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– POST-SOCIALIST GENTRIFICATIONS: Similar, but Different

MATTHIAS BERNT AND AGNIESZKA OGRODOWCZYK

Abstract

Contrary to the expectations many urban scholars had after the end of socialism, it has taken almost thirty years for gentrification to become a significant urban development trend in Central and Eastern Europe. The reason for this delay is that there are massive ‘commodification gaps’—institutional barriers to the valorization of land and housing—which could only be overcome with great difficulties. In this article, which is based on an empirical study of gentrification in two second-tier cities in East Germany and Poland, we pick up on this issue and focus on policies that have affected the likelihood of gentrification. We compare two different trajectories of post-socialist gentrification, finding that the course of gentrification has been deeply embedded into the dissimilar political-economic framework of transition in East Germany and Poland. This has led to considerable differences in the timing and geography of upgrading and displacement. We distance ourselves from ‘diffusionist’ views, which portray gentrification as a generalizable trend in which post-socialist cities are ‘latecomers’, based on a model that has been pioneered in Western cities and emphasizes the specificity of gentrifications as well as their embeddedness in national, regional and local political environments.

Introduction

Gentrification, initially reported in the 1960s in London (Glass, 1964), has undergone significant geographical expansion over subsequent decades. Concurrently it has diversified, leading to the emergence of various forms of gentrification.¹ The post-socialist world, specifically countries behind the former ‘Iron Curtain’, as viewed from the West, holds a unique position in this context. The Central and Eastern European (CEE) countries, often associated with this region, have been ‘latecomers’ in terms of gentrification. Although signs of urban upgrading and displacement have been evident since the early 1990s and considerable research has documented this change (see, e.g. Hegedüs and Tosics, 1991; Sýkora, 1993; Tosics, 1994; Ruoppila and Kährik, 2003; Standl and Krupickaite, 2004; Badyina and Golubchikov, 2005; Bernt and Holm, 2005; Sýkora, 2005; Brade *et al.*, 2009; Kovács, 2009; Cook, 2010; Kovács *et al.*, 2013; Axenov, 2014; Haase and Rink, 2015; Holm *et al.*, 2015; Kovács *et al.*, 2015; Górczyńska, 2017a; 2017b), the overall extent of gentrification has been relatively limited. It is only recently that urban renewal has intensified significantly in many inner cities. Most research on gentrification in this context has been based on individual studies conducted in diverse settings and at various times. There have been very few collections of articles (see, e.g. Bernt *et al.*, 2015). The only study offering a more systematic examination is a literature review by Kubeš and Kovács (2020), which consolidates findings from previous studies on the preconditions, actors and types of gentrification identified in the CEE region. The authors identify 16 prerequisites for the growth of gentrification, 11 types of gentrification and numerous actors

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1 We follow the argument made by Lees *et al.* (2016) and refer to a plurality of gentrifications rather than a homogeneous process emphasizing heterogeneity.

across different case studies.² In essence, while gentrification in post-socialist countries shares some similarities, it also exhibits significant variation. Kubeš and Kovács (*ibid.*: 2604) describe this phenomenon as a ‘kaleidoscope’, highlighting the need for more empirical analyses with a comparative perspective.

However, intra-post-socialist comparisons have thus far remained fairly limited. Articles on post-socialist gentrification often include implicit comparisons, such as when describing the slow pace or spatial patterns of gentrification in a specific location to analyse different temporal dynamics or discussing the impact of foreign investors. Typically, these comparisons are directed towards an imagined ‘Western’ norm. Rarely are comparisons made between different post-socialist gentrification processes (exceptions include Holm *et al.*, 2015; Bernt, 2016; 2022), and when such comparisons are made, the focus is often on emphasizing differences. In light of this state of research, the call for more comparative studies by Kubeš and Kovács (2020) is both timely and necessary.

However, how can meaningful comparisons be achieved? How can we find a way of comparing that goes beyond merely listing similarities and differences to make sense of the multiplicity of urban realities documented in empirical studies? The issue is not so much a lack of empirical knowledge—numerous studies have already been conducted (as noted above)—but rather the absence of an adequate conceptual framework for making comparisons. In this respect, research on ‘post-socialist’ gentrifications has predominantly followed one of two paths. It either analyses gentrification as a replication of Western models with specific nuances (see, e.g. Standl and Krupickaite, 2004; Bernt and Holm, 2005; Sýkora, 2005; Kovács *et al.*, 2013), which calls for more attention to ‘context’, or it emphasizes developments dissimilar to Western gentrification frameworks (Gentile, 2018; Olt *et al.*, 2024) to reject the gentrification lens entirely.³ The first approach risks replicating seemingly universally valid categorizations, thereby neglecting the specificities of post-socialist gentrification. The second approach tends towards ‘thick’ descriptions of singular cases, whose validity may be questionable beyond the specific context analysed.

Against this background, in this article we provide a comparative study of gentrification in two inner-city neighbourhoods in East Germany and Poland. The aim is to advance research on post-socialist gentrification beyond mere comparison to Western models. In doing so, we hope to contribute to a better understanding of the similarities among post-socialist gentrifications and to grasp the differences between them. We address two research gaps. First, we analyse the differences between two post-socialist gentrifications using a common framework that centres on the institutional environment for reinvestment, displacement and gentrification. Methodologically, we aim at a variation-finding comparison within a set of cases commonly labelled ‘post-socialist’, deductively using a particular conceptual framework. This enables us to better identify the causes behind observed differences and to analyse how gentrification is embedded in different post-socialist trajectories (see Bernt and Volkmann, 2024). Secondly, we place particular emphasis on the different roles of the state. Rather than conducting a catch-all comparison that tries to include a large variety of empirical phenomena in an inductive way, we focus on analysing how gentrification is embedded in different institutional environments. We argue that this approach facilitates connecting the empirical findings to a specific set of theories—in our case, supply-side explanations (Smith, 1979) and their institutionalist modifications (Bernt, 2022)—and being more specific about the observed differences.

2 While we acknowledge the merits of this literature review, it is evident that it allows for limited comparison. This limitation arises partly because different strands of Western gentrification literature have been adapted in the studies reviewed and partly because of the differences in the timeframes analysed and the methodologies used.

3 The debate thus widely follows the schism between postcolonial and Marxist traditions in urban studies (see also Bernt, 2016; 2022). An increasing number of scholars reject gentrification as an overstretched ‘Northern’ concept (Ghertner, 2015; Smart and Smart, 2017; Tang, 2017; Schmid *et al.*, 2018), while others argue for sustaining the concept but applying it more flexibly (Lees *et al.*, 2015; 2016; Shin and López-Morales, 2018; Gerlofs and López-Morales, 2023).

