

## The Gas District Gentrification Story

### Introduction

Gentrification is not an isolated phenomenon. It is directly intertwined to the spheres of land markets and planning policy premises. The reinvention of declined central neighbourhoods emerges as an opportunity for private capital attraction and mobilisation. Moreover their physical upgrading serves to improve the image of the city. From this perspective, policy makers have been focusing on the city centre so as to build up the cities' competitiveness. Especially local governments are concerned with making urban centres attractive to both investments and upper classes.

However, most of the research on the phenomenon of gentrification is focused on cities in the United States, United Kingdom, Northern Europe and Australia. There has been little research in this theme in Southern Europe. Notwithstanding, factors that determine change in the built environment are beyond the national or local potential. Each city's social and economic contexts vary with regard to the peculiar power relations which have developed in the locale. Hence, gentrification plays out differently in different countries, regions, and even districts within the same city. From this viewpoint, this paper deals with the gentrification process in the Mediterranean context.

During the last three decades, several central neighbourhoods in Athens have experienced gentrification initiatives. Benefits from gentrification plans can be substantial, as new housing investments improve the living conditions and stimulate other retail and cultural services. Despite the potential benefits, marginal groups become vulnerable to displacement resulting from the redevelopment projects.

By focusing on the Gas neighbourhood, which is a neighbourhood close to the city centre of Athens, this piece of work will shed light on the way the process is being displayed in more complex social and economic patterns which characterise the Mediterranean region, and thus the Greek reality.

The next section will provide with some general thoughts considering the phenomenon of gentrification. Moreover, the research methods which were employed will be analysed. Furthermore, the third part will look upon the way the phenomenon takes place in the Athenian context and the final section will drive some general conclusions.

### **Gentrification Account**

There is an immense literature offering explanations as to the causes and process of gentrification, arguing whether the phenomenon is supply or demand driven. However there is a growing consensus that both sides have a part to play (Shaw, 2005). This section will highlight these different arguments explaining the urban rehabilitation process.

Smith (1996), who is focusing on the supply side driven gentrification, argues that in a capitalist economy, land and constructions on it become commodities. Therefore, the owner of the property bears monopoly control over the land and its uses. Additionally, while land and improvements are fixed in space, their value is anything but fixed (ibid). Physical decay will arise after some period of time and diminish the value of the built environment. However, the value of the built environment and its improvements, as well as the value of the surrounding land influences the ground rent that can be requested (ibid).

As Smith (1996: 58) further states: “...in the economy, profit is the gauge of success and competition is the mechanism by which success or failure is translated into growth or collapse...When economic growth is hindered elsewhere in the economy, or where profit rates are low, the built environment becomes a target for switching of much profitable investment”. However, investment switching in the built environment may have crucial side effects; as Zukin (1989: 148) claims: “...when a productive use is replaced by a non productive one, or when a less productive non productive use, like housing, replaces non productive uses, like performance and creation in the arts, speculation poses problems for the society as a whole”.

Nonetheless, neighbourhood decline is the result of private and public investment decisions and of speculation incentives (ibid). The process can be reversed only if a shortage of higher quality modification in the built environment occurs, allowing rents to rise. Thus, gentrification occurs when the rent gap<sup>1</sup> gets sufficiently wide, so developers can purchase buildings cheaply and put them on the market with a final satisfactory return (ibid). As Smith (1996:70) argues: “*gentrification is a back-to-the-city movement all right, but a back-to-the-city movement by capital rather than people*”.

Nevertheless, this theory places gentrification in the cycle of investment and disinvestment in the built environment and focuses on the relationship between the land and property value particularly on the way in which disinvestment enhances the possibility of capital accumulation.

The demand driven arguments support that the roots of gentrification should be traced to the transformation of the economic base from the manufacturing industry to service based industry (Hamnett, 2000, 1984; Ley, 1996). This has resulted in changes in the class composition; the occupational class structure has turned from one which was based around the dominance of a large manual working class to one dominated by professionals, managers and technical workers in the financial, cultural and service sectors, which are concentrated in cities. Additionally, demographic changes, the participation of women in the labour market and their emancipation, the emergence of childless non married households are considered crucial elements in the culture and attitude of the new middle class (Ley, 1996). +

From this perspective, the new middle class moves into inner city districts because of their particular characteristics. Ley (1996: 38) in examining the gentrification process in Canadian cities states that: “*a central location in a metropolitan area is valued offering access to work, shops, and the cultural activities of the central city, a set of linkages between home, work and leisure...environmental amenity is also highly regarded, whether in the physical environment (views) or the built environment*

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<sup>1</sup>The rent gap is defined as the disparity between the potential ground rent level and the actual ground rent capitalised under the present land use

(architecture, streetscape, freedom from through traffic, the character of local shops)".

Beauregard (1986: 37) refers to the gentrifiers as the urban pioneers who risk their savings so as to turn a deprived neighbourhood into a good place to live. They adopt different patterns of consumption which can only be met in the inner parts of the city; "...Clustering occurs as these individuals move proximate to consumption patterns and entrepreneurs identify this fraction of labour as comprising conspicuous and major consumers". Their basic need is to be closer to the central business district and closer to their places of entertainment and consumption needs. As Zukin (1989: 68) argues: "consumers' desires are shaped by commodities that are available as well as image-making and status-seeking that considering them may be almost irrelevant". These preferences regarding the change of socioeconomic and cultural values formulate the general gentrification trends.

