

The Social Reflections of Neoliberal Policies, Planning Legislation, and Housing in the Istanbul Metropolitan Area

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Abstract

This study aims to examine the social impacts of legal regulations introduced in Turkey's housing and planning legislation between 2002 and 2024, with a specific focus on Istanbul. Conducted in two stages based on document analysis and literature review, the research evaluates the legislative changes during this period and their social repercussions. The findings reveal that these regulations have led to consequences such as displacement, social fragmentation, loss of sense of belonging, gentrification, and the weakening of public interest. The study emphasizes the need to reconsider planning policies in light of the principles of spatial justice and social inclusivity.

Keywords: Neoliberal policies; social dimension of the planning legal framework; Istanbul Metropolitan Area.

Introduction

The 2000s marked a period in which neoliberal policies became spatially embedded in Turkey, leading to significant transformations in planning legislation and a restructuring of planning institutions. During this time, extensive legal arrangements were implemented to facilitate real estate investments, construction processes, and land supply in favor of market actors. Central institutions were granted considerable authority and resources, resulting in a centralization of the planning process. In particular, the establishment of the Ministry of Environment and Urbanization in 2011 further expanded the central government's planning powers while narrowing the jurisdiction of local authorities. The legislative changes in planning and the rapid increase in construction driven by growth strategies based on the construction sector have, rather than resolving economic, spatial, and social issues, exacerbated them—especially increasing the social costs for low-income groups and, after 2020, for segments of the middle class. These problems have manifested more severely in major cities such as Istanbul (Alkay, 2020; Balaban, 2012; Balaban, 2021; Çoban, 2012; Keleş, 2014; Şengül, 2009).

The aim of this study is to examine the social implications of legal reforms in planning legislation during the 2000s—a period when neoliberal policies were spatially institutionalized and the new government pursued a construction- and housing-oriented economic agenda—within the Istanbul Metropolitan Area. Structured in two stages based on document analysis, the study covers the 22-year period between 2002 and 2024. In the first stage, legislative reforms from 2002–2010 and 2010–2024 are examined in detail. In the second stage, the study analyzes the literature based on field research conducted in the Istanbul Metropolitan Area.

The modern city constitutes one of the primary arenas of conflict between the often contradictory interests of different social groups (Şengül, 2009). These divergent interests and objectives form the basis of socio-spatial transformation. As an extension of the construction sector—where such conflicting interests are highly concentrated—the housing sector has rapidly transformed urban space and continues to do so. The groups that suffer the most from this transformation compel a critical interrogation of the concept of urban justice. According to Soja (2009), the state plays a pivotal role in the realization of urban justice. Fainstein (2014) defines the just city through the principles of equity, democracy, and diversity. Lefebvre (2013) argues that prioritizing the exchange value of urban space over its use value constitutes the foundation of urban injustice and inequality. For Harvey (1973), the use value of housing lies in its ability to meet fundamental needs such as shelter, belonging, and security. In contrast, the exchange value of housing is determined not only by its basic production costs—such as materials and labor—but also by added elements like credit interest and land rent (Harvey, 1973). Moreover, housing can function as a status symbol, representing wealth and power, and thus carries a prestige value. Which of these values comes to the fore is determined by the political agenda; under contemporary neoliberal policies,

exchange and prestige values have gained prominence (Aslan, 2019). As a result, housing has increasingly been transformed from a basic need into an investment commodity driven by exchange value.

According to Castells, the city is a collective space of consumption, and spatial justice can be achieved when influential actors balance the production of housing and infrastructure. Additionally, social movements and equilibrium within society play critical roles in ensuring urban justice. The failure to establish such balance leads to social (e.g., lifestyle, ethnicity, race, religion), economic (e.g., income-based), and socio-spatial discrimination and exclusion (Şengül, 2009). This dynamic erodes interactions among different social groups, eventually severing already fragile social ties and exacerbating intergroup conflict in contemporary cities (Kurtuluş, 2005).

Harvey (1973) emphasizes that achieving social justice depends on the fair and equitable distribution of the surplus generated through cooperative production (Harvey, 1973; Giritlioğlu & Özden, 2020; Şengül, 2009). Within this framework, policies that prioritize the use value of housing emerge as crucial for fostering urban justice. This study aims to analyze whether the existing legal and institutional framework safeguards the right to housing for broad segments of society, and whether it encourages production models based on use value that can counter the commodification of housing as an investment object.

