The blind men and the elephant: the explanation of gentrification

CHRIS HAMNETT

Senior Lecturer in Geography, Faculty of Social Sciences, The Open University, Walton Hall, Milton Keynes MK7 6AA

Revised MS received 2 January, 1991

ABSTRACT

This paper critically reviews the major theories of gentrification which have emerged over the last 10 years and the debate which has surrounded them. It argues that the reason why the gentrification debate has attracted so much interest, and has been so hard fought, is that it is one of key theoretical battlegrounds of contemporary human geography which highlights the arguments between structure and agency, production and consumption, capital and culture, and supply and demand. It also argues that each of the two major explanations which have been advanced to account for gentrification (the rent gap and the production of gentrifiers) are partial explanations, each of which is necessary but not sufficient. Finally, it argues that an integrated explanation for gentrification must involve both explanation of the production of devalued areas and housing and the production of gentrifiers and their specific consumption and reproduction patterns.

KEY WORDS: Gentrification, Theory, Production, Consumption, Housing, Residential change

INTRODUCTION

The gentrification phenomenon, and the debate over its significance, processes, explanation and effects have occupied a remarkably large amount of space in the scholarly journals over the last 10 years (see Hamnett, 1984; Smith and Williams, 1986 for recent bibliographies). In the *Annals* alone, there have been articles by Ley (1980; 1986; 1987), Schaffer and Smith (1986), Smith (1987b) and Badcock (1989).

Gentrification has now been identified in a large number of cities in North America, Europe and Australia, but despite its expansion during the 1970s and 1980s, it is still a relatively small scale and very geographically-concentrated phenomenon compared to post-war suburbanization and inner city decline. Berry (1985) dismissively refers to it as *Islands of renewal in seas of decay*. It is therefore important to ask why so much attention has been devoted to the subject. At least five possible explanations can be identified. These are outlined in ascending order of importance. First, and somewhat instrumentally, it can be suggested that gentrification has provided a convenient subject for a new generation of urban geographers and sociologists on the lookout for novel and potentially interesting city-specific research topics. Hence the large number of one-off, locally based case-studies.

A second, and more convincing explanation is that gentrification has posed a major challenge to the traditional theories of residential location and urban social structure (Hamnett, 1984). Neighbourhood change was viewed by Hoyt and Burgess as a one-way process where 'the wealthy seldom reverse their steps and move backwards into the obsolete housing which they are giving up' (Hoyt, 1939, p. 118). Gentrification undermines the dominant assumption that filtering is a uni-directional downwards process in which lower income groups move into progressively deteriorated housing, and it challenges the explicit assumption underlying Alonso's 'structural' theory of the urban land market that the preference for space and low densities are far more important than accessibility to the central city. Finally, gentrification undermines existing 'stage theories' or evolutionary models of urban residential change which see middle class suburbanization as the final stage of a progression from the pre-industrial to the industrial city. Ley (1981) has commented that as a result of:

> the revitalization process of the past decade, sections of the post-industrial inner city have begun a transformation from the homes of labouring classes toward a zone of privilege reminiscent of the inner-most residential ring in Sjoberg's model of the pre-industrial city. If present trends continue, the social geography of the nineteenth-century industrial city may even appear to urban scholars of the future as a temporary interlude to a more historically persistent pattern of higher-status segregation adjacent to the downtown core (Ley, 1981, p. 145).

The third reason for the emergence of gentrification as a central research issue lies in the policy and political debates regarding gentrification-related displacement. Whereas gentrification has been seen by some as the saviour of the inner cities, heralding a halt to decades of white middle class flight and residential abandonment and offering an increased tax base (Sumka, 1979; Sternlieb and Hughes, 1983) others regard it as a threat to inner city working class areas (Ley, 1981; Hartman, 1979; Marcuse, 1986; LeGates and Hartman, 1986) and a prelude to the wholesale conversion of parts of the inner city into a bourgeois playground (Schaeffer and Smith, 1986).

A fourth, and related explanation, is that gentrification can be seen to constitute one of the major 'leading edges' of contemporary metropolitan restructuring. Just as suburbanization and inner city decline comprised the leading edges of urban restructuring in the 1950s and 1960s, so gentrification is argued to represent one of the leading edges of urban restructuring in the 1970s and 1980s. By slowing or reversing inner city middle class population loss and housing decay, gentrification represents a partial reversal of previous trends. From this perspective, gentrification, like suburbanization before it, highlights the importance of capital switching between different sectors of the economy and different parts of the city (Smith, 1979; Harvey, 1978; 1980; Badcock, 1989; King, 1989a, 1989b, 1989c). This argument is developed by Smith and Williams (1986) who suggest, among other things, that gentrification has to be seen as part of the changing international spatial division of labour, and the emergence of global cities with control and command functions as part of a new urban heirarchy dominated by flows of finance capital. This is leading to a restructuring of both the urban heirarchy and of intra-urban space. Schaeffer and Smith (1986) thus reject the claims of 'minimalists' such as Berry who see gentrification as a small scale process. They argue that: 'we are witnessing not a curious anomaly but a trenchant restructuring of urban space' (Schaeffer and Smith, 1986, p. 362).

The fifth, and arguably, the most important explanation for the prominence of gentrification in contemporary urban geographical literature, is that it represents one of key theoretical and ideological battlegrounds in urban geography, and indeed in human geography as a whole, between the liberal humanists who stress the key role of choice, culture, consumption and consumer demand, and the structural Marxists who stress the role of capital, class, production and supply. Gentrification is one of the main arenas of conflict between the proponents of culture, preference and human agency, and the proponents of the imperatives of capital and profitability. Indeed, two of the major combatants, David Ley and Neil Smith have been closely engaged in wider debates about epistemology and explanation in human geography as a whole [see Duncan and Ley, 1982 and Smith, 1982; 1987c).

To the extent that this interpretation is correct, gentrification is a frontier (Smith, 1986) not just physically, economically, socially and culturally, but also theoretically, ideologically and politically. It comprises a contested boundary zone between radically different theories and explanations. And it is arguably this aspect of gentrification, above all others, which has kept the gentrification debate at the forefront of urban geographical literature for over a decade. The gentrification debate is one played for high theoretical and ideological stakes. Not surprisingly, it has also been fiercely contested, with the proponents of production and profitability sniping at the advocates of consumption and choice and vice versa. As Schaeffer and Smith (1986) clearly stated:

> the debate over causes has come to center on the issue of production based vs. consumption based explanations .... Each of the different positions in this debate ... involves a larger theoretical commitment concerning the way in which urban space is continually patterned and repatterned (Schaeffer and Smith, 1986, p. 350).

And Rose (1984) notes in her sympathetic critique of Marxist analyses of gentrification that:

> Marxist work on gentrification has insisted that the 'correct' place to begin theorising about this process is with the production of the commodities of gentrified dwellings. I use the word 'correct' to draw attention to the fact that this type of insistence on a single analytical starting point in the 'sphere of production' is politically grounded ... activities in this sphere are ... (seen as) ... the primary motors of change within capitalist society

> . . .. To a large extent, Marxist approaches to gentrification have defined their objectives self-consciously in opposition to positivist approaches . . .. A crucial element in the Marxist approach, in contrast, to positivist approaches, is that it sees that gentrification is . . . not reductible to the behaviour of individuals (Rose, 1984, pp. 49–50).