Notwithstanding the broad spectrum of the supply and demand led explanations to gentrification, many academics have pointed to other arguments in order to explain the phenomenon. Mullins (1984, cited in Hamnett, 1991) pointed to the key role of production and consumption of leisure oriented art services within the inner city, which are consumed by limited sophisticated citizens. Mullins further argues that the cultural needs of this class and the concentration of cultural facilities in inner city areas result in gentrification initiatives (ibid). This contribution highlighted the importance of locality for the gentrification process to take place. Hence the emergence of the new middle class while crucial is not adequate enough so as to explain gentrification (ibid).

Beauregard (1986) criticises the rent gap theory<sup>2</sup>, as it fails to explain why some areas with low capitalised ground rent are not gentrified. As he argues diversity of gentrification must be recognised, rather than inserting diverse aspects into a single phenomenon. He further claims that: "...Gentrification is a conjuncture of both structural forces necessary for its general form and the contingent forces that make it appear at distinct points in time and in diverse ways in certain cities and not others"

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<sup>2</sup> Which was established by Smith

(Beauregard, 1986: 40). As Clark (2005) states, neither the demand, nor the supply side theory alone, is comprehensible without further explanations. All present theories of gentrification play important roles in clarifying the grounds of this phenomenon.

Although gentrification is a privately financed action, the expression of governmental support, both national and local, is a precondition for the process (Zukin, 1987). As real estate has attracted a range of investors, from small scale to large companies, governments take actions, so as to assist and encourage the capital circulation in the real estate market (ibid). Therefore, states compose code and order practises which are advantageous to capital circulation and accumulation (Beauregard, 1993, cited in Weber, 2002).

As Hackworth and Smith (2000: 469) state: *“the private market expansion of gentrification has generally exhausted itself; state assistance is increasingly necessary for the process to swallow underdeveloped parcels further from the central business district”*. Additionally, Zukin (1989) argues that the state’s ability to influence the real estate market is limited because of two reasons: firstly the state relies on the growth of real estate markets and secondly, it cannot directly influence the demand for the developers’ products in the real estate market. *“Operating in an economic system where capital mobility is the norm, both developers and politicians want guarantees. Developers want to know that the project they undertake today will not be subverted by external factors tomorrow. Politicians want the jobs and dollars that developers promise to last until the next election day”* (Zukin, 1989: 149).

Show (2005) states that governments encourage the gentrification process by adopting a range of strategies which vary from street improvement programmes to large public private development projects and arts-led brownfield regeneration proposals. State governments launch redevelopment projects which will attract investments into former industrial areas, while local governments through tax policies, deductions and tax credits create a secondary mortgage market which encourages and increases the total size of capital flows in the real estate market (Weber, 2002). Notwithstanding, all of these agents must come together in specific spatial locations; and the local context is the one to affect the whole process in the most deep and straightforward way (Show, 2005).

As Zukin (1989) states turn over in the property market affects the neighbourhood stability. The attraction of outside capital to the special forms, services, or amenities in the end overruns the local potential. Hamnett (2003: 176) argues that: “*the social consequences of gentrification are predictable*”. When the prices augment, in a competitive market, the expansion of the middle class in the central areas of the city becomes a norm (ibid). People to be gentrified are those living in inexpensive but architecturally appealing neighbourhoods, close to the central business district (Beauregard, 1986). As the central areas, during the previous decades, were left to the poorest, working class households, many of them are still marginal to the labour market or even outside it. Hence with the forthcoming rent increase, these households will eventually be forced to leave.

There are liberal and conservative definitions of displacement due to gentrification process (Atkinson, 2000). From a conservative point of view, displacement can only take place as a result of harassment and eviction schemes, imposed by landlords. From a more liberal perspective, displacement is a process leading to the pricing out of residents and the changing of shops and services (ibid). Nonetheless, Marcuse (1986) states that gentrification coexists with abandonment and the two are interrelated, as two different social classes move, or are forced to move, in reverse directions and both contribute to displacement.

However, as Atkinson (2004: 116) argues: “*as an area is gentrified, the ‘voice’ of the area increasingly becomes that of the middle class...social displacement highlights the wider significance of such neighbourhood change- as areas become more fully gentrified they fade from view as problematic spaces and become established middle class enclaves*”.

In the Mediterranean region there has been little research on the phenomenon of gentrification and its impacts (Atkinson, personal E-mail, 5/8/2005). As the local dynamics form the character of gentrification, the phenomenon is displayed in a different way in every case study. However, as this research project focuses on the Gas neighbourhood case study, it will explore the gentrification process in the Greek

context and will shed light on the power relations of the different stakeholders involved.

### **Accessing the Gas neighbourhood**

For a more in depth access to the gentrification process in the Greek reality, the employed research methods engaged documentary research, interviews, field visits and observation. Nonetheless, the use of multiple data sources enhances construct validity and reliability. Field visits were conducted during the four week period of the research, almost every day, but during different hours each day. The main purpose was to observe everyday life so as to acquire an intact notion of the current living standards of the neighbourhood.

