euro in 2012. These costs were funded by the contribution of 3.44 million EUR in unique non-repaying funding, 8.04 million EUR in level-payment mortgages and 35.6 million EUR in subsidy loans. Again, these data have to be treated cautiously due to the fact that it has only been available online.

However, subsidy promises for “Sockelsanierung” are based on target areas of renovation. The location of distinct renovation projects accounts to a specific number of points that, among other parameters, contribute to the rank on the subsidy list. Map 5 below shows the target areas of renovation for 2006 and identifies a few spots of renewal demand in Mariahilf.

⁵⁶ „The Wohnungsmarkt Bericht Wien, Ausgabe 2013“ published by EHL and BUWOG is referring to the Census 2011.

⁵⁷ Complete name: Wohnbauförderung und Schlichtungsstelle für wohnrechtliche Angelegenheiten (MA 50)



Map 5: Target Areas for Renewal Subsidies, 2006

(Source: Municipal Department for Urban Development and Urban Planning (MA 18))

To complete the picture of housing characteristics in Vienna and Mariahilf, here's an overview of the real estate and rental prices based on the "Wohnungsmarktbericht Wien 2013" published by EHL and BUWOG in 2012. As the table below illustrates, the average income in 2011 is 22,083 EUR in Mariahilf, slightly above the city-wide level of 21,750 EUR. In 2011, real estate prices amounted to 4,400 EUR per square meter for first occupancy and 2,900 EUR per square meter for subsequent occupancy in real estate property. Based on these figures, Mariahilf ranks 8th among the most expensive districts with regard to real estate property in Vienna.

With regard to rental prices, the average rental price per square meter amounts to 12 EUR in first occupancy apartments and to 10.20 EUR per square meter in other apartments. The city-wide average lies at 10 EUR and 9 EUR per square meter, respectively. In terms of rental affordability, Mariahilf is the 9th most expensive district in Vienna.

As to ownership and physical appearance, the "Wohnungsmarktbericht Wien 2013" (EHL and BUWOG 2013: 26) refers to 247 transactions of apartments that were registered in the registry between January and August of 2012. These changes in ownership comprise a purchase price volume of approximately 60 million Euros. In 2011, 16 rooftop conversions were approved in Mariahilf compared to the Viennese average of 21. These figures decreased in 2012 with a total of 9 approved rooftop conversions in Mariahilf and 19 on average in Vienna. The decrease in overall numbers and the rise in the difference between Mariahilf and the city average might be interpreted as saturation in rooftop conversion.

	Inhabitants	Income	Sales Price Real Estate EUR/sqm		Rental Price EUR/sqm	
			First Occupancy	Others	First Occupancy	Others
CITY OF VIENNA	1,709,139	€ 21,750	€ 4,435	€ 2,920	€ 10	€ 9
1010 Inner City	16,851	€ 33,419	€ 16,500	€ 9,500	n.a.	n.a.
1020 Leopoldstadt	96,016	€ 18,998	€ 4,200	€ 2,600	€ 10.50	€ 9.20
1030 Landstrasse	85,045	€ 22,166	€ 4,300	€ 2,800	€ 11.50	€ 9.50
1040 Wieden	30,943	€ 24,069	€ 4,400	€ 2,900	€ 12.00	€ 10.20
1050 Margareten	53,178	€ 18,659	€ 3,500	€ 2,500	€ 10.50	€ 9.90
1060 Mariahilf	29,623	€ 22,083	€ 4,400	€ 2,900	€ 12.00	€ 10.30
1070 Neubau	30,392	€ 22,694	€ 4,900	€ 3,300	€ 12.30	€ 10.40
1080 Josefstadt	23,747	€ 23,247	€ 4,950	€ 3,700	€ 12.50	€ 10.50
1090 Alsergrund	39,688	€ 22,324	€ 4,800	€ 3,700	€ 12.50	€ 10.40
1100 Favoriten	177,215	€ 18,186	€ 2,800	€ 1,700	€ 9.50	€ 8.20
1110 Simmering	90,712	€ 18,780	€ 2,700	€ 1,600	€ 9.00	€ 8.00
1120 Meidling	88,579	€ 18,695	€ 3,200	€ 2,200	€ 10.50	€ 8.90
1130 Hietzing	51,292	€ 27,656	€ 4,600	€ 3,400	€ 12.00	€ 10.30
1140 Penzing	84,933	€ 21,692	€ 3,400	€ 2,500	€ 10.00	€ 8.90
1150 Rudolfsheim-Fünfhaus	72,021	€ 16,571	€ 2,950	€ 2,100	€ 10.10	€ 8.90
1160 Ottakring	95,386	€ 18,550	€ 3,500	€ 2,150	€ 10.20	€ 8.90
1170 Hernals	52,913	€ 19,845	€ 3,700	€ 2,500	€ 10.25	€ 9.50
1180 Währing	48,013	€ 24,232	€ 5,000	€ 3,200	€ 12.30	€ 10.40
1190 Döbling	68,820	€ 25,539	€ 5,500	€ 3,500	€ 12.50	€ 10.50
1200 Brigittenau	83,607	€ 17,455	€ 3,400	€ 1,900	€ 9.50	€ 8.50
1210 Floridsdorf	142,603	€ 20,218	€ 3,000	€ 1,800	€ 9.70	€ 8.90
1220 Donaustadt	153,933	€ 21,934	€ 3.100	€ 2,300	€ 9.80	€ 8.90
1223 Liesing	93,629	€ 23,242	€ 3.200	€ 2,400	€ 9.90	€ 8.90

Tab. 34: Real Estate and Rental Prices in Vienna and Mariahilf, 2011
(own illustration and calculation; data based on EHL and BUWOG 2013)

According to a report⁵⁸ that refers to a DELOITTE study, Vienna is the 10th most expensive city of 32 European metropolises studied. London, Paris, Munich and Moscow are significantly less affordable. However, there are differences between new-build and old housing that provide more affordable housing options for owners and renters.

⁵⁸ „Analyse: Wie teuer wohnen die Wiener wirklich?“ http://diepresse.com/home/panorama/wien/1433624/Analyse_Wie-teuer-wohnen-die-Wiener-wirklich?_vl_backlink=/home/index.do, 20-08-2013.

12.3 The Political and Institutional Framework

For the policy analysis in Vienna, well-known planning instruments like the urban development plan (STEP 05) based on the strategy plan (Strategieplan 2004), the combined area zoning plan and building codes as well as the concept of “Sanfte Stadterneuerung” including its financial subsidy system and the activities by local urban renewal policies served as starting points. However, because urban planning in Vienna is characterised by strong political interests, general policy documents like the “rot-grünes Regierungsabkommen” (Coalition Agreement between the Social Democrats and the Green Party) are also included to create a broader understanding of urban rejuvenation policies in Vienna. As already indicated above, Vienna is currently adjusting its planning instruments to achieve more efficient and less time-consuming regulations. Therefore, preliminary documents like the conceptual framework of the future urban development plan 2025 (STEP 2025⁵⁹) and the revised regulations within the Viennese building code are included in the following policy analysis.

Due to a complex bureaucratic administration of public institutions and services in Vienna, information on defined responsibilities and tasks is not easily to come by. This fact mainly refers to the programme of “Sanfte Stadterneuerung,” which represents a crucial role within urban rejuvenation policies. In order to base the analysis on proven sources, the recently published report on the evaluation of Viennese urban renewal offices by the audit court was added to the document sample as well. Although it cannot be considered the primary source for the programme of “Sanfte Stadterneuerung,” its treatment of organizational structure, evaluation of results and critique provides more reliable insights than information from the city’s websites and in its brochures.

As can be seen in the table below, the policy analysis comprises 13 policy documents in total, including six planning instruments aiming at city and district level as well as two policy papers that have an impact on the political and institutional framework of urban rejuvenation practices in Vienna. In order to ensure empirical consistency and comparability, the analysis for Mariahilf in Vienna follows the five distinct analytical dimensions employed in the previous policy analysis for Williamsburg-Brooklyn⁶⁰. In the beginning, all documents for the Viennese case study were searched for the term “gentrification” (respectively “Gentrifizierung”). Again, both terms are not included in any policy document.

⁵⁹ See <http://www.wien.gv.at/stadtentwicklung/strategien/step/step2025/> and <https://www.wien2025.at/site/>

⁶⁰ The conduction of policy analysis refers exclusively to sources mentioned in the table on “Analysed Planning Instruments for the case study in Mariahilf, Vienna”. Summaries and interpretations rely on specific formulations within those documents, although no direct references are included for operational reasons.

	Name		Scale	Publication Year	Content	Editor
01	Stadtentwicklungsplan 2005 (STEP 05) <i>in combination with</i>	Urban Development Plan	City Region, City	2005	Urban development plan for Vienna including 13 target areas	MA 18 for Urban Development and Urban Planning
02	Visions for STEP 2025 (revised version of STEP 05; currently in progress)					
03	Strategieplan, 2004 [Strategy Plan, 2004]	Strategy Paper	City	2004	Development strategy for Vienna serving as a basis for STEP 05	MA 18 for Urban Development and Urban Planning
04	Regierungsabkommen [Coalition Agreement between Social Democratic Party and Green Party 2010-2015]	Policy Paper	City	2010	Programme by city government for period of governance 2010-2015	Social Democratic Party Vienna and Green Party Vienna
05	Zielgebiete Sanierungsförderung [Target areas for urban renewal]	Specified Target Areas	Census tract	2006	Specified target areas for urban upgrading at census tract level	MA 18 for Urban Development and Urban Planning
06	Wiener Wohnbauförderungs- und Wohnhaussanierungsgesetz (WWFSG 1989) / Stadterneuerungsgesetz 1974/ Sanfte Stadterneuerung with	Revised federal state law	Federate State Vienna	2013	Revision on residential building subsidies	Federate State Vienna
07	▪ Blocksanierung [block redevelopment] and new target areas	Public subsidy	Federate State Vienna	2013	Financial subsidy for block redevelopment analysis	Wohnfonds_Wien
08	▪ Sockelsanierung [base redevelopment]	Public subsidy	Federate State Vienna	2013	Financial subsidy for base redevelopment	Wohnfonds_Wien
09	▪ Urban Renewal Offices (report by Austrian Court of Auditors)	Soft planning instrument	District	2013	Mediator in urban renewal processes and for community management	Austrian Court of Auditors
10	Building regulation amendment	Hard planning instrument	Federate State Vienna	2013	Public information on adjustments in building regulations	City council for habitation, housing and urban renewal
11	Area zoning and land use plan	Hard planning instrument	Building block	2013	Detailed zoning and land use regulations	MA 18 for Urban Development and Urban Planning
12	Ensembleschutz/ Schutzzonenprogramm	Hard planning instrument	Building block	2013	Detailed map for protection of historic buildings and monuments	MA 19 for Architecture and Urban Design
13	Mietrechtsgesetz §§ 1- 42a	Rent Regulation	Federate State	2013	Rent regulation and rental caps	Republic Austria

Tab. 35: Analysed Planning Instruments for the Case Study in Mariahilf, Vienna (own illustration)

12.3.1 The Macro-Micro Relationships

„Bevölkerungswachstum, Bewältigung der Weltwirtschaftskrise [sic!], Klimawandel, Schaffung von Beschäftigung und weiterer Ausbau der wissensbasierten Stadt müssen Eingang in den STEP 2015 finden, wobei die finanzwirtschaftlichen Rahmenbedingungen zu berücksichtigen sind.“

(Rot-grünes Regierungsabkommen, 2010: 57)

[„Population growth, coping with global economic crisis, climate change, employment creation and expansion of a knowledge-based city have to be considered in STEP 2015, while also taking the basic financial conditions into account.“]

References to macro-micro relationships within Viennese policies are mainly included in the urban development plan STEP 05. Because this plan is currently under revision, more recently published information with regard to the upcoming urban development plan and the current agreement between the both governing parties has been added. Both documents add information on macro-micro relationships with regard to how ongoing changes at the macro level impact the micro level. As a result, the analysis reveals a total of 16 quotations referring to macro-micro relationships that can be summarised as follows:

1. General relationships between macro and micro scale
2. Chances arising from macro-micro relationships
3. Challenges arising from macro-micro relationships

First, the general relationships between the macro and micro scale affect Vienna – they are the globalised challenges that keep Vienna in transition. This interrelationship is also active through an international exchange in order to cope with globalised challenges at the micro level.

Second, positive changes and advantages can be identified that are being caused by macro-micro relationships. Political changes at the European scale shifted Vienna's geopolitical position from the European fringe to a central European location in close proximity to the dynamic emerging markets of Eastern Europe. The growing and strong metropolitan region based on regional cooperations and international networks is an important prerequisite for meeting new social, technological and ecological requirements in urban planning. In the future, the city may take advantage of active steering measures in order to deal with the changing economic systems and living conditions of residents, for instance, diversified working conditions, leisure activities, mobility behaviour as well as more fragmented demands in consumption and communication. Current conditions provide the possibility to create an investment-friendly environment that is necessary to compete on the global stage of city competition. Because macro trends are continuously changing, measures at the micro scale require adaptive capacities, for instance, changing population growth and economic development will impact construction activities by public and private actors.

Third, macro-micro relationships also challenge current public policies. Not only do benefits, also disadvantages need to be allocated within the metropolitan regions to produce proof of viable cooperation structures especially with regard to settlement and mobility policies. In terms of housing, even more cooperation within the region will be necessary in the future as measures within the existing urban fabric from the “founding period” or at the urban fringe of Vienna will not be sufficient to meet macro trends. From an economic point of view, the new geopolitical position and the proximity of Vienna to the newer European member states require strong economic

strategies in order to cope with increased competition. In general, the ongoing economic and financial crisis requires even more active means for to stabilize employment and public wealth and to ensure social justice even during periods of cutbacks in public finances. In addition to economic transitions at the macro scale, also ecological forces like climate change and energy choices need practical strategies for a future urban development that is capable of ensuring energy efficiency, climate protection, security of supply and renewable energy.

12.3.2 The Driving Forces Behind Urban Rejuvenation

„Wien ist eine Stadt, in der die Menschen leben wollen, weil sie hier qualitätsvollen und leistbaren Wohnraum finden.“ (VISIONEN 2025)

[„People want to live in Vienna because of high-quality and affordable housing options.“]

The question about driving forces behind urban rejuvenation policies in Vienna is less substantial compared to the results within the policy analysis in New York City. The major part of the argumentation refers to urban development in general, not to distinct urban rejuvenation practices. It also becomes clear that the district level is missing with regard to the urban rejuvenation policies. In Vienna, a district development plan with definitive development aims at the local level is missing. As a result, only the urban development plan serves as a strategic policy instrument that is aligned with the area zoning and land use plan.

In comparison, formulations in the Viennese policy documents are more vague and less optimistic than in the Williamsburg case. This may be related to the fact that the urban development plan is currently under revision, and the most recent information on future adjustments provides only very generic arguments. However, the query for the code "communication" occurs in 26 quotations systemized in four categories referring to instruments, achievements, positive prospects and future challenges in urban rejuvenation.

Difficulties in Evaluating Successful Urban Rejuvenation Policies

One of the characteristics of urban rejuvenation policies is the vagueness of the measurable targets and benchmarks. As a result, the successes and failures that occur in policy-making are difficult or even impossible to evaluate. The question is whether this is a result of some intended flexibility in policy-making or even the intended prevention of quality measurement.

The difficulties found in assessing successes are very obvious with regard to the audit of the urban renewal offices in 2013. The Austrian Court of Auditors states that urban renewal offices in Vienna that have been in place since 1974 and are carry the main burden of implementing "Sanfte Stadterneuerung" contributed to urban rejuvenation in selected neighbourhoods through their consulting, conceptual and community activities. They enhanced cooperation with the local actors such as residents, local economies, politicians and administrations. Although a significant improvement in neighbourhoods in need of rejuvenation can be proven for the period 1971 to 2001, the contribution by the urban renewal offices remains unclear due to missing formulation and evaluation of aims and deliverables. One has to assume that any improvements in public

infrastructure and the built environment and general economic circumstances influenced rejuvenation practices more so than the activities provided by the urban renewal offices.

The target formulation employed for housing preservation and new developments remains rather vague as well. Although the outdated urban development plan should not serve as the main source, it is the only policy document that provides definitive benchmarks at least with regard to social housing. The planning instrument does not state future targets, though it does at least refer to past achievements. For instance, activities in social housing produced approximately 10,000 apartments per year for the period 1994 to 2000. This quota then decreased in the years thereafter to a level of 6,000 new social housing apartments per year.

The achievements of urban rejuvenation policies remain at a general level if we analyse the relevant planning documents. On the one hand, Vienna is said to be one of the most attractive and livable cities in the world; On the other hand, on the other hand, this achievement largely refers to an international city ranking that supports general arguments like the amount of good-quality and affordable housing as well as reliable provision of services by the public sector with regard to public transport and streets, water, light and sewage. Any positive prospects of urban rejuvenation in Vienna remain limited in the policy documents as well and mainly refer to the advantages of the built environment dating to the “founding period” providing flexible ground floors and high-dome ceilings especially at the ground floor level to enable a flexible use for commercial, light-industrial, gastronomy, housing or service purposes.

Challenges of Future Urban Rejuvenation in Vienna

Again, policy documents largely refer to generic challenges in urban development and remain vague about the urban rejuvenation possibilities. Although current population projections assume a population increase up to 2 million residents by 2030, the political attitude can be said to be more reluctant and careful than optimistic and self-confident.

The main challenge lies in the creation of new technical infrastructure needed to cater to the growing population. In fact, the ongoing economic crisis and cutbacks in public finances require optimized steering measures in order to invest efficiently without a loss in quality. Public investment has to be guaranteed with regard to new housing creation and measures for traffic decrease. At the same time, climate change has to be considered in urban development, new strategies for resource efficiency renewable energy consumption have to be implemented.

With regard to the built environment, future challenges are found in the conflict between the preservation of historic and the implementation of new architecture. Additional tensions exist because of the necessity of higher densities (“Nachverdichtung”) in the central areas in order to ensure sufficient housing options in the city centre. As a result, even more pressure will lie on the already existing open and public spaces, increasing the demand for new recreational urban spaces.

Although some may think that more concerns than opportunities can be found in public policies, it remains true that Vienna enjoys all prerequisites so crucial to ensuring its position as one of the most livable cities in the world. Vienna’s economic strength and high employment rate, the diverse education supply and high research quota as well as a strong infrastructure and a growing housing supply, accompanied by a well-developed social security system, high quality of health care as well as future-oriented environmental standards and high security form the base for a prosperous future. Yet, the main challenge on policy-makers is to create active and future-oriented policies

within the next years. What choice does Vienna have? The opposite, sticking to present- or even past-oriented and passive policies, does not represent a competitive strategy for a successful future.

12.3.3 The Adaptive Component in Urban Planning Policies

„Wir wollen eine lernende Stadt sein: Institutionen, Strukturen und Abläufe, die die Entwicklung der Stadt prägen, sollen den neuen Anforderungen angepasst und im Hinblick auf laufende Qualitätssicherung verbessert werden. Lerneifer und soziale Verantwortung sind eine solide Basis für die künftige wirtschaftliche Prosperität der Metropolregion.“ (VISIONEN 2025)

[“We want to be a learning city. Institutions, structures and processes that have an impact on urban development should be adapted to new challenges and improved with regard to ongoing quality management. The eagerness to learn and social responsibility provide a solid base for future economic prosperity within the metropolitan region.”]

The component of adaption lies in the fact that two of the most important planning instruments for Vienna are currently under adjustment. Little information exists on the updated version of the urban development plan as well as on a law governing adjusted building regulations to provide concrete implementation measures of an adapted understanding in urban planning and urban rejuvenation policies in particular. As a result, 23 quotations refer to the component of “adaptation,” can be systemized as follows:

1. Adapted Urban Policies and the Reasons
2. Underlying Long-Term Goals for Adaptation
3. New Adapted Strategies

Confronting Tendencies of Overregulation Through Adapted Urban Policies

The policy analysis for Vienna reveals that the perceived situation among private and public actors is that urban planning in Vienna tends to be overregulated. On the one hand, a strict framework of regulations provides reliable parameters for urban development. On the other hand, the complex and multi-layered system of various regulations and responsibilities also created an investment-reluctant environment for private actors. As a result, urban policies, and urban rejuvenation policies in particular, are in need of less complexity in order to facilitate future investment in the built environment.

At the administrative level of urban rejuvenation, adaptations have been made with regard to urban renewal offices to meet the changing demands and external evaluation. Specific services for public housing tenants have been outsourced to an independent substitution called *wohnpartner*. The Municipal Department 25 (MA 25) is in charge for coordination of *wohnpartner*’s activities, as it still is for the urban renewal offices. Partly because of the strong criticism by the Austrian Audit Court, which published an audit report on the urban renewal offices early 2013, a new coordination

unit has been installed within MA 25 to improve the coordination and evaluation of the activities realised by nine urban renewal offices.

At a generic level of urban rejuvenation in Vienna, new target areas for block rehabilitation were communicated by the city government in mid-August 2013. Due to new urban developments and studies, new areas in need of rehabilitation have been identified. These areas are located in the 3rd, 10th, 16th and 17th district and are characterised either by a degenerated existing housing stock (16th and 17th district) or by a juxtaposition of “old and new” developments (3rd and 10th district). In addition, further attempts at improving public information and participation can be identified due to an increasing conflict potential within the planning processes, especially with regard to developments where there is a combination of new and existing structures.

At the level of “hard” planning instruments, adaptations are currently underway with regard to the Viennese building regulations law. These adaptations can be interpreted as a first step towards using adjusted urban planning instruments to confront changed urban realities. In detail, changes in the building regulation law refer to required minimum heights at ground floor level to ensure flexible uses and lively urban environments. In addition, balcony construction contributing to the creation of private public spaces should be possible even above public thoroughfares such as sidewalks. In the future the obligatory creation of parking space⁶¹ will be based on apartment size, for instance, one parking lot per 100 square metres of apartment. This can be interpreted as an adjustment towards new housing development like the small-scaled and affordable SMART apartments⁶² and towards a shifting to a less car-friendly environment in Vienna⁶³. To conclude, up-zoning from “greenland, recreation and allot settlement” to “residential” might facilitate additional housing options in a dynamically growing city.

The Underlying Goals for Adaptation

The identified components of adaptation can be interpreted as adjustments towards new urban realities. As a result, urban planning has to redefine its goals as well, shifting its focus from fostering Vienna’s new position as a metropolis in Southern Central Europe (see STEP 05) towards new realities like economic and demographic challenges.

To start with economic goals, adaptation in Vienna is driven by the goal of improving cost and management effectiveness as well as providing cost control to save the existing urban infrastructure. This also implies an increased responsibility for public infrastructure by actors participating in new urban development projects referring to profit gain through up-zoning

⁶¹ In the past, there was a 1:1 regulation, for instance, one parking lot for every new apartment.

⁶² SMART-Wohnungen:

<https://www.wohnservice-wien.at/home/informationen/353>, 16-08-2013.

„Wien baut jetzt “smart”“

<http://derstandard.at/1331779725165/Neu-Wien-baut-jetzt-smart>, 16-08-2013.

"Wartelisten werden länger, Interventionen steigen"

<http://derstandard.at/1341526942162/Wartelisten-werden-laenger-Interventionen-steigen>, 16-08-2013.

⁶³ "Wir bauen vor und errichten Radgaragen an vielen Orten"

http://www.wienerzeitung.at/nachrichten/wien/rad/rad_news/513492_Wir-bauen-vor-und-errichten-Radgaragen-an-vielen-Orten.html, 16-08-2013.

„Mariahilfer Straße für Verkehr gesperrt“

<http://wien.orf.at/news/stories/2598034/>, 16-08-2013.

("Planwertabgabe") and contracts of urban building ("städtebauliche Verträge"). With regard to ecological goals, adaptation can be identified towards policies supporting energy efficiency in the built environment, for instance, thermal insulation. Finally, the changing demographic circumstances are being considered in urban planning policies as well, aiming at integrated neighbourhoods that are not characterised by social conflict between old and new. An overall goal of ensuring the current living quality has not been adapted. However, the nuances how to meet this goal are currently changing.

What Do Adapted Strategies Look Like?

As already indicated above, major adaptations of new urban policies stem from the new city government consisting of the Social Democratic Party and the Green Party. Since 2010, it seems as if new, "green" ideas more easily find entrance into urban policies in Vienna. New strategies address the target areas for block renovation subsidies as well as new planning instruments, namely, the upcoming new urban development plan as well as the currently revised building regulation law. Driven by the increased necessity for financial and administrative consolidation, much emphasis now lies on quality management and evaluation. This means, for instance, to fewer urban renewal offices being in charge of the same amount of districts; coordination is more strategic and will be evaluated more transparently in the future.

In conclusion, there is a general tendency towards consolidation and improving cost and administration effectiveness. Consolidation seems to follow the idea of using existing planning instruments while decreasing overall complexity and regulations. The improvement of cost and administration efficiency is largely driven by the economic crisis, which impacts the local fiscal situation tremendously. However, the adapted strategies identified can be considered only the first attempts at establishing more flexible and efficient structures in urban policies. Major improvements with regard to overlapping responsibilities, inefficient administrative requirements as well as creative will without policy-driven fears are necessary to meet future challenges.

12.3.4 Steering Gentrification Policies

„Der Weg der bewohnerInnenorientierten sanften Stadterneuerung in den gründerzeitlichen Stadtteilen soll fortgesetzt werden, damit Wien noch lebenswerter wird und auch zukünftig qualitätsvolles Wohnen sichergestellt ist.“ (Rot-grünes Regierungsabkommen, 2010)

[„The path towards resident-oriented, soft urban renewal should be continued in neighbourhoods characterised by architecture from the founding period. This serves to increase the livability in Vienna even more and to ensure high quality-standards in housing.“]

Similar to the policy analysis conducted for New York City, the topic of “gentrification” is not included in any planning documents in Vienna. However, urban rejuvenation policies do reveal strategies that support intended directions towards physically upgrading the built environment, eventually resulting in gentrification.

In Vienna, the political discourse has focussed predominantly on new housing in urban development areas⁶⁴, emphasising the important role of social housing to ensure affordability and housing access to a growing population. Complementary to public subsidies for social housing, the city government also supports the renovation of the existent housing stock mainly characterised by historic architecture and located in central areas within the city. Planning instruments that refer to this segment of housing stock incorporate steering components with regard to intended upgrading processes.

