

Transfer of Development Rights for the Effectiveness of the Conservation Plans: A Case from Historic Kemeraltı, 1. Ring Residential Areas in Izmir

^{1*} [B.A.] **Gamze Güzle,**

¹ *Izmir Institute of Technology, Faculty of Architecture, City Planning and Regional Planning, Izmir, Turkey*

E-mail¹: gamzeguzle@gmail.com

² [Dr.] **Figen Akpınar**

² *Izmir Institute of Technology, Faculty of Architecture, City Planning and Regional Planning, Izmir, Turkey*

E-mail²: figenakpinar@iyte.edu.tr

Abstract

In Turkey, efforts to preserve cultural heritage are highly problematic and multi-faceted issues. One of the main reasons is highly associated with the limited fiscal compensation provided by central ministries and local bodies to those people who live and/or possess immovable property under their development rights restrictions. It is therefore essential to introduce new tools and tools for the effectiveness of the heritage areas' conservation activities. Turkish Planning System is introduced as a new and innovative solution with the adoption of the new regulations Transfer of Development Rights (TDR). However, up to now there has not been any available application of the TDR yet. The objective of the paper is to discuss the applicability of the TDR as an instrument for the ease of the conservation in the 1st Ring Residential Area which is located in Izmir's historical area, *Kemeraltı* region. A bundle of techniques is used: large survey analysis is realized. In-depth questionnaires are used to detect the difficulties for conservation of the heritage in part of the responsible public bodies. Our evidence shows the economic hardship and conflicts involved in the conservation of Historic *Kemeraltı* area and, without introducing new tools such as TDR, it is almost impossible to safeguard cultural heritage.

Key words: Cultural heritage, conservation planning, TDR, and its applicability.

1. Introduction

The preservation of the historical environment is aimed at preventing the disappearance of the social, economic and cultural values of society together with the unique physical structure which is under the heavy pressure of the day's constant social and economic conditions. This requires coherent economic and social development policies that take historic core areas into account at all planning levels (Valetta Principles, 2011). The financial resources allocated by the local or central government

are insufficient to address restrictions on the development right of private property or local economic interests. Moreover, the inhabitants of the historic core areas are generally low-income groups and generally have limited capacity and resources. It is therefore a difficult task to safeguard the nation's rich cultural heritage and, if not intervened, it is clear that the rich natural and cultural values of the country will soon disappear (Zeren, 1990; Bademli, 2006).

With the newly enacted law (5226/2004), while the Ministry of Culture and Tourism provides new financial instruments such as grants, exchange and tax exemptions, people with cultural assets are experiencing major financial grievances due to restrictions on the development of their property due to protective decisions. The economic solutions of the historic areas are inadequate, the contributions are not satisfactory and the bureaucratic procedures are very time-consuming. The economic hardship of the nation forces most people to maintain short-term economic opportunities instead of abstract public interest.

Conservation should therefore be organized as an economic process to transform into a structure that strengthens its adaptability to change without losing its essence (Tekeli 1991, 96-97). Planners need to develop and operate new intervention tools to balance protection and development costs (Bademli, 1991, 3). Economic solutions will be one of the most important factors in safeguarding cultural heritage. The aim of the study is therefore to meet the need to develop new tools to organize preservation as an economic process and fill the gap in this area. In the study, we first address the inadequacies of existing standards and regulations and then develop a TDR model as an "effective implementing tool" that is actively used in the United States and around the world. Although it is stated in the legal framework in Turkey, it is not yet implemented.

2. The Concept of Transferring Development Right as a Tool of Planning

Land-use planning is the process of regulating development rights in cases where rights are promoted, distributed and often restricted. The right to develop is the one directly defined in relation to the overall size of the building block. Building lot values in urban areas is directly proportional to the development rights of land zoning. This means that the property values of the building lots are also high in areas where the development density and development rights are high.

TDR can be defined as a type of transfer and purchase of development rights from areas where urban development is restricted as a result of land use planning for specific reasons such as heritage areas, urban conservation sites, or nature conservation areas to areas with high development rights. Thus TDR is a planning tool, management model and market-based management procedure for transferring development rights from protected areas to development areas. TDR is a very useful and effective

measure to facilitate the implementation of urban development policies and it promotes the development of areas designated as new growth zones (McConnell, Walls, & Kelly, 2007; Aken, Eckert, Fox, & Swenson, 2008). TDR enables wider and more effective protection and reduces speculative pressure to guide urban development from protected areas to development zones. TDR also makes it possible to fulfil the principle of social justice by compensating for the restricted rights of immovable property to development (Mengilli Isildak, 2012).

According to Pruetz, TDR is an application tool which encourages the *voluntary* transfer of property rights to the areas of the communities to be protected (2006). It is an active application tool that transfers development rights to the host area, i.e. growth area, to reduce development pressure on protected areas or areas under strict restrictions. The most important feature of the model is that it is an option for lack of financial resources in expropriation transactions and that the transfer takes place on a voluntary basis. And it provides great convenience in situations where public resources are insufficient to meet the safeguard constraints or where the expense of protection is only imposed on the property's owner, thus ensuring the continuity and efficiency of safeguarding by balancing gains and losses. The aim of the model is to ensure that all or part of the development right is transferred to another area by means of a securitized tool in the event of a complete or partial prohibition of zoning rights in protected cultural heritage areas, nature protection areas and disaster-risk areas or, in some instances, simply the owner of the parcels. In TDR programmes, central or local authorities intending to exercise protective measures in areas or settlements that can not be opened up to development or have lower zoning rights can do so without any necessary payment. At the intersection of safeguarding, ownership and urban development, TDR differentiates between property and protection (Figure 1). When the concept is examined in terms of ownership rights, it provides compensation for the right to develop immovable property that is under-restricted while at the same time helping to remove the growth pressure from the areas to be protected. If we look at the concept in terms of protection, it ensures the continuity of conservation by directing the development pressure in other areas that need to be developed.

