CREATING A SOCIAL AND CULTURAL SPACE

--A CONTINUATION OF URBAN MEMORY:

OPPORTUNITIES AND OBSTACLES FOR DEVELOPING ART DISTRICTS

IN THE PROCESS OF CHINESE URBAN REVITALIZATION

--THREE CASE STUDIES IN SHANGHAI, BEIJING AND XI’AN

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ABSTRACT

RESEARCH PAPER: Creating a Social and Cultural Space--A Continuation of Urban Memory: Opportunities and Obstacles for Developing Art Districts in the Process of Chinese Urban Revitalization--Three Case Studies in Shanghai, Beijing and Xi’an

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This paper investigates the development situation of Chinese art districts that are a continuation of urban memory. The research identifies certain fundamental characteristics that profile three art districts in China: Shanghai Tianzifang Art District, Beijing 798 Art District, and Xi’an Textile Town Art District. The case studies were conducted to: 1) identify the formation factors of art districts, 2) explore how the old buildings are adaptively reused for art and cultural purposes, and 3) analyze the reasons for the gentrification in art districts. In China, governments have used art districts as a political tool for promoting tourism, increasing real estate value, emphasizing creative economy, and enhancing the city's image. Usually, Chinese art districts have a bottom-up development process and then government management takes over. Thus, it is difficult to balance the commercial real estate value with cultural value. For an art district’s long-term prospects, all levels of society should give more consideration to attentive care for the “ecological environment” in art, instead of unduly emphasized economic development. Government should lead people to protect cultural resources and foster commitment to culture development responsibility, rather than profit-oriented man-made "culture and landscape.”
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1.0 Introduction

1.1 Background

Since the mid-20th century, the tertiary industry (service industry) has gradually replaced the manufacturing industry and become the dominant position in the industrial structure of western countries. This has resulted in the decline of many traditional industries. At the same time, society has entered the information age. The old functional layout and infrastructure of original industry, transportation, and warehouse space do not meet the new requirements of manufacturing, communications, and transportation. Some old industries have even become brownfields.

Urban industrial buildings have solid construction, flexible high spaces, and large architectural massing, plus practical design and industrial aesthetic value. Hence, in many places, the old industrial buildings have not been demolished, but been altered. In other developed countries, adaptive reuse of old industrial buildings has become a trend. In China, with industrialization and urbanization since the 1990s, many large enterprises and industrial structures, which made contributions to the national defense, economic and cultural development have faced the prospect of demolition, expansion or renovation. During this transition period, these areas have become a birthplace of creative industry and art districts.

In China, the government supports and develops art districts as a cultural development strategy to promote and revitalize inner cities, using top-down and bottom-up approaches. The top-down or uniform transformation model requires tremendous capital investment and overcoming various conflicts with local community life. Another model uses a bottom-up development process that involves both the government and property owners.
1.2 Statement of the Problem

This research project explores the bottom-up process of three art districts which later transitioned to local government management. It tries to uncover interaction among artists, enterprises, residents, and government policies. A secondary purpose of this research is to determine the necessary conditions for developing successful urban art districts. A supportive government, cheap land, cultural producers, and consumers are all necessities for developing art districts.

In addition, this research will discuss appropriate adaptive reuse of historical buildings and old factories in the urban revitalization process. The project also explores the gentrification problems in art districts.

The research addresses three main questions of inquiry:

1: Why are areas suitable for the formation of art districts?

2: How are old residential and industrial areas adaptively reused for art and cultural purposes?

3: Why do art districts cause gentrification?

1.3 Assumption/Significance

As case studies, this research project explores three art districts in China: Shanghai Tianzifang Art District, Beijing 798 Art District, and Xi’an Textile Town Art District. By analyzing land uses and urban forms of these art districts, the project offers an analytical model for studying similar phenomena and processes in other Chinese cities. The research explores why the appearance of arts and cultural industries is part of a spontaneous urban revitalization process. The districts appear to embody complex relationships between business services, manufactures,
and property developers. Art districts are also part of the social and cultural fabric of the city. As a consequence, any initiatives by the national or local government to promote the “cultural creative industries” as part of an “innovation economy” must also begin to address the urban milieu within which they are embedded if they are to be economically and socially sustainable.
2.0 Methodology

2.1 Introduction

The methodology utilized in this research paper includes literature review and case studies. The literature review explores the main research theories, other researchers’ achievements, and historical information in the creative industry, art districts, and urban economic and cultural impacts of these art districts. Both qualitative descriptive research methods and historical research methods were used to gather site analysis on each question to determine answers.

Case studies of art districts in China also explore opportunities and obstacles for sustainable development of existing art districts or developing new art districts. Important lessons can be learned from the successes of these art districts and their shortcomings.

2.2 Literature Review

2.2.1 Scope of the Literature Review

Literature review is a process of critically assessing literature relevant to the various topics that contribute to this study. The literature in this paper includes books, journals, news, and government documents. Most of the material is primary sources, with a few secondary sources. In addition to the English language materials, some Chinese language materials are also used in the paper. Most of the material is accessible online.

2.2.2 The Main Theories in Relevant Materials

The literature review uses theoretical foundations of creative industry and urban
revitalization to position and provide a conceptual base for the practical experiences of art districts in China. All literature addresses the three research questions:

1: Why are areas suitable for the formation of art districts?

2: How are old residential and industrial areas adaptively reused for art and cultural purposes?

3: Why do art districts cause gentrification?

The literature review in chapter three is organized into the following topics: creative theory; creative clusters and art districts in China; urban revitalization in China; the adaptive reuse process; and commercial gentrification.

Several authors and researchers build this research. Richard Florida’s *The Rise of The Creative Class* (2002) was a main resource used to understand the importance of creative industry and creative class from social and economic perspectives. Michael Keane’s *China’s New Creative Cluster: Governance, Human Capital and Investment* (2011), addresses Chinese political environment for creative industry, focusing on the development situation of art districts in different Chinese cities.

Besides these two major publications, the main sources available on creative industries and art districts are short journal, magazine and online articles. Articles from Tsai (2008), Arkarapreitkul (2009), Eyüce (2010), and Wang & Jiang (2007) give an overview of “adaptive reuse” and how art districts influence land use and neighborhood life.

Some articles take a more specific angle when discussing gentrification, such as Zukin (1982), Alsayyad (2001) and Wang & Li (2009). Their articles pointed out the commercialization process of gentrification and its negative impact on social balance and cultural continuity.


2.3 Case Studies

2.3.1 Rationale for Case Studies

The literature review provides theoretical foundations for the major research aims: 1) assess features of art districts 2) explore the adaptive reuse of old buildings for art and cultural purposes, and 3) identify reasons for gentrification in art districts. This paper reviews the literature to reciprocally justify these case studies, to uncover findings in the field, to enter into rational debate, and to discover gaps in knowledge that lead to future research questions. Case study is one of several qualitative research methods used in social science research. It defines a problem, collects information, and analyzes data from different cases. The field study is also part of the case studies method in this research paper. It includes site observations and interviews. Observing the art districts and interviews with people in the art districts will help define the real obstacles and opportunities, which are translated into key points of the development process for art districts. Therefore, each case will have a maximum of information and data. Each case study is different with particular circumstances, local conditions and various stakeholders involved. However, all of the case studies also share things in common since they were implemented under the same political conditions and tried to address similar issues, such as adaptive reuse of old buildings and gentrification.

2.3.2 Case Selection

Most of the research revolved around case studies for three art districts in China: Shanghai Tianzifang Art District, Beijing 798 Art District, and Xi’an Textile Town Art District. These cases were selected based on four criteria:

1. The art district should be in a major Chinese city that has a big population and rich
cultural environment. The major Chinese city refers to capital cities of provinces, or special municipalities. These areas have the same level of economic and cultural resources for developing an art district. In addition, choosing case studies in different cities can be more commonly generalized.

2. The art district also is a tourist attraction in this city. Usually, the tourist attraction is an adjunct production with an art district. The case studies are all tourist attractions with similar development phases.

3. The site for an art district includes some old factory buildings repurposed for art ventures. This criterion is directly related to the second research question.

4. The art district initiated with a bottom-up development process then transitioned to government control and management, rather than a top-down or uniform transformation facilitated by governments.

**Figure 2.1. Methodology Diagram**
3.0 Literature Review

3.1 Introduction to Literature Review

The literature review provides information and a comprehensive understanding of the creative industry development. In China, the ideas and policies of creative industry have been influenced by both global trends and indigenous urban development. As a popular emergence form of creative industry, art districts have their own development characteristics. Much research has shown that art and cultural production can drive economic revitalization in a neighborhood. But the arts have also been linked to gentrification, or an abrupt rise in land values, which may make it difficult for current residents and businesses to stay (Wodsak, Suczynski, & Chapple, 2008, p. 3). Zukin (2011) concludes that artists spontaneously create the “social scene” of the art districts for them to speak, meet, and exchange ideas, which then leads to further creative innovation. But the social scene of creative producers often becomes a cultural scene for consumers who go to the bars, cafes, galleries, and retail stores. In the beginning of this process, the supply of unused or relatively unused low-rent industrial space is the indispensable factor for the birth of these “naturally occurring” art districts. So on the one hand, cultural producers try to find land of low economic value for their creative uses. On the other hand, property developers want the same land for their redevelopment and new construction.

In this section, the following research questions help select the literature sources to understand the cause and effect of art districts emergence. For answering each research question, the literature includes books, journals, news, and government documents.

1: Why are areas suitable for the formation of art districts?

2: How are old residential and industrial areas adaptively reused for art and cultural
purposes?

3: Why do art districts cause gentrification?

Based on the research questions, the literature review is organized into the following topics: creative theory; creative clusters and art districts in China; urban revitalization in China; the adaptive reuse process; and commercial gentrification.

The last section of the literature review uses the findings to form a theoretical framework to develop detailed case studies on art districts.

3.2 Creative Theory

Great Britain’s Blair Labour movement coined the term “creative industry” in 1997 to establish a creative industries task force. The group defined “creative industries” as “those activities which have their origin in individual creativity, skill and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (Creative Industries Task Force, 1998).

In his book The Creative Economy: How People Make Money From Ideas (2001), John Howkins defines “creative economy” and discusses the relationship between creativity and economics: “Creativity is not new and neither is economics, but what is new is the nature and the extent of the relationship between them and how they combine to create extraordinary value and wealth” (p. 8).

