INTRODUCTION

The process of political and socio-economic transition of the Republic of Serbia, although delayed due to the civil wars in former Yugoslavia, showed many similarities with other ex-communist countries in Central and Eastern Europe. The urban systems were exposed to enormous pressure caused by several factors - the powerful currents of globalization, the advances in information technology, drastic shifts in the service sector and numerous challenges imposed by the international financial markets (Dimitrovska Andrews, 2005). As a result, the urban development of cities shifted toward a neo-liberal concept as the appropriate framework for the growth of the urban economy. This was a logical consequence of a global trend which emphasized the significant role of cities in the world economy.

The case of Novi Sad, a medium-sized European city and the capital of the Serbian province of Vojvodina, followed a similar path focusing its development on central areas characterized by existing built cultural heritage and historically significant sites and buildings. However, during the first decade of the 21st century these areas were exposed to major political and social changes which transformed the historical spatio-cultural environment. Considering both the general European context and the specific current development of Novi Sad, this article emphasizes the importance of preserving the valuable physical substance of the inner-city neighbourhoods through the process of regeneration and using new mechanisms, guidelines and instruments.

The methodology used in this article relies on critical discourse analysis of the identified phenomena. It provides an insight into the current European urban practice implemented in medium-sized cities and examines transformations of their inner-city neighbourhoods. The case-study of Novi Sad presents and analyses the main features of the recent spatial, social and economic development, considering the scale and impact of transformations in the central zones. Responding to detected local problems and dominant global trends, this article suggests site-sensitive regulation in the urban and architectural design of the areas with heritage qualities. At the same time, the article defines a set of crite-
ria to be used in order to create a specific typology of identified areas and to facilitate precise application of guidelines, rules and instruments, in accordance with the actual condition and importance of a site.

Nevertheless, although the vast majority of European citizens live in medium sized cities, their resources and organizing capacities are far less challenged by contemporary processes of (global) urban restructuring. Recent research conducted by an international group of urbanists (Giffinger et al., 2007) focused on medium-sized cities in Central Europe, using the existing economic, social and environmental potentials of selected nodes. They were analyzed in order to define possibilities for the development of competitive advantages of cities, within the appropriate niches. The authors emphasized the fact that unlike important mega-nodes, the medium-sized cities have to be highly specific in their approach, developing a particular aspect of their attractiveness. Since the most important global functions (command and control, business, finances etc.) are mostly concentrated in global metropoles, the lower categories of cities have to be focused on the investments which influence the general quality of life - especially spaces and activities with cultural potential, the value of existing/inherited urban milieu or the recognizable identity of a local community. In that sense, heritage areas could represent a valuable spatial resource, if maintained properly.

The medium-sized cities in ex-communist countries in Central Europe have a lot of similarities - particularly in the size of urban systems and the quality and potential of heritage zones. Additionally, they all had to face similar problems of urban, economic and social transition (Tosics, 2005). Since urban planning has been an issue at national level, the European Environment Agency proposed a platform which would help medium-sized cities of Central Europe to face contemporary challenges (European Commission - Directorate General for Regional Policy, 2011). The platform recognised the local authorities (different levels of government), business development groups, social partners and citizens (community representatives) as participants in the process of identifying visions, instruments and policies for further urban development. The sustainable urban future was underlined as an imperative, achievable through the simultaneous integration of elements related to economy, environment and social life. The sustainable treatment of the existing spatial fabric was indirectly tackled, as an element of improved quality of life, or related to the issues of urban safety and quality of green and public spaces.

The cities within EU, despite their national and regional differences, have synchronized their development within the framework given by the EU administration. Due to the process of globalization, the transformation of urban structure, as well as actual socio-economic change, are similar in both Western and ex-communist countries. Some initiatives, programs and projects address the problem of existing differences between member countries, bridging the gap caused by former development paths. They often serve as transmitters of successful western urban practices, adjusting them to local conditions. For that purpose, a wide range of projects has been funded from the EU cohesion and structural funds enabling not only the expected standardization, but also the promotion of European identity, its uniqueness, as well as cultural and regional differences and qualities. Therefore, funds are especially supportive to programs of local heritage protection and its

URBAN TRANSFORMATIONS OF HERITAGE AREAS: URBAN CORE VS. SURROUNDING NEIGHBOURHOODS

The shift from the industrial to post-industrial city has manifested itself on numerous levels of urban life and its spatial framework, but it is obvious that the main imperatives of further development are related to the quality of its environment. Therefore, the urban economy strongly depends on the mixture of city image, its identity, culture, accessibility and safety (Roger and Fisher, 1992), which underlines the importance of urban design. However, the process of urban revitalization, frequently driven by the logic of neo-liberal capitalism, has shown certain inconsistencies and failures, especially in the case of heritage areas. In giving priority to the economic interest of stakeholders, numerous cities have lost important elements of their urban atmosphere with a resulting decline in their quality of life. It was, therefore, necessary to establish a new system of urban indicators and guidelines incorporating a new approach to urban planning in specific surroundings. This approach took into consideration both physical and social elements and created a sustainable framework for the future improvement and development.

