

Regeneration or speculation? A socio-spatial analysis on liveability within Valletta

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Abstract

There is little doubt that the true success of urban regeneration lies in achieving long term liveability. Cities must be liveable to achieve a socio-economic balance, which often tends to shift in favour of short-term economic gains. Interventions, branded as being regeneration projects, thus become largely speculative. The introduction of regeneration-focused infrastructure results in socio-spatial impacts that need to be understood and addressed. Such impacts are more significant when stakeholder objectives, and resultant policies, are centred on the creation of urban magnets to attract individuals to particular land uses. The measure of success for these projects tends to prioritise, somewhat narrow-mindedly, urban vitality, which often occurs at the expense of spatial appropriation. A land-use focus to regeneration is furthermore fragile because it skews housing market conditions, exploited by speculators who ride on the wave of cultural infrastructure and newfound 'urban buzz'. In turn, this generates affordability issues and subsequent gentrification-related phenomena such as displacement.

This paper investigates the above themes in relation to Valletta, Malta's capital city and administrative, cultural, and touristic centre, as well as recent European Capital of Culture (ECoC), which title is believed to have substantially accelerated private investment and the city's commercialisation. An increase in tourists and new affluent city users was reflected in a demand for short-term rentals, land use changes, and soaring property prices; exposing the city's affordability and liveability to speculation, facilitated by planning policies. This has led numerous authors to label Valletta as a gentrified city.

The paper contextualises liveability within broader urban regeneration objectives and introduces Valletta as a case study, highlighting its changing socio-economic nature. It then discusses the above phenomena, singling out the issue of spatial appropriation in relation to socialisation and inclusion. By taking some pertinent examples, the authors question the forces at play and whether one could claim that Valletta has become gentrified. The city's metamorphosis highlights the crucial role of governance and policymaking in prioritising liveability as opposed to simply reacting to fluctuating short term market demands. In this spirit, the paper concludes with some key observations directed at future policymaking for urban regeneration.

Keywords: liveability, affordability, gentrification, socio-spatial impacts, Valletta

1. INTRODUCTION

Achieving liveability has become a central objective in urban regeneration strategies developed by numerous cities as well as a key element in strategies set for the achievement of good governance [1]. While the definition of 'liveability' should be context-driven, particularly to ensure that policy response is specific and appropriate [2], there appears to be an affinity among authors that common qualities of liveable urban environments should include ensuring a diverse and resilient local economy, neighbourhood robustness, affordable housing, sustainable mobility, and appropriate place-making [3].

Despite this all-encompassing approach, it is not uncommon to come across a somewhat more limited perspective of liveability, such as that posited by Balsas when dealing with urban centres and wherein liveability is defined as “the ability of a centre to maintain and improve its viability and vitality [...] the capacity of a city centre to attract investment continuously and to remain alive” [4: 101]. Often, this concern with being ‘alive’ has resulted in cities seeking solutions and interventions that work in the shorter, more immediate, term as opposed to more resilient strategies that safeguard longer-term futures [5] and it has been very possibly fuelled by a stronger neoliberal stance adopted by numerous cities, which seek to attract financial and human capital by offering the prospect of spatial enjoyment even if this is somewhat temporal in nature.

This is not to say that established urban theories in relation to urban vitality, notably Jane Jacobs’ ‘eyes on the street’, William H. Whyte’s regard to social life within urban spaces and Jan Gehl’s people-centred approach to urban space and its design [6, 7, 8] are to be side-lined in any way. It does, however, go a long way in explaining how urban regeneration strategies that have relied almost exclusively on commercial land uses, often in the name of creating vibrant public spaces that are ‘alive’, have given back very little to local communities [5]. Indeed, the impact of such projects could be detrimental to citizens’ quality of lives and hamper long term liveability within certain neighbourhoods, particularly as important community spaces become appropriated by private ventures. This is the case, for instance, with the proliferation of catering outlets within cities; not as ancillary to more important public and community-related land uses but as ends, and further facilitated by policy [10]. One of the consequences of this approach is the displacement of individuals, which has often been discussed as part of the greater phenomenon that is gentrification and blamed primarily on financial considerations, namely rent increases.

The above discussion necessitates a deeper understanding of displacement and gentrification, within this wider context that is liveability and urban regeneration.