In order to reflect political strategies that potentially support gentrification processes, the code family “strategy” includes 163 quotations covering strategic steering measures and benchmarks as well as participation possibilities within urban rejuvenation policies. To ensure a focused analysis, this interpretation is based on quotations that explicitly refer to investments in the built environment. The systematisation of interpretation looks as follows:

1. Participating Chain of Actors
2. Strategies Within Urban Rejuvenation Policies
3. Regulations Within Urban Rejuvenation Policies
4. Stimulating Gentrification as a Side Effect

The Chain of Actors Participating in Urban Rejuvenation Practices

The policy analysis reveals a distinct chain of actors in Vienna characterised by a dominance of public authorities. Considering the premise of “good governance”⁶⁵, actors within urban rejuvenation strategies include public authorities like the city government, the district mayor, wohnfonds_wien, private and non- profit developers, intermediate institutions like the (mobile) urban renewal offices

⁶⁴ The coalition agreement between the Social Democrats Party and the Green Party in Vienna (2010) distinguishes between (1) internal urban extension: conversion of centrally located brownfield sites (e.g. St. Marx, North Railway Station) and (2) external urban extension: “traditional” sites of extension under the premises of mixed-use and compact structures as well as ecological sustainability and energy efficiency

⁶⁵ According to the coalition agreement between the Social Democratic Party and Green Party in Vienna (2010), “good governance” incorporates target-oriented, cooperative and transparent collaborations between political-administrative authorities, civic society and real economy against the background of living quality and sustainability.

and wohnpartner as well as civic society. Private developers, both institutional and individual, are mainly involved in renovation projects of existing housing stock. Non-profit developers comprise a vast number of developers that are close to city government or very experienced in social housing developments. “Baugruppen”⁶⁶ represent a rather new actors group on the housing production side.

Within the programme of soft urban renewal (“Sanfte Stadterneuerung”), public subsidies for base renovation (“Sockelsanierung”) and block renovation (“Blocksanierung”) are coordinated by wohnfonds_wien, which also includes interdisciplinary teams consisting of architects, urban planners, landscape planners or mediators as well as district politicians and municipal departments who are in charge of the potential renovation project. As a measure against speculation and legal housing problems, the city government and district authorities cooperate with the (mobile) urban renewal offices, wohnservice_wien and municipal building inspection (“Baupolizei”).

Strategies within Urban Rejuvenation Policies

The core of urban rejuvenation policies in Vienna is represented by the programme of soft urban renewal targeting tenant-oriented urban renewal while preserving and improving historically grown urban structures through subsidised renovation of the existing housing stock and residential environment⁶⁷. In turn, developers who apply for public funds have limited possibilities for rent increase over the duration of 15 years after completion of the renovations. This is supposed to contribute to housing and affordability among existing residents.

Public subsidies comprise funding for both base and block renovation. The application procedure is based on a point-system that considers, for instance, the location within a defined target area of renovation. Base renovation is funded by a mixture of loan and grants that aim at direct improvement of the entire building as well as at upgrading the apartment quality over the medium term. Interim use dedicated to caritative institutions is subsidised by public funds as well and contributes 35 extra points for the grant application procedure. Block renovation attempts to create structural improvements in the urban fabric and a sustainable concept for the entire building block instead of only project-based solutions. The underlying strategy is to facilitate a social mix and mixed-use function within the neighbourhood.

The urban renewal offices, established in 1974, not only accompany the process of soft urban renewal within certain district, they also act as mediators between city government, private developer, residents and local entrepreneurs aiming at a conflict-free neighbourhood development. As a result, they also inform private individual housing owners about the possibility of public subsidies for renovation. In addition, they facilitate a potential analysis for block renewal that contributes to the development of a more cohesive and long-term vision within the district.

As the political discourse on urban development in Vienna mainly refers to the creation of new housing, which in turn is accomplished by non-profit developers that create new social housing units, the overall strategy in urban policies seems to be directed towards the protection and continuity of social housing. As a sub-strategy, social housing is mentioned as an instrument to ensure affordable housing and a social mix. Therefore, social housing is favoured even in dense neighbourhoods with architecture from the “founding period” in order to install a counterforce

⁶⁶ „Baugruppen“ can be compared with cooperatives comprising private individuals who team up in order to jointly build their own residential development based on a contract by civil law.

⁶⁷ For instance, creation of green spaces or improved public thoroughfares

against free-market renovation and increasing housing prices. Public authorities also emphasise the necessity of informing civic society about overpriced rents and utility costs.

As a result, the political debate on neighbourhood development in central locations seems to be one about housing and the construction of new social housing units to ensure affordability. A strategic political debate on qualitative and cohesive neighbourhood development that also includes non-social housing actors, both on the production and demand side, is not present.

Regulations Within Urban Rejuvenation Policies

As indicated above, Vienna tends towards overregulation and complex administrative constraints with regard to urban rejuvenation. With regard to “hard” planning instruments, protected zones and residential areas within the area zoning plan occasion limited scopes of action. Target areas for urban renewal subsidies specify certain neighbourhoods as favoured areas for investment in the built environment.

The application process for base renovation considers the location within the target areas as well as the required need for renovation⁶⁸. Regulations apply not only for determining eligibility for public funds, they also continue to play a role even after renovation. For instance, newly created and non-occupied apartments have to be transferred partially to the City of Vienna for allocation reasons. In detail, the second and every fourth new apartment are affected. In addition, fixed rents have to be considered for a 15-year period after completion. If apartments are turned into condominiums, less public subsidies are approved.

In addition to such planning instruments, a complex federal landlord and tenant law limit increase in rents as well. The law distinguishes between newly constructed apartments (“Neubau”), old buildings (“Altbau”) as well as social housing. Apartments in old buildings refer to construction completion before 1945 and require a benchmark of 5.16 EUR per square metre plus surcharges, minus deductions for location, quality of the building and the apartment.

The complex and multi-layered regulation system in Vienna requires adaptations to facilitate private investment while securing affordable housing. As a result, recent adaptations aim at cost-efficient construction that enables affordable housing. “Social housing” is going to be incorporated in the new zoning code. Combined with time-limited zoning for building sites, these two adaptations may be able to counteract speculation. In the future, contracts dedicated to urban planning will ensure the construction of a technical and social infrastructure, requiring the joint responsibility of public authorities and private actors. However, these interventions probably refer largely to urban extension areas and not to small-scale inner-city locations.

⁶⁸ A minimum of 1/3 of all apartments have to correspond to the housing standard category C or D.

Stimulating Gentrification as a Side Effect

Although gentrification is not mentioned as an advantage or risk within the Viennese policy documents analysed, urban rejuvenation strategies might stimulate gentrification, even if unintendedly. With regard to apartments in the old building stock, rent regulations are quite flexible and support overpriced rents due to intransparency and exaggerated demand. Facilitation of rooftop conversion by public funds might support a shift from rental units to owner-occupied condominiums and thus miss the goal of encouraging new and affordable housing construction.

The political and public discussion whether or not gentrification is occurring in the “Viennese way” might be caused not only by insufficient data. A lack of quality management and evaluation based on defined benchmarks also contributes to the absence of proper data, regardless of whether certain policy strategies stimulate gentrification in the long run or not. The example of the urban renewal offices illustrates the administrative complexity and lack of stringency in delineating responsibilities, leading to an overall cluelessness with regard to ongoing gentrification in Vienna.

12.3.5 Reflecting the Policy Analysis

Compared to the neoliberal case study in Williamsburg, the policy analysis within the context of a social welfare state is characterised by a shift from the facilitation of affordable housing to the supply of social housing. The political discourse on urban development is not based on the core question of how to ensure current living quality by integrating private capital. Rather, it becomes a debate about housing and about social housing in particular. Social housing is used as a self-perpetuating instrument to secure affordable housing in Vienna and to react to macro trends like demographic change and economic downturn.

From a formal point of view, the formulation and elaboration of planning policies differ from the neoliberal case with regard to linguistic

Characteristics of Urban Rejuvenation Policies within the Social Welfare State Context:

- 1. The public sector serves not as a facilitator, but as a supplier of public goods or social housing.*
- 2. Political discourse on urban development is dominated by the supply of new social housing due to a fear of population growth.*
- 3. Overregulation and complex bureaucracy ensure planning security, but cause a need for consolidation to create an investment-friendly environment.*
- 4. Gentrification and the monitoring of gentrification-supporting policies are not part of the policy agenda.*

professionalism and preciseness in benchmarks. Especially policy strategy papers strive to be easily understood through the use of certain expressions and dialect. The formulation of goals, however, remains vague due to a lack of measureable benchmarks. As a result, policy evaluation revealing the true success and failure of policy implementation becomes difficult. The intent might be to remain

flexible, but it might also strive to differentiate itself from US American policy papers that reflect an optimistic and self-confident approach.

The less convincing outcome of policy analysis requires a precise reformulation of the initial analysis approach. Urban rejuvenation strategies in Vienna are overlayed by housing policies driven by an increasing population growth and clearly focussing on the supply of affordable housing. Urban rejuvenation initially began as an attempt to face urban decay. Nowadays, however, it can be interpreted as a complementary method of ensuring new housing creation also in inner districts. However, a coherent development strategy at the district level is missing, resulting in project-based decisions instead of an aligned district vision.

The policy analysis revealed a tendency towards over-regulation and complex bureaucracy. The elaborate system of urban planning creates, on the one hand, planning security and a reliable political framework. On the other hand, however, it severely limits the participation of a diverse field of actors due to underlying constraints. However, the increased necessity of financial consolidation and the involvement of private capital also have an impact on the structural organisation of urban rejuvenation in Vienna. Recent attempts to streamline these processes addressed mainly the adjusted building regulation law. The new regulations mainly affect new-built developments, but they will also facilitate investment in the built environment by private individuals and institutional developers that are not part of the well elaborated non-profit actor network.

To ensure future sustainability in urban rejuvenation, it will be of major importance to follow the path of private capital facilitation. This includes rethinking the collaboration between public and private actors. A mutual responsibility for the provision of social and technical infrastructure seems to be one of the major challenges in upcoming urban development projects. Even in a social welfare state context, financing public goods at the same level of quality becomes challenging and has to be met with efficient organisational structures. It might be of importance to agree on a political commitment that facilitates more urban rejuvenation through private capital and does not prevent market-based developments due to a political fear of losing electoral votes.

12.4 Bounded Rational Choices of Actors Involved in Urban Rejuvenation Practices

The result of a long-standing Social Democratic government in Vienna is a distinct emphasis on housing policies that shapes the core of political debate with regard to urban development and rejuvenation. The absence of political discourse on gentrification is remarkable, albeit unsurprising. Due to the strong focus on housing, the main interest of this study in urban rejuvenation became less important in expert interviews. Therefore, the following actor analysis attempts to bring things back into the initial focus on rejuvenation practices and gentrification by strictly considering the relevant arguments. As a result, the amount of total quotations is considerably lower than in the US American case.

However, political awareness can be identified with regard to increasing social fragmentation and processes of social exclusion. This serves as a starting point if we assume that actor analysis contributes to a more comprehensive understanding of rejuvenation practices in Vienna than a consideration of more distinctively physical upgrading processes and gentrification within neighbourhood development. For that reason, 12 expert interviews were conducted to serve as data basis for the actor analysis comprising public, private and intermediate stakeholders:

Stakeholder Category	Institution	Stakeholder Type	Level	Participation	Abbreviation
Public Sector	01. City of Vienna, Municipal Dep. 50 for Housing Research (MA 50)	Key	Local	Active	PUBL_VIE
	02. City of Vienna, Municipal Dep. 21 for District Planning and Land Use (MA 21)	Secondary	Local	Passive	PUBL_VIE
	03. Vienna Business Agency	Secondary	Local	Passive	PUBL_VIE
	04. Club Chairman of Social Democratic Party in the role of former council man	Primary	Local	Active	PUBL_VIE
Private Sector	05. Dr. Jelitzka & Partner Immobilien	Primary	Local	Active	PRIV_VIE
	06. conwert Immobilien Invest SE (2 interviews)	Primary	Local, National, Intern.	Active	PRIV_VIE
	07. Raiffeisen evolution project development GmbH	Primary	Local, National	Active	PRIV_VIE
	08. Wohnbauvereinigung für Privatangestellte (WBV-GPA)	Primary	Local	Active	PRIV_VIE
	09. Architecture Office Malek & Herbst	Secondary	Local	Passive	
Intermediate	10. Tenant Association Austria	Key	Local, National	Passive	INT_VIE
	11. The Chamber of Labour, Vienna	Primary	Local, National	Passive	INT_VIE
	12. Urban Renewal Office 6/14/15	Secondary	Local	Passive	INT_VIE

Tab. 36: Interviewed Actors in Vienna (own illustration)

Like the analysis in Williamsburg, the underlying interest of actor analysis here lies in understanding the bounded rational choices of actors involved in urban rejuvenation processes in Vienna, particularly in Mariahilf. Therefore, the following five distinct dimensions

1. embeddedness
2. values
3. resources
4. rational choice
5. gentrification awareness

serve as analysis categories. In addition, the category "gentrification in Mariahilf" comprises gentrification-related insights for the Viennese case study.

12.4.1 The Embeddedness of Actors in Urban Rejuvenation Practices

„Wir haben Wohnbau und Stadtplanung. Das sind zwei verschiedene paar Schuhe in Wien, das darf nicht sein. Die eine Seite ist rot, die Andere grün. Da steht sich Wien oft selbst im Weg.“
(PUBL_VIE 2012)

[“On the one side lies the department responsible for residential building, on the other the department that deals with city planning. Those are two very different cups of tea. One is tinged red, the other green. They often stand in each other’s way.”]

Centralized Embeddedness in Vienna

The actor analysis in Vienna reveals a “centralized embeddedness” of Viennese actors. Basically the city government and its authorities act as “preservers of housing.” Private and intermediate actors gather around them and act as “implementers of housing.” The fact that most private and intermediate actors are closely linked to the city government through company shares or similar political positions explains the tightness of actors networks in Vienna.

As a result, actors embedded predominantly in urban rejuvenation projects are market-driven and act independently from city government and the Social Democratic understanding of housing provision. They have to navigate a multi-layered system and a narrow frame of action defined by economic interests and regulations. Their economically driven interest is perceived by actors close to the city who represent the quantitative majority in the actor network as “complementing correctives.”

In contrast to the analysis in Williamsburg, intermediate actors represent the needs of residents as well, but they primarily ensure the instalment of public policies, which seem to be aligning with residents’ need. To give an example, urban renewal offices act as a communication and service institution mediating between the city’s vision of soft urban renewal, the interests of building

owners and the needs of local residents. The conflict line spans, on the one hand, city government and private investment with regard to subsidies and therefore any renovation that is regulated or not or even partially regulated. On the other hand, the implementation of private investment and local residents accommodates a great conflict potential, for instance, in cases of speculation or violation of regulations. With regard to the 6th district, there is no significant conflict between Social Democratic-driven policies and demands of the residents. This is a major difference to Williamsburg, where intermediate actors have to protect the needs of residents in a neoliberal political context.

Facilitation of Embeddedness

Actors' embeddedness seems to be highly formalized and follows the principle of top-down facilitation. The city government or one of the authorities introduces a target value, which is then followed by an expression of interest by the usual actors and negotiations of interests on both sides. This impression might result again from an overemphasis of social housing construction being currently implemented to counter the rapid population growth.

Compared to large-scale social housing development, urban rejuvenation in Vienna is characterised by small-scale, localised and opportunity-based actions. However, activities are mostly driven by the district due to a specific need for action of private institutionalized or non-institutionalized developers. The actor analysis reveals that civic society is presently not actively involved in urban rejuvenation processes, thus contradicting the intended participation policies of the city government. This lack of involvement of civic society can be traced back to a less pronounced tradition in participation during imperial history. Alternatively, low public participation may be also caused by non-systematized, non-continuous and accessible means of participation. The latter argument seems to be on the political agenda and to be significantly improved in the future.

12.4.2 Incorporated Values in Urban Rejuvenation Practices

*„Die große Gefahr im Moment ist gar nicht, dass wir uns den Wohnbau nicht leisten können. Das Problem ist, dass wir uns die zugehörigen Infrastrukturen nicht leisten können.
(PUBL_VIE 2012)*

[„The major risk right now is not that we cannot afford to build buildings. The problem is that we cannot afford the associated infrastructure.“]

Incorporated values in urban rejuvenation practices explain decision-making processes by public, private and intermediate actors. These values differ due to the various political approaches, company values and individual needs and have an impact on the differentiation of urban rejuvenation in Vienna. The analysis category "value" comprises 43 quotations, clustered in public, private and intermediate actors' values.

Preserving Social Democratic Values by Public Actors

Among public-sector actors, the main strategic action can be found in the political will to protect the Social Democratic heritage and the high living quality in Vienna. The core value of qualitative and affordable housing is not limited solely to availability and affordability. It even goes beyond the idea of covering a basic need by securing physical, infrastructural and social quality. Physical quality refers to the architectural and living quality in an apartment. Social quality refers to social cohesion and neighbourhood safety and is guaranteed by a socially mixed neighbourhood. Infrastructural quality refers to the social and technical infrastructure, for instance, kindergartens and schools or reliable water supply and public transport access. The actor analysis reveals a risk in the financing of Vienna's social infrastructure. In contrast to existing neighborhoods that ensure the availability of a structurally grown social infrastructure, new-build development projects need to build up new infrastructure from the beginning. In future projects, the value of high-quality infrastructure development can be guaranteed only by higher public expenditures or cost-sharing among more actors.

The aspect of preserving and financing quality standards in the future hints at the current situation in changing framework conditions. With regard to urban rejuvenation practices, the public sector has to balance population growth and housing demand as well as creating new housing and rejuvenating existing housing stock. As a consequence, the well-established concept of soft urban renewal is going to be adapted to changing framework conditions, too. The question arises as to how far values of social compatibility can be incorporated in future urban renewal projects where a shift towards demolition and high-density new construction might be necessary.

Complementing the well-established Social Democratic values, economic values can be identified among public actors as well. For instance, urban development and new-build housing projects are based on providing support to Vienna as a business location. Under certain circumstances, the public sector needs to facilitate economic development through upfront investment and lighthouse projects. This requires the active management of building land and real estate property.

Values of Distributive Justice by Intermediate Actors

As already indicated, the intermediate actors in Vienna represent residents' demands that are largely aligned with public policies. Starting with the common understanding of housing as a basic need, one can identify values of distributive justice for intermediate actors. These values are at risk when regulative instruments become weaker.

For instance, the question arises how far social housing in Vienna can today still be considered "social" with regard to the way the shares for cooperative housing are financed. The majority of new, mostly middle-class, social housing residents need to take out loans in order to finance their access to subsidised housing. This contradicts the value of distributive justice among intermediate actors.

They also emphasise the consideration of public interest not only in social housing, but also with regard to urban rejuvenation. In their opinion, the balance between a landlord's responsibility to preserve his own property and public subsidy for renovation must be maintained with respect to urban renewal subsidies. This argument runs parallel to the claim for binding, transparent and fair

rent regulations. The current situation allows for rental apartments built before 1945 to have a location surcharge. Critics claim that such a location surcharge is for the benefit of the landlords only, who do not contribute to the locational quality. A good location depends, for instance, on access to public transport and open spaces that have been financed by public money. Therefore, the intermediate actors identify a shift towards privileging private property and suggest instead surcharges for quality measures financed by landlord, for instance, improved insulation standards.

Values of Profit Maximisation by Private Actors

While the values by public and intermediate actors seem to be more or less aligned, those of private actors are contradictory. The core value of “profit maximisation” refers both to the economic and institutional-regulative environment. Economic profit maximisation depends on profit expectations including aspects of sales and rent value as well as access to attractive financial expenditures, for instance, low interest rates. Due to the economic crisis, however, financial components are changing and require higher securities and equity bases for developers that both limit profit margins.

Profit maximisation with regard to an institutionally regulated environment hints at the rent regulation laws that emphasise tenants rights. Developers and landlords question distributive justice pointing toward transferable rental contracts with low rents while main residency is disputable. Or, limited means of effecting rent increases while renovation costs are not all distributable among tenants.

12.4.3 The Bounded Rational Choice in Urban Rejuvenation Processes

„Wenn man aus rein kapitalistischen Gründen was machen möchte, wird man nie weit kommen. Wenn man aber das Gemeinwohl der Stadt im Auge behält und einen Mehrwert, der Allen was hilft in jeder Hinsicht, dann findet man auch offene Türen. Das ist ja auch der Sinn einer Partnerschaft zwischen Investoren und der Stadt [...]“ (PRIV_VIE 2012)

[„Acting solely from a capitalistic basis does not lead to success. If you are interested in sustaining public interests and creating something of value to all, then you will be kicking at an open door. That indeed is the very core of what a partnership would look like between investors and the city.“]

The question for bounded rational choices within the actor analysis aims at combining available resources and decision-making arguments. In Vienna, there is less acceptance of the “satisfier” approach based on the fact of duty of public provision inherent in a social welfare system. From the perspective of private capital, the “satisfier” component is found with reference to accepted low rates of return. Such acceptance can be explained by the stabile conditions necessary for secure, albeit less-profitable investment opportunities.

In order to identify the empirical evidence for bounded rationality within urban planning and rejuvenation in Vienna, the query includes the analysis dimensions “resources” and “rational choice” resulting in 158 quotes. Because expert interviews can quickly lose focus on urban rejuvenation, this analysis narrows things down to quotations contributing to the understanding of rational choices in urban rejuvenation projects. As a result, bounded rationalities in Vienna are as follows:

1. Bounded rationality within the urban planning process
2. Bounded rational choices between the poles of urban rejuvenation and realization of potential
3. Bounded rationality between regulation and investment facilitation

Bounded Rationality within the Urban Planning Process

In Vienna, decision-making processes within urban planning are affected by powerful conditions like a shortage of building land as well as the limited number of buildings or apartments on the market. This leads not only to limited investment opportunities in urban rejuvenation, but also to a low turnover in the housing market, even while prices for particularly for ownerships are on the increase.

Especially in central inner-city locations the rationale of “take it while you can” is observed among institutionalized private developers. This rationale refers largely to the segment of home ownership. Due to the tight housing market, property sales are almost universally secured. Nearly everything can be sold immediately. In this situation, the bounded component lies in finding a balance between profit-driven expectation of sales and sales prices that can actually be realised on the local housing market. Increasing land and purchase prices limit the profit margin given the fact that potential buyers pay only the locally comparable price. Although the current housing market is characterised by a demand-driven market, no overpriced property sales can be realised.

A slightly shifted rationale is found among public actors within urban planning processes. Here, “social housing under the maxime of quality” is the leading rationale and includes a bounded component in the sense of quality demands and adjusted financial possibilities. As already indicated

above, public value is characterised by the idea of serving as a “provider” of public goods. Social housing alone would not be sufficient; rather, it is also necessary to secure a measure of affordability while providing qualitative housing as well as a high standard of technical and social infrastructure. While the conditions are changing, the public sector has to question how to secure housing, quality and infrastructure in the future. One possibility lies in the component of quantity, meaning building less but having it entirely public financed. Due to population growth, this alternative seems not to be considered as an adequate option. Another possibility might be to integrate investors into the financial social and technical infrastructure. Although there are certain rejections due to public self-understanding and the assumed profit orientation by the private sector, contracts for urban building (“städtebauliche Verträge”) seems to be being implemented as a planning instrument.

Bounded Rational Choices between the Poles of Urban Rejuvenation and Realization of Potentials

Urban planning in Vienna largely refers to new-build social housing while preserving the existing inner-city housing stock that creates the distinct authenticity of Vienna’s historic architecture. As a result, decision-making processes are characterised by weighing the estimated input resources against expected output. In terms of urban rejuvenation, the future rationale will be largely influenced by the comparative calculation of “new-build housing units through renovation minus public subsidies” versus “new-build housing units through demolition minus public subsidies.” There will likely be a shift towards identifying and realizing the most efficient option. In addition, the potential for soft urban renewal in the traditional sense is expected to decrease as well. The reasons for this lie in the lower share of substandard apartments as well as the lower share of landlords willing to participate in soft urban renewal.

Debate about the ongoing process of bounded rational choices seems necessary in light of urban density in order to meet population growth and public demands for less density. The “satisfying” component lies in the compromise between true needs and accepted public reality. The density of inner-city locations seem to be more easily realised than in new urban development areas. In central locations, the density and limited access to open space need not be diminish the quality of life, whereas new-build areas seem unwilling to enforce less density than initially designated.

Bounded Rationality between Overregulation and Investment Facilitation

As indicated above, urban planning in Vienna is in transition due to changing realities like dynamic population growth and economic downturn. The traditional constellation of actors needs to be adapted in order to facilitate private capital while still securing the Social Democratic values and achievements of the past. This refers to the interplay between regulations and the facilitation of investment at various levels. From a private individual’s perspective, investment in home ownership does not seem profitable as long as rents remain low and protected. However, rent levels within the free-market segment are increasing due to a tight housing market. Especially for “new-entries,” meaning new residents, young families or individuals in changing living situations, there are two options: First, buy a condominium or, second, apply for social housing. The latter contributes to the already existing demand for social housing, making a balance between regulating rents and facilitating interest in homeownership necessary.

From a private landlord's perspective, low rents hinder investment in structural improvement of the building stock. The actor analysis reveals a cost-profit calculation in terms of renovation. In rent-regulated pre-1945 buildings, renovations required by law are realised for the most part, but only under pressure. In many cases, a non-subsidised rooftop conversion that can be sold at market price seems to be the preferred option as long as renovation costs cannot be distributed equally among current tenants.

From the perspective of private institutions, bounded rationales lie in investment decisions that compare the profit achieved from investments in occupied and unoccupied buildings. The latter enables higher profits because potential investors appreciate more "flexible" conditions and no limitations through rent regulations. Investment in occupied buildings requires a profitable asset management taking into account the current building value, the increase of value due to renovation and rooftop conversion, and "active renter management,"⁶⁹ which probably include the practice of paying off current tenants. Again, the bounded rational choice lies between the poles of regulation and investment facilitation.

⁶⁹ The German expressions are „aktives Mietermanagement“, „Entmieten“ or „Ausmieten.“

12.4.4 Awareness of Gentrification Within Urban Rejuvenation Practices

„Es ist in manchen Gegenden auch gar kein wirkliches Problem, eine leichte Gentrification in Kauf zu nehmen. Also da hat sich dann auch sichtbar in den politischen Mehrheitsverhältnissen etwas gedreht. [...] Also das ist durchaus aus meiner Sicht auch gewünschte Gentrification, wenn es auch zu einer besseren Durchmischung kommt.“ (PUBL_VIE 2012)

[„In some areas it is now completely acceptable to tolerate some gentrification. This means something is changing in the political scenery [...] In my opinion, that is a desirable form of gentrification if it contributes to a better mix.“]

As the policy analysis already indicated, the topic of gentrification is not part of the political debate. However, the current discourse on gentrification among local academics is challenging the attitude of those actors who participate in urban rejuvenation practices. The common reference to the high share of social housing and the concept of soft urban renewal seem to be unable to hinder critical reflection of gentrification in Vienna. Still, the operational challenge of obtaining statistical proof of gentrification blocks a truly reflective debate in political, academic and private circles. Nevertheless, the real tendencies toward social segregation and the transformation of character within specific neighbourhoods is being addressed in the political debates.

