

## Super-gentrification in a post-socialist state on the example of Poland

**Abstract:** *The multidimensional process of gentrification is one of the most commonly occurring processes of the contemporary urban transformations. Its most advanced stage is the so-called super-gentrification, a situation in which wealthy residents of the neighbourhood are replaced by ones even richer. This process is particularly clear in the most affluent cities in Western Europe and Northern America. Gentrification there seems really advanced, and it has been observed and described for at least several decades. In contrary, in the case of the states of the former bloc of real socialism, the manifestations of gentrification started to become visible only after 1989, or even later. In their case, gentrification is less advanced in its form and affects many spaces only point-wise. However, the aim of the paper is to describe the presence of the super-gentrification process on the example of Poland, in relation to cold-war-modernist housing estates, the process of 'wild' property restitution, and of some rural areas. Data on the real estate market and field research are used for this purpose. The author concludes that super-gentrification is already a tangible process in the region of Central and Eastern Europe, which shows a much greater advancement and social severity of this process of transforming urban space in relations to the vast majority of research analysing the level of gentrification advancement in the CEE region. The occurrence of super-gentrification also suggests the possibility of indicating a significant caesura or even ending the socio-economic transformation of some post-socialist countries.*

**Keywords:** *gentrification, super-gentrification, CEE, Poland, dependent market economies.*

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## Introduction

Gentrification was already described more than half a century ago (Glass, 1964), however, it was not commonly found in the former Soviet Bloc, as before 1989, real estate markets there did not allow free circulation of land (Drozda, 2018a). Only the marketization of real estate in the 1990s enabled the development of speculation on a larger scale, which is a necessary prerequisite for the 'mature' gentrification, even though some authors found its remnants even before (Pobłocki, 2012). The specificity of this process tends to associate it with the scheme on the basis of which one can indicate its two main stages and a possible third. The first is the so-called pioneer gentrification (1). It involves the emergence of new inhabitants in degraded spaces with greater resources of cultural capital, which can be described as pioneer gentrifiers. Their presence improves the general perception of a given space. Subsequently, it becomes the basis for the accumulation of its economic counterpart by advanced gentrifiers. They are richer people, displacing both the original inhabitants and the pioneers. Following

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such advanced gentrification (2) super-gentrification (3) may take its place. The latter can be understood as a situation in which wealthy residents of the neighborhood are replaced by ones even richer (Lees et al, 2007).

Does such process actually occur in the Central and Eastern Europe (CEE)? The first publications about the occurrence of gentrification there began to appear only after the collapse of real socialism (Sýkora, 1994; Smith, 1996), or even later in the case of Polish language (Lisowski, 1999). Actually, the only place among them where gentrification could manifest clearly already in the 1990s was East Germany, especially Berlin because of a large inflow of economic capital from West Germany and the existence of numerous degraded areas. The second distinguishing feature of CEE gentrification is its limited scope. According to Jakóbczyk-Gryszkiewicz et al (2017: 161), such processes there 'generally are less intensive', occur on a relatively small scale, mainly concern new buildings, and mostly is raised by the public sector. The character of local gentrification can be treated as a measure of broadly understood social, economic and urbanization processes. The thesis is an indication that gentrification in Poland is more advanced than expected in the case of countries less advanced economically. Its intensity is uneven, which makes this regularity less obvious and visible. These considerations are based on the source literature on gentrification, on authorial field research, as well as on some data on the real estate market.

### **Cold-war-modernist housing estates**

Large housing estates built during the period of real socialism are still an important part of housing stock in CEE, where they provide up to one-third of the entire residential stock (Szafrńska, 2017). The economic breakdown in the 1980s and the total reorientation of housing construction at the beginning of the next decade resulted in a sharp drop in its productivity. While in the 1970s almost 300,000 flats were put into use per year, and at the end of real socialism almost 200,000, in 1996 the number was only 62,000 (Local Data Bank, 2019).

