

# COMMERCIAL GENTRIFICATION IN PRAGUE: BLESSING OR BURDEN FOR LOCAL RESIDENTS?

*A case study on the use of local specialty stores and the assessment of the living environment in Vinohrady and Žižkov.*

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## ABSTRACT

In urban academic research, there is an ongoing debate whether commercial gentrification benefits or disadvantages local residents. Two pertinent questions have arisen from this debate. First, do local residents benefit from local specialty stores or are they excluded from them? Second, do these specialty stores contribute to local residents' assessment of the quality of the living environment? This article seeks to examine the differences in use of specialty stores by local residents and gentrifiers, and in addition, users' assessment of the quality of the living environment in Prague, Czech Republic. The results show that local residents and gentrifiers only slightly differ in their use of specialty stores, they all benefit from the stores. Furthermore, users of specialty stores are more positive in their assessment on the quality of the living environment. These findings therefore support the position in the debate that commercial gentrification can have positive implications for local residents.

**Key words:** Commercial gentrification, specialty retail stores, living environment, local residents, Prague

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## INTRODUCTION

In recent years, there has been a considerable interest in commercial gentrification and the associated changes in the retail structure of gentrifying neighbourhoods (Ernst, 2011; Lees et al., 2008; Luckins, 2009; Zukin, 2008). These changes have manifested themselves in the establishment of local specialty stores to serve the needs of new residents (i.e. gentrifiers). For instance, designer boutiques, interior design stores, wine stores, vintage stores and bio stores. Commercial gentrification has a profound impact on the development of neighbourhoods: it can, for instance, enhance the image of a neighbourhood, increase the number of local

retail stores, and enhance the residential environment. The downside of commercial gentrification includes negative perceptions among residents, such as feelings of exclusion in their own neighbourhood (Freeman, 2006; Freeman and Braconi, 2004; Slater, 2006).

Several studies have focused on the implications of gentrification on gentrifiers and displaced people (Atkinson, 2000; Bridge, 2007; Caulfield, 1989; Ley, 1996; Newman and Wyly, 2006; Smith, 1996). So far, however, there has been little discussion about the implications for local residents, who live through gentrification (Doucet, 2009, Vigdor, 2002). Do local residents benefit from the process? Or are they excluded from it? For example, Doucet (2009)

found in his study on gentrification in Leith, Edinburgh, that local residents positively value the arrival of new retail stores, as they enhance the neighbourhood's image and increase the diversity of stores. Butler (2003) and Slater (2006) found that local residents may also experience disadvantages, such as higher prices and a product supply that does not suit their taste, which can lead to exclusion. Another pertinent question that is raised: do specialty stores contribute to local residents' assessment on the quality of the living environment? As Clarke (2000) acknowledges: "*we know extremely little about the effects of changes in the structure of local retail systems, and how these are utilised by different groups of consumers*" (p.997). These different findings show that there is still an ongoing debate whether commercial gentrification benefits or disadvantages local residents.

Until recently, most academic research on the topic of commercial gentrification and its implications has been conducted in Western cities. Now that this process has also manifested itself in Central and Eastern European cities, it can be examined whether the implications for local residents are different. In the context of current post-communist Prague, capital city of the Czech Republic, the process has gained significant importance and put the city on the European map (Temelová et al., 2011). In Vinohrady and Žižkov, two gentrifying neighbourhoods in Prague, commercial gentrification has significantly improved the availability of neighbourhood amenities, including local specialty stores (Sýkora, 1999; 2005). However, the use of the specialty stores by residents and the contribution of these stores to the quality of the living environment remain largely unexplored. What implications will it have for local residents in Prague?

The objective of this research is twofold. First, it examines to what extent local residents differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. Second, this research examines to what extent users of

specialty stores have a more positive assessment of the quality of the living environment in Vinohrady and Žižkov. On the one hand, it might be possible that both local residents and gentrifiers benefit from local specialty stores and that these stores positively contribute to the quality of their living environment. On the other hand, only local residents who resemble gentrifiers might benefit from the specialty stores. These specialty store users might value the quality of their living environment more positive than non-users.

This article has been divided into four parts. The first part provides a literature overview of commercial gentrification and its implications for local residents. The second part addresses the research design, including the methods that were applied to collect and process the data. Next, the third part will report on empirical results of the collected data in Prague, Czech Republic. In the final part, several conclusions and a discussion will be presented. Furthermore, this part will elaborate on the theoretical and policy implications of this study.

## LOCAL RETAIL SHOPPING AND THE LIVING ENVIRONMENT

### Commercial gentrification

Over the years, there has been an increasing interest in the cultural dimension of the gentrification process, which includes leisure (Bridge and Dowling, 2001). Commercial gentrification brings out great changes to the consumption spaces of a neighbourhood. It includes both the 'creation of affluent space' and 'neighbourhood upgrading' (Lees et al., 2008). In other words, commercial gentrification is the result of the arrival of gentrifiers, who create consumer demand for consumption spaces in gentrifying neighbourhoods (Ley, 1994).

According to Ley (1996), gentrifiers can be defined as: "*educated, middle-class professionals, primarily under 40 years of age, and disproportionately employed in the public or non-profit sectors such as teachers, professors,*

*social workers, architects, or lawyers*” (p.4). These gentrifiers differ from other social groups in different ways. First of all, they tend to be young with specific consumption-oriented lifestyles. Second, both men and women are overwhelmingly employed in professional managerial occupations with high incomes. Third, they are highly educated with a majority having at least one university degree. Fourth, they are often unmarried and childless. Finally, they move into particular housing types; generally low-income housing in gentrifying neighbourhoods, which they renovate (Ley, 1996; Sýkora, 2005; Tallon, 2009).