Therefore, the last step of actor analysis provides a certain awareness or perspective on gentrification and aims to identify contextualized arguments on gentrification. The query includes two codes, namely, “gentrification” and “future gentrification” and results in 50 quotations in total. These are interpreted as follows:

1. Self-reflection within gentrification processes
2. Impeding and stimulating gentrification parameters
3. Past and future spots of gentrification in Vienna

Self-Reflection within Gentrification Processes

The actor analysis identifies a self-reflecting component in the role of public and intermediate actors within gentrification processes. For-profit and non-profit private actors did not reflect on their role, rather they referred mostly to parameters that stimulate or hinder private investment.

Public actors are aware of the impact facilitated by the instrumentalisation of tipping points and lighthouse projects. The implementation of a public project at the right time is able to stimulate or retard gentrification. To give an example, the public rejection of the demolition of historic architecture in the 1970s⁷⁰ served as tipping point for soft urban renewal. Or the redevelopment of local markets by public funds can stimulate private investments changes commercial supply and in the long run creates exclusion. Even allowing partial gentrification is perceived as necessary to raise public interest and debate.

While public actors seem to accept their role in gentrification, intermediate actors like the urban renewal office are less confident in their self-reflection. Due to rising criticism of the role of the

⁷⁰ See the debate in the 1970s on Blutgassenviertel in the 1st and Spittelberg in the 7th district: <http://www.gbstern.at/stadterneuerung/stadterneuerung/sanfte-stadterneuerung/sanfte-stadterneuerung/>, 13-08-2013.

urban renewal offices in urban rejuvenation practices and because of a lack of evaluation, there are no valid arguments to support or soften the accusation of supporting gentrification.

However, a political consensus in Vienna can be identified with regard to adapting gentrification in Vienna in a soft or social way, compared to international examples. Also, punctual gentrification might be even appreciated while displacement of residents is strongly refused by public actors.

Impeding and Stimulating Gentrification Parameters

Compared to the developed gentrification stimulators in the Williamsburg analysis, the “Viennese way of gentrification” seems to support these parameters. Table 37 shows the adapted parameters for Mariahilf in Vienna:

PARAMETER	SPECIFICS	LOCAL CHARACTERISTIC IN MARIAHILF
Geographical-Spatial		
Locational impression	Waterfront or close-by park location	Proximity to Naschmarkt, Mariahilfer Straße (shoppingavenue)
Connectivity	Public transport, highway	Access to public transport: metro lines 3, 4 and 6
Safety and crime rate		Low crime and prostitution rate
Economic		
Affordability	Rent and or value gap	Closing rent and value gap; latter especially in new-build property, e.g., rooftop apartments Limited building land and purchasing opportunities due to low turnover on the housing market
Local businesses and job creation	Creative cluster, ethnic entrepreneurs	Vibrant creative community, “new” artisans (e.g., pharmacy with own cosmetics line)
Political		
Political will and policy initiatives	Development plan, tax abatements, public-private partnerships	District programme “Die Gumpendorfer – eine attraktive Straße”
Transformation of underutilised land	Rezoning, inclusionary zoning	n.a.
Political-administrative framework	Long-term versus short-term strategy	n.a., market-driven rejuvenation projects
	Allowing versus hindering of civic engagement	only occasionally, e.g., civic involvement in “Mariahilfer Straße neu”; not an integral strategy
Lifestyle		
Housing stock with character	Industrial loft housing, brownstone buildings	“Founding period” and Biedermeier
Distinct and authentic history	Industrial, half-legal and kind of non-mainstream character (<i>urban legends</i>)	Former lively amusement district
Potential for extended cultural and commercial supply	Existing ethnic entrepreneurs and new creative uses	New ground floor use by architects and design offices; cluster of hair dressers and restaurants
Psychology		
Tipping point for future development	Courage and target orientation	Rebuilding of underground metro line U3
Me-too behaviour	Participation in assumed value increase	“Followers” instead of “pioneers” on developer and ownership side
	Identification with hip, edgy neighbourhood reputation	“Little Berlin”

Tab. 37: Stimulators for Gentrification at the Neighbourhood Level in Mariahilf. (own illustration)

However, as gentrification in Vienna is perceived to be slower, more gentle and even more social, more contextualized parameters impeding or stimulating gentrification can be added. Impeding parameters lie in the well-cited reference to the predominance of social housing and low profit margins in the private rental market. Social housing as a necessary zoning code in new-build developments limits the possibility of market-price development significantly. The prices on the housing market are politically influenced by strong tenant laws and rent regulations as well as regulations incorporated in public subsidies. From a residential point of view, low tenant mobility impedes gentrification, as does the fact that only limited rental price adjustments are possible within existing rent contracts.

In contrast, increasing residential mobility is now found among certain groups of tenants. This increased mobility enables landlords to adapt rental contracts more often. In addition, overpriced rents become accepted conditions among residential communities (“Wohnungsgemeinschaften”) and in favoured neighbourhoods that provide a distinct architectural quality, for instance, in centrally located neighbourhoods with a large stock of buildings from the “founding period.” Changing lifestyles, for instance, more single-households, greater demand for increased floor size and a shift towards creative entrepreneurialism, have put even more pressure on the availability of pre-1945 apartments. The influx of new residents, for instance, through the relocation of universities, should also not be underestimated. As it can be seen in the 2nd district, the combination of prostitution bans and the relocation of the University of Economics are currently stimulating a changing residential mix in the adjacent neighbourhoods.

At the macro level, changing overall conditions may stimulate local gentrification as well. Due to the economic and financial crises, insecurity and mistrust in financial products have stimulated an increased demand for real estate property. Especially in Austria and Vienna, these “Panikkäufe” of “Betongeld” are based on a well-funded national economy.

Past and Future Places of Gentrification in Vienna

Although the political debate is not perceived as being aware of gentrification in Vienna, the actor analysis reveals an interest in identifying past and future places of gentrification in Vienna both on the part of public actors as well as private actors.

Well-established examples for past gentrification in Vienna refer to the Blutgassenviertel in the 1st and Spittelberg in the 7th district. To a certain degree, also the neighbourhood around Brunnenviertel in the 16th district is considered a gentrified area.

For future investment, the inner-city locations in the 2nd, 5th and 6th district as well as the traditionally more affluent and “green” neighbourhoods in the 13th, 18th and 19th are mentioned as “interesting” neighbourhoods. With regard to profit expectations, spill-over affects from the 6th to the 15th, as well as in selected areas in the 16th and 17th district have been mentioned. Ongoing transformation in the 15th district has also been confirmed by the intermediate actors. Although the area around the new main railway station is being debated controversially, positive investment expectations can be identified for the Sonnwendviertel, whereas the remaining 10th district does not provide significant profit potential.

12.4.5 Reflecting on the Actor Analysis

During empirical data collection and analysis, a lack of quality in terms of substantially and reflectively argumentation was noticed. In contrast to the Williamsburg case, only few expert interviews seemed to be of value for precisely understanding the urban rejuvenation practices in Vienna. Interviews easily lost their focus, ran off topic or referred repeatedly to stereotyped information. To include also a reflection on the role as a researcher, this perception might be based on an overcritical perspective by a local researcher. On the other hand, the perceived lack of professionalism might be rooted in more structural reasons deriving from a deeply entrenched bureaucratic-hierarchical system.

As a result, urban development policies in Vienna are strongly linked to sociodemocratic values. Due to the traditional understanding of urban development as a public responsibility to provide social housing and due to rapid population growth, urban development policies are predominated by matters of housing supply with regard to quantity and quality. There is no integrative visionary strategy of urban or neighbourhood development. The urban development plan frames the strategic approach, but the strategic element gets lost in the complex system of administrative responsibilities, political attitudes and sensitivities intermingling at all levels of urban planning.

The complex multi-layered system of urban planning in Vienna has an impact on the internal organisational structure, but also on external cooperation. Internally, collaboration across different authorities is in a preliminary phase since the integration of the Green Party in the city government. Still, hierarchical and political sensitivities have to be overcome within cross-sectoral matters in urban development. A shift from short-term thinking based on winning political elections towards more long-term strategies is crucial in urban policies, but seems to be very difficult in Vienna. The actor analysis in Vienna identifies considerable interference between politics and urban planning.

Characteristics of Bounded Rational Choices in the Social Welfare State Context:

- 1. Strong interplay between politics and urban planning strategies.*
 - 2. Self-understanding of city government as “housing supplier” leads to an overemphasis on housing policies instead of dedicated urban development policies.*
 - 3. Regulations and public incentives serve as public steering instruments to limit the field of actors in urban rejuvenation strategies.*
 - 4. Gentrification is favoured in the sense of a “soft” or “gentle” gentrification guaranteed by political regulatives.*
 - 5. There is a strong need to adapt existing political, administrative and participative structures to changing framework conditions.*
-

Externally, the bureaucratic system of city governance impacts the field and a variety of actors participating in urban policies. With regard to urban development, the field of actors is limited due to exclusionary practices based mostly on an intransparent communication of information and poor access to responsible actors. Actor analysis reveals not only a lack of international actors in

urban rejuvenation practices, but also a lack of geographically diverse national actors. Especially among private actors who are politically and organisationally close to the city government, the set of participating actors rarely changes. Especially in the social housing sector, the interplay between the city government and private actors gives the impression of being very well-maintained, with defined demands and expectations on both sides. On the one hand, the “system stability” of actor networks enables a well-elaborated implementation of housing aims. On the other hand, it excludes new actors and does not facilitate new strategic and visionary approaches in urban development. As a result, it maintains a certain mediocrity full of “no surprises” in urban planning.

However, Vienna’s set of actors and strategies in urban policies are in transition due to changing overall conditions. At the political level, the shift from a traditional Social Democratic city government to a joint coalition of the Social Democratic Party and the Green Party has introduced new values, strategic approaches and an influx of new actors. Changes in organisations are usually linked to conflicts, especially in organisations with established structures. Therefore, the current situation of overlapping responsibilities and diverging political perceptions in urban policies is evidence of impending organisational restructuring. These processes require time and should contribute to a reframing of urban development.

Adaptation in urban policies is also necessary due to changing overall conditions at the macro level. The global economic crises combined with rapid population growth are currently the most challenging components in urban development. Based on its self-understanding as a “housing supplier,” Vienna needs adapted instruments and policies in urban planning to secure the quality and quantity necessary to meet the requirement of both existing and new residents. The actor analysis identifies a psychological gap in the political understanding of changing conditions, while the demands on various actors must be satisfied at the same time. The example of higher densities in central and urban extension areas visualises this psychological gap: On the one hand, the higher densities represent a clear necessity. On the other hand, protective forces among actors hinder the implementation of higher densities due to fear of political consequences.

Nevertheless, Vienna is still in need of further consolidation with regard to administrative, regulative and financial resources to facilitate future growth. This means only fewer bureaucratic obstacles, but also more adapted regulations and planning instruments. The recently published revision of building code regulations and a rethinking of subsidised urban rejuvenation may serve as current examples. But it also means a consolidation of financial resources, requiring the integration of new actors, too. A shift towards facilitating private investment either through fewer regulations or through the integration of new responsibilities, for instance, by “städtebauliche Verträge,” should not be foredoomed as a neoliberal shift. Rather, it should be acknowledged as an honest attempt to protect the social democratic heritage for a liveable city.

12.5 The Contextualized Interplay of Policies, Actors and Gentrification

The policy and actor analysis for Mariahilf in Vienna identifies a discrepancy between the socio-democratic values implemented and protected, on the one hand, by private and intermediate actors who are close to the government, and neoliberal and market-driven conditions that are having an increasing impact on the “stable system” in Vienna on the other hand. This also means gentrification will probably remain “soft” or “gentle” as long as the “stable system” with its many regulations and social housing provisions continues to work well. However, as soon as this system becomes destabilized due to changing external and/or internal conditions, market forces will increase their influence and support social fragmentation and exclusionary processes in Vienna.

Vienna is a very well-administered city that has the advantage of a historically rooted tradition in bureaucratic and hierarchical structures. Combined with a strong national economy and geopolitically optimal position within the European Union, Vienna commands many resources that support high standards of living even in economically and demographically challenging situations. As the policy and actor analyses show, Vienna can implement any necessary adaptations to meet future challenges. In terms of urban development, the adaptation process refers to various levels.

First, Vienna needs a holistic strategy on a general and political level. Solutions have to be reached with regard to the overemphasis of housing policies. The current work on an updated urban development plan provides the chance to define a strategic vision of urban development at every level. The gap between city, district and neighbourhood levels can be closed through the implementation of measureable aims and benchmarks. It is not necessary to develop an additional planning instrument at the district level, for instance, a district development plan. But it is necessary to define measurable benchmarks in cooperation with all representatives for urban development at the different political levels. Only when a common strategy is in place can political obstacles be overcome in favour of a coherent and high-quality urban development.

In addition, a commitment is necessary on how far future urban development should consider urban rejuvenation and urban extension. To a certain degree, this is included in STEP05 and might be considered in the updated urban development plan as well. But until now, there has been no shift towards thinking in terms of “development potential,” instead of “project-based”. Future urban development requires an assessment of the development potential both in existing and new-build housing stock. Based on an input-output calculation considering means to protect structural and social-cultural interests, decisions should be made with regard to the financial distribution of urban renewal and social housing subsidies. Again, this might be in place as policy analysis already showed. But actor analysis reveals a “Viennese way” that supports reactive solution-finding processes but not a coherent and future-oriented strategy.

Third, planning instruments need to be adapted to meet the changes in ongoing overall conditions and to decrease bureaucratic obstacles. The revised building code regulations serve as a first example of something that incorporates such changing overall conditions specifically at the economic and ecological levels. Administrative and building regulations are being mitigated to facilitate cost-efficient housing construction. Strict ecological construction regulations are now better aligned with practical construction necessities. Also, changing overall conditions that have an impact on social structures are being included, for instance, through the creation of a new zoning code “social housing” enabling the city government to steer gentrification in urban extension areas.

Due to the strong link between politics and urban planning, adaptation at the administrative and financial level goes hand in hand with adaption of the political framework⁷¹. However, the component of participation should be considered critically. The policy and actor analyses reveal a discrepancy between favoured and accepted participation and actual participation. This study does not limit participation to civic participation, but rather defines elements of participation among the levels concerned with political-administrative matters, actor implementation and civil society.

First, the political-administrative participation requires increased collaboration across authorities that are in charge of urban planning. In official terms, this collaboration is considered self-evident and indeed already in place. However, actor analysis identifies strong political and hierarchical sensitivities that in fact hinder the practical daily business of urban planning. The “Viennese way” might include a certain deliberateness that oftentimes prevents premature decisions. But it is also a product of overlapping responsibilities and short-term thinking that in the long run hinders strategic decision-making processes.

Second, participation at the actor-implementation level means the inclusion of various actors and permeable urban policies. At the moment, urban development in Vienna is a closed system with a more or less stable set of actors who implement the housing goals as defined by the city government. To secure the proper quality in the built environment, which also includes the quality of open space as well as the social and technical infrastructure, a variety of actors is required. Only that can facilitate the necessary expertise, customized solutions, cross-sectoral thinking and cost-effectiveness.

Third, the participation of civil society is a “Bring-und-Hol-Schuld” (“obligation to provide and collect”). From a government point of view, civic participation must be facilitated by a systemized set of participatory possibilities that is in place and can be activated whenever necessary. This means, for instance, providing information, taking public surveys and allowing participation in the budgeting process. Since the incorporation of the Green Party in 2010, new participatory elements have been installed in urban planning. However, the current approach is still largely a project-based implementation of participation driven by political interests or conflicts. For future urban planning, there must be a strategy of participation that proactively defines a set of participation possibilities available at the various levels of urban planning and that are binding under defined circumstances. From a societal point of view, participation is very much a “Hol-Schuld,” meaning it is the responsibility of every resident to participate and to help shape urban planning processes. Because such avenues of participation are not very well-established in Vienna, facilitating participation must be considered a long-term educational process promoted by public measures and a matter of civic responsibility.

To conclude with the aspect of gentrification, the handling of gentrification in Vienna needs some adaption. Due to the changing conditions explained above, the city government must present a revised and strategic position towards gentrification. As the analysis shows, a mixture of regulations now exists that impedes gentrification in Vienna. However, gentrification will occur even in a social welfare state system, at least in a contextualized, soft and regulated way.

To sum up, gentrification in Vienna might not occur in the strict sense of direct displacement, but there are tendencies toward indirect displacement softened by a long time period. Within these processes, we have to see the policies and intermediate actors who are implementing local policies

⁷¹ „Wien füllt die Baulücken. Verunsicherte Anleger gehen in den Immobilienmarkt“
http://www.welt.de/print/die_welt/finanzen/article108402840/Wien-fuellt-die-Bauluecken.html, 19-08-2013.

in light of their role in these processes. As a consequence, statistical data and the measureable evaluation of actors who are close to the city government have to be available in order to affirm or refute such accusations of facilitating gentrification at the local level.

Such an approach towards gentrification also means effecting city-wide policies. The consistent social monitoring of socio-demographic changes as well as preparing measureable definitions of urban rejuvenation goals and ongoing evaluation must be implemented. Despite a set of regulatory instruments, there is still a need for to define a commitment towards or against private capital and investment that in the long run could lead to gentrification.

Vienna's current situation seems to be at a tipping point where a balance has to be found between the protection and financing of social-democratic values and supply. Due to economic challenges at the macro and micro level, any consolidation of public financial resources must consider the integration of more market-driven private actors in order to facilitate private capital. This shift towards a more interchangeable system of urban development should not be judged as a neoliberal practice. Rather, it should be aimed at reaching an understanding about protecting the social-democratic heritage, comprising accessibility to affordable housing and a high standard of living quality facilitated by a mixture of public and private financial resources. Gentrification can occur at the local level too and should not be prevented in advance. Instead, the city government and politicians involved in urban rejuvenation practices need to be aware of any impeding and supporting parameters of gentrification in Vienna. It is an absolute necessity to understand the complex mechanism gentrification and its relationships to housing and rejuvenation policies, which are continuously being adjusted by macro forces to ensure "soft" or "gentle" gentrification.

In the future, political debate should not circle around the question whether or not gentrification is occurring in Vienna, and if so how it should be labelled. Instead, political debate should take up a position towards gentrification as an inherent component within urban rejuvenation practices.

13. Urban Rejuvenation Between Neoliberal and Social Welfare State Context: Prenzlauer Berg, Berlin

The quote „Berlin is poor, but sexy“⁷² cuts to core. Exclaimed by Berlin’s Mayor Klaus Wowereit during an interview with the German magazine *Focus Money* in 2003, taken out of context the statement can quite easily be misconstrued. But for this case study in Prenzlauer Berg, it serves as an excellent starting point. Berlin has been chosen as an “in-between example” with regard to urban rejuvenation practices. “In-between” serves as a proxy for the current situation using neoliberal approaches to urban rejuvenation within a social welfare state context in order to facilitate private capital. Here, the city reaches the crossroads between serving investors and satisfying residents. Instead of defining a coherent strategy on how to balance a tight public budget and keep up affordable housing, social infrastructure and public goods for the inhabitants, urban policies react to ongoing processes instead of proactively steering them.

Similar to the cases in New York City and Vienna, Berlin is becoming popular once again as a good place to live, work or to travel to. It took a while after the German reunification until Berlin began to turn its inherent disadvantages into advantages. Although the headquarters of international companies are still underrepresented in Berlin, the city is well known for its creative and entrepreneurial spirit influenced by largely new residents. Instead of serving prime global companies, Berlin manages to provide an attractive business environment for many start-ups, young entrepreneurs and mid-sized companies. These businesses find well-educated and comparably affordable employees and space in Berlin.

In turn, the young creative class who moves to Berlin because of its vibrant lifestyle appreciates the unconventional and high living quality, meaning affordable housing, comparably low prices for essential goods or a diverse cultural scene. This oversupply of affordable essentials counterbalances the low wage level. In addition, the young entrepreneurial scene attracts a certain kind of employee who appreciates the ancillary environment to identify market-niches and to start their own business. Generally speaking, the current organisation of the labour market in Berlin represents a self-strengthening system at least within the segment of the “young creative clientele.”

Finally, Berlin became a must-do for young and international tourists. The so-called „easyjet“-tourists appreciate Berlin’s centrality on the European city-hopping map. Low travel costs, affordable hostels at inner-central locations, low support costs and an unlimited supply of 24/7 services, clubs, parties and bars mean a dynamically increasing popularity among young travelers from all over the world⁷³. Complementary to the low-cost segment, also high-end tourism has also developed a new strand in Berlin. Affluent tourists buy apartments as holiday flats or second residences. Or, private apartments are turned into holiday flats that are then rented out on a daily or weekly basis, producing more profit than the regular monthly rent.

In contrast to the situation in New York City and Vienna, however, Berlin seems to be unable to cope with the dynamic transitions going on within the city. Instead of adapting urban policies to the new

⁷² „Wowereits Berlin-Slogan ‚Arm, aber sexy‘“

http://www.focus.de/politik/deutschland/wowereits-berlin-slogan_aid_117712.html, 21-08-2013.

⁷³ “In Berlin, You Never Have to Stop”

http://www.nytimes.com/2012/11/25/magazine/in-berlin-you-never-have-to-stop.html?pagewanted=all&_r=0, 21-08-2013.

realities of an improving business environment, increasing private capital and population growth, the city continues to generate as much investment as possible. Within the political perception, Berlin is still “poor, but sexy” and continues to facilitate as much investment as possible in order to fill empty public coffers.

Before the external investments by businesses and investors started to flow, Berlin attempted to generate as much revenue as possible by the sale of public assets. The sale of large parts of city’s public housing stock gained much negative publicity (HOLM 2008). Recently, population growth has increased in particular in popular districts in central locations, namely, Mitte, Prenzlauer Berg, Kreuzberg, Neukölln or Friedrichshain. After decades of depending on external investment in the built environment, social and technical infrastructure facilitated by tax abatements, public subsidies as well as federal and European fundings, there is now a continual influx of private capital into residential development in these neighbourhoods. These residential areas became even internationally well known for their high living quality and have attracted new, more affluent residents to move to Berlin⁷⁴. Especially in the segment of new-build residential developments the demand for luxury housing is not yet satisfied. Early examples of controversial high-end residential projects, for instance, Marthahof or Choriner Höfe in Prenzlauer Berg, are no longer the exception⁷⁵. Although Berlin does not suffer from a housing shortage due to ample building land and housing resources, tight housing markets and increasing real estate and rental prices are present in a few central neighbourhoods.

The influx of private capital and more-affluent residents changed local housing markets and neighbourhood characters. Declined neighbourhoods passed a cycle of incomparably rejuvenation of the built environment⁷⁶. In neighbourhoods like Prenzlauer Berg, not only existent residents have been motivated to stay in their newly renovated apartments, also new residents are attracted to move into these nicely rehabilitated neighbourhoods. The neighbourhood mix began to change due to a set of different parameters. Rents increased within allowed limitations due to renovation or expiring funding duration⁷⁷. Combined with limited housing stock and building land, demand is exceeding supply that has an impact on housing prices. Parallel to socio-demographic changes in the neighbourhood, the commercial supply adapts to the new demands of the local group of consumers. Referring to ZUKIN’s et al. (2009) concept of “boutiquing” organic supermarkets instead of low-cost chains, frozen yogurt shops instead of ice-cream shops, Pilates studio instead of gymnastics clubs or interior designer instead of carpenter spread out in the ground floors. In Prenzlauer Berg, this process is called “Prenzelbergisierung” accompanied by the metaphor of “Bionade-Biedermeier” referring to the new bohemian clientele living and working in the neighbourhood. It also indicates the occurrence of “protecting powers” meaning former newcomers try to protect now their traditional values which leads to conflicts ranging from requiring a children-friendly environment to

⁷⁴ „Berlin ist attraktiver als Wien“

<http://www.immobilien-zeitung.de/110219/berlin-ist-attraktiver-als-wien>, 21-08-2013.

⁷⁵ „Die nächste Vorstellung heißt „Wohnen im Loft“

<http://www.tagesspiegel.de/wirtschaft/immobilien/fabriketagen-die-naechste-vorstellung-heisst-wohnen-im-loft-/3913074.html>, 21-08-2013.

⁷⁶ „Sanierung: Bezirk Spitzenreiter“

http://www.prenzlauerberg-nachrichten.de/politik/_/sanierung-bezirk-spitzenreiter-171259.html, 21-08-2013.

⁷⁷ „Am Ende der Weserstraße“

<http://www.zeit.de/2012/19/F-Wohnungssuche>, 21-08-2013.

„Prenzlauer Berg ist das neue Wilmersdorf“

http://www.prenzlauerberg-nachrichten.de/alltag/_/prenzlauer-berg-ist-das-neue-wilmersdorf.html, 21-08-2013.

silence during night and even to unreflected but well-debated slogans against Swabians (“Schwabenhass”)⁷⁸.

After years of decline and reinvestment until the Fall of the Wall, Prenzlauer Berg passed the cycle of reinvestment, gained new popularity and faces itself at the peak of a long phase of neighbourhood development. First evidence of an upward cycle can be identified already. Due to the increasing rent prices, residents move to more affordable district. Nevertheless, the influx of more affluent residents seems not to decrease. Both processes of out-moving residents and in-moving residents demanding a distinct middle-class lifestyle lead to homogenization of the neighbourhood⁷⁹. Prenzlauer Berg runs risk to loose attractivity because of its attractivity⁸⁰. The neighbourhood became too perfect, too homogenous in residents, cultural and commercial supply and too expensive.

Actors within urban rejuvenation practices are aware of this risk of an upward cycle. People, comprising residents⁸¹, consumers or tourists, know it already and draw their consequences. They move to other neighbourhoods, go for shopping to Kreuzberg or book their hostel in Neukölln. While urban policies continue with “business as usual.” Despite alert signals from local initiatives, intermediate organisation⁸² or academics, urban policies are still following the neoliberal paradigm of facilitating as much investment as possible while acting in a social welfare state system. The necessity to adapt to new realities is noticed, but implementation demands many structural and administrative changes.