Changes in the Legal Planning Framework in Turkey during the 2000s

The 2000s represent a period of major transformation in Turkey's planning legislation and institutional structure (Alkay, 2020). During this time, the implementation of neoliberal policies and the new government's construction-driven economic agenda necessitated a strong public apparatus. The Housing Development Administration of Turkey (TOKİ), originally established in 1984 and later restructured as a more autonomous body in 1990, gained substantial power especially after a series of legal reforms introduced from 2003 onward (Oluğ, 2015).

To facilitate real estate and construction investments—particularly the supply of land in favor of market actors—comprehensive legislative changes were made to the planning framework. These reforms granted extensive authority and resources to central institutions, leading to a more centralized structure in the planning system (Balaban, 2012).

Period of 2000–2010

Following the 2001 economic crisis, the stock market collapsed, while interest rates, inflation, and unemployment increased. As a result, early general elections were held, and the 2002 elections resulted in a strong single-party government (Kapusizoğlu, 2011). Instead of pursuing a long-term policy to address the country's structural problems, the new government adopted a growth-oriented, construction-based policy. Due to its strong interlinkages with other sectors, the construction and housing sector was regarded as a driving force for rapid economic growth—a sort of growth engine (Balaban, 2021; Yeşilbağ, 2016). Within this framework, housing and construction investments, urban transformation, and the Housing Development Administration of Turkey (TOKİ) became prominent. In accordance with the Squatter Housing Law No. 775, planned land supply was implemented to eliminate unhealthy settlements and ensure orderly urbanization (Ataöv & Osmay, 2007; Şenyapılı, 2006). An Emergency Action Plan concerning urbanization was formulated, aiming to construct 250,000 housing units within the first five years, with a total of 500,000 units projected to begin construction by 2011. To accelerate housing and construction processes, the legal framework of planning and the structure of TOKİ were revised, granting TOKİ significant authority (Justice and Development Party, cited in Ulusoy, 2020).

Throughout this period, extensive deregulation efforts were undertaken to facilitate real estate and construction investments, including granting certain public institutions unlimited authority in planning (Balaban, 2012; Balaban, 2021; Alkay, 2020). There were 76 legal arrangements containing deregulation measures. The first group of these (26 out of 76) redistributed authority among state institutions for the preparation of land use and urban development plans. Specific institutions were authorized to prepare land use plans for designated areas. For example, Law No. 5398 of 2005 authorized the Privatization Administration to prepare zoning plans for state-owned properties included in the privatization program. Law No. 4957 of 2003 transferred the authority for urban

development plans in tourism regions from local governments to the Ministry of Culture and Tourism. Law No. 5162 of 2004 granted TOKİ the authority to prepare all types of plans on lands transferred to its ownership. These legal changes aimed to shift planning authority from local governments to central authorities to facilitate a faster planning process for investments.

The second group of legislative changes (17 out of 76) that eased the urban planning framework granted certain public institutions unlimited planning powers. For instance, the Ministry of Public Works and Settlement was authorized to prepare development plans without being bound by the rules and conditions of existing urban planning legislation. These measures aimed to bypass or simplify existing planning regulations and development controls for specific projects and investments.

The second form of deregulation involved legal arrangements concerning public lands and properties. A significant portion of these reforms aimed to facilitate the sale of public lands and properties for development projects or private investments. For example, Law No. 4916 of 2003 authorized the Minister of Finance to revoke the designation of public property and put it up for sale at any time (Balaban, 2011; Balaban, 2012; Balaban, 2021).

Law No. 5216 on Metropolitan Municipalities, enacted in 2004, abolished the concept of adjacent areas and expanded zoning plan boundaries. Amendments to the Land Office Law and the Mass Housing Law through Law No. 5273 (2004) allowed for the transfer of treasury lands to TOKİ without charge. The 2005 "General Regulation on the Production, Allocation, Leasing, and Sale of Land, Housing, and Workplaces by Municipalities" granted municipalities the authority to provide land and housing to meet housing needs. Under this regulation, municipalities were permitted to engage in joint projects and establish partnerships with TOKİ and other relevant public institutions (Uyaniker & Alkay, 2019).