It is this aspect of gentrification, that of intellectual battleground between competing and radically opposed theoretical perspectives, that I intend to focus on in this article. Although several alternative explanatory emphases have been identified (Hamnett, 1984; Ley, 1986; Smith, 1986), notably those of changes in demography, life-style and urban amenity; land and housing market dynamics and in urban economic activity and employment structures, in essence they collapse into two main competing sets of explanations. The first, primarily associated with the work of Smith has stressed the production of urban space, the operation of the housing and land market, the role of capital and collective social actors such as developers and mortgage finance institutions on the supply of gentrifiable property. The second, which Smith has termed the consumption side argument, focuses on the production of gentrifiers and their associated cultural, consumption and reproductive orientations (Ley, 1980; 1981; Mullins, 1982; Moore, 1982; Rose, 1984; Williams, 1984; Beauregard, 1986).

This paper argues that both of the two principal theoretical perspectives on gentrification are partial abstractions from the totality of the phenomenon, and have focused on different aspects to the neglect of other, equally crucial elements. Like Aesop's fable of the blind men and the elephant, each of the major theories has perceived only part of the elephant of gentrification. The two theoretical perspectives are complementary rather than competing. This has subsequently been slowly appreciated, and the initial exclusionary tendencies have been watered down to some extent. The gradual emergence of an integrated theory of gentrification (Hamnett, 1984; Beauregard, 1986) has arisen from the realization that production and consumption are both crucial to a comprehensive explanation.

In arguing this thesis, only limited attention is paid to the debates over the role of the state in gentrification and to the gender dimensions of the process (Rose, 1984; 1989) but it is contended that, while important, these are essentially secondary to the central issue of production versus consumption. Although Cybriwsky *et al.* (1986) and Smith (1989) argue that the role of the state is important for an understanding of gentrification in certain areas, there is considerable debate over the relative importance to be given to individual actors and their motivations and to the structural role of the state. In some respects therefore, the debate over the role of the state in gentrification reflects and embodies the wider gentrification debate between the proponents of structure and agency (Gregory, 1981).

The paper is divided into nine sections. The first section defines gentrification and outlines the criteria for explanation. The second and third sections outline and assess Ley's approach. The fourth and fifth sections outline and assess Smith's initial 'rent gap' thesis. The sixth section stresses the importance of the 'production of gentrifiers' and their locational preferences, the seventh section examines Smith's reformulations and his attempt to incorporate consumption into his theoretical framework, and the eighth outlines the elements of an integrated theory. The final section summarizes and concludes the argument.

GENTRIFICATION: A DEFINITION AND CRITERIA FOR EXPLANATION

As a preliminary to the outline and analysis of the competing arguments, we first need to define gentrification, and establish the criteria for a comprehensive explanation, against which various theories can be assessed and evaluated. Hamnett (1984, p. 284) defined gentrification as:

> Simultaneously a physical, economic, social and cultural phenomenon. Gentrification commonly involves the invasion by middle-class or higher-income groups of previously working-class neighbourhoods or multi-occupied 'twilight areas' and the replacement or displacement of many of the original occupants. It involves the physical renovation or rehabilitation of what was frequently a highly deteriorated housing stock and its upgrading to meet the requirements of its new owners. In the process, housing in the areas affected, both renovated and unrenovated, undergoes a significant price appreciation. Such a process of neighbourhood transition commonly involves a degree of tenure transformation from renting to owning.

Smith (1987b, p. 463) stated:

> The crucial point about gentrification is that it involves not only a social change but also, at the neighbourhood scale, a physical change in the housing stock and an economic change in the land and housing market. It is

> this combination of social, physical, and economic change that distinguishes gentrification as an identifiable process/set of processes.

It is clear from these definitions that gentrification involves both a change in the social composition of an area and its residents, and a change in the nature of the housing stock (tenure, price, condition etc.) and an adequate explanation of gentrification will have to cover both aspects of the process; the housing and the residents. Moving from these definitions to the specification of the criteria for explanation of gentrification, I suggest that any comprehensive explanation of gentrification must explain four key aspects of the process. First, why gentrification is particularly concentrated in a small number of large cities such as Paris, London, New York, San Francisco, Toronto, Sydney and Melbourne (and why it is more limited in older industrial cities). Secondly, why gentrification occurs in some areas and housing and not others, and the characteristics of the areas involved. Thirdly, it must explain which groups become gentrifiers and why, and fourthly, it must explain the timing of gentrification. In other words, a comprehensive explanation must address the questions of where, which areas, who, when and why.

I shall argue in the remainder of this paper that each of the major explanations addresses or answers some of these questions, but not others. Indeed, it can be argued that while each is of considerable explanatory value, they are incapable in isolation of answering all these questions by virtue of their focus and range. Therefore they constitute partial explanations of limited validity. As Smith (1979) is in part a response to previous work by Ley (1978) and others, Ley's work will be considered first.

CULTURE AND CONSUMPTION IN THE POST-INDUSTRIAL CITY

In 1980 David Ley published 'Liberal ideology and the post-industrial city'. In this paper he set out what can be seen in retrospect to be a key theoretical statement regarding the origins and causes of gentrification although its focus was on the rise of the Electors Action Movement in Vancouver and their policy of limiting real estate and freeway development and creating a livable city. In what later proved to be a red rag to Marxist analysts, Ley argued that:

> A new ideology of urban development was in the making. Urban strategy seemed to be passing from an emphasis on growth to a concern with the quality of life; the new liberalism was to be recognised less by its production schedules than by its consumption styles (Ley, 1980, p. 239).

Ley also argued that: 'an understanding of the emerging urban landscape requires a prior grasp of wide-ranging processes of change in society itself' (Ley, 1980, p. 240). In an attempt to identify these, Ley drew on the work of Daniel Bell on post-industrial society and Habermas on advanced capitalism. He accepted they were unlikely theoretical bedfellows, but argued there was: 'a deeper complementarity in their positions. Both see a decisive transition between nineteenth and late twentieth century society, between the industrial period (early capitalism) and post-industrialism (late capitalism) . . .. (p.240).

Ley's thesis involved three key propositions focusing respectively on economics, politics and culture. As we shall see later, the order is important. First, at the level of the economy, the declining role of unskilled labour in the production process and the growing importance of technology in the factory, in the office and in administration is a major break with the nineteenth century. This has been associated with a major transformation of the labour force, with a decline in blue collar workers and a growth of white collar workers, particularly in the professional, managerial, administrative and technical occupations. Ley linked this to the shift from a goods producing to a service-producing society, and to the decline of manufacturing industry and the rise of office work.

The second proposition was that post-industrial society is distinguished from industrial society by the active role of government. As a consequence of this, Ley argued that 'decision making and allocation of resources is now referred to the political arena and not only to the market place . . .. The politicization of varied interest groups is challenging the formerly firm hold of the business lobby on political decision making' (Ley, 1980, p. 241). Thirdly, Ley argued that at the sociocultural level there has been a re-assertion of the role of individuality and a growth of a more sensuous and aesthetic philosophy among the growing numbers of the North American service class, particularly on the West coast. He concluded that:

> we may see from this framework the appearance of a theoretically significant group of actors . . . (who) form a theoretical counterpoint to nineteenth century notions of capital and labor . . . a class in emergence . . .. With a secure economic base, they represent the present day counterparts of Veblen's leisure class, displaying the canons of good taste, intent upon the aesthetic. Their

> lifestyle is ... consumption and status orientated in pursuit of self-actualization '(Ley, 1980, pp. 242–3).

