

Urban Space Production in the Countries with Oil-Based Economy (Case Study: Tabriz Metropolis)

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Abstract

Over time, urban spatial evolutions are unavoidable, but balanced urban evolutions are absolutely essential. What is detectable in Tabriz metropolis especially over 3 decades is irrational increase of construction, focus of construction on urban expanding axis, rapid urban expansion, neglect of the inner city context and in a word unbalanced spatial evolution in this city. So in order to avoid confusion and the requisiteness of controlling the evolution of urban spatial, necessity of review and analysis of these evolutions is clear in the Tabriz metropolis. This article seeks to answer the question, is the rate of construction in the metropolises determined by the price of light crude oil in global market? Since existence of rent in land and housing market makes this sector a suitable and reliable field to absorb liquidity in the society, it is assumed that the economy and Iran's oil revenues are most important factors influence suburban construction and consequently the spatial evolution of Tabriz metropolis. Thus, study of the impact of Iran's oil economy on spatial evolution of Tabriz metropolis during the past three decades is the main objective of this paper. This way, for data collection combination method, documentary and direct observation has been used and in the analysis process the Granger causality test and regression are used. The results indicate that the huge liquidities of the society from oil revenues wish to enter the housing and real estate market, especially in suburban areas, which due to the lack of an efficient tax system, often the objectives of these activities are speculative and rent-seeking and the result is an unbalanced spatial evolution in the Tabriz metropolitan.

Key words: Urban Growth, Urban Evolution, Oil Economy, Land and Housing Market, Tabriz Metropolis.

Introduction

Regarding the fact that components of city are constantly changing and its population is also raising, so physical and spatial evolution of city is unavoidable but it is most important to manage these changes in a way that reduces the costs and improves benefits associated the community (Cruz, 2004, p.21). Due to the high population and abundant functions of Metropolis, always encounter social-economical variations and physical-spatial and environmental changes in regional and specially local scales, and this is a subject that most large cities in developing countries such Iran experience it. One of the sectors that are intertwined with the spatial structure of cities and its evolution is economy and especially country's macroeconomy. Therefore, in countries with oil economies, that is one of the main factors which directly or indirectly influence the urban spatial mechanisms. So that increased oil revenues increased liquidity and inflation in different sectors of the economy especially in the land and housing sector - due to its limited supply - will appear (Payne, 2000). Therefore the land and housing market becomes suitable field for large investments in construction of large-scale projects, and also the role of speculative activity becomes more notable. And due to the suburbs is one of the best regions of city for speculative activities (construction), the city expansion occur in suburb gradually and the capacity of inner city is neglected and eventually causes imbalanced spatial evolution in the city. Tabriz Metropolis in the last three decades has experienced rapid growth and investment in housing and construction in the suburbs has been increased. So

necessity of review and analysis of these imbalanced evolutions is clear in the Tabriz Metropolis. Thus, study of the impact of Iran's oil economy on spatial evolution of Tabriz Metropolis during the past three decades is the main object of this paper.

1- Theoretical Framework: Urban Growth

1-1 Urban Land Use Changes

The most basic and the most fundamental element in the urban development is land; the element which is limited and scarce in cities, especially big cities (Rahimi, 2000, p 205). Land allocation to different activities in cities has always been a fundamental and important matter in urban development (Hatami Nezhad and Panahande-khah, 2006, p 20). This factor is one the most important natural resources that is limited in terms of quantity and quality and must be responsive to the needs of large populations. Therefore, its planned and logical use is absolutely necessary (Rahimi, 2000, p 2). Urban areas tend to change over time in their usage methods and intensity and "City is a complicated and dynamic system, and composed of numerous districts and subsystems which play an important role in its spatial changes" (concept quoted from Farrokhi, 2009) and in general, cities are constantly facing two types of forces: 1 - centrifugal forces, 2 - centripetal forces. Now if centrifugal forces are more active and changes in land use are not controlled and directional and "also in the absence of an integrated mechanism for urban growth management, an unbalanced state arises in the urban physical growth and in this case, the city's tendency to expand horizontally and constructions in undeveloped lands around the city such as agricultural lands is high. (Concept quoted from Briassoulis, p.12).

➤ Urban Growth Management

Urban Growth Management is defined as smart use of planning tool, financial instruments and laws of state and local government in redirecting the growth and development in order to achieve the anticipated needs. Tools that are included in this definition are: comprehensive planning, zoning, regulations of sub-sections, taxes, development expenditures, investments in infrastructure and other policy making instruments affecting land development and construction greatly. It should be mentioned that management of growth is distinct from the growth control, in such a way that growth management provides anticipated development in accordance with some directions to achieve general purposes while growth control implies restricting the growth (Nelson et al., 2002, p.2). Based on the characteristics of different cities, this approach can have different principles. The growth management has been created to avoid undesirable effects and achieving growth with environmental compatibility, economic efficiency and appropriate social consequences are some of its objectives and finally, growth management makes use of available land in an excellent way to deal with economic demands, humanitarian needs and environmental quality. What has been more concerned about growth management are its objectives. "Growth management objectives can be stated as follows: maintaining public goods and assets, minimizing the negative impacts of development, public financial costs reduction, and more recently two objectives have been added to the mentioned objectives which are: maximizing social equity, enhancing the quality of life" (Nelson et al., 2002, p.5). Also, subdividing the city into two parts of developable lands and non-developable lands has a great influence on the price of the land. Such that two-thirds of this price difference can be attributed to the urban growth management management strategies. So that in Brooklyn (1972) in the

United States there was 200% difference in prices between the free development section and the freed section, 135% (over two thirds) of which has been related to the growth management system (Gleeson, 1979). The slope of land prices changes in areas with the potential for development is much greater than non-developable regions (Adams et al., 1977). Of course this does not mean that the overall price increase is due to growth management strategies (Gleeson, 1979). Influence of growth management system on land values has its own numerous adherents and critics and the critics argue that this system will increase the land prices and the purchasing power of low-income groups will be reduced, but the adherents also believe that growth management is a factor in achieving objectives such as farmland preservation, preventing environmental degradation, reducing the cost of public services (Einsweiler et al., 1978), as well as improving the quality of the urban textures and maintaining the identity and dynamics of the central textures. Thus, in the absence of growth management, not just consequences such as destruction of agricultural lands, the environment and sidelining of the central textures would occur, but the prices of lands which come within the city limits due to growth would increase sharply and the desire to speculative activities in the suburb emerges.

1-2 Urban Land Market

Urban land market is a set of activities in which the values and rights of the land are transferred through trade (Mattingly, 1993, p. 103). The method of using land and buildings in each city represents numerous decisions and activities adopted by households, corporations, government and municipalities. The existence of laws, rules and regulations specific for determining the city limits, determining the different uses and their locations in the master plans, provisions relating to the separation of lands and construction permits, and various taxes and charges and the laws related to landlord and tenant relationships all cause that urban land market and real estates be very far away from what is known in the economic as free market theory (concept quoted from Zonouz, 1980).

