

## NEO-LIBERAL AFFORDABLE HOUSING POLICIES THROUGH PROJECTS OF HOUSING DEVELOPMENT ADMINISTRATION OF TURKEY

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### Abstract

*After 1980, a notion of neoliberalism has also been appeared in Turkish urban planning laws and policies as the rest of the world. One of the major implementation of these policies was the establishment of Housing Development Administration of Turkey, hereafter HDA, in 1984. The administration has been shaped as providing social housing for low-income households in the first place. However, since 1984, while the main aim of the administration stays as same as the first day, its mission has been modified. The administration has started to generate luxury housing projects to transfer their profits to the social housing fund. The study aims to compare ongoing and completed affordable and luxury housing projects according to their residences income payment methods/plans for buyers. Report analysis of the administration and website reviews become main sources for the study. According the literature review; one affordable and one luxury project is selected to compare. In the conclusion, report analysis, and website reviews and will convey the findings and discussion.*

**Keywords:** Affordable Housing, Urban Transformation, HDA

### 1. Neo-liberalism and its Impacts

After the Keynesian regime went into crisis in the early 1970s, the global economic system has neo-liberalized (Brenner & Theodore, 2002). As Forrest and Hirayama (2009, p. 998) state, neoliberalism is a political project involving reduced state intervention in economic and social affairs and the assertion of the superiority of market processes. Reduced state intervention and superiority of market processes are the key points of neoliberalism. This system predicts a new emphasis on markets, minimal states and individual choice in contemporary political-economic formations (Larner, 2009). Neo-liberalism is a process which has led to drastic changes in the political, economic and social structures. These changes in community structures affect each other, and some contradictions might be seen in some cases. In the economic dimension, neoliberalism includes loosening of the various institutional constraints on behalf of markets, commodification, excessive exploitation of workers, etc. (Brenner & Theodore, 2002). On the other hand, the global economy has experienced to associate with the concept of globalization. The new organization of the global economy includes decentralization of the industry economy from developed countries to developing countries and expansion of finance and service sector on a global scale (Korten, 2006). These changes in the economic structure also leave marks on cities. In the context of neo-liberalism and globalization, there is a shift from the nation-state formations to the global cities. A lot of cities have risen in every aspect worldwide, and cities have new roles as spheres of economic, political, and social areas in the neo-liberal world (Larner, 2009). After this point, urban space might be accepted as the most profitable investment tool and must be evaluated in the best way.

Neo-liberal urbanism adopts entrepreneurial urban governance, supports private sector participation in urban projects, and has self-regulating structure (Leitner, Peck & Sheppard; 2007). The most common neo-liberal urban interventions are to provide privileges to personal property and property rights and to realize urban reconstruction projects via loosely regulations (Waley, 2013). Neo-liberal urbanism undertakes the task of the division of property rights between public and private sector actors. Neo-liberalism has affected every perspective of urban planning as housing policies worldwide (Candan and Kolluoglu, 2008; Forrest and Hirayama, 2009). Neo-liberal housing policies have been implemented as various types around the world. For example, countries which have a wide range of public housing stock have begun to privatize their housing stocks. This process has been experienced in Turkey as a different way. Before moving on the neo-liberal housing subject, in the following part, neo-liberal policies and the structure of housing stock in Turkey will be summarized.

In 1950, 75% of the population in Turkey was living in rural areas (TUIK, 2015). Since 1950s, with the mechanization of agriculture and the Marshall Plan, a chaotic pattern of urban development has emerged based on uncontrolled immigration from underdeveloped countrysides to urban areas of Turkey (Lovering, 2011). While the Turkish cities were growing with illegal settlements in the 1960s and 1970s, the housing policies have not been influential to solve the chaotic urbanisation problems. In 1980, an important turning point was marked in the social history and neo-liberal globalization in Turkey as in the rest of the world (Diner, 2011).