Ley's reference to 'a class in emergence' is important, and he noted that as the post-industrial thesis was developed by sociologists it was not locationally specific. But he argued that 'these traits are not uniformly distributed; there is a geography of the post-industrial society ... it might fit circumstances more closely in San Francisco or London than in Cleveland or Glasgow' (Ley, 1980, pp. 242–3). This is a key point which has an important bearing on the question of where gentrification is found and Ley proceeded to apply the thesis to Vancouver, looking at changes in industrial, occupational and demographic structures and in the lifestyles and inner city housing market which had occurred. Ley did not explicitly refer to the term gentrification in this paper, but in 1981 he made a clear link between the growth of the tertiary and quaternary sectors, the growth of professional and managerial occupations, changes in the structure of housing demand in Vancouver and gentrification. As he put it:

> it is possible to follow the *transmission* of large scale adjustments in the economy to the pattern of job creation in Vancouver, with trends favouring white collar job growth in the central business district. *These contextual factors lie* behind the demographic changes in the metropolitan area and the housing demand pressures which accompanied them (Ley, 1981, p. 128 emphases added).

But these housing demand pressures are locationally specific. Discussing the growing number of small, young, high income households and their impact on the inner city housing market, Ley argued that cultural factors are important: 'The neighbourhoods themselves include a measure of life-style, ethnic and architectural diversity, valued attributes of middle-class movers to the central city ... these desiderata of the culture of consumption should not be under-estimated in interpreting the revitalization of the inner city' (Ley, 1981, p. 128).

Ley had less to say on the structure and operation of urban land and housing market and the supply and production of gentrifiable properties and areas and, where he does, it is more focused on the demand aspects of the equation. Ley noted the role of the real estate industry, but he accorded it a secondary or reinforcing role in the gentrification process. Referring to the revitalization of the inner city area of Kitsilano, he states that: 'There is little doubt that the activity of the real estate industry *added* to the instability of the local housing market, *quickening* the transition process and fuelling inflationary land values, through speculation and by *increasing* the expectations of homeowners to receive windfall prices for their homes' (Ley, 1981, p. 138, emphases added).

The causal primacy is quite clear. Ley sees property activity as stimulated by the market power of the growing white collar labour force, which is a product of changes in economic and employment structure. He has reiterated this view in a more recent (1986) paper. As he put it:

> job growth (in) the white-collar complex of downtown head offices, producer services, and indirectly, (in) public institutions and agencies in ... nodal centres ... leads to the 'production' of professionals, managers and other quaternary employees working downtown, who then provide the demand base for housing re-investment in the inner city ... this population, as it gives political and economic expression to its own predeliction to urban amenity, will restructure the built environment and accelerate the gentrification process (Ley, 1986, p. 532).

AN ASSESSMENT OF LEY'S THEORY OF POST-INDUSTRIAL URBANISM

There is much in Ley's thesis that Marxist analysts would strongly challenge, not least the political emphasis he accords to a new elite of tastemakers and opinion formers, the importance of culture and consumption, his acceptance of the idea of post-industrialism (Walker and Greenberg, 1982), and his seeming relegation of the production of the built environment and nineteenth-century notions of labour and capital to a secondary role in urban affairs. But Ley was not advocating an autonomous theory of consumption-determined urban development and change, or a straightforward consumer preference theory of gentrification as some of his critics have argued, and nor does his work rest just on Bell's concept of the post-industrial city. On the contrary, the importance he accords to culture and consumption in the post-industrial city are clearly rooted in the deeper changes in the structure of production, the changing division of labour, and the rise of a locationally concentrated service class.

While Ley argues that this class played a key role in politics and culture, he also identified it as a product of the changes in the division of labour and the spatially uneven nature of these changes. He thus linked together changes in the organization of production and the economy, politics and culture, into an

approach to gentrification and urban change based on the production of gentrifiers and their cultural characteristics and requirements. Without this, he would have been guilty of advocating a non-materialist, consumption-based, theory of gentrification as his critics have suggested. But, in my view, they have misinterpreted his stress on culture and consumption as a narrow demand and preference-based approach when, in fact, it is based on changes in the social and spatial division of labour and on the supply of potential gentrifiers. These changes underpin the development of a new culture and the residential and political demands that follow from it.

Looking at Ley's early work in general, it can be argued that its strength lies in its focus on the changes in the social and spatial divisions of labour, and the concentration in a limited number of 'post-industrial', service-dominated cities, of a professional and managerial elite. He accords a considerable stress to the role of changes in culture and consumption and the residential requirements or demands of the new elite, but he locates this in the context of changes in the nature and structure of economic organization. Ley's thesis is strongest in the explanation it offers of the type of city in which gentrification is likely to occur, and the characteristics of the gentrifiers. It also implicitly deals with the timing of gentrification through its analysis of the growth of the service economy in the 1970s and 1980s. Where it is weaker is in its explanation of the areas in which gentrification occurs, which Ley sees largely as a product of demand for inner city locations and the amenity and cultural facilities they offer to the gentrifiers. The supply of potential gentrifiable houses is assumed to follow on from the demands and market power of potential gentrifiers to outbid other users. But Ley's stress on the market power of the new elite suggests that he sees the power to outbid other users as a major determinant of the urban landscape: perhaps as important as the new elite's culture of consumption.

THE SUPPLY-SIDE ANALYSIS: GENTRIFICATION AND THE 'RENT-GAP'

Ley's approach to the explanation of gentrification stressed the production of gentrifiers and their cultural and consumption requirements as its key element. The supply of gentrifiable properties and the operation of the urban land and housing markets were accorded a secondary role. Smith (1979) completely reversed this explanatory emphasis, arguing that the 'consumer preference' arguments were taken for granted and contradictory. In his view, the actions of producers as well as consumers need to be taken into account in explaining the gentrification phenomenon. As he put it: 'To explain gentrification according to the gentrifier's actions alone, while ignoring the role of builders, developers, landlords, mortgage lenders, government agencies, real estate agents and tenants is excessively narrow. A broader theory of gentrification must take the role of producers as well as consumers into account' (Smith, 1979, p. 540).

Smith is entirely correct in this respect, and this is something that Ley largely failed to do. But what Smith then proceeded to do was to argue for producer dominance:

> it appears that the needs of production – in particular the need to earn profit – are a more decisive initiative behind gentrification than consumer preference. This is not to say in some naïve way that consumption is the automatic consequence of production, or that consumer preference is a totally passive effect caused by production. Such would be a producer's sovereignty theory, almost as one-sided as its neo-classical counterpart. Rather, *the relationship between production and consumption is symbiotic, but it is a symbiosis in which production dominates.* Although it is of secondary importance in initiating the actual process, and therefore in explaining why gentrification occurred in the first place, consumer preference and demand are of primary importance in determining the final form and character of revitalized areas (Smith, 1979, p. 540 emphases added).

Smith concluded that:

> The so-called urban renaissance has been stimulated more by economic than cultural forces. In the decision to rehabilitate inner city structure, one consumer preference tends to stand out above the others – the preference for profit, or, more accurately a sound financial investment. Whether or not gentrifiers articulate this preference, it is fundamental, for few would even consider rehabilitation if a financial loss were to be expected. A theory of gentrification must therefore explain why some neighbourhoods are profitable to redevelop while others are not? What are the conditions of profitability? Consumer sovereignty explanations took for granted the availability of areas ripe for gentrification when this was precisely what had to be explained (Smith, 1979, pp. 540–1).

