

Dispossession of the Poor through an Urban Renewal Project in Narlıdere İzmir, Turkey

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Abstract: In this paper, the dispossession process of the people living in a squatter housing area is explored in Turkey's third largest metropolis, İzmir. In the case of İzmir-Narlıdere, the İkinci İnönü Neighbourhood was declared as a disaster risk area and an urban renewal project was proposed by the municipality. The proposed housing project addresses to the luxury, exclusive and to a different lifestyle than that of the existing squatter housing inhabitants. Although the declared aim of the project is the redevelopment of the area with its existing inhabitants, it has a one dimensional spatial and market-driven feature and is insensitive to the economic, social and cultural characteristics of the inhabitants. The project will be undertaken and carried on by the Municipality and private real estate partnership drawing on of 50% shares for each. More crucially, despite the renewal project was submitted by the Municipality to the approval of the Ministry of Environment and Urbanism, there is no contract defining the framework for the inhabitants' right to title deeds. As the findings of the research conducted within the scope of this study indicate, this renewal process will work as slum clearance and will end with dispossession and displacement of the squatter housing inhabitants.

Keywords: housing question, financialization, slum clearance, dispossession

Introduction

The aim of this study is to examine the housing question of the poor in the process of neoliberal housing production through an urban renewal project in Narlıdere, İzmir. Neoliberal policies and speculative urbanization affected housing production types. Housing was encompassed in the circuit of capital through commodification and financialization turning housing to a market tool. Under neoliberal urbanism, urban renewal and urban transformation projects were instrumentalized to produce housing where the urban rent is high. With the urban renewal policies, the squatter housing areas that were encircled by the areas with higher urban rent were included in the housing market. The problem of the research is the dispossession of the poor, with the pressure of the instrumentalization of the urban renewal projects under the neoliberal housing production. Within this context, this study inquires how and in what ways neoliberal housing production contributes to the housing question of the poor.

The study is mainly composed of two sections as literature research and field study. Concepts related to urbanization process are examined in the literature review. This research is based on a pluralist, qualitative and quantitative field study. The financialization of the housing, housing production under neoliberal policies and the situation of the squatter housing residents against the housing production and the dispossession process are examined based on the case of the urban renewal project in İkinci İnönü Neighborhood in Narlıdere, İzmir. The urban renewal project directly addresses to the squatter housing residents and the squatter housing area which has been encircled by a rapidly increasing luxury housing production in recent years. During the fieldwork, the spatial development data, institutional data, municipal and neighborhood unit data, the data about socioeconomic

characteristics of the squatter housing residents and squatter housing characteristics were collected; and they were supported by interviews, focus group and face-to-face deep interviews and questionnaires. Also, the housing affordability index for the inhabitants is calculated in order to predict the situation of the residents of the squatters against the urban renewal project. As it is to be seen in the following pages, almost non of the squatter housing residents would have housing from the renewal project, hence what waits for them is dispossession.

Urbanization under Capitalism

Lefebvre and Harvey theorize the relationship between space and capitalism with respect to the movements and crises of capital accumulation. They emphasize how the capital creates spaces of its own production and reproduction relations in the urban built environment (Harvey, 2006; Lefebvre, 1991). Urbanization and capital accumulation are integral to each other in capitalism. The capital accumulation has been immanent to the changes that have affected the relationship between capital and urbanization (Coq-Huelva, 2013).

Lefebvre argues that capital is shifted to the secondary circuit by anchoring on the urban land to overcome the economic crisis in the primary circuit. David Harvey develops Lefebvre's concept of "the secondary circuit of capital" as "urbanization of capital." He explores the relationships between capitalism and built environment in cities in terms of the changes in society through production, consumption, and reproduction (Merrifield, 2011). According to David Harvey, city is a complex phenomenon with its spatial, economic, political and social aspects. The urban process creates a physical infrastructure that the capital needs for production, reproduction and consumption. The formation of this infrastructure is through the production of the structured area, which is the source to produce value and surplus value. Thus, capital is involved in the urban spaces, as it shifts to the secondary circuit of capital operating on production and consumption of the built environment and reproduction of labor (Harvey, 1985).