The neo-liberal reconfiguration in Turkey is usually conceptualized in three different stages as 1980s, 1990s and after 2000 (Temizel, 2007). The first phase envisages an outward-oriented national economy and integration into the global capitalist economy (Çoban, 2012). Several areas were granted by the Government in the 1980s. In the second stage, national and international investments were encouraged via legal and institutional arrangements. Privatization programs and the encouragement of investment laws in tourism can be given as examples on the issue.

The last period, after 2000, neo-liberalism has reached its highest level in Turkey. The new conservative-democratic government came to power after the economic crisis that occurred at the beginning of 2000s. The most important features of the period are; the rise of the construction industry, privatization of public institutions and services, foreign direct investments, poverty policies based on charity and so on (Çavuşoğlu, 2014). Neo-liberal policies impose global scale competition upon countries. Accordingly, Turkey has chosen to compete in the construction industry via public and private sector cooperation. In the same time, the State has increased its power and dominance in the sector. Also, the private sector became capable of contributing the sector due to the States' policies. For this purpose, several areas like illegal settlements, ecologic and historic areas have been re-zoned for construction purposes. Prevailing urban practices of the last period support mega-projects and urban transformation projects especially in metropolitan cities. The Third Bosphorus Bridge and the Third Airport projects are given as examples for mega-projects in Istanbul, which have undertaken a mission about attracting investment and capital to the mega city of Turkey. Mega housing projects can be evaluated in the same category. Construction companies of mega housing projects claim that they provide safe and privileged life to their inhabitants. Thus, a new consumer group has been arising with a great support of the finance sector in Turkey. Also, urban transformation projects have been accepted as one of the main implementation tools of the construction industry. Especially, the illegal squatter settlements have begun to be seen as potential areas to transform. The State puts the emphasis on disaster risk of those areas as a main reason for these projects and numerous urban transformation projects have been implementing one after another. Housing Development Administration has been the institutional tool of the Government in this process. After all, it can be said that a new housing sector has been appealing to upper income groups, and this has been creating conflicts with poor social housing policies of the State. This issue will be discussed also in the following sections.

## 2. Affordable Housing

The failure of accessing housing by low-income households is one of the most important problems in the worldwide. The main reason of this problem is the inability of the low-income households to afford housing market prices. Stone (2006) states that for some people, all housing is affordable, no matter how expensive it is; for others, no housing is affordable unless it is free. According to social governments, housing must be provided by states for those who in need. Harvey states that markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary (Harvey, 2005, p. 2). Accordingly,

Affordable Housing can be defined as housing which supplies provided and balanced according to their incomes of low- and middle-class households (Sengupta, 2013). Bramley (2006) refers that even though affordability concept accepted easily, applying the concept to a real world due to possible changes in conditions of households in time. Furthermore, countries experienced this process in different times and ways. But there is a common approach to the affordability concept accepted by everyone. This approach is the ratio of housing costs to income.

Kutty (2005) states that affordability is usually measured by the ratio of housing costs to income. UN-Habitat (2012) clarifies this affordability parameter as the allocation of maximum 30% of household income. Paris (2007) states analogously that the main challenge of defining affordability is based on diversity of affordability parameters, and usually, ratios approaches are relationship between income and housing cost.

Affordable housing is the concept that has taken place in an international conventions text. The article 11/1 of the Covenant on Economic, Social and Cultural Rights states that as: *"The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions"*.

The Committee on Economic, Social and Cultural Rights (CESCR) is the body of 18 independent experts that monitors implementations of the International Covenant on Economic, Social and Cultural Rights by its States parties. This Committee has been released General Comments about contract clauses. General Comment 4 explains what adequate housing is and its principles. Affordability is one of the principles of adequate housing. A lot of countries have been adopted the concept of Affordable Housing and made practices in this direction. Paris (2007) states that governments in many countries have explored ways of using statutory land-use planning systems to influence the provision of additional affordable housing, especially in localities with relatively high house prices and rental costs. Turkey also has some experiences in this regard.