➤ Land and Housing Market in Oil-Based Economy

Inflation is one of the basic problems of economies dependent on oil rents, when oil prices are high and the income from oil exports constitutes a major proportion of national income, the injection of this whole income into the economy, will cause inflationary waves to emerge. In fact, the injection of oil incomes into the economy behaves like printing bank-notes which is highly inflationary. In oil producing developing and underdeveloped countries, when the inflation pressure is high, the governments try to neutralize and control the inflation through increasing imports. But, this is impossible in sectors such as land housing (Eyvazi, 2008). Like any other commodity, housing has economic aspects. In one hand, housing is a commodity that can not be replaced, is stable, immovable and is dependent on location. So in inflationary conditions in which investment confidence in other sectors of the economy is low, purchasing and construction of housing is a safe investment and can be considered as capital goods (Nasrollahi, 2010, p 33). And finally, the injection of oil revenues among the society and particularly an imbalanced distribution will send these funds toward the land and housing market. Due to defining development directions and land uses and building density in different urban areas, urban development projects play an important role in increasing or probably decreasing the value of urban lands. In other words, these projects cause the rentier of landowners of built or vacant urban lands, without any cost or economic activity taken to create added value. This phenomenon usually provides some kinds of unhealthy economic activities in

the field of urban areas and finally causes some problems in the optimal urban development and constructions, especially housings. (Adel, 2001, p 132).

2-Methodology

In this study, secondary (documentary) data analysis was used in theoretical framework section and secondary data analysis and survey methods were used in the case study and analysis. The analysis process has been in such a way that the relationship between oil prices and land prices were analyzed first, so the impact of oil prices increases on inflation in this section becomes apparent; In this regard, the Granger causality test is used. Basically, the high inflation in this sector can make it suitable for the purpose of investment with the aim of rent-seeking, therefore, for studying the changes in the volume of investments in land and housing section, the relationship between oil prices and "the number of building permits issued", "the number of housing units per household" and "residential unit ownership rate" during the period have been analyzed. Also for studying the relation of oil prices and issued building permits nonlinear regression is used. Then in order to assess the equilibrium of constructions and urban measures in the Metropolis of Tabriz, building permits issued for the inner city and suburb were studied based on a comparative perspective and to assess the consequences of possible imbalances in activities and constructions in the vicinity and the center of the city, comparison of evolution in the status of several distinguished operational areas in Hassan Padeshah Complex as the representative of central texture of the city and its corresponding samples along the 29th Bahman Axis as one of the main suburban growth axes has been considered and subsequently for achieving the study results, changes made in the quality of these two textures have been discussed.

3 –Case Studie: Iran Oil-Based Economy Effect on Tabriz Metropolis Spatial Changes

3-1 Urban Governance in Iran As a Dominant Actor in Policy-Making

In countries relied upon oil resources, we are always faced with powerful and centralized governments in the field of social, economic policy-making which due to oil revenues and their lack of the need to tax their people, they find themselves above all groups, parties and social organizations which provides them the autonomy in the field of policy-making. Perhaps this is the main reason that Iran has never seen a comprehensive and efficient taxation system. This can be a calamity against appropriate organization of the economy of the state and therefore the city which in the next sections its impact on the spatial changes in the mechanism of the Metropolis of Tabriz will be investigated. In Diagram 1, the share of tax and oil revenues in GDP have been shown for the period between 1970 to 2008. Taxation has allocated a contribution from 4 to 10 percentage (Table 1) of GDP for the different years. "Gordon and Lee (2009) have reported this share as 17.6% and 25% for developing and developed countries respectively and sometimes even this amount to about 40%".

Table 1 Tax share of GDP in Iran for the period between 1988 to 1995

Factor	Year	1988	1989	1990	1991	1992	1993	1994	1995
Tax share of GDP (Percent)		4.33	5	5.23	5.83	6.5	7.27	4.2	3.72

Source: First Economic Development Plan of the Islamic Republic of Iran.

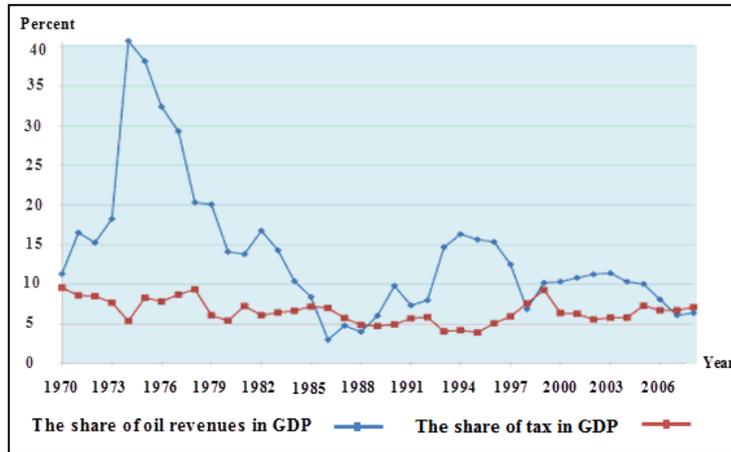


Diagram 1 The share of tax and oil revenues in GDP.
 Source: First Economic Development Plan of IRI.

However, as the municipal government of the city has a close and inevitable relationship with the state government, it is also influenced by its mechanisms; This means that since much of the fundings of agencies concerned with the city management comes from the government and the respective organizations, the need for taxes is low, resulting in a more prominent role in the field of urban planning and policy-making - both in terms of urban projects and urban management practices- for the government. Thus,

the influence of urban governance in changes and the actions taken in Iranian cities is more important than any other factors, in other words, what is applied as management practices in the city, is less affected by the ideas and opinions of the citizens and is separate from it. So, much of the negative and positive consequences of taken actions are dependent on urban governance. On the other hand in addition to the recent outcome, the loss of a taxation system such as VAT and tax of free housing is another factor for the increase of speculative activities in the field of urban constructions and the rents and profits of these activities return to investors of this section without any taxes and obstacle.

3-2 Oil and Housing and Land Market in Iran

As noted above, land and housing prices and their inflations are heavily influenced by oil prices, and given that the inflation in this sector of the economy is high because of the increases in oil revenues and liquidity in the society and because of limited supply of land and housing, it is a convenient and reliable section for the assets of different groups. Consequently, because of Iranian oil price changes in global markets, we have witnessed major changes in land and housing markets of Tabriz Metropolis in recent decades. So that “there has been a major change in the prices of housing transactions market in Tabriz between the studied years, the average price of a square meter of housing from 136000 IRR in 1985 has reached to 7,800,000 IRR in 2011 which means it has become 57.5 times greater than before, and the average growth rate of housing prices in the years between 1985 to 2011 has been 20.02 percent” (Hadili and Mehrzad 2009).

3-2-1 Analysinig the relationship between oil and land prices

To investigate the relationship between oil prices (Table 2) and the prices of land in the Tabriz Metropolis (Table 3) in the past two decades, the changes in these two variables are examined simultaneously (Diagram 2) and then Granger causality test is used to study the relation between these two variables in last two decades.