2. CONTEXTUALISING THE DISCUSSION – THE WIDER PHENOMENA

It is not the scope of this paper to delve into the definition and mechanics of gentrification. Nonetheless, numerous authors have come to equate the processes of urban regeneration and gentrification [10, 11] and this may partly be attributed to increases state support in enabling the private sector to rework depressed neighbourhoods, as contended by Hackworth and Smith [12] and more recently revisited by Wyly [13]. With governance approaches becoming more entrepreneurial in nature, allowing for market-led regeneration [14] becomes a preferred vehicle. While the language and syntax used in regeneration strategies may appear to be more authentic, the consequences to the urban environment are similar to those that may be explained by gentrification processes [15], particularly in terms of displacement [16]. This is fuelled by (and partly a result of) the speculative windows of opportunity that are created within urban areas that require investment, in a drive to increase the appeal of places and establish new urban magnets therein. In this respect, land-use driven approaches, which may be the result of both public and private investment, result in commercial gentrification that may result in individuals’ displacement nonetheless [17], as amply discussed by Sharon Zukin [18].

The displacement of individuals or commercial enterprise is one of the physical manifestations of these phenomena working simultaneously together, besides the presence of specific land uses (notably high-end retail and tourism accommodation, as well as flourishing catering outlets). An important consequence of displacement and replacement is often spatial appropriation, which erodes the available public infrastructure, often the only forum to encourage socialisation and, even more, reinforce inclusion within societies. The role of policy in facilitating this reality merits some discussion and constitutes a central theme within this paper, which furthermore contextualises the discussion within the wider business-oriented approach that the current government has adopted

since gaining power in 2013. This may be illustrated with the example of Malta's capital city and UNESCO World Heritage Site, Valletta, which is introduced next.

3. VALLETTA

Valletta's *raison d'être* was two-fold – military and administrative. Its vantage position on the Sciberras peninsula allowed the control of the two harbours lying along each of its flanks, reinforced by its grid-iron plan and outer edge defined by the continuous line of fortifications and military structures. Its administrative role, in turn, was defined by the Order of St. John's individual Auberges that enrich the spatial network of streets and squares composing the city's urban fabric [19]. Valletta's urban structure has been modified throughout the centuries through adaptive reuse – transitioning from a military to a mercantile city, intensified during the occupation of the British in Malta (Figure 1). Post-independence, the Auberges and palaces were modified to accommodate central government Ministries and Departments, cultural infrastructure (mainly comprising museums and galleries) was introduced to support a growing tourism market and several professional offices and retail outlets set up within the city. Often, the adaptive reuse has been accompanied by extensive restoration and renewal of the built fabric and it has been supplemented by the creation of a network of paved pedestrian streets within a wider traffic management scheme that is further supported by controlled vehicular access mechanisms [19].

The European Capital of Culture (ECoC) 2018 title and the prospect of further visitors to the city, increased the rental appeal of residential properties, which were seen to provide a good return on investment. Indeed, a recent study carried out by Vella Falzon (2021) at the University of Malta illustrates that the average rate per sqm of finished dwellings increased steadily from around Eur1,936/sqm in 2013 to around Eur4,748/sqm in 2020. This exponential increase inevitably led to widespread speculation within the property market and has led previous authors to define Valletta as a gentrified city [20].

Possibly also partly spurred by the advent of the ECoC title, the introduction of diverse forms of cultural infrastructure and other land uses (by both public and private entities) intensified over the past decade, particularly boutique hotel accommodation as well as catering and entertainment establishments [21, 22]. It is to these latter uses that our attention turns.

4. SOCIO-SPATIAL IMPACTS, SOCIALISATION AND INCLUSION CHALLENGES

In the years preceding the coveted ECoC award, the author of this paper was commissioned by the Valletta 2018 Foundation to lead a five-year study dealing with the socio-spatial impacts of culture-led regeneration via the introduction of distinct cultural infrastructure [22]. Using a mixed methods approach comprising multiple studies framed within a sequential logic, the study undertook spatial quality analysis, behavioural analysis, key stakeholder interviews (and their textual analysis) and an analysis of development planning applications and permits issued within four case study areas, each defined by specific regeneration projects – the new Museum of Fine Art (MUŻA), the Old Covered Market (*Is-Suq l-Antik*), different interventions along Strait Street, and the new Valletta Design Cluster at the Old Slaughterhouse (the *Biċċerija*).