As a result of the arrival of gentrifiers, trendy and authentic boutiques, pubs, restaurants and other leisure related supply are established. As commercial gentrification has received little attention in academic literature, a definition would seem to be appropriate. Zukin et al. (2009) (in: Sutton, 2010) point out: *“urban boutiques that emerge in transitional spaces for middle-class consumption signify ‘commercial gentrification’”* (p.48). According to Ernst (2011), commercial gentrification focuses on *“services and facilities in the area of retail, pubs, restaurants and other leisure related supply, like gyms, cinemas and other cultural facilities”* (p.21). These new consumption spaces generally represent the needs of newcomers (Lees et al., 2008; Zukin, 2009).

Examples of commercial gentrification are: a study about ‘the rise of boutique stores’ in New York, U.S. (Zukin, 2009), ‘micro retail spaces’ in Sydney, Australia (Bridge and Dowling, 2001), and the Fringe in London, UK (Aitchison, 2000). These examples have shown that: *“recently, leisure has become a part of gentrification research, although the focus is mainly on physical changes in the neighbourhood as a result of shifting supply and demand, and less on the social aspects”* (Ernst, 2011, p.13). Social aspects such as the experiences and perceptions of the residents affected by the shifts in supply and demand have only been researched to some extent.

In addition to gentrifiers, commercial gentrification has implications for other residents as well. A social group that is generally underrepresented in studies on commercial gentrification includes local residents, who live through gentrification. These residents have different socio-economic and demographic backgrounds, ranging from low to high incomes; from low to high education levels; and ages from young to old. They can be affected in two ways. On the one hand, commercial gentrification can be seen as inclusive, benefiting all local residents. On the other hand, the process can negatively impact this group. For example, new services and amenities that are built for new, affluent clientele can lead to exclusion and greater polarisation within the community (Doucet, 2009; Freeman and Braconi, 2004).

### **Retailing**

Since the 1990s, the share of boutiques and other specialty stores has dramatically increased; while the share of traditional local stores has greatly declined. This increase reflects a shift in consumer industries towards niche marketing and customised goods. Snepenger et al. (2003) have shown that shopping has become the most popular activity in the U.S, and it is one of the most culturally revealing activities in which people participate. The buying of commodities is increasingly important for the construction of people’s identities and it symbolises people’s lifestyles (Bridge and Dowling, 2001). According to Zukin (2009), the media, the state, and several other organisations all value retail stores as *“symbols and agents of revitalisation”* (p.47). Bridge and Dowling (2001) mentioned: *“retail spaces are spaces in which commodities are bought and sold, and their meanings negotiated”* (p. 95). Furthermore, *“retailing plays a central role in both consumption practices in general and in relation to gentrification more specifically”* (Bridge and Dowling, 2001, p.95). These examples show that specialty retail stores in gentrifying

neighbourhoods represent the lifestyles and identities of gentrifiers. For instance, designer boutiques, interior design stores, patisseries, bio stores, vintage stores, laundry stores and wine stores are typical local specialty stores. As a result, these stores contrast with traditional local stores that cater to a more traditional clientele, such as ordinary clothing stores, bakeries, butcheries and hairdressers (Stegelin, 2002).

In Prague, capital city of the Czech Republic, commercial gentrification and the associated arrival of specialty stores started to gain importance after the collapse of communism in 1989. Nevertheless, its geography was very selective. As Sýkora (2005) puts it: “*gentrifying areas in post-communist cities are small islands in a wider sea of stagnation, decline as well as other forms of revitalisation*” (p.104). For instance, Prague 1 (Old Town) and Prague 2 (Vinohrady) were the first neighbourhoods that experienced a large influx of gentrifiers in several areas. Soon, other neighbourhoods followed, including areas of Prague 3 (Žižkov and Karlín) and Prague 5. For instance, Vinohrady, a traditionally high society neighbourhood, is nowadays dominated by a large number of specialty stores, such as designer boutiques and bio stores. Another example is Žižkov, a former old working class neighbourhood that is currently undergoing transformation (Cook, 2010; Sýkora, 1999). It is, however, difficult to say when exactly the process started in Vinohrady and Žižkov, because it started with individual properties as was observed by Sýkora in 1996.

### **Implications for the local community**

Commercial gentrification has the power to bring about great changes to the retail structure of a neighbourhood, turning it from traditional retail stores to modern, unique, specialty stores. There are two main viewpoints of how these changes impact the local community (Doucet, 2009). From the first viewpoint, commercial gentrification is seen as a ‘stalking horse’ for local residents’ fears of displacement, especially

for the poor. In some cases, poor residents might even feel excluded from their own neighbourhood as lower-income retail stores get pushed further away (Atkinson and Bridge, 2005). Furthermore, local residents who appreciate the specialty stores, often resent the implication that new, affluent gentrifiers are responsible for the improvements. This uncomfortable feeling can create a different ‘sense of place’ and can lead to greater polarisation (Zukin, 2009). A comprehensive study on commercial gentrification has been undertaken by Ley (1996), who analyses changes in Toronto’s retail structure. He found that the transformation of traditional stores to specialty stores can influence local residents’ use of these stores. For instance, prices can be too high for local residents or products do not suite their lifestyle (Bridge and Dowling, 2001). This shows that the use of local stores by local residents can be influenced by changes in the retail structure.

