Competitiveness VS. Social Balance: Gentrification as Urban Policy in Cases in Budapest and Vienna

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1 Inducement and Introduction to the Study

One reason for choosing gentrification as a topic for the master's thesis was, of course, my personal interest. During my bachelor studies in geography at the University of Klagenfurt and even more during the two years of the 4cities Euromaster in urban studies, I had the chance to see and study numerous examples for gentrification. I was able to see gentrified neighbourhoods in the United States, the United Kingdom, Belgium, Germany, France, Austria, Hungary, Slovenia, Denmark, Sweden, Spain and Portugal. However, since gentrification is a well-documented and described phenomenon, a focus had to be set. Thus, the heart for the detailed investigation has been set on gentrification as governmental strategy.

Another reason for putting the focus on urban policies was the found research gap in academic literature. Gentrification processes, the power struggles and effects like displacement are described in theory and have been investigated in case studies to a more than satisfying extend. However, empirical analyses on governmental strategies and their effects on the neighbourhood and the whole city have hardly been taken up in case studies. This work should contribute to filling this research gap and paving the way towards a theory on gentrification as governmental strategy fitting for cities in Central and Central Eastern Europe.

In the 21st century, attracting capital, skilled workforce and tourists has become a necessity for cities in order to persist in a global competition among cities. This new urbanism (Smith, 2002) manifests on the local neighbourhood level and gentrification is seen as a central tool for gaining economic advantages compared to other cities. On the other hand, gentrification as a governmental strategy, can also aim at creating socially balance neighbourhoods. The influx of middle and upper classes into disadvantaged neighbourhoods is fostered in order to counteract a downward trend. This study should be a multidisciplinary product critically analysing how different governmental strategies supporting gentrification manifest in urban space. On a neighbourhood as well as on a citywide scale, it should contribute to a cross-linking of impacts independent from the opinions and positions of the executing governmental bodies.
2 Methodology

The main research question of this study is:

In how far do governmental projects/initiatives contribute to gentrification processes in the case studies?

For a more detailed analysis and in order to be able to answer the main research question the following sub-questions have been formulated:

Which project/initiatives that influence the urban renewal, revalorisation and gentrification processes in the research areas have been initiated/planned/implemented by governmental bodies?

What are the aims of these projects?

How do these procedures/actions/projects/goals differ from each other?

What is the organisational background of governmental urban renewal?

Answering these questions should reflect in how far actions by public bodies influence gentrification. The analysis of the aims and projects should investigate what kind of development is desired for the areas in focus.

After discussing theories and the state of the art of gentrification research, a comparative approach for conducting this study was chosen. Comparing two cases helps to develop a set of criteria, which shows how governmental bodies deal with gentrification. Especially when analysing how gentrification as used as a governmental strategy it makes sense to compare the goals, actions and the organisation of these executing bodies.

There are several reasons for taking up the cases of Budapest and Vienna. In academic literature, comparisons and analyses of the two cities have a long tradition. Especially Austrian researchers have been active in describing the processes in one or both cities (Fassmann & Lichtenberger, 1995; Lichtenberger, 1994; Lichtenberger, Cséfalvay, & Paal, 1994). The vicinity of the cities is another reason to analyse the two cases. Urban development today is strongly influenced by political situations of the past. With the downfall of the iron curtain, the urban development of Budapest changed completely, although it was still aligned with patterns a communist city. In the case of Vienna, the fall
of communism shifted the perception of being a city in Europe's periphery to a central location attractive for companies working in the now emerging markets in Central Eastern and Eastern Europe. For choosing the neighbourhoods for more detailed analyses, emphasis has been put on finding two cases of a comparable state of gentrification, the existence of an urban renewal agency and a comparable process behind the gentrification (importance of a young, artistic crowd).

Both cases have been analysed according to a three-tier system. In order to understand which processes, past developments and current issues influence today's housing market, and thus gentrification and revalorisation, a literature analyses explaining these determinants has been conducted in Budapest and Vienna at first. The second tier is based on research on emerging gentrification on a citywide level. This aims on understanding the size and importance such processes play in both cities. The third tire, and the largest part of the case studies, is the closer examination of one neighbourhood in each city. Beside a literature analyses, 13 qualitative semi-structured interviews have been extending the information on the characteristics of the neighbourhood, how gentrification occurs, which aspects determine the revalorisation and to which extend gentrification happens. In order to get a detailed idea of the process, opinions and information, interviewees from various professions and sides involved in the process were asked. In this part, special interest is put on the role of the governmental strategies and in how far gentrification processes are influenced them.

Beside the state of the art and the chapters on the case studies, the conclusion, which is a comparison of the findings of the case studies at the same time, is the third big block of this work. It can be understood as the essential chapter of this paper since it compares the major findings and aims to answer the research questions.

Since in both cases, Budapest and Vienna, current census data was not available at times this study was conducted, no statistical proof for occurring gentrification could be given. Furthermore, language barriers in Hungary limited the availability and willingness of certain experts and stakeholders for interviews since they were held either in English or German. Although a lot of academic literature is available in English or German, the ability to read and understand Hungarian might have offered a bigger view on the issues important for this study in Budapest.
3 Gentrification: Theory and the State of the Art

In this chapter, an overview on the main theories of gentrification is given. Since Ruth Glass firstly used the term in 1964, the meaning of gentrification and its theories developed, expanded and took new forms. In 1979, Phillip Clay described the stages of the phenomenon firstly. Almost at the same time, Neil Smith (1979) came up with the theory of the rent gap and the production-based explanation. However, theory also shows that gentrification can be explained by and the emergence of a new middle-class and changing consumption patterns. Over the years, as more and more phenomena of urban revaluations were put under the umbrella of gentrification, the meaning of the term has been stretched. Thus, forms of gentrification, like super-gentrification and new-build gentrification appeared. This chapter outlines the main concepts, theories and further developments of gentrification since its first description in 1964. A comprehensive overview on gentrification theory and research can be found in Lee, Slater & Wyly (2008).

3.1 Classical Gentrification

The term of gentrification firstly appeared in an essay on the urban dynamics in Inner-London by Ruth Glass in 1964. In this essay, she describes the invasion of middle class people into worn out working class neighbourhoods and the renovation of residential houses. Furthermore, Glass (cited in Lees, Slater and Wyly, 2008: 4) points out how rapid the appearance of whole neighbourhoods change and states that gentrification is stretching out to other areas. She mentions the pressure in terms of demography, economy, and politics gentrification puts on central London. It is remarkable that she does not speak about a tendency of people moving back to the city centre, but of a change of classes on a small scale.

3.2 Early Stage Model

Phillip Clay (cited in Lees, Slater and Wyly, 2008: 31-33) introduced one of the first stage models of gentrification in 1979. Researching on the private reinvestment in the
core of US-American cities in the 1970s, he came up with a concept encompassing four stages of gentrification. Although Clay did not term the all stages, the others were named in this study for a better understanding.

1. Stage – Pioneering gentrification: A few people move in rather shabby neighbourhoods and start to renovate the houses. Vacant spaces often become settled again and the scale of the exchange is not larger than the usual turnover. No displacement is happening. The process encompasses just two or three blocks. This first group consists of artists and design professionals, which bring the knowledge and the time for renovation. It is mainly private money and sweat equity, which is invested.

2. Stage – Expanding gentrification: More houses get fixed and more people of the same type move in. A few houses in prominent locations are modernised for the sake of speculation on a very small scale. Vacant housing is no longer available and the displacement of former residents starts. More and more blocks are affected.

3. Stage – Adolescent gentrification: The area becomes attractive for a young and professional middle class. The pioneers are no longer the only actors in the revaluation process. More and more developers see the attraction of the area. Due to the larger scale, physical improvements can be seen easily. Tensions between the new middle class residents and the former working class people occur. In this stage, the process of gentrification is recognised as such.

4. Stage – Maturing gentrification: People moving into the neighbourhood are no longer from a professional but from a business and managerial middle class. Most of the area has been gentrified. Buildings, formerly held for the sake of speculation, appear on the market. Professional services and specialised retailers start opening shops. Prices and rents are increasing fast. Other areas in the city become attractive in order to meet the demand of housing for the middle class people.

This early stage model can describe the way gentrification evolved in the 1980s and 1990s. However, it cannot explain more contemporary forms of it. Therefore, a new stage (for super-gentrification, see chapter 2.5) has been developed in recent years. Another problem with Clay’s model is his focus on the US-American cities. Therefore,
this concept cannot be simply adapted to cities elsewhere since the conditions varies from case to case (Lees, L; Slater, T.; and Wyly, E.; 2008: 33). However, Dangschat (1988) provides the European answer to Clay’s model. He analyses gentrification processes with the help of the succession-invasion model.

3.3 Production Side Theory and the Gap Theory

[...]Production explanations show how neighbourhood change is connected to the underlying rules of the game – economic relations, legal principles and practises, institutional arrangements, and pure political struggles – in which value and profit are produced and distributed. [...] (Lees; Slater and Wyly 2008: 42)

Neil Smith (1979) has provided the most influential theory on the production-side of gentrification. He argues that gentrification is the reinvestment into run down neighbourhoods rather than the moving back to the city centre by middle class people. The vast bulk of the literature on this issue is dealing with the effects rather than analysing reasons. Neil Smith (1979) came up with a theory of investment, disinvestment and re-investment: the Rent Gap, a model trying to explain why some districts are lucrative to redevelop and others are not.

According to Smith’s theory, gentrification is a product of cyclical investment and disinvestment. Thus, the development of an area is followed by an underdevelopment where less or no money is invested into the built structures. At the same time, other areas are facing waves of investment. The capital is jumping from one area to places where the biggest economic returns are expected and where the investment is most profitable. This “locational seesaw”, as Smith (1982: 151) puts it, consists of waves of “[...] successive development, underdevelopment, and redevelopment.” Capitalism creates new places and environments built for the sake of profits and accumulation. Thereby, new places have to be found in order to put a spatial fix: money is invested in order to build structures. However, Smith was the first to adapt the cyclic model of (dis-)investment on the dynamics of inner-city developments where wealth and poverty crash in areas of reinvestment (Lees, Slater and Wyly, 2008: 51).

Smith argues that the rent gap is essential for reinvestment. The rent gap is the deviation between capitalised rent (the actual rent) and the potential rent (money which could be gained after reinvesting in the structure). Capital is flowing into neigh-
bourhoods where the highest returns are expected. It is only if this gap is too big that capital runs back into the area and starts the process: a developer buys a run down house for a cheap price, invests money and labour force to renovate it and sells it on the market with a profitable return. The building has been recycled and the cycle of disinvestment and reinvestment starts over again (Smith, 1979). The graphic below illustrates this theory. The rent gap is the difference between the potential and capitalized ground rent.

Graphic 1: The Rent Gap. Taken from Smith (1996:63)

Smith’s Rent Gap theory has been criticised for various reasons. An important argument is that testing the rent gap brings enormous methodological difficulties. This is the reason why only a few researchers analysed the rent gap in empiricism (Bourassa, 1993). Furthermore, Smith’s theory lacks in involving the human scale to the process leaving
the importance of middle class people out completely (Lees, Slater and Wyly, 2010: 129). Notwithstanding, Smith’s rent gap is an important part to understand gentrification but it cannot be seen as a fully valid theory when used disconnected from other concepts like the consumption side theory (see chapter 2.4).

Hamnett and Randolph (1986) brought up another important gap theory: the value gap. This theory has its point of departure by the two ways of valorising property: the income for the landlord from renting out and the sale value of property. If these two are diverging, a value gap exists and it becomes profitable to transfer the property from a rented status to owner occupation. Therewith, a pressure, triggered off by tax relief and low interest rates for owner occupation, is put on rented apartments for conversion (Millard-Ball, 2000). Furthermore, tenant rent control and regulations make it harder for the landlord to make money, thus, it is more likely that his property will suffer from disinvestment and under-maintenance until it becomes possible to sell it off. Although being contested by Smith (1996a: 73), who sees it as a refinement of the rent gap theory, the value gap model can be seen as complementary to his explanation with overlapping characteristics but without losing independent signification (Lees, Slater, & Wyly, 2008). The result of a value gap is the trend towards conversion of rented out into owner occupied flats followed by a decreasing number of rented accommodations in the housing market.

3.4 Consumption Side Theory

Whereas the production-based theory on gentrification focuses on the economic process of disinvestment and reinvestment, the consumption-side theory, on the other hand, is based on an explanation of gentrification by a human side. The questions, therefore, are: Who is moving into neighbourhoods suffering from disinvestment? Where are they coming from? Why are they doing so? Lees, Slater and Wyly (2008:90) argue that the answers to those questions are very complex and vary from place to place. However, the emergence of a new middle class, which results from the shift from an industrial to a post-industrial economy, is at the centre of the consumption side theory. Summing up the effects of this shift, one sees a loss in manufacturing employment, an increase in service employment and rising unemployment. The power of the male working class decreased as well as more and more females entered the labour market. Additionally, the change of the classical family structures and change in lifestyles promote a centre near
living. Thus, the pressure on inner-city neighbourhoods increases and gentrification is promoted. Furthermore, the number of single, gay and professional couple households in inner-city areas has increased. It is the sum of these effects, which lead to the emergence of a new middle class (Lees, Slater, & Wyly, 2008:90-94). From the early 1980s, the term yuppie (young-urban-professionals) was used to give a name to the middle class people. In following years, the word yuppie was associated with a bad connotation and became a key word in struggles against gentrification. Yuppies, then, are defined as unwanted new arrivals in neighbourhoods, who use their power and capital for changing the identity of a neighbourhood.

According to Daniel Bell (1973, cited in Lees, Slater and Wyly, 2008: 91), four key characteristics can be seen in a post-industrial-society: Firstly, the base of the economy shifted from manufacturing to service and thus the occupational structure changed sustainably. Secondly, specific knowledge is the centre of the science-based industries and universities are replacing factories as most important institutions. Thirdly, jobs in the managerial, professional and technical fields are rising. Fourthly, it is the avant-gardes who lead the consumer culture rather than corporations, media or government. These four points facilitate the growing of a new middle class with distinct preferences, lifestyles and needs in post-fordist times. Inner-city neighbourhoods provided the infrastructure and places for the new urban lifestyle since these are the places where usually cafés, restaurants, laundries, galleries etc. are located.

With the emergence of a new middle class, new tastes and consumption patterns came to the fore. Jager (1984) argues that middle class people underline their status by consumption. It is seen as crucial to maintain social differences and to separate oneself from the lower classes. Whereas in the past the simple possession of an object was important for upper class people, the middle class of today is showing what they own. Culture is an important form of consumption as it is a form of investment, a status symbol and a means of self-expression. Furthermore, a new urban lifestyle had emerged in which culture becomes a central part. By buying or renting old houses, renovating them and giving the interior an individual appearance, people buy into history, adapt it to their needs and create something individual, kitsch, as Jager (1984) puts it. The new consumption patterns and the renovation of old houses ‘with a history’ lead to new types of cottage streets (Jager, 1984) with galleries, studios, shops, coffee lounges, theatres, restaurants and so on. The consumption patterns of the new middle classes can change the character of a neighbourhood dramatically. Furthermore, loft housing, as
Sharon Zukin (1989) described it, became a central characteristic of the reorganisation of housing markets and gentrification of buildings formerly dedicated to industrial use. Artists and young bohemian dwellers started settling in the abandoned warehouses, which were available for cheap rents and started to invest into the old structures. The appeal and fascination of lofts, its rough characteristics and the fact that living in former industrially used buildings were soon discovered by real estate agents which brought the development of such estates to a new level by adapting the houses for higher and upper class people. One of the best-known examples therefore is SoHo (South of Houston) in New York City.

