

Eötvös Loránd University

Faculty of Sciences

**The transformation of historical city districts in inner city of Budapest:
A socio-geographic investigation**

Main findings of the doctoral (PhD) thesis

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1. Introduction

The transformation of the political system led to new socio-economic changes in the cities of post-socialist countries, which played a major role in the development of different parts of these cities. It is especially so for certain, historical city parts of Budapest, where in neighbouring districts markedly different development processes took place. In certain parts, degradation of the building resources, social exclusion and spontaneous market changes dominated; whereas in other parts external renovation programs shaped the positive or negative directions of city development. In this PhD thesis – among the mentioned processes – we will concentrate on city development, especially focusing on the discussion of the gentrification phenomena.

The goal of this research was to create a model for gentrification processes and the application of this model on selected city districts of Budapest. This includes the determination of different descriptors of gentrification processes and a comparison of the selected model districts.

This PhD thesis contains two main thematic parts. The first part deals with the outlining of the theoretical and conceptual background of gentrification and of those political, social and economic processes, occurring before and after the transformation, taking place in Hungary and in Budapest which influence the gentrification phenomena.

The second part examines the physical, functional and social changes of the selected four case study areas and summarises their aspects of gentrification.

The final chapter of this PhD thesis concludes the results of the research and summarises the different descriptors of gentrification of the four case study areas.

2. Examination methods

Our research procedure included both qualitative and quantitative methods depending on the needed information for evaluation of the certain subject and for examining its connections.

1. Methods for evaluation of the theoretical background

During evaluation of the theoretical background our research procedure primarily included the study of the Hungarian and international urban studies (geography and sociology) literature.

Evaluation of literature in connection with the theme of gentrification concluded mainly the review of the international, English and German, urban studies essays containing both the main characteristics and description of processes and examination methods and analysing techniques applied in case studies.

Hungarian urban studies literature was mostly applied for summarising the processes occurred after the transformation in Hungary and in Budapest.

2. Examination methods of the case study areas

a) Analysing of statistical data

During the selection of the case study areas, the national census data on level of town planning districts was analysed by Shevky – Bell (1961/1974) social area analysis as well as by factor analysis and cluster analysis presenting similar results (Berényi – Zábrádi 2006). The results of the year of 1990 and of 2001 were compared and those four districts were selected where significant changes were experienced between these dates.

During examination of the case study areas, besides the national census data the database called Ingatlanadattár 1997-2006 was also applied. Valorising of housing market was examined by analysing the current price and the inflation-corrected price.

b) Survey of the conditions of building resources

As the database of Centre Statistical Office contains only data connection with the building year of building resources, a survey of the conditions of the whole building resources was carried out by the standard questionnaire method in the summer of 2005. The filled blanks were encoded by a determined code system, then they were analysed by statistical methods.

c) Survey

For searching the social movement and its motivations a survey was carried out in the summer of 2007. In each case study area 125-150 pieces of blanks were filled by the local residents. These questionnaires contained 34 main questions in the following subjects: ownership and equipment of the questioned flat; the residents; the motivation of residence choice, the reasons of moving or staying; circumstances of life. According to this kind of surveying method, we attempted to cover the whole case study area and to fill one blank in each building. The questionnaires were encoded by a determined code system, then they were analysed by statistical methods.

d) Expert interviews

Besides the social and physical processes, we intended to search the development conceptions represented by the leadership of the district and their harmony with the occurring processes in the district. Therefore several expert interviews were carried out during the year of 2008 and 2009. According to the topics of certain questions, these interviews were prepared with the following experts in each case study area: the chief architect of the district, one real estate market expert, one representative of a civil organization and one development expert.

3. Results

1. During the examination and analysis of the different definitions of gentrification in the international literature, we concluded that we had to determine a new definition on our own to search the processes in Budapest. In our definition the following three key factors of the process were emphasised: gentrification is developed by the joint effect of several different mechanisms; it means equally social, physical and functional transformation; it results permanent valorising in the district.
2. In our research we tried to represent the change of demand and supply side in one model. Our attempt was failed because of the function and co-influence effects of the two sides, therefore two models were carried out. The starting-point and the leading principle of analysing of the process was the change of supply side in one model, while it was the change of demand side in the other model.

