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## **ID 1707 | GATED COMMUNITIES IN TURKEY AS A GOVERNANCE STRUCTURE: ISTANBUL CASE**

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### **1 INTRODUCTION**

The privately managed housing areas are the most common examples of decentralization of state centered governance policies and their transformation to society based management practices that can be seen in urban space. These housing areas called 'common interest developments' whose different examples can be traced over the world are such residential areas whose residents form some certain management structures to regularize common rules within contracts. Those housing complexes including various social, physical and environmental features; facilities, services and activity areas are managed by a user group consisted of residents or a representative government body with unique internal structures.

Those privately managed areas commonly known as CID are the fastest spreading housing structure around the world (McKenzie, 2003). CID, seen as a form of privatization of local government also symbolizes the reducing local government dependency and rising trust for market systems. CID areas, whose common characteristics are being privately managed, have various types in various names (McKenzie, 2003; Ruju, 2014; Tummers, 2015; Chiodelli 2015). Gated communities have become the most controversial type of CID included in CID literature which has been spreading over the world since the 1970s. The most well-known and accepted definitions of gated communities generally imply the privatization of public space and restricted access to housing area (Blake and Snyder, 1997). The common view explaining the emergence of gated communities refers to the safety need originating through the effect of global neoliberal restructuring over the social polarization (Tanülkü, 2012). In that sense, gated communities are the structures emerge in the urban space where social housing and public spaces lose their meaning, gentrified, entrepreneur and privatized areas arise while urban regeneration works towards city center, mega projects and imbalanced development create neoliberal city (Hackworth, 2007). Those places isolated via physical and cultural barriers from the rest of the society are supported by an internal governance mechanism. Thus, a private governance mechanism operating certain rules to provide order and maintenance is applied for these housing areas (Atkinson and Blandy, 2009; Soja, 2000).

The studies based on gated communities show the existence of interactive processes between government and other actors. Those processes result in new urban forms by combining with each other (Tedong, Grant and Wan Abd Aziz, 2014). While those new forms cause new types of management, they also provide room to ponder how urban space is managed. Nevertheless, governments can affect the use or discharge of land on different levels. At that point, the concept of governance describes a wide perspective which refers to the coordination of activities stimulating the system and consisting of multiple actors and processes (Jessop, 1998).

Gated communities providing participation of other actors as well as governments create a self-governance structure by performing some functions which are originally met by the government. Therefore, it has been highly discussed that gated communities are qualified enough to provide basic needs and services better than public governmental bodies (Low, 2003). Gated communities referred to as 'micro governments' or 'so-called local governments' are accepted as a new type of regional organization and reform for institutionalization. That gated communities are generally accepted as private management areas empowers their image implying their self-sufficient and autonomous nature. While Bali (2004) emphasizes gated communities as self-sufficient small towns, Çınar, Çizmeçi and Köksal (2006) describes

them as small municipalities having independence by being separated from municipalities. Cséfalvay (2011) the 1980s that the distinctive features of gated communities are not the desire of the rich for being separated from society, privatization of public space, and a common ownership concept providing common use of certain services and facilities in terms of a club good model. Instead, the main distinction is the provision of local public services and goods by privatized procurement and conditions as well as the control of residents of their behavior. Most of the studies regarding the dramatic rise of private residential areas and gated communities have been focusing on their physical structure including fences, gates, security measures, etc. However, Crawford points out that the critical issue is to examine whether private housing areas are the new forms of self-governance or not (Crawford, 2003).

In that sense, it is seen that there is quite limited literature referring to the governance and relation networks between gated communities and planning institutions. However, while present studies have been taking that subject in terms of the demand side, they generally push the managerial relations of actor groups in the process into the background. The aim of this paper is to enlighten and criticize the managerial relations of gated communities in urban planning, to define the existence, competences and restrictions of actors as well as on which stage they participate into the process. This paper includes four sections. In the first section, approaches to managerial identity and existence of gated communities are examined through different examples from various countries. In the second part, the development process of gated communities in Turkey is presented. The effects of changing institutional structure and legal amendments on gated communities is discussed and their internal management dynamics and organizational relations are examined. In the third section, how to assess managerial features of gated communities via a project management approach is defined.

The project management steps and relationships between actors are analyzed through a case study. In the last section, managerial aspects of gated communities are evaluated as a whole.

## 2 GOVERNANCE RELATIONS OF GATED COMMUNITIES

The rise of the gated type of housing areas emerged in the USA and has been continuing rapidly since the 1980s around the world. This residential form sprawling over world geography has continued to increase because of safety issues, socio-cultural segregation or administrative reasons from the USA to Europe and Asia to Africa (Gooblar, 2002; Atkinson et al., 2005). The rapid growth of gated communities ultimately affects the ways of intervention and regulation towards them. Herewith, many scholars working on gated communities remark that those areas function as operational units (Zainudin and Hussin, 2015). Because regulating the behaviors of residents and conditions of property use while taking collective responsibility of managerial issues via legal arrangements have become a necessity (Atkinson and Blandy, 2006; Blandy and Lister, 2006).

According to Le Goix (2005), residents of gated communities mostly feel like club members who come together to benefit from some certain facilities rather than be a member of society. Therefore, these housing areas are identified with concepts like 'club realm' and 'territorial club economies' (Webster, 2001; Glazse, 2006). Although gated communities provide certain benefits to their residents via contracts, those contracts are also quite descriptive to regulate the rights and behavior of the residents, to define the limits of their life spaces and to determine common duties. Glazse (2003) claims that the club goods theory solely is not enough to explain the historical and regional development of gated communities. In fact, relations between governments, national, regional and local authorities should be analyzed to clarify the increase of gated communities (Atkinson and Blandy, 2005). In a similar way, McKenzie (1998) the 1980s that there are various outer powers beyond ménage à trois between developer, potential residents and the municipality playing in process. Consequently, outputs of the process may be affected by them.

