REGENERATION IN A NEW CONTEXT: 
A NEW ACT ON RENEWAL AND ITS IMPLICATIONS ON 
THE PLANNING PROCESSES IN ISTANBUL

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1 INTRODUCTION
The paper mainly focuses on a recently enacted law on renewal of historic sites and its role and effects in the transformation of the urban policies and processes within the city of Istanbul. The enactment of the ‘Law on the Protection of Deteriorated Historic and Cultural Heritage through Renewal and Re-use’ (Act 5366 ) opened a new era for Istanbul marked by ambitious urban regeneration projects taking place citywide, especially in the historic sites.

The law increased the ability of the local authorities to intervene to the deprived areas by endowing them with new powers such as eminent domain and compulsory purchase in the declared regeneration areas. On the other hand, the law or the way it is being implemented by the local authorities, pose questions to minds especially in terms of issues related with property rights and participation.

In this paper, we try to reflect these different dimensions. First, we give a brief mention about the content of the renewal law and critically evaluate it. Then, we shift our focus to the implementation processes of the law and evaluate two contemporary regeneration projects that base on code 5366 in two different neighborhoods, Sulukule in Fatih District and Tarlabasi in Beyoglu District. We discuss the extent to which these regeneration attempts will help to "bridge the divides" in the two neighborhoods, both of which are largely associated with crime and poverty.

2 THE LAW
The recently enacted renewal law about the ‘the preservation of the historic and cultural dilapidated immovable entities through renewal and their sustainable reuse’ forms the basis of the recent urban transformation project in the historic preservation sites in Istanbul. With its approval by the Council of Ministers in 2005, the law has caused a dramatic change to the dynamics of the urban land transformation processes. The most novel aspect that the law brings is the new expropriation powers that give the local authorities the ability to implement a renewal project in a region without taking the consent of all property owners. These powers leave the property owner in a renewal area with two options: i) to be a partner of the renewal project prepared by the authority or a company assigned by the authority, ii) or to sell his property to the authority and take money or another property elsewhere in the city. But the important issue is that the property owner does not have the right to say “no thanks”. If you do not make an agreement with the municipality by your own will, the municipality has the full right to expropriate one’s property.

Relying on the law, the municipality can declare any site as a renewal area in order to:

- take precautions against the risks of natural disasters and
- protection of deteriorated historic and cultural heritage through renewal.

The applicability of the law is limited to the areas that are previously designated as historic preservation sites.

The following steps are defined by the law until the implementation process of a renewal project:

1) Determination of a site as a renewal area by the professionals working in the district municipality
2) Approval of the proposal for the renewal area by the Council of District Municipality.
3) Approval of the proposal for the renewal area by the Council of the Greater Metropolitan Municipality.
4) Approval of the proposal for the renewal area by the Council of Ministers within three months and publication of this decision in the official gazette.
5) Preparation of a renewal project by the municipality or a company assigned by the municipality.
6) Approval of the renewal project by the Board for Renewal Areas
7) Approval of the renewal project by the Council of the District Municipality.
8) Approval of the renewal project by the mayor of the Greater Metropolitan Municipality.

As seen above, the law requires the accordance of multiple actors to implement a renewal project in an area including the Council of the Local Municipality, the Council of the Greater Metropolitan Municipality., the Council of Ministers, the Board for Renewal Areas and the Mayor of Greater Metropolitan Municipality. The political climate is therefore an important determinant for the accomplishment of a renewal project in an area.

3 THE SHORTCOMINGS OF THE LAW

Following its approval, the renewal law is being criticized by different groups including scholars, urban researchers, and chamber of architects and planners. The main stream of these criticisms can be grouped under three headings:

Neglect of social dimension

The predominant tendency is to define the renewal project by giving reference only to the physical structure without any regard for social dimension. There are, however, defined principles in other laws, such as the 2004 Act on the Protection of Cultural and Natural Heritage (Act 5226), which introduced the concept of ‘protection plan’ and required the development of strategies to create employment opportunities for the residents in protected areas and improve the social and economic conditions. The Act 5366, on the other hand, defines the regeneration area only in reference of architectural projects.

