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From Urban Wastelands to New-Build Gentrification: The Case of Swiss Cities

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ABSTRACT

Gentrification represents an important aspect of the transformation of socio-demographic structures in many cities around the world. The definition of this concept has been extended in recent years to cover different processes of social upgrading and to incorporate a plurality of forms, protagonists, and spaces. The notion of 'new-build gentrification' is part of this process of redefinition. Because of its strong connections with global socioeconomic trends, the adoption of regeneration and densification policies along with the emergence of numerous new urban districts, Switzerland offers a particularly interesting case in which to study this specific form of gentrification. In this paper, we first provide an assessment of the residential attractiveness of Swiss core cities for the middle to upper class. We then study new housing projects in Zurich and Neuchâtel. Our focus on the actors involved in these projects brings original results to the debates surrounding the driving forces behind new-build gentrification. Empirical material is drawn from official statistics, questionnaires relating to inhabitant profiles, interviews concerned with the strategies of actors in the real-estate market, and planning policy documents. Copyright © 2009 John Wiley & Sons, Ltd.

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INTRODUCTION

After decades characterised by the growth of suburbs and the decline of urban centres (Beauregard, 2003), new demographic trends – such as the increase in city residents and the (re)building of central districts – are emerging in many different contexts (Tallon and Bromley, 2004; Fishman, 2005; Bromley *et al.*, 2007; Buzar *et al.*, 2007b). Although these new trends do not exclude the continuation of urban sprawl, they have consequences on the population level and the residential attractiveness of cities. They also have an impact on their socio-demographic structure, since one of the features of the new fate of cities is gentrification.

Swiss cities have recently experienced a trend reversal of the type mentioned earlier. Their population started to decrease 40 years ago. Between 1970 and 2000, the 25 biggest cities in the country lost more than one-tenth of their inhabitants (–10.5%; –191,000 people). Meanwhile, the suburbs registered high growth rates (urban sprawl). Since the year 2000 however, this demographic decline has given way to a phenomenon of reurbanisation with a gain of more than 45,000 inhabitants between 2001 and December 2007.

How can such a demographic turnaround be interpreted? The renewed residential attractiveness of Swiss core cities can be explained mainly through their role as gateways for international migration (which has increased owing to an auspicious economic situation, and the implementation of agreements on the free movement of people between Switzerland and the European Union), as well as through the residential behaviour of certain population categories (small

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households, young adults and – as we will see in further discussion – middle to upper classes). An additional element of explanation is the fact that since the year 2000 there has been an increase in real-estate activities in Swiss core cities. Many projects have been carried out on vacant plots, notably in industrial wastelands. Consequently, new residential areas have been built in recent years in cities such as Zurich, Basel, Winterthur, and Neuchâtel, and large-scale development plans are currently being considered in Geneva and Lausanne.

The aim of this paper is twofold. Firstly, on the basis of results taken from research conducted on the demographic evolution and residential attractiveness of Swiss cities,[1] we discuss different aspects of gentrification in this country.[2] The second objective is to question, through an analysis of the Swiss case, the relevance of the recent extension of the concept of gentrification, notably to include new high status developments. We begin by briefly discussing the concepts of gentrification and new-build gentrification. Then we examine gentrification in Switzerland by observing the residential behaviour of high socio-professional categories in the 25 largest cities. In order to test the new-build gentrification hypothesis, we focus our attention more specifically on newly built housing in Neuchâtel and in the district of Zurich West. In these two case studies, we identify the socio-economic profile of households, the role of actors in the real-estate market, as well as the different strategies developed by public authorities.

THE DIFFERENT ASPECTS OF GENTRIFICATION

From Classic Gentrification to New-Build Gentrification

Gentrification, according to Ruth Glass's seminal definition, refers, on the one hand, to the displacement of certain groups by wealthier ones in central and working class areas, and, on the other, to the material rehabilitation of those areas (Glass, 1964). Since then, this definition has evolved (see the Introduction to this special issue). Other actors, such as public authorities and real-estate agents, have been added to the households who initiated the process. The role of different types of gentrifiers, such as the new middle class, non-family households, dual career households, or transnational elites, has been highlighted. The phenomenon has been analysed in other national contexts, at different levels of the urban hierarchy, and in other types of spaces such as rural or tourist areas. Finally, the meaning of the term has been extended to cover non-residential forms of social upgrading, such as commercial gentrification, and gentrification relating to the use of public spaces.