The problem of challenging heritage areas represents a common issue in all contemporary cities, but it has a special significance on the level of medium sized urban nodes\(^2\), which also have to compete on the global scene.

\(^2\)Medium-sized cities in Europe are defined by the Forbs criteria (2000): 1) at least 100,000 inhabitants, 2) listed in specialized rankings, 3) the presence of at least one company headquarter.
proper and sustainable use in the process of contemporary urban transformations.

According to Kivell (1993) the spatial transformations in the EU have been manifested as:

- growth of suburbanization;
- revitalization (re-urbanization) of central areas;
- growth of need for infrastructure;
- growth and decline of particular nuclei (i.e. the re-location of industry from the cities or the establishment of out-of-centre shopping centres in urban outskirts).

Simultaneously, the preservation of the physical fabric of the historic areas has been seen as a new potential for developing the real-estate markets of Central European countries. Therefore, the contemporary urban spatial transformation has been associated with the change in land-use pattern, restitution of private property, privatization, an influx of foreign investments and the development of new economies (Hamilton, 2005).

During the 1990s and beyond, special attention has been given to the areas with certain quality assets: historic city cores and surrounding heritage areas, i.e. housing blocks from the 19th and early 20th century. Both areas have been seen as prosperous in the (newly) established real and commercial markets, which have introduced new demands for good quality apartments, specific commercial and retail use, and development of tourism. At the same time, the built-up structures of the (protected) city cores have been perceived as an obstacle for further development, due to the limitations imposed by the legal framework (the system of heritage protection), unsuitability of the present structures for contemporary needs or the limited capacity of infrastructure supply systems (especially traffic networks and parking facilities).

However, the processes of internationalization and globalization have speeded up urban restructurings of the core areas, influencing new economies based on culture, creativity and the developing tourist industry. Foreign investments in new urban economies have helped Central European cities to start the process of regeneration focused on the declining central zones. Refurbished physical structures and public spaces have triggered the development of the real estate market for old buildings, even when they were unsuitable for modern living needs. In these cases, they were used for small business, start-up firms, specialized shops, restaurants and small-scale cultural production. Nevertheless, gentrification, as a widely promoted model of revitalization, has usually caused a decline of residential functions, traffic congestion and has severely damaged cultural heritage - due to great expectations of investors and conflicts with local heritage protection offices (Dimitrovska Andrews, 2005).

In the meantime, the areas of old neighbourhoods around the city core have allowed more flexibility. Although they present less valuable urban fabrics, their position close to the city centre represent their greatest advantage for investments. Therefore, these neighbourhoods have attracted more attention and the speed of real estate development has increased drastically. The blocks usually consist of badly maintained nationalized apartment buildings, while in some cases these areas include some of the unused and abandoned zones of old factories and military compounds, with low intensity of use. The existing buildings and public spaces are in poor condition, with obsolete technical infrastructure.

The revitalization of older neighbourhoods has been a process of physical upgrading associated with mostly commercial activities (office and retail use), but also with residential environment of higher quality. These changes have marked the unpopular with local residents and spontaneous process of gentrification. At the same time, the abandoned sites of non-residential structures have been demolished in the process of physical regeneration (for retail and shopping centres) or re-used as cultural quarters, introducing creative industries into existing structures. All these changes have reshaped the image of contemporary cities erasing previous points of reference. Consequently, the collective identity of local communities was redefined or even destroyed, although it might have been used as a competitive advantage.

Considering these processes, Gospodini (2002) makes an all-important point for the future development of European cities. After analysing their contemporary position in the intensely competitive urban market, she concludes that smaller cities (with less than 500,000 inhabitants) are not visible enough on the global market, but their development prospects are, in general, assessed to be favourable. Their main advantages are openness towards new contemporary economics (new-technology and service industries, educational functions, arts, crafts and cultural industries), easier and less costly modernization of technical and other infrastructure, lower development costs, as well as closer interfaces between built and natural environment. In the context of physical transformations, Gospodini also stresses the fact that the quality of urban fabric (heritage areas and open urban spaces) represents their dominant advantage both for visitors and inhabitants. Consequently, smaller cities must protect heritage areas both from decline and from rapid development in order to attract a steady flow of new investment and new residents. Bearing in mind that smaller (and medium-sized) cities on the European periphery have even lower chances for international recognisability, the importance of good, site-specific urban design should be emphasized as a decisive factor for their future.