### 2.1. Affordable Housing in Turkey

In metropolitan cities of Turkey, the main reason of deficiency of housing stock might be linked the rapid population change in these cities due to immigration from rural areas. For example, Istanbul's population increased from 1.17 million to 4.74 million between 1950 and 1980 (DIE, 2000). The percentage change between these years is more than 350%. In parallel with this population change, the quantity of housing was increased via illegal squatter settlements, especially between 1950s and 1980s (Karaman, 2012). These illegal squatter settlements have been seen as solutions to the housing problem in Turkey which are produced by occupants. Sprawling of the illegal squatter settlements, which are called *gecekondu* in Turkey, has been emerged due to lack of government policy on housing. Aru (1970) states that Turkey did not have any social housing policy from the founding of the Turkish Republic to 1960.

1960s are the breaking point for Turkey because a new constitution was ratified and five-year development plans were begun to prepare. The constitution and first plans aimed to provide social housing stock for the citizens. During this period, cooperative dwelling associations have been adopted as a method of the social housing. However, cooperative housing concept was usually embraced by middle- and upper-income groups up to 1980s (Tekeli, 2010). 1980s are considered as another breaking point because of the last and current constitution was ratified and neo-liberal government policies have begun to dominate the country as mentioned in the preceding sections of the article. Mass housing law also came into force in 1981, and these changes in Turkey required an institution to provide housing stocks. For that reason, mass housing stocks have been producing by one of the state organization that founded with the current constitution as the state-owned social housing supply agency, HDA.

### 3. Housing Development Administration of Turkey (HDA)

The 1982 Constitution stipulates mass housing as a social housing policy. After the constitution had come into force, a new institutional structure has required realizing the policies. Therefore, Housing Development and Public Participation Administration was established in 1984. The Mass Housing Fund has been created in the same year under the Mass Housing Law (Law No: 2985). The institution is divided into two administrations in 1990 as Public Participation Administration and Housing Development Administration (HDA). Some problems have arisen due to transferring the funds, so the mass housing fund was repealed in 2001. Real estate sale, rental returns, credit, and interest income returns were issued after the repeal of the mass housing fund option. HDA was separated from Ministry of Public Works and Settlement and has become an institution directly under the Prime Ministry in 2004. Since 2000, the authorization of HDA has been extended many times (Table 1).

Table 1: Authorization of HDA<sup>1</sup>

| Year | New authorizations  |
|------|---|
| 2003 | Establishing housing companies or being one of the partners of it, developing projects for profit, building housing in disaster areas, giving credit  |
| 2004 | Transferring authorizations of Land Office to the HDA   |
| 2004 | Having power of expropriation and making plans in illegal settlements   |
| 2005 | Having power of making urban transformation projects  |
| 2007 | Transferring authorizations of ministry in illegal settlement, free acquisition of land belonging to the Treasury, having approval authority to determine rehabilitation, liquidation and prevention areas in local regions |
| 2008 | Having planning authorization of the lands belongs to the Treasury  |
| 2008 | Having authority over the Transformation of Areas Under Disaster Risk   |
| 2012 | Having authority over reconstruction of places which declared as "Areas Under Disaster Risk " (not only in urban areas, but also in forests, military areas, and so on)   |

<sup>1</sup> Savran, S. (2014) Evaluation of TOK Low Income Housing Areas Within The Perspective Of Housing : The Case Of Ankara Kusunlar, Master's Thesis, Gazi University, Graduate School Applied Sciences

In the current status of the institution, its authority has been broadened, and it is out of any control mechanism. The initial purpose of establishment of the HDA was to build housing for low-income households. Mass housing projects are currently being built for low-income households, but the HDA is moving away from its initial goal. The main reason of this situation is funding methods. Therefore, the current housing policy of the HDA is frequently discussed in academia.

The HDA provides various types of housing and publishes the percentages of each housing type on the official website (Table-2). The institution produces a significant number of housing stocks, and it can be seen on the table that 85% of the housing is social housing. The ratio of social housing is quite high. Since, the institution accepts all housing groups as social housing except profitable housing supplies.

