

## Housing Problem in Turkey and Bolu City as a Local Example

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### Abstract

*Housing is the basic element of individual and community welfare beyond being a consumption or speculative investment instrument. The housing problem has economic, cultural, political and social dimensions. The housing problem, which differs according to time and place, also has different results in terms of the development levels of the countries. They should be used as effective tools for residential problems, which have a dynamic structure and economic and demographic bases, as well as housing policies, urbanization policies, and social policies. It is possible to list the causes of the housing problem in Turkey as immigration, population growth, illegal construction, unguided urbanization, inaccuracies and deficiencies in planning and unemployment and income distribution disorders. In particular, neo-liberal policies introduced in the post-1980 period have accelerated the deepening and enlargement of the housing problem. In the study the housing problem and housing policies were explained in a wide frame and the housing problem in Turkey was discussed together with the city example of Bolu.*

**Keywords:** Housing, housing problem, housing policy, urbanization, social policy

### Introduction

In general, most of the existing buildings in cities are either residential or mostly used for residential purposes. The area of housing in the city and its numerical value constitute the most important issues of city planning and inevitably of local governments. Both are shaped by a country's economic policy. Economic policy is the reflection of the official political ideology on the economic rules and life. It is possible to observe this change in Turkish cities after 1980. Political power, which tried to integrate quickly with capitalism after the foreign direct investment inflow in the aftermath of 1980, thought that modifying cities is an important foot step to change the way of life. In this direction, the first practices were to create new rentiers by recognizing the extensive development authorities for the city administrations that had been in the hands of the liberal right, to make the rent economy and the citizen "who knows the business" dominant. Social life has also taken its share from this transformation, while slums, donations of agriculture and forests, rapid interventions of multi-storey or villa type residential complexes, motorways, infrastructure works, big shopping centers and cities have undergone a great transformation (Aydın 2003: 2). This transformation is not happening at the same pace or moment in the whole country but it reveals significant differences between regions and even cities. This process makes itself felt in the entire economic and social environment.

This rapid transformation, on the one hand, leads to an increase in infrastructure problems in urban areas with unguided urbanization and on the other hand it is the cause of social divisions among urban residents. This rapid urbanization and the rent created by the zoning of agricultural and forest areas for housing have caused an irreversible loss of agricultural activity, while at the same time it has become a source of serious problems in the housing sector. Surveys in the housing area point to housing deficits in many regions and cities in Turkey, while some indicate that there is housing oversupply. As a result of this, the country is looking for solutions to the housing deficit on the one hand and housing oversupply on the other. Such a determination, with even the simplest outlook, signals a lack of planning for housing needs or the absence of a long-term strategy in the country. The purpose of this study is to look at the housing problem with a local example in the context of the above points. First of all, the definition of "housing" will be emphasized then "housing problem" will be determined then examples from this literature will be given and finally "Bolu city" will be analyzed as a local example.

### ***What is Housing?***

Basically, the existence or absence of the housing problem can be considered by the manner in which house is defined. According to Tekeli, housing; is shelter as its function, a commodity produced, a consumer good, a speculative investment property, a guarantee of future, a tool in the reproduction of social relations, a cultural structure producing the urban environment, a major role in reproduction of individuals and labour that offers opportunities for individuals living separately from and in the society (Tekel, 1996: 2). According to Jiboye, housing, which has become an important social and economic component of societies, contains more than a simple shelter. Housing history is indistinguishable from the social, economic, cultural and political development of humans. As a unit of environment, housing has profound effects on the social behavior, health, productivity and general welfare of the individual and society. Housing, which reflects the social, cultural and economic values of a society, is the best physical and historical indicator of the level of economic development and civilization of a country (Jiboye 2011: 121). In this sense, there is a transition from the concept of pure housing to the concept of convenient housing. The existence of conditions like suitability of infrastructure, financial affordability, accessibility, location, etc. come to the forefront as the factors that are included in the definition of convenient housing. Another definition is made by Guerra, who says that housing is one of the cornerstones of citizenship that persuades each unit to join a national community and is an important element of the quality of life of the community. Accessibility and quality of housing are some of the key elements which put forth the degree or division of social cohesion for the welfare of the people and for the sustainability of this prosperity and social justice. Today, the understanding that housing is not a factor that can be considered apart from city politics, which adds account to the external environment, including collective areas and facilities, is strengthened. In other words, housing is not only a need-based product for families but also an economic entity and a tool that combines areas, people and organizations around different and complex purposes. In addition, housing is an important economic asset for both private enterprise and public budget. The housing sector in this framework is a sector that reflects the economic and financial trends in society (Guerra 2008: 24).