The shape of housing production in Poland after 1989 clearly shows that it was a market insensitive to the basic social problems, especially in the case of less affluent people. Nowadays in Poland there are only 350 dwellings per 1,000 inhabitants (least in the entire EU) compared to 485 as the average for the Union (National Housing Program, 2016: 9-10). Housing experts point out that construction of 300,000 flats per year should reduce quantitative deficits of Polish housing, but this level is not reached, as well as construction of public housing almost does not exist (see Chart 1). What is more, the quality of the stock built after 1989 is not far different from the real-socialist predecessor. Polish architects tend to joke that real estate development companies would like to sell apartments in blocks with a marble reception, which is an imaginary symbol of prestige, rather than build sufficiently insulated buildings. Such weaknesses in connection with the popularity of gated communities or almost non-existing spatial planning prompted some authors to discuss whether the Polish capital should not be classified as a third-world city (Jałowiecki, 2019).

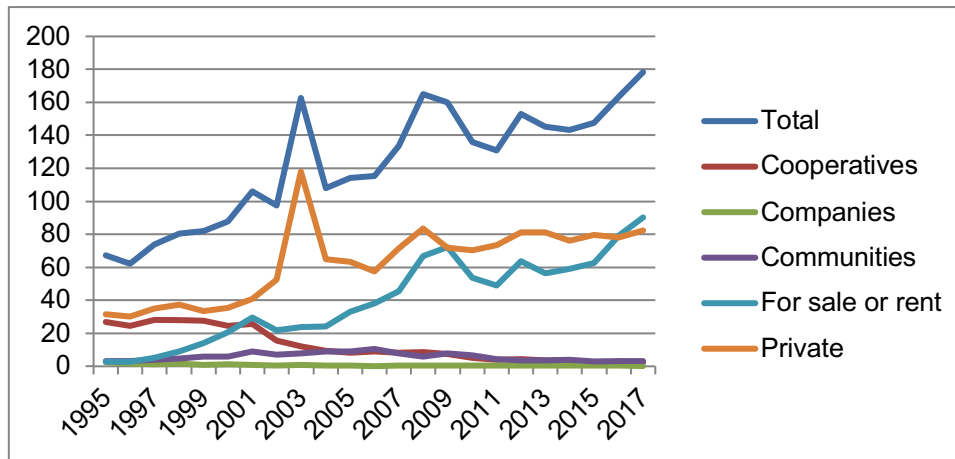


Chart 1. Number of apartments completed in Poland (1995-2017, in thousands)  
Source: Local Data Bank, 2019.

Contemporary housing estates are designed in the pursuit of maximizing profit. Polish real estate development companies tend to buy the smallest lots, and then crowd out on it as many apartments as possible. This is in contradiction with real socialist logic, when the lack of a free market allowed to locate housing estates in a manner far more wasteful from the capitalist perspective and to use for them attractive, central locations that were chosen more freely, and not only buy vacant lots located in the periphery because of its low price, as it happens nowadays. A good example in this context is the 'Za Żelazną Bramą' housing estate in Warsaw. As shown below (see Fig. 1), it is well situated and equipped with social services.

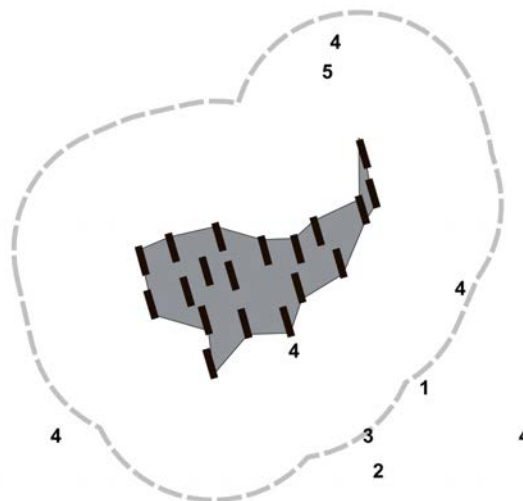


Fig. 1. Spatial analysis of the 'Za Żelazną Bramą' housing estate (gray field)

In the area or in the vicinity of 500 m (a gray dashed line) there are, among others: 1 – Palace of Culture and Science, 2 – Central Railway Station, 3 – 'Złote Tarasy' shopping mall, 4 – underground stations, 5 – City Hall. Source: Drozda, 2017a.

This large-scale housing estate was completed in 1972. After the collapse of real socialism, its blocks built in pre-fabricated technology began to be ardently criticized. The apartments were small and uncomfortable, and there were no windows in microscopic kitchens. The collapsing, but well-situated estate became therefore attractive for two groups of

gentrification pioneers. Firstly, the flats were rented by students for whom attractive rents and proximity to the city centre were more important than the apartments' low standard. The representatives of the Vietnamese minority were also willing to settle down here. In this way the estate was not depopulated. What is more, it has gained a multicultural diversity, and its wide negative spaces were filled with new buildings. The area contains nowadays prestigious offices, including the headquarters of the largest insurance company in Poland and several expensive hotels.