Early definitions of gentrification were a continuation of that proposed by Glass and referred exclusively to the rehabilitation of existing buildings. Smith, for instance, clearly established the difference between the rehabilitation of working class neighbourhoods and redevelopment that does not involve the rehabilitation of old structures, but rather the construction of new buildings on previously developed land (Smith, 1982). This limited definition of what the concept of gentrification should cover has gradually been challenged. In 1996, Smith extended the definition of gentrification, arguing that it should allude to a much larger phenomenon: 'How in a large context of changing social geographies, are we to distinguish adequately between the rehabilitation of 19th century housing, the construction of new condominium towers, the opening of festival markets to attract local and not so local tourists, the proliferation of wine bars – and boutiques for everything – and the construction of modern and post-modern office buildings employing thousands of professionals, all looking for a place to live? . . . Gentrification is no longer about a narrow and quixotic oddity in the housing market but has become the leading residential edge of a much greater endeavour: the class remake of the central urban landscape' (Smith, 1996: 39). Similarly, Ley states that 'over the past decade, however, many authors, more attentive to changes in housing class than to those in the housing stock in the inner city, have broadened gentrification to include both sides of the middle-class housing market, the renovation of old properties and the redevelopment of new units, with both conceived as part of a broader restructuring of the city' (Ley, 1996: 3).

Several authors, including Mills (1988), Badcock (2001), and Karsten (2003), have focused on new buildings conceived for the new middle class. In 2005, Davidson and Lees (2005) put forward the term new-build gentrification in reference to two

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types of real-estate projects beyond the rehabilitation of existing buildings: demolition/reconstruction operations, and new buildings on vacant plots of land and industrial wastelands (for a detailed historical review of the notion of new-build gentrification, see Davidson and Lees, 2005; Lees *et al.*, 2008: 138–148). These authors look upon such projects as gentrification because they partake in the same revaluation dynamics of urban cities initiated by and/or to the benefit of the middle to upper class. Four principal aspects characterise new-build gentrification: (i) reinvestment in capital, (ii) social upgrading of locale by incoming high-income groups, (iii) landscape change, and (iv) direct or indirect displacement of low-income groups. According to Davidson and Lees (2005), these aspects justify and legitimise the application of the notion of new-build gentrification.

This extension of gentrification's denotation has given rise to many debates. It has most notably been discussed in certain papers of a special issue of *Environment and Planning A* (Smith and Butler, 2007) and in *Espaces et sociétés* (Bourdin, 2008; Rérat *et al.*, 2008b). The main arguments against this extended definition hinge on the conception that there is no direct population displacement other than in demolition/reconstruction operations (Boddy, 2007), that the process does not involve the rehabilitation of old housing (Buzar *et al.*, 2007a), and that the way of life to which the social categories concerned aspire is different in the case of new buildings (Lambert and Boddy, 2002). These scholars prefer to use the terms 'residentialisation' and 'reurbanisation', and restrict the notion of gentrification to 'classic' processes.

In this paper, we argue that the advantage of applying an extended definition of gentrification is that it allows for an understanding of the social upgrading of cities as a whole related to rehabilitation or new developments – whether it be residential or commercial.

The Characteristics of New-Build Gentrification

The four processes previously mentioned (reinvestment in capital, social upgrading of locale by incoming high-income groups, landscape change, and direct or indirect displacement) are present in all forms of gentrification. However, their characteristics diverge between classic gentrification and new-build gentrification.

New-build gentrification first differs in terms of reinvestment in capital. Warde (1991) differentiates two types of gentrification: one related to the localised collective behaviour of households, the other to the activities of property developers. New-build gentrification is analogous to the latter case. Because these operations are generally large scale, capital necessarily comes from promoters and investors. Households, through rent or house purchase, take part in the reinvestment of central areas only at a later stage.

A second distinction to be made is that differences exist in the demographic and socio-economic characteristics of households taking part in classic gentrification processes and those settling in new developments. Given the nature of new-build gentrification, households tend to possess more economic capital than in classic processes and also tend to be more 'established'; for example, couples with children (Karsten, 2003). New-build gentrification thus underlines the importance of identifying the varied components of the middle class aspiring to live in an urban environment; in other words to distinguish between 'urban-seeking' and 'urban-fleeing' groups (Butler, 1997). This is a distinction formerly identified by Hamnett (1991: 180): 'Only a minority of people decide to live in the inner city and become gentrifiers. Many more decide to move out to the suburbs. There remains, therefore, the problem of explaining why some people do one thing, and some do another'. Accordingly, the coexistence of middle-class exurbanisation and intra-urbanisation justifies the detailed study of households opting for the city.

A third aspect to consider is that changes in the built environment also follow different paths. In new-build gentrification processes, both promoters and investors re-produce the aesthetics of gentrification created by pioneering households in classic gentrification (Mills, 1988; Caulfield, 1994). Davidson and Lees have shown, for instance, that new-build gentrification on London's riverside 'contrasts sharply with Ley's (1996) thesis on the deployment of cultural capital by a cultural new class as a central feature of the gentrification process. This is because in the developments along the Thames cultural capital is a commodified, mass-produced, and niche-marketed product. The traditional gentrifier's

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lifestyle has been appropriated and sold commercially to more gentrifiers who are more wealthy and short of time' (Davidson and Lees, 2005: 1182).