In 2005, Law No. 5366 on the Preservation by Renovation and Use by Revitalization of Deteriorated Immovable Historical and Cultural Assets was enacted with the aim of preventing or eliminating urban decay in historically and culturally significant areas, and to meet the increasing demand for housing in parallel with population growth in cities. Urban transformation projects under this law were intended not only to preserve and revitalize historical and cultural assets, but also to create residential, commercial, and social infrastructure areas and to take measures against disasters. Article 3 of the law states that municipalities may carry out urban transformation projects in cooperation with TOKİ (Kaplan, 2017).

In parallel with international markets, demand for real estate and real estate investments increased significantly. In response to these developments, the Capital Markets Board of Turkey (CMB) officially introduced the definitions of "valuation expert" and "real estate valuation company" in 2001 through the communiqué titled "*Communiqué on the Principles Regarding Companies to Provide Real Estate Valuation Services within the Framework of Capital Markets Legislation and Their Listing by the Board.*" The enactment of Law No. 5582 in 2007, titled "*Law on Amendments to Various Laws Regarding the Housing Finance System,*" along with subsequent regulations by the CMB, institutionalized real estate valuation as a specialized profession (Büyükkaracıoğlu, Altınışık & Uzun, 2017).

Real Estate Investment Trusts (REITs), which were initially introduced through legislation in 1995 as a means to bring transparency and address financing challenges in the real estate market, also evolved during this period under the regulatory authority of the CMB. The real estate sector's central role and macroeconomic conditions played a significant role in the development of REITs (Büyükkaracıoğlu, Altınışık & Uzun, 2017). REITs became prominent actors in urban transformation processes due to their tax exemptions and financial advantages. Simultaneously, TOKİ (the Housing Development Administration of Turkey) strengthened its cooperation with the private sector by engaging in housing production through models such as "revenue sharing" and "land-for-flat" agreements with large construction firms (Bektaş, 2021).

However, the 2008–2009 mortgage crisis in the United States and related global financial turmoil also affected Turkey, leading to a decline in demand for real estate and a drop in property prices. To promote homeownership

among middle- and low-income households, Law No. 5582 on Housing Finance (Mortgage Law), enacted in 2007, introduced a system with favorable conditions—such as a 20% down payment and repayment periods extending up to 10 years—supported by low interest rates (Alkan, 2015; Alkay & Övenç, 2019; Büyükkaracıgan, Altınışik & Uzun, 2017).

A key characteristic of the post-2001 crisis period was the central positioning of the construction and housing sector as a driver of economic growth. Housing production was supported through urban transformation and large-scale projects, and the planning system underwent significant deregulation to accelerate this process. The transfer of planning authority to central government institutions led to the marginalization of local governments in decision-making processes, contradicting the principles of democratic governance endorsed by the European Charter of Local Self-Government. Housing supply policies were shaped not according to local needs and priorities but through a technocratic approach, emphasizing economic growth and capital accumulation over the right to housing. As a result, the exchange value of housing was institutionally prioritized over its use value.

Post-2010 Period

With the Decree Laws No. 644 and 648 enacted in 2011, the Ministry of Environment and Urbanization was granted extensive authority, including:

- the preparation and implementation of physical plans of all types and scales;
- the ability to conduct, commission, and approve surveys, maps, zoning plans, and parceling plans and amendments for public lands and areas authorized by the Council of Ministers;
- the authority to issue building permits and occupancy permits ex officio in cases where local administrations fail to do so within two months from the application date;
- and the power to conduct, commission, approve, expropriate, and implement all types and scales of plans and projects within special project areas and those carried out by the Housing Development Administration (TOKİ), as well as to issue permits and establish condominium ownership.

These changes marked a significant centralization of planning authority and a reduction in the powers of local governments. The 2012 Law No. 6306 on the Transformation of Areas Under Disaster Risk enabled institutions and private actors to reintroduce plots located in built-up areas back into the market. TOKİ's responsibilities regarding urban transformation were considerably expanded, further aligning urban policy with a centralized governance model. Similarly, Law No. 6292 allowed for the registration of 2B forest lands, effectively increasing the amount of land available for housing production.