This case study attempts to identify the arenas of adaptation taking into account the political-institutional framework and the changing framework conditions. Prenzlauer Berg serves as an example for a neighbourhood that changed rapidly due to a set of political, economic and socio-demographic changes at various levels. It represents the “Sonderfall Ost-Berlin” that supported upgrading processes in time and spatial dynamics. In contrast to the neoliberal case in Williamsburg that represents a well-defined neoliberal strategy and to the social welfare state case in Mariahilf that is adapting to protect the Social Democratic heritage, the case of Prenzlauer Berg seems to be over-challenged to fit neoliberal strategies into a social welfare state system⁸³. Current local policies in Prenzlauer Berg, for instance, “Luxusverbot”⁸⁴ or “Ferienwohnungsverbot”⁸⁵ fall short. Collaboration at all levels aligned with a commonly accepted strategy is missing. It is assumed that

⁷⁸ „Schwabenhass ist ein Phantom“

<http://www.taz.de/Interview/!115836/>, 21-08-2013.

⁷⁹ „Das Magische ist weg“

<http://jetzt.sueddeutsche.de/texte/anzeigen/537448/Das-Magische-ist-weg>, 21-08-2013.

⁸⁰ “Is trendy East Berlin losing its edge?”

<http://edition.cnn.com/2011/WORLD/europe/02/16/berlin.gentrification/index.html>, 21-08-2013.

⁸¹ „Die Berliner Mischung kippt“

<http://www.taz.de/!74443/>, 21-08-2013.

⁸² „Gentrifizierung. Tatenlosigkeit kommt teuer“

<http://www.mieterverein-berlin.de/magazin/online/mm0111/hauptmm.htm?http://www.mieterverein-berlin.de/magazin/online/mm0111/011133.htm>, 21-08-2013.

⁸³ „Politik gegen steigende Mieten“

http://www.prenzlauerberg-nachrichten.de/politik/_/manahmen-gegen-steigende-mieten-171265.html, 21-08-2013.

⁸⁴ „Aus Investoren-Sicht“

http://www.prenzlauerberg-nachrichten.de/politik/_/aus-investoren-sicht-171266.html, 21-08-2013.

„Luxusverbot für Prenzlauer Berg“

http://www.prenzlauerberg-nachrichten.de/politik/_/luxusverbot-fur-prenzlauer-berg-171009.html, 21-08-2013.

⁸⁵ „Außentermine“

http://www.prenzlauerberg-nachrichten.de/politik/_/auentermine-171045.html, 21-08-2013.

the analysis of these two poles contributes to an understanding of rejuvenation practices stretching from neoliberal to social welfare state approaches.

13.1 Location, History and the Current State of Gentrification and Urban Rejuvenation

Location

The selected case study in Berlin lies in the borough of Pankow and comprises the gentrified neighbourhoods “Kollwitzplatz” and “Helmholtzplatz” in the inner-city district Prenzlauer Berg. The study area belongs to the former East Berlin. It is surrounded by the district “Reinickendorf” in the Northwest, “Lichtenberg” to the East, “Friedrichshain Kreuzberg” to the South and “Mitte” to the Southwest. Prenzlauer Berg is structured in quarters (“Kiez”) due to avenues like Schönhauser or Prenzlauer Allee and circular roads. For instance, Danziger Straße physically orders the quarters to the South and the North, comprising “Kollwitzkietz” in the South and “Helmholtzkietz” in the North. The neighbourhood is characterised by an attractive inner-city location and good access to public transport including the S-Bahn, metroline U2 as well as several tramways and busses.

Similar to the situation in Vienna, the study area in Prenzlauer Berg is characterised by an almost cohesive building stock dating back to “founding period” that provided space for working-class people and small manufacturing at the end of the 19th and the early 20th century. A large number of so-called “Mietskasernen” can be found in this neighbourhood, for instance, multi-story tenement buildings located on the street front and including several back and side buildings as well as courtyards. These residential areas were densely occupied at the turn of the 20th century and were characterised by a situation in which “[f]amilies shared small, cramped, and inadequately heated apartments that, together with industrial workshops, surrounded dark inner courtyards. Apartments lacked toilets; in some Prenzlauer Berg buildings, 10 flats shared a single toilet” (LEVINE 2004: 92).



Map 6: The Case Study in Prenzlauer Berg, Berlin (own illustration based on Google Maps)

Historical Characteristics

During the Communist era, this building stock decayed even further and was not on the policy agenda in terms of urban renewal. Families preferred to live in newly built high-rises providing better living conditions with private toilets, central heating and insulation. The historical housing stock in Prenzlauer Berg became more and more abandoned and turned into a space for alternative scenes (LEVINE 2004: 92). Dissidents, political and societal outcasts as well as artists who more or less openly communicated their criticism of the political system found cheap living spaces in Prenzlauer Berg. This neighbourhood became popular before 1989, and “[...] gained the reputation for being sort of an East German version of Greenwich Village [...], a place for intellectuals, artists, counter-cultural lifestyles, and LSD and hashish use” (ibid.: 92).

This situation set the stage for starting gentrification after the fall of the Wall. Location factors like centrality and connection to public transport as well as more “psychological” factors like hipness and the presence of a creative scene supported the interest of investors. Moreover, vacant spaces, available affordable real estate properties as well as tax abatements for renewal projects created an “investment battlefield” in Prenzlauer Berg that was largely impacted by speculators and property entrepreneurs (ibid.: 93). Investment started soon after Germany’s reunification, accompanied by public urban renewal programmes aimed at a socially compatible upgrading process. However, the academic literature refers to gentrification processes in Prenzlauer Berg that resulted in significant socio-demographic changes.

In the public perception, Prenzlauer Berg is one of the “Kult-Kieze” in Berlin that all incorporate central-city location, good access to public transport, attractive historic building stock and a creative art scene. Driven by an influx of higher-income residents, new commercial supply and investment in the renovation of the building stock, former affordable spaces eventually become gentrified. The emphasis in Berlin lay in the spatial relocation of urban rejuvenation, starting in the 1980s and lasting up to the present day. This spatial shift can be described as a “cycle of upgrading dynamics” (KRAJEWSKI 2013: 26) that started in Spandauer and Rosenthaler Vorstadt located in Mitte, proceeded further to Kollwitzplatz, Helmholtzplatz and Bötzw-Viertel in Prenzlauer Berg, towards central parts in Friedrichshain, Neukölln, Kreuzberg and the so-called “Kreuzkölln”. Currently, public debate concerns the increasing rent prices in those neighbourhoods at the end of the circle. The question arises where the “caravan of gentrification” will lead in the future.

Current Urban Rejuvenation in Prenzlauer Berg

BEFORE



Fig. 25: Unrenovated Building at Odenberger Straße in Prenzlauer Berg
(own picture: 2011)

IN PROGRESS



Fig. 26: Ongoing Urban Rejuvenation in Prenzlauer Berg
(own picture: 2011)

IN-FILL



Fig. 27: In-fill Development Potential at Kastanienallee in Prenzlauer Berg
(own picture: 2011)

LUXURY HOUSING



Fig. 28: Luxury Housing “Marthashof” at Schwedter Straße in Prenzlauer Berg (own picture: 2011)

OPEN SPACE



Fig. 29: Creation of Open Space Through Urban Rejuvenation in Prenzlauer Berg (own picture: 2011)

SPECIFICS



Fig. 30: Public Gentrification Awareness in Prenzlauer Berg (own picture: 2011)

13.2 Quantitative Neighbourhood Profile

Since Germany's reunification, the socio-demographic composition has changed significantly in Prenzlauer Berg due to economic, demographic and social transformation processes. Although the academic literature indicates a diversified influx of new residents and rapidly changing socio-economic parameters, quantitative data are necessary to support the arguments of a "neighbourhood in flux". Similar to the case studies in New York City and Vienna, the neighbourhood profile on Prenzlauer Berg includes statistics on land use, population and housing at various levels.

Land Use

According to AMT FÜR STATISTIK BERLIN-BRANDENBURG (2012), Berlin consists of 891 hectares in total. Pankow comprises 103 hectares, which represents approximately 11 percent of the total area in Berlin. The highest share of land use in Pankow can be found among "buildings and open spaces", followed by farmland and public thoroughfares. Recreational areas and farmland are significantly larger in Pankow compared to Berlin, whereas forest areas are less available in Pankow.

	BERLIN	%	PANKOW	%
Buildings and Open Spaces	36,925	41.4	3,740	36.3
Factory Areas	811	0.9	141	1.4
Recreation Areas	10,641	11.9	1,357	13.2
Public Thoroughfares	13,283	14.9	1,384	13.4
Farmland	3,738	4.2	1,862	18.1
Forest Areas	16,328	18.3	1,342	13.0
Water Areas	5,968	6.7	160	1.6
Other	1,481	1.7	322	3.0
TOTAL	89,175	100.0	10,308	100.0

Tab. 38: Land Use in hectare in Berlin and Pankow, 2011

(own illustration and calculation; data based on AMT FÜR STATISTIK BERLIN-BRANDENBURG 2012)

Population

Following Germany's reunification, population projections were based on overoptimistic assumptions. Contrary to the assumed rapid population growth, Berlin's population growth has been less than 1 percent up through the year 2010. However, the 2011 census revealed a growth rate higher than 1 percent, resulting in a total population of 3.5 million residents.

	1987	Difference in %	1990	Difference in %	2009	Difference in %	2010	Difference in %	2011	Difference in %
Berlin	3,289,637	7.8	3,433,695	4.4	3,442,675	0.3	3,460,725	0.5	3,501,872	1.2
Pankow	329,175	-20.5	302,327	-8.2	365,697	20.1	370,938	1.4	375,938	1.3

Tab. 39: Population Development from 1987 to 2011
(own illustration and calculation; data based on AMT FÜR STATISTIK BERLIN-BRANDENBURG 2012)

As Table 39 shows, the population dynamics in Pankow differ from citywide developments. After dramatic population losses right before the Fall of the Wall in 1989, between 1990 and 2009 Pankow experienced a growth rate of greater than 20 percent. However, population dynamics in terms of growth have fallen since 2010, though they are still slightly higher than citywide rates, resulting in a total population size of roughly 376,000 inhabitants in 2011.

2011	Berlin	%	Pankow	%
Total Population	3,501,872		375,938	
Immigrants Total	478,212	13.6	25,710	6.8
EU Total	166,115		14,028	
Of that Poland	43,984		2,164	
Of that Italy	17,441		1,665	
Of that France	14,001		1,735	
Of that Greece	10,146		516	
Turkey	102,956		803	
Serbia	18,918		339	

Tab. 40: Immigrant Shares in Berlin and Pankow, 2011
(own illustration and calculation; data based on AMT FÜR STATISTIK BERLIN-BRANDENBURG 2012)

In Pankow, in the year 2011 the share of immigrants amounted to 6.8 percent of the total district population. This differs significantly from the citywide share. Berlin is well known for the diversity of its population, something supported by the 13.6 percent share of immigrant population. Among citizens from the European Union, Polish immigrants represent the largest group both in Berlin and Pankow. The Turkish population, which includes more than 100,000 residents in Berlin, however, is underrepresented in Pankow. Statistically, Pankow cannot be considered as an immigrant district. This argument may also be found in the actor analysis, which refers to low immigration population as a benefit for attractive neighbourhoods.

2011	Total	< 6	%	6-15	%	15-20	%	20-45	%	45-65	%	> 65	%
BERLIN	3,501,872	189,940	5.4	242,519	6.9	134,358	3.8	1,295,504	37.0	976,284	27.9	663,267	18.9
Male	1,717,645	97,623	5.7	124,422	7.2	68,541	4.0	655,388	38.2	488,248	28.4	283,423	16.5
Female	1,784,227	92,317	5.2	118,097	6.6	65,817	3.7	640,116	35.9	488,036	27.4	379,844	21.3
PANKOW	375,938	24,326	6.5	25,374	6.7	10,290	2.7	165,496	44.0	91,995	24.5	58,457	15.5
Male	185,387	12,473	6.7	13,143	7.1	5,171	2.8	82,303	44.4	48,505	26.2	23,792	12.8
Female	190,551	11,853	6.2	12,231	6.4	5,119	2.7	83,193	43.7	43,490	22.8	34,665	18.2

Tab. 41: Sex and Age Group Distribution in Berlin and Pankow, 2011
(own illustration and calculation; data based on AMT FÜR STATISTIK BERLIN-BRANDENBURG 2012)

The age distribution among population in Berlin shows the sociodemographic trend towards an aging society. Of the total population in 2011, more than 45 percent were older than 45 years, the largest share of 37 percent being among the group of 20- to 45-year-olds. This proportion is significantly higher in Pankow, where 44 percent of the total population is between 20 and 45 years old. This figure can be enriched by statistical data provided by AHLFELDT and MAENNIG (2009: 1349) from Prenzlauer Berg. They refer to a 47 percent share for the population group aged older than 27 and younger than 45 (data from 2005). On the other hand, the age group below 6 years is slightly higher in Pankow compared to Berlin, which AHLFELDT and MAENNIG (ibid.) also mention. Combined with the overrepresentation of the age group 20 to 45 years, this might serve as statistical proof for the “young family” character in Pankow.

The political and public debate on gentrification in Berlin often refers to the socio-economic situation of the local population. The average income of households in Berlin is considerably lower than in other German cities. In addition, the share of so-called “Transferempfänger” (“recipients of social benefits”) is relatively speaking larger in Berlin, whereas living costs seem to be lower. Table 42 illustrates the source of income in 2011 with regard to family types.

Family Status	Total	Employed	Unemployment Benefits	Hartz IV	Pension	Own Assets, Renting, Leasing	Supported by parents, partner, others
Total	3,474.6	1,496.1	34.7	322.6	798.4	27.3	795.4
Single	1,663.1	719.1	17.1	163.5	84.4	13.6	665.5
Married	1,265.7	606.6	12.6	95.8	427.9	9.4	113.5
Widowed	211.7	16.6	/	/	185.3	/	/
Divorced	334.1	153.8	/	58.8	100.9	/	13.2
German Citizenship	3,000.8	1,306.9	29.5	225.3	751.4	22.3	665.4
Non-German Citizenship	473.8	189.1	5.3	97.3	47.0	5.1	130.0

Tab. 42: Family Type and Subsistence in Berlin, 2011 (in 1,000)
(own illustration and calculation; data based on AMT FÜR STATISTIK BERLIN-BRANDENBURG 2012)

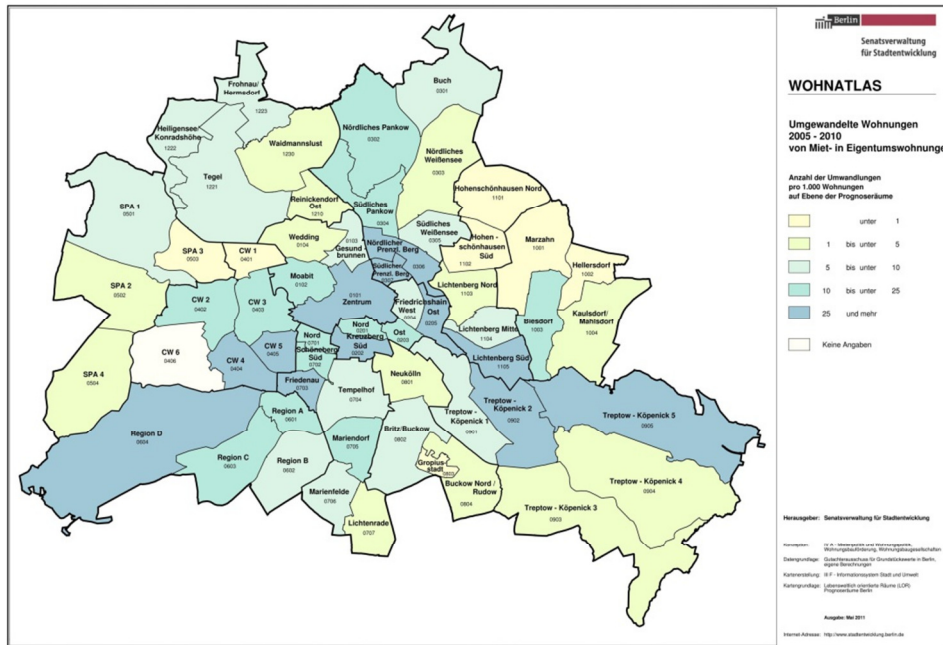
Under the assumption that “unemployment benefits” and “Hartz IV” mainly represent income sources stemming from public funds for a population of working age, in 2011 roughly 350,000 out of the 3.47 million inhabitants depended on social benefits. For Berlin this represents a share of approximately 10 percent predominantly single individuals who do not participate in the labour market. The shares of recipients of pensions and other alimentations contribute to the group of persons dependent on outside income sources. It also increases the vulnerability among these households when it comes to changes in the direct environment, for instance, increasing rents or changing cultural or commercial supply of housing.

Housing

Berlin has been traditionally a rental city. Around 1.63 million apartments or 86 percent of total housing units in Berlin are rental units (SENATSVERWALTUNG FÜR STADTENTWICKLUNG UND UMWELT (n.d.)). Contrary to Vienna, the majority of apartments (72.2 percent) are owned by private landlords, followed by municipally-owned housing cooperatives (16.4 percent) and other housing cooperatives (11.4 percent).

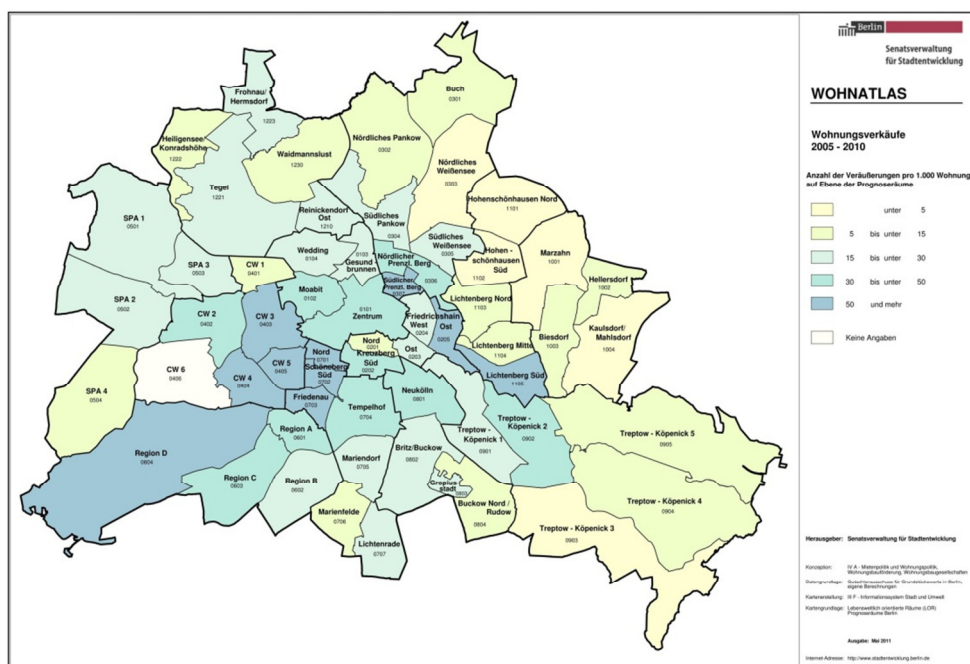
However, the housing market in Berlin is changing. Due to an influx of new residents, housing options have become limited and rents as well as property prices are on the increase. A declining vacancy rate in Berlin indicates a transformation towards a tighter housing market. According to SENATSVERWALTUNG FÜR STADTENTWICKLUNG UND UMWELT (n.d.), approximately 133,000 apartments (6.3 percent of the total) were vacant in 2010. Since 2003, the number of apartments vacant for 6 months and longer declined from approximately 150,000 units to 96,000 units in 2010, representing a vacancy rate of 5.0 percent. For a better interpretation, additional figures would be necessary with regard to apartment size and price. At this point, our interpretation can refer only to the public debate criticising the loss of small, affordable apartments in Berlin.

The limitations in housing market options also affects changes from rental to owner-occupied apartments. Former rental apartments become condominiums mostly through the process of renovation. As a result, the rental housing stock has been declining inasmuch as new construction does not compensate the loss within the overall housing stock. As Map 7 shows, more than 25,000 apartments were transformed from rental to owner-occupied housing in the case study area (“Südlicher Prenzlauer Berg”) between 2005 and 2010. With regard to “In-Quartiere” (“in quarters,” KRAJEWSKI 2013: 23), Prenzlauer Berg ranks highest together with “Mitte” as well as parts of Friedrichshain and Kreuzberg.



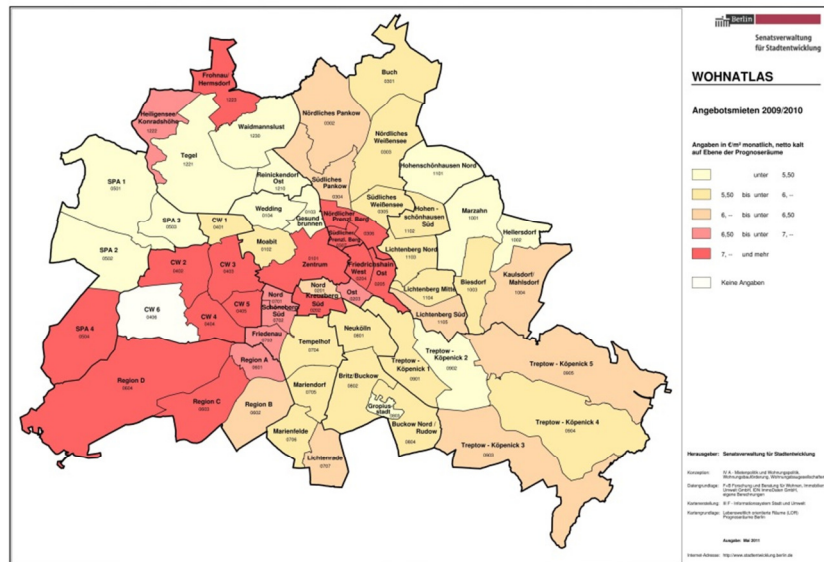
Map 7: Transformation from Rental to Owner-Occupied Apartments in Berlin, 2005-2010
(Source: SENATSV ERWALTUNG FÜR STADTENTWICKLUNG UND UMWELT (n.d.))

A look at the housing market dynamics shows that sales of condominiums represent another component in the changing ownership and housing market structures. As Map 8 shows, more than 50,000 apartments were sold in the case study area between 2005 and 2010. As a result, the Southern part of Prenzlauer Berg now ranks highest with parts of Friedrichshain and Lichtenberg among districts in East Berlin.



Map 8: Apartment Sales in Berlin, 2005-2010
(Source: SENATSV ERWALTUNG FÜR STADTENTWICKLUNG UND UMWELT (n.d.))

All of these changes in the housing market composition result in the end in changes to the rent prices. Map 9 supports the arguments of ongoing public debate insofar as the highest rents can be found in Prenzlauer Berg and other “In-Quartiere” in Mitte, Friedrichshain and Kreuzberg. In 2010, rents averaged 7 Euros per square metre, the highest rents occurring in new rental contracts, reaching 10 Euros per square metre and more (KRAJEWSKI 2013: 23).



Map 9: Rental Prices in Berlin, 2009/2010
(Source: SENATSV ERWALTUNG FÜR STADTENTWICKLUNG UND UMWELT (n.d.))

The changing housing conditions and the available quantitative data on the housing market have to be treated carefully when doing interpretations and comparisons. In Berlin, the debate on gentrification easily runs “off topic” when referring to affordable housing prices in comparison to other German or European capital cities. However, the ensuing discrepancy between rental costs and household income becomes obvious if we consider the statistical data and combine the socio-demographic and housing market data. As KRAJEWSKI (ibid.) points out, local household incomes are becoming increasingly less dynamic with respect to housing costs. As a result, even middle-class households are facing the question of affordability and considering relocation in order to finance their urban lifestyle in the future.

13.3 The Political and Institutional Framework

In contrast to the previous two case studies, the policy analysis in Berlin comprises a comparably limited set of policy instruments and regulatives. This is for various reasons. First, the urban development plan for Berlin is currently under revision, and no preliminary documents are available yet. An interim presentation by one of the public actors who was interviewed for this study did not reveal very specific information, for instance, on macro-micro relationships or awareness of social fragmentation. Instead, emphasis was put on citywide demographic changes including the aging population as well as on the strong requirement for affordable and municipal housing as well as creation of social infrastructure. These components are covered in the actor analysis. Second, essential planning instruments like a comprehensive zoning plan do not apply for the case study since the “Bebauungsplan” (“B-Plan”) was developed for the most part project-based within new-build developments. Third, the analysis of tenant laws in Vienna did not contribute to essential insights for public policies. Therefore, the “Mietpreisspiegel” is not analysed as a regulating instrument, though it is represented in the actor analysis. Fourth, important financial incentives, particularly tax abatements based on the German income tax laws, are not analysed in detail. However, their impact on urban rejuvenation practices is considered in the actor analysis with reference to investment rationales by individual private investors. Fifth, “Stadterneuerung” in Berlin comprises a set of programmes and instruments that mostly refer to the “Städtebauprogramm” considered a cross-sectional planning instrument. In order to focus on the underlying interest of rejuvenation practices, all programmes are included that refer to investment in the built environment. This excludes the following special programmes because of their missing relevancy for Prenzlauer Berg: “Aktive Zentren,” “Soziale Stadt,” “Investitionspakt,” “Aktionsräume plus.”

Additionally, planning instruments and regulations that were in place to jumpstart urban rejuvenation in Prenzlauer Berg after German reunification are well represented and considered in the actor analysis and contribute to a contextualised understanding of policies and rational choices.

As a contribution to our understanding of historic characteristics in urban rejuvenation between West and East Germany and Berlin, the historical embeddedness of “Behutsame Stadterneuerung” - compared with rejuvenation strategies in the former GDR - is included as well. As a result, the sample for policy analysis in Berlin looks as follows:

	Name	Scale	Publication Year
<i>Stadterneuerung</i> [Urban Renewal]			
01	Gesamt-Berliner Stadterneuerungsprogramm 1993-1995	Province and Municipality	1995
02	Grundsätze der Behutsamen Stadterneuerung	Federal Republic	n.d.
03	Leitsätze zur Stadterneuerung für die Sanierungsgebiete in Berlin	Province and Municipality	2005
04	Sanierungsgebiete (expired) - Teutoburger Platz - Kollwitzplatz	District	2013 2009
05	Ausgleichsbeträge gemäß § 154 BauGB für Sanierungsgebiet Prenzlauer Berg	Province and Municipality	n.a.
<i>Städtebauförderung</i> [Promotion of Urban Development]			
06	Städtebaulicher Denkmalschutz Ost - Teutoburger Platz	District Municipality	2008
7	Stadtumbau Ost		n.d.
8	Steuerliche Förderung § 7h EStG	Province and Municipality	n.d.

Tab. 43: Analysed Planning Instruments for the Case study in Prenzlauer Berg, Berlin (own illustration)

During policy analysis, it became obvious that the analysis dimension for “driving forces of urban rejuvenation strategies” largely overlaps with “steering measures of gentrification.” As a result, no separate comments on the driving forces are given. As a result, the analysis starts with the identification of the macro-micro relationships followed by political strategies and participation possibilities that might steer gentrification. The third and last step in the policy analysis focusses on the necessity for adaptation formulated in urban policies to meet future challenges.