Despite the diverse policies towards gated communities, an overall tendency shows that they are supported by local authorities. McKenzie (2003) -studying rapidly increasing gated housing areas around Las Vegas- states that local governments are quite supportive of gated communities. While municipalities support the increase of gated communities and their management by homeowner associations, land developers are also quite pleased with that tendency. Similarly, Wu (2005) expresses that local governments in China lean towards gated communities because they have positive effects on decreasing public service costs and burdens.

The managerial aspect and governance of gated communities is a broad subject including a large number of dimensions. Several studies have mainly focused on how related planning institutions, planning tools and various actors regulate the effects of gated communities on urban space. Grant (2005) examined the controllability of gated communities by local governments through the Canada example. In his work, Grant states that some municipalities have binding rules for controlling building height, gates and accessibility of roads and regulative conditions are set to design semipermeable areas. Besides, another restriction is the total area of a gated community which is determined as 20 acres at most. On the other hand, Landman (2004) states that the 1980s has the links between planning and gated community through enclosed neighborhoods and security villages from South Africa. Landman states that construction of enclosed neighborhoods is subject to the approval of the related planning authority and they are built according to planning guidelines, whereas security villages are constructed depending on the decisions of the municipal council on development and building permits.

The isolation and separation of housing areas dates back to old times in Israel whose ethno-national, religious, cultural, ideological and socio-economical structure is quite characteristic and has been through a segregation period since the beginning of the country. However despite their physical similarities, several structural differences are observed among gated communities built before and after 2000 (Rosen and Razin, 2008). Especially after 2007, NGOs in Israel have interfered in the problems and challenges caused by gated communities via legal procedures. NGOs putting environmental concerns to the forefront became quite interfering on gated communities locating on the coastline after the 1990s by binding practices. NGOs have become very effective in the control of marinas and their surroundings, prevention of recreational sites from the transformation to private housing and remove of the barriers restricting the accessibility of the coastline.

Another aspect of governance studies on gated communities is the discussion about how the sites use their managerial capacity to carry out the services and their duties. In this way, the concept of governance is mentioned through the tasks and services shared between the planning authority and developer. Gated communities are considered as positive tools to provide public order in South Africa where social segregation is very high because of socio-economic and political conditions (Landman, 2004). The rising crime rate and security needs of a society have encouraged the construction of gated communities. Eventually citizens have created pressure on local governments by demanding private housing areas. There have been two types of gated communities in Israel: enclosed neighborhoods and security villages. While roads remain as public domain in enclosed neighborhood, local governments become responsible for the construction and maintenance of public services. However security villages covering residential as well as mix use functions are mainly built by a developer. A study conducted in Johannesburg shows that residents of enclosed neighborhoods take on the responsibilities of municipalities and take over the maintenance of parks, walking trails, lighting etc. On the other hand, residents of housing areas have been continuing paying their monthly taxes to municipalities. In a similar way large security villages provide several facilities for their residents including golf courses, restaurants, shopping etc. Besides that, municipalities are glad about the property taxes gained by large real estate projects.

That gated communities are functional and operational units and act as governance actors which is another dimension emphasizing their self-governance function. On that point, governance and relations between actors gain importance. The internal management of gated communities and roles of actors can integrate with a series of legal tools regarding urban planning. In this way, the management of a housing area is guaranteed by planning laws and the contracts regulating on-site living conditions. For example in Singapore, common sharing arrangements in gated housings are met by the government. The government carries out that duty via building maintenance and strata management (Wong and Yap, 2003; Pow, 2009).

According to the law, all property owners participate into a joint ownership. Thus, property owners take the responsibility of service maintenance as they benefit from the common properties in the area. Performing tasks is provided by the Management Company (MC) consisting of residents. Every MC is in charge of the implementation of directives in law and collects the management costs from the right holders. Pow (2009) claims that this management system is a way of creating club economy within the borders of a gated community. Another country regulating arrangements related to common sharing in gated communities is Australia. Gated communities in Australia are separated into two groups: high rise buildings and master planned areas. Therefore there are two sets of laws regulating those areas (Sherry, 2009). While the Strata Schemes Act (1973) manages the development of high rise buildings and their title transactions, the Strata Schemes Management Act (1996) regulates managerial issues. On the other side, the Community

Land Development Act (1989) manages the land development process and title transactions, the Community Land Management Act (1989) arranges ongoing site management issues. By enforcing those laws, usage and maintenance of certain facilities could be allocated to specific housing areas. However Sherry (2009) states that commonly shared facilities and services in master planned areas are optional. Because of this, master planned areas in Singapore are generally generated without restrictive agreements. Thus, architectural restrictions in those housing areas are quite minimal and impermanent (Zainudin and Hussin, 2015).

As is seen, managerial conflict and complexity of gated communities is multidimensional. While a planning authority generates legal contents to control development and design conditions of gated communities, other regulations concerning internal management and service procurement of the sites are tried to be implemented. However gated communities emerge in different countries with different motivations diversifies approaches for them.

### 3 GATED COMMUNITIES IN TURKEY

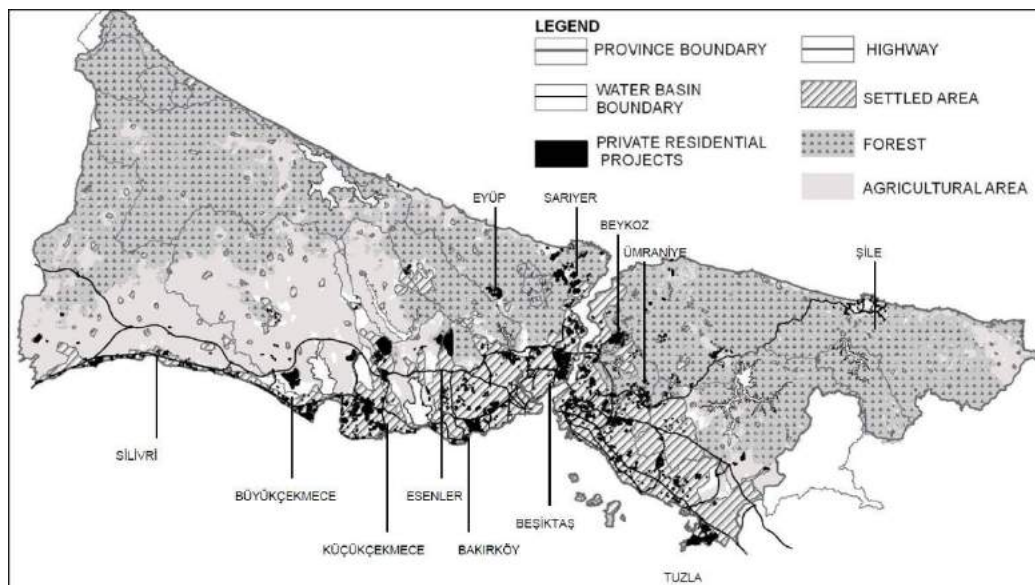
The emergence of gated communities in Turkey has developed in parallel with transition to liberal economy in the 1980s and they predominantly have been built right after 1990. Urban space came into prominence as a result of making the country attractive for investments and integrating it into global capital (İnal Çekiç and Gezici, 2009). In consequence of market crisis in the 1970s, participation and intervention methods of governments in housing market has changed drastically after 1980 (Geniş, 2007). Öncü (1988) states that rising housing demand, housing scarcity and lack of land for housing projects marked that period.