Documentary data were collected for secondary, observatory reasons; a basic purpose was to cross check information from different sources with the same focus. As Yin (2003) states, documents can verify data about key players, confirm information from other sources and can lead to conclusions.

With regard to the interviews conducted, semi-structured interviews with the authorised officials from the three main public bodies involved with the Gas district were illustrated<sup>3</sup>. In order to obtain access to the residents' perceptions, interviews were carried out in a more unstructured way. Face-to-face interviews offered the chance to monitor the interviewees' reactions and scrutinise the words used in each case. Additionally, as the Gas neighbourhood is still characterised by an aged, low educated Greek population and by Muslims who hardly speak the Greek language, other research methods via questionnaires for example were considered to be inapt. Anonymity was promised to all the interviewees, in order to gain their trust in the first place.

Moreover, the researcher interviewed Non Governmental Organisations (NGO) being active in the area so as to acquire a more holistic approach to the neighbourhood's latest evolution. The researcher got the NGOs' consent to refer to their name in the

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<sup>3</sup> The Municipality of Athens, the Ministry of Environment, Physical Planning and Public Works (YPEXODE), and the Ministry of Culture.

thesis. Firstly the researcher got in touch with the NGO named “Elliniki Etairia”, which mainly focuses on the protection of the environment and cultural monuments. Additionally she got in touch with NGO named Klimaka, which is located in Gas and provides psychological and social support to ethnic minorities, especially the Muslims in Gas.

The Gas neighbourhood is sparsely populated (1583 residents). Additionally, the Christian population covers almost 40%, mainly a rather aged population, and the Muslim population comprises 60%<sup>4</sup>. In order to get access to the population and their perceptions, methods of purposive and snowball sampling were employed.

Nonetheless, as Arber (2001: 63) states, “...*snowball sampling techniques can only be used when the target sample members are involved in some kind of network with others who share the same characteristic of interest*”. The researcher got in touch with and interviewed the president of the Muslim association in the neighbourhood and thus managed to interview some other male members of the Muslim population. When asked for permission to interview Muslim women, it was not given. In order to test if women were willing to talk, the researcher carried out some house visits, but women indeed refused to participate.

Research was conducted in Athens in June 2005, within the MSC dissertation time framework. Hence a great limitation of this survey was the time period dedicated to fieldwork of the case study. Moreover, as it was the summer period many of the Muslim families had left for Komotini<sup>5</sup>.

Additionally, limitations of sampling error were encountered. The fact that female Muslims were not accessible is a great limitation. The president of the Muslim association was straightforward about this: “*it is not only that they cannot speak Greek, they can roughly understand it, but they will not speak to you about anything*”. The answer he gave related to cultural and religious reasons. He did not clarify it any further. Even when the researcher tried to talk to some women most of the replies

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<sup>4</sup> These are cross examined results through interviews and observation, as the Census does not provide such information, nor did the Municipality of Athens

<sup>5</sup> Komotini is located in Thraki, in Northern Greece where the Muslims, who reside in Gas, spend their summer, from early June until September



were “*sorry, I cannot understand*” or “*go away, I will not speak to you...don’t write about me in your research, I don’t want to*”. Hence, the sex, age and ethnicity of the interviewee have influenced the nature of the data, in relation to the interviews conducted with the Muslim minority<sup>6</sup>. Additionally, the lack of trust shown to researchers by public bodies, and the lack of information flows made it difficult to access the policy documents. Hence the researcher had to focus basically on interviews.

### **An insight to the general administrative and legislative framework**

Economou (1997: 466) states that: “*formally the Greek system adheres to the international mainstream. However, this similarity remains purely theoretical*”. There is a marked 'blueprint' bias in the system. Planning tools necessary for the implementation of the plans are absent. Additionally, the statutory levels of planning in Greece are more complex than those in other European countries (Evangelidou, 2002). However, the detailed level of planning remains a ministerial duty being enacted through a Presidential Decree. Hence, the concept of the procedure from the central to the local is missing (ibid). Notwithstanding, this paper will introduce another gentrification incident. As the planning policy performance and the specific socioeconomic context determine the trajectory of the process, the way that planning administration is played out in Greece has to be introduced.

Undoubtedly, the lack of planning policy control and sovereignty in the local level is problematic. Schemes which deal with urban renovation initiatives are controlled by the central government. Hence, the lack of state control, in planning issues facilitates speculation initiatives, and especially in the real estate market it facilitates the process of capital accumulation. Especially in Athens, which is highly and densely constructed, the reinvention and redevelopment of brownfields close to the central business district arise as a major opportunity for private capital reinvestment in the built environment.

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<sup>6</sup> 6. In order to overcome this difficulty, the researcher tried to get in touch with teachers of the Turkish language, but the Turkish teaching departments had closed for summer vacations.

In Greece, the legal framework has encouraged gentrification by employing several legal devices. Initially, laws L. 947/ 79 and L. 1337/83 established the notion of urban regeneration of central districts (Tzika, 1998). Recently, both the law L. 1337/ 83 and the new Law for the ‘Sustainable Urban Development of Towns and cities in Greece’, L. 2508/ 97 claim that “*renovation of an area is the whole combination of planning, economic and architectural schemes, rules and initiatives, which are identified by the regeneration planning study, and aim for the improvement of living conditions and the urban environment. Such schemes may lead to the cultural, historical and aesthetic preservation of the area*” (Aravantinos, 1997: 233).

