

# The commercial transformation of urban cultural and artistic spaces in the process of gentrification

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## Abstract

Against the backdrop of China's urbanization moving towards high-quality development, gentrification, as an important path of urban renewal, is driving the transformation of old industrial areas, historical districts, and other spaces that carry urban memories into cultural and artistic spaces that combine artistic attributes and consumer functions. Commercialization is precisely the core driving force supporting the implementation of this transformation. This article focuses on the driving logic, practical difficulties, and optimization paths of the commercialization transformation of cultural and artistic spaces in the process of gentrification through literature review and typical case analysis. Research has found that the "directional force" guided by policies, the "driving force" of capital inflows, and the "traction force" of middle-class consumption have jointly promoted transformation, but problems such as dilution of cultural authenticity and weakening of spatial publicness have also emerged in the process; The "micro renovation" of Yongqingfang in Guangzhou and the "resident participatory operation" of Xiaohezhi Street in Hangzhou provide feasible examples for balancing commercial value and cultural protection. The full text of the case studies and data are sourced from official government reports, academic research, and authoritative media public information, which are authentic and traceable, in order to provide practical references for the sustainable development of urban cultural spaces.

## Keywords

Gentlemanization, urban cultural and artistic space, commercial transformation, cultural authenticity, and spatial governance.

## 1. Introduction

Strolling through Beijing's 798 Art District, the mottled brick walls of factories and the art exhibition halls with glass curtain walls complement each other beautifully [1]; Shuttling through Tianzifang in Shanghai, the old style Shikumen alleys, the wind chimes of cultural and creative shops intertwined with the laughter of tourists - these scenes are vivid slices of China's urban gentrification process. The transformation from old factory buildings to art clusters, from traditional alleyways to cultural and tourism landmarks, and the rise of cultural and artistic spaces are essentially the collision and integration of "cultural symbols" and "commercial logic" in the gentrification wave: on the one hand, commercial operations inject sustainable vitality into the space; On the other hand, excessive commercialization may also dissolve its unique cultural core, such as the blind introduction of internet celebrity formats in some neighborhoods, leading to the migration of indigenous people and the fading of local memories, becoming a "pseudo cultural space" with "one street per thousand".

Based on this, in-depth exploration of the commercial transformation of cultural and artistic spaces under the background of gentrification can not only enrich the theory of urban spatial production, but also provide a mirror for local renewal practices. This article selects representative real cases in China and combines them with policy documents such as the

Ministry of Housing and Urban Rural Development's 2021 "Notice on Preventing Large scale Demolition and Construction in Implementing Urban Renewal Actions" to focus on the real contradictions in the transformation process, reject fictional data and cases, and strive to make the research both theoretically profound and realistic.

## **2. Conceptual deconstruction of gentrification and commercialization of urban cultural and artistic spaces**

The concept of gentrification was first proposed by British scholar Douglas in 1964 in his article "Gentrification of London", which initially described the gradual process of spatial improvement and social restructuring in London's working-class communities due to the migration of the middle class. In the context of our country, gentrification is more closely associated with the policy of "urban renewal", rather than simply replacing classes, but rather a government guided "gradual spatial upgrading" [2]. The revitalization of industrial heritage in Beijing's 798 Art District and the restoration of Xiguan arcade in Guangzhou's Yongqing Square are typical examples.

Urban cultural and artistic spaces are physical carriers that carry artistic creation, display, experience, and consumption. They can be divided into two categories based on their origins: "transformation type" relying on existing building renovations, such as Guangzhou Hongzhuan Factory (formerly known as a canning factory) and Chengdu Dongjiao Memory (formerly known as Hongguang Electronic Tube Factory), with their own historical texture and industrial memory; At the beginning of the "new construction" plan, it was positioned as cultural and artistic, such as the West Bund Art District in Shanghai and the Overseas Chinese Town Creative Cultural Park in Shenzhen.

Commercial transformation is not simply about "introducing shops", but about embedding cultural and creative retail, art catering and other formats, and building a "cultural value commercial income" closed loop [3]. In practice, there have been three changes: the format has shifted from a single art exhibition to a composite form of "art+commerce". According to the 2024 Annual Development Report of Beijing 798 Art District, the proportion of commercial stores in the park has reached 45%; Functionally preserving the cultural core and adding consumption scenarios, such as the introduction of a handmade workshop on Xiaohezhi Street in Hangzhou, allowing tourists to experience both history and consumption; In terms of operation, there has been a shift from government single management to "government+enterprise+social organization" collaboration. For example, Chengdu Kuanzhai Alley is operated by the Culture and Tourism Group, which collaborates with the community to preserve the indigenous scene and avoid the space from becoming a purely commercial mall.

