

Evolution of the Urban Renewal Process into Redevelopment Process as a Failure to Maintain Balance in Public and Private Sector Activities

Fatma Gözde Köseoğlu¹ 

¹ Dr., Istanbul Metropolitan Municipality, Istanbul, Türkiye.

Abstract

This study examines the critical role of urban policies and public investments in urban renewal processes, while also attempting to explain the transformation of these processes into real estate development projects. It discusses the decision-making processes that establish the conditions for urban renewal and questions the outcomes created by the shift of urban renewal processes, initially driven by public investments, into the control of the private sector. The research highlights the dynamic interaction between private sector investments and urban renewal, while also addressing the consequences of the diminishing role of the public sector and its failure to provide guidance during the implementation phase. Findings suggest that public sector plans and policies initially played a crucial role in creating an investment-friendly environment, encouraging private sector participation. Urban policies, such as strategic infrastructure investments and public investments, provided a strong foundation for regeneration. However, field work data reveal that the public sector gradually withdrew from its guiding role, leaving renewal efforts largely to private sector interests. This withdrawal led to shifts in focus and project outcomes, resulting in the abandonment of key urban projects and disrupting the intended renewal trajectory. The study underscores the importance of maintaining a balanced public-private partnership in urban renewal processes. It argues that public sector involvement is crucial not only for the equitable disruption of benefits but also to prevent socio-economic segregation. The study concludes that sustainable and inclusive urban renewal requires continuous public sector engagement to uphold its regulatory and guiding roles throughout the transformation process.

Keywords: Public Investments, Redevelopment, Urban Policies, Urban Regeneration, Urban Renewal.

Corresponding Author: gozdekoseoglu@gmail.com

Received: 20.01.2025 - **Accepted:** 01.05.2025

Cite: Köseoğlu, F. G. (2025). Evolution of the urban renewal process into redevelopment process as a failure to maintain balance in public and private sector activities. *DEPARCH Journal of Design Planning and Aesthetics Research*, 4 (1), 61-77. <https://doi.org/10.63673/DepArch.2025.40>

Kentsel Yenileme Sürecinin Yeniden Geliştirme Sürecine Evrimi: Kamu ve Özel Sektör Faaliyetlerinde Dengenin Korunamaması

Fatma Gözde Köseoğlu¹ 

¹ Dr., İstanbul Büyükşehir Belediyesi, İstanbul, Türkiye.

Özet

Bu çalışma, kentsel politikalar ve kamu yatırımlarının kentsel yenileme süreçlerindeki kritik rolünü incelemekte, aynı zamanda kentsel yenileme süreçlerinin gayrimenkul geliştirme projelerine dönüşümünü açıklamaya çalışmaktadır. Kentsel yenileme için gerekli koşulları belirleyen karar alma süreçlerini tartışmakta ve kamu yatırımları ile başlayan kentsel yenileme süreçlerinin özel sektörün kontrolüne geçmesinin yarattığı sonuçları sorgulamaktadır. Araştırma, özel sektör yatırımları ile kentsel yenileme arasındaki dinamik etkileşimi vurgulamakta, ancak aynı zamanda kamu sektörünün giderek azalan rolünün ve uygulama sırasında rehberlik sağlama konusundaki başarısızlığının sonuçlarına dikkat çekmektedir. Bulgular, kamu sektörü plan ve politikalarının başlangıçta yatırım dostu bir ortam oluşturarak özel sektör katılımını teşvik etmekte kritik bir rol oynadığını göstermektedir. Stratejik altyapı yatırımları ve kamu yatırımları gibi kentsel politikalar, yenilenme için güçlü bir temel oluşturmuştur. Ancak saha çalışması verileri, kamu sektörünün zamanla yönlendirici rolünden geri çekildiğini ve yenileme çabalarını büyük ölçüde özel sektör çıkarlarına bıraktığını ortaya koymaktadır. Bu geri çekilme, odak ve proje sonuçlarında değişimlere, önemli kentsel projelerin terk edilmesine ve planlanan yenileme sürecinin bozulmasına neden olmuştur. Araştırma, kentsel yenileme süreçlerinde dengeli bir kamu-özel sektör ortaklığının korunmasının önemini vurgulamaktadır. Kamu sektörünün katılımının, yalnızca faydaların adil bir şekilde dağıtılması için değil, aynı zamanda sosyo-ekonomik ayrışmayı önlemek için de kritik olduğu savunulmaktadır. Çalışma, sürdürülebilir ve kapsayıcı bir kentsel yenilenmenin, kamu sektörünün dönüşüm süreci boyunca düzenleyici ve yönlendirici rollerini sürdürmesini gerektirdiği sonucuna varmaktadır.

Anahtar Kelimeler: Kamu Yatırımları, Yeniden Geliştirme, Kentsel Politikalar, Kentsel Yenileme, Kentsel Dönüşüm.

Sorumlu Yazar: gozdekoseoglu@gmail.com

Alınma Tarihi: 20.01.2025 - **Kabul Tarihi:** 01.05.2025

Atf: Köseoğlu, F. G. (2025). Evolution of the urban renewal process into redevelopment process as a failure to maintain balance in public and private sector activities. *DEPARCH Journal of Design Planning and Aesthetics Research*, 4 (1), 61-77. <https://doi.org/10.63673/DepArch.2025.40>

INTRODUCTION

The aim of this article, which examines the renewal of Sütlüce in the context of urban transformation /regeneration, is to demonstrate that the urban renewal process evolved into a re-development project as a result of the abandonment of the urban policies adopted at the beginning of the process and the handing over of the region's fate to private sector investments.