Harvey explains the urban rent with the dynamics of capital accumulation. He links the emergence of rent capital and crisis of accumulation. The capitalist system depends on the maximizing profits, otherwise, it falls into a crisis from time to time. The competition among the capitalists leads to an excessive accumulation. This accumulation problem leads to crisis; the way of ensuring stability is to direct capital to the built environment, hence urban spaces become "spatial fixes" (Harvey, 2006).

As capital shifted into the secondary circuit, the change in cities became important to stabilize the capitalist production. As different areas develop and investments increase in specific areas for the sake of capital accumulation, other urban areas decline. Thus occurring unevennesses between urban areas and the differences between the use value and the exchange value of the urban land result in the rent gap (Smith, 1979, 1987; Morales, 2009).

Neoliberal Urbanism and Housing Production

Neoliberalism is an economic, political, institutional and ideological structuring which has ruled the period after the 1970s. Its defining characteristics are privatization, deregulation by decreasing the dominance of the state in public services and market-led regulatory system in the economy (Brenner and Theodore, 2002; Jessop, 2002; Peck and Tickell, 2002; McCarthy, 2004; Harvey, 2005; Brenner, *et al.*, 2010). According to Harvey (2006), four basic elements of neoliberalism are privatization, financialization, management and manipulation of crises and state redistribution policies. Neoliberalism emphasizes the effectiveness of market competition, the role individuals play in determining economic outcomes, and the disruptions of government intervention in the markets. Neoliberalism involves a profit and market-oriented accumulation logic that culminates in "accumulation by dispossession" (Harvey, 2006).

With the dominance of neoliberal policies on economic and urban restructuring processes, housing is harnessed to privatization, financialization, and commodification, as well. The dominance of the private sector and capital-

oriented housing production at the expense of social housing production by the state has led the housing production turned into a real estate sector (Çelik and Gough, 2014; Marcuse and Madden, 2016). Housing as an accumulation tool has always been undergoing financialization. With financialization, housing has become a commodity which is managed by the real estate market. Managers, bankers, and rentiers produce profits from housing through buying, selling, financing, owning, and speculating. This indicates the rising importance and power of actors and firms against the poor for whom housing is of importance because of its use value (Marcuse and Madden, 2016).

Real estate investments constitute a large part of the recent global financial system. In addition, the commodification of housing today became a key engine of urban capital accumulation and the privatized housing sector became having a greater impact on the global economy with a direct relationship with global processes (Forrest, 2008; Lamarca and Kaika, 2016). Financialisation and commodification of housing exclude the poor from the housing market by increasing housing prices (Uzun, 2017). As a result, the living space is shared depending on the ability to pay and provided to the extent that it produces a profit (Marcuse and Madden, 2016).

Urban renewal and redevelopment projects were instrumentalized to obtain the maximum rent from the urban spaces. These projects create space for real estate investments to generate rent for urban growth by working as slum clearance. The fact that housing policies do not cover the rights of the poor cause the poor to face such problems as displacement, exclusion, dispossession, segregation and gentrification (Doshi, 2013; Fraser and Kick, 2014).

Urban Renewal and the Poor in Turkey

Urban renewal projects emerged as the most important urban development strategies in Turkey in the 1990s where productivity, profit, and privatizations are at the forefront (Demirtaş-Milz, 2013). The 1990s were the years of significant transformations in the urban space. In the city centers, large business centers in the form of skyscrapers, luxury housings, and mass housing areas that responded to the demand of the upper-income group have been built. To meet the housing needs of the middle-income group, mass housings have been produced in the areas obtained by the transformation of the squatter housing areas in the peripheries. Therefore, the residents of the squatter housings which were displaced and excluded through dispossession continued to build new squatter housings in new areas (Özdemir, *et al.*, 2005).