Metropolitan areas and cities entered into the process of being global cities with the pressure of new actors involving housing and the land market. The need for a central public institution -which is supported by certain funds to carry out housing policies- increased in the 1980s. As a result, a series of legal amendments were written and the Mass Housing Authority was established through the Mass Housing Law in 1984. This attempt aims to encourage all the actors in the construction market with the financial support of banks. Subsequently, other legal arrangements were done to attract medium and large scale construction companies and the housing market was tried to be revived. It is seen that municipalities and the private sector tried to be activated by government intervention in the housing market after 1980. Thus, liberal policies conducted have directed housing production towards the high income group. The capital reserved for housing production has focused on 'new elites' (new middle-income group working for finance, banking, tourism sectors, etc.). As a result, early examples of gated communities have started to surround urban space (Geniş, 2007). Gated communities in metropolitan areas have increased as a result of large scale housing development companies increasing right after the 1980s (Keyder, 2000). Those gated communities starting to develop under the economical and political flows of the 1980s have been sought as a new type of suburb because of their peripheral location (Kurtuluş, 2005). The reasons why gated communities have started to spread over peripheral areas are two-sided. While the first one is the desire of high income groups to move away from urban chaos by settling in more qualified areas, the second one is the aim of development companies to create outstanding life standards on the lands whose values are relatively lower but rents are high (Aydın, 2012).

One of the most effective and basic factors -apart from the transformation of social structure and changes of legal and institutional competences enabling large scale housing projects to be developed- has been large and undivided parcels on the periphery. When changes of housing policies are evaluated, the first examples of gated communities seem to have emerged in early the 1990s. In that period, housing areas surrounded by qualified facilities were built for new middle and higher income groups because of the easy access to relatively cheaper and bigger parcels on peripheral areas. Forestry lands and first tier municipalities hosted low-density and sprawled gated communities because of the legal interventions easing land development. However, the effects of neoliberalism sharpened during the 2000s. In that case, the government reflected privatization policies of the planning system and also it intervened in housing policy by restructuring itself with a collaborative and entrepreneurial role. In that context, the government has described tools to be used by public institutions on directing housing policies. MHA has been promoted with a series of new competences to control of the housing market (Candan and Kolluoğlu, 2008; Zariç, 2012). The neo-liberalized role of MHA has not only changed the scale, features and locations of housing investments but also triggered increases of those investments. As a reflection of this situation,

the site selection of gated communities in Istanbul has evolved over time and directed towards the city center by interventionist housing policies, planning implementations of MHA and the Ministry of Urbanism and Environment (MUE) and urban transformation projects. The drastic rise of gated communities in Istanbul has continued during the 2000s and according to Gulumser their numbers increased from 30 to 96 in 2004 (Firidin-Özgür, 2006). While the number of gated communities was assumed as 650 in Istanbul in 2005 (Perouse and Daniş, 2005), Ozkan and Kozaman (2006) asserted that 20% of the housing stock consisted of gated communities. Besides, Aydın (2012) states that 552 gated community projects were released to the market between the years 2005-2009.

When the Istanbul case is examined, it is seen that housing areas including multi-storey buildings, high rise buildings and upscale houses are located mostly around the CBD and partially on peripheral sites. These housing areas developing mainly around the office buildings and shopping malls on the European side and around the CBD have started to rise in new urban development zones on the Anatolian side of city (Akgün and Baycan, 2012).



Map 1- Private Residential Projects in Istanbul (Özkan and Kozaman, 2006)

Gated community projects which have been developing since 2000 generally include different types of housing typologies like multi-storey housing, residences, villas. These sites built up on large-scaled lots not only include different housing typologies but also serve for various income groups like middle, middle-high or high. The laws and other regulations enforced after 2000 by central and local governments have triggered urban development directly or indirectly. Urban regeneration and transformation oriented laws providing extensive competences have encouraged housing developments.

### 3.1 CHANGING INSTITUTIONAL STRUCTURE ON GATED COMMUNITIES.

The role of the Turkish government in housing policies has changed over the years from passive to partially active and active. While the government currently undertakes the role of entrepreneur, it also acts quite collaboratively with the private sector for housing investments. The broad authorities assigned to central government institutions and most particularly to MHA since the 2000s have been an significant role in the way in which housing investments are directed. The service provider /producer role of local governments previously assigned has evolved with the effect of globalization in the 1980s Thus, local governments have become tools to distribute those services. While urban governance organs have been considered as companies, citizens have also been defined as customers which features not the public administration but the public management. In that manner, cities have become the focus of capital flows through the transformation of resources transferred from the central government to municipalities (Bal, 2011). Therefore, social centred investments like housing policies have been replaced with private sector investments.