Theoretical orientation

Our framework includes two fundamental conceptual demarcations: first, we observe gentrification as a process of reinvestment into the built environment. In this view, gentrification occurs when ‘rent gaps’ (gaps between the potential ground rent and the capitalized ground rent) are closed. Rent gaps and reinvestment form the economic basis for providing a decision-making environment in which the agents of gentrification (homeowners, landlords, gentrifiers) operate. However, the operation of rent gaps is not automatic; social, cultural and economic contexts can alter, modify, foster or prevent how reinvestment proceeds. Rent gaps are thus a *sine qua non* for gentrification, but they do not automatically lead to its realization. Even when rent gaps are closed, the ways in which gentrification operates can vary significantly.

Secondly, we assert that institutions play a pivotal role in the process of gentrification, particularly within the state–market nexus. We address this by employing the concept of ‘commodification gaps’, as developed by Bernt (2022) in a comparative study. The commodification gap is defined as ‘the disparity between the potential ground rent level which can be achieved for a piece of land when it is fully commodified and the actual ground rent capitalized when it is de-commodified, partly de-commodified or non-commodified’ (*ibid.*: 52). In this view, ‘It is only when this gap is closed that investment into housing becomes a viable option and gentrification is set into work’ (*ibid.*). Put differently, gentrification needs to be enabled by public policies, and the way this is done is by abolishing, lifting or bypassing instances of de- or non-commodification (i.e. non-commodified land, social housing, rent regulations), which prevent the exploitation of land at the level of its ‘highest and best use’.⁴

While the concept of commodification gaps has potentially far-reaching implications for the study of gentrification, it has only been applied in one study on gentrification in London, Berlin and St. Petersburg (Bernt, 2022). In this study, Bernt identified 12 distinct commodification gaps that have influenced the course of gentrification in the three neighbourhoods examined. This relatively large number of specific commodification gaps could be problematic, as including more cases might result in a proliferation of commodification gaps, leading to an endless number of place-specific gaps (see Wyly, 2024). To circumvent this issue, Bernt suggests that the commodification gap should not be understood as a catalogue of actually existing and observable objects but rather as a perspective that enables an analysis of the economic determinations of gentrification alongside its political, context-specific conditions (Bernt, 2024).

We find the concept of commodification gaps particularly well suited for the comparison of post-socialist gentrifications. This is because land under socialism was largely not a commodity. The commodification of land and the establishment of private property were essential conditions for gentrification, which would have been impossible without these changes. The transition from socialism to capitalism can thus be understood as a universal move towards closing the significant commodification gaps resulting from socialist de-commodification and non-commodification. However, the actual transformation was highly uneven and characterized by considerable economic and political diversity (Bohle and Greskovits, 2007; Myant and Drahokoupil, 2011; Leszczyński, 2015; Bohle, 2018). This diversity is particularly evident in the housing sector, where privatization, restitution, rent regulations, mortgage systems and other factors were implemented very differently across post-socialist countries. In other words, while the ‘commodification’ of non-commodified land is the common denominator of post-socialist reforms, making different post-socialist countries ‘similar’, the manner in which it was achieved varied greatly. This resulted in a multiplicity of commodification gaps and diverse strategies for closing them.

4 It should be emphasized that rent gaps and commodification gaps do not stand against each other as theoretical tools. Rather, they are ‘conjoined twins’ (Bernt, 2022: 216).

Materials and methods

The empirical basis for our argument is a comparative study of gentrification and its institutional underpinnings in two post-socialist cities: Halle in East Germany and Łódź in Poland. These cities were selected for the following reasons. First, while previous research has concentrated on capital cities in the CEE region, Halle and Łódź are more ‘ordinary cities’ (Robinson, 2006), with less intensive market pressure and, in some cases, a prolonged population decline. Secondly, both cities are subject to gentrification pressures in their more attractive areas. Statistical data for Halle (see Helbig and Jähnen, 2018; Bernt and Hausmann, 2019; Bernt and Volkmann, 2023) reveal a clear trend of sociospatial polarization, with peripheral housing estates facing increasing concentrations of poverty, while more prestigious neighbourhoods north of the city centre experience social ascension. In contrast, the inner city of Łódź had long been neglected but has experienced an upward shift in socioeconomic status since the second decade of the twenty-first century, owing to intensified revitalization efforts by the municipality (Ogrodowczyk, 2024). The intensity and speed of gentrification thus differ significantly between the two cities. Thirdly, East Germany and Poland represent two different trajectories of post-socialist transition. East Germany underwent a rapid transition (at ‘wormhole speed’, see Bernt, 2016), while Poland followed a slower path. Additional differences are discussed later in this article. Finally, both authors have considerable research experience in these cities, enabling them to mobilize their background knowledge effectively. Moreover, they possess the necessary language skills to analyse local documents, further enhancing the depth and accuracy of their comparative analysis.

In this research, we applied the following methodologies. First, based on a review of Polish and German literature, document analysis and expert interviews, we reconstructed major institutional changes in the housing sector following the collapse of socialism and analysed their relationship to gentrification in East Germany and Poland. We used the concept of commodification gaps to understand how these changes formed or erased barriers to the valorization of land and properties. Secondly, we selected one particular area in each city (the Paulusviertel in Halle and the central-northern part of the special revitalization zone, or SRZ, in Łódź) for an in-depth study of changes. In these areas, we conducted 24 interviews with residents from different age groups (11 in the Paulusviertel and 13 in the SRZ in Łódź) to gain a more comprehensive understanding. These interviews focused on housing conditions, housing choices and life trajectories and were conducted in the form of guided, semi-structured interviews. Our group of respondents were selected according to the specific needs of each case study and expanded using ‘snowballing’ techniques.⁵ Additionally, we conducted three expert interviews in each city. The expert interviews were informed by thorough document analysis (including policy documents, funding programmes and planning reports) and provided valuable insights into the strategies, logics and restrictions of state actors regarding urban regeneration. The experts we interviewed were predominantly decision makers from different administrations with privileged access to information relevant to the study, such as the Revitalization Bureau, the City Architect’s Bureau, the Department of Strategy and Development, the Planning Department and local housing companies. Overall, the study utilized a combination of research techniques to gather a broad range of data from diverse sources and actively employed methodological

5 In Łódź, a total of 13 in-depth interviews with residents were conducted. The respondents ranged in age from 30 to 77 years and reported varying levels of education: 61% had a secondary education, 31% had a higher education and 8% had a primary education. They were either employed (53%) or retirees (47%). Of the respondents, 31% lived in their own apartments, 31% in municipal housing and 38% rented in the private sector. In Halle, we conducted 11 interviews with residents. Among the interviewees, six were young adults (18–25 years old, mostly students) or middle-aged adults (24–65 years old), while five were seniors (over 65 years old) with extensive housing experience in the neighbourhood. All respondents lived in private rentals.

triangulation. Document analysis and expert interviews, coupled with an intensive focus on neighbourhood-level studies, enabled us to achieve a more nuanced and context-sensitive understanding in our research to provide richer explanations.