Smith then proceeded to lay out his theory of the rent gap. This is by now very well known, and I do not intend to detail his argument in full. Suffice to say that it locates gentrification within long-term shifts of

investment and disinvestment in the built environment, and focuses on the relationship between land and property value, particularly on the way in which disinvestment produces the possibility of capital reinvestment. Smith argues that in the nineteenth century, most cities had a classical land value gradient, highest at the centre and falling gradually towards the periphery. But, as the suburbanization of industry and population proceeded from the turn of the century onwards, land values in the inner city fell relative to the CBD and the suburbs and a 'valley' in the land value gradient opened up which intensified during the decades of sustained suburbanization in 1940s, 50s and 60s. This devalorization of the inner city provided the basis for subsequent profitable reinvestment.

The key for Smith, is the relationship between land value and property value. When depreciation of the existing structures has proceeded far enough, the point is reached where the capitalized ground rent of site or neighbourhood is less than its potential ground rent in its 'highest and best use'. This is the rent gap, and according to Smith, gentrification or redevelopment, can occur when the gap is wide enough to ensure a profit.

> Once the rent gap is wide enough, gentrification *may* be initiated in a given neighbourhood by several different actors in the land and housing market. And here we come back to the relationship between production and consumption, for the empirical evidence suggests strongly that the process is initiated not by the exercise of those individual consumer preferences much beloved of neoclassical economists, but by some form of collective social action at the neighbourhood level (Smith, 1979, p. 545 emphasis added).

Smith's opposition to any explanation of gentrification based on individual consumer preferences is clear cut, and referring to the importance of mortgage funding in this process, he argues that:

> All the consumer preference in the world will come to nought unless this long absent source of funding reappears; mortgage capital is a prerequisite. Of course, this mortage capital must be borrowed by willing consumers exercising some preference or another. But these preferences are not prerequisites since they can be socially created (Smith, 1979, pp. 545–6).

Smith summarizes his thesis as follows:

> 'gentrification is a structural product of the land and housing markets. Capital flows where the rate of return is highest, and the movement of capital to the suburbs along with the continual depreciation of inner city capital, eventually produces the rent gap. When this gap grows sufficiently large, rehabilitation (or for that matter, renewal) can begin to challenge the rates of return available elsewhere and capital flows back' (Smith, 1979, p. 546).

Hence, the subtitle of Smith's paper: 'A back to the city movement by capital, not people'.

AN ASSESSMENT OF SMITH'S RENT GAP THEORY OF GENTRIFICATION

This is an elegant argument, and Smith was quite correct to attempt to shift the emphasis away from the early consumer preference and demand arguments towards a consideration of the supply of gentrifiable property and the role of mortgage finance and profitability. But it is now clear that, despite the importance of his rent gap thesis for an understanding of the uneven pattern of investment, disinvestment and reinvestment in the built environment, his rejection of alternative explanatory approaches, particularly the role of the new class, and its consumption and cultural characteristics, and his unwillingness to accord individual actors any significant role rendered his initial approach of only limited value for the explanation of gentrification. In Smith's thesis, individual gentrifiers are merely the passive handmaidens of capital's requirements.

The logical place to start is with Smith's rejection of consumer demand theory and Ley's post-industrial thesis. Smith acknowledged that only Ley's post-industrial thesis is broad enough to account for gentrification internationally, but he rejected it as being contradictory. If individual preferences change in unison, they cannot be individual preferences or the overriding constraints are strong enough to force them into the same mould. There is some truth in the second argument. Consumer preferences do not emerge out of thin air. They are partly socially created, manipulated and shaped, and they are necessarily made on the basis of the available options and constraints and not always in the circumstances of an individual's own choosing. Where Smith is wrong is in arguing that, for the concept of individual preference to be valid, individuals in different countries must make different choices. If similar groups in different countries are facing similar options at the same time, it is scarcely surprising that there may be similar outcomes. But this does not mean that individuals are totally determined in their choices as Smith (1979, p. 540) seems to imply, or that all 'preferences are . . . socially created'.

Smith's solution is to redefine preference in terms of 'collective social preference', but this does not explain where collective social preferences come from. All it does is to displace the problem of explaining the origins of preference up the scale to a more ideologically acceptable, if theoretically mysterious level. It should also be stressed that only a minority of people decide to live in the inner city and become gentrifiers. Many more decide to move out to the suburbs. There remains, therefore, the problem of explaining why some people do one thing, and some do another. This cannot be explained in terms of capital flows, disinvestment and reinvestment. Although the gentrification process does involve capital flows, it also involves people, and this is Achilles heel of Smith's supply side thesis.

Not only does Smith relegate consumer preference and demand to a subsidary role in favour of the production of residential space, he argues that the focus of a theory of gentrification must be one of the reasons why some neighbourhoods are profitable to redevelop while others are not. Smith is correct that consumer sovereignty/demand-led explanations took for granted the availability of areas ripe for gentrification. But, as we shall see, Smith fell into an almost identical trap by taking for granted the existence of a pool of gentrifiers and the conditions of demand. He assumed that if the conditions of profitability were favourable that gentrification (or, for that matter, renewal) would take place and that the potential gentrifiers were on hand to play a role in the revalorization process. Only later did he attempt to rectify this lacuna, itself a product of his tendency to assume that demand was of secondary importance to supply in the explanation of gentrification.

Smith is correct in arguing for the centrality of mortgage finance in urban residential restructuring as Harvey (1974), Williams (1976; 1978), Boddy (1976), Dingemans (1979), Wolfe *et al.* (1980), Hamnett and Randolph (1986; 1987) have also shown. But although absence of mortgage finance renders gentrification impossible on all but a small scale, its presence does not, of itself, create gentrification. Mortgage finance is a necessary but not a sufficient condition of large-scale gentrification. Nor is it adequate for Smith to argue that although 'mortgage capital must be borrowed by willing consumers exercising some preference or another ... preferences can be socially created' (Smith 1979, p. 546). This is correct, but Smith implies that all preferences are socially created which is nonsensical. Nor is it empirically correct (see Moore, 1982) to argue that: 'the process is not initiated by the exercise of individual consumer preferences ... but by some form of collective social action at the neighbourhood level' (p. 545). Smith's tendency to consistently dismiss the role of individual gentrifiers in favour of collective social actors is clearly seen where he identifies three types of developers who typically operate in gentrifying neighbourhoods. They are:

> (a) professional developers who purchase property, redevelop it and resell for profit; (b) occupier developers who buy and redevelop property and inhabit it after completion; (c) landlord developers who rent it to tenants after rehabilitation ... .. The fragmented structure of ... ownership has made the occupier developer, who is generally an inefficient operator in the construction industry into an appropriate vehicle for recycling devalued neighbourhoods (Smith, 1979, p. 546).

What Smith is arguing is that, contrary to all his other assertions on the central importance of producer interests, and the secondary role of consumer choice, is that the individual households are themselves one of the most important and indeed, appropriate forces in the production of gentrified neighbourhoods. Only by classifying them as developers is he able to circumvent this awkward intrusion of individual renovation for consumption into his producer-dominated thesis. To the extent that individual producers/consumers play a key role in the gentrification process (and this is certainly true in London), Smith's distinction between production and consumption is an artificial one and he fails to explain where the individual developer gentrifiers come from, or why some individuals become gentrifiers, while others do not. In Smith's analysis individuals seem to gentrify because of the value gap, irrespective of their characteristics, tastes and demands, but as Rose (1984) perceptively points out:

> gentrifiers are not the mere bearers of a process determined independently of them. Their constitution, as certain types of workers, and as people, is as crucial an element in the production of gentrification as is the production of the dwellings they occupy. They may or may not make the potential process happen in particular contingent situations (Rose, 1984, p. 56).