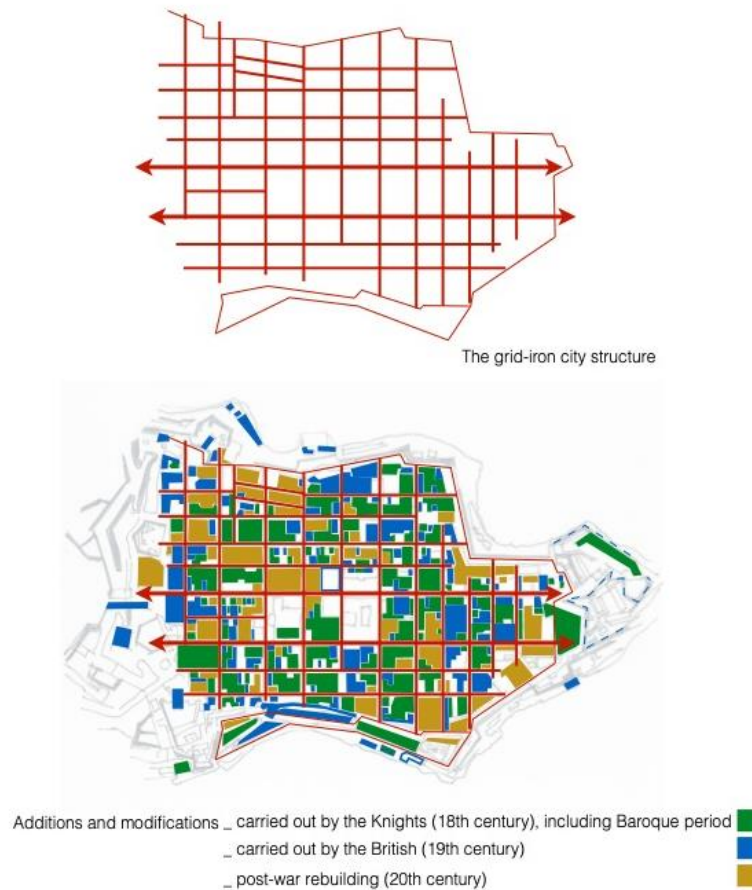


Figure 1. Adaptive reuse in Valletta along the centuries, superimposed on the city's grid-iron structure (Zammit, 2015)

The study highlighted several issues with regard to both the intent and the consequences of some projects, particularly the Old Covered Market project and projects along Strait Street. Led by private stakeholders, these projects were exclusively interested in the commercialisation of buildings and the assets provided by their adjoining urban spaces, facilitated by a policy document (the Valletta Strategy) that was issued in May 2016 (when many of these projects were well underway) and that prioritised the injection of such uses to increase the city's vitality and vibrancy [23]. The strategy was pre-empted by the Malta Environment and Planning Authority 2015's Partial Review of the 2002 Grand Harbour Local Plan, which focused on the rehabilitation and revitalisation of Strait Street, the Old Abattoir and their surroundings. Neglecting the needs and concerns of residents altogether, they have seriously compromised the amenity of the surrounding residential areas, hampering the affected neighbourhoods' long-term liveability and resulting in both individual resident and commercial displacement in the process.

Through a specific analysis of change of use permits issued between 1993 and 2016, the study noted that these intensified post-2012 (the year that Valletta was announced as 2018 ECoC, Figure 2). The analysed data revealed that most premises changed their uses into commercial uses (from residential or vacant premises), or into a higher level of commercial use (for instance, from office to retail, or from retail to catering). This was intensified in the neighbourhood surrounding the *Bicċerija*, very possibly due to the presence of lower-priced properties that were available in the (geographically) lower area of the city.