In the section that follows, we begin by discussing the institutional frameworks of gentrification in East Germany and Poland, with particular attention to the emergence of commodification gaps and the mechanisms through which these gaps were opened and closed. Next, we examine the actual cases, demonstrating how the operation of ‘commodification gaps’ influenced the spatial and temporal patterns of gentrification in the Paulusviertel in Halle and the SRZ in Łódź. Based on this analysis, we highlight their similarities and differences and conclude by advocating for a central focus on the processes through which commodification is achieved in the study of post-socialist gentrifications.

Gentrification in East Germany

In East Germany, the transition from socialism to capitalism happened overnight. On 3 October 1990, the German Democratic Republic (GDR) joined the Federal Republic of Germany, and by this very act, the whole legal and institutional framework established in the latter was set into power on the territory of the formerly socialist part of the country. The major consequence of this constellation was that the institutional environment for housing production, distribution and consumption was completely imported from West Germany and rolled out overnight. It was only when the situation made adaptations inevitable that exceptional rules were enacted. Usually, these were set in place in such a manner that they would pave the way towards the ‘normal’ state of affairs known from West Germany.

– Institutional conditions for gentrification in East Germany

Before we describe the actual transitions implemented, it is therefore necessary to direct attention to this ‘normality’. The dominant feature of the German housing system (which sets it in stark contrast to most of its CEE counterparts) is, in a nutshell, its character as a highly regulated ‘unitary rental market’ (see Kemeny, 1995). In 2018, 57.9% of all German households lived in rental units. In cities, the share of households that are renting is usually higher so that, for example, 82.6% of all households in Berlin are tenants (see Statistik Berlin-Brandenburg, 2018: 5).

The ability of tenants to resist rent increases and remain in their homes is largely determined by a system of rent regulations that originated in the period following the first world war. However, these regulations work differently for existing contracts and new tenants. In sum, they enable three different commodification gaps, the closure of which enables an increase in rental yields (for more detail, see Bernt, 2022: 77–97):

- **New tenancy gap:** Whereas rent increases to sitting tenants are limited to a rate of 20% within three years, new tenancies are usually agreed upon on the basis of free market rents. Thus, whenever demand exceeds supply in the housing market, new tenancies are preferable from the point of view of the landlord.
- **Modernization gap:** In contrast to slow opportunities for price increases in sitting tenancies, modernization activities can lead to rapid price escalations. As modernization activities are usually costly, the opportunity to deduct 9% (11% until 2019) of the cost of the rent enables rent increases that go far beyond the opportunities provided even by new tenancies.
- **Tenure gap:** Comparable opportunities are provided by the conversion of rental homes into privately owned homes. Once a unit is converted, owners of individual flats can claim personal use—thus justifying a termination of the rental agreement by the owner. The conversion of rental homes into privately owned homes therefore

undermines the otherwise highly protected security of tenure and enables vacating apartments and achieving new tenancies at higher rates.

In sum, the German rental system includes comparably strong protections for tenants—but also allows bypasses through which rent increases are made possible. For the course of gentrification, it is important to understand how this system was set in motion in East Germany. Two issues are crucial here.

— THE RESTITUTION OF PROPERTIES

In the GDR the lion's share of the housing stock was managed by state administrations. At reunification, most private property owners were absent in inner cities, their properties had been expropriated or they were not interested in claiming their ownership. Clearly defined property rights were only introduced in the course of the 1990s for the majority of the historical housing stock, and the way this was done was through restitution of properties to the original owners or their heirs. In historical inner-city neighbourhoods, 70% to 90% of housing stock was subject to restitution (Dieser, 1996; Reimann, 1997; Holm, 2006). The scope of the restitution has been defined by the Law on Property Restitution, which stipulates that those properties expropriated between 30 January 1933 and 8 May 1945 (mostly Jewish-owned properties) as well as those expropriated since 7 October 1949 (in the GDR) should be given back to the original owners or their legal successors.

When the restitution of a property happened, the result was usually a quick sale. As a rule of thumb, the original owners (or their heirs) had little interest or experience in the housing business, but 'overnight' came into possession of properties that were long believed to be lost. Often, the restituted were communities of heirs, so a fair distribution of obligations and benefits was a problem. In addition, under socialism, mortgages were taken up for financing maintenance without the consent of the owner (who was absent anyway), so many restituted buildings were highly indebted. Under these conditions, the easiest way to get out of this situation was a swift sale. There is no comprehensive study about the share and prices of resales across East Germany, but a number of studies done in East Berlin paint a vivid picture. Dieser (1996) found that only about 5% to 8% of original owners were interested in keeping their property in the long term in the inner-city neighbourhood Spandauer Vorstadt. In Prenzlauer Berg, another East Berlin inner-city neighbourhood, studies by Reimann (1997; 2000) have shown similar results. The buyers were rarely private individuals, but professional real-estate companies, real-estate funds and developers.

This was problematic, as prices for real estate were booming in East Germany in the 1990s. The reason for this was both a scarcity of renovated homes in good locations (caused by socialist housing policies and the long time it took for matters of restitution to be settled) and—mostly unrealistic—growth expectations for the majority of cities. Given the high costs of renovation, inflated house prices and interest rates of around 7%, this led to immense pressure on rents. The effect of restitution regarding the likelihood of gentrification was thus twofold (see also Häußermann, 1995; Harth *et al.*, 1998; Friedrich, 2000; Wiest and Hill, 2004; Bernt and Holm, 2005; Glatter and Wiest, 2007). First, restitution resulted in a modernization and commercialization of ownership structures in most inner-city neighbourhoods, which involved professional real-estate companies who were interested in short-term profits and had the experience and means to achieve them. Secondly, because the majority of properties were sold immediately after restitution, owners were burdened with comparatively high expenses for the acquisition of their properties, which came on top of the already high costs for renovation. This led to exorbitant expenses, and properties could only be made profitable if high revenues could be achieved, either in the form of rent increases or resales.