There have been several arrangements in accordance with the globalization tendency during the transition period from government investments to private sector based investments. While privatization based laws have been rising, the central government has downsized, and local governments and the private sector have been empowered (Karasu, 2009). The local governments have taken on the role of being entrepreneurs and collaborators have started to buy services from the private sector. The private sector has gotten ahead in procurement and distribution of basic services such as infrastructure, land development and housing production. That government has started to get strength from the private sector has encouraged market housing investments, but the social role of housing investments has started to be neglected. While the percentage of housing investments in government investments had been decreasing in the early 1980s, several precautions have been taken to enhance the sources supporting housing developments. The most important precaution has become the foundation of MHA in 1984. Thus, municipalities were passivated in housing production. After 2000, MHA's financial resources and activity areas (from industrial areas to tourism, urban transformation etc.) have been extended. The foundation has empowered its identity of being an investor through expanded opportunities (Zariç, 2012). Besides, MHA has gained several expanded rights as a market actor such as investing in residential and non-residential projects, participating into revenue sharing agreements, being responsible for urban transformation projects, establishing a company, getting into a partnership, making /approving its own plans, providing construction permits and expropriating

Apart from the changing role of government institutions, another important issue concerning institutional restructuring is the role of the private sector. The large-scale housing development companies emerged between the years of 1990-2000 in Istanbul which has gotten into the international real estate market with the effect of the Marmara Earthquake (1999) has formed gated communities as a new type of residential structure.

As a result, a large number of companies making unprecedented amounts of mass-production have appeared in the housing market. Those companies paid attention to the need for segregation of new middle and higher income groups and regarded their housing demand. While housing supply in the market has been changing, national construction companies have started to take part in real estate investments by going into partnerships or benefiting from national /international credits and incentives. The private companies have entered into the process of rapid growth in the sense that the construction industry has boomed. While some companies have been producing relatively small projects on small lands, large scale companies have been developing large scale projects providing several facilities. Thus, large scaled construction companies and gated communities have entered into the institutional structuring schema of the housing market as new actors.

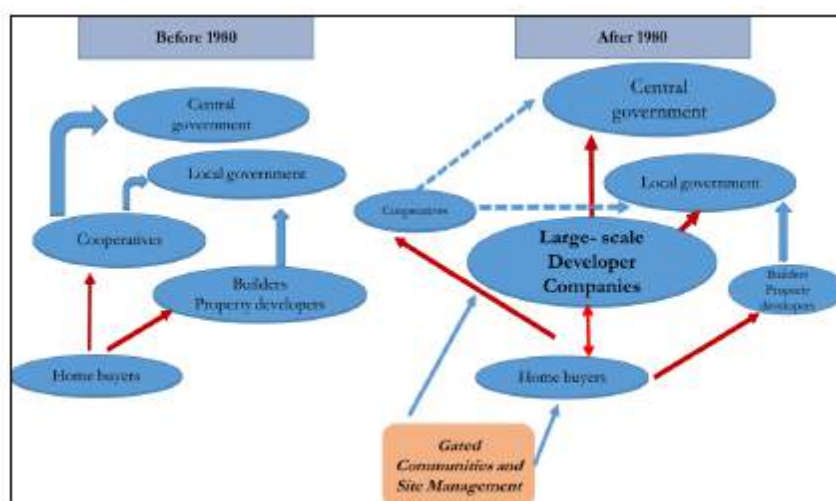


Figure 1- Institutional Structure of Housing Market after 1980

Gated communities having firstly located in peripheral areas and then in the inner city as a reflection of market penetration of national and foreign financed construction companies as well as changing socio-economical structures have their own governance capacity and management structure. Therefore, gated

communities form a governance unit all by themselves in addition to all these private sector institutions and other related actors which have been integrated into public-rooted institutional structuring.

Legal amendments and arrangements regarding residential areas are important tools supported by institutional changes. Those legal arrangements have included detached houses, cooperative housing and mass housing areas with different scales and typologies. However, the fundamental law emphasizing the administrative structure of gated communities is Condominium Law No. 634. In 2007, some additional changes have been made to this law to define 'Mass Houses' which is used for housing areas covering multi-parcels with multi-buildings. Besides that, Rent Law No. 6570 defines commonly shared areas in whole buildings under the title of 'common places'.

When carefully examined, it is observed that the concept of whole building defined by the law legitimizes gated communities. While the Condominium Law lays emphasis on internal management of gated communities, it also covers different issues like establishing management boards and regulating common expenses. However, the law is not descriptive to clarify the way of service procurement. Also, the link between service procurement and local government is not explained.

Apart from Condominium Law, other legal arrangements exist not directly related with management issues of gated communities but encouraging the increase of gated communities. These legal arrangements and housing typologies they have created in urban space are shown in Figure 2.

Period (years)	Economic Situation	Active Actors	Enacted Laws	Housing Models
1926-30	Partial Liberal	-	Law Number 1193	-
1936-38	Isolation	*Central government *Local government *Cooperative	Law Number 4170	* Single buildings * Squatters
1964-80	Conservative Isolation	*Local government *Housing co-ops *Builders *State/urban scale construction companies	*Regulation Law Number 775 *Cooperative Law Number 3163 *Land Development Law Number 1194	* Squatters * Housing co-ops/ housing sites * Single buildings
1980-2000	Liberal	*Central government *Local government *Private sector/ large scale construction companies *State/urban scale construction companies	Mass Housing Law Number 286	* Single buildings * Mass housing * Gated communities
After 2000	Neoliberal	*Mass Housing Authority (TOM2) *Ministry of Environment and Urbanism (CEU) *Local Government *Private sector/ large scale construction companies	*806, 316, 2372, 375, 2368 Laws (TOM2 related law amendments) *Statute Law Number 3163 *Quota Law Number 4566 *Law Number 4369 *Decree Law (Decreto) 944 and 948 (CEU related amendments)	* Gated communities * Single building model rehabilitation/ modernization * Rural rehabilitation/ transformation

Figure 2- Legal Amendments and Their Spatial Effects

While the effect of privatization has increased with those legal arrangements since the 2000s, a central government agency, MHA, has been authorized to sustain housing policies. Housing supply policies carried out by local governments in previous periods started to be conducted by MHA which is an example of entrepreneur state. Market housing projects supported by MHA has formed a basis for the increase of gated communities surrounding metropolitan areas. MHA's profit-oriented large-scaled housing projects on valuable lands and Ministry of Urbanism and Environment's authorization to conduct urban transformation projects have resulted in an increase of gated communities as well as large-scaled housing projects.