Table 2 Iran light crude oil prices in the global market

Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Price(\$)	12770	19200	29187	24568	26522	27000	38924	64883	84360	86996	77520	148436
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Price(\$)	217884	181368	187765	223808	302404	458328	563342	647955	914802	613000	860200	1760000

(Source: Iran Power and Energy Macro Planning Office, 2011).

Table 3 The average price of a square meter of housing in Tabriz Metropolis

Year	1988	1989 to 1991	1992	1993	1994	1995	1996	1997
Price(IRR)	169000	Data not available	231000	233000	289000	370000	583000	663000
Year	1998	1999	2000	2001	2002	2003	2004	2005
Price(IRR)	742000	831000	942000	1204000	1670000	2400000	2129000	2926000
Year	2006	2007	2008	2009	2010	2011		
Price(IRR)	3473000	5269000	7016000	7081000	7089000	7798000		

(Source: Statistical Center of Iran).

Studied variables in the Granger causality test are (Z: Land price) and (N: Oil price); Granger causality test is defined as:

- H₀ Hypothesis: N variable is not the Granger causality of Z variable.
- H₁ Hypothesis: N variable is the Granger causality of Z variable.

According to results if:

- Prob. > 0.05: confirmation of H₀ Hypothesis
- Prob. < 0.05: rejection of H₀ Hypothesis (confirmation of H₁ Hypothesis)

❖ **Results of Granger causality test:**

Using Granger causality test for considered variables, the results in Table 4 are obtained:

Table 4 Results of Granger causality test

Null Hypothesis:	Obs	F-Statistic	Prob.
N does not Granger Cause Z	18	4.46349	0.0334

Source: Based on data analysis of Tabel 2 and Tabel 3 using EViews software.

According to Table results, for each of variables the Granger causality is interpreted as follows: in first case 5% of H₀ Hypothesis, N is not the Granger causality of Z, is not confirmed meaningfully because the Prob. Of test is lower than 0.05. So it is concluded that the price of oil is the Granger causality of price of land.

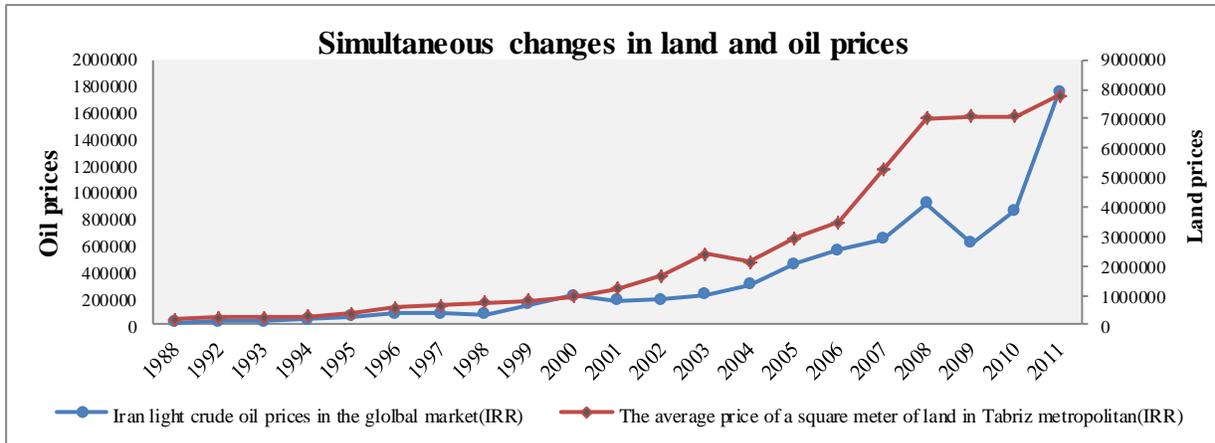


Diagram 2 Simultaneous changes in land prices and oil prices. (Source: Based on data analysis of Tabel 2 and Tabel 3).

3-3 Land and Housing market As a Good Section for Attracting the Liquidity

As was shown, in Iran the economy of which is based on oil economy, oil revenues cause rises in inflation and bubble-like rises in land and housing prices which is a factor for the willingness of different groups to invest in this sector and benefiting from its rents. On the other hand, the lack of a proper taxation system in oil producing countries such as Iran, causes the unbalanced distribution of wealth among different social groups and the emergence of wealthy groups is one of its implications. These groups of society – which sometimes are the most influential groups-, play a more notable role in these investments and particularly the substantial investments in projects such as the preparation of large residential complexes. Notably, these projects have also greatly contributed to the urban sprawl and spatial growth. In this section, we have made use of three indicators to study the effect of oil on the constructions: 1- Number of housing units per household, 2- number of issued building permits and 3- Rate of ownership and the occupation method of housing units.

➤ **The number of dwelling units per an urban household**

According to published statistics, the number of housing units built in the Tabriz Metropolis has experienced huge growth in recent decades, but some part of this increase has been due to the compensation of increased needs of the population. But the interesting thing to mention is the higher growth rate of the number of housing units than the growth rate of households numbers (Table 5) which further supports the claim of construction increases and shows the injected capital in the housing sector. So that now 50 % of total assets in Iran has been invested in the real estate sector, but in developed countries of the world this ratio is one third. As can be seen from table 5, the average number of dwelling units per an urban household, has increased dramatically over the past four decades¹. However, the improvement of the last indicator is apparently valuable and is even considered as a target of housing plannings, but considering the issue that vacant housing has experienced a high growth in the city of Tabriz in recent decades, it

¹ The average land area for a housing units in 1966, 1975 and 2005 have been 223.67, 176.8 and 232.8 sq.m respectively (Alajegerdi, 1997, p 152).

overshadows the value of increase in the index of number of housing units per household and it can be stated that the improvement of this index has been greatly influenced by the increasing number of vacant housing units which are the second and even more homes of wealthy groups. It is noteworthy that during 1966-1976, we have seen a reduction in this index which can have several reasons. One reason could be the increase in oil prices and industrial plans at the end of the period, more budget and oil revenues were injected in the industrial fields as well, until 1979 when due to the revolution, economic programs remained silent and once again the capital was invested in other sectors, particularly land and housing, one of the most apparent examples of which is the emergence of land preparation process.

Table 5 Changes in housing and household numbers of Tabriz Metropolis

Year	Housing Numbers	Household Numbers	The number of dwelling units per an urban household
1966	36820	77047	0.478
1976	49774	117534	0.423
1986	115764	201378	0.575
1996	212574	269584	0.789
2006	357213	378460	0.944
Growth Rate	<u>5.85</u>	<u>4.06</u>	---

(Source: Statistical Center of Iran).