– THE INTRODUCTION OF THE (WEST) GERMAN RENT REGULATION SYSTEM AND TAX SUBSIDIES FOR RENOVATIONS

Increasing yields from renting were, however, also restricted to some degree for a while. The introduction of (West) German rent regulations took place in several stages, culminating in the final introduction of the comparative rent system in the territory of the former GDR on 1 January 1998. The transition phase during which rent increases followed special regulations only ended then. In other words, the first half of the 1990s can be regarded as an ‘in-between’ space in which the institutional frameworks allowing reinvestment into existing building stock followed by rent increases had not yet started to properly operate.

Notwithstanding these difficulties, more than two thirds of the historical building stock in inner-city neighbourhoods were refurbished in the decade following reunification. The major reason for this seemingly paradoxical result is to be found in the special depreciation possibilities guaranteed in the Fördergebietsgesetz (Federal Development Zone Act). Until 1996, this law allowed for up to 50% of refurbishment costs in the first year of investment to be offset against tax; this proportion was reduced to 40% until 1998/99. These high indirect subsidies made the refurbishing of old housing stock extremely lucrative for investors with a large taxable income, especially if costs were high and rents low, since the ‘costs’ of investment could be transformed into tax savings for the investing partners involved. As the balance sheet of the investment could be evened out by tax advantages, investors could afford to forgo high rental income for a while and build in areas without apparent affluent demand.

– Producing the conditions for a gentrification yet to come

In summary, the transition from socialism to capitalism led to a contradictory picture in East Germany:

- The restitution of properties led to the commodification of land, which was previously not treated as a commodity. This created the conditions for gentrification. In the short run, however, it created barriers to investment.
- Mass sales and high pressure on rents created enormous potential ground rents. At the same time, existing land regulations made it very difficult to increase actual ground rents to this level with sitting tenants.
- Closing this rent gap was therefore only possible on the basis of ‘modernization’ and new tenancies, which could only be achieved through costly renovations. The opportunities for tax deductions introduced in the 1990s lowered the costs of this operation, thus enabling quick and intensive renovations and closing ‘modernization gaps’ at a high level.
- Since ‘modernization’ often went hand in hand not only with massive rent increases but also with changes in floor plans and intensive construction work, it usually resulted in a high level of economic and physical displacement of existing tenants. This opened up opportunities for new tenancies at a higher rent level.

Gentrification in the Paulusviertel in Halle (Saale)

The Paulusviertel (Paulus neighbourhood) is a neighbourhood north of the city centre of Halle (Saale) built at the end of the nineteenth century in Wilhelminian architectural style. Far from being unique, it is a paradigmatic example of the operation of gentrification in East Germany. While the area experienced serious neglect under socialism, it is today regarded as one of the most attractive housing areas of the city (Kowalski, 2006; Stadt Halle, 2018) and characterized by higher incomes, (comparatively) low unemployment and high educational levels. The average rent for flats in the Paulusviertel neighbourhood is among the highest in Halle.

When socialism collapsed in 1989/90, the neighbourhood was marked by dramatic maintenance neglect, high vacancies and a dearth of modern facilities such as central heating or sanitation. Like everywhere in the GDR, most properties were subject to restitution and were consequently sold quickly to commercial property owners, mostly from West Germany. The following figures give a rough picture of changes in property structures: in 1990, about 60% of residential buildings in the area were owned by the public sector or cooperatives, about 12% were in state administration and only 28% were privately owned (Stadt Halle, 1995: 22). The proportion of private owners increased continuously in the following years as restitution progressed. In 1995, about 55% of housing units were already privately owned (*ibid.*: 23). In 2020, the share of privately owned buildings increased to 83% of the stock (Stadt Halle, 2020: 33). Thus, while in 1990 only about a quarter of the housing stock was privately owned and three quarters in cooperative, municipal or state administration, in 2020 more than four fifths of housing units were privately owned and less than one fifth in cooperative or municipal ownership. Within 30 years, therefore, the ownership structure had been completely reversed, and public property was relegated to a marginal position.

Restitution and resales set in motion a massive wave of renovations, so that the majority of buildings were refurbished within three to four years in the second half of the 1990s. A study conducted by geographers from Halle (Friedrich, 2000) reported that in three blocks mapped in the Paulusviertel, the rate of completed building renovations almost tripled from 24% to 71% within four years between 1996 and 2000. As a rule of thumb, renovation measures were so comprehensive that it was not possible for residents to remain in their apartments. The refurbishment thus became the trigger for the physical displacement of the majority of the sitting residents. Since refurbishment usually went hand in hand with massive rent increases, it also intensified the economic displacement of low-income households. The following quotes from interviews with residents give a picture of these changes:

A lot of people have moved out. Because of the renovations. If such a general renovation is done, all the pipes must be renewed, the floor plan is new—so hardly anyone can stay (interview 036).⁶

With the announcement 'There is gonna be a renovation and so the rent will then increase' we made our decision and gave notice to the landlord and moved out (interview 022).

He [the landlord] said, 'I'll give you 10,000 marks if you move out' ... 10,000 West German marks, in one fell swoop. And ... for the most part, all tenants took the 10,000 and moved out. Without comment, they accepted the offer from the investor from Munich and packed their things (interview 031).

In conversations it was often said that she is a great landlady. She knows what it's like to live as a student ... and she doesn't intend to increase the rent, and she doesn't intend to take possession ... And a month later ... suddenly: 'claim of personal use' (interview 005).

While it is impossible to document the whole spectrum of personal changes the residents of the Paulusviertel experienced after reunification, these extracts from our interviews clearly reveal that renovation went hand in hand with the displacement of large parts of the original population. This displacement operated through the closure of all three 'commodification gaps' discussed above. Renovation costs were deducted so that the rent level increased, original tenants were displaced by new tenants who would pay

6 All extracts have been translated from German or Polish by the authors.

higher rents, and ‘personal use’ was claimed as a silver bullet to enable the abolition of existing contracts. On this basis, the Paulusviertel experienced a total change in its social composition:

The neighbourhood used to be more colourful. It was more colourful ... It’s not that there would be no tenants here anymore. But these are people like, yes, ‘employed’. But what is missing? I don’t know if you can put it that way, but we had a lot of so-called ‘Assis’ [people from lower social strata, often unemployed] here too, right? ... And somehow that wasn’t even unpleasant, I must say, because it was a colourful picture (interview 037).

The more gentrified the Paulusviertel became, the more the rental market was experienced as ‘closed’, and exclusionary displacement of low-income groups became normalized. Once most buildings had been renovated, the neighbourhood experienced a wave of ‘new-build gentrification’. Since 2010, a growing number of former administration buildings have been converted to upmarket residential housing and new homes have been added to the associated parcels. In the following section, we discuss two examples of this recent trend.