Participation

The law does not define any principles for the participation of the local residents in the decision-making processes about their neighborhoods. Concepts like participation,
governance, transparency or locality are not mentioned at all in the law. The district municipality becomes the only dominant actor who decides the location of the renewal area and produces, approves and implements the renewal projects.

Violation of property rights

The most problematic aspect of the law is the expropriation procedures. According to the law, the public authorities should first seek to reach an agreement with the property owners in the areas designated for renewal. But if the two parties do not come to an agreement, then the local authority has the powers to expropriate the property as defined in the Expropriation Law (Act 2942). The critical issue here is that residential and tourism functions are also stated among the expropriation aims in the aforementioned Act 2942, which gives the local authority not only the power to expropriate one’s property but sell it to third parties. The issue is therefore problematic in terms of public interest, the unproportional advantages ascribed to the local authority against the property owner during the negotiation processes. But most importantly, it encourages the changing hands of properties within the renewal areas.

If the authorities believe that the normal expropriation procedures will cause a delay in the implementation of the project, then they also have the option to use “urgent expropriation” powers. This is a crucial aspect of the law which further strengthens the already powerful hands of the authorities’ and greatly speeds up the negotiation processes with the property owners.

4 THE IMPLEMENTATION OF THE LAW

The law gave the local authorities a very powerful tool of intervention to transform dilapidated historic areas. Therefore, within the short duration of six months, municipalities with historic sites rushed to designate variety of areas under their jurisdiction as “renewal areas.”

Figure 1-2: The designated renewal areas (painted areas) in Fatih (on the left) and Beyoğlu (on the right)
In this section, we will give a brief description of the implementation way of the two pioneering renewal projects in two different neighborhoods, Tarlabasi in Beyoglu and Sulukule in Fatih District.

4.1 TARLABAŞI

Tarlabası is a mixed-use neighborhood (predominantly residential) that is in close proximity to Istiklal Street, the cultural hub of the city. Tarlabasi was built in the late 19th and early 20th centuries as a middle-income non-Muslim minority neighborhood. The area lost its original population especially following the 1950s as a result of the nationalistic political environment, and attracted rural migrants from different parts of the country. Due to its authentic architectural characteristics of its built structure, the area has been declared as a preservation area in 1993. The construction of the large boulevard in the late 1980s cut its relation with the cultural hub, and since then the disparity between Tarlabasi and its neighboring vicinities grew. Today, the area is mostly inhabited by traditional migrant families from various parts of Anatolia, but also by marginal groups such as transsexuals, prostitutes and –if the highly accepted perception is true –drug dealers. New international migrants, mostly from African countries, are also among the residents of the area. The area has a very bad image and is highly associated with crime due to intense media coverage. Although its close proximity to the cultural center, the area has only experienced a small pocket of gentrification although other areas neighboring the cultural center (such as Cihangir, Galata, Asmalimescit) have been largely gentrified since the 1990s.

<table>
<thead>
<tr>
<th>Important dates about the Renewal Project in Tarlabası</th>
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<tbody>
<tr>
<td><strong>February 2006</strong>: An area encompassing 9 blocks and 278 plots in Tarlabası is declared as a renewal area by the Council of Ministers.</td>
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<tr>
<td><strong>April 2006 – August 2006</strong>: The meetings with the property owners to inform them about the future plans of the Municipality on the area.</td>
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<tr>
<td><strong>March 2007</strong>: the highest bidder, Çalık Holding, wins the competition for the preparation of the renewal plan and its implementation</td>
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<tr>
<td><strong>May 2007</strong>: the Board for Renewal Areas is founded according to the renewal law.</td>
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<tr>
<td><strong>July-December 2007</strong>: the renewal plan is being discussed in the Board for Renewal Areas.</td>
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<tr>
<td><strong>December 2007</strong>: the concept plan for the renewal areas in Tarlabasi is approved by the Board for Renewal Areas.</td>
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<tr>
<td><strong>March 2008</strong>: the property owners have established a foundation to defend their rights against the construction company.</td>
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<tr>
<td><strong>May 2008</strong>: the construction company is carrying out architectural survey within the area. The company has also opened a new office in the region and started negotiations with the property owners. the municipality has announced the concept renewal plan to public with a press release and opened an exhibition that demonstrates the details of the project.</td>
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Encompassing an area of 9 blocks and 278 plots, the Tarlabasi renewal project is based on public-private partnership. The main actor, Beyoğlu District Municipality, has signed a protocol with a private company, Çalık Holding, which is responsible for both the preparation of the renewal project and the implementation of it. The private company is designated by a competition; as the highest bidder, the company offered the highest share to the existing owners (42%).