The second viewpoint views commercial gentrification as being inclusive and benefiting all local residents, regardless what socio-economic background they have (Doucet, 2009). Freeman and Braconi (2004) found that new specialty stores can come to be appreciated by both lower-income and higher-income residents. This can especially be the case in poor neighbourhoods with a limited number of good, high quality stores and amenities (Freeman, 2006). Generally, high quality and a wide variety of specialised products are attractive features for visitors of specialty stores. In addition, these stores can enhance the image of a neighbourhood. For residents, a neighbourhood’s external reputation is an important determinant of neighbourhood satisfaction; therefore residents may consider new stores an asset to their neighbourhood (Doucet, 2009; Permentier et al., 2011). Finally, the employment prospects of local residents could be enhanced if commercial gentrification contributes to the creation of local jobs (Freeman and Braconi, 2004). In short, the arrival of specialty

stores can both have positive and negative implications for the local community.

### **Quality of the living environment**

Another pertinent issue in the gentrification debate is whether commercial gentrification contributes to an improved quality of the living environment for users of specialty stores. Although many studies have shown that changes in the retail structure benefit gentrifiers (Freeman and Braconi, 2004; Spain, 1993; Sýkora, 2005), it remains questionable whether this is true for local residents (Doucet, 2009). As was mentioned before, their use of specialty stores might differ from gentrifiers. The perceptions that users have on the quality of their living environment is the central issue of this study and in these perceptions, the role of retailing is a crucial aspect.

As many other concepts, the quality of the living environment is difficult to measure, because it contains a mix of objective measures (such as public services, amenities and traffic) and subjective perceptions (related to security, safety and personal relationships). Only a small number of studies focus on this concept (Balducci and Checchi, 2009; Brereton et al., 2011). According to the 'Planning Bureau for the Living Environment' (PBL) (2010), the quality of the living environment can be measured by three strongly related-indicators: *social interactions* (between residents), *physical aspects* (public spaces and amenities) and *safety and nuisance* (crime and feelings of safety) (p.16). These indicators have been frequently used for the analysis of urban neighbourhoods in the Netherlands and give an indication of the quality of the living environment.

For the Netherlands, VROM (2004) found that a resident's perception on the quality of the living environment is strongly influenced by the indicator 'social interactions'. Social interactions between specialty store users play an important role in the way that residents of a neighbourhood perceive the living environment. Blokland (2009) shows that public spaces,

including retail stores, are of great importance in offering meeting opportunities for users and/or familiarising with relevant others (p.194). For instance, PBL (2010) found that especially small-scale retail stores positively affect the quality of the living environment. Because of their smaller labour force, opportunities for familiarity are greater than in larger stores. In addition, if the retailer is historically attached to the neighbourhood, his clientele will largely consist of local residents that, in turn, will contribute to social cohesion. Finally, Bonaiuto et al. (1999) show that residents who live longer in a neighbourhood, have a stronger neighbourhood attachment than residents who live there for a shorter period of time.

In addition to the indicator social interactions, it is expected that the indicator 'physical aspects' of a neighbourhood is of equal importance. PBL (2010) found for the Netherlands that the availability of local stores and their physical appearance is related to users' satisfaction with their living environment (p.20). On the one hand, the presence of revitalised, modern specialty stores with high quality products and a wide diversity of products is generally perceived as a sign of upgrading and therefore, contributes to a positive assessment of the living environment. For instance, a study by Jacobus and Chapple (2010) showed for the U.S. that retailers contribute to an improved community image. On the other hand, the closing down of retail businesses and vacant stores are perceived as signs of decay, in other words, negatively affect users' perceptions on the quality of their living environment.

With regard to the indicator 'safety and nuisance', changes in the retail structure can have both positive and negative effects on residents' perceptions on the living environment. Although nuisance is usually combined with the physical degradation of buildings, graffiti and trash on the streets, users who live in close proximity of retail stores (< 50 meters), may also experience nuisance to some degree. In terms of safety, new stores offer opportunities



for familiarising with others, which enhances feelings of safety. In addition, social control can be exerted by retailers and their clientele, which can also positively contribute to the quality of the living environment (Blokland, 2009).

This literature review has shown the importance of commercial gentrification in general and for Prague, including the role of retailing. Furthermore, the implications of commercial gentrification for local residents, especially the use of specialty stores, have been examined. However, little studies have compared local residents' and gentrifiers' use of specialty stores, especially in Prague. This study seeks to examine to what extent local residents differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. The following hypothesis is put forward: all local residents, similar to gentrifiers, benefit from specialty stores.

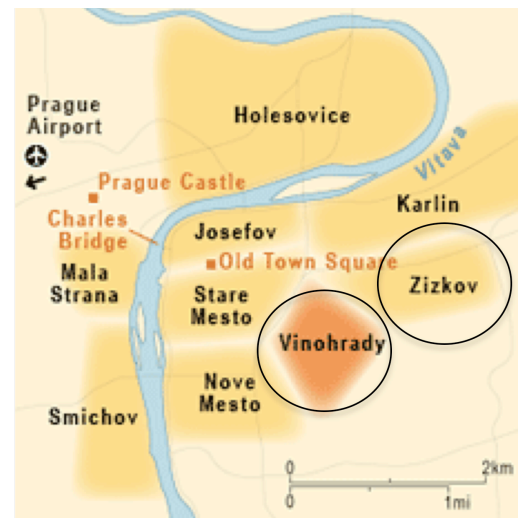
At the end of the review, three strongly-related indicators – social interactions, physical aspects and, safety and nuisance – have been identified that give an indication of the quality of the living environment. This study examines to what extent users of specialty stores have a more positive assessment of the quality of their living environment in Vinohrady and Žižkov. It is expected that commercial gentrification positively contributes to the quality of the living environment. More specifically, specialty store users are more positive than non-users.