In the 2000s and onwards, the urban transformation projects have been the main mechanisms of the neoliberal urbanism. Urban governance and housing markets have also undergone significant changes in Turkey (Kuyucu and Ünsal, 2010). The housing production sector is dominated by private investors and it became market-driven. The main tool of the 2010s regarding the urban process is the law on Redevelopment of Areas under Disaster Risk (no. 6306). The aim of this law is to determine the principles and procedures for improvement and renewal in the areas that are at the risk of disaster (Official Journal, 31 May 2012; Genç, 2014; Waite, 2016). The law redefined the concepts of reserve building, risky area, and risky building in a way of creating a real estate stock that is to be redeveloped according to market logic. The Ministry of Environment and Urbanization and Housing Development Administration (HDA) are endowed with the authorities for the implementation of the law. According to the law, the priority is to make an agreement with the existing residents and title holders of the project area. Temporary housing or rent assistance can be made to the owners, tenants, and residents of the apartments or buildings that have been evacuated through the agreement. For the destruction of the buildings in the risk area, notification is sent to the owners. The buildings that are not destroyed within the given time period are to be demolished by the project executives. The Ministry can also carry out the detection, evacuation and demolition works of the buildings. The Ministry has also the authority to consolidate with all kinds of maps, plans, zoning, projects, and land arrangement procedures related to risky structures and reserve structure areas; to convert the immovable property related to the risky area into a security value upon agreement; to determine the value of the lands and make public-private partnerships; to determine the standards and plan decisions, to prepare plans and urban design projects. With the law number 6306, The Ministry of Environment and Urbanization can delegate HDA or private

companies for urban transformation projects (Genç, 2014). Within this institutional and regulatory context, urban transformation projects turned into the tool of privatisation and marketisation of the urban or non-urban areas.

Housing production based on this law uses urban transformation as a tool to transfer the lands of the squatter housing to the state and to transform informal urban residential areas into formally governed commodities. Private and public actors also use legal ambiguities and tactical maneuverings for fast and efficient transfer of squatter lands (Atasoy, 2017). Squatter-housing areas where the residents mostly benefited from the unregulated land market and incompletely commodified housing rights are the main target of these transformation projects. These areas are important for the real estate investments as they are encircled by the high-rent areas and have rent-gaps. With the neoliberal housing production through the urban transformation projects that result in slum clearance, high-incomes began to have higher living standards with luxury housing, however, on the other side, poor had to move into mass housings constructed by HDA on the peripheries or had to live in squatter areas surrounded by the luxury housings (Genç, 2014). This situation deepens socio-spatial unevennesses, and intensifies social, economic and spatial pressure on the poor.

Case Study: İkinci İnönü Neighborhood in Narlıdere, İzmir

Within the neoliberal urbanisation, the poor have been faced with the dispossession problem in İzmir. To understand the housing question of the poor in İzmir, the squatter housing area in İkinci İnönü Neighborhood was chosen as the case study. This squatter housing area is surrounded by the luxury housing development, and was declared as urban transformation area according to the Redevelopment of Areas Under Disaster Risk Law (no. 6306).

The most significant characteristics of the squatter housing area is that it is localised within Narlıdere District revealing a deep uneven development. Having been surrounded by the luxury housing projects, the squatter housing units and their inhabitants are exposed to an increasing pressure of the urban rent. Figure 1 shows the housing types around the case study area. There are four types of housing: multi-storey housing sites which include the mass housing of the previous transformation project on the area that located on the southernmost of the image, luxury housing which refers to the housing produced under the neoliberal policies, multi-storey detached apartments and squatter housing units.



Figure 1. Housing types around the case study area (prepared by the authors based on the fieldwork data)

There are 1710 squatter houses under the scope of the urban renewal project developed on the basis of the Redevelopment of Areas Under Disaster Risk Law on 25th June 2013. The field research was restricted to 14.74 hectares in İkinci İnönü Neighborhood that covers the 622 of the squatter housing units.

Structural Characteristics of the Buildings

The study area covers 622 buildings on 14.74 hectares. 0,64% of these buildings are licensed buildings, 35,20% of these buildings are the structures having benefited from the development amnesty in 1984, 63,8% of the buildings have the characteristics of squatter housing, and the last % 0,32 of the buildings is derelicted ones. Among the “illegal” structures defined as a squatter, there are institutional structures like a mosque, 3 school buildings, 1 community clinic, and 1 head office building. The distribution of property ownership is as follows: private ownership is 36,90%; the State Treasury and Narlıdere Municipality ownership rates are 16,96% and 11,53%, respectively. 93,56% of the buildings in the area are used as housing. 4,98% of the buildings in the area for commercial purpose; and, 1,125% of the buildings are institutional ones.