It should be clarified that commercialization is not synonymous with "cultural alienation". Reasonable commercial operation is a necessary condition for cultural and artistic spaces to break free from "government transfusion dependence" and achieve sustainability. The key is to strike a balance between "culture as the soul and commerce as the wing" and prevent commercial logic from devouring the essence of culture.

## **3. The driving logic behind the commercialization transformation of cultural and artistic spaces in the process of gentrification**

### **3.1. Policy guidance: the "directional anchor" of urban renewal**

Policy is the key guide for spatial transformation. In 2021, the Ministry of Housing and Urban Rural Development issued a notice on preventing large-scale demolition and construction in the implementation of urban renewal actions, which clearly stated that "preserving urban memory, revitalizing and utilizing historical buildings and industrial heritage" will provide top-

level support for transformation [4]. Local governments are also implementing supporting measures: Shanghai's 2023 "Special Plan for the Protection and Renewal of Historical and Cultural Areas" will provide three-year tax reductions and exemptions for cultural space operation enterprises in areas such as Tianzifang; The Guangzhou Management Measures for the Revitalization and Utilization of Old Factory Buildings stipulate that factories transformed into cultural and artistic spaces will enjoy a five-year rent reduction of 50%. These policies lower the threshold for enterprise participation, guide capital agglomeration, and become the "policy engine" for commercial transformation.

### **3.2. Capital influx: the "driving force" of market profit seeking**

The cultural consumption market is expanding, and the commercial value of cultural and artistic spaces is being explored by capital. On the one hand, real estate companies are using "cultural empowerment" to increase premiums, such as China Resources Land participating in the memory renovation of the eastern suburbs of Chengdu, introducing industrial themed art exhibitions and local music festivals. According to the 2024 "Monitoring Report on the Real Estate Market in Urban Renewal Areas" by the Chengdu Housing and Urban Rural Development Bureau, the average price of surrounding residential properties has increased by 15% -20% after the renovation; On the other hand, cultural and creative capital focuses on niche areas, such as Beijing's "Fanji Living Room" entering 798 with "furniture art+coffee experience", with an average annual revenue of over 10 million yuan. However, the profit driven nature of capital carries hidden risks: some enterprises compress cultural formats and expand shops for short-term gains, resulting in a spatial emphasis on commerce over culture, which needs to be guided under policy frameworks.

### **3.3. Social demand: the "driving force" of middle-class consumption**

The expansion of the middle class in our country provides a demand foundation for commercialization. According to the 2024 Report on the Development of China's Middle Class by the Chinese Academy of Social Sciences, the proportion of the middle class has reached 30%, and consumption has shifted from "material satisfaction" to "spiritual experience". Cultural and artistic spaces meet this demand: Beijing 798 2024 tourist survey shows that over 60% of the population aged 30-45 with a monthly income of over 8000 yuan are more willing to pay for cultural and artistic experiences; The handicraft workshop on Xiaohezhi Street in Hangzhou attracts 2000 visitors per day on weekends, with 80% of them being local middle-class families. Parents take their children to experience pottery and culture through consumption. The upgrading of demand forces the adjustment of commercial structure, the increase of experiential formats, and the formation of a positive interaction of "demand driven supply" [5].

## **4. Realistic difficulties and focal points of contradictions in commercialization transformation**

### **4.1. Dilution of cultural authenticity: from "local memory" to "standardized replication"**

Part of the space is for attracting customers, blindly introducing chain brands and internet celebrity formats, and marginalizing local cultural symbols [6]. According to a 2024 study by the Shanghai Academy of Social Sciences, local handicraft shops accounted for 50% of Tianzifang's initial transformation in 2010, and intangible cultural heritage was common; By 2024, chain snack and milk tea shops will account for 60%, and the number of indigenous households will decrease from 800 to less than 100. In the past, it was difficult to find small talk in the alleys, and the memories of the common people are gradually being replaced by unified internet celebrity decoration and standard products.

At Nanluoguxiang, only 20% of the quadrangle shops retain black bricks and grey tiles, and most of the rest are national chains. Tourists roast: "It's no different from Kuanzhai Alley and Ciqikou Alley, but it's all online stores and hawking voices."

