## Title: Gentrification- An influential Element for Urban Regeneration: Problems & Prospects

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***Abstract****:*

*There is a wide range of strategies from reconstructing and privatization by demolition of the social housing stock to upgrading and modernization measures involving community-led improvements: physical, social, economic and cultural. Some of these strategies are more or less connected to gentrification and accompanied by increase in land prices and displacement of people this mostly state sponsored gentrification is a multi-faceted and heterogeneous process that affects neighborhoods in and near the city by naming regeneration. This gentrification process identifies physical, social, economic and cultural transformation as part of urban regeneration. Urban regeneration accompanied by the mode of gentrification has been developed. Policies aiming at socio-economic and physical upgrading show similarities with processes that are identified in international literature. So this paper contributes to the expansion of gentrification knowledge.*

**Introduction:**

An international trend of urban renewal is a focus on housing-led regeneration strategies. It is noted by some commentators that the endorsement of housing rehabilitation, neighborhood renewal and urban renaissance is a ‘mantle under which gentrification is being promoted’ (Atkinson, 2004, p.107; Lees, 2000). The term urban regeneration has been used to define a set of interventions to improve the environment, the image and safety of urban areas encouraging certain functions such as housing, transport, economic or entertainment activities (Frankin et al., 1991). The issue of urban regeneration as well as its spatial, social and economic implications seems to be of long interest to architects, planners and urban designers because new forms of gentrification are becoming a regular strategy in former urban regeneration areas, mainly dominated by social housing. The use of ‘positive’ gentrification can be used as an engine of urban regeneration. So it is essential to know about gentrification, its process, factors and indicators and mainly its impacts. In this paper, these characteristics of gentrification are right before us.

**Objectives and Methodology**

It is very important to understand the characteristics of gentrification. By this article, we can get a clear concept of urban gentrification. The responsible factors for gentrification are also identified here. It’s a try to address the effects of gentrification on urban development. Secondary based data are used for explaining these objectives.

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**Definition of Gentrification**

It is the process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of that neighborhood. Gentrification is a complex phenomenon with its exact causes relatively unknown due to the fact that no one theory seems to suit all cities where this process has occurred. However, through many studies, the reasons for gentrification have been shown to be diverse depending on the needs of the new inhabitants.Although there are several definitions of gentrification, the process has a common theme of taking place in an urban context (Atkinson 2000) and being associated with the movement of elite stakeholders into existing working class and lower income city neighborhoods (Teelucksigh 2007). In addition, Benzhaf and McCormick (2007) in their review of gentrification literature have identified three hallmarks that define the term gentrification: (1) rising property values and rental costs; (2) new construction or renovation upgrading the housing stock and converting it from rental to owner-occupied units; and (3) a turnover in the local population, bringing in residents with higher socio-economic status (Banzhaf and McCormick 2007).

**Leading Indicators for Urban Gentrification**

However, Neighborhoods gentrify in different ways. Some are cataclysmic, especially when there is centralized state sponsorship or large-scale institutional involvement, but others may gentrify slowly. Some become highly exclusive and exclusionary whereas others may remain more mixed hipster neighborhoods for a comparatively long time. The different fortunes of these areas depend on many things such as patterns of building ownership, state regulations, class structure and cohesiveness, community opposition, entrepreneurial initiatives. What ties all of these experiences together is the class shift in the neighborhood and the greater or lesser degree of displacement (direct or indirect) that ensures. Some dynamic indicators may provide insight as to which communities are beginning the gentrification process.

Conditions indicating likelihood of gentrification:

* High rate of renters
* Ease of access to job centers (freeways, public transit, reverse commutes, new subway stations or ferry routes)
* High and increasing levels of metropolitan congestion
* High architectural value
* Comparatively low housing values

Trends indicating gentrification in progress:

* Shift from rental tenure to homeownership
* Increase in down payment ratios, decline in FHA-financing
* Influx of households and individuals interested in specifically urban amenities and cultural niches (e.g., artists, young professionals, gay/lesbian households)
* Influx of amenities that serve higher income levels, for instance music clubs and galleries, valet parking, new Starbucks locations, etc.

Among the factors contributing to gentrification today are:

**Rapid Growth of Job Opportunities**

Rapid job growth continues to be a key factor, but it no longer appears that such growth must be concentrated in the heart of downtown to trigger gentrification. More recent experience in some places suggests that job growth along a city’s periphery can be a strong a factor in the gentrification process.