Finally, the eviction of lower income groups tends to be considered today as a multifaceted process (Atkinson, 2000; Marcuse, 1986). The most obvious form of eviction, direct displacement, is neither present in densification operations on vacant land, nor in the regeneration of brownfield sites (although it may be present in demolition/reconstruction operations). However, other forms of displacement take place: indirect economic displacement, community displacement and neighbourhood resource displacement (Davidson, 2008). In other words, the regeneration of a given area often increases the attractiveness of neighbouring areas in which a phenomenon of replacement may occur through 'price shadowing' (indirect eviction effect through the inflation in land and property value) (Davidson and Lees, 2005). Secondly, the influx of gentrifiers in a district often changes neighbourhood governance and place identity. The arrival of people with a higher economic, social and cultural capital modifies the balance between different social groups. This may create conflicts between long-standing residents and newcomers with respect to the development of their district. Lastly, neighbourhood resource displacement involves a transformation in the orientation of neighbourhood services and the increasing 'out-of-placeness' of existing residents (Davidson, 2008). This occurs through commercial gentrification for example.

In addition to these four aspects, the role of public authorities has to be taken into account. According to Shaw (2008: 2637), policy can be used (i) to drive gentrification, (ii) to plan for a more 'positive' gentrification while actually delivering displacement and/or exclusion, and (iii) to stop gentrification. Authors have mainly dealt with the first two strategies (see for example the papers gathered by Lees and Ley [2008] in a special issue of *Urban Studies*). According to Hackworth and Smith (2001), the third phase[3] of gentrification (which includes new-build gentrification) involves, for instance, an active pro-gentrification attitude on the part of public authorities (state-led gentrification). Others have focused on the social impact of regeneration or urban renaissance policies (Lees, 2003). The literature on gentrification, however, tends to be dominated by Anglo-American authors who are prone to generalisations of their contextual studies. Yet public authorities, in different environments, also attempt to regulate gentrification. They try, in some cases, to control the phenomenon so as to preserve the social mix, or to combine policies aimed at attracting the middle to upper class to increase their tax revenue with the construction of social housing.

In order to submit some new empirical elements to the discussion on the mechanisms of new-build gentrification, this paper discusses the following issues: the profile of households living in new dwellings, the role of private actors in the housing market, and the different strategies of local authorities. Issues relating to urban landscape transformation and the different effects of eviction will not be addressed here. By studying the Swiss case, this paper seeks to contribute to a broader geography of gentrification. We first present the state of the art concerning the study of gentrification in Switzerland, followed by some results on the residential attractiveness of Swiss cities. In the second section, we focus on urban densification and wasteland regeneration projects in Neuchâtel and Zurich.

ASSESSING GENTRIFICATION IN SWISS CITIES

Gentrification in Switzerland

The process of gentrification is not very well documented in Switzerland. This may be explained by the fact that the phenomenon appeared rather late in comparison with other countries. This, in turn, can be explained through a series of factors related to the real-estate market, such as the property rate, which is generally low in Switzerland (one-third of total accommodation), and even lower in urban areas (typically less than 10%) (Gerheuser, 2004). The difficult access to property in cities induces wealthy households – some of which could contribute to a gentrification process – to leave the centre for the outskirts. Furthermore, the Swiss tax system – which encourages owners to regularly renovate their buildings – prevents the neglect of certain areas, thus reducing opportunities for large-scale operations that could lead to evictions (Heye and Odermatt, 2006). Finally, the institutional

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framework makes it very problematic for property owners to cancel leases. This aspect offers protection to lessees and limits the process of classic gentrification.

Existing research tends to describe gentrification as confined to certain areas in cities such as Zurich, Switzerland's largest city. It has been shown that although cities display a social status that is inferior to that of the suburbs (Hermann *et al.*, 2005), there has been a general rise in social status during the 1990s; the magnitude of which has been larger within urban centres. This reveals a revalorisation of core cities related to their rediscovery as attractive residential areas. These same authors observe this phenomenon in Zurich, Geneva, Basel, and, to a lesser extent, Lausanne, where areas with a strong urban character have gained in attractiveness.

In addition, by comparing the results of the 1990 and 2000 population censuses, Heye and Leuthold (2004) find that the concentration of socially vulnerable categories has tended to decrease in Zurich, whereas younger and better-qualified individuals with higher incomes have settled in the city centre. Finally, researchers active within the International Network for Urban Research and Action (INURA) have outlined recent developments in Zurich's urban policies and criticised their role in the rise in social inequalities (Hitz *et al.*, 1995; INURA, 2004).

At a national level, however, Switzerland offers no study of gentrification. It is precisely this gap that the research on which the present paper is based proposes to fill. Its objective is to measure the existence of gentrification processes in the context of the demographic turnaround of cities (Rérat *et al.*, 2008a).

Methodology

The first part of our empirical research is concerned with 25 cities (see the list in Table 2) in which congregate over 1.5 million people according to the 2000 census. These cities, each representing a political entity, constitute the country's main urban centres (Schuler *et al.*, 2005).