The base of the change of supply side is the change of the measure of ground rent gap. If the disparity between the potential ground rent level and the actual ground rent is properly significant, the investors start the process of the changing of the district by the increasing of supply caused by their investments. The increased supply attracts demand side to the urban area, which reacts upon the function of supply side. In this case the process of valorising of the district can be taken place within only one stage (Figure 1).

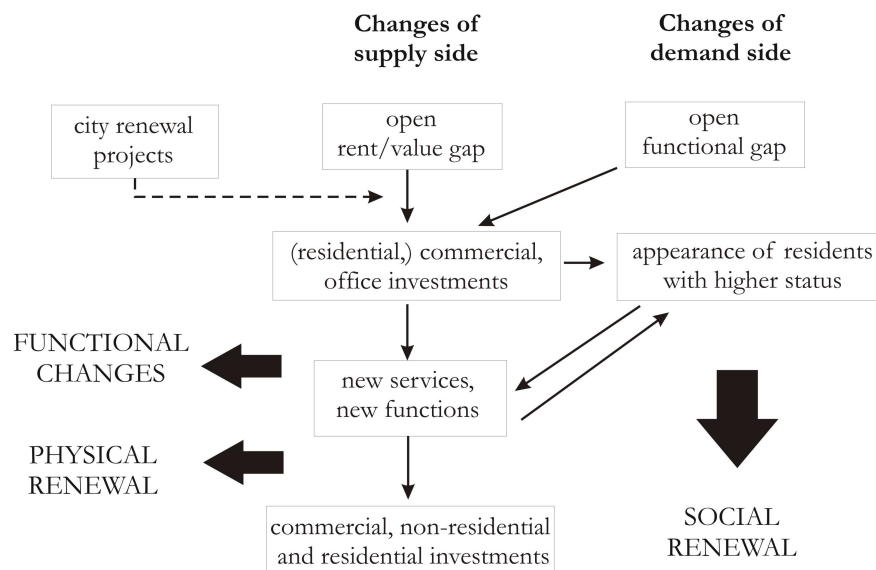


Figure 1. The model of gentrification influenced by the change of supply side

The change of demand side is especially resulted by the change of the housing preferences of local society. This process causes such an increased demand having not been typical of the district of inner city so far that the participants of supply side increase their investments in the district. On the other hand the physical renewal resulted by these

investments causes a further increase of demand which also reacts upon the investors of supply side. Consequently in this case the process of gentrification can be described by means of a two-stage-model (Figure 2).

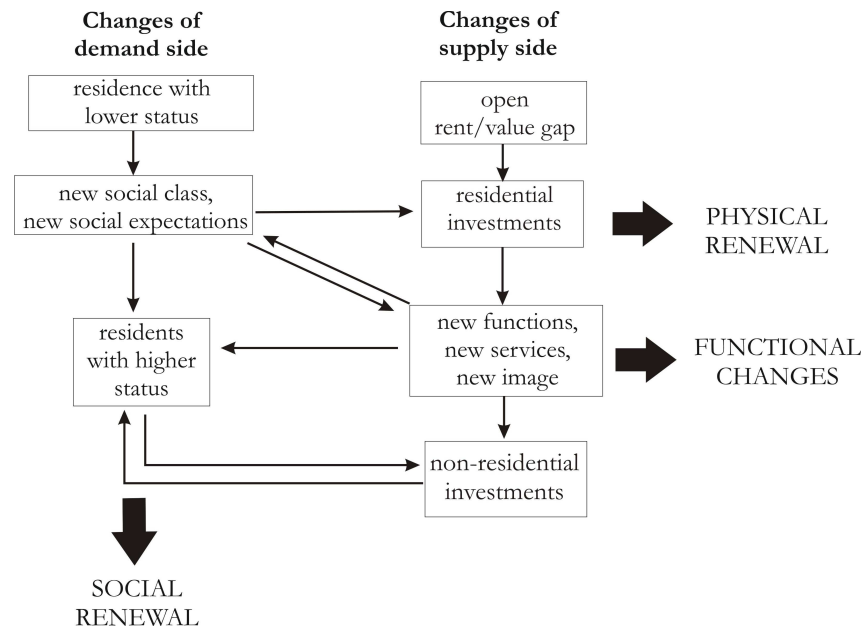


Figure 2. The model of gentrification influenced by the change of demand side

3. During the summarizing of the social, economic and political processes occurring after the transformation in Hungary and in Budapest, it was found that the development of gentrification was stimulated by the economic structural reorganization and the social change at the same time. The development of gentrification was strongly delayed by the stiff housing system caused by the ownership structure of housing market and the low-scaled mobility after the privatization.
4. Compared to the international trends, the socialist state organization before the transformation and the factors resulted by the changing processes after the transformation yielded a delay of several decades in the development of gentrification in Budapest. Due to the own features of case study areas, the process of gentrification developed in different periods, at the turn of the millennium in each area (Figure 3.).