### ***Housing Problem***

The broad definition of housing also shows the diversity of the size of the problems of housing. From here, there are important questions to answer. What does the housing problem mean? Is it just a shelter problem or a social poverty-underdevelopment issue, or is the source of the problem the current management system or the individuals themselves? To what extent is it possible to define the housing problem without considering property relations? It is also a matter of debate whether saying something about the housing problem without producing answers to those questions will help to solve anything (Aydın 2003: 7). These issues indicate that housing should be handled in the realm of social policy. Within the framework of market efficiency, privatization, decentralization and housing deductions along with social housing financing are the weakest links in the network of social security systems. Although the concept of affordable housing has begun to reappear on the social and political agenda, it is still not an integral part of the social policy agenda (Carter, Polevychok 2004: 30).

In general, housing is regarded as one of the pillars of the welfare state as well as social security, health and education. Despite the rapid expansion of social housing after the Second World War, it is the weakest pillar of welfare state within the public social assistance system (Fahey and Norris 2011: 439-452). Even in the northern European social welfare states, public production and distribution of housing is not a question. In these countries, housing is mainly provided by the private housing market. State and local governments make arrangements to direct the market in line with various objectives. Thus, industrialized countries apply special housing policies for different bases and for different purposes in order to regulate housing markets (Andersen 2012: 5). Hence, it can be said that the functions of housing are becoming increasingly important in the framework of social policy which we can consider as a whole the arrangements that are made in order to achieve the conditions of human existence. Perception of housing problems have changed in recent years as in many countries with World War II the difficulties of housing supply has become largely able to meet housing demand. Problems have also changed in connection with cyclical changes in the economic conditions of a country (Andersen 2012: 5). Significant changes in today's societies, including individuals, organizations, economies and states, affect social policy on a broad level, including housing policies. Public housing policies, whose overall objectives change significantly over time, vary greatly with new demands and expectations of individuals as well as economic, social, demographic and urban changes.

The generalization of a market-driven economic model has led to the re-emergence of questions about the role of the economy and the regulating state, in particular by revising traditional public intervention mechanisms in terms of protection of vulnerable community groups (Guerra 2008: 1-2). The concept of housing in this frame is also differentiated and supported by various obligations, freedoms and guarantees. Housing, which clearly crystallizes the movement of social relations, also reproduces and reinforces this movement in the process. The bad location of housing creates problems in accessing fresh air and water resources, increases the length of time to go to work, makes access to good schools difficult and prevents the efficient use of transportation and many other services. In addition, crime, environmental pollution, poor infrastructure, and other problems that are named as neighborhood effects by households increase the possibility of being faced with a series of problems. In short, housing is at the center of social reproduction and the in-house space is where most of the production takes place. The vital necessity for the social reproduction of the house makes it a right rather than something which is bought and sold (Aalbers and Christophers 2014: 373-394). This has provided the right to housing as a basic human right and has also formed a basis with international and national legal texts to be organized and protected.

As a natural consequence, the housing problem may show different qualities in terms of the development levels of countries. Conditions such as the high rates of internal migration and the youth population in underdeveloped countries, a rapid and uneven urbanization process, chronicization of unemployment and low purchasing power can cause the housing problem to turn into a socio-economic/political problem. The housing problem in this framework gains importance in terms of social, political and economic stability (Coşkun 2015: 89). A rough overview shows that the need for housing is demographic and the demand for housing is an economically-based problem. The housing problem, therefore, depends on economic factors on the one hand and demographic factors on the other. Demographic mobility makes the housing problem persistent and the housing problem can be alleviated only when sufficient resources and effort are spent. A comprehensive intervention and a commitment to implementation are essential. For this purpose, in the underdeveloped countries, the housing market can be intervened by various means such as public sale, renting of social housing, social rent implementations. In the developed countries which have internalized the market mechanisms, supporting the availability of housing in housing purchases or increasing housing provision for immigrant and poor people constitute housing policies (Coskun 2015: 89). Naturally, the views on the right to housing, which are subject to legal regulations, vary according to the level of development of the countries and these changes lead to the differentiation of the housing problems and, in parallel, the differentiation of housing policies.

