

# EquiCity: Creating a Livable Future for All

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## Abstract

This analysis delves into the economic and housing situation in Thessaloniki, particularly focusing on the Vardaris and Xyrokrini districts. It discusses the relationship between urban development, economic resources, and resident housing. The article mentions the role of private investors in shaping gentrification processes and advocates for a balance between economic growth and preserving the neighborhood's character. Thessaloniki's economic landscape, driven by tourism, port activities, industry, and education, sets the backdrop for the discussion. The Vardaris and Xyrokrini districts, despite their central location, face economic challenges, manifested in dilapidated infrastructure and high unemployment rates. The potential of upcoming urban developments, including the metro system and growing tourism, presents opportunities for revitalization. The housing fabric in Thessaloniki, characterized by Polykatoikia structures, is contrasted with the more organized social housing in the mentioned districts. The article highlights the need for interventions to enhance living conditions, such as improving security and regulating Airbnb usage. Finally, the study proposes regulations to strike a balance between economic growth and housing affordability while fostering a sustainable future for these neighborhoods.

## 1. Introduction

On one hand urban development is often significantly influenced by the residents in modern times as participation becomes more and more important. On the other hand, financial resources also often play a key role as urban development is connected with high financial investments. However, it should be noted that external private investors can be decisive for gentrification processes, as they are often profit-oriented. Accordingly, strengthening the local economic situation is necessary in order to achieve a healthy balance between the local population and the local economy to preserve the character of the neighbourhood. In the following, the economic and housing situation in Thessaloniki and Vardaris and Xyrokini will be examined in more detail to give an understanding about the current situation and development options.

### **General overview of the economic situation in Thessaloniki**

The main sources of income in the city of Thessaloniki is tourism. More than 2 million people arrive each year to visit and vitalize the city. Therefore, it is the biggest source of employment in the area. Another important sector in the economy is the cargo port. The second largest harbour in Greece serves as an export and transit hub to the Black Sea and the Balkans. Additionally, Thessaloniki's traditional industry consists mostly of oil, steel, petrochemicals, textiles and cement fabrics. Furthermore, the university is another essential part for the economy of the city as it attracts annually more than 150.000 students in total, which in sum makes up for a significant economic factor (European Commission, 2022).

Despite the economic importance of Thessaloniki for Greece, its unemployment rate is still relatively high with around 30% according to the local workers union. Especially, young people are thereby in a volatile situation, even though the employment rate increased strongly over the years, in comparison to the situation after the financial depression in 2010, when unemployment reached an all time high (ELSTAT Hellenic Statistic Authority A, 2023, 1-3).

### **A Zoom into Vardaris and Xyrokini**

However, in Vardaris and Xyrokini, the district near the Central-Railway-Station of Thessaloniki, the situation is even worse. Formerly, the area was known for its tobacco plant (see Fig. 1) and producing textiles. Nowadays, the productive activities in the district are mostly services such as reparations and maintenance of cars, the storage of different goods due to the location near the central railway station and the commercial street sellers at the „American Market“, which are specialized in low cost military clothing and outdoor equipment near the

junction of the Odisseos and Egnatia road (see Fig. 2).

Overall, as mentioned before the economic situation in Vardaris and Xirokini is grave. The area is known as one of the more deprived districts in Thessaloniki, even though it has a central location and good access to the public transport. Roads and Houses are often in a battered condition (see Fig. 2) and vacancies are visible throughout the whole area. In the coming years this situation might change, because of the implementation of the new metro system and the growing urban tourism, because the district actually has potential due to its location and good connections to the rest of the city. (Gavanas et al., 2012, 100).

However, there are also opportunities outside of tourism for the district to improve its economic situation. In the vacant buildings, for example, co-working spaces are an invigorating option. If in commission the new metro line and the adjacent train station would make the neighbourhood more accessible and create a fast gateway to the university, which would be then reachable in 10 minutes. In addition, the high density of car repair shops can also offer a new opportunity. In the form of a flea market for mechanical components, surplus or needed parts could be sold or purchased here from the workshops in the immediate vicinity. In combination, workshops with various crafting



Fig. 1: Mural of the old tobacco factory in Odisseos road (Jelle Schacht 2023)



Fig. 2: Analysis of the current economy in Vardaris and Xyrokini (Georgia Goussiou 2023 own Illustration)



Fig. 3: Severe street damage on the Vakchou road (JELLE SCHACHT, 2023)

could also be offered. With all these measures, the current character of the neighbourhood could be taken up. At the same time, an attraction would be created that has the potential to attract tourists to explore the neighbourhood on foot. Therefore, more income could be generated from which the existing businesses could benefit, but also options for new, previously underrepresented businesses such as cafes, bars or bistros.