Information pertaining to residential mobility is provided every 10 years by the population census on the basis of a question on the place of residence 5 years prior to the census. This very valuable information allowed us to create a gentrification proxy by measuring the residential attractiveness of cities for higher socio-professional categories (SPC+), corresponding to liberal, intellectual, and executive professions as well as managers.

Two indicators were used. The first, the migration balance, corresponds to the difference between the number of people belonging to a certain category having settled or having left one of the 25 cities between 1995 and 2000, divided by the total number of people of this same category who lived in one of the 25 cities in 1995.

The number of arrivals for every 100 departures over a given period defines the second indicator, the migration ratio. A ratio lower than 100 shows a migration loss, whereas a ratio higher than 100 shows that arrivals are more frequent than departures. The evolution of this indicator enables us to measure the evolution of the cities' residential attractiveness between the periods covered by the 1980 and 2000 censuses (1975–1980 and 1995–2000). Six cases (Table 1) are presented based on a combination incorporating the migratory ratio during the most recent period (intra-urbanisation or exurbanisation) and its evolution (increased, reduced, or recent). This indicator is quite original in the empirical literature on gentrification in the manner in which it looks at migration flows. It has the advantage of being independent from the structural evolution of society (such as the global rise in education levels or labour force professionalisation). It also avoids the problem of the replacement effect of certain categories by others (see Hamnett, 1994; Atkinson, 2000). We consider that gentrification

Table 1. Classification of residential attractiveness.

Cases	Types of evolution
The migration balance has become more positive	Increased intra-urbanisation
The migration balance has become less positive	Reduced intra-urbanisation
The migration balance was negative but has become positive	Recent intra-urbanisation
The migration balance has become more negative	Increased exurbanisation
The migration balance has become less negative	Reduced exurbanisation
The migration balance was positive but has become negative	Recent exurbanisation

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takes place when in-migrants belonging to SPC+ are more numerous than out-migrants (the first three types of evolution). A case of reduced exurbanisation (type 5) may also manifest a reversal of trend in terms of the residential behaviour of SPC+ and the beginning of a gentrification process. By using population censuses, we have exhaustive information on the residential behaviour of core city inhabitants. The 2000 census was the last to be organised in Switzerland and there is no subsequent data on this issue. The results of our questionnaire (see further discussion) nevertheless offer some information on recent trends. The selected scale – the core city – is wider than that generally used in gentrification studies, the neighbourhood. Other authors, such as Ley (1986) on Canadian cities, have studied gentrification at this scale in certain rare cases. Core cities in Switzerland correspond to the densest areas and gather the common attributes of urbanity. These methodological choices are related to one of the objectives of the research, which consists of providing indications on the existence of a gentrification process at the level of the Swiss urban system, as well as assessing the residential attractiveness of cities.

An Emerging Process of Gentrification at the National Level?

At the level of the 25 cities, every socio-professional category presents a negative migration balance between 1995 and 2000. The biggest deficit is attributed to the 'other self-employed'[4] category (–3.8%), followed by SPC+ (–2.9%) and workers (–1.4%), whereas for employees departures are almost compensated by arrivals (–0.03%). Thus, at first glance, there does not appear to be a generalised process of gentrification, and the exurbanisation of SPC+ remains the major trend. The situation becomes more nuanced, however, when evaluated from a historical and geographical perspective.

The 'other self-employed' and SPC+ present the migration ratio that evolved most positively between 1975/1980 and 1995/2000: in the case of SPC+, the number of arrivals for every hundred departure has risen from 67.6 to 89.5. Employees and workers show more moderate progressions. In other words, after a long period of diminished attractiveness, Swiss centres tend to regain their attractiveness for SPC+.

When considered individually (Table 2), cities such as Zug, Zurich, Chur and, to a lesser extent Winterthur and Thun, prove to be attractive for this category of people (more in-migrants than out-migrants). From a residential point of view, these are the cities in which a gentrification phenomenon exists. The economic centre of the country, Zurich, stands out in that two cities – Zug and Winterthur – are attached to its metropolitan area. Being situated close to Bern, Thun shows similar characteristics. However, a negative migration balance of SPC+ is recorded in a majority of the core cities. Summing up, a specific geography of gentrification emerges whereby the phenomenon is currently most advanced in an area of the German-speaking part of Switzerland.

Disparities also appear in terms of the evolution of the migration ratio (Table 2). With respect to the five aforementioned centres, migration ratios show 'recent intra-urbanisation'. For example, the number of arrivals for every hundred departure rises from 77.7 to 133.9 in Zug, and from 69.8 to 112.3 in Zurich. Nine cases of 'reduced exurbanisation' are identified within the other positive evolutions. In Lugano, Luzern, Neuchâtel, Geneva, and Vevey/Montreux, the migration ratio comes close to equilibrium with more than 90 arrivals per 100 departures. In the other cities the number of arrivals in relation to departures has lessened, even though the evolution is clearly negative in only four cases (Locarno, Schaffhausen, Olten, and Baden). Generally, the migration ratio progresses in the largest cities and in those specialised in advanced services; that is, where job structures correspond most to SPC+ profiles.