Other studies on the consumption-based theory, which are not discussed in this paper, include the roles of homosexuals (Castells, 1983) and black people (Freeman, 2006).

3.5 Transformation of Gentrification

In scale and diversity the process of gentrification has evolved rapidly, to the point where the narrowly residential rehabilitation projects that were so paradigmatic of the process in the 1960s and 1970s now seem quaint, not just in the urban landscape but in the urban-theory literature. (Smith, 2002: 439)

As the Smith’s quote indicates, temporal and spatial mutations of gentrification have occurred since the late 1970s/early 80s. The meaning of the term was stretched and new forms of the phenomenon popped up. These new forms encompass rural gentrification, new-build gentrification and super gentrification.

One new form of the phenomenon is new build gentrification (Davidson & Lees, 2005). For this kind of revalorisation, places on brownfields (former areas with industrial use) are redeveloped. Although no people are actually replaced and no historic residential houses are renovated, this phenomenon can be labelled as gentrification since capital is reinvested into devaluated areas in city centres, gentrifiers are the same middle class people as in generic gentrification processes and worse off people are excluded due to the high prices in such developments. However, some authors (Bondi, 1999) are criticising putting these developments under the gentrification umbrella. In their view, the main characteristics of gentrification are missing. This kind of revalorisation of industrial areas can be found in almost all post-industrial societies especially the
US (Baltimore, New York City, Chicago, etc.) and the UK (London, Manchester, etc.) but also in Japan (Osaka) and in post-socialist countries like Slovenia (Ljubljana).

A new phase of gentrification, which questions traditional models, appeared within the last 15 years in global cities. Firstly described by Lees (2000), she coined it as *super-gentrification*. Traditional models like the stage model and the rent gap theory cannot explain this phenomenon. In the former case it is because areas already in the stage of mature gentrification get *regentrified*, in the latter because the rent gap is already closed. Gentrified neighbourhoods in upper and middle-class areas have to face a new wave of gentrification towards a state of being an exclusive and expensive enclave (Lees, Slater and Wyly, 2008: 149). This process of super-gentrification can also be understood as the global capital that settles down on the scale of the local neighbourhood (Smith, 2002). Thus, an elite who made its money mainly in the financial sector in the world cities of New York, London and Tokyo buys houses in areas already in the stage of mature gentrification for a fortune and puts a new stage to Clay’s stage theory. The emergence of this highest socio-economic class, which can afford to live in super-gentrified neighbourhoods, is dependent on the financial sector in these global cities (Sassen, 1991).

### 3.6 Relation between Public Policy and Gentrification

By the 1990s, as major theoretical research on the topic of gentrification had been done and many researchers saw the theory as completed, a significant speedup and a major transformation of the process linking gentrification to powerful instruments of public policy occurred. Additionally, the focus of research shifted from describing the causes to analysing the effects of gentrification (van Weesep, 1994:74). Thus, a remarkable and broad change was underway as more and more stakeholders in public policy (officials, bureaurecrats, consultants, lobbyists, etc.) began to develop programs to push gentrification. From now on, it became important what people in charge for shaping policies believe in, how they act towards gentrification and what kind of actions they take.

Gentrification in governmental policies is disguises in terms like urban renewal, revitalisation or regeneration (Lees, Slater and Wyly, 2010: 447-448). This shift in gentrification research set the focus on the development of new strategies how to approach the process.
From the 1990s onwards, a number of circumstances brought what Lees, Slater and Wyly (2010: 448) called ‘the perfect storm’ to set up a completely new affiliation between gentrification and policy. Firstly, people and economic activities continued to centralise in metropolitan areas. Secondly, changes in social, political and economic strategies increased the gap between social and economic policy resulting in a more competitive and entrepreneurial behaviour of states, provinces, regions and cities. Thirdly, expenditures on social welfare decreased in order to favour tax cuts and subsidies for wealthier households, investors and companies. Fourthly, hosting mega-events such as Olympic Games and World Exhibitions became more important for city regions. The goal of hosting is to benefit from the socio-economic developments around the events. The success of the Olympic bid for 2012 of London was due to the plans for revitalising East London. And finally, imbalances of import/export between the global northern and East Asian countries widened and resulted in a flooding of the U.S. with investment capital.

These five points can be seen as important for understanding the morphosis gentrification has gone through since the 1990s. The shift from embedded liberalism to neoliberalism had tremendous influence on urban policies. The result of these policies is that fostering gentrification became more important than softening its effects. Detailed explanation on this shift towards neoliberalism, reasons and changes can be found in Harvey (2005).

3.6.1 Neil Smith’s Concept of New Globalism and Urbanism

Neil Smith (2002) brought up the probably most prominent theory on how globalisation is influencing local environments in terms of gentrification. Firstly, Smith describes the shifts in power relations between administrations on a national, supranational and city scale. He argues, that with shift from embedded liberalism to neoliberalism, which occurred in the 1980s, the state became a consummate agent rather than a regulator of the markets. Public-private partnerships can be named as an example therefore. Cities became delinked from the national urban policies and are no longer the executing power for policies made on a national level. They act like private enterprises, competing no longer with nation states, but with other cities around the globe. Additionally, the restructuring of social and economic aspects goes hand in hand with the restructuring of spatial scale. Therewith, a new form of urbanism arises to which gentrification can be
generalised as a central element. Moreover, Smith (2002:429) takes up the example of the ‘zero-tolerance-policy’ introduced by New York City’s Lord Mayor Rudolph Giuliani in order to show that the emergence of a more authoritarian state form and practise is central to this new urbanism. In previous works (Smith, 1996), he calls this new form of policy “The Revanchist City”. The goal of this policy is to make the city safer in official terms; however, Smith argues that it is the fear of social resistance, which leads to these strategies. To pave the way for gentrification in inner-city neighbourhoods is the main goal of these policies, in his opinion. With the up and down shifting in the power structures of nation states and cities, a new form of neoliberal urbanism with a new set of urban policies arose which make cities act like entrepreneurs, as they were private corporations, competing with other cities worldwide.

In the second part of his essay, Smith (2002:438) argues that gentrification has become a global urban strategy. Whereas Ruth Glass in her 1964 essay on the exchange of people in London’s borough Islington describes gentrification as a sporadic process, it can be seen that gentrification has found its way into urban policies and occurs on much larger scale at the end of the 20th century. While Glass described the moving in of the middle class into working class neighbourhoods, Smith argues that over the years it is the governments, corporations and public-private partnerships, which promote gentrification. Thus, the rapidity and the dimension increased enormously. Additionally to the shift in power relations for shaping a city, Smith argues that especially large cities have to face an influx of global capital into city centres. Examples are Canary Wharf in London and the redevelopment of the Lower East Side in New York City. Both projects are owned and financed by companies abroad.

Urban renewal in the 1960s and 1970s was almost completely depending on public funding. However, the situation has changed since the 1980s. A mix of governmental and corporate powers is now triggering off gentrification in a much larger and more ambitious scale independent from the public sector. Smith (2002: 443) argues that the reason for that is the broadening understanding of gentrification: Apart from housing, the appearance of the whole neighbourhood changes in forms of shops, restaurants, cultural facilities, open space and so on. City and local governments assume that by using this strategy of capital accumulation, more beneficial social outcomes will derive than by setting regulations for the market.
3.6.2 Richard Florida, the Creative Class and Gentrification

One of the best examples for the promotion of policies leading to gentrification is Richard Florida’s work ‘The Rise of the Creative Class’ (2002). Summed up to its very central idea, Florida’s theory is based on the notion that attracting creative people to a city will strengthen its economic performance. In order to pull skilled, creative people to a city, Florida (2002) argues, it is essential for a city to provide the three Ts: Talent, tolerance and technology. In order to measure these characteristics, he creates questionable indexes like the creative index, the gay index and the diversity index. Although Florida’s thesis is opposed for a large variety of aspects by numerous authors (e.g. Markusen (2006), Reese and Sands (2008), Scott (2006)), a ‘Florida-isation’ of urban policies can be observed in cities around the globe in recent years.

In Florida’s book (2002), the word gentrification does not pop up. However, since in his view the creative class is seeking for cool, urban, bohemian neighbourhoods with cafés, galleries, bars and music venues, he promotes an urban renaissance in disinvested neighbourhoods without using the ‘dirty word’ (Smith, 2002) of gentrification. Instead, gentrification is sugar coated in terms like urban renewal, urban regeneration, etc. Thus, policy makers can hide behind Florida’s theory and promote an environment in neighbourhoods, which will be favouring a young, urban, creative elite but completely leaves out the actual local residents of the area.

3.7 Gentrification = Good or Bad?

Social mix, emancipation, creativity, urban renewal, upgrading, tolerance, speculation, displacement, class conflict: Gentrification is associated with a wide set of terms and words, connoted with positive and negative meanings.

On the one hand, gentrification is a power struggle of different classes. The resulting increase in rents actively displaces poorer segments of society from their environment. Beside the practical problems like finding a new affordable flat, also psychological effects kick in. On a citywide scale, the share of affordable housing is decreasing by gentrification and lower classes are pushed into other affordable neighbourhoods on which the pressure increases because of the rising demand. Overcrowding, homelessness and segregation are further effects amplified by the revalorisation. In the final stages, the neighbourhoods lose their social diversity and result in rich ghettos. Also the
business structure changes due to the changing demand of the wealthy and do not serve the remaining poor people anymore.

On the other hand, gentrification is associated with positive features as well. It can contribute to counteracting devaluation and ghettoformation. It supports a social mix in the neighbourhood. Gentrification counteracts the suburban sprawl, limits vacancy rates and revalorises properties. Furthermore, cities and districts benefit from an increase in tax revenues.

Although gentrification has a number of positive aspects, the negative are overbalancing especially in social terms. However, opposing gentrification completely is neither productive nor an achievable goal in a capitalistic society. While early stages can contribute to a more socially balanced environment, later stages result in the most negative forms. If gentrification is used as a governmental strategy, actions to balance the negative and positive effects have to be chosen. Furthermore, help and support has to be given to those who are displaced or excluded from the gentrified neighbourhood.
4 Budapest

For the comparative approach of this study, the example of Budapest, and Inner-Józsefváros on a smaller scale was chosen for a variety of reasons. Although being relatively close to Vienna (approximately 240km) and sharing a common history prior to the First World War, Budapest’s urban appearance differs significantly. Nevertheless, after the fall of socialism urban development patterns described firstly in western cities appeared. Thus, the comparison should investigate governmental strategies supporting gentrification with complete different initial points. Inner-Józsefváros was chosen for the case study on a smaller scale because of its centre near location and the fact that publicly owned urban development agency (Rév8) works in the area. Furthermore, the appearance in academic literature where authors see gentrification happening in the neighbourhood was another reason for working on Inner-Józsefváros.

The urban development of Budapest is significantly different from western cities. From 1949 until 1989, Hungary was under communist rule. The socialist idea of having an egalitarian society with full employment and a central administration led to special urban forms and phenomena. Although being closely connected especially during the times of the Austrian-Hungarian Monarchy prior to the First World War and its geographical proximity, urban patterns in Budapest differ strongly compared to those in Vienna. Under communist rule, the country’s administration and economy was centralised. The state authorities managed housing with strict rules for owning a flat in order to avoid the emergence of an illegal private housing market. However, after the end of socialism and the allowance for private property, urban patterns changed significantly. The fact that city developments in communist countries are distinct and different from the west led academic authors think if there might be something like a distinct socialist city (French & Hamilton cited in Kovács, 2009). Others (Enyedi, 1999) opposed this idea and argued that there might be more stages in the urban development of communist cities resulting in the same patterns as in capitalist cities over time.
Graphic 2: From a socialist to a capitalist city. Own composition after Kovács, 2009.
The transformation from a communist to a capitalist state meant tremendous consequences on internal and external levels. On a political level, the decentralisation and the reintroduction of local governments were at the focus. Besides 23 independent local administrations for the districts, the Municipality of Budapest was installed to work in the whole Budapest region (see more detailed explanations in the chapter 4.1). The economy was opened for private initiatives and Budapest faced massive inflows of foreign capital into businesses located around the metropolitan area. The transformation of the administration and economy led to changes in the labour and housing market. Although Esping-Anderson (1990) did not analyse Budapest, by applying his definitions, Hungary would have to be analysed as a liberal welfare regime. Therewith, the housing market is not regulated and left to the private market. Graphic 2 illustrates the most important factors of the transformation from a socialist to a capitalist city. For understanding today’s urban patterns, developments and phenomena it is crucial to have background knowledge of the transformation processes. Thus, an overlook on the changes are provided in the following chapters.

4.1 Hungary’s Political Transformation

Hungary chose to go a very rapid way in the transformation from a communist to a democratic regime (Kovacs, 2000). After the dissolution of the Warsaw Pact, which was a mutual defence treaty of the communist states under soviet lead, the states regained political independency. It also meant an end to the isolation and the re-integration into a European urban network. Furthermore, a multi-party system was introduced again and free elections were guaranteed.

The introduction of local governments is an essential step in the transformation process. Competences were transferred from a national to a local level. This can be seen as a central step as the return to self-governance accompanied many drastic changes for the urban development. In the case of Budapest, the administrative reform resulted in a two-tiered system. On the one hand, 23 local governments were installed. These administrations have the competences over housing, planning, infrastructure, etc. On the other hand, the Municipality of Budapest has actually the same responsibilities on a citywide level. However, the obligations are different. The Municipality of Budapest is in charge for projects involving more than one district or matters influencing the whole city area.
The performance and the cooperation of local governments have been described as weak. It was argued that the Municipality of Budapest does not play an important role in the coordination between the municipalities (MTA-VITA, 2009). Furthermore, tight budgets and the mistrust of the residents seemed to be major problems for local governments (Sailer-Fliege, 1999) in the past. Urban scholars (Kovács, personal interview 04-02-2011; Berenyi, personal interview 03-02-2011) see the need for a reform of the local governments and the pooling of the inner-city districts to ensure a development along common guidelines and goals. However, since the pains of communism can still be felt in Hungary, this idea is very unpopular as it means centralisation of power.

4.2 The Transformation of the Economy

The transformation of the economy is closely linked with the political changes. With the dissolution of the COMECON (Council for Mutual Economic Assistance) wide spread external consequences appeared. The dissolution led to a shock for national economies, as bankruptcy and mass liquidation of companies were the consequences (Kovács, 2000).

With the fall of the iron curtain, a private market could establish. Companies were privatised and massive amounts of people lost their jobs as consequence of the restructuring process. It was believed that a neoliberal market economy would solve the vast majority of transformation problems. Indeed, the inflow of foreign capital and modern technologies had important impact on the economy. Hungary was the most favourable target for foreign direct investments (FDI) and especially Budapest attracted capital into its region. Kovács (2000) states that two factors of everyday life were massively influenced by the economic and political transformation: the housing and the labour market. Prior to 1989, jobs and apartments were guaranteed to the people. With the opening of the markets and the privatisation the society and the structures of cities changed sustainably.