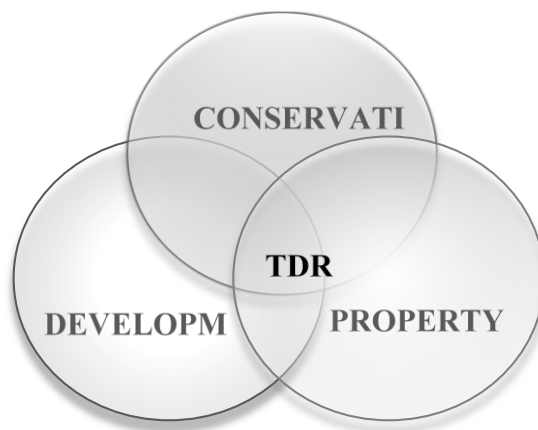


Figure 1: Transfer of Development Right (TDR) (Chan & Hou, (2014).

The critical point in the TDR is that urban land is not subject to any sale with the model, only the right to urban land development can be transferred or purchased. The urban landowner may continue to use their property after selling their development rights (Figure 2). For example, after the development rights in a listed building or agricultural land have been sold, the landowner remains in or continues to make use of his / her building or continues to use land-based agriculture (Table 1) (Akcesme, 2006).

Table 1. Opportunities provided by TDR

Sending region	<ul style="list-style-type: none"> • Continuation of the agricultural activity • The owner of the registered building can continue to live in his/her house • Revenue from the transfer of development rights
Receiving region	<ul style="list-style-type: none"> • More development rights mean an increase in the total construction density • Increased density can be matched with more profit
Public	<ul style="list-style-type: none"> • Preservation of agricultural land • Conserving cultural heritage value • Natural resource protection

Source: Adapted from Goksu, 2000

Any property owner has rights that give direct sovereignty to his/her owner over his/her immovable property. TDR allows property owners to waive their property rights (construction, purchase or rent, use or restriction of other land use) in whole or in part and to receive payment as reciprocity for this procedure by transferring their rights to the receiving areas (Goksu, 2000; Platt, 1996).

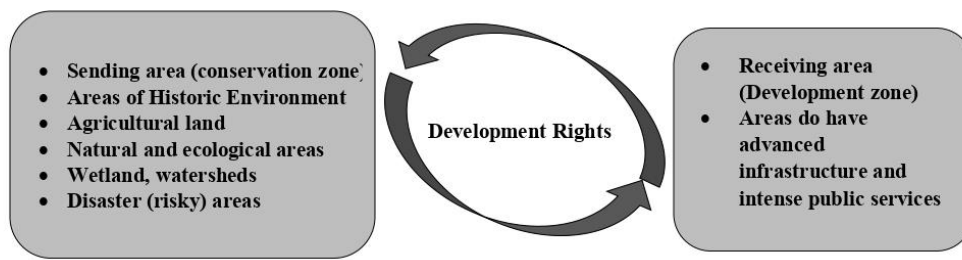


Figure 2: Sending and receiving area concepts

The TDR program has two basic components. The first is the areas where the immovable is to be protected (*sending area*) and the second is the areas to be developed (*receiving area*).

Sending areas are areas of cultural heritage, urban-rural conservation site, archaeological sites, natural areas, wetlands and watersheds, natural habitats or urban areas intended to be rescued from the pressure of growth and development and desired to be permanently protected. The areas where zoning rights are to be used and where those rights are to be increased and intensified are the areas where urban development is to be directed, in other words, *new development* and *construction areas*. These areas are recognized as the transfer area.



Figure 3: Use of TDR to compensate for restricted development rights due to height limitation for preservation purposes (adapted from Goksu 2000, 2).

With the implementation of a successful TDR program, the sustainability of cultural and natural values in the protected area (sending area) is maintained, agricultural activity continues, income from the sale of the transfer is obtained and tax debts are reduced. On the other hand, more building rights and housing units can be obtained in the receiving area and therefore income is provided (Goksu,

2000, 4). At the same time, the zoning rights transferred to the urban area to be developed from the area to be protected return to the conservation area as an economic return. Property owners can use the revenue from the sale of zoning rights to restore, renovate, maintain and repair immovable properties in the area to be protected. In this case, the economic capital received from zoning rights will be used directly to safeguard cultural heritage and sustainability (Mengilli Isildak, 2012). Table 2 summarizes the worldwide selected TDR applications. Since they were applied, San Francisco, Denver, New York in the United States and Vancouver in Canada in particular have been taken as the details. Table 3 also summarizes the potential of the TDR model and its bottlenecks.