Sütlüce is one of the historic districts of Istanbul, located on the shores of the Golden Horn, and has played an important role throughout history. During the Ottoman period, Sütlüce was a region characterised by intense industrial and commercial activity (Figure 1). It hosted numerous workshops, docks, storage areas, and businesses. The buildings along the shores of Sütlüce were particularly important for maintaining the district's connection with the sea (Figure 2). By the late 19th century, with industrialisation, the area began to be increasingly populated by workers, further shaping its identity as a working-class district. During the Republican era, the industrial function of Sütlüce continued to expand, while at the same time, it became a densely populated area for the working class and lower-income residents. In this period, rapid urbanisation increased, with the construction of workers' housing and industrial facilities. However, beginning in the late 1980s, the pace of urbanisation intensified, and industrial areas were replaced with more modern and luxurious structures.

Figure 1. Sütlüce Mezbahası
(Wikimedia Commons, 2022)

Figure 2. Sütlüce in 1960's (Eski
İstanbul, 2018)



Today, the identity and role of Sütlüce have changed significantly. The district is undergoing a rapid urban transformation and regeneration process. The opening of the Sütlüce Congress Centre has marked a shift from its historical industrial identity to one that is more cultural and commercial. Furthermore, with the development of the tourism and hospitality sectors, Sütlüce has become an attractive location for investors. This transformation has led to the displacement of the region's original residents, while at the same time attracting wealthier populations to the area. In other words, the identity of Sütlüce has been reshaped by urban regeneration and private sector investments, evolving from an industrial neighbourhood to a modern centre integrating culture, commerce, and tourism. This shift represents a transition from its previous industrial character to a contemporary identity as a vibrant cultural and commercial hub.

Within the framework of the aforementioned explanations, the hypothesis of this study is formulated as follows:

“Urban renewal processes tend to evolve into redevelopment processes as a consequence of the failure to maintain a balance between public and private sector activities.”

Within the scope of the explanations, the research questions to reveal the validity of the hypothesis were determined as follows:

- What is the role of urban policies in the urban renewal process?
- What is the role of public investments in the urban renewal process?
- What is the role of private sector investments in the urban renewal process?
- In what ways does the decline in public sector effectiveness shape the direction and nature of urban renewal?

This study examines the dynamics that shape the renewal and transformation process in the region, drawing on the perspectives of traditional restaurant owners who have witnessed the changes, as well as interviews with businesses that chose to invest in the area. Additionally, it explores the role of urban policies and public investments within this process. The study focuses on the role of both public and private investments during the regeneration process in Sütlüce, using data gathered from previous field research conducted in the region. As part of the research, in-depth interviews were carried out with institutions and businesses located in the neighbourhood, guided by a semi-structured questionnaire.

The study further investigates the role of public and private investments in the regeneration process, based on in-depth interviews with the owners of traditional restaurants and representatives of private sector investments in the area, all of whom have witnessed the regeneration process in Sütlüce. Interviews were conducted with representatives from Hilton Garden Inn, İstanbul Haliç, Lazzoni Hotel, ARY Yapı-Arkas Holding, Monesil Suits Golden Horn, Armağan Konutları (Armağan Residences), İş Merkezi-Demircioğlu İnşaat, Bob Group, Bessa İnşaat, the Boutique Hotel Project, owned by Hasan Açikel, and Kılıç İnşaat, which developed the Japon Evleri (Japanese Residences) in Sütlüce. The purpose of the questions posed to these participants, who represent projects implemented in the neighbourhood in recent years, is to uncover the factors influencing their choice of land in the region.

In this study, the urban renewal (regeneration/transformation) processes are first defined, and the historical development of urban renewal (transformation) is discussed. In the next phase, the impact of urban policies and public investments on the renewal/transformation process is examined. The main part of the study focuses on analysing the guiding role of urban policies in the transformation process, based on the field study data, and investigates the effectiveness of public investments. Additionally, the study addresses the question of whether private sector investments or public investments serve as the driving force behind the renewal and transformation. The findings reveal that the steering of the renewal process has been left in the hands of private sector investments.

THE EVOLUTION OF URBAN RENEWAL UNDER THE INFLUENCE OF GLOBALISATION

Urban transformation, which can also be defined as urban regeneration and is a long-term process, encompasses all forms of intervention aimed at improving the urban fabric with its multidimensional and multi-component structure that includes various forms of intervention (Dinçer, 2010). The concept of urban transformation involves creating vibrant uses, urbanising vacant spaces, and renewing built-up areas (Keleş, 2003).

The need for urban transformation, which began to be mentioned more frequently in the second half of the 1990s in Türkiye and became a common topic of discussion in the 2000s, can be attributed to four main reasons: migration and the illegal structures resulting from it, the decay of historical urban areas, and disasters—primarily earthquakes (Özden, 2006).

In fact, Urban Regeneration emerged first in the United States, but its first developed examples were yielded in the United Kingdom (Hague, 2010). Since the 1960s, there have been changes in the industrial organisation in city centres, and industrial activities in city centres have decreased gradually. In parallel to this change arising from the shift of industrial activities from city centres to uptown and rural regions, it has also been observed that economic activities related to these industries have also vanished from city centres.

On the one hand, city centres have encountered the risk of physical obsolescence, and on the other hand, they have gone into a process of change and interaction with local, national and global influences. Amongst the problems facing city centres, there are population movements, poverty and poverty-related social problems, economic restructuring, and physical obsolescence. On the other hand, the population shift from city centres to uptown regions and the departure from city centres brought about physical problems such as obsolescence and wearing down as well as social problems and conflicts between different social classes. All these have created the need for a multi-dimensional renewal in city centres (Kocabaş, 2005).

The process starting with the shift of industrial areas to uptown regions and leading to physical obsolescence and wearing down was followed by city centres' becoming attraction centres in these regions, which not only gave way to urban renewal but also contributed to the emergence of feasible conditions for old industrial areas and port areas that lost their function to be the primarily re-functionalised areas of the urban renewal projects.