### ***Housing Policies***

According to Blumenthal and McGinty, housing, which is an important consumption item, a source of safety and stability and an instrument encouraged to increase national wealth, plays a crucial role in human life. Housing policy is gaining more importance in improving the economic welfare of low-income groups, while the middle class is shrinking. Where families do not have access to affordable and safe housing, economic and racial discrimination have negative impacts on the financial, social and human capital of societies. These negative effects are attributable to effective housing policies (Blumenthal, McGinty 2015: 1). Governments intervene in housing markets to ensure air access to housing and to increase housing opportunities. These interventions include direct ones such as fiscal measures, taxes, and subsidies and social housing or housing allowances, as well as various regulations affecting the quantity, quality and price of housing. Housing policies can influence not only the individual housing problem but also on overall economic performance and living standards, by influencing labour mobility and/or the savings of the households (OECD 2011: 4). Therefore, housing policies make significant social impacts as well as economic effects.

According to the OECD, the objectives of housing market policies are "to eliminate market disruptions that may lead to inefficiency in housing markets. These problems include the relationship between unequal market forces in the housing market, the environmental exogenities created by new housing developments and other topics. To address these problems in the housing market governments introduce various regulations. Another aim of government interventions is to promote economic performance over housing production. Social concerns such as equality are among the motivations of public intervention. The link between housing and wider social outcomes leads to socially acceptable housing standards. These standards are governments' provision of housing to disadvantaged families and groups, and redistribution of income. One of the most appropriate ways of achieving the aforementioned standards is social housing" (OECD 2011: 4).

The formation of residential areas can be examined from two perspectives. The first of these is the production processes as the basic dynamics that constitute the housing market. The second is the dynamics that shape the consumption dimension—in other words the demand process. Since public intervention based on social equality remained weak in the process of production dependent on free market conditions (as opposed to planned conditions), housing has moved away from being considered a housing right. It seems that the public acted like an actor in the market at the same time, while trying to control and direct the production of housing. On the other hand, in the free market conditions due to the dynamics of the consumption society, the housing market has also entered new orientations. While the right to housing was removed from the perspective of housing production, residential areas marketed according to profitability conditions began to be established. These new created areas are marketed with a different lifestyle label while their presentations are similar to each other. As a result, this leads to an inequality depending on the income levels of the households in the housing market (Özgür 2012: 29-30).

According to Andersen, housing policy is public initiatives affecting housing supply, price, and quality and how to allocate them to households. Housing policy is, to some extent, intertwined with urban policy which affects where and how residences are located in the space and the qualities of the neighborhoods. Here, Andersen's housing policy tools are as follows (Andersen 2012: 8): Individual financial support for housing consumption among households (housing allowances given to individual households based on their needs, income and housing costs). Direct financial support (subsidies for new housing construction or reduction of certain costs of tenants). Establishment of a private social housing sector (establishing a residential sector owned or controlled by central or local governments for the purpose of providing cheaper or better housing for certain parts of the population). Indirect tax support (tax systems that are important for housing costs and make housing investments more profitable than other investments). Rent/price control (regulation resulting in rents or prices below the local market level). Arrangement of access to the housing (what housing is vacant and rules governing accessibility). Institutions and rules for the financing of housing (institutions with lower interest rates).

The existence of these regulations alone cannot guarantee a sufficient amount of affordable housing. According to Carter, "for a successful social housing policy in a wider social political framework, strong links should be established between many other policy areas such as migration, health, education and social assistance and housing policy. In many respects, housing is the missing link in our social policy and economic policy sets. When affordable housing is available, the general health of people and the community shows improvement, families' lives become more stable, children's school performance improves, immigrants become more integrated and dependence on income support is reduced" (Carter 2004: 40). Moving from this point, immigration within and between countries, which has gained momentum in recent years, increases the function and importance of housing policy.