The first project, the Wohnpark im Paulusviertel, comprises a former regional board building and the associated block known as Paulus Park (see Figure 1). In 2012, the municipal housing company of Halle (HWG) and a private construction company formed a new association aimed at developing the lot, which was abandoned in 2008. The project was finally completed in 2017 and included 116 flats in the refurbished administration building and in new buildings. The rent level sits at 10 to 12.50 euro per square metres (HWG, 2019)—considerably above the average rent level for similar flats in the Paulusviertel area.



FIGURE 1 Wohnpark im Paulusviertel—upmarket condo conversion in Halle (Saale) (photo by Matthias Bernt, March 2023)

The second project is the 'Fredehaus', which formerly hosted the state office for geoinformation. In 2016, a stock company from Leipzig bought the building and transformed it into 49 upmarket apartments sold individually at prices from 375,000 euro upwards, or let at an anticipated rent level of about 9.40 euro per square metre (apoImmobilien, 2019).

These two projects are not isolated cases: between 1997 and 2017, a total of 500 new housing units were constructed, representing 7.4% of the total housing stock in the Paulusviertel. Nearly all of these units were leased or sold at high-end prices.

In summary, it can be said that the Paulusviertel experienced two waves of gentrification. The first of these took place in the second half of the 1990s and rested on the restitution of properties, tax giveaways for renovations and an exploitation of existing 'modernization gaps' in tandem with 'new tenancy gaps'. This led to the comprehensive gentrification of the neighbourhood, which has experienced an upward spiral since then. The establishment of the area as a high-end housing market has enabled a second wave of gentrification in the form of new-build gentrification since 2010. In addition, numerous reports indicate that residential buildings are being transformed into individual ownership units, which enables the owners to make use of the 'tenure gap' described above to terminating existing rental contracts by claiming 'personal use', and then vacating the flats and selling them or renting them out at higher prices. In conjunction with new-build gentrification, this has driven gentrification to an ever higher level.

In this development, local authorities have played a supporting role at most. Restitution and resales have marginalized the municipality as a property owner, while, in contrast to boroughs in East Berlin (see Bernt, 2012), the municipal government of Halle has barely made use of planning instruments aimed at protecting existing populations. A municipal housing company profited from the gentrification of the area by developing a conversion project in a former administrative building. However, this remained a side show in a largely privately market-driven process.

Gentrification in Poland

Despite the fact that the fall of socialism in Poland took place earlier than the reunification of Germany, it was only in the mid-1990s that the first basic regulations concerning the financial and housing sectors were introduced. Over the decades that followed, these were complemented by more sophisticated frameworks. In stark contrast to East Germany, however, all these reforms were introduced in a stepwise manner.

– Institutional conditions for gentrification in Poland

The most important part of the housing reforms introduced in the 1990s was the 'communalization' of flats. It shifted state-owned homes to municipalities that were simultaneously given the opportunity to either sell these or keep them under municipal control. In practice, since most inner-city residential buildings were in a very poor state, there was a great deal of pressure to get the costs for maintenance and renovations off the municipal payrolls (see Sikora-Fernandez, 2010; Ogrodowczyk, 2015). The complete lack of state support in financing necessary renovations exacerbated the situation.⁷ To offload these responsibilities they could hardly meet, despite large differences in the size of municipal housing stock, most Polish cities used a similar strategy: they embarked on giveaway privatizations in the late 1990s, during which, in most cases, municipally owned flats were sold to existing residents at enormous discounts (Ogrodowczyk and Marcińczak, 2021). However, the willingness, as well as the capacity, of residents to buy

⁷ Until 2009, municipalities only had access to mortgages from the National Housing Fund (1995–2009) for development of infrastructure for municipal housing. These enabled mainly the installation of sewerage systems, water supply and connection to the municipal heating network—but not the renovation of the buildings.

their flats was highly variegated. Consequently, this form of privatization proceeded in a spatially and temporally highly uneven manner, leading to an extreme ‘scattering’ of property structures (Pobłocki, 2014; Górczyńska, 2015). Consequently it is normal to find owner-occupied units, private rentals and municipally owned flats sitting cheek by jowl. In terms of regeneration (or gentrification), this has led to enormous coordination problems among owners, because capacities, valorization strategies and preferences usually vary widely, even within the same building.

In addition to the ‘scattering’ of property structures, the major consequence of privatizations was a decrease in municipally held properties. Nevertheless, municipally owned flats still make up a sizeable part of the total housing stock, especially in large cities. This is particularly true in Łódź, where municipal housing still makes up 22% of total stock. Unfortunately, there are no comparable data available on the share of municipal housing in inner cities across Poland.

However, this overall picture is, to some degree, complicated by the matter of restitution. Poland has remained the only country in the former Soviet bloc where the restitution of properties has not been introduced (Marciniczak and Sagan, 2011; Jakóbczyk-Gryszkiewicz *et al.*, 2018). The exception is Warsaw, where the Small Reprivatization Act was adopted in 2015 (Jakóbczyk-Gryszkiewicz *et al.*, 2018). Subsequent restitutions proceeded on the basis of administrative decisions and court rulings (see Kusiak, 2019).⁸ Owing to these conditions, only 34,400 flats were returned to their former owners or their heirs in Poland between 1995 and 2020, of which 40% were situated in Warsaw and Łódź. It is only very recently that regulations have been introduced that impede the reprivatization of inhabited buildings and apartments that had been confiscated, for example, in the course of municipal regeneration programmes (as explained in the list below). Nevertheless, property restitution still hangs as a sword of Damocles above the majority of inner-city investment projects.

In sum, it can be said that property and tenure structures have remained a complicated issue in Poland that is marked by a high degree of ambivalence and ambiguity. Within this context, however, different ways in which rental revenue can be increased, i.e. different ‘commodification gaps’, can be identified:

- New tenancy gap: Rent control in the private sector ended in 2005 and since this moment apartment owners, when signing a new lease agreement, can set the rent on a largely arbitrary basis.⁹ In practice, this means that apartment owners can raise rent almost at will when they sign a new rental contract. This makes a change of tenant very desirable from the point of view of the owner.
- Modernization gap: In existing rental contracts, the owner is allowed to increase the rent annually by up to 3% of the ‘reconstruction value’ of the premises. The rent can be increased at a higher rate when the owner proves that they do not charge enough to cover the expenses related to maintaining the apartment and ensure so-called ‘fair’ profit. The law does not prescribe how the ‘fair’ profit rate should be determined, leaving the assessment in this regard to the court. In sum, this makes ‘modernizing’ flats lucrative.
- Tenure gap: The giveaway privatization of municipal flats at very low prices described above has resulted in a tenure gap, which rests on the sale of formerly state-owned rental units. In practice, the discounted sale of public flats to existing

8 Lack of proper regulations also contributes to the widespread use of extralegal methods (Siemieniako, 2017), such as falsifying documents, taking advantage of the popularity of certain names, gaining the favour of officials or appointing an inheritance curator who conducts the affairs of absent persons and represents their interests.