4.3 The Transformation of the Labour Market

The transformation of the labour market brought significant changes in the socio-economic and in the urban structure of post-communist cities. After the fall of communism, a good deal of companies was privatised, went bankrupt or was split into smaller and flexible forms. Due to the communist’s goal of full employment, companies were
overstaffed and worked inefficiently. With the pull back of the state, the arrival of foreign firms and a growing competition, companies had to cut back their spending on labour force and people were laid off (Kovács, 2000). Furthermore, a structural change occurred as especially the heavy industry suffered from a huge recession. At the same time, the service sector, which needs specific training and education and was not present under communism, grew. Whereas manufacturing industries were seen as the motor of the national economy prior to the changes of 1989, the service sector evolved fast after the introduction of a free market economy. Thus, a sectoral mismatch in qualification between the skills of the unemployed and the qualification businesses are seeking for emerges and result in high unemployment rates (Sailer-Fliege, 1999).

After the introduction of the free market the socio-economic stratification increased. The growing competition in the national labour markets resulted in great wage differences of which just a few occupations such as top-managers profited (Kovács, 2000). The vast majority of people had to face a loss in income after the transition and many people are suffering and threatened by impoverishment. Thus, the type of middle class, which emerged in western societies from around the 1950s and 1960s and is a central part in gentrification theory did not develop in Budapest.

4.4 The Transformation of the Housing Market

After the changes in 1989 and the introduction of local governments to ensure decentralisation, the ownership of the stock of public housing was transferred from a national to a district level. In the following, local governments had to act in order to cut the tremendous spending on subsidies for the public housing. In Budapest, privatisation should lead out of the costs. Thus, apartments were offered to their dwellers to be bought at a very low price, often between 15% and 40% of the real market value and a further 40% discount was guaranteed to those who paid cash (Kovács, 1998). In effect, buyers only paid 9 - 11% of the actual market value of the property only. Table 1 shows a theoretical calculation of the housing prices.

<table>
<thead>
<tr>
<th>Market Value</th>
<th>25,000,000 Ft (~95,000€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (15% of market Value)</td>
<td>3,750,000 Ft (~14,250€)</td>
</tr>
<tr>
<td>Discount for paying Cash (40%)</td>
<td>1,500,000 Ft (~5,650€)</td>
</tr>
<tr>
<td>End-Price</td>
<td>2,250,000 Ft (~8,480€)</td>
</tr>
</tbody>
</table>

Table 1: theoretical calculation of the housing prices
cal example of how cheap public flats were sold off. An estimated marked value of 25,000,000 Ft (~95,000€) melted to a selling price of 2,250,000 Ft (~8,480€), which is 9% of the actual value. 250,000 of the 400,000 flats were privatised in Budapest between 1990 and 1994 (Kovács and Wießner, cited in Kovács, 1998). Additionally, local governments cut the spending on public housing but also earned money from the privatisation. People who decided to buy made profits and a lot of them decided to sell again to private landlords and developers. A private housing market emerged starting between 1998 and 2000. However, privatisation of the flats did not guarantee the reconstruction of the houses since most of the households could not afford investments in the structure and state subsidies are inefficient (Kovács, 2000). Kovács (2000) asserts that the rapid privatisation caused growing inequality in terms of social class, age group and education hitting the elderly and young families, who are the most vulnerable groups of society, the hardest.

4.5 The Condition of Budapest’s Historical Neighbourhoods

Historical neighbourhoods in Budapest involve the whole area of the 1st, 5th, 6th and 7th districts and parts of the 2nd, 8th, 9th, 11th and 12th districts. The Danube is dividing the inner city. The Buda part, which is located on the hilly western riverside is traditionally the wealthy part of the town, whereas in the Pest the working classes lived innately. In total, the historical neighbourhoods stretch over 27km² in which 374,000 people live. In relative numbers 21.2% of Budapest’s total population live on 5.1% of the cities surface (Source: 2001 Hungarian Census).

Kovács (2009) argues that the socio-economic development of these districts has been strongly influenced by the changing housing policies. After the market economy was abolished and housing became predominately owned by the state, it was easier for families to get flats in the inner-city compared to blue-collar workers during the 1950s and 1960s. However, this situation changed completely in the 1970s as the regime built large housing estates on the edge of the city in order to tackle the housing shortage in Budapest (Kovács, 1998; Szirmai, Molnár, & Szépvölyi, 2007). Because the rents did not cover for the costs for proper maintenance, the stock of public housing in the city centre started to decay in the same period. These forms of investment led to new migration patterns.
The city centre suffered from a socioeconomic downturn as families tended to move to the newly built estates and people of lower status, mainly Roma, moved into cheap centre near neighbourhoods. Kovács (1998) has seen clear signs of extreme segregation in Budapest during the 1990s, which could be clarified as ‘ghettofication’. In 1968, the Hungarian political system was liberalised and allowed cooperative and private small-scale economic activity. This led to the possibility of capital accumulation and therewith the differences within society rose again. The market did not cause the process towards segregation in the inner-city, as it is the case in western cities, but the socialist housing policies were the reason for that. The concentration of Roma in the historical districts of Pest today is still due to the developments of this period (Kovács, 2009).

The transformation and the opening for foreign investment changed the urban structure. After 2000, the private housing market began to take off (Kovács, 2009) and initiatives for private renovations started. From 1990 onwards, the inner city lost population and the mean age started to rise (Szirmai, Molnár, & Szépvölyi, 2007). The trend of population loss could be seen on a national level and suburbanisation intensified this trend. Suburbanisation withdrew population especially in the second half of the 1990s leading to the invasion of disadvantaged social groups into the city centre (Kovács, 2009). Thus, the trend of the decline of the city centre, which already started prior to the fall of the iron curtain, continued. The privatisation of housing favoured economically better-situated families because they could buy their dwellings at a very cheap price and sell it again making a good profit. In return, poor people could not afford buying and had to stay in badly maintained social housing estates. Thus, the spatial polarisation between socioeconomic groups of society increased further (Kovács, 1998). Until today, the lowest economic groups live in social housing estates often isolated from the rest of the population. Furthermore, suburbanisation amplified this development as people who bought flats in the inner-city moved to the suburbs, giving space to Roma families in the first place (Kovács, 1998). Today, the vast majority of the social housing stock is located in deprived neighbourhoods in the eastern parts of the 8th and the 9th district.

The 5th district is an exception and has not been affected by the downward trend. Because it is the most central district, massive inflows of global capital and the emergence of international retail shops the district was gentrified extremely soon after the transition. With the commercialisation, the use of buildings in many cases changed from residential to commercial on a large scale and thus the number of housing units de-
creased dramatically over the years. Also the neighbourhoods bordering the central district faced upgrading trends.

In total, approximately one third of the buildings in the inner-city was renovated or newly built after 1990 (Kovács, 2009:412) while in the fifth district the number reached over 55%. As Kovács (2009:412) found out, the pattern of housing renovation is mosaic like. The redevelopment of these areas is either privately initiated through being supported by tax benefits or part of a bigger rehabilitation program.

4.6 Gentrification in Budapest – A Literature Analyses

Budapest is a special case in regard to gentrification. As Lees (2000) argues, forms of the emergence of gentrification depend on its geography. Furthermore, Smith (1996) notes that it might not be possible to derive useful generalisations on gentrification by analysing different cases. Therefore, postsocialist cities exhibit distinct forms of gentrification hardly comparable to western styles of gentrification. The case of Budapest is even more special due to the early segregation patterns and the investment and disinvestment in certain neighbourhoods.

It can be argued that the first signs of gentrification could already be observed under communist rule. Hegedüs and Tosics (1991, cited in Kovács, 2009) found out that in the area of the former Jewish Ghetto, the 7th district, selective principles applied by the socialist housing committee led to this phenomenon. Although the practice cannot be classified into classical gentrification theories, Hegedüs and Tosics coined it as ‘Socialist Gentrification’. The authors described the decisions made by the housing committee regarding who is allowed to move to newly renovated buildings in the inner-city quarters.

After the transition, Hungary accounted the highest amount of investment from abroad among all postsocialist countries in Central Eastern Europe. One reason for that was the fact that already towards the late 1980s, Budapest emerged as the leading international business centre for the Eastern European region (Sassen, 2006:63). The Budapest region drew half of the total foreign investment within Hungary (Kovács, 2009:406). Thus, a strong trend of centralisation in the geography of investment can be seen. Soon after the transition, a process of gentrification started in the central business district, the 5th district. International shops opened and apartments were transformed from residential to office and commercial use since the demand for such spaces in-
creased dramatically. Foreign capital was the main driver for this transformation (Kovács, 2009; Földi & Van Weesep, 2007; Lichtenberger, Cséfalvay, & Paal, 1994; Smith, 1996; Kovács, 1998). Over time, the inflow of capital was moving the gentrification frontier from the central business district outwards to neighbouring districts (Lichtenberger, Cséfalvay, & Paal, 1994: 87; Smith, 2002: 178) such as the 6th, 7th and 8th. Smith (1996: 173) argues that the transformation enabled

‘a shift from minimal to maximal investment in a newly evolving land and housing market, it provides a laboratory for examining the interconnected parries of supply and demand, the impetus of production-side and consumption-side forces in the genesis of gentrification’.

However, interviews conducted for this study oppose Smith’s view (Kovács, personal interview, 04-02-2011). Dingsdale (1999) fishes in the same waters as Smith as he concludes that in the case of Budapest, there is a theoretical significance in globalisation theory on a local level. After the transition, Budapest was taken up by a number of urban academics as an example for local manifestation of global capital in post-socialist countries.

Sykora (2005) argues that in postsocialist cities, gentrification takes place in areas, which already had an upper class reputation prior to communism, declined under communism and are now redeveloped. Today, several hotspots of gentrification can be identified (Berenyi, Interview 3rd of February, 2011). All of them are located in the former working class neighbourhoods of Pest. Another dependence for gentrification is the prestige of a neighbourhood. For example in 2003, Irish investors stayed out of Józsefváros due to its bad reputation as a place for the homeless, prostitution and being a rundown neighbourhood, although the real situation was not different to the districts where the company operated (Kauko, 2007).

The upper and middle classes demand special inner-city housing. After 1989, those who could afford living in a desirable neighbourhood moved there. Before, moving depended on the allowance of the national housing committee. Thus, as described before, the most desirable neighbourhoods faced the largest share of privatisation after the transformation. Smith (1996:174) saw clear patterns of functional displacement and the popping up of businesses typical for gentrified neighbourhoods, such as expensive shops, clubs and night amenities. Due to the economic transformation, a new upper and
middle class emerged of which a large share is now seeking for adequate centre near housing. The problem is that the increased quality conscious and preferences of these new classes is not recognised sufficiently by the market (Kauko, 2007). This could be the reason for Sykora’s (2005) finding that in Budapest it is evident where middle and upper classes shop and meet while it is hard to see clear housing patterns of these segments of society in the city.

5 Case study: Inner-Józsefváros

5.1 Profile of Inner-Józsefváros

For the case study in Budapest, the neighbourhood of Inner-Józsefváros was chosen. Inner-Józsefváros is the area in the 8th district closest to the centre. Graphic 3 shows the whole district in yellow, while Inner-Józsefváros is marked green. Inner-Józsefváros borders Rákóczi Utca in the north (to the 7th district), Múzeum körút in the west (to the 5th district), Úllői útca in the south (to the 9th district), and József körút in the east. Thus, the area is located between the ring road and the Grand Boulevard.

Graphic 3: Józsefváros and Inner-Józsefváros is Budapest (own creation. data source: Google Maps)
The district of Józsefváros stretches over a surface of 685 hectare. 83,465 people live there in a total number of 42,181 dwellings (Hungarian Central Statistical Office, 2010). In the past, and to a certain degree still today, the district has had the worst reputation among all districts of the city (Benedek, 2007). People associated poverty, crime, prostitution, bad living conditions and the formation of Roma ‘ghettos’ with the district and some academics (e.g. Kovács, 1998) found that in Józsefváros, the worst slums of Budapest are located.

With the introduction of a market economy and the selling of the public housing stock, especially residents living in better-off neighbourhoods bought the inhabited flats. In Józsefváros, a district mostly inhabited by poor segments of society, the share of privatised flats was lower compared to the Budapest region (Kovács, 1998). Residents often could not afford buying the property even if they were sold for a ridiculously low price of 7-15% of the real market value. In the 1990s, more and more people decided to sell their flats for the market price and a financially better situated people moved in. Within the district, the share of privatised dwellings varies. In total 26.6% of the dwellings remain in public ownership. In the wealthier Inner-Józsefváros the number (13.3%) is well below the average while in Middle-Józsefváros, the worst off area of the district, 38.9% still belong to the local government (Hungarian Central Statistical Office, 2010).

By looking at the ownership and the areas with the biggest social problems one can see a relationship between two factors: the higher the share of publicly owned dwellings, the higher are the social problems.

Józsefváros can be divided into three different parts: Inner-Józsefváros (the Palace Quartier), Middle-Józsefváros and Outer-Józsefváros. Compared to the other parts, the Palace Quarter has always had a better reputation. In previous times, it was the aristocracy who settled there in palaces and villas. The Hungarian National Museum, parts of the ELTE University, the Semmelweis University, the Erkel Theatre, the Hungarian Radio and the Metropolitan Library are located in this area. In Middle and Central Józsefváros some of the most deprived neighbourhoods of Budapest can be found.

5.2 Rév8 – The Local Urban Redevelopment Agency

Rév8 is an outsourced joint stock company whose task is urban planning and rehabilitation of Józsefváros. It was founded in 1997. The local government of Józsefváros owns
60.9% of the share while the Municipality of Budapest holds the remaining 39.1%. Although, Rév8 is a market orientated, non-profit company, it is 100% owned by public authorities. Thus, the company is responsible for carrying out decisions made by the local government of Józsefváros and cannot act independently since local politicians influence the decisions even though the board of supervision is free from politically acting persons.

Rév8’s field of tasks encompass the planning and elaboration of rehabilitation programs, management of the projects and the preparation of decisions. As a first project after the foundation, the physical renovation of publicly owned buildings in Inner-Józsefváros was conducted (Kiss & Schanz, 2004). It was a tactic to start in Inner-Józsefváros, as it appeared to be one of the easy places in the district for a redevelopment (Alföldi, personal interview, 10-02-2011). A new rehabilitation strategy was elaborated by Rév8 in 1998 and was adopted in 2000. Within this framework, the focus was set to the much more deprived Middle-Józsefváros. The company changed its focus towards social, economic and environmental renewal planning (Kiss & Schanz, 2004).

The employees of Rév8 have various backgrounds as architects, urban planners, economists, lawyers, sociologists, social workers and geographers. Having experts with various backgrounds under one roof is an important tool to look at projects from various perspectives without leaving out a certain viewpoint.

5.3 Redevelopment in Inner-Józsefváros

In Inner-Józsefváros, a number of redevelopment project have been planned and implemented. Renovations started on a very small scale encompassing a few flats. In recent years, the public space was redeveloped, traffic in the area was partly calmed in order to trigger off the revalorisation of the neighbourhood and pave the way to contemporary projects as the “Budapest – The Downtown of Europe” project which aims at attracting young and creative people and tourists to the area.

5.3.1 Past Development Projects and the Upgrading of Inner-Józsefváros

The first plans for redeveloping the area were already made under communist rule. In the 1980s, plans to remove the tenants of the dwellings to other vacant apartments,
which were located all over the city in order to be able to start the renovation, were made. The project was never realised in Józsefváros. However, in bordering Ersebetvaros, the 7th district, similar actions were executed. Later, this practise was coined as ‘Soviet Gentrification’ (Hegedüs and Tosics, 1991; cited in Kovacs 2009), which is a tricky name since it does not apply to any western gentrification theory. Although the rehabilitation plans of the 1980s were not realised they show that there were intentions to redevelop the area already during communist rule.