In his book The Rise of the Creative Class (2002), Richard Florida proposed that the key element of a creative economy might be people--the newly emerged social class or the “creative class.” The creative class has the power, talent and economic influence to play a key role in reshaping our urban geography (p. 37). According to Florida, the creative class includes people
in arts, music, and entertainment; architecture and design; education; science and engineering. Their economic function is to create new ideas, new technology, or new creative content. This also includes creative professionals in business, finance, and law. Florida adds “Tolerance with Talent and Technology” to form what he calls the “3 Ts theory” of traditional economic strategy. He asserts the element for some places are better than others at generating, attracting, and holding onto these critical factors of creative productions. Florida believes their success lies in their openness, diversity, and tolerance, whereas most economists recognize technology and talent as main drivers for economic growth. Tolerance is “more than simply accepting different kinds of people, truly successful societies go out of their way to be open and inclusive.” Also, the places most likely to mobilize their people’s creative talents are those that don’t just tolerate differences but are proactively inclusive (pp. 232-234).

Perry (2011) identifies two claims for emphasizing the creative class as promoters of economic prosperity. First, the creative class generates a disproportionate contribution to wealth generation. Second, creative class professionals are highly mobile and prefer localities that embrace social diversity and are rich in creative resources. These views have encouraged cities and regions to assess their attractiveness to the creative class and to invest in amenities appealing to creative workers (p. 325).

Grodach and Loukaitous-Sideris (2007) also agree cultural activities are important to cities’ economic development. They classify three types of cultural strategies: “Entrepreneurial,” “Creative Class,” and “Progressive” (p. 350). To employ “Creative Class strategies,” such as arts and entertainment districts, Grodach and Loukaitous-Sideris emphasized that cities should keep and enhance their ethnic diversity, multiple functions, and historic urban neighborhoods to attract people who are helpful to economic development (p. 354).
According to these researchers, creative theory is important to national and local economic development. That is the reason China has started to value creative industry.

3.3 Creative Clusters and Art Districts in China

China has realized that creativity is a major driving force in the enduring economy. This is reflected in the mushrooming of creative clusters in many Chinese cities.

The nation introduced the term “cultural market” in its official documents in 1988, and then put forward the concept of “cultural industry” in 1992. Later, Deng Xiaoping, one of the second-generation leaders of China, reasserted the necessity of deepening economic reform and market-oriented transition. Culture was re-evaluated, and accordingly, the state council officially highlighted the cultural industry sector in the “Important Strategic Decisions-Accelerating the Development of Tertiary Industry” (Tuo, 2008, as cited in Wang, 2012). Culture used to be viewed as a strategy, but since then it has shifted towards culture-as-capital, indicating a widened openness to marketization and privatization. Artists were able to pursue self-expression in their cultural production through market device appropriation only after state policy presented opportunities (Wang, 2012). In 2005, Shanghai formalized and adopted the term “creative industry cluster” (CIC) as a major policy for promoting creative industries (Zheng, 2010). Since then, CICs have become a local growth phenomenon, with over a hundred registered by 2009, and many becoming popular tourist destinations.

In 2007, in his keynote speech to the 17th National Congress of the Communist Party of China, former President Hu Jintao emphasized that China should stimulate cultural creativity as part of the nation’s “soft power”:

We must keep to the orientation of advanced socialist culture, bring about a new upsurge in socialist cultural development, stimulate the cultural creativity of the whole nation, and
enhance culture as part of the soft power of our country in order to better guarantee the people’s basic cultural rights and interests, to enrich the cultural life in Chinese society and to inspire the spiritual outlook of the people to be more elevated and more progressive (Hu, 2007, as cited in Keane, 2013, p. 17).

Since then, the Chinese government has established a series of cultural strategies, including clustering media and cultural activities from a national perspective. This is enhancing soft power, and using human capital for the sake of internationally distinguishing China’s cultural and political ideology. However, from a regional and local government level, the principal motivation for clustering is generating tax revenue and real estate development (Keane, 2011). In other words, local governments are revenue-oriented and exploit the expansion of cultural cluster projects as a means to stimulate urban growth (Zheng, 2010).

Art districts are a visible expression of China’s culture-led economic renaissance, but their emergence is not a new phenomenon. In some western cities, art districts have existed for some time, like Montparnasse in Paris, Chelsea in London, and SoHo in New York. In many cases, art districts are located in old industrial buildings beyond the city center, where housing prices are lower. Many young artists and other poorer city residents cannot afford higher housing prices in the city center. Thus, they are attracted to locations where cheaper housing is still available.

This research project focuses on three important case studies to find the role of art districts in urban planning and revitalization. Tianzifang Art District is in the French Concession District on Taikang Road in Shanghai. Known for small craft stores, coffee shops, trendy art studios, and narrow alleys, Tianzifang has become a popular tourist destination and an example of preservation of historic buildings. The second case, developed in the late 1990s, is the Beijing 798 art district, a group of galleries, bars, design studios, and cafes. Since then, it has become a commercial venture with the full support of local government. Compared to the other two case
studies, Xi’an Textile Town is a relatively new art district. Many textile factories built there during the 1950s are no longer a center for the textile industry but today host a new art district.

3.4 Urban Revitalization in China

Many Chinese cities have emphasized rebuilding efforts, including demolition of old areas, large-scale clearance of city slums, and construction of modern high-rises in urban revitalization movements (Lim, n.d.). According to Hong and Pan (2013), there are four main dynamic mechanisms of urban revitalization in China: 1) updating urban infrastructure to help cities meet the needs of future development, 2) improving urban image, the transformation of façade and landscape furniture along the main road, and the improvement of overall image in core blocks, 3) focusing on the cities with large historical protection value for urban regeneration, 4) getting more land resources and “highest and best” use them (Hong & Pan, 2013, p. 73).

Urban revitalization encompasses a range of policies and determinations to revitalize post-industrial cities and bring them into the mainstream of the present generation of economic transformation. In many cases, this has led to displacements where demolitions have been carried out, and in other cases, it has provided opportunities for reintegrating old urban fabrics and economies into the new architectural and economics structures of urban development. But large-scale revitalization projects create many social problems, and encourage many city planners and scholars to question their outcomes and effectiveness. Lewis Mumford (1961) pointed out that past city planning efforts have done more damage to the city, and that planning should be based on human scale and needs, rather than emphasizing gigantic development. Jane Jacobs (1961) agrees and criticizes the ineffectiveness of large-scale investment that does not resolve the “unslumming” effort. The urban revitalization and redevelopment efforts have neglected the
complexities of the urban fabric. Such approaches are uneconomical, but also damage the city’s heritage and degrade various socio-environmental qualities.

The accumulation of human resources plays a vital role in economic development. Further, art and history provide opportunities for sustainable improvements in urban economic structure (O’Connor, 1999). Therefore, creative industry has become a new approach of urban revitalization. The new trend to improving cities is developing rationally, utilizing the city’s unique resources, and expanding the creative industry to bigger clusters. In the urban cultural context, this strategy is now proving more sustainable. Urban revitalization has created awareness for preserving historic districts, but it has also destroyed the original layout of historic areas and demolished many portions of historic neighborhoods. Saved fragments merely showcase what once was (Wertz, 2010). To preserve historic urban identity, urban revitalization focusing on creative industries should emphasize the characteristics of blocks, combining development of creative industries with local industrial and commercial structures. Urban revitalization should integrate the development of creative industries while protecting local historical and cultural heritage. In this era of urban land adjustments, urban revitalization should continue the existing urban context as the driving forces for urban development and economic growth.

3.5 The Adaptive Reuse Process

In China, the common physical feature of these urban art districts is the regeneration and conversion of old factory or residential buildings into new art studio, galley, office and retail uses. This helps conserve traditional architectural elements and ensure new uses and perceptions. These art districts are classical examples of adaptive reuse—the process of adapting old
buildings to accommodate new uses while retaining their historic features. When buildings can no longer serve their original function, adaptive repurposing may be the only way to preserve their heritage significance. In addition, adaptive reuse respects sense of place, preserving physical proof of the city’s past for a better civic life (Li, 2005). Famous Chinese artist Weiwei Ai (2009) said, “art districts are not circuses and that … protection of ancient structures is neither for the sake of sightseeing nor a city’s competitiveness, but the people’s need of memory” (as cited in Keane, 2011, p. 117.).

According to Zheng and Hui (2007), China’s approach to urban development has long been simply demolishing the old for new construction, but China now views adaptive reuse as great progress in preserving and conserving old architecture, vernacular culture, and life.

3.5.1 Adapting and Redeveloping Residential Buildings--Linong in Shanghai

One of the most unique cultural aspects of Shanghai is the traditional residential neighborhood known as a Linong. During the colonial period, western investors started to build townhouse residences for the Chinese. The design of a townhouse was ideal for efficient land-use, but it was not compatible with the Chinese lifestyle, which required open space shared with neighbors for community activities. Hence, the Linong housing differed from European townhouses in that a block was built. “A typical Linong neighborhood is a walled community composed of a main land running all or half way across each block, with branch lanes connecting perpendicularly to the main land in order to economically pack as many housing units as possible into any single cluster” (Arkaraprasertkul, 2009). The Linong buildings originally designed for one family. After 1937 when the war between China and Japan broke out, many cities were destroyed and construction activities stopped in China. Housing shortages with many refugees
resulted in each Linong building housing five to seven families. They shared utilities, such as a bathroom and a kitchen. After 1949, China’s central government distributed Linongs to people for low rent, keeping the same situation of overcrowding and sharing utilities. The long existing problem of overcrowding was getting more serious, and the physical fabric deteriorated, but there was no appropriate maintenance because of the cheap rent (Tsai, 2008).

With urbanization and economic development, many Linongs have been demolished and the blocks are waiting for new high-rise residential construction. However, some remaining Linongs are largely unchanged and still full of residents, but the living environment and utilities urgently need improvement. Original residents will more likely move back after the improvement of infrastructure, especially when the Linong basic layouts are preserved. Some advocate preserving and adapting Linongs. Others point out that adaptation often changes the structure and scale of the historic buildings and that adding density and high-rises to meet housing demand destroys their character and function. Changes to Linongs’ physical fabric can lead to their total transformation. Apart from being demolished, renovated, or preserved, there is still another way to bring new life to Linongs. Adaptive reuse of Linong blocks changes the function of their traditional housing. Such flexible redevelopment can result in higher rents.

3.5.2 Adapting and Redeveloping Industrial Buildings

The term “industrial” refers to buildings and sites built for industry, warehousing and transportation after the industrial revolution.

The traditional industries in China that arose during the early and middle 20th century declined gradually. The major industries have been electronics, textiles, metal products, food processing, furniture, packaging, and plastic products. These industry buildings and areas form a
distinctive industrial urban cultural landscape. Many industrial complexes and buildings are architecturally impressive. They are large-span buildings with expansive floor areas that are unobstructed by structural elements such as columns and thick, load-bearing walls. They also have floor heights that allow for horizontal subdivision through various design strategies such as mezzanine floors (Eyüce, 2010, p. 172).