## RESEARCH DESIGN

This study first examined to what extent local residents differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. Second, it was examined to what extent users of specialty stores have a more positive assessment of the quality of the living environment. The data for this mixed method study was collected from direct observation; secondary data analysis; 16 semi-structured interviews with residents, retailers and an expert; and 156 structured surveys with residents. This data

collection was done in Vinohrady and Žižkov, two gentrifying neighbourhoods in Prague (Figure 1). These areas represent a non-Anglo-American case and gentrification occurred later than in most Western cities. Although the starting point is hard to pin down, it is suffice to say that it started somewhere in the 1990s after the collapse of communism. This section addresses the methods that were applied to collect and process the data.

Figure 1: Map of Prague - Vinohrady and Žižkov.



Source: Hotels, 2012.

The author collected the data in the period from September 30<sup>th</sup> 2012 until January 31<sup>st</sup> 2013 in Prague, Czech Republic. The surveys asked respondents about their number of visits and the living environment. A selection of respondents was made based on their year of settlement, profession and type of housing in the research areas. There was a slight over-representation of respondents with a high level of education (52.9% university degree) and respondents with an average monthly income of 25.000 CZK or lower (61.7%) (Table 1). Furthermore, 20 respondents were removed from the analysis, because they either lived in other areas or moved to the research areas in 2012 and were not fully settled into the neighbourhood; 136 cases remained.

The remaining 136 cases were analysed using SPSS. First, an ordinal logistic regression

analysis was done using the ‘number of visits’ per month to selected specialty stores as a dependent variable (Table 1). The selection of specialty stores included: designer boutiques, interior design, laundry, vintage, wine, patisserie and bio stores. In order to examine the differences in specialty store use by local residents and (early and recent) gentrifiers, year of settlement was used as main predictor variable. Additionally, age, education and income were used as ‘control’ variables.

Table 1: Descriptive statistics.

Variables	Categories	N	Percentage
<i>Dependent variables</i>			
Number of visits	1: 0-6	74	62.7%
	2: 7-14	29	24.6%
	3: 15-33	15	12.7%
Quality of the living environment	Average of fourteen Likert scale items	116	85.3%
<i>Independent variables</i>			
Age	1: 18-29	32	23.5%
	2: 30-50	68	50.0%
	3: 51-78	36	26.5%
Education	0: High: university	72	52.9%
	1: Low: gymnasium and lower	64	47.1%
Income	0: High: > 25.000 CZK	51	38.3%
	1: Low: < 25.000 CZK	82	61.7%
Year of settlement	1: 2001-2012: recent gentrifiers	54	39.7%
	2: 1991-2000: early gentrifiers	37	27.2%
	3: 1937-1990: local residents	45	33.1%
Visitor	0: No	20	14.7%
	1: Yes	116	85.3%

In addition to this first analysis, a multiple regression analysis was performed with a Likert scale of fourteen items about the ‘quality of the living environment’ (Table 1). This scale contained statements about three related indicators ‘physical aspects’, ‘social interactions’, and ‘safety and nuisance’. Per indicator the Cronbach’s alpha, which measures the internal consistency, is respectively 0.799, 0.865 and 0.621. The average score for all three indicators combined, was used as a dependent variable in the analysis (alpha: 0.871). As with the first analysis, age, education, income and year of settlement (two dummies: local residents and recent gentrifiers), including visitor (to specialty stores), were used as independent predictor variables.

To supplement the survey findings, the retail structure of Vinohrady and Žižkov was mapped using data from direct observation and secondary data from the municipality of Prague 2 and 3, and Luděk Sýkora at the Charles University. Sýkora, a leading expert in gentrification in Prague, was approached for an in-depth interview that was conducted on January 24<sup>th</sup> 2013. In addition to this interview, 15 in-depth interviews were conducted with residents and retailers (from local specialty stores).

In order to ensure that the respondent’s point of views were fully represented, the 16 interviews were recorded and transcribed. Transcribing the interviews helped to give a greater degree of accuracy in capturing the general themes, which were analysed in Nvivo (Bryman, 2008; Yin, 2006). The conducted interviews focused on the changing retail structure, in particular the comparison between when just moved there/opening business, the use of specialty stores and the quality of the living environment.

Potential respondents were approached in different ways. First of all, residents for the surveys and interviews were approached on the street, in Riegrový Sady (park), at the local market on Jiriho z Poděbrad, by email and by ringing doorbells. The author also applied the snowball technique, but it was unsuccessful. Second, retailers for the interviews were approached in their store and were asked to answer some questions. Finally, experts, such as Sýkora and the municipality offices were approached by email and were asked to meet face-to-face. The survey was conducted in the Czech language, whereas the interviews were conducted in English and German.

## EMPIRICAL RESULTS

In the literature review, commercial gentrification, including the role of retailing, and the implications for local residents have been examined, as well as the effects for the quality

of the living environment. From this review, two main hypotheses have been derived. The first hypothesis was to determine to what extent local residents differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. The second hypothesis involved users of specialty stores and to what extent they have a more positive assessment of the quality of the living environment. This results section seeks to address these two hypotheses by analysing the findings of the created maps, surveys and interviews. First, a description of changes in the retail structure in Vinohrady and Žižkov will be provided. Second, users of specialty stores in these areas will be analysed in an ordinal logistic regression analysis. And finally, in a multiple regression analysis, specialty store users and their assessment of the quality of their living environment will be examined.