Rose's statement is a powerful indictment of the economistic and deterministic character of the rent gap theory of gentrification with its overriding stress on the production of gentrifiable areas. It cannot be too strongly emphasized that gentrification does not occur independently of individual gentrifiers. Although the rent gap may be necessary

for gentrification to occur, it is not sufficient. It does not necessitate that gentrification will take place. Indeed, rent gap theory says nothing about why gentrification should take place rather than some other form of renewal or redevelopment. The rent gap theory of gentrification is thus substantially under-determined. Gentrification is not 'to be expected' where the rent gap exists; it is a contingent phenomenon. Gentrification could occur but so could renewal, deterioration or abandonment.

And given that the gap between potential and actual ground rents is predicated on the existence of potential ground rent, Smith says very little about the processes by which such potential ground rents come into existence. It is possible, for example, that in gentrifying areas, the potential ground rent is, in part, a result of demand from potential gentrifiers (Moore, 1982). As Munt (1987) argues: 'As gentrifiers can afford numerous inner-city residential locations, it follows that the size of the rent gap in particular locations depends on their attractiveness, and hence on demand, which is absent from Marxist gentrification theory' (p. 1177). Ley goes further to argue that the rent gap is not even a necessary element of gentrification. In his view, all that is necessary is the potential for profit and the ability of gentrifiers to outbid existing or potential users for desirable inner city sites. Ley also argues that most developers are risk averse and will not risk entering an area until demand is proven. 'From the developers point of view, demand is the bottom line. In short capital follows demand, though this is not to say that local markets cannot be manipulated e.g., blockbusting or that demand is produced by broader economic contexts' (1990, personal communication).

These problems with the rent gap thesis have been documented in two recent empirical studies. Clark (1988) found clear evidence of a rent gap in his pioneering analysis of the evolution of land and property values in Malmo, Sweden, but he argued that it was theoretically explicable either in terms of Marshall's neo-classical formulation or in terms of Smith's Marxist one, and that the rent gap was in no sense a determinant of gentrification or a complete explanation for it. In fact redevelopment rather than gentrification occurred in all cases in Malmo. Clark thus rejected the idea of:

> some predetermined development with the 'needs of capital' as prime mover and the rent-gap as time-set triggering mechanism. The action of agents with economic or political interests, and of individuals interested in their own housing, are essential to the particular histories which unfold in a place' (Clark, 1988, p. 244).

Badcock (1989) in his study of Adelaide, South Australia found convincing evidence that a sizeable rent gap had developed by 1970 in the City and in some of the surrounding Victorian residential suburbs and that substantial gentrification had subsequently occurred which filled in the rent gap. But he also concluded that 'the processes responsible for this rent gap are nowhere near as straightforward as Smith would have it' (Badcock, 1989, p. 132). He argued that gentrification was the third best response of capital to existing conditions in Adelaide, and was, in some ways a sub-optimal investment strategy (p. 133). In other words, gentrification was not an inevitable outcome of the rent gap.

It is clear from these two studies that the existence of a rent gap is not a sufficient condition for gentrification to occur. On the contrary, the existence of a rent gap can lead to a variety of different results including redevelopment or further decline. More generally, it appears that Smith's theory is of value insofar as it explains the existence of areas within cities where gentrification may take place. It says nothing about why gentrification tends to occur in some cities rather than others, or about the characteristics and origins of the gentrifiers themselves, and why they gentrified rather than suburbanized. As an analysis of the cycles of investment and disinvestment in the built environment it remains a major contribution, but its role in explaining other aspects of gentrification is limited.

The principal reason why Smith's theory was unable to address these other questions was that, given its focus on the production of the built environment, it was 'limited to the specification of preconditions for the production of gentrified dwellings without considering the production of 'gentrifiers', the occupants of such dwellings' (Rose, 1984, p. 51). Because Smith focused his explanation on the production of the rent gap, and conflated and dismissed as 'preferences', changes in occupational structure, demographic and reproductive behaviour, he ignored key material changes influencing the production of gentrifiers, and equated materialist explanations with the rent gap.

THE PRODUCTION OF GENTRIFIERS AND THEIR LOCATIONAL CHOICES

In the early 1980s, Ley's thesis regarding the role of changes in the social and spatial division of labour and

in occupational structure and the rise of a 'new middle class' and the links to gentrification was paralleled in different ways by several other workers who made theoretical links between changes in the social and spatial restructuring of labour processes, corporate organization and what Rose (1984) termed the production of gentrifiers. One such link was made by Mullins (1982) who argued that dramatic changes had taken place in the Australian inner city. The decline of inner city manufacturing and the skilled working class resident population had been accompanied by the emergence of corporate centres for monopoly capitalism and middle class office workers. Mullins linked this to gentrification, arguing that 'whereas the working class of an earlier form of inner city lived there because of employment reasons centred on manufacturing industry, "educated labour" is coming to reside in the inner city (for) unique consumption reasons' (p. 45–6). But, as Mullins noted: 'the development of office employment cannot wholly explain the residential increase of inner city educated labour simply because the bulk of these workers ... reside in the suburbs and commute .... Other processes must have been involved in this residential development' (Mullins, 1982, p. 53). A similar link was also made by Moore (1982, p. 1) who argued that 'gentrification represents the process whereby an important fraction of the new class is establishing a residential identity concomitant with its social identity, with the overall context of the central city becoming more and more a white collar city'.

Mullins pointed to the key role of production and consumption of particular leisure-orientated arts services within the inner city, which are produced and consumed by a limited number of educated workers. This explanation for gentrification, which is linked to the production of gentrifiers and to their cultural requirements is similar to Ley's thesis, and identifies a specific reason for the locational concentration of the new class in the inner cities: their cultural needs and the concentration of cultural facilities. The locational question is of crucial importance. What Mullins realized was that the growth of a new middle class or service class is necessary, but not sufficient to explain gentrification. A sufficient explanation must also account for why some of this group reside in the inner city rather than elsewhere (see also Moore, 1982).

The argument regarding the key role of the production of potential gentrifiers was developed by Rose (1984) who argued that:

> theoretical and empirical work by Marxists has been exclusively preoccupied with those aspects of gentrification which can be directly related to the operation of the law of value in the built environment of capitalist cities .... This has created not only an analytical gap but also an epistemological error of considerable importance (Rose, 1984, p. 52).

She argues that it is essential to move beyond this very limited conception to explore the links between gentrification and changes in the social and spatial restructuring of labour processes and the reproduction of labour power and people, which have been largely ignored by economistic approaches which see social processes as either derivable from the economic or epiphenomenal. Beauregard (1986) has similarly argued that the rent gap alone is a totally inadequate explanation of gentrification. 'The explanation for gentrification begins with the presence of "gentrifiers", the necessary agents and beneficiaries of the gentrification process, and the directions taken by their reproduction and consumption' (Beauregard, 1986, p. 41).