Simultaneously, new development in historical areas usually generates a number of problems related to the lack of detailed planning regulation, inappropriate control procedures, a-contextual design of buildings, endangered urban continuity and identity (Dimitrovska Andrews, 2005). Therefore, the recommendations for the development and transformation of inner city housing neighbourhoods, formulated by Rypkema (1994), represent a good signpost for future initiatives. He argues that the existing housing neighbourhoods could provide a sufficient number of homes for mixed-income households, while the process of gentrification - if planned and conducted - should be based on positive discrimination towards long-time residents. Suggesting preservation of buildings as a more affordable option, he underlines historic preservation as a stabilizing social and economic factor for neighbourhoods, which
would provide a sense of the past, its values and embedded memories.

**RECOGNIZING THE HISTORICAL VALUE: THE CASE OF NOVI SAD**

The traditional centre of Novi Sad covers an area of 35 ha and is protected as a cultural and historical centre by the Protection Act which describes it as a “morphologically balanced and spatially unique urban matrix” (Act on the protection of Novi Sad traditional city core as a spatial cultural-historic area, 2008:11). Originating from the first half of the 18th century, the development of the area could be traced on city maps - from 1745 to 1867 map made by the architect Sauter).

Around the protected city core there is a territory characterized by a mostly radiant pattern of main roads and urban blocks consisting of family houses (single/two-storey buildings), designed in a range of 19th century architectural styles. Within this zone there are areas recognized as historically important for the urban development of Novi Sad (Urban planning, Development and Research Centre - Urbanizam Novi Sad, 2009). Five of them are located around the historical core, representing distinctive functional and spatial neighbourhoods covering between 9 and 44 hectares:

1. Jevrejska-Futoška streets (western city axis from the city centre toward Futog village).
2. Vase Stajića Street (area with villas built between 1918 and 1945).
3. Mali Liman (urban block designed in the spirit of Modernism).
4. Almaški kraj (area of single-storey houses with unique urban and architectural features).
5. Lukijana Mušickog Street (zone of early 20th century bourgeois houses).

The zone around Jevrejska-Futoška streets is among the most important and it includes housing blocks, public institutions (i.e. secondary schools, a public baths, military barracks, hospital complexes etc.) and scarce public spaces (parks and squares). Almaški kraj has an unusual irregular urban matrix, which is uncommon for the settlements in the Pannonian region. The urban landscape consists of modest 19th century single-storey houses, while its most important feature is Almaška church, the largest orthodox church in Novi Sad (also listed as a heritage building). Zones around the streets of Lukijana Mušickog and Vase Stajića, as well as the neighbourhoods of Mali Liman, are the result of the urban development between the early 20th century and the beginning of the Second World War - the period considered to be the most prosperous in the history of Novi Sad.

During the second half of the 20th century development was concentrated on the western outskirts of the city and the vacant land by the river Danube, where large housing estates were built. The industrial facilities were strategically located in the northern part of the city, beside the new railway corridor with a new bridge over the Danube. The traditional city core and the surrounding inner-city neighbourhoods remained underdeveloped until the 1990s, when the newly established real estate market used the period of political and economic transition to its advantage.

**Figure 2: Novi Sad - historically important inner-city neighbourhoods:**

- (1) area of Jevrejska-Futoška streets,
- (2) Vase Stajića Street,
- (3) Mali Liman,
- (4) Almaški kraj and
- (5) Lukijana Mušickog Street.

(Source: Urban planning, Development and Research Centre - Urbanizam, Novi Sad)

**Challenging the urban identity: development in the period of transition (2001-2009)**

The transition of the political and economic system of Serbia accelerated after October 2000. A new democratic government was elected and a comprehensive process of change started on all levels of society. The urban environment mirrored a transition in the social, economic and spatial spheres due to the modified role of local governments, the profile of stakeholders, the appearing system of investments and establishment of the real estate market. Considering the fact that local governance in a contemporary city has a huge impact on urban development and city image, it was not surprising that its importance in directing urban growth in Serbian cities increased (Stupar and Hamamcióglu, 2006). In this period, local government responsibility was confined to maintaining the primary urban infrastructure, while diverse categories of private investors focused on the construction of business and commercial properties and residential buildings.