The merging of TOKİ with the Land Office and Emlak Konut and its incorporation into the Ministry of Environment and Urbanization through the 2018 Decree Law No. 703 significantly increased its institutional power and centralized structure. Although the stated aim of these legal and regulatory changes was to create a rapid planning system that considered market mechanisms and minimized planning-related financial burdens, the outcome has been a highly centralized, fragmented, hierarchical system marked by uncertainty and low institutional reliability. The planning system has evolved into one in which actors operate according to their economic and political power (Alkay, 2020; Giritlioğlu, 2022; Kuran, 2022; Uyaniker & Alkay, 2019).

This centralization has undermined the coherence of planning decisions. As authority was transferred to investment-oriented institutions, the overall control and coordination of planning processes diminished. The legal and institutional transformations between 2002 and 2024 and their concrete applications in the Istanbul Metropolitan Area are examined in this study through a review of empirical research in the literature, with attention to their social implications. Following the introduction of the Presidential Government System in 2018, the trend toward centralization in planning and housing policies intensified. The Ministry of Environment and Urbanization became directly affiliated with the Presidency, and its oversight and steering capacity over institutions such as TOKİ and Emlak Konut increased. Decision-making processes became less subject to institutional plurality and public oversight, concentrating power in the executive branch. This shift led to an urban policy framework that is increasingly detached from democratic participation and local needs. The post-2018 era can thus be

characterized as one in which technocratic planning approaches were institutionally reinforced and market-oriented mega-projects were prioritized (Alkay, 2020; Giritlioğlu, 2022; Kuran, 2022; Uyaniker & Alkay, 2019).

Taken together, these legal reforms and institutional transformations demonstrate that the planning system has been shaped more by market dynamics and centralized political authority than by social needs. The loss of local authority, the weakening of democratic accountability, and the delegation of planning to technocratic mechanisms have resulted in the exclusion of vulnerable and low-income groups from decision-making processes. Consequently, these developments have deepened inequalities in urban space, institutionalized spatial injustices, and caused severe issues in access to housing, property, and the right to the city—especially in metropolitan contexts such as Istanbul. In this regard, analyzing not only the legal framework introduced between 2002 and 2024 but also its exclusions and tangible manifestations in urban life is essential for understanding its broader societal implications (Alkay, 2020; Giritlioğlu, 2022; Kuran, 2022; Uyaniker & Alkay, 2019).

Societal Impacts of the Legal Reforms Implemented Between 2002 and 2024 in the Istanbul Metropolitan Area

In parallel with the legal regulations enacted after the year 2000, both the policies aimed at the provision of new housing and the interventions in existing residential areas have deepened the socio-spatial segregation among income groups in Istanbul. This process has led to the spatial fragmentation of different social groups within the city, the displacement of lower-income groups, and the acceleration of gentrification dynamics.

In parallel with the legal regulations introduced during this period, closed and secured housing projects, typically targeting middle- and upper-income groups, have further reinforced spatial segregation, while also restricting the use of public spaces and weakening social interaction within the city.

Urban Transformation Practices in Istanbul under Laws No. 775, 5366, and 6306

The Küçükçekmece Ayazma-Tepeüstü Urban Transformation Project, implemented between 2004 and 2007 under Law No. 775 on Slums through the cooperation of TOKİ and local governments, is one of the first examples in Istanbul where an informal settlement community was collectively displaced and resettled. This transformation process, which affected approximately 1,440 households and 7,800 individuals, not only involved a physical spatial intervention but also led to the dissolution of social fabric and transformation of everyday life practices. The community relocated to the housing units constructed by TOKİ in Bezirgânbahçe lost their networks of solidarity due to the spatial constraints and social isolation imposed by gated community life. Targeting a predominantly Kurdish population, this intervention revealed not only the economic but also the cultural and identity-based dimensions of urban transformation.

The process also significantly limited the displaced community's access to urban opportunities, particularly hindering the use of public space and sustainability of social life for women and children. Households relocated to a peripheral area with limited transportation options suffered substantial losses in their daily routines and economic activities. This situation demonstrates that displacement is not merely a change of physical space but also a rupture in social and cultural terms. Moreover, the community's exclusion from decision-making processes during the transformation highlights the technocratic implementation of the intervention, disregarding participatory planning principles (Tok and Oğuz, 2013; Uzunçarşılı Baysal, 2013; Waite, 2023).