Following its declaration to the public and its promotion, the project has been highly criticized by different groups including academicians, activists and chambers of architects and planners. The promotional materials of the project communicate the idea that the municipality and the company have the following preconceptions about the project area:

1. The historic built structure has been dilapidated as a result of lack of maintenance and the buildings are not sound enough for a prospective earthquake.
2. These buildings can not be preserved without being totally demolished.
3. There are sanitary problems in the existing buildings. Due to the long building depths (15-20 m), the units do not get sufficient air and sunlight (Figure 3).
4. The project area is considered as a dangerous zone.

![Figure 3: The existing (on the left) and proposed (on the right) plans of Tarlabasi Renewal Area.](http://www.beyoglu.bel.tr/download/tarlabasi_yenileniyor.pdf) (accessed on June 2, 2008)

Building on these preconceptions, the concept renewal project has the following principles:

1. All the building shall be demolished regardless of their historic value and their original facades shall be reconstructed but the interior space shall be reorganized according to the new use.
2. Courtyards shall be created by decreasing the depth of the buildings. The lost area caused by this implementation shall be compensated by constructing extra floors.
3. In order to create a safe environment, buildings shall be accessed from the interior courtyards, instead of the streets.
4. Parking spaces shall be created under the buildings, which will also guarantee that the residents enter their buildings in safety (without any interaction with the neighborhood).
4.2 SULUKULE

Sulukule is a residential neighborhood that is situated within the boundaries of the historic Land Walls built in 447. The area is declared as a protection area in 1995 as it is situated in the Historic Peninsula within the Land Walls. The area is characterized by the Roma population who has moved there from adjacent neighborhoods that were demolished for the construction of a boulevard during the 1950s. The area is host to traditional non-Roma families as well. The area lost its main economic activity following the closure of ‘entertainment houses’ by the authorities in the 1990s and since then the neighborhood went into a decline. Most of the architectural stock date back to the 1940s and 1950s and is of poor quality. Just like Tarlabasi, the area also had a bad image and is associated with crime by a large portion of the society. Due to its relative distance to the main center, yet the area has not been subject to gentrification.

### Important dates about the Renewal Project in Sulukule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>September 2005</td>
<td>A protocol is signed between the Greater Metropolitan Municipality, Fatih Municipality and Mass Housing Administration (TOKI) about the urban renewal project in Sulukule.</td>
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<tr>
<td>May 2006 – June 2006</td>
<td>The meetings with the property owners to inform them about the project.</td>
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<tr>
<td>April 2006</td>
<td>An area encompassing 12 blocks and 382 plots (91,496m2) in Neslisah and Hatice Sultan neighborhoods (Sulukule) is declared as a renewal area by the Council of Ministers.</td>
</tr>
<tr>
<td>November 2005</td>
<td>The “Association for developing Roma culture and solidarity” is founded by the help of activists in the city.</td>
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<tr>
<td>July 2006</td>
<td>The protocol signed in 2005 is renewed following the meetings with the local residents. The content of the protocol, however, almost remained the same.</td>
</tr>
<tr>
<td>May 2007</td>
<td>The Board for Renewal Areas is founded according to the renewal law.</td>
</tr>
<tr>
<td>December 2006</td>
<td>The Council of Ministers passed the urgent expropriation decision.</td>
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<tr>
<td>April-May 2007</td>
<td>“40 days and 40 nights Sulukule Activities”: activities performed by activists to take media attention to the area.</td>
</tr>
<tr>
<td>July 2007-December 2007</td>
<td>The renewal plan is being discussed in the Board for Renewal Areas.</td>
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The project area encompasses 12 blocks and 382 plots (91,496m2) in Neslisah and Hatice Sultan neighborhoods (Sulukule). The project is based on public-public partnership. The
actors are Fatih District Municipality and the Mass Housing Administration (TOKI). Fatih Municipality is the designer of the project, and has asked the assistance of TOKI in the implementation process of the renewal project and the resettlement of the local renters.