Usually, the material longevity of buildings is longer than the longevity of functions. Industrial buildings especially may undergo many changes in function due to the difference of longevity. Because of their specific function and space requirements, industrial buildings are often constructed with advanced techniques, and most are solid, and the internal space is not quite consistent with function. Meanwhile, because China transformed from planned economy to market-drive economy, the new social economy required the restructuring and transitioning industrial layouts, types, and structures. The rapid development of real estate and the influx of migrants increased demand for affordable spaces in the heart of the city for both individual and commercial use. Under this condition, substantial land requirements have pushed new development out to the periphery of built-up areas in the city, or “previously underutilized areas such as warehouse districts in close proximity to the city center” (Gaubatz, 1995, p. 45).

When manufacturing industries exit the main urban land use function, they leave behind spaces and industrial infrastructures. A large number of industrial buildings and sites which were becoming the major objectives in the Chinese urban redevelopment and revitalization faced two different fates: being torn down and discarded or adaptively reused.

Demolishing buildings is a very common approach in the rapid development of many Chinese cities. The problem with this approach is that it destroys the city’s cultural ecology and history. Although the city may look better in terms of its appearance, the cultural context is lost.
For nearly a half century, the adaptive reuse of historical industrial buildings has been receiving more attention in developed countries in Europe and the US, even in the whole world (Wang & Jiang, 2007). Adaptive reuse should be the preferred strategy for an industrial building when no other industrial option is available. And it should always be favored over demolition and redevelopment. Compared with tearing down the structures and rebuilding again, adaptive reuse can substantially reduce construction waste and environmental pollution, plus reduce the pressure of water and energy consumption. Some large equipment and factory buildings have massive volume and complicated structure, so demolishing them is costlier than reconstructing them.

Certainly, cheap rent is a key attraction for many creative activities that cluster in old factory buildings and warehouses. But another factor is also essential. “The buildings are often wide and spacious, making them easy to re-fit for their new purpose. The environment and atmosphere provided by old factory and warehouse buildings inspire imagination and creative ideas” (Li, 2013).

Instead of exhausting increasingly precious natural resources, creative industries protect existing cultural resources. The interaction between artists and urban revitalization helps maintain historical and cultural heritage. Many creative classes are young and have few financial resources. So it is natural for these young people to occupy the abandoned old city blocks to start-up their businesses. Thus, they have brought new life to the old community by transforming them into creative spaces (Li, 2013).

3.6 Commercial Gentrification

Since the 1970s, arts and cultural industries and processes of urban revitalization have not
always been in harmony. Sharon Zukin (1982) noted this in SoHo, New York. Once these art hubs are discovered, somebody will inevitably start thinking about how to draw large crowds to sell their works. Once an art district becomes a commercial success, its economic and racial diversity may decline. This is typically known as gentrification. Also, cities and real estate developers are often eager to improve the situation (Art Schooled, 2012). One consequence of gentrification is increased symbolic value leading to higher property value and rent, forcing many artists and small businesses to relocate.

Researchers in historic preservation are more concerned with the commodification and exploitation of culture and history, frequently conducted in a distorted manner for maximum economic benefits in the name of authenticity. Rather than merely commodifying heritage and tradition, Alsayyad (2001) approaches the problem from a perspective emphasizing conscious and deliberate manipulation of culture, where the built environment is designed to promise a unique cultural experience. Many culture-led urban regeneration projects might merely “begin with poetry and end with real estate” (Klunzmann, 2004, as cited by Wang & Li, 2009, p. 875).

Indeed, many cities have been more interested in the impact these cultural activities would have on city branding, and sought to develop highly visible “iconic” buildings or quarters for cultural consumption (often by a “creative class”) rather than supporting the messier, more dispersed ecosystems of cultural production (Gu, 2012, p. 194).

China is one of the fastest growing developing countries in the world, and its urbanization and gentrification have rapidly expanded since 1990. The government has played a key role in this process. National housing reforms helped build a market-oriented housing system and opened up methods of mortgage financing, stimulating urban citizens’ housing consumption capacity. Meanwhile, local governments opened up opportunities for capital accumulation
through property in pursuit of local GDP (Provincial level) by offering preferential policies for
developers and enforcing demolition (Wang, 2011). In Shanghai, Beijing, Guangzhou, and other
major Chinese cities, “commercial gentrification” usually involves the adaptive reuse of historic
neighborhoods or buildings into places for shop, cafés, and consuming art and culture. “Art
districts have become popular formal devices to reap the synergistic value of restored urban
heritage allied with fashionable conspicuous consumption, tourism or cultural production”
(Wang, 2011, p. 365).

Keane (2009) further observes most art districts with repurposed factories throughout
China have incorporated art production with recreational consumption—bars, restaurants,
massage, and souvenir shops. This emphasizes the production and sale of tourist commodities.
This is not unlike the United States, where few Departments of Cultural Affairs view “the
economic role of cultural activities as anything more than tourist attractions” (Grodach &
This model succeeds right now, but its future is unknown.

3.7 Theoretical Framework

According to Butler (1980), the concept of tourism area lifecycle (TALC) implies that
places as destinations follow a relatively consistent process of development. The TALC describes
the evolution of a destination from its discovery to its final stage, forming an evolutionary path
as an S-shape curve (Figure 3.1).
Art districts would follow a generally similar pattern (Figure 3.2) of development to that of tourism area, namely, to have a “lifecycle.”
**STAGE 1: DISCOVERY** During the early "discovery stage" of the cycle, a small number of artists arrive seeking affordable destinations with unique working space.

**STAGE 2: LAUNCH** During this stage, the number of incoming artists increases because of agglomeration effect. Outside of art, interests become involved in developing businesses and tourist services.

**STAGE 3: STAGNATION** As a tourist destination at this stage, art districts have reached “maturity.” The land use combination for art and commercial starts to enter a state of disproportion.

**STAGE 4: DECLINE** This stage represents severe commercialized gentrification in art district areas. The artists begin to relocate their working place due to rising rents and increasingly commercial environment.

Exploring each research question is analyzing the evolutionary path of art districts. The following table presents the connection between the research questions and each stage of the evolutionary path of art districts.

<table>
<thead>
<tr>
<th>Q 1</th>
<th>Why are areas suitable for the formation of art districts?</th>
<th>Stage 1: Discovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q 2</td>
<td>How are old residential and industrial areas adaptively reused for art and cultural purposes?</td>
<td>Stage 2 &amp; 3: Launch &amp; Stagnation</td>
</tr>
<tr>
<td>Q 3</td>
<td>Why are art zones causing gentrification?</td>
<td>Stage 3 &amp; 4: Stagnation &amp; Decline</td>
</tr>
</tbody>
</table>

Table 3.1. Connection Between Research Questions and Stages of Evolution of Art District

In the next chapter, the theoretical framework of “TALC” will help analyze and assess the case studies to reach answers for the research questions.
4.0 Case Studies

4.1 Introduction to Case Studies

According to Yin (2009), case study is a method of “collecting and analyzing empirical evidence,” which is related to “how” or “why” research questions and “in-depth” descriptions of some social phenomenon (p. 339).

This section will use both descriptive and analytical ways to illustrate the lifecycle of three art districts in China through their developing process, land use situations, and degree of commercial gentrification. The methodology used in case studies explores other researchers’ achievements, and historical information, interviews, observations, and related document analysis.

Specific criteria are referenced to choose case studies to illuminate the following research questions:

1. Why are areas suitable for the formation of art districts?
2. How are old residential and industrial areas adaptively reused for art and cultural purposes?
3. Why do art districts cause gentrification?

The criteria help provide access, and offer informational frameworks for analysis. Cases are selected based on four criteria:

1. The art district should be in a major Chinese city that has a big population and rich cultural environment. The major Chinese city refers to capital cities of provinces, or special municipalities. These areas have the same level of economic and cultural resources for developing an art district. In addition, choosing case studies in different cities can be more
commonly generalized.

2. The art district also is a tourist attraction in this city. Usually, the tourist attraction is an adjunct production with an art district. The case studies are all tourist attractions with similar development phases.

3. The site for an art district includes some old factory buildings repurposed for art ventures. This criterion is directly related to the second research question.

4. The art district initiated with a bottom-up development process then transitioned to government control and management, rather than a top-down or uniform transformation facilitated by governments.

The chosen case studies are:

- Shanghai Tianzifang Art District
- Beijing 798 Art District
- Xi’an Textile Town Art District.

Shanghai Tianzifang art district is selected as a pilot case study. The purpose of the pilot case study is to ensure that the data collection plans and procedures are clear. It helps to “develop relevant lines of questions,” and “provide some conceptual clarification” for the research theoretical framework (Yin, 2009, p. 1978).

Shanghai Tianzifang art district is conducted as a pilot case study for two reasons. First, Tianzifang has become a major tourist attraction with heritage conservation. Most people see Tianzifang as successful adaptive reuse of an old industrial and residential area. Secondly, due to its success, there is much related documentation and data about the study of Tianzifang. Most are accessible online.

The pilot case study of Tianzifang refines a case study approach system to help continue
other case studies. Once the data are gathered, substantial analysis and comparison of case studies provides findings, summary of research questions by cases studies, and recommendations for successful art districts.

4.2 Tianzifang Art District, Shanghai

4.2.1 Location and Context

Shanghai is a city in eastern China with a population reaching up to 23 million inhabitants in 2010 (National Bureau of Statistics of China, 2010) and land area of 6,340 square kilometers (2,448 square miles) (Shanghai Municipal Government, 2011). The city is divided into 16 municipal districts and one county (Shanghai Municipal Statistics Bureau, 2013).

Tianzifang is located south of the Shanghai inner city Huangpu district (which was previously part of Luwan District but became part of Huangpu District in March, 2011 due to the adjustment of administrative divisions of Shanghai) (Figure 4.1). According to the district government document titled Tianzifang Integrated Management Approach Regulation (Shanghai Huangpu District Government, 2012), Tianzifang area is defined by four main roads: Jianguo Road (north), Taikang Road (south), Sinan Road (east), and Ruijin 2nd Road (west). The core area of Tianzifang is about 3 Hectares (7.5 acres). Its official address is Lane 210 in Taikang Road (Figure 4.2).
Tianzifang can be reached by convenient transportation. It is surrounded by different subway lines and has easy access to the city elevated road. The North-South Elevated connects...
areas north and south of Shanghai by the Yan’an Elevated Road and Inner Ring Elevated Road. Subway line 9’s Dapuqiao Station is within 1500 feet radius walk distance. Apart from the subway system, different bus routes and stops reach or pass near the site. Visitors and locals can easily transfer between subway and bus. Additionally, Tianzifang is also within a 15-minute walk to Shanghai’s main commercial center on Huaihai Road. Subway line 1 is located in Huaihai Road (Figure 4.3).