Under Law No. 5366 on the Renewal, Protection, and Use of Deteriorated Historical and Cultural Real Properties, the Sulukule Urban Transformation Project, carried out through a TOKİ-local government partnership, drastically transformed the spatial, social, and cultural fabric of Sulukule—one of the oldest known Roma settlements in the world after India. The project triggered a gentrification process in the area inhabited by the Roma community, causing a rise in property values and rental prices, which made it impossible for existing residents to remain. According to the legal regulations, individual homeowners and tenants were offered housing units in TOKİ's Gaziosmanpaşa-Taşoluk site without down payment and with 180-month installments. However, low-income Roma households could neither afford the monthly payments nor cover the maintenance costs of these units, leading to their inability to remain in the new housing.

In addition, due to incompatibility with apartment living and the peripheral location of the new settlement, many Roma residents returned to neighborhoods surrounding Sulukule. A significant portion of the newly built housing units in Sulukule was rented out to migrants who could afford the higher rents. During this process, Fatih Municipality's construction of a sliding iron gate to separate the transformed area from the remaining Roma-inhabited zone symbolically marked both physical and social segregation. Thus, the project is regarded as an institutionalized practice of spatial segregation and social exclusion (Fareghi Babilolyaei and Ökem, 2018; Uçan Çubukçu, 2011; Uysal, 2012; Yalçınan and Çavuşoğlu, 2009).

Similarly, under Law No. 5366, the Tarlabaşı Renewal Project was implemented with the support of the Ministry of Environment by the Istanbul Metropolitan Municipality and the Beyoğlu Municipality. The project aimed to transform the area into a new urban structure consisting of luxury housing, offices, shopping centers, cafés, and hotels through phased residential renewal (Kuyucu and Ünsal, 2010). The Tarlabaşı Renewal Project represents an intervention aimed at radically altering the existing socio-economic structure of the area. This transformation process led to the displacement of Roma, Kurdish, immigrant, and low-income groups, and the area was reimagined as a residential and touristic destination catering to higher-income groups. In this context, the project is considered a typical example of gentrification, reflecting the spatial exclusion of disadvantaged urban communities from the city center and the capital-driven revaluation of urban land (Sakızlıoğlu, 2020; Tsavdaroglou, 2020).

Under Law No. 6306 on the Transformation of Areas Under Disaster Risk, in the Tozkoparan Neighborhood—redeveloped in cooperation with the Ministry of Environment, Urbanization and Climate Change, Istanbul Metropolitan Municipality (IMM), and Güngören Municipality—the promise of “on-site transformation” could not be fulfilled. The high costs and payment conditions of the newly offered housing units made it impossible for low-income groups to continue living in the area. Throughout the process, objections raised by the beneficiaries and collective resistance from the local community brought the social legitimacy of urban transformation policies into question. Lawsuits and protests filed against the project revealed not only the physical but also the political and legal dimensions of the transformation. Furthermore, as in many other urban transformation projects, the expropriation processes were widely criticized for being arbitrary and lacking transparency (Çınar Erdüzgün and Çınar Yöreş, 2019; Duman and Coşkun, 2016).

Also under Law No. 6306, Fikirtepe was declared a “risky area” in 2013, and demolition began in 2014 through a partnership between the Ministry of Environment, Urbanization and Climate Change and TOKİ. The transformation process introduced an entirely new urban scenario, radically different from the area's existing physical, social, and economic structure. The planning approach adopted aimed to attract middle- and upper-income groups to the region and transform the area's previously negative image and low socio-spatial status. The Fikirtepe Urban Transformation Project, dominated by luxury and branded housing developments, aspires to offer a self-contained living environment where users can meet all their basic needs without leaving the project area. According to the Fikirtepe Regional Report by REİDİN, the average unit sales price, which was around 2,000 TL per square meter in 2005, exceeded 8,000 TL by 2017, while rental prices rose from 500 TL to 1,500 TL (Bülbül Akın and Türkün, 2019; Köseoğlu and Sönmez, 2022; Tarakçı, 2021; Uyaniker, 2020).

The examples discussed demonstrate that urban transformation policies are not limited to the physical reproduction of space but also lead to the dissolution of social fabrics, the deepening of identity-based divisions, and the erosion of spatial justice. A key commonality across these processes is the displacement of low-income and vulnerable communities to peripheral areas, thereby reproducing urban inequalities and poverty. Particularly in state-led projects, the use of legal instruments prioritizes market-driven rent extraction over the principle of public interest, revealing a contradiction between transformation processes and the principles of justice and participation. In this context, the displacement of squatter settlements, historic neighborhoods, and areas inhabited by disadvantaged groups under the guise of urban renewal can be interpreted as one of the most pronounced manifestations of neoliberal urbanization practices.