### 3.2 ORGANISATIONAL RELATIONS AND INTERNAL MANAGEMENT OF GATED COMMUNITIES

Gated communities are self-enclosed structures because of their managerial role as well as their separative role supported by physical restrictions which makes them inaccessible for public use. That those housing sites are generally operated by internal management units affects their relations with local governments in terms of public service procurement. Accordingly, this situation results in a differentiation of service providing. Besides, service providing and internal management mechanisms observed in gated communities make them more self-sufficient and self-governed. Those public services and other

residential facilities are produced for a fee and they are commonly shared according to the basic principles of 'club goods' or 'club logic' theories which taken from the idea of common ownership (Aydın-Yönet and Yirmibeşoğlu, 2015). The club goods theory is defined as a membership system whose services can only be used by the ones paying the price and assessing the way of service procurement in a hybrid structure which is neither exclusively private nor public (Manzi and Smityh-Bowers, 2005). However, this situation can cause gated communities to achieve autonomy to some extent. Eventually, these relations between gated communities

and local governments may make gated communities more effective for making planning decisions (Firidin- Özgür, 2006). Gated communities and their management organs reaching qualified economical resources and service diversity can use planning notions directly. Göktürk, located in the peripheral area of Istanbul, in the 90s set an example for this situation. Göktürk, preferred by developers because of its affordable prices, have hosted several gated housing projects over the years. In 1993, Göktürk was registered as a municipality shortly before the completion of one of the largest housing project in the region, Kemer Country. This new municipality prepared the plans of the Kemer Country Project including detailed local plans and revision plans (İnal- Çekic and Gezici, 2009).

Even though there have been several studies regarding different aspects of gated communities, the content of public services, service procurement processes and relations between the private sector, local governments and gated communities have stayed in the background. Thus, the relation between the operation of current local governments and the tendency of gated communities to produce their own social- technical infrastructure through their autonomous management stays in the background.

Perouse and Daniş (2005) stated that gated communities are self-sufficient towns providing their own services with a claim of being secure, comfortable and semi-autonomous. While gated communities exceeding a certain size can afford their ambulance services, electric generators, water tanks, technical supports and water refining, those services can be provided by private companies. Çınar, Çizmeci and Köksal (2006) also mention in the 1980s that gated communities isolate themselves from local governments by creating their own micro municipalities, and they subsidize basic services such as roads, security, garbage and maintenance of common facilities. Bahçeşehir and Göktürk gated communities in Istanbul have been the typical examples of micro-municipalism. Those two gated communities were legalized and registered as municipalities.

Geniş (2007), who examined the Kemer Country settlement, defines the area as a self-sufficient town and private management area. Geniş also claims that the settlement is separated from the rest of the area not only functionally but also administratively. Geniş further states that Kemer Country residents and the site management unit are considerably effective on the urban texture of the settlement and even on the municipality and central government. Kemer Country, having its own management unit rules and security measures, has been providing its infrastructure and other services. The settlement is managed by a board consisting of shareholders which functions as a private local government. The residents were found more concerned with efficiency and quality of services but they were not interested in participating in decision-making processes.

Candaş (2007), studying gated communities in Istanbul, confirms that Kemer Country's site management had a crew of 250 to serve the community. Those services include maintenance, repair, garbage collection, ambulance, and safety as well as intervention to architectural restrictions. Although there is a separate management unit, grouped villas also have their own managing agent.

Literature studies show that gated communities are considered as a financial support to maintain urban development, and they are largely encouraged by planning institutions. However, it is clearly noted that those settlements create privatized and autonomous managerial loopholes. Uncovering the organizational schema of gated communities in which they are established with external structures is significant to enlighten the administrative and financial relations. This situation requires there to be more explanations of management issues and the financial structure of gated communities in Turkey.

İşlek (2007) states that although mass housing projects had been retaining their dependence to the city until the 90s, the Kemer Country project developed in 1989 was a breaking point. İşlek further states that in the 1980s residents were encouraged to be a part of site management as a way of developing a sense of belonging. Ekdemir Kaya (2010), carrying out a study on three gated communities in Istanbul, points out that all of them are quite self-sufficient in terms of social services. Ekdemir Kaya also adds that those



settlements have homeowner associations (HOA). That managerial body establishes and operates the rules regulating common life. HOAs may impose architectural restrictions on features such as color, material, form to protect harmony. Ekdemir Kaya (2010) takes the study a step further and discusses relations between residents, HOA and the local government. The residents stated that they were not in need of being in direct contact with the local government after they moved to area. They also mention that the municipality neither represents them nor provides their needs, instead HOA is the responsible actor.

#### 4 METHODOLOGY

This paper aims to examine the management capacity of gated communities through self- governance. The research discusses multiple processes starting with planning /construction periods and continuing with post-construction periods. This approach requires describing the actors involved in every single step. Four basic project management criteria (project management, process management, management sources and management tools) have been taken in that study which considers gated communities as a governance structure. Those criteria are defined based on Heurkens’s study (Heurkens, 2012).

Project management criterion covering processes from planning and land development to post-construction is divided into 12 steps in terms of this study. Those steps are taken as management events. The steps are defined based on Healey’s urban development model (1991, 1992) and Alexander’s (2001) land development processes. Other project management criteria were defined in addition to Alexander and Healey’s studies. These are sorted as decisions of plan making, making of plans, service maintenance /repair, procurement of new services, on-site managerial directives and management coordination.