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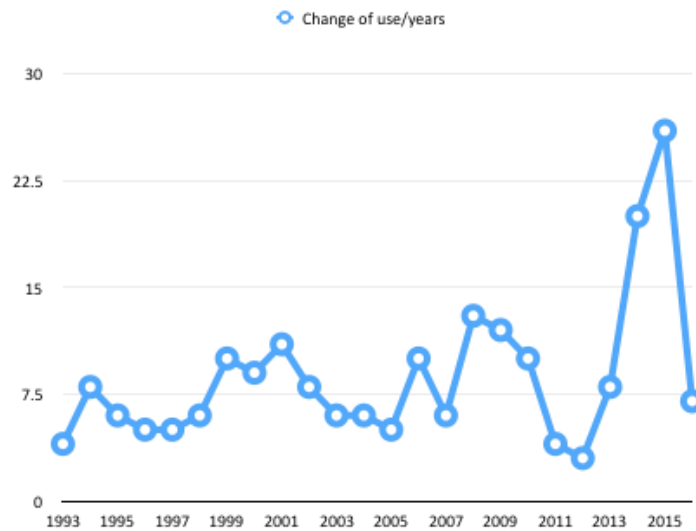


Figure 2. Number of applications for change of use between 1993 and summer 2016 (Zammit and Aldeiri, 2018)

The study further sought to identify the potential impacts (positive and negative) caused by the new land uses in terms of five sets of criteria, in turn established through a theoretical framework:

- Generation of People (and people movement): The positive impact due to the expected amount of people because of the change of use
- Visual Implications: The positive impact on the built fabric, primarily the investment to the building façade (restoration and upgrade) and the generation of active frontages due to a more active change of use
- Aural Implications: The negative impact of noise generation due to the change of use (such as presence of people and service vehicles)
- Olfactory Implications: The negative impact of smell generation (such as the presence of on-site cooking for catering establishments)
- Litter generation: The negative impact of the amount of litter that would be produced from a change of use

Following the definition of a matrix and a scoring exercise for each of the identified land uses, it was possible to quantify the potential impact of change of use applications through a relative scoring mechanism. The neighbourhoods with the highest impact were those characterised by a higher order change of use, such as hotels and catering establishments with on-site cooking. Projects such as the *Biċċerija* and *Is-Suq l-Antik* have evidently attracted these type of land uses, together with ancillary areas being used for outdoor activities, most prominently outdoor catering. Indeed, the stretch of neighbourhood between the two projects has intensified along the years in terms of outdoor catering areas, most evidently within the axial spine of Old Theatre Street. In the process, small local outlets have been replaced and/or displaced altogether, with further-reaching consequences on the city's character and identity that could in time compromise the collective memory of the city. Vella Falzon's research also confirms these trends, with a third of all planning permits approved in Valletta related to change of use [20].

The new residents (some of whom possibly gentrifiers) within these Valletta neighbourhoods created a demand for services and amenities, such as a supermarket, that was incorporated within the covered market project. Interviews carried out with key stakeholders as part of Valletta's socio-spatial study contrasted sharply with one another. A subsequent textual analysis that was carried out revealed respondents' varying agendas, from a people-centred approach adopted in the *Biċċerija*

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project (from an interview with the design cluster's coordinator Caldon Mercieca) to an absolute concern for the land use *per se* (the consolidation of a dining culture) and the visitor experience arising therefrom (from an interview with Arkadia Marketing Ltd.'s COO Antoine Portelli, who coordinated *Is-Suq l-Antik* project). Central to the latter respondent's arguments was a conviction that the nature of the Valletta resident was fast changing to a more affluent individual who would demand such land uses [22]. The key interview themes and their categories are illustrated in the radar diagram that was subsequently developed (Figure 3).