Other Regulatory Arrangements, Financial Instruments, Public-Private Partnerships, and Large-Scale Projects

Although the 2007 Housing Finance System Law No. 5582 (the Mortgage Law) was enacted to facilitate housing access for low- and middle-income groups, its implementation in Istanbul failed to deliver the expected social benefits. In theory, the mortgage system aimed to ease homeownership through low-interest, long-term loans. However, due to Istanbul's high housing prices and the required 20% down payment, low-income groups were largely unable to benefit from this system. Mortgage loans were predominantly utilized by high-income or at least upper-middle-income households. Housing increasingly became a form of "financial investment," where appreciation and profit potential outweighed the use value of the home.

Mortgage-based housing finance significantly increased household indebtedness and created economic vulnerability, particularly for the middle class. When analyzing the distribution of mortgage homeowners in Istanbul, it is evident that those taking out large loans were concentrated in districts such as Beşiktaş, Şişli, and Sarıyer, while those with lower amounts were located in areas like Silivri, Sultangazi, and Şile. This demonstrates a strong socioeconomic link between access to credit and spatial preferences, highlighting how inequality is spatially manifested. Studies also show that the average income level of mortgage recipients was 6.3 times higher than the minimum wage. Therefore, it can be concluded that the system did not offer an accessible housing solution for low-income groups; instead, it promoted financialization by increasing household debt (Alkay & Övenç, 2019; Aslan, 2019; Büyükkaracıoğlu et al., 2017).

In the 2000s, alongside newly enacted regulations in Turkey, new financial and structural models that enabled partnerships between the private sector and TOKİ (Housing Development Administration of Turkey) were developed in the field of housing production. In this process, especially the revenue-sharing and construction-rights-in-return-for-land models came to the fore as key methods for utilizing public land and integrating private capital into the process. The legal basis for these projects was laid by the 2004 Law No. 5162, which granted TOKİ the authority to make and implement all types of plans, and the 2004 Law No. 5273, which enabled the transfer of Treasury-owned lands to TOKİ free of charge by amending the Land Office and Housing Development Laws.

The 2005 "General Regulation on the Production, Allocation, Leasing, and Sale of Municipal Land, Housing, and Workplaces" granted municipalities the authority to produce land and housing. Moreover, Law No. 4916 paved the way for the use of public lands in joint ventures with the private sector, thus providing a legal basis for the development of public-private partnership models on public land. In addition, Real Estate Investment Trusts (REITs) were enabled to become influential actors in urban transformation processes (Alkay, 2020; Giritlioğlu, 2022; Kuran, 2022; Uyaniker & Alkay, 2019).

In this context, the Zorlu Center project is a large-scale mixed-use development (residential, shopping mall, hotel, and cultural center) constructed in central Istanbul along the Levent-Zincirlikuyu corridor, on the former site of the General Directorate of Highways. One of the key legal instruments that enabled this project was Law No. 4916, enacted in 2003. This regulation facilitated the sale and transfer of publicly owned properties and created a legal framework for opening state-owned investment lands to the private sector. The Zorlu Center plot was sold to the Zorlu Group through privatization under this law. The project significantly altered the spatial structure and social fabric of the area. Due to its design catering to high-income groups, it led to the socio-economic exclusion of lower- and middle-income residents in the surrounding neighborhoods and deepened socio-spatial segregation. Furthermore, the commercialization of public spaces and their transfer to private control transformed forms of urban belonging and social interaction (Özoral, 2015).

The Varyap Meridian project, developed through the partnership of Varyap and Emlak Konut REIC, was built near the Ataşehir Financial Center and was planned as a mixed-use development, offering residential, office, and commercial spaces. Designed with a sustainable architectural approach and awarded a LEED certificate, the project features high-rise, modern towers aimed at high-income segments. The Ataşehir Financial Center, where the project is located, was declared by the Council of Ministers in 2009. Subsequently, with Decree Laws No. 644 and 648 enacted in 2011, extraordinary planning powers were granted to the Ministry of Environment and

Urbanization, thereby removing the area from the jurisdiction of local governments. In this context, the allocation of publicly owned land by Emlak Konut to private developers through revenue-sharing models reflects the process of transferring public assets into private profit. Key criticisms of the project include the lack of integration with the local community, the creation of a gated and inward-looking settlement, a significant increase in the local population, inadequate infrastructure and public amenities to support this population, and increased pressure on transportation networks (Aslankan, 2019; Kurultay & Peksevgen, 2012).