Table 2: Selected TDR applications for the conservation of the cultural heritage of the U.S. and Canada

	Bank of TDR	Bonuses	The ratio of transfer*	TDR in different building blocks	The way to use the transfer of the Development Rights?
San Francisco, California	-	-	1:1	<ul style="list-style-type: none"> One can find sending and receiving areas in various parts of the city Unless the transfers are to be retained in the same region, the transfer would be made to the new development areas Transfer rights can be combined into two different regions and transferred to the new development region 	<ul style="list-style-type: none"> Transfer rights can be obtained directly from the property owner or someone who collects and purchases the rights TDR can be transferred in one time and can be conducted several times as fragmented
Denver Colorado	TDR is regulated by local administrative bodies	<ul style="list-style-type: none"> Providing additional development rights (increasing density) for areas such as housing, child care centres, pedestrian areas, public art areas, underground car parks and cultural heritage areas 	1:4	<ul style="list-style-type: none"> Transfers are possible not only in adjacent parcels, but also in different parcels of the city. 	<ul style="list-style-type: none"> Extra densities can be used in the sending zone parcels The right to transfer developments from the protected areas is transported to the <i>receiving area</i>
New York, New York	TDR is regulated administratively	<ul style="list-style-type: none"> Public squares, playgrounds and public services are given a density bonus to select locations in newly emerging areas 	1:1	<ul style="list-style-type: none"> The Landmark Conservation Commission is determine the sending areas In adjacent regions, the amount of transfer found in the calculation can also be used 	<ul style="list-style-type: none"> After calculating the total transferable building area, the result is considered to be the maximum total construction area (floor area ratio) of the Zoning Regulation
Vancouver, Canada	The Vancouver Planning Unit is controlled	-	1:1	<ul style="list-style-type: none"> There are no differences between the areas subject to rights transfer with respect to land-use, density and height planning decisions In the same building blocks, transfers cannot be made 	<ul style="list-style-type: none"> The application of the municipality in Vancouver was also considered by the real estate sector as a successful implementation (Aken et al., 2008)

* This ratio is defined as the mathematical relationship between the total limiting potential development rights in the sending area and the increased building density in the receiving area (Nelson, Pruetz, & Woodruff, 2013, 286). For example, 1 to 1 ratio (1/1) is defined as the limiting building units per square meter that are equated in the receiving area with the same building units. This means that the unit is transferred in the restricted (sending) area without altering the square meter area of the housing space.

Table 3. Potentials and Threats of the TDR

	Cost	Management	Justice/Equity	Urban Development	Effectiveness in the Conservation
Potentials	A financial incentive tool for sending and receiving areas	Strengthens the relationship between real estate and finance sector	The voluntary participation of landowners in the sending are and investors in the receiving area is <i>essential</i> in the TDR application	By transferring the development rights in the sending areas to the new urban development regions, the development of the recipient areas can be achieved in accordance with the land-use planning and zoning rules	The sustainability of the site as a conservation area is ensured by transferring the restriction of the construction ban on the right of development in the sending area to receiving area
	Expropriation costs are reduced by applying the model	As the program implementation process is followed, negative situations can be intervened immediately	Allows relief for the low-income groups who suffers from the conservation restrictions	Improves the quality of construction and thus eliminates the risk of a disaster	Reducing the building pressure on the protected areas by directing the pressure in the sending areas to the urban development area
		There is a need for strong administrative, technical and managerial capacity to design and implement the model so that capacity is eventually increased		Developing the new residential settlement in the recipient area increases employment opportunities	High building and construction density can indirectly encourages sustainability and safeguarding in the conservation area
				Rights can be transferred to areas where there is a high concentration of private and public services and advanced infrastructure facilities	
Weakness		TDR requires more expert team and effort in implementation and management according to other planning tools	The same success cannot be achieved in every different application of the TDR programme	Concentration in the recipient (receiving) area can cause environmental problems and disruption of municipal services	The threat that the model may display a speculative tendency when left to market conditions and that its primary objective may deviate from protection
			The process takes a long time due to contextual differences in the detection and valuation of immovable in the sending areas		

3. Contextual Similarities and Differences, Turkish Case

There are great difficulties in preserving and sustaining the rich cultural heritage of our country, the disappearance of these values or the presence of a permanent threat causes the transmission of intergenerational value to weaken and the loss of settlement identity. For this reason, strengthening conservation policies, mobilizing own resources for protection efficiency and financing the cost of protection are of great importance in the implementation of conservation plans (Mazi, 2009). Conservation plan is a plan that by its nature limits construction activities (Table 4). In the plan, zoning restrictions can be made for the immovable properties and plots of the site. These restrictions may be limited to the right of immovable owners to develop their immovable property and, in some cases, the complete prohibition of construction.

In our country, it is quite difficult to compensate for economic losses by paying for expropriation and swap transactions. There are also limited preservation resources and difficulties in accessing these resources. Moreover, given that people living in traditional residential and commercial areas are usually low-income groups, immovable owners' grievances can remain unresolved for many years (Madran & Ozgonul, 2005).

For this reason, new tools need to be developed to compensate for the financial problems encountered in conservation and compensate for the loss of rights in zoning restrictions. From this point of view, TDR offers a solution as a means of planning.

Table 4. Building Prohibitions and Restrictions in Turkey after Protective Decisions