Table 2: Type of Housing Constructed by the HDA<sup>2</sup>

| Type of Housing                           | Number of Units | Percentage    |
|---|-----------------|---------------|
| Middle-income groups                      | 267.229         | %41,15        |
| Low-income groups                         | 146.546         | %22,57        |
| Transformation of slum areas              | 97.997          | %15,10        |
| Disaster housing                          | 37.613          | %5,80         |
| Rural houses                              | 5.658           | %0,86         |
| <b>Total of Social Housing</b>            | <b>555.043</b>  | <b>%85,48</b> |
| Housing for funding (Upper-income groups) | 94.266          | %14,52        |
| <b>Grand Total</b>                        | <b>649.309</b>  | <b>%100</b>   |

HDA set income criteria to make public benefits from its affordable housing projects. The household income threshold for projects in Istanbul is 3100 TL and 2600 TL for the rest of them. The payment scheme is shaped as 100TL down payment and 25-year-mortgage plan (TOKI, 2015). As you can see Table 3, there is no info about average cost of luxury houses so we could not calculate possible profits can be transferred from luxury houses to social housing development projects.

Table 3: Cost and Sale Price Comparison of HDA Projects<sup>3</sup>

|                           | Average cost per square meter | Average Price per square meter |
|---------------------------|-------------------------------|--------------------------------|
| <b>Affordable Housing</b> | 700-800 TL                    | 700-800 TL                     |
| <b>Low-Income</b>         | 800-930 TL                    | 900-1050 TL                    |
| <b>Middle-Income</b>      | 900-1050 TL                   | 1000-1150 TL                   |
| <b>Luxury Houses</b>      | No info                       | 1000-9500 TL                   |

The Housing Development Administration provides housing options not only for low-income but also middle-income households. Therefore, the institution has become one of the leading actors in the housing market of the country. This situation leads us to questioning how much the institution can fulfill its fundamental mission. The case studies help us to answer the question mentioned above.

<sup>2</sup> toki.gov.tr, Updating: 04.05.2015

<sup>3</sup> <http://www.toki.gov.tr/en/housing-programs.html>, Approximate sales price

### 3.1. Urban Transformation Projects Produced by the HDA

The legal basis of urban transformation process in Turkey has begun to be shaped in 1984. Since then, four laws have been issued which allow urban projects; Mass Housing Law (Law No. 2985), Law on the Protection of Deteriorated Historic and Cultural Heritage through Renewal and Re-use (Law No. 5336), Municipality Law (Law No. 5393), and Law on Restructuring of Areas Under Risk of Natural Disasters (Law No. 6306). As a result of these four laws, especially in metropolitan cities, urban transformation projects have initiated. These projects are realized with the collaboration of the HDA, Ministry of Environment and Urban Planning, municipalities, and private sector. In addition to these actors, sometimes local groups involve to projects. One of the criticisms of these projects, even though these projects are planned and implemented to increase the quality of urban life, these do not cohere with integrated urban planning. On the other hand, these projects are the symbols of neo-liberal policies as explained in earlier sections (Acikgoz, 2014).

The most criticized aspect of urban transformation projects by the HDA is that they disregard unique social and cultural characteristics of spaces, and the projects consist of physical features. The aim of the projects is to use land for annuity instead of solving problems in slum areas (G z... most important reason for this criticism is displacement of populations which occurs in transformation areas (Baysal, 2010; Lovering and Trkmen, 2011). Figure-1 indicates the areas which have a potential of eviction, experienced eviction and second wave of eviction in Istanbul.