Figure 4.3. Context Map of Tianzifang, source: Google map, modified by the author

4.2.2 Origin and Redevelopment Process

Origin

Tianzifang was as a French Concession in 1870. The French Concession was initially developed for residential purposes, as a means of the style of Linong, which is a mix of western
and eastern architectural forms (Sun, 2010). From the 1930s to 1950s, many small factories were established next to the Linong houses to take advantage of the convenient water transportation. The factories included tobacco, fragrances, watches, fabrics, tanneries and plastics. After the market economy started, these factories stopped producing because of bankruptcy and closing down (Tsai, 2008).

**Redevelopment Process**

![Redevelopment Process of Tianzifang, made by the author](image)

*Figure 4.4. Redevelopment Process of Tianzifang, made by the author*
As shown in Figures 4.4 and 4.5, the first stage of redevelopment is the incubation of Tianzifang. This period is characterized by the reuse of old factory buildings into studios. Before 1998, the Taikang Road had long been an outdoor vegetable and food market, so the floor was dirty, and it stood in the way of traffic. Rongfa Zheng, chief of Dapuqiao Subdistrict Office, organized the relocation of the outdoor market into a former factory building on Taikang Road Lane 210. After that, Rongfa Zheng attempted to develop Taikang Road into a culture-oriented street by attracting outside investment. Meisen Wu joined him to work on introducing the vacant factory buildings to artists. In 1999-2000, Yifei Cheng, a famous Chinese artist, first entered
Taikang Road and made adaptive reuse of an old factory building as a studio. These factory buildings on Taikang Road Lane 210 gradually attracted more artists and creative people (Tsai, 2008; Sun, 2010; Guo, 2011). During this period, the cost to rent these buildings was low and local residents were not bothered by artists. Tourism was small scale. Tourists of Tianzifang were art lovers or in art circles.

Although the functional transformation of the factory buildings was going well, in 2002, the municipal government planned to demolish Tianzifang area, including both industrial and residential areas, for new high-rise apartments. The continued spontaneous expansion of Tianzifang and the consequent fame of travel attraction changed this plan and saved these old buildings. In 2004, the spatial capacity of the former factories was not enough to accommodate more artists’ working space (Shinohara, 2009). Linong house resident Xinliang Zhou leased his house to a fashion designer as a studio. This began the transformation spread into neighboring blocks from the factory area as a spontaneous act of the original inhabitants. Since that, more artist-related businesses have been attracted to enter the residential area in Tianzifang, including Lane 248 and Lane 274. Additionally, in the Linong residential area, a two-story, about 100 square meters (1,076 square feet) building was usually occupied by three or four families, and most householders lived in a single room of 30 square meters (323 square feet), sharing kitchens and water taps. When the residents leased their rooms to artists and businesses, they get enough money to live somewhere with better conditions. As late as 2005, the municipal government recognized the value of preserving the old buildings of Tianzifang and acknowledged the expansion by officially designating the area a creative industry cluster instead of demolishing the area (Guo, 2011; Wang, 2011). During the expansion, types of non-residential use were extended to more commercial uses such as bars, restaurants, and retail. Tianzifang became a destination.
with a fusion of history, culture and the living environment. More journalists, visitors, and Shanghai local residents visited the area and spread the popularity about Tianzifang with interesting creative businesses. The expansion period of Tianzifang was attractive and flourishing, but it also brought contradictions. As more stores were built and more tourists were attracted, the balance among residents, businessmen, and visitors shifted. Visitors started to affect residents’ daily lives.

In April 2008, the government formally established Tianzifang Management Committee, marking official involvement in the district. By the end of 2008, the Committee structured Shanghai Tianzifang Development Plan (Shanghai Luwan District government, 2008). In 2010, the district government created Taikang Road Historic Preservation Plan (Tianzifang official website, 2010). The two plans emphasized the preservation of the district’s physical fabric, and adaptive reuse of preserved buildings. The plans strive to preserve the economic benefits and city cultural icon of Tianzifang, but the original people’s lives and spirit of Linong area are no longer present.

The changing force of Tianzifang is unusual. It is a bottom-up process, and changed the official plan of demolition in 2002 as mentioned earlier. After the threat of demolition, Rongfa Zheng and Meisen Wu with artists tried to appeal for the preservation of the old factory buildings and Linong houses. They were aided by the Architecture and Urban Planning Department at Tongji University, which researched a report to convince the district government to recognize the value of preserving the old buildings of Tianzifang. Until 2005, the municipal government seriously reconsidered the economic and symbolic role of Tianzifang and designated the area a creative industry cluster. With over 5,000 visitors each weekend, it became one of the most popular places in the city and was designated a state-level AAA tourist destination in March
2010 (Tsai, 2008; Wang, 2011). The government developed Tianzifang as a popular destination in Shanghai because tourism is a huge source of income, with economic benefits on a local, regional and national level.

The title of “AAA tourist destination” is rated by the China National Tourism Administration, which uses its own national rating system to evaluate tourist attractions by meeting certain requirements. The rating system identifies five categories: A, AA, AAA,AAAA, and AAAAA. To be eligible for a higher-level tourist attraction, the original lower attraction is required to meet higher quality standards in terms of transportation, cultural features, tour guide service, sanitary conditions, number of tourists, and safety (Ryan & Gu, 2008).

4.2.3 Current Situation Analysis

Land Use Analysis

Tianzifang has become functionally mixed. The main area of Tianzifang had previously been residential. The artists and businessmen renovated parts of old houses and updated the function of the buildings to live-work and commercial uses. Factory buildings located in the east side of Tianzifang all have new functions.

Figure 4.6 shows the current situation of space use in Tianzifang. Information was collected from the official website, the tour guide map and some research papers (Sun, 2010; Guo, 2011).
Figure 4.6 illustrates eight main types of land uses: 1) residences, 2) art studios and galleries, 3) foods and beverages, 4) souvenirs and design products, 5) fashion boutiques, 6) mixed-use spaces, 7) information center, 8) others.

(1) Residential is no longer the main land use in Tianzifang. According to Mr. Wu (2013), there originally were 671 households in the whole area, but now just 80 households remain, most in the buffer zone.

(2) Art Studios and galleries are related to visual art, so the spaces are specialized for...
exhibition of art. Paintings are the main displayed objects, but there are also sculptures and photographs. In addition, visitors can see artists working in their art studios.

(3) Food and beverage space uses include restaurants, café shops, teahouses, bakeries, lounges and bars. A food and vegetable market used to be located in Taikang Road, providing groceries for Tianzifang area residents’ daily needs. But since the expansion of Tianzifang, the food and vegetable market has been pushed out.

(4) Souvenirs and design products refer to the retail sale of souvenirs and small crafts products.

(5) Fashion boutiques primarily specialize in clothing and jewelry.

(6) The mixed-use spaces, which are No.1, No.2, No.3 and No.5 buildings, contain art studios and individual galleries. Graphic design and architecture firms located in mixed-use buildings provide design service according to customers’ requirements.

(7) The information center provides public services, such as information about tours, art events, and interesting points.

(8) Other uses include tattoo services, fortune telling, and business consulting services.

As shown in Table 4.1 and figure 4.7, artist studios and galleries are now the primary uses in Tianzifang. Most of them are located in the factory area or near Lane 274. Fashion boutique, food and beverage, souvenirs and design products are the most popular merchant types.

<table>
<thead>
<tr>
<th>Uses</th>
<th>Artist studio And Gallery</th>
<th>Fashion Boutique</th>
<th>Souvenirs and Design Products</th>
<th>Food and Beverage</th>
<th>Graphic design and Architecture design</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers</td>
<td>81</td>
<td>75</td>
<td>56</td>
<td>63</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>

Table 4.1. Numbers of Merchant Types in Tianzifang Art District
Activities

Tianzifang is a mixture of tourism destination, consuming culture and the traditional Shanghai people’s lives. Many visitors come to Tianzifang to take pictures, wander around, and spend time in coffee shops. Besides artistic atmosphere, the daily life of the residents in Tianzifang is a key attraction. Visitors can see wet clothes hanging from bamboo poles above their heads. Residents’ tiny gardens, sinks, and bicycle parking lots illustrate original Shanghai people’s lives that are appealing for outsiders. But when other uses take up more public lane spaces, especially retail and restaurant uses, more visitors interfere with the local people’s lives. As shown in Figure 4.8, during breakfast, lunch, and dinner time (about 7:00-9:00, 11:00-13:00 and 16:00-18:00), the residents go through the lanes buying foods and groceries, going to work, coming home and chatting with neighbors. Some elder residents have a habit of taking a nap during the early afternoon. However, being located in traditional residential blocks, noisy after-hours bars and restaurants make it difficult to sleep. This is a consequence of commercial space.
Tianzifang hosts major formal art and culture events, including occasional art exhibitions, arts festivals, and music concerts. In addition, Tianzifang Management Committee has held some events to bring the tenants, neighborhoods, and visitors closer.

**Gentrification Impact on Rents**

According to the Shanghai Creative Industry Association website (2011), the cost to rent a small coffee shop increased from 11,000 RMB ($1,774) per month in 2006 to 38,000 RMB ($6,129) per month in 2011. The area of the coffee shop is just 20 square meters (215 square feet). Some shops and studio rents also increased 4-5 times over the past decade. The former role of Tianzifang neighborhood as an affordable site for housing or industry has been reversed. In the beginning of the redevelopment process, the original residents rented their houses out to artists, creative firms and small, independent businesses for improving their living standards. But the synergistic value of being an art district, tourism destination, and restored Linong house heritage resulted in the growing demand for rental housing in Tianzifang. The landlords have followed the market trend and raised the rents. Additionally, art and design-related businesses

\[\text{Figure 4.8. Activity Time of Tianzifang (Modified from Guo, 2011, p. 7413)}\]
produce high value-added products, and their prices are higher than other products. Visitors, not art lovers or collectors, prefer to spend their money on other businesses, such as retail, food and drink services. Hence, the artists have had to move out because they can no longer afford the higher rents.

**Interview**

Researching the revitalization of Tianzifang area, Sun (2010) interviewed two artists, one shop owner, and one local resident (Table 4.2).