<i>Status</i>	<i>Restrictions on use</i>
Archaeological site of first degree	<ul style="list-style-type: none"> • No construction is permitted in any way • No construction is permitted except for scientific excavations • Even traditional farming is not allowed
archaeological site of second degree	<ul style="list-style-type: none"> • In accordance with conservation and use decisions, construction activities other than scientific excavations are not permitted • Although new construction is not permitted, simple repairs of unregistered structures currently in use can be made in line with the existing "<i>Principles of Decisions</i>" of the Ministry of Culture and Tourism
Archaeological site of third degree	<ul style="list-style-type: none"> • New regulations may be allowed in accordance with the conservation and use decisions of the Conservation Plan
Historic Site	<ul style="list-style-type: none"> • No construction or physical activity may cause damage to the natural structure except for the necessary infrastructure applications and public service structures until the Conservation Plan is deemed appropriate by the Regional Council concerned
Urban sites (Law 5226/2004)	<ul style="list-style-type: none"> • By designating any area as a conservation site, this decision resulted in the termination of all kinds of planning activities • The Conservation Regional Board shall determine the "Transitional Conservation Principles and Conditions of Use" of the conservation area within three months valid until the preparation of the Conservation Plan • No new building or development can be applied in urban sites without "Transitional Conservation Principles and Conditions of Use" • In condition of the "Transitional Conservation Principles and Conditions of Use" is determined in urban sites; new construction or zoning applications and mandatory infrastructure applications in accordance with the principles and conditions of use for the transition period can be made in accordance with the requirements of conservation projects
Conservation Plan (Law 2863/ Law 5226/2004)	<ul style="list-style-type: none"> • Conservation plan is prepared in accordance with the "Transitional Conservation Principles and Conditions of Use" decree, whether or not it exists, and it is prepared containing the entire area and creating all the necessary interactions in the vicinity and the urban area it is settled • After declaring the specific area as a conservation site, the Conservation Plan must be prepared by the affiliated administrative planning unit within two years • In these two years, if the preparation of the Conservation Plan has not yet been completed, the Regional Council may extend the duration by adding an additional one year • At the end of all these periods, if "Transitional Conservation Principles and Conditions of Use" cannot be prepared, the Conservation Plan will be terminated until the Conservation Plan is prepared (<i>there can be no endless time limits</i>)

Source: Compiled from Yamak, 2006 and Dundar 2010, 38.

4. Case Study Area

Having witnessed 8,500 years of human history, İzmir is one of the oldest port cities of the world. İzmir is the third biggest city and the second most important seaport of Turkey. The total population of the Greater İzmir Municipality is 4.320.519 (2018). Until the end of the 16th century, the site was the entrance route of the caravans coming from the north and central Anatolia. It included the Muslim graveyard. As Izmir became an international commercial center starting with the 17th century, the site had gained vital importance of commerce, and housed public assets such as mosque, madrasah, khan, bath and shops (Temizkan & Akan, 2013, 29-41).

Kemeraltı Bazaar and Khan Area located around the commercial axis of *Anafartalar* Street, is a registered urban and archaeological site (Figure 4). The whole conservation area, which is about 248 hectares, is being subjected to conservation, renewal and regeneration applications based on “Izmir History Project” under the guidance of the Greater Area Municipality of Izmir (Tekeli, 2015). The area of study is surrounded between *Tarık Sarı* Street and 943 Street and 945 Street. The ancient Roman Agora, which is the first degree archeologic site, is located in the south of the study area (Figure 5-6).

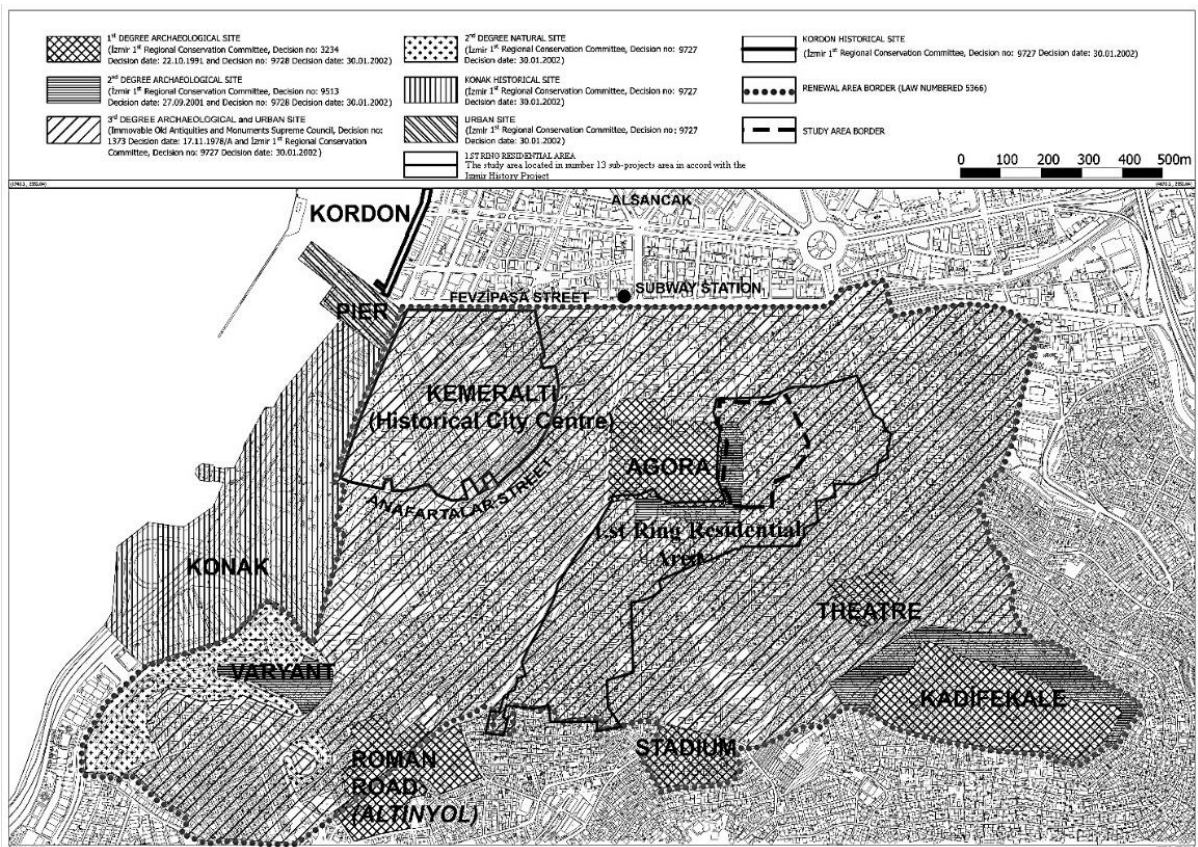


Figure 4. *Kemeraltı* and its environs: Study area is the “1st Ring Residential Area” in accord with the Izmir History Project



Figure 5. A look towards of *Kadife Kale* (the velvet castle) from the studied site (revised from the photo of İzmir Greater Area Municipality Archive).