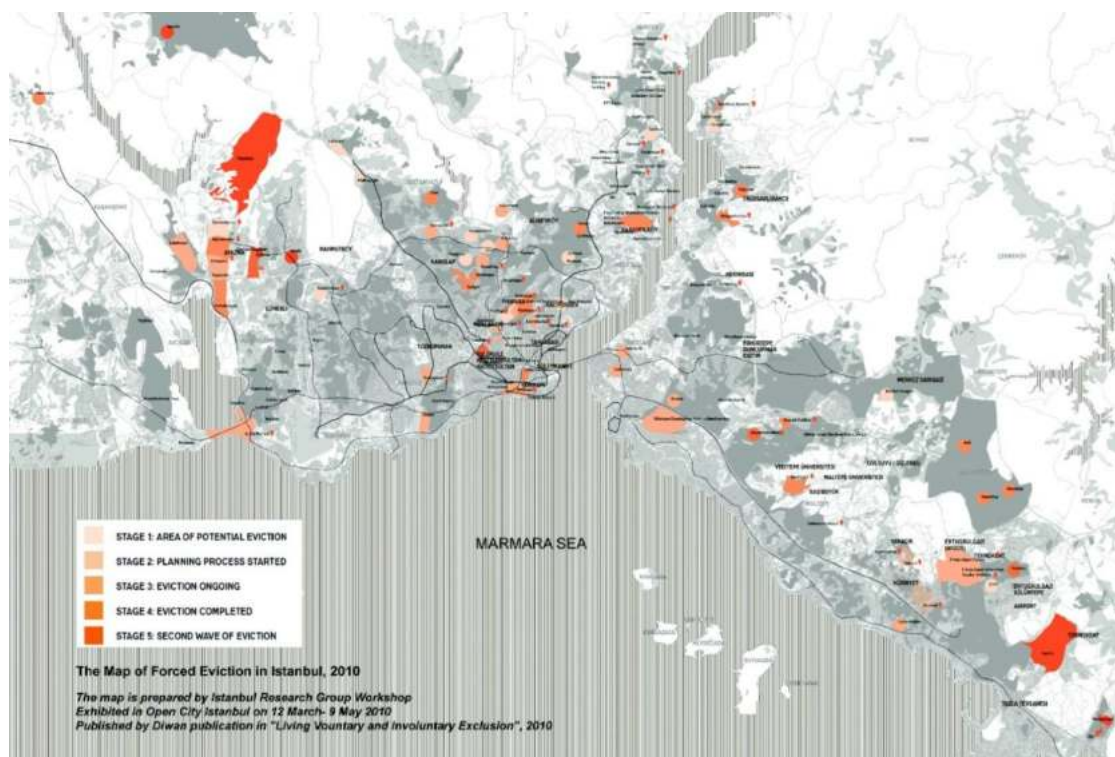


Figure 1: Eviction Areas in Istanbul, 2010<sup>4</sup>

<sup>4</sup> The map is prepared by Istanbul Research Group Workshop Exhibited in Open City Istanbul on 12 March- 9 May 2010

It is expected that urban transformation projects should be built in situ. The HDA states, on all occasions, that their goal is to achieve in situ urban transformation<sup>5</sup>. However, the HDA claims that some areas have earthquake risk and should be evacuated. Nevertheless, these areas are transformed instead of evacuating them. After the transformation, the initial inhabitants and new inhabitants in the projects live together. Either way (in situ or displacement), many households hand over their units. Even if a project is built in situ (or nearby), the population which lives in the transformation area is forced to relocate because of external factors. These factors are mostly based on the increasing cost of living in the region, socio-cultural differences from new buyers, and so on.

As one of the consequences of the urban transformation projects, the forms of housing stocks all over Turkey have been changing (Candan and Kolluoglu, 2008). Both upper- and low-income households have been losing their sense of place and neighbourhood culture. While upper-income households hide themselves behind the boundaries of gated communities, the State forces low-income households to live in high-rise mass housing.

The case studies help us to evaluate how much the Housing Development Administration can fulfill its fundamental mission as mentioned before. Several academics study the adequateness from various aspects. The aim of this study is to examine an urban transformation project within the concept of Affordable Housing. The selected cases experienced the urban transformation that is not built in situ.