### **Vinohrady and Žižkov: two gentrifying neighbourhoods**

This study was carried out in Vinohrady and Žižkov, two neighbourhoods in the east of Prague, situated in Prague 2 and 3. During the 1990s, after the collapse of communism, gentrification started to gain significance in Prague, with the transformation of individual properties (Sýkora, 1996). Although it is hard to say when it exactly started, the process started changing the city. The housing supply and retail structure of Vinohrady, a former high society neighbourhood, has changed rapidly since then, as gentrification became a form of neighbourhood change. A couple of years later, the process started in Žižkov, a former working class neighbourhood. As in line with an in-depth interview with expert Luděk Sýkora and through direct observation, respondents also noticed that the arrival of gentrifiers has brought great changes to the retail structures of Vinohrady and Žižkov (Figures 2-4). A woman from design studio St. Anna in Vinohrady responded: *“during the two years that I lived here [Vinohrady], there have been a lot of changes. Small stores are closed and then another similar*

*store will be opened, but just a few months, then there is another one again”*. Generally, as storeowner from Darky Egypt in Žižkov mentioned: *“everywhere you see changes”*. Next, a closer look will be taken at these changes.

Table 2: Number of specialty stores in selected gentrified area\* in Vinohrady, 1997, 2006 and 2013.

Type of store	1997	2006	2013
Interior design	3	1	4
Vintage	5	5	7
Wine	2	4	7
Patisserie	1	3	2
Bio	0	1	5
Laundry	0	0	1
<b>Total</b>	<b>11</b>	<b>14</b>	<b>26</b>

\* Tylovo Namesti, Belehradská, Londýnska, Belgická, Americká, Varsavská.

Comparing the retail structure of Vinohrady in 1997, 2006 and 2013 reveals that the number of specialty stores, such as interior design, vintage, wine and bio, has increased in the last years (Table 2 and Figures 2-4). For instance, 0 bio stores and 2 wine stores existed in 1997, whereas these numbers increased to respectively 5 and 7 stores in 2013. The total number of the specialty stores has increased from 11 to 26 stores. An employee from interior design store Artemide in Vinohrady pointed out: *“lots of designer stores where you can buy furniture, lamps etc. have been established”*. Furthermore, a local resident said: *“in the whole of Vinohrady, more new boutiques, laundry stores, sweets and delicatessen stores, and patisseries have been established”*. These findings are in line with Bridge and Dowling (2001), Doucet (2009) and Zukin (2009), who observed an increase of similar specialty stores in Western cities.