The differences in housing policy largely stem from what the state's tasks are and the extent to which the production and distribution of services will take place. Discrepancies between the various welfare systems of different countries are also reflected in housing policies (Anderson 2012: 3). In addition, it should not be overlooked that the country's own physical and economic conditions are among the factors that cause the diversification of housing policy in developed capitalist countries. In the housing policy literature, there is a debate about the convergence and divergence of housing systems. Among these views, it is seen that the dominant system is the one used in western countries, which is incorporated in the framework of the Anglo-Saxon model, that has a commoditize supply concept with the least possible amount of state intervention. However, the policy tools in this area are extremely complicated and inconsistent with regard to scale. This subset of policies greatly affects the system. Despite the combined model, the provision of social housing and direct public subsidies continues. Therefore, it is not confirmed that housing systems converge towards minimum state participation (Fahey, Norris 2011: 439-452).

### ***The Housing Problem in Turkey and Bolu City Example***

It cannot be said that the government in Turkey fully fulfills the task of meeting the right to housing for large sections of society as often as it did at the establishment of the Republic. The fulfillment of these rights and requirements has been abandoned to the supply-demand relationship of the market economy.

In the housing sector, which is considered one of the important elements of overcoming the capital accumulation crisis, while the capital components, especially banks, construction companies, builders, landlords and land speculators, continue to grow, the housing problem of the low income segments continues in qualitative and quantitative terms (Çoban 2012: 104). It is possible to list the causes of the housing problem in Turkey as immigration, population growth, illegal construction, unstructured urbanization, inaccuracies and deficiencies in planning and unemployment and income distribution disorders. The factors that strengthen and deepen the solution of the housing problem are rapid and unplanned urbanization (Yiğenoğlu 1993: 14), rent creation and sharing on the urban territory, unfair income distribution, zoning amnesties for political rent (Buğra 2000: 113, Göymen 1983: 227) and speculative housing production (Geray 1999: 106, Arin 1982: 273). This is the spatialization of the neo-liberal order as one of the key elements of policies aimed at increasing economic growth. In short, commodity city areas have become one of the main components of capital accumulation. Urban development projects, the privatization of industrial and public buildings, the commoditization of natural resources and the expropriation of the properties of existing owners of economically valuable urban areas serve to accumulate such capital. From 2002 until the present day all governments laid the groundwork for the neo-liberalization of the land and housing regime. In this period, cities came to be centers where neo-liberalism reproduces itself and continuously develops itself. The neo-liberal restructuring of the urban area takes place with the reconstruction of urban areas from a conservative point of view and the creation of new areas (Lelandais 2015: 57-59).

Since the housing problem in Turkey is based on a housing deficit, the solutions are also directed here. Therefore, for example, to solve housing problems in our country according to Union of Chambers of Turkish Engineers and Architects (UCTEA – Türk Mühendis ve Mimarlar Odası Birliği, TMMOB) (UCTEA 1998) requires: Control of urban rent by regulations and the production of new and proper lands, Development of urban infrastructure financing, Prevention of illegal construction, Renovation and rehabilitation of slum areas, Establishment of a livable settlement system and a geographical information and statistics system to monitor adequate housing development, The construction of a land registry of the country, agricultural forests, treasury real estate, vacant land and cadastre but also the determination of places which are under the control of the state and the rapid production of Large Scale Standard Cadastral Prevention of land speculation and tax evasion, determination of the values of immovable properties and creation of immovable value maps in order to create a reliable, healthy land market. Construction process is required to be supervised by the relevant UCTEA units according to the Building Inspection Law and Regulation to be issued.

Along with these assumptions, despite the acceptance of a countrywide housing deficit, in some cities the problem is housing oversupply. These differences emerge as a result of the difference in rent created among the cities and regions. In order to make this analysis, it is necessary to determine the housing need in Turkey on a city-by-city basis and to determine the size of the housing production to respond to this need. One of the studies published in Turkey is based on the report on "Urban Transformation Projects, Problems and Methods of Implementation" of Housing Under secretariat. According to this report, it is stated that there will be 2.860.343 housing needs in 2010 due to the existence of 2000-year housing (İMO, 13.11.2011). According to Turkish Statistical Institute (TSI) data, the total number of housing units in the construction permits received during the period of 2000-2010 was 3.692.684. In other words, the report stated that the number is more than 800 thousand. Considering that the construction period of these permissive buildings has not yet been completed for the last three years—it is estimated that this is about 2,2 million—it comes out with a total of about 1,5 million homes built during this period. Therefore, it seems that the housing stock mentioned as needed cannot be reached. Based on the same report and the TSI data (as the latest official data is due in 2014), the housing need is 22.445 in 2014 for the analysis (the 2014 population is 77.695.000 and the average household size is 3,6)<sup>1</sup>. TSI census results in 2000, the total number of housing is 16.235. When the number of construction permits is taken into account, between 2000-2014 (8.225 apartments), the total housing stock is 24.460.000 including the unfinished units. In other words, as of 2014 there is in total a 2 million house oversupply. By transferring them to economic concepts, we can say that housing supply is 2 million over housing need.