The fact that industrial areas and port areas are considered on a preferential basis in urban renewal projects has to do with their accessibility and their appeal for the service industry as well as other factors. Because it reduces the costs and increases the applicability, the already-existing infrastructure in these areas has been a significant factor both for the local government and for the investors. Besides, there are no ownership issues with the public areas that lost their function in the abandoned industrial regions, which make urban regeneration projects more applicable in these areas. These regions are also big enough to address the big projects' need for construction areas.

The residents of Fordist cities were primarily from the working class, and the design of these towns was straightforward, catering to the needs of this demographic. In contrast, the residents of post-Fordist cities consist of educated, highly skilled, creative individuals, and upper-income groups. Consequently, the urban landscape is now shaped by luxurious and ostentatious projects that align with the interests of the capital class (Şahin, 2011).

At this stage, it is necessary to discuss both the changing meaning of space in the globalisation process and the relationship between the development of cities and political and ideological elements. As depicted by Lefebvre, space is socially and collectively produced, containing social, political, and ideological elements, while also embodying numerous conflicts, tensions, and negotiations within itself (Okuy, 2008). This definition suggests that space is not detached from ideology and does not take shape independently of politics. In today's world, the primary aim of capitalism, the dominant mode of production, is to ensure infinite capital accumulation, which necessitates continuous system expansion. For this reason, the commodification of everything has become a means to sustain the system (Wallerstein, 2000).

Keyder (1992) emphasises that cities come to the forefront because the growing service sector operates within them. Moreover, the type of services offered in cities is shaped by the prevailing technology of the time to serve global capital. The different members of the global economic system live in global cities, which, in other words, function as the brains of the global economy (Şahin, 2011). It is an undeniable fact that policies must be developed to attract capital, enabling global capital to invest and produce, thus creating employment (Keyder, 2004).

With the mobility of capital accelerated by neoliberal globalisation, it collaborates with both central and local governments to secure legal grounds to claim urban spaces and maximise profits. It is evident that as states strive to integrate into global capital, they intervene intensively in cities using laws and regulations as tools and often compromise everything in doing so (Altınörs Çırak & Yörür, 2006; Ergun, 2011). While cities compete to integrate into the global system, even a small advantage provided by one city can create significant impact for capital. On one hand, capital seeks space in the favourable environment provided by neoliberal policies, while on the other, central and local governments implement urban policies and practices aimed at attracting and retaining capital within cities (Akgün & Karademir, 2007).

In the post-1980 period of capital globalisation, urban policies structured around marketing cities, transforming them into economic units, and fuelling inter-city competition have evolved in interaction with mobile investor capital and the desire of central and local governments to eliminate all potential obstacles to capital (Öktem, 2006). City administrators develop intervention methods, including restructuring urban areas, to attract capital and investments amidst this competitive environment. Cities aspiring to become global city candidates strive to attain this status by creating job opportunities and infrastructure. In this relentless competition aimed at removing barriers to capital, cities undergo change, renewal, transformation, and continuous restructuring. Urban transformation projects have emerged as one of the most effective tools for creating the urban fabric required to join the global city network. These projects are implemented as a dominant urban policy today in both developed and developing countries to create urban spaces catering to global actors.

These projects are implemented in line with capital's expectations, prioritising areas most advantageous for investors without considering the spatial, social, and economic development of the city (Kiper, 2006). As a predictable consequence of capital's expectations, policies aimed at removing barriers for the construction sector and repeatedly demolishing and reconstructing urban spaces have come to the forefront. Urban regulations and changes in land use have been rapidly implemented, allowing construction firms and urban transformation projects to overcome obstacles. Construction permits have been issued in unauthorised zones, development statuses have been altered, and zoning plans have been implemented even in areas with construction bans, such as historical sites, archaeological areas, green spaces, and forests (Şahin, 2011). Through these processes, urban lands and historical settlement areas have been opened to the use of upper-income groups (Kurtuluş, 2006).

The evolution of global cities has led to a social structure defined by disparities in income and education levels, resulting in class-based segregation among residents (Güneş, 2019). As a result, many former inhabitants have been displaced from city centres, prompting numerous urban transformation projects that fundamentally change neighbourhoods, districts, and areas within cities (Şahin, 2011). These projects are often driven by the expectations of capital,

focusing on the most profitable areas for investors while neglecting the spatial, social, and economic development of the city (Kiper, 2006).

New approaches that feature urban development based on the market economy lead to the applications that entail economic functions in urban renewal to gain importance. An approach which provides for the revitalisation and protection of urban spaces and making good use of the existing historic fabric via applications that would enable economic input; brought forward the participation of private sector during the renewal process, which led to a model where private-public partnership is maintained.

Former industrial areas and port areas which lost their function in city centres stand out as the primary re-functionalised areas in urban renewal projects. In addition to these, there are other areas that are regarded as primary regeneration areas such as the neighbourhoods consisting of unhealthy buildings jammed in the city centre and areas that remained in the city after the city grew beyond its urban fringes forming new ones. While the city government expect to create an urban image and prestige by re-functionalising these areas which they regard as prestige areas, the private sector gets involved in the project seeking rents. The necessity to prevent the regeneration and renewal efforts from becoming tools for these rent sharing processes, and the holistic perspective developed by the strategic planning approach put forth the effort to tackle the social, economic, and cultural components of the city without separating them from one another (Erden, 2003).

In summary, the role of the state within the social and economic structure has changed during the globalisation process. The changes in both the global and Türkiye's economic structure have also impacted cities, laying the groundwork for the urban transformation process. In the 1980s, efforts to transform Istanbul into a global city emerged. These efforts initially began with the transformation of the Golden Horn area and later spread throughout the city, turning the city into a virtual construction site.

THE ROLE OF URBAN POLICIES AND PUBLIC INVESTMENTS IN THE RENEWAL PROCESS

The urban space emerges as a product that is being created socially, and consists of social, political, and ideological components, and entails a great deal of tension and negotiation (Lefebvre, 1976; Okyay, 2008). This definition suggests that urban space is not free from ideology, and it does not form independently from politics.