➤ **Rate of ownership and the occupation method of housing units.**

Study of ownership and occupation status of residential units in Tabriz shows that during the four past censuses, the share of personal property has increased from 69.8 percent in 1966 to 73.7 percent in 1996. The mentioned share has reached to its highest in the years 1976 and 1986 (about 80%). During the same period, the share of rental and mortgaged units has decreased from 22.8% in 1966 to 14.5% in 1996 (Alajegerdi, 1997, p 152). These 2 indicators also reflect the fact that due to increase of constructions, the ownership rates have also increased in the Tabriz Metropolis.

➤ **Number of issued building permits**

In order to determine the relationship between the construction and oil revenues of the country in recent years and decades, we have relied on the number of issued building permits. The number of building permits issued during the 90's and 2000's and 10's in Tabriz (Table 6) is a good criteria for evaluation and estimation of construction in the city during this period, on the other hand, the data in Table 2 also show the the prices of oil in the corresponding period. So, in order to investigate the relationship between these two variables, we have simultaneously followed their changes in Diagram 3 and then nonlinear regression of the independent variable (oil prices)² and the dependent variable (issued building permits) are calculated which shows a significant relationship between these two variables in such a way that $R^2 = 0.73$, which indicates the correlation of these two variables (Diagram 4).

² It is notable that in this study oil prices are considered to be independent while it is quite obvious that this variable can be linked to some international mechanisms which can not be considered in this research.

Table 6 The number of building permits issued in the years between 1997 to 2011.

Year	1997	1998	1999	2000	2001	2002	2003	2004
Numbers	2468	1890	2750	2290	2729	2820	3004	3665
Year	2005	2006	2007	2008	2009	2010	2011	
Numbers	3809	4010	4707	5111	2825	3596	4377	

(Source: Statistical Center of Iran).

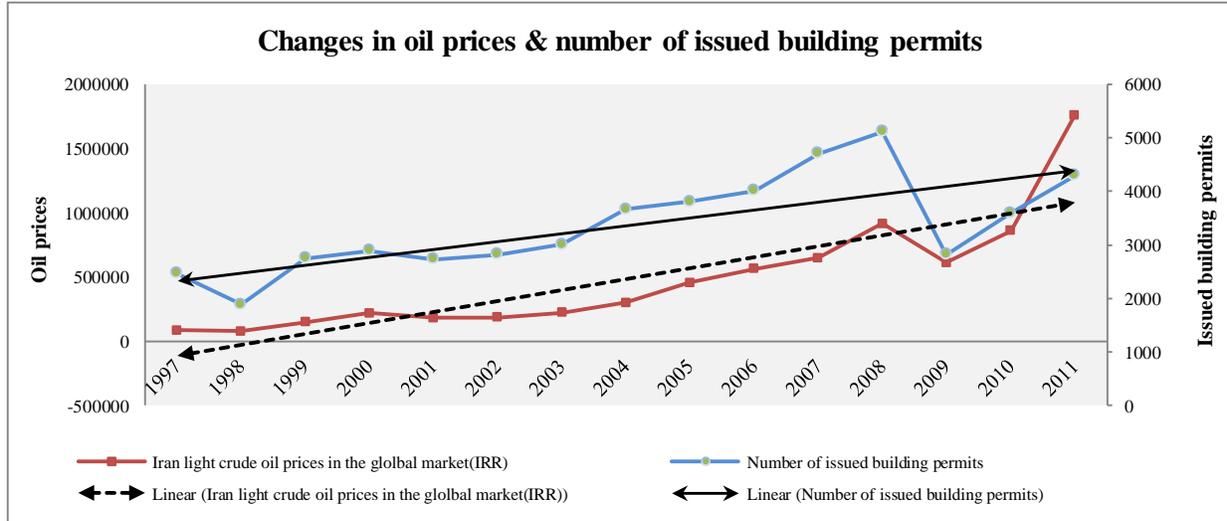


Diagram 3 Changes in Iran Crude Oil Prices in the Global Market and issued Building Permits. (Source: Extracted from the data in Table 2, 6).

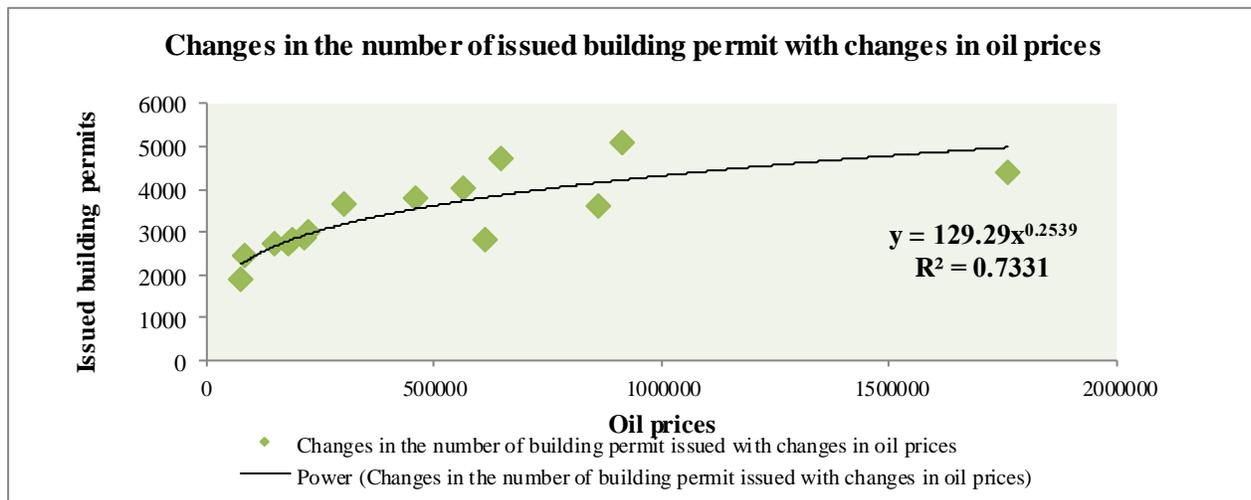


Diagram 4 Nonlinear regression of the oil prices and the issued building permits (Source: Based on data analysis of Tabel 2 and Tabel 6).

From Diagram 3 and Diagram 4 it can be inferred that the number of issued building permits change alongside the oil prices. So, changes in the rate of investment in housing and real estate in recent decades have been in parallel with the rise in oil prices. Because inflation in the housing sector is completely evident in case of increases in oil prices, speculative purposes can be considered significant in this increase of investment, because in Iran due to the lack of taxation for these activities, the profits of speculative activities is more than productive activities. Remedy of this crisis seems to be value-added tax, as in Britain the land price is determined at

the time transaction and taxes are determined based on value-added and this reduces the desire to further speculation activities while the government revenues will also be higher.