According to the legal framework, the regeneration procedure has to go through three phases before its implementation. The first introduces the preliminary regeneration proposal, the second talks about the regeneration programme and the last is that of the regeneration planning survey. However, the responsibility for the regeneration initiatives and their implementation belongs to the Ministry of YPEXODE (ibid).

It can be argued that the legal framework provides some general guidelines which promote urban renovation schemes. However, there are limits and implications which arise from this centralised regime and can be easily identified. Crucially, regeneration initiatives instead of being run by the local government, are controlled by the central tier of governance. Nevertheless, as highlighted in the interviews with Greek academics, local government initiatives act like indicators for the gentrification process.

### **An introduction to the Gas neighbourhood**

The case study neighbourhood is situated in the southwest part of the city of Athens; it is encircled by Piraeus Avenue, Iera Odos, Megalou Basiliou and Konstadinoupoleos Avenues. From the ancient times this area is connected to Piraeus Avenue, which used to link the ancient city of the port of Piraeus with ancient Athens, and still does. The landmark which characterises the area is the Gas factory. It symbolises the beginning of the industrial revolution of the Modern Greek state. It was established in 1862 by the French Gas Company and its main function was to

illuminate the Greek capital. After 1938, when the contract with the French Company expired, the Factory passed to the administration of the Municipality of Athens.

It is argued that the Gas neighbourhood “*may be the first working class neighbourhood of Athens*” (Leontidou, 1989: 129). Nonetheless, the housing stock of the area belongs to this period; because of the factory and the pollution caused the land prices never got high enough so as to encourage the system of antiparohi<sup>7</sup>.

In the early 1970s the bad living conditions and the pollution caused by the factory, led to the departure of the local, proprietor population (Panousi, 1995). However, none of them sold their properties; as they preferred to own the land until circumstances would allow construction with the antiparohi system<sup>8</sup>. At the same time, the governing dictatorship decided to employ Muslims from Northern Greece<sup>9</sup> to the Gas factory. These were the first Muslims to reside in the area; they rented abandoned houses, whose landlords had left the area. However, the existence of an ethnic minority led to further outward migration of the local population. Additionally, during the 1980s the social- democrat party (PASOK), which was in power, offered ethnic minorities the opportunity to work for the public sector. Hence, many Greek Muslims migrated to Athens, and rented abandoned buildings in the Gas neighbourhood, in order to gain proximity to the existing Muslim community.

Moreover, in the early 1980s the Municipality of Athens conceived the idea of shutting down the factory, as it was not economically viable any more, and to turn it into the cultural hub of the city. The factory stopped functioning in 1983, and in the mid 1990s its regeneration process was initiated so that by late 1999 it was put to use as the cultural hub of the city. As a consequence, leisure facilities have mushroomed in the area.

Nonetheless, the housing stock of the Gas neighbourhood today is still reminiscent of the industrial époque. The Gas neighbourhood is an inner district with low height

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<sup>7</sup> Antiparohi refers to the system where promotion is co-exercised by small owners and small construction firms in ad hoc joint ventures to produce small condominiums

<sup>8</sup> Because of the pollution caused, land values were low, thus the constructors would not take advantage of the profits from construction of blocks of appartmanents. Additionally there was no demand for apartments in the area (president of the Megas Alexandros Association)

<sup>9</sup> Mainly Komotini, which is in Thraki. Thraki is a Northern Greek region

housing stock in a densely, high rise, constructed city. Buildings, up to two storeys, poor housing equipment, mostly derelict or abandoned form the image of the neighbourhood nowadays. However, the few residents have a strong outdoor life.

Notwithstanding, as the night hours arrive, the image changes. Athenians from all other parts of the city try to park their cars below derelict buildings and then amuse themselves in the nightclubs. The loud music does not stop before five o'clock in the morning, and the loud voices of drunken people continue through the night until six o'clock in the morning.

Nonetheless, in terms of land use policy, the General Urban Plan for the Municipality of Athens, which was established in 1988 and is still valid, defines the Gas neighbourhood as an area of mixed residential use<sup>10</sup>. Moreover, the GUP document talks about the urban regeneration of the Gas neighbourhood. Especially for the northern part, the GUP suggests its unification with the rest of the historic and central areas. However, the preservation of the residential uses and the regeneration of the Gas factory are highlighted.

Despite the fact that the neighbourhood is defined by law as mainly residential, in reality leisure facilities have taken over the residential use. The arguments raised by the policy makers introduce an insight into the gentrification process.

## **The Policy Domain**

### **i) *Local Governmental Initiatives***

With respect to the Gas neighbourhood the vice mayor of Athens declared in 1993 that *“the Municipality of Athens decided on the urban regeneration of the area in 1988 hence it imposed the restriction of construction works in the northern*

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<sup>10</sup> The Land use which is defined by the GUP as mixed residential use consists of: residences, hotels up to 100 rooms, offices and services, educational buildings, restaurants, coffee shops, religious sites, parking plots, buildings for cultural use, vocational workshops of little vexation, petrol stations, welfare centres and sports installations.