9 According to estimates, around 30% to 50% of lease agreements in the private rental sector are concluded unofficially. The reason for this is that legal regulations make it impossible to evict tenants who do not have an alternative place to stay at their disposal, even if they do not pay rent. According to the law, the owner is left to take the case to court and wait for a verdict, even if the process takes several years.

residents created a large group of low-income owners who hardly had the financial means to maintain their properties but could convert them into cash after a waiting period of five years and use the difference between the discounted privatization value and the market value, for example, for buying a cheaper property elsewhere. Owing to these circumstances, many of the privatized apartments were sold to investors who would let them in the private rental market (using the new tenancy gap described above) or to new owner-occupiers for their own residential purposes. In the latter case, buyers had to have either significant capital/savings or adequate creditworthiness, meaning they would belong to at least the middle-income strata of society.

- State-induced revitalization gap: As described above, large parts of inner cities are still owned by the municipalities, especially in large cities. This is an enormous problem because maintenance and renovation costs can hardly be covered from municipal budgets. It was only after Poland's accession to the European Union in 2004 that external funds for urban revitalization became available and local governments launched new programmes aimed at renewing their housing stock. This was often accompanied by attempts to change the social composition of the tenant base (Jadach-Sepiolo and Jarczewski, 2015). Since the revitalization of municipal buildings allows for rents to be increased in accordance with the regulations in the private sector, municipalities have been able to gain higher revenues for their properties, which has eased the weight of maintenance and renovation costs on their budgets. However, the outcome is often a direct displacement of low-income households and an influx of new residents with higher incomes (Liszewski and Marcińczak, 2013; Ogrodowczyk and Wolaniuk, 2014). Since this change takes place in the municipally owned sector and is closely tied with municipal regeneration programmes—which do not by definition need to follow market logics but are designed to do so—we term this strategy ‘state-induced revitalization gaps’.

In sum, it should be emphasized that the gaps described work in close spatial proximity and, in parts, even overlap. At the same time, ‘splintered’ property structures, lack of legislation and weak legal and financial capacities on the part of municipalities have made it difficult for the municipalities to make use of the commodification gaps described. The outcome is a massive delay in providing a supply of gentrifiable housing and a distortion of the geographies of gentrification. Two issues deserve closer examination in this respect.

– Micro-privatization and ‘splintered’ property structures

As described above, municipalities in Poland became the owners of thousands of dilapidated flats that had previously belonged to the state after the fall of socialism. While this would have given them a chance to use these stocks as a cornerstone for the construction of a significant social housing sector in theory, in practice, municipalities have enthusiastically used these opportunities to privatize as much of this stock as they could. From 1993 to 2020, municipalities in Poland sold 1.2 million flats. A main feature of this privatization model (which sets it in stark contrast to East Germany) is that it was de facto resident-initiated: privatizations only took place where residents had an interest in them. This resulted in ‘splintered’ property structures, in which some flats in a building would be privatized and inhabited by former tenants, whereas others would be rented out to private tenants, or sublet in the shadow economy or sold to owner-occupiers, and again other flats would remain municipal property because their inhabitants showed no interest in acquiring these (even at discounted prices). With regard to sociospatial

differentiations, this state of affairs led to very complex segregation patterns, even within the same building (see Marcińczak and Sagan, 2011). Simultaneously, this complicates any efforts to renovate these buildings. The effect of progressive privatization has been a predominance of residential communities with majority shares of natural persons, which puts municipalities in a difficult position if their interests differ from those of other owners. This micro-privatization of properties has often turned out to be such an obstacle to regeneration that it made the implementation of municipal revitalization programmes very difficult or even impossible. When apartment owners did not want to cooperate with local authorities in the revitalization process, municipalities often faced the need to buy back the flats they had sold at a high discount at a market price.

– Municipal revitalization and state-led gentrification

Against this background, a new round of legislation was developed from 2005 onwards. As stated above, it was only after Poland's accession to the European Union in 2004 that municipalities started developing their own regeneration and revalorization strategies for their inner-city stocks (Muzioł-Węclawowicz, 2009). More importantly, difficulties in dealing with property structures emerged as an outcome of the post-socialist transition. To overcome the various obstacles to local authorities' broader revitalization programmes, the long-awaited Revitalization Act was finally adopted at the national level in 2015 (more than 25 years after the start of the transition), which quickly became the basic tool local authorities used in their regeneration efforts. In a nutshell, the Revitalization Act enables municipalities to define revitalization areas. These can, however, not be larger than 20% of the total space covered by the municipality and should not house more than 30% of its residents. Municipalities may also establish an SRZ for a maximum of ten years. The introduction of an SRZ simplifies administrative procedures related to the implementation of the revitalization programme, which are governed by special planning regulations. Most importantly, the act gives municipalities the right to decant inhabited buildings and expropriate private owners.

By law, municipalities should carry out revitalization in a way that prevents the exclusion of the residents of the revitalization area from the positive effects of this process. This applies primarily to the conditions of using renovated municipal housing stock to prevent state-led gentrification and direct displacement. However, to shape the social composition of revitalized areas, local authorities introduced different types of apartments (such as flats for students or graduates, job-related apartments, and so on) aimed at attracting more residents with a higher social status. Put differently, while the Revitalization Act enables municipalities to overcome the obstacles that made larger revitalization programmes next to impossible for a long time, this progress goes hand in hand with the exclusion of low-income tenants to attract better-off inhabitants to the inner cities. The programme has thus been characterized as an act of state-led gentrification by Polish authors (see Jakóbczyk-Gryszkiewicz *et al.*, 2018).

– Complicated piecemeal privatization

Considering the scale of neglect in inner cities after the fall of socialism, potentially huge rent gaps emerged in Polish cities with its change to a market economy. However, the exploitation of these gaps was severely complicated by piecemeal privatization, difficult access to mortgage capital and insufficient planning regulations. Simultaneously, large parts of the housing stock in inner cities remained in the hands of city governments, thus giving municipal regeneration strategies a key role. However, the situation was exacerbated by immense obstacles to implementing any meaningful municipal regeneration strategy. It was only after the accession of Poland to the EU in 2004 and the adoption of the Revitalization Act in 2015 that conditions became ripe for municipalities to step into the ring and initiate municipal regeneration programmes. In the process, municipalities usually 'simulated' market dynamics in the design of their

programmes, i.e. they made use of the commodification gaps described in this article and aimed at upgrading and renting out large proportions of their stock at market rates. This led to many municipalities hardly seeing gentrification as a problem but rather as a solution to the 'unfavourable' social mix found in many inner cities.