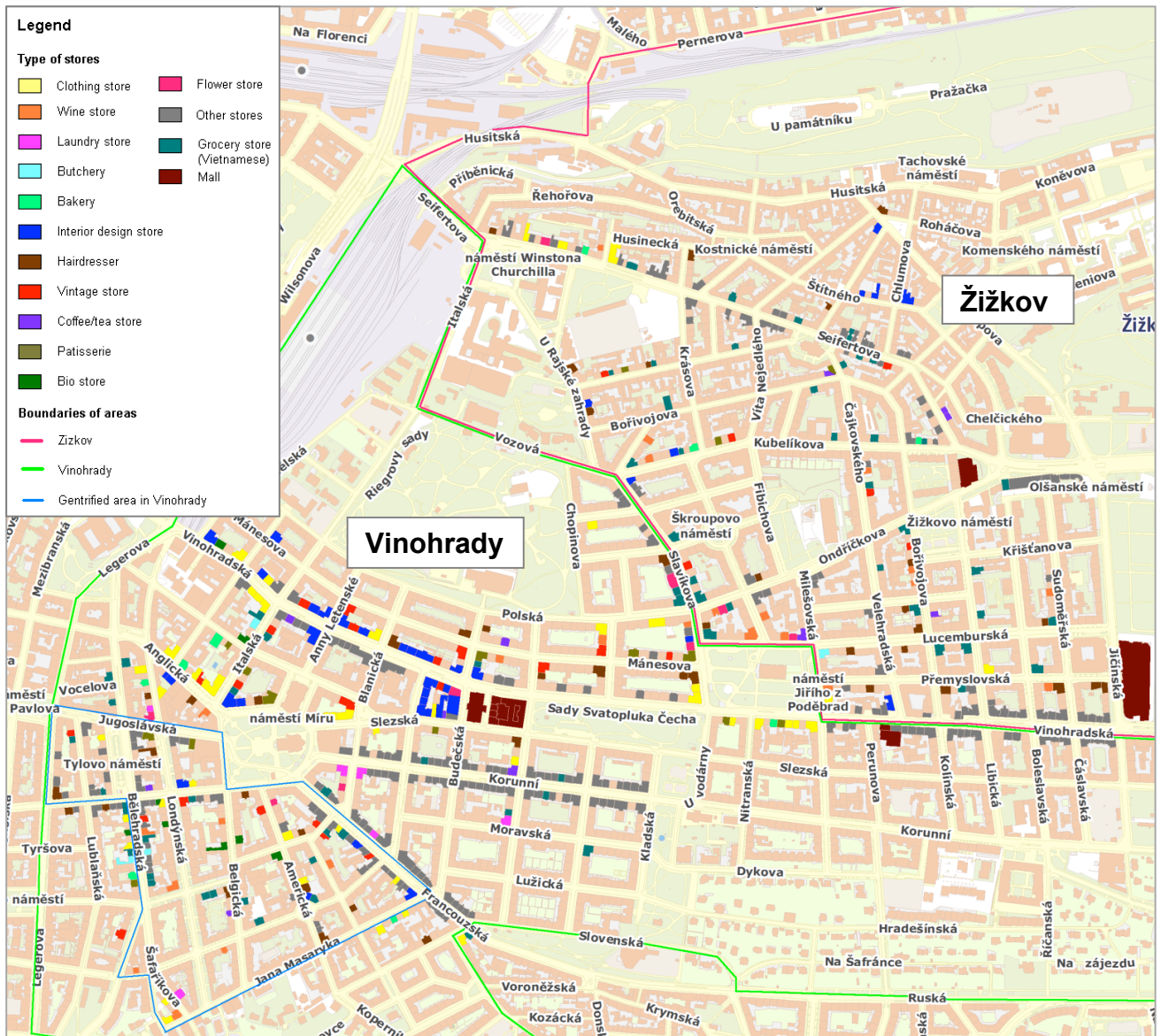


Figure 2: Map of retail structure in Vinohrady (left; incl. gentrified area) and Žižkov (upper-right), in January 2013.

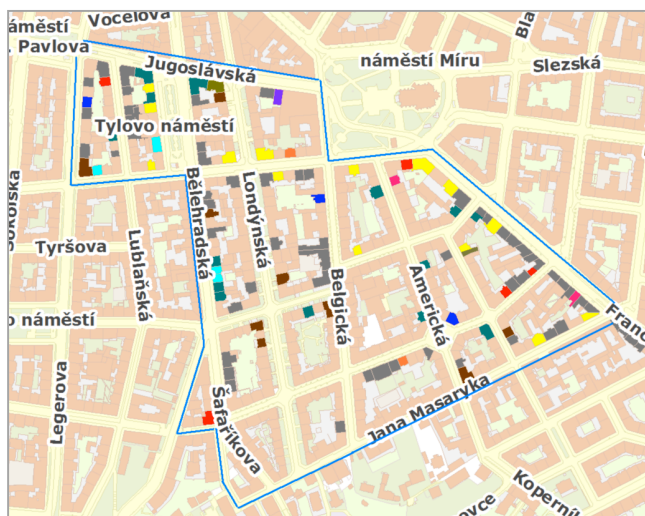


Figure 3: Map of the retail structure of gentrified area in Vinohrady, 1997.

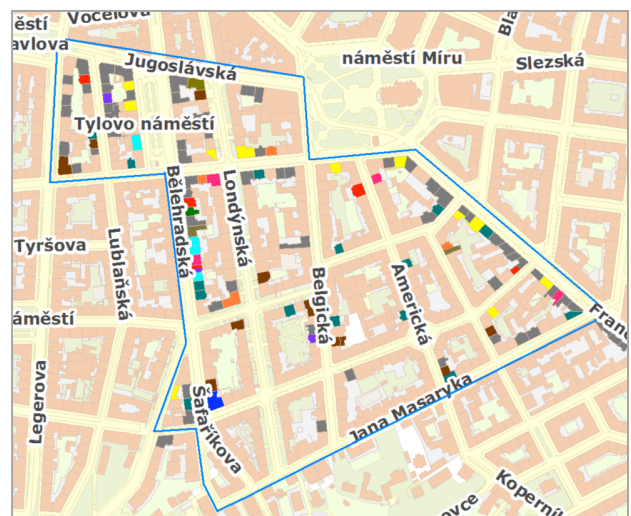


Figure 4: Map of the retail structure of gentrified area in Vinohrady, 2006.

Table 3: Number of specialty stores in Vinohrady and Žižkov, 2013.

Type of store	Vinohrady	Žižkov
Interior design	27	9
Vintage	21	6
Wine	10	13
Patisserie	12	3
Bio	8	0
Laundry	6	0
<b>Total</b>	<b>84</b>	<b>31</b>

Table 3 presents specialty stores in both Vinohrady and Žižkov in 2013. These data show significant differences between the number of specialty stores in both neighbourhoods. In Vinohrady, for example, 27 interior design stores can be found; whereas there are only 9 stores in Žižkov. The total number of specialty stores differs from 84 in Vinohrady, to 31 in Žižkov. These tables, as well as the maps which are presented above (Figures 2-4), reflect the different stages in the gentrification process. As was indicated by Sýkora, Žižkov is still in an early phase of the process and it remains unsure whether it will complete. He states: *“I think that Žižkov will never achieve the kind of gentrification which you have in Vinohrady”*. This, however, remains to be seen. Overall, the number of specialty stores has increased over the years, yet the differences between the two research areas remain significant.

For storeowners, Vinohrady and Žižkov are generally attractive neighbourhoods for their business. Owner of the Coffee and Teashop in Žižkov, mentioned: *“It [Žižkov] is near the centre, so you take the tram from the main station and it is two stations by tram. It is quite easy to park in here and it is cheaper than to have a shop in Prague 2 or 6. So it is a combination of factors. It is really nice to go here. We are near to the centre and it is cheaper for us to be here”*. Several storeowners, including employees from an interior design store and accessorise store ‘Rybanaruby’ pointed out: *“both neighbourhoods have a good strategic position”*. From direct observations, it was found that most specialty stores tend to be

concentrated around the main squares, main streets and parallel from the main streets, which are central locations.