During the reproduction process of the urban space under the influence of natural and artificial factors, the states' power and dominance over the urban space increase (Özden, 2010). At this point, it is necessary to examine the role of policies and legal regulations over the parts of the city that have been changed via urban regeneration. However, another element supported by the political process is the increasing land values especially in the historic parts of the city that remained in the city centre and the real estate projects wanting to take part in this increasing value.

In 1970s and 1980s, it was observed that many city centres had become attraction centres once again; they had turned into popular areas selected by industries such as finance, law, and IT, and there had been an increase in their functions as office, entertainment, and accommodation areas. The primary reasons for the attraction of city centres are regarded as the historic identity of these regions and their relations with their spatial features pertaining to their historic

identities. Thus, the factors that make these regions attractive show parallelism with the criticism made about the urban regulations during the modernisation process. Furthermore, the fact that the occurring regeneration started to create a new rent area had an impact on the marketing of these regions (Lynch, 1972). Because the obsolescent regions that have remained in the city centre over time which are situated in strategic points and close to transport connections are extremely high in opportunity costs, they are more appealing areas than other parts of the city for investors and key stakeholders (Turok, 2010).

Neoliberal policies have laid the groundwork for global capitalism, which has commodified cities just like it has commodified other aspects of life. In this framework, globalisation—despite having a wealth of studies within the economic field and lacking a universally accepted definition due to various economic perspectives (Özdemir, 2019)—is observed to continuously transform urban spaces that serve as its stage. At the same time, as space is reproduced under the influence of both natural and artificial factors, the power and dominance of states over these spaces are increasingly growing (Özden, 2010). Capital, meanwhile, is drawn to global cities that emerge from globalisation and contain skilled labour capable of fulfilling its core functions (Keyder, 2004). It is clear that policies aimed at attracting capital must be developed to encourage investment and production by global capital, thereby creating employment opportunities (Keyder, 2004). Neil Smith (2002) points out that urban renewal has become a prominent urban policy, as cities are increasingly viewed as spaces for the reproduction of capital rather than labour. Furthermore, the state has shifted away from its role as an intermediary between labour and capital, instead aligning itself with the interests of capital. The preparation and implementation of urban transformation projects, rooted in neoliberal ideology, do not occur in isolation from power relations, political processes, or cultural contexts. Cities are being restructured as these power relations, influenced by global dynamics and their political implications, legitimise policies and practices (Öktem, 2006).

Private sector investors want to be encouraged by the strategies of the state when they are making risky and especially large-scale investment decisions (Turok, 2010). Upper-scale plans and infrastructural improvements are efficient tools for reassuring the investors and creating a positive perception about investing in obsolescent neighbourhoods that are in need of regeneration (Turok, 2010). However, in these regions where rent-oriented projects are highly appealing, it is of vital importance that there are constructive partnerships formed between public and private sectors.

While neglected areas attract anti-social activities, regions that receive incentives via state policies and public regulations attract social activities and investors. Therefore, it is important to gain the trust of the investors by adopting a holistic approach, rather than having individual interventions in obsolescent urban areas.

In short, motivating investors towards obsolescent parts of the city by reassuring regulations made by both central and local government leads to the re-functionalisation of both the regions and the buildings that lost their function, which then brings about urban renewal.

Within this context, especially the real estate investments that choose areas in historic city centres play a significant role in the regeneration process either by adding value to the regenerated areas or becoming part of the process and the created value, but, in each case, they are an element that accelerate and steer the renewal process.

EVOLUTION OF THE URBAN RENEWAL PROCESS INTO REDEVELOPMENT PROCESS IN SÜTLÜCE

At this stage of the study, firstly the plan decisions during the legal and historical process will be examined, then the data acquired via the field study will be explained.

Legal Process and Plan Decisions

In 1985, After Bedrettin Dalan was elected as the Metropolitan Mayor and Haliç Master Plan was created, interventions called "Dalan Operations" began. Haliç Master Plan provided for the industrial areas alongside the coasts of Haliç to be removed and turned into green areas for public use. The coasts were turned into parks and recreation areas with efforts fundamentally aiming to draw the industry and industrial pollutant elements from Haliç, clear the physically worn-out buildings, and create a bay surrounded by greenbelt. An area of approximately one million square kilometres was opened up. Besides, with the duct system and collectors used in the cleaning process, which is remembered by Bedrettin Dalan's famous slogan "Haliç will be as blue as my eyes", the waters of Haliç started to be cleaned as well.

However, in the name of decentralisation of the industry and the Central Business Area, destructions that damaged the identity of Haliç were performed. With the interventions called "Dalan Operations" and carried out under the name of cleaning Haliç up; more than 4000 buildings were expropriated, 696 factories and 2020 businesses were demolished, and the businesses were transferred to the new uptown centres. This period was criticised because the structures that the region had during the historic process, which were specific to the identity of the region and part of the cultural heritage, also disappeared after the destructions and operations that were not in line with the democratic process and formed by central decisions.

Dalan Operations have a very important part in the process which has formed the current identity of Haliç; because even though the change in the functional use of the region damaged the identity of the region, it also procured Haliç's evolution from an industrial area to a recreational area and a housing zone, opening the region to public use (Erden, 2003). Within the framework of the plan decisions; Sütlüce moved away from its industrial identity and became a part of the city that is situated in the new city centre with its cultural and tourism functions.

In the 1990s, as a result of all these processes, the industry abandoned Haliç and the empty industrial structures started to attract attention. The Haliç Master Plan aimed to protect the historic, cultural, and natural values that Haliç has on a universal level; to preserve its ages-long identity and make Haliç a cultural port; to procure that the region develops in line with the urban development plan; and to create a bay that makes good use of regional opportunities, where there is a balance between protecting and improving focused on history, culture, art, and service.