His argument involved three key components. First, that the demand for inexpensive, inner-city housing is not a new phenomenon and cannot simply be explained by the rent gap. Secondly, that *'the gentrifiers are often, though seldom alone, the "agents" of the gentrification process, and thus provide the motivations and aspirations that shape it'*, and thirdly, that without this group the process ceases to exist. Different types of housing might be rehabilitated, but as characteristics of gentrifiers are broadly similar across a variety of different areas, *'gentrification is defined by the presence of gentrifiers'* (Beauregard, 1986, p. 41 emphases added).

This is an argument radically at odds with that put forward by Smith. The causal primacy is exactly the reverse. Whereas Smith assumed the existence of potential gentrifiers, and saw the production of appropriate areas as the key to the process, Beauregard identifies gentrifiers as the key to explaining the process. Gentrification without gentrifiers does not exist. Like Ley and Mullins, Beauregard points to the crucial role played by the changes in industrial and occupational structure, and suggests that it is within the 'urban professional and managerial fraction of labor that gentrifiers are situated'. And like Rose (1984), Mullins (1982), Moore (1982) and Williams (1984), Beauregard argues that:

> In order to explain why these professionals and managers ... remain within the city and also engage in

> gentrification we must more away from the sphere of production and focus upon their reproduction and consumption activities . . .. What is it about an urban residence, in addition to proximity to work, which is especially compatible with the reproduction and consumption activities of this fraction of labour? (1986, p. 43).

Beauregard concludes by arguing that:

> *the rent gap argument provides only one of the necessary conditions for gentrification and none of the sufficient ones* . . .. Many areas of central cities have rent gaps greatly in excess of those areas that gentrify. Thus the theory cannot easily explain why Hoboken . . . becomes gentrified, but Newark . . . does not (1986, p. 39 emphases added).

This is a crucial point which greatly weakens Smith's claims. To sum up, it is clear that the existence of a pool of new middle class potential gentrifiers is a necessary pre-requisite for gentrification to take place. So is the existence of a stock of potentially gentrifiable areas and houses. But neither of these are sufficient for gentrification to occur. That requires a fragment of the expanded professional and managerial group who wish to live in the inner areas, and a concentration of appropriate facilities and environments. Without these prerequisites, it is highly unlikely that gentrification will occur notwithstanding the actions of developers and the availability of mortgage finance.

SMITH'S ATTEMPT TO INTEGRATE CONSUMPTION INTO GENTRIFICATION

In 1986 Smith attempted to locate the rent gap thesis within a wider analysis of gentrification which included the de-industrialization of capitalist economies and the growth of white collar employment, and changes in demography and consumption patterns. This appeared to herald a significant widening of his approach, and Smith noted that 'although previous attempts at explanation have tended to fasten on one or the other trend, they may not in fact be mutually exclusive (p. 21). This is an important concession, but Smith's view regretably remained firmly production based, viewing demographic and cultural processes as epiphenomenon or surface froth. As he revealingly put it:

> changes in demographic patterns and life-style preferences are not completely irrelevant, but . . . the importance of demographic and life-style issues seems to be chiefly in the determination of the surface form taken by much of the urban restructuring rather than explaining the fact of urban transformation. Given the movement of capital into the urban core, and the emphasis on executive, professional, administrative and managerial functions, as well as other support activities, the demographic and lifestyle changes . . . help to explain why we have proliferating quiche bars rather than Howard Johnstons, trendy clothes boutiques and gourmet food shops rather than corner stores' (Smith, 1986, p. 31).

This view represents the total marginalization of 'consumption' to influencing the colour and design of the icing on the cake of urban restructuring and gentrification. It ignores the arguments put forward by Moore, Beauregard and Ley regarding the importance of culture and consumption in explaining why the new class gentrify the inner city rather than move out to the suburbs. While Smith accepts that it is important to explain the role of changes in the structure of production and the changing spatial division of labour in producing professional and managerial workers in the inner city, he fails to address the reason why a fraction of this group should locate in the inner city. And when he discusses the role of gentrifiers he resolutely dismisses any idea that they might play a crucial role in the process:

> as with the original frontier, the mythology has it that gentrification is a process led by individual pioneers and homesteaders whose sweat equity, daring and vision are paving the way for those among us who are more timid. But . . . it is apparent that where urban pioneers venture, the banks, real estate companies the state or other collective economic actors have generally gone before (Smith, 1986, pp. 18–19).

But this is not borne out by evidence from London and New York (Zukin, 1987) which indicates that individual pioneers do play a key initial role even if they may be often overtaken by the banks, real estate agents and developers. Munt (1987) argued that in Battersea, London, 'a gradual process of infiltration by gentrifiers . . . preceeded any large scale development' (p. 1177). Contrary to Smith, there is a strong case that where the collective economic actors venture, urban pioneers have often gone before (Goetze, 1979).

In 1987 in a major paper entitled 'Of yuppies and housing: gentrification, social restructuring and the urban dream', Smith attempted to tackle the social restructuring and consumption arguments head on. Looking first at the evidence for the existence of a 'new middle class', Smith accepted that there has been an undeniable occupational transformation, with 'professional, managerial and upper level administrative

personnel in expanding sectors heavily represented among gentrifiers' (Smith, 1987a, p. 154), but he argued that this does not prove the existence of a new middle class in Marxist terms (i.e. in relation to ownership and control of the means of production). This is correct, but as the social restructuring thesis is primarily concerned with occupation change and not the theoretical validity of Marxist class categories, this is largely irrelevant and Smith appears to accept the existence of a new 'class' in empirical terms if not in terms of Marxist class theory. As he puts it:

> There is no doubt that employment structure has changed dramatically and that a profound social restructuring is taking place . . . and that it is altering . . . the class configuration of society. Equally, this social restructuring is heavily implicated in the gentrification process (Smith, 1987a, p. 161).

But while Smith accepted the 'overarching importance' of the new work on social restructuring for explaining gentrification he argued that:

> they also bring certain intrinsic dangers with them. *If gentrification is to be explained first and foremost as the result of the emergence of a new social group . . . then it becomes difficult to avoid at least a tacit subscription to some sort of consumer preference model, no matter how watered down.* How else does this new social group bring about gentrification except by demanding specifc kinds and locations of housing in the market' (Smith, 1987a, p. 163 added emphases).

Smith's fears are very clear, and they shape his attempt to resolve his problem of accepting the existence of a new social group without giving them a key role in the gentrification process. His 'solution' is ingeneous and highlights what is perhaps the key problem in the explanation of gentrification: namely its spatial manifestation. He states:

> There is no argument but that demand can at times – and especially those times when demand changes dramatically – alter the nature of production. *But the conundrum of gentrification does not turn on explaining where middle class demand comes from. Rather, it turns on explaining the essentially geographical question of why central and inner areas of cities, which for decades could not satisfy the demands of the middle class, now appear to do so handsomely.* If, indeed, demand structures have changed, we need to explain why these changed demands have led to a *spatial* re-emphasis on the central and inner city (Smith, 1987a, pp. 163–4 emphases added).

Smith's argument is a fascinating one. Having accepted that demand can play a role in altering the nature of production, he then avoids the consequences of this admission by arguing that the conundrum of gentrification does not turn on where demand comes from, but on why it takes the locational form it does. This question is fundamental for the explanation of gentrification. But it is only half the issue. The conundrum of gentrification turns on *both* the explanation of where middle class demand comes from *and* on its manifestation in the central and inner cities. Smith however identifies the second question as the key one. He argues that:

> There can be little doubt that a continued and even accelerated centralization of administrative, executive, professional, managerial and some service activities may make a central domicile more desirable for a substantial sector of the middle class. But do these arguments really amount to an explanation of the geographical reversal of the location habits by a proportion of middle-class men and women? . . . the argument that social restructuring is the primary impetus behind gentrification is substantially underdetermined (Smith, 1987a, p. 164).