The situation in Novi Sad followed the same trend, but the speed and intensity of these changes was additionally increased by the special position and role of the city. Situated on two Pan-European corridors (VII and X) and in close proximity to Belgrade and its airport, Novi Sad was exposed to a commercialization of urban space, intensified development of the real-estate market and a significant influx of money through both foreign investments and a process of privatization. Consequently, during the first decade of the 21st century Novi Sad became the second national champion (after Belgrade) in real estate development (Đivuljskij, 2006) and the extremely (neo)liberal investment climate produced a boom in apartment building until 2008. According to the data provided by the Urban planning, Development and Research Centre - Urbanizam Novi Sad (2009), the annual number of new apartments constructed during the period 2003-2008 was three to five times higher than the average in the previous decade. However, although the real estate development became one of the corner-
stones of urban economic growth, the planning process was unsuited to the needs of the emerging market. During this phase (2001-2009), the central urban core remained largely unaffected, leaving intact several post-war shopping centres unsympathetic to the historic urban fabric. The focus of the construction boom was on residential blocks, mostly in neighbourhoods in the north-western fringes (Detelinara). They predominantly consisted of large lots with single-family houses. The second focal area was on the southern border of the city centre (Grbavica neighbourhood). Meanwhile, there were no significant developments in retail and office space or public buildings.

In general, new development represented an intensive rebuilding of existing urban blocks, without interrupting/transforming the present urban matrix. Existing single-family houses were replaced by multi-family flats (usually of five storeys). At the same time, the previous horizontal regulation remained the same in order to maximize the value obtainable from individual lots. This process, conducted in a very short time, was not accompanied by the necessary development of public services, sufficient parking places, or upgrading and extension of public and green spaces. The introduction of much higher buildings into the existing urban pattern drastically changed the character and physical relations of the space, additionally raising the number of inhabitants. Consequently, the identity of the neighbourhoods was altered, the environmental quality decreased, while urban systems were strained by an unplanned influx of new users. The same logic of forced urban intensification was intended for some other traditional areas closer to the city centre, but the process was stopped due to the lack of finance in 2009, when the global (economic) crisis caused a decline in all construction activities. Although the heritage areas of the traditional city core and surrounding areas remained relatively protected, a small number of exclusive apartment buildings have been built since.

Obviously, the power of real estate markets, as well as profit-led development, can have damaging effects on the old urban structure. The situation becomes especially critical if these pressures result in poor quality of urban design, inconsistent and questionable construction principles and features, implemented without consideration of the environmental context (Balestrieri, 2013). Jeopardizing the inherited values and continuity of these historic areas the city could permanently lose a vital part of its urban memory and uniqueness. Instead, the urban heritage should be cherished as an important (and permanent) resource, whose attraction can generate long-lasting benefits for both the community and the city.

**Toward 2030: Re-defining the planning approach**

The period after 2008 was marked by a rationalization of investment priorities which brought about some new trends in spatial development. The new urban planning documents (detailed regulation plans, general regulation plans and city master plan) have been under revision, in response to the new investment climate. Work on a new Master Plan for Novi Sad has been initiated, anticipating urban development up to 2030. Relying on an improved methodology and appropriate/updated planning tools, the new vision should provide a different, more responsive approach toward the built urban heritage, reconsidering its value and role in developing a general urban competitiveness.

According to Friedeman (1973), the concept of urban planning should connect forms of knowledge with forms of action, and, within this context, the central point of the normative approach design (Steinø, 2003). Therefore, planning has to have a well-defined idea about the future, the anticipated/expected outcomes of proposed strategies, as well as how the plans are to be implemented. Considering this framework, the built environment should be treated...
from a normative perspective, which is especially important in areas with heritage qualities. In the case of the new master plan for Novi Sad, it is necessary to introduce a list of rules which will ensure that existing physical structures are taken into account when new developments are being considered. The quality of the existing urban fabric should be analyzed from different aspects, but mostly concentrating on physical design – i.e. the quality and morphology of the urban matrix, as well as the structural and architectural features of the existing buildings. Simultaneously, it is important to define a set of design standards which should be applied to all new buildings. These norms, as an important part of a redefined normative planning approach, should seek to add, to existing areas, new value on the spatial, functional, cultural and environmental levels.