As mentioned previously, Rév8 was founded in 1997 as an agency dealing with the redeveloping and rehabilitation of Józsefváros. Before starting projects in Middle-Józsefváros, an area with a wide range of social and physical problems, the company set the focus on a socially more stable area, in Inner-Józsefváros (Alföldi, personal Interview, 10-02-2011). Another reason was the aim of improving the reputation of Józsefváros as a whole. To meet this aim, it seemed reasonable to start with a better-off neighbourhood. Although having deteriorated facades, the neighbourhood had a beautiful built structure and gaps of torn down buildings were rare (Tomay, personal interview, 07-02-2011). Thus, the decision to choose Inner-Józsefváros as first target area for redevelopment is reasonable.

After the transition, the local government of Józsefváros did not sell off all dwellings in the Palace Quarter and kept a good stock of the public housing. The intention therefore was to be able to influence the development within the district and to keep the original population and identity. This approach differs totally from the strategy in Ersebetvaros, the 7th district, were almost everything was sold off and social issues like poverty, segregation and concentration of Roma families were ignored. One of the first projects of Rév8 in Inner-Józsefváros was the renovation of some publicly owned dwellings. People, often elderly ones, were moved within the same building from one floor to another, the apartment was renovated and the tenants could move into their old flat again (Kovács, personal interview, 04-02-2011). This action was a rather small intervention and not comparable to projects involving the displacement in other districts. About six to eight buildings and some smaller areas of public space were renovated during this first pioneering phase. After this pilot renovation in Inner-Józsefváros, some of the newly renovated flats were privatised and offered to the tenants (Tomay, personal interview, 07-02-2011).

As mentioned in previous chapters, the majority of flats in Inner-Józsefváros, as a result to the privatisation practice after the transition, are privately owned. The owners
inhabit most of the dwellings. Thus, the private rental housing market, as in all over Budapest (2-3%), is low (Kovács, personal interview, 04-02-2011). Whereas in Western Europe big landlords, companies and investors own whole buildings or the majority of flats, in Budapest it is often the case that one single building has 20-40 owners. Thus, the renovation of houses is more difficult since a consensual decision by the owners is needed for all renewal actions. This can lead to a phenomenon where people invest in their dwellings and gain good living conditions but the appearance of the building from the outside might be a rather bad one. Once a neighbourhood is facing an upward development, like in the Palace Quarter, the owners can arrange more easily, take credits and invest in the building together (Kovács, personal interview, 04-02-2011). Around the year 2000, the housing market gained in dynamic, and thus such arrangements among people living in a house happened more frequently. From 2000 to 2008 prices rose until the economic crises kicked in and hit Budapest hard. The result is a spontaneous and spot like renewal of houses. Because of the high private ownership and the very low share of rented houses in Inner-Józsefváros, the renovation of the buildings is occurring slower compared to likewise centre near areas in Western European cities.

Already in the 1990s, politicians wanted to make the Palace Quarter a young and Bohemian place (Tomay, personal interview, 07-02-2011). In 2004, Rév8 started to renovate the public space in Inner-Józsefváros. Squares were renewed, streets were calmed from traffic, and some were declared as pedestrian zones, parking lots had to move for trees. This is the final phase of the renewal plans for Inner-Józsefváros. By renewing Mikszáth Kalman Ter and Krúdy Gyula Ter a nice and calm, yet urban area was created which is visible to everybody. In recent years the opening of shops and pubs targeting students is observable (Alföldi, personal Interview, 10-02-2011). By calming the traffic it became attractive to use the space as outdoor restaurant area. Thus, new street life and, as Richard Florida (2002) would describe it, a street level culture can develop. The renovation of the public spaces in the area is a central point and important for the redevelopment and renovation of the neighbourhood.

Inner-Józsefváros is located near to five universities, which makes the area very attractive for students. An article in the Financial Times Magazine (Condon, 2007) underlines the importance of students and post-graduate buyers in the uprising of the Palace Quarter. According to the article, the neighbourhood’s attractiveness increased dramatically in the years prior to the crises. Prices for old structured buildings increased by 10-15% per year. Confirming this assumption, Berenyi (2010) sees clear signs of
‘studentification’ in the neighbourhood. The renewal program of the local government, the location near to universities and a rising street culture in the area are the reasons why students find it attractive to move to Inner-Józsefváros.

5.3.2 The Current Development Project: Budapest – The Downtown of Europe

One project which could massively contribute to gentrification in Inner-Józsefváros is the “Budapest – Downtown of Europe” project. Rév8 initiated it and plans have been developed since 2007. The focus point of the project is the development of the area as the extension of the 5th district, which is the completely gentrified touristic and commercial centre of Budapest. Thus, the strategy is to attract creative businesses and to make the neighbourhood attractive for foreigners but also to the local population.

The main idea was to create a development plan for a homogeneous area facing the same challenges, which is not limited by district borders. The three districts of Terézvaros (6th), Erzsébetváros (7th) and Józsefváros (8th) wanted to collaborate in the project. However, the local government of the 6th district decided to drop out soon after initiation and later also the 7th district cancelled working on the plans. The goal was to develop a plan for the area between the ring road and the Grand Boulevard with common guidelines. For a homogenous developments of the area around city centre, this would have been embraced since the lack of cooperation between districts was noted as a major problem by the majority of experts in the interviews conducted for this study (Kóvács, 04-02-2011; Berenyi, 03-02-2011; Tomay, 07-02-2011).

It is remarkable that various paragraphs in the description of the program (Rév8, 2007) underline the importance of involvement of various people and organisations for the success of the project. Planning in postsocialist countries was often coined by a strong hierarchical planning structure. However, this project tries to connect to local people, local entrepreneurs, NGOs and market organisations. On regular basis, forums are organised where residents and entrepreneurs can bring up their problems and where the future plans for the neighbourhood are discussed. According to the head of Rév8, these discussions are very fruitful and the climate between the representatives is described as very good (Alföldi, personal interview, 10-02-2011).

In the guidelines for the "Budapest – The Downtown of Europe” project (Rév8, 2007), it is stated that one of the main objectives is to increase the competiveness and attractiveness of Budapest by introducing actions on a district scale. It is assumed that the upward trend in Budapest tourism is going to continue, and thus the downtown
area, an attribute, which at the moment is mainly associated with the fifth district, is going to expand. Therewith, the plan is to ‘show the world the hitherto unknown treasures invisible even to many Hungarians’ (Rév8, 2007). Furthermore, a creative innovative milieu is planned to be built up.

One main goal is to create a functional change of the neighbourhood. Continuing the latest development, small, alternative shops targeting students are preferable. Due to the economic crises, no new shops were recently opened and according to representatives of Rév8 (Alföldi, personal Interview, 10-02-2011), the development once the recession is over is unsure. However, although being in an uprising process, international chain shops are not expected to open in the area. Furthermore, buildings in Inner-Józsefváros should be developed partly to be useable for creative industries. One goal of building a creative milieu is to generate jobs in the area. How close the idea of initiating a creative milieu is connected with the proximity to several universities and tourism shows this quote from the project's guidelines (Rév8, 2007):

“The creative industrial branches will contribute to the city’s competitiveness. The need for mutual learning, synergy, creativity and innovation will produce a qualified workforce and thus these branches attract other developed industrial branches (e.g. tourism, business services).”

In interviews conducted for this work, urban experts argued how important creative branches are for generating surplus by attracting tourists and for the future development of Inner-Józsefváros. Zoltan Kovács (personal interview, 04-02-2011) stated that for Budapest it is very important to have creative initiatives for attracting tourists. In Kovács opinion it is the right way to go for Budapest to distinguish itself from other capitals in Europe, which can offer more historical monuments and attractions like Vienna and Prague. Thus, a project like 'Budapest – The downtown of Europe', in his view is very positive and the right way to attract tourists.

Although the guidelines for the current project could be interpreted as another example for taking up Richard Florida’s (2002) idea of the creative class, Gyorgy Alföldi (personal interview, 10-02-2011), denied such a strategy.

The detailed connection between this project and gentrification is described in the following chapter.
5.4 Gentrification as Governmental Strategy in Inner-Józsefváros

Due to the fact that the census data for 2011 is about to be released in 2012, and thus was not available at times this study was conducted, it is not possible to prove the change in the neighbourhood structure by statistical analyses. It would contribute to an argumentation of changes among the population and the built structure.

The massive privatisation of former publicly owned housing right after the transition from a communist to a capitalist society is responsible for today’s forms of gentrification. Because of the high number of privately owned dwellings, a very low percentage of rented flats and a relatively inactive housing market, which is partly due to the recent economic crises, it is hard to see active displacement of people resulting from rising rents. Furthermore, the renovation of common areas and facades is difficult since it demands consensuses among all owners. Budapest's past and the ways the transition from a socialist to a capitalist city took place make gentrification appear in a different manner compared to western European cities.

Inner-Józsefváros has always been a better situated neighbourhood thanks to the location near to the city centre, the vicinity to museums and universities and the fact that in the past the aristocracy built their palaces there while other neighbourhoods in Józsefváros, located farther away from the city centre, has suffered from massive deprivation. In interviews conducted for this study, it was stated that without a concrete redevelopment or rehabilitation project initiated by the local governments nothing is going to change since dynamics in the housing market only began to develop around the beginning of the 2000s and decreased again once the economic crises kicked in. Thus, the private housing market is too weak to start revalorisation and gentrification of certain neighbourhoods without public support. Although this might as well be the case for Inner-Józsefváros, the projects initiated had a smaller scale and cannot be compared to other large rehabilitation projects of the district.

The administration of Budapest is divided into 23 districts and local governments. The Municipality of Budapest, an administrative body responsible for the whole Budapest area, has the same competences as the local governments but different obligations are defined. Furthermore, it is responsible for planning issues concerning more than a single district. In the case of Inner-Józsefváros, the local government introduced Rév8, a publicly owned closed stock company (60.9% are owned by the Municipality of Józsefváros and 39.1% by the Municipality of Budapest). Rév8 is responsible for
redevelopment projects in all parts of Józsefváros. The agency started working in Inner-Józsefváros soon after its foundation in 1997 with rather small renovation projects of single houses. In recent years, emphasis was put on the renovation of the public space to pave the way for further private investment and a revalorisation of the neighbourhood.

Rév8 planned a project called “Budapest - the Downtown of Europe” which should include the areas of the 6th, 7th and 8th district in the centre near locations south and southwest of the Grand Boulevard. This practise would have been very welcome since the lack of cooperation between the local governments was criticised by almost all interviewees (Berenyi, 03-02-2011; Kovács, 04-02-2011; Tomay, 07-02-2011) asked for this study. The plan targets the development of the area towards a young and creative quarter also attracting tourists. Although the plans for the project (Rév8, 2007) read like an adaption of Richard Florida’s (2002) concept of the creative class (creating a creative milieu including infrastructure, fostering a street level culture including cafés and bars, etc.) it was denied by the head of Rév8 who stated that it was more influenced from theories coming from the United Kingdom (Alföldi, personal interview, 10-02-2011). However, the local governments of the 6th and 7th district decided to drop out of the project. Thus, it is another plan developed for a single neighbourhood without taking into account the surrounding areas, which have to be seen as one whole area facing the same challenges, into account. The “Budapest - the Downtown of Europe” project is a clear attempt to change the appearance of the neighbourhood by attracting new businesses and people but it was stated that an arrival of international chain shops is neither planed nor desired (Alföldi, personal interview, 10-02-2011). Therewith, a distinct identity of the neighbourhood could be established.

The plans clearly encompass ideas and strategy targeting gentrification for increasing the competitiveness of the district and the whole city. Although it was stated (Alföldi, personal interview, 10-02-2011; Tomay, personal interview, 07-02-2011) that the future development of the neighbourhood is unforeseeable because of the recent economic crises, if the plans are realised fully gentrification is expected to continue. Even today the moving out of older people can be recognised (Tomay, personal interview, 07-02-2011). The reason therefore is the noise of the nightlife amenities in the streets. Furthermore, it was stated that these people often leave their flats to relatives and their grandchildren, who find it chic to live in this young neighbourhood. Having recent statistical census data available would make it possible to prove the exchange of
resident population. If replacement happens in the area, it happens on a small scale against the background of lifestyle dissimilarities among different age groups.

Rév 8 emphases the good relation to the public. In neighbourhood meetings problems are discussed with the local residents. In interviews (Alföldi, personal interview, 10-02-2011) it was mentioned that the climate in these meetings is very good. Furthermore, the guidelines for the “Downtown of Europe” project state that the local residents and stakeholders have to be included to the process (Rév8, 2007).

The development plans for Inner-Józsefváros can be understood as a tool to improve the image of the whole district. Józsefváros still suffers from a very bad reputation among residents but also real estate agents, which prefer investing in other projects simply because of the bad image. Inner-Józsefváros is the area used to bring the district into people’s recognition with the association of a comfortable and nice neighbourhood. In Inner-Józsefváros, large rehabilitation project, as they are planed in other parts of the district (the Corvin Promenade and the Magdolna Quarter), are not needed since it was always better situated compared to the rest of the district.

In Inner-Józsefváros, the urban development of recent years can clearly be termed gentrification. The exchange of the shop structure and the opening of new shops serving mainly young people and students are indicators for such a process. Furthermore, with the opening of pubs and cafés an environment for such a clientele is provided. Because of the high number of owner occupations, one cannot speak of a displacement caused by rising rents. However, as sale prices of apartments rise, lower classes are excluded from the neighbourhood.

Whereas the public participation into the “Budapest – The Downtown of Europe” project has to be accounted positively to the local renewal agency and tourism is necessary for the city, the strategy to use gentrification in one single neighbourhood to increase the competitiveness of a city like Budapest is problematic for a coherent and socially balanced urban development. A program for developing a relative small neighbourhood to a touristic and student centre boosts a fragmented urban development. A collaboration, as it was planned, with the 6th and the 7th district would have softened this argument and would have set important impulses for the collaboration between local governments in the inner-city since the unconnected urban development is major problem in Budapest. The governmental strategy to use gentrification to increase the city’s competitiveness is a questionable tactic. Although direct displacement is a minor problem, sales prices are increasing further and exclude socioeconomic worse situated peo-
ple. If the trend continues, Inner-Józsefváros is expected to become an upper class residential area in the long term. Thus, this development contributes to segregation and polarisation. It contradicts to projects as the Magdolna Quarter in Middle-Józsefváros, which is also initiated by Rév8 and where emphasis is put on a social mix. The “Budapest – The Downtown of Europe Project” is not suitable to contribute to a social balance and equity, neither in the district nor in the whole city and it counteracts a coherent urban development.

Table 2 shows all project initiated by Rév8 which are or were influencing the neighbourhood. Furthermore, a classification and valuation according to a number of parameters is given.

<table>
<thead>
<tr>
<th>Impact of the intervention on the neighbourhood</th>
<th>Renovation of publicly owned flats</th>
<th>Renovation of Public Space</th>
<th>Europe – The Downtown of Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aims: Enhancing the image of the area</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Increasing the living conditions</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Increase the competitiveness of the neighbourhood</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Attract capital and tourists</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Participation of the local residents</td>
<td>Of the tenants</td>
<td>Weak</td>
<td>Yes</td>
</tr>
<tr>
<td>Encouraging coherent urban development</td>
<td>Too small</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Fostering gentrification</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 2: Evaluation of the renewal projects in Inner-Józsefváros (own composition)
6 Vienna

The reasons for choosing the example of Vienna as a case study for this work are far reaching. Firstly, being a city reigned by social democrats for a very long time brought up a specific housing situation with a large share of social housing. Emphasis was put on the social aspects of housing, and this, among others, was the reason to categorise Vienna as a corporatist welfare regime (Esping-Anderson, 1990). A corporatist welfare regime works within a capitalist framework but is highly regulated. In Vienna, strict laws for protecting tenants are in power to prevent direct displacement by rising rents. Another aspect making Vienna a great example to study is the soft urban renewal program, which was launched in the 1980s and can be seen as unique. The fact that due to the fall of the iron curtain Vienna’s economic location was changed from a peripheral to a central one increases the interest in it even more.