Figure 6. Location of the study area

5. Materials and Methods

There is no single method of applying TDR so that it is completely context-dependent and differences arise from national and local characteristics and/or approaches. Therefore, a model proposal was introduced in the study taking into account the jurisdictions of the nation, the approach of the

municipality of Izmir and the local characteristics of the area. Figure 7 shows the method of a hypothetical TDR model. Interviews were conducted between 01.02.2019 and 01.01.04.2019 with the Real Estate Appraisal Unit of Izmir Greater Area Municipality, Real Estate Appraisal Companies and with officials of the *Vakıflar* (Foundation) Appraisal Directorate to create the data set used in the model. The method includes first household questionnaires conducted with households living in the area, and then extensive field studies were conducted for land-use analysis, ownership analysis, building heights, building quality in the title deed, building footprint/floor area ratio and conservation status.

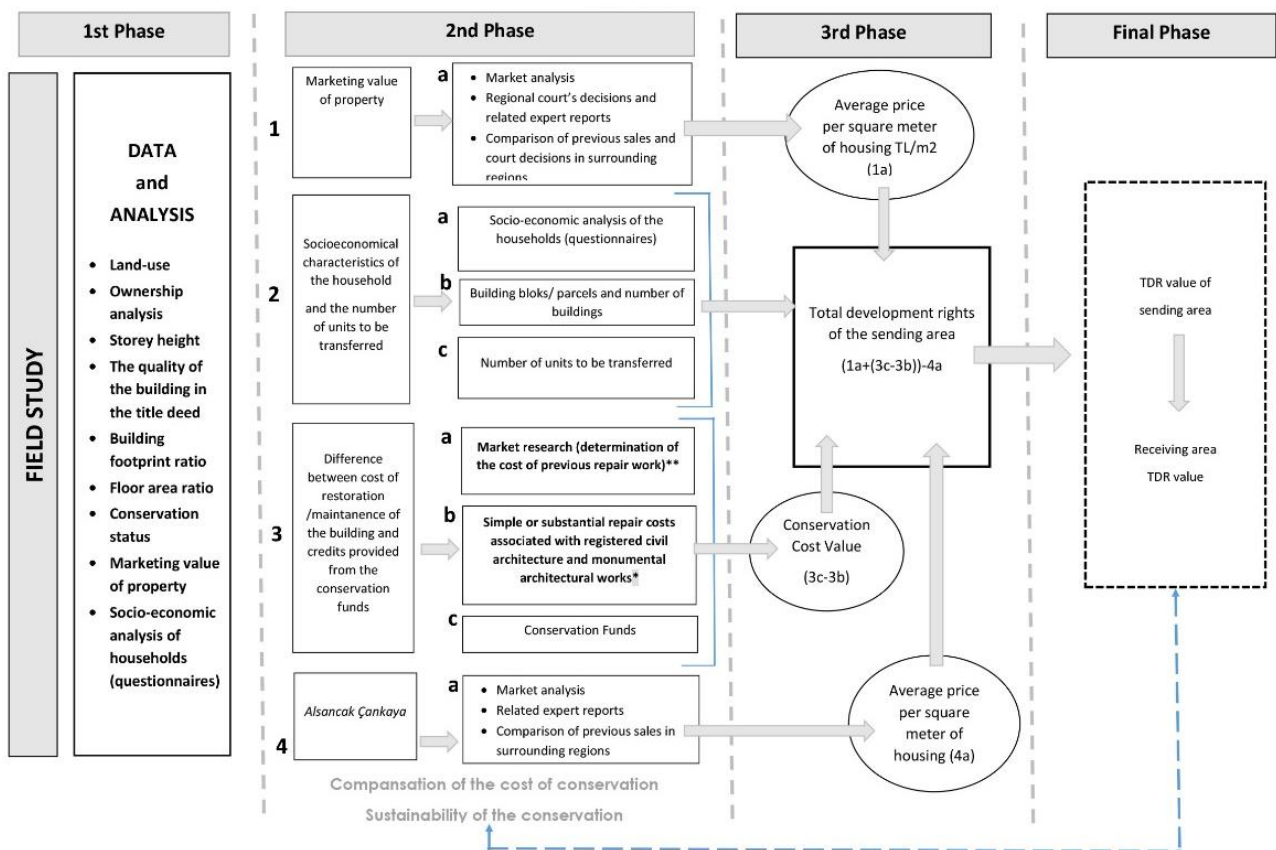


Figure 7. Methodology of the Case Study TDR Application

Following the first phase of the field study, the "marketing value of the property" was calculated in the second phase of the model. For calculation we used (1) market analysis; (2) comparison of previous sales and court decisions in surrounding regions; and (3) use of regional court decisions and related expert reports. We conducted (1) market analysis for calculation; (2) comparison of previous sales and court decisions in surrounding regions; and (3) use of regional court decisions and related expert reports.