A real turning-point in the history of this place was the appearance of a short-term rental that has been gaining increasing popularity in Poland (Drozda, 2017b). As real estate agents pointed out in conversations with me, small apartments were so successfully turned into apartments rented for a short period using Airbnb that currently they constitute up to a third of all apartments in some blocks. In this way, one can observe the entire cycle of the gentrification of the estate. The revaluation of the blocks themselves, combined with the inflow of capital, meant that also super-gentrification could be found in this place.

### **'Wild' property restitution**

Another example of gentrification in Poland is the so-called 'wild reprivatization' (Drozda, 2018b). This phenomenon is related to the insecure ownership status of many properties in Poland. In contrast to the majority of states undergoing a similar transformation, capitalist Poland did not quickly decide to privatize its housing stock (Glock et al, 2007). This allowed to avoid the sale of public property, but the status of such real estate remains vague. Some apartments were privatized during several waves of expropriation. Politicians that supported the dissemination of private property then awarded high discounts to tenants, making it easier for them to buy their apartments. Distributing property rights allowed to avoid the responsibility for conducting housing policy and provided support from grateful voters.

The issue of real estates located in buildings built before 1939 is more complicated. Due to World War II damages, the latter are relatively few, and therefore particularly valuable, as well as more ornate and larger than those built after the war, which is why they can be successfully turned into luxurious apartments. After 1945, they were taken from their owners and transformed into social housing units. After 1989, some people started taking advantage of the fact that the expropriation process was carried out in a defective manner. The lack of clear legal provisions meant that the tenants were unable to find out about the status of their own apartments. In the thicket of intricate rules, so-called claim dealers, associated with criminal organizations or specialized law offices, best operated. Such groups of people bought claims to attractive real estates in the form of notarial deeds, thus gaining artificially the heirs' rights (Drozda, 2018b).

The 'wild reprivatization' process is, therefore, an example of brutal gentrification. The stage of degradation, in this case, was the acquisition of apartments for social policy purposes. The tenants, were often not interested in renovations or simply could not afford any. Flats emptied of such 'meat stuffing' turned into luxury apartments or the old buildings were demolished to make place for new ones. The example of a tenant movement activist, Jolanta Brzeska, is particularly shocking. She used to live in a nearly 100-square-meter apartment in an attractive part of Warsaw that was 'recovered' by a well-known claim dealer. Her body was found in a forest, burnt alive, and the perpetrators have never been detected. Her flat was

put up for sale for about a €0,25m. Subsequently, representatives of the upper class moved into the gentrified building (Drozda, 2018b).

Brzeska's story is a practical illustration of the concept of rent gap theory described by Smith (1979). According to this model, gentrification takes place when the disparity between present value and possible profit becomes so big that it encourages the inflow of speculative capital. By the same token, 'wild reprivatisation' is super-gentrification in instant mode. Its less advanced stages occur only occasionally and to a lesser degree. Locating fashionable cafes, bars, clubs or galleries in such buildings is relatively rare, although sometimes new owners decide to 'enrich' in this way the view of neighbourhoods affected by reprivatisation. According to the Central Statistical Office in Poland (Local Data Bank, 2019), in the years 1995-2016 such property restitution took up 33,000 apartments, including 8,300 in Warsaw.

### **Super-gentrification of the countryside**

Although gentrification is most often associated with urban areas, this issue is well reflected in examples from various rural areas as well (Phillips, 1993). In this case, it is also possible to distinguish the whole cycle of gentrification. The most classic examples are the vast areas of Italian Tuscany and French Provence, dominated nowadays by the global tourism industry. However, in the past they were strictly agricultural and experienced intensive depopulation. A similar pattern can be observed in some places in the Polish countryside. Traditionally it has been a very agricultural country with a regular but quite rare network of relatively small towns. Nowadays it remains the most agricultural EU member state, but more and more rural inhabitants are employed in other sectors of the economy, thanks to which many farms change their functions, for example turning into agritourist farms or centres organizing special events such as weddings or communion parties.