The Başakşehir and Kayabaşı projects, jointly carried out by the Ministry of Environment and Urbanization, TOKİ, and Emlak Konut REIC, were designed as large-scale housing developments where the private sector participated via revenue-sharing models. Located in the northwestern development corridor of Istanbul, these projects aimed to provide both social housing for low- and middle-income groups and luxury housing for high-income groups within the same development. The administrative infrastructure for these projects was shaped by the post-2010 merger of TOKİ with the Land Office and Emlak Konut, and its subordination to the Ministry via Decree Law No. 703. In particular, the “Yenişehir” urban center was established in the Kayabaşı area. However, in practice, a clear physical and social separation between social and luxury housing areas has been observed. Criticisms include inadequate public spaces, the peripheral location causing transportation issues, and other social problems. The projects have also been critiqued for their gated residential forms and for the marginalization of social housing residents (Baş & Yüzer, 2015; Doğan & Özbayraktar, 2023).

In settlement areas along the northern corridor such as Arnavutköy, Tayakadın, and Göktürk, intensive residential and mixed-use projects have been planned on the grounds of proximity to the airport. These projects, developing around Istanbul Airport, are predominantly implemented by private sector contracting firms under the guidance of the central government and within a supportive legislative framework. Key actors in these projects include the Ministry of Environment, Urbanization, and Climate Change, which holds substantial planning authority; as well as publicly affiliated entities such as TOKİ and Emlak Konut GYO, which play active roles in land allocation and implementation processes. Mega projects like Istanbul Airport have been constructed through decisions made at the central level that contradict the 1/100,000-scale Istanbul Environmental Plan. Subsequently, special plans were prepared for these areas, and development was directed without adherence to established planning principles. Furthermore, the conversion and market opening of 2B forest lands into title deeds under Law No. 6292 expanded the project zones in the northern corridor. In addition, influenced indirectly by İGA (Istanbul Grand Airport) -the company that built and operates Istanbul Airport- contractor construction firms and real estate investment trusts also play significant roles in projects in the surrounding areas. In the planning processes, higher-level documents such as the Istanbul Environmental Plan have been disregarded, and development has been steered through special plans prepared by central actors, considerably limiting the influence of local governments (Erbaş, 2018; Özalp & Sönmez, 2022).

The legal and institutional foundation of this development was primarily established by Law No. 4916. This law facilitated the sale and transfer of Treasury-owned immovables for public investments, paving the way especially for large-scale projects. Additionally, Law No. 6292 enabled the sale of 2B lands that had lost their forest status, marking a significant step that facilitated the opening of ecologically sensitive northern areas to development. The Ministry of Environment and Urbanization, established under Decree Law No. 644 and later granted expanded authorities by Decree Law No. 648, has assumed direct responsibility for preparing and approving plans at all scales, institutionalizing a centralized planning practice. Accordingly, planning processes around Istanbul Airport have largely been conducted outside the scope of local governments and under the supervision of central actors. The exercise of these authorities must be understood not only within the scale of planning but also in the context of the capital-driven spatial restructuring of the urban environment. In housing production, investor demands and market dynamics have been more decisive than local priorities and social needs. The narrowing of local governments' authority has led to a decline in democratic oversight of planning processes, resulting in negative outcomes such as weakened spatial justice for established residents, deficiencies in social infrastructure, and disruptions in essential services like transportation. Moreover, direct interventions by the central government beyond the planning framework have led to the loss of important natural assets and the transfer of public lands

into private ownership, generating high social costs that threaten ecological sustainability and social cohesion in the long term. Opening ecologically sensitive areas such as northern forests, water basins, and agricultural lands to development poses serious challenges to both ecological sustainability and climate resilience. Additionally, the population movements toward these regions have produced a form of spatial expansion disconnected from the city and lacking adequate urban services. Consequently, the settlement development around Istanbul Airport stands out as an example where centralized planning powers are concentrated, public lands are opened to market-based use, and ecological values are subordinated (Erbaş, 2018; Özalp & Sönmez, 2022).