The migration balance and ratio of SPC+ are positively correlated with those of 'other self-employed' and employees (correlations with workers are positive, but not statistically significsant). In other words, when a city is attractive for SPC+ (or when it is becoming so), a similar but weaker evolution can be observed for the other categories and there does not appear to be an eviction effect at the city scale.[5]

Our census analysis reveals an increased residential attractiveness of cities for the SPC+ category, which, in certain cases, corresponds to a clear reversal of trend. This phenomenon has most probably been reinforced since 2000 because many high status real-estate projects have since been completed. Even though a precise

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Table 2. Migration ratio evolution of higher socio-professional categories (SPC+) in 25 Swiss cities (1975/1980–1995/2000).

Core cities	SPC+ migration ratio (1975/1980)	SPC+ migration ratio (1995/2000)	SPC+ migration ratio evolution (1975/1980–1995/2000)	Type of SPC+ migration ratio evolution
Zug	77.71	133.85	72.23%	Recent intra-urbanisation
Thun	62.09	100.97	62.62%	Recent intra-urbanisation
Zurich	69.84	112.28	60.78%	Recent intra-urbanisation
Winterthur	72.64	102.18	40.66%	Recent intra-urbanisation
Lausanne	60.07	83.43	38.90%	Reduced exurbanisation
Lugano	69.56	96.51	38.76%	Reduced exurbanisation
Luzern	69.18	95.35	37.83%	Reduced exurbanisation
Geneva	66.39	91.07	37.17%	Reduced exurbanisation
Neuchâtel	67.70	92.35	36.42%	Reduced exurbanisation
Bern	66.39	86.83	30.80%	Reduced exurbanisation
Vevey/Montreux	74.64	90.99	21.90%	Reduced exurbanisation
Basel	52.50	60.54	15.33%	Reduced exurbanisation
Chur	98.15	106.72	8.72%	Recent intra-urbanisation
Fribourg	50.52	53.62	6.14%	Reduced exurbanisation
Bellinzona	62.84	62.78	–0.09%	Increased exurbanisation
St. Gallen	62.14	62.09	–0.09%	Increased exurbanisation
Solothurn	86.58	85.04	–1.77%	Increased exurbanisation
Sion	88.26	86.69	–1.79%	Increased exurbanisation
Aarau	94.44	92.58	–1.97%	Increased exurbanisation
Biel	73.66	71.24	–3.29%	Increased exurbanisation
Wil	98.05	94.27	–3.86%	Increased exurbanisation
Locarno	73.79	67.05	–9.14%	Increased exurbanisation
Schaffhausen	81.40	70.07	–13.91%	Increased exurbanisation
Olten	82.30	69.90	–15.06%	Increased exurbanisation
Baden	125.88	92.68	–26.37%	Recent exurbanisation
Total of the 25 core cities	67.63	89.50	32.34%	Reduced exurbanisation

Source: Population censuses 1980 and 2000.

measurement of this trend is impossible because of the absence of data at a national level, our two case studies in Neuchâtel and Zurich will allow us to determine whether these projects predominantly attract middle to upper class and thereby contribute to a phenomenon of new-build gentrification. It will also enable us to identify the actors of this process and their motivations.

NEW-BUILD GENTRIFICATION IN SWISS CITIES: DYNAMICS AND ACTORS

Methodology

The analysis of dwellings built between January 2001 and August 2007 in Swiss cities is based on two case studies: Neuchâtel, and Zurich West. Neuchâtel is a medium-sized, French-speaking city (33,000 residents, 80,000 including suburbs). The housing units we studied are either recently built or thoroughly transformed (former industrial buildings or warehouses) and the result of differently sized projects (Fig. 1). Zurich West is a district of German speaking Zurich, the country's largest city (359,000 residents, 1,132,000 including suburbs). In comparison with Neuchâtel, Zurich West is characterised by a higher degree of urbanity and the dwellings under study belong to projects of a hundred units or more. This district was previously one of the most important industrial areas in Zurich. Since the 1980s, a de-industrialisation process has gradually emptied the area of its substance. The plots of land abandoned by industrial enterprise

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have partly been reallocated to offices. Other buildings have been revamped for cultural and night activities, turning Zurich West into a trendy area ('Trendquartier'). Over the past 10 years, blocks of flats have also been built in this area (Fig. 2).