4- Discussion: Consequence Analysis

4-1 Suburbs as Suitable Fields for New Construction

Due to the adequate, large areas with less legal obstacles, suburbans are considered a better candidate than central textures for constructions and attracting the existing capital and liquidity in society. On the other hand with such an approach, the urban management releases itself from engaging in the challenges involved in urban central textures and instead of applying major methods for solving problems of spaces in urban areas using approaches such as the infill, smart growth and etc. approaches, by applying its actions in suburb textures, provides new problems for the city in the long run. "As seen in the existing statistics, with regard to the proportion of the population growth in recent decades, the size of Tabriz Metropolis has increased accordingly, but the physical aspects of this growth have been almost unbelievable; so that during 1966-96, urban spatial expansion has been faster than population growth" (concept quoted from Qorbani, 2006). Tabriz Metropolis population has increased nearly five-folds over the last half a century (1956-2006); ie from 289,000 in 1956 has been increased to 1,398,060 people in 2006, but the urban area has been increased about 12 times during 1956-2006 (Figure 1). In other words, the growth of urban area is 2.4 times greater than urban population growth (PourMohamadi, and Jame Kasra, 2012) (Diagram 5) which shows the tendency for construction in the suburbs and horizontal expanding of the city.

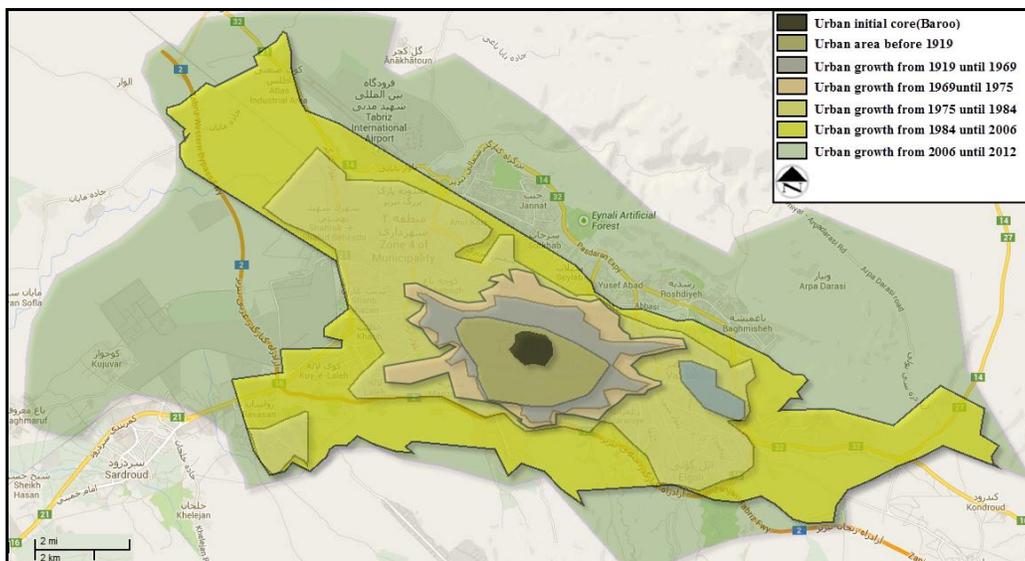


Figure 1 Periodic growth of Tabriz Metropolis since the formation of intial core until 2006.
(Source: Google Map) Edited by authors.

"One of the main constructions can be regarded as national policies taken to provide housing for various groups of the population, including the land preparation, the urban land law, supportive housing policies, social housing, mass-housing, downsizing, building apartments and rental housing policies "(concept quoted from PourMohamadi, 2000, p 134). Most of these policies have been taken to overcome the problem of housing in the cities of the country, especially in

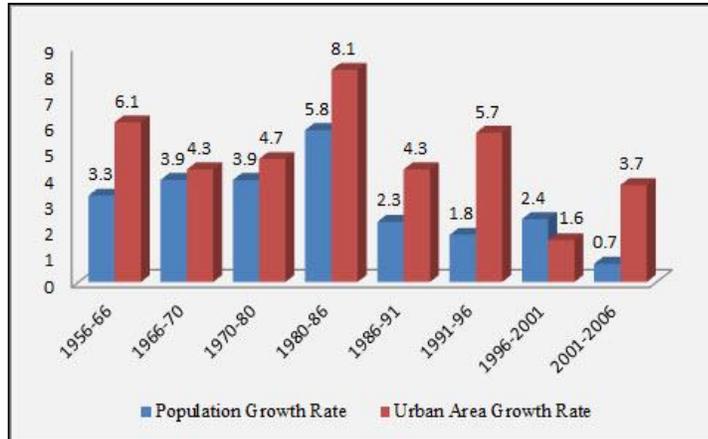


Diagram 5 Comparing population growth with area growth of Tabriz Metropolis.

(Source: Statistical Center of Iran) Edited by authors.

big cities including Tabriz Metropolis, so that between 1985 to 2001, 1,684 hectares of land in the form of land preparation projects were provided for people and different institutions, in total.

Most of these projects were carried out in the suburbs, causing the sprawl and physical development of the city on the surrounding agricultural lands (Musakazemi, 2000). According to the previous discussion, it seems that these investments are also associated with speculation and using of rents in a large scale, keeping this in mind that

according to Olivier "specular increase in land prices is associated with the volume of capital and real estate introduced to the speculation process» (Olivier, 2000).

Also, to compare the construction in central and suburb parts of the city, we can mention to the building permits issued for the inner city and suburb which show the weight of constructions in these two parts of the city. "Areas with more patents, show the constructions boom in those regions and the desire of public and private sector for investment in that region. Most of patents issuances occurred in the suburbs (especially the second district) where most land preparation projects have been planned and conducted in these areas. During the 2002-07, 22,091 building permits have been issued in the city of Tabriz, in which the municipality of the district 2 (the area located in the North East and East of the city which has the highest level of physical growth, already) with 5965 (27%) has the largest share and the municipality of eighth district (within inner city texture) with 256 permits (1.16 %) had the lowest performance in issuing the permits which reflects the decline of construction in the old textures of the city and its rapid expansion in the suburbs. During 2002-2007, an annual average of 43 permits were issued in the central texture, but the whole amount in the second district is 893 permits. In 2007, among a total of 4707 issued permits, the second district with a share of 1271 permits (27%) has accounted for the highest performance and the municipality of eighth district with 107 permits (1.8%) is placed in last place. During the same period, the largest increase in performance has been related to district 2 with a growth of 188%. Over the last few years, although the constructions rate has increased in inner city (old textures); but the unbridled expansion of the city from center to the periphery has been greatly increased" (Tabriz Metropolis Municipality Statistics, 2011). Statistics of 2011 indicates that the total number of building permits issued in region 1 and 2 as the outer city areas are 1097 permits. The value for 8th and 10th regions as the inner city areas of the city is 461 which indicates that the construction in outer textures is more than the central texture. The statistics also indicates that substructure of issued building permits in outside textures is much higher the central texture. Table 7 shows this in an accurate and concrete manner.

Table7 Comparing the Building Permits Issued in central regions with outer regions of Tabriz Metropolis.