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Year of move in Location</th>
<th>Reasons for move in</th>
<th>Current Feeling (2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artist A: Photographer</td>
<td>2000 Lane 210 Factory area</td>
<td>Near the home Low rent Old factory space</td>
<td>High rent Too much tourism</td>
</tr>
<tr>
<td>Artist B: Painter</td>
<td>2009 Lane 210 Factory area Small exhibition space in No.5 building</td>
<td>Friend recommendation The fame of Tianzifang</td>
<td>Quiet place compared to Linong house area Expect a better business</td>
</tr>
<tr>
<td>Shop owner: Design product</td>
<td>2009 Lane 210 resident house</td>
<td>Artistic atmosphere Room size and location</td>
<td>Pleased with the price and the location</td>
</tr>
<tr>
<td>Resident</td>
<td>Born here Lane 210 resident house</td>
<td>Sick and tired</td>
<td>Satisfied Appreciated improvement of living standard</td>
</tr>
</tbody>
</table>

Table 4.2. Interview Information in Tianzifang Art District (source: Sun, 2010)

For the artist who first came to Tianzifang, the cheap rent was a dominant incentive. But for the later artist and shop owner, Tianzifang’s young market potential was the main attraction. As a pioneer, artist A was not satisfied with the current (2010) rent. In late 2012, artist A was forced to move out of the district because he could not afford the rent (Yuanyuan, 2013). Artist B and the shop owner are newcomers in Tianzifang. They benefit from the district’s strong commercial and cultural atmosphere, and can afford the higher rents.
4.2.4 Summary

The Tianzifang case study addresses four conclusions: 1) redefinition of an art district, 2) lifecycle of an art district, 3) roles of different stakeholders, and 4) sense of place.

**Redefinition of an Art District**

There are many vague and diverse definitions of the “arts” and “art districts.” Redefining the scope of “art district” makes comparing three case studies easier. First, art activities in Tianzifang are for-profits, comprising formal and informal art activities. In the study, “formal” refers to art studios and galleries. Every product in them usually requires a long production process by trained artists, and also takes a long time to sell. “Informal” activities are art-related businesses, including graphic design, architecture firms, craft shops, fashion boutiques, and small design products shops. Community-based activities are also needed, including food and beverage service, haircut service, and a groceries store. As an organic art district, there is no comprehensive plan during the early stage of redevelopment, sometimes even through the entire redevelopment process. When the process combines with tourism to pull in visitor consumer services, the district activities become more diverse and changeable.

**Lifecycle of an Art District**

Concluded from literature review, the theoretical framework for an art district lifecycle is elaborated in chapter 3. There are four main evolution stages of an art district: 1) discovery, 2) launch, 3) maturity, and 4) decline (Figure 3.2 in Chapter 3). During the stage of maturity and decline, if new characteristics or a new model of sustainable development are rediscovered, rejuvenation will take place instead of decline. But the current redevelopment stage of Tianzifang is in decline. Since the gentrification is happening in Tianzifang, many artists and small businesses are leaving. In March 2013, Tianzifang was rated as a worst satisfaction 3A Shanghai
tourist destination (Cheng & Cao, 2013).

As an art district, the life of Tianzifang began when artists moved into vacant factories and residential areas where they could afford and appreciated aesthetic character and original people’s lives. When the number of artists increased because of agglomeration effect, they formed an artists’ community with a new, visible style of life. Tianzifang became a social and economic focus point. They attracted journalists and outside of art, other interests became involved, and new businesses and tourist services made Tianzifang progress into the next evolution stage. This led to higher rents, which then displaced the artists and small businesses. With the different evolution stages of an art district, the tourist type also changes: from art lovers and collectors in the early stage to individual visitors just for fun, and eventually tourist groups in maturity and decline stage.

**Roles of Different Stakeholders**

The formalization of Tianzifang from a low-income residential and industrial neighborhood to an art, commerce and tourism district is significantly different from the process of top-down redevelopment in China. Local residents acted as catalysts both during the expansion stage and gentrification stage of Tianzifang. The residents quickly realized the potential to gain significant returns. By renting out their house, residents could earn sufficient incomes to raise them out of poverty, and move out into better quality housing.

Artists and small businesses are drawn to Tianzifang due to its growing reputation as an art district. They appreciate its unique art and cultural atmosphere. During the entire redevelopment process, all businesses have a consensus that preserving the aesthetic character of the traditional Linong housing is key while bringing in new uses and sustainable development.

While local residents and businesses carry through a process of commercial conversion
based on mutual interest, government authorities play a more indirect role by allowing illegal conversions to take place, and eventually formalizing the transformation of the area. Local officials have an open attitude to the phenomena, and none of the renovation works proceeded through any formal consent procedures. In addition, they then presented Taikang Road as a creative industry cluster in Shanghai, a valuable tourism and recreational destination, and an icon of Shanghai’s cosmopolitan cultural identity. This created a favorable environment for gentrification (Wang, 2011).

**Sense of Place**

The Linong neighborhood and factory area in Tianzifang are a unique bridge between collective memory and modern civilization. A bottom-up force succeeded in saving the buildings, developing the art district. Tianzifang can be seen as a new urban form of giving traditional community a new life. Although the physical fabric is well preserved, the interiors of the buildings have been adapted according to the tenants’ needs. The new functions put into old structures have greatly increased the number of visitors. The area lacks the capacity for more tourists and restaurants. That is why in most formal urban redevelopment, urban planners and designers emphasize investment in public infrastructure to improve safety, landscaping, and sanitation.

The original residents who have rented out their houses contributed to the expansion process of Tianzifang. The residents who stay do not directly profit from the change in the district. However, the daily lives of those who stay are severely bothered by visitors and businesses. The neighborhood has transitioned to a business district. The residents who rent out their house whether to artists or retail and restaurants do not care about the art; they care about the benefits that they can reap from the rental market. Thus, in pursuing maximum commercial
interests, social conflicts need a change in identity. The new place is enjoyable only by outsiders.

4.3 798 Art District, Beijing

4.3.1 Location and Context

Beijing, the capital city, is located in northeast China. In 2011, the population of Beijing reached 20.2 million inhabitants in its 16,410 square kilometers (6,336 square miles) of city land (Beijing Municipal Bureau of Statistics, 2012). The city consists of 14 municipal urban and suburban districts and two rural counties (Beijing official government website, 2010).

Figure 4.9. Location of Beijing and 798 Art District, made by the author
Source: Google Map

798 Art District, also called the Dashanzi Art District, is located in Chaoyang District in
northeast Beijing. This area is bounded by Jiuxianqiao North Road (north), Wanhong Road (south), Jiuxianqiao East Road (east), and Jiuxianqiao Road (west). The area is about 130 Hectares (321.2 acres), and the core area of 798 Art District is 60 Hectares (148.3 acres). 798 Art District is between the 4th and 5th Ring Road. The airport express connects with them, so the art district can be easily reached by ground transportation. Different bus routes and stops also serve the site.

Figure 4.10. 798 Art District Boundary, Source: Google Map

4.3.2 Origin and Redevelopment Process

Origin

798 Art District started as a factory complex that was part of the bigger industrial project officially called “Joint Factory 718.” The project contained one research institute and six electronics factories producing components for the Chinese military: factory 706, 707, 718, 797,
Joint Factory 718 buildings were designed and built by East Germany during the 1950s with funds earmarked from the Soviet Union. The buildings are in the Bauhaus style, which features “large indoor spaces designed to let the maximum amount of natural light into the workplace,” and “sawtooth-like roofs, which are created by repetitions of arch-supported sections of ceilings” (Hongkong Arts Development Council, 2010, p. 24).

During the early 1990s, many unprofitable government-owned enterprises were closed due to the economic reform, including the factories in the “Joint Factory 718” area. A large number of the buildings were left vacant. In December 2000, the state-owned enterprise was reconstituted as a real estate company called “Seven-Star Huadian Science and Technology Group” (SSG). SSG is responsible for supervising and renting the vacated spaces of Joint Factory 718 area. Many of the early tenants were vendors or small business owners paying very low rents (Xiong, 2009; Dekker, 2011).

**Redevelopment Process**

The first artists to move into the area were the teachers and students from the Beijing’s Central Academy of Fine Art (CAFA). They were looking for quite, affordable, and ample space for creating sculptures. In 2000, Jianguo Sui, Dean of the Department of Sculpture at CAFA, located his own studio in the area. At the same time, many artists had been evicted from an artists’ village, the city’s main artist cluster area near the Summer Palace. They were looking for a new location to live and work. The 718 area met all their needs: low-cost space, unique Bauhaus buildings, and convenient transportation. Many painters settled down in this area. In
early 2002, Robert Bernell, the first foreign tenant of the area, rented a former factory cafeteria and adapted it into his art bookshop and publishing office. The spaces that the artists rented in 2002 and 2003 were mostly located in factory 798, so then gradually “798” became the name of the art district among artists. In 2003, some artists hosted a series of exhibitions in the area, which attracted about 1,000 visitors in one day. Since then, 798 Art District became known to the general public. The number of artists and art originations increased. During this period, art buyers occasionally came and bought some pieces. Additionally, there were no conflicts between the artists and the landlord (SSG), because they had mutual benefits (Kong, 2008; Xiong, 2009; Dekker, 2011).

With the increasing popularity of 798 Art District, SSG was worried about losing the potential benefits from the land, and then planned to demolish the 798 area old factory buildings and sell the land for creating a high-tech electronics manufacturing site. This was in accordance with the zoning plan of Chaoyang District, which also planned to redevelop an electronics hub in the area. In 2004, artists gathered together and staged several art events, trying to stop the demolition plan. After that, academics recognized the historic and cultural value of the 798 area. Professors from Beijing’s Central Academy of Fine Arts and the Southern California Institute of Architecture have proposed different development plans for the area that involve preserving the buildings. In 2006, city officials made it into one of the ten places concentrating the cultural and creative industry. Later that year, the government of Chaoyang District and SSG co-established the Beijing 798 Art District Construction and Administration Office to improve the development of art and creative industry. They decided to make 798 an art-centralized business district (Xiong, 2009). According to relevant regulations (Beijing Municipal Bureau of Culture, 2007), no structures on the list should be demolished, and renovations must be approved and
implemented without changing their original layout.

During the dispute period, 798 Art District gained more attention and was transforming into a tourist attraction. The noise and disturbance from tourists discouraged the artist-residents from living in the area. Since 2005, more former artist residents of 798 have moved out.

Many of the artists and small art galleries who moved out did not leave the 798 area completely. Some still keep the space in the district as a display site for their works. Others rented empty warehouses, wine factory buildings and farmers’ houses near 798 Art District, and started to bring new opportunities to those once-dead areas. Meanwhile, the art district is also developing into an art business center, embracing art and commerce, rather than being a pure art community. Many restaurants and retail shops have also come into the district.