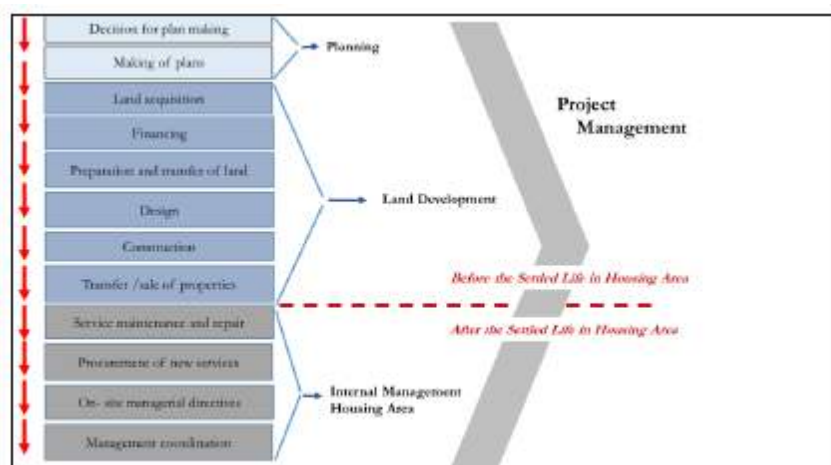


Figure 3 - Steps of Project Management

Defining actors and their roles on land development processes is significant to discuss management capacity of gated communities. While actor groups involved in housing development processes (including gated communities) in Turkey can be ordered as public sector (central or local government), private sector (developer and contractors), residents, site management units (dependent on developer or not), some services are provided via public-private partnerships. Which project management steps are operated by who constitutes a base to analyze management capacity of gated communities. However, those steps may include different actors and additional processes in every single urban development project. For this reason, only one case study area is reviewed to deeply analyze project management steps. In that context, the Avrupa Konutları Atakent 3 project in Istanbul was examined in terms of competences of actors and governance issues.

#### 4.1 CASE STUDY: AVRUPA KONUTLARI ATAKENT 3

Within the scope of study, the housing project ‘Avrupa Residences Atakent 3’ in the borders of Küçükçekmece Municipality - which has been in the sphere of influence of the city center since 2000 while it was on the peripheral zone in the 80s- is discussed. The project started in 2010 and ended in 2011. The

Halkalı Gendarmerie Command land (19.3 hectares) on which the project is built had the highest land value of the region and it was claimed to be the most expensive land of MHA. The project stays within the borders of different planning areas and it was defined as a 'Mass Housing Area' by local land use plans and a detailed local plan in 2010. According to the detailed local plan, development rights were given as a detached order with a floor area ratio (FAR) of 1.65 while no limit or height criteria for buildings existed. Besides, it was also the 1980s that the housing project should be conducted according to the preliminary project which was approved by the Metropolitan Municipality. After that, the Mass Housing Authority managed the whole process of land development.

The land was constructed on after it was transferred to the Emlak Knout Real Estate Company which is a subsidiary of MHA. It was put out to tender and assigned to ARTAŞ Construction Company in compliance with the 'revenue-sharing model' for building works. ARTAŞ is one of the most experienced and long-established companies which has currently 14 housing projects in Istanbul. Apart from that, the company takes the management responsibility of housing projects which it produces. The project consists of 2262 dwellings, 16 commercial units, indoor and outdoor pools, health and sport centers, a tennis court, a multipurpose sports court, playgrounds, a kindergarten, car parks as well as a market, 2 cafeterias and a generator system which can only be used by residents.

The planning executive of Emlak Konut Real Estate Investment Company (Emlak Konut REIC) was interviewed in this study, examining managerial functions of gated communities to enlighten the relations between site managements, developer companies and public planning authorities. The 12 steps of the project management process and their lead actors were described through oral interviews.

## **DECISION FOR PLAN MAKING – MAKING OF PLANS**

MHA has become the decision maker of the plan making process. After the transfer of ownership, MHA declared the area as a 'mass housing area' in accordance with its planning competences and legal rights. Hence decisions of plan making as well as preparation of plans belonged to MHA. The plans were approved by the Istanbul Metropolitan Municipality (IBB) according to the concerning law. As a result, development rights were determined by MHA.

## **LAND ACQUISITION**

The acquisition of land was realized by MHA as the first step. The project area previously owned by the military was transferred to MHA without charge, and then MHA sold the land to its subsidiary, Emlak Konut REIC. However, there has been another land transfer period from Emlak Konut REIC to the developer. The model 'revenue sharing for land' was carried out to complete the transfer from Emlak Konut REIC to the developer. The model requires selling the land to the developer via the tendering procedure. The developer company assigning the maximum value for land wins the tender pursuant to the law. The company, ARTAŞ Group Construction, won the tender. Once the tendering procedure was over, ARTAŞ designated project details according to previously approved plans. Also, the number of total projected units, list of residential and non-residential units, saleable and non-saleable areas (social or technical infrastructure services commonly shared) were defined in detail. Apart from all these, the total cost and expenses of the project were clearly expressed in the application file. Afterwards the project was presented for Emlak Konut REIC's approval. After the project was approved, preparation of land started.

At that point, another issue is that the dwelling units could be put up for sale since the project and list of total units were approved. The completion of the building process of the entire project is not required to sell dwellings. Thus, a part of construction costs starts to be covered in advance of project completion. Emlak Konut REIC and ARTAŞ also prepared and approved the 'site management plan' to be operated. At a later stage, operation of the site management plan was transferred to ARTAŞ.

## **FINANCING**

This stage including the financing process of purchasing and the preparation of land is run by the developer. The developer winning tender also becomes responsible for further costs.

### PREPARATION AND TRANSFER OF LAND

In Turkey, preparation of land generally includes building of social and technical infrastructures. All the expenses and costs are paid by the developer. Developers can either contract out certain tasks or build single-handedly. In the case study, it is confirmed that infrastructural services (electricity, water systems, telecommunication, generators, satellite receiver systems, etc.) were provided by ARTAŞ. Emlak Konut REIC did not fund or pay for costs. Because the developer is responsible for construction and post-construction periods as a whole in Turkey, transfer of land was not actualized.

### DESIGN

Building and environmental designs of the project was designated by ARTAŞ. Once the tender was over, the developer and Emlak Konut REIC held a project review meeting and the project was approved. Thus, the project design stage was already completed right after the acquisition of land by the developer. It means that the project cannot be subject to changes.

### CONSTRUCTION

Total expenditures and the organization of subcontractors in the construction period were met by ARTAŞ. Emlak Konut REIC did not make a direct contribution either actually or financially.