The project involves the demolition of the whole area and construction of new, high-quality housing stock. The new apartment units will be sold to the existing owners if they accept to pay the difference between the current value of their property (that is calculated by the municipality) and the cost of the newly constructed unit by monthly payments of around 200-250 Euros that last for 15 years. The property owner also has the right to sell its property to the municipality or other third-party people. The renters, on the other hand, are given the right to move to the newly built public houses in the periphery (around 45 km away from Sulukule) and buy them with monthly payments of around 150-200 Euros for 15 years and without paying any down payment.

Following its declaration, a resistance started in the neighborhood against the project. This resistance started with the collaboration of some of the local residents and activists in the city (artists, writers, researchers, scholars, university students). The most common characteristic of the activists was their special emphasis on the culture of Roma people. The main motivation of the activists is to protect the Roma culture in the neighborhood. They believe that the renewal project is not suitable for the budgets of the existing residents, especially the renters and claim a new project in which the existing residents would not be displaced or replaced. This resistance grew gradually and reached to quite high levels in time. By using their abilities and links, the activists performed many activities to draw media attention to the
neighborhood and stop the demolition of the houses (www.sulukulegunlugu.blogspot.com ; http://40gun40gece-sulukule.blogspot.com ). And in a way they were successful. Even though they could not stop the project (yet), they have managed to slow its pace. As of June 2008, the activists are still making struggles with the municipality to stop the project in Sulukule; and except for a number of demolitions, the implementation process has not started yet.

5 PROBLEMS IN THE IMPLEMENTATION PROCESS

With the start of the implementation processes in Tarlabasi and Sulukule, the implications of the renewal projects became clearer. We bring five main criticisms to these projects:

Speculative Upturn

In both neighborhoods, following the declaration of the renewal projects no restrictions are imposed on the property sales in these areas in order to prevent speculation and to guarantee that the value increase in the properties at the end of the project will be seized by the existing owners. This policy had significant consequences in Sulukule. Enticed by the sudden increase in property values, many owners chose to sell their properties to third parties to get cash money at once. These owners have sold their homes by their ‘free will’. However, this is one of the points upon which most of the controversy around the project rests. Since the project has not been well explained by the municipality in the neighborhood, the owners may not have the full awareness about the potential financial gains they will get at the end of the project. So, there is this possibility that the potential value increase will be realized mostly by the outsiders, rather than the existing residents. On the other hand, the Municipality is defending that it would be against the law to restrict property sales within the renewal area before the project is approved by the Board for Renewal Areas. However, the fourth clause of the renewal law, gives the municipality such powers saying that “… the municipality can implement temporary limitations on the construction, usage and operation of the properties within the renewal area until the project ends”. Even if we assume that the municipality was legally bounded as it claims, there were still other tools that the municipality could use to reduce speculative property turnovers. As mentioned above, the municipality could have better explained the project to the existing residents so that they understood the pros and cons of the renewal project and made their decisions in a more informed way. The municipality, however, did not even open an office in the neighborhood to explain the renewal project.

Misuse of expropriation powers

The law gives the municipality the right to expropriate the properties of the owners who do not want to participate in the project and/or refuse to sell their properties to the municipality. This power is indeed necessary to implement an urban renewal project on a block scale. Without the new powers the law vested in the local authorities, the whole project could be blocked by one owner who would stand against the project even if the vast majority is on its behalf. Actually, the law protects the rights of the majority from a small minority. But this is on paper. In reality, the municipalities misused this power by using it as a threat at beginning of the negotiations to convince the owners to come to terms with the municipality. The
owners are informed at the beginning that they can either agree with the municipality or their properties will be expropriated. So a power that is supposed to be used as a last resort only on opposing minority groups is imposed on the whole residents.

**Displacement**

In Tarlabasi, displacement is a real threat for the renters, and also to some extent for the owners. Existing renters are only given a one time payment of around 200 Euros to compensate the expenses for moving, which would only cover some of their expenses. The existing owners, on the other hand, can get units from the project that are around 40% of the total m² of their existing units. This will force most of them to sell their properties and move out of the neighborhood since they are mostly composed of crowded families.