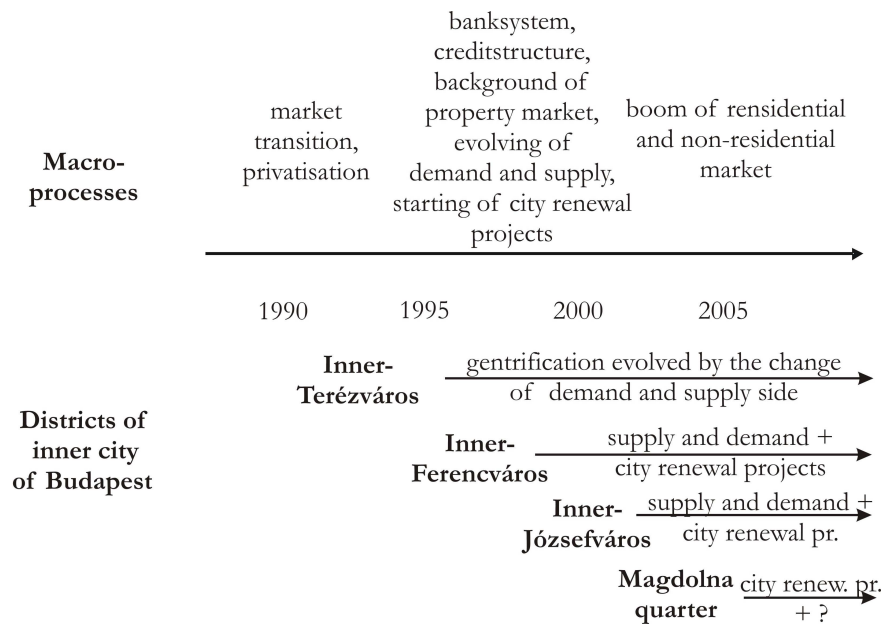


Figure 3. Time relation of gentrification in the case study areas

Out of the four examined case study areas, the process of gentrification started immediately in the years after the transformation in Inner-Terézváros. Due to the deliberate city development programs, gentrification developed in Inner-Ferencváros in the second half of the years of 1990, then it also evolved in Inner-Józsefváros round the turn of the millennium. On the other hand, the changing has just started in the last few years in Magdolna quarter due to the deliberate city rehabilitation programs and the successful Corvin-Szigony project.

5. In the course of the study of the changing processes, it was found that Inner-Terézváros is a district of gentrification as both the social, physical and functional changes have clearly taken place there (Figure 4). Among the factors producing the changes, the developed value gap and functional gap of the district can be especially mentioned which started the functional changing. The strengthening of the commercial and services function and the occurring economic and social changes resulted the social and housing market renewal of the district as well. Therefore it can be stated that the processes occurring in this district could be defined as *commercial gentrification*.