According to the structural quality analysis, 55,62% of the buildings are in medium condition. Although the rate of buildings in poor condition is 31,02%, the rate of the structures in good condition is 13,02%. In this case, the structural quality of the buildings in the area is ranged from bad to medium degree. Most buildings in the area are illegal structures with low quality.

The average housing size is 90 m² and the average plot size is 115 m². The average room number for a housing unit is 2 and there are basic facilities but mostly in poor conditions in the units. All units in the area have the technical infrastructure. 58.33% of the squatter housings have courtyards.

Socio-Economic Characteristics

In the study area, 60 questionnaires were applied to the residents of the squatter housing. The data on income, ownership and preferences is based on the fieldwork. Total population of the area is 2839. The average household size in a squatter housing area in İkinci İnönü Neighborhood is 3,6. While the maximum household size is 8, the minimum is 1.

The rate of people with regular wage is 14%, while 26,0% of people work in low-waged and irregular jobs such as construction works, of which annual average is below the minimum wage. 46,8% is retired; and 3,8% of people own a workplace. The rate of unemployed people is 11,6%. In 75% of households, more than one person work.

In the squatter housing area, 73,33% of the residents have social security. The rate of the residents having no social security is 20%. The main reasons for not having social security is unemployment and precarious works. And, 6,66% of households live depending on government aids.

Table 1. Average household income range (Source: The data is based on the fieldwork)

Household income (TL)	Number	Percentile
0-1000	5	8,33%
1001-2000	38	63,33%
2001-5000	14	23,33%
5001- over	3	5%
Total	60	100%

As it is seen in Table 1, 63,33% of the households have an income between TL1001-2000. In the households whose income is between TL2001-5000, there are more than one worker in the household. Most of such households are traditional extended families composed of different generations living in the same house. The

families whose monthly income is above TL5000 have an additional income like rent of an house or workplace. Considering the table 1 and comparing the hunger and poverty limit in March 2019, about 72% of households have an income below the hunger limit. According to the data calculated by Türk-İş for March, 2019, the hunger limit of the four-people family is TL 2.014 and poverty limit is TL 6.561. This means that almost all the squatter housing area residents of İkinci İnönü Neighborhood live below the poverty limit (Türk-İş, 2019, date of access: 17/04/2019).

Table 2. The reasons for preferring İkinci İnönü Neighborhood (Source: The data is based on the fieldwork)

The reasons for preferring İkinci İnönü Neighborhood	Number	Percentile
Job opportunities	24	40%
Closeness to the city center	4	6,66%
Cheap land	11	18,33%
Education	3	5%
Relatives living in İkinci İnönü Neighb	12	20%
Born in İkinci İnönü Neighb	6	10%
Total	60	100%

As Table 2 demonstrates, the primary reasons why people prefer to live in the İkinci İnönü Neighborhood are the closeness of the neighborhood to the job opportunities, the existence of cheap land when they firstly came to the neighbourhood, and having relatives who already live in this neighborhood.

Table 3. Existing ownership status (Source: The data is based on the fieldwork)

Ownership status	Number	Percentile
Owner	46	76,66%
Live without paying (relative's house)	8	13,33%
Rent	6	10%
Other (public housing vs.)	-	-
Total	60	100%

Table 3 indicates that 76,66% of residents are the owners of their houses. Squatter housing owners are the ones who built their dwelling when they moved to İkinci İnönü Neighborhood. The residents who live without paying rent are those who live in the dwellings that their families have built when they moved to İkinci İnönü Neighborhood. Extended families are included in this group. Tenants who are 10% of the total residents of the squatter housing area stated that they live in İkinci İnönü Neighborhood because the rent was cheap and they cannot afford the rent elsewhere.

All inhabitants living in the squatter housing area desire and have an expectation to be a homeowner through the urban renewal project. Those who saw the project state that they may have serious difficulties in paying the

installments and even if they can able to pay the installments, they cannot afford the monthly dues of the projected houses. On the other hand, the tenants in the squatter housing declare that they cannot afford to live in Narlıdere after the transformation project and have to move to another neighbourhood where rents are cheaper than here. Table 4 summarizes the relevant responses to the questionnaire.