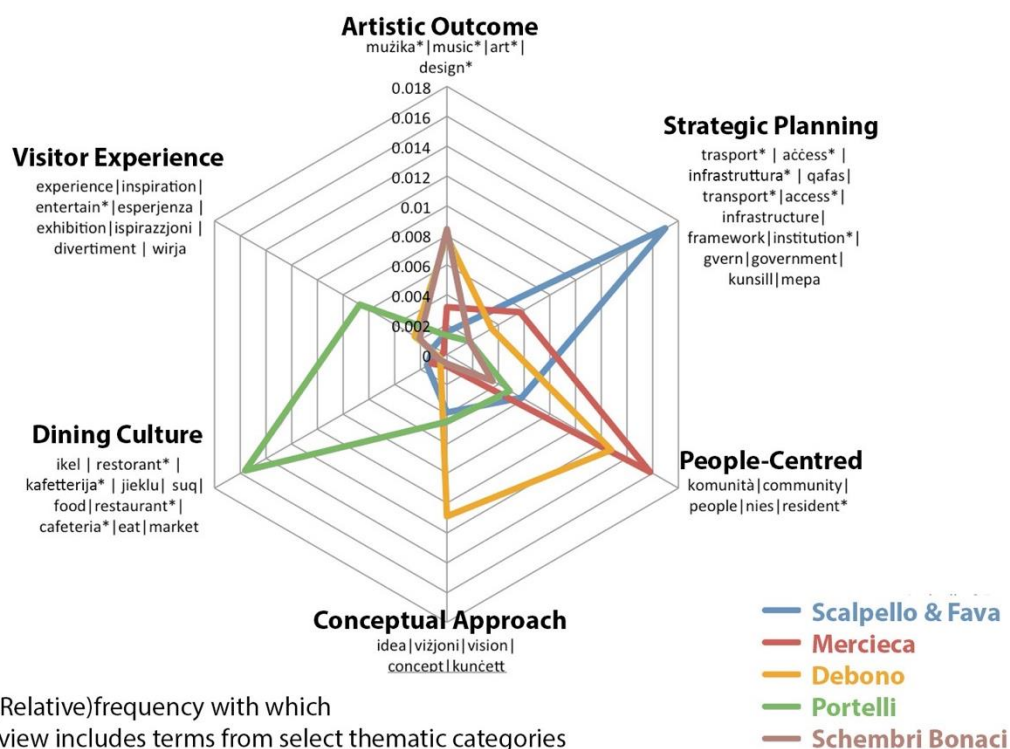


Figure 3. Categorisation and extraction of respondent key themes (Zammit and Aldeiri, 2018)

The above phenomena, and attitudes, manifest themselves on the ground most strongly in the way urban space has been transformed – once a democratic, inclusive public space and now spatially appropriated by private interests. While both *Is-Suq l-Antik* and Strait Street projects have blurred the interface between the semi-private and the public¹, the former project merits some further discussion as it has radically relegated the quality of the public space that surrounds it. The market was originally characterised by active frontages on both Merchants Street and St Paul's Street, which provided access into and through the old indoor marketplace, effectively having two fronts, and it furthermore interacted with the two side streets along its flanks. The changes to the building, however, created a stronger front on Merchants Street, and an austere back onto St Paul's Street and the intersections with the side streets. This zone has become the project's service access and employee smoking corner and is furthermore appropriated by the outdoor refuse area (Figure 4).

¹A recent discussion about the nature of the public-private interface in Malta may be found in a forthcoming publication by Zammit and Abela [24].

It is a dead frontage [8] that contributes a very poor interface to the street and negatively impacts on the street's spatial quality and its residents' well-being [22]. The market's front exterior, previously a public space, has in turn been significantly appropriated by a large outdoor dining area, adding to the numerous urban spaces that may only be enjoyed fully as a consumer (Figure 5).



Figure 4 (left). *Is-Suq l-Antik's* rear frontage, service access and appropriated refuse zone onto St Paul's Street

Figure 5 (right). Spatial appropriation of *Is-Suq l-Antik's* outdoor dining area along Merchants Street

In this sense, therefore, the failure of *Is-Suq l-Antik* project is twofold. First, the lack of a holistic vision and masterplan to tie it in with other public and private initiatives, in turn built on the robust spatial framework that exists within the city. The 2016 Valletta Strategy, which partly offsets this deficiency, came late in the day, prioritising and facilitating private investment at the expense of long-term liveability and local community needs, concerns, aspirations and expectations [21, 23]. Indeed, the second failure relates to this lack of engagement in meaningful discussion with the local community that would have allowed for community-led initiatives, which conversely were one of the reasons why the the *Biċċerija* and (to some extent) the MUŻA projects have been more successful from a socio-spatial point of view [22].