#### 4. Comparative Study: Sulukule and Tasoluk Housing Projects of HDA

UNESCO (2015) describes displacement as the forced movement of people from their environment and occupational activities. The urban transformation projects of HDA that resulted with displacement have some commonalities. Usually, after determining a district as an urban transformation area, the process continues with a demolition procedure. The institution offers three main options to the rightful owner; to pay the compensation of demolished house, to provide a social housing unit which is already completed, to wait for a new unit in-situ. However, the third option is not usually taken into account by the owners as contraction process of the new buildings takes long time and they cannot afford to move out during demolition and construction. Eventually, many of them are obligated to purchase a social house which is usually far from their initial settlements. Furthermore, compensations of their demolished shelters / houses do not cover prices of suggested social houses. At the end of the transformation, these people experience a second wave of eviction or displacement due to high payment scheme of social housing. In this perspective, Sulukule Urban Transformation Project and Tasoluk Social Housing have been selected as case studies to evaluate their transformation processes. Sulukule district is handed over from low-income to upper-income households through urban transformation process and the initial inhabitants evicted to Tasoluk Social Housing as described above.

##### 4.1. General Info

***Sulukule:*** Sulukule is located on the borders of historical peninsula of Istanbul (Figure-2). The project area covers Neslisah and Hatice Sultan neighbourhoods. This area is designated as World Heritage Site by UNESCO. Population of the Sulukule project area is approximately 5000 with predominantly Romany population. There were formal and informal constructions in Sulukule.

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<sup>5</sup> <http://www.toki.gov.tr/haber/toki-baskani-mehmet-ergun-turan-kentsel-donusumde-amac-yerinde-donusum>



Figure 2: Sulukule before demolition<sup>6</sup>

***Tasoluk:*** Tasoluk is one of the social housing projects of HDA. The inhabitants of Sulukule have right to buy a unit from social housing projects in Bezirganbahce , Kayabasi and Tasoluk . In this paper, we examine Tasoluk housing project to examine its affordability. Tasoluk is 30km away from Sulukule and one of the newly developing areas of Istanbul. Tenants only have a priority to have a unit from these social housing projects. HDA and municipality have not given any options for them like the homeowners.



Figure 3: Distance between the Initial Settlement and an Offered Social Housing

We should shortly explain the key dates about the transformation process of Sulukule. In 2005, Istanbul Metropolitan Municipality, Fatih Municipality and HDA signed a protocol for transformation project. In 2006, the Ministry passed the urgent expropriation decision (Dincer et al. 2008).

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<sup>6</sup> [http://upload.wikimedia.org/wikipedia/commons/1/1b/Sulukule\\_and\\_the\\_wall.jpg](http://upload.wikimedia.org/wikipedia/commons/1/1b/Sulukule_and_the_wall.jpg), Updated: 14.05.2015

Table 4: Legal Process of Sulukule Transformation Project<sup>7</sup>

|                    |  |
|--------------------|--|
| September 2005     | Istanbul Metropolitan Municipality, Fatih Municipality and HDA signed a protocol for transformation project  |
| April 2006         | Sulukule is declared as a renewal area   |
| May 2006 June 2006 | The meetings with the property owners  |
| December 2006      | The Ministry of Public Works and Settlements passed the urgent expropriation decision  |
| November 2007      | The renewal plan is approved by the Board for Renewal Areas  |
| February 2008      | Chamber of Architects of Turkey - Istanbul Branch sued to cancel the transformation project  |
| May 2009           | Demolition has been started (before the court case has been resulted)  |
| June 2009          | 4th Istanbul administrative court declined the request of cancellation without any reason,<br>Chamber of Architects of Turkey - Istanbul Branch objected to the decision |
| May 2010           | The construction of Osmanli Konutlari was started  |
| April 2012         | The project was canceled because it does not meet with the public benefit  |
| June 2012          | Drawing of lots was hold   |
| April 2015         | Council of the state approved the cancellation of the project  |

## 4.2. Analysis

As mentioned above, affordability is based on the ration between income and housing costs. Therefore, the discussions about affordable and luxury housing projects supplied by HDA are centred on two main aspects. These are to compare ongoing and completed affordable and luxury housing projects according to their residences income levels and suggested payment method. To understand difference between selected communities daily lives in Tasoluk and Sulukule, income, housing prices in market, payment method are adopted as parameters to compare housing affordability.