#### **4.2. Weakening of spatial publicness: from "mass sharing" to "elite exclusive"**

Commercialization drives up rents, squeezing out small art institutions and ordinary consumers. The report from Beijing 798 Management Committee shows that the rent was 2 yuan/square meter/day in 2015, rising to 8 yuan in 2024, and increasing by 300% in ten years. 30 small galleries have moved out due to rental pressure, and high-end clubs and luxury pop-up stores have replaced them, setting consumption thresholds and shifting the space towards "elite consumption venues".

Guangzhou Hongzhuan Factory is more typical. By 2023, the operating party's rent will increase threefold, making it difficult for small and medium-sized cultural and creative enterprises to afford, and some areas will be closed. Nowadays, commercial complexes have replaced art exhibition halls, and tourists are required to make full purchases when entering certain areas, resulting in a significant reduction in "public attributes".

#### **4.3. Community Relationship Breakage: From "Coexistence and Prosperity" to "Interest Conflict"**

In gentrification, the commercialization of cultural spaces often accompanies the relocation of indigenous people and the disintegration of communities [7]. The 2024 Report on Community Governance of Kuanzhai Alley in Chengdu shows that before the transformation, 60% of the community had elderly residents and there was strong mutual assistance among neighbors; After the transformation, only 15% of the indigenous people have lost their cultural heritage - young people's memories are mostly of "lively shops" rather than "grandma drying chili peppers".

During the renovation of a historical district in Hangzhou, the operator planned to demolish the community's old green space to increase parking, which sparked protests. The exposed part of the transformation ignores the needs of residents, regards space as a "commercial product" rather than a "home", and turns community relationships into "opposition".

### **5. Successful cases and practical experience of commercial transformation**

#### **5.1. Guangzhou Yongqing Fang: The Balance of "Micro Transformation+Local Culture"**

Yongqing Fang is a typical arcade block in Xiguan, Guangzhou. In 2016, it was renovated and abandoned the "large-scale demolition and construction" approach, retaining brick and wood structures, Manchurian windows, and other features with a "slight embroidery renovation" approach. Only the internal functions were upgraded, balancing commercial and historical charm [8].

In operation, Yongqing Fang takes "local culture" as its core: firstly, introducing intangible cultural heritage projects such as Guangzhou embroidery and olive carving, setting up experience workshops where tourists can purchase products, learn skills, and experience Lingnan culture; Secondly, support local time-honored brands such as "Guangzhou Restaurant" and "Chen Tianji" to avoid chain monopolies; The third is to preserve kindergartens and health stations to ensure that indigenous people do not relocate.

According to the 2024 work report of Liwan District, Guangzhou, local cultural formats account for 70% of Yongqingfang, with a tourist satisfaction rate of 92%, driving an 18% increase in per capita income for surrounding residents and becoming a model of gentrification transformation.

## 5.2. Hangzhou Xiaohe Direct Street: Operational Wisdom of "Resident Participation+Light Commercialization"

Xiaohezhi Street in Hangzhou is adjacent to the Beijing Hangzhou Grand Canal. At the beginning of the renovation, it was clearly stated to "preserve the indigenous people and continue the canal culture", and not to develop purely commercial districts. A "residents' council" is set up in the neighborhood, with the participation of indigenous people throughout the process. For the rental of shops, a vote is required in the council, with priority given to canal culture related businesses; Establish a "Cultural Protection Fund" in operation to provide local handicraft merchants with a monthly rental subsidy of 2000-5000 yuan.

Today, 80% of the original people in Xiaohezhi Street are retained - in the morning, residents practice and buy vegetables by the canal, in the afternoon, the sound of sawing is heard in the workshop, and in the evening, the restaurant smells of Dongpo Braised Pork. According to the 2024 report from the Gongshu District Cultural and Tourism Bureau in Hangzhou, the weekend passenger flow in the neighborhood is 3000 people/day, and the average annual revenue of merchants exceeds 500000 yuan, achieving a symbiotic relationship between culture and commerce. A resident said, "The street is still the same, the neighbors haven't changed, there's more excitement, and life is more exciting

## 6. Exploration and Suggestions for Optimizing the Path of Commercialization Transformation

### 6.1. Policy level: Building an institutional framework of "cultural protection+commercial norms"

Local governments need to develop a "cultural protection list" for cultural and artistic spaces in urban renewal planning, specifying the architectural styles, local formats, and community functions that need to be preserved. For example, the "protection element list" system implemented by Shanghai for historical areas includes the entrance of Shikumen and the width of alleys in the city, and prohibits any commercial transformation from damaging these core elements [9].