4.3.3 Current Situation Analysis

Field study for this research was undertaken on June 22 and 23, 2013, in 798 Art District, Beijing, China. Different research methods were adopted in the field study, including observation and interviews. A survey of land uses, facilities, and activities was the main objective of observation to acquire firsthand information about the development status of 798 Art District. Additionally, interviews were conducted to explore the perspectives from artists and visitors. Besides the field study, secondary research in reviewed literature determined the context of the study.

Land Use Analysis

The 798 Art District has developed into an art business center with commercial activities and tourism. With some non-profit artists and small galleries leaving, other galleries and cultural institutions have had more lucrative activities. A number of designers, fashion shops and
restaurants have also set up in 798. They bring more customers and enrich the cultural and business activities.

Table 4.3. shows the current situation of merchant types in 798 Art District. Information was collected from the official website, the tour guide map and observation. The classification approach of merchant types follows the previous case study of Tianzifang Art District, Shanghai.

<table>
<thead>
<tr>
<th>Uses</th>
<th>Artist studio And Gallery</th>
<th>Fashion Boutique</th>
<th>Souvenirs and Design Products</th>
<th>Food and Beverage</th>
<th>Graphic design, architecture design</th>
<th>Media company</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers</td>
<td>207</td>
<td>26</td>
<td>31</td>
<td>45</td>
<td>39</td>
<td>14</td>
<td>19</td>
</tr>
</tbody>
</table>

Table 4.3. Numbers of Merchant Types in 798 Art District

Artist studios and galleries are still the primary uses in 798 Art District, but media companies are a new merchant type. These media companies include magazine publications, website companies, television program companies. In addition, shipping companies, exhibition spaces, art business consulting services, wedding photo shooting services, bookstores, and tattoo services have located in the district.

**Activity**

The 798 Art District has become the most influential art center in Beijing, even in China, and has held many notable art events. The 798 Art Festival and Beijing Biennial exhibition attract many visitors and other artists from other places, hosting a constant stream of individual artist exhibitions, artist group exhibitions, and international art exchange events.

798 Art District has evolved into an art business community with tourism. It has become a brand with huge business potential. So besides the artists and art galleries, many multinational companies are willing to choose 798 Art District to present their sales promotions. The promotions benefit the galleries and artists. Some galleries and spaces in the district do not charge either exhibitors or visitors; instead, they generally sustain themselves by hosting
profitable fashion shows, sales promotions and corporate events, such as Sony, Christian Dior, Toyota, and BMW. Also, the district has become a popular spot for shooting wedding photos.

**Commercial Gentrification**

Although the government has become involved to manage the development of 798 Art District, with the absence of any rent control, the cost to rent in 798 Art District is high and keeps rising (Xiong, 2009; Zhou, 2012). Figure 4.11 shows the escalating rent in 798 Art District and Beijing city. From 2003 to 2013, the rent cost in 798 Art District increased 7.3 times, compared to average rent increase of 1.7 times in the city during the same time. Even in 2009, when the economic crisis led to the decline in both art market and tourism, the rent continued rising, driving out artists and small galleries. Tenants change frequently in the area, which causes some subleases in 798 Art District. The high rent cost is a major factor that affects the location choices of artists and art galleries, also the future of 798 Art District.

![Change of Rent Cost](image)

*Figure 4.11. Change of Rent Cost in 798 Art District and Beijing City, made by the author*

Data from: [http://bj.cityhouse.cn/market/lease.html?sinceyear=5](http://bj.cityhouse.cn/market/lease.html?sinceyear=5)
Another sign of gentrification is changing facilities and features in 798 Art District. The government and SSG spent a lot of money on improving the facilities in the area, including adding parking lots, trash cans, better roads and public restrooms. Manicured trees, bushes and potted flowers were planted along the sidewalk, and new door signs with huge red letters of 798 were established (Figure.4.12). In addition, restaurant menus on small boards standing on the sidewalk illustrate the high price of a meal (Figure.4.13). The whole area was full of artistic feelings before the redevelopment. Those changes make the whole area more like an ordinary commercial area or street rather than an art district.

Figure 4.12. Paved Roads and New Door Signs, Photos by the author

Figure 4.13. Restaurant Sidewalk Sitting Area and Menus Board, Photos by the author
Interviews

The interview data was collected on June 22 and 23, 2013 in 798 Art District. The interviewees include one artist, one gallery manager, one retail owner, and one visitor. Questions concerned their motivations for settling down in the district and their attitudes toward the redevelopment. Table 4.4. shows the conclusion from the interviewees:

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Year of move in</th>
<th>Motivation for move in</th>
<th>Current Feeling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artist</td>
<td>2003</td>
<td>Low rent</td>
<td>Too many visitors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unique buildings</td>
<td>Old artist friends are leaving</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The whole district changed quickly, including rising rent</td>
</tr>
<tr>
<td>Gallery manager</td>
<td>2007</td>
<td>Fame of the district</td>
<td>Few people buy artworks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Visitors prefer to take pictures</td>
</tr>
<tr>
<td>Retail owner (souvenir/small design</td>
<td>2007</td>
<td>Many visitors in the district</td>
<td>Satisfied with current situation</td>
</tr>
<tr>
<td>products)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitor</td>
<td></td>
<td>Curious</td>
<td>Interesting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Will not spend too much money in the district</td>
</tr>
</tbody>
</table>

Table 4.4. Interview Information in 798 Art District

The interviewees had different motivations for locating in 798 Art District. The artist is the earliest user of the area; he was attracted to the area because the cost to rent was low and the buildings were unique and spacious. The gallery manager and retail owner thought that 798 Art District already was a famous place, so they could reap economic benefits from the flourishing tourism and its popularity in the national art market. The visitor is from outside of Beijing City. Her friends told her about this place, and she was curious. The artist was not pleased with the current redevelopment status of the district. Visitors were not interested in buying his works, and the demand for retail and office space changed the district. The rent cost is rising, so he has a café business to help pay the rent. Many artists are leaving, and the old art community spirit is gone. He thinks the rapid change of 798 Art District is a microcosm of China’s urban development. From the gallery manager, tourists normally were not the customers of their
galleries. The art works mostly sold to regular collectors. The visitor’s answer that she will not spend too much money in the district reflects the new market realities. Clearly, the survival of the art galleries and art studios cannot rely on the booming tourism in the area.

4.3.4 Summary

The 798 Art District case study uses the same four topics as the Tianzifang case study to summarize conclusions. These included the characteristics of the district; its life cycle; roles of stakeholders; and place-making ingredients.

Characteristics of an Art District

798 Art District began as an artist village where artists lived and worked. When the area became an art district, it “provided audience for the artworks, through selling and exhibiting” (Daniels, Ho, & Hutton, 2012, p. 199). The previous case study of Tianzifang redefined the scope of art district, which contains formal art activities, informal art activities, and community-based activities. Formal art activities are the primary component in 798 Art District. Galleries, artist studios, and exhibition spaces host these art activities. Due to the area’s commercialization, formal art activities must make the transition from the model of live/work with art creation to for-profits. Informal art activities—including graphic design, architecture companies, craft shops, fashion boutiques and small design product shops—have gradually grown in the area. Media companies also enter the area as a cultural industry. Different from Tianzifang Art District, magazine publications, website companies, and television program companies are gathered in 798 Art District due to the rising fame of aggregation effect. Another reason for the new merchant-type media company is that 798 Art District has more spacious sites for all kinds of art and commercial uses. Tianzifang Art District and 798 Art District both have had community-
based activities, but with growing tourism, most restaurants and groceries stores are for high-end consumption, targeting visitors instead of artists and local neighborhoods.

**Lifecycle of an Art District**

The 798 Art District has three evolution stages in its redevelopment process: incubation, dispute, and government management (Figure 4.14.). The initial phase of bottom-up redevelopment has been succeeded by the discovery and adaptive reuse of the old factory area. It represents 798’s unique characteristics which initially attracted the artists. During the dispute period, conflicts between artists and the landlord (SSG) were a key factor that made the bottom-up redevelopment transform into top-down management. During the dispute and government management period, 798 Art District’s expansion has been the same as the Tianzifang Art District. The aggregation effect brings the economic value and popularity, which expand 798 Art District in physical area and merchant types. Visitor numbers and types have changed dramatically: from a few art collectors to 330,000 visitors in the two weeks during the 2008 Olympics (Daniels, Ho, & Hutton, 2012). Now the current redevelopment situation has evident commercial gentrification. The tenants keep moving in and out, and many artists and small businesses have left.

![Figure 4.14. Redevelopment Process of 798 Art District, made by the author](image-url)
Roles of Different Stakeholders

Three different stakeholders are involved in the redevelopment of 798 Art District: tenants, landlord, and governments.

Tenants, including previous artists, current artists, retail owners, and restaurant owners are direct users of the 798 Art District. Previous artists were the drivers of the incubation and expansion period of 798 Art District redevelopment. They found the abandoned space and turned it into a place with their creativity. When the area was facing the threat of demolition, artists pulled together to protect their home for art. With their efforts, the area was preserved; furthermore, the district gained its fame both for art and tourism. The previous artists had been the primary beneficiaries, and are now well known. This has substantially changed their lives. The fame of the area has brought more art galleries and commerce. Subsequently, artists have rented space not to work in, but to display artworks and conduct businesses. Other businesses and services share the profits.

The conflicts between tenants and the landlord (SSG) shaped 798 Art District. During the entire redevelopment process, the landlord wanted to maximize financial return, without any regard for cultural significance. The relationship between artists and the landlord lasted only as long as the former were willing to pay a rent to occupy the underused factories. When the space became interesting for financially stronger tenants, the tensions between artists and the landlord built up. Higher rents paid by retail and restaurants uses benefited landlords.

Although the original grassroots redevelopment of 798 Art District was outside Beijing government’s plan, the Beijing municipal government and the Chaoyang District government embraced the 798 Art District’s success and uniqueness. It is an example of how arts can be a dominant force in cultural industry emergence. The government prevented demolition, and
agreed with preserving the area during the dispute period between artists and the landlord. The 798 Art District is a tourist draw, and a cultural and art showcase, instead of new housing. Since the city designated the 798 area a “creative industry park,” it has attracted millions of visitors.

**Sense of Place**

The 798 Art District expresses a new cultural value, an important characteristic of an art district. Plus, image and brand have had a positive economic effect on the surrounding area.