In the summer of 2007, resident profiles were studied through questionnaires sent to all households concerned (493 in Neuchâtel and 630 in Zurich West). The response rates amount respectively to 46.3% and 44.8%. Real-estate market trends and capital reinvestment modalities in the built environment were gathered at the end of 2007 through interviews with key actors in the real-estate market, broken into two series of a dozen actors. These actors were directly involved in the new dwelling projects in Neuchâtel and Zurich West and were selected so as to obtain an illustrative sample. We adopted an institutional or managerial approach (Cadwallader, 1992) and made a distinction between key actors in the production of the built environment evolving in different economic spheres (Knox and Pinch, 2000): finance capital (banks), industrial capital (promoters, builders), commercial capital (real-estate agents, architects), landed capital (landowners), and the public sector (state agencies, local governments). This approach enables us to broaden the framework of analysis of housing production, determine the motivations of different kinds of actors, and better understand the supply-side processes of new-build gentrification. Compared with the structuralist approach encountered in many gentrification studies (Smith, 1982; 1996), which focuses on the housing market as part of the

Figure 1. Part of a brownfield regeneration located near the train station in Neuchâtel. Photos: Rérat, 2008.

Figure 2. 'Puls5' project built on an old industrial site in Zurich West (the structure of the former foundry has been preserved). Photos: Rérat, 2007.

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general structure and functioning of the capitalist economy, our approach offers a more differentiated account of the processes at play.

The Profile of Households

Residents living in new dwellings are individuals whose socio-economic status is clearly above average. The level of education – which can be considered as a first indicator of socio-economic status – is a lot higher in the new projects (Tables 3 and 4). The 50.7% of individuals above 15 living in new homes in Neuchâtel, and 67.4% in Zurich West, have university qualifications or equivalent (against slightly less than one-quarter of the two cities' population). At the household scale, 64.4% in Neuchâtel and 79.6% in Zurich West include at least one person with a university degree. Other indicators such as income level, declared occupation, rental cost, or proportion of owners, also show that the economic resources of this population are above average. People with low qualifications, in contrast, are barely present in these new housing units. Data from the 2000 census shows that the overrepresentation of the middle to upper class in new buildings has accentuated between 1990 and 2000, revealing an increased tendency in the real-estate market to produce housing for this particular population group. The latent demand of middle to upper class households does not fully explain the production of housing intended for them. It is also important to both understand and assess the strategies of actors in the real-estate market as well as that of public authorities.

The Strategies of the Actors in the Real-Estate Market

Our results show that promoters and investors are the main driving force behind new-build gentrification processes in Neuchâtel and Zurich West. These projects require considerable means (purchase of land, demolition of old infrastructure, construction, etc.), which only companies of a certain size possess.

Table 3. Education level of the population under study in the city of Neuchâtel.

	Total population (2000)	Population living in dwellings built between 1995 and 2000 (2000)	Population living in dwellings built between 2001 and mid-2007 (2007)
Low (compulsory school)	32.4%	26.9%	5.6%
Intermediate (apprenticeship, high school diploma)	44.0%	43.9%	43.7%
High (university degree or equivalent)	23.6%	29.2%	50.7%

Source: Population censuses and own surveys.

Table 4. Education level of the populations under study in the city of Zurich and in the district of Zurich West.

	Total population in the city of Zurich (2000)	Population living in dwellings built between 1995 and 2000 in the city of Zurich (2000)	Population living in dwellings built between 2001 and mid-2007 in Zurich West (2007)
Low (compulsory school)	28.8%	19.0%	1.4%
Intermediate (apprenticeship, high school diploma)	46.3%	45.9%	31.2%
High (university degree or equivalent)	24.9%	35.1%	67.4%

Source: Population censuses and own surveys.

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The real-estate market is composed of different types of actors, each with their own rationale. Certain property developers (building companies, real-estate companies, or stock market listed property funds) expect a direct return on their investment. This logic lies at the heart of the construction of owner-occupied apartments (38.8% in Neuchâtel and 27.7% in Zurich West). In the Swiss context, these products are principally intended for middle to upper class households who can afford to own property, especially in the cities (in 2000, the proportion of owner occupied apartments in the entire housing stock only mounted to 11.2% in Neuchâtel and 7.1% in Zurich).

Apartments that are rented out – predominantly the property of institutional investors such as pension funds or insurance companies – are also principally intended for the middle to upper class. This is, to a large extent, the result of the price of the land (and its share in the global cost of construction): land within the city is scarce and expensive, which obviously affects the rent. Other factors, such as Swiss building standards and additional costs due to urban environmental characteristics, also come into play (difficulties related to access, necessary negotiations with landowners, risk of opposition due to the large number of actors involved, etc.). Moreover, as new apartments are expensive, there is a tendency to produce high standard products in order to justify costs and aim at a higher class of individuals.