Table 4. The living place preferences after the renewal project (Source: The data is based on the fieldwork)

Willing to live in İkinci İnönü Neighb. after the urban transformation	Number	Percentile
Not able to afford; migrate to hometown	6	10%
Not able to afford; willing to live in Narlıdere	13	21,66%
Not able to afford; willing to live in İzmir	11	18,33%
Stay in İkinci İnönü and pay the monthly payments	26	43,33%
Sell the share and move	4	6,66%
Total	60	100%

The data in the table can be interpreted that 43,33% of the residents prefer to stay in İkinci İnönü Neighborhood, and pay the monthly installments to become an owner. However, when not able to afford groups were summed, 50% of the residents do not have the ability to afford the houses of the urban transformation project. In addition, 16,66% of the residents consider moving because of the monthly payment of the house from the transformation project. In the following section, before going well into the Housing Affordability Index calculations, the urban renewal project that is to be carried out in the Neighbourhood is examined based on the available but restricted data.

The Urban Renewal Project

The prepared urban renewal project was submitted to the approval of the Ministry of Environment and Urbanism by the Narlıdere Municipality. The financial and approval procedures have not been completed, and the negotiations between the Ministry and the Municipality still continue. What is striking here is that the squatter housing inhabitants have no information about the financial structure of the project or about their rights or losses arising from the project. Our information about the transformation project is based on face-to-face meetings and interviews with the officers of Narlıdere Municipality because of the restrictions on data sharing.

As it is implied by the officers, the project is to be undertaken and carried out by the Municipality and private real estate partnership based on of 50% shares for each. It is also declared that the Municipality would accept squatter housing inhabitants, including tenants, as “title holders” within the framework of the project. However, there is no contract defining the inhabitants’ right to title deeds yet, and the repayment plan is uncertain. Following the approval of the transformation project by the Ministry of Environment and Urbanism, the process of reconciliation with the squatter housing owners shall be initiated and the agreement defining their rights shall be signed. Besides, the intended owners of this transformation project are defined as the middle- and upper-income groups by Narlıdere Municipality (Face to face interview on 26.11.2018 in Narlıdere Municipality).

The Narlıdere Municipality promoted the urban transformation project on the squatter housing area based on the following statements: “title holder citizen”, “peaceful and reconciliation based urban transformation”, “healthy living area integrated to the city”, “modern social infrastructure”, “a housing complying with the disaster

regulations”, “100% compromising with the inhabitants” (The Brochure published by the Municipality before the Local Government Elections on 31th March, 2019).



Figure 2. Urban Transformation Project covering the squatter housing area in İkinci İnönü and Atatürk Neighborhoods according to Redevelopment of Areas Under Disaster Risk Law no. 6306 (Source: Narlıdere Municipality)



Figure 3. 3D visuals of the Urban Transformation Project covering the squatter housing area in İkinci İnönü and Atatürk Neighborhoods according to Redevelopment of Areas Under Disaster Risk Law no. 6306 (Source: Narlıdere Municipality)

Figure 3 shows the top view and figure 4 is the visuals of the project on the squatter area. The project is designed as the complex area with residential units, commercial area and social infrastructure, including green areas. As it is seen in the figures, the housing units consist of high-rise, massive blocks that are not compatible with the socio-spatial and natural characteristics of the area. The data about the details of the area size and land distribution, number of the units was not shared during the interviews due to restrictions arising from the project approval procedures in the Ministry.

Besides, some residents state that this urban transformation project is for creating rent, and that residents of the squatter housing would have no benefit of it. In the face-to-face deep interviews and focus group interviews, it was observed that most of the residents had an expectation to become a house owner through the urban transformation project, but they preferred detached housing instead of apartment blocks.

The apartment form is small for the average family size of the squatter housing area and not address their lifestyle. However, they support the urban transformation project. What firstly makes them willing to the project is their desire to have a decent house. They also state their hope to have a whealtier life and to provide their children of a more secure and comfortable future. Thus, instead of this transformation project consisting luxury housing, they are willing to cheaper mass housing project that may be affordable for them.