With the idea of turning the region into a cultural centre, the process of re-functionalising the old buildings started and many of the old buildings that were once planned to be demolished obtained new functions. "Sütlüce Congress and Cultural Activities Centre Project" was also within the Action Areas designated based on the aims, objectives, and principles of the plan. With the project to render the Sütlüce Abattoir into a cultural centre in 1994, the aim was to make Sütlüce Congress and Cultural Centre the biggest culture and art centre

in Europe with cinema, theater, concert, and congress halls in a single facility (Irmak, 2003).

As a complex consisting of a castellated main building and various extensions, it was considered important that cultural, art, and congress activities take place in Sütlüce Abattoir as a result of its new identity, for both Sütlüce and Istanbul in general. Furthermore, many international film and music festivals took place in the facility during the years when the project was being designed, but the necessary services could not be provided because of insufficient facilities, so the aim of creating such a congress and cultural centre was to address those needs (Eruzun, 2001).

The idea to re-functionalise and regulate the industrial structures, which form the identity of Haliç with their architectural qualities despite polluting it, paved the way to preserve and protect Haliç (Eruzun, 2001).

In the following years, the components of the vision were created in line with the vision determined for the city and various strategies were determined under these sub-headings in the 1/100.000 Provincial Environmental Plan, which was prepared projecting the year 2023 by Istanbul Metropolitan Municipality and was approved on 22.08.2006.

It would be sensible to say that what paved the way for the regeneration process taking place in Sütlüce was the 1/100.000 Provincial Environmental Plan. In the plan, it was procured that housing zones within the borders of the Haliç's silhouette would be planned with a holistic approach; and that culture, tourism, and recreation areas would be included alongside the coasts of Haliç, which has a specific importance naturally, ecologically, and regarding the history of Istanbul. The policy that was developed with regard to the coasts of Haliç is as follows: "Haliç should be planned with a holistic approach that encompasses the culture, tourism, and recreation areas, including the housing zones within the silhouette.

According to the plan decisions, exemplary projects such as Miniatürk, Feshane and Cendere Park Project which is used for recreation purposes; Sütlüce Congress Centre which was transformed from industrial to cultural usage; Rahmi Koç Museum and Kadir Has University, which are used as an education facility, are potential areas that will accelerate the transformation of Haliç coasts into a 'Cultural Centre'".

Historic Peninsula, Haliç, Beyoğlu, Kadıköy, and Üsküdar regions, which are densely populated by historic and cultural values and have a high tourism potential, were determined as Culture-Oriented Tourism Area.

One of the strategies that were set to make use of the cultural heritage in a sustainable fashion in order to improve the global recognition and appeal of Istanbul was: "Supporting the idea of using industrial heritage structures for cultural purposes and regarding Haliç as a cultural centre within this context".

It was envisioned that there would be refreshments, entertainment, cultural activities, shopping units, tourism-oriented small-scale workshops, crafts shops, and similar commercial and service functions, and cultural industries that would be in line with the texture of the region and that would serve the tourism industry in culture-oriented tourism areas that are rich in historical and cultural values and have a high tourism potential.

Furthermore, it is also envisioned that cultural tourism-oriented boutique hotels will be set in the region. In 1/100.000 scale Istanbul Environment Plan; the aim was to transform the region into a cultural centre, Haliç region was defined as the Culture-Oriented Tourism Area, and it was aimed that the usage of industrial heritage structures for cultural purposes would be supported and the tourism function would be drawn into the region.

Today, in addition to various structures with tourism function that have been opened to service, there are many hotel projects that are under construction. Besides the advantages that the neighbourhood gained regarding the tourism function, many other functions are selecting areas to operate in, and new projects are emerging, whether it be for housing or commercial usage.

Thus, it would be sensible to say that, of all the neighbourhoods in Haliç, Sütlüce is the neighbourhood where all the aforementioned aims of the Haliç Master Plan and the 1/100.000 scale Environmental Plan have been implemented, and all the provisions have been realised.

Interpretation of the Interviews Carried Out in Sütlüce

The study aims to explain the contribution of public policies and private sector investments to the urban regeneration processes by interpreting what the participants conveyed during the interviews.

The keepers of the Çınaraltı, Haliç, Dadaş and Nevizade Sweetbread Restaurants stated that they had been there for years, but the number of visitors had decreased significantly before 2008 as a result of the obsolescence process; and they added that after the Sütlüce Congress Centre's opening, the region gained some movement, that many restaurants started efforts to update themselves, and even that Sütlüce regained its former vitality. Uğur O. (Haliç Sweetbread Restaurant), who has been residing in Sütlüce for years, stated that after the opening of Sütlüce Congress Centre, the region got more vivid, that there are even foreigners coming there to buy land, and that he himself regrets not buying some land in this region. Uğur O. also said that the number of tourists visiting the area increased upon the arrival of hotel projects in the region; that the students from the universities in the vicinity were coming to the region to have lunch; that new sweetbread restaurants were being opened in the area, people working under unhealthy conditions and street vendors left the region; and more importantly he added that this change had motivated them to update and adapt to this change. İlhan B., who was interviewed in Çınaraltı Sweetbread Restaurant, stated that there were many people moving to the region, but there were also people who left the region due to not being able to afford the increasing rents. He then added that neighbourhood residents were convinced by inventors with appealing offers to leave the neighbourhood, but there were many dwellers from Sivas and Gümüşhane still living in the neighbourhood. Another important piece of information conveyed by İlhan B. is that it was common for dwellers to give their lands to building contractors to receive flats in return, and this accelerated the construction of new buildings in the region. Interviewed in Dadaş Sweetbread Restaurant, Basri A. said that until 5 or 6 years ago, there had been no buildings in the vicinity, but the demolition of shanty houses and the construction of new buildings started upon the arrival of MUSIAD and Ak Party Provincial Centre; and they also moved their grills inside and made improvements to their restaurants. The participant emphasised that people are still looking for lands to buy in the neighbourhood. The last participant working in a sweetbread restaurant, namely Nevizade Sweetbread Restaurant, Suat Ö. drew attention to the transformation in the social structure of the region, and he stated that neighbourhood residents who could not afford the increasing

rents were leaving the region, and that he knew many families who moved to Esentepe. Suat Ö. added that newcomers to Sütlüce are in high-income segment, which had a positive and implicit effect on them economically, and that there were new sweetbread restaurants opening up as well as the old ones being renewed. What participants conveyed during the interviews suggest that both urban policies and private sector investments are the driving power during the regeneration process, which also points to a gentrification process is also taking place in the region.