798’s environmental and social draw has resulted in its transformation from an artist district to a visitor and design district. For visitors, it is a fashionable place full of galleries, shops, and restaurants. The commercialization has not negatively affected 798 Art District’s continual economic success and growing fame.

Artists formed 798 Art District as a home for art and preserved the district. But with the growing fame and market trend, the area’s original vibe, image and artistic environment have been lost.

**4.4 Textile Town Art District, Xi’an**

**4.4.1 Location and Context**

Xi’an is the capital city of Shaanxi province, located in south-central Shaanxi which is in northwest China. Xi’an is. In 2010, the population was 8.46 million inhabitants, and land area was 9,983 square kilometers (3,854 square miles). The city has 9 municipal districts and 4 counties (Xi’an Statistics Bureau, 2010).

Textile Town Art District is located in Baqiao District, close to the Xi’an inner city. The art district is a walled area with two main entrances. The official address is 238 Fangzhicheng (Textile Town) West Rd. The art district is about 12 Hectares (29.6 acres) (Banpo International
Art District official website, 2013). Different bus routes and stops can reach Textile Town Art District. Since September 2013, Subway Line 1 has operated to serve the site.

Figure 4.15. Location of Xi’an and Textile Town Art District, made by the author
Source: Google Map

Figure 4.16. Textile Town Art District Boundary, Source: Google Map
In 2007, the artists who initially discovered and settled the area formed the name of “Textile Town Art District,” and this became known by the public. But in 2012, after the Baqiao district government took over the area, the district was renamed Banpo International Art District. “Banpo” is an archaeological site in east Xi’an, very near the art district. There is a Banpo Museum west of the art district.

4.4.2 Origin and Redevelopment Process

Origin

In the early 1950s, Xi’an established a state-owned textile and dyeing industry complex in this place. The Soviet experts helped design and construct the buildings. The area contained factories, residential buildings, grocery stores, and recreation spaces. The workers lived in the area, which formed a town. During the 1990s, as a result of China's economic reform, many factories were closed down, and the workers were relocated, leaving the buildings vacant. In 1998, the factory complex was reconstituted as another state-owned investment company. After that, the area was divided into small places to rent out by some private factories (Dai, 2010; Banpo International Art District official website, 2013).

Redevelopment Process

With the booming art market and fame of creative industries developing in eastern cities in recent years, some students and young teachers from Xi’an Fine Art Academy wanted to build a space like 798 Art District in Xi’an.

In early 2007, about ten artists founded the Textile Town as an art creation site. The former factory had ample space, a quiet environment, and affordable rent. They signed five-year contracts with the landlord and opened studios in the area. After that, more artists including
painters, sculptors, photographers, and designers came into Textile Town.

In June 2007, the first Xi’an Documenta was held in this area to exhibit important documents about Xi’an history. Textile Town Art District was formally opened to the public. Some art organizations and art spaces were for-profit and accessible to the public, but other spaces were artists’ private studios, which visitors had to ask permission to enter.

The district also hosted different events, including an annual music festival, occasional art exhibitions and cultural events. These activities attracted art collectors and visitors, causing the rent of factory buildings to rise. In October 2009, the Baqiao district government also helped artists hold the first Textile Town Art Festival. In later 2011, artists hosted a five-year retrospective about Textile Town Art District.

In 2012, the Baqiao District government took over the district, and worked with a cultural development company to renovate the area into a new formal art district. The former name of the district also was changed to “Banpo International Art District.” All artist tenants now must receive permissions from the Shaanxi Province Art Association to locate their studios and businesses in the art district.

Figure 4.17. Redevelopment Process of Textile Town Art District, made by the author
4.4.3 Current Situation Analysis

Field study for this research was undertaken on July 25, 2013, in Textile Town Art District, Xi’an, China. Observation and interviews were conducted during the field study. The art district was going through construction during on-site observation, so most art studios and art galleries were closed. Only two art organizations were open.

Land Use Analysis

Before the district government renovated the Textile Town Art District, there were 116 artists in 79 art studios and art organizations (Tongyujie’s Blog, 2012). Currently, there are 60 art studios and art organizations. In 2014, the district will have 30 more painters, one café, and one teahouse (ART.HSW.CN, 2013). On-site observation confirmed that there are no other retail stores, other than two closed restaurants and one café shop selling bottles of water.

Activity

The district is currently under construction, and most art spaces are closed. During 2012 and early 2013, the district still hosted many events. Besides occasional art exhibitions, and
annual and periodic music festivals, the district government started holding community events in the district, such as singing and dancing competitions, and elderly fitness programs. The art exhibition center also hosted commercial shows.

Gentrification

Textile Town Art District is part of a larger redevelopment area. The district government and developers redeveloped high-end retail, apartments, and offices. This is because the subway line 1 near the site provides access between this area and the city center. Convenient transportation is bringing people to the area, including new residents, businessmen and visitors. Since the opening of the subway line in 2013, the rent cost in Textile Town Art District increased 5 times, compared to average rent increase of 0.5 times in the city during the same period.

![Change of Rent Cost](image)

*Figure 4.19. Change of Rent Cost in Textile Town Art District and Xi’an City, made by the author*

Data from: http://xa.cityhouse.cn/market/lease.html?sinceyear=5

Interviews

Interview information was collected on July 25, 2013, in Textile Town Art District. The interviewees included one café shop owner and one artist. There is no firsthand information from
the official of Textile Town Art District, because that official did not accept interviews. Instead, a report on the new art district (ART.HSW.CN, 2013) provides the secondhand information about an interview from the official.

The café shop currently does not sell food; it just sells bottles of water and cold beverages. The owner recently moved in the district and was preparing to open in August. She was happy and optimistic about the future of the art district and believed it would succeed like 798 Art District, and more visitors would come here.

The artist conducted a photograph business. He mentioned that some artists who came with him during the same year (2008) had already left, fearing the new renovation would increase the rent. Most artists were young graduates from Xi’an Fine Art Academy, and they needed inexpensive space. Infrastructure improvements were not important to them.

The official report about Textile Town Art District summarized an interview with the district manager, who talked about the district being part of a famous archaeological site. “Banpo” has its own historical and cultural effects, so the government hoped the new name could attract more visitors. In addition, the manager mentioned that the district would have dining and entertainment facilities, including restaurants, cafes, and even a small theater.

4.4.4 Summary

This case study follows the same organization as two previous case studies to summarize the findings.

Characteristics of an Art District

The Textile Town Art District has no informal art activities, such as craft shops, fashion boutiques, graphic design, and architecture companies. Instead, the district is organized by
formal art activities, including artist studios, galleries, and exhibition spaces. Young graduate students from the local fine art academy are the primary tenants of studio spaces. Due to rising rent and official management, some of them have made the transition from live/work to selling and exhibiting their art works, but others have left the district. The galleries and exhibition spaces are for-profit businesses that sometimes host non-profit public art events. The district does not have any commercial activities, except for two restaurants and one café shop.

Although the district is under construction in preparation for a formal opening, the renovation plan shows an art district with dining and entertainment facilities. It will also have more informal art activities and community-based activities.

**Lifecycle of an Art District**

The formation of Textile Town Art District was initiated by local artists who adapted old factory buildings as their studios and exhibition rooms. The creation of an art district relies on a process of turning space into place. However, the evolution stages of Textile Town Art District have changed due to premature intervention from district government. During the incubation period of the art district, artists selling art works and hosting art-related events created an informal but lively art community. It had earned attention from the public, media, and governments. The Baqiao district government planned to renovate the art district into a driver to activate local cultural vitality, which could increase land value and stimulate the local economy. The informal name of Textile Town Art District was rebranded to a formal name: Banpo International Art District. Additionally, with the operation of subway line 1, the art district has attracted people, and the rents have been rising.

Textile Town Art District did not evolve naturally as the lifecycle of an art district. The involvement of the district government and the renovating could be seen as a rediscovery stage,
which formed a new evolution path. So the rediscovery could accelerate or postpone the maturity stage (Figure 4.20). With the formal opening of the district, its evolution will be interesting to watch.

![Figure 4.20. Lifecycle of Textile Town Art District, Modified by the author](image)

**Roles of Different Stakeholders**

During the redevelopment process of Textile Town Art District, artists banded together into a local art community. They were influenced and stimulated by the popularity of 798 Art District, so they built an art district to host art and cultural events, besides their art creations and art businesses. The district did not experience immediate success because of the inconvenient traffic situation during its initial years. However, the public, governments, and media still paid attention to the district and visited the area.

Textile Town is owned by the state, so the district government has the right to plan the
future of the area and surroundings. In 2008, Baqiao District government structured the redevelopment plan for the surrounding area, including Textile Town Art District. In 2012, the district government officially took over, and planned renovating the art district. The opening of subway line 1 in September 2013 was a government initiative for convenient transportation to bring more people and investments. Furthermore, when the art district becomes formal, the government will position it as a cultural attraction to improve the city’s image and economic wellbeing. The pioneering artists, including those no longer in the art district, will not benefit from the redevelopment.

**Sense of Place**

Textile Town Art District was named by the artists who initially set up their studios in this area. “Textile Town” had been used as part of the district name because the artists respected its history. Many previous workers share group memories of working and living in this area. Furthermore, this area has witnessed China’s economic reform and state-owned factories’ bankruptcy.

Artists have adaptively reused the area, which had been a part of China’s early textile industrial history. Textile Town Art District now contains creative industrial functions. The district government renamed it to “Banpo International Art District.” Banpo Neolithic culture is already known by the public and academics, and it has also been a historical icon to attract people. It is the government’s strategy to use this concept of primitive civilization to represent an industrial historical moment, which happened thousands of years later. The Banpo name does not illustrate the district’s original historical meaning and erases the importance of memories to the previous factory workers. Additionally, the new name changed the artists’ emotional attachment to this area, so some left. Although the physical form of the art district has not changed
dramatically, it is no longer a place with local history and memories. The commercialization rebrands it.

4.5 Case Studies Summary and Comparison

The case study art districts are described in terms of their location, redevelopment process, and current status. The summary compares how the districts were established, and how market forces and different stakeholders shaped the Tianzifang, 798, and Textile Town art districts over time.

The three art districts have different locations in their cities, and also different road networks and important transportation features. The Tianzifang Art District is located in the inner city, and is surrounded by different subway lines and has easy access to the city elevated road. 798 Art District and Textile Town Art District are outside the inner city, but Beijing’s good connectivity of road networks provides access between 798 and other places. In the Textile Town Art District, governments and businessman have taken the advantage of the new subway line to promote Textile Town Art District.
Table 4.5. Metric Comparing Art Districts

Table 4.5. summarize key attributes from the cases. Artist studios and galleries are primary uses in all districts. In the Tianzifang Art District, 28% of all tenants are art studios and galleries. In the 798 Art District, the number of studios and galleries reaches 54% of all tenants. In the Textile Town Art District, except for three foods and beverage services, all the tenants are artist studios, galleries, and art organizations. Furthermore, fashion boutiques, food and beverage services, souvenirs and small design products, graphic design and architecture firms are common expansion period uses of Tianzifang and 798 Art District redevelopment.