### Users of specialty stores

After examining the retail structure of the two research areas, it is time to take a closer look at the use of the specialty stores by local residents and gentrifiers. At least 78 per cent of the respondents noticed changes in the number and type of stores, as was found in the analysis above. When they were asked to make a comparison between the number of visits to these stores when they just moved here and now, nearly 50 per cent responded that there was neither a decrease nor an increase in visits. This would indicate that local residents, similar to gentrifiers, benefit from the specialty stores.

Table 4: Ordinal Logistic Regression Analysis.

Nagelkerke		,124	
Variable	Categories	Parameter	Sig.
Threshold			
Number of visits	= 1	1,067	,025
	= 2	2,605	,000
Location			
Age	1: 18-29	-,270	,660
	2: 30-50	-1,010	,061
	3: 51-78	0	.
Education	0: High: university	,821	,049
	1: Low: gymnasium and lower	0	.
Income	0: High: > 25.000 CZK	,462	,297
	1: Low: < 25.000 CZK	0	.
Year of settlement	1: 2001-2012: recent gentrifiers	1,096	,040
	2: 1991-2000: early gentrifiers	,253	,652
	3: 1937-1990: local residents	0	.

The outcomes from the ordinal logistic regression model illustrate the number of visits per month to specialty stores (designer boutiques, laundry, interior design, vintage, wine, patisserie and bio stores) (Table 4). This model was used to examine the differences in use of specialty stores by local residents and (early and recent) gentrifiers, using the predictor variable year of settlement as main variable. As control variables, the influence of age, education and income, on the number of visits to specialty stores was examined. The regression analysis performed on the data revealed a significant effect of year of settlement and education.

Recent gentrifiers, who settled in the research areas between 2001-2012, are more likely to visit specialty stores than local residents who settled between 1937-1990 ( $F=1.096$ ,  $p<.05$ ). This strong association indicates that recent gentrifiers use specialty stores more often than local residents who lived there longer. Further, there was only a weak association between early gentrifiers (1991-2000) and number of visits ( $F=.253$ ,  $p>.05$ ). These findings show that (recent) gentrifiers are more intensive users than local residents, which is also indicated by other studies that show how specialty stores are primarily aimed at the needs of gentrifiers (Ley, 1996; Steglin, 2002; Zukin et al., 2009).

When storeowners were asked about their clientele, many of them responded that it is very wide. As may be illustrated by the owner of wine store 'Noelka' in Žižkov: *"both local residents and foreigners [gentrifiers] visit my store. About 70% of my clientele is between 25-35 years old and the other 30% is between 40-60 years old"*. Furthermore, the owner of cheese store 'Syrarna' in Vinohrady mentioned: *"customers vary from young to old people, but also moms with kids. I would say that about 40% of my clientele consists of foreigners [gentrifiers] and 60% of local residents. Generally, foreigners spend more money than local residents"*. These interviews show that both local residents and gentrifiers use specialty stores, but some spend more money than others.

In addition to the slight differences between gentrifiers and local residents, the results showed for the control variable education that the higher the level of education (university degree), the higher is the likelihood of visiting specialty stores ( $F=.821$ ,  $p<.05$ ). So, residents with a lower level of education (gymnasium or lower) are less likely to visit specialty stores. Although it seems here that low-educated residents do not use specialty stores as much as high-educated residents, this finding needs to be interpreted with caution. Sýkora pointed out that *"education and income levels of the local population have increased over the years"*,

which nuances this finding. This would suggest that education has limited influence on the use of specialty stores.

Overall, the model showed a Nagelkerke of .124, which indicates a weak relationship of 12.4 per cent between the predictors (X) and the prediction (Y) (Table 4). Furthermore, income is positively associated with the number of visits ( $F=.462$ ,  $p>.05$ ); whereas age is negatively associated ( $F=-.270$ ,  $p>.05$ ;  $F=-1.010$ ,  $p<.1$ ). In a larger dataset, age might have a significant effect on the number of visits, because one of the parameters is relatively high (-1.010).

In short, the presented findings indicate that all local residents can benefit from specialty stores, so not only gentrifiers or locals who resemble gentrifiers, in terms of age, education or income. Finally, it is worth mentioning that the variables neighbourhood, gender, kids and marital status were found to be insignificant.

### **Locals and the quality of their living environment**

In order to assess how specialty store users, as discussed above, assess the quality of their living environment, a multiple regression analysis was performed (Table 5). This analysis combined all values on fourteen Likert scale statements (about physical aspects, social interactions, safety and nuisance) as a dependent variable. As independent predictor variables, age, income, education, year of settlement, and visitor (to specialty retail stores) were entered. It was predicted that specialty stores positively contribute to the quality of the living environment of Vinohrady and Žižkov.

In the multiple regression analysis, the predictors were entered and showed significant correlations ( $R^2=.188$ ). Visitor revealed a significantly strong and positive association with the quality of the living environment ( $F=1.797$ ,  $p<.01$ ). In other words, users of specialty stores tend to assess the quality of their living environment more positive than non-users. When users were asked about their living environment, they mentioned, *"the neigh-*



*bourhood is tidier, more shops, better looks and nicer*", "*original and unique stores are there*", and also: "*stores offer a wide range of high quality food products*". Although product prices tend to be higher, users do not see it as a barrier. This shows that users of specialty stores have a positive assessment of their living environment and the contribution of specialty stores.

Table 5: Multiple Regression Analysis.