Similar functions are performed by former granges and palace complexes. Unlike most of the countries from the Soviet Bloc, Poland maintained a fragmented ownership structure of rural lands. Relatively few state-owned farms (PGRs) were located mainly in the area of the so-called 'Regained Territories' that were seized from Germany during post-war border changes. Many PGRs were established on the grounds of former aristocratic properties, which easily provided the necessary infrastructure for such enterprises. In 1991-1993, the vast majority of them were liquidated due to austerity policies of the central government and nowadays only one exists. For locals the collapse of this socio-economic system was a particularly hard experience. Some researchers described fallen PGRs as 'total' (because of their versatility) welfare state (Tarkowska, 2000). The culture of poverty and massive unemployment triggered by the collapse of this system exacerbated the degradation of former farms.

Abandoned real estate aroused the interest of the first pioneers of gentrification. They were enthusiasts of monuments, artists and other expats from cities, all of them interested in rural culture. Afterwards, some serious investors also bought and renovated old aristocratic complexes and changed such residences into hotels, SPAs and conference centres. Numerous similarities can be observed, for example, between the Polish region of Masuria and the previously described. For many years, it was an area characterized by record levels of unemployment. Its landscape, however, is very attractive, nicknamed the 'land of lakes'. In this way, palaces in Galiny, Mortęgi, and Myśleńta were transformed into elegant hotels. The above examples illustrate the super-gentrification in the form of a comprehensive

transformation of former aristocratic residences from the state of degradation of bankrupt PGRs to the present state of luxury residences.

## Conclusions

As the above considerations show, super-gentrification is also present in CEE, even though this presence 'is not obvious' (Dudek-Mańkowska & Iwańczak, 2018: 28). Inducing such incomplete gentrification is sometimes the hidden aim of official urban policies. The municipal regeneration programs are an important instrument of contemporary public policy in Poland (Ciesiółka, 2018). Not only was there a special legal act adopted in this matter (*National Regeneration Act*, 2015), but also more than half of the municipalities in Poland implemented programs or conducted advanced work on their adoption (Bal-Domańska & Buciak, 2018). Despite the declared goal of initiating only the positive aspects of gentrification, they often trigger the whole process. It is frequently welcome by local authorities because social problems are thus relocated elsewhere (Drozda, 2017c). This is a problematic phenomenon, especially in the context of the shrinking of public housing stock in Poland and inefficient housing policy.

The example of 'wild reprivatization' clearly shows how gentrification can be problematic for urban policy. In the aforementioned example of Warsaw, where as a result of property restitution public residential stock lost 8,300 units, there are as many as 5,500 Airbnb rental offers (AirDNA, 2019). 4,500 of them are apartments rented in their entirety, not as rooms used to make extra money for tenants. There is no evidence that these are exactly the same flats. However, the fact that residential stock was reduced and does not increase because of almost non-existent public housing construction, shows how helpless policymakers and urban community can be in comparison to rampant gentrification accelerated by such devices as Airbnb.

The processes of gentrification in Polish rural areas are slightly less negative because they affect mostly regions that already experienced depopulation, thanks to which gentrification could not cause displacement. Gentrification in these areas is more often limited to the positive dimensions of the renewal of the built environment. To a far lesser extent it generates social costs of paternalistic, cultural colonization performed by gentrifiers, even though sometimes it is connected to some forms of romanticizations of rural culture. From time to time it even revives the local economic life, for example by employing people from the fallen state farms in the new hotels. The former workers are also employed in the technical support positions, which allows using the qualifications of persons from families of unemployed workers to a greater extent than various precarious jobs.

CEE is sometimes still perceived as 'immature'. This is due to the difference in relation to Western European counterparts affecting the economic, legal or social spheres and the perception of Eastern European systems as 'post-socialist' or 'post-communist' (Staniszki, 1999). First of all, this is dubious because of the differences between the ideologies of socialism and communism and the actual systemic models of the Soviet Bloc. Secondly, it is problematic from the practical standpoint. This perspective forces us to perceive the entire CEE as doomed to imitative modernization according to overtly occidentalist stereotype. In addition, it does not take into account social, economic, legal and technological changes related to the integration of this area with the EU.

By the same token, it seems that the Polish transformation is coming to an end, and its urbanization processes reflect this very well. Local super-gentrification, on the one hand, reflects global trends, and on the other is a proof that CEE not only passively repeats Western phenomena, but also initiates their own singularities.

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