For a detailed study, Brunnenviertel in the 16th district was chosen. The reason for that was that the state of gentrification and the importance of art and young people in the process are comparable to Inner-Józsefváros. Furthermore, it is one of the most evident and current gentrifying neighbourhoods in Vienna. Before discussing the Viennese case study, an overview and explanation of the housing market and the unique soft urban renewal practise is given in the following.

6.1 Viennese Housing Market: Historical Development and Today’s Situation

At the end of the 19th century, Vienna’s population exceeded the mark of two million inhabitants. Immigrants, mainly coming from the eastern crown lands settled in the capital and the city grew by 400,000 residents in only 50 years. Thus, the city wall was abolished in order to provide land for extension. At this time the housing market was almost completely left to private capital and immigrants living in the suburban areas had to live under very bad conditions. These areas are located outside today’s ring road where the dense urban fabric still indicates the maximisation of economic return through rents of past times. At this time, thousands of people became landlords and
were not bound to any restrictions regarding rents, which means that they could decide on the length of the contracts and the lease rental charges however they wanted. Although demonstrations of homeless and unsatisfied tenants took place in 1910 and 1911, the first rent protection law was decided not until 1917. Parts of it are still valid today (Förster, 2002:2).

As the reign of the Habsburger monarchy came to an end in 1918, immigration of refugees from Eastern Europe put increasing pressure on the housing market in Vienna. Thus, people started settling on not-built areas as allotments and began to construct provisional houses. This movement is known as the settler movement (Siedlerbewegung). In 1919, the Social Democratic Party won the elections and construction of housing became a central part of the ‘Red-Vienna’ concept. In 1921, after mass demonstrations of people involved in the settler movement, the city started supporting the settlers financially. In 1922, a new tenant law included the introduction of a specific tax in order to finance social housing projects. The city bought big plots of land to start the council housing program in 1923. Until 1934, the year the period of Red Vienna was over, 64,000 flats had been constructed mainly built in lined, connected blocks (Förster, 2002:10).

After 1934, as the Austro Fascists and later a Nazi authority were in charge, communal building activity was almost put to a halt (Förster, 2002:12). During the Second World War, wide parts of Vienna were destroyed due to allied bombings. Thus, guidelines for reconstruction were introduced which included the reduction of density in the inner city areas in order to build a modern city for the future as well as the increase of density in the suburban regions (Pirhofer & Stimmer, 2007:30). Therefore, attempts to construct a city, which fits better for future developments of Vienna in the ages to come, were conducted. In 1947, first construction for large housing estates started and within a decade the shortage of housing was eliminated (Hatz, 2008:311). All new dwellings were equipped with bathrooms and toilets, green spaces in the courtyards and gardens. Additionally, the authorities tried to connect the estates to public transport. Furthermore, large housing estates on the southern and northern peripheries were constructed in the period from 1951 until 1970. In total, 96,000 flats were built, which relieved the densely populated inner-city areas and smoothed the way for the urban renewal (Förster, 2002) which is described in chapter 6.2 of this study.

Except for the times of Austro-fascism and the Second World War, the Social Democratic party has governed Vienna. The results of having a stable government over
such a long time can be seen in today’s housing structure. Emphasis was put on the welfare interventions. The construction of big public estates results in a very high rate of social housing (25%) in the total housing market of Vienna. Furthermore, about 60% of Viennese households live in subsidised housing (Magistrat der Stadt Wien, 2005:3). However, since the 1980s, the construction of social housing estates by the City of Vienna decreased and in the last years it has been put to a halt completely as the city withdrew as housing developer. Local non-profit organisations and associations are subsidised and instructed to build new social housing to replace the construction activity of the city. Therewith, a shift from a corporatist form of urban governance to a managerial one is reflected in the policies for social housing (Hatz, 2008:318).

Since the data for the census of 2011 were not available at the moment this study was conducted, data from 2001 was used. Although some numbers as for the total housing stock are available from more recent years, the comparability would be hindered. Table 3 lists the ownership structure of the total stock of dwellings in 2001. Remarkably, as the result of the already described social housing policy of the ‘Red Vienna’ period, the share of publicly owned flats is very high (25.46%). After this period, the publicly owned stock of housing was not sold off as in Budapest, and thus it is still notably high today. Additionally, 60% of the Viennese households live in subsidised housing (Hatz, 2008:318). These numbers reflect the impact the construction of social housing during the Red Vienna period still has on the Viennese housing market today.

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Total Number (2001)</th>
<th>Relative Number (2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Stock</td>
<td>910,745</td>
<td>100%</td>
</tr>
<tr>
<td>Privately owned</td>
<td>475,423</td>
<td>52.20 %</td>
</tr>
<tr>
<td>Social Housing</td>
<td>231,881</td>
<td>25.46 %</td>
</tr>
<tr>
<td>Other public bodies</td>
<td>10,553</td>
<td>1.16 %</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>121,559</td>
<td>13.35 %</td>
</tr>
<tr>
<td>Other Companies</td>
<td>58,029</td>
<td>6.37 %</td>
</tr>
<tr>
<td>Other</td>
<td>13,300</td>
<td>1.46 %</td>
</tr>
</tbody>
</table>

Table 3: Ownership structure of the total stock of dwellings in Vienna (source: Statistik Austria - http://tinyurl.com/4x8nfz9)
6.2 Soft Urban Renewal

Urban renewal in Vienna is special and closely linked to the corporatist form of welfare state, according to Esping-Anderson (1990). In 1974, the first urban renewal office was founded and working on guidelines for a gentle way of redeveloping degenerated and sub-standard houses started. At that time, a third (300,000) of Vienna’s total housing stock were category C and D, which means that they were not equipped with bathroom and toilet. With the introduction of the housing refurbishment laws ("Wohnhaussanierungsgesetz") of 1984 and 1989, a form of Public-Private-Partnership (PPP) for renovation of degenerated houses was launched (Hatz, 2004:78). The concept includes the tenants in the project. Thus, demolition of run down areas and the compulsory relocation of residents are avoided. The aim is to improve the buildings and apartments to a high standard and to keep them affordable at the same time. In addition, attention is put on increasing the attractiveness of neighbourhoods whereas, at the same time, actions aim to foster a socially mixed population. Over time, several adjustments of the policies have been made in order to modify problem areas and to support successful actions (Fassmann & Hatz, 2006). Whereas completely private urban renewal initiatives can cause massive social problems (displacement, uncontrolled gentrification, segregation) on a neighbourhood and city level, the practise of soft urban renewal in Vienna aims for renovation of the old buildings without pushing former residents out of the area. This strategy can be seen as unique and was awarded as Best Practise example for sustainable urban renewal by the UN-Habitat in 1998, 2000 and 2002 (UN-Habitat, 2010).

In 1984, 39% of the total housing stock (320,000 apartments) were categorised as having no toilets and/or water supply within the flats. Between 1984 and 2003, a number of 210,000 flats (one third of the apartment stock in Vienna) were renovated and about 4 billion euro were invested (UN-Habitat, 2010). In 2010, 200 million euro (1.6% of the total annual budget of Vienna) were dedicated to subsidies for renewing of residential buildings (Magistrat der Stadt Wien, 2011a). These numbers show the tremendous scale of the urban renewal practises in Vienna.

With the introduction of the Urban Renewal Act (Stadterneuerungsgesetz) in 1974, the city took part in the renewal process for the first time. Among other new regu-
lations, it specified certain renewal areas and tenants were firstly part of the decision making process. Furthermore, local urban renewal offices (Gebietsbetreuungen) were founded as a link between residents, developers and politics. With the Residential Building Rehabilitation Act 1984 (Wohnhausanierungsgesetz) and Viennese Housing Promotion and Renovation Act (Wiener Wohnbauförderungs- und Sanierungsgesetz) of 1989, the scale or renewing Vienna changed from small projects to large-scale urban renewal. Other important events for soft urban renewal were the shift of the responsibility for promoting construction form a national to a federal level in 1989, the introduction of the Vienna Land Procurement and Urban Renewal Fund (Wiener Bodenbereitstellungs und Stadterneuerungsfonds), which acts independently from public and administrative bodies, in 1984, and the introduction of the first strategic development plan for Vienna (STEP – Stadtentwicklungsplan) in the same year.

In Vienna, urban renewal is conducted on three different scales: Flats, buildings and blocks. On the scale of the individual flat, the city provides cheap loans for investing into sanitation improvements, central heating and changes in the floor plan. The most common kind of improvement on block level is the base renewal (Sockelsanierung). It encompasses the maintenance and modernisation of fully or partially occupied houses. If residents keep on living in the house, the former rental contracts stay valid. Tenants are not forced to take part in the renovation. Therewith, it can be the case that substandard flats are located beside newly renovated, high standard flats. Development strategies also encompass larger plans for redevelopment for entire block. On the one hand, it encompasses the renewal of buildings, restructuring of public spaces, parking spaces and traffic limitations, as well as the combination of courtyards, on the other hand it encourages local businesses. The local population is not forced to move out or to take part in the redevelopment projects. Block renovations are rather rare practised mainly due to the needed consensus among property owners, users and interests. For detailed information on the acts paving the way towards soft urban renewal in Vienna and the different kinds of renewal see Fassmann & Hatz (2006).

6.3 Soft Urban Renewal in Vienna = a Successful Urban Renewal Strategy?

Fassmann and Hatz (2006) underline the success of the soft urban renewal policies in Vienna. Between 1984 and 1995, the number of substandard flats needing renewal decreased dramatically. More recently, a shift in the applications for subsidies can be re-
cognised since the thermal renewal program was initiated in 2000, investments in the base renewal dropped. The number of dwellings in the worst shape (category C and D) decreased from 27.1% in 1991 to 10.4% in 2001. Especially in areas where at the beginning of the 1990s a high number of substandard flats could be found, at the beginning of 20th century, urban renewal almost vanished the appearance of flats in the worst category (Fassmann & Hatz, 2006). In Vienna, strict regulations softened and slowed gentrification, whereas without these laws gentrification is expected be a far greater problem. Fassmann and Hatz (2006) argue that although the number of university graduates slightly increased in affected neighbourhoods it did not significantly exceed the average of the Vienna area. Furthermore, displacement of lower income people by rising rent, which is an indicator of gentrification and an increase of segregation, can only be found on a moderate level. Thus, the soft urban renewal policy of Vienna upgraded the quality substandard flats while the socio-economic composition on a neighbourhood and district level could be kept.

In order to avoid the pressure of increasing rents, which usually is put onto the tenants after privately renovation, the soft urban renewal strategy defines strict rules and guidelines in order to avoid displacement and eviction of the resident population. Thus, private landlords are obliged not to increase the rent for more than an annual adjustment, which is defined by the inflation levels, and not to transfer rented apartments into private personal use.

Although soft urban renewal triggered off renovations that prevented further segregation and decaying processes, Hatz (2004) found out that the aim of a socially balanced and sustainable renovation was reached in only a few cases. Only a few (10%) of the tenants decided to stay in their flats during the renovation. All in all, older people tend to stay in their flats during the renovation, whereas younger tenants are more likely to move out. Contracts made after the renovation with new tenants are not obliged to demand the same rents as contracts made before the renewal. Thus, the economic return for the landlord is increased if new residents move in. With the inflow of these new residents the social composition changes as younger, higher educated and higher income households are likely to move in (Fassmann & Hatz, 2006). Thus, Hatz (2004:102) sees signs of gentrification as the public sector enters the model of the public-private partnership of soft urban renewal. Lower socio-economic classes are excluded from the estates since contracts made after the renovation ask for higher rents. As a result, the newly renovated apartments are smaller and more expensive, and thus
serve a social group with different lifestyle preferences. Analyses showed that the renovated areas especially serve people with higher incomes formally living in expensive inner-city districts. This strategy can be understood to counteract the process of suburbanisation and the moving out of socio-economic classes having higher income, and thus higher mobility in choosing where to live. Also the study conducted by Fassmann & Hatz (2006:14) concludes that

“Even with this generally positive evaluation of “gentle renewal” process, it must be stated that studies have shown that long-term changes in social and demographic structures are almost inevitable.”

The soft urban renewal practise can be coined as successful in terms of increasing the living conditions. It counteracts urban decay and a clear upgrade of apartments in the whole city area can be noted. Nevertheless, signs for gentrification can be found although segregation tendencies, displacement and a direct increase of rents might have been prevented or softened. Hatz (2004) showed in his study that the private side of the PPP-model of soft urban renewal tries to increase the economic return, which results in an exchange of the resident population. While older households are more likely to stay, younger, well-educated groups with higher incomes are moving into the newly renovated apartments, which are adapted to their needs. People of lower socioeconomic classes are excluded from the estates once they are renovated and landlords are able to ask for higher rents. Although the soft urban renewal practise can be called a success, gentrification tendencies and the connected exchange of residential population cannot be completely denied to happen in Vienna.

6.4 A Post-Soft Urban Renewal Strategy?

Some academic authors see a shift from the soft urban renewal model towards focussing on large urban developments in recent years. Paal (2008) asks the question if there might be an ‘end of the Viennese way’ and analyses current projects. Among others (e.g. Hatz, 2008:312), she argues that due to the location of Vienna near to the iron curtain, Vienna’s urban development was highly influenced by geopolitical aspects. With the political change in central-eastern and eastern parts of Europe and the introduction of market economies, the economic situation in these countries remained highly unsecure.
Sassen (2006:63) as well sees Vienna as an emerging as international business platforms for central Europe. Due to settling activity of international companies searching for headquarters for Central Eastern Europe, the demand for office space and apartments increased.

Another important event concerning the Viennese urban development was the entering of Austria into the European Union in 1995. Financing for urban developments in the framework of the URBAN I and URBAN II funds is only given to big urban projects. Thus, the development strategy of the city had to change away from the soft urban renewal practise in order to be able to apply for European funds (Paal, 2008:141). As examples the development of the Museums Quarter (one of the biggest cultural areas world wide located on the ground of the former royal horse stable) and the Gasometer (a redevelopment project of gas holders now providing housing, a shopping mall and a cinema) can be mentioned.

Other studies (Novy, Redak, & Jäger, 2001) describe the changes in the urban governance of Vienna in a very detailed manner by taking up the example of the “Donau City”, a new urban centre in the 22nd district developed on the basis of private-public-partnerships.

The shift towards neoliberal urbanism is shown in the attempt of the City of Vienna to establish an image of being a modern city in order to be able to compete in a globalised competition among cities (see Smiths, 2002). Paal (2008:143-144) sees an enormous conflict between the soft urban renewal practise and the strategy of underpinning the role of Vienna in a globalised world as she states:

“For a strategy like “soft urban renewal” the turning to large-scale projects is fatal. Geopolitical change, internalisation and the focus in prestigious urban development contradict completely the welfare state and social philosophy about treatment of historical structures. Within the rat race of international location competition, a city has no chance: to drop out or to keep out. This means, that for Vienna the era of municipal-socialism in urban renewal seems to be over.”