The legacy arising from the myriad of change of use permits issued in the build-up to Valletta 2018 and thereafter may indeed be understood in terms of spatial appropriation and its downgrade within the city. The danger of over-reliance on commercial land uses and ancillary outdoor areas became even more pronounced during COVID-19 restrictions, when these outlets were closed, and Valletta returned to being the deserted city it was prior to the injection of public and private investment (Figure 6). This is clearly the result of a failed strategy – one that does not focus on the development of urban spaces that are resilient and robust enough to work on their own merits. Indeed, the themes discussed above are especially imperative in a reality where cities must confront the dynamics of a pandemic, wherein a heavy reliance on specific commercial land uses may be very volatile.



Figure 6. Valletta Ghost Town (maltatoday.com.mt/news/)

5. CONCLUDING THOUGHTS: A QUESTION OF GENTRIFICATION?

The extent to which Valletta may be considered as a gentrified city is debatable. While the above discussion has discussed the manifestation of displacement in the city, this may not necessarily be the direct, residential displacement that is normally associated with gentrification, despite housing market dynamics that have characterised the city and the resulting rent-gap issues. A previous study by Gauci [26] has suggested some form of limited resident displacement occurring in Valletta because of unaffordable rents, although the presence of older residents within the city does not correlate to the traditional understanding of gentrification that would normally see the introduction of a younger demographic.

More significantly, however, displacement may largely be indirect, resulting primarily from changes in land use that displace older local outlets that are less appealing and/or less profitable – a commercial gentrification working in tandem with tourism gentrification [17, 20, 25]. In this scenario, the agents of change become the upgraded urban spaces and the new urban magnets that are injected into the urban realm in support of new affluent users having an elevated spending power, possible gentrifiers residing in the city and tourists. The latter are important stakeholders, particularly considering the Maltese Islands' economic reliance on tourism and the numerous government-influenced planning strategies that have been formulated along the years [27]. As a result, the tourism potential and tourism consumption have often overshadowed concerns with longer-term liveability and residents' priorities and concerns, and not only in Valletta; a reality that Minguez et al have defined as 'touristification' [28]. In conclusion to her research, Vella Falzon poses an important question as to whether the loss of local services (and resulting loss of character and identity) may have instigated some residents to leave their neighbourhoods or Valletta altogether [20].

The phenomenon of touristification may also partly relate to another reality that has afflicted a number of heritage cities such as Valletta, that of 'museumification', wherein the city is viewed within a vacuum, primarily for tourist consumption, rather than as a liveable city in its own right. In the words of Di Giovine, "everything is considered not for its use but for its value as a potential museum artefact" [29: 261].

Valletta's reality, therefore, may not be explained in terms of gentrification alone.

The wider implication of this discussion is the role, nature and primacy of policy that may direct a newfound governance approach in addressing Valletta's realities. As discussed above, the Valletta strategy fails to prioritise liveability and adequately address the challenges to socialisation and inclusion challenges. Instead, it remains dependent on market forces to actuate broader regeneration

objectives, taking a neoliberal stance towards urban policy. This is not too different from the UK's 'transformation approach' throughout the 1980s and early 90s, wherein "the state shifted from being a regulator of the market to an agent of the market, fostering the conditions in which areas and communities could become economically productive" [14: 1016]. In the case of Valletta, the role of the state has been central in setting the tone to the city's strategy, focusing on specific zones to inject new land uses, thought to revitalise depressed neighbourhoods. The strategy has been subsequently implemented by the planning authority, in terms of enabling those applications dealing with the introduction of specific land uses that are accompanied by a degree of capital investment within the city. Notably, these have included land uses traditionally associated with the tourism industry, that is tourism accommodation and catering uses, which have transformed the city fabric often at the expense of residents' quality of life, creating a degree of dependency on built forms. Most of these projects work as stand-alone, inward-looking endeavours, which focus on the resources they require to operate and which regard the urban space that surrounds them as a commodity set to serve the tourism product. In a post-pandemic environment, the volatility and fragility of this approach is heightened, with the city lying prey to more speculative predators. A newfound vision is therefore urgently required for Valletta; one that focuses on establishing a robust urban structure wherein the public domain, comprising primarily a resilient spatial urban fabric, and longer-term goals, are prioritised by an open and inclusive governance approach that considers a myriad of stakeholders and is able to listen to their agendas. This may possibly constitute the first step towards building a legacy for Valletta 2018, which the city deserves.

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