13.3.1 The Macro-Micro Relationships

„Die Städtebauförderung wird auch mittel- bis langfristig aufgrund einer zunehmenden sozialräumlicher Polarisierung und des notwendigen Anpassungsbedarfs infolge des demografischen und wirtschaftlichen Wandels unverzichtbar sein.“

(Senatsverwaltung für Stadtentwicklung 2005: 6)

[„Subsidized urban planning is indispensable in both the mid- and long-term because of increasing social polarization and the necessary adaptation maneuvers caused by demographic and economic change.“]

The identification of the relationships between macro forces and their impact at the local level does not result in a comprehensive output. As the policy analyses in New York City and Vienna show, urban development plans and rezoning programmes provide most of the more conceptual considerations. As those documents are not included in the policy analysis for Berlin, the interpretation of the macro-micro relationships is limited to 6 quotations summarised in historically founded, global and intra-urban interlinkages.

Historically grounded relationships refer above all to the political transition that occurred in 1989. With the reunification of Germany, highly emotionalised changes occurred at the macro level, driven predominantly by optimism and the political will to elevate the living standards in East Germany as quickly as possible. This exceptional situation in effect blanketed the heritage of the very divergent legal, economic and currency systems in East Germany. The discrepancies between the systems in East and West impacted the realisation of urban rejuvenation strategies at the local level tremendously. In addition, the extent of old and decayed housing stock in East Germany challenged the political aims at the macro level.

Compared to the two previous case studies, there are also globally affected macro-micro relationships, for instance, the well-known demographic and economic changes at the macro level that impact social cohesion at the micro level. Due to an increasing social fragmentation in Berlin, adaptation strategies within urban policies become highly relevant. In addition, climate change at the global level impacts the adaptivity of existing housing stock at the micro level. The question arises as to how far the physical structure can be adapted to climate change and how these adaptations can be financed.

At the level of intra-urban relationships, macro-micro dependencies are present with regard to paradigms in urban development. Berlin prioritises the improvement of inner-city areas over support for urban extension in the urban periphery or suburbia. This approach requires a definition of the required and desired densities of the existing building structure at the neighbourhood level.

13.3.2 Steering Gentrification

„Die öffentlichen Investitionen müssen der Qualifizierung der sozialen und kulturellen Infrastruktur und des Wohnumfeldes dienen, damit private Investitionen in das Wohnen auf ein entsprechendes funktionstüchtiges und attraktives Umfeld stoßen können“

(Senatsverwaltung für Stadtentwicklung 2005: 1)

[“Public investments have to lead to an improvement in the quality of the social and cultural infrastructure in order to facilitate private investment in housing, which should meet with a functioning and attractive residential environment.”]

Berlin represents a special case with regard to urban rejuvenation policies. Highly impacted by the political changes in 1989, urban renewal in East Berlin of the existing housing stock was implemented too quickly. The political agenda was to catch up with West Berlin living standards as quickly as possible. As a result, the combination of urban planning instruments, tax incentives and investment possibilities created an “investment battlefield” in neighbourhoods like Prenzlauer Berg. Similarly to the Williamsburg case in terms of spatial, time and financial dynamics, urban rejuvenation couldn’t properly catch up.

To identify the underlying driving forces that support urban rejuvenation in Prenzlauer Berg, one has to look to the past. Due to specific policies in the former GDR, Prenzlauer Berg developed a renewal potential that evolved right after German reunification. In order to cover driving forces both before and after the fall of the Wall, 41 quotations on “strategies” and 15 on “participation” are combined into three categories:

1. Urban rejuvenation in West and East Berlin before 1989
2. Instruments and incentives for urban rejuvenation since German reunification
3. Principles of “Behutsame Stadterneuerung” and steering measures for gentrification

Urban Rejuvenation in West and East Berlin before 1989

Before German reunification, West Berlin followed a similar development from “hard” urban renewal to “soft” urban rejuvenation practices like those employed in Vienna. Starting with the “Stadterneuerungsprogramm West Berlin 1964/65,” the demolition of large residential areas and new-build development served as the guiding principles of urban planning. Housing associations served mainly as “Sanierungsträger” (redevelopment agencies). As a consequence, the protection and rehabilitation of the old housing stock were not prioritised.

In 1971, the “Städtebauförderungsgesetz” was passed which included a more sensitive terminology, for instance, “milieu,” “historic urban fabric” or “redevelopment of old city.” A socially oriented approach to tenants’ protection and the facilitation of growing neighbourhood structures became more relevant.

The “Stadterneuerungsprogramm” of 1974 supported the renovation of old housing stock by increasing public funds. In addition, further steps toward social capability were taken. The

"Betroffenenbeteiligung", representing the needs and demands of local residents affected by renovation, and the "Sanierungsbeauftragte," who monitored the social requirements during renovations, were installed.

In 1983, the 12 principles of "Behutsame Stadterneuerung" were approved by the Abgeordnetenhaus in Berlin and were considered for the first time in Kreuzberg. In short, the principles included mainly aspects of building renovation in cooperation with existing residents and local businesses. Construction should consider not only the technical, but also the social ramifications. The character and authenticity of the neighbourhood should be preserved. Reliable financial structures have to be installed that allow a fast and targeted implementation of renovation. Also, the construction and monitoring of social requirements have to be separated and distributed to two different actors. These principles developed over time and are still valid for the current implementation of social aspects within urban rejuvenation projects.

The situation in East Berlin looked totally different. In the late 1960s, the rehabilitation and protection of old building stock was not relevant in East Berlin. However, housing demand in the central areas increased, and residents became dissatisfied with the local living quality. As a consequence, a "Wohnungsbauprogramm" was passed in 1971 to build new housing in "Plattenbau" (apartment blocks) form and to renovate the old housing stock, for instance, at Arkonaplatz or Arnimplatz. Living in inner-city areas became more attractive in East Berlin.

In 1979, the demolition of buildings in inner-city areas was stopped. This led to a high demand for labour capacities. In the early 1980s, the redevelopment of inner-city neighbourhoods exceeded available labour resources, and workers from the "Kombinate" came to East Berlin to support the rehabilitation of the building stock. For a while, the new principle followed the concept of quarter protection. New-build developments and Plattenbauten were integrated into existing structures. However, then another change in urban planning occurred and introduced again the large-scale demolition of existing neighbourhoods.

For instance, shortly before the fall of the Wall, the plan existed to demolish approximately 5,000 apartments in Rykestraße in Prenzlauer Berg, which led to civic initiatives and protests. These protests were based on the distinct creative capital within Prenzlauer Berg. During this time, this part of East Berlin was considered to be one of the areas with the lowest living standards in all of Berlin. As a result, local residents were very politically critical and self-organised inhabitants from the creative milieu. They tended to live there by choice due to the creative milieu and the possibilities of influencing their living environment. Or they were (re)located in Prenzlauer Berg by governmental order due to pending emigration permits or other system-critical "delicts."

However, demolition was not realised due to the political changes. After German reunification, the political will was catch up quickly to West German living standards. As a result, 25 million DM (Deutschmarks) were approved as initial funding for urban rejuvenation in East Germany. This financial support was mostly dedicated for the East Berlin neighbourhoods Mitte and Prenzlauer Berg.

The distinct political situations in West and East Berlin resulted in enormous differences in living quality. As a result of the political will to stabilize the situation in East Berlin as soon as possible with regard to the decayed building stock, urban rejuvenation programmes and investment incentives (mostly at the income tax level) were installed to stimulate private investment. Due to the combination of programmes, tax incentives and investment opportunities, urban rejuvenation in East Germany extended rapidly and occasionally even careened out of control.

Since German reunification, a set of planning instruments, programmes and incentives is in place with distinct targets. In terms of planning instruments, “Städtebauförderung” has to be mentioned as one of the most important and influential instruments. It is considered a multifaceted, flexible planning instrument that combines structural, social and infrastructural policies. It targets the micro-level with its direct influence on the living environment for local residents. Its success is also based on a significant economic effect: As the studies claim, every Euro funded within “Städtebauförderung” generates 8 Euros of additional investment.

Programmes based on “Stadterneuerung” (urban renewal) comprise “Bund-Länder-Programme” (state and federal programmes) with one third of financial budgets coming from state and two thirds from federal state funding. Based on the “Gesamtberliner Stadterneuerungsprogramm”, 22 „Sanierungsgebiete“ (renewal areas) were defined comprising approximately 800 hectares, 5,700 properties and 81,000 apartments located mainly in East Berlin. The former 38 “Sanierungsgebiete” in West Berlin based on “1. und 2. Stadterneuerungsprogramm 1993-1995” were exceeded as were most of the „Sanierungsgebiete“ in Prenzlauer Berg.

Special programmes refer to “städtebauliche Sanierungsmaßnahmen” and „Aktive Zentren” as well as to “städtebaulicher Denkmalschutz” (urban heritage conservation). This programme was installed exclusively in East Berlin by 2008 and served as a link between the development of the inner city and conservation of urban heritage. Since 1991, it supports integrated urban renewal. Additional measures aim at social stability within neighbourhoods, for instance, “Soziale Stadt” and “Stadtumbau Ost und West” (urban redevelopment East and West). These programmes support livable urban structures especially during periods of shrinking population and changing economic conditions. Finally, the “Investitionspakt” has to be mentioned as well as a time-limited programme for ecological improvement measures.

According to the policy analysis, these programmes have been essential in facilitating not only private investment, but also securing EU funds mostly from the European Regional Development Fund (ERDF/EFRE). Table 44 illustrates the EU funds generated for Berlin in 2008 and 2009:

EU Funding (ERDF) for	2008	2009
“Soziale Stadt”	4,010,000	6,890,000
“Bildung im Quartier”	1,750,000	3,000,000
“Sanierung/Stadterneuerung”	1,750,000	2,500,000
“Stadtumbau Ost”	2,768,000	5,703,500
“Stadtumbau West”	3,187,500	5,062,500
TOTAL	13,465,500	23,156,000

Tab. 44: EU Funds for Urban Renewal in Berlin, 2008 and 2009
(own illustration based on Mitteilung des Präsidenten des Abgeordnetenhauses von Berlin (nd): 46)

Another profit-generating side-effect within the comprehensive set of urban renewal programmes in Berlin concerns the “Ausgleichsbeträge”, earmarked funds. Similar to the idea of “Planwertabgabe” in Austria, “Ausgleichsbeträge” have to be paid out in designated “Sanierungsgebiete” where a value increase based on upzoning has been realised. They are paid by the property owner and serve as a direct income for the district. During renovation, this income is bounded and has to be invested for local infrastructure. “Ausgleichsbeträge” contribute to the fulfilment of public aims with regard to high-quality infrastructure within the living environment. Table 45 below provides an impression of the amount of income generated in Prenzlauer Berg through “Ausgleichsbeträge.”

	2007	2008	2009	TOTAL
Prenzlauer Berg	7,591,757.31	2,593,883.94	1,999,893.46	12,185,534.71

Tab. 45: Ausgleichsbeträge in Prenzlauer Berg, 2007 to 2009

(own illustration based on Mitteilung des Präsidenten des Abgeordnetenhauses von Berlin (nd): 45)

To conclude the policy analysis with regard to instruments and programmes relevant to urban rejuvenation in Prenzlauer Berg, the tax incentives based on § 7 h Einkommensteuergesetz (EStG) for “Modernisierungs- und Instandsetzungskosten” (costs for modernization and maintenance) have to be mentioned. This tax abatement allows a tax deduction within a very short timeperiod, resulting in tremendous tax savings by private investors. The impact of this tax incentive on Prenzlauer Berg (included in Pankow) can be seen in Table 46:

Year	District	Number of Permissions	Number of Properties	Number of Apartments	Amount of Investment in Modernisation
2008	Friedrichshain-Kreuzberg	121	9	263	16,290,454 €
	Lichtenberg	39	10	106	2,973,037 €
	Treptow-Köpenick	8	8	138	9,179,113 €
	Neukölln	1	1	5	61,241 €
	Pankow	594	50	990	83,203,840 €
	Mitte	70	16	191	12,885,086 €
TOTAL		833	94	1,693	124,592,771 €
2009	Friedrichshain-Kreuzberg	46	8	121	7,312,110 €
	Lichtenberg	6	4	56	2,547,720 €
	Treptow-Köpenick	3	3	46	4,217,200 €
	Neukölln				
	Pankow	264	28	476	50,771,191 €
	Mitte	182	29	301	33,754,767 €
TOTAL		501	72	1,000	98,602,988 €

Tab. 46: Issued Permissions based on § 7 h EStG for 2008 and 2009

(own illustration based on Mitteilung des Präsidenten des Abgeordnetenhauses von Berlin (n.d.): 47)

Principles of “Behutsame Stadterneuerung” and Steering Mechanism for Gentrification

The planning instruments and documents included in this policy analysis do not refer to gentrification per se. However, there is a strong connection to social stabilisation and cohesion from two perspectives. First, the fear of losing social cohesion is found in policy documents. However, this refers largely to superblocks and to problematic areas (“Problemgebiete”). With regard to Prenzlauer Berg, the attempt to create an investment friendly environment and to attract young families to live and stay in the rejuvenated neighbourhood may indicate a sociodemographic change being supported by public policies. In addition, it is often referred to “Aufwertung” (upgrading) with regard to the physical built environment. This should not be overinterpreted as an indicator of displacement, as the result of building renovation would most likely be called “Aufwertung.”

The principles of “Behutsame Stadterneuerung” can be considered as the core for impeding and socially focused measures within urban rejuvenation practices. The 12 principles of “Behutsame Stadterneuerung” aim at creating a socially compatible process of urban renewal. They are obligatory in order to protect the existing population from displacement and to preserve affordable rents available to low-income households. A special characteristic is the resident or “Betroffenen” (affected residents) approach, which shifts the focus to the people living in the neighbourhood and not to the renovation as such. In addition, an influx of “stabilizing population,” for instance, young families, is appreciated in order to ensure a social mix and cohesion within the neighbourhoods.

The goal of retaining residents in the neighbourhood is ensured by so-called “Sozialplanverfahren” installed by the property owner whenever a negative impact (for instance, a rent increase) can be expected for existing residents. The monitoring of “Sozialplanverfahren” is a public responsibility and is funded by public funds deriving from the “Städtebauförderung.” Another component of steering measures within urban rejuvenation may be found in the formulation of “zeitgemäße und ortsübliche Grundausstattung” (appropriate and customary basic equipment). It serves to control luxury renovation, for instance, large floor plans and new balconies, and was recently installed in Prenzlauer Berg.

In contrast, measures that support urban rejuvenation have been speeding up the local processes in Prenzlauer Berg. At the level of private investments, “Investitionszulagen”⁸⁶, „steuerliche Abschreibungen”⁸⁷, „zinsverbilligte Bankdarlehen”⁸⁸ and „Landesbürgschaften”⁸⁹ based on the obligatory property location in a “Sanierungsgebiet” stimulated the profit-maximization rationale among investors. In addition, the promise by the public sector to support a rapid implementation of planning instruments and an investment-friendly environment raised even more investment interest.

⁸⁶ Investment supplements

⁸⁷ Tax deductions

⁸⁸ Interest-subsidised loans

⁸⁹ Federal bonds

13.3.3 The Adaptive Component in Urban Planning Policies

„Auch künftig muss die Städtebauförderung weiterhin flexibel auf neue Problemstellungen reagieren. Dies gilt aktuell vor allem für den städtebaulichen Beitrag zu Klimaschutz und Klimaanpassung.“
(Senatsverwaltung für Stadtentwicklung 2005: 7)

[„Urban planning must continue to react flexibly to new challenges. This is especially then with climate protection and climate adaption and the contribution made by urban planning.“]

The query for adaptive elements within the policy documents yields five quotations corresponding to the arguments in the actor analysis. From an urban planning point of view, adaptation is needed with regard to organisational structures and their effectiveness. Future planning processes need to connect resources and actors in a timely and cost-efficient way to secure high-quality outcomes. It is imperative to create relationships to social realities at the local level to enable identification among actors and localised improvement within the spatial environment. The activation and participation of residents is crucial to gaining relevant insights into changing needs and demands. For instance, it is assumed that demographic trends in aging may create a need for adapting practices in urban planning. As current realities in neighbourhoods show, social segregation is on the increase. As a result, adaptation with regard to changing social field of actions is a future task. Public policies have to develop new strategies with regard to education, to the empowerment of children and youth, and to integration policies.

At the macro-level within city administration, continuing adaptation is necessary with regard to the financial framework conditions. Budgetary restraints will likely continue in the future, making updated strategies necessary. First attempts refer, for instance, to the shift of funding approach in the early 2000s. Since then, the credo “public money for public infrastructure” and “private money for private housing” has been implemented. However, this might not be sufficient with regard to affordable housing. In this case, a shift in urban policies is necessary with regard to reactivating public funding for new-build municipal apartments.

To conclude, there is a distinct necessity to react to climate change and to enact climate protection to ensure the city’s resilience in the future. This means, for instance, adapting funding strategies with regard to thermic renovation of private as well as adopting strategies for resource-efficient buildings owned and used by the public sector. As the policy analysis shows, the issue of sustainable mobility seems to be of minor interest at the local level. In the future, adaptation with regard to a localised mobility concept for new-build residential projects might be of importance to support resource efficiency at the citywide and regional level.

13.3.4 Reflecting the Policy Analysis

Due to the limited set of policy documents, the outcome of the policy analysis is very much to the point. However, a comprehensive coverage of the most relevant urban rejuvenation policies that are currently in place can be assumed as the following actor analysis proves. Compared to the neoliberal case study in Williamsburg and the social welfare state case study in Vienna, Berlin proves to be an example of an “in-between” case study. Urban policies in Berlin lies somewhere between the requirements of a social welfare state and the neoliberal realities at various level of urban rejuvenation. Berlin runs the risk of losing its stability in terms of social cohesion and neighbourhood cohesion due to a sell-out of social values.

It all started with German reunification, when public policies intended to stimulate private investment for the rejuvenation of the decaying building stock in East Berlin. The combination of renewal programmes, financial

incentives and investment possibilities gained an unexpected impetus. Although evaluation reports on the achievements of urban renewal do not emphasise a loss in control by public sector, there is a definite discrepancy between political fields of action and local realities. This refers largely to social cohesion at the neighbourhood level. On the one hand, a loss of social cohesion can be identified predominantly in superblock neighbourhoods. On the other hand, “over-cohesive” neighbourhoods, for instance, homogeneous socio-

demographic compositions like that found in Prenzlauer Berg, might require more political intervention. There is a lack of steering mechanisms that would be capable of counteracting these processes. As the policy analysis shows, social considerations are integrated and implemented in public policies. However, they seem to be insufficient for securing, for instance, affordable housing in a citywide balanced way.

To conclude the reflection on policy analysis, the consideration of socially mixed and cohesive neighbourhoods might be of higher relevance in public policies compared to distinct measures supporting or impeding gentrification. A consideration of the historical context might show that the influx of private capital is of public interest. Future facilitation of private capital can be assumed to affect the remaining tight fiscal budget. It will be of major relevance in the future to enact public policies that are aligned with the demands and requirements at all actor levels. The first adaptive steps lead in the right direction, for instance, creating political awareness of new municipal housing.

Characteristics of Urban Rejuvenation Policies Between Neoliberal and Social Welfare State Context:

- 1. Public policies and urban renewal programmes as catalyst for urban rejuvenation catch-up.*
 - 2. Discrepancy between identified political fields of action and local realities.*
 - 3. Few steering mechanism for non-politically intended upgrading processes.*
 - 4. Loss of social cohesion is of higher political relevance than gentrification.*
-

13.4 Bounded Rational Choices of Actors Involved in Urban Rejuvenation Practices

Complementary to the policy analysis, the following actor analysis provides evidence of gentrification awareness within urban rejuvenation practices. The set of actors ranges from public actors who function as “protectors” of the established political framework. Their rationales follow the common political mainstream and do not overemphasise the risk of less affordable housing or gentrification. Intermediate actors reflect on their rationales and try to create a balance between the implementation of a set of given instruments and the impact at the local level. The demand for adaptation is very well communicated among this actor group. Private actors comprise the finance-driven rationale that applies the existing political conditions to their own needs.

In contrast to New York City and Vienna, the debate on gentrification is highly emotionalised in Berlin. Without going into detail, gentrification is often used as a “Kampfbegriff” to raise public awareness or to force individual demands. It is important to consider this contextual background when trying to understand the perspectives and cautiousness of actors involved in the urban rejuvenation practices in Berlin.

The actor analysis for Prenzlauer Berg comprised initially 12 expert interviews. However, the present actor analysis is based on only 10 expert interviews due to off-topic and low content quality in two interviews that represented the stakeholder category “private sector.” The distribution among different stakeholder categories is as follows:

Stakeholder Category	Institution	Stakeholder Type	Level	Participation	Abbreviation
Public Sector	01. Senatsverwaltung für Stadtentwicklung, IV A Wohnungs- und Mietenpolitik; Wohnungs(bau)förderung; städtische Wohnungsbau-Gesellschaften	Primary	Local	Active	PUBL_BER
	02. Senatsverwaltung für Stadtentwicklung und Umwelt, Referat Städtebauförderung/Stadterneuerung (IV C)	Primary	Local	Active	PUBL_BER
	03. Bezirksamt Pankow, Berlin in the role of former council man and head of division for culture, economy and urban development	Primary	Local	Active	PUBL_BER
	04. Bezirksamt Pankow, Berlin in the role of council man for public policy	Secondary	Local	Passive	PUBL_BER
	05. Liegenschaftsfonds Berlin	Primary Key	Local	Passive	PUB_BER
	06. Bündnis 90/Die Grünen im Abgeordnetenhaus von Berlin for Urban Development		Local, National	Passive	PUB_BER
Private Sector	07. Developer representative for project "Marthashof" by Stofanel Investment AG	Primary	Local, National	Active	PRIV_BER
Intermediate	08. Berliner Mieterverein	Primary	Local	Passive	INT_BER
	09. Stattbau Stadtentwicklungsgesellschaft mbH	Secondary	Local	Passive	INT_BER
	10. S.T.E.R.N. Gesellschaft der behutsamen Stadterneuerung mbH	Key	Local, National	Active	INT_BER

Tab. 47: Interviewed Actors in Berlin (own illustration)

Like the analysis in Williamsburg and Mariahilf, the underlying interest of the actor analysis is understanding the bounded rational choices of actors involved in the urban rejuvenation processes in Berlin, particularly in Prenzlauer Berg. Therefore, five distinct dimensions were found, namely

1. embeddedness
2. values
3. resources
4. rational choice and
5. gentrification awareness

13.4.1 The Embeddedness of Actors in Urban Rejuvenation Practices

„[...] Wir haben ja hier so ein duales System aus Senat und die Bezirke mit einer ähnlichen Strukturierung wie der Senat. Der Senat hat Senatoren und den Oberbürgermeister und die Bezirke den Bezirksbürgermeister und ihre Senatoren spricht Bezirkstadträte [...].“ (PUBL_BER 2011)

„[...] Das ist eine Berliner Spezialität, mit dieser Bezirksstruktur und der Senatsstruktur, die sehr dicht beieinander ist. In anderen Ländern ist das anders. Da sind die Ministerien von Ländern weiter weg und die Kommune ist autonomer. Das ist in Berlin nicht, da hängen die ganz eng beieinander. Und dann oft auch noch politisch motiviert. Da die Stadträte politisch gewählt werden, gibt es oft ein Gegeneinander, was überhaupt nicht sein müsste, was aber parteipolitisch motiviert ist [...].“ (PUBL_BER 2011)

[“In Berlin, we have a dual system consisting of Senate and districts with a structure similar to that of the Senate. The Senate is represented by senators and the mayor; the districts are represented by the district mayors and councilmen and councilwomen.”]

[“The similar structure of the districts and the Senate is a distinct characteristic of Berlin. In other federal states the situation is very different. There, the state ministries are far away, and the individual communities are more autonomous. But this is not the case in Berlin. There everything is very close and every is politically motivated. The men and women on the Council work rather against each other, because they are politically elected. Such dissent would not be necessary, but it is caused by the influence of party politics.”]

In order to understand the embeddedness of actors who participate in urban rejuvenation, the field of action has to be extended to actors who are embedded in the housing market in general. Their practices impact the local housing market, which in turn opens up or tightens down the possibilities of urban rejuvenation.

As a result, 33 quotations for the analysis dimension “embeddedness” have been systematized and interpreted in four categories:

1. political embeddedness at the local level
2. structures of embeddedness in social housing
3. the embeddedness of housing regulatives
4. the embeddedness of civil society

Political Embeddedness at the Local Level

The characteristic political structure in Berlin results from the situation that Berlin is a city-state, for instance, both a federal state and a normal city, as the quotation above already indicates. As a consequence, all state governing authorities are also responsible for municipal tasks. The dual-system consists of the “Senat” (Senate) representing the administrative centre and the district administration comprising 12 districts⁹⁰. The district administration is subdivided into “Bezirksverordnetenversammlung” and the district office. The “Bezirksverordnetenversammlung” is in charge of the political baselines in the district and controls the administration by through a mayor and a district council⁹¹. In contrast to the districts in Vienna, which are significantly smaller in size and

⁹⁰ Berlin now has 12 districts since the „Bezirksreform“ on January 1, 2001.

⁹¹ For further information see http://www.berlin.de/ba-pankow/politik/bvv_aufgabenbv.html, 21-08-2013.

population, the districts in Berlin are quite powerful in terms of political impact and financial endowment.

Due to the dual system, cooperation at various levels is both necessary and useful. Political representatives at the administrative level appoint working groups on specific topics. At the political level, working groups in the districts are installed at the level of the different political parties⁹² and at the sectoral level⁹³. As every district is headed by a mayor, they all meet and counsel in the “Rat der Bürgermeister” (Council of Mayors).

Structures of Embeddedness in Social Housing

As to actors’ embeddedness, urban rejuvenation practices cannot be observed separately, as they are embedded in the broader context of housing. Although the share of social housing in Berlin has decreased dramatically and city-owned apartments have largely been privatised, the embeddedness of social housing actors is still relevant.

In Berlin, there are six municipal housing associations, for instance, degewo AG⁹⁴ or GESOBAU AG⁹⁵, that administer the social housing stock. They are in charge of approximately 270,000 housing units, including 50,000 “Sozialmietwohnungen.” In close cooperation with the Senate, they are currently in the process of implementing thermic renovations. According to interviews with PUB_BER, these activities will not significantly increase the rent prices as energy efficiency decreases the utility costs. Thus, all told rental prices will remain relatively stable.