R <sup>2</sup>	,188	Adj. R <sup>2</sup>		,142
Variable	Categories	Parameter	Beta	Sig.
	(Constant)	8,173		,000
Age	18-78	,002	,017	,865
Education	1: Low: gymnasium and lower	-,405	-,100	,272
Income	1: Low: < 25.000 CZK	-,453	-,110	,234
DUM 1 Year of settlement	1: 2001-2012: recent gentrifiers	1,073	,264	,016
DUM 2 Year of settlement	1: 1937-1990: local residents	-,233	-,053	,637
Visitor	1: Yes	1,797	,304	,001

In addition to visitor, year of settlement also showed strong positive association with the quality of the living environment (DUM 1:  $F=1.073$ ,  $p<.05$ ). It shows that recent gentrifiers, who settled between 2001-2012, assess the quality of their living environment more positive than other residents. For local residents, the association is weak and negative (DUM 2:  $F=-.233$ ,  $p>.05$ ). Based on Bonaiuto et al. (1999), a significant result was expected. My findings show that gentrifiers who lived for a shorter period of time in the research areas already have a strong neighbourhood attachment based on their assessment of the quality of the living environment.

The relative importance of visitor (Beta=0.304) on the dependent variable is greater than the other predictors (Table 5). Besides the significant correlations of visitor and year of settlement, the control variables age, education and income were only weakly associated with the quality of the living environment. In other words, a residents' age, education or income does not show significant differences in his/her assessment of the living environment. Furthermore, effects of neigh-

bourhood, gender, kids and marital status were also insignificant.

This results section has shown that local residents only slightly differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. Furthermore, users of specialty stores have a more positive assessment of the quality of the living environment in Vinohrady and Žižkov. It can therefore be concluded that all hypotheses are supported by the findings of this section.

## CONCLUSIONS AND DISCUSSION

The present study was designed to determine first to what extent local residents differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. Second, it determined to what extent users of specialty stores have a more positive assessment of the quality of the living environment in Vinohrady and Žižkov. During the course of the gentrification process, the retail structure of Vinohrady and Žižkov has been changing rapidly as a large number of specialty stores have been established and refurbished. The most interesting finding of this study was that local residents only slightly differ from gentrifiers in their use of specialty stores in Vinohrady and Žižkov. To put it differently, gentrifiers visit more often, but local residents also benefit from the stores. This finding is consistent with studies by Doucet (2009), Freeman and Braconi (2004), and Freeman (2006). Another point that can be made is that education marginally influences the use of specialty stores. That is, the higher the level of education, the higher is the likelihood of visiting the specialty stores. In short, the results show that all local residents benefit from the local specialty stores.

In addition to the slight differences in use of specialty stores, another important finding was that users of specialty stores have a more positive assessment of the quality of the living environment in Vinohrady and Žižkov than non-users. Specialty store users attach great value to

the presence of new, unique and special retail stores. According to these users, stores are viewed as an asset to the neighbourhood, they offer opportunities to meet neighbours and enhance feelings of safety. These findings are in line with Blokland (2009), Doucet (2009) and Permentier et al. (2011). Furthermore, unlike Bonaiuto et al. (1999), it was found that recent gentrifiers (who settled between 2001-2012) value the quality of the living environment slightly more positive than others. Overall, users of specialty stores are more positive in their assessment on the quality of the living environment.

The current findings add to the understanding of local residents in Prague, their use of specialty stores, and users' assessment of the quality of the living environment. This study contributes to the ongoing initial debate on gentrification and the implications for local residents. Some researchers argue that local residents can benefit from it (Doucet, 2009, Freeman, 2006; Freeman and Braconi, 2004); whereas other researchers argue that local residents can experience disadvantages (Butler, 2003; Slater, 2006). My results have shown that local residents, similar to gentrifiers, can benefit from gentrification. In terms of commercial gentrification, both local residents and gentrifiers can come to appreciate the specialty stores; even when their intensity in use differs. In addition, users of specialty stores tend to value the quality of the living environment more positive. It can therefore be concluded that commercial gentrification in Vinohrady and Žižkov has positive implications for all residents and their living environment.

Although my study has found significant results, it cannot be viewed as conclusive. Further research in this field might focus more on a wider range of indicators to measure the quality of the living environment. For instance, a focus on housing, infrastructure, accessibility and pollution could provide more insight into the quality of the living environment. Another promising line of research would be to trace

back the local residents who got displaced and make a comparison between them and the locals who still live in the research areas. If interest and effort continue, there will be soon a comprehensive understanding of commercial gentrification and the implications for local residents in Prague and the rest of Europe.

A major strength of this study is the use of in-depth interviews as supplement to the structured surveys and maps. These interviews helped to examine the use of specialty stores and residents' perceptions on the living environment in more detail. The most important limitation lies in the fact that the sample population is small, because the data was collected in a period of only four months. Furthermore, most semi-structured interviews were conducted in the English or German language, only a few in the Czech language. In order to prevent biased findings, Czech interpreters and/or locals should conduct the interviews within a longer time span.

The findings of my study have a number of important implications for future policy practice. Prague is an example of a city that successfully utilised gentrification to revitalise the retail structure of Vinohrady and Žižkov. As this study shows, the arrival of local specialty stores can benefit all local residents and enhance the quality of their living environment. In many cities, there is still a lot of resistance against gentrification. This study in Prague has shown that resistance is not always necessary. Other cities could take Prague as an example in having a more positive attitude towards gentrification. By letting the process follow its own course, without obstruction or promotion by local authorities, it may lead to the regeneration of declining neighbourhoods.

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