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Ways of Increasing Property Values in Degraded Urban Areas: Projects Implemented in Pécs, Hungary*

Property prices are extremely low in extensive degraded urban areas. Enhancing property values in these areas is a foremost concern for both property owners and for the town as a whole. The aim is to transform isolated, disadvantaged urban areas; to increase property prices so that they reach the level of average property prices in the town, thus giving way to the development and revitalization of these deprived neighborhoods.

The paper will describe the urban areas in question (housing estates, industrial areas, underused urban areas) and the methods used by the local government. They include strategically located important public buildings, renewing public spaces and parks, regenerating derelict industrial sites. Most of these projects have been implemented within the Pécs 2010 European Capital of Culture programs.

Extensive degraded urban areas show significant differences in their position in the structure of the town:

- some of these areas were immediately along the northern border of the historical town centre. While developments had been concentrated on the historical town centre and on the new town centre, which was taking shape in the area to the north of the historical centre, these neighborhoods remained undeveloped with property prices continuously decreasing as a consequence.
- The residential areas in the historical outskirts where no development has taken place for decades also belong to the degraded, run-down neighborhoods. As residential developments took place in the northern part of the town, the neighborhood called Szigeti kulvaros, adjacent to these revitalized area, has been entirely transformed as a result of private investments with property prices continuously increasing as a result. At the same time, however, there has been no development taking place in the area to the east of the old town centre, called Budai kulvaros, which has resulted in the residential areas of the neighborhood becoming increasingly run-down.
- The third group includes abandoned and derelict industrial sites or those where industrial activity has been pushed back to a smaller part of the original site due

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to changes in the economy and industry of the region. One such area is the abandoned part of the Zsolnay Factory site, which lies adjacent to Budai kulvaros, which we have earlier referred to.

- The housing estates built in the town from the 1960s make up the next group of degraded areas, with a significant decline in property values in these housing estates in recent times.

There is one thing in common in these areas: properties are almost impossible to sell, they seldom feature in the property market, or if they do, property prices are extremely low. Enhancing property values in these areas is a foremost concern for both the property owners and for the town as a whole. These degraded areas are part of the working, multi-coloured and continuously changing, developing, renewing and upgrading urban fabric as motionless islands which are socially segregated also.

The town has two potential ways to integrate these areas into the urban fabric and launch the beneficial process which aims at achieving this:

- renewing public spaces and parks, and giving them new functions. Residents of the neighboring areas now feel proud of their smaller neighborhood. Public spaces are the most open areas of the settlements which can be used by everyone. Their usability complement and extend the functions of the apartments and residential houses, they compensate for the lacking functions thus enhancing the value of the neighboring properties for those who live there. At the same time it creates a demand which results in an upturn in the property market. With the renewal of public spaces and parks the town creates community spaces where a new lifestyle can be formed.
- The other option is to realize the important investments which bear modern functions and contemporary architectural style in such degraded areas. These developments naturally bring about the development of their neighborhoods. This process results in the modernization of a wider area, which in return enhances the value of the degraded area that was not directly involved in the development. On the other hand, by obtaining the new functions these areas become part of the urban fabric thus breathing new life into these areas.

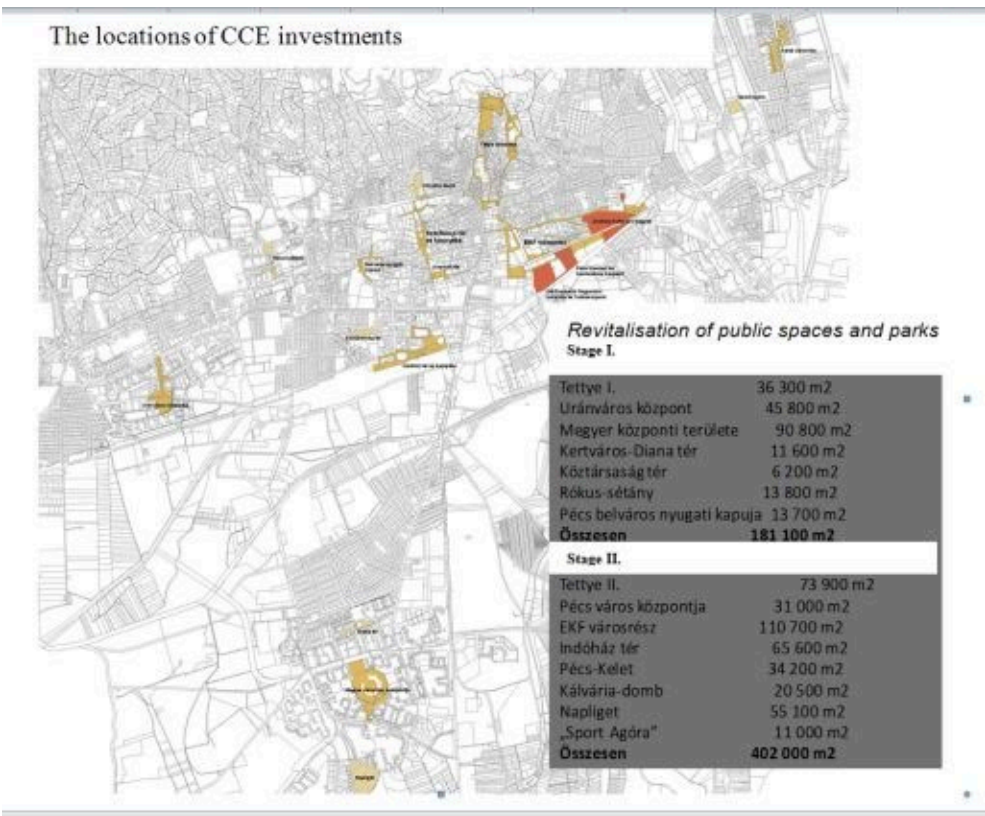
The city wall on the northern side of the historical inner city has survived the ages intact. In the 70s the derelict houses which had been built directly to these walls were demolished; the city wall was freed and the former moat was used to build a road. In front of the also rundown buildings which are located a bit uphill from this site the local government had a decorative paved walking street built. During the following decade the houses along the street were converted or sold at a high price as building plots on which modern buildings took the place of the previous derelict houses. This rebuilding process continued in the steep streets to the north of this area and today the previously degraded area has turned into a popular residential district of the city with fairly high property prices.