*part...What has to be examined in the regeneration process is the participation of private investment capital, though in harmony with law L.1337/83” (Sadas, 1993: 52). However, the way the planning system is designed, only the Minister of YPEXODE has the power to forward a Presidential Decree with such a planning decision. Hence, it can be argued that the Decree enforcing such restriction in the neighbourhood was initially suggested by the Municipality of Athens and then imposed by the Ministry<sup>11</sup>.*

Moreover, the president of the Greek residents association highlighted the fact that: *“as our neighbourhood is considered a historic part of the city, every mayor since the 1980s wants to gain popularity by constructing something major related to the cultural hub and the broader area”*. She continued by arguing that especially for the northern part, the municipality of Athens has provided many scenarios for its future: it has talked about green spaces, the construction of the Opera and recently the construction of a cultural park related to the project of the Unification of Ancient Spaces. Then again there is no straightforward information about the municipality’s real plans.

In terms of the legal procedure, the renovation study was allocated by the local government to a research group, consisting of members of the Greek academia and architects and planners from the public and the private sector, in 1995. What was highlighted therein was that as the industrial uses do not take place in Piraeus Avenue any more, *“the empty industrial spaces become appropriate for official use thus this has motivated the real estate market, especially where Piraeus Avenue borders on the Gas neighbourhood”* (Pantzaris et al, 1995: 98). Additionally, it is argued that the real prices in Gas have risen by three times in the period from 1988 to 1993.

It is also emphasised that: *“in the highways and avenues, the rise in the land prices has led to the constructors/ investors buying properties where land values are not yet high enough with the scope of taking advantage of the future surplus value. This entrepreneurial perspective justifies the development of Piraeus Avenue and the neighbouring, underdeveloped areas”*. Hence, these circumstances reveal the roots of

supply driven gentrification, as the increases in the land values resulted in further attraction of private investments.

Indeed, as was indicated by a Greek academic, this research acted as a magnet to the speculative behaviour of the leisure industry. As he further stated: *“by the next day of this publication the pioneers of the leisure industry expressed lot of interest in the neighbourhood. They could maximise their profits by cheaply buying or renting a derelict house, before the area gets upgraded under the label of the cultural district of Athens. Notwithstanding, the renewal of the Gas factory into a cultural hub, which was in process at that time, minimised the risk costs; it was foreseeable that the area would eventually adopt a more artistic character”*.

In the Gas case study the entrepreneurs who first realised the process were those who manage the leisure industry. Nonetheless, private investments circulate in proportion to their likelihood of profitability. The proposed gentrification of the Gas factory was an indicator that the State will further improve the amenities of the area. Further studies, interviews in the media and the publications from the local government gave confidence for such future evolution. As the private capital is more flexible and swift in its transactions, it can be argued that entertainment uses reached the neighbourhood first. As Hubbard (2004: 668) claims: *“the state takes a seat back, allowing the private sector to orchestrate urban development unfettered by governmental constraints”*. This quotation seems to fit exactly in the case of the Gas neighbourhood.

In the second stage entertainment pioneers rent or purchase the housing stock before the State initiates the renovation process. Notwithstanding, this behaviour derives from the fact that those interested can take advantage of the current low land prices, which will eventually start increasing, especially after governmental planning interventions are launched. Concomitantly, the private entertainment sector goes ahead with the renovation of the built environment, as derelict houses have to be repaired and reconstructed in order to function as clubs or restaurants. In such a way, the local state does not have to bear the costs of gentrification; everything is left to private capital.

Nonetheless, the target group of the leisure industry cannot be the poor households or the Muslim minority which reside in the area; undoubtedly the locals cannot afford this kind of entertainment. And furthermore they are not a profitable target group for the leisure industry. The aim is to attract consumers from the new middle class, who seek something bizarre and innovative. It can be stated that in this case study it is the consumption habits and the entertainment preferences of the new middle class, which accompany the gentrification process. Hence, demand powers of gentrification emerge, as the cultural needs of the upper classes result in the concentration of cultural facilities in inner city areas, which further act as facilitators in the whole process. The next stage of the process is attracting the middle class people to the special character of an underground yet picturesque neighbourhood.

**ii) The Ministry of Environment Planning and Public Works (YPEXODE) perspective of the Story**

The NGO Elliniki Etairia entrusted the researcher with a record containing the correspondence between the policy makers and the residents' association concerning the neighbourhood. The file contained several memos exchanged between the Ministry and the Municipality arguing about the character of the area; if it should remain solely for residential use or be converted so as to embrace cultural uses. However, as the GUP of Athens defines the Gas neighbourhood as of mixed residential, any other adjustments opposing other land uses, are against the legislative framework.

In 16/3/1995 the Ministry of YPEXODE published a planning study proposing the renovation of Piraeus Avenue (Pantzaris et al, 1995). The basic aim was the modification of the avenue's contemporary character and its transformation to a cultural and leisure highway. Nonetheless, Piraeus Avenue consists of extensive buildings related to industrial uses which are no longer in existence<sup>12</sup>. However, as argued by Pantzaris et al. (1995: 115): *“the consequence of this study in the study area (i.e. the Gas neighbourhood) is straightforward and can be justified by the increase in construction activity and the marking up of land values”*.