Although also in Vienna a shift in urban politics towards large urban projects is visible for a number of reasons, Paal’s (2008) radical opinion has to be challenged. The way she describes the shift reads like it would be an ‘either / or’ decision between soft urban renewal and prestigious projects as the Gasometer or the Museumsquartier which is not at hand. Urban renewal has lost its priority in the urban politics because Vienna can be
seen as a “renewed city” (Fassmann & Hatz, 2008:223). Nevertheless, the soft urban renewal practise is still in effect today. Paal’s (2008) justification that Vienna prestigious urban projects are bringing an end to the soft urban renewal practise cannot be proven. Municipal-socialism in urban renewal is not over but priority is put elsewhere.

6.5 Gentrification in Vienna - A Literature Analyses

Although among city authorities it is often denied that gentrification is actually happening in Vienna (Holm, 2010:53), clear signs can be found in various Viennese neighbourhoods. The ‘Viennese way’ (Paal, 2008) of urban renewal might soften displacement and rising rents, however, it cannot completely tackle gentrification. Additionally, authors found out that soft urban renewal as well contribute to a gentrification and displacement. Although the process is taking longer due to strict regulations, which are not obtained in more liberal housing markets as in London, signs like the exchange of residents, shops and amenities are happening. In the following, neighbourhoods mentioned in regard to gentrification in academic literature are discussed.

6.5.1 Spittelberg

The ‘Spittelberg’ in the 7th district, an area near the historical centre in vicinity to the Museumsquartier (one of the largest agglomeration of museums worldwide) and Mariahilfer Straße (one of the busiest shopping streets in Vienna), is often illustrated as the first gentrified neighbourhood in Vienna. Prior to 1970, the neighbourhood suffered heavily from underinvestment into the built structures and its image of being a red-light district. However, after public resistance, the City of Vienna did not choose to go the way of slum clearing and demolition as it was common practice in London and other European cities. Starting in 1973, the city bought some 80 houses in the area and started small-scale interventions of urban renewal. Compensation was offered to the tenants of the buildings (Paal, 2008:138). Once the renovation of the buildings was finished, they were sold to private landlords, and as a consequence, the price of the apartments rose to levels unaffordable for the former tenants. The aim of keeping the residents and providing affordable housing in the neighbourhood completely failed (Paal, 2008:138). After this early negative example of urban renewal in Vienna, the city changed its strategy and from 1984 policies for the soft urban renewal practise was introduced.
Today, the Spittelberg is completely gentrified (Hatz & Lippl, 2009) and a place for tourism and gastronomy. Descriptions of the charm this area has to offer, explain why the reasons therefore:

“[…] You find exceptionally well restored Bidermeier houses on Spittelberg today. The lovely buildings, the narrow lanes and crooked squares give Spittelberg its charming village appearance, though – compared with the other Viennese suburbs – that is never what it was. An atmospheric “village” full of stories, which come to find the visitor who knows how to look for them.”

Therewith, the Spittelberg can be seen as an example underlining Jager’s theory on the production of gentrification (See chapter 2.4 of this work).

6.5.2 Stuwerviertel & Karmeliterviertel
In the second district of Vienna, two neighbourhoods with the potential for gentrification have been analysed in academic literature: Stuwerviertel and Karmeliterviertel. The first one is located between Praterstern (a central transport hub) and Danube river, an amusement park (Wiener Prater) and green area, is built in a Wilheminian style and noted as an area where gentrification is likely to happen within the next years. The neighbourhood is a red light district and connotes a bad reputation. As Seidl (2009a) found out, today, the neighbourhood suffers from a high unemployment rate, and low socioeconomic and education levels.

In the near future, the redevelopment of the old ‘Nordbahnhof’, a development encompassing the creation of 10.000 jobs and 20.000 apartments\(^6\) and the extension of the U2 subway line, which was finished in 2010, will change the initial position significantly. The increased accessibility is expected to facilitate investments into the area (Seidl, 2009a:6). Additionally, a new campus of the Vienna University of Economics is expected to be opened in 2013/14 at the fairgrounds and is going to bring 20.000 students into the area. Seidl (2009b:26) sees a “perfect mix of students being pioneers and employees of good business sectors as gentrifiers, which fulfils the revalorisation.” Combined with the extension of the U2 subway line, which upgrades the accessibility of the area, gentrification is very likely to happen in the neighbourhood.

The second neighbourhood in the second district where gentrification has been analysed is Karmeliterviertel. Its centre-near location next to the first district contributes to the revalorisation tendencies. After Second World War, the area formally known as the neighbourhood with the highest number of Jewish population in Vienna became a working class neighbourhood. Until gentrification started in the beginning of the 1990s, Karmeliterviertel was mainly associated with crime, prostitution and gambling (Huber, 2010). Huber (2010:8) describes the attraction the district offers as the following:

“By the end of the 1980s, artists and students, the ‘pioneers’ or ‘early-gentrifiers’, discovered the neighbourhood and started to move in because of its inner-city location, the proximity to amenities like the food-market as well as local parks and – due to the old and derelict housing stock – the availability of cheap apartments with amply dimensioned layouts, which could be used as or easily transformed into ateliers or apartment-sharing communities.”

Furthermore, he (Huber, 2010) notes that the city government played an essential role in the process as the neighbourhood became a target area for urban renewal practises in 1984 and therefore a local urban renewal office (Gebietsbetreuung) was installed. Beside the renovation of the buildings and the displacement of the prostitution, the attraction of the neighbourhood was increased by prospects of the opening of the U2 subway line, which was finished in 2008. Additionally, media coverage after a critical mass of pioneers found their way into the neighbourhood and the fact that the Karmeliterviertel is seen as an ‘urban village’ having its own food Market (Karmelermarkt), attracted even more people with access to capital to the neighbourhood. Huber (2010:9) states that increases in rent levels happened at a moderate level and speculation was limited, nevertheless, the upgrading can be connotated as gentrification.
7 Case Study: Brunnenviertel – Ottakring

Ottakring, the 16th district of Vienna, is positioned in the west of the city centre, just outside the beltway (‘Gürtel’ – Vienna’s second ring road) and stretches over 868.1ha. Graphic 3 shows where the district is located in more detail. In total, 95,084 people live in the district of which 26,197 (27.6%) do not have an Austrian nationality. 7.5% of the total population come from other EU-countries, while 20.1% are of a non-European origin, with the highest shares from Turkey (4.6% of the total population) and the post-Yugoslavian nations. Thus, the share of people being non-Austrians scores above average compared to overall Vienna (20.7%). In terms of education, the share of college graduates is lower than the Viennese average (12.9% in Ottakring and 15% in Vienna). Inversely, the number of people dropping out of the educational system after compulsory school is higher (33.2% compared to 37.6%).

7.1 Neighbourhood Profile Brunnenviertel

Brunnenviertel is Ottakring’s innermost neighbourhood. It is delimited by Lerchenfelder Gürtel, Thaliastraße, Kirchstettergasse, Hubergasse, Ottakringer Straße and Veronika-gasse. The area stretches over 20 hectare and 7,500 people (Smetana, personal interview, 19-07-2011) live in the neighbourhood. The population density is very high (35,000 people per km²). The share of the population having a migration background is 41%. The reason for the high percentage of migrants in the area is the fact that, as other neighbourhoods outside of the beltway, Brunnenviertel served as ‘migration city’, as Hatz (2008:319) calls areas where low-income migrants find places to live.

7 all numbers in this paragraph are taken from Magistrat der Stadt Wien (2011b)
Until the 1990s, the areas in vicinity of the beltway were known as a space, which was better to be avoided due to safety reasons. It was, and to a minor extend still is, a red light district and criminal activities were widely spread. Thus, the beltway and the bordering neighbourhoods, especially on the exterior side of the belt were connoted with a bad reputation which to a certain extend still exists today. Until the 1960s and 1970s, Brunnenviertel was a working class neighbourhood inhabited mainly by Austrians. The living standards were rather poor and the vast majority of flats were not supplied by running water and toilets individually. Due to the hegemony of the social democratic party in Vienna, heavy constructions of new social housing estates in the city fringe were examined, which resulted in the emigration of the Austrian workers from Brunnenviertel to the new and better equipped social housing estates farther away from the city centre. What they left behind was a rather seedy housing stock, which attracted mainly immigrant workers (Hatz, 2008). Social housing was available to Austrian citizens only. Thus, landlords discovered how to make big profit with immigrants since they were dependent on an affordable, privately owned housing stock (Weingartner, 2010). The process was amplified by the fact that from 1981 onwards it was possible to hand out short-term rental contracts for half a year only (Nachtigall, 2008:56). Thus, the prices for the apartments could be raised and the strict tenant laws could be bypassed. This resulted in relatively high rents without investing in the built structure and although one could never speak of a slum, tendencies towards a ghettoisation could be seen. This situation led to a phenomenon Hatz (2008:319) has called ‘the migration city’. Brunnenviertel’s high share of people having a migration background can be proven partly by this theory.

Brunnengasse is crossing through the neighbourhood and is known for its daily market. It is mentioned to be the longest street market in Europe. The stalls are selling a wide range of goods: fruits and vegetables, clothing, toys, etc. Within Vienna, it is the second biggest market after trendy Naschmarkt by the number of businesses. The majority of sellers have a migration background. On the northern part, Brunnengasse leads into Yppenplatz, a square in the centre of the neighbourhood. Within the densely built structure, it is the only open space in the area. Yppenplatz is seen as a central element in the gentrification process of Brunnenviertel. From 2005 – 2010, the market and Yppenplatz underwent redevelopments (see chapter 7.4.). In recent years, a vibrant gastronomic scene developed attracting mainly a young, bohemian crowd with a higher economic power. Thus, Yppenplatz on bright summer days becomes a landscape of middle
class people having breakfast and sipping latte macchiatos. The result is a special mix of migrants and middle class people, which actually do not intermingle a lot in the public space. Media coverage on the attractiveness of the neighbourhood speak of 'a mixed feeling of Balkan and art vibe' of Yppenplatz which makes this square special. With the arrival of people having access to capital, the structure of shops on the square changed. Whereas earlier, many shops stayed vacant and often served as repository, new designer shops and galleries opened in recent years.

7.2 Gentrification in Brunnenviertel – A Literature Analyses

Brunnenviertel is one of the best described gentrified neighbourhoods in Vienna. Various studies (Baldauf & Weingartner, 2008; Nachtigall, 2008; Rode & Wahnschura, 2009, Rohn, 2004 & 2007; Weingartner, 2007) analyse different dynamics and processes of the neighbourhood change. In the following, the most relevant works are summarised. Unfortunately, not all works can be discussed due to the length limitation of this paper.

Baldauf & Weingartner (2008) provide an overview on the processes in Brunnenviertel. On the one hand, by taking up the example of Conwert – an international real estate developer – they show how art can be used as a tool for legitimating new constructions. Conwent bought a vacant department store in Brunnenviertel with the aim to tear it down and rebuild a residential building with rents ranging from 600 to 1,500 Euros serving a young, creative class. Conwent decided to offer the vacant building to an art-collective since the immediate deconstruction of the building would have let to struggles with the residential population and consequently to a negative image of the whole project. This strategy brings positive PR for the company and the project that in effect contributes to the legitimating the rebuilding plans among the local population. Additionally, Baldauf & Weingartner (2008) mention some projects initiated by the local authorities which had influence on the redevelopment of Brunnenviertel and discuss the role of Soho in Ottakring in this process, underline their concerns regarding the influence of the festival on the sociospatial composition and take up the example of the Spittelberg in order to show how badly managed redevelopment project can result in maturing gentrification.

Another study focuses on the changing functions, structures and distribution of shops in the district (Nachtigall, 2008). Nachtigall (2008) provides a detailed analyses on the on the economic structure in the neighbourhood, concentrations of certain branches, various types of shops serving diverse clientele and other aspects. In total, 365 businesses are located on ground floor level of which the ratio of retail to service is relatively equal.

Ethnic retail businesses are mainly offering daily goods and 40% of the services are located in gastronomic segment. At the time the study was conducted, only some sporadic openings of shops (mainly at Yppenplatz) serving a new, socioeconomic better situated class could be recorded. Nevertheless, the study reflects the mix of daily and luxury goods, gastronomy serving people with migration background as well as the middle-classes, which makes Brunnenviertel attractive for migrants and pioneers. Nachtigall (2008:92) concludes that the future will show in how far the newly arriving people will differentiate from the domiciled population and how the effects will turn out once the redevelopment of the Brunnenmarkt and Yppenplatz is finished (which happened in 2010, after the study was conducted).

Rohn (2004) researches on the decentralised cultural infrastructure and urban development in Vienna and Paris. He especially studies Soho in Ottakring and its influence on the neighbourhood. Therefore, Roth conducted random sample interviews with visitors to the art festival. The results are self speaking as only 13% of the visitors to the festival actually live in the 16th district, 18% are from neighbouring inner-city districts and 14% from neighbouring outer districts. Therefore, 55% of the visitors come from other parts of the city. Additionally, Rohn (2004:156) found out that 39% of the people who come to see Soho in Ottakring do have a university degree. These numbers show that Soho in Ottakring is not attracting local visitors, but a well-educated mass from all over the city. Thus, the perception of Brunnenviertel changed significantly and contributed sustainably to the renewal of the area. Although the study was published in 2004 and the situation in the neighbourhood is likely to be different today, it shows how art is an important factor in the revalorisation process of Brunnenviertel.

Studies on the revalorisation and gentrification of Brunnenviertel are diverse. In sum, it can be said that the example of Brunnenviertel is discussed to a satisfying extend, although the role of governmental strategies and projects have not been researched on to an adequate extent.
7.3 Urban Renewal Office 16 - Gebietsbetreuung Stadtterneuerung Ottakring – GB*16

The urban renewal offices are most local governmental bodies dealing with urban renewal and development in Vienna. They are decentralised from the city administrative body (MA25) to which they are subordinated. The aim is to create a basis and a platform for contributing to a liveable Vienna for the future by going the ‘soft way’ of renewal. They form the link between interests of various stakeholders of the district. Thus, they represent residents, developers, business(wo)men, artists and so on. The ‘Gebietsbetreuung’ is also the provider of services and information for the residents and it is responsible for participation in urban planning. The focus of their responsibilities is clearly set on urban renewal with putting emphasis on social issues, which is summed up in a paragraph of an information brochure:

“The mission of a modern renewal of a city today contains much more than structural measures. Urban renewal means to inform residents of the neighbourhood actively about recent and future developments. To connect different interests. To encourage cultural plurality. And to enhance the living conditions in the neighbourhood sustainably.”

In total, there is one mobile urban renewal office in Vienna and twelve fixedly installed ones. As some districts face the same challenges and can hardly be handled separately, some offices are responsible for more than one district. Each team is interdisciplinary and consists of planners, sociologists, architects and lawyers.

In the legal system, the urban renewal offices are assigned to the MA25 – Stadterneuerung und Prüfstelle für Wohnhäuser (city authority department 25 – responsible for urban renewal and inspection authority for residential buildings). Therefore, the local urban renewal offices are coordinated on a centralised level and are not an individual branch of the district administration.

7.4 Redevelopment Projects in Brunnenviertel

From the second half of the 1990s onwards, a variety of governmental projects affecting Brunnenviertel in a direct, as well as in an indirect way, have been carried out. Since the Westgürtel (western beltway) was, and to an certain extend still is a deteriorated, stigmatised area coined by a flourishing red-light district, several successful attempts have been made to change the image. Furthermore, the soft-urban-renewal practise coupled with private investments brought higher living standards into an area, which was suffering seriously from a high share of substandard dwellings. Another important project is the redevelopment of Yppenplatz and the Brunnenmarkt. The sum of these projects triggered of gentrification.