However, these kinds of interventions require quite significant financial sacrifice from the local government which became available for the town – after a

long period of stagnation – in the frame of the developments related to the European Capital of Culture 2010 project. The developments related to this project deliberately aimed at the enhancement of the value of the degrading or already degraded neighbourhoods. This principle was followed when the location of the major new public buildings with cultural functions were selected, or in case of the conversion of the Zsolnay factory site into a cultural centre and in the rebuilding of several other public spaces and parks.

The following illustration shows that the investments belonging to the ECC project included a wide range of city areas.

Figure 1. The locations of CCE investments.



The enhancement of the value of 'Budai kulváros' has been helped by both the construction of the major cultural public buildings and the development of the abandoned buildings of the Zsolnay factory site.

Two major separate investments and the conversion of the Zsolnay factory have been realized in this area:

- the Centre for Learning which integrates the functions of the city, county and university libraries – all of which had separate buildings all over the city – and is now complete with a large number of modern library functions. The Centre is also capable of housing minor conferences and other events helped by its excellent kitchen. In its foyer temporary exhibitions can be mounted.
- The large auditorium of Kodály Concert and Conference Centre can accommodate 1,000 people and the section rooms belonging to the conference profile provide convenient venues for negotiations. Even by internationally recognised experts, the acoustics of the 1,000 person auditorium is considered one of the best in Europe. The Pannon Philharmonic Orchestra of Pécs has also made its new home in the building.
- The so-called Zsolnay Cultural Quarter is implemented on the factory site of some 5 hectares which is not used by the still on the premises operating manufacture any more. The one-time „Zsolnay” itself was made world famous by the pyrogranite technology experimented there. Its building ceramics decorated the majority of significant public buildings of the former Austro-Hungarian Monarchy and an upper middle-class home was unimaginable without its tableware and vases.
- The cultural functions settling here are partly related to the traditions of the factory while the other part of them represents so to say downtown functions. Most of them are implemented in the abandoned factory buildings whilst other functions, leaving the factory relics untouched, have received absolutely new buildings. The construction works on the district are expected to complete by the end of this year. At the same time, though, there are some already realized functions: a large exhibition area and a museum displaying the factory products are already operating; and the puppet-show has also opened its doors to the public. The Faculty of Music and Visual Arts of the University of Pécs is already taking up its new facilities so that students of painting, graphics, sculpture and ceramics can start the spring semester in the new building.

From the previously stated it can be perceived that, due to the developments of the Pécs 2010 European Capital of Culture programs, a big part of Budai kúlváros is experiencing a significant transformation. As a positive effect of the mentioned developments, the market value of properties is expected to increase in a more extensive area.

The other type of development included the modernizing reconstruction of public spaces and parks. These works were carried out in different locations of the city including the public spaces of housing estates as well. The preparation of both types of developments was accomplished by means of international architectural plan competitions. The Chairman of the Jury judging plan competitions entered for the Zsolnay District and the public spaces was Dr Zoltán Tóth.

Among the squares, special attention must be paid to Széchenyi Square, the main square of the city where the realization of the new image started with the demolition of the eclectic establishments of the 1930s. During modernization, the historic traditions were taken into consideration. The square was given back to

Figure 2. Locations of development projects.



people by expelling cars and trucks previously loading there and by terminating considerable bus traffic formerly passing through the square.

Similarly to Széchenyi Square, Tettye is an urban park, a green area of town utility. The park has become organized and received many pieces of new street furniture as well as new functions – new ball grounds and playgrounds were established in the area.

Széchenyi Square and Tettye have brought changes to the life of the town as a whole. The purpose of renewing the public spaces, parks and squares of the housing estates was to enhance property values by providing the people living in the project areas with more comfortable than before conditions.

The primary purpose of renewing the public spaces and parks of the housing estates was to improve the conditions of those living in the neighborhoods, while the indirect objective was to induce an increase in property prices as well. There were new decorative ground coverings, recreation spaces, playgrounds and pieces of modern street furniture established. The green areas and public parks were also renewed providing the people living there with new facilities.

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