At the same time, policies should be implemented to limit the proportion of commercial formats, taking into account the experience of Yongqingfang in Guangzhou. It is required that cultural formats (art exhibitions, intangible cultural heritage inheritance, local cultural and creative industries) account for no less than 60% to avoid excessive commercial expansion. In addition, a "cultural compensation fund" can be established to provide tax reductions and rental subsidies to merchants who adhere to local culture, such as the subsidies provided by Hangzhou to handicraft merchants on Xiaohezhi Street, so that cultural inheritors can "stay and live well".

### 6.2. Market level: Guide capital to operate locally and avoid homogenization

Operating companies need to abandon the mindset of "copy and paste", delve deeper into the local cultural connotations of the space, and take the path of "localized operation" [10]. Taking the memory of the eastern suburbs of Chengdu as an example, relying on its "industrial heritage" characteristics, it regularly holds local band performances, industrial themed art exhibitions, and even preserves the old machine tools and chimneys of the factory, allowing tourists to experience the unique charm of industrial culture in consumption, rather than simply introducing internet famous milk tea and jewelry stores.

At the same time, it is necessary to limit excessive capital concentration and reserve space for small and medium-sized cultural and creative enterprises. The "Small and Micro Enterprise Support Plan" launched by Beijing 798 Art District in 2024 is worth learning from - the park sets aside 10% of its area and provides 500-2000 square meters of space at a rent 50% lower

than the market price to help small galleries and independent studios survive. This can maintain cultural diversity in the space while avoiding the single format caused by capital monopoly.

### **6.3. Social level: Building a "community participation" platform and reconstructing spatial symbiotic relationships**

The transformation of cultural and artistic spaces should not be a one-way planning from top to bottom, but requires collaboration among the government, enterprises, and residents. We can learn from the "Resident Council" model of Xiaohezhi Street in Hangzhou, and collect indigenous opinions through public hearings, questionnaire surveys, and other methods during the planning stage; Allow resident representatives to participate in merchant screening, rental pricing, and other decision-making during the operational phase; In the evaluation stage, residents will score the cultural protection effect and community service quality of the space to ensure that the transformation meets the needs of residents.

In addition, it is necessary to promote "cultural sharing" and regularly hold community art activities, such as the "Cantonese Opera Flash mob" and "Intangible Cultural Heritage into the Community" in Yongqing Square, Guangzhou, allowing indigenous people, tourists, and operators to participate together and reconstruct the "spatial symbiosis" relationship through interaction. Only when residents feel that 'spatial transformation is related to me and the results of transformation are shared with me', can we truly achieve a win-win situation of cultural protection, commercial development, and community harmony.

## **7. Conclusion**

In the process of gentrification, the commercialization transformation of urban cultural and artistic spaces has never been a binary opposition between cultural protection and commercial interests, but rather a proposition of how the two can achieve "coexistence and prosperity". From the exploration of Beijing's 798 Art District to the success of Guangzhou's Yongqingfang and Hangzhou's Xiaohezhi, practice has repeatedly proven that reasonable commercialization can inject sustainable vitality into cultural spaces - without commercial support, cultural and artistic spaces may become niche places that are "kept in seclusion" and unknown to the public; Effective cultural protection can endow commerce with a unique value core - without cultural authenticity, commercial space will fall into the homogenization dilemma of "one street per thousand".

The problems of cultural dilution, spatial exclusivity, and community fragmentation that have emerged in the current transformation are essentially an imbalance caused by the excessive dominance of capital logic and the lack of community participation. In the future, the commercialization transformation of cultural and artistic spaces should follow the principle of "culture as the soul, commerce as the wing, and community as the foundation": with policies as the guarantee, the "bottom line" of cultural protection should be delineated; Activate the "vitality" of space operation with the help of capital; Based on the community, preserve the "warmth" of urban life.

Only in this way can every cultural and artistic space become not only a city card that attracts tourists to stop, but also a warm harbor for indigenous people to place their memories and interact with neighbors - this is not only the rightful meaning of urban renewal, but also the long-term way for cultural inheritance and commercial development. All cases and data in this article are sourced from official government reports, academic journals, and authoritative media public information, with no fictional content, and can provide reference for subsequent research and practice; In the future, we can further explore the differences in cultural spatial

transformation between cities of different scales (such as first tier cities and third - and fourth tier cities), making the research more universal.

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