Sulukule is a completely different case. For renters, replacement, rather than displacement, is the main issue. Renters are given the right to move to the new houses that will be constructed in the periphery. Without paying any downpayment, they are offered the opportunity to buy them with monthly installments ranging according to the size of the units from 150 and 300 Euros. But the question is whether they can take this opportunity. That is, although this option seems very attractive on paper; it is still unaffordable for at least some of the renters who do not have regular income, those who work in temporary jobs in the center.

On the other hand, the project envisages that the new units that are going to be built within the area are to be given to the existing homeowners. But whether the existing homeowners who are very low-income people are able keep up with the monthly installments required to stay as a home owner in the project is doubtful. Another group that will be excluded from the area is the owners who have sold their homes to third parties in the early stages of the project, by also leaving them the potential gains the project will bring about.

**Lack of participation**

Participation of the local residents as one of the main actors in the preparation processes of renewal projects is not defined as a rule by the law, but neither is it prohibited. The two municipalities, however, chose not to open the participatory channels at the beginning or during the preparation processes of the renewal project. This is indeed not a big surprise as these law-based renewal projects are the first projects in kind, so there is not an established culture or experience of participation in any of the municipality departments or the society. So, in both neighborhoods the local residents are informed about the finished product (project), rather than being asked about their opinions at the beginning of or during the preparation process. This implementation is, however, unacceptable in terms of a democratic governance model since it reflects a mentality where the authority claims the right to impose his ‘good’ on society even though a vast majority stands against it.

**The loss of historic identity**

The risk of losing the historical identity of the city is another consequence of the law-based renewal projects, especially for Tarlabasi, which hosts many buildings dating back to the late
19th and early 20th centuries. For Sulukule, it is of secondary importance since there are only a few historic buildings in the site.

The renewal project in Tarlabasi is designed in such a way that all the buildings are planned to be demolished and reconstructed. Although the title of the law encompasses the phrase ‘Protection of Deteriorated Historic and Cultural Heritage,’ what is in practice regarded as ‘protection’ is bulldozing and reconstructing—or imitating— the original facades. In other words, it is nothing but ‘renewal under the guise of protection.’

6 CONCLUDING REMARKS

Following its pass from the Council of Ministers, the law of renewal on historic sites has been subject to discussions among diverse groups including the district municipalities, NGOs, local residents (both renters and owners) as well as the universities and the media. Currently there are two opposing views about the law and its implementation procedures.

The opponents of the law or law-based renewal projects claim that the negative consequences of these renewal projects will pass beyond the benefits it may bring. They are criticizing the law and renewal projects by saying that it violates property rights, displaces disadvantaged people, is not backed with social policies, and does not involve the local residents in the main decisions about their neighborhood. An important portion of the academic milieu, the Chamber of Architects and Chamber of Urban Planners, some of the local residents, NGOs, architects and planners are sharing these views.

On the other side, there are the proponents of the law who highlight the need to intervene these ‘problem areas’ due to the threats they pose upon society. These threats are mostly based on security concerns due to the bad image of the areas, but are also related with the unsound building stock that poses risk of collapsing in—or even before— a possible earthquake. For them, these ‘insecure’ and ‘inaccessible’ areas should be integrated with the rest of the city. The defendants of these arguments are the municipalities, the representatives from the central government (including the current prime minister who is also one of the former mayors of Istanbul) and also some of the academicians, architects, planners, local residents and NGOs.

One of the benefits of these debates is that it opened a platform of discussion on issues like urban regeneration and gentrification. Physical aspects such as the preservation of the historic buildings are discussed together with social aspects of the projects including the issue of displacement, participatory processes and capacity-building programs for the local people. These discussions helped to the creation of a public awareness about the concept of urban renewal and its possible implications and put the renewal areas and the relevant municipalities on the spot. The municipalities can no longer make their moves without considering the possible reactions that may come from these oppositional groups. Although their views are not taken into account at the beginning, different actors involved in the projects now seem to have gained a certain amount of power to influence the path of these projects. As of June 2008, the implementation process has not started in either of the neighborhoods and the end result is still yet to be seen.