<sup>7</sup> (Din er et. al, 2008); [http://www.radikal.com.tr/turkiye/sulukulede\\_proje iptalini\\_dani](http://www.radikal.com.tr/turkiye/sulukulede_proje iptalini_dani)  
Updated: 14.05.2015

Table 4: Features of Sulukule and Tasoluk Projects

|  | <b>Affordable Housing</b>                     | <b>Luxury Housing</b>                     |
|--|---|---|
| <b>Name</b>                              | Tasoluk                                       | Osmanli Konaklari <sup>8</sup>            |
| Location                                 | Arnavutkoy, Istanbul                          | Fatih, Istanbul                           |
| Closeness to City Centre (Taksim Square) | 38.2 km                                       | 8.3 km                                    |
| Project Start Year                       | 2005  | 2005                                      |
| Housing Diversity                        | All blocs are threefold<br>Units: 2+1 and 3+1 | There is 2,3 and 4 floor blocks<br>Units: |
| Project Area m <sup>2</sup>              | 380.000 m <sup>2</sup>                        | 91.496 m <sup>2</sup>                     |
| Number of Units                          | 1356  | 620                                       |
| Average House Size (m <sup>2</sup> )     | 85 m <sup>2</sup> and 110 m <sup>2</sup>      | 68 to 153 m <sup>2</sup>                  |
| Property Values                          | 58.000 - 75.000 TL                            | 125.000 TL                                |
| Current Property Value                   | 180.000 - 220.000 TL                          | 400.000 - 450.000 TL                      |
| Payment method/plan                      | 150 month payment without down payment        | No info                                   |

The existing owners had three options: compensation, a social housing unit or a new apartment unit. We should clarify that most of the existing owners have not had any regular income. Not having a regular income and limited budget makes harder to apply for the mortgage plans. Their mortgage plan for a social housing unit has been set as 15-year payment scheme between 280TL to 425 TL monthly payments without any down payment. Only the half of the households moved in the social housing, the rest sold off their units with prices starting from 3000 TL (Daglar, 2009).

If they choose to have a unit from the new project, Osmanli Konutlari, Fatih Municipality offers a housing benefit with a condition: *the new apartment units will be sold to the existing owners if they accept to pay the difference between the current value of their property (that is calculated by the municipality) and the cost of the newly constructed unit by monthly payments of around 200- 250 Euros that last for 15 years* (Dincer et al. 2008). If the existing owners do not prefer moving to a social housing unit or buy a new unit from new apartments, the Municipality offers to pay 500-600 TL per square as compensation for their land (Yilmaz, 2009).

## 5. Conclusion

Current discussions about Turkish affordable housing policies and stocks are of affordability.

Tasoluk units were sold between 58.000 and 75.000 TL price ranges when they made an agreement with the municipality. The reason of this price range is related to units sizes. An agreement, their mortgage plan was 150 months and the households required to make 400TL to 500TL monthly payments. Their minimum household income should be more than 1333TL to accept the unit as an affordable housing option. However, this is more than 30% of household income according to the existing researches. Based on the survey which has finished before the area had been evacuated, the average monthly income of households is categorized under five groups; 24% less than 300TL, 20% between 300 and 500TL, 22% between 500 and 750TL, 17% 750-1000TL and 17% over 1000

<sup>8</sup> Osmanli Konaklari is the name of the new development in Sulukule. However, the project is known as Sulukule in academia and media.

TL (Yilmaz, 2009). People could not afford the social houses due to their limited income, even though there is a long-term mortgage plan without a down payment.