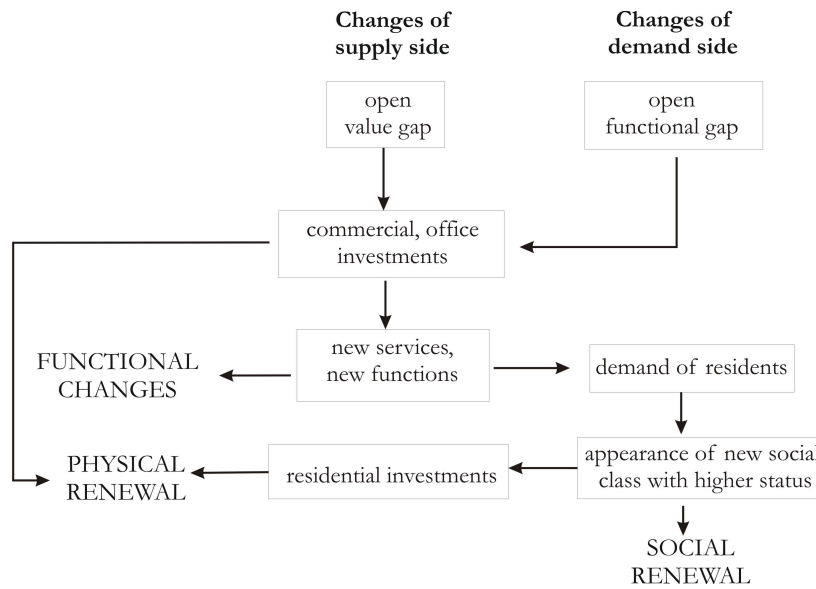


Figure 4. Gentrification in Inner-Terézváros

6. During the examination of processes, it was clearly found that Inner-Józsefváros is also a district of gentrification as the signs of both the social, physical and functional changes can be found there (Figure 5). Participants and organizations of the local society play a significant role in the changing. In the course of the changing of society – according to the examined data – more and more university students and recent-graduates can be found in the district. Therefore it may be concluded that the process of ‘studentification’ has started there. For the sake of covering clearly this process by the definition of *studentification*, further examinations are needed.

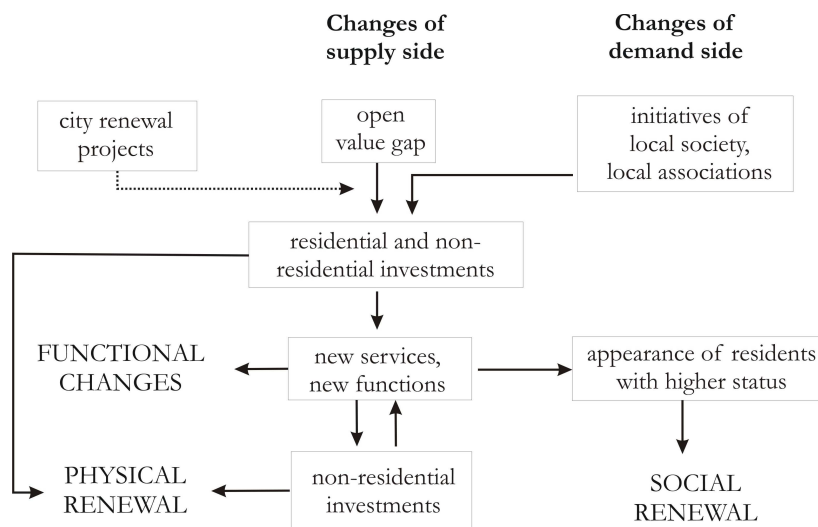


Figure 5. Gentrification in Inner-Józsefváros

7. In the course of the research of processes, it was found that Magdolna quarter is not a district of gentrification at the moment (Figure 6). In this district the local government has only started its city development program for a few years under quite particular circumstances. Although this program has started the physical renewal of the district and lots of housing market investors can be found – just as in Inner-Józsefváros, the measure of demand has not been so significant that considerable social and functional changes could be experienced.