**Tight Housing Markets**

In many regions with gentrifying neighborhoods, metropolitan housing prices are high, housing is in short supply compared to job growth, and housing appropriate for the needs of workers is not located near jobs. In turn, urban residents moved to suburban areas, housing in the city deteriorated and then left the stock, and this opened up opportunity for its rehabilitation by newcomers. Increasing traffic congestion in the metropolitan area, ease of access to downtown for jobs and cultural amenities, optimism about the new mayor’s ability to improve city services, and creation of a new homebuyer credit.

**Lucrative Investment Potential in High Risk Neighborhoods**

Some investors seek out gentrifying neighborhoods or neighborhoods with gentrification potential to find bargain housing that can be renovated and re-sold for substantial profits. Housing speculation thrives in rapidly changing markets, where properties turn over quickly, where low income, often elderly original residents are anxious to pull out newfound equity, or where original residents may not have sufficient information to understand the increasing value of their homes.

**Large Rent Gap**

Smith argues that supply constraints and speculative gains are further exacerbated when property owners and real estate interests deliberately disinvest from inner city housing markets until a “rent gap” emerges. When this gap is large, i.e., when the potential difference between the value of the property before renovation and after renovation is large, capital moves back into the neighborhood, hastening gentrification. Smith further argues that government at all levels amplifies this effect through various zoning, financing and fiscal policies

**Effects of gentrification on urban development**

**Economic effects of gentrification:**

Actually, the process of gentrification leads to consistent changes in urban development and affects consistently the economic development of communities vulnerable to the impact of gentrification. In this regard, many specialists warn that the obvious problem being that the low income portion of the social fold is being disregarded—literally and figuratively.

## Table 1: Economic effects of urban gentrification

|  |  |  |
| --- | --- | --- |
| Problems | Consequence | Prospects |
| * Gentrification leads to the replacement of poor, working class population by representatives of the middle class
* The rise of standards of living, significant investments, the development of the local infrastructure, services and facilities increases substantially the price of real estate in the community as well as costs of living in the community.
 | Low-income families and representatives of the working class have to move from their communities to other ones, where the standards of living are even lower than that of their own communities inhabited by representatives of the middle class. | * These changes lead to consistent raise in standards of living because they repair their houses and stimulate the development of commerce and different services, which are essential for the maintenance of their high standards of living.
* Representatives of the middle class invest substantial funds in the development of local communities to match them to their traditional standards of living, which are naturally consistently higher than standards of living for low-income families and representatives of the working class.
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Source: Own Illustration

**Social effects of gentrification:**

The poor are vulnerable to the negative impact of gentrification. At the same time, consistent economic changes affect the development of the social life of communities vulnerable to the impact of gentrification. At this point, it is worth mentioning the fact that the deterioration of the economic situation in urban areas and the deterioration of the position of low-income and working class. Representatives of the middle class are also vulnerable to the impact of gentrification.

Table 2: Social effects of gentrification

|  |  |  |
| --- | --- | --- |
| Problems | Consequence | Prospects |
| First of all, they have to move from their traditional residential areas to new ones, where they have to start a new life and where conditions of living are worse compared to the communities they used to live in. | Representatives of the low-income and working class have to live in new communities and start a new life, which naturally evokes a number of social problems, among which it is necessary to develop basic infrastructure and positive relationships within the community. | * They may face the problem of unemployment, especially because they have to move to areas with the poor business development and with stagnating economy.
* Representatives of the low-income and working class slip to criminal activities that naturally increase the social tension in poverty-stricken neighborhoods.
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Source: Own illustration

In fact, **Impacts of gentrification** can be understood at a glance by following table;

Table 3: Impacts of gentrification

|  |  |
| --- | --- |
| Cost | Benefit |
| Stabilization of declining areas  | Community resentment and conflict |
| Increased property values  | Loss of affordable housing |
| Reduced vacancy rates  | Unsustainable speculative property priceincreases |
| Increased local fiscal revenues  | Homelessness |
| Encouragement and increased viability offurther development | Commercial / industrial displacementReduction of suburban sprawl |
| Increased cost and changes to local servicesIncreased social mix | Loss of social diversity (from socially disparate to affluent ghettos) |
| Rehabilitation of property both with andwithout state sponsorship | Displacement and housing demand pressures on surrounding poor areas |

 *Source: Atkinson, 2004: 112*

**Conclusion**

The idea of gentrification contributing to any sort of urban regeneration has raised some concern among researchers because of its traditional associations with displacement of vulnerable residents and community conflicts. However this paper tires to represent gentrification process and the result of it. This process already has experienced by Dhaka city in unavoidable manner. So to cope with the future housing demand, it should be studied more. The positive strategies of gentrification can be applied for housing policy intervention in Bangladesh.

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