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<sup>1</sup>Housing Demand: (Population/Household)x1.04

1.04 in the formula contains the percentage of vacancies in the housing. For more information visit <http://www.unr.edu/Documents/business/uced/factsheets/statewide/fact-sheet-statewide2010-465>.

Of course the presence of unfinished constructions seems to have inflated the housing stock. However, recent developments in construction technology have shortened the construction period and have predicted the construction completion, in the most pessimistic view, in 3 years. Even though half of 2.600 units which received permission between 2012 and 2014 have not been completed yet, there is no problem in the number of housing units. The problem is that the need for housing cannot turn into a demand. Or there is a problem that those who need housing cannot get housing. The most basic indicator of this analysis is the big difference between occupancy permits and construction permits. Or, economically, there is a problem that the housing demand remains below the housing supply. This interpretation is limited only by a quantitative analysis of housing. The qualitative adequacy of housing should also be analyzed. Apart from the theoretical descriptions in the studies related to housing, it is also important how the data sources, on which the analyses are based, define housing. In its former name, the State Institute of Statistics (Devlet İstatistik Enstitüsü - DİE) describes that the label housing depends on the intended use of the building as a 'residential building separated as a house or apartment buildings' and 'apartment as a residence, closed with covered ceiling, enabling a family or a group of people to live separately from one another; a part of a building or a building with an independent door leading directly to the street, a corridor or the general area.' The 'Life Index in Cities' study of the Turkish Statistical Institute (TSI) was carried out on 11 dimensions and one of them was designated as 'housing'. In this study, housing has a new definition, which is used as a living space, after it is determined as a basic life component in which the individuals meet their vital needs. It is emphasized that the following characteristics should be established. Housing needs to have minimum qualifications in terms of the quality of an individual's and household's life. Some of these features include the possession of a toilet in the housing, an independent room or an adequate living space for the privacy of the individual, the physical characteristics of the housing (such as doors, windows, roofs, floors, plumbing, infrastructure), adequate heating, protection against external influences and adequate daylight. Housing opportunities directly affect other life dimensions, such as education, security, health, life satisfaction, work life, social life, and social relations (TSI, Life Index in Cities 2015, 22 January 2016).

As a unit of housing defined by the State Institute of Statistics (DİE), when *housing* is defined in its original form, a quantitative housing issue will probably be excluded from the discussion because in this definition, the main element of the housing is the "door." Other features do not appear to be fundamental determinants. The second definition emphasizes the qualitative characteristics by moving the housing out of quantity. In this definition, housing becomes a qualified and durable consumer good. From these definitions, it is seen that the housing issue is perceived when the housing problem is considered. We can define housing as a situation where the number of households is higher than the number of existing houses and we can express the openness only as a numerical difference or as a question of the quality of housing conditions. However, whichever comes first, the housing deficit will show the need for the existing housing. The conversion of housing needs to housing demand depends on the purchasing power of the household as an economic base. Therefore, demographic characteristics and social structure determine the demand for housing while demand for housing is determined by income.