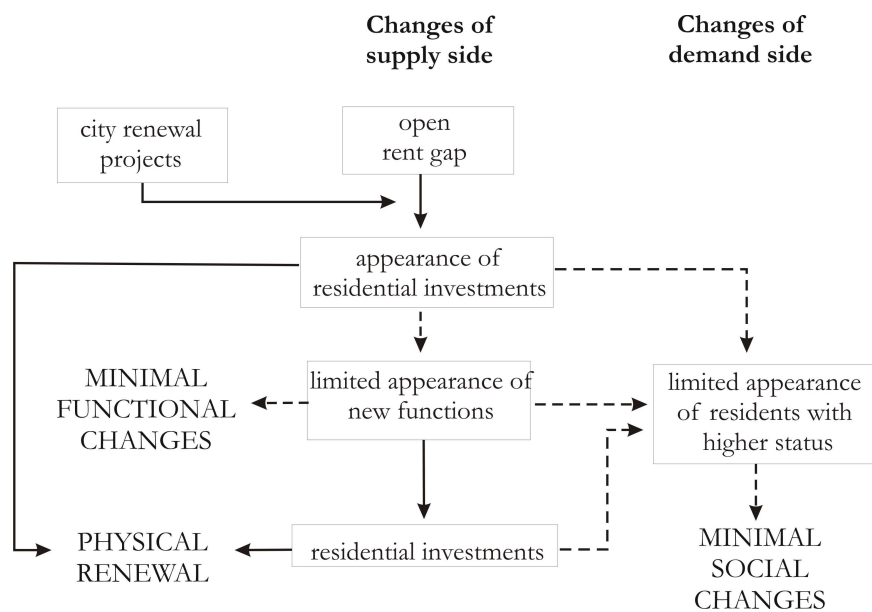


Figure 6. Gentrification in Magdolna quarter

8. The changing processes in Inner-Ferencváros are very similar to the experienced ones in Inner-Józsefváros. It can be clearly stated that Inner-Ferencváros is also a district of gentrification as the signs of both the physical, social and functional changes can be found there (Figure 7). The increase of the proportion of university students and recent-graduates can be also proved in the district. Therefore it may be deduced that the process of ‘studentification’ has also started there. For the sake of covering clearly this process by the definition of *studentification*, further examinations are needed similarly to Inner-Józsefváros. The differences of these districts can be found in the local organizations’ capability of enforcing their interests and managing of city development which is more significant in Inner-Józsefváros than in Inner-Ferencváros.

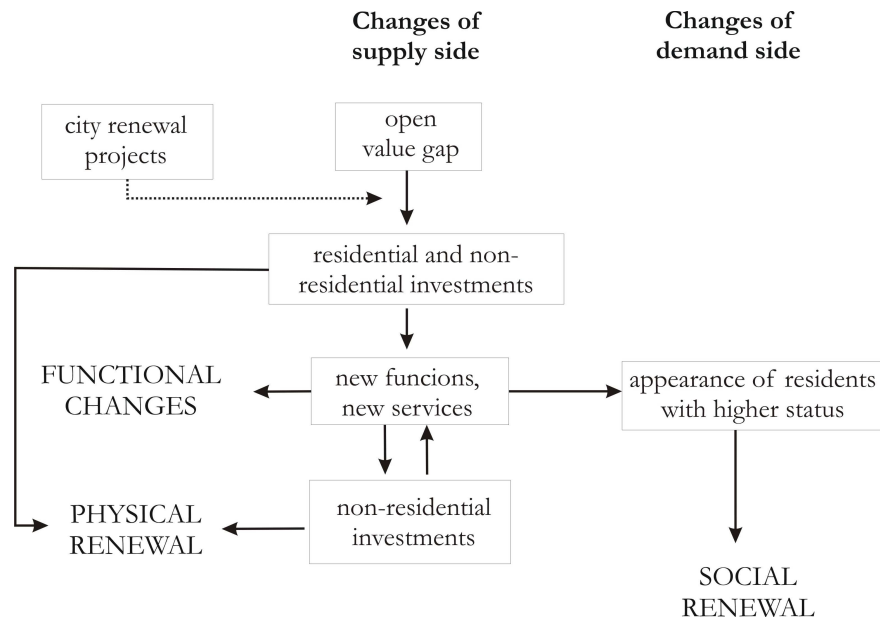


Figure 7. Gentrification in Inner-Ferencváros

9. According to the conclusions of the study of the four case study areas, their gentrification characteristics is summarised in Chart 1.

As it can be clearly seen from the chart, the gentrification processes of the four districts are divided into two types. The one type can be found in Inner-Terézváros, where those processes can be experienced which are led by the free market mechanisms, not coordinated by the local residents or the local leadership and influenced only by capital. The other type can be found in Inner-Ferencváros and in Inner-Józsefváros, where the physical and functional renewal of the districts is jointly resulted by the leadership, the local society and the market participants. Due to the specific circumstances yielded by the social city rehabilitation, Magdolna quarter represents a different type.