The mix and types of tenants determine the characteristics of an art district. Formal art activities include art studios, galleries and art organizations. All three art districts originated from the aggregating of formal art activities, which also are core components for being a sustainable art district. Tianzifang Art District has more informal art activities, such as fashion shops, design firms, and souvenir stores than 798 Art District. Tianzifang Art District has degenerated into a shopping center or a design service place. With continued commercialization, the number of informal art activities in 798 Art District will likely increase the same as Tianzifang Art District. Because Textile Town Art District is now managed by the government, it will likely have more of the same informal art activities and high-end community-based activities in the future.
Table 4.6 shows gentrification is a common phenomenon in all three art districts. The rent cost in each art district increased 5-7 times over the past decade, compared to average rent increases in the cities.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The city average</td>
<td>Shanghai:</td>
<td>Beijing:</td>
<td>Xi’an:</td>
</tr>
<tr>
<td>rent increase</td>
<td>No data</td>
<td>24-65 (RMB/M²/Month)</td>
<td>16-24(RMB/M²/Month)</td>
</tr>
<tr>
<td>Art District rent</td>
<td>550-1,900(RMB/M²/Month)</td>
<td>18-150(RMB/M²/Month)</td>
<td>8.5-50(RMB/M²/Month)</td>
</tr>
<tr>
<td>increase</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.6 Increasing Rent Metric Comparing Art Districts

Analyzing progression of three art districts from an organic artist community to a formalized district illustrates the subsequent contradictions between key stakeholders and market demands. The relationships between the stakeholders in the three art districts are significant cause of the different characteristics in Tianzifang, 798 and Textile Town art districts.

There are three stakeholders involved in each art district’s redevelopment process: tenants, landlords and governments. In the Tianzifang Art District, each local landowner who rented out the space is a landlord, and their mutual interests are considered the highest priority. The landlords realized that they could gain sufficient returns by renting their houses to tenants. They could still move out into a better quality housing even if the government abrogated the demolition plan of the whole area. So making maximum profits from renting is the trade-off for losing opportunity to develop new apartments.

The 798 Art District is now owned by a real estate company (SSG). The government decided to preserve 798 Art District and co-manage the district with SSG. This resulted in the government restricting the landlord (SSG) from redeveloping the site. However, SSG could still rent buildings for high prices. The Textile Town Art District is owned by the state, and its landlord is a state-owned investment company. The government took over the district and planned its future. The government believed that the rebranding the art district would bring
economic benefits. Figure 4.22 concludes how each art district has its own interactive relationship between stakeholders. The landlords have more power than governments to influence the formation and continue development of Tianzifang Art District, because the landlords have right to use their properties, as long as they preserve the physical fabric of buildings. 798 Art District has equivalent power between governments and landlords. A powerful government manages the Textile Town Art District. The tenants have played a passive role in all art districts. With the rising rents, retail and restaurant owners who have profited from increased visitation are becoming the primary tenants instead of artists.

![Figure 4.22. Relationship Between Stakeholders in Three Art Districts (large circles mean powerful stakeholders), made by the author](image)

4.6 Summary Questions

1: Why are areas suitable for the formation of art districts?

In the analysis of the three case studies, low rent and interesting architectural character are conspicuous factors in the formation of art districts.

Since the 1990s, China's economic reform caused many factories to go bankrupt. With low land values and rents, the factories were susceptible to new uses that could take advantage of flexible spaces. It is rational for any artist, especially those who are young and have few financial
resources, to choose these affordable vacant buildings as their working and living spaces, instead of choosing other more expensive urban active locations.

In addition, artists consider architectural characteristics as another indispensable element. Spacious rooms with high ceilings facilitate the creation process and display of artworks. Therefore, artists prefer the former industrial structures. Furthermore, artists appreciate industrial characters and historical features in residential and industrial buildings.

Finally, the location advantage with convenient transportation also helps the formation of art districts. The condition of connectedness in city road networks and public transportation bring art patrons, tourists, and businesses. Due to demand for land in rapid development and growth of Chinese cities, governments also pay attention to positive effects that transportation brings to art districts and the surrounding areas.

2: How are old residential and industrial areas adaptively reused for art and cultural purposes?

The aggregation effect during the expansion period of art districts is critical feature both for improving the quality of artwork produced and benefiting economically. The first artists found older residential and industrial areas a good fit for their living/working space needs, and they attract more artists and art organizations to concentrate in the area. The aggregation of these art studios and art organizations has advantages. The synergistic cluster of artists encourages more art productions. Artists attending art activities, including art exhibitions, art festivals, and art exchange meetings, facilitates creativity. Additionally, the aggregation attracts consumers. More visitors and businesses take part in the interaction with the area. Tourists visiting the area buy artworks and attend art events, but they also spend the money in shops and restaurants. Businesses are drawn to the area, and take advantage of its popularity. This results in new land
use functions and economic activities. So the land value and rent price keep rising.

During the artists and businesses aggregation period, adaptive reuse of old residential and industrial areas is determined by redefining spaces’ functions and combining the new functions. Usually, large industrial spaces are adapted to art studio and art organization uses. Retail, food and drink services move into districts, located around the initial art-related space uses which function as a driver to start a district’s life. Besides, available outdoor spaces are essential in art districts. They have been explicitly designed as plazas and outdoor stages for outdoor events. Streets are also the main public space, and their function extends to inviting people having interaction with the art world. For example, sculptures stand on street corners or sidewalks, which are interesting to visitors.

3: Why do art districts cause gentrification?

The aggregation of artists, art organizations, and businesses brings mature economic benefits. However, this aggregation also impacts others in the district. The aggregation that makes the art district popular and raises property values and rent prices. In turn, this pushes out the original artists.

Since governments realize art districts are cultural attractions and bring economic benefits, they are interested in fostering the local cultural economy as the arts attract both visitors and investments. Governments facilitate providing the infrastructure, services, and supporting art events to sustain prosperity. The governments’ strategy increases the management cost, which are shifted onto the rent. This strategy worsens the gentrification.
5.0 Conclusion

5.1 Summary

Art districts as creative and cultural destinations have offered a general model of Chinese cities’ new beginning in postindustrial production and leisure consumption. Research has indicated the emergence of creative industries as a driver of local economic competitiveness and cultural image. Since Chinese governments implement urban revitalization and redevelopment, they realize that adaptive reuse of some historic sites is an essential strategy to preserve urban heritage and generate economic activities. That is why they want to manage some spontaneous art districts to formalize them and magnify their economic influences. The case studies of Tianzifang, 798, and Textile Town art districts demonstrate the arts and creative classes share the power and talent to play a major role in reshaping cities. They are becoming cultural attractions, more than simply accepted by the public and governments. As Stern and Seifert (2007) concluded, “an art district is a symbolic, spatio-temporal reflection of the inter-relations of economic, social, and political power” (p. 12)

While artists are believed to serve as a catalyst for economic prosperity and urban revitalization, art district designations can also bring gentrification. As a result of market trend or government support, the gentrification threatens to displace artists, and replaced them with more fashionable shops, restaurants and nightclubs. The gentrification has a homogenization effect on art districts, eroding their sense of authenticity.

5.2 Recommendations

The commercialization of art districts causes many artists to relocate. Artists and their formal art activities are the core ingredients of any art district, whether it is organically formed or
government managed. Healthy and sustainable art districts must retain artists as pillars of the lifecycle extension of art districts.

Affordable rent initiates the gathering of artists. Gentrification and high rents have been the primary obstacle of art districts’ continued development. They drive out the core engine of the art district. Governments must consider artists a vital part of ongoing success. Affordable space must be available to artists. With many other populations requiring affordable housing, it is controversial to subsidize housing and work spaces for artists. It may also interrupt the organic market trend.

From the study of other art districts, most have a financial support strategy. In the Dallas Art District, the city government supports affordable housing projects for artists. In Denver, Colorado, the revenue from the area local sales tax supports the operation of the area’s major cultural institutions. In China, the Chongqing City government started to provide free land for artists building their studios in a new art district. In addition, collaborations among businesses, nonprofits, and governments can be another successful strategy for fostering arts business development. For example, New Mexico combines business collaborations and artist training to stimulate commerce, and program in Massachusetts supports collaboration among cultural organizations, private for-profit businesses, and municipal, state, and federal agencies (TXP, 2010; NGA, n.d.; Geng, 2013).

According to other art districts’ experiences, this research paper provides two recommendations, each with a goal and strategies:

1) Goal: Providing affordable places for artists

Strategy A: Art districts should allow some flexibility in setting different rental rates within a pre-determined range for special tenants. The different rental rates serve as an incentive
to attract those tenants to enhance the image and add value to art districts, especially artists. There should be a strict approval process to ensure the flexibility is not abused.

Strategy B: Rental income from non-art tenants is used as special subsidy to support joint activities, and public art events. This subsidy could abate operation costs for artists.

2) Goal: Increasing access to market

Strategy: Art district management requires coordination among diverse groups, plus a partnership program among governments and NGOs.

Art districts in China typically evolve naturally. However, the involvement of government management may have unanticipated results that stimulate gentrification and push artist pioneers from the districts. Mutual support of nonprofit and for-profit ventures is essential to artists. Nonprofit art organizations provide education and services to help cultivate demand for art experiences, such as artist training, creative trade association, are important parts of assistance in running art businesses to abate high costs and be competitive.

5.3 Further Research Needed

This research paper directly examines the evolution steps of art districts in China, aiming to understand the necessary conditions for forming art districts, and analyzing the adaptive reuse process of the old residential and industrial areas for art and cultural purposes, plus causes of gentrification.

However, the case studies have several limitations in exploring opportunities and obstacles of art district development. Time constraints meant that the studies could not contain an exhaustive overview of art districts across the country. Three art districts had different redevelopment processes, and different levels of political involvement, but they could not
represent every kind of art district in China. The research paper concludes general findings and
provides recommendations based on important information from three case studies. The next step
is to research other kinds of art districts to supplement and diversify findings. In addition, the
case studies focus on researching the redevelopment process and land use analysis, so continued
study of the economic benefits with statistical analysis, such as local tax revenue, income of
artists and other businesses in art districts would be beneficial.
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