The apartments we studied were built during a period of regained activity within the real-estate market in Swiss cities. According to our interviewees, several factors explain this phenomenon: the logic of supply and demand (the market is faced with a housing shortage; the number of households and the consumption per person of inhabitable space are increasing, as is the weight of international migration), the economic context (period of economic growth; historically low mortgage rates) and property financialisation. The latter process refers to the fact that property is increasingly viewed as a financial product. In the second half of the 1990s, the expectations on stock market returns encouraged many investors to abandon real estate. With the drop in stock prices in 2002, property regained attractiveness for its stable rate of return and as a risk diversification strategy. The emergence of an indirect channel in property investment also contributed to this process (Theurillat *et al.*, 2006). Although actors such as pension funds traditionally own residential buildings, they started privileging indirect channels by acquiring shares in property funds that took on the production or acquisition of housing units. Whereas this channel is still of minor importance, it participates in the renewed interest of investors for real-estate transactions and tends to favour the higher levels of urban hierarchy.

On the basis of our interviews, the rise in property investments cannot be explained by a shift of these investments from the suburbs to core city locations (as the classic 'rent gap' hypothesis would postulate). Rather, the trade-off has involved choices between building homes or office space (for the real-estate companies and the investment funds) and between investments in property or in bonds (for the institutional investors). Finally, it is important to stress that a vast majority of the capital invested in residential property is of Swiss origin, because of the institutional and legal framework (access to ownership of residential building for foreigners – investors and citizens – who do not live in the country is strongly regulated).

The Role of Public Policies

In their typology of planning systems, Newman and Thornley (1996) identify Switzerland as a member of the 'Germanic family' alongside Germany and Austria. These countries are characterised by a hierarchical planning system with a clear division of tasks and responsibilities between the national, regional and local levels (principle of 'subsidiarity'). The federal government gives 'guidelines', but has hardly any powers to force the regions to follow them, while the regional level is the most powerful.

In Switzerland, the role of the Federal State therefore consists in defining a general policy for spatial development and in orienting debates. Principles supported by the Federal State (regulation of urban sprawl, promotion of a more compact urbanisation, etc.) coincide with the interests of other actors: real-estate market investors, as we have just seen, and local authorities which constitute the institutional level with the largest prerogatives in terms of spatial planning.

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The attitude of local authorities regarding new-build gentrification is ambivalent. On the one hand, they are interested in attracting more taxpayers so as to increase their tax revenue within a context of territorial competition. On the other hand, they try to regulate new-build gentrification by overcoming the shortcomings of a real-estate market that does not cover all sectors of demand. However, cities are limited in their action: private investors essentially determine the type of dwellings and cities can only influence projects carried out on their own land.

As far as the construction of dwellings and the densification of the built environment are concerned, Swiss local authorities carry out three main duties: regulation, mediation, and intervention. As regulators, they prescribe documents on urban planning – defining allocation, density, etc., of certain areas – so as to facilitate real-estate projects. As mediators, they deal with the different stakeholders (landowners, investors, neighbouring residents, etc.). In Zurich for instance, we have seen over the past years the emergence of a new paradigm in the practice of urban planning. As a consequence, the development of Zurich West is the result of a collaborative project (Eberhard *et al.*, 2007). Finally, cities may be interventionist through the application of housing and land policies. Zurich, for example, has set up a programme targeting the construction of 10,000 dwellings within ten years (Stadt Zürich, 2006). Yet even in this case, local authorities themselves have barely invested, as the construction of these 10,000 units is largely confined to the private sector. As far as land policies are concerned, there are no real proactive measures – notably in terms of acquisition – as cities tend to manage their existing stock. Within this framework, cities use the leasehold tool: they sell the right to occupy public land for a given length of time (usually 99 years), which enables them to influence both the projects and the characteristics of the dwellings. Two different types of processes are observable. Firstly, local authorities allocate a plot of land to foundations or cooperatives at favourable conditions. By relinquishing profits and calculating the rent according to costs, these institutions offer apartments at lower prices than that determined by the free market. In Zurich, 1,500 dwellings were built within this scheme by non-profit organisations on publicly owned land between 1998 and 2006. Secondly, local authorities may negotiate compensation for leasehold rights with promoters via the construction of a certain stock of social housing under a private public partnership. In Neuchâtel, for example, the former hospital will be recycled as a residential area while promoters will retrocede a building to the local authorities, to be managed along social criteria (rent will be at 70% of the market rate).

We can therefore conclude that the two cities under examination do not simply adopt policies that encourage gentrification, as has been shown in other studies concerning the third wave of gentrification. They have certainly taken action to encourage the densification of their territories and are interested in attracting more taxpayers. But the characteristics of the new dwellings depend on the type of investors and their targeted demand. By turning to leasehold rights, local authorities in Neuchâtel and Zurich try to regulate the process of new-build gentrification. Yet their role is both limited by the amount of publicly owned land and the absence of a land acquisition policy.

CONCLUSION

The scope of gentrification research has clearly broadened in the recent years. This process enables a fruitful dialogue between different theoretical, disciplinary and methodological approaches aimed at understanding the different manifestations of the phenomenon. As a result, the multiple geographies of gentrification are better known: in North America, in Europe, in countries of the South, in middle-sized cities, etc. In this paper, we have argued that the extension of this concept, which some find problematic, can be heuristically profitable. It allows a better articulation between different studies dealing with the mechanisms through which cities are socially upgraded.