Smith is correct in arguing that social restructuring alone is not an adequate explanation of gentrification. But, as we have seen, the proponents of the social restructuring thesis do not argue that it is. On the contrary, they all point to the crucial role of the specific cultural and consumption requirements of a fragment of the new class, and argue that they are met by an inner city location. There is a causal link between the production of a new professional and managerial labour force, the cultural and consumption characteristics of part of that group, and the creation of potential gentrifiers. There are two steps to the argument, not one, but Smith only acknowledges the first and dismisses the second. Not surprisingly, Smith concludes that:

> *I would defend the rent-gap analysis . . . not as in itself a definitive or complete explanation but as the necessary centerpiece to any theory of gentrification.* It is the historical patterns of capital investment and disinvestment in the central and inner city cities that establishes the opportunity (not the necessity) for this spatial reversal in the first place (Smith, 1987a, p. 165 emphases added).

This statement represents a substantial retreat from Smith's initial position, and presupposes what Badcock (1989, p. 126) has termed 'a considerable relaxation of the theory's original assumptions'. Smith now seems

to view the rent gap as a key which translates more general processes, i.e. the production of gentrifiers into a spatial reversal. But Smith's argument that the rent gap is the necessary centrepiece to any theory of gentrification is too large a claim. As Smith points out, the rent gap establishes the opportunity, not the necessity, for a spatial reversal to occur. The rent gap may provide the means, but it does not provide a motive for gentrification. For this, we need to look into what is, for Smith, the heart of darkness: locational preferences, lifestyles and consumption.

Given that Smith finds any emphasis on individual life styles and consumption unacceptable; in 1987 he outlined a way of trying to integrate production-side and consumption-side arguments vis-á-vis gentrification in terms of a historical analysis of societal restructuring. This entailed rejection of Ley's ideas about post-industrialism as a 'shallow empirical abstraction ... incapable of sustaining theoretical scrutiny' (Smith, 1987a, p. 166) while reinterpreting the substance of the consumption society argument in terms of the 'regulationist' analysis of Aglietta. It is argued that as the intensive regime of accumulation began to fray at the edges in the 1970s and 1980s, there has been a switch towards a new (post-Fordist) regime of accumulation associated not with mass production and consumption, but with differentiated production and consumption. In this new regime of accumulation, the accent is on product-differentiation and niche markets. Gentrification is explained in these terms as a result of the desire of gentrifiers to differentiate themselves from other social groups. As Smith notes:

> It is this question of cultural differentiation in a mass market which is most relevant to gentrification. Gentrification is a redifferentiation of the cultural social and economic landscape ... gentrification and the mode of consumption it engenders are an integral part of class constitution; they are part of the means employed by new middle class individuals to distinguish themselves from the ... bourgeoise above and the working class below (Smith, 1987, pp. 167–8).

What Smith has done is to reinterpret, in terms of regulationist theory, Ley's work on post-industrial consumption. But Smith's interpretation of consumption and its role in gentrification is clearly very different from that suggested by Ley and others. By stressing the importance of consumption within the framework of capital accumulation he attempted to circumvent the theoretical dangers inherent in giving individual gentrifiers a key role in the gentrification process. But such differences aside, the fact that Smith had to undertake this reinterpretation is indicative of the limitations of the rent gap theory of gentrification and Smith's fundamental unwillingness to concede that individuals have any significant role in shaping their environment. Yet the closest Smith can bring himself to go is to accept the role of collective social actors and the functional requirements of differentiated consumption in new mode of regulation. It is not that Smith refuses to grant individual agency dominance – this is not the argument – but that he seems to refuse to accept it even exists at anything other than a superficial level. His opposition to any form of agency explanation reveals him as a structuralist for whom individual agency is reduced to the role of flickering shadows cast by the light of capital's fire.

TOWARDS AN INTEGRATED THEORY OF GENTRIFICATION

It has been argued that both the social restructuring thesis associated with Ley and the rent gap thesis advanced by Smith are partial attempts to explain gentrification. Ley's approach focused on changes in the social and spatial divison of labour, changes in occupational structure, the creation of cultural and environmental demands and their transmission into the housing market via the greater purchasing power of the new class. He largely took for granted the existence of potential areas suitable for gentrification and saw the process primarily in terms of housing market demand. Smith on the other hand focused on the production of gentrifiable housing through the mechanism of the rent gap. He took for granted the existence of a supply of potential gentrifiers and ignored the question of why a segment of the new class opted to locate in the inner city. Mullins, Moore, Beauregard and Rose argued that an understanding of the production of gentrifiers and their social and cultural characteristics was of crucial importance for an understanding of gentrification. They developed Ley's thesis considerably and argued that gentrifiers are central to the gentrification process. Without them, the process cannot occur at all. But gentrification is not simply a product of changes in the social and spatial division of labour, crucial though this has been. A specific locational orientation towards the inner city or specific housing areas within it, is also necessary and a supply of gentrifiable areas and housing defined not just in terms of the existence of a rent gap, but also in terms of relative desirability or

attractiveness to the potential gentrifiers (Munt, 1987, pp. 1195–6).

There are four requirements for gentrification to occur on a significant scale. The first three are concerned, respectively, with the supply of suitable areas for gentrification, the supply of potential gentrifiers, and the existence of attractive central and inner city environments. They comprise the necessary supply side elements of the equation. The final requirement involves a cultural preference for inner city residence by a certain segment of the service class. It is therefore possible to conceive of a range of possible outcomes depending on the combination of these four elements. The range of outcomes are shown in Table I. The important point to emerge from the schema is that gentrification only occurs under one combination of circumstances. None of the other combinations lead to gentrification, although Ley would argue that it could occur without a rent gap as long as the new class have the purchasing power to displace or replace other land users.

TABLE I. *Conditions for gentrification schema*

	Rent gap exists	*No Rent gap exists*
No potential gentrifiers	No gentrification	No gentrification
Supply of potential gentrifiers exists		
No inner city demand	No gentrification	No gentrification
Inner city preference by a section of the 'new class'	Gentrification	Gentrification?

But this is merely a classification of circumstances. It does not, of itself, provide a basis of a theory of gentrification. And, as we have seen, the key question for such a theory is its starting point. It is inadequate to argue that gentrification is the result of a combination of circumstances without attempting to assign some theoretical priority to those circumstances. I have no doubt that, as Beauregard has argued, that 'the explanation for gentrification begins with the presence of gentrifiers' and that 'gentrification is defined by the presence of gentrifiers' (Beauregard, 1986). But this does not mean that culture and consumption are assigned first place in the explanation of gentrification. As Ley, Mullins and others have pointed out, the appropriate place to start is with the changes in the structure of production and the social and spatial divisions of labour which have led to deindustrialization of advanced capitalist economies and the growth of the service sector. This, in turn, has been associated with the rapid expansion of the professional and managerial service class, and the concentration of key financial, legal and other functions in a relatively small number of major cities such as London and New York and Paris and a number of other major cities such as Vancouver, Toronto, Sydney and San Francisco. It is in these cities that gentrification has been most marked.