These projects demonstrate that large-scale residential and mixed-use developments, which have accelerated in Istanbul in recent years, not only transform the physical environment but also reshape the social fabric. Developed through public-private partnerships, these projects highlight problems such as spatial density, social segregation, limited public spaces, and insufficient ecological sensitivity, which deepen class-based, spatial, and cultural divides in the city. This situation raises critical debates regarding urban cohesion, social justice, and quality of life.

Discussion and Conclusion

This study aims to examine the social implications in Istanbul of the legislative changes in planning regulations enacted between 2002 and 2024. During this period, characterized by the spatialization of neoliberal policies, the right to housing has shifted from being a fundamental social need to a vehicle for investment, a symbol of social status, and a means of generating profit. As Lefebvre (2013) emphasized, the prioritization of exchange value over use value in urban spaces has become a key driver of urban injustice and inequality. The transformation experienced in Turkey during the 2000s is marked by a restructuring of planning legislation in favor of capital interests and the centralization of planning processes (Alkay, 2020; Balaban, 2012).

The document analysis conducted within the scope of this study evaluates the periods 2002–2010 and 2010–2024 separately, analyzing the content and orientation of legislative amendments introduced during these years. Subsequently, the social effects of these transformations in the Istanbul Metropolitan Area are assessed comprehensively through field-based literature studies. The findings reveal that the legal reforms in question have exacerbated inequalities, social exclusion, displacement, and spatial polarization in urban areas, particularly through urban transformation practices and new housing developments. Especially gated, high-density residential projects targeting middle- and upper-income groups have reproduced social segregation, undermined neighborhood culture, and contributed to the detachment from public spaces (Çınar-Erdüzgün & Çizmeçi-Yöreş, 2019; Kılıç & Ayataç, 2019; Sönmez, 2019).

Displacement has become widespread, particularly in the context of urban renewal projects involving low-income neighborhoods, forcing long-time residents to relocate to the urban periphery, thereby losing their social ties and historical sense of belonging. In this context, social fragmentation has become apparent not only in luxury residential developments but also in mixed-use projects that include social housing; spatial proximity has failed to ensure class integration. The concept of public interest has emerged as a central point of contention in many projects due to insufficient public spaces, restricted accessibility, and the dominance of private interests. The loss of social cohesion has manifested itself in the weakening of communal life, neighborhood solidarity, and public interactions in newly developed settlements.

The effects of gentrification have been particularly pronounced in centrally located and prestigious areas, where the exclusion of low-income groups has coincided with an intensification of housing production for wealthier populations. As housing production has increasingly been shaped by principles of economic accessibility, fragmentation based on income levels within the urban space has deepened. Consequently, housing has become a difficult necessity not only for vulnerable groups but also for the middle class. This has created a serious social problem in terms of both the right to the city and the right to housing (Bülbül-Akın & Türkün, 2019; Doğru, 2021; Ayhan, 2019). Reforms at the legislative level have treated urban space primarily as a source of investment and profit, a perspective that has undermined social cohesion, reduced quality of life, and intensified social alienation.

One of the study's limitations is its exclusion of first-hand narratives, lived experiences, and micro-level comparative case analyses from groups directly affected by the legal reforms in Istanbul. However, this limitation also presents an opportunity for future research. In-depth interviews and ethnographic studies with individuals residing in various socio-economic regions of Istanbul can offer more nuanced insights into the everyday effects of legislative changes. Furthermore, comparative analyses of similar legal transformations in different cities could enhance understanding of both the diversity of legal implementations and the varied forms of spatial injustice they produce.

In conclusion, it is evident that the transformation of planning legislation must be addressed in alignment with the principles of social equity, spatial justice, and the right to the city. This study is significant in that it reveals the social implications of the spatial manifestations of neoliberal policies, particularly those stemming from legislative changes in housing and planning. By analyzing the effects of Turkey's rapidly evolving planning regulations between 2002 and 2024 on a major metropolis like Istanbul, the study interrogates contemporary and critical issues such as displacement, social fragmentation, loss of social cohesion, and gentrification. In this respect, it offers both a theoretical and practical foundation for re-evaluating justice, equity, and the public interest in urban planning. Moreover, by providing a comprehensive assessment of the role of local governments, trends in centralization, and the class character of housing production, the study contributes to future legislative reforms and academic research in this field.

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