The Embeddedness of Housing Regulatives

In Berlin, there are several regulations or institutions that regulate the rental housing market. One is the “Qualifizierter Berliner Mietspiegel,” which is updated every 2 years and is based on “accepted scientific principles.” This Mietspiegel is compiled by three tenants associations and three ownership associations and applies to almost all rental apartments in Berlin. For instance, the “Berliner Mietspiegel 2013” regulates all rent increases in non-price-limited⁹⁶ multi-dwelling buildings built before December 31, 2009.

With regard to the traditional promotion of urban development (“Städtebauförderung”), the programme of “gentle urban renewal” (“Behutsame Stadterneuerung”) aims at protecting existing residents in rejuvenation areas. In order to secure the demands of residents, the maxime “Bevölkerung halten, Mieten dämpfen” (retain the residents, cushion the rents) is monitored by intermediate institutions, for instance, S.T.E.R.N. As a prerequisite in projects of “Städtebauförderung,” moderation is required between landlords and renters in collaboration with “Mieterberatung,” which is funded by the Senate and the districts. In Prenzlauer Berg, S.T.E.R.N. has been in charge of landlord consultation, explaining the advantages of “Ausgleichswohnungen” (compensation apartments) for existing residents during times of renovation. In contrast, the

⁹² For instance, all Green Party council men and women.

⁹³ For instance, all council men and women for traffic.

⁹⁴ <http://www.degewo.de/content/de/Unternehmen.html>, 21-08-2013.

⁹⁵ <http://www.gesobau.de/unternehmen/>, 21-08-2013.

⁹⁶ „nicht preisgebundener Wohnraum“, see <http://www.mieterschutzbund-berlin.de/mietspiegel.html>, 21-08-2013.

“Mieterberatung” counsels residents as to their rights and works out individual plans for resettlement. In addition, they also monitor the existence and accessibility of “Ausgleichswohnungen.”

Yet the regulatives of the housing market protect not only renters, they also affect landlords and investors. As a result, private investors are embedded into broader networks of political and local actors within “Gutachterverfahren” (expert opinions). These refer especially to new-build developments in which all parameters of construction from the character of the construction to compensatory levies are discussed.

“Baugruppen” represent an established form of private investor cooperation for creating homeownership. They benefit from a cost-effective self-organisation with regard to planning, construction and financing, and they contribute a distinct form of cooperative housing to the residential market. Due to the complexity of administration and implementation, “Baugruppen” sometimes collaborate with two additional actors: First, the intermediate actor STATTAU supports individuals who are interested in participating in “Baugruppen” in order to broaden the variety of these organisations. Accessibility to information on “Baugruppen” activities is maintained to hinder the transition of “Baugruppen” cooperation towards an elite programme in which a high level of education and social capability is a prerequisite for collaboration. Second, the “Liegenschaftsfonds” are in charge not only of administering public building land and real estate properties but also distribute building land to “Baugruppen” whenever the specific requirements have been fulfilled. For instance, special concepts developed by “Baugruppen” and aiming at multi-generational or inclusive housing might be supported by affordable building land provided by the Senate and administered by the “Liegenschaftsfonds.”

Additionally, the “Liegenschaftsfonds” is also embedded at the district level for new-build development based on location-compatible (“standortverträglich”) use. Especially in districts located in the former Eastern part of the city, no comprehensive zoning plan (“B-Plan”) is available. As a result, all new-build development follows the regulation of §34 BauGB requiring a spatial and architectural embeddedness into the environment. Because this formulation is very broadly formulated, districts occasionally cooperate with the “Liegenschaftsfonds” to provide a conceptual framework in the pre-phase of development. Districts benefit from an attractive financial incentive, as the “Liegenschaftsfonds” finances pre-studies within this collaboration. In so-called “Steuerungsunden,” the “Liegenschaftsfonds” and the district mayors debate with the Senate, the Senate administration for urban development, finances and economy, and the Council for planning the current developments.

The Embeddedness of Civil Society

Civil society is embedded not only in the housing market as individuals in search of housing or of protection by tenant rights. Civil society is also empowered to participate proactively through direct participation. Similar to Williamsburg, public participation is strongly embraced in Prenzlauer Berg. Means of civil participation are in place and are well communicated. However, the effectiveness of such participation has to be questioned. According to the political actors, public participation easily runs the risk of emotionalising the debate and causing enforcement of individual demands. The idea of agreeing on public welfare is often endangered.

Like in the Viennese case study, the facilitation of public participation is no easy task. In urban planning, early-stage integration of civil society should be aimed at in order to decrease potential conflicts. Conflicts occur mainly because of misunderstandings or limited access to information. As a result, civil participation is based largely on communication, which also depends on a culture of communication. Especially in a neighbourhood like Prenzlauer Berg, which comprises highly communicative and strong-willed residents, a culture of public participation has to grow for target-oriented urban planning.

13.4.2 Incorporated Values in Urban Rejuvenation Practices

“Das ist unser Vorwurf gegenüber der Senatspolitik, dass sie eigentlich zu investorenhörig ist und nach wie vor meint, Berlin hätte es nötig, den Investoren den roten Teppich auszurollen statt umgekehrt selbstbewusst zu sagen, dass sich unsere Entwicklung von Jahr zu Jahr stabilisiert und dass, wer hier investieren möchte, auch etwas für das Allgemeinwohl oder das Nachbarschaftswohl tun muss.“ (PUBL_BER 2011)

[“Our problem with the Senate’s approach is that in principle it is under the sway of investors and still thinks that Berlin must roll out the red carpet for them instead of self-confidently demanding that the situation get better and that if they want to invest here, they will have to do something to the overall good of the people who live and work here.”]

The underlying values in urban rejuvenation practices aim at the core of self-conceptions within a social welfare state system. We need to create and ensure a social mix and an inclusionary living environment. Future paths of urban policies should strive to return from neoliberal practices to social-democratic values. This is interpreted as an indication that neoliberal practices in urban rejuvenation policies need to be pushed back.

In order to reveal existing and future values among actors in urban rejuvenation practices, the query for “values” results in 35 quotations systemized as follows:

1. Adjusting values in public policy
2. Political opposition as a corrective of future public values
3. Integrative values among intermediate actors

Adjusting Values in Public Policy

One of the core values within the social-democratic self-understanding is the protection and facilitation of a social mixture. This core value can be affirmed by actor analysis referring to public actors. However, in the past urban policies followed more neoliberal approaches to facilitate revenues for tightening public funds. As a result, large parts of the municipality-owned social housing stock have been sold to private companies, contributing to significant revenue in the short run, though the social impact on affordable housing unit and social cohesion can only be seen in the long-run.

The first uneasy tendencies are already present and contributing to new approaches among public actors. In the future, public policies will have to support and finance new social housing units preferably with municipal housing associations that follow social, economic and urban design values. To facilitate a social mixture, the so-called “Fehlbelegungsabgabe” for tenants in social housing who exceeded compulsory income limits was abandoned back in 2002.

With regard to urban transformations, there is an open approach among public actors. Instead of sticking with conservative positions, changes are occurring that respect social needs. The programme of “Behutsame Stadterneuerung” may serve as a key concept to combine urban transformation and social compatibility. As a result, the position towards gentrification has become non-normative. Gentrification is now being perceived as a normal process within urban transformation processes. As the social mixture and social urban development become core values within public policies, attempts are being made to soften the impact of gentrification.

In the future, areas with tight housing markets should be relieved by a city-wide identification of housing potential in the existing housing stock, for instance, vacant apartments. These apartments are available and can be integrated into the housing market very cost-effectively. In addition, adjustments to tenancy laws are necessary with regard to locally divergent housing markets. A regionalised tenancy law could better steer overpriced rents in neighbourhoods with tight housing markets by capping maximum rents. Both public and intermediate actors support the suggestion to cap rents to a maximum of 20 percent above comparable rent levels (“Vergleichsmiete”) in neighbourhoods with housing shortages.

Political Opposition as a Corrective of Future Public Values

The political opposition largely supports the current attempts at adaptation in public policies. However, in their opinion the necessary adjustments go even beyond current attempts to ensure a healthy social mixture and protection for public welfare. In general, a holistic strategy is required that meets current changes in overall conditions with more cross-sectoral approaches. The established system of monosectoral management, for instance, considering the housing market only from the perspective of social housing, is not fitting for future changes. Interlinked collaborations and strategies are necessary to compete with the increasing complexity of urban development.

With regard to urban development, and particularly urban rejuvenation, awareness must be increased toward private investment. Specific neighbourhoods like Prenzlauer Berg no longer have to facilitate investment. Investment is already taking place, and now adapted public strategies are necessary on how to include investors’ responsibility in public welfare. “Städtebauliche Verträge” might be one instrument to use in private investment for financing public property and infrastructure.

Such adaptations could be established in neighbourhoods that represent an attractive area for investors, for instance, in Prenzlauer Berg. This district is already characterised by increasing rents and a housing shortage at the level of affordable housing options. These dynamics in housing economics are even being fuelled by apartments that are not available on the housing market. For instance, apartments are being converted into vacation flats to gain a higher profit than regular rent income. As a consequence, political intervention is necessary to relieve the local housing market. The

opposition has demanded a reactivation of the prohibition against real estate misuse (“Zweckentfremdungsverbotsverordnung”) recently implemented in Prenzlauer Berg.

Integrative Values among Intermediate Actors

The actor analysis shows that intermediate actors are aligned with programmes like “Behutsame Stadterneuerung.” However, they add components of more specialized fields of actions that might contribute to adaptation to changing conditions like an aging demographic. Especially in urban rejuvenation practices, age-appropriate living has to be considered more extensively due to the fact that not only young, but also elderly residents move to Berlin.

This contributes to a more generic approach to facilitate a higher diversity among the actors in urban rejuvenation to secure neighbourhood stability. The integration of immigrants and low-income households is also a future task. Also, maintaining a sense of belonging is necessary in order to maintain social cohesion in such neighbourhoods. This could be achieved by creating ownership at various levels, ranging from cooperative ownership to individual ownership.

As to tenant protection in neighbourhoods of urban rejuvenation, intermediate actors demand regulations to ensure higher protection. Less flexibility in the distribution of renovation costs should stabilize rents as well as a regulated maximum regular rent increases. As the rent level in the existing housing stock (“Bestand”) is largely affected by new rental contracts, regulated rents for new contracts are being demanded in neighbourhoods with tight housing markets. This refers to the requirement of a “regionalised housing market” that contributes to the implementation of local regulations to relieve shortages in the affordable housing segment.

13.4.3 The Bounded Rational Choice in Urban Rejuvenation Processes

„[...] Jede städtebauliche Planung [...] ist ein Kompromiss. [...] Aber irgendwo muss man sich zusammenraufen. Ein Professor von mir hat mal gesagt, wenn einer aus diesem Prozess sagt, dass das in seinen Augen ein optimales Projekt ist, dann ist irgendetwas schief gelaufen.“ (PUBL_BER 2011)

[“[...] Every project in urban planning is of necessity a compromise. But at some point you have to pull it all together. A professor of mine once said that something is definitely wrong when someone working within the process claims the project is an excellent solution.”]

The actor analysis is able to identify distinct rational choices within urban rejuvenation processes. However, the “boundedness” found in bounded rational choices is missing, meaning decision-making processes seem rather to follow the rationale of “maximisation” instead of “satisfying.” This contributes to the hypothesis that Berlin is currently implementing more neoliberal approaches aiming at the highest economic benefit with minor considerations of long-term public welfare.

As a result, 61 quotations for the analysis dimension “rational choice” and 126 quotations for “resources” are combined into three categories of interpretation:

1. The starting phase of value added
2. From social rationales to neoliberal constraints and back
3. The missing boundedness in urban rejuvenation practices

The Starting Phase of Value Added

Due to specific situation following German reunification, every single dimension of urban life in Berlin was reshuffled and staggered into euphoria. To give a specific example, the urban policies for a reunified Berlin were aligned to population projections that expected an additional one million inhabitants in the city. Housing had to be created for a dynamically growing population. Due to limited public funds, however, the creation of housing should be supported by private investment.

Initially, a set of generous tax incentives were targeted at the stimulation of private capital, mainly from small investors from Western Germany. Federal tax abatements like “degressive Absetzung für Abnutzung” according to § 7a EStG (degressive depreciation) exclusively for renovation investments in East Germany or “Sonderabschreibung” (special depreciation) according to § 7i EStG for historic buildings created an incomparable influx of private investment into Berlin. Unfortunately, this investment was based solely on maximising rationales of profit maximisation. Most investors had not even seen their real estate objects in East Berlin⁹⁷ and did not take into account local needs or sustainable investment rationales. Clearly, the federal tax policies facilitated speculative trading even among small individual investors.

⁹⁷ This argument can be confirmed by my own personal professional experience as a tax counselor starting in 1999. The author was in charge of real estate calculations that particularly targeted at rapid tax depreciation of small and middle Bavarian investors in East German real estate.

Between 1990 and 1995, the definition of five “Entwicklungs- und Vertragsgebiete” (areas of development and contract), for instance, in the West Adlershof, Rummelsburger Bucht and Wasserstadt Spandau, targeted at facilitating large-scale private investment. The basic idea is similar to “inclusionary zoning” in the US American and “Planwertabgabe” in the Austrian case study. The investor should reinvest the increase in value gained through rezoning into local infrastructure.

Social infrastructure like schools or Kitas and technical infrastructure like streets should be improved for the benefit of public welfare. With regard to affordable housing, a long-term strategy was implemented through the obligatory requirement for a certain number of “Sozialmietwohnungen” and other “Belegungsbindungen” (obligations in housing occupation). Again, this can be compared to the affordable housing creation in the “inclusionary zoning” approach in New York City.

However, this approach came to an abrupt end due to a lack of investment interest and a fear in public policies of scaring private investment away instead of facilitating it. This turning point can be interpreted as the start of the public sellout in Berlin.

From Social Rationales to Neoliberal Constraints and Back

Although the core values of a social welfare state were still valid throughout the 1990s and the 2000s, the absence of protection for public welfare and public assets can be identified. As the actor analysis proves, short-term revenues counted more than any long-term protection of social cohesion and affordable housing, as the social housing example illustrates.

According to the interviews with public actors and the analysis by HOLM (2008), in 1990 Berlin’s communal housing stock comprised approximately 500,000 apartments. Around 50 percent were located in East Berlin and were being administered by 20 municipal housing associations. Today, Berlin’s communal housing stock comprises roughly 270,000 apartments⁹⁸ administered by only six municipal housing associations. As a consequence, not only was there a consolidation in municipal housing associations, but also a significant net loss of almost 50 percent of municipal apartments, resulting in a parallel loss of public steering mechanisms in Berlin’s housing market. As a negative side-effect, sales were often accompanied by the involvement of purely profit-oriented international investors, called by many the “locusts” (“Heuschrecken”), for instance, Cerberus, who for the most part quickly got rid of the social housing stock. As a result, not only public assets were lost, but also a significant share of the segment of affordable housing in Berlin.

The actor analysis shows that past public strategies based on short-term rationales is going to change in the future. Current policies call for a returned support of municipal housing aiming at a municipal housing stock comprising approximately 300,000 apartments. These apartments should be administered by municipal housing associations which combine profit orientation and fulfilment of social needs. In the short run, municipal housing associations are supposed to buy apartments from the private housing market. In the long run, public policies aim at integrating the “Genossenschaften” (cooperatives) to provide affordable rental housing and means for middle-class (semi)-ownership. The public sector is aware that the motivation of such “Genossenschaften”

⁹⁸ This number was raised by A. HOLM in a public presentation where he referred to 273,000 municipal apartments in Berlin for 2005.

demands public subsidies. As a result, approximately 10 million Euros are designated to support the recovery of social housing in Berlin.

The Missing Boundedness in Urban Rejuvenation Practices

The analysis of an actor's rationales within urban rejuvenation practices reveals a lack of "boundedness," meaning the fulfilment of "satisfying" instead of "maximising" aims. One reason can be found in the existing flexibility within urban planning in East Berlin and particularly in Prenzlauer Berg. Due to the absence of a comprehensive zoning plan ("B-Plan"), the district remains very flexible with regard to providing permission for new-build developments. As a result, many precedents were created in the past leading to discontent and additional demands in new development projects.

This outcome is considered to be the result of negotiations between the district administration and investors, both of whom base their decision-making processes on profit-maximising rationales. The planning procedure intends to install a "B-Plan" as soon as an overall plan within a redevelopment area ("Sanierungsgebiet") is available. Although the district administration is in charge of the "B-Plan" implementation, it does not fulfil the intended creation of a new binding planning instrument. It can be assumed that this happened in the past to remain flexible as a district administration within negotiations with new investors.

The planning instrument of designating "Sanierungsgebiete" (areas of urban redevelopment) according to §§ 143 and 144 BauGB is one of the core elements for urban rejuvenation practices in Berlin particularly Prenzlauer Berg. Based on the „Gesamt-Berliner Stadterneuerungsprogramm“ developed between 1993 and 1995, the approach for "integrierte Gebietsentwicklung" (integrated area development) is followed by designating distinct "Sanierungsgebiete." According to the actor analysis, a total investment of approximately 1 billion Euros was realised in Prenzlauer Berg. As renovation aims have been fulfilled and funding periods *exceeded*, *most of the "Sanierungsgebiete"* in Prenzlauer Berg were repealed.

From the point of view of public policies, the underlying rationale to designate "Sanierungsgebiete" in Prenzlauer Berg has been to facilitate private investment. Financial incentives like tax abatements were installed to generate investment in the built environment. Although a "profit-maximising" component can be assumed to be the predominate rationale both on the public and private side, a bounded component can be identified with regard to the social compatibility of renovation.

As the actor analysis indicates, the Senate and the district attempted to ensure the programme of "Behutsame Stadterneuerung" through special protection for existing residents. Although the effects of "Behutsame Stadterneuerung" in East Berlin are still being debated controversially, a distinct programme for "Ersatzwohnungen" may contribute a "satisfying component" within urban rejuvenation practices. The basic idea refers to voluntary contracts with landlords of buildings that were supposed to be renovated. These private owners, mostly from West Germany, were in favour of rapid renovation processes in order to realize maximal tax revenues within a period of 10 years. The Senate and the district took advantage of this interest and supported an accelerated procedure in exchange for rent regulation and the protection of existing residents. The calculation was based on the entire building, with an allowance to create 50 percent

market-rate apartments if the rents of the second half of apartments remain at the pre-renovation level. In addition, 11 percent of all renovation costs could be distributed among free-market rents.

In order to stimulate interest in this programme, the district offered support for the resettlement of existing residents to so-called “Ersatzwohnungen.” Those compensatory flats were created by investors who offered a number of flats to the public sector for future resettlements in renovation projects. In exchange, the investor benefitted at the beginning by resettling own residents to such exchange apartments. As a result, a pool of exchange flats was established that was able to exist on its own.

S.T.E.R.N. was in charge of contacting and counselling landlords, the “Mieterberatung” organised the “Ersatzwohnungen,” the resettlement of existing residents and the monitoring of the exchange-flat pool. It could not be documented how many investors took advantage of this public offer, but it continued to be a “win-win situation” for both sides. According to the interviews, this programme will end as soon as a “Sanierungsgebiet” is completed. However, the “Mieterberatung” is still servicing a certain number of “Ersatzwohnungen” in Prenzlauer Berg, as actors from the public sectors explained.

In summary, in light of the missing components of boundedness within the current housing and urban development policies in Berlin, we should reflect on the creation of new housing options. According to the interviews, approximately 4,000 new apartments are being built in Berlin every year. Around 2,000 thereof are created within the high-priced free-market segment. The actor analysis confirms a realisation of revenue potential in this segment since the demand by new immigrating residents still exceeds the supply of high-end housing options like townhouses. Due to the limited amount of land in attractive inner-city neighbourhoods, high densities are sought with reference to the past high densities in the “B-Plan” of West Berlin. Negotiations on the future densities in East Berlin neighbourhoods are facilitated by the absence of comprehensive zoning plan and the flexibility of §34 BauGB procedures.

Despite controversial and time-consuming planning processes that eventually became inconvenient to investors because of the fast-arising “gentrification” accusations by opponents, investors are still interested in residential projects, for instance, in Prenzlauer Berg. Attractive locations within this neighbourhood with good access to public transport and a close proximity to Berlin-Mitte still provide fast sales and high profits. However, the actor analysis reveals a refusal of institutional private investors to embrace renovation projects. They rather prefer new-build residential developments that guarantee development flexibility and less time-consuming negotiations with existing residents.

The realisation of new-build developments is connected to the rationales of the “Liegenschaftsfonds” that is in charge of administering public real estate property and building land. In the public debate, the distribution strategy of the “Liegenschaftsfonds” remains controversial. The public actor follows the rationale of profit maximisation aiming at the highest possible proceeds from bidding processes.

Critics question this approach and demand a better evaluation of potential buyers. In their opinion, not the highest bid should be relevant, but the quality of future development. Housing quality seems to be better guaranteed by new actors, who might not have the financial resources to enter the highest bid, but are capable of ensuring the best living quality, for instance, with regard to social aspects like integration of less well-off households.

The suggested support of “new actors” means the facilitation of “Baugruppen.” Although this form of collaborative housing ownership cannot presently be considered a trend in Berlin, it must be ensured that “Baugruppen” are not transformed into a cooperative form of elitism. Both the public and intermediate actors claim that higher diversity among the “Baugruppen” fulfils social-integrative aims. In order to stimulate the establishment of new forms of “Baugruppen,” higher support by the public sector is necessary, for instance, by prioritizing within the bidding processes administered by the “Liegenschaftsfonds.”

The integration of new and more diverse actors within urban development and urban rejuvenation might also contribute to a more bounded rational within “gentrification opponents.” The actor analysis revealed a certain tension between actors involved in urban rejuvenation practices and the opponents. This phenomenon requires further research that considers also the micro level within rejuvenation processes, so that no final interpretation can be made at this point. However, there is a clear need for “togetherness” instead of “individual interest” and more reflective arguments at every actor level.

13.4.4 Awareness of Gentrification within Urban Rejuvenation Practices

„Ich wohne seit 1979 in Prenzlauer Berg und habe schon so viele Veränderungen mitgemacht, so viele Leute sind gekommen und gegangen. Da ist niemand auf die Idee gekommen irgendetwas von Gentrifikation zu erzählen, weil ein Haus saniert wird. Die, die jetzt am lautesten brüllen sind die, die vor 10 oder 15 Jahren tatsächlich auch Verdrängung gemacht haben in dem sie hergekommen sind und besser bezahlt haben. Das ist zumindest dreiseitig. Es gibt nicht hier gut, da böse. Die Alteingesessenen sind die Opfer und die Neuen sind die Täter.“ (PUBL_BER 2011)

[„I have been living in Prenzlauer Berg since 1979 and experienced many changes during this time. So many people have arrived and left again. Nobody would have thought of talking about gentrification just because a building was renovated. People who are now the most upset, are those who took part in the displacement 10 or 15 years ago by moving into the neighbourhood and paying the higher rents. [Gentrification] has at least three sides to it. It is not black or white, good and bad. Long-term residents are not the victims and new residents are not the offenders.“]

Gentrification is a well-debated topic in Berlin. Compared to the actor analysis in New York City and Vienna, the Berlin discourse, however, is characterised by extreme emotions and bilateral argumentation. On the one hand, the public actors tend to de-emphasise the tendencies of gentrification and refer, for instance, to traditionally high mobility rates. On the other hand, opponents of gentrification tend to over-emotionalise the debate by calling every change in the neighbourhood a gentrification-driving activity. Only few voices are located in the middle, mainly among the political opposition, the intermediate actors and the private investors who emphasise the need to observe urban transformations holistically and within a regionalised context. Despite the distinct historical past in Berlin, gentrification stimulators are similar to New York City and Vienna:

PARAMETER	SPECIFICS	LOCAL CHARACTERISTIC IN PRENZLAUER BERG
Geographical-Spatial		
Locational impression	Waterfront or close-by park location	Proximity to “Mitte” and Mauerpark
Connectivity	Public transport, highway	Access to public transport: S-Bahn, metroline U2, several tramways and busses
Safety and Criminal rate		Low criminal and prostitution rate
Economic		
Affordability	Rent and or value gap	Closing rent and value gap due to tighten housing market; new-build property particularly in the luxury segment
Local businesses and job creation	Creative cluster, ethnic entrepreneurs	Vibrant creative community, many start-up businesses (e.g. web businesses)
Political		
Political will and policy initiatives	Development plan, tax abatements, public-private partnerships	Limited by local regulations (e.g. Luxusverbot)
Transformation of underutilized land	Rezoning, inclusionary zoning	Implementation of zoning plan in newly built developments
Political-administrative framework	Long-term versus short-term strategy	n.a., market-driven rejuvenation projects
	Admitting versus hindering of civic engagement	established highly emotionalized civil activities (e.g. “Wir bleiben alle”, “Recht auf Stadt”, “Die Mieten sind zu hoch”)
Lifestyle		
Housing stock with character	Industrial loft housing, brownstone buildings	Founding period and industrial lofts (e.g. former breweries); many parks; urban village character
Distinct and authentic history	Industrial, half-legal and kind of non-mainstream character (<i>urban legends</i>)	Early art and sub-cultural scene dating back to GDR times; squatting after Germany’s reunification
Potential for extended cultural and commercial supply	Existing ethnic entrepreneurs and new creative uses	Adaptation of former industrial buildings to new creative and cultural locations (e.g. Kulturfabrik, Böttzow Brauerei)
Psychology		
Tipping point for future development	Courage and target-orientation	Germany’s reunification
Me-too behaviour	Participation in assumed value increase	Institutional investors follow private individual investors
	Identification with hip, edgy neighbourhood reputation	“Bionade-Biedermeier”

Tab. 48: Stimulators for Gentrification at the Neighbourhood Level in Prenzlauer Berg. (own illustration)

As a result, the actor analysis on gentrification interprets 25 quotations on “gentrification awareness” and 18 quotations on “future gentrification” as follows:

1. Reflecting gentrification processes in Berlin
2. Impeding and stimulating gentrification parameters
3. Current and future spots of gentrification in Berlin

Reflecting Gentrification Processes in Berlin

Before reflecting on gentrification, it has to be mentioned that all actors within the analysis agree on the fact that the low rent level is not a valid argument for neglecting processes of upgrading or gentrification in Berlin. The low rent level, rather, must be seen in combination with the low wage level and the high number of social service recipients. As a result, Berlin is not only attractive to new high-income residents who appreciate the low living costs in Berlin; it is also attractive to low-income households who can live more cheaply in Berlin than in other German cities.