Ratio of Substructure area of issued building permits in outer regions to central regions	Ratio of outer regions area to central regions area	Substructure area of issued building permits (sq.m)	Number of issued building permits	Area(Hectar)	Indicates
					Regions
3.6	2.5	1097536	1097	3675	Region 1 and Region 2 (outer regions)
		305351	461	1469	Region 8 and Region 10 (Inner regions)

(Source: Tabriz Metropolis Municipality Statistics, 2011) and authors calculations.

As can be seen, due to oil-based economy and its increased revenues injected into society and subsequently into the constructions, the constructions tend to focus on the suburbs and intact areas surrounding the city. The continuation of this trend will cause the expanding of suburbans. With the focus of urban management practices in the suburbs, the attention to central textures will move to the surrounding textures more than ever and marginalising of central textures of the city is detectable as a secondary consequence. So that in one the hand, improving the quality of life in wealthy suburbans and the growing decline of the quality in the central texture on the other hand can be found.

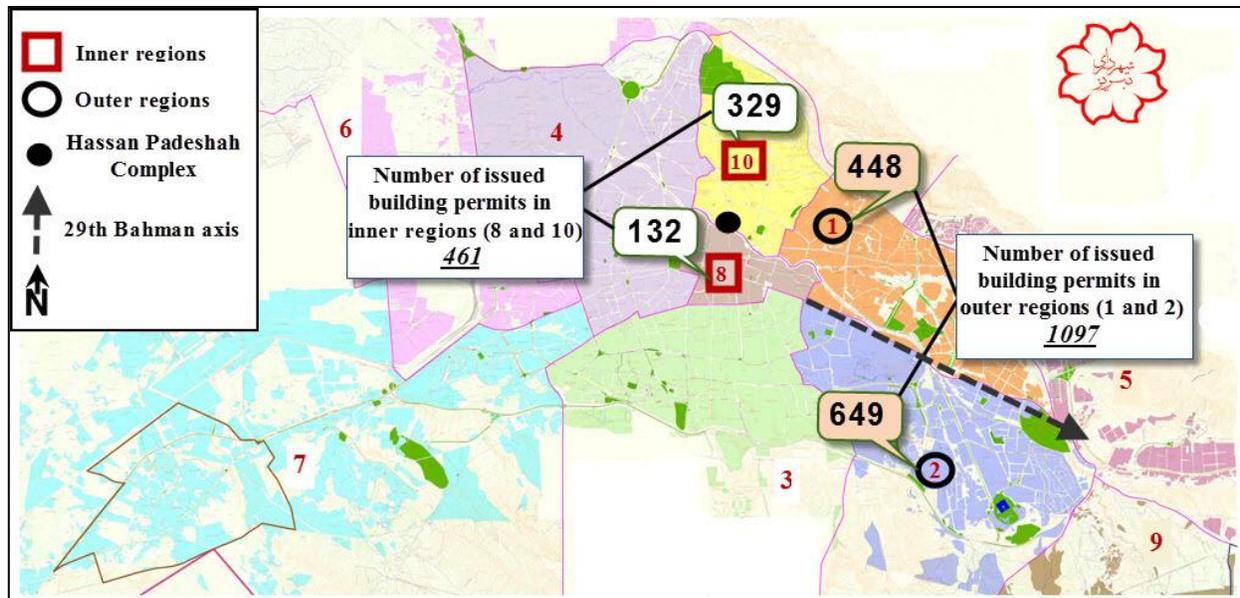


Figure 2 A) Comparing the Building Permits Issued by the municipality in Central Regions with Outer Regions of Tabriz Metropolis, B) Location of Hassan Padeshah Complex and 29th Bahman axis in Tabriz Metropolis (Source: Tabriz Metropolis Municipality Statistics, 2011) Edited by authors.

4-2 Imbalanced Spatial Changes; Urban Expanding and Inner City Degradation

According to the previous discussions and oil-based economy, the desire to speculative activities in Iran is very high, therefore due to high inflation and lack of appropriate taxation system, this issue is obvious in Metropolis levels in land and housing sectors. Also the activities in the construction, land and real estate with speculative purposes in suburban areas is more than other areas of large cities. "So in many countries, in order to avoid speculative activities, experts of urban planning are trying to control the sprawl and scattered growth of the city»(Triantafyllopoulos, 2010; Arrago, 1969; Archer, 1973; Marini & Remond, 1976). These activities are carried out with the aim of protecting the asset values and enjoying its profits³. These profits are affected by factors such as service level, zoning, urban regulations, projects and urban activities on adjacent areas of concerned lands. Thus, when the speculator groups are in relation with influential groups, they will continually try to divert the development directions and urban services to their desired areas in the suburbs to achieve their speculative purposes. Now, the concentration and polarization of urban actions on the growth axes of Metropolis of Tabriz not only are stimuli in the direction of hastily urban growth, but also strengthen the speculative purposes which in addition to securing speculative purposes, lead to an unbalanced distribution of urban utilities and consequently imbalanced spatial evolution of the Metropolis of Tabriz and has sparked a segr in it. To examine the recent claim, in the first step we will mention to some actions taken on several indicators on 29th Bahman axis (one of the main growth axes) and its corresponding examples in Hassan Padeshah Complex (representative of inner city areas) (Figure3) and in the next step the effect of taking such an approach on the quality of these areas is examined using changes in land prices:

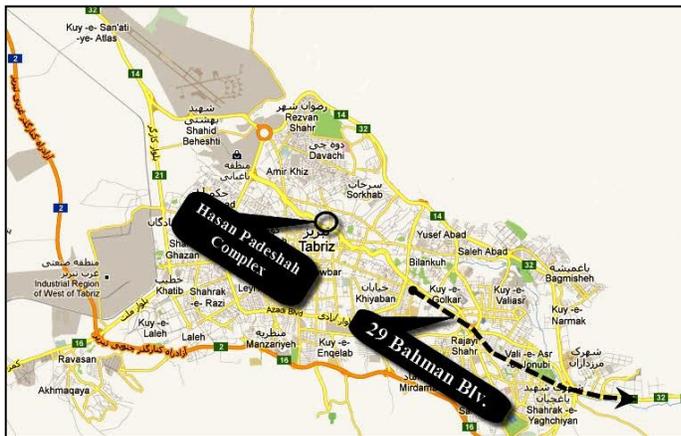


Figure 3 Location of Hassan Padeshah Complex and 29th Bahman axis in Tabriz Metropolis.

(Source: Google Map) Edited by authors.