The second step in the second phase of the model is socio-economic analysis of people living in urban conservation sites. The socio-economic conditions of the families living in the area, their ownership status, the bottlenecks they faced in the case of preservation, whether they have sufficient information about the credits and transfers from "conservation funds" and finally their general opinion on conservation issues was asked in the questionnaires. The number of units subject to transferable development rights was also determined in this part (in total the 75 units were selected for the application of TDR). In the third step of the second phase of the model, the cost of simple or substantial maintenance or restoration of the registered building subject to TDR as well as its market research was examined.

In the last step of the second phase of the model, we made a comparative study based on a typical "what-if case" to calculate the real value of the market value of the TDR. The comparison is made between the study area under conservation restriction and the adjacent areas of *Alsancak-Cankaya*, 500 meters from the study area which is part of *Alsancak's* commercial and development zone (Figure 8). The idea stems from the research question that if the field of study were not really the site of conservation and how it would be developed. The answer to this question "how it would be developed" comes from the selected reciprocal *Alsancak-Cankaya* region and its market value.

In the third phase of the model, the calculation is based on the assumption that the value of the total development rights (TDR value) of the sending area derives from the difference between the average price per square meter of housing (minus restoration cost) and the market value of the reciprocal *Alsancak-Cankaya* region. The value obtained from the comparison between the study area and the reciprocal *Alsancak-Cankaya* region is taken as the value of TDR to be sent to the receiving area.



Figure 8. The parcels which houses sold/rented in the previous years and currently

6. Results of Questionnaires

120 Families were interviewed in our survey. Individual information on the socioeconomic status of 508 people was obtained. The results are shown in Tables (5., 6., 7., and 8.).

People living in the area, who reside under the protection status in the buildings, face severe financial difficulties. Most people living in the area have income below the minimum wage²⁸, according to survey results. The high unemployment rate is also remarkable, 50 percent of the total. It is not possible to meet the maintenance, repairing and restoration costs of the buildings they have or the economic hardships they face.

Table 5. Socio-economic structure (1)

	Education			Employment Status			Reasons not to work				
	Count	%	Percent	Count	%	Percent	Count	%	Percent		
Literate	38	%	9.5	Wage earner	72	%	15.3	Housewife	164	%	69.5
Illiterate	74	%	18.5	Causal earner	156	%	33.1	Retired	60	%	25.4
Primary Sch.	86	%	28.1	Self employed	4	%	1.7	Disabled	3	%	1.3
Secondary schooling	56	%	24.3	Not working	236	%	50.0	Not want to work	2	%	0.8
High school	34	%	15.1					Seeking for job	1	%	0.4
University	4	%	4.5					Elders	6	%	2.5
Total*	292	%	100	Total**	468	%	100	Total	236		100

*Age 15 and over and members of the family continuing education did not include (40 people). **Age over 15

The education level of the people living in the area is low and their income is relatively below the minimum wage. Regular income is low (15 percent). Most families are migrated from Izmir and settled in the area. Their level of education is very low. Furthermore, Syrian migrants account for nearly 30 percent of the population. The level of education for refugees is very low too. Moreover, they do not appear to be able to take an active role in the sense of urban protection when they are foreign to the country's bureaucratic system and language problem and are deemed to be under temporary protection status.

²⁸ Minimum net wage (*asgari ücret*) in Turkey is 2020 TL.

Table 6. Socio-economic structure (2)

*Income Quintiles				Places of Birth				Ownership status of the House			
	Count		Percent		Count		Percent		Count		Percent
Lowest	58	%	48.3	<i>İzmir</i>	32	%	26.6	Tenant	62	%	51.7
Mid	34	%	28.3	<i>Mardin</i>	24	%	20.0	Tenure	54	%	45.0
Higher than minimum wage	28	%	23.3	<i>Hatay</i>	12	%	10.0	Not paid (belongs to the family)	4	%	3.3
				<i>Istanbul</i>	4	%	3.3				
				<i>Batman</i>	6	%	5.0				
				<i>Syrian</i>	33	%	27.5			%	
				<i>Gaziantep</i>	4	%	3.3			%	
				<i>Diyarbakır</i>	5	%	4.2			%	
Total	120	%	100	Total	120	%	100	Total	120		100

* *Employees' wages are grouped (1) lower than minimum wage, (2) equal to minimum wage and (3) higher than minimum wage.*

These people are unaware of the state's support, loans and contributions for the protection of immovable cultural assets. Therefore, it is clear that they will not be able to follow the long and complex bureaucratic processes with which institutions they will contact for support. Under these circumstances, the capacity of the residents is very limited and their living conditions are far from satisfactory. All these hardships and conflicts claim that new financial tools are needed to conserve the cultural heritage of the area. In addition, the high rate of tenants in the area (more than half) makes conservation attempts difficult. Respondents stated that they preferred this area due to the low rent and proximity to the center. As a result of the questionnaire, the average residential rental prices in the case area are 501.16 TL²⁹. We have determined that the average rental value is between 3500-4000 TL as a result of our research on real estate sales link via the internet located in *Alsancak*, adjacent to the study area. The average rental rate in the vicinity of the study area is very low compared to the *Alsancak* region.