As stated in the Introduction, the gentrification discourse in Berlin ranges between too much and too little emphasis. The latter is represented mainly among opponents of gentrification who consider gentrification and increasing rents as the most relevant topic within urban transformation processes. Debates easily run off topic due to over-emotionalisation and individual demands. Critics usurp gentrification as a “Kampfbegriff” within an academic precarium that is educated, capable of communicating to a broader audience, as well as being organised and well-connected to public media. As a result, their argumentation strategies are perceived as exaggerated and not goal-oriented.

Instead, gentrification should remain a value-free term that explains urban upgrading processes resulting in direct or indirect displacement. Public actors accept and permit gentrification as an inherent component of urban transformation processes. This would be similar to the case study in New York City where gentrification is not specifically emphasised, whereas affordable housing creation takes the central core of political debate. Compared to New York City, the public actors in Berlin take a similar approach, though they are continuously forced to take a stance toward the emotionalised gentrification debate. It seems as if the argument of “gentrification” alone is enough to stop any new project in urban planning. This is a non-target-oriented strategy implemented by a specific group of biased actors.

Additionally, the holistic approach to urban transformation processes gets lost in Berlin. According to expert interviews, from a city-wide perspective gentrification is not the most alarming process going on in Berlin. Rather, the loss of social cohesion in the superblocks or the urban sprawl in “urban/suburban areas” are affecting the urban environment more severely in both quantity and quality.

The use of gentrification as a “Kampfbegriff” leads to the question why gentrification in Berlin became so popular and so negatively cast within urban discourses. The actor analysis shows that gentrification opponents were themselves early gentrifiers who acted as conservative forces in the urban gentrification processes. They were most likely pioneers or early gentrifiers themselves when

they moved to Berlin to benefit from a vibrant and affordable urban life. However, self-reflection on their own role and past displacement is not a central issue within these groups.

The issue of displacement is very sensitive topic. Displacement might be verifiable to a certain degree in US American cities. But, as the case study in Vienna shows, measuring displacement is difficult because of the missing accessibility to data and because of a lack of continuous social monitoring. In Berlin, studies on social impact are taking place. Yet public actors tend to qualify evidence of displacement by referring to the observation time and traditionally high mobility rates. The first argument hints at a crucial challenge within the measurement of displacement. Should the evaluation, for instance, start before the designation of a “Sanierungsgebiet” or should it start in the middle of rejuvenation projects and consider only the last ten years? The period defined affects to a certain degree the result of the measurement. The second argument on traditional high mobility rates has to be carefully considered. It might be correct to refer to high mobility rates as the reason behind the catching up that occurred after German reunification. However, it might also have to do with a residential mobility based on purely economic decisions. Whenever a better and similar affordable apartment becomes available, a household takes up and moves. As a result, high mobility rates in Berlin are not a valid argument for ignoring changes in residential composition.

To conclude the reflection on gentrification in Berlin, the influence of changing overall conditions have to be mentioned. Population growth and the influx of both high-income and low-income households have a significant impact on selected neighbourhoods. These neighbourhoods are for the most part attractive residential areas either because of their location and the quality of life they offer or because of their affordability. A channeled and increased demand in housing contributes greatly to a tight housing market.

In addition, international tourism seems to be a characteristic component of the Berlin case study. This process impacts the local level with regard to the housing market. Apartments that are no longer available for long-term residential use but only for short-term vacation use are lost to the local housing market. This is of special relevance in already tight local housing markets like that in Prenzlauer Berg.

Impeding and Stimulating Gentrification Parameters

In terms of being steering mechanisms, the regulatives in place stimulate or retard but they do not actually prevent gentrification in Berlin. There is an obvious demand to localise regulatives in Berlin, for instance, setting up housing strategies. From a citywide perspective, Berlin does not have a tight housing market. However, localised perspectives identify tight housing markets especially in the segment of affordable housing. As a result, housing policies need to consider local conditions, and regulative instruments need to be adapted towards localised realities, too. For instance, rent regulations need to take into account shortages in housing supply within a specific district. It would not be effective to change rent regulations citywide, but the localised component could contribute to improved steering measures whenever necessary.

Changes in rent regulation with regard to distribution of renovation costs might contribute to impeding effects in terms of affordability. However, the role of the “Mietpreisspiegel” should be revisited as well. The incorporation of free-market rents into “Vergleichsmiete” (comparative rents) might mirror market conditions. However, it offers the critical potential for regular rent increases. In

contrast to the tenant protection in Vienna, where rent increases in existing rent contracts are limited to index adjustments, the “Mietpreisspiegel” in Berlin can in fact be interpreted as a potential “cost driver.”

Current and Future Spots of Gentrification in Berlin

According to the actor analysis, gentrification is certainly taking place in Prenzlauer Berg. And gentrification is well underway in Kreuzberg, Neukölln and in the so-called Kreuzkölln. Also, the first spill-over effects from Prenzlauer Berg to Pankow and Weissensee can be observed. Especially young creatives are finding affordable space in Weissensee, as the example of Gutenbergische Höfe shows. In addition, neighbourhoods like Friedrichshain or Köpenick are experiencing the initial stages of gentrification.

Past and future changes with regard to Berlin’s airports have/will have an impact on urban development processes as well. The airfield Tempelhof has become an attractive target for investment by institutionalized investors. The neighbourhood around Karl-Marx-Straße has been identified as a future investment target. And the future closing of the airport in Tegel is already affecting rent prices in Pankow.

With regard to future development processes in Prenzlauer Berg, the actor analysis identified a certain saturation. From an investment perspective, future projects for urban rejuvenation respectively new-build residential development are limited. Developers are moving to new neighbourhoods, for instance, to Kreuzkölln. From a socio-demographic perspective, Prenzlauer Berg runs risk of becoming homogenized. The group of residents representing the early or established gentrifiers in Prenzlauer Berg are characterised by being in their mid-30s, highly educated and with a distinct taste for lifestyle products. In addition, the generation of children also represents a homogeneous group of residents, aged around 10 years, with demanding parents with regard to social and recreational infrastructure. This homogeneous group of residents that currently lives in Prenzlauer Berg contributes to a saturation characterised by sterile, all too-perfect living conditions. As a consequence, homogenisation in Prenzlauer Berg might commence an upward cycle due to a loss of authenticity, edginess and overall attractiveness.

13.4.5 Reflecting on the Actor Analysis

The actor analysis in Berlin revealed a distinct turning point in urban planning, housing and urban rejuvenation practices. Since German reunification, the influx of externally generated investment has overwhelmed public policies and local realities. Based on the maximisation of profit and gaining revenue for the public purse, there has been tremendous investor activity and a sellout of public goods.

Now evidence is surfacing of a long-term impact that is tipping the social mixture and the characteristics of the typical “Berliner Mischung” in inner-city locations. It is not longer possible to minimise the problems of tight local housing markets and a citywide shortage of affordable housing. Public actors long tended to neglect these challenges in the past, pointing to the relaxed housing market in Berlin as well as to the high mobility among residents. However, these proxies are not valid at the regional or local level. For Prenzlauer Berg, investors discovered decreasing investment opportunities due to limited

Characteristics of Bounded Rational Choices Between the Neoliberal and the Social Welfare State Context:

- 1. Risking social mix and „Berliner Mischung“ for the benefit of profit maximization.*
 - 2. Tight local housing markets and citywide shortage of affordable housing has long been downplayed by public policies.*
 - 3. Return to social values and public subsidies involving investors to finance public infrastructure.*
 - 4. Regulations in need of adaption and less flexibility.*
 - 5. Gentrification between politicking with “Kampfbegriff” and disregard.*
 - 6. Need to overcome preserving forces at all levels.*
-

building land options and already completed rejuvenation projects (“fertig saniert”). Intermediate actors found a shortage in affordable housing as well as a low consideration of integrative housing forms. They refer to housing for the elderly and a diversified set of actors to participate in urban rejuvenation practices. Both public and private actors identified a transformation towards homogenisation that devaluated the attractiveness of Prenzlauer Berg as a residential neighbourhood. Existing residents are too homogeneous to represent a distinct socio-demographic group with distinct commercial and cultural habits. In combination with the tight local housing market, the actor analysis identified an upward-oriented cycle in terms of neighbourhood attractiveness.

The sellout of social values occurred not only at the city level with regard to municipal housing, but also at the neighbourhood level through a lack of regulations for incoming investments. Neighbourhoods like Prenzlauer Berg have been overwhelmed by external investment by investors who did not even know their investment object personally. The “anonymity” of such investment combined with an investor-friendly district administration facilitated the sellout of Prenzlauer Berg. A greater flexibility towards the demands of investors was also supported by the absence of zoning plans and by demand-driven rent regulations. In order to gain more steering capacities, these planning instruments and regulatives need to be adapted.

With regard to “gentrification,” the actor analysis revealed a certain weariness towards the gentrification debate and a number of opponents. This can be interpreted as a result of overuse of the term “gentrification” as a “Kampfbegriff” by a well-organised, educated and communicative group of citizens. The counter-reaction by public actors is to disregard gentrification altogether, which increases the risk of overlooking actual both direct and indirect displacement processes. The actor analysis clearly identified a need to rethink the gentrification debate in Berlin and to move beyond an emotionalised habitus of “disliking something” at the actor levels.

This aspect leads to a more general outcome of the actor analysis in Berlin. Similar to the case study in Vienna, the set of actors tends to want to preserve the status quo. Public policies followed their “business as usual” approach, rethinking their approaches only recently. With regard to investors, private actors are trying to fulfil their rational of profit-maximisation, occasionally coping with accusations of gentrification, but not with general local needs. Private actors respond to gentrification opponents by using gentrification as a “Kampfbegriff” to emotionalise the activism for affordable housing and participation in urban policies. Private actors at the resident level posit strategies of preservation to reject any changes in the neighbourhoods. Both existing and new actors at all levels reveal strong tendencies towards preservation of the status quo. However, the intermediate actors are demanding a shift towards adaptation in order to cope with future challenges.

13.5 The Contextualised Interplay of Policies, Actors and Gentrification

Berlin serves as the “youngest” example of coping with a political and historical heritage while also trying to meet current challenges like the restructuring of the public administration, the protection and adaptation of structures at the level of urban rejuvenation policies and at the neighbourhood level. In addition, processes of gentrification are occurring surprisingly dynamically in specific neighbourhoods, and activism among inhabitants remains emotionalised due to a tradition of political engagement and growing social disparities. It seems as if East Berlin has finally caught up in terms of living quality in some neighbourhoods as was intended by public policies. However, these processes happened in a very dynamic manner since German reunification in light of its embeddedness in a social welfare state system.

The combination of policy and actor analysis identifies in Berlin the impact of external investment on local realities. Whereas public policies aim to stimulate private capital, there has been a selloff of social values in neighbourhoods like Prenzlauer Berg. The contextualised interplay between policies and actor rationales reveals a distinct focus on profit maximisation instead of creating a satisfying win-win situation in the neighbourhood.

The local dynamics of the real estate and rental market are closely linked to the tax subsidy system. In Germany, tax breaks based on real estate property have a high impact on investments in the built environment, especially for private investors. This impact has to be analysed at two levels. First, on the production side, where public policies facilitate an investment-friendly environment based on trust in governmental decisions about designated “Sanierungsgebiete.” Second, on the consumption side, where private investors take advantage of tax abatements that influence the decision-making process with regard to the acquisition of real estate property. The support for private real estate property through public subsidies or tax breaks has a long tradition in Germany. The creation of owner-occupied private residential building was subsidised by the state programme “Eigenheimzulage” until January 1, 2006. It was one of the largest public subsidy programs in Germany based on demographic projections.⁹⁹ It is obvious that the public subsidy system links macro trends like demographic changes with needs at the micro scale like housing supply for inhabitants. With regard to the Berlin case, the special allowance for depreciation (“Sonder-Afa”) in East Germany has to be mentioned.¹⁰⁰

Despite getting rid of the “Eigenheimzulage,” the German tax break and subsidy system still provides support for investment in residential housing creation and redevelopment. Special allowances for depreciation support the renovation of protected (historic) buildings, and real estate profits are still tax-free after ten years’ time. Both open and closed real estate funds support tax-friendly investment in real estate property. These kinds of subsidy serve as incentives for private and institutional investors and are therefore catalysts for real estate investment. The provision of public subsidies impacts the rationales of investors and therefore investment behaviour. The state is better able to steer investment in certain pathways. Cutbacks or changes in the subsidy system highly affect the supply side of real estate creation and the demand side of residential regeneration (MAENNIG & OTTMANN 2011: 193). The newly created building restructuring programme from 2006, which is

⁹⁹ The abolishment in 2006 was made possible by the assumption that housing supply had achieved a satisfying level for German inhabitants in light of future population growth (MAENNIG & OTTMANN 2011: 193).

¹⁰⁰ This tax break according to §4 Fördergebietsgesetz has expired but is still having a belated impact on real estate supply (MAENNIG & OTTMANN 2011: 193).

based on the European energy conservation law from 2002, is an example for the adaptation of urban policies.

Despite the distinct context of political and economic changes, Berlin may serve as a unique example of how external effects like population growth and private investment are underestimated. It seems that this combination facilitates not only social disparities, but also generates a high awareness among local inhabitants of changes in the neighbourhood affecting their individual living environment. As a result, protective forces grow not only among residents but also within public policies.

Gentrification is part of public and academic debate and the tendency towards emotionalisation and activism must be considered in the wider context of growing social disparities. Especially inner-city living is changing significantly in Berlin, moving towards a distinct high-end living environment with privatised amenities. As MARQUARDT et al. (2013: 1540) point out, this transition towards “new luxury” can be “[...] understood as a powerful reworking of how the city, its uses and users are imagined and governed.” This argument reflects the assumption that public policies follow the dictation of private capital based on a political assumption about how the future of a neighbourhood or a city should look.

Therefore, the approach to gentrification must be integrated into public policies. Although gentrification is not considered the largest challenge in Berlin, the public reaction to accusations of gentrification should not be downplayed. To ensure social values in the future, public policies in Berlin need to adapt planning instruments to become more regulative mechanisms. In addition, the integration of a more diversified set of actors and the valorisation of investors’ social responsibility might be of benefit of local civil society.

E. Outlook

“There appears to be little understanding that a nation in flux requires administrators trained to deal with change.” (HYMAN 1971: 365, In: RONDINELLI 1973: 14)

To recapitulate, this study strives to understand the divergent dynamics in urban rejuvenation and gentrification processes under different political and institutional conditions. The case study analysis is based on the examples of districts in New York City, Berlin and Vienna as representatives of growing and successful cities on the global stage of city competition. All three cities have a significant stock of historic housing stock and built environment that have organically grown and been adapted over time. The built environment became part of each city's self-identification and international perception. Williamsburg in Brooklyn, New York City, is the new flagship for post-industrial chic and waterfront accessibility. Prenzlauer Berg in Berlin became a hotspot for a high-end residential area within a diversified cultural and commercial environment for middle-class demands. Mariahilf in Vienna was transformed into a creative, small-scale residential and commercial neighbourhood that generates interest among investors.

With the conceptual background of the “Europäische Stadt”, this analysis is based on the proposition that all three cities need long-term political and economic strategies to help renovate and preserve the existing housing stock. They need political and legal instruments that work as incentives or regulative measures with regard to rejuvenation of the built environment. Both in free-market and welfare state systems, economic investment is based on rationales of valorisation. If return in investment can be assumed, renovation activities take place; if the financial incentives seem to be less attractive, investment in rejuvenation must be complemented by incentives such as tax abatements or renovation subsidies.

Both strategies are in place in New York City, Berlin and Vienna and interact with economic and housing market conditions to stimulate private investment in the built environment. From a political point of view, it can be interpreted as success that the built environment discussed in the three case studies has indeed been rejuvenated and remains attractive to both existing and new residents. However, this result has to be reflected in a more differentiated manner, especially with regard to gentrification. This analysis comes to the result that gentrification does occur in all three cities, even though the local characteristics with regard to both measures and outcomes differ. These distinctions will be elaborated on in the last two sections on the main findings and policy recommendations.

14. Main Findings

This analysis results in five main findings concerning the role of gentrification for neighbourhood transformation in cities with a need for preservation and rejuvenation of the built environment. These findings refer to

1. gentrification as an urban reality
2. gentrification as an ideologically biased term
3. gentrification as part of political steering measures
4. gentrification as a necessary component of physical urban rejuvenation

Gentrification as an Urban Reality

From a planning point of view, gentrification is an inherent component of urban realities shaped by political and economic interests. The analysis shows that the underlying interests are aimed at the rehabilitation and rejuvenation of the built environment in order to improve neighbourhood attractiveness and ensure high-quality living standards. On the one hand, urban policies attempt to create an investment-friendly environment in times of tight public funds. On the other hand, the interest of investors lies in achieving a satisfying balance between investment and return, both being dependent on the right timing for investment activities.

Gentrification does not depend on any specific political or institutional framework. As the analysis shows, gentrification processes can be identified and are debated both in the neoliberal and social welfare state context. Instead, the parameters at the macro level set the stage for a gentrification potential that is going to be realized within the specific local context. From the analysis interdependencies between the global and national economic situations, population growth, the local housing market and living quality in the neighbourhood can be discovered.

However, how gentrification processes occur at the local level and how they impact neighbourhood development differ with regard to local political, social and locational characteristics. As a result, stimulators for gentrification at the neighbourhood level refer

to general dimensions depending on geographical-spatial, economic, political, lifestyle and psychological parameters (see Tables 26, 37, 48). These parameters serve as a starting point for future neighbourhood development, though they need to be contextualized with regard to local characteristics. For instance, waterfront location might positively contribute to gentrification in the Williamsburg case but might hinder gentrification in the higher industrialized and contaminated waterfront locations at Gowanus Canal.

Gentrification processes occur no matter what political or institutional framework conditions look like.

Instead, interdependencies between parameters at the macro and micro level are more relevant.

Gentrification as an Ideologically Biased Term

The comparative analysis found evidence for distinct connotations within the three cases with regard to gentrification. Such connotations are ideologically biased and range from acceptance to denial at the level of public authorities, and from indifference to civil disobedience at the level of neighbourhood communities. These differences result from the differing political systems and their inherently different understanding of market forces and responsibilities among public authorities and civil society.

In New York City, gentrification is an accepted reality of urban transformation among public authorities and investors. As the analysis shows, gentrification is perceived as a side-product of neighbourhood development within urban rejuvenation strategies. Political debate does not emphasise the negative outcomes of gentrification but rather focuses on the construction of affordable housing to create a balance in neighbourhood changes. Although it can be assumed that gentrification awareness exists within urban policies, an awareness-raising “corrective” is also in place, represented by community institutions. These organisations ensure the proper communication of specific community’s demands and put emphasis on more socially oriented aspects of neighbourhood development. They represent a counterforce to the market-driven interests in urban rejuvenation practices. Although gentrification is used as an pejorative “combat term” within more community-based debates, the analysis identified a relatively reflective use of gentrification within the overall public debate compared to the German and Austrian cases.

The connotation of gentrification ranges from acceptance to denial at the political level and from indifference to civil disobedience at the community level.

In Berlin, public debate on gentrification is influenced by conflicting perspectives among public authorities and neighbourhood initiatives. At the local level, the engagement of civil society seems to be well established with regard to “right to the city” and “affordable rents.” Within this context, gentrification is used as a “combat term” to represent the socially incompatible impact of neoliberal urban policies. Yet the question arises as to who articulates what kind of arguments based on what interests within these debates. The analysis identifies an imbalance in terms of actors and their arguments within the public discourse. As a consequence thereof, the reaction of the public authorities during affordability debates is characterised by refusal and a defined set of arguments that attempts to leverage the negative implications of gentrification.

In contrast, the use of gentrification in Vienna is characterised by a strong social component among the public authorities that have preferred to deny the occurrence of gentrification in Vienna for many years. Whenever gentrification processes started to be discussed, the reaction by public authorities was based on references to the strong social safety net and regulations opposing any socially incompatible urban rejuvenation process. In the civil society, an indifference towards gentrification has been in place ever since. However, awareness is rising because of the increasing number of changes taking place within ever shorter time periods in some neighbourhoods. The ideologically influenced use of gentrification in Vienna runs the risk of diluting at two levels. First, the denial of gentrification realities among public policies might hinder an aligned strategy to face increasing social segregation. Second, the emerging overuse of gentrification to describe neighbourhood changes in the public debates might lend support to an unreflected debate on urban transformation processes.

Gentrification as Part of Political Steering Measures

As the analysis shows, gentrification can be steered in a stimulating or regulative manner by public policies. Installing a range of policies, incentives and activities that support renovation investment is crucial to protecting the urban housing stock and can be interpreted as a political will to support investment in the built environment of cities. Whether or not gentrification is initiated deliberately or not should not be criticized in the first place.

Steering measures differ in their general approach: The political question is one of regulatives versus incentives.

In contrast, the extent of gentrification can be limited within every political system. The analysis shows that regulations are in place in all three cases. Whereas tenant laws are a common strategy for regulating rental prices, steering measures within the neoliberal atmosphere of New York City go beyond the idea of regulation. It seems as though urban policies follow a reversed approach within a market-driven system by using incentives for the creation of affordable housing instead of imposing regulations like the “Luxusverbot” in Berlin. It has to be questioned how effective small-scale regulations like the prohibition of balcony construction or conversion into holiday apartments will be in the long run. They may not actually affect the roots of gentrification and in fact distract from a fragmented housing market as a result of a lack of public strategies.

Gentrification as Necessary Component of Physical Urban Rejuvenation

Gentrification in its basic understanding of investment in the physical environment leading to upgrading processes and changes in the socio-demographic neighbourhood composition has to be seen against the context of urban realities. Based on this study, it can be argued that gentrification as a proxy for economic valorisation of return of investment is a crucial component for the stimulation of urban rejuvenation.

Gentrification serves as a supporting argument for investments in the physical built environment.

Without expectations of increasing real estate values and profitable real estate sales investment in neighbourhood development by private actors remains unlikely. However, in times of fiscal crisis it is of major relevance to shift such investment obligations from public to private actors in order to fulfil the underlying aim of rejuvenating the housing stock and creating new housing developments. The alternative to investment to potentially stimulate gentrification would be disinvestment, leading to decay and potentially a decreasing quality of life in the long run. Therefore, it becomes a question of political and public negotiation on the questions of the extent and style of gentrification that is necessary to ensure the preservation and rejuvenation of the existing and future housing stock.

Disinvestment as a result of abandoning gentrification would lead to urban decay.

15. Policy Recommendations

This analysis concludes with some policy recommendations deriving from the main findings and supporting the practical implementation of empirical findings. In addition, some suggestions on policy directions, underlying theoretical concepts and planning instruments are included to provide concrete field of actions within the specific local context. Policy recommendations cover four dimensions, namely, the levels of planning, capacity, process and future challenges.

The Four Main Messages for Urban Policies:

1. **Accept** gentrification and **work with it**.
 2. **Realize the driving force** of gentrification within urban development.
 3. **Mediate and monitor** gentrification processes.
 4. **Move towards a social entrepreneurial city**.
-

The Acceptance of Gentrification as a Processual Instrument for Physical Rejuvenation

Gentrification is not a planning instrument, but rather an inherent component in urban development processes. Its occurrence should go beyond simple acceptance in urban policies. Rather, the utilisation of gentrification as an important component for rehabilitating the existing built environment should be part of the political agenda. During times of cutbacks, the question arises as to how to ensure the status quo and still improve living quality in the neighbourhood. Here, gentrification provides one way to identify development potential and to reflect on how to move investors to uphold their duties with regard to public affairs.

The Integration of Gentrification as a Nucleus in Urban Development

Gentrification provides a momentum of action that goes beyond investment in the physical built environment. It serves as a nucleus for future development in the neighbourhood makeup. On the one hand, the rejuvenation of existing structures and the construction of new developments are realized by stimulating private investment. On the other hand, gentrification can also serve as a driving force for urban development, providing momentum for adjusting established approaches.

Urban policies should take advantage of its character as a cross-sectoral process through the utilisation of benefits to counterbalance constraints. Cross-sectorality refers to the character of gentrification that tackles adjacent sectors like integration and cultural policies, providing technical and social infrastructure as well as climate protection and environmental policies. Adaptations within these sectors have an impact on both the occurrence and the character of gentrification. Future urban policies might be based on the existence and utilisation of gentrification to link sectoral policies among each other. This results in improved capacities within urban policies that meet increasing complexity and ongoing adaptations through relational planning approaches.

The Necessity of Steering Measures within Gentrification Processes

Gentrification requires systemized and continuous mediation and monitoring at the neighbourhood level. Urban policies need to be aware of its potential as a nucleus for development at the local level which causes favoured and unfavoured tipping points. As a result, steering measures of gentrification should go beyond being just regulatives and incentives. Soft measures like mediation by independent actors are crucial components in the coordination of needs and demands at various levels. Continuous monitoring of socio-demographic, socio-economic and spatial changes has to occur on a regular basis in order to identify tipping points. Neighbourhood monitoring needs to be based on measureable objectives to facilitate the evaluation of urban policies and their implementation effects at local level.

Towards a Social Entrepreneurial Approach in Gentrification Processes

Urban policies need to be aware of the increasing social fragmentation caused by gentrification. Building on the concept of entrepreneurial cities, urban policies should integrate gentrification as a processual component within urban rejuvenation strategies. In addition, steering measures and the integration of new actors¹⁰¹ complement future urban policies to move towards social entrepreneurial approaches. As a result, short-term economic interests within neighbourhood development practices are counterbalanced by long-term political strategies aiming at social cohesion. Social entrepreneurial cities¹⁰² feature economic interests to ensure successful participation within city competition, while public authorities demand social components from participating actors. Hence, social entrepreneurial cities move beyond the simple distribution of financial resources and responsibilities and ensure social responsibility within the force field of ongoing neoliberal forces - and they create a comprehensive understanding of neighbourhood sustainability.

¹⁰¹ New actors involve forms of new participation that go beyond “traditional” approaches of private-public partnerships (PPP). For instance, community land trusts (CLT) in the United States (similar to “Mietshaus-Syndikat” in Germany) or a revival of building groups (“Baugruppe”) in Germany and Austria may serve as recent examples. Both target the creation of ownership. Whereas the aim of CLT is the empowerment of poor people, building groups aim at creating ownership housing for a financially stretched middle class. Both actors do not represent a single individual, but rather a conglomerate of private interests. The self-organisation and long-term social strategy of CLTs and building groups enable actors both to participate in housing creation and to gain a voice in urban development processes.