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<sup>12</sup> Like the chocolate factory of Pavlides or the Gas factory

Indeed, these buildings are now used as live music nightclubs, offering entertainment to more than 3,000 people every night. Paraphrasing Zukin (1989) it can be argued that only people, who do not know the steam and the sweat of a real factory, can find industrial space interesting and entertaining. It should be noted that the kind of music performed in these clubs offer nothing of cultural value. However, such regenerative initiatives further compound the drive to gentrify the Gas neighbourhood as a whole by attracting more pubs in the inner part. Notwithstanding, the transformation of Piraeus Avenue with a more cultural orientation has been accomplished, but through private invention; without any public scheme. Entrepreneurs following the scope of the policy guidelines bought the former industrial buildings cheaply and transformed them in order to satisfy the leisure needs of the middle class.

From another perspective, the residents argue, that especially in the northern part, as there is a restriction in construction works, their housing conditions have worsened; for seventeen years they cannot preserve, nor even paint, their houses. In their epistle to the Secretary of the Ministers' Council, they argue that: "*within these seventeen years of restriction, the only properties which have been exempted are those that have been recently bought by artists and ship-owners. The excuse was that these buildings were of historic value*". They continue by stating that "*if our neighbourhood's renovation was in our hands, we would undertake it in such way that the Greek state would bear no costs; though we are allowed to do nothing by law*".

The Greek State has become more interventionist, but in its own special way. Apart from the research and discussions for the future of the area, the metro station is being constructed<sup>13</sup>. This latest intervention can be seen as a means of encouraging the leisure habits of the new middle class, by offering any easy access to the new entertainment district, thus it will act as a magnet for the new middle class as residents; as the transportation system in the area is being enhanced and the housing stock is already being upgraded.

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<sup>13</sup> As administration in Greece is highly centralised, transport planning issues, hence the construction of the metropolitan railway, are launched and run by the Ministry of YPEXODE



Moreover, when the manager of the GUP implementation department was asked about the illegal leisure activities, he answered that: *“the area is defined as of mixed residential use; hence coffee shops and restaurants are permitted. Nonetheless, since there is no strict control by the local government, someone who gets a permit for a coffee shop can then illegally turn it into a night club. But this control belongs to the Supreme Medical Board and the Municipality of Athens”*. He continued by arguing that the Ministry cannot control the real estate market and market laws in general; *“who is going to buy, sell or rent a property that cannot be controlled by the State”*.

It can be argued that planning administration in Greece acts in a neoliberal way. On the one hand, the legal framework is not implemented. Additionally, it facilitates the private sector in its spatial preferences and circulation in the built environment, basically through its inaction. On the other hand, spatial issues can be used in the electoral game by politicians. There are also other possibilities of bargaining, as for example the failure to impose restrictive planning provisions<sup>14</sup>. Furthermore, as the planning system is highly centralised and Ministry of YPEXODE controls projects nation-wide, it is difficult to manipulate land uses and planning defrauds in a single city, even if it concerns the capital. From that perspective, the regulation of renovation schemes in specific neighbourhoods becomes even more problematic. Speculation mechanisms provide the opportunity to implement the transformations of the urban shape without any State control.

On the other hand, it can be claimed that traditionally in Greece the lack of control from the local and the central State is another mechanism which makes the built environment more flexible and responsive to investment criteria. During the previous decades the Greek state used to tolerate illegal settlements so as to avoid the cost of public housing provision. Nowadays, the tolerance against breaches of the land use plan<sup>15</sup> can be explained from the same perspective; in order to avoid the costs of urban regeneration schemes in inner city areas, thus facilitating the rehabilitation of central districts by the new middle class.

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<sup>14</sup> In fact, urban policy functioned as a major mechanism of political expediency and political clientelism in the post-war period (Hadjimichalis, 1987, cited in Economou, 1997)

<sup>15</sup> i.e. the GUP

However, it can be argued that timing is the key concept which leads to a successful upgrading of the built environment in Athens, without any governmental expenses. Policy discourses stigmatise neighbourhoods where there are urban redevelopment needs, but because of physical decay in the housing stock, private investment is unlikely. However, by taking no action, the Greek state creates the right conditions for profitable capital investments in the built environment. Additionally, it does not have to undertake the costs of renovation. Since the mid-1980s policy makers talk about the regeneration of the Gas neighbourhood. However, now everything is being upgraded by the leisure industry in a more laissez-faire fashion.

Nonetheless, in the northern Gas area the housing conditions are not adequate any more and people are forced to move out, but not in a direct or violent way. The concept of time is crucial once again. As claimed by one resident: “*since I cannot fix my roof, I keep my cutlery in the fridge, as mice are all over my house*” (Migdou, 2004: 13). However, the majority of the residents have low income backgrounds and none of them has expressed a will to leave their properties, as there is no other housing provision for them. The question which arises is how much longer can they tolerate such living conditions. Consequently, when their housing conditions are no longer bearable, they will have to move out at their own cost, and yet these individuals provide no resistance to their situation.