## 2. Housing in Thessaloniki

The Cityscape in Thessaloniki is for the most parts characterized by the Polykatoikia, which is simply the Greek term for an apartment house. First developed in the 1920s the Polykatoikia was implemented as a solution for the housing shortage. Due to its prefabricated elements, a fixed core of staircase, an elevator shaft and a concrete skeleton (see Fig. 3), it is a fast constructed building type which reshaped most of the Greek cities and still dominates the modern cityscape (Laboratory for integrative architecture, n.d.). The maximum eaves height is thereby fixed to 120 % of the street width. Consequently, the Polykatoikia results always in a covered walkway, which is open to the street. Additionally, the buildings are usually oriented outwards with their balconies and verandas to give the residents more open space (Uuurble 2020). Furthermore, the ground floor is designated to businesses or shops to enable a multi-functionality inside the buildings and also give space for pedestrians to walk. The result is a wide range of flexible uses, which means that when the building is being constructed, it can still be completely open as to which type of use will move in when the building is completed (Laboratory for integrative architecture, n.d.). They cover the vast majority of the housing buildings in Greece and are not only in Thessaloniki the defining feature of the cityscape. As a result, Thessaloniki is also very densely built and has a population density per square kilometre of 16.526,8 (ELSTAT Hellenic Statistic Authority B, 2023: 15).

Opposite to most of Thessaloniki, the building types in Vardaris and Xyrokriini have more varieties. Most of the area was designed as government subsidised social housing in form of four-storey buildings without shops at the ground level. This is something special for Thessaloniki as there are only two bigger planned areas in the whole city for social housing (see Fig. 4) The buildings all have the same outline, because the whole area was planned by the government and no private investors were included.

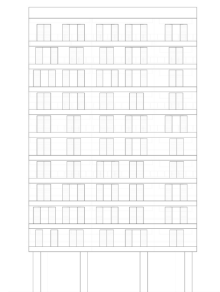


Fig. 3: Classic design of a Polykatoikia (Own Illustration, Gorgia Goussiou 2023)

Consequently, the social housing area looks more organized from above, than the rest of the city. In this case, the green spaces surrounding the apartment buildings were also designed, whereas many other green spaces in housing districts were not planned in advance in Thessaloniki. Accordingly, there are comparatively many green areas and places to stay around between the buildings. However due to the low income area, the houses are mostly in a relatively bad shape and in dire need of renovation as there seems to be a serious backlog. Most of the buildings date back to the 1960s and at least look as if hardly any construction work has been done since then (see Fig. 5).



Fig. 4: Social Housing Thessaloniki (Own Illustration, Gorgia Goussiou 2023)

In addition, the lower floors are often heavily fortified from the outside, which could indicate a lack of a sense of security. In order to improve living conditions, more streetlights could be installed, as they increase the perceived feeling of safety and also statistically reduce crime due to the improved visibility (Herbert and Davidson 1994: 10-12).

One speciality in the area are the two twelve-storey towers at the junction of Geor. Ivanof road and the Nik. Kapatou road, they can be seen from far away and serve as a landmark for the district. They were developed as social housing,



Fig. 5: Housing and open space in Vardaris and Xirokini with the two towers in the background (Jelle Schacht 2023)

but the ground floor is used for public institutions and the apartments are built on top of it. In the northern part Vardaris and Xirokini there are two more smaller towers, but there the ground level is used only as a parking lot. They are worth mentioning as there are hardly any buildings in Thessaloniki taller than the average Polykatiokia.

However, already today the pressure on the local residents is increasing, as the rents are going up and more and more living room is converted into Airbnb's for tourists, which creates new tensions, as the locals are forced to move out due to gentrification. To enable a sustainable growth, which is not at the expense of the local population, it is therefore necessary for the government to establish a framework for development. According to a study by the Hellenic Chamber of Hotels regulations could be implemented as following (The Greece reporter 2022).

- Private investors should only be allowed to own up to two apartments.
- The percentage of Airbnb's inside of one district is capped at 30% to maintain the former district life.
- A certain percentage ( $\approx 2\%$ ) of the profit from the Airbnb's should go to straight to the neighbourhood to fund NGO's and social activities inside the quarter.
- A limit of operations to 90 days per year

There might be the risk that such harsh regulations could also scare away potential investors. It is therefore important to find a healthy middle ground that satisfies both local residents and investors. The city, as the developer at the time, therefore has a special responsibility to protect the vulnerable population and preserve their housing and create a good ground work for new business opportunities, but also to significantly improve the living conditions of the resident that prevail at the moment.

The economic situation of the neighbourhood is decisive for the composition of the residents. In the case of Vardaris and Xirokini, the local opportunities are limited at the moment, which is also the reason for the many vacancies. Accordingly, job conditions must be created locally, and if jobs are available, it is likely that the opportunity to live in the immediate vicinity of the job will also be taken up, especially since the geographical location, as already mentioned, is actually one of the strengths of the neighbourhood.

## Conclusion

In simple terms, Thessaloniki faces problems with jobs and housing. Some parts, like Vardaris and Xyrokriini, don't have many job opportunities, which has led to poor living conditions and empty buildings. But there's hope for improvement.

New things like a subway system and the central location of these areas could make them better. For example, turning some empty buildings into places where people can work or sell things could create jobs and bring more life to the neighborhoods.

Housing is also a big concern. Rules could be made to limit how much Airbnb is used and to make sure investors don't buy too many houses. Some of the money from Airbnb could also be used to help the neighborhood. These rules should balance the needs of local people and investors.

In short, making these neighborhoods better means creating jobs, improving housing, and finding ways for people and investors to both benefit. Thessaloniki can have a brighter future by working together to make these changes happen.

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