Our analysis offers a contrasting view of gentrification as a general process in Swiss cities. In the late 1990s, Swiss cities were still characterised by a negative migration balance of higher socio-professional categories (SPC+), which tends to show that gentrification is not a generalised phenomenon at this scale. The situation, however, is more nuanced when put in historical and geographical perspective. SPC+ left the cities far less in the 1990s than in the 1970s, and a clear reversal of trend can be observed in

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some cases. The renewed attractiveness of cities for SPC+ has strengthened since the 2000 census. This category is indeed distinctly over-represented in recently built dwellings, as our surveys in Neuchâtel and Zurich West show.

New-build gentrification is considered to be part of the third-wave of gentrification (Hackworth and Smith, 2001) and is regarded as a means to expand the class remake of urban areas to derelict industrial sites and to very marginal areas (Davidson and Lees, 2005, and in this issue). Its meaning differs in Switzerland however. Elements such as the functioning of the real-estate market, the very low proportion of property units in cities, as well as differences in legislation dealing with housing, have allowed a limitation of the classic gentrification process. Accordingly, new-build gentrification emerges as the main expression of the renewed residential attractiveness of core cities for the middle to upper class.

Our analysis has shown that new-build gentrification in Switzerland is a process led by capital. The high status of new developments is explained through several mechanisms such as the price of land, building standards, additional costs related to urban areas, as well as the tendency to produce quality and therefore expensive property. A combination of several factors explains the construction of the projects we studied: shortages in the housing market in Swiss cities (which is the manifestation of latent demand), a sound economic context, very low mortgage rates, and the financialisation of the housing market. The option of investing in city locations has not affected investment in the suburbs. Investor trade-offs have involved the selection of residential housing relative to office space or stock market investments.

Local authorities have an ambivalent attitude towards gentrification that does not neatly fit in the ideal types identified by Shaw (2008) and mentioned earlier. Local authorities have undertaken planning measures to facilitate the construction of housing and are interested in attracting wealthy taxpayers to increase their tax revenue (one of the so-called 'positive' effects of gentrification). It is not appropriate to talk about state-led gentrification in Switzerland, however, as no major public investment can be observed in regeneration projects (unlike in the United Kingdom, for example [Cameron, 2003]), and because measures are often taken to regulate gentrification by privileging non-profit organisations or by negotiating social housing shares with investors.

Finally, how should this tendency towards new-build gentrification in Swiss cities be interpreted? On the one hand, the phenomenon is rather limited in quantitative terms and can be explained by the 'normal' functioning of the real-estate market, which first and foremost consists in offering newly built housing to the wealthy classes. Moreover, demand – related to the weight of these classes within the population – appears to be a limiting factor in these new developments, particularly in small- to medium-sized cities. Seen in this light, new-build gentrification in Switzerland is not part of a wide scale process of gentrification engendering the eviction of poorer classes from core cities.

On the other hand, we can look at new-build gentrification as an index of a general evolution towards the renewed attractiveness of cities for the middle to upper class. The phenomenon, in this particular case, may not be limited to new buildings and could generate classic gentrification processes. Henceforth, the eviction of low-income residents is not impossible. As housing intended for the lower class is limited in Switzerland, this category is mainly provided for by '*de facto* social housing'; that is, housing that has become affordable through age and is largely situated in core cities. We can consequently hold to the view that in the absence of specific public action, the increased attractiveness of cities will exert additional pressures on housing rent and vacancies, and will have repercussions on the social composition of Swiss cities in the years to come.

NOTES

(1) 'Back to the City?' project financed by the Swiss National Science Foundation (request 107033).

(2) In view of the strong integration of Switzerland in urbanisation and globalisation processes, the Swiss case is an interesting one. According to the Federal Statistical Office, 73.3% of the population was living in an urban area in 2000. Moreover, in spite of their small size in comparison with their European counterparts, Swiss core cities such as

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Zurich and Geneva are very competitive (Taylor, 2003: Chapter 4). Not only does Switzerland stand at the crossroads of major international flows, but it is also characterised by a high level of liberalisation and the high degree of openness of its economy.

(3) The first phase involves sporadic gentrification (where the pioneering households are the main protagonists). The second phase involves the anchoring of gentrification (here, the main protagonists are promoters and private investors).

(4) The 'other self-employed' category designates the self-employed (such as craftsmen, retailers, etc.) who are not included in SCP+ (the latter includes self-employed individuals with a university degree such as lawyers, architects, doctors, etc.).

(5) Zug is the only exception: the attractiveness of SPC+ (migration balance: +9.5%) increases and is at variance with the behaviour of the other categories (+0.5% for employees, –1.1% for 'other self-employed' and –5.0% for workers).

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