Housing Affordability Index (HAI)

Housing affordability is defined as the ability to afford a house that is suitable with the household’s financial situation (Suhaida, *et al.*, 2011). Housing Affordability Index (HAI) is a metric to calculate whether or not housing

is affordable for the households. Household income, housing prices, interest rates and loaning terms are taken as primary factors affecting housing affordability (Aşıcı, *et al.*, 2011).

To predict whether the squatter housing residents can afford a house after the renewal project, HAI was calculated based on two different scenarios by using the average household income data and average housing price of the İkinci İnönü Neighborhood. The average housing unit area is fixed as 80 m² for both scenarios according to the housing unit size of the previous urban transformation projects implemented for similar neighbourhoods with similar socio-spatial and economic characteristics in İzmir. The outputs of HAI calculations are interpreted depending on the loan repayment capacity.

The first scenario depends on the advance payment which also has four cases that the advance payment changes as 20%, 30%, 40%, and 50%, because the details of the repayments of the project is not defined yet. It was declared that the Narlıdere Municipality planned to subtract the land cost from the housing price in the calculation of the payback of the loans. In this type of scenario, the share of the credit repayment in the household income is fixed as 25%.

In the second scenario, the shares of the credit repayment in household income change as 20%, 30%, 40%, and 50%. The reason why we create this alternative scenario is the social and cultural characteristics of the squatter housing inhabitants and our observations about their desire to own a proper and new home.

The data required for calculations are the average housing price, mortgage payment plan, household income. Average housing price of İkinci İnönü Neighborhood was calculated based on the data obtained from online data sources in March 2019. In İkinci İnönü Neighborhood, an average housing price in March 2019, is 4.726 TL per m². (Sahibinden Emlak Endeksi, 2019, Date of access: 17/03/2019).

Based on the housing price in March 2019, the mortgage payment was calculated with the help of the online mortgage calculator. Ziraat Bank was selected as an example because it was the public sector bank that offered the most favorable interest rate when the calculations were done (Ziraat Bank, Date of access: 20/04/2019). Necessary mortgage loan repayment plan was assumed to have a maturity of 120 months.

Monthly qualifying income refers to the income required to pay the loan easily after subtracting the amount of money for the basic needs and other primary expenses. To calculate the housing affordability index, household incomes are fixed at the average value of the income ranges in the field work findings. There are four groups of household income as TL500, TL1.500, TL3.500, TL7.500.

To calculate housing affordability, the equation is;

$$\text{HAI} = \text{Median Family Income} / \text{Qualifying Income} * 100$$

The HAI has a value of 100 when the median family income is sufficient to purchase an existing median-priced home. A higher index number indicates that more households can afford to purchase a home.

Scenario 1-a

In this scenario, it was assumed that 20% of the price of the house would be paid in advance, and the remaining 80% would be paid with housing loan. Qualifying income of households was calculated depending on the monthly repayment plan of these loans. Table 5 shows the price of the house and the amounts of the housing loan repayment.

Table 5. Calculated data of scenario 1-a

Typical housing units (m ²)	80 m ²
m ² price	TL 4.726
The sale price of a typical house	TL 378.080
Advance payment	TL 75.616
120-month maturity loan	TL 302.464
Monthly repayment	TL 5.333
Monthly qualifying income	TL 21.332

Table 6. HAI calculation in scenario 1-a

Income group	Equation	Result
TL 500	$HAI = TL500 / TL21.332 * 100$	TL 2,34
TL 1.500	$HAI = TL1.500 / TL21.332 * 100$	TL 7,03
TL 3.500	$HAI = TL3.500 / TL21.332 * 100$	TL 16,40
TL 7.500	$HAI = TL7.500 / TL21.332 * 100$	TL 35,15

Table 6 indicates if the housing price in the urban renewal project is TL100, the income groups have TL 2,34, TL7,03, TL16,40, TL35,15 in order. In this scenario, there is no family which can afford the price of house produced through the urban transformation project.

Scenario 1-b

In this scenario, it was assumed that 30% of the price of the house would be paid in advance, and the remaining 70% would be bought with housing loan. Table 7 shows the calculation results about the qualifying income of households depending the monthly repayment plan of these loans.