### TRANSFER /SALE OF PROPERTIES

The sale of properties started with the approval of the total units list by Emlak Konut REIC and continued after the project was completed. An important issue regarding this stage is to understand how property sales are operated. Because the project was actualized according to 'revenue sharing for land' model, the developer transferred a certain part of the sales revenue to Emlak Konut REIC under the sales contract. While the sales revenue was collected in the treasury of Emlak Konut REIC at the first step, a certain percentage of revenue was transferred to ARTAŞ in part as a progress payment. The schema describing this stage are as follows.

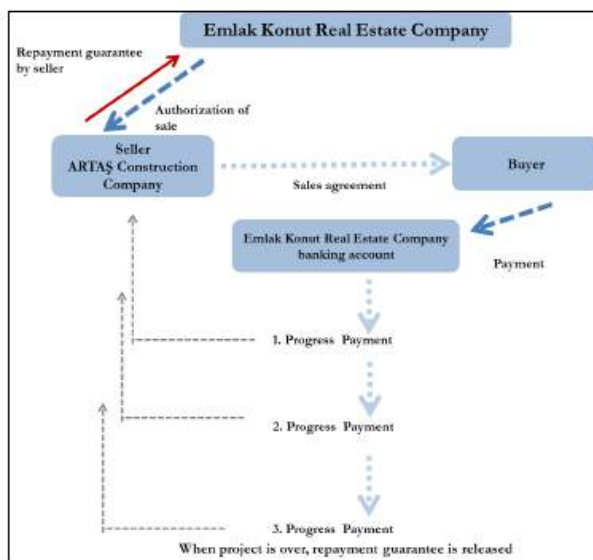


Figure 4 - Property Sales Process

As one can see, the authorization of sale is allowed by Emlak Konut REIC although property sales are operated by ARTAŞ. Besides, sales revenue is firstly collected by Emlak Konut REIC and then transferred to ARTAŞ in compliance with the percentage of work completed. For this reason, both actors are quite active and effective. Another aspect of property sales is other revenues that are gained through services and functions subject to sale. For example, the market which serves only for residents is a saleable

commercial unit. Once this commercial unit was sold, its sales revenue was transferred to ARTAŞ. In that case, site management is not given a share of the sale. On the other side, revenues and cost of sports facilities are under the responsibility of site management because those facilities are 'common areas' not subject to sale.

### **SERVICE MAINTENANCE AND REPAIR**

The maintenance and repair of infrastructure and social services built up in the project area have been provided by ARTAŞ. Also, site management has been performed by a professional management company owned by ARTAŞ. This company is responsible for service maintenance and repair tasks according to the 'management plan'. There is a specialized support team to solve problems about interior modifications and other repair works. Other environmental and landscaping works are paid and organized by ARTAŞ. In addition to these, garbage collection service, safety and other sanitation services are carried out by the site management company.

### **PROCUREMENT OF NEW SERVICES**

Procurement of new services including maintenance and repair costs are paid by the site management company owned by ARTAŞ. However, procurement of new services may not include social facilities, commercial centres, etc. which require additional building and structures. Emlak Konut REIC does not allow those types of additional developments after the project is approved. Other infrastructural additions such as refining systems, sewer system, and cogeneration are allowed to be built. The condominium owners' board have the right to demand new service procurement. The period of service procurement is actualized with the decision and approval of the general board. However, these types of changes necessitate revision of the management plan. The operation of the service procurement process is carried out by the site management.

### **ON-SITE MANAGERIAL DIRECTIVES**

Directives and rules regulating on-site living conditions are declared to buyers via sale contract. Those rules are also defined with the management plan. The first management plan of the settlement was prepared by Emlak Konut REIC and ARTAŞ jointly. On-site living rules and regulations are published on the website of the site management. The operation and sustainability of rules are monitored by the site management board. Those rules include different subjects like the use of commonly shared areas, monthly fees, safety-cleaning- aesthetic issues, in-house maintenance / repair. The demand to revise those rules is discussed by the general board and then revisions are reflected in the management plan. Although the first management plan was prepared by both actors, further revisions and changes are recast and monitored by the site management company.

### **MANAGEMENT /COORDINATION**

The coordination of management is operated by the site management. Different departments of the site management organ share primary tasks. The site management consists of 3 tiers connected hierarchically. Those tiers from top to bottom can be shown as: the board of management with 5 persons, the site manager and 5 primary departments dependent to the site manager. Those primary departments are public relations, technical works, cleaning, landscaping and security. Apart from these, there is an inspection committee with 3 persons.

The steps and their primary actors of the project management process which starts with the decision of plan making is schematized as follows. When the schema are examined carefully, it is seen that the developer is more effective than the planning authority on post-planning steps. Especially, project design and construction steps as well as on-site management are operated by the developer.

When all the processes and project management steps are considered, it is seen that the first two steps (decision of plan making and making of plans) are run by the central planning authorities (MHA and Emlak

Konut REIC) whereas further steps are primarily carried out by the developer and site management. The local government is not effective on any of those steps. The only interaction between the municipality and the gated community occurred in the planning and project approval processes. The housing project must be accordant with the preliminary project approved by metropolitan municipality.