²⁹ TL is the Turkish Lira

Table 7. Socio-economic structure (3)

Satisfaction level of dwellers from their house				Feeling Safety*				Desire to financial support for dweller's house				Desire to move another building		
	<i>Coun</i>		<i>Percen</i>		<i>Coun</i>		<i>Percen</i>		<i>Coun</i>		<i>Percen</i>		<i>Coun</i>	<i>Percen</i>
1	34	%	28.3	1	68	%	56.6	Yes	112	%	93.3	Yes	56	46.6
2	20	%	16.6	2	26	%	21.6	No	8	%	6.6	No	64	53.3
3	18	%	15.0	3	12	%	10.0			%				
4	39	%	32.5	4	12	%	10.0			%				
5	9	%	7.5	5	2	%	1.7			%				
Tota	120		100	Tota	120		100	Tota	120		100	Tota	120	100

* Rates are grouped, 1 (strongly dissatisfied) is minimum - 5 (strongly satisfied) is maximum

Table 8. Socio-economic structure (4)

	Dwellers financial difficulties for restoration/repair of the buildings*			Knowledge about the funds, credits, grants etc.			Knowledge of the institution and how to apply for Conservation Funds/Credits				
	<i>Cou</i>		<i>Perce</i>		<i>Cou</i>		<i>Perce</i>	<i>Cou</i>		<i>Perce</i>	
Neither difficulty nor facility	2	%	1.7	Have informatio	4	%	3.3	Have informati	4	%	3.33
Have difficulties	10	%	8.3	Not having	116	%	96.6	Not having	116	%	96.6
Strongly have difficulties	108	%	90.0								
Total	120		100	Total	120		100	Total	120		100

7. Determination of Property Marketing Value

In the vicinity of the study area, 11 sample precedents were taken for sending area and comparing area as a result of interviews with homeowners, land agents and real estate assessors.

7.1 Housing Values for the Study Area (Sending Area)

As a result of interviews with homeowners, land agents and real estate assessors in the vicinity of the study area, the properties of the houses sold/rented in previous years and current sales are examined.



Figure 9. Neighbourhoods of the study area and the parcels that have been sold/rented recently

Table 9: The values of the houses sold/rented in the previous years and current sales

	Neighbourhoods	Block	Parcel	Type	Size (m ²)	Selling year	Selling Price (TL/m ²)	Selling Price TL
1.	<i>Pazaryeri</i>	1546	80	House build on stone or brick(<i>kargir</i>)	126	2019	3015	380,000
2.	<i>Kurtuluş</i>	379	24-25	House build on stone or brick	285	2019	3315	944,775
3.	<i>Pazaryeri</i>	1552	19	2 Floors build on stone or brick	180	2019	2166	390,000
4.	<i>Pazaryeri</i>	1546	104	House build on stone or brick	385	2019	3015	350,000
5.	<i>Pazaryeri</i>	1546	96	House build on stone or brick	144	2019	367	52,855
6.	<i>Pazaryeri</i>	1546	129	House build on stone or brick	240	2011	262.6	63,30

Source: Property values were compiled on the basis of reports from real estate valuation companies and court expert reports as well as interviews with real estate agents

The results obtained from the analyzes were summarized briefly below and all the findings were evaluated together and generalizations were reached. The average m² value of a house's market price in the study area is 2260 TL.

Equal 1: 1546 block 80 parcel

The related property is a registered building with 126 m² size and building age is in-between 90-100 years. The house is 4+2 and has 2 floors, duplex structure. There are 2 shops in the basement. It has 3 independent units. For sale in 2019 and Located on 943 Street.

Equal 3: 1552 block 19 parcel

Property is 180 m² and 50-60 years old. The residence is 3+1 and located on the 2nd floor. It has 4 independent units. For sale in 2019 and located on *Tark Sarı* Street.

7.2 Housing Values for *Alsancak- Çankaya* Region (Compared Area)

The same procedure has also been applied to the *Alsancak-Çankaya*. The results of interviews with homeowners, land agents and real estate assessors in the vicinity of the study area, properties of houses sold/rented in previous years and current sales are reviewed.



Figure 10. The parcels which houses sold/rented in the previous years and currently

The results obtained from the analyzes shows that, the average m² value of the house's market price in *Alsancak-Çankaya* region is 6856.49 TL.

Table 10: The properties of the houses sold/rented in the previous years and current sales (2)

	Neighbourhoods	Block	Parcel	Type	Size (m ²)	Year	Selling Price (TL/m ²)	ValuePrice TL
1.	<i>İsmet Kaptan</i>	1053	7	Plot	42	2019	4989.04	209,539
2.	<i>İsmet Kaptan</i>	1032	19	Plot	90	2019	4388.40	394,956
3.	<i>İsmet Kaptan</i>	1050	53	Six-floors reinforced concrete	40	2019	5239.02	209,560
4.	<i>İsmet Kaptan</i>	1019	6	(a) block 35 floors (b) block 5 floors reinforced concrete building has basement	60	2019	9666	580,000
5.	<i>İsmet Kaptan</i>	1024	12	Store	65	2019	10000	650,000

Source: Property values were compiled on the basis of reports from real estate valuation companies and court expert reports as well as interviews with real estate agents

Equal 4: 1019 block 6 parcel

The property is a new apartment with 60 m² size, 1+1 and on the third floor of 6 floors building. Close to the *Alsancak* Hilton hotel, and building is on the facade of 1385 street.

Equal 5: 1024 block 12 parcel

The property is a new apartment with 65 m² size, 1+1 and on the third floor of 5 storey building. Close to the *Alsancak* Hilton hotel, and building is on corner of the parcel surrounded with 1371 and 1372 street

7.3 The Factors that Affect the Value of the Properties

As a results of the analysis we made before, the average m² value of a house's market price in the study area, *Agora-Kemeralti*, is 2260 TL per square meter. In the study area the housing's average size is 220 m², and the parcel's average size is 140 m². The number of buildings floors varies between 2-3 floors. Assuming that the average parcel size in the region is 140 m² and has 2-story buildings, the value of the total 75 buildings is 47,460,000 TL.