– Gentrification in the special revitalization zone (SRZ) in Łódź

The SRZ in Łódź was established in 2017 via a resolution of the municipal council. It covers the entire area designated for revitalization as part of the municipal revitalization programme for Łódź of 2016 (updated in 2018 and 2020), which houses almost 120,000 people. The central-northern part of the SRZ, characterized by a large amount of municipal housing (over 8,000 municipal apartments) and a strong concentration of social, economic and technical problems, stands out in many respects. It includes over 100 urban blocks (about 40% of the total area of the SRZ), densely built up, consisting of mostly dilapidated municipal or private tenements from the nineteenth and early twentieth centuries. In practice, all major investments concern only the areas indicated as priority (1–8), which cover about 150 hectares and housed roughly 17,200 residents in 2016. Our further analyses concentrated on these areas.

As a result of the communalization of state property, Łódź took over about 133,000 apartments, mainly in deteriorated inner-city tenements. However, owing to lack of regulations for property restitution, the legal status of many of these properties remained unclear (including buildings in the SRZ), and claims from former owners or their heirs were a serious issue. In total, the city had to reconstitute 5,500 flats to the former owners or their heirs between 1995 and 2020. However, the impact of this process on the course of revitalization and state-led gentrification in the SRZ is difficult to determine.

Since 1991, the municipality has been privatizing flats at significant discounts (Ogrodowczyk and Marcińczak, 2021), at 90% for buildings constructed before 1946. As a result of this policy, between 1995 and 2020 the municipality sold a total of 40,900 flats. While it is not known exactly how many of these flats were resold, it is estimated that resales happened rather regularly, leading to a first wave of residential change.

In the long run, privatization turned out to be problematic for the implementation of large-scale regeneration programmes. Among other things, it motivated the city of Łódź to design an ambitious regeneration programme (see Figure 2) using the new powers granted by the Revitalization Act of 2015. Ultimately, according to data from the City Hall of Łódź, 1,403 households had to move out as a consequence of public regeneration (see Table 1). They obtained replacement dwellings from the municipality, mainly in renovated tenements, and could return to previously occupied flats after the renovation if they met the relevant criteria. Eventually, 498 households had to move out without a right to 're-occupy' their former flats. This was either owing to the conversion of dwellings into commercial premises or because of previous rent arrears.

Respondents referred to the issue of displacement, but also to the uncertainty of tenants regarding their future fate, in many interviews:

I have rent arrears, and there is nothing to be picky about [when it comes to choosing a flat] ... Supposedly, the apartment is on Pomorska Street. They say they're renovating. But they don't want to show it; they didn't give me the keys, so I really don't even know where I'm going to live (interview 003).

Before the renovation, they promised miracles. Even the standard will improve. And now they don't know what to do with us—we won't fit here anymore, and we don't want to go to other dilapidated buildings (interview 011).

In Table 1 we list the changes in the size of the municipal housing stock in the SRZ priority areas as a result of revitalization, as well as their social consequences. A



FIGURE 2 Włókiennicza Street in the special revitalization zone (SRZ) in Łódź (priority area no. 1) (photo by Agnieszka Ogródwczyk, May 2022)

TABLE 1 Social and spatial changes in priority areas for revitalization (2016–2023)

	Priority areas designated for revitalization								
Number of area	1	2	3	4	5	6	7	8	Total
BEFORE REVITALIZATION									
Municipal dwellings	472	116	43	278	23	61	633	275	1901
Residents	1957	3038	1500	3750	1759	993	3096	1144	17237
AFTER REVITALIZATION									
Municipal dwellings	458	19	24	165	18	29	116	66	895
Supportive housing units	3	3	3	3	2	3	-	1	18
Non-residential commercial units	71	10	11	18	20	4	12	-	146
Non-residential non-commercial units	19	-	24	9	10	12	14	2	90
Households displaced to replacement dwellings	405	47	20	150	20	55	489	217	1403
Households displaced to social housing	67	69	23	128	3	6	144	58	498

SOURCE: Authors’ tabulation.

significant decrease in the number of dwellings owned by the municipality caused a reduction in the number of (mainly low-income) households that could live in the SRZ. Unexpectedly for the local authorities, 75% of the tenants expressed no desire to return to their former apartments. The main reason for this was the increase in rents in the

renovated municipal tenements. Municipal regeneration was usually accompanied by rent increases of up to 60%. These increases can be regarded as the main cause of economic displacement, as they priced out low-income households. In line with this, a study found that tenants who did return to their apartments usually had a higher level of education and higher incomes than those who did not (Daab *et al.*, 2019).

The allocation of municipal premises in renovated flats has been specified in The Settlement Model for Renovated Tenements in the Inner-city Revitalization Zone in Łódź (Daab *et al.*, 2019). It specified achieving a ‘social mix’ through different types of apartments in renovated buildings as a goal of regeneration and introduced different categories for the apartments offered after renovation. These included social housing but also job-related apartments and premises intended for adaptation (mainly attics in tenements that could be adapted for residential purposes or as art studios). These constitute separate categories of premises, so tenants were selected on the basis of different criteria. For gentrification in the inner city, the most important factor was the introduction of job-related apartments. People whom the Mayor of Łódź identified according to their qualifications and the tasks they carried out for the local community were able to apply for such apartments. These apartments are also intended for graduates (up to 30 years old) and students graduating from higher education institutions in Łódź (on recommendation of the rector), provided that they stay on to work in Łódź.

Discussion

Our comparison of gentrification in Halle (Saale) and Łódź reveals several key similarities and differences.

As is the case in most other inner-city neighbourhoods, both the Paulusviertel in Halle and the inner city of Łódź experienced severe neglect under socialism. When the transition from a planned economy to a market system began, massive rent gaps emerged in both areas. Yet, after 30 years, these rent gaps have been closed in the Paulusviertel, whereas they have remained wide open in large parts of Łódź, where they have only been closed in a spatially fragmented way and required significant municipal interventions. In our case studies, we identified several factors contributing to this difference. The most important ones are highlighted in Table 2.