The legal framework in the Republic of Serbia provides at least two ways for the protection of built cultural heritage - passive, as well as active. The Law on Cultural Goods (1994) defines a procedure by which buildings of certain cultural, historic and architectural value may be listed as monuments. According to the Law on Planning and Construction (2009), an urban plan can provide a certain level of protection of the urban fabric, including structures of specific urban and architectural value. Plans, therefore, can provide directives for the treatment of existing structures, as well as rules for shaping new ones. Considering these legal determinants, the preparation of the new master plan included within it a Study of the Urban and Architectural Design of Novi Sad (2009), which had been undertaken in order to identify areas with significant heritage assets. The Study, as a precondition for finalizing the new strategic document, focused on the recognition of the areas with the highest concentration of protected and valuable buildings and important public spaces. It also stated that some of the existing common practices (i.e. developing lot by lot, high-rise building etc.) will remain, but with some alternation which could provide more precise and detailed instructions as tools to guide new development. The findings of the study have been integrated in the planning process and should be included in the final version of the Master Plan of Novi Sad 2030.

However, the planning tools for the implementation of the intended actions have not yet been developed and the relation between the identified (target) zones and the suggested rules has to be further elaborated and adjusted to local setting(s). Consequently, several aspects need to be considered in defining the criteria for a typological classification of urban areas, their ‘profiling’ and a proper application of the suggested rules:

1. Historical and geographical aspect
   - Historical uniqueness/identity (an area materializes a valuable period of local history, or is developed under unique historical conditions);
   - Spatial uniqueness/identity (shaped by natural or man-made restrictions);

2. Urban and architectural aspect
   - Consistence of urban morphology (recognizable spatial pattern, diverse urban typology);
   - Quality of public space (street pattern, number of squares, visual connections to urban focal points and other spatial features);

3. Planning perspective
   - Area of mostly unchanged urban and architectural structures;
   - Recent new practice - added or preserved values of spatial quality;

4. Other preferences
   - Uniqueness of public, and specifically green, spaces;
   - Natural protected monuments (including parks and botanical assets);
   - Other reasons (intangible values of an area etc).

In order to direct future development of identified areas with specific urban (built) heritage, the site-sensitive rules should be responsive to detected problems of both urban and architectural design. Bearing in mind possible deviations from planning outcomes, caused by conflicts in the values and interests of different actors, these rules should be adhered to in every project.

On the level of the urban fabric, the set of rules for urban design should include:

- keeping the present profile of the streets (except in cases when a small correction will improve the traffic flow);
- protecting the existing urban and architectural pattern (limits on the height of perimeter blocks and on the volume of new structures);
- preserving quality public spaces and architecturally important buildings, whether they are recognized as heritage assets or not;
- design of new structures which should provide spatial uniqueness and help maintain the existing identity of a neighbourhood.

With respect to the construction of new buildings and their accommodation to the existing visual and historical qualities of the area, the rules relating to architectural design should consider:

- the preservation of street frontage elevations (up to three storeys and attic);
- the retention of existing roof forms;
- the maintenance of local facade designs;
- the use of only authentic materials in facades.

CONCLUSION

The most important issue for urban development in Novi Sad is that the share of public (state) funds in urban development has decreased significantly since 2001, and consequently, the...
city has had to search for private investors, whose interests often collided with planning objectives, environmental imperatives or already embedded traditions and urban memories.

The period between 2001 and 2009 was one of the most intense development phases for the real estate market. Searching for well-positioned sites in close proximity to the city centre, a number of small developers acquired segments of the inner-city neighbourhoods, replacing small single-family houses by five-story high, multi-family housing. This trend increased the population density and highlighted the insufficient capacity of existing infrastructural systems and impacted on the overall quality of the urban space. Since 2009, the declining rate of new investments in residential, retail and other commercial buildings has halted construction activities and created a vacuum which might be used for reviving earlier goals for the local economy and setting new visions of economic, social, cultural and spatial development. Maintaining good conditions for future real estate development certainly remains one of the major goals, but only within a development framework which respects values of the built heritage - as an element of urban identity and social cohesion, an imperative of attractiveness and providing the potential for an important competitive advantage on the local and European level. Contemporary trends in urban regeneration have already confirmed this thesis by implementing numerous projects and initiatives focused on old inner-city neighbourhoods.

Some areas of Novi Sad have already sacrificed their spatial identity under the new wave of investments. Using the obvious lack of formal protection, ignoring urban fabric and its heritage substance, new buildings imposed their own logic and rhythm to the space, negating the local cultural context. However, these situations could be prevented by the implementation of agreed urban design guidelines, rules and instruments.

Recognizing the importance of these recommendations, the preparation of the Master Plan of Novi Sad 2030 included a study intended to help reconcile two opposing interests – the will to protect and preserve the urban heritage and the pressure for new development and investment. The new approach introduced site-sensitive rules and standards for urban and architectural design, to be further elaborated in other planning documents. Their implementation should assist planning and architectural practice in the preservation of urban memory and of the atmosphere of old neighbourhoods in the contemporary life of Novi Sad.

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