Chart 1. The main parameters of gentrification processes in the case study areas

	Inner-Terézváros	Inner-Józsefváros	Inner-Ferencváros	Magdolna quarter
Role of investors	high	moderate	moderate	minimal
Role of the residents	minimal	large	moderate	moderate
Role of local government	minimal	moderate	moderate	high
Physical changes	renewal	renewal	renewal	constructions
Functional changes	step by step	step by step	mid-speed	slow
Social changes	step by step	step by step	step by step	slow

10. According to our research results the following may be expected: in larger and larger parts of the historical city districts the process of gentrification will start the increase of the concentration of the residents with higher social status in the following years. In a long period this will result that the structure of social area of Eastern European cities will resemble to a Western European city model. Therefore social depression of the residential area near the inner city will be gradually equalized.

4. Conclusions and possible fields of research

According to the research results, the features of the gentrification led by supply can be observed in Budapest, while in those district where the city renewal programs advocate the principles of city regeneration and social city rehabilitation soft gentrification developed. For the sake of clearly covering the gentrification processes of the districts in Budapest by the special definitions used in Eastern-Central European researches, further examinations are needed. Moreover for the sake of finding out the effect of the social city rehabilitation on the development of gentrification, further studies are needed as well.

It can be one of the most exciting questions and research fields of the next few years, for example, that how will the started changing processes of Magdolna quarter continue and

what is the effect of the social city rehabilitation on the socio-economic processes of a district.

The study of those examined gentrification districts in Budapest, of which processes have not been modelled or not been compared to other areas yet, is also an interesting and exciting research field. By means of outlining, comparisons and analysis of these models, we can distinct the complex gentrification model of the historical district of Budapest and the most important characteristics of the changing of the inner city. For outlining of this complex model, it is essential that besides the processes of other districts of the inner city, the mentioned ones will be identified. During walking in the city and the review of the city development documents of districts, one can notice that the renovation plan of the building resources and the forming of dynamic developing districts is emphasised everywhere. Therefore it is probable that valorising of the historical districts will continue in the following years, by which the increasing spreading of the processes of gentrification will be resulted.

5. Publications in the topic of the thesis

Journal articles

1. Berényi B. E. -- Szabó B. (2009): The housing preferences and the image of inner city neighbourhoods in Budapest. *Földrajzi Értesítő*. 58. 3. pp. 201-214.
2. Berényi B. E. (2009): Budapest társadalmi megítélése egy kérdőíves felmérés tükrében. *Földrajzi Közlemények*. 133. 2. pp. 135-146.

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3. Berényi E. -- Kondor A. Cs. -- Szabó B. (2008): A zöldterületek szerepe a lakóhelyi migrációban Budapesten. Kérdőíves kutatások hat mintaterületen. In: *Alföldi -- Kovács: Városi Zöld Könyv*. Budapest. pp. 8-25. / Angol nyelven pp. 104-121.

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1. Berényi B. E. -- Zábrádi Zs. (2006): Budapest térszerkezetének vizsgálata faktorökológiai módszerekkel. In: A III. Magyar Földrajzi Konferencia tudományos közleményei. MTA FKI. Budapest. Absztrakt kötet. 44. p. CD kiadvány 10. p.
2. Berényi B. E. (2008): Belvároshoz közeli lakónegyedek társadalmi átalakulása. In: Települési környezet konferencia Tanulmánykötet. Debrecen. pp. 53-57.
3. Berényi B. E. (2009): Dzsentrifikáció Budapesten. In: Geográfus Doktoranduszok IX. Országos Konferenciája. CD kiadvány. Szeged.

Book reviews

1. Berényi B. E. (2006): Atkinson -- Bridge: Gentrification in a Global Context (könyvismertetés). Földrajzi Közlemények. 130. 1-2. pp. 98-99.
2. Berényi B. E. (2006): Rédei M.: Demográfiai ismeretek (könyvismertetés). Tér és Társadalom 20. 2. pp. 148-149.

Non-published scientific reports

1. Barta Gy. (vezető): Javaslatok az Integrált Városfejlesztési Stratégiák készítését segítő Kézikönyv módosítására hazai IVS-ek elemzése és külföldi tapasztalatok alapján. Zárótanulmány. MTA RKK KÉTI Budapesti Osztály. Budapest. 2008. november
2. Kovács Z. -- Földi Zs. -- Berényi E. -- Szabó B.: Socio-spatial change in Central and East European Urban Regions -- Case study Budapest. Work package 3. A Zwischen Gentrification und Abwertsspirale (A dzsentrifikáció és a leértékelődés között) című kutatási project zárótanulmánya. Budapest. MTA FKI. 2008. március