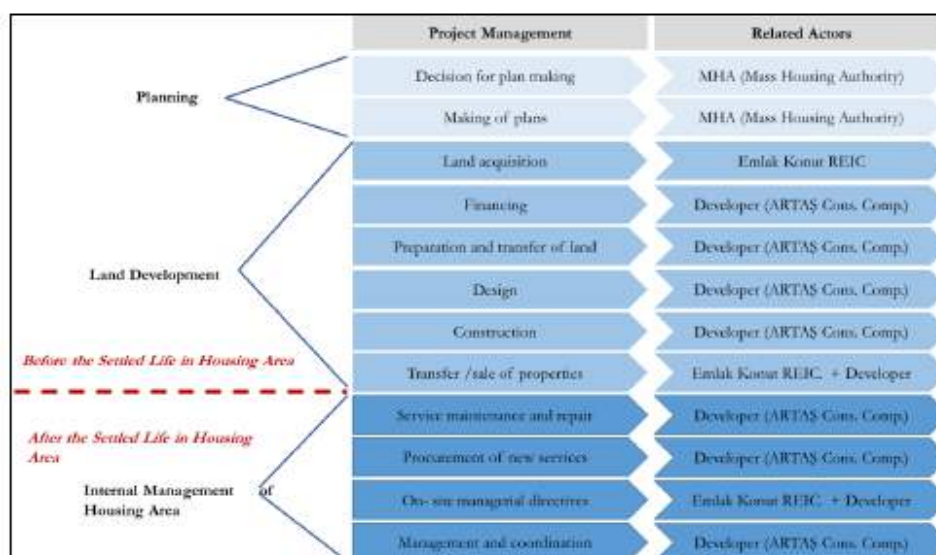


Figure- 5 Project Management Steps and Fundamental Actors

However, because development rights and construction conditions are quite unrestricted and there is no limitation concerning design, the developer is free and independent in the design process. Also, central and local governments do not intervene with the developer to regulate the type (housing, commercial, etc.) and number of functions.

Procurement of on-site services, operation of rules and managerial coordination are arrangements to preserve the existing situation and its operability, and they operate to make living conditions sustainable. And all those facilities are operated through the site management company owned by the developer.

## 5 CONCLUSION

The phenomenon of governance of gated communities includes several actors and processes. 'Management' of gated communities includes not only the actors inside the walls but also outsiders and the relations between. The capacities and competences of actors can change during the steps, starting with planning and progressing with internal management.

When several examples are examined, it is seen that certain management-related subjects stand out in gated community literature. The countries trying to regulate those housing areas via planning and design guidelines seem to focus on controllability of gated housing areas. On the other hand, discussing the roles of public planning authorities and the private sector on procurement of social and technical infrastructure is another aspect of governance. However, although the governance aspect of gated communities includes those issues, it is more than these. Defining the roles and tasks of actors and their relations is significant to discover operational characteristics of gated communities and to understand how self-sufficient they are.

Although there are different methods concerning land development and planning processes for housing areas, methods on which MHA is directly influential have become more frequent after the 2000s. While one of those methods is the 'revenue sharing model', it requires collaboration between MHA and the developer to some extent. While the central planning authority is active in the planning period, the developer is effective during the post-planning -more specifically on project design- period. The local government stays out of the process. Despite the fact that the central planning authority is competent on making plans, it also liberates the developer in terms of development rights and design. Whereas land preparation, construction and design steps are rather developer-centered, property sales start with

permission of the central planning authority. Because sales revenues are shared between the developer and MHA by nature of the revenue sharing model, both actors seem to be very active at this step. After the settled life starts in the housing area, the central planning authority withdraws from the process. Then the site management unit leads the next steps to preserve the sustainability of the housing area. The residents are not involved in those processes as decision makers or operators.

Accepting gated communities as administrative organizations surrounded by multilevel governmentality requires acknowledging interrelations between those areas and other management units (central or local government organs, developers, public/ semi-public/ private institutions, etc.). Even though the central planning authority is the prior actor starting and monitoring the housing development process, the developer seems to be the actualiser of the work. In fact, the central planning authority starting the process as entrepreneur and employer seems to withdraw voluntarily while the local government is passivated. Having said that, it is not entirely possible to claim that gated communities are fully independent areas having standard management structures. Other examples having different land development processes and actors may create distinctive management structures. Therefore, governance of gated communities is far beyond its boundaries.

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## **ID 1739 | POLICIES FOR AFFORDABLE RENTALS IN GERMANY AND SWEDEN – HOW DO HOUSING POLICIES GET IMPLEMENTED IN PLANNING AND REALISED IN GROWING CITIES?**

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### **1 HOUSING POLICIES FOR AFFORDABLE RENTALS**

Cities with a growing population are faced with the challenge to offer sufficient and adequate living space to all income groups. Those with medium to high incomes and a certain financial flexibility have of course bigger prospects to choose from a wider range of available housing offers within the cities. In contrast, for inhabitants with low to medium incomes, it's getting increasingly complicated to have access to affordable rentals, since the increasing demand for housing, e.g. because of the raise of single households, leads to rising prices and to a shortage of low-cost rental apartments. Further, increasing income differences and a large influx of refugees put extra pressure on the sector.

That trend is well known to decision makers in housing policy in almost all European countries. In order to develop appropriate housing conditions for all inhabitants and to ensure equal living space conditions, housing policies are formulated on federal and state level. For instance, suppliers as well as demanders of rental apartments get support by financial subsidies like housing benefits or tax amortisations. Furthermore, the cities are requested to implement housing policies into their urban residential planning documents.

#### **1.1 SITUATION IN GERMANY**

Germany is a "county of tenants". Nearly half of the German population lives in a rented apartment. In the cities, the value is still significantly higher, reaching 79% in Munich and 78% in Heidelberg in 2011 (Bertelsmann Stiftung 2012). Only Switzerland, compared to other European countries, has a lower home ownership rate than Germany. As a result, in Germany, funding programs that provide financial support to tenants are extremely important and have a long tradition, such as the Social Housing Promotion. Already in 1950, the first housing construction law came into effect and was replaced in 1956 by the second housing construction law, which was valid with amendments until the year 2001. The Housing Promotion Act was adopted on 13.09.2001 and entered into force on 01.01.2002. In the course of the reform of the federalism, the promotion of housing became the competence of the federal states. In 2007, some federal states, such as Bavaria (BayWoFG) and Baden-Wuerttemberg (LwoFG) have issued their own housing promotion legislation. As compensation for the federal financial assistance, which was overthrown by the federalism reform, the federal states receive up to 2019 annual financial support of currently 518, 2 million euros from the state on the basis of Art. 143 c GG (BMUB 2017a). promotion of housing became the competence of the federal states. In 2007, some federal states, such as Bavaria (BayWoFG) and Baden-Wuerttemberg (LwoFG) have issued their own housing promotion legislation. As compensation for the federal financial assistance, which was overthrown by the federalism reform, the federal states receive up