❖ A comparative analysis of the taken actions in the central texture and growth axis of Tabriz Metropolis

- **Commercial land uses and Bazaar Bridges:** Building multiple new commercial centers on 29 Bahman axis which provide luxury products suited to the needs of today citizens' demands and also adequate and suitable infrastructures such as access to these facilities, have given a higher absorption power to them. Due to such cases, the marginalization and deprival of competitiveness of commercial land uses in central parts of

³ Purchaser of land can be divided into two categories: 1- developers, 2- holders the *holder* does not envision any important immediate economic use for his land; he holds it in order to have it ready for some anticipated future use. For our purposes, we refer to the holder as a *speculator*. He buys land *specially* in order to acquire a future profit due to an anticipated increase in the market price of the land. In reality, though, he may engage, also, in entrepreneurial activity connected with speculation: he may seek zoning changes, provision or improvement of public services to the property; he may produce development plans to use as selling aids, or may do any of a variety of other things. Also, at the end of the holding period he may decide to become the final user himself, to develop the property and receive both the speculative as well as development profits (Lindeman, 1976).

the city including the Hassan Padeshah Complex is completely evident (Figure 4). On the other hand, attention to the status of the Bazaar Bridge opposite the old Bazaar and a new one constructed on 29th Bahman axis, strengthens imbalances in the construction in the suburb and central part of Metropolis of Tabriz in such a way that the Bazaar Bridge opposite the old Bazaar aimed at connecting the Bazaar to Hassan Padeshah Square, but in contrast, the modern one has been constructed with unjustified functionality and just for speculative purposes and construction



Figure 4 Saheb-ol-amr Commercial Complex located in Hassan Padeshah Complex (Source: Authors).

of commercial centers on it which has resulted in isolation of the bridge on the old market (Figure 5).

- **Recreational, educational and religious land uses:** In contrast to poverty of the central regions in the field of recreational land uses, 29th Bahman axis has a high number of these centers such as 22th Bahman Art Center which includes galleries for art exhibitions built within 29th Bahman axis knowing that sufficient capacities to accommodate these land uses have been existed in central texture but have been neglected and accommodating such functions in traditional textures, could be more compatible with their own fields. Islamic Azad University can be named as an educational land use located along 29th Bahman axis, while it was possible to use the internal capacities and the operation of Faculty of Arts of that set which is more consistent with central texture, could be assigned to Akbarieh School of Hassan Padeshah Complex which could be a factor for its dynamism. About religious land uses, we can mention to the the newly-built seminary school on 29th Bahman axis which resulted in dissolution of historic seminary school of Padeshah Hassan Mosque which is considered as a factor for physical and functional exhaustion of the mosque.

- **Building density:** As well as we can mention to the high density of buildings on 29th Bahman axis which indicates the high volume of constructions on this axis and consequently in the suburb of the Metropolis of Tabriz. Notably, in addition to the impact of the oil-based economy in such a situation, the impact of the master plan proposals is also noteworthy. With superficial and very general proofs, the master plan considers the discussion of development within the Metropolis of Tabriz as inappropriate and proposing two axes and strips along the communication lines, suggests outer development. These two strips are: a) the North West (North of Tabriz - Sufian Road) (b) the South East (Tabriz –Basmanj axis): this strip is located following the studied axis i.e. 29th Bahman axis and the proposal of Master Plan is a major factor for concentration of urban activities on this axis (Figure 5).

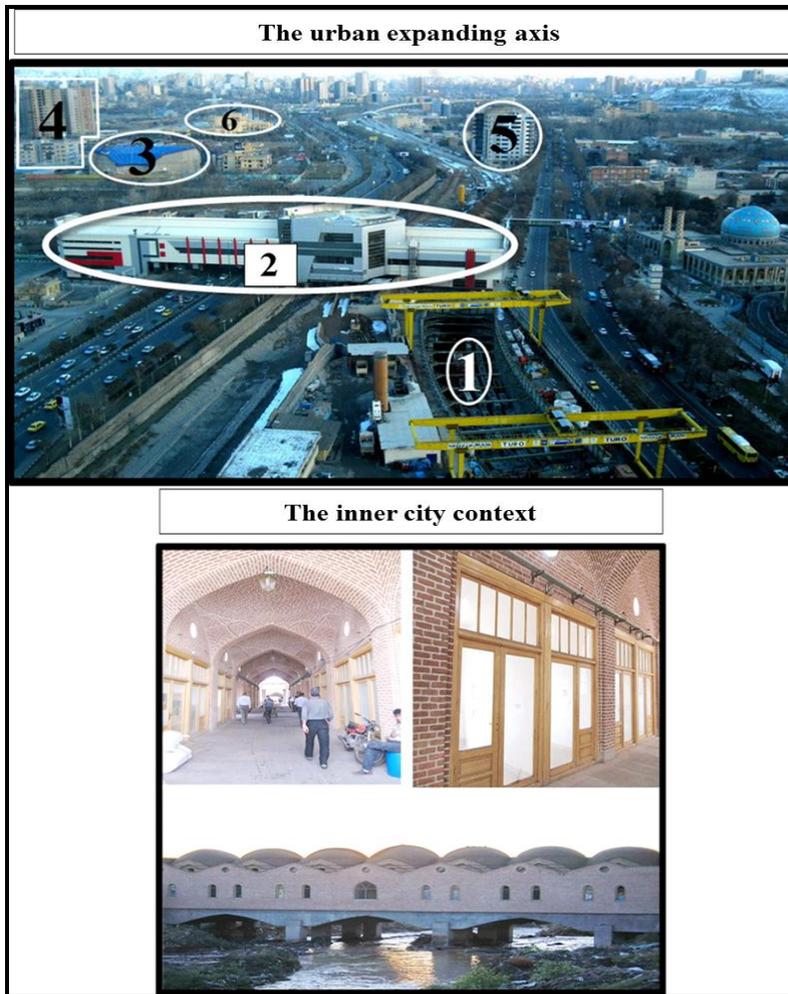


Figure 5 in the above photo, some of taken actions at the beginning of the 29th axis are shown which were effective in decline of trade prosperity at inner city texture : 1- Daneshgah metro station (Under construction), 2- Bazaar Bridge in front of Tabriz University and the established Bazaar-e Javaher in it which is created based on irrational goals likewise old Bazaar Bridge style -located in front of Bazaar-e Tabriz (below photo) –and may be a factor in decline of the old Bazaar Bridge use and dynamism , 3-Sadra recreational complex, 4-Large-scale residential complex, 5-Bolvar commercial complex, 6-Petroshimi sports complex (Source: Kheyroddin et al., 2013).

❖ Spatial qualitative changes in inner city and growth axis of Tabriz Metropolis

In this section, to evaluate the quality changes of these two districts the land prices are used. Land price is usually an index that different features of one quarter are appeared in it indirectly, like environmental, economic-social values (Kheyroddin, 2011 from Bourdin, 2008). For this reason, land prices for surround of 29th Bahman axis and Hassan Padeshah complex in 1986, 1996, 2011 were collected (Table 8) and slope of changes of prices in these 2 study areas in 3 mentioned years were shown, For comparison the price changes in these 2 study areas in the years between 1986 to 2011 are simultaneously displayed in Diagram 6. it is clear that slope of diagram of residential land price of 29th Bahman axis is more than Hassan Padeshah complex, as the gap of price between these 2 study areas increase when the diagram move from lower year to higher year and it show that qualitative value of Hassan Padeshah complex has not promoted as like as 29th Bahman axis in last 25 years, and also it is appeared as an impressive gap by passing time that nowadays it is a very tangible.