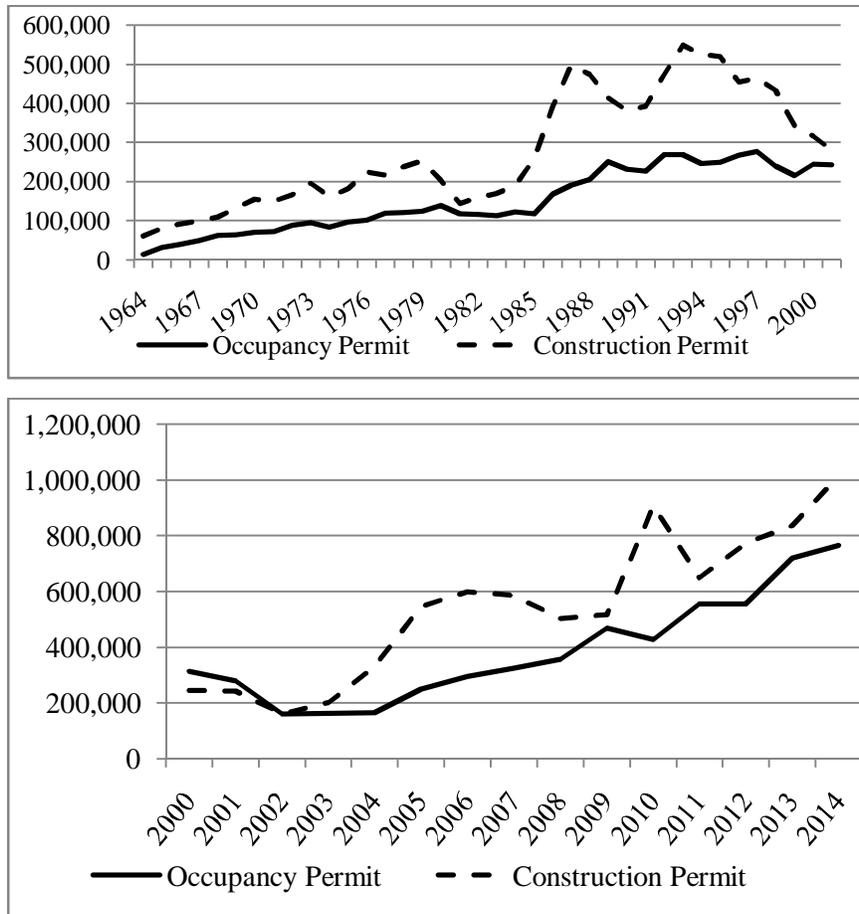
**Table 1: Housing Production after 2000**

	<b>Occupancy Permit</b>	<b>Construction Permit</b>	<b>Gap</b>
2000	315.159	245.155	70.004
2001	279.616	243.464	36.152
2002	161.491	161.920	429
2003	162.908	202.854	39.946
2004	164.994	330.446	165.452
2005	249.816	546.618	296.802
2006	295.389	600.387	304.998
2007	326.484	584.955	258.471
2008	357.286	503.565	146.279
2009	469.981	518.475	48.494
2010	429.755	907.451	477.696
2011	556.769	650.127	93.358
2012	556.331	771.878	215.547
2013	721.501	837.282	115.781
2014	766.527	1.014.678	248.151

Resource: TSI data on Construction and Housing.

As a result of all these, the way of looking at housing supply and demand for the determination of housing deficit is the foreground. In the literature, "occupancy permit-residence permit, housing demand and building licence permit documents-building construction permits" are accepted as housing supply indicators (Öztürk, Fitöz 2009: 22).

**Graphic 1-2: Change in the number of Housing in Turkey by years**



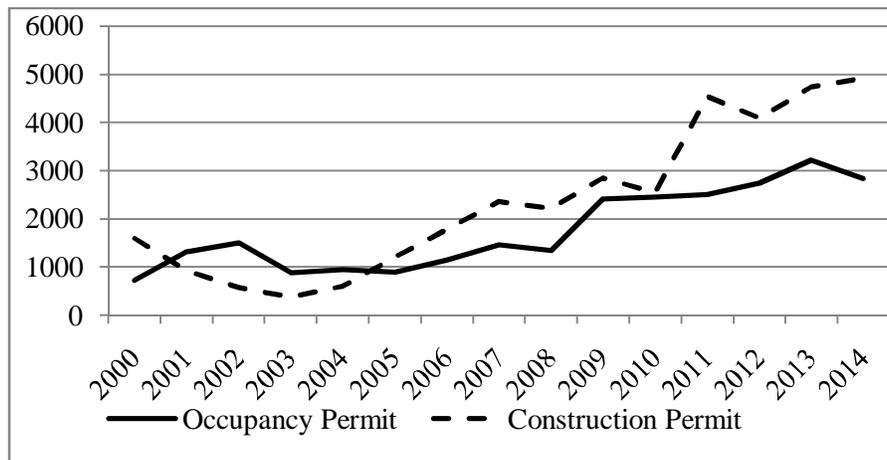
According to TSI data in Turkey, the population was 67.803.000 in 2000 and 77.695.000 in 2014. The population increase in the 14-year period was 9.892.000 and the average household size was 3,6 according to TSI data. Therefore, the number of houses to be increased in this period is 2.750.000. In Turkey, the number of housing permits obtained after 2000 was 8.119.000 (TSI Construction and Housing). Therefore, there was no problem with the number of houses for which construction permission was granted in this period. In the same period, the number of residence permits was 5.814.000. In other words, there are no applications for permission of 2.305.000 from the houses for which construction permission was granted. Of course, it is not possible to say that the demand for housing in the 2000-2014 period was about 2,5 million lower than the housing production. Despite the fact that there are still incomplete constructions, there are housings without a residence permit (habitation permit). However, it is hard to determine this officially and it can only be said that the produced houses are able to meet the housing need in Turkey.