The market analysis for *Alsancak-Çankaya*, on the other hand, shows that the average square meter value of house prices in the comparative area is 6856,49 TL. This value is approximately three times (2260/6856) higher than the area of conservation. Our findings reveal that conservation can be very costly under such rent differences between the conservation area and the conservation-free area.

The comparative area, *Alsancak-Çankaya*, consists heavily of commercial activities as opposed to the conservation area, whereas heavily residential uses. For this reason, we take 1 + 1 (One room in one lounge), 2 + 1 (2 rooms, one lounge), and the average size of the building is 60 m² because the workplace is more than a residential unit. The average size of the parcel is 200 m² and the number of building stories oscillates between seven to eight stroyes. We take 200 m² for the average parcel for the calculation and the number of stroyes is 7, and the final value of the 75 buildings is 719,880,000 TL. The difference in total values of 47,460,000 TL of the *Agora-Kemeraltı* area and 719,880,000 TL of the comparative area (*Alsancak-Çankaya*) is equal to 672,420,000 TL. However, the difference in market prices between the two areas with the same number of building units (75 units) in the same region under different status is remarkable, which is 15 times higher market prices in favor of the conservation-free area. This difference shows the numerical equivalent of the financial victimization resulting from the state of the conservation site. Nevertheless, the cost of preservation is replaced by funds, credits, direct transfers from different central government bodies and in particular funds from the Ministry of Culture and Tourism, so that we include the calculation of maintenance and repair costs in order to find out how this difference in the market price of conservation and conservation-free areas differs. In determining the repair and restoration costs of the buildings in question, the calculation of the building/restitution/restoration minimum cost webpage³⁰ of the Chamber of Architects (*Mimarlar Odası*) and the building unit cost (for the year 2019) of the Ministry of Environment and Urbanization published on the official website³¹.

We divided buildings into two groups, the first group consists of simple repair buildings and the major (*esashı*) repair buildings. In simple repair, the cost of repair is calculated on the assumption that the cost of restoration is one to fourth. In the major repair, the restoration cost is calculated and then the application cost is added to this value. According to the site survey, 68 listed buildings are of simple

30 <http://www.mimarlarodasi.org.tr/enazbedel/index.cfm>

31 <http://www.resmigazete.gov.tr/eskiler/2019/03/20190316-12.htm> (2019 yılı Yapı Yaklaşık Birim Maliyetleri).

repair, whereas seven buildings are of major repair. As a result of the calculation, the total simple repair cost was 490,900 TL and the major repair cost was 5,700,000 TL for the study area. The total cost of simple and major repair/restoration is 6,200,000 TL.

The Ministry of Culture and Tourism³² provided financial support in obtaining a repair project equivalent to 75,000 TL for immovable cultural assets owned by private individuals. The Ministry can give grants to cover a 70 percent of the implementation cost of the repair projects (upper limit is 300.000 TL). As a result of all the calculations, only 3,009,000 TL can be covered by the Ministry of Culture and Tourism, whereas the total area repair/restoration cost is 6,200,000 TL. The Ministry only accounts for 48 percent of the total. In the calculation we excluded all the problems of obtaining funds from the Ministry, long delays and waiting times and also excessive red tape of applications. Moreover, the application of the funds can only take place after the projects are available and after the implementation of the project. Conservation is a nightmare for the majority of people who own and live in the area under such overwhelmingly financial reality.

8. Conclusion

In this study, we have tried to demonstrate the economic hardship and conflict that has been experienced in the process of historic inner city core area, *Kemeraltı's* conservation efforts. Since the conservation is part of the public domain, tax exemption is provided for the property owners whose property has been declared of historical value and the contribution margin for the individual users and for the municipalities who administer conservation areas has been increased and diversified³³. New ways of exchanging the privately owned historical property with government owned non-historical property have been introduced. However, all these contributions have shown limited benefits of the new regulations (Akpınar, Saygın & Karakaya, 2011). As shown above, the grants from the "Contribution to Conservation Fund" of the Ministry of Culture and Tourism are far from satisfactory. Another handicap is the prolonged delay in paying the funds, as the Ministry withholds the payments until the conservation project is established or after the project is completed. This process, with the added layer of painful bureaucracy, usually worsens the picture.

³²<http://teftis.kulturturizm.gov.tr/TR-138974/tasinmaz-kultur-varliklarina-yardim-saglanmasina-dair-y-.html>

³³ For detailed information, refer to Date 27.05.2015, Number 29368 "Contribution to Conservation Fund" (*Taşınmaz Kültür Varlıklarına Yardım Sağlanmasına Dair Yönetmelik*)'.

The study has revealed once more that the heritage itself is not simply for public good, but it is often a base for conflict. And this conflict is generally caused by economic development, which is the opposite of conservation. Our study shows that the enormous difference in marketing values between the protected area and the adjacent central area, far from only 500 m, has irreconcilable property values that jeopardize all conservation intentions and efforts. Property owners, who are under their property's protection status, face severe financial difficulties. According to survey results, most people living in the area have income below the minimum wage. It is not possible to meet the maintenance, fixation and restoration costs of the buildings they have or the economic hardships they face. All these hardships and conflicts claim that new financial tools are needed to protect the area, and TDR, as a tool for planning and managing change, offers high potential.

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