Table 8 Land Prices in Hassan Padeshah Complex and 29th Bahman Axis.

29 Bahman Axis (IRR)	Hassan Padeshah Complex (IRR)	Area
		Year
320000	140000	1986
2100000	850000	1996
2000000	600000	2011

(Source: Statistical Center of Iran).

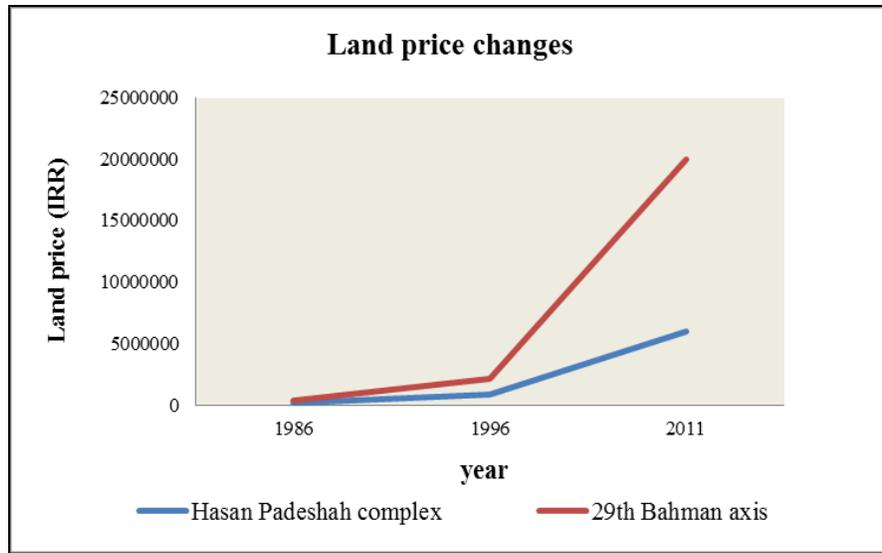


Diagram 6 : Land prices changes trend slope (Source: Calculate with datas of Table 8).

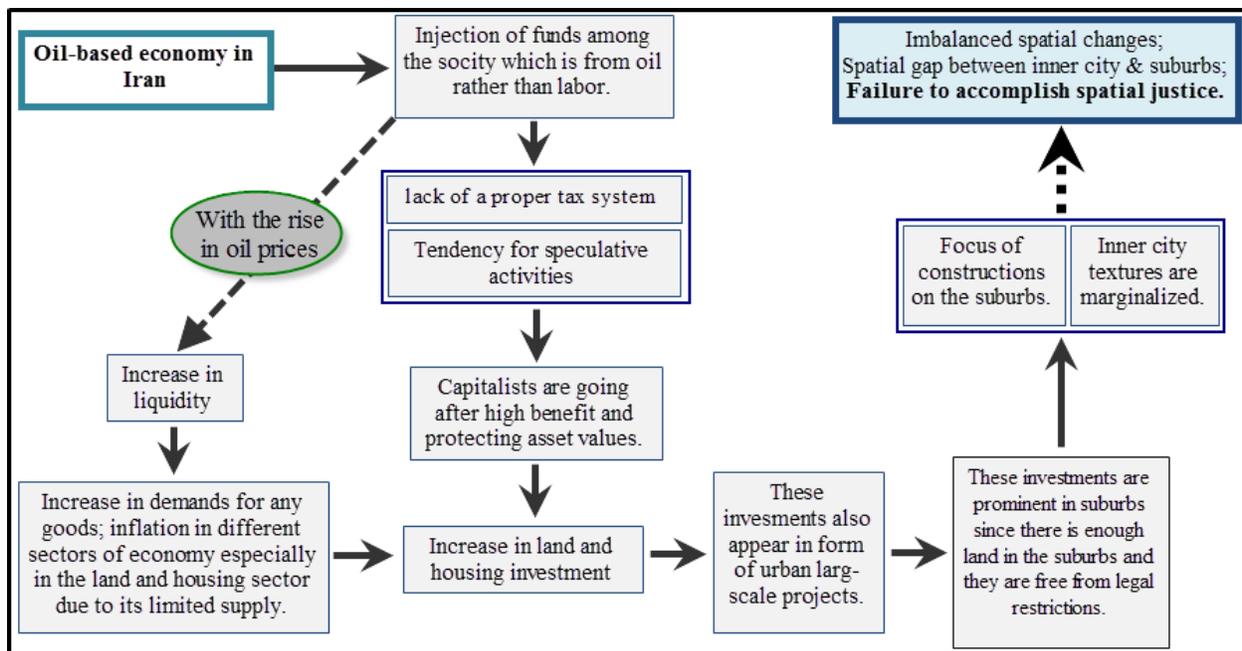


Chart1 Imbalanced urban changes process in oil-based economy (Source: Authors).

5- Conclusion

Tabriz Metropolis area has experienced many spatial changes during the past decade which parallel to this, the amount of investments in the field of construction have increased. It is obvious that a greater share of construction and investment is in the suburbs than in other areas of city. Following the focus of actions and constructions took place in the suburbs, rapid expansion of city area is tangible and marginalization of inner city textures is the consequence of this approach, so that the growth rate of Tabriz Metropolis area in this period was much larger

than its population growth rate which the result of this approach is spatial imbalances in the Tabriz Metropolis area. Studying the spatial changes of Tabriz Metropolis in the context of oil-Based economy of country in this research, a meaningful relationship between them was presented. So that oil revenues from oil rents injected in the body of society strongly causes inflation which is significant in the land and housing sector because of the limited supply of land and housing. In the other hand, in the oil rents based economy, a significant proportion of the country's wealth is from oil rather than labor and this makes the increase of rentier culture and the emergence of speculative activities. Also in these countries, including Iran, due to government independence from citizen's tax, the lack of a proper tax system, as VAT is clearly evident which has provided a platform for speculative activities. So the activities in which appropriate rents are achievable that could provide proper security margin for the enterprise absorb a substantial portion of liquidity from oil revenues in the society. One of the main kinds of these activities is the construction in the land and housing sector and its reason, as noted above, is the inflationary nature of this sector and the possibility of rentier from resulted inflation. On the other hand, since there is enough land in the suburbs and they are free from legal restrictions of inner city, interest for construction in the suburbs has increased that is the suburbs have had rapid growth and are on the focus of urban actions and the inner city textures are marginalized so that all of the latest tips can be seen in the substantial investments in various amenity and residential projects such as large-scale projects for land preparation and recreational, service land uses and etc., in the outer growth axes of city over the past three decades that has been isolated the inner city textures. So that this approach is shown as spatial gap between the inner city and the suburb. This topic were examined in current study on 29 Bahman axis as one of the main axes of the outer growth and Hasan Padeshah complex as part of the inner city texture Tabriz Metropolis which shows over the past three decades the quality of inner city texture declined and suburbs have experienced an increase in quality and in one word, imbalance in the spatial changes of the Tabriz Metropolis and failure to accomplish spatial justice is affected by the oil economy.

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