If the number of built houses exceeds the usage permits, it shows that there is a problem in the transformation of housing need to housing demand. In a separate study, by examining the qualifications of the houses which are produced and the qualifications of the houses which are allowed to be used in the whole country, it can be determined which social sections of the housing demand are in trouble. The appearance of this data in terms of cities reveals very different results from the ones mentioned above. Bolu is one of the cities determined by the reports to have the housing deficit turn into a housing oversupply.

**Bolu City example**

According to the report of the Under secretariat of Housing, the total number of housing needs in Bolu was determined as 36.685 in 2000 and it is estimated that the housing need will be 46.777 in 2010. Therefore, according to the report, the number of houses needed in Bolu within 10 years is calculated as 10.092. According to TSI data, the number of construction permits received in the city including 2010 is 17.061 and the number of occupancy permit is 15.085. This data shows a great difference from the figures estimated in the Chamber of Civil Engineers (IMO 2011) reports, which are under the jurisdiction of the Housing Under secretariat. Or it is possible to conclude that the problem in the locale has turned into a housing oversupply.

**Graphic 3: Change in the number of Housing in Bolu**



**Table 2: Number of Housing in Bolu by years**

	Occupancy Permit	Construction Permit	Gap
2000	722	1603	881
2001	1322	920	-402
2002	1.503	584	-919
2003	874	384	-490
2004	950	613	-337
2005	893	1.214	321
2006	1.145	1.782	637
2007	1.459	2.360	901
2008	1.349	2.213	864
2009	2.415	2.846	431
2010	2.453	2.542	89
2011	2.506	4.537	2.031
2012	2.750	4.096	1.346
2013	3.220	4.741	1.521
2014	2.836	4.924	2.088

Resource: TSI data on Construction and Housing.

When we make the analysis on the official data of TSI, the results vary to some extent. According to the results of TSI 2000 Building Census, the number of houses in Bolu in 2000 is 48.647. Between 2000 and 2014, the number of housing permits received was 35.359. Considering the finished and unfinished ones in Bolu in 2014, the total housing stock is 84.000. It is necessary to evaluate what this number means for the city on the need of housing. The population of Bolu city is 284.789 as of 2014. According to TSI data, 52.559 of the city's population live in the villages as of 2014. In Construction Permit and Occupancy Permit data, permanent residences in the villages, agriculture and animal husbandry buildings, village rooms, village mosques and similar village common buildings, which are not municipal organizations and are located in the borders of villages, and also slum buildings in the cities. (TSI Construction and Housing Metadata).

It is necessary to say that the determination of the housing needs of the Under secretariat of Housing and the Chamber of Civil Engineers does not include the villagers. This shows us that there are 232 thousand people in Bolu who could be subject to the calculation of housing need. According to TSI data, the average household size of Bolu is 3,2 people. From this, 75.400 units of Bolu city housing need can be detected. The number of existing housing is above the housing need. However, the demand for housing is seriously different with the need. The change in the demographic and administrative structure of the city after the 1999 earthquake makes analysis difficult. However, when we deal with data after 2000, it is revealed that the housing problem in the whole country is also applicable in Bolu. Between 2000 and 2014, the total number of residential permit documents received was 35.359 while the number of residence permits received during the same period was 26.397. These figures include those who have settled without permission for use and those that have not yet been completed. It is possible to say that even though a significant portion of about 9.000 housings are needed, it is not possible to reach the houses or there is no demand due to income constraints.