The owners had compensation for their properties in the project area between 50000 to 80000TL but tenants could not have any housing benefit from any authorities. However, we need to take an attention to that a couple of family were living in the same unit. Therefore, the adequacy of these payments is controversial. As mentioned before, these people do not have a regular income, so this mortgage plan is not acceptable as feasible. If we specifically look at the Tasoluk social housing stock, it is far away from the city centre. In addition to that, we need to clarify that a lot of the Sulukule residence find temporary jobs in the city centre. Thus, there is a tendency to move back nearby neighbourhoods of their initial settlements.

In this point, we should clarify the displacement process in order to conduct an unbiased research. Even though, all of the residences have not moved out to Tasoluk, currently, just one of them lives in there. Although fifty out of nine hundreds of the households have had an agreement to have a unit in the new housing project in Sulukule, only one household lives in the new development. There are two reasons for that. First, they could not get a unit in their blocks as they are obligated to draw lots to designate the units. The second handicap for them was the change of price per square meter that is doubled from 1250 TL to 2500TL (Ince, 2012). The current property values of Osmanli Konutlari is between 400.000-450.000TL. These property values indicate that these are not affordable even for middle-income households.

As can be seen the Figure 4, Sulukule is planned as denser than original neighbourhood and luxury residences with recreational facilities. However, Tasoluk does not have same features. Besides, the characteristic feature of Sulukule, courtyards, has not been used in Tasoluk plan (Figure 4). It made their lives harder and more challenging while adapting a new neighbourhood and life style because they prefer to communicate with their neighbours in their daily lives. Apartment style life is not suitable for that. According to Daglar (2019), 300 of 900 households have decided to have a social housing unit from Tasoluk. However, only one of the households still lives in there.

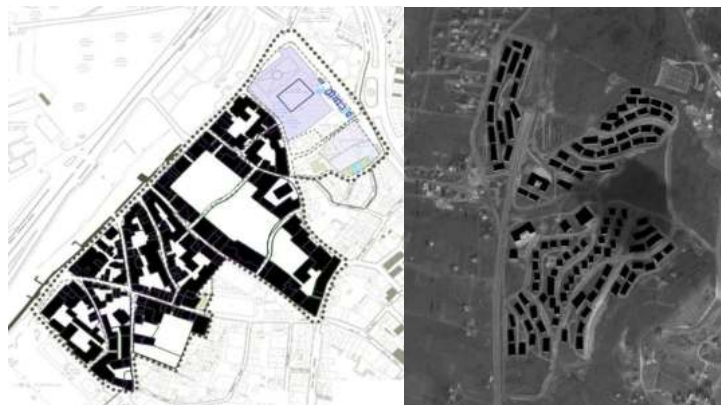


Figure 4: Sulukule before demolished and Tasoluk



Figure 5: Tasoluk Social Housing<sup>9</sup> and Osmanli Konutlari in Sulukule<sup>10</sup>

Overall, the urban transformation phenomenon is a multi-dimensional process that affects the economic and social structures of not only the project area but also the periphery of it. The households, who are affected from eviction, aim to move back near the neighbourhoods of their initial settlements. Due to the high relative cost of 30% of households income, Tasoluk social housing stock cannot be defined as an affordable option for low-income household, Osmanli Konutlari cannot be even considered for them.

In addition to that, market-driven problems can be summarized as that: the housing market in free and open market economic systems without any government supply for low-income households might cause shanty towns and unhealthy urban environments. A low-cost payment scheme should be guaranteed by the HAD.

Based on Turkish cases and the literature review about affordable housing, we suggest that the Government should consider the following points to promote affordable housing stocks in Turkey through HDA policies.

- The current payment method should be improved.
- Population displacement should not be an option during the urban transformation process.
- Transfer of ownerships of properties should be restricted to eliminate possible second wave of eviction.

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<sup>9</sup> <http://www.tasoluktokietap1.com/> Updated: 14.05.2015

<sup>10</sup> <http://img.fatih.bel.tr/assets/photo/etud%20proje/yenileme%20projeleri/sulukule/911.jpg?w=auto&h=600>  
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