Table 7. Calculated data of scenario 1-b

Typical housing units (m ²)	80 m ²
m ² price	TL 4.726
The sale price of a typical house	TL 378.080
Advance payment	TL 113.424
120-month maturity loan	TL 264.656
Monthly repayment	TL 4.666
Monthly qualifying income	TL 18.664

Table 8. HAI calculation in scenario 1-b

Income group	Equation	Result
TL 500	$HAI = TL500 / TL18.664 * 100$	TL 2,67
TL 1.500	$HAI = TL1.500 / TL18.664 * 100$	TL 8,03
TL 3.500	$HAI = TL3.500 / TL18.664 * 100$	TL 18,75
TL 7.500	$HAI = TL7.500 / TL18.664 * 100$	TL 40,18

As Table 8 demonstrates, if the housing price of the renewal project is TL100, each income group will have TL 2,67, TL8,03, TL18,75, TL40,18, respectively. In this scenario, too, no family can afford the house from the project.

Scenario 1-c

In this scenario, it was assumed that 40% of the price of the house would be paid in advance, and the remaining 60% of the price would be met with housing loan. Table 9 sets the typical house sale price and qualifying income depending on the monthly repayment plan of these loans.

Table 9. Calculated data of scenario 1-c

Typical housing units (m ²)	80 m ²
m ² price	TL 4.726
The sale price of a typical house	TL 378.080
Advance payment	TL 151.232
120-month maturity loan	TL 226.848
Monthly repayment	TL 4.000
Monthly qualifying income	TL 16.000

Table 10. HAI calculation in scenario 1-c

Income group	Equation	Result
TL 500	$HAI = TL500 / TL16.000 * 100$	TL 3,12
TL 1.500	$HAI = TL1.500 / TL16.000 * 100$	TL 9,37
TL 3.500	$HAI = TL3.500 / TL16.000 * 100$	TL 21,87
TL 7.500	$HAI = TL7.500 / TL16.000 * 100$	TL 46,87

Table 10 shows if the housing price in the urban transformation is TL100, the income groups have TL 3,12, TL9,37, TL21,87, TL46,87, respectively. In this scenario, there is no family which is able to afford the house after the renewal project.

Scenario 1-d

In this scenario, it was assumed that 50% of the price of the house would be paid in advance, and the remaining 50% of the house price would be paid by retiring the housing loan. Table 11 indicates the data of qualifying income of households and monthly repayment plan of the loan.

Table 11. Calculated data of scenario 1-d

Typical housing units (m ²)	80 m ²
m ² price	TL 4.726
The sale price of a typical house	TL 378.080
Advance payment	TL 189.040
120-month maturity loan	TL 189.040
Monthly repayment	TL 3.333
Monthly qualifying income	TL 13.332

Table 12. HAI calculation in scenario 1-d

Income group	Equation	Result
TL 500	$HAI = TL500 / TL13.332 * 100$	TL 3,75
TL 1.500	$HAI = TL1.500 / TL13.332 * 100$	TL 11,25
TL 3.500	$HAI = TL3.500 / TL13.332 * 100$	TL 26,25
TL 7.500	$HAI = TL7.500 / TL13.332 * 100$	TL 56,25

Table 12 shows if the housing price of the urban renewal project is TL100, each income group would have TL3,75, TL11,25, TL26,25, TL56,25, respectively. In this scenario, too, no family can afford the house from the urban transformation project.

Scenario 2

In case of scenario 2, the loan payment shares in the household income changes in the range of 20%, 30%, 40% and 50%, and the advance payment is fixed at 25%. Table 13 shows the qualifying income of households and monthly repayment plan of the mortgage loan.

Table 13. Calculated data of scenario 2 (Source: prepared by the authors)

Typical housing units (m ²)	80 m ²
m ² price	TL 4.726
The sale price of a typical house	TL 378.080
Advance payment	TL 94.520
120-month maturity loan	TL 283.560
Monthly repayment	TL 5.000

To calculate the loan repayment share, household incomes are fixed at the average value of the income ranges in the survey results. There are four groups of household income as TL500, TL1.500, TL3.500, TL7.500. Consequently, the repayment amounts of the households' share change in different percentages, as it can be shown in Table 14 below.