One of the most significant and outstanding investments is the business centre and residence project executed by the partnership of Arkas Holding and ARY Group. ARY Group Finance Director Yavuz Y. said that they were executing the project in partnership with Arkas Holding, and that there had been an increase in the demand in the region in the last five years because it was discovered that the area was in fact usable and investable. Yavuz Y. also stated that the most significant factor was that AK Party Building and Sütlüce Congress Centre was set up in the region and the following investments accelerated the renewal process in the neighbourhood. He also said that the development in the region had a snowball effect, that it would gain further momentum, that many investors are looking to buy some land along the coast, and that the development process had started to diffuse into the inner parts of the neighbourhood, even though for now investments are densely along the coastal area. The participant highlighted that the region had become increasingly attractive for investment and the appeal of the region grew due to the incentive urban policies that encourage investment. What the participant meant by saying that the development in the region had a snowball effect is that private sector investments draw other types of investments to the region as well.

Another participant who was interviewed was Kemal G., the director of Monesol Suits Golden Horn. Touching upon the importance of the region for foreign tourists, Kemal G. said that one of the most significant factors behind the arrival of tourists to the region was the opening of Sütlüce Congress Centre and the international status it acquired afterwards. Saying that new projects that provide renewal and development continued to arrive in Sütlüce, he added that there were preparations going on for Divan Patisserie, which had been in the region for years, to be turned into a hotel. What the participant conveyed refers to the capacity of urban policies to appeal private sector investments into the region. As a result of the interviews carried out at MUSIAD, which moved from Mecidiyeköy to Sütlüce in March 2007; it was discovered that in the land where MUSIAD's building is, there used to be shanty settlement as well; and the appeal of the region increased thanks to SantralIstanbul, cleaning up of Haliç, the pledge by Istanbul Metropolitan Municipality for the region to be further cleaned up, and most importantly, the Sütlüce Congress Centre. The participant stated that the demolition of shanty houses in the vicinity accelerated with the arrival of hotel investments and business centres introduced into the region; and he added that this process had consequently paved the way to physical renewal.

Interviews were carried out with the representatives of Hilton Garden Inn, Istanbul Haliç, Lazzoni Hotel, ARY Yapı, Monesol Suits Golden Horn, Armağan Konutları (Armağan Residences) and İş Merkezi-Demircioğlu İnşaat, Bob Group, Bessa İnşaat, Boutique Hotel Project which was discovered to be owned by Hasan A., and Kılıç İnşaat which executed Japon Evleri (Japanese Residences) in Sütlüce. In order to identify the criteria regarding the land selection, the participants were asked to rate the factors below from 1 to 5 in accordance with their importance in the land selection decision process.

- The Urban Renewal Process in the Neighbourhood
- Transportation Facilities
- Proximity to the City Centre
- Historic Texture of the Region
- Proximity to Other Big Real Estate Investments in the Region
- Building Quality
- Social Diversity
- Land Values and Investment Opportunities

Upon evaluation of the rates given by the participants, it was seen that the most significant factor was "The Urban Renewal Process in the Neighbourhood", which got 38 points. The factors of "Proximity to the City Centre" and "Transportation Facilities" got 36 points each and both came in the second rank. "Land Values and Investment Opportunities" was given 35 points, which means that it is the third most important factor for the participants. Another factor which was one of the first five factors important for the participants is "Proximity to Other Big Real Estate Investments in the Region", which got 32 points in total.

The fact that the investments came to the region influenced by the renewal process and other projects confirms the role of urban policies and other private sector investments within the renewal process. The importance of land values and investment opportunities being another outstanding and effective factor confirms the role of urban policies and plan decisions within the regeneration process, which paved the way for investment opportunities that are efficient. The change experienced in the region, along with the increase in rents, has also led to a transformation in the social fabric. Interviews conducted in the field revealed that the former residents of the area faced economic difficulties during this process and were forced to leave Sütlüce.

In summary, the policies of the local government, Haliç Master Plan, and the 1/100.000 Scale İstanbul Environmental Plan which defines the neighbourhood as Culture-Oriented Tourism Area, transformed Sütlüce into an investable "Culture and Tourism Centre", and private sector wanting to take part in this new Sütlüce selected land in region and accelerated urban regeneration.

CRITICAL EVALUATION AND CONCLUDING REMARKS

Within the scope of the study, the role of urban policies and public investments was examined to explain the process of change and transformation experienced in Sütlüce, a historical settlement located on the shores of the Golden Horn. The study revealed that both urban policies and public investments in the region had significant impacts on the renewal and transformation process. However, it was concluded that the driving force steering the urban transformation process was the investments carried out by the private sector.

Interpreting what all the participants reported during the interviews, it would be sensible to infer that the seeds of urban transformation in Sütlüce were sown through urban policies and the face of the neighbourhood started changing upon the opening of a public investment, the Sütlüce Congress Centre; that new functions arrived in the neighbourhood as a result of this change; that with the arrival of new functions in the neighbourhood, it further flourished; and finally, the renewal process was accelerated by all these investments into the region.

The acceleration of urban renewal and the improvement of environmental quality appealed new investments to the region, and each new investment further accelerated urban renewal in return. Both the private sector investments and the renewal process itself were both the reason for and the consequence of urban renewal.