TABLE 2 Institutional conditions for gentrification compared

	Paulusviertel	Inner city of Łódź
Property rights	Fast restitution and resales Almost complete privatization	Privatization to sitting tenants High share of ‘remaining’ properties staying under municipal control Fragmentary and ongoing restitution
Availability of financial resources for renovation	Easy access to mortgages since 1990 Support through generous tax subsidies until 1998	Limited access to mortgages until 2004 Availability of EU funding after 2004
Dominant tenure	Private rental	Mix of private rentals (with high share of informal arrangements), public rentals and owner occupation
Rent regulations	Tight rent regulations Incentives for abolishing existing contracts for ‘modernization’	Rent increases hardly possible until 2005 Evictions very difficult to achieve, with the exception of revitalization in SRZ Incentives for abolishing existing contracts and for ‘modernization’
Role of the local state	Negligible	State-led gentrification through revitalization programmes
Spatial and temporal dynamics	Fast and comprehensive gentrification	Gentrification slowed down and dispersed, but accelerated after 2015 in SRZ

SOURCE: Authors’ tabulation.

In summary, the transformation of property rights, the construction of mortgage markets, the availability of financial support and regulation of tenure have taken very different routes in the former GDR and Poland, resulting in distinct temporal and spatial patterns of gentrification. The conditions for achieving fast and comprehensive gentrification are much more complicated in Poland than in former East Germany, where transformation of property structures, introduction of rent regulations and construction of housing markets were rapidly implemented and completed by the mid-1990s. By contrast, this process is still ongoing in Poland. The frameworks implemented in Poland have led to significant coordination problems. Rent increases and evictions remain difficult to achieve, and state financial support is relatively unfavourable. While the past three decades have seen instances of sporadic and spatially scattered gentrification in stock sold to former tenants, it was only in 2015 that an institutional framework was introduced in Poland that allowed for bypassing obstacles to upgrading stock in a more spatially concentrated and coordinated manner.

The framework of the Revitalization Act of 2015 has made municipalities the main drivers of gentrification in Poland, fostering a predominance of ‘state-led gentrification’ (Ogrodowczyk, 2024). This stands in stark contrast to East Germany, where gentrification proceeded much faster and involved a less active role from the state. In East Germany, the state’s role was largely limited to enacting restitution and providing financial support through tax incentives.

Our analysis offers a clear understanding of the institutional underpinnings driving gentrification dynamics, with property rights emerging as a crucial factor. The massive commodification gaps observed in Poland result from failure to transition from ‘socialist’ property structures in a way that fosters an environment that is conducive to investment and facilitates gentrification without substantial state intervention and support. As a result, gentrification in Poland has progressed much more slowly, with the state playing a central role in the process. In contrast, in East Germany, the state played a central role in enabling rapid property transfers to commercial landlords. This approach has effectively catalyzed gentrification dynamics and demonstrated how state policies and property rights transformations can significantly influence the pace and nature of urban redevelopment.

While this might be interpreted as yet another instance of state-led gentrification, our analysis reveals the more nuanced and contradictory role of the state. In both cases, the state’s involvement was shaped by decision making at higher levels, resulting in distinct drivers of and obstacles to gentrification. In East Germany, rapid restitution and the mixture of privatization to sitting tenants and piecemeal restitution were outcomes of upper-level state decisions. Local administrations in East Germany were largely constrained by national transition trajectories, relegating them to a passive or reactive role.¹⁰ Conversely, Poland’s complex and challenging conditions necessitated substantial state intervention. As a result, municipalities were pushed into a more active role as developers, which reflected a different set of state dynamics. This illustrates that the state’s role in gentrification is not monolithic but varies depending on the specific historical and institutional contexts of each country.

Conclusion

This study highlights that the transition from socialism to capitalism—including the ‘unfreezing’ of properties and the introduction of real-estate, mortgage and housing markets—has been a key similarity in the cases of Halle and Łódź. Without this ‘transformation’, gentrification would have been nearly impossible. However,

10 Berlin presents an exception to this pattern. In Berlin, boroughs attempted to intervene in the gentrification process early on. However, their efforts were constrained by limited legislative powers, which resulted in only partial success in mitigating the impacts of gentrification (see Bernt and Holm, 2005; Bernt, 2016; 2022).

despite this common starting point, significant differences emerged owing to the varied trajectories of post-socialist transition in each location. In this regard, Halle and Łódź are 'similar, but different', a distinction that sets them apart from other global cases such as London, Oakland or Seoul. Our core argument is that the specific course of post-socialist transition profoundly influences the trajectory and patterns of gentrification. Thereby, the individual trajectories of transition in Halle and Łódź have resulted in severely different gentrification processes. Labelling these differences simply as 'local specificities' or 'context' is insufficient. While such terms may apply broadly, it is the transition of property rights, the introduction of new tenure structures and the construction of new markets that distinctly characterize 'post-socialist' gentrification. Our findings reveal that there is a multiplicity of 'post-socialisms' rather than a generalized model. Oversimplifying these differences risks overlooking fundamental variations in favour of a more convenient label. In this sense, our research offers new insights into post-socialist gentrification in two ways:

- What unites 'post-socialist' gentrifications is their foundational starting point: comprehensive institutional reforms designed to dismantle socialism and establish market-driven housing systems. These transformative reforms, which can be characterized as 'anti-communist' (Chelcea and Druță, 2016), have established unique path dependencies that shape the trajectory of gentrification and result in significant differences, not only compared to other global contexts but also within the former Eastern Bloc itself.
- While some scholars argue for a departure from the post-socialist framework (Müller, 2019; see also Gentile, 2018), we advocate for a more nuanced approach. It is essential to unpack the concept of post-socialism and recognize the diverse trajectories within post-socialist societies. These societies are influenced by a complex interplay of 'Western' models, indigenous path dependencies and other dynamics (such as patrimonialism, socialist heritage, authoritarian developmentalism). This mosaic of influences means that gentrification can follow a variety of distinct paths, reflecting the varied and multifaceted nature of post-socialist transitions.

In the field of gentrification studies, these findings have two significant implications. Post-socialism should be conceptualized as comprising multiple, distinct institutional reforms that have created unique path dependencies. These reforms deeply influence the dynamics, temporalities and patterns of gentrification. As a result, gentrification in cities such as Sofia, Leipzig or Tbilisi differs not only from gentrification elsewhere but also from one another. Thus, it is crucial to emphasize the specific trajectories of post-socialist transition when studying urban change in this region. Superficial notions of 'contextuality' and 'hybridity' are insufficient for capturing these complexities. We advocate for more rigorous comparisons within the post-socialist region, rather than comparing it to a perceived Western norm of gentrification. An East–East comparative approach would provide deeper insights into how different post-socialist trajectories shape urban change and reveal the unique dynamics and outcomes of gentrification in various contexts within the region.

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