Table 14. Payback money in changing shares of the income according to the scenario 2 (Source: prepared by the authors)

Household income	Share (%)	Payback (TL)
TL0-1.000 -500-	20%	TL 100
	30%	TL 150
	40%	TL 200
	50%	TL 250
TL1.001-2.000 -1.500-	20%	TL 300
	30%	TL 450
	40%	TL 600
	50%	TL 750
TL2.001-5.000 -3.500-	20%	TL 700
	30%	TL 1.050
	40%	TL 1.400
	50%	TL 1.750
TL5.000- and over -7.500-	20%	TL 1.500
	30%	TL 2.250
	40%	TL 3.000
	50%	TL 3.750

In this scenario, there is no family who can afford the monthly repayment of the loans, even if they set the half of their monthly income aside for the repayments.

On the other hand, as an alternative case, it is presupposed that the land cost for the advance payment and the share of payback installments is 50%, and the households can use 50% of their monthly income. Among the respondents of field work, only one household's the income is "TL5.000- and over", and it may afford the monthly paybacks of the renewal project. This means that only 5% of the squatter housing residents in İkinci İnönü Neighborhood have the payback capacity to buy a house.

Conclusion

Under the neoliberal policies and speculative urbanism, housing production is defined by the dominance of exchange value over the use value of housing. For the sake of capital accumulation from housing, urban renewal projects are instrumentalized to create land in squatter housing areas where the urban rent potential is high. As the urban transformation projects became a tool of producing luxury housing, the housing question of the poor turned to be a dispossession with no reservation. The renewal project concerning the squatter housing area in the İkinci İnönü Neighborhood aims to redevelop the area with its inhabitants. However, due to economic imperatives, the residents are condemned to live in the squatters rather than alternative housing. Considering the economic conditions of the target population of the renewal project and the increasing house and land prices under the

pressure of surrounding luxury housing development in the İkinci İnönü Neighborhood, it is obvious that the renewal project will result in a radical exclusion of the poor by dispossession.

It is stated that the Narlıdere Municipality would accept all inhabitants of the squatter housing area as title-holder. However, the process of reconciliation with the squatter housing owners was not initiated and there was no agreement or contract defining their rights to housing. Let alone being informed about their rights or losses arising from the renewal project or its financial structure, the squatter housing residents were completely excluded from the project desing phase. Such information was kept secret from the squatter residents, whereas the Municipality submitted the project to the approval of the Ministry of Environment and Urbanisation.

All informants have an expectation to have a home after the transformation project. However, almost all the households live below the poverty limit. Because of precarious works with low wages and unemployment, it is not possible for them to afford the housing price range defined under the pressure of the surrounding luxury housing development.

According to the scenarios, under these economic circumstances, only 5% of the households in the squatter housing area can afford the price of a house after the transformation project. The advance payment is counted as 50% share, and the household can use 50% of their monthly income to buy a house. They can pay the installments after the land cost is counted as 50% of total house price and subtracted from the total price. But it is possible only on the condition that are the squatter housing owners accepted as having already owned their building plot. It is an extremely optimistic assumption that they could regularly pay the installments and monthly dues.

As a result, the housing production does not address the socio-economic conditions of the squatter housing inhabitants. The housing projects do not meet the need and demand of squatter housing residents. The inhabitants of the squatter housings are under pressure of their economic circumstances. Since their income will not be enough, they will have to find new jobs until they are dismissed from their homes because they cannot pay the installments and dues on time. Besides, considering the characteristics of the renewal project designed and submitted to approval of the Ministry, it will be carried out as slum clearance and result in the exclusion and displacement of the poor through dispossession.

As to what is to be done, housing must be produced within the framework of the right to housing. The use value of housing must be defended against exchange value by emphasizing the priority of the needs and demands of the poor. The state should increase its efficiency in housing production, the dominance of the private sector should be reduced. The aims and priorities should be defined in terms of the socioeconomic context and affordable housing production.

The urban transformation and renewal projects must be planned and implemented by taking into consideration the social, spatial and economic needs of the poor. The process of transformation should be open to the participation and the area must be designed with the squatter housing inhabitants. For housing payments to be sustainable, full employment should be provided to those who live in squatters and do not have a regular income.

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