7.4.1 URBION – Urban Renewal at the Western Beltway

The aim of the project was to upgrade the image of the target area from a no-go red-light district area to a vibrant, cultural spot and tackle the increasing ‘ghettoisation’ of the area. The use of the so-called Gürtelbögen (the arches in the structure below the tracks of the metro line U6 designed by Otto Wagner) was changed. Before, these arches were empty or used as a storage room but were developed to bars, cafés and cultural institutions. Planning started in 1996, construction in 1998 and the project was finished in 2000.12 Beside cultural activation and the use of 30 arches, new architecture and a better-designed public space was provided in order to attract mainly young people to the area. The construction of the elevated metro builds a physical border between inner and outer-city districts. The idea was to open this border between inner and outer districts figuratively. The project was co-financed by the European Union (600.000€ coming from the URBAN I – project-series) and national subsidies (1.500.000€).10 The EU-funds of the URBAN I project series (1994-1999) targeted neighbourhoods facing extreme deprivation, where people suffered from isolation and poverty11. Although this rather small project did not concern Brunnenviertel directly it gave important impulses to the whole area and can be seen as path leading in the development towards the increasing the attractiveness of Brunnenviertel by contributing to an image-change of the western-belt area.

7.5  STEP05 & VIEW – Visions Development Western-Belt

The strategic development plan (Stadtentwicklungs Plan – STEP) is the tool for a general urban development and urban planning for the future. Besides the special-functional interrelations, the plan determines the distribution of land use and infrastructural projects. The first STEP was released in 1984 and mainly targeted the urban renewal of Vienna. In 1994 and 2005, the plan was adjusted to current conditions and challenges. The plan points out several target areas for urban interventions around the city. Brunnenviertel is located in the target area Western Belt in the STEP05.

VIEW (Visionen Entwicklung Westgürtel) is the applied project to the target area Western Belt in the STEP05. The area is located on the grounds of various districts and encompasses the cooperation of the urban renewal offices of the districts 6-9, 14-15, 16 and 17-18. Although the homepage of the urban renewal offices states that “strategies over district borders should be developed to support upgrading and identification-processes along the western belt”\(^\text{13}\), regarding to the head of the urban renewal office responsible for Ottakring (Smetana, personal interview, 19-07-2011) the VIEW Project does not have any influence on Brunnenviertel. It encompasses cooperation between offices on border regions (e.g. Ottakringerstraße, where the 16\(^{th}\) and the 17\(^{th}\) district meet) and, on a larger scale, the measures regarding the whole Western Belt are in the focus. However, since measures for upgrading and changing the image of the area are taken, VIEW is expected to influence the development of Brunnenviertel indirectly.

7.5.1  Redevelopment of the Housing Stock

In total, there are 551 housing estates in Brunnenviertel. From 2000 to 2008, in total 68 houses were renovated, of which 27.94\% were financed privately and 72.06\% with subsidies. Furthermore, 18 private and 18 subsidised projects were under construction in 2008 (Rode, Wanschura & Kubesch, 2008). This is the highest quote of renewed buildings in Vienna (Baldauf & Weingartner, 2008), nevertheless, the head of the local renewal office (Smetana, personal interview, 19-07-2011) sees potential for further renovations. Although rents cannot be increased extensively directly to the tenants living in the flats because of the rent regulations, an increase of rents once the renovation is done, and the apartment is developed from a substandard to a class-A apartment is ex-

\(^{12}\) http://www.wien.gv.at/stadtentwicklung/strategien/step/step05/ \((\text{Accessed: 04-08-2011; 10:50})\)

pected. Not even the Gebietsbetreuung is trying to disguise this rise in rents as Smetana (personal interview, 19-07-2011) states:

“If someone lives in a substandard apartment and two substandard apartments get combined and subsidised by public funds, and it is developed to a class-A apartment, for sure the rent per square meter is higher than for a sub-standard apartment (..).”

This statement describes how rising rents come with soft urban renewal. On the scale of a city, although renewal of buildings is a desired thing, migrants and socio-economic lower classes are pushed into shrinking areas where they can find affordable housing. For analysing this phenomenon to a sufficient extend, further research on a citywide level has to be conducted.

The redevelopment of the dwellings, subsidised and not subsidised, contributed significantly to a gentrification process as it provides class-A apartments and top floor penthouses to a socio-economic better situated group of people.

7.6 Soho in Ottakring

SOHO in Ottakring is an art festival (now) held in a biennale-like period taking place in Brunnenviertel. It was self-initiated by Ula Schneider in 1999 with the vision to use vacant shops temporarily as ateliers. Thus, art would take place in between the daily hustle and bustle of Brunnenviertel. The festival established quickly and after three years it became important not only as art project but also as a medium addressing physical interventions, as for example the redevelopment of the Brunnenmarkt. At the same time, the local urban redevelopment office (Gebietsbetreuung 16) saw the art Soho in Ottakring provided as ‘motor for urban renewal’ (Schneider, 2008:15), which attracts a different and dynamic crowd to the district, and thus enhances the image of the neighbourhood.

Ula Schneider (personal interview, 18-07-2011) is well aware of the effects the art festival has on the neighbourhood. With the arrival of artistic intervention in Brunnenviertel the perception changed and important impulses were given to the area. In this sense, also the focus of the festival changed from the temporary use of vacant shops to sociopolitical issues involving the neighbourhood and the resident population.
Although Soho in Ottakring is an independent grassroots movement, a structural background is needed. Thus, close cooperation with the local urban renewal office has been conducted. At a certain point, politicians tried to sell Soho in Ottakring to the public as their project since it was connoted with a positive image and gained positive publicity. Nevertheless, Schneider does not see a risk of being instrumentalised by local authorities for achieving a certain development for the district.

Soho in Ottakring’s impact on the revalorisation of Brunnenviertel should not be underestimated. Starting in 1999 as a small project, which used vacant shops temporarily, it soon established as a respected art festival attracting people from all over Vienna. With further plans for renewing the district in 2002, the local authorities and the local renewal office welcomed the initiative since it helped changing the image of the neighbourhood. For a detailed study on how Soho in Ottakring changes the perception of people from outside the district see Rohn (2004 & 2007) and Sachs Olsen (2011).

7.7 Redevelopment of the Brunnenmarkt and Yppenplatz

From 2005 to 2010, Brunnenmarkt and Yppenplatz were renewed. In five construction steps, important measures for increasing the attractiveness of the market were realised. The project encompassed the renovation of the market, setting up a pedestrian zone in Brunnengasse, increasing the attractiveness of Yppenplatz by new gastronomy, measures for traffic calming and introduction of 30km/h speed limits in the surrounding streets. These measures were central to the renewal of the neighbourhood and aimed to counteract the downward trend of the local shop structure.

Prior to the start of the construction, a participation process (Bürgerbeteiligungsverfahren) started in 2002. The list of participants was diverse as residents, shopkeepers, market stall owners, politicians, developers and investors were involved (Staud, personal interview, 26-07-2011). The local urban renewal office took the role as the mediator between the groups. In large gatherings, representatives for each interest group were elected. Working groups were founded with the goal to create a redevelopment plan for the area satisfying the various advocacy groups. Smetana (personal interview, 19-07-2011) underlines the different interests of the groups but notes the importance of this process at the same time as the groups have to be present for the decision making since it is the only way they understand the process and can identify with it. A ten-point programme, which pointed not only to the redevelopment of the market and
Yppenplatz but had the upgrading of the whole Brunnenviertel as a goal, was the outcome of the participation process. Summed up, the points include:

- Revitalisation of the market
- Renewal and new construction activity
- Enhancement of the built structures and the living conditions
- Measures in the public space and the supply of free spaces
- Measures regarding traffic
- Inclusion of art and culture

The redevelopment project of Brunnenmarkt and Yppenplatz can be seen as another attempt to upgrade the whole neighbourhood and contributes to gentrifying processes significantly. The local urban renewal office played a large role in the development. The participation process and the development of plans for the neighbourhood which were then given to the executing administrative bodies would not have been possible without the office’s role as a mediator. It is important for all actors in the neighbourhood to be given the feeling to present in the planning process since it is the only way all people can identify with it. The redevelopment contributes to the attractiveness of the neighbourhood and to gentrification processes. Nevertheless, the redevelopment was necessary and the public involvement made this project a success for all stakeholders in the neighbourhood.

7.8 Gentrification and the role of Governmental Strategies in Brunnenviertel

Today, Brunnenviertel is a prime example for gentrification in Vienna. Although direct displacement by rising rents is not possible due to the Viennese rent regulations, an upgrading in built, shop and social structure is notable. Unfortunately, the census data for 2011 was not available yet at times this study was conducted. Thus, a statistical proof for upgrading and gentrification cannot be given.

There are a variety of reasons why Brunnenviertel faces a period of reinvestment and upgrading resulting in gentrification. Until the end of the 1990s, the neighbourhood suffered from underinvestment and a downward trend in the economic structure. The negative connotation of the neighbourhoods in vicinity of the beltway amplified the
situation even more. Consequently, before an upgrading process could start, the image and perception of the area needed to be changed. URBION was the first project initiated to counteract the negative image of the western-belt. Measures, apart from some physical constructions, included the use of the arches below the elevated metro line for nightlife amenities, art and culture. Thus, a young crowd was attracted to the area and the beltway was opened up to the exterior districts in people’s perception. Although this project did not include measures in Brunnenviertel directly, it is important since it targeted the change of the negative image of the greater belt-area.

The art festivals of Soho in Ottakring contributed significantly to a changing perception and image directly in Brunnenviertel. Only a few years after its foundation in 1999, Soho in Ottakring was an established art festival very well known by people all over the city. Thus, it attracted people to the area who would not visit Brunnenviertel without such amenities. Soho in Ottakring is a grassroots movement initiated by artists, thus, it does not target a revalorisation or gentrifying process. However, for the local politicians and the local renewal office the festival is a welcome project for changing the image of the neighbourhood, and consequently attracts a class with access to capital to the area. To a certain extend, Brunnenviertel got branded by Soho in Ottakring which can also be seen in Convert’s advertises flats in the area as ‘apartments in the Soho district’ (Smetana, personal interview, 19-07-2011).

Another point leading to a gentrifying Brunnenviertel is the renewal of the housing stock. 72% of the renovated houses since 2000 were subsidised which means a set of strict rules apply to them. However, 28% of the projects were completely privately financed. Further research has to be done on the motivations of the private investors and the reasons for not getting subsidised. Although the strict tenant laws and the regulations, which come with the access to subsidies, rents of renovated apartments are expected to be on the rise in the long term. The redevelopment of the housing stock provides the kind of housing for the middle class, which amplifies the gentrification process in the area. Furthermore, the constructions of top floor apartments, which gain the biggest surplus to the developer, are common and attract a class with access to capital.

On a micro level, socioeconomic better-situated people live in renovated buildings, which are located in between sub-standard structures where poor people still live (Hatz, personal interview, 20-07-2011). On another level, the redevelopment often results in a vertical form of segregation where “the journalists of the ORF [Austrian Television Broadcast] are living in top floor apartments while Junkies are dwelling on the
lower floors” (Smetana, 2011, personal interview, 19-07-2011). This kind of mixing was promoted as being very positive by Smetana. Such kinds of segregation has to be seen very critically and houses where the rich live in top floor apartments and the poor in run down, non-renovated apartments below must not be seen as desirable. However, this issue and the appearing forms of segregation and social mix in Brunnenviertel cannot be discussed within this work to a satisfying extend, thus, further research should be conducted on the topic.

An additional factor for the upgrading process of Brunnenviertel is the location just outside of the ‘beltway’. Although not directly linked to Lees (2006) theory, Hatz (personal interview, 20-07-2011) noted, parts of the inner-city districts are areas of super-gentrification where the actual gentrifiers get replaced for a number of reasons by an economically even richer social group. Due to its relatively centre-near location, Brunnenviertel is attractive to this often young, urban group of people.

Coupled with the shops and gastronomy, which mainly opened in the last five years targeting Bobos (Bohemian Bourgeoisie, as the young, urban dweller with access to capital is often called), the charm of the authentic ethnic shops and market stalls, and the still relatively cheap rents the mix is ideal for an environment needed for triggering off gentrification. Hans Staud (personal interview, 26-07-2011), a well-known entrepreneur producing luxury goods in the neighbourhood underlines the positive changes in the shop structure of Brunnenviertel. Furthermore, the owners of the newly opened restaurant Dellago (Eva Dellago, personal interview, 22-07-2011) state that their main target group are the middle classes, which recently arrived in the district confirming this thesis.

The local urban renewal office (Gebietsbetreuung – GB*16) is most local administrative body in the district acting on behalf of the MA25 – the city department devoted to urban renewal. On the one hand, Gebietsbetreuungen are working on a decentralised, on a very local level. Thus, urban practises, interventions and projects can be planned according to the problems, needs, characteristics and challenges of relatively small areal entities directly in the neighbourhood. On the other hand, by being subordinated to the MA25 (the public body devoted to urban planning on a city wide level) control of the actions set by the local urban renewal offices is guaranteed. Another advantage of this system is the fact that the different offices have a platform for exchange of their knowledge, expertise and work practises. These conversations also take place on a rather in-
formal level between the offices. With this administrative system the competition between districts is limited or eliminated.

The local renewal office of the 16th district plays an important role in the redevelopment process of Brunnenviertel. The most valuable role is the one of the mediator between various interest groups. Especially in the case of the redevelopment of the Brunnenmarkt and Yppenplatz, which took place between 2005 and 2010, the Gebietsbetreuung was the body, which brought the stakeholders of the neighbourhood together and guided the participation process which took more than a year before a central plan could be delivered as an output. This platform and the way to this plan are essential for sustainable development because technically no one is left out of the decision-making process. Therewith, people can identify with the project and its outcome. Although the local renewal office played a central role in the redevelopment of the Brunnenmarkt and Yppenplatz, which can be seen as another boost for gentrification, the participation process is to be accounted highly for a socially balanced neighbourhood. The Gebietsbetreuung sees the renewal and the social mix of the neighbourhood as essential for a liveable neighbourhood and such practises contribute to these goals.

As the local renewal office promotes a social mix, also the rise in rents are seen as a natural outcome of the renewal practises (Smetana, personal interview, 19-07-2011). Therewith, gentrification is fostered by the actions of the urban renewal office. In interviews it also came to a fore that the word gentrification is connoted with a very bad meaning. However, in other questions, the very essential phenomena of gentrification were described without using ‘the dirty word’.

The local renewal office promotes a social mix and the arrival of socio-economic better-situated groups of people. Nevertheless, the local renewal office does not expect the complete exchange of the poor segment of the population, which often has a migration background since the structures and bonds of the ethnic groups (especially of the Turkish population) are very strong (Smetana, personal interview, 19-07-2011). Nevertheless, it may take longer time due to the regulations but gentrification and the further exchange of the society in the area is expected. Poor segments of society are expected to disappear from the district leaving behind those people with migration background who earn more. More and more middle and upper class people are going to move to the neighbourhood and the face of it is continuing to change.

As mentioned before, the local urban renewal offices are targeting urban development from views of various stakeholders with the aim to create a liveable urban
neighbourhood. Currently, there are no plans for attracting tourists, more students or creating a creative cluster. Thus, the focus is on the urban renewal and a socially balanced mix. Attracting global capital and making the district more competitive in an inner-city competition between districts or on a larger level as contribution to Vienna’s competitiveness among cities around the world is not the goal at the moment and not expected to be an option in near future.