¹⁰² The new approach of “social entrepreneurial city” refers to the concept of corporate social responsibility (CSR) that has its roots in liberal market economies and evolved in the United States during the 1980s. The reason for the origin in free-market conditions may be found in the attempt to balance the lack of social state institutions and a poorly developed social security system (MUTZ 2008: 108). CSR strategies go beyond pure economic interests and goals by integrating social and ecological indicators. They acknowledge the power of the society “[...] that [...] itself is a precondition for economic and entrepreneurial management [...]” (MUTZ 2008: 108). CSR serves as an overall internal mission taking ecological and social responsibility into account within core business. Ecological responsibility is achieved, for instance, through eco-friendly production processes, social responsibility through the improvement of working conditions (MUTZ 2008: 108). The implementation of both dimensions into a company’s values is the result not only of pure responsibility towards society and some picture of a “better world,” it is also a strategy to create a unique selling proposition (USP) within a competitive market (EDER & OETTINGEN 2008: 16). A social component in the sense of CSR could be employed in urban planning through consistent efforts, through inclusionary zoning and “Städtebauliche Verträge,” through the creation of social infrastructure and through the active integration of civic society in urban planning. Ideally, social responsibility is not required in a top-down approach but is rather integrated into every level of decision-making within all interest groups. Social responsibility is able to enhance bounded rational choice towards a resilient way of decision-making. Satisficing is no longer related exclusively to economic valorisation, but now also to social satisfaction on both the supply and demand side. In the long run, it may support true sustainability in neighbourhood development.

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Annex

Gesprächsleitaden ExpertInnen-Interview									
Datum:									
Ort:									
Interviewpartner:									
Institution:									
Position:									
1 Einleitung									
Meine berufliche Position und Forschungsinteresse.									
1.1.	Welche berufliche Position haben Sie inne? Was sind Ihre Aufgaben?								
1.2.	In welchem Zusammenhang hat die Wirt.agentur ganz allgemein mit Stadtentwicklungs- und Stadtaufwertungsprozessen zu tun?								
1.3.	Wie gelangt die Wirtschaftsagentur zu Ihren Flächen? Umwidmungen? Rückgaben? Bei Umwidmung: Wie in Zukunft mit Planwertabgabe?								
2 Stadterneuerung-, planung und -aufwertung in Wien									
2.1.	Verglichen zu anderen historisch gewachsenen Städten wie zB Berlin, London oder New York: Ist der Erneuerungsbedarf der Stadt besonders hoch / niedrig / "machbar" einzuschätzen?								
2.2.	Welche Rolle spielt aus Ihrer Sicht Stadterneuerung in der Wiener Stadtplanung? Wie beschreiben Sie Stadterneuerung in Wien bzw. welche Charakteristika weist diese auf? Inwiefern tangiert Sie der Aspekt der Stadterneuerung in Ihrer eigenen Arbeit?								
2.3.	Wie charakterisieren Sie das System der Stadtplanung in Wien? Wer sind die Akteure? Wer sind die Entscheidungsträger? Wer hat die meisten Kompetenzen? Sind Veränderungen / Verschiebungen in den Kompetenzen erkennbar?								
	Welche Rolle nehmen aus Ihrer Sicht PPPs ein? Nehmen diese quantitativ in Wien zu? Wenn ja, warum?								
2.4.	Inwieweit ist der Stadtentwicklungsplan relevant für die Stadtaufwertung einiger Wiener Bezirke? Oder spielen eher andere Instrumente wie bspw. Fördermittel oder Planungseinscheidungen eine Rolle?								
2.5.	Gab es während der letzten Jahre Veränderungen in den Wiener Stadtaufwertungsprozessen? Höhere oder verlangsamte Dynamik? Neue oder einflussreichere Akteure? Tendenz zur Regulierung oder Steuerung durch Markt? Möglichkeiten, Investoren mehr in die Pflicht zu nehmen (zB Planwertabgabe)?								
2.6.	Wie würden Sie den Wiener Wohnungsmarkt beschreiben? Angespannt oder stabil? Gibt es geographische Unterschiede?								
2.7.	Der politische Diskurs zeigt, dass Gentrifizierung in Wien nicht als akutes Problem gesehen wird. Wie definieren Sie Gentrifizierung? Sehen Sie solche dynamischen Aufwertungsprozesse in Wien oder nicht? Welche politischen Instrumente gibt es, diesen rapiden Aufwertungsprozessen entgegenzusteuern oder sie gar kontrolliert zu steuern?								

3 Gentrification in Mariahilf	
	<i>Wir wenden uns nun Stadtaufwertungsprozessen im 6. Bezirk/Mariahilf zu,</i>
3.1.	Wie schätzen Sie das Stadterneuerungspotential im 6. Bezirk ein?
3.2.	Erkennen Sie Stadtaufwertungstendenzen im 6. Bezirk? Falls ja: Warum kommt es zur Aufwertung?
3.2.1.	Wer sind die InitiatorInnen? Das Land, die Stadt, konkrete Planungsentscheidungen, institut. oder private InvestorInnen?
3.2.2.	Macht es aus Ihrer Sicht einen Unterschied, wer Stadtaufwertung initiiert? Öffentlich versus private Investoren? Umwandlung in Eigentum/Mietverträge zu Marktpreisen versus gedeckelte Mietpreise?
3.2.	Wer sind die wichtigsten Stadtentwicklungs-Akteure im 6. Bezirk? Welche Entscheidungen waren ausschlaggebend für die Aufwertung?
3.2.1.	Welchen Einfluss haben die einzelnen Akteure? Werden Investoren in Planungsentscheidungen involviert oder haben BürgerInnen eine tatsächliche Entscheidungsmacht?
3.2.2.	Inwiefern können die Akteure ihre Meinungen kommunizieren?
3.3.	<i>dev</i> Warum haben Sie begonnen, in Mariahilf zu investieren? <i>pol</i> Inwiefern und mit welchen Zielen engagieren Sie sich in Mariahilf?
	<i>all</i> Wie sieht der Entwicklungsprozess bei einer Liegenschaft aus (von Eigentumsübergang bis hin zur Konstruktion)? <i>pol</i> Welche Interventionsmöglichkeiten haben Sie? Wie stehen Sie zu Projekten wie Westbahnhof oder Fußgängerzone "Mariahilf"?
	<i>dev</i> Wie sieht der Finanzierungsplan für dieses Projekt aus?
3.4.	Welche Anreize werden von Seiten des Landes/der Stadt/des Bezirks zur Verfügung gestellt, um Investitionen zu initiieren?
3.4.1.	Von Seiten des Landes
3.4.2.	von Seiten der Stadt (e.g. tax benefits and low-cost financing through tax-free bonds)
3.4.3.	von Seiten des Bezirks
3.5.	Welche Regulierungen müssen in Stadtaufwertungsprojekten in Mariahilf beachtet werden? zB Mietvertragsschutz, Vorgaben in Bebauungsdichte/-höhe etc.
3.5.1.	Inwiefern sind folgende Regulierungsmechanismen in Mariahilf relevant? Flächenwidmungsplan Mieterschutz Verfügbarkeit von leistbarem Wohnraum / Sozialwohnungen / geförderten Wohnungen Inwiefern wird das Angebot davon sichergestellt? Anbindung an den öffentlichen Nahverkehr Schaffung von öffentlichem Raum Errichtung von Einrichtungen der Daseinsvorsorge (Schulen, KITAs, Krankenhäuser, Büchereien, Schwimmbäder)
3.6.	Welche Vorteile hat die Stadtaufwertung in Mariahilf geschaffen?
3.7.	Welche Herausforderungen schafft Gentrification in Mariahilf? Leisbarkeit des Wohnraums
3.8.	Um eine gute Datenbasis für Mariahilf zu erhalten: Welche Datenquellen sind vorhanden für...
3.8.1.	Entwicklung der Miet- und Eigentumspreise (Wiener Richtwertmietzins?)
3.8.2.	Investments in Wohnungsbau, Öffentl. Nahverkehr, öffentl. Raum
3.8.3.	Verteilung des geförderten Wohnungsmarktes, mietpreisgeschützte Wohnungen, Wohnungen auf dem freien Markt
3.8.4.	sozio-demographische Charakteristika des Viertels
3.8.5.	Änderungen im Flächennutzungsplans

[illegible]

The interview guides have been adapted for New York City, including translation into English, and Berlin according to national and local characteristics.

CURRICULUM VITAE

Yvonne Franz, M.A.

PERSONAL

Born November 26, 1979 in Prien am Chiemsee, Germany

EDUCATION

- October 2013 Dissertation at University of Vienna: *"Between Urban Decay and Rejuvenation. Deliberate Employment of Gentrification in Neighbourhood Development: Case Studies from New York City, Berlin and Vienna."*
- March 2009 MA in Geography, University of Vienna. Major: demography and regional development. Diploma Thesis: Social Housing in the United States.
- 2004 – 2009 Studies in Geography at the University of Cologne and Vienna
- 2001 – 2003 Studies in Business Economics at the Ludwig-Maximilians-University Munich
- 1999 Graduation (Abitur) from Karolinen-Gymnasium, Rosenheim

PROFESSIONAL

- 2012 Visiting Scholar at Center for Urban Studies, Graduate Center of City University New York
- Since July 2009 University Assistant (*Säule 1*), Department of Geography and Regional Research, University of Vienna
National Coordinator, Joint Master in Urban Studies (4CITIES), www.4cities.eu
- 2006 – 2009 Account Manager, Ambuzzador Marketing GmbH, Vienna (Sales, Conception Account Management, Consulting and Public Relations)
- 1996 – 2008 Project Manager for Kids and Youth Marketing at McDonald's Heinritzi Betriebs GmbH, Rosenheim (Conception, Project Management, Training and Moderation)
- May – July 2005 Internship in Marketing at McDonald's Austria Franchise GmbH, Brunn am Gebirge
- 2003 – 2005 Freelancer at Tax Consultant Office Hoffmann, Düsseldorf
- 2001 – 2003 Freelancer at Tax Consultant Office Klapprott, Rosenheim
- February – April 2002 Accounting Internship at Bayerische Treuhandgesellschaft, Member of KPMG International, Munich
- 1999 – 2001 Apprenticeship as Assistant Tax Consultant at Tax Consulting Office Haubner

GRANTS AND SCHOLARSHIPS

Summer term 2013	University of Vienna, Dissemination Grant
Winter term 2012/2013	Visiting Scholarship at Center for Urban Studies, Graduate Center of City University New York
	University of Vienna, Staff Mobility for University Partnership at City College of New York, U.S.
Summer term 2011	University of Vienna, Research Scholarship
Winter term 2010/2011	
Summer term 2010/2011/2012	Erasmus Staff Exchange for Universidad Autónoma de Madrid, Spain
Winter term 2011/2012, 2010/2011 2009/2010	Erasmus Staff Exchange for University of Copenhagen, Denmark

AWARDS

Bank Austria Preis für innovative Lehre 2013 [Bank Austria Award for Innovative Teaching 2013]

ADDITIONAL SKILLS

Fluency in German and English, training in data analysis software, academic writing, presentation and moderation, voice and personal coaching

PUBLICATIONS

Yvonne Franz, Martina Jakovčić, in preparation. *From Brownfields to New Urban Quarters. A comparison of current processes between Vienna and Zagreb.*

Yvonne Franz, Elisabeth Gruber, in preparation. *Sustainable Urban Development in the 15th district of Vienna.*

Yvonne Franz 2013. *Eine Renaissance des Freiraums?* [A renaissance of open space?]. In: Dokumentation der Fachtagung 2012. Gebietsbetreuung Stadterneuerung 7/8/16. Wien.

Yvonne Franz 2013. *Smart oder nicht smart. Was macht eine Stadt zu einer intelligenten Stadt?* [Smart or not smart. What makes a city intelligent?]. In: „Smart City“. Bohmann Verlag, Wien.

Yvonne Franz 2012. *Mit Optimismus die Zukunft unserer Städte gestalten.* [Shaping the Future of our Cities Through Optimism]. Eine Nachlese zur Auslandsexkursion am Institut für Geographie und Regionalforschung, Universität Wien, In: Mitteilungen der Österreichischen Geographischen Gesellschaft. 154. Jahrgang (Jahresband), Wien.

Jerilyn Perine, **Yvonne Franz**, Sarah Watson, Marsha Nicholson 2012. *Wirtschaftsförderung als Instrument der Stadtteilentwicklung in East Harlem, New York City* [Economic Development as a Tool of Urban Development in East Harlem] In: Wirtschaften mit Migrationshintergrund. Zur soziokulturellen Bedeutung ethnischer Ökonomien in urbanen Räumen. Dr. Maria Dabringer und Alexander Trupp (eds.)

Yvonne Franz, Alois Humer 2012. *Kulturelle Inszenierung des urbanen Raums aus der Perspektive von Stadtplanung und Stadtentwicklung* [Cultural Production of Urban Space from the Perspective of Urban Planning and Urban Development] In: Conference Proceedings of Symposium „Stadt und Raum – Komparatistische Urbanistik Wien und Tokyo“, Meiji Universität Tokyo.

Heinz Fassmann, **Yvonne Franz** 2012. *Smart Cities oder: Wie intelligent ist smart?* [Smart Cities or: How Intelligent is Smart?] In: Jahrbuch StadtRegion. Christine Hannemann et al. (eds.)

Yvonne Franz, Alois Humer 2011. *Theorie und Praxis in Raumordnung und Stadtentwicklung im 4-Länder-Vergleich* [Theory and Practice of Spatial Planning and Urban Development in Four Country Comparison]. Eine Nachlese zur Auslandsexkursion am Institut für Geographie und Regionalforschung, Universität Wien, In: Mitteilungen der Österreichischen Geographischen Gesellschaft. 153. Jahrgang (Jahresband), Wien.

Yvonne Franz 2011. *Gentrification Trends in Vienna*. In: Urban Sprawl in Europe. Viktória Szirmai (ed.). Budapest.

Yvonne Franz 2010. *Wachstum und Verfall US-amerikanischer Städte. Eine Nachlese zur Auslandsexkursion am Institut für Geographie und Regionalforschung* [Growth and Decline of U.S. cities. Lessons from a Research Visit by the Institute of Geography and Regional Research], Universität Wien. In: Mitteilungen der Österreichischen Geographischen Gesellschaft. 152. Jahrgang, Wien.

Heinz Fassmann, **Yvonne Franz** (eds.) 2010. *Integration Policies at the Local Level – Housing Policy for Migrants*. ISR Forschungsbericht. Vol. 36. Verlag der Österreichischen Akademie der Wissenschaften.

Yvonne Franz 2010. *Wer ernten will, muss säen* [You Must Sow to Reap]. In: Spacemag. Vol. 2. March.

Yvonne Franz 2009. *Demographical Characteristics of Social Housing in the United States*. Diploma Thesis at the Department of Geography and Regional Research, UNIVIE, March 2009.

Invited Talks

Wachstumspotentiale gründerzeitlicher Stadtquartiere am Beispiel des Zählbezirks 1602, „Hippviertel“ im 16. Bezirk. [Potential of Growth for Urban Neighbourhoods from the Founding's Periode. The example of census tract 1602, "Hippviertel" in 1160 Vienna]. Moderation of expert workshop on open space, December 2012, Urban Renewal Office 6/14/15.

Aktuelle Forschungsfragen der Stadtgeographie [Current Research Questions in Urban Geography]. Guest lecture within „Grundlagen und Konzepte der Raumordnung“, November 2011, University of Vienna.

Wer soll das bezahlen, wer hat so viel Geld? Wohnungsmarktpolitische Tendenzen in New York City, Berlin und Wien [Should Those with Money Pay? Housing Market Trends in New York City, Berlin, and Vienna]. November 2011, Café Géographique, Vienna.

Stadt werd' smart [Cities Become Smart] Annual Conference „Stadt und Land nachhaltig entwickeln“ of Austrian Agency for Education for Sustainable Development, May 2011, Vienna.

Kulturelle Inszenierung im Urbanen Raum aus der Perspektive von Stadtplanung und Stadtentwicklung [Cultural Production from the Perspective of Urban Planning and Development]. Symposium „Stadt und Raum – Komparatistische Urbanistik „Wien und Tokyo““, September 2010, Meiji University, Tokyo.

Conference Talks and Workshops

Gentrification Trajectories and New Adaptive Urban Strategies in European and North-American Cities. Association of American Geographers (AAG), Annual Meeting, March 9th – 13th 2013, New York City.

Between Urban Decay and Urban Rejuvenation - Regulatory Gentrification As A New Instrument for Adaptive Neighbourhood Development. Urban Affairs Association (UAA), 43rd Annual Meeting, April 3rd -6th 2013, San Francisco.

Urban Renewal Through Public Private Partnerships. Association of American Geographers (AAG), Annual Meeting, February 24th – 28th 2012, New York City.

From Brownfields to New Urban Quarters. A comparison of current processes between Vienna and Zagreb. In cooperation with Martina Jakovčić. 5th Croatian Geographical Congress, Osijek, October 5th-8th 2011.

Gentrification Here and There. Status Report On Current Gentrification Discourses In Europe And The United States (With Special Regard To Vienna, Berlin And New York City). Association of American Geographers (AAG), Annual Meeting, April 12th -16th 2011, Seattle.

From Curricular Theory to Practical Implementation: In-Depth Insight into UNICA Euromaster in Urban Studies (4CITIES). RIMIENJENA GEOGRAFIJA U TEORIJI I PRAKSI, 5. und 6. November 2010, Zagreb.

Gentrified Arterial Roads as a Phenomenon for Urban Transformation. A critical observation of gentrification processes based on an upcoming inner district in Vienna. International Planning History Society Conference 2010, Istanbul.

Workshop Leadership: *European Foreign Policy* at EGEA Western Regional Conference 2008, Maastricht, Belgium (with Elisabeth Gruber)

Conference Organization

Organization of Board Meetings and Master Thesis Seminars in Vienna in the framework of the Erasmus Mundus Joint Master Programme for Urban Studies (4CITIES).

Conceptual and Organizational Assistance within the OMAA Project “Urban Development and Urban Planning in West and Eastern Europe”. Seminar for Regionalists in Vienna and Budapest 2010, 2011, 2012. Project Leaders: Prof. Viktória Szirmai and Prof. Heinz Fassmann.

Conception and Organization of a Transatlantic Workshop on “Integration Policies at the Local Level”, 20th and 21st July 2010, New York City. Supported by the German Marshall Fund of the United States. Project Leader: Prof. Heinz Fassmann.

Conception and Organization of a Transatlantic Workshop on “Integration Policies at the Local Level”, 1st and 2nd June 2009, Vienna. Subsidized by a grant of the German Marshall Fund of the United States. Project Leader: Prof. Heinz Fassmann.

EXTERNAL FUNDING

Wiener Wissenschafts-, Forschungs- und Technologiefonds (WWTF):

Summer School 2014 on „Right to the City: Appropriations of Public Spaces in Transition”.

Project consortium: University of Vienna (Lead) and The Graduate Center of City University New York

Joint Programming Initiative Urban Europe, 2013:

“ICEC - Interethnic Coexistence in European Cities: A comparative and applied oriented analysis of neighbourhood-related policies.”

Project consortium: Austrian Academy of Sciences, Institute for Urban and Regional Research (Lead), Urban Renewal Offices in the districts 6/14/15 & 7/8/16 in Vienna, Municipality of Amsterdam, University of Amsterdam, Erasmus University Rotterdam, Office of Growth, Environment and Regional Planning, Stockholm County Council, Royal Institute of Technology in Stockholm.

Project Duration: 2013-2016.

Joint Programming Initiative Urban Europe, 2013:

“PNIG - Practices and policies for neighbourhood improvement: towards ‘Gentrification 2.0’.”

Project consortium: Radboud University Nijmegen (Lead), University of Vienna, Middle East Technical University in Turkey, Raumdaten GmbH in Switzerland, Municipality of Arnhem, Stichting Rijnstad, Volkshuisvesting Arnhem, NICIS Institute/Platform 31.

Project Duration: 2013-2016.

Erasmus Mundus Action 1 Joint Programme Grant for Joint Master in Urban Studies (4CITIES), awarded in July 2012.

Start-Up Funding “Austria Mundus” for Erasmus Mundus Application by Austrian Agency for International Cooperation in Education and Research (OEAD), December 2011.

AKTION Austria – Hungary, 2011 and 2012.

Rectorate of University of Vienna: Funding for Unica Euromaster in Urban Studies 2011.

TEACHING

Courses

Summer term 2013:	Proseminar “Urban Analysis III” within the framework of the Joint Master Programme 4CITIES in cooperation with Vienna City Administration 21B and Urban Renewal Office 6/14/15 (with Elisabeth Gruber and Philip Glasner) Excursion “Wien” for the Joint Master Programme 4CITIES (with Ao.-Prof. Dr. Walter Matznetter) “Sustainability in Urban Planning”, Lecture within Summer University “Green. Building. Solutions.”, OEAD (with Ao.-Prof. Dr. Elisabeth Aufhauser)
Summer term 2012:	Proseminar “Urban Analysis III” within the framework of the Joint Master Programme 4CITIES in cooperation with Vienna City Administration 21B and Urban Renewal Office 6/14/15 Excursion “Wien” for the Joint Master Programme 4CITIES (with Ao.-Prof. Dr. Walter Matznetter) Field-Trip “Urban Development and Housing Policies in Graz – Ljubljana – Zagreb – Maribor” (with Ao.-Prof. Dr. Walter Matznetter) “Sustainability in Urban Planning”, Lecture within Summer University “Green. Building. Solutions.”, OEAD (with Ao.-Prof. Dr. Elisabeth Aufhauser)
Winter term 2011/12:	Field-Trip “Foreign Country: USA - Growth and Decline of US-American Cities. Chicago – Detroit – Toronto - NYC” (with Prof. Heinz Fassmann) Preparatory Proseminar for the Field-Trip “Foreign Country: USA (WS 2011) - Growth and Decline of US-American Cities” (with Prof. Heinz Fassmann)
Summer term 2011:	Proseminar “Urban Analysis III” within the framework of the Joint Master Programme 4CITIES in cooperation with Vienna City Administration 21B

Excursion "Wien", "Linz", "Zagreb", City-excursions for the Joint Master Programme 4CITIES
(with Ao.-Prof. Dr. Walter Matznetter)

Field-Trip "Foreign Country: M³ = MICRO x MESO x MACRO – Theory and Practice in Spatial Planning and Urban Development in a Comparison Between Four Countries"
(with Prof. Dr. Heinz Fassmann and Alois Humer)

Preparatory Proseminar for the Field-Trip "Foreign Country: M³ = MICRO x MESO x MACRO – Theory and Practice in Spatial Planning and Urban Development in a Comparison Between Four Countries
(with Prof. Dr. Heinz Fassmann and Alois Humer)

"Sustainability in Urban Planning", Lecture within Summer University "Green. Building. Solutions.", OEAD
(with Ao.-Prof. Dr. Elisabeth Aufhauser)

Excursions on "Urban Geography in Vienna" for school class from Maristengymnasium Fürstenzell, Germany and Bachelor students from Goethe-University Frankfurt am Main, Germany
(with Prof. Dr. Susanne Heeg and Ao.-Prof. Dr. Gerhard Hatz)

Winter term 2010/2011: Bachelor-Seminar "Urban Transformation Processes with Special Regard to Gentrification"
(with Prof. Heinz Fassmann)

Summer term 2010: Field-Trip "Foreign Country: USA - Growth and Decline of US-American Cities and the Consequences of the Financial Crisis. Chicago – Detroit – Buffalo – New York City"
(with Prof. Heinz Fassmann)

Proseminar "Urban Analysis III" within the framework of the Joint Master Programme 4CITIES

Winter term 2009/2010: Preparatory Proseminar for the Field-Trip "Foreign Country: USA (SS 2010) - Growth and Decline of US-American Cities and the Consequences of Financial Crisis"
(with Prof. Heinz Fassmann)

Summer term 2008: Teaching Assistant for "Introduction into Economic Geography"

MEMBERSHIPS

Urban Affairs Association (U.S.), Association of American Geographers,
Österreichische Geographische Gesellschaft (ÖGG), Alumni University of Vienna,
Alumni European Geography Association (EGEA)

Abstract

This dissertation aims at a comprehensive understanding of diverging urban rejuvenation practices and gentrification processes in New York City, Berlin and Vienna. Regulative and supportive mechanisms at policy and planning level have been identified through a comparative analysis of urban rejuvenation policies and actors' embeddedness. Those mechanisms enable the development of contextualised parameters that support projection attempts of future gentrification processes at the neighbourhood level.

As a result, a reflective understanding of gentrification and policy recommendations are drawn at a general level. The recommendations refer to the political understanding of gentrification and its role in urban development. This analysis argues that cities should include gentrification as a driving force in urban policies. However, processes of gentrification require mediation and monitoring by public authorities who should be aware of the risk of social fragmentation. As a consequence, cities should move towards a social entrepreneurial city that moves beyond the simple distribution of financial resources and responsibilities and ensures social responsibility within the force field of ongoing neoliberal forces.

Zusammenfassung

Diese Dissertation zielt auf ein umfassendes Verständnis von unterschiedlichen Stadterneuerungspraktiken, die sich auf die Erhaltung der baulichen Substanz beziehen, sowie Gentrification-Prozesse in New York City, Berlin und Wien ab. Dabei wird eine vergleichende Analyse von politischen Strategien und involvierten AkteurInnen angewendet, um regulierende und unterstützende Mechanismen auf der politischen und stadtplanerischen Ebene zu identifizieren. Diese Mechanismen ermöglichen die Entwicklung von kontextualisierten Parametern, die den Versuch einer Identifizierung von künftigen Gentrification-Prozessen auf Stadtviertel-Ebene unterstützen.

Als Ergebnis dienen eine reflektierte Betrachtung von Gentrification und Empfehlungen, die auf einer stadtübergreifenden Ebene Entwicklungsleitlinien für den politischen Umgang mit Gentrification und dessen Rolle in der Stadtentwicklung aufzeigen. Dabei wird argumentiert, dass Gentrification in städtischen Politiken als treibende Kraft der Stadtentwicklung akzeptiert und inkludiert werden sollte. Dennoch ist es notwendig, die potentiellen Risiken sich verstärkender sozialer Fragmentierung zu berücksichtigen und Gentrification-Prozesse von Seiten der öffentlichen Hand zu begleiten und zu monitoren. Im Hinblick auf künftige Stadtentwicklung gilt es, Städte in Richtung einer „sozial unternehmerischen Stadt“ auszurichten. Dabei stehen nicht mehr reine Verteilungsinteressen von finanziellen Ressourcen und Verantwortlichkeiten im Vordergrund. Vielmehr geht es darum, eine soziale Verantwortlichkeit im Spannungsfeld von anhaltenden neoliberalen Kräften zu sichern.

Hiermit erkläre ich,

dass ich die vorliegende Arbeit selbst verfasst und nur die angegebene Literatur verwendet habe,

dass ich dieses Dissertationsthema bisher weder im Inland noch im Ausland als Prüfungsarbeit vorgelegt habe,

dass diese Arbeit mit der von den Begutachtern beurteilten Arbeit übereinstimmt.

Wien, 18. September 2013

Yvonne Franz