The explanation for gentrification must therefore begin with the processes responsible for the production and concentration of key fractions of the service class in a number of major cities. These processes have produced the pool of potential gentrifiers, and the primary emphasis must be on the explanation of the expansion of this key group. This is *not* a consumption based explanation. It is firmly based in the changes in the structure of production and the social and spatial division of labour in advanced capitalist countries. It is then necessary to explain why gentrification occurs in some of these cities. As we have seen, two conditions are necessary. First, it is necessary to have a supply of potentially gentrifiable inner city property. This is where rent gap theory comes in, explaining why a supply of devalued inner city property exists as a result of prior suburbanization and dencentralization. The potential value of this property is greater than its current value. But, as we have seen, the existence of a rent gap does not necessarily lead to gentrification. Without the existence of a pool of potential gentrifiers and available mortgage finance, gentrification will not occur however great the rent gap and however great the desire of developers to make it happen. And where appropriate inner city housing stock does not exist in sufficient quantity, as for example in cities such as Dallas, Pheonix and other new southern and western US cities, gentrification may be very limited, however large the new service class. In older north-eastern American cities such as Baltimore, Philadelphia and Washington D.C., on the other hand, there is an abundant supply of nineteenth century row housing, much of it devalued and run-down and home to working class and minority populations. In such cities gentrification has proceeded apace.

Secondly, there has to be some effective demand for inner city property from potential gentrifiers. This may result from financial inability to afford a suburban home or, as is more commonly argued, it may stem from a preference to live in the inner city

close to central city jobs and social and cultural facilities. This, in turn, depends on both the growth of service class job opportunities downtown, and on demographic and lifestyle changes which have seen large numbers of women enter the labour force and growing numbers of both single households and dual career childless couples. For these groups, with a high disposable income, inner city locations offer proximity to employment and to restaurants, arts and other facilities. Not surprisingly, a significant proportion of them appear to have opted for inner city residence in those cities where city centre social and cultural facilities exist. Without this effective demand, based in large part on a positive orientation towards central and inner city living, gentrification is unlikely to occur however large the army of potential gentrifiers and however large the rent gap.

We are therefore faced by three sets of conditions all of which are necessary, and none of which are sufficient. But it is clear that the existence of a potential pool of gentrifiers is logically and theoretically prior to the housing preferences and lifestyles of a sub-group of the service class. And, while the existence of a supply of appropriate inner-city houses is necessary for gentrification to occur, the existence of a rent gap will not, of itself, produce gentrification. It is thus difficult to accept Smith's view that the rent gap is 'the necessary centerpiece to any theory of gentrification'. Necessary it may be, but if gentrification theory has a centrepiece it must rest on the conditions for the production of potential gentrifiers.

CONCLUSIONS

I have attempted to show that the debate over the explanation of gentrification has been broadly shaped by the conflict between those who have argued that the key to the problem lies in global changes in the structure of production and the social and spatial division of labour, and in the concentration in specific cities of a section of the 'new middle class' or 'service' class with a particular demographic composition, and cultural and consumption orientation. On the other hand Smith has consistently argued for the key role of investment and disinvestment in the built environment and for an approach based on the primacy of profitability. This conflict has manifested itself in a variety of ways. In a conflict between so-called 'supply' and 'demand' explanations, choice and culture versus capital and so on. Yet, I have argued many of these dualisms and polarities have been more apparent than real and what Smith would label the 'choice, consumption and culture' side of the debate has, in fact, always had one foot very firmly planted in the realities of changes in the material base of production and its cultural manifestations.

In some ways, the conflict has been between two interpretations of production. The one looking at changes in the social and spatial division of labour and the production of gentrifiers, and the other looking at the production of the built environment. But, until recently, Smith has consistently interpreted the former approach in terms of individual consumption, culture and choice, and has generally rejected what it had to offer. And this, as we have seen, has been considerable. Smith has recently accepted that it is important to integrate production and consumption, but this integration has still been in terms of a framework which either ascribes primacy to questions of production or re-interprets consumption in a collective non-problematic way. Smith's conception of individual action is a limited and circumscribed one. He accepts that collective social actors can make gentrification, but not a multiplicity of individual actors. If the criticism of Ley's position has been more limited, it is partly because he has said less and been far less assertive in his claims for theoretical primacy. It is also clear that his initial recognition of the key role of a new group of potential gentrifiers with their specific cultural and locational requirements was broadly correct. His sins have been of omission rather than commission. The supply of dwellings and the role of developer/speculators in the process have gone largely unexamined by Ley. They are seen as being largely derived from the demands from the new class.

Smith's claim, that gentrification is a structural product of the land and housing markets alone, can now be seen to have been misplaced as Smith now partially accepts. This is not to say that the rent gap thesis was wrong. The point is rather that the rent gap explains, at best, half the problem, and probably less. The existence of relatively cheap and devalued housing is a necessary, but far from sufficient element of an explanation. Equally, explanation of the production of potential gentrifiers, their culture, consumption and reproduction is necessary but insufficient. A comprehensive and integrated explanation of gentrification must necessarily involve the explanation of where gentrifiers come from and why they gentrify, how the areas and properties to be gentrified are produced and how the two are linked. And there is a strong case that, notwithstanding the role of institutional and collective social actors such as real

estate agents, developers and mortgage lenders, the key actors in the gentrification process have been individual gentrifiers themselves. It is necessary to accept that individual agency is important in the explanation of gentrification and to seek to integrate production and consumption not in terms of structural causes or individual effects, but in terms of structures and individual agency.

Because Smith developed rent gap theory, he has been vigorous in its defence, making tactical retreats and concessions where necessary, but essentially seeking to ensure its continuing centrality in the explanation of gentrification. But while Smith has accepted that changes in the social and spatial division of labour and the concentration of professional and managerial employment in the downtown are of considerable importance, and has attempted to integrate the consumption patterns of gentrifiers into his theory, he has done this in such a way that it becomes a functional requirement of late capitalism, rather than a recognition of the role of individual preference and agency. But Smith's interventions in the gentrification debate have not been counterproductive. On the contrary, only by challenging the so-called choice and preference theories and his advocacy of a logical, coherent alternative, has the debate over explanations advanced as far as it has. Precisely because Ley and Smith pioneered radically different theories and interpretations of gentrification, it has been possible to advance our understanding of the process by seeing how the two partial explanations fit together. If their work has been shown to be limited in certain key respects and they have had to amend their explanations, this is the price paid by theoretical pioneers. Neither may have recognized the elephant of gentrification at first, but they each identified a key part of its anatomy, and other researchers have subsequently been able to piece together a more integrated explanation. As Clark (1988) concluded:

> We should stop asking the one-dimensional question: 'Which theory of gentrification is true, the rent-gap theory, the post-industrial restructuration theory, the consumer demand for amenities theory, or the institutionalist theory?', and start asking 'If it is so that there is empirical support for all these theories, can we arrive at an understanding of the ways in which they stand in a logical relation of *complementarity*?' (p. 247 emphasis in original).

ACKNOWLEDGEMENTS

This paper was written while the author was a visiting research fellow at the Urban Research Unit, Research School of Social Sciences, The Australian National University, Canberra. Versions were given at the Institute of British Geographers Conference, University of Glasgow, January 1990 and at the workshop on European Gentrification, Department of Geography, University of Utrecht, January 1990. I am grateful for comments on the draft paper from Blair Badcock, University of Adelaide, Steve Borassa, Urban Research Unit, ANU, Tim Butler, Polytechnic of East London, David Ley and Neil Smith. The usual disclaimers apply.

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