All of this shows that there is a problem of housing access, not only in terms of quantity but also in the whole country, or at least at the local level. In this case, the question of what is the basic motive of housing production is meaningful at such a time when demand is not increasing enough. Possible answers to this question are the expected level of return from alternative investment instruments behind housing investments and the expectation that the increases in land prices will be reflected in current housing prices and will provide speculative returns. When the housing producer receives a decision of production, starting with existing houses from the market price is similar to the "q theory" of the investment. Simply, if the cost of building a new residence is relatively low in proportion to the selling prices of the existing ones, the housing construction will accelerate. Tobin's q (Kopcke 1995), in this case, gives the profitability of the new housing investment or, alternatively, the ratio of the new housing construction cost to the stock house price (Dornbusch, Fisher 1994: 355-356). If this ratio is more than one, making new investment will be profitable. Where a new housing construction cost is higher than the current housing price, the housing manufacturer will avoid the investment (Higgins, Osler 1998: 15). The fundamental variable that determines this relationship in our case is the great change in land prices. As a result of zoning, the increasing value of the land that is obtained at very low cost is reflected in direct residential sales prices. Although there is almost no change in construction costs, the increase in land value is directly reflected in the price of the house and it provides a great speculative income.

In the sense of the public sector rent on the city ground is created by local governments and society but landowners confiscate this rent without paying the cost. The state, by not intervening in these rents, in fact plays a redistributive role in the field of income distribution (against the poor and low-income groups, for the benefit of speculators and upper income groups). The resulting rent raises the prices and rents of existing houses without creating a space for only new housing production. This result reduces the accessibility of low- and middle-income households to housing and pushes them towards unqualified residences. The gap created by inequalities in the distribution of income in cities expands the dimension with spatial inequality.

### ***Conclusion***

As an antidote to commodity social policy, designed to reduce and remedy the negative effects of the market, includes interventions not only for the individual but also for the improvement of the rights and welfare of local communities and regions (Vaillancourt, Ducharme, Cohen, Roy, Jetté 2001: 2). In today's increasing need for social policy on urbanization both central and local administrations have different levels of duties. Housing policy alone does not provide access to adequate and affordable housing. Social policies that envisage the development of education, job security and social safety nets must take into consideration individuals' access to housing that will help them achieve their social, economic and cultural goals (Hay 2005: 7). Initiatives to ensure market-driven urbanization and development objectives must be accompanied by social provisions. The function of cities and urbanization will depend on how social policy provisions are used to strengthen and accelerate social development (Li, Piachaud, 2006: 19). It seems that the difficulty of accessing the housing lies at the basis of the housing problem. The motivation in housing production, which makes it difficult to access housing, is directed towards direct profit maximization. As a result, it is necessary to intervene by considering the production of housing as a means of social policy rather than merely a market mechanism. This requires that the housing supply be handled as direct accommodation and speculative (Türel 1996; 4).

For the purpose of direct housing for non-profit purposes, housing supply is seen in the form of individual housing production, public housing production, cooperative (Alkan 1998) and municipal partnerships and housing production of the Housing Development Administration to meet the need for real housing. Speculative housing supply is based on a demand for an existing housing demand and a demand that will be formed in market conditions. The builder expects to buy and sell land at reasonable prices to obtain speculative profits or to make profits by purchasing land that is not worthy of reconstruction very cheaply except for the zoning borders (Aydın 2003: 46). Speculative housing supply is a result of land rent in a sense. In order to be able to identify this, it is necessary to monitor changes in land prices before and after zoning or environmental changes leading to the valuation of land. The high level of price in speculative housing production leads to the luxury housing status of the houses that are produced and it is directed towards the upper income group. On one hand, idle houses, which are produced without utilization-permit, on the other hand low-middle income masses that cannot reach the housing due to the high prices created by the land rent, even though it is the housing need. It is clear that the public sector must intervene regulatory to remove this imbalance, the efficiency and efficiency losses that are blessed by the market mechanism.

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