After analysing the governmental projects on a citywide as well as on a local scale, and after evaluating the performance of the local urban renewal office, it has shown that gentrification, although disguised by terms as urban renewal and revalorisation, is a governmental strategy for creating social balance in Brunnenviertel. Governmental projects and initiatives were needed to work against the downward trend. The governmental strategy chosen was appropriate to do so as it brought important impulses and improvements. Nevertheless, the peak of the desired development is already reached. Further gentrification is expected to result in a development towards an island of middle and upper classes. Therefore, the local renewal office must not draw out of the neighbourhood and has to take actions for softening and stopping gentrification. Furthermore, although the population is mixed (at the moment) and a social balance is created on first sight, it appears that the different social groups do not intermingle and mix in public space since both, ethnic groups and Bobos have different places and corners to meet. The next step has to be to connect the groups and to foster integration. Such actions are of a tremendous importance to strengthen the social mix, and thus, inevitably for the success of the whole revalorisation which targets to increase the social conditions. Otherwise the governmental tool of gentrification would have failed, as an upper class neighbourhood would be the result. Furthermore, statements like the following, which see vertical segregation as a desired thing, should be rethought. Vertical segregation (not named directly, but described as the rich live in top floor apartments and junkies below) is part of a

“(..) lived city. One of the most exciting things since it is about (social) mix. And the living beside each other of parallel societies.”(Smetana, personal interview, 19-07-2011)

Vertical segregation is no alternative to horizontal forms since it still bases on social differences and inter-class communication is not necessarily fostered (Maloutas &
Karadimitriou, 2001). Contrariwise, Smetana’s quote above indicates that the living together is not necessarily the main aim as long as people live next to each other.

In total, although the right strategies where chosen to renew and develop the district towards a socially mixed neighbourhood, the local urban renewal office, as the most local governmental body seems to underestimate the negative aspects and risks that come with the revalorisation. Furthermore, to succeeding with the strategy of using gentrification as a governmental tool, actions have to be taken to foster interaction between the different groups of society. Otherwise a central part of the strategy, namely to create a social-mix, would not have been fulfilled and an important chance would be missed.

The following table on the next page aims on showing all redevelopment and renewal projects, which are and were conducted in the neighbourhood in a very simplified form. The projects are classified and valued according to a set of parameters.

<table>
<thead>
<tr>
<th>Impact of intervention in the neighbourhood</th>
<th>URBION</th>
<th>VIEW</th>
<th>Soft Urban Renewal</th>
<th>Redevelopment of the Brunnenmarkt and Yppenplatz</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aims: Enhancing the image of the area</td>
<td>Yes</td>
<td>YES / NO A changing image of the area is not a direct goal of this project. Nevertheless, the perception is changed.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Increasing the living conditions</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Increase the competitiveness of the neighbourhhood</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Attract capital and tourists</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<td>Participation of the local residents</td>
<td>No</td>
<td>Depended on the projects on a smaller scale</td>
<td>Yes</td>
<td>Yes</td>
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<td>Encouraging coherent urban development</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Fostering gentrification</td>
<td>Yes</td>
<td>Yes</td>
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Table 4: Evaluation of the renewal projects in Brunnenviertel (own composition)
8 Conclusion and Comparison of the Case-Studies

Gentrification in Inner-Józsefváros and Brunnenviertel is greatly boosted by governmental interventions, although the kind of programs is different. In the case of Brunnenviertel, a number of projects and practises with various aims were conducted. URBION, an initiative partly financed by the European Union, was realised in 1998 and targeted to change the bad reputation of the area along the western beltway, in which Brunnenviertel is located. Beside physical renovations in the public space, amenities especially for young people, such as bars, pubs and concert venues were installed beneath the tracks of the elevated subway. VIEW (Visionen Entwicklung Westgürtel), the applied project of the strategic development plan, takes a comparable line although the focus is different as urban development crossing district borders are fostered and upgrading the reputation is not a central goal but a side effect. Amplified by the privately initiated art festival Soho in Ottakring, the reputation of Brunnenviertel was sustainably improved.

The soft urban renewal practise, a city wide public-private partnership model for renovating apartments of the worst categories, is another important governmentally initiated program that has significantly contributed to gentrification in Brunnenviertel and made it the neighbourhood with the highest quote of renovated buildings using this kind of subsidy. By renovating the existing housing stock and the generation of class A apartments, dwellings suitable for middle and upper classes are created. Although strict regulations and laws accompany the soft urban renewal, rents and housing prices are increasing and gentrification is fostered in the long term.

The physical renovation of Yppenplatz and Brunnengasse has been targeting the revitalisation of Brunnenviertel. By redeveloping the market area and the public space and having the aim to attract businesses, this project contributes to gentrification by enhancing the visual and physical appearance as well as the living conditions in the neighbourhood. Before the constructions started, a public participation process encompassing representatives of various stakeholders and local residents was initiated and planning for this project was made according to the needs and problems of the people living, working and using the neighbourhood.
In contrast to Brunnenviertel, in Inner-Józsefváros, no incentives to increase the neighbourhood’s image were needed. Although the rest of the district suffers from a very bad reputation, Inner-Józsefváros has always been a better and socially more stable neighbourhood. Nevertheless, upgrading and gentrification would not have occurred without governmental inducements due to the very low dynamics in Budapest’s housing market.

Like in Brunnenviertel, in Inner-Józsefváros public space was renovated, some parts were declared to pedestrian zones and Mikszáth Kalman Ter was developed to a central square with a vibrant gastronomic scene. The renovation of public space is one of the first, very important governmental initiatives boosting revalorisation and gentrification. Further private and public investments and the opening of new businesses depend on it.

The most current project in Inner-Józsefváros “Budapest – The Downtown of Europe” is also the most ambitious one. The main objective of this program is to improve the competitiveness of the district and the whole city. This goal should be reached, firstly, by attracting tourists to the area, and secondly, by establishing an innovative milieu to draw creative industries. If ever fully realised, the project will contribute massively to the gentrification in Inner-Józsefváros, which runs risk of becoming an upper class enclave just a stone’s throw away from Budapest’s slum areas. Nevertheless, stakeholders and local residents in the area are included in the process and meeting are held on a regular basis for the exchange of ideas, problems and solutions.

Although gentrification is used as a governmental strategy in both case studies, the aims are completely different. In Brunnenviertel, projects leading towards gentrification are initiated to create a social balance in the neighbourhood. Projects have aimed at counteracting a decaying trend of the 1990s. Trying to create a social mix is a central part of this strategy. While the actions taken can be evaluated as well chosen and right to stop the downward spiral, there is a risk that it might have worked too well. Of course, negative side effects of gentrification as rising rents, an exchanging business structure (negative if it reaches a state where the original population is not served anymore by the local shops) and the exchange of the resident population are partly required to reach the goal of a socially balanced neighbourhood. The local renewal office, the body responsible for planning and executing urban projects in the area, is well aware of these facts and see it as natural and partly desired. No direct displace of the tenants by rising rents is possible because of laws and regulations, but if the current trend continues, Brunnenvi-
ertel could become a destination of the upper classes and the complete exchange of the population could be possible in the long-term. Beside some small projects, the local urban renewal office, as the most local governmental element, drew out of Brunnenviertel and left it to its dynamics as no new interventions are needed to push the revalorisation process. Actions and measures for softening and counteracting gentrification have to be taken by governmental bodies for preventing of a development towards a middle and upper class enclave. Gentrification is expected to continue resulting in a progressing change of shops and gastronomic structure and a further exchange of the resident population.

In Inner-Józsefváros, on the other hand, gentrification as a governmental strategy mainly targets to increase the competitiveness of the district, as well as of whole Budapest. The physical renovations of the streets and squares can be seen as paving the way towards the “Budapest – The Downtown of Europe” project, which aims at attracting foreign capital by tourism, developing a unique business structure, including amenities for young people as cafés, bars and pubs, and building an innovative milieu to attract creative industries. This strategy can be directly linked to Neil Smith’s (2002) article on how gentrification today is used as a liberal urban strategy for persisting in a global competition for attracting capital. Furthermore, although denied in interviews with executing bodies (Alföldi, personal interview, 10-02-2011), this policy can also be categorised as an application of Richard Florida’s (2002) model on how the creative class contributes to increasing the competitiveness. The “Budapest – The Downtown of Europe” project initiated by Rév8 has the potential to push gentrification further to a great extend. It is expected that the functional change is going to continue once the economy has recovered from the latest crises. The pressure will increase since more and more people want to live in the neighbourhood, and thus prices of the dwellings are going to increase.

Although the strategy to use gentrification in Inner-Józsefváros will be accompanied by attracting capital and generating jobs to the area (mainly in creative industries which most likely will be staffed by people from outside the district), it will have negative effects on the social development on district and city level. Even though direct displacement by rising rents is expected to happen on a very small scale only because of the extremely high share of owner occupation in the district, the sales prices of the dwellings are rising. Thus, lower socioeconomic classes are excluded from the neighbourhood. Budapest is a highly fragmented and socially polarised city and such a strategy contributes to amplify both.
In both cases local urban renewal agencies are installed as the most local administrative body dealing with the renewal, revalorisation and upgrading. These bodies are the most important governmental actors for urban renewal in both neighbourhoods. However, the organisation is completely different. In Vienna, a decentralised network of urban renewal offices is installed. These branches are subdivisions of the MA25, the municipal department for urban renewal. Thus, an administrative body on a higher position has controlling power over the urban renewal offices, coordinates their works and mediates between them. Furthermore, by conducting common projects, an exchange of knowledge and information between the offices is ensured. Therefore, a coherent urban development is encouraged. In the case of Józsefváros, the local redevelopment agency (Rév8) is a spun off company owned by the Local Government of Józsefváros and the Municipality of Budapest. Unlike in Vienna, it is one single agency not linked to branches in other districts. Furthermore, there is no centralised body Rév8 is connected with. Thus, the urban development of Budapest is very fragmented as every district is responsible for its own urban planning, renewal and (re)development. The pooling of the inner-city districts to only one local government would be the most effective reform to ensure a coherent urban development in Budapest. Nevertheless, this reorganisation is not expected to happen in the near future for political and historical reasons. Centralisation, even if it would benefit the urban development, is heavily opposed since the shocks of communism and centralism, as organisational principles are still present today. Thus, as it is the case in Vienna, local redevelopment agencies, coordinated by a greater body, could be a solution to the fragmented urban development and could contribute to limit the competition between the districts. The organisation of the urban renewal agencies is far better organised in Vienna than in Budapest, where the current system results in a fragmented and messy development on a city.

Continative research topics should encompass the quantitative analyses of the census data for 2011, which was not available at times this study was conducted, and should analyse the changes in the demographic composition, housing and business structure in the case study neighbourhoods. Thus, the dimension of gentrification in Inner-Józsefváros and in Brunnenviertel would be proven by statistical data. Furthermore, a useful theory on the use of gentrification as a governmental strategy to create social balance should be developed since at the moment a research gap can be found in these segments. Another study could investigate on the measures and strategies, which should be taken in Brunnenviertel in order to minimise the negative effects of gentrification.
# Interviews

## Budapest

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<th>Name</th>
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<tbody>
<tr>
<td>Istvan Schneller</td>
<td>10th of February, 2011</td>
<td>Former Deputy Mayor and chief architect of Budapest</td>
</tr>
<tr>
<td>Dr. Zoltan Kovács</td>
<td>4th of February, 2011</td>
<td>Professor in Geography – Hungarian Academy of Science</td>
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<tr>
<td>Dr. Eszter Berenyi</td>
<td>3rd of February, 2011</td>
<td>Expert on gentrification in Budapest</td>
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<tr>
<td>Kyra Tomay</td>
<td>7th of February, 2011</td>
<td>VÂTI – Non-profit organisation for urban and regional development</td>
</tr>
<tr>
<td>Dr. Victoria Szirmai</td>
<td>10th of February, 2011</td>
<td>Head of the Environmental and Urban Sociology Department at the Institute of Sociology of the Hungarian Academy of Sciences</td>
</tr>
<tr>
<td>György Alföldi</td>
<td>10th of February, 2011</td>
<td>Head of Rév8 – Urban Renewal agency Józsefváros</td>
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## Vienna

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<tr>
<td>Dr. Gerhard Hatz</td>
<td>20th of July, 2011</td>
<td>Assistant Professor of Geography, University of Vienna</td>
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<tr>
<td>Kurt Smetana</td>
<td>19th of July, 2011</td>
<td>Head of the urban renewal office 16</td>
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<tr>
<td>Hans Staud</td>
<td>26th of July, 2011</td>
<td>Entrepreneur in Brunnenviertel</td>
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<tr>
<td>Andreas Mrkvicka</td>
<td>26th of July, 2011</td>
<td>Politician – district councillor</td>
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<td>Esther Welkovics</td>
<td>20th of July, 2011</td>
<td>MA25 – Public Relation – on behalf of Nina Hauschka</td>
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<td>Eva Dellago</td>
<td>22th of July, 2011</td>
<td>Restaurant owner at Yppenplatz</td>
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<td>Ula Schneider</td>
<td>18th of July, 2011</td>
<td>Initiator of Soho in Ottakring</td>
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Pictures from Inner-Józsefváros showing the spotlike renovations taking place in the neighbourhood. (own photographs, February 2011)
Pictures from Brunnenviertel / Vienna (own photographs, August 2011)

Top-Floor constructions

Brunnenmarkt  Designshop at Yppenplatz
Abstract

The craving of cities for investment, capital and persisting in a global competition is what provoked Neil Smith (2002) to argue that gentrification has found its way into urban policies in the 21st century. Today, governmental strategies fostering revalorisation can be found in cities around the globe. Besides a detailed literature analyses on the state of the art of gentrification, a comparative approach was chosen to study and evaluate governmental strategies and projects in areas where gentrification happens. Thus, the neighbourhoods of Inner-Józsefváros in Budapest and Brunnenviertel in Vienna have been investigated. The main finding of this study is that gentrification is used as a governmental strategy in both cities. However, whereas increasing the competitiveness of the district and the whole city is the goal in Budapest, in Vienna projects leading to the upgrading of the area are initiated to create a social balance in a disadvantaged neighbourhood.

Curriculum Vitae

Personal Data
First Name/Last Name  Johannes Riegler
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Nationality  Austrian

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1. Semester  Vrije Universiteit Brussel (VUB)
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Université Libre de Bruxelles (ULB)
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Catedrático de Geografía Humana

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Bachelor's Thesis I  Aktuelle Entwicklung und Perspektiven der Bergbaufolgelandschaft im Süden von Leipzig
Bachelor's Thesis II  Hotspots in Urban Inner-City Development: Using the example of London.

09.1995 – 21.06.2004  Bachelor Studies
Degree  BG/BRG Lerchenfeldstraße, Klagenfurt
Matura

09.1991 – 07.1995  Elementary school St. Ursula, Klagenfurt
### Practical Experience

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<td>03.2009</td>
<td>Excursion to the USA: Metropolitan area BOSWASH: New York City and Boston</td>
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<td>08.2008</td>
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### Professional Experience

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<tr>
<td>05.2007 – 08.2009</td>
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### Language Skills

- **German**: native language
- **English**: excellent
- **Italian**: basic knowledge

### Technical Competences

- **Very good competences in**: Microsoft Office, ArcGis, SPSS, Social Media
- **Good competences in**: Photoshop, Dreamweaver