Some participants emphasised that the metropolitan municipality played a significant role in their decision to move to the region by encouraging them. This emphasis shows that spatial policies play an active role in terms of attracting investments into the region, which are increasing in number in parallel to the urban renewal process in the region. Besides, with the planning history of the region and the plan decisions, it is clear that local policies, such as the transformation of the Sütlüce Abattoir into the Sütlüce Congress Centre as an output of the process, paved the way for renewal. In the process that followed, the urban regeneration process backed by private sector investments created a new attraction centre. In other words, the urban policies developed for the region have played an effective role in the transformation and change of Sütlüce.

Investments created a brand-new attraction centre and continued to attract new investments into the region. New investments coming into the region further cultivated renewal and contributed to the increase in Sütlüce's attraction. Therefore, not only the buildings) with culture or tourism functions that are the focal point of the plan decisions, but also the projects aimed at accommodation and commercial use have started to appear in Sütlüce. It is clear that the starting point for the renewal reaction in Sütlüce was a regeneration policy that was executed via urban-scale plan decisions; and it is also clear that the process was supported by market mechanisms in the period that followed (Figure 3).

In other words, the public sector was the triggering factor in the beginning of the process, but in the following phases, the regeneration process continued as guided by the private sector investments. Moreover, the projects outlined in the Haliç Master Plan were not implemented, and planning was excluded from the project. This indicator suggests that the urban policies initially established to trigger the urban transformation process were abandoned as the transformation process progressed (Figure 4).



Figure 3. Sütlüce Mezbahası (Wikimedia Commons, 2013)

Figure 4. Sütlüce TOKİ Project (Alberhan Yapi, 2023).

In conclusion, the policies and planning decisions of the local governments paved the way for the process by creating feasible conditions and investment opportunities for the market mechanisms, however, within the following phases of the process, the activity of public sector disappeared, and the decisions envisaged by the plans were not executed; so, the region was completely left in the hands of the market mechanisms. The public sector detaching itself from

the process and handing it over to the private sector investments results in the gentrification and renewal processes to evolve into a redevelopment process. This result also suggests that urban transformation in the region has been shaped by luxurious and ostentatious projects aligned with the interests of the capital class, leading to class-based segregation in the urban space. It is clear that urban renewal projects, which transform into re-development projects, will result in gentrification and create cities where class-based segregation is reflected in the space.

The evolution of the transformation process in Sütlüce into a redevelopment phase is a consequence of abandoning the urban policies adopted at the beginning of the process and the failure to establish a balance between public and private sector investments. In light of all these assessments, it is evident that the support of urban renewal projects by public investments and the active involvement of the public sector in the regeneration/transformation process is vital for the future of cities.

In this context, the necessity of adopting a holistic and interventionist approach to urban policy becomes increasingly apparent. Sustainable urban transformation requires not only the regulation of market forces but also the proactive engagement of public authorities to safeguard social justice and spatial equity. Future regeneration initiatives must be conceptualised within frameworks that prioritise inclusive development, prevent socio-spatial fragmentation, and ensure the equitable distribution of urban benefits. Unless such measures are systematically integrated into urban governance practices, the transformation processes are likely to perpetuate patterns of exclusion, deepen class-based divisions, and ultimately compromise the social sustainability of urban environments.

Conflict of Interest:

No conflict of interest was declared by the authors. Since it is a single-author article, no conflict of interest statement is provided.

Financial Disclosure:

The authors declared that this study has received no financial support.

Ethics Committee Approval:

Ethics committee approval was not required for this article.

Legal Public/Private Permissions:

In this research, the necessary permissions were obtained from the relevant participants (individuals, institutions and organizations) during the survey, in-depth interview, focus group interview, observation or experiment.

REFERENCES

Akgün, G., & Karademir, H. (2007, September 13-15). *Kentsel dönüşümde yeni sermaye hareketleri ve ilişki biçimleri* [Conference Session]. *İstanbul Kent Sempozyumu*, İstanbul, Türkiye.

Alberhan Yapı. (2023, August 3). *Beyoğlu Sütlüce Toki Konutları*. [Photograph]. Instagram. https://www.instagram.com/alberhanyapi/p/CvfDAmjN6Bm/?img_index=1

Altınörs Çırak, A., & Yörür, N. (2006). İzmir Onur Mahallesi örneğinde farklı söylemler ve taraflar açısından kentsel dönüşümün iki yüzü. *Planlama*, 36(3), 79–88. <https://>

www.spo.org.tr/resimler/ekler/fa732b517cbed14_ek.pdf

Dinçer, İ. (2010). Türkiye'de kent ölçeğinde koruma ve kent planlamanın yollarının keşilmesi ve yeniden ayrılması: Protokol alanından yenileme alanına. In D. Özdemir (Ed.), *Kentsel dönüşümde politika, mevzuat, uygulama* (pp. 341–364). Nobel Yayın Dağıtım.

Erden, Y. D. (2003). *Kentsel yenileşmede bir araç olarak dönüşüm projeleri* (Tez No: 131294) [Doktora Tezi, Mimar Sinan Üniversitesi]. YÖK Ulusal Tez Merkezi.

Ergun, C. (2011). Kentsel dönüşüm sürecine dönüşüm alanlarından bakmak: İstanbul Maltepe (Başibüyük ve Gülsuyu Mahallesi) örneği (Tez No: 274433) [Doktora Tezi, Süleyman Demirel Üniversitesi]. YÖK Ulusal Tez Merkezi.

Eruzun, C. (2001). Sötlüce Kültür ve Kongre Merkezi. İstanbul Dergisi, 39, 138-147.

Eski İstanbul. (2018, March 24). Eski İstanbul Fotoğrafları Arşivi, Sötlüce/ 1960'lar. <https://www.eskiistanbul.net/239/sutluce-1960lar>

Güneş, İ. (2019). Şehirlere küresel şehir endekslerinden bir bakış. *Strategic Public Management Journal*, 5(10), 111–130. <https://doi.org/10.25069/spmj.585811>

Hague, C. (2010). Küresel krizde kentsel dönüşümü yeniden düşünmek. In D. Özdemir (Ed.), *Kentsel dönüşümde politika, mevzuat, uygulama* (pp. 98–104). Nobel Yayın Dağıtım.