### **iii) The Ministry’s of Culture Option**

In the interview, the officer of the EACHA project of the Ministry of Culture, stated that: “*the basic aim of the project is the creation of the ancient walk, which will cross the basic archaeological spaces, from the northern east to southern west part of the city*”. When he was asked about the residents and the restriction of construction works in the northern part, the answer was given that first of all EACHA has only consultative but not imposing powers. Although he did not know about the Muslim minority, he continued by stating that: “*the association of Megas Alexandros has got in touch with us, but we have realised that people are tired of the restriction on construction. Now they ask for the expropriation; so that they can sell their properties and buy others elsewhere*”. However, none of the residents interviewed wanted or asked for the expropriation. This derives from their emotional attachment to their

place, or from economic reasons, as they can not afford to buy other properties elsewhere.

Furthermore, he claimed that all EACHA's projects aim to develop better living conditions in the built environment of Athens either through the generation of green or open, public spaces. *“After all, these initiatives encourage the residential use to get back to central neighbourhoods. Notwithstanding, as the land and market prices go up, the residents who return belong to upper, high income classes. We cannot control this kind of process whatsoever”*.

It can be argued that the policy arena does not have any concrete plans for the area, apart from physically upgrading it. The Municipality of Athens talks about urban renovation through cultural facilities with preservation of the residential use. Moreover, the Ministry of planning talks about the implementation of the Master Plan and the GUP, but with the creation of a cultural pole in the western part of Athens. From another perspective, the Ministry of Culture is considering ideas such as those of the construction of the National Opera, or green and public spaces or the unification of the ancient walk and the generation of the third cultural square of Athens.

It can be argued that the Gas neighbourhood gentrification process has to add something new to the gentrification literature. In this case study, the district is going through a slow gentrification process. The role of the state is crucial; by indicating the areas to be renovated and by intervening selectively in the urban environment. Moreover, the intrusion of the leisure industry in the residential area as claimed by the GUP is more than welcome for the policy makers; it is not only cost effective, but it results in the displacement of the local population. On the other hand, members of the middle and upper class have already bought properties in Gas.

#### **vi) The Residents' Narrative**

During the 1970s, the members of the Greek speaking community were incessantly asking policy makers for the closure of the Gas factory, because of the pollution

which was caused in the area. Although they were aware of the fact that the factory was going to be used for cultural facilities, they argued that *“none of us realised that this would eventually transfer the entire capital’s nightlife into our district”*.

Most of the residents have referred to the recent night life of Piraeus Avenue. This development acted as a magnet to other club owners. The latter have rented old houses inside the neighbourhood for almost £2,000 per month. The tenants, mainly the Muslims<sup>16</sup>, are forced to move out and then their house gets renovated and converted into picturesque nightclubs. However, it must be emphasised that the rent prices are formed according to the supply and demand forces in the real estate market. As there is no legal framework to control the landowners, they set rents according to the demand of the housing stock in the area.

Since club owners are willing to pay £1,500-£2,000 per month, the land values rise and concomitantly rents are augmented. Most of the residents claim that less than ten years ago, the rent for a two-bedroom flat was almost £40 per month, while now for the same flat the rent has gone up to £230. For the low storey houses they argue, that while ten years ago one could buy the building for £7,000, now the cheapest price is more than £20,000. Then again, supply forces of gentrification have emerged. Land prices increase, and moreover speculation behaviours from landlords result in the displacement of the local population.

Additionally, the locals argue that nowadays they cannot sleep at night as the nightclubs play loud music until four or five o’clock in the morning. During the evening hours, as people from other parts of the city use their private cars in order to get to the nightclubs, the parking and congestion problems create more noise. Nonetheless, the majority of the Christian community consists of elderly people, who claim that most of their friends and former neighbours have left the area because they could not tolerate the loud noise during the night hours. However from the liberal perspective this process, accompanied by increases in the living costs and change in the amenities and services of the district, can be regarded as the cause of displacement. From this perspective, displacement takes place as conditions which are

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<sup>16</sup> Which will be further analysed in the next part of this chapter

beyond the households' abilities to control, gradually lead to their departure from their neighbourhood.

Then again, leisure facilities are more welcomed by the Muslim community, as many of them employ themselves by selling sandwiches and kebabs outside the nightclubs to the drunken people. The gentrification of the Gas factory gave them the opportunity to earn some extra money. As argued by the NGO, Klimaka, men work in low paid jobs<sup>17</sup>. However, none of them has ever worked in the nightclubs or restaurants of the area. As further pointed out, less than 10% of Muslim men are employed in the public sectors and these are the only Muslim homeowners. The remaining 90% rent old, derelict houses. Now that the eviction initiatives are increasing they have started complaining of what is going on. *"However, because they are afraid of the Greek State and the police, they move out without opposition"*. Hence, the displacement for the Muslim minority can be regarded from the conservative point of view, which according to Atkinson (2000) takes place as a result of harassment and eviction schemes.

However as indicated by the President of the Megas Alexandros association, in the last couple of years, famous artists have bought property in the Gas area, especially singers and painters. As she argued: *"the two storey houses are suitable for painters in particular, as they need space for their ateliers. Notwithstanding, our area is attractive to people who search for something more underground, more exotic far from the mainstream way of living; the regeneration of the Gas factory, the Muslim minority, the sentiment of the traditional Athenian neighbourhood and now all the entertainment clubs, which have upgraded the buildings, have supplementary effects in the process that our neighbourhood is undergoing "* She further claimed that business people within the arts have now started buying properties in Gas *"with all the rumours from the policy arena about Gas, people are now buying land so as to take advantage of the future price increase"*.