Harvey, D. (1999). *Postmodernliğin durumu*. Metis Yayınları.

İrmak, H. (2003). Sötlüce'de mezbahaneden kültür merkezine. *Haliç: Haliç Belediyeler Birliği Yayın Organı*, 5, 1-58.

Keleş, R. (1998). *Kent bilim terimleri sözlüğü*. İmge Kitabevi.

Keleş, R. (2003, July 21-22). Urban regeneration in İstanbul [Conference Session]. UNEP, Priority Actions Programme, Workshop on Urban Regeneration in the Mediterranean Region, Split, Croatia.

Keyder, Ç. (1992). İstanbul'u nasıl satmalı? İstanbul Dergisi, 3, 81–85.

Keyder, Ç. (2004). *Ulusal kalkınmacılığın iflası*. Metis Yayınları.

Kiper, H. P. (2006). Küreselleşme sürecinde kentlerin tarihsel-kültürel değerlerinin korunması: Türkiye Bodrum örneği (Tez No: 31157497) [Doktora Tezi, Ankara Üniversitesi]. ProQuest Dissertations & Theses.

Kocabaş, A. (2005). Londra'da kentsel yenileşme/dönüşüm uygulaması: Toplum gelişme kurumlarının rolü. *Mimarist*, 5(18), 39–46.

Kocabaş, A. (2006). *Kentsel dönüşüm/yenileş(tir)me: İngiltere deneyimi ve Türkiye'den beklentiler*. Literatür Yayınları.

Kurtuluş, H. (2006). Kentsel dönüşüme modern kent mitinin çöküşü çerçevesinden bakmak. *Planlama*, 36(2), 7–12.

Lefebvre, H. (1991). *The production of space*. Wiley-Blackwell Press.

Lynch, K. (1972). *What time is this place?* The MIT Press.

Öktem, B. (2006). Neoliberal küreselleşmenin kentlerde inşası: AKP'nin küresel kent söylemi ve İstanbul'un kentsel dönüşüm projeleri. *Planlama*, 36(2), 53–63. https://www.spo.org.tr/resimler/ekler/0aee3a5f4643755_ek.pdf

Okyay, İ. (2008). İktisadi mekânın doğası ve türevi. *YTÜ Mimarlık Fakültesi Dergisi*,

3(1), 112–116.

Özdemir, O. (2019). Emek payının hesaplanması: Farklı yaklaşımlar, farklı paradigmlar. *Uluslararası Ekonomik Araştırmalar Dergisi*, 5(4), 41–57. <https://dergipark.org.tr/tr/download/article-file/963320>

Özden, P. P. (2006). Türkiye’de kentsel dönüşümün uygulanabilirliği üzerine düşünceler. *İstanbul Üniversitesi Siyasal Bilgiler Fakültesi Dergisi*, 35, 215–233. <https://dergipark.org.tr/tr/download/article-file/5359>

Özden, P. P. (2010). Kentsel dönüşüm politikaları ve mevzuatına eleştirel bir bakış. In D. Özdemir (Ed.), *Kentsel dönüşümde politika, mevzuat, uygulama* (pp. 194–224). Nobel Yayın Dağıtım.

Şahin, Ç. (2011). Kentsel dönüşüm, küresel kentler ve inşaat sektörünün parlayan yıldızı. *Toprak İşveren Dergisi*, 92, 10–18.

Smith, N. (2002). New globalism, new urbanism: Gentrification as global urban strategy. *Antipode*, 34(3), 427–450. <https://doi.org/10.1111/1467-8330.00249>

Smith, N. (2013). Gentrification, the frontier and the restructuring of urban space. In N. Smith & P. Williams (Eds.), *Gentrification of the city* (pp. 15–34). Routledge Taylor & Francis Group.

Tekeli, İ. (1992). Kentsel topraklarda mülkiyet kurumunun varlığının toplumsal sonuçları ve yeniden düzenleme olanakları üzerine. *Planlama*, 22(18), 44–66.

Tekeli, İ. (1999). *Modernite aşılırken siyaset*. İmge Kitabevi Yayınları.

Turok, I. (2010). Dönüşümün mücadelesi: Yoksul mahalleleri kent bölgesindeki büyümenin parçası haline getirebilmek. In D. Özdemir (Ed.), *Kentsel dönüşümde politika, mevzuat, uygulama* (pp. 35–50). Nobel Yayın Dağıtım.

Wallerstein, I. (2000). *Bildiğimiz dünyanın sonu: Yirmi birinci yüzyıl için sosyal bilim*. Metis Yayınları.

Wikimedia Commons. (2013, March 19). İstanbul- Sütlüce- Mart 2013 from WikiPicture. <https://tr.m.wikipedia.org/wiki/Dosya:%C4%B0stanbul - %C3%BCtl%C3%BCce - Mart 2013 R2.JPG>

Wikimedia Commons. (2022, February 15). Sütlüce Mezbahası (1926-1929). https://tr.m.wikipedia.org/wiki/Dosya:%C3%BCtl%C3%BCce_Mezbahası%C4%B1_%281926-1929%29_%2815%29.jpg

BIOGRAPHY OF AUTHOR

F. Fözde Köseoğlu Gündoğdu, PhD Urban Planner, studied City and Regional Planning in Mimar Sinan Fine Arts University. After barchelor education, attended master degree in Regional Planning Programme in İstanbul Technical University. She completed Realstate Development and Management Doctoral Programme in Ankara University. She conducts researches on urban land rent, urban regeneration, gentrification and clustering. She still works in İstanbul Metropolitan Municipality and Yeditepe University.