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<sup>17</sup>Mainly as builders, rag-pickers and vend occasionally in bazaars, though not in the Gas area.

## **Conclusion**

Undoubtedly, the distinct local context, the discrete power relations and the socio-economic background not only affect, but also determine the character and the performance of gentrification. Especially as cities in the Mediterranean context are highly heterogeneous and complex, the process of gentrification is very different in terms of temporality and spatiality.

Although gentrification remains a privately financed action, a strong expression of governmental support is the key component to initiate the process. Nonetheless, the state's recent shift towards a more openly supportive role in gentrification has facilitated a rapid expansion of the phenomenon. However it can be argued that in the Greek perception the state's initiatives entail the driving force of the process.

On the one hand the Municipality of Athens has as its main objective to promote the image of a cultural and entertainment metropolis. Hence, it has to upgrade neighbourhoods which are related to the city's history and attract the leisure industry as well. In the Gas locality, as the value of the disused industrial plant and its surrounding urban infrastructure has declined, the local government tries to cut economic losses by placing value on entertainment uses. From this viewpoint, research studies take place, discussions in the policy arena certify the renovation process, and selective interventions in the urban tissue and associated infrastructure generate a general non risk climate which encourages private investments in the built environment.

Nonetheless, as the private capital is faster and more flexible, it upgrades the housing stock of the neighbourhoods to be regenerated, but in its own terms. Private investments by the entertainment sector are the first to reach the inner city districts to be renovated. At this point the supply driven forces of gentrification develop. In the Gas neighbourhood the gentrification process takes place under the form of upgraded traditional houses being used as nightclubs. This picturesque thus innovative means of entertainment can only attract and satisfy the consumption needs of the new middle class. Hence in this case study demand forces are expressed through the nightlife

habits of the new middle class. Thus in Gas gentrification is both supply and demand driven.

However, the Municipality of Athens while 'advertising' the whole renovation process, has no planning implementation powers. Only the Ministry of YPEXODE can launch and implement a Presidential Decree aimed at urban regeneration initiatives. Hence, the central government bears the full responsibility for planning issues at the national, regional and local level. Notwithstanding, this facilitates the gentrification process as the central government cannot control the land uses in inner city areas. Despite the fact that the GUP defines the Gas neighbourhood as of mixed residential use, the entertainment uses which have taken over the district are illegal. Nonetheless, the State not only tolerates this kind of breach of planning law, but it also encourages the leisure industry to structure the area, as generally it does not exercise any kind of control in the area.

However, the State, both local and central, encourages the private sector to take regeneration initiatives in three ways. Firstly, by undertaking selective interventions in the built environment which improve the living conditions. Secondly, the vagueness on the policy plans for Gas and the general documentation that certifies its future cultural character acts as a magnet for speculation initiatives from the entertainment industry. And thirdly, the tolerance against the illegal initiatives from the private sector creates a distinct socio-political framework which facilitates the gentrification process.

More recently, the special character of the Gas district and the recent improvement in the built environment has moreover attracted artists and members of the middle and upper class, but as residents this time. Then again, displacement occurs both via evictions and harassment, thus from external factors which are beyond the households' ability to control. Nonetheless, the concept of timing is crucial; the longer it takes for the legal framework to be implemented, the easier it gets for private investments to undertake initiatives and upgrade the built environment, hence lessening the likelihood for public opposition to occur.

What is more, the private sector undertakes the costs for the renovation of the housing stock, but the change in the land uses results in the dislocation of the local households without any kind of opposition. Hence, the whole gentrification process takes place without any public costs neither for the renovation of the built environment or for housing provision for the displaced households. It can be argued that in this case, neoliberalism characterises the whole process. The lack of state control, the encouragement of the private sector and the lack of any kind of social housing or welfare facilities for the displaced population give a strong notion of the way that the Greek government neoliberalises, and thus extracts value from the urban space.

Nevertheless, cities are not just built environment but social arenas. In this regard, communities are not always passive recipients of gentrification initiatives. As Lees (2003: 106) argues: “*although the balance of forces is weighted against them, there are possibilities to contest the ways in which the initiatives are actualised at the local level within particular spaces, that is to prevent and bend the technologies of governments*”. Communities are essentially dynamic. Therefore policies regarding neighbourhood change should be designed and implemented with respect to the local potential and dynamics, since the neighbourhood is the level at which gentrification plays out more directly.

Gentrification underlies the importance of developing new politics of space. Notwithstanding, if the Greek State continues the same neoliberal strategy, the future of the surrounding central business district areas will be that of privately-driven gentrification; of social displacement through the mechanisms of the entertainment industry. From this point onwards, social complexity and power relations are to perform a crucial role. Lefebvre (1996:225) has pointed that:

*“when relations of power take over relations of alliance, when rhythms of ‘the other’ make impossible the rhythms of ‘the self’, then a total crisis explodes with the deregulation of all compromises, arhythmy, implosion-explosion of the city”.*



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